YANGAROO INC.

Financial Statements

For the Years Ended December 31, 2025 and 2024
(Expressed in United States Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Yangaroo Inc.

Opinion

We have audited the financial statements of Yangaroo Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of net income and comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on April 25, 2025.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company's current liabilities exceeded its current assets as at December 31, 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3

mcgovernhurley.com

t. 416-496-1234

context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Measurement and recognition of Government assistance	
Refer to Note 2(c) – Significant accounting judgments and sources of estimation uncertainty and Note 21 – Government Assistance. The Company applied for the Employee Retention Tax Credit ("ERTC") during the fiscal year ended December 31, 2022. The Company is required to continuously assess whether there is reasonable assurance that the grant will be received. We considered a key audit matter due to (i) the significance of the balance; and (ii) the significant judgement made by management in assessing collectability.	Our audit procedures included, but were not limited to: - We evaluated management's assumptions applied for assessing the collectability of the ERTC by carrying out the following procedures, among others: ▪ Obtained confirmation from the Company's agent as to the probability of collection based on historical experience. ▪ Considered various publicly available information to inform collectability. ▪ Considered appropriateness of the disclosures in the financial statements.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

McGovern Hurley

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

McGovern
Hurley

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Soheil Talebi.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 29, 2026

YANGAROO INC.

Statements of Financial Position

(Expressed in United States dollars)

	December 31 2025	December 31 2024
Assets		
Current		
Cash	**$161,112**	$231,083
Accounts Receivable (note 5(b))	**1,631,024**	1,496,475
Contract Assets (note 11)	**72,986**	58,985
Other Receivable	**-**	10,321
Prepaid and Other Assets	**83,490**	126,595
Current Assets	**1,948,612**	1,923,459
Non-Current		
Government Assistance Receivable (note 22)	**429,977**	429,977
Property and Equipment and Right of Use Assets (note 7)	**296,140**	449,159
Intangible Assets (note 8)	**1,765,853**	1,938,212
Goodwill (note 9)	**359,146**	359,146
Total Assets	**$4,799,728**	$5,099,953
Liabilities		
Current		
Revolving Credit Facility (note 13)	**$673,624**	$729,750
Trade Payables and Accrued Liabilities (notes 5(c), 10 and 21)	**710,655**	1,138,063
Contingent Consideration (note 6)	**78,926**	88,100
Contract Liabilities (note 11)	**182,529**	87,738
Current Portion of Lease Obligations (note 12)	**162,954**	144,139
Term Loan Facility (note 13)	**827,571**	1,159,680
Convertible Debenture – Host Debt (note 14)	**422,417**	331,090
Convertible Debenture – Embedded Derivative (note 14)	**145,315**	86,394
Current Liabilities	**3,203,991**	**3,764,954**
Non-Current		
Lease Obligations (note 12)	**156,249**	303,920
Total Liabilities	**3,360,240**	4,068,874
Shareholders' Equity		
Share Capital (note 15)	**27,866,820**	27,826,282
Share-Based Payments Reserve (note 16)	**6,005,729**	5,971,266
Foreign Currency Translation Reserve	**1,157,622**	1,157,622
Accumulated Deficit	**(33,590,683)**	(33,924,091)
Total Shareholders' Equity	**1,439,488**	1,031,079
Total Shareholders' Equity and Liabilities	**$4,799,728**	$5,099,953

Going concern (note 2(b))
Subsequent events (note 25)

Approved by the Board of Directors

"Shepard Boone"
Director

"Phil Benson"
Director

YANGAROO INC.

Statements of Net Income and Comprehensive Income

For the Years Ended December 31, 2025 and 2024

(Expressed in United States dollars)

	2025	2024
Revenue (note 20)	**$7,105,703**	$8,056,504
Expenses		
Salaries and Consulting (notes 16 and 21)	**4,360,039**	4,511,859
Depreciation and Amortization (notes 7 and 8)	**982,899**	737,099
General and Administrative	**806,592**	824,878
Technology and Production (note 18)	**542,123**	928,260
Marketing and Promotion	**214,443**	229,146
Restructuring Expense	**-**	77,422
Government Subsidy (note 22)	**-**	(19,999)
Total Expenses	**6,906,096**	7,288,665
Income Before Other Income (Expenses)	**199,607**	767,839
Other Income (Expenses)		
Gain from Settlement (note 24)	**760,000**	-
Interest Expense	**(301,910)**	(391,896)
Foreign Exchange (Loss)/Gain	**(148,159)**	215,923
Remeasurement of Embedded Derivative Liability (note 14)	**(84,258)**	31,792
Remeasurement of Contingent Consideration (note 6)	**(45,936)**	(61,750)
Total Other Income (Expense)	**179,737**	(205,931)
Net Income Before Income Tax	**379,344**	561,908
Income Tax Expense (note 19)	**45,936**	25,495
Total Net and Comprehensive Income	**$333,408**	$536,413
Basic Income per Share (note 17)	**$0.01**	$0.01
Diluted Income per Share (note 17)	**$0.01**	$0.01

YANGAROO INC.

Statements of Changes in Shareholders’ Equity

For the years ended December 31, 2025 and 2024

(Expressed in United States dollars)

	Number of Shares	Share Capital	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Balance at December 31, 2023	62,437,140	$27,826,282	$5,971,266	$1,157,622	$(34,460,504)	$494,666
Net and Comprehensive Income for the Year	-	-	-	-	536,413	536,413
Balance at December 31, 2024	**62,437,140**	**$27,826,282**	**$5,971,266**	**$1,157,622**	**$(33,924,091)**	**$1,031,079**
Share-Based Compensation (notes 16 and 21)	-	-	45,101	-	-	45,101
Exercise of Stock Options (notes 15 and 16)	500,000	24,365	(10,638)	-	-	13,727
Issuance of Shares (notes 15 and 16)	383,135	16,173	-	-	-	16,173
Net and Comprehensive Income for the Year	-	-	-	-	333,408	333,408
Balance at December 31, 2025	**63,320,275**	**$27,866,820**	**$6,005,729**	**$1,157,622**	**$(33,590,683)**	**$1,439,488**

YANGAROO INC.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024
(Expressed in United States dollars)

	2025	2024
Cash Flow from Operating Activities		
Net Income for the Year	**$333,408**	$536,413
Items Not Affecting Cash:		
Depreciation and Amortization	**982,899**	737,099
Share-Based Payments (note 21)	**45,101**	-
Issuance of Common Shares (note 15)	**16,173**	-
Loss Allowance	**10,224**	22,914
Accrued Interest and Accretion	**114,749**	122,489
Remeasurement of Embedded Derivative Liability (note 14)	**84,258**	(64,931)
Remeasurement of Contingent Consideration	**45,936**	61,749
Unrealized Foreign Exchange Gain	**(8,725)**	-
Changes in Non-Cash Operating Working Capital:		
Accounts Receivable	**(144,773)**	170,282
Prepaid and Sundry Assets	**43,105**	69,772
Contract Assets	**(14,001)**	10,742
Other Receivable	**10,321**	15,800
Trade and Other Payables	**(340,767)**	37,417
Contract Liabilities	**94,791**	(71,763)
Net Cash from Operating Activities	**1,272,699**	1,647,983
Cash Flow From (Used) in Investing Activities		
Acquisition of Property and Equipment (note 7)	**(19,485)**	(2,509)
Expenditure on Software Development Assets (note 8)	**(630,922)**	(626,964)
Net Cash Used in Investing Activities	**(650,407)**	(629,473)
Cash Flow From (Used) in Financing Activities		
Payment of Lease Obligations (note 12)	**(135,970)**	(151,081)
Principal Repayment of Term Loan (note 13)	**(371,486)**	(552,060)
Repayment of Revolving Credit Facility (note 13)	**(56,783)**	(120,847)
Payment of Contingent Consideration (note 6)	**(141,751)**	(114,367)
Exercise of Stock Options	**13,727**	-
Net Cash Used in Financing Activities	**(692,263)**	(938,355)
Net (Decrease) Increase in Cash	**(69,971)**	80,155
Cash, Beginning of the Year	**231,083**	150,928
Cash, End of the Year	**$161,112**	$231,083
Supplemental Cash Flow Info:		
Cash Interest	$182,582	$251,397
Taxes Paid	$9,310	$17,342
Right of Use Assets Acquired via Lease Obligation	$7,114	$306,168

See accompanying notes, which are an integral part of these financial statements

1. Nature of Operations

Yangaroo Inc. ("Yangaroo" or "the Company") is a technology provider in the media and entertainment industry, offering a cloud-based software platform for the management and distribution of digital media content. Yangaroo's Digital Media Distribution System ("DMDS") platform is a patented cloud-based platform that provides customers with a centralized and fully integrated workflow directly connecting radio and television broadcasters, digital display networks, and video publishers for centralized digital asset management, delivery, and promotion. DMDS is used across the advertising, music, and entertainment awards show markets.

Yangaroo Inc. is a publicly listed company incorporated on July 28, 1999, under the laws of Ontario as Musicrypt.com Inc. and changed to its present name on July 17, 2007. Yangaroo trades on the TSX Venture Exchange under the symbol YOO.V.

The address of the Company's corporate office and principal place of business is 360 Dufferin Street, Suite 203, Toronto, Ontario, M6K 1Z8.

2. Basis of Preparation

(a) Basis of Compliance

These financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies applied in these financial statements are based on IFRS issued and outstanding as of December 31, 2025.

These financial statements were authorized for issue by the Board of Directors on April 29, 2026.

(b) Basis of Measurement

The financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value and on an accrual basis except for cash flow information.

The financial statements are presented in **US dollars**, which is also the Company's functional currency.

The financial statements were prepared on a going concern basis, which assumes that Yangaroo will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

For the year ended December 31, 2025, the Company generated net and comprehensive income of $333,408 (2024: $536,413) and positive cash flows from operations of $1,272,699 (2024: $1,647,983), and has a working capital deficit of $1,255,379 as at December 31, 2025. The Company's ability to continue as a going concern is dependent upon the Company's ability to successfully refinance the term loan of $827,571 and revolving credit facility of $673,624 (the "Credit Facility"), which matured on June 26, 2025. From this date to March 23, 2026, the Company remained in active discussions with the Bank to extend the Credit Facility and remained current on all scheduled interest and principal payments in accordance with the original terms of the Credit Facility. The Company also continued to have access to the revolving portion of the Credit Facility, which supported its working capital requirements on an as-needed basis, while discussions with the Bank continued. On March 23, 2026, the Company successfully amended its existing Credit Facility to the new maturity date of December 31, 2026. In parallel, the Company was evaluating additional options to repay or refinance the Credit Facility through equity financing, debt financing, or rights offerings from existing shareholders, on an ongoing basis.

There is no assurance that the Company will successfully raise sufficient funds through equity or debt financing. As a result of these conditions, there is material uncertainty that casts significant doubt regarding the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments that might be necessary to the carrying amount of reported assets, liabilities, revenue, and expenses and the statement of financial position classification used if the Company was unable to continue operations in accordance with this assumption. Such adjustments could be material.

(c) Significant Accounting Judgements and Sources of Estimation Uncertainty

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the reported amounts and the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenditures during the period reported.

The most significant judgements and estimates made by management in preparing the Company's financial statements are described as follows:

Judgements:

(i) Revenue Recognition

To the extent a contract includes multiple performance obligations, the Company applies judgement to determine whether these performance obligations are capable of being distinct in the context of the contract. If these criteria are not met, the promised services are accounted for as a combined performance obligation.

(ii) Investment Tax Credits

The Company uses judgement to determine the reasonable assurance of collection and estimates the valuation of investment tax credits to be accrued.

(iii) Collectability of Accounts Receivable

The Company applies judgement to measure estimated credit loss on accounts receivable at an amount equal to the lifetime expected credit loss ("ECL"). The Company applies judgement to evaluate each receivable at year end based on factors such as the age of the receivable, payment risk, and credit risk.

(iv) Collectability of Government assistance

The Company applies judgement in continuously assessing whether there is reasonable assurance that the grant will be received. In making this assessment, management considers both quantitative and qualitative criteria, including timing since application, observable adverse events, and significant changes in expected performance or financial condition of the counterparty.

(v) Share-Based Payments

Share-based payments, which include stock options and Restricted Share Units ("RSU") granted to employees, officers, and directors and warrants granted to agents and debenture holders, to the extent that they are not measured at the fair value of the services received, are based on the fair value at the date of the award. Stock options are valued using the Black-Scholes option pricing model, which includes inputs that require management's estimates and assumptions, and judgement with respect to the expected forfeiture rate. Judgment is also used in determining whether the performance indicators associated with RSU vesting dates have been met.

(vi) Capitalized Software Development Costs

The Company uses judgment to determine when internally generated software development costs are available for intended use and to assess if the expenditures meet the criteria for capitalization under IAS 38. Factors considered for capitalization include the technical and commercial feasibility of the product to generate revenue. Judgment is also applied in the determination of impairment and recoverability of any non-financial assets.

(vii) Income taxes

The Company recognizes deferred tax assets only to the extent that it considers it probable that those assets will be recoverable. The Company makes assumptions about when deferred tax assets are probable to reverse, the extent to which it is probable that temporary differences will reverse and whether or not there will be sufficient taxable profits available to realize the tax assets when they do reverse. In making these judgments, the Company continually evaluates the magnitude and duration of any past losses, current profitability and whether it is sustainable, and earnings forecasts.

(viii) Going Concern

The Company has applied judgment to determine that the Company will remain a going concern based on management's belief in its ability to continue in operation for the foreseeable future (see note 2(b) for further details).

Estimates:

(i) Goodwill

The Company tests goodwill for impairment annually by comparing the carrying amount of the CGU to the estimated recoverable amount using a discounted cash flow analysis. The Company applies judgment in determining the key estimates used in this calculation such as the discount rate and long-term growth rate (see note 9 for further details).

(ii) Convertible Debenture

The Company measures the embedded derivative liability associated with the convertible debenture at the estimated fair value at each reporting date. The fair value of the embedded derivative liability is estimated using a Black Scholes option model, with the residual being allocated as the host debt liability component, which includes inputs that require management's estimates and assumptions.

(iii) Contingent Consideration

The Company measures the contingent consideration payable in a business combination at the estimated fair value at each reporting date. The fair value is estimated using a probability weighted approach, which includes inputs that require management's estimates and assumptions.

3. Material Accounting Policy Information

The accounting policies set below have been applied consistently to all years presented in these financial statements, except as otherwise noted.

(a) Functional and Presentation Currency

These financial statements are presented in US dollars, which is the functional currency of the Company.

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency using the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency using the exchange rate at the date that the fair value was determined. Revenues and expenses are measured using the actual exchange rates prevailing on the dates of the transactions. Gains and losses resulting from re-measurement are recorded in the Company's profit or loss as foreign exchange (loss) gain.

(b) Financial Instruments

(i) Recognition and Derecognition:

The Company recognizes a financial asset or financial liability on the statement of financial position on the trade date when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all of the risks and rewards of ownership of the financial asset or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

Classification of Financial Assets

The Company determines the classification of its financial assets at initial recognition. Financial assets are classified according to the following measurement categories:

- amortized cost;
- those to be measured subsequently at fair value, either through profit or loss ("FVTPL"); or through other comprehensive income ("FVTOCI").

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. Interest income and expense are recognized using the effective interest rate (EIR) method. The EIR is the rate that discounts estimated future cash payments or receipts over the expected life of the financial instrument, or a shorter period where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of the financial liability. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

Accounts Receivable

Accounts receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognized at fair value. The Company holds the account receivables with the objective of collecting contractual cash flows, and it therefore measures them subsequently at amortized cost using the effective interest method, less expected credit losses.

The Company applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss for its accounts receivable and contract assets. Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days, and so they are all classified as current.

Classification of Financial Liabilities

After the initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost; or
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives) with the change in fair value attributable to changes in the Company's credit risk recognized in other comprehensive income (OCI).

Transaction Costs

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or at FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consist of cash, accounts and other receivables which are classified and measured at amortized cost. The Company's financial liabilities consist of trade payables and accrued liabilities, revolving credit facility, convertible debentures, and the term loan facility which are classified and measured at amortized cost using the effective interest method, the embedded derivative liability and the contingent consideration are classified and measured at FVTPL. Interest expense is reported in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

(ii) Fair Value:

The Company's accounting policies and disclosures may require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

In establishing fair value, the Company uses a fair value hierarchy based on the levels as defined below:

- Level 1 fair value measurements are based on unadjusted quoted market prices.
- Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices.
- Level 3 fair value measurements are those with inputs for the asset or liability that are not based on observable market data.

The fair value of the embedded derivative liability (note 14) and contingent consideration (note 6) are measured using Level 3.

There were no transfers of fair value measurements between level 1, level 2, and level 3 of the fair value hierarchy in the years ended December 31, 2025 and 2024.

(c) Property and Equipment

(i) Recognition and Measurement:

Items of property and equipment are measured initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within general and administrative expenses in profit or loss.

(ii) Subsequent Costs

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated based on the cost of the asset less its estimated residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets.

The estimated useful lives are as follows:

- Office equipment - 5 years
- Computer equipment - 3 years
- Computer software - 3 years
- Leasehold improvements - 5 years or the term of lease
- Right of use assets - duration of underlying lease agreement

Depreciation methods, useful lives, and residual values are reviewed at financial year end and adjusted on a prospective basis if appropriate. Fully depreciated assets that are no longer in use are written off.

(d) Impairment

(i) Financial Assets

The Company prospectively estimates the ECL associated with the financial assets accounted for at amortized cost. The impairment depends on whether there is a significant increase in the credit risk. For accounts receivable, the Company measures loss allowances at an amount equal to the lifetime ECL and exercises judgement using historical data. The Company recognizes in profit or loss the amount of expected credit losses (or reversal thereof) that is required to adjust the loss allowance at the reporting date to the required amount.

(ii) Non-Financial Assets

Other non-financial assets, comprised of property and equipment, intangible assets, and goodwill, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Goodwill is also tested annually. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of its value in use and fair value less costs of disposal, the asset is written down to its recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss in respect of other assets is assessed at each reporting date for any indications that the loss has decreased or no longer exists. Except for goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(e) Contingent Consideration

Contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

(f) Goodwill

Previous business combinations were accounted for using the acquisition method. The excess of the purchase consideration and any previously held equity interest over the fair value of identifiable net assets acquired is goodwill.

Goodwill is considered to have an indefinite useful life and is not amortized. It is tested for impairment if there is any indication that impairment exists as well as once annually at year end (see note 9 for further details).

(g) Intangible Assets

(i) Research and Development

Expenditure on research activities is recognized in profit or loss when incurred. Development expenditure on internally generated software is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, and once available for use, software development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on internally generated software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss.

(ii) Other Intangible Assets

Other intangible assets, including customer relationships and brands that are acquired by the Company and have finite useful lives, are measured at cost less accumulated amortization and any accumulated impairment losses.

(iii) Amortization

Amortization is calculated using the straight-line method over their estimated useful lives and is recognized in profit or loss.

The estimated useful lives are as follows:

- Brand and trademarks - 3 years
- Customer relationships - 3 years
- Internally generated software development costs - 3 years

Amortization methods, useful lives, and residual values are reviewed at each financial year end and adjusted if appropriate.

(h) Investment Tax Credits

Investment tax credits ("ITCs") arising from research and development are recognized when their realization is reasonably assured and are recorded in prepaid and sundry assets on the statement of financial position. ITCs earned with respect to current expenditures for qualified research and development activities are included in profit or loss as a reduction of research and development costs. ITCs associated with capital expenditures are reflected as reductions in the carrying amounts of the assets.

(i) Leases

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company's incremental borrowing rate is used instead. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurement of the lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognized in interest expense in profit or loss.

Some lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices. The lease components are split into their lease and non-lease components based on their relative stand-alone prices. Payments relating to non-leases components are expensed.

See additional information regarding leases in these financial statements in note 12.

(j) Compound Financial Instruments

Compound financial instruments are instruments that contain both a financial liability (such as an obligation to make payments of principal and interest) and an equity component (such as an equity conversion feature). Compound financial instruments are accounted for by the issuer separately by their components based on the substance of the instrument. If the equity conversion feature results in the issuance of a fixed number of an entity's own equity instruments (the "fixed-for-fixed" criteria), the equity conversion feature will be treated as equity. If the fixed-for-fixed criteria is not met, the equity conversion feature is an embedded derivative and is measured at FVTPL.

(k) Share Capital – Common Shares

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects. When the Company issues equity units, the proceeds are allocated among equity components using the residual method. The residual method helps determine the value of common shares issued, especially in situations where the fair value of those shares is not directly observable or reliably measurable.

(l) Share-Based Payments

Share-based payments are equity-settled and include restricted share units ("RSUs") and stock options to acquire common shares granted to employees.

(i) Restricted Share Units
The fair value of RSUs awarded to employees, directors, and service providers who perform employee-like services is measured based on the closing price of the common shares of the Company on the trading day immediately preceding the grant date are recognized in profit or loss, with a corresponding increase in share-based payment reserve over the vesting period. Once fully vested, any RSU is settled in common shares of the Company and the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. If the employee is terminated prior to the vesting date, the RSU is forfeited.

(ii) Stock Options
The grant date fair value of options awarded to employees, directors, and service providers who perform employee-like services is measured using the Black-Scholes option pricing model and recognized in profit or loss, with a corresponding increase in share-based payments reserve over the vesting period. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon exercise of the option, consideration received, together with the amount previously recognized in share-based payments reserve, is recorded as an increase to share capital. If share options are cancelled or expire unexercised on maturity, the applicable fair value remains in share-based payment reserve.

(m) Revenue

The Company generates revenue by providing software workflow solutions across two different revenue recognition streams: (i) Advertising/Music Digital Distribution and data management solutions and (ii) Award Management Solutions.

Advertising / Music Digital Distribution and Data Management

The Company generates revenue primarily from pay-per-use for the Company's platform service. These fees are generally recognized as they are billed based on volume and size of distribution services provided. Distribution and production of media comprise two distinct performance obligations that are satisfied at a point in time, and revenue is recognized at the point in which the distribution and production service has been delivered to the end user.

The fees can also be paid in monthly subscriptions. The performance obligations for monthly subscription fees for the Company's platform service are satisfied evenly over the month in which the customer has access to the service. The monthly fee is recognized over time as the service is delivered.

Award Management

The Company generates revenue primarily from the customization, hosting, and maintenance of award show submission and adjudication platforms. This division has several annual agreements, and these services are provided over a set period of months for each annual cycle. Customization, support and maintenance, and hosting comprise a bundle of performance obligations that are satisfied over a period of time. These performance obligations are not distinct in the context of each contract. Any hosting and support and maintenance activities are provided concurrent with the performance of customization within the billing period and are not considered material. Revenue is recognized straight-line over the period of service.

Due to the performance obligations satisfied over a period of time, Award Show customers have billing cycles which differ from the Company's revenue recognition policies. Since the work billed for award shows and revenues recognized are in short cycles of one year or less, it is expected that amounts in contract assets and liabilities would flow into the profit or loss within the next fiscal year.

Contract Costs

Contract costs consist of customer acquisition costs to fulfill a contract. Customer acquisition costs are capitalized only if the costs are incrementally incurred to obtain a customer contract and may consist of sales commissions paid to sales personnel or third-party resellers. The Company elected the practical expedient approach and records the costs of obtaining a contract when incurred into profit or loss for contracts of less than 12 months.

Remaining Performance Obligations

The Company's contracts are for delivery of goods or services within the following 12 months of a contract's execution. The Company uses the practical expedient and does not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period.

(n) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except for items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(o) Income per Share

Basic income per share is computed by dividing the net income applicable to common shares of the Company by the weighted average number of common shares for the year. Diluted income per share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. When there is a loss, no potential shares are included in the computation as they are anti-dilutive.

(p) Adoption of New and Revised International Financial Reporting Standards

The Company has adopted the following amendment to IFRS Accounting Standards that are mandatorily effective for accounting periods beginning on or after January 1, 2025. Their adoption has not had a material impact on disclosures or amounts reported in these financial statements.

- Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates (IAS 21) – In August 2023, the IASB issued amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability. These amendments sought to clarify how an entity assesses whether a currency is exchangeable and how to determine a spot exchange rate if exchangeability is lacking. A disclosure is required to enable users of the financial statements to understand the difficulty determining an appropriate exchange rate and the possible impact on the entity's financial performance, position, or cash flow when a currency is not considered exchangeable. The Company does not currently have any currency deemed to have a lack of exchangeability.

The Company has not yet adopted certain new standards, amendments, and interpretations to existing standards as outlined below, which have been published but are only effective for accounting periods beginning on or after January 1, 2026, or later periods. The Company is currently in the process of assessing the impact of the amendments on the financial statements and notes to the financial statements.

- Effective January 1, 2026: Amendments to IFRS 9, Financial Instruments & IFRS 7, Financial Instruments: Disclosures – Retrospective amendments to the classification and measurement of financial instruments, improving upon the clarity of the guidance for the derecognition of financial assets and liabilities, and the disclosures for certain types of financial instruments.

- Effective January 1, 2027: New standard IFRS 18, Presentation and Disclosure in Financial Statements - replacing IAS 1, Presentation of Financial Statements, as the primary source of requirements for financial statement presentation. Focusing on improving labelling, aggregation and disaggregation of information in financial statements, particularly on the statement of profit or loss. To be applied retrospectively for comparative periods.

4. Capital Risk Management

The Company includes share capital, share-based payments reserve, foreign currency translation reserve, and accumulated deficit in the definition of equity. As at December 31, 2025, the amount of equity was $1,439,488 (December 31, 2024 - $1,031,079). The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further develop and market platform services, and to maintain its ongoing operations. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants, debt, or by securing strategic partners.

The Company has a Credit Facility (see note 13), which matured on June 26, 2025. From this date to March 23, 2026, the Company was in active discussion with the Bank to extend the Credit Facility and remained current on all scheduled interest and principal payments in accordance with the original terms of the Credit Facility. The Company also continued to have access to the revolving portion of the Credit Facility, which supported its working capital requirements on an as-needed basis, while discussions with the Bank continued. The Credit Facility was successfully amended subsequent to December 31, 2025, on March 23, 2026, with the new maturity date extended to December 31, 2026.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2025, the Company has a working capital deficiency of $1,255,379 but has access to sufficient resources through the revolving portion of the Credit Facility to support its working capital requirements.

5. Risk Management

Financial Instruments and Risk Management

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency risk, interest rate risk, and other price risk), credit risk, and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by management under policies approved by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies. The Company's exposure to financial instrument related risks and the methods used to manage those risks have not changed significantly over the last year.

(a) Market Risk:

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in the market prices. Market risk is comprised of three types of risk such as foreign currency risk, interest rate risk, and other price risk. Two types of risk are applicable to the Company:

(Expressed in United States dollars, unless otherwise noted)

(i) Currency Risk:

The Company operates internationally, and the US dollar ("USD") is the presentation currency. The Company, however, does have revenues, expenses, assets, and liabilities denominated in currencies other than USD, primarily the Canadian dollar ("CAD"). The principal foreign currency risk as at December 31, 2025, is therefore the CAD.

A 5% change in exchange rates would result in a $128,961 impact on profit or loss. Financial instruments and lease obligations in CAD currency at December 31, 2025 and 2024, are as follows:

	Dec 31, 2025 (CAD)	Dec 31, 2024 (CAD)
Cash	$36,962	$37,859
Accounts Receivable	204,164	240,574
Prepaid and Other Assets	61,701	74,250
Contract Assets	8,088	14,485
Total Assets	**$310,915**	**$367,168**
Trade and Other Payables	$605,711	$843,417
Revolving Credit Facility	923,269	1,050,000
Convertible Debentures	777,233	520,540
Term Loan	1,135,169	1,668,604
Lease Obligation	277,364	365,885
Contract Liabilities	127,246	117,609
Total Liabilities	**$3,845,992**	**$4,566,055**
Net Liability Exposure	**$3,535,077**	**$4,198,887**

(ii) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions and potential increases on the prime rate applied on the Credit Facility available to the Company. The Company's Credit Facility and convertible debt are floating interest rate facilities. A 100 bps or 1% increase in the floating rate would result in a $20,689 impact on profit or loss assuming all other factors are kept stable.

(b) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of non-payment of cash, accounts receivable, contract assets and government assistance receivable.

The Company mitigates this risk by monitoring the credit worthiness of its customers and by offering the platform service to numerous smaller customers. As at and during the year ended December 31, 2025, approximately 20% (2024 - 20%) of accounts receivable and 18% (2024 - 18%) of revenue are from two customers, respectively.

(Expressed in United States dollars, unless otherwise noted)

The definition of items that are past due is determined by reference to payment terms agreed to with individual customers, which are normally within 30 to 60 days.

The Company's estimates credit losses to address any anticipated collectability issues based on payment history and the expected credit loss of each customer:

	December 31, 2025	December 31, 2024
0 to 30 days	$1,169,027	$1,097,142
31 to 60 days	239,004	105,355
Over 60 days	288,100	496,576
Gross Carrying Amount	**$1,696,131**	**$1,699,073**
Loss Allowance	(65,107)	(202,598)
Total	**$1,631,024**	**$1,496,475**

Continuity of estimated credit losses:

	December 31, 2025	December 31, 2024
Balance, Beginning of Period	$202,598	$179,684
Accounts Written Off	(150,159)	-
Bad Debt Recovery	2,444	-
Remeasurement of Loss Allowance	10,224	22,914
Balance, End of Period	**$65,107**	**$202,598**

(c) Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary.

(Expressed in United States dollars, unless otherwise noted)

The Company manages liquidity risk on the basis of expected maturity dates.

The following tables analyze financial liabilities and lease obligations by remaining contractual maturity (contractual and undiscounted cash flows).

	Lease Obligations	Contract Liabilities	Term Loan Facility	Trade & Other Payables	Revolving Credit Facility	Convertible Debt	Total
< 1 year	$181,394	$182,529	$827,571	$710,655	$673,624	-	$2,575,773
1- 3 years	167,088	-	-	-	-	429,914	597,002
Balance at December 31, 2025	**$348,482**	**$182,529**	**$827,571**	**$710,655**	**$673,624**	**$429,914**	**$3,172,775**

	Lease Obligations	Contract Liabilities	Term Loan Facility	Trade & Other Payables	Revolving Credit Facility	Convertible Debt	Total
< 1 year	$172,828	$87,738	$1,197,822	$1,138,063	$729,750	-	$3,326,201
1- 3 years	330,880	-	-	-	-	361,775	692,655
Balance at December 31, 2024	**$503,708**	**$87,738**	**$1,197,822**	**$1,138,063**	**$729,750**	**$361,775**	**$4,018,856**

At present, the Company expects to pay all liabilities at their contractual maturity. To meet these cash commitments, the Company anticipates generating sufficient cash inflows from operating activities and raising equity capital or obtaining the necessary financing to meet current and future obligations. Additionally, the Company utilizes a Credit Facility to provide cash on an as-needed basis. The Credit Facility matured on June 26, 2025, and the Company remained in active discussion with the Bank to extend the Credit Facility and remained current on all scheduled interest and principal payments in accordance with the original terms of the Credit Facility. The Company also continued to have access to the revolving portion of the Credit Facility, which supported its working capital requirements, while discussions with the Bank continued. On March 23, 2026, the Company successfully amended its existing Credit Facility. The Credit Facility has been extended to the new maturity date of December 31, 2026.

6. Contingent Consideration

On November 8, 2023 (the "Closing Date"), the Company closed its business acquisition of Millenia3 Communication Inc. ("Millenia3"). The total purchase price consists of the following:

(a) Cash consideration of $100; and,

(b) Contingent consideration payable in cash.

The contingent consideration consists of additional cash payments calculated as follows:

(a) Fiscal 2023

- (i) 5% of revenues if revenues for the months of November and December 2023 combined are less than $166,667; or
- (ii) 10% of revenues if revenues for the months of November and December 2023 combined are at least $166,667 and less than $250,000; or
- (iii) 15% of revenues if revenues for the months of November and December 2023 combined are at least $250,000

(b) Fiscal 2024 and 2025

- (iv) 5% of revenues if revenues for the applicable 12-month period are less than $1,000,000;

(v) 10% of revenues if revenues for the applicable 12-month period are at least $1,000,000 and less than $1,500,000; or

(vi) 15% of revenues if revenues for the applicable 12-month period are at least $1,500,000

Measurement periods: Annual periods ending on the 1st, 2nd, and 3rd of December 31, 2023, December 31, 2024 and December 31, 2025.

The fair value of the consideration was $211,400. The first earnout payment payable to the seller of Millenia 3 was calculated in January 2024, per the agreement. Based on the Company's calculations, the Company owed $56,506 with respect to the (a) of the earn-out contingent consideration as the gross revenue generated from Millenia 3's acquired business exceeded $250,000 in the months of November and December 2023. Payment of the balance of $43,323 was made during the first quarter of fiscal year 2024.

The second earnout payment payable to the seller of Millenia3 was calculated in February 2025, per the agreement. Based on the Company's calculations, the amount owed for calendar 2024 was $153,850 with respect to the earn-out contingent consideration as the gross revenue generated from Millenia3's acquired business exceeded $1,000,000 for the twelve months ended December 31, 2024. The final installment related to the 2024 earnout of $86,642 (note 10) was made in February 2025 as per the agreement.

The third and final earnout payment payable to the seller of Millenia3 was calculated in January 2026, per the agreement. Based on the Company's calculation, the amount owed for calendar 2025 was $134,036 with respect to the earn-out contingent consideration as the gross revenue generated from Millenia3's acquired business exceeded $1,000,000 for the twelve months ended December 31, 2025. During the year ended December 31, 2025, the Company paid $55,109 to the seller of Millenia3 with respect to the earnout payment. The final installment related to the 2025 earnout of $78,926 was made in February 2026 as per the agreement.

The contingent consideration liability is classified as a financial liability and remeasured at fair value at each reporting date, with changes recognized as FVTPL. Changes due to the passage of time are recorded as financing expenses. Key unobservable inputs include projected revenues and the discount rate applied (11%). As at December 31, 2025, the fair value of the contingent consideration is $78,926, included in contingent consideration on the statement of financial position, and the change in fair value of $45,936 (2024 - $61,750) has been recognized in profit or loss for the year.

(Expressed in United States dollars, unless otherwise noted)

7. Property and Equipment

	Office Equipment	Computer Equipment	Computer Software	Right of Use	Leasehold Improvements	Total
Cost						
Balance, December 31, 2023	$35,580	$748,407	$436,619	$1,265,660	$45,619	$2,531,885
Additions	-	74,026	-	234,650	-	308,676
Derecognition of Fully Depreciated Assets	-	(343,834)	(107,946)	(973,492)	-	(1,425,272)
Balance, December 31, 2024	35,580	478,599	328,673	526,818	45,619	1,415,289
Additions	1,185	25,414	-	-	-	26,599
Derecognition of Fully Depreciated Assets	(30,577)	(386,197)	(328,673)	-	(12,187)	(757,634)
Balance, December 31, 2025	**$6,188**	**$117,816**	**-**	**$526,818**	**$33,432**	**$684,254**
Accumulated Depreciation						
Balance, December 31, 2023	31,300	710,977	387,803	1,010,630	23,883	2,164,593
Depreciation Expense	1,294	30,228	47,955	140,218	7,114	226,809
Derecognition of Fully Depreciated Assets	-	(343,834)	(107,946)	(973,492)	-	(1,425,272)
Balance, December 31, 2024	32,594	397,371	327,812	177,356	30,997	966,130
Depreciation Expense	1,313	37,759	861	132,998	6,687	179,618
Derecognition of Fully Depreciated Assets	(30,577)	(386,197)	(328,673)	-	(12,187)	(757,634)
Balance, December 31, 2025	**$3,330**	**$48,933**	**-**	**$310,354**	**$25,497**	**$388,114**
Carrying Amounts						
December 31, 2024	$2,986	$81,228	$861	$349,462	$14,622	$449,159
December 31, 2025	**$2,858**	**$68,883**	**-**	**$216,464**	**$7,935**	**$296,140**

Certain computer equipment under leases is included in property and equipment, with a total cost of $90,204 (2024 - $96,870). Accumulated depreciation for these assets under leases is $40,791 (2024- $22,531).

(Expressed in United States dollars, unless otherwise noted)

8. Intangible Assets

	Brand	Customer Relationships	Development Costs	Total
Cost				
Balance, December 31, 2023	$70,000	$1,098,000	$1,813,293	$2,981,293
Additions	-	-	647,830	647,830
Balance, December 31, 2024	70,000	1,098,000	2,461,123	3,629,123
Additions	-	-	630,922	630,922
Derecognition of Fully Amortized Assets	(62,000)	(969,000)	(696,102)	(1,727,102)
Balance at December 31, 2025	**$8,000**	**$129,000**	**$2,395,943**	**$2,532,943**
Accumulated Amortization				
Balance, December 31, 2023	53,833	841,583	285,204	1,180,620
Amortization Expense	11,278	177,583	321,430	510,291
Balance, December 31, 2024	65,111	1,019,166	606,634	1,690,911
Amortization Expense	2,667	43,000	757,614	803,281
Derecognition of Fully Amortized Assets	(62,000)	(969,000)	(696,102)	(1,727,102)
Balance at December 31, 2025	**$5,778**	**$93,166**	**$668,146**	**$767,090**
Carrying Amounts				
December 31, 2024	$4,889	$78,834	$1,854,489	$1,938,212
December 31, 2025	**$2,222**	**$35,834**	**$1,727,797**	**$1,765,853**

During the year ended December 31, 2025, the Company capitalized internally generated software development costs of $630,922 (December 31, 2024 - $647,830). Costs capitalized include employee costs incurred on software development. Amortization expense of $757,614 (2024 - $321,430) was expensed to development costs during the year ended December 31, 2025.

(Expressed in United States dollars, unless otherwise noted)

9. Goodwill

	December 31, 2025	December 31, 2024
Balance, Beginning of Period	$359,146	$359,146
Balance, End of Period	**$359,146**	**$359,146**

The opening goodwill balance of $359,146 was recognized following the business acquisition of Digital Media Services ("DMS") in fiscal year 2021 and Millenia3 in fiscal 2023. The goodwill acquired as part of the DMS and Millenia3 acquisitions are wholly allocated to the Advertising cash generating unit ("CGU"). This is the CGU management has identified as expected to benefit from the synergies of the combination. Since these acquisition dates, the Company has tested goodwill for impairment on an annual basis or whenever there is an indication that goodwill may be impaired.

The Company has identified three CGUs. All goodwill has been allocated to the Advertising CGU given that DMS and Millenia3 were fully integrated with Advertising operations post-acquisition and generate cash inflows independent of the other CGUs.

Management assessed impairment indicators and performed an annual test of impairment for goodwill, as of December 31, 2025. To test goodwill, management used a discounted cash flow analysis for 5 years to estimate the Advertising CGU's value in use and compare the aggregate recoverable amount of the assets included in the Advertising CGU to their respective carrying amounts. The financial projections for 2026 were based on the 2026 budget approved by the board of directors and the remaining years were estimated using a growth rate on revenue determined by management.

The values assigned to the key assumptions represent management's assessment of the future trends in the industry and have been based on information from both external and internal resources.

At December 31:	2025	2024
Compound annual growth rates	**6%**	3%
Average EBITDA margin rates	**28%**	25%
Pre-tax discount rates	**32%**	30%

Based on management's assessment, the recoverable amount of the CGU was greater than the carrying amount and accordingly, no impairment was recognized on goodwill as at December 31, 2025.

As the recoverable amount is currently significantly higher than the carrying value, management has determined that there is no reasonable variance in key assumptions that could result in an impairment loss at this time.

(Expressed in United States dollars, unless otherwise noted)

10. Trade Payables and Accrued Liabilities

	December 31, 2025	December 31, 2024
Trade Payables	$346,563	$586,588
Accrued Liabilities	364,092	464,833
Contingent Consideration (note 6)	-	86,642
Total	**$710,655**	**$1,138,063**

During the year ended of December 31, 2023, the Company recognized Canadian Federal Government's Canada Emergency Wage Subsidy ("CEWS") CEWS expense of $165,485 due to a Canada Revenue Agency audit of the Company's claims from prior years. $121,634 remains in accrued liabilities for the year ended December 31, 2025.

11. Contract Assets and Liabilities

Contract assets represent services that have been performed, delivered, but not yet billed to the customer. Contract liabilities represent services that have been billed, paid for by the customer in advance of delivery, but not yet performed. All amounts are expected to be utilized in the next twelve months.

Contract Assets:

	December 31, 2025	December 31, 2024
Balance, Beginning of the Year	$58,985	$69,727
Services Performed	425,642	204,487
Services Billed	(411,641)	(215,229)
Balance, End of the Year	**$72,986**	**$58,985**

Contract Liabilities:

	December 31, 2025	December 31, 2024
Balance, Beginning of the Year	$87,738	$159,501
Services Billed	1,230,740	1,301,814
Revenue Recognized	(1,135,949)	(1,373,577)
Balance, End of the Year	**$182,529**	**$87,738**

(Expressed in United States dollars, unless otherwise noted)

12. Lease Obligations

The Company has lease obligations until 2029 for computer equipment and property, with purchase options at the end of each lease term for computer equipment. The lease agreements have terms ranging between 3 to 4 years at inception and carry a weighted average incremental borrowing rate of 8.49% per annum (2024 – 4.60%). The remaining contractual balance on the lease obligations at December 31, 2025, was $348,482 (2024 – $503,708) (note 5). Interest accretion on the contractual balance for the year ended December 31, 2025, was $29,994 (2024 - $55,649).

	Computer Equipment	Property	Total Lease Liability
Balance at December 31, 2023	$18,081	$274,891	$292,972
Additions during the year	71,518	234,650	306,168
Principal payments	(13,895)	(162,835)	(176,730)
Accretion	2,562	23,087	25,649
Balance at December 31, 2024	**$78,266**	**$369,793**	**$448,059**
Current Lease Obligation	17,629	126,510	144,139
Long-Term Lease Obligation	60,637	243,283	303,920
Balance at December 31, 2024	**$78,266**	**$369,793**	**$448,059**
Effective Annual Rate of Interest	6.49%	4.45%	4.60%
Amount of Interest Recognized in Profit or Loss	1,647	18,578	20,225

	Computer Equipment	Property	Total Lease Liability
Balance at December 31, 2024	$78,266	$369,793	$448,059
Additions during the year	7,114	-	7,114
Principal payments	(24,132)	(141,832)	(165,964)
Accretion	8,357	21,637	29,994
Balance at December 31, 2025	**$69,605**	**$249,598**	**$319,203**
Current Lease Obligation	18,442	144,512	162,954
Long-Term Lease Obligation	51,163	105,086	156,249
Balance at December 31, 2025	**$69,605**	**$249,598**	**$319,203**
Effective Annual Rate of Interest	10.96%	6.37%	8.49%
Amount of Interest Recognized in Profit or Loss	8,585	21,740	30,325

13. Loan Facility

The Company has a credit agreement (the “Credit Facility”) with a tier-1 Canadian financial institution (the “Bank”). The Credit Facility is secured by a first ranking security over all present and future assets and property of the Company.

The Credit Facility includes a revolving credit facility in the amount of CAD $1,750,000 and a term loan facility with an initial principal balance of CAD $3,250,000.

Revolving Credit Facility

The revolving credit facility of USD $1,276,813 (CAD $1,750,000) is available by loan advances and is subject to standard borrowing base calculations and margining against trade accounts receivable. Interest payments are based on the Bank’s prime rate plus 1.95% per annum. As at December 31, 2025, the Company has drawn USD $673,624 (2024 – USD $729,750) of the revolving credit facility.

Term Loan Facility

The term loan facility of CAD $3,250,000 was fully advanced on May 21, 2021, and was used for the purchase of DMS and for general corporate purposes. The term of the loan is 42 months, amortized over 72 months, and had an initial 6-month interest only payment component. Interest payments are based on the Bank’s prime rate plus 2.45%. The term loan facility is secured by the assets of the Company.

On December 2, 2022, the Bank entered into the first amendment agreement with the Company such that the Company will be in good standing with the covenants related to the term loan facility. The amendment provided a 6-month principal holiday beginning on January 1, 2023, during which the Company was required to pay interest only on its term loan, and an increase in the interest rate to Prime plus 4.45%. The Company incurred USD $95,724 in amendment fees and has recorded these as deferred financing costs that are being amortized over the expected duration of the term loan facility.

On December 29, 2023, the Bank entered into the second amendment agreement with the Company such that the Company will be in good standing with the modified covenants related to the term loan facility. The Company incurred CAD $15,000 in amendment fees and has recorded these as deferred financing cost that are being amortized over the expected duration of the term loan facility. The amendment extended the term loan maturity date to June 26, 2024, and the Company was required to maintain a minimum Fixed Charge Coverage Ratio and Interest-Bearing Debt to EBITDA ratio which was tested at March 31, 2024. The Company was also required to maintain minimum EBITDA targets for the trailing twelve-month periods in 2023. The Company was not in compliance with the financial reporting requirements due to the late filing of financial statements.

On August 21, 2024, the Bank entered into the third amendment agreement with the Company such that the Company will be in good standing with the modified covenants related to the term loan facility. The Company incurred CAD $10,000 in amendment fees and has recorded these as deferred financing costs that are being amortized over the expected duration of the term loan facility. The amendment initially extended the term loan maturity date to June 26, 2025, and the Company was required to maintain a minimum Fixed Charge Coverage Ratio and Interest-Bearing Debt to EBITDA ratio which was to be tested at September 30, 2025. The Company was also required to maintain minimum EBITDA targets for the three months ended June 30, 2024, and each of quarterly periods until June 30, 2025. The Company was not in compliance with these financial covenants.

(Expressed in United States dollars, unless otherwise noted)

The Credit Facility matured on June 26, 2025, and from this date to March 23, 2026, the Company remained current on all scheduled interest and principal payments in accordance with the original terms of the Credit Facility. The Company continued to have access to the revolving portion of the Credit Facility, which supported its working capital requirements on an as-needed basis, while discussions with the Bank continued. Subsequent to December 31, 2025, on March 23, 2026, the maturity date of the Credit Facility was amended to December 31, 2026.

During the year ended December 31, 2025, $38,142 (December 31, 2024 - $55,061) of deferred financing fees were amortized. The Company was not in compliance with the covenants, and the bank waived the covenants reporting until June 26, 2025, the maturity of the Term Loan facility. These testing requirements were also waived until December 31, 2026, subsequent to December 31, 2025.

	December 31, 2025	December 31, 2024
Term Loan Balance, Beginning of Period	$1,159,680	$1,656,679
Add: Accrued Interest	99,259	168,980
Less: Interest Paid	(98,024)	(168,980)
Less: Principal Repayments	(371,486)	(552,060)
Deferred Financing Costs	38,142	55,061
Term Loan Balance, End of Period	**$827,571**	**$1,159,680**
Current Portion of Term Loan	827,571	1,159,680
Long-Term Portion of Term Loan	-	-
Term Loan Balance, End of Period	**$827,571**	**$1,159,680**

Revolving Credit Facility Balance, End of Period	**$673,624**	**$729,750**

14. Convertible Debentures

On December 2, 2022, the Company completed a non-brokered private placement offering of unsecured, convertible debentures (“the Debentures”) for gross proceeds of CAD $500,000. The Debentures will mature on November 30, 2027, and each CAD $1,000 Debenture will bear interest at a simple rate of Bank’s prime plus 8.00% per annum (subject to increase to Bank’s prime plus 10.00% per annum in the event of certain defaults). The holders of the Debentures were required to exercise a Subordination and Postponement Agreement in favour of the Credit Facility. During the term of the Subordination and Postponement Agreement, no payments to the holders of the Debentures in the form of cash will be permitted except for payments of interest. The holders of the Debentures will be entitled to convert the principal amount of the Debentures at any time on or prior to the maturity date into common shares of the Company at a conversion price of CAD $0.10. Interest will be payable within 30 days of the end of each semi-annual period ended November 30th and May 31st throughout the term of the Debentures in cash or common shares of the Company, at the discretion of the Company. As certain directors of the Company participated in the Debenture financing, the Debenture is considered a “related party” transaction. See note 21 - Related Party Transactions.

(Expressed in United States dollars, unless otherwise noted)

In connection with the Debentures, the Company paid legal fees of $361 for the year ended December 31, 2025 (December 31, 2024 - $263). During the year ended December 31, 2025, $4,793 (December 31, 2024 - $2,960) of deferred financing fees were amortized.

For accounting purposes, the debenture has been separated into a host debt liability and an embedded derivative liability component. The host debt is considered a liability as there is an unavoidable contractual obligation to pay cash. The book value of the conversion feature is variable as the Company's functional currency is USD and the CAD liability would vary based on FX, therefore the conversion feature is an FX embedded derivative liability. The fair value of the derivative is calculated using a Black Scholes option model and remeasured at every period through profit or loss, with the residual being allocated as the host debt liability component. The host debt is measured subsequently at amortized cost using the effective interest rate method.

	Host Debt Liability	**Embedded Derivative Liability**
Convertible Debenture Balance - December 31, 2023	**$281,097**	**$129,100**
Accretion of Convertible Debentures	13,815	-
Interest Accrued	58,403	-
Fair Value Loss on Remeasurement of Embedded Derivative Liability	-	(31,792)
Foreign Exchange Loss (Gain)	(25,185)	(10,914)
Amortization of Issuance Costs	2,960	-
Convertible Debenture Balance - December 31, 2024	**$331,090**	**$86,394**
Accretion of Convertible Debentures	22,288	-
Interest Accrued	51,126	-
Fair Value Loss on Remeasurement of Embedded Derivative Liability	-	84,258
Foreign Exchange Loss (Gain)	13,120	(25,337)
Amortization of Issuance Costs	4,793	-
Convertible Debenture Balance - December 31, 2025	**$422,417**	**$145,315**

15. Share Capital

The Company is authorized to issue an unlimited number of common shares, without par value.

During the year ended December 31, 2025, the Company issued 883,135 common shares to Grant Schuetrumpf, President and CEO, through the exercise of stock options and a Shares for Services Arrangement (see note 16 for further details.)

(Expressed in United States dollars, unless otherwise noted)

The following is a summary of changes in common share capital:

	Number of Shares	Value
Balance at December 31, 2024 and 2023	62,437,140	$27,826,282
Exercise of Stock Options	500,000	24,365
Issuance of Shares	383,135	16,173
Balance at December 31, 2025	**63,320,275**	**$27,866,820**

16. Share-Based Payments

Securities Based Compensation Plan

The Company has an Omnibus Equity Incentive Plan (the “OEI Plan”), which was originally approved on June 29, 2021, and subsequently amended most recently in 2025. The OEI Plan permits the grant of stock options as well as restricted share units, deferred share units, performance share units and share appreciation rights (all awards other than options referred to as the “Non-Option Awards”). Pursuant to the terms of the OEI Plan, the maximum number of common shares issuable pursuant to new options together with options granted under the Plan cannot exceed 2,622,360 in the aggregate, being 4.2% of the issued and outstanding common shares of the Company at the time of amendment. The Non-Option Awards may be settled, if and when vested, in common shares of the Company or the cash equivalent, at the election of the Company on issuance of the awards.

Stock Options

The Company has issued stock options to acquire common shares as follows:

	Weighted Average Exercise Price (CAD)	Outstanding Options	Vested Options	Weighted Average Remaining Life (Years)
Balance at December 31, 2023	$0.14	2,203,000	2,203,000	0.36
Expired	$0.15	(1,665,000)	(1,665,000)	
Cancelled	$0.12	(5,000)	(5,000)	
Balance at December 31, 2024	**$0.11**	**533,000**	**533,000**	**0.14**
Granted	$0.04	500,000	500,000	
Expired	$0.11	(533,000)	(533,000)	
Exercised	$0.04	(500,000)	(500,000)	
Balance at December 31, 2025	**-**	**-**	**-**	**-**

During the year ended December 31, 2025, 500,000 stock options were granted and exercised by Grant Schuetrumpf, President and CEO.

On March 10, 2025, the Company granted 500,000 stock options with an estimated fair value of $10,638. The fair value of options granted has been estimated on the date of grant using the Black-Scholes fair value options pricing model with weighted average grant date fair value of $0.031 CAD.

The key assumptions used in the valuation were as follows:

- Exercise price: $0.0375 CAD
- Market price at grant date: $0.05 CAD
- Risk-free interest rate: 4.5%
- Expected volatility: 301%

Each of the 500,000 stock options vested immediately on the date of grant and had 90 days to maturity. The estimated fair value of the options was expensed at the date of grant. The compensation expense and charge to share-based payment reserves relating to the stock options for the first quarter was $10,638. On June 6, 2025, the 500,000 options were exercised with an exercise price of $0.0375 CAD per share. 500,000 common shares were issued, the value of the Company's share capital increased by $24,365, $13,727 in proceeds were received, and the deduction to share-based payment reserves relating to the stock options in the second quarter was $10,638.

No Stock options were issued or exercised during the year ended December 31, 2024.

Restricted Share Units

The Company may grant Restricted Share units ("RSUs") to any participant under the Omnibus Equity Incentive Plan.

The fair value of RSUs is based on the closing price of the common shares of the Company on the trading day immediately preceding the date of the award and are recognized over the vesting period.

On January 2, 2025, the Company issued 500,000 RSUs to Mr. Kanniah, the Company's Chief Financial Officer. These RSUs vest fully on the second anniversary of the grant date, upon which they will be payable in cash or in common shares, or a combination of both, at the discretion of the Company, subject to the terms of the Plan. The estimated fair value has been based on the quoted market price on the date of issuance of $0.04 per common share.

On March 10, 2025, the Company issued 2,000,000 RSUs to Mr. Schuetrumpf, the Company's Chief Executive Officer. These restricted share units are expected to be settled through the issuance of 2,000,000 common shares of the Company. 1,000,000 of these RSUs are subject to certain performance requirements and as such will vest on the later of either the satisfaction of the performance requirements or March 10, 2026 (the "Performance RSUs"). Management has analyzed the performance of the key performance indicators related to the vesting date of the Performance RSUs and assessed that the probability they will be met at 25% based on historical data in meeting the KPIs. The remaining 1,000,000 RSUs will vest on December 31, 2026 (the "Service RSUs").

The estimated fair value of the RSUs has been based on the quoted market price on the date of issuance of $0.04 per common share for the Performance RSUs and $0.05 for the Service RSUs..

The compensation expense and charge to share-based payment reserves relating to the RSUs for the year ended December 31, 2025, was $34,463 (December 31, 2024 - $nil).

(Expressed in United States dollars, unless otherwise noted)

The following table shows the RSUs outstanding as at December 31, 2025:

Number of Units	**December 31, 2025**	**December 31, 2024**
Balance, Beginning of Period	-	-
Granted	2,500,000	-
Balance, End of Period	**2,500,000**	**-**
Vested	-	-

Shares for Services Arrangement

As of March 10, 2025, the Company has also agreed to a Shares for Services Arrangement with Grant Schuetrumpf, CEO, with respect to a portion of Mr. Schuetrumpf's compensation, in lieu of cash. The lesser of USD $2,500 per month and CAD $5,000 per month (less applicable withholding taxes) is to be paid in addition to Mr. Schuetrumpf's existing salary, by way of share issuance (the "Shares for Services Arrangement"). Pursuant to the Shares for Services Arrangement, common shares of the Company will be issued each month over a period of two years effective as of January 1, 2025, to Mr. Schuetrumpf, the number of Shares to be calculated using the Market Price on the last trading day of each month, except with respect to the month of January 2025, which was calculated using the Discounted Market Price as at March 10, 2025. The issuance of any shares under the Shares for Services Arrangement was approved by the Toronto Venture Exchange and will be subject to applicable hold periods. No new insiders will be created, nor will any change of control occur, as a result of the issuance of these shares.

For the months of January through October 2025, the Company issued a total of 383,135 common shares of the Company as follows:

- January 2025: 62,469 shares at a price of $0.0375 CAD per share,
- February, March, and April 2025: 137,881 shares at a price of $0.05 CAD per share,
- June 2025: 31,520 shares at a price of $0.07 CAD per share,
- May and July 2025: 49,603 shares at a price of $0.09 CAD per share,
- August and October 2025: 64,136 shares at a price of $0.07 CAD per share,
- September 2025: 37,526 shares at a price of $0.06 CAD per share.

(Expressed in United States dollars, unless otherwise noted)

17. Basic and Diluted Income per Share

The income and weighted average number of common shares used in the calculation of basic and diluted income per share for the years ended December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Numerator:		
Net Income	$333,408	$536,413
Denominator:		
Opening Number of Common Shares – Basic	62,437,140	62,437,140
Issuance of Common Shares	436,797	-
Total Basic Number of Common Shares	**62,873,937**	**62,437,140**
Adjustments for Calculation of Diluted Income per Share:		
Options and RSU in the Money	1,308,219	-
Weighted Average Number of Common Shares – Fully Diluted	**64,182,156**	**62,437,140**
Basic Income per Share	$0.01	$0.01
Fully Diluted Income per Share	$0.01	$0.01

18. Technology Development

Investment tax credits (“ITCs”) earned as a result of incurring Scientific Research and Experimental Development ("SRED") eligible expenditures are recorded as a reduction of the related current period expense. Management records ITCs when there is reasonable assurance of collection. In the year ended December 31, 2025, the Company incurred SRED related eligible expenditures of $541,378 (2024 - $620,271).

19. Income Taxes

(a) The Company's tax expense (recovery) for the fiscal years ended December 31, 2025, and December 31, 2024, comprises the following:

	December 31, 2025	December 31, 2024
Current Income Tax Expense	$45,936	$25,495
Deferred Tax Expense	-	-
Tax Expense	**$45,936**	**$25,495**

(Expressed in United States dollars, unless otherwise noted)

(b) The provision for income tax differs from the amount that would have resulted by applying the combined Canadian statutory income tax rate of approximately 25.2% (2024 - 25.5%) for fiscal years ended December 31, 2025, and December 31, 2024, as follows:

	December 31, 2025	December 31, 2024
Income before Income Taxes	$379,344	$561,908
Statutory Rate	25.2%	25.5%
Expected Income Tax Expense	95,544	143,230
Stock-Based Compensation	11,359	-
Changes in Unrecognized Temporary Differences	90,117	(151,950)
Other Permanent Differences	22,262	(21,979)
Other	(173,346)	56,194
Tax Expense	**$45,936**	**$25,495**

(c) The following table summarizes components of recognized deferred tax assets and liabilities as at December 31, 2025, and December 31, 2024:

Recognized Deferred Tax Assets (Liabilities)	December 31, 2025	December 31, 2024
Intangible Assets	$(24,979)	$(49,399)
Right-Of-Use Assets	(66,965)	(108,027)
Financing Fees	(903)	(4,709)
SRED Expenditures and Other	92,847	162,135
Net Deferred Tax Assets (Liabilities) Recognized	**-**	**-**

(d) Deferred tax assets have not been recognized in respect of the following deductible temporary differences as at December 31, 2025, and December 31, 2024:

Unrecognized Deductible Temporary Differences	December 31, 2025	December 31, 2024
Non-Capital Losses	$9,633,331	$9,785,882
SRED Expenditures	9,662,506	8,303,961
Accounting Provisions, Accruals, and Other	351,225	227,753
Property and Equipment	1,357,093	1,171,658
Lease Obligations	319,204	448,060
	$21,323,359	**$19,937,314**

(Expressed in United States dollars, unless otherwise noted)

The Company has a carry-forward balance in investment tax credits of $3,190,993 CAD which generally expire over a period of 20 years and unused expenditures of $13,024,478 CAD relating to SRED costs, which do not expire. The Company has a carry-forward balance for Ontario Research and Development Tax Credits of $724,210 CAD which generally expire over a period of 20 years. The Company also has non-capital losses of $9,633,331 available in Canada to apply against future taxable income. If not utilized, the non-capital losses will expire as follows:

Years	Amounts ($)
2029	548,783
2030	2,187,332
2031	2,531,661
2032	999,068
2033	737,459
2034	747,807
2035	149,918
2036	175,317
2043	960,666
2044	595,320
	$9,633,331

In addition, the Company has non-Canadian tax losses of approximately $590,000 that are associated with its US branch operations. This entire amount represents tax loss arising in tax years 2018 and later and can be carried forward indefinitely; however, this loss can offset only up to a maximum of 80% of the Company's taxable income in any one year.

As of December 31, 2025, management has not recognized deferred tax assets in respect of the tax losses, investment tax credits as well as these temporary differences as it is not probable that the benefit of these assets can be realized in the foreseeable future.

20. Segmented Information

The Company has only one reportable segment and provides Advertising, Music, and Awards Management software workflow solutions to customers across multiple geographic regions. It considers the basis on which it is organized, including geographic areas and service offerings, in identifying its reportable segments. Operating segments of the Company are defined as components of the Company for which separate financial information is available and is evaluated regularly by the chief operating decision maker in allocating resources and assessing performance. The chief operating decision maker is the Chief Executive Officer of the Company. For revenues, the amounts included are from the originating country.

(Expressed in United States dollars, unless otherwise noted)

Below is the breakdown of revenue and long-term assets by geographical segment:

For the Year Ended December 31, 2025	Canada	US	Total
Advertising	$320,795	$4,945,248	$5,266,043
Music	445,767	435,384	$881,151
Awards Management	84,604	873,905	$958,509
Total Revenue	**$851,166**	**$6,254,537**	**$7,105,703**
Property and Equipment	175,990	120,150	296,140
Intangible Assets	1,727,797	38,056	1,765,853
Goodwill	-	359,146	359,146

For the Year Ended December, 31, 2024	Canada	US	Total
Advertising	$340,865	$5,638,192	$5,979,057
Music	423,412	651,766	1,075,178
Awards Management	107,611	894,658	1,002,269
Total Revenue	**$871,888**	**$7,184,616**	**$8,056,504**
Property and Equipment	252,279	196,880	449,159
Intangible Assets	1,897,490	40,722	1,938,212
Goodwill	-	359,146	359,146

The Company also recognizes revenue at a point in time or over a period of time depending on the nature of the performance obligations satisfied (see note 3(k) for further details). Revenue recognized over time includes monthly subscription fees for Music and Advertising, as well as the Award contract revenue. Everything else is recognized at a point in time.

The breakdown based on timing is as follows:

For the Years Ended December 31,	2025	2024
Revenue Recognized at a Point in Time	$5,748,579	$6,647,453
Revenue Recognized Over a Period of Time	1,357,124	1,409,051
Total Revenue	**$7,105,703**	**$8,056,504**

21. Related Party Transactions

Key management personnel are comprised of the Company’s directors and executive officers. In addition to their salaries, key management personnel also participate in the Company’s Omnibus Equity Incentive Plan program (note 16).

(Expressed in United States dollars, unless otherwise noted)

Key management personnel compensation for the years ended December 31, 2025 and 2024 was:

	Year Ended 2025	Year Ended 2024
Salaries and Short-Term Employee Benefits (i)	$692,388	$689,761
Share Based Payments	45,101	-
	$737,489	**$689,761**

* Short-term employee benefits include bonuses; vacation pay and commission.

As at December 31, 2025, $52,190 (December 31, 2024 - $54,223) owing to officers and directors of the Company was included in trade and other payables. The amount owing is unsecured, non interest bearing, and due on demand.

22. Government Assistance

The Company has recognized $429,977 in government assistance receivable relating to the refundable Employee Retention Credit ("ERTC") in the United States. ERTC claims are processed by the United States Internal Revenue Service and there is currently a processing backlog that has caused a delay in processing the Company's claim. Management believes that this amount is collectible and will continue to assess its claim status each reporting period.

23. Commitments and Contingencies

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers, and former employees.

The Company is party to certain management employment agreements that provide severance in the event of termination without cause or in some cases change of control of the Company. Under these agreements, the Company would be required to pay severance for up to an aggregate total of $773,000. As at December 31, 2025, no amounts have been accrued as no triggering events have occurred.

There were no material litigation and claims against the Company as at and during the year ended December 31, 2025 and 2024.

24. Acquisition Related Settlement Gain

Background

On May 21, 2021, the Company completed the acquisition of certain assets and liabilities of Digital Media Services Inc. ("DMS"), including customer lists and contracts. Subsequent to the acquisition, a key customer terminated its contract, materially reducing the value of the acquired business. The Company subsequently initiated legal proceedings in connection with the acquisition.

Settlements

During the year ended December 31, 2025, the Company reached final settlement agreements in connection with the acquisition, for payments totalling $760,000, respectively.

25. Events After Reporting Period

On March 23, 2026, the Company successfully amended its existing Credit Facility. The Credit Facility, which had previously matured on June 26, 2025, has been extended to the new maturity date of December 31, 2026. As part of the amendment, covenant testing requirements have been waived through December 31, 2026. All other terms of the Credit Facility remain consistent as amended in August 2024.