Consolidated Financial Statements
Reklaim Ltd.
Years ended December 31, 2025, and 2024

(Expressed in Canadian Dollars)

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Reklaim Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Reklaim Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $1,036,536 during the year ended December 31, 2025 and had cash flows used in operating activities of $663,445. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may 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 judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated 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 to 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 risk 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.
- 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current year 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 on the audit resulting in this independent auditor's report is Reshma Mahase.

Davidson & Company LLP

Chartered Professional Accountants Vancouver, Canada

April 30, 2026

Reklaim Ltd.

Consolidated Statements of Financial Position
As at December 31, 2025 and December 31, 2024
(in Canadian Dollars)

	Note	December 31, 2025	December 31, 2024
Assets			
Current Assets			
Cash		$ 472,296	$ 587,717
Trade and other receivables	3,16	1,118,090	1,365,445
Prepaid expenses		30,116	45,929
Income tax receivable		9,224	-
Total current assets		**1,629,726**	**1,999,091**
Non-Current Assets			
Property and equipment, net	4	19,870	18,513
Total assets		**$ 1,649,596**	**$ 2,017,604**
Liabilities and Shareholders' Equity (Deficit)			
Current Liabilities			
Trade and other liabilities	5	$ 695,774	$ 679,189
Current portion of loans payable	6	128,400	128,964
Current portion of secured debentures	7	-	543,697
Total current liabilities		**824,174**	**1,351,850**
Non-Current Liabilities			
Non-current portion of loans payable	6	-	128,307
Non-current portion of secured debentures	7	447,368	270,000
Total liabilities		**$ 1,271,542**	**$ 1,750,157**
Shareholders' equity			
Share capital	10	30,755,667	29,522,463
Warrants	10	115,137	840,590
Contributed surplus	10	4,386,972	3,726,732
Accumulated other comprehensive income		157,465	178,313
Accumulated deficit		(35,037,187)	(34,000,651)
Total Shareholders' equity		**378,054**	**282,426**
Total Liabilities and Shareholders' equity		**$ 1,649,596**	**$ 2,032,583**

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

Approved on behalf of the Board of directors:

Original signed by DocuSigned by: Neil Sweeney D4A7E8AD91DE42E...

Neil Sweeney, CEO & Founder

Original signed by Signed by: Andrew Elinesky E354B3F3A2BB4C3...

Andrew Elinesky, Chair of the Audit Committee

Reklaim Ltd.
Consolidated Statements of Loss and Comprehensive Loss
As at December 31, 2025, and December 31, 2024
(in Canadian Dollars)

	Note	2025	2024
Revenue	11	4,992,060	5,079,714
Cost of services	12	1,081,386	922,095
Gross profit		**3,910,674**	**4,157,619**
Expenses			
General and administrative	8,13	1,728,204	1,567,982
Research and development	13	798,383	518,085
Selling and business development	13	1,866,493	1,372,958
Marketing	13	455,238	360,171
Total expenses		**4,848,318**	**3,819,196**
Operating (loss) income		**(937,644)**	**338,423**
Other income (loss)			
Foreign exchange (loss) gain	15	(98,477)	49,527
Interest income	15	2,269	382
(Loss) income before income taxes		**(1,033,852)**	**388,332**
Income tax expense	16	2,684	14,979
Net (loss) income for the period		**(1,036,536)**	**373,353**
Other comprehensive income (loss)			
Foreign currency translation difference		(20,848)	39,631
Other comprehensive (loss) income for the period		**(20,848)**	**39,631**
Total comprehensive (loss) income for the period		**(1,057,384)**	**412,984**
Earnings (loss) per share			
Basic and diluted earnings (loss) per share		(0.01)	0.00
Weighted average shares outstanding, basic and diluted		123,623,099	116,318,041

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

Reklaim Ltd.

Consolidated Statements of Changes in Equity
For the year ended December 31, 2025, and 2024
(in Canadian Dollars)

		Common Shares (Number)	Shares to be Issued	Share Capital	Warrants	Contributed Surplus	Accumulated other comprehensive income	Accumulated Deficit	Total Equity
Balance as at January 1, 2024		**112,821,495**	**$1,832,214**	**$ 29,128,164**	**$ 921,376**	**$ 3,505,092**	**$ 138,682**	**$ (34,374,004)**	**$ (680,690)**
Shares issued related to prior period		1,832,214	(1,832,214)	-	-	-	-	-	-
Exercise of warrants	9	2,134,670	-	294,299	(80,786)	-	-	-	213,513
Issuance of restricted share units	10	-	-	-	-	66,000	-	-	66,000
Share-based compensation	10	-	-	-	-	155,640	-	-	155,640
Issuance of share capital related to the debt conversion		1,111,111		100,000					100,000
Net loss and comprehensive loss		-	-	-	-	-	39,631	373,353	412,984
Balance as at December 31, 2024		**117,899,490**	**-**	**$ 29,522,463**	**$ 840,590**	**$ 3,726,732**	**$ 178,313**	**$ (34,000,651)**	**$ 267,447**
Balance as at January 1, 2025		**117,899,490**	**-**	**$ 29,522,463**	**$ 840,590**	**$ 3,726,732**	**$ 178,313**	**$ (34,000,651)**	**$ 267,447**
Exercise of warrants	9	9,026,655	-	969,853	(142,636)	-	-	-	827,217
Expired warrants	9	-	-	-	(590,960)	590,960	-	-	-
Normal course issuer bid		(209,000)	-	(19,335)	-	-	-	-	(19,335)
Shares for debt conversion	7	19,110	-	1,761	-	-	-	-	1,761
Issuance of warrants related to debenture	7	-	-	-	-	96,000	-	-	96,000
Equity conversion feature related to debentures	7	-	-	-	8,143	46,857	-	-	55,000
Share-based compensation	10		-	-	-	103,552	-	-	103,552
Exercise of options		3,799,554		280,925		(177,129)			103,796
Net loss and comprehensive loss		-	-	-	-	-	(20,848)	(1,036,536)	(1,057,384)
Balance as at December 31, 2025		**130,535,809**	**-**	**$ 30,755,667**	**$ 115,137**	**$ 4,386,972**	**$ 157,465**	**$ (35,037,187)**	**$ 378,054**

The accompanying notes are an integral part of this consolidated financial statement.

Reklaim Ltd.

Consolidated Statements of Cash Flows
For the year ended December 31, 2025 and 2024
(in Canadian Dollars)

	Note	2025	2024
Operating activities			
Net (loss) income		$(1,036,536)	$373,353
Depreciation of property and equipment	4	14,419	14,741
Interest and accretion expense		88,562	252,712
Income tax expense	16	2,684	14,979
Share-based compensation	10	103,522	221,640
Other income and bad debt recovery		(33,546)	(382)
Net change in non-cash operating working capital	14	197,450	(653,426)
Net cash flows (used in) provided by operating activities		**$(663,445)**	**$223,617**
Financing activities			
Shares issued for debt settlement, and repurchase of shares	9	(17,574)	–
Proceeds on exercise of warrants	9	902,576	213,484
Proceeds from exercise of options		103,826	–
Net (repayment) of secured debentures, net	7	(320,000)	250,000
Repayment of loans	6	(132,271)	(100,000)
Interest paid	7	(39,681)	(169,875)
Cash flows provided by financing activities		**$496,876**	**$193,609**
Investing activities			
Purchase of property and equipment	4	(15,776)	(10,277)
Cash flows used in investing activities		**$(15,776)**	**$(10,277)**
Effect of foreign exchange on cash		66,924	16,489
Net (decrease) increase in cash and cash equivalents		**$(115,421)**	**$423,438**
Cash, beginning of year		587,717	164,279
Cash, end of year		**$472,296**	**$587,717**

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

Supplemental cash flow information is included in Note 14.

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

Reklaim Ltd. ("Reklaim" or the "Company") is a consumer data and privacy technology company that provides compliant, first-party data solutions to brands, agencies, platforms and data companies. The Company enables consumers to access and manage data collected about them through its platform, allowing consumers to verify their identity, view data profiles, and elect to participate in data monetization programs in exchange for compensation.

The Company's registered and corporate office is located at 150 Ferrand Drive, Suite 800, Toronto, Ontario, M3C 3E5.

Going Concern

These consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

During the year ended December 31, 2025, the Company generated a net loss of $1,036,536 (2024 – net income of $373,353) and cash flows used in operating activities of $663,445 (2024 – $223,617). As at December 31, 2025, the Company had an accumulated deficit of $35,037,187 (2024 – $34,000,651).

In assessing whether the going concern assumption is appropriate, management considers all available information about the future, including expected operating performance, cash flow forecasts, available financing arrangements, and capital resources, for a period of at least twelve months from the date of approval of the financial statements.

The Company's ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of operations, meet its corporate administrative expenses, continue development activities and support the operations of its subsidiaries is dependent upon its ability to generate positive cash flows from operations and/or obtain additional financing, if required. There can be no assurance that such financing will be available on terms acceptable to the Company.

NATURE OF OPERATIONS AND GOING CONCERN (CONTINUED)

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that might result from the outcome of this uncertainty. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all periods presented unless otherwise stated.

Statement of Compliance and Basis of Measurement

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The consolidated financial statements have been prepared under the historical cost convention.

On April 30, 2026**,** the Board of Directors approved these consolidated financial statements and authorized them for issuance.

Basis of Consolidation

The consolidated financial statements include the accounts of Reklaim Ltd. and its wholly owned subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date control is obtained until the date control ceases.

Intercompany balances, transactions, income and expenses are eliminated on consolidation.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

In January 2025, Reklaim Holdings Inc. was amalgamated with Reklaim Inc. The amalgamation was accounted for as a reorganization of entities under common control and did not result in any change in the carrying amounts of assets, liabilities or equity within the consolidated financial statements.

The entities included in the consolidated financial statements are summarized below:

Entity Name	Place of Incorporation	Ownership	Functional Currency
Reklaim Ltd.	Ontario, Canada	Parent	Canadian dollars
Reklaim Inc.	Ontario, Canada	Wholly owned subsidiary of Reklaim Ltd.	Canadian dollars
Reklaim USA Inc.	Delaware, United States	Wholly owned subsidiary of Reklaim Inc.	United States dollars

Functional Currency and Foreign Currency Translation

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or at the date of valuation where items are remeasured. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the reporting date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities are recognized in profit or loss.

The results and financial position of subsidiaries that have a functional currency different from the Company's presentation currency are translated into Canadian dollars as follows:

- assets and liabilities are translated at the closing exchange rate at the reporting date;
- income and expenses are translated at average exchange rates for the period; and
- all resulting exchange differences are recognized in other comprehensive income and accumulated in equity within accumulated other comprehensive income.

Critical Accounting Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and in any future periods affected.

Significant Estimates

Warrants

Warrants are measured at fair value on the grant date using an option pricing model that incorporates key assumptions, including expected volatility, expected life, risk-free interest rate and other relevant factors. The determination of fair value requires management judgment and estimation. The fair value attributed to warrants is determined using this model and any residual value from related financing transactions is allocated to common shares.

Significant Judgments

Revenue Recognition

Management exercises judgment in determining the satisfaction of performance obligations and the allocation of transaction price to those obligations. This includes assessing when control of services is transferred to customers and the timing of revenue recognition.

Convertible debentures - hybrid instruments

The Company has issued convertible debenture units containing both liability and equity components. Management applied judgment in determining the classification and measurement of these instruments, including the assessment of whether embedded features meet the criteria for equity classification and the allocation of proceeds between liability and equity components in accordance with IAS 32 and IFRS 9.

Debt modification

The Company has entered into transactions involving the modification and refinancing of existing debt arrangements. Management applied judgment in assessing whether such changes constituted a substantial modification requiring derecognition of the original liability or a non-substantial modification requiring adjustment to the existing carrying amount.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

Functional Currency

Determining the functional currency of each entity within the Company requires judgment, particularly where transactions occur in multiple currencies. This determination can significantly impact the reported financial position and results of operations.

Cash

Cash include cash held at financial institutions and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term liquidity requirements rather than for investment purposes.

Cash balances are held with major financial institutions and are subject to credit risk to the extent that balances exceed federally insured limits.

Revenue Recognition

The Company recognizes revenue in accordance with IFRS 15, Revenue from Contracts with Customers, using the following five-step model:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is recognized when control of the services is transferred to the customer.

Where consideration is received in advance of satisfying performance obligations, amounts are recorded as contract liabilities and recognized as revenue when the related performance obligations are satisfied.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

Nature of Goods and Services

Identity Revenue

Identity revenue is generated by creating derivative data products and providing mobile device data. The performance obligation is satisfied when the data is delivered to the customer's systems. Because data delivery occurs on an ongoing basis, revenue is recognized over time based on usage data and monthly reconciliations. This category also includes revenue generated from completed surveys, viewed content and data monetization activities.

Platform Revenue

Platform revenue is generated when the Company delivers audience segments to demand-side platforms ("DSPs") and data management platforms ("DMPs") for monetization. The performance obligation is satisfied when the data is delivered to the distribution platforms. Revenue is recognized in the period in which the data is used.

The Company has assessed that it acts as the principal in these arrangements, as it controls the specified services before they are transferred to the customer. Accordingly, platform revenue is recognized on a gross basis.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Asset	**Useful Life**
Computer equipment	3 years
Furniture	5 years
Vehicle	6 years

The residual values, useful lives and depreciation methods are reviewed at each reporting date and adjusted prospectively if appropriate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any resulting gain or loss is recognized in profit or loss.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of Property and Equipment

Property and equipment are reviewed at each reporting date for indicators of impairment. If indicators exist, the recoverable amount of the asset or the cash-generating unit ("CGU") to which the asset belongs is estimated. A CGU represents the smallest identifiable group of assets that generates largely independent cash inflows.

The recoverable amount is the higher of fair value less costs of disposal and value in use. Value in use is determined based on the present value of the estimated future cash flows expected to be derived from the asset or CGU, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized when the carrying amount exceeds the recoverable amount.

Previously recognized impairment losses are reviewed for possible reversal when circumstances change. No impairment losses were recognized during the periods presented.

Research and Development

Research and development costs are expensed as incurred unless the criteria for capitalization under IFRS are met. To date, the Company has not capitalized any research and development costs.

Share Capital

Share capital represents the proceeds received on the issuance of common shares, net of directly attributable transaction costs and any related income tax effects.

Common shares are classified as equity instruments when there is no contractual obligation to transfer cash or other financial assets.

Valuation of Equity Instruments Issued in Private Placements

The Company applies the residual method to measure equity instruments issued as part of unit offerings that include common shares and warrants. Warrants attached to units are measured at fair value at the date of issuance using an option pricing model. The residual amount of the proceeds is allocated to common shares.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

Upon exercise of warrants, the related amount recorded in warrants is transferred to share capital together with any consideration received. Warrants that expire unexercised are transferred to contributed surplus.

Broker Warrants

The fair value of warrants issued to brokers or agents in connection with financing transactions is determined using an option pricing model and recognized as a share issuance cost, with a corresponding increase in contributed surplus within equity.

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments, including stock options and warrants, using the treasury stock method.

Diluted earnings (loss) per share is equal to basic earnings (loss) per share when the effect of potential common shares is anti-dilutive.

Share-Based Compensation

The Company accounts for share-based compensation using the fair value method in accordance with IFRS 2, Share-based Payment.

Equity-settled share-based payments to employees, directors and consultants are measured at the fair value of the equity instruments granted at the grant date. The fair value is recognized as an expense over the vesting period with a corresponding increase in contributed surplus.

If vesting conditions apply, the expense is recognized over the vesting period based on the best available estimate of the number of awards expected to vest. Estimates are revised when necessary. Any cumulative adjustment prior to vesting is recognized in the current period.

Upon exercise of stock options, the consideration received together with the amount previously recognized in contributed surplus is recorded in share capital.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

For modifications to the terms of previously granted equity instruments, the Company recognizes any incremental fair value measured at the modification date. If the modification occurs during the vesting period, the incremental fair value is recognized over the remaining vesting period. If the modification occurs after vesting, the incremental fair value is recognized immediately.

The Company's share-based payment arrangements are equity-settled and do not include cash settlement features.

Income Taxes

Income tax expense comprises current and deferred income taxes. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is recognized in equity or other comprehensive income.

Current income tax is the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and includes any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax asset or liability is realized or settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences or unused tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Financial Instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value and, for instruments not classified at fair value through profit or loss ("FVTPL"), transaction costs are included in the initial measurement.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets are subsequently measured at amortized cost, fair value through other comprehensive income (“FVTOCI”), or fair value through profit or loss, depending on the Company’s business model for managing the financial assets and the contractual cash flow characteristics, in accordance with IFRS 9, *Financial Instruments*.

Financial liabilities are subsequently measured at amortized cost using the effective interest method unless they are classified at FVTPL.

The Company applies an expected credit loss (“ECL”) model to financial assets measured at amortized cost. Loss allowances are recognized based on lifetime expected credit losses where appropriate, considering historical experience, current conditions and forward-looking information.

The Company derecognizes financial assets when the contractual rights to the cash flows expire or are transferred, and derecognizes financial liabilities when the obligation is discharged, cancelled or expires.

Impairment of Financial Assets

The Company applies the expected credit loss model under IFRS 9 to financial assets measured at amortized cost. Expected credit losses are recognized regardless of whether a loss event has occurred at the reporting date.

For trade receivables, the Company applies the simplified approach, which requires lifetime expected credit losses to be recognized from initial recognition. Expected credit losses are estimated based on historical credit loss experience, adjusted for current and forward-looking factors.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

The carrying amount of financial assets is reduced through an allowance account, with changes recognized in profit or loss. When a financial asset is determined to be uncollectible, it is written off against the allowance.

Convertible Debentures

Convertible debentures issued by the Company that contain both a liability component and an equity component are accounted for as compound financial instruments in accordance with IAS 32 *Financial Instruments: Presentation*.

At initial recognition, the liability component is measured at the fair value of a similar financial liability that does not include an associated equity conversion feature. The equity component, representing the holder's option to convert the instrument into common shares of the Company, is determined as the residual amount between the gross proceeds received and the fair value assigned to the liability component and is recognized within equity as contributed surplus or warrants reserve, as applicable.

Where convertible debentures are issued together with detachable warrants or other equity instruments, the proceeds are allocated to each component based on their relative fair values at the date of issuance. Any remaining residual amount is allocated to the liability component.

Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method in accordance with IFRS 9 *Financial Instruments*. Interest expense, including accretion resulting from the application of the effective interest rate, is recognized in the consolidated statement of loss and comprehensive loss.

The equity components of convertible debentures are not remeasured after initial recognition. Upon conversion of the debentures into common shares, the carrying amount of the liability component together with the related equity component is transferred to share capital. If the debentures are extinguished or repaid without conversion, any remaining equity component remains within equity.

Transaction costs that are directly attributable to the issuance of convertible debentures are allocated between the liability and equity components in proportion to the allocation of proceeds and are recognized as a reduction of the respective carrying amounts.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair Value Hierarchy

The Company's cash, trade and other receivables, trade and other liabilities, and current portion of loans payable and debentures, are measured at amortized cost subsequent to initial measurement. Fair value measurement requires classification of financial instruments within a hierarchy that prioritizes the inputs to fair value measurement. When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy, based on the inputs used in the valuation techniques, as follows:

Level 1 — unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 — inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly
Level 3 — unobservable inputs for the asset or liability.

Fair values

The Company's financial assets and liabilities are classified into the following categories:

Cash	Amortized cost
Trade and other receivables	Amortized cost
Current portion of loans	Amortized cost
Current portion of debentures	Amortized cost
Trade and other liabilities	Amortized cost

The fair value of financial assets and liabilities classified as loans and receivables and other financial liabilities (excluding non - current portion of loans and debentures) approximates their carrying value due to their short-term nature.

Segment Reporting

Operating segments are identified based on internal reports regularly reviewed by the chief operating decision maker ("CODM"), who is responsible for allocating resources and assessing performance. For the Company, the CODM function is performed by the Chief Executive Officer.

The Company has determined that it operates as a single operating segment.

Future Changes in Accounting Policy

The following new standard has been issued but is not yet effective:

IFRS 18 — Presentation and Disclosure in Financial Statements

IFRS 18, *Presentation and Disclosure in Financial Statements*, will replace IAS 1, *Presentation of Financial Statements*, and introduces new requirements intended to improve comparability of financial performance and provide more relevant information to users of financial statements. IFRS 18 does not change the recognition or measurement of items in the financial statements but is expected to have a significant impact on presentation and disclosure, particularly within the statement of profit or loss and related notes.

Key expected impacts include:
• classification of income and expenses into defined categories (operating, investing, financing and income taxes);
• introduction of required subtotals, including operating profit and profit before financing and income taxes;
• enhanced principles for aggregation and disaggregation of information;
• additional disclosures for management-defined performance measures; and
• consequential amendments to other standards, including IAS 7 and IAS 33.

The standard is effective for annual periods beginning on or after January 1, 2027, with retrospective application required. The Company is currently assessing the impact of adopting this standard on its consolidated financial statements.

(in Canadian Dollars)

3. TRADE AND OTHER RECEIVABLES

	As at December 31, 2025	As at December 31, 2024
Input tax receivable	$ 76,878	$ 16,596
Trade accounts receivable, gross	1,079,927	1,421,110
Allowance for expected credit losses	(38,715)	(72,261)
Total trade and other receivables	**$ 1,118,090**	**$ 1,365,445**

Trade receivables are non-interest bearing and are generally due within 60 to 90 days.

The Company applies the simplified approach under IFRS 9 *Financial Instruments* to measure expected credit losses ("ECL"), which requires lifetime expected credit losses to be recognized from initial recognition of trade receivables.

The expected credit loss allowance is based on historical credit loss experience, adjusted for current and forward-looking information specific to the Company's customers and economic environment at the reporting date.

The continuity of the allowance for expected credit losses is as follows:

	As at December 31, 2025	As at December 31, 2024
Opening balance	$ 72,261	$ 42,745
Provision (recovery) for expected credit losses	(33,546)	29,516
Closing balance	**$ 38,715**	**$ 72,261**

(in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Computer Equipment	Vehicle	Total
Cost:			
At December 31, 2023	$ 114,514	$ 40,053	$ 154,567
Additions	10,277	-	10,277
At December 31, 2024	**$ 124,791**	**$ 40,053**	**$ 164,844**
Additions	15,776	-	15,776
At December 31, 2025	**$ 140,567**	**$ 40,053**	**$ 180,620**
Accumulated depreciation:			
At December 31, 2023	$ 103,775	$ 27,815	$ 131,590
Depreciation	8,066	6,675	14,741
At December 31, 2024	**$ 111,841**	**$ 34,490**	**$ 146,331**
Depreciation	8,856	5,563	14,419
At December 31, 2025	**$ 120,697**	**$ 40,053**	**$ 160,750**
Carrying amounts:			
At December 31, 2024	$ 12,950	$ 5,563	$ 18,513
At December 31, 2025	**$ 19,870**	**$ -**	**$ 19,870**

Depreciation expense for the year ended December 31, 2025, totaled $14,419 (2024 — $14,741) and is included within general and administrative expenses in the consolidated statements of income and comprehensive income.

As at December 31, 2025, the vehicle was fully depreciated but remained in use.

(in Canadian Dollars)

PROPERTY AND EQUIPMENT (CONTINUED)

As at December 31, 2025 and 2024, the Company's property and equipment were subject to a general security agreement granted in connection with secured debentures; however, no specific items of property and equipment were separately pledged as collateral.

5. TRADE AND OTHER LIABILITIES

	As at December 31, 2025	As at December 31, 2024
Trade payables	$ 519,912	$ 521,100
Accrued liabilities	175,863	158,089
Total trade and other liabilities	**$ 695,775**	**$ 679,189**

Trade payables and accrued liabilities are non-interest bearing and are generally settled within normal operating terms of 30 to 45 days.

Accrued liabilities consist primarily of accrued professional fees, payroll-related liabilities, statutory remittances, and other operating expenses incurred in the normal course of business.

The carrying amounts of trade and other liabilities approximate their fair values due to their short-term nature.

6. LOAN PAYABLE

The Company has the following loans outstanding:

	December 31, 2025	December 31, 2024
Term loan	$128,401	$250,000
Vehicle loan	—	7,271
Total loan payable	**128,401**	**257,271**

Term Loan

On December 6, 2024, the Company entered into a credit agreement with a Canadian chartered bank for a term loan in the amount of $250,000, bearing interest at 5.30% per annum with monthly principal and interest payments due until maturity on December 20, 2026. The loan is unsecured.

(in Canadian Dollars)

LOAN PAYABLE (CONTINUED)

As at December 31, 2025, the outstanding balance of the term loan was $128,401 (2024 — $250,000).

Vehicle Loan

On October 16, 2019, the Company entered into a credit agreement with a Canadian chartered bank for the financing of a vehicle in the amount of $45,238, bearing interest at 5.89% per annum over a 72-month term with maturity on October 27, 2025. The vehicle served as collateral for the loan.

During the year ended December 31, 2025, the vehicle loan was fully repaid (2024 — $7,271).

Loan Continuity

Loan activity for the year ended December 31, 2025, is summarized as follows:

	Opening Balance	Principal Payments	Interest Paid	Closing Balance
Vehicle loan	$7,271	$(7,271)	$197	—
Term loan	250,000	(121,599)	10,329	128,401
Total	**$257,271**	**$(128,870)**	**$10,526**	**$128,401**

Interest expense recognized during the year ended December 31, 2025, totaled $10,526 (2024 — $697).

The carrying amount of the loan payable approximates its fair value due to the use of market interest rates and the short-term nature of the borrowing.

(in Canadian Dollars)

7. SECURED DEBENTURES

The Company has issued secured debentures that include both non-convertible and convertible instruments. Convertible debentures issued during the year contain both liability and equity components and are accounted for as compound financial instruments in accordance with IAS 32 *Financial Instruments: Presentation*.

The liability components are subsequently measured at amortized cost using the effective interest method in accordance with IFRS 9 *Financial Instruments*.

The secured debentures are subject to a general security agreement over the assets of the Company.

Carrying Value of Secured Debentures

The continuity of the secured debentures is as follows:

	Carrying Value
Gross proceeds from secured debentures	**$ 1,640,000**
Common shares issued	(328,000)
Transaction costs	(17,210)
Interest and accretion expense	269,295
Interest paid	(97,091)
Closing balance, December 31, 2022	**1,466,994**
Debt conversion, April 3, 2023	(420,000)
Debt conversion, July 11, 2023	(100,000)
Debt conversion, October 20, 2023	(100,000)
Interest and accretion expense	264,687
Interest paid	(165,540)
Closing balance, December 31, 2023	**946,141**
Debt repayment — April 23, 2024	(100,000)
Debt conversion — October 7, 2024	(100,000)
Interest and accretion expense	190,307
Interest paid	(122,751)
Closing balance, December 31, 2024	**813,697**
Debt repayment	(565,000)
Debenture refinancing	396,698
Debenture issuance — October 29, 2025	445,000
Interest and accretion expense	88,562
Interest paid	(61,189)
Debt repayment — June 24, 2025	(670,400)
Closing balance, December 31, 2025	**$ 447,368**

SECURED DEBENTURES (CONTINUED)

Interest and accretion expense recognized during the year ended December 31, 2025, totaled $88,562 (2024 — $190,307) and includes accretion resulting from the application of the effective interest method.

February 2022 Debentures

In February 2022, the Company issued senior secured debentures in the aggregate principal amount of $1,640,000 bearing interest at 12% per annum and maturing on February 24, 2025.

As consideration for the debentures, the Company issued 1,366,666 bonus common shares with a fair value of $328,000 based on the trading price of the Company's shares on the issuance date. The debentures were initially recognized at amortized cost using an effective interest rate of approximately 21.9% per annum.

In February 2025, the Company issued a new secured convertible debenture in the principal amount of approximately $465,400, which included conversion and warrant features. The issuance of this instrument, together with changes to the terms of the existing February 2022 debentures, was assessed under IFRS 9 Financial Instruments as resulting in the extinguishment of the original financial liability and the recognition of a new financial liability. The Company recorded a loss on extinguishment of $96,000, within general and administrative expenses.

In addition, the remaining balance of the February 2022 debentures (approximately $205,000) were amended and restated, extending the contractual maturity date to February 2027. The change was assessed under IFRS 9 Financial Instruments as a non- significant modification of the original financial liability. There was no material impact to the consolidated financial statements. At the year end, the outstanding debenture balances, associated with both the newly issued and amended instruments, were fully repaid.

February 2025 Convertible Debentures

In February 2025, the Company issued senior secured convertible debenture units in the aggregate principal amount of $465,400 bearing interest at 12% per annum with a 24-month term. Each unit consisted of a convertible debenture and detachable warrants. This financing formed part of a broader transaction involving changes to the February 2022 debentures, which was assessed under IFRS 9 Financial Instruments as resulting in the extinguishment of the original financial liability and the recognition of a new financial liability. Interest is payable semi-annually in arrears. The debentures are convertible into common shares at the option of the holder in accordance with the terms of the agreement.

On initial recognition, the proceeds were allocated between the liability and equity components, including the conversion feature and warrants, based on their relative fair values in accordance with IAS 32 Financial

(in Canadian Dollars)

SECURED DEBENTURES (CONTINUED)

Instruments: Presentation. The liability component is subsequently measured at amortized cost using the effective interest method, while the equity components are classified within contributed surplus and are not subsequently remeasured.

SECURED DEBENTURES (CONTINUED)

October 2025 Convertible Debenture

In October 2025, the Company entered into a secured convertible debenture arrangement with a principal amount of up to $1,000,000 bearing interest at 12% per annum with a term of three years. During the year ended December 31, 2025, proceeds of $500,000 were advanced.

The debenture includes conversion features and detachable warrants. At initial recognition, the Company allocated the proceeds between the liability and equity components in accordance with IAS 32, with the liability component measured at the fair value of a similar financial liability without the conversion feature. The liability component recognized on issuance totaled approximately $445,000.

The liability component is subsequently measured at amortized cost using the effective interest method.

Classification

As at December 31, 2025, the secured debentures are classified as follows:

	December 31, 2025	**December 31, 2024**
Current portion	—	$543,697
Non-current portion	$447,368	270,000
Total	**$447,368**	**$813,697**

8. RELATED PARTY AND KEY MANAGEMENT COMPENSATION

Related parties include key management personnel, directors, and entities controlled by key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and include the Company’s executive officers and members of the Board of Directors.

Compensation for key management personnel for the years ended December 31 is as follows:

(in Canadian Dollars)

RELATED PARTY AND KEY MANAGEMENT COMPENSATION (CONTINUED)

	2025	2024
Salaries, benefits and contractors	$ 623,730	$ 502,023
Stock-based compensation	103,522	108,030
Board fees and related stock-based compensation	–	66,000
Total key management compensation	**$ 727,252**	**$ 676,053**

Related party transactions

During the year ended December 31, 2025, a company controlled by the Company's Chief Executive Officer subscribed for $205,000 of convertible debenture units on terms consistent with those offered to other subscribers. This transaction is further described in Note 7.

Except as disclosed above, there were no other material transactions with related parties during the years ended December 31, 2025, and 2024.

All related party transactions were measured at the exchange amount, being the amount of consideration agreed to between the related parties.

9. SHARE CAPITAL

Authorized

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

The holders of common shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

(in Canadian Dollars)

SHARE CAPITAL (CONTINUED)

Issued and Outstanding

	Number of Shares	Shares to be Issued	Amount
Balance, January 1, 2024	112,821,495	1,832,214	$ 29,128,164
Issuance pursuant to services rendered by consultant	1,832,214	(1,832,214)	–
Exercise of warrants	2,134,670	–	294,299
Debt conversion (i)	1,111,111	–	100,000
Balance, December 31, 2024	**117,899,490**	**–**	**$ 29,522,463**
Exercise of warrants	9,026,655	–	969,853
Debt conversion (ii)	19,110	–	1,761
Exercise of options	3,799,554	–	280,925
Normal course issuer bid (iii)	(209,000)	–	(19,335)
Balance, December 31, 2025	**130,535,809**	**–**	**$ 30,755,667**

i) During the year ended December 31, 2024, the Company issued 1,111,111 common shares upon conversion of secured debentures totaling $100,000 (Note 7).
(ii) During the year ended December 31, 2025, the Company issued 19,110 common shares upon conversion of secured debentures totaling $1,761 (Note 7).
(iii) During the year ended December 31, 2025, the Company repurchased and cancelled 209,000 common shares under its normal course issuer bid for total consideration of $19,335.

Share Issuances During 2025

During the year ended December 31, 2025, the Company issued:

- 9,026,655 common shares upon the exercise of warrants for proceeds of $827,217*
- 19,110 common shares pursuant to debt conversion totaling $1,761.
- 3,799,554 common shares were issued on exercise of stock options in accordance with IFRS 2, *Share-based Payment*.
- The Company repurchased and cancelled 209,000 common shares under its normal course issuer bid for total consideration of $19,335.

**At the year end, there was approximately $75,000 included in accounts payable as cash received for exercise of warrants.*

Warrants Issued and Outstanding.

The continuity of warrants is as follows:

Reklaim Ltd.

Notes to the Consolidated Financial Statements
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(in Canadian Dollars)

SHARE CAPITAL (CONTINUED)

	Number of Warrants	Weighted Average Exercise Price
Balance, January 1, 2024	26,232,292	$ 0.10
Exercise of warrants	(2,134,670)	0.10
Balance, December 31, 2024	**24,097,622**	**$ 0.10**
Exercise of warrants	(9,026,622)	0.10
Issuance — February 2025 debentures	2,216,190	0.14
Issuance — October 2025 debentures	2,380,951	0.14
Expiry of warrants	(14,070,967)	0.10
Balance, December 31, 2025	**5,597,141**	**$ 0.07**

Warrants Outstanding at December 31, 2025

Issuance	Number of Warrants	Exercise Price	Expiry
Private placement — May 8, 2023	1,000,000	$ 0.10	May 8, 2026
Debenture renewal — February 12, 2025	2,216,190	$ 0.14	February 12, 2027
Debenture issuance — October 29, 2025	2,380,951	$ 0.14	October 29, 2028
Total	**5,597,141**		

Warrant Valuation

Warrants issued in connection with financing transactions were measured at fair value on the grant date using an option pricing model that incorporates observable and unobservable inputs, including expected volatility, expected life, risk-free interest rate and share price.

The following weighted average assumptions were used:

	October 29, 2025	February 12, 2025	May 8, 2023
Share price	$0.11	$0.11	$0.06
Expected life (years)	3	2	3
Volatility	–	151%	176%
Risk-free interest rate	–	2.48%	4.22%
Dividend yield	–	–	–
Barrier	none	$0.20	$0.15
Rebate	none	$0.06	$0.05

The convertible debentures and related warrants issued on October 29, 2025, do not include barrier, knock-in, knock-out, or rebate features, and were therefore valued using a standard option pricing model.

SHARE CAPITAL (CONTINUED)

The assumptions presented in the table above, including volatility and risk-free interest rates, relate to the initial fair value measurement of the equity components at issuance. As these instruments are classified within equity in accordance with IAS 32, the amounts recognized are not subsequently remeasured.

The fair value measurement was classified within Level 3 of the fair value hierarchy. Warrants are classified within equity and are not subsequently remeasured after initial recognition.

Refer to Note 8 for further details regarding the convertible debentures issued during the year.

The assumptions reflect management's best estimate at the respective grant dates.

10. STOCK OPTIONS PLAN AND RESTRICTED SHARE UNITS

Stock Option Plan

The Company has a stock option plan (the "Plan") for directors, officers, employees, and consultants. Options are granted at the market price of the Company's common shares at the date of grant under terms and conditions determined by the Board of Directors.

Options granted under the Plan generally vest over a period of up to three years and expire five years from the date of grant. The Company may issue up to 10% of its issued and outstanding common shares as stock options under the Plan.

Reklaim Ltd.

Notes to the Consolidated Financial Statements
Years ended December 31, 2025 and 2024
(in Canadian Dollars)

STOCK OPTIONS PLAN AND RESTRICTED SHARE UNITS (CONTINUED)

	Number of Options	Weighted Average Exercise Price
Outstanding, January 1, 2025	**10,197,021**	**$0.08**
Granted	1,749,000	0.08
Exercised	(6,299,554)	0.05
Expired	(517,000)	–
Forfeited	(242,000)	0.08
Outstanding, December 31, 2025	**4,887,467**	**$0.09**

	Number of Options	Weighted Average Exercise Price
Outstanding, January 1, 2024	**9,267,021**	**$0.08**
Granted	1,216,000	0.13
Expired	(171,000)	0.14
Forfeited	(115,000)	0.34
Outstanding, December 31, 2024	**10,197,021**	**$0.08**

Stock Options Outstanding and Exercisable

Exercise Price	Number Outstanding	Weighted Average ·maining Contractual Life (years)	Number Exercisable
0.25	26,800	2.36	26,800
0.25	63,000	2.76	63,000
0.41	8,000	0.40	8,000
0.34	25,000	0.90	25,000
0.08	5,000	1.40	5,000
0.08	330,000	1.67	330,000
0.06	1,666,667	1.82	1,666,667
0.05	5,000	1.88	5,000
0.06	7,000	2.61	7,000
0.08	14,000	2.86	14,000
0.140	1,100,000	3.26	1,100,000
0.075	139,000	3.87	139,000
0.080	1,498,000	4.29	1,498,000
Total	**4,887,467**	**2.31**	**4,887,467**

(in Canadian Dollars)

STOCK OPTIONS PLAN AND RESTRICTED SHARE UNITS (CONTINUED)

Valuation of Stock Options

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock options at the grant date. Expected volatility is based on historical volatility of comparable publicly traded companies within similar industries.

STOCK OPTIONS PLAN AND RESTRICTED SHARE UNITS (CONTINUED)

The following weighted average assumptions were used:

	2025	2024
Share price	\$0.05 – \$0.14	\$0.08 – \$0.14
Expected life (years)	1 – 5	1 – 5
Volatility	146% – 162%	150% – 162%
Risk-free interest rate	2.5% – 3.75%	0.2% – 4.65%
Expected forfeiture rate	26%	26%
Dividend yield	–	–

The assumptions reflect management's best estimate at the grant date.

Restricted Share Units (RSUs)

On August 23, 2023, the Company adopted an Omnibus Equity Incentive Plan which includes restricted share units ("RSUs"). RSUs entitle the holder to receive one common share for each RSU vested.

The continuity of RSUs is as follows:

	Number of RSUs	Weighted Average Grant Price
Balance, December 31, 2024 and 2025	**645,647**	**\$0.12**

There were no RSUs granted, vested, forfeited, modified or settled during the year ended December 31, 2025. The number of RSUs outstanding and their terms were unchanged from December 31, 2024.

RSUs Outstanding at December 31, 2025

Grant Date	Number of RSUs	Number Vested
September 8, 2023	117,647	117,647
April 10, 2024	528,000	528,000
Total	**645,647**	**645,647**

(in Canadian Dollars)

STOCK OPTIONS PLAN AND RESTRICTED SHARE UNITS (CONTINUED)

Share-Based Compensation Expense

The Company recognizes share-based compensation expense in accordance with IFRS 2 *Share-based Payment* based on the grant date fair value of equity instruments issued, net of estimated forfeitures, and recognized over the vesting period, with a corresponding increase in contributed surplus.

STOCK OPTIONS PLAN AND RESTRICTED SHARE UNITS (CONTINUED)

Total share-based compensation expense recognized during the year ended December 31, 2025, was $103,522 (2024 — $115,592) and is included in the consolidated statements of income and comprehensive income.

11. REVENUE

The Company generates revenue from data-driven products and services within the advertising and data ecosystem. Revenue is recognized in accordance with IFRS 15, *Revenue from Contracts with Customers*, when control of the promised goods or services is transferred to customers in an amount reflecting the consideration to which the Company expects to be entitled.

The Company derives revenue from two primary sources: identity revenue and platform revenue.

Disaggregation of Revenue

Revenue for the years ended December 31 is comprised of the following:

	2025	2024
Identity revenue	$ 1,121,203	$ 1,011,336
Platform revenue	3,870,857	4,068,378
Total revenue	**$ 4,992,060**	**$ 5,079,714**

Nature of Performance Obligations

Identity Revenue

Identity revenue is generated from the sale of derivative data products and mobile device data. The Company's performance obligation is satisfied at the point in time when the data or derivative data product is delivered to the customer's systems and the customer obtains control of the product.

Platform Revenue

Platform revenue is generated from the delivery of audience segments to data platforms and demand-side platforms. The performance obligation is satisfied when the audience segments are delivered to the distribution

(in Canadian Dollars)

REVENUE (CONTINUED)

platforms and made available for customer use. Revenue is recognized in the period in which the data is utilized by customers based on usage reports provided by the platforms.

The Company has determined that it acts as principal in these arrangements as it controls the specified services before they are transferred to the customer. Accordingly, revenue is recognized on a gross basis.

Major Customers

Receivables from customers representing greater than 10% of total trade receivables are as follows:

Customer	December 31, 2025	December 31, 2024
Customer 1	$ 197,050	$ 589,263
Customer 2	154,532	149,855
Customer 3	114,549	-
Customer 4	100,795	138,664
Total receivables from major customers	**$ 566,926**	**$ 877,782**

12. COST OF SERVICE

Cost of services represents expenses directly attributable to the delivery of the Company's data products and platform services.

Cost of services for the years ended December 31 is comprised of the following:

Cost of services	December 31, 2025	December 31, 2024
Data engineering — salaries	$ 50,000	$ 50,000
Data engineering — hosting fees	48,682	82,531
Total data engineering costs	**98,682**	**132,531**
Platform management	982,704	789,564
Total cost of services	**$ 1,081,386**	**$ 922,095**

Platform management costs primarily include third-party platform fees and data acquisition costs incurred in connection with revenue-generating activities.

13. EXPENSE BREAKDOWN

The Company presents expenses by function in the consolidated statements of income and comprehensive income. The following table presents the nature of operating expenses recognized during the year:

(in Canadian Dollars)

EXPENSE BREAKDOWN (CONTINUED)

Expense category	December 31, 2025	December 31, 2024
Salaries, benefits, commissions, contractors, and recruiting	$ 3,199,964	$ 2,342,587
Professional fees	311,512	261,227
Establishments, office and personnel	120,657	78,660
Cloud hosting, licenses, dues and subscriptions	348,345	191,886
User acquisition, advertising and retention	451,630	372,608
Interest and accretion	68,433	253,711
Expected credit (recovery) loss	(21,945)	28,957
Travel, meals and entertainment	267,505	221,166
Other expenses	102,216	68,394
Total operating expenses	**$ 4,848,318**	**$ 3,819,196**

Interest and accretion expense primarily relates to the Company's secured debentures and borrowings (Note 8).

14. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital items is comprised of the following:

Working capital changes	December 31, 2025	December 31, 2024
Trade and other receivables	$ 247,355	($174,324)
Prepaid expenses	15,813	20,953
Income tax receivable	(9,224)	–
Trade and other liabilities	(56,494)	(498,188)
Contract liabilities	–	(1,867)
Net change in non-cash working capital	**$ 197,450**	**$ (653,426)**

Non-Cash Financing and Investing Activities

During the year ended December 31, 2025, the Company issued 19,110 common shares in settlement of indebtedness of approximately $1,761.

During the year ended December 31, 2024, the Company settled approximately $100,000 of its debt by issuing 1,111,111 common shares.

15. FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT

The Company is exposed to credit risk, liquidity risk, market risk (including foreign exchange risk), and interest rate risk arising from its financial instruments. The Company's risk management objective is to minimize potential adverse effects on financial performance and ultimately shareholder value. Risk management is carried out by the Company under policies approved by the Board of Directors.

The carrying values of cash and cash equivalents, trade and other receivables, trade and other liabilities, and loans payable approximate their fair values due to the relatively short-term maturities of these instruments.

The Company's financial instruments and associated risk exposures are as follows:

Financial instrument	**Credit risk**	**Liquidity risk**	**Foreign exchange risk**	**Interest rate risk**
Cash and cash equivalents	Yes	–	Yes	–
Trade and other receivables	Yes	–	Yes	–
Trade and other liabilities	–	Yes	Yes	–
Loans payable	–	Yes	–	Yes
Secured debentures	–	Yes	–	Yes

Credit Risk

Credit risk arises from cash held with financial institutions and trade receivables. The maximum exposure to credit risk at the reporting date is equal to the carrying value of the financial assets.

The Company manages credit risk associated with cash by maintaining balances with reputable financial institutions. Credit risk associated with trade receivables is mitigated through ongoing monitoring of customer creditworthiness and collection performance.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance for all trade receivables. Expected credit losses are estimated using historical payment profiles, adjusted for current and forward-looking information, including macroeconomic factors where relevant.

Receivables are written off when there is no reasonable expectation of recovery. Recoveries of amounts previously written off are recognized in profit or loss.

As at December 31, 2025, the Company recorded an allowance for expected credit losses of $38,715 (2024 — $72,261).

(in Canadian Dollars)

FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT (CONTINUED)

Trade Receivables Aging

Aging category	December 31, 2025	December 31, 2024
Current	$ 1,008,386	$ 1,162,214
31 – 60 days	50,645	97,809
61 – 90 days	10,931	49,662
Over 91 days	86,842	128,021
Total accounts receivable	1,156,805	1,437,706
Allowance for credit losses	(38,715)	(72,261)
Trade receivables, net	**$ 1,118,090**	**$ 1,365,445**

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk through its interest-bearing liabilities. The Company manages this exposure primarily through the use of fixed-rate borrowings.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and maintaining adequate cash balances to meet operational requirements.

The following table summarizes the Company's contractual maturities of financial liabilities:

As at December 31, 2025

Financial liabilities	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Total
Trade and other liabilities	$ 695,774	–	–	–	$ 695,774
Secured debentures	–	–	–	447,368	447,368
Term loan	11,002	22,004	99,017	–	132,022
Total	**$ 706,776**	**$ 22,004**	**$ 99,017**	**$ 447,368**	**$ 1,275,164**

FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT (CONTINUED)

As at December 31, 2024

Financial liabilities	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Total
Trade and other liabilities	$ 679,190	–	–	–	$ 679,190
Loan payable	747	1,494	5,232	–	7,473
Secured debentures	–	543,697	–	270,000	813,697
Term loan	11,002	22,004	99,018	132,020	264,044
Total	**$ 690,939**	**$ 567,195**	**$ 104,250**	**$ 402,020**	**$ 1,764,404**

Market Risk — Foreign Exchange Risk

The Company operates internationally, including through a subsidiary in the United States, and is therefore exposed to foreign currency risk. The Company reports its financial results in Canadian dollars, while a significant portion of revenues and certain expenses are denominated in United States dollars.

The Company does not currently use derivative financial instruments to hedge its foreign currency exposure.

As at December 31, 2025, the Company had US-dollar denominated net monetary assets of approximately US $646,737 (CAD $886,418) (2024 — US $991,618 (CAD $1,426,840)).

A 10% strengthening (weakening) of the Canadian dollar against the United States dollar at December 31, 2025, would have resulted in an equal but opposite effect on net income and equity of approximately $449,999 (2024 — $862,606), assuming all other variables remain constant.

Capital Management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern;
- to provide returns for shareholders; and
- to maintain an optimal capital structure to reduce the cost of capital.

The Company defines capital as shareholders' equity and interest-bearing debt, which includes share capital, warrants, contributed surplus, accumulated deficit, loans payable, and secured debentures.

FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT (CONTINUED)

The Company manages its capital structure and makes adjustments based on economic conditions, available financing alternatives, and the risk characteristics of its underlying assets. Historically, the Company has financed its operations primarily through equity financings and debt arrangements.

The Company reviews its capital management practices on an ongoing basis and believes that its current approach is appropriate given the size and stage of the Company.

The Company is not subject to externally imposed capital requirements.

16. INCOME TAX

(All amounts in Canadian dollars unless otherwise stated)

(a) Income tax expense

Income tax expense varies from the amount that would be computed by applying the combined Canadian federal and provincial statutory income tax rate to income (loss) before income taxes as follows:

	December 31, 2025	**December 31, 2024**
Expected tax rate	26.50%	26.50%
Net (loss) income before income taxes	(1,033,852)	388,332
Expected income tax expense benefit) resulting from income (loss)	(273,971)	97,301
Permanent differences	90,254	81,207
Change in tax benefits not recognized	186,174	(209,340)
Difference in tax rates	227	45,811
Income tax expense	**2,684**	**14,979**

The Company recognized income tax expense of $2,684 for the year ended December 31, 2025 (2024 – $14,979).

(in Canadian Dollars)

INCOME TAX (CONTINUED)

(b) Deferred tax assets and liabilities

The following table summarizes the components of deferred tax:

	As at December 31, 2025	As at December 31, 2024
Deferred tax assets		
Operating tax losses carried forward — Canada	17,111	8,582
Operating tax losses carried forward — United States	5,375	5,639
Total deferred tax assets	**22,486**	**14,221**
Deferred tax liabilities		
Secured debenture	(13,948)	(5,419)
Foreign exchange	(8,538)	(8,802)
Total deferred tax liabilities	**(22,486)**	**(14,221)**
Net deferred tax liability	–	–

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

(c) Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to differences between the income tax bases and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	As at December 31, 2025	As at December 31, 2024
Property and equipment	556,094	610,477
Share issue costs	8,925	35,271
Reserves	33,770	72,261
Operating tax losses carried forward — Canada	27,175,618	27,435,169
Operating tax losses carried forward — United States	3,682,727	4,186,356
Government incentives	1,259,671	1,259,671
Total	**32,716,804**	**33,599,204**

INCOME TAX (CONTINUED)

Deferred tax assets have not been recognized in respect of these items because it is not probable that sufficient future taxable profits will be available against which the Company can utilize the benefits.

The Company has non-capital losses available to offset future taxable income that begin to expire in 2035. Certain United States losses may be carried forward indefinitely.

(d) Tax risks and uncertainties

The Company is subject to taxation in Canada and the United States. For the year ended December 31, 2025, no current income tax expense has been recognized, consistent with the Company's taxable position for the year. Tax returns remain subject to examination by taxation authorities in the jurisdictions in which the Company operates. The Company believes that adequate provisions have been recorded for any uncertain tax positions.

17. SUBSEQUENT EVENT

Subsequent to December 31, 2025, the Company has purchased, as part of its Normal Course Issuer Bid ("NCIB") program, 1,226,000 common shares at a total cost of $43,615, representing an average price of $0.0356 per share.