Condensed Interim Consolidated Financial statements of

Uniserve Communications Corporation

Nine months ended February 28, 2026 and 2025

(Expressed in Canadian dollars)

Uniserve Communications Corporation

For the nine months ended February 28, 2026 and 2025

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, “Continuous Disclosure Obligations”, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company’s external auditors, MNP LLP, have not performed a review of these financial statements.

Signed by

"Kwin Grauer"

Kwin Grauer
Director

Signed by

"Gautam Lohia"

Gautam Lohia
Director

April 29, 2026

Uniserve Communications Corporation

Condensed interim consolidated statements of financial position

(Expressed in Canadian dollars)

	Note	**February 28, 2026**	**May 31, 2025**
Assets			
Current assets			
Cash and cash equivalents	6	$ 553,942	$ 284,855
Trade and other receivables	15	1,412,355	839,652
Inventories		111,556	61,740
Contract costs - current portion	5b	8,678	13,366
Lease receivables - current portion	13b	5,188	1,691
Prepaid expenses		216,307	187,541
		2,308,026	1,388,845
Property and equipment	7a	6,946,244	313,170
Intangible assets	7b	5,972,938	2,494,651
Contract costs	5b	3,947	10,530
Lease deposit	8e	74,610	-
Lease receivables	13b	21,110	272
Receivables - long term	7c	51,446	51,446
		$ 15,378,321	$ 4,258,914
Liabilities and Shareholders' Equity			
Current Liabilities			
Trade payables		1,639,554	$ 1,232,846
Accrued liabilities		402,605	421,410
Accrued dividends payable on preferred shares	11	28,827	27,446
Convertible preferred shares	11	23,000	23,000
Convertible debenture - current portion	10	100,000	100,000
Contract liabilities	5c	171,931	137,152
Lease liabilities - current portion	13a	202,867	2,007
Loans payable	9	3,700,000	1,500,000
		6,268,784	3,443,861
Non-current Liabilities			
Convertible debenture	10	2,478,979	806,710
Lease liabilities	13a	2,476,193	5,948
		11,223,956	4,256,519
Shareholders' Equity			
Issued capital	12a&b	37,987,772	33,318,248
Equity reserves	12e	6,525,319	5,380,819
Deficit		(40,358,726)	(38,696,672)
		4,154,365	2,395
		$ 15,378,321	$ 4,258,914

Nature of operations and going concern (Note 1 and 2)

Commitments and Contingencies (Note 16)

Subsequent events (Note 19)

Approved on behalf of the Board

"Kwin Grauer"	*"Gautam Lohia"*
Kwin Grauer	Gautam Lohia
Director	Director

See accompanying notes

Uniserve Communications Corporation

Condensed interim consolidated statements of comprehensive loss

(Expressed in Canadian dollars)

		Three months ended February 28,		Nine months ended February 28,	
	Note	**2026**	**2025**	**2026**	**2025**
Revenue	5a, 8c	$ 2,742,967	$ 1,711,543	$ 6,958,759	$ 5,227,503
Cost of revenues	8,17	1,654,546	1,009,109	4,150,617	3,094,390
		1,088,421	702,434	2,808,142	2,133,113
Expenses					
Operations and service delivery expenses	8,17	1,085,643	1,208,564	2,739,242	2,697,700
Sales and marketing	8,17	113,374	71,227	257,376	374,812
Amortization of property and equipment	7a	194,606	23,386	259,042	67,355
Amortization of intangible assets	7b	129,736	36,300	248,323	36,300
Share-based compensation	12d	247,200	-	303,000	-
		1,770,559	1,339,477	3,806,983	3,176,167
		(682,138)	(637,043)	(998,841)	(1,043,054)
Other Income (Expenses)					
Finance charges	9,10,11,12	(876,970)	(25,995)	(966,767)	(54,000)
Loss on foreign exchange	.	6,033	(2,279)	2,953	(6,240)
Gain on write-off of trade payables	5f	-	-	287,784	-
Finance Income		1,833	44,739	12,817	92,667
		(869,104)	16,465	(663,213)	32,427
Net and Comprehensive Loss for the period		($ 1,551,242)	($ 620,578)	$(1,662,054)	$(1,010,627)
Loss per share -Basic		($ 0.04)	($ 0.02)	($ 0.05)	($ 0.04)
Weighted average common shares outstanding - Basic		39,778,327	26,841,256	34,623,774	26,841,256
Loss per share - Diluted		($ 0.04)	($ 0.02)	($ 0.05)	($ 0.04)
Weighted average common shares outstanding - Diluted		39,778,327	26,841,256	34,623,774	26,841,256

See accompanying notes

Uniserve Communications Corporation

Condensed interim consolidated statements of cash flows

(Expressed in Canadian dollars)

	Note	Three months ended February 28, 2026	Three months ended February 28, 2025	Nine months ended February 28, 2026	Nine months ended February 28, 2025
Net loss for the period		($ 1,551,242)	$(620,578)	$(1,662,054)	$(1,010,627)
Items not involving Cash					
Amortization of intangible assets		129,736	36,300	248,323	36,300
Amortization of property and equipment		194,606	23,386	259,042	67,355
Accretion of convertible debenture		15,275	3,012	28,145	3,012
Finance expense		141,932	-	717,500	-
Gain on write-off of trade payables		-	-	(287,784)	-
Share-based compensation		247,200	-	303,000	-
Changes in working capital and other items	18	526,878	488,938	119,473	599,588
Net cash used by operating activities		(295,615)	(68,942)	(274,355)	(304,372)
Investing Activities					
Purchase of property and equipment		(679,291)	(28,199)	(1,187,312)	(63,957)
Additions to intangible assets		-	-	(326,730)	-
Cash paid for business combination		(2,400,000)	(1,350,000)	(2,400,000)	(1,350,000)
Lease deposit paid		-	-	(74,610)	-
Net cash (used) by investing activities		(3,079,291)	(1,378,199)	(3,988,652)	(1,413,957)
Financing Activities					
Net cash proceeds from issuance of common shares		351,250	1,000,000	2,143,524	1,000,000
Issuance of debt		2,500,000	-	2,500,000	-
Repayment of debt and notes		(77,731)	-	(77,731)	-
Repayment of lease obligations		(32,716)	(470)	(33,699)	(1,380)
Net cash provided by financing activities		2,740,803	999,530	4,532,094	998,620
Change in cash and cash equivalents		(634,103)	(447,611)	269,087	(719,709)
Cash and cash equivalents at beginning of the period		1,188,045	839,372	284,855	1,111,470
Cash and cash equivalents at end of the period		$ 553,942	$ 391,761	$ 553,942	$ 391,761

Supplemental information for statement of cash flows - Note 18

See accompanying notes

Uniserve Communications Corporation

Condensed interim consolidated statements of changes in shareholders' equity

(Expressed in Canadian dollars)

	Note	Issued capital		Equity		Total Shareholders'
		Shares	Amount	reserves	Deficit	equity
Balance, May 31, 2024		26,841,256	$ 33,318,248	$ 4,135,856	$(36,797,975)	$ 656,129
Net loss and comprehensive loss for the period		-	-	-	(390,049)	(390,049)
Balance, February 28, 2025		26,841,256	33,318,248	4,135,856	(37,188,024)	266,080
Balance, May 31, 2025		26,841,256	$ 33,318,248	$ 5,380,819	$(38,696,672)	$ 2,395
Issuance of share capital by cash	12b	6,000,000	$ 1,789,369	-	-	1,789,369
Issuance of share capital (warrants exercised)	9b,12b&c	497,500	$ 225,250	-	-	225,250
Issuance of share capital (options exercised)	12b,12d	308,300	$ 128,905	-	-	128,905
Issuance of share capital (convertible debenture)	11,12b	1,000,000	$ 350,000	-	-	350,000
Issuance of share capital (debt repayment)	9b, 12b	1,000,000	$ 300,000	-	-	300,000
Issuance of share capital (business Combination)	12b	3,431,961	$ 2,000,000	-	-	2,000,000
Fair value of issuance share purchase warrants	12c,12e	-	($ 320,700)	1,038,200	-	717,500
Transfer on exercise of share purchase warrants	12e	-	$ 196,700	(196,700)	-	-
Share-based compensation reserve	12c,12e	-	-	$ 303,000	-	303,000
Net and Comprehensive Loss for the period		-	-	-	(1,662,054)	(1,662,054)
Balance, February 28, 2026		39,079,017	$ 37,987,772	$ 6,525,319	$(40,358,726)	$ 4,154,365

` *See accompanying notes*

1. Nature of operations

Uniserve Communications Corporation ("the Company") was incorporated on January 19, 1988 under the Company Act of British Columbia. The Company's principal business activities are the provision of Internet access and telecommunications services and commercial IT consulting services primarily in B.C., Ontario and Alberta.

The Company is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol USS. The Company's head office is located at Suite 209 – 333 Terminal Avenue, Vancouver, British Columbia, Canada, V6A 4C1.

2. Going concern

The Company's condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. For nine months ended February 28, 2026 the Company had a net loss of $1,662,054. As of February 28, 2026, the Company had working capital deficit of $3,960,758 and an accumulated deficit of $40,358,726.

The Company's ability to continue as a going concern is dependent in part upon the Company's ability to generate sufficient cash flow from operations and to obtain additional equity or debt financing in the near term to continue to meet its obligations as they come due.

The Company has taken steps to assist it in meeting its financial obligations, including raising capital through private placements, evaluating the Company's workforce, and restructuring its debts. The Company continues to pursue new financing activities that will allow it to focus on new business initiatives.

The Company's ability to meet its financial obligations depends on a number of factors, some of which are beyond its control. These include general global economic, credit and capital market conditions, and the demand for and selling price of its products. There is no assurance that the expected cash flows from operations and the other steps being taken will allow the Company to meet its obligations as they become due.

Rapidly changing global economic conditions make access to the credit and capital markets difficult for the Company, which may compromise its ability to obtain suitable financing. The Company may not generate sufficient funds from operations to meet all of its financial obligations and may need to generate funds from other sources to do so.

If the Company is unable to generate positive cash flows or obtain adequate financing, the Company would need to further slow operations. This would indicate the existence of a material uncertainty that would cast significant doubt about the Company's ability to continue as a going concern. Failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which could differ significantly from the going concern basis.

3. Basis of preparation and presentation

These unaudited interim condensed consolidated financial statements ("interim financial statements") were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended May 31, 2025 (the "2025 Consolidated Financial Statements"). These interim financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.
The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in Note 4 of the Company's 2025 Consolidated Financial Statements. These interim financial statements should be read in conjunction with the Company's 2025 Consolidated Financial Statements.

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

The Company's operating results are subject to seasonal fluctuations that may materially impact quarter-to-quarter operating results and, thus, one quarter's operating results are not necessarily indicative of a subsequent quarter's operating results.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as at February 28, 2026. The Board of Directors authorized the interim financial statements for issue on April 29, 2026.

The notes presented in these interim financial statements include only significant changes and transactions that have occurred since the last fiscal year end.

Certain amounts for the prior year may have been reclassified to conform to the presentation in the current year.

4. Business Combinations

On December 22, 2025, the Company completed the acquisition of substantially all of the business and assets of Megawire Inc., Brimax Financial Services Inc., and Waterloo Wireless Inc. These combined acquisitions are referred to as the Transaction.

The acquisition included substantially all of the assets of Megawire Inc. and all the common and outstanding shares of associated companies Brimax Financial Services Inc., and Waterloo Wireless Inc. The aggregate purchase price of $6.5 million was comprised of the following;

Consideration Component	Amount	Notes
Cash	$2,400,000	Partially funded by related-party loan from 369 Terminal Holdings Ltd.
Common Shares	$2,000,000	Issued to the seller as part of acquisition consideration
Convertible Promissory Note	$2,100,000	Non-transferable, bears 7% per annum interest, repayable in monthly installments over 3 years
Total	$6,500,000	

Acquisition details of the Transaction were as follows:

On December 22, 2025, pursuant to an Asset Purchase Agreement dated November 19, 2025, the Company completed the purchase of substantially all the assets of Megawire Inc ("Megawire"). Uniserve issued an aggregate of 3,431,961 common shares of Uniserve (each, a "Uniserve Share") at a price of $0.5828 per Uniserve Share (representing an aggregate purchase price of $2,000,000) to acquire all of Megawire's assets.

On December 22, 2025 pursuant to a Share Purchase Agreement (the "Brimax SPA") dated as of November 19, 2025 among Uniserve, Brimax Financial Services Inc. ("Brimax"), and the Brimax shareholders, Uniserve paid $2,400,000 in cash to acquire all of the issued and outstanding Brimax shares.

On December 22, 2025 pursuant to a Share Purchase Agreement (the "Waterloo SPA") dated as of November 19, 2025 among Uniserve, Waterloo Wireless Inc. ("Waterloo") and the Waterloo shareholder (Steven Maxwell, the "Noteholder"), Uniserve paid $2,100,000 through the issuance of a non-transferable convertible note (the "Note", The Note has a three year term expiring December 22, 2028, bears annual interest at 7%, payable monthly.

In connection with the Note, Waterloo has executed and delivered a guarantee (the "Guarantee") under which Waterloo has guaranteed all of Uniserve's obligations under the Note. Waterloo has also executed a general security agreement (the "GSA") in favour of the Noteholder, pursuant to which, in connection with the Guarantee, the Note is secured by a first priority security interest in favour of the Noteholder against all present and after-acquired property of Waterloo.

At the time of the purchase, the Company determined that Megawire constituted a business and, accordingly, the acquisition was accounted for as a business combination. In accordance with IFRS 3, "Business Combinations," the difference between the fair value of consideration transferred and the fair value of the Company's purchased identifiable assets and liabilities has been recognized as goodwill.
The fair value of the total consideration transferred determined at the

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

acquisition date is preliminary and subject to change up to a period of one year from the acquisition date upon finalization of fair value determination.

The following table summarizes the preliminary determination of fair values for the total consideration:

Fair value of onsideration at December 22, 2025	$ 6,500,000
Allocated to:	
Property and Equipment (Data Centre)	$ 3,000,000
Customer Relationships	2,795,456
Goodwill	604,424
Inventory	100,000
Waterloo Wireless 100 Common Shares	100
Brimax Financial Services Inc - 2 Class A Common Shares	20
	$ 6,500,000

In completing the purchase of Megawire, the Company incurred acquisition-related costs totaling $60,431, the majority of which were expensed during the period ended February 28, 2026. All acquisition costs have been included in general and administrative expenses on the statements of comprehensive loss.

The acquisition of Megawire is expected to expand the customer base primarily in the Greater Waterloo area and allow for increased revenue through expanded breadth of service offering, including cross-selling and upselling both existing Uniserve customers and Megawire customers. These are factors making up the goodwill in addition to the assembled workforce.

5. Revenue

The Company's operations, main sources of revenue, and methods for recognition are those described in Note 4 (i) of the company’s 2025 Consolidated Financial Statements. The Company's revenue is primarily derived from contracts with customers.

a) Disaggregation of revenue

In the following table and in accordance with IFRS 15, the Company disaggregates revenue into six primary categories that depict the nature of its revenue streams. All revenue is recognized at the point in time performance obligations are deemed to be satisfied.

	Three months ended February 28,		**Nine months ended February 28,**	
	2026	**2025**	**2026**	**2025**
Connectivity services revenue	$ 1,244,033	$ 778,863	$ 3,141,534	$ 2,187,755
IT professional services revenue	635,886	498,559	1,780,661	1,501,782
Equipment & software sales revenue	863,049	434,122	2,036,564	1,537,966
	$ 2,742,967	$ 1,711,543	$ 6,958,759	$ 5,227,503

b) Contract costs

The following is a table that summarizes the change in contract costs during the nine months ended February 28, 2026:

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

Balance, May 31, 2024	$	54,195
Incremental commissions capitalized		3,823
Contract cost amortization		(34,122)
Balance, May 31, 2025	$	23,896
Contract cost amortization		(11,270)
Balance, February 28, 2026		12,626
Less: current portion		(8,678)
Non-current portion	$	3,948

c) Contract liabilities

The following is a table that summarizes the change in contract liabilities during the nine months ended February 28, 2026:

Balance, May 31, 2024	$ 131,833
Additions from provisioning	1,255,772
Revenue recognized for services provided	(1,250,453)
Balance, May 31, 2025	$ 137,152
Additions from provisioning	1,211,757
Revenue recognized for services provided	(1,176,978)
Balance, February 28, 2026	171,931
Less: current portion	(171,931)
Non-current portion	$ -

d) Unsatisfied performance obligations

As of February 28, 2026, the aggregate transaction price allocated to unsatisfied performance obligations was $1,678,787 (2025 – $2,251,214). These amounts represent contractual service obligations that the Company has yet to fulfill. The Company expects to recognize this revenue over a weighted average period of 2.04 years, representing the remaining contractual and committed terms prior to renewals.

e) Major customers

For the nine months ended February 28, 2026, the Company had one major customer that accounted for 10% of total revenue. For the comparative period ended February 28, 2025, the same customer accounted for 14% of total revenue.

f) Gain on write-off of trade payables

For the period ended February 28, 2026, the Company conducted a review of long-outstanding trade payables. Balances that were outstanding for more than five years or for which there had been no activity or claims from suppliers were derecognized, as management determined that no present legal or constructive obligation exists. As a result, a gain of $287,784 was recognized in other income. The write-off did not result in any cash inflow.

6. Cash and cash equivalents

The company cash and cash equivalents are comprised of bank balances and short-term investments (guaranteed investment certificate) at a major Canadian financial institution.

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

	February 28, 2026	May 31, 2025
Cash and cash equivalents	$ 327,544	$ 159,855
Short-term investments	226,398	125,000
	$ 553,942	$ 284,855

7. Non-current assets

a. Property and equipment

	Property and Equipment	Right-of-use Assets	Total
Cost			
Balance, May 31, 2024	$ 8,885,655	$ 546,887	$ 9,432,542
Additions	171,452	-	171,452
Balance, May 31, 2025	$ 9,057,107	$ 546,887	$ 9,603,994
Additions	4,187,312	2,704,804	6,892,116
Balance, February 28, 2026	$ 13,244,419	$ 3,251,691	$ 16,496,110
Accumulated Amortization			
Balance, May 31, 2024	$ 8,657,447	$ 537,387	$ 9,194,834
Amortization charge	93,918	2,072	95,990
Balance, May 31, 2025	$ 8,751,365	$ 539,459	$ 9,290,824
Amortization charge	212,411	46,635	259,046
Balance, February 28, 2026	$ 8,963,776	$ 586,094	$ 9,549,870
Net Book Value, May 31, 2025	$ 305,742	$ 7,428	$ 313,170
Net Book Value, February 28, 2026	$ 4,280,643	$ 2,665,597	$ 6,946,240

Details of lease obligations and disposals of right-of-use assets are outlined in Note 12a.

Business Combination: The Company acquired network hardware assets with preliminary fair value of $3,000,000 as part of a business combination. These assets were placed into service immediately, and amortization has been recorded from the date of acquisition.

Construction in Progress (CIP): As at February 28, 2026, the Company has capitalized $1,105,110 in costs related to the build-out of a new data centre facility, consisting of $208,910 in Network Hardware and $896,200 in Leasehold Improvements.

Amortization Policy: No amortization has been recorded on the CIP assets, as the facility is currently under construction and not yet available for its intended use. Amortization will commence once the assets are commissioned.

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

b. Intangible assets

	Customer List	Customer Relationships	Website Development Costs	Goodwill	Total
Cost					
Balance May 31, 2024	$ 324,218	$ 346,343	$ -	1,653,657	$ 2,324,218
Additions	-	2,371,746	-	201,963	2,573,709
Balance, May 31, 2025	324,218	2,718,089	-	1,855,620	4,897,927
Additions	-	2,795,456	326,730	604,424	3,726,610
Balance, February 28, 2026	$ 324,218	$ 5,513,545	$ 326,730	$ 2,460,044	$ 8,624,537
Accumulated Amortization and Impairment					
Balance May 31, 2024	$ 324,218	$ 346,343	$ -	$ 1,653,657	$ 2,324,218
Amortization Charge	-	79,058	-	-	79,058
Balance, May 31, 2025	324,218	425,401	-	1,653,657	2,403,276
Amortization Charge	-	231,987	16,337	-	248,324
Balance, February 28, 2026	$ 324,218	$ 657,388	$ 16,337	$ 1,653,657	$ 2,651,600
Net Book Value, May 31, 2025	$ -	2,292,688	$ -	201,963	2,494,651
Net Book Value, February 28, 2026	$ -	4,856,157	310,394	806,387	5,972,938

Customer list and customer relationships

The customer list is amortized on a declining balance method at 50% per annum.

The customer relationships are amortized on a straight-line basis monthly over 10 years.

Impairment of customer list and customer relationships

The asset is impaired when the recoverable amount is less than the net book value. The recoverable amount is the higher of i) an asset's fair value less costs to sell and ii) its value-in-use. No material events had occurred that would cause the Company to reassess the impairment of the customer list and customer relationships during the nine months ended February 28, 2026. Accordingly, no adjustment was recorded for the customer list and customer relationships for the nine months ended February 28, 2026.

Website and software development costs

During the nine months ended February 28, 2026, the Company capitalized $326,730 in website and software development costs that met the recognition criteria under IAS 38. The costs are amortized on a straight-line basis over their estimated useful lives once available for use.

Impairment of goodwill

Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that its carrying amount may not be recoverable, in accordance with IAS 36, Impairment of Assets. The Company's most recent annual goodwill impairment test was completed as of May 31, 2025.

At that date, goodwill was allocated to the Company's cash-generating unit ("CGU"). The recoverable amount was determined based on fair value less costs of disposal (FVLCD), calculated using a forecasted EBITDA multiple of 5.25, less estimated costs of disposal. The resulting recoverable amount of $3,330,000 exceeded the CGU's carrying amount of $3,133,631, and therefore, no impairment was recognized.

For the nine months ended February 28, 2026, management reviewed for indicators of impairment and determined that no indicators were identified. Accordingly, the annual impairment test will next be performed as of May 31, 2026.

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

c. Receivable – long term

Receivable – long term consists of an ex-employee loan bearing interest of 1% per annum.

8. Related party transactions

Key management compensation:

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Company's Board of Directors and the Company's executive team. Key management personnel compensation for the nine months ended February 28, 2026 including short-term benefits totaled $248,750 (2025 - $212,285).

Transactions with related parties:

(a) Operating cost

The Company rents office space on a month-to-month basis from a company controlled by a significant shareholder for a monthly rent of $1,500. For the period ended February 28, 2026, the Company recognized gross rent expenses of $13,500 (2025 - $13,500) and $2,192 (2025 - $2,195) to rent expenses for parking fees.

The Company also recognized marketing expenses from companies controlled by a significant shareholder of $9,000 (2025 - $9,300) for signage and recognized $1,830 (2025 - $1,800) to rent expense for rooftop space for communications equipment.

The Company also recognized $8,000 (2025 - $9,000) for dark fiber cost in the cost of revenue, regulatory fees & service charges of $30,566 (2025 - $22,856) from companies controlled by a significant shareholder.

The Company has a lease agreement with a company controlled by a significant shareholder of the Company for its data centre space since November 1, 2014 with the renewal term that expired on November 30, 2022, now on the month-to-month basis. For the period ended February 28, 2026 the Company made payments of $131,815 (2025 - $119,404) in connection with certain of the Company's leases which included electricity cost of $23,801 (2025 - $21,593), The electricity cost was included in cost of revenue.

During the period ended February 28, 2026, the Company entered into a long-term commercial lease, effective January 1, 2026, for office premises located in Waterloo, Ontario with a company related to a director of the Company. The lease has an initial term of ten years. During the period ended February 28, 2026, the Company paid $68,425 (2025 – $Nil), comprising base rent, customary operating costs, and standard escalation charges.

(b) Loans and convertible debentures

1. Loans payable

The Company has loans payable to related parties. Amounts outstanding in connection with these loans are as follows:

	February 28, 2026	May 31, 2025
Loan amounts owed to companies controlled by a significant shareholder	$ 3,700,000	$ 1,500,000
	$ 3,700,000	$ 1,500,000

Further details on these loans are disclosed in Note 9.

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

For the nine months ended February 28, 2026, the interest expense that was paid or accrued to related parties in connection with the loans as follows:

	Three months ended February 28,		Nine months ended February 28,	
	2026	**2025**	**2026**	**2025**
Interest paid or accrued to companies controlled by a significant shareholder	$ 85,214	$ 17,358	$ 138,951	$ 42,358
	$ 85,214	$ 17,358	$ 138,951	$ 42,358

2. Convertible debenture payable

The Company has convertible debentures payable to related parties. Amounts outstanding in connection with these debentures are as follows:

	February 28, 2026	**May 31, 2025**
Convertible debenture amounts owed to a company controlled by a significant shareholder	$ 650,000	$ -
Convertible debenture amounts owed to a director of the Company	2,100,000	-
	$ 2,750,000	$ -

Further details on these convertible debentures are disclosed in Note 10.

For the nine months ended February 28, 2026, the interest expense that was paid or accrued to related parties in connection with the convertible debentures as follows:

	Three months ended February 28,		Nine months ended February 28,	
	2026	**2025**	**2026**	**2025**
Interest paid or accrued to a company controlled by a significant shareholder	$3,250	$ -	$3,250	$ -
Interest paid or accrued to a director of the Company	$28,527	$ -	$28,527	$ -
	$31,777	$ -	$31,777	$ -

(c) Revenues

For the nine months ended February 28, 2026, revenue included a total of $379,558 (2025 – $197,410) from the sale of hardware and other services to companies controlled by a significant shareholder.

(d) Website and software development costs

During the nine months ended February 28, 2026, the Company incurred $326,730 in website and software development costs from a company controlled by a member of the Board of Directors, which were capitalized as intangible assets.

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

(e) Lease commitment and deposit

On September 12, 2025, the Company entered into a 10-year lease agreement for a new 10,174 square foot data center in Vancouver, with a commencement date of September 1, 2026. The lessor is a company controlled by a significant shareholder of the Company. Management has determined that the lease terms are consistent with prevailing market rates.

Under the terms of the agreement, the annual basic rent is as follows:

- Years 1–5: $30.00 per square foot
- Years 6–10: $33.00 per square foot

Additionally, the landlord will provide a $1,000,000 lease inducement and a $1,000,000 forgivable loan. This lease is subject to customary operating costs and standard escalation provisions.

During the nine months ended February 28, 2026, the Company paid a lease deposit of $74,610 (2025 - $Nil)

9. Loans payable

Loans payable is comprised of the following:

	February 28, 2026	May 31, 2025
Demand loans with related parties	$ 3,700,000	$ 1,500,000
Total Loans	$ 3,700,000	$ 1,500,000

Related party transactions: $3,700,000 (May 31, 2025 - $1,500,000) in total loans are due to related parties (see Note 8 (b).

(a) On July 4, 2017, the Company borrowed $500,000 from a related company controlled by a significant shareholder. The loan bears interest at 10% per annum and is repayable on demand.

For the nine months ended February 28, 2026, the Company paid $37,397 (2025 - $37,317) in interest.

(b) On February 5, 2025, the Company borrowed $1,000,000 from a related company controlled by a significant shareholder. The Loan bears interest at a rate of 8% per annum, payable monthly.

As additional consideration for the Loan, the Company issued 1,000,000 purchase warrants to the lender. Each Loan Warrant is exercisable for one common share of the Company at an exercise price of $0.30 per share for a period of one year from the date of issuance. The fair value of warrants, determined to be $196,700, was recognized as a finance cost during the year ended May 31, 2025.

On June 9, 2025, the lender exercised 1,000,000 share purchase warrants at an exercise price of $0.30 per share, for total proceeds of $300,000, which were applied as a partial repayment of the loan principal. For the nine months ended February 28, 2026, the Company paid $42,477 (2025 - $Nil) in interest.

(c) On December 22, 2025, the Company borrowed $2,500,000 from a related company controlled by a significant shareholder. The Loan bears interest at a rate of 8% per annum, payable monthly.

As part of the terms of this financing, the Company also issued 3.5 million share purchase warrants. Each warrant allows the holder to purchase one common share of the Company at an exercise price of $0.57 per share. These warrants are exercisable until December 22, 2026. This financing is exempt from the formal valuation and minority shareholder approval requirements defined under Multilateral Instrument 61-101 regarding the Protection of Minority Security Holders in Special Transactions.

For the nine months ended February 28, 2026, the Company paid $47,096 (2025 - $Nil) in interest.

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

10. Convertible debenture

Convertible debenture is comprised as follows:

	February 28, 2026	**May 31, 2025**
Convertible debenture	$2,750,000	$ 1,000,000
Convertible debenture -current portion	(100,000)	(100,000)
Discount	(224,179)	(103,304)
Accretion	53,058	10,014
	$2,478,879	$806,710

a) On February 5, 2025, pursuant to an Asset Purchase Agreement dated January 24, 2025, the Company completed the purchase of substantially all the assets of Cyclone. As part of the acquisition-date fair value of the total consideration transferred, the Company issued a secured convertible debenture ("The Debenture") at closing, with a preliminary fair value of $1,230,959. This amount is comprised of a debt component with a principal sum and fair value of $896,696 and an equity component with fair value of $334,263, attributable to the Debenture's conversion feature. (Note 3).

The Debenture has a three-year term, bears interest at a rate of 6% per annum, payable monthly, and is secured by the acquired Cyclone assets. An amount of $103,304 was allocated to accretion to reflect the difference between the initial carrying value and the face value of the debenture. The accretion is recognized over the three-year term using the effective interest method.

In each of the three years following the closing date, the Company may elect to repay up to 50% of the then outstanding principal. If such a repayment is proposed, Cyclone may opt to convert up to 50% of that amount into common shares of the Company (each, a "Share") at the then applicable conversion price. Additionally, on the first and second anniversaries of the closing, 10% of the then-outstanding principal (less any prepayments) becomes due and payable in cash, unless Cyclone opts to receive payment in Shares. Shares issued under the Debenture will be priced based on the year of issuance as follows: Year 1: Convertible at $0.35 per share, Year 2: Convertible at $0.45 per share and Year 3: Convertible at $0.55 per share.

The Debenture also includes an acceleration clause whereby, if the 10-day volume-weighted average trading price of the Company's Shares on the TSX-V equals or exceeds 150% of the applicable conversion price at any time during the term, the Company may choose to convert up to 50% of the outstanding Debenture into Shares at the applicable conversion price, or alternatively, pay the holder up to 50% of the outstanding Debenture in cash. In accordance with the repayment terms, the portion of the Debenture due within one year has been classified as a current liability, while the remaining balance is classified as a long-term liability.

During the quarter ended February 28, 2026, the Company settled $350,000 of the convertible debenture through the issuance of 1,000,000 common shares at $0.35 per share with the corresponding adjustment recognized in the accretion accounts. The remaining balance of $650,000 continues to accrue interest and accretion in accordance with the original terms.

During the same period, the convertible debenture was assigned from the original holder to a company controlled by a significant shareholder. All terms and conditions of the debenture remain unchanged following this assignment.

For the nine months ended February 28, 2026, the Company paid interest of $31,000 (2025 - $5,000).

b) On December 22, 2025, pursuant to an Asset Purchase Agreement, the Company completed the purchase of assets. As part of the acquisition-date fair value of the total consideration transferred, the Company issued a secured convertible debenture ("The Debenture") with a preliminary fair value of $2,100,000.

This amount is comprised of a debt component with a principal sum and fair value of $1,758,790 and an equity component with a fair value of $341,210, attributable to the Debenture's conversion feature.

The Debenture has a three-year term, bears interest at a rate of 7% per annum, payable monthly, and is secured by the acquired Megawire assets. An amount of $341,210 was allocated to accretion to reflect the difference between the initial carrying value and the face value of the debenture. The accretion is recognized over the three-year term using the effective interest method.

In each of the three years following the closing date, the Company may elect to repay up to 50% of the then outstanding principal. If such a repayment is proposed, Megawire may opt to convert up to 50% of that amount into common shares of the Company (each, a “Share”) at the then applicable conversion price. Additionally, on the first and second anniversaries of the closing, 10% of the then-outstanding principal (less any prepayments) becomes due and payable in cash, unless Megawire opts to receive payment in Shares. Shares issued under the Debenture will be priced based on the year of issuance as follows:

Year 1: Convertible at $0.75 per share;

Year 2: Convertible at $1.00 per share;

Year 3: Convertible at $1.25 per share.

For the nine months ended February 28, 2026, the Company paid interest of $28,527 (2025 - $Nil).

11. Convertible preferred shares

During the year ended May 31, 2025 and the nine months ended February 28, 2026, the Company had no movement of Convertible Preferred Shares.

As of February 28, 2026, the Company has the following liabilities related to the Preferred Shares:

- Preferred Shares: $23,000 (May 31, 2025 - $23,000)
- Dividends on Preferred Shares in arrears: $28,827 (May 31, 2025 - $26,446)

12. Share capital

(a) Authorized and issued share capital

The authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of Series A Convertible Preferred Shares.

As of February 28, 2026, there were 39,079,017 common shares outstanding (May 31, 2025 – 26,841,256) and 2,300 preferred shares outstanding (May 31, 2025 – 2,300).

(b) Common share issuances

<u>Year ended May 31, 2025</u>

During the year ended May 31, 2025, there was no share issuance.

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

Nine months ended February 28, 2026:

On June 9, 2025, the Company issued 1,000,000 common shares pursuant to the exercise of share purchase warrants at $0.30 per share. The total proceeds of $300,000 were applied as a partial repayment of an outstanding loan.

On June 9, 2025, the Company issued 1,000,000 common shares at $0.35 per share upon the conversion of outstanding convertible debentures, representing a principal repayment of $350,000.

On July 18, 2025, the Company completed a private placement of 6,000,000 units at a price of $0.30 per unit for gross proceeds of $1,800,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of $0.40 until July 18, 2026. The Company incurred cash issuance costs of $10,631 in connection with this filing.

On December 22, 2025, pursuant to an Asset Purchase Agreement, the Company issued 3,431,961 common shares at a deemed price of $0.58 per share, representing partial consideration of $2,000,000 for the acquired assets.

During the nine months ended February 28, 2026, a total of 8,300 and 300,000 common shares were issued upon the exercise of stock options at a price of $0.35 and $0.42 per share respectively or total gross proceeds of $128,905.

(c) *Share purchase warrants*

The changes in warrants outstanding during the nine months ended February 28, 2025 and 2026 are as follows:

	Number of warrants	**Weighted average exercise price**	**Expiry date**
Outstanding balance as of May 31, 2024	-	-	
Issued during year ended May 31, 2025	1,000,000	$0.30	February 4, 2026
Outstanding balance as of May 31, 2025	1,000,000	-	
Outstanding balance as of May 31, 2025	1,000,000	$0.30	
Issued during period ended February 28, 2026	3,000,000	$0.40	July 18, 2026
Issued during period ended February 28, 2026	3,500,000	$0.57	December 22, 2026
Exercised during period ended February 28, 2026	(1,497,500)	$0.33	
Outstanding balance as of February 28, 2026	6,002,500	$0.40	

On July 18, 2025, the Company issued 3,000,000 share purchase warrants as part of the private placement completed on July 18, 2025. Each share purchase warrant is exercisable into one common share at $0.40 per share until July 18, 2026. The fair value of $320,700 assigned to the 3,000,000 warrants was estimated using the Black-Scholes model (risk-free rate 2.82%, volatility 115%, life 12 months, no dividends).

During the nine months ended February 28, 2026, in December 2025, in connection with a related-party loan, the Company issued 3,500,000 non-transferable share purchase warrants. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.57 per share and expires on December 22, 2026. The fair value of $717,500 assigned to the 3,500,000 warrants was estimated using the Black-Scholes model (risk-free rate 4.01%, volatility 83%, life 12 months, no dividends).

As at February 28, 2026, a total of 6,002,500 warrants remained outstanding and unexercised.

(d) *Share purchase options*

The changes in share purchase options during the nine-month period ended February 28, 2026 and the years ended May 31, 2025 are as follows:

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

	Number of options	Weighted average exercise price	Expiry date
Outstanding balance as of May 31, 2024	-	-	
Issued during year ended May 31, 2025	2,684,000	$0.35	May 29, 2027
Outstanding balance as of May 31, 2025	2,684,000	$0.35	
Outstanding balance as of May 31, 2025	2,684,000	$0.35	
Issued during period ended February 28, 2026	300,000	$0.42	July 22, 2026
Issued during period ended February 28, 2026	525,000	$0.62	February 26, 2028
Exercised during period ended February 28, 2026	(8,300)	$0.35	
Exercised during period ended February 28, 2026	(300,000)	$0.42	
Outstanding balance as of February 28, 2026	3,200,700	$0.40	

On May 29, 2025, the Company granted 2,684,000 stock options to certain directors, officers, employees, and consultants. Each option entitles the holder to purchase one common share at an exercise price of $0.35 per share for a period of two years, expiring May 29, 2027. The options vested immediately. The grant-date fair value of $714,000 was estimated using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years, risk-free interest rate of 2.60%, expected volatility of 184%, and no expected dividends.

On July 22, 2025, the Company granted 300,000 stock options to a consultant. Each option entitles the holder to purchase one common share at an exercise price of $0.42 per share for a period of one year, expiring July 22, 2026. The options vested immediately. The grant-date fair value of $55,800 was estimated using the Black-Scholes option pricing model with the following assumptions: expected life of 1 year, risk-free interest rate of 2.87%, expected volatility of 115%, and no expected dividends.

The Company granted a total of 525,000 incentive stock options to two consultants. The options are exercisable at a price of $0.62 per share until February 26, 2028, and vested immediately. The grant-date fair value of $247,200 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 2.64%, expected volatility of 154%, expected life of 2 years, and 0% expected dividends.

During the nine months ended February 28, 2026, a total of 8,300 and 300,000 common shares were issued upon the exercise of stock options at a price of $0.35 and $0.42 per share respectively or total gross proceeds of $128,905.

Subsequent to the initial grant, the Company amended its Share Option Plan to incorporate a cashless exercise feature. This feature allows holders to elect a "net-issue" exercise, whereby they receive common shares equal to the intrinsic value of the options at the time of exercise. In November 2025, the Company applied to the TSX Venture Exchange for approval of this amendment, which was subsequently granted on January 9, 2026.

In accordance with IFRS 2, Share-based Payments, the introduction of the cashless exercise feature was accounted for as a modification to the existing equity-settled arrangement. As the modification did not result in an increase to the fair value of the options, no additional share-based compensation expense was recognized, and the awards continue to be classified as equity-settled.

(e) Equity reserves

Conversion rights on Preferred Shares

This reserve records the equity component of the convertible preferred shares which has both liability and equity components. On conversion, the amount recorded is transferred to share capital. On redemption or settlement, the amount is transferred to the deficit.

Conversion rights on Promissory Notes and Debentures

This reserve records the equity component of the Promissory Notes and Debentures which has both liability and equity components. On conversion, the amount recorded is transferred to share capital. On redemption or settlement, the amount is transferred to the deficit.

Share-based compensation and warrants
The reserve records items recognized as stock-based compensation expense, other share-based payments and amounts allocated to warrants on unit private placements until such time that the stock options or warrants are exercised or expire at which time the corresponding amount will be transferred to share capital.

During the nine months ended February 28, 2026:

The Company allocated $303,000 (2025 - $714,000) to reserves and recognized the amount as share-based compensation expense upon the grant of share purchase options.

The Company allocated $320,700 (2025 - $197,000) to reserves and recognized the amount upon the issuance of share purchase warrants.

The Company transferred $196,700 (2025 - $Nil) to share capital from reserves upon the exercise of share purchase warrants.

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

13. Lease and commitments

a) Lease liabilities

The Company leases office space and equipment under non-cancellable operating leases expiring in various years through 2035 and leases computer hardware and software under non-cancellable finance leases.

During the period ended February 28, 2026, the Company entered into a long-term commercial lease for office premises in Waterloo, Ontario. The lease commenced on January 1, 2026 and has an initial term of ten years. Monthly base rent is approximately $31,000 and is subject to customary operating costs and standard escalation provisions.

The following table sets forth the movement of the finance lease liabilities:

Lease liabilities	**February 28, 2026**	**May 31, 2025**
Balance, beginning of year	$ 7,955	$ 9,815
Additions for the year	2,704,804	-
Interest on lease liabilities	29,633	684
Lease payments	(63,332)	(2,544)
	2,679,060	7,955
Current portion	(202,867)	(2,007)
Non-current portion	$ 2,476,193	$ 5,948

The following table sets forth the lease obligation to be paid after February 28, 2026:

	February 28, 2026	**May 31, 2025**
Less than one year	$ 202,867	$ 2,007
One to two years	216,478	2,165
Two to three years	230,579	2,335
Three to four years	243,835	1,448
Four to five years	260,166	-
Five to six years	277,589	-
Six to seven years	296,180	-
Seven to eight years	316,016	-
Eight to nine years.	337,180	-
nine to ten years	298,170	-
	2,679,059	7,955
Lease interest	980,696	1,161
Total lease obligations	$ 3,659,755	$ 9,116

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

b) Finance lease receivables

During the nine months ended February 28, 2026, the Company sold various products by way of finance leases which generated selling profits of $5,055 (2025 - $125) and recognized finance income of $452(2025 - $668).

The following table sets forth the movement of the finance lease receivables:

Lease receivable	**February 28, 2026**	**May 31, 2025**
Balance, beginning of year	$ 1,963	$ 10,424
Additions for the year	27,527	543
Interest for the year	1,322	1,001
Repayment for the period	(4,514)	(10,005)
	26,298	1,963
Less: Current portion	(5,188)	(1,691)
Non-current portion	$ 21,110	$ 272

The following table sets forth the undiscounted lease payments to be received after February 28, 2026:

	February 28, 2026	**May 31, 2025**
Less than one year	$ 5,188	$ 1,691
One to two years	5,705	247
Two to three years	15,405	25
Net investment in the lease	26,298	1,963
Unearned finance income	7,825	272
Total undiscounted finance lease receivables	$ 34,123	$ 2,235

14. Capital disclosures

The Company defines its capital as shareholders' equity (deficit), convertible preferred shares, convertible promissory notes, loans, and convertible debentures. The Company's financial strategy is designed and formulated to maintain a flexible capital structure to allow the Company the ability to respond to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue additional debt or issue debt to replace existing debt with similar or different characteristics.

The Company's financing and refinancing decisions are made on a specific transaction basis and depend on such things as the Company's needs, and market and economic conditions at the time of the transaction. There were no changes in the Company's approach to capital management during the year and the Company is not exposed to any externally imposed capital requirements.

15. Financial instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed are as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its trade receivables. The Company performs ongoing credit evaluations of its customers' financial condition to determine the need for an allowance for doubtful accounts. The maximum amount of credit risk exposure is limited to the carrying amounts of these balances in the consolidated financial statements. The following table sets forth details of the aged receivables as well as the loss allowance:

During the nine months ended February 28, 2026, the movement of the credit loss allowance in respect of receivables was as follows:

	February 28, 2026	May 31, 2025
Current	$ 1,172,483	$ 728,841
31-60 days past billing date	89,309	119,171
61-90 days past billing date	98,082	172,423
Greater than 90 days past billing date	65,171	729,421
Total Receiveables	1,425,045	1,749,856
Less: loss allowance	(94,429)	(910,204)
	$ 1,330,616	$ 839,652

	February 28, 2026
Balance, beginning of the year	$ 910,204
Amount written off	(858,646)
Remeasurement of loss allowance	42,870
Balance, end of the period	$ 94,429

The Company's secondary exposure to credit risk is on its cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows will change. As at February 28, 2026, the Company was exposed to interest rate risk as significant interest-bearing debt matures within 12 months or less.

	February 28, 2026
Convertible Preferred Shares	23,000
Loans payable	3,700,000
	$ 3,823,000

A 1% change in interest rates would impact the Company's net income by $38,230 over the next twelve months. The Company has mitigated this risk by entering into fixed rate agreements.

(c) *Currency risk*

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as certain suppliers' invoices are denominated in United States dollars. The Company currently does not use financial instruments to hedge this risk.

As of February 28, 2026, the Canadian dollar equivalent value of the Company's United States dollar denominated financial instruments is as follows:

	February 28, 2026
Cash	$ 4,652
Trade payables	(33,790)
	$(29,139)

A 10% movement in US currency versus the Canadian dollar would affect the Company's net income by approximately $2,914.

Six months ended February 28, 2026 and 2025 (Canadian Dollars)

(d) Liquidity risk exposure

Liquidity risk arises from the Company's general and capital funding needs. Substantially all of the Company's financial liabilities are either due on demand or are due within the next 12 months. Further discussion on liquidity risk is included in note 2.

(e) Fair values

The fair value of the Company's financial assets and liabilities approximate their fair values due to the short-term nature of these instruments.

16. Commitments and contingencies

(a) The Company's outstanding loans, debentures and promissory notes are disclosed in notes 8, 9 and 10 respectively.

(b) The Company, in the normal course of business, is a party to various claims and lawsuits. The Company's accounting policy is to include the estimated net cost of disposition of known claims and lawsuits in its financial statements where it is possible to make such estimates.

(c) A claim for damages was lodged against the Company in October 2020 in relation to an alleged breach of contract concerning commission payments and loss of income. The Company has disclaimed liability and is defending the action. The Company considers it to be probable that the judgement will be in its favour and has therefore not recognized a provision in relation to this claim. Information with respect to the claim as to the estimate of potential financial effect, uncertainties relating to amount, timing of possible outflow and possibility of any reimbursement cannot be disclosed because it is not practicable to do so. The merits of the claim are contested in whole.

(d) In the opinion of management, all other claims and suits are adequately covered by insurance, or are provided for in the financial statements, or, if not so covered or provided for, the results are not expected in the foreseeable future to materially affect the Company's financial position or financial performance.

17. Employee wages and benefits expense

Employee wages and benefits expense of $2,480,523 (2025 - $2,128,764) consisted of $1,386,084 (2025 - $1,205,002) in operations and service delivery expenses, $203,484 (2025 - $331,908) in sales and marketing expense and $890,956 (2025 - $591,854) in cost of revenues for the period ended February 28, 2026.

18. Statements of cash flows

Changes in working capital and other items:

	Three months ended February 28,		Nine months ended February 28,	
	2026	**2025**	**2026**	**2025**
Trade and other receivables	$(563,861)	$ 540,353	$(472,583)	$ 1,099,969
Inventories	(45,826)	30,806	(49,816)	33,583
Prepaid expenses	15,275	34,652	(28,766)	(47,719)
Lease receivables	(20,828)	1,079	(24,335)	5,739
Contract costs	2,943	8,068	11,271	23,632
Trade payables	1,202,094	(53,120)	666,347	(522,584)
Accrued liabilities	55,384	(77,996)	(18,805)	835
Contract liabilities	(108,763)	4,636	34,779	4,753
Accrued dividends payable	460	460	1,381	1,380
	$ 536,878	$ 488,938	$ 119,473	$ 599,588

19. Subsequent events

On April 28, 2026, the Company announced that in connection with the Cyclone Systems Inc. ("Cyclone") transaction that closed February 5, 2025, 450,000 common shares have been issued at $0.45 per share in settlement of $202,500 of the remaining $650,000 convertible debenture that was issued under the Cyclone transaction (the "Debenture"). The balance of the Debenture, namely $447,500, remains outstanding.

In addition, the Company further announced that it has granted, effective April 28, 2026, an aggregate of 750,000 stock options (each an "Option") to certain Directors of the Company in accordance with the Company's Rolling Stock Option Plan. Each Option is exercisable into one common share in the capital of the Company (each a "Share") at a price of $0.70 per Share, being the price of the Shares on the last closing price on the TSX Venture Exchange on April 24, 2026. The options granted are exercisable for a two-year term expiring April 27, 2028, vest immediately, and are subject to a four-month hold period to August 28, 2026.

Additionally, the Company announced that with respect to the $1,000,000 Debenture that was originally issued to Cyclone in February 2025 there was a further conversion of the Debenture into common shares. $350,000 of the Debenture was converted into Uniserve common shares in June 2025, in accordance with the terms and conditions of the Debenture, leaving a balance of $650,000. On April 16, 2026, an aggregate of $202,500 of the Debenture was assigned to three parties, which assigned $202,500 of the Debenture has been converted into common shares. The assignment of $45,000 of the aggregate $202,500 assigned of the Debenture, was assigned to Kwin Grauer, a Director of the Company, and has been converted into common shares of the Company. The assignment to Mr. Grauer and the subsequent conversion is a "related party transaction" under MI 61-101.