Nerds on Site Inc.

Condensed interim consolidated financial statements

For the three and nine months ended February 28, 2026 and 2025

(Unaudited - expressed in Canadian Dollars)

NERDS ON SITE INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED FEBRUARY 28, 2026 AND 2025

(Unaudited - Amounts expressed in Canadian Dollars)

TABLE OF CONTENTS

NOTICE TO READER

The accompanying condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

Nerds on Site Inc.

Condensed Interim Consolidated Statements of Financial Position as at February 28, 2026 and May 31, 2025
(Unaudited – expressed in Canadian dollars)

		February 28, 2026 (unaudited)		May 31, 2025 (audited)
ASSETS				
CURRENT				
Cash and cash equivalents	**$**	**225,535**	$	160,879
Accounts receivable (net of expected credit losses) (Note 4)		**577,871**		428,219
Inventory (Note 15)		**61,363**		54,203
Prepaid expenses and other current assets		**63,432**		69,392
Due from related party (Note 9)		**70,236**		216,870
		998,437		929,563
NON-CURRENT				
Right-of-use assets, net (Note 12)		**77,974**		92,686
Property and equipment (Note 5)		**34,644**		41,235
		112,618		133,921
TOTAL ASSETS	**$**	**1,111,055**	$	1,063,484
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 11)	**$**	**1,474,966**	$	1,314,929
Contract liabilities		**217,670**		174,555
Bank debt (Note 6)		**112,572**		131,923
Preferred shares (Note 8)		**100**		100
Dividend payable (Note 8)		**69,479**		69,479
Current portion of due to related party (Note 9)		**80,347**		75,933
Current portion of lease liabilities (Note 13)		**20,665**		16,690
Loans payable (Note 7)		**48,663**		71,292
		2,024,462		1,854,901
NON-CURRENT				
Non-current portion of due to related parties (Note 9)		**1,175,887**		1,171,226
Non-current portion of lease liabilities (Note 13)		**85,892**		101,918
		1,261,779		1,273,144
TOTAL LIABILITIES		**3,286,241**		3,128,045
SHAREHOLDERS' DEFICIENCY				
Common stock (Note 8)		**6,393,608**		6,293,608
Reserve for options		**517,448**		422,008
Contributed surplus		**2,575,889**		2,575,889
Accumulated other comprehensive loss		**(128,922)**		(114,603)
Accumulated deficit		**(11,411,846)**		(11,131,006)
TOTAL SHAREHOLDERS' DEFICIENCY		**(2,053,823)**		(1,954,104)
Non-controlling interest		**(121,363)**		(110,457)
TOTAL DEFICIENCY		**(2,175,186)**		(2,064,561)
TOTAL LIABILITIES AND TOTAL DEFICIENCY	**$**	**1,111,055**	$	1,063,484

Basis of presentation and going concern (Note 2, 3)

Approved on behalf of the Board

<Charles Regan>
Signed: Director

<David Redekop>
Signed: Director

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

Nerds on Site Inc.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the three and nine months ended February 28, 2026 and February 28, 2025
(Unaudited – expressed in Canadian dollars)

	For the three months ended February 28, 2026 $	For the three months ended February 28, 2025 $	For the nine months ended February 28, 2026 $	For the nine months ended February 28, 2025 $
Revenue (Note 14)	3,284,428	3,004,549	10,077,870	8,518,383
Cost of revenue	(2,423,058)	(2,309,917)	(7,551,723)	(6,359,785)
Gross profit	861,370	694,632	2,526,147	2,158,598
Expenses:				
Selling, general and administrative (Note 10)	(758,454)	(904,871)	(2,528,967)	(2,717,147)
Depreciation of property and equipment (Note 5)	(2,197)	(5,805)	(6,591)	(9,901)
Amortization of right-of-use asset (Note 12)	(4,904)	(4,904)	(14,712)	(14,712)
Stock based compensation	-	-	(95,440)	-
Gain on sale of capital assets (Note 5)	-	-	-	43,144
Total operating expenses	(765,555)	(915,580)	(2,645,710)	(2,698,616)
Operating profit (loss)	95,815	(220,948)	(119,563)	(540,018)
Interest expense	(55,779)	(47,803)	(162,507)	(127,435)
Interest and other income	2,724	4,616	8,892	17,627
Accretion on lease liabilities (Note 13)	(3,786)	(3,365)	(11,358)	(10,937)
Loss before income taxes	38,974	(267,500)	(284,536)	(660,763)
Provision for income taxes	-	-	-	-
Net profit (loss)	38,974	(267,500)	(284,536)	(660,763)
Net loss attributable to non-controlling interests	(12,903)	(69,344)	(3,696)	(101,552)
Net profit (loss) attributable to common shareholders	51,877	(198,156)	(280,840)	(559,211)
Earnings per share - basic and diluted				
Earnings per share attributable to common shareholders	0.0006	(0.0022)	(0.0031)	(0.0063)
Weighted average number of common shares outstanding-Basic and Diluted	91,633,337	89,411,115	90,579,416	89,411,115
Net profit (loss)	38,974	(267,500)	(284,536)	(660,763)
Foreign currency translation adjustment	(22,677)	40,088	(14,449)	23,538
Total comprehensive income (loss)	16,297	(227,412)	(298,985)	(637,225)
Comprehensive income (loss) attributable to non-controlling interests	(24,218)	(61,089)	(10,906)	(94,494)
Comprehensive income (loss) attributable to common shareholders	40,515	(166,323)	(288,079)	(542,731)

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

Nerds on Site Inc.

Condensed Interim Consolidated Statements of changes in shareholders' deficiency
For the nine months ended February 28, 2026 and February 28, 2025
(in Canadian dollars)

	Shares #	Amount $	Option reserve $	Contributed surplus $	Accumulated other comprehensive loss $	Accumulated deficit $	Non-controlling Interest $	Total $
Balance as at May 31, 2024	**89,411,115**	**6,293,608**	**422,008**	**2,575,889**	**(61,848)**	**(10,667,534)**	**-**	**(1,437,877)**
Currency translation adjustment	-	-	-	-	16,479	-	7,059	23,538
Net loss	-	-	-	-	-	(559,211)	(101,552)	(660,763)
Balance as at February 28, 2025	**89,411,115**	**6,293,608**	**422,008**	**2,575,889**	**(45,369)**	**(11,226,745)**	**(94,493)**	**(2,075,102)**
Balance as at May 31, 2025	**89,411,115**	**6,293,608**	**422,008**	**2,575,889**	**(114,603)**	**(11,131,006)**	**(110,457)**	**(2,064,561)**
Debt settlement	2,222,222	100,000	-	-	-	-	-	100,000
Issue of options	-	-	95,440	-	-	-	-	95,440
Currency translation adjustment	-	-	-	-	(14,319)		(7,210)	(21,529)
Net loss	-	-	-	-	-	(280,840)	(3,696)	(284,536)
Balance as at February 28, 2026	**91,633,337**	**6,393,608**	**517,448**	**2,575,889**	**(128,922)**	**(11,411,846)**	**(121,363)**	**(2,175,186)**

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

Nerds on Site Inc.

Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended February 28, 2026 and February 28, 2025
(Unaudited – expressed in Canadian dollars)

	February 28, 2026	February 28, 2025
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss	$ (284,536)	$ (660,763)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation of property and equipment (Note 5)	6,591	9,901
Amortization on right-of-use asset (Note 12)	14,712	14,712
Accretion on lease liabilities (Note 13)	11,358	10,937
Stock based compensation	95,440	-
Gain on sale of property and equipment	-	(43,144)
Changes in working capital:		
Accounts receivable	(149,652)	(95,976)
Inventory	(7,160)	(32,055)
Prepaid expenses and other current assets	5,960	(84,217)
Accounts payable and accrued liabilities	160,037	149,801
Contract liabilities	43,115	37,095
Net cash used in operating activities	(104,135)	(693,709)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	-	43,144
Short term investments	-	(8,793)
Net cash from investing activities	-	34,351
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
(Repayments made on) advances from loans	(22,629)	95,491
(Advances) repayments from bank debt	(19,351)	22,387
Repayment of lease liabilities (Note 13)	(23,409)	(24,028)
Payments from related parties (Note 9)	255,709	366,622
Net cash from financing activities	190,320	460,472
Effects of foreign currency exchange rate changes	(21,529)	23,538
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	64,656	(175,348)
Cash and cash equivalents, beginning of period	160,879	267,336
Cash and cash equivalents, end of period	**$ 225,535**	**$ 91,988**

Non-cash transactions during the nine months ended February 28, 2026 and 2025:

The Company issued 2,222,222 common shares at a deemed price of $0.045 for a total consideration of $100,000 to settle debt to a related party (2025: $nil).

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

1. Nature of operations

Nerds on Site Inc. (the "Company") was incorporated on June 26, 1996 pursuant to the Ontario Business Corporations Act and is engaged in the business of providing information technology services, hardware, software and related support agreements. On December 7, 2018, the Company incorporated a subsidiary in the United States of America as Nerds on Site USA Inc. The Company's head office is located at 4026 Meadowbrook Drive Unit 120-121, London, ON, N6L 1C7. In addition, through Nerds On Site USA Inc., the Company has a 50.1% ownership in NOS Technical Services, Inc ("NOS Tech"). a US company incorporated on August 14, 2024.

2. Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34: *Interim Financial Reporting*. They do not contain all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements and, accordingly, should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended May 31, 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last audited financial statements for the year ended May 31, 2025.

The Company's condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value as described in the accounting policies. The Company has prepared the financial statements using the same accounting policies and methods as the financial statements for the year ended May 31, 2025.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on April 28, 2026.

New accounting standards adopted

There were no new accounting standards adopted during the period that would have a significant effect on the Company's unaudited condensed consolidated interim financial statements.

Functional and presentation currencies

The Company's functional currency is Canadian dollars and the Company's presentation currency is also Canadian dollars. The functional currency of the U.S. based entities (Nerds On Site USA Inc. and NOS Tech) is U.S. dollars.

Assets and liabilities of its subsidiaries having a functional currency other than the Canadian dollar are translated at the rate of exchange at the reporting period date. Revenues and expenses are translated at average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transaction are used. The resulting foreign currency translation adjustments are recognized in the accumulated other comprehensive income (loss) included in shareholders' equity (deficiency). Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the reporting period date. Gains and losses on translation of monetary items are recognized in the consolidated statement of loss and comprehensive loss.

2. Basis of presentation (Cont'd)

Basis of consolidation

The consolidated statements incorporate the financial statements of Nerds On Site Inc., and its wholly owned subsidiary, Nerds on Site USA Inc. and a 50.1% interest in NOS Technical Services, Inc., in which the Company's CEO and director hold an indirect ownership interest of 29.335%. The Company has consolidated NOS Tech and recorded a non-controlling interest in its consolidated financial statements.
A subsidiary is an entity controlled by the Company. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and it has the ability to affect those returns through its power over the investee. In assessing control, only rights which give the Company the current ability to direct the relevant activities and that the Company has the practical ability to exercise is considered. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

3. Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed interim consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profit levels of operations. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

The Company has not yet realized material profitable operations and has incurred a net loss of $280,840 attributable to common shareholders during the nine months ended February 28, 2026, with a cumulative deficit of $11,411,846 as at February 28, 2026 (May 31, 2025 - $11,131,006). The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute its business strategy or be successful in future financing activities. As at February 28, 2026, the Company had current assets of $998,437 (May 31, 2025 - $929,563) to cover current liabilities of $2,024,462 (May 31, 2025 - $1,854,901).

4. Accounts receivable

The Company assumes that the credit risk on a financial asset has increased if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due. The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Accounts receivables are stated net of allowance for expected credit losses of $95,336 and $83,628 for February 28, 2026 and May 31, 2025, respectively. Accounts receivable consists of amounts due from customers receiving IT consulting services and equipment. Total net accounts receivable amounted to $577,871 and $428,219 at February 28, 2026 and May 31, 2025, respectively.

(in Canadian Dollars)

5. Property and equipment

The following is a continuity of property and equipment as at February 28, 2026 and May 31, 2025:

	Computer Hardware	Computer Software	Furniture and Fixtures	Vehicles	Websites	Leasehold Improvement	Total
Cost							
Balance as at May 31, 2024	$ 128,707	$ 15,684	$ 15,000	$434,311	$1,250	$47,721	$ 642,673
Additions	-	-	-	-	-	-	-
Disposals				(70,230)			(70,230)
Adjustments	-	-	-	(347,213)	-		(347,213)
Balance as at May 31, 2025	128,707	15,684	15,000	16,868	1,250	47,721	225,230
Additions	-	-	-	-	-	-	-
Disposals							
Adjustments	-	-	-	-	-	-	-
Balance as at February 28, 2026	**$ 128,707**	**15,684**	**15,000**	**16,868**	**1,250**	**47,721**	**$ 225,230**
Accumulated Depreciation							
Balance as at May 31, 2024	$ 113,843	15,684	15,000	432,236	1,250	21,432	$ 599,445
Disposals	-	-	-	(70,230)	-	-	(70,230)
Adjustments				(347,213)			(347,213)
Depreciation	4,040	-	-	2,075	-	(4,122)	1,993
Balance as at May 31, 2025	117,883	15,684	15,000	16,868	1,250	17,310	183,995
Disposals	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Depreciation	3,030	-	-	-	-	3,561	6,591
Balance as February 28, 2026	**$ 120,913**	**$ 15,684**	**$ 15,000**	**$ 16,868**	**$ 1,250**	**$ 20,871**	**$ 190,586**
Net Carrying Amounts							
As at May 31, 2025	$ 10,824	$ -	$ -	$ -	$ -	$ 30,411	$ $ 41,235
As at February 28, 2026	**$ 7,794**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 26,850**	**$ 34,644**

During the nine months ended February 28, 2026, the Company sold vehicles for $nil (2025: $43,144) and recorded a gain of $nil (2025: $43,144).

(in Canadian Dollars)

6. Bank debt

The Company has a revolving line of credit from Toronto-Dominion Bank ("TD Bank") available for up to $175,000 in order to fund working capital. Interest is charged at TD Bank Prime rate (4.45% at February 28, 2026) plus 2.25% and repayment is due on demand. During the nine months ended February 28, 2026, total interest expense recorded under selling, general and administrative expenses was $2,550 (2025: $ 6,950). The operating line is secured by a general security agreement, assignment of insurance, unlimited guarantee advances executed by the Company and postponement of assignments of creditors' claims.

Any amounts overdrawn over $175,000 are considered temporary as such overdrawn amounts are repaid subsequently. The balance outstanding was $112,572 and $131,923 at February 28, 2026 and May 31, 2025, respectively, and is presented as a current liability in the consolidated statements of financial position.

7. Loans payable

The carrying values of loans payable were as follows:

		February 28, 2026		May 31, 2025
Vehicle loans	**$**	**-**	$	1,784
Other loans		**-**		48,704
Factoring loan		**48,663**		20,804
		48,663		71,292
	$	**48,663**	$	71,292

Vehicle loans are due and payable within one year and carry a lien on the vehicles. These loans were fully paid off in fiscal 2026.
In February 2025, the Company obtained two loans of $50,000 and $55,000 which are repayable weekly, including interest at $2,574 and 2,831 respectively, over a period of 27 weeks. These loans were fully paid off in fiscal year 2026.

The Company's subsidiary NOS Tech has obtained a factoring loan for its accounts receivables. The lender charges a finance fee of 2% for the first 30 days that an invoice remains outstanding and an additional 1% for each subsequent 15-day period. The balance payable as of February 28, 2026, was $48,663 (May 31, 2025: $20,804)

The total interest expense incurred for the above loans the nine-month periods ended February 28, 2026, was $23,621 (February 28, 2025: $16,449).

(in Canadian Dollars)

8. Preferred shares liability and Common stock

The Company is authorized an unlimited number of Class A preferred shares, non-voting, redeemable, with cumulative dividends and unlimited Class B preferred shares, voting, redeemable, with non-cumulative dividends and Common shares.

On January 27, 2015, the Company issued 1,000,000 Class B Preferred shares to the three founding shareholders. Each Class B Preferred share is entitled to 10 votes per share. Proceeds to the Company were $nil. Class B Shares were issued to provide the founders with 10 votes per share, do not entitle the holders to interest, dividends, and do not provide assets rights in the event of a liquidation of the Company.

On January 27, 2015, the Company issued 1,000,000 Class A Preferred shares and 1,000,000 Common shares to one investor in exchange for $1,000,000. Effective with the stock split on October 3, 2017, these 1,000,000 Common shares outstanding were adjusted to 5,000,000 Common shares outstanding. The Class A Preferred shares are non-voting and entitle the holder to cumulative dividends at a rate of 7.25% per year, paid quarterly, beginning June 30, 2016 and are redeemable upon given notice at any time, the whole or from time to time any part of the outstanding shares, by the Company from the date of issuance in cash for $1 per share together with an amount equal to all dividends accrued and remaining unpaid. During the year ended May 30, 2017, the Company redeemed $500,000 of the Class A Preferred shares and during the year ended May 31, 2018, the Company redeemed an additional $30,000 of the Class A Preferred shares. During the year ended May 31, 2019, the Company redeemed the balance of $470,000 of Class A Preferred Shares. As at February 28, 2026, $69,479 of dividends remain unpaid (May 31, 2025: $69,479).

On October 8, 2025, The Company settled $100,000 of indebtedness owing to its Chief Executive Officer through the issuance of 2,222,222 Common shares at a deemed price of $0.045 per share. The market price of the Company's share on that date was $0.03 per share. The transaction was accounted for as a settlement of financial liabilities with equity instruments.

As at February 28, 2026 and May 31, 2025, the Company had the following number of shares outstanding:

Description	February 28, 2026	May 31, 2025
Common Shares	91,633,337	89,411,115
Class B Preferred Shares	1,000,000	1,000,000

(in Canadian dollars)

9. Related party balances and transactions

Amounts due from related parties as at February 28, 2026 and May 31, 2025 included the following. The origin of these related party receivables was to provide start-up costs and cash flow for start-up operations. The Company has executed agreements with these related parties to repay the principal outstanding in monthly installments over five years at rates of interest of 10%pa. The carrying values of due from related party balances were as follows:

		February 28, 2026		**May 31, 2025**
Ready Aim Fire Enterprising Inc. (a) and (b)	**$**	-	$	46,917
Nerds On-Site South Africa (b)		70,236		147,080
Other related parties (b)		-		22,873
	$	70,236	$	216,870

(a) via same key management personnel
(b) by virtue of common control

The Company recorded revenue from the following related parties during the three and nine months ended February 28, 2026 and February 28, 2025:

		Ready Aim Fire Enterprising Inc. ($)	Nerds On Site South Africa ($)	Total ($)
Three months ended February 28, 2026		17,1349 (a)	1,950	19,084
Three months ended February 28, 2025		14,935 (a)	2,662	17,597
Nine months ended February 28, 2026		48,776 (b)	5,850	54,626
Nine months ended February 28, 2025		45,295 (b)	8,414	53,709

(a) includes interest on receivables for $nil (3 months ended February 28, 2025: $904)
(b) includes interest on receivables for $nil (9 months ended February 28, 2025: $5,341)

On October 8, 2025, The Company settled $100,000 of indebtedness owing to its Chief Executive Officer through the issuance of 2,222,222 Common shares at a deemed price of $0.045 per share (Note 8).

As of February 28, 2026, the Company has a total payable of $1,256,234 to related parties comprising of the CEO and his related companies (May 31, 2025: $1,247,159). This amount bears interest at 10%-15% pa. This total amount consists of a long-term amount of $1,175,887 (May 31, 2025: $1,171,226) and a short-term amount of $80,347 (May 31, 2025: $75,933).

(in Canadian dollars)

9. Related party balances and transactions (Continued)

Key management personnel are comprised of the Company's directors and executive officers. Key management personnel compensation is as follows:

	For the three month period ended February 28, 2026	For the three month period ended February 28, 2025	For the nine month period ended February 28, 2026	For the nine month period ended February 28, 2025
Salaries and benefits, including bonuses	$ 57,169	$ 63,060	$ 175,666	$ 189,180
Directors fees	$ 16,000	$ 25,716	$ 58,340	$ 79,038
Stock based compensation	$ -	$ -	$ 95,440	$ -
Total	$ 73,169	$ 88,776	$ 234,006	$ 268,218

The Company has a 50.1% ownership of NOS Technical Services, Inc., a US company incorporated in July 2024. The Company's CEO and director indirectly owns 29.335% of NOS Technical Services, Inc. There were no transactions between NOS Technology Services, Inc., and the Company owned by the CEO and director.

As of February 28, 2026, included in accounts payable and accrued liabilities is $nil (May 31, 2025: $29,993) payable to Adam networks Inc., a related party.

10. Selling, general and administrative expenses

The Company has the following breakdown of selling, general and administrative expenses for the three and nine months ended February 28, 2026 and February 28, 2025:

	3 months 2026	3 months 2025	9 months 2026	9 months 2025
	$	$	$	$
Programming and related costs	262,504	241,906	782,612	706,426
Management remuneration	73,169	88,777	234,006	268,219
Office and administrative expenses	121,375	115,467	412,482	413,788
Payroll and related costs	61,310	201,743	300,434	445,271
Legal and professional	37,261	46,941	184,067	198,635
Advertising and promotion	12,733	10,609	34,725	41,049
Bank and interest charges	53,911	61,159	181,567	160,062
Business development	61,086	63,914	174,331	248,096
Communication	74,541	72,871	223,055	220,379
Automobile expenses	564	1,484	1,688	15,222
Total	758,454	904,871	2,528,967	2,717,147

(in Canadian dollars)

11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as of February 28, 2026 and May 31, 2025 constitute the following:

	February 28, 2026	May 31, 2025
	$	$
Accounts payable	**667,056**	694,259
Accrued liabilities	**680,686**	481,819
Wages payable	**25,710**	12,420
Subcontractor payable	**44,618**	64,610
Credit cards payable	**56,896**	61,747
Others	**-**	74
	1,474,966	1,314,929

12. Right-of-use Asset

The following shows the movement of the Company's right-of-use asset.

Balance, May 31, 2024	**$ 112,302**
Amortization during the year	(19,616)
Balance, May 31, 2025	**92,686**
Amortization during the period	(14,712)
Balance, February 28, 2026	**$ 77,974**

Right-of-use assets include leases for office space amortized over their period of lease.

13. Lease Liability

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10% which is the Company's incremental borrowing rate.

Balance May 31, 2024	**$ 135,097**
Accretion on lease obligation	14,723
Lease payments made during the year	(31,212)
Balance May 31, 2025	**118,608**
Accretion on lease obligation	11,358
Lease payments made during the period	(23,409)
Balance February 28, 2026	**106,557**
Less than one year	20,665
Greater than one year	85,892
Total lease obligation	$ 106,557

(in Canadian dollars)

14. Revenue

Details of revenue for the three and nine months ended February 28, 2026 and February 28, 2025:

	Three months 2026	Three months 2025	Nine months 2026	Nine months 2025
	$	$	$	$
Service fees	1,218,592	1,262,095	4,029,948	3,491,329
Product sales (Sale of software, hardware and related)	2,048,531	1,735,028	6,019,037	5,007,373
Miscellaneous fee	17,305	7,426	28,885	19,681
Total	3,284,428	3,004,549	10,077,870	8,518,383

15. Inventory

The Company had $61,363 and $54,203 of finished goods inventory purchased for resale as at February 28, 2026 and May 31, 2025, respectively. The value of the inventory is equivalent to lower of cost or net realizable value as of the reporting dates above.
.

16. Segment information

The Company has a single reportable segment for managed IT consulting services.

The Company provides managed IT support for various businesses including PC set up, network installation and support & tailored software services. The Company uses a specially trained network of technically proficient IT consultants to help clients on site by providing effective, consistent, and customized IT solutions.

For the three months ended February 28, 2026, the Company's revenue comprises 92% sales in Canada and 8% sales within USA. (February 28, 2025: 90% sales in Canada and 10% sales within USA.).

For the nine months ended February 28, 2026, the Company's revenue comprises 90% sales in Canada and 10% sales within USA. (February 28, 2025: 90% sales in Canada and 10% sales within USA.).

As of February 28, 2026, all assets of the business are located in Canada except for cash of $64,884 (May 31, 2025: $22,884), accounts receivable of $101,114 (May 31, 2025: $91,124), inventory of $5,811 (May 31, 2025: $314) and prepaid expenses of $ 1,771 (May 31, 2025: $13,757) which are located in USA. In addition, the Company has a receivable of $70,236 (May 31, 2025: $147,080) from a related party in South Africa.

(in Canadian dollars)

17. **Share-based compensation**

During the year ended May 31, 2019, the Company adopted a stock option plan.

On October 8, 2025, the Company issued 4,000,000 stock options to directors and officers. The stock options have an exercise price of $0.05 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be $0.024 per option. The following assumptions were used: risk free interest rate of 2.73%, dividend yield of 0%, expected volatility of 188.8% and expected life of 5 years. The share-based payments expense for stock options granted and vested during the nine months ended February 28, 2026, was $95,440 (2025 – $nil).

The continuity of stock options is as follows:

	Number of Options	**Weighted Avg Exercise Price ($)**
Outstanding Balance at May 31, 2024	4,000,000	0.15
Stock options issued during the year	-	-
Stock options exercised during the year	-	-
Stock options expired during the year	-	-
Outstanding Balance at May 31, 2025	4,000,000	0.15
Stock options issued during the period	4,000,000	0.05
Stock options exercised during the period	-	-
Stock options expired during the period	-	-
Outstanding Balance at February 28, 2026	8,000,000	0.10

The following stock options to acquire common shares of the Company were outstanding at February 28, 2026:

Number of Options	Exercise Price ($)	Expiry Date
4,000,000	0.15	May 20, 2026
4,000,000	0.05	October 8, 2030
8,000,000		

18. Contract liabilities

Contract liabilities represent amounts received from customers in advance of the Company satisfying its performance obligations. Revenue is recognized from these balances when the related services are performed or when control of the goods is transferred to the customer, in accordance with the Company's revenue recognition policy.

As at February 28, 2026, contract liabilities amounted to $217,670 (May 31, 2025-$174,555). Contract liabilities are expected to be recognized as revenue within the next twelve months and are therefore classified as current liabilities.

19. **Subsequent Events**

On March 30, 2026, the Company settled $100,000 of indebtedness owing to its Chief Executive Officer through the issuance of 2,857,143 Common shares at a deemed price of $0.035 per share. The market price of the Company's share on that date was $0.03 per share.