**Financial Statements of**

# MICHICHI CAPITAL CORP.

**For the Period ended September 30, 2025**
**Unaudited**

**NOTICE OF NO AUDITORS REVIEW OF INTERIM FINANCIAL STATEMENTS**

**Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statement's they must be accompanied by a notice indicating interim financial statements have not been reviewed by an auditor.**

**The accompanying unaudited interim financial statements of Michichi Capital Corp. have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements.**

**MICHICHI CAPITAL CORP**

Statement of Financial Position

Unaudited

| | July 1 to September 30, 2025 | April 1 to June 30, 2025 | January 1 to March 31, 2025 | Year ended December 31, 2024 | Year ended December 31, 2023 |
|---|---|---|---|---|---|
| Assets | | | | | |
| | | | | | |
| Current Assets | | | | | |
| Cash | $332,059 | $332,423 | $348,112 | $353,480 | $408,297 |
| Accounts Receivable | 1,646 | 3,498 | 2,869 | 2,768 | 16,361 |
| Total Assets | $333,705 | $335,921 | $350,981 | $356,248 | $424,659 |
| | | | | | |
| Liabilites and Shareholders Equity | | | | | |
| | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable and Accrued Liabilities | $496 | $2,951 | $13,841 | $13,378 | $53,009 |
| | | | | | |
| Shareholders Equity | | | | | |
| Share Capital (Note 3) | 730,809 | 730,809 | 730,809 | 730,809 | 730,809 |
| Contributed Surplus (Note 3) | 117,059 | 117,059 | 117,059 | 117,059 | 117,059 |
| Warrants (Note 3) | 0 | 0 | 0 | 0 | 0 |
| Prior years deficit | (504,998) | (504,998) | (504,998) | (476,218) | (373,379) |
| Current Year deficit | (9,662) | (9,900) | (5,730) | (28,780) | (102,839) |
| Total Shareholders Equity | 333,209 | 332,970 | 337,140 | 342,870 | 371,650 |
| Total Liabilities and Shareholders Equity | $333,705 | $335,921 | $350,981 | $356,248 | $424,659 |

Approved by the Board of Directors

*/s/ Elson McDougald*
Elson McDougald
Director

*/s/ Brent Moen*
Brent Moen
Director

**MICHICHI CAPITAL CORP**

Statement of Operations and Comprehensive Loss

**Unaudited**

| | July 1 to September 30, 2025 | April 1 to June 30, 2025 | January 1 to March 31, 2025 | Year ended December 31, 2024 | Year ended December 31, 2023 |
|---|---|---|---|---|---|
| Income | | | | | |
| Interest Income | $2,052 | $2,033 | $2,052 | $13,475 | $11,667 |
| | | | | | |
| Expenses | | | | | |
| General and Administrative (note 7) | $1,813 | $6,203 | $7,782 | $42,255 | $114,506 |
| Share based compensation | | | | | |
| Net Profit or Comprehensive loss for the period | 239 | (4,170) | (5,730) | (28,780) | (102,839) |
| | | | | | |
| Loss per share | | | | | |
| Base and diluted | $0.00 | $0.00 | $0.00 | $0.01 | $0.05 |
| | | | | | |
| Weighted average number of common shares outstanding | | | | | |
| Basic and diluted | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |

The accompanying notes are an integral part of the financial statements

**Michichi Capital Corp**

Statement of Changes in Shareholders Equity

From the date of incorporation on March 16, 2021 to September 30, 2025

| | Share Capital | Contributed Surplus | Warrants | Deficit | Total Shareholders Equity |
|---|---|---|---|---|---|
| | | | | | - |
| Issue of Common Shares | 900,000 | | | | 900,000 |
| Share Issuance costs | (130,003) | | | | (130,003) |
| Warrants Issued | (39,188) | | - | | (39,188) |
| Share based Compensation | | 77,871 | 39,188 | | 117,059 |
| Net Loss for Prior years | | | | (504,998) | (504,998) |
| Current year deficit | | | | (9,661) | (9,661) |
| Balance as of September 30, 2025 | 730,809 | 77,871 | 39,188 | (514,659) | 333,209 |

The accompanying notes are an integral part of the financial statements

**Michichi Capital Corp**

Statement of Cash Flows

For the Period from January 1, 2025 to September 30, 2025

| | |
|---|---|
| Cash flows from operating activities | |
| Net Loss for the period | (9,661) |
| Change in Non-cash working Capital | |
| Increase in Accounts Receivable | 1,122 |
| Decrease in Accounts Payable | (12,882) |
| Decrease in Accrued Liabilities | - |
| Net Cash used in operating activities | (21,421) |
| Cash, beginning of period | 353,480 |
| Cash, end of period | 332,059 |

The accompanying notes are an integral part of the financial statements

**1. Nature of operations:**

Michichi Capital Corp. (the “Corporation”) was incorporated under the *Business Corporations Act* (British Columbia) on March 16,2021 and is currently classified as a Capital Pool Company (“CPC”), as defined in Policy 2.4 (the “CPC Policy”) of the TSX Venture Exchange Inc. (the “Exchange”). The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as such term is defined by the Exchange) (a “QT”). The Corporation has not commenced operations and its principal asset is cash. The Corporation’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition or business will be subject to the approval of the Exchange and in the case of a non-arm’s length transaction, of the majority of the Corporation’s minority shareholders.

When a QT has been identified, the ability of the Corporation to complete the transaction may require additional funding. There is no assurance that the Corporation will be successful in obtaining any additional funding.

On January 13, 2023, the Corporation and Zylorion Health Inc. (formerly PsiloTec Health Solutions Inc.) (“Zylorion”) announced that they terminated the non-binding letter of intent dated August 12, 2021, pursuant to which the Corporation and Zylorion intended to complete a business combination or other similarly structured transaction, which would have constituted a reverse take-over of the Corporation. Michichi continues to identify and evaluate assets and businesses with a view to completing a QT in accordance with the CPC Policy.

The head office of the Corporation is located at Suite 1242 – 12 Royal Vista Way NW, Calgary, AB, T3R 0N2.

The registered office and records office of the Corporation is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC V6C 3E8.

**2. Basis of presentation:**

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements were approved by the Board of Directors (the “Board”) of the corporation on November 27, 2025.

(b) Basis of preparation:

These financial statements are presented in Canadian dollars, which is the Corporation’s functional and reporting currency.

These financial statements are prepared on a historical cost basis.

**2. Basis of presentation (continued):**

(c) Significant accounting judgement, estimates and assumptions:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on assumptions and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. There have been no significant judgements made by management in the application of IFRS that have a significant effect on these financial statements.

The accounting policies set out below have been applied consistently throughout the entire period presented in these financial statements.

(d) Financial instruments:

Financial assets and financial liabilities are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial instrument's classification, as described below.

Amortized cost:

A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of cash flows; and all contractual cash flows represent only principal and interest. All financial liabilities are measured at amortized cost using the effective interest method except for liabilities incurred for the purposes of selling or repurchasing in the short term.

Fair value through other comprehensive income ("FVTOCI"):

A financial asset shall be measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. These financial liabilities are recognized at fair value each period with changes recorded in OCI.

**2. Basis of presentation (continued):**

Fair value through profit of loss ("FVTPL"):

All financial assets that do not meet the definition of being measured at amortized cost or FVTOCI are measured at FVTPL, this includes all derivative financial assets. Financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition. For financial assets and liabilities, the Corporation may make an irrevocable election to designate the asset or liability at FVTPL. If the election is made it is irrevocable, meaning that asset, liability, or group of financial instruments must be recorded at FVTPL until that asset, liability or group of financial instruments are derecognized.

The Corporation's cash and accounts payable and accrued liabilities are measured at amortized cost.

Financial assets and liabilities are offset, and the net amount is reported on the statement of financial position when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(e) Determination of fair values:

A number of the Corporation's accounting policies and disclosures require the determination of fair value, both for financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The different levels of financial instrument valuation methods have been defined as follows:

Level 1 fair value measurements are based on unadjusted quoted market prices. Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices. Level 3 fair value measurements are based on unobservable information.

The carrying values of cash and accounts payable and accrued liabilities included in the statement of financial position approximate their fair values due to the short-term nature of those instruments.

(f) Impairment:

Impairment of financial assets is determined by measuring the assets' expected credit loss. The cash and cash equivalents are held with a Canadian chartered bank.

**2. Basis of presentation (continued):**

(g) Income taxes:

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

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

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Warrants

The Corporation's warrants were issued as agency fees for the IPO. The fair value of the warrants was estimated on the grant date and that value is recorded as a decrease to share capital and corresponding increase to warrants. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized as warrants is recorded as an increase to share capital. Upon expiry, the value of the warrants is reclassified to contributed surplus.

**3. Share capital:**

(a) Authorized:

Unlimited number of common shares

Unlimited number of preferred shares

(b) Issued common shares:

| | Number of Shares | Carrying value |
|---|---:|---:|
| Issued on incorporation at $0.25 per share (Note 6) | 1,000 | $ 250 |
| Issued at $0.25 per share (Note 6) | 599,000 | 149,750 |
| Issued at $0.50 per share | 1,500,000 | 750,000 |
| Share issue costs | – | (169,191) |
| As of September 30, 2025, Dec 31, 2024, Dec 31, 2023, Dec 31, 2022 and Dec 31, 2021. | | |

On March 21, 2021, the Corporation completed a private placement for gross proceeds of $150,000 by issuing 599,000 common shares at a price of $0.25 per share.

3. Share capital (continued):

On July 15, 2021, the Corporation issued 1.5 million common shares at $0.50 per common share to raise gross proceeds of $750,000 (the “IPO”) and entered into an agency agreement with Lightyear Capital Inc. (the “Agent”) as agent for the IPO. The Corporation issued warrants to the Agent to purchase 150,000 common shares at an exercise price of $0.50 per common share. The warrants, valued at $39,188 expired in July 2023. There were no equity transactions in the current year.

(c) Stock options and escrowed shares:

Concurrent with the closing of the initial public offering and pursuant to an escrow agreement signed June 23, 2021, 600,000 common shares held by the directors and officers of the Corporation were placed into escrow, to be released in accordance with Exchange Policy 2.4. Subject to various requirements of this policy, the escrow provisions are generally that 25% of the escrowed shares are released upon completion of a qualifying transaction and an additional 25% are released every 6 months thereafter.

The Corporation has an incentive stock option plan (the “Option Plan”). The Board of Directors may grant stock options to eligible directors, officers, employees and consultants in accordance with the terms of the Option Plan. In conjunction with the IPO, the Corporation issued 210,000 stock options with an exercise price of $0.50 per common share that vested upon grant and expire in July 2026. All stock options remain outstanding as at September 30, 2025.

**4. Income taxes:**

The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to loss before income taxes. The principal reasons for differences between such “expected” income tax recovery and the amount recorded are as follows:

| | | |
|---|---|---|
| Loss before income taxes | $ | 9,661 |
| Statutory income tax rate | | 23% |
| Expected income tax recovery | | 2,222 |
| Unrecognized tax benefits | | (2,222)) |
| Deferred income tax expenses | $ | – |

Deferred tax assets have not been recognized in respect of the following deductible temporary differences.

| | | 2025 | 2024 |
|---|---|---|---|
| Non-capital losses and share issue costs | $ | 566,661 | 557.000 |

Deferred tax assets have not been recognized in respect of these items because it is not considered probable that future taxable profits will be available against which such losses could be utilized.

**5. Financial risk management objectives and policies:**

(a) Capital Management:

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern, in order to provide returns for the shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of issued common shares, in the definition of capital.

The Corporation's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue this objective, the Corporation may attempt to raise additional funds through the issuance of equity and by securing strategic partners.

While the Corporation is a CPC, it is subject to externally imposed capital requirements under the policies and regulations of the Exchange applicable to CPC entities. In summary, the Corporation is required to use its available funds to identify and complete a QT and fund reasonable general and administrative costs, including costs related to the IPO. There are prohibitions under the policies and regulations of the Exchange to use available funds for payments to non-arm's length parties in the form of compensation such as salaries, consulting fees and bonuses.

(b) Risk disclosures:

(i) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's cash on hand. The carrying amount of cash represents the maximum credit exposure to the Corporation. The Corporation manages credit exposure related to cash by selecting financial institution counterparties with high credit ratings or retaining the cash in trust with external legal counsel.

(ii) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Corporation has accounts payable and accrued liabilities of $496 as of September 30, 2025.

(iii) Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Corporation does not have significant exposure to these risks.

**6. Related party transactions:**

There were no transactions with related parties from January 1 to September 30, 2025.

**7. General and administrative expenses:**

General and administrative expenses for the period from January 1 to September 30,2025 consist of legal costs of $2,532, bank charges of $158 and other general and administrative costs of $13,108.