Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

Independent Auditor's Report

To the Shareholders of Vertiqal Studios Corp. (formerly, Gamelancer Media Corp.):

Opinion

We have audited the consolidated financial statements of Vertiqal Studios Corp. (formerly, Gamelancer Media Corp.) and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2025 and as of that date, the Company had a working capital deficit and an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Acquisition

Key Audit Matter Description

As described in Note 8 to the consolidated financial statements, during the year ended December 31, 2025, the Company acquired 100% of the shares of Omnia Media Inc. and GameCo Esport Canada Inc., and acquired certain assets from Enthusiast Gaming Inc. The identifiable assets acquired, and the liabilities assumed are measured at fair value as of the acquisition date. Where the net of the fair value of the identified assets acquired and liabilities assumed is less than the fair value of consideration transferred, the difference is recognized as goodwill. In assessing fair value of the acquired assets, liabilities and consideration, management used various valuation techniques involving significant judgment and subjectivity. We considered this to be a key audit matter due to the complexity involved in the valuation of the acquired intangible assets. This resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating the audit evidence related to management's estimates.

Audit Response

We responded to this matter by performing procedures over management's valuation techniques in determining fair value of the acquired intangible assets. Our audit work in relation to this included, but was not restricted to, the following:

- Analyzed the signed purchase agreement to obtain an understanding of the key terms and related accounting considerations.
- Tested the mathematical accuracy of management's valuation models and supporting calculations.
- Evaluated the reasonableness of key assumptions in management's model such as projected revenue growth rates, gross and operating margins, tax rates and discount rates.
- With the assistance of internal valuation specialists, evaluated the reasonableness of management's model, through assessing the appropriateness of valuations models used and testing the significant assumptions and inputs.
- Assessed the appropriateness of the disclosures relating to the acquisitions in the notes to the consolidated financial statements.

Impairment of Goodwill and Intangible assets

Key Audit Matter Description

We draw attention to Notes 6 and 8 of the consolidated financial statements. The Company has recorded goodwill and intangible assets of $2,625,005 and $5,469,045, respectively, as of December 31, 2025. The Company performs impairment testing for goodwill and long-lived assets on an annual basis or more frequently when there is an indication of impairment. An impairment is recognized if the carrying amount of an asset, or its cash generating unit (CGU), exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value-in-use and its fair value less costs of disposal. In determining the estimated recoverable amounts using a discounted cash flow model, the Company's significant assumptions include future cash flows based on expected operating results, long-term growth rates and the discount rate.

We considered the impairment of goodwill and intangible assets as a key audit matter due to the high degree of auditor judgment, and audit effort required to evaluate audit evidence relating to management's significant assumptions, which include future cash flows, long-term growth rates, industry comparatives and benchmarks, the discount rate, which involve a high degree of subjectivity and effort in performing procedures and evaluating audit evidence relating to management's estimates.

Audit Response

We responded to this matter by performing audit procedures in relation to the impairment of goodwill and intangible assets. Our audit work in relation to this included, but was not restricted to, the following:

- Utilized internal valuation experts to evaluate the reasonability of the impairment model used by management and the appropriateness of the Company's discount rates.
- Assessed management's assumptions about revenue forecasts, gross profit, operating margins and terminal growth rates in light of historical results and projected future economic and market conditions.
- Assessed the discount rates applied, including comparison of underlying components in management's calculations to external benchmarks and publicly available data, as applicable.
- Tested the mathematical accuracy of management's impairment model and supporting calculations.
- Assessed the appropriateness and completeness of related disclosures in the consolidated financial statements.

Other Information

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

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Eduard Shvekher.

MNP LLP

Toronto, Ontario
March 31, 2026

Chartered Professional Accountants
Licensed Public Accountants

Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Consolidated Statements of Financial Position

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars – except share amounts)

	Note	As at December 31, 2025	December 31, 2024
		$	$
Assets			
Current assets			
Cash		**171,619**	506,130
Restricted cash		**188,887**	-
Trade and other receivables	**5**	**3,212,891**	1,338,061
Prepaid expenses and deposits		**27,167**	202,960
		3,600,564	2,047,151
Non-current assets			
Deposits		**4,425**	4,425
Property and equipment		**17,801**	8,549
Right-of-use asset	**7**	**118,090**	215,795
Intangible assets	**6**	**5,469,045**	2,589,276
Goodwill	**8**	**2,625,005**	**-**
Total Assets		**11,834,930**	4,865,196
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**11,518,657**	2,706,608
Income tax payable	**12**	**1,548,229**	470,058
Due to related parties	**16**	**354,809**	5,069
Convertible debentures	**10**	**5,493,886**	4,675,399
Promissory note	**11**	**44,689**	-
Lease liability	**7**	**116,340**	88,871
		19,076,610	7,946,005
Non-current liabilites			
Promissory note		**-**	399,622
Lease liability	**7**	**10,069**	126,408
Private placement liability	**10**	**-**	350,000
Deferred tax liabilities	**12**	**81,311**	40,628
Total Liabilities		**19,167,989**	8,862,663
Shareholders' Deficiency			
Common shares	**13**	**64,219,217**	59,527,290
Shares to be issued	**13**	**2,453,774**	173,014
Warrant reserve	**14**	**3,614,338**	3,619,338
Share-based benefits reserve	**15**	**2,411,011**	1,958,630
Accumulated other comprehensive income (loss)		**890,682**	1,155,128
Accumulated deficit		**(80,922,081)**	(70,430,867)
Total Shareholders' Deficiency		**(7,333,059)**	(3,997,467)
Total Liabilities and Shareholders' Deficiency		**11,834,930**	4,865,196

General information and going concern (Note 1)

Contingent liabilities (Note 22)

Subsequent Events (Note 23)

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

Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars – except share amounts)

	Note	December 31 2025	 2024
		$	$
Revenues		**5,829,946**	4,861,413
Cost of sales		**3,320,309**	1,486,519
Gross profit		**2,509,637**	3,374,894
Expenses			
Consultants and subcontractors		**4,137,068**	2,369,993
Share-based payments	**17**	**469,367**	271,984
Professional fees		**1,057,158**	669,992
General and administrative		**1,733,058**	931,099
Advertising and promotion		**108,049**	84,008
Salaries, wages and benefits		**734,300**	863,289
Depreciation and amortization	**6, 7**	**1,117,289**	806,041
Foreign exchange loss		**85,983**	12,432
Finance costs, net	**18**	**70,406**	797,738
Credit loss	**5**	**241,365**	419,950
Gain on extinguishment of convertible debenture	**10**	**-**	(2,688,221)
Change in fair value of convertible debenture	**10**	**3,125,667**	1,218,418
Gain on disposal of subsidiary	**9**	**(286,210)**	-
		12,593,500	5,756,723
Loss before income taxes		**(10,083,863)**	(2,381,829)
Current tax expense	**12**	**(500,239)**	(181,527)
Deferred tax recovery	**12**	**92,888**	198,232
Net loss		**(10,491,214)**	(2,365,124)
Other comprehensive income (loss)			
Exchange difference on translating foreign operations		**(385,026)**	19,223
Deferred tax recovery (expense)		**120,580**	(79,985)
Total comprehensive loss		**(10,755,660)**	(2,425,886)
Basic and diluted loss per share		**(0.015)**	(0.00)
Weighted average number of common shares outstanding (basic and diluted)		**719,396,210**	631,977,420

Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Consolidated Statements of Changes in Shareholders' Deficiency
For the years ended December 31, 2025 and 2024
(Expressed in Canadian dollars – except share amounts)

						Share-based		Other	Total
		Common	Common	Shares	Warrant	benefits	Accumulated	comprehensive	shareholders'
	Notes	shares	shares	to be issued	reserve	reserve	Deficit	income (loss)	deficiency
		#	$	$	$	$	$	$	$
Balance, December 31, 2023		604,045,994	58,788,585	513,074	5,214,482	2,413,310	(70,214,537)	1,215,890	(2,069,196)
Issuance of common shares for private placement	**13**	26,122,960	653,074	(513,074)	-	-	-	-	140,000
Issuance of common shares for finders fee	**13**	944,400	37,776	-	-	-	-	-	37,776
Issuance of common shares for acquisition	**13**	5,737,200	57,372	-	-	-	-	-	57,372
Issuance of common shares listed		8,666,666	-	-	-	-	-	-	-
Transfer of reserves to deficit		-	-	-	(1,595,144)	(553,650)	2,148,794	-	-
Share issuance Costs		-	(9,517)	-	-	-	-	-	(9,517)
Share-based compensation	**17**	-	-	-	-	98,970	-	-	98,970
Issuance of Restricted Share Units (RSUs)	**17**	-	-	173,014	-	-	-	-	173,014
Net loss and total comprehensive loss		-	-	-	-	-	(2,365,124)	(60,762)	(2,425,886)
Balance, December 31, 2024		**645,517,220**	**59,527,290**	**173,014**	**3,619,338**	**1,958,630**	**(70,430,867)**	**1,155,128**	**(3,997,467)**
Balance, December 31, 2024		645,517,220	59,527,290	173,014	3,619,338	1,958,630	(70,430,867)	1,155,128	(3,997,467)
Issuance of shares on settlement of Restricted Share Units (RSUs)		3,100,000	190,000	(173,014)	-	(16,986)	-	-	-
Issuance of shares related to conversion of convertible debenture	**10**	148,056,209	3,701,405	2,453,774	-	-	-	-	6,155,179
Issuance of shares on Acquisition of Revmo	**8**	62,464,656	792,022	-	-	-			792,022
Share-based payments	**15, 17**	-	-	-	-	469,367	-	-	469,367
Issuance of shares on exercise of w arrants	**14**	50,000	8,500	-	(5,000)	-	-	-	3,500
Net loss and total comprehensive loss		-	-	-	-	-	(10,491,214)	(264,446)	(10,755,660)
Balance, December 31, 2025		**859,188,085**	**64,219,217**	**2,453,774**	**3,614,338**	**2,411,011**	**(80,922,081)**	**890,682**	**(7,333,059)**

Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Consolidated Statement of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars)

		For the year ended December 31	
	Notes	2025	2024
		$	$
Cash flows used in operating activities			
Net loss		**(10,491,214)**	(2,365,124)
Share-based payments	**17**	**469,367**	271,984
Finance costs, net	**18**	**40,953**	797,738
Depreciation and amortization	**6, 7**	**1,117,289**	806,041
Unrealized foreign exchange (loss) gain		**(14,381)**	12,432
Change in fair value of convertible debentures	**10**	**3,125,667**	(1,469,803)
(Gain) Loss on extinguishment of debt	**10**	**-**	419,950
Credit Loss	**5**	**108,750**	-
Gain on disposal of subsidiary		**(286,210)**	-
(Provision) benefit for taxes	**12**	**407,351**	(198,232)
		(5,522,428)	(1,725,014)
Changes in non-cash working capital items:			
Trade and other receivables		**(1,855,140)**	987,720
Prepaid expenses and deposits		**176,289**	184,816
Accounts payable and accrued liabilities		**3,909,580**	(515,283)
Income Tax Payable		**577,932**	215,318
Deferred revenue		**-**	(58,310)
		(2,713,767)	(910,753)
Finance costs			
Interest paid (net)	**18**	**-**	(41,313)
		(2,713,767)	(952,066)
Cash flows used in investing activities			
Restricted cash		**-**	340,000
Private placement liability	**10**	**-**	350,000
Intangible assets for Viral Nation Acquisition		**-**	(129,350)
Net cash outflow from acquisition of Revmo	**8**	**(12,000)**	-
Net cash outflow from acquisition of business combination	**8**	**(711,113)**	-
Proceeds on sale of subsidiary	**9**	**300,000**	-
		(423,113)	560,650
Cash flows provided from financing activities			
Proceeds from issuance of promissory note		**944,689**	-
Repayment of promissory note	**11**	**(1,296,872)**	(953,247)
Interest paid on promissory note		**(21,715)**	-
Proceeds from Issue of common shares on exercise of warrants		**3,500**	-
Proceeds from issue of convertible debenture	**10**	**3,848,000**	1,000,000
Repyament of private placement liability		**(350,000)**	-
Proceeds from private placement tranche 2		**-**	168,259
Lease payments	**7**	**(101,060)**	(10,068)
Repayment of convertible debenture		**-**	(84,894)
Loan from related party	**16**	**349,740**	-
		3,376,282	**120,050**
Net decrease in cash		**239,402**	(271,366)
Effect of foreign currency exchange rate changes on cash and cash equivalen		**(385,026)**	(385,743)
Cash, beginning of year		**506,130**	1,163,239
Cash and restricted cash, end of year		**360,506**	506,130
Cash, end of year		**171,619**	506,130
Restricted cash, end of year		**188,887**	-

1. General information and going concern

General information

Vertiqal Studios Corp. (formerly, Gamelancer Media Corp.) (the “Company” or “Vertiqal”) was incorporated under the laws of the Province of British Columbia on June 24, 1999. The Company’s principal and registered place of business is 405-120 Carlton St., Toronto, Ontario, Canada. Vertiqal is a publicly traded company, listed on the Canadian Securities Exchange (“CSE”). Effective April 21, 2022, in connection with the acquisition of Gamelancer, Inc., the Company changed its name to Gamelancer Gaming Corp. and its CSE ticker symbol was changed to “GMNG”. Effective September 27, 2022, the Company then changed its name to Gamelancer Media Corp. Effective August 4, 2024, the company changed its name to Vertiqal Studios Corp.

Vertiqal is a technology and entertainment company providing direct advertising services to brands over its social media channels, with future programmatic advertising services planned as well as plans to build and acquire assets to unite the global gaming community.

Going concern

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations for the foreseeable future. The Company incurred a net loss of $10,491,214 for the year ended December 31, 2025, and has an accumulated deficit of $80,922,081 as at December 31, 2025. The Company has a working capital deficit of $15,476,046 at December 31, 2025. To date, the Company has funded its operations principally through the issuance of debt and equity securities. The availability of such funding in the future is subject to uncertainty. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company’s ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

In order to continue its operations, the Company must achieve profitable operations and/or obtain additional equity or debt financing. Until the Company achieves profitability, management plans to fund its operations and capital expenditures with cash on hand, borrowings, and issuance of capital stock. Until the Company generates revenue at a level to support its cost structure, the Company expects to continue to incur significant operating losses and net cash outflows from operating activities.

Although the Company has historically been successful in obtaining financing in the past, there can be no assurances that the Company will be able to obtain adequate financing in the future. These consolidated financial statements do not include the adjustments to the amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

2. Material accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board (“IASB").

The consolidated financial statements were authorized for issuance by the board of directors on March 31, 2026.

Basis of preparation

The consolidated financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies below. The presentation currency of these consolidated financial statements is Canadian dollar which is also a functional currency of the Company and each of its subsidiaries, except for Wondr Gaming USA Corp., Omnia Media Inc, GameCo eSports USA Inc, and Gamelancer, Inc. for which the functional currency is the U.S. dollar.

The principal material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries:

Subsidiary	**Domicile and country of incorporation**
Wondr Gaming Corp.	Ontario, Canada
Enterprise Gaming Canada Inc.	Quebec, Canada
Hot Dot Media Inc.	Ontario, Canada
JoyBox Media Inc.	British Columbia, Canada
Gamelancer, Inc	Delaware, United States of America
Wondr Gaming USA Corp.	Delaware, United States of America (incorporated on August 30, 2021)
Omnia Media, Inc. (acquired in 2025, Note 8)	Delaware, United States of America
GameCo Esports Canada Inc. (acquired in 2025, Note8)	Ontario, Canada
GameCo eSports USA Inc (Acquired in 2025) (100% owned by GameCo Esports Canada Inc.)	Delaware, United States of America
AIG eSports Canada Holdings Ltd. (Acquired in 2025) (100% owned by GameCo Esports Canada Inc.)	Ontario, Canada
AIG eSports USA LLC (Acquired in 2025) (100% owned by AIG eSports USA Intermediate Holdings LLC)	Delaware, United States of America

Each subsidiary is fully consolidated from the date of acquisition, which is when the Company obtains control, and continues to be consolidated until the date when such control ceases. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and can use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate changes to one or more of the three elements of control listed above. The subsidiaries' financial statements are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition related transaction costs are expensed as incurred. Identifiable assets and liabilities, including intangible assets, of acquired businesses are recorded at their fair value at the date of acquisition. When the Company acquires control of a business, any previously held equity interest also is re-measured to fair value. The excess of the purchase consideration and any previously held equity interest over the fair value of identifiable net assets acquired is goodwill. If the fair value of identifiable net assets acquired exceeds the purchase consideration and any previously held equity interest, the difference is recognized in the consolidated statements of loss and comprehensive loss immediately as a gain on acquisition.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Leases

The Company assesses whether a contract is, or contains, a lease. If a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, then the contract may contain a lease. The Company assesses whether a contract conveys the right to control the use of an asset by performing the following tests:

1. Assess whether the contract involves the use of an identified asset and may be specified explicitly or implicitly. It should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a significant right to substitution, then the asset is not identified;

2. Assess whether the Company has the right to obtain substantially all of the economic benefits arising from the use of the asset throughout the period of use; and

3. Assess that the Company has the right to direct enjoyment of the asset. This right is identified when the Company has the decision-making rights in how and for what purpose the asset is used. In cases where the decision on how and for what purpose to use the asset has been predetermined, the Company has the right to direct the use of the asset if either it has the right to operate the asset, or the Company has designed the asset in a manner that predetermines how and for what purpose the asset will be used.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset may be reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of twelve months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets

Intangible assets with finite lives that are acquired separately are measured on initial recognition at cost, which comprises its purchase price plus any directly attributable costs of preparing the asset for its intended use. The amortization for such assets begins when asset become available for use. Following initial recognition, such intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses on a straight-line basis over the following periods:

Trade Name	10 years
Customer Relationships	4 - 6 years
Technology	4 years
License and Network	12 years

Amortization expense is included in the consolidated statements of loss and comprehensive loss.

The estimated useful life and amortization method are reviewed annually, with the effect of any change in estimate being accounted for on a prospective basis.

For intangible assets with finite lives, the Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized when the carrying amount of the asset exceeds its recoverable amount. Monitoring external and internal factors that could affect an asset's value supports timely recognition of any impairment.

Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. The functional currency of the Company and each of its subsidiaries is the Canadian dollar, except for Wondr Gaming USA Corp, Gamelancer Inc, GameCo eSports USA Inc and Omnia Media Inc. for which the functional currency is the U.S. dollar.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences translation on monetary items are recognized in profit or loss in the period in which they arise.

Revenue

The core principle of IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") is that an entity recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration the entity expects to be entitled in exchange for those goods or services. The standard establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

The Company accounts for a contract with a customer when it has approval and commitment from all parties, the rights of the parties and payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Revenue is recognized when control of the promised goods and services is transferred to customers.

The Company generates advertising revenue through the following means:

- Direct media advertising;
- Social media content strategy; and
- Short form Over-the-Top ("OTT") or programmatic video sales.
- Google AdSense and Ad Manager

Direct media advertising

Revenue from direct media advertising is primarily generated through social media network advertising delivered through advertising impressions. Advertising is typically sold on a cost-per-thousand ("CPM") basis and is evidenced by an insertion order ("IO"). Revenue allocated to impression delivery is recognized as impressions are delivered. In some direct media advertising arrangements, the Company is also required to produce content for the customer. For such arrangements, the Company allocates revenue to each distinct performance obligation based on their relative standalone selling prices ("SSP"). Revenue allocated to content delivery is recognized at the point in time the content is delivered.

Social media content strategy

Social media content strategy for customers where the Company provides a complete marketing campaign strategy that includes guidance on how to create video content, strategy on distribution across various social media accounts, including influencer strategy, production and paid media spend. Revenue from social media content strategy is recognized as the services have been delivered and accepted by the customer.

Short form over-the-top ("OTT") or programmatic video sales

The Company delivers content on its owned and operated channels on third-party social media platforms. The social media platform monetizes such content, and the advertising revenue earned by the platform is shared with the Company under a revenue-sharing arrangement. Based on management's assessment of the arrangement, the social media platform is the customer and revenue is recognized based on the revenue share earned for the period.

Google AdSense and Ad Manager

Revenue generated through the Omnia subsidiary from Google Ad Manager and Google AdSense arises from the monetization of digital advertising inventory across Omnia's owned and operated websites and digital media properties. AdSense revenue is generated through Google's programmatic advertising platforms which facilitate ad placements on the multichannel network (the "MCN") managed by the Company. The Company entered into management service agreements with MCN owners (the "creators") under which the Company is eligible for a portion of AdSense revenue. By providing management services to the creators, the Company is acting as an agent and records only the portion of AdSense revenue it is eligible for under the management service agreements.

Ad Manager revenue is earned thorough the placement of ad campaigns on the MCN using Google's programmatic advertising platforms. Advertising is typically sold on a CPM basis and is evidenced by an Insertion Order ("IO"). The Company acts as a principal in these arrangements and records revenue based on the transaction price determined in the IO.

Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. Where an award contains multiple vesting tranches, each tranche is treated as a separate grant with its own distinct vesting period, and the fair value of each tranche is expensed on a straight-line basis over its respective vesting period. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense for each tranche reflects the revised estimate, with a corresponding adjustment to equity.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

The share-based benefits reserve records items recognized as share-based compensation expense until the stock options are exercised. The corresponding amount is then transferred to share capital. If the options expire, the amount recorded is transferred to accumulated deficit.

Warrant reserve

The fair value of warrants is determined upon issuance, whether as part of unit private placements or in settlement of share issuance costs and finders' fees, using the Black-Scholes option pricing model. All such warrants are classified in a warrant reserve within equity. If the warrants are exercised, the value attributable to the warrants is transferred to share capital. Upon expiry, the amounts recorded for expired warrants are transferred from the warrant reserve to accumulated deficit. Shares are issued from treasury upon the exercise of share purchase warrants.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognized in profit or loss, except when it relates to items that are recognized in other comprehensive income or loss or directly in equity, in which case, the deferred tax is also recognized in other comprehensive income or loss or directly in equity, respectively. Where deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Financial instruments

IFRS 9 *Financial Instruments* (“IFRS 9”) contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income or loss. For liabilities measured at fair value, gains and losses are recorded in profit or loss, except that for financial liabilities designated at fair value through profit or loss, the amount of the change in fair value attributable to changes in the entity's own credit risk is presented in other comprehensive income or loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Financial assets

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, FVOCI, or FVTPL

The Company determines the classification of its financial assets, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss.

- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.

- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.

- Designated at fair value through profit or loss - On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.

Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs.

In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire, or the financial asset has been transferred under particular circumstances.

For this purpose, a financial asset is transferred if the Company either:

- Transfers the right to receive the contractual cash flows of the financial asset, or
- Retains the right to receive the contractual cash flows of the financial asset but assumes an obligation to pay received cash flows in full to one or more third parties without material delay and is prohibited from further selling or transferring the financial asset.

Transferred financial assets are evaluated to determine the extent to which the Company retains the risks and rewards of ownership. When the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it evaluates whether it has retained control of the financial asset.

Where substantially all risks and rewards of ownership have been transferred, or risks and rewards have neither been transferred nor retained and control of the financial asset has not been retained, the Company derecognizes the financial asset. At the same time, the Company separately recognizes as assets or liabilities the fair value of any rights and obligations created or retained in the transfer. Any difference between the carrying amount measured at the date of recognition and the consideration received is recognized in profit or loss.

Recognition and initial measurement of financial liabilities

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities, except for financial liabilities subsequently measured at fair value through profit or loss, are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Embedded derivatives

For hybrid contracts containing a host that is not an asset in the scope of IFRS 9, embedded derivatives are evaluated on initial recognition to determine if the embedded derivative must be separated from the host contract. Embedded derivatives are separated from the host contract when the economic characteristics and risks of the derivative are not closely related to those of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives that are separated from the host contract are initially measured at fair value and subsequently measured at fair value through profit or loss.

Classification of financial instruments

The following table summarizes the classification of the Company's financial instruments:

Asset / liability	Classification
Cash	Amortized cost
Restricted cash	Amortized cost
Receivables	Amortized cost
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Convertible debentures (debt host liability)	FVTPL
Conversion option liability	FVTPL
Lease liability	Amortized cost

Financial liabilities at FVTPL are recognized initially at fair value. Any transaction costs are recorded directly in the statement of loss. Subsequent to initial recognition the financial liability is measured at fair value at each reporting date, with changes in fair value included in the statement of loss. The convertible debentures have been designated at FVTPL upon initial recognition as permitted by IFRS 9 as they contain an embedded derivative.

Fair value

Assets and liabilities carried at fair value must be classified using a three-level hierarchy that reflects the significance and transparency of the inputs used in making the fair value measurements.

Level 1 inputs are unadjusted quoted prices of identical instruments in active markets;

Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs that are not based on observable market data (unobservable data).

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

Loss per share

Basic loss per share is calculated by dividing net loss (the numerator) by the weighted average number of common shares outstanding (the denominator) during the year/period.

For the purpose of calculating diluted loss per share, the Company adjusts net loss, and the weighted average number of common shares outstanding during the year, for the effects of all dilutive potential common shares. The diluted loss per share is equal to basic loss per share since the Company is in a loss position for both years presented. Potential common shares, such as warrants and stock options, are treated as dilutive when, and only when, their conversion to common shares would decrease earnings per share or increase loss per share.

3. Accounting pronouncements issued not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2025, and have not been early adopted in preparing these consolidated financial statements.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1. IFRS 18 applies to annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The standard must be applied retrospectively with restatement of comparative information. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements; and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. The Company is currently assessing the impact and efforts related to adopting IFRS 18. The Company expects the standard will primarily affect the presentation and disclosure of information within the consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance targets); and update the disclosures for equity instruments designated at fair value through other comprehensive income. These amendments apply to annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted and the amendments are to be applied retrospectively. The Company is currently evaluating the impact these amendments may have on its consolidated financial statements and related disclosures.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and are not expected to have a significant impact on the Company’s consolidated financial statements.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company’s accounting policies management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 future periods if the revision affects both current and future periods.

Going concern

At the end of each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern and operate in the normal course by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's assessment are derived from actual operating results along with industry and market trends

Share-based compensation

The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based compensation which require the use of several input variables. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historical volatility adjusted for changes expected due to publicly available information of comparable companies), weighted average expected life of the instruments, expected dividends, and the risk-free interest rate (based on government bonds). The inputs to the model are subject to estimate and changes in these inputs can materially impact the estimated fair value of share-based compensation.

Fair value of financial liabilities

The individual fair values attributed to the different components of a financing transaction, and/or derivative financial instruments, are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Impairment of goodwill and determination of cash-generating units

The determination of a cash generating unit (“CGU”) is based on management’s judgment and is an assessment of the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amounts of the CGUs were estimated based on an assessment of the higher of value in use using a discounted cash flow approach and fair value less costs of disposal. The approach uses cash flow projections based upon a financial forecast approved by management, covering a five-year period. Cash flows projections until the end of an asset or CGUs useful life are extrapolated using the estimated terminal growth rate for value in use impairment analysis. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flows may differ or change quickly, depending on economic conditions and other events.

Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. All acquisitions have been accounted for using the acquisition method.

Further, significant judgments are necessary in assessing the taxable status of the business combinations, which has a direct correlation to the recognition of a deferred tax liability, for any difference in basis between tax and accounting, and corresponding amount in goodwill. An assessment by a tax authority that concluded differently could materially change the deferred tax amounts. The Company bases their judgments on their assessment of the facts of the underlying contractual agreements.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. These calculations are based on available data, other observable inputs and projections of cash flows, all of which are subject to estimates and assumptions. Recoverable amounts are also sensitive to assumptions about the future usefulness of in-process development and the related marketing rights. At the period end, management concluded that none of the Company’s non-financial assets were impaired.

Expected credit loss

Management determines the expected credit loss by evaluating individual receivable balances and considering a member's financial condition and current economic conditions. Accounts receivable and loan receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. All accounts receivables are expected to be collected within one year of the statement of financial position date.

Income Taxes

The Company is subject to assessments by tax authorities, who may interpret tax legislation differently than the Company. When there is uncertainty over income tax positions, the Company assesses whether it is probable that the relevant tax authority will accept the uncertain tax position. This assessment affects the amount of income tax expense recognized by the Company. If the Company concludes that it is not probable that a tax authority will accept the uncertain tax position, the effect of the uncertain tax position is reflected in the determination of the Company's income tax expense or recovery based on the most likely amount or, if there are a wide range of possible outcomes, the expected value. Any interest and penalties related to unrecognized tax liabilities are presented within provision for income taxes within the consolidated statements of operations.

Consolidation

Judgment is applied in assessing whether the Company exercises control over entities in which the Company directly or indirectly owns an interest. The Company has control when it has the power over the subsidiary, has exposure or rights to variable returns, and has the ability to use its power to affect the returns. Where the Company is determined to have control, these entities are consolidated. Additionally, judgment is applied in determining the effective date on which control was obtained

5. Trade and other receivables

	As at	
	December 31, 2025	December 31, 2024
	$	$
Trade receivables	**3,021,957**	1,049,277
Harmonized sales tax receivable	**299,684**	288,784
Expected Credit Loss	**(108,750)**	-
	3,212,891	1,338,061

6. Intangible assets

		Trade	Licence and	Customer	
	Technology	Name	Network	Relationships	Total
	$	$	$	$	$
Cost					
Balance, December 31, 2023	787,688	18,235,100	-	3,897,150	22,919,938
Additions	-	-	-	186,722	186,722
Effect of foreign exchange rate changes	-	1,570,050	-	69,780	1,639,830
Balance, December 31 2024	787,688	19,805,150	-	4,153,652	24,746,490
Additions	804,022	-	1,200,000	1,900,000	3,904,022
Effect of foreign exchange rate changes	-	(922,050)	-	-	(922,050)
Balance, December 31, 2025	**1,591,710**	**18,883,100**	**1,200,000**	**6,053,652**	**27,728,462**
Accumulated amortization					
Balance, December 31, 2023	769,421	17,856,818	-	1,111,943	19,738,182
Amortization	18,267	55,889	-	713,815	787,971
Effect of foreign exchange rate changes	-	1,540,865	-	90,196	1,631,061
Balance, December 31, 2024	787,688	19,453,572	-	1,915,954	22,157,214
Amortization	83,752	56,865	33,333	845,634	1,019,584
Effect of foreign exchange rate changes	-	(917,381)	-	-	(917,381)
Balance, December 31, 2025	871,440	18,593,056	33,333	2,761,588	22,259,417
Carrying amount					
Balance, December 31, 2024	-	351,578	-	2,237,698	2,589,276
Balance, December 31, 2025	**720,270**	**290,044**	**1,166,667**	**3,292,064**	**5,469,045**

Definite live intangible asset impairment

As at December 31, 2025, the Company’s intangible asset balance by CGU is as follows:

Direct Media: $290,044

Snapchat: $2,217,890

Google: $2,961,111

As at December 31, 2025, management identified impairment indicators in relation to Snapchat CGU. The recoverable amount of Snapchat CGU was determined using value in use approach (2024 - value in use approach), which is estimated using the discounted future cash flows (“DCF”) .

The key assumptions used in the DCF model are: pre-tax discount rate 43.2% (2024 – 43.2%), income tax rate 28% (2024- 26.5%), terminal growth rate 3% (2024- 3%).

As per the impairment analysis performed, the Company concluded there was no impairment on Snapchat CGU. There were also no indicators of impairment for the direct media CGU.

As required by IAS 36, the Company performed an impairment assessment for Google CGU, which was acquired in 2025, Note 8. The recoverable amount of Google CGU was determined using fair value less cost of disposal, which is estimated using the discounted future cash flows (“DCF”). The key assumptions used in the DCF model are pre-tax discount rate 43.2%, income tax rate 26.5%, terminal growth rate 2%.

7. Right of Use Assets & Lease Liabilities

The Company's right of use sets and lease obligations relate to the Company's office premises.

Right of use asset	**December 31, 2025**
	$
Balance, December 31, 2023	-
Addition	224,095
Balance, December 31, 2024	224,095
Addition	-
Balance, December 31, 2025	**224,095**
Accumulated depreciation	
Balance, December 31, 2023	-
Depreciation	8,300
Balance, December 31, 2024	8,300
Depreciation	97,705
Balance, December 31, 2025	**106,005**
Net balance, December 31, 2024	215,795
Net balance, December 31, 2025	**118,090**

Lease obligations	**December 31, 2025**
Balance, December 31, 2023	-
Addition	224,095
Interest accretion	1,252
Lease payments	(10,068)
Balance, December 31, 2024	215,279
Addition	-
Interest accretion	12,190
Lease payments	(101,060)
Balance, December 31, 2025	**126,409**
Current	116,340
Non-current	10,069

8. Asset Acquisition and Business Combination

Assets acquisitions

Viral Nation Inc.

On December 19, 2024, the Company entered into an Asset Purchase Agreement ("APA" or the "Agreement") with Viral Nation Inc., an Ontario corporation, the Company purchased four Instagram social media channels owned and operated by Viral nation. Viral nation is considered an arm's length party.

The Agreement outlines that the Company has acquired four Instagram channels (the "Instagram Channels") and all related rights, licenses, permits, certifications and accreditations relating to those channels owned by the Sellers in exchange for:

Purchase price of USD$150,000, which consists of:

1. USD$50,000 of cash consideration due on closing; and

2. USD$100,000 payable through the issuance of 5,737,200 common shares in the capital of the Company.

Under IFRS 3, Business Combinations, it was determined that the acquisition did not qualify as a business combination, as no substantive processes were transferred and the Company did not acquire any organized workforce, operational systems, or intellectual property that would enable acquired channels to generate outputs. Accordingly, the acquisition does not meet the definition of a business combination and therefore, it was accounted for as an asset acquisition in accordance with IFRS 2. The Company measures equity-settled share-based payment transactions at the fair value of the goods or services received, unless that fair value cannot be estimated reliably in which case these are measured at the fair value of the equity instruments issued. On December 19, 2024, the fair value of common shares was $0.010 per share, which was used to value the four Instagram social media channels acquired as assets. There are no other assets acquired or liabilities assumed under this APA.

The acquired Instagram channels meet the definition of an intangible asset under IAS 38 and therefore are measured at cost. The total cost recognized was $186,722 and included the cash consideration of $71,850 and the issuance of 5,737,200 shares (at fair value of $0.010 per share valuing $57,372), plus transaction costs of $57,500.

Revmo Inc

On August 7, 2025, the Company entered into an Asset Purchase Agreement (“APA” or the “Agreement”) with Revmo Inc., a Delaware corporation (“Revmo”), pursuant to which the Company acquired certain technology owned and operated by Revmo. Under IFRS 3, Business Combinations, it was determined that the acquisition did not qualify as a business combination, and therefore it was accounted for as an asset acquisition.

As a consideration for the acquisition, the Company issued 62,464,656 common shares valued at $0.015 based on the market price on the acquisition date for a total consideration of $792,022 along with the settlement of pre-existing liabilities. The Company incurred $12,000 in relation to the transaction cost which was included in the cost of the asset acquired.

Business combination

On August 30, 2025, the Company entered into Share and Asset Purchase Agreement with Enthusiast Gaming Holdings Inc. (“EGHI”) and Enthusiast Gaming Inc. (“EGI”) to acquire all issued and outstanding shares of Omnia Media Inc. and GameCo Esport Canada Inc. which were previously held by EGHI. In addition, the Company acquired certain assets, including insertion orders and contracts with customers from EGI. GameCo Esport Canada Inc. is a parent company of several wholly owned subsidiaries and has investment of less than 100% in certain entities which were inactive during the year ended December 31, 2025.

As consideration for the acquisition, the Company paid $900,000 in cash. The Company has determined the acquisition of the Enthusiast Gaming assets. is a business combination under IFRS 3, Business Combinations.

The following table summarizes the purchase price allocation:

Financial statement line item	**Fair value of net assets acquired** **$**
Cash	189,383
Trade and Other Receivables	130,218
Prepaid expenses and deposits	12,012
Customer relationship	1,900,000
Licence and network	1,200,000
Goodwill	2,625,005
Income tax payable	(143,656)
Accounts payable and accrued liabilities	(4,760,962)
Deferred tax liability	(252,000)
Purchase consideration transferred	**900,000**

	$
Cash consideration	**900,000**

Consolidated revenue of the acquiree after the acquisition date, as recorded in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2025 is $1,898,900.

9. Disposal of subsidiary

On November 7, 2025, the Company disposed of 100% of its equity interest in Luminosity Inc. for cash consideration of $300,000. As part of the transaction, certain liabilities of the subsidiary were retained by the Company. The disposal resulted in the derecognition of the subsidiary’s net liabilities and the recognition of a gain on disposal of $286,210 in consolidated statement of loss and comprehensive loss.

10. Convertible debentures

The table below presents changes on convertible debentures during the year ended December 31, 2025:

	$	$	$	$	$
	CD I	**CD II**	**CDIII**	**CDIV**	**Total**
Balance, December 31, 2023	4,579,822	-	-	-	4,579,822
Additions	-	1,000,000	-	-	1,000,000
Repayment	(84,894)	-	-	-	(84,894)
Extinguishment of convertible debt	(4,935,479)	-	-	-	(4,935,479)
Valuation of new convertible debt	2,250,000	-	-	-	2,250,000
Fair value Adjustment	1,267,126	(51,450)	-	-	1,215,676
Interest and accretion expense	573,425	76,848	-	-	650,273
Balance, December 31, 2024	3,650,000	1,025,398	-	-	4,675,398
Additions	-	-	1,550,000	2,298,000	3,848,000
Fair value Adjustment	2,505,179	18,488	500,000	102,000	3,125,667
Conversion	(6,155,179)	-	-	-	(6,155,179)
Balance, December 31, 2025	**-**	**1,043,886**	**2,050,000**	**2,400,000**	**5,493,886**

The fair value adjustment in the amount of $3,125,667 was recognized in change in fair value of convertible debentures in the consolidated statements of loss and comprehensive loss.

On September 10, 2024, the Company entered into the Amendment of the convertible debenture (CD I) with the subscribers. As a result, the agreement was modified. The amendments resulted in several changes to the terms of the debentures, among others, notably:

- Increase in interest rate from 12% to 15%;
- Maturity date changed from November 3, 2027 to September 10, 2025;
- Automatic conversation to common shares at maturity, unless the Company exercises a prepayment option.

Due to the substantial modification of the terms of an existing financial liability, it was accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similar to the above, the debenture is recorded as FVTPL. The change in fair value of the debenture was $1,267,126 during the year ended December 31, 2024

On September 9, 2025, which was the CD I's maturity date, the CD I's outstanding principal and accrued interest of $6,155,179 was converted to common shares of the Company. The Company issued 148,056,209 common shares and 98,150,951 were not issued as at December 31, 2025 due to administrative reasons.

On June 27, 2024, the Company issued unsecured convertible debentures (CD II) in the amount of $1,000,000. Each $1,000 of principal is convertible at a conversion price of $0.025 per common share and accrues interest at 15% per annum. The convertible debenture matures on June 27, 2026. For accounting purposes, the Company has designated the convertible debenture at FVTPL. The change in fair value in the year ending December 31, 2025 is $18,488.

On May 1, 2025, the Company issued unsecured convertible debentures (CD III) in the amount of $1,550,000. Each $1,000 of principal is convertible at a conversion price of $0.025 per common share and accrues interest at 15% per annum. The convertible debenture matures on May 1, 2027. For accounting purposes, the Company has designated the convertible debenture at FVTPL. $350,000 of this debenture was received in December 2024 from a single subscriber. In 2024, this was recorded as a private placement liability. Upon closing of the convertible debenture, this amount was applied to the balance.

On October 31, 2025, the Company issued unsecured convertible debentures (CD IV) in the amount of $2,298,000. Each $1,000 of principal is convertible at a conversion price of $0.025 per common share and accrues interest at 15% per annum. The convertible debenture matures on October 31, 2027. For accounting purposes, the Company has designated the convertible debenture at FVTPL.

The convertible debentures in the amount of $163,000 were issued as part of CD IV to directors of the Company.

The fair value of CD II, CD III and CD IV on December 31, 2025, was estimated using a Monte Carlo valuation model with the following main inputs: share price $0.02, $0.02 and $0.025, volatility of 103% ,80%, and 90% and risk-free rate of 2.28%, 2.5% and 2.41% respectively.

11. Promissory note

On December 19, 2023, the Company entered into an Asset Purchase Agreement ("APA" or the "Agreement") with Offbeat Media Group Inc., a Delaware corporation ("Offbeat"), Offbeat Studios LLC, a Georgia limited liability company ("Offbeat Studios"), Creator Labs LLC, a Georgia limited liability company ("Creator Labs" and together with Offbeat and Offbeat Studios, each a "Seller" and collectively the "Sellers") to purchase 68 Snapchat social media channels owned and operated by the Sellers (Note 8).

The Agreement outlines that the Company has acquired 68 Snapchat channels (the "Snapchat Channels") and all related rights, licenses, permits, certifications and accreditations relating to those channels owned by the Sellers in exchange for:

Purchase price of USD$2,000,000, which consists of:

1. USD$1,000,000 of cash consideration due on closing; and
2. USD$1,000,000 payable in equal monthly instalments over the following 18 months and interest at a rate of 5% per annum payable monthly on the outstanding balance.

   As of May 1, 2025, the company had fully repaid the promissory note.

The following table summarizes the movement in the carrying value of the debt during the period:

During the year ended December 31, 2025, the Company entered into two short-term promissory notes one for $900,000 and the other for $44,689. The first note, with a principal amount of $900,000, bore interest at a rate of 14% for the initial 60 days and 24% thereafter until repayment. The second note, with a principal amount of $44,689, was non-interest bearing. During the year, the Company fully repaid the $900,000 promissory note together with accrued interest of $16,726. The $44,689 note remained outstanding as at December 31, 2025. As both notes were short-term in nature, they were recorded at their principal amounts and no amortized cost adjustments were required.

	$
Balance, December 31, 2023	1,204,917
Repayment	(909,746)
Interest and accretion expense	104,900
Interest payments	(43,501)
Effect of foreign exchange rate changes	43,052
Balance, December 31, 2024	**399,622**
Issuance of Promisorry Note	944,689
Repayment	(1,296,872)
Interest and accretion expense	28,763
Interest payments	(21,715)
Effect of foreign exchange rate changes	(9,798)
Balance, December 31, 2025	**44,689**

12. Income Taxes

The following schedule reconciles the expected income tax expense (recovery) at the Canadian combined federal and provincial statutory rate of 26.5% to the amounts recognized in the statements of loss and comprehensive loss:

	December 31, 2025	December 31, 2024
Earnings before income taxes	**$ (10,083,863)**	$ (2,381,829)
Statutory tax rate	**26.50%**	26.50%
Expected tax benefit resulting from loss	**(2,672,223)**	(631,185)
Adjustments for the following items:		
Stock based compensation and other non-deductible expenses	**186,719**	108,424
Deemed interest income	**193,879**	256,848
Differences in foreign tax rates	**67,799**	11,551
Others	**8,775**	(57,707)
Return to provision	**318,938**	1,030,242
Change in deferred tax assets not recognized	**2,200,633**	(734,878)
Fair value adjustment on convertible loans	**102,832**	-
	$ 407,351	$ (16,705)

Deferred tax assets (liabilities) recognized are as follows:

	December 31, 2025	December 31, 2024
	$	**$**
Deferred tax liabilities		
Other	**(2,268)**	(19,218)
Convertible debenture	**(48,485)**	(548,380)
Foreign exchange	**(130,921)**	(251,501)
Intangible assets	**(245,382)**	-
Deferred tax assets		
Intangible assets	**-**	97,049.00
Other	**1,624**	-
Share issuance costs	**-**	130,266
US net operating losses available for carryforward	**162,447**	-
Canadian non-capital losses available for carryforward	**181,674**	551,156
Net deferred tax asset (liability)	**$ (81,311)**	**$ (40,628)**

The movement in deferred tax assets and liabilities during the year is as follows:

	2025	**2024**
Balance, beginning of year	(40,628)	(157,951)
Recognized in profit or loss	92,888	198,232
Recognized in other comprehensive income	120,580	(79,985)
Recognized in goodwill	(252,000)	-
Others	(2,151)	(924)
Balance, end of year	(81,311)	(40,628)

Deferred income tax assets in excess of deferred income tax liabilities have not been recognized in respect of the following attributes because it is not probable that future taxable profit will be available against which the Company can use the benefits:

	December 31, 2025	December 31, 2024
Lease liability	2,204	-
Investment in private company	21,630	-
Accrued liabilities	134,866	132,500
Intangibles	438,836	143,103
Share issuance costs	100,334	71,528
US net operating losses available for carryforward	97	-
Canadian capital losses available for carryforward	53,811	53,811
Canadian non-capital losses available for carryforward	5,712,566	3,849,045
	6,464,344	4,249,987

The Company's non-capital income tax losses, the benefit of which has not been recognized in the consolidated financial statements, expire as follows:

	Canada	**U.S.**
2037	101,204	
2038	1,038,451	
2039	386,162	
2040	55	
2041	3,501,160	
2042	4,723,886	
2043	2,080,863	
2044	2,687,694	
2045	6,543,337	
Indefinite	-	461
	$ 21,062,812	$ 461

13. Common shares

	#	$
Balance, December 31, 2023	604,045,994	58,788,585
Issuance of common shares for second tranche of private placement	26,122,960	653,074
Issuance of common shares for finders fee	944,400	37,776
Increase in common shares listed (Note 13 (i))	8,666,666	-
Issuance of common shares for acquisition (Note 13(ii))	5,737,200	57,372
Issuance Costs	-	(9,517)
Balance, December 31, 2024	645,517,220	59,527,290
Issuance of common shares from RSU's (Note 13 (iv))	3,100,000	190,000
Shares issued on excericsed of warrants (Note 13(v))	50,000	8,500
Shares issued on acquistion of Revmo (Note 13 (vi))	62,464,656	792,022
Shares issued on conversion of convertible debenture (Note 13(vii))	148,056,209	3,701,405
Balance, December 31, 2025	859,188,085	64,219,217

During the year ended December 31, 2024:

(i) Increase in common shares listed

The Company had an additional 8,666,66 common shares listed and reserved for insurance pursuant to the advisory services plan.

(ii) Issuance of common shares for acquisition

In December 2024, the Company issued 5,737,200 common shares at a price per share of $0.010. The Company issued these shares in connection to the Asset Purchase Agreement as part of the purchase price.

(iii) Shares held in escrow

As at December 31, 2024, the Company has 31,850,840 common shares held in escrow in connection with the Gamelancer Inc. transaction. The escrowed securities were fully release 2025.

During the year ended December 31, 2025:

(iv) Issuance common shares from RSU’s

During the year, The Company issued 3,100,000 common shares valued at $190,000 related to the full vesting and exercise of RSU’s.

(v) Issuance common shares from exercise of warrants

During the year, 50,000 warrants were exercised at an exercise price of $0.70.

(vi) Shares issued on acquisition of Revmo

The Company issued 62,464,656 common shares to acquire technology and pay outstanding debt. See no Note 8 for details.

(vii) Shares issued on conversion of debentures

The Company issued 148,056,209 common shares on conversion of CD I. See Note 9 for details.

14. Warrants

During the year ended December 31, 2025, 1,147,259 warrants expired (2024 - 30,633,228 warrants expired), and 50,000 were exercised at an average price of $0.07.

	#	$
Balance, December 31, 2023	133,877,182	5,214,482
Warrants expired	(30,633,228)	(1,595,144)
Balance, December 31, 2024	103,243,954	3,619,338
Warrants Excercied	(50,000)	(5,000)
Warrants expired	(1,147,259)	-
Balance, December 31, 2025	**102,046,695**	**3,614,338**

	Number of warrants	Weighted average exercise price
	#	$
Balance, December 31, 2023	133,877,182	0.18
Expired	(30,633,228)	0.29
Balance, December 31, 2024	103,243,954	0.15
Warrants Excercied	(50,000)	0.07
Warrants expired	(1,147,259)	0.07
Balance, December 31, 2025	**102,046,695**	**0.15**

Additional information regarding warrants outstanding at December 31, 2025 and December 31, 2024, follows.

Exercise price	**Number of warrants**	**Weighted average remaining contractual life**	Number of warrants	Weighted average remaining contractual life
	2025		**2024**	
	#	(in years)	#	(in years)
$0.07	-	-	1,197,259	0.9
$0.15	100,038,500	0.5	100,038,500	1.5
$0.10	2,008,195	0.5	2,008,195	1.5
	102,046,695	**0.5**	103,243,954	1.4

15. Share-based benefits reserve

The Company has adopted a stock option plan (the "Plan") to attract, retain and motivate qualified directors, officers, employees and consultants whose present and future contributions are important to the success of Vertiqal by offering them an opportunity to participate in the entity's future performance through the award of stock options.

Each stock option converts into one common share of Vertiqal on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The total number of common shares reserved and available for grant and issuance pursuant to the Plan is equal to 10% of the issued and outstanding common shares of the Company. The following reconciles the number of share options available for grant under the Plan:

	#
Total number of options reserved and available for grant and issuance under the Plan	85,918,809
Issued and outstanding at end of period	(48,848,100)
Number of options available for grant under the Plan at December 31, 2025	37,070,709

The vesting terms of options granted pursuant to the Plan are determined by the board of directors, which are to vest immediately.

The following reconciles the options outstanding at the beginning and end of the period that were granted to eligible participants pursuant to the Plan:

	For the year ended December 31, 2025		For the year ended December 31, 2024	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
	#	$	#	$
Balance, beginning of period	46,503,100	0.10	42,172,600	0.17
Granted	23,000,000	0.025	15,348,000	0.02
Expired/Cancelled	(20,655,000)	0.13	(11,017,500)	0.29
Balance, end of period	**48,848,100**	**0.05**	46,503,100	0.10
Exercisable, end of period	**48,848,100**	**0.05**	**46,503,100**	**0.10**

The weighted average fair value of share options granted during the period were $0.014 for July 17 2025 and September 10, 2025 tranches, and $0.24 for September 17, 2025 tranche. The Company used the Black-Scholes Merton formula to estimate the fair value of share options granted during the period, based on the following inputs:

	2025	**2024**
Weighted average estimated fair value per common share	$0.014 - 0.025	$0.02 - 0.025
Weighted average exercise price of the share option	$0.025	$0.0021 - 0.01
Weighted average expected volatility of the underlying common share	226% - 229%	65.25% - 68.74%
Weighted average expected life of the share option	3 years	3 years
Weighted average expected dividend yield	0.00%	0.00%
Weighted average risk-free interest rate	2.58% - 3.10%	2.91% - 3.01%

The following table provides additional information about the Company's share option plan at December 31, 2025 and December 31, 2024:

Exercise prices	Number of options	Weighted average remaining contractual life in years	Number of options	Weighted average remaining contractual life in years
	2025		**2024**	
	#	#	#	#
$0.02	8,448,000	1.63	8,448,000	2.60
$0.025	29,900,000	2.52	6,900,000	2.90
$0.10	-	-	6,800,000	0.50
$0.11	4,825,100	0.46	4,825,100	1.50
$0.12	-	-	125,000	0.90
$0.13	-	-	13,000,000	0.90
$0.155	5,675,000	0.04	5,675,000	1.00
$0.40	-	-	730,000	0.10
	48,848,100	1.87	46,503,100	1.50

During the year ended December 31, 2025, the Company recognized share-based compensation expense of $469,367, of which $17,096 relates to RSU's (year ended December 31, 2024 - $271,984), presented in the line item 'share-based payments' in the consolidated statements of loss and comprehensive loss. During the year ended December 31, 2025, 20,655,000 share options related to former officers and employees who are no longer with the Company expired (2024 - 11,017,500 share options expired.

16. Related party transactions

Compensation of key management personnel

The remuneration of key management personnel, including directors and officers, during the year was as follows:

Short-term benefits include salaries of $477,404 (2024 - $584,735) and consulting fees of $1,022,471 (2024 - $1,233,095). Consulting fees, paid to companies controlled by key management personnel, were recognized in the line item 'consultants and subcontractors' in the consolidated statements of loss and comprehensive loss. As at December 31, 2025, the Company has an amount owing due to a related party of $354,809. The Company issued $186,222 of share based compensation to directors and officers.

The remuneration of key management personnel is determined by the board of directors having regard to the performance of individuals and market trends.

*A*mounts due to related parties are owed to key management personnel for reimbursement of various business expenditures that such individuals made payment for on behalf of the Company. Amounts due to related parties are unsecured, non-interest bearing and payable on demand.

	For the year ended	
	December 31, 2025	December 31, 2024
	$	$
Short-term benefits	**1,499,875**	1,817,830
Share-based compensation	**186,222**	271,984
	1,686,097	2,089,814

17. Share-based payments

	For the year ended December 31	
	2025	2024
	$	$
Share-based compensation		
- stock options (Note 15)	**452,271**	98,970
- restricted share unit (Note 15)	**17,096**	173,014
	469,367	271,984

On September 23, 2024, the Company issued 1,500,000 restricted stock units (RSUs) pursuant to the terms and conditions of the Company's Omnibus Share-Based Compensation Plan. These units vested on December 31, 2024. The shares were issued subsequent to year end.

On December 2, 2024, the Company issued 11,200,000 restricted stock units (RSUs) pursuant to the plan vesting on December 2, 2025 subject to each individual having served as a director for at least one year and remaining a director at the time of vesting. During the year 9,600,000 of the RSU's were forfeited, and 1,600,00 were exercised. As of December 31, 2025, there are no RSU's outstanding.

18. Finance costs, net

	For the year ended December 31	
	2025	2024
	$	$
Interest and bank charges	**29,711**	10,501
Interest expense on lease liability (Note 7)	**12,190**	1,252
Interest and accretion expense on promissory note (Note 11)	**28,763**	104,900
Interest and accretion expense on debenture units (Note 8)	**-**	650,273
Tax penalty	**-**	61,255
Interest income	**(258)**	(30,443)
	70,406	797,738

19. Capital management

The Company manages its capital to ensure it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2024.

The capital structure of the Company consists of net debt (comprising amounts due to related parties, deferred consideration and contingent consideration offset by cash) and equity (comprising common shares, warrant reserve, share-based benefits reserve, accumulated other comprehensive income and deficit).

Total managed capital is as follows:

	December 31, 2025	December 31, 2024
	$	$
Amount due to relates parties	354,809	5,069
Share capital (including shares to be issued)	66,672,991	59,700,304
Warrant reserve	3,614,338	3,619,338
Share-based benefit reserves	2,411,011	1,958,630
Less: cash	(171,619)	(506,130)
Total	**72,881,531**	**64,777,211**

In order to maintain or adjust its capital structure, the Company may elect to issue or repay financial liabilities, issue shares, or undertake any other activities as deemed appropriate under the specific circumstances. The Company is not subject to any externally imposed capital requirements.

20. Financial instruments

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are described below.

Fair value

The carrying value of financial instruments classified at amortized cost (including cash, trade receivables, convertible debentures, contingent consideration, accounts payable and accrued liabilities and amounts due to related parties) approximate fair value due to their short-term nature.

Credit and concentration risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company does not provide any guarantees which would expose the Company to credit risk.

The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The maximum credit exposure at December 31, 2025 is the carrying amount of cash, trade and other receivables. The Company's exposure to credit risk is considered to be low, given the size and nature of the various counterparties involved and their history of performance.

The company had two customers with sales over 10%, representing $3,302,740, or 52% (2024 - $ 3,223,559) of total sales.

Three customers each had over 10% of the customers total trade receivables as at year-end December 31, 2025. These amount to $2,908,943 or 68% (2024 - $420,633) of total receivables.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets or liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

Amounts due to related parties are non-interest bearing. However, for any convertible debenture owned by related parties, the fair value of these financial liabilities could fluctuate because of changes in market interest rates.

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Ultimate responsibility for liquidity risk management rests with the management with oversight by the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash balances and borrowings, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table provides details of the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

December 31, 2025	Less than one year	Later than one year and not later than five years	Later than five years	Total
	$	$	$	$
Accounts payable and accrued liabilities	11,518,657	-	-	11,518,657
Due to related parties	354,809	-	-	354,809
Lease Liabilities	116,340	10,069	-	126,409
Promissory Note	44,689	-	-	44,689
Convertible debentures	1,300,000	5,002,400	-	6,302,400
	13,334,495	**5,012,469**	**-**	**18,346,963**

December 31 ,2024	Less than one year	Later than one year and not later than five years	Later than five years	Total
	$	$	$	$
Accounts payable and accrued liabilities	2,706,608	-	-	2,706,608
Due to related parties	5,069	-	-	5,069
Contingent consideration liability		-	-	-
Lease Liabilities	101,060	130,879	-	231,939
Promissory Note	399,622	-	-	399,622
Convertible debentures	5,388,801	-	-	5,388,801
	8,601,160	**130,879**	**-**	**8,732,039**

Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	December 31, 2025	December 31, 2024
	$	$
Monetary assets (presented in CAD)		
Cash - U.S. dollars	**326,160**	411,539
Receivables - U.S dollars	**2,768,857**	2,472,286
Monetary liabilities (presented in CAD)		
U.S. dollars	**(5,538,536)**	(843,338)

The following table details the Company's sensitivity to a 10% increase and decrease in the Canadian dollar against the U.S. dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Canadian dollar strengthens 10% against the U.S. dollar. For a 10% weakening of the Canadian dollar against the U.S. dollar, there would be a comparable impact on the profit, and the balances below would be opposite.

Increase (decrease) in profit or loss:	**December 31, 2025**	December 31, 2024
U.S. dollars	(166,892)	(293,604)
Total	(166,892)	(293,604)

21. Segment information

The Company is engaged in a single business activity and does not have multiple operating segments. The CEO is the Company's chief operating decision-maker, as defined by IFRS 8, and all significant operating decisions are taken by the CEO. In assessing performance, the CEO reviews financial information on an integrated basis for the Company as a whole, substantially in the form of, and on the same basis as, the Company's consolidated financial statements.

Geographic information:

	For the year ended December 31, 2025		
	Canada	United States	Total
	$	$	$
Revenue	3,658,904	2,171,042	5,829,946
Non-current assets	7,965,902	268,464	8,234,366

	For the year ended December 31, 2024		
	Canada	United States	Total
	$	$	$
Revenue	2,383,383	2,478,030	4,861,413
Non-current assets	2,654,692	163,353	2,818,045

22. Contingent liabilities

Statement of claim – July 29, 2021

On July 29, 2021, the Company received a statement of claim filed by GroupBy Inc. alleging breach of contract and unjust enrichment and seeking USD $4,136,807 plus interest and costs. The Company is contesting the claim.

On September 7, 2021, the Company filed a Statement of Defence and Counterclaim in the Ontario Superior Court of Justice against GroupBy Inc. The Company claims, among other things, GroupBy Inc.'s failure to perform the services and misrepresentation and seeks dismissal of the action. Furthermore, the Company is counterclaiming seeking damages of $400,000 plus costs for breach of contract and negligent misrepresentation.

On October 27, 2021, the Company filed a Third Party Counterclaim in the Ontario Superior Court of Justice against an individual who is a former director of the Company and the CEO of GroupBy Inc. claiming breach of fiduciary duties and duties of good faith and is seeking USD $4.1 million in damages plus costs.

As litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of this claim or to estimate the loss, if any, which may result.

On Jul 11, 2023, the Company attended a mediation and arbitration session. There were no offers on the table that was settled upon at Mediation. Legal Counsel has suggested the Company to settle at $1.14M with payments spread out over time. The Company denied and as at December 31, 2023, the counter offer came down to $500,000. The offer has further come down to $200,000 in fiscal year 2024. No decisions have been made on settling.

Statement of claim – November 19, 2024

On November 19, 2024, the Company filed a claim in the Ontario Superior Court of Justice against Playground Media Corp., as well as the individuals associated with the Company. The Company is claiming damages relating to breach of contract and misuse of confidential information, among other things and seeking $4,770,000 in damages plus costs. Subsequent to year end, the Company received a defense denying all claims and allegations. The company is preparing a defense to submit.

As of February 2026, the Company has discontinued its legal action against Playgrnd Media Corp.

Statement of claim – January 8, 2025

On January 8, 2025, the Company received a claim from a former consultant alleging wrongful termination and unpaid commissions in the amount of $193,957 plus costs. The Company filed its statement of defense in February 2025 and subsequently received a reply from the claimant. The matter has progressed to active settlement discussions, with the Company offering approximately $50,000 as a lump sum or $85,000 payable over time, and the claimant countering at $95,000 over a shorter period. While negotiations remain ongoing, management expects the matter to be resolved through settlement and does not anticipate the final amount will exceed $85,000, structured over a defined payment period.

Statement of Claim - Asceti

The Company is party to an arbitration matter relating to alleged unpaid earnings under an MCN Content Agreement entered into by Omnia Media, Inc. As of the reporting date, the parties have negotiated a settlement framework establishing total obligations of approximately USD $565,599, payable through a combination of scheduled cash payments and potential equity settlement for a portion of legal fees. Based on the advanced stage of the proceedings and agreed terms, management has determined that a present obligation exists and that an outflow of economic resources is probable and has accordingly recognized a provision at its best estimate in accordance with IAS 37. The obligation is classified as current, and the provision will be updated upon final execution of the settlement agreement if terms differ.

Statement of Claim – Jeremy Wang

The Company is subject to a claim by Jeremy Wang (“Disguised Toast”) relating to alleged unpaid earnings of approximately USD $500,000 under a prior MCN Content Management Agreement associated with Omnia Media. The claim arises from earnings generated prior to the Company’s acquisition and has been delivered through legal counsel, with the potential for arbitration if not resolved. Based on the contractual nature of the underlying earnings, management’s acknowledgment of the outstanding amounts, and the advanced stage of the dispute, management has determined that a present obligation exists and that an outflow of economic resources is probable. Accordingly, a provision has been recognized at management’s best estimate of the expected settlement amount, including consideration of potential legal costs, in accordance with IAS 37. The obligation is expected to be settled in the near term and is not discounted, and the provision will be updated as the matter progresses or is resolved.

23. Subsequent events

Subsequent to December 31, 2025, the Company repaid in full the remaining short-term promissory note with a principal balance of $44,689 that was outstanding at year-end.