

# **Vertiqal Studios Corp.**

(formerly, Gamelancer Media Corp.)

Condensed consolidated interim financial statements

For the three months ended March 31, 2026 and 2025

(unaudited)

# Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Condensed Consolidated Interim Statement of Financial Position

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian dollars – except share amounts)

		As at	
	Note	March 31, 2026	December 31, 2025
		\$	\$
<b>Assets</b>			
Current assets			
Cash		721,296	171,619
Restricted cash		192,098	188,887
Trade and other receivables	5	1,888,991	3,212,891
Prepaid expenses and deposits		565,499	27,167
		<b>3,367,884</b>	<b>3,600,564</b>
Non-current assets			
Deposits		5,132	4,425
Property and equipment		17,047	17,801
Right-of-use asset	7	92,785	118,090
Intangible assets	6	5,154,211	5,469,045
Goodwill	8	2,625,005	2,625,005
<b>Total Assets</b>		<b>11,262,064</b>	<b>11,834,930</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		10,339,707	11,518,657
Income tax payable	11	1,565,180	1,548,229
Due to related parties	15	638,180	354,809
Convertible debentures	9	4,893,886	5,493,886
Promissory note	10	-	44,689
Private placement liability		2,061,437	-
Lease liability	7	95,040	116,340
		<b>19,593,430</b>	<b>19,076,610</b>
Non-current liabilities			
Lease liability	7	-	10,069
Deferred tax liabilities	11	79,578	81,311
<b>Total Liabilities</b>		<b>19,673,008</b>	<b>19,167,990</b>
<b>Shareholders' Deficiency</b>			
Common shares	12	64,388,384	64,219,217
Shares to be issued	12	2,284,607	2,453,774
Warrant reserve	13	3,614,338	3,614,338
Share-based benefits reserve	14	2,411,011	2,411,011
Accumulated other comprehensive income (loss)		954,842	890,682
Accumulated deficit		(82,064,126)	(80,922,081)
<b>Total Shareholders' Deficiency</b>		<b>(8,410,944)</b>	<b>(7,333,059)</b>
<b>Total Liabilities and Shareholders' Deficiency</b>		<b>11,262,064</b>	<b>11,834,930</b>

*General information and going concern (Note 1)*

*Contingent liabilities (Note 21)*

*Subsequent Events (Note 22)*

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

## Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian dollars – except share amounts)

	Note	For the three months ended	
		March 31	
		2026	2025
		\$	\$
<b>Revenues</b>		<b>726,091</b>	705,845
Cost of sales		<b>193,340</b>	138,659
<b>Gross profit</b>		<b>532,751</b>	567,186
		<b>73.37%</b>	<b>80.36%</b>
<b>Expenses</b>			
Consultants and subcontractors		<b>1,587,067</b>	609,419
Share-based payments	16	-	69,041
Professional fees		<b>83,798</b>	81,128
General and administrative		<b>172,222</b>	167,969
Advertising and promotion		<b>18,372</b>	69,304
Salaries, wages and benefits		<b>43,567</b>	199,382
Depreciation and amortization	6, 7	<b>414,753</b>	225,285
Foreign exchange loss		<b>9,565</b>	106,054
Finance costs, net	17	<b>29,858</b>	219,435
Credit loss	5	<b>(84,406)</b>	-
Change in fair value of convertible debenture	9	<b>(600,000)</b>	133,582
		<b>1,674,796</b>	1,880,599
<b>Loss before income taxes</b>		<b>(1,142,045)</b>	(1,313,413)
<b>Net loss</b>		<b>(1,142,045)</b>	(1,313,413)
<b>Other comprehensive income (loss)</b>			
Exchange difference on translating foreign operations		<b>64,160</b>	(41,119)
<b>Total comprehensive loss</b>		<b>(1,077,885)</b>	(1,354,532)
Basic and diluted loss per share		<b>(0.001)</b>	(0.002)
Weighted average number of common shares outstanding (basic and diluted)		<b>862,159,336</b>	646,477,894

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

# Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Condensed Consolidated Interim Statement of Changes in Shareholders' Deficiency

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian dollars – except share amounts)

	Notes	Common shares #	Common shares \$	Shares to be issued \$	Warrant reserve \$	Share-based benefits reserve \$	Accumulated Deficit \$	Other comprehensive income (loss) \$	Total shareholders' deficiency \$
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	9	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	12, 14	-	-	-	-	469,367	-	-	469,367
Issuance of shares on exercise of warrants	13	50,000	8,500	-	(5,000)	-	-	-	3,500
Net loss and total comprehensive loss		-	-	-	-	-	(10,491,214)	(264,446)	(10,755,660)
<b>Balance, Dec 31, 2025</b>		<b>859,188,085</b>	<b>64,219,217</b>	<b>2,453,774</b>	<b>3,614,338</b>	<b>2,411,011</b>	<b>(80,922,081)</b>	<b>890,682</b>	<b>(7,333,059)</b>
Issuance of shares related to conversion of convertible debenture	9, 12	6,766,666	169,167	(169,167)	-	-	(1,142,045)	64,160	-
Net loss and total comprehensive loss		-	-	-	-	-	-	-	(1,077,885)
<b>Balance, March 31, 2026</b>		<b>865,954,751</b>	<b>64,388,384</b>	<b>2,284,607</b>	<b>3,614,338</b>	<b>2,411,011</b>	<b>(82,064,126)</b>	<b>954,842</b>	<b>(8,410,944)</b>

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

# Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

## Condensed Consolidated Interim Statement of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian dollars)

	Notes	For the three months ended	
		March 31	
		2026	2025
		\$	\$
<b>Cash flows used in operating activities</b>			
Net loss		(1,142,045)	(1,313,413)
Share-based payments	16	-	69,041
Finance costs, net	17	1,877	216,604
Depreciation and amortization	6, 7	414,753	225,285
Unrealized foreign exchange (loss) gain		(77,071)	(47,863)
Change in fair value of convertible debentures	9	(600,000)	133,582
Credit Loss		(84,406)	-
		(1,486,892)	(716,764)
Changes in non-cash working capital items:			
Trade and other receivables		1,408,306	(20,491)
Prepaid expenses and deposits		(539,039)	3,394
Accounts payable and accrued liabilities		(1,178,950)	(307,301)
Income Tax Payable		15,218	(199)
		(1,781,357)	(1,041,361)
Finance costs			
Interest paid (net)	17	-	2,831
		(1,781,357)	(1,038,530)
<b>Cash flows provided from financing activities</b>			
Repayment of promissory note	10	(44,689)	(244,369)
Proceeds from private placement	9	2,061,437	700,000
Lease payments	7	(33,246)	(12,795)
Loan from related party	15	283,371	286,500
		2,266,873	729,336
<b>Net decrease in cash</b>			
Effect of foreign currency exchange rate changes on cash and cash equivalent		67,371	(765)
Cash, beginning of year		360,506	506,130
<b>Cash and restricted, end of year</b>		<b>913,394</b>	<b>196,171</b>
<b>Cash, end of year</b>		<b>721,296</b>	<b>171,619</b>
<b>Restricted cash, end of year</b>		<b>192,098</b>	<b>-</b>

# Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian dollars)

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## 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 condensed consolidated interim 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 \$1,142,045 for the three months ended March 31, 2026, and has an accumulated deficit of \$82,064,126 as at March 31, 2026. The Company has a working capital deficit of \$14,164,109 at March 31, 2026. 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 condensed consolidated interim 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 condensed consolidated interim financial statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated interim financial statements were authorized for issuance by the board of directors on May 15, 2026.

### *Basis of preparation*

The condensed consolidated interim 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 condensed consolidated interim 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.

# Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian dollars)

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The principal material accounting policies are set out below.

## *Basis of consolidation*

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

<b>Subsidiary</b>	<b>Domicile and country of incorporation</b>
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.

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Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian dollars)

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## *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.

### **3. Accounting pronouncements issued not yet effective**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2026, and have not been early adopted in preparing these condensed consolidated interim 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 condensed consolidated interim financial statements.

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(Expressed in Canadian dollars)

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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 condensed consolidated interim 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 condensed consolidated interim financial statements.

#### 4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors and 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.

The critical accounting judgements and key sources of estimation uncertainty applicable to these condensed consolidated interim financial statements are the same as those described in the Company's annual audited consolidated financial statements for the year ended December 31, 2025.

#### 5. Trade and other receivables

	As at	
	March 31, 2026	December 31, 2025
	\$	\$
Trade receivables	1,669,743	3,021,957
Harmonized sales tax receivable	243,592	299,684
Expected Credit Loss Allowance	(24,344)	(108,750)
	<u>1,888,991</u>	<u>3,212,891</u>

## Vertiq Studios Corp.

(formerly, Gamelancer Media Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian dollars)

### 6. Intangible assets

	Technology	Trade Name	Licence and Network	Customer Relationships	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
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
Additions	-	-	-	-	-
Effect of foreign exchange rate changes	-	367,200	-	-	367,200
<b>Balance, March 31, 2026</b>	<b>1,591,710</b>	<b>19,250,300</b>	<b>1,200,000</b>	<b>6,053,652</b>	<b>28,095,662</b>
<b>Accumulated amortization</b>					
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
Amortization	50,251	14,247	25,000	299,197	388,694
Effect of foreign exchange rate changes	-	293,340	-	-	293,340
<b>Balance, March 31, 2026</b>	<b>921,692</b>	<b>18,900,643</b>	<b>58,333</b>	<b>3,060,784</b>	<b>22,941,451</b>
<b>Carrying amount</b>					
Balance, December 31, 2025	720,270	290,044	1,166,667	3,292,064	5,469,045
<b>Balance, March 31, 2026</b>	<b>670,018</b>	<b>349,657</b>	<b>1,141,667</b>	<b>2,992,868</b>	<b>5,154,211</b>

During the year ended December 31, 2025, the Company completed additional acquisitions that gave rise to identifiable intangible assets. On August 30, 2025, the Company acquired Omnia Media Inc. and Gameco Esport Canada Inc. and related direct media sales assets from Enthusiast Gaming Holdings Inc. ("Enthusiast Gaming") for total consideration of \$900,000 and the assumption of certain existing liabilities. The identifiable intangible assets acquired primarily comprise intellectual property, and related digital media rights, which have been recognized as intangible assets at their estimated fair values at the acquisition date.

Additionally, on August 7, 2025, the Company acquired proprietary software, intellectual property, and related contractual rights from Revmo Inc. for total consideration of \$804,022, satisfied through the issuance of common shares and directly attributable legal costs. The acquired software met the recognition criteria under IAS 38 and has been capitalized as a separate class of intangible assets.

Each of the above transactions was determined to be an asset acquisition, with the acquired assets initially measured at cost and subsequently amortized on a straight-line basis over their estimated useful lives.

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Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian dollars)

## 7. Right of Use Assets & Lease Liabilities

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

<i>Right of use asset</i>	<b>March 31, 2026</b>
	\$
Balance, December 31, 2024	-
Addition	224,095
Balance, December 31, 2025	224,095
Addition	-
<b>Balance, March 31, 2026</b>	<b>224,095</b>
<b>Accumulated depreciation</b>	
Balance, December 31, 2024	8,300
Depreciation	97,705
Balance, December 31, 2025	106,005
Depreciation	25,305
<b>Balance, March 31, 2026</b>	<b>131,310</b>
Net balance, December 31, 2025	118,090
<b>Net balance, March 31, 2026</b>	<b>92,785</b>
<i>Lease obligations</i>	<b>March 31, 2026</b>
Balance, December 31, 2024	-
Addition	215,279
Interest accretion	12,190
Lease payments	(101,060)
Balance, December 31, 2025	126,409
Addition	-
Interest accretion	1,877
Lease payments	(33,246)
<b>Balance, March 31, 2026</b>	<b>95,040</b>
Current	95,040
Non-current	-

## 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.

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Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian dollars)

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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.

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## 9. Convertible debentures

The table below presents changes on convertible debentures during the period ended March 31, 2026:

	\$	\$	\$	\$	\$
	CD I	CD II	CDIII	CDIV	Total
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
Fair value due to credit risk	-	-	-	-	-
Conversion	(6,155,179)	-	-	-	(6,155,179)
Balance, December 31, 2025	-	1,043,886	2,050,000	2,400,000	5,493,886
Fair value Adjustment	-	-	(400,000)	(200,000)	(600,000)
<b>Balance, March 31, 2026</b>	<b>-</b>	<b>1,043,886</b>	<b>1,650,000</b>	<b>2,200,000</b>	<b>4,893,886</b>

The fair value adjustment in the amount of \$600,000 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.

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.

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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 III and CD IV on March 31, 2026, was estimated using a Monte Carlo valuation model with the following main inputs: share price \$0.015, and \$0.015, volatility of 105% and 95% and risk-free rate of 2.6% and 2.7% respectively.

As at March 31, 2026, the Company had received financing proceeds of CAD \$2,061,437, equivalent to USD \$1,500,000, in connection with proposed private placement financing. As the financing had not closed as at the reporting date, the proceeds were recognized as a current liability.

**10. 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 ended December 31, 2025, the Company fully repaid the \$900,000 promissory note together with accrued interest of \$16,726. In Q1-2026, the Company fully repaid the \$44,689 promissory note. As both notes were short-term in nature, they were recorded at their principal amounts and no amortized cost adjustments were required.

<b>Balance, December 31, 2024</b>	<b>\$ 399,622</b>
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)
<b>Balance, December 31, 2025</b>	<b>44,689</b>
Repayment	(44,689)
<b>Balance, March 31, 2026</b>	<b>-</b>

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## 11. Income Taxes

The Company's effective income tax rate was 13.81% for the three months ended March 31, 2026 (March 31, 2025 – 13.81%). The effective tax rate is different than the statutory rate primarily due to the imputed interest income on intercompany balance, utilization of prior year's unrecognized net operating loss in US and not recognizing current year losses because it is not probable that future taxable profit will be available against which the Company can use the benefits.

## 12. Common shares

	#	\$
Balance, December 31, 2024	645,517,220	59,527,290
Issuance of common shares from RSU's (Note 12 (i))	3,100,000	190,000
Shares issued on exercise of warrants (Note 12(ii))	50,000	8,500
Shares issued on acquisition of Revmo (Note 12 (iii))	62,464,656	792,022
Shares issued on conversion of convertible debenture (Note 12(iv))	148,056,209	3,701,405
<b>Balance, December 31, 2025</b>	<b>859,188,085</b>	<b>64,219,217</b>
Shares issued on conversion of convertible debenture (Note 12(v))	6,766,666	169,167
<b>Balance, March 31, 2026</b>	<b>865,954,751</b>	<b>64,388,384</b>

### During the year ended December 31, 2025:

(i) 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.

(ii) Issuance common shares from exercise of warrants

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

(iii) Shares issued on acquisition of Revmo

The Company issued 62,464,656 common shares to acquire technology and pay outstanding debt. See Note 8 for details.

(iv) Shares issued on conversion of debentures

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

### During the period ended March 31, 2026:

(v) Shares issued on conversion of debentures

'Issuance of shares previously committed under CD I conversion (classified as shares to be issued at December 31, 2025).' See Note 9 for details.

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### 13. Warrants

During the three months ended March 31, 2026, nil warrants expired (2025 - 1,147,259 warrants expired and 50,000 were exercised at an average price of \$0.07.)

	#	\$
Balance, December 31, 2024	103,243,954	3,619,338
Warrants Exercised	(50,000)	(5,000)
Warrants expired	(1,147,259)	-
Balance, December 31, 2025	102,046,695	3,614,338
<b>Balance, March 31, 2026</b>	<b>102,046,695</b>	<b>3,614,338</b>

	Number of warrants #	Weighted average exercise price \$
Balance, December 31, 2024	103,243,954	0.15
Warrants Exercised	(50,000)	0.07
Balance, December 31, 2025	102,046,695	0.15
<b>Balance, March 31, 2026</b>	<b>102,046,695</b>	<b>0.15</b>

Additional information regarding warrants outstanding at March 31, 2026 and December 31, 2025, follows.

Exercise price	Number of warrants #	Weighted average remaining contractual life	Number of warrants #	Weighted average remaining contractual life
		2026 (in years)		2025 (in years)
\$0.15	100,038,500	0.2	100,038,500	0.5
\$0.10	2,008,195	0.2	2,008,195	0.5
	<b>102,046,695</b>	<b>0.2</b>	102,046,695	0.5

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## 14. 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	86,595,475
Issued and outstanding at end of period	(43,173,100)
<b>Number of options available for grant under the Plan at March 31, 2026</b>	<b>43,422,375</b>

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 three months ended March 31, 2026		For the three months ended December 31, 2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	#	\$	#	\$
Balance, beginning of period	48,848,100	0.05	46,503,100	0.10
Granted	-	-	23,000,000	0.03
Expired/Cancelled	(5,675,000)	0.09	(20,655,000)	0.13
<b>Balance, end of period</b>	<b>43,173,100</b>	<b>0.04</b>	<b>48,848,100</b>	<b>0.05</b>
<b>Exercisable, end of period</b>	<b>43,173,100</b>	<b>0.04</b>	<b>48,848,100</b>	<b>0.05</b>

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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:

	<b>2025</b>
Weighted average estimated fair value per common share	\$0.014 - 0.025
Weighted average exercise price of the share option	\$0.025
Weighted average expected volatility of the underlying common share	226% - 229%
Weighted average expected life of the share option	3 years
Weighted average expected dividend yield	0.00%
<u>Weighted average risk-free interest rate</u>	<u>2.58% - 3.10%</u>

\*No options were granted during the three months ended March 31, 2026. The inputs above relate to options granted during the year ended December 31, 2025.

The following table provides additional information about the Company's share option plan at March 31, 2026 and December 31, 2025:

Exercise price	Number of options	Weighted average remaining contractual life in years	Number of options		Weighted average remaining contractual life in years
			2026	2025	
	#	#	#	#	
\$0.02	8,448,000	1.63	8,448,000		1.63
\$0.025	29,900,000	2.52	29,900,000		2.52
\$0.11	4,825,100	0.46	4,825,100		0.46
\$0.155	-	0.04	5,675,000		0.04
	<u>43,173,100</u>	<u>1.87</u>	<u>48,848,100</u>		<u>1.87</u>

During the three months ended March 31, 2026, the Company recognized share-based compensation expense of \$nil, (March 31, 2025 - \$69,041), presented in the line item 'share-based payments' in the consolidated statements of loss and comprehensive loss. During the three months ended March 31, 2026, 5,675,000 share options related to former officers and employees who are no longer with the Company expired (2025 – 20,655,000) share options expired.

### 15. Related party transactions

#### *Compensation of key management personnel*

The remuneration of key management personnel, including directors and officers, during the three months ended March 31, 2026:

Short-term benefits include salaries of \$nil (2025 - \$119,351) and consulting fees of \$198,404 (2025 - \$300,488). 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 March 31, 2026, the Company has an amount owing due to a related party of \$638,180.

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

Amounts 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 three months ended	
	March 31, 2026	March 31, 2025
	\$	\$
Short-term benefits	198,404	419,839
Share-based compensation	-	-
	<b>198,404</b>	<b>419,839</b>

## 16. Share-based payments

	For the three months ended	
	March 31	
	2026	2025
	\$	\$
Share-based compensation		
- restricted share unit (Note 15)	-	69,041
	-	<b>69,041</b>

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. As of December 31, 2025, there are no RSU's outstanding.

## 17. Finance costs, net

	For the three months ended	
	March 31	
	2026	2025
	\$	\$
Interest and bank charges	27,991	2,887
Interest expense on lease liability (Note 7)	1,877	3,699
Interest and accretion expense on promissory note (Note 10)	-	9,499
Interest and accretion expense on debenture units (Note 9)	-	203,405
Tax penalty	-	-
Interest income	(10)	(55)
	<b>29,858</b>	<b>219,435</b>

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## 18. 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:

	<b>March 31, 2026</b>	December 31, 2025
	\$	\$
Amount due to related parties	638,180	354,809
Share capital (including shares to be issued)	66,672,991	66,672,991
Warrant reserve	3,614,338	3,614,338
Share-based benefit reserves	2,411,011	2,411,011
Less: cash	(721,296)	(171,619)
<b>Total</b>	<b>72,615,225</b>	<b>72,881,531</b>

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.

## 19. 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 March 31, 2026 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 \$451,672, or 62% (2025 - \$ 703,982) of total sales.

Four customers each had over 10% of the customers total trade receivables as at March 31, 2026. These amount to \$ 1,118,659 or 82% (2024 - \$713,521) of total receivables.

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## *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.

<b>March 31, 2026</b>	Later than one year and not			Total
	Less than one year	later than five years	Later than five years	
	\$	\$	\$	\$
Accounts payable and accrued liabilities	10,339,707	-	-	10,339,707
Due to related parties	638,180	-	-	638,180
Lease Liabilities	95,040	-	-	95,040
Promissory Note	-	-	-	-
Private Placement Liability	2,061,437	-	-	2,061,437
Convertible debentures	1,300,000	5,002,400	-	6,302,400
	<b>14,434,364</b>	<b>5,002,400</b>	-	<b>19,436,764</b>

<b>December 31, 2025</b>	Later than one year and not			Total
	Less than one year	later than five years	Later than five years	
	\$	\$	\$	\$
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
	<b>13,334,495</b>	<b>5,012,469</b>	-	<b>18,346,964</b>

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## 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:

	March 31, 2026	December 31, 2025
	\$	\$
Monetary assets (presented in CAD)		
Cash - U.S. dollars	1,055,498	326,160
Receivables - U.S. dollars	1,180,904	2,768,857
Monetary liabilities (presented in CAD)		
U.S. dollars	(8,462,482)	(5,538,536)

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:	March 31, 2026	December 31, 2025
U.S. dollars	145,068	(166,892)
Total	145,068	(166,892)

## 20. 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 condensed consolidated interim financial statements.

Geographic information:

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	For the three months ended March 31, 2026		
	Canada	United States	Total
	\$	\$	\$
Revenue	300,061	426,030	726,091
Non-current assets	7,634,078	260,102	7,894,180

	For the three months ended March 31, 2025		
	Canada	United States	Total
	\$	\$	\$
Revenue	454,855	250,990	705,845
Non-current assets	7,795	-	7,795

## 21. 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 Playgrnd Media Corp. (formerly 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. In February 2026, the Company has discontinued its legal action against Playgrnd Media Corp.

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## *Statement of Claim - Asceti*

The Company was party to an arbitration matter relating to alleged unpaid earnings under an MCN Content Agreement entered into by Omnia Media, Inc. On March 31, 2026, the Company executed a Settlement Agreement and Mutual Release to resolve the matter. Under the agreement, Omnia Media, Inc. and Vertiqal Studios Corp. agreed to pay total consideration of USD \$565,599, consisting of USD \$485,599 for outstanding arrears and USD \$80,000 for legal fees. The first instalment of USD \$161,866 was paid on March 31, 2026, with the remaining USD \$403,733 payable in scheduled cash instalments by July 31, 2026. Omnia Media, Inc. and Vertiqal Studios Corp. are jointly and severally liable for the obligations under the agreement.

As the agreement was executed on the reporting date, the Company recognized the settlement obligation in accordance with IAS 37. The remaining obligation has been classified as current, reflecting the contractual payment schedule.

## *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.

## **22. Subsequent events**

Subsequent to quarter-end, on April 13, 2026, the Company closed a non-brokered private placement through the issuance of secured debentures at a price of USD \$1,000 per debenture for aggregate gross proceeds of USD \$1,948,000. The debentures mature on October 10, 2027 and bear interest at 13% per annum, payable in arrears on maturity. The debentures are secured by a first-ranking security interest over all present and after-acquired property and assets of the Company. The net proceeds are intended to be used for general growth capital purposes.

Certain insiders of the Company subscribed for USD \$448,000 principal amount of debentures under the offering, which constituted a related party transaction. The Company relied on exemptions from the formal valuation and minority shareholder approval requirements, as the fair market value of the debentures acquired by insiders, and the consideration paid by insiders, did not exceed 25% of the Company’s market capitalization.

In April 2026, the Company settled a claim received on January 8, 2025 from a former consultant alleging wrongful termination and unpaid commissions in the amount of \$193,95W7, plus costs. The Company had filed its statement of defence in February 2025 and the matter subsequently progressed through settlement discussions. The claim was settled for \$85,000, payable over a defined payment period. As the settlement occurred subsequent to period end, the Company has assessed the matter as a subsequent event and has disclosed the settlement accordingly.