Management Discussion and Analysis

Dated: January 21, 2026

The following management's discussion and analysis of the financial condition and results of operations of Visionstate Corp. (the "Company"), for the fiscal year ended September 30, 2025, should be read in conjunction with the audited consolidated financial statements and the notes thereto for the fiscal year ending September 30, 2025.

The Company's financial statements have been prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the norm al course of operations. The Company's external auditors, Kenway Mack Slusarchuk Stewart LLP, have performed an audit of the consolidated financial statements.

All amounts have been expressed in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.

Forward-Looking Information

This MD&A may contain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included herein may be forward-looking statements. Generally, forward-looking statements may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved.

These forward-looking statements reflect the Company's current beliefs and are based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to, demand for the Company's products, meeting budgets and forecasts and future costs and expenses being based on historical costs and expenses, adjusted for inflation. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Such risks and other factors may include, but are not limited to: the early stage development of the Company's products; general business, economic, competitive, political and social uncertainties; an un-diversified customer base for the Company's products; competition; delay or failure to receive board or regulatory approvals; changes in legislation affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labor or loss of key individuals.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Business Overview

Visionstate Corp. operates primarily through its wholly owned subsidiary, Visionstate IoT Inc., which develops and markets the WANDA platform. WANDA is a facility management solution designed to verify, document, and optimize cleaning, inspection, and maintenance activities through digital workflows and data capture.

During fiscal 2025, the Company's activities were focused on expanding the functional scope of the WANDA platform, responding to regulatory-driven market demand, advancing pilot deployments in new markets, and assessing the effectiveness of its sales and distribution model. The year represented a transition from product development and market awareness toward operational execution and platform refinement.

Product Development and Platform Expansion

Throughout fiscal 2025, the Company continued to enhance WANDA's functionality beyond its original task verification use case. This included expanded configuration options to support janitorial, building service, and facility operations customers operating across multiple sites.

The Company continued deployment of CleanWatch, a configuration of WANDA focused on cleaning verification and supervisor validation. CleanWatch is intended to support organizations requiring documented proof of service delivery and audit-ready records.

During the year, management identified limitations in sales execution and pipeline visibility within its indirect sales channel. As a result, the Company began prioritizing clearer performance measurement, defined sales-stage tracking, and improved visibility into opportunity progression. These operational insights informed changes to the Company's go-forward execution strategy.

Inspections and Regulatory Compliance

During fiscal 2025, the Company advanced inspection and audit functionality within the WANDA platform. This functionality enables customers to digitally conduct inspections, record deficiencies, and maintain verifiable compliance records.

This development aligned with increasing regulatory requirements, including the introduction of Ontario Bill 190, which mandates the public display and verification of restroom cleaning times in certain facilities. In response, the Company positioned WANDALITE as a simplified and compliant solution for affected organizations.

Management observed increased interest from prospective customers seeking cost-effective solutions to address compliance requirements. The Company continues to assess the pace and sustainability of adoption associated with regulatory-driven demand.

Geographic Expansion and Market Development

The Company continued to pursue opportunities outside of Canada during fiscal 2025, with a focus on the United States. Activities included pilot installations and early-stage commercial discussions with U.S.-based organizations.

These pilot initiatives were intended to evaluate deployment scalability, customer onboarding processes, and long-term commercial potential. Certain pilots required customization and integration work, which management considered a necessary step prior to broader rollout.

The Company continues to evaluate international expansion opportunities in a measured manner, prioritizing operational readiness and execution capacity.

Data Strategy and Artificial Intelligence

During fiscal 2025, the Company made progress toward incorporating advanced analytics and artificial intelligence into its longer-term product roadmap. Management focused on establishing the data integrity and consistency required to support meaningful AI-driven insights.

This work resulted in the development of TidyLogic, an AI-enabled planning and optimization tool designed to leverage operational data generated through WANDA deployments. TidyLogic is intended to support resource planning, scheduling optimization, and performance analysis.

The Company began positioning this capability within a broader AI-focused strategy, with the intention of expanding AI-enabled services over time, subject to execution capacity and market demand.

Sales Channels and Strategic Partnerships

Visionstate continued to operate primarily through an indirect sales and distribution model during fiscal 2025. While demand for the Company's solutions continued to develop, management identified challenges related to execution consistency, pipeline transparency, and sales-stage accountability.

In response, the Company initiated a review of its sales processes and partner engagement framework. Management believes that improved visibility, defined performance indicators, and shared accountability are necessary to support sustainable growth.

These findings informed the Company's strategic priorities entering fiscal 2026.

Investment in Sol Spaces Inc.

The Company holds an equity interest in Sol Spaces Inc. through convertible debentures. Sol Spaces designs and builds modular greenhouses and technology-enabled living spaces incorporating renewable energy and IoT systems.

During fiscal 2025, Sol Spaces continued development of its product offerings and advanced efforts toward product standardization and broader distribution. Sol Spaces operates independently from the Company's core facility management business, and no operational integration occurred during the period.

Financial Performance and Outlook

Visionstate Corp. continues to strengthen its financial position, maintaining robust software margins exceeding 70% and exercising diligent cost control. Q2 2025 is expected to demonstrate significant momentum as new contracts with Canadian colleges and universities contribute to recurring SaaS revenue.

In addition, the company anticipates new revenue from the development of WANDA's auditing feature and the expansion into equipment maintenance tracking. These initiatives align with Visionstate's strategy to diversify its revenue streams and enhance its technology portfolio.

Overall Performance

During the fiscal years 2023 and 2024, Visionstate Corp. has focused on continuing to solidify its relationship with its distribution partner, Bunzl, and to expand the reach of its Wanda facility management technology into global markets. This focus continues to significantly advance the WANDA product's footprint giving Visionstate the opportunity to entrench itself with major players in the facility management industry, and to continue the development of smart devices. This strategy continues to manifest in fiscal 2024 as sales opportunities continue to expand in the marketplace.

During the fiscal year 2025 the company focused its resources on expanding the functional scope of the WANDA platform and strengthening the data foundation required to support advanced analytics and artificial intelligence initiatives. This included development and roll out of inspection and compliance-focused solutions such as WANDLITE, and continued advancement od Ai-enabled planning and optimization tools, including the early development of TidyLogic. In parallel, the Company continued to pursue market expansion through its distribution and partner relationships, while assessing and refining its sales execution and channel effectiveness.

During the year ended September 30, 2025, selling, general and administrative expenses decreased to $580,503 from $672,572 in the year ended September 30, 2024.

Gross revenues for the year decreased by $59,295 to $ 433,081 (decreased from prior year by $203,134 in September 2024) from that of the previous year (approximately 12%). Adoptions remained robust in the current fiscal however due to the number of onboardings of new clients, invoicing would not be carried out until the client had fully adopted – this will take place in the new fiscal of 2026.

In the fiscal year 2025 the Company focused on increasing adoptions of its software and advancing the capability of its products in order to further expand reach in the marketplace. The gross margin percentage decreased to 45% (73% in 2024).

Revenues are driven primarily by the sale of the Company's IoT products and sustained from recurring licensing and software support fees (Saas model of revenue), thus as the number of sales increase, so proportionally does the revenue from recurring license fees. The Company continues to build up its implementation of units in facilities so as that number increases so does recurring annual licensing fee

numbers.

Selected Annual Information

The following table details the company's previous three years performance (in Canadian dollars) based on audited financial results prepared in accordance with International Financial Reporting Standards.

	2023	2024	2025
Total Revenue	$ 289,242	$ 492,376	$ 433,081
Net Loss	$ (1,727,673)	$ (933,159)	$ (1,077,568)
Basic and Diluted Net Loss per Common Share	$ (0.01)	$ (0.005)	$ (0.004)
Total Assets	$ 386,624	$ 826,073	$ 191,213
Total Long Term Financial Liabilities	$ 46,767	$ 29,642	$ 10,449

Results of Operations

The accompanying audited consolidated financial statements include the accounts of the Company and its wholly owned subsidiary and operating division, Visionstate IoT Inc. and have been prepared in accordance with International Financial Reporting Standards ("IFRS") for financial statements and include all of the disclosures normally contained in the Company's annual financial statements.

Revenue

Total revenues for the fiscal year ended September 30, 2025 were $433,081 ($492,376 for the year ended September 2024). Adoptions remained robust in the current fiscal and the decrease in revenue from the previous year was mainly due to the number of onboardings of new clients with invoicing that would not be carried out until the client had fully adopted – this will take place in the new fiscal of 2026.

The gross margin for the fiscal year ended September 30, 2025 was $190,951 ($355,136 for the year ended September 30, 2024). The gross margin percentage decreased to 44% (72% in 2024). This was the result of an increased commission paid to the distribution partner and increased sales efforts.

Management believes that offloading the sales effort costs to distribution partners allows it to focus resources on research and expansion of the product footprint without additional overhead and as such management believes that the commission paid to its distribution partner is a reasonable cost of doing business.

Selling, General and Administrative

Selling, general and administrative expenses for the year ending September 30, 2025 were $580,503 ($672,572 for the year ended September 30, 2024). These costs include research and development expenses, as well as marketing and sales expenses, public company costs including AGM costs, investor relations and market making activity costs, accounting and legal fees, staffing and general office expenses.

Selling, general and administrative expenses have decreased because of a decrease in public company costs including investor relations and market making activity, decreased professional fees, governance costs and compliance fees.

Summary of Quarterly Results

Description	Jul 25 – Sep 25	Apr 25 – Jun 25	Jan 25 - Mar 25	Oct 24 – Dec 24	Jul 24 – Sep 24	Apr 24 – Jun 24	Jan 24 - Mar 24	Oct 23 – Dec 23
Total Revenue	68,535	69,431	198,591	96,524	68,239	87,928	140,857	195,352
Net Profit (Loss)	(450,233)	(309,107)	(208,535)	(109,693)	(598,078)	(194,193)	(61,271)	(79,617)
Basic and Diluted Net Loss Per Common Share	(0.004)	(0.001)	(0.001)	(0.001)	(0.005)	(0.001)	(0.001)	(0.001)

The quarterly results of the Company mainly fluctuate as a result of variations in revenue, amortization, public company costs and staffing included in selling, general and administrative expenses. Revenue varies directly on the number of units sold and the number of license renewals. In the final quarter, the Company recorded a loss on its investments for fair value adjustment of investment and impairment loss. The Company also deferred revenue it had recorded in prior quarters to allow for portions of licenses that were not fully delivered as at year end. Deferred revenue will be recorded in the new fiscal year once the licenses reach end of calendar year life.

Liquidity and Capital Resources

The Company has limited financial resources and its ability to continue as a going concern is dependent on attaining profitability. Visionstate continues to deploy its facility management software which has given the company a proprietary platform upon which to customize each client, and this has given the company the ability to deploy in much shorter periods of time to a larger and more varied customer base.

Furthermore, the company is beginning to receive requests for quotations from different market sectors and is beginning to see a definite increase in interest for its product in different areas of the marketplace as IoT becomes increasingly popular as a resource for analytics collection. The Company is also continuing to roll its products out into the US market and internationally, reaching a larger marketplace thereby getting a competitive advantage.

As at the year end, the Company had a negative (2024 – positive) working capital of $380,506 (2024- $245,225) and is dependent on recurring licensing fees, sales of product and related party advances to ensure adequate cash flow to cover expenses and continue as a going concern. There are no assurances the Company will be able to raise additional funds or attain profitability. The company however continues to develop and deploy its products and establish strategic reseller and other relationships and expand its global penetration and is currently in discussions with its partner for a new product the Company is developing that is strategic to mass market penetration.

Related Party Transactions

The Company paid salaries to key management in the amount of $184,000 (2024 – $179,000) during the year ended September 30, 2025.

The Company paid management fees and accounting fees for the year ended September 30, 2025 in the amount of $61,050 (2024 - $66,252) which is included in selling, general and administrative expenses to companies controlled by members of management.

The Company paid Officer and Director Stipends in the amount of $123,000 in the current fiscal year (2024 - $99,784).

The advances from related parties have been provided to the Company for working capital purposes.

Share Data

Shares Outstanding: 258,326,335 common shares as at January 28, 2026.

Stock Options Outstanding: Nil options to purchase common shares are outstanding as at January 28, 2026.

Common Share Purchase Warrants Outstanding: 135,175,000 as at January 28, 2026

Adoption of new accounting standards

The following IFRS standards have been recently issued by the IASB and the Company is currently evaluating the potential impacts on the consolidated financial statements of such pronouncements. Pronouncements that are not applicable or are not expected to have a significant impact on the Company's consolidated financial statements have been excluded.

IFRS 18 Presentation and disclosure in the financial statements (replacement of IAS 1)

This new standard maintains many of the current requirements for the presentation of financial statements and adds new requirements concerning the statement of profit or loss, management-defined performance measures, and the principles of aggregation and disaggregation of information.

The new requirements concerning the statement of profit or loss include requiring entities to classify income and expenses included in the statement of profit or loss in one of five categories (operating, investing, financing, income taxes, discontinued operations), and prescribing that subtotals for operating profit or loss and profit or loss before financing and income taxes are presented. The new requirements concerning management-defined performance measures involve explanation of the purpose, calculation of and reconciliation to the most closely related performance measure prescribed in an IFRS accounting standard performance measures used in public communications by entities outside of the financial statements that are not a measure specifically required to be presented or disclosed by an IFRS accounting standard. The amendment is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, investment, bank indebtedness, accounts payable and accrued liabilities, promissory note payable, convertible debentures, advances from related parties and long term debt.

The Company has designated its financial assets and liabilities as follows:

Financial statement item	Original Classification (Measurement) IAS 39	New Classification and measurement
Cash and bank indebtedness	Fair Value through profit and loss (fair value)	Amortized cost
Accounts receivable	Loans and receivables (amortized costs)	Amortized cost
Investment	Fair Value through profit and loss (fair value)	FVTPL
Equity Investments	Fair Value through Other Comprehensive Income	FVTOCI
Conversion feature of convertible debenture receivable	Fair Value through profit and loss (fair value)	N/A
Accounts payable and accrued liabilities	Other financial liabilities measured at amortized cost	Amortized cost
Convertible debentures	Other financial liabilities measured at amortized cost	Amortized cost
Advances from related parties	Other financial liabilities measured at amortized cost	Amortized cost
Promissory note payable	Other financial liabilities measured at amortized cost	Amortized cost
Long Term Debt	Other financial liabilities measured at amortized cost	Amortized cost

Fair Value

The carrying values of accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these instruments. Financial instruments also include advances from related parties, convertible debentures, long term debt and promissory notes payable.

Management considers that no events have occurred subsequent to the inception of these financing arrangements that would indicate that fair value differs substantially from carrying value.

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) inactive markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are not observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) ; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data.

The investment in a private company is measured based on company financial conditions which is a level 3 fair value measurement.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consists of accounts receivable. The maximum exposure to credit risk as represented by the carrying amount of the financial asset is $12,699 at September 30, 2024 (2024 - $13,728). In the normal course of business, the Company evaluates the financial condition of its customers on a continuing basis and reviews the credit worthiness of all new customers. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers and historical trends for collection of past due accounts. No accounts information. At September 30, 2025, no accounts receivable are past due or impaired.

The aging of accounts receivable is as follows:

	September 30, 2025	**September 30, 2024**
Current	$ 11,200	$ 3,843
31 – 90 days	-	537
91+ days	1,499	9,348
Total	$ 12,699	$ 13,728

Concentration of credit risk

Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus is a higher risk to the business in the event of a default by one of these customers. Approximately 93% (2024 - 48%) of the Company's accounts receivable are due from one company (2024 – one company). The Company reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring overdue balances.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The $100,000 convertible debentures are due on demand. The Company is currently negotiating with the debenture holders to extend the terms or convert their debentures to shares. The Company is actively working towards increasing marketing activities to improve sales of its software to meet future working capital requirements, but it may have to seek additional debt or equity financing.

At September 30, 2025, the Company had accounts receivable of $12,699 (2024 - $13,727) with which to meet its obligations. At September 30, 2025 the Company had a negative (2024 – positive) working capital of $380,506 (2024 – $245,225).

The contractual maturity of the Company's liabilities of $413,075 at September 30, 2025 (2024 - $420,920) is due within twelve months.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of financial instruments will fluctuate due to changes in interest rates. The Company is susceptible to interest rate fair value risk on its fixed rate debt.

Capital Management

The Company considers the contributed surplus of $3,934,564 (September 30, 2024 - $3,833,411) share capital of $12,172,561 (September 30, 2024 - $11,933,087), warrant reserve of $1,260,867 (September 30, 2024 - $1,146,495), and convertible debentures of $100,000 (September 30, 2024 – $100,000) as capital. The Company's objectives when managing its capital structure are to provide sufficient capital to maintain its current operations and to continue with the development of new and existing products. The Company has no externally imposed capital restrictions.

The Company's officers and senior management take full responsibility for managing the Company's capital and do so through regular meetings and review of financial information. The Company's Board of Directors is responsible for overseeing this process.

The Company is receiving greater interest from the Canadian, US and European marketplaces, including hospitals, airports and shopping centers, in its applications. As well, the Company has successfully entered into reseller agreements with the leading suppliers of facility management solutions which management

feels will assist the Company to expand its market reach more expeditiously. Management believes that successful execution of its business plan will result in sufficient cash flow to meet its objectives and current obligations.

Methods used by the Company to manage its capital include the issuance of new share capital and issuance of convertible debentures.

The Company's capital management objectives have remained unchanged over the years presented.

Critical Accounting Policies and Estimates

The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes.

There is a full discussion and description of the Company's critical accounting policies in the audited consolidated financial statements for the fiscal year ended September 30, 2025.

Future Plans and Outlook

Fiscal 2025 was a year of operational assessment and platform expansion for Visionstate Corp. The Company advanced WANDA's capabilities, responded to evolving regulatory requirements such as Ontario's Bill 190, progressed inspection and compliance functionality, and laid the groundwork for AI-enabled optimization.

Management also identified execution risks related to sales processes and partner performance, which informed a renewed focus on accountability, measurement, and operational discipline.

The Company enters fiscal 2026 focused on improving execution efficiency, expanding recurring revenue opportunities, and leveraging its data-driven platform to support scalable growth.

Subsequent to year end, the Company completed a $300,000 financing in the form of a debenture from an existing significant shareholder. Management views this investment as a continued demonstration of confidence in the Company's strategy, technology platform and long term growth potential, and a validation of the progress made during fiscal 2025.

Visionstate Corp. is optimistic about its growth trajectory, with plans to expand into new markets beyond Canada. The company will continue developing its core products, emphasizing the importance of analytics, compliance, and operational efficiency in facilities management. With a clear strategy and a strong pipeline of opportunities, Visionstate Corp. is well-positioned to capitalize on emerging trends and drive sustainable growth.

Impact of COVID-19

COVID-19 has not significantly impacted Visionstate operations. Development staff have worked remotely since restrictions were first introduced and this has not impacted operations negatively. Although the Company has experienced delays in product delivery, specifically Wanda tablets, Visionstate IoT Inc. has

pivoted toward WandaMOBILE sales which requires no additional hardware to activate. As such supply chain interruptions resulting from the pandemic have not affected the Company.

In 2025 the Company will continue to emphasize the importance of its Wanda technology in the front-line battle against COVID-19 and its variants.