

REKLAIM

Condensed Consolidated Interim Financial Statements

Reklaim Ltd.
September 30, 2025

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim condensed consolidated financial statements of Killi Ltd. (Formerly Freckle Ltd.) have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Reclaim Ltd.

Unaudited Condensed Consolidated Interim Statements of Financial Position as at September 30, 2025 and December 31, 2024 (in Canadian Dollars)

	Note	September 30, 2025	December 31, 2024
Assets			
<i>Current Assets</i>			
Cash		\$ 400,002	\$ 587,717
Trade and other receivables	3, 11	771,939	1,365,445
Prepaid expenses		79,317	45,929
Income tax receivable		12,077	-
<i>Total current assets</i>		<u>1,263,335</u>	<u>1,999,091</u>
<i>Non Current Assets</i>			
Property and equipment, net	4	22,053	18,513
<i>Total assets</i>		<u>\$ 1,285,388</u>	<u>\$ 2,017,604</u>
Liabilities and Shareholders' Equity (Deficit)			
<i>Current Liabilities</i>			
Trade and other liabilities	5	\$ 660,290	\$ 679,189
Contract liabilities		549	-
Current portion of loans payable	6	104,106	128,964
Current portion of secured debentures	7	-	543,697
<i>Total current liabilities</i>		<u>764,945</u>	<u>1,351,850</u>
Non-current portion of loans payable	6	56,073	128,307
Non-current portion of secured debentures	7	-	270,000
<i>Total liabilities</i>		<u>\$ 821,018</u>	<u>\$ 1,750,157</u>
<i>Shareholders' equity (deficit)</i>			
Share capital	9	30,615,167	29,522,463
Warrants	9	156,486	840,590
Contributed surplus		4,354,638	3,726,732
Accumulated other comprehensive income		283,431	178,313
Accumulated deficit		(34,945,352)	(34,000,651)
<i>Total Shareholders' equity (deficiency)</i>		<u>464,370</u>	<u>267,447</u>
<i>Total Shareholders' equity (deficiency) and liabilities</i>		<u>\$ 1,285,388</u>	<u>\$ 2,017,604</u>
Going concern	1		

Approved on behalf of the Board of Directors:

Original signed by
Neil Sweeney, CEO & Founder

Original signed by
Andrew Elinesky, Chair of the Audit Committee

Reklaim Ltd.

Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

Nine months ended September 30, 2025 and 2024

(in Canadian Dollars)

Reklaim Ltd.

Consolidated Statements of Income and Comprehensive Income

Three and Nine months ended September 30, 2025 and 2024

(in Canadian Dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
Revenue	11	\$ 1,099,363	1,487,321	\$ 3,660,257	\$ 3,315,204
Cost of services	12	272,104	273,373	815,229	621,372
Gross profit		<u>827,259</u>	<u>1,213,948</u>	<u>2,845,028</u>	<u>2,693,832</u>
Expenses					
General and administrative	8	457,057	348,029	1,346,464	1,183,203
Research and development		203,085	146,695	598,399	366,703
Selling and business development		511,978	358,290	1,480,773	915,259
Marketing		170,352	100,038	365,680	255,133
		<u>1,342,472</u>	<u>953,052</u>	<u>3,791,316</u>	<u>2,720,298</u>
Other income					
Other Income		80	-	86	-
Interest income		497	-	1,501	-
Net loss for the period		<u>(514,636)</u>	<u>260,896</u>	<u>(944,701)</u>	<u>(26,466)</u>
Other comprehensive income					
Foreign currency translation differences		85,413	8,846	105,118	6,095
Total comprehensive loss		<u>\$ (429,223)</u>	<u>\$ 269,742</u>	<u>\$ (839,583)</u>	<u>\$ (20,371)</u>
Earnings (loss) per share					
Earnings (loss) per share, basic and diluted		-	-	(0.01)	-
Weighted average shares outstanding, basic and diluted		126,970,664	116,548,122	121,193,722	115,952,884

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

Reclaim Ltd.

Unaudited Condensed Consolidated Interim Statements of Changes in Equity Nine months ended September 30, 2025 and 2024 (in Canadian Dollars)

		Number of Common	Shares to be Issued	Share Capital	Warrants	Contributed	Accumulated other	Accumulated Deficit	Total Equity
Balance as at January 1, 2024		112,821,495	1,832,214	\$ 29,128,164	\$ 921,376	\$ 3,505,092	\$ 138,682	\$ (34,374,004)	\$ (680,690)
Shares issued related to prior period		1,832,241	(1,832,241)	-	-	-	-	-	-
Exercise of warrants	9	2,134,670	-	249,802	(36,289)	-	-	-	213,513
Issuance of restricted share units	10	-	-	-	-	66,000	-	-	66,000
Share-based compensation	10	-	-	-	-	115,592	-	-	115,592
Net loss and comprehensive loss		-	-	-	-	-	6,095	(26,466)	(20,371)
Balance as at June 30, 2024 (1)		116,788,406	(27)	29,377,966	885,087	3,686,684	144,777	(34,400,470)	(305,956)
Balance as at January 1, 2025		117,899,490	-	29,522,463	840,590	3,726,732	178,313	(34,000,651)	267,447
Exercise of warrants	9	9,026,655	-	910,726	(159,630)	-	-	-	751,096
Expired warrants	9	-	-	-	(590,960)	590,960	-	-	-
Normal course issuer bid		(209,000)	-	(10,360)	-	-	-	-	(10,360)
Shares for debt conversion	9	19,110	-	1,802	-	-	-	-	1,802
Issuance of warrants related to debenture		-	-	-	66,486	-	-	-	66,486
Share-based compensation	10	2,966,221	-	190,536	-	36,946	-	-	227,482
Net income and comprehensive income		-	-	-	-	-	105,118	(944,701)	(839,583)
Balance as at September 30, 2025		129,702,476	-	\$ 30,615,167	\$ 156,486	\$ 4,354,638	\$ 283,431	\$ (34,945,352)	\$ 464,370

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

(1) The numbers of shares at the year ended December 31, 2023, have been restated to correct for the number of shares issued on the second debt conversion from 3,600,000 to 2,000,000. There were no other changes of items impacted by this change.

Reclaim Ltd.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

Nine months ended September 30, 2025 and 2024

(in Canadian Dollars)

Operating activities			
Net loss		\$ (944,701)	\$ (26,466)
Depreciation of property and equipment	4	11,073	10,651
Interest and accretion expense		31,215	197,447
Share based compensation	10	190,536	181,592
Net change in non-cash operating working capital	13	529,691	(103,162)
Net cash flows provided by/(used in) operating activities		<u>(182,186)</u>	<u>260,062</u>
Financing activities			
Issuance of units, net issuance costs	9	1,802	-
Normal course issuer bid		(10,360)	-
Proceeds on exercise of warrants	9	899,612	213,513
Proceeds/(Repayment) from debt / secured debentures	7	(820,899)	-
Repayment of debt	7	(128,307)	(6,533)
Interest paid	7	(37,882)	(236,279)
Cash flows used in financing activities		<u>(96,034)</u>	<u>(29,299)</u>
Investing activities			
Purchase of property and equipment	4	(14,613)	(6,457)
Cash flows used in investing activities		<u>(14,613)</u>	<u>(6,457)</u>
Effect of foreign exchange on cash		105,118	6,095
Net increase/(decrease) in cash and cash equivalents		(187,715)	230,401
Cash, beginning of the year		587,717	164,279
Cash, end of the year		<u>\$ 400,002</u>	<u>\$ 394,680</u>

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

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

1. CORPORATE INFORMATION

Reclaim Ltd. (“Reclaim,” the “Company”) is a company driven by consumer data and privacy evolution. Offering compliant, first-party data to brands & agencies, platforms, and data companies, Reclaim allows consumers to visit the platform, confirm their identity and unveil data that has been collected and sold on them for years. Reclaim enables consumers to take back control of this data by setting up a Reclaim account where, should they choose to, consumers can be compensated for using their data.

The address of the Company’s corporate office is 150 Ferrand Dr., Suite 800, Toronto, ON, M3C 3E5.

GOING CONCERN

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. During the nine months ended September 30, 2025, the Company generated a comprehensive loss of \$839,583 (2024: loss of \$20,371) and negative cash flows from operations of \$182,186 (2024: positive \$260,062). In addition, as at September 30, 2025, the Company has an accumulated deficit of \$34,945,352 (December 31, 2024 - \$34,000,651).

In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for several reasons, including the Company’s own resources and external market conditions.

The Company’s ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative expenses, continue its research and development activities and support the operations of its subsidiaries is dependent upon management’s ability to obtain additional financing, through various means, including but not limited to equity financing. No assurance can be given that any such additional funding will be available or that it can be obtained on terms favourable to the Company. The above factors indicate a material uncertainty that may cast significant doubt about the Company’s ability to continue operating as a going concern.

These unaudited condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, the reported expenses, and the classifications used in the statements of financial position. These adjustments could be material.

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES

The following accounting policies have been used throughout all periods presented in the unaudited condensed consolidated interim financial statements.

(a) Basis of preparation and statement of compliance with IFRS

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with IAS 34 and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and in effect at the closing date of September 30, 2025.

On November 28, 2025, the Company's Board of Directors (the "Board") approved these unaudited condensed consolidated interim financial statements and authorized them for issue.

(b) Basis of preparation and statement of compliance with IFRS

The consolidated condensed interim financial statements 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.

(c) Basis of consolidation

The unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. As of January 1, 2025, Reclaim Holdings Ltd., a wholly owned subsidiary of Reclaim Ltd., has been amalgamated into Reclaim Inc. The chart below summarizes the entities included in the unaudited consolidated condensed financial statements as of September 30, 2025.

Entity Name	Place of Incorporation	Ownership	Functional Currency
Reclaim Ltd.	Ontario, Canada	Parent	Canadian dollars
Reclaim Inc.	Ontario, Canada	Wholly owned subsidiary of Reclaim Ltd.	Canadian dollars
Reclaim USA Inc.	Delaware, USA	Wholly owned subsidiary of Reclaim Inc.	United States dollars

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

(d) Functional currency and foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's reporting currency.

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions or the date of valuation, where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognized in the undated consolidated condensed interim statement of comprehensive loss.

The results and financial position of all the companies that have a functional currency different from the reporting currency are translated into the reporting currency as follows:

- assets and liabilities are translated at the closing rate at the date of that statement of financial position.
- income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognized in other comprehensive income (loss) and accumulated in other comprehensive income (loss) within equity.

(e) Critical accounting estimates and judgments

The Company's unaudited condensed consolidated interim financial statements are prepared in accordance with IFRS recognition and measurement principles that often require Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts presented and disclosed in the unaudited condensed consolidated interim financial statements.

Management reviews these estimates and assumptions on an ongoing basis based on historical experience, changes in business conditions and other relevant factors that it believes to be reasonable under the circumstances. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates, judgments and assumptions applied in the unaudited condensed consolidated interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual audited consolidated financial statements for the year ended December 31, 2024.

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

3. TRADE AND OTHER RECEIVABLES

The amounts recognized in the consolidated condensed interim statements of financial position relating to trade and other receivables are determined as follows:

	As at September 30, 2025	As at December 31, 2024
Input tax receivable	\$ 45,309	\$ 16,596
Trade accounts receivable, gross	858,410	1,421,110
Allowance for credit losses	(131,780)	(72,261)
	<u>\$ 771,939</u>	<u>\$ 1,365,445</u>

Trade receivables and other receivables consist of billings for revenue earned.

The changes in the expected credit loss are as follows:

	As at September 30, 2025	As at December 31, 2024
Opening allowance for expected credit losses	\$ 72,261	\$ 42,745
Provision/(recovery) for expected credit losses	59,519	29,516
Less: Trade receivables written off	-	-
Closing balance for expected credit losses	<u>\$ 131,780</u>	<u>\$ 72,261</u>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

4. PROPERTY AND EQUIPMENT

	Computer Equipment	Vehicle	Total
Cost:			
At December 31, 2023	\$ 114,514	\$ 40,053	\$ 154,567
Additions	10,277	-	10,277
At December 31, 2024	<u>\$ 124,791</u>	<u>\$ 40,053</u>	<u>\$ 164,844</u>
Additions	14,613	-	14,613
At September 30, 2025	<u>\$ 139,404</u>	<u>\$ 40,053</u>	<u>\$ 179,457</u>
Accumulated depreciation:			
At December 31, 2023	\$ 103,775	\$ 27,815	\$ 131,590
Depreciation	8,066	6,675	14,741
Disposals	-	-	-
At December 31, 2024	<u>\$ 111,841</u>	<u>\$ 34,490</u>	<u>\$ 146,331</u>
Depreciation	6,066	5,007	11,073
At September 30, 2025	<u>\$ 117,907</u>	<u>\$ 39,497</u>	<u>\$ 157,404</u>
Carrying amounts:			
At December 31, 2024	<u>\$ 12,950</u>	<u>\$ 5,563</u>	<u>\$ 18,513</u>
At September 30, 2025	<u>\$ 21,497</u>	<u>\$ 556</u>	<u>\$ 22,053</u>

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

5. TRADE AND OTHER LIABILITIES

	As at September 30, 2025	As at December 31, 2024
Trade payables	\$ 632,770	\$ 521,100
Accrued liabilities	92,725	158,089
Total trade and other liabilities	\$ 660,290	\$ 679,189

6. LOAN PAYABLE

On October 16, 2019, the Company entered into a credit agreement with a Canadian chartered bank for a vehicle in the amount of \$45,238 with payments due in equal installments until the maturity date of October 27, 2025, at which time the loan will be paid in full. The credit agreement bears an interest rate of 5.89%, and the term of the loan is 72 months. The vehicle secured the loan with a net book value of \$556 as of September 30, 2025 (December 31, 2024 - \$5,563). Total interest of \$194 was paid for the nine months ended September 30, 2025, (December 31, 2024 - \$697). The total loan payable outstanding as at September 30, 2025, is \$738 (December 31, 2024 - \$7,271), of which \$738 (December 31, 2024 - \$7,271) is included in current liabilities.

On December 6, 2024, the Company entered into a credit agreement with a Canadian chartered bank for a term loan in the amount of \$250,000 with payments due in equal installments until the maturity date of December 20, 2026, at which the loan will be paid in full. The credit agreement bears an interest rate of 5.30%, and the term of the loan is 24 months. Total interest of \$8,458 was paid for the nine months ended September 30, 2025 (December 31, 2024 - \$nil). The total loan payable outstanding as at September 30, 2025, is \$159,441 (December 31, 2024 - \$250,000), of which \$ 103,368 (December 31, 2024 - \$128,964) is included in current liabilities.

The loans are summarized as follows:

	For the period ended September 30, 2025					
	Opening Balance	Payments		Closing Balance		
		Principal	Interest			
Vehicle loan	\$ 7,271	\$ 6,533	\$ 194	\$ 738		
Term loan	\$ 250,000	\$ 90,559	\$ 8,458	\$ 159,441		
	\$ 257,271	\$ 97,091	\$ 8,652	\$ 160,180		

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

7. SECURED DEBENTURES

February 2022 Debentures

In February 2022, the Company issued senior secured debentures in the aggregate principal amount of \$1,640,000, of which \$520,000 was provided by Reclaim Ltd. CEO, Mr. Neil Sweeney. (the “February 2022 Debentures”), bearing interest at 12% per annum, payable every six months and maturing on February 24, 2025. As consideration for secured debentures, the Company issued 1,366,666 bonus shares with a fair value of \$328,000 based on the shares' trading price, of which \$104,000 was issued to Mr. Sweeney. The secured debentures have an effective interest rate of 21.9% per annum.

On February 12, 2025, the Company completed a \$465,400 non-brokered private placement of senior secured convertible debentures, including an amended and restated debenture held by Mr. Neil Sweeney, refinancing its existing facility. Mr. Sweeney’s debenture, originally issued in 2022, was extended to February 12, 2027, with a principal balance of \$205,000 after repayments and substantially the same terms. All other 2022 debenture holders have been repaid.

On June 24, 2025, all remaining debenture holders were repaid.

The secured debenture summary is as follows:

	Carrying value
Gross proceeds from secured debentures	\$ 1,640,000
Common shares issued	(328,000)
Transaction costs	(17,210)
Interest and accretion expense	269,295
Interest paid	(97,091)
Closing Balance, December 31, 2022	1,466,994
Debt conversion, April 3, 2023	(420,000)
Debt conversion, July 11, 2023	(100,000)
Debt conversion, October 20, 2023	(100,000)
Interest and accretion expense	264,687
Interest paid	(165,540)
Closing balance, December 31, 2023	946,141
Debt repayment - April 23, 2024	(100,000)
Debt conversion, October 7, 2024	(100,000)
Interest and accretion expense	190,307
Interest paid	(122,751)
Closing balance, December 31, 2024	813,697
Debt repayment - January 16, 2025	(100,000)
Debt repayment - February 13, 2025	(400,000)
Debt repayment - March 4, 2025	(65,000)
Debenture extension	396,698
Interest and accretion expense	75,838
Interest paid	(50,833)
Debt repayment - June 24, 2025	(670,400)
Closing balance, September 30, 2025	\$ -

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

8. RELATED PARTY & KEY MANAGEMENT COMPENSATION

Compensation for key management personnel, including the Company's officers and directors, was as follows for the three and nine months ended September 30, 2025:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Salaries, benefits, and contractors	\$ 132,568	\$ 131,143	\$ 431,003	\$ 376,509
Stock based compensation	-	818	\$ 133,793	105,578
Board fees and related stock based compensation	-	-	-	66,000
Total key management compensation	\$ 132,568	\$ 131,961	\$ 564,796	\$ 548,087

9. SHARE CAPITAL

Authorized:

An unlimited number of common shares, no par value. There are no rights, preferences, or restrictions attached to that class.

Issued and outstanding:

	<u>Number of Shares</u>	<u>Shares to be issued</u>	<u>Balance</u>
Balance as of January 1, 2024	112,821,495	1,832,214	\$ 29,128,164
Issuance pursuant to services rendered by consultant	1,832,214	(1,832,214)	-
Issuance pursuant to the exercise of warrants	2,134,670	-	294,299
Issuance of share capital related to the debt conversion (i)	1,111,111	-	100,000
Balance as of December 31, 2024	117,899,490	-	\$ 29,522,463
Issuance pursuant to the exercise of warrants	9,026,655	-	910,726
Shares for debt conversion (ii)	19,110	-	1,802
Share-based compensation	2,966,221	-	190,536
Normal course issuer bid (iii)	(209,000)	-	(10,360)
Balance as of September 30, 2025	129,702,476	-	\$ 30,615,167

- i) On October 10, 2024, the Company closed the debt conversion and settled indebtedness of \$100,000 by issuing 1,111,111 Common Shares at a deemed price of \$0.09 per Common Share.
- ii) The Company issued 16,380 common shares on February 13, 2025, and 2,730 common shares on September 25, 2025, to certain platform users in Canada who participated in Reclaim's beta testing of a new product feature.
- iii) The Company repurchased a total of 209,000 common shares under its NCIB program. On February 18, 2025, 50,000 shares were repurchased at \$0.11 per share, followed by an additional 54,000 shares on March 18, 2025, at \$0.09 per share and 105,000 shares on September 4, 2025, at \$0.09 per share.

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

9. SHARE CAPITAL (continued)

Warrants issued and outstanding:

The following table presents information regarding warrants issued by the Company for the nine months ending September 30, 2025.:

	2025		2024	
	<u>Number of Share</u>	<u>Weighted average</u>	<u>Number of Share</u>	<u>Weighted average</u>
	<u>Warrants</u>	<u>exercise price</u>	<u>Warrants</u>	<u>exercise price</u>
Balance as at January 1	24,097,622	\$ 0.10	26,232,292	\$ 0.10
Exercise of warrants	(9,017,032)	0.10	(330,000)	0.10
Issuance of warrants	2,216,190	0.14	-	-
Expiry of warrants	(13,580,590)	0.10	-	-
Balance as of September 30	3,716,190	\$ 0.12	25,902,292	\$ 0.10

The following table presents information related to warrants outstanding as of September 30, 2025:

	<u>Number of</u>	<u>Weighted</u>	
	<u>Share</u>	<u>average</u>	
	<u>Warrants</u>	<u>exercise</u>	<u>Expiry date</u>
		<u>price</u>	
Issuance pursuant to private placement May 8, 2023	1,500,000	\$0.10	May 8, 2026
Issuance pursuant to debenture renewal February 12, 2025	2,216,190	\$0.14	February 12, 2027
	<u>3,716,190</u>		

The following inputs and assumptions were used in the fair value determination of the warrants:

	<u>February 12, 2025</u>	<u>May 8, 2023</u>
Weighted average share price	\$0.11	\$0.06
Expected life, in years	2	3
Volatility	151%	18%
Risk free interest rate	2.48%	4.22%
Anticipated forfeiture	-	-
Dividend yield	-	-
Barrier	\$0.20	\$0.15
Rebate	\$0.06	\$0.05

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

10. STOCK OPTION PLAN AND RESTRICTED SHARE UNITS

Stock Option Plan:

The stock option plan is applicable to employees and directors of the Company. The options are granted at the Company's current fair market value of the common shares under terms and conditions determined by the Board. Under the terms of the plan, the options generally vest proportionately over a three-year period and expire five years from the date of the grant. There were 1,749,000 options issued during the nine months ended September 30, 2025 (September 30, 2024 - 1,106,000) to employees and contractors. The fair value of compensation expense related to options issued to employees and contractors for the nine months ended September 30, 2025, is \$133,793 (September 30, 2024 - \$115,592). The Company may issue up to 10% of the common shares outstanding as options under its stock option plan.

	<u>Number of Options</u>	<u>Weighted average exercise price</u>
Outstanding, January 1, 2025	10,197,021	\$0.08
Granted	1,749,000	0.08
Exercised	(2,966,221)	
Expired	(434,000)	-
Forfeited	(35,000)	0.08
<u>Outstanding, September 30, 2025</u>	<u>8,510,800</u>	<u>\$0.08</u>

December 31, 2024

	<u>Number of Options</u>	<u>Weighted average exercise price</u>
Outstanding, January 1, 2024	9,267,021	\$0.08
Granted	1,216,000	0.13
Expired	(171,000)	0.14
Forfeited	(115,000)	0.34
<u>Outstanding, December 31, 2024</u>	<u>10,197,021</u>	<u>\$0.08</u>

The Company uses the Black-Scholes method to calculate option values; the following assumptions were used for all options issued:

	<u>2025</u>	<u>2024</u>
Weighted average share price	\$0.08 - 0.14	\$0.08 - 0.14
Expected life, in years	1-5	1-5
Volatility	150% - 162%	150% - 162%
Risk free interest rate	2.5% - 2.75%	0.2% - 4.65%
Anticipated forfeiture	26%	26%
Dividend yield	-	-

The maximum term of the options is 5 years. The share price is the fair value of the shares based on the market share price on the day of the grant. The volatility is based on comparable public companies within comparable industries.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements
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10. STOCK OPTION PLAN AND RESTRICTED SHARE UNITS (continued)

The following table summarizes information about stock options as of September 30, 2025:

<u>Options Outstanding</u>			<u>Options Exercisable</u>
<u>Exercise prices</u>	<u>Number outstanding</u>	<u>Weighted average remaining contractual life (years)</u>	<u>Number exercisable</u>
0.05	5,000	2.13	5,000
0.06	5,007,000	2.08	5,002,333
0.075	139,000	4.12	113,750
0.08	2,047,000	4.13	2,047,000
0.14	1,100,000	3.51	1,106,000
0.25	89,800	2.89	89,800
0.34	25,000	1.15	25,000
0.41	8,000	0.65	10,000
0.625	40,000	0.18	40,000
0.65	50,000	0.18	50,000
	8,510,800	2.78	8,488,883

The following table summarizes information about stock options as at December 31, 2024:

<u>Options Outstanding</u>			<u>Options Exercisable</u>
<u>Exercise prices</u>	<u>Number outstanding</u>	<u>Weighted average remaining contractual life (years)</u>	<u>Number exercisable</u>
\$0.035	2,966,221	3.20	2,966,221
0.05	10,000	2.88	6,668
0.06	5,007,000	2.82	5,002,333
0.075	110,000	4.87	54,000
0.08	349,000	2.71	338,000
0.14	1,106,000	4.25	1,106,000
0.25	89,800	3.64	89,800
0.34	25,000	1.89	25,000
0.35	424,000	0.65	424,000
0.41	10,000	1.40	10,000
0.625	40,000	0.92	40,000
0.65	50,000	0.92	50,000
1.00	10,000	0.17	10,000
\$0.08-\$1.00	10,197,021	3.00	10,122,022

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

10. STOCK OPTION PLAN AND RESTRICTED SHARE UNITS (continued)

Restricted Share Units (RSUs)

On August 23, 2023, the RSU plan was instituted through the adoption of the Omnibus Equity Incentive Plan. The following tables summarize information about RSUs as of September 30, 2025:

	2025		2024	
	Number of RSU's	Weighted average exercise price	RSU's	Weighted average exercise price
Balance as at January 1	645,647	\$ 0.12	117,647	\$ 0.09
Exercise of RSU's	-	-	-	-
Issuance of RSU's	-	-	528,000	0.125
Expiry of RSU's	-	-	-	-
Balance as of September 30	645,647	\$ 0.12	645,647	\$ 0.12

The following table presents information related to RSUs outstanding as at September 30, 2025:

	Number of RSU's	Number exercisable	Date Issued
Restricted Share Units	117,647	117,647	September 8, 2023
	528,000	528,000	April 10, 2024
	645,647	645,647	

11. REVENUE

The Company currently generates revenue through two revenue streams: identity and platform. Identity revenue is generated by selling derivative data products and mobile device data. Platform revenue is generated by selling audience segments to data platforms. The following chart shows the breakdown of revenue earned in the various channels for the three and nine months ended September 30.

Revenue	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Identity	\$ 266,753	\$ 281,937	\$ 984,095	\$ 700,261
Platform	\$ 832,610	\$ 1,205,384	\$ 2,676,162	\$ 2,614,943
Total revenue	\$ 1,099,363	\$ 1,487,321	\$ 3,660,257	\$ 3,315,204

Major Trade receivables

Trade receivables with specific customers, each with 10% or more of the total Company trade receivables, are summarized as follows:

	September 30, 2025	December 31, 2024
Customer 1	\$ 324,149	\$ 589,263
Customer 2	102,099	149,855
Customer 3	-	138,664
Total receivables from major customers	\$ 426,248	\$ 877,782

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

12. COST OF SERVICES

Cost of services for continuing operations are broken down as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Data Engineering				
Salaries	\$ 12,500	\$ 12,500	\$ 37,500	\$ 37,500
Hosting fees	10,905	15,619	35,461	62,773
Total data engineering costs	\$ 23,405	\$ 28,119	\$ 72,961	\$ 100,273
Platform management	248,699	245,254	742,268	521,099
Total cost of sales	\$ 272,104	\$ 273,373	\$ 815,229	\$ 621,372

13. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital items is comprised of:

	Nine months ended September 30,	
	2025	2024
Trade and other receivables	\$ 593,506	\$ 124,064
Prepaid expenses	(33,388)	7,613
Income tax receivable	(12,077)	-
Trade and other liabilities	(18,899)	(232,972)
Contract liabilities	549	(1,867)
	\$ 529,691	\$ (103,162)

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

14. FINANCIAL INSTRUMENTS, RISKS, AND CAPITAL MANAGEMENT

The Company has exposure to counterparty credit risk, liquidity risk, and market risk associated with its financial assets and liabilities. The Company's risk management program seeks to minimize potential adverse effects on the Company's financial performance and ultimately shareholder value. The Company manages its risks and risk exposures through a combination of insurance, a system of internal controls, and sound business practices.

The Company's financial instruments and the nature of the risks to which they may be subject are set out in the following table.

	Risks			
	Credit	Liquidity	Market	
			Foreign Exchange	Interest Rate
Cash and cash equivalents	Yes		Yes	
Trade and other receivables	Yes		Yes	
Trade and other liabilities		Yes	Yes	
Loans payable		Yes		Yes
Secured debentures		Yes		Yes

The carrying values of cash and cash equivalents, trade and other receivables, trade and other liabilities, and short-term loans payable approximate their fair values due to their relatively short periods to maturity.

Credit risk

Credit risk arises from cash held with banks and trade receivables, and these financial assets are subject to the expected credit loss model. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions and minimizes the credit risk of trade receivables by monitoring the counterparty's creditworthiness and setting exposure limits.

Trade accounts receivable

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past the transaction date. The expected loss rates are based on the payment profiles of sales over a period of 24 months before September 30, 2025. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the credit worthiness for current and future customers and the GDP and unemployment rate of the countries in which the Company sells goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

14. FINANCIAL INSTRUMENTS, RISKS, AND CAPITAL MANAGEMENT (continued)

Trade receivables (note 3) are the result of billings for services performed. The Company's credit risk arises from the possibility that a counterparty, which owes the Company money, is unable or unwilling to meet its obligations in accordance with the terms and conditions of the contracts with the Company, resulting in a financial loss for the Company.

The carrying amount of trade receivables are reduced through the use of an allowance for credit loss and the amount is recognized in the consolidated condensed interim statements of loss and comprehensive loss in general and administrative expenses. The Company closely monitors all receivable balances, when a balance is over 180 days past the transaction date the Company evaluates whether this balance is uncollectible. It is determined to be uncollectible when the customer has ceased communications for greater than 90 days or has communicated non-payment due to liquidity issues and the Company does not believe other recourses would be financially beneficial and there is no reasonable expectation of recovery. When a receivable balance is considered uncollectible, it is written off against the allowance for credit loss. Subsequent recoveries of amounts previously written off reduce general and administrative expenses in the consolidated condensed interim statements of loss and comprehensive loss. As of September 30, 2025, it was determined that an allowance for credit loss of \$131,780 (December 31, 2024 – \$72,261) was required and wrote off uncollectible balances of \$nil (December 31, 2024 – \$nil).

The aging of the Company's accounts receivable was as follows:

	As at September 30, 2025	As at December 31, 2024
Current	\$ 661,864	\$ 1,162,214
31 - 60 days	55,502	97,809
61 - 90 days	50,666	49,662
over 91 days	135,687	128,021
Total accounts receivable	903,719	1,437,706
Allowance for credit loss	(131,780)	(72,261)
	\$ 771,939	\$ 1,365,445

Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities. The exposures are managed partly by using natural hedges from fixed-rate borrowings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring forecasts and actual cash flows and taking the necessary actions to maintain enough liquidity for operations and for growth objectives.

Reclaim Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

14. FINANCIAL INSTRUMENTS, RISKS, AND CAPITAL MANAGEMENT (continued)

The following table details the Company's contractual maturities (including interest payments where applicable) for its financial liabilities as of September 30, 2025, and December 31, 2024:

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Total
As at September 30, 2025					
Trade and other liabilities	\$ 660,290	-	-	-	\$ 660,290
Contract liabilities	549	-	-	-	549
Loan payable	747	-	-	-	747
Secured debentures	-	-	-	-	-
Term loan	11,002	22,004	99,018	33,006	165,030
	<u>\$ 672,588</u>	<u>\$ 22,004</u>	<u>\$ 99,018</u>	<u>\$ 33,006</u>	<u>\$ 826,616</u>
As at December 31, 2024					
Trade and other liabilities	\$ 679,190	-	-	-	\$ 679,190
Loan Payable	747	1,494	5,232	-	7,473
Secured debentures	-	543,697	-	270,000	813,697
Term loan	11,002	22,004	99,018	117,773	249,797
	<u>\$ 690,939</u>	<u>\$ 567,195</u>	<u>\$ 104,250</u>	<u>\$ 387,773</u>	<u>\$ 1,750,157</u>

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the fair value of a financial instrument or its future cash flows.

The Company operates internationally with a subsidiary in the United States. The Company is, therefore, subject to foreign currency risk. The Company reports its financial results in Canadian dollars. Most of the Company's revenues are transacted in U.S. currency. The Company incurs expenses in both Canadian and U.S. dollars. To date, the Company has not used foreign currency forward contracts or other hedging strategies to manage its foreign currency exposure.

As of September 30, 2025, the Canadian entities US-dollar net monetary assets totaled approximately US \$414,108 (CAD \$576,480) (December 31, 2024, net monetary assets – US \$991,618 (CAD \$1,426,840)) and the Company's United States subsidiaries US-dollar net monetary assets totaled approximately US \$46,724 (CAD \$65,044) (December 31, 2024 – US \$37,037 (CAD \$53,292)). A 10% strengthening in the Canadian dollar against the United States dollar as of September 30, 2025, would have increased comprehensive loss and decreased shareholders' equity by \$340,848 (2024 - \$862,606). A 10% weakening would have had the equal but opposite effect. This analysis assumes that all other variables remain constant.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the Nine months ended September 30, 2025, and 2024 (in Canadian Dollars)

14. FINANCIAL INSTRUMENTS, RISKS, AND CAPITAL MANAGEMENT (continued)

Capital management

The Company's objective in managing capital is to ensure a sufficient liquidity position to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as equity and debt, comprised of issued common shares, warrants, contributed surplus, and accumulated deficit, as well as loans payable and secured debentures. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital, and overall capital expenditures. Since its inception, the Company has primarily financed its liquidity needs through private and public placements of common shares, and loans. The Company's objectives when managing capital are to ensure that the Company will continue to have enough liquidity to fund operations and proceed with rapid product development that will support the evolving data-driven industries. Management reviews its capital management practices on an ongoing basis and believes that its approach, given the relative size of the Company, is reasonable.