

QYOU Media Inc.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024
[unaudited] [expressed in Canadian dollars]

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of QYOU Media Inc. [the “Company”] 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 condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

QYOU Media Inc.

Condensed consolidated interim statements of financial position

[unaudited] [expressed in Canadian dollars]

As at	September 30, 2025	December 31, 2024
	\$	\$
Assets		
Current assets		
Cash	4,130,530	946,784
Trade receivables [note 18]	6,910,952	6,716,131
Other receivables	1,647,069	2,084,873
Prepaid expenses	2,356,467	1,233,803
	15,045,018	10,981,591
Non-current assets		
Property and equipment [note 4]	80,234	113,825
Capitalized programming asset, net [note 5]	—	335,932
Right-of-use assets, net [note 7]	41,596	89,131
Security deposit	81,264	84,882
Intangible assets, net [note 6]	665,183	729,643
	15,913,295	12,335,004
Liabilities		
Current liabilities		
Trade and other payables	10,730,928	10,647,230
Advanced proceeds from subsidiary IPO [note 20]	2,275,080	—
Contingent consideration [note 10]	198,142	714,461
Deferred revenue	745,836	103,370
Lease liabilities [note 8]	52,732	67,866
Borrowings [note 9]	1,020,072	1,959,042
	15,022,790	13,491,969
Non-current liabilities		
Lease liabilities [note 8]	—	38,535
Borrowings [note 9]	47,915	53,298
	15,070,705	13,583,802
Shareholders' equity (deficiency)		
Share capital [note 11]	57,650,554	55,095,379
Warrants [note 11]	4,847,300	4,432,938
Share-based payment reserve [note 11]	12,067,227	12,850,195
Foreign exchange translation reserve	82,222	121,817
Accumulated deficit	(73,915,118)	(72,731,028)
Deficiency attributable to shareholders' of the Company	732,185	(230,699)
Non-controlling interests [note 13]	110,405	(1,018,099)
	842,590	(1,248,798)
	15,913,295	12,335,004

Going concern [Note 1]
Contingencies [Note 16]

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

On behalf of the Board:

"Signed"

"Signed"

Condensed consolidated interim statements of financial position

[unaudited] [expressed in Canadian dollars]

For the three and nine months months ended September 30,	2025	2024	2025	2024
	\$	\$	\$	\$
REVENUE [note 15]	9,615,540	6,687,820	21,055,596	20,014,434
OPERATING EXPENSES				
Content and productions costs	4,699,697	3,447,878	10,483,432	9,719,411
Sales and marketing	649,275	451,612	1,138,515	2,051,494
Legal and consulting	164,619	207,685	311,576	518,102
Salaries and benefits	2,234,411	982,794	6,723,019	4,406,251
Share-based compensation [note 12]	42,218	290,206	350,504	724,655
General and administrative	424,579	131,884	1,110,407	1,031,374
Depreciation and amortization	21,720	9,327	58,656	175,262
Foreign exchange loss	(5,173)	(48,736)	6,524	19,467
Interest and other expense	103,196	49,661	139,156	148,667
Total operating expenses	8,334,542	5,522,311	20,321,789	18,794,683
Income before income taxes	1,280,998	1,165,509	733,807	1,219,751
Income tax expense	538,996	162,312	703,964	150,528
NET INCOME FROM CONTINUING OPERATIONS	742,002	1,003,197	29,843	1,069,223
Other comprehensive income (loss)				
Item that may be reclassified subsequently to income:				
Exchange gain (loss) on translation of foreign operations	390,073	3,465	(39,595)	102,207
Total other comprehensive income (loss)	390,073	3,465	(39,595)	102,207
Net loss from discontinued operations [note 14]	(3,689)	(1,826,306)	(1,384,368)	(3,794,518)
Gain from sale of business [note 14]	—	—	217,029	—
COMPREHENSIVE INCOME (LOSS)	1,128,386	(819,644)	(1,177,091)	(2,623,088)
Net loss attributable to:				
Equity owners of the Company	490,063	(270,291)	(1,184,090)	(1,403,242)
Non-controlling interests [note 13]	248,250	(552,818)	46,594	(1,322,053)
	738,313	(823,109)	(1,137,496)	(2,725,295)
Net gain (loss) per share - basic and diluted				
Continuing operations	0.02	0.02	0.00	0.03
Discontinued operations	0.00	(0.04)	(0.03)	(0.09)
Weighted average number of shares outstanding				
- basic and diluted	45,079,298	43,490,042	47,961,477	43,051,212

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

Condensed consolidated interim statements of changes in shareholders' equity

For the three months ended March 31, 2025 and 2024

[unaudited] [expressed in Canadian dollars]

	Common shares #	Share capital \$	Warrants \$	Share-based payment reserve \$	Non-controlling interests \$	Foreign exchange translation reserve \$	Accumulated deficit \$	Total \$
Balance, December 31, 2023	40,759,025	52,310,553	4,464,929	12,507,047	(919,269)	(34,310)	(66,444,074)	1,884,876
Issuance of common shares and warrants, net of issuance costs <i>[note 11]</i>	2,191,631	1,198,432	392,058	41,026	—	—	—	1,631,516
Share-based compensation <i>[note 12]</i>	—	—	—	2,285,234	—	—	—	2,285,234
Restricted share units redeemed <i>[note 12]</i>	463,888	1,586,394	—	(1,586,394)	—	—	—	—
Compensation options and warrants expired <i>[note 12]</i>	—	—	(424,049)	424,049	—	—	—	—
Divestiture of Chatterbox Shares <i>[note 13]</i>	—	—	—	(820,767)	1,568,037	—	—	747,270
Comprehensive loss	—	—	—	—	(1,666,867)	156,127	(6,286,954)	(7,797,694)
Balance, December 31 2024	43,414,544	55,095,379	4,432,938	12,850,195	(1,018,099.00)	121,817	(72,731,028)	(1,248,798)
Issuance of common shares and warrants, net of issuance costs <i>[note 11]</i>	7,165,556	1,691,309	414,362	51,681	—	—	—	2,157,352
Share-based compensation <i>[note 12]</i>	—	—	—	350,504	—	—	—	350,504
Restricted share units redeemed <i>[note 12]</i>	1,323,610	863,866	—	(863,866)	—	—	—	—
Divestiture of Chatterbox Shares <i>[note 13]</i>	—	—	—	(321,287)	1,081,910	—	—	760,623
Comprehensive loss	—	—	—	—	46,594	(39,595)	(1,184,090)	(1,177,091)
Balance, September 30, 2025	51,903,710	57,650,554	4,847,300	12,067,227	110,405	82,222	(73,915,118)	842,590

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

Condensed consolidated interim statements of cash flows

[unaudited] [expressed in Canadian dollars]

For the nine months ended September 30,	2025	2024
	\$	\$
Operating activities		
Net income from continuing operations	29,843	1,069,223
Adjustments to reconcile net loss to net cash used in operating activities:		
Unrealized foreign exchange gain (loss)	7,670	(313,353)
Depreciation and amortization	58,656	175,262
Share-based compensation	350,504	724,655
Income tax expense	703,964	150,528
Interest expense	139,156	148,667
Accrued and accretion interest from borrowings [note 9]	9,025	—
	1,298,818	1,954,982
Changes in non-cash working capital items		
Trade receivables	(194,821)	(3,010,274)
Other receivables	(74,489)	845,061
Prepaid expenses	(1,122,664)	(140,502)
Security deposit	3,618	(2,601)
Trade and other payables	83,698	1,672,887
Deferred revenue	642,466	73,140
Cash provided by (used in) operating activities	636,626	1,392,693
Investing activities		
Capitalized programming asset [note 5]	(69,825)	(219,682)
Purchase of property and equipment [note 4]	(2,150)	(33,520)
Capitalized intangible asset [note 6]	—	(742,634)
Contingent consideration payment [note 10]	(516,319)	(241,346)
Gross proceeds from sale of subsidiary shares	760,623	—
Gross proceeds from sale of business [note 14]	512,293	—
Cash provided by (used in) investing activities	684,622	(1,237,182)
Financing activities		
Advanced proceeds from subsidiary IPO [note 20]	2,275,080	—
Repayment of lease obligation [note 8]	(55,299)	(180,714)
Proceeds from borrowings [note 9]	721,964	933,027
Repayment of borrowings [note 9]	(1,653,271)	(1,558)
Interest payments from borrowings [note 9]	(424,808)	—
Proceeds from Revolving credit facility	—	5,002,203
Repayment of Revolving credit facility	—	(4,913,726)
Issuance of shares and warrants, net of issuance costs [note 11]	2,157,352	1,700,761
Cash provided by financing activities	3,021,018	2,539,993
Cash from continuing operations	4,342,266	2,695,504
Cash used in discontinued operations	(1,183,225)	(2,558,330)
Effect of foreign exchange on cash	24,705	480
Cash, beginning of year	946,784	736,713
Cash, end of year	4,130,530	874,367

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

[unaudited] [expressed in Canadian dollars, unless otherwise noted]

1. BUSINESS AND ORGANIZATION

QYOU Media Inc. (“QYOU” or the “Company”) was incorporated pursuant to the Business Corporations Act (Alberta) on July 30, 1993 under the name “575161 Alberta Inc.”. The registered and head office of the Company is 154 University Avenue, Suite 601, Toronto, ON M5H 3Y9. The Company is a global media company that, through its subsidiaries, curate, produce and distributes content created by social media stars and digital content creators.

The Company has the following subsidiaries:

Entity name	Country	Ownership percentage	Ownership percentage
		September 30, 2025	December 31, 2024
		%	%
QYOU Media Inc.	Canada	100	100
QYOU Productions Inc.	Canada	100	100
QYOU Limited	Ireland	100	100
QYOUTV International Limited	Ireland	100	100
QYOU USA Inc.	USA	100	100
QYOU Media India Private Ltd.	India	88	88
Chatterbox Technologies Ltd.	India	68	81
Maxamtech Digital Ventures Private Limited	India	51	51

During the nine months ended September 30, 2025, the Company sold the channel business of QYOU Media India Private Ltd. (“QYOU India”) including the brand associated with its main QYOU India channel. The Company retained ownership of the QYOU India legal entity and its digital channels.

As QYOU India’s channel business and the Maxamtech subsidiary represented separate major lines of business, the results of the discontinued operations have been presented separately from continuing operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. See Note 14 for additional information.

2025 Reverse Stock Split (applied retrospectively)

On November 24, 2025, QYOU Media Inc. effected a twelve-for-one (12-for-1) reverse stock split of its common shares (the “2025 Reverse Split”). Accordingly, all shareholders of record at the opening of business on November 24, 2025, received one used and outstanding common share of QYOU Media Inc. in exchange for twelve outstanding common shares. No fractional shares were issued in connection with the 2025 Reverse Split. Any fractional shares resulting from the 2025 Reverse Split were rounded to the nearest whole number of common shares, with any fractional interest of 0.5 or greater rounded up to one whole common share.

Effective on the date of the 2025 Reverse Split, the exercise price and number of common shares issuable upon the exercise of outstanding stock options, warrants, and other convertible securities were proportionately adjusted to reflect the reverse split. All information with respect to outstanding common shares and other securities of QYOU Media Inc., including earnings (loss) per share, in the current and comparative periods presented herein gives effect to the 2025 Reverse Split.

Going Concern Uncertainty

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The application of the going concern assumption is dependent on the Company’s ability to generate future profitable operations or obtain necessary financing. During the period, the Company completed a non-brokered private placement. Subsequent to the period, Chatterbox completed its initial public offering on October 3, 2025 to obtain additional funding. In addition, the Company completed the sale of the Channel business of QYOU India. See Note 14 for additional information

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

[unaudited] [expressed in Canadian dollars, unless otherwise noted]

The Company has achieved profitable operations, reporting net income from continuing operations of \$742,002 for the three months ended September 30, 2025 and \$29,843 year-to-date. As at September 30, 2025, the Company had an accumulated deficit of \$73,915,118 (December 31, 2024 – deficit of \$72,731,028). For the nine months ended September 30, 2025, the Company had a positive working capital of \$22,228 (December 31, 2024 – deficit of \$2,510,378). Despite recent profitability, the Company’s ability to sustain positive cash flows from operations and continued profitability in future periods remains uncertain, which may cast significant doubt upon the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

[a] Statement of Compliance

These unaudited condensed consolidated interim financial statements (“financial statements”) have been prepared by management using the same accounting policies and methods as those used in the Company’s audited consolidated financial statements for the years ended December 31, 2024 and 2023. These financial statements have been prepared in compliance with IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed. These financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the years ended December 31, 2024 and 2023.

The timely preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies, if any, as at the date of the financial statements, and the reported amounts of revenue and expenses during the nine months ended September 30, 2025. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements.

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on November 24, 2025.

[b] Functional Currency and Presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of QYOU Media Inc.

The functional currencies of the Company’s subsidiaries are as follows:

Name of Subsidiary	Jurisdiction of incorporation	Functional currency
QYOU Media Inc.	Canada	Canadian dollar
QYOU Productions Inc.	Canada	Canadian dollar
QYOU Limited	Ireland	Euro
QYOUTV International Limited	Ireland	Euro
QYOU USA Inc.	USA	US dollar
QYOU Media India Private Ltd.	India	Indian rupee
Chatterbox Technologies Ltd.	India	Indian rupee
Maxamtech Digital Ventures Private Limited	India	Indian rupee

[c] Basis of Consolidation

The interim financial statements incorporate the financial information of the Company and the subsidiaries over which the Company has control. An entity is controlled when the Company has the ability to direct the relevant activities of the entity, has exposure or rights to variable returns from its involvement with the entity and is able to use its power over the entity to affect its returns from the entity.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control as prescribed by IFRS 10 – Consolidated Financial Statements. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the unaudited consolidated interim statements of operations and comprehensive

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

[unaudited] [expressed in Canadian dollars, unless otherwise noted]

income from the date the Company gains control until the date when the Company ceases to control the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intercompany assets and liabilities, equity, income, expenses and cash flows are eliminated in full on consolidation.

[d] Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires management to make estimates and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, consistent with those disclosed in the audited consolidated financial statements for the years ended December 31, 2024 and 2023 and described in these financial statements. Actual results could differ materially from the amounts included in the financial statements.

Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies used in preparing these financial statements are unchanged from those disclosed in the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023, and have been applied consistently to all periods presented in these financial statements.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
[unaudited] [expressed in Canadian dollars, unless otherwise noted]

4. PROPERTY AND EQUIPMENT

The Company's property and equipment are as follows:

	Computer hardware and equipment	Furniture and fixtures	Total
Cost	\$	\$	\$
As at December 31, 2023	407,529	379,834	787,363
Additions	16,873	42,540	59,413
Foreign exchange	26,527	10,061	36,588
As at December 31, 2024	450,929	432,435	883,364
Additions	1,215	935	2,150
Disposed on sale of business [note 14]	(23,879)	—	(23,879)
Foreign exchange	(10,003)	(11,764)	(21,767)
As at September 30, 2025	418,262	421,606	839,868

	Computer hardware and equipment	Furniture and fixtures	Total
Accumulated depreciation	\$	\$	\$
As at December 31, 2023	322,383	302,853	625,236
Depreciation	65,598	51,601	117,199
Foreign exchange	21,414	5,690	27,104
As at December 31, 2024	409,395	360,144	769,539
Depreciation	10,107	8,249	18,356
Disposed on sale of business [note 14]	(5,370)	—	(5,370)
Foreign exchange	(9,503)	(13,388)	(22,891)
As at September 30, 2025	404,629	355,005	759,634

	Computer hardware and equipment	Furniture and fixtures	Total
Net book value	\$	\$	\$
As at December 31, 2024	41,534	72,291	113,825
As at September 30, 2025	13,633	66,601	80,234

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
[unaudited] [expressed in Canadian dollars, unless otherwise noted]

5. CAPITALIZED PROGRAMMING ASSET

The Company's capitalized programming asset are as follows:

Cost	\$
As at December 31, 2023	3,118,863
Additions	
<i>Original programming asset</i>	—
<i>Licensed content asset</i>	364,031
Effects of foreign exchange	254,738
As at December 31, 2024	3,737,632
Additions	
<i>Original programming asset</i>	62,986
<i>Licensed content asset</i>	6,839
Disposed on sale of business [note 14]	(3,807,457)
Effects of foreign exchange	—
As at September 30, 2025	—
Accumulated amortization	\$
As at December 31, 2023	1,794,106
Amortization	
<i>Original programming asset</i>	611,249
<i>Licensed content asset</i>	819,489
Effects of foreign exchange	176,856
As at December 31, 2024	3,401,700
Amortization	
<i>Original programming asset</i>	87,349
<i>Licensed content asset</i>	149,744
Disposed on sale of business [note 14]	(3,638,793)
Effects of foreign exchange	—
As at September 30, 2025	—
Net book value	\$
As at December 31, 2024	335,932
As at September 30, 2025	—

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
[unaudited] [expressed in Canadian dollars, unless otherwise noted]

6. INTANGIBLE ASSETS

A summary of the Company's intangible assets are as follows:

	Brand Chatterbox	Customer relationships	Platform	Total
	\$	\$	\$	\$
As at December 31, 2023	594,024	286,025	389,633	1,269,682
Additions	—	—	761,888	761,888
Effects of foreign exchange	19,156	9,224	55,303	83,683
As at December 31, 2024	613,180	295,249	1,206,824	2,115,253
Effects of foreign exchange	(27,836)	(13,403)	(54,232)	(95,471)
As at September 30, 2025	585,344	281,846	1,152,592	2,019,782

	Brand Chatterbox	Customer relationships	Platform	Total
	\$	\$	\$	\$
Accumulated amortization				
As at December 31, 2023	—	121,538	25,987	147,525
Amortization	—	49,320	235,503	284,823
Impairment of intangible asset	—	—	976,768	976,768
Effects of foreign exchange	—	7,928	(31,434)	(23,506)
As at December 31, 2024	—	178,786	1,206,824	1,385,610
Amortization	—	35,118	—	35,118
Effects of foreign exchange	—	(11,897)	(54,232)	(66,129)
As at September 30, 2025	—	202,007	1,152,592	1,354,599

	Brand Chatterbox	Customer relationships	Platform	Total
	\$	\$	\$	\$
Net book value				
As at December 31, 2024	613,180	116,463	—	729,643
As at September 30, 2025	585,344	79,839	—	665,183

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

[unaudited] [expressed in Canadian dollars, unless otherwise noted]

7. RIGHT-OF-USE ASSETS

The Company has one office lease maturing in one year.

The Company's right-of-use assets are as follows:

	\$
Balance – December 31, 2023	278,056
Depreciation	(199,477)
Effects of foreign exchange	10,552
Balance – December 31, 2024	89,131
Depreciation	(42,895)
Effects of foreign exchange	(4,639)
Balance - September 30, 2025	41,596

8. LEASE LIABILITIES

The Company's lease liabilities are as follows:

	\$
Balance – December 31, 2023	313,306
Add: Interest expense	23,131
Less: Lease payments	(242,081)
Effects of foreign exchange	12,045
Balance - December 31, 2024	106,401
Add: Interest expense	8,283
Less: Lease payments	(55,299)
Effects of foreign exchange	(6,653)
Balance - September 30, 2025	52,732
Current	52,732
Non-current	—

During the nine months ended September 30, 2025, the Company entered into no new lease agreements (2024 – two lease agreements).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
[unaudited] [expressed in Canadian dollars, unless otherwise noted]

9. BORROWINGS

U.S. Small Business Administration Loan

On May 20, 2020 (“date of advance”), the Company received a loan for gross proceeds of \$206,700 (USD \$150,000) from the U.S. Small Business Administration under the Economic Injury Disaster Loan program. The loan bears an annual interest rate of 3.75%. Monthly repayments of \$996 (USD \$731) commenced 12 months from the date of advance and the loan matures 30 years from the date of advance.

The benefit of the government loan received at below market rate of interest is treated as a government grant. The loan was recognized at fair value of \$58,955 using the Company’s incremental borrowing rate of 17%. The difference between the initial carrying amount and proceeds received is the value of the grant of \$147,745. The Company recognized in income the value of the grant as it incurred the related expenses for which the grant was intended to compensate. The full value of the grant had been recognized in income during the year ended June 30, 2020 as a deduction of the related operating expenses.

Maximcash Commercial Loan

On October 16, 2024 (“date of advance”), the Company received a commercial loan for gross proceeds of \$1,279,712 (\$970,000 USD) from Maximcash Solutions. The loan bears an annual interest rate of 48.06%. The term of the loan is 12 months from the closing date. The facility was recognized as a financial liability at amortized cost. In addition, the Company incurred Facility Agreement costs of \$40,565 (\$30,000 USD) to obtain the facility.

In April 2025, the Company received a second commercial loan from Maximcash Solutions for gross proceeds of \$709,740 (\$518,824 USD). This loan also bears an annual interest rate of 48.06% and has a term of 12 months. Financing fees of \$44,938 (\$32,850 USD) were incurred in connection with this facility.

Shareholder Loans

Between July 1 and September 23, 2024, the Company received loans for gross proceeds of \$903,819 from shareholders. The loans bear a monthly interest rate of 1% of the principal amount in arrears and are due to be repaid in full between December 1, 2024 and March 1, 2025. During the period, the loans were repaid in full.

The balance outstanding as at September 30, 2025 is as follows:

	U.S. Small Business Administration Loan	Maximcash Commercial Loan	Shareholder Loans	Total
	\$	\$	\$	\$
Balance - December 31, 2023	60,607	—	—	60,607
Additional borrowings	—	1,279,712	903,819	2,183,531
Accrued interest	12,697	—	—	12,697
Interest and accretion expense	—	142,508	37,644	180,152
Principal repayments	(20,030)	(150,849)	(244,767)	(415,646)
Interest repayments	—	(149,756)	(37,644)	(187,400)
Effects of foreign exchange	36,641	81,130	60,627	178,398
Balance - December 31, 2024	89,915	1,202,745	719,679	2,012,339
Additional borrowings	—	721,964	—	721,964
Accrued interest	9,025	—	—	9,025
Interest and accretion expense	—	417,984	17,226	435,210
Principal repayments	(14,696)	(933,795)	(704,780)	(1,653,271)
Interest repayments	—	(407,582)	(17,226)	(424,808)
Effects of foreign exchange	8,243	(25,817)	(14,899)	(32,473)
Balance - September 30, 2025	92,487	975,499	—	1,067,986
Current	44,572	975,499	—	1,020,071
Non-current	47,915	—	—	47,915

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
[unaudited] [expressed in Canadian dollars, unless otherwise noted]

10. CONTINGENT CONSIDERATION

During the nine months ended September 30, 2025, the Company paid \$516,319 of the outstanding final contingent consideration of \$714,461 (42,502,158 INR).

The contingent consideration as at September 30, 2025:

	\$
Balance - December 31, 2023	1,029,912
Loss on remeasurement of contingent consideration	224,957
Payment of contingent consideration	(540,408)
Effects of foreign exchange	—
Balance - December 31, 2024	714,461
Payment of contingent consideration	(516,319)
Effects of foreign exchange	—
Balance - September 30, 2025	198,142
Current	198,142
Non-current	—

11. SHARE CAPITAL

	Common shares #	Share capital \$	Warrants #	Warrants \$	Compensation options #	Compensation options amount within share-based payment reserve \$
Balance, December 31, 2023	40,759,025	52,310,553	45,640,000	4,464,929	306,489	383,621
Issuance of common shares and warrants, net of issuance costs [b]	2,191,631	1,198,432	26,299,571	392,058	149,164	41,026
RSUs redeemed [a]	463,888	1,586,394	—	—	—	—
Compensation options and warrants expired	—	—	(15,640,000)	(424,049)	(165,192)	(186,804)
Balance, December 31, 2024	43,414,544	55,095,379	56,299,571	4,432,938	290,461	237,843
Issuance of common shares and warrants, net of issuance costs [d] [e]	7,165,556	1,691,309	64,490,001	414,362	241,767	51,681
RSUs redeemed [c]	1,323,610	863,866	—	—	—	—
Balance, September 30, 2025	51,903,710	57,650,554	120,789,572	4,847,300	532,228	289,524

[a] During the year ended December 31, 2024, 463,888 restricted share units were redeemed for 463,888 common shares.

[b] On January 26, 2024, the Company completed a non-brokered private placement and issued a total of 2,191,631 units at a price of \$0.07 per unit. The total gross proceeds from the issuance was \$1,840,970. Each Unit is comprised of one common share of the Company and one common share at a price of \$0.10 (a "10 Cent Warrant").

Each 10 Cent Warrant is exercisable to purchase one common share in the capital of the Company at a price of \$0.10 until January 26, 2026. The fair value of each 10 Cent Warrant is \$0.02 per warrant, calculated using the Black-Scholes options pricing model with a market price per common share of \$0.07 on the date of grant, a risk-free interest rate of 4.06%, an expected annualized volatility of 75.71% and expected dividend yield of 0%.

Total transaction costs consisted of \$37,584 in cash and issuance of 159,124 compensation options to the agents in connection with the transaction. Each compensation option is exercisable into one common share until January 26, 2026 at a price of \$0.10. Total fair value of the compensation options was determined to be \$41,026. The fair value of the compensation options was determined using the Black-Scholes options pricing model with a market price per common share of \$0.07 on the date of grant, a risk-free interest rate of 4.06%, an expected annualized volatility of 75.71% and expected dividend yield of 0%.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

[unaudited] [expressed in Canadian dollars, unless otherwise noted]

[c] During the nine months ended September 30, 2025, 1,323,610 restricted share units were redeemed for 1,323,610 common shares.

[d] On March 19, 2025, the Company completed a non-brokered private placement and issued a total of 5,082,222 units at a price of \$0.03 per unit. The total gross proceeds from the issuance was \$1,829,600. Each Unit is comprised of one common share of the Company and three-quarters of one common share purchase warrant exercisable at a price of \$0.06 (a "6 Cent Warrant").

Each 6 Cent Warrant is exercisable to purchase three-quarters of one common share in the capital of the Company at a price of \$0.06 until March 19, 2027. The fair value of each 6 Cent Warrant is \$0.01 per warrant, calculated using the Black-Scholes options pricing model with a market price per common share of \$0.03 on the date of grant, a risk-free interest rate of 2.61%, an expected annualized volatility of 102.96% and expected dividend yield of 0%.

Total transaction costs consisted of \$296,702 in cash and issuance of 159,124 compensation options to the agents in connection with the transaction. Each compensation option is exercisable into one common share until March 19, 2027 at a price of \$0.06. Total fair value of the compensation options was determined to be \$21,929 using the Black-Scholes options pricing model with a market price per common share of \$0.03 on the date of grant, a risk-free interest rate of 2.61%, an expected annualized volatility of 102.96% and expected dividend yield of 0%.

[e] On September 12, 2025, the Company completed a non-brokered private placement and issued a total of 2,083,334 units at a price of \$0.03 per unit. The total gross proceeds from the issuance was \$750,000. Each Unit is comprised of one common share of the Company and three-quarters of one common share purchase warrant exercisable at a price of \$0.06 (a "6 Cent Warrant").

Each 6 Cent Warrant is exercisable to purchase three-quarters of one common share in the capital of the Company at a price of \$0.06 until September 12, 2027. The fair value of each 6 Cent Warrant is \$0.01 per warrant, calculated using the Black-Scholes options pricing model with a market price per common share of \$0.03 on the date of grant, a risk-free interest rate of 2.50%, an expected annualized volatility of 108.67% and expected dividend yield of 0%.

Total transaction costs consisted of \$201,132 in cash and issuance of 82,643 compensation options to the agents in connection with the transaction. Each compensation option is exercisable into one unit until September 12, 2027 at a price of \$0.06. Total fair value of the compensation options was determined to be \$29,751 using the Black-Scholes options pricing model with a market price per common share of \$0.03 on the date of grant, a risk-free interest rate of 2.50%, an expected annualized volatility of 108.67% and expected dividend yield of 0%.

The following is a summary of the Company's warrants outstanding as at September 30, 2025:

Expiry Date	Exercise Price	Number Outstanding
	\$	#
October 19, 2025	0.10	2,500,000
January 26, 2026	0.10	2,191,631
March 19, 2027	0.06	2,858,750
September 12, 2027	0.06	1,171,875
	0.08	8,722,256

The following is a summary of the Company's warrants outstanding as at December 31, 2024:

Expiry Date	Exercise Price	Number Outstanding
	\$	#
October 19, 2025	0.10	2,500,000
January 26 2025	0.10	2,191,631
	0.10	4,691,631

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
[unaudited] [expressed in Canadian dollars, unless otherwise noted]

The following is a summary of the Company's compensation options outstanding as at September 30, 2025:

Expiry Date	Exercise Price	Number Outstanding
	\$	#
October 19, 2025	0.10	141,297
January 26, 2026	0.10	149,164
March 19, 2027	0.06	159,124
September 12, 2027*	0.06	82,643
	0.08	532,228

* The 82,643 compensation options issued on September 12, 2025 are exercisable into units, with each unit consisting of one common share and one 6 Cent Warrant, exercisable at \$0.06 until September 12, 2027.

The following is a summary of the Company's compensation options outstanding as at December 31, 2024:

Expiry Date	Exercise Price	Number Outstanding
	\$	#
October 19, 2025	0.10	141,297
January 26 2025	0.10	149,164
	0.10	290,461

12. SHARE-BASED COMPENSATION

The Company has established a share option plan and restricted share unit ("RSU") plan for directors, officers, employees, and consultants of the Company. The Company's Board of Directors determines, among other things, the eligibility of individuals to participate in these plans and the term, vesting periods, and the exercise price of share options granted to individuals under the share option plan.

Each share option converts into one common share of the Company on exercise and on receipt of exercise price. Each RSU converts into one common share of the Company on the date of vesting at \$nil exercise price. Share options may be exercised at any time from the date of vesting to the date of their expiry.

[i] Share options

Changes in the number of share options during the period ended September 30, 2025:

	Number of options	Weighted average
	#	exercise price
		\$
Outstanding as at December 31, 2023	3,444,842	0.18
Granted	59,167	0.04
Forfeited	(27,447)	0.12
Expired	(387,152)	0.07
Outstanding as at December 31, 2024	3,089,409	0.19
Forfeited	(10,417)	0.18
Expired	(635,242)	0.05
Outstanding as at September 30, 2025	2,443,750	0.19
Excercisble as at September 30, 2025	2,140,746	0.24

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
[unaudited] [expressed in Canadian dollars, unless otherwise noted]

The following table is a summary of the Company's share options outstanding as at September 30, 2025:

Options outstanding			Options exercisable		
Exercise price	Number outstanding	Weighted average remaining contractual life [years]	Exercise price	Number exercisable	
\$	#	#	\$	#	
0.04	59,167	3.84	0.04	17,262	
0.13	686,667	2.28	0.13	457,763	
0.18	362,500	0.32	0.18	362,500	
0.21	145,833	1.52	0.21	124,541	
0.28	285,417	1.15	0.28	274,514	
0.30	712,500	0.42	0.30	712,500	
0.36	166,666	0.70	0.36	166,666	
0.37	25,000	0.66	0.37	25,000	
0.19	2,443,750	1.18	0.24	2,140,746	

The following table is a summary of the Company's share options outstanding as at December 31, 2024:

Options outstanding			Options exercisable		
Exercise price	Number outstanding	Weighted average remaining contractual life [years]	Exercise price	Number exercisable	
\$	#	#	\$	#	
0.04	59,167	4.84	0.04	6,169	
0.05	635,242	0.83	0.05	635,242	
0.13	690,833	3.28	0.13	331,014	
0.18	362,500	1.32	0.18	354,948	
0.21	152,083	2.52	0.21	101,368	
0.28	285,417	2.15	0.28	225,288	
0.30	712,500	1.42	0.30	682,594	
0.36	166,667	1.70	0.36	145,838	
0.37	25,000	1.66	0.37	22,396	
0.19	3,089,409	1.90	0.19	2,504,858	

[ii] RSUs

Changes in the number of RSUs during the period ended September 30, 2025 were as follows:

	Number of RSUs	Number exercisable
	#	#
Outstanding as at December 31, 2023	647,222	—
Vested	—	463,889
Granted	1,291,667	—
Redeemed	(463,889)	(463,889)
Outstanding as at December 31, 2024	1,475,000	—
Vested	—	1,323,610
Redeemed	(1,323,610)	(1,323,610)
Outstanding as at September 30, 2025	151,390	—

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

[unaudited] [expressed in Canadian dollars, unless otherwise noted]

During the periods ended September 30, 2025 and December 31, 2024, the Company recognized the share-based compensation expense associated with share options, RSUs issued under the share options and RSU plans and subsidiary shares to the Company Officer as follows:

For the three and nine months ended September 30,	2025	2024	2025	2024
	\$	\$	\$	\$
Share options	17,966	114,336	79,582	436,196
RSUs	24,252	175,870	211,603	288,459
Subsidiary shares to related party	—	—	59,319	—
Share-based compensation expense	42,218	290,206	350,504	724,655

13. NON-CONTROLLING INTEREST

The Company has an 88% (December 31, 2024 – 88%) ownership interest in QYOU India, an 68% (December 31, 2024 – 81%) ownership interest in Chatterbox and an 51% (December 31, 2024 – 51%) ownership interest in Maxamtech.

Reconciliation of non-controlling interest is as follows:

	QYOU India	Maxamtech	Chatterbox	Total
	\$	\$	\$	\$
Balance - December 31, 2023	(755,197)	(164,072)	—	(919,269)
Share of net loss for the period	(490,604)	(1,176,263)	—	(1,666,867)
Divestiture of Chatterbox Shares	—	—	1,568,037	1,568,037
Balance - December 31, 2024	(1,245,801)	(1,340,335)	1,568,037	(1,018,099)
Share of net income (loss) for the period	(218,733)	(2,967)	268,294	46,594
Divestiture of Chatterbox Shares	—	—	1,081,910	1,081,910
Balance - September 30, 2025	(1,464,534)	(1,343,302)	2,918,241	110,405

The following is a summary of the stand-alone financial results for QYou India, Maxamtech and Chatterbox:

	As at September 30, 2025			As at December 31, 2024		
	QYOU India	Maxamtech	Chatterbox	QYOU India	Maxamtech	Chatterbox
	\$	\$	\$	\$	\$	\$
Current assets	500,383	142,589	8,339,819	2,286,878	158,813	4,033,439
Non-current assets	20,973	15,352	765,931	548,074	942,844	109,355
Current liabilities	882,691	302,969	3,427,502	2,096,369	324,582	2,279,678
Non-Current liabilities	—	—	72,552	—	—	41,592
Revenue (three months ended)	—	—	3,281,672	1,456,676	60,809	—
Revenue (nine months ended)	364,094	—	7,851,224	2,864,922	313,009	—
Net profit (loss) (three months ended)	4,231	—	636,382	(1,560,872)	(314,393)	—
Net profit (loss) (nine months ended)	(1,376,826)	(5,994)	780,354	(2,299,187)	(1,006,802)	—

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
[unaudited] [expressed in Canadian dollars, unless otherwise noted]

14. DISCONTINUED OPERATIONS

QYOU India Channel Business

On March 31, 2025, the Company sold its QYOU India Channel Business, and the results of operations have been classified separately as discontinued operations.

Net loss from discontinued operations are as follows:

For the three and nine months months ended September 30,	2025	2024	2025	2024
	\$	\$	\$	\$
REVENUE	—	1,015,302	364,094	3,880,224
OPERATING EXPENSES				
Content and productions costs	(52,220)	1,055,887	991,086	3,405,404
Sales and marketing	—	(191,315)	(45,927)	-69,940
Legal and consulting	6,085	17,329	6,713	49,026
Salaries and benefits	—	1,039,547	463,172	1,710,527
General and administrative	41,001	190,799	138,430	317,729
Depreciation and amortization	560	295,096	201,143	988,250
Foreign exchange loss	—	26,438	16,848	9,235
Interest and other expense	343	25,056	(30,545)	18,439
Total operating expenses	(4,231)	2,458,837	1,740,920	6,428,670
Loss before income taxes	4,231	(1,443,535)	(1,376,826)	(2,548,446)
Income tax expense	—	—	—	12,037
NET LOSS FROM DISCONTINUED OPERATIONS	4,231	(1,443,535)	(1,376,826)	(2,560,483)

The effect of the disposal of the Channel Business as at September 30, 2025 is as follows:

	\$
Sale Consideration	755,981
Trade receivables	(256,429)
Other receivables	(838,157)
Property and equipment	(18,509)
Capitalized programming asset	(307,999)
Less: Assets disposed	(1,421,094)
Trade and other payables	882,142
Liabilities derecognized	882,142
Net assets disposed	(538,952)
Gain from sale of business	217,029

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

[unaudited] [expressed in Canadian dollars, unless otherwise noted]

During the nine months ended September 30, 2025, the Company received \$512,293 of the total sale consideration of \$755,981. As at September 30, 2025, the remaining balance of \$246,688 is outstanding and is included in other receivables.

Net cash flows used in discontinued operations are as follows:

For the nine months ended September 30,	2025	2024
	\$	\$
Cash used in operating activities	(1,177,231)	(1,324,295)
Cash used in investing activities	—	—
Cash from (used in) financing activities	—	—
Cash used in discontinued operations	(1,177,231)	(1,324,295)

Maxamtech

During the year ended December 31, 2024, the Company discontinued the operations of Maxamtech. The subsidiary was not sold nor classified as held for sale. Rather, the operations were formally ceased during the year as part of the Company's strategic realignment. Consequently, information presented for discontinued operations in 2024 includes results from January 1, 2024 to December 31, 2024 only.

Net loss from discontinued operations are as follows:

For the three and nine months months ended September 30,	2025	2024	2025	2024
	\$	\$	\$	\$
REVENUE	—	15,392	—	328,402
OPERATING EXPENSES				
Content and productions costs	—	4,721	—	(104,450)
Sales and marketing	—	45,513	—	948,685
Legal and consulting	—	—	—	3,664
Salaries and benefits	—	172,856	5,363	473,726
General and administrative	—	68,785	631	(10,056)
Depreciation and amortization	—	60,205	—	168,295
Foreign exchange loss	—	70,397	—	70,408
Interest and other expense	—	(34,781)	—	12,165
Total operating expenses	—	387,696	5,994	1,562,437
Loss before income taxes	—	(372,304)	(5,994)	(1,234,035)
Income tax expense	—	—	—	—
NET LOSS FROM DISCONTINUED OPERATIONS	—	(372,304)	(5,994)	(1,234,035)
COMPREHENSIVE LOSS	—	(372,304)	(5,994)	(1,234,035)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

[unaudited] [expressed in Canadian dollars, unless otherwise noted]

Net cash flows used in discontinued operations are as follows:

For the nine months ended September 30,	2025	2024
	\$	\$
Cash used in operating activities	(5,994)	(1,234,035)
Cash used in investing activities	—	—
Cash from (used in) financing activities	—	—
Cash used in discontinued operations	(5,994)	(1,234,035)

15. SEGMENT INFORMATION

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, with appropriate aggregation. The chief operating decision maker is the CEO who is responsible for allocating resources, assessing the performance of the reportable segment and making key strategic decisions. The Company operates in a single segment, being the distribution of curated media content. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Company operates in three geographical areas, being Canada, United States of America, and India. Revenue and assets by geography are presented below:

As at and for three and nine months ended September, 2025

	Canada	USA	India	Total
Revenue (three months ending September 30, 2025)	201,782	6,132,086	3,281,672	9,615,540
Revenue (nine months ending September 30, 2025)	201,782	13,002,590	7,851,224	21,055,596
Current assets	349,029	5,713,198	8,982,791	15,045,018
Non-current assets	41,600	24,421	802,256	868,277

As at and for three and nine months ended September 30, 2024

	Canada	USA	India	Total
Revenue (three months ending September 30, 2024)	7,605	4,042,816	2,637,399	6,687,820
Revenue (nine months ending September 30, 2024)	94,712	13,467,632	6,452,090	20,014,434
Current assets	149,438	4,383,185	5,368,442	9,901,065
Non-current assets	2,353,795	25,664	645,871	3,025,330

As at September 30, 2025, one customer (September 30, 2024 - one customer) represented 10% or more of total revenue. As at September 30, 2025, one customer generated \$4,246,533 or 20% of total revenue (September 30, 2024 – two customers generated \$6,415,598 or 26%) and had outstanding \$1,472,629 or 21% of total account receivables (September 30, 2024 – two customers had outstanding \$2,151,779 or 33%).

16. CONTINGENCIES

In the ordinary course of business, from time to time the Company is involved in various claims related to operations, rights, commercial, employment or other claims. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to these claims to be material to these financial statements.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

[unaudited] [expressed in Canadian dollars, unless otherwise noted]

17. RELATED PARTY TRANSACTIONS

Key management personnel and directors include the Company's CEO, CFO, executives and members of the Board of Directors. The compensation paid or payable to key management and directors comprised of the following:

For the nine months ended September 30,	2025	2024
	\$	\$
Salaries, benefits, commissions and consulting fees	2,534,107	2,141,729
Share-based payments	167,583	297,430
	2,701,690	2,439,159

Included in trade and other payables is \$315,963 (September 30, 2024 - \$220,020) owing to executives for bonuses, expense reimbursement and sales commissions. The amounts owing to the executives are unsecured, non-interest bearing and due on demand.

18. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company performs credit checks for all significant customers who wish to trade on credit terms. As at September 30, 2025, one customer represented 21% (December 31, 2024 – 2 customers represented 31%) of the outstanding trade receivable balance. As at September 30, 2025, the Company recorded a provision of \$104,752 for expected credit loss (December 31, 2024 - \$251,619).

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

The aging of trade receivables is as follows:

	September 30, 2025	December 31, 2024
	\$	\$
Current	3,482,184	2,670,017
31 to 60 days	1,360,234	1,750,204
61 to 90 days	1,166,081	1,370,425
> 90 days	1,007,205	1,177,104
	7,015,704	6,967,750
Less: credit loss impairment	104,752	251,619
Total trade receivables	6,910,952	6,716,131

The movement in the allowance of impairment of trade receivables during the period is as follows:

	\$
As at December 31, 2023	116,143
Net remeasurement of loss allowance	135,476
As at December 31, 2024	251,619
Net remeasurement of loss allowance	(146,867)
As at September 30, 2025	104,752

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
[unaudited] [expressed in Canadian dollars, unless otherwise noted]

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 exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by managing working capital, cash flows and the issuance of share capital.

The Company is obligated to the following contractual maturities of undiscounted cash flows as of September 30, 2025:

	Carrying amount	Total contractual cash flows			
		Year 1	Year 2 - 4	Year 5 and beyond	
	\$	\$	\$	\$	\$
Trade and other payables	10,730,928	10,730,928	10,730,928	—	—
Lease liabilities	52,732	91,724	72,653	19,071	—
Contingent consideration	198,142	198,142	198,142	—	—
Borrowings	1,067,987	1,067,987	975,499	47,276	45,212

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's primary exposure with respect to foreign currencies is from USD and Indian Rupee denominated cash and other payables. A 1% change in the foreign exchange rates would change the valuation of foreign currency denominated cash and other payable as at September 30, 2025 by approximately \$14,500 (December 31, 2024 – approximately \$8,000).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to cash flow interest rate risk as at September 30, 2025 (December 31, 2024 – no significant impact with a 1% change).

19. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' deficiency. The Company's objectives when managing capital are to build liquidity and shareholders' equity to ensure that strategic objectives are met. The Company makes every attempt to manage its liquidity to minimize shareholder dilution when possible.

The Company policy on dividends is to retain cash to keep funds available to finance operations and growth. Capital structure is managed within guidelines approved by the Board of Directors. The Company makes adjustments to its capital structure based on changes in economic conditions and planned requirements. The Company has the ability to adjust its capital structure by issuing new equity or debt.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

[unaudited] [expressed in Canadian dollars, unless otherwise noted]

20. SUBSEQUENT EVENTS

In October 2025, Chatterbox Technologies Ltd. completed its initial public offering on the BSE Limited SME platform following final approval of the Draft Red Herring Prospectus from the Registrar of Companies and the exchange. The Company received IPO proceeds of \$2,275,080 on September 25, 2025, and the listing was completed on October 3, 2025.

The IPO proceeds of \$2,275,080 received in advance of the listing did not represent a liability requiring settlement in cash. Subsequent to the period, the balance was reclassified to equity as part of non-controlling interests ("NCI") on completion of the IPO. The Company remains the majority shareholder of Chatterbox and will continue to consolidate Chatterbox in its financial statements.