**ADVANTEX MARKETING INTERNATIONAL INC.**
**CONSOLIDATED FINANCIAL STATEMENTS**
**For the three and nine months ended March 31, 2026**

The accompanying consolidated financial statements have been prepared by management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these consolidated financial statements and other sections of this report.

An auditor has not performed a review of these consolidated financial statements.

**Advantex Marketing International Inc.**
**Consolidated Statements of Financial Position (unaudited)**
**(expressed in Canadian dollars)**

| | Note | March 31, 2026 $ | June 30, 2025 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash | | $ 142,006 | $ 96,249 |
| Accounts receivable | | 275,036 | 227,314 |
| Transaction credits | 5 | 9,361,416 | 7,873,292 |
| Prepaid expenses and sundry assets | | 6,416 | 6,416 |
| **Total assets** | | **$ 9,784,874** | **$ 8,203,271** |
| | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Loan payable | 6 | $ 8,995,198 | $ 7,356,396 |
| CEBA | 16 | 66,750 | $ 64,500 |
| 12% non-convertible debentures payable | 8 | 38,603 | 17,718 |
| Accounts payable and accrued liabilities | | 4,004,725 | 3,706,331 |
| | | **$ 13,105,276** | **$ 11,144,945** |
| **Non-current liabilities** | | | |
| 9% non-convertible debentures payable | 7 | $ 14,056,227 | $ 12,691,143 |
| 12% non-convertible debentures payable | 8 | 680,938 | 663,361 |
| Deferred fair value adjustment on 12% non-convertible debentures payable | 8 | 18,153 | 19,410 |
| | | **$ 14,755,318** | **$ 13,373,914** |
| **Total liabilities** | | **$ 27,860,594** | **$ 24,518,859** |
| | | | |
| **Shareholders' deficiency** | | | |
| Share capital | 9 | $ 24,530,555 | $ 24,530,555 |
| Contributed surplus | | 9,626,405 | 9,626,405 |
| Accumulated other comprehensive loss | | (47,383) | (47,383) |
| Deficit | | (52,185,297) | (50,425,165) |
| **Total deficiency** | | **$ (18,075,720)** | **$ (16,315,588)** |
| | | | |
| **Total liabilities and deficiency** | | **$ 9,784,874** | **$ 8,203,271** |

**Going concern (note 2) and Commitments and contingencies (note 12)**

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

**Approved by the Board**

**Director:** Signed "Marc Levine"
Marc Levine

**Director:** Signed "Kelly Ambrose"
Kelly Ambrose

**Advantex Marketing International Inc.**
**Consolidated Statements of Loss and Comprehensive Loss (unaudited)**
**For the three and nine months ended March 31, 2026 and 2025**
**(expressed in Canadian dollars)**

| | Note | Three months ended March 31, 2026 $ | 2025 $ | Nine months ended March 31, 2026 $ | 2025 $ |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Marketing activities | 15 | $ 717,298 | $ 535,845 | $ 1,808,335 | $ 1,319,968 |
| Interest income | 15 | 845,738 | 516,343 | 2,287,004 | 1,655,362 |
| | | **1,563,036** | **1,052,188** | **4,095,339** | **2,975,330** |
| Direct expenses | 14 | 749,152 | 294,709 | 1,826,865 | 797,399 |
| **Income from operations after direct expenses** | | 813,884 | 757,479 | 2,268,474 | 2,177,931 |
| **Operating expenses** | | | | | |
| Selling and marketing | 14 | 158,388 | 118,467 | 465,234 | 358,026 |
| General and administrative | 14 | 511,350 | 312,340 | 1,325,121 | 916,031 |
| **Income (Loss) from operations before cash and non-cash interest expenses** | | **144,146** | **326,672** | **478,119** | **903,874** |
| *Stated interest expense:* | | | | | |
| Loan payable | 6 | 304,310 | 201,852 | 791,593 | 597,525 |
| 9% non-convertible debentures | 7 | 239,078 | 239,078 | 717,233 | 717,233 |
| 12% non-convertible debentures | 8 | 21,000 | 21,000 | 63,000 | 63,000 |
| CEBA | 16 | 750 | 750 | 2,250 | 2,250 |
| *Non-cash interest expense:* | | | | | |
| Accretion charges, restructuring bonus and amortization of transaction costs related to 9% non-convertible debentures payable | 7 | - | 308,879 | 647,806 | 900,856 |
| Amortization of transaction costs related to 12% non-convertible debentures | 8 | 5,457 | 5,457 | 16,369 | 16,369 |
| Accretion charges related to 12% non-convertible debentures payable | 8 | - | 18,415 | 1,257 | 54,482 |
| Accretion of deferred gain related to 12% non-convertible debentures payable | 8 | - | (18,415) | (1,257) | (54,482) |
| **Net (loss) and comprehensive (loss)** | | **$ (426,449)** | **$ (450,344)** | **$ (1,760,132)** | **$ (1,393,359)** |
| **(Loss) per share** | | | | | |
| Basic and Diluted | 13 | **$ (0.00)** | **$ (0.00)** | **$ (0.00)** | **$ (0.00)** |

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

**Advantex Marketing International Inc.**
**Consolidated Statements of Changes in Shareholders' Deficiency (unaudited)**
**For the three and nine months ended March 31, 2026 and 2025**
**(expressed in Canadian dollars)**

| | Class A preference shares $ | Common shares $ | Contributed surplus $ | Accumulated other comprehensive loss $ | Deficit $ | Total $ |
|---|---|---|---|---|---|---|
| **Balance - July 1, 2024** | **$ 3,815** | **$ 24,526,740** | **$ 8,982,809** | **$ (47,383)** | **$(47,799,367)** | **$(14,333,386)** |
| Net (loss) and comprehensive (loss) | - | - | - | - | (1,393,359) | (1,393,359) |
| **Balance - March 31, 2025** | **$ 3,815** | **$ 24,526,740** | **$ 8,982,809** | **$ (47,383)** | **$(49,192,726)** | **$(15,726,745)** |
| **Balance - July 1, 2025** | **$ 3,815** | **$ 24,526,740** | **$ 9,626,405** | **$ (47,383)** | **$(50,425,165)** | **$(16,315,588)** |
| Net (loss) and comprehensive (loss) | - | - | - | - | (1,760,132) | (1,760,132) |
| **Balance - March 31, 2026** | **$ 3,815** | **$ 24,526,740** | **$ 9,626,405** | **$ (47,383)** | **$(52,185,297)** | **$(18,075,720)** |

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

**Advantex Marketing International Inc.**
**Consolidated Statements of Cash Flow (unaudited)**
**For the nine months ended March 31, 2026 and 2025**
**(expressed in Canadian dollars)**

| | Note | March 31, 2026 $ | March 31, 2025 $ |
|---|---|---|---|
| **Operational activities** | | | |
| Net (loss) for the period | | $ (1,760,132) | $ (1,393,359) |
| Adjustments for: | | | |
| Accrued and unpaid 9% non-convertible debentures payable interest - current and non-current payable | 7 | 717,233 | 717,233 |
| Accrued and unpaid 12% non-convertible debentures payable interest - current payable | 8 | 63,000 | 63,000 |
| Accrued interest for CEBA | 16 | 2,250 | 2,250 |
| Accretion charge - 9% non-convertible debentures payable | 7 | 587,722 | 795,730 |
| Restructuring bonus - 9% non-convertible debentures payable | 7 | 56,608 | 84,912 |
| Amortization of transaction costs - 9% non-convertible debentures payable | 7 | 3,476 | 20,214 |
| Amortization of transaction costs - 12% non-convertible debentures payable | 8 | 16,369 | 16,369 |
| Accretion charges related to 12% non-convertible debentures payable | 8 | 1,257 | 54,482 |
| Accretion of deferred gain related to 12% non-convertible debentures payable | 8 | (1,257) | (54,482) |
| | | (313,474) | 306,349 |
| Changes in items of working capital: | | | |
| Accounts receivable | | (47,722) | 99,888 |
| Transaction credits | | (1,488,124) | (2,953,764) |
| Prepaid expenses and sundry assets | | - | (13,389) |
| Accounts payable and accrued liabilities | | 298,390 | 231,120 |
| | | (1,237,456) | (2,636,145) |
| **Net cash generated (used) - operating activities** | | **$ (1,550,930)** | **$ (2,329,796)** |
| **Financing activities** | | | |
| Payment of interest - 12% non-convertible debentures payable | | (42,115) | (42,000) |
| Proceeds of loan payable | 6 | 11,699,291 | 11,698,200 |
| (Repayment) of loan payable | 6 | (10,060,489) | (9,327,730) |
| **Net cash generated (used) - financing activities** | | **$ 1,596,687** | **$ 2,328,470** |
| **Increase/(Decrease) in cash during the period** | | **$ 45,757** | **$ (1,326)** |
| Cash at beginning of the period | | 96,249 | 58,029 |
| **Cash at end of the period** | | **$ 142,006** | **$ 56,703** |
| **Additional information** | | | |
| Interest paid | | $ 791,593 | $ 597,525 |

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

## 1 General information

Advantex Marketing International Inc. and its subsidiaries (together "the Company" or "Advantex") is a public company with common shares listed on the Canadian Securities Exchange (trading symbol ADX).

During periods ended March 31, 2026 and 2025 the Company's core business was its merchant cash advance ("MCA") program. Under this program, the Company provides merchants with working capital through the pre-purchase, at a discount, of merchants' future cash flows.

The Company also has an agreement with Aeroplan Inc. owned by Air Canada ("AC") to operate as a re-seller of aeroplan points to merchants. Aeroplan members are eligible to earn aeroplan points on purchases at merchants who acquire aeroplan points from the Company. The current term of the agreement ends August 31, 2028. The agreement can be terminated by AC under certain conditions during its term.

The Company's segment reporting is provided in note 15.

Advantex is incorporated and domiciled in Canada. The address of its registered office is 100 King Street West, Suite 1600, Toronto, Ontario, M5X 1G5.

## 2 Going concern

These consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern, which contemplates that the Company will be able to realize its assets and settle its liabilities as they come due during the normal course of operations for the foreseeable future. When a company is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity is required to disclose those uncertainties.

The Company has a shareholders' deficiency of $18,075,720. Tariffs and recurring inflationary environment have created an uncertain economic environment. More so for small independent businesses operating in the hospitality segment, especially restaurants. The Company's customers are primarily small independent restaurants. Consequently, there is uncertainty surrounding the Company's ability in the foreseeable future to generate cash flows sufficient to meet its operational needs and meet its obligations on due dates. Failure to meet obligations on due dates may lead to company being unable to continue operations due to: denial by suppliers of products and services; loss of access to a) loan payable (note 6) which supports the Company's merchant cash advance program, and b) general working capital provided by 9% 2025 debentures (note 7) and 12% debentures (note 8); and inability to access alternative economically viable sources to replace existing capital. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments or disclosures that may result from the Company's ability to continue as a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, adjustments may be necessary in the carrying values of assets and liabilities and the reported expenses and balance sheet classifications; and such adjustments could be material.

## 3 Basis of preparation

These interim consolidated financial statements have been prepared in in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

These interim consolidated financial statements do not include all the information and notes required by IFRS for annual financial statements and therefore, should be read in conjunction with the audited consolidated financial statements and notes for the Company's year ended June 30, 2025, which are available on SEDAR at www.sedar.com.

These interim consolidated financial statements and related notes have been reviewed by the Company's audit committee and approved by the Company's Board of directors on May 6, 2026.

## 4 Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Details of accounting policies are available in note 3 to the audited consolidated financial statements for year ended June 30, 2025.

## 5 Transaction credits

Under the merchant cash advance ("MCA") program the Company provides merchants with working capital through the pre-purchase, at a discount, of merchants' future cash flows.

Under the MCA product, the Company acquires the rights to receive future cash flows, associated with future business activity, at a discount from participating establishments ("transaction credits"). Under the MCA program the transaction credits are estimated to be fully extinguishable within 365 days. Until these transaction credits have been extinguished through collections from participating merchants there is a credit risk.

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The Company, in the normal course of business, is exposed to credit risk on its transaction credits from customers.

Transaction credits are net of applicable allowance, which is established based on specific credit risk associated with the customer and other relevant information.

The evaluation of collectability of transaction credits is done on an individual customer basis. For specifically identified transaction credit balances that are impaired an expected loss is estimated. The amount of the estimates is determined based on the status of the customer and the Company's historical experience on recoveries.

During period ended March 31, 2026 and 2025 the economic uncertainties were the result of tariffs and the recurrence of high inflationary environment. For both periods, the Company estimated loss for level 1 transaction credits based on historical loss rate.

The historical loss rate is based on the losses experienced over a rolling seven-year period.

The Company collects its dues through pre-authorized debits. The Company's past experience is that recurring rejections of payments by a merchant – unless due to administration or clerical oversight and rapidly rectified - is the likely indication of the merchant not being able to operate, pay the Company's dues leading to a credit loss. The risk management processes of the Company in determining the expected credit losses review: a) the unimpaired portfolio for merchants with recurring rejections, b) reason(s) for the rejection(s) and the timeline within which satisfactorily resolved, c) location of the merchant and number of years in business, and d) likelihood of continuation of business for the period until the dues are paid to the Company.

Recoveries are only recorded when objective verifiable evidence supports the change in the original provision.

The maximum exposure to credit risk with respect to transaction credits is the net balance of the transaction credits.

The transaction credit balances, and the related allowance is as follows:

| | March 31, 2026 $ | June 30, 2025 $ |
|---|---|---|
| Transaction credits | $ 11,487,779 | $ 9,293,673 |
| Accounts receivable | 275,036 | 227,314 |
| Allowance | (2,126,363) | (1,420,381) |
| **Per Consolidated statement of financial position** | **$ 9,636,452** | **$ 8,100,606** |
| **Maximum exposure to credit risk** | **$ 9,636,452** | **$ 8,100,606** |

The transaction credits that are considered impaired and the related allowance is as follows:

| | March 31, 2026 $ | June 30, 2025 $ |
|---|---|---|
| Impaired transaction credits | $ 1,843,518 | $ 1,141,046 |
| Allowance | (1,843,518) | (1,141,046) |
| **Impaired transaction credits not allowed for** | **$ -** | **$ -** |
| | | |
| The Company carries an allowance towards transaction credits based on the historical loss ratio | $ 299,119 | $ 279,335 |

Movement on allowance for impaired transaction credits:

| | March 31, 2026 $ | June 30, 2025 $ |
|---|---|---|
| **Balance, beginning** | **$ 1,420,381** | **$ 1,270,633** |
| Allowance created/(released) during the period | 705,983 | 149,748 |
| **Balance, ending** | **$ 2,126,363** | **$ 1,420,381** |

## 6 Loan payable

| | March 31, 2026 $ | June 30, 2025 $ |
|---|---|---|
| **Balance at beginning of period** | **$ 7,356,396** | **$ 5,147,161** |
| (Decrease)/Increase in borrowing | 1,638,802 | 2,209,235 |
| **Balance at end of period** | **$ 8,995,198** | **$ 7,356,396** |

The Loan payable is a line of credit facility provided by Accord Financial Inc. ("Accord") and was established in December 2007. The loan payable has a facility limit of $9.35 million and is only available to the Company for acquisition of transaction credits. As security, Accord has first charge to all amounts due from establishments funded from the loan payable.

The agreement with Accord is subject to automatic renewal after July 31, 2024 for periods of one year unless terminated by either party by giving 180 days written notice prior to end of the term. During the quarter, Accord provided notice to terminate the agreement as of July 31, 2026.

The loan payable is repayable on demand to Accord.

On October 10, 2025, the Advantex Dining Corporation ("ADC"), a wholly owned subsidiary of the Company entered into a Receivables Purchase Agreement ("RPA") with a new funder (the "Funder"). Based on the RPA, ADC can originate up to $20 million in small business financing, with potential for future growth. Under the terms of the RPA, ADC will originate the small business advances and sell the rights to these receivables to the Funder. ADC will act as the servicer of the advances and will earn a servicing fee along with an opportunity to share in the revenue generated from the advances based on their performance.

The interest cost during the three and nine month periods ended March 31, 2026 and 2025 was $304,310 and $791,593, respectively (period ended March 31, 2025 and 2024 was $201,852 and $597,525, respectively).

## 7 9% Non-convertible debentures payable

On December 16, 2025, the Company received agreement of the debenture holders to extend the maturity date to December 31, 2027 and re-set the financial covenants at December 31, 2025. The Company was in compliance with the re-set financial covenants at March 31, 2026.

If the Company were to breach a financial covenant or were unable to pay its debts as they came due, it would be in default under the 9% 2025 debentures agreement and, as a result, the 9% 2025 debentures holders would have the right to waive the event of default, demand immediate payment of the 9% 2025 debentures in full or modify the terms and conditions of the 9% 2025 debentures including key terms such as repayment terms, interest rates and security. If the Company is unable to secure alternative financing to repay the 9% 2025 debentures in the event that the debenture holders demand immediate payment, the 9% 2025 debentures holders would have the right to realize upon a part or all of the security held by them.

The principal amount of issued and outstanding 9% 2025 at March 31, 2026 is $7,759,000 (at March 31, 2025 - $7,759,000).

Movement on 9% 2025 debentures is tabulated hereunder:

| | Debt portion | Accrued and Unpaid interest | Total |
|---|---|---|---|
| | $ | $ | $ |
| **Balance at June 30, 2024** | **$ 7,574,355** | **$ 2,770,188** | **$ 10,344,543** |
| Accretion charge for the period | 795,730 | - | 795,730 |
| Restructuring bonus for the period | 84,912 | - | 84,912 |
| Amortization of transaction costs for the period | 20,214 | - | 20,214 |
| Interest for the period | - | 717,233 | 717,233 |
| **Balance at March 31, 2025** | **$ 8,475,211** | **$ 3,487,421** | **$ 11,962,632** |
| | | | |
| **Balance at June 30, 2025** | **$ 8,964,645** | **$ 3,726,498** | **$ 12,691,143** |
| Accretion charge for the period | 587,722 | - | 587,722 |
| Restructuring bonus for the period | 56,608 | - | 56,608 |
| Amortization of transaction costs for the period | 3,521 | - | 3,521 |
| Interest for the period | - | 717,233 | 717,233 |
| **Balance at March 31, 2026** | **$ 9,612,496** | **$ 4,443,731** | **$ 14,056,227** |

| | Current liability | Non-current liability | Total |
|---|---|---|---|
| Period ended March 31, 2026 | $ - | $ 14,056,227 | $ 14,056,227 |
| Period ended March 31, 2025 | $ 1,353,887 | $ 10,608,745 | $ 11,962,632 |

Stated interest, accretion charge and restructuring bonus are as follows:

| Nine months ended March 31, 2026 | | | Nine months ended March 31, 2025 | | |
|---|---|---|---|---|---|
| Stated interest | Accretion charge | Restructuring bonus | Stated interest | Accretion charge | Restructuring bonus |
| $ | $ | $ | $ | $ | $ |
| 717,233 | 587,722 | 56,608 | 717,233 | 795,730 | 84,912 |
| **$ 717,233** | **$ 587,722** | **$ 56,608** | **$ 717,233** | **$ 795,730** | **$ 84,912** |

## 8 12% Non-convertible debentures payable

The 12% debentures bear interest at 12% per annum payable semi-annually, mature October 10, 2026, and rank pari passu on security with the 9% 2025 debentures. There was no issuance of common shares of the Company to the purchaser of 12% debentures. This transaction was with a non-related party which is at arm's length with the Company. The Company secured the requisite approval of 9% 2025 debentures to issue the 12% debentures.

Movement on 12% debentures is tabulated below:

| *Series 1* | Debt $ | Accrued and unpaid interest $ | Deferred fair value adjustment $ | Total $ |
|---|---|---|---|---|
| **Balance at June 30, 2024** | **$ 378,644** | **$ 10,423** | **$ (54,516)** | **$ 334,551** |
| Amortization of transaction costs for the period | 6,386 | - | - | 6,386 |
| Interest for the period | - | 36,000 | - | 36,000 |
| Interest for the period | - | (24,000) | - | (24,000) |
| Fair value adjustment - accretion | - | - | 31,012 | 31,012 |
| **Balance at March 31, 2025** | **$ 385,030** | **$ 22,423** | **$ (23,504)** | **$ 383,949** |
| **Balance at June 30, 2025** | **$ 387,159** | **$ 10,489** | **$ (12,600)** | **$ 385,048** |
| Amortization of transaction costs for the period | 6,386 | - | - | 6,386 |
| Interest for the period | - | 36,000 | - | 36,000 |
| Interest for the period | - | (24,000) | - | (24,000) |
| Fair value adjustment - accretion | - | - | 1,257 | 1,257 |
| **Balance at March 31, 2026** | **$ 393,545** | **$ 22,489** | **$ (11,343)** | **$ 404,691** |

| | Current liability | Non-current liability | Total |
|---|---|---|---|
| Period ended March 31, 2026 | $ 22,489 | $ 382,202 | $ 404,691 |
| Period ended March 31, 2025 | $ 22,423 | $ 361,526 | $ 383,949 |

| *Series 2* | Debt $ | Accrued and unpaid interest $ | Deferred fair value adjustment $ | Total $ |
|---|---|---|---|---|
| **Balance at June 30, 2024** | **$ 282,253** | **$ 7,180** | **$ (38,532)** | **$ 250,901** |
| Amortization of transaction costs for the period | 9,983 | - | - | 9,983 |
| Interest for the period | - | 27,000 | - | 27,000 |
| Interest for the period | | (18,000) | | (18,000) |
| Fair value adjustment - accretion | - | - | 23,470 | 23,470 |
| **Balance at March 31, 2025** | **$ 292,236** | **$ 16,180** | **$ (15,062)** | **$ 293,354** |
| **Balance at June 30, 2025** | **$ 295,563** | **$ 7,229** | **$ (6,810)** | **$ 295,982** |
| Amortization of transaction costs for the period | 9,983 | - | - | 9,983 |
| Interest for the period | - | 27,000 | - | 27,000 |
| Interest for the period | | (18,115) | - | (18,115) |
| Fair value adjustment - accretion | - | - | - | - |
| **Balance at March 31, 2026** | **$ 305,546** | **$ 16,114** | **$ (6,810)** | **$ 314,850** |

| | Current liability | Non-current liability | Total |
|---|---|---|---|
| Period ended March 31, 2026 | $ 16,114 | $ 298,736 | $ 314,850 |
| Period ended March 31, 2025 | $ 16,180 | $ 277,174 | $ 293,354 |

| *Series 1 & Series 2* | Current liability | Non-current liability | Total |
|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| Period ended March 31, 2026 | $ | 38,603 | $ | 680,938 | $ | 719,541 |
| Period ended March 31, 2025 | $ | 38,603 | $ | 638,700 | $ | 677,303 |

## 9 Share capital

No change in the authorized share capital since June 30, 2025.

No change in issued Class A preference shares since June 30, 2025.

No change in common shares since June 30, 2025.

## 10 Share-based payments

Employee stock options

The Company has a stock option plan for directors, officers, employees and consultants.

The number of employee stock options issuable per the Company's stock option plan is 556,285.

There were no stock options outstanding during the nine months ended March 31, 2026 and 2025.

The Company has recorded $nil of stock-based compensation expense during the three and nine months ended March 31, 2026 and 2025.

Restricted Share Unit Plan

The Company has a restricted share unit plan (the "RSU Plan"), pursuant to which the Board may grant restricted share units (the "RSUs") to eligible persons. The eligible persons are directors, officers, employees and consultants of the Company designated by the Board.

The maximum number of common shares of the Company which may be made subject to issuance under RSUs granted under the RSU Plan is 13,733,333.

The Company has not granted any RSUs under the RSU plan as at March 31, 2026 and 2025.

Potentially Dilutive Securities

No potentially dilutive securities exist as at March 31, 2026 and 2025.

## 11 Related party transactions

9% 2025 debentures

Related parties were issued units of 9% debentures on terms and conditions applicable to other recipients of 9% debentures. Effective March 15, 2021 the 9% debentures held by all debenture holders were replaced by 9% 2025 debentures on a dollar for dollar basis with respect to the principal amount, restructuring bonus, and interest rate as such terms are defined in the 9% debentures.

9% debentures and 9% 2025 debentures are described in note 7.

Common shares

The holdings of 9% 2025 debentures and common shares by related parties are summarized below:

| | March 31, 2026 | | June 30, 2025 | |
|---|---|---|---|---|
| | 9% 2025 debentures | Common shares | 9% 2025 debentures | Common shares |
| Director, Chief Executive Officer - K. Ambrose | $ 575,000 | 25,424,582 | $ 575,000 | 25,424,582 |
| Director - M. Lavine | 500,000 | 2,450,494 | 500,000 | 2,450,494 |
| Director - D. Moscovitz | 9,000 | 38,966 | 9,000 | 38,966 |
| R. Abramson, GIACP, GPMCA (a) | 3,318,000 | 152,676,877 | 3,351,000 | 153,246,109 |
| Herbert Abramson (b) | 731,000 | 54,864,527 | 731,000 | 54,864,527 |
| | $ 5,133,000 | 235,455,446 | $ 5,279,680 | 236,024,678 |
| Total issued and outstanding 9% 2025 debentures and common shares | $ 7,759,000 | 265,390,090 | $ 7,759,000 | 265,390,090 |
| % held by parties in tabulation | 67.0% | 89.1% | 68.0% | 90.2% |

(a) Randall Abramson ("R. Abramson"), along with Generation IACP Inc. ("GIACP") and Generation PMCA Corp. ("GPMCA") in their capacity as portfolio managers on behalf of their respective fully managed accounts, beneficially own (directly or indirectly) or exercise control or direction over, in aggregate, the above securities of the Company. R. Abramson indirectly controls both GIACP and GPMCA and is a portfolio manager of both firms.
(b) Herbert Abramson, Chairman and a portfolio manager of both GIACP and GPMCA, beneficially owns the securities of the Company.

## 12 Commitments and contingencies

Legal matters

From time to time, the Company is party to legal proceedings arising out of the normal course of business. The results of these litigations cannot be predicted with certainty, and management is of the opinion that the outcome of these types of proceedings is generally not determinable. Any loss resulting from these proceedings will be charged to operations in the period the loss is determined.

## 13 Earnings per share

Basic EPS is calculated by dividing the net income (loss) for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method.

| | Three months ended March 31, 2026 | 2025 | Nine months ended March 31, 2026 | 2025 |
|---|---|---|---|---|
| Net (loss) and comprehensive (loss) | $ (426,449) | $ (450,344) | $ (1,760,132) | $ (1,393,359) |
| Basic and Diluted EPS | | | | |
| Average number of issued common shares during the period | 265,390,090 | 265,390,090 | 265,390,090 | 265,390,090 |
| **Basic EPS** | **$ (0.00)** | **$ (0.00)** | **$ (0.01)** | **$ (0.01)** |

There are no potentially dilutive common shares outstanding at March 31, 2026 and 2025.

## 14 Nature of expenses

| | Nine months ended March 31, 2026 $ | Nine months ended March 31, 2025 $ |
|---|---|---|
| **Direct expenses** | | |
| Costs of loyalty rewards, and marketing in connection with the Company's merchant based loyalty program | $ 1,089,462 | $ 756,638 |
| Expense for provision against impaired accounts receivable and transaction credits | 737,403 | 40,761 |
| | **$ 1,826,865** | **$ 797,399** |
| **Selling and Marketing, and General & Administrative** | | |
| Salaries and wages including travel | $ 1,154,666 | $ 933,660 |
| Professional fees | 448,196 | 147,289 |
| Facilities, processing, and office expenses | 162,843 | 167,447 |
| Other | 24,650 | 25,661 |
| | **$ 1,790,355** | **$ 1,274,057** |

## 15 Segment reporting

The Company's reportable segments include: (1) MCA program, and (2) Aeroplan program. Where applicable, corporate and other activities are reported separately as Corporate.

The programs are described in Note 1.

The Chief Operating Decision Maker reviews the segment income statement. The segment assets and liabilities are not reviewed. Financial information by reportable segment for period ended March 31, 2026 and 2025 is tabulated below.

| Nine months ended March 31, 2026 | MCA program $ | Aeroplan program $ | Total $ |
|---|---|---|---|
| Revenues | 2,287,004 | 1,808,335 | 4,095,339 |
| Direct expenses | 737,403 | 1,089,462 | 1,826,865 |
| | 1,549,601 | 718,873 | 2,268,474 |
| Selling & marketing | 259,806 | 205,428 | 465,234 |
| General & administrative | 740,002 | 585,119 | 1,325,121 |
| Income (Loss) from operations before depreciation, amortization and interest | 549,793 | (71,674) | 478,119 |
| Interest expense: | | | |
| Loan payable | 791,593 | - | 791,593 |
| 9% non-convertible debentures payable | 400,532 | 316,701 | 717,233 |
| 12% non-convertible debentures payable | 35,182 | 27,818 | 63,000 |
| CEBA | 1,256 | 994 | 2,250 |
| Non-cash interest - 9% non convertible debentures payable | 361,762 | 286,045 | 647,806 |
| Non-cash interest expense - 12% non-convertible debentures payable | 9,141 | 7,228 | 16,369 |
| Segment (loss) | $(1,049,673) | $ (710,460) | $(1,760,132) |

| Nine months ended March 31, 2025 | MCA program | Aeroplan program | Total |
|---|---|---|---|
| | $ | $ | $ |
| Revenues | $ 1,655,362 | $ 1,319,968 | $ 2,975,330 |
| Direct expenses | 40,761 | 756,638 | 797,399 |
| | 1,614,601 | 563,330 | 2,177,931 |
| Selling & marketing | 199,192 | 158,834 | 358,026 |
| General & administrative | 509,645 | 406,386 | 916,031 |
| Income (Loss) from operations before depreciation, amortization and interest | 905,764 | (1,890) | 903,874 |
| Interest expense: | | | |
| Loan payable | 597,525 | - | 597,525 |
| 9% non-convertible debentures payable | 399,042 | 318,191 | 717,233 |
| 12% non-convertible debentures payable | 35,051 | 27,949 | 63,000 |
| CEBA | 1,252 | 998 | 2,250 |
| Non-cash interest - 9% non convertible debentures payable | 501,202 | 399,654 | 900,856 |
| Non-cash interest expense - 12% non-convertible debentures payable | 9,107 | 7,262 | 16,369 |
| Segment (loss) | $ (637,415) | $ (755,944) | $(1,393,359) |

## 16 Government subsidies

The Company received $60,000 under the Canada Emergency Business Account in 2022. $20,000 of this loan of $60,000 is forgivable provided the loan is re-paid by January 18, 2024. There is no interest on the $60,000 loan provided it is re-paid by January 18, 2024. After that none of the loan would be forgiven and interest will begin to accrue at 5% per year. The loan was not re-paid by January 18, 2024 and interest of $6,750 has been accrued.

Aeroplan is a Registered Trademark of Aeroplan Inc.