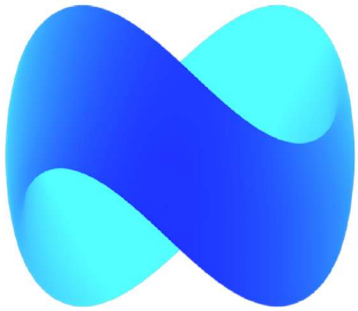

nextech AR
solutions

# NEXTECH3D.AI CORPORATION
# (formerly Nextech AR Solutions Corp.)

**Condensed Interim Consolidated Financial Statements**

**For the three and six months ended September 30, 2026 and 2025**

(Unaudited - Expressed in Canadian dollars)

**NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.)**
**Condensed Interim Consolidated Statements of Financial Position**
(Unaudited - Expressed in Canadian dollars)

| | Note | **September 30, 2026** | March 31, 2026 |
|---|---|---|---|
| | | **$** | $ |
| **ASSETS** | | | |
| **Current** | | | |
| Cash and cash equivalents | 5 | **322,468** | 254,149 |
| Receivables | 6 | **314,144** | 336,408 |
| Inventory | | **43,073** | 44,629 |
| Net investment in sublease | 8 | **210,657** | 201,750 |
| Prepaid expenses and deposits | | **34,378** | 25,014 |
| | | **924,720** | 861,950 |
| Equipment | 7 | **27,031** | - |
| Net investment in sublease | 8 | **178,831** | 280,269 |
| **Total assets** | | **1,130,582** | 1,142,219 |
| **LIABILITIES** | | | |
| **Current** | | | |
| Accounts payable and accrued liabilities | 10 | **1,434,612** | 1,692,003 |
| Deferred revenue | 15(b) | **162,808** | 199,154 |
| Payable to related parties | 14 | **381,511** | 520,568 |
| Promissory notes payable | 11(a) | **83,994** | 67,654 |
| Related party loan payable | 11(b) | **327,233** | - |
| Loan payable | 11(c) | **87,506** | - |
| Current portion of lease liability | 8 | **196,957** | 184,776 |
| | | **2,674,621** | 2,664,155 |
| Promissory notes payable – non current | 11(a) | **122,104** | 157,257 |
| Related party loan payable – non current | 11(b) | **-** | 296,263 |
| Lease liability - non current | 8 | **159,323** | 255,496 |
| Other Liabilities | | **19,668** | 19,327 |
| **Total liabilities** | | **2,975,716** | 3,392,498 |
| **SHAREHOLDERS' EQUITY (DEFICIENCY)** | | | |
| Share capital | 12 | **102,389,259** | 100,461,315 |
| Reserves | | **21,221,320** | 21,297,860 |
| Accumulated other comprehensive income | | **571,693** | 587,973 |
| Deficit | | **(129,397,808)** | (127,898,294) |
| Equity attributable to shareholders of the Company | | **(5,215,536)** | (5,551,146) |
| Non-controlling interest | 13 | **3,370,402** | 3,300,867 |
| **Total shareholders' equity (deficiency)** | | **(1,845,134)** | (2,250,279) |
| **Total liabilities and shareholders' equity (deficiency)** | | **1,130,582** | 1,142,219 |

Nature of operations and going concern (Note 1)
Subsequent events (Note 19)

Approved and authorized for issue on behalf of the Board of Directors:

| *"Evan Gappelberg "* | *"Anthony Pizzonia"* |
|---|---|
| Director | Director |

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

**NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.)**
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**
(Unaudited - Expressed in Canadian dollars, except per share amounts and number of shares)

| | Note | Three months ended September 30 | | Six months ended September 30 | |
|---|---|---|---|---|---|
| | | **2026** | 2025 | **2026** | 2025 |
| | | **$** | $ | **$** | $ |
| Revenue | 15(a) | **779,570** | 390,755 | **1,439,729** | 718,847 |
| Cost of sales | 16(a) | **(101,331)** | (48,510) | **(231,196)** | (80,978) |
| **Gross profit** | | **678,239** | 342,245 | **1,208,533** | 637,869 |
| **Operating expenses** | | | | | |
| Sales and marketing | 16(b) | **311,252** | 191,734 | **599,790** | 338,201 |
| General and administrative | 16(c) | **294,905** | 447,408 | **1,043,047** | 875,300 |
| Research and development | 16(d) | **208,618** | 144,534 | **445,568** | 316,933 |
| Share-based compensation | 12(e) | **532,624** | 107,722 | **590,207** | 167,629 |
| Depreciation | 7 | **2,084** | - | **2,551** | - |
| **Operating loss** | | **(671,244)** | (549,153) | **(1,472,630)** | (1,060,194) |
| **Other income (expenses)** | | | | | |
| Interest expense | | **(43,627)** | - | **(84,024)** | - |
| Foreign exchange gain (loss) | | **(135)** | (3,803) | **(6,045)** | 9,475 |
| Liability Extinguishment | | **39,273** | 60,373 | **39,273** | 60,373 |
| Gain on settlement of liabilities | | **79,927** | - | **79,927** | - |
| Other income | | **4,312** | 8,034 | **11,246** | 8,034 |
| **Net loss** | | **(591,494)** | (484,549) | **(1,432,253)** | (982,312) |
| **Other comprehensive loss** | | | | | |
| Exchange (loss)/Gain on translation of foreign operations | | **(3,489)** | (8,723) | **(16,279)** | 33,465 |
| **Comprehensive loss** | | **(594,983)** | (493,272) | **(1,448,532)** | (948,847) |
| **Net loss:** | | | | | |
| Attributed to shareholders of the Company | | **(673,673)** | (579,762) | **(1,499,514)** | (1,113,089) |
| Attributed to non-controlling interest | | **82,179** | 95,213 | **67,261** | 130,777 |
| **Comprehensive loss:** | | | | | |
| Attributed to shareholders of the Company | | **(677,162)** | (588,485) | **(1,515,793)** | (1,079,624) |
| Attributed to non-controlling interest | | **82,179** | 95,213 | **67,261** | 130,777 |
| **Loss per share** | | | | | |
| Basic and diluted | | **(0.00)** | (0.00) | **(0.01)** | (0.01) |
| **Weighted average number of common shares** | | | | | |
| Basic and diluted | | **237,089,980** | 213,537,110 | **234,379,042** | 206,537,347 |

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

**NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.)**
**Condensed Interim Consolidated Statements of Cash Flows**
(Unaudited - Expressed in Canadian dollars)

| | Six months ended September 30, | |
|---|---|---|
| | **2026** | 2025 |
| | **$** | $ |
| **Operating activities:** | | |
| Net loss for the period | **(1,432,253)** | (982,312) |
| Adjustments for: | | |
| Interest income from sublease | **(13,205)** | (18,661) |
| Interest expense from lease | **12,079** | 25,630 |
| Share-based compensation | **590,207** | 167,629 |
| Depreciation | **2,542** | - |
| Interest accretion on loans payable | **34,103** | - |
| Expenses paid by shares | **335,687** | - |
| Gain on settlement of liabilities | **(79,927)** | - |
| Liability extinguishment | **(39,273)** | - |
| Changes in non-cash working capital: | | |
| Receivables | **22,264** | (633,456) |
| Prepaid expenses and deposits | **(9,362)** | (73,242) |
| Other Liabilities | **345** | - |
| Inventory | **1,556** | - |
| Accounts payable and accrued liabilities | **(218,118)** | (434,067) |
| Payable to related parties | **(139,057)** | - |
| Deferred revenue | **(36,346)** | 84,437 |
| **Cash used in operating activities** | **(968,758)** | (1,864,042) |
| | | |
| **Investing activities:** | | |
| Purchase of equipment | **(29,103)** | - |
| Investment in Short term deposit | **-** | - |
| Payments received from sublease | **112,415** | 108,229 |
| **Cash provided by (used in) investing activities** | **83,312** | 108,229 |
| | | |
| **Financing activities:** | | |
| NTAR - Proceeds from Employee Pay Program | **888,178** | 1,680,028 |
| Proceeds from exercise of warrants | **-** | 595,000 |
| Proceeds from exercise of options | **119,533** | - |
| Proceeds from securities issuances to NCI | **-** | 8,529 |
| Payments of promissory note | **(18,813)** | - |
| Proceeds from loan payable, net | **84,373** | - |
| Payments of lease liability | **(102,184)** | (98,376) |
| **Cash provided by financing activities** | **971,087** | 2,185,181 |
| | | |
| Effect of foreign exchange on cash and cash equivalents | **(17,322)** | 40,425 |
| Change in cash and cash equivalents | **85,641** | 429,368 |
| Cash and cash equivalents, beginning of period | **254,149** | 16,311 |
| **Cash and cash equivalents, end of period** | **322,468** | 486,104 |
| | | |
| Income taxes paid | **-** | - |
| Cash interest paid | **(4,580)** | (25,630) |
| Cash interest received | **13,205** | 18,661 |

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

**NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.)**
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)**
(Unaudited - Expressed in Canadian dollars, except number of shares)

| | Number of shares | Share capital | Reserves | Accumulated other comprehensive income | Deficit | Non-controlling interest | Total shareholders' equity (deficiency) |
|---|---|---|---|---|---|---|---|
| | # | $ | $ | $ | $ | $ | $ |
| Balance, March 31, 2025 | 191,842,589 | 96,963,333 | 20,301,785 | 565,183 | (124,254,816) | 3,001,521 | (3,422,994) |
| Shares for employee pay program | 24,269,217 | 897,477 | 885,706 | - | - | - | 1,783,183 |
| Exercise of warrants | 3,500,000 | 647,500 | (52,500) | - | - | - | 595,000 |
| Stock based compensation | - | - | 134,231 | - | - | 33,398 | 167,629 |
| Other net changes in capitalization | - | - | 2,605 | - | - | 5,924 | 8,529 |
| Translation of foreign operations | - | - | - | 33,465 | - | - | 33,465 |
| Total net loss | - | - | - | - | (1,113,089) | 130,777 | (982,312) |
| **Balance, September 30, 2025** | **219,611,806** | **98,508,310** | **21,271,827** | **598,648** | **(125,367,905)** | **3,171,620** | **(1,817,500)** |
| | | | | | | | |
| Balance, March 31, 2026 | **229,320,967** | **100,461,315** | **21,297,860** | **587,973** | **(127,898,294)** | **3,300,867** | **(2,250,279)** |
| Shares for employee pay program | **8,643,770** | **1,093,470** | **(205,292)** | **-** | **-** | **-** | **888,178** |
| Shares issued for debt settlement | **3,197,001** | **255,760** | **-** | **-** | **-** | **-** | **255,760** |
| Shares issued on exercise of options | **1,696,054** | **198,504** | **(78,971)** | **-** | **-** | **-** | **119,533** |
| Shares issued to CEO for services | **4,223,879** | **380,210** | **(380,210)** | **-** | **-** | **-** | **-** |
| Stock based compensation | **-** | **-** | **587,933** | **-** | **-** | **2,274** | **590,207** |
| Other net changes in capitalization | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Translation of foreign operations | **-** | **-** | **-** | **(16,280)** | **-** | **-** | **(16,280)** |
| **Total net (loss)/Gain** | **-** | **-** | **-** | **-** | **(1,499,514)** | **67,261** | **(1,432,253)** |
| **Balance, September 30, 2026** | **247,081,671** | **102,389,259** | **21,221,320** | **571,693** | **(129,397,808)** | **3,370,402** | **(1,845,134)** |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.) ("NexTech" or the "Company") is a metaverse company that provides augmented reality experience technologies, wayfinding technologies, and 3D model services. The Company was incorporated in the province of British Columbia, Canada on January 12, 2018. The Company's registered office is located at 150 king street West, Suite # 717, Toronto ON, M5H 1J9. The Company's shares are traded on the Canadian Securities Exchange (the "CSE") under the trading symbol "NTAR", on the Frankfurt Stock Exchange under the trading symbol "1SS", and in the United States of America on the OTCQX under the trading symbol "NEXCF".

These unaudited condensed interim consolidated financial statements for the three and six months ended September 30, 2026 and 2025 ("financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at September 30, 2026, the Company had a working capital deficiency of $1,749,901 (March 31, 2026 - $1,802,205) and an accumulated deficit of $129,397,808 (March 31, 2026 - $127,898,294). For the six months ended September 30, 2026, the Company incurred a net loss of $1,432,253 (2025 - $982,312) and used total cash in operations of $(968,758) (2025 - $1,864,042). These factors indicate the existence of material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

## 2. BASIS OF PREPARATION

### a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on 19 November 2026.

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended March 31, 2026 and March 31, 2025 (the "Annual Financial Statements").

### b) Basis of presentation

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards. These financial statements have been prepared on an accrual basis, except for information presented in the condensed interim consolidated statements of cash flows.

## 2. BASIS OF PREPARATION (continued)

### c) Functional and presentation currency

The financial statements are presented in Canadian dollars ("CAD") which is the functional currency of the Company. An entity's functional currency is the currency of the primary economic environment in which an entity operates and is listed in Note 2(d) for each of the Company's subsidiaries. References to "$" are to Canadian dollars, references to "US$" or "USD" are to United States dollars.

### d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries as at September 30, 2026 is as follows:

| Name of subsidiaries | Country of incorporation | Percentage ownership | Functional currency | Principal activity |
|---|---|---|---|---|
| NexTech AR Solutions USA LLC | United States | 100% | USD | Holding company |
| NexTech AR Solutions Inc. (formerly Jolokia Corporation) | United States | 100% | USD | Technology services |
| AR Ecommerce LLC ("VCM") (1) | United States | 100% | USD | E-Commerce platforms |
| Threedy.ai Inc | United States | 100% | USD | Technology services |
| ARway Ltd. | England | 100% | USD | Holding company |
| ARway Corporation ("ARway") | Canada | 39% | CAD | Technology services |
| Toggle3D.ai Inc. ("Toggle") | Canada | 31% | CAD | Technology services |

(1) The Company has discontinued the operations of its eCommerce platforms.

The Company obtained control over ARway and Toggle through its majority presentation on the board of directors in addition to its percentage of common share ownership.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINITY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

## 5. CASH

As at September 30, 2026, the Company has cash amounting to $322,468 (March 31, 2026 - $254,149).

## 6. RECEIVABLES

A summary of the Company's receivables is as follows:

| | **September 30, 2026** | March 31, 2026 |
|---|---|---|
| | **$** | $ |
| GST receivables | **15,935** | 19,704 |
| Trade receivables | **298,209** | 316,704 |
| **Balance, end of period** | **314,144** | 336,408 |

## 7. EQUIPMENT

A summary of the Company's equipment is as follows:

| | **Total** |
|---|---|
| | $ |
| **Cost** | |
| Balance, March 31, 2026 | - |
| Additions | 29,103 |
| Disposal | - |
| Write-off | - |
| Currency translation effects | 520 |
| **Balance, September 30, 2026** | **29,623** |
| | |
| **Accumulated depreciation** | |
| Balance, March 31, 2026 | - |
| Depreciation | 2,542 |
| Disposal | - |
| Write-off | - |
| Currency translation effects | 50 |
| **Balance, September 30, 2026** | **2,592** |
| | |
| **Carrying value** | |
| Balance, March 31, 2026 | - |
| **Balance, September 30, 2026** | **27,031** |

## 8. LEASES

The Company entered lease agreements for an office space and a warehouse space. The present value of future lease payments was measured using an incremental borrowing rate of 6% per annum. During the six months ended September 30, 2026, the office lease expired and was not renewed. As at September 30, 2026 and September 30, 2025, the lease liability solely pertains to the warehouse lease.

In March 2023, the Company entered into a sublease agreement to re-lease the warehouse which is leased by the Company to a third party. The sublease commenced on April 1, 2023 and expires on June 20, 2028. The Company classified this sublease as a finance lease, leading to the derecognition of the right-of-use asset with a carrying value of $778,350. Accordingly, the Company recognized a net investment in the sublease of $898,976, calculated as the present value of future lease payments at a 6% discount rate, corresponding to the Company's incremental borrowing rate applied to the head lease. The Company reported a gain of $120,626 in profit or loss upon recognizing the sublease.

A summary of the Company's lease liability is as follows:

| | $ |
|---|---|
| Balance, March 31, 2025 | 489,105 |
| Interest expense | 164,148 |
| Lease payments | (198,406) |
| Currency translation effects | (14,576) |

## 8. LEASES (continued)

| | |
|---|---|
| **Balance, March 31, 2026** | 440,272 |
| Interest expense | 12,079 |
| Lease payments | (102,184) |
| Currency translation effects | 6,113 |
| **Balance, September 30, 2026** | **356,280** |
| | |
| Current portion | 196,957 |
| Non-current portion | 159,323 |

A summary of the Company's future lease payments is as follows:

| | $ |
|---|---|
| 2027 | 213,012 |
| 2028 | 163,331 |
| 2029 | - |
| Total undiscounted lease liability | **376,343** |
| Effects of discounting | (20,063) |
| **Balance, September 30, 2026** | **356,280** |

Interest expense from leases for the three and six months ended September 30, 2026, was $5,738 and $12,079, respectively (September 30, 2025 - $13,241 and $25,630).

A summary of the Company's net investment in sublease is as follows:

| | $ |
|---|---|
| **Balance, March 31, 2025** | 704,279 |
| Additions | - |
| Interest income | 34,538 |
| Lease payments | (233,695) |
| Currency translation effects | (23,103) |
| **Balance, March 31, 2026** | **482,019** |
| Interest income | 13,205 |
| Payments received | (112,416) |
| Effects of movement in exchange rates | 6,680 |
| **Balance, September 30, 2026** | **389,488** |
| | |
| Current portion | 210,657 |
| Non-current portion | 178,831 |

A summary of the Company's future minimum sublease receipts is as follows:

| | $ |
|---|---|
| 2027 | 232,644 |
| 2028 | 178,832 |
| Total undiscounted lease receivables | **411,476** |
| Effects of discounting | (21,988) |
| **Balance, September 30, 2026** | **389,488** |

Interest income from the sublease for the three and six months ended September 30, 2026 was $6,269 and $13,205, respectively (September 30, 2025 - $8,967 and $18,661) and was recorded within revenue in profit or loss.

## 9. Goodwill

A summary of the Company's goodwill is as follows:

| | Total |
|---|---|
| | $ |
| **Cost** | |
| **Balance, March 31, 2025** | **-** |
| Addition due to business combination | 1,239,094 |
| Currency translation effects | 1,317 |
| **Balance, March 31, 2026 and September 30, 2026** | **1,240,411** |
| | |
| **Accumulated impairment** | |
| **Balance, March 31, 2025** | **-** |
| Impairment | 1,240,411 |
| **Balance, March 31, 2026 and September 30, 2026** | **1,240,411** |
| | |
| **Carrying value** | |
| Balance, March 31, 2026 | - |
| **Balance, September 30, 2026** | **-** |

## 10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

| | **September 30, 2026** | March 31, 2026 |
|---|---|---|
| | **$** | $ |
| Accounts payable | **1,324,335** | 1,588,343 |
| Accrued liabilities | **110,277** | 103,660 |
| | **1,434,612** | 1,692,003 |

## 11. LOANS PAYABLE

A summary of the Company's loans payable is as follows:

| | **September 30, 2026** | March 31, 2026 |
|---|---|---|
| | **$** | $ |
| Promissory note payable — current (note 11(a)) | 83,994 | 67,654 |
| Promissory note payable — non-current (note 11(a)) | 122,104 | 157,257 |
| Convertible debenture — non-current (note 11(b)) | - | 296,263 |
| Convertible debenture —current (note 11(b)) | 327,233 | - |
| Loan payable — current (note 11(c)) | 87,506 | - |
| | 620,837 | 521,174 |

### (a) Promissory note payable — KraftyLab LLC

In January 2026, in connection with the acquisition of the business of KraftyLab, NexTech AR Solutions Inc., a wholly-owned subsidiary of the Company, entered into a promissory note with KraftyLab LLC (the "Lender") in the principal amount of US$200,000. The note bears interest at 7% per annum and is repayable in 36 equal monthly installments of US$6,175 (inclusive of principal and interest), commencing February 1, 2026. On initial recognition, the note was measured at US$166,104 being the present value of the contractual cash flows discounted at a market rate of 22% per annum. This initial discount of US$33,896 will be amortized to finance costs over the term of the note using the effective interest method. The note is denominated in United States dollars and translated at the closing exchange rate at each reporting date. The following table presents a continuity of the balance:

| | $ |
|---|---|
| Principal advanced — US$ 166,104 translated at CAD/USD 1.377 | 228,692 |
| Interest translated at CAD/USD 1.3717 | 10,426 |
| Repayment translated at CAD/USD 1.3717 | (16,942) |
| Effect of translation | 2,735 |
| **Balance, March 31, 2026** | **224,910** |
| Interest translated at CAD/USD 1.3917 | 20,578 |
| Repayment translated at CAD/USD 1.3917 | (42,973) |
| Effect of translation | 3,581 |
| **Balance, September 30, 2026** | **206,096** |

| | |
|---|---|
| **Current portion** | 83,994 |
| **Non-current portion** | 122,104 |

Interest expense on the promissory note for the six months ended September 30, 2026 was $21,454 (US$15,415) and repayments during the period totalled $42,973 (US$30,877) (September 30, 2025 — $nil). As at September 30, 2026, one monthly instalment of US$6,175 due in April 2026 remained outstanding; the unpaid amount continues to be included in the carrying amount of the note and interest continues to accrue at the effective interest rate of 22% per annum.

**(b) Convertible debenture — related party**

On January 5, 2026, the Company issued an unsecured convertible debenture (the "Debenture") to Chief Executive Officer, in the principal amount of $321,917. The key terms are as follows:

| | |
|---|---|
| **Maturity date** | July 5, 2027 (18 months from issuance) |
| **Interest rate** | 12% per annum, simple interest; accrues during the term and is payable in cash at the earlier of maturity, conversion, or prepayment |
| **Conversion feature** | Holder may convert the outstanding principal into common shares at $0.165 per share (1,951,012 shares on full conversion) on five business days' written notice; accrued interest is paid in cash on conversion |
| **Detachable warrants** | 1,951,012 common share purchase warrants issued concurrently (one warrant per $0.165 of principal); each exercisable at $0.165 per share until January 5, 2027 |
| **Security** | Unsecured |

The Debenture is a compound financial instrument under IAS 32 Financial Instruments: Presentation. The conversion option and the detachable warrants each satisfy the fixed-for-fixed criterion (a fixed number of shares for a fixed amount of cash, both denominated in the Company's functional currency) and are classified as equity. No derivative liability is recognized.

At initial recognition, the proceeds of $321,917 were allocated between the liability and equity components using the residual method (IAS 32.28–32). The liability component was measured at $281,895, being the present value of the contractual cash flows discounted at a market rate of 22% per annum — the estimated rate at which the Company could borrow on an otherwise identical non-convertible, unsecured instrument given its credit profile and the 18-month term. The residual of $40,022 was recorded in reserves ($20,011 to the conversion option reserve and $20,011 to the warrant reserve). The equity components are not remeasured after initial recognition.

The following table presents a continuity of the liability component:

| | $ |
|---|---|
| Liability component at initial recognition, January 5, 2026 | 281,895 |

| | |
|---|---|
| Add: accretion of discount recognized as interest expense | 14,368 |
| **Balance, March 31, 2026** | **296,263** |
| **Add: accretion of discount recognized as interest expense** | **30,970** |
| **Balance, September 30, 2026** | **327,233** |

| | |
|---|---|
| **Current portion** | 327,233 |
| **Non-current portion** | — |

Interest expense on the Debenture for the three and six months ended September 30, 2026 was $15,870 and $30,970, respectively (September 30, 2025 — $nil), representing the accretion of the discount recognized using the effective interest method and presented within interest expense on the consolidated statements of loss and comprehensive loss.
The full principal of $321,917 plus simple interest of $57,945 ($321,917 × 12% × 18/12) is due on July 5, 2027, unless converted prior to maturity. The Debenture is classified as current as its maturity date is within 12 months from the reporting date.

**(c) Loan payable — OnDeck Capital**
In September 2026, Nextech AR Solutions Inc. (Jolokia), a wholly-owned subsidiary of the Company, drew US$65,200 on a short-term line of credit from OnDeck Capital, a third-party lender. During the six months ended September 30, 2026, US$5,775 was repaid and interest of US$2,251 ($3,133) was accrued and recognized within interest expense. As at September 30, 2026, the outstanding balance of US$61,676 ($87,506) is presented as a current liability (March 31, 2026 — $nil).

## 12. SHARE CAPITAL

### a) Authorized

The Company is authorized to issue unlimited number of common shares with no par value.

### b) Share capital

During the six months ended September 30, 2026, the Company had the following share transactions:

- From April 1, 2026 to September 30, 2026, the Company issued 8,643,770 common shares under the employee pay program, at share prices between $0.085 and $0.16, for total consideration of $1,093,470.
- From April 1, 2026 to September 30, 2026, the Company issued 1,696,054 common shares to various individuals upon the exercise of options with the exercise price of $0.04-$0.15.
- On September 25, 2026, the Company issued 7,420,880 common shares to the Chief Executive Officer at a price of $0.08 per share, with a fair value of $635,970, in settlement of share-based management compensation. A further $76,042 was credited to reserves for September 2026 compensation earned but not yet issued in shares.

During the period ended March 31, 2026, the Company had the following share transactions:

- From April 1, 2025 to March 31, 2026, the Company issued 30,283,120 common shares upon the exercise of warrants related to the employee pay program, with share prices between $0.03 and $0.20, for cash proceeds of $2,184,457.
- From April 1, 2025 to March 31, 2026, the Company issued 3,507,040 common shares upon the exercise of warrants, with share prices between $0.18 and $0.19, for cash proceeds of $648,732.
- On November 18, 2025, the Company issued 2,000,000 common shares to its employees as compensation for their employment services, resulting in the recognition of $420,000 as share-based compensation.

### c) Employee pay program

On July 6, 2026, the Company granted 8,584,573 warrants to its employees. Each warrant has exercise price of $0.14. As of September 30, 2026, a total of 6,226,652 warrants has been converted into common shares, all of which occurred during the period ended September 30, 2026.

### d) Warrants

A summary of the Company's warrants is as follows:

| | Number of warrants | Weighted average exercise price |
|---|---|---|
| | # | $ |
| Balance, March 31, 2025 | 31,278,988 | 0.21 |
| Adjustment[1] | 3,867,468 | 1.02 |
| Granted | 28,068,983 | 0.07 |
| Exercised | (33,790,159) | 0.07 |
| Expired | (1,383,027) | 0.13 |
| **Balance, March 31, 2026** | 28,042,253 | 0.21 |
| Granted | 8,584,573 | 0.14 |
| Exercised | (8,643,770) | 0.14 |
| Expired | (11,624,654) | 0.36 |
| **Balance, September 30, 2026** | **16,358,402** | **0.36** |

The weighted average share price on the date of exercise for warrants exercised during the six months ended September 30, 2026 was $0.16 (March 31, 2026 - $0.06).

A summary of the Company's outstanding warrants is as follows:

| Expiry date | Number | Weighted average exercise price | Weighted average remaining life |
|---|---|---|---|
| | # | $ | Years |
| October 24, 2026 | 440,530 | 0.02 | 0.07 |
| November 10, 2026 | 1,800,360 | 0.17 | 0.11 |
| November 24, 2026 | 3,815,722 | 0.17 | 0.15 |
| November 29, 2026 | 379,320 | 0.17 | 0.16 |
| January 5, 2027 | 1,951,012 | 0.17 | 0.27 |
| January 31, 2027 | 3,867,468 | 1.02 | 0.34 |
| February 28, 2027 | 1,746,069 | 0.14 | 0.41 |
| July 6, 2027 | 2,357,921 | 0.14 | 0.76 |
| | **16,358,402** | **0.36** | **0.32** |

**e) Stock options**

A summary of the Company's outstanding and exercisable options is as follows:

| | Number of stock options | Weighted average exercise price |
|---|---|---|
| | # | $ |
| Balance outstanding, March 31, 2025 | 4,023,000 | 0.13 |
| Granted | 8,150,000 | 0.05 |
| Forfeited | (2,592,000) | 0.08 |
| Cancelled | (661,500) | 0.21 |
| Expired | (1,052,000) | 0.14 |
| **Balance outstanding, March 31, 2026** | **7,867,500** | **0.13** |
| Forfeited | (225,000) | 0.04 |
| Cancelled | (331,446) | 0.09 |
| Exercised | (1,696,054) | 0.07 |
| **Balance outstanding, September 30, 2026** | **5,615,000** | **0.05** |
| **Balance exercisable, September 30, 2026** | **2,840,000** | **0.14** |

On June 23, 2025, the Company granted 7,150,000 stock options to various employees. These stock options vest in four equal tranches every Nine months from the grant date. Each stock option has an exercise price of $0.04 and matures on June 23, 2027. The fair value of these stock options was $237,145.

On September 17, 2025, the Company granted 1,000,000 stock options to various employees. These stock options vest in five equal tranches every Nine months from the grant date. Each stock option has an exercise price of $0.15 and matures on September 17, 2028. The fair value of these stock options was $163,977.

As at September 30, 2026, the Company had 600,000 stock options outstanding under the Toggle Employee Stock Option Plan, having an expire on January 10, 2028. These options vest in accordance with their respective vesting schedules over specified periods from the grant dates.

A summary of the Company's outstanding options is as follows:

| Expiry date | Number of options outstanding | Number of options exercisable | Weighted average exercise price | Weighted average remaining life |
|---|---|---|---|---|
| | # | # | $ | Years |
| January 30, 2027 | 40,000 | 40,000 | 0.23 | 0.33 |
| June 23, 2027 | 5,050,000 | 2,525,000 | 0.04 | 0.73 |
| January 10, 2028 | 325,000 | 195,000 | 0.07 | 1.28 |
| September 17, 2028 | 200,000 | 80,000 | 0.15 | 1.97 |
| | **5,615,000** | **2,840,000** | **0.05** | **0.80** |

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for stock options granted during the six-month period ended September 30, 2026 and the year ended March 31, 2026 is as follows

| | September 30, 2026 | March 31, 2026 |
|---|---|---|
| Share price | **0.07** | 0.07 |
| Exercise price | **0.06** | 0.06 |
| Risk-free interest rate | **3.22%** | 3.22% |
| Expected life | **2 Years** | 2 Years |
| Expected volatility | **139%** | 165% |
| Expected annual dividend yield | **0%** | 0% |

During the three and six months ended September 30, 2026, $532,624 and $590,207, respectively (September 30, 2025 – $107,722 and $167,629) was recognized as share-based compensation from vested options. Included in the share-based compensation expense is the amount from stock options granted to the non-controlling interest of ARway and Toggle as part of their option plans.

A summary of the Company's share-based compensation expense by function for the three and six months ended September 30, 2026 and 2025 is as follows:

| | Three months ended September 30, 2026 | Three months ended September 30, 2025 | Six months ended September 30, 2026 | Six months ended September 30, 2025 |
|---|---|---|---|---|
| | **$** | $ | **$** | $ |
| Cost of sales | **-** | 14,806 | **-** | 30,149 |
| Sales and marketing | **70,000** | - | **70,000** | - |
| General and administrative | **430,081** | 85,964 | **487,665** | 123,642 |
| Research and development | **32,542** | 6,952 | **32,542** | 13,838 |
| | **532,624** | 107,722 | **590,207** | 167,629 |

## 13. NON-CONTROLLING INTEREST

The Company holds a 39% equity interest in ARway and a 31% equity interest in Toggle. Notwithstanding these minority economic interests, the Company has concluded that it controls both entities under IFRS 10, as it is exposed to variable returns from its involvement with them and has the ability to direct their relevant activities through its majority representation on their respective boards of directors. As control exists, the entities are consolidated in full, and the share of net assets and results not attributable to the Company - 61% for ARway and 69% for Toggle - is presented as non-controlling interest.

A summary of the Company's non-controlling interest is as follows:

| | ARway | Toggle | Total |
|---|---|---|---|
| | $ | $ | $ |
| Balance, March 31, 2025 | 373,119 | 2,628,401 | 3,001,520 |
| Share-based compensation | 21,229 | 32,079 | 53,308 |
| Other net changes in capitalization[1] | 145,579 | 10,373 | 155,952 |
| Decrease in parents' ownership - sale to NCI | - | - | - |
| Net loss attributed to non-controlling interest | 176,321 | (86,234) | 90,087 |
| **Balance, March 31, 2026** | **716,248** | **2,584,619** | **3,300,867** |
| Share-based compensation | - | 2,274 | 2,274 |
| Other net changes in capitalization[2] | - | - | - |
| Decrease in parents' ownership - sale to NCI | - | - | - |
| Net loss attributed to non-controlling interest | 123,681 | (56,420) | 67,260 |
| **Balance, September 30, 2026** | **839,929** | **2,530,472** | **3,370,401** |

## 14. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into a number of transactions with key management personnel that have the authority and responsibility for the planning, directing and controlling of the activities of the Company. The Company considers the executive officers and directors as the key management of the Company.

A summary of the transactions with key management personnel for the three and six months ended September 30, 2026 and 2025, is as follows:

| | **Three months ended September 30, 2026** | Three months ended September 30, 2025 | **Six months ended September 30, 2026** | Six months ended September 30, 2025 |
|---|---|---|---|---|
| | **$** | $ | $ | $ |
| Compliance fees included in general and administrative | **6,000** | 2,250 | **10,500** | 6,000 |
| Management fees included in general and administrative | **(113,136)** | 138,459 | **287,819** | 282,331 |
| Salaries of the Chief Financial Officer included in general and administrative | **57,292** | 37,500 | **94,792** | 75,000 |
| Share-based compensation | **465,402** | 18,968 | **482,031** | 49,952 |
| | **415,558** | 197,177 | **875,142** | 413,283 |

Salary payable to the Company's Chief Executive Officer in common shares has been reclassified from management fees, included in general and administrative expenses, to share-based compensation expense.

The Company has an agreement with the Chief Executive Officer ("CEO") in which the Company compensates the CEO for

[1] *Represents the net impact of share issuances by ARway Corporation and Toggle3D.ai Inc. to third parties during the period, which resulted in changes to the Company's ownership percentage in each subsidiary. The resulting dilution gains and losses, calculated as the difference between the carrying value of the non-controlling interest acquired/diluted and the consideration received by the subsidiary, are recognized directly in equity in accordance with IAS 27. No amounts have been recognized through profit or loss.*

[2] *Represents the net impact of share issuances by ARway Corporation and Toggle3D.ai Inc. to third parties during the period, which resulted in changes to the Company's ownership percentage in each subsidiary. The resulting dilution gains and losses, calculated as the difference between the carrying value of the non-controlling interest acquired/diluted and the consideration received by the subsidiary, are recognized directly in equity in accordance with IAS 27. No amounts have been recognized through profit or loss.*

management services monthly, combining cash and share issuance over a five-year term until April 1, 2027. As of September 30, 2026, related party payables and the related party convertible debenture included $708,744 owed to the CEO. The amounts are non-secured, non-interest bearing, payable on demand and represent the value of shares to be issued to the CEO.

## 15. REVENUE FROM CONTRACTS WITH CUSTOMERS

### a) Revenue disaggregation

A summary of the Company's revenue disaggregation by service for the three and six months ended September 30, 2026 and 2025, is as follows:

| | **Three months ended September 30, 2026** | Three months ended September 30, 2025 | **Six months ended September 30, 2026** | Six months ended September 30, 2025 |
|---|---|---|---|---|
| | **$** | $ | **$** | $ |
| Event technology solutions | **601,865** | 282,056 | **1,002,117** | 553,592 |
| Event experience and services | **90,315** | - | **301,249** | - |
| 3D solutions | **87,018** | 98,202 | **135,511** | 142,296 |
| Others | **372** | 10,497 | **851** | 22,959 |
| | **779,570** | 390,755 | **1,439,729** | 718,847 |

### b) Deferred revenue

A summary of the Company's deferred revenue is as follows:

| | $ |
|---|---|
| Balance, March 31, 2025 | 498,171 |
| Revenue recognized | (1,099,346) |
| Revenue deferred | 801,123 |
| Currency translation effects | (794) |
| **Balance, March 31, 2026** | **199,154** |
| Revenue recognized | **(662,727)** |
| Revenue deferred | **591,159** |
| Currency translation effects | **7,626** |
| **Balance, September 30, 2026** | **135,212** |

## 16. EXPENSES BY NATURE

The Company presents operating expenses by function with the exception of amortization, depreciation, and share-based compensation. A summary of the Company's operating expenses by nature is as follows:

### a) Cost of sales

A summary of the Company's cost of sales for the three and six months ended September 30, 2026 and 2025 is as follows:

| | Three months ended September 30, | | Six months ended September 30, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | 2025 |
| | **$** | $ | **$** | $ |
| Cost of products/services | **66,487** | 13,393 | **125,968** | 26,686 |
| Consultant fees | **19,522** | - | **45,575** | - |
| Salaries, wages, and commissions | **15,322** | 35,117 | **59,653** | 54,292 |
| | **101,331** | 48,510 | **231,196** | 80,978 |

**b) Sales and marketing**

A summary of the Company's sales and marketing expense for the three and six months ended September 30, 2026 and 2025 is as follows:

| | Three months ended September 30, | | Six months ended September 30, | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **$** | $ | **$** | $ |
| Advertising | **4,943** | - | **16,991** | 1,112 |
| Consulting fees | **86,109** | 46,211 | **202,344** | 67,735 |
| Employee benefits | **-** | - | **-** | 1,113 |
| Investor relations | **18,005** | 34,681 | **21,860** | 74,899 |
| Salaries, wages, and commissions | **185,351** | 79,432 | **321,068** | 132,581 |
| Software and other expenses | **16,844** | 31,410 | **37,527** | 60,761 |
| | **311,252** | 191,734 | **599,790** | 338,201 |

**c) General and administrative**

A summary of the Company's general and administrative expense for the three and six months ended September 30, 2026 and 2025 is as follows:

| | Three months ended September 30, | | Six months ended September 30, | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **$** | $ | **$** | $ |
| Compliance fees | **79,213** | 49,124 | **112,635** | 79,030 |
| Computer, software and maintenance | **26,830** | 26,018 | **46,201** | 75,112 |
| Consultant fees | **27,688** | 33,027 | **57,396** | 52,940 |
| Employee benefits | **70,016** | 30,030 | **124,461** | 59,045 |
| Interest expense | **-** | 22,461 | **-** | 45,491 |
| Management fees | **(66,920)** | 88,437 | **287,819** | 196,076 |
| Professional fees | **61,757** | 66,610 | **120,886** | 110,080 |
| Salaries and wages | **88,222** | 79,805 | **161,501** | 152,098 |
| Shipping and warehouse costs | **5,646** | - | **19,333** | - |
| Office, general and other expenses | **2,453** | 51,896 | **112,815** | 105,428 |
| | **294,905** | 447,408 | **1,043,047** | 875,300 |

Salary payable to the Company's Chief Financial Officer in common shares has been reclassified from management fees, included in general and administrative expenses, to share-based compensation expense.

**d) Research and development**

A summary of the Company's research and development expense for the three and six months ended September 30, 2026 and 2025 is as follows:

| | Three months ended September 30, | | Six months ended September 30, | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **$** | $ | **$** | $ |
| Consulting fees | **73,046** | 108,737 | **168,795** | 220,510 |
| Employee benefits | **1,695** | - | **3,907** | 269 |
| Salaries and wages | **75,355** | - | **152,690** | 19,815 |
| Platform, maintenance and other expenses | **58,522** | 35,797 | **120,176** | 76,339 |
| | **208,618** | 144,534 | **445,568** | 316,933 |

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2026, the Company's financial assets and liabilities include cash and cash equivalents, trade receivables, deferred consideration, accounts payable, promissory note payable, loan payable, related party convertible debenture and accrued liabilities. These instruments were classified as amortized cost.

The carrying values of cash and cash equivalents, receivables and accounts payable and accrued liabilities approximate their fair values because of their short-term nature.

The Company is exposed to certain financial risks through its financial instruments. The risk exposures and the impact on the Company's financial instruments are summarized below.

### a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company is exposed to credit risk through its cash, short term investment, trade receivables, and contract asset. The Company mitigates credit risk related to cash by placing cash with sound financial institutions. For sales contracts and trade receivables, the Company trades with recognized creditworthy third parties and regularly reviews the collectability of its accounts receivable.

### b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's main source of cash resources is through equity financing. The Company's financial obligations are limited to its current liabilities which have contractual maturities of less than one year and lease liabilities that have a fixed schedule of payment.

As at September 30, 2026, the Company had cash and cash equivalents of $ 322,468 (March 31, 2026 - $254,149) and working capital deficit of $ -1,749,901 (March 31, 2026 - $1,802,205).

### c) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and a portion of the Company's expenses are incurred in USD. A significant change in the currency exchange rates between the Canadian dollar relative to the USD could affect the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at September 30, 2026, the Company is exposed to currency risk through cash and cash equivalents, receivables, deferred consideration and accounts payable denominated in USD. A 10% change in exchange rate could increase or decrease the Company's net loss by $97,045.

### d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as there is no financial asset or liability that has a variable interest rate.

## 18. CAPITAL MANAGEMENT

The Company's definition of capital includes equity, comprising share capital, reserves, accumulated other comprehensive income, deficit and non-controlling interest. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. As at September 30, 2026, the Company had shareholders' deficiency of $ 1,845,134 (March 31, 2026 - shareholders' deficiency of $2,250,279).

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business. The Company obtains funding primarily through equity issuance. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the six-month period ended September 30, 2026.

As at September 30, 2026, the Company was not subject to any externally imposed capital requirements.

## 19. SUBSEQUENT EVENTS

On October 24, 2026, 440,530 warrants issued under the employee pay program with an exercise price of $0.0195 per share expired unexercised.

On November 10, 2026, 133,360 brokers warrants with an exercise price of $0.12 per share expired unexercised.

On November 10, 2026, a total of 1,667,000 warrants issued pursuant to a private placement, each exercisable at $0.17 per share, expired unexercised.

On October 3, 2026, a total of 50,000 employee stock options, each with an exercise price of $0.04 per share, were forfeited.

On October 26, 2026, the Company announced a private placement of up to 12,000,000 units at a price of $0.06 per unit. On November 9, 2026, the Company closed the private placement in full and issued 12,000,000 units for gross proceeds of $720,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of $0.07 until November 9, 2029. The expiry may be accelerated if, at any time after four months and one day following closing, the closing price of the Company's common shares equals or exceeds $0.15 for ten consecutive trading days. No finder's fees were paid in connection with the private placement. The net proceeds will be used for general corporate purposes.