KOGNITIV SOLUTION INC.

Financial Statements

Year Ended March 31, 2026

KOGNITIV SOLUTION INC.

Index to Financial Statements

Year Ended March 31, 2026

S.A. Sami Professional Corporation

Chartered Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Kognitiv solution Inc.

Opinion

I have audited the financial statements of Kognitiv solution Inc. (the "company"), which comprise the balance sheet as at March 31, 2026, and the statements of income, deficit and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises (ASPE).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the company in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

The financial statements for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those financial statements. .

Emphasis of Matter - Comparative Information

I draw attention to Note 2 to the financial statements, which describes the basis of accounting applied by Kognitiv Solutions Inc. in preparing these financial statements in accordance with Accounting Standards for Private Enterprises. These financial statements have been prepared for the current year only, and comparative information has not been presented. Our opinion is not modified in respect of this matter.

I was not engaged to report on the comparative information, and as such, it is unaudited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

S.A. Sami Professional Corporation

Mississauga, Ontario
May 4, 2026

CHARTERED PROFESSIONAL ACCOUNTANT
Authorized to practise public accounting by
the Chartered Professional Accountants of
Ontario

KOGNITIV SOLUTION INC.

Balance Sheet

March 31, 2026

		2026		2025
ASSETS				
CURRENT				
Cash	$	**842,391**	$	-
Accounts receivable		**316,588**		-
Receivable from related company *(Note 6)*		**366,995**		-
Prepaid expenses		**27,323**		-
HST Receivable		**217,818**		-
		1,771,115		-
EQUIPMENT *(Note 5)*		**3,327**		-
	$	**1,774,442**	$	-
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
CURRENT				
Accounts payable	$	**814,839**	$	-
Trade payables to related parties *(Note 6)*		**1,414,502**		-
Customer deposits		**68,804**		-
Corporate tax payable		**8,500**		-
		2,306,645		-
SHAREHOLDERS' DEFICIENCY				
Share capital *(Note 7)*		**100**		-
Retained earnings (deficit)		**(532,303)**		-
		(532,203)		-
	$	**1,774,442**	$	-

ON BEHALF OF THE BOARD

Anant Choubey
Anant Choubey (05 May, 2026 07:56:05 UTC) *Director*

Sridhar Bollam
Sridhar Bollam (05 May, 2026 16:03:26 UTC) *Director*

See notes to financial statements

KOGNITIV SOLUTION INC.
Statement of Income
Year Ended March 31, 2026

	2026	2025
REVENUES	**$ 2,371,150**	$ -
EXPENSES		
Salaries and wages	**1,036,371**	-
Software and server charges	**846,299**	-
Professional and consultancy expenses	**209,815**	-
Employee benefits	**114,687**	-
Withholding taxes	**50,271**	-
Travel	**31,649**	-
Office expense	**8,786**	-
Realized Foreign Exchange Gain/Loss (Net)	**5,197**	-
Bank charges	**4,879**	-
Rent expense	**2,245**	-
Amortization	**1,333**	-
	2,311,532	-
INCOME FROM OPERATIONS	**59,618**	-
Unrealized FX gain and (loss)	**(33,085)**	-
INCOME BEFORE INCOME TAXES	**26,533**	-
INCOME TAXES *(Note 8)*	**8,500**	-
NET INCOME	**$ 18,033**	$ -

See notes to financial statements

KOGNITIV SOLUTION INC.
Statement of Deficit
Year Ended March 31, 2026

	2026	2025
RETAINED EARNINGS - BEGINNING OF YEAR	**$ -**	$ -
NET INCOME	**18,033**	-
	18,033	-
PRE-ACQUISITION DEFICIT	**(550,336)**	-
RETAINED EARNINGS (DEFICIT) - END OF YEAR	**$ (532,303)**	$ -

See notes to financial statements

KOGNITIV SOLUTION INC.
Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Net income	**$ 18,033**	$ -
Items not affecting cash:		
Amortization of equipment	**1,333**	-
Pre-acquisition deficit	**(550,336)**	-
	(530,970)	-
Changes in non-cash working capital:		
Accounts receivable	**(316,588)**	-
HST Receivable	**(217,818)**	-
Trade payables to related parties	**1,414,502**	-
Receivable from related company	**(366,995)**	-
Accounts payable	**814,839**	-
Prepaid expenses	**(27,323)**	-
Corporate tax payable	**8,500**	-
Customer deposits	**68,804**	-
	1,377,921	-
Cash flow from operating activities	**846,951**	-
INVESTING ACTIVITY		
Additions to equipment	**(4,660)**	-
FINANCING ACTIVITY		
Common shares	**100**	-
INCREASE IN CASH FLOW	**842,391**	-
Cash - beginning of year	**-**	-
CASH - END OF YEAR	**$ 842,391**	$ -

See notes to financial statements

1. DESCRIPTION OF BUSINESS

Kognitiv solution Inc. (the "company") was incorporated provincially under the Business Corporations Act of Province on December 9, 2024. The company builds AI-powered software that helps big companies understand customers, run loyalty programs, and send personalized marketing to increase sales and retention.

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR PRIVATE ENTERPRISES

During the year the company adopted Canadian accounting standards for private enterprises (ASPE). These financial statements are the first prepared in accordance with these standards. The changes have been applied retrospectively, resulting in changes to beginning equity and restatement of certain assets and liabilities as described below.

3. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for private enterprises (ASPE).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Services

Revenue from operations is recognised when control of the services are transferred to the customer at a transaction price that reflects the consideration to which the Company expects to be entitled in exchange for those services.. To determine when to recognise revenue, the Company follows the following 5-step process:

- Identifying the contract with a customer
- Identifying the underlying performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

The transaction price of services rendered is net of variable consideration. The transaction price for a contract excludes any amounts collected on behalf of third parties. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the services before transferring them to the customer.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the transaction price allocated to the satisfied performance obligation

The specific recognition criteria described below must be met before revenue is recognised:

Retainership services

The Company is engaged in the business of providing cloud based intelligent customer engagement software solutions. Revenue is recognized over the specified subscription period or on the basis of underlying services performed, as the case may be, in accordance with the arrangement with the customers. The Company recognises revenue for a sales-based or usage-based royalty promised in the contract only when (or as) the subsequent sale or usage occurs.

Campaign services

The Company provides SMS campaign services that are bundled together with the retainer services. The Company recognises revenue based on the usage of messaging services i.e., when the Company's services are used based on the specific terms of the contract with customers.

The Company recognises revenue either on a gross or net basis depending on the nature of its role in the transaction, in accordance with Ind AS 115. Revenue is recorded on a gross basis when the Company acts as a principal in the transaction, meaning it has control over the services before they are transferred to the customer.

Revenue is recorded on a net basis when the Company acts as an agent, facilitating a transaction between a supplier and the customer. In this case, the revenue is recorded as the net amount retained after deducting the cost of services provided by the supplier.

The determination of whether revenue is recognised on a gross or net basis is assessed on a transaction-by-transaction basis, considering specific terms and conditions of each arrangement

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Installation services

The Company provides a one-time installation services that are bundled together with the retainership services. The Company recognises revenue from installation services over time because the customer simultaneously receives and consumes the benefits provided to them. The Company uses an input method in measuring progress of the installation services because there is a direct relationship between the Company's effort and the transfer of service to the customer. The Company recognises revenue on the basis of the milestone achieved which correlates with efforts expended relative to the total expected efforts to complete the service.

In contracts with customers where the retainership, campaign services and installation services are bundled together, the Company has applied the guidance in Ind AS 115 by applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract and its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price.
The Company has assessed its revenue arrangements based on the substance of the transaction and business model against specific criteria to determine if it is acting as principal or agent.

Service income from Group Companies

The Company has appointed subsidiaries as Limited Risk Distributor to sell, use and offer to sale, display and market the platform in their territories. The Company has agreed to maintain an agreed upon profitability in the subsidiaries for the revenue derived from the Kognitiv Loyalty Platform.

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer	28.6%

The company regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long lived assets

The company tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Income taxes

The company uses the income taxes payable method of accounting for income taxes. Under this method, the company reports as an expense (income) of the period only the cost (benefit) of current income taxes determined in accordance with the rules established by taxation authorities.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

When the company issues financial instruments that include both a debt and equity component, the entire proceeds are allocated to the debt component, and the equity component is assigned a measurement amount of $nil.

When financial instruments that include both a debt and an equity component are issued, the proceeds are allocated firstly to the component for which the fair value is more readily determinable, and the residual is allocated to the other component.

Preferred shares that would otherwise be classified as liabilities, are classified as equity when issued as part of certain tax planning arrangements.

5. EQUIPMENT

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Computer	$ 4,660	$ 1,333	**$ 3,327**	$ -

6. DUE (TO) AND FROM RELATED PARTIES

The following is a summary of the company's related party transactions:

	2026
Due (to) and from related parties	
Capillary Technologies Europe Ltd *(Due to common control)* Shown as receivable from related parties	**$ 366,995**
Capillary - USA *Due to common control)* Shown as trade payable to related parties	**(1,414,502)**
	$ (1,047,507)

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6. DUE (TO) AND FROM RELATED PARTIES *(continued)*

2026

Due (to) and from related parties *(continued)*

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. SHARE CAPITAL

Issued

		2026		2025
Common shares	**$**	**100**	$	-

8. INCOME TAXES

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 26.50% (2025 - 26.50%) to the income for the year and is reconciled as follows:

		2026		2025
Income before income taxes	**$**	**26,533**	$	-
Income tax expense at the combined basic federal and provincial tax rate:	**$**	**7,031**	$	-
Increase (decrease) resulting from:				
Non-deductible expenses		**1,469**		-
Income tax expense	**$**	**8,500**	$	-

9. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from customers. In order to reduce its credit risk, the company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The company has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

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9. FINANCIAL INSTRUMENTS *(continued)*

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The company is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable dealt in foreign currencies . During the year, the company incurred a realized foreign exchange loss of $5,197 and unrealized foreign exchange loss of $33,085.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company has no exposure to interest rate risk, as it holds no bank debt, interest-bearing deposits, or credit facilities.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to other price risk through its investment in quoted shares.

10. COMPARATIVE FIGURES

On March 31, 2025, Capillary Technologies LLC, a subsidiary of Capillary Pte. Ltd. (wholly owned by the Parent Company), entered into a Sale and Purchase Agreement with Loyalty Solutions Holdings US Inc. to acquire 100% of the equity interest in Kognitiv Solutions Inc., a company incorporated in Ontario, Canada, together with all rights, title, and interest in its related Intellectual Property. The acquisition was completed on May 1, 2025. As the acquisition was consummated after the reporting date, the financial results of Kognitiv Solutions Inc. are not reflected in these financial statements. Accordingly, comparative figures as at March 31, 2025 and an opening balance sheet as at April 1, 2024 have not been presented.

SPOTDRAFT

AUDIT TRAIL

CONTRACT NAME	FinancialStatement31032026 (1)
CONTRACT ID	c60d9635-c325-4749-bb1b-9acba65a77ae
STATUS	Executed
DATE TIME FORMAT	DD MMMM, YYYY HH:mm:ss Timezone
TIMEZONE	UTC

CONTRACT HISTORY

SENT	Sent for Signature to **Sridhar Bollam** (sridhar.bollam@capillarytech.com) , **Anant Choubey** (anant.choubey@capillarytech.com) by **Mayank Dwivedi** (mayank.dwivedi@capillarytech.com).	**05 May, 2026 07:02:18 UTC** IP: 49.37.169.2
SIGNED	Signed by **Anant Choubey** (anant.choubey@capillarytech.com).	**05 May, 2026 07:56:06 UTC** IP: 14.97.221.150 Location unavailable
SIGNED	Signed by **Sridhar Bollam** (sridhar.bollam@capillarytech.com).	**05 May, 2026 16:03:26 UTC** IP: 76.204.126.248 Collin County, TX, USA
EXECUTED	This document has been signed and executed by all parties.	