
Local Media Concepts Inc.

Financial Information

December 31, 2025

Local Media Concepts Inc.

Financial Statements

December 31, 2025

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Compilation Engagement Report

**To the management of
Local Media Concepts Inc.**

On the basis of information provided by management, we have compiled the balance sheet of Local Media Concepts Inc. as at December 31, 2025, the statement of income and retained earnings for the year then ended, and note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Vaive and Associates

**Ottawa
March 10, 2026**

**Vaive and Associates Professional Corporation
(Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario)**

Local Media Concepts Inc.**Statement of Income and Retained Earnings**

For the year ended December 31,

	<u>2025</u>	<u>2024</u>
Revenue	\$ 1,176,671	\$ 1,275,999
Expenses		
Advertising and promotion	351	-
Amortization	12,619	6,151
Automotive	6,213	9,175
Communications	8,549	5,141
Interest and bank charges	313,437	256,619
Management fees	152,895	44,199
Meals and entertainment	2,492	3,235
Office	31,376	26,923
Professional fees	3,400	3,100
Rent	2,290	2,139
Repairs and maintenance	1,205	-
Salaries and benefits	315,098	133,858
Software subscriptions	39,469	4,841
Subcontract	659,291	620,750
Travel	10,970	9,122
	<u>1,559,655</u>	<u>1,125,253</u>
Income (loss) before other item and income taxes	(382,984)	150,746
Other income		
Government assistance	1,156	-
Income (loss) before income taxes	(381,828)	150,746
Income tax (recovery)	(17,251)	17,369
Net income (Net loss)	(364,577)	133,377
Retained earnings, beginning of year	309,226	175,849
Retained earnings (deficiency), end of year	\$ (55,351)	\$ 309,226

Local Media Concepts Inc.**Balance Sheet**

December 31,	<u>2025</u>	<u>2024</u>
Assets		
Current		
Cash	\$ 107,724	\$ 148,760
Accounts receivable	86,463	186,638
Income taxes receivable	<u>21,564</u>	<u>-</u>
	215,751	335,398
Due from a shareholder	-	30,000
Due from related company	28,361	-
Property, plant and equipment (note 4)	49,756	7,817
Domain name, net of accumulated amortization	<u>20,928</u>	<u>20,928</u>
	<u>\$ 314,796</u>	<u>\$ 394,143</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 190,047	\$ 67,566
Income taxes payable	<u>-</u>	<u>17,251</u>
	190,047	84,817
Due to shareholders	<u>180,000</u>	<u>-</u>
	<u>370,047</u>	<u>84,817</u>
Shareholders' equity (deficiency)		
Capital stock (note 5)	100	100
Retained earnings (deficiency)	<u>(55,351)</u>	<u>309,226</u>
	<u>(55,251)</u>	<u>309,326</u>
	<u>\$ 314,796</u>	<u>\$ 394,143</u>

Approved by the board:

Director

Local Media Concepts Inc.

Notes to the Financial Information

For the year ended December 31, 2025

1. General information

Local Media Concepts Inc. was incorporated under the Canada Business Corporations Act on February 3, 2012. The Company's primary business activity is providing advertising services.

2. Basis of accounting

The basis of accounting applied in the preparation of the balance sheet of Local Media Concepts Inc. as at December 31, 2025 and the statement of income and retained earnings for the year then ended is on the historical cost basis and reflects cash transactions with the addition of the following:

- ♦ accounts receivable less an allowance for doubtful accounts
- ♦ property, plant and equipment amortized on the same basis as for income tax
- ♦ accounts payable and accrued liabilities
- ♦ current income taxes payable as at the reporting date

3. Significant accounting policy

Property, plant and equipment

Property, plant and equipment are recorded at cost. The company provides for amortization using the declining balance method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates are as follows:

Furniture and fixtures	20%
Vehicle	30%
Computer equipment	55%

4. Property, plant and equipment

	2025		
	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 1,770	\$ 1,353	\$ 417
Vehicle	52,013	7,802	44,211
Computer equipment	74,445	69,317	5,128
	\$ 128,228	\$ 78,472	\$ 49,756

Local Media Concepts Inc.**Notes to the Financial Information**

For the year ended December 31, 2025

4. Property, plant and equipment (continued)

	<u>2024</u>		
	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 1,770	\$ 1,249	\$ 521
Computer equipment	71,899	64,603	7,296
	<u>\$ 73,669</u>	<u>\$ 65,852</u>	<u>\$ 7,817</u>

5. Capital stock

	<u>2025</u>	<u>2024</u>
Authorized		
Unlimited number of First Preferred Shares		
Unlimited number of Second Preferred Shares		
Unlimited number of Third Preferred Shares		
Unlimited number of Fourth Preferred Shares		
Unlimited number of Class A Common Shares		
Unlimited number of Class B Common Shares		
Unlimited number of Class C Common Shares		
Issued		
1,000 Class A Common Shares	<u>\$ 100</u>	<u>\$ 100</u>