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AUDITED FINANCIAL STATEMENTS

2025 EDITION

York Entrepreneurship Development Institute

Financial Statements

December 31, 2025

York Entrepreneurship Development Institute

December 31, 2025

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VALENTE PACITTI
LICENSED PUBLIC ACCOUNTANTS

2630 Rutherford Road, Suite 202
Vaughan, Ontario L4K 0H2
Tel: 905-265-0034
Fax: 905-265-0085

Independent Auditors' Report

To the Directors of
York Entrepreneurship Development Institute

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of York Entrepreneurship Development Institute which comprise the statement of financial position as at December 31, 2025, and the statement of operations and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of York Entrepreneurship Development Institute as at December 31, 2025, and its financial performance and its cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 the governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Valente Pacitti, LLP

Chartered Professional Accountants
Licensed Public Accountants

Vaughan, Ontario
June 23, 2026

York Entrepreneurship Development Institute

Statement of Financial Position - December 31, 2025

(audited)

	2025	2024
Assets		
Current		
Cash (Note 4)	$ 897,204	$ 778,856
Accounts receivable (Note 3)	575	11,221
Taxes recoverable	7,684	7,277
Convertible loans (Note 3)	150,000	350,000
Prepaid expenses	16,037	6,630
	1,071,500	1,153,984
Marketable securities (Note 4)	939,875	1,209,821
Investment in private companies (Note 5)	1,000,000	500,000
Property and equipment (Note 6)	320,345	383,948
	$ 3,331,720	**$ 3,247,753**
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 93,132	$ 52,748
Government remittance payable	5,948	4,472
Deferred revenue	13,000	49,400
	112,080	106,620
Unexpended program grants and loans (Note 7)	800,000	500,000
	912,080	606,620
Net Assets		
Net assets	2,419,640	2,641,133
	$ 3,331,720	**$ 3,247,753**

See accompanying notes.

Approved on behalf of the Board

_____ Director

York Entrepreneurship Development Institute

Statement of Operations and Net Assets

Year ended December 31, 2025

(audited)

	2025	2024
Revenue		
Income	$ 909,715	$ 923,934
Vocational revenue	9,541	71,918
Restricted revenue (Note 8)	521,000	-
Donations	474,000	1,780,486
Government grants	11,884	25,185
Gain on marketable securities	182,249	68,716
Gifts from other charities	-	96,980
	2,108,389	**2,967,219**
Expenses		
Charitable program expenses	2,060,241	1,625,213
General and administrative expenses		
Advertising and promotions	98,567	47,941
Amortization	82,437	103,850
Professional fees	33,370	33,200
Office and general	22,592	18,069
Unrebated HST	8,878	7,303
Telephone	7,624	6,556
Insurance	5,708	4,411
Investment management fees	5,115	-
Repairs and Maintenance	4,725	5,023
Bank charges	3,218	4,327
Utilities	133	10,909
Foreign currency exchange gain	(2,726)	(52,652)
	2,329,882	**1,814,150**
Excess (deficiency) of revenue over expenses	(221,493)	1,153,069
Net assets, beginning of year	2,641,133	1,488,064
Net assets, end of year	**$ 2,419,640**	**$ 2,641,133**

See accompanying notes.

York Entrepreneurship Development Institute

Statement of Cash Flows
Year ended December 31, 2025
(audited)

	2025	2024
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenue over expenses	$ (221,493)	$ 1,153,069
Item not affecting cash		
Amortization	82,437	103,850
Gain on marketable securities	(182,249)	(68,716)
	(321,305)	1,188,203
Changes in working capital		
Taxes recoverable	(407)	23,183
Accounts receivable	10,646	35,348
Prepaid expenses	(9,407)	(379)
Accounts payable and accrued liabilities	41,859	(69,401)
Deferred revenue	(36,400)	(53,249)
	(315,014)	1,123,705
Financing activities		
Proceeds from unexpended program grant and loan	300,000	400,000
Investing activities		
Proceeds from sale of marketable securities	452,194	(1,029,830)
Investment in private companies	(500,000)	(200,000)
Convertible loans	200,000	(150,000)
Purchase of property and equipment	(18,832)	(12,390)
	133,362	(1,392,220)
Increase in cash	118,348	131,483
Cash, beginning of year	778,856	647,373
Cash, end of year	**$ 897,204**	**$ 778,856**

See accompanying notes.

York Entrepreneurship Development Institute

Notes to Financial Statements
December 31, 2025
(audited)

1. Purpose of the organization

York Entrepreneurship Development Institute (the 'Company') is registered Canadian charity and as such is exempt from income taxes.
The Company was formed to provide free top tier business education and mentorship to innovative entrepreneurs from any sector or industry.

2. Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Certain significant accounting principles are summarized below.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not- for-profit organizations requires directors and management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from their best estimates as additional information becomes available in the future and adjustments, if any, are recorded as that information becomes known.

Cash and cash equivalents

The Company's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and temporary investments with a maturity period of three months or less from the date of acquisition. Term deposits that the Company cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

Marketable Securities

Investments are recorded and carried at fair market value. Unrealized gains and losses arising from the change in fair value of investments are recorded in the statement of operations as gain/loss on marketable securities.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Amortization is provided using the declining balance method over the useful life of the asset at the following rates:

Furniture and equipment	20% declining balance
Leasehold improvements	20% declining balance
Website	50% declining balance

2. Summary of significant accounting policies (continued)

Financial instruments
The Company has elected not to disclose fair value information about financial assets and liabilities for which fair value was not readily obtainable. The fair value of cash, accounts receivable, investments, promissory notes and accounts payable is equal to their carrying amount given their maturity date.

Measurement of financial instruments
The Company initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or the exchange amount, as appropriate. The Company subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investment in private companies instruments that are quoted in an active market, which are measured at fair value. Financial assets measured at amortized cost include cash, accounts receivable, convertible loan and investment in private companies. Marketable securities are measured at fair value. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and director's loan payable.

Revenue and Cost Recognition
The Company uses deferral method of accounting for revenue recognition. Unrestricted donations are recognized as revenue when received. Restricted donations are deferred and recognized as revenue in the year which the related expenses are recorded.

Contributed services
Directors and mentors volunteer their time to assist in the Company's activities. While these services benefit the Company considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

3. Convertible loans

	2025	2024
Note receivable on demand from Securter Securities Inc, bearing interest at 5% per annum, maturity on or after June 13, 2025	$ -	$ 200,000
Note receivable on demand from Laser Weld Creation Inc, bearing interest at prime per annum, matured on December 3, 2026	150,000	150,000
	$ 150,000	$ 350,000

3. Convertible promissory notes (continued)

The Company has invested into convertible promissory notes in the amount of $150,000 (2024 - $350,000) carrying at amortized cost. At maturity, the convertible promissory notes are convertible at the option of the Company into the most senior class or series of equity securities at a price per share offered by the debtor at that time. During the year, the promissory note receivable from Securter Securities Inc. was converted into common shares. The convertible loan to Laser Weld Creation Inc. was extended one additional year, with maturity date of December 3, 2026, bearing interest at the rate per annum quoted by the Bank of Canada as being the prime rate of interest. Interest shall accrue on the principal amount outstanding until repaid. Included in Accounts receivable is $574 (2024 - $10,621) of accrued interest.

4. Marketable securities

The carrying values and market values of the investments are as follows:

	Carrying Value 2025	Market Value 2025
Equities	697,984	918,562
Mutual Funds	20,550	21,313
	$ 718,534	$ 939,875

Included in cash is $17,250 which is held in the investment portfolio as uninvested cash balance.

5. Investment in private companies

Investment in private companies is comprised of $1,000,000 (2024 - $500,000) in four companies:
An amount of $200,000 (2024 - $200,000) invested in 328,828 common shares of 9223380 Ontario Inc., (The Chufa Co) and $100,000 (2024 - $100,000) invested in 750,188 common shares of Monkey Jobber Inc.
During the year, the Company exercised its option under a promissory note agreement to convert a loan of $200,000 into 2,000,000 common shares of Securter Systems Inc. The Company, also invested $500,000 to acquire 6,357,580 Class 'A' shares of Folium Labs Inc.
These investments are measured at cost. These investments are assessed regularly for impairment and are written down if a permanent impairment exists.

6. Property and equipment

Comprised as follows:

	Cost	Accumulated amortization	Net 2025	Net 2024
Furniture and equipment	$ 233,737	$ 123,500	$ 110,237	$ 116,610
Leasehold improvements	772,871	569,037	203,834	254,791
Website	66,925	60,651	6,274	12,548
	$ 1,073,533	$ 753,188	$ 320,345	$ 383,949

7. Unexpended program grants and loans

Unexpended program grants and loans is comprised of $800,000 (2024 - $500,000) in funds from seven co-investors; Matger InSaat Ve Turizm Anonim Sirketi ($50,000), Canada Innovation Incubator Inc. ($200,000), Aims Immigration Specialist Ltd. ($50,000), Brar Tamber Rigby Professional Corporation ($50,000), Canada Business Consulting ($350,000), H Financial Ltd. ($50,000) and Artismart Inc. ($50,000).
The use of the funds are restricted to certain projects or programs.

Unexpended program grants and loans provides the co-investors with the opportunity to co-invest in other investments made by YEDI from time to time. In return, YEDI will earn a fee of 50% (Investment fee) of the profit received from the approved investment. Such fees shall be withheld by YEDI prior to the distribution of any income or profits distributed by YEDI. Any income or profits distributed by YEDI in respect of such Approved Investment shall be proportionately distributed to all Participants.
As per the co-investment agreements, the co-investors are not entitled to demand repayment of these loans. As such, they are classified as long-term.

8. Restricted Revenue

The Organization receives contributions from donors that are restricted for specific purposes. Contributions restricted for the Educational Programs are recognized as revenue in the same period in which the related program expenditures are incurred.
During the year, the Organization received $521,000 (2024 -Nil) in donations restricted for the Educational Programs. Of this amount, $521,000 (2024 - Nil) was recognized as revenue during the year to match eligible program expenditures incurred.
The Educational Programs provides educational and mentorship resources, training workshops and learning opportunities to aspiring entrepreneurs in accordance to the Organizations mission and donors restrictions.

9. Related party transactions

Related parties of the Organization are considered to be board members and the senior management team who have a direct impact on the daily operations. As part of organization's normal business activities, the Company employed its president as a faculty instructor. Included in the charitable program expenses is compensation paid to the president as a professor of $225,538 (2024 - $225,538). During the year the Company received donations from it's president in the amount of $60,000 (2024 - $Nil) which it included in revenue.

The organization occupies it's premises from a company controlled by it's president. During the year a lease payment forgiveness in the amount of $134,000 (2024 - $184,000) was included in income.

These transactions were made in the normal course of business and have been measured in the financial statements at exchange amount.

10. Financial instruments

The company is exposed to various risks through financial instruments. The following analysis provides a measure of the company's risk exposure and concentrations at the balance sheet date.

Liquidity risk

Liquidity risk is the risk the company will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to liquidity risk arising from meeting its payments to creditors including accounts payables. The company's ability to meet obligations depends on the receipt of funds from its operating activities in the form of revenue.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company has exposure to the credit risk arising from accounts receivable.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is not exposed to either of these risks.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 39% (2024 - 31%) of the company's revenues are in foreign currency. As at December 31, 2025, cash of $521 (2024 - $181) is held in USD dollars and converted into Canadian dollars.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is not exposed to interest rate risk.

10. Financial instruments (continued)

Other price risk

Other price risk is the risk that the fair value of 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.