

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001-39885

VERSUS SYSTEMS INC.

(Exact Name of Registrant as specified in its Charter)

<u>Delaware</u> (State or Other Jurisdiction of Incorporation or Organization)	<u>46-4542599</u> (I.R.S. Employer Identification No.)
<u>3500 South DuPont Hwy. Dover, DE</u> (State or Other Jurisdiction of Incorporation or Organization)	<u>19901</u> (Zip Code)

(424) 226-8588

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares, no par value per share	VS	The Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Emerging growth company
Smaller reporting company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting stock and non-voting common equity held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter ended June 30, 2025 was approximately \$4.1 million based upon the closing price of the registrant's common stock of \$2.33 on the Nasdaq Capital Market as of June 30, 2025.

There were 4,901,677 shares of registrant's common stock, no par value, outstanding as of April 13, 2026.



Versus Systems Inc.

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Cautionary Note Regarding Forward- Looking Statements

When used in this annual report, statements that are not historical in nature, including those containing words such as “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “may” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters, are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In particular, statements pertaining to our trends, liquidity and capital resources, among others, contain forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Examples of forward-looking statements include, but are not limited to, statements about the following:

- our prospects, including our future business, revenues, expenses, net income, earnings per share, gross margins, profitability, cash flows, cash position, liquidity, financial condition and results of operations, backlog of orders and revenue, our targeted growth rate, our goals for future revenues and earnings, and our expectations about realizing the revenues in our backlog and in our sales pipeline;
- the effects on our business, financial condition and results of operations of current and future economic, business, market and regulatory conditions, including the current economic and market conditions and their effects on our customers and their capital spending and ability to finance purchases of our products, services, technologies and systems;
- the effects of fluctuations in sales on our business, revenues, expenses, net income, earnings per share, margins, profitability, cash flows, capital expenditures, liquidity, financial condition and results of operations;
- our products, services, technologies and systems, including their quality and performance in absolute terms and as compared to competitive alternatives, their benefits to our customers and their ability to meet our customers’ requirements, and our ability to successfully develop and market new products, services, technologies and systems;
- our markets, including our market position and our market share;
- our ability to successfully develop, operate, grow and diversify our operations and businesses;

- our business plans, strategies, goals and objectives, and our ability to successfully achieve them;
- the sufficiency of our capital resources, including our cash and cash equivalents, funds generated from operations, availability of borrowings under our credit and financing arrangements and other capital resources, to meet our future working capital, capital expenditure, lease and debt service and business growth needs;
- the value of our assets and businesses, including the revenues, profits and cash flows they are capable of delivering in the future;
- the effects on our business operations, financial results, and prospects of business acquisitions, combinations, sales, alliances, ventures and other similar business transactions and relationships;
- our ability to remain in compliance with Nasdaq listing standards;
- our ability to successfully remediate the material weaknesses in our internal control over financial reporting that existed as of December 31, 2025 and the possibility that additional material weaknesses exist or that additional fraudulent activity has occurred
- industry trends and customer preferences and the demand for our products, services, technologies and systems; and
- the nature and intensity of our competition, and our ability to successfully compete in our markets.

These statements are necessarily subjective, are based upon our current plans, intentions, objectives, goals, strategies, beliefs, projections and expectations, and involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements described in or implied by such statements. Actual results may differ materially from expected results described in our forward-looking statements, including with respect to correct measurement and identification of factors affecting our business or the extent of their likely impact, the accuracy and completeness of the publicly available information with respect to the factors upon which our business strategy is based, or the success of our business. Furthermore, industry forecasts are likely to be inaccurate, especially over long periods of time.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of whether, or the times by which, our performance or results may be achieved. Forward-looking statements are based on information available at the time those statements are made and management's belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that may cause actual results, our performance or achievements, or industry results to differ materially from those contemplated by such forward-looking statements include, without limitation, those discussed under the caption "Risk Factors" in this annual report, as well as other risks and factors identified from time to time in our SEC filings.

PART I

ITEM 1. Business

Our Mission

Our mission is to reinvent the way our customers interact with consumers through live events, games, apps and streaming content by delivering a great brand experience.

Our Company

We offer a suite of proprietary business-to-business software solutions designed to enhance user engagement through gamification and rewards. These tools allow our partners to offer in-game prizes and rewards, including merchandise, coupons, digital goods, and sweepstakes entries — inside their websites, their venues, or their streaming media content.

The Company's potential customers primarily include professional sports teams, event venues such as arenas and stadiums, fan engagement and sponsor activation platforms, digital out-of-home media companies, and advertising agencies, which typically use our products as part of their live events or as part of an advertising campaign with the goal of engaging fans, increasing consented first-party data, and increasing sales. At December 31, 2025 and December 31, 2024, the Company had four and two, respectively, active customers. The Company continues to pursue new customer relationships and expansion opportunities within its core verticals.

The Company's products are designed to enable end users to be able to earn prizes by registering on our system and completing in-content challenges like trivia, polls, or casual mobile games. Players could use our system to play a variety of games and earn a wide range of prize types, provided by advertisers and sponsors. The Company's offerings include the in-venue Filter Fan Cam (FFC) platforms for live events, stand-alone "Winfinite" product line that can be used by brands, advertising agencies, and content partners to reach potential customers outside of sports venues, on mobile devices, as well as the "Winfinite" Games, which are customizable web-based casual games. We also have an IP portfolio that could create future licensing and product development opportunities including our recently allowed Artificial Intelligence ("AI") and Machine Learning ("ML") series of patent claims.

With the acquisition of Xcite Interactive in June 2021, we acquired a number of key pieces of technology and relationships that have supported the growth and development of the Company's engagement and rewards platform, including a live events fan engagement business that has partnered with professional sports franchises in the National Football League ("NFL"), the National Basketball Association ("NBA"), the National Hockey League ("NHL") and others to increase audience engagement using interactive gaming functions like trivia, polling, and casual games that can be played alongside live experiences whether a player is at-home, in a restaurant, or in-venue at the event itself. The Company's largest customers in 2024 included the Texas Rangers and the San Jose Sharks. For the year ended December 31, 2025, the Company's largest customer was ASPIS, a significant shareholder and we continue to do business with the Texas Rangers.

We offer a suite of products centered on "Winfinite" and FFC platforms. FFC is an Augmented Reality filtering tool that can be used for mobile and in-venue applications. In addition, we have a stand-alone gaming and prize product that we call "Winfinite," which allows brands, media companies, and advertising agencies to reach out to customers directly on their mobile devices. We license these software products to teams, ad agencies, and other content creators.

During 2025, the Company made progress in establishing operations and partnerships in Brazil, a new target market expected to begin generating revenue in the near term. Brazil represents one of the largest sports and live events markets globally, with a highly engaged consumer base. The Company has engaged in discussions with major soccer franchises, professional leagues, festival promoters, and rights holders across multiple event categories. The Company has also implemented cybersecurity solutions provided by Aspis Cyber Technologies, Inc., to strengthen the security of its websites and technology infrastructure. In addition, the Company has initiated an ongoing project to develop new intellectual property aimed at enhancing and modernizing its technology portfolio. These initiatives are intended to strengthen the Company's competitive position over time. Management continues to focus on expanding customer relationships, enhancing its technology offerings, and pursuing new opportunities in key markets such as Brazil. The Company believes these initiatives, together with ongoing cost discipline and strategic partnerships, may support improved financial performance in future periods.

Our Products and Services

On April 30, 2025, pursuant to the Technology License and Software Development Agreement (the “License Agreement”) with ASPIS Cyber Technologies, Inc. (“ASPIS”), the Company delivered a functional license for its gamification, engagement, and QR code technology. Under the License Agreement, the Initial Term is non-cancellable for twelve (12) months commencing April 30, 2025, with monthly license fees of \$165,000 payable regardless of use. ASPIS will pay for any required technology modifications, improvements, and developments to Versus’ technology in addition to the license fee. The Company retains ownership of the technology, and ASPIS holds an exclusive license to use it in the cybersecurity industry so long as ASPIS continues to pay the monthly license fee.

In addition, we offer the following products and services to our potential partners and customers:

- **FFC.** Our mobile and in-venue fan engagement products are used at a variety of live-event and other entertainment focused properties like stadiums and arenas, but they can also be used at conferences, theme parks, and restaurants to increase audience and customer engagement. Content partners, including professional sports teams, can use FFC in conjunction with their existing video screens, “jumbotrons”, “halo boards”, “main boards”, as well as other branded experiences to reach potential customers with games and interactive experiences that enhance the live event.
- **Winfinite.** Winfinite is an interactive advertising tool that increases awareness, affinity, data, and incremental sales. It allows content creators, marketers, agencies, and other advertisers to increase customer acquisition and loyalty through a combination of games and rewards. The product is compatible with a number of digital platforms and can be integrated into customers’ existing advertising campaigns.
- **Winfinite Games.** Winfinite Games is our suite of customizable, lightweight web-based casual games. These games can be mounted and customized in any web experience to enhance brand engagement and affinity. Our suite provides gaming experiences ranging from sports (basketball, football, American football, hockey) to match-3, to downhill racers, card games, midway games, and trivia.

Research and Development

Our research and development team, including in-house and as-needed contract resources, consists of technical engineering, product management, and user experience, and is responsible for the design, architecture, creation, and quality of our platform. We have invested substantial resources in research and development to enhance our platform features and functionalities and expand the services we offer. We believe the timely development of new, and the enhancement of our existing, services and platform features would enhance our competitive position. We utilize an agile development process to deliver software releases, fixes and updates.

Competition

Interactive media, live-events, in-venue advertising, and rewarded advertising are all highly competitive businesses, characterized by increasing product introductions and rapidly emerging new platforms and technologies. With respect to competing for customers for our platform, we will compete primarily on the basis of functionality, quality, brand and customer reviews. We will compete for platform placement based on these factors, as well as our relationship with the content owner, historical performance, perception of sales potential and relationships with owners and licensors of brands, properties and other content.

We believe that our small size will provide us some amount of a competitive edge in the near term as we are able to make quick decisions to take advantage of customer preferences and emerging technologies like AI.

With respect to our prizing and rewards platform, we compete with a continually increasing number of companies, including industry leaders such as TapJoy, Honey, Rakuten, and Otello who make their money largely on the free-to-play or free-to-use distribution of coupons and rewards. Beyond these direct competitors, we face a certain amount of competition from pay-to-play “rewards” companies like Skillz, FanDuel, or DraftKings that also use games and monetary rewards to drive user growth – although in their case, they derive the majority of their revenues directly from users rather than brands and sponsors.

We also face increased competition from large media and technology companies with significant online presences, such as Apple, Alphabet/Google, Amazon, Meta, Microsoft, Netflix Shopify, or Yahoo, as those companies move to expand their interactive offerings. This competition could increase if these larger industry players begin to add prizing or rewards into their offerings.

We are also aware of the increasing role of Artificial Intelligence (AI) in the personalized content space, including personalized advertising. We have been researching the space for a number of years and have been filing patents with the United States Patent and Trademark Office (USPTO) to protect our uses of AI and Machine Learning (ML) in trying to optimize both the player and partner experience, but we are aware that the AI space is filled with larger, and better-funded teams, including those from Microsoft, Google, and others.

In addition, given the open nature of the development and distribution for smartphones and tablets, we also compete or will compete with a vast number of small companies and individuals in all of our segments who are able to create and launch software programs and platforms for these devices using relatively limited resources and with relatively limited start-up time or expertise.

Most of our competitors and our potential competitors have one or more advantages over us, including:

- significantly greater financial and personnel resources;
- stronger brand and consumer recognition;
- longer and larger customer histories, including much more consented first-party data;
- larger datasets from which to derive customer behavior patterns and AI training data;
- the capacity to leverage their marketing expenditures across a broader portfolio of mobile and non-mobile products;
- more substantial intellectual property of their own;
- lower labor and development costs and better overall economies of scale; and
- broader distribution and presence.

Government Regulation

We are involved in a variety of areas that are subject to governmental oversight. While we have developed a flexible platform designed to adjust to a changing legal and regulatory landscape, there are a number of areas where federal, state and international law could force us to make significant adjustments to our strategies and deployment efforts. As such, as with many companies in both the software and advertising spaces, there are risks associated with the potential impacts of government regulation.

As a company that facilitates the distribution of real-world prizes for in-game and online activities, we are, in some cases and for some campaigns, subject to laws that surround sweepstakes, contests, and games of skill. While we use best efforts to ensure that all contests are compliant with federal, state, and local laws pertaining to the game type, contest type, prize type, and the eligibility of individual players, among other concerns, we are subject to those regulations and those regulations may change. We have filed patents, and have been granted certain patent claims, protecting our ability to use player characteristics like player location, player age, and contest type to adjust eligibility in specific contests with the intent of providing dynamic regulatory compliance. We also have also designed the platform to make it possible to expeditiously cease providing prizes in certain jurisdictions, or cease offering certain types of contests, such as sweepstakes or other contest types, if that becomes necessary. If necessary, we can make these changes without interruption to our campaigns and contests in other jurisdictions.

Certain of our campaigns and contests may be subject to laws and regulations applicable to companies engaged in skill-based contests. As we partner with our brand and content partners to offer prizes that players may earn as a result of their in-game activities, we may be subject in some cases to the federal Deceptive Mail Prevention and Enforcement Act as well as certain state prize, gift, or sweepstakes statutes that may apply to certain experiences that we or our customers and partners may run from time to time. Our system does allow us to adjust terms of service to account for this and other acts. We may also choose not to offer certain campaigns, contests or prizes in certain areas because of these regulations.

In addition, certain states prohibit, restrict, or regulate contests in several ways, particularly with respect to payment of entry fees, and the size, value, and/or source of prizes to participants in such contests. Certain other states require companies to register and/or insure certain types of contests. While we do not typically require entry fees or consideration of any type from our players, and thus based on legal research conducted, are not subject to these regulations in most cases, we do remain conscious of these regulations. We may choose to not offer certain prizes or certain contests in certain areas due to these regulations. We can do so without interruption to other services and other jurisdictions. While at this time, our operations are not subject to certain regulations, for example the pay-to-play regulations, given that our platform is free-to-play, we are conscious that because the nature of our services is relatively new and is rapidly evolving, we may not be able to accurately predict which regulations will be applied to our business. We may also at some point become subject to new or amended regulations.

Further, our online in-game prizing and rewards platform, which may be integrated into games whose player bases include individuals ranging from elementary school age children to adults, is subject to laws and regulations relating to privacy and child protection. Through our applications and online platform, we, and the content creators, owners and platform owners that incorporate our proprietary platform into their media or hardware, may monitor and collect certain information about child users of these games and forums. A variety of laws and regulations have been adopted in recent years aimed at protecting children using the internet, such as the Federal Children's Online Privacy Protection Rule (COPPA). COPPA sets forth, among other things, a number of restrictions related to what information may be collected with respect to children under the age of 13, as well as the kinds of content that website operators may present to children under such age. There are also a variety of laws and regulations governing individual privacy and the protection and use of information collected from individuals, particularly in relation to an individual's personally identifiable information (e.g., credit card numbers). We currently employ multiple measures to ensure that we are COPPA-compliant. We screen for age at registration, we address the issue in our terms of service, and we employ a kick-out procedure during member registration whereby anyone identifying themselves as being under the age of 13 during the process may not register for a player account on our website or participate in any of our online experiences or tournaments without linking their account to that of a parent or guardian.

Such regulation would have a material adverse effect on our business and operations. In the area of information security and data protection, many states have passed laws requiring notification to users when there is a security breach for personal data, such as the 2002 amendment to California's Information Practices Act, or requiring the adoption of minimum information security standards that are often vaguely defined and difficult to implement. And while we believe that we are currently in compliance with these and other data protection regulations, including the privacy regulations set out below, the costs of compliance with these laws may increase in the future as a result of changes in interpretation. Furthermore, any failure on our part to comply with these laws may subject us to significant liabilities.

We are also subject to federal, state and foreign laws regarding privacy and protection of our users' personal information and related data, including the California Consumer Privacy Act (CCPA), which took effect in January 2020, providing California residents increased privacy rights and protections, including the ability to opt out of sales of their personal information; and we are subject to the European Union's (EU) General Data Protection Regulation (GDPR) which took effect in May 2018 and established requirements applicable to the handling of personal information of EU residents. The CCPA may increase our compliance costs and exposure to liability. Other U.S. states are considering adopting similar laws.

We post our Terms of Service and Privacy Policy on our website where we set forth our practices concerning the use, transmission and disclosure of player data. We also require players to agree to these terms when they register for our service. Our failure to comply with our posted privacy policy or privacy related laws and regulations could result in proceedings against us by governmental authorities or others, which could damage our reputation and business. In addition, the interpretation of data protection laws, and their application to the Internet is evolving and not settled. There is a risk that these laws may be interpreted and applied in an inconsistent manner by various states, countries and areas of the world where our users are located, and in a manner that is not consistent with our current data protection practices. Complying with these varying national and international requirements could cause us to incur additional costs and change our business practices. Further, any failure by us to adequately protect our users' privacy and data could result in a loss of player confidence in our services and ultimately in a loss of players, which could adversely impact our business.

We believe we are currently in compliance with all applicable state and federal laws and regulations related to our business. We continually monitor our activity and changes in such laws to ensure, to the best extent possible, that we remain in compliance with such laws. State and federal regulation of internet-based activity, including online prize and rewards, is evolving and there can be no assurance that future legislation, regulation, judicial decisions, US Attorney, or state attorney general actions will not restrict or prohibit activities such as those made possible by our platform.

Patents and Licenses

Our success and ability to compete depend substantially upon our core technology and intellectual property rights. We generally rely on patent, trademark and copyright laws, trade secret protection and confidentiality agreements to protect our intellectual property rights. In addition, we generally require employees and consultants to execute appropriate nondisclosure and proprietary rights agreements. These agreements acknowledge our exclusive ownership of intellectual property developed for us and require that all proprietary information remain confidential.

We maintain a program designed to identify technology that is appropriate for patent and trade secret protection, and we file patent applications in the United States and, when appropriate, certain other countries for inventions that we consider significant. Our patent claims, extending and expanding on claims filed in the United States in 2014 and internationally through the patent co-operation treaty in 2015, describe a system that seeks to match competitive game players and spectators with prizing from their favorite brands through a unique conditional prize matching system.

As of December 31, 2025, we had pending patent claims with the U.S. Patent and Trademark Office to expand upon our existing portfolio of prizing, promotion and financial technologies that enable brands to reach the rapidly growing competitive gaming audience of players, spectators and broadcasters. As of December 31, 2025, we had been granted seven patents.

We also continue to engage in licensing transactions to secure the right to use third parties' patents. Although our business is not materially dependent upon any one patent, our patent rights and the products made and sold under our patents, taken as a whole, are a significant element of our business.

In addition to patents, we also possess other intellectual property, including trademarks, know-how, trade secrets, design rights and copyrights. We control access to and use of our software, technology and other proprietary information through internal and external controls, including contractual protections with employees, contractors, customers and partners. Our software is protected by U.S. and international copyright, patent and trade secret laws. Despite our efforts to protect our software, technology and other proprietary information, unauthorized parties may still copy or otherwise obtain and use our software, technology and other proprietary information. In addition, we have expanded our international operations, and effective patent, copyright, trademark and trade secret protection may not be available or may be limited in foreign countries.

Companies in the industry in which we operate frequently are sued or receive informal claims of patent infringement or infringement of other intellectual property rights. We may receive such claims from companies, including from competitors and customers, some of which have substantially more resources and have been developing relevant technology similar to ours. If we become more successful, we believe that competitors will be more likely to try to develop products that are similar to ours and that may infringe on our proprietary rights. It may also be more likely that competitors or other third parties will claim that our products infringe their proprietary rights. Successful claims of infringement by a third party, if any, could result in significant penalties or injunctions that could prevent us from selling some of our products in certain markets, result in settlements or judgments that require payment of significant royalties or damages or require us to expend time and money to develop non-infringing products. We cannot assure you that we do not currently infringe, or that we will not in the future infringe, upon any third-party patents or other proprietary rights, but will not and have never done so intentionally.

Corporate History and Structure

Versus Systems Inc., a corporation formed under the laws of British Columbia, was formed by way of an amalgamation under the name McAdam Resources, Inc. in the Province of Ontario on December 1, 1988 and changed our name to Versus Systems Inc. on June 30, 2016. We redomiciled our jurisdiction from British Columbia to Delaware on December 18, 2024.

In June 2021, we completed the acquisition of multimedia, production, and interactive gaming company Xcite Interactive, a provider of online audience engagement through its owned and operated XEO technology platform. We now provide products and services to multiple professional sports organizations across Major League Baseball, the NHL, and the NBA to drive audience engagement.

In September 2024 the Company closed down its operations within the United Kingdom, Versus Systems UK, Ltd.

On December 24, 2024 a special resolution authorizing and approving the continuance of the Company from the Province of British Columbia in accordance with the Business Corporations Act (British Columbia) into the State of Delaware in accordance with the Delaware General Corporation Law.

We operate through our majority-owned subsidiary, Versus LLC, a Nevada limited liability company that was organized on August 21, 2013, and through our wholly owned subsidiary, Xcite Interactive Inc, a Delaware corporation that was reorganized as such on April 1, 2019.

We are in the process of considering several strategic alternatives for our company to expand our business portfolio focused on maximizing shareholder value, including, but not limited to, an acquisition, merger, reverse merger, sale of assets, strategic partnership, capital raise or other transaction. We are hopeful that our change in jurisdiction from British Columbia to Delaware, will more appropriately reflect our shift in strategy and will (i) improve our access to capital markets, increase funding and strategic flexibility and reduce the cost of capital, (ii) improve our ability to execute an acquisitive growth strategy using our capital stock as consideration, and (iii) better focus management efforts on each U.S. and international operation and better attract and retain key employees.

Our common shares are presently quoted on the Nasdaq Capital Market under the symbol "VS".

Our principal executive offices are located at 3500 South DuPont Hwy. Dover, DE 19901, and our telephone number is (424) 226-8588. We are a distributed organization and do not maintain business offices in the United States, which is the country where all our employees reside. Our website address is www.versussystems.com. The information on or accessed through our website is not incorporated in this annual report. The SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issues that file electronically with the SEC.

The following chart reflects our organizational structure (including the jurisdiction of formation or incorporation of the various entities):

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Versus Systems (Holdco), Inc.	United States	81.9%
Versus, LLC	United States	81.9%
Xcite Interactive, Inc.	United States	100%

Employees

The following table summarizes our staff by main category of activity at December 31, 2025 and 2024:

Main Activity	2025	2024
Sales, marketing, and business development	1	1
Accounts and operations	2	2
Engineering, product, and design	1	1
General and administrative	1	1
Total	5	5

All of our employees are located in the United States and are predominantly full-time employees. We have never had a work stoppage, and none of our employees is represented by a labor organization or under any collective bargaining arrangements. We consider our employee relations to be good. All employees are subject to contractual agreements that specify requirements on confidentiality and restrictions on working for competitors, as well as other standard matters.

ITEM 1A. Risk Factors

An investment in our securities carries a significant degree of risk. You should carefully consider the following risks, as well as the other information contained in this Annual Report, including our historical consolidated financial statements and related notes included elsewhere in this Annual Report, before you decide to purchase our securities. Any one of these risks and uncertainties has the potential to cause material adverse effects on our business, prospects, financial condition and operating results which could cause actual results to differ materially from any forward-looking statements expressed by us and a significant decrease in the value of our common shares. Refer to "Cautionary Note Regarding Forward-Looking Statements."

We may not be successful in preventing the material adverse effects that any of the following risks and uncertainties may cause. These potential risks and uncertainties may not be a complete list of the risks and uncertainties facing us. There may be additional risks and uncertainties that we are presently unaware of, or presently consider immaterial, that may become material in the future and have a material adverse effect on us. You could lose all or a significant portion of your investment due to any of these risks and uncertainties.

Risks Related to Our Business

As we have incurred recurring losses and negative operating cash flows since our inception, and there is no assurance that we will be able to continue as a going concern absent additional financing, which we may not be able to obtain on favorable terms or at all.

We have incurred net losses since our incorporation in 2016 and we cannot be certain if or when we will produce sufficient revenue from our operations to support our costs. Even if profitability is achieved in the future, we may not be able to sustain profitability on a consistent basis. We expect to continue to incur substantial losses and negative cash flow from operations for the foreseeable future. Our future is dependent upon our ability to obtain financing and upon future profitable operations from the sale of our existing and future products.

Our ability to obtain additional financing will be subject to a number of factors, including market conditions, our operating performance and investor sentiment. If we are unable to raise additional capital when required or on acceptable terms, we may have to significantly delay, scale back or discontinue our operations or obtain funds by entering into agreements on unattractive terms, which would likely have a material adverse effect on our business, stock price and our relationships with third parties with whom we have business relationships, at least until additional funding is obtained. If we do not have sufficient funds to continue operations, we could be required to seek bankruptcy protection or other alternatives that would likely result in our stockholders losing some or all of their investment in us.

We do not have any credit facilities as a source of future funds, and there can be no assurance that we will be able to raise sufficient additional capital on acceptable terms, or at all. We may seek additional capital through a combination of private and public equity offerings, debt financings and strategic collaborations. If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders could be significantly diluted, and these newly issued securities may have rights, preferences or privileges senior to those of existing stockholders. Debt financing, if obtained, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, could increase our expenses and require that our assets secure such debt. Moreover, any debt we incur must be repaid regardless of our operating results.

We are an early, commercial-stage company with a limited operating history.

We were incorporated in 2016 and we have had limited sales to date. As such, we have limited historical financial data upon which to base our projected revenue, planned operating expenses or upon which to evaluate our business and our commercial prospects. Based on our limited experience in developing and marketing our existing products and services as well as launching new products, we may not be able to effectively:

- drive adoption of our current and future products and services;
- attract and retain customers for our products and services;
- provide appropriate levels of customer training and support for our products and services;
- implement an effective marketing strategy to promote awareness of our products and services;
- develop, manufacture and commercialize new products or achieve an acceptable return on our manufacturing or research and development efforts and expenses;
- anticipate and adapt to changes in our market or predict future performance;
- accommodate customer expectations and demands with respect to our products and services;
- grow our market share by marketing and selling our products and services to new and additional market segments;
- maintain and develop strategic relationships with vendors to acquire necessary information to our existing or future products and services;
- adapt or scale our activities to meet potential demand at a reasonable cost;
- avoid infringement and misappropriation of third-party intellectual property;

- obtain any necessary licenses to third-party intellectual property on commercially reasonable terms;
- obtain valid and enforceable patents that give us a competitive advantage;
- protect our proprietary technology; and
- attract, retain and motivate qualified personnel.

If our products and services fail to achieve and sustain sufficient market acceptance, we will not generate expected revenue and our business may not succeed.

We cannot be sure that our current or future services will gain acceptance in the marketplace at levels sufficient to support our costs. We must successfully develop and commercialize our technology for use in a variety of applications. Even if we are able to implement our technology and develop products successfully, we and/or our sales and distribution partners may fail to achieve or sustain market acceptance of our products across the full range of our intended applications.

We have a relatively limited operating history and limited revenues to date and thus are subject to risks of business development and you have only a limited basis on which to evaluate our ability to achieve our business objective.

Because we have a relatively limited operating history and limited revenues to date, you should consider and evaluate our operating prospects in light of the risks and uncertainties frequently encountered by early-stage operating companies in rapidly evolving markets. These risks include:

- that we may not have sufficient capital to achieve our growth strategy;
- that we may not develop our product and service offerings in a manner that enables us to be profitable and meet our customers' requirements;
- that our growth strategy may not be successful; and
- that fluctuations in our operating results will be significant relative to our revenues.

Our future growth will depend substantially on our ability to address these and the other risks described in this section. If we do not successfully address these risks, our business could be significantly harmed. To date, we have had minimal revenues. Even if we do achieve profitability, we cannot predict the level of such profitability. If we continue to sustain losses over an extended period of time, we may be unable to continue our business.

We derive a significant portion of our revenue from a limited number of customers, including related parties, and therefore are subject to customer concentration and collectability risks.

A significant portion of the Company's revenue is derived from a limited number of customers, including related parties. As a result, the Company's operating results, financial condition, and cash flows are dependent on the continued engagement and financial stability of these customers.

The loss of, or a significant reduction in business from, one or more of these customers could have a material adverse effect on the Company's results of operations and liquidity. In addition, the concentration of revenue with a small number of customers increases the Company's exposure to credit risk. To the extent that any of these customers experience financial difficulty or delay in payment, the Company's ability to collect outstanding receivables may be adversely affected, which could impact cash flows and require the Company to record additional allowances for credit losses.

Management monitors customer creditworthiness and payment trends on an ongoing basis; however, there can be no assurance that such measures will fully mitigate the risks associated with customer concentration. The Company continues to evaluate opportunities to diversify its customer base, although there can be no assurance that these efforts will be successful.

Our recent organizational changes and cost cutting measures are beginning to show promise, however may not be successful.

Since January 2024, we have undertaken a strategic realignment of the business, including changes to our leadership and operating structure to support a more focused growth strategy. The current management team has expanded our presence by establishing a contractor-based sales presence in Brazil, while also working to renew relationships with existing and former customers in the United States. Early progress has been encouraging as we advance the implementation of our strategic initiatives.

Prior significant reductions in workforce may, however, limit our ability to resume suspended development activities or pursue new initiatives. Rebuilding critical capabilities may require hiring qualified personnel, potentially resulting in additional and unanticipated costs. The loss of a substantial portion of our personnel, including nearly all full-time engineering staff, may impair our ability to continue operations or meet ongoing obligations.

If these risks materialize, they could have a material adverse impact on our business, financial condition, and results of operations

Future acquisitions or strategic investments could disrupt our business and harm our business, results of operations or financial condition.

We may in the future explore potential acquisitions of companies or strategic investments to strengthen our business, including those of businesses larger than ours. Even if we identify an appropriate acquisition candidate, we may not be successful in negotiating the terms or financing of the acquisition, and our due diligence may fail to identify all of the problems, liabilities or other shortcomings or challenges of an acquired business.

Acquisitions involve numerous risks, any of which could harm our business, including:

- straining our financial resources to acquire a company;
- anticipated benefits may not materialize as rapidly as we expect, or at all;
- diversion of management time and focus from operating our business to address acquisition integration challenges;
- retention of employees from the acquired company or from our company;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company's accounting, management information, human resources and other administrative systems;
- the need to implement or improve controls, procedures and policies at a business that prior to the acquisition may have lacked effective controls, procedures and policies; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, former shareholders or other third parties.

Failure to appropriately mitigate these risks or other issues related to such strategic investments and acquisitions could result in reducing or completely eliminating any anticipated benefits of transactions, and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or the impairment of goodwill, any of which could have a material adverse effect on our business, results of operations or financial condition.

We may require additional funding for our growth plans, and such funding may result in a dilution of your investment.

We attempted to estimate our funding requirements in order to implement our growth plans. If the costs of implementing such plans should exceed these estimates significantly or if we come across opportunities to grow through expansion plans that cannot be predicted at this time, and our funds generated from our operations prove insufficient for such purposes, we may need to raise additional funds to meet these funding requirements.

These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or other resources. We cannot assure you that we will be able to obtain any additional financing on terms that are acceptable to us, or at all. If we fail to obtain additional financing on terms that are acceptable to us, we will not be able to implement such plans fully if at all. Such financing even if obtained, may be accompanied by conditions that limit our ability to pay dividends or require us to seek lenders' consent for payment of dividends, or restrict our freedom to operate our business by requiring lender's consent for certain corporate actions.

Further, if we raise additional funds by way of a rights offering or through the issuance of new shares, any shareholders who are unable or unwilling to participate in such an additional round of fund raising may suffer dilution in their investment.

We may not have sufficient capital to fund our ongoing operations, effectively pursue our strategy or sustain our initiatives.

Our remaining liquidity and capital resources may not be sufficient to allow us to fund our ongoing operations, effectively pursue our strategy or sustain our initiatives. The report of our independent registered public accounting firm on our consolidated financial statements for the years ended December 31, 2025 and 2024 stated that our recurring losses from operations, accumulated deficit as of December 31, 2025, inability to achieve positive cash flows from operations and inability to fund day to day activities through operations indicates that a material uncertainty exists that may cast significant doubt on our ability to continue as a going concern. If we require additional capital resources, we may seek such funds directly from third party sources; however, we may not be able to obtain sufficient equity capital and/or debt financing from third parties to allow us to fund our expected ongoing operations or we may not be able to obtain such equity capital or debt financing on acceptable terms or conditions. Factors affecting the availability of equity capital or debt financing to us on acceptable terms and conditions include:

- our current and future financial results and position;
- the collateral availability of our otherwise unsecured assets;
- the market's, investors' and lenders' view of our industry and products;
- the perception in the equity and debt markets of our ability to execute our business plan or achieve our operating results expectations; and
- the price, volatility and trading volume and history of our common shares.

If we are unable to obtain the equity capital or debt financing necessary to fund our ongoing operations, pursue our strategy and sustain our initiatives, we may be forced to scale back our operations even further or our expansion initiatives, and our business and operating results will be materially adversely affected.

Our operations are significantly dependent on changes in public and customer tastes and discretionary spending patterns. Our inability to successfully anticipate customer preferences or to gain popularity for games may negatively impact our profitability.

Our success depends significantly on public and customer tastes and preferences, which can be unpredictable. If we are unable to successfully anticipate customer preferences or increase the popularity of the games that have embedded at our platforms, the revenue and overall customer expenditures may fail to be realized, and thereby negatively impact our profitability. In response to such developments, we may need to increase our marketing and product development efforts and expenditures, we may also adjust our product pricing, we may modify the platform itself, or take other actions, which may further erode our profit margins or otherwise adversely affect our results of operations and financial condition. In particular, we may need to expend considerable cost and effort in carrying out extensive research and development to assess the potential interest in our platform and to remain abreast with continually evolving technology and trends.

While we may incur significant expenditures of this nature, including in the future, there can be no assurance that any such expenditures or investments by us will yield expected or commensurate returns or results, within a reasonable or anticipated time, or at all.

If we cannot continue to develop, acquire, market and offer new products and services or enhancements to existing products and services that meet customer requirements, our operating results could suffer.

The process of developing and acquiring new technology products and services and enhancing existing offerings is complex, costly and uncertain. If we fail to anticipate customers' rapidly changing needs and expectations, our market share and results of operations could suffer. We must make long-term investments, develop, acquire or obtain appropriate intellectual property and commit significant resources before knowing whether our predictions will accurately reflect customer demand for our products and services. If we misjudge customer needs in the future, our products and services may not succeed and our revenues and earnings may be harmed. Additionally, any delay in the development, acquisition, marketing or launch of a new offering or enhancement to an existing offering could result in customer attrition or impede our ability to attract new customers, causing a decline in our revenue or earnings.

We have made significant investments in new products and services that may not achieve expected returns.

We have made and may continue to make investments in research, development and marketing for existing products, services and technologies, including developing a content promotion platform for brands, new feature sets for our core products, and entirely new products and platforms that we are developing for specific customers, as well as new technology or new applications of existing technology. Investments in new technology are speculative. Commercial success depends on many factors, including but not limited to innovation, developer support, and effective distribution and marketing. If customers do not perceive our latest offerings as providing significant new functionality or other value, they may reduce their purchases of our services or products, unfavorably affecting our revenue and profits. We may not achieve significant revenue from new product, service or distribution channel investments, or new applications of existing new product, service or distribution channel investments, for several years, if at all. New products and services may not be profitable, and even if they are profitable, operating margins for some new products and businesses may not be as high as the margins we have experienced historically. Furthermore, developing new technologies is complex and can require long development and testing periods. Significant delays in new releases or significant problems in creating new products or offering new services could adversely affect our revenue and profits.

Our user base is declining, and if we fail to retain existing users or add new users, our results of operations and financial condition may be materially and adversely affected

The size of our users' level of engagement is critical to our success. Our financial performance will be significantly determined by our success in adding, retaining, and engaging active users of our products. If people do not perceive our products to be useful, reliable, and trustworthy, we may not be able to attract or retain users or otherwise maintain or increase the frequency and duration of their engagement. A decrease in user retention, growth, or engagement could render us less attractive to video game publishers and developers, which may have a material and adverse impact on our revenue, business, financial condition, and results of operations. Any number of factors could potentially negatively affect user retention, growth, and engagement, including if:

- users increasingly engage with competing products;
- we fail to introduce new and improved products or if we introduce new products or services that are not favorably received;
- we are unable to successfully balance our efforts to provide a compelling user experience with the decisions made by us with respect to the frequency, prominence, and size of ads and other commercial content that we display;
- there are changes in user sentiment about the quality or usefulness of our products or concerns related to privacy and sharing, safety, security, or other factors;
- we are unable to manage and prioritize information to ensure users are presented with content that is interesting, useful, and relevant to them;
- there are adverse changes in our products that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;
- technical or other problems prevent us from delivering our products in a rapid and reliable manner or otherwise affect the user experience;
- we adopt policies or procedures related to areas such as sharing our user data that are perceived negatively by our users or the general public;

- we fail to provide adequate customer service to users, developers, or advertisers; or
- we, our software developers, or other companies in our industry are the subject of adverse media reports or other negative publicity.

If we are unable to build and/or maintain relationships with publishers and developers or other content creators, our revenue, financial results, and future growth potential may be adversely affected.

If we fail to keep up with industry trends or technological developments, our business, results of operations and financial condition may be materially and adversely affected.

The gaming industry is rapidly evolving and subject to continuous technological changes. Our success depends on our ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in technology and industry developments and offerings to serve the evolving needs of our customers. If we do not sufficiently invest in new technology and industry developments, or evolve and expand our business at sufficient speed and scale, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our results of operations, and our ability to develop and maintain a competitive advantage and continue to grow could be negatively affected. In addition, we operate in a quickly evolving environment in which there currently are, and we expect will continue to be, new technology entrants. New services or technologies offered by competitors or new entrants may make our offerings less differentiated or less competitive, when compared to other alternatives, which may adversely affect our results of operations. Technological innovations may also require substantial capital expenditures in product development as well as in modification of products, services or infrastructure. We cannot assure you that we can obtain financing to cover such expenditures. Failure to adapt our products and services to such changes in an effective and timely manner could materially and adversely affect our business, financial condition and results of operations.

We are subject to cybersecurity risks.

Cybersecurity risks and attacks continue to increase. Cybersecurity attacks are evolving and not always predictable. Attacks include malicious software, threats to information technology infrastructure, denial-of-service attacks on websites, attempts to gain unauthorized access to data, and other breaches. Data breaches can originate with authorized or unauthorized persons. Authorized persons could inadvertently or intentionally release confidential or proprietary information, and recipients could misuse data. Such events could lead to interruption of our operations or business, unauthorized release or use of information, compromise of data, damage to our reputation, damage to our customers or vendors, and increased costs to prevent, respond to or mitigate any events.

We are a holding company and depend upon our subsidiaries for our cash flows.

We are a holding company. All our operations are conducted, and almost all of our assets are owned, by our subsidiaries. Consequently, our cash flows and our ability to meet our obligations depend upon the cash flows of our subsidiaries and the payment of funds by these subsidiaries to us in the form of dividends, distributions or otherwise. The ability of our subsidiaries to make any payments to us depends on their earnings, the terms of their indebtedness, including the terms of any credit facilities, of which there are currently none, and legal restrictions. While there are no restrictions on the ability of our subsidiaries to make any payments to us, such restrictions may arise in the future. Any failure to receive dividends or distributions from our subsidiaries when needed could have a material adverse effect on our business, results of operations or financial condition.

Our insurance coverage may not adequately protect us against all future risks, which may adversely affect our business and prospects.

We maintain insurance coverage, including for fire, acts of god and perils, terrorism, burglary, money, fidelity guarantee, professional liability including errors and omissions and breach of contract, commercial property, commercial general liability, cyber events including incident response costs, legal, forensic and breach management costs, cyber-crimes, system damage, rectification costs, business interruption and reputational harm, as well as directors' and officers' liability insurance and employee health and medical insurance, with standard exclusions in each instance. While we maintain insurance in amounts that we consider reasonably sufficient for a business of our nature and scale, with insurers that we consider reliable and credit worthy, we may face losses and liabilities that are uninsurable by their nature, or that are not covered, fully or at all, under our existing insurance policies. Moreover, coverage under such insurance policies would generally be subject to certain standard or negotiated exclusions or qualifications and, therefore, any future insurance claims by us may not be honored by our insurers in full, or at all. In addition, our premium payments under our insurance policies may require a significant investment by us.

To the extent that we suffer loss or damage that is not covered by insurance or that exceeds our insurance coverage, the loss will have to be borne by us and our business, cash flow, financial condition, results of operations and prospects may be adversely affected.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, investments and results of operations.

We are subject to laws and regulations enacted by national, regional and local governments. In particular, we are required to comply with certain Securities and Exchange Commission ("SEC") and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business and results of operations.

We are dependent upon our executive officers and their departure could adversely affect our ability to operate.

Our operations are dependent upon a relatively small group of individuals, and particularly our executive officers. We believe that our success depends on the continued service of our executive officers. We do not have key-man insurance on the life of any of our executive officers. The unexpected loss of the services of one or more of our executive officers could have a detrimental effect on the Company.

Our executive officers, directors, security holders and their respective affiliates may have competitive pecuniary interests that conflict with our interests.

We have not adopted a policy that expressly prohibits our directors, executive officers, security holders or affiliates from having a direct or indirect pecuniary or financial interest in any investment to be acquired or disposed of by us or in any transaction to which we are a party or have an interest. We do not have a policy that expressly prohibits any such persons from engaging for their own account in business activities of the types conducted by us. Accordingly, such persons or entities may have a conflict between their interests and ours.

Our business may be harmed if our licensing partners, or other third parties with whom we do business, act in ways that put our brand at risk.

We offer a business-to-business software platform that allows video game publishers and developers, as well as other interactive media content creators, to offer in-game pricing and rewards, based on the completion of in-content challenges. We anticipate that our business partners shall be given access to sensitive and proprietary information or control over our intellectual property in order to provide services and support to our teams. These third parties may misappropriate our information or intellectual property and engage in unauthorized use of it or otherwise act in a way that places our brand at risk. The failure of these third parties to provide adequate services and technologies, the failure of third parties to adequately maintain or update their services and technologies or the misappropriation or misuse of this information or intellectual property could result in a disruption to our business operations or an adverse effect on our reputation, and may negatively impact our business.

If we fail to keep our existing users, to acquire new users, to successfully implement an award-prizes model for our user community, our business, profitability and prospects may be adversely affected.

Our success depends on our ability to maintain and grow the number of users playing our partners' games and other media and keeping our users highly engaged. Of particular importance is the successful deployment and expansion of our award-prizes model to our gaming community for purposes of creating predictable recurring revenues.

A decline in the number of our users may adversely affect the engagement level of our users, or the popularity of our award-prizes model, which may in turn reduce our monetization opportunities, and have a material and adverse effect on our business, financial condition and results of operations. If we are unable to attract and retain users, our revenues may fail to grow or decline and our results of operations and financial condition may suffer.

Our failure to protect our intellectual property rights may undermine our competitive position.

We believe that our patents, copyrights, trademarks and other intellectual property are essential to our success. Please see "Business—Intellectual Property" for more details. We depend largely on our ability to develop and maintain the intellectual property rights relating to our existing portfolio of prizing, promotion and financial technologies that enable brands to reach the rapidly growing competitive gaming audience of players, spectators and broadcasters. We have devoted considerable time and energy to the development and improvement of our portfolio of prizing, promotion and financial technologies intellectual property.

We rely primarily on a combination of patents, copyrights, trademarks and trade secrets laws, and contractual restrictions for the protection of the intellectual property used in our business. Nevertheless, these provide only limited protection and the actions we take to protect our intellectual property rights may not be adequate. Our trade secrets may become known or be independently discovered by our competitors. We may have no or limited rights to stop the use of our information by others. Moreover, to the extent that our employees or third parties with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights to such intellectual property. Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

Our services or solutions could infringe upon the intellectual property rights of others or we might lose our ability to utilize the intellectual property of others.

We cannot be sure that our services and solutions do not infringe on the intellectual property rights of third parties, and these third parties could claim that we or our clients are infringing upon their intellectual property rights. These claims could harm our reputation, cause us to incur substantial costs or prevent us from offering some services or solutions in the future. Any related proceedings could require us to expend significant resources over an extended period of time. Any claims or litigation in this area could be time-consuming and costly, damage our reputation and/or require us to incur additional costs to obtain the right to continue to offer a service or solution to our clients. If we cannot secure this right at all or on reasonable terms, or we cannot substitute alternative technology, our results of operations could be materially adversely affected. The risk of infringement claims against us may increase as we expand our industry software solutions.

In recent years, individuals and firms have purchased intellectual property assets to assert claims of infringement against technology providers and customers that use such technology. Any such action naming us or our clients could be costly to defend or lead to an expensive settlement or judgment against us. Moreover, such an action could result in an injunction being ordered against our client or our own services or operations, causing further damages.

In addition, we rely on third-party software to provide some of our services and solutions. If we lose our ability to continue using such software for any reason, including if the software is found to infringe the rights of others, we will need to obtain substitute software or seek alternative means of obtaining the technology necessary to continue to provide such services and solutions. Our inability to replace such software, or to replace such software in a timely or cost-effective manner, could materially adversely affect our results of operations.

Third parties may register trademarks or domain names or purchase internet search engine keywords that are similar to our trademarks, brands or websites, or misappropriate our data and copy our platform, all of which could cause confusion to our users, divert online customers away from our products and services or harm our reputation.

Competitors and other third parties may purchase trademarks that are similar to our trademarks and keywords that are confusingly similar to our brands or websites in internet search engine advertising programs and in the header and text of the resulting sponsored links or advertisements in order to divert potential customers from us to their websites. Preventing such unauthorized use is inherently difficult. If we are unable to prevent such unauthorized use, competitors and other third parties may continue to drive potential online customers away from our platform to competing, irrelevant or potentially offensive platform, which could harm our reputation and cause us to lose revenue.

Our business is highly dependent on the proper functioning and improvement of our information technology systems and infrastructure. Our business and operating results may be harmed by service disruptions, or by our failure to timely and effectively scale up and adjust our existing technology and infrastructure.

Our business depends on the continuous and reliable operation of our information technology, or IT, systems. Our IT systems are vulnerable to damage or interruption as a result of fires, floods, earthquakes, power losses, telecommunications failures, undetected errors in software, computer viruses, hacking and other attempts to harm our IT systems. Disruptions, failures, unscheduled service interruptions or a decrease in connection speeds could damage our reputation and cause our customers and end-users to migrate to our competitors' platforms. If we experience frequent or constant service disruptions, whether caused by failures of our own IT systems or those of third-party service providers, our user experience may be negatively affected, which in turn may have a material and adverse effect on our reputation and business. We may not be successful in minimizing the frequency or duration of service interruptions. If the number of our end-users increases and more user data is generated on our platform, we may be required to expand and adjust our technology and infrastructure to continue to reliably store and process content.

We use third-party services and technologies in connection with our business, and any disruption to the provision of these services and technologies to us could result in adverse publicity and a failure to maintain or grow our users, which could materially and adversely affect our business, financial condition and results of operations.

Our business partially depends on services provided by, and relationships with, various third parties. We exercise no control over the third parties with whom we have business arrangements. If such third parties increase their prices, fail to provide their services effectively, terminate their service or agreements or discontinue their relationships with us, we could suffer service interruptions, reduced revenues or increased costs, any of which may have a material adverse effect on our business, financial condition and results of operations.

We are considering a number of strategic alternatives, which could have an adverse impact on our business or the price of our common shares.

We are considering a number of strategic alternatives focused on maximizing shareholder value. These strategic alternatives include, but are not limited to, an acquisition, merger, reverse merger, sale of assets, strategic partnership, capital raise or other transaction, any of which may involve a change in our business plan. There can be no assurance that this process will result in the approval or completion of any particular strategic alternative or transaction in the future, or that any such strategic alternative or transaction, if approved or completed, will yield additional shareholder value. Further, the process of exploring, reviewing, and pursuing strategic alternatives could adversely impact our business or the price of its common shares.

Risks Related to International Operations

We are subject to foreign exchange and currency risks that could adversely affect our operations, and our ability to mitigate our foreign exchange risk through hedging transactions may be limited.

We expect to incur up to 10% of our expenses in currencies other than the United States dollar; however, a substantial portion of our operating expenses are incurred in United States dollars. Fluctuations in the exchange rate between the U.S. dollar and other currencies may have a material adverse effect on our business, financial condition and operating results. Our consolidated financial results are affected by foreign currency exchange rate fluctuations. Foreign currency exchange rate exposures arise from current transactions and anticipated transactions denominated in currencies other than United States dollars and from the translation of foreign-currency-denominated balance sheet accounts into United States dollar-denominated balance sheet accounts. We are exposed to currency exchange rate fluctuations because portions of our revenue and expenses are denominated in currencies other than the United States dollar. Exchange rate fluctuations could adversely affect our operating results and cash flows and the value of our assets outside of the United States. If a foreign currency is devalued in a jurisdiction in which we are paid in such currency, then our customers may be required to pay higher amounts for our products or services, which they may be unable or unwilling to pay. Changes in exchange rates and our limited ability or inability to successfully hedge exchange rate risk could have an adverse impact on our liquidity and results of operations.

We may be unable to operate in new jurisdictions where our customers operate because of new regulations.

We are subject to regulation in any jurisdiction where our customers access our systems. To expand into any such jurisdiction, we may need to operate according to local regulations. In some cases, this may require us to be licensed or obtain approvals for our products or services. If we do not receive or receive a revocation of a license in a particular jurisdiction for our products or services, we will not be able to sell or place our products or services in that jurisdiction. Any such outcome could materially and adversely affect our results of operations and any growth plans for our business.

Privacy concerns could result in regulatory changes and impose additional costs and liabilities on us, limit our use of information, and adversely affect our business.

Personal privacy has become a significant issue in the United States and many other countries in which we currently operate and may operate in the future. Many federal, state, and foreign legislatures and government agencies have imposed or are considering imposing restrictions and requirements about the collection, use, and disclosure of personal information obtained from individuals. Changes to laws or regulations affecting privacy could impose additional costs and liability on us and could limit our use of such information to add value for customers. If we were required to change our business activities or revise or eliminate services, or to implement burdensome compliance measures, our business and results of operations could be harmed. In addition, we may be subject to fines, penalties, and potential litigation if we fail to comply with applicable privacy regulations, any of which could adversely affect our business, liquidity and results of operations.

Our results of operations could be affected by natural events in the locations in which we operate or where our customers or suppliers operate.

We, our customers, and our suppliers have operations in locations subject to natural occurrences such as severe weather and other geological events, including hurricanes, earthquakes, or floods that could disrupt operations. Any serious disruption at any of our facilities or the facilities of our customers or suppliers due to a natural disaster could have a material adverse effect on our revenues and increase our costs and expenses. If there is a natural disaster or other serious disruption at any of our facilities, it could impair our ability to adequately supply our customers, cause a significant disruption to our operations, cause us to incur significant costs to relocate or re-establish these functions and negatively impact our operating results. While we intend to seek insurance against certain business interruption risks, such insurance may not adequately compensate us for any losses incurred as a result of natural or other disasters. In addition, any natural disaster that results in a prolonged disruption to the operations of our customers or suppliers may adversely affect our business, results of operations or financial condition.

Risks Related to Regulation

We are subject to various laws relating to trade, export controls, and foreign corrupt practices, the violation of which could adversely affect our operations, reputation, business, prospects, operating results and financial condition.

We are subject to risks associated with doing business outside of the United States, including exposure to complex foreign and U.S. regulations such as the Foreign Corrupt Practices Act, or the FCPA, and other anti-corruption laws which generally prohibit U.S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. Violations of the FCPA and other anti-corruption laws may result in severe criminal and civil sanctions and other penalties. It may be difficult to oversee the conduct of any contractors, third-party partners, representatives or agents who are not our employees, potentially exposing us to greater risk from their actions. If our employees or agents fail to comply with applicable laws or company policies governing our international operations, we may face legal proceedings and actions which could result in civil penalties, administrative actions and criminal sanctions. Any determination that we have violated any anti-corruption laws could have a material adverse impact on our business. Changes in trade sanctions laws may restrict our business practices, including cessation of business activities in sanctioned countries or with sanctioned entities.

Violations of these laws and regulations could result in significant fines, criminal sanctions against us, our officers or our employees, requirements to obtain export licenses, disgorgement of profits, cessation of business activities in sanctioned countries, prohibitions on the conduct of our business and our inability to market and sell our products or services in one or more countries. Additionally, any such violations could materially damage our reputation, brand, international expansion efforts, ability to attract and retain employees and our business, prospects, operating results and financial condition.

Regulations that may be adopted with respect to the internet and electronic commerce may decrease the growth in the use of the internet and lead to the decrease in the demand for our services.

We may become subject to any number of laws and regulations that may be adopted with respect to the internet and electronic commerce. New laws and regulations that address issues such as user privacy, pricing, online content regulation, taxation, advertising, intellectual property, information security, and the characteristics and quality of online products and services may be enacted. As well, current laws, which predate or are incompatible with the internet and electronic commerce, may be applied and enforced in a manner that restricts the electronic commerce market. The application of such pre-existing laws regulating communications or commerce in the context of the internet and electronic commerce is uncertain. Moreover, it may take years to determine the extent to which existing laws relating to issues such as intellectual property ownership and infringement, libel and personal privacy are applicable to the internet. The adoption of new laws or regulations relating to the internet, or applications or interpretations of existing laws, could decrease the growth in the use of the internet, decrease the demand for our services, increase our cost of doing business or could otherwise have a material adverse effect on our business, revenues, operating results and financial condition.

We have identified material weaknesses in our internal control over financial reporting. If we are unable to maintain effective internal controls, the accuracy and timeliness of our financial reporting may be materially adversely affected, which could cause the market price of our common stock to decline, lessen investor confidence and harm our business.

As a public company, we are subject to significant requirements for enhanced financial reporting and internal controls. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company.

The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing, and possible remediation. Testing and maintaining internal controls may divert our management's attention from other matters that are important to our business.

Our ability to comply with the annual internal control reporting requirements will depend on the effectiveness of our financial reporting and data systems and controls across our company.

As previously disclosed in the Company's Form 12b-25 filed on April 1, 2026, in the first quarter of 2026, the Audit Committee of the Company's Board of Directors conducted an internal investigation and determined that fraudulent activity involving the Company's former Chief Financial Officer had occurred and that there were material weaknesses in the Company's internal control over financial reporting as of December 31, 2025. For more information about the fraudulent activity and a promissory note that was executed by the former Chief Financial Officer in connection therewith, please see Notes 11 and 12 to our consolidated financial statements for the year ended December 31, 2025, which disclosure is incorporated herein by reference, and for more information about the material weaknesses in internal control over financial reporting and the Company's remedial actions, please see Part II, Item 9A. Controls and Procedures of this Form 10-K, which disclosure is incorporated herein by reference.

There can be no assurance that our remediation efforts will be successful, that additional fraudulent activity has not occurred beyond the isolated activity identified by management and thoroughly investigated and confirmed by the Audit Committee or that the related promissory note will be collected in part or in full. If our remediation efforts are insufficient or are not completed in a timely manner, or if additional material weaknesses in our internal control over financial reporting are identified or occur in the future, our operating results could be harmed and we could fail to meet our financial reporting obligations, or our consolidated financial statements may contain material misstatements and we could be required to restate our financial results, which could materially and adversely affect our business, results of operations and financial condition, restrict our future access to the capital markets, require us to expend significant resources to correct the material weaknesses, subject us to fines, penalties or judgments, reduce the price of our common stock, harm our reputation or otherwise cause a decline in investor confidence in the accuracy and completeness of our reported financial information.

Risks Related to Our Common Shares

If we are not in compliance with the listing requirements of the Nasdaq Capital Market in the future, our common stock may be delisted from the Nasdaq Capital Market which could have a material adverse effect on our financial condition and could make it difficult for you to sell your shares.

Our common stock is listed on Nasdaq, and we are therefore subject to its continued listing requirements, including requirements with respect to the market value of publicly held shares, market value of listed shares, minimum bid price per share, minimum stockholders' equity, annual meetings of shareholders, among others, and requirements relating to board and committee independence. If we fail to satisfy one or more of the requirements, we may be delisted from the Nasdaq Capital Market.

During 2025, we were previously not in compliance with the annual meeting of shareholders threshold, but subsequently regained compliance within the permitted cure period, including by holding the required annual meeting on June 20, 2025. As a result, we are currently in compliance with applicable Nasdaq listing requirements.

We are currently not in compliance with Nasdaq's stockholders' equity requirement and expect to receive formal notification of non-compliance from Nasdaq shortly after filing this Form 10-K. We will have 45 calendar days from the date the notice is delivered from Nasdaq to provide to Nasdaq a compliance plan for regaining (and maintaining) compliance with the \$2.5 million stockholders' equity threshold. Acceptance of the plan is at Nasdaq's discretion. If the Company's plan is accepted, Nasdaq will grant the Company an extension of up to 180 calendar days from the date the Company received the notice of deficiency. However, if the Company does not then timely regain compliance, the stock will be delisted. Delisting from the Nasdaq Capital Market may adversely affect our ability to raise additional financing through the public or private sale of equity securities, may significantly affect the ability of investors to trade our securities and may negatively affect the value and liquidity of our common stock. Delisting also could have other negative results, including the potential loss of employee confidence, the loss of institutional investors or interest in business development opportunities.

There can be no assurance that we will be able to maintain compliance with all Nasdaq continued listing standards in the future. If we are unable to maintain such compliance, our securities may be delisted from Nasdaq. Delisting from the Nasdaq Capital Market may adversely affect our ability to raise additional financing through the public or private sale of equity securities, may significantly affect the ability of investors to trade our securities and may negatively affect the value and liquidity of our common stock. Delisting also could have other negative results, including the potential loss of employee confidence, the loss of institutional investors or interest in business development opportunities.

If we are delisted from Nasdaq and we are not able to list our common stock on another exchange, our common stock could be quoted on the OTC Bulletin Board or in the "pink sheets." As a result, we could face significant adverse consequences including, among others:

- a limited availability of market quotations for our securities;
- a determination that our common stock is a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and little or no analyst coverage for us;
- an inability to qualify for exemptions from state securities registration requirements, which may require us to comply with applicable state securities laws; and
- a decreased ability to issue additional securities (including pursuant to registration statements on Form S-3) or obtain additional financing in the future.

The trading price of our common shares has been and is likely to continue to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control.

Our share price is highly volatile. During the period from January 1, 2025 to December 31, 2025, the closing price of our common shares ranged from a high of \$2.81 per share to a low of \$1.21 per share. The stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of companies; however, the fluctuation in the price of our common shares is still larger than the stock market in general. As a result of this volatility, you may not be able to sell your common shares at or above the price at which you purchased your common shares and you may lose some or all of your investment. In addition to the general volatility risks of the market, our common shares, we may experience extreme stock price volatility unrelated to our actual or expected operating performance, financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our common shares. As a company with a relatively small public float, our common shares may experience greater stock price volatility, extreme price run-ups, lower trading volume, large spreads in bid and asked prices, and less liquidity than large-capitalization companies. The aspects of the trading in the common shares may be unrelated to our actual or expected operating performance, financial condition or prospects, making it difficult for prospective investors to assess the value of our common shares. Because of the low public float and the absence of any significant trading volume, the public offering price may not reflect the price at which you would be able to sell shares if you want to sell any shares you own or buy shares if you wish to buy share. If the trading volumes of the common shares are low, persons buying or selling in relatively small quantities may easily influence the prices of the common shares. A low volume of trades could also cause the price of the common shares to fluctuate greatly, with large percentage changes in price occurring in any trading day session. Broad market fluctuations and general economic and political conditions may also adversely affect the market price of the common shares. The volatility also could adversely affect our ability to issue additional common shares or other securities and our ability to obtain stock market based financing in the future. No assurance can be given that an active market in our common shares will develop or be sustained.

The market prices of our common shares are likely to be highly volatile because of several factors, including a limited public float.

The market prices of our common shares have experienced significant price and volume fluctuations and the prices of such securities are likely to be highly volatile in the future. You may not be able to resell our common shares following periods of volatility because of the market's adverse reaction to volatility.

Other factors that could cause such volatility may include, among other things:

- actual or anticipated fluctuations in our operating results;
- the absence of securities analysts covering us and distributing research and recommendations about us;
- we may have a low trading volume for several reasons, including that a large portion of our stock is closely held;
- overall stock market fluctuations;
- announcements concerning our business or those of our competitors;
- actual or perceived limitations on our ability to raise capital when we require it, and to raise such capital on favorable terms;
- conditions or trends in the industry;
- litigation;
- changes in market valuations of other similar companies;
- future sales of common shares;
- departure of key personnel or failure to hire key personnel; and
- general market conditions.

Any of these factors could have a significant and adverse impact on the market prices of our common shares. In addition, the stock market in general has at times experienced extreme volatility and rapid decline that has often been unrelated or disproportionate to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading prices of our common shares, regardless of our actual operating performance.

Two shareholders own a significant percentage of our common shares and will be able to exert significant control over matters subject to shareholder approval.

Cronus Equity Capital Group, LLC (“Cronus”), beneficially owns 20.20% of our outstanding common shares, and ASPIS Cyber Technologies, Inc (“ASPIS”), beneficially owns 43.97% of our outstanding common shares, which allows Cronus and ASPIS to exert substantial influence over matters such as electing directors and approving mergers or other business combination transactions. As a result, Cronus and ASPIS possesses a substantial ability to impact our management and affairs and the outcome of matters submitted to shareholders for approval. In addition, this concentration of ownership and voting power may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their common shares as part of a sale of our company and might reduce the price of our common shares. These actions may be taken even if they are opposed by our other shareholders. See “Principal Shareholders” for more information.

Our common shares have in the past been a “penny stock” under SEC rules. It may be more difficult to resell securities classified as “penny stock.”

In the past, our common shares were a “penny stock” under applicable SEC rules (generally defined as non-exchange traded stock with a per-share price below US\$5.00). While our common shares are not currently considered “penny stock” because they are listed on The Nasdaq Capital Market, if we are unable to maintain that listing and our common shares are no longer listed on The Nasdaq Capital Market, unless we maintain a per-share price above \$5.00, our common shares will be considered “penny stock.” These rules impose additional sales practice requirements on broker-dealers that recommend the purchase or sale of penny stocks to persons other than those who qualify as “established customers” or “accredited investors.” For example, broker-dealers must determine the appropriateness for non-qualifying persons of investments in penny stocks. Broker-dealers must also provide, prior to a transaction in a penny stock not otherwise exempt from the rules, a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, disclose the compensation of the broker-dealer and its salesperson in the transaction, furnish monthly account statements showing the market value of each penny stock held in the customer’s account, provide a special written determination that the penny stock is a suitable investment for the purchaser, and receive the purchaser’s written agreement to the transaction.

Legal remedies available to an investor in “penny stocks” may include the following:

- If a “penny stock” is sold to the investor in violation of the requirements listed above, or other federal or states securities laws, the investor may be able to cancel the purchase and receive a refund of the investment.
- If a “penny stock” is sold to the investor in a fraudulent manner, the investor may be able to sue the persons and firms that committed the fraud for damages.

These requirements may have the effect of reducing the level of trading activity, if any, in the secondary market for a security that becomes subject to the penny stock rules. The additional burdens imposed upon broker dealers by such requirements may discourage broker-dealers from effecting transactions in our securities, which could severely limit the market price and liquidity of our securities. These requirements may restrict the ability of broker-dealers to sell our common shares and may affect your ability to resell our common shares.

Many brokerage firms will discourage or refrain from recommending investments in penny stocks. Most institutional investors will not invest in penny stocks. In addition, many individual investors will not invest in penny stocks due, among other reasons, to the increased financial risk generally associated with these investments.

For these reasons, penny stocks may have a limited market and, consequently, limited liquidity. We can give no assurance at what time, if ever, our common shares will not be classified as a “penny stock” in the future.

We may continue to be subject to Canadian income tax liabilities that may adversely affect our working capital.

Following our continuation from being a Canadian corporation to being incorporated under the laws of the State of Delaware, Canadian tax law has deemed us to have disposed of all of our property at its fair market value, which may cause net taxable capital gains and income for which we may incur Canadian tax liability. Furthermore, if the fair market value of our property immediately before the continuance exceeded the aggregate of our liabilities at that time and the amount of paid-up capital at that time on all of our issued common shares, we will incur an additional Canadian emigration tax liability.

The anticipated benefits of our continuation may not be realized.

We incurred direct costs and expenses related to the continuance, including attorneys’ fees, accountants’ fees, financial printing expenses and filing fees. While we believe that the Continuance will result in operational, administrative and other benefits that significantly outweigh the related costs and expenses, we cannot assure you that those benefits will be realized.

If the benefits of any proposed acquisition do not meet the expectations of investors, shareholders or financial analysts, the market price of our common shares could decline.

If the benefits of any proposed acquisition do not meet the expectations of investors or securities analysts, the market price of our common shares prior to the closing of the proposed acquisition may decline. The market values of our common shares at the time of the proposed acquisition may vary significantly from their prices on the date the acquisition target was identified.

In addition, broad market and industry factors may materially harm the market price of our common irrespective of our operating performance. The stock market in general has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to us could depress the price of our common shares regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

Shares eligible for future sale may adversely affect the market.

From time to time, certain of our shareholders may be eligible to sell all or some of their common shares by means of ordinary brokerage transactions in the open market pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended, or the Securities Act, subject to certain limitations. In general, pursuant to Rule 144, non-affiliate shareholders may sell freely after six months, subject only to the current public information requirement. Affiliates may sell after six months, subject to the Rule 144 volume, manner of sale (for equity securities), current public information, and notice requirements. Of the approximately 4,901,677 common shares outstanding as of December 31, 2025, approximately 1,725,963 shares were tradable without restriction. Given the limited trading of our common shares, resale of even a small number of our common shares pursuant to Rule 144 or an effective registration statement may adversely affect the market price of our common shares.

We have never paid dividends on our common shares and may not do so in the future.

Holders of our common shares are entitled to receive such dividends as may be declared by our board of directors. To date, we have paid no cash dividends on our common shares and we do not expect to pay cash dividends on our common shares in the foreseeable future. We intend to retain future earnings, if any, to provide funds for the operations of our business. Therefore, any return investors in our common shares may have will be in the form of appreciation, if any, in the market value of their common shares. See “Dividend Policy.”

As we are a reporting company under the Exchange Act, we will be obligated to develop and maintain proper and effective internal controls over financial reporting and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our common shares.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting until our first annual report required to be filed with the SEC following the date we are no longer an emerging growth company, as defined in the JOBS Act. We will be required to disclose significant changes made in our internal control procedures on a quarterly basis.

We are beginning the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404, and we may not be able to complete our evaluation, testing and any required remediation in a timely fashion. Our compliance with Section 404 requires that we incur substantial accounting expenses and expend significant management efforts. We may need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common shares could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

We are an emerging growth company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

We are an “emerging growth company” within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor internal controls attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our shareholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our common shares held by non-affiliates exceeds US\$700 million as of any November 30 before that time, in which case we would no longer be an emerging growth company as of the following May 31. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our consolidated financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

We will continue to incur increased costs as a result of operating as a reporting company under the Exchange Act, and our management will continue to be required to devote substantial time to compliance with our reporting company responsibilities and corporate governance practices.

As a reporting company under the Exchange Act, and particularly after we are no longer an “emerging growth company,” we will continue to incur significant legal, accounting and other expenses. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The Nasdaq Capital Market and other applicable securities rules and regulations impose various requirements on public companies. Compliance with these laws and regulations has increased and will continue to increase our legal and financial compliance costs and make some activities more difficult, time-consuming or costly. Our management and other personnel must devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain directors’ and officers’ liability insurance, which could make it more difficult for us to attract and retain qualified members of our board of directors. We cannot predict or estimate the amount of additional future costs we will incur as a public company or the timing of such costs.

Changes to tax laws may have an adverse impact on us and holders of our common shares.

Changes in tax laws, including amendments to tax laws, changes in the interpretation of tax laws or changes in the administrative pronouncements or positions by the CRA, may also have a material adverse effect on our shareholders and their investment in our common shares. Purchasers of our common shares should consult their tax advisors regarding the potential tax consequences associated with the acquisition, holding and disposition of our common shares in their circumstances.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 1C. Cybersecurity

Risk management and strategy

We recognize the critical importance of developing, implementing, and maintaining robust cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of our data.

Managing Material Risks & Integrated Overall Risk Management

We have strategically integrated cybersecurity risk management into our broader risk management framework to promote a company-wide culture of cybersecurity risk management. Our Chief Technology Officer (CTO) evaluates and addresses cybersecurity risks in alignment with our business objectives and operational needs.

The Company's cybersecurity risk management strategy focus on:

- **Technical Safeguards:** The Company implements technical safeguards that are designed to protect the Company's information systems from cybersecurity threats. The company uses a managed antivirus platform to scan for viruses, manage patching and updates, and provide remote support and monitoring tools. Company accounts have strong passwords and two factor authentication, where available.
- **Third-Party Risk Management:** We conduct thorough security assessments of all third-party providers before engagement and maintain ongoing monitoring to ensure compliance with our cybersecurity standards. This approach is designed to mitigate risks related to data breaches or other security incidents originating from third parties
- **Incident Response and Recovery Planning:** The Company has established and maintains comprehensive incident response, business continuity, and disaster recovery plans designed to address the Company's response to a cybersecurity incident.

Recognizing the complexity and evolving nature of cybersecurity threats, we have engaged with a range of external experts, including cybersecurity assessors, and consultants in evaluating and testing our risk management systems in an ongoing and as needed basis. These partnerships enable us to leverage specialized knowledge and insights, ensuring our cybersecurity strategies and processes remain at the forefront of industry best practices. Our collaboration with these third parties includes threat assessments and consultation on security enhancements.

Risks from Cybersecurity Threats

As of the date of this report, we are not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected our business strategy, results of operations, or financial condition, nor in our view, are such threats currently or reasonably likely to materially affect the Company.

Governance

Acknowledging the critical importance of cybersecurity, our management and Board are dedicated to maintaining the trust and confidence of our business partners and employees. Our executive officers manage the day-to-day material risks we face, adopting a cross-functional approach to address cybersecurity risks by identifying, preventing, and mitigating cybersecurity threats and effectively responding to incidents when they occur.

The CTO and the Chief Executive Officer (“CEO”) play a pivotal role in informing the Audit Committee on cybersecurity risks. The CTO keeps the CEO apprised of any noteworthy activity on an ongoing basis. The CEO in turn provides comprehensive briefings to the Audit Committee on a regular basis, with a minimum frequency of once per year. These briefings encompass a broad range of topics, including:

- Current cybersecurity landscape and emerging threats;
- Status of ongoing cybersecurity initiatives and strategies;
- Incident reports and learnings from any cybersecurity events; and
- Compliance with regulatory requirements and industry standards.

In addition to our scheduled meetings, the Audit Committee and CEO maintain an ongoing dialogue regarding emerging or potential cybersecurity risks. Together, they receive updates on any significant developments in the cybersecurity domain, ensuring the Board’s oversight is proactive and responsive.

ITEM 2. Properties

We are a distributed organization and do not maintain a central location at which our employees work. Our employees primarily work from home or from coworking spaces. We believe our current arrangements are adequate for our needs and do not anticipate any difficulty in continuing to support our operations as the business evolves.

ITEM 3. Legal Proceedings

As of the date hereof, we are not a party to any material legal or administrative proceedings. There are no proceedings in which any of our directors, executive officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest. We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES

Market Information for Common Shares and Unit A Warrants

Our common shares are presently quoted on Nasdaq, under the symbol "VS". On April 13, 2026, the closing price of our common shares on Nasdaq was \$1.06. The Company's Unit A Warrants expired and were removed from trading on Nasdaq in January 2026.

Holder

As of December 31, 2025, the registrar and transfer agent for our common shares reported that there were 4,901,677 common shares issued and outstanding. Of these, 5,649 were registered to Canadian residents, including 5,260 common shares held by Computershare as trustee on behalf of shareholders who have not yet exchanged their shares. 4,870,103 of our common shares were registered to residents of the U.S., including 1,718,485 common shares registered to CEDE & Co., which is a nominee of Depository Trust Company. The 4,870,103 common shares were registered to 72 shareholders in the U.S., one of which is CEDE & Co. 25,925 of our common shares, held by three Shareholders, were registered to residents of other foreign countries.

Dividends

We have not declared any common share dividends to date. We have no present intention of paying any cash dividends on our common shares in the foreseeable future, as we intend to use earnings, if any, to generate growth. The payment by us of dividends, if any, in the future, is within the discretion of our board of directors and will depend upon, among other things, our earnings, capital requirements and financial condition, as well as other relevant factors. There are no material restrictions in our articles that restrict us from declaring dividends.

Equity Compensation Plan Information

The following table provides information as of December 31, 2025, regarding our compensation plans under which equity securities are authorized for issuance:

Plan category	Number of Securities to be Issued Upon Exercise of Outstanding Options Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	401,557	\$ 2.57	373,347
Equity compensation plans not approved by security holders	—	—	—
Total	401,557	\$ 2.57	373,347

ITEM 6. RESERVED

None.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations for the years ended December 31, 2025 and 2024 in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this Annual Report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Annual Report.

Overview

We offer a suite of proprietary business-to-business software tools that are meant to drive user engagement through gamification and rewards. These tools allow our partners to offer in-game prizes and rewards, including merchandise, coupons, digital goods, and sweepstakes entries — inside their websites, their venues, or their streaming media content.

Our customers mostly sports teams, venues (Arenas, Football Stadiums, Baseball Stadiums), fan engagement and sponsor activation platforms, digital out-of-home media companies, and advertising agencies, which typically use our products as part of their live events or as part of an advertising campaign with the goal of engaging fans, increasing consented first-party data, and increasing sales. At December 31, 2025, we had four active customers. At December 31, 2024, we had two active customers.

Our products and games are designed so that end users could earn prizes by registering on our system and completing in-content challenges like trivia, polls, or casual mobile games. Players could use our system to play a variety of games and earn a wide range of prize types, provided by advertisers and sponsors. Our products, include our in-venue Filter Fan Cam ("FFC") products for live events, our stand-alone "Winfinite" product line that can be used by brands, advertising agencies, and content partners to reach potential customers outside of sports venues, on mobile devices, as well as the "Winfinite" Games, which are customizable web-based casual games. We also have an IP portfolio that could create future licensing and product development opportunities including our recently allowed Artificial Intelligence ("AI") and Machine Learning ("ML") series of patent claims.

With the acquisition of Xcite Interactive in June 2021, we acquired a number of key pieces of technology and relationships that have helped to drive our engagement and rewards business, including a live events fan engagement business that has partnered with professional sports franchises in the National Football League ("NFL"), the National Basketball Association ("NBA"), the National Hockey League ("NHL") and others to increase audience engagement using interactive gaming functions like trivia, polling, and casual games that can be played alongside live experiences whether a player is at-home, in a restaurant, or in-venue at the event itself. Our largest customers in 2024 were the Texas Rangers and San Jose Sharks. For the year ended December 31, 2025, the Company's largest customer was ASPIS, a significant shareholder and we continue to do business with the Texas Rangers.

We offer a suite of products centered on "Winfinite" and FFC. Our FFC platform is an Augmented Reality filtering tool that can be used for mobile and in-venue applications. In addition, we have a stand-alone gaming and prize product that we call "Winfinite," which allows brands, media companies, and advertising agencies to reach out to customers directly on their mobile devices. We license these software products to teams, ad agencies, and other content creators.

Significant Components of Our Results of Operations

Revenue. In general, we recognize revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to us, where there is evidence of an arrangement, when the selling price is fixed or determinable, and when specific criteria have been met or there are no significant remaining performance obligations for each of our activities as described below. Foreseeable losses, if any, are recognized in the year or period in which the loss is determined.

We earn revenue through the development and maintenance of custom-built software.

We recognize revenues received from the development and maintenance of custom-built software and other professional services provided upon the satisfaction of our performance obligation in an amount that reflects the consideration to which we expect to be entitled in exchange for those services. Performance obligations can be satisfied either at a single point in time or over time. For those performance obligations that are satisfied at a single point in time, the revenue is recognized at that time. For each performance obligation satisfied over time, we recognize revenue by measuring the progress toward complete satisfaction of that performance obligation.

Our contracts with customers may include multiple performance obligations. For these contracts, we account for individual performance obligations separately if they are capable of being distinct within the context of the contract. Determining which performance obligations are considered distinct may require significant judgment. Judgment is also required to determine the amount of revenue associated with each distinct performance obligation.

Operating Expenses. We classify our operating expense as research and development, and selling, general and administrative. Personnel costs are the primary component of each of these operating expense categories, which consist of cash-based personnel costs, such as salaries, benefits and bonuses. Additionally, these categories include professional fees and share-based compensation.

Operating Results

Comparison of Results of Operations for the Years Ended December 31, 2025 and 2024

The following table summarizes our results of operations for the years ended December 31, 2025 and 2024:

	For the Year Ended December 31,	
	2025	2024
Statement of Operations and Comprehensive Loss Data:		
Revenue	\$ 2,183,415	\$ 57,288
Cost of revenues	16,446	40,277
Gross Margin	2,166,969	17,011
Expenses		
Research and development	48,065	246,019
Selling, general and administrative	4,280,214	4,310,218
Total Operating Expenses	4,328,279	4,556,237
Operating loss	(2,161,310)	(4,539,226)
Other income/(expense)	18,173	(11,384)
Loss before tax provision	(2,143,137)	(4,550,610)
Provision for income taxes	1,596	24,226
Net loss	\$ (2,144,733)	\$ (4,574,836)

Revenue

Our revenues are derived from three primary sources: software licensing, professional services and advertising. Revenue was \$2,183,415 for the year ended December 31, 2025, representing an increase of \$2,126,127, or 3,711%, from \$57,288 for the year ended December 31, 2024. The increase can be attributed to the recognition of the ASPIS license revenue and professional services.

Cost of revenues

Cost of revenues was \$16,446 for the year ended December 31, 2025, representing a decrease of \$23,831, or 59%, from \$40,277 for the year ended December 31, 2024. The decrease was due to the decrease in infrastructure needed for the Xcite Interactive customers.

Research and development

Research and development was \$48,065 for the year ended December 31, 2025, representing a decrease of \$197,954, or 80%, from \$246,019 for the year ended December 31, 2024. The decrease was primarily due to a reduction in staffing levels, including a large portion of our engineering staff, and a reduction in software costs.

Selling, general and administrative

Selling, general and administrative was \$4,280,214 for the year ended December 31, 2025, representing a decrease of \$30,004, or 1%, from \$4,310,218 for the year ended December 31, 2024. The decrease was primarily due to a reduction in professional fees. Selling, general and administrative for the year ended December 31, 2025, included Company funds which had been misappropriated. For more information about the fraudulent activity and a promissory note that was executed by the former Chief Financial Officer in connection therewith, please see Notes 11 and 12 to our consolidated financial statements for the year ended December 31, 2025.

Loss from Operations

Loss from operations was \$2,161,310 for the year ended December 31, 2025, representing a decrease of \$2,377,916, or 52%, from \$4,539,226 for the year ended December 31, 2024. Increase in revenue resulted in the decrease in the loss.

Other income (expense)

Other income (expense) was an income of \$18,173 for the year ended December 31, 2025, representing an increase of \$29,557, or 260%, from expense of \$(11,384) for the year ended December 31, 2024. The increase in income can be attributed to changes in foreign currency rates.

Income tax expense

Income tax expense was \$1,596 for the year ended December 31, 2025, representing a decrease of \$22,630 from income tax expense of \$24,226 for the year ended December 31, 2024. The decrease in income tax can be attributed to taxes owed in our Canadian jurisdiction in 2024.

Inflation

The effect of inflation on our revenue and operating results was not significant.

Liquidity and Capital Resources

Since inception, the Company has incurred operating losses as it continues to invest in developing and commercializing its technology platform. For the years ended December 31, 2025 and 2024, we incurred net losses of approximately \$2.1 million and \$4.6 million, respectively. During these periods, operations were primarily financed through an initial public offering of common shares in January 2021 and subsequent equity and debt transactions, including warrant exercises and private placements. In October 2024, warrant holders exercised approximately \$0.9 million of warrants, and in November and December 2024 the Company raised \$2.5 million through convertible notes. Our cash and cash equivalents as of December 31, 2025 was \$0.5 million. Our primary cash needs are for working capital requirements, capital expenditures and to fund our operations.

We are subject to the risks and uncertainties common to emerging growth businesses. Management believes that current resources and expected operating revenues may not be sufficient to fund planned activities for the next twelve months. The report of our independent registered public accounting firm on the Company's consolidated financial statements for the year ended December 31, 2025 and 2024 included an explanatory paragraph noting that recurring operating losses, accumulated deficit, and negative operating cash flows raise substantial doubt about the Company's ability to continue as a going concern within one year after the issuance of those financial statements.

We are pursuing initiatives intended to improve cash flows from operations and continue to evaluate strategic and financing alternatives to strengthen liquidity. To execute the business plan and support growth initiatives, the Company may seek additional financing through equity or debt offerings, credit facilities, or other arrangements. There can be no assurance that such financing will be available on terms acceptable to the Company, or at all. Any future equity or equity-linked financing could dilute existing stockholders and may affect the market price of the Company's common shares, while debt financing, if obtained, could impose covenants or interest obligations. If sufficient funding is not secured when required, the Company may need to further align its operating expenditures with available resources, which could impact certain development programs or staffing levels. Management believes that disciplined cost control, continued customer engagement, and expansion into new markets may provide a foundation for improved liquidity over time; however, material uncertainties remain until additional financing or sustained positive cash flows are achieved.

In addition, as previously disclosed in the Company's Form 12b-25 filed on April 1, 2026, in the first quarter of 2026, the Audit Committee of the Company's Board of Directors conducted an internal investigation and determined that fraudulent activity involving the Company's former Chief Financial Officer had occurred. A promissory note was executed in connection therewith; however, there can be no assurance that such note will be collected in part or full or at all. For more information about the fraudulent activity and promissory note, please see Notes 11 and 12 to our consolidated financial statements for the year ended December 31, 2025, which disclosure is incorporated herein by reference.

Our financial condition and liquidity is and will continue to be influenced by a variety of factors, including:

- our ability to generate cash flows from our operations;
- future indebtedness and the interest we are obligated to pay on this indebtedness;
- the availability of public and private debt and equity financing;
- changes in exchange rates which will impact our generation of cash flows from operations when measured in CAD; and
- our capital expenditure requirements.

Cash Flows

The following summarizes the key components of our cash flows for the years ended December 31, 2025 and 2024:

	Year Ended December 31, 2025	Year Ended December 31, 2024
Net cash used in operating activities	\$ (2,052,862)	\$ (4,971,948)
Net cash used in investing activities	(609,000)	-
Net cash provided by financing activities	-	3,278,235
Effect of foreign exchange	123,336	70,620
Net (decrease) increase in cash and cash equivalents	<u>\$ (2,538,526)</u>	<u>\$ (1,623,093)</u>

Operating Activities

Net cash used in operating activities for the year ended December 31, 2025 was \$2,052,862 as compared to \$4,971,948 for the year ended December 31, 2024. The decrease in cash used in operating activities was primarily attributable to a decrease in the net loss of \$2,144,733 and prepaids of \$380,972 offset by an increase of stock-based compensation of \$430,428, an increase in accounts receivable of \$836,000 and increase in accounts payable of \$116,471.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2025 was \$609,000 as compared to \$0 for the year ended December 31, 2024. The change in cash flow used in investing activities was primarily attributable to attributed to monies spent on developed technology attributed to the Company's new product offerings.

Financing Activities

Net cash provided by financing activities was none for the year ended December 31, 2025 as compared to \$3,278,235 for the year ended December 31, 2024. The change in cash flow provided by financing activities was mainly attributable to the decrease in proceeds we received from the issuance of common shares and warrants. The Company raised \$3,278,235 for the year ended December 31, 2024 from debt issuances and warrant exercises.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on historical experience and management's assessment of current events and other facts and circumstances that are considered to be relevant. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Revenue recognition

The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of Accounting Standards Codification (“ASC”) 606, Revenue from Contracts with Customers (“ASC 606”), the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only recognizes revenue from contracts when it is probable that the entity will collect substantially all the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

The Company earns revenue in two primary ways: 1) the sales of software-as-a-service (SAAS) from its interactive production software platform or 2) development and maintenance of custom-built software or other professional services.

The Company recognizes SAAS revenues from its interactive production sales over the life of the contract as its performance obligations are satisfied. Payment terms vary by contract and can be periodic or one-time payments. The Company determines that the customer receives and consumes the benefits of the service simultaneously as the service is provided. The transaction price is allocated to the contractual performance obligations and recognized ratably over the contract term.

The Company recognizes revenues received from the development and maintenance of custom-built software and other professional services provided upon the satisfaction of its performance obligation in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Performance obligations can be satisfied either at a single point in time or over time. For those performance obligations that are satisfied at a single point in time, the revenue is recognized at that time. For each performance obligation satisfied over time, the Company recognizes revenue by measuring the progress toward complete satisfaction of that performance obligation. The Company generally measures progress comparing hours incurred to total estimated hours.

For revenues received from the sales of advertising, the Company is deemed the agent in its revenue agreements. The Company does not own or obtain control of the digital advertising inventory. The Company recognizes revenues upon the achievement of agreed-upon performance criteria for the advertising inventory, such as a number of views, or clicks. As the Company is acting as an agent in the transaction, the Company recognizes revenue from sales of advertising on a net basis, which excludes amounts payable to partners under the Company’s revenue sharing agreements.

The Company’s contracts with customers may include promises to transfer multiple products and services. For these contracts, the Company accounts for individual performance obligations separately if they are capable of being distinct and distinct within the context of the contract. Determining whether products and services are considered distinct performance obligations may require significant judgment. Judgment is also required to determine the stand-alone selling price, for each distinct performance obligation.

During the year ended December 31, 2025, the Company recognized \$176,000 attributed to professional services.

License Revenue

We recognize revenue when or as the performance obligations in the contract are satisfied. For performance obligations that are fulfilled at a point in time, revenue is recognized at the fulfillment of the performance obligation. Since the IP is determined to be a functional license, the value of the grant of use is recognized in the first period of the contract term in which the license agreement is in force. For the year ended December 31, 2025, \$1,980,000 of revenue was recognized on our functional IP as the Technology Agreement with ASPIS as the license had been delivered to ASPIS during the year.

The Company invoices ASPIS on a monthly basis with 30 day payment terms. For the year ended December 31, 2025 the Company has collected \$1,320,000, respectively, from ASPIS.

Intangible assets

Intangible assets consist of internally developed software. The Company amortizes such assets using the straight-line method over the expected useful life of the asset once. The Company evaluates the useful lives of these assets on an annual basis. If the estimate of an intangible asset’s remaining useful life is changed, the Company amortizes the remaining carrying value of the intangible asset prospectively over the revised remaining useful life. Intangible assets capitalized during the year ended December 31, 2025 was \$609,000.

Stock-based compensation

The estimation of share-based payments (including warrants and stock options) requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. We use the Black-Scholes valuation model at the date of the grant. We make estimates as to the volatility, the expected life, dividend yield and the time of exercise, as applicable. The expected volatility is based on the average volatility of share prices of similar companies over the period of the expected life of the applicable warrants and stock options. The expected life is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements beginning on Page F-1 of this Annual Report on Form 10-K are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our principal executive and principal financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our management, with the participation of our principal executive and principal financial officer, has concluded that, as of December 31, 2025, our disclosure controls and procedures were not effective in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure, due to the material weaknesses in our internal controls over financial reporting described below.

Management's Annual Report on Internal Control Over Financial Reporting.

Management is responsible for establishing and maintaining adequate internal control over our financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, management has conducted an assessment using the criteria in the updated Internal Control-Integrated Framework, issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected on a timely basis.

Based on our evaluation under the framework in Internal Control-Integrated Framework, our principal executive and principal financial officer concluded that our internal control over financial reporting was not effective as of December 31, 2025 due to the following material weaknesses:

- The Company did not design and implement effective segregation of duties within the cash disbursement process, which increased the risk of misappropriation of assets. Although third-party consultants assisted with financial reporting and supporting the audit and review processes, the former CFO had the ability to initiate, record, and process transactions without sufficient independent review. The limited number of accounting and finance personnel contributed to incompatible duties being concentrated without sufficient independent oversight; and
- Certain key entity-level and financial reporting controls, including processes to identify and assess financial reporting risks (including fraud and misappropriation of assets), manage user and privileged access to systems supporting financial reporting and cash disbursements, and perform review and approval of journal entries were not adequately designed or implemented to mitigate this risk. This was primarily driven by fraudulent actions of the former CFO, which circumvented established processes, and was exacerbated by limited resources.

In light of these material weaknesses, we performed additional analysis and other post-closing procedures to ensure the reliability of financial reporting and that our financial statements were prepared in accordance with GAAP. Accordingly, we believe that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

Our management, under the oversight of the Audit Committee, has developed a plan to remediate the material weaknesses described above. The remediation plan includes improving segregation of duties through organizational changes, implementing controls requiring independent preparation and review of key financial reporting activities, and strengthening controls over cash disbursements.

The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects. The material weaknesses will not be considered remediated, however, until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and that the degree of compliance with the policies or procedures may deteriorate.

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report on internal control over financial reporting was not subject to attestation by our independent registered public accounting firm pursuant to rules of the SEC that permit us to provide only management's report in this Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in internal control over financial reports.

ITEM 9B. OTHER INFORMATION

During the fiscal quarter ended December 31, 2025, none of our directors or officers informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Regulation S-K, Item 408.

As previously disclosed in the Company's Form 12b-25 filed on April 1, 2026, in the first quarter of 2026, while preparing this Annual Report on Form 10-K and the related audit of the Company's financial statements for the fiscal year ended December 31, 2025, management determined that improprieties involving the Company's former Chief Financial Officer had likely occurred.

The Audit Committee of the Board of Directors of the Company conducted an internal investigation and confirmed that a misappropriation of assets had occurred. In the course of the internal investigation, the Audit Committee determined that there were material weaknesses in the Company's internal control over financial reporting as of December 31, 2025. For more information about the fraudulent activity and a promissory note that was executed by the former Chief Financial Officer in connection therewith, please see Note 11 and 12 to our consolidated financial statements for the year ended December 31, 2025, which disclosure is incorporated herein by reference, and for more information about the material weaknesses in internal control over financial reporting and the Company's remedial actions, please see Part II, Item 9A. Controls and Procedures, of this Form 10-K, which disclosure is incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTION THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Senior Management

The following table sets forth the names and ages of the members of our board of directors and our executive officers and the positions held by each. Our board of directors elects our executive officers annually by majority vote. Each director's term continues until his or her successor is elected or qualified at the next annual meeting, unless such director earlier resigns or is removed.

Name	Age	Positions and Offices
Luis Goldner	56	Director and Chief Executive Officer ¹
Geoff Deller	43	Chief Financial Officer ¹
Alex Peachey	50	Chief Technology Officer
Aric Spitulnik	54	Independent Director
David Catzel	71	Independent Director
Juan Carlos Barrera	61	Independent Director

¹ On January 15, 2026, Geoff Deller resigned as Chief Financial Officer of the Company. On that same date, the Company's board of directors named Company Chief Executive Officer Luis Goldner as the Company's principal financial officer.

The following is information about the experience and attributes of the members of our board of directors and senior executive officers as of the date of this Annual Report. The experience and attributes of our directors discussed below provide the reasons that these individuals were selected for board membership, as well as why they continue to serve in such positions.

Luis Goldner, 56, joined our company as a director in December 2023 and became our Chief Executive Officer in August 2024 and Principal Financial Officer in January 2026. Mr. Goldner is a senior corporate executive, having managed and operated fortune 500 companies in LATAM and North America. Mr. Goldner has served as Chief Operating Officer of Icaro Media Group Inc. since 2019, and is responsible for global partnerships, consumer trends and operational best practices. From 2018 to 2019, Mr. Goldner was the VP of Business at Skyy Digital Media Group. Previously, Mr. Goldner served as Chief Executive Officer of Intralot do Brazil and Chief Executive Officer for Trust Impressores, a subsidiary of Oberthur Group and has also served as head of business development and Managing director of Estrategia Investimentos SA / Citibank in asset management. Mr. Goldner holds a degree in Economics from Universidade Gama Filho RJ–Brazil.

Geoff Deller, 43, joined our company as a Chief Financial Officer in July 2024. Prior to joining the Company, Mr. Deller was the President and Chief Investment Officer of Orinoco Capital LLC, a private investment company, in Boca Raton, Florida. Earlier in his career, he held finance and operating roles in investment management.

Alex Peachey, 50, joined our company as Chief Technology Officer in May 2016. Mr. Peachey leads the architecture efforts for our Elixir-based Winfinite challenge platform. Prior to joining us, Mr. Peachey founded Threadbias LLC in January 2011, an online community for people who love to sew and wish to exchange ideas, share projects and join or create groups. He continues to serve as their CEO. From February 2012 to May 2016, Mr. Peachey served the Director of Engineering at Originate, Inc., where he managed a team of software engineers. He holds a BS in Computer Science from Western Washington University and an MBA from the University of Washington.

David Catzel, 71, joined our company as a director in December 2023. Mr. Catzel is an accomplished business and technology executive with an extensive history of strategic alliances in media content, licensing, marketing and technology. Since 2020, Mr. Catzel has served as a consultant to the Holistyx Group and a Senior 5G Connectivity Solutions Specialist at T-Mobile. From 2017 to 2020, he was the VP Digital Transformation at FuseConnections. From 2020 to 2023 he was also a Senior Industry Digital Strategist: Automotive, Mobility, and Transportation at Microsoft.

Aric Spitulnik, 54, joined our company as a director in November 2024. Mr. Spitulnik is a distinguished business leader with over 32 years of professional experience. A veteran C-suite executive, Mr. Spitulnik has collaborated with multiple Boards of Directors frequently assuming Chairmanship roles and has provided governance and strategic leadership across various entities. As CEO of a privately-owned company for 9 years, he consistently delivered positive revenue growth. His leadership roles also include serving as Senior Vice President, overseeing the budget for \$1.2 billion in revenue and 7,000 employees, and as President, managing \$100 million in revenue and 1,200 employees. Mr. Spitulnik holds an MBA and a BS in Business from York College of Pennsylvania.

Juan Carlos Barrera, 61, joined our company as a director in December 2023. Mr. Barrera is a senior corporate executive with extensive experience in finance, international investments, acquisitions and global partnerships. Since 2020, Mr. Barrera has served as Chief Commercial Officer of Icaro Media Group Inc., responsible for strategic partnerships and global strategy. From 2015 to 2019, Mr. Barrera served as President of SKYY Digital Media. He was also previously the CEO of Global Select Wealth Management, and for over twenty years Mr. Barrera worked at Prudential Financial where he served both as Director of Institutional Wealth Management at Prudential International Investments and Director of Institutional Investments at Dryden Wealth Management. Mr. Barrera holds degrees in Economics and Business Administration from Coe College.

Board Practices

Board Composition and Structure; Director Independence

Our business and affairs are managed under the direction of our board of directors. Our board of directors currently consists of four members. The term of office for each director will be until his or her successor is elected at our annual meeting or his or her death, resignation or removal, whichever is earliest to occur.

While we do not have a stand-alone diversity policy, in considering whether to recommend any director nominee, including candidates recommended by shareholders, we believe that the backgrounds and qualifications of the directors, considered as a group, should provide a significant mix of experience, knowledge and abilities that will allow our board of directors to fulfill its responsibilities. As set forth in our corporate governance guidelines, when considering whether directors and nominees have the experience, qualifications, attributes or skills, taken as a whole, to enable our board of directors to satisfy its oversight responsibilities effectively in light of our business and structure, the board of directors focuses primarily on each person's background and experience as reflected in the information discussed in each of the directors' individual biographies set forth above. We believe that our directors and director nominees will provide an appropriate mix of experience and skills relevant to the size and nature of our business.

Our board of directors expects a culture of ethical business conduct. Our board of directors encourages each member to conduct a self-review to determine if he or she is providing effective service with respect to both our company and our shareholders. Should it be determined that a member of our board of directors is unable to effectively act in the best interests of our shareholders, such a member would be encouraged to resign.

Board Leadership Structure

Our articles and our corporate governance guidelines provide our board of directors with flexibility to combine or separate the positions of Chairman of the Board and Chief Executive Officer in accordance with its determination that utilizing one or the other structure is in the best interests of our company. Luis Goldner currently serves as our Chief Executive Officer and Juan Carlos Barrera serves as Chairman of the Board.

As Chairman of the Board, Mr. Barrera's key responsibilities will include facilitating communication between our board of directors and management, assessing management's performance, managing board members, preparation of the agenda for each board meeting, acting as chair of board meetings and meetings of our company's shareholders and managing relations with shareholders, other stakeholders and the public.

We will take steps to ensure that adequate structures and processes are in place to permit our board of directors to function independently of management. The directors will be able to request at any time a meeting restricted to independent directors for the purpose of discussing matters independently of management and are encouraged to do so should they feel that such a meeting is required.

Committees of our Board of Directors

The standing committees of our board of directors consist of an audit committee, a compensation committee and a nominating and corporate governance committee. Each of the committees reports to our board of directors as they deem appropriate and as our board may request. Each committee of our board of directors has a committee charter that will set out the mandate of such committee, including the responsibilities of the chair of such committee.

The composition, duties and responsibilities of these committees are set forth below.

Audit Committee

The audit committee is responsible for, among other matters:

- appointing, retaining and evaluating our independent registered public accounting firm and approving all services to be performed by them;
- overseeing our independent registered public accounting firm's qualifications, independence and performance;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC;
- reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements;
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters; and
- reviewing and approving related person transactions.

Our audit committee consists of three of our directors, Aric Spitulnik, David Catzel and Juan Carlos Barrera, each of whom meets the definition of "independent director" for purposes of serving on an audit committee under Rule 10A-3 under the Exchange Act and Nasdaq listing rules. Mr. Spitulnik serves as chairman of our audit committee. Our board of directors has determined that Mr. Spitulnik qualifies as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K under the Securities Act. The written charter for our audit committee is available on our corporate website at www.versussystems.com. The information on our website is not part of this Annual Report.

Compensation Committee

The compensation committee is responsible for, among other matters:

- reviewing key employee compensation goals, policies, plans and programs;
- reviewing and approving the compensation of our directors, chief executive officer and other executive officers;
- producing an annual report on executive compensation in accordance with the rules and regulations promulgated by the SEC;
- reviewing and approving employment agreements and other similar arrangements between us and our executive officers; and
- administering our stock plans and other incentive compensation plans.

Our compensation committee consists of three of our directors, Aric Spitulnik, David Catzel, and Juan Carlos Barrera, each of whom meets the definition of “independent director” under the Nasdaq rules and the definition of non-employee director under Rule 16b-3 promulgated under the Exchange Act. Mr. Barrera serves as chairman of our compensation committee. Our board of directors has adopted a written charter for the compensation committee, which is available on our corporate website at www.versusystems.com. The information on our website is not part of this Annual Report.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will be responsible for, among other matters:

- determining the qualifications, qualities, skills and other expertise required to be a director and developing and recommending to the board for its approval criteria to be considered in selecting nominees for director;
- identifying and screening individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors;
- overseeing the organization of our board of directors to discharge our board’s duties and responsibilities properly and efficiently;
- reviewing the committee structure of the board of directors and the composition of such committees and recommending directors to be appointed to each committee and committee chairmen;
- identifying best practices and recommending corporate governance principles; and
- developing and recommending to our board of directors a set of corporate governance guidelines and principles applicable to us.

Our nominating and corporate governance committee consists of three of our directors, Aric Spitulnik, David Catzel, and Juan Carlos Barrera, each of whom meets the definition of “independent director” under the Nasdaq rules. Mr. Catzel serves as chairman of our nominating and corporate governance committee. Our board of directors has adopted a written charter for the nominating and corporate governance committee, which is available on our corporate website at www.versusystems.com. The information on our website is not part of this Annual Report.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of another entity that had one or more of its executive officers serving as a member of our board of directors or compensation committee. None of the members of our compensation committee, when appointed, will have at any time been one of our officers or employees.

Other Committees

Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Director Term Limits

Our board of directors has not adopted policies imposing an arbitrary term or retirement age limit in connection with individuals serving as directors as it does not believe that such a limit is in the best interests of our company. Our nominating and corporate governance committee will annually review the composition of our board of directors, including the age and tenure of individual directors. Our board of directors will strive to achieve a balance between the desirability of its members having a depth of relevant experience, on the one hand, and the need for renewal and new perspectives, on the other hand.

Risk Oversight

Our board of directors oversees the risk management activities designed and implemented by our management. Our board of directors executes its oversight responsibility for risk management both directly and through its committees. The full board of directors also considers specific risk topics, including risks associated with our strategic plan, business operations and capital structure. In addition, our board of directors regularly receives detailed reports from members of our senior management and other personnel that include assessments and potential mitigation of the risks and exposures involved with their respective areas of responsibility.

Our board of directors has delegated to the Audit Committee oversight of our risk management process. Our other board committees also consider and address risk as they perform their respective committee responsibilities. All committees report to the full board of directors as appropriate, including when a matter rises to the level of a material or enterprise level risk.

In exercising such risk oversight, as previously disclosed in the Company's Form 12b-25 filed on April 1, 2026, in the first quarter of 2026, the Audit Committee conducted an internal investigation and determined that fraudulent activity involving the Company's former Chief Financial Officer had occurred and that there were material weaknesses in the Company's internal control over financial reporting as of December 31, 2025. For more information about the fraudulent activity, please see Notes 11 and 12 to our consolidated financial statements for the year ended December 31, 2025, which disclosure is incorporated herein by reference, and for more information about the material weaknesses in internal control over financial reporting and the Company's remedial actions, please see Part II, Item 9A. Controls and Procedures of this Form 10-K, which disclosure is incorporated herein by reference.

Code of Ethics

Our board of directors has adopted a Code of Ethics that applies to all of our employees, including our chief executive officer, chief financial officer and principal accounting officer. Our Code of Ethics is available on our website at www.versusystems.com by clicking on "Investors." If we amend or grant a waiver of one or more of the provisions of our Code of Ethics, we intend to satisfy the requirements under Item 5.05 of Form 8-K regarding the disclosure of amendments to or waivers from provisions of our Code of Ethics that apply to our principal executive officer, financial and accounting officers by posting the required information on our website at the above address within four business days of such amendment or waiver. The information on our website is not part of this Annual Report.

Our board of directors, management and all employees of our company are committed to implementing and adhering to the Code of Ethics. Therefore, it is up to each individual to comply with the Code of Ethics and to be in compliance of the Code of Ethics. If an individual is concerned that there has been a violation of the Code of Ethics, he or she will be able to report in good faith to his or her superior. While a record of such reports will be kept confidential by our company for the purposes of investigation, the report may be made anonymously and no individual making such a report will be subject to any form of retribution.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides certain summary information concerning compensation awarded to, earned by or paid to the individuals who served as our principal executive officer at any time during fiscal 2024 and 2023, and our two other most highly compensated officers in fiscal 2025 and 2024. These individuals are referred to in this Annual Report as the "named executive officers."

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Luis Goldner	2025	\$ 240,000	\$ —	\$ —	\$ —	\$ —	\$ 240,000
Chief Executive Officer	2024	\$ 41,667	\$ —	\$ —	\$ —	\$ 83,333	\$ 125,000

Equity Incentive Plans

On May 17, 2017, our board of directors adopted our 2017 Stock Option Plan, or the 2017 Plan, to provide an additional means to attract, motivate, retain and reward selected employees and other eligible persons. Our stockholders approved the 2017 Plan on or about June 29, 2017. Employees, officers, directors, advisors and consultants that provided services to us or one of our subsidiaries are eligible to receive awards under the 2017 Plan. The total number of common shares that are at any time reserved for issuance under the 2017 Plan and under all other management option plans and employee stock purchase plans, if any, cannot exceed in the aggregate a number of common shares equal to 15% of the number of common shares issued and outstanding at that time. Options have a maximum term of ten years and vesting is determined by our board of directors.

On May 15, 2021, our board of directors adopted a US sub plan as part of our 2017 Stock Option Plan. The US sub plan allows for the explicit grant of incentive stock options (“ISOs”) to US resident non-officer employees. The provision for the sub plan was subject to a confirming shareholder vote within 12 months of its adoption, which vote was taken on November 17, 2021.

As of December 31, 2025, stock option grants for the purchase of an aggregate of 401,557 common shares had been made under the 2017 Plan, and none of those stock options had been cancelled or exercised. As of that date, there remained 373,347 common shares authorized under the 2017 Plan remained available for award purposes.

Our board of directors may amend or terminate the 2017 Plan at any time, but no such action will affect any outstanding award in any manner materially adverse to a participant without the consent of the participant.

The following information is a brief description of the 2017 Plan, which is filed as an exhibit to this Annual Report:

- a) *Number of Shares:* At no time shall the number of common shares reserved for issuance to any one person pursuant to stock options granted under the 2017 Plan or otherwise, unless permitted by regulatory authorities and by a vote of shareholders, exceed five (5%) percent of the outstanding common shares in any 12-month period.
- b) *Option Price:* The option price of a stock option granted under the 2017 Plan shall be fixed by our board of directors but shall be not less than the Market Price of our common shares at the time the stock option is granted, or such lesser price as may be permitted pursuant to the rules of any regulatory authority having jurisdiction over our common shares issued, which rules may include provisions for certain discounts in respect to the option price. For the purpose of the 2017 Plan, the “Market Price” at any date in respect of our common shares shall mean, subject to a minimum exercise price of \$0.10 per option, the greater of:
 - a. the closing price of our common shares on a stock exchange on which our common shares are listed and posted for trading or a quotation system for a published market upon which the price of our common shares is quoted, as may be selected for such purpose by our board of directors (the “Market”), on the last trading day prior to the date the stock option is granted; and
 - b. the closing price of our common shares on the Market on the date on which the stock option is granted. In the event that such shares did not trade on such trading day, the Market Price shall be the average of the bid and ask prices in respect of such shares at the close of trading on such trading day as reported thereof. In the event that our common shares are not listed and posted for trading or quoted on any Market, the Market Price shall be the fair market value of such shares as determined by our board of directors in its sole discretion.
- c) *Reduction in Option Price:* The option price of a stock option granted under the 2017 Plan to an insider of our company (as that term is defined in the Securities Act (British Columbia)) shall not be reduced without prior approval from the disinterested shareholders of our company.

- d) *Payment*: The full purchase price payable for shares under a stock option shall be paid in cash or certified funds upon the exercise thereof. A holder of a stock option shall have none of the rights of a shareholder until the shares are paid for and issued.
- e) *Term of Option*: Stock options may be granted under the 2017 Plan for a period not exceeding ten years.
- f) *Vesting*: Unless our board of directors determines otherwise at its discretion, a stock option shall vest immediately upon being granted.
- g) *Exercise of Option*: Except as specifically provided for in the 2017 Plan, no stock option may be exercised unless the optionee is at the time of exercise an Eligible Person (as defined by the 2017 Plan). If the optionee is an employee or consultant, the optionee shall represent to us that he or she is a bona fide employee or consultant of our company. The 2017 Plan shall not confer upon the optionee any right with respect to continuation of employment by our company. Leave of absence approved by an officer of our company authorized to give such approval shall not be considered an interruption of employment for any purpose of the 2017 Plan. Subject to the provisions of the 2017 Plan, a stock option may be exercised from time to time by delivery to us of written notice of exercise specifying the number of shares with respect to which the stock option is being exercised and accompanied by payment in full, by cash or certified check, of the purchase price of the shares then being purchased.
- h) *Non-transferability of Stock Option*: No stock option shall be assignable or transferable by the optionee, except to a personal holding corporation of the optionee, other than by will or the laws of descent and distribution.
- i) *Applicable Laws or Regulations*: Our obligation to sell and deliver shares under each stock option is subject to our compliance with any laws, rules and regulations of Canada and any provinces and/or territories thereof applying to the authorization, issuance, listing or sale of securities and is also subject to the acceptance for listing of the shares which may be issued upon the exercise thereof by each stock exchange upon which our common shares are then listed for trading.
- j) *Termination of Options*. Unless the option agreement provides otherwise, all stock options will terminate:
 - a. in the case of stock options granted to an employee or consultant employed or retained to provide investment relations services, 30 days after the optionee ceases to be employed or retained to provide investment relations services;
 - b. in the case of stock options granted to other employees, consultants, directors, officers or advisors, 90 days following
 - i. our termination, with or without cause, of the optionee's employment or other relationship with our company or an affiliate of our company, or
 - ii. the termination by the optionee of any such relationship with our company or an affiliate of our company;
 - iii. or in the case of death or permanent and total disability of the optionee, all stock options will terminate 12 months following the death or permanent and total disability of the optionee, and the deceased optionee's heirs or administrators may exercise all or a portion of the stock option during that period.

Any stock options granted under the 2017 Plan that are cancelled, terminated or expire will remain available for granting under the 2017 Plan at the current Market Price

- k) *Amendments*. Subject to the approval of regulatory authorities having jurisdiction, our board of directors may from time to time amend or revise the terms of the 2017 Plan, or may terminate the 2017 Plan at any time; provided, however, that no such action shall adversely affect the rights of any optionee under any outstanding stock option without such optionee's prior consent. Upon the mutual consent of the optionee and our board of directors, the terms of an option agreement may be amended, subject to regulatory approval and shareholder approval as may be required from time to time.

Outstanding Equity Awards at Fiscal Year-End

As of December 31, 2025 the Company has 401,557 options outstanding.

Director Compensation

All directors hold office until the next annual meeting of shareholders at which their respective class of directors is re-elected and until their successors have been duly elected and qualified. There are no family relationships among our directors or executive officers. Officers are elected by and serve at the discretion of the Board of Directors. The following table sets forth the information concerning all compensation we paid during the year ended December 31, 2025 to our non-employee directors.

Name	Fees earned or paid in cash (\$)	Stock awards (\$)	Option awards (\$) ⁽⁴⁾	Total (\$)
Juan Carlos Barrera ⁽¹⁾	\$ 100,000	—	—	\$ 100,000
David Catzel ⁽²⁾	\$ 100,000	—	—	\$ 100,000
Aric Spitulnik ⁽³⁾	\$ 100,000	—	—	\$ 100,000

(1) Mr. Barrera was elected as a director of our company at the shareholder meeting held on December 29, 2023, and was appointed as a director of our company on the same date.

(2) Mr. Catzel was elected as a director of our company at the shareholder meeting held on December 29, 2023, and was appointed as a director of our company on the same date.

(3) Mr. Spitulnik was elected as a director of our company at the shareholder meeting held on December 23, 2024, and was appointed as a director of our company on the same date.

(4) The amounts reported in the "Option Awards" column reflect the aggregate fair value of stock-based compensation awarded during the year computed in accordance with the provisions of the Financial Accounting Standard Board Accounting Standards Codification Topic 718, or ASC 718. See Note 8 to our consolidated financial statements for the year ended December 31, 2025 included elsewhere in this annual report regarding assumptions underlying the valuation of equity awards. These amounts reflect the accounting cost for these stock options and do not reflect the actual economic value that may be realized by the executive officer upon the vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERSHIP AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information relating to the beneficial ownership of our common shares as of April 13, 2026 by:

- each person, or group of affiliated persons, known by us to beneficially own 5% or more of our outstanding common shares;
- each of our named executive officers and members of our board of directors; and
- all executive officers and members of our board of directors as a group.

The amounts and percentages of common shares beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days after March 31, 2026. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed a beneficial owner of securities as to which he has no economic interest. Except as indicated by footnote, to our knowledge, the persons named in the table below have sole voting and investment power with respect to all common shares shown as beneficially owned by them. None of our major shareholders have different voting rights than our common shareholders.

In the table below, the percentage of beneficial ownership of our common shares is based on 4,901,677 shares of our common shares outstanding as of April 13, 2026. Unless otherwise noted below, the address of the persons listed on the table is c/o Versus Systems Inc., 3500 South DuPont Hwy. Dover, DE 19901

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Shares Beneficially Owned
Named Executive Officers and Directors		
Executive Officers and Directors as a Group (4 persons)	-	-
5% or Greater Beneficial Owners		
ASPIS Cyber Technologies, Inc. ⁽¹⁾	2,155,172	43.97%
Cronus Equity Capital Group, LLC ⁽²⁾	989,903	20.20%

* Indicates beneficial ownership of less than 1% of the total outstanding common shares.

(1) The address of ASPIS Cyber Technologies, Inc. is 250 Park Ave, 7th Floor, New York, NY 10177.

(2) The address of Cronus Equity Capital Group, LLC is 590 Madison Ave, 21st Floor, New York, NY 10022.

The percentage of our common shares held by Canadian residents, based on securityholder addresses of record, is less than 1% as of April 13, 2026.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

A “related party transaction” is any actual or proposed transaction, arrangement or relationship or series of similar transactions, arrangements or relationships, including those involving indebtedness not in the ordinary course of business, to which we or our subsidiaries were or are a party, or in which we or our subsidiaries were or are a participant, in which the amount involved exceeded or exceeds the lesser of (i) \$120,000 or (ii) one percent of the average of our total assets at year-end for the last two completed fiscal years and in which any related party had or will have a direct or indirect material interest. A “related party” includes:

- any person who is, or at any time during the applicable period was, one of our executive officers or one of our directors;
- any person who beneficially owns more than 5% of our common share;
- any immediate family member of any of the foregoing; or
- any entity in which any of the foregoing is a partner or principal or in a similar position or in which such person has a 10% or greater beneficial ownership interest.

Other than the transactions described below and the compensation arrangements for our named executive officers, which we describe above, there were no related party transactions to which we were a party since the beginning of our last fiscal year, or any currently proposed related party transaction.

On April 30, 2025, pursuant to the Technology License and Software Development Agreement (the “License Agreement”) with ASPIS Cyber Technologies, Inc. (“ASPIS”), the Company delivered a functional license for its gamification, engagement, and QR code technology. ASPIS is an affiliate of the Company’s largest shareholder—Cronus Equity Capital Group, LLC (“CECG”)—which holds approximately 20.20% of the outstanding common shares of the Company as of December 31, 2025.

Under the License Agreement, as amended by a side letter executed on August 11, 2025 and supported by a legal opinion and confirmation, the Initial Term is non-cancellable for twelve (12) months commencing April 30, 2025, with monthly license fees of \$165,000 payable regardless of use. ASPIS will pay for any required technology modifications, improvements, and developments to Versus’ technology in addition to the license fee. The Company retains ownership of the technology, and ASPIS holds an exclusive license to use it in the cybersecurity industry so long as ASPIS continues to pay the monthly license fee.

On an annual basis, the Board, with the assistance of, and upon recommendation of, the Nominating and Corporate Governance Committee, makes a determination as to the independence of each director, considering the current standards for “independence” established by the NYSE. Our Corporate Governance Guidelines provide that a majority of the Board must be independent. The Board has determined that three of four directors are independent under these standards - Messrs. Barrera, Catzel, and Spitulnik. All members of each of the Company’s Audit, Compensation and Nominating and Corporate Governance Committees are independent directors, as determined by the Board.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table summarizes the fees charged by Ramirez Jimenez International CPAs for certain services rendered to our company during fiscal 2025 and fiscal 2024, respectively.

Ramirez Jimenez International CPAs	For the year ended December 31, 2025	For the year ended December 31, 2024
USD \$		
Audit fees ⁽¹⁾	\$ 150,413	\$ 220,456
Audit-related fees ⁽²⁾	-	-
Tax fees ⁽³⁾	21,000	20,000
All other fees ⁽⁴⁾	-	-
Total	\$ 171,413	\$ 240,456

(1) “Audit fees” means the aggregate fees billed in each of the fiscal years for professional services rendered for the audit of our annual financial statements and review of our interim financial statements.

(2) “Audit-related fees” are the assurance and related services reasonably related to the financial statement audit and not included in audit services.

(3) “Tax fees” means the aggregate fees billed in each of the fiscal years for professional services rendered for tax compliance and tax advice.

(4) “All other fees” total the aggregate fees billed in each of the fiscal years for non-audit services rendered which were not listed above, which are primarily related to professional services rendered with our registration filings.

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES.

1. The financial statements and supplementary data required by this item begin on page F-1.
2. The financial statement schedules are omitted because they are either not applicable or the information required is presented in the financial statements and notes thereto under “Item 8. Financial Statements and Supplementary Data.”
3. Exhibit Index:

Exhibit Number	Exhibit Description	Incorporation by Reference		
		Form	Filing Date	Exhibit Number
3.1	Certificate of Corporate Domestication and Certificate of Incorporation	8-K	12/26/2024	3.1
3.2	Bylaws	S-4	11/14/2024	3.2
4.1	Specimen Stock Certificate evidencing common shares.	F-1/A	1/11/2021	4.1
4.2	Warrant Agent Agreement dated January 20, 2021 between Versus System Inc. and Computershare, including forms of Unit A Warrants and Unit B Warrants.	6-K	1/21/2021	99.2
4.3	Representative Warrant Agreement dated January 20, 2021.	F-1/A	12/14/2020	4.3
10.1	Subscription Agreement and form of Warrant with ASPIS Cyber Technologies, Inc., dated as of October 16, 2024.	S-4	11/8/24	10.3
10.2	Technology License and Software Development Agreement with ASPIS Cyber Technologies, Inc., dated as of October 7, 2024.	S-4	11/8/2024	10.4
10.3	Business Funding Agreement with ASPIS Cyber Technologies, Inc., dated as of October 7, 2024.	S-4	11/8/2024	10.5
10.4	Master Services Agreement with PKF O’Conner Davies Advisory, LLC	8-K	1/20/2026	10.1
10.5	Form of Warrant of Versus Systems Inc.	F-1	11/20/2020	10.6

Exhibit Number	Exhibit Description	Incorporation by Reference		
		Form	Filing Date	Exhibit Number
10.6	Versus Systems Inc. 2017 Stock Option Plan.	F-1	11/20/2020	10.7
10.7	US Sub Plan of 2017 Stock Option Plan	10-K	3/31/2025	10.8
10.8	Software License, Marketing and Linking Agreement dated as of March 6, 2019 between HP Inc. and Versus LLC.	F-1	11/20/2020	10.9
10.9	Amendment of 2017 Stock Option Plan	10-K	3/31/2025	10.10
14.1	Code of Conduct and Ethics.	F-1/A	1/11/2021	14.1
15.1	Consent of Ramirez Jimenez International CPAs		*	
19.1	Insider Trading Policies and Procedures	10-K	4/1/2024	
21.1	List of Subsidiaries of Versus Systems Inc.		*	
31.1	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		*	
31.2	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		*	
32.1	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		*	
32.2	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		*	
97.1	Clawback Policy (Recovery of Erroneously Awarded Compensation)	10-K	4/1/2024	97.1
99.1	Charter of the Audit Committee.	F-1/A	1/11/2021	99.1
99.2	Charter of the Compensation Committee.	F-1/A	1/11/2021	99.2
99.3	Charter of the Nominating and Corporate Governance Committee.	F-1/A	1/11/2021	99.3
101.INS	Inline XBRL Instance Document.			
101.SCH	Inline XBRL Taxonomy Extension Schema Document.			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).			

* Filed herewith.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing an annual report on Form 10-K and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Versus Systems Inc.

By: /s/ Luis Goldner

Name: Luis Goldner

Title: *Chief Executive Officer*

Date: April 15, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Position</u>	<u>Date</u>
<u>/s/ Luis Goldner</u> Luis Goldner	Director and Chief Executive Officer (Principal Executive Officer and Principal Financial Officer)	April 15, 2026
<u>/s/ Juan Carlos Barrera</u> Juan Carlos Barrera	Chairman of the Board	April 15, 2026
<u>/s/ David Catzel</u> David Catzel	Director	April 15, 2026
<u>/s/ Aric Spitulnik</u> Aric Spitulnik	Director	April 15, 2026

VERSUS SYSTEMS INC.

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CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED

DECEMBER 31, 2025 and 2024

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Versus Systems Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Versus Systems Inc. and its subsidiaries (collectively, the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity, and cash flows for each of the years then ended, and the related notes to the consolidated financial statements (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations. In addition, the Company has not achieved positive cash flows from operations and is not able to finance day-to-day activities through operations. These events raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Versus Systems Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Versus Systems Inc. is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ramirez Jimenez International CPAs

We have served as Versus Systems Inc. and its subsidiaries auditors since 2021.
Irvine, California
April 15, 2026
PCAOB ID 820

Versus Systems Inc.
Consolidated Balance Sheets

	December 31, 2025	December 31, 2024
	(\$)	(\$)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 527,388	\$ 3,065,914
Accounts Receivable	836,000	-
Prepaid expenses	88,674	469,646
Total current assets	<u>1,452,062</u>	<u>3,535,560</u>
Intangible asset	609,000	-
Total assets	<u><u>\$ 2,061,062</u></u>	<u><u>\$ 3,535,560</u></u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 142,759	\$ 26,288
Total current liabilities	142,759	26,288
Non-current liabilities		
Total liabilities	<u>142,759</u>	<u>26,288</u>
Stockholders' equity		
Share capital		
Preferred stock, no par value. 100,000,000 authorized shares; no shares issued or outstanding, respectively	-	-
Common stock and additional paid in capital, no par value. 200,000,000 authorized shares; 4,901,677 and 4,901,677 shares issued and outstanding as of December 31, 2025 and 2024, respectively	151,017,446	150,587,018
Accumulated other comprehensive income	441,995	318,659
Deficit	(141,268,519)	(139,476,353)
Total Versus Systems, Inc. stockholders' equity	<u>10,190,922</u>	<u>11,429,324</u>
Non-controlling interest	<u>(8,272,619)</u>	<u>(7,920,052)</u>
Total stockholders' equity	<u>1,918,303</u>	<u>3,509,272</u>
Total liabilities, noncontrolling interest and stockholders' equity	<u><u>\$ 2,061,062</u></u>	<u><u>\$ 3,535,560</u></u>

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

Versus Systems Inc.

Consolidated Statements of Operations and Comprehensive Loss

	Year Ended December 31, 2025	Year Ended December 31, 2024
	(\$)	(\$)
REVENUES		
Revenues	\$ 2,183,415	\$ 57,288
Cost of revenues	16,446	40,277
Gross margin	2,166,969	17,011
EXPENSES		
Research and development	48,065	246,019
Selling, general and administrative	4,280,214	4,310,218
Total operating expenses	4,328,279	4,556,237
Operating loss	(2,161,310)	(4,539,226)
Other income/(expense), net	18,173	(11,384)
Loss before provision for income taxes	(2,143,137)	(4,550,610)
Provision for income taxes	(1,596)	(24,226)
Net loss	(2,144,733)	(4,574,836)
Less: Net loss attributable to non-controlling interest	(352,567)	(532,505)
Net loss attributable to Versus Systems, Inc. Shareholders	(1,792,166)	(4,042,331)
Per share Data:		
Basic and diluted loss per share to shareholders	(0.37)	(1.54)
Weighted average shares – basic and diluted	4,901,677	2,628,226
Comprehensive income (loss)		
Net loss	(2,144,733)	(4,574,836)
Other comprehensive income (loss), net of tax		
Change in foreign currency translation, net of tax	123,336	70,372
Total other comprehensive income	123,336	70,372
Total comprehensive loss	\$ (2,021,397)	\$ (4,504,464)
Less: comprehensive loss attributable to non-controlling interest	(352,567)	(532,505)
Comprehensive loss attributable to shareholders	\$ (1,668,830)	\$ (3,971,958)

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

Versus Systems Inc.

Consolidated Statements of Changes in Stockholder's Equity

	Number of Common Shares	Common Shares	Additional Paid in Capital	Currency translation adjustment	Accumulated Deficit	Versus Systems, Inc. Equity	Non- controlling Interest	Total Stockholders' Equity
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance at December 31, 2023	2,506,015	134,075,745	13,054,378	248,287	(135,434,022)	11,944,388	(7,387,547)	4,556,841
Exercise of warrants	240,490	-	885,003	-	-	885,003	-	885,003
Conversion of debt into common stock	2,155,172	-	2,411,027	-	-	2,411,027	-	2,411,027
Stock-based compensation	-	-	160,865	-	-	160,865	-	160,865
Cumulative translation adjustment	-	-	-	70,372	-	70,372	-	70,372
Net loss	-	-	-	-	(4,042,331)	(4,042,331)	(532,505)	(4,574,836)
Balance at December 31, 2024	<u>4,901,677</u>	<u>134,075,745</u>	<u>16,511,273</u>	<u>318,659</u>	<u>(139,476,353)</u>	<u>11,429,324</u>	<u>(7,920,052)</u>	<u>3,509,272</u>
Stock-based compensation	-	-	430,428	-	-	430,428	-	430,428
Cumulative translation adjustment	-	-	-	123,336	-	123,336	-	123,336
Net loss	-	-	-	-	(1,792,166)	(1,792,166)	(352,567)	(2,144,733)
Balance at December 31, 2025	<u>4,901,677</u>	<u>134,075,745</u>	<u>16,941,701</u>	<u>441,995</u>	<u>(141,268,519)</u>	<u>10,190,922</u>	<u>(8,272,619)</u>	<u>1,918,303</u>

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

Versus Systems Inc.
Consolidated Statements of Cash Flows

	Year Ended December 31, 2025	Year Ended December 31, 2024
	(\$)	(\$)
OPERATING ACTIVITIES		
Net Loss	\$ (2,144,733)	\$ (4,574,836)
Adjustments to reconcile net loss to net cash:		
Amortization of property and equipment	-	1,688
Accretion of interest expense	-	17,795
Share-based compensation	430,428	160,865
Changes in accounts receivable		
Receivables	(836,000)	18,222
Prepaid expenses and other current assets	380,972	(300,493)
Deferred revenue	-	(35,049)
Accounts payable and accrued liabilities	116,471	(260,140)
Cash flows used in operating activities	(2,052,862)	(4,971,948)
INVESTING ACTIVITIES		
Development of intangible assets	(609,000)	-
Cash flows used in investing activities	(609,000)	-
FINANCING ACTIVITIES		
Proceeds from convertible debt – related party	-	2,500,000
Proceeds from warrant exercises	-	885,003
Payments of share and debt issuance costs	-	(106,768)
Cash flows from financing activities	-	3,278,235
Effect of foreign exchange	123,336	70,620
Change in cash and cash equivalents during the period	(2,538,526)	(1,623,093)
Cash and cash equivalents - Beginning of period	3,065,914	4,689,007
Cash and cash equivalents - End of period	\$ 527,388	\$ 3,065,914
Supplemental disclosures of cash flow		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Noncash investing and financing activities		
Debt converted into common stock and warrants	\$ -	\$ 2,411,027

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



1. NATURE OF OPERATIONS

Versus Systems Inc. (the Company) was continued under the Business Corporations Act (British Columbia) effective January 2, 2007. On December 24, 2024 a special resolution authorizing and approving the continuance of the Company from the Province of British Columbia in accordance with the Business Corporations Act (British Columbia) into the State of Delaware in accordance with the Delaware General Corporation Law. The Company's head office and registered and records office is located at 3500 South DuPont Highway Dover, DE 19901. The Company's common stock is traded on the NASDAQ under the symbol "VS".

The Company operates within the technology sector, focusing on engagement-enhancing solutions through its proprietary prizing and promotions platform. This technology enables developers and content creators across streaming, live events, broadcast, gaming, and other media to integrate real-world prizes into their experiences, fostering greater consumer interaction and providing a compelling opportunity for brand partners and advertisers.

In June 2021, the Company completed its acquisition of multimedia, production, and interactive gaming company Xcite Interactive, a provider of online audience engagement through its owned and operated XEO technology platform. The Company partners with professional sports franchises across Major League Baseball ("MLB"), National Hockey League ("NHL"), National Basketball Association ("NBA") and the National Football League ("NFL") to drive audience engagement.

In September 2024 the Company closed down its operations within the United Kingdom, Versus Systems UK, Ltd.

In October 2024, the Company entered into a \$2,500,000 funding agreement with ASPIS Cyber Technologies ("ASPIS"). Pursuant to that agreement, the Company issued to ASPIS a senior convertible promissory note in the principal amount of \$2,500,000. The note provides that upon approval by the Company's shareholders and the Company's redomiciling to Delaware the amount funded to date plus, at ASPIS's option, any accrued and unpaid interest thereon, will be converted into units of the Company, each equal to (a) one common share of the Company and (b) a warrant to purchase one-half of one Common Share at a purchase price of \$4.00 per one whole share, exercisable for five years.

On December 24, 2024, the Senior Note Holder converted the outstanding Senior Note into 2,155,172 shares of common stock and 1,077,586 common stock warrants at an exercise price of \$4.00 per share. The warrants were deemed to be equity classified, therefore the book value of the Senior Note was converted to equity and recorded within additional paid in capital on the consolidated balance sheet.

Additionally, the Company entered into a Technology License and Software Development Agreement (the "License Agreement") in October 2024 which provides for the Company to license its gamification, engagement and QR code technology to ASPIS for use in ASPIS's website business and for development of additional functionality for Versus' technology.



1. NATURE OF OPERATIONS (CONTINUED)

Pursuant to the License Agreement, as amended by a side letter executed on August 11, 2025 and supported by a legal opinion and confirmation, the Initial Term is non-cancellable for twelve (12) months commencing April 30, 2025, with monthly license fees of \$165,000 payable regardless of use. ASPIS will pay for any required technology modifications, improvements, and developments to Versus' technology in addition to the license fee. The Company retains ownership of the technology, and ASPIS holds an exclusive license to use it in the cybersecurity industry so long as ASPIS continues to pay the monthly license fee.

Going Concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As of December 31, 2025, the Company has not achieved positive cash flow from operations and is not able to finance day to day activities through operations and as such, there is substantial doubt as to the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These consolidated financial statements do not include any adjustments as to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Management's plans include attempting to secure additional required funding through equity or debt financing, if available, seeking to enter into a partnership or other strategic agreement regarding, or sales or out-licensing of, its technology. There can be no assurance that we will be able to obtain required funding in the future. In the absence of additional financing, the Company's available cash resources would be reduced in the near term, which could require the Company to scale back or temporarily defer certain operating or development activities. Such actions could have a material effect on the Company's business and relationships with partners. If adequate funding is not secured, the Company may need to explore strategic alternatives, which could include restructuring or other actions that may adversely impact stockholder value. The Company has implemented cost-optimization initiatives, including workforce realignment and prioritization of development programs to align expenditures with near-term strategic objectives. Management believes that continued focus on strategic partnerships, product licensing, and disciplined cost management may provide the Company with opportunities to improve liquidity and position the business for longer-term growth. However, there can be no assurance that such initiatives will be sufficient to mitigate the conditions raising substantial doubt about the Company's ability to continue as a going concern.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification (“ASC”) and Accounting Standards Updates (“ASU”) of the Financial Accounting Standards Board (“FASB”).

Functional and presentation currency

These consolidated financial statements are presented in United States dollars, unless otherwise noted, which is the functional currency of the Company and its subsidiaries. The functional currency of our operating subsidiaries is generally the currency of the economic environment in which the subsidiary primarily does business. Our foreign subsidiaries’ financial statements are translated into U.S. dollars using the foreign exchange rates applicable to the dates of the financial statements. Assets and liabilities are translated using the end-of-period spot foreign exchange rates. Income, expenses, and cash flows are translated at the average foreign exchange rates for each period. Equity accounts are translated at historical foreign exchange rates. The effects of these translation adjustments are reported as a component of accumulated other comprehensive income (loss) (“AOCI”) in the consolidated statements of shareholders’ equity.

Basis of consolidation

These consolidated financial statements include the accounts of Versus Systems Inc. and its subsidiaries, from the date control was acquired. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Concentration of Credit Risk

The Company maintains its cash and cash equivalents at insured financial institutions, the balances of which may, at times, exceed federally insured limits. Generally, these deposits may be redeemed upon demand, and the Company believes there is minimal risk of losses on such balances.

Non-controlling interest

Non-controlling interest in the Company’s less than wholly owned subsidiaries are classified as a separate component of equity. On initial recognition, non-controlling interest is measured at the fair value of the non-controlling entity’s contribution into the related subsidiary. Subsequent to the original transaction date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest’s share of changes to the subsidiary’s equity.

Changes in the Company’s ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest’s relative interest in the subsidiary, and the difference between the adjustment to the carrying amount of non-controlling interests and the Company’s share of proceeds received and/or consideration paid is recognized directly in equity and attributed to owners of the Company.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on historical experience and management's assessment of current events and other facts and circumstances that are considered to be relevant. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. These estimates and assumptions include valuing equity securities in share-based payments and warrants; and the impairment of intangible assets.

Cash

The Company considers all highly liquid marketable securities with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are typically unsecured and are derived from revenue earned from customers. They are stated at invoice value less estimated allowances for credit losses. The Company performs ongoing credit evaluations of its customers to determine allowances for potential credit losses and doubtful accounts. The company has confidence in its ability to collect on all contracted revenues earned from customers. As of December 31, 2025, accounts receivable related to ASPIS totaled \$836,000, representing the unpaid amount because only the passage of time remains.

Basic and diluted loss per share

Basic earnings (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting periods. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share, except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. Potentially dilutive options which totaled 401,557 (December 31, 2024 – 2,555) and warrants excluded from diluted loss per share as of December 31, 2025 totaled 1,733,741 (December 31, 2024 – 1,733,741).



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements and Financial instruments

The Company applies Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* (“ASC 820”). ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 requires disclosures to be provided for fair value measurements. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1-Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2-Includes other inputs that are directly or indirectly observable in the marketplace.
- Level 3-Unobservable inputs which are supported by little or no market activity.

ASC 820 recommends three main approaches for measuring the fair value of assets and liabilities: the market approach, the income approach, and the cost approach. The Company uses the appropriate approach based on the nature of the asset or liability being measured. Financial instruments include cash, receivables, accounts payable and accrued liabilities. The carrying values of the financial instruments included in current assets and liabilities approximate their fair values due to their short-term maturities.

Income taxes

The Company accounts for income taxes utilizing the assets and liability method. Under this method, deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and net operating loss and tax credit carry forwards, using enacted tax rates and laws that are expected to be in effect when the differences reverse.

A valuation allowance is recorded against deferred tax assets in these cases then management does not believe that the realization is more likely than not. While management believes that its judgements and estimates regarding deferred tax assets and liabilities are appropriate, significant differences in actual results may materially affect the Company’s future financial results.

The Company recognizes any uncertain income tax positions at the largest amount that is more-likely-than-not to be sustained upon audit by relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. The Company’s policy is to recognize interest and/or penalties related to income tax matters in income tax expense. As of December 31, 2025 and 2024, the Company did not record any accruals for interest and penalties. The Company does not foresee material changes to its uncertain tax positions within its next twelve months. The Company’s tax years are subject to examination for 2022 and forward for U.S. Federal tax purposes and for 2021 and forward for state tax purposes.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loss contingencies

A loss contingency is recognized when it is probable that a liability has been incurred as of the balance sheet date and the amount of the loss can be reasonably estimated. If a range of loss exists, the Company records the best estimate within the range, or the minimum amount if no amount within the range is a better estimate than any other. If a loss is reasonably possible but not probable, or the amount cannot be reasonably estimated, the contingency is disclosed but not accrued.

Valuation of Equity Units Issued in Private Placements

In accordance with U.S. GAAP, particularly ASC 505-10 and ASC 815, the Company has adopted the fair value method for the valuation of equity units issued in private placements, which typically comprise common shares and warrants. For each private placement, the Company separately estimates the fair value of both the common shares and the warrants at the date of issuance. The determination of fair value is based on market conditions, volatility, and other relevant factors at the time of issuance.

1. Common Shares: The fair value of the common shares issued is measured based on observable market prices, if available, or estimated using appropriate valuation techniques considering the terms of the shares and market conditions.
2. Warrants: Warrants are valued using an appropriate option-pricing model, such as the Black-Scholes or a binomial model. The model incorporates various inputs, including the share price, expected volatility, expected term, risk-free interest rate, and any dividends.

The total proceeds from the issuance of equity units are allocated between the common shares and the warrants based on their relative fair values at the date of issuance. This allocation is reflected in the equity section of the consolidated balance sheet, with the fair value of the warrants recorded as a component of additional paid-in capital in the equity section. If the warrants expire unexercised, the amount remains in additional paid-in capital.

This method of valuation and allocation ensures compliance with the fair value measurement and equity classification requirements of U.S. GAAP.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of Accounting Standards Codification ASC 606, Revenue from Contracts with Customers (“ASC 606”), the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only recognizes revenue from contracts when it is probable that the entity will collect substantially all the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

The Company earns revenue in two primary ways: 1) the sales of software-as-a-service (SAAS) from its interactive production software platform or 2) development and maintenance of custom-built software or other professional services.

The Company recognizes SAAS revenues from its interactive production sales over the life of the contract as its performance obligations are satisfied. Payment terms vary by contract and can be periodic or one-time payments. The Company determines that the customer receives and consumes the benefits of the service simultaneously as the service is provided. The transaction price is allocated to the contractual performance obligations and recognized ratably over the contract term.

The Company recognizes revenues received from the development and maintenance of custom-built software and other professional services provided upon the satisfaction of its performance obligation in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Performance obligations can be satisfied either at a single point in time or over time. For those performance obligations that are satisfied at a single point in time, the revenue is recognized at that time. For each performance obligation satisfied over time, the Company recognizes revenue by measuring the progress toward complete satisfaction of that performance obligation. The Company generally measures progress comparing hours incurred to total estimated hours.

For revenues received from the sales of advertising, the Company is deemed the agent in its revenue agreements. The Company does not own or obtain control of the digital advertising inventory. The Company recognizes revenues upon the achievement of agreed-upon performance criteria for the advertising inventory, such as a number of views, or clicks. As the Company is acting as an agent in the transaction, the Company recognizes revenue from sales of advertising on a net basis, which excludes amounts payable to partners under the Company’s revenue sharing agreements.

The Company’s contracts with customers may include promises to transfer multiple products and services. For these contracts, the Company accounts for individual performance obligations separately if they are capable of being distinct and distinct within the context of the contract. Determining whether products and services are considered distinct performance obligations may require significant judgment. Judgment is also required to determine the stand-alone selling price, for each distinct performance obligation.

During the year ended December 31, 2025 the Company recognized \$176,000 attributed to professional services. No revenue was recognized attributed to professional services for the year ended December 31, 2024.

License Revenue – Related party

On April 30, 2025, pursuant to the Technology License and Software Development Agreement (the “License Agreement”) with ASPIS Cyber Technologies, Inc. (“ASPIS”), the Company delivered a functional license for its gamification, engagement, and QR code technology. ASPIS is an affiliate of Cronus Equity Capital Group, LLC (“CECG”), a significant shareholder of the Company. As of December 31, 2025, CECG beneficially owned approximately 20.20% of the Company’s outstanding common shares, and ASPIS beneficially owned approximately 43.97% of the Company’s outstanding common shares.

Under the License Agreement, as amended by a side letter executed on August 11, 2025 and supported by a legal opinion and confirmation, the Initial Term is non-cancellable for twelve (12) months commencing April 30, 2025, with monthly license fees of \$165,000 payable regardless of use. ASPIS will pay for any required technology modifications, improvements, and developments to Versus’ technology in addition to the license fee. The Company retains ownership of the technology, and ASPIS holds an exclusive license to use it in the cybersecurity industry so long as ASPIS continues to pay the monthly license fee.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Since the license is a functional license and the performance obligation was satisfied upon delivery on April 30, 2025, the Company recognized the entire transaction price of \$1,980,000 as revenue in the quarter ended June 30, 2025. Any required technology modifications, improvements, and developments are separately payable by ASPIS and are not included in the fixed monthly license fee. The remaining fixed consideration is billed monthly over the remaining term in accordance with the contract's billing schedule and, because only the passage of time is required before payment is due, unpaid amounts are presented as receivables rather than contract assets. The Company invoices ASPIS with 30 day payment terms.

For the year ended December 31, 2025 the Company has collected \$1,320,000 from ASPIS.

The Company has elected the practical expedient under ASC 606-10-32-18 and does not adjust the consideration for the effects of a significant financing component if the Company expects that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Capitalized Software Development Costs

The Company capitalizes the costs of software developed or obtained for internal use in accordance with FASB ASC 350-40, Internal Use Software. Capitalized software development costs consist of costs incurred during the application development stage and include consulting costs for projects that qualify for capitalization. These costs relate to major new functionality. All other costs, primarily related to maintenance and minor software fixes, are expensed as incurred.

The Company will amortize the capitalized software development costs on a straight-line basis over the estimated useful life of the software, which is generally three years, beginning when the asset is substantially ready for use. The amortization of capitalized software development costs will be reflected in cost of revenue.

Intangible Assets

Intangible assets consist of internally developed software. The Company amortizes such assets using the straight-line method over the expected useful life of the asset once. The Company evaluates the useful lives of these assets on an annual basis. If the estimate of an intangible asset's remaining useful life is changed, the Company amortizes the remaining carrying value of the intangible asset prospectively over the revised remaining useful life.

Impairment

The Company evaluates its finite-lived intangible assets for impairment annually or whenever events or changes in circumstances indicate the carrying value of an asset or group of assets may not be recoverable. If these circumstances exist, recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to future undiscounted net cash flows expected to be generated by the use and eventual disposition of the asset group. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Research and development

Research and development costs are expensed as incurred. For the years ended December 31, 2025 and 2024, the Company incurred approximately \$48,065 and \$246,019, respectively, on research and development activities.

Foreign exchange

The Company uses US dollars as the reporting currency. The Company's Canadian subsidiary functional currency is the Canadian dollar. The Company's consolidated financial statements have been translated into US\$. Assets and liabilities accounts are translated using the exchange rate at each reporting period end date. Equity accounts are translated at historical rates. Income and expense accounts are translated at the average rate of exchange during the reporting period. The resulting translation adjustments are reported under other comprehensive income (loss). Gains and losses resulting from the translations of foreign currency transactions and balances are reflected in the results of operations. The functional currency determinations were conducted through an analysis of the consideration factors identified in ASC 830, *Foreign Currency Matters*.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency transactions in currencies other than the United States dollar are recorded at exchange rates prevailing on the dates of the transactions. Foreign currency transaction gains and losses are generally recognized in profit or loss and presented within gain (loss) on foreign exchange. An aggregate gain of \$0.1 million and loss of \$0.1 million arising from foreign exchange transactions is included in other (expense) income, net for the year ended December 31, 2025 and 2024, respectively.

At the end of each reporting period, the monetary assets and liabilities of the Company and its subsidiaries that are denominated in foreign currencies are translated at the rate of exchange at the date of the consolidated balance sheets. Non-monetary assets and liabilities that are denominated in foreign currencies are translated at historical rates. Revenues and expenses that are denominated in foreign currencies are translated at the exchange rates approximating those in effect on the date of the transactions. Foreign currency translation gains and losses are recognized in other comprehensive income and accumulated in equity on the consolidated statements of stockholders' equity.

Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity (deficit) which results from transactions and events from sources other than the Company's shareholders. Comprehensive loss differs from net loss for the periods ended December 31, 2025 and 2024, due to the effects of foreign translation gains and losses.

New accounting pronouncements

Recently adopted accounting pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes ("Topic 740"): Improvements to Income Tax Disclosures*. This ASU enhances the transparency and decision usefulness of income tax disclosures. It is designed to provide more detailed information about an entity's income tax expenses, liabilities, and deferred tax items, potentially affecting how companies report and disclose their income tax-related information. The ASU is effective for public business entities for annual periods beginning after December 15, 2024, including interim periods within those fiscal years. The adoption of the guidance in the first quarter of 2025 did not have a material impact on our consolidated financial statements and related disclosures.

Recent accounting pronouncements not yet adopted

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures ("Subtopic 220-40")*. This ASU improves financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. This ASU will be effective for annual periods beginning after December 15, 2026, for interim reporting periods beginning after December 15, 2027, with early adoption is permitted. We are evaluating the potential impact of this guidance on our consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06")*. ASU 2025-06 was issued to modernize the accounting for software costs that are accounted for under Subtopic 350-40, Intangibles—Goodwill and Other—Internal-Use Software (referred to as "internal-use software"). ASU 2025-06 removes all references to prescriptive and sequential software development stages (referred to as "project stages") throughout Subtopic 350-40. Therefore, an entity is required to start capitalizing software costs when both of the following occur: 1. Management has authorized and committed to funding the software project. 2. It is probable that the project will be completed and the software will be used to perform the function intended (referred to as the "probable-to-complete recognition threshold"). ASU 2025-06 is effective for the Company January 1, 2028. The Company is currently evaluating the impact the adoption of the standard will have on the Company's consolidated financial position and results of operations.

Management does not believe any other recently issued but not yet effective accounting pronouncement, if adopted, would have a material effect on the Company's present or future consolidated financial statements.



3. NON-CONTROLLING INTEREST IN VERSUS LLC

The Company holds an 81.9% ownership interest in Versus LLC, a privately held limited liability company organized under the laws of the state of Nevada. The Company consolidates Versus LLC as a result of having full control over the voting shares. Versus LLC is a technology company that is developing a business-to-business software platform that allows video game publishers and developers to offer prize-based matches of their games to their players.

The net loss for Versus, LLC for the year ended December 31, 2025 and 2024 was \$1,943,983 and \$2,942,021, respectively. The net income (loss) attributable to the non-controlling interest for the year ended December 31, 2025 and 2024 was \$(352,567) and \$(532,505), respectively

The following table presents summarized financial information before intragroup eliminations for the non-wholly owned subsidiary as of December 31, 2025 and December 31, 2024.

	December 31, 2025	December 31, 2024
	(\$)	(\$)
Assets		
Current	1,990,959	3,310,563
Non-current	-	-
	<u>1,990,959</u>	<u>3,310,563</u>
Liabilities		
Current	101,758	2,062
Non-current ⁽¹⁾	45,877,726	45,533,471
	<u>45,979,484</u>	<u>45,535,533</u>
Net liabilities	<u>(43,988,525)</u>	<u>(42,224,970)</u>
Non-controlling interest	<u>(8,272,619)</u>	<u>(7,920,052)</u>

(1) Non-current liabilities primarily relate to intercompany balances within the consolidated group.

4. INTANGIBLE ASSETS

Intangible assets were comprised of a business-to-business software platform that allows the Company to sell software attributed to cyber security to its customers. The Company began the project during the year ended December 31, 2025, therefore costs were capitalized during the years ended December 31, 2025. No costs were amortized during the year ended December 31, 2025 as the software development was not completed.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are comprised of the following:

	December 31, 2025	December 31, 2024
	(\$)	(\$)
Accounts payable	-	26,288
Accrued liabilities	142,759	-
	<u>142,759</u>	<u>26,288</u>



6. RELATED PARTY TRANSACTIONS

On October 7, 2024, the Company entered into a Business Funding Agreement (the “Funding Agreement”) with ASPIS Cyber Technologies, Inc. (“ASPIS”), pursuant to which ASPIS agreed to make a \$2,500,000 investment in the Company. ASPIS, an affiliate of the Company’s largest shareholder—Cronus Equity Capital Group, LLC (“CECG”)—is a cloud-based mobile endpoint cyber security technology company for anti-tapping and anti-hacking within the government, finance, gaming and social media sectors. CECG holds approximately 20.20% of the outstanding common shares of the Company based on the amount of Company common shares issued and outstanding as of December 31, 2025. See Note 7.

In addition, for the year ended December 31, 2025 ASPIS represented approximately 91% of revenue and 100% of the accounts receivable. See Note 2.

7. CONVERTIBLE DEBT

In October 2024, we issued \$2.5 million of a 10.0% Convertible Senior Promissory Notes due in October 2025 (the “Senior Note”) in a private placement transaction. The Senior Note is convertible into shares of common stock and common stock warrants, or a combination of shares of common stock and common stock warrants and bear interest at 10%. The holder of the note may convert to cash upon maturity in October 2025 or upon an event of default, unpaid principal and accrued and unpaid interest become immediately due and payable. The holder of the Note may elect to convert the Note into shares of common stock of the Company prior to maturity at \$1.16 a share. The outstanding balance due under the Note and any accrued and unpaid interest shall automatically convert into shares of Company’s common stock at the \$1.16 a share. The Company incurred \$106,768 of debt issuance cost attributed to the Senior Note.

On December 24, 2024, the Senior Note Holder converted the outstanding Senior Note into 2,155,172 shares of common stock and 1,077,586 common stock warrants at an exercise price of \$4.00 per share. The warrants were deemed to be equity classified, therefore the book value of the Senior Note was converted to equity and recorded within additional paid in capital on the consolidated balance sheet.

Interest expense recognized related to the Senior Note was \$17,795 for the year ended December 31, 2024.



8. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue is three hundred million (300,000,000) shares, of which two hundred million (200,000,000) shares shall be Common Stock, and one hundred million (100,000,000) shares shall be Preferred Stock.

b) Issued share capital

During the year ended December 31, 2024, the Company:

- i) Issued 2,155,172 shares at a price of \$1.16 per share for total proceeds of \$2,500,000 as a result of the conversion of the Senior Note, net of issuance cost of \$106,768.
- ii) Issued 240,490 common shares pursuant to exercise of 240,490 warrants at a price of \$3.68 per share for total proceeds of \$885,003.

During the year ended December 31, 2025 the Company did not issue any share capital.

c) Stock options

The Company may grant incentive stock options to its officers, directors, employees, and consultants. The Company has implemented a rolling Stock Option Plan (the "Plan") whereby the Company can issue up to 15% of the issued and outstanding common shares of the Company. Options have a maximum term of ten years and vesting is determined by the Board of Directors.



8. SHARE CAPITAL (CONTINUED)

A continuity schedule of outstanding stock options is as follows:

	Number Outstanding	Weighted Average Exercise Price (\$)
Outstanding – December 31, 2024	2,555	64.99
Granted	399,078	2.18
Forfeited	(76)	165.38
Outstanding – December 31, 2025	401,557	2.57
Vested and exercisable	277,807	2.74

During the year ended December 31, 2025 and 2024 the Company recorded share-based compensation of \$430,428 and \$160,865, respectively, relating to options vested during the period. The remaining share-based compensation to be recognized is over the vesting term of the unvested options is \$193,285 as of December 31, 2025. The remaining weighted average contractual term of the options outstanding as of December 31, 2025 is 9.2 years. The remaining expense is expected to be recognized over a weighted-average period of approximately 2.25 years.

The fair value of the options granted during the year ended December 31, 2025 was \$1.56 per share. No options were granted during the year ended December 31, 2024.

The intrinsic value represents the difference between the fair market value of the Company's common stock on the date of exercise and the exercise price of each option. Based on the fair market value of the Company's common stock at December 31, 2025 the total intrinsic value of all outstanding options was none.

The Company used the following assumptions in calculating the fair value of stock options for the period ended:

	December 31, 2025
Risk-free interest rate	4.03%
Expected life of options	5.0 years
Expected dividend yield	Nil
Volatility	98.83%



8. SHARE CAPITAL (CONTINUED)

d) Warrants outstanding

During the year ended December 31, 2024, the Company issued 1,077,586 common stock warrants in conjunction with the conversion of the Senior Note issuance, with an exercise price of \$4.00 per share.

At December 31, 2025, the Company had share purchase warrants outstanding as follows:

Expiration Date	Warrants Outstanding	Exercise Price (\$)	Weighted Average Remaining Life (years)
January 26, 2026	7,030	1,800.00	0.08
February 28, 2027	20,689	460.80	1.07
December 6, 2027	13,781	20.00	1.83
December 9, 2027	9,876	17.60	1.83
January 18, 2028	25,906	124.80	2.08
February 2, 2028	10,938	14.40	2.08
October 17, 2028	543,468	3.68	2.58
October 17, 2028	24,457	4.05	2.58
December 24, 2029	1,077,586	4.00	3.67
	1,733,741	18.71	3.45



9. INCOME TAXES

a) Provision for Income Taxes

The components of loss before income taxes are as follows:

	Year Ended December 31,	
	2025	2024
Domestic	\$ (2,143,137)	\$ (3,019,430)
Foreign	-	(1,531,180)
Total	\$ (2,143,137)	\$ (4,550,610)

Upon adoption of ASU No. 2023-09, for the year ended December 31, 2025 and 2024, the provision for income taxes differs from the expense that would be obtained by applying the U.S. federal statutory income tax rate as a result of the following:

	2025	2025	2024	2024
	(\$)	(%)	(\$)	(%)
Loss before income taxes for the year	(2,143,137)		(4,550,610)	
Income tax at federal statutory rate	(450,059)	(21)%	(1,248,000)	(27)%
Increase (decrease) in tax resulting from:				
Change in statutory, foreign tax, foreign exchange rates and other	-	-%	185,000	4%
Permanent differences	93,055	4%	36,226	1%
Foreign exchange	-	-%	732,000	16%
California minimum tax	1,600	-%	1,000	-%
Late filing penalty	-	-%	24,000	-%
Change in unrecognized deductible temporary differences	328,000	16%	125,000	2%
Other	29,000	1%	169,000	4%
Income tax expense	1,596		24,226	

The difference between the statutory federal income tax rate and the Company's effective tax rate in 2025, and 2024 is primarily attributable to the parent (filer) now domiciled in United States as of December 31, 2024.

The net deferred tax assets (liabilities) are comprised of the following:

	2025	2024
	(\$)	(\$)
Deferred tax assets:		
Non-capital losses carry-forward	12,609,434	18,198,000
Share issuance costs	-	733,000
Other deferred	1,648	51,000
Allowable capital losses	-	3,350,000
Property and equipment	-	55,000
Valuation allowance	(12,610,978)	(22,387,000)
Total deferred income taxes	-	-

A valuation allowance is recorded to reduce deferred tax assets to the amount that is more likely than not to be realized based on an assessment of positive and negative evidence, including estimates of future taxable income necessary to realize future deductible amounts. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2025. Such objective evidence limits the ability to consider other subjective evidence such as its projections for future growth. On the basis of this evaluation, at December 31, 2025 and 2024, a valuation allowance of \$12.6 million and \$22.4 million, respectively, has been recorded. As of December 31, 2025, the Company has no more Canadian net operating loss ("NOL") carryforward and capital loss carryforwards as the Company has transferred its continuance of business from the Province of British Columbia into the State of Delaware, and it became the U.S. income tax filer.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law, introducing significant and wide-ranging changes to the U.S. federal tax system. The OBBBA did not have a material impact on income tax benefit or expense or related tax assets or liabilities given that the Company remains in a net operating loss ("NOL") position and has previously recorded a fully-offsetting valuation allowance against all deferred tax assets.



9. INCOME TAXES (CONTINUED)

As of December 31, 2025, the Company has accumulated federal net operating loss (“NOL”) carryforwards of \$60.0 million. As of December 31, 2024, the Company has accumulated federal and Canadian NOL carryforwards of \$80.3 million.

Pursuant to the Internal Revenue Code of 1986, as amended (“IRC”), specifically Sections 382 and 383, the Company’s ability to use tax attribute carryforwards to offset future taxable income is limited if the Company experiences a cumulative change in ownership of more than 50% within a three-year testing period. The Company has not completed an ownership change analysis pursuant to IRC Section 382 therefore the ability to offset taxable income in the future may be impacted by ownership changes occurring prior to December 31, 2025. If ownership changes within the meaning of IRC Section 382 occur in the future, the amount of remaining tax attribute carryforwards available to offset future taxable income and income tax expense in future years may be significantly restricted or eliminated. Further, the Company’s deferred tax assets associated with such tax attributes could be significantly reduced or eliminated upon realization of an ownership change within the meaning of IRC Section 382. If eliminated, the related asset would be removed from the deferred tax asset schedule, with a corresponding reduction in the valuation allowance. Additionally, limitations on the utilization of the Company’s tax attribute carryforwards can increase the amount of taxable income and current income tax expense recognized. Due to the existence of the valuation allowance, ownership change limitations that are not significant may not impact the Company’s effective tax rate.

The Company is subject to taxation in the United States and various states. The Company has not been notified that it is under audit by the IRS or any state, however, due to the presence of NOL carryforwards, all the income tax years remain open for examination in each of these jurisdictions. There are no audits in any United States or foreign jurisdictions. The Company does not believe that it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease in the next 12 months.

Tax attributes are subject to review, and potential adjustment, by tax authorities. We redomiciled our jurisdiction from British Columbia to Delaware on December 18, 2024. Accordingly, the Company files income tax returns with the U.S. and state governments. With few exceptions, the Company is no longer subject to tax examinations by tax authorities for years before 2022.

10. SEGMENT REPORTING

Our chief operating decision maker (“CODM”), the Chief Executive Officer, manages the Company’s business activities as a single operating and reportable segment at the consolidated level. Accordingly, our CODM uses consolidated net loss to measure segment profit or loss, allocate resources and assess performance. Further, the CODM reviews and utilizes functional expenses (cost of revenues, research and development, and general and administrative) at the consolidated level to manage the Company’s operations. Other segment items included in consolidated net loss are interest income, other expense, net and the provision for income taxes, which are reflected in the consolidated statements of operations and comprehensive loss. The measure of segment assets is reported on the consolidated balance sheet as total assets.



11. COMMITMENTS AND CONTINGENCIES

From time to time the Company may become involved in other legal proceedings or be subject to claims arising in the ordinary course of business. Although the results of ordinary course litigation and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these ordinary course matters will not have a material adverse effect on its business, financial condition, results of operations or cash flows. Regardless of the outcome, litigation can have an adverse impact because of defense and settlement costs, diversion of management resources and other factors.

During the first quarter of 2026, the Audit Committee of the Board of Directors, with the assistance of outside advisors, completed an investigation into the misappropriation of Company assets by the Company's former Chief Financial Officer. The investigation determined that, between the fourth quarter of 2024 and the first quarter of 2026, approximately \$829,895 of Company funds had been misappropriated as follows for the quarters ended December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025, December 31, 2025 and March 31, 2026: \$10,995, \$124,868, \$196,711, \$155,792, \$298,568, and \$42,961, respectively.

Management, under the oversight of the Audit Committee, evaluated the quantitative and qualitative significance of this matter, including the fact that it involved a former executive officer, in accordance with Staff Accounting Bulletin No. 99, *Materiality*, and Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*. Based on that evaluation, management concluded that the amounts were not material to any previously issued annual or interim financial statements, individually or in the aggregate. Accordingly, the Company has not restated or revised any previously issued financial statements in connection with this matter.

The Company determined that the misappropriated amounts related to historical operating expenditures and were recorded within operating expenses in the periods in which they were incurred; accordingly, no adjustments to previously issued financial statements were required.

12. SUBSEQUENT EVENTS

The Company has evaluated subsequent events after the balance sheet date of December 31, 2025 through April 15, 2026, the date the consolidated financial statements were issued. Based upon its evaluation, management has determined that no subsequent events have occurred that would require recognition in the accompanying consolidated financial statements or disclosure in the notes thereto, except as described the below:

In connection with the matter described in Note 11, the Company's former Chief Financial Officer executed a promissory note dated March 23, 2026 to repay the misappropriated funds. Under the terms of the promissory note, the principal amount is payable to the Company in two installments due on April 22, 2026 and June 21, 2026. The Company is pursuing recovery of the amounts misappropriated; however, there can be no assurance that the Company will collect the promissory note in part or in full.

On April 15, 2026, the Company and certain of its shareholders entered into a Stock Purchase Agreement (the "SPA"). Pursuant to the SPA, the Company will sell to such shareholders, and such shareholders will purchase for cash, a number of shares of Company common stock, at a price, equal to \$1,700,000 divided by 105% of the closing price of a share of Company common stock on the day preceding consummation. The purchase price per share shall be 105% of such closing price. The parties expect to close the sale of stock contemplated by the SPA on or before May 14, 2026. Based on the Company's historic and projected expenses and revenues, the Company expects the proceeds from such sale to result in the Company maintaining at least \$2,500,000 in stockholders' equity through at least December 31, 2026.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-256302) of Versus Systems Inc. and Subsidiaries (the "Company") of our report dated April 15, 2026 relating to the consolidated financial statements of Versus Systems Inc. and subsidiaries as of and for the year ended December 31, 2025, which appears in this Form 10-K. Our report contains an explanatory paragraph regarding the Company's ability to continue as a going concern.

/s/ Ramirez Jimenez International CPAs
Irvine, California
April 15, 2026

List of Subsidiaries of Versus Systems, Inc.

<u>Name</u>	<u>Jurisdiction of Incorporation or Organization</u>
Versus Systems Holdco, Inc.	Nevada
Versus, LLC	Nevada
Versus Systems UK Ltd	United Kingdom

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Luis Goldner, certify that:

1. I have reviewed this Annual Report on Form 10-K of Versus Systems Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2026

By: /s/ Luis Goldner

Name: Luis Goldner

Title: Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Luis Goldner, certify that:

1. I have reviewed this Annual Report on Form 10-K of Versus Systems Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2026

By: /s/ Luis Goldner

Name: Luis Goldner

Title: Chief Executive Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Luis Goldner, Chief Executive Officer of Versus Systems Inc., do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge, the Annual Report on Form 10-K of Versus Systems Inc. for the year ended December 31, 2025 (the "Report"):

- (1) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Versus Systems Inc.

Date: April 15, 2026

By: /s/ Luis Goldner

Name: Luis Goldner

Title: Chief Executive Officer

(Principal Executive Officer)

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Versus Systems Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Luis Goldner, Chief Executive Officer of Versus Systems Inc., do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge, the Annual Report on Form 10-K of Versus Systems Inc. for the year ended December 31, 2025 (the "Report"):

- (1) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Versus Systems Inc.

Date: April 15, 2026

By: /s/ Luis Goldner
Name: Luis Goldner
Title: Chief Executive Officer
(Principal Financial and Accounting Officer)

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Versus Systems Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.