Waverunner Capital Inc.

THE ATTACHED FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE

Management Discussion and Analysis as of September 22, 2026

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements for the years ended June 30, 2026, and 2025 together with the corresponding notes of Waverunner Capital Inc. (the "Company" or "Waverunner"). This MD&A covers the financial year ended June 30, 2026, and the subsequent period up to the date of filing.

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR+ at www.sedarplus.ca

Effective June 24, 2024, the Company consolidated its common share capital on a 10-old for 1-new basis, whereby each ten old shares are equal to one new share without par value. Effective January 10, 2025, the Company further consolidated its common share capital on a 15-old for 1-new basis, whereby each fifteen old shares are equal to one new share without par value. All references to common shares, stock options, warrants and weighted average number of shares outstanding in this document reflect both of these share consolidations unless otherwise noted.

This MD&A contains forward-looking information, such as statements regarding the Company's future plans and objectives that are subject to various risks and uncertainties, including those set forth in this document under the headings "Note Regarding Forward-Looking Statements" and "Risk Factors". The Company cannot assure investors that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. The results for the periods presented are not necessarily indicative of the results that may be expected for any future periods. Investors are cautioned not to place undue reliance on this forward-looking information.

Outlook

Waverunner Capital Inc. is a venture capital investment company whose strategy is to focus on opportunistic investments across a broad range of industries, and is seeking to invest in early stage, promising companies where it may be the lead investor and can additionally provide investees with advisory services, mentoring and access to the Company's management expertise. The Company operates as an investment company, rather than an investment fund. The Company seeks to invest wherever practicable for the purpose of being actively involved in the management of any target company in which it invests, including seeking board representation or board observation rights. Existing holdings are in a consumer-targeted biotechnology venture, and a renewable energy developer in the wind and solar sector ("REVV"). During July 2025, the Company divested its interest in an Ontario limited partnership ("ONLP") which had been formed to take advantage of opportunistic long/short equity opportunities in both potential upside and downside expected price moves.

Effective December 15, 2025, the Company closed its previously announced private placement raising gross proceeds of $245,000. These funds were allocated to enhance working capital, resolve outstanding payables

(including related party obligations), and drive future business initiatives. The closing of this financing marked a significant milestone for Waverunner Capital Inc. as it emerges from a period of restructuring and positions itself for renewed growth.

The Company continues to monitor its investment holdings and seek new investment opportunities.

Under the Company's Investment Policy, as amended October 2020, the Company is a publicly traded venture capital investment company whose primary objective is to invest its funds for the purpose of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities that are involved in a variety of industries, including, but not limited to, opportunities in the technology, health care, biotechnology, medical technology or related consumer products fields.

The Company operates as an investment company, rather than an investment fund. The Company seeks to invest wherever practicable for the purpose of being actively involved in the management of any target company in which it invests, including seeking board representation or board observation rights. The Company will aim to structure its investments in such a way that the Company is not deemed to be either an investment fund or mutual fund, as defined by applicable securities laws, thereby avoiding the requirement to register as an investment fund manager or investment advisor. Investments will be acquired and held for short-term gains, income generation, or long-term capital appreciation, dependent upon the specific investment. The paramount goal of the Company will be to generate maximum returns from its investments.

The composition of the Company's investment portfolio will vary over time depending on its assessment of a number of factors, including the performance of its investments, developments in existing and potential markets, and risk assessment. The Company's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of the investment committee or senior management and approval by the Board. The Company's board of directors reserves the right and authority to change the general or specific focus of the Company's investments over time; and reserves the right to diversify the Company's portfolio of investments by industry, geography, and investment type without prior announcement or notice being given.

The Company anticipates re-investing the profits realized from its investments to further the growth and development of the Company's investment portfolio. The declaration and payment of dividends to shareholders will become a priority once Company has achieved steady or continuous cash flow from its investments.

Business objectives 12 months forward

In terms of composition, the nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company. Subject to the availability of capital, the Company intends to create a diversified portfolio of investments. The composition of its investment portfolio will vary over time, and may include equity investments, secured or unsecured loans, asset acquisitions, bare land acquisitions, majority ownership, joint ventures and licensing arrangements, among others. All investments shall be made in compliance with applicable laws in relevant jurisdictions and shall be made in accordance with and governed by the rules and policies of applicable regulatory authorities.

Recent developments

Effective December 15, 2025, the Company issued 4,900,000 common shares at a price of $0.05 per share, raising total gross proceeds of $245,000.

Effective January 10, 2025, the Company consolidated its common share capital on a 15-old for 1-new basis, whereby each fifteen old shares are equal to one new share without par value.

Effective December 16, 2024, Waverunner accepted the resignation of Chief Executive Officer and director Karl Kottmeier. In a realignment of Waverunner's management team, Douglas Ford, Waverunner's Chief Financial Officer and Secretary, became the Chief Executive Officer; Elbert Wong expanded the role he has held with the Company since its inception as accountant to become the Chief Financial Officer and Secretary. Mr. Wong is a CPA/CMA with over 25 years of experience as a vice-president, finance, and corporate controller and, in those capacities, has been providing accounting, financial management and corporate reporting services to publicly listed and private corporations

Corporate Overview

Waverunner Capital Inc. (the "Company) was incorporated in the Province of British Columbia on March 14, 2008, under the Business Corporations Act of British Columbia. The Company's head office is located at Suite 208 – 828 Harbourside Drive, North Vancouver, British Columbia. On July 20, 2018, the Company requalified its common shares for a listing following a change of business to an "investment company" on the Canadian Securities Exchange.

With the December 30, 2022, sale of Chemistree Washington, and the May 31, 2024 wind-up of the former Delaware wholly-owned subsidiary American CHM Investments Inc. – the Company has no subsidiaries.

Overall Performance

The ability of the Company to continue to operate as a going concern is dependent on its ability to generate profitable operations and positive cash flows. To date, the Company has generated limited revenues from operations and will require additional funds to meet ongoing obligations and investment objectives. As a result, further losses are anticipated. As at June 30, 2026, the Company had a working capital deficit of $310,814 (2025: $641,797) and an accumulated deficit of $35,101,361(2025: $34,965,748).

As at June 30, 2026, the Company had insufficient working capital to discharge its current financial obligations. The Company's future capital requirements will depend on many factors, including the operating and capital costs of locating, researching, developing, and acquiring investments that comply with its investment strategy. The Company's anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations. The ability of the Company to continue to operate as a going concern is dependent on its ability to generate profitable operations and positive cash flows.

Selected Financial Data [Annual]

The following tables show selected summary financial information which have been derived from the annual financial statements of the Company.

		Year ended		
		June 30, 2026	**June 30, 2025**	**June 30, 2024**
Operating Revenue	$	-	-	-
Net income (loss)	$	(135,613)	(543,197)	(4,161,416)
Income (Loss) per share	$	(0.02)	(0.11)	(3.80)
Share capital	$	31,845,367	31,600,367	31,600,367
Common shares issued		9,861,555	4,961,555	4,961,555
Weighted average shares		7,606,213	4,961,555	1,093,800
Total Assets	$	70,717	301,576	479,222
Net Assets (liabilities)	$	(706,922)	(816,309)	(273,112)

Results of Operations

Year ended June 30, 2026

The Company continued to reduce all discretionary expenses where possible. Total expenses in 2026 were 78% lower than 2025 at $124,308 compared to $554,497. The largest expense changes were attributable to

the 96% reduction in management fees to $15,000 from $390,250; the 61% reduction in transfer agent and regulatory fees to $13,739 versus $35,173; and the 61% reduction in professional fees to $28,179 from $71,366. Notably – general & administrative expenses, and interest expense were also reduced. Comprehensive loss for 2026 was 75% lower than in 2025, $135,613 versus $543,197. Cash used in operations increased to $449,889 versus $192,697 in 2025. All the Company's expenditures are related to management and pursuit of its investments, ongoing business development and general corporate operations.

Year ended June 30, 2025

The Company reduced all discretionary expenses where possible; cash used in operations was reduced 54% to $192,697 in 2025 versus $419,981 in 2024. Total expenses in 2025 were 62% lower than 2024 at $554,497 compared to $1,468,917. The largest expense reduction was attributable to the elimination of $774,474 in accretion and finance costs reflecting the debt restructuring in the prior year. Notably – general & administrative expenses, management fees and professional fees were significantly reduced in 2025, most other expense categories were within a similar range year to year. Comprehensive loss for 2025 was 87% lower than in 2024, $543,197 versus $4,161,416. All the Company's expenditures are related to management and pursuit of its investments, ongoing business development and general corporate operations.

Fluctuations in Results

As stated above, operating results fluctuated due to the pursuit of investment and expansion opportunities under the Company's Investment Policy.

Fourth Quarter

In the fourth quarter of fiscal year 2026, the Company maintained its efforts in reducing expenditures and seeking out new investment opportunities. No exceptional entries were required in its accounting system.

Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

		Quarter Ended							
		6/30/2026	3/31/2026	12/31/2025	9/30/2025	6/30/2025	3/31/2025	12/31/2024	9/30/2024
Operating revenue		-	-	-	-	-	-	-	-
Comprehensive (loss)	$	(28,855)	(41,522)	(35,492)	(29,744)	(110,529)	(163,594)	(131,810)	(137,265)
Earnings (loss) per share	$	(0.00)	(0.01)	(0.01)	(0.00)	(0.02)	(0.03)	(0.03)	(0.03)
Share capital	$	31,845,367	31,845,367	31,845,367	31,600,367	31,600,367	31,600,367	31,600,367	31,600,367
Common shares issued		9,861,555	9,861,555	9,861,555	4,961,555	4,961,555	4,961,555	4,961,555	4,961,555
Weighted average shares outstanding		9,861,555	9,861,555	5,813,729	4,961,555	4,961,555	4,961,555	4,961,555	4,961,555
Total Assets	$	70,717	132,234	363,558	138,552	301,576	314,359	364,441	333,829
Net Assets (liabilities)	$	(706,922)	(678,067)	(636,545)	(846,053)	(816,309)	(705,780)	(542,187)	(410,377)

Liquidity and Capital Resources
As at June 30, 2026, the Company had cash on hand of $6,222 (2025: $11,111); and a working capital deficit $310,814 (2025: $641,797).

Given the various projects the Company is handling in the short and medium terms, management considers the current cash balance and forecast net cash flows from operating activities for the next 12 months to be insufficient for its planned business development activities.

Additional Disclosure for Issuers Without Significant Revenue
The business of the Company entails significant risks, and the following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment in the Company. The Company does not have significant revenues. The Company has limited funds. There is no assurance that the Company can access additional capital. The future requirements for additional capital will require issuance of common shares resulting in a dilution of the share capital issued previously.

	Year ended June 30,	
General and administrative expense breakdown	**2026**	2025
	$	$
Communications	**-**	6,744
Bank service charges	**1,737**	794
Dues and subscriptions	**1,061**	1,061
Miscellaneous	**-**	49
Postage and delivery	**-**	42
Rent	**30,000**	30,000
	32,798	38,690

Risk Factors
Investing in our securities involves a high degree of risk. Readers should carefully consider the following risks in addition to the other information included in this MD&A and our financial statements, including related notes, before deciding to purchase our common shares. If any of the following risks actually occur, our business, financial condition and results of operations could materially suffer. As a result, the trading price of our securities, including common shares, could decline and you could lose part or all of your investment. The risks set out below are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition and results of operations. You should also refer to information set out in our financial statements for the years ended June 30, 2026 and 2025.

Risks Associated with our Business and Industry

Loss of business and/or opportunities due to perceived risk
Third parties with whom the Company and its investee companies do business, including banks and other financial intermediaries, may perceive that they are exposed to legal and reputational risk because of the Company's prior cannabis-related business activities. Because cannabis remains illegal under U.S. federal law, a third-party service provider could reach the conclusion that their activities as a service provider are aiding and abetting the violation of the U.S. federal law. Any provision of services or sale of goods to a cannabis business could be construed as aiding and abetting violations of the U.S. Controlled Substances Act of 1970, in addition to other possible violations. Financial institutions may also be concerned that they would be at risk of prosecution for violation of U.S. money laundering laws and the Bank Secrecy Act, in addition to other potential violations. Any third-party service provider could suspend or withdraw its services to the Company

or its investee companies if it perceives that the potential risks exceed the potential benefits to such services. If the Company's investments operating in the U.S. are unable to utilize financial institutions or third-party services providers, or bank accounts are subject to special restrictions preventing the processing of wire transfers, they may be unable to meet payment obligations to the Company or pay dividends or other amounts to the Company.

Cash flows insufficient to meet capital expenditures

Lack of cash flow may affect the Company's ability to continue as a going concern. Presently, the Company's operating cash flows are not sufficient to meet operating and capital expenses. The Company's business plan calls for continued research and development of the Company's services and products and expansion of market share. The Company will require additional financing to fund working capital and pay for operating expenses and capital requirements until it can achieve positive cash flow.

The occurrence of any of the aforementioned events could adversely affect the Company's ability to carry out proposed business plans. The Company depends on a mix of revenues and outside capital to pay for the continued development of its business offering and the marketing of its products. Such outside capital may include the sale of additional stock and/or commercial borrowing. There can be no assurance that capital will continue to be available if necessary to meet these continuing development costs or, if the capital is available, that it will be on terms acceptable to the Company. Disruptions in financial markets and challenging economic conditions have and may continue to affect the Company's ability to raise capital. The issuance of additional equity securities by the Company would result in a dilution, possibly a significant dilution, in the equity interests of current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments.

The Company's future revenue, operating results and gross margin may fluctuate significantly and unpredictably from quarter-to-quarter and from year-to-year, which could have a material adverse effect on its operating results. However, there is no assurance that actual cash requirements will not exceed the Company's estimates.

If the Company is not able to manage operating expenses, then the Company's financial condition may be adversely affected.

The Company's ability to reach and maintain profitability is conditional upon its ability to manage operating expenses. There is a risk that the Company will have to increase operating expenses in the future. Factors that could cause the Company's operating expenses to increase include the Company's determination to spend more on sales and marketing in order to increase product sales or the Company's determination that more research and development expenditures are required in order to keep current software products competitive or in order to develop new products for the market. To the extent that the Company's operating expenses increase without a corresponding increase in revenue, the Company's financial condition would be adversely impacted.

Competition

The Company faces larger and better-financed competitors, which may affect its ability to achieve or maintain profitability and complete investments. Competition exists for social media, branding and marketing companies in the jurisdictions in which the Company conducts operations and competition is significant in investment sector, with a number of non-traditional sources of financing emerging and growing acceptance of cannabis-related activities among more traditional sources of financing. As a result of this competition, much of which is with large, established companies with substantially greater financial and technical resources than the Company, the Company may be unable to acquire additional clientele or identify additional investments on terms it considers acceptable or at all. The Company also competes with other investment, cannabis, social media, technology, design and branding companies in the recruitment and retention of qualified employees.

Intellectual property litigation

The Company may in the future be subject to damaging and disruptive intellectual property litigation that could materially and adversely affect business, results of operations and financial condition, as well as the continued viability of the Company. The Company may be unaware of filed patent applications and issued patents that could relate to its products and services. Intellectual property litigation, if determined against the Company, could:

- result in substantial employee layoffs or risk the permanent loss of highly-valued employees;
- materially and adversely affect the Company's brand in the marketplace and cause a substantial loss of goodwill;
- affect the Company's ability to raise additional capital;
- cause the Company's stock price to decline significantly; and
- lead to the bankruptcy or liquidation of the Company.

Parties making claims of infringement may be able to obtain injunctive or other equitable relief that could effectively block the Company's ability to provide its products or services and could cause the Company to pay substantial royalties, licensing fees or damages. The defense of any lawsuit could result in time-consuming and expensive litigation, regardless of the merits of such claims.

The Company could lose its competitive advantages if it is not able to protect any proprietary technology and intellectual property rights against infringement, and any related litigation could be time-consuming and costly. The measures the Company takes to protect the proprietary technology software, and other intellectual property rights, which presently are based upon a combination of patents, patents pending, copyright, trade secret and trademark laws, may not be adequate to prevent their unauthorized use. Further, the laws of foreign countries may provide inadequate protection of such intellectual property rights. The Company may need to bring legal claims to enforce or protect such intellectual property rights. Any litigation, whether successful or unsuccessful, could result in substantial costs and divert resources from intended uses. In addition, notwithstanding any rights we have secured in the Company's intellectual property, other persons may bring claims against us that we have infringed on their intellectual property rights, including claims based upon the content we license from third parties or claims that the Company's intellectual property right interests are not valid. Any claims against the Company, with or without merit, could be time-consuming and costly to defend or litigate, divert our attention and resources, result in the loss of goodwill associated with the Company's service marks or require the Company to make changes to its website or its other technologies.

Risks associated with developing and promoting products and brands

The Company expects that new products and/or brands it develops may expose the Company to risks that may be difficult to identify until such products and/or brands are commercially available. Any negative events or results that may arise as the Company develops new products or brands may adversely affect the business, financial condition and results of operations.

Dependence upon, and need for, key personnel

The Company is, and will be for the foreseeable future, dependent upon the performance of a limited number of key personnel. The loss of a key individual or a reduction in the time devoted by such persons to the Company's business could have a materially adverse effect on the Company's business. The Company's future success will depend on part on its ability to attract and retain highly qualified personnel. The Company faces competition for such personnel from other companies, governmental/academic institutions and other organizations, many of which have significantly greater resources than the Company. There is no assurance that the Company will be able to attract and retain the necessary personnel on acceptable terms, or at all.

Dependence on management

The Company will be dependent upon the personal efforts and commitment of its management, which is responsible for the development of future business. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Potential conflicts of interest

Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest, to the extent that such other companies may participate in ventures in which the Company is also participating. The laws of British Columbia require the directors and officers to act honestly, in good faith, and in the best interests of the Company. In addition, each director must declare his or her interest and abstain from voting on any contract or transaction in which the director may have a conflict of interest.

Risks relating to statutory and regulatory compliance

Failure to comply with applicable laws, regulations and permits may result in enforcement actions there under, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company is not currently covered by any form of environmental liability insurance. See "*Insurance Risk*", below.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in exploration.

Insurance risk

No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company seeks to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

Operating losses; dividends unlikely

The Company has a history of operating losses and may have operating losses and a negative cash flow in the future. The Company has not paid any dividends since the date of its incorporation, and it is not anticipated that dividends will be declared in the short or medium term.

Investment risks:

The Company acquires securities of public and private companies from time to time, which are primarily junior or small-cap companies. The market values of these securities can experience significant fluctuations in the short and long term due to factors beyond the Company's control. Market value can be reflective of the actual or anticipated operating results of the companies and/or the general market conditions that affect a specific sector as a whole, such as fluctuations in commodity prices and global political and economical conditions. The Company's investments are carried at fair value, and unrealized gains/losses on the securities and realized losses on the securities sold could have a material adverse impact on the Company's operating results. In recent years equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies.

Investments may be pre-revenue

The Company may make investments in entities that have no significant sources of operating cash flow and no revenue from operations. As such, the Company's investments are subject to risks and uncertainties that new companies with no operating history may face. In particular, there is a risk that the Company's investments will not be able to: (i) implement or execute their current business plan, or create a business plan that is sound; (ii) maintain their anticipated management team; and/or (iii) raise sufficient funds in the capital markets or otherwise to effectuate their business plan. If the Company's investments cannot execute any one of the

foregoing, their businesses may fail, which could have a materially adverse impact on the business, financial condition and operating results of the Company.

Lack of control over operations of investments

The Company will depend upon its investments or strategic relations to execute on their business plans and holds contractual rights and minority equity interest relating to the operation of the Company's investments. The operators of the Company's investments have significant influence over the results of operations of the Company's investments. Further, the interests of the Company and the operators of the Company's investments may not always be aligned. As a result, the cash flows of the Company are dependent upon the activities of third parties which creates the risk that at any time those third parties may: (i) have business interests or targets that are inconsistent with those of the Company; (ii) take action contrary to the Company's policies or objectives; (iii) be unable or unwilling to fulfill their obligations under their agreements with the Company, to regulators or under applicable laws, which may result in the loss of necessary governmental approvals or licenses; or (iv) experience financial, operational or other difficulties, including insolvency, which could limit or suspend a third party's ability to perform its obligations. In addition, payments may flow through the Company's investments, and there is a risk of delay and additional expense in receiving such revenues. In addition, the Company must rely, in part, on the accuracy and timeliness of the information it receives from the Company's investments, and uses such information in its analysis, forecasts and assessments relating to its own business. If the information provided by investment entities to the Company contains material inaccuracies or omissions, the Company's ability to accurately forecast or achieve its stated objectives, or satisfy its reporting obligations, may be materially impaired.

Investments in private companies and illiquid assets

The Company invests in securities of private issuers. Investments in private issuers cannot be resold without a prospectus, an available exemption, or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. These limitations may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of the Company's private company investments or that the Company will otherwise be able to realize a return on such investments. The Company also invests in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize the Company's investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Company may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

Risks associated with investments

As part of the Company's investment strategy, the Company intends to pursue strategic investment or acquisitions, which could provide additional product offerings, vertical integrations, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. The success of any such investments or acquisitions will depend, in part, on the ability of the Company to realize the anticipated benefits and synergies from integrating those companies into the businesses of the Company. Future investments may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses; and (g) exposure to additional regulatory or legal regimes or risks. In addition, any proposed acquisitions may be subject to regulatory approval.

While Waverunner seeks to conduct due diligence that its management believes is reasonable given the scale and scope of its investments, there are both foreseen and unforeseen risks inherent in any investment. Specifically, there could be unknown or undisclosed risks or liabilities of such companies or liabilities that transfer by operation of law with respect to asset acquisitions for which the Company may not be indemnified sufficiently or at all. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Company's financial performance and results of operations and lead to write downs or write offs of the value of its investments. The Company may incur additional transactional and integration related costs or experience other factors such as the failure to realize all of the benefits from the acquisition.

The Company will operate as an investment company, rather than an investment fund. The Company seeks to invest wherever practicable for the purpose of being actively involved in the management of any target company in which it invests, including seeking board representation or board observation rights. Regulators may deem that the Company is an "investment fund", requiring that the Company would incur significant costs, additional liabilities, and risks under the registration requirements required as an investment fund.

Operating licenses

The Company's investments may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate their respective businesses. In addition, the Company's investments may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on, or a loss of, an investment's ability to operate in the cannabis industry, which could have a material adverse effect on the value of the Company's investments.

Litigation risks

Waverunner's investments may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities against the Company or its investments. Litigation, complaints, and enforcement actions involving either of the Company or its investments could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Regulatory or agency proceedings, investigations and audits

The Company's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. The Company may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm its operations or require payment of substantial amounts of money, harming the Company's financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition and results of operations.

Product Liability

Certain of the Company's investments or strategic partners may manufacture, process and/or distribute products for consumption by humans and, as a result, face an inherent risk of exposure to product liability claims, regulatory action and litigation if products are alleged to have caused significant loss or injury or adverse health effects. In addition, previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. A product liability claim or regulatory action against Waverunner's investments or strategic partners may result in increased costs, adversely affect the Company's reputation, and have a material adverse effect on the results of operations and financial condition of the Company or its investments.

Fraudulent or Illegal activity by its employees, contractors and consultants

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Waverunner, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations

Currency fluctuations

The Company's revenues and expenses are expected to be primarily denominated in U.S. dollars, and therefore may be exposed to significant currency exchange fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar may have a material adverse effect on the Company's business, financial condition and operating results.

Risks associated with managing growth

The Company is currently in an early development stage and may be subject to growth-related risks, including capacity constraints and pressure on the Company's internal systems and controls, which may place significant strain on operational and managerial resources. The Company's ability to manage growth effectively will require it to continue to implement and improve operational and financial systems and to expand, train and manage its employee base. There can be no assurances that the Company will be able to manage growth successfully. Any inability to manage growth successfully could have a material adverse effect on the Company's business, financial condition and results of operations.

Perception of reputational risk from third-parties

The parties the Company does business with may perceive that they are exposed to reputational risk as a result of the Company's cannabis business activities. Failure to establish or maintain business relationships could have a material adverse effect on the Company's business, financial condition and results of operations. Any third-party service provider could suspend or withdraw its services to the Company if it perceives that the potential risks exceed the potential benefits to such services.

An exchange on which our common shares are listed may initiate a delisting review

The listing of the Company's common shares on a particular stock exchange is dependent on complying with the listing requirements of the applicable exchange. As the Company previously operated in the cannabis industry, it may from time to time be subject to additional listing requirements that are not applicable to companies in other industries.

Risks Related to Ownership of Waverunner's Common Shares

Stock price volatility

A decline in the price of the Company's common shares could affect its ability to raise further working capital and adversely impact our operations. A prolonged decline in the price of the Company's common shares could result in a reduction in the liquidity of the Company's common shares and a reduction in its ability to raise capital, or a delisting from a stock exchange on which the Company's common shares trades. Because the

Company's operations have been partially financed through the sale of equity securities, a decline in the price of its common shares could be especially detrimental to the Company's liquidity and continued operations. Any reduction in the Company's ability to raise equity capital in the future would force the Company to reallocate funds from other planned uses and would have a significant negative effect on business plans and operations, including the Company's ability to develop new products and continue current operations. If the Company's shares price declines, there can be no assurance that the Company can raise additional capital or generate funds from operations sufficient to meet its obligations.

Sales by shareholders of a substantial number of Common Shares
A substantial portion of total outstanding Common Shares may be sold into the market. Such sales could cause the market price of Common Shares to drop, even if the business is doing well. Such sales may include sales by officers and directors of the Company. Furthermore, the market price of Common Shares could decline as a result of the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for the Company to sell equity securities in the future at a time and price that the Company deems appropriate.

Dilution
Issuances of additional securities at or near the current share price of the Company would result in significant dilution of the equity interests of any persons who are holders of common shares.

No Requirement to make representations relating to disclosure controls and procedures and internal control over financial reporting.
In contrast to the certificate required for non-venture issues under NI 52-109, the certifying officers of Waverunner, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of Waverunner are not required to make any representations that they have:

designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by Waverunner in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Waverunner's GAAP.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Unfavorable or lack of research and reports from research analysts
The trading market for Waverunner's common shares will rely in part on the research and reports that equity research analysts publish about Waverunner and Waverunner's business. Waverunner does not control these analysts. The price of Waverunner's common shares could decline if one or more equity analysts downgrade Waverunner's common shares or if analysts issue other unfavorable commentary or cease publishing reports about Waverunner or Waverunner's business.

Related Party Transactions
Related party transactions occurred in the normal course of business and have been recorded at the exchange amount; which is the fair value agreed to between the parties. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Officers. Related parties also include companies controlled by officers and/or directors.

During the years ended June 30, 2026 and 2025, the Company entered into transactions with key management personnel and related parties as follows:

Related party	Nature of transactions
Pacific Equity Management Corp. ("PEMC")	Rent and shared office expenses commenced under a separate agreement on July 1, 2017.
Elbert Wong ("Wong")	CFO services, month-to-month

The aggregate value of transactions involving key management personnel were as follows:

	2026	2025
Management fees[(1)]	$ 15,000	$ 390,250

[(1)] Effective March 1, 2021 agreements were executed with the CEO and President provides services at $10,000 per month; the CFO/Secretary at $10,000 per month; and the VP Corporate Development at $10,000 per month. All of the March 1, 2021 agreements can be terminated by either party with six months' notice. All such agreements were terminated as of June 30, 2025. Effective January 1, 2026, a new agreement was entered into for CFO services at $2,500 per month, such agreement can be terminated by either party with six months' notice.

The aggregate value of transactions with other related parties were as follows:

	2026	2025
Rent (general and administrative)[(2)]	$ 30,000	$ 30,000

[(2)] The Company is required to pay $2,500 per month to PEMC (2025: $2,500 per month). The agreement with PEMC can be terminated by either party with six months' notice.

As at June 30, 2026, $41,798 (2025 - $297,938) was included in accounts payable owing to officers and directors of the Company in relation to fees and reimbursements of expenses.

Table of Contractual Obligations

Contractual Obligations:	*Payments Due by Period*
Rent & Office Services Contract with Pursuant to a Services Agreement dated as of July 1, 2017, the Company has agreed to pay to PEMC $2,500 per month, plus taxes for the provision of office space, office equipment and associated administrative services. The Agreement may be terminated by either party on six months' notice.	**PEMC** $2,500 per month
CFO Services Pursuant to a Services Agreement dated as of January 1, 2026, the Company has agreed to pay to Wong $2,500 per month, plus taxes for the provision of CFO services. The	**Wong** $2,500 per month

Agreement may be terminated by either party on six months' notice.	

Off-Balance Sheet Arrangements
There are no off-balance sheet arrangements.

Critical Accounting Estimates
The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

Proposed Transactions
None.

Accounting Changes
Change in Accounting Policies

New Accounting Standards - Upcoming
Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

a) Amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures
In May 2024, the IASB issued amendments to IFRS 9 and 7 to clarify the recognition or derecognition of a financial asset or liability, with a new exception for some financial liabilities settled through an electronic cash transfer system. The amendments also add guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, by introducing an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs. In addition, the amendments will add new disclosures for certain instruments with contractual terms that can change cash flows. Lastly, the amendments will require additional disclosures for equity instruments designated at fair value through other comprehensive income. The amendments are effective for reporting periods beginning on or after January 1, 2026, with early application permitted. The Company is assessing the impact of adoption of this amendment on its financial statements.

b) IFRS 18 - Presentation and Disclosure in Financial Statements In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements.
IFRS 18 will replace IAS 1 Presentation of Financial Statements. The standard amends the presentation of the statement of income by introducing a newly defined 'operating profit' subtotal and a requirement for income and expenses to be allocated between three new distinct categories based on a company's main business activities, which are Operating, Financing and Investing. In addition, organizations will need to disclose certain 'non-GAAP' measures known as management defined performance measures. The standard will be effective from January 1, 2027, with early adoption permitted and requires retrospective application. The Company is assessing the impact of adoption of this amendment on its financial statements.

Financial Instruments and Other Instruments

Capital Disclosure
The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties, investments or businesses with a view to acquisition or participation in a transaction where it may be the lead investor and can additionally provide investees with advisory services, mentoring and access to the Company's management expertise, to maintain financial strength and to protect its ability to meet its on-

going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity. There were no changes made to the Company's capital management approach during the years presented.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company operates as an investment company, rather than an investment fund. The Company seeks to invest wherever practicable for the purpose of being actively involved in the management of any target company in which it invests, including seeking board representation or board observation rights

Financial Instruments, Fair Value Measurement and Risk

a) Financial Instruments

The Company's financial instruments consist of cash, investment, accounts payable and accrued liabilities, interest payable and notes payable.

b) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market date (unobservable inputs).

The carrying values of accounts payable and accrued liabilities, interest payable and notes payable all approximate their fair values.

The fair value of the Investment is determined based on Level 1 and level 2 inputs.

c) Financial Risks

(i) Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum exposure to credit risk is $6,222, consisting of cash. The Company limits its exposure to credit loss for cash by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the Government of Canada. In management's opinion, the Company's credit risk related to these instruments, is low.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at June 30, 2026, the Company had a working capital deficit of $310,814. Except for notes payable, all of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at June 30, 2026, the Company has insufficient working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk

The Company is subject to interest rate risk as its cash and notes payable bear interest at variable rates. The impact of a 1% change in interest rates would have an insignificant impact on the Company's profit or loss.

(iv) Foreign Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Amounts subject to currency risk are primarily cash, and accounts payable and accrued liabilities denominated in United States dollars. A 10% change in foreign exchange rates is expected to have an insignificant impact on the Company's profit or loss.

(v) Price Risk

Price risk is the risk of variability in fair value due to movements in equity or market prices. As at June 30, 2026, the Company is exposed to this risk with respect to its Investments. A 10% increase/decrease in the price of Investments would impact net loss by approximately $5,800.

Disclosure Controls and Procedures

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and that (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing Venture Issuer Basic Certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of the Company to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital Data
The following table sets forth the Company's share capital data as at September 22, 2026:

Common Shares -issued & outstanding	9,861,555
Options & warrants	nil

Note Regarding Forward-Looking Statements
Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to permitting timelines, currency fluctuations, requirements for additional capital, government regulation, environmental risks, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; as well as those factors discussed in the sections entitled "Risk Factors " in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning general expectations are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors. Forward-looking statements in this MD&A include, but are not limited to, the Company's strategies and objectives, both generally and in respect of its existing business and planned business operations; conditions in the financial markets generally, and the Company's future cash requirements; the identification and completion of additional investments; investment and expansion opportunities; the industry, regions and goals of the Company's investment policy; the Company's ability to raise additional equity capital; and the sufficiency of the Company's capital resources.

Further Information

Additional information about the Company, including its annual financial statements for the year ended June 30, 2026, is available at the Company's website www.waverunnercapital.com and on the SEDAR+ website at www.sedarplus.ca.