

Consolidated Financial Statements
(In US dollars)

VERTICALSCOPE HOLDINGS INC.

For the years ended December 31, 2025 and 2024

Independent Auditor's Report

To the Shareholders of VerticalScope Holdings Inc.:

Opinion

We have audited the consolidated financial statements of VerticalScope Holdings Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of net loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Other Matter

The consolidated financial statements of the Company for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on March 12, 2025.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Key Audit Matter Description

As described in Notes 6 and 18 to the consolidated financial statements, during the year ended December 31, 2025, the Company earned revenues of \$58,146,238 from two sources: (1) Digital Advertising and (2) E-commerce.

The Company generated \$47,077,256 in digital advertising revenues for the year ended December 31, 2025 including direct advertising campaigns, programmatic advertising, and custom content solutions. The advertising revenue recognition is based on the number of ad impressions generated on the Company's websites. The Company uses service organizations to track the number of impressions displayed as well as revenues earned during the year. The content revenue is earned as the content is created and delivered to the customer at a point in time.

Further, the Company also generated \$11,068,982 in E-commerce revenue for the year ended December 31, 2025 including transaction commerce, subscription and membership-based contracts. The membership and subscription contracts are typically short term in nature where customers are provided access to digital platform forums and communities for a fixed fee. The revenue process involves a high volume of low dollar value transactions.

We considered revenue as a key audit matter because of the increased extent of effort, including the need for us to involve professionals with expertise in Information Technology ("IT") to identify, test, and evaluate the Company's systems, software applications, IT operations and application controls as well as the review of the complementary user entity controls for the various service organizations used by the Company.

Audit Response

We responded to this matter by performing procedures in relation to occurrence, accuracy and cut off of the revenue recognized. Our audit work in relation to this included, but was not restricted to, the following:

Digital Advertising

- Performed detailed transaction testing for all revenue samples selected by agreeing the revenues generated to the amounts reported by the service organization(s), underlying Insertion Orders (“IO’s”), invoices and proof of payment.
- Tested the operating effectiveness of the complementary user entity controls for the relevant service organization(s) used by the Company, where applicable.
- Performed procedures to test the design and implementation as well as the operating effectiveness of the management oversight control(s), where applicable.

E-commerce

- Performed detailed transaction testing for all revenue samples selected by agreeing to amounts reported by the service organization(s), proof of fulfillment of the performance obligation as well as proof of payment.
- Tested the operating effectiveness of the complementary user entity controls for the relevant service organization(s) used by the Company, where applicable.
- Performed procedures to test the design and implementation as well as the operating effectiveness of the management oversight control(s), where applicable.
- Tested the IT general controls over the key systems, including testing of user access controls, change management controls, IT operations and application controls, where applicable.
- Performed Computer-Assisted Audit Techniques (“CAAT’s”) to reconcile the total revenue reported by the service organizations to the revenues recorded.

Impairment of Goodwill and Intangible Assets

Key Audit Matter Description

We draw attention to Notes 7 and 8 to the consolidated financial statements. The Company has recorded goodwill and intangibles assets of \$80,754,630 as of December 31, 2025. The Company performs impairment testing for goodwill and intangible assets on an annual basis or more frequently when there is an indication of impairment. An impairment is recognized if the carrying amount of an asset, or its cash generating unit (CGU), exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value-in-use and its fair value less costs of disposal. In determining the estimated recoverable amounts using a discounted cash flow model, management’s significant assumptions include future cash flows based on expected operating results, long-term growth rates, industry comparatives, benchmarks and the discount rate.

We considered the impairment of goodwill and intangible assets as a key audit matter due to the high degree of auditor judgment, and audit effort required to evaluate audit evidence relating to management’s significant assumptions, which involve a high degree of subjectivity and effort in performing audit procedures and evaluating audit evidence relating to management’s estimates.

Audit Response

We responded to this matter by performing procedures over the impairment of goodwill and intangible assets. Our audit work in relation to this included, but was not restricted to, the following:

- Tested management’s key assumptions, including a ‘retrospective review’ to compare management’s assumptions in prior year expected future cash flows to the actual results to assess the Company’s budgeting process.
- Evaluated the reasonableness of key assumptions in the impairment model, including future cash flows based on expected operating results, long-term growth rates and the discount rate.
- Tested the mathematical accuracy of management’s impairment model and supporting calculations.
- Assessed the appropriateness of the disclosures relating to the key assumptions used in the impairment assessment in the notes to the consolidated financial statements.
- With the assistance of internal valuation specialists, evaluated the reasonableness of the Company’s impairment model, which included:
 - Evaluating the reasonableness of the discount rates by comparing the Company’s weighted average cost of capital against publicly available market data;
 - Developing a range of independent estimates and comparing those to the discount rate selected by management; and
 - Performing a sensitivity analysis by developing a range of independent estimates of growth rates and weighted average cost of capital.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ajmer Singh Sran.

MNP LLP

Toronto, Ontario
March 3, 2026

Chartered Professional Accountants
Licensed Public Accountants

VERTICALSCOPE HOLDINGS INC.

Consolidated Statements of Financial Position
(In US dollars)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash	\$16,373,449	\$5,189,315
Restricted cash	164,496	97,244
Trade and other receivables (note 5)	15,122,763	14,874,882
Lease receivable	126,668	326,267
Income taxes receivable (note 12)	349,547	784,332
Prepaid expenses	574,390	761,652
Derivative instruments	10,729	—
	<u>32,722,042</u>	<u>22,033,692</u>
Property and equipment	282,566	482,276
Right-of-use asset	535,990	1,564,687
Intangible assets (note 7)	25,846,567	37,597,990
Goodwill (note 8)	54,908,063	52,635,164
Other assets	73,942	154,497
Deferred tax asset (note 12)	17,871,911	17,937,708
Lease receivable	99,960	—
Total assets	\$132,341,041	\$132,406,014
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$10,086,039	\$6,864,256
Income taxes payable (note 12)	318,650	426,778
Derivative instruments	—	145,068
Deferred revenue (note 6)	1,011,933	1,125,592
Current portion of long-term debt (note 9)	619,313	687,875
Lease liability	448,982	946,626
	<u>12,484,917</u>	<u>10,196,195</u>
Long-term debt (note 9)	44,000,000	38,000,000
Lease liability	555,399	1,180,878
Deferred tax liability (note 12)	—	315,607
Other long-term liabilities	26,612	26,612
Total liabilities	57,066,928	49,719,292
Shareholders' equity:		
Share capital (note 10)	159,382,348	163,250,013
Contributed surplus (note 11)	23,319,659	25,413,119
Other comprehensive loss	(145,494)	(145,494)
Deficit	(107,282,400)	(105,830,916)
	<u>75,274,113</u>	<u>82,686,722</u>
Related party transactions (note 19)		
Total liabilities and shareholders' equity	\$132,341,041	\$132,406,014

See accompanying notes to consolidated financial statements.

Approved by the board of directors:



Director

1



Director

VERTICALSCOPE HOLDINGS INC.

Consolidated Statements of Net Loss
(In US dollars)

	For the years ended December 31	
	2025	2024
Revenue (notes 6 and 18)	\$58,146,238	\$69,052,081
Operating expenses:		
Wages and consulting	27,995,802	28,095,581
Share-based compensation (note 11)	2,573,905	4,091,018
Platform and technology	7,382,468	6,870,305
General and administrative	3,909,182	4,780,358
Depreciation and amortization	21,175,916	17,892,421
	63,037,273	61,729,683
Operating income (loss)	(4,891,035)	7,322,398
Other expenses (income):		
Other income	(101,658)	(112,715)
Gain on sale of assets	(136,495)	(10,024)
Net interest and financing expense (note 16)	3,057,518	5,684,899
Gain on sale of investments	—	(17,110)
Foreign exchange loss	108,552	32,339
Realized other loss	94,324	—
	3,022,241	5,577,389
Income (loss) before income taxes	(7,913,276)	1,745,009
Income tax expense (recovery)		
Current (note 12)	358,224	1,567,662
Deferred (note 12)	(249,810)	193,210
	108,414	1,760,872
Net loss	(\$8,021,690)	(\$15,863)
Earnings (loss) per share (note 15):		
Loss per share basic and diluted	(\$0.37)	\$0.00
Weighted average shares outstanding basic and diluted	21,570,699	21,558,016

See accompanying notes to consolidated financial statements.

VERTICALSCOPE HOLDINGS INC.

Consolidated Statements of Changes in Shareholders' Equity
(In US dollars)

	Multiple Voting Shares ("MVS")		Subordinate Voting Shares ("SVS")		Contributed surplus	Other comprehensive loss	Deficit	Total
	Number of shares	Amount	Number of shares	Amount				
Balance as at December 31, 2023	2,957,265	\$7,191,707	18,667,040	\$160,513,527	\$22,435,738	(\$145,494)	(\$109,309,895)	\$80,685,583
Net loss	—	—	—	—	—	—	(15,863)	(15,863)
Share-based compensation (note 12)	—	—	—	—	4,091,018	—	—	4,091,018
Repurchase of share capital for cancellation (note 11)	—	—	(366,000)	(5,596,140)	—	—	3,494,842	(2,101,298)
Shares issued on exercise of vested RSUs (notes 10 and 11)	—	—	143,054	1,140,919	(1,140,919)	—	—	—
Excess tax benefits on DSUs	—	—	—	—	27,282	—	—	27,282
Balance as at December 31, 2024	2,957,265	\$7,191,707	18,444,094	\$156,058,306	\$25,413,119	(\$145,494)	(\$105,830,916)	\$82,686,722

	Multiple Voting Shares ("MVS")		Subordinate Voting Shares ("SVS")		Contributed surplus	Other comprehensive loss	Deficit	Total
	Number of shares	Amount	Number of shares	Amount				
Balance as at December 31, 2024	2,957,265	\$7,191,707	18,444,094	\$156,058,306	\$25,413,119	(145,494)	(\$105,830,916)	\$82,686,722
Net loss	—	—	—	—	—	—	(8,021,690)	(8,021,690)
Share-based compensation (note 11)	—	—	—	—	2,573,905	—	—	2,573,905
Repurchase of share capital for cancellation (note 10)	—	—	(523,273)	(8,415,277)	—	—	6,570,206	(1,845,071)
Shares issued on exercise of vested RSUs, PSUs & Other SBC (notes 10 and 11)	—	—	731,149	4,547,612	(4,547,612)	—	—	—
Cash settlement for vested RSUs (note 11)	—	—	—	—	(119,753)	—	—	(119,753)
Balance as at December 31, 2025	2,957,265	\$7,191,707	18,651,970	\$152,190,641	\$23,319,659	(\$145,494)	(\$107,282,400)	\$75,274,113

See accompanying notes to consolidated financial statements.

VERTICALSCOPE HOLDINGS INC.

Consolidated Statements of Cash Flows
(In US dollars)

	For the years ended December 31	
	2025	2024
Cash provided by (used in):		
Operating activities:		
Net loss	(\$8,021,690)	(\$15,863)
Items not involving cash:		
Depreciation and amortization	21,175,916	17,892,421
Net interest and financing expense (note 16)	3,057,518	5,684,899
Gain on sale of assets	(136,495)	(10,024)
Gain on sale of investments	—	(17,110)
Unrealized loss (gain) in derivative instruments	(155,797)	196,371
Income tax expense (note 12)	108,414	1,760,872
Other income	(101,658)	—
Share-based compensation (note 11)	2,573,905	4,091,018
	18,500,113	29,582,584
Change in non-cash operating assets and liabilities (note 13)	2,923,445	(317,000)
Interest paid (note 9)	(2,897,295)	(4,121,413)
Income taxes refunded (paid)	22,097	(370,533)
Net cash provided by operating activities	18,548,360	24,773,638
Financing activities:		
Repayment of term loan	—	(43,750,000)
Proceeds from issuance of revolving loan (note 9)	6,000,000	41,250,000
Repayment of revolving loan	—	(16,500,000)
Cash settlement for vested RSUs (note 11)	(119,753)	—
Repurchase of share capital for cancellation (note 10)	(1,845,071)	(2,101,298)
Credit facility financing fees (note 9)	—	(1,503,900)
Lease payments	(901,875)	(1,363,370)
Proceeds from sublease	461,038	590,893
Net cash provided by (used in) financing activities	3,594,339	(23,377,675)
Investing activities:		
Additions to property and equipment and intangible assets	(1,318,116)	(1,889,040)
Proceeds from sale of assets	164,452	11,747
Proceeds from sale of investments	—	17,110
Acquisitions (note 7 and 8)	(9,737,649)	(270,178)
Net cash used in investing activities	(10,891,313)	(2,130,361)
Increase (decrease) in cash	11,251,386	(734,398)
Cash, beginning of year	5,189,315	6,015,184
Change in restricted cash balances	(67,252)	(3,404)
Effect of movement of exchange rates on cash and restricted cash held	—	(88,067)
Cash, end of year	\$16,373,449	\$5,189,315

See accompanying notes to consolidated financial statements.

VERTICALSCOPE HOLDINGS INC.

Notes to Consolidated Financial Statements

(In US dollars)

For the years ended December 31, 2025 and 2024

1. Organization and nature of operations:

VerticalScope Holdings Inc. and its wholly owned subsidiaries (together the "Company" or "VSHI") was incorporated on November 19, 2012 under the Ontario Business Corporation Act. The Company is a technology company that has built and operates a cloud-based digital community platform for online enthusiast communities. The Company's headquarters and registered office is located at 111 Peter Street, Suite 600, Toronto, Ontario M5V 2H1. The Company is listed on the Toronto Stock Exchange (TSX: FORA) and the OTCQX® Best Market (OTCQX: VFORF).

2. Basis of presentation:

(a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements are presented in US dollars, which is the Company's functional currency.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on March 3, 2026.

(b) Basis of consolidation:

These consolidated financial statements include the financial results of VerticalScope Holdings Inc. and its subsidiaries. Subsidiaries are entities controlled by VerticalScope Holdings Inc. and are consolidated from the date control is obtained until the date control ceases. All intercompany balances and transactions are eliminated upon consolidation. All subsidiaries are wholly owned as at December 31, 2025 and 2024, except for entities acquired during 2025 (see note 4).

(c) Use of estimates and judgments:

The preparation of consolidated financial statements often involves management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. The Company reviews estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the year in which the estimates are revised and may impact future years as well. Other results may be derived with different judgments or using different assumptions or estimates and events may occur that could require a material adjustment.

Areas in these consolidated financial statements requiring the use of management estimates and judgments include the impairment of long-lived assets including goodwill, valuation of acquired and internally generated intangible assets, the determination of the fair value of assets and liabilities acquired as part of business combinations, inputs used in the determination of the fair value of share option grants and performance share units, and deferred income taxes.

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The following areas require the use of significant management estimates and judgments:

(i) Impairment of long-lived assets, including goodwill

The determination of a cash-generating unit ("CGU") is based on management's significant judgment and is an assessment of the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amounts of the CGUs were estimated based on an assessment of the higher of value-in-use using a discounted cash flow approach and fair value less costs of disposal. The approach uses cash flow projections based upon a financial forecast approved by management, covering a four to five year period. Cash flow projections until the end of an asset or CGUs useful life are extrapolated using the estimated terminal year growth rate for value-in-use impairment analysis. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flows may differ or change quickly, depending on economic conditions and other events.

(ii) Valuation of acquired intangibles

In a business combination or asset acquisition, all identifiable net assets are recorded at fair value. One of the most significant estimates relates to the determination of the fair value of intangible assets. Management, with assistance from an independent valuation expert, develops these values using appropriate techniques based on expected future cash flows or reproduction costs. The following methods are used for each acquired intangible assets:

- **Websites and trade names:** These are valued using the Relief from Royalty method, a variation of the income approach. This method estimates the value by calculating the present value of the royalty payments saved by owning the asset rather than licensing it. The key assumptions include projected future revenues, market royalty rates, and a risk-adjusted discount rate.
- **Acquired content:** The fair value is determined using the Cost Approach. Under this approach, the Reproduction Cost New is calculated to estimate the amount that would be required currently to replace the service capacity of the asset. The valuation considers the estimated cost to recreate the original content, adjusted for physical, functional, and economic obsolescence based on content vintage and user engagement levels.
- **Software Technology:** The Company utilizes the Multi-period Excess Earnings Method, which is an income-based approach. This method isolates the cash flows specifically attributable to the core technology.

Significant assumptions include future cash flows, royalty rates, reproduction costs, and discount rates. Certain values may be estimated pending the completion of the formal valuation process.

VERTICALSCOPE HOLDINGS INC.

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(iii) Internally generated intangibles

Management exercises significant judgment in determining whether an item meets the criteria in the definition of an intangible asset which, in part, requires that the software is technically feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Judgment is required to distinguish those expenditures that develop the business as a whole, which cannot be capitalized as intangible assets and are expensed in the years incurred.

iv) Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. The determination of the fair value of these assets and liabilities involves significant estimates. When an intangible asset is identified, the selection of an appropriate valuation technique depends on both the type of asset and the complexity involved in determining its fair value. The calculation is performed by either management or an independent valuation expert, generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. All acquisitions have been accounted for using the acquisition method.

Further, significant judgments are necessary in assessing the taxable status of the business combinations, which has a direct correlation to the recognition of a deferred tax liability, for any difference in basis between tax and accounting, and corresponding amount in goodwill. An assessment by a tax authority that concluded differently could materially change the deferred tax amounts. The Company bases its judgments on its assessment of the facts of the underlying contractual agreements.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

v) Share-based compensation

The Company estimates the fair value of share-based compensation using various valuation techniques depending on the nature of the award and the performance conditions attached.

For share options, the Black-Scholes option pricing model is used. The model requires the use of various inputs, including the Company's share price on the measurement date, the exercise price of the award, expected volatility, expected life of the instrument, expected dividend yield, and the risk-free interest rate. Expected volatility is determined based on a weighted average of historical volatility, adjusted for anticipated changes using publicly available information for

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comparable companies. The risk-free interest rate is based on yields of government bonds with a term consistent with the expected life of the options.

For market performance-based share units, the Monte Carlo simulation model is used. This model simulates a range of possible future stock prices and outcomes to determine the grant-date fair value. The model requires the use of various inputs, including the Company's volume weighted average price on the performance period start date and valuation date, expected volatility, contractual term of the market performance-based share units, expected dividend yield, and the risk-free interest rate. Expected volatility is determined based on a weighted average of historical volatility, adjusted for anticipated changes using publicly available information for comparable companies. The risk-free interest rate is based on yields of government bonds with a term consistent with the contractual term.

These inputs involve significant estimation, and changes in assumptions may have a material impact on the resulting fair value of share-based compensation.

vi) Income taxes

Provisions for income taxes are recognized based on management's best estimate of the amounts expected to be paid, taking into consideration all relevant factors and available information. The Company evaluates the adequacy of tax provisions at the end of each reporting period.

It is possible that the ultimate outcome of tax audits or reviews by taxation authorities may differ from the amounts initially recorded. Any such differences are recognized in the period in which the final determination is made and may result in adjustments to the income tax expense and related provisions.

(d) Measurement uncertainty:

Since October 2023, Israel has been engaged in armed conflict with Hamas, Hezbollah and other regional actors. The Company has operations in Israel through its subsidiary Hometalk IL Development Ltd. The ongoing conflict may directly or indirectly affect the Company's Israeli personnel and operations, including through workforce availability, mobilization for military reserve duty, temporary disruptions to infrastructure, restrictions on travel or movement, and heightened cybersecurity and business continuity risks. Management has assessed the financial statement impact of the conflict as at December 31, 2025 and determined that no adjustments to the consolidated financial statements are required. As at December 31, 2025, the Company has not experienced material disruption to its Israeli operations. However, the extent to which future developments may impact the Company's operations, personnel, or the carrying amounts of assets and liabilities related to its Israeli operations remains uncertain.

The Company's revenue is derived primarily from digital advertising and e-commerce activities. While the Company does not directly import or export physical goods subject to tariffs, changes in US-Canada trade policy implemented in 2025, including tariffs and retaliatory measures, may indirectly affect the Company's business through impacts on advertiser spending, consumer

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confidence, and e-commerce activity. As at December 31, 2025, the Company has not experienced material adverse impacts attributable to tariffs.

(e) Change in classification:

Certain comparative figures have been reclassified in order to conform to the current period presentation.

3. Material accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(a) Revenue recognition:

The Company has two primary streams of revenue: digital advertising and e-commerce. The digital advertising stream includes revenue generated from (i) direct advertising campaigns, (ii) programmatic advertising, and (iii) custom content solutions. The e-commerce revenue stream includes revenue generated from (i) commissions, (ii) subscriptions and (iii) platform-facilitated e-commerce.

(i) Digital advertising:

Direct advertising campaigns include placement of advertising for end-advertiser customers. Revenue is recognized based on fees for the delivery of display and video ad impressions, being the number of times content is displayed to users ("Impressions") in the period the campaign is delivered. Substantially all Impressions are delivered on websites owned by the Company. Impressions are tracked using third party service organization advertising management platforms and follow the guidelines established by the Interactive Advertising Bureau.

Programmatic advertising includes sales of display and video ad inventory on a per-Impression basis through an auction run by the Company's ad exchange and supply-side platform partners, or premium Impression auctions in the Company's private marketplace. Revenue is recognized for the fees the Company earns from these sales in the period the Impressions are delivered.

Custom content solutions includes the Company's in-house production studio, Geared Content Studios, which provides custom content, in particular, video solutions specializing in reaching enthusiasts and in-market shoppers. The Company's wider content team also manages and produces a range of branded content for advertisers, including product reviews, articles, e-mail features, and short videos. Revenue is recognized when the content is delivered to the customer.

(ii) E-commerce:

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The Company receives commissions from sales attributable to traffic sent to affiliate partners with a range of rates as a percentage of transaction value purchased. Commissioned sales are driven by product reviews from the Company's network of freelance writers and by user-generated product links posted in community sites. Commission revenue is recognized in the same period the commissioned transactions occur based on the contract terms.

Subscription-related e-commerce revenue is generated from term-based subscriptions and memberships with customers that: (i) enable merchants to maintain a presence on the Company's communities, (ii) provide presence in an online business directory that connects consumers with service providers; and (iii) provide access to the Company's websites with fewer advertisements. E-commerce revenue related to subscriptions is recognized evenly over the term of the subscription as the customer receives and consumes the benefits of the subscription services.

Platform-facilitated e-commerce revenue is generated from digital platforms that facilitate transactions between merchants and consumers. This revenue is generated through transaction-based fees, revenue shares, or fixed service charges, depending on the structure of the platform and the nature of the partner arrangements. Platform-facilitated e-commerce revenue is recognized in the period the transaction occurs or the service is provided.

(b) Deferred revenue:

Deferred revenue represents the portion of goods or services to be transferred to the customer for the contractual subscription term or membership term remaining as at the period-end date and amounts received in advance of services to be delivered.

(c) Intangible assets:

Intangible assets with finite lives that are acquired separately are measured on initial recognition at cost, which comprises the purchase price plus any directly attributable costs of preparing the asset for its intended use. Intangible assets acquired as part of a business combination that are recognized separately from goodwill are initially measured at fair value.

The Company incurs internal and external costs for its revenue-generating community websites. Costs incurred during the planning stage (pre-development) are expensed as incurred. Costs incurred during the application and infrastructure development stage, the graphical design stage and the content development stage are capitalized as internally generated intangible assets once it can be demonstrated that software is technically feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. This applies to costs that can be directly attributed and necessary to creating, producing or preparing the website for it to be capable of operating in the manner intended by management. Costs incurred to operate the website once complete are expensed as incurred except for costs associated with additions to the website that separately meet the capitalization criteria. Capitalization ceases once the asset is capable of operating in the manner intended by management. Other costs are expensed as incurred.

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Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses. Intangible assets are amortized over the periods in the tables below. The estimated useful life and amortization method are reviewed annually, with the effect of any change in estimate being accounted for on a prospective basis.

Asset	Basis	Rate
Websites / Trade Names	Straight line	5 to 15 years
Acquired content	Straight line	1 year
Customer relationships	Straight line	5 years
Software	Straight line	3 to 10 years

(d) Business combinations and goodwill:

The Company follows the acquisition method to account for business combinations in accordance with IFRS 3, Business Combinations. The acquisition method of accounting requires that assets acquired and liabilities assumed be recorded at their estimated fair values on the date of a business acquisition.

Acquisition costs that are tied to continuing employment of pre-existing shareholders are recognized as acquisition-related compensation and recognized in accordance with the vesting terms in the corresponding acquisition agreement. Consequently, those costs are not included in the total purchase consideration of the business combination. All other costs that are not eligible for capitalization related to the acquisition are expensed as incurred.

New information obtained during the measurement period, up to 12 months following the acquisition date, about facts and circumstances existing at the acquisition date affect the acquisition accounting.

Goodwill represents the excess of the acquisition cost in a business combination over the fair value of the Company's share of the identifiable net assets acquired. Goodwill is carried at cost less accumulated impairment losses.

(e) Impairment of long-lived assets, including goodwill:

Long-lived assets, including property and equipment, intangible assets subject to amortization, goodwill and right-of-use assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units ("CGUs")). CGUs to which goodwill has been allocated are tested for impairment at least annually and earlier if indicators of impairment are identified. The Company has two CGUs at December 31, 2025. An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the CGU's: (i) fair value less costs of disposal, and (ii) value in use.

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Each CGU's value in use is estimated by discounting estimated future cash flows expected to be generated from the continuing use of that CGU. The significant assumptions used by the Company in estimating the value in use of each CGU include estimated cash flows, discount rate, and terminal year growth rate.

(f) Investment tax credits:

Investment tax credits are accounted for under the cost reduction method, whereby the investment tax credits are applied against the carrying value of the related expense or asset. Investment tax credits are recorded when the qualifying expenditure has been incurred provided there is reasonable assurance that the tax credits will be realized. Investment tax credits are subject to audit by the tax authorities. Tax credits receivable are recorded within trade and other receivables in the consolidated statement of financial position.

(g) Share-based compensation:

The fair value of all share options granted to employees is recorded in share-based compensation in the consolidated statements of net loss. The fair value of the options is determined using the Black-Scholes option pricing model. Each tranche of an award is considered a separate award with its own vesting period and grant date fair value. Expected volatility is determined using historical volatility of publicly-traded comparable companies, the risk-free interest rates are based on Bank of Canada Treasury Rates and the expected term of the option is the expected life of an award.

The fair value of the granted share options that are ultimately expected to vest is amortized to share-based compensation expense over the vesting period of the tranche of shares being considered. If options are forfeited because non-market vesting conditions are not met, the previously recognized share-based compensation expense is reversed in the period of forfeiture. When options are exercised, the amount of proceeds, together with the amount recorded in additional paid-in capital in respect of the exercised options, is recorded to share capital.

The fair value of restricted share units ("RSUs") and deferred share units ("DSUs") is measured using the fair value of the Company's shares as if the units were vested and issued on the grant date. The RSUs are valued at the market price on the grant date. The DSUs are valued using the five-day volume-weighted average market price at period-end. The fair value of performance share units ("PSUs") is measured using the Monte Carlo simulation model on the grant date. An estimate of the probability of meeting related performance conditions for the PSU's is also included in determining fair value. The grant date value of equity-settled PSUs is expensed throughout the vesting period. The cash-settled PSUs are remeasured at each reporting period using the Monte Carlo simulation model. The Company has taken into account the extent to which services have been rendered to date when recognizing the related expense.

(h) Foreign currency:

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The Company and its wholly-owned operating subsidiaries use the US dollar as their functional currency. Transactions in currencies other than the US dollar are initially recorded using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies other than the US dollar are remeasured at the exchange rate in effect at the reporting date. Foreign exchange gains and losses arising on translation are recognized in the consolidated statements of net loss.

(i) Income taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable or recoverable is based on taxable profit or loss for the year. Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated statements of financial position and their corresponding tax bases (known as temporary differences).

Deferred tax liabilities are generally recognized for all temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future years when the carrying amount of the asset or liability is recovered or settled (taxable temporary differences). Deferred tax assets are generally recognized for all temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future years when the carrying amount of the asset or liability is recovered or settled (deductible temporary differences). This is only to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in the consolidated statements of net loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the years in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting year.

(j) Financial instruments:

(i) Financial assets:

Initial recognition and measurement:

The Company's financial assets comprise cash, trade and other receivables and derivative instruments. All financial assets are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset other than financial assets measured at fair value through profit or loss ("FVTPL"). On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI"); or FVTPL.

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Subsequent measurement and derecognition:

Cash is carried at fair value with gains and losses recognized in the consolidated statements of net loss. Trade and other receivables are carried at amortized cost using the effective interest rate method.

Financial assets are derecognized when the rights to receive cash flows from the asset have expired. All financial assets not designated at amortized cost or FVOCI, including freestanding derivative instruments that are not in a qualifying hedging relationship are subsequently measured at FVTPL at each reporting period with changes in fair value recognized in profit or loss.

(ii) Impairment of financial assets:

The Company assesses at each reporting date whether there is any evidence that its trade receivables are impaired. The Company uses the simplified approach for measuring impairment for its trade receivables as these financial assets do not have a significant financing component as defined under IFRS 15, Revenue from Contracts with Customers. Therefore, the Company does not determine if the credit risk for these instruments has increased significantly since initial recognition. Instead, a loss allowance is recognized based on lifetime Expected Credit Loss ("ECL") at each reporting date. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows expected to be received.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has established a provision matrix that is based on its historical credit loss experiences, adjusted for forward-looking factors specific to the debtors and the economic environment. Impairment losses and subsequent reversals are recognized in profit or loss and are the amounts required to adjust the loss allowance at the reporting date to the amount that is required to be recognized based on the aforementioned policy. As for the exposure at default for financial assets, it is represented by the assets' gross carrying amount at the reporting date.

(iii) Financial liabilities:

Initial recognition and measurement:

The Company's financial liabilities comprise accounts payable and accrued liabilities, lease liability, current portion of long-term debt and long-term debt, derivative instruments and contingent considerations payable in cash. All financial liabilities except lease liability are recognized initially at fair value, less directly attributable transaction costs for liabilities not classified as FVTPL. The Company determines the classification of its financial liabilities at initial recognition. The Company also assesses whether embedded derivative financial instruments are required to be separated from host contracts when the Company first becomes party to the contract. Financial liabilities are classified as financial liabilities at FVTPL or amortized cost, as appropriate.

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Subsequent measurement and derecognition:

Financial liabilities that do not meet the criteria of FVTPL or are not designated as such are subsequently measured at amortized cost using the effective interest method. The effective interest method amortization is included as interest expense in the consolidated statements of net loss. Gains and losses are recognized in the consolidated statements of net loss when the liabilities are derecognized.

The Company accounts for contingent considerations payable in cash and derivative liabilities as financial liabilities measured at FVTPL and subsequently re-measures fair value at the end of each reporting period. The change in the fair value of the contingent consideration, if any, is recognized as an adjustment to contingent considerations in the consolidated statements of net loss.

Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled, or expires.

(iv) Fair value of financial instruments:

An analysis of fair values of financial instruments and further details as to how they are measured is provided in note 16.

(k) Segment information:

The Company's Chief Operating Decision-Maker (CODM) is the Chief Executive Officer. The CODM is the highest level of management responsible for assessing the Company's overall performance and making operational decisions such as resource allocations related to operations, product prioritization, and delegation of authority. Management has determined that the Company operates in a single operating and reportable segment.

(l) Earnings (loss) per share:

Basic earnings (loss) per share is calculated by dividing net income (loss) attributable to common equity holders of the Company by the weighted average number of voting shares outstanding during the year.

Diluted earnings (loss) per share is calculated by dividing net income (loss) attributable to common equity holders of the Company by the weighted average number of voting shares outstanding during the year, plus the effect of dilutive potential voting shares outstanding during the year. This method requires that diluted earnings (loss) per share be calculated as if all dilutive potential voting shares had been exercised at the latest of the beginning of the year or on the date of issuance, and that the funds obtained thereby (plus an amount equivalent to the unamortized portion of related share-based compensation costs) be used to purchase voting shares of the Company at the average fair value of the voting shares during the year.

(m) Recently issued accounting standards and amendments:

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(i) Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates

The amendments clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate a company can use an observable exchange rate without adjustment; or another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2025. The Company adopted this amendment as of January 1, 2025. The adoption of this standard had no material impact on the Consolidated Financial Statements.

Recently issued accounting pronouncements not yet effective:

(i) Amendments to IAS 1 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements and sets out requirements for the presentation and disclosure of information in general purpose financial statements.

The standard applies to annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. The Company is currently evaluating the impact of these amendments and does not expect the amendments to have a material impact on the Consolidated Financial Statements.

4. Business combinations:

Acquisition of Ritual Technologies Inc.:

On April 7, 2025, VerticalScope Inc. acquired Ritual Technologies Inc. ("Ritual") for total consideration of \$1,989,946. The transaction was accounted for as a business combination in accordance with IFRS 3 using the acquisition method. Upon closing, Ritual Technologies Inc. was amalgamated with VerticalScope Inc. and does not exist as a separate legal entity. The following

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table summarizes the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

Net assets acquired	
Cash	\$528,193
Trade and other receivables	815,696
Prepaid and other current assets	135,364
Property and equipment	4,212
Software technology	1,400,000
Trade name	400,000
Goodwill	2,272,899
Accounts payable and accrued liabilities	(359,857)
Merchant liabilities	(1,625,834)
Loyalty points liability	(1,070,451)
Loyalty stamps liability	(326,200)
Other short term liabilities	(184,076)
Total net assets acquired	\$1,989,946
Total purchase consideration	\$1,989,946

The goodwill recognized in connection with this acquisition is primarily attributable to the application of the Company's best practices to improve the operations of the business acquired, synergies with existing platforms of the company, and other intangible assets that do not qualify for separate recognition including assembled workforce.

The gross contractual amounts of acquired receivables was \$135,364. The Company has recorded an allowance of nil as part of the acquisition accounting to reflect contractual cash flows that are not expected to be collected.

Pro Forma Results of Operations (Unaudited):

The financial information in the table below summarizes selected results of operations on a pro forma basis as if the Company had acquired Ritual as of January 1, 2025. This pro forma is for information purposes only and does not purport to represent what the Company's actual results of operations for the periods presented would have been had the acquisition of Ritual occurred at January 1, 2025, or to project its results of operations for any future period.

	For the year ended December 31, 2025
Revenue	\$59,133,355
Net loss	(8,694,994)

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The Company recorded acquisition costs of \$340,306 in the year ended December 31, 2025 related to the acquisition of Ritual. The acquisition costs are included in general and administrative on the Consolidated Statement of Net Loss.

5. Trade and other receivables:

	December 31, 2025	December 31, 2024
Trade accounts receivable	\$14,230,091	\$14,520,814
Investment tax credits recoverable	155,977	110,380
Sundry receivable	736,695	243,688
	<u>\$15,122,763</u>	<u>\$14,874,882</u>

6. Revenue:

(a) Disaggregation of revenue:

The main sources of the Company's revenue are as follows:

	For the years ended December 31	
	2025	2024
Digital advertising	\$47,077,256	\$60,058,414
E-commerce	11,068,982	8,993,667
Revenue	<u>\$58,146,238</u>	<u>\$69,052,081</u>

(b) Deferred revenue:

Deferred revenue consists of billings or payments received in advance of revenue recognition and is recognized as the revenue recognition criteria are met. The Company often collects annual considerations from its customers on commencement of the subscription arrangements. Accordingly, the deferred revenue balance does not represent the total contract value of multi-year, non-cancelable subscription agreements. The following table presents the changes in deferred revenue during the years ended December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Balance, beginning of year	\$1,125,592	\$1,157,049
Increase due to amounts invoiced and cash received	1,011,933	1,125,592
Decrease due to recognition of deferred revenue from balance at beginning of year	(1,125,592)	(1,157,049)
Balance, end of year	<u>1,011,933</u>	<u>1,125,592</u>

The amount of revenue recognized in the years ended December 31, 2025 and 2024 from performance obligations satisfied in previous periods was insignificant.

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(c) Transaction price allocated to the remaining performance obligations:

The transaction price amount allocated to remaining performance obligations represents contracted revenue that has not yet been recognized as the performance obligations are unsatisfied as of December 31, 2025 ("contracted not yet recognized"). Contracted not yet recognized revenue was \$1,011,933 as of December 31, 2025 (\$1,125,592 as at December 31, 2024), of which the Company expects to recognize an estimated 100% of the revenue over the next 12 months.

7. Acquired and other intangible assets:

	Websites / Trade Names	Acquired content	Customer relationships	Software	Total
Cost					
Balance, December 31, 2023	\$155,993,796	\$93,720,157	\$40,924,430	\$58,822,403	\$349,460,786
Additions arising from acquisitions	95,126	175,052	—	—	270,178
Additions arising from internal development	—	—	—	1,794,933	1,794,933
Balance, December 31, 2024	156,088,922	93,895,209	40,924,430	60,617,336	351,525,897
Additions arising from acquisitions	478,298	5,586,452	—	1,400,000	7,464,750
Additions arising from internal development	—	—	—	1,312,709	1,312,709
Disposals	(132,918)	—	—	(2,024,300)	(2,157,218)
Balance, December 31, 2025	\$156,434,302	\$99,481,661	\$40,924,430	\$61,305,745	\$358,146,138
Accumulated amortization					
Balance, December 31, 2023	\$143,085,310	\$93,720,157	\$29,922,538	\$30,252,323	\$296,980,328
Amortization	3,731,369	105,129	3,848,000	9,263,081	16,947,579
Balance, December 31, 2024	146,816,679	93,825,286	33,770,538	39,515,404	313,927,907
Amortization	3,767,913	4,487,590	3,848,000	8,397,422	20,500,925
Disposals	(132,918)	—	—	(1,996,343)	(2,129,261)
Balance, December 31, 2025	\$150,451,674	\$98,312,876	\$37,618,538	\$45,916,483	\$332,299,571
Carrying amounts					
December 31, 2024	\$9,272,243	\$69,923	\$7,153,892	\$21,101,932	\$37,597,990
December 31, 2025	\$5,982,628	\$1,168,785	\$3,305,892	\$15,389,262	\$25,846,567

The Company capitalized third party costs of \$13,510 for the year ended December 31, 2025, (\$15,909 for the year ended December 31, 2024) and internal costs \$1,299,199 for the year ended December 31, 2025, (\$1,779,024 for the year ended December 31, 2024) in relation to platform and mobile application development. The development costs capitalized have met the criteria for capitalization in accordance with IAS 38, and amortization will commence when the intangibles are available for use, which is upon the completion and commercialization of the software platform. These costs were capitalized to software.

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During the year ended December 31, 2025, the Company completed five asset acquisitions comprising of 26 community sites, for a total purchase price of \$5,664,750. The intangible assets acquired as part of the asset acquisitions included websites and acquired content. The Company completed a fair value allocation based on the relative fair value of the acquired intangibles. During the year ended December 31, 2024, the Company completed two asset acquisitions for a total purchase price of \$270,178.

During the year ended December 31, 2025, the Company completed one business combination in which the Company acquired \$1,400,000 in software technology and \$400,000 in trade name (note 4).

8. Goodwill:

	December 31, 2025	December 31, 2024
Balance, beginning of year	\$52,635,164	\$52,635,164
Business combinations (note 4)	\$2,272,899	—
Balance, end of year	\$54,908,063	\$52,635,164

The Company tested its two CGUs for impairment as at December 31, 2025 and December 31, 2024, resulting in no impairment loss for each year as the recoverable amount, determined as the value in use, exceeded the carrying amount of each CGU at each period end.

	VerticalScope CGU	Ritual CGU
Goodwill	52,635,164	2,272,899
Discount rate pre-tax	18.8 %	26.9 %
Tax rate	26.5 %	26.5 %
Terminal year growth rate	3.0 %	3.0 %

The Company has two CGUs and as such, the carrying value of the goodwill was appropriately divided between each CGU for the impairment test. For both CGU's, value-in-use was estimated by discounting estimated future cash flows expected to be generated from the continuing use of the respective CGU. The significant assumptions used by the Company in estimating the value-in-use of each CGU include estimated cash flows, discount rate, and terminal year growth rate. The approach to determining the values assigned to each key assumption was as follows:

- Estimated cash flows were projected based on a one year approved budget, historical margins and growth rates, and industry reports. Cash flows were projected for a five year period plus a terminal period.
- The terminal year growth rate was determined based on inflationary rates for the countries in which each CGU primarily operates, using published data.

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- The discount rate was estimated based on the Company's weighted average cost of capital ("WACC") in which the Company's cost of equity and cost of debt are proportionately weighted. The inputs into the WACC are based on the Company's specific borrowing rate, over 30-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for risk premium to reflect both the increased risk of investing in equities generally and the unsystematic risk on each CGU.

The Company also performed a sensitivity analysis for the CGUs in order identify the impact of changes in key assumptions. The Company did not identify any key assumptions where a reasonable possible change would have resulted in material impairment to the CGUs as at December 31, 2025 or December 31, 2024.

9. Long-term debt:

	Term Loan	Revolving Loan	Total
Balance, December 31, 2023	\$44,522,706	\$13,522,790	\$58,045,496
Advances	—	41,250,000	41,250,000
Payments	(47,119,628)	(17,251,785)	(64,371,413)
Interest and accretion	2,456,282	1,166,870	3,623,152
Adjustment for extinguishment of long term debt	140,640	—	140,640
Balance, December 31, 2024	—	38,687,875	38,687,875
Advances	—	6,000,000	6,000,000
Payments	—	(2,897,295)	(2,897,295)
Interest and accretion	—	2,828,733	2,828,733
Balance, December 31, 2025	\$—	\$44,619,313	\$44,619,313
Current portion of long-term debt	—	619,313	619,313
Non-current portion of long-term debt	\$—	\$44,000,000	\$44,000,000

On October 4, 2024, the Company and Capital One entered into an amended and restated credit agreement (the "Second A&R Credit Agreement"). The Second A&R Credit Agreement provides for a senior secured revolving credit facility (the "Revolving Loan" or "Revolver") with aggregate commitments of \$100 million (the "Credit Facility"). The Credit Facility matures on October 4, 2028 and has no scheduled principal repayments prior to maturity.

The maximum total net leverage ratio is 3.50x, with such ratio reducing by 0.25x each fiscal year beginning with the fiscal year ended December 31, 2024, to 3.0x for the fiscal year ended December 31, 2025 and the minimum fixed charge coverage ratio is 1.25x upon close and thereafter. The Second A&R Credit Agreement contains representations and warranties, affirmative and negative covenants and events of default. The Company incurred transaction costs of \$1,503,900 directly attributable to this amendment, which were expensed during the year ended December 31, 2024. Additionally, unamortized transaction costs of \$140,640 were expensed during the year ended December 31, 2024 due to the extinguishment of the former Credit Facility.

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The Company made payments, including interest, of \$2,897,295 during the year ended December 31, 2025 against the long-term debt (during the year ended December 31, 2024 - \$64,371,413).

The Company is required to pay a quarterly commitment fee for the total undrawn amount of the Revolver. As at December 31, 2025, the fee was 0.375% per annum. The fee is dependent on the Company's total net leverage ratio as set forth in the Second A&R Credit Agreement.

During the year ended December 31, 2025, the total interest and expenses incurred on long-term debt was \$2,828,733 (year ended December 31, 2024 - \$3,623,152).

As at December 31, 2025, the Company had principal outstanding of \$44,000,000 under its Second A&R Credit Agreement with \$56,000,000 available to borrow from its Revolving Loan. As at December 31, 2025 the Company had accrued interest of \$619,313 (December 31, 2024 - \$687,875).

10. Share capital:

	Voting Shares			
	MVS	Amount	SVS	Amount
Balance as at December 31, 2023	2,957,265	\$7,191,707	18,667,040	\$160,513,527
Repurchase of share capital for cancellation	—	—	(366,000)	(5,596,140)
Shares issued on exercise of vested RSUs	—	—	143,054	1,140,919
Balance as at December 31, 2024	2,957,265	\$7,191,707	18,444,094	\$156,058,306
Repurchase of share capital for cancellation	—	—	(523,273)	(8,415,277)
Shares issued on exercise of vested RSUs, PSUs & Other SBC	—	—	731,149	4,547,612
Balance as at December 31, 2025	2,957,265	\$7,191,707	18,651,970	\$152,190,641

On August 16, 2024, the Company renewed its normal course issuer bid (the "NCIB"), pursuant to which the Company may repurchase up to 931,151 of its SVS in the open market for cancellation. Under the NCIB, the Company may acquire up to 5,715 shares per day, subject to certain exceptions, including block purchase exceptions. All shares purchased by the Company under the NCIB will be canceled. Purchases will conclude on the earlier of the date on which the Company has purchased the maximum number of shares under the NCIB and August 15, 2025.

Pursuant to the terms of the Company's Second A&R Credit Agreement, the Company was permitted to expend no more than 6% of the net cash proceeds from public equity offerings, including its initial public offering, to acquire shares under the NCIB, which concluded on August 15, 2025. All purchases under the NCIB were subject to the terms and limitations applicable to such NCIB, and were made through the facilities of the TSX, other designated exchanges and/or alternative Canadian trading systems, or such other means as permitted by the Ontario Securities Commission or Canadian Securities Administrators.

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In connection with the NCIB program, the Company entered into an Automatic Share Purchase Plan ("ASPP") with its designated broker to allow for purchases of its shares during certain predetermined black-out periods, subject to certain parameters to be determined as to price and number of shares.

During the year ended December 31, 2025, the Company repurchased and canceled 523,273 of its SVS for an aggregate purchase price of \$1,845,071 (year ended December 31, 2024 - 366,000 of its SVS were repurchased and canceled for an aggregate purchase price of \$2,101,298).

11. Share-based compensation:

The Company has an Omnibus Incentive Plan (the "Plan") for certain qualified directors, executive officers, employees, and consultants of the Company or any of its subsidiaries. The maximum number of SVS available for issuance, in the aggregate, under this Plan and the Legacy Option Plan (the executive stock option plan that was in place prior to the Initial Public Offering) shall not exceed twelve percent (12%) of the aggregate number of SVS and MVS issued and outstanding from time to time (calculated on a non-diluted basis); of which not more than 2,593,108 shares may be issued pursuant to the exercise of stock options granted under the Plan. Any shares subject to an award which has been exercised or settled in shares will again be available for issuance under the Plan. The number of shares available for issuance under the Plan will increase as the number of issued and outstanding SVS shares increases from time to time. Under the plan, the SVS may be issued as share options, Performance Share Units ("PSUs"), Restricted Share Units ("RSUs") or Deferred Share Units ("DSUs").

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The following table summarizes share-based compensation balances in contributed surplus as at December 31, 2025:

	Share Options	Deferred share units	Restricted share units	Market performance-based share units	Other Share-Based Compensation	Total
Contributed surplus, December 31, 2023	\$13,632,159	\$386,897	\$1,519,764	\$6,896,918	\$—	\$22,435,738
Share-based compensation expense	280,730	300,000	2,289,461	420,827	800,000	4,091,018
Shares issued from treasury for RSUs	—	—	(1,140,919)	—	—	(1,140,919)
Excess tax benefits on DSUs	—	27,282	—	—	—	27,282
Contributed surplus, December 31, 2024	\$13,912,889	\$714,179	\$2,668,306	\$7,317,745	\$800,000	\$25,413,119
Share-based compensation expense	236,264	300,000	1,059,606	978,035	—	2,573,905
Shares issued from treasury for RSUs, PSUs & Other SBC	—	—	(2,418,507)	(1,329,105)	(800,000)	(4,547,612)
Cash settlement for vested RSUs	—	—	(119,753)	—	—	(119,753)
Contributed surplus, December 31, 2025	\$14,149,153	\$1,014,179	\$1,189,652	\$6,966,675	\$—	\$23,319,659

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Share Options:

The following table summarizes share options that are outstanding as at December 31, 2025 and December 31, 2024.

	December 31, 2025		December 31, 2024	
	Number of options	Weighted average exercise price per share	Number of options	Weighted average exercise price per share
Outstanding share options, beginning of year	669,035	\$18.07	1,098,875	\$19.53
Granted share options	460,820	4.31	21,943	6.34
Forfeited share options	(107,677)	7.67	(444,186)	21.22
Expired share options	(119,895)	17.29	(7,597)	10.68
Outstanding share options, end of year	902,283	\$12.65	669,035	\$18.07
Exercisable share options, end of year	549,608	17.73	565,735	19.22

During the year ended December 31, 2025, the Company granted share options on four grant dates. The fair value of the share options were valued at the date of grant using the Black-Scholes option pricing model with assumptions for a risk free interest rate, expected volatility, expected life until exercise and dividend yield. The weighted average expected option life is calculated based on the remaining expected option life of each option granted. As the SVS have not historically received dividends, no dividend yield is included in the fair value calculation for the share options granted. The following table summarizes the share options granted during the year ended December 31, 2025 and the respective assumptions.

Grant date	March 17, 2025	May 15, 2025	August 14, 2025	August 14, 2025	August 31, 2025
Options granted	83,071	25,071	2,678	150,000	200,000
Granted value	\$360,487	\$41,297	\$4,149	\$191,974	\$249,247
Share-based compensation expense	\$6,070	\$14,991	\$918	\$78,980	\$97,862
Vesting period (years)	4.0 years	4.0 years	4.0 years	2.8 years	2.8 years
Risk free interest rate	3.04 %	3.20 %	3.45 %	3.45 %	3.43 %
Volatility	48.62 %	48.97 %	49.11 %	49.11 %	49.08 %
Expected life (years)	10 years	10 years	10 years	10 years	10 years
Dividend yield	—	—	—	—	—

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The following table summarizes the share options granted during the year ended December 31, 2024 and the respective assumptions.

Grant date	March 15, 2024	May 9, 2024	August 9, 2024	November 14, 2024
Options granted	2,639	7,694	5,167	6,443
Granted value	\$5,813	\$23,346	\$15,481	\$18,962
Share-based compensation expense 2024	\$2,214	\$8,553	\$3,466	\$1,366
Vesting period (years)	4 years	4 years	4 years	4 years
Risk free interest rate	4.31 %	4.45 %	3.94 %	4.43 %
Volatility	45.08 %	44.98 %	45.23 %	45.46 %
Expected life (years)	5.5 - 7.0 years			
Dividend yield	—	—	—	—

Outstanding share options comprising:

Exercise price	2025		2024	
	Number of options	Weighted average remaining life (years)	Number of options	Weighted average remaining life (years)
\$2.64	2,678	9.62	—	—
\$2.69	3,669	7.38	3,669	8.38
\$3.23	20,595	9.38	—	—
\$3.97	306	7.87	701	8.87
\$4.35	150,000	9.62	—	—
\$4.37	200,000	9.67	1,976	9.21
\$5.07	4,210	7.19	6,644	8.19
\$5.08	5,004	6.87	7,655	7.87
\$6.34	5,295	8.88	6,443	9.88
\$6.57	5,256	8.36	7,694	9.36
\$6.59	765	8.61	5,167	9.61
\$7.31	3,071	9.21	—	—
\$9.57	11,045	6.62	20,666	7.62
\$14.70	173,349	6.27	206,380	7.27
\$15.10	2,040	6.37	2,040	7.37
\$15.63	100,000	4.92	125,000	5.92
\$20.21	—	—	50,000	1.50
\$23.18	150,000	1.00	160,000	1.09
\$27.08	15,000	2.00	15,000	3.00
\$30.56	50,000	2.22	50,000	3.22
Total	902,283	6.40	669,035	4.82

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The following table summarizes the deferred share units, restricted share units and performance share units that are outstanding as at December 31, 2025:

	Deferred share units	Restricted share units	Market performance-based share units	Other Share-Based Compensation
Balance, December 31, 2023	82,570	453,487	1,507,381	—
Granted	45,883	636,803	500,000	111,265
Forfeited	—	(77,363)	(1,507,381)	—
Issued from treasury	—	(143,054)	—	—
Balance, December 31, 2024	128,453	869,873	500,000	111,265
Granted	101,727	764,489	325,000	
Forfeited	—	(346,259)	(290,000)	—
Issued from treasury	—	(374,283)	(246,824)	(111,265)
Balance, December 31, 2025	230,180	913,820	288,176	—

Deferred Share Units:

During the year ended December 31, 2025, 101,727 equity settled DSUs were granted at a value of \$300,000 (year ended December 31, 2024, 45,883 equity settled DSUs were granted at a value of \$300,000, respectively). The grant value was recorded as share-based compensation expense. The DSUs were valued using the five day volume-weighted average market price at each quarter-end.

Restricted Share Units:

During the year ended December 31, 2025, the Company granted equity settled RSUs on the grant dates in the following table. The RSUs were valued at the market price on the grant date. The following table summarizes the RSUs granted and the respective grant details.

Grant Date	RSUs Granted	Grant Value	2025 Share-Based Compensation Expense	Vesting Date ¹
March 17, 2025 ²	59,697	\$436,540	\$—	March 17, 2029
August 14, 2025 ²	342,122	\$873,900	\$163,925	August 14, 2029
August 31, 2025 ²	52,950	\$129,466	\$22,860	August 31, 2029
August 31, 2025 ³	225,000	\$550,138	\$139,695	June 4, 2028
December 5, 2025	84,720	\$200,000	\$200,000	December 5, 2025

¹ Vesting Date reflects the final vesting date if vesting occurs in tranches over a period of time.

² RSUs will vest annually in equal tranches over four years beginning on the one-year anniversary of the grant date.

³ RSUs will vest annually in equal tranches over three years beginning on June 4, 2026.

Market Performance-Based Share Units:

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On August 14, 2025, 250,000 equity and cash settled market performance share units were granted at a value of \$298,801. The performance share units will fully vest upon the Company's subordinate voting share price reaching certain minimum milestones for a period of at least 90 days within the performance period from June 4, 2025 to June 4, 2028. Vested performance share units will be settled in SVS 18 months following the vesting date, in accordance with the terms of the grant. \$35,089 of the grant value were recorded as share-based compensation expense for the year ended December 31, 2025. The market performance share units were valued using the Monte Carlo simulation with the assumptions of a risk free rate of 2.9%, expected volatility of 80.0%, a random variable of nil, a dividend yield of 0.0% and a term of 4.5 years.

On August 31, 2025, 75,000 equity and cash settled market performance share units were granted at a value of \$81,617. The performance share units will fully vest upon the Company's subordinate voting share price reaching certain minimum milestones for a period of at least 90 days within the performance period from June 4, 2025 to June 4, 2028. Vested performance share units will be settled in SVS 18 months following the vesting date, in accordance with the terms of the grant. \$8,305 of the grant value were recorded as share-based compensation expense for the year ended December 31, 2025. The market performance share units were valued using the Monte Carlo simulation with the assumptions of a risk free rate of 2.9%, expected volatility of 80.0%, a random variable of nil, a dividend yield of 0.0% and a term of 4.5 years.

On October 17, 2024, 500,000 equity and cash settled market performance share units were granted at a value of \$2,159,538. The performance share units will fully vest upon the Company's subordinate voting share price reaching certain minimum milestones for a period of at least 90 days within the first 48 months following the grant date. \$654,582 of the grant value were recorded as share-based compensation expense for the year ended December 31, 2025. The unvested performance share units were forfeited during the period. The market performance share units were valued using the Monte Carlo simulation with the assumptions of a risk free rate of 2.9%, expected volatility of 80.0%, a random variable of nil, a dividend yield of 0.0% and a term of 4.0 years.

12. Income taxes:

(a) The income tax amounts recognized in the consolidated statements of net loss are as follows:

	For the years ended December 31	
	2025	2024
Current income taxes:		
Current period and other	\$358,224	\$1,567,662
Deferred income taxes:		
Origination and reversal of temporary differences	(249,810)	193,210
Total income tax expense	\$108,414	\$1,760,872

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(b) Below is a summary of the movement of the deferred tax assets and liabilities during the years ended December 31, 2025 and 2024:

	Operating losses carryforward	Property, equipment and software	Intangible assets and right-of-use assets	Net lease liability	Others	Total
Balance, December 31, 2023	\$7,304,802	(\$10,737,032)	\$16,901,846	\$573,261	\$4,133,946	\$18,176,823
Recovery (expense) in net loss	(3,811,237)	1,133,837	598,991	(169,050)	2,054,249	(193,210)
Expense in equity	—	—	—	—	(361,512)	(361,512)
Balance, December 31, 2024	3,493,565	(9,603,195)	17,500,837	404,211	5,826,683	17,622,101
Recovery (expense) in net loss	7,420,774	9,258,581	(14,718,923)	(302,735)	(1,407,887)	249,810
Balance, December 31, 2025	\$10,914,339	(\$344,614)	\$2,781,914	\$101,476	\$4,418,796	\$17,871,911

	Deferred tax asset	Deferred tax liability	Net deferred tax assets
Balance, December 31, 2024	\$27,225,296	(\$9,603,195)	\$17,622,101
Balance, December 31, 2025	\$18,216,525	(\$344,614)	\$17,871,911

(c) The following presents losses and deductible temporary differences for which deferred tax assets were not recognized:

	2025	2024
Restricted US interest expenses	\$8,468,054	\$—
Capital losses	141,457	1,235,429
Non-capital losses	20,251,595	—
Intangible assets	32,623,041	—
Total unrecognized deductible temporary differences	\$61,484,147	\$1,235,429

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The Canadian non-capital loss carry forwards expire as noted in the table below:

Year of expiry	As at December 31, 2025
2045	\$3,899,311
2044	290,813
2043	477,910
2042	6,504,954
2041	6,845,907
2040	2,232,700
Total non-capital losses	20,251,595

(d) The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.50% (2024 - 26.50%) to the effective tax rate is as follows:

	2025	2024
Net income (loss) before tax	(\$7,913,276)	\$1,745,009
Statutory income tax rate	26.5 %	26.5 %
Computed income tax expense (recovery)	(2,097,018)	462,427
Increase (decrease) resulting from:		
Changes in tax rates	(17,103)	296,992
Non-deductible expenses	418,262	503,131
Difference in foreign tax rates	183,525	435,484
Change in tax benefits not recognized	16,717,708	—
Recognition of previously not recognized tax benefits	(13,447,000)	—
Prior period adjustments and other	(1,649,960)	62,838
Total income tax expense	\$108,414	\$1,760,872

13. Change in non-cash operating assets and liabilities:

	For the years ended December 31	
	2025	2024
Trade and other receivables	(\$164,000)	(\$1,391,422)
Prepaid expenses and other assets	267,817	171,821
Accounts payable, accrued liabilities and other long-term liabilities	2,933,287	934,058
Deferred revenue	(113,659)	(31,457)
	\$2,923,445	(\$317,000)

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14. Commitments and contingencies:

(a) Commitments:

The Company has \$682,500 in payment commitments for 2026 (not recognized as liabilities as of December 31, 2025) with respect to a hosting agreement.

(b) Contingencies:

The Company, from time to time, is involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company recognizes provisions with respect to these claims if they are likely to result in future economic outflows. As at December 31, 2025 and 2024, there were no material claims against the Company.

15. Earnings (loss) per share:

The following table summarizes the calculation of the weighted average number of basic and diluted voting shares for the year ended December 31, 2025:

	For the years ended December 31	
	2025	2024
Net loss	(\$8,021,690)	(\$15,863)
Issued subordinate and multiple voting shares	21,609,235	21,401,359
Weighted average shares outstanding basic and diluted	21,570,699	21,558,016
Loss per share basic and diluted	(\$0.37)	\$0.00

During the year ended December 31, 2025, there were nil weighted average outstanding share options, RSUs, DSUs, PSUs and other share-based compensation included in the computation of diluted loss per share (year ended December 31, 2024 - nil). All potentially dilutive securities have been excluded from the calculation of diluted loss per share for all periods presented, as the Company was in a net loss position during those periods. Including the dilutive securities would be anti-dilutive; therefore, basic and dilutive number of shares used in the calculation is the same for those periods presented.

16. Financial instruments:

(a) Fair values:

The fair values of cash, restricted cash, trade and other receivables, other current assets and accounts payable and accrued liabilities are assumed to approximate their carrying amounts because of their short term to maturity. The carrying value of the Company's revolving loan approximate fair value due to the variable interest rate in the Credit Facility (as defined herein).

In addition, for financial reporting purposes, fair value measurement is categorized into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value are observable and the

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significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 - this level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.
- Level 2 - this level includes valuations determined using directly (i.e., as prices) or indirectly (i.e., derived from prices) observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.
- Level 3 - this level includes valuations based on inputs which are less observable, unavailable or when the observable data does not support a significant portion of the instrument's fair value.

Level 3 instruments includes derivative financial instruments which are measured at their estimated fair value. There were no transfers of fair value measurement between Level 1, 2, and 3 of the fair value hierarchy during the year ended December 31, 2025 and 2024.

(b) Credit risk:

The Company is exposed to credit risk on the trade receivables from its customers. The Company establishes a credit loss provision that corresponds to the specific risk of its customers. As at December 31, 2025, there was one individual customer comprising more than 10% of the Company's trade receivables balance. This customer is in the online advertising economic sector. As at December 31, 2024, there was no individual customer comprising more than 10% of the Company's trade receivables balance.

During the year ended December 31, 2025 and 2024, one customer generated revenue totaling 15% of consolidated revenue.

	2025	2024
0-30 days	\$12,156,024	\$13,527,660
31-60 days	684,136	497,994
61-90 days	617,076	236,535
Greater than 90 days	828,800	291,447
	14,286,036	14,553,636
Expected credit loss provision	(55,945)	(32,822)
Net trade receivables	\$14,230,091	\$14,520,814

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2025	Total	0-60 days	61-90 days	Over 90 days
Default rates	(0.4)%	(0.1)%	(1.6)%	(3.5)%
Trade receivables	\$14,286,036	\$12,840,160	\$617,076	\$828,800
Expected credit loss provision	(55,945)	(16,947)	(9,886)	(29,112)

2024	Total	0-60 days	61-90 days	Over 90 days
Default rates	(0.2)%	(0.2)%	(1.6)%	(1.5)%
Trade receivables	\$14,553,636	\$14,025,654	\$236,535	\$291,447
Expected credit loss provision	(32,822)	(24,892)	(3,693)	(4,237)

(c) Interest rate risk:

The Company is exposed to interest rate risk on its Credit Facility, which bears interest at Term SOFR plus a margin determined by the Company's net leverage ratio.

	For the years ended December 31	
	2025	2024
Interest income	(117,496)	(4,995)
Interest accretion expense - leases	66,842	136,124
Interest on long term debt	2,828,733	3,623,152
Credit facility financing fees	10,023	1,503,900
Adjustment for extinguishment of long term debt	—	140,640
Interest expense - other	269,416	286,078
Interest and financing expense	3,175,014	5,689,894
Net interest and financing expense	\$3,057,518	\$5,684,899

The Company is also exposed to interest rate risk on the utilized portion of the Credit Facility. If there was a 1% increase in the interest rate on the Credit Facility, there would be a corresponding increase in loss before income tax of \$440,000. There would be an equal and opposite impact if there was a 1% decrease in the interest rate.

(d) Foreign currency risk:

The Company obtains services from vendors and employees located outside of the United States which are subject to foreign exchange fluctuations. The Company manages this risk by monitoring its non-US dollar cash flow. The Company has the following non-US dollar denominated balances as at December 31, 2025:

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	2025	2024
Cash and restricted cash	\$2,566,887	\$405,902
Trade and other receivables	2,606,733	1,983,712
Prepaid expenses and other assets	769,510	640,009
Lease receivable	226,628	326,267
Accounts payable and accrued liabilities	2,779,779	1,969,661
Deferred revenue	125,861	76,200
Lease liability	899,500	1,954,254
Other long-term liabilities	26,612	26,612

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. A large portion of the Company's operating expenses occur in foreign currencies (mainly in Canadian dollars) and, therefore, the Company is exposed to foreign currency risk at the end of the reporting period through its non-US dollar denominated financial instruments. As at December 31, 2025, a 1% depreciation or appreciation of the Canadian dollar against the US dollar would have resulted in an approximate \$127,981 and \$130,566 increase or decrease, respectively, in income (loss) before income taxes (as at December 31, 2024 - \$128,678 and \$131,278, respectively).

From time to time, the Company enters into foreign exchange contracts with financial institutions to hedge the value of foreign currency-denominated liabilities, or future commitments. Gains and losses from these contracts offset the losses and gains from the underlying hedged transactions. As at December 31, 2025, the Company has entered into foreign exchange forward contracts to sell USD in exchange for CAD. The forward contracts outstanding as at December 31, 2025 have a notional value of \$1,521,312 (2024 - \$4,920,256), carrying value of \$1,532,042 (2024 - \$4,775,188) and an unrealized gain of \$10,729 (2024 - unrealized loss of \$145,068). The forward contracts outstanding as at December 31, 2025 will settle throughout 2026.

(e) Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements. The Company maintains sufficient cash on hand and access to a revolving loan to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures for the year ended December 31, 2025.

The majority of the Company's financial liabilities recorded in accounts payable and accrued liabilities are due within 60 days. The details of the Company's long-term debt are disclosed in note 9.

17. Capital risk management:

The Company's capital structure consists of shareholders' equity and long-term debt. The Company manages its capital structure based on the funds available to it in order to support the continuation and expansion of its operations and to fund future acquisitions. The Company

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intends to rely on positive cash flows from operations, issuance of share capital and funds available under their Credit Facility to achieve its growth strategies.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements aside from the covenants described in note 9. As at December 31, 2025, the Company is in compliance with the covenants described in note 9.

18. Geographical information:

The Company transacts in multiple countries, primarily in the US and Canada. In presenting geographical information, revenue is based on the country in which the revenue is transacted, and assets are based on the geographic location of the assets.

Geographic revenue	For the years ended December 31	
	2025	2024
United States	\$43,295,061	\$55,644,689
Canada	7,316,458	7,383,466
United Kingdom	1,618,608	2,072,389
Australia	751,894	775,901
Other	5,164,217	3,175,636
	\$58,146,238	\$69,052,081

Geographic non-current assets *	2025		2024	
United States	\$64,571,842		\$74,592,603	
Canada	16,267,700		16,681,317	
Other	807,586		1,160,694	
	\$81,647,128		\$92,434,614	

*Non-current assets include property and equipment, right-of-use assets, intangible assets, goodwill and other non-current assets.

19. Related party transactions:

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. There were no post-employment benefits or other long-term benefits attributed to the key management personnel.

	For the years ended December 31	
	2025	2024
Short-term employee benefits and other benefits	\$2,365,806	\$2,120,279
Share-based compensation	1,335,288	2,091,491