Condensed Consolidated Interim Financial Statements
(In US dollars)
(Unaudited)

VERTICALSCOPE HOLDINGS INC.

Three and Six Months Ended June 30, 2026 and 2025

VERTICALSCOPE HOLDINGS INC.

Condensed Consolidated Interim Statements of Financial Position
(In US dollars)
(Unaudited)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash	$7,263,958	$16,373,449
Restricted cash	170,715	164,496
Trade and other receivables (note 5)	19,972,634	15,122,763
Lease receivable	130,409	126,668
Income taxes receivable	67,144	349,547
Prepaid expenses	872,261	574,390
Derivative instruments	—	10,729
	28,477,121	32,722,042
Property and equipment	228,442	282,566
Right-of-use asset	441,762	535,990
Intangible assets (note 7)	17,833,540	25,846,567
Goodwill	54,908,063	54,908,063
Other assets	89,289	73,942
Deferred tax asset	19,755,425	17,871,911
Lease receivable	33,806	99,960
Total assets	$121,767,448	$132,341,041
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$14,835,230	$10,086,039
Income taxes payable	268,459	318,650
Derivative instruments	39,858	—
Deferred revenue	1,098,838	1,011,933
Current portion of long-term debt (note 8)	486,128	619,313
Lease liability	494,001	448,982
	17,222,514	12,484,917
Long-term debt (note 8)	32,000,000	44,000,000
Lease liability	315,335	555,399
Other long-term liabilities	26,612	26,612
Total liabilities	49,564,461	57,066,928
Shareholders' equity:		
Share capital (note 9)	160,236,144	159,382,348
Contributed surplus (note 10)	23,348,295	23,319,659
Other comprehensive loss	(145,494)	(145,494)
Deficit	(111,235,958)	(107,282,400)
	72,202,987	75,274,113
Related party transactions (note 16)		
Subsequent events (note 17)		
Total liabilities and shareholders' equity	$121,767,448	$132,341,041

See accompanying notes to condensed consolidated interim financial statements.

VERTICALSCOPE HOLDINGS INC.

Condensed Consolidated Interim Statements of Net Loss
(In US dollars)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue (notes 6 and 15)	$13,824,196	$14,540,316	$25,384,742	$28,105,833
Operating expenses:				
Wages and consulting	6,804,413	8,276,004	13,463,615	15,438,208
Share-based compensation (note 10)	423,257	(124,142)	882,432	1,127,851
Platform and technology	1,784,435	2,074,497	3,495,183	3,714,095
General and administrative	1,317,663	1,382,546	2,519,583	2,443,011
Depreciation and amortization	3,967,517	4,830,349	9,046,666	9,253,924
	14,297,285	16,439,254	29,407,479	31,977,089
Operating loss	(473,089)	(1,898,938)	(4,022,737)	(3,871,256)
Other expenses (income):				
Other income	(7,090)	(1,824)	(26,249)	(1,824)
Gain on sale of assets	—	(2,601)	(632)	(2,941)
Net interest and financing expense (note 12)	580,543	815,644	1,236,488	1,563,462
Foreign exchange loss	25,007	17,385	47,740	73,040
Realized other loss	—	26,453	—	94,030
Unrealized other gain	—	(26,453)	—	—
	598,460	828,604	1,257,347	1,725,767
Loss before income taxes	(1,071,549)	(2,727,542)	(5,280,084)	(5,597,023)
Income tax expense (recovery)				
Current	449,705	(255,579)	556,988	155,905
Deferred	(687,299)	(679,785)	(1,883,514)	(1,545,241)
	(237,594)	(935,364)	(1,326,526)	(1,389,336)
Net loss	($833,955)	($1,792,178)	($3,953,558)	($4,207,687)
Loss per share (note 13):				
Loss per share basic and diluted	($0.04)	($0.08)	($0.18)	($0.19)
Weighted average shares outstanding basic and diluted	21,751,497	21,557,547	21,713,087	21,626,833

See accompanying notes to condensed consolidated interim financial statements.

VERTICALSCOPE HOLDINGS INC.

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

	Multiple Voting Shares ("MVS")		Subordinate Voting Shares ("SVS")					
	Number of shares	Amount	Number of shares	Amount	Contributed surplus	Other comprehensive loss	Deficit	Total Shareholders' Equity
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	—	—	—	—	—	—	(4,207,687)	(4,207,687)
Share-based compensation (note 10)	—	—	—	—	1,127,851	—	—	1,127,851
Repurchase of share capital for cancellation (note 11)	—	—	(523,273)	(8,415,278)	—	—	6,570,208	(1,845,070)
Shares issued on exercise of vested RSUs, PSUs & Other SBC (notes 9 and 10)	—	—	608,999	3,869,032	(3,869,032)	—	—	—
Cash settlement for vested RSUs	—	—	—	—	(119,753)	—	—	(119,753)
Balance as at June 30, 2025	**2,957,265**	**$7,191,707**	**18,529,820**	**$151,512,060**	**$22,552,185**	**($145,494)**	**($103,468,395)**	**$77,642,063**

	Multiple Voting Shares ("MVS")		Subordinate Voting Shares ("SVS")					
	Number of shares	Amount	Number of shares	Amount	Contributed surplus	Other comprehensive loss	Deficit	Total Shareholders' Equity
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**
Net loss	—	—	—	—	—	—	(3,953,558)	(3,953,558)
Share-based compensation (note 10)	—	—	—	—	882,432	—	—	882,432
Shares issued on exercise of vested RSUs & DSUs (notes 9 and 10)	—	—	227,787	853,796	(853,796)	—	—	—
Balance as at June 30, 2026	**2,957,265**	**$7,191,707**	**18,879,757**	**$153,044,437**	**$23,348,295**	**($145,494)**	**($111,235,958)**	**$72,202,987**

See accompanying notes to condensed consolidated interim financial statements.

VERTICALSCOPE HOLDINGS INC.

Condensed Consolidated Interim Statements of Cash Flows
(In US dollars)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cash provided by (used in):				
Operating activities:				
Net loss	($833,955)	($1,792,178)	($3,953,558)	($4,207,687)
Items not involving cash:				
Depreciation and amortization	3,967,517	4,830,349	9,046,666	9,253,924
Net interest and financing expense (note 12)	580,543	815,644	1,236,488	1,563,462
Gain on sale of assets	—	(2,601)	(632)	(2,941)
Unrealized loss (gain) in derivative instruments	23,870	(138,557)	50,587	(188,208)
Unrealized other gain	—	(26,453)	—	—
Income tax expense (recovery)	(237,594)	(935,364)	(1,326,526)	(1,389,336)
Other income	587	—	(18,572)	—
Share-based compensation (note 10)	423,257	(124,142)	882,432	1,127,851
	3,924,225	2,626,698	5,916,885	6,157,065
Change in non-cash operating assets and liabilities (note 11)	(2,640,073)	4,792,347	(292,909)	5,027,900
Interest paid (note 8)	(637,414)	(690,393)	(1,341,179)	(1,414,940)
Income taxes paid	(254,563)	(287,300)	(344,019)	(362,330)
Net cash provided by operating activities	392,175	6,441,352	3,938,778	9,407,695
Financing activities:				
Proceeds from issuance of revolving loan	—	3,000,000	—	6,000,000
Repayment of revolving loan	(12,000,000)	—	(12,000,000)	—
Cash settlement for vested RSUs (note 10)	—	(119,753)	—	(119,753)
Repurchase of share capital for cancellation (note 9)	—	(1,845,070)	—	(1,845,070)
Lease payments	(135,141)	(232,372)	(270,380)	(555,651)
Proceeds from sublease	33,972	138,002	67,942	278,942
Net cash provided by (used in) financing activities	(12,101,169)	940,807	(12,202,438)	3,758,468
Investing activities:				
Additions to property and equipment and intangible assets	(606,631)	(268,712)	(841,393)	(714,654)
Proceeds from sale of assets	—	2,601	1,781	2,941
Acquisitions	—	(4,038,028)	—	(9,494,430)
Net cash used in investing activities	(606,631)	(4,304,139)	(839,612)	(10,206,143)
Increase (decrease) in cash	(12,315,625)	3,078,020	(9,103,272)	2,960,020
Cash, beginning of period	19,586,318	5,014,293	16,373,449	5,189,315
Change in restricted cash balances	(6,735)	(9,052)	(6,219)	(5,723)
Effect of movement of exchange rates on cash and restricted cash held	—	60,351	—	—
Cash, end of period	$7,263,958	$8,143,612	$7,263,958	$8,143,612

See accompanying notes to condensed consolidated interim financial statements.

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 unaudited Condensed Consolidated Interim Financial Statements ("Interim Financial Statements") have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS® Accounting Standards and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2025. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2025. These Interim Financial Statements are presented in US dollars, which is the Company's functional currency.

These Interim Financial Statements were approved and authorized for issuance by the Board of Directors of the Company on August 13, 2026.

(b) Basis of consolidation:

These Interim 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 June 30, 2026.

(c) Use of estimates and judgments:

The preparation of Interim 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 Interim 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.

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 CGU's 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 asset:

- 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 cost to reproduce 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.

(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. This judgment extends to the development of autonomous AI agents and agentic workflows designed to interface directly with the Company's proprietary databases. 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 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 June 30, 2026 and determined that no adjustments to the consolidated financial statements are required. As at June 30, 2026, 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.

More broadly, ongoing geopolitical instability, including armed conflicts in the Middle East and related disruptions to global markets, may indirectly affect the Company's business through impacts on advertiser spending and consumer confidence.

(e) Change in classification:

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

3. Material accounting policies:

These Interim Financial Statements have been prepared using the accounting policies outlined in note 3 of the audited consolidated financial statements as at and for the year ended December 31, 2025, except the following:

New and amended standards adopted by the Company:

(i) IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

Effective January 1, 2026, the Company adopted Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The amendments provide clarification on the classification of financial assets, including those with environmental, social, and governance (ESG) linked features, and introduce new requirements for the derecognition of financial liabilities.

These amendments were applied retrospectively for annual periods beginning on or after January 1, 2026. The Company adopted these amendments as of January 1, 2026. The adoption of these amendments did not have a material impact on these Interim Financial Statements.

Recently issued accounting pronouncements not yet effective:

(i) IFRS 18 - 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 is effective for annual periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. The Company intends to adopt the standard on its effective date.

The Company is currently evaluating the impact of these amendments. The Company expects these amendments to have an impact on the presentation and disclosure of its 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 table summarizes the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. The measurement period ended during the current period and the purchase price allocation has been finalized.

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.

5. Trade and other receivables:

	June 30, 2026	December 31, 2025
Trade accounts receivable	$18,765,617	$14,230,091
Investment tax credits recoverable	154,341	155,977
Sundry receivable	1,052,676	736,695
	$19,972,634	$15,122,763

6. Revenue:

Disaggregation of revenue:

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Digital advertising	$10,923,324	$11,496,678	$19,900,050	$22,997,349
E-commerce	2,900,872	3,043,638	5,484,692	5,108,484
Revenue	$13,824,196	$14,540,316	$25,384,742	$28,105,833

7. Acquired and other intangible assets:

	Websites / Trade Names	Acquired content	Customer relationships	Software	Total
Cost					
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
Additions arising from internal development	—	—	—	833,924	833,924
Balance, June 30, 2026	$156,434,302	$99,481,661	$40,924,430	$62,139,669	$358,980,062
Accumulated amortization					
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
Amortization	1,844,967	1,108,127	1,924,000	3,969,857	8,846,951
Balance, June 30, 2026	$152,296,641	$99,421,003	$39,542,538	$49,886,340	$341,146,522
Carrying amounts					
December 31, 2025	$5,982,628	$1,168,785	$3,305,892	$15,389,262	$25,846,567
June 30, 2026	$4,137,661	$60,658	$1,381,892	$12,253,329	$17,833,540

For the six months ended June 30, 2026, the Company capitalized third party costs of $382,280 and internal costs of $451,644 in relation to platform and mobile application development and applied AI initiatives. For the six months ended June 30, 2025, the Company capitalized third party costs of $9,626 and internal costs of $678,847. 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.

During the six months ended June 30, 2026, the Company did not acquire any community sites. During the six months ended June 30, 2025, the Company completed three asset acquisitions comprising 24 community sites, for a total purchase price of $5,476,450 as well as one business combination in which the Company acquired $1,800,000 of intangible assets (note 4). 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.

8. Long-term debt:

	Revolving Loan
Balance, December 31, 2024	$38,687,875
Advances	6,000,000
Payments	(2,897,295)
Interest and accretion	2,828,733
Balance, December 31, 2025	44,619,313
Payments	(13,341,179)
Interest and accretion	1,207,994
Balance, June 30, 2026	$32,486,128
Current portion of long-term debt	486,128
Non-current portion of long-term debt	$32,000,000

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 Second A&R Credit Agreement contains representations and warranties, affirmative and negative covenants and events of default. As at June 30, 2026, the maximum total net leverage ratio under the Second A&R Credit Agreement was 3.00x and the minimum fixed charge coverage ratio was 1.25x. As at June 30, 2026, the Company was in compliance with its financial covenants under the Second A&R Credit Agreement.

The Company made payments, including interest, of $13,341,179 during the six months ended June 30, 2026 against the long-term debt (during the six months ended June 30, 2025 - $1,414,940).

The Company is required to pay a quarterly commitment fee for the total undrawn amount of the Revolver. As at June 30, 2026, 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 six months ended June 30, 2026, the total commitment fee was $138,333 included in net interest

and financing expense in the condensed consolidated interim statement of net loss (six months ended June 30, 2025 - $136,083).

During the six months ended June 30, 2026, the total interest expense incurred on long-term debt was $1,207,994 (six months ended June 30, 2025 - $1,373,069).

As at June 30, 2026, the Company had principal outstanding of $32,000,000 under its Second A&R Credit Agreement with $68,000,000 available to borrow from its Revolving Loan. As at June 30, 2026, the Company had accrued interest of $486,128 (December 31, 2025 - $619,313).

9. Share capital:

	Voting Shares			
	MVS	Amount	SVS	Amount
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)	(8,415,278)
Shares issued on exercise of vested RSUs, PSUs & Other SBC	—	—	608,999	3,869,032
Balance as at June 30, 2025	2,957,265	$7,191,707	18,529,820	$151,512,060
Balance as at December 31, 2025	2,957,265	$7,191,707	18,651,970	$152,190,641
Shares issued on exercise of vested RSUs & DSUs	—	—	227,787	853,796
Balance as at June 30, 2026	2,957,265	$7,191,707	18,879,757	$153,044,437

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 were canceled. Purchases under the Company's NCIB concluded on August 15, 2025.

During the six months ended June 30, 2026, the Company repurchased and canceled nil of its SVS. During the six months ended June 30, 2025, the Company repurchased and canceled 523,273 of its SVS for an aggregate purchase price of $1,845,070.

10. 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 2,620,443 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").

The following table summarizes share-based compensation balances in contributed surplus as at June 30, 2026:

	Share Options	Deferred share units	Restricted share units	Market performance-based share units	Other Share-Based Compensation	Total
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	28,782	150,000	274,172	674,897	—	1,127,851
Shares issued on exercise of vested RSUs, PSUs & Other SBC	—	—	(1,999,670)	(1,069,362)	(800,000)	(3,869,032)
Cash settlement for vested RSUs	—	—	(119,753)	—	—	(119,753)
Contributed surplus, June 30, 2025	$13,941,671	$864,179	$823,055	$6,923,280	$—	$22,552,185
Contributed surplus, December 31, 2025	$14,149,153	$1,014,179	$1,189,652	$6,966,675	$—	$23,319,659
Share-based compensation expense	125,938	150,000	538,703	67,791	—	882,432
Shares issued on exercise of vested RSUs & DSUs	—	(229,676)	(624,120)	—	—	(853,796)
Contributed surplus, June 30, 2026	$14,275,091	$934,503	$1,104,235	$7,034,466	$—	$23,348,295

Share Options:

The following table summarizes share options that are outstanding as at June 30, 2026 and June 30, 2025.

	June 30, 2026		June 30, 2025	
	Number of options	Weighted average exercise price per share	Number of options	Weighted average exercise price per share
Outstanding share options, beginning of period	902,283	$12.65	669,035	$18.07
Granted share options	12,996	2.32	108,142	3.69
Forfeited share options	(11,362)	4.70	(100,217)	7.84
Expired share options	(6,391)	11.83	(5,083)	13.73
Outstanding share options, end of period	897,526	$12.59	671,877	$17.74

The Company uses the Black-Scholes option pricing model to estimate the fair value of share options on the date of grant.

On March 5, 2026, the Company granted 12,996 share options with an aggregate grant date value of $18,939. These options vest over a four-year period. For the six months ended June 30, 2026, the Company recorded $3,512 in share-based compensation expense related to this grant. The fair value was determined using a risk-free interest rate of 3.38%, expected volatility of 49.06%, and an expected time until exercise of ten years.

On March 17, 2025, the Company granted 83,071 share options with an aggregate grant date value of $360,487. These options vest over a four-year period. For the six months ended June 30, 2025, the Company recorded $6,017 in share-based compensation expense related to this grant. The fair value was determined using a risk-free interest rate of 3.04%, expected volatility of 48.62%, and an expected time until exercise of ten years.

On May 15, 2025, the Company granted 25,071 share options with an aggregate grant date value of $41,297. These options vest over a four-year period. For the six months ended June 30, 2025, the Company recorded $2,391 in share-based compensation expense related to this grant. The fair value was determined using a risk-free interest rate of 3.20%, expected volatility of 48.97%, and an expected time until exercise of ten years.

As the Subordinate Voting Shares have not historically paid dividends, the expected dividend yield in the fair value calculations for both periods was 0%.

Deferred Share Units:

During the three and six months ended June 30, 2026, the Company granted 40,541 and 76,669 equity-settled DSUs with a grant date value of $75,000 and $150,000, respectively (three and six months ended June 30, 2025, the Company granted 24,591 and 36,364 equity-settled DSUs with

a grant date value of $75,000 and $150,000, respectively). The grant value was recorded as share-based compensation expense. The DSUs were valued based on the five-day volume-weighted average price (VWAP) of the Company's Subordinate Voting Shares as at the quarter-end.

Restricted Share Units:

On March 5, 2026, the Company granted 6,625 equity-settled RSUs with an aggregate grant value of $15,238. These units vest annually in equal tranches over a four-year period commencing March 5, 2027. For the six months ended June 30, 2026, the Company recorded $2,564 in share-based compensation expense related to this grant. The RSUs were valued using the closing market price of the Subordinate Voting Shares on the grant date.

In the comparative period, on March 17, 2025, the Company granted 59,697 equity-settled RSUs with an aggregate grant date value of $436,539. These units vest annually in equal tranches over a four-year period commencing March 17, 2026. No share-based compensation expense was recorded for the six months ended June 30, 2025 as the granted restricted share units were forfeited during the period. The RSUs were valued using the closing market price of the Subordinate Voting Shares on the grant date.

Market Performance-Based Share Units:

The Company granted no market performance-based share units during the three and six months ended June 30, 2026 and June 30, 2025.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Trade and other receivables	($7,188,865)	$617,689	($4,815,551)	$3,441,914
Prepaid expenses and other assets	(22,705)	(21,903)	(313,218)	(114,144)
Accounts payable, accrued liabilities and other long-term liabilities	4,477,878	3,789,152	4,748,955	1,430,898
Deferred revenue	93,619	407,409	86,905	269,232
	($2,640,073)	$4,792,347	($292,909)	$5,027,900

12. Net interest expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Interest income	($50,887)	($2,802)	($135,326)	($2,837)
Interest accretion expense - leases	11,684	21,656	24,763	46,491
Interest on long term debt (note 8)	545,689	730,140	1,207,994	1,373,069
Credit facility financing fees	—	—	—	10,023
Interest expense - other	74,057	66,650	139,057	136,716
Interest expense	631,430	818,446	1,371,814	1,566,299
Net interest and financing expense	$580,543	$815,644	$1,236,488	$1,563,462

13. Loss per share:

The following table summarizes the calculation of the weighted average number of basic and diluted voting shares for the three and six months ended June 30, 2026:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss	($833,955)	($1,792,178)	($3,953,558)	($4,207,687)
Issued subordinate and multiple voting shares	21,837,022	21,487,085	21,837,022	21,487,085
Weighted average shares outstanding basic and diluted	21,751,497	21,557,547	21,713,087	21,626,833
Loss per share basic and diluted	($0.04)	($0.08)	($0.18)	($0.19)

During the three and six months ended June 30, 2026, 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 (three and six months ended June 30, 2025 - 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.

14. Financial instruments:

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 approximates 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 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 include 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 three and six months ended June 30, 2026 and 2025.

15. 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
Geographic revenue	2026	2025	2026	2025
United States	$10,532,532	$11,384,515	$18,990,748	$22,154,299
Canada	1,742,412	1,836,414	3,243,122	3,037,371
United Kingdom	296,217	337,951	647,421	772,098
Australia	169,864	209,208	339,902	372,916
Other	1,083,171	772,228	2,163,549	1,769,149
	$13,824,196	$14,540,316	$25,384,742	$28,105,833

16. Related party transactions:

On April 13, 2026, the Company entered into a Services, Development and License Agreement and Statement of Work No. A-1 with AltaML Inc. (together, the "AltaML Engagement Agreement") for AI development services and post-engagement platform licensing. Cory Janssen, a director of the Company, is the Chief Executive Officer of AltaML and, as a result, AltaML is a related party of the Company. The director did not participate in the Board of Directors' approval of the AltaML Engagement Agreement. The AltaML Engagement Agreement was negotiated at arm's length and

on commercially reasonable terms consistent with those the Company would expect to obtain in a transaction with an unrelated third party.

Under the AltaML Engagement Agreement, the Company agreed to a total base engagement fee of $1,500,000, a performance fee of up to $370,000 contingent on AltaML's achievement of specified performance targets, and an ongoing post-engagement platform license fee commencing upon completion of the engagement.

For the three and six months ended June 30, 2026, the Company capitalized $376,200 as an internally generated intangible asset, representing development-phase costs meeting the recognition criteria under IAS 38, and recognized $95,584 as an expense, representing research-phase expenses and platform license costs that did not meet the intangible asset recognition criteria. As at June 30, 2026, $125,850 was owing to AltaML and included in accounts payable and accrued liabilities, which is unsecured, non-interest bearing, and due on normal commercial terms. No guarantees have been given or received in connection with this transaction.

17. Subsequent events:

On July 6, 2026, the Company entered into an agreement to invest $6,122,190 in AltaML, a Canadian applied artificial intelligence company with which the Company has an existing commercial relationship (note 16). The investment consists of an 18-month, interest-bearing, secured promissory note issued by AltaML to the Company, together with a five-year warrant, issued as additional consideration, entitling the Company to acquire preferred shares of AltaML.

As AltaML is a related party of the Company, the investment is a related party transaction. The director did not participate in the Board of Directors' approval of the investment. The investment agreement was negotiated at arm's length and on commercially reasonable terms consistent with those the Company would expect to obtain in a transaction with an unrelated third party. The transaction is also a "related party transaction" for purposes of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions; the Company relied on available exemptions from the formal valuation and minority shareholder approval requirements that would otherwise apply under that instrument.

This transaction arose after June 30, 2026 and is a non-adjusting subsequent event. It does not affect the recognition or measurement of assets, liabilities, revenue or expenses in these Interim Financial Statements as at and for the three and six months ended June 30, 2026.