

**NowVertical Group Inc.**  
**Management’s Discussion and Analysis**  
**For the year ended December 31, 2025**

**April 7, 2026**

The following management’s discussion and analysis (“**MD&A**”) is intended to assist readers in understanding the business environment, strategies, performance and risk factors of NowVertical Group Inc. (the “**Company**”, “**NowVertical**”, “**NOW**”, “**we**”, “**us**” or “**our**”). All references to “\$” are U.S. dollars and all references to “C\$” are Canadian dollars.

As described in this MD&A and in the Company’s filings on SEDAR+, the Company was formed in September 2020 with a business strategy to bring together top technologies, services and the human capital needed to provide public and private organizations with full stack analytic and intelligence solutions. In June 2021, the Company went public and has built an experienced corporate management team and board, completed nine acquisitions and now employs more than 600 people in ten countries on five continents.

This MD&A provides the reader with a view and analysis, from the perspective of management, of the Company’s results of operations and financial position for the year ended December 31, 2025 and should be read in conjunction with the Company’s annual consolidated financial statements and notes thereto for the years ended December 31, 2025 and 2024 (the “**Audited Financial Statements**”), which were prepared in accordance with International Financial Reporting Standards (“**IFRS**”), as issued by the International Accounting Standards Board (“**IASB**”) and interpretations issued by the International Financial Reporting Interpretations Committee in effect on January 1, 2024. The December 31, 2025, Financial Statements and the notes thereto, along with this MD&A, were approved by the Company’s board of directors (the “**Board**”) on April 7, 2026.

**Forward-Looking Statements**

This MD&A may contain statements deemed “forward-looking statements” that involve risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company or its industry to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. All statements in this MD&A, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward-looking statements, and words such as “may”, “will”, “expect”, “believe”, “plan”, “intend”, “should”, “anticipate”, “endeavour”, “contemplate” and other similar terminology are intended to identify these forward-looking statements. These statements reflect management’s current assumptions and expectations regarding future events and operating performance as of the date of this MD&A.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future events, performance, or results, and will not necessarily be accurate indications of whether or not such events, performance or results will be achieved. Several factors could cause actual events, performance, or results to vary significantly from the events, performance or results discussed in the forward-looking statements, including but not limited to the factors discussed below under “Risks and Uncertainties”. Although the forward-looking statements contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual events, performance or results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation, except as required by law, to update any forward-looking statements to reflect new events or circumstances. This report should be viewed in conjunction with the Company’s other publicly available filings, copies of which can be obtained electronically on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

## Non-IFRS Measures

This MD&A includes certain measures which have not been prepared in accordance with IFRS, such as “Adjusted Revenue,” “Adjusted EBITDA” and “EBITDA %”. These are not recognized measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers.

Adjusted Revenue, Adjusted EBITDA and EBITDA % provide investors with supplemental measures of the Company’s historical operating performance by adjusting for items that are not directly related to the Company’s operating performance or operating conditions and thus highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS measures.

The Company believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company’s management also uses non-IFRS financial measures to facilitate operating performance comparisons from period to period and to prepare annual budgets and forecasts. The non-IFRS financial measures referred to in this MD&A are defined below:

“**Adjusted EBITDA**” adjusts net income (loss) before depreciation and amortization expenses, net interest costs, and provision for income taxes for revenue adjustments in “Adjusted Revenue” and items such as acquisition accounting adjustments, transaction expenses related to acquisitions, transactional gains or losses on assets, asset impairment charges, non-recurring expense items, non-cash stock compensation costs, and the full year impact of cost synergies related to restructuring activities, such as a reduction of employees.

“**EBITDA %**” is defined as Adjusted EBITDA as a percentage of Adjusted Revenue.

“**Adjusted Revenue**” adjusts revenue to eliminate the effects of acquisition accounting on the Company’s revenues, which predominantly pertain to FMV adjustments to the opening deferred revenue balances of acquired companies.

For further details, please refer to the section entitled “Non-IFRS Results for the three months ended December 31, 2025” below.

## Incorporation

The Company is an Ontario corporation listed on the TSX Venture Exchange (the “TSXV”) under the symbol “NOW.V”. Prior to its name change in connection with the closing of the Transaction (as described below), the Company was a capital pool company with its shares listed TSXV known as Good2Go Corp. (“G2G”).

NowVertical Group, Inc. (“NVG”), a U.S. operating subsidiary of the Company, was incorporated on September 22, 2020, in Delaware, USA. On March 22, 2021, NVG entered into a business combination agreement with G2G, a Company incorporated under the laws of the Province of Ontario, which contemplated the acquisition by G2G of all the issued and outstanding shares of NVG (the “Transaction”). The Transaction, which was structured as a “three-cornered” amalgamation and a reverse triangular merger, constituted a reverse takeover of G2G by NVG and the qualifying transaction of G2G under the TSXV’s Policy 2.4 – *Capital Pool Companies*. Concurrently with the Transaction’s closing on June 28, 2021, G2G changed its (i) name to NowVertical Group Inc., (ii) symbol on the TSXV to “NOW.V”, and (iii) year-end from February 28 to December 31, to conform with that of NVG. The Company’s Class A subordinate voting shares (the “Subordinate Voting Shares” or “SVS”) commenced trading on the TSXV under the symbol NOW.V on July 5, 2021.

## Management Commentary and Business Overview

NowVertical’s performance in the first half of 2025 reflects a deliberate transition toward a more focused, efficient, and scalable business model. During the period, reported revenue declined year-over-year, primarily driven by three non-structural factors: the divestiture of Allegient in 2024, the continued winddown and restructuring of certain Latin America (“LATAM”) operations, and timing-related impacts associated with multi-year reseller contracts and public sector engagements. These factors impacted comparability across periods but do not reflect underlying demand for

the Company's core services. Excluding these items, the underlying business remained stable, supported by continued momentum within our enterprise client base and expanding strategic account relationships.

A key highlight of the period is the continued evolution of our revenue mix. Strategic Accounts now represent a significant majority of our revenue and continue to grow year-over-year. The top 30 of the Company's strategic accounts brought in 55% of our overall revenue in the year ended December 31, 2024. For the year ended December 31, 2025, we grew this to 67% of our overall revenue. These long-standing enterprise relationships provide greater visibility, higher quality revenue, and meaningful opportunities for expansion through cross-sell and upsell initiatives. This shift reflects our intentional focus on building a more predictable and durable revenue base.

From an operational perspective, the Company has made substantial progress in improving efficiency and discipline across the organization. Administrative expenses declined materially year-over-year as a result of restructuring initiatives and the implementation of our operator-first model. This approach emphasizes leveraging in-market expertise and optimizing resource allocation across our global delivery network. As a result, we have improved operating leverage while maintaining strong delivery capabilities.

Gross margins remained resilient despite the revenue transition, reflecting the strength of our core services business and the benefits of cost optimization efforts. At the same time, operating income and Adjusted EBITDA performance demonstrate the Company's ability to grow profitability while continuing to invest in strategic initiatives.

The Company has also taken important steps to strengthen its financial position. Through debt reduction and refinancing activities, we have improved balance sheet flexibility and reduced financial constraints. This positions the Company to more effectively invest in its commercial engine, deepen client relationships, and pursue selective acquisition opportunities aligned with its strategy.

Our global delivery model continues to be a competitive advantage. By combining regional expertise with delivery hubs in key markets, we are able to provide high-quality services at competitive cost, supporting both margin expansion and scalable growth. In parallel, our partnerships with leading technology providers, including Google Cloud, Microsoft, Amazon, and Qlik, enable us to deliver integrated, AI-driven solutions tailored to enterprise clients.

As we look ahead, NowVertical is positioned to build on this foundation. The business today is more focused, more efficient, and increasingly aligned around high-value enterprise engagements. With a growing base of strategic accounts, improving profitability, and a strengthened balance sheet, we believe the Company is well positioned to deliver sustainable growth and long-term value creation.

## **Description of the Business and Business Strategy**

We help clients transform data into tangible business value with AI, and we do it fast.

NowVertical is a global data and analytics company focused on transforming data into actionable, industry-specific value for enterprise businesses worldwide. Through a suite of solutions and services, the Company enables clients to quickly harness the full potential of their data, driving measurable outcomes and accelerating potential return on investment. Enterprises optimize decision-making, improve operational efficiency, and unlock long-term value from their data using the Company's AI-Infused first party and third-party technologies.

NowVertical's solutions and services differentiate in a growing market by focusing on the following factors:

- NowVertical data expertise can connect customer and revenue data to deliver high ROI projects.
- NowVertical's delivery model starts small, proves value and scales fast to outpace competitors.
- NowVertical leverages AI in their delivery processes to accelerate project timelines and protect margins.

The Company was founded in September 2020 with a business strategy to bring together top capabilities, services and human capital needed to provide public and private organizations with full stack analytic and intelligence solutions. The Company is now a publicly traded specialist in data, analytics and artificial intelligence ("AI"), focused on driving growth through both organic initiatives and strategic expansion.

Since its inception to December 31, 2025, the Company has raised an aggregate of \$22.9 million of net proceeds that have been deployed to make 12 acquisitions across the globe and to build its management team and public company operating structure.

## **Growth Drivers**

The Company's growth strategy is built on organic revenue growth expansion, focusing on serving large enterprise clients primarily located within North America and Europe, the Middle East and Africa ("NA & EMEA") and LATAM.

NowVertical capitalizes on the significant headroom available in existing accounts, offering a clear path to revenue growth within its established client base of 100+ enterprise clients, including 30+ accounts with lifetime values exceeding \$5 million. A strong focus on cross-sell and upsell within these strategic accounts combined with sustained net-new account growth provides organic growth through a land expand strategy. The top 30 of the Company's strategic accounts brought in 55% of our overall revenue in the year ended December 31, 2024, and have a 5+ year relationship with these accounts. For the year ended December 31, 2025, we grew this to 67% of our overall revenue, steadily increasing our top 30 strategic account revenue by customer average over a trailing twelve-month period. These strategic accounts represent a significant and growing portion of our revenue base and reflect long-standing enterprise relationships with substantial expansion potential. These accounts form the foundation of our strategy, providing high-visibility, recurring revenue and meaningful expansion opportunities.

The Company's propositional approach aligns to addressing enterprises biggest data and AI challenges commonly faced in the Company's strategic accounts and focusing on high value customers and finance data. Through embedding proprietary NowVertical technologies and models or delivering on market leading technologies (provided by Microsoft, Google, Amazon, Qlik) with NowVertical's accelerated AI transformation capabilities (NowUnlock AI) the company holds a unique market position to grow total strategic account revenue.

## **Global Reach with Cost-Effective Delivery**

NowVertical's global delivery model combines regional expertise with cost efficiencies achieved through delivery powerhouses in Argentina and India. This allows the Company to deliver revenue with a best-in-class cost structure, with gross profit margins historically reaching over 50% and consistently staying near 50% gross margins. This approach allows the Company to provide high-quality, globally coordinated services at competitive rates, reducing delivery costs while enhancing margins. For clients, this model offers the advantage of global service delivery with the flexibility and responsiveness of local support, positioning NowVertical to win market share while optimizing operational expenses.

NowVertical's organic growth strategy offers a blend of scalability, market diversity, and operational efficiency. By capitalizing on existing relationships, leveraging a cost-effective global delivery model, and expanding service offerings, NowVertical is positioned to drive sustainable growth. This strategy, anchored by deep client relationships and a proven approach to account expansion, **creates the opportunity for long-term revenue growth, enhanced market positioning, and best-in-class margins.**

## **Solutions and Services**

NowVertical provides solutions to 16 of the biggest business challenges faced in key markets (LATAM and NA&EMEA) by enterprise clients in both the private and public sector. These include but are not limited to Customer Acquisition, Customer Retention, Data Risk Management, and more. The Company's operations and organic growth are measured internally by embedding solutions and their underlying data services (AI Enablement, Data Engineering, Data Governance, and more) within enterprise clients. Through this approach, the Company has been able to establish key expertise across a number of industries including:

- **Technology, Media and Telecom (TMT):** The TMT segment covers businesses in publishing, broadcasting, live events, digital media, software development, cloud computing, IT services, and other tech-driven sectors.

NowVertical empowers these organizations to harness their data for innovation, operational efficiency, marketing performance, customer retention and strategic decision-making.

- **Financial Services:** The Financial Services segment includes industries such as banking, insurance, and investment management. NowVertical helps these organizations leverage data to enhance risk management, optimize customer engagement, and streamline operations.
- **Healthcare & Pharmaceuticals:** The Healthcare & Pharmaceuticals segment includes hospitals, healthcare providers, and pharmaceutical companies. NowVertical supports these organizations in leveraging data to enhance patient outcomes, salesforce effectiveness, ensure regulatory compliance and drive operational efficiency across the healthcare value chain.
- **Energy and Oil & Gas:** This segment includes businesses in renewables and clean energy, traditional resource businesses, resource extraction and fully integrated energy companies. NowVertical helps these companies drive strategic decision-making, harness their data for innovation and create operational efficiencies.

## Dispositions Completed May 24, 2024

On May 24, 2024, the Company closed the disposition of its subsidiaries, Allegient Defense, Inc. (“**Allegient**”) to Denergy Corporation (the “**Purchaser**”) for a total gross cash consideration of up to \$12.5 million pursuant to a purchase and sale agreement among the Company, the Purchaser and The Assérac Group, LLC whereby the Purchaser acquired all of the issued and outstanding equity interests of NOW Guardian Inc., a wholly owned subsidiary of the Company through which the Company indirectly held 100% of the issued and outstanding equity interests in Allegient. The \$12.5 million all cash consideration for the transaction consists of \$7.5 million in cash received on closing, \$1.0 million pursuant to a secured promissory note payable in instalments within 18 months of closing, and \$4.0 million as an earn-out payable on Allegient reaching certain revenue milestones. As part of the transaction, the existing Allegient earnout from the 2022 purchase of Allegient has been extinguished and a new earn-out agreement was entered. Under the new earnout the Company must pay 50% of the \$4.0 million earn-out consideration up to a maximum of \$1,680,000 in aggregate with the same payment terms to the former owners. During the year ended the Company received \$0.5 million, net of transaction costs.

As of December 31, 2025, the Company has received \$8.2 million net of transaction costs and cash disposed on sale. Based on current projections, the Company expects to receive earn-out proceeds net of the related payout obligations to the former owners and brokerage fees of approximately \$0.8 million in 2026, \$0.6 million in 2027, and \$0.5 million in 2028, which will contribute positively to operating cash flows over the next several years.

## Results from Operations

	Three months ended		Year Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Revenue	\$ 9,662,117	\$ 10,874,169	\$ 37,336,751	\$ 46,873,559
Cost of revenue	4,513,355	5,206,921	18,538,832	23,815,727
Gross profit	5,148,762	5,667,248	18,797,919	23,057,832
Gross profit margin	53%	52%	50%	49%
Administrative expenses	5,296,690	2,965,019	16,426,005	18,122,044
Income (loss) from operations	\$ (147,928)	\$ 2,702,229	\$ 2,371,914	\$ 4,935,788

### Revenue

Reported revenue declined year-over-year, primarily driven by three non-structural factors: the divestiture of Allegient, the winddown and restructuring of certain LATAM operations, and timing-related impacts from multi-year reseller contracts. Excluding these factors, the underlying business remained relatively stable, reflecting continued strength in our core services and strategic account base.

Revenue decreased by 20% to \$37.3 million for the year ended December 31, 2025, compared to \$46.9 million for the same period in 2024, mainly due to the sale of Allegient on May 24, 2024, and the devaluation of the Argentine peso (page 9). Excluding Allegient, revenue decreased by 5% to \$37.3 million for the year ended December 31, 2025, compared to \$39.4 million for the year ended December 31, 2024. The decrease also reflects the impact of the closure of the Chilean and Mexican operations in the third quarter of 2024. Foreign exchange, particularly in Argentina, impacted reported U.S. dollar revenue, despite stable underlying performance in local markets. The devaluation of the Argentina peso deflated revenue for the year ended December 31, 2025, by \$2.1 million (2024: \$1.1 million).

Revenue decreased by 11% to \$9.7 million for the three months ended December 31, 2025, compared to \$10.9 million in the prior year period. The decrease is mainly driven by lower performance in Brazil which includes lower subscription and maintenance reseller revenue. This was partially offset by revenue growth in other countries.

The following tables provide additional information about the types of revenue.

	Three Months Ended		Year Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Cost plus fixed fee	\$ 58,326	\$ 195,784	\$ 341,892	\$ 4,944,886
Fixed, firm price	3,690,674	4,534,178	12,004,708	9,254,032
Time and materials	4,349,764	3,781,352	18,752,035	24,390,674
Total data analytics services	8,098,764	8,511,314	31,098,635	38,589,592
License and maintenance reselling	1,363,168	2,109,030	5,381,757	7,163,805
Software-as-a-service, license and maintenance	200,185	253,825	856,359	1,120,162
Total revenue	\$ 9,662,117	\$ 10,874,169	\$ 37,336,751	\$ 46,873,559

  

	Three Months Ended		Year Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Data analytics solutions and services				
Consulting and advisory services	\$ 401,432	\$ 248,553	\$ 1,503,496	\$ 1,022,914
Managed services	3,713,363	2,818,925	10,780,195	18,096,619
Transformation and project delivery	3,983,969	5,443,836	18,814,944	19,470,059
Total data analytics solutions and services	8,098,763	8,511,314	31,098,635	38,589,592
License and maintenance reselling	1,363,169	2,109,030	5,381,757	7,163,805
Software-as-a-service, license and maintenance	200,185	253,825	856,359	1,120,162
Total revenue	\$ 9,662,117	\$ 10,874,169	\$ 37,336,751	\$ 46,873,559

### Gross Profit

Gross profit declined in line with revenue; however, margins remained resilient, reflecting the strength of our core services business and the impact of cost optimization initiatives.

Gross profit decreased by 18% to \$18.8 million for the year ended December 31, 2025, compared to \$23.1 million for the same period in 2024, mainly due to the sale of Allegient and the devaluation of the Argentine peso (page 9). Excluding Allegient, gross profit decreased by 8% to \$18.8 million for the year ended December 31, 2025, compared with \$20.5 million in the same period in 2024. In addition, the devaluation of the Argentina Peso deflated gross profit by \$1.0 million for the year ended December 31, 2025. Gross profit margin as a percentage of revenue increased by 1% to 50% for the year ended December 31, 2025, compared to a 49% gross margin for the same period in 2024.

Gross profit decreased by 9% to \$5.1 million for the three months ended December 31, 2025, compared to \$5.7 million for the same period in 2024, mainly due to the devaluation of the Argentine peso deflated gross profit by \$0.3 million (2024: \$0.05 million). Gross profit margin as a percentage of revenue increased by 1% to 53% for the year ended December 31, 2025, compared to a 52% gross margin for the same period in 2024.

The Company continues to operate with a long-term ambition of maintaining 50% gross margin and 20% Adjusted EBITDA margin, levels that are considered best in class within the industry. The Company has sustained close to or exceeded these profitability levels quarterly for the year ended December 31, 2025, demonstrating the resilience and scalability of its operating model.

### Administrative Expenses

Administrative expenses decreased by 9% to \$16.4 million for the year ended December 31, 2025, compared to \$18.1 million for the same period in 2024. Excluding Allegient, administrative expenses increased by 2% to \$16.4 million for the year ended December 31, 2025, compared with \$16.2 million in the same period in 2024. Administrative expenses include corporate costs, the costs of acquired companies that are not included in the cost of revenue, and non-cash operating costs such as share-based compensation.

Excluding share-based compensation expense and Allegient, administrative expenses decreased by 5% to \$15.1 million for the year ended December 31, 2025, compared to \$15.9 million for the same period in 2024. This decrease was a result of our restructuring initiatives and transition to an operator-first model, demonstrating improved efficiency and operating leverage across the business. Our operator-first model allows us to leverage in-market expertise and existing capabilities more effectively, reducing overhead while improving execution and client outcomes.

Administrative expenses increased by 79% to \$5.3 million for the three months ended December 31, 2025, compared to \$3.0 million in the three months ended December 31, 2024. This increase was mainly due to a \$0.7 million increase in contractors and severance-related costs incurred in Brazil and Argentina. The three-month comparison was also impacted by foreign exchange movements, which resulted in an unfavorable variance of approximately \$1.0 million. In the three months ended December 31, 2024, the Company recorded a \$0.7 million FX gain, supported by stronger foreign currencies against the U.S. dollar. In contrast, the three-month period ended December 31, 2025 reflected a \$0.2 million foreign exchange loss, driven by relative weakening and stabilization of these currencies versus the U.S. dollar, resulting in unfavorable revaluation impacts.

Major components of administrative expenses were as follows:

	Three Months Ended		Year Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Compensation and benefits	\$ 2,662,583	\$ 1,841,714	\$ 7,516,510	\$ 8,839,631
Professional fees	690,115	671,969	1,724,189	3,038,499
Marketing and advertising	228,788	180,198	1,127,741	833,475
Investor relations and filing fees	40,789	59,320	147,211	154,384
Product development	62,808	133,641	98,911	388,412
Office and other expenses	746,022	168,050	2,213,264	2,640,022
Travel expense	60,045	102,610	356,772	310,285
Depreciation of property and equipment	(103,589)	156,622	132,228	362,848
Amortization of intangible assets	220,317	324,091	908,212	1,524,349
Exchange loss (gain)	244,467	(749,363)	847,474	(238,996)
Share-based compensation expense	444,345	76,167	1,353,493	269,135
<b>Total administrative expenses</b>	<b>\$ 5,296,690</b>	<b>\$ 2,965,019</b>	<b>\$ 16,426,005</b>	<b>\$ 18,122,044</b>

Compensation and benefits decreased by 15% to \$7.5 million for the year ended December 31, 2025, compared to \$8.8 million for the same period in 2024. Excluding Allegient, compensation and benefits increased by 2% to \$7.5 million for the year ended December 31, 2025, compared to \$7.4 million the same period in 2024. For the three months ended December 31, 2025, compensation and benefits increased by 45% to \$2.7 million, compared to \$1.8 million for the same period in 2024. The increase was primarily driven by severance related costs incurred during the quarter.

Professional fees decreased by 43% to \$1.7 million for the year ended December 31, 2025, compared to \$3 million for the same period in 2024, mainly due to lower legal costs and lower consulting and advisory services, in line with the effort to reduce corporate overhead costs. Professional fees remained consistent at \$0.7 million for the three months ended December 31, 2025, compared to the same period in 2024.

Marketing and advertising expenses increased by 35% to \$1.1 million for the year ended December 31, 2025, compared to \$0.8 million in the same period of 2024, and remained consistent at \$0.2 million for the three months ended December 31, 2025, compared to \$0.2 million in 2024. The increases primarily reflect investment in the Company's commercial engine, including expansion of the sales and marketing teams, enhanced lead-generation activities, and initiatives aimed at supporting pipeline growth and market visibility. These costs align with management's strategic focus on driving revenue growth through strengthened commercial capabilities.

Investor relations decreased by 5% to \$0.1 million for the year ended December 31, 2025, compared to \$0.2 million for the same period in 2024. Investor relations decreased by 31% to \$0.04 million for the three months ended December 31, 2025, compared to \$0.06 million for the same period in 2024 mainly due to credit memos received from vendors related to prior years.

Product development costs decreased by 75% to \$0.1 million for the year ended December 31, 2025, compared to \$0.4 million for the same period in 2024 mainly due to a tax incentive received to apply against costs incurred. Product development costs remained consistent at \$0.1 million for the three months ended December 31, 2025, compared to the same period in 2024.

Office and other expenses decreased by 16% to \$2.2 million for the year ended December 31, 2025, compared to \$2.6 million for the same period in 2024, mainly due to a concerted effort by management to reduce overhead costs and the divestiture of Allegient in May 2024. Office and other expenses increased by 344% to \$0.7 million for the three months ended December 31, 2025, compared to \$0.1 million for the same period in 2024, mainly due one-time vendor credits incurred.

Travel expenses increased by 15% to \$0.4 million for the year ended December 31, 2025, compared to \$0.3 million for the same period in 2024. Travel expenses remained consistent at \$0.1 million for the three months ended December 31, 2025, compared to the same period in 2024.

Depreciation decreased by 64% to \$0.1 million for the year ended December 31, 2025, compared to \$0.4 million for the same period in 2024. Depreciation expenses decreased by 166% to \$0.1 million negative for the three months ended December 31, 2025, compared to \$0.16 million for the same period in 2024 due to a \$0.2 reclassification, in addition to a reduction in the net book value of property and equipment.

Amortization expenses decreased by 40% to \$0.9 million for the year ended December 31, 2025, compared to \$1.5 million for the same period in 2024. Amortization expenses decreased by 32% to \$0.2 million for the three months ended December 31, 2025, compared to \$0.3 million for the same period in 2024. The decrease is due to a decrease in the net book value of intangible assets.

Share-based compensation expense increased by 403% to \$1.4 million for the year ended December 31, 2025, compared to \$0.3 million for the same period in 2024. Share-based compensation increased by 483% to \$0.4 million for the three months ended December 31, 2025, compared to \$0.1 million for the same period in 2024. These increases relate to Performance Stock Units and Restricted Stock Units granted during the year ended December 31, 2025.

### *Income from Operations*

Income from operations decreased by 52% to \$2.4 million for the year ended December 31, 2025, compared to \$4.9 million for the same period in 2024. Excluding Allegient, income from operations decreased by 45% to \$2.4 million for the year ended December 31, 2025, compared with \$4.3 million in the same period in 2024. The variance also reflects the impact of the closure of the Chilean and Mexican operations in the third quarter of 2024, which reduced the contribution from these markets in 2025. Additional included higher contractor expenditures, severance-related costs, and increased share-based compensation expense related to Performance Stock Units and Restricted Stock Units granted during the year ended December 31, 2025.

Income from operations decreased by 105% to a loss of \$0.1 million for the three months ended December 31, 2025, compared to the income from operations of \$2.7 million for the same period in 2024. The decrease was primarily driven by lower gross profit, higher contractor expenditures, severance-related costs, and increased share-based compensation expense related to Performance Stock Units and Restricted Stock Units granted during the prior quarters of 2025. The three-month comparison was also affected by an unfavorable foreign exchange variance.

### *Other Income/Expenses*

Other expenses include revaluations of financial liabilities, one-time costs, inflation impact and net interest, as follows:

Revaluation of equity consideration relates to the fair value adjustment of shares to be issued in the future in relation to acquisitions. Revaluation of contingent and deferred consideration relates to the revaluations of contingent earn-out consideration and deferred consideration in relation to acquisitions. The inflation effect on the net monetary position relates to the IAS 29 adjustment for operations in Argentina.

	Three Months Ended		Year Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Revaluation of warrant liability	\$ 293,215	\$ 201,123	\$ 117,687	\$ 221,025
Revaluation of equity consideration	-	(148,375)	(35,355)	(122,963)
Revaluation of contingent and deferred consideration	76,627	(192,263)	(516,221)	(753,044)
Inflation effect on the net monetary position	(506,416)	(337,797)	(1,305,706)	(1,585,525)
Investing income	110,948	(89,947)	386,917	438,407
Interest expense	(434,069)	(595,001)	(2,182,941)	(2,441,114)
Amortization of debt issuance costs	(110,938)	-	(263,556)	-
Gain on debt settlement	-	-	36,030	-
Gain on disposal of asset	-	(440,794)	-	3,144,515
<b>Total other income (expenses)</b>	<b>\$ (570,633)</b>	<b>\$ (1,603,054)</b>	<b>\$ (3,763,145)</b>	<b>\$ (1,098,699)</b>

### *Income Tax Expense*

Income tax expense or benefit is recognized at an amount determined by multiplying the profit (loss) before tax for the reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the period.

For the year ended December 31, 2025, the Company recorded income tax expense of \$2.6 million (2024: \$2.2 million) on a net loss before tax of \$1.4 million (2024: \$3.8 million net income before tax). For the three months ended December 31, 2025, an income tax expense of \$1.3 million was recorded (2024: \$0.5 million) on a net loss before tax of \$0.7 million (2024: \$1.1 million income before tax).

The income tax expense for the year ended December 31, 2025, arises despite a consolidated net loss before tax position, as certain subsidiaries and jurisdictions in which the Company operates generated taxable income on a stand-alone basis. Tax losses in one jurisdiction cannot be used to offset taxable profits in another.

### *Net Loss and Loss Per Share*

For the year ended December 31, 2025, the net loss was \$4.0 million, compared to net income of \$1.6 million for the same period in 2024. This was largely driven the \$3.6 million gain on sale of asset in the year ended December 31, 2024, due to the divestiture of Allegient.

For the three months ended December 31, 2025, the net loss was \$2.0 million, compared to net income of \$0.6 million for the same period in 2024, mainly due to the increase in administrative expenses.

On a per basic and diluted share basis, this represents net loss per basic share of \$0.04 for the year ended December 31, 2025, compared to a net income per basic and diluted share of \$0.02 for the same period in 2024.

On a per basic and diluted share basis, this represents net loss per basic share of \$0.02 for the three months ended December 31, 2025, compared to a net income per basic and diluted share of \$0.01 for the same period in 2024.

## Summary of Quarterly Results

The Company in its original form was incorporated on September 22, 2020, and began operations in October 2020. The selected financial information provided below is derived from the Company's Interim Financial Statements.

<i>Amounts in millions except loss per share</i>	Q4 25	Q3 25	Q2 25	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23
Revenue	\$ 9,662	\$ 9,079	\$ 8,228	\$ 10,367	\$ 10,874	\$ 10,704	\$ 12,348	\$ 12,947	\$ 10,102	\$ 15,014	\$ 13,962	\$ 12,623
Gross profit	5,149	4,672	3,838	5,139	5,667	5,271	6,089	6,030	5,652	7,493	6,358	6,191
Administrative expenses	5,297	4,298	3,230	3,601	2,965	3,942	5,387	5,828	6,139	6,353	6,046	7,221
Income (loss) from operations	(0.148)	0.373	0.609	1.538	2.702	1.330	0.702	0.202	(0.487)	1.140	0.311	(1.030)
Net income (loss)	(2.038)	(0.626)	(0.624)	(0.684)	0.581	0.575	1.943	(1.510)	(3.568)	0.235	(1.110)	(1.490)
Basic net income (loss) per share	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ 0.01	\$ 0.01	\$ 0.02	\$ (0.02)	\$ (0.05)	\$ 0.00	\$ (0.01)	\$ (0.02)
Diluted net income (loss) per share	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ 0.01	\$ 0.01	\$ 0.02	\$ (0.02)	\$ (0.05)	\$ 0.00	\$ (0.01)	\$ (0.02)
Weighted average shares outstanding	97,815	97,346	96,515	91,241	87,268	87,126	79,546	77,805	77,805	77,548	76,885	69,914
Shares outstanding, end of period	97,815	97,815	96,533	96,436	87,268	87,268	87,126	77,805	77,805	77,805	77,110	76,610
Adjusted revenue	\$ 9,662	\$ 9,079	\$ 8,228	\$ 10,367	\$ 10,874	\$ 10,690	\$ 12,465	\$ 12,988	\$ 10,142	\$ 15,051	\$ 14,021	\$ 12,690
Adjusted EBITDA	\$ 1,820	\$ 1,848	\$ 1,033	\$ 2,519	\$ 2,583	\$ 2,020	\$ 1,728	\$ 1,488	\$ 0,795	\$ 2,659	\$ 1,541	\$ 0,378
Adjusted EBITDA %	19%	20%	13%	24%	24%	19%	14%	11%	8%	18%	11%	3%
Gross Profit %	53%	51%	47%	50%	52%	49%	49%	47%	56%	50%	46%	49%

The decrease in revenue in three months ended December 31, 2023, compared to prior three quarters in 2023, is due to impact of the devaluation of the Argentine peso in the December 2023 resulting in an extraordinary non-cash accounting impact on the Company's Argentine subsidiary's 2023 fourth quarter financial results.

## Effects of Argentina Hyperinflationary Accounting

The devaluation of the Argentine peso on December 31, 2025, resulted in a non-cash accounting impact on the Company's Argentine subsidiary's 2025 financial results. The Argentine peso (ARS) experienced a devaluation of 35% from March 31, 2025, to December 31, 2025, against the U.S. dollar from 1,071 to 1,446. IFRS IAS-19 requires that operations in hyperinflationary economies are reported by restating year-to-date results to reflect the change in general purchasing power of the local currency.

The following table illustrates the impact of the 2025 devaluation on the Company's Argentine subsidiary's 2025 revenue, gross profit, and income from operations. The table shows that despite sequential growth in revenue, gross profit and income from operations, there was a decrease in the U.S. dollar equivalent.

<b>Argentina Revenue</b>	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q4 2025 YTD
Revenue reported in ARS	4,716,295,058	4,952,084,230	5,866,308,106	6,381,114,125	21,915,801,519
Exchange rate ARS/USD	1,071	1,196	1,371	1,446	1,446
Revenue reported in USD	\$ 4,403,637	\$ 3,680,292	\$ 3,246,988	\$ 3,825,239	\$ 15,156,156
<b>Argentina gross profit</b>	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q4 2025 YTD
Gross profit in ARS	2,260,809,124	2,577,708,792	3,369,688,721	3,370,956,976	11,579,163,613
Exchange rate ARS/USD	1,071	1,196	1,371	1,446	1,446
Gross profit reported in USD	\$ 2,110,933	\$ 1,934,651	\$ 1,941,438	\$ 2,020,699	\$ 8,007,720
<b>Argentina income from operations</b>	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q4 2025 YTD
Income from operations in ARS	1,547,320,612	1,727,472,224	2,366,938,967	2,102,555,614	7,744,287,417
Exchange rate ARS/USD	1,071	1,196	1,371	1,446	1,446
Income from Operations in USD	\$ 1,444,744	\$ 1,293,377	\$ 1,376,928	\$ 1,240,613	\$ 5,355,662
<b>Argentina Adjusted EBITDA</b>	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q4 2025 YTD
Adjusted EBITDA in ARS	1,446,615,290	1,271,679,320	1,648,238,243	1,694,584,534	6,061,117,387
Exchange rate ARS/USD	1,071	1,196	1,371	1,446	1,446
Adjusted EBITDA in USD	\$ 1,350,715	\$ 922,107	\$ 912,104	\$ 1,006,719	\$ 4,191,644

## Non-IFRS Results for the three months and year ended December 31, 2025

### Reconciliation of Adjusted Revenue and Adjusted EBITDA

	Three months ended		Year Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<b>Revenue</b>	\$ 9,662,117	\$ 10,874,169	\$ 37,336,751	\$ 46,873,559
Acquisition accounting impact on revenue	-	-	-	144,225
<b>Adjusted revenue</b>	\$ 9,662,117	\$ 10,874,169	\$ 37,336,751	\$ 47,017,784
<b>Income from operations</b>	\$ (147,928)	\$ 2,702,229	\$ 2,371,914	\$ 4,935,788
<b>Adjustments</b>				
Depreciation and amortization	388,226	460,599	1,540,843	1,982,623
Expenses incurred in connection with acquisitions	208,779	59,129	203,761	114,991
Gain on sale of property and equipment	-	416	-	(169)
Foreign exchange loss (gain)	244,467	(749,363)	847,474	(238,994)
Non-cash stock-based compensation	444,345	76,167	1,353,493	269,135
Acquisition accounting impact on revenue	-	-	-	144,225
Impact of cost synergies related to reduction of employees	682,038	33,583	902,197	611,563
<b>Adjusted EBITDA</b>	\$ 1,819,927	\$ 2,582,760	\$ 7,219,682	\$ 7,819,161

Adjusted EBITDA decreased by 8% to \$7.2 million during the year ended December 31, 2025, compared to \$7.8 million in the same period in 2024. Excluding Allegient, Adjusted EBITDA remained consistent at \$7.2 million for the year ended December 31, 2025, compared to the same period in 2024. Adjusted EBITDA as a percentage of revenue increased to 19% for the year ended December 31, 2025, compared to 17% in the same period in 2024.

For the three months ended December 31, 2025, Adjusted EBITDA decreased by 30% to \$1.8 million, compared to \$2.6 million in the same period in 2024. Adjusted EBITDA as a percentage of revenue decreased to 19% for the three months ended December 31, 2025, compared to 24% in the same period in 2024.

For segment reporting purposes, the Chief Executive Officer is the Chief Operating Decision Maker (“**CODM**”). The determination of the Company’s reportable segments is based on its organization structure and how the information is reported to the CODM on a regular basis. The CODM makes decisions and assesses performance of the Company on the basis such that the Company has two reportable operating segments: Operations and Corporate. The accounting policies of the reportable segments are the same as the Company’s accounting policies.

Information related to each reportable segment is set out below. Segment EBITDA is used to measure performance, because management believes this information is the most relevant in evaluating the results of the Company.

*Non-IFRS Results by operating segment for the three months and year ended December 31, 2025*

	Three months ended					
	December 31, 2025			December 31, 2024		
	Operations	Corporate	Total	Operations	Corporate	Total
Revenue	\$ 9,662,117	\$ -	\$ 9,662,117	\$ 10,888,643	\$ (14,474)	\$ 10,874,169
Cost of revenue	(4,241,858)	-	(4,241,858)	(5,130,457)	-	(5,130,457)
Gross profit	5,420,259	-	5,420,259	5,758,186	(14,474)	5,743,712
Gross profit %	56%	0%	56%	53%	0%	53%
Administrative expenses	(2,653,356)	(946,976)	(3,600,332)	(2,194,324)	(966,628)	(3,160,952)
Adjusted EBITDA	\$ 2,766,903	\$ (946,976)	\$ 1,819,927	\$ 3,563,862	\$ (981,102)	\$ 2,582,760
Adjusted EBITDA %	29%	-10%	19%	33%	-9%	24%

  

	Year Ended					
	December 31, 2025			December 31, 2024		
	Operations	Corporate	Total	Operations	Corporate	Total
Revenue	\$ 37,336,751	\$ -	\$ 37,336,751	\$ 47,012,616	\$ 5,168	\$ 47,017,784
Cost of revenue	(18,038,390)	(39)	(18,038,429)	(23,509,240)	-	(23,509,240)
Gross profit	19,298,361	(39)	19,298,322	23,503,376	5,168	23,508,544
Gross profit %	52%	0%	52%	50%	100%	50%
Administrative expenses	(9,577,324)	(2,501,316)	(12,078,640)	(12,217,300)	(3,472,083)	(15,689,383)
Adjusted EBITDA	\$ 9,721,037	\$ (2,501,355)	\$ 7,219,682	\$ 11,286,076	\$ (3,466,915)	\$ 7,819,161
Adjusted EBITDA %	26%	-7%	19%	24%	-7%	17%

## Liquidity and Capital Resources

The Company defines “capital” to include share capital and borrowings, which are managed on a consolidated level. Over the past six quarters, the Company has undergone a major shift in the discipline of its capital allocation strategy. While in the periods prior to this, the Company relied on equity and debt financings to fund its operations, since moving to its operator-first model it has relied largely on improving operating cashflows to sustain its operations and increased profitability to significantly restructure its debt capital arrangements. The Company has not raised any dilutive equity capital since February 28, 2023. Operational discipline has allowed the Company to rely more on its operational cash flows to sustain its operations and position the Company for use of its own cash to fund growth initiatives and allow for execution of accretive acquisitions into an integrated operating platform.

As of December 31, 2025, the Company had a positive working capital of \$0.5 million, which includes deferred revenue of \$1.2 million, and warrants liability of \$0.04 million. Excluding these items, the Company had a positive working capital of \$1.7 million as of December 31, 2025. Management has reduced the working capital deficit by \$10.2 million from \$9.7 million as of December 31, 2024, through, among other things, conversion of acquisition liabilities into SVS and cost reductions within its operations to improve cash flows.

In May 2025, the Company completed a significant refinancing transaction. NowVertical Group Inc. and NowVertical UK Ltd. entered into a Term and Revolving Facility Agreement with HSBC UK Bank Plc, drawing total proceeds of \$14.7 million excluding debt issuance costs. These proceeds were used to fully repay \$10.3 million of existing obligations mainly to Export Development Canada and TD Bank, both of which have now been discharged. The refinancing consolidates the Company’s debt structure, extends repayment horizons, and improves overall liquidity and debt servicing capacity. The new agreement includes a \$6.0 million term loan amortizing through 2030 and an \$8.7 million revolving facility due as a bullet payment in 2028. The revolving facility has a committed capacity of \$12.0 million and may be increased to \$20.0 million with lender approval under an accordion feature. The company has withdrawn additional \$3.3 million in Q3 2025 from the revolving facility. In addition, the Company has the option to extend the maturity of the revolving facility by one year, subject to lender consent. The term loan and revolver bear interest at variable rates ranging from SOFR + 2.25% to 3.75% and SOFR + 1.75% to 3.25%, respectively, depending on the Company’s net leverage ratio. Both facilities are secured against certain NowVertical entities and are subject to a subordination agreement with TSX Trust regarding the Company’s outstanding convertible debentures.

With respect to the base shelf registration mentioned above, the Company was receipted on January 24, 2022, to raise up to C\$65.0 million (as at December 31, 2022, C\$10.1 million has been utilized to date). On February 28, 2023, the Company closed a marketed public offering (the “**Offering**”) of 9,631,500 units (the “**Units**”) of the Company at a price of C\$0.52 per Unit for gross proceeds of C\$5.0 million, which includes partial exercise of the over-allotment

option. Each Unit consists of one Subordinate Voting Share and one Subordinate Voting Share purchase warrant (a “Warrant”) of the Company. Each Warrant is exercisable to acquire one Subordinate Voting Share at a price per Share of C\$0.80 for a period of 36 months following the closing of the Offering. In connection with the Offering, the Company paid the Agents a cash commission of C\$0.3 million and issued to the Agents 577,890 broker warrants, with each broker warrant entitling the holder thereof to purchase one Subordinate Voting Share at a price of C\$0.52 per Subordinate Voting Share for a period 36 months following the Closing. The net proceeds raised in U.S. dollars amounted to \$3.4 million.

As of the date of this MD&A, the Company has cash of \$4.3 million. The cash includes \$1.2 million held in banks in Argentina.

Additional sources of capital and/or financing will be required to meet planned growth initiatives and long-term operational objectives. Since its inception and through the date of this MD&A, the Company has raised over \$22.9 million in net cash from equity and convertible note financings.

Management expects that future cash generated from its operating entities and its existing revolving credit facility will provide sufficient capital for the Company to execute on its strategy. Management expects to continue to grow revenue and improve the profitability of the Company’s existing business by leveraging internal sales channels and other cross-entity synergies and plans to acquire cash flow positive businesses that can be financed with a credit facility and/or debt. Additionally, management will continue to take further action to align the cost structures of acquired businesses with its operating model. The Company’s continued operations depend upon its ability to meet its financing requirements on a continuing basis, to continue to have access to financing, and to generate positive operating results. (Refer to Note 2 of the Audited Financial Statements for Going Concern disclosure).

#### *Cash Flow from Operations*

For the year ended December 31, 2025, the Company used \$1.8 million of cash for operations (2024: \$2.8 million generated) mainly due to paying accounts payable related to 2024 and prior.

#### *Cash Flow from Investing Activities*

For the year ended December 31, 2025, the Company generated \$1.0 million of cash from investing activities (2024: \$2.4 million) mainly due to \$3.0 million of net proceeds received from the sales of Allegient and Affinio Social and partially offset by \$2.4 million consideration paid related to acquired companies.

#### *Cash Flow from Financing Activities*

For the year ended December 31, 2025, the Company generated cash of \$1.9 million (2024: \$5.5 million used) in financing activities, primarily driven by proceeds from new debt facilities, partially offset by the repayment of existing obligations.

#### *Contractual Obligations*

NowVertical UK Ltd. and NowVertical Group Inc. entered into a new Term and Revolving Credit Facility Agreement with HSBC UK Bank Plc on May 30, 2025. Under this agreement, NowVertical UK Ltd. holds a \$6.0 million term loan amortizing through 2030, with \$1.2 million of principal due within the next twelve months. NowVertical Group Inc. has drawn \$12.0 million under the revolving facility, which is repayable as a single bullet payment at maturity in 2028. The revolver has a committed capacity of \$12.0 million and includes an accordion feature permitting the facility to be increased to up to \$20 million, subject to HSBC approval. The Company also has the option to extend the maturity of the revolver by one additional year. Both facilities are secured against certain NowVertical entities and are subject to a subordination agreement with TSX Trust regarding the Company’s outstanding convertible debentures.

NowVertical Group Inc. has three unsecured, non-interest-bearing loans outstanding of \$0.5 million in the aggregate, of which \$0.2 million is due within twelve months.

As at December 31, 2025, the consideration payable related to acquired companies is as follows:

	December 31, 2025		December 31, 2024	
Consideration payable	\$	564,877	\$	2,583,002
Equity consideration payable		-		1,381,032
Contingent consideration payable		1,078,244		211,304
<b>Total current liabilities</b>	<b>\$</b>	<b>1,643,121</b>	<b>\$</b>	<b>4,175,338</b>
Consideration payable	\$	-	\$	306,992
Contingent consideration payable		320,050		1,271,604
<b>Total long-term liabilities</b>	<b>\$</b>	<b>320,050</b>	<b>\$</b>	<b>1,578,596</b>
<b>Total considerable payable</b>	<b>\$</b>	<b>1,963,171</b>	<b>\$</b>	<b>5,753,934</b>

On January 2, 2025, the Company amended the Purchase Agreement dated December 9, 2022, between the Company and the former shareholders of Acrotrend (the “Sellers”). In particular, the remaining holdback amount owing of \$65,000, previously due on December 31, 2024, was settled through the issuance of 283,419 SVS and \$750,000 of the remaining earn-out owing of \$990,000, previously due on or before January 1, 2026, was settled through the issuance of 3,270,227 SVS during the three months ended March 31, 2025. As of December 31, 2025, the Company has no remaining obligations to the Sellers.

On December 22, 2024, the Company amended the Purchase agreement dated January 12, 2023, and amended on May 23, 2023, October 3, 2023, and April 10, 2024, between the Company and the former shareholders of CoreBI. In particular, \$600,000 of the remaining deferred payments owing was settled through the issuance of 2,607,818 SVS and \$650,000 of the remaining earn-out owing in equity, was settled through the issuance of 2,825,136 SVS during the three months ended March 31, 2025. As of December 31, 2025, the Company has a remaining deferred payment obligation of \$165,000 due on or before March 31, 2026. As at the date of this MD&A, the Company has no remaining obligations to the Sellers.

On September 9, 2024, the Company and the A10 former shareholders agreed to amend the terms of the stock purchase agreement dated December 21, 2022. The amendment releases the Company from all current and future obligations related to A10 including, but not limited to, the remaining \$750,000 holdback owed and any future earnout obligations, in exchange for a one-time cash payment of \$130,000 which was paid in the three months ended December 31, 2024.

On April 30, 2024, the Company and the seller of Smartlytics Consultancy Limited (“the seller”) agreed to amend (the “Amending Deed”) the existing share purchase agreement dated December 10, 2022, as amended (the “SPA”) to restructure the remaining earn-out obligations and defer the acquisition holdback. Under the Amending Deed the future earn-out payments for years 2024 and 2025 will be settled through a payment by the Company tied to the EBITDA of the Company’s Technology Product group payable to the seller equally in cash, or through the issuance of Class A SVS of the Company, subject to TSXV approval prior to the time of each issuance. As of December 31, 2025 there are no obligations owing by the Company.

### Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

### Transactions with Related Parties

The Company considers a related party a person or entity that is related to the Company and has control, joint control or significant influence over the Company, or is a member of key management personnel. Key management personnel of the Company are its chief officers, executive members of the Board and non-executive directors. Key management personnel remuneration includes the following expenses:

	Three Months Ended		Year Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Salaries and bonuses	\$ 312,202	\$ 157,547	\$ 1,197,584	\$ 690,793
Share-based payments	364,609	34,792	731,629	75,472
Shares issued for provision of services	-	-	263,693	-
<b>Total related party transactions</b>	<b>\$ 676,811</b>	<b>\$ 192,339</b>	<b>\$ 2,192,906</b>	<b>\$ 766,265</b>

## **Changes in Accounting Policies including Initial Adoption**

New standards and interpretations not yet adopted:

Standards issued but not yet effective up to the date of issuance of these consolidated financial statements are described below. This description is of the standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective.

### *IFRS 18, Presentation and Disclosure in Financial Statements*

IFRS 18 replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of income and comprehensive income, new requirements for the disclosure of management-defined performance measures, and new requirements for the location, aggregation and disaggregation of financial information. In addition, narrow-scope amendments have been made to IAS 7, Statement of Cash Flows (“IAS 7”), which include changing the starting point for determining cash flows from operations under the indirect method and the removal of the optionality around the classification of cash flows from dividends and interest. The amendments are effective for reporting periods beginning on or after January 1, 2027.

Amendments to IFRS 9, Financial Instruments (“IFRS 9”), and IFRS 7, Financial Instruments: Disclosures (“IFRS 7”). The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and corporate governance linked features or other similar contingent features, and clarify the date on which a financial asset or financial liability is derecognized. Furthermore, for financial liabilities settled, in full or in part, in cash using an electronic payment system, an entity is permitted to make an accounting policy election to derecognize the liability before the settlement date if certain conditions are met. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

In July 2024, the International Accounting Standards Board (“IASB”) issued nine narrow-scope amendments as part of its regular maintenance of the standards. These amendments include clarifications, simplifications, corrections, and changes aimed at improving the consistency of IFRS 1, First-time Adoption of International Financial Reporting Standards; IFRS 7; IFRS 9; IFRS 10, Consolidated Financial Statements; and IAS 7. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

The Company does not expect the above noted amendments will have a material impact on the Company’s financial statements with the exception of IFRS 18. The Company expects that the adoption of IFRS 18 will have a material impact on the Company’s financial statements given the new presentation requirements and the requirement to disclose management-defined performance measures. All new standards and amendments to existing standards will be adopted by the Company as of their effective date.

## **Financial Instruments and Other Instruments**

The Company’s financial assets categorized at amortized cost include trade and other receivables, unbilled revenue, taxes receivable, and cash. The Company does not have any financial assets categorized as fair value through profit and loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”).

The Company’s financial liabilities are initially measured at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Subsequently, financial liabilities are measured either at amortized cost using the effective interest method or at FVTPL. For financial liabilities measured at amortized cost, all interest-related charges and, if applicable, changes in fair value that are reported in profit and loss are included within finance costs or finance income.

The Company’s financial instruments categorized at amortized cost include long-term debt, convertible debenture, loan payable, accounts payable, accrued expenses and other current liabilities, and consideration payable related to acquired companies. The Company’s financial instruments categorized at FVTPL are contingent consideration payable related to acquired companies and equity consideration payable related to acquired companies.

Derivative instruments, including derivative instruments embedded in other contracts (such as warrants) and instruments designated for hedging activities, are recognized as either asset or liabilities in the statement of financial position and measured at fair value. The Company has not used derivative instruments to hedge exposures to cash flow or foreign currency risks. Any change in the fair value of a derivative instrument or an embedded derivative not designated as a hedging instrument is recognized as an unrealized gain or loss in the statement of loss and comprehensive loss.

### **Outstanding Share Data**

The Company is authorized to issue an unlimited number of class A Subordinate Voting Shares and an unlimited number of class B proportionate voting shares (“**Proportionate Voting Shares**”). As of the date of this MD&A, the following securities of the Company were issued and outstanding: (i) 95,438,135 Subordinate Voting Shares, (ii) 23,765 Proportionate Voting Shares, convertible, subject to adjustment, into 2,376,500 Subordinate Voting Shares (iii) 4,382,942 stock options to purchase 4,382,942 Subordinate Voting Shares, (iv) 9,631,500 Warrants exercisable to purchase 9,631,500 SVS, (v) 1,919,532 Restricted Stock Units and (vi) 3,103,899 Performed Share Units.

### **Risks and Uncertainties**

The Company’s business is subject to a number of risk factors, which are described below as well as in the Company’s final short form base shelf prospectus dated January 21, 2022, a copy of which is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com), which are incorporated by reference herein. Particularly, the Company’s activities expose it to financial risks, including credit risk, liquidity risk, and currency risk. It is the Company’s opinion that it is not exposed to other significant market risks, including price, or variable interest rate risk.

#### *Credit risk*

The Company takes on exposure to credit risk, which is the risk that one party will cause a financial loss for another party by failing to discharge an obligation. The Company is exposed to the risk of non-payment of trade and other receivables balances. The Company’s exposure to credit risk was \$15.3 million as of December 31, 2025.

#### *Liquidity risk*

Liquidity risk is the risk that the Company might not be able to generate sufficient cash resources to settle its obligations in full as they fall due or may only be able to do so on materially disadvantageous terms. The Company is exposed to liquidity risk through its current working capital deficit, accounts payable, accrued expenses, long-term debt obligations, and deferred acquisition consideration. As of December 31, 2025, the Company had cash of \$3.5 million, other current assets of \$17.2 million, and current liabilities of \$18.9 million (excluding deferred revenue and warrant liability). During the year ended December 31, 2025, the Company completed a refinancing of its outstanding debt, consolidating its obligations into a new \$18.0 million credit facility with HSBC UK Bank Plc, which improved liquidity by extending repayment terms and streamlining capital structure.

Management expects that future cash generated from its operating entities, along with the recently established HSBC credit facility, will provide sufficient capital for the Company to execute on its strategy. The Company’s continued operations depend upon its ability to meet its financing requirements on a continuing basis, to continue to have access to financing, and to generate positive operating results. While material uncertainties remain, management believes that recent actions, including the successful debt refinancing, provide a basis for mitigating those risks and improving the Company’s financial position over the coming quarters. (Refer to Note 2 of the Audited Financial Statements for Going Concern disclosure).

#### *Interest Rate risk*

With the establishment of interest-bearing term and revolving facilities under the HSBC credit agreement, the Company is now exposed to fluctuations in interest rates. Any significant increases in prevailing rates may impact debt servicing costs and overall liquidity. The Company monitors interest rate developments but does not currently utilize hedging instruments.

### *Currency risk*

The Company is exposed to foreign currency fluctuations. Such exposure arises from translation of monetary assets and liabilities denominated in foreign currencies, such as the Canadian dollar and the Argentinian peso, the impact of which is recorded in the Company's Statement of Operations; and translation of entities that have a functional currency that differs from the U.S. dollar presentation currency of the Company, the impact of which is recorded through the Company's Other Comprehensive Income.

The Company continually monitors its exposure to foreign currency risks arising from foreign currency balances and transactions. The Company does not utilize any financial instruments to hedge this risk.

Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial also may impair our business and operations and cause the price of the Subordinate Voting Shares to decline. If any of the noted risks actually occur, the Company's business may be harmed, and the financial condition and results of operations may suffer significantly. In that event, the trading price of the Subordinate Voting Shares could decline, and shareholders may lose all or part of their investment.

### *Ability to Achieve the Desired Synergies and Benefits of Acquisitions*

As part of the Company's growth strategy, it has and plans to continue to complete acquisitions. NowVertical's ability to integrate newly acquired companies into its global operating model is an integral part of how the Company achieves and plans to continue to achieve its growth targets. In recent years, the Company has consummated a number of acquisitions. The Company evaluates, and expects in the future to evaluate, potential strategic acquisitions of, and partnerships or joint ventures with, businesses providing services or technologies that are complementary to the Company's existing services and technologies. The Company's acquisition strategy involves a number of risks related to the realization of synergies and overall integration of the Company's operations, including but not limited to, human resources, company culture, product pricing, information technology, data integrity, information systems, business processes and financial management. However, the Company may not be successful in identifying acquisition, partnership and joint venture targets or the Company may use estimates and judgments to evaluate the operations and future revenue of a target that turn out to be inaccurate. In addition, the Company may not be able to successfully finance or integrate a particular business, service or technology that the Company acquires or with which the Company forms a partnership or joint venture, and the Company may not achieve the anticipated benefits of such project or the Company may lose customers or patients as a result. Furthermore, the integration of any acquisition, partnership or joint venture may divert management's time and resources from the Company's existing business and disrupt its operations. Certain acquisitions, partnerships and joint ventures the Company has and may in the future make may prevent the Company from competing for certain customers or in certain lines of business and may lead to a loss of customers to the extent the Company acquires businesses with non-competes or exclusivity provisions in their agreements with corporate customers. Certain acquisitions may also enmesh the Company in outstanding or unforeseen legal, regulatory, contractual, employee or other issues. As a result of any of the foregoing, the Company may spend time and money on projects that do not increase its revenue or profitability. Moreover, the Company's competitors may be willing or able to pay more than the Company for acquisitions, which may cause the Company to lose certain acquisitions that the Company would otherwise desire to complete. Even if the Company successfully competes for a certain acquisition, partnership or joint venture, the Company may finance the project with cash on hand, equity or debt, or a combination thereof, which could decrease the Company's cash reserves, dilute the Company's shareholders or significantly increase the Company's level of indebtedness or place other restrictions on the Company's operations. The Company cannot ensure that any acquisition, partnership or joint venture the Company makes will not have a material adverse effect on the Company's business, financial condition and results of operations.

### *Claims against a seller*

There may be liabilities assumed in any acquisition or business combination that the Company did not discover or that it underestimated in the course of performing the Company's due diligence. Although a seller generally will have indemnification obligations to the Company under an acquisition or merger agreement, these obligations usually will be subject to financial limitations, such as deductibles and maximum recovery amounts, as well as time limitations. The Company cannot assure you that its right to indemnification from any seller will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the amount of any undiscovered or underestimated liabilities

that it may incur. Any such liabilities could have a material adverse effect on the Company's business, financial condition, operating results, liquidity and prospects.

#### *Incorporation of AI May Present Risks*

We have incorporated, and plan to incorporate in the future, AI, into our products. AI is a new and emerging technology that is in its early stages of commercial use, particularly within the medical device industry. If any of our products that incorporate AI have perceived or actual negative impacts on our customers, we may experience brand or reputational harm, competitive harm or legal liability. The rapid evolution of AI may also require the application of significant resources to develop, test and maintain our products and services that incorporate AI in order to help ensure that it is implemented in a socially responsible manner, to minimize any real or perceived unintended harmful impacts. In addition, AI is subject to a complex and evolving regulatory landscape, including data protection, privacy, and potentially other laws and different jurisdictions have taken and may take in the future varying approaches to regulating AI. Compliance with these laws and regulations can be complex, costly and time-consuming, and there is a risk of regulatory enforcement actions or litigation if we fail to comply with these requirements. As regulations evolve, we may have to alter our business practices or products in order to comply with regulatory requirements.

#### *Risks Related to the Company's Services and Effects on Revenues*

Certain markets in which the Company competes are subject to rapid and significant changes. In order to remain competitive and continue to acquire new customers, the Company is continually involved in a number of projects to develop new services and improve the Company's existing services. These projects may not be successful and carry some risks, such as cost overruns, delays in delivery, performance problems, and may cause the Company to become subject to additional regulation. Any inability to develop or delay in the delivery of new services or the failure to differentiate the Company's services or to accurately predict and address market demand could render the Company's services less desirable, or even obsolete, to the Company's clients. In addition, many current or prospective clients may find competing services more attractive if the Company does not keep pace with market innovation or changes.

The Company relies in part, and may in the future rely in part, on third parties, including some of the Company's competitors and potential competitors, for the development of, and access to, new technologies. If the Company is unable to maintain these relationships, it may lose access to new technologies or may not have the speed-to-market necessary to successfully launch new offerings.

The Company's future success will depend on the Company's ability to adapt to technological changes and evolving industry standards. The Company cannot predict the effects of technological changes on the Company's business. If the Company is unable to adapt to technological changes or evolving industry standards on a timely and cost-effective basis by introducing new services and improving existing services, the Company's business, financial condition and results of operations could be materially adversely affected.

#### *Risk Related to Marketing and Selling Products*

Future sales of our products will depend in large part on our ability to effectively market and sell our products and services and increase the scope of our marketing efforts. If sales, including through recurring customers decline, the Company's overall revenue and revenue growth may decline.

Because we have limited experience in marketing and selling our products, our ability to forecast demand, the infrastructure required to support such demand and the sales cycle to customers is unproven. If we do not build an efficient and effective marketing and sales force, our business and operating results will be adversely affected.

#### *Potential for Software System, Database or Network Related Failures or Defects*

The Company relies on software systems and networks to process, transmit and store digital information. The Company also relies on technological solutions from a number of vendors and business units to effectively work together in order to deliver its digital solutions and services to its customers. A software bug, failure or defect may negatively impact software systems, databases and networks from operating properly which could result in the

inability of our customers from receiving our services for an indeterminate period of time. Further, a cyber-attack, security breach, theft, or other destruction, invasion or interruption, or unauthorized access to our systems, by employees, others with authorized access to our systems or unauthorized persons, could negatively impact our business and operations. These threats are increasing in number and severity and broadening in type of risk, including with the Russian invasion of Ukraine and cyber-attacks ongoing in that context, which may broaden.

#### *Risks Associated with New or Changing Laws and Regulations and Governmental Action*

The Company operates in a complex regulatory and legal environment and are subject to a wide variety of laws and regulations in the jurisdictions in which the Company operates. Some of the provincial and federal laws and regulations in Canada and other jurisdictions in which the Company operates that affect or may affect it include: consumer products, product liability and consumer protection; those relating to negligence; those relating to the manner in which the Company advertises, markets and sells products and services; labour and employment laws, including wage and hour laws; tax laws or interpretations thereof; data protection and privacy laws and regulations. Continuing to achieve and sustain compliance with these laws may prove costly.

The laws and regulations specifically applicable to the Company may also change on the basis of a change in the nature of the Company's products or services, or a change in the jurisdictions in which those products or services are being offered, including, but not limited to, as a result of acquisitions. There can be no guarantee that the Company will have sufficient resources to comply with new laws, regulations or government action, or to successfully compete in the context of a shifting regulatory environment. Moreover, these laws and regulations may change, sometimes significantly, as a result of political, economic and social events.

Although the Company maintains that its operations are in compliance with existing laws, there can be no assurance that the Company's operations will not be challenged in the future and, if challenged, that they will not be found to violate applicable laws. Any such ruling against the Company could subject it to potential damages, injunctions and/or civil and criminal penalties or require it to restructure the Company's arrangements in a way that would affect the control or quality of the Company's services or change the amounts that the Company receives from its operations, which could have a material adverse effect on the Company's business.

#### *Internal controls over financial reporting*

Effective internal controls over financial reporting are necessary to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure of the Company's internal controls could have an adverse effect on stated results of operations and increase legal, regulatory, and reputational risks. As a result, the Company may experience higher than anticipated operating expenses, as well as higher independent auditor fees during and after the implementation of these ongoing changes. If the Company is unable to implement any required changes to its internal control over financial reporting effectively or efficiently or is required to do so earlier than anticipated, it could adversely affect the Company's operations, financial reporting and results of operations. If the Company fails to maintain an effective system of disclosure controls and internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely impacted.

#### *Limited Operating History*

The Company has a limited operating history. While members of the Company's management team and the Board have significant expertise within the sector, the Company itself has a limited history of operations and there can be no assurance that the business will be successful or profitable or the Company will be able to successfully execute its business model and growth strategy. If the Company is unable to execute its business model and growth strategy, it may have a material adverse effect on the Company's business, results of operations and financial condition. Further, the Company will therefore be subject to many of the risks common to early-stage enterprises, including under capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and limited revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

## *Competition*

The industry in which the Company operates is highly competitive, is evolving and is characterized by technological change. Current or future competitors may have longer operating histories, larger corporate customer bases, greater brand recognition and more extensive commercial relationships in certain jurisdictions, and greater financial, technical, marketing and other resources than the Company. As a result, the Company's competitors may be able to develop products and services better received by corporate customers or may be able to respond more quickly and effectively than the Company can to new or changing opportunities, technologies, regulations or corporate customer requirements. In addition, larger competitors may be able to leverage a larger client base to adopt more aggressive pricing policies, which could cause the Company to lose potential clients or corporate customers, or to sell its solutions at lower prices.

Competition may intensify as the Company's competitors enter into business combinations or alliances or raise additional capital, or as established companies in other market segments or geographic markets expand into the Company's market segments or geographic markets. The Company also expects to face additional competition from new entrants. If the Company cannot compete against existing and future competitors, its business, results of operations and financial condition could be materially and adversely affected.

## *Growth Management*

To manage the Company's growth effectively, the Company must continue to strengthen its existing infrastructure, develop and improve its processes and internal controls, create and improve its reporting systems, and timely address issues as they arise. As the Company continues to strengthen its existing infrastructure and systems, the Company will also be required to hire additional personnel. These efforts may require substantial financial expenditures, commitments of resources, developments of the Company's processes, and other investments and innovations. Furthermore, the Company encourages employees to quickly develop and launch new features for the Company's products and services. As the Company grows, the Company may not be able to execute as quickly as smaller, more efficient organizations. In addition, as the Company grows, the Company may not be able to maintain its entrepreneurial company culture, which fosters innovation and talent. If the Company does not successfully manage its growth, its business may be adversely affected.

## *Intellectual Property*

The Company's success depends, in part, on its ability to develop and commercialize its services and technologies without infringing, misappropriating or otherwise violating the intellectual property rights (the "**IP Rights**") of third parties. However, the Company may not be aware that the Company's products, services, solutions or technologies are infringing, misappropriating or otherwise violating third-party IP Rights, and such third parties may bring claims alleging such infringement, misappropriation or violation. Third parties may have issued, or may eventually issue, patents that could be infringed by the Company's services or technology. Any of these third parties could make a claim of infringement against the Company with respect to its services or technology. The Company may also be subject to claims by third parties for breach of copyright, trademark, license usage or other IP Rights. When any such claims are asserted against the Company, the Company may seek to license the third party's IP Rights, which could be expensive. The Company maybe unable to obtain the necessary licenses on satisfactory terms, if at all. Any claim from third parties may result in a limitation on the Company's ability to use the intellectual property subject to these claims or could prevent the Company from registering its brands as trademarks. Even if the Company believes that intellectual property-related claims are without merit, defending against such claims is time-consuming and expensive, and could result in the diversion of the time and attention of the Company's management and employees. Claims of intellectual property infringement also might require the Company to redesign affected services, enter into costly settlement or license agreements, pay costly damage awards, change the Company's brands or face a temporary or permanent injunction prohibiting the Company from importing, marketing, selling or operating certain of the Company's services, using certain of the Company's brands or operating the Company's business as presently conducted. Even if the Company has an agreement for indemnification against such costs, the indemnifying party, if any in such circumstances, may be unable to uphold its contractual obligations.

The Company may be subject to adverse publicity or reputational harm, even if claims against the Company are later shown to be unfounded or unsubstantiated. Moreover, there could be public announcements of the results of hearings,

motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have an adverse effect on the price of the Company's securities. The award of damages, or the Company's entry into any license or settlement agreement in connection with such claims, could affect the Company's ability to compete with third parties and have a material adverse effect on the Company's business, financial condition and results of operations.

#### *Insurance Policies*

The Company's insurance policies may not adequately cover all risks to which the Company is exposed and may not be adequate for all liabilities actually incurred or indemnification claims against the Company. A significant claim not covered by the Company's insurance, in full or in part, may result in significant expenditures by the Company. Moreover, the Company may not be able to maintain insurance policies in the future at reasonable costs, on acceptable terms or at all, which may adversely affect the Company's business and the trading price of its securities. The successful assertion of one or more large claims against the Company that exceed available insurance coverage, or the occurrence of changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect the Company's business, financial condition and results of operations.

#### *Current economic and geopolitical events*

Rising interest rates, significant and persistent inflationary pressures, the Russia-Ukraine war, conflict in Israel, and other associated recent geopolitical developments continue to have an uncertain and potentially adverse impact on global economic conditions. The severity and duration of any of these factors, or a combination of these conditions, could continue to impact the global economy and lead to lower demand for the Company's products and services.

Interest rates may impact the Company's ability to finance its future growth and cause the Company to slow the pace of its technological innovations and commercial partnerships, which could impact its ability to raise revenue and negatively impact its financial condition and performance. The inflationary impact on operating costs such that capital and credit markets and industry sentiment are adversely affected, may make it more difficult for the Company to access the necessary capital or credit markets, or if able to do so, at a higher cost or less advantageous terms than existing borrowings.

#### *No Dividends*

No dividends on the Subordinate Voting Shares have been paid to date. The Company anticipates that, for the foreseeable future, it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board of Directors after taking into account many factors, including the Company's earnings, operating results, financial condition, current and anticipated cash needs, and restrictions in financing agreements.

#### **Additional Information Relating to the Company**

Additional information relating to the Company, can be found on the Company's profile at SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the Company's website at [www.nowvertical.com](http://www.nowvertical.com).