



Condensed Consolidated Interim Financial  
Statements for March 31, 2026 and 2025

**NowVertical Group Inc.**  
**Condensed Consolidated Interim Statements of Financial Position**  
**As at March 31, 2026 and 2025**  
Unaudited, Expressed in U.S. dollars

	Note	March 31, 2026	December 31, 2025
<b>Assets</b>			
Current assets:			
Cash		\$ 4,412,196	\$ 3,465,009
Investments	22	767,939	636,859
Trade and other receivables	5	8,125,058	8,798,326
Unbilled receivables		8,565,262	6,476,936
Taxes receivable		819,533	933,803
Prepaid expenses and other current assets	23	352,544	319,830
		<u>23,042,532</u>	<u>20,630,763</u>
Non-current assets:			
Unbilled receivables		3,119,864	1,659,196
Other long-term receivables		1,053,363	1,302,544
Property and equipment, net	11	105,168	91,459
Right-of-use asset, net		162,073	165,687
Deferred tax asset	16	2,837	2,885
Intangible assets, net	9	7,298,337	7,202,515
Goodwill	10	12,384,785	12,298,944
		<u>24,126,427</u>	<u>22,723,230</u>
<b>Total assets</b>		<b>\$ 47,168,959</b>	<b>\$ 43,353,993</b>
<b>Liabilities and shareholders' equity</b>			
Current liabilities:			
Accounts payable		\$ 5,602,970	\$ 5,637,888
Accrued expenses and other current liabilities		11,277,025	9,291,085
Short-term lease liability		55,106	169,212
Taxes payable		1,474,499	1,230,135
Current portion of long-term debt	12	946,159	956,191
Current portion of consideration payable related to acquired companies	6	1,652,653	1,643,121
Warrants liability	15	-	35,126
Current portion of deferred revenue	7	1,060,773	1,173,017
		<u>22,069,185</u>	<u>20,135,775</u>
Non-current liabilities:			
Accrued expenses and other non-current liabilities		2,408,724	1,295,047
Consideration payable related to acquired companies	6	210,866	320,050
Long-term lease liability		111,519	-
Long-term debt	12	15,455,097	15,747,471
Deferred revenue	7	-	58,615
Deferred tax liability	16	3,738,669	3,792,833
		<u>21,924,875</u>	<u>21,214,016</u>
<b>Total liabilities</b>		<b>43,994,060</b>	<b>41,349,791</b>
Shareholders' equity:			
Common shares	13	32,035,029	32,035,029
Contributed surplus		6,731,441	6,464,395
Accumulated other comprehensive loss		(1,903,742)	(2,756,614)
Accumulated deficit		(33,687,829)	(33,738,608)
		<u>3,174,899</u>	<u>2,004,202</u>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 47,168,959</b>	<b>\$ 43,353,993</b>

Going concern (Note 2)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board of Directors:

/s/ Elaine Kunda  
Director

/s/ David Charron  
Director

**NowVertical Group Inc.****Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)**

Unaudited, Expressed in U.S. dollars, except for share amounts

		<b>Three Months Ended</b>	
		<b>March 31, 2026</b>	<b>March 31, 2025</b>
	Note		
Revenue	7	\$ 9,739,496	10,367,040
Cost of revenue	9, 18	5,034,057	5,227,923
Gross profit		4,705,439	5,139,117
Administrative expenses	9, 18	3,572,988	3,601,258
Income from operations		1,132,451	1,537,859
Other income (expenses):			
Revaluation of warrants liability	15	34,961	-
Revaluation of equity consideration	6	-	(35,355)
Revaluation of contingent and deferred consideration	6	-	(592,848)
Inflation effect on the net monetary position		(635,798)	(326,350)
Investing income		41,401	96,351
Interest		(207,073)	(622,726)
Amortization of debt issuance costs	12	(106,220)	-
Gain on sale of asset	21	47,826	-
		(824,903)	(1,480,928)
Income before income taxes		307,548	56,931
Income tax expense	16	256,769	740,961
Net income (loss)		50,779	(684,030)
Foreign currency translation adjustment		852,872	(45,004)
Other comprehensive income (loss)		852,872	(45,004)
Total comprehensive income (loss)		\$ 903,651	\$ (729,034)
Basic net income (loss) per share	14	\$ 0.00	\$ (0.01)
Diluted net income (loss) per share	14	\$ 0.00	\$ (0.01)
Weighted average number of shares outstanding, basic	14	97,814,635	91,241,025
Weighted average number of shares outstanding, diluted	14	99,164,635	91,241,025

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**NowVertical Group Inc.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
Unaudited, Expressed in U.S. dollars

	Note	Three Months Ended	
		March 31, 2026	March 31, 2025
Cash flows from (used in) operating activities:			
Net income (loss)		\$ 50,779	\$ (684,030)
Non-cash adjustments	17	1,411,995	2,343,214
Net changes in working capital	17	182,629	(3,366,914)
		1,645,403	(1,707,730)
Cash flows from (used in) investing activities:			
Purchase of property and equipment	11	(30,648)	-
Proceeds from asset sales	21	79,187	2,453,650
Payment of consideration payable related to acquired companies	6	(110,000)	(759,115)
Investment in intangible assets	9	(213,594)	-
Proceeds from disposals of investments	22	(59,468)	1,624,462
		(334,523)	3,318,997
Cash flows from (used in) financing activities:			
Repayment of long-term debt	12	(344,128)	(627,420)
		(344,128)	(627,420)
Effect of exchange rates		(19,565)	55,699
Net change in cash		947,187	1,039,546
Cash, beginning of period		3,465,009	2,577,716
Cash, end of period		\$ 4,412,196	\$ 3,617,262

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**NowVertical Group Inc.**  
**Condensed Consolidated Interim Statements of Shareholders' Equity**

Unaudited, Expressed in U.S. dollars, except share information and unless otherwise noted

Three Months Ended March 31, 2026		Issued capital Common shares		Contributed surplus	Accumulated other comprehensive loss	Accumulated deficit	Total	
		Note	Shares					Amount
Balances at January 1, 2026			97,814,635	\$ 32,035,029	\$ 6,464,395	\$ (2,756,614)	\$ (33,738,608)	\$ 2,004,202
Net income			-	-	-	-	50,779	50,779
Share-based compensation expense	13		-	-	267,046	-	-	267,046
Foreign currency translation adjustment			-	-	-	852,872	-	852,872
Balances at March 31, 2026			97,814,635	\$ 32,035,029	\$ 6,731,441	\$ (1,903,742)	\$ (33,687,829)	\$ 3,174,899

Three Months Ended March 31, 2025		Issued capital Common shares		Contributed surplus	Accumulated other comprehensive loss	Accumulated deficit	Total	
		Shares	Amount					
Balances at January 1, 2025			87,268,044	\$ 29,165,773	\$ 5,222,612	\$ (2,798,361)	\$ (29,732,415)	\$ 1,857,609
Net loss			-	-	-	-	(684,030)	(684,030)
Share-based compensation expense	13		-	-	108,853	-	-	108,853
Shares issued for provision of services	13		181,818	47,220	-	-	-	47,220
Shares issued related to acquisitions	13		8,986,600	2,333,890	-	-	-	2,333,890
Foreign currency translation adjustment			-	-	-	(45,004)	-	(45,004)
Balances at March 31, 2025			96,436,462	\$ 31,546,883	\$ 5,331,465	\$ (2,843,365)	\$ (30,416,445)	\$ 3,618,538

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

## **NowVertical Group Inc.**

### **Notes to the Condensed Consolidated Interim Financial Statements**

Unaudited, Expressed in U.S. dollars, except share information and unless otherwise noted

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#### **1. Background and nature of operations**

NowVertical Group Inc. (together with its subsidiaries, the "Company") is an Ontario corporation that is listed on the TSX Venture Exchange (the "TSXV") under the symbol "NOW".

The Company is a big data, analytics and vertical intelligence company. The registered head office of the Company is located at 222 Bay Street, Suite 3000, Toronto, Ontario M5K 1E7, Canada.

#### **2. Basis of presentation**

##### ***Statement of compliance***

These consolidated financial statements ("Financial Statements") have been 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.

The policies set out below are consistently applied to all periods presented, unless otherwise noted.

The Board of Directors approved these Financial Statements on May 25, 2026.

##### ***Basis of measurement***

These Financial Statements are presented in U.S. dollars, except where otherwise noted, and were prepared on a going concern basis.

##### ***Going concern uncertainty***

These Financial Statements have been prepared in accordance with IAS 1, *Presentation of Financial Statements* ("IAS 1"), which contemplates continuation of the Company as a going concern. Historically, the Company experienced net losses and negative cash flows, and as at March 31, 2026, the Company has an accumulated deficit of \$33,687,829. With respect to cash flows, the Company generated cash from operations of \$1,645,403; excluding the proceeds from asset sales, there was a net inflow of \$868,000. However, including the proceeds from asset sales, there was a net inflow of \$947,187.

Management intends to improve revenue and profitability of existing businesses by leveraging internal sales channels and other cross-entity synergies. These internal activities and plans to raise additional funds through financings to support its working capital needs and to fund future cash accretive acquisitions using debt are aimed at improving cash flows from operations and achieving its acquisition growth strategy. There can be no assurance, however, that the Company can reach profitability, successfully integrate acquired companies, continue to raise working capital financing, or source and fund future accretive acquisitions with debt.

Whether and when the Company can maintain profitability and generate sufficient positive cash flows is uncertain. Continued operations of the Company depend upon the Company's ability to meet its financing requirements on a continuing basis, to continue to have access to financing, and to generate positive operating results and sufficient cash flow. These material uncertainties may raise significant doubt about the Company's ability to continue as a going concern. These Financial Statements have been prepared on a going concern basis and, as such, do not include any adjustments that might result from the outcome of this uncertainty, or the recoverability and classification of recorded asset amounts or amounts and classifications of liabilities that might be necessary should the Company be unable to continue in existence. The Company has cash of \$4,412,196, which includes \$1,048,338 held in banks in Argentina.

##### ***Basis of consolidation***

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the Financial Statements of the Company from the date that control commences until the date that control ceases.

## **NowVertical Group Inc.**

### **Notes to the Condensed Consolidated Interim Financial Statements**

Unaudited, Expressed in U.S. dollars, except share information and unless otherwise noted

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The Financial Statements of the Company include NowVertical Group Inc. (formerly Good2Go Corp.), an Ontario, Canada company with a Canadian-dollar functional currency, and its wholly owned subsidiaries. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

#### **Foreign currencies**

Foreign currency transactions are translated into the respective functional currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the foreign exchange rate applicable at the consolidated statements of financial position dates. Non-monetary items carried at historical cost denominated in foreign currencies are translated into the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated into the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through income and loss.

On consolidation, the assets and liabilities of foreign operations reported in their respective functional currencies are translated into U.S. dollars, the Company's presentation currency, at period-end exchange rates. Income and expense, and cash flows of foreign operations are translated into U.S. dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive income (loss) and accumulated in accumulated other comprehensive loss within equity.

#### **Classification of Argentina as a hyperinflationary economy**

The Argentinian economy has been designated as hyperinflationary since July 1, 2018. As a result, application of IAS 29, *Financial Reporting in Hyperinflationary Economies* ("IAS 29"), has been applied to CoreBI S.A. ("CoreBI"), whose functional currency is the Argentine peso. The application of IAS 29 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the period-end date;
- Adjustment of the Financial Statements for inflation during the reporting period;
- Translation at the period-end foreign exchange rate instead of an average rate; and
- Adjustment of the Financial Statements to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

On the application of IAS 29, the Company used the conversion coefficient derived from the national consumer price index, the IPC Nacional (the "IPC"). The level of the IPC on March 31, 2026, was 11,077 (December 31, 2025: 10,121). The Company recognized net monetary losses of \$635,798 for the three months ended March 31, 2026 (2025: \$326,350). These amounts reflect adjustments to restate transactions recorded during the year into the measuring unit currency as of March 31, 2026.

As per IAS 21, *The Effects of Changes in Foreign Exchange Rates*, all amounts (i.e., assets, liabilities, equity and expenses) are translated at the closing foreign exchange rate as at the date of the most recent consolidated statement of financial position, except that comparative amounts are not adjusted for subsequent changes in the price level or subsequent changes in exchange rates.

#### **Equity**

Common shares represent the value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from common shares. From time to time, the Company may issue units consisting of common shares and common share purchase warrants. The Company estimates the fair value of the warrants using a pricing model, and the residual difference between the unit price and the fair value of each warrant represents the fair value attributable to each common share. Any transaction costs associated with the issuance of units are apportioned between the common shares and warrants based on their relative fair values. Professional consulting and fees or costs as appropriate, regulatory fees, and other costs that are directly attributable to financing transactions are deferred until such time as the transactions are completed. Share issue costs are charged to common shares when the related shares are issued.

Contributed surplus includes the fair value of vested and unvested stock options, and restricted stock units ("RSUs").

Accumulated deficit includes all current and prior year losses.

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

Unaudited, Expressed in U.S. dollars, except share information and unless otherwise noted

#### 3. New accounting standards

##### ***New standards and interpretations adopted in the period***

During the period, the Company adopted the amendments issued by the International Accounting Standards Board ("IASB") as part of its annual improvements and narrow-scope amendments to existing standards, including IFRS 7, *Financial Instruments: Disclosures*, IFRS 9, *Financial Instruments*, IFRS 10, *Consolidated Financial Statements*, IAS 7, *Statement of Cash Flows*, and IFRS 1, *First-time Adoption of International Financial Reporting Standards*, which are effective for annual reporting periods beginning on or after January 1, 2026.

Management has assessed the impact of these amendments on the Company's financial statements and determined that the adoption did not have a material impact on the Company's financial position, results of operations, cash flows, or related disclosures.

##### ***New standards and interpretations not yet adopted***

IFRS 18, *Presentation and Disclosure of Financial Statements* ("IFRS 18") — 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*, 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.

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.

#### 4. Capital management

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders. The Company monitors capital based on the carrying amount of equity plus debt, less cash. Management assesses capital requirements to maintain an efficient financing structure while avoiding excessive debt. The Company monitors its capital structure and adjusts as required in light of economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may downsize or reduce costs. The capital of the Company consists of:

	Note	March 31, 2026	December 31, 2025
Long-term debt	12	\$ 16,401,256	\$ 16,703,662
Warrants liability		-	35,126
Shareholders' equity		3,174,899	2,004,202
Cash		(4,412,196)	(3,465,009)
Investments	22	(767,939)	(636,859)
<b>Total capital</b>		<b>\$ 14,396,020</b>	<b>\$ 14,641,122</b>

#### 5. Trade and other receivables

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. The net carrying value of trade receivables is considered a reasonable approximation of fair value due to their short-term nature.

	March 31, 2026	December 31, 2025
Trade receivables	\$ 3,789,450	\$ 4,796,326
Allowance for doubtful accounts	(261,549)	(264,011)
Net trade receivables	3,527,901	4,532,315
Other receivables	4,597,157	4,266,011
<b>Total trade and other receivables</b>	<b>\$ 8,125,058</b>	<b>\$ 8,798,326</b>

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

Unaudited, Expressed in U.S. dollars, except share information and unless otherwise noted

#### 6. Consideration payable related to acquired companies

	March 31, 2026	December 31, 2025
Current liabilities:		
Consideration payable	\$ 454,409	\$ 564,877
Contingent consideration payable	1,198,244	1,078,244
<b>Total current liabilities</b>	<b>\$ 1,652,653</b>	<b>\$ 1,643,121</b>
Non-current liabilities:		
Contingent consideration payable	210,866	320,050
<b>Total non-current liabilities</b>	<b>\$ 210,866</b>	<b>\$ 320,050</b>
<b>Total consideration payable</b>	<b>\$ 1,863,519</b>	<b>\$ 1,963,171</b>

From the \$1,863,519 total consideration payable, \$1,464,111 relates to 2022 acquisitions, and the remaining balance of \$399,408 relates to acquisitions prior to 2022.

The following table provides information about the consideration payable:

	Three Months Ended March 31, 2026	Year Ended December 31, 2025
Balance, beginning of period	\$ 1,963,171	\$ 5,753,934
Payments	(110,000)	(2,352,115)
Shares issued	-	(2,333,889)
Revaluation of equity consideration	-	35,355
Revaluation of contingent and deferred consideration	-	516,221
Interest expense	10,817	229,529
Foreign exchange differences	(469)	114,136
<b>Balance, end of period</b>	<b>\$ 1,863,519</b>	<b>\$ 1,963,171</b>

#### 7. Revenue

The following table summarizes revenue by type of service:

	Three Months Ended March 31, 2026	March 31, 2025
Data analytics solutions and services		
Cost plus fixed fee	\$ -	\$ 167,704
Fixed, firm price	3,135,601	1,537,740
Time and materials	4,879,703	6,348,366
<b>Total data analytics solutions and services</b>	<b>8,015,304</b>	<b>8,053,810</b>
License and maintenance reselling	1,523,755	2,090,515
Software-as-a-service, license and maintenance	200,437	222,715
<b>Total revenue</b>	<b>\$ 9,739,496</b>	<b>\$ 10,367,040</b>

The following table summarizes revenue by the country of the customer's domicile:

	Three Months Ended March 31, 2026	March 31, 2025
Argentina	\$ 4,035,543	\$ 3,923,520
Brazil	2,063,721	2,653,207
Chile	131,825	219,710
Colombia	201,467	443,652
United Kingdom	2,130,064	2,064,915
United States	295,956	752,141
Other countries	880,920	309,895
<b>Total revenue</b>	<b>\$ 9,739,496</b>	<b>\$ 10,367,040</b>

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

Unaudited, Expressed in U.S. dollars, except share information and unless otherwise noted

The following table provides information about deferred revenue:

	<b>Three Months Ended March 31, 2026</b>		<b>Year Ended December 31, 2025</b>	
Balance, beginning of period	\$	1,231,632	\$	2,239,935
Increase from cash received and amounts billed		2,425,503		10,193,048
Revenue recognized		(2,578,159)		(11,222,756)
Foreign exchange revaluation		(18,203)		21,405
<b>Balance, end of period</b>	<b>\$</b>	<b>1,060,773</b>	<b>\$</b>	<b>1,231,632</b>
Deferred revenue classified as a current liability	\$	1,060,773	\$	1,173,017
Deferred revenue classified as a non-current liability	\$	-	\$	58,615

## 8. Segment reporting

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 organizational reporting 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 a basis such that the Company has two reportable operating segments: Operations, which includes the operating companies, 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 income (loss) from operations is used to measure performance, because management believes this information is the most relevant in evaluating the results of the Company.

The adjustments to reconcile segment income (loss) from continuing operations to the Financial Statements consist of depreciation of property and equipment, amortization of intangible assets, transaction expenses related to acquisitions, and foreign exchange gains.

	<b>Three Months Ended March 31, 2026</b>			
	<b>Operations</b>	<b>Corporate</b>	<b>Adjustments</b>	<b>Total</b>
Revenue	\$ 9,739,496	\$ -	\$ -	\$ 9,739,496
Cost of revenue	(4,904,815)	-	(129,242)	(5,034,057)
Gross profit	4,834,681	-	(129,242)	4,705,439
Administrative expenses	(2,318,987)	(1,031,271)	(222,730)	(3,572,988)
Income (loss) from operations	2,515,694	(1,031,271)	(351,972)	1,132,451
Other expenses	-	(824,903)	-	(824,903)
<b>Income (loss) before income taxes</b>	<b>\$ 2,515,694</b>	<b>\$ (1,856,174)</b>	<b>\$ (351,972)</b>	<b>\$ 307,548</b>

	<b>Three Months Ended March 31, 2025</b>			
	<b>Operations</b>	<b>Corporate</b>	<b>Adjustments</b>	<b>Total</b>
Revenue	\$ 10,367,040	\$ -	\$ -	\$ 10,367,040
Cost of revenue	(5,151,760)	-	(76,163)	(5,227,923)
Gross profit	5,215,280	-	(76,163)	5,139,117
Administrative expenses	(2,149,432)	(655,874)	(795,952)	(3,601,258)
Income (loss) from operations	3,065,848	(655,874)	(872,115)	1,537,859
Other expenses	-	(1,480,928)	-	(1,480,928)
<b>Income (loss) before income taxes</b>	<b>\$ 3,065,848</b>	<b>\$ (2,136,802)</b>	<b>\$ (872,115)</b>	<b>\$ 56,931</b>

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

Unaudited, Expressed in U.S. dollars, except share information and unless otherwise noted

## 9. Intangible assets

Details of the Company's intangible assets and their carrying amounts are as follows:

	Trade Names	Customer Relationships	Developed Technology	Non-competes Agreements	Order Backlog	Licensed Technology	Total
Cost:							
Balance at January 1, 2026	\$ 1,046,232	\$ 8,905,507	\$ 3,799,092	\$ 45,013	\$ 323,000	\$ 319,667	\$ 14,438,511
Additions	-	-	213,594	-	-	-	213,594
Hyperinflation adjustment	-	5,020	236,082	-	-	-	241,102
Foreign exchange revaluation	(62,356)	(14,308)	(24,930)	(684)	-	(5,330)	(107,608)
Balance at March 31, 2026	983,876	8,896,219	4,223,838	44,329	323,000	314,337	14,785,599
Accumulated amortization:							
Balance at January 1, 2026	1,046,232	3,194,141	2,354,747	45,013	323,000	272,863	7,235,996
Hyperinflation adjustment	-	3,292	102,809	-	-	-	106,101
Amortization expense	-	162,476	113,092	-	-	16,150	291,718
Foreign exchange revaluation	(62,356)	(63,901)	(19,313)	(684)	-	(299)	(146,553)
Balance at March 31, 2026	983,876	3,296,008	2,551,335	44,329	323,000	288,714	7,487,262
Net book value, March 31, 2026	\$ -	\$ 5,600,211	\$ 1,672,503	\$ -	\$ -	\$ 25,623	\$ 7,298,337

	Trade Names	Customer Relationships	Developed Technology	Non-competes Agreements	Order Backlog	Licensed Technology	Total
Cost:							
Balance at January 1, 2025	\$ 1,179,591	\$ 8,337,355	\$ 3,081,373	\$ 64,346	\$ 323,000	\$ 323,000	\$ 13,308,665
Additions	-	-	618,028	-	-	-	618,028
Hyperinflation adjustment	-	74,744	142,529	-	-	-	217,273
Foreign exchange revaluation	(133,359)	493,408	(42,838)	(19,333)	-	(3,333)	294,545
Balance at December 31, 2025	1,046,232	8,905,507	3,799,092	45,013	323,000	319,667	14,438,511
Accumulated amortization:							
Balance at January 1, 2025	1,063,103	1,893,566	1,846,089	64,346	311,333	209,950	5,388,387
Hyperinflation adjustment	-	37,731	140,038	-	-	-	177,769
Amortization expense	116,488	780,057	441,447	-	11,667	58,956	1,408,615
Foreign exchange revaluation	(133,359)	482,787	(72,827)	(19,333)	-	3,957	261,225
Balance at December 31, 2025	1,046,232	3,194,141	2,354,747	45,013	323,000	272,863	7,235,996
Net book value, December 31, 2025	\$ -	\$ 5,711,366	\$ 1,444,345	\$ -	\$ -	\$ 46,804	\$ 7,202,515

In the three months ended March 31, 2026, \$129,242 (March 31, 2025: \$76,163) of amortization expense is included in cost of revenue and \$162,476 (March 31, 2025: \$233,957) is included in administrative expenses in the Condensed Consolidated Interim statements of income (loss) and comprehensive income (loss).

## 10. Goodwill

The following table provides information about the changes in goodwill:

	Three Months Ended March 31, 2026	Year Ended December 31, 2025
Balance, beginning of period	\$ 12,298,944	\$ 12,531,308
Hyperinflation adjustment	6,189	92,160
Foreign exchange revaluation	79,652	(324,524)
Balance, end of period	\$ 12,384,785	\$ 12,298,944

The Company tests goodwill for impairment annually at year-end using data as at December 31 of that year at the level of the group of cash-generating-units ("CGUs") to which the goodwill is allocated, which corresponds with the corresponding operating segment. The recoverable amount of the CGU to which the goodwill belongs is determined based on a fair value less cost to sell calculation that discounts the present value of estimated future cash flows at an appropriate risk-adjusted rate. The Company uses its projections to estimate future cash flows and includes an estimate of long-term future growth rates based on its most recent views of the long-term outlook for the business for a period of five years with growth rates ranging from 5% to 15% and

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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a terminal growth rate of 2% to 3%. Actual results may differ from those assumed in these forecasts. The Company derives its discount rates using a capital asset pricing model and by analyzing published rates for industries relevant to its reporting units to estimate the cost of equity financing for the Company and then applies certain risk adjustment for each CGU to commensurate with the risks and uncertainty inherent in each respective CGU and in its respective projections. The discount rate used in valuations as at December 31, 2025 ranged from 18% to 26%. The results of the assessments performed as at December 31, 2025 indicated that the recoverable amount of goodwill exceeded the carrying value for all CGUs, and management believes that no reasonably possible change in any of the above key assumptions would have caused the carrying amount to exceed its recoverable amount. Estimating the fair value of reporting units requires the use of estimates and significant judgments that are based on a number of factors including actual operating results. It is reasonably possible that the judgments and estimates described above could change in future periods.

#### 11. Property and equipment

Details of the Company's property and equipment and their carrying amounts are as follows:

	Computer Equipment	Furniture and Fixtures	Vehicles	Total
Balance at January 1, 2026	\$ 81,310	\$ 8,106	\$ 2,043	\$ 91,459
Additions	29,137	1,511	-	30,648
Hyperinflation adjustment	(5,604)	(252)	-	(5,856)
Depreciation	(28,352)	(859)	(2,727)	(31,938)
Foreign exchange variances	18,920	2,104	(169)	20,855
Balance at March 31, 2026	\$ 95,411	\$ 10,610	\$ (853)	\$ 105,168

	Computer Equipment	Furniture and Fixtures	Vehicles	Total
Balance at January 1, 2025	\$ 140,157	\$ 13,721	\$ 7,156	\$ 161,034
Additions	56,824	2,371	-	59,195
Hyperinflation adjustment	(25,917)	(2,046)	-	(27,963)
Depreciation	(121,957)	(3,646)	(6,625)	(132,228)
Foreign exchange variances	32,203	(2,294)	1,512	31,421
Balance at December 31, 2025	\$ 81,310	\$ 8,106	\$ 2,043	\$ 91,459

#### 12. Long-term debt

The following table provides information about the long-term debt:

	Three Months Ended March 31, 2026	Year Ended December 31, 2025
Balance, beginning of period	\$ 16,703,662	\$ 10,609,348
Additions	-	18,000,000
Interest accrued	(5,230)	238,443
Repayments	(344,128)	(10,987,686)
Debt issuance costs	-	(1,564,796)
Amortization of debt issuance costs	106,220	263,556
Gain on debt settlement	-	(36,030)
Foreign exchange revaluation	(59,268)	180,827
Balance, end of period	\$ 16,401,256	\$ 16,703,662
Current portion	\$ 946,159	\$ 956,191
Long-term portion	\$ 15,455,097	\$ 15,747,471

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### Notes to the Condensed Consolidated Interim Financial Statements

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Long-term debt consists of:

- a) \$404,014 (2025: \$451,726) related to three unsecured, non-interest-bearing loans to NowVertical Group Inc., denominated in Canadian dollars. The debt was initially recorded at fair value, estimated using future payments discounted at a market rate of interest, with the adjustment amortized into profit and loss over the term of the debt as interest expense. The contractual principal owing as at March 31, 2026, is \$414,595 (2025: \$465,825).
- b) The loan assumed upon acquisition of Signafire Technologies Inc., settled and fully repaid for \$80,000 during the year ended December 31, 2025. There was a gain on debt settlement recognized of \$36,030 in the consolidated statements of income (loss) and comprehensive income (loss) during the three months ended June 30, 2025.
- c) A term loan to NowVertical Group Inc. of \$7,000,000 bearing interest at the prime rate plus 3.0% per annum, fully repaid for \$5,711,322 during the year ended December 31, 2025.
- d) A term loan to NowVertical Canada Holdings Inc. of C\$7,000,000 bearing interest at 7.4% per annum. Of the C\$7,000,000, \$3,520,784 was repaid during the year ended December 31, 2024 and the balance was fully repaid during the year ended December 31, 2025. The amount outstanding as at December 31, 2025 is \$nil.
- e) A term loan related to A10 Brazil bearing interest at 18% per annum, fully repaid for \$297,403 during the year ended December 31, 2025.
- f) \$5,152,458 (2025: \$5,456,337) outstanding in respect of a \$6,000,000 term loan advanced to NowVertical UK Ltd. on May 30, 2025. The loan bears interest at the Secured Overnight Financing Rate ("SOFR") plus a margin currently at 7.58% per annum, with repayments amortizing over the five-year term beginning on December 31, 2025 and maturing in 2030. The facility is secured by all the assets of the Company and certain subsidiaries and is subject to a subordination agreement with TSX Trust regarding the Company's outstanding convertible debentures. Standard financial covenants are measured quarterly beginning on June 30, 2025.
- g) \$12,048,923 (2025: \$12,106,728) outstanding in respect of an \$12,000,000 revolving credit facility advanced to NowVertical Group Inc. on May 30, 2025. The difference between the carrying amount and the original principal reflects accrued interest. The facility bears interest at SOFR plus a margin currently at 7.08% per annum, with interest-only payments over the three-year term beginning September 30, 2025. The principal balance is due on May 29, 2028, with an option to extend for one additional year, subject to the lender's consent. The revolving facility has a committed capacity of \$12,000,000, which may be increased to \$20,000,000 upon exercise of an accordion feature and certain ancillary facilities, also subject to lender consent. The facility is secured by all of the assets of the Company and certain subsidiaries, and is subject to a subordination agreement with TSX Trust regarding the Company's outstanding convertible debentures. Standard financial covenants are measured quarterly beginning June 30, 2025.
- h) The Company incurred \$1,564,796 of debt issuance costs related to the term loan (Note 12f) and revolving credit facility (Note 12g) during the year ended December 31, 2025. These are being amortized over the period of the two loans, and the Company recognized \$106,033 (2025: \$263,556) of accretion expense in interest expense during the three months ended March 31, 2026 in the consolidated statements of income (loss) and comprehensive income (loss). The unamortized balance of debt issuance costs as at March 31, 2026 is \$1,204,139 (2025: \$1,310,752).

Estimated principal repayments over the next five years are as follows:

2026	\$1,353,559
2027	\$1,309,307
2028	\$13,295,589
2029	\$1,244,755
2030	\$311,384

The Company is in compliance with all debt covenants as of March 31, 2026.

### 13. Share capital

- a) Authorized

Unlimited Class A SVS and unlimited Class B Proportionate Voting Shares without par value.

- b) Issued and fully paid

The shares outstanding as of March 31, 2026, are 97,814,635 (March 31, 2025: 96,436,462). There were no shares issued during the three months ended March 31, 2026.

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	Note	
Balance, January 1, 2025		87,268,044
Shares issued related to acquisitions	14c	8,986,600
Shares issued for provision of services	14d	181,818
<b>Balance, March 31, 2025</b>		<b>96,436,462</b>

- c) Shares issued related to acquisitions – On February 20, 2025, the Company issued 5,432,954 SVS in connection with the purchase of CoreBI and 3,553,646 SVS in connection with the purchase of Acrotrend Solutions Ltd. (“Acrotrend”).
- d) Shares issued for provision of services - On February 20, 2025, the Company issued 181,818 SVS to an employee in settlement of a bonus payable and the related expense was \$47,220.
- e) Stock options

The Company has an Omnibus Plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Company non-transferable equity-based awards, including stock options, to purchase SVS, RSUs, deferred stock units, and performance stock units (collectively, “Awards”). The Company is authorized to grant up to 9,781,463 SVS as Awards pursuant to the Omnibus Plan. The Board of Directors determines the price per Award, which may be allocated to each director, officer, employee and consultant, and all other terms and conditions of the Award. Stock options typically vest over four years and become partially exercisable on the first anniversary date the options were granted, and Awards vest pursuant to the Omnibus Plan. The Company also has a legacy equity incentive plan through which it granted stock options to certain employees and contractors previously, which is no longer being used for new grants.

During the three months ended March 31, 2026, the Company recognized \$10,536 (March 31, 2025: \$30,042) in share-based compensation expense. The fair value of the options granted was estimated using the Black-Scholes option-pricing model on the date of grant using the following assumptions: risk-free rate ranging from 1.42% to 4.06%, expected life of one to four years, expected volatility of 78% based on comparable companies, and dividend yield of 0%.

The following table shows the stock options activity during the period:

	Three Months Ended			
	March 31, 2026		March 31, 2025	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, January 1	4,382,942	\$ 0.59	4,348,542	\$ 0.77
Outstanding, March 31	4,382,942	\$ 0.59	4,348,542	\$ 0.58
Exercisable, March 31	4,369,713	\$ 0.59	2,827,813	\$ 0.77

Details of the outstanding options as of March 31, 2026 are as follows:

Range of Exercise Prices	Outstanding Options at March 31, 2026	Remaining Term of Options in Years	Weighted Average Exercise Price	Exercisable Options at March 31, 2026	Weighted Average Exercise Price
\$0.20 - \$0.45	1,748,333	7.93	\$ 0.23	1,748,333	\$ 0.23
\$0.46 - \$0.90	2,359,609	4.93	0.80	2,357,942	0.80
\$1.00	275,000	6.10	1.00	263,438	1.00
	4,382,942	6.22	\$ 0.59	4,369,713	\$ 0.59

- f) RSUs

The Company did not grant any new RSUs during the three months ended March 31, 2026 (2025: 750,000). During the three months ended March 31, 2026, the Company recorded \$54,257 (2025: \$78,811) in share-based compensation for these RSUs. As at March 31, 2026, there are 1,919,532 RSUs outstanding (2025: 2,175,000).

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On July 23, 2025, and September 11, 2025, the Company issued 24,999 and 449,999 Class A SVS to employees in settlement of RSU awards granted under the Company's Omnibus Incentive Plan. The total related share-based compensation expense recognized in connection with this issuance was \$110,604 based on the market value of the SVS on the date of issuance.

#### g) Performance Share Units (PSUs)

The Company has granted performance share units ("PSUs") under its Omnibus Plan. Pursuant to the Omnibus Plan, the Board of Directors may, at its discretion, grant Awards.

Each PSU represents the right to receive one Class A SVS of the Company or a cash payment equal to the market value of one SVS on the settlement date, as determined by the Board of Directors, subject to the achievement of applicable performance and service conditions.

PSUs generally vest over a three-year period based on the achievement of individual and/or corporate performance targets assessed quarterly and approved annually by management and the Board of Directors, as outlined under the Company's Performance Assessment Policy. Settlement occurs upon vesting or as otherwise determined in accordance with the Omnibus Plan.

As at March 31, 2026, a total of 3,103,899 PSUs remain outstanding.

During the three months ended March 31, 2026, the Company recognized \$202,253 (2025: \$nil) in share-based compensation expense related to PSUs. The expense is recognized over the vesting period of the Awards in accordance with IFRS 2, *Share-based Payment*.

#### 14. Net income (loss) per share

Basic income (loss) per share is calculated by dividing net income (loss) for the year by the weighted average number of shares outstanding during the year. Diluted net income (loss) per share is calculated by dividing net income (loss) for the year attributable to shareholders by the weighted average number of shares outstanding during the year plus the weighted average number of shares, if any, that would be issued on a conversion of all the dilutive potential effects. All stock options, warrants and shares resulting from convertible debt were excluded from the diluted weighted average number of shares calculation, as their impact would have been anti-dilutive. The Proportionate Voting Shares ("PVS") and SVS are economically equivalent and entitled to the same earnings; as such, the basic and diluted net income (loss) per share for the Company for the year is calculated using the following numerators and denominators:

Numerator	Three Months Ended	
	March 31, 2026	March 31, 2025
Net income (loss)	\$ 50,779	\$ (684,030)
<b>Denominator</b>		
Weighted average number of common shares outstanding for basic net income (loss) per share	97,814,635	91,241,025
Adjustment for dilutive stock options	1,350,000	-
Weighted average number of common shares outstanding for diluted net income (loss) per share	99,164,635	91,241,025
Basic net income (loss) per share	\$ 0.00	\$ (0.01)
Diluted net income (loss) per share	\$ 0.00	\$ (0.01)

#### 15. Convertible debentures and warrants liability

On October 5, 2022, the Company closed a marketed public offering of 5,069 convertible debenture units ("Debenture Units") at a price of C\$1,000 per Debenture Unit for total gross proceeds of C\$5,069,000 (net proceeds of US\$3.3 million) with a maturity date of October 5, 2025. Each Debenture Unit consists of one 10% senior unsecured convertible debenture of the Company with a face value of C\$1,000 and 715 Class A SVS purchase warrants of the Company, representing 75% warrant coverage. Each warrant is exercisable for one SVS at a price of C\$1.25 per SVS for a period of 36 months following the closing date. The warrants are listed under the symbol "NOW.WT.A". The warrants have been classified as a liability and are revalued to fair value each quarter. The Debenture Units include a conversion feature, whereby the principal amount shall be convertible,

## **NowVertical Group Inc.**

### **Notes to the Condensed Consolidated Interim Financial Statements**

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for no additional consideration, into Class A SVS of the Company at the option of the holder (with the exception of the Company Conversion set out below) in whole or in part at any time and from time to time prior to the earlier of: (i) the close of business on the maturity date; and (ii) the business day immediately preceding the date specified by the Company for redemption of the convertible debentures upon a change of control at a conversion price per share equal to C\$1.05 subject to adjustment in certain events (the "Conversion Price"). The Company will be entitled to force the conversion (the "Company Conversion") of the principal amount of the then outstanding convertible debentures at the Conversion Price on not more than 60 days' and not less than 30 days' notice (i) in the event that the daily Volume Weighted Average Price of the SVS on the TSXV is greater than C\$1.60 per share for 10 consecutive trading days of the SVS on the TSXV preceding such notice; or (ii) in connection with an equity or similar financing (either qualified by a prospectus or by way of private placement) involving SVS, or warrants exercisable for SVS, resulting in aggregate gross proceeds to the Company of not less than C\$12,500,000 (the "Qualified Financing"), in each case subject to the Company Conversion being permitted under the policies of the TSXV for any trading of the SVS at that time. If a Qualified Financing is completed at a price per security that is lower than the Conversion Price (with such Conversion Price being calculated, in the case of warrants, by adding the issue and exercise price), the Conversion Price will be reduced to equal the greater of \$0.10 and the closing price of the SVS on the TSXV on the day before the press release announcing the Qualified Financing is disseminated, provided that, among other things, the conditional approval of the TSXV is obtained.

During the year ended December 31, 2025, the Company fully repaid the convertible debentures on October 5, 2025 in the amount of C\$5,069,000 to the registered holders of the 5,069 Debenture Units. As a result, no convertible debentures are outstanding as at March 31, 2026.

#### ***Warrants***

In connection with the offering on February 28, 2023, each of the 9,631,500 units included one SVS warrant of the Company. Each warrant is exercisable to acquire one SVS at a price per share of C\$0.80 for a period of 36 months following the closing of the offering. The value of the warrants issued was \$1,156,127, was recorded to warrants liability and was estimated using the Black-Scholes option-pricing model on the date of grant using the following assumptions: risk-free rate of 4.17%, expected life of three years, expected volatility of 70% based on comparable companies, forfeiture rate of 0%, and dividend yield of 0%, and was recorded to warrants liability. The warrants expired during the three months ended March 31, 2026, and a warrant revaluation of \$35,126 (December 31, 2025: \$104,515) was recognized in the consolidated statements of income (loss) and comprehensive income (loss) as warrant revaluation, and \$165 (December 31, 2025: \$3,462) was recorded as an exchange difference.

In connection with the Debenture Unit offering on October 5, 2022, each of the 5,069 Units included 715 Unit warrants. Each of the 3,624,335 full Unit warrants is exercisable at a price of C\$1.05 per warrant for a period of 36 months following the closing date and entitles the holder to purchase one SVS. The Unit Warrants are freely traded. The fair value of the Unit Warrants of \$320,537 upon issuance was determined using the closing price of C\$0.12 per Unit Warrant on the date of issue. The fair value of the Unit Warrants was recorded to warrants liability, and the balance of the proceeds was recorded to convertible debt. The warrants liability is revalued at each reporting period using the closing price of the Unit Warrants on the reporting date. The warrants expired during the year ended December 31, 2025, and a warrant revaluation of \$13,173 was recognized in the consolidated statements of income (loss) and comprehensive income (loss) as warrant revaluation, and \$568 was recorded as an exchange difference.

#### **16. Income tax expense**

Income tax expense is recognized at an amount determined by multiplying the profit (loss) before tax for the interim 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 interim period. As such, the effective tax rate in the Financial Statements may differ from management's estimate of the effective tax rate for the Annual Financial Statements.

For the three months ended March 31, 2026, the Company recorded income tax expense of \$256,769 (2025: \$740,961) on pre-tax income of \$307,548 (2025: \$56,931).

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**17. Cash flow adjustments and changes in working capital**

The following non-cash adjustments and changes in working capital have been made to net income (loss) to arrive at operating cash flow:

	Note	Three Months Ended		
		March 31, 2026	March 31, 2025	
Non-cash adjustments in operating activities:				
Depreciation of property and equipment	11	\$ 31,938	\$ 76,616	
Amortization of intangible assets	9	291,718	310,120	
Deferred income tax expense	16	(125,380)	212,552	
Income tax expense	16	289,998	528,409	
Share-based compensation expense	13	267,046	108,853	
Revaluation of equity consideration	6	-	35,355	
Revaluation of contingent and deferred consideration	6	-	592,848	
Revaluation of warrants liability	15	(34,961)	-	
Right-of-use assets and lease liabilities		1,027	-	
Interest expense		5,587	243,163	
Amortization of debt issuance costs	12	106,220	-	
Foreign exchange differences		578,802	235,298	
		<u>\$ 1,411,995</u>	<u>\$ 2,343,214</u>	
Net changes in working capital:				
Change in deferred revenue		\$ (170,859)	\$ (681,065)	
Change in trade and other receivables		843,262	(369,450)	
Change in unbilled receivables		(3,548,994)	(2,286,984)	
Change in prepaid expenses and other current assets		(32,714)	574,575	
Change in accounts payable		(34,918)	(503,766)	
Change in accrued expenses and other current liabilities		3,099,617	433,660	
Change in taxes receivable and payable		68,636	(505,858)	
Change in short-term investments		(41,401)	(28,026)	
		<u>\$ 182,629</u>	<u>\$ (3,366,914)</u>	
Non-cash disclosures in investing and financing activities:				
Shares issued for provision of services		\$ -	\$ 47,220	
Shares issued related to acquisitions		-	2,333,890	
		<u>\$ -</u>	<u>\$ 2,381,110</u>	

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#### 18. Administrative expenses and cost of revenue

	Three Months Ended	
	March 31, 2026	March 31, 2025
Compensation and benefits	\$ 1,742,665	\$ 1,461,091
Professional fees	441,604	446,586
Marketing and advertising	305,621	219,141
Investor relations and filing fees	29,622	48,978
Product development	52,387	(14,036)
Office and other expenses	514,813	485,709
Travel expense	59,375	77,778
Depreciation of property and equipment	31,938	76,616
Amortization of intangible assets	162,476	233,957
Exchange loss (gain)	(34,559)	456,585
Share-based compensation expense	267,046	108,853
<b>Total administrative expenses</b>	<b>\$ 3,572,988</b>	<b>\$ 3,601,258</b>

	Three Months Ended	
	March 31, 2026	March 31, 2025
Compensation and benefits	\$ 3,312,132	\$ 3,264,561
Subcontractor costs	1,551,521	1,866,891
Software and data expense	41,162	20,308
Amortization of intangible assets	129,242	76,163
<b>Total cost of revenue</b>	<b>\$ 5,034,057</b>	<b>\$ 5,227,923</b>

#### 19. Financial instruments and risk management

##### ***Fair value***

Fair value represents the price at which a financial instrument could be exchanged in an orderly market in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of financial instruments according to the following hierarchy based on the number of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

Cash, trade and other receivables, unbilled receivables, taxes receivable, other current assets, accounts payable, accrued expenses, convertible debentures and other current liabilities are recorded at their carrying amount due to the short-term maturities of these items. The carrying value of long-term debt with variable rates approximates its fair value due to the variable rate on the debt. The fair value of the warrants liability is determined using Level 2 valuation techniques. The fair values of equity and contingent consideration related to acquired companies are determined using Level 3 valuation techniques.

##### ***Risk***

The Company's activities expose it to financial risks, including credit liquidity risk, market risk, currency risk, interest rate risk and price 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 is \$16,690,320 as at March 31, 2026 (December 31, 2025: \$15,275,262). The Company

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is also exposed to credit risk from cash held by banks and financial institutions. The maximum exposure is equal to the carrying value of the financial assets.

#### 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 it can only do so on terms that are materially disadvantageous. The Company is exposed to liquidity risk through non-payment of its accounts payable, accrued expenses and other current liabilities, convertible debentures, long-term debt, and payables to previous shareholders. The Company's exposure to liquidity risk is \$35,144,770 as at March 31, 2026 (December 31, 2025: \$33,595,806).

The table below summarizes the Company's contractual obligations into relevant maturity groups as at March 31, 2026, based on the expected contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows of principal amounts.

	Carrying Value	Future Finance Charges	Contractual Cash Flows	Year 1	Years 2 and 3	Years 4 and 5	Total
Current portion of long-term debt	\$ 946,159	\$ (407,400)	\$ 1,353,559	\$ 1,353,559	\$ -	\$ -	\$ 1,353,559
Long-term debt	15,455,097	(705,939)	16,161,036	-	14,604,896	1,556,139	16,161,036
Lease liability	166,625	(57,544)	224,169	45,853	122,274	56,042	224,169
Current consideration related to acquired companies	1,652,653	-	1,652,653	1,652,653	-	-	1,652,653
Non-current consideration related to acquired companies	210,866	-	210,866	-	210,866	-	210,866
<b>Total</b>	<b>\$ 18,431,400</b>	<b>\$ (1,170,883)</b>	<b>\$ 19,602,283</b>	<b>\$ 3,052,065</b>	<b>\$ 14,938,036</b>	<b>\$ 1,612,181</b>	<b>\$ 19,602,283</b>

The Company manages its capital structure on a consolidated level based on the funds available to it to support the continuation and expansion of its operations and to maintain a flexible capital structure, which optimizes the cost of capital at an acceptable risk. The Company defines capital to include share capital and its borrowings. The primary sources of the Company's cash flows are revenue collected from transactions completed for customers, debt financing, and net cash proceeds from public offerings. The Company always intends to maintain sufficient liquidity to meet its liabilities as they come due. This is achieved by continuously monitoring cash flows and reviewing actual operating expenditures and revenue to budget.

#### Market risk

Market risk is the risk that changes in market prices – such as interest rates, foreign exchange rates, equity prices and credit spreads – will affect the Company's income or the fair value of its holdings of financial instruments. The Company is exposed to market risk through currency risk, which results from both its operating and investing activities.

#### Currency risk

Currency risk is the possibility of financial loss due to unfavourable moves in exchange rates. The Company is exposed to currency risk, as its equity capital is raised in Canadian dollars, and a significant portion of its operating costs and obligations, and its acquisition prices, are denominated in U.S. dollars. A portion of the Company's operating costs are denominated in Argentine pesos, Brazilian real, pounds sterling, and Colombian pesos but are significantly hedged by offsetting revenue. To mitigate exposure to foreign currency risk, exchange rates and cash requirements in various currencies are monitored, and funds are converted based on short-term rate forecasts.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument (i.e., loans and borrowings) will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations. The objective of the Company's interest rate management is to minimize the volatility of income. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk at this time. Please refer to Note 12 for interest rates on outstanding debt.

#### Price risk

Price risk is the risk that the value of a security or investment will decrease. The Company is not exposed to significant price risk, as the Company's investments consist of low-risk, highly liquid investments.

## 20. Related party transactions

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 of Directors, and non-executive directors. Key management personnel remuneration includes the following expenses:

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

Unaudited, Expressed in U.S. dollars, except share information and unless otherwise noted

	Note	Three Months Ended	
		March 31, 2026	March 31, 2025
Salaries and bonuses		\$ 314,136	\$ 201,501
Share-based payments		125,698	83,851
Shares issued for provision of services	13d	-	47,220
Total related party transactions		\$ 439,834	\$ 332,572

## 21. Sale and/or disposal of assets

### *Allegient purchase agreement*

On May 24, 2024, the Company closed the disposition of its subsidiary, Allegient Defense Inc. ("Allegient"), to Denergy Corporation (the "Purchaser") for total gross cash consideration of up to \$12,500,000 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 \$12,500,000 all-cash consideration for the transaction consists of \$7,500,000 in cash received on closing, \$1,000,000 pursuant to a secured promissory note payable in instalments within 18 months of closing, and \$4,000,000 as an earn-out payable on Allegient reaching certain revenue milestones. As part of the transaction, the existing Allegient earn-out from the 2022 purchase of Allegient has been extinguished and a new earn-out agreement was entered. Under the new earn-out, the Company must pay 50% of the \$4,000,000 earn-out consideration up to a maximum of \$1,680,000 in aggregate with the same payment terms. During the three months ended March 31, 2026, the Company received \$31,361 (December 31, 2025: \$778,609). As of March 31, 2026, the Company has received \$8,270,371, net of transaction costs and cash disposed on sale (December 31, 2025: \$8,239,370).

### *Affinio Social purchase agreement*

On May 10, 2023, the Company completed the sale of Affinio Holdings Inc. ("Affinio") to a private UK-based intelligence platform provider, Audiense Ltd. ("Audiense"). Under the terms of the deal, the Company will receive an earn-out consideration based on the revenues collected (net of taxes) on sales of the Affinio product and Audiense products sold by the Company. Audiense is now an official reseller of the Company's vertical intelligence products and solutions. In addition, Audiense will pay \$2,200,000 of deferred payments in cash to the Company within 24 months of May 10, 2023, with acceleration events included. The Company also received an equity stake in Audiense equivalent to 2% of Audiense's share capital on a fully diluted basis as of May 10, 2023. As part of the transaction, Audiense purchased Affinio assets consisting primarily of Intellectual Property and patents. During the three months ended March 31, 2026, the Company received \$47,826 (2025: \$2,220,176). As of March 31, 2026, the Company received all outstanding payments owing, and the earn-out consideration period-ended.

### *Chilean and Mexican operations*

The Company is in the process of winding down the following subsidiaries: Analytics 10 Mx S.A. de C.V. (Mexico), Inteligencia de Negocios S.A. (Chile) and INSA Consulting SpA (Chile) (collectively herein defined as the "Disposal Group"). The Company expects the Disposal Group to wind down its operations in the foreseeable future. The comparative consolidated statement of financial position previously presented the assets and liabilities of the Disposal Group as assets and liabilities held for disposal. The comparative assets and liabilities of the Disposal Group have been re-reclassified within their respective accounts to align with current period presentation. As at March 31, 2026, the assets and liabilities held for disposal consist of the following:

	March 31, 2026	December 31, 2025
Current assets	\$ 462,381	\$ 518,313
Current liabilities	2,064,609	2,137,135
	\$ (1,602,228)	\$ (1,618,822)

**NowVertical Group Inc.****Notes to the Condensed Consolidated Interim Financial Statements**

Unaudited, Expressed in U.S. dollars, except share information and unless otherwise noted

**22. Investments**

	<b>Three Months Ended</b>		<b>Year Ended</b>	
	<b>March 31, 2026</b>		<b>December 31, 2025</b>	
Balance, beginning of period	\$	636,859	\$	2,021,833
Cash (withdrawn) deposited		59,468		(996,946)
Investing income		41,401		183,654
Foreign exchange differences		30,211		(571,682)
Balance, end of period	\$	767,939	\$	636,859

**23. Prepaid expenses and other current assets**

	<b>March 31, 2026</b>		<b>December 31, 2025</b>	
Prepaid expenses	\$	280,980	\$	251,247
Security deposits		49,254		48,248
Employee receivable		22,310		20,335
Total prepaid expenses and other current assets	\$	352,544	\$	319,830