



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF  
KOVO+ HOLDINGS INC.  
(FORMERLY KOVO HEALTHTECH CORPORATION)**

**FOR THE NINE MONTHS ENDED  
SEPTEMBER 30, 2025 AND SEPTEMBER 30, 2024**

**DATED NOVEMBER 28, 2025**

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization ("EBITDA") and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

## Management Discussion and Analysis (“MD&A”)

This Management’s Discussion & Analysis for the nine months ended September 30, 2025 and 2024, was prepared as of November 28, 2025, constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for the period and guidance related to certain performance criteria subsequent to the quarter end. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Corporation for the year ended December 31, 2024 and as well as the unaudited condensed consolidated interim financial statements for nine months ended September 30, 2025 together with the notes thereto. Results are reported in thousands of US dollars, unless otherwise noted. The Corporation’s unaudited condensed consolidated financial statements and the financial information contained in this MD&A were prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

For more detailed information regarding certain forward-looking statements contained herein, please see the note regarding “Forward-looking Statements.” The results of the operations, business prospects and financial condition of the Company will be affected by, among others, the risk factors set out in the note regarding “Risks and uncertainties.” Additional information about the Company, including the Company’s other public filings, can be found under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Company’s Shares are listed for trading on the TSXV under the symbol “KOV0”.

### *Forward-Looking Statements*

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Corporation’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Corporation’s ability to predict or control. For a complete list of the factors that could affect the Corporation, please make reference to those risk factors referenced in Risks and Uncertainties. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: The Corporation’s ability to meet its working capital needs at the current level for the next twelve-month period; management’s outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly, or otherwise revise, any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

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## Overview

Kovo + Holdings Inc. (Formerly Kovo HealthTech Corporation) (TSXV: KOVO) (“Kovo” or the “Company”) was incorporated in British Columbia, Canada on February 20, 2020. The Company’s head office is 1500 – 850 2 St SW, Calgary, Alberta, T2P 0R8, Canada.

The Company provides technology-enabled revenue cycle management solutions to healthcare providers, from small practices to enterprise medical groups, hospitals, and health systems throughout the United States. Our integrated platform includes revenue cycle management (“RCM”), practice management (“PM”), electronic health records (“EHR”), business intelligence, patient experience management solutions and complementary software tools and business services for high-performance medical groups and health systems. The Company also offers printing and mailing and group purchasing services.

- Kovo's vision is to enhance the experience for healthcare professionals across the North American healthcare industry by utilizing technology-driven solutions including the use of artificial intelligence (“AI”) to optimize Kovo’s established revenue cycle management capabilities. This transformative solution can reduce improper collections, minimize the risk of compliance issues and maximize revenue through improved accuracy. AI can cut support costs for RCMs and Electronic Medical Records (“EMR”), resulting in reduced resource requirements and increased provider productivity.

In addition to driving organic growth in our core business, Kovo is proactively pursuing a disciplined acquisition strategy. Kovo targets medical billing operators with a minimum five-year operating track record to ensure consistent and predictable results. To date, the Company has successfully acquired six RCM healthcare companies and has earned a reputation for effectively integrating the new companies resulting in improved overall profitability post integration.

The first Cash Generating Unit (“CGU”) includes Medworx and the Medical Billing-as-a-Service operations, consisting of RPM, Midwest, Cvikota, E&A, Kairos, and Healthcare Data Management.

Our technology-enabled business solutions includes, Revenue Cycle Management Services, Medical Coding and Credentialing Service, Healthcare Claims Clearinghouse, Practice Management Software, Business Intelligence and Healthcare Analytics, and Customized Technology Solutions

## Financial Highlights

The Company’s current highlights for the quarter include:

1. The Company entered into a definitive asset purchase agreement with Avonlea Ventures #2 Inc. (“AVI”), whereby the Company intends to acquire the exclusive right to purchase certain contractual assets of AI Vector, LLC and AAG Core, LLC. This transaction remains subject to certain customary conditions, including, without limitation, TSX-V approval. The Company sought, and received, a limited waiver from AVI to complete the AI Vector Acquisition prior to the closing of the AVI Transaction and whereby AVI agreed to take no action and refrain from immediate enforcing of its exclusive rights. As of the date of this report, the amended and restated APA has not yet been fully executed, and TSX-V approval has not yet been received.
2. On August 28, 2025, the Company’s indirect wholly owned subsidiary, Nexus AI Data, Inc., completed the acquisition (the “Acquisition”) and acquired 100% of the assets of AI Vector, LLC (“AI Vector”), a Utah-based business solutions company specializing in AI-driven IT infrastructure management, proprietary monitoring systems, network security, and support services.
3. The Company experienced Quarterly Revenue of \$2,465 and EBITDA [1] loss of (\$850), a decrease in revenue over Q2 by \$339 in revenues and an increase in EBITDA by \$486.

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

4. During the period ended September 30, 2025, the Company and Avonlea Ventures #2 Inc. ("AVI"), Kovo's largest shareholder and secured creditor, executed a series of extensions and amendments to the Secured Promissory Grid Note and the Senior Loan and Security Agreement, as follows:
- a. July 3, 2025: (Second Amendment) The maturity date of both the Senior Loan Agreement and the Secured Promissory Grid Note was extended from September 30, 2025 to July 31, 2025. All other terms remained unchanged.
  - b. July 31, 2025 (Third Amendment): The maturity date was further extended from July 31, 2025 to August 29, 2025. The maximum principal available under the Secured Promissory Grid Note was increased from \$850 to \$1,250.
    - i. The Company agreed to pay AVI a monthly fee equal to 1% of the aggregate amount of indebtedness outstanding, outstanding under the Senior Loan Agreement and the Secured Promissory Grid Note, payable in cash at the maturity date or such later date as may be mutually agreed.
  - c. September 2nd, 2025 (Fourth Amendment): On the same date, a further extension was executed to extend the maturity date of the Senior Loan and Security Agreement to December 31, 2025, and to increase the total principal available under the Secured Promissory Grid Note from \$1,250 to \$3,750.
    - i. As consideration for this amendment, the Company agreed to pay AVI (i) a financing fee of \$250 and (ii) a monthly fee equal to 1% of the aggregate amount of indebtedness outstanding under the Senior Loan Agreement and the Secured Promissory Grid Note, payable in cash at the maturity date or such later date as may be mutually agreed.

## SELECTED QUARTERLY INFORMATION

	2023		2024				2025		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
<b>Revenue</b>	\$ 2,722	\$ 2,656	\$ 2,685	\$ 2,382	\$ 2,838	\$ 2,708	\$ 2,804	\$ 2,465	
<b>Loss from Operations</b>	\$ (1,492)	\$ (754)	\$ (166)	\$ (1,136)	\$ (1,187)	\$ (531)	\$ (338)	\$ (1,109)	
Weighted Avg Shares	57,543,906	57,543,906	57,543,906	108,419,803	131,842,359	153,066,372	176,890,724	176,890,724	
Weighted Avg Diluted Shares	57,543,906	57,543,906	57,543,906	108,419,803	131,842,359	153,066,372	176,890,724	176,890,724	
<b>Total Income/(Loss)</b>	\$ (1,715)	\$ (2,155)	\$ (799)	\$ (1,494)	\$ (1,419)	\$ (1,144)	\$ (1,263)	\$ (2,510)	
Weighted Avg Basic and Diluted Shares	57,543,906	57,543,906	57,543,906	108,419,803	131,842,359	153,066,372	176,890,724	176,890,724	
Earnings per Basic and Diluted	\$ (0.03)	\$ (0.04)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	
<b>EBITDA<sup>1</sup></b>	\$ (1,367)	\$ (1,391)	\$ 7	\$ (719)	\$ (990)	\$ (274)	\$ (364)	\$ (850)	
<b>ADJUSTED EBITDA<sup>1</sup></b>	\$ (1,323)	\$ (515)	\$ 76	\$ (540)	\$ (757)	\$ (232)	\$ (64)	\$ (850)	

For the three months ended September 30, 2025, total revenue decreased to \$2,465, down from \$2,804 in Q2 2025, representing a decline of \$339. The decrease was primarily driven by client attrition within the RCM segment, where revenue declined by \$376, or 15%, compared to the prior quarter. This reduction was partially offset by the addition of new AI Vector revenue recorded in the Software segment, which increased by \$61 quarter-over-quarter.

For the three months ending September 30, 2025, operating loss increased to \$(1,109) from \$(338) in Q2 2025, a decrease of 228%. This increased operating loss was driven primarily by higher salaries and benefits expense of \$191 and an increase in general and administrative costs of \$240 during the quarter. The year-to-date operating loss has improved in the quarter ending September 30, 2025 compared to the quarter ending September 30, 2024 due to a combination of the prior year restructuring, which resulted in a reduction to salaries and benefits expense.

For the three months ending September 30, 2025, total loss increased to \$2,510 from \$1,263 in Q2 2025, an increase of \$1,247, or 98%. The increased total loss is primarily due to a decline in revenue of \$339, an increase in salaries and benefits of \$191, and an increase in G&A of \$240 during the quarter.

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## Selected Financial Information

We consider key performance measures used by management, including revenue trend, loss from operations, EBITDA<sup>1</sup>, and adjusted EBITDA<sup>1</sup>, which are non-IFRS financial measures and included to enable management and investors to analyze and compare the underlying business results from period to period.

### Revenue

The revenues for three and nine months ended September 30, 2025 were \$2,465 and \$7,977 respectively. This represents increase of \$83 and \$254 respectively when comparing to the three and nine months ended September 30, 2024. The quarterly and year to date revenue increases in 2025 are a result of the HDM and AI Vector acquisition being included in the three and nine months ending September 30, 2025 offset by some attrition throughout 2025.

### Expenses

The operating expenses for the three and nine months ended September 30, 2025 were \$3,574 and \$9,955, increase of \$56 and \$176 respectively (for the three and nine months ended September 30, 2024 – \$3,518 and \$9,779 respectively) is due to a combination of items. There has been an increase in G&A expenses due to legal fees related to financing and acquisition and engaging new sales & marketing contractors. Furthermore, depreciation expense has increased due to the customer list and tradename from the HDM acquisition. These increases were partially offset by restructuring efforts to reduce employee headcount decreasing the salary and benefit expenses.

### Profitability Metrics

These non-IFRS financial measures should not be considered in isolation, or as a substitute for or superior to, financial measures calculated in accordance with IFRS as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. Moreover, these non-IFRS financial measures have limitations in that they do not reflect all the items associated with the operations of our business as determined in accordance with IFRS. The Company compensates for these limitations by analyzing current and future results on a IFRS basis as well as a non-IFRS basis, and they provide reconciliations from the most directly comparable IFRS financial measures to the non-IFRS financial measures. The non IFRS financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in their industry, may calculate similarly titled non-IFRS financial measures differently than we do, limiting the usefulness of those measures for comparative purposes. Loss from operations, EBITDA, Adjusted EBITDA, and payroll as a percentage of revenues provides an alternative view of performance used by management and we believe that an investor's understanding of our performance is enhanced by disclosing these adjusted performance measures.

Adjusted EBITDA excludes the following elements which are included in IFRS net loss:

- Stock-based compensation includes cash-settled awards and related taxes, based on changes in the stock price
- Integration costs, such as severance amounts paid to employees from acquired businesses, and transaction costs, such as brokerage fees, pre-acquisition accounting costs and legal fees and exit costs related to contractual agreements,
- One-time costs incurred as part of an acquisition,
- Net loss on lease terminations, unoccupied lease charges and restructuring costs,
- Gain or loss on early extinguishment of debt, and
- Other non-recurring transaction and financing costs.

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Below is a presentation of our adjusted EBITDA for the three and nine months ended September 30, 2025 and 2024:

Note	For the three months ended		For the nine months ended	
	Sept 30, 2025	Sept 30, 2024	Sept 30, 2025	Sept 30, 2024
	\$	\$	\$	\$
Net Loss	(2,510)	(1,494)	(4,924)	(4,428)
Add back:				
Interest	1,392	536	2,637	1,640
Depreciation	268	239	792	685
Total	1,660	775	3,429	2,325
<b>EBITDA</b>	<b>(850)</b>	<b>(719)</b>	<b>(1,495)</b>	<b>(2,103)</b>
<b>Adjusted EBITDA</b>				
Adjustments:				
Executive Severance	-	-	200	-
One-time vendor credit	-	-	(159)	-
Non-cash equity issuances	-	19	1	35
Forbearance Fee	-	50	-	910
Total	-	69	42	945
<b>Adjusted EBITDA</b>	<b>(850)</b>	<b>(650)</b>	<b>(1,453)</b>	<b>(1,158)</b>

The Company's Adjusted EBITDA for the three months ended September 30, 2025 was a loss of \$850 (for three months ended September 30, 2024 – loss of \$650). The Adjusted EBITDA for the nine months ended September 30, 2025 was a loss of \$1,453 (for nine months ended September 30, 2024 – loss of \$1,158). The Adjusted EBITDA shows the normalized run rate of the operations excluding one-time charges that do not reflect the true operating run rate of the business.

Operating loss for the three and nine months ended September 30, 2025, totaled \$1,109 and \$1,978 respectively (for the three and nine months ended September 30, 2024 were \$1,136 and \$2,056 respectively). The improvement in operating loss for the nine months is due to a combination of decreases to salaries and benefits from restructuring efforts completed in 2024 and an increase in revenues due to HDM and AI Vector acquisition.

## Acquisitions

### *Acquisitions completed during the period ended September 30, 2025*

On May 27, 2025, the Company entered into a negotiation regarding an Asset Purchase Agreement (“APA”) with Avonlea Ventures #2 Inc. (“AVI”), the Company’s largest shareholder and secured creditor, to acquire, among other things, the exclusive right to purchase contractual assets and business interests of AI Vector, LLC (“AI Vector”) (the “AIV Transaction”). This transaction remains subject to certain customary conditions, including, without limitation, TSX-V approval. The Company sought, and received, a limited waiver from AVI to complete the AI Vector Acquisition prior to the closing of the AVI Transaction and whereby AVI agreed to take no action and refrain from immediate enforcing of its exclusive rights. As of the date of this report, the amended and restated APA has not yet been fully executed, and TSX-V approval has not yet been received.

On August 28, 2025, the Company’s indirect wholly owned subsidiary, Nexus AI Data, Inc., completed the acquisition of 100% of the assets of AI Vector (the “Acquisition”) pursuant to the limited waiver provided by AVI. AI Vector is a Utah-based business solutions company specializing in AI-driven IT infrastructure management, proprietary monitoring systems, network security, and support services.

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

The total consideration for the purchase price of the acquisition is currently estimated at \$3,000. Consisting of:

- Cash consideration of \$350 paid as a deposit prior to closing; and
- Assumption of net liabilities with an aggregate carrying amount of approximately \$2,650.

At the time of the Acquisition, the Company determined that AI Vector constituted a business as defined under IFRS 3, Business Combinations, and accounted for it as such. The Company has recognized the identifiable assets and liabilities acquired at their estimated acquisition date fair values. Fair values were determined based on discounted cash flows.

The purchase price allocation (“PPA”) is as follows. The PPA determined at the Acquisition date is preliminary and subject to change up to a period of one year from the Acquisition date upon finalization of fair value determination.

<b>Purchase Price:</b>	
VTB note (Note 8)	\$ 3,000
<b>Total</b>	<b>3,000</b>
<b>Identifiable Net Assets Acquired (Estimated Fair Values)</b>	
Cash	40
Net working capital	
Trade account receivable, net	136
Inventory	36
Accounts payable and accruals	(125)
Payroll wages and taxes	(212)
Property and equipment (Note 6)	68
Operating loans (Note 8)	(240)
KOVO Loan (Note 8)	(250)
	(547)
<b>Identifiable Intangible Assets</b>	
Brand	112
Software	332
Customer Relationship	257
Goodwill	2,846
<b>Reconciliation to Purchase Price</b>	<b>\$ 3,000</b>

The Company estimated the fair value of the acquired brand, software and customer relationships using income-based valuation methodologies consistent with IFRS 3. The brand and software were valued using the relief-from-royalty method, applying an after-tax discount rate of 17.5%, while customer relationships were valued using the multi-period excess earnings method, also discounted at 17.5%. The resulting fair values recognized were \$112 for the brand, \$332 for the software, and \$257 for customer relationships, each reflecting the expected pattern of economic benefits and management-supported useful lives.

The goodwill of \$2,846 recognized in the transaction primarily represents the expected operational synergies from integrating AI Vector’s capabilities with the Company’s existing platform, the value of the assembled workforce that cannot be separately recognized under IFRS, and the anticipated enhancements to the Company’s AI-enabled technology and service offerings.

The total acquisition costs related to this transaction were \$249 and is included in professional fees within general and administrative expenses. From the date of the acquisition to September 30, 2025, the acquired business contributed \$65 of revenue and a net loss of \$353. If the assets were acquired January 1, 2025, the consolidated revenues would have totaled \$475 and \$1,249 for the three and nine months ended September 30, 2025 and a consolidated net income of \$15 and a net loss of \$534 for the same three and nine month periods.

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## Financial Position

Total assets increased to \$14,720 as of September 30, 2025 compared to \$11,370 at December 31, 2024. Cash-on-hand increased to \$140, intangible assets increased to \$5,700 from \$5,693 as at December 31, 2024 largely due to identifiable intangible assets from AI Vector acquisition offset by monthly amortization. As of September 30, 2025, right of use assets decreased to \$55 from \$96 as of December 31, 2024 due to monthly amortization. No additions, disposal or other adjustments to right of use assets in 2025. As of September 30, 2025, goodwill increased to \$7,577 from \$4,731 as at December 31, 2024, due to AI Vector acquisition closed during the period ending September 30, 2025. Previously, Goodwill related to the purchase of RPM Medical Billing (May 2021), Midwest (July 2021), Cvikota (November 2021), E&A (April 2023), Kairos (June 2023), and Healthcare Data Management (August 2024). The Company believes the value of the assets is reasonable as sales volumes have met or exceeded forecast and this trend is expected to continue as of September 30, 2025.

Total liabilities increased to \$22,253 as of September 30, 2025 from \$15,364 on December 31, 2024. The increase is due to the receipt of funds under the AVI secured promissory grid note and the Vendor take-base note from AI Vector acquisition.

As at September 30, 2025, the Company had a working capital deficit of \$16,190 (December 31, 2024 - \$12,128) and an accumulated deficit of \$21,734 (December 31, 2024 - \$16,810). The Company has not yet achieved profitable operations and expects to incur further losses in the development of its businesses, prior to becoming profitable. These balances and the changes period over period indicate that there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

As of September 30, 2025, the Company had 176,890,724 common shares outstanding (December 31, 2024 – 133,131,711 common shares outstanding) which includes the February 9, 2025, non-brokered private placement transaction, to which the Company issued 43,759,013 common shares. As of the reporting date the Company has 176,890,724 common shares outstanding.

	Note	Number of common shares outstanding	Share capital \$	Contributed surplus \$	Deficiency \$	Total shareholders' deficiency \$
<b>Balances as at December 31, 2023</b>		<b>57,543,906</b>	<b>8,787</b>	<b>1,857</b>	<b>(10,943)</b>	<b>(299)</b>
Share-based compensation	10	-	-	36	-	36
Share issuance for debt conversion		62,407,767	1,658	-	-	1,658
Net loss and comprehensive loss		-	-	-	(4,428)	(4,428)
<b>Balances as at September 30, 2024</b>		<b>119,951,673</b>	<b>10,445</b>	<b>1,893</b>	<b>(15,371)</b>	<b>(3,033)</b>
<b>Balances as at December 31, 2024</b>		<b>133,131,711</b>	<b>10,929</b>	<b>1,887</b>	<b>(16,810)</b>	<b>(3,994)</b>
Share-based compensation	10	-	-	1	-	1
Issuance of common shares	10	43,759,013	1,124	-	-	1,124
Warrant issuance	10	-	-	260	-	260
Net loss and comprehensive loss		-	-	-	(4,924)	(4,924)
<b>Balances as at September 30, 2025</b>		<b>176,890,724</b>	<b>12,053</b>	<b>2,148</b>	<b>(21,734)</b>	<b>(7,533)</b>

The Company is authorized to issue an unlimited number of common shares at no par value. As of the date of this MD&A, there are 176,890,724 common shares issued and outstanding.

The following table outlines the issued and outstanding common shares and convertible instruments of the Company as of the date of this MD&A, September 30, 2025, and December 31, 2024.

As at	September 30, 2025	September 30, 2024	December 31, 2024
Common Shares	176,890,724	176,890,724	133,131,711
Warrants	32,813,450	32,813,450	10,933,943
Stock Options	1,845,686	1,845,686	2,745,686
RSUs	4,595,071	4,595,071	4,595,071

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The Company has stock options and warrants that are issued and exercisable. However, the weighted average exercise price for both stock options and warrants are out of the money.

The stock option activity for the period were as follows:

	Number of Options		Weighted Average exercise price
As at December 31, 2024	2,745,686	\$	0.32
Forfeited	(900,000)	\$	0.22
Outstanding as at September 30, 2025	1,845,686	\$	0.43
Exercisable as at September 30, 2025	1,845,686	\$	0.43

  

	Number of Options		Weighted Average exercise price
As at December 31, 2023	3,135,882	\$	0.32
Forfeited	(25,000)	\$	0.12
Outstanding as at September 30, 2024	3,110,882	\$	0.32
Exercisable as at September 30, 2024	3,079,632	\$	0.29

As of September 30, 2025, the Company had the following stock options outstanding:

	Exercise Price	Number of options outstanding	Weighted average remaining life (months)
2026-07-01	\$ 0.77	500,000	9
2030-02-25	\$ 0.20	1,245,686	54
2031-03-03	\$ 1.00	100,000	66
		1,845,686	42

A summary of all warrants issued is as follows:

	Warrants Outstanding	Weighted average exercise price
Balance December 31, 2024	10,933,943	\$0.306
Issued	21,879,507	\$0.100
Balance September 30, 2025	32,813,449	\$0.169

On February 9, 2025, the Company issued 21,879,507 warrants as part of the non-brokered private placement offering. All warrants were valued using the Black Scholes valuation model with the following assumptions: expected volatility of 117.9%; expected dividend yield of 0%; risk-free interest rate of 2.66%; exercise price of \$0.07 (CDN \$0.10).

As of September 30, 2025, the Company has 4,595,071 Restricted Share Unit ("RSU") outstanding (September 30, 2024 – 4,595,071). No RSU's have been granted during the nine-month period ended September 30, 2025.

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization ("EBITDA") and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

### **Warrant Extension**

On April 9, 2025, the Company announced that the TSXV has approved the extension of the expiry date of an aggregate of 8,800,000 Warrants by three years to April 20, 2028. These Warrants were issued pursuant to private placement, which closed on April 20, 2023, and all other terms and conditions of the Warrants remain unchanged, including the original exercise price of \$0.285 (CDN \$0.40) per Common Share. As of the reporting date, there are 176,890,724 outstanding common shares, 32,813,449 warrants, and 1,845,686 options

### **Private Placement**

On February 9, 2025, the Company issued 43,759,013 common shares as part of its non-brokered private placement at a price of \$0.035 (CDN \$0.05) per common share for aggregate gross proceeds of \$1,509 (CDN \$2,188) (the “Concurrent Offering”). Net proceeds from the private placement aggregate to \$1,384, net of \$125 professional fees. Insiders purchased 31,337,333 units and non-insiders purchased 12,421,680 units with gross proceeds of \$150 (CDN \$215) and \$1,359 (CDN \$1,973), respectively.

As at September 30, 2025, the Company had 176,890,724 common shares outstanding (December 31, 2024 – 133,131,711 common shares outstanding).

### **Continuance into Alberta Completed**

On May 16, 2025, the Company has completed a continuance out of the jurisdiction of British Columbia under the Business Corporations Act (British Columbia) and into the jurisdiction of Alberta under the Business Corporations Act (Alberta). The Company’s shareholders approved the Continuance at the Company’s annual general and special meeting held on December 16, 2024.

### **Accounting pronouncements**

The accounting policies applied are consistent with the significant accounting policies used in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2024.

### **New accounting standards and interpretations of the International Financial Reporting Committee issued but not yet effective**

Several new, but not yet effective Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. The Company anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company’s unaudited interim condensed consolidated financial statements.

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

## Critical accounting estimates

### Estimates and key sources of estimate uncertainty

In preparing the Company's unaudited condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the applicable of the Company's accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

In preparing the unaudited condensed consolidated interim financial statements, the significant estimates made by management include those that applied to and are disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2024, in addition to the ones noted below.

### Business combinations

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, based on all relevant facts and circumstances. Under IFRS 3 – Business Combinations (“IFRS 3”), a business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to investors, such as dividends, lower costs, or other economic benefits.

### Business combination versus asset acquisition

In assessing recent acquisitions, the Company considered the applicability of IFRS 3. The standard requires that a business consists of inputs and processes that have the ability to create outputs. After evaluating the nature of the acquired operations, the Company concluded that the acquisitions of AI Vector meet the definition of a business under IFRS 3. Accordingly, these transactions have been accounted for as business combinations, with identifiable assets and liabilities recognized at their fair values as of the acquisition dates, and any excess of the purchase consideration over the fair value of net identifiable assets recognized as goodwill.

### Recognition of contingent considerations

From time to time, the Company is involved in legal proceedings, claims and litigation in the ordinary course of business with customers, former employees and other parties. As of September 30, 2025, there are two (2) ongoing legal proceedings relating to client disputes and one (1) ongoing legal proceeding relating to contract, employment and statutory claims. Although the Company contests the validity of these claims and proceedings and at this stage, the Company believes that its liabilities, if any, arising from such matters will not have a material adverse effect on the Company's consolidated financial position or results of operations and have been adequately provided for in the consolidated financial statements. The two legal proceedings involving client disputes are both subject to partial and final motions to dismiss, which are currently under review by their respective courts. The proceeding relating to contract, employment and statutory claims is in early stages and it is too early to predict the resolution of the matter. However, given any litigation involves uncertainty, it is not possible to determine the outcome of such matters or the amount of potential losses, based on all currently available information. No accruals or provisions for contingent losses have been by the Company, except for those included in Note [13] of the consolidated financial statements. These claims continue to be monitored for any change in circumstances.

## Reconciliation of Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. The Company's definitions of non-IFRS measures used in this MD&A may not be the same as the definitions for such measures used by other companies in their reporting. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of the Company's financial

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

information reported under IFRS. The Company uses non-IFRS financial measures, including “EBITDA”, “Adjusted EBITDA” and “Adjusted EBITDA Margin” to provide investors with supplemental measures of its operating performance and to eliminate items that have less bearing on operating performance or operating conditions and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Specifically, the Company believes that Adjusted EBITDA, when viewed with the Company’s results under IFRS and the accompanying reconciliations, provides useful information about the Company’s business without regard to potential distortions. By eliminating potential differences in results of operations between periods caused by factors such as depreciation and amortization methods and restructuring, impairment and other charges, the Company believes that Adjusted EBITDA can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. 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 in order to facilitate operating performance comparisons from period to period.

“EBITDA” means net income (loss) before amortization and depreciation expenses, finance and interest costs, and provision for income taxes.

“Adjusted EBITDA” adjusts EBITDA for goodwill or customer list impairment costs, equity and stock-based expenses, unrealized foreign exchange gains or losses, non-recurring transaction including but not limited to restructuring, post acquisition integration, and financings costs and recurring government loans that are eligible to be 100% forgiven by government mandate (“PPP Loans”).

The term Annual Recurring Revenue (“ARR”) is a non-IFRS measure and refers to multiplying the monthly revenue for a current month. ARR is a metric typically used by recurring revenue companies to communicate run rate at a specific moment in time.

## **Liquidity and Capital Resources**

As of September 30, 2025, the Company had total cash of \$445 (December 31, 2024 – \$305) and net working capital deficit of \$16,190 (December 31, 2024 – \$12,128). For the nine months ended September 30, 2024, cash used by operations was \$1,451, cash used in investing activities at \$202 and cash generated from financing activities at \$1,793 resulting in an increase in cash of \$140.

Historically, management has been able to finance operations through private placements and debt financing, and will continue, as appropriate, to seek financing from these and other sources; however, there are no assurances that any such financings can be obtained on favourable terms, if at all. In view of these conditions, the ability of the Company to continue as a going concern is dependent upon its continued ability to obtain financing, generate sufficient cash flows and ultimately, achieve profitable operations. There can be no assurance that the steps management is taking will be successful.

The Company’s future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

The accounts receivable of the business are typically collected in a 30-day period, with limited collectability risk. The Company uses cash flow from operations, equity raises, short term debt and long-term debt to fund operations. The Company manages its working capital needs and has sourced financing as needed. The Company’s working capital can be impacted as noted in the Risks section by various factors. At this time the Company can generate sufficient cash from operating cash flows through prudent management of costs, particularly payroll costs relative to customer billings which are tracked monthly on a customer-by-customer basis. The Company has accessed debt and equity financing sources as appropriate to meet its working capital needs as noted in the statement of cash flows. See “Contractual Obligations” for further details on payments required over the next several years.

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

The Company does not have any significant planned capital expenditure commitments. Historically, financing has been sourced through a combination of debt, equity, and government loans, as needed, to meet working capital requirements. The Company has also raised equity when appropriate to support the growth of its operations. The Company plans to continue executing its RCM acquisition strategy and will evaluate other potential business ventures; however, any such opportunities would be contingent on raising additional debt or equity financing, for which there can be no assurance that such financing will be available on favorable terms, or at all.

### Liquidity Position

	Note	For the three months ended		For the nine months ended	
		Sept 30, 2025	Sept 30, 2024	Sept 30, 2025	Sept 30, 2024
		\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>					
Net loss and comprehensive loss		(2,510)	(1,494)	(4,924)	(4,428)
Adjustments for non-cash items:					
Depreciation and amortization	5, 6, 7	268	239	792	685
Debt servicing costs		-	(321)	-	589
Gain from extinguishment of debt		-	(57)	-	(57)
Financing charges	8	-	-	-	-
Interest expense	8	1,392	466	2,937	1,378
Share based compensation	10	-	1	1	36
Accounts receivable		(73)	5	(216)	77
Other receivables and prepaid expenses		(7)	(115)	26	(220)
Long term accounts receivable		-	-	-	-
Accounts payable and accrued liabilities		306	(278)	(67)	(1,163)
Taxes payable		-	-	-	(9)
Contract liabilities		-	-	-	(2)
<b>Net cash used in operating activities</b>		<b>\$ (624)</b>	<b>\$ (1,554)</b>	<b>\$ (1,451)</b>	<b>\$ (3,103)</b>
<b>INVESTING ACTIVITIES</b>					
Additions to capitalized software costs	7	-	(15)	-	(135)
Additions to property and equipment	6	-	(5)	(3)	(5)
Acquisition of HDM		-	(3,300)	-	(3,300)
Cash Acquired AI Vector	4	40	-	40	-
Promissory note issued		(189)	-	(239)	-
<b>Net cash used in investing activities</b>		<b>\$ (149)</b>	<b>\$ (3,320)</b>	<b>\$ (202)</b>	<b>\$ (3,440)</b>
<b>FINANCING ACTIVITIES</b>					
Net receipts on debt	8	1,250	5,091	1,800	6,841
Net payments on debt	8	(641)	(71)	(1,291)	(75)
Share issuance for debt conversion		-	(1,658)	-	(1,658)
Proceeds from issuance of common shares, net of financing costs	10	-	1,658	1,334	1,658
Lease payments	9	(17)	(49)	(50)	(144)
<b>Net cash from financing activities</b>		<b>\$ 592</b>	<b>\$ 4,971</b>	<b>\$ 1,793</b>	<b>\$ 6,622</b>
<b>Net (decrease)/increase in cash</b>		<b>(181)</b>	<b>97</b>	<b>140</b>	<b>79</b>
Cash balance, beginning of period		626	84	305	102
<b>Cash balance, end of period</b>		<b>\$ 445</b>	<b>\$ 181</b>	<b>\$ 445</b>	<b>\$ 181</b>
<b>Supplemental information</b>					
Interest paid		(19)	(38)	(78)	(193)

### Operating Activities

During the nine months ended September 30, 2025, the Company used \$1,451 of cash on operating activities (for the nine months ended September 30, 2024 – \$3,103) related to the net loss and comprehensive net loss, the decreased accounts payable balances, and the increase in accounts receivable balances. The largest use of cash was for payroll, however, there has been a notable increase in payroll costs for the three-month period ending September 30, 2025 due to the acquisition of AI Vector.

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

### *Investing Activities*

During the nine months ended September 30, 2025, net cash used in investing activities amounted to \$202 (for the nine months ended September 30, 2024 – \$3,440).

### *Financing Activities*

During the nine months ended September 30, 2025, net cash generated for financing activities totaled \$1,793 (for nine months ended September 30, 2024 - \$6,622) of which \$1,334 related to the net receipt of additional funding from the non-brokered private placement and \$1,800 net receipt of debt offset by net payments on debt at \$1,291 and lease payments of \$50.

### *Debt and Financing Arrangements*

<b>Short Term Debt</b>	<b>Interest Rate</b>	<b>Principal Balance 09/30/2025</b>	<b>Interest Rate</b>	<b>Principal Balance 12/31/2024</b>
Avonlea Debt	12.00%	\$ 12,468	12.00%	\$ 9,945
Avonlea Promissory Grid Note	24.00%	\$ 2,052	0.00%	\$ -
Promissory Note - August 31, 2024	4.05%	\$ -	4.19%	\$ 989
Health Cell	8.00%	\$ 250	8.00%	\$ -
AI Vector Acquisition Debts	Various	\$ 195	NA	\$ -
Promissory Note - Heal USA Inc.	10.00%	\$ 58	10.00%	\$ 58
EIDL Loan	3.75%	\$ 42	3.75%	\$ 41
<b>Short Term Debt/ Weighted Average Interest Rate</b>	<b>13.38%</b>	<b>\$ 15,065</b>	<b>11.26%</b>	<b>\$ 11,033</b>

  

<b>Long Term Debt</b>	<b>Interest Rate</b>	<b>Principal Balance 09/30/2025</b>	<b>Interest Rate</b>	<b>Principal Balance 12/31/2024</b>
AI Vector Acquisition VTB Note	NA	\$ 3,000	NA	
EIDL Loan	3.75%	\$ 1,905	3.75%	\$ 1,936
Promissory Note - August 31, 2024	4.12%	\$ -	4.19%	\$ 102
Health Cell	8.00%	\$ -	8.00%	\$ 250
<b>Long Term Debt/ Weighted Average Interest Rate</b>	<b>1.46%</b>	<b>\$ 4,905</b>	<b>4.23%</b>	<b>\$ 2,288</b>

  

<b>Total Debt/ Weighted Average Interest Rate</b>	<b>10.45%</b>	<b>\$ 19,970</b>	<b>10.05%</b>	<b>\$ 13,321</b>
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### Short Term Debt

#### *Avonlea Debt*

During 2023, the Company received \$3,050 in three tranches under a senior loan and security agreement, dated April 20, 2023, with AVI (as defined in Note 4), bearing interest at a rate of 12% per annum, accrued monthly. An additional waiver fee equal to 1% of the outstanding indebtedness is payable monthly when the Company does not make the scheduled interest payments.

On February 27, 2024, the Company entered into a forbearance agreement with AVI, pursuant to which AVI advanced an additional \$1,250 agreed to forbear enforcement of breach or defaults until September 30, 2024, subject to the Company providing an acceptable 2024 operating plan. A forbearance fee of \$860 was charged. A further \$500 advance was received on May 3, 2024, with a fee of \$50.

On July 24, 2024, the Company settled a portion of the indebtedness totalling \$1,657 (CAD \$2,257) through the issuance of 62,407,767 common shares at a deemed price of USD \$0.025–\$0.036 (CAD \$0.035–\$0.05) per share. Following the settlement, and upon TSX-V approval, the original loan was amended and restated to (i) extend the maturity date of the remaining indebtedness to April 30, 2025, (ii) reduce the forbearance fee by \$321, and (iii) grant AVI an option to convert the remaining balance into common shares at \$0.036 (CAD \$0.05) per share.

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

On May 1, 2025, the Company amended the senior loan and security agreement between Kovo+ Holdings Inc. (“Borrower”) and Avonlea Ventures #2 Inc. (“Lendor”) to extend the maturity date of the loan to June 30, 2025. The amendment includes a financing fee of \$200 which is due and payable on the maturity date.

During the period ended September 30, 2025, the Company and AVI, executed a series of extensions and amendments to the Avonlea Debt.

On July 3, 2025, the Company amended the senior loan and security agreement between Kovo+ Holdings Inc. (“Borrower”) and Avonlea Ventures #2 Inc. (“Lendor”) to extend the maturity date of the loan to July 31, 2025.

On July 31, 2025, the Company amended the senior loan and security agreement between Kovo+ Holdings Inc. (“Borrower”) and Avonlea Ventures #2 Inc. (“Lendor”) to extend the maturity date of the loan to August 29, 2025. As consideration for this amendment, the Company agreed to pay AVI a monthly fee equal to 2% of the aggregate amount of indebtedness outstanding under the secured Avonlea debt, payable in cash at the maturity date or such later date as may be mutually agreed.

On September 2, 2025, the Company amended the senior loan and security agreement between Kovo+ Holdings Inc. (“Borrower”) and Avonlea Ventures #2 Inc. (“Lendor”) to extend the maturity date of the loan to December 31, 2025. As consideration for this amendment, the Company agreed to pay AVI (i) a financing fee of \$215 and (ii) a monthly fee equal to 1% of the aggregate amount of indebtedness outstanding under the Avonlea debt, payable in cash at the maturity date or such later date as may be mutually agreed.

The debt is secured by substantially all assets of the Company and ranks senior to all other indebtedness. As of September 30, 2025, the outstanding balance was \$12,468 (December 31, 2024 – \$9,945) and is included in short term debt.

#### *Avonlea Debt – Secured Promissory Grid Note*

On May 1, 2025, the Company entered into a secured promissory grid note with AVI to access funding up to \$850. The note bears interest of 24% per annum, compounded annually and matures on December 31, 2025. A financing fee of \$114 is payable on the maturity date.

During the period ended September 30, 2025, the Company and AVI, executed a series of extensions and amendments to the secured promissory grid note.

On July 3, 2025, the Company entered a Second amendment to further extend the maturity date from June 30, 2025 to July 31, 2025, with all other terms remaining unchanged.

On July 31, 2025, the Company entered a Third amendment to further extend the maturity date from July 31, 2025 to August 29, 2025 and to increase the maximum principal available under the facility from \$850 to \$1,250. As consideration for this amendment, the Company agreed to pay AVI a monthly fee equal to 1% of the aggregate amount of indebtedness outstanding under the secured promissory grid note, payable in cash at the maturity date or such later date as may be mutually agreed.

On September 2<sup>nd</sup>, 2025, the Company entered into a Fourth amendment to further extend the maturity date from August 29<sup>th</sup> to December 31<sup>st</sup>, 2025. On the same date, a second amendment was executed to further increase the total principal available under the Secured Promissory Grid Note from \$1,250 to \$3,750. As consideration for this amendment, the Company agreed to pay AVI (i) a financing fee of \$35 and (ii) a monthly fee equal to 1% of the aggregate amount of indebtedness outstanding under the secured promissory grid note, payable in cash at the maturity date or such later date as may be mutually agreed.

As of September 30, 2025, the outstanding balance of the secured promissory grid note was \$2,052 (September 30, 2024 – \$nil), and the facility remained classified as short-term debt.

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

### *AI Vector Acquisition Debts*

As part of the August 28, 2025 acquisition of certain assets and liabilities of AI Vector (Note 4), the Company assumed several outstanding loan obligations. These assumed loans carry various interest rates and repayment terms and were recognized at their respective fair values on the acquisition date in accordance with IFRS 3. As at September 30, 2025, the carrying amount of the operating loans was \$195 (September 30, 2024 – \$nil), all of which are classified as current.

In addition to the assumed obligations, the Company had previously entered into a \$250 promissory note receivable with AI Vector on May 27, 2025, bearing interest at 24% per annum, calculated monthly and compounded annually. The note was due in full on September 30, 2025, at which time all principal and accrued interest became payable. Upon completion of the acquisition on August 28, 2025, this \$250 Kovo Loan was eliminated on consolidation, as the Company no longer had a receivable from a third party.

### *AI Vector Acquisition VTB Note*

As part of the August 28, 2025 acquisition of certain assets and liabilities of AI Vector (Note 4), the Company approved a vendor take-back (“VTB”) note with a principal amount of \$3,000 as consideration for the acquired assets. The VTB note was recognized at its fair value of \$3,000 on the acquisition date, consistent with the purchase price allocation prepared in accordance with IFRS 3.

The VTB note bears interest at 12% per annum and will mature one year from the closing of the APA transaction. As at September 30, 2025, the carrying amount of the VTB note was \$3,000 (September 30, 2024 – \$nil), all of which is classified as non-current, given the completion of the amended and restated APA is subject to final management negotiations on the VTB and TSXV approval.

### *Promissory Note – Healthcare Data Management*

As part of the August 31, 2024 acquisition of the assets of Healthcare Data Management Inc. (Note 4), the purchase consideration included a secured two-year promissory note requiring four installment payments of \$550 each. The installment amounts are contingent upon the acquired business achieving specified revenue thresholds and are reduced on a dollar-for-dollar basis if actual revenues fall below the baseline revenue levels established at the acquisition date. Accordingly, the promissory note meets the definition of contingent consideration under IFRS 3 and is classified as a financial liability within the scope of IFRS 9. The promissory note is secured by the acquired assets, including all products and related proceeds. The Company initially measured the promissory note at \$1,084 using a market rate of 10.6%, representing the fair value of comparable stand-alone debt instruments.

Revenues generated from the acquired operations since the acquisition date have been nil or minimal. Based on actual performance through September 30, 2025 and management’s updated expectations, the Company does not expect the required revenue thresholds to be met for any of the remaining installment periods. The next contractual reconciliation date is February 2026; however, based on information available at the reporting date, management’s best estimate is that no further principal payments will be owed, as anticipated revenue shortfalls are expected to fully eliminate the remaining contingent installments.

In accordance with IFRS 3 and IFRS 9, contingent consideration liabilities are subsequently measured at fair value through profit or loss. As a result of management’s revised expectations, the Company remeasured the contingent consideration liability to \$Nil as at September 30, 2025 (December 31, 2024 - \$1,091).

During the period ended September 30, 2025, the Company paid the first two installment amounts totaling \$1,100 (\$550 each) and interest payments of \$54. As at September 30, 2025, the contingent consideration and related promissory note balance was \$Nil (December 31, 2024 - \$1,091). Of this prior-year balance, \$Nil (December 31, 2024 - \$989) was included in short-term borrowings and \$Nil (December 31, 2024 - \$102) was included in long-term borrowings.

<sup>1</sup> Non-GAAP measure. Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Please reference to the Reconciliation of Non-IFRS Measures section for more details

Following the remeasurement to \$Nil, the Company’s remaining obligation under the promissory note relates solely to ongoing variable interest payments calculated based on the short-term Applicable Federal Rate (AFR).

#### *Healthcell Promissory Note*

On February 1, 2023, the Company received a \$250 promissory note from HealthCell LLC with a three-year term and interest rate of 8% per annum, payable monthly. The principal is due in full on February 1, 2026.

As of September 30, 2025, the outstanding balance was \$250, of which \$250 (December 31, 2024 – nil) was included in short term debt and nil (December 31, 2024 – \$250) included in long term debt.

#### Long Term Debt

##### *EIDL loan*

On September 8, 2020, the Company received \$2,000 under the U.S. Small Business Administration’s Economic Injury Disaster Loan (“EIDL”) program, comprising \$150 on September 8, 2020, and \$1,850 on April 26, 2022. The loan carries a 3.75% fixed interest rate and is amortized over 30 years, with the first payment due 30 months after the loan’s origination date, accruing interest until payments commence.

During the three and nine months ended September 30, 2025, the Company incurred \$19 and \$58 in interest expense (September 30, 2024 – \$20 and \$59). As of September 30, 2025, the outstanding balance was \$1,947 (December 31, 2024 - \$1,977), of which \$42 (December 31, 2024 - \$41) was classified as short term.

##### *Promissory Note – HEAL USA Inc.*

On October 10, 2024, the Company received an unsecured, 10% annual interest-bearing promissory note as part of the asset purchase agreement for AccelVue (Note 7) in the amount of \$57 with a two-year term. The Company is to make one payment including both principal and accumulated interest at the maturity date of October 10, 2026. As of September 30, 2025, the outstanding balance was \$58 (December 31, 2024 – \$58), included in long term debts.

During the three and nine months ended September 30, 2025, the Company recorded interest expense of \$1,337 and \$2,534, including \$19 related to the EIDL Loan (September 30, 2024 – \$20).

#### *Contractual Obligations and Commitments*

The following table sets out the Company’s contractual maturities (representing undiscounted contractual cash flows) of financial liabilities and commitments:

	12 months	1 to 2 years	3 to 5 years	Thereafter	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,217	-	-	-	2,217
Debts	15,327	44	141	4,720	20,231
Lease liabilities	66	-	-	-	66
	17,610	44	141	4,720	22,514

The debt obligations are several loans to various parties. The Company manages its working capital needs and has sourced financing as needed. The Company’s working capital can be impacted as noted in the Risks and uncertainties section by various factors.

#### *Off Balance Sheet Arrangements*

As at September 30, 2025 and December 31, 2024, the Company did not have any off-balance sheet arrangements to disclose.

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## **CONTINGENCIES**

From time to time, the Company is involved in legal proceedings, claims and litigation in the ordinary course of business with customers, former employees and other parties. As of September 30, 2025, there are two (2) ongoing legal proceedings relating to client disputes and one (1) ongoing legal proceeding relating to contract, employment and statutory claims. Although the Company contests the validity of these claims and proceedings and at this stage, the Company believes that its liabilities, if any, arising from such matters will not have a material adverse effect on the Company's consolidated financial position or results of operations and have been adequately provided for in the consolidated financial statements. The two legal proceedings involving client disputes are both subject to partial and final motions to dismiss, which are currently under review by their respective courts. The proceeding relating to contract, employment and statutory claims is in early stages and it is too early to predict the resolution of the matter. However, given any litigation involves uncertainty, it is not possible to determine the outcome of such matters or the amount of potential losses, based on all currently available information.

Based on the advice of legal counsel and an assessment of the likely outcome, management has recognized a provision of \$200, representing the best estimate of the expenditure required to settle the various obligations. After consideration of the facts and consultation with legal counsel, management has concluded that it is not probable that a materially significant outflow of resources will be required to settle these claims. These claims continue to be monitored for any change in circumstances.

### **Subsequent Events**

As at the date of this MD&A, there are no subsequent events.

## **Risks and Uncertainties**

### **Following Completion of the Listing, the Corporation may Issue Additional Equity Securities**

Following completion of the Listing, the Corporation may issue equity securities to finance its activities, including to finance acquisitions. If the Corporation were to issue Common Shares, existing holders of such shares may experience dilution in the Corporation. Moreover, if the Corporation's intention to issue additional equity securities becomes publicly known, the Corporation's share price may be materially adversely affected.

### **Limited Operating History**

While the Corporation's wholly owned subsidiary MedWorxs has a history of profitable operation, there can be no assurance given that future operating results will reflect historical results. The likelihood of success of the Corporation must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with the establishment of any business. The Corporation will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Corporation will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans. The Company also notes that unforeseen events can have a negative impact on cash balances.

### **Uncertainty of Additional Funding**

The Corporation may be dependent on third party financing, whether through debt, equity, or other means. There is no assurance that it will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Corporation. Changes in the Corporation's primary United States healthcare market, a claim against the Corporation, a significant event disrupting the Corporation's business, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favorable terms, or at all. In addition, any future financing may also be dilutive to existing shareholders of the Corporation.

### **Competitive Conditions**

The Corporation will actively compete for acquisition of RCM and other target businesses and will compete for new customers within acquired businesses. Many of the Corporation's competitors may have significantly greater financial resources than the Corporation. The Corporation's competitors may include major healthcare industry Corporations.

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### **Reliance Upon Management**

The Corporation will be dependent upon the continued support and involvement of its principles and management. Should the Corporation lose the services of one or more of the principals or management, the ability of the Corporation to achieve its objectives could be adversely affected.

### **Employees**

Our success will depend on the combined skills and efforts of our management and employees. We currently have 99 US and Canada based employees, including Justin Anderson (Chief Executive Officer) and Brenner Adams (Chief Strategy Officer).

There can be no assurance that we will be able to recruit and retain the employees we will need in order to successfully execute our business plan. If we are unable to recruit and retain appropriate personnel, our ability to successfully execute our business plan will be severely constrained. In addition, the loss of any key employees, including any of the members of our management team, could have a material adverse effect on our business, financial condition and operating results. There can be no assurance that any persons who may be employed by us will remain with us.

### **Third Party Suppliers**

The Company is significantly reliant on third-party partners, including its IT and EMR vendors, as well as medical supply providers, to deliver essential goods and services integral to its operations. Any inability or unwillingness by these third parties to fulfill their obligations, whether due to operational challenges, inflationary pressures, or other factors, could compel the Company to source alternative providers, assuming such options are available. This transition may result in elevated costs or substantial disruptions to business continuity until replacements are secured. Furthermore, in the event of a data breach or failure by a third-party supplier to adhere to contractual obligations, resulting in financial losses or damages, the Company could face adverse consequences if recovery of such losses from the supplier proves unachievable.

### **Risks of Software, Database, or Network Failures**

The Company depends heavily on software systems, databases, and networks to process, transmit, and securely store digital information. Its operations also rely on the seamless integration of technological solutions provided by various vendors and internal business units to deliver its digital products and services effectively. A software malfunction, defect, or failure could compromise the functionality of these systems, disrupting operations and potentially preventing customers from accessing the Company's products or services for an undetermined period. Such disruptions could have significant operational and reputational consequences.

### **Conflicts of Interest**

Members of the Board of the Corporation may become directors of other reporting companies or have significant shareholdings in other healthcare industry companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the Board may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Corporation and its Board will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Corporation will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the British Columbia Business Corporations Act ("BCBCA"). The provisions of the BCBCA require a director or officer of a Corporation who has a material interest in a contract or Listing of the Corporation, or a director or officer of a Corporation who is a director or officer of or has a material interest in a person who has a material interest in a contract or Listing with the Corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Corporation has no other procedures or mechanisms to deal with conflicts of interest.

### **Artificial Intelligence ("AI") Technology**

The Company plans to develop, market, and deploy products and services that integrate small language model technologies (collectively, "AI") to enhance and facilitate healthcare delivery. While some laws, regulations, and guidelines have been introduced regarding the use of AI in healthcare—particularly concerning individual privacy—comprehensive legislation, standards, case law, and regulatory frameworks remain underdeveloped across many

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jurisdictions due to the technology's relative novelty. To address this uncertainty, the Company has implemented a risk-based approach to the deployment of AI technologies throughout its operations. However, shifts in case law or regulatory interpretations may render the Company's current understanding of compliance insufficient, potentially exposing it to fines or penalties. Additionally, evolving public attitudes toward AI in healthcare could necessitate adjustments to the Company's products and services to align with new expectations or requirements.

### **Cybersecurity**

The Company relies extensively on digital and internet technologies to conduct and expand its operations, including the use of information technology systems to process, transmit, and store sensitive and confidential data. This includes protected health information (PHI), personally identifiable information (PII), and proprietary business data. Consequently, the Company and its customers face significant cybersecurity risks, such as unauthorized access, use, or disclosure of sensitive information (including confidential patient records), data corruption or destruction, and operational disruptions resulting from system impairments like malware or ransomware attacks.

Third parties, including outsourced service providers, their subcontractors, and entities interfacing with the Company's systems, are also vulnerable to these risks and may lack adequate controls to safeguard sensitive information and business systems. A cybersecurity breach involving a third-party provider could severely impact the Company, even if the attacked service is beyond its direct control. For example, the February 2024 ransomware attack on Change Healthcare, a unit of UnitedHealth Group, disrupted the Company's receivables collections, as its primary revenue cycle management vendor depended on Change Healthcare as a clearinghouse.

The Company's operational resilience depends on the robust protection of its networks, equipment, and IT systems from various threats, including hardware damage, computer viruses, hacking, and theft. Additionally, the Company relies on timely maintenance, upgrades, and replacements of its IT infrastructure, as well as proactive investments to mitigate the risks of potential failures.

A cybersecurity compromise involving the Company's IT systems or the confidential information of its patients and partners could have far-reaching consequences, including disruptions to patient transactions, reputational damage undermining patient and investor confidence, liability under privacy and consumer protection laws, regulatory penalties, increased regulatory scrutiny, and adverse impacts on its business, financial performance, and cash flows.

Given the Company's access to highly sensitive data—including personal and health-related information—there is a persistent risk of material security breaches, theft, data loss, programming errors, employee malfeasance (such as misappropriation by departing employees), and unauthorized access or misuse of its systems. The evolving nature of cybersecurity threats continues to heighten the Company's exposure, emphasizing the importance of robust, adaptive safeguards.

### **Risks Associated with Acquisitions and Business Integration**

The Company's strategy to pursue mergers and acquisitions (M&A) entails inherent risks that may impact its operational performance and financial results. Successfully integrating acquired businesses requires addressing complexities across multiple dimensions, including human resources, organizational culture alignment, product pricing strategies, information technology infrastructure, data integrity, information systems integration, operational workflows, and financial management. Failure to effectively manage these factors could hinder the realization of anticipated synergies and value creation.

### **Potential Impairment of Intangible Assets**

The Company's intangible assets are subject to periodic impairment assessments in accordance with current accounting standards. These assessments evaluate the carrying value of intangible assets to determine whether any impairment has occurred due to changing circumstances following an acquisition. If an impairment loss is recognized, it could significantly and adversely affect the Company's business operations, financial condition, cash flows, results of operations, and the market value of its common shares.

### **Permits and Licenses**

The operations of the Corporation will require licenses and permits from various governmental and nongovernmental authorities. The Corporation will obtain all necessary licenses and permits required to carry on with activities which

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it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits required to carry out its business.

### **Political Regulatory Risks**

Any changes in government policy may result in changes to laws affecting the healthcare industry, RCM, PM or EHR technology, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, and return of capital. This may affect both the Corporation's ability to undertake its business. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of technology utilized in the Corporation's business, would have a material adverse impact on the Corporation's financial performance.

### **Registration with the SEC**

We believe since completion of the listing on the Toronto Venture Stock Exchange we qualify as a Foreign Private Issuer. If, however, as of the last business day of our second fiscal quarter for any year, more than 50% of our outstanding voting securities (as defined in the U.S. Securities Act) are directly or indirectly held of record by residents of the United States and we do not qualify for certain other exemptions related to the location of assets and management of the business, we will no longer meet the definition of a Foreign Private Issuer under the rules of the SEC. Losing Foreign Private Issuer status would require us to file annual, quarterly and current reports and make other filings under the 1934 Act and the U.S. Securities Act in accordance with SEC requirements at the beginning of the fiscal year following the loss of Foreign Private Issuer status. If we fail to qualify for Foreign Private Issuer status, we will remain unqualified unless we meet the test as of the last business day of our second fiscal quarter in the applicable fiscal year. This change in status could have a significant effect on us as it would significantly complicate the raising of capital through the offer and sales of securities and reporting requirements, resulting in increased audit, legal and administration costs, which could significantly affect our profitability.

### **Volatility of Share Price**

In recent years, the securities markets in the United States and Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values, or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Corporation's shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows, or earnings.

### **Liquidity**

The Corporation cannot predict at what prices Common Shares will trade upon completion of the Listing, and there can be no assurance that an active trading market in Common Shares will develop or be sustained. Acceptance of the Exchange has not yet been obtained. There is a significant liquidity risk associated with an investment in Common Shares.

### **Dividends**

At the present time, it is unlikely the Corporation's shareholders will receive a dividend on Common Shares.

### **Intellectual Property Risk**

The Corporation owns its Intellectual Property ("IP"). There remains a risk that our IP could be in conflict with another IP owned by a third party. We have acquired some of our IP from third parties, and that ownership of IP could be challenged in the future if it is very similar to another third party's IP. In addition, other companies could file for patents that would limit our business strategy for expanding our software revenues.

### **Related Party**

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

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Short-term employee benefits provided by the Company to key management personnel include salaries, directors' fees, statutory benefit contributions, paid annual vacation and paid sick leave as well as non-monetary benefits such as medical care. In addition to short-term employee benefits, the Company may also issue RSUs or options as part of the stock option plan. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the Company, directly or indirectly.

For the three and nine months ended September 30, 2025 and 2024, key management personnel compensation comprising of salaries and share based compensation:

	For the three months ended		For the nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	\$	\$	\$	\$
Key management personnel compensation				
Executives	65	-	239	-
Former executives	88	158	531	558
Share based compensation				
Executives	-	-	1	-
<b>Total</b>	<b>153</b>	<b>158</b>	<b>771</b>	<b>558</b>

Included in accounts payable and accrued liabilities, was a balance of \$234 (December 31, 2024 – \$180) owing to former personnel and other payouts. Included in promissory note receivable, was a balance of \$188 (December 31, 2024 – \$215) due from a board member.

Other related party transactions include a secured promissory note receivable, the AVI debt and the AccelVue Promissory note payable to HEAL USA Inc. disclosed in Note 7 of the Unaudited Condensed Consolidated Interim Financial Statement.

The AVI debt may be considered to have been funded by a related party. The issuer of the AVI facility is a material shareholder and director on the Board.

The Company has a related party loan payable to AVI, a promissory note payable to AVI, and a promissory note payable to HEAL USA Inc. in the amounts of \$12,468, \$2,052, and \$58, respectively. See Note 8 for additional information.

On February 9, 2025, the Company issued common shares as part of its non-brokered private placement, see Note 10 for more information. Insiders purchased 31,337,333 units and non-insiders purchased 12,421,680 units with gross proceeds of \$150 and \$1,359, respectively

Transactions conducted with related parties took place in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Balances and transactions between the Company and its ultimate subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

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## Going Concern

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. These unaudited condensed consolidated interim financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

During the three and nine months ended September 30, 2025, the Company incurred a loss from operations of \$1,109 and \$1,978 (September 30, 2024 – loss of \$1,136 and \$2,056), and a net loss and comprehensive loss of \$2,510 and \$4,924 (September 30, 2024 - net loss of \$1,494 and \$4,428). Cash used in operating activities was \$624 and \$1,451 (September 30, 2024 - \$1,554 and \$3,103). As at September 30, 2025, the Company had a working capital deficit of \$16,190 (December 31, 2024 – \$12,128) and an accumulated deficit of \$21,734 (December 31, 2024 – \$16,810). These conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

Management may finance its future development activities and operations from the sale of equity and/or debt securities. There is no assurance that the Company will be able to generate positive cash flows from operations or obtain additional financing on terms acceptable to the Company. The Company’s ability to continue as a going concern is dependent upon the Company’s ability to raise sufficient financing or generate sufficient future cash flows from profitable business activities. There can be no assurance that the steps management is taking will be successful.

## Disclosure Controls and Procedures (“DCP”)

The Company is committed to providing timely, accurate and balanced disclosure of all material information about the Company and to provide fair and equal access to such information. Management is responsible for establishing and maintaining its DCP to ensure that information used internally and disclosed externally is complete and reliable. Due to the inherent limitations in all control systems, an evaluation of controls can provide only reasonable, not absolute assurance, that all control issues and instances of fraud or error, if any, within the Company have been detected. Management continues to evolve and enhance its system of controls and procedures.

## Internal control over financial reporting (ICFR)

The Company’s management is responsible for establishing and maintaining adequate Internal Controls Over Financial Reporting (ICFR). The Company has designed ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed consolidated financial statements for external purposes in accordance with IFRS.

All control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention or overriding of the controls or procedures. As a result, there is no certainty that its DCP or ICFR will prevent all errors or all fraud.

During the quarter ended September 30, 2025, there were no significant changes in the Company’s internal control over financial reporting that materially affected or is reasonably likely to materially affect the Company’s internal controls over financial reporting.

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