



Condensed Consolidated Interim Financial  
Statements for September 30, 2025 and 2024



**NowVertical Group Inc.**  
**Condensed Consolidated Interim Statements of Financial Position**  
**As at September 30, 2025 and 2024**  
Unaudited, Expressed in U.S. dollars

	Note	<b>September 30, 2025</b>		<b>December 31, 2024</b>	
<b>Assets</b>					
Current assets:					
Cash		\$	2,610,044	\$	2,577,716
Investments	22		716,303		2,021,833
Trade and other receivables	5		6,864,955		7,343,114
Unbilled receivables			8,335,141		5,227,610
Taxes receivable			1,595,079		1,434,798
Prepaid expenses and other current assets	23		437,702		998,313
Assets held for disposal	21		487,328		500,278
			<u>21,046,552</u>		<u>20,103,662</u>
Non-current assets:					
Other long-term receivables			1,493,182		2,919,377
Property and equipment, net	11		105,268		161,034
Long-term investments			-		219,089
Deferred tax asset	16		49,274		8,690
Intangible assets, net	9		7,328,543		7,920,278
Goodwill	10		12,417,327		12,531,308
			<u>21,393,594</u>		<u>23,759,776</u>
<b>Total assets</b>		<b>\$</b>	<b>42,440,146</b>	<b>\$</b>	<b>43,863,438</b>
<b>Liabilities and shareholders' equity</b>					
Current liabilities:					
Accounts payable		\$	4,266,238	\$	6,939,798
Accrued expenses and other current liabilities			7,624,210		6,514,125
Taxes payable			1,484,258		1,380,376
Current portion of long-term debt	12		1,761,196		2,563,687
Convertible debentures	15		3,637,216		3,185,551
Current portion of consideration payable related to acquired companies	6		2,682,307		2,794,306
Equity consideration payable related to acquired companies	6		-		1,381,032
Warrants liability	15		324,491		146,597
Current portion of deferred revenue	7		806,472		1,654,820
Current portion of liabilities held for disposal	21		1,281,322		2,041,243
			<u>23,867,710</u>		<u>28,601,535</u>
Non-current liabilities:					
Consideration payable related to acquired companies	6		429,233		1,578,596
Long-term debt	12		11,764,813		8,045,661
Deferred revenue	7		194,540		585,115
Deferred tax liability	16		2,447,096		2,406,124
Liabilities held for disposal	21		812,008		788,798
			<u>15,647,690</u>		<u>13,404,294</u>
<b>Total liabilities</b>			<b>39,515,400</b>		<b>42,005,829</b>
Shareholders' equity:					
Common shares			32,035,029		29,165,773
Contributed surplus			6,019,644		5,222,612
Accumulated other comprehensive loss			(3,428,975)		(2,798,361)
Accumulated deficit			(31,700,952)		(29,732,415)
			<u>2,924,746</u>		<u>1,857,609</u>
<b>Total liabilities and shareholders' equity</b>		<b>\$</b>	<b>42,440,146</b>	<b>\$</b>	<b>43,863,438</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 and per share amounts

	Note	Three months ended		Nine months ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenue	7	\$ 9,079,136	10,704,018	\$ 27,674,634	35,999,390
Cost of revenue	18	4,407,354	5,432,571	14,025,477	18,608,806
Gross profit		4,671,782	5,271,447	13,649,157	17,390,584
Administrative expenses	18	4,298,325	3,941,936	11,129,315	15,157,025
Income from operations		373,457	1,329,511	2,519,842	2,233,559
Other income (expenses):					
Revaluation of warrants liability	15	-	-	(175,528)	19,902
Revaluation of equity consideration	6	-	2,937	(35,355)	25,412
Revaluation of contingent and deferred consideration	6	-	185,764	(592,848)	(560,781)
Inflation effect on the net monetary position		(245,532)	(351,357)	(799,290)	(1,247,728)
Investing income		130,606	8,503	275,969	528,354
Interest		(597,133)	(581,770)	(1,748,872)	(1,846,113)
Amortization of debt issuance costs	12	(119,027)	-	(152,618)	-
Gain on debt settlement	12	-	-	36,030	-
Gain on sale of asset	21	-	56,689	-	3,585,309
		(831,086)	(679,234)	(3,192,512)	504,355
(Loss) income before income taxes		(457,629)	650,277	(672,670)	2,737,914
Income tax expense	16	168,852	75,202	1,295,867	1,730,442
Net (loss) income		(626,481)	575,075	(1,968,537)	1,007,472
Foreign currency translation adjustment		(727,648)	(145,903)	(630,614)	908,495
Other comprehensive (loss) income		(727,648)	(145,903)	(630,614)	908,495
Total comprehensive (loss) income		\$ (1,354,129)	\$ 429,172	\$ (2,599,151)	\$ 1,915,967
Basic net (loss) income per share	14	\$ (0.01)	\$ 0.01	\$ (0.02)	\$ 0.01
Diluted net (loss) income per share	14	\$ (0.01)	\$ 0.01	\$ (0.02)	\$ 0.01
Weighted average number of shares outstanding, basic	14	97,346,429	87,126,377	95,056,520	81,513,056
Weighted average number of shares outstanding, diluted	14	97,346,429	87,126,377	95,056,520	81,513,056

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	Nine months ended	
		September 30, 2025	September 30, 2024
Cash flows from (used in) operating activities:			
Net (loss) income		\$ (1,968,537)	\$ 1,007,472
Non-cash adjustments	17	5,250,942	755,918
Net changes in working capital	17	(8,032,267)	(2,839,283)
		(4,749,862)	(1,075,893)
Cash flows from (used in) investing activities:			
Purchase of property and equipment		(67,023)	-
Proceeds from asset sales	21	2,732,118	6,894,247
Payment of consideration payable related to acquired companies	6	(1,294,115)	(2,018,639)
Investment in intangible assets	9	(460,596)	-
Proceeds from disposals of investments, net of investments	22	953,918	569,541
		1,864,302	5,445,149
Cash flows from (used in) financing activities:			
Proceeds from long-term debt, net of debt issuance costs	12	13,350,820	-
Repayment of long-term debt	12	(10,649,550)	(4,949,484)
Options exercised		2,031	-
Warrants exercised		119,821	-
		2,823,122	(4,949,484)
Effect of exchange rates		94,765	70,046
Net change in cash		32,327	(510,182)
Cash, beginning of period		2,577,717	2,774,340
Cash, end of period		\$ 2,610,044	\$ 2,264,158

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

Nine months ended September 30, 2025		Issued capital Common shares		Contributed surplus	Accumulated other comprehensive loss	Accumulated deficit	Total
		Shares	Amount				
	Note						
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		-	-	-	-	(1,968,537)	(1,968,537)
Share-based compensation expense	13	-	-	909,148	-	-	909,148
Shares issued for provision of services	13	753,194	301,425	-	-	-	301,425
Shares issued related to acquisitions	13	8,986,600	2,333,889	-	-	-	2,333,889
Options exercised	13	16,667	3,543	(1,512)	-	-	2,031
Warrants exercised	13	315,132	119,795	-	-	-	119,795
Restricted Stock Units vested	13	474,998	110,604	(110,604)	-	-	-
Foreign currency translation adjustment		-	-	-	(630,614)	-	(630,614)
<b>Balances at September 30, 2025</b>		<b>97,814,635</b>	<b>\$ 32,035,029</b>	<b>\$ 6,019,644</b>	<b>\$ (3,428,975)</b>	<b>\$ (31,700,952)</b>	<b>\$ 2,924,746</b>

Nine months ended September 30, 2024		Issued capital Common shares		Contributed surplus	Accumulated other comprehensive loss	Accumulated deficit	Total
		Shares	Amount				
Balances at January 1, 2024		77,804,862	\$ 27,787,077	\$ 4,953,477	\$ (4,067,831)	\$ (31,320,974)	\$ (2,648,251)
Net income		-	-	-	-	1,007,472	1,007,472
Share-based compensation expense	13	-	-	192,968	-	-	192,968
Shares issued on acquisition	6, 13	9,463,182	1,378,696	-	-	-	1,378,696
Foreign currency translation adjustment		-	-	-	908,495	-	908,495
<b>Balances at September 30, 2024</b>		<b>87,268,044</b>	<b>\$ 29,165,773</b>	<b>\$ 5,146,445</b>	<b>\$ (3,159,336)</b>	<b>\$ (30,313,502)</b>	<b>\$ 839,380</b>

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

# **NowVertical Group Inc.**

## **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. Material accounting policy information and assumptions**

In preparing these unaudited condensed consolidated interim financial statements (the "Financial Statements"), management makes estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income, and expenses. Actual results may differ from these estimates. The significant judgments made by management applied to the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited annual consolidated financial statements for the year ended December 31, 2024 ("Annual Financial Statements").

#### **Basis of presentation**

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

These Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB").

These Financial Statements should be read in conjunction with the Company's Annual Financial Statements. These Financial Statements have been prepared using the same accounting policies that were described in Note 3 to the Annual Financial Statements.

The Board of Directors approved these Financial Statements on November 11, 2025.

##### ***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 September 30, 2025, the Company has an accumulated deficit of \$31,700,952 and a working capital deficit of \$2,821,158. For the nine months ended September 30, 2025 with respect to cash flows, the Company used cash from operations of \$4,749,862; excluding the proceeds from asset sales, there was a net outflow of \$2,699,791. However, if including the proceeds from asset sales, there was a net inflow of \$32,327.

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, eliminating the Company working capital deficit, 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

## **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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that might be necessary should the Company be unable to continue in existence. For the nine months ended September 30, 2025, the Company has cash of \$2,610,044, which includes \$642,907 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.

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 to 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 to the functional currency at the foreign exchange rate applicable at the date of the Condensed Consolidated Interim Statements of Financial Position. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to 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 or 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 September 30, 2025, was 9,384 (December 31, 2024: 7,694). The Company recognized net monetary losses of \$245,532 for the three months ended September 30, 2025 (2024: \$351,357) and \$799,290 for the nine months ended September 30, 2025 (2024: \$1,247,728). These amounts reflect adjustments to restate transactions recorded during the period into the measuring unit currency as at September 30, 2025.

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 at the date of the most recent Condensed Consolidated Interim Statements of Financial Position, except that comparative amounts are not adjusted for subsequent changes in the price level or subsequent changes in exchange rates.

## 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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#### 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.

Accumulated deficit includes all current and prior year losses.

### 3. Adoption of new accounting standards

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

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

International Financial Reporting Standard ("IFRS") 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18")

The IASB has issued IFRS 18, which focuses on updates to the statement of profit or loss, including specified totals and subtotals. The key new concepts introduced in IFRS 18 relate to:

- The classification of all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes, and discontinued operations, whereof the first three are new;
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation, which apply to the primary financial statements and notes in general.

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 from profit or loss to operating profit or loss and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18 will replace IAS 1. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its "operating profit or loss". IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. Management is currently assessing the impact of this standard.

In July 2024, the IASB issued nine narrow-scope amendments as part of its regular maintenance of the standards. These amendments include clarifications, simplifications, corrections, and changes aimed at improving the consistency of IFRS 1, *First-time Adoption of International Financial Reporting Standards*; IFRS 7, *Financial Instruments: Disclosures*; IFRS 9, *Financial Instruments*; IFRS 10, *Consolidated Financial Statements*; and IAS 7, *Statement of Cash Flows*. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier adoption is permitted. The Company is currently assessing the potential impact of the narrow-scope amendments.

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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

#### 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:

	September 30, 2025	December 31, 2024
Long-term debt	\$ 13,526,009	\$ 10,609,348
Convertible debentures	3,637,216	3,185,551
Warrants liability	324,491	146,597
Shareholders' equity	2,924,746	1,857,609
Cash	(2,610,044)	(2,577,716)
Investments	(716,303)	(2,021,833)
<b>Total capital</b>	<b>\$ 17,086,115</b>	<b>\$ 11,199,556</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.

	September 30, 2025	December 31, 2024
Trade receivables	\$ 4,552,179	\$ 4,259,562
Allowance for doubtful accounts	(164,714)	(266,630)
<b>Net trade receivables</b>	<b>4,387,465</b>	<b>3,992,932</b>
Other receivables	2,477,490	3,350,182
<b>Total trade and other receivables</b>	<b>\$ 6,864,955</b>	<b>\$ 7,343,114</b>

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

	Note	September 30, 2025	December 31, 2024
Current liabilities:			
Consideration payable		\$ 1,724,063	\$ 2,583,002
Equity consideration payable	13c	-	1,381,032
Contingent consideration payable		958,244	211,304
<b>Total current liabilities</b>		<b>\$ 2,682,307</b>	<b>\$ 4,175,338</b>
Non-current liabilities:			
Consideration payable		-	306,992
Contingent consideration payable		429,233	1,271,604
<b>Total non-current liabilities</b>		<b>\$ 429,233</b>	<b>\$ 1,578,596</b>
<b>Total consideration payable</b>		<b>\$ 3,111,540</b>	<b>\$ 5,753,934</b>

From the \$3,111,540 total consideration payable, \$60,000 relates to 2023 acquisitions, \$1,779,162 relates to 2022 acquisitions, and the remaining balance of \$1,272,378 relates to acquisitions prior to 2022.

## 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 the consideration payable.

	Note	Nine months ended September 30, 2025		Year ended December 31, 2024	
Balance, beginning of period		\$	5,753,934	\$	9,284,731
Payments			(1,294,115)		(3,626,389)
Shares issued			(2,333,890)		(1,378,696)
Revaluation of equity consideration			35,355		122,963
Revaluation of contingent and deferred consideration			592,848		753,044
Contingent consideration on sale of asset	21		-		1,550,616
Settlement of holdback			-		(750,000)
Interest expense			186,861		-
Foreign exchange differences			170,547		(202,335)
Balance, end of period		\$	3,111,540	\$	5,753,934

Consideration amounts payable are in relation to acquired companies and consist of cash consideration, equity consideration, and contingent consideration. Cash consideration payable represents deferred cash payments and holdbacks, equity consideration payable represents the fair value of obligations to issue shares in the future, and contingent consideration payable represents the fair value of potential future performance-based earn-out payments. In the comparative Financial Statements, the Company previously included payments of consideration payable related to acquired companies of \$2,018,639 as a financing activity in the Condensed Consolidated Interim Statement of Cash Flows. These amounts are investing activities in nature, and the comparative Financial Statements have been amended to conform to current quarter's presentation.

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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

## 7. Revenue

The following table summarizes revenue by type of service:

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Data analytics solutions and services				
Cost plus fixed fee	\$ 22,089	\$ 192,888	\$ 283,566	\$ 4,749,102
Fixed, firm price	3,664,399	1,366,469	8,314,034	4,719,854
Time and materials	3,692,340	7,266,523	14,402,271	20,609,322
Total data analytics solutions and services	7,378,828	8,825,880	22,999,871	30,078,278
License and maintenance reselling	1,483,016	1,624,089	4,018,589	5,054,775
Software-as-a-service, license and maintenance	217,292	254,049	656,174	866,337
Total revenue	\$ 9,079,136	\$ 10,704,018	\$ 27,674,634	\$ 35,999,390

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

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Unites States	\$ 492,896	\$ 677,697	\$ 1,586,139	\$ 9,431,963
Argentina	2,743,492	4,651,216	9,885,892	10,457,950
Brazil	1,977,651	2,772,012	5,898,186	8,401,514
Chile	143,821	342,737	371,789	1,448,356
Colombia	543,589	125,352	1,794,922	375,083
United Kingdom	2,146,965	1,871,013	6,228,558	5,205,226
Other countries	1,030,722	263,991	1,909,148	679,298
Total revenue	\$ 9,079,136	\$ 10,704,018	\$ 27,674,634	\$ 35,999,390

The following table provides information about deferred revenue:

	Nine months ended September 30, 2025	Year ended December 31, 2024
Balance, beginning of period	\$ 2,239,935	\$ 848,545
Increase from cash received and amounts billed	6,969,692	11,013,609
Revenue recognized	(8,224,450)	(9,605,033)
Foreign exchange revaluation	15,834	(17,186)
Balance, end of period	\$ 1,001,012	\$ 2,239,935
Deferred revenue classified as a current liability	\$ 806,472	\$ 1,654,820
Deferred revenue classified as a non-current liability	\$ 194,540	\$ 585,115

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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

#### 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 from 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.

	Three months ended September 30, 2025			
	Operations	Corporate	Adjustments	Total
Revenue	\$ 9,079,136	\$ -	\$ -	\$ 9,079,136
Cost of revenue	(4,330,283)	-	(77,071)	(4,407,354)
Gross profit	4,748,853	-	(77,071)	4,671,782
Administrative expenses	(2,537,556)	(1,209,709)	(551,060)	(4,298,325)
Income (loss) from operations	2,211,297	(1,209,709)	(628,131)	373,457
Other expenses	-	(831,086)	-	(831,086)
Income (loss) before income taxes	\$ 2,211,297	\$ (2,040,795)	\$ (628,131)	\$ (457,629)

	Three months ended September 30, 2024			
	Operations	Corporate	Adjustments	Total
Revenue	\$ 10,704,018	\$ -	\$ -	\$ 10,704,018
Cost of revenue	(5,355,971)	-	(76,600)	(5,432,571)
Gross profit	5,348,047	-	(76,600)	5,271,447
Administrative expenses	(2,776,159)	(791,227)	(374,550)	(3,941,936)
Income (loss) from operations	2,571,888	(791,227)	(451,150)	1,329,511
Other expenses	-	(679,234)	-	(679,234)
Income (loss) before income taxes	\$ 2,571,888	\$ (1,470,461)	\$ (451,150)	\$ 650,277

	Nine months ended September 30, 2025			
	Operations	Corporate	Adjustments	Total
Revenue	\$ 27,674,634	\$ -	\$ -	\$ 27,674,634
Cost of revenue	(13,796,533)	(39)	(228,905)	(14,025,477)
Gross profit	13,878,101	(39)	(228,905)	13,649,157
Administrative expenses	(7,132,795)	(2,474,819)	(1,521,701)	(11,129,315)
Income (loss) from operations	6,745,306	(2,474,858)	(1,750,606)	2,519,842
Other expenses	-	(3,192,512)	-	(3,192,512)
Income (loss) before income taxes	\$ 6,745,306	\$ (5,667,370)	\$ (1,750,606)	\$ (672,670)

	Nine months ended September 30, 2024			
	Operations	Corporate	Adjustments	Total
Revenue	\$ 35,979,748	\$ 19,642	\$ -	\$ 35,999,390
Cost of revenue	(18,378,783)	-	(230,023)	(18,608,806)
Gross profit	17,600,965	19,642	(230,023)	17,390,584
Administrative expenses	(10,424,213)	(2,875,165)	(1,857,647)	(15,157,025)
Income (loss) from operations	7,176,752	(2,855,523)	(2,087,670)	2,233,559
Other income	-	504,355	-	504,355
Income (loss) before income taxes	\$ 7,176,752	\$ (2,351,168)	\$ (2,087,670)	\$ 2,737,914

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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## 9. Intangible assets

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

	Note	Trade names	Customer relationships	Developed technology	Non-compet 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		-	-	460,596	-	-	-	460,596
Hyperinflation adjustment		-	53,084	52,400	-	-	-	105,484
Foreign exchange revaluation		-	(94,802)	(28,394)	-	-	(3,643)	(126,839)
Balance at September 30, 2025		1,179,591	8,295,637	3,565,975	64,346	323,000	319,357	13,747,906
Accumulated amortization:								
Balance at January 1, 2025		1,063,103	1,893,565	1,846,089	64,346	311,334	209,950	5,388,387
Hyperinflation adjustment		-	24,186	89,990	-	-	-	114,176
Amortization expense		111,278	564,951	186,099	-	11,666	42,806	916,800
Balance at September 30, 2025		1,174,381	2,482,702	2,122,178	64,346	323,000	252,756	6,419,363
Net book value, September 30, 2025		\$ 5,210	\$ 5,812,935	\$ 1,443,797	\$ -	\$ -	\$ 66,601	\$ 7,328,543
Cost:								
		Trade names	Customer relationships	Developed technology	Non-compet agreements	Order backlog	Licensed technology	Total
Balance at January 1, 2024		\$ 1,496,935	\$ 8,968,094	\$ 2,616,988	\$ 49,059	\$ 2,876,000	\$ 323,000	\$ 16,330,076
Hyperinflation adjustment		23,508	329,681	464,385	12,745	-	-	830,319
Foreign exchange revaluation		(61,852)	(559,420)	-	12,542	-	-	(608,730)
Disposal on sale of asset	21	(279,000)	(401,000)	-	(10,000)	(2,553,000)	-	(3,243,000)
Balance at December 31, 2024		1,179,591	8,337,355	3,081,373	64,346	323,000	323,000	13,308,665
Accumulated amortization:								
Balance at January 1, 2024		850,403	1,140,321	1,604,199	33,418	911,803	145,350	4,685,494
Hyperinflation adjustment		36,132	81,209	-	9,801	-	-	127,142
Amortization expense		455,568	724,580	241,890	26,502	317,699	64,600	1,830,839
Disposal on sale of asset	21	(279,000)	(52,545)	-	(5,375)	(918,168)	-	(1,255,088)
Balance at December 31, 2024		1,063,103	1,893,565	1,846,089	64,346	311,334	209,950	5,388,387
Net book value, December 31, 2024		\$ 116,488	\$ 6,443,790	\$ 1,235,284	\$ -	\$ 11,666	\$ 113,050	\$ 7,920,278

In the nine months ended September 30, 2025, \$228,905 (2024: \$230,023) of amortization expense is included in cost of revenue and \$687,895 (2024: \$1,200,258) 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:

	Note	Nine months ended September 30, 2025	Year ended December 31, 2024
Balance, beginning of period		\$ 12,531,308	\$ 15,949,400
Hyperinflation adjustment		717,968	451,197
Foreign exchange revaluation		(831,949)	(732,338)
Sale of assets	21	-	(3,136,950)
Balance, end of period		\$ 12,417,327	\$ 12,531,308

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-unit ("CGU") 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 a terminal growth rate of 2% to 3%. Actual results may differ from those assumed in these forecasts. The Company derives its

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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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 adjustments 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, 2024 ranged from 18% to 26%. The results of the assessments performed as at December 31, 2024 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	Other	Total
Balance at January 1, 2025	\$ 140,157	\$ 13,721	\$ 7,156	\$ -	\$ 161,034
Additions	64,652	2,371	-	-	67,023
Hyperinflation adjustment	180,670	8,717	-	-	189,387
Depreciation	(226,862)	(4,708)	(4,247)	-	(235,817)
Foreign exchange variances	(65,980)	(11,149)	770	-	(76,359)
Balance at September 30, 2025	\$ 92,637	\$ 8,952	\$ 3,679	\$ -	\$ 105,268

	Computer equipment	Furniture and fixtures	Vehicles	Other	Total
Balance at January 1, 2024	\$ 162,488	\$ 16,455	\$ 16,153	\$ 278	\$ 195,374
Additions	71,811	-	-	-	71,811
Hyperinflation adjustment	325,230	14,722	-	-	339,952
Depreciation	(345,875)	(11,043)	(5,652)	(278)	(362,848)
Disposals	(7,984)	-	-	-	(7,984)
Foreign exchange variances	(65,513)	(6,413)	(3,345)	-	(75,271)
Balance at December 30, 2024	\$ 140,157	\$ 13,721	\$ 7,156	\$ -	\$ 161,034

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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## 12. Long-term debt

	September 30, 2025	December 31, 2024
Principal	\$ 14,831,522	\$ 10,483,687
Interest accrued	86,455	58,109
Debt issuance costs, net of accretion	(1,425,585)	-
Foreign exchange revaluation	33,618	67,552
<b>Balance, end of period</b>	<b>\$ 13,526,009</b>	<b>\$ 10,609,348</b>
Current portion	\$ 1,761,196	\$ 2,563,687
Long-term portion	\$ 11,764,813	\$ 8,045,661

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

	Nine months ended September 30, 2025	Year ended December 31, 2024
Balance, beginning of period	\$ 10,609,348	\$ 16,493,471
Additions	14,700,000	-
Interest accrued	86,455	58,109
Repayments	(10,649,550)	(5,525,973)
Debt issuance costs	(1,578,203)	-
Amortization of debt issuance costs	152,618	-
Gain on debt settlement	(36,030)	-
Foreign exchange revaluation	241,371	(416,259)
<b>Balance, end of period</b>	<b>\$ 13,526,009</b>	<b>\$ 10,609,348</b>
Current portion	\$ 1,761,196	\$ 2,563,687
Long-term portion	\$ 11,764,813	\$ 8,045,661

Long-term debt consists of:

- \$491,947 (December 31, 2024: \$467,645) related to four 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 at September 30, 2025, was \$502,502 (December 31, 2024: \$565,468).
- The loan assumed upon acquisition of Signafire Technologies Inc., settled and fully repaid for \$80,000 during the six months ended June 30, 2025 (December 31, 2024: \$116,023). There was a gain on debt settlement recognized of \$36,030 in the Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss).
- The Allegient Defense ("Allegient") loan fully repaid for \$2,722,043 outstanding during the year ended December 31, 2024.
- 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 six months ended June 30, 2025 (December 31, 2024: \$6,241,650).
- A term loan to NowVertical Canada Holdings Inc. of C\$7,000,000 bearing interest at 7.4% per annum, fully repaid for \$3,312,379 during the six months ended June 30, 2025 (December 31, 2024: \$3,520,784).
- A term loan related to A10 Brazil bearing interest at 18% per annum, fully repaid for \$281,546 during the six months ended June 30, 2025 (December 31, 2024: \$263,246).
- \$5,700,737 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 September 30, 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.
- \$8,759,666 outstanding in respect of an \$8,700,000 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

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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. A standby fee of 35% of the applicable margin is charged on the undrawn portion of the facility, which was \$3,300,000 as of June 30, 2025. 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.

- i) The Company incurred \$1,578,203 of debt issuance costs related to the term loan (Note 12g) and revolving credit facility (Note 12h) during the nine months ended September 30, 2025. These are being amortized over the period of the two loans, and the Company recognized \$151,618 of accretion expense in interest expense during the nine months ended September 30, 2025 in the Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss). The unamortized balance of debt issuance costs as at September 30, 2025 was \$1,422,153 (December 31, 2024: \$nil).

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

2025	\$343,549
2026	\$1,370,028
2027	\$1,309,520
2028	\$10,011,945
2029	\$1,244,843
Thereafter	\$622,617

The Company is in compliance with all debt covenants as at September 30, 2025.

### 13. Share capital

- a) Authorized

Unlimited number of Class A Subordinate Voting Shares and unlimited number of Class B Proportionate Voting Shares without par value.

- b) Issued and fully paid

The shares outstanding as at September 30, 2025 were 97,814,635 (September 30, 2024: 87,268,044).

	Note	
Balance, January 1, 2025		87,268,044
Shares issued related to acquisitions	13c	8,986,600
Shares issued for provision of services	13d	753,194
Warrants exercised	13f	315,132
Options exercised	13g	16,667
Restricted Stock Units vested	13e	474,998
<b>Balance, September 30, 2025</b>		<b>97,814,635</b>

	Note	
Balance, January 1, 2024		77,804,862
Shares issued related to acquisitions	13c	9,463,182
<b>Balance, September 30, 2024</b>		<b>87,268,044</b>

- c) Shares issued related to acquisitions – On February 20, 2025, the Company issued 5,432,954 Subordinate Voting Shares ("SVS") in connection with the purchase of CoreBI and 3,553,646 SVS in connection with the purchase of Acrotrend Solutions Limited ("Acrotrend"). On June 13, 2024, the Company issued 9,321,515 SVS in connection with the purchase of Acrotrend. On September 30, 2024, the Company issued 141,667 SVS in connection with the purchase of Resonant.

## NowVertical Group Inc.

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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. The related expense was \$47,220. On April 15, 2025, the Company issued 93,917 SVS to employees in settlement of a bonus payable. The related expense was \$37,347. On July 8, 2025, the Company issued 477,459 SVS to an employee in settlement of a bonus payable. The related expense was \$217,585.

e) Restricted Stock Units

During the nine months ended September 30, 2025, the Company granted 1,019,531 restricted stock units ("RSUs") for one year vesting. During the nine months ended September 30, 2025, the Company recorded \$291,517 (2024: \$16,483) in share-based compensation for these RSUs. As at September 30, 2025, there were 2,394,531 RSUs outstanding (2024: 1,425,000).

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.

f) Warrants exercised - During the nine months ended September 30, 2025, the Company exercised 315,132 SVS warrants. The related expense was \$119,795.

g) Stock options

The Company has an Omnibus Plan, which provides that the Board of Directors of the Company may from time to time, in 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 nine months ended September 30, 2025, the Company recognized \$98,635 (2024: \$176,485) 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:

	Nine months ended			
	September 30, 2025		September 30, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, January 1	4,348,542	\$ 0.69	5,700,942	\$ 0.89
Granted	109,400	0.64	1,425,000	0.20
Exercised	(16,667)	0.20	-	-
Forfeited	(33,333)	0.20	(2,747,400)	0.65
Outstanding, September 30	4,407,942	\$ 0.57	4,378,542	\$ 0.58
Exercisable, September 30	4,219,063	\$ 0.59	2,831,563	\$ 0.78

## NowVertical Group Inc.

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Details of the outstanding options as at September 30, 2025 are as follows:

Range of exercise prices	Outstanding options			Exercisable options		
	at September 30, 2025	Remaining term of options in years	Weighted average exercise price	at September 30, 2025	Weighted average exercise price	
\$0.20 - \$0.45	1,773,333	8.44	\$ 0.23	1,723,333	\$ 0.23	
\$0.46 - \$0.90	2,359,609	5.42	0.80	2,241,667	0.81	
\$1.00	275,000	6.60	1.00	254,063	1.00	
	<u>4,407,942</u>	<u>6.61</u>	<u>\$ 0.57</u>	<u>4,219,063</u>	<u>\$ 0.59</u>	

#### h) 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, in 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.

During the nine months ended September 30, 2025, the Company granted 2,758,291 PSUs to employees across multiple jurisdictions (Canada, United States, United Kingdom, and India). The fair value of the PSUs granted was determined based on the market price of the Company's SVS at the date of grant, adjusted for the probability of achieving the performance conditions.

For the nine months ended September 30, 2025, the Company recognized \$518,996 (2024: \$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*.

## NowVertical Group Inc.

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

Basic income (loss) per share is calculated by dividing net income (loss) for the period by the weighted average number of shares outstanding during the period. Diluted net income (loss) per share is calculated by dividing net income (loss) for the period attributable to shareholders by the weighted average number of shares outstanding during the period 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 period is calculated using the following numerators and denominators:

Numerator	Three months ended		Six months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net (loss) income	\$ (626,481)	\$ 575,075	\$ (1,968,537)	\$ 1,007,472
<b>Denominator</b>				
Weighted average number of common shares outstanding for basic net income (loss) per share	97,346,429	87,126,377	95,056,520	81,513,056
Adjustment for dilutive stock options	-	-	-	-
Weighted average number of common shares outstanding for diluted net income (loss) per share	97,346,429	87,126,377	95,056,520	81,513,056
<b>Basic net (loss) income per share</b>	<b>\$ (0.01)</b>	<b>\$ 0.01</b>	<b>\$ (0.02)</b>	<b>\$ 0.01</b>
<b>Diluted net (loss) income per share</b>	<b>\$ (0.01)</b>	<b>\$ 0.01</b>	<b>\$ (0.02)</b>	<b>\$ 0.01</b>

#### 15. Convertible debentures and warrants liability

On October 5, 2022, the Company closed a marketed public offering of 5,069 convertible debenture units (“Debt Units”) at a price of C\$1,000 per Debt Unit for total gross proceeds of C\$5,069,000 (net proceeds of USD \$3.3 million) with a maturity date of October 5, 2025. Each Debt 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 Debt Units include a conversion feature, whereby the principal amount shall be convertible, 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 VWAP 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. The conversion feature was revalued at September 30, 2025, with \$nil fair value (December 31, 2024: \$nil).

##### 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 fair value of the warrants liability at September 30, 2025 is \$311,468 (December 31, 2024: \$133,992) based on the closing price of C\$0.045 per Unit warrant (defined below), and the difference of \$175,528 was recorded to the Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss) as a warrant liability revaluation and of \$1,948 as an exchange difference.

## **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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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 fair value of the warrants liability at September 30, 2025 is \$13,023 (December 31, 2024: \$12,605) based on the closing price of C\$0.005 per Unit warrant, and the difference of \$418 was recorded to the Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss) as an exchange difference.

In connection with the Unit offering on December 15, 2021, each of the 10,894,756 Units included one half of one purchase warrant (the "Unit warrants"). Each of the 5,447,378 full Unit Warrants is exercisable at a price of C\$1.25 per warrant for a period of two years ending December 15, 2023 and entitles the holder to purchase one SVS. The Unit warrants are freely traded. The fair value of the Unit Warrants of \$168,999 upon issuance was determined using the closing price of C\$0.04 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 equity. Share issuance costs of \$19,159 were allocated to the warrants and expensed through profit and loss in the year ended December 31, 2021. The Warrants expired during the year ended December 31, 2024, and a warrant revaluation of \$19,902 was recognized in the Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss) as warrant revaluation, and \$655 was recorded as an exchange difference.

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

Income tax expense is recognized at an amount determined by multiplying the income (loss) before income taxes 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 September 30, 2025, the Company recorded an income tax expense of \$168,852 (2024: \$75,202) on a pre-tax loss of \$457,629 (2024: \$650,277 gain). For the nine months ended September 30, 2025, the Company recorded income tax expense of \$1,295,867 (2024: \$1,730,442) on a pre-tax loss of \$672,670 (2024: \$2,737,914 gain).

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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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	Nine months ended	
		September 30, 2025	September 30, 2024
Non-cash adjustments in operating activities:			
Depreciation of property and equipment	11	\$ 235,817	\$ 206,226
Amortization of intangible assets	9	916,800	1,430,281
Deferred income tax expense	16	56,947	301,197
Income tax expense	16	1,238,920	1,429,245
Share-based compensation expense	13	909,148	192,968
Revaluation of equity consideration	6	35,355	(25,412)
Revaluation of contingent and deferred consideration	6	592,848	560,781
Revaluation of warrants liability	15	175,528	(19,902)
Gain on disposal of asset	21	-	(3,585,309)
Disposal of property, plant and equipment		-	(7,984)
Gain on debt settlement	12	(36,030)	-
Interest expense		724,981	302,595
Amortization of debt issuance costs	12	152,618	-
Foreign exchange differences		248,010	(28,768)
		<u>\$ 5,250,942</u>	<u>\$ 755,918</u>
Net changes in working capital:			
Change in deferred revenue		\$ (1,238,923)	\$ 1,202,333
Change in trade and other receivables		(716,524)	1,118,126
Change in unbilled receivables		(3,107,531)	(4,488,852)
Change in prepaid expenses and other current assets		560,611	219,589
Change in accounts payable		(2,902,583)	(1,447,826)
Change in accrued expenses and other current liabilities		227,050	1,819,130
Change in short-term investments		(130,606)	(1,261,783)
Changes in assets and liabilities held for disposal	21	(723,760)	-
		<u>\$ (8,032,267)</u>	<u>\$ (2,839,283)</u>
Non-cash disclosures in investing and financing activities:			
Shares issued for provision of services		\$ 301,425	\$ -
Shares issued related to acquisitions		2,333,889	(1,378,696)
		<u>\$ 2,635,314</u>	<u>\$ (1,378,696)</u>

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### Notes to the Condensed Consolidated Interim Financial Statements

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

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Compensation and benefits	\$ 1,817,445	\$ 1,755,831	\$ 4,853,927	\$ 6,997,917
Professional fees	340,402	464,101	1,034,074	2,366,530
Marketing and advertising	325,318	211,248	898,953	653,277
Investor relations and filing fees	(5,253)	30,628	106,422	95,064
Product development	(16,036)	92,226	36,103	254,771
Office and other expenses	562,011	770,808	1,467,242	2,471,972
Travel expense	109,921	65,036	296,727	207,675
Depreciation of property and equipment	66,726	73,046	235,817	206,226
Amortization of intangible assets	229,763	323,629	687,895	1,200,258
Exchange loss	191,642	71,473	603,007	510,367
Share-based compensation expense	676,386	83,910	909,148	192,968
<b>Total administrative expenses</b>	<b>\$ 4,298,325</b>	<b>\$ 3,941,936</b>	<b>\$ 11,129,315</b>	<b>\$ 15,157,025</b>

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Compensation and benefits	\$ 2,649,950	\$ 2,387,447	\$ 8,923,585	\$ 10,853,201
Subcontractor costs	1,645,468	2,931,139	4,782,975	7,369,427
Software and data expense	34,865	37,385	90,012	156,155
Amortization of intangible assets	77,071	76,600	228,905	230,023
<b>Total cost of revenue</b>	<b>\$ 4,407,354</b>	<b>\$ 5,432,571</b>	<b>\$ 14,025,477</b>	<b>\$ 18,608,806</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, accounts receivable, 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, 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 \$15,200,096 as at September 30, 2025 (December 31, 2024: \$12,570,724). The

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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Company 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 \$32,165,213 as at September 30, 2025 (December 31, 2024: \$31,621,724).

The table below summarizes the Company's contractual obligations into relevant maturity groups as at September 30, 2025, based on the expected contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows of principal amounts.

	Carrying value	Contractual cash flow	Year 1	Years 2 and 3	Years 4 and 5	Thereafter	Total
Current portion of long-term debt	\$ 1,761,196	\$ 1,761,196	\$ 1,761,196	\$ -	\$ -	\$ -	\$ 1,761,196
Long-term debt	11,764,813	11,764,813	-	918,352	10,223,845	622,617	11,764,813
Convertible debentures	3,637,216	3,637,216	3,637,216	-	-	-	3,637,216
Current consideration related to acquired companies	2,682,307	2,682,307	2,682,307	-	-	-	2,682,307
Non-current consideration related to acquired companies	429,233	429,233	-	429,233	-	-	429,233
Total	\$ 20,274,765	\$ 20,274,765	\$ 8,080,719	\$ 1,347,585	\$ 10,223,845	\$ 622,617	\$ 20,274,765

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 flow 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.

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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#### 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:

	Note	Three months ended		Nine months ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Salaries and bonuses		\$ 406,306	\$ 184,489	\$ 816,649	\$ 541,261
Share-based payments		177,106	37,545	367,020	40,680
Shares issued for provision of services	13	216,474	-	263,693	-
Total related party transactions		\$ 799,886	\$ 222,034	\$ 1,447,362	\$ 581,941

#### 21. Sale and/or disposal of assets

##### *Allegient purchase agreement*

On May 24, 2024, the Company closed the disposition of its subsidiary, 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 nine months ended September 30, 2025, the Company received \$511,942. As of September 30, 2025, the Company has received \$7,651,155, net of transaction costs and cash disposed on sale.

##### *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 IP and patents. During the three months ended March 31, 2025, the Company received \$2,220,176. As of March 31, 2025, the Company received all outstanding payments owing, and the earn-out consideration period ended.

## NowVertical Group Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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#### Chilean and Mexican operations

As at September 30, 2025, the following entities were classified as a disposal group held for disposal: 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 wrote down all assets of the Disposal Group to their estimated recoverable amount, resulting in a nominal impairment charge. The Company expects the Disposal Group to wind down its operations in the foreseeable future. As at September 30, 2025, the assets and liabilities held for disposal consist of the following:

	<b>September 30, 2025</b>		<b>December 31, 2024</b>
Cash	\$ 9,693	\$	-
Trade and other receivables	3,666		67,336
Taxes receivable	429,356		415,781
Prepaid expenses and other current assets	44,613		17,161
<b>Total assets held for disposal</b>	<b>\$ 487,328</b>	<b>\$</b>	<b>500,278</b>
Accounts payable	411,619		1,106,989
Accrued expenses and other current liabilities	150,806		161,819
Taxes payable	718,897		772,435
<b>Current liabilities held for disposal</b>	<b>\$ 1,281,322</b>	<b>\$</b>	<b>2,041,243</b>
Taxes payable	812,008		788,798
<b>Non-current liabilities held for disposal</b>	<b>\$ 812,008</b>	<b>\$</b>	<b>788,798</b>

## 22. Investments

	<b>Nine months ended September 30, 2025</b>		<b>Year ended December 31, 2024</b>
Balance, beginning of period	\$ 2,021,833	\$	368,530
Cash deposited (withdrawn)	(953,918)		1,471,383
Investing income	130,606		252,790
Foreign exchange differences	(482,218)		(70,870)
<b>Balance, end of period</b>	<b>\$ 716,303</b>	<b>\$</b>	<b>2,021,833</b>

In the comparative Financial Statements, changes in short-term investments of \$569,541 were previously included in net changes in working capital within cash flows from (used in) operating activities instead of within cash flows from (used in) investing activities.

## 23. Prepaid expenses and other current assets

	<b>September 30, 2025</b>		<b>December 31, 2024</b>
Prepaid expenses	\$ 382,743	\$	942,456
Security deposits	41,794		36,999
Employee receivable	13,165		18,858
<b>Total prepaid expenses and other current assets</b>	<b>\$ 437,702</b>	<b>\$</b>	<b>998,313</b>

## 24. Subsequent event

On October 5, 2025, the Company satisfied its Convertible Debt obligations (Note 15) by repaying C\$5,069,000 to the registered holders of the 5,069 Debenture Units.