

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

VERTICALSCOPE HOLDINGS INC.

Three and Nine Months Ended September 30, 2025 and 2024

VERTICALSCOPE HOLDINGS INC.

Condensed Consolidated Interim Statements of Financial Position

(In US dollars)

(Unaudited)

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash	\$12,381,348	\$5,189,315
Restricted cash	105,605	97,244
Trade and other receivables (note 5)	11,582,370	14,874,882
Lease receivable	—	326,267
Income taxes receivable	690,591	784,332
Prepaid expenses	876,315	761,652
	25,636,229	22,033,692
Property and equipment	299,292	482,276
Right-of-use asset (note 7)	1,150,814	1,564,687
Intangible assets (note 8)	34,689,468	37,597,990
Goodwill	52,635,164	52,635,164
Other assets	133,633	154,497
Deferred tax asset	19,316,885	17,937,708
Total assets	\$133,861,485	\$132,406,014
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$8,663,492	\$6,864,256
Income taxes payable	285,698	426,778
Derivative instruments	1,045	145,068
Deferred revenue	1,055,262	1,125,592
Current portion of long-term debt (note 9)	653,682	687,875
Lease liability (note 7)	631,480	946,626
	11,290,659	10,196,195
Long-term debt (note 9)	44,000,000	38,000,000
Lease liability (note 7)	778,363	1,180,878
Deferred tax liability	—	315,607
Other long-term liabilities	26,612	26,612
Total liabilities	56,095,634	49,719,292
Shareholders' equity:		
Share capital (note 10)	159,019,349	163,250,013
Contributed surplus (note 11)	22,782,152	25,413,119
Other comprehensive loss	(145,494)	(145,494)
Deficit	(103,890,156)	(105,830,916)
	77,765,851	82,686,722
Total liabilities and shareholders' equity	\$133,861,485	\$132,406,014

See accompanying notes to condensed consolidated interim financial statements.

VERTICALSCOPE HOLDINGS INC.

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(In US dollars)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue (notes 6 and 16)	\$14,688,198	\$17,786,704	\$42,794,031	\$49,197,664
Operating expenses:				
Wages and consulting	6,044,589	7,260,759	21,482,797	21,023,470
Share-based compensation (note 11)	545,547	385,403	1,673,398	1,174,219
Platform and technology	1,787,100	1,920,206	5,501,195	5,139,085
General and administrative	1,042,630	1,180,123	3,485,641	3,640,927
Depreciation and amortization (notes 7 and 8)	4,768,585	4,427,753	14,022,509	13,493,365
	14,188,451	15,174,244	46,165,540	44,471,066
Operating income (loss)	499,747	2,612,460	(3,371,509)	4,726,598
Other expenses (income):				
Other income	(1,655)	—	(3,479)	—
Gain on sale of assets	(928)	(5,306)	(3,869)	(10,024)
Net interest and financing expense (note 13)	808,172	985,549	2,371,634	3,223,363
Gain on sale of investments	—	(712)	—	(17,110)
Foreign exchange loss (gain)	19,313	(15,993)	92,353	11,648
Realized other loss	—	—	94,030	—
	824,902	963,538	2,550,669	3,207,877
Income (loss) before income taxes	(325,155)	1,648,922	(5,922,178)	1,518,721
Income tax expense (recovery)				
Current	246,143	427,461	402,048	679,826
Deferred	(149,539)	14,827	(1,694,780)	193,756
	96,604	442,288	(1,292,732)	873,582
Net income (loss)	(\$421,759)	\$1,206,634	(\$4,629,446)	\$645,139
Other comprehensive income (loss)				
<i>Items that may be reclassified to net income (loss):</i>				
Foreign currency differences on translation of foreign operations	—	(65,147)	—	(52,301)
Total comprehensive income (loss)	(\$421,759)	\$1,141,487	(\$4,629,446)	\$592,838
Earnings (loss) per share (note 14):				
Basic	(\$0.02)	\$0.06	(\$0.21)	\$0.03
Diluted	(0.02)	0.06	(0.21)	0.03

See accompanying notes to condensed consolidated interim financial statements.

VERTICALSCOPE HOLDINGS INC.

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

	Multiple Voting Shares ("MVS")		Subordinate Voting Shares ("SVS")		Contributed surplus	Other comprehensive loss	Deficit	Total
	Number of shares	Amount	Number of shares	Amount				
Balance as at December 31, 2023	2,957,265	\$7,191,707	18,667,040	\$160,513,527	\$22,435,738	(\$145,494)	(\$109,309,895)	\$80,685,583
Net income	—	—	—	—	—	—	645,139	645,139
Foreign currency differences on translation of foreign operations	—	—	—	—	—	(52,301)	—	(52,301)
Share-based compensation (note 11)	—	—	—	—	1,174,219	—	—	1,174,219
Repurchase of share capital for cancellation (note 10)	—	—	(127,900)	(2,082,212)	—	—	1,378,716	(703,496)
Shares issued on exercise of vested RSUs (note 10 and 11)	—	—	82,869	561,015	(561,015)	—	—	—
Balance as at September 30, 2024	2,957,265	\$7,191,707	18,622,009	\$158,992,330	\$23,048,942	(\$197,795)	(\$107,286,040)	\$81,749,144
	Multiple Voting Shares ("MVS")		Subordinate Voting Shares ("SVS")		Contributed surplus	Other comprehensive loss	Deficit	Total
	Number of shares	Amount	Number of shares	Amount				
Balance as at December 31, 2024	2,957,265	\$7,191,707	18,444,094	\$156,058,306	\$25,413,119	(145,494)	(\$105,830,916)	\$82,686,722
Net loss	—	—	—	—	—	—	(4,629,446)	(4,629,446)
Share-based compensation (note 11)	—	—	—	—	1,673,398	—	—	1,673,398
Repurchase of share capital for cancellation (note 10)	—	—	(523,273)	(8,415,276)	—	—	6,570,206	(1,845,070)
Shares issued on exercise of vested RSUs, PSUs & Other SBC (notes 10 and 11)	—	—	631,538	4,184,612	(4,184,612)	—	—	—
Cash settlement for vested RSUs (note 11)	—	—	—	—	(119,753)	—	—	(119,753)
Balance as at September 30, 2025	2,957,265	\$7,191,707	18,552,359	\$151,827,642	\$22,782,152	(\$145,494)	(\$103,890,156)	\$77,765,851

See accompanying notes to condensed consolidated interim financial statements.

VERTICALSCOPE HOLDINGS INC.

Condensed Consolidated Interim Statements of Cash Flows

(In US dollars)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cash provided by (used in):				
Operating activities:				
Net income (loss)	(\$421,759)	\$1,206,634	(\$4,629,446)	\$645,139
Items not involving cash:				
Depreciation and amortization	4,768,585	4,427,753	14,022,509	13,493,365
Net interest and financing expense (note 13)	808,172	985,549	2,371,634	3,223,363
Gain on sale of assets	(928)	(5,306)	(3,869)	(10,024)
Gain on sale of investments	—	(712)	—	(17,110)
Unrealized loss (gain) in derivative instruments	44,185	(22,850)	(144,023)	51,853
Income tax expense (recovery)	96,604	442,288	(1,292,732)	873,582
Share-based compensation (note 11)	545,547	385,403	1,673,398	1,174,219
	5,840,406	7,418,759	11,997,471	19,434,387
Change in non-cash operating assets and liabilities (note 12)	(322,684)	(30,613)	4,705,216	1,828,266
Interest paid (note 9)	(738,520)	(979,387)	(2,153,460)	(3,212,715)
Income taxes paid	(51,300)	(530,034)	(413,630)	(272,505)
	4,727,902	5,878,725	14,135,597	17,777,433
Financing activities:				
Repayment of term loan	—	(625,000)	—	(1,875,000)
Proceeds from issuance of revolving loan (note 9)	—	—	6,000,000	—
Repayment of revolving loan	—	(5,000,000)	—	(13,250,000)
Cash settlement for vested RSUs	—	—	(119,753)	—
Repurchase of share capital for cancellation (note 10)	—	(34,411)	(1,845,070)	(703,496)
Lease payments (note 7)	(229,712)	(334,034)	(785,363)	(1,035,677)
Proceeds from sublease	49,302	148,342	328,244	446,298
	(180,410)	(5,845,103)	3,578,058	(16,417,875)
Investing activities:				
Additions to property and equipment and intangible assets	(308,046)	(493,599)	(1,022,700)	(1,327,217)
Proceeds from sale of assets	928	5,666	3,869	11,747
Proceeds from sale of investments	—	712	—	17,110
Acquisitions (note 8)	—	—	(9,494,430)	(200,178)
	(307,118)	(487,221)	(10,513,261)	(1,498,538)
Increase (decrease) in cash	4,240,374	(453,599)	7,200,394	(138,980)
Cash, beginning of the period	8,143,612	6,320,979	5,189,315	6,015,184
Change in restricted cash balances	(2,638)	(2,305)	(8,361)	(1,326)
Effect of movement of exchange rates on cash and restricted cash held	—	(30,739)	—	(40,542)
Cash, end of period	\$12,381,348	\$5,834,336	\$12,381,348	\$5,834,336

See accompanying notes to condensed consolidated interim financial statements.

VERTICALSCOPE HOLDINGS INC.

Notes to Condensed Consolidated Interim Financial Statements

(In US dollars)

For the three and nine months ended September 30, 2025 and 2024

1. Organization and nature of operations:

VerticalScope Holdings Inc. and its wholly owned subsidiaries (together the "Company" or "VSHI") was incorporated on November 19, 2012 under the Ontario Business Corporation Act. The Company is a technology company that has built and operates a cloud-based digital community platform for online enthusiast communities. The Company's headquarters and registered office is located at 111 Peter Street, Suite 600, Toronto, Ontario M5V 2H1. The Company is listed on the Toronto Stock Exchange (TSX: FORA) and the OTCQX® Best Market (OTCQX: VFORF).

2. Basis of presentation:

(a) Statement of compliance:

These unaudited Condensed Consolidated Interim Financial Statements ("Interim Financial Statements") have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS® Accounting Standards and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2024. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2024. These Interim Financial Statements are presented in US dollars, which is the Company's functional currency.

These Interim Financial Statements were approved and authorized for issuance by the Board of Directors of the Company on November 5, 2025.

(b) Basis of consolidation:

These Interim Financial Statements include the accounts of VerticalScope Holdings Inc., and its subsidiaries. Balances and transactions between VerticalScope Holdings Inc. and its subsidiaries have been eliminated upon consolidation.

(c) Use of estimates and judgments:

The preparation of Interim Financial Statements often involves management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. The Company reviews estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the year in which the estimates are revised and may impact future years as well. Other results may be derived with different judgments or using different assumptions or estimates and events may occur that could require a material adjustment.

VERTICALSCOPE HOLDINGS INC.

Notes to Condensed Consolidated Interim Financial Statements

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Areas in these Interim Financial Statements requiring the use of management estimates and judgments include the expected credit losses on trade and other receivables, the recognition of government grants including investment tax credits and receivables, valuation of long-lived assets, the determination of the estimated useful lives of property and equipment, right-of-use assets and intangible assets, inputs used in the determination of the fair value of share option grants and performance share units, the determination of the incremental borrowing rate and lease term for lease contracts for right-of-use assets and corresponding lease liabilities, the determination of costs to capitalize for the development of internally generated intangible assets and deferred income taxes.

The following areas require the use of significant management estimates and judgments:

(i) Impairment of long-lived assets, including goodwill

When long-lived assets including goodwill are tested for impairment, the determination of the assets' recoverable amount involves the use of estimates. The recoverable amount is based on the higher of the fair value of the assets less costs of disposal and value-in-use, which is determined using discounted cash flow models. The significant assumptions used by the Company in estimating the value-in-use of the VerticalScope cash-generating unit ("CGU") include estimated cash flows, discount rate, and long-term growth rate.

(ii) Valuation of acquired intangibles

In a business combination or asset acquisition, all identifiable net assets acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, management with assistance from an independent valuation expert develops the fair value using appropriate valuation techniques which are based on a forecast of the total expected future net cash flows. In determining the fair value of the intangible assets at the acquisition date, the Company's significant assumptions include the future net cash flows, royalty rates and discount rate applied. Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will not be for more than one year from the acquisition date. In addition, the Company determines the value of contingent considerations associated with acquisitions based on an assessment of probabilities attached to the achievement of performance targets as set out in the related agreements. Changing probabilities can result in material adjustments to the fair value of contingent consideration amounts.

(iii) Internally generated intangibles

Management exercises significant judgment in determining whether an item meets the criteria in the definition of an intangible asset which, in part, requires that the software is technically feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Judgment is required to

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distinguish those expenditures that develop the business as a whole, which cannot be capitalized as intangible assets and are expensed in the years incurred.

iv) Leases

Management determines the lease term as the non-cancellable period of the lease, together with any periods covered by options to extend the lease if it is reasonably certain that such options will be exercised. In assessing whether it is reasonably certain to exercise extension options, management considers various factors including: the comparison of contractual terms for the optional period to market rates; the extent of leasehold improvements undertaken; the cost of terminating the lease; the significance of the leased asset to the Company's operations; and any associated conditions related to exercising the option.

The Company uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is defined as the rate of interest the Company would have to pay to borrow, over a similar term and with similar security, an amount necessary to obtain an asset of similar value in a similar economic environment. In determining this rate, the Company considers the term of the lease, the nature of the underlying asset, its current level of indebtedness, and market-based risk-free interest rates.

v) Share-based compensation

The Company estimates the fair value of share-based compensation using the Black-Scholes option pricing model. The model requires the use of various inputs, including the Company's share price on the measurement date, the exercise price of the award, expected volatility, expected life of the instrument, expected dividend yield, and the risk-free interest rate. Expected volatility is determined based on a weighted average of historical volatility, adjusted for anticipated changes using publicly available information for comparable companies. The risk-free interest rate is based on yields of government bonds with a term consistent with the expected life of the options. These inputs involve significant estimation, and changes in assumptions may have a material impact on the resulting fair value of share-based compensation.

vi) Income taxes

Provisions for income taxes are recognized based on management's best estimate of the amounts expected to be paid, taking into consideration all relevant factors and available information. The Company evaluates the adequacy of tax provisions at the end of each reporting period.

It is possible that the ultimate outcome of tax audits or reviews by taxation authorities may differ from the amounts initially recorded. Any such differences are recognized in the period in which the final determination is made and may result in adjustments to the income tax expense and related provisions.

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vii) Expected credit losses

The Company monitors the credit risk associated with trade receivables by assessing the financial condition of its customers and the economic environment in which they operate. Individual receivable balances are evaluated to estimate the likelihood of collection.

The Company performs regular reviews of its trade receivables to identify potential credit risks and to determine the adequacy of the expected credit loss allowance. In addition, prevailing economic conditions are considered in assessing whether adjustments to the expected credit losses are required.

(d) Measurement uncertainty:

The Company continues to monitor the conflict in Israel and potential impacts the conflict could have on the Company's personnel and business operations in Israel and the recorded amounts of assets and liabilities related to the Company's operations in Israel, specifically HomeTalk IL Development Ltd., the Company's subsidiary in Israel. The extent to which the conflict may impact the Company's personnel, business operations and activities will depend on future developments which remain highly uncertain and cannot be predicted. It is possible that the recorded amounts of assets and liabilities related to the Company's operations in Israel could change materially in the near term. Similarly, the Company continues to monitor the potential impact of tariffs on exports and imports between Canada and the United States on the Company. The Company is assessing the direct and indirect impacts to its business of such tariffs, retaliatory tariffs or other trade protectionist measures implemented as this situation develops, and such impacts could be material.

(e) Change in Classification:

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

3. Material accounting policies:

These Interim Financial Statements have been prepared using the accounting policies outlined in note 3 of the audited consolidated financial statements for the year ended December 31, 2024, except the following:

(a) Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates

The amendments clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

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A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate a company can use an observable exchange rate without adjustment; or another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2025. The Company adopted this amendment as of January 1, 2025. The adoption of this standard had no material impact on these Interim Financial Statements.

Recently issued accounting pronouncements not yet effective:

(a) Amendments to IAS 1 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements and sets out requirements for the presentation and disclosure of information in general purpose financial statements.

The standard applies to annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. The Company is currently evaluating the impact of these amendments and do not expect the amendments to have a material impact on the Interim Financial Statements.

4. Business combinations:

Acquisition of Ritual Technologies Inc.:

On April 7, 2025, VerticalScope Inc. acquired Ritual Technologies Inc. for a cash consideration of \$1,894,901. Ritual Technologies Inc. was determined to be a business under IFRS 3 and the Company applied the acquisition method of accounting.

Ritual Technologies Inc. operated a digital food pickup platform accessible through the Ritual mobile application. Ritual Technologies Inc. was amalgamated with VerticalScope Inc. upon closing of the acquisition on April 7, 2025 and no longer exists as a separate legal entity.

The following table summarizes the preliminary estimated fair value of the identifiable assets and liabilities acquired at the date of acquisition and is subject to adjustment:

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For the three and nine months ended September 30, 2025 and 2024

Total purchase consideration	\$1,894,901
Cash and cash equivalents	528,193
Accounts receivable	858,820
Prepaid expenses and other current assets	135,364
Property and equipment	4,212
Trade payables and accrued liabilities	(443,107)
Merchant liabilities	(1,625,834)
Loyalty program liability	(1,396,651)
Other short term liabilities	(184,076)
Total net assets acquired	(\$2,123,079)
Software technology	4,017,980
Total intangible	\$4,017,980

5. Trade and other receivables:

	September 30, 2025	December 31, 2024
Trade accounts receivable	\$10,503,341	\$14,520,814
Investment tax credits recoverable	155,222	110,380
Sundry receivable	923,807	243,688
	\$11,582,370	\$14,874,882

6. Revenue:

Disaggregation of revenue:

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Digital advertising	\$11,685,655	\$15,643,351	\$34,683,004	\$42,647,645
E-commerce	3,002,543	2,143,353	8,111,027	6,550,019
Revenue	\$14,688,198	\$17,786,704	\$42,794,031	\$49,197,664

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(In US dollars)

For the three and nine months ended September 30, 2025 and 2024

7. Right-of-use assets and lease liability:

The Company leases certain properties under non-cancellable lease agreements that relate to office space. The expected remaining lease terms are between 4 and 28 months. The Company subleased certain office space to a third-party tenant, with the sublease agreement concluding on September 2027. During 2025, the weighted average incremental borrowing rate used to measure the lease liability was 5% (2024 - 6%). The carrying amount of the Company's right-of-use assets and lease liabilities are summarized in the table below.

The following reconciles the right-of-use asset as at September 30, 2025:

Right-of-use asset	
Balance, December 31, 2023	\$2,123,739
Modifications to lease contracts	21,396
Depreciation	(580,448)
Balance, December 31, 2024	1,564,687
Depreciation	(413,873)
Balance, September 30, 2025	\$1,150,814

The following reconciles the lease liability as at September 30, 2025:

Lease liability	
Balance, December 31, 2023	\$3,475,189
Modifications to lease contracts	21,396
Interest expense	150,702
Foreign exchange	(156,413)
Lease payments	(1,363,370)
Balance, December 31, 2024	2,127,504
Interest expense	67,702
Lease payments	(785,363)
Balance, September 30, 2025	\$1,409,843
Current	\$631,480
Non-current	778,363
	\$1,409,843

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8. Acquired and other intangible assets:

	Websites / Trade Names	Acquired content	Customer relationships	Software	Total
Cost					
Balance, December 31, 2023	\$155,993,796	\$93,720,157	\$40,924,430	\$58,822,403	\$349,460,786
Acquisitions	95,126	175,052	—	—	270,178
Additions arising from internal development	—	—	—	1,794,933	1,794,933
Balance, December 31, 2024	156,088,922	93,895,209	40,924,430	60,617,336	351,525,897
Acquisitions	3,559,693	1,916,757	—	4,017,980	9,494,430
Additions arising from internal development	—	—	—	977,498	977,498
Balance, September 30, 2025	\$159,648,615	\$95,811,966	\$40,924,430	\$65,612,814	\$361,997,825
Accumulated amortization					
Balance, December 31, 2023	\$143,085,310	\$93,720,157	\$29,922,538	\$30,252,323	\$296,980,328
Amortization	3,731,369	105,129	3,848,000	9,263,081	16,947,579
Balance, December 31, 2024	146,816,679	93,825,286	33,770,538	39,515,404	313,927,907
Amortization	3,169,287	1,137,107	2,886,000	6,188,056	13,380,450
Balance, September 30, 2025	\$149,985,966	\$94,962,393	\$36,656,538	\$45,703,460	\$327,308,357
Carrying amounts					
December 31, 2024	\$9,272,243	\$69,923	\$7,153,892	\$21,101,932	\$37,597,990
September 30, 2025	\$9,662,649	\$849,573	\$4,267,892	\$19,909,354	\$34,689,468

The Company capitalized third party costs of \$1,635 and \$11,261 for the three and nine months ended September 30, 2025, (\$619 and \$15,909 for the three and nine months ended September 30, 2024) and internal costs of \$287,390 and \$966,237 for the three and nine months ended September 30, 2025, (\$470,527 and \$1,244,153 for the three and nine months ended September 30, 2024) in relation to platform and mobile application development. These costs were capitalized to software.

During the nine months ended September 30, 2025, the Company completed three asset acquisitions comprising of 24 community sites, for a total purchase price of \$5,476,450 as well as one business combination in which the Company acquired \$4,017,980 (note 4) of intangible assets. During the nine months ended September 30, 2024, the Company completed one asset acquisition for a total purchase price of \$200,178.

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9. Long-term debt:

	Term Loan	Revolving Loan	Total
Balance, December 31, 2023	\$44,522,706	\$13,522,790	\$58,045,496
Advances	—	41,250,000	41,250,000
Payments	(47,119,628)	(17,251,785)	(64,371,413)
Interest and accretion	2,456,282	1,166,870	3,623,152
Adjustment for extinguishment of long term debt	140,640	—	140,640
Balance, December 31, 2024	—	38,687,875	38,687,875
Advances	—	6,000,000	6,000,000
Payments	—	(2,153,460)	(2,153,460)
Interest and accretion	—	2,119,267	2,119,267
Balance, September 30, 2025	\$—	\$44,653,682	\$44,653,682
Current portion of long-term debt	—	653,682	653,682
Non-current portion of long-term debt	\$—	\$44,000,000	\$44,000,000

The Company made payments, including interest, of \$738,520 and \$2,153,460 during the three and nine months ended September 30, 2025 against the long-term debt (during the three and nine months ended September 30, 2024 - \$6,604,387 and \$18,337,715).

The Company is required to pay a quarterly commitment fee for the total undrawn amount of the Revolver. As at September 30, 2025, the fee was 0.375% per annum. The fee is dependent on the Company's total net leverage ratio as set forth in the Amended Credit Agreement.

During the three and nine months ended September 30, 2025, the total interest and expenses incurred on long-term debt was \$746,198 and \$2,119,267 (three and nine months ended September 30, 2024 - \$894,770 and \$2,903,663).

As at September 30, 2025, the Company had principal outstanding of \$44,000,000 under its Second A&R Credit Agreement with \$56,000,000 available to borrow from its Revolver. As at September 30, 2025 the Company had accrued interest of \$653,682 (December 31, 2024 - \$687,875).

VERTICALSCOPE HOLDINGS INC.

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10. Share capital:

	Voting Shares			
	MVS	Amount		Amount
Balance as at December 31, 2023	2,957,265	\$7,191,707	18,667,040	\$160,513,527
Repurchase of share capital for cancellation	—	—	(127,900)	(2,082,212)
Shares issued on exercise of vested RSUs	—	—	82,869	561,015
Balance as at September 30, 2024	2,957,265	\$7,191,707	18,622,009	\$158,992,330
Balance as at December 31, 2024	2,957,265	\$7,191,707	18,444,094	\$156,058,306
Repurchase of share capital for cancellation	—	—	(523,273)	(8,415,276)
Shares issued on exercise of vested RSUs, PSUs & Other SBC	—	—	631,538	4,184,612
Balance as at September 30, 2025	2,957,265	\$7,191,707	18,552,359	\$151,827,642

On August 16, 2024, the Company renewed its NCIB, to purchase up to 931,151 of its SVS in the open market for cancellation. Under the NCIB, the Company may acquire up to 5,715 shares per day, subject to certain exceptions, including block purchase exceptions. All shares purchased by the Company under the NCIB will be canceled. Purchases will conclude on the earlier of the date on which the Company has purchased the maximum number of shares under the NCIB and August 15, 2025.

Pursuant to the terms of the Company's Amended Credit Agreement, the Company may expend no more than 6% of the net cash proceeds from public equity offerings, including its initial public offering, to acquire shares under the NCIB. Any purchases under the NCIB will be subject to the terms and limitations applicable to such NCIB, and will be made through the facilities of the TSX, other designated exchanges and/or alternative Canadian trading systems, or such other means as may be permitted by the Ontario Securities Commission or Canadian Securities Administrators.

In connection with the NCIB program, the Company has entered into an Automatic Share Purchase Plan ("ASPP") with its designated broker to allow for purchases of its shares during certain predetermined black-out periods, subject to certain parameters to be determined as to price and number of shares.

During the three and nine months ended September 30, 2025, the Company repurchased and canceled nil and 523,273 of its SVS for an aggregate purchase price of nil and \$1,845,070 (three and nine months ended September 30, 2024 - 5,600 and 127,900 of its SVS were repurchased and canceled for an aggregate purchase price of \$34,411 and \$703,496).

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11. Share-based compensation:

Omnibus incentive plan:

The Company has an Omnibus Incentive Plan (the "Plan") for certain qualified directors, executive officers, employees, and consultants of the Company or any of its subsidiaries. The maximum number of SVS available for issuance, in the aggregate, under this Plan and the Legacy Option Plan (the executive stock option plan that was in place prior to the Initial Public Offering) shall not exceed twelve percent (12%) of the aggregate number of SVS and MVS issued and outstanding from time to time (calculated on a non-diluted basis); of which not more than 2,581,155 shares may be issued pursuant to the exercise of stock options granted under the Plan. Any shares subject to an award which has been exercised or settled in shares will again be available for issuance under the Plan. The number of shares available for issuance under the Plan will increase as the number of issued and outstanding SVS shares increases from time to time. Under the plan, the SVS may be issued as share options, Performance Share Units ("PSUs"), Restricted Share Units ("RSUs") or Deferred Share Units ("DSUs").

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The following table summarizes share-based compensation balances in contributed surplus as at September 30, 2025:

	Share Options	Deferred share units	Restricted share units	Market performance based share units	Other Share-Based Compensation	Total
Contributed surplus, December 31, 2023	\$13,632,159	\$386,897	\$1,519,764	\$6,896,918	\$—	\$22,435,738
Share-based compensation expense	228,215	225,000	694,644	26,360	—	1,174,219
Shares issued from treasury for RSUs	—	—	(561,015)	—	—	(561,015)
Contributed surplus, September 30, 2024	\$13,860,374	\$611,897	\$1,653,393	\$6,923,278	\$—	\$23,048,942
Contributed surplus, December 31, 2024	\$13,912,889	\$714,179	\$2,668,306	\$7,317,745	\$800,000	\$25,413,119
Share-based compensation expense	108,091	225,000	484,301	856,006	—	1,673,398
Shares issued from treasury for RSUs, PSUs & Other SBC	—	—	(2,136,211)	(1,248,401)	(800,000)	(4,184,612)
Cash settlement for vested RSUs	—	—	(119,753)	—	—	(119,753)
Contributed surplus, September 30, 2025	\$14,020,980	\$939,179	\$896,643	\$6,925,350	\$—	\$22,782,152

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Share Options:

The following table summarizes share options that are outstanding as at September 30, 2025 and September 30, 2024.

	September 30, 2025		September 30, 2024	
	Number of options	Weighted average exercise price per share	Number of options	Weighted average exercise price per share
Outstanding share options, beginning of period	669,035	\$18.07	1,098,875	\$19.53
Granted share options	460,820	4.30	15,500	6.34
Forfeited share options	(102,625)	7.79	(444,003)	21.22
Expired share options	(117,692)	17.40	(5,645)	11.32
Outstanding share options, ending balance	909,538	\$12.60	664,727	\$18.17

On March 17, 2025, 83,071 share options were granted at a value of \$306,532. The shares will vest over a period of 4 years and \$1,641 and \$3,513 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2025, respectively. The share options were valued at the date of grant using the Black-Scholes option pricing model with the assumptions of a risk free interest rate of 4.31%, expected volatility of 45.21% and an expected term to exercise of 5.5 to 7 years.

On May 15, 2025, 25,071 share options were granted at a value of \$41,367. The shares will vest over a period of 4 years and \$5,185 and \$8,074 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2025, respectively. The share options were valued at the date of grant using the Black-Scholes option pricing model with the assumptions of a risk free interest rate of 4.45%, expected volatility of 45.52% and an expected term to exercise of 5.5 to 7 years.

On August 14, 2025, 150,000 share options were granted at a value of \$135,301. The shares will vest over a period of 3 years and \$27,411 and \$27,411 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2025, respectively. The share options were valued at the date of grant using the Black-Scholes option pricing model with the assumptions of a risk free interest rate of 4.29%, expected volatility of 45.78% and an expected term to exercise of 5.0 to 6.4 years.

On August 14, 2025, 2,678 share options were granted at a value of \$2,416. The shares will vest over a period of 4 years and \$182 and \$182 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2025. The share options were valued at the date of grant using the Black-Scholes option pricing model with the assumptions of a risk free interest rate of 4.29%, expected volatility of 45.78% and an expected term to exercise of 5.5 to 7.0 years.

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On August 31, 2025, 200,000 share options were granted at a value of \$155,780. The shares will vest over a period of 3 years and \$26,043 and \$26,043 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2025, respectively. The share options were valued at the date of grant using the Black-Scholes option pricing model with the assumptions of a risk free interest rate of 4.23%, expected volatility of 45.74% and an expected term to exercise of 5.0 to 6.4 years.

On March 15, 2024, 2,639 share options were granted at a value of \$5,813. The shares will vest over a period of 4 years and \$621 and \$1,593 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2024. The share options were valued at the date of grant using the Black-Scholes option pricing model with the assumptions of a risk free interest rate of 4.31%; expected volatility of 45.08% and an expected time until exercise of 5.5 to 7 years.

On May 9, 2024, 7,694 share options were granted at a value of \$23,346. The shares will vest over a period of 4 years and \$3,328 and \$5,225 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2024. The share options were valued at the date of grant using the Black-Scholes option pricing model with the assumptions of a risk free interest rate of 4.45%; expected volatility of 44.98% and an expected time until exercise of 5.5 to 7 years.

On August 9, 2024, 5,167 share options were granted at a value of \$15,481. The shares will vest over a period of 4 years and \$1,258 and \$1,258 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2024. The share options were valued at the date of grant using the Black-Scholes option pricing model with the assumptions of a risk free interest rate of 3.94%; expected volatility of 45.23% and an expected time until exercise of 5.5 to 7 years.

Deferred Share Units:

During the three and nine months ended September 30, 2025, 32,468 and 68,832 equity settled DSUs were granted at a value of \$75,000 and \$225,000 (three and nine months ended September 30, 2024, 11,556 and 35,168 equity settled DSUs were granted at a value of \$75,000 and \$225,000, respectively). The grant value was recorded as share-based compensation expense. The DSUs were valued using the five day volume-weighted average market price at each quarter-end.

Restricted Share Units:

On March 17, 2025, 59,697 equity settled restricted share units were granted at a value of \$436,539. The shares will vest annually in equal tranches over four years beginning on March 17, 2026. No share-based compensation expense was recorded for the nine months ended September 30, 2025 as the granted restricted share units were forfeited during the period. The RSUs were valued at the market price on the grant date of March 17, 2025.

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On August 14, 2025, 344,716 equity settled restricted share units were granted at a value of \$873,900. The shares will vest annually in equal tranches over four years beginning on August 14, 2026. \$56,994 and \$56,994 were recorded as share-based compensation expense for the three and nine months ended September 30, 2025, respectively. The RSUs were valued at the market price on the grant date of August 14, 2025.

On August 31, 2025, 52,950 equity settled restricted share units were granted at a value of \$129,466. The shares will vest annually in equal tranches over four years beginning on August 31, 2026. \$5,726 and \$5,726 were recorded as share-based compensation expense for the three and nine months ended September 30, 2025. The RSUs were valued at the market price on the grant date of August 31, 2025.

On August 31, 2025, 225,000 equity settled restricted share units were granted at a value of \$550,138. The shares will vest annually in equal tranches over three years beginning on June 4, 2026. \$35,017 and \$35,017 were recorded as share-based compensation expense for the three and nine months ended September 30, 2025, respectively. The RSUs were valued at the market price on the grant date of August 31, 2025.

On March 15, 2024, 75,000 equity settled restricted share units were granted at a value of \$359,689. The shares will vest annually in equal tranches over four years beginning on January 1, 2025. \$54,535 and \$118,451 were recorded as share-based compensation expense for the three and nine months ended September 30, 2024. The RSUs were valued at the market price on the grant date of March 15, 2024.

On August 9, 2024, 57,387 equity settled restricted share units were granted at a value of \$378,192. The shares will vest annually in equal tranches over four years beginning on August 9, 2025. \$28,063 and \$28,063 were recorded as share-based compensation expense for the three and nine months ended September 30, 2024. The RSUs were valued at the market price on the grant date of August 9, 2024.

Market Performance Based Share Units:

On August 14, 2025, 250,000 equity and cash settled market performance share units were granted at a value of \$42,742. The performance share units will fully vest upon the Company's subordinate voting share price reaching certain minimum milestones for a period of at least 90 days within the performance period from June 4, 2025 to June 4, 2028. Vested performance share units will be settled in subordinate voting shares 18 months following the vesting date, in accordance with the terms of the grant. \$1,789 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2025. The market performance share units were valued using the Monte Carlo simulation with the assumptions of a risk free rate of 2.9%, expected volatility of 80.0%, a random variable of nil, a dividend yield of 0.0% and a term of 4.5 years.

On August 31, 2025, 75,000 equity and cash settled market performance share units were granted at a value of \$10,439. The performance share units will fully vest upon the Company's subordinate voting share price reaching certain minimum milestones for a period of at least 90

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days within the performance period from June 4, 2025 to June 4, 2028. Vested performance share units will be settled in subordinate voting shares 18 months following the vesting date, in accordance with the terms of the grant. \$280 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2025. The unvested performance share units were forfeited during the period. The market performance share units were valued using the Monte Carlo simulation with the assumptions of a risk free rate of 2.9%, expected volatility of 80.0%, a random variable of nil, a dividend yield of 0.0% and a term of 4.5 years.

On October 17, 2024, 500,000 equity and cash settled market performance share units were granted at a value of \$2,159,538. The performance share units will fully vest upon the Company's subordinate voting share price reaching certain minimum milestones for a period of at least 90 days within the first 48 months following the grant date. \$179,039 and \$573,881 of the grant value were recorded as share-based compensation expense for the three and nine months ended September 30, 2025. The unvested performance share units were forfeited during the period. The market performance share units were valued using the Monte Carlo simulation with the assumptions of a risk free rate of 2.9%, expected volatility of 80.0%, a random variable of nil, a dividend yield of 0.0% and a term of 4.0 years.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Trade and other receivables	(\$54,845)	(\$1,353,801)	\$3,387,069	\$762,000
Prepaid expenses and other assets	20,345	(1,426,430)	(93,799)	(1,562,594)
Accounts payable, accrued liabilities and other long-term liabilities	51,378	2,912,541	1,482,276	2,568,564
Deferred revenue	(339,562)	(162,923)	(70,330)	60,296
	(\$322,684)	(\$30,613)	\$4,705,216	\$1,828,266

13. Net interest expense:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Interest income	(\$23,425)	(\$103)	(\$26,262)	(\$4,463)
Interest accretion expense - leases	19,232	32,259	65,723	107,732
Interest on long term debt (note 9)	746,198	894,770	2,119,267	2,903,663
Credit facility financing fees	—	—	10,023	—
Interest expense - other	66,167	58,623	202,883	216,431
Interest expense	831,597	985,652	2,397,896	3,227,826
Net interest and financing expense	\$808,172	\$985,549	\$2,371,634	\$3,223,363

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14. Earnings (loss) per share:

The following table summarizes the calculation of the weighted average number of basic and diluted voting shares for the three and nine months ended September 30, 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (loss)	(\$421,759)	\$1,206,634	(\$4,629,446)	\$645,139
Issued subordinate and multiple voting shares	21,509,624	21,579,274	21,509,624	21,579,274
Weighted average shares outstanding basic and diluted	21,501,326	21,581,313	21,584,536	21,600,375
Weighted average shares outstanding diluted	21,501,326	21,706,083	21,584,536	21,725,145
Earnings (loss) per share basic and diluted	(\$0.02)	\$0.06	(\$0.21)	\$0.03

During the three and nine months ended September 30, 2025, there were nil weighted average outstanding share options, RSUs, DSUs, PSUs and other share-based compensation included in the computation of diluted loss per share (three and nine months ended September 30, 2024 - 124,770 weighted average outstanding share options and DSUs were included in the computation of the diluted earnings per share). All potentially dilutive securities have been excluded from the calculation of diluted loss per share for the three and nine months ended September 30, 2025 presented, as the Company was in a net loss position during those periods. Including the dilutive securities would be anti-dilutive; therefore, basic and dilutive number of shares used in the calculation is the same for those periods presented. All potentially dilutive securities were included in the calculation of diluted earnings per share for the three and nine months ended September 30, 2024 presented.

15. Financial instruments:

The fair values of cash, trade and other receivables, other current assets and accounts payable and accrued liabilities are assumed to approximate their carrying amounts because of their short term to maturity. The carrying value of the Company's revolving loan approximate fair value due to the variable interest rate in the Credit Facility.

In addition, for financial reporting purposes, fair value measurement is categorized into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 - this level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

VERTICALSCOPE HOLDINGS INC.

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- Level 2 - this level includes valuations determined using directly (i.e., as prices) or indirectly (i.e., derived from prices) observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.
 - Level 3 - this level includes valuations based on inputs which are less observable, unavailable or when the observable data does not support a significant portion of the instrument's fair value.

Level 3 instruments includes derivative financial instruments which are measured at their estimated fair value. There were no transfers of fair value measurement between Level 1, 2, and 3 of the fair value hierarchy during the nine months ended September 30, 2025 and 2024.

16. Geographical information:

The Company transacts in multiple countries, primarily in the US and Canada. In presenting geographical information, revenue is based on the country in which the revenue is transacted.

Geographic revenue	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
United States	\$11,448,004	\$14,532,753	\$33,987,080	\$40,202,628
Canada	1,468,537	1,923,361	3,974,378	5,086,760
United Kingdom	386,531	551,566	1,175,067	1,503,622
Other	1,385,126	779,024	3,657,506	2,404,654
	\$14,688,198	\$17,786,704	\$42,794,031	\$49,197,664