

VerticalScope Reports Fourth Quarter and Full Year 2025 Results; Achieves Full-Year Adjusted EBITDA Guidance

**Adjusted EBITDA of \$21.1M for FY 2025; Successfully Achieves Full-Year Guidance
Q4 Adjusted EBITDA Margin Expanded to 45%; Up 300 bps Sequentially
Q4 Revenue Increased 5% Sequentially on Core Audience Stabilization
FY 2025 Free Cash Flow of \$19.7M; Represents 94% Conversion from Adjusted EBITDA**

Unless otherwise stated, all amounts are in US dollars.

TORONTO--(BUSINESS WIRE)--March 3, 2026--VerticalScope Holdings Inc. (“VerticalScope” or the “Company”) (TSX: FORA; OTCQX: VFORF), a technology company that has built and operates a cloud-based digital platform for online enthusiast communities, today announced financial results for the fourth quarter ended December 31, 2025 (“Q4” or “the quarter”).

“Our fourth quarter results highlight the underlying resilience of our business model and the strength of our community-driven audience,” said Chris Goodridge, CEO of VerticalScope. “We achieved sequential growth across every key financial and operating metric, from revenue and ARPU to Adjusted EBITDA and Free Cash Flow. With our direct user base growing by 21% year-over-year, VerticalScope has built its most diversified and durable foundation to date. ARPU reached a three year high in Q4 led by solid direct sales performance and continued double-digit growth in e-commerce. We are pleased with the performance of our direct sales channel and how things are setting up for the year ahead, with bookings up double-digits to start the year. We are winning new client mandates and expanding our direct offerings as advertisers seek out the unique and authentic audiences our Fora communities provide.”

Mr. Goodridge also added, “AI is allowing us to code and launch new products faster than ever before, and is opening up completely new growth opportunities for VerticalScope. We recently launched AudienceEngine, a proprietary AI-based technology designed to identify and engage high-intent users with yield-optimized experiences on our platform. While it did not contribute significantly to our results in Q4 during its beta launch, it quickly accelerated in January and is now operating at a \$1.4 million EBITDA annualized run rate. We expect this high margin source of revenue to continue to build as we scale up operations, and expect AI to allow us to pursue more opportunities like this in the future without significant headcount growth.”

Financial Highlights for the Three and Twelve Months Ended December 31, 2025 ("Q4 2025" and "FY 2025", respectively). All comparatives, unless otherwise noted, are versus the same period in the prior year. Sequential comparisons refer to the previous quarter (Q3 2025).

FY 2025 Highlights

- Delivered \$18.5M in cash flow from operating activities and \$19.7M in Free Cash Flow, consistent with annual guidance. Net loss was \$8.0M or (\$0.37) per share, primarily driven by \$21.2M in non-cash depreciation and amortization primarily related to acquired intangible assets.
- Generated \$21.1M in Adjusted EBITDA, successfully achieving full-year guidance, and maintained a healthy 36% Adjusted EBITDA margin by leveraging leaner cost structure to offset programmatic revenue volatility.
- Exited 2025 with \$72M in total available liquidity, including \$16.4M in unrestricted cash. Capital-efficient operations produced a 94% conversion rate from Adjusted EBITDA to Free Cash Flow, providing significant flexibility for 2026 strategic initiatives.

Q4 2025 Highlights

- Grew revenue 5% sequentially over Q3, driven by stabilization in the core audience and the resilience of our direct advertising channel.
- Delivered \$6.9M in Adjusted EBITDA, an 11% increase over Q3, as Adjusted EBITDA margin expanded 300 basis-points sequentially to 45%, demonstrating the operating leverage of our optimized cost base.
- Generated \$7.0M in Free Cash Flow, representing a 101% conversion rate from Adjusted EBITDA. Q4 net loss was \$3.4M or (\$0.16) per share, which includes \$7.2M in non-cash depreciation and amortization primarily related to acquired intangible assets.

“VerticalScope has always been a powerful cash engine, and our priority in 2025 was to protect that core strength while navigating structural changes driven by AI-mediated discovery,” said Vince Bellissimo, CFO of VerticalScope. “We did exactly what we said we would do. During the year, we successfully completed six acquisitions, while simultaneously strengthening our balance sheet. By continuing to convert profits to cash at elevated levels, we exited 2025 with our highest unrestricted year-end cash balance since our IPO. We enter 2026 with \$72 million in total available liquidity, providing us the financial flexibility to continue investing in AI initiatives and targeted M&A to drive our next phase of growth.”

VerticalScope Announces Board Transition

Effective today, Neil Oliver has been appointed to the Board of Directors, replacing Phil Evershed as the Board nominee of Nordstar Capital LP. Mr. Oliver, the Executive Vice Chair of Torstar Corporation, is a seasoned leader with 37 years of experience in media operations and corporate governance.

“We are grateful to Phil for his contributions to VerticalScope,” commented Chris Goodridge. “Neil’s experience, including his focus on AI-driven content valuation and licensing, will be a valuable addition as we continue to pursue these opportunities.”

Selected Business Performance Information

(in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Revenue	\$15.4	\$19.9	\$58.1	\$69.1
Net loss	(\$3.4)	(\$0.7)	(\$8.0)	\$—
Adjusted EBITDA	\$6.9	\$10.1	\$21.1	\$29.8
Cash flow from operations	\$4.4	\$7.0	\$18.5	\$24.8
Free Cash Flow	\$7.0	\$9.4	\$19.7	\$27.6
Adjusted EBITDA Margin	45%	51%	36%	43%
Free Cash Flow Conversion	101%	93%	94%	92%

Earnings Conference Call and Webcast

Management will host a conference call and webcast to discuss the Company’s financial results at 8 a.m. ET on Wednesday, March 4, 2026.

Live Call Registration and Webcast:

<https://www.netroadshow.com/events/login/LE9zwo3kuVwG8SeU2O22WRZd7boOcg55334>

Joining Live by Telephone:

Canada: 1 833 950 0062

United States: 1 833 470 1428

Participant Access code: 704122

If you are unable to join live, an archived recording of the webcast will be available at:
<https://investors.verticalscope.com/>.

About VerticalScope Holdings Inc.

Founded in 1999 and headquartered in Toronto, Ontario, VerticalScope is a technology company that has built and operates a cloud-based digital platform for online enthusiast communities in high consumer spending categories. VerticalScope's mission is to enable people with common interests to connect, explore their passions, and share knowledge about the things they love. Through targeted acquisitions and development, VerticalScope has built a portfolio of over 1,200 online communities and approximately 90 million monthly active users.

Forward-Looking Statements

This news release contains forward-looking information within the meaning of applicable securities legislation that reflects the Company's current expectations regarding future events. When used in this news release, words such as "should", "could", "intended", "expect", "plan" or "believe" and similar expressions indicate forward-looking statements. Forward-looking information, including the Company's plans for organic growth, deployment of capital, investments in our platform, the growth of revenue and MAU, information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, plans and objectives, is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control. Forward-looking information in this release includes statements about the Company's positioning for 2026, expansion of its automotive, powersports and outdoors business, double-digit bookings growth, opportunities in AI-driven content valuation and data licensing, the expected growth and financial contribution of the Company's AudienceEngine product, the Company's ability to pursue AI-enabled growth opportunities with limited headcount increases, and the performance of the Company's business model. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurances can be given that actual results will be consistent with these forward-looking statements. Such risks and uncertainties include, but are not limited to, the implementation and effectiveness of the Company's capital allocation strategy, the availability of high-quality M&A opportunities, dependence on search algorithms and third-party traffic sources, the impact of artificial intelligence on search behavior, content discovery patterns and user traffic, the Company's ability to adapt its platform and monetization strategies to AI-mediated discovery, opportunities to monetize content through data licensing arrangements, potential disruption from artificial intelligence technologies, the Company's ability to scale new products and achieve projected revenue or EBITDA contribution levels, evolving privacy and data regulations, macroeconomic conditions affecting advertiser spending, the Company's ability to grow its direct user base, and the factors discussed under "Risk Factors" in the Company's Annual Information Form dated March 31, 2025, which is available on the Company's profile on SEDAR Plus at <https://sedarplus.ca>. Actual results could differ materially from those projected herein. VerticalScope does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required under applicable securities laws.

Non-IFRS Measures

This news release references certain non-IFRS measures, including Adjusted EBITDA and Free Cash Flow, and Free Cash Flow Conversion as described below. This news release also makes reference to MAU, which is an operating metric used in our industry. These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS.

The Company uses non-IFRS measures including:

“EBITDA” is calculated as net income (loss) excluding interest, income tax expense (recovery), and depreciation and amortization.

“Adjusted EBITDA” is calculated as EBITDA adjusted for share-based compensation, share performance related bonuses, unrealized gains or losses from changes in fair value of derivative financial instruments, severance, adjustments to contingent consideration liabilities measured at fair value through profit and loss, gain or loss on sale of assets, gain or loss on sale of investments, foreign exchange loss (gain), realized and unrealized other loss (gain) and other charges that include direct and incremental business acquisition related costs.

“Adjusted EBITDA Margin” measures Adjusted EBITDA as a percentage of revenue.

“Free Cash Flow” means Adjusted EBITDA less capital expenditures and income taxes paid during the period.

“Free Cash Flow Conversion” is equal to Free Cash Flow for the period divided by Adjusted EBITDA for the period.

“Monthly Active Users” (“MAU”) is defined as the number of individuals who have visited our communities within a calendar month, based on data as measured by Google Analytics. The Company excludes bot traffic, automated scrapers, and other non-human activity. To calculate average MAU in a given period, we sum the total MAU for each month in that period, divided by the number of months in that period.

SOURCE VerticalScope Holdings Inc.

Related Links

<http://www.verticalscope.com>

The following table sets forth a reconciliation of Adjusted EBITDA and Free Cash Flow to net loss:

(in thousands of US dollars)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Net loss	(\$3,392)	(\$661)	(\$8,022)	(\$16)
Net interest and financing expense	686	2,462	3,058	5,685
Income tax expense	1,401	887	108	1,761
Depreciation and amortization	7,153	4,399	21,176	17,892
EBITDA	5,848	7,087	16,320	25,322
Share-based compensation	901	2,917	2,574	4,091
Share performance related bonus ⁽¹⁾	—	—	—	(3)
Unrealized loss (gain) from changes in derivative fair value of financial instruments	(12)	145	(156)	196
Severance ⁽²⁾	127	—	1,331	—
Other income	(98)	(113)	(102)	(113)
Gain on sale of assets	(133)	—	(136)	(10)
Gain on sale of investments	—	—	—	(17)
Foreign exchange loss	16	21	109	32
Realized other loss	—	—	94	—
Other charges ⁽³⁾	270	21	1,045	317
Adjusted EBITDA	6,919	10,077	21,079	29,817
Less capital expenditures	(354)	(562)	(1,373)	(1,889)
Income taxes refunded (paid)	436	(98)	22	(371)
Free Cash Flow	\$7,001	\$9,418	\$19,728	\$27,557

(1) Share performance related bonus is included in wages and consulting on the consolidated statements of net loss.

(2) Severance is included in wages and consulting on the consolidated statements of net loss.

(3) Other charges are included in wages and consulting and general and administrative on the consolidated statements of net loss. For the three and twelve months ended December 31, 2025, these charges include direct and incremental business acquisition related costs and non-recurring legal related costs.

VERTICALSCOPE HOLDINGS INC.
Consolidated Statements of Financial Position
(In US dollars)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash	\$16,373,449	\$5,189,315
Restricted cash	164,496	97,244
Trade and other receivables	15,122,763	14,874,882
Lease receivable	126,668	326,267
Income taxes receivable	349,547	784,332
Prepaid expenses	574,390	761,652
Derivative instruments	10,729	—
	<u>32,722,042</u>	<u>22,033,692</u>
Property and equipment	282,566	482,276
Right-of-use asset	535,990	1,564,687
Intangible assets	25,846,567	37,597,990
Goodwill	54,908,063	52,635,164
Other assets	73,942	154,497
Deferred tax asset	17,871,911	17,937,708
Lease receivable	99,960	—
	<u>\$132,341,041</u>	<u>\$132,406,014</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$10,086,039	\$6,864,256
Income taxes payable	318,650	426,778
Derivative instruments	—	145,068
Deferred revenue	1,011,933	1,125,592
Current portion of long-term debt	619,313	687,875
Lease liability	448,982	946,626
	<u>12,484,917</u>	<u>10,196,195</u>
Long-term debt	44,000,000	38,000,000
Lease liability	555,399	1,180,878
Deferred tax liability	—	315,607
Other long-term liabilities	26,612	26,612
	<u>57,066,928</u>	<u>49,719,292</u>
Shareholders' equity:		
Share capital	159,382,348	163,250,013
Contributed surplus	23,319,659	25,413,119

Other comprehensive loss	(145,494)	(145,494)
Deficit	(107,282,400)	(105,830,916)
	75,274,113	82,686,722
Total liabilities and shareholders' equity	\$132,341,041	\$132,406,014

VERTICALSCOPE HOLDINGS INC.

Consolidated Statements of Net Loss

(In US dollars)

	For the years ended December 31	
	2025	2024
Revenue	\$58,146,238	\$69,052,081
Operating expenses:		
Wages and consulting	27,995,802	28,095,581
Share-based compensation	2,573,905	4,091,018
Platform and technology	7,382,468	6,870,305
General and administrative	3,909,182	4,780,358
Depreciation and amortization	21,175,916	17,892,421
	63,037,273	61,729,683
Operating income (loss)	(4,891,035)	7,322,398
Other expenses (income):		
Other income	(101,658)	(112,715)
Gain on sale of assets	(136,495)	(10,024)
Net interest and financing expense	3,057,518	5,684,899
Gain on sale of investments	—	(17,110)
Foreign exchange loss	108,552	32,339
Realized other loss	94,324	—
	3,022,241	5,577,389
Income (loss) before income taxes	(7,913,276)	1,745,009
Income tax expense (recovery)		
Current	358,224	1,567,662
Deferred	(249,810)	193,210
	108,414	1,760,872
Net loss	(\$8,021,690)	(\$15,863)
Earnings (loss) per share:		
Loss per share basic and diluted	(\$0.37)	\$0.00
Weighted average shares outstanding basic and diluted	21,570,699	21,558,016

VERTICALSCOPE HOLDINGS INC.

Consolidated Statements of Cash Flows

(In US dollars)

For the year ended December 31

	2025	2024
Cash provided by (used in):		
Operating activities:		
Net loss	(\$8,021,690)	(\$15,863)
Items not involving cash:		
Depreciation and amortization	21,175,916	17,892,421
Net interest and financing expense	3,057,518	5,684,899
Gain on sale of assets	(136,495)	(10,024)
Gain on sale of investments	—	(17,110)
Unrealized loss (gain) in derivative instruments	(155,797)	196,371
Income tax expense	108,414	1,760,872
Other income	(101,658)	—
Share-based compensation	2,573,905	4,091,018
	18,500,113	29,582,584
Change in non-cash operating assets and liabilities	2,923,445	(317,000)
Interest paid	(2,897,295)	(4,121,413)
Income taxes refunded (paid)	22,097	(370,533)
	18,548,360	24,773,638
Financing activities:		
Repayment of term loan	—	(43,750,000)
Proceeds from issuance of revolving loan	6,000,000	41,250,000
Repayment of revolving loan	—	(16,500,000)
Cash settlement for vested RSUs	(119,753)	—
Repurchase of share capital for cancellation	(1,845,071)	(2,101,298)
Credit facility financing fees	—	(1,503,900)
Lease payments	(901,875)	(1,363,370)
Proceeds from sublease	461,038	590,893
	3,594,339	(23,377,675)
Investing activities:		
Additions to property and equipment and intangible assets	(1,318,116)	(1,889,040)
Proceeds from sale of assets	164,452	11,747
Proceeds from sale of investments	—	17,110
Acquisitions	(9,737,649)	(270,178)
	(10,891,313)	(2,130,361)
Increase (decrease) in cash	11,251,386	(734,398)
Cash, beginning of period	5,189,315	6,015,184
Change in restricted cash balances	(67,252)	(3,404)
Effect of movement of exchange rates on cash and restricted cash held	—	(88,067)
Cash, end of year	\$16,373,449	\$5,189,315

Contacts

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