



Simplifying Digital Transformation

NTG Clarity Networks Inc.

Quarterly Report

For the Three and Nine Months Ending September 30, 2025 and 2024

30+ Years of Service



Who We Are



NTG Clarity is a digital transformation service provider with a focus on the rapidly digitizing Saudi Arabian market. By providing outsourced software development solutions and proprietary software products, we accelerate and simplify the digital journey for our clients in the enterprise financial, IT, and telecom sectors.

NTG Clarity helps clients scale and stay connected by serving as a long-term technology partner in a rapidly- changing and increasingly digital world.



Our Vision

Is to make digital transformation accessible worldwide, capitalizing on our deep knowledge and experience in different industries to provide competitive, top-tier products and services.



Our Mission

Enabling clients' Business Excellence and efficiency by architecting and delivering world class portfolios of integrated IT solutions owned by distinguished and highly motivated professionals.

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Our Commitment:





Management’s Discussion & Analysis of Financial Conditions and Results of Operations

This management discussion and analysis focuses on key statistics from the unaudited interim consolidated financial statements and pertains to known risks and uncertainties relating to the information technology, telecommunications and consulting industries. This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic, political and environmental conditions. This discussion and analysis of the financial condition and results of operations has been prepared as of November 11, 2025, for the three and nine months ended September 30, 2025 and should be read in conjunction with the unaudited interim consolidated financial statements and related notes and material contained in other parts of this quarterly report. It should also be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2024.

Additional information related to the Corporation is available on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements in this MD&A and associated notes and financial statements may be considered “forward-looking” within the meaning of applicable securities laws. These statements reflect the Corporation’s plans and expectations based on our experience, interpretation of past trends, key assumptions and other relevant information available at the date that such statements are made.

The statements involve business, economic and competitive risks, uncertainties and contingencies. There is significant risk that predictions, projections or conclusions will not prove to be accurate and actual results may differ materially from estimates, expectations, or intentions expressed.

The forward-looking statements in this MD&A and associated notes and financial statements are based on what we believe are reasonable assumptions, however we caution readers not to place undue reliance on our forward-looking statements. We assume no obligation to update or revise these forward-looking statements to reflect new events or circumstances, except as required by securities law.

Business Overview

NTG Clarity (“NTG”, “we”, “us”, “our”) is a Canadian publicly traded Corporation (TSXV: NCI; OTC: NYWKF) that provides digital transformation solutions: software development outsourcing and software products. We have been providing engineering, Information Technology, and networking services and developing niche software products for telecommunications and utilities providers since our start in 1992. We have also expanded into the financial and government sectors, providing technical resources and products to assist customers with digital transformation and other technology projects.

We are headquartered in Toronto, Canada and have subsidiaries/branch offices in Cairo, Egypt; the USA; Riyadh, Saudi Arabia, Muscat, Oman, and Iraq. The Corporation is organized into two business segments: the Canadian segment, which is made up of activities in Canada and our offices in Saudi Arabia and Oman; and the Egypt segment, which is our primary offshore delivery centre for software development, networking services, and other professional services offered to customers worldwide.

Summary of Events in Q3 2025

This quarter's announcements highlighted \$10.9 million in contract renewals and Purchase Orders ("POs") signed with new and existing customers.

In July, we closed a brokered LIFE Offering for aggregate gross proceeds of C\$8,898,659 (net C\$8,243,899). We intend to use these funds for the expansion of our Egypt Offshore Centre, and for working capital and general corporate purposes.

In September, we announced a new 3-year Frame Agreement with a new government-affiliated IT customer in Saudi Arabia, to provide onsite and offshore software development resources without requiring a traditional RFP process. While the contract does not include a minimum commitment, it establishes standardized rates for a wide range of positions, with purchase orders expected to be issued in Q4 2025 ahead of start of work.

NTG's reputation for quality digital transformation services has enabled us to continue expansion into neighboring geographies.

This quarter we finalized the opening of new offices/entities in Baghdad, Iraq; Dubai, UAE; and Madinah, Saudi Arabia in order to continue sales expansion, and to position ourselves as the primary offshore resource for the Gulf region.

- In Cairo, Egypt, we continue to increase the footprint of our Egypt Offshore Centre to support current and future expected demand, bringing our Egypt Offshore Centre to nine floors of office space across four separate locations in Cairo.
- In Baghdad, Iraq, we have established a branch entity and an office from which we are marketing NTG's products and services to the region. This strategic expansion complements our existing presence in Sulaymaniyah, Iraq, and was timed to capitalize on Iraq's accelerated digital transformation, particularly in the telecommunications and financial sectors. The new branch positions NTG to directly address local market needs and strengthens our presence in this fast-growing market.
- In Dubai, UAE, we have established a corporate entity to expand our business development efforts in Dubai and Abu Dhabi with various government organizations. We have started two proof of concept projects for implementing NTG's AI solutions including testing as a service and testing automation for a customer in Dubai.
- In Madinah, Saudi Arabia we have secured office space and recruited talent for the purposes of establishing a Madinah Nearshore Centre. A major focus of Saudi Arabia's Vision 2030 is educating, upskilling, and employing the local population to fill technical roles. By hiring, onboarding, and training resources in areas outside of the capital like Madinah, NTG offers its customers a nearshore alternative employing Saudi locals while capitalizing on government subsidies and benefits to maintain cost competitiveness.

Outlook

Consolidated revenue for Q3 2025 was \$20,867,138, up 42% from \$14,671,878 for the same period in 2024. Our continued growth in Q3 is from our customers in the Kingdom of Saudi Arabia (KSA) continuing their focus on digitizing their services as a part of the Saudi Vision 2030 push to diversify the Saudi economy away from oil and gas and towards an economy with active finance, technology, and small business sectors. NTG is seeing Saudi customers continue to invest heavily into digital transformation and software development,

in order to reach the Kingdom’s digitization and diversification goals, resulting in KSA contributing 96% of NTG’s revenue in Q3.

NTG’s approximately 20-year track record in the region, along with our strong talent pool based out of Egypt means that enterprises in KSA are allocating larger and larger portions of their digital transformation budgets with NTG for quality, tailored, and competitively priced services and software products. YTD KSA revenue has increased 54% compared to the same period in 2024.

The trend of continued growth allows us to affirm our revenue guidance for 2025 of approximately \$78 million. In the first nine months of 2025, NTG invested heavily in preparing for new, larger engagements expected to be signed in the second half of 2025. These engagements are still in the pipeline but are taking longer than expected to close, resulting in the company carrying growth-related expenses related to growth, such as undeployed resource salaries and office expenses, longer than expected without booking related revenue. Due to the resulting compression of our Net Income and Adjusted EBITDA margins, we are revising our Adjusted EBITDA guidance for 2025:

- Revenue: Expected to be approximately \$78 million
- Adjusted EBITDA Margin: Now forecasted in the range of 12% - 16% instead of the previously guided 16% – 20%

This allows for further flexibility in the expenses expected to be incurred to hire, onboard, and train the resources required to fulfill this increased demand and the sales staff to continue driving outsized growth. Due to the longer-than-expected sales pipeline, NTG has also seen what management expects to be a temporary reduction in backlog at \$88 million of purchase orders and contracts on hand as of September 30, 2025.

As we continue through 2025, our strategic priorities continue to be to:

- Expand and solidify our position as an integral part of clients’ long-term digital strategy, leveraging our superior cost structure, quality offerings, and trusted relationships built over multiple years of service.
- Win new customers through the expanding network effect of recommendations from current and past clients.
- Increase adoption and traction of our NTGapps proprietary software product, positioning them as essential tools within our clients’ digital ecosystems.

Importantly, we will maintain our commitment to our customers, our employees, our shareholders, and our community:

1. **Customers** – We accelerate and simplify the digital transformation journey for our clients by providing the right solution delivered by passionate professionals both on their sites and offshore.
2. **People** – With three years of consistent profitability under our belt, we’re actively identifying opportunities to make sure our revenue growth continues and as much of this new revenue as possible flows on to the bottom line.
3. **Shareholders** – We empower our staff to build and deliver challenging projects while providing opportunities for training and career advancement both internally and outside NTG.
4. **Community** – We provide youth education and employment opportunities tailored to the modern job market through the NTG School and NTG academy training programs by passing our experience down to the next generation.

Summary of Quarterly Results

NTG continues to see strong revenue growth as existing customers renew and expand their engagements with us. New customers continue to be onboarded, largely from referrals from existing customers based on our quality work and competitive prices.

Historically, NTG's operating results have fluctuated due to the timing of new contracts and their corresponding billing, and we expect this trend to continue.

The following table shows a summary of our eleven most recent quarters (in Canadian dollars).

2025	Revenue	Adjusted EBITDA*	Net Income	Profit per Share	Diluted Profit per Share	Total Assets
Quarter One	\$ 19,699,129	\$ 2,877,506	\$ 2,094,661	\$ 0.05	\$ 0.04	\$ 30,859,346
Quarter Two	\$ 18,876,105	\$ 2,789,983	\$ 402,580	\$ 0.01	\$ 0.01	\$ 32,543,079
Quarter Three	\$ 20,867,138	\$ 2,489,962	\$ 1,904,562	\$ 0.04	\$ 0.04	\$ 44,230,351
TOTAL	\$ 59,442,372	\$8,157,452	\$ 4,401,805	\$ 0.09	\$ 0.09	\$ 44,230,351

2024	Revenue	Adjusted EBITDA*	Net Income	Profit per Share	Diluted Profit per Share	Total Assets
Quarter One	\$ 11,755,520	\$ 1,987,691	\$ 2,377,866	\$ 0.06	\$ 0.05	\$ 15,049,269
Quarter Two	\$ 12,488,315	\$ 2,816,491	\$ 2,443,374	\$ 0.05	\$ 0.05	\$ 18,805,235
Quarter Three	\$ 14,671,878	\$ 3,180,141	\$ 2,053,957	\$ 0.05	\$ 0.05	\$ 27,376,727
Quarter Four	\$ 17,211,038	\$ 4,322,955	\$ 2,980,357	\$ 0.07	\$ 0.05	\$ 28,292,859
TOTAL	\$ 56,126,751	\$12,307,278	\$ 9,855,552	\$ 0.23	\$ 0.20	\$ 28,292,859

2023	Revenue	Adjusted EBITDA*	Net Income	Profit per Share	Diluted Profit per Share	Total Assets
Quarter One	\$ 6,127,177	\$ 1,195,818	\$ 637,745	\$ 0.004	\$ 0.004	\$ 9,826,280
Quarter Two	\$ 6,373,261	\$ 990,176	\$ 698,261	\$ 0.005	\$ 0.004	\$ 10,014,812
Quarter Three	\$ 7,003,553	\$ 1,324,263	\$ 509,880	\$ 0.003	\$ 0.003	\$ 11,332,113
Quarter Four	\$ 8,224,124	\$ (390,230)	\$ 469,848	\$ 0.000	\$ 0.000	\$ 12,456,036
TOTAL	\$ 27,728,117	\$ 3,120,027	\$ 2,315,735	\$ 0.01	\$ 0.01	\$ 12,456,036

* Adjusted EBITDA is a non-IFRS (non-GAAP) measure. Management believes that Adjusted EBITDA is a useful supplemental measure – but not an alternative – to Net Income. Please see the Non-IFRS Measures section towards the end of this MD&A for details and reconciliation of non-IFRS measures to IFRS measures.

Quarterly Results of Operations

NTG's trend of strong revenue growth has continued in 2025 with a 42% revenue increase in Q3 2025 to \$20,867,138. Q3 2025 was NTG's 18th consecutive quarter of last-twelve-months revenue growth and is the highest quarterly revenue achieved in our over 30-year history.

Though we continue to rely primarily on collections and short-term loans to finance operations, in July 2025, we closed a Brokered LIFE Offering, raising gross proceeds of \$8,898,659 (net: \$8,243,869), to continue to fund the rapid expansion of our Egypt Offshore Centre and Saudi sales office, and for working capital and general corporate purposes. See note 19(a) for more information.

Financial highlights for the three and nine months ended September 30, 2025:

Revenue

Consolidated revenue for the three months ended September 30, 2025 was \$20,867,138 compared to \$14,671,878 for the same period in 2024 and is made up of product-related revenue and professional services. Year-to-date revenues are up by 53% from 2024 (\$59,442,372 compared to \$38,915,713).

In Q3, billing for offshore services again exceeded onsite services, showing our customers continued preference for the cost savings, cultural alignment, and quality expertise that come with Egyptian offshore resources. Offshoring now makes up 49% of NTG's consolidated revenue this year to date (Q3 2024: 37%), while onsite outsourcing makes up 38% (Q3 2024: 60%). In YTD totals, professional services contributed 87% to revenue compared to 97% for the same period in 2024.

NTGapps software product-related revenue was 10% of Q3 2025 revenue (Q3 2024: 1%) and YTD product-related revenue was 13%, a 611% increase year over year. We continue to work on marketing NTGapps, our flagship low-code digital transformation software product, in an effort to make product sales a larger part of NTG's revenue mix.

For the Egypt operating segment, Q3 2025 consolidated revenue was \$327,421 (2%) compared to \$264,367 (2%) in Q3 2024. Year-to-date consolidated revenues were \$957,894 (2%) compared to \$717,516 (2%) in Q3 2024. Though we continue to support Egypt's legacy customers, NTG Egypt is now primarily the delivery centre for offshore services for our international customers.

For the Canadian operating segment, which consolidates branch offices and operations worldwide except for Egypt, revenues for Q3 2025 increased 43% over the same period in 2024 (\$20,539,717 compared to Q3 2024: \$14,407,511). Year-to-date revenues are up 53% to \$58,484,478 compared to \$38,198,197 in 2024. The increase in revenue in Canada is driven primarily by expansion in the KSA market, which is a rapidly growing market in need of technology and software to help meet their growth goals.

Consolidated revenues are 53% higher this quarter than last year primarily due to a 54% increase in work from KSA. Though we have a couple of North American customers, the Middle East continues to be where the majority of NTG's revenue comes from and represents virtually all of our total revenue.

Historically, the majority of our revenue has come from the telecommunications industry; however, since 2021 we have been increasing work with customers in Banking & Finance and Government sectors. As the banking industry experiences rapid growth and digital transformation, NTG is meeting the demand by providing specialized IT and software development services. For YTD 2025, 51% of our revenue came from the Banking & Finance sector, 39% was driven by partnerships with System Integrators, 8% was from telecom operators, and 2% was from other sectors.

Contract Assets

Contract assets consist of revenue for services that have been delivered but not invoiced as of the period end date and is recognized in accordance with NTG's revenue recognition policy.

Revenue can be recognized for projects based on time and materials for professional services, or on a percentage of completion basis for product implementation and support. Based on NTG's contracts, the customer is invoiced upon the completion of defined milestones and/or the required customer acceptance, which is typically monthly. However, for some customers, contract milestones and customer acceptances fall mid-month, requiring unbilled revenue for work in the final month of the quarter to be recognized. This will typically be billed in the next month.

As of September 30, 2025, contract assets revenue was \$7,917,848 compared to \$3,617,035 at December 31, 2024. The significant increase in contract assets is because of milestone-based project work for

contracts with two of our large customers. At quarter end, NTG had reached the milestones for these projects to trigger billing, but was waiting for customer acceptance and approval to proceed with invoicing. The total related project revenue was approximately \$3 million.

Costs of Sales and Gross Margin

Cost of Sales consists of the expense of personnel providing professional services, and services to implement and provide technical support for our solutions. In addition, it includes an allocation of certain direct and indirect costs attributable to these activities.

The Cost of Sales for the three and nine months ended September 30, 2025 was \$13,589,960 and \$38,273,546 (Q3 2024: \$9,176,427; YTD 2024: \$24,706,491). Costs of sales are up proportionately to our increased revenue.

For the Egypt operating segment, Cost of Sales for the three and nine months ended September 30, 2025 was \$476,327 and \$1,007,815.

For the Canadian operating segment, cost of sales for the three and nine months ended September 30, 2025 was \$13,113,633 and \$37,265,731 (Q3 2024: \$ 9,484,817 and \$ 24,404,695).

Consolidated gross margin for Q3 2025 was \$7,277,178 (35%) compared to \$5,495,451 (37%) for Q3 2024. For the nine months ended September 30, 2025 the gross margin was \$21,168,826 (36%) compared to \$14,209,222 (37%) for the same period in 2024.

While gross margin for the quarter fell inside our expected operating band of 35-40%, it was several percentage points below the Q2 2025 margin largely due to the smaller proportion of NTGapps revenue in Q3 (10%) compared to Q2 (20%). We continue to work in all regions to optimize the cost of sales for our revenue.

Amortization of Intangible Assets

As of 2024, amortization has been moved from Operating Expenses to Cost of Sales. This is due to the increasing revenue generated from sales of NTGapps, requiring its amortization to be recognized as a cost of sales in order to align with accounting best practices.

Intangible assets are related to the NTGapps low-code digital transformation platform initially capitalized in 2020 - 2023. Expenditures on development of the software are recognized as an asset from the time the Corporation has determined an indefinite future economic benefit exists. No capitalization was recognized for the three and nine-months ending September 30, 2025 (2024: \$Nil and \$Nil).

The amortization costs for the three- and nine-months ending September 30, 2025 were \$132,184 and \$396,550 respectively (2024: \$132,184 and \$396,550).

Operating Expenses

NTG's operating expenses for the three- and nine-months ended September 30, 2025 were \$4,683,185 and \$13,756,975 compared to \$2,647,635 and \$6,632,327 in Q3 2024.

Selling and Marketing

Selling and marketing expenses consist primarily of sales staff remuneration, commissions, travel, advertising, consulting, and trade show costs.

Selling and marketing expenses for the three and nine months ended September 30, 2025 were \$1,451,893 and \$4,139,149 respectively compared to \$868,805 and \$2,218,908 in the previous year.

Compared to Q2, the large increase year-over-year is due to continued expansion of our sales team to take advantage of growth opportunities in Saudi Arabia and throughout the Gulf.

Despite NTG's sales and marketing headcount remaining relatively stable in Q3 compared to Q2, marketing and sales expenses increased in Q3 over Q2, as a result of management focus on projecting our brand throughout the Gulf to support sales and growth activities. Q3 saw our sales and marketing teams attending several conferences resulting in increased travel and marketing spend:

- ITEX, Iraq's largest annual international Information & Communication Technology (ICT) conference, held in Baghdad, Iraq in September.
- GITEX, the largest annual MENA technology conference and the third largest in the world, held in Dubai, UAE in October, with expenses being recognized in Q3.
- Global Health Exhibition, Saudi Arabia's healthcare technology and innovation conference, held in Riyadh, Saudi Arabia, with expenses being recognized in Q3.

These sales and marketing investments serve to position our brand for further exposure and growth both in our key market of Saudi Arabia and other Gulf markets. Initial feedback in countries like Iraq and the UAE has been positive, with prospective customers often citing NTG's strong reputation in Saudi Arabia as a main reason for interest in exploring opportunities.

General and Administrative

General and administration expenses (G&A) consist primarily of salary and benefits, rent and office expenses, insurance, professional fees, accounting and legal fees, director's fees, etc.

G&A expenses for the three- and nine-months ended September 30, 2025 were \$3,467,505 and \$9,268,774 respectively compared to \$1,578,687 and \$4,402,537 in the previous year.

G&A costs have increased significantly year-over-year due to hiring, onboarding, and training employees to be placed on expected future customer engagements, at which point the related expenses are expected to move from G&A to Cost of Sales.

Although NTG's G&A headcount has remained relatively consistent in Q3 compared to Q2, G&A expenses increased in Q3 over Q2 due to rent, legal, and other administrative expenses related to expanding our offering across the Gulf:

- In Cairo, Egypt, we continue to increase the footprint of our Egypt Offshore Centre to support current and future expected demand, bringing our Egypt Offshore Centre to nine floors of office space across four separate locations in Cairo.
- In Baghdad, Iraq, we have established a branch entity and an office from which we are marketing NTG's products and services to the region. This strategic expansion complements our existing presence in Sulaymaniyah, Iraq, and was timed to capitalize on Iraq's accelerated digital transformation, particularly in the telecommunications and financial sectors. The new branch positions NTG to directly address local market needs and strengthens our presence in this fast-growing market.
- In Dubai, UAE, we have established a corporate entity to expand our business development efforts in Dubai and Abu Dhabi with various government organizations. We have started two proof of concept projects for implementing NTG's AI solutions including testing as a service and testing automation for a customer in Dubai.
- In Madinah, Saudi Arabia we have secured office space and recruited talent for the purposes of establishing a Madinah Nearshore Centre. A major focus of Saudi Arabia's Vision 2030 is educating, upskilling, and employing the local population to fill technical roles. By hiring, onboarding, and training

resources in areas outside of the capital like Madinah, NTG offers its customers a nearshore alternative employing Saudi locals while capitalizing on government subsidies and benefits to maintain cost competitiveness.

In Q3 NTG took the opportunity to invest in what management sees as the next leg of growth: bolstering our delivery capacity in Egypt, while exploring future sales and talent opportunities throughout the Gulf.

Foreign Exchange Gain/Loss

Each entity in the Corporation determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency and the presentation currency of the parent entity is the Canadian Dollar (CAD). For practical reasons, an average rate for the period is often used to translate income and expense items for quarterly reports.

For the three months ended September 30, 2025, we recognized a foreign currency exchange gain of \$236,214 compared to a loss of \$200,143 for Q3 2024. For the nine months ended September 30, 2025, we recognized a foreign currency exchange loss of \$349,052 compared to \$10,882 in 2024.

Our Foreign Exchange gain/loss is highly dependent on the USD, as the majority of our revenue is billed in Saudi Riyals, which is pegged to the US Dollar. In addition to Saudi Riyals, our expenses are also paid in Egyptian Pounds and CAD.

There was a foreign exchange gain on translation of our Egypt subsidiary YTD of \$139,289 (YTD 2024: \$353,947). The reduction of foreign exchange gain is due to the stabilizing of the Egyptian Pound exchange rate in recent quarters.

Other Expenses

Research and Development

With the exception of NTGapps, our flagship product, research and development is paid for by customer requests and is therefore, included in cost of sales.

Interest Expense

The interest expense for the three- and nine-months ending September 30, 2025 was \$33,985 and \$149,236 respectively as compared to \$90,662 and \$244,027 for the same periods in 2024. Interest paid continues to decrease as we repay the last of our Egypt bank debt and other long-term debt. See Notes 16 and 24 for more information.

Share-based Compensation

NTG has a formal stock option plan allowing the issuance of options to directors, officers, employees and consultants in order to attract and retain qualified and experienced individuals. All options granted are non-assignable, generally expire five years after the grant date, and usually vest over one year but can have varying vesting periods.

83,000 stock options were granted in Q3 2025 under the Corporation's incentive stock option plan (Q3 2024: 1,125,000 post-consolidation). YTD, 155,000 stock options were granted YTD (2024: 1,433,000 post-consolidation). As a result of a LIFE Offering closed in July 2025, 2,022,422 warrants were issued valued at \$3,167,114, and 242,691 warrants valued at \$381,025 were issued to brokers, which were included in share issuance costs. See Note 19 for more information.

In 2025, 871,000 options were exercised (2024: 2.5 million pre-consolidation, and 901,200 post-consolidation). 3,255,000 of the 3,338,000 options have vested (2024: 3,422,000 post-consolidation). 282,600 warrants were also exercised (2024: Nil).

Income Taxes

Total combined income tax provisions for Canada and Saudi Arabia was \$594,865 in Q3 (Q3 2024: \$Nil) and \$2,623,199 year to date (2024 YTD: \$Nil).

Anticipating our continued profitability and following the depletion of historical accumulated tax losses in 2024, for 2025 YTD, we have made a provision for Canadian income taxes of \$600,000 (YTD 2024: \$Nil). This is in alignment with our expected Canadian and Ontario combined corporate tax rate of 26.5%. In Q3 2025 we did not provision any further than the \$600,000 (Q3 2024: \$Nil).

In 2025, NTG KSA is now required to remit corporate income tax on a quarterly basis, based on the KSA revenue amounts reported in 2024. For 2025, NTG has made a provision of 4.5 Million Saudi Riyals (approx. \$1.67 Million CAD) for KSA taxes, which includes approximately (\$225,600 CAD) remitted as pre-payment for 2025 taxes (2024: \$Nil). The same amount was remitted subsequent to quarter end in October 2025. Anticipating future payments, we continue to accrue approximately 500,000 Saudi Riyals (approx. \$181K CAD) each month. The KSA corporate tax rate is 20%.

With the depletion of accumulated tax losses in Canada, management is actively working on corporate tax planning to minimize the impact of combined Saudi and Canadian taxes on our profitability in future periods.

Total Comprehensive Income after Taxes (Net Income)

For Q3 2025, NTG recorded a net income of \$1,904,562 compared to \$2,053,957 for the same period in 2024. For the nine months ended September 30, 2025, NTG recorded a net income of \$4,401,805 compared to \$6,875,199 in 2024.

The reduced net income was due to:

- Investments in preparing for expected future growth. NTG continues to carry resources needed to staff expected future contracts, and management has continued to invest in sales, marketing, and infrastructure to continue our growth in Saudi Arabia and throughout the Gulf.
- Higher taxes: 2025 includes a \$600,000 provision for Canadian income taxes for the year, while taxes were not payable in 2024 due to the presence of the now-depleted accumulated tax losses. Provisions for 2025 corporate tax payments in KSA (\$4.5M SR or approx. \$1.67M CAD year to date) are also higher than in 2024. This resulted in a total tax burden of \$594,865 and \$2,623,199 for the three- and nine-months ended September 30, 2025 respectively, compared to \$Nil for both periods in 2024.
- Foreign exchange losses: there was a foreign currency exchange gain in the quarter on operations (\$236,214 compared to a loss of \$200,143 for Q3 2024). This partially offset the loss from prior periods, leaving a year-to-date loss of \$349,052, compared to a loss of \$10,882 for the same period in 2024.

The Egypt operating segment recorded a net loss of \$624,489 and \$1,198,314 for the three and nine months ended September 30, 2025 (Q3 2024 net income: \$112,477; YTD 2024 net loss: \$199,788). Egypt is now primarily the supplier of offshore services for our international customers. Egypt contributed 2% of revenue in Q3 2025 compared to 2% in Q3 2024, as it continues to be the delivery centre for our software development services and products.

The Canadian operating segment recorded a net income of \$2,529,052 and \$5,600,118 for the three and nine months ended September 30, 2025 (Q3 2024: \$1,941,482; YTD 2024: \$7,074,985). Increasing profitability in the Canada segment and loss in the Egypt segment is expected as we continue to grow, as the Canada segment is essentially responsible for sales and collections, while the Egypt segment is responsible for delivery and staffing.

Assets and non-current liabilities

As of September 30, 2025, NTG had \$6,577,732 cash on hand (December 31, 2024: \$4,946,341; Q3 2024: \$5,354,322), bid/performance bonds of \$Nil (December 31, 2024: \$Nil; Q3 2024: \$195) and prepaid amounts of \$588,860 (December 31, 2024: \$298,590; Q3 2024: \$304,148).

Differences in prepaid amounts are due to the timing of insurance and rental renewals. The difference in cash on hand is due to the Brokered LIFE Offering closed in July 2025, raising gross proceeds of \$8,898,659 (net C\$8,243,898.96) to fund the expansion of our Egypt Offshore Centre and Saudi sales office, and for working capital and general corporate purposes. See note 20(a) for more information.

Property, plant and equipment

As of September 30, 2025, property, plant and equipment was \$2,337,437 (December 31, 2024: \$1,580,477; Q3 2024: \$1,355,768). PPE consists of computer equipment, office furniture, and leasehold improvements with a useful life of 4-10 years, as well as buildings and land.

NTG had additions of \$1,144,057 YTD in 2025 (Q3 2024: \$696,473) and depreciation of \$387,097 (Q3 2024: \$155,616). The additions were due to the purchase of office furniture and improvements in rented space in Egypt, as well as purchase of laptops for new personnel in KSA and Egypt.

Intangible asset

Intangible assets relate to the upgrade of our internally developed NTGapps platform capitalized from 2020 until the product reached a mature steady state in late 2023. NTGapps facilitates the digital transformation journey for enterprises in all business verticals and allows them to automate their processes and create applications without the need for traditional software development.

During the three- and nine-months ending September 30, 2025, no NTGapps development was capitalized (2024: \$Nil). The amortization costs for the three- and nine-months ending September 30, 2025 were \$132,184 and \$396,550 respectively (2024: \$132,184 and \$396,550).

Non-current liabilities

As of September 30, 2025, NTG had the following non-current liabilities:

- The outstanding indebtedness of \$5,045,916 (Q3 2024: \$6,117,058) held by a numbered Company is disclosed as a long-term debt on the Statements of Financial Position. See Note 18(a) and Note 26 for more information. In Q3 2025, \$621,709 was paid down towards this long-term debt.
- An amount due from and owed to related parties includes balances owing to key management and key management compensation. See Note 26 for more information.

Liquidity and Capital Resources

NTG's principal requirement for capital is to provide working capital to fund its operations and support its organic growth. Historically, we have funded operations by using profits generated by operations and through the issuance of equity.

In Q3 2025, we funded operations, changes in non-cash working capital and capital expenditures using internally generated cash flows and cash on hand. Additionally, we raised funds through a LIFE offering which added \$8,243,898.96 to assist with the above and the expansion of our Egypt Offshore Centre and general corporate purposes.

As of September 30, 2025, we had a positive working capital of \$25,732,641, compared to \$12,611,072 at December 31, 2023.

Cash Flow Provided by Operations

The cash flow from operating activities for the three months ended September 30, 2025 was an out-flow of \$3,361,799 compared to an in-flow of \$598,249 in Q3 2024. The decrease in operating cash flow for Q3 is due to several factors:

- A lower net income due to the aforementioned investments in growth, higher tax expense/provision, and foreign exchange losses.
- A \$7.3M increase in receivables compared to a \$3.6M increase in Q3 2024. Approximately \$3 million of this increase is attributed to the aforementioned increase in contract assets due to reaching billing milestones on two large projects but waiting on customer invoice approval. The remaining increase in receivables is commensurate with our revenue growth of approximately 42% for Q3 and 53% YTD.
- A \$234,056 decrease in payables and liabilities compared to a \$1.2M increase in Q3 2024. The LIFE Offering raise allowed us to pay down 98% of our legacy payables and a larger payment towards our long-term debt, while still allowing investment needed to support our revenue growth.

The cash flow for the nine months ended September 30, 2025 was an out-flow of \$5,654,071 compared to an in-flow of \$1,623,228 in 2024. The year-to-date decrease is for similar reasons.

NTG's receivables continue to be favorably aged with approximately 97% being aged < 90 days. Aside from contract asset impacts from irregular project milestones, the growth in accounts receivable and its drag on cash flow is proportional to our revenue growth rate.

Cash Flow from Financing Activities

The cash flow from financing activities for the three months ended September 30, 2025 was an in-flow of \$8,462,735 compared to \$4,701,948 in Q2 2024. The cash flow for the nine months ended September 30, 2025 was an in-flow of \$8,503,456 compared to \$4,102,877 in 2024.

The significant in-flow was because of the LIFE offering raise we closed in July 2025, raising gross proceeds of \$8,898,659 (net \$8,243,87) to fund the rapid expansion of our Egypt Offshore Centre and Saudi sales office, and for working capital and general corporate purposes. In Q3 2024, we also raised LIFE Offering funds for \$5,208,000 (net \$4,789,329). Notably, the appreciation in Company valuation since the 2024 raise has allowed management to raise approximately double the funds for a similar amount of equity issuance, further empowering us to make the investments needed to continue our growth. See Note 19 for more information.

Other factors include the increased repayment of long-term debt amounts and increased lease payments for additional offices.

Cash Flow from Investing Activities

The cash flow for investing activities for the three months ended September 30, 2025 was an out-flow of \$755,053 compared to \$327,668 in Q2 2024. The cash flow for investing activities for the nine months ended September 30, 2025 was an out-flow of \$1,217,966 compared to \$729,872 for the same period in 2024. Investing activities mainly includes the purchase of property, plant, and equipment in the form of computer equipment and office furniture for use at our offshore centres. The year-over-year increase is proportional to the increased investment in our service infrastructure.

Commitments and Contractual Obligations

NTG was committed under agreements for the rental of office space in Canada at a monthly rate of \$8,195 monthly for the period from June 1, 2023 to May 31, 2024 and \$9,232 monthly for the period from June 1,

2024 to May 31, 2025. In January 2025, we renewed the agreement and committed to pay \$9,751 monthly for the period from June 1, 2025 to May 31, 2027 and \$10,270 monthly for the period from June 1, 2027 to May 31, 2028.

Additionally, we are committed under agreements for the rental of office spaces in Egypt and Oman at a monthly rate ranging from \$272 to \$16,302 for 2025 for the periods from 2022 to 2028. As of September 30, 2025, the total lease commitments are \$1,336,783. See Note 27 for further explanation.

Debt and Credit Facilities

As of September 30, 2025, NTG's indebtedness continues to be controlled by a numbered Company, controlled by Ashraf Zaghloul, NTG CEO and Kristine Lewis, NTG President. The numbered Company retains the Indebtedness and the Security, and all the rights, title and interest together with the full benefit of all powers and all covenants and provisions contained in the Security. The Company has agreed to principal installment repayments of \$150,000 per quarter, as cash flow permits. NTG recognized interest expense of \$Nil for this debt (December 31, 2024: \$49,271) as the Company expects to extend the grace period on full interest on this debt for the year.

Additionally, as of September 30, 2025, NTG Egypt Advanced Software, a subsidiary of NTG, had the following:

- An overdraft facility with a bank in Egypt in the amount of 7 Million Egyptian pounds (EGP) with an interest rate of 18%. The outstanding balance is Nil EGP (\$Nil CAD; December 31, 2024: \$113,083; Q3 2024: \$195,956).
- A loan with a bank in Egypt for 5,750,000 EGP, repayable in monthly principal payments of 239,584 Egyptian pounds plus interest and with a maturity date of December 1, 2025. As of September 30, 2025, the amount owed is 718,633 EGP (approximately \$20,906), (December 31, 2024: \$245,496; Q3 2024: \$100,603).

The interest expense for the three- and nine-months ending September 30, 2025 was \$33,985 and \$149,236 respectively as compared to \$90,662 and \$244,027 for the same periods in 2024, and was due to the NTG Egypt credit facilities as well as lease and bank interest. Interest paid continues to decrease as we repay the last of our Egypt bank debt and continue to pay our long-term debt. See Note 17 for more information.

Off-Balance Sheet Arrangements

The Corporation has not entered into off-balance sheet financing arrangements. All commitments are reflected on the Corporation's balance sheet.

Transactions with Related Parties

Transactions between the Corporation and its subsidiaries, which are related parties to the Corporation, have been eliminated on consolidation. Related parties include key management, the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

The standard key management compensation is listed in Note 25.

The Corporation's long-term debt is controlled by a numbered Company, controlled by Ashraf Zaghloul, NTG CEO and Kristine Lewis, NTG President.

Basis of Preparation and Significant Accounting Policies

The unaudited interim consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), London, *IAS 34 Interim Financial Reporting*, and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and in effect at the closing date of November 11, 2025.

Significant accounting policies are presented in detail in Note 3 of our audited consolidated financial statements for the year ended December 31, 2024. These are available on SEDAR+ (www.sedar.com).

Proposed Transactions

There are no Proposed Transactions.

Business Risk and Management

NTG's primary risk management objective is to protect our balance sheet and cash flow. Principal financial liabilities are made up of a Corporation indebtedness and trade and other payables. In the past, NTG has taken on short-term debt from overseas to assist with cash flow. In July 2025, we closed a brokered LIFE Offering, resulting in net proceeds of \$8,243,898.96 to fund the expansion of our Egypt Offshore and for working capital and general corporate purposes.

We are exposed to market risk, interest rate risk, foreign exchange risk, credit risk, and liquidity risk. A complete description of the risks and uncertainties affecting NTG is included in the Annual Report filed April 29, 2025 or in the Annual MD&A for the year ended December 31, 2024. These can be found on *SEDAR* at www.sedar.com.

Some risks have evolved since the most recent year-end report. We are monitoring these risk factors and doing what we can to minimize them; however, many are outside of our control and it is impossible to completely mitigate these risks.

Additional risks and uncertainties not described below or not presently known to the Corporation may also impact our business. If any of these risks occur, our company's business, financial condition or results of operations could be harmed and the trading price of NTG's common shares could be materially affected. The purpose of discussing these risks and uncertainties is to highlight factors that could cause actual results to differ materially from past results or from those described in forward-looking statements. It is not to describe facts, trends and circumstances that could have a positive impact on the results or financial position.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. NTG's financial instruments that are exposed to credit risk consist primarily of trade receivables. Our exposure to credit risk is impacted by the economic conditions for the industry which could affect the customers' ability to satisfy their obligations.

As of September 30, 2025, NTG had receivables in the amount of \$30,648,485 (December 31, 2024: \$16,898,548; Q3 2024: \$16,069,097) including Contract Assets of \$7,917,848 (December 31, 2024: \$3,617,035). The credit quality of NTG's accounts receivable that are neither past due nor impaired, and the age of accounts receivable that are past due but not impaired, have been assessed on an individual basis and determined to have a mitigated risk profile.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to operating activities, when revenue or expenses are denominated in a different currency from our functional currency, the Canadian dollar.

We do not hedge the risk related to fluctuations of the exchange rate between USA and Canadian dollars from the date of the sales transactions to the collection date due to the short-term nature of this exposure.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Corporation's disclosure controls and procedures as of September 30, 2025 and have concluded that such disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Corporation or its subsidiaries is made known to them.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers (CFO and CEO) filing the NI 52-109 certificate is not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the NI 52-109 certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Standards issued but not yet effective

As of November 11, 2025, the date of authorization of these financial statements, certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted by the Corporation. All other standards were early adopted as explained in the prior year's financial statements.

Non-IFRS measures

As mentioned previously in this MD&A, NTG references Adjusted EBITDA, which is a non-IFRS (non-GAAP) measure and Adjusted EBITDA margin, which is a non-GAAP ratio. Adjusted EBITDA means adjusted earnings before interest, taxes, depreciation and amortization. EBITDA is equal to net income (loss) before income taxes plus finance costs plus depreciation. Adjusted EBITDA is equal to EBITDA before other discretionary expenses and expenses outside of the control of NTG. In NTG's case these are other income,

share-based payments, and expenses related to foreign exchange. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenue.

Adjusted EBITDA and Adjusted EBITDA margin are not recognized measures under IFRS. Management believes that in addition to net income (loss), Adjusted EBITDA and Adjusted EBITDA margin are useful supplemental measures as they provide an indication of the results generated by the Company's primary business activities prior to consideration of how those activities are financed, amortized, or how the results are taxed and consolidated in various jurisdictions and currencies as well as the cash generated by the Company's primary business activities without consideration of the timing of the monetization of non-cash working capital items.

Readers should be cautioned, however, that Adjusted EBITDA and Adjusted EBITDA margin should not be construed as an alternative to net income determined in accordance with IFRS as an indicator of the Company's performance. The Company's method of calculating Adjusted EBITDA and Adjusted EBITDA margin may differ from other organizations and, accordingly, Adjusted EBITDA and Adjusted EBITDA margin may not be comparable to measures used by other organizations.

The non-IFRS measures referenced in this MD&A reconcile to the IFRS measures reported in the Consolidated Financial Statements as follows, unless reconciled elsewhere:

Adjusted EBITDA	For the three months ended	
	September 30, 2025	September 30, 2024
Net Income (Margin)	\$ 1,904,562 (9%)	\$ 2,443,374 (14%)
Add back:		
(Gain) loss on foreign exchange	(236,214)	123,731
Depreciation	232,119	66,224
Amortization	132,184	132,184
Interest, net	33,985	90,662
Taxes	594,865	240,804
Other income	(107,012)	(52,848)
Share-based payment	40,117	480,482
Loss on joint venture	0	0
Loss on disposal of assets	0	0
Less:		
Exchange gain arising on translation of foreign operations	112,472	31,465
Adjusted EBITDA (Margin)	\$ 2,489,962 (12%)	\$ 3,180,141 (22%)

NTG Clarity Networks Inc.

Unaudited Interim Consolidated Financial Statement

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the period ended September 30, 2025.

November 11, 2025

MARKHAM, ONTARIO

NTG CLARITY NETWORKS INC.**Unaudited Interim Consolidated Statements of Financial Position**

(In Canadian Dollars)

As at	September 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents (Note 9)	\$ 6,577,732	\$ 4,946,341
Trade and other receivables (Note 10)	30,648,485	16,898,548
Prepaid expenses and deposits (Note 11)	588,860	298,590
Bid/performance bonds (Note 12)	–	–
Total current assets	\$ 37,815,077	\$ 22,143,479
Non-current assets		
Deferred income tax asset (Note 7)	\$ 137,356	\$ 137,356
Property, plant and equipment (Note 13)	2,337,437	1,580,477
Intangible assets (Note 14)	3,532,191	3,928,741
Right-of-use of assets (Note 16)	408,290	502,806
Total non-current assets	6,415,274	6,149,380
Total Assets	\$ 44,230,351	\$ 28,292,859
LIABILITIES		
Current liabilities		
Income tax provision (Note 7)	\$ 2,231,469	\$ 575,560
Current portion of leasehold liability (Note 16)	348,978	391,454
Accounts payable and accrued liabilities (Note 17)	9,481,084	8,370,924
Bank indebtedness (Note 18)	–	113,083
Current portion of long-term debt (Note 18)	20,906	81,386
Total current liabilities	\$ 12,082,437	\$ 9,532,407
Non-current liabilities		
Lease liability (Note 16)	135,499	188,633
Long-term debt (Note 18) (Note 26)	5,045,916	5,970,635
Total non-current liabilities	\$ 5,181,415	\$ 6,159,268
Total liabilities	\$ 17,263,850	\$ 15,691,675
SHAREHOLDER'S EQUITY		
Capital stock (Note 19)	26,589,771	18,457,593
Contributed surplus (Note 20)	5,058,068	3,235,934
Foreign exchange reserve	(34,022)	(173,311)
Deficit	(4,647,317)	(8,919,032)
Total shareholders' equity	26,966,501	12,601,184
Total liabilities and shareholders' equity	\$ 44,230,351	\$ 28,292,859

Approved on behalf of the Board:

"Ashraf Zaghoul"

Director

"Kristine Lewis"

Director

See accompanying notes to consolidated financial statements.

NTG CLARITY NETWORKS INC.

Unaudited Interim Consolidated Statements of Changes in Equity

For the periods ended September 30, 2025 and 2024

(In Canadian Dollars)

	Share Capital	Contributed Surplus	Deficit	Foreign Exchange Reserve	Total Shareholders' Equity
Balance, January 1, 2024	\$ 14,736,986	\$ 2,711,523	\$ (20,468,919)	\$ (216,733)	\$ (3,237,143)
Income from continuing operations	–	–	6,521,252	–	6,521,252
Other comprehensive income	–	–	–	353,947	353,947
Share-based compensation	–	572,985	–	–	572,985
Issuance of share capital	5,020,323	–	–	–	5,020,323
Reallocation of contributed surplus	292,660	(292,660)	–	–	–
Balance, September 30, 2024	\$ 18,333,658	\$ 4,708,159	\$ (13,947,669)	\$ 137,214	\$ 9,231,362
Income from continuing operations	–	–	3,290,880	–	3,290,880
Other comprehensive income	–	–	–	(310,525)	(310,525)
Issuance of share capital	131,681	(143,495)	–	–	(11,814)
Share-based compensation	–	401,281	–	–	401,281
Expired options transfer	–	(1,737,757)	1,737,757	–	–
Reallocation of contributed surplus	(7,746)	7,746	–	–	–
Balance, December 31, 2024	\$ 18,457,593	\$ 3,235,934	\$ (8,919,032)	\$ (173,311)	\$ 12,601,184
Income from continuing operations	–	–	4,262,516	–	4,262,516
Other comprehensive income	–	–	–	139,289	139,289
Issuance of share capital (Note 19)	6,601,379	2,297,280	–	–	8,898,659
Share-based compensation (Note 19)	–	158,073	–	–	158,073
Expired options transfer	–	(9,200)	9,200	–	–
Reallocation of contributed surplus (Note 19) (Note 20)	624,018	(624,018)	–	–	–
Balance, September 30, 2025	\$ 26,589,771	\$ 5,058,068	\$ (4,647,317)	\$ (34,022)	\$ 26,966,501

NTG CLARITY NETWORKS INC.
Unaudited Interim Consolidated Statements of Profit and Loss and Other Comprehensive Income

(In Canadian Dollars)

	Three Months Ended Sept 30,		Nine Months Ended Sept 30,	
	2025	2024	2025	2024
REVENUE (Note 6)	\$ 20,867,138	\$ 14,671,878	\$ 59,442,372	\$ 38,915,713
COST OF SALES (Note 23)	13,589,960	9,176,427	38,273,546	24,706,491
GROSS PROFIT	7,277,178	5,495,451	21,168,826	14,209,222
EXPENSES				
Selling and marketing (Note 24)	1,451,893	868,805	4,139,149	2,218,908
General and administrative (Note 24)	3,467,505	1,578,687	9,268,774	4,402,537
(Gain) loss on foreign exchange	(236,214)	200,143	349,052	10,882
Total expenses	4,683,185	2,647,635	13,756,975	6,632,327
INCOME (LOSS) FROM OPERATIONS	\$ 2,593,993	\$ 2,847,816	\$ 7,411,851	\$ 7,576,895
OTHER (INCOME) EXPENSES				
Depreciation, (Note 13)	232,119	66,224	610,015	155,616
Interest, net	33,985	90,662	149,236	244,027
Share-based payment (Note 19)	40,117	480,482	158,073	572,985
Foreign taxes	7,829	240,804	21,050	296,936
Other income	(107,012)	(52,848)	(412,437)	(213,921)
Total other expenses	207,038	825,324	526,136	1,055,643
NET INCOME BEFORE INCOME TAXES	\$ 2,386,955	\$ 2,022,492	\$ 6,885,714	\$ 6,521,252
INCOME TAXES (Note 7)				
Provision for income taxes (Note 7)	594,865	–	2,623,199	–
INCOME FROM CONTINUING OPERATIONS	\$ 1,792,091	\$ 2,022,492	\$ 4,262,516	\$ 6,521,252
Other comprehensive income				
Exchange gain (loss) arising on translation of foreign operations	112,472	31,465	139,289	353,947
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ 1,904,562	\$ 2,053,957	\$ 4,401,805	\$ 6,875,199
Earnings per share (Note 8)				
Basic	\$ 0.04	\$ 0.05	\$ 0.09	\$ 0.16
Diluted	\$ 0.04	\$ 0.05	\$ 0.09	\$ 0.15
Weighted average number of shares outstanding				
Basic	47,354,103	42,155,658	47,354,103	42,155,658
Diluted	47,516,081	45,190,533	47,516,081	45,190,533

See accompanying notes to consolidated financial statements.

NTG CLARITY NETWORKS INC.**Unaudited Interim Consolidated Statements of Cash Flows**

(In Canadian Dollars)

See accompanying notes to consolidated financial statements.

	Three months Ended Sept 30,		Nine months Ended Sept 30,	
	2025	2024	2025	2024
OPERATION ACTIVITIES				
Net income	\$ 1,904,562	\$ 2,053,957	\$ 4,401,805	\$ 6,875,199
Items not affecting cash:				
Depreciation (Note 13)	232,119	66,224	610,015	155,616
Amortization (Note 14)	132,184	132,184	396,550	396,550
Interest expense	33,985	90,662	149,236	244,027
Share-based payment	40,117	480,482	158,073	572,985
	2,342,968	2,823,508	5,175,679	8,244,375
Net change in non-cash working capital items:				
(Increase) decrease in accounts receivable	(7,314,000)	(3,652,067)	(13,749,937)	(9,700,251)
Decrease in bid/performance bonds	27,286	–	–	97
Decrease (increase) in prepaid expenses and other assets	260,147	161,087	(290,270)	(174,306)
Increase (decrease) in accounts payable and accrued liabilities	(234,056)	1,261,505	1,110,160	3,237,564
(Decrease) increase in leasehold liability	(75,611)	4,216	(95,610)	15,749
Increase in income taxes payable	1,631,469	–	1,655,909	–
TOTAL CASH (OUT-FLOW) IN-FLOW FROM OPERATION ACTIVITIES	\$ (3,361,799)	\$ 598,249	\$ (5,654,071)	\$ 1,623,228
FINANCING				
Principle payment of lease (Note 16)	(107,171)	(70,251)	(312,960)	(77,904)
(Decrease) long-term debt (Note 17)	(640,202)	(173,098)	(985,199)	(540,716)
Interest paid	(33,985)	(90,662)	(149,236)	(244,027)
(Decrease) in bank indebtedness (Note 17)	–	(3,625)	(113,083)	(102,787)
Issuance of common shares (Note 19)	9,244,095	4,936,654	10,063,935	5,084,154
(Decrease) in loans payable	–	102,930	–	(15,843)
TOTAL CASH IN-FLOW (OUT-FLOW) FROM FINANCING ACTIVITIES	\$ 8,462,735	\$ 4,701,948	\$ 8,503,456	\$ 4,102,877
INVESTING				
Purchase of property, plant and equipment (Note 13)	(755,053)	(306,964)	(1,217,996)	(696,473)
(Additions) intangible assets (Note 14)	–	–	–	–
(Investments) in joint venture (Note 15)	–	(20,704)	–	(33,399)
TOTAL CASH (OUT-FLOW) FROM INVESTING	\$ (755,053)	\$ (327,668)	\$ (1,217,996)	\$ (729,872)
NET INCREASE (DECREASE) IN CASH	\$ 4,345,884	\$ 4,972,529	\$ 1,631,389	\$ 4,996,234
Cash balance, beginning of period	\$ 2,231,846	\$ 381,794	\$ 4,946,341	\$ 358,088
Cash balance, end of period	\$ 6,577,732	\$ 5,354,322	\$ 6,577,732	\$ 5,354,322

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

1. CORPORATE INFORMATION

NTG Clarity Networks Inc. (the “Corporation”) is domiciled in Canada and its shares are traded publicly on the TSX Venture Exchange under ticker symbol NCI.V. The Corporation was incorporated on May 15, 2001 under the laws of Alberta. In the current year the registration of the corporation was moved from Alberta to Ontario. The Corporation’s principal and registered office is Suite 202, 2820 14th Avenue, Markham, Ontario, L3R 0S9.

The Corporation provides network, telecom, IT and infrastructure solutions to medium and large network service providers. The Corporation specializes in providing telecommunications engineering, networking and related software solutions and has developed niche software products directed at the telecom service providers. NTG continues to offer professional telecom and IT services in the North American and Middle Eastern markets.

There is a high concentration of competition in the digital transformation, IT, and telecom industries and little barrier of entry for new competitors into the market. Many of our competitors are larger companies that have greater resources. To help mitigate this risk, we have partnered with, or signed agreements to work through a few of the large competitors, as we can offer seasoned resources at extremely competitive rates.

2. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

Statement of Compliance

The unaudited interim consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), London, *IAS 34 Interim Financial Reporting*, and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and in effect at the closing date of November 11, 2025.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The unaudited interim consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries as at November 11, 2025.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continues to be consolidated until the date that such control ceases. The financial statements of the subsidiary is prepared for the same reporting period as the parent corporation using consistent accounting policies. All intra group balances, income and expenses, unrealized gains and losses, and dividends resulting from intra group transactions, if any, are eliminated in full.

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

The subsidiary of the Corporation as of September 30, 2025 is its 95% owned subsidiary, NTG Egypt Advanced Software, and its wholly owned U.S. subsidiary, NTG Clarity Networks US Inc.

The unaudited interim consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries as at September 30, 2025.

Associates and joint arrangements

The Corporation's interests in equity accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Corporation has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Corporation holds between 20% and 50% of the voting power of another entity.

The Corporation classifies its interest in joint arrangements as either joint operations (if the Corporation has rights to the assets and has obligations for the liabilities relating to an arrangement) or joint ventures (if the Corporation has the rights only to the net assets of an arrangement). When making this assessment, the Corporation considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

Investments in associates and joint ventures are accounted for using the equity method and are recognized initially at cost. The Corporation's investments include goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Corporation's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Corporation, from the date that significant influence commences until the date that it ceases. When the Corporation's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued, except to the extent that the Corporation has an obligation or has made payments on behalf of the investee.

(b) Foreign currency

Presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's presentation currency.

Translation to the presentation currency

Each entity in the Corporation determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency and the presentation currency of the parent entity is the Canadian dollar.

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Foreign currency transaction (cont'd)

Transactions in foreign currencies are initially recorded in respective functional currency rates at the date of the transaction.

The functional currency of the subsidiary NTG Egypt Advanced is the Egyptian pound, and the functional currency of the subsidiary NTG Clarity Networks US Inc. is the US Dollar.

Foreign currency transactions

Transactions carried out in foreign currencies are translated using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in a foreign currency at the reporting date are translated at the exchange rate at that date. The foreign currency gain or loss on such monetary items is recognized as income or expense for the period. Non-monetary assets and liabilities denominated in a foreign currency are translated at the historical exchange rate prevailing at the transaction date.

Translation of financial statements of foreign operations

The assets and liabilities of subsidiaries whose functional currency is not the Canadian dollar are translated into Canadian dollars at the exchange rate prevailing at the reporting date. The income and expenses of foreign operations whose functional currency is not the Canadian dollar are translated to Canadian dollars at the exchange rate prevailing on the date of transaction. Foreign currency differences on translation are recognized in other comprehensive income (loss) in the cumulative translation account net of income tax.

(c) Financial instruments

Financial assets and liabilities

The Corporation recognizes financial assets and financial liabilities initially at fair value and subsequently measures these at either fair value or amortized cost based on their classification as described below:

Fair value through profit or loss

Financial assets and financial liabilities purchased or incurred, respectively, with the intention of generating earnings in the near term, and derivatives other than cash flow hedges, are classified as FVTPL. This category includes cash and cash equivalents, and derivative instruments that do not qualify for hedge accounting. For items classified as FVTPL, the Corporation initially recognizes such financial assets on the consolidated balance sheet at fair value and recognizes subsequent changes in the consolidated statement of operations. Transaction costs incurred are expensed in the consolidated statement of operations. The Corporation does not currently hold any liabilities designated as FVTPL.

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Financial instruments (cont'd)

Financial assets and liabilities (cont'd)

Fair value through other comprehensive income

This category includes investments in equity securities. Subsequent to initial recognition, they are measured at fair value on the consolidated balance sheet and changes therein are recognized in other comprehensive income (loss). When an investment is derecognized, the accumulated gain or loss in other comprehensive income (loss) is transferred to the consolidated statement of operations.

Amortized cost

The Corporation classifies financial assets held to collect contractual cash flows at amortized cost, including trade and other receivables and investments in convertible debentures. The Corporation initially recognizes the carrying amount of such assets on the consolidated balance sheet at fair value plus directly attributable transaction costs, and subsequently measures these at amortized cost using the effective interest rate method, less any impairment losses.

Other financial liabilities

This category is for financial liabilities that are not classified as FVTPL and includes trade and other payables and long-term debt. These financial liabilities are recorded at amortized cost on the consolidated balance sheet.

Financial assets and liabilities classification

Cash and cash equivalents, trade and other receivables, bid/ performance bonds are classified as amortized cost. Similarly, accounts payable and accrued liabilities, long-term debt, loans payable are classified as amortized cost. Carrying value of cash and cash equivalents, trade and other receivables, bid/ performance bonds, deposits, accounts payable and accrued liabilities, long-term debt and loans payable approximate fair values.

Impairment of financial assets

A forward looking "expected credit loss" (ECL) model is used in determining the allowance for doubtful accounts as it relates to trade and other receivables. The Corporation's allowance is determined by historical experiences, and considers factors including the aging of the balances, the customer's credit worthiness, and updates based on the current economic conditions, expectation of bankruptcies, and the political and economic volatility in the markets/location of customers.

(d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of material and labour and other costs directly attributable to bringing the asset to a working condition for its intended use.

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Property, plant and equipment (cont'd)

Recognition and measurement (cont'd)

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance and repair costs are expensed as incurred, except where they serve to increase productivity or to prolong the useful life of an asset, in which case they are capitalized.

Depreciation

Depreciation is recognized in profit or loss over the estimated useful life of each item of property, plant and equipment, since this period most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation is recorded on the following bases and at the following rates:

Computer software	Straight-line 1-2 years
Computer equipment	Straight-line 2-4 years
Office equipment	Straight-line 4-10 years
Building	Straight-line 20 years
Leasehold improvements	Straight-line over the lesser of the expected term of the lease or the useful life of the asset

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

(e) Intangible assets

The Corporation's intangible assets are composed of development costs. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development costs are capitalized only if:

- the development costs can be measured reliably;
- the product or process is technically and commercially feasible;

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Intangible assets (cont'd)

- the future economic benefits are probable; and
- the Corporation intends and has sufficient resources to complete the development of and to use or sell the asset.

Capitalized development costs correspond to projects for specific customer applications that draw on approved generic standards or technologies already applied in production. These projects are analyzed on a case by case basis to ensure they meet the criteria for capitalization as described above. Development costs are subsequently amortized over the life of the asset from the start of usage

Amortization of development costs is recognized in cost of sales in the consolidated statement of operations.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss when incurred.

The amortization methods and estimated useful lives of intangible assets are reviewed annually. Intangible assets are tested for impairment as required by IAS 38 and IAS 36 if there are indicators of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the intangible assets or the cash generating unit exceeds their recoverable amount. Impairment losses are recognized in the statements of comprehensive income. Amortization is provided on a straight-line basis over 10 years.

(f) Leases

The Corporation recognizes right of use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The right of use asset is measured based on the initial value of the lease liability adjusted for lease payments made at or before the commencement of the lease, initial direct costs and estimated dismantling and restoring costs. The right of use asset is depreciated over the shorter of the lease term and the asset's useful life, unless it is reasonably certain the Corporation will obtain ownership by the end of the lease term, in which case the asset is depreciated over its useful life.

The lease liability is measured at the present value of all future lease payments discounted at the lessee's incremental borrowing rate. Lease liabilities are measured at amortized cost using the effective interest rate method whereby interest is recognized in profit or loss over the lease term.

The Corporation has adopted the practical expedients related to short-term leases and leases of low value assets whereby lease obligations associated with these leases are recognized as an expense in the consolidated income statement when incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Fair value less costs to sell is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to the carrying amounts of the assets in the unit (group of units).

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the Corporation expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset when reimbursement is virtually certain. Commitments resulting from restructuring plans are recognized when an entity has a detailed formal plan and has raised a valid expectation with those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features. When the effect of the time value of money is material, the amount of the provision is discounted using a rate that reflects the market's current assessment of this value and the risks specific to the liability concerned. The increase in the provision related to the passage of time is recognized in the consolidated statement of profit and loss and other comprehensive income in other income (expense).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Revenue Recognition

Revenue represents the amount the Corporation expects to receive for products and services in its contracts with customers, net of discounts and sales taxes. The Corporation reports revenue under three revenue categories being, License, Professional services, and Maintenance and other recurring revenue.

Software license revenue is comprised of non-recurring license fees charged for the use of software products licensed under multiple year or perpetual arrangements. Professional service revenue consists of fees charged for implementation services, custom programming, product training, certain managed services, and consulting.

Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post delivery and also includes recurring fees derived from combined software/support contracts, transaction revenues, managed services associated with NTGapps software that has been sold to the customer, and hosted software as a service products.

Contracts with multiple products or services

The Corporation enters into contracts that contain multiple products and services such as software licenses, hosted software as a service, maintenance and professional services. The Corporation evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and Constellation's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation. Where a contract consists of more than one performance obligation, revenue is allocated to each based on their estimated standalone selling price.

The Corporation sells on-premise software licenses on a perpetual basis. Revenue from the license of distinct software is recognized at the time that 1) the right-to-use the software has commenced; and 2) the software has been made available to the customer.

Professional services revenue including installation, implementation, training and customizations of software is recognized by the stage of completion of the performance obligation determined using the percentage of completion method based on contract costs incurred to date as a percentage of total estimated contract costs required to complete development work, or as such services are performed as appropriate in the circumstances. Professional services revenue also includes managed services not associated with NTGapps software. The revenue and profit of fixed price contracts is recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably but the Corporation expects to recover its costs, the amount of expected costs is treated as variable consideration and the transaction price is updated as more information becomes known.

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**September 30, 2025 and 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(i) Revenue Recognition (cont'd)**

Maintenance and other recurring revenues is recognized on a straight-line basis over the term of the contract. The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in contract assets. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of contract liability.

(j) Taxes**Income taxes**

The tax rate is calculated on the basis of the fiscal regulations enacted or substantively enacted at the fiscal year end in each country where the entities in the Corporation carry out their business.

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income (loss). Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, with respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Sales tax

Revenues, expenses, liabilities and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Compound Instruments

The component parts of compound instruments (e.g., debt issued with warrants) issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar debt without warrants. This amount is recorded as a liability on the amortized cost basis using the effective interest method until extinguished or at the instrument's maturity date.

The warrants classified as equity are determined by deducting the amount of the liability component from the fair value of the instrument as a whole. This is recognized and included in equity and is not subsequently remeasured. Warrants classified as equity will remain in equity until the conversion option is exercised, in which case the balance recognized in equity will be transferred to common shares within equity. When the warrants remain unexercised at their maturity date, the balance recognized in equity will be transferred to retained earnings or deficit. No gain or loss is recognized in profit or loss upon conversion or expiration of the warrants.

Transaction costs that relate to the issue of the instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the debt using the effective interest method.

(l) Stock-based payments

The Corporation accounts for all stock-based payments to employees and non-employees using the fair value-based method of accounting. The Corporation measures the compensation cost of stock-based option awards at the grant date using the Black Scholes option valuation model to determine the fair value of the options. The stock-based compensation cost of the options is recognized as stock-based compensation expense over the relevant vesting period of the stock options.

(m) Earnings per share

The Corporation presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise share options granted to employees.

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Segment reporting

A segment is a distinguishable component of the Corporation that is engaged either in providing related products and services (business segment) or in providing products and services within a particular economic environment (geographical segment) and that is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Corporation's business and geographical segments. The Corporation's primary format for segment reporting is based on business segments. The business segments are determined based on the Corporation's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Corporation's headquarters) and head office expenses. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the Corporation's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the end of the reporting years. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years.

In the process of applying the Corporation's accounting policies, management has made the following judgments, which has the most significant effect on the amounts recognized in the consolidated financial statements.

Revenues

The Corporation derives revenue from fees charged to customers for licenses for software products and for professional services (support, consulting, development, training, etc.). Some of the software arrangements may contain multiple elements (product sales and professional services). The Corporation accounts for software, consulting and other service deliverables as separate units of accounting and allocate revenue based on their individual fair values. The revenue amounts allocated to the individual elements are recognized when the revenue recognition criteria have been met for the respective element. When services are essential to the functionality of the software, the software does not have standalone value and is combined with the essential services as a single element.

Contract assets

Contract assets is revenue which had been earned and therefore recognized in compliance with IFRS, but which has not been billed to the client(s) due to contract terms and/or billing cycle. Revenue can be recognized for projects based on time and materials, for professional services or on a percentage of completion basis for product implementation and support. Both can result in contract assets until the customer is invoiced.

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

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4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS (cont'd)

Impairment of non-financial assets

Impairment exists when the carrying value of a non-financial asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the Corporation's budget and do not include restructuring activities, if any, that the Corporation is not yet committed to or significant future investments that will enhance the non-financial asset's performance of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units may include a sensitivity analysis.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the range of business relationships and the long-term nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Corporation may establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets, if any, are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Share-based compensation

The Corporation has a share-based compensation plan. The Corporation accounts for share based compensation options granted to employees and consultants using the fair value method determined using the Black Scholes option valuation model. The estimated compensation expense related to share based compensation is recognized over the vesting period of the options granted, with the related credit being charged to contributed surplus.

Consideration paid by employees on the exercise of share-based compensation is recorded as capital stock and the related share-based compensation is transferred from capital reserves to capital stock.

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS (cont'd)

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful life of tangible assets

Tangible assets are amortized on a straight-line basis over their expected useful life once the asset is available for use. The Company reviews the estimated useful lives, residual values, and depreciation methods of its tangible assets at each reporting period. Management applies judgment in determining the expected useful life of assets based on factors such as historical experience, expected usage, technological advancements, and industry trends. Any revisions to useful lives are accounted for prospectively as changes in estimates.

Useful life of an intangible asset

Intangible assets with finite lives are amortized on a straight line basis over their expected useful life once the asset is available for use. Many factors are considered in determining the useful life of an intangible asset, including technical, technological, commercial or other types of obsolescence and typical product life cycles for the asset. Changes to the expected useful life of an asset is accounted for prospectively.

Treatment of development costs

Costs to develop products are capitalized to the extent that the criteria are met for recognition as intangible assets in accordance with IAS 38. Such criteria require that the product is technically and economically feasible, the Company has the intention and ability to use the asset, and that the asset will generate future benefits to the Company. Management assessed the capitalization of development costs based on the attributes of each development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is technically and economically feasible.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

As at November 11, 2025, the date of authorization of these financial statements, The Corporation performed an assessment of new and revised standards issued by the IASB that are not yet effective. The Corporation has assessed that the impact of adopting these accounting standards on its consolidated financial statements would not be material.

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

6. OPERATING SEGMENT INFORMATION

For management purposes, the Corporation is organized into two operating segments. The Corporation's chief decision makers; the Chief Executive Officer, the President and the Chief Financial Officer, tracks the Corporation's operations by country.

These country segments represent the Corporation's reportable operating segments, which are used to manage the business. The Corporation analyses the performance of its operating segments based on expenditures and revenue growth.

Statement of profit and loss for the three months ending September 30, 2025

	NTG Canada	NTG Egypt	Consolidated Total
Revenue	\$ 20,539,717	\$ 327,421	\$ 20,867,138
Cost of sales	13,113,633	476,327	13,589,960
Gross margin	\$ 7,426,084	\$ (148,905)	\$ 7,277,178
Expenses	(4,863,836)	(389,132)	(5,252,968)
Depreciation / Amortization	(33,196)	(198,924)	(232,119)
Exchange gain (loss) arising on translation	–	112,472	112,472
Total comprehensive income (loss) for the period	\$ 2,529,052	\$ (624,489)	\$ 1,904,562

Statement of profit and loss for the three months ending September 30, 2024

For the three months ending September 30, 2024	NTG Canada	NTG Egypt	Consolidated Total
Revenue	\$ 14,407,511	\$ 264,367	\$ 14,671,878
Cost of sales	9,484,818	(308,391)	9,176,427
Gross margin	\$ 4,922,693	\$ 572,758	\$ 5,495,451
Expenses	(2,885,635)	(430,436)	(3,316,075)
Depreciation / Amortization	(30,624)	(35,600)	(66,224)
Interest	(64,952)	(25,710)	(90,662)
Exchange gain (loss) on translation	–	31,465	31,465
Total comprehensive income (loss) for the period	\$ 1,941,482	\$ 112,475	\$ 2,053,957

Statement of profit and loss for the nine months ending September 30, 2025

	NTG Canada	NTG Egypt	Consolidated Total
Revenue	\$ 58,484,478	\$ 957,894	\$ 59,442,372
Cost of sales	37,265,731	1,007,815	38,273,546
Gross margin	\$ 21,218,747	\$ (49,921)	\$ 21,168,826
Expenses	(15,514,643)	(781,652)	(16,296,295)
Depreciation / Amortization	(103,986)	(506,029)	(610,015)
Exchange gain (loss) arising on translation	–	139,289	139,289
Total comprehensive income (loss) for the period	\$ 5,600,118	\$ (1,198,314)	\$ 4,401,805

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

6. OPERATING SEGMENT INFORMATION (cont'd)**Statement of profit and loss for the nine months ending September 30, 2024**

For the nine months ending September 30, 2024	NTG Canada	NTG Egypt	Consolidated Total
Revenue	\$ 38,198,197	\$ 717,516	\$ 38,915,713
Cost of sales	24,404,695	301,796	24,706,491
Gross margin	\$ 13,793,502	\$ 415,720	\$ 14,209,222
Expenses	(6,469,302)	(111,132)	(6,580,435)
Depreciation / Amortization	(84,835)	(70,781)	(155,616)
Interest	(164,379)	(79,648)	(244,027)
Exchange (loss) on translation	–	(353,947)	(353,947)
Total comprehensive income (loss) for the period	\$ 7,074,985	\$ (199,788)	\$ 6,875,199

Long term asset additions and dispositions for the period ended September 30, 2025

	NTG Canada	NTG Egypt	Consolidated Total
Asset additions for the period ending September 30, 2025			
Property, and equipment (Note 12)	\$ 193,096	\$ 950,961	\$ 1,144,057
Right-of-use asset	115,907	292,383	408,290
	\$ 309,003	\$ 1,243,344	\$ 1,552,347

Long term asset additions and dispositions for the three months ended September 30, 2024

	NTG Canada	NTG Egypt	Consolidated Total
Asset additions for the three months ending September 30, 2024			
Property, and equipment	\$ 65,384	\$ 443,339	\$ 508,723
Intangible assets	–	–	–
	\$ 65,384	\$ 443,339	\$ 508,723

Long term assets as at September 30, 2025

	NTG Canada	NTG Egypt	Consolidated Total
Assets as at September 30, 2025			
Property, and equipment	\$ 329,467	\$ 2,007,970	\$ 2,337,437
Intangible assets	3,532,191	–	3,532,191
Right-of-use asset	115,907	292,383	408,290
Deferred income tax asset	137,356	–	137,356
	\$ 4,114,921	\$ 2,300,353	\$ 6,415,274

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

6. OPERATING SEGMENT INFORMATION (cont'd)**Long term assets as at September 30, 2024**

	NTG Canada	NTG Egypt	Consolidated Total
Assets as at September 30, 2024			
Property, and equipment	\$ 156,993	\$ 1,198,775	\$ 1,355,768
Intangible assets	4,060,924	–	4,060,924
	\$ 4,217,917	\$ 1,198,775	\$ 5,416,692

The Corporation determines the geographic location of revenues based on the location of its customers.

Sales by geographic location for the three months ending September 30,	2025	2024
Canada	\$ 72,805	\$ –
Iraq	257,348	126,120
Saudi Arabia	20,160,929	14,248,378
Egypt	327,421	264,367
Oman	48,635	33,013
Kuwait	–	–
	\$ 20,867,138	\$ 14,671,878

Sales by geographic location for the nine months ending September 30,	2025	2024
Canada	\$ 185,985	\$ 216,284
Iraq	872,249	615,557
Saudi Arabia	56,985,199	36,962,662
Egypt	957,894	717,516
Oman	441,045	403,694
Kuwait	–	–
	\$ 59,442,372	\$ 38,915,713

In the past, the majority of the Corporation's revenue is derived from the telecommunication industry. From 2021, the Corporation has also been working within the digital transformation and IT fields in the finance and systems integration sectors.

In Q3 2025, 52% (Q3 2024: 39%) of the Corporation's revenue was derived from two customers. YTD, 31% of the corporation's revenue was derived from the Corporation's largest customer (2024: 17%) and 72% was derived from five customers.

Receivables by segment	September 30, 2025	December 31, 2024
Canada	\$ 30,088,557	\$ 16,209,858
Egypt	559,928	688,690
	\$ 30,648,485	\$ 16,898,548

As at September 30, 2025, approximately 56% (December 31, 2024: 73%; Q3 2024: 62%) of the Corporation's trade accounts receivable balance was from three customers.

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

6. OPERATING SEGMENT INFORMATION (cont'd)

Payables by segment for the period ending	September 30, 2025	December 31, 2024
Canada	\$ 9,024,729	\$ 7,148,153
Egypt	2,087,824	1,222,771
	\$ 9,481,084	\$ 8,370,924

Bank indebtedness by segment for the period ending	September 30, 2025	December 31, 2024
Egypt	\$ –	\$ 113,083
	\$ –	\$ 113,083

7. INCOME TAXES

Under the assumption that NTG Clarity will pay Canadian income taxes for the 2025 year, NTG has made a \$600,000 provision for income tax in 2025. The income tax expense/provision for foreign operations is \$1,631,469, for a total of \$2,231,469.

The following is a reconciliation of the income taxes for the years ended as indicated.

NTG Canada

As at December 31,	2024	2023
Income before income taxes	\$ 11,095,555	\$ 2,870,994
Income tax at the Canadian federal tax rate of 38%	4,216,311	1,090,978
Tax effect of utilization of tax losses not previously recognized	(4,406,425)	(1,233,656)
Non-deductible share-based payments	370,221	39,615
CCA claimed in excess of amortization and depreciation	(1,378)	196,442
Other non-deductible expenses	13,427	3,754
Other deductions for tax purposes	(192,156)	(97,134)
Income tax expense in Canada	–	–
Income tax expense (recovery) in foreign operations	947,992	(8,622)
Income tax recognized on the statement of comprehensive income	\$ 947,992	\$ (8,622)

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

7. INCOME TAXES (cont'd)

The Corporation has the following deferred income tax assets for the years ended as indicated. They were not recognized on the statements of financial position in 2023 as it was not probable that they would be utilized.

As at December 31,	2024	2023
Deferred tax asset in relation to:		
Property and equipment	\$ 2,332	\$ 38,438
Intangible assets	124,478	–
Non-capital loss carry-forwards	10,546	3,354,312
Deferred tax assets not recognized	137,356	3,392,750
Less: Valuation allowance	–	3,392,750
Deferred tax asset recognized	\$ 137,356	\$ –

The Corporation has available income tax losses in the amounts of \$70,307 for the Canadian federal and provincial tax purposes which may be carried forward to reduce future years' taxable income which expires in 2040.

NTG Egypt Advanced Software

As at December 31,	2024	2023
Income before income taxes	\$ (472,789)	\$ (1,169,907)
Income tax at the combined Egyptian federal and provincial tax rate of 22.5%	–	–
Income tax recognized on the statement of comprehensive income	\$ –	\$ –

8. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net income for the year attributable to ordinary equity holders of the parent by the weighted average number of common shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net income attributable to ordinary equity holders of the parent by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares, if any, that would be issued on conversion of all the dilutive potential effects.

The outstanding number and type of securities that could potentially dilute basic net income per share in the future but that were not included in the computation of diluted net income per shares because to do so would have reduced the earnings per share (anti-dilutive) for the year presented are as noted below.

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

8. EARNINGS PER SHARE (cont'd)

The following outstanding instruments could have a dilutive effect in the future:

Options - Share-based payments (Note 19 (b)) 3,338,000 of which 3,255,000 had vested as of September 30, 2025.

Warrants - Equity Instruments (Note 19 (a)(iv), (v)), 4,065,714, all of which had vested as of September 30, 2025.

The following reflects the earnings and unit data used in the basic and diluted earnings per share computations:

September 30,	2025	2024
Net earnings (loss) attributable to ordinary equity holders of the parent for basic earnings	\$ 4,401,805	\$ 6,875,199
Net earnings attributable to ordinary equity holders of the parent adjusted for the effect of dilution	\$ 4,401,805	\$ 6,875,199
September 30,	2025	2024
Weighted average number of common shares outstanding for basic earnings per share	47,354,103	42,155,658
Weighted average number with the effect of dilution on common shares	47,516,081	45,190,533
Income per share (basic)	\$ 0.09	\$ 0.16
Income per share (diluted)	\$ 0.09	\$ 0.15

9. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024
Chequing accounts	\$ 6,577,732	\$ 1,921,891
Cashable GICs	-	3,024,450
	\$ 6,577,732	\$ 4,946,341

10. TRADE AND OTHER RECEIVABLES

	September 30, 2025	December 31, 2024
Trade receivables	\$ 21,759,582	\$ 12,582,922
Contract assets	7,917,848	3,617,035
Receivables from tax authorities	234,661	225,006
Other receivables	736,394	473,585
Total trade and other receivables	\$ 30,648,485	\$ 16,898,548

Trade receivables are non-interest bearing and are generally on 30-180 day terms. The Corporation recognized \$Nil (2024: \$Nil) in bad debt expense during the period.

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

10. TRADE AND OTHER RECEIVABLES (cont'd)

Neither past due nor impaired	September 30, 2025	December 31, 2024
Current	\$ 9,928,299	\$ 4,279,570
31 – 60 days	7,519,813	4,490,862
61 – 90 days	3,550,318	2,146,019
91 – 180 days	601,399	1,521,256
Past due but not impaired		
Greater than 180 days	159,754	145,215
	\$ 21,759,582	\$ 12,582,922

Contract assets consists of service revenue that has already been rendered as at September 30, 2025 and recognized in accordance with the Corporation's revenue recognition policy from Note 3.

	September 30, 2025	December 31, 2024
Opening balance, January 1,	\$ 3,617,035	\$ 198,729
Revenue recognized during the period	7,917,848	3,617,035
Amounts billed	(3,617,035)	(198,729)
Closing balance	\$ 7,917,848	\$ 3,617,035

11. PREPAID EXPENSES AND DEPOSITS

	September 30, 2025	December 31, 2024
Prepaid rent	\$ 195,722	\$ 137,105
Prepaid insurance	375,497	54,514
Other prepaids	17,642	106,971
	\$ 588,860	\$ 298,590

12. BID/PERFORMANCE AND BID BONDS

At September 30, 2025, \$Nil in performance bonds (December 31, 2023: \$Nil) was for a bond in KSA. Performance bonds typically remain in place for a period of one year from the start of the project and are released back to the Corporation when the project is completed subsequent to customer acceptance. Bonds are non-interest bearing.

13. PROPERTY, PLANT AND EQUIPMENT

The amount of borrowing costs capitalized during the period ending September 30, 2025 was \$Nil (September and December 31, 2024: \$Nil).

	Furniture & Equipment	Computer Equipment	Computer Software	Buildings	Total
Cost:					
At December 31, 2023	\$672,781	\$1,213,871	\$400,996	\$418,772	\$2,706,420
Additions	52,949	300,137	–	343,387	696,473
At September 30, 2024	\$725,730	\$1,514,008	\$400,996	\$762,159	\$3,402,893

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

	Furniture & Equipment	Computer Equipment	Computer Software	Buildings	Total
Additions	65,531	126,492	–	79,126	271,149
At December 31, 2024	\$791,261	\$1,640,500	\$400,996	\$841,285	\$3,674,042
Additions	465,437	415,026	–	263,594	1,144,057
Disposals	–	–	–	–	–
At September 30, 2025	\$1,256,698	\$2,055,526	\$400,996	\$1,104,879	\$4,818,099
Depreciation and impairment:					
At December 31, 2023	\$514,132	\$1,010,134	\$356,330	\$10,913	\$1,891,509
Depreciation for the period	10,869	59,385	–	85,362	155,616
Disposals	–	–	–	–	–
At September 30, 2024	\$525,001	\$1,069,519	\$356,330	\$96,275	\$2,047,125
Depreciation for the period	11,654	99,927	–	(65,141)	46,440
Disposals	–	–	–	–	–
At December 31, 2024	\$536,655	\$1,169,446	\$356,330	\$31,134	\$2,093,565
Depreciation for the period	29,157	285,121	–	72,819	387,097
Disposals	–	–	–	–	–
At September 30, 2025	\$565,812	\$1,454,567	\$356,330	\$103,953	\$2,480,662
Net book value:					
At September 30, 2025	\$690,886	\$600,959	\$44,666	\$1,000,926	\$2,337,437
At December 31, 2024	\$254,606	\$471,054	\$44,666	\$810,151	\$1,580,477
At September 30, 2024	\$200,729	\$444,489	\$44,666	\$665,884	\$1,355,768

14. INTANGIBLE ASSETS

The intangible asset is related to the upgrade of the internally developed “NTGapps” platform capitalized from 2020 to 2023. Expenditures on development of the software are recognized as an asset from the time the Corporation has determined future economic benefit exists. Development costs are determined to have a useful life of 10 years are amortized on a straight-line basis.

The development costs are determined to have a useful life of 10 years are amortized on a straight-line basis. As of September 30, 2025, \$Nil was capitalized (Q3 2024: \$Nil) and \$396,550 was amortized (Q3 2024: \$396,550).

	NTGapps	
Cost:		
At January 1, 2024	\$	5,287,330
At December 31, 2024	\$	5,287,330
At September 30, 2025	\$	5,287,330
Accumulated amortization and impairment:		
At January 1, 2024	\$	829,856
Amortization charge for the period		396,550

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

		NTGapps
At September 30, 2024	\$	1,226,406
Amortization charge for the period		132,184
At December 31, 2024	\$	1,358,589
Amortization charge for the period		396,550
At September 30, 2025	\$	1,755,139
		NTGapps
Net book value:		Development Costs
At September 30, 2025	\$	3,532,191
At December 31, 2024	\$	3,928,741
At December 31, 2023	\$	4,457,474

15. INVESTMENT IN JOINT VENTURE

The Corporation has a 50% interest in Alamat E Commerce Systems Company, a joint venture originally valued at 500,000 EGP. The Corporation interest in joint venture is accounted for using the equity method in the consolidated financial statements at \$Nil (2024: \$Nil). As of September 30, 2025, the Corporation has recognized a provision of \$168,459 (December 31, 2024: \$173,986) included in other payables in Note 16, as its share of cumulative losses has exceeded the carrying amount of the investment. The provision reflects the Corporation's legal or constructive obligations to fund the joint venture's future operations or settle its outstanding liabilities.

If the joint venture generates future profits, the Company will resume recognizing its share of earnings only after the previously recognized losses have been recovered. Management monitors the financial position of the joint venture and assesses the necessity of additional provisions at each reporting period. The share of loss of the joint venture of \$63,206 (December 31, 2024: \$267,730) is included in other income on the face of the statement of profit and loss and other comprehensive income.

16. RIGHT OF USE ASSET

Right-of-use of Asset as at January 1, 2024	\$	120,568
Present value of lease commitments		658,375
Depreciation		(276,137)
Right-of-use Asset as at December 31, 2024	\$	502,806
Present value of lease commitments		130,395
Depreciation		(224,911)
Right-of-use Asset as at September 30, 2025	\$	408,290

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

16. RIGHT OF USE ASSET (cont'd)

On September 1, 2023, the Corporation leased office space for a period of 3 years, with a rent-free period for the first 2 months, expiring August 31, 2026. The Corporation recognized a right of use asset and lease liability of \$332,227. The lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 23%, representing a significant accounting judgment.

On August 1, 2024, the Corporation leased office space for a period of 3 years, expiring July 31, 2027. The Corporation recognized a right of use asset and lease liability of \$187,537. The lease liability was measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 23%, representing a significant accounting judgment.

On October 1, 2024, the Corporation leased office space for a period of 2 years, expiring September 30, 2026. The Corporation recognized a right of use asset and lease liability of \$138,611. The lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 23%, representing a significant accounting judgment.

On June 1, 2025, the Corporation renewed leased office space for a period of 3 years, expiring May 31, 2028. The Corporation recognized a right of use asset and lease liability of \$130,395. The lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 23%, representing a significant accounting judgment.

Lease liability

The lease liability as at September 30, 2025 is as follows:

Lease Liability as at January 1, 2024	\$	130,770
Add: present value of new lease commitments		658,375
Add: interest accretion during the reporting period		137,558
Subtract: lease payments during the reporting period		(346,616)
Lease Liability as at December 31, 2024	\$	580,087
Add: present value of new lease commitment		130,395
Add: interest accretion during the reporting period		86,955
Subtract: lease payments during the reporting period		(312,960)
Lease Liability as at September 30, 2025	\$	484,477

	September 30, 2025	December 2024
Current portion	\$ 348,978	\$ 391,454
Long-term portion	135,499	188,633
	\$ 484,477	\$ 580,087

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

16. RIGHT OF USE ASSET (cont'd)**Lease liability (cont'd)**

The undiscounted future lease payments are as follows:

2025	100,359
2026	321,355
2027	108,968
2028	26,120
	\$ 566,802

17. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2025	December 31, 2024
Trade payables (i)	\$ 433,524	\$ 424,779
Accrued liabilities (i)	2,236,538	187,695
Due to related parties	8,366	1,499,135
Payroll liability (ii)	3,011,857	3,428,089
Payroll taxes payable	1,137,122	787,790
Sales taxes payable	541,084	1,034,536
Commissions payable	895,827	591,720
Other payables	1,216,766	417,180
	\$ 9,481,084	\$ 8,370,924

- (i) Trade payables and accrued liabilities are non-interest bearing.
- (ii) As of September 30, 2025, Key management (Ashraf Zaghloul and Kristine Lewis) is owed a total of \$1,542,665 (December 31, 2024: \$1,525,829) end of service payroll liability.

18. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES**(a) Other financial liabilities****Long-term debt**

	September 30, 2025	December 31, 2024
Long-term debt (i)	\$ 5,045,916	\$ 5,970,635
	\$ 5,045,916	\$ 5,970,635

- (i) The loan is due to 2729252 Ontario Inc., a company controlled by Ashraf Zaghloul, NTG CEO and Kristine Lewis, NTG President.

The loan remains secured by a General Security Agreement over the assets of the Corporation and charge interest as per company ability to pay subject to maximum of bank prime plus 2.05%. There are no specific repayment terms and will not be repaid in the next 12 months. The Corporation recognized interest expense of \$Nil (December 31, 2024: \$49,271).

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

18. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (cont'd)

	September 30, 2025	December 31, 2024
Bank indebtedness (ii)		
Bank indebtedness	\$ –	\$ 113,083
Long-term debt (iii)		
Long-term debt payable	\$ 20,906	\$ 81,386
- Current portion	\$ 20,906	\$ 81,386
- Long term	\$ –	\$ –

(ii) An overdraft facility with a bank in Egypt for supporting operations in the amount of 7,000,000 Egyptian pounds with an interest rate of 18%. The amount drawn on the facility as at September 30, 2025 is \$Nil (December 31, 2024: \$113,083). The loan is unsecured.

(iii) A credit facility of 5,750,000 Egyptian pounds repayable over 2 years in monthly principal payments of 239,584 Egyptian pounds plus interest at 10%. The loan outstanding as of September 30, 2025 is 718,633 Egyptian pounds (approximately \$20,906, (December 31, 2024: 2,874,000 EGP or \$81,386). The loan matures December 1, 2025 and is unsecured.

(b) Fair values

Set out below is a comparison by class of the carrying amount and fair value of the Corporation's financial instruments that are carried in the financial statements.

	Carrying Amount		Fair Value	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Financial assets				
Cash and cash equivalents	\$ 6,577,732	\$ 4,946,341	\$ 6,577,732	\$ 4,946,341
Trade and accounts receivable	30,413,824	16,673,542	30,413,824	16,673,542
Total Financial Assets	\$ 36,991,555	\$ 21,619,883	\$ 36,991,555	\$ 21,619,883

	Carrying Amount		Fair Value	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Financial liabilities				
Accounts payable and accrued liabilities	\$ 7,756,141	\$ 6,548,598	\$ 7,756,141	\$ 6,548,598
Bank indebtedness	–	113,083	–	113,083
Long-term debt (current)	20,906	81,386	20,906	81,386
Long-term debt	5,045,916	5,970,635	5,045,916	5,970,635
Total Financial Liabilities	\$ 14,501,169	\$12,713,702	\$ 14,501,169	\$12,713,702

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

18. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (cont'd)

(b) Fair values (cont'd)

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction between market participants in an arm's length transaction at the measurement date. The following methods and assumptions were used to estimate the fair values:

- Trade and other accounts receivables, accounts payable and accrued liabilities, other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments and other financial liabilities (loans payable) are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk, and remaining maturities.

Fair value hierarchy

As at September 30, 2025, the Corporation held cash measured at fair value. The Corporation uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- **Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Assets measured at fair value	September 30, 2025	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 6,577,732	\$ 6,577,732	\$ -	\$ -
Assets measured at fair value	\$ 6,577,732	\$ 6,577,732	\$ -	-
No liabilities were measured at fair value	\$ -	\$ -	\$ -	\$ -

During the reporting period ending September 30, 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

19. EQUITY INSTRUMENTS

(a) Common shares

As at September 30, 2025, the authorized share capital consists of an unlimited number of first preferred shares, second preferred shares and common shares. To date, no first or second preferred shares have been issued. Before any shares of a particular preferred share series are issued the directors of the Corporation, by resolution shall fix the dividend rates, whether the dividends are cumulative and the redemption price of the redeemable shares.

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

19. EQUITY INSTRUMENTS (cont'd)

(a) Common shares (cont'd)

Share Consolidation

On March 18, 2024, the Corporation closed the Consolidation of its outstanding common shares on the basis of one (1) post consolidation share for every five (5) pre-consolidation shares. The Consolidation was approved by shareholders at the annual and special meeting of shareholders held on July 7, 2023. The Shares began trading on a consolidated basis on the TSX Venture Exchange on March 20, 2024.

As a result of the Consolidation, the number of issued and outstanding shares were reduced from 187,672,355 shares to 37,534,458 shares, subject to treatment of fractional shares. Any fractional interest in shares that is less than 0.5 of a share resulting from the Consolidation will be rounded down to the nearest whole share and any fractional interest in Shares that is 0.5 or greater of a share will be rounded up to the nearest whole share. The new CUSIP number for the post consolidation Shares is 62940V203 and the new ISIN number is CA62940V2030.

Brokered LIFE Offering – Financing (September 27, 2024)

On September 27, 2024, the Corporation closed its brokered LIFE Offering. NTG issued an aggregate of 3,720,000 units at a price of C\$1.40 per Unit, for aggregate gross proceeds of C\$5,208,000 (net C\$4,789,329). Each Unit consists of one Common Share and one half (0.5) of one Common Share purchase warrant of the Corporation. Each Warrant is exercisable to acquire one Common Share of the Corporation at a price of C\$2.00 per Common Share for a period of 24 months after closing.

The Units were issued pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – Prospectus Exemptions. The securities offered under the listed issuer financing exemption are not subject to a hold period, in accordance with applicable Canadian securities laws.

The Corporation intends to use the net proceeds of the Offering to support the expansion and delivery of digital transformation solutions through the Corporation's Egypt Offshore Centre and Saudi sales office and for working capital and general corporate purposes.

In connection with the Offering and as consideration for their services, the Corporation paid to the Agent a cash commission of up to 6.0% of the aggregate gross proceeds of the Offering and issued to the Agent non-transferable warrants of the Company (the "Broker Warrants") in an amount equal to 6.0% of the number of Units issued under the Offering. Each Broker Warrant entitles the holder to acquire one Common Share at a price of C\$1.40, subject to adjustment in certain events, at any time on or before September 27, 2026.

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

19. EQUITY INSTRUMENTS (cont'd)**(a) Common shares (cont'd)****Brokered LIFE Offering – Financing (July 17, 2025)**

On July 17, 2025, the Corporation closed its brokered LIFE Offering. NTG issued an aggregate of 4,044,845 units at a price of C\$2.20 per Unit, for aggregate gross proceeds of C\$8,898,659 (net C\$8,243,898.96). Each Unit consists of one common share of the Corporation and one-half (0.5) of one Common Share purchase warrant of the Company. Each Warrant is exercisable to acquire one Common Share of the Corporation at a price of C\$2.95 per Warrant Share for a period of 24 months following the closing date.

The Units were issued pursuant to the listed issuer financing exemption from the prospectus requirement available under Part 5A of National Instrument 45-106 – Prospectus Exemptions. The securities issued under the LIFE Exemption will not be subject to any hold period in accordance with applicable Canadian securities laws. The Corporation intends to use the net proceeds of the Offering to support the expansion and delivery of its digital transformation solutions, debt repayment and for working capital and general corporate purposes.

In connection with the Offering and as consideration for their services, the Corporation paid to the Agent a cash commission of up to 6.0% of the aggregate gross proceeds of the Offering and issued to the Agent non-transferable warrants of the Company (the “Broker Warrants”) in an amount equal to 6.0% of the number of Units issued under the Offering. Each Broker Warrant entitles the holder to acquire one Common Share at a price of C\$2.20, subject to adjustment in certain events, at any time on or before July 17, 2027.

As of September 30, 2025, changes in the issued common shares of the Corporation are as follows:

	Common Shares	Amount
Balance, January 1, 2024	185,172,355	\$ 14,736,986
Shares issued on exercise of share options (i)	2,500,000	125,000
Allocation of contributed surplus (i)	–	115,000
Share consolidation of 5:1 (ii)	(150,137,897)	–
Shares issued on exercise of share options (iii)	901,2000	225,300
Allocation of contributed surplus (iii)	–	177,660
Shares issued for LIFE offering (iv)	3,720,000	2,953,712
Balance, September 30, 2024	42,155,658	\$ 18,333,658
LIFE offering costs (iv)	–	123,935
Balance, December 31, 2024	42,155,658	\$ 18,457,593
Shares issued for LIFE offering (v)	4,044,845	6,601,379
Shares issued on exercise of share options & warrants (vi)	1,153,600	906,781
Allocation of contributed surplus (vi)	–	624,018
Balance, September 30, 2025	47,354,103	\$ 26,589,771

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

19. EQUITY INSTRUMENTS (cont'd)

(a) Common shares (cont'd)

Brokered LIFE Offering – Financing (July 17, 2025) (cont'd)

- (i) In January 2024, a total of 2,500,000 options were exercised, with a total value of \$125,000. This resulted in a re allocation of contributed surplus to capital stock in the amount of \$107,500.
- (ii) On March 18, 2024, the Corporation closed consolidation of its outstanding common shares on the basis of one (1) post consolidation share for every five (5) pre-consolidation shares. As a result of the consolidation, the number of issued and outstanding shares were reduced from 187,672,355 shares to 37,534,458 shares, subject to treatment of fractional shares.
- (iii) From June to December 2024, a total of 901,200 options were exercised (post consolidation), with a total value of \$225,300. This resulted in a re-allocation of contributed surplus to capital stock in the amount of \$177,660.
- (iv) On September 27, 2024, the Corporation closed a brokered LIFE offering for 3,720,000 common shares, at a price of \$1.40 per Common Share for gross proceeds of \$5,580,000. In connection with the offering, the Corporation also issued 2,083,200 warrants valued at \$1,572,816, and 223,200 warrants valued at \$168,516 which were included in share issuance costs. Total share issuance costs were \$718,307.
- (v) On July 17, 2025, the Corporation closed a brokered LIFE offering for 4,044,845 common shares, at a price of \$2.20 per Common Share for gross proceeds of \$8,898,659. In connection with the offering, the Corporation also issued 2,022,422 warrants valued at \$3,167,114, and 242,691 warrants valued at \$381,025 which were included in share issuance costs. Total share issuance costs YTD are \$1,117,022.
- (vi) In 2025, 871,000 options and 282,600 warrants were exercised, with a total value of \$906,781. This resulted in a re-allocation of contributed surplus to capital stock in the amount of \$624,018.

(b) Share-based payments

The Corporation has a formal stock option plan allowing the Company to issue options to its directors, officers, employees and consultants in order to attract and retain qualified and experienced individuals. The Board of Directors determines the exercise price and the number of options to be granted as well as all the terms of conditions of the options.

All options granted by the Corporation are non-assignable. The options generally expire three to five years subsequent to the date of grant and can vest over up to one year. No options were granted to non-employees or consultants during 2025 and 2024.

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

19. EQUITY INSTRUMENTS (cont'd)

(b) Share-based payments (cont'd)

	Options	Weighted average exercise price
Balance, 1 January 2024	19,806,000	\$ 0.05
Granted (prior to consolidation)	350,000	\$ 0.05
Exercised (prior to consolidation)	(2,500,000)	0.05
Share consolidation (5:1)	(14,124,800)	–
Balance, adjusted post share consolidation	3,531,200	\$ 0.25
Granted (post consolidation)	1,433,000	0.71
Exercised (post consolidation)	(901,200)	0.25
Expired (post consolidation)	(76,000)	0.25
Balance, September 30, 2024	3,987,000	\$ 0.45
Granted (post consolidation)	100,000	0.86
Exercised (post consolidation)	–	–
Expired (post consolidation)	(15,000)	0.32
Balance, December 31, 2024	4,072,000	\$ 0.45
Granted	157,000	1.47
Exercised	(871,000)	0.39
Expired (i)	(20,000)	0.46
Balance, September 30, 2025	3,338,000	\$ 0.52

- (i) During 2025, options in the amount of 20,000 (2024: 91,000) expired, resulting in a transfer of contributed surplus in the amount of \$9,200 (2024: \$19,045).

The stock options expire at various dates between December 2025 and September 2030.

The weighted average expected contractual lives of outstanding and exercisable options are as follows:

Exercise Price	Options Outstanding		Options Exercisable	
	Number outstanding Sept 30/25	Remaining life of option	Number outstanding Sept 30/25	Remaining life of option
\$ 0.25	2,012,000	1.19	2,012,000	1.19
\$ 0.30	20,000	3.59	20,000	3.59
\$ 0.32	101,000	3.61	101,000	3.61
\$ 0.46	30,000	3.65	30,000	3.65
\$ 0.50	10,000	1.54	10,000	1.54
\$ 0.66	305,000	3.80	305,000	3.80
\$ 0.86	100,000	4.16	100,000	4.16
\$ 0.90	400,000	3.83	400,000	3.83
\$ 1.00	25,000	1.81	25,000	1.81
\$ 1.20	60,000	1.81	60,000	1.81
\$ 1.40	40,000	2.00	40,000	2.00
\$ 1.47	155,000	4.73	72,000	4.59

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

Exercise Price	Options Outstanding		Options Exercisable	
	Number outstanding Sept 30/25	Remaining life of option	Number outstanding Sept 30/25	Remaining life of option
\$ 1.75	20,000	2.09	20,000	2.09
\$ 2.00	40,000	2.34	40,000	2.34
\$ 2.25	20,000	2.59	20,000	2.59
\$ 0.50	3,338,000	2.85	3,255,000	2.84

Activity related to share based compensation is as follows:

For the three months ended September 30, 2025 the Corporation recorded \$86,941 (Q3 2024: \$480,482) as contributed surplus and compensation expense, which is measured at fair value at the date of grant and is expensed over the option's vesting period.

For the nine months ended September 30, 2025 the Corporation recorded \$906,781 (YTD 2024: \$572,985) as contributed surplus and compensation expense, which is measured as above. The weighted average fair value of options granted during 2025 is \$1.45 (YTD 2024: \$0.40).

In determining the amount of share-based compensation, the Corporation used the Black-Scholes option pricing model to establish the fair value of options granted by applying the following assumptions:

September 30	2025	2024
Stock price	\$1.73	\$1.35
Risk-free interest rate	2.59%	4.2%
Expected life (years)	5 years	3.6 years
Expected dividend yield	0%	0%
Expected volatility	117.74%	177.89 – 323.54%
Fair value of options issued in the period	1.45	0.43

(c) Warrants

As part of the brokered LIFE Offering closed on July 17, 2025, 2,022,423 warrants were issued. Each Warrant is exercisable to acquire one Common Share of the Company at a price of C\$2.95 per Warrant Share for a period of 24 months after closing and vesting immediately. 242,691 warrants were issued as part of the broker commission.

The weighted average expected contractual lives of outstanding/exercisable warrants is as follows:

Exercise Price	Warrants Outstanding	
	Number of outstanding Jul 17/25	Expected life of option (years)
\$ 2.95	2,022,423	2
\$ 2.20	242,691	2
\$ 2.00	1,577,400	1
\$ 1.40	223,200	1

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

September 30, 2025 and 2024

19. EQUITY INSTRUMENTS (cont'd)**(c) Warrants (cont'd)**

In determining the value of the warrants in 2025, the Corporation used the Black-Scholes pricing model to establish the fair value of warrants granted by applying the following assumptions:

	July 17, 2025	September 30, 2024
Risk-free interest rate	2.72%	4.2%
Expected life (years)	2 years	2 years
Expected dividend yield	0%	0%
Expected volatility	154.81%	178.38%

20. CONTRIBUTED SURPLUS

Contributed surplus for the period ending September 30, 2025 consisted of \$158,073 (Q3 2024: \$572,985; December 31, 2024: \$974,266) for share-based payments and re-allocation of contributed surplus on exercise of share options and warrants of \$624,018 (Q3 2024: \$292,660; December 31, 2024: \$284,914). There was also a re-allocation on expiry of options of \$9,200 (Q3 2024: \$Nil; December 31, 2024: \$1,737,757).

Opening balance January 1, 2024	\$ 2,711,523
Share-based payments	572,985
Reallocation on exercise of share options	(292,660)
Balance as at September 30, 2024	\$ 2,991,848
Share-based payments	401,281
Reallocation on exercise of share options	7,746
Issuance of warrants	1,572,816
Expired options transfer	(1,737,757)
Balance as at December 31, 2024	\$ 3,235,934
Share-based payments	158,073
Reallocation on exercise of warrants and share options	(327,288)
Reallocation on exercise of warrants	(296,730)
Issuance of warrants	2,297,280
Expired options transfer	(9,200)
Balance as at September 30, 2025	\$ 5,058,069

21. DIVIDENDS PAID AND PROPOSED**Cash dividends**

The Corporation's practice is to not make dividend payments to shareholders.

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

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22. REVENUE

The Corporation derives revenue from the transfer of goods and services over the time and at a point in time in the following major business lines:

Disaggregation of revenue from contracts with customers	September 30, 2025		September 30, 2024	
Professional services	\$	53,299,006	\$	37,831,708
Licenses		–		–
Maintenance		6,143,366		1,084,005
	\$	59,442,372	\$	38,915,713

23. COST OF SALES

The details of the Corporation's cost of sales are as follows:

	For the three months ended		For the nine months ended	
	Sept 30, 2025	Sept 30, 2024	Sept 30, 2025	Sept 30, 2024
Salaries	\$ 9,595,581	\$ 8,022,675	\$ 29,232,831	\$ 18,953,789
Travel	294,310	241,697	734,214	597,045
Consulting	3,552,562	682,657	7,464,323	4,553,605
Amortization	132,184	132,184	396,549	396,549
Other	15,324	97,214	445,629	205,504
Total	\$ 13,589,960	\$ 9,176,427	\$ 38,273,546	\$ 24,706,491

24. EXPENSES: DISCLOSURE OF FUNCTION EXPENSES

The details of the Corporation's function expenses are as follows:

Selling	For the three months ended		For the nine months ended	
	Sept 30, 2025	Sept 30, 2024	Sept 30, 2025	Sept 30, 2024
Salary and wages	\$ 938,381	\$ 699,038	\$ 2,600,301	\$ 1,507,674
Travel	358,339	50,528	1,083,026	202,438
Marketing and advertising	143,415	112,646	368,365	433,789
Mailing and courier	45	1,124	254	1,125
Professional services	–	4,940	53,938	50,000
Meals and entertainment	11,713	529	33,265	23,882
Total	\$ 1,451,893	\$ 868,805	\$ 4,139,149	\$ 2,218,908

General and Administrative	For the three months ended		For the nine months ended	
	Sept 30, 2025	Sept 30, 2024	Sept 30, 2025	Sept 30, 2024
Salary and wages	\$ 2,145,675	\$ 881,950	\$ 5,504,661	\$ 2,723,410
Occupancy	107,321	89,444	367,769	302,346
Consulting	212,217	72,275	669,978	139,691
Professional fees	303,542	91,881	446,658	250,100
Insurance	247,003	230,680	1,216,608	571,311

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General and Administrative	For the three months ended		For the nine months ended	
	Sept 30, 2025	Sept 30, 2024	Sept 30, 2025	Sept 30, 2024
Dues and subscriptions	8,146	11,821	127,093	60,738
Bank setup and penalties	140	8,201	32,541	39,762
Office and general	443,461	192,436	903,465	315,180
Total	\$ 3,467,505	\$ 1,578,687	\$ 9,268,774	\$ 4,402,537

25. LOANS PAYABLE

In 2020, the Corporation entered into an agreement for funding on a sales project in the amount of \$338,080 (USD \$266,667). The agreement states that the lender will be paid 67% interest on the funding for one-sixth of the profit from the project. The Corporation renewed the agreement in July 2021 and as per the revised term the investor will be paid 63% interest on the funding for one-eleventh of the profit from the project, and the capital investment is payable on demand with 90 days' notice. All other terms remain same. This transaction does not qualify as a joint arrangement or a principal-agent relationship. The amount is non-secured.

As at September 30, 2025, the Loans Payable amount owed is \$Nil (Q3 2024: \$477,924 (US\$353,978)).

26. RELATED PARTY DISCLOSURES

The financial statements include the financial statements of the Corporation and the subsidiaries listed in the following table:

Name	Country of Incorporation	Equity Interest
NTG Egypt Advanced Software (Subsidiary)	Egypt	95%
NTG Clarity Networks US Inc. (Subsidiary)	USA	100%

- a) The following tables provide the balances owing to key management and key management compensation for the periods:

	Interest Received	Amounts Owed by Related Parties	Amounts Owed to Related Parties
Key management personnel of the Corporation:			
September 30, 2025 (i)	–	\$ –	\$ 8,366
September 30, 2024	–	\$ –	\$ –
Key management compensation		September 30, 2025	September 30, 2024
Short term employee benefits		\$ 703,800	\$ 629,229
Post-retirement employee benefits		58,650	51,000
Share-based payments		–	277,550
Total		\$ 762,450	\$ 957,779

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

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26. RELATED PARTY DISCLOSURES (cont'd)

- (i) As of September 30, 2025, Key management (Ashraf Zaghloul and Kristine Lewis) is owed a total of \$8,366 for unpaid salaries, expenses, benefits and compensation. These amounts are part of Accounts Payable in Note 15.

b) The Ultimate Parent

The Corporation is the ultimate parent entity.

Related Party Transactions

Certain inter-company transactions between the Corporation and its subsidiaries, which are related parties to the Corporation, have been eliminated.

Related parties include key management, the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

- c) During the period ended September 30, 2025, directors and officers of the company were granted no options (Q3 2024: 350,000), as described in Note 19 (b), with \$Nil value (Q3 2024: \$315,000). YTD 2025, the directors and officer exercised no options (YTD 2024: Nil).

The Corporation's indebtedness is controlled by a numbered Company, controlled by Ashraf Zaghloul, NTG CEO and Kristine Lewis, NTG President. The Indebtedness held by the Company is secured by a GSA over the assets of the Corporation. As of September 30, 2025, the loan amount is \$5,045,916 (Q3 2024: \$6,117,058).

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Corporation's primary risk management objective is to protect the Corporation's balance sheet and cash flow.

The Corporation's principal financial liabilities comprise of bank overdraft, long-term debt and trade and other payables. The main purpose of these financial liabilities is to raise finances for business development and capital investment in intangible assets.

The Corporation is exposed to market risk, interest rate risk, foreign exchange risk, credit risk, and liquidity risk. The Corporation's senior management oversees the management of these risks. The Corporation's senior management is supported by a Committee that advises on financial risks and the appropriate financial risk governance framework for the Corporation.

The Committee provides assurance to the Corporation's senior management that the Corporation's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Corporation's policies and group risk appetite. All derivative activities, if any, for risk management purposes are carried out by a team that has the appropriate skills, experience, and supervision. It is the Corporation's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

NTG CLARITY NETWORKS INC.

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise several types of risk: interest rate risk, currency risk, commodity price risk, and other price risk, such as equity risk.

Interest rate risk

The Corporation's exposure to interest rate fluctuations is primarily interest paid on its bank indebtedness and long-term loans. The Corporation has performed sensitivity analysis on interest rates at September 30, 2025 to determine how a change in interest rates would impact equity and net loss.

During the three and nine months ended September 30, 2025, the Corporation paid \$33,985 and \$149,236 respectively (Q3 2024: \$90,662; YTD 2024: \$244,027) interest on its loans and liabilities. An increase or decrease of 100 basis points in the average interest rate paid during the year would have adjusted net earnings by approximately \$14,924 (Q3 2024: \$24,403). This analysis assumes that all other variables remain constant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation's exposure to the risk of changes in foreign exchange rates relates primarily to the Corporation's operating activities, when revenue or expense are denominated in a different currency from the Corporation's functional currency. The parent entity's functional currency is the Canadian dollar.

The Corporation does not hedge the risk related to fluctuations of the exchange rate between USA and Canadian dollars from the date of the sales transactions to the collection date due to the short-term nature of this exposure.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation's exposure to the risk of changes in foreign exchange rates relates primarily to the Corporation's operating activities, when revenue or expenses are denominated in a different currency from the Corporation's functional currency. The parent entity's functional currency is the Canadian dollar.

A 10% change in exchange rates on September 30, 2025 would have the following approximate impacts:

		Omani Riyal	Kuwait Dinar	Saudi Riyal	Turkish Lira	Iraqi Dinar	Egyptian Pound
10% impact to:	USD	OMR	KWD	SAR	TRY	IQD	LE
P&L in CAD	172	9,656	12,986	2,589,863	2,623	1,402	112,219
Equity in CAD	126	7,097	9,545	1,903,550	1,928	1,030	82,481

A 10% change in exchange rates on September 30, 2024 would have the following approximate impacts:

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**Foreign currency risk (cont'd)**

		Omani Riyal OMR	Kuwait Dinar KWD	Saudi Riyal SAR	Turkish Lira TRY	Iraqi Dinar IQD	Egyptian Pound LE
10% impact to:	USD						
P&L in CAD	3,320	2,906	12,851	1,041,462	323	716	42,175
Equity in CAD	2,440	2,136	9,446	765,475	237	526	30,998

Commodity price risk

The Corporation is not subject to price risk from fluctuations in market prices of commodities.

Equity price risk

The Corporation has no exposure to equity price risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Corporation's financial instruments that are exposed to credit risk consist primarily of trade receivable. The Corporation's exposure to credit risk is impacted by the economic conditions for the industry which could affect the customers' ability to satisfy their obligations.

In order to reduce risks, the Corporation performs periodic credit evaluations of the financial conditions of its customers and typically does not require collateral from them. Management assesses the need for allowance for potential credit losses by considering the credit risk of specific customers, historical trends and other information.

The aging of trade accounts receivable are as follows:

Neither past due nor impaired	September 30, 2025	December 31, 2024
Current	\$ 9,928,299	\$ 4,279,570
31 – 60 days	7,519,813	4,490,862
61 – 90 days	3,550,318	2,146,019
91 – 180 days	601,399	1,521,256
Past due but not impaired		
Greater than 180 days	159,754	145,215
	\$ 21,759,582	\$ 12,582,922

The credit quality of all the accounts receivable of the Corporation that are neither past due nor impaired and the age of accounts receivable that are past due but not impaired have been assessed on an individual basis and determined to have a mitigated risk profile.

NTG CLARITY NETWORKS INC.**Notes to the Unaudited Interim Consolidated Financial Statements**

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**Liquidity risk**

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions. The Corporation manages liquidity risk by reviewing its capital requirements on an ongoing basis.

The Corporation continuously reviews both actual and forecasted cash flows to ensure that the Corporation has appropriate capital capacity.

The following table summarizes the amount of contractual undiscounted future cash flow requirements for financial instruments as at September 30, 2025:

Contractual obligations	2025	2026	2027	2028 and after	Total
Operating line of credit	\$ –	\$ –	\$ –	\$ –	\$ –
Accounts payable and accrued liabilities	9,434,347	–	–	–	9,434,347
Operating lease and lease liability	100,359	321,355	108,968	26,120	566,802
Long-term debt	20,906	5,045,916	–	–	5,066,822
	\$ 9,555,612	\$ 5,367,271	\$ 108,968	\$ 26,120	\$ 15,057,971

The Corporation accrues expenses when incurred. Accounts are deemed payable once an event occurs that requires payment by a specific date.

The contractual maturity of accounts payable is typically within one month. The aging of trade accounts payable are as follows:

	September 30, 2025	December 31, 2024
Current	\$ 268,297	\$ 174,829
31 – 60 days	–	22,420
61 – 90 days	28,801	21,958
91 – 180 days	8,099	24,578
More than 180 days	128,327	180,994
	\$ 433,524	\$ 424,779

Capital management

The Corporation manages its capital, which consists of cash provided from operations and long-term debt, with the primary objective being safeguarding sufficient working capital to sustain operations. The Board of Directors has not established capital benchmarks or other targets. As at September 30, 2025, the Corporation was considering pursuing additional capital through the issuance of additional equity or debt financing. There can be no guarantee that they will be successful in raising additional capital.

The Corporation will continually assess the adequacy of its capital structure and capacity and will make adjustments within the context of the Corporation's strategy, economic conditions, and the risk characteristics of the business.

NTG CLARITY NETWORKS INC.

Notes to the Unaudited Interim Consolidated Financial Statements

September 30, 2025 and 2024

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Capital management (cont'd)

The Corporation's objectives when managing capital are to:

- (i) safeguard the Corporation's ability to continue as a going concern, so that it can provide adequate returns for shareholders and benefits for other stakeholders;
- (ii) fund capital projects for facilitation of business expansion provided there is sufficient liquidity of capital to enable the internal financing; and
- (iii) maintain a capital base to maintain investor, creditor, and market confidence.

The Corporation considers the items included in the consolidated statements of changes in shareholders' equity as capital. The Corporation manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may issue new shares. The Corporation is not subject to externally imposed capital requirements.

28. COMMITMENTS, CONTINGENCIES, AND GUARANTEES

Operating lease commitments – Corporation as lessee

The Corporation is committed under agreements for the rental of office spaces in Egypt and Saudi at a monthly rate ranging from \$272 to \$16,302 for 2025.

September 30, 2025	
2025	\$ 255,141
2026	612,866
2027	363,347
2028 and after	105,430
	\$ 1,336,783

Legal claim contingency

The Corporation is subject to a variety of claims and suits that arise from time to time in the ordinary course of business. Although management currently believes that resolving claims against the Corporation, individually or in aggregate, will not have a material adverse impact on the Corporation's financial position, results of operations, and cash flows. These matters are subject to inherent uncertainties and management's view of these matters may change in the future. To date, there are no claims or suits outstanding.

Guarantees

The Corporation indemnifies its directors and officers against claims reasonably incurred and resulting from the performance of their services to the Corporation, and maintains liability insurance for its directors and officers. As of June 7, 2024, the Corporation has Director's and Officer's Insurance.

NTG CLARITY NETWORKS INC.

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29. COMPARATIVE FIGURES

Certain of the 2024 figures have been reclassified to conform with the current period's financial statement presentation.