

Unaudited Condensed Interim Consolidated Financial Statements of

KNEAT.COM, INC.

March 31, 2026

(Expressed in Canadian Dollars)

kneat.com, inc.**Unaudited Condensed Interim Consolidated Statements of Financial Position**

	March 31, 2026	December 31, 2025
	\$	\$
Assets		
Current assets		
Cash	51,522,637	48,742,766
Amounts receivable (note 3)	26,928,043	15,106,191
Prepayments	2,151,044	1,794,465
	<hr/>	<hr/>
	80,601,724	65,643,422
Non-current assets		
Amounts receivable (note 3)	4,032,199	2,716,981
Property and equipment (note 4)	7,461,141	7,668,514
Intangible asset (note 5)	46,343,031	45,732,862
	<hr/>	<hr/>
Total Assets	138,438,095	121,761,779
	<hr/>	<hr/>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	9,220,651	9,353,846
Contract liabilities (note 7)	39,075,578	18,901,645
Loan payable (note 8)	8,314,332	7,482,780
Lease liabilities (note 9)	385,735	385,226
	<hr/>	<hr/>
	56,996,296	36,123,497
Non-current liabilities		
Contract liabilities (note 7)	282,328	-
Lease liabilities (note 9)	6,413,738	6,553,199
Loan payable and accrued interest (note 8)	11,652,785	14,064,053
	<hr/>	<hr/>
Total Liabilities	75,345,147	56,740,749
	<hr/>	<hr/>
Equity		
Shareholders' equity	63,092,948	65,021,030
	<hr/>	<hr/>
Total Liabilities and Equity	138,438,095	121,761,779
	<hr/>	<hr/>

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

Approved on behalf of the Board of Directors on May 13, 2026

(signed) "Ian Ainsworth"
Director

(signed) "Carol Leaman"
Director

kneat.com, inc.**Unaudited Condensed Interim Consolidated Statements of (Loss)/Income and Comprehensive (Loss)/Income**

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
	\$	\$
Revenue (note 11)	18,002,189	14,747,641
Cost of revenue	(4,046,105)	(3,823,145)
Gross profit	13,956,084	10,924,496
Expenses		
Research and development	(6,935,407)	(4,698,665)
Sales and marketing	(5,991,851)	(5,116,477)
General and administrative	(3,356,916)	(2,511,629)
Operating loss	(2,328,090)	(1,402,275)
Finance expense	(745,337)	(888,545)
Interest income	76,703	198,639
Foreign exchange (loss)/gain	(858,089)	4,262,600
(Loss)/income before income taxes	(3,854,813)	2,170,419
Income tax expense (note 13)	(90,970)	(24,430)
Net (loss)/income for the period	(3,945,783)	2,145,989
Other comprehensive income/(loss)		
Foreign currency translation adjustment to presentation currency (Note 2 (c))	577,328	(1,998,521)
Comprehensive (loss)/income for the period	(3,368,455)	147,468
(Loss)/earnings per share - Basic & diluted (note 17)	(0.04)	0.02
Weighted-average number of common shares outstanding:		
Basic	95,797,803	94,221,072
Diluted	95,797,803	97,738,261

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

kneat.com, inc.**Unaudited Condensed Interim Consolidated Statements of Changes in Equity**

	Number of common shares #	Common shares \$	Contributed surplus \$	Translation reserve \$	Deficit \$	Total \$
Balance - December 31, 2024	93,916,472	137,772,179	7,152,426	(825,950)	(79,026,812)	65,071,843
Net income for the period	-	-	-	-	2,145,989	2,145,989
Other comprehensive loss for the period	-	-	-	(1,998,521)	-	(1,998,521)
	-	-	-	(1,998,521)	2,145,989	147,468
Shares issued pursuant to option exercises (note 10(a))	311,240	1,261,673	(487,082)	-	-	774,591
Shares issued pursuant to RSU vesting (note 10(a))	169,318	469,987	(469,987)	-	-	-
Share-based compensation (note 10)	-	-	942,215	-	-	942,215
Balance - March 31, 2025	94,397,030	139,503,839	7,137,572	(2,824,471)	(76,880,823)	66,936,117
Balance - December 31, 2025	95,713,647	144,055,433	7,300,749	(4,959,691)	(81,375,461)	65,021,030
Net loss for the period	-	-	-	-	(3,945,783)	(3,945,783)
Other comprehensive income for the period	-	-	-	577,328	-	577,328
	-	-	-	577,328	(3,945,783)	(3,368,455)
Shares issued pursuant to option exercises (note 10(a))	3,688	19,554	(6,830)	-	-	12,724
Shares issued pursuant to RSU vesting (note 10(a))	414,742	2,045,816	(2,045,816)	-	-	-
Share-based compensation (note 10)	-	-	1,427,649	-	-	1,427,649
Balance - March 31, 2026	96,132,077	146,120,803	6,675,752	(4,382,363)	(85,321,244)	63,092,948

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

kneat.com, inc.**Unaudited Condensed Interim Consolidated Statement of Cash Flows**

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
Operating activities	\$	\$
Net (loss)/income for the period	(3,945,783)	2,145,989
Charges to (loss)/income not involving cash:		
Depreciation of property and equipment	189,710	177,001
Share-based compensation	1,062,163	697,019
Interest expense	702,338	842,563
Tax expense	90,970	24,430
Amortization of the intangible asset	3,749,571	2,846,747
Amortization of loan issuance costs	42,999	45,982
Foreign exchange loss/(gain)	858,089	(4,262,600)
Increase in non-current contract liabilities	277,840	7,553
Net change in non-cash operating working capital related to operations	4,478,347	14,951,929
Net cash provided by operating activities	7,506,244	17,476,613
Financing activities		
Payment of principal and interest on loans payable	(2,139,909)	(1,348,282)
Proceeds from the exercise of stock options	12,724	774,591
Repayment of lease liabilities	(147,360)	(192,894)
Net cash used in financing activities	(2,274,545)	(766,585)
Investing activities		
Additions to the intangible asset	(5,575,717)	(5,157,268)
Collection of research and development tax credits	3,166,542	1,850,702
Additions to property and equipment (note 4)	(29,085)	(62,917)
Net cash used in investing activities	(2,438,260)	(3,369,483)
Effects of exchange rates on cash	(13,568)	1,902,261
Net change in cash during the period	2,779,871	15,242,806
Cash - Beginning of period	48,742,766	58,889,572
Cash - End of period	51,522,637	74,132,378

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

1. Nature of operations

kneat.com, inc. (the “Company” or “kneat.com” or “Kneat”), was incorporated on December 12, 2013 under the laws of the Canada Business Corporations Act. On June 27, 2016, the Company completed a transaction (“Transaction”) with Kneat Solutions Limited whereby kneat.com acquired 100% of the issued and outstanding ordinary shares of Kneat Solutions Limited by way of a scheme of arrangement in Ireland. The Company commenced trading on the TSX Venture Exchange as kneat.com on July 5, 2016 under the symbol KSI. The Company graduated to, and began trading on, the main Toronto Stock Exchange (TSX) on November 15, 2021. kneat.com’s head office is located at Hawthorn House, Plassey Business Campus, Castletroy, Limerick, Ireland. The registered office of kneat.com is located at Scotia Plaza, 40 King Street West, Suite 2400, Box 215, Toronto, Canada, ON M5H 3Y2.

Kneat designs, develops and supplies software for data and document management within regulated environments. The Company’s current product is Kneat Gx, a configurable, off-the-shelf application focused on validation lifecycle management and testing primarily within the life sciences industry (i.e. biotechnology, pharmaceutical and medical device manufacturing).

2. Basis of preparation

a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the IASB, has been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2025.

These unaudited condensed interim consolidated financial statements have been prepared using the same policies and methods of computation as the audited consolidated financial statements of the Company for the year ended December 31, 2025. Refer to note 2, Summary of Material Accounting Policies, of the kneat.com, inc. audited consolidated financial statements for the year ended December 31, 2025 for information on the other accounting policies, critical accounting judgements and estimates.

The Board of Directors approved these unaudited condensed interim consolidated financial statements for issue on May 13, 2026.

b) Use of judgement and estimates

The preparation of the Company’s unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods.

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognized in the unaudited condensed interim consolidated financial statements are disclosed in Note 2 of the audited consolidated financial statements as at December 31, 2025.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

2. Summary of material accounting policies (continued)

c) New accounting standards and amendments to accounting standards which are not yet effective

The following new IFRS Accounting Standard will be adopted for the purpose of the preparation of future financial statements, where applicable.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged and introduces increased disclosure of management defined performance measures as well as new principles for aggregation and disaggregation of information included in the consolidated income statement.

IFRS 18 is applicable to the Company beginning on January 1, 2027. The Company is currently evaluating the impact of the adoption of IFRS 18 on its consolidated financial statements.

3. Amounts Receivable

	March 31, 2026	December 31, 2025
	\$	\$
Current		
Trade debtors	22,643,073	7,198,580
Research and development tax credits receivable	3,631,728	6,823,282
Contract assets	366,512	529,717
Other debtors	28,126	35,504
Sales and other tax receivable	258,604	519,108
	<u>26,928,043</u>	<u>15,106,191</u>
Non-current		
Research and development tax credits receivable	4,032,199	2,716,981
	<u>30,960,242</u>	<u>17,823,172</u>

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

4. Property and equipment

	Computers and servers \$	Furniture and fixtures \$	Right-of-use assets * \$	Leasehold improvements \$	Total \$
Cost					
As at January 1, 2025	1,432,937	240,068	8,053,531	231,328	9,957,864
Additions	251,782	33,753	862,452	-	1,147,987
Disposals	(13,264)	-	-	(3,423)	(16,687)
Effect of movements in exchange rates	93,181	17,996	603,671	17,338	732,186
As at December 31, 2025	1,764,636	291,817	9,519,654	245,243	11,821,350
Additions	28,960	-	-	-	28,960
Effect of movements in exchange rates	(7,647)	(1,404)	(60,873)	(1,568)	(71,492)
As at March 31, 2026	1,785,949	290,413	9,458,781	243,675	11,778,818

	Computers and servers \$	Furniture and fixtures \$	Right-of-use assets \$	Leasehold improvements \$	Total \$
Accumulated depreciation					
As at January 1, 2025	1,144,073	92,933	1,812,046	126,633	3,175,685
Depreciation charge	232,775	32,960	454,074	29,567	749,376
Disposals	(12,789)	-	-	-	(12,789)
Effect of movements in exchange rates	79,663	7,530	143,358	10,013	240,564
As at December 31, 2025	1,443,722	133,423	2,409,478	166,213	4,152,836
Depreciation charge	49,602	10,128	122,332	7,648	189,710
Effect of movements in exchange rates	(6,988)	(851)	(15,934)	(1,096)	(24,869)
As at March 31, 2026	1,486,336	142,700	2,515,876	172,765	4,317,677

	Computers and servers \$	Furniture and fixtures \$	Right-of-use assets \$	Leasehold improvements \$	Total \$
Carrying amount					
Balance, December 31, 2025	320,914	158,394	7,110,176	79,030	7,668,514
Balance - March 31, 2026	299,613	147,713	6,942,905	70,910	7,461,141

* Additions to Right-of-use assets for the year ended December 31, 2025 relates to increase in lease obligation as per the terms of the existing Hawthorn House lease agreement. Refer to Note 9.

Depreciation of property and equipment for the three months ended March 31, 2026, included in the unaudited condensed interim consolidated statements of (loss)/income and comprehensive (loss)/income is \$189,710 (three months ended March 31, 2025 - \$177,001).

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

5. Intangible asset

Cost	Total
	\$
As at January 1, 2025	70,077,948
Additions, net of research and development tax credits of \$3,821,568	20,173,008
Effect of movements in exchange rates	5,252,848
As at December 31, 2025	95,503,804
Additions, net of research and development tax credits of \$1,337,580	4,637,847
Effect of movements in exchange rates	(610,697)
As at March 31, 2026	<u>99,530,954</u>
Accumulated amortization	Total
	\$
As at January 1, 2025	33,787,079
Amortization charge	13,242,068
Effect of movements in exchange rates	2,741,795
As at December 31, 2025	49,770,942
Amortization charge	3,749,571
Effect of movements in exchange rates	(332,590)
As at March 31, 2026	<u>53,187,923</u>
Carrying amount	Total
	\$
Balance, December 31, 2025	45,732,862
Balance, March 31, 2026	<u>46,343,031</u>

Amortization of the intangible asset for the three months ended March 31, 2026 of \$3,749,571 (three months ended March 31, 2025 - \$2,846,747) is included in the unaudited condensed interim consolidated statements of (loss)/income and comprehensive (loss)/income.

6. Accounts payable and accrued liabilities

	March 31, 2026	December 31, 2025
	\$	\$
Current		
Trade payables	864,866	540,476
Accruals	5,349,198	6,796,273
Employee remittances	2,713,303	1,807,351
Sales tax payable	29,907	76,142
Income tax payable	111,802	17,790
Other payables	151,575	115,814
	<u>9,220,651</u>	<u>9,353,846</u>

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

7. Contract liabilities

	March 31, 2026	December 31, 2025
	\$	\$
Balance - Beginning of period	18,901,645	21,664,809
Deferral of revenue	38,449,016	59,831,775
Recognition of revenue	(17,985,207)	(63,087,307)
Effect of movements in exchange rate	(7,548)	492,368
	<hr/>	<hr/>
Balance - End of period	39,357,906	18,901,645
Less: current portion	(39,075,578)	(18,901,645)
	<hr/>	<hr/>
Non-current portion	282,328	-

8. Loan payable and accrued interest

	March 31, 2026	December 31, 2025
	\$	\$
Balance - Beginning of period	21,546,833	23,154,926
Interest and fees accrual	649,333	3,036,480
Principal and interest repayment	(2,139,909)	(6,599,069)
Amortization of loan issuance costs	42,999	186,861
Effect of movements in exchange rate	(132,139)	1,767,635
	<hr/>	<hr/>
Balance - End of period	19,967,117	21,546,833
Less: current portion	(8,314,332)	(7,482,780)
	<hr/>	<hr/>
Non-current portion of loan payable and accrued interest	11,652,785	14,064,053

On June 26, 2023 the Company entered into a secured debt facility with IPF Partners (the “IPF Facility”). The IPF Facility consists of three term commitments or tranches of €5 million (\$8 million) each to be availed of by Kneat Solutions Limited. The Company drew down the first, second and third tranches from the IPF Facility on June 30, 2023, September 22, 2023 and December 22, 2023, respectively. The first and second tranches mature on December 31, 2027 with the first principal payments made on March 31, 2025. The third tranche matures March 31, 2028, with the first principal payment made on June 30, 2025. Each of the facilities carries an annual cash interest of three-month EURIBOR +7.0% payable quarterly, and capitalized interest of 2.0% accrued and capitalized quarterly, in addition to customary structuring and exit fees. The total cash cost of the arrangement is dependent on whether the debt is repaid on each maturity date or earlier. The IPF Facility is guaranteed by the Company and its U.S. wholly owned subsidiary, and is secured by a perfected, sole first-priority security interest in all existing and after acquired tangible and intangible assets of Kneat Solutions Limited, the Company and its U.S. wholly owned subsidiary. The IPF Facility is also subject to a financial covenant in the form of a minimum cash balance held in favour of the lender in an amount sufficient to cover the higher of the last six months and next six months cash runway subject to a cap of €2 million, €4 million and €6 million after the drawdown of tranche one, two and three respectively. At March 31, 2026 the minimum cash balance to be held was €6 million (\$9.6 million). The Company was in compliance with the financial covenant as of March 31, 2026.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

9. Lease liabilities

	March 31, 2026	December 31, 2025
	\$	\$
Balance - Beginning of period	6,938,425	6,106,048
Increase in lease obligation*	-	862,452
Repayments of lease obligations	(147,360)	(693,718)
Accreted interest	53,005	202,490
Effects of movements in exchange rates	(44,597)	461,153
Balance - End of period	<u>6,799,473</u>	<u>6,938,425</u>
Less: Current portion	(385,735)	(385,226)
Non-current portion	<u>6,413,738</u>	<u>6,553,199</u>

* Increase in lease obligation arises from the five year rent review as per the terms of the existing Hawthorn House lease agreement.

10. Share Capital

a) Common shares

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

	Number of shares #	Amount \$
Outstanding - January 1, 2025	93,916,472	137,772,179
Shares issued pursuant to stock option exercise	526,948	2,288,859
Shares issued pursuant to RSU vesting	1,270,227	3,994,395
Outstanding - December 31, 2025	<u>95,713,647</u>	<u>144,055,433</u>
Shares issued pursuant to stock option exercise	3,688	19,554
Shares issued pursuant to RSU vesting	414,742	2,045,816
Outstanding - March 31, 2026	<u>96,132,077</u>	<u>146,120,802</u>

Three months ended March 31, 2026

During the three months ended March 31, 2026, employees exercised 3,688 options with a weighted average exercise price of \$3.45 per share for cash proceeds of \$12,724 plus an ascribed value of \$6,830.

During the three months ended March 31, 2026, 414,742 RSUs vested with an ascribed value of \$2,045,816 and were issued to employees.

Year ended December 31, 2025

During the year ended December 31, 2025, employees exercised 526,948 options with a weighted average exercise price of \$2.70 per shares for cash proceeds of \$1,422,229 plus an ascribed value of \$866,630.

During the year ended December 31, 2025, 1,142,150 RSUs vested with an ascribed value of \$3,639,704 and were issued to employees and in addition 128,077 common shares with an ascribed value of \$354,691 were issued relating to US employees' shares that vested in prior years.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

10. Share Capital (continued)

b) Share-based compensation - stock options

The Company has adopted an Omnibus Equity Incentive Plan, providing the Board of Directors with the discretion to grant and issue an equivalent number of stock options of up to 6% of the issued and outstanding share capital of the Company.

Stock options are granted with an exercise price of not less than the closing share price of the date preceding the date of grant. As at March 31, 2026, 5,123,602 stock options remain available for grant under the terms of the Omnibus Equity Incentive Plan.

The following table reconciles the stock option activity during the three months ended March 31, 2026 and the year ended December 31, 2025:

	Number of options	Weighted-average exercise price
	#	\$
Outstanding - January 1, 2025	1,193,463	3.14
Granted	-	-
Exercised	(526,948)	2.70
Forfeited	(17,255)	3.35
Expired	(1,250)	2.50
Outstanding - December 31, 2025	<u>648,010</u>	<u>3.44</u>
Granted	-	-
Exercised	(3,688)	3.45
Forfeited	-	-
Expired	-	-
Outstanding - March 31, 2026	<u>644,322</u>	<u>3.45</u>

For the three months ended March 31, 2026, the stock-based compensation expense related to options recorded in the unaudited condensed interim consolidated statements of (loss)/income and comprehensive (loss)/income was \$8,233 (three months ended March 31, 2025 - \$36,135).

There were no share options granted during the three months ended March 31, 2026 or during the year ended December 31, 2025.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

10. Share Capital (continued)

b) Share-based compensation - stock options (continued)

The following table summarizes information relating to outstanding and exercisable stock options as at March 31, 2026:

Expiry date	Weighted-average remaining contractual life (in years)	Number of options outstanding	Number of options exercisable	Weighted-average exercise price \$
August 12, 2026	0.4	364,322	364,322	3.45
September 23, 2026	0.5	10,000	10,000	4.10
January 07, 2027	0.8	180,000	180,000	3.60
February 24, 2027	0.9	30,000	30,000	2.93
August 12, 2027	1.4	60,000	60,000	3.05
		644,322	644,322	

c) Share-based compensation - Deferred Share Units (DSUs) & Restricted Share Units (RSUs)

The maximum number of common shares which are available to be issued by the Company from treasury in connection with DSUs and RSUs granted under the Company's Omnibus Equity Incentive Plan is 9% of the issued and outstanding share capital of the Company. As at March 31, 2026, 6,628,130 RSUs and/or DSUs remain available for grant under the terms of the Omnibus Equity Incentive Plan.

DSU activity for the three months ended March 31, 2026 and year ended December 31, 2025 is as follows:

	March 31, 2026	December 31, 2025
	#	#
Outstanding - Beginning of period	728,112	654,592
Granted	25,515	73,520
Outstanding - End of period	753,627	728,112

25,515 DSUs with a weighted-average fair value of \$3.43 per unit were granted in the three months ended March 31, 2026 and 73,520 DSUs with a weighted-average fair value of \$5.60 per unit were granted in the year ended December 31, 2025. For the three months ended March 31, 2026, the stock-based compensation expense related to DSUs recorded in the unaudited condensed interim consolidated statements of (loss)/income and comprehensive (loss)/income was \$84,002 (three months ended March 31, 2025 - \$61,561).

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

10. Share Capital (continued)

c) Share-based compensation - Deferred Share Units (DSUs) & Restricted Share Units (RSUs) (continued)

RSU activity for the three months ended March 31, 2026 and year ended December 31, 2025 is as follows:

	March 31, 2026	December 31, 2025
	#	#
Outstanding - Beginning of period	1,688,209	1,816,857
Granted	-	1,110,644
Vested	(414,742)	(1,142,150)
Forfeited	(3,338)	(97,142)
Outstanding - End of period	<u>1,270,129</u>	<u>1,688,209</u>

No RSUs were granted in the three months ended March 31, 2026. 1,110,644 RSUs with a weighted-average fair value of \$6.28 per unit were granted in the year ended December 31, 2025. For the three months ended March 31, 2026, the stock-based compensation expense related to RSUs recorded in the unaudited condensed interim consolidated statements of (loss)/income and comprehensive (loss)/income was \$969,928 (three months ended March 31, 2025 - \$599,323). RSUs typically vest over a three-year period and will be settled through the issuance of common shares.

d) Share-based compensation

Share-based compensation (SBC) expensed to the consolidated statements of (loss)/income and comprehensive (loss)/income for the period ended March 31, 2026 and March 31, 2025 is as follows:

	March 31, 2026	March 31, 2025
SBC	1,427,649	942,215
SBC other	(11,389)	(2,472)
SBC capitalized to intangible asset	(354,097)	(242,724)
Total SBC expensed	<u>1,062,163</u>	<u>697,019</u>

SBC capitalized to intangible asset includes expense related to options (\$13,899) and RSUs (\$340,198) (March 31, 2025: \$18,084 and \$224,640, respectively).

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

11. Revenue

Revenue consists of the following:

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
	\$	\$
SaaS license fees	16,500,204	13,805,973
Maintenance fees	-	22,095
Professional services and other	1,501,985	919,573
	<u>18,002,189</u>	<u>14,747,641</u>

The following table presents total external revenues by geographic location, based on the location of the Company's customers:

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
	\$	\$
America	11,161,630	9,456,208
Europe	6,672,160	5,071,990
Asia Pacific	168,399	219,443
	<u>18,002,189</u>	<u>14,747,641</u>

In the three months ended March 31, 2026, no revenue from any customer amounted to 10% or more of the Company's total revenue (three months ended March 31, 2025 - 0).

For the three months ended March 31, 2026, the Company's top 10 customers made up 52% of the Company's revenues (three months ended March 31, 2025 - 52%).

12. Expenses by nature

The following table lists certain expenses by nature included in the unaudited condensed interim consolidated statements of (loss)/income and comprehensive (loss)/income for the period:

	March 31, 2026	March 31, 2025
	\$	\$
Amortization of the intangible asset	3,749,571	2,846,747
Depreciation of plant and equipment	189,710	177,001
Salaries, wages and benefits	10,605,824	8,305,648
Share-based compensation	1,062,163	697,019
	<u>15,607,268</u>	<u>12,026,415</u>

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

13. Income taxes

The provision for income taxes reported differs from the income tax computed by applying the applicable income tax rates to the net (loss)/income before income taxes, due to the following adjustments:

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
	\$	\$
(Loss)/income before income taxes	(3,854,813)	2,170,419
Statutory rate (Canadian federal and provincial)	26.50%	26.50%
Tax recovery at statutory rate	(1,021,525)	575,161
Recovery for losses and deductible temporary differences previously not recognized	(203,663)	(712,734)
Expense for losses and deductible temporary differences not recognized in current year	388,151	-
Permanent differences and other	437,466	(111,902)
Foreign tax rate variance	490,541	273,905
Income tax expense	90,970	24,430

14. Supplemental cash flow information

Net changes in non-cash operating working capital items are as follows:

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
	\$	\$
(Increase)/Decrease in amounts receivable and prepayments	(15,119,465)	5,480,899
(Decrease)/Increase in accounts payable and accrued liabilities	(254,009)	393,127
Increase in contract liabilities	19,851,821	9,077,903
	4,478,347	14,951,929

15. Related party transactions

During the three months ended March 31, 2026, the Company granted 25,515 DSUs to members of the Board of Directors who are not employees or officers of the Company (note 10) (three months ended March 31, 2025 - 13,845).

During the three months ended March 31, 2026, the Company did not grant RSUs to Executive Directors or Key Management. During the three months ended March 31, 2025, the Company granted 83,215 RSUs to Executive Directors and 174,407 RSUs to Key Management.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

16. Fair value of financial instruments and risk management

a) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of debt and equity balances.

The capital of the Company consists of items included in equity and debt, net of cash, as follows:

	March 31, 2026	December 31, 2025
	\$	\$
Equity	63,092,948	65,021,030
Debt	19,967,117	21,546,833
Less: Cash	(51,522,637)	(48,742,766)
	<u>31,537,428</u>	<u>37,825,097</u>

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue equity, return capital to shareholders or raise debt funding.

No changes were made to the objectives, policies or processes for managing capital during the three months ended March 31, 2026 or the year ended December 31, 2025.

b) Fair values of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The carrying amounts reported in the unaudited condensed interim consolidated statements of financial position for cash, amounts receivable, accounts payable and accrued liabilities, approximate their fair values based on the immediate or short-term maturities of these financial instruments. In addition, non-current amounts receivable and the loan payable do not have fair values that differ significantly from their carrying values.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

16. Fair value of financial instruments and risk management (continued)

b) Fair values of financial instruments (continued)

The table below presents the classification of the Company's financial assets and liabilities as at March 31, 2026 and December 31, 2025:

	Financial assets and liabilities at amortized cost March 31, 2026	Financial assets and liabilities at amortized cost December 31, 2025
Financial assets:		
Cash	51,522,637	48,742,766
Amounts receivable*	23,037,711	7,763,801
Financial liabilities:		
Accounts payables and accrued liabilities	9,220,651	9,353,846
Loan payable current	8,314,332	7,482,780
Loan payable non-current	11,652,785	14,064,053

*includes trade debtors, contract assets & other debtors

c) Financial risk management objectives

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored.

d) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. At March 31, 2026 and December 31, 2025, the Company's financial assets exposed to credit risk amounted to the following:

	March 31, 2026	December 31, 2025
	\$	\$
Cash	51,522,637	48,742,766
Amounts receivable*	23,037,711	7,763,801

*includes trade debtors, contract assets & other debtors

During the three months ended March 31, 2026 and the year ended December 31, 2025, the Company did not hold any financial assets that were impaired. Trade debtors of \$22,643,073 are included in amounts receivable as at March 31, 2026 (December 31, 2025 - \$7,198,580).

Trade debtors are monitored on a regular basis, with reference to the Expected Credit Loss (ECL) impairment model, in order to minimize material aging and to ensure adequate collection. Historically there have been no significant trade debtor collection issues and the Company does not believe it is subject to significant concentration of credit risk.

Cash is held with reputable banks in Ireland, the United States and Canada. The long-term credit ratings of these banks, as determined by Standard and Poor's range between A+ and BBB.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

16. Fair value of financial instruments and risk management (continued)

e) Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change.

These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities as March 31, 2026:

	Within 1 year	2-3 years	4-5 years	Over 5 years	Total	Carrying Value
Accounts payable and accrued liabilities	9,220,651	-	-	-	9,220,651	9,220,651
Lease payments (undiscounted)	589,438	1,178,876	1,178,876	5,448,369	8,395,559	6,799,473
IPF Facility payable (undiscounted)*	9,794,584	13,298,091	-	-	23,092,675	19,967,117
	<u>19,604,673</u>	<u>14,476,967</u>	<u>1,178,876</u>	<u>5,448,369</u>	<u>40,708,885</u>	<u>35,987,241</u>

*includes principal and interest payments. Interest payable was calculated using the EURIBOR rate as of March 2026

The Company's operations to date have been financed through the sale of shares, issuance of debt, revenue generated from customers and research and development tax credits. The Company has incurred significant operating losses and negative cash flows from operations since inception and has an accumulated deficit of \$85,321,244 as at March 31, 2026. For the three months ended March 31, 2026, the Company incurred a net loss of \$3,945,783 with positive cash flows from operations of \$7,506,244 and capitalized development cost spend of \$5,975,427 (March 31, 2025: (\$2,145,989), \$17,476,613 and \$5,530,384, respectively). The Company has relied on financing activities to meet its working capital and operating requirements, including funds needed to further develop its software and expand its sales and marketing functions.

On June 26, 2023, the Company announced that it had secured up to €15 million (\$24 million) in secured debt financing from IPF Partners which consisted of three term commitments or tranches of €5 million each to be availed of by Kneat Solutions Limited. Each tranche matures 18 quarters from its initial drawdown date. On June 30, 2023, September 22, 2023 and December 22, 2023, the Company drew down the first, second and third tranches, respectively (Refer to note 8).

The Company has a history of being able to raise funds on the capital markets to meet its ongoing requirements and on February 14, 2024, the Company closed a public equity financing for gross proceeds of \$20,000,110 and on October 10, 2024 the Company closed an additional public equity financing for gross proceeds of \$35,625,000. However, there can be no assurance that, in the future, the Company will be able to raise funding on favourable terms, if at all.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

16. Fair value of financial instruments and risk management (continued)

e) Liquidity risk (continued)

During the first quarter of 2026 and throughout 2025, financial markets have been negatively impacted by political uncertainties and economic instability due to factors including the impact of international conflicts, the rate of inflation, interest rates and tariffs. These factors may adversely impact our operations, credit risk, our ability to serve our customers and our ability to raise new funding. This has resulted in significant economic uncertainty, and even though the Company has to date experienced no significant impact to its operations, any potential impact on our future financial results is difficult to reliably measure. The Company is regularly assessing the situation and remains in contact with its partners, customers and suppliers to assess any impacts and risk.

The Directors believe that the Company's cash resources when combined with the proceeds from customer receipts, will be sufficient to fund operations for at least twelve months from the reporting date of the unaudited condensed interim consolidated financial statements.

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Company entering into transactions which are denominated in currencies other than its functional currency.

The Company is exposed to currency risk on its cash balances, amounts receivable, loan payable, intercompany balances and accounts payable and accrued liabilities that are held in currencies that are not in the transacting entity's functional currencies.

For the three months ended March 31, 2026, the impact on monetary assets and liabilities of a 5% decrease in the exchange rate between the functional currencies and foreign currencies (weakening of the Euro/USD versus CAD) would increase the net loss by approximately \$6.5 million; a 5% increase would decrease the net loss by approximately \$6.5 million (strengthening of the Euro/USD versus CAD). In addition a 5% decrease in the exchange rate between the functional currencies and foreign currencies (weakening of the Euro/USD versus CAD) would increase the Currency Translation Adjustment by \$1.9 million; a 5% increase would decrease the Currency Translation Adjustment by approximately \$1.9 million (strengthening of the Euro/USD versus CAD). The Company currently does not hedge its currency risk.

The majority of the Company's revenues and expenses are denominated in Euro and the United States dollar. As a result, revenues and expenses are affected by a change in the value of the Euro and the United States dollar relative to the Canadian dollar.

The following table summarizes the effects on revenues, expenses and the net (loss)/income as a result of a 5% strengthening of the Euro and the United States dollar when compared to the Canadian dollar: ⁽¹⁾

	Three month period ended March 31, 2026			Three month period ended March 31, 2025		
	As reported	Foreign exchange rate		As reported	Foreign exchange rate	
		effect	5% Stronger		effect	5% Stronger
	\$	\$	\$	\$	\$	\$
Revenue	18,002,189	900,109	18,902,298	14,747,641	737,382	15,485,023
Expenses	(21,947,972)	(1,054,494)	(23,002,466)	(12,601,652)	(777,967)	(13,379,619)
Net (loss)/income	(3,945,783)	(154,385)	(4,100,168)	2,145,989	(40,585)	2,105,404

(1) A 5% weakening of the Euro and the United States dollar when compared to the Canadian dollar would have an equal and opposite impact on the Company's revenues, expenses and net loss as presented in the table.

16. Fair value of financial instruments and risk management (continued)

g) Interest risk

Interest risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate exposure exists in the unaudited condensed interim consolidated statements of financial position, in respect of cash balances due to the variability in deposit rates and in respect of the IPF Facility due to the variable interest rate (EURIBOR + 7%) that applies to this loan. During the three months ended March 31, 2026, a change of 100 basis points in either interest rate would have had an effect of approximately \$115,000 on deposit interest income and \$52,000 on interest expense assuming all other variables, in particular foreign currency exchange rates, remain constant.

h) Fair value hierarchy

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At March 31, 2026 and December 31, 2025 the Company had no financial instruments that were measured and recognized at fair value. In addition, there were no transfers between levels during the period.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

17. (Loss)/Earnings per share

Basic and diluted net (loss)/income per share was calculated as follows:

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
	\$	\$
<i>Numerator:</i>		
Net (loss)/income for the year attributable to ordinary shareholders	(3,945,783)	2,145,989
<i>Denominator:</i>		
Weighted average number of ordinary shares in issue: Basic	95,797,803	94,221,072
Weighted average number of ordinary shares in issue: Diluted	95,797,803	97,738,261
(Loss)/earnings per share (basic and diluted)	<u>(0.04)</u>	<u>0.02</u>

The Company’s potential common shares, which include stock options to purchase shares of common stock, DSUs and RSUs, are as follows;

	March 31, 2026	March 31, 2025
Options to purchase common shares	644,322	874,556
Deferred share units (DSUs)	753,627	668,437
Restricted share units (RSUs)	1,270,129	2,303,125

For the three months ended March 31, 2026, the Company excluded the above potential common shares in the computation of diluted net loss per share because including them would have had an anti-dilutive effect. For the three months ended March 31, 2025, the above potential common shares are included in the computation of diluted net earnings per share.

18. Commitments and contingencies

The Company is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial conditions or future results of operations of the Company.

The Company has committed to purchase certain services, primarily related to cloud hosting, which will result in the Company paying \$8,158,160 within one year and \$5,019,784 in two to three years.

The Company has employment arrangements with the Chief Executive Officer, Director of IT Security & Operations and Chief Innovation Officer which provide that, should a change in control event occur, as defined in the employment arrangements, these individuals will receive lump sum payments equal to 24 months of their then current base salary.

19. Subsequent events

The Company performed a review of events subsequent to the unaudited condensed interim consolidated statement of financial position date through to the date the unaudited condensed interim consolidated financial statements were issued. On April 8, 2026 the Company granted 1,011,060 RSUs to employees.