

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis of Financial Condition and Results of Operations

For The Three and Nine-month Periods ended September 30, 2025.



This MD&A was prepared as of November 25, 2025, and should be read with the Company's unaudited interim consolidated financial statements for the nine months ended September 30, 2025.

Additional information, including the Company's previous MD&As and audited consolidated financial statements for the year ended December 31, 2024, is available on SEDAR+ at www.sedarplus.ca.

Management's Discussion & Analysis of Financial Condition and Results of Operations

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the consolidated operating results and consolidated financial condition of IC Group Holdings Inc. and its wholly owned subsidiaries for the three and nine-month periods ended September 30, 2025, and of 11197894 Canada Ltd ("1119 Canada") and its subsidiaries for the three and nine-month periods ending September 30, 2024. (the "Company" or "IC GROUP")

Throughout this MD&A, unless otherwise specified, "IC GROUP", the "Company", "we", "us" and "our" refers to IC Group Holdings Inc., 1119 Canada, and its wholly owned subsidiaries. This MD&A should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and the related notes as at and for the nine months ended September 30, 2025 and September 30, 2024, which were prepared in accordance with International Financial Reporting Standards ("IFRS") (collectively referred to as the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith, and reflect the current judgment regarding the direction of the business, actual results will likely vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- IC Group operates within the fast-growing MarTech sector which is forecasted to grow 20% annually from 2025 to 2034 (Source: <https://www.precedenceresearch.com/marketing-technology-market>) , fueled by improved customer experiences, demand for data-driven engagement, automation, AI, data security, and privacy compliance.
- IC Group is focused on the fan engagement market which is projected to grow from \$5B to \$27B (Source: Future Market Insights: 2023) from 2023 to 2033.
- IC Group intends to continue to grow its business through strategic acquisitions and investments to expand its core capabilities, broaden its geographic footprint, acquire new talent, and accelerate top-line and recurring revenue growth.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

- IC Group expects to grow annual recurring revenue ("ARR") and improve Adjusted EBITDA rates as a percentage of revenue over the long term.
- IC Group may also make investments in early-stage technologies, through acquisition, investments, or internal development time and labor to compliment or accelerate company solutions to support revenue, customer value, or operational efficiencies.

Additionally, the company's future success may depend on some or all of the following:

- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity.
- The Company's success at completing future financings.
- The Company's strategies and objectives.
- General business and economic conditions.
- The Company's ability to meet its financial obligations as they become due.
- The cash flows and financial viability of new business opportunities.
- The Company's ability to manage growth with respect to new business opportunities.
- The Company's tax position, anticipated tax refunds and tax rates applicable to the Company.

Readers are cautioned that the preceding list of risks, uncertainties, assumptions, and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. Due to the risks, uncertainties, and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

NON-IFRS MEASURES

This MD&A includes certain measures which have not been prepared in accordance with the International Financial Reporting Standards ("IFRS"), namely "Adjusted EBITDA" and "Annual Recurring Revenue".

These terms are not measures that have any standardized meaning prescribed by IFRS and are considered non-IFRS measures. While these measures may not be comparable to similar measures presented by other issuers, these measures have been described and presented in this MD&A to provide shareholders and potential investors with additional information regarding the Company's results, liquidity, and its ability to generate funds to finance its operations. When assessing the Company's operating performance or liquidity, investors and others should not consider this data in isolation or as a substitute for net profit, cash flow from operating activities or other cash flow data calculated in accordance with IFRS. In addition, the Company's calculation of Adjusted EBITDA may not be comparable to EBITDA or similarly titled measures utilized by other companies since such other companies may not calculate EBITDA in the same manner.

The Non-IFRS measure "Adjusted EBITDA" used in this MD&A is calculated as follows:

Adjusted EBITDA refers to earnings before interest, taxes, depreciation, amortization, stock-based compensation, one-time transaction expenses and financing costs. The Company believes that Adjusted EBITDA is useful

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

supplemental information, as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration significant non-recurring items comprised of costs directly attributable to acquisitions, financing costs, as well as non-cash expenses, which include stock-based compensation expense, interest expenses, depreciation and amortization. Adjusted EBITDA also serves as a proxy for the Company's cash flow. Management also uses Adjusted EBITDA to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet its capital expenditure and working capital requirements.

Adjusted EBITDA is reconciled to its most directly comparable IFRS measure within the "Results of Operations" and "Liquidity and Capital Resources" sections of this MD&A.

The Non-IFRS measure "Annual Recurring Revenue" used in this MD&A is calculated as the company's expected yearly revenue from recurring transactional, service, license, SaaS or subscription fees.

CORPORATE OVERVIEW

1119 Canada was incorporated on July 31, 2023 under the laws of Canada and is the product of a July 31, 2023 amalgamation that consolidated entities that have effectively been in active business since 1989. On February 21, 2025, Cuspis Capital II Ltd. ("Cuspis"), a Capital Pool Company listed on the TSX Venture Exchange (the "Exchange") completed a business combination transaction with 1119 Canada that resulted in the reverse takeover of Cuspis by 1119 Canada and which constituted the Qualifying Transaction (as that term is defined by the policies of the Exchange) of Cuspis. 1119 Canada became the wholly owned subsidiary of Cuspis, and Cuspis was renamed "IC Group Holdings Inc.", trading under the symbol ICGH.

IC Group is a technology enabled Consumer Engagement Company. Its mission is to transform how brands engage with consumer audiences across live event, digital platforms and mobile messaging channels to drive sales, capture valuable data and build brand loyalty. The Company's solutions span digital engagement, mobile messaging, and specialty insurance for Fortune 500 brands and their agency partners in global jurisdictions. The Company's registered office is located at 77 King Street West, Suite 700, Toronto, Ontario, Canada M5K 1G8. 1119 Canada has a registered office located at 383 Dovercourt Dr, Winnipeg, MB, R3Y 1G4.

At December 31, 2024, IC Group owned approximately 14% of Emotion Media Inc., operating as Fannex ("Fannex"). On February 21, 2025, IC Group acquired 100% of Emotion Media Inc. as part of the business combination transaction with Cuspis Capital II Ltd., concurrent financing and public listing on the Exchange that also closed February 21, 2025.

In furtherance of the Qualifying Transaction, 1119 Canada effected a 7.89:1 share split, Cuspis completed a 1:4.31 share consolidation, following which the securityholders of 1119 Canada received securities of Cuspis on a one for one exchange ratio basis. All share and per share amounts reflecting figures prior to February 21, 2025, have been retrospectively presented in the consolidated financial statements and this MD&A to reflect the share split, share consolidation, and share exchange.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

MARKET SECTOR

IC Group operates within the fast-growing Marketing Technology (MarTech) sector, which is forecasted to grow 20% annually from 2025 to 2034 (Source: <https://www.precedenceresearch.com/marketing-technology-market>), fueled by improved customer experiences, demand for data-driven engagement, automation, AI, data security, and privacy compliance

IC Group is focused on the fan engagement market which is projected to grow from \$5B to \$27B (Source: Future Market Insights: 2023) from 2023 to 2033. Live events continue to attract record audiences, yet operators are under increasing pressure to meet fans' and sponsors' digital engagement expectations. With over 30 years of experience engaging consumers for Fortune 500 brands, IC Group sees significant opportunities across all business lines to fill the gap. The acquisition of Fannex helps accelerate this and is a growth engine for IC Group as it integrates well with the existing messaging and specialty insurance offerings to drive additional revenue in the growing live event market. Together, the Company offers integrated, high-impact activation, messaging and risk management solutions that enhance fan engagement, enrich data collection, accelerate the path to purchase and build consumer loyalty. This synergy allows the Company to deliver greater value to sponsors and brands across North America and beyond.

CUSTOMER SOLUTIONS

IC Group develops, sells, and supports three primary business verticals with associated products and services that power consumer engagement to drive commerce and manage risks for brands. The Company currently has over 150 customers worldwide that range in size and operational complexity, with the vast majority in the United States and Canada. Over 75% of our revenue is driven from customers outside of Canada.

Solutions include the following:

- **Digital Promotions:** IC Group simplifies digital consumer engagement for fortune 500 brands at scale in global markets to drive sales, capture consumer data, build consumer loyalty and manage risks. Simplifying solutions for brands inclusive of technology, risk management, regulatory and compliance, data security, consumer privacy, incentives, rewards, and customer service is the Company's value proposition. IC Group's proprietary technology solutions are used to engage consumer audiences in web, social media, and live event channels while integrating with reward partners through secure Application Programming Interfaces (APIs) to deliver rewards such as digital gift cards, travel, and other experiential rewards that consumers win or earn through the digital promotion. IC Group typically enters Master Service Agreements with 3-year terms and annual statements of work that provide multiple services such as software development and license fees, professional service fees to design, develop and execute digital promotions, manage regulatory and compliance requirements, and transactional fees for customer support services, moderation and fulfillment services. Professional services are provided for implementation services, consulting services, and training. Contract revenue is accounted for under the percentage of completion method. The percentage of completion is determined by relating the actual cost of work performed to date, to the current estimated total cost of the respective contracts. Revenue is recognized by determining this percentage of completion and applying it against the contract value for the respective contract. Professional services are typically billed on negotiated pricing reflecting the estimated time and materials required to complete the services.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

- **Mobile Messaging:** IC Group is one of three Tier-1 Mobile Aggregators in Canada with direct connections to all major Canadian mobile carriers and Tier-2 connections to US and other Global Carriers. IC Group's messaging gateway provides brands, marketing platforms, and communication platforms (CPaaS providers) with a simple single point API that routes text messages through mobile carriers to 100% of mobile users in Canada. What sets the mobile messaging business apart from its competitors is the Company's intellectual property in the Canadian Market. IC Group is also the only Canadian-owned provider offering a solution that processes and stores all message data within Canada. For clients in regulated industries such as finance, healthcare, and government, this provides the reach, compliance, and security they require, all on a fully domestic platform. IC Group typically enters into 3-year recurring contracts and earns transactional fees for each message transmitted through our messaging gateway along with hosting and professional service fees. Customer retention is high and more than 95% of revenue is ARR. The Company's business model continues to evolve to support high volume, low margin transactions through wholesale and enterprise level customers.
- **Insurance Solutions:** Insurance Solutions, through the company's Insured Creativity Inc. legal entity, is a Coverholder at Lloyd's of London ("Lloyd's") which means it is authorized by a managing agent to enter insurance contracts on behalf of certain Lloyd's syndicates, according to the terms of a binding authority. Essentially, Insurance Solutions acts as a delegated authority for Lloyd's, writing policies and handling other insurance-related tasks on their behalf in Canada and other countries (60+) for certain insurance products. It underwrites specialized insurance solutions including event cancellation, event liability, prize insurance, crisis management and other specialty insurance solutions for the Sports, Entertainment and Promotions industry. The segment distributes its insurance products through its proprietary SaaS Platform called Glide and through its direct sales force to wholesale and retail brokers. Glide provides insurance brokers a digital platform to be able to generate a quote, bind insurance and receive policy documents instantly. The segment earns commission fees for each insurance policy sold as well as profit commission on the profitability of its overall book of business within certain binding authorities.

COMPANY FOCUS AND STRATEGY

IC Group expects to grow ARR and improve Adjusted EBITDA rates as a percentage of revenue over the long term. Given acquisitions are part of our growth strategy, there will be short-term trade-offs between revenue growth and Adjusted EBITDA growth, as a typical acquisition can take 18 to 24 months to normalize and fully integrate into operations.

The Company's mobile messaging business is a primary area of focus for IC Group in 2025, with a goal to accelerate monthly recurring revenue growth and improve margins. Growth in this division will be driven by the adoption of new customers to the platform, increasing message volumes, new technology solutions and introducing new message channels, which will fuel additional recurring revenue and improved margins.

As part of the acquisition strategy, IC Group purchased the remaining 86% of Emotion Media Inc. (Fannex) and completed the acquisition on February 21, 2025. Fannex is a next-generation SaaS platform, purpose-built for brands, teams, and venues in the live sports and entertainment industry. Currently, Fannex works with 94 professional or semi-professional teams across various sports leagues in North America and Europe, a 7% increase during the quarter. Its technology empowers partners to design, deploy, and manage interactive content and fan promotions across both in-venue digital screens and personal mobile devices transforming live audiences into digitally engaged communities. By facilitating real-time interaction, Fannex enables deeper audience participation, robust first-party data collection and measurable conversion outcomes.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Integration of the Fannex business with IC Group, including the evolution of the Fannex SaaS Platform to reach broader customer segments, leverage IC Group solutions, and to start capitalizing on the vast amount of data captured through the platform, is another key initiative in 2025 and into 2026. Additionally, consumer engagement at live events is increasingly driven by mobile messaging, video, and feature rich communications. The announcement in 2024 that Apple will support Rich Communication Service ("RCS") messaging also unlocks a huge opportunity to expand mobile messaging and engagement capabilities in this fast-growing channel.

Expanding insurance product lines, underwriting capacity and reaching more customers in more markets are key initiatives for the Insurance Solutions business in 2025. These initiatives will support continued revenue growth and improve its ARR within this business segment.

IC Group will continue to scale the business through a three-pronged growth strategy focused on deepening customer relationships, expanding recurring revenue, growing top line revenue, improving margins and broadening its market and customer footprint. The three-pronged growth strategy includes:

1. Land and Expand:

With the completion of the acquisitions, including Fannex, IC Group's customer base spans North America and Europe. The Company's highly synergistic solutions foster cross-selling opportunities with digital engagement, mobile messaging, and insurance offerings across its client base, strengthening relationships while driving revenue and margin expansion.

2. Organic Growth in Core Divisions:

IC Group's existing business lines continue to grow through expanded marketing and organic sales initiatives. Overall revenue grew by 59% in the nine-month period ended September 30, 2025 in comparison to the same period in 2024 with over 90% being driven by organic revenue growth across all segments. Mobile Messaging saw strong results with a 103% increase in revenue during the period of which 100% was organic revenue growth. Digital Promotions saw a 36% increase in revenue during the period of which 86% was organic growth and Insurance Solutions saw an increase of 19% in revenue during the period, of which 100% was organic growth.

3. Targeted M&A:

IC Group intends to continue to grow its business through strategic acquisitions and investments to expand its core capabilities, broaden its geographic footprint, acquire new talent, and accelerate top-line and recurring revenue growth. IC Group may also make investments in early-stage technologies, through acquisition, investments, or internal development time and labor to compliment or accelerate company solutions to support revenue, customer value, or operational efficiencies. The teams proven ability to integrate, and scale acquired platforms positions the Company well to execute this strategy.

KEY PERFORMANCE INDICATORS

IC Group evaluates its overall performance using key financial indicators such as revenue, ARR, Gross Profit, Gross Margin, adjusted EBITDA, revenue by geography and customer retention rates.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

2025 HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025

The following review is intended to assist in understanding IC Group's financial position as at September 30, 2025, and its results of operations for the three-month period ended September 30, 2025. Financial and operating results for the third quarter of 2025 compared to the same period of 2024 include:

- Revenues increased by 74% to \$7.3 million in the third quarter of 2025, compared to \$4.2 million during the same period in 2024. Gross Profit increased 61% in the third quarter of 2025 to \$3.3 million compared to \$2.0 million in the same period of 2024.
- Approximately 95% of the revenue growth was driven by organic growth across all divisions.
- Gross Margin for the third quarter of 2025 was 45%, compared to 49% in the same period of 2024. The expected decrease is driven by a change in product mix that was a key driver of the increase in Gross Profit in the quarter.
- Approximately 66% of revenue in the third quarter of 2025 is ARR, compared to 61% in the same period of 2024.
- Adjusted EBITDA of \$0.4 million for the third quarter of 2025, compared to a (\$0.5 million) loss in the same period last year, and \$0.2 million profit in the prior quarter of 2025, representing an absolute improvement of 187% and 269%, respectively.
- On June 17, 2025, IC Group signed two agreements with a longstanding, large enterprise technology company. The combination of agreements represents both an extension of current work and a new mandate, together valued at up to US\$7.8 million inclusive of prizing. Servicing of these agreements by the Company's Digital Promotions business unit initiated in Q3 2025 and will continue through the last quarter of 2025 and into 2026.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

ANALYSIS OF RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025

The following section sets forth, for the periods indicated, certain financial data derived from the Company's unaudited interim condensed consolidated financial statements.

Three Months Ended September 30,	2025	2024	Change
Revenue	7,274,126	4,190,668	74%
Gross Profit	3,287,457	2,038,840	61%
Operating income (loss)	(205,225)	(3,305,611)	94%
EBITDA	235,688	(2,948,739)	108%
Net Earnings (Loss) for the period	(360,898)	(3,229,298)	89%
Earnings Per Share * (Basic and diluted)	(0.01)	(0.14)	92%

* The Company effected a 7.89:1 share split on the same date. All share and per share amounts reflecting figures prior to February 21, 2025, have been retrospectively presented in the consolidated financial statements and this MD&A to reflect the share split.

Adjustments to EBITDA:

	Three Months Ended September 30,	
	2025	2024
EBITDA	235,688	(2,948,739)
Adjustments to EBITDA		
1. Acquisition related professional fees	-	8,203
2. Fees – Financing / Public Listing	-	29,705
3. Mobile messaging platform replacement costs	-	222,211
4. Mobile messaging platform enhancement costs	50,000	-
5. Employee stock option expense	-	2,137,775
6. Management Stock Option expense	120,951	89,895
Adjusted EBITDA	406,639	(460,950)

Footnotes

1. Acquisition related professional fees reflects legal costs incurred to complete the acquisitions of Pickaw S.A.S (May 2024) and the mobile messaging assets from ICF Next (November 2023)
2. Financing related professional fees reflect corporate finance, legal, and valuation costs incurred for the raising of capital and reverse takeover transaction with Cuspis Capital II Ltd. which closed in February 2025.
3. Mobile messaging core system replacement costs relate to the Company's investment to transition the messaging gateway to a new platform designed to significantly enhance messaging traffic growth and diversify the Company's capabilities in delivering differentiated solutions to its customers.
4. Mobile messaging platform enhancement costs relate to the Company's investment to develop multimedia messaging service ("MMS") and rich communication service ("RCS") traffic flow capabilities.
5. Employee stock option expense relates to the amortization expense for a one-time granting of stock options to long-standing employees of the Company.
6. Management stock option expense relates to the vesting of Management stock options awarded to senior management to align their incentives with the Company.

Revenue for the three-month period ended September 30, 2025 increased by 74% to \$7.3 million, compared with \$4.2 million during the same period in 2024. The overall increase in revenue was attributable to a 116% increase in Mobile Messaging revenue, a 54% increase in Digital Promotions revenue, and a 35% increase in Insurance Solutions revenue compared to the same period of the prior year. In prior quarters, a softening of the insurance market, increased competition, and a planned remediation of the sales focus on product mix to manage loss ratios and improve recurring revenue impacted the revenue targets. A successful increase in market penetration and expansion of insurance product offerings helped drive a strong third quarter and overcome impacts from the softening insurance market.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Gross Profit for the three-month period ended September 30, 2025 increased 61% to \$3.2 million compared to \$2.0 million during the same period in 2024 driven primarily by a 72% or \$0.9 million improvement in Gross Profit from Digital Promotions and a 60% or \$0.2 million improvement in Gross Profit from Mobile Messaging, and a 27% increase in Gross Profit from Insurance Solutions, compared to the same periods in 2024.

The Company's cost of sales for the three-month period ended September 30, 2025, increased by 85% to \$4.0 million compared to \$2.2 million in 2024. The increase is primarily due to an expected increase in mobile messaging cost of sales, due to revenue and message volume growth, to \$2.5 million compared to \$1.1 million in 2024.

The overall Gross Margin across all businesses expectedly declined 45% in the third quarter of 2025 from 49% during the same period in 2024 due to lower margin mobile messaging revenue representing 44% of overall revenue compared to 35% during the same period in 2024.

Amortization expense increased slightly to \$0.4 million during the third quarter in 2025 compared to \$0.3 million in the same period in the prior year. The increase is attributable to the Digital Promotions segment, where the acquisition of Fannex in the first quarter of 2025 included the addition of capitalized development costs, causing an increase to the amortization expense compared to the pre-acquisition period.

Operating and administrative expenses (excluding amortization expenses) for the three-month period ended September 30, 2025, decreased by 41% to \$3.0 million, compared to the same period in 2024. The overall decrease is largely attributed to the one-time share-based compensation issuance to long tenured employees in the form of employee options granted in September 2024 and the stabilization of Mobile Messaging core system replacement costs. These were offset by additional expenses incurred from the acquisitions of Fannex., which is included in the third quarter of 2025 but not in 2024.

Employed and contract personnel costs not allocated to direct cost of sales comprised of 68% of total operating and administrative expenses for the three-month period ended September 30, 2025, decreasing 14% to \$2.0 million, compared to \$4.1 million in 2024. The expected decrease was primarily due to the one-time employee option grant mentioned above, offset by additional staffing costs absorbed through the Fannex acquisition in 2025.

Professional service fees, comprised of legal, accounting and consulting costs, for the three-month period ended September 30, 2025 increased by \$0.2 million compared to comparable period, primarily due to additional costs incurred to operate as a public entity.

Interest expense for the period ended September 30, 2025, increased by 29% to \$0.21 million, compared to \$0.16 million in 2024, due primarily to the interest accrued on the acquired Fannex debenture obligations.

Net loss for the period ended September 30, 2025, was (\$0.4 million) compared to a net loss of (\$3.2 million) during the same period in 2024. The net loss for three-months ended September 30, 2025 was mainly due to option expense to directors and management of the corporation, increased advertising and staffing levels to support the public listing, expected margin compression in Mobile Messaging, additional interest expense from Fannex's debentures and integration costs related to recently acquired businesses.

Adjusted EBITDA for the three-month period ended September 30, 2025 was up 187% to \$0.4 million compared to a (\$0.5 million) loss in 2024. The Adjusted EBITDA improved by \$0.9 million over the prior year due to the delivery of several significant campaigns in the Digital Promotions segment in the third quarter, as well as increased revenues in Mobile messaging. These improvements in Gross Profit were offset by higher corporate costs, driven by additional costs absorbed as part of the acquired Fannex operations, acceleration of the integration of recently acquired businesses and to support future growth as a public company.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

The quarter end negative working capital balance of approximately \$4.5 million, is largely comprised of deferred revenue of the Digital Promotion segment which has reported a year-to-date gross margin of 67%. Further, the current portion of bank indebtedness of \$1.5 million will be funded by cash flow from operations over the next 12 months.

Individual business segment performance is discussed below.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Digital Promotions

Revenue	<u>For 3 Months ending September 30, 2025</u>	<u>For 3 Months ending September 30, 2024</u>	<u>Change</u>
Contract, prizing, and override revenue	3,360,716	2,175,396	54%
	3,360,716	2,175,396	54%
Cost of Sales			
Direct labour	(708,821)	(553,862)	28%
Fulfillment costs	(476,742)	(356,576)	34%
	(1,185,563)	(910,438)	30%
Gross Profit	2,175,153	1,264,959	72%
Gross Margin	65%	58%	
Operating expenses			
Amortization Expense	(152,573)	(66,531)	129%
Operating and administrative expenses	(1,396,667)	(1,717,957)	(19%)
Other income (expense)	(84,235)	142,662	(159%)
Operating income (loss)	541,678	(376,867)	244%

Contract, prizing, and override revenue increased by \$1.2 million to \$3.4 million or 54% over the same prior year period, primarily driven by increased activity from a major U.S. customer, an increase in override rebate revenue from prizing programs; and the recognition of contract revenue from a major US customer, which launched in the current period. The increase was further supported by revenue contributions from the Fannex acquisition completed in February 2025.

Direct labour increased by \$0.2 million or 28% and fulfillment costs increased by \$0.1 million or 34% for the three-month period ended September 30, 2025, primarily due to the increase of contract and promotional programs engaged or launched in the period. Allocated direct labour costs resulted in an inverse impact to operating and administrative expenses, reducing operating expenses in the current period. Decreases to operating and administrative expenses in the segment were also primarily driven by cancellation of subscription service fees in a social media channel that wasn't profitable and reduced hosting fees from a cloud server migration. These cost savings were offset by the acquisition of Fannex operations.

Gross Margin increased from 58% to 65% in the period, due to increased override revenue and improved operating efficiencies on delivering promotional services.

Included in Other income is \$0.1 million of foreign exchange loss, and no refundable investment tax credits related to Canada's Scientific Research & Experimental Development program were accrued for in the third quarter of the fiscal year. In comparison, in 2024 when the organization was operating as a private company, \$0.03 million was deemed claimable over the three-months period ended September 30, 2024.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Mobile Messaging

Revenue	<u>For 3 Months ending</u> <u>September 30, 2025</u>	<u>For 3 Months ending</u> <u>September 30, 2024</u>	<u>Change</u>
Mobile messaging	3,186,396	1,474,862	116%
	3,186,396	1,474,862	116%
Cost of Sales			
Mobile messaging carrier costs	(2,546,381)	(1,074,317)	137%
	(2,546,381)	(1,074,317)	137%
Gross Profit	640,015	400,544	60%
Gross Margin	20%	27%	
Operating expenses			
Amortization Expense	(132,077)	(132,478)	0%
Operating and administrative expenses	(654,020)	(717,656)	(9%)
Operating income (loss), as reported	(146,082)	(449,590)	68%
Add back:			
Messaging System replacement	-	222,211	(100%)
Messaging System enhancement	50,000	-	100%
Adjusted operating income (loss)	(96,082)	(227,379)	58%

Mobile Messaging revenue more than doubled organically, increasing by 116% or by \$1.7 million to \$3.2 million, driven by increased traffic across all customers with wholesale customers driving most of the increase. The increase was further supported by professional set up fees with existing customers.

Cost of Sales increased 137% to \$2.5 million compared to \$1.1 million driven by the increase in sales and related traffic volumes along with industry-wide price increases implemented by several carriers during the period. An expected decline in Gross Margin to 20% in the three-

months ended September 30, 2025 compared to 27% in the same period in 2024 is driven by the change in business model to support more wholesale customers driving higher traffic volume at lower margins along with impacts from carrier price increases not being fully transferred to all customers during the quarter.

Operating and administrative expenses declined 9% to \$0.65 million during the three-month period ending September 30, 2025 compared to \$0.72 million during the same period in the prior year, as personnel costs and hosting and service fees have transitioned from integration to scaling and business development costs. Also included in Operating and Administrative expenses in 2024 were development, onboarding and integration costs incurred related to the replacement of the core messaging system. These were recognized as a one-time expense with total costs incurred in the three-months ended September 30, 2024 of \$0.22 million. In the three-months ended September 30, 2025, \$0.05 million was incurred to enhance the mobile messaging platform to develop multimedia messaging service ("MMS") and rich communication service ("RCS") traffic flow capabilities.

Amortization expense of \$0.1 million for the three-month period ended September 30, 2025 was consistent with prior year period and related to the Company's investment in the acquired customer contracts.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Insurance Solutions

	<u>For 3 Months ending</u> <u>September 30, 2025</u>	<u>For 3 Months ending</u> <u>September 30, 2024</u>	<u>Change</u>
Revenue			
Profit and sales commissions	680,606	384,111	77%
Rating site and administrative income	46,408	156,299	(70%)
	727,015	540,410	35%
Cost of Sales			
Brokerage commissions	(254,726)	(167,073)	52%
	(254,726)	(167,073)	
Gross Profit	472,289	373,337	27%
Gross Margin	65%	69%	
Operating expenses			
Amortization Expense	(93,148)	(93,052)	0%
Operating and administrative expenses	(326,150)	(260,128)	25%
Other income (expense)	2,516	(5,631)	145%
Operating income	55,506	14,526	282%

Revenue increased 77% to approximately \$0.7 million during the three-month period ending September 30, 2025 due to a successful increase in market penetration and expansion of insurance product offerings which helped drive a strong third quarter. This is despite a softening insurance market, increased competition, and a planned remediation of the product sales mix to manage loss ratios and improve recurring revenue. The Insurance Solutions segment realized sooner than anticipated surges in new business from United States and United Kingdom markets, as a result of business development sales efforts which generated revenues in the contractual bonus space and additional event cancellation business. Additionally, an expected program termination with a US customer occurred resulting in a decline in administrative income.

Gross Profit increased 27% due to higher sales, however Gross Margin declined to 65% in the three-month period ending September 30, 2025 compared to 69% in the same period in 2024. This margin compression was primarily driven by sales efforts to expand the liability business. This revenue line saw quicker than anticipated results, generating a material revenue increase over the comparable period. Liability business, although recurring, currently yields a lower take rate, which put downward pressure on the gross margin while yielding higher profits.

Operating and administrative expenses in the three-month period in 2025 increased by 25% compared with the prior year period due to increases in payroll and benefits. Also included is \$0.1 million of amortization expense for the three-month period in 2025 (2024 - \$0.1 million), mostly related to the Company's investment in the internally developed quote/rate/bind "Glide" platform.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

2025 HIGHLIGHTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

The following review is intended to assist in understanding IC Group's financial position as at September 30, 2025, and its results of operations for the nine-month period ended September 30, 2025. Financial and operating results for the nine-month period ended September 30, 2025 compared to the same period of 2024 include:

- Revenues increased by 59% to \$19.8 million for the nine-month period ended September 30, 2025 compared to \$12.5 million during the same period in 2024. Gross Profit increased 39% to \$9.0 million compared to \$6.5 million in the same period last year.
- Approximately 95% of the revenue growth was driven by organic growth across all divisions.
- The overall Gross Margin across all businesses expectedly declined to 46% in the first three quarters of 2025 from 52% during the same period in 2024 due to lower margin mobile messaging revenue representing 46% of overall revenue compared to 36% during the same period in 2024.
- Approximately 68% of revenue (\$13.4 million) for the nine-month period ended September 30, 2025 is ARR, compared to 62% in the same period of 2024, representing a 9% improvement.
- Adjusted EBITDA increased by 331% to \$0.7 million for the nine-month period ended September 30, 2025, compared to \$0.2 million in the same period last year due to improved revenues and Gross Profit. Gross profit, which increased across all business segments by \$2.5 million, was offset by higher corporate costs, primarily driven by the acquisition of Fannex, acceleration of the integration of recently acquired businesses, and supporting future growth as a public company. Strategic decisions to reduce costs in subscriptions and hosting services also supported the improvement of Adjusted EBITDA in the first three quarters of the fiscal year.
- In the second quarter, the Company announced the renewal of a five-year services agreement with one of the world's largest enterprise technology companies operating in over 190 countries. The contract, awarded to IC Group and to be serviced by the Company's Digital Promotions business unit, strengthens a relationship that has spanned over a decade and extends the partnership through 2030.
- On May 8, 2025, the Company announced the appointed Robert White as a new Director until the next meeting of shareholders or until his successor is duly elected or appointed. Mr. White brings over two decades of experience in global capital markets, asset management, and fintech. He is currently a Partner at Legion3 Capital, a private investment firm based in Toronto. He previously served as CEO of Outcome Wealth Management. He also held several senior positions at the Bank of Montreal, including Managing Director and Head of Fixed Income Trading, Global Funding, and Capital Markets Asset Management. During his tenure there, he was instrumental in driving significant revenue, liquidity, and risk management initiatives.
- Through independent, external audits of the company's Information Management Systems the Company received recertification of ISO27001 in June of 2025. ISO27001, a globally recognized standard for Information Security Management Systems (ISMS), provides a framework for organizations to establish, implement, maintain, and continually improve their ISMS. Certification against this standard demonstrates a commitment to robust information security practices and can be crucial for businesses, especially those handling sensitive data or operating in regulated industries.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

ANALYSIS OF RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

The following section sets forth, for the periods indicated, certain financial data derived from the Company's unaudited interim condensed consolidated financial statements.

Nine Months Ended September 30,	2025	2024	Change
Revenue	19,782,174	12,474,218	59%
Gross Profit	9,001,574	6,498,813	39%
Operating income (loss)	(1,547,383)	(4,746,772)	67%
EBITDA	(1,337,289)	(3,575,704)	63%
Net Earnings (Loss) for the period	(3,031,213)	(4,627,440)	34%
Earnings Per Share * (Basic and diluted)	(0.09)	(0.20)	52%

* The Company effected a 7.89:1 share split on the same date. All share and per share amounts reflecting figures prior to February 21, 2025, have been retrospectively presented in the consolidated financial statements and this MD&A to reflect the share split.

Adjustments to EBITDA:

	Nine Months Ended September 30,	
	2025	2024
EBITDA	(1,337,289)	(3,575,704)
Adjustments to EBITDA		
1. Acquisition related professional fees	-	58,778
2. Fees – Financing / Public Listing	432,947	218,302
3. Listing Expense – Cuspis RTO	1,060,648	-
4. Mobile messaging platform replacement costs	-	948,975
5. Mobile messaging platform enhancement costs	50,000	-
6. Employee stock option expense	-	2,137,775
7. Director fees on successful completion of transaction	175,000	-
8. Management Stock Option expense	359,844	89,895
9. Share based signing bonuses	-	294,002
Adjusted EBITDA	740,648	172,023

Footnotes

1. Acquisition related professional fees reflects legal costs incurred to complete the acquisitions of Pickaw S.A.S (May 2024) and the mobile messaging assets from ICF Next (November 2023)
2. Financing related professional fees reflect corporate finance, legal, and valuation costs incurred for the raising of capital and reverse takeover transaction with Cuspis Capital II Ltd. which closed in February 2025.
3. In conjunction with the reverse takeover transaction with Cuspis Capital II Ltd. mentioned above, the company recorded a listing expense to reflect the paid premium in shares issued to Cuspis shareholders (\$2.2 million) less the fair value of assets transferred (\$1.2 million) to the Company.
4. Mobile messaging core system replacement costs relate to the Company's investment to transition the messaging gateway to a new platform designed to significantly enhance messaging traffic growth and diversify the Company's capabilities in delivering differentiated solutions to its customers.
5. Mobile messaging platform enhancement costs relate to the Company's investment to develop multimedia messaging service ("MMS") and rich communication service ("RCS") traffic flow capabilities.
6. Employee stock option expense relates to the amortization expense for a one-time granting of stock options to long-standing employees of the Company.
7. One of the Company's former directors was engaged for services to support the successful completion of the reverse takeover transaction and acquisition of Fannex. As part of those services the Director agreed to compensation in the form of cash and shares.
8. Management stock option expense relates to the vesting of Management stock options awarded to senior management to align their incentives with the Company.
9. Share based bonuses relate to one-time inducements of common shares awarded to 2 executives who joined the Company in 2024.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Revenue for the nine-month period ended September 30, 2025 increased by 59% to \$19.8 million, compared with \$12.5 million during the same period in 2024. The overall increase in revenue was attributable to an 103% increase in Mobile Messaging revenue, a 36% increase in Digital Promotions revenue and a 19% increase in Insurance Solutions revenue during the period.

Gross Profit for the nine-month period ended September 30, 2025 increased 39% to \$9.0 million compared to \$6.5 million during the same period in 2024. The Company's cost of sales for the nine-month period ended September 30, 2025, increased by 80% to \$10.8 million compared to \$6.0 million in 2024. The expected increase in the Company's cost of sales is largely attributed to the mobile messaging cost of sales of \$7.3 million compared to \$2.9 million in 2024 from increased messaging volumes realized. Also contributing to this overall increase was a 51% or \$2.1 million improvement in Digital Promotions gross profit compared to the same period in 2024.

The overall Gross Margin across all businesses expectedly declined to 46% for nine-month period ended September 30, 2025 from 52% during the same period in 2024 due to lower margin mobile messaging revenue representing 46% of overall revenue compared to 36% during the same period in 2024.

Amortization expense remained relatively flat at \$1.1 million during the nine-month period ended September 30, 2025 compared to \$1.0 million in the same period in the prior year. There was a decrease of \$0.2 million in amortization expenses in the mobile messaging segment due to the disposal of the previously acquired messaging gateway asset in June 2024; this was offset by an increase of \$0.3 million in amortization expense in the Digital Promotions segment due to the acquisition of Pickaw in May 204 and Fannex in February 2025.

Operating and administrative expenses (excluding amortization expenses) for the nine-month period ended September 30, 2025, decreased by 11% to \$9.3 million, compared to the same period in 2024. The overall decrease in operating and administrative expenses was primarily due to the one-time share-based compensation issuance to long tenured employees in the form of employee options granted in September 2024, offset by additional expenses incurred from the acquisitions of Pickaw S.A.S and Fannex which are included in the first three quarters of 2025 but only partially for Pickaw in 2024. Similarly, there was an increase in the quarter to legal and professional service fees as part of the acquisition of Fannex and the reverse takeover with Cuspis Capital II, both which occurred on February 21, 2025.

Employed and contract personnel costs not allocated to direct cost of sales comprised approximately 68% of total operating and administrative expenses for the nine-month period ended September 30, 2025, decreasing approximately 20% to \$6.3 million, compared to \$7.9 million in 2024. The expected decrease is primarily due to the one-time employee option grant in 2024 mentioned above, higher utilization rates of Digital Promotions development teams in the nine months ended September 30, 2025 compared to the same period in 2024, which increases allocation of labour costs to cost of sales from operating and administrative expenses. These were offset by additional staffing costs absorbed through the Fannex and Pickaw S.A.S acquisitions, and recurring management share option expense.

Professional service fees for the nine-month period ended September 30, 2025 decreased by 17% to \$1.0 million compared to \$0.9 million in 2024, mostly driven by the stabilization of legal and consulting costs incurred post RTO transaction; offset by one-time broker fees paid in Q1 2025 as part of the capital raise during the listing transaction closed on February 21, 2025.

Interest expense for the period ended September 30, 2025, increased by 35% to \$0.62 million, compared to \$0.46 million in 2024, due primarily to the expected additional accrued interest on the debenture debt related to the Fannex acquisition.

Net loss for the period ended September 30, 2025, was (\$3.0 million) compared to a net loss of (\$4.6 million) during the same period in 2024. The net loss for the nine-month period ended September 30, 2025 was mainly due to one-

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

time costs incurred related to the acquisition of Fannex, reverse takeover of Cuspis Capital II, share issuance and option expense to directors and management of the corporation for retention, promotion, and successful completion of the qualifying transaction, and increased advertising and staffing levels to support the public listing.

Adjusted EBITDA for the nine-month period ended September 30, 2025 was \$0.7 million compared to \$0.2 million in 2024, an increase of 331%. The Adjusted EBITDA was above the prior year, reflective of the growth in in mobile messaging revenues and the continued enhancement of servicing of high profile and unique campaigns in the Digital Promotions segment. These increases to revenue and Gross Profit were offset by higher corporate costs incurred from absorbing the operations of recent acquisitions, acceleration of the integration of recently acquired businesses and from supporting future growth as a public company.

Individual business segment performance is discussed below.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Digital Promotions

Revenue	<u>For 9 Months ending September 30, 2025</u>	<u>For 9 Months ending September 30, 2024</u>	<u>Change</u>
Contract, prizing, and override revenue	9,058,664	6,653,809	36%
	9,058,664	6,653,809	36%
Cost of Sales			
Direct labour	(1,744,550)	(1,483,079)	18%
Fulfillment costs	(1,244,828)	(1,152,659)	8%
	(2,989,377)	(2,635,738)	13%
Gross Profit	6,069,287	4,018,071	51%
Gross Margin	67%	60%	
Operating expenses			
Amortization Expense	(383,716)	(146,486)	162%
Operating and administrative expenses	(4,299,010)	(4,150,147)	4%
Other income (expense)	(85,660)	376,534	(123%)
Operating income (loss)	1,300,901	97,972	1228%

Contract, prizing, and override revenue increased by \$2.4 million to \$9.1 million or 36% during the nine-month period ended September 30, 2025, over the same prior year period, primarily driven by increased activity from several core U.S. customers, an increase in override rebate revenue from prizing programs; and the recognition of contract revenue for several large unique promotions with a major US customer which launched in the period. The increase was further supported by revenue contributions from the Fannex acquisition completed in February 2025.

Direct labour increased by 18% and fulfillment costs increased 8% for the nine-month period ended September 30, 2025, primarily due to the increase of contract and promotional programs engaged or launch in the period, reflecting an increase in utilization rates of personnel. Unallocated direct labour costs result in an inverse impact to operating and administrative expenses. Increases to operating and administrative expenses in the segment were driven by the acquisitions of Pickaw and Fannex operations.

Gross Margin increased from 60% to 67% in the period, due to increased override revenue and improved efficiencies on delivering promotional services.

Operating Income (loss) saw a 1228% improvement to \$1.3 million over the nine-month period ended September 30, 2025 compared to \$0.1 million during the same period in 2024.

In the 2025 period there was a \$0.1 million foreign exchange loss included in Other income and no refundable investment tax credits related to Canada's Scientific Research & Experimental Development program were accrued for in the first three quarters of the fiscal year. In comparison, in 2024 when the organization was operating as a private company, \$0.1 million was deemed claimable over the nine-months period ended September 30, 2024.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Mobile Messaging

Revenue	<u>For 9 Months ending</u> <u>September 30, 2025</u>	<u>For 9 Months ending</u> <u>September 30, 2024</u>	<u>Change</u>
Mobile messaging	9,170,528	4,511,120	103%
	9,170,528	4,511,120	103%
Cost of Sales			
Mobile messaging carrier costs	(7,255,883)	(2,876,824)	152%
	(7,255,883)	(2,876,824)	152%
Gross Profit	1,914,645	1,634,296	17%
Gross Margin	21%	36%	
Operating expenses			
Amortization Expense	(396,233)	(562,435)	(30%)
Operating and administrative expenses	(1,808,967)	(2,182,350)	(17%)
Other income (expense)	-	-	-
Operating income (loss), as reported	(290,555)	(1,110,489)	74%
Add back:			
Messaging system replacement	-	948,975	(100%)
Messaging system enhancement	50,000	-	100%
Adjusted operating income (loss)	(240,555)	(161,514)	(49%)

Mobile Messaging revenue increased organically by 103% or \$4.7 million to \$9.2 million, during the nine-month period ended September 30, 2025 compared to the same period in 2024. This increase was driven by increased traffic across all customers with wholesale customers driving most of the increase. The increase was further supported by professional set up fees with existing customers in the period for the onboarding new message traffic.

Cost of Sales increased 152% to \$7.3 million compared to \$2.9 million in the prior year, driven by increased sales and related traffic volumes along with industry wide price increases implemented by several carriers during the period. An expected decline in Gross Margin to 21% in the nine-months ended September 30, 2025 compared to 36% in the same period in 2024 is driven by the change in business model to support more wholesale customers driving higher traffic volume at lower margins along with impacts from carrier price increases not being fully transferred to all customers.

Operating and administrative expenses improved by 17% to \$1.8 million during the nine-month period ending September 30, 2025, compared to \$2.2 million during the same prior year period, as personnel costs, hosting, and service fees transitioned from integration expenses to scaling and business development costs. Included in Operating and Administrative expenses in the prior year were onboarding and integration costs related to the replacement of the core messaging system. These were recognized as a one-time expense with a total cost incurred in the nine-month period ended September 30, 2024 of \$0.95 million. In the nine-months ended September 30, 2025, \$0.05 million was incurred to enhance the mobile messaging platform to develop MMS and RCS traffic flow capabilities.

Amortization expense of \$0.4 million for the nine-month period ended September 30, 2025 related to the Company's investment in the acquired customer contracts. This was 30% lower than the \$0.6 million recognized for the same period of 2024 as the acquired messaging gateway platform was fully depreciated by the end of June 2024.

Operating income (loss) saw a 49% decline to (\$0.2 million) over the nine-month period ended September 30, 2025 compared to (\$0.1 million) during the same period in 2024.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Insurance Solutions

	<u>For 9 Months ending September 30, 2025</u>	<u>For 9 Months ending September 30, 2024</u>	<u>Change</u>
Revenue			
Profit and sales commissions	1,377,903	1,006,600	37%
Rating site and administrative income	175,078	302,689	(42%)
	1,552,982	1,309,289	19%
Cost of Sales			
Brokerage commissions	(535,240)	(462,843)	16%
	(535,240)	(462,843)	
Gross Profit	1,017,642	846,446	20%
Gross Margin	66%	65%	
Operating expenses			
Amortization Expense	(279,135)	(279,154)	0%
Operating and administrative expenses	(908,050)	(808,558)	12%
Other income (expense)	(9,146)	(4,475)	104%
Operating income (loss)	(178,689)	(245,741)	27%

Revenue increased by 37% to approximately \$1.4 million during the nine-month period ended September 30, 2025, from an increase in both volume of risks bound and the average size of premiums bound. This increase over the prior year occurred despite a softening insurance market, increased competition, and a planned remediation of the product sales mix to manage loss ratios and improve recurring revenue, all of which put downward pressure on the business segment's results. Additionally, due to the ongoing evolution of the insurance business model, an expected program termination with a US customer occurred during the second quarter resulting in a decline in administrative income.

Gross Profit improved 20% over the prior year period due to higher revenues and improved Gross Margin by 1% to 66% in the nine-month period ending September 30, 2025, compared to 65% in the same period in 2024; while experiencing a reduction in Gross Profit from the program termination mentioned above, indicating that the Company was able to improve its take rate on bound premiums. Gross Margin improved on a nine-month basis over comparable period as take rates in the contingency business increased due to improved sales quoting strategies for contractual bonus business.

Operating and administrative expenses in the nine-month period in 2025 increased 12% compared with the prior year period due to increases in payroll and benefits, driven by recent hires in the sales and operations team. Amortization expense of \$0.3 million was recorded for the nine-month period in 2025 (2024 - \$0.3 million), which was mostly related to the Company's investment in the development of the "Glide" platform.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Geographic Customer Revenue Mix

For the nine-month period ended September 30, 2025, revenue remained concentrated in North America. United States based customers accounted for 76% of total revenue (2024 – 64%), heavily supported by increased usage and program execution across enterprise accounts. Canada represented 23% of revenue (2024 – 34%), with the change driven by stronger relative growth in the United States during the period. International revenue accounted for 2% of total revenue (2024 – 2%). Smaller contributions from Other Countries reflected early-stage customer activity in EMEA and ASPAC, as the international acquisition of Pickaw in France and the acquisition of Fannex see expanded support and growth into newer geographic markets.

The following table presents geographic revenue concentration by operating segment in the nine-month period ended September 30, 2025:

Countries	Digital Promotions	Mobile Messaging	Insurance Solutions	Total
USA	94%	60%	29%	76%
Canada	4%	40%	58%	23%
Other	2%	0%	13%	2%
Total	100%	100%	100%	100%

Across segments, Digital Promotions and Mobile Messaging continued to represent the majority of revenue in North America. Digital Promotions acquisition of Fannex accounted for a large portion of the revenue in Canada, while Mobile Messaging activity remained scaled across both major North American markets. Insurance Solutions contributions were concentrated in Canada and in select international jurisdictions.

As at September 30, 2025, the Company served over 150 active customers, compared with approximately 85 active customers as at September 30, 2024, the increase primarily driven from the acquisition of Fannex.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Financial Condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at September 30, 2025 and December 31, 2024.

As at	September 30, 2025	December 31, 2024
Cash	2,154,881	101,329
Current assets	16,868,591	8,892,766
Total assets	34,095,284	20,701,781
Current liabilities	21,386,954	11,808,302
Total liabilities	29,636,522	20,606,962
Shareholders' equity	4,458,762	94,819

Total assets were \$34.1 million as at September 30, 2025, an increase of \$13.4 million or 65%, compared to December 31, 2024. The increase was related primarily to an increase in restricted cash held for prizing fulfillment in the amount of \$4.9 million, acquisition of the remaining shares of Emotion Media Inc. (Fannex) for \$3.6 million (net of acquired debentures), and cash received from the reverse takeover of Cuspis Capital II and associated capital raise of a net \$2.5 million. An increase in net customer deposits for prizing, which offsets the restricted cash position, of \$4.0 million and the transfer of the Fannex's debentures, (\$2.1 million acquired less \$0.3 million paid on successful capital raise in February 2025) were the main components of the increase of total liabilities of \$9.0 million in September 30, 2025 compared to prior-year end. An increase of \$4.4 million in total shareholders' equity, was driven by the share capital issued as a result of the qualifying RTO and capital raise transactions, offset by the net earnings (loss) in the year-to-date period, largely due to one-time costs associated to those transactions, and the option expense incurred for directors and management of the corporation for incentive alignment and retention purposes.

Management is comfortable with the negative working capital balance of approximately \$4.5 million, primarily because it is largely comprised of deferred revenue of the Digital Promotion segment which reported a year-to-date gross margin of 67%. Further, the current portion of bank indebtedness of \$1.5 million will be funded by cash flow from operations over the next 12 months.

DEBT FINANCING

As at September 30, 2025 senior long-term debt was \$8.1 million compared to \$9.1 million at December 31, 2024. The Company's senior long-term debt primarily consists of a credit facility provided by Bank of Montreal ("BMO" or the "lender") and a CEBA refinancing loan provided by Royal Bank of Canada ("RBC") to Fannex.

The terms of the BMO credit facility require that the Company's financial performance must not exceed a maximum debt to EBITDA ratio and a minimum fixed charge ratio. On January 23, 2025, the lender amended the original agreement to have the date of covenant tests changed to January 1, 2026. As referred to in the Subsequent Event section of the MD&A, the Company announced its intention to complete a non-brokered private placement offering of units for gross proceeds of up to C\$4.0 million, of which, a portion is intended to improve liquidity.

IC Group has available credit facilities with BMO in the form of an overdraft facility to a maximum of \$0.9 million and a \$0.5 million working capital loan, bearing interest at prime plus 2%. As at September 30, 2025 and December 31, 2024, neither of these credit facilities were utilized.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

During the three-month period ended September 30, 2025, the Company made scheduled principal repayments on its long-term credit facility of \$0.3 million.

As part of the acquisition of Fannex the company assumed approximately \$2.6 million of debentures and accrued interest payable, of which approximately \$0.6 million was already due to the Company from Fannex. At the closing of the acquisition on February 21, 2025, the Company repaid \$0.4 million of the outstanding balance, including \$0.1 million related to its proportionate share of the obligation. The remaining balance of principal and accrued interest at September 30, 2025 was \$1.6 million, of which \$0.9 million was a current liability.

SHARE CAPITAL

Issued shares and warrants

During the nine-month period ended September 30, 2025, IC Group issued 7,632,926 common shares for the following purposes:

	Common Shares Issued	Amount (\$)
Acquisition of Emotion Media Inc. (Fannex)	3,211,009	3,211,009
Reverse Takeover of Cuspis Capital II	2,900,000	2,218,500
Brokered private placement subscription offering	1,205,250	922,017
Shareholder loans settled in share subscription	316,667	242,250
	7,632,926	6,593,776

In conjunction with the brokered private placement and shareholder loan conversions, 1,521,917 common share purchase warrants were issued. Each warrant entitles the holder to purchase one IC Group common share at an exercise price equal to \$1.20 until February 20, 2029. As part of compensation for leading the private placement offering, the broker received warrants which entitle the holder to purchase one IC Group common share at an exercise price equal to \$1.00 until February 20, 2029. As at September 30, 2025, no warrants had been exercised.

Share options

In September 2024, 2,077,251 share options were granted to Management to align their incentives in the Company. These options vest in two equal tranches on January 1, 2025, and January 1, 2026 and have a strike price of \$0.73 per share. As at September 30, 2025, no vested options had been exercised and 88,122 unvested options were cancelled.

During the nine-month period ended September 30, 2025, the Company granted an aggregate of 75,000 stock options at an exercise price of \$0.65 per share. These options vest 50% on each of April 9, 2026 and 2027 and expire April 9, 2035. The Company also granted an aggregate of 325,346 stock options at an exercise price of \$0.54 per share to six executives as partial settlement of their 2024 performance bonuses. These options vest 50% on each of June 29, 2026 and 2027 and expire June 29, 2035.

IC GROUP HOLDINGS INC.**Management's Discussion & Analysis****For the three and Nine-month periods ended September 30, 2025**

LIQUIDITY AND CAPITAL RESOURCES

Capital is comprised of the Company's shareholders' equity and debt facilities. As at September 30, 2025, the Company's shareholders' equity was \$4.5 million (\$0.1 million at December 31, 2024) and there was \$10.2 million of debt and debentures outstanding (\$10.1 million at December 31, 2024). In the nine-month period ended September 30, 2025, debt increased in the period due to absorbing the \$2.3 million of debenture and interest payable on February 21, 2025 as part of the Fannex acquisition, offset by principal repayments of \$1.0 million on senior debt, repayments of \$0.3 million of Fannex debentures, and repayments of \$0.3 million of shareholder loans through share and warrant issuances.

The Company's cash flows for the nine-month periods ended September 30, 2025 and 2024 are summarized in the table below.

Period Ended September 30,	2025	2024
Cash flows provided by (used for) operating activities	1,898,343	252,545
Cash flows provided by (used for) financing activities	866,529	(420,077)
Cash flows used in investing activities	(614,791)	(650,855)
Increase (decrease) in cash for the period	2,150,082	(818,386)
Cash, beginning of the period	101,329	1,176,270
Cash, end of the period	2,154,882	368,096

Cash flows provided by operating activities were \$1.9 million for the nine-months ended September 30, 2025 (2024 – \$0.3 million), higher by \$1.6 million. A lower net loss of \$0.9 million vs. the prior year period was further supported by adjustments of large non-cash items including the listing expense of \$1.0 million related to the RTO transaction and amortization of share option expense of \$0.4 million (2024 – \$2.2 million). Significant components of the reduction in cash flows from operating activities between the comparative periods were higher growth in accounts and other receivables and prepaid expenses of \$1.5 million, offset by higher growth in accounts payable and accrued liabilities of \$1.3 million as a result of increase mobile messaging traffic impacting working capital.

Cash flows provided by (used in) financing activities were \$0.9 million during the nine-month period ended September 30, 2025 (2024 – (\$0.4 million)), which were sourced from issuance of common shares of \$2.1 million, issuance of stock options and warrants of \$0.3 million and offset by (\$1.0 million) of repayments of bank facilities, (\$0.2 million) repayments of notes payable, and (\$0.4 million) repayments of debentures net of accrued interest.

Cash flow used in investing activities was (\$0.6 million) during the nine-month period ended September 30, 2025 (2024 - \$0.7 million). The funds were used, along with the issuance of common shares, as part of the acquisition of Fannex on February 21, 2025 and capitalization of development costs on company platform software.

As a result of the above activities, at September 30, 2025, the Company has \$2.2 million of cash and other current assets totaling \$14.7 million, available to settle current liabilities of \$21.4 million.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the nine-month period ended September 30, 2025 the Company incurred \$1.2 million of short-term compensation to related Directors and Officers (\$0.8 million - 2024) and share-based payments of \$0.03 million (\$1.2 million – 2024).

In 2024, certain shareholders committed to lending the Company up to \$0.8 million. These shareholder loans bear interest at a rate of 10.0% per annum payable monthly. On December 20, 2024 the Company obtained from the lending shareholders an extension of repayment period to July 1, 2026. As at September 30, 2025, loans aggregating \$0.7 million had been advanced and \$0.3 million had been repaid in share issuance as part of the listing transaction (nil – 2024). At September 30, 2025, \$0.4 million remained outstanding.

Business Combinations

Acquisition of Emotion Media Inc. (Fannex)

On February 21, 2025, as previously announced and immediately following the below described business combination and equity financing, the Company acquired the shares of Fannex that it did not already own in exchange for \$0.3 million of cash and the issuance of 407,126 common (pre-split) shares of IC Group, including the assumption of approximately \$2.5 million of debentures and accrued interest payable, of which approximately \$0.6 million was already due to the Company from Fannex and of which approximately \$0.3 million was repaid on closing.

When ICG issued its March 31, 2025 interim financial statements, the period in which the Acquisition occurred, the valuation of the purchase price allocation was incomplete, as ICG was awaiting further information about facts and circumstances that existed as of the acquisition date. The completion of the valuation is expected to be finalized by December 31, 2025. ICG used a provision of the fair values of the assets acquired, liabilities assumed and consideration paid, summarized as follows:

Consideration paid	
Common shares (3,211,009)	3,211,009
Cash	250,054
Pre-acquisition investments in Fannex	
Common share investment	347,500
Debentures	409,233
Total consideration transferred	4,217,796

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Acquired Assets and Liabilities	
Cash	30,546
Net working capital	(362,767)
Property and equipment	2,477
Internally developed software	1,347,928
Customer Relationships	259,000
Bank indebtedness	(29,121)
Debentures and accrued interest	(2,063,034)
Total identifiable net assets acquired	(814,971)

Total Consideration paid	4,217,796
Fair value of identifiable net assets acquired	(814,971)
Goodwill	5,032,767

Goodwill primarily represents the synergistic benefits of combining the Fannex business with ICG's Digital Promotions operating segment. Additionally, goodwill is attributed to the assembled workforce of Fannex, the value pertaining to the Company being able to immediately utilize the acquired staff. These benefits would be available to other market participants.

The following table provides the estimated schedule of payments for the repayment of the debentures and accumulated interest not owned by the Company:

	Date	Amount
Debenture repayment #1	Paid on closing – February 21, 2025	312,234
Debenture repayment #2	September 1, 2025	156,117
Debenture repayment #3	October 1, 2025	156,117
Debenture repayment #4	November 1, 2025	156,117
Debenture repayment #5	December 1, 2025	156,117
Debenture repayment #6	July 1, 2026	585,439
Debenture repayment #7	December 1, 2026	689,178
Total		2,211,319

All debenture repayment requirements up to and inclusive of October 1, 2025 denoted above have been repaid to debenture holders on schedule.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

Reverse Take Over, Equity Financing and Advances from Shareholders

On February 21, 2025, Cuspis, a Capital Pool Company listed on the Exchange, and 1119 Canada closed their previously announced business combination transaction which resulted in the reverse takeover of Cuspis by 1119 Canada and which constituted the Qualifying Transaction for Cuspis. 1119 Canada became the wholly owned subsidiary of Cuspis, and Cuspis, the resulting issuer, was renamed "IC Group Holdings Inc."

In furtherance of the business combination, on November 7, 2024, Cuspis and 1119 Canada closed a brokered private placement offering (the "Offering") of subscription receipts of IC Group ("Subscription Receipts") at a price of \$1.00 per Subscription Receipt for aggregate gross proceeds of \$1,205,250. Each subscription receipt entitled the holder, on a post-share split and share consolidation basis as described below, to one resulting issuer common share and one common share purchase warrant (each warrant, an "Underlying Warrant"). Each Underlying Warrant entitles the holder to purchase one resulting issuer common share at an exercise price equal to \$1.20 until the date that is 48 months following the closing date of the Qualifying Transaction.

In conjunction with the Offering, certain shareholders of 1119 Canada converted an aggregate \$316,667 of their advances into 316,667 Subscription Receipts. Interest on the remaining \$400,000 balance continues to accrue at a rate of 10% per annum, payable monthly.

Under the terms of the Qualifying Transaction, IC Group completed a 7.89:1 share split, resulting in 1119 Canada having a total of 29,000,000 shares outstanding (which includes securities of 1119 Canada issued to complete the acquisition of Fannex, but which excludes securities issued in the Offering). Cuspis completed a 1:4.31 share consolidation. Following the share split and share consolidation, holders of common shares of 1119 Canada, including those shares issuable pursuant to the Offering, received one post-amalgamation common share of the resulting issuer in exchange for each common share of 1119 Canada held. In addition, all options and warrants exercisable for IC Group common shares were exchanged for options and warrants exercisable for resulting issuer common shares, on the same economic terms and conditions as such original outstanding securities.

Upon completion of the Transaction, the Acquisition, the Offering, and the conversion of advances from shareholders, shareholders of ICG held 71.26% of the Resulting Issuer Shares.

SUBSEQUENT EVENTS

On October 29, 2025, the Company announced its intention to complete a non-brokered private placement offering of up to 8,000,000 units at a price of C\$0.50 per unit, for gross proceeds of up to C\$4.0 million. Each unit consists of one common share and one-half of a common share purchase warrant exercisable at C\$0.75 for a period of 24 months. The net proceeds are intended to be used to support the Company's sales and marketing initiatives, technology infrastructure and digital engagement platforms, and for general corporate purposes and working capital.

The Offering is expected to close after the date on which these financial statements are authorized for issuance. Accordingly, no adjustments have been made to the MD&A or the accompanying financial statements as at September 30, 2025.

No other material subsequent events occurred that would require adjustment or disclosure in the MD&A or the accompanying financial statements.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

RISKS AND UNCERTAINTIES

AN INVESTMENT IN SECURITIES OF IC GROUP IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of IC Group consider the risks set forth below to be the most significant, but do not consider them to be all the risks associated with an investment in securities of IC Group. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with IC Group's business, actually occur, IC Group's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the IC Group's securities could decline, and investors may lose all or part of their investment.

Reliance on Key Personnel

The success of IC Group depends largely upon the continued services of its executive officers and other key employees, namely its Chief Executive Officer, Duncan McCready, its Chief Financial Officer, John Penhale, Marc Caron, Secretary of IC Group (and COO of IC Group Inc.) and David Sasaki, President of Insurance Solutions. and other senior leaders in the organization. IC Group relies on its leadership team in all areas of its businesses including Digital Promotions, Incentives & Rewards, Mobile Messaging, and Insurance Solutions including functional areas of financial operations, engineering, information technology, delivery, legal & compliance, operations, vendor management, marketing, sales, customer support, information security, general and administrative functions. From time to time, there may be changes in IC Group's executive management or leadership team resulting from the hiring or departure of executives, which could disrupt its business. IC Group does not have employment or contractor agreements with its executive officers or other key personnel that require them to continue to work for IC Group for any specified period and, therefore, they could terminate their contract or employment with IC Group at any time. The loss of one or more of IC Group's executive officers or key employees could harm IC Group's business. The Company carries no "Key Man" insurance on any of its management, and the loss of any of these individuals is likely to have a negative effect on the Company's operations. Changes in IC Group's executive management team may also cause disruptions in, and harm to, its business.

In addition, to execute IC Group's growth plan, IC Group must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for software engineers experienced in designing and developing software and SaaS applications and experienced sales professionals. IC Group has, from time to time experienced, and expects to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. If IC Group fails to attract new personnel or fails to retain and motivate its current personnel, its business and future growth prospects could be harmed. To mitigate this risk, IC Group engages with international outsourcing solutions to fill any temporary requirements and support scaling needs quickly.

Future Capital Needs and Uncertainty of Additional Financing

IC Group may need to raise additional funds to support more rapid expansion, technology investments, declines in actual earnings vs. forecasted earnings, increases in marketing expenses, or the funds needed to operate as a public company. There is no assurance that IC Group will be successful in obtaining the required financing, including for general working capital. There can be no assurance that such additional funding, if needed, will be available on terms

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

attractive to IC Group or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of IC Group will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the common shares. If adequate funds are not available on acceptable terms IC Group may be unable to develop or enhance its business, take advantage of future opportunities, or respond to competitive pressures, any of which could have a material adverse effect on the Company's business, financial condition and operating results.

Lengthy and Variable Sales Cycle

Selling some of the Company's products and solutions can be a long and complex process of up to 12 months. IC Group can spend a substantial amount of time educating potential customers about the use and benefits of its solutions. Because the adoption of the Company's digital and mobile solutions often represents a substantial investment, potential customers may take months to evaluate the benefits and obtain the necessary expenditure authorizations and financing required to purchase the Company's solutions. The customer onboarding process for some of IC Group's solutions may also involve a lengthy timeline driven by customer requirements. This process may be extended if the solutions are part of a larger project or ecosystem.

Because of these factors and the Company's limited revenue history with new acquisitions, it is especially difficult to forecast the Company's revenue and operating results. The Company's inability to accurately predict the timing and magnitude of the Company's sales could cause a number of problems, including the following: (i) the Company may expend significant management efforts and incur substantial sales and marketing expenses in a particular period that do not translate into orders during that period, or at all; and, (ii) the Company may have difficulty meeting its cash flow requirements and obtaining credit because of delays in receiving orders or delays in receiving payment for its products and services.

Ability to Achieve Revenue and Customer Growth

Although IC Group has diversified revenue streams generated via professional service fees, commission-based fees, transaction fees, and license fees for its SaaS platforms there is no assurance that future revenues will grow or be sufficient to generate the funds required to continue operations without external funding. Growth of the Company's recurring revenue helps offset and minimize revenue uncertainty.

Further, in future periods, IC Group's revenue growth could slow, or its revenue could decline for several reasons, including slowing demand for its product, increasing competition, any failure to gain, grow or retain channel partners, a decrease in the growth of its overall market, or its failure, for any reason, to continue to capitalize on growth opportunities.

IC Group's customers also have no obligation to renew their subscriptions or contracts after their term expires. Customers may also terminate contracts early subject to termination clauses and recovery of termination expenses, however there is no or little termination penalty. As a result, there can be no assurance that IC Group will be able to retain its customers including new customers gained in recent acquisitions.

IC Group's costs associated with contract renewals are substantially lower than costs associated with generating revenue from new customers or costs associated with generating sales of additional solutions to existing customers. Therefore, if IC Group is unable to retain customers, even if such losses are offset by an increase in new customers or an increase in other revenues, its operating results could be adversely impacted.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

IC Group may also fail to attract new customers, retain existing customers, or increase sales to both new and existing customers because of a number of other factors, including:

- reductions in its current or potential customers' spending levels.
- competitive factors affecting technology and SaaS solutions including the introduction of competing solutions, discount pricing and other strategies that may be implemented by its competitors.
- regulatory or legal restrictions in jurisdictions IC Group operates.
- tariffs or other applied economic penalties
- its ability to execute on its growth strategy and operating plans.
- a decline in its customers' level of satisfaction with its solution and customers' usage of its solution.
- changes in its relationships with third parties, including its partners, software developers, and others.
- the frequency and severity of any system outages.
- the pace of technological change

Ability to Manage Growth Effectively

IC Group has experienced, and may continue to experience, rapid growth and organizational change through its acquisitions, which has placed, and may continue to place, significant demands on its management, operational, technical, information security, and financial resources. IC Group's organizational structure is also becoming more complex as it integrates recent acquisitions and improves its operational, financial, technology, information security and management controls as well as its reporting systems and procedures. IC Group will require capital expenditures and the allocation of valuable management resources to grow and change in these areas without undermining its culture of rapid innovation, teamwork, and attention to customer success, which has been central to its business success to date. If IC Group fails to manage its anticipated growth and change in a manner that preserves the key aspects of its corporate culture, the quality of its solution may suffer, which could negatively affect its brand and reputation and harm its ability to retain and attract customers and employees.

In addition, as IC Group expands its business, it is important that it continues to maintain a high level of customer service and satisfaction. As IC Group's customer base continues to grow, IC Group may need to expand its account management, customer service, sales, and channel partners, to provide personalized service. If IC Group is not able to continue to provide high levels of customer service, its reputation, as well as its business, results of operations and financial condition, could be harmed.

Operating Risks

The Company's expenses or capital investments may increase in the future as it develops and launches new product features, expands in existing and new markets, increases sales and marketing efforts, and continues to invest in its technology. These efforts may be more costly than expected and may not result in increased revenue or growth in the Company's business. In addition, as IC Group is a newly public company, it will incur additional legal, accounting, and other expenses that it did not incur as a private company. Failure to increase revenue sufficiently to keep pace with investment and other expenses could prevent the Company from achieving or maintaining profitability or positive cash flow on a consistent basis.

International Markets

Sales outside of Canada represent a significant portion of the Company's total gross revenues. Sales to international customers are subject to a number of risks and uncertainties including, but not limited to, complications in both

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

compliance with and unexpected changes in foreign government laws, regulations and telecommunications standards, import and export license requirements, tariffs and other trade barriers, potential adverse tax consequences, fluctuations in currency exchange rates, exchange controls, complexity in collecting accounts receivable, difficulty in staffing and managing foreign or remote operations, potential political and economic instability, events of international terrorism, economic effects of public health threats such as pandemics or epidemics, uncertainties of laws and enforcement relating to the protection of property rights including intellectual property rights, unauthorized copying of the Company's proprietary technologies, uncertainties in local commercial or financial sector practices, uncertainties in local accepted business practices and standards which may not be similar to accepted business practices and standards in Canada and which may create unforeseen business or public relations situations, and other factors depending on the country involved. While international sales are typically denominated in U.S. dollars, or in the case of Insurance Solutions, in the currency of the country of the domiciled insured party, fluctuations in currency exchange rates could cause the Company's products to become relatively more expensive to customers in a particular country, leading to a reduction in sales or profitability in that country. As a result of these factors, the Company may not be successful in entering certain international markets and maintaining or increasing international market demand for the Company's products.

Economic Slowdown

From time-to-time markets witness the weakening of global macro-economic conditions. This weakness affects spending patterns on a global basis, and as a result may affect IC Group's ability to forecast current and future period revenues. Despite these potential weakness in economic activity, IC Group's customer base remains solid, and the Company remains encouraged by the level of interest that the marketplace continues to show in its offerings.

Mergers & Acquisition Risks

IC Group has recently acquired its Mobile Messaging business through an asset purchase completed on November 1, 2023 (the "**Mobile Messaging Business**"), a Promotion Social SaaS platform business ("**Pickaw**") acquired on May 31, 2024, and Emotion Media Inc. (Fannex) on February 21, 2025. As such, IC Group has limited operational history with these businesses.

The Company may, when and if the opportunity arises, acquire other products, technologies or businesses involved in activities, or having product lines, that are complementary to its business. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies and products of the acquired companies, the diversion of management's attention from other business concerns, risks associated with entering new markets or conducting operations in industry segments in which the Company has no or limited experience and the potential loss of key employees of the acquired company. Even if such acquisitions are made, there can be no assurances that any anticipated benefits of an acquisition will be realized. Future acquisitions by the Company could result in potentially dilutive issuances of equity securities, the use of cash, the incurrence of debt and contingent liabilities, and write-off of acquired research and development costs, all of which could materially adversely affect the Company's operations and financial condition.

Competition

The marketing, promotion, specialty insurance, and mobile messaging industries are intensely competitive and characterized by rapid changes in technology, shifting user needs and frequent introductions of new services and offerings. It is expected that competition will continue, both from current competitors and new entrants in the market that may be well-established and enjoy greater resources or other strategic advantages. If IC Group is unable to anticipate or react to these competitive challenges, its competitive position could weaken, or fail to improve, and it

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

could experience growth stagnation that could adversely affect its business, financial condition and results of operations.

Certain competitors have much greater financial, technical, marketing, research and development, product solutions, greater name recognition, longer operating histories or a larger customer base than IC Group does. They may be able to devote greater resources to the development, promotion and sale of offerings and offer a more desirable product, which could adversely affect results of operations. Further, they may have greater resources to deploy towards the research, development and commercialization of new technologies, product solutions or markets, its current and potential competitors may also establish cooperative or strategic relationships amongst themselves or with third parties that may further enhance their resources and offerings.

If the Company is unable to compete successfully, its business, financial condition and results of operations could be adversely affected.

Brand and Reputational Risks

IC Group's reputation, brand, and the network effects among users of its solutions are critical to IC Group's success, and if IC Group is not able to continue developing its reputation, brand and network effects, its business, financial condition and results of operations could be adversely affected.

Building a strong reputation and brand as a reliable, affordable, and efficient solutions provider will be critical to the ability to attract and retain new users. The successful development of such reputation, brand and network effects will depend on several factors, many of which are outside the Company's control. Negative perception of IC Group or its products may harm its reputation, brand, and networks effects.

If IC Group does not successfully develop its brand and reputation and successfully differentiate its offerings from competitive offerings, the business may not grow, the Company may not be able to compete effectively and may lose or fail to attract users, any of which could adversely affect the business, financial condition, and results of operations.

Consumer Privacy and Data Protection Risks

Failure to protect Personal Data and comply with Data Protection and Privacy laws and regulations, such as the European General Data Protection Regulation (GDPR) Privacy Policy and other such Data Protection Regulations, in all applicable jurisdictions in which IC Group controls, collects, processes, or stores Personal Information of residents, could result in fines, litigation, and other regulatory actions which would adversely affect the business, financial condition, reputation and operations of IC Group. To help mitigate risks, IC Group is an ISO27001 certified company demonstrating the company's commitment to robust information security practices. It means the Company has implemented and is maintaining an Information Security Management System (ISMS) that meets the requirements of the ISO 27001 international standard, which focuses on protecting confidential information.

Risk of Network or Data Security Incidents

Increasingly, companies are subject to a wide variety of attacks on their networks and systems on an ongoing basis. In addition to traditional computer "hackers," malicious code (such as viruses and worms), employee or 3rd party theft or misuse, and denial- of-service attacks, sophisticated nation-state and nation-state supported actors now engage in attacks (including advanced persistent threat intrusions). Despite significant efforts to create security barriers to such threats, it is virtually impossible for IC Group to entirely mitigate these risks. The security measures IC Group has integrated into its internal networks and solution, which are designed to detect unauthorized activity and prevent or

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

minimize security breaches, may not function as expected or may not be sufficient to protect its internal networks and solution against certain attacks. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently and generally are not recognized until launched against a target. As a result, IC Group may be unable to anticipate these techniques or implement adequate preventative measures to prevent an electronic intrusion into its networks.

If a breach, perceived or real were to occur, whether any such breach is due to a vulnerability in IC Group's solution, may also undermine confidence in its solution and result in damage to its reputation, negative publicity, loss of customers and sales, increased costs to remedy any problem, and costly litigation. IC Group continues to expend significant financial, technology, and human resources to protect against such threats or to alleviate problems which could be caused by breaches in security.

Customer Service and Support Standards

IC Group's customers may rely on IC Group support services to resolve certain issues or may hold IC Group accountable for meeting or exceeding certain performance service levels of its solutions, in accordance with contracts, service level agreements or other project commitments.

High-quality customer education and support is important for the successful marketing and sale of IC Group's solutions and for the renewal of existing customers. The importance of high-quality customer support will increase as IC Group expands its business and pursues new organizations. If IC Group does not help its enterprise customers quickly resolve post-deployment issues or fails to meet performance standards, it could incur financial loss or legal liability, lose business contracts, or negate IC Group's ability to upsell additional product/solutions to existing customers. IC Group would suffer reputational damage with existing customers harming its ability to grow future business with existing or new customers.

Litigation

The Company may be subject to litigation in the ordinary course of business, as well as in the context of potential securities claims, class actions and other corporate activities. Any litigation is time consuming and costly, both financially and by distracting management and staff resources from the Company's business.

Strategic Risk

There is no guarantee that the Company will be able to complete the acquisition of or participation in a new business opportunity. If an acquisition of or the participation in corporations, properties, assets, or businesses is identified, the Company may find that, even if the terms of an acquisition or participation are economic, it may not be able to finance such acquisition or participation, and additional funds will be required to enable the Company to pursue such an initiative. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the acquisition of an operating business by the issuance of cash, securities of the Company, or a combination of the two. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three and Nine-month periods ended September 30, 2025

U.S. Government Tariffs

Since early 2025, the United States government has announced various plans to impose tariffs on certain Canadian imports as well as broad tariffs on imports from other countries. In response, the Canadian federal and provincial governments announced certain retaliatory tariffs on imports from the United States as well as non-tariff measures. In parallel, the Canadian and U.S. federal governments have been discussing a new trade and security agreement. Although the ultimate scope, timing and duration of these tariffs, retaliatory measures and any new trade and security agreement remains unclear, the connected impact of these announcements may cause continued economic uncertainty. While no adjustments have been made to these consolidated financial statements, it may be difficult to reliably measure the impact of this uncertainty on future accounting estimates, forecasts and financial results.

FINANCIAL INSTRUMENTS

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Cash is carried at fair value using Level 1 inputs. The carrying value of accounts payable and accrued liabilities approximates fair value due to its short-term nature.

Financial Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk by placing its cash with a major financial institution. The Company's credit risk with respect to its financial assets is remote.

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that its cash maintained in a financial institution is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Liquidity Risk

The Company's current liabilities are anticipated to mature within the next twelve months. The Company intends to settle these funds out of future earnings and/or through accessing additional funding through capital markets.

IC GROUP HOLDINGS INC.**Management's Discussion & Analysis**

For the three and Nine-month periods ended September 30, 2025

Foreign Currency Risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at September 30, 2025, it is management's opinion that IC Group is not exposed to significant currency risks arising from these financial instruments.

Price Risk

The Company has no exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenue and expenses during the year. Actual amounts could differ from these estimates. The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1 of the consolidated financial statements.

Significant changes in assumptions, including those with respect to future business plans and cash flows, could change the recorded amounts materially.

The Company's critical accounting estimates are as described in the September 30, 2025, notes to the consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not engage in any off-balance sheet financial arrangements as at September 30, 2025.