

**IC Group Holdings Inc.**  
**Consolidated Financial Statements**  
*For the years ended December 31, 2025 and 2024*  
*(Expressed in Canadian Dollars)*

# Independent Auditor's Report

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To the Shareholders of IC Group Holdings Inc.:

## Opinion

We have audited the consolidated financial statements of IC Group Holdings Inc. and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024, and the consolidated statements of income (loss) and other comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

## Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Revenue Recognition - Digital Promotions**

#### *Key Audit Matter Description*

As described in the Note 2 and 4 to the consolidated financial statements, contract revenue of the digital promotion segment containing performance obligations to provide the delivery of services are recognized based on the progress toward completion when the outcome of the contract can be reliably estimated. Revenue is measured based on the total estimated project revenues and the progress toward completion, calculated based on costs incurred to date as percentage of total budgeted costs. As estimates of total budgeted costs in the calculation of progress toward completion involve uncertainties and require significant management judgment because each contract has unique obligations and and service period, we determined this to be a key audit matter.

### *Audit Response*

We responded to this matter by performing audit procedures over revenue recognition of digital promotion segment. Our audit work in relation to this included, but was not restricted to, the following:

- We obtained an understanding of process and controls over the estimation process of total budgeted costs and calculation of the progress toward completion for projects;
- We performed both look back and look-forward testing to verify accuracy of estimated total budgeted costs for respective projects and accuracy of costs incurred on in-progress projects at year-end date;
- We performed a budgeted margin analysis for projects on a sample basis and compared budgeted margins to actual margins; and
- To test the labour costs being a significant input into the percentage-of-completion calculation, we tested labour hours incurred to date and estimated hours to complete on a sample basis by reconciling project-level labour costs recorded in the system to underlying payroll reports and employee timesheets, validating approved labour rates, and assessing the reasonableness of hours recorded relative to project budgets and scope.

Additionally, audit team interview certain project managers for hours incurred and hours to complete for some of the ongoing projects at year-end. The information was reconciled with payroll records, timesheet extracts, approved labour rates and post-year-end actual costs data to obtain sufficient and appropriate audit evidence.

### ***Business acquisition of Emotion Media Inc. and impairment testing of goodwill***

#### *Key Audit Matter Description*

As disclosed in Note 2 and Note 5 of the consolidated financial statements, on February 21, 2025, the Company completed the acquisition of Emotion Media Inc. (the "Acquisition"). The Acquisition was effected via a Share Purchase Agreement with consideration comprised of cash, share exchange, and assumption of liabilities. The Acquisition required significant judgment in determining fair values regarding forecasts, terminal values, the expected internal rate of return and the Group's weighted average cost of capital, including recognition and measurement of assets acquired (including goodwill) and liabilities assumed.

Further, the annual impairment assessment of goodwill recognized as a result of the acquisition involves significant judgment due to the sensitivity of the recoverable amount to assumptions relating to future cash flows, discount rates, and long term growth rates.

Given the magnitude of the balances involved and the level of judgment applied, we considered this matter to be a key audit matter.

### *Audit Response*

We responded to this matter by performing audit procedures to determine fair value of assets and liabilities acquired, and annual goodwill impairment. Our audit work in relation to this included, but was not restricted to, the following:

- Evaluated management's assessment of the accounting acquirer with reference to the guidance in IFRS 3 Business Combinations ("IFRS 3"), as well as examined the key judgments and assumptions used by management in concluding on control, including the identification of the party with the ability to direct relevant activities;
- Assessed the competence, capabilities, and objectivity of management's external valuation expert in accordance with CAS 500 and CAS 620;

- Obtained an understanding of the valuation methodologies applied to significant classes of assets and liabilities, including identifiable intangible assets, and evaluated their consistency with IFRS 3 and IFRS 13 Fair Value Measurement ("IFRS 13") requirements;
- On a sample basis, tested the accuracy and completeness of underlying data used in the valuation models by reconciling inputs to approved budgets, historical financial information, and other supporting documentation;
- Assessed management's estimate of the recoverable amount by comparing management's implied valuation multiple to market multiples for comparable entities.
- Involved our internal valuation specialists to assist in: evaluating the appropriateness of the valuation models applied; and assessing key assumptions such as revenue growth rates, discount rates, royalty rates, and terminal values for both the acquisition date analysis and year end analysis provided by management; and
- Evaluated the adequacy of consolidated financial statement disclosures, including disclosures of valuation techniques and significant unobservable.

### Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jeff Eckstein.

Winnipeg, Manitoba

April 29, 2026

**MNP LLP**  
Chartered Professional Accountants

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**IC Group Holdings Inc.**  
**Consolidated Statements of Financial Position**  
For the years ended December 31, 2025 and 2024  
Expressed in Canadian dollars

	Note	December 31, 2025	December 31, 2024
<b>Assets</b>			
<b>Current</b>			
Cash	7	4,810,720	101,329
Restricted cash and cash equivalent	8	9,043,186	4,769,602
Accounts and other receivables	15	3,478,528	3,281,059
Income taxes recoverable		9,547	166,244
Short-term debentures	5	-	388,900
Prepaid expenses and other assets		293,479	185,632
<b>Total current assets</b>		<b>17,635,460</b>	<b>8,892,766</b>
<b>Non-current assets</b>			
Investments	5	-	347,500
Property and equipment	9	1,826,778	1,884,285
Intangible assets	5 and 10	7,037,608	5,207,230
Goodwill	10	6,429,201	4,370,000
<b>Total assets</b>		<b>32,929,047</b>	<b>20,701,781</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	16	5,239,051	3,909,854
Deferred revenue	11	2,702,951	1,122,505
Customer deposits – prizing		8,219,712	4,475,018
Current portion of debentures	5	54,830	-
Current portion of bank indebtedness	12	1,487,106	1,387,387
Current portion of notes payable		63,991	196,871
Current portion of advances from shareholders	5 and 15	400,000	-
<b>Total current liabilities</b>		<b>18,167,641</b>	<b>11,091,635</b>
<b>Non-current liabilities</b>			
Bank indebtedness	12	6,236,449	7,688,224
Debentures payable	5	1,211,337	-
Notes payable		-	73,436
Advances from shareholders	5 and 15	-	716,667
Deferred tax liability	13	142,993	1,037,000
<b>Total liabilities</b>		<b>25,758,420</b>	<b>20,606,962</b>
<b>Shareholders' Equity</b>			
Share capital	6 and 14	12,160,643	3,178,877
Retained earnings (deficit)		(7,341,528)	(3,815,671)
Contributed surplus		2,351,512	731,613
<b>Shareholders' equity</b>		<b>7,170,627</b>	<b>94,819</b>
<b>Total liabilities and shareholders' equity</b>		<b>32,929,047</b>	<b>20,701,781</b>

Fraser Elliott  
Director

Duncan McCreedy  
Director

**IC Group Holdings Inc.**

**Consolidated Statements of Income (Loss) and Other Comprehensive Income (Loss)**

*For the years ended December 31, 2025 and 2024*

*Expressed in Canadian dollars*

	Note	2025	2024
<b>Revenue</b>	<b>18</b>	<b>26,939,218</b>	17,918,815
<b>Cost of sales</b>	<b>19</b>	<b>(14,569,214)</b>	(8,310,335)
<b>Gross profit</b>		<b>12,370,004</b>	9,608,480
<b>Operating expenses</b>			
Operating and administrative expenses	<b>20</b>	<b>(14,499,043)</b>	(15,252,833)
Other income (expense)	<b>20</b>	<b>4,741</b>	355,100
<b>Operating loss</b>		<b>(2,124,298)</b>	(5,289,253)
<b>Listing expense</b>	<b>6</b>	<b>(1,060,146)</b>	-
<b>Investment income</b>		<b>199,591</b>	219,156
<b>Interest expense</b>		<b>(761,105)</b>	(630,603)
<b>Income loss before income taxes</b>		<b>(3,745,957)</b>	(5,700,700)
<b>Income tax expense (recovery)</b>			
Current	<b>13</b>	<b>(3,500)</b>	(161,468)
Deferred	<b>13</b>	<b>(216,600)</b>	(74,000)
<b>Income tax expense (recovery)</b>		<b>(220,100)</b>	(235,468)
<b>Net loss and comprehensive loss</b>		<b>(3,525,857)</b>	(5,465,232)
<b>Net income loss attributable to:</b>			
Parent		<b>(3,525,857)</b>	(5,432,013)
Non-controlling interest		<b>-</b>	(33,219)
		<b>(3,525,857)</b>	(5,465,232)
<b>Basic and diluted loss per share</b>		<b>(0.11)</b>	(0.23)

*The accompanying notes are an integral part of these consolidated financial statements.*

**IC Group Holdings Inc.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
For the years ended December 31, 2025 and 2024  
Expressed in Canadian dollars

	<b>Note</b>	Number of Class A common shares	Share capital	Retained earnings	Non- controlling interest in subsidiaries	Contributed surplus	Total shareholders' equity
<b>December 31, 2023</b>		<b>22,737,845</b>	<b>257,102</b>	<b>2,325,043</b>	<b>(175,482)</b>	-	<b>2,406,663</b>
Net loss and comprehensive loss	6	-	-	(5,465,232)	-	-	(5,465,232)
Non-controlling interest in subsidiaries		-	-	33,219	(33,219)	-	-
Issuance of common shares, net of issuance cost	5, 6, 14	3,051,144	2,921,775	-	-	-	2,921,775
Stock-based compensation	6, 14	-	-	-	-	731,613	731,613
Acquisition of non-controlling interest	6, 14	-	-	(708,701)	208,701	-	(500,000)
<b>December 31, 2024</b>		<b>25,788,990</b>	<b>3,178,877</b>	<b>(3,815,671)</b>	-	<b>731,613</b>	<b>94,819</b>
<b>December 31, 2024</b>		<b>25,788,990</b>	<b>3,178,877</b>	<b>(3,815,671)</b>	-	<b>731,613</b>	<b>94,819</b>
Net loss and comprehensive loss	6	-	-	(3,525,857)	-	-	(3,525,857)
Issuance of common shares, net of issuance cost	5, 6, 14	15,151,577	8,981,766	-	-	-	8,981,766
Issuance of warrants	6, 14	-	-	-	-	1,048,182	1,048,182
Issuance of replacement options	6, 14	-	-	-	-	64,090	64,090
Stock-based compensation	14	-	-	-	-	507,627	507,627
<b>December 31, 2025</b>		<b>40,940,567</b>	<b>12,160,643</b>	<b>(7,341,528)</b>	-	<b>2,351,512</b>	<b>7,170,627</b>

\*In conjunction with a business combination and equity financing transaction (Note 6), the Company effected a 7.89:1 share split on February 21, 2025. All share and per share amounts have been retrospectively presented to reflect this share split.

**\*\*Acquisition of Minority Interest in Insured Creativity Inc.**

On June 21, 2024, the Group acquired the 12.62% minority interest in its Insured Creativity Inc. subsidiary for total consideration of \$500,000, consisting of a Promissory Note of \$50,000 plus 459,793 Class A common shares of 11197894 Canada Ltd.

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

**IC Group Holdings Inc.**  
**Consolidated Statements of Cash Flows**  
For the years ended December 31, 2025 and 2024  
Expressed in Canadian dollars

	Note	2025	2024
<b>Cash provided by (used for) the following activities</b>			
<b>Operating activities</b>			
Net loss and comprehensive loss		(3,525,857)	(5,465,232)
Adjustments for non-cash items:			
Interest expense		761,105	630,603
Deferred income tax expense (recovery)	13	(216,600)	(235,468)
Foreign exchange loss (gain)		96,161	(163,589)
Listing expense	6	1,060,146	-
Amortization of property and equipment	9	65,033	67,002
Amortization of intangible assets	10	1,735,260	1,204,572
Stock based compensation		507,627	2,869,388
		<b>482,874</b>	<b>(1,092,724)</b>
Changes in working capital accounts			
Change in restricted cash and cash equivalent		(4,273,584)	(1,736,033)
Accounts and other receivables		(74,022)	(1,059,742)
Prepaid expenses and other assets		(100,214)	(11,934)
Accounts payable and accrued liabilities		1,083,762	2,201,037
Deferred revenue	11	1,331,168	(24,709)
Customer deposits – pricing		3,744,694	1,541,288
		<b>2,194,679</b>	<b>(182,817)</b>
<b>Interest paid</b>		<b>(732,799)</b>	<b>(630,603)</b>
<b>Income tax recovered (paid)</b>		<b>110,103</b>	<b>1,088,166</b>
		<b>1,571,983</b>	<b>274,746</b>
<b>Financing activities</b>			
Repayment of Canada Emergency Business Account loan		-	(40,000)
Repayments of bank indebtedness	12	(1,381,177)	(1,463,297)
Issuance of common shares	14	5,284,465	-
Exercise of stock options and warrants	14	1,000,401	-
Advances from shareholders	15	-	716,667
Repayments of notes payable		(206,316)	-
Repayments of debentures	5	(693,248)	-
		<b>4,004,126</b>	<b>(786,630)</b>
<b>Investing activities</b>			
Purchases of property and equipment	9	(6,118)	(24,453)
Additions to internally developed software	10	(746,879)	(475,412)
Advances of notes receivable		-	(175,781)
Investment in debentures	5	(20,333)	(51,000)
		<b>(773,330)</b>	<b>(726,646)</b>
<b>Increase (decrease) in cash resources</b>		<b>4,802,779</b>	<b>(1,238,530)</b>
<b>Cash resources, beginning of period</b>		<b>101,329</b>	<b>1,176,270</b>
Effect of changes in exchange rates on cash held		(93,388)	163,589
<b>Cash resources, end of period</b>		<b>4,810,720</b>	<b>101,329</b>

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

**IC Group Holdings Inc.**  
**Consolidated Statements of Cash Flows**  
*For the years ended December 31, 2025 and 2024*  
*Expressed in Canadian dollars*

The following material non-cash transactions are not reflected in the above Consolidated Statement of Cash flows for the period ended December 31, 2025:

<b>Acquisition of Cuspis Capital II Ltd. (Note 6)</b>	
Change in prepaid expenses and other assets	(183)
Change in accounts payable and accrued liabilities	24,246
Reduce retained earnings for listing expense	(1,060,146)
Issuance of common shares	998,945
Issuance of share options	37,138
Total	-
<b>Conversion of Advances from Shareholders (Note 6 and 13)</b>	
Issuance of common shares	241,934
Issuance of warrants	74,733
Conversion advances from shareholders	(316,667)
Total	-
<b>Acquisition of Emotion Media Inc. (Note 5)</b>	
Change in accounts and other receivables	(123,447)
Change in short-term debentures	409,233
Change in prepaid expenses and other assets	(7,451)
Change in investments	347,500
Change in property and equipment	(2,318)
Change in intangible assets	(2,950,439)
Change in goodwill	(1,927,521)
Change in Deferred tax asset	(1,410,440)
Change in accounts payable and accrued liabilities	221,188
Change in deferred revenue	249,278
Change in current bank indebtedness	9,402
Change in non-current bank indebtedness	17,857
Change in debentures payable	1,931,109
Change in deferred tax liability	779,627
Issuance of common shares	2,456,422
Total	-

**IC Group Holdings Inc.**  
**Consolidated Statements of Cash Flows**  
*For the years ended December 31, 2025 and 2024*  
*Expressed in Canadian dollars*

The following material non-cash transactions are not reflected in the above Consolidated Statement of Cash Flows for the period ended December 31, 2024:

<b>Acquisition of minority interest in Insured Creativity Inc. (Note 13)</b>	
Eliminate non-controlling interest deficit	208,701
Reduce retained earnings for non-controlling interest deficit and acquisition cost	(708,701)
Issuance of common shares	450,000
Issuance of note payable	50,000
Total	-
<b>Acquisition of Pickaw S.A.S</b>	
Additions to intangible assets	(597,648)
Issuance of note payable	220,307
Conversion of notes receivable	377,341
Total	-
<b>Shares issued as compensation for services provided</b>	
Issuance of common shares	334,000
Change in accounts payable and accrued liabilities	(334,000)
Total	-

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**IC Group Holdings Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the years ended December 31, 2025, and 2024*  
*Expressed in Canadian dollars*

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**1. Nature of operations and going concern**

**Nature of operations**

IC Group Holdings Inc. (formerly Cuspis Capital II Ltd.) (“IC Group” or the “Company”) was incorporated September 3, 2019, pursuant to the provisions of the Business Corporations Act (Ontario).

On February 21, 2025, the Company completed a Reverse Takeover (the “Transaction”) with 11197894 Canada Ltd., operating as IC Group Inc. (“ICG”) (Note 6). 11197894 Canada Ltd. was incorporated on January 15, 2019, under the Canada Business Corporations Act for the purpose of effecting an amalgamation of predecessor related legal entities. ICG is a leading marketing services technology company, powering consumer engagement and promotions for Fortune 500 Brands. It has over 30 years of experience delivering impactful digital promotions, loyalty, rebate, mobile messaging and speciality insurance solutions in global jurisdictions.

ICG was deemed to be the acquirer for accounting purposes in the Transaction. Therefore, its assets, liabilities and operations are included in the consolidated financial statements at their historical carrying value. The Company’s operations are considered to be a continuance of the business and operations of ICG, as are those of the comparative periods. The Company’s results of operations are those of ICG, with the Company’s operations being included from February 21, 2025, the closing date of the Transaction, onwards. Immediately prior to the closing of the Transaction, all existing shares of the Company were consolidated on the basis of a 1 to 4.31 basis and those of 11197894 Canada Ltd. were split on a 7.89 to 1 basis. Any relevant share amounts have been retroactively restated.

In connection with the closing of the Transaction, the Company changed its name to IC Group Holdings Inc. The Company’s registered head office is located at 77 King Street West, Suite 700, Toronto, Ontario, Canada, M5K 1G8 and its corporate and tax year-end is December 31. Starting on February 28, 2025, the Company’s stock commenced trading on the TSX Venture Exchange under the symbol “ICGH”.

These consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS™”) that are applicable to a going concern, which contemplates the Group will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Group’s future operations are dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain financing sufficient to meet current and future obligations.

The Group recognised a net loss and other comprehensive loss for the year ended December 31, 2025 of \$3,525,857 (2024: loss of \$5,465,232), negative net working capital at December 31, 2025 of \$532,181 (2024: negative \$2,198,869), and has shareholder’s equity at December 31, 2025 of \$7,170,512 (2024: \$94,819). Cash flows from operations were \$1,571,983 for the year ended December 31, 2025 (2024: \$252,545). Management believes operations will continue to be funded out of operating cash flows and that the Group has sufficient working capital and net assets to meet liabilities due in the immediate future (Note 16). The Group holds a sufficient cash balance at the reporting date to meet its liabilities due immediately. Additionally, subsequent to year-end, the Group settled \$175,000 of the advances from shareholders by issuance of shares. For the remaining \$225,000 advances, the settlement date was extended to March 31, 2027. Further, the Group obtained a reservation of rights letter from its lenders, confirming that they will not demand repayment of loans prior to January 1, 2027 (Note 12). Based on these factors, management has a reasonable expectation that the Group will have adequate resources to continue in operational existence for at least the next 12 months from the date of these consolidated financial statements.

These consolidated financial statements do not reflect adjustments in the carrying values of the Group’s assets and liabilities, revenues and expenses, and the consolidated statements of financial position classifications used, that would be necessary if the going concern assumptions were not appropriate. Such adjustments could be material.

**2. Basis of preparation**

**Statement of compliance**

These consolidated financial statements of the Group for the years ended December 31, 2025 and 2024, have been prepared by management in accordance with International Financial Reporting Standards (“IFRS®”) as issued by the International Accounting Standards Board (“IASB”) and with interpretations of the International Financial Reporting Interpretations

**IC Group Holdings Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the years ended December 31, 2025, and 2024*  
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Committee (“IFRIC”). The consolidated financial statements were authorized for issue by the Company’s board of directors on April 29, 2026.

**Principles of consolidation**

The Group consolidates its interest in entities which it controls. Control is achieved over an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany balances and transactions have been eliminated on consolidation. The following subsidiaries of the Group have been consolidated:

<b>Name of entity</b>	<b>Principal place of business</b>	<b>% Ownership 2025</b>	<b>% Ownership 2024</b>	<b>Functional currency</b>
11197894 Canada Ltd.	Canada	100%	100%	CAD dollar
IC Group Inc. <sup>(1)</sup>	Canada	100%	100%	CAD dollar
IC U.S. Corp.	United States of America	100%	100%	CAD dollar
IC LP Subco Ltd.	Canada	100%	100%	CAD dollar
Insured Creativity Inc.	Canada	100%	100%	CAD dollar
IC Europe Inc.	Canada	100%	100%	CAD dollar
Pickaw S.A.S.	France	100%	100%	Euro

<sup>(1)</sup> On September 15, 2025, the Emotion Media Inc. and IC Group Inc. legal entities were amalgamated.

**Basis of presentation**

These consolidated financial statements have been prepared on the historical cost basis.

**Functional and presentation currency**

These consolidated financial statements are presented in the Canadian dollar (“CAD Dollar” or “\$”) which is Company’s functional currency. All amounts have been rounded to nearest dollar, unless otherwise indicated.

**Use of estimates and judgments**

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**Management has applied significant judgments, estimates and assumptions related to the following:**

*i. Business acquisitions*

During 2025, the Group acquired the shares of Emotion Media Inc. and transacted a reverse takeover of Cuspis Capital II. In 2024 the Group acquired Pickaw S.A.S. The assets and liabilities acquired were subject to fair valuation as part of their initial recognition. The Group used its judgement to select a variety of methods and made assumptions that were mainly based on market conditions existing at the dates of acquisition. Determining fair values required management to make assumptions regarding replacement cost, forecasts, terminal values, the expected internal rate of return and the Group’s weighted average cost of capital, among others.

For acquisitions, the Group measures goodwill as the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated statement of income (loss) and other comprehensive income (loss).

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*ii. Going concern*

The Group makes judgements regarding its ability to continue as a going concern. This requires an assessment of future profitability and depends heavily on forecasted revenue growth and costs, which are subject to high estimation uncertainty due to volatile market conditions. In addition, the ability to generate cash flows or secure additional funding to meet upcoming commitments requires judgments regarding market interest rates, lender requirements, and the availability of financing alternatives.

*iii. Intangible assets*

Significant judgments are made in determining the useful lives, costs to be capitalised and recoverable amounts of the Group's intangible assets, and in evaluating whether certain occurrences represent objective evidence of impairment. Estimates of the recoverable amounts of the intangible assets rely on certain factors such as future cash flows and discount rates. Judgments on costs to be capitalised depend on time spent by the developer and the nature of activity performed i.e., maintenance or development.

Future cash flows are based on sales projections and costs which are estimated based on forecasted results while discount rates are based on the Group's cost of capital. Future outcomes may be materially different than those assumptions used in the impairment assessment and therefore could have a significant effect on the results of the Group. Management uses its judgment to determine whether costs incurred meet the criteria to be recorded as an intangible asset.

*iv. Goodwill*

Goodwill, a non-tangible asset arising from business combinations, requires significant judgment to estimate its reported value being cost less accumulated impairment losses.

Goodwill is not amortized, rather it is subject to an annual impairment test. Determining whether goodwill has been impaired involves estimating the recoverable amount of the cash-generating units (CGUs) to which goodwill has been allocated. This process includes judgements on factors such as i) the identification of cash-generating units, ii) estimates of future cash flows, iii) the determination of discount rates, and iv) estimates of terminal growth rates. Changes in any of these estimates could significantly impact the valuation of goodwill and the reported amount of goodwill impairment losses.

*v. Revenue recognition*

Contract revenue of the IC Engage segment is recognised over time measured using the percentage of completion method based on the estimated costs-to-complete. As part of the measurement process, management is required to estimate the total projected costs of completing contracts. This estimation process involves detailed forecasting of direct and indirect costs, including labor, materials, subcontracting and overheads. It considers historical cost trends, project schedules and risk assessments. Projected costs may change over the duration of a contract or due to factors such as changes in scope, market price fluctuations, currency exchange rates, supplier delays and unforeseen technical challenges. Estimates are reviewed on an-ongoing basis and necessary adjustments are made to percentages of completion to reflect the contract completed to date. Such costs are recognised in the consolidated statements of income (loss) and other comprehensive income (loss) when they are incurred. Advances received are included in liabilities as deferred revenue.

Within the IC Engage segment, the Company also earns revenues from subscription-based access to its Fannex digital engagement platform. These arrangements provide customers with the right to access the platform and related services over the contractual term. Revenue from platform subscriptions is recognized over time and is recognized on a straight-line basis over the contract period. Amounts billed in advance of revenue recognition are recorded as deferred revenue.

*vi. Current and deferred income taxes*

The Group is primarily subject to income taxes in Canada. Significant judgment is required in determining the provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group maintains provisions for uncertain tax positions that are believed to appropriately reflect its risk with respect to tax positions under

discussion, audit, dispute, or appeal with tax authorities, or which are otherwise considered to involve uncertainty. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The Group regularly assesses the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by relevant taxing authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such a determination is made.

### 3. **Future Accounting Standards**

#### **Presentation and Disclosure of Financial Statements:**

IFRS 18, Presentation and Disclosure in Financial Statements, will be applicable for annual periods beginning or after January 1, 2027, with early adoption permitted. Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. The Company's consolidated financial statements are expected to include changes related to categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures ("MPM").

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

The company does not intend to early adopt IFRS 18 in its consolidated financial statements.

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:

- I. IAS 21 - Lack of Exchangeability (Amendments)
- II. IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (Amendments)

### 4. **Material accounting policies**

#### ***Cash and restricted cash and cash equivalent***

Cash includes cash on hand and cash denominated in foreign currencies. Restricted cash and cash equivalent is subject to a legal or contractual restriction by third parties as well as restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used. The restricted cash equivalent relates to a restricted short term investment account where amounts can be withdrawn on demand.

Cash and restricted cash and cash equivalent are valued at amortized cost which approximates fair value.

#### ***Property and equipment***

Property and equipment are measured at cost, net of accumulated depreciation. Subsequent costs are included in the property and equipment's carrying value or recognised as a separate asset when it is probable that future economic benefits associated with the item will be realised and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the consolidated statements of income (loss) and other comprehensive income (loss). Amortization is provided at the following rates and methods intended to amortize the cost of assets over their estimated useful lives:

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	<b>Method</b>	<b>Rate</b>
Buildings	declining balance	4-10 %
Computer equipment and software	declining balance	45-55 %
Equipment, furniture and fixtures	declining balance	20 %
Leasehold improvements	straight-line	5 years

Asset residual values, depreciation method and useful lives are reviewed annually and adjusted if appropriate. Gains or losses on disposal of property and equipment are recorded in the consolidated statement of income (loss) and other comprehensive income (loss) in the year of disposal.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statements of income (loss) and other comprehensive income (loss) in the period the asset is derecognized.

**Intangible assets and Goodwill**

Intangible assets that are internally generated are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. During the period of development, the asset is tested for impairment annually.

Goodwill arising from a business combination is recognized as an asset at the date of control (acquisition date). Goodwill is measured as the excess of the cost of the acquisition over the Group's interests in the fair value of the identifiable net assets, liabilities, and contingent liabilities of the acquiree recognized at the date of acquisition. Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized but is subject to an annual impairment test.

Research expenditures are recognised as an expense when incurred. Intangible assets arising from internal development are recognised if the Group can demonstrate 1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; 2) the intention to complete the intangible asset for use or sale; 3) the ability to use or sell the intangible assets; 4) how the intangible asset will generate future economic benefits by showing the existence of a market or the usefulness, if used internally; 5) the availability of adequate technical, financial, and other resources to complete development; and 6) the ability to reliably measure the expenditures attributable to the intangible asset.

The expenses capitalised as intangible assets include all directly attributable costs necessary to create, produce, and prepare the asset. Intangible assets are derecognised and removed from the consolidated statements of financial position on disposal or when no future economic benefits are expected. Gains or losses from derecognition are measured as the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in the consolidated statements of income (loss) and other comprehensive income (loss).

Amortization of intangible assets is recorded on a straight-line basis as follows:

	<b>Method</b>	<b>Rate</b>
Internally developed software	straight-line	5-10 years
Acquired license and related software	straight-line	Term of license
Customer relationships	straight-line	5-7 years

**Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and definite life intangible assets to determine whether there is any indication that those assets have an impairment loss. Tangible assets and definite life intangible assets which are in use, are assessed for impairment indicators annually. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Indefinite life intangible assets still under development are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the

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asset for which the estimates of future cash flows have not been adjusted. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statements of income (loss) and other comprehensive income (loss). They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU, on a pro-rata basis. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. Goodwill is tested annually for impairment, or whenever there is an indication that the asset may be impaired.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized in the consolidated statements of income (loss) and other comprehensive income (loss). An impairment loss in respect of goodwill is not reversed.

#### ***Income taxes***

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statements of income (loss) and other comprehensive income (loss) except to the extent that the tax is recognised either in other comprehensive income/loss or directly in equity, or the tax arises from the initial accounting for a business acquisition. Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax assets are recognized to the extent future recoveries are probable. At each reporting period, deferred tax assets are reduced to the extent it is no longer possible or probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

#### ***Financial instruments***

The Group recognizes its financial instruments when the Group becomes party to the contractual provisions of a financial instrument.

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The primary measurement categories for financial assets are measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transactions costs that are directly attributable to its acquisition or issue. A financial asset is measured at amortized cost if it is held to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortized cost under the effective interest rate method.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. In assessing whether the contractual cash flows are sole payments of principal and interest ("SPPI"), the Group considers the contractual terms of the instruments. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if its classified as held-for-trading, it is a derivative instrument or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognised in consolidated

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statements of income (loss) and other comprehensive income (loss). Other financial liabilities are subsequently measured at amortized cost under the effective interest rate method.

Below is a summary showing the basis of classification and measurement of the financial instruments:

<b>Assets</b>	
Cash and cash equivalents	Amortized cost
Restricted cash and cash equivalent	Amortized cost
Accounts and other receivables	Amortized cost
Accounts receivable – prizing	Amortized cost
Short term debentures	Amortized cost
Investments	Amortized cost
Notes receivable	Amortized cost
<b>Liabilities</b>	
Accounts payable and accrued liabilities	Amortized cost
Customer deposits – prizing	Amortized cost
Canada Emergency Business Account Loan	Amortized cost
Debt	Amortized cost

The Group recognizes a loss allowance for Expected Credit Losses (“ECL”) associated with its financial assets, other than financial assets measured at FVTPL. ECL is a probability-weighted estimate of credit losses and is measured to reflect the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Group assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Group continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset. Given the limited exposure of the Group to credit risk, no loss allowance has been recognized as management believes any such impairment will not have a significant impact on the consolidated financial statements.

Financial assets are written off when the Group has no reasonable expectations of recovering all or any portion thereof.

#### **Fair value measurement**

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at the date. The fair value of a liability reflects its non-performance risk. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market. If there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of observable inputs and minimises the use of unobservable inputs. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### **Financial liabilities**

Financial liabilities are initially recognized at fair value. In the case of certain loans and borrowings, the fair value at initial recognition includes the value of proceeds received net of directly attributable transaction costs. The Company's financial liabilities include a revolving credit facility, notes payable, secured borrowings, advances from shareholders and accounts payable and accrued liabilities.

After initial recognition, the Company's interest-bearing debt is subsequently measured at amortized cost using the effective interest rate method.

Non-interest-bearing financial liabilities, such as accounts payable and accrued liabilities, are carried at the amount owing. A financial liability is derecognized when the obligation under the liability is settled, discharged, cancelled or expired. Any gains or losses are recognized in the consolidated statements of income (loss) and other comprehensive income (loss) when liabilities are derecognized.

### **Equity instruments**

Common shares are classified as equity with any costs directly attributable to the issue of new shares or options, deducted from the proceeds.

### **Non-controlling interest**

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### **Basic and diluted loss/earnings per share**

The basic loss/earning per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The diluted loss/earnings per share reflects the potential dilution of common share equivalents, such as outstanding stock options or warrants, in the weighted average number of common shares outstanding during the period, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options that are used to purchase common shares at the average market price during the year. Shares to be issued have been considered outstanding for the purposes of basic loss per share calculations.

### **Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rate at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transactions. Foreign currency differences are generally recognised in the consolidated statements of income (loss) and other comprehensive income (loss).

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into CAD Dollars at the exchange rate on the reporting date. The income and expenses of foreign operations are translated into CAD Dollars at the exchange rate at the dates of the transactions.

### **Revenue recognition**

To determine the amount and timing of revenue to be recognized, the Group follows a 5-step process:

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1. Identify the contract with the customer;
2. Identify the performance obligation in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation; and
5. Recognize revenue when or as performance obligations are satisfied

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. When a loss on a contract can be reliably estimated, the total estimated amount of the loss is charged to net earnings for the year. Revisions in costs and earnings or loss estimates during the course of the work are reflected in the accounting period in which the facts which cause the revision to become known.

The Company also earns revenue from subscription-based access to its Fannex digital engagement platform. These arrangements provide customers with the right to access the platform and related services over the contractual term. Revenue from platform subscriptions is recognized over time and is recognized on a straight-line basis over the contract period.

The Company holds restricted prizing funds received from its customers that are used specifically for funding contest and/or loyalty program participant obligations, at the direction of the Group's customers. These restricted funds are segregated from the Company's operating funds. The Company acts as an agent with respect to these funds accordingly, revenue is recognized on a net basis for any fees or rebates the Group earns for providing prize fulfillment services, rather than recognizing as revenue the gross amount of the restricted prizing funds received and distributed. Prizing revenue is presented net of prizing fulfillment costs. Rebate revenue is recognized when the services are rendered, amounts are fixed or can be readily determined and the ability to collect is reasonably assured.

Prizing revenue includes gains and losses due to foreign currency fluctuations on fulfillment of prizing contracts. Prizing revenue is accounted for under the percentage of completion method by relating the prizing distributed to estimated total prize to be distributed under contract.

Mobile messaging traffic revenue is recognized when the messages are routed to telecom carriers for ultimate delivery to end-user.

Profit and sale commission income is comprised of commissions earned on the Managing General Agent (MGA) book of business whereby the Group underwrites insurance premiums under its Coverholder binders directly or indirectly to the insured. Revenue is recognized when the underwriting services are rendered, which is at the time risk is bound and inception, amounts are fixed and can be readily determined and the ability to collect from broker or insured is reasonably assured.

Rating site income is comprised of fees/commissions earned on risks bound through the Rating Site platform and monthly service fees. Revenue is recognized when the services are rendered, which is once the risk is bound and paid. At this point fees/commission earned can be determined and collection has already occurred.

Administrative income is comprised of revenue generated from providing miscellaneous administrative services for insurance risks bound, onetime on boarding fees and monthly service fees for the use of the Rating Site platform. Revenue is recognized over the duration of the contract, as access to the platform is made available, and once amounts are fixed or can be readily determined and the ability to collect is reasonably assured.

***Deferred revenue***

Deferred revenue represents the excess of billings to date over the amount of contract costs and profits recognized to date on the percentage of completion accounting method.

***Interest revenue***

Interest income is accrued on a time basis, based on the principal outstanding and at the effective interest rate applicable.

**Investment tax credits**

The benefits of investment tax credits for scientific research and development expenditures (SR&ED) are recognized on an accrual basis related to the year the SR&ED related expenses are incurred and management can reasonably estimate the amount of refund to be received.

**5. Business Combination**

At the start of the fiscal year, the Group held investments in the legal entity Emotion Media Inc., which were comprised of 5,500 (pre-split) common shares (14.1% ownership) at a cost of \$347,500 and \$409,233 of debentures.

On February 21, 2025, as previously announced and immediately preceding the below described reverse take over and equity financing, the Company acquired the remaining 85.9% of the common shares of Emotion Media Inc. (the "Acquisition") that it did not already own in exchange for \$250,054 of cash, 3,211,009 common shares of the Company and the assumption of Emotion Media Inc.'s negative working capital and debenture principal and accrued interest. There is no contingent consideration related to the Acquisition. No dividends had been received from Emotion Media Inc.

Emotion Media Inc. has developed a next-generation SaaS platform, purpose-built for brands, teams and venues in the live sports and entertainment industry. Integration of the platform and customer relationships with ICG's IC Engage operating segment is expected to accelerate ICG's initiatives to expand the customer segments to which it reaches through its brand-sponsored digital promotions. ICG also intends to capitalize on the vast amount of data captured through the Emotion Media Inc. platform.

**Previously held equity interest**

Immediately prior to obtaining control, the Group held a 14.1% equity interest in Emotion Media Inc. For the purposes of determining goodwill arising on the business combination, the fair value of this previously held equity interest at the acquisition date was determined to be \$444,253, based on the implied equity value derived from the consideration transferred for the acquisition of the remaining 85.9% interest.

The carrying amount of the Group's previously held equity interest immediately prior to the acquisition was \$347,500. The difference between the acquisition-date fair value and the carrying amount of the previously held equity interest was \$96,753, which represents the gain that would arise on remeasurement to fair value in accordance with IFRS 3.

ICG summarized the fair values of the assets acquired, liabilities assumed, and consideration paid as follows:

<b>Consideration paid or transferred</b>	
Common shares (3,211,009) (note 14) (Fair value = \$0.765 per share)	2,456,422
Cash	250,054
Pre-acquisition investments in Emotion Media Inc.	
Common share investment	347,500
Debentures owned	409,233
<b>Total consideration transferred</b>	<b>3,463,209</b>

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<b>Acquired Assets and Liabilities</b>	
Cash	30,546
Net working capital	(362,767)
Property and equipment	2,477
Internally developed software	3,152,000
Deferred tax asset	1,506,795
Bank indebtedness	(29,121)
Debentures and accrued interest	(2,063,034)
Deferred tax liability	(832,887)
<b>Total identifiable net assets acquired</b>	<b>1,404,009</b>

Total Consideration paid	3,463,209
Fair value of identifiable net assets acquired	1,404,009
<b>Goodwill</b>	<b>2,059,200</b>

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

The debentures (liability assumed) accrue interest at a rate of 12.0% per annum. On the closing of the Acquisition the assumed obligation of \$2,083,367 was comprised of \$1,568,846 of principal and \$514,521 of accrued interest. In December 2025, some of the repayments scheduled for July 1, 2026 and December 31, 2026 with certain debenture holders were extended to July 1, 2027 and December 1, 2027. All debentures continue to accrue interest at the rate of 12.0% per annum. The agreed revised repayment schedule for the debenture principal and accrued interest is as follows:

	Date	Amount
Debenture repayment #6	July 1, 2026	23,670
Debenture repayment #7	December 1, 2026	31,160
Debenture repayment #8	July 1, 2027	561,769
Debenture repayment #9	December 1, 2027	865,482
<b>Total</b>		<b>1,482,081</b>

## 6. Reverse Take Over and Equity Financing

On November 15, 2024, the Company, a Capital Pool company listed on the TSX Venture Exchange, and ICG entered into a Business Combination Agreement (the "Agreement") which provided for a "three-cornered" amalgamation whereby ICG would amalgamate with a wholly-owned subsidiary of the Company (the "Transaction").

In anticipation of the Transaction, on November 7, 2024, the Company and ICG 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 basis as described below, to one IC Group common share and one common share purchase warrant (each warrant, an "Underlying Warrant"). Each Underlying Warrant entitles the holder to purchase one IC Group common share at an exercise price equal to \$1.20 until the date that is 48 months following the closing date of the Proposed Transaction.

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In conjunction with the above-described private placement offering, certain shareholders converted an aggregate \$316,667 of advances from shareholders to 316,667 Subscription Receipts. Interest on the remaining \$400,000 balance will continue to accrue at a rate of 10% per annum and be paid monthly.

ICG had a total of 29,000,000 shares outstanding (post-split) prior to the closing of the Offering and following the completion of the acquisition of Emotion Media Inc. Following the share split, holders of common shares of ICG, including those shares acquired by way of the Offering received one post-amalgamation common share of the Company in exchange for each ICG share. In addition, upon completion of the Transaction, all options exercisable for ICG common shares outstanding at completion of the Transaction were exchanged for options exercisable for Resulting Issuer common shares, on the same economic terms and conditions as such original outstanding securities.

Under the terms of the Agreement, the Company consolidated all of its issued and outstanding common shares and options on a 1 to 4.31 basis. All of the outstanding shares of the Company were exchanged for common shares of ICG on a one-to-one basis. The Transaction was completed on February 21, 2025. In consideration for the Transaction, the Company issued a total of 22,519,187 common shares of the Company. Prior to closing of the transaction, the Company had 290,000 (post-share consolidation) options outstanding exercisable at \$0.86 expiring on December 11, 2025. The fair value per option was estimated to be \$0.22 based on the Black—Scholes Option Pricing Model using the following assumptions: expected dividend yield – 0%, expected volatility – 50.65%, risk-free interest rate – 2.90% and an expected remaining life – 0.5 years. 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.

As a result of the Transaction, the former shareholders of ICG acquired control of the Company, thereby constituting a reverse takeover of the Company. The Reverse Take Over is considered a purchase of the Company's net assets by the shareholders of ICG. The Company did not qualify as a business according to the definition in IFRS 3 as there were no substantive business operations in place, therefore the Transaction does not constitute a business combination. The transaction has been accounted for in accordance with guidance provided in IFRS 2 Share-Based Payment as an issuance of shares by ICG for the net assets of the Company and the Company's listing status with ICG as the continuing entity. Under a reverse acquisition accounting, any difference in the fair value of the consideration and the fair value of the net asset acquired is recorded as a listing expense charge in the consolidated statement of income (loss) and comprehensive income (loss). The listing expense was as follows:

	<b>Consideration</b>	<b>Amount (\$)</b>
Number of common shares issued (Fair value = \$0.765 per share) <sup>(1)</sup>	2,900,000	2,218,500
Number of replacement options issued (Fair value = \$0.22 per option)	290,000	64,090
<b>Total consideration</b>		<b>2,282,590</b>
<b>Fair value of net assets acquired</b>		
Cash		1,246,507
Net working capital assumed		(24,063)
<b>Excess (listing expense)</b>		<b>1,060,146</b>

For the above listed transactions of the Reverse Take Over, equity financing, and the acquisition of Emotion Media Inc. the Group incurred combined acquisition costs of \$717,299 the year ended December 31, 2025 (2024 - \$404,252).

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**7. Cash**

The Group has an operating loan available to a maximum of \$875,000 and a \$500,000 working capital loan, bearing interest at prime plus 2%. A general security agreement has been provided as security. As at December 31, 2025, neither of these credit facilities were utilized (December 31, 2024 – nil).

As at December 31, 2025, restricted cash and cash equivalent of \$8,388,625 (December 31, 2024 - \$4,538,712) was held with Bank of Montreal and \$654,561 (December 31, 2024 - \$230,920) was held with Royal Bank of Canada.

**8. Restricted cash and cash equivalent**

Restricted cash and cash equivalent includes funds held for the purposes of fulfilling future pricing obligations and funds held in trust for insurance premiums collected on behalf of insurance carriers or syndicates.

Restricted cash and cash equivalent at December 31, 2025 and December 31, 2024 was comprised of the following:

	2025	2024
Prizing	8,388,625	4,538,712
Insurance premiums	654,561	230,920
<b>Total</b>	<b>9,043,186</b>	<b>4,769,632</b>

**9. Property and equipment**

	Land	Buildings	Computer equipment and software	Equipment, furniture and fixtures	Leasehold improvements	Total
<b>Cost</b>						
<b>Balance, December 31, 2023</b>	875,000	1,165,373	352,640	154,942	147,455	2,695,410
Additions	-	-	1,891	8,741	13,821	24,453
<b>Balance, December 31, 2024</b>	875,000	1,165,373	354,531	163,683	161,276	2,719,863
Additions	-	-	5,484	634	-	6,118
Additions from acquisition (Note 5)	-	-	1,351	57	-	1,408
<b>Balance, December 31, 2025</b>	875,000	1,165,373	361,366	164,374	161,276	2,727,389
<b>Accumulated depreciation</b>						
<b>Balance, December 31, 2023</b>	-	232,780	324,749	101,927	109,120	768,576
Depreciation	-	28,194	15,818	10,603	12,387	67,002
<b>Balance, December 31, 2024</b>	-	260,974	340,567	112,530	121,507	835,578
Depreciation	-	26,977	11,460	14,208	12,387	65,033
<b>Balance, December 31, 2025</b>	-	287,951	352,027	126,738	133,894	900,611
<b>Net book value</b>						
At December 31, 2024	875,000	904,399	13,964	51,153	39,769	1,884,285
<b>At December 31, 2025</b>	<b>875,000</b>	<b>877,422</b>	<b>9,338</b>	<b>37,636</b>	<b>27,382</b>	<b>1,826,778</b>

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10. Intangible assets and goodwill

	Goodwill	Internally developed or acquired software	Customer relationships	Acquired licenses and related software	Total
<b>Cost</b>					
<b>Balance, December 31, 2023</b>	<b>4,370,000</b>	<b>4,606,229</b>	<b>2,635,000</b>	<b>495,000</b>	<b>12,106,229</b>
Additions	-	475,412	-	-	475,412
Additions from acquisition	-	597,648	-	-	597,648
Disposal	-	-	-	(495,000)	(495,000)
<b>Balance, December 31, 2024</b>	<b>4,370,000</b>	<b>5,679,289</b>	<b>2,635,000</b>	<b>-</b>	<b>12,684,289</b>
Additions	-	413,639	-	-	413,639
Additions from acquisition (Note 5)	2,059,200	3,152,000	-	-	5,211,200
<b>Balance, December 31, 2025</b>	<b>6,429,200</b>	<b>9,244,928</b>	<b>2,635,000</b>	<b>-</b>	<b>18,309,128</b>
<b>Accumulated amortization</b>					
<b>Balance, December 31, 2023</b>	<b>-</b>	<b>1,979,654</b>	<b>87,833</b>	<b>330,000</b>	<b>2,397,487</b>
Amortization	-	512,572	527,000	165,000	1,204,572
Disposal	-	-	-	(495,000)	(495,000)
<b>Balance, December 31, 2024</b>	<b>-</b>	<b>2,492,226</b>	<b>614,833</b>	<b>-</b>	<b>3,107,059</b>
Amortization	-	1,214,135	521,125	-	1,735,260
<b>Balance, December 31, 2025</b>	<b>-</b>	<b>3,706,361</b>	<b>1,135,958</b>	<b>-</b>	<b>4,842,319</b>
<b>Net book value</b>					
At December 31, 2024	4,370,000	3,187,063	2,020,167	-	9,577,230
<b>At December 31, 2025</b>	<b>6,429,200</b>	<b>5,538,566</b>	<b>1,499,042</b>	<b>-</b>	<b>13,466,809</b>

The Group completed its annual impairment test for goodwill and concluded that there was no impairment. For impairment test purposes, the carrying value of the 2024 acquired goodwill has been allocated to the IC Mobile cash generating unit ("CGU") and the February 2025 acquired goodwill to the Fannex CGU. The impairment test consisted of comparing the carrying value of assets within the CGU to the recoverable amount of that CGU as measured by discounting the expected future cash flows using a fair value less cost of disposal approach. When determining the fair value less cost of disposal of the CGU, the Company developed a discounted cash flow model for the respective CGUs. Revenue and cost forecasts were based on actual operating results since acquisition in November 2023 and February 2025, respectively. The Group utilized the twelve month budget for 2026 and a five year forecast for the IC Mobile CGU and the twelve month budget for 2026 and a seven year forecast for the Fannex CGU. Revenues were estimated to grow at an annual rate of 43% and 41%, respectively over the forecast period. A terminal value was estimated based on nominal long-term growth of 2% beyond the forecast period. The unleveraged after-tax discount rate used on the forecasted cash flows was 20% for IC Mobile and 24% for Fannex.

11. Deferred revenue

	2025	2024
Deferred revenue – Projects	2,349,432	1,080,749
Deferred revenue - Software as a service	353,520	41,756
	<b>2,702,951</b>	<b>1,122,505</b>

Deferred revenue is expected to be earned in the next 12 months, hence it has been classified as a current liability. The transaction volume for the year ended December 31, 2025 and 2024 is shown in the below table:

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<b>Balance, December 31, 2023</b>	<b>1,147,214</b>
Amount invoiced during the year	7,197,973
Revenue earned during the year	(7,222,682)
<b>Balance, December 31, 2024</b>	<b>1,122,505</b>
Amount invoiced during the period	<b>11,343,540</b>
Revenue earned during the period	<b>(9,763,093)</b>
<b>Balance, December 31, 2025</b>	<b>2,702,951</b>

**12. Bank indebtedness**

	<b>2025</b>	<b>2024</b>
Bank of Montreal term loan, maturing April 30, 2025 repayable in monthly principal payments of \$5,208, plus interest at 3.0% per annum.	-	20,833
Bank of Montreal term loan, maturing May 31, 2025 repayable in monthly principal payments of \$15,625, plus interest at 3.0% per annum.	-	78,125
Bank of Montreal term loan, maturing December 31, 2025 repayable in monthly principal payments of \$5,208, plus interest at 3.4% per annum.	-	62,500
Bank of Montreal term loan, maturing August 31, 2026 repayable in monthly principal installments of \$28,230, plus interest at 5.5% per annum.	<b>225,841</b>	564,603
Bank of Montreal term loan, maturing November 30, 2026 repayable in monthly principal payments of \$62,500 through October 31, 2025 and \$100,000 per month thereafter, plus interest at 6.6% per annum.	<b>5,800,000</b>	6,625,000
Royal Bank of Canada term loan, maturing January 20, 2029 repayable in blended monthly installments of \$837, including interest at Prime plus 2.14% per annum.	<b>25,961</b>	-
Bank of Montreal mortgage term loan, maturing March 30, 2030 repayable in blended monthly installments of \$11,455 including interest at a fixed rate of 5.19% per annum.	<b>1,671,753</b>	1,724,550
	<b>7,723,555</b>	9,075,611
Less: current portion of bank indebtedness	<b>(1,487,106)</b>	(1,387,387)
	<b>6,236,449</b>	7,688,224

The terms of the above Bank of Montreal loans require that the Group's financial performance must achieve both a maximum debt to EBITDA ratio and a minimum fixed charge ratio.

On December 29, 2025, the Group received a letter from Bank of Montreal acknowledging that it was aware that the Group would likely be in breach of its financial covenants for the testing period ended January 1, 2026. Bank of Montreal also confirmed that, notwithstanding the financial covenant breach, it will not exercise its rights to demand repayment or enforce remedies in respect of the related borrowings prior to January 1, 2027, solely as a result of the covenant breach tested on January 1, 2026. On January 1, 2026 the Group was in violation of these covenants by exceeding the required maximum debt to EBITDA ratio and being below the required minimum fixed charge ratio,

In case of a breach of a financial covenant for the testing period ending January 1, 2027, all of the Bank of Montreal debt would become due on demand. Additional borrowings and repayments of long-term debt for the years ended December 31, 2024 and December 31, 2025, respectively, are summarized below:

Balance January 1, 2024	10,538,908
Additions	-
Repayments of principal	(1,463,297)
<b>Balance December 31, 2024</b>	<b>9,075,611</b>
Additions	<b>29,121</b>
Repayments of principal	<b>(1,381,177)</b>
<b>Balance December 31, 2025</b>	<b>7,723,555</b>

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Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2026	1,487,106
2027	1,263,778
2028	1,265,728
2029	1,260,681
2030 and thereafter	2,446,262
	<b>7,723,555</b>

**13. Income taxes**

The reconciliation of the Group's effective income tax expense is as follows:

	2025	2024
Expected tax expense (recovery) at effective rate of 27% (2024 - 27%)	<b>(1,011,408)</b>	(1,539,189)
Increase (decrease) in income tax expense resulting from:		
Non-deductible stock option expense	<b>137,059</b>	774,003
Non-deductible financing fees	<b>286,239</b>	-
Other non-deductible expenses	<b>21,274</b>	7,422
Change in unrecognized temporary differences, unused tax losses and other credits not recognized	<b>346,736</b>	522,296
<b>Actual income tax (recovery) expense</b>	<b>(220,100)</b>	(235,468)

The significant components of the Company's deferred tax liabilities are as follows:

	2025	2024
Property and equipment	<b>19,987</b>	34,105
Intangible assets	<b>1,214,760</b>	1,545,559
Non-capital loss carryforwards	<b>(1,091,754)</b>	(542,664)
<b>Net deferred tax liability</b>	<b>142,993</b>	1,037,000

The Company has approximately \$7.2 million of unrecognized deductible temporary differences, non-capital loss carryforwards and other credits at December 31, 2025 (December 31, 2024 - \$4.9 million).

The Company has Canadian accumulated non-capital losses, deductible temporary differences and other credits of approximately \$5.8 million available for carryforward, expiring from 2027 to 2045.

The Company has accumulated non-capital losses of approximately \$1.4 million from its France operations that can be carried forward without limitation. The Company has accumulated net operating losses of approximately \$19,000 from its U.S. operations that can be carried forward without limitation.

**14. Share capital**

*Authorized share capital*

The Group is authorized to issue an unlimited number of common and preferred shares, issuable in series. The common shares have nil par value.

On February 21, 2025, the company effected a 1:7.89 share split. All share and per share amounts have been retrospectively presented to reflect the share split.

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*Outstanding share capital*

<b>Issued - IC Group Holdings Inc.</b>	<b>December 31, 2025</b>	December 31, 2024
40,940,566 Class A common shares (2024 – 25,788,989)	<b>12,160,643</b>	3,178,877

During the year ended December 31, 2025 the Group issued 15,151,576 Class A common shares (2024 – 3,051,144) for the following purposes:

	<b>Class A Common Shares Issued</b>	<b>Amount (\$)</b>
Acquisition of Emotion Media Inc.	3,211,009	2,456,422
Reverse Takeover transaction of Cuspis Capital II	2,900,000	2,218,500
Brokered private placement subscription offering #1	1,205,250	922,017
Non-brokered private placement subscription offering #2	7,518,650	3,142,577
Shareholder loans settled in share subscription	316,667	242,250
	<b>15,151,576</b>	<b>8,981,766</b>

As part of the first brokered private placement offering in February 2025, subscribers received, at a price of \$1.00, a subscription receipt which entitled the holder to, on a post-share split basis, one Group common share and one common share purchase warrant (each warrant, an “Underlying Warrant”). Each Underlying Warrant entitles the holder to purchase one Group common share at an exercise price equal to \$1.20 until the date that is 48 months following the closing date of the Proposed Transaction. 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 per warrant received until the date that is 48 months following the closing date of the Qualified Transaction.

As part of the second non-brokered private placement offering in December 2025, subscribers received, at a price of \$0.50, a subscription receipt which entitled the holder to one Group common share and one-half common share purchase warrant (each warrant, an “Underlying Warrant”). Each Underlying Warrant entitles the holder to purchase one Group common share at an exercise price equal to \$0.65 until the date that is 30 months following the closing date of the Proposed Transaction. 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 \$0.50 per warrant received until the date that is 30 months following the closing date of the Qualified Transaction.

During the year ended December 31, 2025 the Group issued 1,572,552 warrants related to the Offering. The fair values of these warrants were estimated using the Black Scholes pricing model with the following inputs as at the transaction close date of February 21, 2025:

	<b>Warrants subscribed</b>	<b>Risk-Free Interest Rate</b>	<b>Average Exercise Term (years)</b>	<b>Volatility</b>	<b>Dividend yield</b>	<b>Strike Price</b>	<b>Fair Value</b>
Private Placement Subscription #1	1,205,250	2.75%	2	50.65%	-	1.20	283,233
Shareholder Loan settlement	316,667	2.75%	2	50.65%	-	1.20	74,417
Broker compensation #1	50,635	2.75%	2	50.65%	-	1.00	15,191
Private Placement Subscription #2	3,759,325	2.60%	2.5	64.07%	-	0.65	616,748
Broker compensation #2	287,580	2.60%	2.5	64.07%	-	0.5	58,593
	<b>5,619,457</b>						<b>1,048,182</b>

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Issuance of share options

Management options

On July 2, 2024, the Board of Directors approved a stock option plan for management of the Company. On September 17, 2024, the Company communicated the initial granting of 2,077,251 management share options at an exercise price of \$0.73 per option. These options vest 50% on each of January 1, 2025 and 2026 and expire September 16, 2034.

On April 10, 2025, the Company granted an aggregate of 75,000 executive 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.

On June 30, 2025, the Company 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.

On December 23, 2025, the Company granted an aggregate of 525,000 stock options at an exercise price of \$0.50 per share to the Company's Directors of the Board. These options vest 33% on each of December 22, 2026, 2027, and 2028 and expire December 22, 2035.

The following table summarizes the Company's stock option activity for the years ended December 31, 2025 and 2024:

	Options	Weighted Average Exercise Price Options
<b>Balance, December 31, 2023</b>	-	-
Granted	4,212,660	0.36
Cancelled/expired	-	-
Exercised	(2,135,409)	(0.001)
<b>Balance, December 31, 2024</b>	<b>2,077,251</b>	<b>0.73</b>
Granted	<b>925,346</b>	<b>0.53</b>
Cancelled/expired	<b>(155,911)</b>	<b>0.73</b>
Exercised	-	-
<b>Balance, December 31, 2025</b>	<b>2,846,686</b>	<b>0.66</b>

The fair values of these options were estimated using the Black Scholes pricing model with the following inputs:

Grant Date	Vesting Date	Options	Risk-Free Interest Rate	Average Exercise Term (years)	Volatility	Fair Value
September 17, 2024	January 1, 2025	1,038,625	2.90%	5.25	50.65%	586,270
September 17, 2024	January 1, 2026	1,038,626	2.90%	5.75	58.81%	651,969
April 10, 2025	April 9, 2026	37,500	2.75%	5.50	50.65%	11,924
April 10, 2025	April 9, 2027	37,500	2.75%	6.00	58.81%	13,825
June 30, 2025	June 29, 2026	162,673	3.31%	5.50	50.65%	43,717
June 30, 2025	June 29, 2027	162,673	3.31%	6.00	58.81%	50,502
December 23, 2025	December 22, 2026	175,003	2.94%	5.50	103.67%	69,436
December 23, 2025	December 22, 2027	174,999	2.94%	6.00	103.67%	71,164
December 23, 2025	December 22, 2028	174,999	2.94%	6.50	103.67%	72,708
		<b>3,002,598</b>				<b>1,571,515</b>

<sup>(1)</sup> For all options listed above, the dividend yield and forfeiture rate inputs were nil.

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The estimated fair value of the management options will be expensed over their respective vesting periods. During the year ended December 31, 2025, expense of \$507,627 (2024 – \$3,160,429) was recognized in operating and administrative expenses.

The following table presents information related to stock options outstanding as at December 31, 2025:

Exercise price	Number of options outstanding	Weighted Average remaining contractual life (years)	Number of options exercisable
0.66	2,846,686	9.05	960,670

Employee options

On September 18, 2024, the Company granted 2,134,259 share options which vested immediately, to certain long-standing employees, at an exercise price of \$0.001 per option. All options were exercised on September 23, 2024. The fair value of the underlying shares at the time of exercise was estimated to be \$1.00 per share. The total exercise value net of the exercise cost, equated to \$2,131,552 and was recognized in operating and administrative expenses at the time of option exercise, with a corresponding increase in share capital, recognizing the issuance of new shares.

Acquisition of Minority Interest in Insured Creativity Inc.

On June 21, 2024, the Group acquired the 12.62% minority interest in its Insured Creativity Inc. subsidiary for total consideration of \$500,000, consisting of \$50,000 of cash plus 459,545 Class A common shares of 11197894 Canada Ltd.

Loss per Share

Basic and diluted net loss per share attributable to common shareholders is determined as follows for the years ended:

Period ended December 31,	2025	2024
<b>Numerator:</b>		
Net loss attributable to shareholders – basic and diluted	<b>(3,525,857)</b>	(5,465,232)
<b>Denominator:</b>		
Weighted-average number of common shares	<b>33,158,761</b>	23,997,006

\*In conjunction with a business combination and equity financing transaction, the Company effected a 7.89:1 share split on February 21, 2025. All share and per share amounts have been retrospectively presented to reflect this share split.

The Group's potentially dilutive securities, which include stock options and warrants granted have been excluded from the computation of diluted net loss per share as the effect would be anti-dilutive. Therefore, the weighted-average number of common shares outstanding used to calculate both basic and diluted net loss per share attributable to common shareholders is the same.

**15. Related party transactions**

Key management personnel are those persons having oversight or authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

Share-based payments below are measured at the grant date fair value of the options and/or share awards issued in the period. Key management compensation incurred for the years ending December 31, 2025 and 2024 are as follows:

	2025	2024
Short-term compensation	<b>1,509,684</b>	1,160,777
Share-based payments	<b>227,500</b>	1,152,866
Total	<b>1,737,184</b>	2,313,643

During the prior year period, certain shareholders committed to lending the Company up to \$800,000. These shareholder

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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 the repayment period to July 1, 2026. On February 21, 2025, in conjunction with the business combination and equity financing (Note 6), \$316,667 of these advances were restructured into share issuance. Subsequent to December 31, 2025, a further \$175,000 of these advances were restructured into share issuance. See subsequent event note for further details (Note 21).

During the prior year period, four shareholders, who are active employees in IC Group, agreed to a 25% salary deferral from January 15, 2024 to January 31, 2025 to be repaid, with accrued interest calculated at a rate of 8.0% per annum. As at December 31, 2025, cumulative deferred salaries of \$288,171 plus accrued interest of \$32,520 were included in accounts payable and accrued liabilities.

**16. Financial instruments**

The Group, as part of its operations, carries a number of financial instruments. It is management's opinion that the Group is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

**Liquidity risk**

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages its liquidity risk by forecasting its operations and anticipating its operating and investing activities. The contractual cash flows of the Group's undiscounted financial liabilities are as follows:

As at December 31, 2025	Less than 1 year	1 year to 5 years	Greater than 5 years
Accounts payables and accrued liabilities	5,239,051	-	-
Customer deposits – prizing	8,219,712	-	-
Advances from shareholders*	400,000	-	-
Notes payable	63,991	-	-
Bank indebtedness	1,487,106	4,854,093	1,382,356
Debentures payable	54,830	1,211,337	-
	<b>15,464,690</b>	<b>6,065,430</b>	<b>1,382,356</b>

As at December 31, 2024	Less than 1 year	1 year to 5 years	Greater than 5 years
Accounts payables and accrued liabilities	3,909,854	-	-
Customer deposits – prizing	4,475,018	-	-
Advances from shareholders*	716,667	-	-
Notes payable	196,871	73,436	-
Long-term debt	1,387,387	5,297,338	2,390,886
	<b>10,685,797</b>	<b>5,370,774</b>	<b>2,390,886</b>

\*Subsequent to December 31, 2025, \$175,000 of the Shareholder advances were converted to common equity and their maturity was extended to March 31, 2027 (Note 6 and 21).

**Credit concentration risk**

Financial instruments that potentially subject the Group to concentrations of credit risk consist primarily of trade accounts receivable and advances to related parties. Group sales are concentrated in the technology sector. An allowance for doubtful accounts is established upon factors surrounding credit risk of specific customers, historical trends and other information.

As at December 31, 2025, five customers accounted for 74% of total accounts receivable. As at December 31, 2024, three customers accounted for 46% of total accounts receivable.

For the year ended December 31, 2025, approximately 66% of total revenue was earned from four customers. For the year ended December 31, 2024, approximately 67% of total revenue was earned from four customers.

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**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Group is mainly exposed to foreign currency risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to significant interest rate risk. Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. Accordingly, there is a risk that a liability may not be available at the same interest rate upon renewal.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group enters into transactions denominated in Australian Dollars, Euros, Great British Pounds, and United States Dollars for which the related revenues, expenses, accounts receivable and accounts payable balances are subject to exchange rate fluctuations.

Due to materiality, United States Dollar denominated exposures are the only foreign currency exposures actively managed by the Company. Further, as at December 31, 2025 and December 31, 2024, the only material exposures to foreign currencies were from transactions denominated in United States Dollars. At these dates, the following items, recorded in Canadian dollars, are denominated for settlement in United States currency:

	<b>2025</b>	<b>2024</b>
	<b>CAD\$</b>	<b>CAD\$</b>
Cash	<b>705,921</b>	420,566
Restricted cash and cash equivalent	<b>8,399,060</b>	4,556,116
Accounts receivable	<b>1,204,625</b>	1,309,371
Accounts payable and accrued liabilities	<b>(925,485)</b>	(387,663)
Deferred revenue	<b>(2,506,185)</b>	(1,081,852)
Customer deposits – prizing	<b>(8,219,712)</b>	(4,397,077)
	<b>(1,341,776)</b>	419,461

A 10% increase change in the CAD foreign exchange rate would result in the following changes:

	<b>December 31, 2025</b>		<b>December 31, 2024</b>	
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
Cash	<b>(64,175)</b>	<b>70,592</b>	(38,233)	42,057
Restricted cash and cash equivalent	<b>(763,551)</b>	<b>839,906</b>	(414,192)	455,612
Accounts receivable	<b>(109,511)</b>	<b>120,463</b>	(119,034)	130,937
Accounts payable and accrued liabilities	<b>84,135</b>	<b>(92,549)</b>	35,242	(38,766)
Deferred revenue	<b>227,835</b>	<b>(250,618)</b>	98,350	(108,185)
Customer deposits – prizing	<b>747,247</b>	<b>(821,971)</b>	399,734	(439,708)
	<b>121,980</b>	<b>(134,177)</b>	(38,133)	41,946

**Credit Risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Group's credit risk is primarily attributable to cash including restricted cash and cash equivalent, accounts receivables and short-term debentures. Cash consists of cash on hand deposited with reputable financial institutions, which is closely monitored by management. Receivables are amounts typically received within 30 – 60 days from reputable sources. Management believes the credit risk with respect to financial instruments outstanding greater than 60 days is minimal. Credit risk associated of receivables, inclusive of receivables greater than 60 days, is mitigated through active collections management and working with organizations with good reputations and which are in good standing.

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The Company's maximum exposure to credit risk is the carrying value of cash and receivables as follows as at:

	December 31, 2025	December 31, 2024
Cash and restricted cash and cash equivalent	13,853,906	4,870,931
Accounts and other receivables	3,478,528	3,281,059
Short term debentures	-	388,900
<b>Total</b>	<b>17,332,434</b>	<b>8,540,890</b>

The following table sets out the aging details of the Group's accounts and other receivables balances outstanding based on when the receivable was due and payable and related allowances for expected credit losses:

	December 31, 2025	December 31, 2024
Current (not past due)	1,916,625	2,151,229
1 – 30 days past due	982,989	890,685
31 – 60 days past due	146,016	117,370
More than 60 days past due	432,898	121,775
Less: allowance for expected credit losses	-	-
<b>Total</b>	<b>3,478,528</b>	<b>3,281,059</b>

As at December 31, 2025 and December 31, 2024, the Group limits its exposure from accounts receivables by establishing a maximum payment period of one to three months. As noted above, 55% of accounts and other receivables (December 31, 2024 - 66%) are due within 30 days of the agreed upon payment terms with customers. The credit risk is mitigated due to the overall high credit worthiness of the customer base and historically low credit losses. The Group has not written off or credit-impaired any of the outstanding customer balances as of December 31, 2025 (nil at December 31, 2024)

## 17. Capital management

The Group monitors "adjusted capital" which is comprised of equity, including share capital and retained earnings. The Group assesses capital requirements to maintain an efficient financing structure, while avoiding excessive debt. The Group manages its capital structure through assessing economic conditions and considering changes and risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Group may implement cost cutting and downsizing efforts in an attempt to mitigate those risks.

The Group's objectives for managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide adequate returns to shareholders by pricing products and services commensurately with the level of risk.

The Group determines the amount of capital it requires in proportion to risk. In order to maintain an optimal capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

## 18. Revenue

The following table presents the main components comprising Revenue for the years ended December 31, 2025 and 2024:

	2025	2024
Contract, pricing and rebate revenue	12,518,020	9,585,085
Profit and sales commissions	1,735,898	1,283,063
Mobile messaging	12,487,282	6,731,682
Rating site and administrative income	198,018	318,985
	<b>26,939,218</b>	<b>17,918,815</b>

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**19. Cost of Sales**

The following table presents the main components comprising Cost of Sales for the years ended December 31, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Brokerage commissions	<b>677,385</b>	584,719
Direct labour	<b>2,371,998</b>	1,801,704
Fulfillment costs	<b>1,598,535</b>	1,465,497
Mobile messaging carrier costs	<b>9,921,297</b>	4,458,415
	<b>14,569,214</b>	8,310,335

**20. Operating expenses**

The following table presents the main expense categories that comprise Operating and Administrative expenses for the years ended December 31, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Personnel	<b>8,416,683</b>	10,365,866
Amortization	<b>1,800,293</b>	1,271,574
Office and administration	<b>912,546</b>	1,078,858
Professional fees	<b>1,565,673</b>	1,213,884
Hosting Services	<b>673,810</b>	642,159
Insurance	<b>381,797</b>	313,534
Premises	<b>246,108</b>	209,735
Advertising and promotion	<b>502,134</b>	157,222
	<b>14,499,043</b>	15,252,833

The following table presents the main items that comprise Other Income (Expense):

	<b>2025</b>	<b>2024</b>
Foreign exchange gain (loss)	<b>(96,161)</b>	163,589
SR&ED investment tax credits	-	139,395
Government grants	<b>100,902</b>	52,116
	<b>4,741</b>	355,100

**20. Segmented Reporting**

The Company's management measures performance across three operating segments. These segments are defined primarily by their product and service offerings, as described below:

**IC Engage:** IC Engage (previously reported as "Digital Promotions") delivers turnkey and custom enterprise digital promotions including gamified content, loyalty, reward, and incentive solutions across digital channels, customer ecosystems, and live events to capture data and drive commerce. The segment combines proprietary technology and managed services, inclusive of the acquired Fannex business, a SaaS subscription platform which delivers, deploys and manages interactive content and fan promotions across in-venue digital screens and mobile devices. The segment earns revenue through professional service fees, transactional fees, and license fees.

**IC Mobile:** The IC Mobile segment is one of three Tier-1 mobile aggregators in Canada with direct connections to all Canadian mobile carriers and Tier-2 connections to US and other Global Carriers. IC Group Inc.'s messaging solution provides brands, marketing, and communication platforms (CPaaS providers) a simple single point API that routes text messages through mobile carriers. The segment earns revenues by charging customers on a per message basis for their monthly traffic.

**IC Insurance:** The IC Insurance segment provides specialty risk insurance solutions to the sports, entertainment and promotions industry and is a Coverholder with delegated underwriting authority in Canada and other countries (60+) for certain insurance products. It underwrites and sells specialized insurance solutions including event cancellation, event liability, prize insurance, crisis management and other specialty insurance solutions. Insurance products are distributed through its proprietary SaaS Platform ("**Glide**") and its direct sales force to wholesale and retail brokers. The Glide platform provides insurance brokers a digital platform to be able to generate a quote, bind insurance and receive policy documents instantly. The Company earns sales commissions on policies sold and can receive additional compensation for exceeding target underwriting performance. The Company does not retain insurance loss risk

General and administrative expenses directly related to the Company's operating segments are included as operating expenses for those segments. All other general and administrative expenses are reported as part of the Corporate segment.

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Summary of segmented operations for the year ended December 31, 2025 are as per below:

<b>Year ended December 31, 2025</b>	<b>IC Engage</b>	<b>IC Mobile</b>	<b>IC Insurance</b>	<b>Corporate</b>	<b>Elimination</b>	<b>Total</b>
<b>Revenue</b>						
Contract, pricing and rebate revenue	12,518,020	-	-	-	-	12,518,020
Profit and sales commissions	-	-	1,735,899	-	-	1,735,899
Mobile messaging traffic	-	12,487,282	-	-	-	12,487,282
Rating site and administrative income	-	-	198,018	-	-	198,018
Rental income	-	-	-	315,512	(315,512)	-
<b>Total revenue</b>	<b>12,518,020</b>	<b>12,487,282</b>	<b>1,933,917</b>	<b>315,512</b>	<b>(315,512)</b>	<b>26,939,219</b>
<b>Cost of Sales</b>						
Brokerage commissions	-	-	(677,385)	-	-	(677,385)
Direct labour	(2,371,998)	-	-	-	-	(2,371,998)
Fulfillment costs	(1,598,535)	-	-	-	-	(1,598,535)
Mobile messaging traffic charges	-	(9,921,297)	-	-	-	(9,921,297)
<b>Total cost of sales</b>	<b>(3,970,533)</b>	<b>(9,921,297)</b>	<b>(677,385)</b>	<b>-</b>	<b>-</b>	<b>(14,569,214)</b>
<b>Gross Margin</b>	<b>8,547,487</b>	<b>2,565,985</b>	<b>1,256,532</b>	<b>315,512</b>	<b>(315,512)</b>	<b>12,370,004</b>
<b>Operating expenses</b>						
Amortization	(884,777)	(528,311)	(372,591)	(26,977)	-	(1,812,656)
Operating and administrative expenses	(5,790,335)	(2,489,515)	(1,247,517)	(3,474,532)	315,512	(12,686,387)
Other income (expense)	29,077	-	(23,764)	(572)	-	4,741
<b>Operating income (loss)</b>	<b>1,901,452</b>	<b>(451,841)</b>	<b>(387,339)</b>	<b>(3,186,570)</b>	<b>-</b>	<b>(2,124,298)</b>
Listing expense	-	-	-	(1,060,146)	-	(1,060,146)
Investment Income	191,736	-	156	7,699	-	199,591
Interest expense	-	-	-	(761,105)	-	(761,105)
<b>Earnings (loss) before income taxes</b>	<b>2,093,188</b>	<b>(451,841)</b>	<b>(387,183)</b>	<b>(5,000,121)</b>	<b>-</b>	<b>(3,745,957)</b>
Income tax expense (recovery)	(150,000)	(70,100)	-	-	-	(220,100)
<b>Net earnings (loss)</b>	<b>2,243,188</b>	<b>(381,741)</b>	<b>(387,183)</b>	<b>(5,000,121)</b>	<b>-</b>	<b>(3,525,857)</b>
<b>Net earnings (loss) attributable to:</b>						
Parent	2,243,188	(381,741)	(387,183)	(5,000,121)	-	(3,525,857)
Non-controlling interest	-	-	-	-	-	-
	<b>2,243,188</b>	<b>(381,741)</b>	<b>(387,183)</b>	<b>(5,000,121)</b>	<b>-</b>	<b>(3,525,857)</b>
<b>Segment assets</b>	<b>14,195,922</b>	<b>7,593,615</b>	<b>2,387,417</b>	<b>8,752,093</b>	<b>-</b>	<b>32,929,047</b>
<b>Segment liabilities</b>	<b>12,387,867</b>	<b>4,011,230</b>	<b>841,725</b>	<b>8,517,597</b>	<b>-</b>	<b>25,758,420</b>

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Summary of segmented operations for the year ended December 31, 2024 are as per below:

<b>Year ended December 31, 2024</b>	<b>IC Engage</b>	<b>IC Mobile</b>	<b>IC Insurance</b>	<b>Corporate</b>	<b>Elimination</b>	<b>Total</b>
<b>Revenue</b>						
Contract, pricing and rebate revenue	9,585,085	-	-	-	-	9,585,085
Profit and sales commissions	-	-	1,283,063	-	-	1,283,063
Mobile messaging traffic	-	6,731,682	-	-	-	6,731,682
Rating site and administrative income	-	-	318,985	-	-	318,985
Rental income	-	-	-	323,514	(323,514)	-
<b>Total revenue</b>	<b>9,585,085</b>	<b>6,731,682</b>	<b>1,602,048</b>	<b>323,514</b>	<b>(323,514)</b>	<b>17,918,815</b>
<b>Cost of Sales</b>						
Brokerage commissions	-	-	584,719	-	-	584,719
Direct labour	1,801,704	-	-	-	-	1,801,704
Fulfillment costs	1,465,497	-	-	-	-	1,465,497
Mobile messaging fees	-	4,458,415	-	-	-	4,458,415
<b>Total cost of sales</b>	<b>3,267,201</b>	<b>4,458,415</b>	<b>584,719</b>	<b>-</b>	<b>-</b>	<b>8,310,335</b>
<b>Gross Margin</b>	<b>6,317,884</b>	<b>2,273,267</b>	<b>1,018,000</b>	<b>323,514</b>	<b>(323,514)</b>	<b>9,608,480</b>
<b>Operating expenses</b>						
Amortization	(176,262)	(694,913)	(372,205)	(28,194)	-	(1,271,574)
Operating and administrative expenses	(5,169,656)	(2,882,616)	(1,150,985)	(5,101,516)	323,514	(13,981,259)
Other income (expense)	350,222	-	5,658	(780)	-	355,100
<b>Operating income (loss)</b>	<b>1,322,166</b>	<b>(1,304,262)</b>	<b>(500,181)</b>	<b>(4,806,976)</b>	<b>-</b>	<b>(5,289,253)</b>
Investment Income	219,156	-	-	-	-	219,156
Interest expense	-	-	-	(630,603)	-	(630,603)
<b>Earnings (loss) before income taxes</b>	<b>1,541,322</b>	<b>(1,304,262)</b>	<b>(500,181)</b>	<b>(5,437,579)</b>	<b>-</b>	<b>(5,700,700)</b>
Income tax expense (recovery)	(5,000)	(230,468)	-	-	-	(235,468)
<b>Net earnings (loss)</b>	<b>1,546,322</b>	<b>(1,073,794)</b>	<b>(500,181)</b>	<b>(5,437,579)</b>	<b>-</b>	<b>(5,465,232)</b>
<b>Net earnings (loss) attributable to:</b>						
Parent	1,546,322	(1,073,794)	(466,962)	(5,437,579)	-	(5,432,013)
Non-controlling interest	-	-	(33,219)	-	-	(33,219)
	<b>1,546,322</b>	<b>(1,073,794)</b>	<b>(500,181)</b>	<b>(5,437,579)</b>	<b>-</b>	<b>(5,465,232)</b>
<b>Segment assets</b>	<b>8,296,761</b>	<b>7,898,587</b>	<b>2,383,099</b>	<b>2,123,334</b>	<b>-</b>	<b>20,701,781</b>
<b>Segment liabilities</b>	<b>6,732,836</b>	<b>2,825,481</b>	<b>575,723</b>	<b>10,472,922</b>	<b>-</b>	<b>20,606,962</b>

**21. Subsequent Events**

Subsequent to the reporting period, on January 22, 2026, the Company completed a shareholder debt conversion transaction pursuant to which \$175,000 of outstanding shareholder debt was converted into equity at a deemed price of \$0.50 per common share, resulting in the issuance of 350,000 common shares. The transaction reduced outstanding liabilities of the Company and did not give rise to any cash proceeds.

On January 28, 2026, the Company granted stock options in accordance with its stock option plan. An aggregate of 296,830 stock options were granted to certain employees and directors, exercisable at \$0.65 per common share and vested immediately upon grant. Of these options, 121,830 have a ten-year term expiring on January 28, 2036, and 175,000 have a 30-month term expiring on July 28, 2028.

In addition, the Company granted 120,000 stock options to a new employee as part of a long-term incentive arrangement. These options are exercisable at \$0.81 per common share, vest in three equal annual tranches commencing on the first anniversary of the grant date and have a ten-year term expiring on January 28, 2036.

On February 25, 2026, the shareholders of the remaining outstanding \$225,000 shareholder debt entered into an agreement with the Company to further extend the repayment dates of the existing shareholder loans to March 31, 2027. The extensions did not result in any changes to the principal amounts outstanding, and interest continues to accrue in accordance with the original loan agreements.

These events are considered non-adjusting subsequent events and have not been reflected in the amounts recognized in the financial statements as at year end.