

IC GROUP HOLDINGS INC.

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

For the three-month period ended March 31, 2026



This MD&A was prepared as of May 26, 2026, and should be read with the Company's unaudited interim consolidated financial statements for the three month period ended March 31, 2026.

Additional information, including the Company's previous MD&As and audited consolidated financial statements for the year ended December 31, 2025, is available on SEDAR+ at www.sedarplus.ca.

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("Management's Discussion and Analysis" or "MD&A") reports on the consolidated operating results and consolidated financial condition of IC Group Holdings Inc. and its wholly owned subsidiaries for the three-month period ended March 31, 2026 and March 31, 2025. (the "Company" or "IC GROUP")

Throughout this MD&A, unless otherwise specified, "IC GROUP", the "Company", "we", "us" and "our" refers to IC Group Holdings Inc., 1119 Canada, and its wholly owned subsidiaries. This MD&A should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and the related notes as at and for the three months ended March 31, 2026 and 2025, which were prepared in accordance with International Financial Reporting Standards ("International Financial Reporting Standards" or "IFRS") (collectively referred to as the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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

- The fast-growing Marketing Technology (MarTech) sector is forecasted to grow 20% annually from 2025 to 2034 (Source: <https://www.precedenceresearch.com/marketing-technology-market>), fueled by improved customer experiences, demand for data-driven engagement, automation, AI, data security, and privacy compliance.
- The Canadian application-to-person ("A2P") messaging market is estimated at approximately US\$5.9 billion in 2024, with projected growth to approximately US\$9.2 billion by 2035, reflecting continued enterprise utilization of messaging for transactional notifications, authentication and customer engagement (<https://www.marketresearchfuture.com/reports/canada-a2p-messaging-market-46169>). Within this market, RCS Business Messaging ("RBM") represents an emerging subset of A2P messaging. While RBM currently accounts for a very low single digit percentage of Canadian business messaging revenues, industry research indicates it is expected to capture an

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

increasing share of messaging traffic over time as national carrier deployments, including support on Android and iOS devices, continues to expand.

- Third party industry research estimates the global fan engagement market at approximately US\$16.2 billion in 2024, growing at an annual compound rate of approximately 15% to US\$66.7 billion by 2034, with North America representing approximately 36–38% of global revenues, or approximately US\$5.9–6.0 billion in 2024, driven by the concentration of major professional sports leagues and high levels of digital adoption in the United States and Canada (market.us – Fan Engagement Market Size & Share Report, August 2025).
- Management believes that broader adoption of richer messaging formats may support incremental margin and recurring revenue improvements over time, although adoption rates and monetization remain subject to market conditions, carrier support, and customer demand.
- The Company is focused on improving platform scalability, enhancing product features and aligning live event engagement with mobile interaction and data capture. Management believes these initiatives may support repeat program activity, longer term customer relationships and cross selling opportunities when combined with the Company's mobile messaging and engagement solutions.
- Across its operating segments, the Company is focused on expanding customer relationships, increasing product adoption and driving higher usage volumes under existing contracts. Management pursues a land-and-expand approach, whereby initial customer engagements are followed by the introduction of additional use cases, services and platforms over time. This strategy is intended to increase customer retention, expand share of wallet, and support growth in Annual Recurring Revenue ("ARR").
- Across all segments, IC Group continues to invest in technology, platform reliability and process automation to support scalability and operating efficiency. These investments are intended to enhance service, support higher transaction volumes and improve gross margin over time. As the business scales, management expects to benefit from improved operating leverage through more efficient use of personnel, infrastructure and shared services.
- IC Group expects to grow Annual Recurring Revenue ("ARR") and improve Adjusted EBITDA as a percentage of revenue over the long term, driven primarily by organic initiatives such as customer retention and expansion, new customer wins, product enhancement, and operating leverage.

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

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

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

- The Company's tax position, anticipated tax refunds and tax rates applicable to the Company.

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

NON-IFRS MEASURES

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

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

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

Adjusted EBITDA refers to earnings before interest, taxes, depreciation, amortization, stock-based compensation, one-time transaction expenses and financing costs. The Company believes that Adjusted EBITDA is useful supplemental information, as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration significant non-recurring or transitional items comprised of costs directly attributable to acquisitions, financing costs, certain short-term investments in the business that are expensed for accounting purposes, as well as non-cash expenses, which include stock-based compensation expense, depreciation and amortization. Adjusted EBITDA also serves as a proxy for the Company's cash flow. Management also uses Adjusted EBITDA to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet its capital expenditure and working capital requirements.

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

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

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis
For the three-month period ended March 31, 2026

CORPORATE OVERVIEW

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

IC Group is a marketing technology company focused on delivering consumer engagement solutions at scale. Its mission is to transform how brands engage with consumer audiences across live events, digital platforms, customer ecosystems, and mobile messaging channels to drive sales, capture valuable data and build brand loyalty. The Company operates through three business segments: (i) IC Engage, which delivers digital promotions for enterprise customers and includes the Fannex platform, a software-as-a-service ("Software-as-a-Service" or "SaaS") solution that helps build consumer engagement in the live events ecosystem; (ii) IC Mobile, which is the Company's mobile messaging business; and (iii) IC Insurance, which provides specialty insurance solutions. The Company's registered office is located at 77 King Street West, Suite 700, Toronto, Ontario, Canada M5K 1G8. 1119 Canada has a registered office located at 383 Dovercourt Dr, Winnipeg, Manitoba, R3Y 1G4.

At December 31, 2024, IC Group owned approximately 14% of Emotion Media Inc., operating as Fannex ("Fannex"). On February 21, 2025, IC Group acquired 100% of Emotion Media Inc. as part of the business combination transaction with Cuspis Capital II Ltd., concurrent financing and public listing on the Exchange that also closed February 21, 2025. On September 15, 2025, the Company amalgamated Emotion Media Inc. with IC Group Inc., and subsequently continued the legal entity as IC Group Inc. The amalgamation was completed to achieve administrative, synergistic, and tax planning benefits.

MARKET SECTOR

IC Group operates within the fast-growing marketing technology ("marketing technology" or "MarTech") sector, as well as two dynamic market segments: mobile business messaging and digital fan engagement. The MarTech industry is forecasted to grow 20% annually from 2025 to 2034 (Source: <https://www.precedenceresearch.com/marketing-technology-market>), fueled by improved customer experiences, demand for data-driven engagement, automation, AI, data security, and privacy compliance. Within this sector, IC Group delivers marketing technology and digital promotion solutions to large enterprise customers.

Within the mobile messaging segment, third-party industry research estimates the Canadian application-to-person ("application-to-person" or "A2P") messaging market at approximately US\$5.9 billion in 2024, with growth projected to reach US\$9.2 billion by 2035. This is driven by enterprise adoption for transactional notifications, authentication, and customer engagement. Rich Communication Service ("Rich Communication Service" or "RCS") Business Messaging (also referred to as Rich Business Messaging ("Rich Business Messaging" or "RBM")) is an emerging subset of A2P messaging, currently representing a low-single-digit percentage of revenues, but expected to gain traction as carrier deployments expand and support becomes available on both Android and iOS devices.

The Company also operates within the digital fan engagement segment, which includes technology platforms and solutions used by sports teams, leagues, venues, brands and live event operators to engage audiences through mobile applications, interactive content, loyalty programs, and data-driven personalization. Third-party industry research estimates the global fan engagement market at approximately US\$16.2 billion in 2024, growing at a compound annual

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

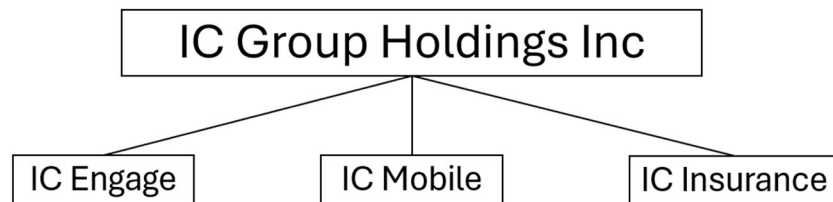
For the three-month period ended March 31, 2026

rate of approximately 15% to approximately US\$66.7 billion by 2034, with North America representing approximately 36–38% of global revenues, or approximately US\$5.9 - 6.0 billion in 2024, driven by the concentration of major professional sports leagues and high levels of digital adoption in the United States and Canada (market.us – Fan Engagement Market Size & Share Report, August 2025).

CUSTOMER SOLUTIONS

IC Group develops, sells, and supports three primary business verticals with associated products and services that power consumer engagement to drive commerce and manage risks for brands. The Company currently has over 150 customers worldwide that range in size and operational complexity, with the vast majority in the United States and Canada. Over 75% of our revenue (75% in 2025) is driven from customers outside of Canada.

Solutions include the following:



IC Engage:

IC Engage (previously reported as “Digital Promotions”) delivers enterprise digital promotions and consumer engagement programs across digital channels, customer ecosystems, and live events. The segment combines proprietary technology with managed services. IC Engage also includes Fannex, a SaaS platform for live sports and entertainment that enables brands, teams and venues to deploy and manage interactive content and fan promotions across in-venue digital screens and mobile devices. As at March 31, 2026, the Fannex platform is utilized by 95 professional teams, up from 85 at March 31, 2025, across various sports leagues in North America and Europe.

The integration of Fannex within IC Engage, including continued platform development and broader deployment across customers, teams, venues and brand partners, is a key initiative in 2026. As a live event engagement platform, Fannex supports interactive, feature-rich communications in-venue and on mobile devices and provides meaningful opportunities for first-party data capture and analytics. Management is focused on enhancing these capabilities and converting increased platform usage into measurable outcomes, with the objective of building momentum through 2026.

Revenue in IC Engage is primarily generated under multi-year master services agreements and statements of work and may include: (i) solution and platform fees (including software development and/or licensing); (ii) professional services fees to design, build, and operate campaigns; and (iii) transactional fees linked to engagement activity, such as moderation, fulfillment, rewards/incentives administration, and customer support. Where applicable, contract revenue is recognized using a percentage-of-completion method based on costs incurred relative to estimated total costs.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

IC Mobile:

IC Mobile (formerly the Mobile Messaging business segment) is one of three Tier-1 mobile aggregators in Canada, with direct connections to all major Canadian carriers and Tier-2 connections to U.S. and other global carriers. The Company enables enterprise brands, communications platform as a service ("communications platform as a service" or "CPaaS"), and marketing technology platforms to deliver application-to-person messaging in Canada across short message service ("short message service" or "SMS"), multimedia messaging service ("multimedia messaging service" or "MMS"), and Rich Communication Services / Rich Business Messaging ("RCS/RBM") for security and authentication use cases, transactional notifications, commerce-related messaging, and marketing communications. Revenue is generated primarily through transactional fees per message transmitted, supplemented by hosting and professional service fees, typically under multi-year recurring customer agreements. Management believes continued growth is supported by increasing message volumes, new customer onboarding, and the adoption of richer messaging formats (including RBM) in North America. Key differentiators include the Company's intellectual property in the Canadian market and a Canadian-owned platform that processes and stores message data in Canada, which may be important for regulated customers (e.g., financial services, healthcare and government). Customer retention is high and the Company reports that more than 95% of revenue in this business is Annual Recurring Revenue ("Annual Recurring Revenue" or "ARR").

IC Insurance:

IC Insurance (previously referred to as the "Insurance Solutions" business segment) delivers specialty insurance solutions through its Insured Creativity Inc. ("ICI") legal entity. As a Coverholder for Lloyd's of London ("Lloyd's") and Aviva Canada ("Aviva"), Insured Creativity operates under delegated binding authority arrangements that authorize it to underwrite and service insurance policies on behalf of certain Lloyd's syndicates and Aviva in Canada and select international markets (60+). The business underwrites and administers specialty insurance products for the sports, entertainment, and promotions industry, including event cancellation, event liability, prize indemnity, crisis management and related coverages. During the period, ICI also expanded its underwriting capabilities through additional delegated authority from specialty markets in London, enabling it to support a broader range of casualty risks, including commercial general liability, participant accident, abuse liability, and primary liquor liability, along with related ancillary coverages tailored to the live sports and entertainment sector. This expansion reflects the Company's strategy to enhance its insurance product suite and advance a more scalable, recurring revenue model, while strengthening its ability to address complex and underserved risk placements to support increased broker engagement, policy volume, and more predictable recurring revenue contributions over time.

Insurance policies are sold through the Company's proprietary software platform, Glide, and through a direct sales team servicing wholesale and retail brokers. Glide enables brokers to obtain quotes, bind coverage and receive policy documentation on a real time basis. Revenue is generated primarily through commissions on insurance policies written, service fees, and, where applicable, profit commission based on the underwriting performance of the portfolio within certain binding authorities.

COMPANY FOCUS AND STRATEGY

IC Group is a marketing technology company focused on delivering consumer engagement and risk management solutions across mobile messaging, digital promotions and live event experiences. The Company's strategy is to build scalable platforms that support enterprise customers while generating a high proportion of recurring revenue. Management's objective is to grow the business through disciplined organic initiatives, selective acquisitions, and

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

continued investment in technology and operating infrastructure, with a view to improving margins, operating leverage and cash flow over the long term.

Organic Growth in Core Business Lines

Organic growth remains the primary driver of IC Group's strategy. In the three-month period ending March 31, 2026 revenue grew by 29% over the prior year with over 86% being driven by organic revenue growth across all segments. IC Mobile saw strong results with a 27% increase in revenue during the three-month period of which 100% was organic revenue growth. IC Engage saw a 36% increase in revenue during the quarter of which 81% was organic growth and 19% was attributable to the acquisition of Fannex. IC Insurance revenue was flat year over year. Approximately 10% of revenue in the period was generated from the acquisition of Players Health, excluding this contribution, underlying insurance revenue declined by approximately 10%, primarily reflecting the timing of deal flow and premium compression in the market.

Across its operating segments, the Company is focused on expanding customer relationships, increasing product adoption and driving higher usage volumes under existing contracts. Management pursues a land-and-expand approach, whereby initial customer engagements are followed by the introduction of additional use cases, services and platforms over time. This strategy is intended to increase customer retention, expand share of wallet, and support growth in Annual Recurring Revenue.

In IC Mobile, the Company's near-term focus is on achieving positive operating leverage by scaling transaction volumes and broadening customer adoption across enterprise and wholesale channels. Growth initiatives include onboarding new customers, supporting increased traffic from existing customers, and investing in a new gateway platform to expand messaging capabilities beyond traditional SMS to include MMS and Rich Communication Services / Rich Business Messaging ("RCS/RBM"). The announcement in 2024 that Apple will support Rich Communication Service ("RCS") messaging also unlocks expanded mobile messaging and engagement capabilities in this fast-growing channel. Management believes that broader adoption of richer messaging formats may support incremental margin and recurring revenue improvements over time.

Within IC Engage, IC Group continues to integrate and scale the Fannex platform with the objective of extending its functionality across additional customers, sports teams, venues and brand partners. The Company is focused on improving platform scalability, enhancing product features and aligning live event engagement with mobile interaction and data capture. Management believes these initiatives may support repeat program activity, longer-term customer relationships and cross-selling opportunities when combined with the Company's mobile messaging and engagement solutions.

In IC Insurance, the Company is pursuing measured organic growth through the expansion of product offerings, underwriting capacity and geographic reach within existing delegated authority frameworks. Growth initiatives are focused on increasing the volume of risks bound, broadening distribution relationships and expanding the proportion of recurring insurance programs, while maintaining underwriting discipline and appropriate risk management practices.

Technology and Operating Leverage

Across all segments, IC Group continues to invest in technology, platform reliability and process automation to support scalability and operating efficiency. These investments are intended to enhance service delivery, support higher transaction volumes and improve gross and operating margin consistency over time. As the business scales, management expects to benefit from improved operating leverage through more efficient use of personnel, infrastructure and shared services.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis
For the three-month period ended March 31, 2026

Selective Acquisitions and Strategic Investments

In addition to organic initiatives, IC Group may evaluate selective acquisitions or strategic investments that complement its existing platforms, customer base or geographic footprint. Management assesses potential transactions based on strategic alignment, integration complexity, financial impact and the ability to enhance long-term shareholder value.

Capital Discipline and Risk Management

The Company's growth strategy is intended to be executed within a disciplined capital and risk management framework. Management seeks to balance growth objectives with liquidity, leverage, and operating risk considerations, recognizing that market conditions, customer adoption and competitive dynamics may impact the timing and pace of growth.

KEY PERFORMANCE INDICATORS

IC Group evaluates its overall performance using key financial indicators such as revenue, ARR, Gross Profit, Gross Margin and adjusted EBITDA. Other secondary metrics vary by business segment and may include revenue by geography, transaction volumes, and customer retention rates.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

2026 HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2026

IC Group's first-quarter 2026 results benefited from continued organic demand, stable recurring revenue, and improved operating leverage relative to prior periods.

- Revenues increased by 29% to \$7.8 million in the first quarter of 2026, compared to \$6.0 million during the same period in 2025. Gross Profit increased 22% in the first quarter of 2026 to \$3.3 million compared to \$2.7 million in the same period of 2025.
- Approximately 86% of the revenue growth was driven by organic growth across all divisions.
- Gross Margin for the first quarter of 2026 was 43%, compared to 45% in the same period of 2025. The expected decrease was a result of a small compression in margins across all business lines, while driving higher revenue and gross profits in the two primary segments, IC Engage and IC Mobile.
- Approximately 68% of revenue in the first quarter of 2026 is ARR, consistent with 68% in the same period of 2025.
- Adjusted EBITDA of \$0.67 million for the first quarter of 2026 was 300% higher compared to \$0.17 million in the same period last year. First quarter Adjusted EBITDA was up 3% compared to 4th quarter Adjusted EBITDA for 2025.
- On October 30, 2025, IC Insurance acquired the assets of Players Health Cover Canada Inc., a subsidiary of the U.S. based Ao1 Holdings Inc. ("Players Health (US)"), a leading provider of insurance solutions for athlete safety tailored to the live sports industry. The acquisition is expected to drive incremental annual recurring revenue opportunities while deepening IC Group's footprint in the sports and entertainment ecosystem.
- 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 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.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

ANALYSIS OF RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2026

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

Three Months Ended March 31,	2026	2025	Change
Revenue	7,752,327	6,016,999	29%
Gross Profit	3,309,256	2,716,041	22%
Operating income (loss)	(106,565)	(921,979)	(88%)
EBITDA	402,281	(1,606,616)	(125%)
Net Earnings (Loss) for the period	(332,647)	(2,093,717)	(84%)
Earnings Per Share (Basic and diluted)	(0.01)	(0.07)	(89%)

Adjustments to EBITDA:

	Three Months Ended March 31,	
	2026	2025
EBITDA	402,281	(1,606,616)
Adjustments to EBITDA		
1. Fees – Financing / Public Listing	-	420,421
2. Listing expense – Cuspis Reverse takeover	-	1,060,146
3. Mobile messaging platform enhancement costs	105,000	-
4. Director fees on successful completion of transaction	-	175,000
5. Management Stock Option expense	166,186	119,296
Adjusted EBITDA	673,467	168,247

Footnotes

1. Financing related professional fees reflect corporate finance, legal, and valuation costs incurred for the raising of capital during the reverse takeover transaction with Cuspis Capital II Ltd. which closed in February 2025 and the non-brokered private placement which closed in December 2025.
2. Mobile messaging core system replacement costs relate to the Company's investment to transition the messaging gateway to a new platform designed to significantly enhance messaging traffic growth and diversify the Company's capabilities in delivering differentiated solutions to its customers.
3. In conjunction with the reverse takeover transaction with Cuspis Capital II Ltd. mentioned above, the company recorded a listing expense to reflect the paid premium in shares issued to Cuspis shareholders (\$2.2 million) less the fair value of assets transferred (\$1.2 million) to the Company.
4. One of the Company's former directors was engaged for services to support the successful completion of the reverse takeover transaction and acquisition of Fannex. As part of those services the Director agreed to compensation in the form of cash.
5. Management stock option expense is non-cash in nature and relate to the vesting of Management stock options awarded to senior management to align their incentives with the Company.

Revenue for the three-month period ended March 31, 2026 increased by 29% to \$7.8 million, compared with \$6.0 million during the same period in 2025. The overall increase in revenue was attributable to a 27% increase in IC Mobile revenue, a 36% increase in IC Engage revenue, while IC Insurance revenue remained consistent at \$0.5 million, compared to the same period of the prior year.

Gross Profit for the three-month period ended March 31, 2026 increased 22% to \$3.3 million compared to \$2.7 million during the same period in 2025 driven primarily by an increase in Gross Profit in IC Engage of 32% or \$0.6 million. Compared to the same period in 2025, IC Mobile Gross Profit increased by 5% or \$0.03 million to \$0.61 million, and IC Insurance decreased 11% to \$0.26 million from \$0.29 million in the first quarter of 2026.

The Company's cost of sales for the three-month period ended March 31, 2026, increased by 35% to \$4.4 million compared to \$3.3 million in 2025. The increase is primarily due to an expected increase in mobile messaging carrier

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

costs, due to revenue and message volume growth, to \$3.0 million compared to \$2.3 million in 2025, and higher direct labour costs on increased revenue in the IC Engage Segment to \$0.8 million compared to \$0.5 million in the comparable period.

The overall Gross Margin across all businesses expectedly declined to 43% in the first quarter of 2026 from 45% during the same period in 2025 due to slightly higher labour cost concentrations to support increased revenues in IC Engage and known increases in passthrough mobile messaging carrier costs.

Amortization expense increased to \$0.5 million during the first quarter in 2026 compared to \$0.3 million in the same period in the prior year. The increase is attributable to the IC Engage segment, where the acquisition of Fannex mid-way through the first quarter of 2025 included the addition of capitalized development costs, causing an increase to the amortization expense compared to the pre-acquisition period. Additionally, at the time of the Fannex acquisition, the Valuation of the purchase price allocation was incomplete, as IC Group was awaiting further information about facts and circumstances that existed as of the acquisition date. The valuation was completed prior to the release of the 2025 year-end financial statements, generating an adjustment to the purchase price assigned to, among other things, intangible assets in the fourth quarter of 2025.

Operating and administrative expenses (excluding amortization) for the three-month period ended March 31, 2026 decreased by 10% to \$3.1 million, compared to \$3.4 million in the same period in 2025. The decrease primarily reflects higher professional, consulting, and legal fees incurred in the first quarter of 2025 related to the Company's reverse takeover transaction, public listing, capital raise, and the acquisition of Fannex, all of which closed in February 2025. These reductions were partially offset by higher personnel expenses in the current period, reflecting incremental hiring to support business scaling, growth initiatives, and the ongoing regulatory requirements associated with operating as a public company.

Employed and contract personnel costs not allocated to direct cost of sales represented 77% of total operating and administrative expenses for the three-month period ended March 31, 2026, increasing by 8% to \$2.4 million, compared to \$2.2 million in the same period of 2025. The increase was primarily attributable to additional labour costs incurred during the period, as well as incremental staffing costs absorbed through the Fannex acquisition completed in 2025. These increases were partially offset by improved utilization of personnel on billable IC Engage campaigns during the quarter.

Professional service fees, comprised of legal, accounting and consulting costs, for the three-month period ended March 31, 2026 decreased by \$0.4 million compared to the comparable period, primarily due to additional costs incurred to complete the February 2025 transactions mentioned above.

Interest expense for the three-month period ended March 31, 2026, decreased by 12% to \$0.16 million, compared to \$0.18 million in 2025, due primarily to the maturing loans in the fiscal year and escalated principal repayments on the IC Mobile acquisition loan. This was offset by the full quarter of interest accrued on the Fannex debenture obligations, of which repayments of slightly less than \$1.0 million were made in the 2025 fiscal year. No repayments were scheduled in the first quarter of 2026.

Net loss for the period ended March 31, 2026, was \$0.33 million compared to a net loss of \$2.1 million during the same period in 2025. The net loss for three-months ended March 31, 2026 was mainly due to increased advertising and staffing levels to support the sales growth initiatives, expected margin compression in IC Mobile, additional interest expense from Fannex's debentures, integration costs related to recently acquired businesses, and amortization expense from the fair value of the Fannex intangible assets acquired.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

Adjusted EBITDA for the three-month period ended March 31, 2026 was up 300% to \$0.67 million compared to \$0.17 million in 2025. The Adjusted EBITDA improved over the prior year due to the delivery of several significant campaigns in the IC Engage segment in the first quarter, as well as increased revenues in IC Mobile. This was offset by higher corporate costs, driven by additional costs absorbed as part of the acquired Fannex operations, acceleration of the integration of recently acquired businesses and costs incurred to support future growth as a public company.

The negative working capital position of approximately \$0.4 million for three-months ended March 31, 2026 is an improvement over prior year's \$2.6 million negative working capital position. As at March 31, 2026 the negative working capital is largely comprised of deferred revenue of the IC Engage segment which reported a year-to-date gross margin of 66%. It is expected that bank indebtedness of \$1.4 million will be reduced from excess cash flow from operations.

Individual business segment performance is discussed below.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

IC Engage

For the 3 months ending March 31,	2026	2025	Change
Revenue			
Contract, prizing, and rebate revenue	3,705,330	2,726,177	36%
	3,705,330	2,726,177	36%
Cost of Sales			
Direct labour	(779,855)	(508,392)	53%
Fulfillment costs	(481,169)	(367,739)	31%
	(1,261,024)	(876,131)	44%
Gross Profit	2,444,306	1,850,046	32%
Gross Margin	66%	68%	
Operating expenses			
Amortization Expense	(238,387)	(91,904)	159%
Operating and administrative expenses	(1,516,900)	(1,358,074)	12%
Other income (expense)	160,243	142,078	13%
Operating income (loss)	849,262	542,146	57%

Contract, prizing, and rebate revenue increased by \$1.0 million to \$3.7 million or 36% over the same prior year period, primarily driven by increased activity from a major U.S. customer, and an increase in override rebate revenue from prizing programs. The increase was further supported by revenue contributions from the Fannex acquisition completed in February 2025, whose business has a seasonality effect given concentration in winter sports leagues.

Direct labour costs increased by \$0.3 million or 53% and fulfillment costs increased by \$0.1 million or 31% for the three-month period ended March 31, 2026, primarily due to the increase of contract and promotional programs engaged or launched in the period. Allocated direct labour costs resulted in an increase in operating and administrative expenses, reducing operating expenses in the current period. Increases to operating and administrative expenses in the segment were primarily driven by the acquisition of Fannex operations in February 2025, and increases to personnel costs within the marketing, sales, and product teams.

Amortization expense of \$0.24 million for the three-month period ended March 31, 2026 was 159% higher than the comparable period due to the acquisition of Fannex in the first quarter of 2025, including the addition of capitalized development costs. Additionally, the completion of the Fannex acquisition generated an adjustment to the valuation of the purchase price assigned to, among other things, intangible assets in the fourth quarter of 2025. This adjustment generated an increase to the quarterly amortization expense.

Gross Margin decreased from 68% to 66%, due to added labour and contractor costs on non-capitalizable system enhancements that were recorded as Cost of Sales. The Company received approximately \$0.02 million of government grant funding for research initiatives, while it did not receive such funding in the comparable quarter. This funding was recorded as Other Income in the segment.

In the period, Other income included a foreign exchange gain of \$0.1 million in both the first quarters of 2026 and 2025.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

IC Mobile

For 3 Months ending March 31,	2026	2025	Change
Revenue			
Mobile messaging	3,585,278	2,831,127	27%
	3,585,278	2,831,127	27%
Cost of Sales			
Mobile messaging carrier costs	(2,979,350)	(2,254,673)	32%
	(2,979,350)	(2,254,673)	32%
Gross Profit	605,928	576,454	5%
Gross Margin	17%	20%	
Operating expenses			
Amortization Expense	(131,897)	(132,078)	0%
Operating and administrative expenses	(659,154)	(591,803)	11%
Operating income (loss), as reported	(185,123)	(147,427)	26%
Add back:			
Messaging System enhancement	105,000	-	100%
Adjusted operating income (loss)	(80,123)	(147,427)	(46%)

IC Mobile revenue grew organically by 27% or \$0.8 million to \$3.6 million, driven by increased traffic across all customers with wholesale customers driving most of the increase, and an increase to carrier fee rates charged by the mobile carriers which are passed through and charged to the customers, increasing revenue.

Cost of sales increased by 32% to \$3.0 million for the three-month period ended March 31, 2026, compared to \$2.3 million in the same period in 2025, driven by higher sales volumes, increased messaging traffic, overage fees associated with the messaging gateway, and industry-wide carrier price increases implemented during fiscal 2025. Carrier pricing increases are largely flow-through in nature, resulting in higher cost of sales while having a limited impact on gross profit.

Gross margin declined to 17% in the three months ended March 31, 2026, compared to 20% in the same period in 2025, while gross profit increased by 5% to \$0.61 million. The decrease in gross margin percentage reflects a continued shift toward higher-volume wholesale messaging traffic, which carries lower percentage margins but comparable gross profit economics, as well as the timing lag in passing certain carrier price increases through to enterprise customers.

Cost of sales in the first quarter of 2026 also included transitional expenses of \$0.1 million related to enhancements to the Company's mobile messaging platform to support MMS and RCS traffic flows. No comparable costs were incurred in the prior-year period.

Operating and administrative expenses increased 11% to \$0.66 million during the three-month period ending March 31, 2026 compared to \$0.59 million during the same period in the prior year, as personnel costs and hosting and service fees have transitioned from integration to scaling and business development costs. Amortization expense of \$0.1 million for the three-month period ended March 31, 2026 was consistent with the prior period and relates to the Company's investment in the acquired customer contracts.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

IC Insurance

For 3 Months ending March 31,	2026	2025	Change
Revenue			
Profit and sales commissions	427,445	357,001	20%
Rating site and administrative income	34,275	102,694	(67%)
	461,720	459,695	0%
Cost of Sales			
Brokerage commissions	(202,697)	(170,154)	19%
	(202,697)	(170,154)	
Gross Profit	259,023	289,541	(11%)
Gross Margin	56%	63%	
Operating expenses			
Amortization Expense	(93,385)	(92,994)	0%
Operating and administrative expenses	(356,430)	(279,989)	27%
Other income (expense)	1,074	(6,151)	(117%)
Operating income	(189,718)	(89,593)	112%

Revenue for profit and sales commissions increased 20% to approximately \$0.43 million during the three-month period ending March 31, 2026 due to a continued successful increase in market penetration and expansion of insurance product offerings. This is despite a softening insurance market, increased competition, and a planned remediation of the product sales mix to manage loss ratios and improve recurring revenue. The segment also noted an expected 67% decrease in rating site revenue and administrative income in the three-month 2026 period compared to the prior year, as the previous period included a \$0.06 million fee for run-off administration and decommissioning services as part of a US Customer's program termination. The IC Insurance segment realized sooner than anticipated surges in new business from United States and United Kingdom markets, as a result of business development sales efforts which generated revenues in the contractual bonus space and additional event cancellation business.

Gross profit decreased by 11% in the first quarter of 2026 compared to the prior-year period, a result of gross margin declined to 56% from 63% in the first quarter of 2025. The decrease in both gross profit and gross margin primarily reflects the absence of one-time decommissioning and contract termination fees that benefited the comparable period in 2025 and did not recur in the current period. This impact was partially offset by a \$0.04 million increase in gross profit attributable to higher profit and sales commissions revenue earned during the quarter.

Operating and administrative expenses incurred in the first quarter of 2026 increased by 27% compared with the prior year period due to increases in payroll, benefits, and contractor expenses, driven by planned hirings to support the expanded market penetration and scale growth. Also included is \$0.1 million of amortization expense for the period (2025 - \$0.1 million), mostly related to the Company's investment in the internally developed quote/rate/bind "Glide" platform.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

Geographic Customer Revenue Mix

For the three-month period ended March 31, 2026, revenue remained concentrated in North America. United States based customers accounted for 73% of total revenue (2025 – 78%), heavily supported by increased usage and program execution across enterprise accounts. Canada represented 25% of revenue (2025 – 20%), with the change in the period driven by stronger relative growth in the IC Mobile segment, which has a higher relative concentration in Canada compared to the other segments. International revenue accounted for 2% of total revenue (2025 – 1%). Smaller contributions from Other Countries reflected early-stage customer activity in Europe, the Middle East, and Africa (EMEA) as well as the Asia-Pacific region (ASPAC).

The following table presents geographic revenue concentration by operating segment in the three-months ended March 31, 2026:

Countries	IC Engage	IC Mobile	IC Insurance	Total
USA	95%	62%	48%	73%
Canada	3%	38%	30%	25%
Other	2%	0%	23%	2%
Total	100%	100%	100%	100%

The following table presents geographic revenue concentration by operating segment in the three-months ended March 31, 2025:

Countries	IC Engage	IC Mobile	IC Insurance	Total
USA	95%	62%	50%	78%
Canada	4%	38%	37%	20%
Other	1%	0%	14%	1%
Total	100%	100%	100%	100%

Across the segments, IC Engage and IC Mobile continued to represent most of the revenue in North America. IC Mobile activity remained scaled across both major North American markets. IC Insurance contributions in the period were more balanced across the USA, Canada, and select international jurisdictions.

As at March 31, 2026, the Company served over 150 active customers.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis
For the three-month period ended March 31, 2026

Financial Condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at March 31, 2026 and March 31, 2025.

As at March 31,	2026	2025
Cash	3,410,797	1,798,604
Current assets	12,862,593	15,461,860
Total assets	27,902,338	33,301,327
Current liabilities	13,309,042	18,035,185
Total liabilities	20,723,172	28,150,222
Shareholders' equity	7,179,166	5,151,105

Total assets were \$27.9 million as at March 31, 2026, a decrease of \$5.4 million or 16%, compared to March 31, 2025. The decrease was related primarily to a decrease in restricted cash and cash equivalent held for prizing fulfillment of \$3.9 million, and a decrease in goodwill of \$3.0 million compared to the prior year, as at March 31, 2025, driven by a revaluation of the purchase consideration issued for the Fannex acquisition, reverse takeover of Cuspis Capital II and the associated funds raised from the share issuance in the February 2025 capital raise. As a result of this revaluation completed for the December 31, 2025 year end, an adjustment to the intangible assets acquired, offset by share capital issued was recorded. These changes were offset by an increase in operating cash, of which net cash of \$3.5 million was received from the private placement which closed on December 19, 2025.

A decrease in net customer deposits for prizing, which offsets the restricted cash and cash equivalent position of \$4.4 million, repayments of \$1.4 million of bank indebtedness, and \$0.5 million of repayments of Fannex's debentures net of interest accrued, were the main components of the decrease of total liabilities of \$7.4 million at March 31, 2026 compared to March 31, 2025. An increase of \$2.0 million in total shareholders' equity, was primarily driven by the share capital issued for the private placement capital raise transaction in December 2025, offset by the net loss of \$2.1 million over the trailing twelve months which included non-cash charges of \$2.0 million in amortization and \$0.6 million in share option expenses.

As a result of the amalgamation of Emotion Media Inc. (Fannex) and IC Group Inc. legal entities on September 15, 2025, the Company has a balance of approximately \$5.6 million of Canadian non-capital loss carryforwards available to offset future taxable income generated by a majority of the Company's operations.

Management is comfortable with the negative working capital balance of approximately \$0.4 million, a significant component of which is comprised of deferred revenue of the IC Engage segment which reported a year-to-date gross margin of 66%.

DEBT FINANCING

The Company continued to deleverage through 2025 and into first quarter of 2026, a product of paying down its senior credit facility, raising capital through the issuance of common shares (2025) and increasing Adjusted EBITDA.

As at March 31, 2026 senior long-term debt was \$7.3 million compared to \$7.7 million at December 31, 2025. The Company's senior long-term debt primarily consists of a credit facility provided by a Canadian bank.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

The terms of the Senior Lender credit facility require that the Company's financial performance must not exceed a maximum debt to EBITDA ratio and a minimum fixed charge ratio. On December 29, 2025, IC Group received a letter from Senior Lender acknowledging that it was aware that IC Group would be in breach of its financial covenants for the testing period ended January 1, 2026. The Senior Lender 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 December 19, 2025, the Company completed a non-brokered private placement offering gross proceeds of \$3.8 million, to support operations and improve liquidity.

IC Group has available credit facilities in the form of an overdraft facility to a maximum of \$0.9 million and a \$0.5 million working capital loan, bearing interest at prime plus 2%. As at March 31, 2026 and December 31, 2025, neither of these credit facilities were utilized.

During the three-month period ended March 31, 2026, the Company made scheduled principal repayments on its long-term credit facility of \$0.4 million.

As part of the acquisition of Fannex the company assumed approximately \$2.6 million of debentures and accrued interest payable, of which approximately \$0.6 million was already due to the Company from Fannex. IC Group made approximately \$1.3 million of repayments since its acquisition date, with the remaining balance of principal and accrued interest at March 31, 2026 was \$1.3 million, of which \$0.1 million was a current liability. No debenture repayments were scheduled to be made in the three-month period ending March 31, 2026.

SHARE CAPITAL

Issued shares and warrants

During the three-month period ended March 31, 2026, IC Group issued 350,000 common shares to settle \$0.175 million of shareholder loans outstanding.

No warrants were issued in the three-month period ended March 31, 2026.

Share options

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.

On January 28, 2026, the Company granted an aggregate of 296,830 stock options to certain employees and directors, at an exercise price of \$0.65 per 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. On the same day,

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

the Company granted 120,000 stock options to a new employee as part of a long-term incentive arrangement, at an exercise price of \$0.81 per common share. These options 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.

LIQUIDITY AND CAPITAL RESOURCES

Capital is comprised of the Company's shareholders' equity and debt facilities. As at March 31, 2026, shareholders' equity was \$7.2 million (\$7.2 million at December 31, 2025) and together with \$8.9 million of debt and debentures outstanding (\$9.5 million at December 31, 2025). In the three-month period ended March 31, 2026, debt decreased in the year due to principal repayments of \$0.4 million on senior debt and repayments of \$0.2 million of shareholder loans through share and option issuances. No repayments were scheduled in the period to Fannex's debentures outstanding.

The Company's cash flows for the three-month periods ended March 31, 2026 and 2025 are summarized in the table below.

Year Ended March 31,	2026	2025
Cash flows provided by (used for) operating activities	(886,009)	399,297
Cash flows provided by (used for) financing activities	(423,320)	1,708,821
Cash flows used in investing activities	(213,989)	1,697,647
Increase (decrease) in cash for the period	(1,523,319)	1,697,647
Cash, beginning of the period	4,810,720	101,329
Cash, end of the period	3,410,797	1,798,604

Cash flows used for operating activities were \$0.9 million for the three-month period ended March 31, 2026 (2025 – provided by operating activities of \$0.4 million), down by \$1.3 million, primarily driven by a reduction in the Company's deferred revenue position by \$1.1 million, a net loss of \$0.3 million, and a reduction of accounts payable outstanding of \$0.2 million. Funding received from the 2025 fiscal year capital raises were partly used to improve liquidity and net working capital positions. A lower net loss of \$0.3 million versus the comparable three-month period of \$2.1 million was further supported by adjustments of some non-cash items including amortization of share option expense of \$0.2 million (2025 – \$0.3 million) and amortization expense on intangible assets of \$0.5 million (2025 – \$0.3 million).

Significant components of the decrease in cash flows from operating activities between the comparative periods were driven by growth in customer activity in the IC Engage segment, originating from higher promotion campaign revenue from the launch of large customized global promotions. This growth in customer activity led to a decrease of deferred revenue of \$1.1 million and customer deposits – prizing of \$3.2 million. These were offset by a decrease of \$3.4 million of restricted cash and cash equivalent on hand to fulfill customer deposits – prizing.

Cash flows used in financing activities were \$0.4 million during the three-month period ended March 31, 2026 (2025 – \$1.7 million inflow), primarily used for the repayments of bank facilities of \$0.4 million.

Cash flow used in investing activities was \$0.2 million during the three-month period ended March 31, 2026 (2025 – \$0.4 million). The funds were used for capitalization of development costs on company platform software.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

As a result of the above activities, at March 31, 2026, the Company has \$3.4 million of cash and other current assets totaling \$9.5 million, available to settle current liabilities of \$13.3 million.

RELATED PARTY TRANSACTIONS

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

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

During the three-month period ended March 31, 2026 the Company incurred \$0.4 million of short-term compensation to related Directors and Officers (2025 - \$0.5 million) and share-based payments of \$0.1 million (2025 - \$nil).

In the 2024 fiscal year, certain shareholders committed to lending the Company up to \$800,000. These shareholder loans bear interest at a rate of 10.0% per annum, payable monthly. On February 21, 2025, in conjunction with the business combination and equity financing, \$316,667 of these advances were converted to subscription receipts at a value of \$1.00 each (see Reverse Takeover, Equity Financings and Advances from Shareholders below). On January 22, 2026, the Company completed a shareholder debt conversion transaction pursuant to which \$175,000 of the remaining outstanding shareholder debt was converted into common shares at a price of \$0.50 per share. The transaction reduced outstanding liabilities of the Company and did not give rise to any cash proceeds. 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.

Business Combinations

Acquisition of Emotion Media Inc. (Fannex)

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

The fair values of the assets acquired, liabilities assumed and consideration paid are as follows:

Consideration paid	
Common shares (3,211,009)	2,456,422
Cash	250,054
Pre-acquisition investments in Fannex	
Common share investment	347,500
Debentures	409,233
Total consideration transferred	3,463,209

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

Acquired Assets and Liabilities	
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)
Total identifiable net assets acquired	1,404,009

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

Goodwill primarily represents the benefits of combining the Fannex business with the Company's IC Engage operating segment. Additionally, goodwill is attributed to the assembled workforce of Fannex.

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

	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
Total		2,418,783

All scheduled debenture repayments to March 31, 2026 have been repaid.

Reverse Takeover, Equity Financings and Advances from Shareholders

On February 21, 2025, Cuspis and 1119 Canada closed their previously announced business combination transaction which resulted in the reverse takeover of Cuspis by 1119 Canada. 1119 Canada became the wholly owned subsidiary of Cuspis, and Cuspis, the resulting issuer, was renamed "IC Group Holdings Inc."

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

In conjunction with the Offering, certain shareholders of 1119 Canada converted an aggregate \$316,667 of their advances into 316,667 Subscription Receipts.

Under the terms of the Qualifying Transaction, IC Group completed a 7.89:1 share split, resulting in 1119 Canada having a total of 29,000,000 shares outstanding (which includes securities of 1119 Canada issued to complete the acquisition of Fannex, but which excludes securities issued in the Offering). Cuspis completed a 1:4.31 share consolidation. Following the share split and share consolidation, holders of common shares of 1119 Canada, including

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

those shares issuable pursuant to the Offering, received one post-amalgamation common share of the resulting issuer in exchange for each common share of 1119 Canada held. In addition, all options and warrants exercisable for IC Group common shares were exchanged for options and warrants exercisable for resulting issuer common shares, on the same economic terms and conditions as such original outstanding securities.

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

On December 19, 2025, the Company closed a non-brokered private placement offering of units (the "Units") at a price of \$0.50 per Unit for aggregate gross proceeds of \$3,759,325. Each Unit consisted of one common share of the Company and one-half of one non-transferable common share purchase warrant (each whole warrant, a "Warrant"). Each whole Warrant entitles the holder to acquire one additional common share at an exercise price of \$0.65 per share for a period of 30 months from the date of issuance.

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

RISKS AND UNCERTAINTIES

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

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

Reliance on Key Personnel

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

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

Future Capital Needs and Uncertainty of Additional Financing

IC Group may need to raise additional funds to support more rapid expansion, technology investments, declines in actual earnings versus forecasted earnings, increases in marketing expenses, or the funds needed to operate as a public company. There is no assurance that IC Group will be successful in obtaining the required financing, including for

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

general working capital. There can be no assurance that such additional funding, if needed, will be available on terms attractive to IC Group or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of IC Group will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the common shares. If adequate funds are not available on acceptable terms IC Group may be unable to develop or enhance its business, take advantage of future opportunities, or respond to competitive pressures, any of which could have a material adverse effect on the Company's business, financial condition and operating results.

Lengthy and Variable Sales Cycle

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

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

Ability to Achieve Revenue and Customer Growth

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

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

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

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

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

an increase in other revenues, its operating results could be adversely impacted.

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

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

Ability to Manage Growth Effectively

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

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

Operating Risks

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

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

International Markets

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

Economic Slowdown

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

Merger & Acquisition Risks

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

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

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

Competition

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

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

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

Brand and Reputational Risks

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

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

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

Consumer Privacy and Data Protection Risks

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

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis
For the three-month period ended March 31, 2026

Risk of Network or Data Security Incidents

Increasingly, companies are subject to a wide variety of attacks on their networks and systems on an ongoing basis. In addition to traditional computer “hackers,” malicious code (such as viruses and worms), employee or 3rd party theft or misuse, and denial-of-service attacks, sophisticated nation-state and nation-state supported actors now engage in attacks (including advanced persistent threat intrusions). Despite significant efforts to create security barriers to such threats, it is virtually impossible for IC Group to entirely mitigate these risks. The security measures IC Group has integrated into its internal networks and solution, which are designed to detect unauthorized activity and prevent or minimize security breaches, may not function as expected or may not be sufficient to protect its internal networks and solution against certain attacks. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently and generally are not recognized until launched against a target. As a result, IC Group may be unable to anticipate these techniques or implement adequate preventative measures to prevent an electronic intrusion into its networks.

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

Customer Service and Support Standards

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

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

Litigation

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

Strategic Risk

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

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis

For the three-month period ended March 31, 2026

Possible Dilution to Present and Prospective Shareholders

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

U.S. Government Tariffs

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

FINANCIAL INSTRUMENTS

Fair value

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

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

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

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

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

Financial Risk Management

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

Credit Risk

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

Interest Rate Risk

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

IC GROUP HOLDINGS INC.

Management's Discussion & Analysis
For the three-month period ended March 31, 2026

Liquidity Risk

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

Foreign Currency Risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at March 31, 2026, it is management's opinion that IC Group is not exposed to significant currency risks arising from these financial instruments.

Price Risk

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

The Company's critical accounting estimates are as described in the December 31, 2025, notes to the consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not engage in any off-balance sheet financial arrangements as at March 31, 2026.