THINKIFIC LABS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2026 and 2025

THINKIFIC LABS INC.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

Amounts expressed in thousands of U.S. dollars

	As at March 31	As at December 31
	2026	**2025**
Assets		
Current assets		
Cash and cash equivalents	$ 6,583	$ 7,837
Short-term investments (Note 13)	42,835	42,857
Trade and other receivables (Note 6)	5,406	5,209
Prepaid expenses and other assets	2,909	3,030
Contract acquisition assets (Note 7)	752	705
Total current assets	**58,485**	**59,638**
Property and equipment	507	530
Lease right-of-use assets	1,310	1,396
Contract acquisition assets (Note 7)	1,142	1,034
Intangible assets	174	181
Total assets	**$ 61,618**	**$ 62,779**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Notes 8,13)	$ 6,727	$ 7,357
Lease liabilities	341	342
Deferred revenue (Note 3)	11,434	10,697
Derivative liability (Note 13)	231	—
Total current liabilities	**18,733**	**18,396**
Lease liabilities	1,050	1,126
Total liabilities	**19,783**	**19,522**
Shareholders' equity		
Share capital (Note 10)	108,867	109,352
Contributed surplus	8,295	7,825
Accumulated other comprehensive (loss) income (Note 13)	(269)	26
Accumulated deficit	(75,058)	(73,946)
Total shareholders' equity	**41,835**	**43,257**
Total liabilities and shareholders' equity	**$ 61,618**	**$ 62,779**

Commitments (Note 13)

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

THINKIFIC LABS INC.

Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income (unaudited)

Amounts expressed in thousands of U.S. dollars, except share and per share amounts

	Three months ended March 31	
	2026	**2025**
Revenue (Notes 3, 14)	$ 18,691	$ 17,844
Cost of revenue (Notes 4, 5)	5,291	4,672
Gross profit	**13,400**	**13,172**
Operating expenses		
Sales and marketing (Notes 5, 7)	4,620	5,026
Research and development (Note 5)	7,057	4,898
General and administrative (Note 5)	3,608	3,441
Total operating expenses	**15,285**	**13,365**
Operating loss	**(1,885)**	**(193)**
Other income		
Finance income	769	601
Foreign exchange gain (loss)	4	(7)
Total other income	**773**	**594**
Net (loss) income	**(1,112)**	**401**
Other comprehensive (loss) income		
Unrealized (loss) gain on derivatives (Note 13)	(295)	197
Total comprehensive (loss) income	**$ (1,407)**	**$ 598**
Weighted average number of common shares outstanding - basic (Note 12)	67,782,583	68,178,844
Weighted average number of common shares outstanding - diluted (Note 12)	67,782,583	69,176,300
(Loss) earnings per share		
Basic and diluted (Note 12)	$ (0.02)	$ 0.01

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

THINKIFIC LABS INC.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

Amounts expressed in thousands of U.S. dollars

	Three months ended March 31	
	2026	**2025**
Operating activities		
Net (loss) income	$ (1,112)	$ 401
Items not affecting cash and cash equivalents:		
Depreciation and amortization	338	351
Stock-based compensation (Notes 5, 11)	1,038	764
Unrealized foreign exchange (gain) loss	(24)	14
Finance income	(769)	(601)
Interest received	498	79
Changes in non-cash working capital:		
Trade and other receivables	(104)	995
Prepaid expenses and other assets	55	800
Contract acquisition assets (Note 7)	(348)	(304)
Accounts payable and accrued liabilities	(461)	(263)
Deferred revenue (Note 3)	737	939
Cash (used in) from operating activities	**$ (152)**	**$ 3,175**
Investing activities		
Investment in property and equipment and intangible assets	(28)	(82)
Cash used in investing activities	**$ (28)**	**$ (82)**
Financing activities		
Operating lease payments	(69)	(106)
Exercise of stock options (Note 11)	—	35
Tax remittances on stock-based compensation (Note 11)	(115)	(204)
Shares repurchased for cancellation and other equity-related costs (Note 10)	(781)	(685)
Payment for share repurchase obligation	(98)	—
Directors compensation and DSU settlements	(24)	—
Cash used in financing activities	**$ (1,087)**	**$ (960)**
Effect of exchange rate fluctuations on cash and cash equivalents held	13	(252)
(Decrease) increase in cash and cash equivalents	(1,254)	1,881
Cash and cash equivalents, beginning of period	7,837	49,492
Cash and cash equivalents, end of period	**$ 6,583**	**$ 51,373**
Non-cash transactions		
Taxes accrued on share repurchases included in accounts payable and accrued liabilities	$ 9	$ 14

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

THINKIFIC LABS INC.

Condensed Interim Consolidated Statements of Changes in Equity (unaudited)

Amounts expressed in thousands of U.S. dollars, except share and per share amounts

	Issued and outstanding						
	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive (loss) income	Accumulated deficit	Total
Balance as at December 31, 2024	**68,282,136**	**$ 109,460**	**$ 7,945**	**$ (576)**	**$ (75,235)**	**$ 41,594**
Net income	—	—	—	—	401	401
Exercise of stock options (Note 11)	93,066	70	(35)	—	—	35
Release of share awards, net of shares withheld for taxes (Note 11)	127,506	271	(475)	—	—	(204)
Stock-based compensation (Notes 5, 11)	—	—	640	—	—	640
Shares repurchased for cancellation under normal course issuer bid (Note 10)	(314,594)	(699)	—	—	—	(699)
Unrealized gain on derivatives (Note 13)	—	—	—	197	—	197
Balance as at March 31, 2025	**68,188,114**	**$ 109,102**	**$ 8,075**	**$ (379)**	**$ (74,834)**	**$ 41,964**
Balance as at December 31, 2025	**68,018,068**	**$ 109,352**	**$ 7,825**	**$ 26**	**$ (73,946)**	**$ 43,257**
Net loss	—	—	—	—	(1,112)	(1,112)
Release of share awards, net of shares withheld for taxes (Note 11)	94,753	305	(420)	—	—	(115)
Stock-based compensation (Notes 5, 11)	—	—	890	—	—	890
Shares repurchased for cancellation and other equity-related costs (Note 10)	(556,903)	(790)	—	—	—	(790)
Unrealized loss on derivatives (Note 13)	—	—	—	(295)	—	(295)
Balance as at March 31, 2026	**67,555,918**	**$ 108,867**	**$ 8,295**	**$ (269)**	**$ (75,058)**	**$ 41,835**

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

1. Organization and nature of operations

Thinkific Labs Inc. (**"Thinkific**" or the "**Company**") was incorporated on April 11, 2012 under the laws of British Columbia. Its head office is located at 400 - 369 Terminal Avenue, Vancouver, British Columbia, Canada.

The Company's primary business activity is to provide a learning commerce platform that helps businesses scale and generate revenue through courses, communities, AI and commerce. The Company's platform provides its customers with a leading learning commerce solution that enables them to create new revenue streams, retain customers, and build community through customized courses, membership sites, communities, digital products and other experiences. Our platform is designed to enable our customers to easily develop learning products under their own brands, requiring no specialized technical expertise while offering enterprise-grade security, functionality and scalability for growth.

The Company's Common Shares are publicly traded on the Toronto Stock Exchange ("**TSX**") under the symbol "**THNC**".

2. Basis of preparation

Statement of compliance

These condensed interim consolidated financial statements (the "**interim financial statements**") have been prepared in accordance with IFRS Accounting Standards ("**IFRS**") applicable to the preparation of interim financial statements, including International Accounting Standard ("**IAS**") 34 - *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("**IASB**"). Other than as disclosed in the interim financial statements, these interim financial statements have been prepared using the same accounting policies and methods as those used in the Company's audited consolidated financial statements as at and for the year ended December 31, 2025 (the "**annual financial statements**"). These interim financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and should therefore be read in conjunction with the Company's annual financial statements.

These interim financial statements were approved for issue by the Company's Board of Directors on May 4, 2026.

Functional currency

The Company's functional currency is the U.S. dollar and all amounts are reported in U.S. dollars unless otherwise noted. References to "**CAD**" refer to Canadian dollars.

Seasonality of operations

The operations of the Company can be seasonal, and the results of operations for any interim period are not necessarily indicative of operations for the full fiscal year or any future period.

Use of judgements, estimates and assumptions

The preparation of these interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the amounts reported in the interim financial statements and accompanying notes. Actual results could differ from these estimates.

Management reviews its estimates and underlying assumptions on an ongoing basis based on management's best knowledge of current events and actions that the Company may undertake in the future. Revisions to estimates are recognized prospectively.

In preparing these interim financial statements, the key judgments, estimates and assumptions made by management in applying the Company's accounting policies are the same as those applied and described in the Company's annual financial statements.

3. Revenue from contracts with customers

The disaggregation of the Company's revenue is as follows:

	Three months ended March 31	
(in thousands of U.S. dollars)	**2026**	**2025**
Subscription revenue	$ 15,167	$ 14,590
Commerce revenue	3,524	3,254
Total revenue	**$ 18,691**	**$ 17,844**

Contract liabilities

Deferred revenue represents payments received for performance obligations not yet satisfied and is primarily comprised of billed invoices that are expected to be realized within the next twelve months. As at March 31, 2026, the Company has deferred revenue of $11.43 million (December 31, 2025 - $10.70 million). For the three months ended March 31, 2026, $5.83 million of revenue recognized was included in the deferred revenue balance at the beginning of the year (three months ended March 31, 2025 - $5.39 million).

4. Cost of revenue

The disaggregation of the Company's cost of revenue is as follows:

	Three months ended March 31	
(in thousands of U.S. dollars)	**2026**	**2025**
Subscription revenue	$ 3,038	$ 2,633
Commerce revenue	2,253	2,039
Total cost of revenue	**$ 5,291**	**$ 4,672**

5. Employee compensation

Employee compensation is primarily comprised of salaries, benefits and stock-based compensation expenses. Total employee compensation for the three months ended March 31, 2026 was $10.96 million (three months ended March 31, 2025 - $8.90 million).

Stock-based compensation expense (Note 11) was included in the following expense categories:

	Three months ended March 31	
(in thousands of U.S. dollars)	**2026**	**2025**
Cost of revenue	$ 87	$ 66
Sales and marketing	240	10
Research and development	427	380
General and administrative	284	308
Total stock-based compensation expense	**$ 1,038**	**$ 764**

6. Trade and other receivables

		As at March 31		As at December 31
(in thousands of U.S. dollars)		**2026**		**2025**
Trade receivables	$	5,260	$	4,970
Other receivables		146		239
Balance, end of period	**$**	**5,406**	**$**	**5,209**

As at March 31, 2026, the Company's trade and other receivables balance included an allowance for credit loss of $12 thousand (December 31, 2025 - $35 thousand). Trade receivables are grouped based on shared credit risk characteristics and the days past due. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

7. Contract acquisition assets

Contract acquisition costs consist of sales commissions and variable compensation, earned by the Company's sales force, that are related to obtaining new contracts with customers. Amortization of contract acquisition assets is included in sales and marketing expenses in the Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income (unaudited).

The following table provides a reconciliation of contract acquisition assets:

		As at March 31		As at December 31
(in thousands of U.S. dollars)		**2026**		**2025**
Balance, beginning of period	**$**	**1,739**	**$**	**1,549**
Additions		348		925
Amortization		(193)		(735)
Balance, end of period	**$**	**1,894**	**$**	**1,739**

8. Accounts payable and accrued liabilities

		As at March 31		As at December 31
(in thousands of U.S. dollars)		**2026**		**2025**
Trade payables	$	584	$	1,801
Accrued liabilities		2,408		2,220
Employee compensation and benefits		467		277
Sales tax provision and other taxes payable		3,268		3,059
Balance, end of period	**$**	**6,727**	**$**	**7,357**

9. Related party transactions

Related parties include key management personnel, their close family members and entities under their control or joint control. Key management personnel are those having authority and responsibility for the planning, directing and controlling the activities of the entity, directly or indirectly. The Company defines key management personnel as the Company's C-level executives and Board of Directors.

Key management personnel compensation was as follows:

	Three months ended March 31	
(in thousands of U.S. dollars)	**2026**	**2025**
Salaries and benefits	$ 527	$ 424
Stock-based compensation	386	436
Severance	240	—
Total	**$ 1,153**	**$ 860**

Amounts due to related parties included in accounts payable and accrued liabilities as at March 31, 2026 were $939 thousand (December 31, 2025 - $1,090 thousand) and are related to short-term incentive program arrangements for the Company's executive officers and cash-settled equity incentive arrangements for the Company's Board of Directors. Refer to Note 11 for more details.

10. Share capital

Capital structure

On April 25, 2025, the Company eliminated its dual-class share structure by converting all 44,401,619 multiple voting shares into subordinate voting shares on a one-for-one basis. For all periods presented, "**Common Shares**" refer to the single class of voting shares in the capital of the Company.

The Company is authorized to issue an unlimited number of Common Shares, with no par value and an unlimited number of preferred shares with no par value, issuable in series.

Normal Course Issuer Bid

On November 12, 2025, the Company renewed its previous NCIB to purchase for cancellation a maximum of 3,395,023 Common Shares, representing approximately 5% of the issued and outstanding Common Shares (as defined in the rules and policies of the TSX) as at November 5, 2025, over the 12-month period from November 19, 2025 to November 18, 2026 in accordance with the requirements of the TSX and applicable securities laws.

Repurchase activity for the three months ended March 31, 2026

- 556,903 total shares repurchased for cancellation
- Average price per share of $1.40 (CAD $1.91)
- Total cash consideration of $778 thousand, including $213 thousand recorded as a reduction to share capital (excess of purchase price over the carrying value of Common Shares repurchased)
- $12 thousand of transaction costs incurred in connection with the NCIB, including $9 thousand related to the tax impact of the Common Shares repurchased, which was recorded as a reduction of share capital.

Repurchase activity for the three months ended March 31, 2025

- 314,594 total shares repurchased for cancellation
- Average price per share of $2.17 (CAD $3.13)

- Total cash consideration of $683 thousand, including $128 thousand recorded as a reduction to share capital (excess of purchase price over the carrying value of Common Shares repurchased)
- $16 thousand of transaction costs incurred in connection with the NCIB, including $14 thousand related to the tax impact of the Common Shares repurchased, which was recorded as a reduction of share capital.

11. Stock-based compensation

In 2016, the Company established a stock option plan (the "**Legacy Option Plan**") for directors, officers, employees, and consultants of the Company. In 2021, the Legacy Option Plan was amended such that no further awards can be made under this plan.

In 2021, the Company adopted an omnibus incentive plan (the "**Omnibus Incentive Plan**") which allows the Board of Directors to grant stock-based awards, including stock options, and Restricted Share Units ("**RSUs**"), and Performance Share Units ("**PSUs**") to eligible participants. In June 2024, the shareholders of the Company approved the renewal of the Omnibus Incentive Plan.

In 2021, the Company also adopted a Directors' Deferred Share Units Plan (the "**DSU Plan**"), which allows the Board of Directors to grant Deferred Share Units ("**DSUs**") to its members.

The aggregate number of Common Shares that may be issued pursuant to the grants made under the Legacy Option Plan and Omnibus Incentive Plan, shall be equal to 10% of the aggregate number of issued and outstanding Common Shares, from time to time.

A summary of the Company's stock-based compensation expense by award type is presented below:

	Three months ended March 31	
(in thousands of U.S. dollars)	**2026**	**2025**
Stock options	$ (6)	$ 7
Share awards, equity-settled	896	633
Share awards, cash-settled	148	124
Total stock-based compensation expense	**$ 1,038**	**$ 764**

Stock options

All stock options have an exercise price determined and approved by the Board of Directors at the time of grant, which cannot be less than the market price of a Common Share on the date of grant. Each option entitles the holder to purchase one Common Share. Stock options typically have a maximum term of up to ten years and generally vest over four years. No stock options were granted during the three months ended March 31, 2026 and March 31, 2025.

A summary of the Company's stock option activity is presented below:

Three months ended March 31	2026			2025		
	Number of options		Weighted average exercise price (CAD)	Number of options		Weighted average exercise price (CAD)
Outstanding, beginning of period	971,977	$	6.36	1,262,385	$	6.13
Exercised	—	$	—	(93,066)	$	0.56
Forfeited	(32,403)	$	8.91	(56,322)	$	9.84
Outstanding, end of period	**939,574**	**$**	**6.28**	**1,112,997**	**$**	**6.41**
Exercisable, end of period	**933,898**	**$**	**6.28**	**1,035,324**	**$**	**6.49**

A summary of the Company's stock options outstanding is presented below:

As at March 31	2026		2025	
Exercise price range (CAD)	Number of options	Weighted average remaining contractual life (years)	Number of options	Weighted average remaining contractual life (years)
$0.08 - $2.41	252,130	3.1	302,764	4.0
$2.42 - $3.29	243,236	4.5	264,836	5.5
$3.30 - $11.70	130,708	5.1	167,686	6.2
$11.71 - $15.76	313,500	5.0	377,711	6.1
Outstanding, end of period	**939,574**	**4.4**	**1,112,997**	**5.4**

Restricted share units

RSUs are share awards which entitle the holder to receive, upon vesting, Common Shares, cash, or a combination thereof, at the discretion of the Board of Directors. These units are accounted for at fair value based on the prevailing Thinkific Common Share price as if the units were vested and issued on the grant date. Stock-based compensation expense for RSUs is based on the estimated fair value on the date of grant and recognized over the service period. An estimate of forfeitures is applied in determining stock-based compensation expense at the grant date and subsequent reporting dates. RSUs generally vest over one to three years and have a maximum term of up to ten years.

Deferred share units

DSUs are share awards granted to the Company's Board of Directors which entitle the holder to a cash payment upon redemption. The payment amount is equal to the prevailing Thinkific Common Share price on the date of settlement. Each DSU vests on the date of the grant, however, the redemption of DSUs occurs when the holder ceases to be a director of the Company. DSUs are accounted for at fair value. Stock-based compensation expense for DSUs is re-measured based on the estimated fair value of the DSUs at each reporting date.

Outstanding share awards

A summary of the Company's RSU and DSU activity for the three months ended March 31, 2026 is presented below:

	RSU			DSU		
	Number of awards		Weighted average fair value (CAD)	Number of awards		Weighted average fair value (CAD)
Outstanding, beginning of period	2,693,079	$	2.47	769,995	$	2.43
Granted	916,153	$	1.65	128,048	$	1.57
Released [(1)]	(193,558)	$	3.01	—	$	—
Forfeited	(199,405)	$	2.50	—	$	—
Outstanding, end of period	**3,216,269**	**$**	**2.19**	**898,043**	**$**	**2.30**

[(1)] A portion of these RSUs were net-settled such that the Company withheld shares with a value equivalent to the employees' obligation for the applicable income and other employment taxes. The Company remitted the cash tax on the stock-based compensation to the appropriate tax authorities. During the three months ended March 31, 2026, the Company withheld 98,257 Common Shares, which was based on the value of the RSUs on their respective vesting dates as determined by the Company's closing stock price. Total payments for the employees' tax obligations to taxing authorities was $115 thousand.

A summary of the Company's RSU and DSU activity for the three months ended March 31, 2025 is presented below:

	RSU			DSU		
	Number of awards		Weighted average fair value (CAD)	Number of awards		Weighted average fair value (CAD)
Outstanding, beginning of period	2,300,873	$	3.15	392,970	$	2.70
Granted	92,926	$	3.23	68,746	$	3.06
Released [(1)]	(179,888)	$	3.23	(528)	$	2.95
Forfeited	(161,960)	$	3.49	—	$	—
Outstanding, end of period	**2,051,951**	**$**	**3.15**	**461,188**	**$**	**2.73**

[(1)] A portion of these RSUs were net-settled such that the Company withheld shares with a value equivalent to the employees' obligation for the applicable income and other employment taxes. The Company remitted the cash tax on the stock-based compensation to the appropriate tax authorities. During the three months ended March 31, 2025, the Company withheld 90,662 Common Shares, which was based on the value of the RSUs on their respective vesting dates as determined by the Company's closing stock price. Total payments for the employees' tax obligations to tax authorities was $204 thousand.

12. (Loss) earnings per share

The Company has two categories of potentially dilutive securities: stock options, RSUs. The Company was in a net loss position for the three months ended March 31, 2026. As such, these potentially dilutive securities have been excluded from the diluted loss per share calculation as their effect would be anti-dilutive. This results in basic and diluted weighted average number of shares outstanding and the basic and diluted loss per share are the same.

For the three months ended March 31, 2025, basic and diluted weighted average number of shares outstanding and basic and diluted earnings per share are calculated as follows:

	Three months ended March 31	
(in thousands of U.S. dollars, except share and per share data)	**2026**	**2025**
Net income	**$ (1,112)**	**$ 401**
Weighted average number of Common Shares outstanding - basic	**67,782,583**	**68,178,844**
Share awards with a dilutive effect:		
Stock options	—	245,538
RSUs	—	751,918
Weighted average number of Common Shares outstanding - diluted	**67,782,583**	**69,176,300**
Basic earnings per share	$ (0.02)	$ 0.01
Diluted earnings per share	$ (0.02)	$ 0.01

13. Financial risk management and financial instruments

Capital and risk management

The general objectives of the Company's capital management strategy reside with the preservation of its capacity to continue operating, in providing benefits to its stakeholders, and in providing a return on investment to its shareholders by selling its services at a price commensurate with the operating risk it assumes.

The Company determines the total amount of capital required consistent with risk levels. This capital structure is adjusted on a timely basis depending on changes in the economic environment and in the risks of the underlying assets. The Company is not subject to any externally imposed capital requirements.

The Company is exposed to risks of varying degrees of significance which could affect its ability to carry out its strategic objectives and is exposed to risk arising from financial instruments, the nature of which and corresponding mitigations are described below.

Credit risk

The Company's credit risk is primarily attributable to its cash and cash equivalents, short-term investments, trade and other receivables, and derivative financial instruments.

Credit risk with respect to cash and cash equivalents and short-term investments is managed by maintaining bank and investment accounts with high quality financial institutions.

There is no particular concentration of credit risk related to the Company's trade and other receivables, and no customer accounts comprise more than 5% of the trade and other receivables balance. The Company's trade and other receivables balance is managed and analyzed on an ongoing basis to ensure that an appropriate expected credit loss is established and maintained.

The Company is exposed to credit risk on derivative financial instruments arising from the potential for counterparties to default on their contractual obligations. The Company manages this risk by limiting counterparties to highly rated financial institutions and monitoring their credit worthiness.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it always has sufficient liquidity to meet its liabilities as they become due. The Company manages this risk by monitoring cash flow and performing budget-to-actual analysis on an ongoing basis.

Short-term investments

The Company held short-term investments of $42.84 million as at March 31, 2026 (December 31, 2025 - $42.86 million). These short-term investments consist of fixed term GICs with interest rates of 3.76% to 4.15%. Due to the short-term nature of these investments, the fair value approximates the carrying value.

As at March 31, 2026, the Company had cash and cash equivalents and short-term investments of $49.42 million (December 31, 2025 - $50.69 million). Given the Company's available liquid resources as compared to the undiscounted contractual maturities of its financial liabilities, management considers the Company's liquidity risk to be low.

The following are the remaining undiscounted contractual maturities of financial liabilities as at March 31, 2026:

(in thousands of U.S. dollars)	< 1 year	1-2 years	More than 2 years	Total	Carrying value
Accounts payable and accrued liabilities	$ 6,727	$ —	$ —	$ 6,727	$ 6,727
Lease liabilities	385	385	735	1,505	1,391
Total	**$ 7,112**	**$ 385**	**$ 735**	**$ 8,232**	**$ 8,118**

The following are the remaining undiscounted contractual maturities of financial liabilities as at December 31, 2025:

(in thousands of U.S. dollars)	< 1 year	1-2 years	More than 2 years	Total	Carrying value
Accounts payable and accrued liabilities	$ 7,357	$ —	$ —	$ 7,357	$ 7,357
Lease liabilities	381	381	797	1,559	1,468
Total	**$ 7,738**	**$ 381**	**$ 797**	**$ 8,916**	**$ 8,825**

As at March 31, 2026, the Company had commitments of $7.19 million outstanding (December 31, 2025 - $9.85 million).

Foreign exchange risk

The Company is exposed to unrealized foreign exchange risk attributable to Canadian dollar denominated cash and cash equivalents, trade and other receivables, and accounts payable.

The net carrying value of these Canadian dollar denominated balances were as follows:

		As at March 31		As at December 31
(in thousands of U.S. dollars)		**2026**		**2025**
Cash and cash equivalents	$	1,476	$	949
Trade and other receivables		58		69
Accounts payable and accrued liabilities		(3,479)		(3,532)
Total	**$**	**(1,945)**	**$**	**(2,514)**

Based on working capital held at March 31, 2026, a 10% weakening in the Canadian dollar against the U.S. dollar, with all other variables held constant, would result in a foreign exchange gain of approximately $195 thousand recorded against net loss (December 31, 2025 - foreign exchange loss of $251 thousand). The sensitivity associated with a 10% strengthening of the Canadian dollar against the U.S. dollar would be equal and opposite.

The Company is exposed to realized foreign exchange risk attributable to Canadian dollar denominated operating expenses. The Company's functional currency is the U.S. dollar, and as a result, volatility in the Canadian dollar relative to the U.S. dollar could impact the Company's net income.

To minimize its exposure to foreign exchange risks, the Company enters into foreign exchange forward contracts to hedge 80% of its forecasted Canadian dollar denominated payroll expenditures up to a 12-month period. These contracts are designated as cash flow hedges. The maturity dates range from April 2026 to February 2027.

The fair value and notional amount of foreign exchange forward contracts outstanding are as follows:

		As at March 31		As at December 31
(in thousands of U.S. dollars, unless otherwise indicated)		**2026**		**2025**
Fair value of derivative assets (liabilities) designated as cash flow hedges	$	(231)	$	64
Notional amount	$	13,949	$	15,230
Notional amount (CAD)	$	19,411	$	20,902
Average US:CAD contract rate				
0-6 months	$	1.3656	$	1.3704
6-12 months	$	1.3591	$	1.3717

As at March 31, 2026, the Company estimates that 100% of net unrealized gains/losses on these forward contracts will be reclassified into net income within the next twelve months.

During the three months ended March 31, 2026, $1 thousand in hedging gains were recognized in operating expenses in net income (March 31, 2025 - $226 thousand in hedging losses).

Hedging Reserve

The hedging reserve is contained in Accumulated other comprehensive (loss) income on the Condensed Interim Consolidated Statements of Financial Position (unaudited). It comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges. These amounts are held in the reserve until they are recognized in operating expenses in the Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income (unaudited).

		As at March 31		As at December 31
(in thousands of U.S. dollars)		**2026**		**2025**
Balance, beginning of period	**$**	**64**	**$**	**(538)**
Unrealized (losses) gains that may subsequently be reclassified to Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income (unaudited)		(295)		602
Balance, end of period	**$**	**(231)**	**$**	**64**

Interest rate risk

The Company is not exposed to material interest rate risk as the Company's trade and other receivables, accounts payable and accrued liabilities, and lease liabilities do not bear interest.

Fair value

The Company measures the fair value of its financial assets and financial liabilities using a three-level hierarchy. A financial instrument's classification within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3	Unobservable inputs for the asset or liability.

The following tables summarize the classification and carrying value of the Company's financial instruments:

(in thousands of U.S. dollars)	Financial assets at amortized cost	Financial liabilities at amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	**March 31, 2026**
Financial assets					
Cash and cash equivalents	$ 6,583	$ —	$ —	$ —	**$ 6,583**
Short-term investments	42,835	—	—	—	**42,835**
Trade and other receivables	5,406	—	—	—	**5,406**
Financial liabilities					
Accounts payable and accrued liabilities	—	5,810	917	—	**6,727**
Lease liabilities	—	1,391	—	—	**1,391**
Foreign exchange forward contracts	$ —	$ —	$ —	$ 231	**$ 231**

(in thousands of U.S. dollars)	Financial assets at amortized cost	Financial liabilities at amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	**December 31, 2025**
Financial assets					
Cash and cash equivalents	$ 7,837	$ —	$ —	$ —	**$ 7,837**
Short-term investments	42,857	—	—	—	**42,857**
Trade and other receivables	5,209	—	—	—	**5,209**
Foreign exchange forward contracts	—	—	—	64	**64**
Financial liabilities					
Accounts payable and accrued liabilities	—	6,266	1,091	—	**7,357**
Lease liabilities	—	1,468	—	—	**1,468**

Accounts payable and accrued liabilities that are classified and measured as fair value through profit or loss are comprised of cash-settled equity awards and are measured with Level 1 inputs. Refer to Notes 9 and 11 for further details.

The fair value of derivative financial instruments are measured using Level 2 inputs, based on forward foreign exchange rates.

14. Segmented information

Operating segments

The Company operates primarily in one principal business, that being the development, marketing and support management of the Company's cloud-based platform.

Entity-wide disclosures

Geographic revenue information is based on the location of the customer invoiced.

	Three months ended March 31					
(in thousands of U.S. dollars, except percentages)		**2026**			**2025**	
United States	$	9,898	53%	$	9,671	54%
Rest of world		6,181	33%		5,779	32%
Canada		2,612	14%		2,394	13%
Total	**$**	**18,691**	**100%**	**$**	**17,844**	**100%**

Long-lived assets, which include lease right-of-use assets, property and equipment, intangible assets, and contract acquisition assets, are all located in Canada.

15. Subsequent events

Subsequent to March 31, 2026, the Company announced the departure of Ryan Donovan, Chief Product & Technology Officer, effective April 17, 2026. In connection with this departure, the Company will make a total cash severance payment of $279,107.04.