



ANNUAL INFORMATION FORM

For the year ended January 31, 2026

APRIL 1, 2026

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ABOUT THIS DOCUMENT

In this annual information form (this “AIF”) unless otherwise noted or the context indicates otherwise, references to the “Company”, “D2L”, “we”, “us” and “our” refer to D2L Inc. together with, as the context requires, its subsidiaries. Certain capitalized terms used in this AIF are defined in the “Glossary of Terms” attached as Exhibit “A” hereto.

Unless otherwise noted herein, this AIF applies to the business activities and operations of the Company for the fiscal year ended January 31, 2026, as updated to April 1, 2026.

All references in this AIF to “customers” refer to entities that have an active contract for our services. In the case where there is a single contract that applies to entities with multiple subsidiaries, divisions, accounts, universities or schools, only the entity that has contracted for our services is counted as a customer.

In this AIF, unless otherwise indicated, all references to “C\$” are to Canadian dollars and all references to “\$” or “US\$” are to U.S. dollars.

FORWARD-LOOKING STATEMENTS

This AIF includes statements containing forward-looking information within the meaning of Canadian securities legislation (“**forward-looking statements**”). In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects”, “budget”, “scheduled”, “estimates”, “outlook”, “target”, “forecasts”, “projection”, “potential”, “prospects”, “strategy”, “intends”, “anticipates”, “seek”, “believes”, “opportunity”, “guidance”, “aim”, “goal” or variations of such words and phrases or statements that certain future conditions, actions, events or results “may”, “could”, “would”, “should”, “might”, “will”, “can”, or negative versions thereof, “be taken”, “occur”, “continue” or “be achieved”, and other similar expressions. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

This forward-looking information relates to the Company’s future financial outlook and anticipated events or results and includes, but is not limited to, information regarding: the Company’s financial position, financial results, business strategy, performance, achievements, prospects, plans, objectives, opportunities, business plans and growth strategies; the Company’s budgets, operations, taxes and dividend policy; the markets in which the Company operates; industry trends (including with respect to AI) and the Company’s competitive position; expansion of the Company’s product offerings and services; the anticipated impacts of future acquisitions; expectations regarding the growth of the Company’s customer base; the Company’s international expansion; resources dedicated to sales and marketing and research and development; the Company’s relationships with third-parties; the timing and pace for achieving profitability levels; the Company’s intellectual property; the impact of GenAI on learning; the impact of a learning gap in K-12 markets; expectations regarding the growth of the Company’s customer base, revenue (including from international markets) and revenue generation potential; our sustainability-related objectives; and any potential future results of the Company’s equity investment in and loan to, SkillsWave.

Forward-looking information is based on certain assumptions, expectations and projections, and analyses made by the Company in light of management’s experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, including the following: the Company’s ability to win business from new customers and expand business from existing customers; the timing of new customer wins and expansion decisions by existing customers; the Company’s ability to generate revenue and expand its business while controlling costs and expenses; the Company’s ability to manage growth effectively; the Company’s assumptions regarding the principal competitive

factors in our markets; the Company's ability to hire and retain personnel effectively; the effects of foreign currency exchange rate fluctuations on our operations; the ability to seek out, enter into and successfully integrate acquisitions; business and industry trends, including the success of current and future product development initiatives; positive social development and attitudes toward the pursuit of higher education; the Company's ability to maintain positive relationships with its customer base and strategic partners; the Company's ability to adapt and develop solutions that keep pace with continuing changes in technology, education and customer needs including demand for AI; the Company's ability to predict future learning trends and technology; the ability to patent new technologies and protect intellectual property rights; the Company's ability to comply with security, cybersecurity and accessibility laws, regulations and standards; the assumptions underlying the judgments and estimates impacting on financial statements; certain accounting matters, including the impact of changes in or the adoption of new accounting standards; the Company's ability to retain key personnel; ability to enhance the Company's ecosystem and partner programs; and that the list of risks, uncertainties and other factors referenced further below, collectively, do not have a material impact on the Company.

Although the Company believes that the assumptions underlying such forward-looking information were reasonable when made, they are inherently uncertain and are subject to significant risks and uncertainties and may prove to be incorrect. The Company cautions investors that forward-looking information is not a guarantee of the future and that actual results may differ materially from those made in or suggested by the forward-looking information contained in this AIF.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors", which include: risks related to the market adoption of cloud based learning solutions; the Company's ability to compete effectively in the markets in which it participates and to attract new customers, retain existing customers and grow its business; the Company's ability to develop enhanced and new features, keep pace with technological developments, respond to future disruptive technologies (including AI), or effectively operationalize new technologies; the possibility that customers do not expand their use of the Company's platform and services beyond their current organizational engagements or do not renew their existing contracts; the Company's ability to increase sales of subscriptions to its platform while mitigating costs and risks; risks related to potential breaches of security measures, cyberattacks or unauthorized access to customer data; risks related to economic uncertainty, economic slowdowns or recessions and related reductions in spending; macroeconomic conditions impacting the Company's ability to evaluate future prospects and accurately forecast growth; risks related to tariffs, trade wars and changes in international trade laws or policies; risks related to the use, adoption, integration or innovation of AI in the Company's products and services; risks arising from evolving AI regulatory requirements and ethical, security or transparency considerations; risks related to current and future regulatory requirements applicable to the Company's software and services; risks related to acquisitions, divestitures or investments in other companies or technologies; risks related to the Company's strategy; risks related to privacy, data protection and information security obligations, including data transfer restrictions and domestic or foreign regulations; risks related to the success, performance or reliability of the Company's relationships with third parties, including suppliers, partners, resellers, developers and other ecosystem contributors; risks related to the Company's reliance on AWS and other cloud providers to operate certain aspects of its platform; risks related to the impact of mergers or other strategic transactions involving competitors or customers; risks related to the Company's ability to effectively manage its growth, or the risk that the business does not grow as expected; the Company's ability to hire, retain and motivate qualified employees; risks arising from the substantial negotiation power of large customers; risks related to failures, vulnerabilities or interruptions of the Company's information

systems; the Company's ability to invest in its sales and marketing capabilities and to select appropriate marketing channels; risks related to maintaining the Company's culture; the Company's dependence on the continued services and performance of its senior leadership team and other key employees; the possibility that the Company may not generate significant revenue from its current research and development efforts; risks related to natural disasters, public health crises, political crises, geopolitical instability or other catastrophic events; risks related to compliance with laws, regulations, policies and contractual provisions concerning personal information, including student data; foreign currency exchange rate fluctuations; risks related to government policy, regulatory actions and public sector funding; risks and challenges related to sales to government entities; the Company's ability to meet the expectations of investors or securities analysts; seasonal patterns affecting sales and customer growth; risks related to changes to the Company's platform, services or networks; risks related to the Company's ability to maintain compatibility of its solutions with third party applications used by customers; risks arising from changes to the Company's pricing models; risks related to the timing and method by which the Company recognizes revenue from subscriptions; risks due to the unpredictability of sales cycles; risks related to the Company's international sales and operations and its ability to expand internationally; the Company's reliance upon SaaS technologies and AI services provided by third parties; the possibility that the Company may incur operating losses or negative cash flows in the future; the Company's ability to adequately protect its intellectual property and proprietary rights; risks related to assertions or claims by third parties of intellectual property infringement, including claims related to the Company's use of AI; risks related to future licensing model changes in light of AI developments; the Company's ability to develop, maintain and enhance its brand and reputation cost effectively; risks related to the use of opensource, AI, or third party software; risks related to real or perceived errors, failures, vulnerabilities (including security vulnerabilities), or bugs in the Company's platform; the Company's ability to update or refresh its source code or address technological deficiencies in a timely and effective manner; risks related to current or future legal proceedings; risks related to negative publicity and information sharing through social media; risks related to the availability and cost of business insurance; the Company's ability to provide high quality and continuous customer support; risks arising from incorrect or improper use of the Company's solutions or the Company's failure to adequately train customers; risks related to inflationary pressures; risks related to the availability of additional capital to support growth; risks arising from international laws, including export, import and anticorruption laws; risks related to changes in internet access or laws governing the internet; risks related to the enforcement of judgments against foreign subsidiaries or non-resident directors or officers; risks related to adverse tax consequences of international operations, changes in tax laws, anticipated tax liabilities or the potential requirement to collect additional sales or similar taxes; the Company's ability to utilize its net operating losses; risks arising from changes in accounting standards or critical accounting estimates; the Company's ability to maintain effective internal controls; limits on shareholders' ability to obtain a favourable judicial forum for disputes; additional costs associated with being a public company; risks related to geopolitical events; risks related to customer concentration; risks related to the effort, time and expense associated with switching from competitor products; risks related to sustainability related efforts or disclosures; risks arising from the Company's holding company structure; risks related to volatility of the Subordinate Voting Shares; risks related to the Company's NCIB program; risks related to future issuances or sales of Subordinate Voting Shares; dilution resulting from future equity issuances; risks related to the Company's dual class share structure, including the concentration of voting control; risks related to future issuances of debt or equity securities senior to the Subordinate Voting Shares; risks related to the potential failure to maintain internal controls in accordance with NI 52109; legislation that may reduce the likelihood of the Company being acquired; risks related to potential claims for indemnification by the Company's directors and officers; and risks related to analyst coverage of the Company or lack thereof.

These factors should not be considered exhaustive and should be read together with the other cautionary statements in this AIF and other current documents filed by the Company under its profile on SEDAR+ at www.sedarplus.com. If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking information prove incorrect, actual results might vary materially from those anticipated in the forward-looking information.

Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. There can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this AIF and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by applicable Canadian securities law.

CURRENCY AND EXCHANGE RATE DATA

The following table sets out the high and low rates of exchange for one U.S. dollar expressed in Canadian dollars during each of the following periods, the average rate of exchange for those periods and the rate of exchange in effect at the end of each of those periods, each based on the rate of exchange published by the Bank of Canada for conversion of U.S. dollars into Canadian dollars.

	2026	Year Ended January 31, 2025	2024
	(C\$)	(C\$)	(C\$)
Highest rate during the period	1.4603	1.4484	1.3875
Lowest rate during the period	1.3515	1.3404	1.3128
Average rate for the period	1.3924	1.3783	1.3497
Rate at the end of the period	1.3562	1.4484	1.3397

The foregoing rates may differ from the actual rates used in the preparation of the financial statements and other financial data appearing in this AIF. The inclusion of these exchange rates is not meant to suggest that the amounts in one currency actually represent such amounts in another currency, or that one currency could have been converted into another currency at any particular rate, if at all.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this AIF was obtained from third-party sources and industry reports and publications, websites and other publicly available information, as well as industry and other data prepared by the Company or on its behalf on the basis of management's knowledge of the markets in which the Company operates, including information provided by suppliers, partners, customers and other industry participants.

The Company believes that the market and industry data presented throughout this AIF is accurate and, with respect to data prepared by the Company or on its behalf, that management's estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented throughout

this AIF are not guaranteed and the Company does not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecasts in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although the Company believes it to be reliable, the Company has not independently verified any of the data from third-party sources referred to in this AIF, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data are subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company does not intend, and undertakes no obligation, to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as, and to the extent required by, applicable Canadian securities laws. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry and markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "Forward-Looking Statements" and "Risk Factors".

TRADEMARKS, TRADE NAMES AND COPYRIGHTS

This AIF includes trademarks, trade names and material subject to copyright, including the trademarks/trade names "D2L" and "Brightspace", which are protected under applicable intellectual property laws and are the property of the Company. Solely for convenience, the Company's trademarks, trade names and copyrighted material referred to in this AIF may appear without the TM, ® or © symbol, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights to these trademarks, trade names and copyrights. See "Description of the Business – Intellectual Property". All other trademarks used in this AIF are the property of their respective owners.

ABOUT D2L

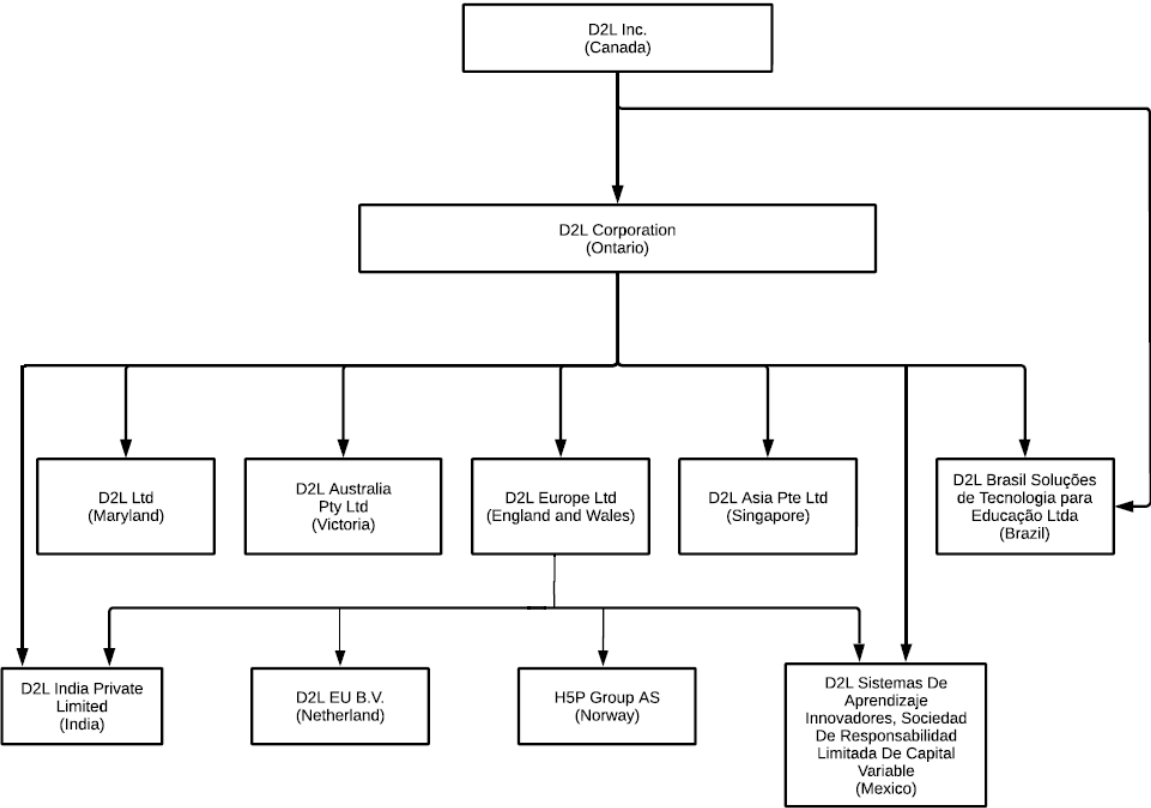
HISTORY

D2L was founded in 1999. On January 2, 2011, we incorporated D2L Holdings Inc. under the *Business Corporations Act* (Ontario), and all of our previous operations were organised under this entity. In connection with our Series A Preferred Share financing, we filed Articles of Amalgamation on August 24, 2012, that included an amendment to the share capital. On June 20, 2014, we filed Articles of Continuance to continue as a corporation under the CBCA and changed our name to the current name, D2L Inc. In connection with our Series B Preferred Share financing, we filed Articles of Amendment on July 18, 2014, to amend our share capital. On November 2, 2021, the business day prior to the closing date of the IPO, the Company further amended its Articles in preparation for, and in connection with, becoming a public company. Effective November 8, 2021, the Company restated its Articles to reflect the impact of all prior amendments.

The registered and head office of D2L is located at 137 Glasgow Street, Suite 560, Kitchener, ON, Canada, N2G 4X8.

CORPORATE STRUCTURE

The following chart identifies our material subsidiaries (including current jurisdiction of such entities). All our material subsidiaries are wholly (100%) owned.



MAJOR DEVELOPMENTS

Fiscal Year 2024 (FEB 1, 2023 – JAN 31, 2024)

Organization Developments

In fiscal year 2024, we continued to operate our business over the medium term with a view to balanced growth and profitability, including measured investment in growth opportunities and optimizing our operations for increased profitability.

On May 9, 2023, D2L Europe Ltd., an indirect subsidiary of the Company, acquired all of the outstanding shares of Connected Shopping Ltd, a SaaS e-commerce and course catalog company and the maker of Course Merchant. This acquisition allowed the Company to deliver Course Merchant as a part of its own suite of products to address the growing needs of higher education and training organizations worldwide.

In August 2023, D2L was invited to the White House’s Cybersecurity Summit for K-12 schools and pledged its commitment to the U.S. administration's K-12 Education Technology Secure by Design Pledge. D2L also received multiple awards for our learning products and corporate leadership, including: Gold in

Brandon Hall’s Excellence in Technology Award for Best Unique or Innovative Learning and Development Platform category; named in the Talented Learning’s Top 15 All-Purpose Learning System list; named as one of Training Industry’s Top 20 Learning Companies; and, once again, named one of Canada’s Best Managed Companies by Deloitte.

On December 5, 2023, the Company announced the launch of an NCIB to be effected through the facilities of the TSX. The NCIB permitted the Company to repurchase for cancellation up to 1,299,633 of the Company’s Subordinate Voting Shares, representing approximately 10.0% of the “public float” (within the meaning of the rules of the TSX), during the twelve-month period commencing December 8, 2023. In fiscal year 2024, the Company repurchased and cancelled 41,200 Subordinate Voting Shares under the NCIB for an aggregate purchase price of \$322,914.

Customer Developments

We welcomed new customers across markets. Customer highlights in North America included the City University of New York (CUNY), Faith Lutheran College Plainland, University of Niagara Falls, Northern Alberta Institute of Technology, and Harford Community College. We also welcomed international customers including the European Association of International Education, Charles Sturt University, Universidade São Francisco, Universidade Paranaense (UNIPAR), and Mangalaytan University. We also welcomed corporate customers like the Canadian Olympic Committee, the British Council, UFCW Canada, Year Up Inc., Plante Moran LLC, and Kardia Group LLC.

Product Developments

Product enhancements focused on learner engagement, rich learning activities, and easier use of digital teaching, authoring and learning tools. Brightspace became more extensible with the release of D2L Link, a new product that enables seamless connections and streamlined automations with student information systems, customer information management systems, human resource systems and other systems. Learners can build out their professional achievements by sharing awards on social media directly from Brightspace. A new Beta Program for the Outcomes Achievement Dashboard was launched that made it easier to track learner progress at the program level and demonstrate institutional accreditation requirements. Brightspace and Creator+ were infused with GenAI that helped to reduce the effort and time needed for instructors to generate quiz questions and practices. D2L for Business released a new career exploration feature allowing employees to look at recommended skills for their role or a role they may be interested in within their company and offering course recommendations for gaining such skills. Course Merchant was added to the D2L product portfolio to make it easy for customers to offer a storefront experience to learners.

Fiscal Year 2025 (FEB 1, 2024 – JAN 31, 2025)

Organization Developments

In fiscal year 2025, we continued to operate our business with a view to balanced growth and profitability, reaching important financial milestones such as surpassing \$200,000,000 in Revenue, and exceeding \$25,000,000 in Adjusted EBITDA¹ (with corresponding income (loss) for the period exceeding \$20,000,000). This was achieved while making measured investment in growth opportunities and

¹ Adjusted EBITDA is not a recognized measure under IFRS Accounting Standards (“IFRS”) and does not have a standardized meaning prescribed by IFRS. See subsequent note for further details.

optimizing our operations for increased efficiency, as further discussed in our Annual MD&A, filed under the Company's profile on SEDAR+ at www.sedarplus.com.

On April 3, 2024, D2L Corporation, a wholly owned subsidiary of the Company, entered into a binding letter agreement (the "**Letter Agreement**") to spin-off the D2L Wave offering into a standalone independent legal entity, SkillsWave Corporation ("**SkillsWave**"). SkillsWave was a wholly owned subsidiary of the Company incorporated on April 2, 2024, and provides upskilling solutions to employers. In relation to this transaction, the Board of Directors constituted a Special Committee (the "**Special Committee**") of independent directors of the Company to assess and advise the Board with respect to the transaction and oversee its negotiation, as well as to assess possible alternatives. The Special Committee determined that the transaction was in the best interests of the Company and recommended that the Board approve the transaction. The Board of Directors approved the transaction, with John Baker, the Company's CEO, abstaining and being recused on account of his conflict of interest in the matter. On June 28, 2024, a corporation owned by John Baker acquired 70% of the equity interest in SkillsWave from the Company in exchange for cash consideration of US\$809,038 (C\$1,120,000). On June 28, 2024, the Company also agreed to provide a loan to SkillsWave in the principal amount of \$9,500,000 and entered into certain transitional and commercial arrangements with SkillsWave, all as further described herein at "Interest of Management and Others in Material Transactions – SkillsWave Transaction".

On July 9, 2024, D2L Europe Ltd., an indirect subsidiary of the Company, acquired all of the outstanding shares of H5P Group AS ("**H5P**"), a Norway-based company and a provider of interactive content creation software used by educators and organizations globally to improve engagement and learning by creating and enriching course materials. This transaction aligns with the Company's commitment to expand its learning platform with a focus on technologies that improve learning outcomes.

On December 4, 2024, the Company announced the renewal of its NCIB to be effected through the facilities of the TSX. The NCIB permits the Company to repurchase for cancellation up to 1,745,338 of the Company's Subordinate Voting Shares, representing approximately 10.0% of the "public float" (within the meaning of the rules of the TSX), during the twelve-month period commencing December 9, 2024. In fiscal year 2025, the Company repurchased and cancelled 401,480 Subordinate Voting Shares under its NCIBs for an aggregate purchase price of \$3,564,436.

We received multiple awards for our learning products and corporate leadership, including: Gold in three categories of the Brandon Hall's Excellence in Technology Award including Best Advance in Learning Management Technology; named in the Talented Learning's Top 10 Enterprise LMS list; named a winner of the Tech & Learning Awards of Excellence: Back to School 2024 in the Primary and Higher Education categories for our AI-powered product, D2L Lumi; named the Best Customer Education LMS by Software & Information Industry Association (SIIA) in their 2024 CODiE Awards in Business Technology; and, once again, named one of Canada's Best Managed Companies by Deloitte.

Customer Developments

We welcomed new customers across markets. Customer highlights in North America education included the University of Hawaii, Roger Williams University, University of Fraser Valley and Cincinnati State Technical College. We also welcomed international customers including Utrecht University, Hanze University of Applied Sciences, Salta Group B.V. and Desh Bhagat University. We also welcomed corporate customers Royal Institute of British Architects, Sheppard & Company, and Beusa Energy LLC.

Product Developments

Product enhancements focused on innovative AI capabilities, expansion of learning activity and interaction types, and effectiveness measures at the program level. We launched D2L Lumi Pro - a new add-on product bringing secure, educationally appropriate, “human in the loop” GenAI capabilities to the learning content production workflows of course creators and instructors. We also launched D2L Lumi Chat, an intelligent assistant solution combining familiar helpdesk chat with an innovative expansion into student services and other institution-specific support capabilities, based on each client’s unique internal service knowledge base. We launched Achievement+, a new product offering to help leaders measure learning effectiveness and drive both program improvements and accreditation reporting, based on workflow steps that already happen every day in Brightspace. We also expanded and relaunched our Creator+ product, natively integrating the H5P solutions, including Smart Import AI assistance, while also continuing to offer H5P as a standalone product for non-Brightspace clients. We also launched D2L for Associations, a curated solution package tuned to rapidly deliver value to membership organizations offering learning as a benefit.

Fiscal Year 2026 (FEB 1, 2025 – JAN 31, 2026)

Organization Developments

In fiscal year 2026, we continued to operate our business with an emphasis on balancing growth and profitability, reaching key financial milestones such as surpassing \$215,000,000 in revenue and exceeding \$30,000,000 Adjusted EBITDA² (with corresponding income for the period exceeding \$8,000,000). This was achieved while making measured investments in growth opportunities and scaling our operations for increased efficiency, as further discussed in our Annual MD&A, filed under the Company’s profile on SEDAR+ at www.sedarplus.com.

We received numerous awards recognizing both our learning products and our corporate leadership, including: five Gold awards in Brandon Hall’s Excellence in Technology Awards including Best Learning Management System for Education; recognition in the Commander category as one of the top performing learning platforms by the Tambellini Group; D2L Lumi being named Best in Class for AI Content Creator by The Craig Weiss Group; Best Enterprise Learning Management System in Talented Learning’s 2025 LMS Awards; inclusion on Training Industry’s 2025 Top Learning Management System Companies list; placement on the 2026 GSV 150 list highlighting the most transformational growth companies in digital learning and workforce skills; two Tech & Learning Awards of Excellence; Leading LMS Provider of the Year 2025 at ObserveNow’s 11th Education Leaders Conclave & Awards; recognition by TIME as one of Canada’s Best Companies 2025; recognition as one of Canada’s Top Employers for Young People 2026; a Top 10 finalist position in the Majors Category for the Global EdTech Prize by T4 Education; and, once again, recognition as one of Canada’s Best Managed Companies by Deloitte.

Customer Developments

We welcomed new customers across markets. Customer highlights in North America education included Red Deer Polytechnic, LCI Education, University of the People, University of Central Arkansas, and

² Adjusted EBITDA is not a recognized measure under IFRS Accounting Standards (“IFRS”) and does not have a standardized meaning prescribed by IFRS. It is therefore a non-IFRS financial measure, should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS, and is unlikely to be comparable to similar measures presented by other issuers. For an explanation of the composition and uses of Adjusted EBITDA, as well as a quantitative reconciliation of Adjusted EBITDA to the most directly comparable financial measure under IFRS, see the sections entitled “Non-IFRS and Other Financial Measures – Non-IFRS Financial Measures and Non-IFRS Financial Ratios – Adjusted EBITDA and Adjusted EBITDA Margin” and “Non-IFRS and Other Financial Measures – Reconciliation of Non-IFRS Financial Measures – Adjusted EBITDA and Adjusted EBITDA Margin”, respectively, in the Annual MD&A under the Company’s profile on SEDAR+ at www.sedarplus.com, which disclosure is incorporated by reference herein.

Hudson Global Scholars. We welcomed international education customers including University of Otago, Universidad de la Sabana, JIS Group, University of the West of Scotland, and Singapore University of Social Sciences. We completed the launch for City University of New York in 2025. We also welcomed corporate customers including CPA Australia, Project Management Institute, Florida Center for Nursing, and American Society of Interior Designers.

Product Developments

In fiscal year 2026, D2L continued to develop and enhance the Brightspace platform and related offerings, with an emphasis on artificial intelligence capabilities, instructional workflows, learner engagement, and platform governance, accessibility, security, and compliance.

A key area of development was D2L Lumi, D2L's suite of AI-enabled capabilities within Brightspace. During the year, D2L introduced additional AI-assisted tools intended to support learners and educators within existing Brightspace workflows. These included courseware AI tutoring, embedded AI chat for learner support, and AI-assisted grading and feedback aligned to instructor-defined rubrics. D2L also expanded AI-enabled content creation and instructional design capabilities, including tools to generate course materials from existing documents, create assignment and discussion ideas within native tools, summarize course content, generate quiz questions from multiple topics, and recommend study materials based on learner activity. These capabilities are designed to assist educators while maintaining instructor review and control.

D2L delivered enhancements to the core Brightspace learning platform, with a focus on instructor and administrator workflows. Updates included improvements to evaluation and grading across assignments, discussions, and quizzes; expanded options for managing feedback in bulk; enhancements to quiz monitoring and session controls; additional controls over content visibility and learner experience; and expanded parent and guardian communication capabilities, including direct email workflows and automation support. These enhancements were intended to improve efficiency, assessment management, and engagement across a range of learning environments, including K-12 settings.

During the year, D2L also made continued investments in accessibility, security, and privacy, including improvements to support assistive technologies, enhancements to authentication options, expanded distributed administration capabilities for complex organizational structures, and features intended to support compliance and auditability in regulated environments.

D2L further advanced its analytics and data capabilities, including enhancements to Analytics Builder, such as a more visual data preparation experience, and the completion of a transition to a new major version of Brightspace Data Sets.

In addition, D2L continued to evolve its interactive content and ecosystem offerings, including enhancements to H5P. H5P updates during the year focused on improvements to content authoring and reuse, including enhanced media handling, expanded multilingual and automated content import capabilities, updates to layout and authoring experiences, and the introduction of an open educational resources hub to support content sharing and reuse. These enhancements are intended to complement the broader Brightspace platform.

Collectively, these product developments reflect D2L's continued focus on integrating AI-enabled capabilities into learning workflows, supporting instructional and administrative efficiency, and maintaining a secure, accessible, and scalable learning platform for diverse education and training environments.

DESCRIPTION OF OUR BUSINESS

MISSION AND OVERVIEW

D2L's mission is to transform the way the world learns. Our platform is informed by learning science and can help our customers increase adoption, retention, engagement, and learning outcomes. Our cloud-based learning platform, D2L Brightspace, serves three distinct markets: K-12, Higher Ed, and Corporate, which use our platform to provide online learning, support learning in the classroom, and deploy professional development and upskilling for working professionals. D2L Brightspace functionality is extended through D2L Lumi, our human-centered AI, Creator+, our easy-to-use authoring tools, Performance+, our advanced analytics package, Achievement+, which streamlines achievement reporting on learning outcomes, Link, which facilitates integrations, Course Merchant, our storefront for courses, and H5P, for building learning interactives.

The significant demand for education technology has led to many point solutions and a fragmented market. D2L's goal is to become the first true unified and comprehensive learning platform. Our goal is to deliver a cohesive learning experience across markets and technologies, one that can evolve with customers from Digitization through Transformation, from novice to power user.

OUR PRODUCTS

D2L Brightspace – Powering the Future of Learning

D2L Brightspace is our cloud-based learning platform and the core of our offering, designed as the doorway to an all-in-one learning ecosystem. Our platform gives customers the ability to offer personalized, engaging, and accessible learning experiences. Designed for educators and learners alike, it empowers institutions to deliver meaningful learning that drives success and outcomes. The platform's flexibility supports a variety of learning models and materials and serves as a connected, integrated learning experience.

Built for Easy Adoption. With D2L Brightspace, customers can start simple. They can easily develop and deliver engaging content and facilitate a great learning experience.

- **Easy Content Creation** is at the core of D2L Brightspace. Our customers can create interactive and engaging learning experiences with the D2L Brightspace Editor and various content creation tools, leveraging AI for efficiency gains.
- **Course Templates**, which are professionally designed, accessible and include mobile-responsive web design, encourage quality and consistent courses.
- **Accessibility Checker** helps keep customers' content conform with accessibility standards. Videos are auto-captioned, and accommodations provide extra time to learners who need it.
- **Learning Repository**, our platform's cross course content library, enables our customers to collect, manage, and share learning resources, re-use existing internal learning materials efficiently, and easily connect to external sources.

- **Social Learning** and the opportunity it delivers to connect learners with peers, mentors, and instructors is crucial to keeping learners engaged. D2L Brightspace supports easy ways to connect, including instant messaging, discussions, and collaborative workspaces.
- **Portfolio** enables learners to digitally capture and curate evidence of their learning, whether in class, at home, in a studio, in a lab, or on the job to showcase their learning whether to their instructor or employer. In K-12, parents also participate in their child's portfolio through Brightspace Parent & Guardian.
- **Mobile** optimization provides a modern, clean and consistent interface that delivers learning experiences across mobile devices and desktops. D2L Brightspace is built with responsive design, so customers have access to their learning tools in a way that is optimized for the screen size at hand. The mobile experience is extended with our learner-driven app, D2L Brightspace Pulse, which provides push notifications, offline access to content and time management tools.

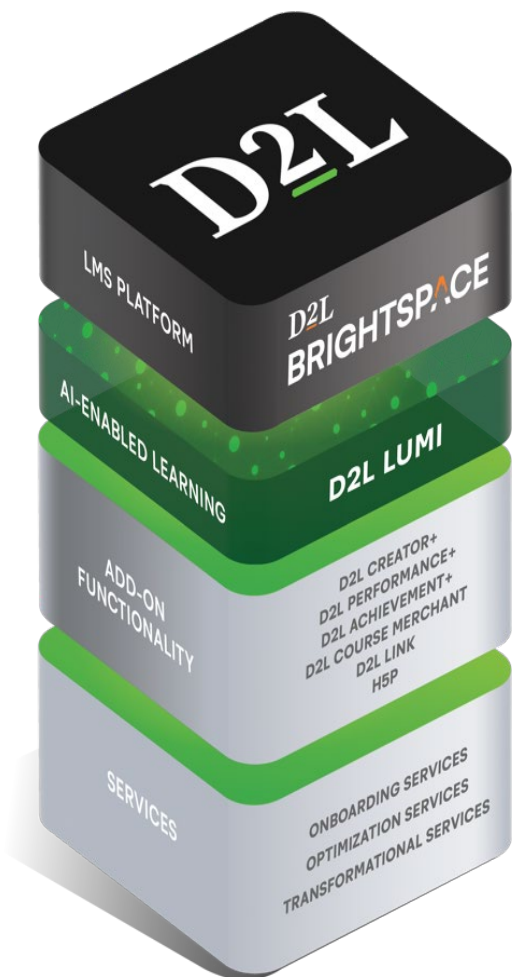
Created to Reach all Learners. D2L Brightspace is designed to remove barriers to learning, such as learners who require remote learning or assistive technology tools. Customers can reach learners wherever they are in their journey and develop their potential through formative feedback, recognition of previous learning, and insight into progress and achievement. Brightspace assists customers in achieving improved engagement, satisfaction, retention and outcomes for their learners.

- **Feedback** as part of a learner's assessment is essential to turning evaluation into a learning opportunity. We provide a range of feedback mechanisms such as auto grading, personalized feedback by text, audio and video, structured feedback through rubrics and automated messages that provide encouragement and supplementary materials. Additionally, our Quick Eval tool allows instructors to visualize and prioritize grading activities across courses.
- **Achievement Recognition** is important to reward a learner and to encourage, engage, and track completion. Learners can earn badges and certificates through achieving learning milestones.
- **Progress Dashboards** provide an all-in-one view of learner progress and achievements in a course. Instructors have a progress and achievement dashboard at the course level, providing learner progress for easy comparisons across the class. For our corporate customers, the Manager Dashboard provides visibility into employees' progress.
- **Academic Integrity** is supported in Brightspace. For example, customers can create quizzes that randomly select questions from a question pool for each learner or that shuffles the order of questions presented to learners.
- **Funster** is our friendly monster who helps young children learn with Brightspace. Young learners are also supported with image-based navigation as well as audio and video interaction with teachers. Parents can play a big role in supporting learning and are encouraged to do so with Brightspace Parent & Guardian.

Designed to Personalize Learning at Scale. D2L Brightspace is designed to empower our customers to deliver personalized learning at scale.

- **Release Conditions** enable personalized learning pathways through criteria that determine what happens next based on learner choice, action, or achievement.

- **Intelligent Agents** provide efficient ways for customers to reach out to learners, at scale, by enabling automatic personalized emails based on pre-defined criteria such as achievement of a milestone or automatic feedback to help learners improve outcomes.
- **Mastery View** enables educators to evaluate learner comprehension across all the expected learning outcomes in a course. Learners can have multiple opportunities to demonstrate their competencies. Various algorithms can be used to aggregate attempts into a final assessment of learner performance.
- **Learning Paths** organize multiple courses together to guide learners in achieving their learning goals.
- **Powerful Administration.** Flexible and granular permissions help provide customers with control over their learning administration needs Bulk action tools and enrollment rules enable customers to operate at scale. Dashboards provide visibility on tool adoption.



D2L Lumi: AI-Powered Learning, Built for Educators

D2L Lumi is our AI solution designed to accelerate and enhance teaching and learning while keeping people at the core. Integrated into daily workflows, D2L Lumi expands accessibility with auto-generated captions. It provides AI-powered support for D2L Brightspace users, course-aware AI tutoring for learners, and recommends study materials based on learner activity. D2L Lumi streamlines content creation by generating interactive practice questions, discussion prompts, and assignment ideas. D2L Lumi generates quality learning materials from external files and enables content creators to remix content. It simplifies quiz development with AI-generated question banks and enables alignment of learning outcomes to course materials. D2L Lumi provides AI-assisted grading and feedback aligned to instructor-defined rubrics.

D2L Creator+: Simple and Powerful Authoring

Creator+ simplifies course development by equipping educators with tools to create compelling, interactive, and accessible learning experiences, within D2L Brightspace. This suite includes templates, 50+ interactive elements, live engagement tools, and AI-powered content creation, making it easier to design dynamic courses.

H5P's Smart Import is integrated into Creator+. This AI technology transforms uploaded content into interactive learning experiences. Additionally, Creator+ supports multimedia presentations, enabling a smooth transition between in-person and online instruction for a blended learning experience.

D2L Performance+: Advanced Analytics

Performance+ provides enhanced analytics capabilities that deliver actionable insights into learning activity and outcomes. It extends standard reporting through interactive dashboards and customizable reports that surface trends in platform adoption, learner engagement, assessment quality, and course-level effectiveness and engagement trends. With timely data refreshes, scheduled reporting, and role-based access controls, Performance+ enables institutions to monitor key performance indicators, identify trends and potential risks, and support data-informed decision-making at the course, program, and organizational levels.

D2L Achievement+: Streamlined Learning Outcomes Reporting

Achievement+ enhances learning outcome reporting in D2L Brightspace, providing alignment with program and institutional goals. With an intuitive dashboard, leaders can track learner achievement and visualize progress. This visibility and traceability to activity happening directly in D2L Brightspace helps inform program improvements and streamlines accreditation reporting.

D2L Course Merchant

Course Merchant is a digital storefront that enables institutions to sell courses directly to learners. Institutions can offer self-service enrollment, secure payments, and automated access to courses. Course Merchant is configurable so that customers can have their storefront match their brand. It supports E-commerce capabilities like waitlists, discount codes, and early-bird pricing. Integrated with D2L Brightspace, Course Merchant simplifies catalog management, enhances the learner journey, and drives growth by making education more accessible and monetizable.

D2L Link: Integrations

D2L Link powers integration between D2L Brightspace and key enterprise systems, providing a well-connected digital learning ecosystem. Organizations benefit by automating manual tasks and with improved data accuracy. They can sync users, courses, enrollments, and grades with student information systems. D2L Brightspace supports industry standards like LTI Advantage and SCORM. It is built with open, standards-based APIs, enabling developers from customers and partners to extend the learning environment.

H5P

H5P is integrated into D2L Brightspace and other LMS platforms. Designed for simplicity and flexibility, H5P empowers educators to create engaging, accessible content that enhances learning outcomes using 50+ interactive content types. With built-in analytics for data-driven insights and a user-friendly experience across devices, H5P makes interactive learning easy and scalable. Supported by an open-source community, it enables content creation, sharing, and reuse—transforming how learners engage with digital education.

OUR SERVICES

Our services are designed to help customers meet their goals and bring their strategic vision to life faster.

- **Fostering a Strong Foundation.** Our comprehensive approach to implementation services helps our customers achieve a smooth transition to a tailored D2L Brightspace environment, through

services such as strategic and change management guidance, migration, integrations, training and support to facilitate a successful implementation and launch.

- **Minimize Time to Value.** We implement our solutions for clients with a rapid methodology to deliver results within months, not years. Implementation, training and change management consultants help to mitigate risks and increase adoption success.
- **Course Development Support.** Our course development, instructional design and customization experts help our customers deliver engaging, effective and easy-to-use teaching and learning experiences.
- **Teaching and Learning Expertise.** Customer success experts are dedicated to helping customers maximize the value of D2L Brightspace and help customers to drive adoption, increase retention, measure achievement and build a sustainable long-term strategy.

INDUSTRY OVERVIEW AND TRENDS

We see learning as a driver for social and economic progress as it extends from K-12 through Higher Ed and into the Corporate market. We believe that as technology continues to advance, the needs of customers will change, leading to the requirement for more sophisticated learning methods and supportive technology to keep up with the demand of the modern learner and workplace.

Learning Market is Evolving

We believe there are three key phases of maturity along the continuum of technology adoption as applied to academic and corporate learning. We refer to the stages as “Digitization”, “Optimization”, and “Transformation”. We believe the pace of Digitization and Optimization will continue to be rapid.

D2L Brightspace is a comprehensive learning platform **D2L**

DIGITIZE Classrooms	OPTIMIZE Outcomes	TRANSFORM Experiences
Content & Video Portfolios Collaboration Assessment & Feedback Learner Management	Automation Gamification Data Streaming Outcomes & Analytics Nudges Advanced Assessment Powerful Dashboards	Competency-based Mastery Interactive Content Generative AI E-Commerce Extensibility Personalize

Single platform across all use cases that humanizes learning at scale

- **Digitization:** Customers and prospects in the Digitization phase are looking for a low-risk method to modernize existing classroom experiences through digital content and often start by patching together many diverse digital point solutions such as PDF-based content, standalone digital gradebooks, and messaging applications to support their teaching or learning. This stage is often characterized with learners having to access many different systems across all their different learning experiences, which is a highly fragmented and often frustrating experience for learners, educators, administrators and corporate learning professionals.
- **Optimization:** As customers and prospects mature in their learning technology journey, the demand for better experiences and workflows increases. Analytics and predictive analysis enable data-informed actions to keep learners on track for success as well as improved reporting. Automation and AI capabilities are applied to common tasks including closed captioning of video, evaluation tools, content creation, and delivery of courses. The Optimization phase is also characterized by improved engagement models such as gamification, interactive content and formative assessments, enhancements to the quality of courses offered, and better integrations into the organization’s IT environment – all leading to accelerated adoption and higher learner satisfaction.
- **Transformation:** In the Transformation phase, customers and prospects focus on building offerings with new learning models and technologies that personalize a “one-size-fits-me” experience. This can involve providing mastery-based learning, AI-enabled instructional and study supports, support for alternative credentials or qualifications (such as micro-credentials or stackable credentials), block models of learning and competency-based models for learning. We leverage D2L’s learning science expertise to help customers to scale up these models. Customers at this stage are typically leaders in online and blended learning.

In our view, while many organizations currently fall between the Digitization and Optimization, new technologies, particularly AI-based, are changing the pace at which institutions can advance through the phases. As global learning technology adoption grows, we see our competitive advantages heightened in the Optimization and Transformation phases. We believe that each of our markets reflect a similar customer journey.

Expanding Learner Participation is Driving Demand for Scalable Technology Solutions

Global learner participation continues to expand as a greater share of the world’s population pursues advanced and ongoing education. This growth is not simply a function of rising enrollment, but also a reflection of a more durable shift in participation at the upper end of the education system. Data from UNESCO’s 2025 report, “Higher Education: Figures at a Glance”, highlights a record 264 million students enrolled in higher education, more than double the total from the turn of the century. As learning increasingly extends beyond formal degrees into lifelong upskilling, technology has shifted from a discretionary enhancement to essential infrastructure required to support this growing and sustained demand.

Reskilling and Upskilling Use Cases Driving Increasing Demand for Corporate Learning

Historically, corporate learning has been focused on compliance-related training and tracking (e.g., health and safety courses) rather than on enabling the learning of new skills. While we think that compliance will continue to play a large and important part in the future of corporate learning, the rapid evolution of technology is increasingly making investments in human capital and the development of new competencies and skills mastery a higher-priority objective for companies.

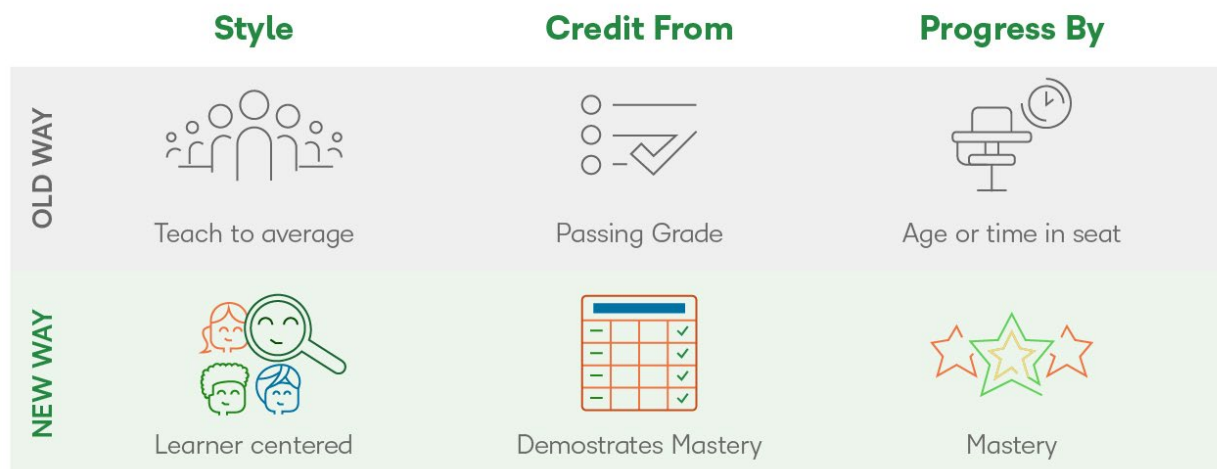
We believe that, to meet the demands of continuous technological change, workforces must engage in a cycle of ongoing learning and re-calibration to the needs of the market. This view aligns with the World

Economic Forum’s Future of Jobs Report 2025 which reveals that 85% of employers now prioritize upskilling as their primary strategy for business transformation and that “skill instability” requires that workers proactively and regularly recalibrate to new technological workflows.

This shift supports a transformation in the production, delivery, and consumption of learning towards enhanced, personalized and flexible experiences. We believe that learning is no longer a static component of social and economic engagement, but instead a necessary component to stay relevant and current. Supportive technology needs to be able to create, deploy, and measure learning all in one.

Increasing Demand for a Better User Experience

The focus on user experience has extensively shaped many consumer markets. Movie watching has become more viewer-centric, medical care more patient-centric, transportation more passenger-centric. Similar expectations are transforming the education and training markets towards learner-centric models delivered in a consumer-grade experience. Furthermore, education is no longer confined by the traditional four walls of a classroom. We believe that learners are seeking a consistent experience everywhere, every time, and across devices. In our experience, learners have become more informed consumers, demanding personalized learning models that meet them where they are and recognize what they already know. We anticipate a significant transformation of the learning markets during the next several years to become more learner-centric, skills-based, and effective at identifying mastery.



Technology is enabling new models of learning, previously impossible to scale, that meet learners where they are and gives them more accessible and equitable paths to see return on their investment of time and money. The effects of this transformation are felt in all markets looking to enhance learning. Our approach to deliver personalized learning enables organizations of any size, scale and audience to deliver these modern learning experiences.

Increased Fragmentation of Learning Software Market

The proliferation of the digital learning landscape has led to fragmentation in the learning technology market with many vendors offering small “fit-for-one-purpose” components of the overall learning experience. There has been an emergence of disparate content providers, video providers, assessment providers, identity providers, learning management system providers and many others. Furthermore, historic educational differences have partitioned the market into Higher Ed, K-12, and Corporate markets, resulting in distinct education technology players in each area. This is a challenge for the learner,

instructor/trainer and administrator roles alike as they deal with often disjointed systems, inconsistent teaching methods and burdensome procurement requirements respectively.

Continued Growth in Adoption of Online Learning

Demand for online learning across the Higher Ed and Corporate sectors has steadily grown over the past two decades, reflecting growing preferences for flexibility, access and scalability. Data from the National Center for Education Statistics shows that distance education enrollment at U.S. postsecondary institutions grew steadily from 25% in 2012 to 36% in 2019, before a sudden rise to 73% in 2020 due to the COVID-19 pandemic. While adoption moderated as in-person instruction resumed, online learning has remained structurally embedded. In the Fall of 2024, the latest data available, the percent of students enrolled in distance education courses was 54% – remaining considerably higher than 2019 levels. Notably, 26% of all students were enrolled exclusively in distance education courses, underscoring the durability of fully online learning models in postsecondary education.

Transformative Impact of GenAI on Education

We believe that the rise of GenAI has multifold implications for the design, delivery, and assessment of learning. For learners, GenAI tools can help to enable more personalized learning experiences and real-time feedback, helping to improve engagement and effectiveness. Near term benefits for instructors include increased automation of administrative tasks and the generation of customized instructional materials. In the recent Digital Education Council Global AI Faculty Survey 2025, 61% of Higher Education respondents report using GenAI in teaching; of these adopters, 75% indicate that they currently use GenAI to create teaching materials, the top use case to date. However, while GenAI is already having transformative impacts on learning, we believe that considerations around ethical use, equitable access and privacy and security, remain crucial to see that its benefits are shared broadly, fairly and securely.

Persistence of Learning Gaps

While we believe learning has largely returned to a state of ‘normalcy’ since the COVID-19 pandemic, K-12 student learning performance remains stagnant or depressed in many markets around the world, and particularly in D2L’s K-12 markets, from their 2019 levels. The latest US National Assessment for Education Statistics (NAEP) results—comprised of the 2024 assessments for grades 4 and 8 (released in January 2025) and grade 12 (released in September 2025)—show that student performance remains significantly below pre-pandemic levels. While some "pockets of recovery" appeared in elementary math, reading scores continue to slide, and the gap between the highest- and lowest-performing students has reached historic widths.

From a global perspective, the international results from the Trends in International Mathematics and Science Study (TIMSS) 2023 (released in December 2024) reveal a global education system in a state of "unsteady recovery." In many countries, the "middle" of the student population is shrinking. High-performing students have largely returned to 2019 levels, but low-performing students have seen their scores continue to fall – widening the performance gap.

The ramifications of a persistent learning gap in K-12 markets is shifting upstream in the learning market with impacts to higher education institutions and corporate learning. The University of California San Diego reported in November 2025 a significant drop in freshmen's academic readiness, with a thirtyfold increase in students lacking basic high school math skills over the past five years.

In concert with other initiatives, we believe that digital transformation is imperative to equip K-12 schools and institutions of higher education with the tools and capabilities to arrest and recover the academic performance decline and to support more resilient and personalized learning systems in the future.

Convergence of Academic and Corporate Learning Markets

In addition to the shifting consumer demands of modern learners that are separately shaping Higher Ed, K-12 and Corporate markets, academic institutions and corporations are increasingly engaging in partnerships and collaborations that are mutually beneficial. In particular, Higher Ed institutions are seeking new revenue streams and enrollments beyond traditional learners while corporations are seeking expertise in upskilling their workforce from organizations that know how to credential and engage modern learners. As the demand for skills is constantly changing, we believe that corporate customers will look to learning technology providers that can provide a single platform integrating Higher Ed organizations that are seeking to become centers of excellence in online learning.

SALES AND MARKETING

We sell our platform through a focused direct selling motion supplemented by channel partners in certain target markets. Our marketing efforts help to support messaging, branding and guide both customers and new prospects to engage with the sales organization.

Sales

Our customers highly value the experience and engagement they receive throughout the consultative sales process. We pride ourselves in our overall customer experience and how we navigate new customers through our sales process and seamlessly onboard them onto our platform. Our Business Development team executes an initial lead qualification process, which creates a pipeline for our sales force to progress to close. After contract finalization, our customer engagement teams, which includes Customer Success, Implementation and Support teams, will onboard the customers, resulting in a smooth transition and expeditious onboarding experience.

Our direct sales team is comprised of sales representatives serving new customers and sales representatives serving existing customers. We have sales teams located around the world, including in Waterloo Region (headquarters) and Toronto, Canada; multiple cities throughout the United States; and in Australia; Brazil; England; India; Mexico; The Netherlands; Norway; Singapore; South Africa; and Spain.

Our strategy is built around our ability to orient our solution story to each market and each customer. We have refined our sales strategy to speak directly to each market we serve, allowing them to understand the unique benefits of our solution that will address their needs and future considerations. Those focused sales teams are aligned by Higher Ed, K-12 and Corporate markets globally. Our new business sales team receives incentive-based compensation to support the focus on driving new customers and business. In addition, our sales team supporting existing customers receives incentive-based compensation for upselling/cross-selling to existing customers and for renewing the existing contracts. We are investing in our direct sales force to build sales capacity for future growth.

The pricing and size of contracts is typically based on the number of unique or full-time equivalent users, which excludes users such as administrators and teachers, as well as the products and services purchased by the customer, and the term of the contract with the customer. The majority of our new customers enter into contracts with us that have a term of three to five years.

The duration of a normal sales cycle varies based on the size of the customer and how immediately they require a learning solution. Enterprise customers (i.e., large deals in either Higher Ed, K-12, or corporate markets) can take 9 to 12 months to close and small to mid-size market customers take 3 to 5 months to

close. We maintain a sales pipeline by including a mixture of both higher velocity deals (shorter sales cycles) and longer-term large deals.

Channel Partners

Our customer acquisition strategy involves the use of channel partners across certain geographies we operate within. These partnerships extend our reach geographically and allow us to expand internationally. We have partners located globally, in countries including Brazil, Chile, Colombia, India, Mexico, The Netherlands, Peru, Philippines, South Africa, and Spain.

We have enablement programs for partners for both pre-sales and post-sales. Enablement programs range from partners being equipped to promote our products and create pipeline, to implementation and onboarding. This will continue to be a focus of our growth strategy by launching a select set of high-value channel partners who can act as an extension of our sales and services organization. We have entered into more than 20 regional buying agreements and continue to expand our partner footprint in strategic markets.

Marketing

The marketing team is comprised of a team of professionals focused on (1) building a powerful and differentiated brand awareness strategy, (2) architecting compelling go-to-market plans and strategies for product innovation, new offerings and existing products, (3) driving pipeline to fulfill sales goals, (4) increasing the product footprint and active users within the existing customer base, and (5) showcasing and promoting customer stories and successes.

We continuously invest in integrated, multi-channel marketing programs to drive demand through efficient campaign investments that qualify potential customers in each of D2L's priority markets.

Our go-to-market strategies and lead generation programs are built around the adoption models of three primary markets:

- ***Higher Ed.*** In the Higher Ed market, which is more advanced in the adoption and use of learning technology, the marketing strategy is to align the increasingly learner-centric approach of the market with the competitive differentiators of the D2L Brightspace platform, powerful add-ons, and services.
- ***K-12.*** In the K-12 market, we support teachers in schools, districts, systems, and virtual schools as they move to modernize the learning experience. In this highly fragmented landscape, the marketing agenda is focused on awareness, adoption, and digitization in addition to supporting professional development opportunities.
- ***Corporate.*** In the Corporate market, we focus on use cases for programmatic learning (e.g., onboarding and retention, technical training, strategic learning, etc.), key customer and end user training initiatives, development paths and succession planning, and specific opportunities to advance corporate priorities for upskilling and reskilling the workforce. D2L has also been successful in helping associations provide meaningful continuing education.

To expand the impact of all marketing initiatives, we engage the voice of our customers through customer advocacy initiatives, several user conferences including D2L Fusion, co-marketing programs, reference and referral efforts, and ongoing engagement. Similarly, we have invested time and resources into longstanding relationships with influential industry analysts that both fortify and reinforce our go-to-market strategies, as well as serve as important market landscape and platform validation for our prospect and customer base.

OUR GROWTH STRATEGY

Our growth strategy is driven by our mission – to transform the way the world learns. We provide solutions to the marketplace through a combination of D2L-built technology and partner supplied functionality to expand customer interest and acquisition. Key elements of our growth strategy include:

- ***Expand our Customer Base.*** We continue to see strong opportunities to add new customers across our markets and focus sub-verticals. Our global customers and prospective customers, for example, are largely still in the early stages of Digitization and Optimization, providing runway for growth. We intend to continue to strategically invest in improving the efficiency of sales and marketing, improving revenue quality by focusing on recurring revenue and customer expansion, and, where possible, leveraging channel partners and buying consortiums.
- ***Deepen our Relationship with our Existing Customer Base.*** Our customers derive increasing value from our platform over time. As our existing customers seek to enhance their learning environments, we see opportunities to cross-sell with our different lines of business, and up-sell our add-on solutions such as D2L Lumi, Performance+, Creator+, Achievement+, Link, Course Merchant, and H5P. Our Customer Success team is focused on helping our customers derive the most value from our platform, services, and D2L thought leadership with the goal of driving retention and identification, advocacy, and adoption of upsells.
- ***Deepen International Market Penetration.*** The global market opportunity for education and training remains vast, with many geographic markets still in the nascent stages of adopting more mature learning platforms. In Fiscal 2026, 21% of our total revenue was derived from outside North America. We have defined strategic international markets where we will focus our expansion efforts and deepen our international presence in the near term. We expect our international markets to comprise a greater proportion of our revenue over time.
- ***Deepen Corporate Market Penetration.*** The corporate learning market is a significant growth opportunity, supported by increasing demand for scalable, high-impact employee training. Expanding in this market will serve to strengthen D2L’s long-term growth profile. We have identified specific use cases and industries where we will focus our corporate employee training expansion efforts.
- ***Expand our Partner Ecosystem.*** We complement our direct go-to-market efforts with strategic partnerships and technology integrations with companies to ensure the D2L learning ecosystem is easy to use, extensible and meets customers’ needs. We will pursue partnerships that will help us achieve strong commercial results and achiever goals such as extending our offerings, building our pipeline for new accounts, improving our win rates, expanding our market reach, and in some cases supporting M&A pipeline development.
- ***Expand our Platform and Improve Offerings.*** We invested more than 22% of total revenue in Fiscal 2026 toward research and development efforts and we intend to continue to deeply invest in enhancing and expanding our platform. We will continuously improve workflows, usability, and overall user experiences.
- ***Opportunistically Acquire.*** We intend to continue selective consideration of strategic acquisitions, investments, and other strategic relationships that we believe are consistent with our mission, strategically aligned with our portfolio vision, and that help us achieve our financial goals.

Customers

We currently have over 1,500 customers in over 40 countries worldwide and our platform is being used worldwide by more than 21 million users. Our current customer list includes K-12, Higher Ed, and Corporate brands. K-12 customers include Hudson Global Scholars, Toronto Global Academy, and Contact North | Contact Nord eChannel. Higher Ed customers include the City University of New York, University of the People, University of Colorado: Colorado Springs, University of Central Arkansas, St. Ambrose University, Saint Paul School of Theology, Taylor Business Institute, Red Deer Polytechnic, Okanagan College, North-West University, University of Otago, Utrecht University, HOGENT University of Applied Sciences and Arts, Singapore University of Social Sciences, Universidad de la Sabana, and JIS Group. Corporate customers include Florida Center for Nursing, Canadian Association for Laboratory Accreditation, New Zealand Dental Association, CPA Australia, Institute of Electrical and Electronics Engineers (IEEE) Computer Society, Project Management Institute, and American Society of Interior Designers. Customer diversity across our target markets and regions results in our largest customer representing less than 10% of our annual revenue.

Cyclical or Seasonality of Business

D2L's operations can be seasonal in nature. Cash flows from operations generally have a seasonal low in the first quarter each year and a seasonal high in the second and third quarters each year, due to the contractual timing of annual invoicing with our end customers, many of which have a fiscal year end in the second quarter.

Competitive Conditions

D2L operates in a competitive and highly fragmented market. While we do not believe that any vendor offers the same value proposition and product capabilities as D2L, we expect continued competition in the future as competitors bundle new and more comprehensive offerings with their existing products and services, and as new products and product enhancements are introduced into the learning market. Furthermore, as the market continues to rapidly evolve, it is possible that new entrants with significant resources, scale, or operating efficiencies could disrupt the market.

We believe that principal competitive factors in our market include pure cloud models vs on-premise, flexibility and scalability across multiple connected use cases, ease of use, functionality levels, pace of innovation, platform reliability and performance, quality and scope of support services, base of reference customers, ease of integration with other applications, availability and quality of implementation and consulting services, brand reputation and long-term product strategic vision.

In addition, the emergence of increasingly capable GenAI technologies is reshaping competitive dynamics within the learning market. Competitors are pursuing a wide range of GenAI strategies—from embedded, no cost chat bot functionality, to premium, vertically tailored agentic solutions tied to workflows and activity. As GenAI models improve and become more commoditized, we expect competition to intensify on factors such as quality and safety of outputs, transparency of training data, responsible use frameworks, and the degree to which GenAI is integrated into core teaching and learning workflows. Vendors with access to larger data sets, proprietary models, or differentiated partnerships may gain advantages in speed, relevance, or scale of GenAI innovation. We believe D2L is well differentiated with our D2L Lumi offering, offering monetized GenAI-based add-ons that can provide high-value GenAI-based functionality to our customers, resulting in improved productivity for instructors, and enriching learning experiences for learners.

With respect to each of these factors, we believe that we compete favourably with our competitors. We offer an integrated, 100% cloud and unified learning solution with a mobile-first responsive design which we believe sets us apart in the education market. Additionally, our platform is differentiated by its accessibility and support for a wide range of open standards that enable a large ecosystem of applications.

We expect continued competition in the future as competitors bundle new and more comprehensive offerings with their existing products and services, and as new products and product enhancements are introduced into the learning market. See “Risk Factors – Risks Related to our Business and Industry – The market in which we participate is highly competitive, and if we do not compete effectively, our ability to gain new customers, retain existing customers and grow our business could be harmed and our results of operations could be adversely affected”.

OUR EMPLOYEES

At D2L, we aim to deliver an employee experience that enables our global team of approximately 1,000 employees to solve critical challenges that shape the future of learning. We believe that when employees are equipped to perform at their best, they are more engaged, innovative, and driven to make an impact. The foundation of our culture is built around four key pillars:

- **Inspire:** We cultivate a high-performance culture where employees feel valued and empowered to do the best work of their lives.
- **Grow:** We build a culture of lifelong learning by providing the right tools, training, and support for employees to reach their goals and develop new skills.
- **Engage:** We promote a collaborative environment where employees can share ideas, work together towards common goals, and be recognized for their performance and contributions.
- **Accelerate:** We continuously enhance our people systems that support employee policies and practices, increasing productivity and efficiency.

We are driven by our deeply rooted mission to transform the way the world learns, strengthened by our strong value system that rewards high performance and embraces change and diverse thinking. These values enable us to develop products that better meet the needs of every learner and bring insights to help us overcome barriers to inclusion.

A Culture of Belonging and Recognition

Our people are our greatest asset, and we are dedicated to creating a culture of belonging, accessibility and community, where employees feel inspired to do the best work of their lives. We strive to attract, hire, develop, and celebrate the achievements of talented individuals, building a world-class culture that draws the best and brightest in education technology.

Recognition is a cornerstone of our engagement strategy, with moments of recognition recorded among our employees, reinforcing our belief that appreciation fuels motivation and retention.

Commitment to Learning and Growth

We are committed to ensuring our people master their craft and support employee learning and continuous skills development in a variety of ways, including leadership training and upskilling programs. As an example, we offer a generous education benefit of C\$4,000 per year per employee for online learning, along with two paid days off dedicated to skills-building. In 2025, 41% of D2L employees leveraged this benefit to complete a formal upskilling program.

Supporting Employee Well-being

We are dedicated to supporting the well-being of our people through flexible policies, comprehensive resources, and inclusive wellness programs, ensuring they can prioritize their health. Globally, over 50% of eligible employees have taken advantage of our wellness benefits. Our policy continues to allow our employees with more time off and greater flexibility, empowering them to recharge and maintain a healthy work-life balance.

At D2L, we believe that meaningful work, continuous learning, recognition, and a focus on well-being create an environment where employees can thrive. By staying true to our mission of transforming the way the world learns, we continue to foster a culture that attracts and retains top talent in education technology.

Giving Back to Our Communities

At D2L, we are committed to giving back to the community and harnessing the power of our passionate employees to make a difference. Through our philanthropy program, we leverage employee time and strengths, along with D2L technology and funds to support our corporate mission and vision, and strengthen our communities under three pillars:

- **Sharing our Time:** Through our Volunteer Time Off Program, we offer our employees two paid workdays per year to volunteer for causes of their choice. In 2025, D2L employees contributed over 2600 hours to our communities.
- **Strengthening our Communities:** Under the three themes of our Community Giving Program, Kids Mental Health and Wellbeing, STEM Education, and Community Building, we provide donations, sponsorships, and matching campaign programs to support organizations contributing to the betterment of our communities.
- **Supporting our Mission and Vision:** Through our Corporate Cause Partnerships we initiate, sponsor or participate in programs and partnerships with organizations around the world aimed at leveraging our expertise in learning technology to support improved access to quality education and training.

SUSTAINABILITY AND SOCIAL IMPACT

The foundation of our sustainability strategy and how we think about making a positive impact revolves around our mission to transform the way the world learns. This mission is weaved within the fabric of D2L and guides all aspects of our business. To that end, our team of passionate employees engage with our customers, partners, and other stakeholders around the globe to constantly improve learning experiences.

Four sustainability pillars help guide our corporate actions and provide a framework for D2L to make a meaningful difference and address our most relevant sustainability-related topics:

1. **Transforming the Way the World Learns:** We build technology that, in partnership with our customers, supports increased access to quality education, increased engagement in hybrid, in-person, and online learning formats, and that delivers learning experiences that help meet the needs of learners, regardless of age, ability, or location. Our technology supports upskilling and learning pathways through a unified and user-friendly experience built to maximize results.

2. **Operating with Integrity:** Our practices around strong data management, service reliability, AI, and innovation are critically important to all our stakeholders – our customers, shareholders, employees and beyond – and to our ability to serve these stakeholders and maintain their trust.
3. **Empowering our People:** Our success is dependent upon our employees’ innovation, creativity, and collaboration. Our culture, benefits, and community building efforts are critically important to making D2L a place where our employees can do the best work of their lives.
4. **Protecting the Environment:** Being responsible corporate citizens includes measuring, addressing, and taking accountability for our environmental impacts. It also means understanding our sustainability-related and climate-related risks and opportunities. We are committed to continuing this work and doing our part to protect the planet.

How we think about sustainability aligns with the United Nations Sustainable Development Goals (SDGs):



We believe in the power of shared goals and doing our part to contribute to the SDGs. We are proud of the work we have done so far, and we are committed to continuing this journey. You can read more about our sustainability activities on our website at www.d2l.com.

INTELLECTUAL PROPERTY

We rely on a combination of trademarks, patents, copyrights, and trade secret laws as well as contractual provisions such as license agreements, confidentiality, and non-disclosure agreements to protect our intellectual property.

We have been issued over 125 patents in Canada, the U.S. and Australia, with additional patent applications in process.

We actively pursue trademark registrations, and have been issued trademarks in Australia, Brazil, Canada, China, Europe, India, Indonesia, Mexico, Singapore, South Korea, the United Kingdom, and the U.S.

We are subject to risks related to our intellectual property. For more information, see “Risk Factors – Risks Related to our Business and Industry.”

COMPLIANCE AND CERTIFICATIONS

Three main areas where D2L prioritizes compliance and certifications are security, privacy and accessibility. Our conformance to key industry standards in these areas provide our customers quick and easy reassurance that our solution will help them uphold their own institutional policies.

Security and Privacy

We aim to give our customers a world class experience, by leveraging industry-leading AWS cloud hosting technologies to deploy our platform within a highly reliable and secure architecture. When our customers are in the D2L cloud, they can rest easy knowing that we doubled down on security and privacy. While AWS is certified and secure, we go further and we have independently held certifications for ISO 27001, ISO 27017, ISO 27018, ISO27701, TX-RAMP (Texas Risk and Authorization Management Program), SSAE 18 (SOC 1® Type II & SOC 2® Type II), Cyber Essentials, submitted the Consensus Assessments Initiative Questionnaire (CAIQ) that documents our compliance to the Cloud Security Alliance STAR LEVEL ONE best practices. We value having third-party, industry standard audits of both our own operations (D2L) and our cloud provider (AWS) because the security and privacy of customer data is a top priority for us. D2L holds compliance certifications directly to complement the certifications of our cloud partners.

Additionally, we have invested significant engineering, process, and security efforts into our offerings to help our customers address user data privacy under relevant privacy laws, e.g., *The Family Educational Rights and Privacy Act of 1974* (U.S.), *Commonwealth Privacy Act* (Australia), *General Data Protection Regulation* (EU), *Personal Information Protection and Electronic Documents Act* (Canada). As an example, our applications allow privacy-based permissions and elements to be controlled at a very granular level (such as system administrators, supervisors, privacy auditors etc.). The system allows administrators to flexibly define what information is public (e.g., directory information) and what is private (e.g., non-directory information) and to indicate whether a specific role can see private information.

Accessibility

Our accessibility practice supports D2L's mission to transform the way the world learns by enabling an enjoyable user experience for every user regardless of their age, ability or location. We *care* about accessibility as a culture and passion, *craft* accessible product building blocks, *continue* to advance accessibility maturity systematically and *contribute* to the broader learning community.

- **Caring:** Our shared passion for accessibility is our foundation for crafting and sustaining accessible experiences. We align our product processes with the latest accessibility standards (WCAG 2.2). We also embrace the spirit of the law to go beyond compliance and stay human-centered. We offer choice and equity to our users by conducting inclusive research, considering accessibility throughout our process, and involving people with disabilities at every step.
- **Crafting:** We craft experiences infused with accessibility. We develop web components with accessibility built in to serve as building blocks for our products. Our component and pattern documentation help our software developers craft accessible product experiences and carry innovative designs across our products. Robust accessibility in our components pays huge dividends when we're designing, building and testing new experiences. Our accessible drag-and-drop is an example of this process in action.
- **Continuing:** We sustain accessibility in our product process by making it repeatable, defining accessibility activities for consistency across projects and identifying responsibilities across disciplines. We proactively provide need-based accessibility support resources to teams across the product development life cycle. We developed D2L's accessibility maturity model for advancing our accessibility practice as a key source of sustainable competitive advantage. The model guides us in measuring the effectiveness of existing accessibility practices, identifying the gaps between current practices and a matured accessibility program, and improving overall organizational performance in accessibility over time.

- **Contributing:** We extend our caring to the education ecosystem to help elevate accessibility in the broader learning community through conducting monthly thought exchange meetings with our client Accessibility Interest Group, offering an Accessibility Academy and other learning resources through our D2L Community website, and representing D2L on several accessibility and AI committees, councils, taskforces and groups at national and international levels.

FACILITIES AND LOCATIONS

The following table outlines significant facilities that we currently lease for office space.

Location	Square Feet	Lease Expiry Date	Use
Kitchener, Ontario, Canada	93,059	July 31, 2033	Office Space
Toronto, Ontario, Canada	3,047	June 29, 2027	Office Space
Vancouver, British Columbia, Canada	4,825	October 31, 2031	Office Space
Winnipeg, Manitoba, Canada	2,551	April 30, 2027	Office Space
Oslo, Norway	1,078	No expiry date ³	Office Space
Melbourne, Victoria, Australia	960	March 31, 2028	Office Space
London, England	N/A ⁴	January 31, 2027	Office Space

In addition to the significant facilities set out above, we also lease workshare spaces in Tromsø and Bergen in Norway.

As our platform is hosted on AWS, we do not directly lease any server space.

RISK FACTORS

There are various risk factors that could cause the Company’s future results or outcomes to differ materially from those described in this AIF. The risks and uncertainties described below are those the Company currently believes may be material, but they are not the only ones it faces. If any of the following risks, or any other risks and uncertainties that the Company has not yet identified or that it currently considers not to be material, actually occur or become material risks, the Company’s business, financial condition, results of operations and cash flows, and consequently the price of the Subordinate Voting Shares, could be materially and adversely affected. The risks discussed below also include forward-looking statements and the Company’s actual results may differ substantially from those discussed in these forward-looking statements. See “Forward-Looking Statements”.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Market adoption of cloud-based learning solutions may not grow as we expect, which may harm our business and results of operations and even if market demand increases, the demand for our platform may not increase.

We believe our future success will depend in part on the growth, if any, in the demand for cloud-based learning technologies, particularly enterprise-grade solutions. The widespread adoption of our platform depends not only on strong demand for new forms of learning management, but also for solutions delivered via a SaaS business model in particular. The market for cloud-based learning solutions is less mature than

³ Lease agreement is for an indefinite period but may be terminated for convenience upon 6-months’ notice.

⁴ Work share space with no specific square footage assigned.

the market for in-person learning solutions, which many institutions and businesses currently use, and these institutions and businesses may be slow or unwilling to migrate from these legacy approaches. In addition, disruptive technologies such as AI may impact cloud growth and uptake or replace the SaaS products entirely. As such, it is difficult to predict customer demand for our platform, customer adoption and renewal, the rate at which existing customers expand their engagement with our platform, the size and growth rate of the market for our platform, the entry of competitive products into the market, or the success of existing competitive products.

Furthermore, even if businesses desire to adopt a cloud-based technology learning solution, it may take them a long time to fully transition to this type of learning solution or they could be delayed due to budget constraints, weakening economic conditions, or other factors. Some businesses may also have long-term contracts with existing vendors and cannot switch in the short term. Even if market demand for cloud-based technology learning solutions generally increases, we cannot assure you that adoption of our platform will also increase. If we are unable to continue growing our revenues, or if new revenues are offset by the rate at which existing customers cancel, do not renew or downgrade their recurring subscriptions, our market capitalization may be negatively impacted, which could limit our access to capital, deter potential new investors, and harm our overall business and operations. If the market for cloud-based technology learning solutions does not grow as we expect or our platform does not achieve widespread adoption it could result in reduced customer spending, customer attrition, and decreased revenue, any of which would adversely affect our business and results of operations.

The market in which we participate is highly competitive, and if we do not compete effectively, our ability to gain new customers, retain existing customers and grow our business could be harmed and our results of operations could be adversely affected.

The learning, assessment, development, and engagement systems market is highly competitive, rapidly evolving, and fragmented, and we expect competition to continue to increase in the future. A significant number of companies have developed, or are developing, products and services that currently, or in the future may, compete with our offerings and be superior. This competition could result in decreased revenue, increased pricing pressure, increased sales and marketing expenses, challenges in obtaining financing (due to a significant number of companies competing for the same capital) and loss of market share, any of which could adversely affect our business, results of operations, and financial condition.

We face intense competition from traditional enterprise SaaS solutions, consumer-centric SaaS solutions, AI solutions, and free solutions. We compete directly or indirectly with education sector LMS providers, corporate service providers that offer solutions at comparable prices to our products, lower priced solutions, instructor-led training vendors, individual-focused e-learning services, local consulting firms that customize open-source solutions, and free solutions.

Current competitors have, and potential competitors may have, greater brand name recognition, longer operating histories, larger marketing budgets and established customer relationships, access to larger customer bases, and significantly greater resources for the development of their solutions. In addition, we face potential competition from participants in adjacent markets that may enter our markets by leveraging related technologies and partnering with or acquiring other companies or providing alternative approaches to provide similar results. We may also face competition from companies entering our market, including large technology companies that could expand their offerings or acquire one of our competitors. While these companies may not currently focus on our market, they may have significantly greater financial, technical and marketing resources, and established extensive direct channels. As a result, our competitors and potential competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, or customer requirements and engage in more extensive marketing campaigns. Further, some potential customers, particularly large enterprises, may elect to develop their own

internal solutions that address their learning technology needs. If we are unable to compete with such companies, the demand for our platform, applications and solutions could be adversely affected.

Our ability to compete is also subject to the risk of future disruptive technologies, such as GenAI. If new technologies emerge that can deliver learning and skill development solutions or services at lower prices, with greater feature sets, more efficiently, or more conveniently, such technologies could adversely impact our ability to compete. AI advancements may also accelerate innovation cycles for existing competitors, allowing them to enhance their solutions more rapidly, improve personalization, automate content generation, and deliver more cost-effective offerings including professional service offerings. Furthermore, AI-driven efficiencies may lower barriers to entry, enabling new competitors—including startups and technology companies from adjacent industries—to enter the market faster and with fewer resources than historically required. With the introduction of these new technologies and market entrants, competition may intensify in the future.

Some of our principal competitors offer their solutions at a lower price or for free, which may result in pricing pressures on us. Many of our competitors that offer free solutions are also integrating features found previously only with paid solutions, which puts additional pressure on our pricing and feature development. If we are unable to maintain our pricing levels and competitive differentiation in the market, our results of operations would be negatively impacted.

If for any reason we are not able to develop enhanced and new features, keep pace with technological developments, respond to future disruptive technologies, or operationalise new technologies, our business will be harmed.

Our future success will depend on our ability to adapt and innovate. To attract new customers and increase revenue from existing customers, we will need to continually enhance and improve our platform and introduce new features. The success of any enhancement or new feature depends on several factors, including market demand, timely completion, successful introduction and market acceptance. If we are unable to successfully develop or acquire new features or enhance our existing platform to meet customer needs, our business and operating results could be adversely affected. Additionally, we may not sufficiently increase our revenue to offset the upfront technology, sales and marketing, and other expenses we incur in connection with the development of platform features and enhancements. Any of the foregoing may adversely affect our business and results of operations. In addition, because our products are designed to operate on a variety of networks, hardware and software platforms using Internet tools and protocols, we will need to continuously modify and enhance our products to keep pace with changes in internet-related hardware, software, communication, browser and database technologies. If we are unable to respond in a timely and cost-effective manner to these rapid technological developments, our platform may become less marketable and less competitive or obsolete, and our operating results may be negatively impacted.

Our ability to grow is subject to the risk of future disruptive technologies. For example, the use of AI has expanded rapidly and delivering AI functionality is becoming a necessity to stay competitive. Our ability to develop and incorporate AI into our products and services may be constrained by evolving regulatory requirements, competitive pressures, or limitations in available data, talent, or infrastructure, any of which could impair our ability to innovate or keep pace with market expectations. In addition, if new AI-enabled tools or alternative learning models provide compelling substitutes for traditional LMS platforms, customers may shift away from our offerings, which would adversely affect our business and results of operations.

In addition, our internal ability to effectively evaluate, adopt, and operationalize new technologies, presents its own set of risks. If we do not appropriately manage internal technology transitions—including assessing emerging technologies, allocating resources efficiently, updating internal processes, or training employees—we may experience operational inefficiencies, delays in execution, inconsistent adoption

across teams, regulatory concerns, or misalignment between technology choices and business objectives. Ineffective internal governance, insufficient change-management practices, or the introduction of tools that do not integrate effectively with existing systems may increase our operating costs, reduce productivity, or impair our ability to execute on our product roadmap. Any such inefficiencies or missteps could negatively affect our competitiveness and adversely impact our business and results of operations. For example, the use of AI is rapidly reshaping competitive dynamics across software, SaaS, and learning technology markets. Our ability to compete effectively will depend in part on our ability to adopt, integrate, and operationalize AI across our products, services, and internal operations in a timely and effective manner. If we are slower than competitors to deploy AI-enabled tools and processes, we may operate less efficiently, innovate more slowly, deliver lower output or less responsive service, and realize fewer cost savings or productivity gains than our competitors. We may also miss opportunities to expand into new markets, improve margins, or respond to evolving customer expectations. Our ability to transform our operations to be AI-enabled may be constrained by implementation complexity, legacy systems, data limitations, cybersecurity and privacy concerns, regulatory requirements, talent shortages, change management challenges, or reliance on third-party providers. If we are unable to realize the expected benefits of AI adoption, including productivity improvements, scalability, and cost efficiencies, our competitive position, growth prospects, financial condition, and results of operations could be materially and adversely affected.

Finally, online education programs may not be successful or operate efficiently, which in turn could create the perception that online education in general is not effective. Such a perception could adversely affect our business and results of operations.

If our customers do not expand their use of our platform and services beyond their current organizational engagements or renew their existing contracts with us, or if we do not acquire new customers, our ability to grow our business and improve our results of operations may be adversely affected.

Our future success depends, in part, on our ability to increase the adoption of our platform by our existing customers, renewals of subscriptions, and sales of new subscriptions to future customers. A proportion of our customers initially use our platform in specific groups or departments within their institution or organization. In addition, our customers may initially use our platform for a specific use case. Our ability to grow our business depends in part on our ability to persuade customers to expand their use of our platform to address additional use cases. Further, to continue to grow our business, it is important that our customers renew their subscriptions when existing contracts expire and that we expand our relationships with our existing customers. Our customers have no obligation to renew their subscriptions, and in certain instances, have the right to terminate their subscriptions. Our customers may decide not to renew their subscriptions with a similar contract period, at the same prices and terms, with the same or a greater number of learners, or at all, or to exercise any rights of termination available to them. In the past, some of our customers have elected not to renew, or to exercise their rights to terminate, their agreements with us, and it is difficult to accurately predict whether we will have future success in retaining customers or expanding our relationships with them. In addition, consolidation within the industries in which our customers operate could reduce the number of existing or prospective customers or increase the negotiating leverage of consolidated entities, limiting our ability to renew or expand our contracts on favourable terms. Our sales cycles—particularly with large institutions or public-sector organizations—can also be long, unpredictable, and subject to administrative delays, which may adversely affect our ability to acquire new customers or expand existing deployments.

Our ability to retain our customers and expand our deployments with them may decline or fluctuate as a result of a number of factors, including: our customers' satisfaction with our platform, our customer support, our prices, the prices and features of competing solutions, reductions in our customers' spending levels, insufficient learner adoption of our platform, new feature releases, procurement or budgetary decisions from legal or other regulatory bodies, changes in availability of government funding for our

customers that are public institutions and/or reliant on government funding, including but not limited to funding changes in the U.S. for federal and state education, and other general economic conditions. Our renewal and expansion opportunities may also be affected by internal factors within our customers' organizations, such as leadership turnover, staffing changes, shifting strategic priorities, or changes in technology procurement processes. Further, our ability to expand within existing accounts may be hindered if customers experience challenges integrating our platform with their existing systems, encounter delays in implementation, or perceive our platform as complex or resource-intensive to deploy. If customers do not achieve expected levels of learner engagement or do not realize sufficient value or return on investment, they may reduce the scope of their subscriptions or elect not to renew. Competitive pressures, including lower-cost or bundled alternatives offered by existing or new competitors, may also reduce renewal or expansion rates, particularly where customers can switch providers with relatively low operational or technical friction. Any actual or perceived deficiencies in the performance, availability, reliability, or security of our platform could further negatively impact customer satisfaction and willingness to renew or expand their subscriptions. If our customers do not purchase additional subscriptions or renew their existing subscriptions, renew on less favourable terms, or fail to continue to expand their engagement with our platform, our revenue may decline or grow less quickly than anticipated, which would harm our results of operations.

If we are unable to increase sales of subscriptions to our platform to customers while mitigating the risks and costs associated with serving such customers, our business, financial condition, and results of operations could suffer.

Our growth strategy is largely dependent upon increasing sales of subscriptions to our platform to new and existing customers. As we seek to increase our sales to our customers, we face upfront sales costs and long sales cycles, higher customer acquisition costs and more complex customer requirements. These sales cycles may also be subject to administrative delays, procurement constraints, or extended evaluation processes, particularly with large institutional or public-sector customers, which can make revenue generation unpredictable. We may enter into customized contractual arrangements with our customers in which we offer more favourable pricing and other commercial terms in exchange for larger total contract values that accompany large deployments. As we drive a greater portion of our revenue through our deployments with customers, we expect that our revenue will continue to grow significantly but the price we charge customers per user may decline. This may result in reduced margins in the future if our cost of revenue increases. For example, customers may request that we integrate our platform with their existing technologies, and these customization efforts could create additional costs and delays in utilization. Customers may also require unique security, compliance, or data-handling commitments, or demand technical modifications that increase implementation complexity and support needs. In addition, customers often begin to use our platform on a limited basis, but nevertheless require education and interactions with our sales team, which increases our upfront investment in the sales effort with no guarantee that these customers will use our platform widely enough across their organization to justify our upfront investment. Internal changes within customer organizations, such as leadership turnover, reorganizations, or shifting strategic priorities, may further reduce the likelihood that these initial limited deployments expand into broader usage. As we continue to expand our sales efforts to customers, we will need to continue to invest in sales and marketing, and there is no guarantee that our investments will succeed and contribute to additional customer acquisition and revenue growth. Competitive pressures, including lower-cost alternatives or bundled offerings from existing or emerging competitors, may also limit our ability to increase sales or maintain pricing. If we are unable to increase sales to customers while mitigating the risks associated with serving such customers, our business, financial condition, and results of operations will suffer.

If our security measures are breached or unauthorized access to customer data is otherwise obtained, our platform may be perceived as insecure, we may lose existing customers or fail to attract new customers, our reputation may be harmed, and we may incur significant liabilities.

Use of our platform and applications involve the storage, transmission and processing of our customers' data, including personal information regarding their students or employees. Cyber-attacks and other malicious internet-based activities continue to increase generally, and cloud-based platform providers of software and services have been targeted. In particular, the education sector has become one of the most targeted industries globally for cyberattacks. In 2025, education organizations faced an average of over 4,300 cyberattacks per organization each week, representing a significant year-over-year increase. As a provider of learning technology platforms to educational institutions, we face heightened cybersecurity risks both directly to our own systems and indirectly through attacks on our customers' infrastructure. Any widespread cybersecurity incidents affecting the education sector could impact customer operations, increase customer scrutiny of our security measures, drive demand for enhanced security features that increase our costs, or create reputational challenges even where our platform is not directly compromised. The evolving threat landscape targeting education may require us to continually invest in advanced security measures, incident response capabilities, and customer security education, which could increase our operating costs and divert resources from other business priorities.

In addition, the use of AI by us, or third parties, may result in cybersecurity incidents. Any such cybersecurity incidents could adversely affect our reputation and results of operations. Unauthorized access to, or other security incidents or breaches of (including malware attacks), our platform or the other systems or networks used in our business, including those of our partners, vendors, contractors, or those with which we have strategic relationships, could result in the loss, compromise or corruption of data, loss of business, reputational damage adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or regulations, significant costs for remediation, and other liabilities. We have insurance coverage, but this coverage may be insufficient to compensate us for all liabilities that we may incur. Further, an actual or perceived security breach affecting one of our partners, competitors or any other company that provides hosting services or delivers applications under a SaaS model, even if no confidential information of our customers is compromised, may adversely affect the market perception of our security measures and we could lose potential sales and existing customers. Moreover, failure to maintain effective internal controls related to data security breaches and cybersecurity in general could impact our ability to produce timely and accurate financial statements and could subject us to regulatory scrutiny. In addition, changes in cybersecurity and privacy regulations globally may require enhanced safeguards or new technical measures that increase our cost structure and operational complexity.

Our platform and the other systems or networks used in our business are also at risk for incidents or breaches as a result of third-party action, or employee, vendor, or contractor error or malfeasance. We have incurred and expect to continue to incur significant expenses to prevent security incidents or breaches, including deploying additional personnel and protection technologies, training employees, and engaging third-party experts and consultants. However, since the techniques used to obtain unauthorized access or to sabotage systems change frequently, have become more complex over time, and generally are not identified until after they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Attackers may also leverage emerging technologies such as generative AI to improve the sophistication or speed of their attacks, increasing the difficulty of timely detection and mitigation. Therefore, we may also experience security incidents or breaches that may remain undetected for an extended period and, therefore, have a greater impact on our platform, the proprietary and other confidential data contained therein or otherwise stored or processed in our operations, and ultimately on our business.

Additionally, our products operate in conjunction with and are dependent on a broad range of products, components and third-party services, and a vulnerability in any of them can expose us to a security breach. For example, our customers and their third-party service providers may not have adequate security measures in place to protect their data that is stored in our solution, and because we do not control our customers or their service providers, we cannot prevent vulnerabilities in their security measures from being exploited. As a result, even if our own security controls function as intended, weaknesses in customer or vendor environments may nonetheless result in compromises that we are required to investigate or remediate.

Continued economic uncertainty, an economic slowdown or a recession could affect our results, and other adverse economic and market conditions and reductions in spending may adversely impact our business and results of operations.

Unfavourable economic conditions such as high inflation, labour shortages, layoffs, high interest rates, high student debt, foreign currency exchange volatility, volatility in global capital markets and growing risk of economic downturn or recession, could adversely affect demand for our platform and the changing macroeconomic conditions may affect our business in a number of additional ways. Concerns about the systemic impact of a potential widespread recession or geopolitical issues can increase market volatility and diminish growth expectations in the global economy, which in turn could result in increased employee anxiety, reductions in spending by our existing and prospective customers, reduced enrollments, our customers or prospective customers delaying or canceling procurement projects or seeking to renegotiate existing contracts to lower their costs or not renewing their existing contract terms. In addition, prolonged economic uncertainty may cause customers to implement hiring freezes, reduce discretionary technology spending, limit capital budgets, or extend internal approval processes, all of which could slow our sales cycles and reduce our ability to close new business or expand existing deployments. For example, spending patterns of businesses are sensitive to the general economic climate. Subscriptions for our platform may be considered discretionary by many of our current and potential customers. As a result, businesses considering whether to purchase or renew subscriptions to our products may be influenced by macroeconomic factors.

Additionally, a portion of our customer base is comprised of small and medium sized enterprises (SME). We may experience customer turnover in respect of these SMEs, which are more susceptible than larger organisations to changes in general economic conditions and other risks affecting their organisations, such as uncertainty in the macroeconomic environment, including with respect to inflationary pressures, recession, changes in consumer spending, exchange rate fluctuations, imposition of tariffs and increases of interest rates. SMEs may also face greater credit constraints or liquidity challenges, increasing the risk of non-payment or default under existing contracts. There can be no assurance that economic conditions will remain favourable for the Company's business or that demand for its services by its customers will remain at current levels. Reduced demand for its services would negatively impact the Company's growth and revenue and may inhibit its access to capital and negatively impact its profitability. Economic instability may also reduce the availability or increase the cost of financing, making it more difficult or expensive for us to raise capital to support our operations, strategic initiatives, or growth plans. For example, changes in economic, market and other conditions could adversely affect the Company's ability to implement its strategy to look for opportunities to grow revenue in other jurisdictions, which could have an adverse effect on its business, financial condition and results of operations. Further, the effect of adverse macroeconomic conditions may vary across markets, making expansion more challenging and requiring more region-specific commercial and operational strategies.

In addition, events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to us or to our industry may materially adversely affect us over the course of time. Volatility in the market price of our Subordinate Voting Shares due to seemingly unrelated financial developments could hurt our ability to

raise capital for the financing of acquisitions or other reasons. Volatility in the financial markets and banking systems could result in loss of funds in bankruptcies or other economic hardship that negatively affect our customers, partners or banking institutions' ability to continue as a going concern or successfully perform on their obligations under their agreements with us, and in turn have a negative impact on our business. Potential price inflation caused by an excess of liquidity in countries where we conduct business may increase the costs, we incur to provide our solutions and may reduce profit margins on agreements that govern our provision of products or services to customers over a multi-year period. A reduction in credit, combined with reduced economic activity, may materially adversely affect businesses and industries that collectively constitute a significant portion of our customer base. As a result, these customers may need to reduce their purchases of our products or services, or we may experience greater difficulty in receiving payment for the products or services that these customers purchase from us. For example, customers facing financial pressure may also seek extended payment terms, delayed invoicing, reductions in scope, contract restructurings, or early termination rights, all of which could negatively impact our cash flows and revenue predictability. In addition, global macroeconomic instability may also impair the financial condition of third-party vendors, service providers, or partners on whom we rely on to operate our platform, potentially disrupting our operations or increasing our replacement and procurement costs. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on our business, operating results, and financial conditions.

Macroeconomic conditions may make it difficult to evaluate our future prospects and may increase the risk that we will not make accurate predictions of our future growth.

We continue to experience growth, and as a result, our ability to forecast our future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. Macroeconomic conditions have in the past and may continue to create uncertainties in buying behavior, making it challenging to accurately model future growth. Periods of elevated inflation, interest rate volatility, tightening credit markets, geopolitical instability, or fluctuations in public-sector budgets may further reduce visibility into customer purchasing patterns and timing. Moreover, we are also investing in both new products and new verticals, where our operating history is limited. The performance, adoption curve, and revenue contribution of these new products and verticals may be particularly difficult to predict, especially in an uncertain or rapidly changing economic environment. Any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer history at the current macroeconomic conditions and growth profile of the Company or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations, our growth rates may slow, and our business would suffer. In particular, inaccurate forecasts can lead to inefficient resource allocation, over- or under-investment in operating expenses, hiring or capacity planning mismatches, and reduced ability to meet internal or external expectations.

Tariffs, trade wars and changes in international trade law and policies may have a material adverse effect on our business, financial condition, and results of operations.

As a global company, our success depends on our ability to sell across borders. Trade wars and changes in laws and policy relating to trade or taxes may have an adverse effect on our business, financial condition and results of operations. More specifically, the geopolitical environment of the markets where we operate may influence customer demand for our products, may have an impact on input costs and may pose difficulties for our employees to travel for business purposes. For instance, the withdrawal of the United Kingdom from the EU in January 2020, commonly referred to as “Brexit”, has created significant political and economic uncertainty regarding the future trading relationship between the United Kingdom and the

EU. In addition, any potential changes in the economic and political climate in the U.S., such as the potential changes to, or the termination of, trade agreements between the U.S. and the EU, or among Canada, the U.S. and Mexico, the possibility of the U.S. imposing tariffs or digital service taxes on Canadian software and any retaliatory measures taken by Canada, or the increased geopolitical uncertainty in Europe, could impact our business and our sales and profitability.

Additionally, shifts in trade policy or retaliatory measures between major trading partners may lead to new tariffs, localization mandates, or market-access barriers applicable to software and cloud-based services. These measures may disrupt supply chains, hinder our ability to hire or retain employees internationally, delay customer implementations, or create uncertainty that reduces purchasing activity. Even the threat of such measures may reduce customer confidence or decrease demand for our products and services.

Issues in the use, adoption or innovation of AI in our platform may result in reputational harm, liability, or affect our results of operations.

AI plays an increasing role in our platform, presenting both opportunities and risks. Challenges such as flawed algorithms, insufficient or biased datasets, evolving regulations, and ethical concerns may lead to legal liability, reputational harm, and operational disruptions. Our ability to mitigate these risks will impact the adoption and success of our AI-powered solutions. These deficiencies could undermine the decisions, predictions, or analysis AI applications produce, subjecting us to competitive harm, legal liability, and brand or reputational harm. Some AI scenarios present ethical issues. If we enable or offer AI solutions that are controversial because of their impact on human rights, privacy, employment, equity, accessibility or other social issues, we may experience brand or reputational harm. In addition, certain AI models may experience “model drift” or performance degradation over time, resulting in inconsistent or inaccurate outputs that negatively affect user trust, platform reliability, or learning outcomes. Additionally, if we are slow to innovate or adopt new AI technologies, our solutions may be less competitive and could negatively affect our business. We may also face challenges ensuring the transparency and explainability of AI outputs, which may be required under emerging regulatory regimes and expected by customers, and failure to do so may expose us to legal or reputational risk. Furthermore, we rely on third-party AI infrastructure providers for certain AI functionalities. If these suppliers modify their terms, impose restrictions, or discontinue services—whether voluntarily or due to regulatory requirements—we may be unable to procure suitable alternatives in a timely and cost-effective manner, which could negatively affect our ability to develop and operate AI-powered solutions. Dependence on these providers may also expose us to outages, performance issues, or vulnerabilities beyond our control.

In the future, we intend on developing additional solutions powered by AI. If the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, or biased, or if the use of AI results in, or is alleged to have resulted in, the infringement of the intellectual property of third parties, our business, financial condition, and results of operations may be adversely affected. Moreover, the use of AI could expose us to additional liability where outputs are alleged to be discriminatory, misleading, harmful, or otherwise inappropriate, including in contexts involving learners or other vulnerable populations.

Additionally, new laws and regulations, or the interpretation of existing laws and regulations, in any of the jurisdictions we operate in may affect the use of our AI powered solutions and expose us to government enforcement or civil suits. For example, in Europe, on August 1, 2024, the *AI Act* took effect in the EU. The *AI Act* establishes a risk-based governance framework for regulating AI systems operating in the EU market. This framework categorizes AI systems based on the risks associated with such AI systems’ intended purposes as creating “unacceptable,” “high,” “limited” or “minimal” risks. Requirements for “high” risk AI systems under the *AI Act* will become enforceable in August 2026. Certain AI functionalities offered by us may be deemed “high” risk and therefore subject to the most stringent requirements under the *AI Act*. “High” risk AI systems are required, amongst other things, to implement and maintain certain risk and quality

management systems, conduct certain conformity and risk assessments, use appropriate data governance and management practices, including in development and training, and meet certain standards related to testing, technical robustness, transparency, human oversight and cybersecurity. Even if our AI systems are not categorized as “high” risk we may be subject to additional transparency and other obligations for “limited” or “minimal” risk AI system providers. Meeting these requirements may impose significant additional costs on us, require substantial modifications to our AI development and deployment processes, increase our risk of liability, limit our ability to innovate rapidly in AI capabilities, or adversely affect our business. As the August 2026 deadline approaches, we may face increased regulatory scrutiny, customer demands for AI compliance documentation, and competitive pressure from vendors who achieve compliance earlier or more comprehensively

Further, despite our efforts to comply, we may incorrectly classify certain AI functionalities within our platform in a way that does not align with the regulator’s interpretation of the *AI Act*. The *AI Act* sets forth certain penalties for non-compliance, including fines of up to the greater of EUR 35 million or 7% of worldwide annual turnover (as defined in the *AI Act*) for the prior year for violations related to offering prohibited AI systems or data governance, fines of up to the greater of EUR 15 million or 3% of worldwide annual turnover for the prior year for violations related to the requirements for “high” risk AI systems, and fines of up to the greater of EUR 7.5 million or 1.5% of worldwide annual turnover for the prior year for violations related to supplying incorrect, incomplete or misleading information to the EU and member state authorities. This regulatory framework is expected to have a material impact on the way AI is regulated in the EU, and together with developing guidance and/or decisions in this area, may affect our use of AI and our ability to provide and to improve our services, require additional compliance measures and changes to our operations and processes, result in increased compliance costs and potential increases in civil claims against us, and could adversely affect our business, financial condition and results of operations. As the legal and regulatory framework encompassing AI matures, it may result in increases in our operational and development expenses that impact our ability to earn revenue from or utilize any AI-powered solutions. Similar legislative or regulatory efforts are emerging or under consideration in other jurisdictions, including the United States, Canada, and the United Kingdom, which may impose overlapping, inconsistent, or conflicting requirements. Ensuring compliance across multiple regimes may require significant adaptation of our models, processes, disclosures, and governance practices and could materially increase our operational burden.

In addition, material created by us using any GenAI tools may not be subject to intellectual property protection which may adversely affect our intellectual property rights in, or ability to commercialize or use, any such material. Similarly, material created by our customers using GenAI tools within our products and services may not be subject to intellectual property protection, which could result in disputes over ownership and limit our customers' ability to commercialize or use such material. Additionally, if customers generate or disseminate content that is alleged to infringe third-party intellectual property rights, violate applicable laws, or contain biased, misleading, or harmful information, we may face claims of contributory infringement, regulatory scrutiny, or reputational harm. In certain cases, we may have an obligation to indemnify our customers with respect to content generated through our products services leading to legal costs, settlements, reputational harm, or disruptions to our business. In the U.S., a number of civil lawsuits have been initiated related to the foregoing and other concerns, the outcome of any one of which may, amongst other things, require us to limit the ways in which we use AI in our business and may affect our ability to develop our AI powered solutions and services. As the utilization of AI becomes more prevalent, we anticipate that it will continue to present emerging social, environmental and ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including potential government regulation of AI, will require significant resources to develop, test, and maintain our platform, offerings, services, and features to help us implement AI ethically in order to minimize unintended, harmful impact. Failure to adequately monitor, audit, and document AI model performance, training data provenance, or decision-making processes may also impede our ability to demonstrate compliance, defend claims, or respond to regulatory inquiries.

While we have implemented an AI governance policy designed to align with our values, regulatory obligations, and industry best practices, our efforts may not be sufficient to mitigate all AI-related risks. As AI regulations continue to evolve, our policies and compliance measures may require frequent updates, and despite our efforts, we may face challenges in interpreting or implementing new legal requirements effectively. Regulators may take positions that differ from our governance approach, or unforeseen risks may emerge that our policies do not adequately address, potentially exposing us to regulatory scrutiny, enforcement actions, reputational harm, or operational disruptions. Additionally, while our Board of Directors oversees AI-related governance and risk mitigation efforts, there is no guarantee that our governance framework will prevent ethical, compliance, or liability risks associated with the use of AI in our products and services. Furthermore, the complexity and speed of AI development may outpace our governance mechanisms, resulting in gaps in oversight, testing, or risk controls that could exacerbate compliance or safety risks.

Regulatory requirements placed on our software and services could impose increased costs on us, delay or prevent our introduction of new products and services and impair the function or value of our existing products and services.

Our products and services are currently subject to various regulatory requirements. For example, we are or may be subject to laws, regulations and policies that govern discriminatory and harassing conduct particularly, in light of our use of AI technologies, the content of our platform or recommendations for content consumption may run afoul of local laws, regulations and policies that govern discrimination and harassment. We may also be subject to anti-spam laws, regulations and policies. In Canada, the regulatory authority responsible for enforcement of Canada’s *Anti-Spam Legislation* (“CASL”) has issued a bulletin that signals broad potential liability for electronic intermediaries (such as hosting providers and SaaS providers) for failing to take sufficient steps to stop third-parties from using intermediary services and facilities to violate CASL, including prohibitions on sending electronic marketing messages or installing computer programs without consent. Other jurisdictions, including the United States, the European Union, and the United Kingdom, have enacted or are considering similarly expansive approaches to intermediary liability, which may require us to adopt more rigorous monitoring, reporting, or takedown processes.

Our business may become subject to increasing regulatory requirements, and as these requirements proliferate, we may be required to change or adapt our products and services to comply. Changing regulatory requirements might render our products and services obsolete or might block us from developing new products and services. This might in turn impose additional costs upon us to comply or to further develop our products and services. It might also make introduction of new products and services more costly or more time-consuming than we currently anticipate and could even prevent introduction by us of new products or services or cause the continuation of our existing products or services to become more costly. Accordingly, such regulatory requirements could have a material adverse effect on our business, financial condition, and results of operations. For example, new rules may require the redesign of certain product features, additional disclosures, more stringent content moderation, or limitations on data collection or processing that reduce the functionality or value of our offerings. Compliance may also require increased internal governance, documentation, and audit capabilities across multiple product lines.

Technological innovations such as machine learning and AI present additional risks and challenges that could affect their adoption and therefore our business. For example, the development of machine learning and AI present emerging governance and transparency issues, including with respect to ethics and human rights, and if we enable or offer solutions on this front that are controversial, due to their impact, or perceived impact, we may experience brand or reputational harm, competitive harm, or legal liability. Additionally, new regulations or standards have been or may be adopted in the space of AI such as the proposed Bill C-27 (Canada), which was first introduced in June 2022 and which includes a proposal to enact the *Artificial Intelligence and Data Act* in Canada and the *EU AI Act*, which came into force on August 1, 2024 and includes a transitional period to be compliant with respect to “high risk” use cases up to 24 months after it comes into force. In the U.S., the

National Institute for Standards and Technology (NIST) released, on January 26, 2023, the non-binding AI Risk Management Framework in the design, development, use and evaluation of AI products, services, and systems. In addition, the Federal Trade Commission issued several publications to set forth ground rules for AI development and can use its existing authority under various existing consumer protection laws to expand AI enforcement. The growing focus on AI regulations and guidelines may increase the burden and cost of research and development in this area, including by causing us to incur significant costs in order to adapt certain components of our platform to the requirements for the use of AI systems, subjecting us to brand or reputational harm, competitive harm, legal liability, or regulatory penalties. It may also restrict our or our customers' ability to fully utilize AI and machine learning technologies as a result of legal and regulatory restrictions on data governance, including data collection and processing. Also, our treatment of the social, environmental, and ethical issues concerning the use and deployment of AI may impact our ability to attract or retain employees, customers, other users and overall affect our public perception. Our brand and reputation are associated with our public commitments to sustainability, equality, inclusivity, accessibility, and ethical use, and any perceived changes in our dedication to these commitments could impact our relationships with potential and current customers and other users. We cannot determine the impact these emerging and future laws, regulations, and standards may have on our business. Such laws, regulations and standards are often subject to differing interpretations and may be inconsistent among jurisdictions, leading to uncertainty about how government or regulatory authorities will assess our AI practices. Moreover, AI-related rules often impose extensive documentation, testing, monitoring, and human-oversight obligations, and failure to comply—even inadvertently—could expose us to enforcement actions, fines, or civil claims.

Additionally, the laws and regulations of each jurisdiction in which we operate are distinct and may result in inconsistent or ambiguous interpretations among local, regional, or national laws or regulations applicable to our business. Compliance with laws and regulations of different jurisdictions imposing varying standards and requirements is burdensome for businesses like ours, imposes added cost and increases potential liability to our business, and makes it difficult to realize business efficiencies and economies of scale. It may be difficult or impossible for us to investigate or evaluate laws or regulations in all cities, countries, and regions. The application of existing laws and regulations to our business and solutions can be unclear and may be difficult to understand and apply, and are subject to change, as governments or government agencies seek to apply legacy systems of laws or adopt new laws to new online business models. This may adversely affect our operations. As a result, we may be required to implement jurisdiction-specific product versions, data-handling practices, contractual terms, or feature restrictions, which could increase operational complexity and reduce product consistency across markets. Regulatory fragmentation may also slow our ability to expand internationally or enter new markets efficiently.

Acquisitions, investments or divestitures could divert our management's attention, result in additional dilution to our shareholders, and otherwise disrupt our operations and harm our results of operations.

Acquisitions or investments in other businesses, products, or technologies that we believe could complement or expand our platform, enhance our technical and operational capabilities, drive cost synergies, or otherwise offer growth opportunities may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are ultimately consummated. Divestitures, whether in full or in part (e.g., the Company's investment in SkillsWave), are subject to similar risks and may not be completed as quickly as initially expected, or at all, and may ultimately be completed on terms that are different from those initially negotiated. In each case, these transactions may also require substantial internal coordination, transition planning, and resource commitments that could limit our ability to execute on other strategic initiatives.

Any integration process may result in unforeseen operating difficulties and require significant time and resources, and we may not be able to integrate the acquired personnel, operations, and technologies successfully or effectively manage the combined business in connection with any future acquisition. We

may also not achieve the anticipated benefits from any acquisition, investment or divestiture due to a number of factors, including:

- costs or liabilities associated with the transaction and thereafter, including but not limited to charges or assumption of substantial debt or other liabilities, adverse tax consequences or unfavourable accounting treatment, and claims and disputes by third parties, including intellectual property claims and disputes;
- diversion of management's attention from other business concerns;
- difficulties or inability to benefit from acquired content, technologies, services, or talent in a profitable manner;
- uncertainties in achieving the expected benefits of an acquisition or divestiture, including enhanced revenue, technology, human resources, cost savings, operating efficiencies, and other synergies, as well as, in the case of a divestiture, retained or ongoing exposure to liabilities of the business and related to its funding;
- harm to our existing relationships with partners, resellers, and customers as a result of the acquisition or divestiture;
- an acquisition may result in a delay or reduction of customer purchases for both us and the company we acquired due to customer uncertainty about continuity and effectiveness of service from either company;
- difficulties in successfully selling, or inability to sell, any acquired products;
- the risk of impairment charges related to potential write-downs of acquired assets or goodwill in future acquisitions;
- the potential strain on our financial and managerial controls and reporting systems and procedures;
- if we incur debt to fund such acquisitions, such debt may subject us to material restrictions on our ability to conduct our business and financial maintenance covenants, and materially increase our interest expense;
- difficulties and unforeseen expenditures in integrating the business, technologies, business systems, operations, and personnel of the acquired business or to separate out same within the context of a divestiture;
- difficulty converting the customers of the acquired business onto our platform and contract terms;
- if we inherit significant technical debt in connection with an acquisition;
- the potential diversion of focus from our existing business that an implementation of an acquired business could have;
- the potential loss of key employees and challenges inherent in effectively managing an increased number of employees in diverse locations;

- lawsuits resulting from an acquisition or divestiture and potential known and unknown liabilities associated with an acquired company;
- use of cash to pay for acquisitions would limit other potential uses for our cash and limit our ability to use resources that may be needed in other parts of our business;
- the use of substantial portions of our available cash or equity to consummate the acquisition or provide funding in the case of a partial divestiture;
- to the extent that we issue a significant amount of equity or equity-linked securities in connection with future acquisitions, existing shareholders may be diluted and earnings per share may decrease;
- managing the varying intellectual property protection strategies and other activities of an acquired company; and
- an acquisition may involve entry into geographic or business markets in which we have little or no experience or where competitors have stronger market positions, while a divestiture may preclude us from competing in a particular business or geography for a period of time following its completion.

If our acquisitions do not yield expected returns, we may be required to take charges for the write-down or impairment of amounts related to goodwill and intangible assets which could negatively impact our results of operations. We may issue additional equity securities in connection with any future acquisitions, that would dilute our existing shareholders, use cash that we may need in the future to operate our business, incur debt on terms unfavourable to us or that we are unable to pay, incur large charges or substantial liabilities, and become subject to adverse tax consequences, substantial depreciation, or deferred compensation charges. These challenges could adversely affect our business, financial conditions, results of operations, and prospects. In addition, strategic transactions may not align as anticipated with our long-term product roadmap or operational capabilities, which could reduce their expected return.

Our investments may be in companies that are not well known, are at an early stage of growth and have few securities outstanding that are not available on the public marketplace. Such investments may be “illiquid” or difficult to buy and sell, and the value of these securities may be subject to significant fluctuation. For example, the Company has 30% equity interest in SkillsWave and its loan to SkillsWave is secured by a first priority security interest over all of the assets of SkillsWave. There are no assurances that the Company will be able to realize on its investment in SkillsWave or otherwise monetize its interest therein. In addition, investments in early-stage or unlisted entities may also require ongoing monitoring, governance involvement, or additional funding, any of which could increase risk and resource commitments.

Investment in Late-stage or legacy companies—whether as potential acquisition targets, strategic partners, or providers of technologies integrated with our platform—also present unique risks that could adversely affect our business. These organizations may rely on outdated technology stacks, operate with significant technical debt, or maintain legacy processes and infrastructure that are costly or difficult to modernize. Integrating with or acquiring such companies may require substantial investment, extended transition periods, or complex system overhauls that could delay expected benefits or reduce anticipated returns. Legacy companies may also face entrenched operational inefficiencies, cultural resistance to change, or limited capacity to support evolving security, privacy, or regulatory requirements. Where these companies serve as vendors or partners, their inability to modernize or maintain required performance standards may disrupt our operations, increase our costs, or negatively impact customer experience. In addition, late-stage

companies often have long-standing contractual frameworks that may be inflexible, commercially outdated, or impose obligations that are misaligned with current market expectations.

If we choose to engage with, partner with, or acquire late-stage or legacy companies, we may encounter challenges such as unanticipated integration difficulties, elevated transition costs, system incompatibilities, prolonged periods of instability, or reduced operational agility. Any failure to effectively manage these risks could adversely affect our business, financial condition, and results of operations.

If we fail to maintain and execute a clear, coherent, and well-communicated company strategy, our business performance and long-term prospects may be harmed.

Our ability to compete effectively, allocate capital efficiently, and sustain long-term growth depends in part on our ability to articulate and execute a clear strategic direction. As we expand into new markets, enhance our platform, integrate acquisitions, and navigate evolving customer needs, we must make timely strategic decisions regarding product development, geographic focus, pricing, partnerships, and operational priorities. An absence of a cohesive strategy—or a failure to adapt our strategy in response to industry changes, competitive dynamics, technological developments, customer preferences, or macroeconomic conditions—could result in misaligned investments, underperformance in key markets, delays in product innovation, or inefficient deployment of resources.

If our strategy is unclear, overly diffuse, poorly communicated, or inconsistently executed, employees may lack alignment, customers and partners may lose confidence in our direction, and investors may question our ability to generate sustainable growth.

In addition, ineffective strategic decision-making may itself increase our business risk. Poor or untimely decisions regarding product development, market entry, pricing, or partnerships may result in failure to bring new products or features to market, missed revenue opportunities, inefficient allocation of resources, or engagement with partners that do not align with our long-term objectives. Misjudging customer needs, competitive dynamics, or technology trends may lead to investments that do not achieve expected returns or delay delivery of commercially viable offerings. These outcomes could hinder our ability to innovate, reduce our competitiveness, and adversely affect our financial performance.

Any of these factors alone or in combination, could negatively impact our competitive position, operational effectiveness, financial performance, and ability to attract and retain employees, customers, and capital. Any failure to maintain and execute an effective strategic plan may materially and adversely affect our business, results of operations, and prospects.

Privacy, data protection, and information security concerns, and data collection and transfer restrictions and related domestic or foreign regulations, may limit the use and adoption of our platform and adversely affect our business.

Use of our platform involves the storage, transmission, and processing of data from our customers and their end users (learners, employees or other personnel, including certain personal or individually identifying information). Personal privacy, information security, and data protection are significant issues in North America, Europe, and many other jurisdictions where we offer our platform. The regulatory framework governing the collection, processing, storage, and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations and/or contractual obligations may adversely affect our business. Compliance expectations may also vary widely among regulators, leading to uncertainty and increased operational burden.

In Canada, the federal *Personal Information Protection and Electronic Documents Act* (Canada) (“**PIPEDA**”) and similar provincial laws impose requirements regarding the collection, use, disclosure and protection of personal information. The requirements of these laws include obligations of companies to notify individuals of security or privacy breaches involving particular personal information, which could result from breaches experienced by us or by our vendors, contractors, or organizations with which we have formed strategic relationships. Even though we may have contractual protections with such vendors, contractors, or other organizations, notifications and follow-up actions related to a security or privacy breach could impact our reputation, cause us to incur significant costs, including legal expenses, harm customer confidence, hurt our expansion into new markets, cause us to incur remediation costs, or cause us to lose existing customers. These obligations may also require significant internal coordination and documentation, which could divert resources from other business priorities.

Many foreign countries and governmental bodies in countries we conduct business, including but not limited to Australia, Brazil, the EU, Singapore, the United Kingdom, and U.S., have laws and regulations concerning the collection and use of personal data obtained from their residents or by businesses operating within their jurisdictions. These laws and regulations apply broadly to the collection, use, storage, disclosure, and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, internet protocol, or IP addresses. The policies and frameworks we use to comply with these laws may be subject to legal challenge by data protection authorities. The European *General Data Protection Regulations 2016/679* (“**GDPR**”) took effect on May 25, 2018. The GDPR applies to any company established in the EU as well as to those outside the EU if they collect and use personal data through the provision of goods or services to individuals in the EU or monitor their behavior. The GDPR enhances data protection obligations on businesses and provides direct legal obligations for service providers processing personal data on behalf of customers, including with respect to cooperation with European data protection authorities, implementation of security and privacy measures and keeping records of personal data processing activities. Noncompliance with the GDPR can trigger fines of up to €20 million or 4% of global annual revenues, whichever is higher. Noncompliance may also cause us to experience reluctance or refusal by European customers to use our platform due to potential risk exposure created by transferring personal data from Europe. We and our customers face a risk of enforcement actions taken by European data protection authorities regarding data transfers from Europe. Supervisory authorities have increasingly scrutinized cross-border transfer mechanisms, resulting in more frequent inquiries and heightened documentation requirements.

Until recently, the transfer of data from the EU to the U.S. was governed under the EU-U.S. Privacy Shield. Following legal challenges, the Court of Justice of the EU invalidated the Privacy Shield. As a result, the U.S. and the EU agreed in principle on a replacement framework for the Privacy Shield, called the EU-U.S. Data Privacy Framework. In October 2022 the U.S. released an executive order implementing the EU-U.S. Data Privacy Framework, and the European Commission concurrently published a draft adequacy determination procedure for EU personal data transferred to the U.S. under the arrangement. A failure to comply with the EU-US Data Privacy Framework could provide uncertainty and result in additional blockages of data transfers. Moreover, if the EU-U.S. Data Privacy Framework were to be invalidated or otherwise limited by future legal or regulatory developments, we may be required to rely on alternative transfer mechanisms, which could increase compliance costs, create operational uncertainty, or further restrict our ability to transfer personal data necessary to deliver our services. As supervisory authorities continue to issue further guidance on personal information export mechanisms, including circumstances where the standard contractual clauses cannot be used and/or start taking enforcement action, we could suffer additional costs, complaints, and/or regulatory investigations or fines. As well, if we are otherwise unable to transfer personal information between and among countries and regions in which we operate, it could affect the manner in which we provide our services. Additionally, we may experience reluctance or refusal by current or prospective European customers to use our products, and it may be necessary or desirable for us to make further changes to our handling of personal data of EU residents, which may involve substantial expense and distraction from other aspects of

our business. In the meantime, there could be uncertainty as to how to comply with EU privacy laws. Frequent legal and regulatory shifts in data-export requirements may also require ongoing operational modifications that are costly to implement and maintain.

We are subject to other laws relating to privacy and data protection in foreign countries including, but not limited to, the *California Consumer Privacy Act*, the U.S. *Children's Online Privacy Protection Act* and Brazil's Law No. 13,709 (*Lei Geral de Proteção de Dados*). In addition, through contractual obligations with our customers, we sometimes agree to certain obligations related to the U.S. *Family Educational Rights and Privacy Act*, which generally prohibits educational institutions that receive federal funding from disclosing personally identifiable information from a student's education records without the student's consent. These contractual requirements may impose obligations that exceed baseline statutory requirements, increasing compliance complexity.

We also expect that there will continue to be new proposed laws, regulations, and industry standards (and/or changes thereto) concerning privacy, data protection, and information security in Canada, the U.S., the EU, the UK, and other jurisdictions in which we conduct business.

While we expect that new laws, regulations, and industry standards concerning privacy, data protection, and information security may emerge in the U.S., the EU, and other jurisdictions, we cannot determine the impact that these future laws, regulations, and standards may have on our business. Such laws and regulations are often subject to differing interpretations and may be inconsistent among jurisdictions. These and other requirements could reduce demand for our platform, increase our costs, impair our ability to grow our business, or restrict our ability to store and process data or, in some cases, impact our ability to offer our platform in some locations and may subject us to liability. Further, in view of new or modified federal, state, provincial or foreign laws and regulations, industry standards, contractual obligations, and other legal obligations, or any changes in their interpretation, we may find it necessary or desirable to fundamentally change our business activities and practices or to expend significant resources to modify our platform and otherwise adapt to these changes. We may be unable to make such changes and modifications in a commercially reasonable manner, or at all, and our ability to develop new features could be limited. Even where compliance is feasible, implementing new requirements may divert engineering and operational resources from product development or strategic initiatives.

Since we are a data processor, our customers (acting as the data controller) have sole control over the data that is pushed into our platform. Our customers could use our platform or applications to store or process personally identifiable information without our knowledge of such storage or processing. In the event that our systems experience a data security or privacy incident, or an individual or entity accesses information without proper authorization, we may be subject to requirements under privacy and data protection laws that require prompt remediation and notification to individuals. If we are unaware of the data and information stored on our systems, we may be unable to appropriately comply with all of our legal obligations. This lack of visibility may also complicate incident response efforts and increase the risk of regulatory scrutiny or contractual disputes.

The costs of compliance with and other burdens imposed by laws, regulations, and standards may limit the use and adoption of and reduce overall demand for our platform, or lead to significant fines, penalties, or liabilities for any noncompliance. These incidents could cause our customers to lose trust in us, which could harm our reputation and business, and materially adversely affect our operating results and financial condition. Privacy, information security, and data protection concerns, actual and perceived, may inhibit market adoption of our platform, particularly in certain industries and foreign countries. Additionally, increased regulatory focus on transparency and data-minimization principles may require changes to how our platform collects or processes data, reducing the flexibility of certain features.

Our growth depends in part on the success of our relationships with third parties.

We anticipate that the growth of our business will continue to depend on third-party relationships, including relationships with our suppliers, app developers, theme designers, referral sources, partners, and resellers.

Identifying, negotiating and documenting relationships with third parties requires significant time and resources as does integrating third-party technology. Our agreements with providers of cloud hosting, technology, and consulting services are typically non-exclusive and do not prohibit such service providers from working with our competitors or from offering competing services. These third-party providers may choose to terminate their relationship with us or to make material changes to their businesses, products or services in a manner that is adverse to us. Changes in a partner's strategic priorities, ownership, or financial condition may also reduce the reliability or availability of their products or services.

The success of our platform depends, in part, on our ability to integrate third-party applications and other offerings into our ecosystem, including the recent H5P acquisition. Third-party developers may change the features of their offering or applications or alter the terms governing the use of their offerings in a manner that is adverse to us. If third-party applications change such that we do not or cannot maintain the compatibility of our platform with these applications, or if we fail to integrate with third-party applications that our customers require, demand for our platform could decline.

Further, our competitors may effectively incentivize third-party developers to favour our competitors' products or services, which could diminish our prospects for collaborations with third parties and reduce subscriptions to our platform. In addition, providers of third-party offerings may not perform as expected under our agreements and we may in the future have disagreements or disputes with such providers. If any such disagreements or disputes cause us to lose access to products or services from a particular supplier or lead us to experience a significant disruption in the supply of products or services from a current supplier, especially a single-source supplier, they could have an adverse effect on our business and operating results. Inconsistent partner performance or the need to replace key third-party providers may also increase transition costs, require reengineering of integrations, or lead to service instability.

Finally, we rely on third-party partners whose capabilities, performance, or operational maturity may vary significantly. Some partners may lack the resources, expertise, or reliability required to support our customers or to integrate effectively with our platform. If a partner fails to meet expected quality standards, delivers sub-optimal work, experiences operational issues, or otherwise performs below our expectations, we may face increased support burdens, reputational risk, delays in implementation, or customer dissatisfaction. These issues may require us to allocate additional internal resources, replace the partner, or remediate their work, any of which could increase our costs, disrupt service delivery, or adversely affect our business and operating results.

We rely upon Amazon Web Services ("AWS") to operate certain aspects of our service and any restriction of, disruption of, or interference with our use of AWS could impair our ability to deliver our platform and applications to our customers, resulting in customer dissatisfaction, damage to our reputation, loss of customers and harm to our business.

AWS provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a cloud computing service. We have designed our software and computer systems to use data processing, storage capabilities and other services provided by AWS. Currently, our cloud service infrastructure is run on AWS. Given this, we cannot easily switch our AWS operations to another cloud provider, so any disruption of or interference with our use of AWS would impact our operations and our business would be adversely impacted. AWS provides us with computing and storage capacity pursuant to an agreement that continues until terminated by either party. If any of our arrangements with AWS are terminated, we could experience interruptions in our software as well as delays and additional expenses in

arranging new facilities and services. Additionally, we recently extended our agreement with AWS for a multi-year period. Should there be a change during the course of our commitment with AWS in the market standards or regulatory environment for data-hosting, or a change in the vendor's performance, reliability, or reputation, we may not be able to terminate or amend our agreement with AWS which could result in significant unrealized value by the Company and could impact our results from operations. Furthermore, unanticipated changes to or inaccurate estimates of our future usage of specific AWS services may negatively impact the value we receive from the agreement.

We utilize third-party data center hosting facilities operated by AWS located in several jurisdictions which include Australia, Canada, India, Ireland, Singapore, and U.S. Our operations depend, in part, on AWS's abilities to protect these facilities against damage or interruption from natural disasters, power or telecommunications failures, criminal acts and similar events. Despite precautions taken at our data centers, the occurrence of spikes in usage volume, a natural disaster, an act of terrorism, vandalism or sabotage, a decision to close a facility without adequate notice, or other unanticipated problems at a facility could result in lengthy interruptions in the availability of our platform. Even with current and planned disaster recovery arrangements, our business could be harmed. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability, cause us to issue credits, and/or cause customers to fail to renew their subscriptions, any of which could harm our business.

Additionally, we rely on AWS Bedrock's AI models, including those from Anthropic PBC ("**Anthropic**"), which develops large language models, for certain AI-driven functionalities within our platform. Any degradation in performance, material changes to AWS Bedrock's AI models, or limitations imposed by Anthropic on model availability, licensing, or output could materially impact our ability to deliver AI-powered services to our customers. If AWS or Anthropic were to experience outages, alter their commercial terms, or be subject to regulatory restrictions affecting their AI models, our AI capabilities could be disrupted, resulting in customer dissatisfaction, potential loss of revenue, potential contract disputes, D2L being required to offer credits to customers, and reputational harm.

In addition, the EU is actively evaluating and implementing measures that may restrict or condition the use of non-EU cloud infrastructure, including through the proposed European Cybersecurity Certification Scheme for Cloud Services ("**EUCS**"). Divergent Member State positions on the appropriate level of restrictions applicable to U.S. providers have already delayed the harmonization of cloud security standards, contributing to regulatory fragmentation within the region. If more restrictive sovereignty-based requirements are adopted, U.S.-based cloud providers—such as AWS—may face limitations, additional compliance obligations, or barriers to offering certain categories of cloud services in the EU.

If D2L is required to migrate portions of its EU hosted workloads to sovereign cloud or EU-only infrastructure, or to redesign elements of its architecture to comply with evolving EU regulations, the Company could incur significant transition, integration, and operating costs. Such requirements may also introduce operational risks, including potential service disruptions, reduced performance, or the need to support multiple, regionally distinct architectures. In addition, alternative or emerging EU-based cloud services may lack capabilities equivalent to those offered by AWS, particularly in the areas of scalability, security tooling, global service availability, and advanced AI-enabled features. These factors may impact D2L's ability to deliver reliable and competitive services in the EU could be adversely affected.

If D2L cannot adapt its cloud deployment strategy in a timely and cost-effective manner to comply with new EU sovereignty requirements or if significant restrictions are placed on U.S.-based cloud providers such as AWS, the Company may experience increased operating costs, reduced service competitiveness, delays in product delivery, and potential adverse impacts on customer relationships and market growth in the EU. Such developments may also constrain our long-term product roadmap or impede our ability to

offer consistent features across regions. These developments could materially and adversely affect D2L's business, financial condition, operating results, and prospects.

Mergers or other strategic transactions involving our competitors or customers could weaken our competitive position, which could harm our results of operations.

Some of our competitors may enter into new alliances with each other or may establish or strengthen cooperative relationships with systems integrators, third-party consulting firms or other parties, thereby limiting our ability to promote our products. Any such consolidation, acquisition, alliance or cooperative relationship could lead to pricing pressure and our loss of market share and could result in a competitor with greater financial, technical, marketing, service and other resources, all of which could have a material adverse effect on our business, results of operations and financial condition. These transactions may also accelerate competitors' product development cycles or expand their bundled offerings, making it more challenging for us to differentiate our platform. Consolidation within our existing and target markets as a result of mergers or other strategic transactions may also create uncertainty among customers as they realign their businesses and impact new sales and renewal rates. For example, mergers or strategic transactions by potential or existing customers may delay orders for our products and services or cause the use of our products to be discontinued, which could have a material adverse effect on our business, results of operations and financial condition. Customer consolidation may further increase purchasing leverage, resulting in pressure on pricing or contract terms, or may lead customers to standardize on technologies that do not include our platform.

If we fail to effectively manage our growth or our business does not grow as we expect, our business and results of operations could be harmed.

We have experienced, and may continue to experience, growth and organizational change, which has placed, and may continue to place, significant demands on our management and our administrative, operational and financial resources. In addition, we operate globally, including presences in Australia, Brazil, Canada, Europe, India, Mexico, Singapore, the United Kingdom, and the U.S. We may expand our operations into other countries in the future, which would place additional demands on our resources and operations. Additionally, we continue to increase the breadth and scope of our platform and our operations. As we grow our operations and revenues, we must also realize increasing profitability as we scale and optimize our expenditures. Sustained growth may also require more sophisticated operational processes, cross functional coordination, and expanded governance structures, which may be difficult to implement efficiently. To support this growth, and to manage any future growth effectively, we must continue to improve our IT and financial infrastructures, our operating and administrative systems, and our ability to manage headcount, capital, and internal processes in an efficient manner. As we continue to grow, so does the size of our customers. The increased resources required to service these relatively large customers may cause us to divert resources away from our existing customers, which may have an adverse impact on our ability to maintain existing customers and our results of operations. Our organizational structure is also becoming more complex as we grow our operational, financial, and management infrastructure and we must continue to improve our internal controls as well as our reporting systems and procedures in an efficient manner. Managing this complexity may require additional layers of leadership, new systems, or revised operational practices, any of which may introduce temporary inefficiencies or execution risk.

We intend to continue to make measured investments to expand our business, including investing in technology and sales and marketing operations, improving our internal controls, reporting systems and procedures, and upgrading our infrastructure. These investments will require significant capital and operating expenditures and the allocation of management resources, and any investments we make will occur in advance of experiencing the benefits from such investments, making it difficult to determine in a timely manner if we are efficiently allocating our resources. If we do not achieve the benefits anticipated

from these investments, or effectively manage the cost of such investments, or if the achievement of these benefits is delayed, our results of operations may be adversely affected. In particular, misjudging the pace or direction of our growth could lead to over- or under-investment in critical areas, operational bottlenecks, or reduced responsiveness to customer needs. In particular, misjudging the pace or direction of our growth could lead to over or underinvestment in critical areas, operational bottlenecks, or reduced responsiveness to customer needs.

If we are unable to hire, retain and motivate qualified employees, our business will suffer.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled employees. In addition, because our future success is dependent on our ability to continue to enhance and introduce new platform features, we are heavily dependent on our ability to attract and retain qualified employees with the requisite education, background, and industry experience. The market for highly skilled employees is very competitive due to the limited pool of qualified candidates with the skillset required within the industry. The currency fluctuation in the Canadian dollar relative to the U.S. dollar could also impact the Company in compensation offerings for new employees and could potentially increase the Company's costs in hiring qualified employees. As we expand our business, our continued success will also depend, in part, on our ability to attract and retain qualified sales, marketing, technical and operational employees capable of supporting a larger and more diverse customer base. The inability to attract new employees or failure to retain and motivate our current employees may seriously harm our business, financial condition and operating results.

In addition, the loss of the services of a significant number of our technology or sales employees could be disruptive to our business development efforts or customer relationships and if any of our employees join competitors or decide to otherwise compete with us, we may experience a disruption of our operations and business strategy. Competition for employees with specialized skills in areas such as AI, compliance, engineering, product development, data science, and enterprise sales may require us to offer higher compensation or enhanced benefits, increasing our operating costs. Further, changes we make to our current and future work environments may not meet the needs or expectations of our employees or may be perceived as less favourable compared to other companies' policies, which could negatively impact our ability to hire and retain qualified personnel. Our future work strategy and continued efforts related to employee onboarding, training and development and retention may not be successful. Efforts to adapt our work model or workplace culture may also create short-term disruption or require investments in tools, training, or management capacity. Further, our future work strategy is continuing to evolve and may not meet the needs of our existing and potential future employees, and they may prefer work models offered by other companies.

Our large customers have substantial negotiating leverage, which may require that we agree to terms and conditions that result in increased costs of sales, decreased revenue and lower average selling prices and gross margin percentages, all of which would harm our results of operations.

Some of our customers include state-level agencies and large school districts. These customers have significant bargaining power when negotiating new SaaS arrangements or term licenses, or renewals of existing agreements, and have the ability to buy similar solutions from other vendors or develop such systems internally. These customers have and may continue to seek advantageous pricing and other commercial terms and may require us to develop additional features in the solutions we sell to them. These customers may also require us to implement their purchased solutions on an expedited basis. In addition, large customers may impose their preferred contractual terms—such as more stringent service-level commitments, broader indemnification obligations, data-handling requirements, or audit rights—which can increase our cost-of-service delivery or operational complexity. Significant pricing pressure or expanded scope commitments driven by these customer demands may also reduce the scalability of our sales model

and limit our ability to improve margins over time. If we are unable to implement our solutions to our customers satisfaction or avoid reducing our selling prices and gross margin percentages, our results of operations would be harmed.

The failure of information systems could adversely impact D2L's reputation and results of operations.

D2L's operations depend on IT systems and increasingly on AI tools to support business processes, decision-making, automation, and customer interactions. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, and vulnerabilities unique to AI-driven processes, such as data poisoning, adversarial attacks, or model biases, as well as disruptions resulting from incidents such as damage to equipment, natural disasters, terrorism, fire, loss of power, vandalism and theft. D2L's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Similarly, failures or errors in AI-generated outputs, unintended biases, or reliance on outdated or incomplete datasets could lead to flawed decision-making, compliance risks, or reputational harm. System performance issues, integration failures, or misconfigurations—whether in traditional IT infrastructure or AI-driven components—may also disrupt key internal processes or impair customer experience. Any of these and other events could result in information system failures, delays, inaccurate AI-driven recommendations, and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact D2L's reputation and results of operations. D2L's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, D2L may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities. In addition, increasing system complexity and greater reliance on interconnected third-party technologies may heighten the likelihood that failures or outages originating outside our direct control could impact our operations.

Failure to effectively invest in our sales and marketing capabilities or to select appropriate marketing channels could harm our ability to increase our customer base and achieve broader market acceptance of our platform.

Our ability to increase the number of customers and increase the market share of our platform will depend to a significant extent on the ability of our sales and marketing organizations to work together to drive our sales pipeline and cultivate customer and partner relationships to drive revenue growth. We have invested in our sales and marketing organizations, both domestically and internationally. Identifying, recruiting, and training sales and marketing personnel will require significant time, expense, and attention. We also plan to continue to dedicate significant resources to sales and marketing programs, including lead generation activities and brand awareness campaigns, such as search engine and email marketing, online banner and video advertising, learner events, and webinars.

If we are unable to hire, develop, and retain talented sales or marketing personnel, if our new sales or marketing personnel are unable to achieve desired productivity levels in a reasonable period of time, or if we fail to select appropriate marketing channels and our sales and marketing programs are not effective, our ability to increase the number of customers and increase the market share of our platform could be harmed. In addition, ineffective alignment between our sales and marketing functions, shifting customer preferences, or underperformance in particular channels may limit our ability to generate qualified leads or convert prospects.

In addition, the investments we make in our sales and marketing organization will occur in advance of experiencing benefits from such investments, making it difficult to determine in a timely manner if we are efficiently allocating our resources in these areas. If these initiatives do not produce expected pipeline growth or customer acquisition results, we may incur higher customer acquisition costs, reduced sales efficiency, or slower growth than anticipated.

If we cannot maintain our Company's culture, we could lose the innovation, creativity, collaboration, and focus on execution that we believe contribute to our success and our business may be harmed.

We believe that a critical component to our success has been our Company's culture. We invest in our employees to innovate, collaborate and bring the best of themselves to work every day. Additionally, as we grow, we may find it difficult to maintain important aspects of our Company's culture. We must effectively integrate, develop, and motivate employees who are working remotely and based in various jurisdictions around the world, while at the same time preserving our ability to execute quickly on new features and initiatives. Differences in local work norms, communication styles, and expectations across regions may further challenge our ability to foster a cohesive culture at scale. We may find it difficult to maintain our corporate culture in these circumstances, which could limit our ability to innovate and operate effectively. If we fail to preserve our culture, our ability to retain and recruit personnel, to continue to perform at current levels and to effectively focus on and pursue our corporate objectives could harm our business. In particular, cultural erosion could reduce collaboration, slow decision-making, or diminish employee engagement, each of which may impair our operational performance.

We are dependent on the continued services and performance of our senior leadership team and other key employees, the loss of any of whom could adversely affect our business, operating results and financial condition.

Our future performance depends on the continued services and contributions of our senior leadership, including our Chief Executive Officer, President, and founder, John Baker and other key employees to execute on our business plan and to identify and pursue new opportunities and product innovations. The failure to properly manage succession plans and/or the loss of services of senior leadership or other key employees could significantly delay or prevent the achievement of our strategic objectives. From time to time, there may be changes in our senior leadership team resulting from the hiring or departure of executives, which could disrupt our business. The loss of the services of one or more of our senior leadership or other key employees for any reason could adversely affect our business, financial condition and operating results and require significant amounts of time, training and resources to find suitable replacements and integrate them within our business and could affect our corporate culture. Many of our long-tenured employees possess deep institutional knowledge regarding our products, customers, and internal processes, and the loss of these individuals could result in gaps in expertise, reduced operational continuity, or delays in strategic initiatives. Leadership transitions may also temporarily slow strategic decision-making, affect employee morale, or disrupt relationships with customers, partners, and investors. In addition, competition for experienced executives in the technology and education sectors is intense, which may make it difficult to attract qualified successors or fill key roles promptly.

We may not receive significant revenue as a result of our current research and development efforts.

We reinvest a large percentage of our revenue in research and development (“R&D”). Our investment in our current R&D efforts may not provide a sufficient, timely return. We make and will continue to make significant investments in software R&D and related product opportunities. Investments in new technology, markets, and processes are inherently speculative and involves a significant amount of time for our R&D and allied teams. Commercial success depends on many factors including the degree of innovation of the products developed through our R&D efforts, sufficient support from our strategic partners, and effective

distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for R&D. These expenditures may materially adversely affect our operating results if they are not offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our R&D efforts in order to maintain our competitive position. However, significant revenue from new product and service investments may not be achieved for a number of years, if at all. Moreover, new products and services may not be profitable. In addition, shifts in technology trends, evolving customer expectations, or changes in regulatory requirements may require us to redirect or reprioritize R&D initiatives, which could delay commercialization or reduce the expected return on these investments. If we are unable to successfully translate our R&D initiatives into market-ready offerings that achieve customer adoption at scale, our long-term growth prospects and competitive position could be adversely affected.

Natural disasters, public health crises, political crises, or other catastrophic or adverse events, including adverse and uncertain macroeconomic conditions may adversely affect our business, operating results, or financial position.

Our business could be adversely affected by the effects of natural disasters, such as earthquakes, hurricanes, tornadoes, floods, and other adverse weather and climate conditions, political crises, such as terrorist attacks, war, including ongoing conflict between Russia and Ukraine as well as in the Middle East, and other political instability, health pandemics or epidemics, such as the COVID-19 pandemic, or other catastrophic events that could disrupt the economy and put strains on governments, health care systems, businesses and individuals around the world. Prolonged health concerns or political or governmental developments in countries in which we or our customers, partners and service providers operate could result in further economic, social or labour instability, slow our sales process, result in customers not purchasing or renewing our learning technologies or failing to make payments, and could otherwise have a material adverse effect on our business and our results of operations and financial condition. Such events could also disrupt our operations in any of our offices or the operations of one or more of our third-party providers and vendors. Severe weather events or climate-related disruptions could also increase operational risk for our infrastructure providers, data centres, and network partners, potentially leading to service interruptions or reduced platform performance. The extent to which such events impact our business, operations, and financial performance is highly uncertain and will depend on numerous factors that we may not be able to accurately predict or assess, including, but not limited to, the severity, extent and duration of such an event, including any resulting economic recession and the continued governmental, business and individual actions taken in response to such an event.

A significant natural disaster, such as a fire or flood, occurring at our headquarters, at one of our other offices, at any of our cloud hosting provider facilities, or where a business partner is located, as a result of climate change or otherwise, could adversely affect our business, results of operations and financial condition. Further, if a natural disaster or man-made incident were to affect Internet service providers, this could adversely affect the ability of our customers to use our learning platform. In the event of a major disruption caused by a natural disaster or any other incident, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities and lengthy interruptions in service, any of which could adversely affect our business, results of operations and financial condition. Additionally, disruptions affecting key regions where our workforce, customers, or vendors are concentrated may hinder our ability to provide timely support, deliver implementations, or maintain service quality.

Furthermore, our business and results of operations have been, and may continue to be, impacted by recent adverse and uncertain macroeconomic conditions, including higher inflation, higher interest rates, the imposition of tariffs on trade between U.S. and Canadian, and fluctuations or volatility in capital markets or foreign currency exchange rates, the collapse of financial institutions, and related uncertainty regarding

geopolitical events, such as local and international changes in political administrations. In particular, we have experienced in certain instances, and may continue to experience, longer sales cycles or generally increased scrutiny on spending from existing and potential customers due to macroeconomic uncertainty. We cannot be certain how long these uncertain macroeconomic conditions and the resulting effects on our industry, our business strategy, and customers will persist. In addition, broader financial volatility may also affect the stability of our third-party vendors or partners, increasing the risk of operational disruptions if they are unable to maintain service levels or meet contractual obligations.

We are subject to contractual clauses that require us to comply with certain provisions of the Family Educational Rights and Privacy Act (“FERPA”), and we are subject to the Children’s Online Privacy Protection Act (“COPPA”), and if we fail to comply with these laws, our reputation and business could be harmed.

FERPA generally prohibits educational institutions that receive federal funding from disclosing personal identifiable information (“PII”) from a student’s education records without the student’s consent. Through our learning platform, our customers and users disclose to us certain information that may originate from or comprise a student education record, as the term is defined under FERPA. As an entity that provides services to institutions, we are often subject to contractual clauses that impose restrictions derived from FERPA on our ability to collect, process, transfer, disclose, and store student data. If we violate our obligations to any of our educational institution customers relating to the privacy of student records subject to FERPA, such a violation could constitute material breach of contract with one or more of our customers and could harm our reputation and business. Further, in the event that we disclose student information in a manner that results in a violation of FERPA by one of our educational customers, the U.S. Department of Education could require that customer to suspend our access to the customer’s student information that is covered under FERPA for a period of at least five years. Such a suspension could disrupt our service delivery to that customer and reduce revenue from affected deployments.

We are also subject to COPPA, which applies to operators of commercial websites and online services directed to U.S. children under the age of 13 that collect PII from children, and to operators of general audience websites with actual knowledge that they are collecting information from U.S. children under the age of 13. Our learning platform is directed, in part, at children under the age of 13. Through our learning platform, we collect certain PII, including names and email addresses from children. COPPA is subject to interpretation by courts and other governmental authorities, including the Federal Trade Commission, and the Federal Trade Commission is authorized to promulgate, and has promulgated, revisions to regulations implementing provisions of COPPA, and provides non-binding interpretive guidance regarding COPPA that changes periodically with little or no public notice. Although we strive to ensure that our platform and applications are compliant with applicable COPPA provisions, these provisions may be modified, interpreted, or applied in new manners that we may be unable to anticipate or prepare for appropriately, and we may incur substantial costs or expenses in attempting to modify our systems, platform, applications, or other technology to address changes in COPPA or interpretations thereof. Compliance may require ongoing adjustments to parental consent processes, data retention practices, and age screening mechanisms. If we fail to accurately anticipate the application, interpretation or legislative expansion of COPPA we could be subject to governmental enforcement actions, litigation, fines and penalties or adverse publicity, and we could be in breach of our customer contracts and our customers could lose trust in us, which could harm our reputation and business.

In addition to government regulation, privacy advocates and industry groups may propose self-regulatory standards, such as the Student Privacy Pledge (a public and legally enforceable statement by edtech companies to safeguard student privacy, built around a dozen privacy commitments regarding the collection, maintenance, use, and sharing of student personal information), from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such

standards or to facilitate our customer's compliance with such standards. Following these privacy standards and adapting to future standards involves significant operational challenges. In addition, any inability or decision not to join these industry initiatives could damage our reputation, inhibit sales, slow our sales cycles and adversely affect our business. Compliance with such voluntary standards may also require implementing controls or restrictions that exceed statutory requirements, increasing operational complexity.

Because the interpretation and application of many privacy and data protection laws along with contractually imposed industry standards are uncertain, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our learning platform and platform capabilities. If so, in addition to the possibility of fines, lawsuits and other claims and penalties, we could be required to fundamentally change our business activities and practices or modify our learning platform and platform capabilities, which could have an adverse effect on our business. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and data security laws, regulations and policies, could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business. In particular, failure to meet FERPA or COPPA related contractual obligations could increase customer attrition and reduce our competitiveness in the education sector.

We may face exposure to foreign currency exchange rate fluctuations.

We conduct our business in various countries across the world. As we continue to grow our international operations, we will become more exposed to the effects of fluctuations in currency exchange rates. This exposure is the result of selling in multiple currencies and operating in foreign countries where the functional currency is the local currency. Because we conduct business in currencies other than U.S. dollars, but report our results of operations in U.S. dollars, fluctuations in the exchange rates of these foreign currencies, including any fluctuations caused by geopolitical uncertainties, may hinder our ability to predict our future results and earnings and materially impact our business, financial condition, and operating results. Foreign-currency volatility may also influence our pricing strategies, competitiveness in certain markets, and the comparability of our financial performance across reporting periods.

We have not previously engaged in foreign currency hedging. If we decide to hedge our foreign currency exposure, we may not be able to completely eliminate the impact of fluctuations in the exchange rates. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

Further, while the majority of our revenues are denominated in U.S. dollars, the majority of our operating expenses are incurred in Canadian dollars. As a result, our operating profits will be adversely impacted by an increase in the value of the Canadian dollar relative to the U.S. dollar. The value of the Canadian dollar relative to the U.S. dollar has varied significantly and investors are cautioned that past and current exchange rates are not indicative of future exchange rates. Sustained currency appreciation or volatility could also impact our cost structure, long-term financial planning, and ability to meet margin expectations.

Our business can be impacted by government policy and regulatory actions.

D2L derives a portion of revenue from contracts with federal, provincial/state, local, and foreign governments, as well as government agencies, including public school districts/boards and institutions for higher education. We operate in markets that are often highly regulated and dependent on government funding and associated revenues to support our contracts. We believe that the success and growth of our business will continue to depend on our ability to correctly assess, influence, and respond to the direction of government policy, regulatory actions, and funding. Outside of our ability to effectively manage government relationships to procure contracts, we are subject to the direct risks of government actions on

technology providers and indirectly to the risks of government action on our customers. Shifts in public-sector procurement practices, budget cycles, or approval processes may also affect the timing and likelihood of contract awards or renewals.

Moreover, in markets outside of Canada, any push or prioritization for local/national procurement and data residency would impact our ability to grow or require us to deliver our solutions through local partners that could have implications for our intellectual property protection and/or impede our ability to meaningfully control commercial terms. Evolving sovereignty, localization, or public-sector preference rules may also require additional operational adjustments or limit our participation in certain tenders.

A number of our customers are reliant on government funding for their operations. Changes to grant availability, formula-funding models, or public-budget prioritization may further influence purchasing decisions, renewals, and customer expansion plans. At the U.S. federal level, the current administration is modifying and reducing some program funding that impacts the K-12, Higher Education, and other training sectors, while some proposed regulatory changes could enable more education and training innovation including in non-traditional markets. This follows a period where COVID-19 was a catalyst for governments and agencies to increase spending on education and training. Those emergency funds are still minimally impacting institutional budgets, but impending expiration of those funds may also cause a near-term pull back in spending that could impact our ability to grow while institutions readjust their budgets.

Our sales to government entities are subject to a number of challenges and risks, which could negatively impact our business.

Our sales to government entities are subject to a number of challenges and risks, which could negatively impact our business. We sell to government customers, including in the U.S. and Canada. Sales to such entities, whether direct or indirect, are subject to a number of challenges and risks. Selling to such entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Government procurement processes often involve lengthy evaluation periods, mandatory disclosure requirements, and strict compliance with technical specifications or bidding rules, any of which may increase the cost and complexity of securing contracts.

Government demand and payment for our offerings may be negatively impacted by public sector budgetary cycles and funding authorizations, such as federal government shutdowns, with funding reductions or delays adversely affecting public sector demand for our offering. Changes in political priorities or shifts in administration may also disrupt funding, alter purchasing preferences, or delay procurements.

Further, governmental entities or their contractors may demand contract terms that differ from our standard arrangements and are less favourable than terms agreed with private sector customers. Such entities may have statutory, contractual or other legal rights to terminate contracts with us or our partners for convenience or for other reasons, some of which may be outside our control. Government entities may also impose more rigorous performance obligations, data-handling requirements, or audit rights, which could increase our delivery costs or operational burden. Any termination for default/cause may adversely affect our ability to contract with other government customers as well as our reputation, business, financial condition, and results of operations. In addition, adverse performance findings or bid protests—even if unfounded—could limit future opportunities or require significant resources to resolve.

Our quarterly and annual results of operations may vary significantly and may be difficult to predict. If we fail to meet the expectations of investors or securities analysts, our share price and the value of the Subordinate Voting Shares could decline.

Our quarterly and annual billings, revenue and results of operations have experienced fluctuations in the past and may vary significantly in the future due to a variety of factors, many of which are outside of our control. Our financial results in any one quarter should not be relied upon as indicative of future performance. We may not be able to accurately predict our future billings, revenue or results of operations. Factors that may cause fluctuations in our quarterly results of operations include, but are not limited to, those listed below:

- changes in spending on learning platforms and related services by our current or prospective customers;
- fluctuations in the demand for our platform, and the timing of sales, particularly larger subscriptions;
- our ability to attract new customers or retain existing customers;
- changes in customer renewal rates and our ability to increase sales to our existing customers;
- the seasonal buying patterns of our customers;
- the budgeting cycles and internal purchasing priorities of our customers;
- the payment terms and subscription term length associated with our platform sales and their effect on our billings and Free Cash Flow;
- our ability to anticipate or respond to changes in the competitive landscape, including consolidation among competitors;
- our ability to access, or partner with effective service providers or partners;
- the timing of expenses and recognition of revenue;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations, and infrastructure;
- the timing and success of new product feature and service introductions or application enhancements by us or our competitors;
- network outages or actual or perceived privacy and security incidents, including cybersecurity, or breaches;
- changes in laws and regulations that impact our business;
- our ability to operate the Company and effectively manage its growth under evolving macroeconomic conditions, such as recessionary environments, high inflation and international trade uncertainties;
- foreign currency exchange rate fluctuations;
- general economic, market and political conditions in our domestic and international markets;

- variations in sales cycles across regions or customer segments, which may cause certain quarters to include an unusually high or low mix of large deals;
- the impact of multi-year contracts, renewals, or early terminations on the timing of recognized revenue; and
- the timing of hiring or onboarding in key operational and customer-facing roles, which may influence our ability to deliver implementations or close opportunities within a given period.

If our billings, revenue or results of operations fall below the expectations of investors or securities analysts in a particular quarter, or below any guidance that we may provide, the price of our Subordinate Voting Shares could decline. Even short-term fluctuations that are consistent with historical patterns may be perceived negatively by the market, which could increase share-price volatility.

Seasonality may cause our sales and customer growth to vary from quarter-to-quarter depending on the variability in the volume and timing of sales and renewals.

Procurement periods of educational institutions, which are typically based on a fiscal year ending June 30 in the U.S., may result in seasonal fluctuations. Certain international regions and verticals may also follow different academic or fiscal cycles, contributing to uneven demand patterns across periods. These factors, among other things, make forecasting more difficult and may adversely affect our ability to predict financial results accurately, which could result in volatility or adversely affect the market price of our Subordinate Voting Shares. Seasonal concentration of sales activity may also lead to quarter-end resource constraints or compressed implementation timelines, which could increase execution risk in peak periods.

Changes to our platform, services or networks may result in a loss of customers.

Our platform and the other systems or networks used in our business, including the security and information technology infrastructure upon which our platform relies, will evolve over time. In response to such changes, certain existing customers may decide not to renew their subscriptions or may decide to exercise the rights of termination available to them. In addition, such changes could result in a failure to sign up certain prospective customers as updates, feature modifications, user interface redesigns, or shifts in underlying technology may not align with customer expectations or workflows, and customers may perceive such changes as disruptive, overly complex, or not meeting their needs. Losses of existing or prospective customers could have a material adverse effect on our business, financial condition, and results of operations. Furthermore, if changes introduce unanticipated performance issues, integration challenges, or require additional customer adoption effort, this may further increase churn risk or slow new-customer acquisition.

If we do not maintain the compatibility of our solutions with third-party applications that our customers use in their business processes, demand for our solutions and revenue could decline.

Our solutions can be used alongside a wide range of other systems, such as enterprise software systems and business software applications used by our customers in their businesses. If we do not support the continued integration of our solutions with third-party applications, including through the provision of APIs that enable data to be transferred readily between our solutions and third-party applications, demand for our solutions could decline, and we could lose sales. Third-party providers of applications may change the features of their applications and software, restrict our access to their applications and software, or alter the terms governing use of their applications and access to those applications and software in an adverse manner. Such changes could functionally limit or terminate our ability to use these third-party applications and software in conjunction with our platform, which could negatively impact our offerings and harm our business. Integration risks may also arise if third-party vendors discontinue products, modify technical

standards, or adopt new interoperability requirements that require us to redesign or update our connectors, APIs, or internal workflows.

We will also be required to make our solutions compatible with new or additional third-party applications that are introduced into the markets that we serve. We may not be successful in making our solutions compatible with these third-party applications, which could reduce demand for our solutions. Delays in integration or technical incompatibilities may further impact customer onboarding timelines or limit the adoption of certain platform capabilities.

In addition, prospective customers, especially large enterprise customers, may require heavily customized features and functions unique to their business processes. If prospective customers require customized features or functions that we do not offer, then the market for our solutions will be adversely affected. Customization demands that exceed our product roadmap or technical capacity may also divert resources, increase implementation costs, or reduce the scalability of our platform across customer segments.

Changes in our pricing models could adversely affect our revenue, gross profit and financial position.

Changes in our pricing models could adversely affect our revenue, gross profit and financial position. We have in the past and expect in the future that we may need to change our pricing model or contract length from time to time. As the market for our platform and applications grows, as new competitors introduce new competitive applications or services, or as we enter into new markets, we may be unable to attract new customers at the same price or based on the same pricing models we have historically used, or for contract lengths consistent with our historical averages. Pricing and contract length decisions may also impact the adoption of our learning platform and negatively impact our overall revenue. Moreover, larger organizations may demand substantial price concessions or shorter contract duration. Customers may also seek increased flexibility through modular pricing, usage based billing, or customized commercial structures, which may reduce predictability of revenue or lower average contract value. As a result, in the future we may be required to reduce our prices or offer shorter contract durations, which could adversely affect our revenue, gross profit, and financial position. In addition, the introduction of new product tiers or bundled offerings may require adjustments to our pricing strategy that could result in temporary dilution of margins or create challenges in forecasting customer uptake.

We recognize revenue from subscriptions over the term of our customer contracts, and as such our reported revenue and billings may differ significantly in a given period, and our revenue in any period may not be indicative of our financial health and future performance.

We recognize revenue from subscriptions ratably over the subscription term of the underlying customer contract. Our billings are recorded upon invoicing for access to our platform, and thus a significant portion of the billings we report in each quarter, are generated from customer agreements entered into during the period. As a result, much of the revenue we report each quarter is derived from contracts that we entered into with customers in prior periods. Consequently, a decline in new or renewed subscriptions in any quarter will not be fully reflected in revenue or other results of operations in that quarter but will negatively affect our revenue and other results of operations across future quarters. It is difficult for us to rapidly increase our revenue from additional billings in a given period. Any increases in the average term of subscriptions would result in revenue for those contracts being recognized over longer periods of time with less positive impact on our results of operations in the near term. Similarly, changes in invoicing patterns—such as shifts to multi-year agreements, customer requests for bespoke payment schedules, or variations in contract start dates—may increase the divergence between billings and recognized revenue in particular periods. Accordingly, our revenue in any given period may not be an accurate indicator of our financial health and future performance. This timing mismatch may also reduce the comparability of our results from quarter to quarter and complicate investor or analyst evaluation of our underlying growth trends.

Our sales cycles can be unpredictable, and our sales efforts require considerable time and expense. As a result, the timing of our billings and revenue are difficult to predict and may vary substantially from period to period, which may cause our results of operations to fluctuate significantly.

Our results of operations may fluctuate, in part, because of the resource intensive nature of our sales efforts, the length and variability of our sales cycle, and difficulty in adjusting our operating expenses in the short term. The length of our sales cycle, from identification of the opportunity to delivery of access to our platform, can vary from customer to customer, reflecting differences in our potential customers' decision-making process, procurement requirements and budget cycles, on the size of the business, and is subject to significant risks over which we have little or no control, including:

- customers' budgetary constraints and priorities;
- customers' administrative, processing, and other delays;
- the timing of customers' budget cycles;
- the need by some customers for lengthy evaluations that often include both their administration and faculties or for corporate customers, approvals of multiple management personnel and more technical personnel than would be typical of a smaller organization; and
- the length and timing of customers' approval processes.

To the extent our competitors develop products that our prospective customers view as equivalent or superior to our platform, our average sales cycle may increase. Additionally, if a key sales member leaves our employment or if our primary point of contact at a customer or potential customers leaves his or her employment, our sales cycle may be further extended, or customer opportunities may be lost. Variability in procurement timing across regions and customer segments may also result in periods of concentrated deal activity followed by periods of lower sales volume.

As a result of the buying behavior of educational institutions and enterprises and the efforts of our sales force and partners to meet or exceed their sales objectives by the end of each fiscal quarter, we may generate a substantial portion of billings towards the end of each fiscal quarter. These transactions may not close as expected or may be delayed in closing. The unpredictability of the timing of customer purchases, particularly large purchases, could cause our billings and revenue to vary from period to period or to fall below expected levels for a given period, which will adversely affect our business, results of operations, and financial condition. Delays in closing larger opportunities can also significantly impact our quarterly performance because such transactions may represent a substantial portion of our expected billings for a period.

We believe our long-term success depends in part on continuing to expand our international sales and operations and we are therefore subject to a number of risks associated with international sales and operations.

We intend to continue expanding our international operations. In order to maintain and expand our sales internationally, we may need to hire and train experienced personnel to staff and manage our foreign operations. To the extent that we experience difficulties in recruiting, training, managing, and retaining international staff, and specifically sales and marketing personnel, we may experience difficulties in growing our international sales. International expansion also requires meaningful management oversight to coordinate multi-jurisdictional activities, which may strain existing operational capacity.

Conducting our business internationally, particularly with expansion into countries in which we have limited experience, subjects us to a variety of risks, including, but not limited to:

- unexpected costs and errors in tailoring our products for individual markets, including translation into foreign languages and adaptation for local practices;
- difficulties in adapting to customer desires due to language and cultural differences;
- new and different sources of competition;
- increased financial accounting and tax reporting burdens and complexities;
- increased expenses associated with international sales and operations, including establishing and maintaining office space and equipment for our international operations;
- lack of familiarity and burdens of complying with foreign laws, legal standards, privacy standards, regulatory requirements, tariffs, and other barriers;
- greater difficulty in enforcing contracts and accounts receivable collection and longer collection periods;
- practical difficulties of enforcing intellectual property rights in countries with fluctuating laws and standards and reduced or varied protection for intellectual property rights in some countries;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties, or other trade restrictions, such as the possibility of tariffs or digital services taxes being imposed by a foreign government on the sale of Canadian software;
- limitations on technology infrastructure, which could limit our ability to migrate international operations to our existing systems, which could result in increased costs;
- difficulties in managing and staffing international operations and differing employer/employee relationships and local employment laws;
- fluctuations in exchange rates that may increase the volatility of our foreign-based revenue;
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings;
- dependence on third parties, including potential resellers with whom we do not have extensive experience; and
- unrest and/or changes in a specific country's or region's social, political, legal, health or economic conditions.

Additionally, operating in international markets also requires significant management attention and financial resources. We plan to continue investing substantial time and resources to expand our international operations, but we cannot be certain that these investments will produce desired levels of revenue or profitability. Furthermore, the any future imposition of tariffs or digital services taxes by the U.S. or other governments (including the Canadian government) could have a significant impact on our business and our ability to expand our business internationally. Regulatory fragmentation, local certification requirements, or evolving data-sovereignty rules may also limit our ability to scale consistently across regions or complicate product deployment. These factors and other factors could harm our ability to gain future

international revenue and, consequently, materially affect our business, results of operations, and financial condition.

We rely upon SaaS and AI technologies from third parties to operate our business, and interruptions, performance problems, security and privacy vulnerabilities, or regulatory issues with these technologies may adversely affect our business and results of operations.

We rely on hosted SaaS applications from third parties in order to operate critical functions of our business, including platform delivery, enterprise resource planning, customer relationship management, billing, project management, human capital management, and accounting and financial reporting. If these services become unavailable due to extended outages, interruptions, or because they are no longer available on commercially reasonable terms, our expenses could increase, our ability to manage finances could be interrupted, and our processes for managing sales of our platform and supporting our customers could be impaired until equivalent services, if available, are identified, obtained, and implemented, all of which could adversely affect our business. Any material degradation in performance or latency issues within these third-party systems may also negatively impact customer experience or delay our internal operations.

In addition, our reliance on a large number of third-party vendors and SaaS providers increases the complexity of our data-governance environment and creates additional data-privacy and compliance risks. A growing vendor ecosystem can make it more difficult to maintain consistent controls over data retention, minimization, classification, and security practices across all external providers. If any vendor fails to comply with applicable privacy or security requirements, contractual obligations, or our internal policies, or if we are unable to effectively monitor and rationalize our vendor portfolio, we may be exposed to increased regulatory, operational, and reputational risks. These risks include inconsistent data-handling practices, challenges ensuring timely deletion or return of data, increased likelihood of unauthorized access or misuse, and difficulty maintaining accurate records of processing. Regulatory requirements that impose obligations on data processors or mandate heightened oversight of third-party service providers could further increase the resources needed to manage our vendor relationships.

Any failure by us or our vendors to manage personal information in accordance with applicable laws, including privacy, cybersecurity, or sector-specific regulations, could result in investigations, fines, penalties, service disruptions, or harm to customer trust, any of which could adversely affect our business and results of operations. Additionally, contractual disputes or service limitations imposed by third-party SaaS providers could restrict our ability to scale operations, adopt new capabilities, or maintain service consistency across regions.

If we fail to adequately protect our proprietary rights, our competitive position could be impaired and we may lose valuable assets, generate reduced revenue or experience slower growth rates, and incur costly litigation to protect our rights.

The global education and training industry is characterized by a large number of intellectual property rights, including copyrights, trademarks, patents, and trade secrets. Our success is dependent, in part, upon protecting our proprietary information and technology. We rely on a combination of trademark, patent, copyright and trade secret law, and contractual arrangements including, intellectual property assignment agreements, license agreements, confidentiality procedures, non-disclosure agreements, and employee non-disclosure and invention assignment agreements to establish and protect our proprietary rights. However, the steps we take to protect our intellectual property rights may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect and mitigate unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to reverse engineer or copy our platform or critical features of our platform and use information that we regard as proprietary to create solutions that compete with ours. Policing unauthorized use of our platform is difficult and the steps we take to combat such actions may prove ineffective. Some license

provisions protecting against unauthorized use, copying, transfer, and disclosure of our platform may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of Canada, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. To the extent we expand our international activities, our exposure to unauthorized copying and use of our platform and proprietary information may increase. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our technology and intellectual property rights. Moreover, rapid technological change and the increasing availability of sophisticated development tools may make it easier for competitors to develop products that approximate or substitute for our proprietary features.

We rely in part on trade secrets, proprietary know-how, and other confidential information to maintain our competitive position. Although we enter into intellectual property assignment agreements or license agreements, confidentiality and invention assignment agreements with our employees and consultants, and confidentiality agreements with the parties with whom we have strategic relationships and business alliances, no assurance can be given that these agreements will be effective in controlling access to, and distribution of, our platform, proprietary technology and proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our platform, which may compete with our products and services. If key employees or contractors leave the Company, there is also a risk that institutional knowledge or proprietary know-how could be lost or inadvertently disclosed despite our contractual protections.

To protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation, before the courts or procedures before other governmental authorities and administrative bodies in Canada or any jurisdiction in which we operate, may be necessary in the future to enforce our intellectual property rights and to protect our intellectual property rights, including trade secrets. Such litigation could be costly, time-consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights and may result in invalidation or cancellation of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our platform, impair the functionality of our platform, delay introductions of new platform features, result in our substituting inferior or more costly technologies into our platform, or injure our reputation. In addition, we may be required to license additional technology from third parties to develop and market new platform features or services, and we cannot guarantee that we will be able to license that technology on commercially reasonable terms or at all, and our inability to license this technology could harm our ability to compete.

We have incurred operating losses and negative cash flows in the past and may incur operating losses and negative cash flows in the future.

While in recent years we have experienced positive cash flows from operations and profitability, throughout much of our history, we have experienced net losses and negative cash flows from operations and have, therefore, accumulated a significant deficit. We expect our operating expenses to increase in the future as we expand our operations. If we are unable to retain and grow our revenue to offset these increased expenses, we may not be profitable. We cannot assure you that we will be able to achieve or maintain profitability. Investors should not consider recent revenue growth and profitability as indicative of our future performance. Periods of increased investment—particularly in product development, sales and marketing, or international expansion—may also result in temporary or sustained returns to operating losses or negative cash flows. In addition, shifts in customer purchasing patterns, renewal rates, or pricing pressure may further affect the timing or likelihood of achieving consistent profitability.

If we fail to develop, maintain, and enhance our brand and reputation cost-effectively, our business and financial condition may be adversely affected.

We believe that developing, maintaining, and enhancing awareness and integrity of our brand and reputation in a cost-effective manner are important to achieving widespread acceptance of our platform and are important elements in maintaining existing customers and attracting new customers. We believe that the importance of our brand and reputation will increase as competition in our market further intensifies. Our success in this area will depend on a variety of factors, some of which are beyond our control, including:

- the effectiveness of our marketing efforts;
- our ability to provide a reliable and useful platform at competitive prices;
- the quality and perceived value of our platform and solutions;
- our ability to maintain high customer satisfaction and provide quality customer support;
- our ability to retain existing customers and obtain new customers;
- our ability to successfully differentiate our applications from those of our competitors;
- actions of competitors and third parties;
- interruptions or delays on our platform, applications or solutions;
- cyber-attacks on or security breaches of our platform and applications or the platforms of our partners or subcontractors;
- negative publicity relating to our employees, partners, or other parties associated with us or them; and
- litigation, legislative or regulatory-related developments.

Brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in building and maintaining our brand and reputation. If we fail to promote and maintain our brand successfully or to maintain loyalty among our customers, or if we incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to retain our existing customers and partners or attract new customers and partners, and our business and financial condition may be adversely affected. Damage to our brand and reputation may result in reduced demand for our platform and increased risk of losing market share to our competitors. Any efforts to restore the value of our brand and rebuild our reputation may be costly and may not be successful. In addition, the increasing influence of online reviews, social media, and rapid public feedback cycles means that reputational issues may escalate quickly, making it more difficult to manage or mitigate negative perceptions once they arise.

Our inability to update and align our licensing models and product delivery with disruptive technological developments—particularly the rapidly evolving influence of artificial intelligence on software and SaaS licensing models—could adversely affect our business.

Rapid technological change, including the accelerating adoption of artificial intelligence, is reshaping the software and Software-as-a-Service (SaaS) landscape and the way customers expect to procure, deploy, and integrate digital platforms. Our ability to remain competitive depends on continually updating our products, commercial practices, and contract structures to reflect these evolving technologies and the shifting expectations of customers, partners, and regulators.

If we are unable to update and align our sales contracts with disruptive technological developments our business could be materially and adversely affected. This includes our ability to address changes in pricing structures, usage-based models, data-governance requirements, intellectual-property considerations, and service-level expectations that may arise as AI becomes more deeply embedded in enterprise and education workflows.

In addition, evolving regulatory frameworks governing AI, automated decision-making, data residency, privacy, and digital services may also require modifications to our licensing terms and product architecture. Failure to adapt to these emerging requirements, or delays in doing so, could limit our ability to serve certain markets, increase compliance costs, or expose us to regulatory or contractual liabilities.

Collectively, these factors may impair our competitiveness, reduce our ability to win or retain customers, and adversely affect our financial performance and future growth prospects.

An assertion by a third-party that we are infringing its intellectual property could subject us to costly and time-consuming litigation which could harm our business.

Our success depends in part upon the non-infringement of the intellectual property rights of others. However, our competitors, as well as a number of other entities and individuals, may own or claim to own intellectual property rights relating to our industry or, in some cases, our technology.

In the past, third parties have claimed that we were infringing their intellectual property rights. Moreover, in recent years, individuals and groups that are non-practicing entities, commonly referred to as “patent trolls,” have purchased patents and other intellectual property assets for the purpose of making claims of infringement in order to extract settlements. From time to time, we may receive threatening letters, notices or “invitations to license,” or may be the subject of claims that our services or software and underlying technology infringe or violate the intellectual property rights of others. Such claims may reoccur or occur in the future, and we may actually be found to be infringing on such rights, which could result in substantial costs for D2L. There are also legal and other costs associated with responding to such allegations of infringement and invitations to license. Further, as GenAI becomes increasingly sophisticated and capable of generating content, including text, code, audio and video, ownership of and liability for such content remain ambiguous and subject to interpretation without the guidance of legal precedent or settled law. As GenAI systems analyze vast datasets and generate outputs based on learned patterns, there is a risk that these outputs may inadvertently replicate protected works or violate existing patents, copyrights, or trademarks. Our use of GenAI exposes us to the potential of facing intellectual property infringement claims, which could result in substantial costs for D2L. These costs may include expenses associated with defending against such claims and replacing any infringing materials, including source code. In addition, evolving regulatory frameworks or industry standards governing AI-generated content may further increase our exposure to litigation risk or require modifications to our development processes. Also see the risk factor “*Issues in the use, adoption or innovation of AI in our platform may result in reputational harm, liability, or affect our results of operations.*”

Responding to claims, regardless of their merit, can be time consuming, costly to defend in litigation, divert management's attention and resources, damage our reputation and brand and cause us to incur significant expenses. Our technologies may not be able to withstand any third-party claims against their use. Claims of intellectual property infringement might require us to stop using technology found to be in violation of a third-party's rights, redesign our products or services, which could require significant effort and expense, and cause delays of releases, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling our software.

If we cannot or do not license the infringed intellectual property rights on reasonable terms or at all, or substitute similar technology from another source, we could be forced to limit or stop selling our software, we may not be able to meet our obligations to customers under our customer contracts, our revenue and operating results could be adversely impacted, and we may be unable to compete effectively. Additionally, our customers may not purchase our products or services if they are concerned that they may infringe third-party intellectual property rights. The occurrence of any of these events may harm our business.

Additionally, in our subscription agreements with our customers, we generally agree to indemnify our customers against any losses or costs incurred in connection with claims by a third-party alleging that the customer's use of our services or software infringes the intellectual property rights of the third-party and such indemnification may not be limited to a specific amount. Our customers who are accused of intellectual property infringement may seek indemnification from us. If any claim is successful, or if we are required to indemnify or defend our customers from any of these or other claims, these matters could be disruptive to our business and management and result in additional legal expenses. Significant indemnification obligations could also reduce profitability, constrain cash flows, or necessitate changes to our platform that limit functionality or differentiation.

The use of open-source software and AI in our products may expose us to additional risks and harm our intellectual property.

Some of the Company's products, services and technologies may incorporate software licensed under so-called "open source" licenses, as well as third-party or open-source AI models, datasets, and model components. These components are developed by third parties over whom we have no control. We have no assurances that those components do not infringe upon the intellectual property rights of others. We could be exposed to infringement claims, security vulnerabilities and liability in connection with the use of those open-source software components, and we may be forced to replace those components with internally developed software or software obtained from another supplier, which would have a negative effect on our business and operating results. The developers of open-source software are usually under no obligation to maintain or update that software. For example, an open-source community may not embrace D2L as an open-source leader, which could have a negative impact on growth and development of our product lines and negatively impact the Company. As a result, we may be forced to maintain or update such software ourselves or replace such software with internally developed software or software obtained from another supplier, which may increase our expenses. Making such replacements could also delay enhancements to our products. Certain open-source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software including the source code to such modifications, are also made available under the same or similar open-source license terms and conditions. As a result, any modifications we make to such software will be available to all downstream learners of the software, including our competitors. This may reduce our ability to differentiate our products, shorten the life cycle of proprietary features, or require us to disclose implementations we would otherwise treat as confidential.

Certain open source licenses ("**Reciprocal Licenses**") provide that if we wish to combine the licensed software, in whole or in part, with our proprietary software, and distribute copies of the resulting combined work, we may only do so if such copies are distributed under the same terms and conditions as the open source software component of the work that was licensed to us, including the requirement to make the source code to the entire work available to recipients of such copies. The types of combinations of open-source software and proprietary code that are covered by the requirement to release the source code to the entire combined work are uncertain and much debated by learners of open-source software. There is little or no legal precedent governing the interpretation of many of the terms of these licenses. An incorrect determination as to whether a combination is governed by such provisions will result in non-compliance with the terms of the open-source license. Such non-compliance could result in the termination of our

license to use, modify and distribute copies of the affected open-source software and we may be forced to replace such open-source software with internally developed software or software obtained from another supplier, which may increase our expenses. In addition to terminating the affected open-source license, the licensor of such open-source software may seek to have a court order that the proprietary software that was combined with the open-source software be made available to others, including our competitors, under the terms and conditions of the applicable open-source license. For those reasons, we have instituted policies and practices which are intended to govern and limit the use of open-source software that is distributed under the terms of a Reciprocal License. However, ensuring consistent compliance across engineering teams, evolving product lines, and inherited codebases may be challenging and resource-intensive.

In addition to risks related to license requirements, usage of open source software can lead to greater risks, including cybersecurity risks, than the use of third-party commercial software, as open source licensors generally do not provide warranties on the performance or quality of the software, controls on the origin or development of the software, security patches for such software, or remedies against the licensors. Security vulnerabilities or supply-chain threats in open-source components—particularly those that are widely adopted—may also require rapid remediation, emergency patching, or architectural changes, increasing operational burden and potentially disrupting development timelines. Use of open source or third-party AI models also introduces additional risks uniquely associated with AI technologies, including:

- exposure to dataset contamination, embedded biases, or unlawful training data;
- vulnerability to adversarial attacks, data poisoning, or model-specific cybersecurity threats;
- performance degradation (“model drift”) requiring ongoing monitoring, retraining, or replacement;
- difficulties in validating lineage, provenance, or licensing of datasets and model weights; and
- emerging regulatory requirements—such as documentation, transparency, human oversight, and testing obligations under AI-specific laws—that may apply to certain AI systems used or incorporated by the Company.

Because open-source licensors generally do not provide warranties regarding performance, quality, origin of training data, security patches, or remedies, security issues or supply-chain threats involving commonly used AI components may require rapid remediation, emergency patching, or substantial architectural changes. Many of the risks associated with open source and open-source-based AI cannot be fully eliminated and could adversely affect the Company’s business, operations, or ability to maintain competitive differentiation.

Real or perceived errors, failures, vulnerabilities, or bugs in our platform could harm our business and results of operations.

Errors, failures, vulnerabilities, or bugs may occur in our platform, especially when updates are deployed or new features are rolled out. In addition, utilization of our platform in complicated, large-scale customer environments may expose errors, failures, vulnerabilities, or bugs in our platform. Any such errors, failures, vulnerabilities, or bugs may not be found until after they are deployed to our customers. Furthermore, if the Company is unable to meet service level agreements to remedy these errors, failures, vulnerabilities or bugs in our platform, this could cause harm to our business and operations. As a provider of learning technologies, our brand and reputation is particularly sensitive to such errors, failures, vulnerabilities, or bugs. Further, certain issues may arise only under specific configurations, customizations, or integration scenarios, which can increase the difficulty of diagnosing and resolving the underlying cause and may prolong service disruption or degrade user experience. Real or perceived errors, failures, vulnerabilities, or bugs in our platform could result in negative publicity, loss of competitive position, loss of customer data,

loss of or delay in market acceptance of our products, loss of customers, claims by customers for losses sustained by them, or diversion of development resources and associated costs, all of which could harm our business and results of operations.

While our customer agreements typically contain limitations and disclaimers that purport to limit our liability for damages related to defects in our products, such limitations and disclaimers may not be enforced by a court or other tribunal or otherwise effectively protect us from such claims. A material liability claim against us, regardless of its merit or its outcome, could result in substantial costs, significantly harm our business reputation and divert management's attention from our operations. In addition, recurring or high-profile defects could erode customer trust in our platform's reliability, making it more difficult to win new business or renew existing contracts.

If we are unable to successfully refresh or update our source code or other aspects of our platform or detect and adequately address technological deficiencies in a timely and adequate manner, our competitive position could be negatively affected.

Our competitiveness depends, in part, on our ability to deliver an up-to-date learner interface and to promptly address technical deficiencies in a timely and efficient manner. Updates to our source code and other aspects of our platform require significant investment and we may not have the resources to make such investment. We may not be able to expand and upgrade our personnel, technology systems and infrastructure to accommodate increases in our business activity in a timely manner, which could lead to operational breakdowns and delays, loss of customers, a reduction in the growth of our customer base, increased operating expenses or financial losses. In addition, delays in modernizing legacy components or addressing accumulated technical debt may impair our ability to innovate, slow the release of new capabilities, or reduce performance and scalability.

Our products and services are complex and sophisticated and may contain design defects or errors that are difficult to detect and correct. Errors or defects may be found in new products or services after launch and, even if discovered, we may not be able to successfully correct such errors or defects in a timely manner or at all, which could adversely impact our business. If required updates or architectural changes take longer than anticipated or introduce unintended issues, customer satisfaction and adoption of new features may be negatively affected, and our competitive differentiation could erode.

From time to time, we may become defendants in legal proceedings for which we are unable to assess our exposure and which could become significant liabilities in the event of an adverse judgment.

From time to time in the ordinary course of our business, we may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. In addition, our insurance or indemnities may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Furthermore, because litigation is inherently unpredictable, the results of such actions may have a material adverse effect on our reputation, business, operating results or financial condition. In addition, certain matters—particularly class actions, regulatory enforcement actions, or disputes involving complex technical issues—may be especially costly to defend and may expose us to injunctive relief, changes to our business practices, or significant financial settlements.

Negative publicity and sharing of information through social media could result in damage to the Company's reputation and its business may suffer as a result.

The use of social media platforms and similar channels, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons, almost immediate impact and availability of information, the accuracy of which is not independently verified. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless, readily available, and may persist even after correction. The Company's reputation is important for retaining or attracting talent, attracting new customers and selling additional services to existing customers. While the Company believes that it has a good reputation, negative posts or comments about the Company or its business on the internet or any social networking website or platform could damage the Company's reputation. In addition, despite our efforts to educate and inform our employees regarding confidential information, they or others may disclose non-public material information relating to the Company's business through these channels. For example, employee posts, misstatements, or inappropriate online activity—even when not officially authorized—may be attributed to the Company, potentially leading to reputational harm or regulatory scrutiny. The speed and volume of social-media communications may limit our ability to effectively respond to or mitigate inaccurate or misleading information before it causes reputational or commercial damage.

Increases in the cost of insurance, or reduced availability of coverage, may adversely affect our business and financial condition.

We maintain various types of insurance, including directors and officers (“D&O”) liability insurance, cyber liability insurance, commercial general liability insurance, and other customary coverages for companies of our size and industry. Insurance markets for technology companies—particularly those operating in regulated, data-sensitive sectors—have experienced volatility, increased premiums, reduced capacity, higher retentions, and narrower terms of coverage. If insurance carriers further restrict coverage, increase premiums, raise deductibles, or exclude certain risks, the cost of maintaining adequate insurance protection could rise significantly. In addition, claims history within the broader technology and SaaS sectors, including claims relating to cybersecurity, privacy, securities litigation, and employment practices, may contribute to higher premiums or reduced availability of coverage for companies like ours.

If the cost of obtaining or maintaining insurance continues to increase, or if appropriate insurance is unavailable on commercially reasonable terms, we may be forced to self-insure for certain risks or accept lower coverage limits. This could increase our exposure to uninsured liabilities, and in the case of D&O insurance, may affect our ability to attract and retain qualified directors and officers. Any of these developments could adversely affect our business, financial condition, and results of operations.

Any failure to offer high-quality and continuous customer support may harm our relationships with our customers and our results of operations.

Our customers depend on our customer support teams to resolve technical and operational issues if and when they arise, both during the implementation phase and thereafter. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for customer support. Customer demand for support may also increase as we expand the features available on our platform and application partner offerings. Increased customer demand for customer support, without corresponding revenue, could increase costs and harm our results of operations.

In addition, as we continue to expand our customer base, we need to be able to provide efficient and effective customer support that meets our customers' needs and expectations globally at scale. We use third-party

vendors for regional support and additional time zone coverage outside of North America. If these vendors were to experience a business disruption, it could create risk and impact on our support team's capacity to service the additional workload, and response times could increase. Reliance on third-party agents may also introduce variability in service quality, training consistency, and adherence to our support protocols, which could affect customer experience.

The number of our customers has grown significantly, which puts additional pressure on our support organization. In order to meet these needs, we have relied in the past and will continue to rely on self-service customer support to resolve common or frequently asked questions, which supplement our customer support teams. If we are unable to provide efficient and effective customer support globally at scale including through the use of self-service support, translations, and other related activities, our ability to grow our operations may be harmed and we may need to hire additional support personnel, which could harm our margins and results of operations. Delays in expanding or upgrading support tools, training programs, or internal processes may also limit our ability to maintain consistent support outcomes across regions and customer segments.

Our sales are highly dependent on our business reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality customer support, including when engaging third-party support agents, or a market perception that we do not maintain high-quality customer support, could harm our reputation, our ability to sell our platform to existing and prospective customers, our business, results of operations, and financial condition. Even isolated support failures—if publicized or shared widely—may disproportionately affect customer trust and sales effectiveness.

Incorrect or improper use of our solutions or our failure to properly train customers on how to use our solutions could result in customer dissatisfaction and negatively affect our business.

Our solutions are complex and the proper use of such solutions requires training of the customer and end user. If our solutions are not used correctly or as intended, inadequate performance may result. Because our customers rely on our solutions, services, and maintenance support to manage a wide range of operations, the incorrect or improper use of our solutions, our failure to properly train customers on how to efficiently use our solutions, or our failure to properly provide maintenance services to our customers may result in negative publicity or legal claims against us. Misuse or insufficient understanding of key features may also lead customers to perceive that our solutions lack functionality or reliability, even when the issue results from improper configuration or usage rather than a defect. In addition, inconsistent training outcomes across regions, customer segments, or third-party implementation partners could create uneven customer experiences and elevate dissatisfaction or churn risk.

The Company is impacted by rising inflationary pressures.

Inflation rates in jurisdictions that we operate in increased significantly in 2022, 2023, 2024, and 2025. A significant portion of the upward pressure on prices has been attributed to the rising costs of labour, energy, food, motor vehicles and housing. Inflation increases may or may not be transitory and future inflation may be impacted by labour market constraints reducing, supply-chain disruptions easing and commodity prices moderating. However, any sustained upward trajectory in the inflation rate could have an impact on the Company's results by applying upward pressure on our costs in 2025 and future periods, and the Company may not have an ability to compensate for such higher costs through higher prices in our contracts with Customers. Longer-term subscription arrangements or multi-year pricing commitments may further limit our ability to adjust prices to reflect rising input costs, reducing margins. We continue to monitor inflationary and labour pressures in the jurisdictions we operate in and assess any potential effects on our operations. Persistent inflation may also increase compensation expectations, vendor pricing, infrastructure

costs, or operating expenses more broadly, any of which could adversely affect our financial performance if not offset by productivity gains or revenue growth.

We might require additional capital to support our growth, and this capital might not be available on acceptable terms, if at all.

We intend to continue making investments to support our growth, organically and inorganically through acquisitions, and may require additional funds to respond to business challenges, including the need to develop new features or enhance our existing platform or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Subordinate Voting Shares. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt arrangements may also impose financial maintenance covenants or restrictions on dividends, asset sales, or incurrence of additional indebtedness, reducing our operational flexibility.

In addition, we may not be able to obtain additional financing on terms favourable to us, if at all. Market conditions, interest-rate environments, investor appetite for technology issuers, or our own financial performance may limit access to capital when needed. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our growth and to respond to business challenges could be significantly impaired. This could, in turn, delay product development, limit strategic initiatives, or reduce our ability to pursue acquisitions, all of which could adversely affect our long-term competitiveness.

Our business is subject to a variety of international laws, including export and import controls and anti-corruption laws and regulations, that could subject us to claims, increase the cost of operations, impair our ability to compete in international markets, or otherwise harm our business due to changes in the laws, changes in the interpretations of the laws, greater enforcement of the laws, or investigations into compliance with the laws.

Our business is subject to regulation by various federal, provincial and territorial, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing copyright laws, employment and labour laws, workplace safety, consumer protection laws, privacy and data protection laws, anti-bribery laws, modern slavery laws, import and export controls, federal securities laws, and tax laws and regulations. In certain foreign jurisdictions, these regulatory requirements may be more stringent than those in Canada. The U.S. export control laws and U.S. economic sanctions laws may include restrictions or prohibitions on the sale or supply of certain products and services to embargoed or sanctioned countries, governments, persons and entities. In addition, various countries regulate the import of certain encryption and other technology, including import and export permitting and licensing requirements, and have enacted or could enact laws that could limit our ability to distribute our platform, provide our customers access to our platform or could limit our customers' ability to access or use our services in those countries. These requirements may evolve rapidly in response to geopolitical developments, increasing the complexity and cost of maintaining compliance.

Changes in our platform, or future changes in export and import regulations may prevent our customers with international operations from utilizing our platform globally or, in some cases, prevent the export or import of our platform to certain countries, governments, or persons altogether. Any change in export or import regulations, economic sanctions, or related legislation, or change in the countries, governments,

persons, or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell subscriptions to our platform to, existing or potential learners with international operations. Any decreased use of our platform or limitation on our ability to export or sell our platform would likely adversely affect our business, results of operations, and financial results. Compliance failures may also expose us to penalties, restrictions on market access, or reputational harm even where violations are inadvertent.

We are also subject to various domestic and international anti-corruption laws, such as the *Corruption of Foreign Public Officials Act* (Canada), *Foreign Corrupt Practices Act* (U.S.), the *Bribery Act* (U.K.), as well as other similar anti-bribery and anti-kickback laws and regulations. These laws and regulations generally prohibit companies and their employees and intermediaries from authorizing, offering, providing, and accepting improper payments or benefits for improper purposes. These laws also require that we keep accurate books and records and maintain compliance procedures designed to prevent any such actions. Although we take precautions to prevent violations of these laws, our exposure for violating these laws increases as our international presence expands and as we increase sales and operations in foreign jurisdictions. Any actual or alleged violation could result in investigations, substantial fines, or restrictions on our ability to conduct business in certain markets.

We are also secondarily impacted by laws and regulations that govern the primary, secondary, and tertiary education market in the jurisdictions in which we operate. These laws and regulations dictate the requirements and boundaries within which our customers must operate and therefore dictate how we must help our customers operate and comply. The nature of these laws can range from documentation requirements to prohibitions on certain activities. We take measures to comply with any law that our customers may be required to meet. New legislation or regulation that creates increased limitations or burdens on our markets' ability to work with third-party providers, could make it more difficult for us to retain existing customers and attract new ones. These sector-specific obligations may also require ongoing product adjustments or operational changes that increase costs.

We are also subject to consumer protection laws that may impact our sales and marketing efforts, including laws related to subscriptions, billing, and auto-renewal. These laws, as well as any changes in these laws, could make it more difficult for us to retain existing customers and attract new ones.

These laws and regulations are subject to change over time and thus we must continue to monitor and dedicate resources to ensure continued compliance. Although we take precautions to prevent our platform from being provided in violation of such laws, our platform could be provided inadvertently in violation of such laws, despite the precautions we take. Non-compliance with applicable regulations or requirements could subject us to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, operating results, and financial condition could be materially adversely affected. We may also be adversely affected through penalties, reputational harm, loss of access to certain markets, or otherwise. Responding to any regulatory inquiry or enforcement action may require substantial internal resources and result in increased legal, compliance, and administrative costs, even if the matter is ultimately resolved without penalty. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, operating results and financial condition.

Our business could be adversely impacted by changes in internet access for our users or laws specifically governing the internet.

Our platform depends on the quality and affordability of our users' access to the internet and related electronic devices. Certain features of our platform require significant bandwidth and fidelity to work

effectively. Internet access is frequently provided by companies that have significant market power that could take actions that degrade, disrupt, or increase the cost of learner access to our platform, which would negatively impact our business. We could incur greater operating expenses and our ability to acquire and retain customers could be negatively impacted if network operators:

- implement usage-based pricing;
- discount pricing for competitive products;
- otherwise materially change their pricing rates or schemes;
- charge us to deliver our traffic at certain levels or at all;
- throttle traffic based on its source or type;
- implement bandwidth caps or other usage restrictions; or
- otherwise try to monetize or control access to their networks.

As the internet continues to experience growth in the number of learners, frequency of use, and amount of data transmitted, the internet infrastructure that we and our users rely on may be unable to support the demands placed upon it. Any widespread outages, regional disruptions, or deterioration in broadband performance could directly impair service availability and customer satisfaction. The failure of the internet infrastructure that we or our users rely on, even for a short period of time, could undermine our operations and harm our results of operations.

In the future, providers of internet browsers could introduce new features that would make it difficult for customers to use our platform or may raise risks with using our platform. For example, AI functionality in browsers may result in student's cheating or other acts of academic dishonesty. In addition, internet browsers for desktop, tablets or mobile devices could introduce new features or change existing browser specifications such that they would be incompatible with our platform. Any changes to technologies used in our platform, to existing features that we rely on, or to operating systems or internet browsers that make it difficult for customers to access our platform may make it more difficult for us to maintain or increase our revenues and could adversely impact our business and prospects.

In addition, there are various laws and regulations that could impede the growth of the internet or other online services, and new laws and regulations may be adopted in the future. These laws and regulations could, in addition to limiting internet neutrality, involve taxation, tariffs, privacy, data protection, information security, content, copyrights, distribution, electronic contracts and other communications, consumer protection, and the characteristics and quality of services, any of which could decrease the demand for, or the usage of, our platform. Legislators and regulators may make legal and regulatory changes, or interpret and apply existing laws, in ways that require us to incur substantial costs, expose us to unanticipated civil or criminal liability, or cause us to change our business practices. These changes or increased costs could materially harm our business, results of operations, and financial condition.

It may be difficult or impossible for investors to enforce judgements against foreign subsidiaries and non-resident directors or officers of the Company.

Certain of the Company's wholly owned subsidiaries are organized under the laws of foreign jurisdictions and certain of the directors and officers of the Company are residents of countries other than Canada. As a result, it may be difficult or impossible for investors to effect service within Canada upon such persons, or to realize against them in Canada upon judgments of courts of Canada predicated upon the civil liability provisions of applicable Canadian provincial securities laws. There is some doubt as to the enforceability

in the U.S. or other foreign courts by a court in original actions, or in actions to enforce judgments of Canadian courts, of civil liabilities predicated upon such applicable Canadian provincial securities laws. Even where enforcement is possible, the process may be time-consuming, costly, and uncertain, limiting the remedies available to investors.

Our international operations subject us to potentially adverse tax consequences.

We are subject to income taxes as well as non-income-based taxes, such as payroll, sales, use, value-added, property and goods and services taxes, in Canada and various foreign jurisdictions. Our domestic and international tax liabilities are subject to various jurisdictional rules regarding the timing and allocation of revenue and expenses. Additionally, the amount of income taxes paid is subject to our interpretation of applicable tax laws in the jurisdictions in which we file and to changes in tax laws. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. From time to time, we may be subject to income and non-income tax audits. While we believe we have complied with all applicable income tax laws, there can be no assurance that a governing tax authority will not have a different interpretation of the law and assess us with additional taxes. Should we be assessed with additional taxes, there could be a material adverse effect on our business, results of operations, and financial condition.

Our future effective tax rate may be affected by such factors as changes in tax laws, regulations, or rates, changing interpretation of existing laws or regulations, the impact of accounting for equity-based compensation, the impact of accounting for business combinations, changes in our international organization, and changes in overall levels of income before tax. In addition, in the ordinary course of our global business, there are many intercompany transactions and calculations where the ultimate tax determination is uncertain. Although we believe that our tax estimates are reasonable, we cannot ensure that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions and accruals.

We may have exposure to greater than anticipated tax liabilities and may be affected by changes in tax laws or interpretations, any of which could adversely impact our results of operations.

We are subject to income taxes in Canada and various jurisdictions outside of Canada. Our effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates. Our tax expense could also be impacted by changes in non-deductible expenses, changes in excess tax benefits of equity-based compensation, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability of withholding taxes, effects from acquisitions, and the evaluation of new information that results in a change to a tax position taken in a prior period.

Our tax position could also be impacted by changes in accounting principles, changes in Canadian federal, provincial or territorial tax laws, or other international tax laws applicable to corporate multinationals, other fundamental law changes currently being considered by many countries, including Canada and the U.S., and changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions. These events could require us or our customers to pay additional tax amounts on a prospective or retroactive basis, as well as require us or our customers to pay fines or penalties and interest for past amounts deemed to be due. If we raise our prices to offset the costs of these changes, existing and potential future customers may choose not to purchase our learning management platform or applications in the future. Additionally, new, changed, modified or newly interpreted or applied tax laws could increase our customers' and our compliance, operating and other costs, as well as the costs of our software. Any of the foregoing changes could have an adverse impact on our results of operations, cash flows, and financial condition.

Our results of operations may be harmed if we are required to collect sales or other related taxes for our subscription services in jurisdictions where we have not historically done so.

We collect sales and value-added tax as part of our subscription agreements in a number of provincial, state, local and foreign jurisdictions. Sales and use, value-added, and similar tax laws and rates vary greatly by jurisdiction and are subject to varying interpretations that may change over time. One or more province, state, country, or other jurisdiction may seek to impose additional sales, use, or other tax collection obligations on us, including for past sales by us. A successful assertion by a province, state, country, or other jurisdiction that we should have been or should be collecting additional sales, use, or other taxes on our platform could, among other things, result in substantial tax liabilities for past sales, create significant administrative burdens for us, discourage customers from purchasing our platform, or otherwise harm our business, results of operations, and financial condition.

Additionally, we are subject to laws, regulations and policies that govern the amount and type of taxes we are required to collect and remit, including with respect to internet transactions with customers in jurisdictions in which we do not have a physical presence. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances applicable to solutions provided over the internet could be enacted at any time by any local, regional or national governmental authority, possibly with retroactive effect. Jurisprudence of the U.S. Supreme Court allows U.S. states to require online retailers to collect sales and use taxes even if the retailer has no physical presence in that state, and various U.S. states have adopted or may soon adopt such implementing legislation.

The nature of our business requires the application of complex revenue and expense recognition rules, and any significant changes in current rules could affect our financial statements and results of operations.

The accounting rules and regulations that we must comply with are complex and subject to interpretation by the International Accounting Standards Board (“IASB”), Canada’s Accounting Standards Board (“AcSB”), the CSA, and various bodies formed to promulgate and interpret appropriate accounting principles. Actions and public comments from the IASB, AcSB and the CSA have focused on the integrity of financial reporting and internal controls over financial reporting. In addition, many companies’ accounting policies and practices are being subject to heightened scrutiny by regulators and the public. Further, the accounting rules and regulations are continually changing in ways that could materially impact our financial statements. We cannot predict the impact of future changes to accounting principles or our accounting policies on our financial statements going forward, which could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of the change. In addition, if we were to change our critical accounting estimates, including those related to the recognition of subscription revenue and other revenue sources, our results of operations could be significantly affected.

If our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in our Subordinate Voting Share price.

The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the IASB requires management to make judgments, estimates, and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of

securities analysts and investors, resulting in a decline in the trading price of our Subordinate Voting Shares. Significant judgments, estimates, and assumptions used in preparing our consolidated financial statements include, or may in the future include: those related to revenue recognition; accounting for income taxes, including deferred tax assets and liabilities, and uncertain tax positions; the value of our trade and other receivables; the potential impairment of intangible assets acquired or developed; the discount rate used in our initial measurement of lease liabilities; the classification and measurement of the loan receivable from associate; and the fair value of acquired intangible assets and fair value of contingent consideration.

The adoption of new accounting standards or interpretations could adversely affect the Company's financial results.

The Company's implementation of and compliance with new accounting standards or changes in accounting rules and interpretations could adversely affect the measurement, the presentation and/or the disclosure of its operating results or cause unanticipated fluctuations in its results in future periods. The accounting rules and regulations that the Company must comply with are complex and continually changing. The Company cannot predict the impact of future changes to accounting principles on its financial statements going forward.

If we fail to maintain an effective system of internal controls, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As a public company, we are subject to the reporting requirements of the CSA and the rules and regulations of the listing standards of the TSX. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly, and place significant strain on our personnel, systems, and resources. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the CSA is recorded, processed, summarized, and reported within the time periods specified in CSA rules and forms and that information required to be disclosed in reports under applicable securities laws is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal controls over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business, including as a result of acquisitions or investments in other businesses, which may not have internal controls, disclosure controls, or financial reporting processes that are as robust or mature as those maintained by the Company, and which may require significant time, management attention, and resources to integrate into the Company's control environment. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we could be required to include in our periodic reports that will be filed with the CSA. Ineffective disclosure controls and procedures and internal controls over financial reporting could also cause investors to lose confidence in our reported financial and other information, which could have a negative effect on the trading price of our

Subordinate Voting Shares. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the TSX.

Our By-Laws provide that any derivative actions, actions relating to breach of fiduciary duties and other actions asserting a claim relating to relationships among us, our affiliates and their respective shareholders, directors and/or officers are required to be litigated in Canada, which could limit shareholders' ability to obtain a favourable judicial forum for disputes with us.

We have included a forum selection provision in our By-Laws that provides that, unless we consent in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario, Canada and appellate courts therefrom (or, failing such Court, any other “court” as defined in the CBCA having jurisdiction, and the appellate courts therefrom), will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or our By-Laws; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among us, our affiliates and their respective shareholders, directors and/or officers, but excluding claims related to our business or that of our affiliates. Our forum selection provision also provides that our security holders are deemed to have consented to personal jurisdiction in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions. Therefore, it may not be possible for our shareholders to litigate any action relating to the foregoing matters outside of the Province of Ontario. Our forum selection provision seeks to reduce litigation costs and increase outcome predictability by requiring derivative actions and other matters relating to our affairs to be litigated in a single forum. While forum selection clauses in corporate charters and by-laws are becoming more commonplace for public companies in the U.S. and have been upheld by courts in certain states, they are untested in Canada. It is possible that the validity of our forum selection provision could be challenged and that a court could rule that such provision is inapplicable or unenforceable. If a court were to find our forum selection provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions and we may not obtain the benefits of limiting jurisdiction to the courts selected.

We incur significant costs and there are significant demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our business, financial condition, and results of operations.

As a public company, we incur significant legal, accounting, and other expenses, which may negatively impact our performance and could cause our results of operations and financial condition to suffer. We are subject to the reporting requirements of the CSA and the rules and regulations of the TSX. These requirements have increased and will continue to increase our legal, accounting, and financial compliance costs and have made, and will continue to make, some activities more time-consuming and costly. For example, we expect these rules and regulations could make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to maintain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our Board of Directors or as our executive officers. Further, we will require additional accounting and financial staff with appropriate public company experience and technical accounting knowledge.

Our financial condition may be adversely affected by geopolitical events.

As a global company, we have operations around the world and offices in countries outside of Canada and will likely continue to increase our international presence. War, terrorism, threats of terrorist acts and related geopolitical risks (such as those occurring in Ukraine and the Middle East, or potentially resulting

therefrom) have led, and may in the future lead, to increased market volatility and may have adverse long-term effects on particular markets, the global economy and securities markets generally. Any of the aforementioned events could result in harm to our business operations.

The Company has a certain degree of concentration of customers and customer sectors.

Some of the Company's largest customers provide significant contributions to its revenue. For the year ended January 31, 2026, the Company's top 10 customers represented approximately 16% of its revenue, with its largest customer representing approximately 3% of its revenue. If the Company loses a major customer, the Company could also experience a material loss of revenue, which could have a material adverse effect on its business, financial condition and results of operations.

The effort, time and expense associated with switching from competitors' software, products and services to that of the Company's may limit the Company's growth.

The costs for customers to switch providers of technology, data and analytics products and services can be significant. As a result, potential customers may decide that it is not worth the time and expense to begin using the Company's products and services, even if the Company offers competitive and economic advantages. If the Company is unable to convince these customers to switch to its software, products or services, the Company's ability to increase market share will be limited, which could have a material adverse effect on its business, financial condition and results of operations.

Sustainability efforts and disclosures may have adverse impacts on our business.

Failure to set, uphold, and make progress towards sustainability-related commitments in a manner consistent with regulatory changes and investor expectations in some jurisdictions may impact our brand, financial performance, ability to attract new capital, and ability to attract and retain talent. The expectations of investors and customers, and incoming regulatory requirements in many of the jurisdictions in which we operate are quickly evolving. At the same time, while some jurisdictions are moving ahead with regulatory frameworks and reporting requirements, others such as the U.S., are pulling back in some areas, specifically as they relate to diversity, equity and inclusion and climate. These policy shifts present potential new risks and challenges to both D2L and our customers as they seek to navigate an evolving landscape.

The sustainability reporting landscape is currently diverse in frameworks and expectations. Our selection of voluntary disclosure frameworks and standards, and our selected methodology around data capture and reporting may change from time to time and may not meet the expectations of all investors or other stakeholders. If we fail to align our own reporting with the needs of our customers and the standards set out in the jurisdictions in which we operate, we may face financial risk by way of financial penalties and possible client attrition.

Increased compliance burdens and costs due to regulatory requirements in some jurisdictions on climate, human rights and supply chain-related disclosures may pose a financial burden to our business. We also face potential costs related to addressing carbon emissions, human rights oversight, and supply chain due diligence within our operations. For example, we rely on third-party data center hosting facilities operated by AWS to deliver our solution, and they consume significant amounts of energy. Some of the impacts we may seek to mitigate, such as carbon emissions derived from energy consumption, may become more expensive as costs associated with carbon emissions increase in the jurisdictions in which we operate.

The Company's holding company structure makes it dependent on the operations of its subsidiaries.

The Company is a corporation under the CBCA. The Company's material assets are its direct and indirect equity interests in its subsidiaries, including its international subsidiaries. The Company is, therefore,

dependent upon payments, dividends and distributions from its subsidiaries for funds to pay its holding company's operating and other expenses and to pay future cash dividends or distributions, if any, to holders of the Subordinate Voting Shares, and the Company may have tax costs in connection with any dividend or distribution.

RISKS RELATED TO OWNERSHIP OF THE SUBORDINATE VOTING SHARES

The price of our Subordinate Voting Shares may be volatile and may decline regardless of our operating performance.

The market price of our Subordinate Voting Shares could be subject to significant fluctuations. The trading prices of technology companies' securities have been, and we expect them to continue to be, highly volatile. The market price of our Subordinate Voting Shares may fluctuate significantly in response to numerous factors, many of which are beyond our control, including, among others:

- actual or anticipated fluctuations in our quarterly results of operations;
- changes in estimates of our future results of operations;
- changes in the economic operating, performance or market valuations of other companies in the industry in which we operate or of other companies that investors deem comparable to us;
- announcements by us or our competitors of significant technical innovations, new products or solutions, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- developments in artificial intelligence, including the rapid evolution or adoption of generative AI technologies, and market perceptions of our ability to integrate or compete with such technologies;
- the financial projections we may provide to the public, any changes in these projections, or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow our Company, or our failure to meet these estimates or the expectations of investors;
- changes in operating performance and stock market valuations of SaaS-based software or other technology companies, or those in our industry in particular;
- the size of our public float;
- release or expiration of transfer restrictions on outstanding Subordinate Voting Shares or securities convertible into Subordinate Voting Shares;
- price and volume fluctuations in the trading of the Subordinate Voting Shares and in the overall stock market, including as a result of trends in the economy as a whole;
- changes in general political, economic, industry and market conditions and trends;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business or industry, including data privacy, data protection, and information security;

- lawsuits threatened or filed against us for claims relating to intellectual property, employment issues, or otherwise;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- sales or perceived sales of Subordinate Voting Shares by our insiders or the issuance of additional Subordinate Voting Shares by the Company;
- changes in our Board of Directors, management or other key personnel;
- short sales, hedging, and other derivative transactions involving the Subordinate Voting Shares;
- sales of large blocks of our Subordinate Voting Shares including sales by our executive officers, directors, and significant shareholders, including the Significant Shareholders; and
- news reports relating to trends, concerns, technological or competitive developments, AI, developments, regulatory changes and other related issues in our industry or target markets.

In addition, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Share prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies.

In the past, shareholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management, and harm our business.

Furthermore, the existence of our NCIB may cause our Subordinate Voting Shares price to be higher than it would be in the absence of such a bid and repurchases under the NCIB expose us to risks resulting from a reduction in the size of our public float which may reduce trading volumes on the TSX as well as the price of the Subordinate Voting Shares.

There can be no assurance that we will continue to repurchase Subordinate Voting Shares for cancellation or that such repurchases will be the best use of capital resources.

Although we currently have an NCIB in effect, whether we repurchase Subordinate Voting Shares under such NCIB for cancellation, and the amount and timing of any such repurchases, is subject to capital availability and periodic determinations by the Board of Directors that Subordinate Voting Share repurchases are in the best interest of shareholders and are in compliance with all applicable laws and agreements. Any future permitted Subordinate Voting Share repurchases, including their timing and amount, may be affected by, among other factors: the price of our Subordinate Voting Shares; blackout periods in which we are restricted from repurchasing Subordinate Voting Shares; any limitations provided by borrowing arrangements; our views on potential future capital requirements for strategic transactions, including acquisitions; debt service requirements; our credit rating; changes to our business model; and/or changes to applicable tax laws or corporate laws. Canada has implemented legislation that imposes a 2% equity buyback tax for net equity repurchase transactions that occur on or after January 1, 2024, subject to certain exceptions and anti-avoidance provisions. The impact of this legislation (or other changes in Canadian tax laws), cannot be predicted with certainty, but may, among other things, limit the number of shares we repurchase under NCIBs. Our Subordinate Voting Share repurchases may change from time to time, and we cannot provide assurance that we will continue to repurchase Subordinate Voting Shares for cancellation in any particular amounts or at all. A reduction in or elimination of our Subordinate Voting

Share repurchases could have a negative effect on our stock price. We also cannot provide assurance that any repurchase of Subordinate Voting Shares will, with the benefit of hindsight, prove to be the best use of our available capital resources or otherwise not have adverse financial implications for the Company. Using capital resources to repurchase Subordinate Voting Shares under an NCIB may lead to insufficient funding for other beneficial future uses.

Future sales of a substantial amount of our Subordinate Voting Shares may depress the price of our Subordinate Voting Shares.

If the Company's shareholders sell substantial amounts of the Subordinate Voting Shares in the public market, the market price of the Subordinate Voting Shares could decline, as a result of these sales or the market perception that the holders of a large number of Shares intend to sell their position. These sales also might make it more difficult for the Company to sell its equity or equity-related securities in the future at a time and price that it deems appropriate.

In addition, subject to the terms of the applicable option agreement, holders of unexercised options may sell Subordinate Voting Shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of Subordinate Voting Shares being sold in the public market by, and fewer long-term holders of Subordinate Voting Shares among, the Company's management and employees.

In accordance with our Articles, the Multiple Voting Shares may be converted at any time by John Baker into Subordinate Voting Shares. The Significant Shareholders have the right to oblige the Company to arrange the sale of any or all of their Subordinate Voting Shares by way of a prospectus pursuant to the Registration Rights Agreement. See "Description of Capital Structure – Registration Rights Agreement". Any sale of Subordinate Voting Shares by one or more Significant Shareholders by way of prospectus or otherwise could significantly reduce the market price of the Subordinate Voting Shares and impede the Company's ability to raise capital through the issuance of additional Subordinate Voting Shares.

If securities or industry analysts do not publish research or reports about our business, or if they publish inaccurate or unfavourable research about us or our business, the price of our Subordinate Voting Shares could decline.

The trading market for our Subordinate Voting Shares depends, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our Subordinate Voting Shares or publish inaccurate or unfavourable research about our business, the price of our Subordinate Voting Shares would likely decline. In addition, if our results of operations fail to meet the forecast of analysts, the price of our Subordinate Voting Shares would likely decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our Subordinate Voting Shares could decrease, which might cause the price and trading volume of our Subordinate Voting Shares to decline.

The Company may issue additional securities in the future, including Subordinate Voting Shares, Multiple Voting Shares and preferred shares.

The Company's Articles provide that it may issue an unlimited number of Subordinate Voting Shares, Multiple Voting Shares and preferred shares, issuable in one or more series. Subject to the requirements of the TSX, the Company is not required to obtain the approval of shareholders for the issuance of additional Subordinate Voting Shares or preferred shares. Although the rules of the TSX generally prohibit the Company from issuing additional Multiple Voting Shares, there may be certain circumstances where additional Multiple Voting Shares may be issued, including upon receiving the requisite shareholder approval. If the Company were to issue any additional Subordinate Voting Shares, Multiple Voting Shares

or preferred shares or such other classes of authorized shares that are convertible or exchangeable for Subordinate Voting Shares, the percentage ownership of existing shareholders may be reduced and diluted. The Company cannot foresee the terms and conditions of any future offerings of its securities nor the effect of such offerings on the market price of Subordinate Voting Shares. Any issuance of a significant percentage of the Company's securities, or the perception that such issuances may occur, could have a material adverse effect on the market price of the Subordinate Voting Shares and limit the Company's ability to fund its operations through capital raising transactions in the future.

The Company has no present plans to issue any preferred shares. However, the Board of Directors has the authority to issue preferred shares in different series and to determine the rights, privileges, restrictions and conditions of such preferred shares and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by the Company's shareholders. The Company's preferred shares may be issued with liquidation, dividend and other rights superior to the rights of the Subordinate Voting Shares. The potential issuance of preferred shares may delay or prevent a change in control of the Company, discourage bids for the Subordinate Voting Shares at a premium over the market price and adversely affect the market price and other rights of the holders of the Subordinate Voting Shares.

The Company's issuance of additional Subordinate Voting Shares in connection with financings, acquisitions, investments, equity incentive plans, or otherwise will dilute all other shareholders.

The Company expects to issue additional Subordinate Voting Shares in the future that will result in dilution to all other shareholders. The Company expects to grant equity awards to employees, directors, and consultants under its equity incentive plans. As part of its business strategy, the Company may acquire or make investments in complementary companies, products, or technologies, and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional Subordinate Voting Shares may cause shareholders to experience significant dilution of their ownership interests and the per share value of the Subordinate Voting Shares to decline.

The Company may also raise capital through equity financings in the future. Any additional capital raised through the sale of equity may dilute existing shareholders' percentage ownership of the Subordinate Voting Shares and shareholders could be asked in the future to approve the creation of new equity securities which could have rights, preferences and privileges superior to those of holders of the Subordinate Voting Shares. Capital raised through debt financing would require the Company to make periodic interest payments and may impose restrictive covenants on the conduct of its business. Furthermore, additional financings may not be available on terms favourable to the Company, or at all. A failure to obtain additional funding could prevent the Company from making expenditures that may be required to implement its growth strategy and grow or maintain its operations.

In addition, in accordance with our Articles, the Multiple Voting Shares may be converted at any time by John Baker into Subordinate Voting Shares and, in certain circumstances, will be automatically converted into Subordinate Voting Shares without any further action by John Baker.

The Company does not currently anticipate paying dividends on the Shares.

The Company currently intends to retain any future earnings to fund the development and growth of its business and does not currently anticipate paying dividends on the Shares. Any determination to pay dividends in the future will be at the discretion of the Board of Directors and will depend on many factors, including its financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board of Directors may deem relevant. Until the time that the Company does pay dividends, which it might never do, shareholders will not be able to receive a return on their Subordinate Voting Shares unless they sell

such Subordinate Voting Shares for a price greater than their acquisition price, and such appreciation may never occur. See “Dividends and Distributions”.

The dual class structure contained in the Company’s Articles has the effect of concentrating voting control and the ability to influence corporate matters with John Baker as the sole indirect holder of Multiple Voting Shares, which may have a negative impact on the trading price of the Subordinate Voting Shares.

John Baker has ten votes per share and the Subordinate Voting Shares have one vote per share and as a result John Baker will control a significant portion of the combined voting power of the Company’s voting shares, even where the Multiple Voting Shares represent a substantially reduced percentage of the Company’s total outstanding share capital. The different voting rights of the Subordinate Voting Shares and the Multiple Voting Shares could diminish the value of the Company’s Subordinate Voting Shares to the extent that investors or any potential future purchasers of the Subordinate Voting Shares attribute value to the superior voting rights of the Multiple Voting Shares.

Each of the Company’s directors and officers owe a fiduciary duty to the Company and must act honestly and in good faith with a view to the best interest of the Company. However, any director and/or officer that is a shareholder, including John Baker, is entitled to vote his or her shares in his or her own interests, which may not always be in the interest of the Company’s shareholders generally.

As a result, John Baker will have the ability to exert substantial influence, and limit the ability of the holders of the Subordinate Voting Shares to influence, over many matters affecting our business, policies and affairs for the foreseeable future, including:

- the composition of the Board of Directors and, through the Board of Directors, any determination with respect to the business plans and policies, including the appointment and removal of its officers;
- determinations with respect to acquisitions of businesses, mergers or other business combinations;
- the Company’s acquisition or disposition of assets;
- the Company’s capital structure, including financing activities;
- compensation, including equity compensation programs, and other human resource policy decisions;
- amendments to our Articles;
- changes to agreements that may adversely affect the Company; and
- the Company’s payment or non-payment of dividends.

As a result, John Baker has the ability to influence many matters affecting the Company and actions may be taken that holders of Subordinate Voting Shares may not view as beneficial, which may adversely affect the Company’s results of operations and financial condition and cause the value of shareholders’ investments to decline. In addition, the interests of John Baker may not be consistent with the interests of the holders of our Subordinate Voting Shares, and conflicts of interest may arise from time to time that may be resolved in a manner detrimental to the Company or the Company’s minority shareholders. Additionally, the significant influence and voting interest of John Baker may discourage transactions involving a change of control, including transactions in which an investor, as a holder of Subordinate Voting Shares, might

otherwise receive a premium for Subordinate Voting Shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by John Baker. The market price of the Subordinate Voting Shares could be adversely affected due to the significant influence and voting power of John Baker.

Future offerings of debt securities, which would rank senior to the Subordinate Voting Shares upon bankruptcy or liquidation, and future offerings of equity securities that may be senior to the Subordinate Voting Shares for the purposes of dividend and liquidating distributions, may adversely affect the market price of the Subordinate Voting Shares.

In the future, the Company may attempt to increase its capital resources by making offerings of debt securities. Upon bankruptcy or liquidation, holders of the Company's debt securities and lenders with respect to any other borrowings will each be entitled to receive a distribution of the Company's available assets prior to the holders of the Subordinate Voting Shares. The Company's decision to issue securities in any future offering will depend on market conditions and other factors beyond its control. As a result, the Company cannot predict or estimate the amount, timing or nature of its future offerings.

Failure to establish and maintain effective internal controls in accordance with NI 52-109 could have a material adverse effect on the Company's business and the market price of the Subordinate Voting Shares.

The Company is a reporting issuer subject to reporting and other obligations under applicable Canadian securities laws, including NI 52-109, which requires the Company to establish disclosure controls and procedures and internal controls over financial reporting, and evaluate their effectiveness on an ongoing basis. In order to meet such requirements, the Company has, among other things, established systems, implemented financial and management controls, reporting systems and procedures and will, if necessary, hire additional qualified accounting and finance staff.

Effective disclosure controls and procedures and internal controls over financial reporting are necessary for the Company to provide reliable financial reports and effectively prevent fraud. However, the Company does not expect that its disclosure controls and procedures and internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

The Company may in the future discover significant deficiencies or material weaknesses in its internal controls, and the Company cannot be certain that it will be successful in maintaining adequate control over its financial reporting and financial processes. Furthermore, as the Company grows its business, its internal controls will become more complex, and the Company will require significantly more resources to ensure that its internal controls remain effective. If the Company or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market value of the Subordinate Voting Shares. Additionally, the existence of any significant deficiency or material weakness could require management to devote significant time and incur significant expense to remediate any such significant deficiency or material weakness, and management may not be able to remediate any such significant deficiency or material weakness in a timely manner, or at all. Moreover, any failure to maintain

effective internal controls over financial reporting could cause the Company to fail to satisfy its reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely effected which could also cause investors to lose confidence in the Company's reported financial information, which could result in a reduction in the market value of the Subordinate Voting Shares.

Certain legislation may reduce the likelihood that the Company may be acquired by a third-party and that investors will receive a premium upon a change of control.

Limitations on the ability to acquire and hold the Subordinate Voting Shares and/or Multiple Voting Shares may be imposed by the *Competition Act* (Canada). This legislation permits the Commissioner of Competition of Canada to review any acquisition of a significant interest in the Company and grants the Commissioner jurisdiction to challenge such an acquisition before the Canadian Competition Tribunal if the Commissioner believes that it would, or would be likely to, result in a substantial lessening or prevention of competition in any market in Canada. In addition, the *Investment Canada Act* subjects an acquisition of control of a company by a non-Canadian to government review if the value of the Company's assets as calculated pursuant to the legislation exceeds a threshold amount. A reviewable acquisition may not proceed unless the relevant minister is satisfied that the investment is likely to be of net benefit to Canada. Any of the foregoing could prevent or delay a change of control and may deprive the Company's shareholders of the opportunity to sell their Subordinate Voting Shares.

Claims for indemnification by the Company's directors and officers may reduce its available funds to satisfy successful third-party claims against the Company and may reduce the amount of money available to it.

The Company has indemnification agreements with each of its directors and certain officers. The indemnification agreements generally require that the Company indemnify and hold the indemnitees harmless to the fullest extent permitted by law for liabilities arising out of the indemnitees' service to the Company as directors and officers, provided that the indemnitees acted honestly and in good faith with a view to the best interests of the Company and in the case of a criminal or administrative proceeding that is enforced by a monetary penalty, the indemnitees' had reasonable grounds for believing that his or her conduct was lawful. The indemnification agreements also provide for the advancement of defense expenses to the indemnitees by the Company provided that the indemnitees must repay all advances if a court shall have made a final judgment that the indemnitees are not entitled to indemnification under the agreements. Any claims for indemnification by the Company's directors and officers may reduce its available funds to satisfy successful third-party claims against the Company and may reduce the amount of money available to it.

The absence of a listing of our Subordinate Voting Shares on a U.S. or other foreign stock exchange may limit investor demand, liquidity, analyst coverage, and our ability to access certain global capital markets.

Our Subordinate Voting Shares are currently listed only on the Toronto Stock Exchange. As a result, our investor base may be more limited than that of companies with securities cross-listed in the United States or other major international markets. Many institutional investors, index funds, and U.S.-based asset managers have mandates that restrict or limit investments in companies that are not listed on a U.S. national exchange, which may reduce potential demand for our Subordinate Voting Shares.

In addition, cross-listed issuers may attract greater securities-analyst coverage, have access to larger research audiences, and benefit from inclusion in a wider range of equity indices, which can positively influence trading volumes and valuation. The absence of a dual listing may therefore result in comparatively lower liquidity, wider bid-ask spreads, reduced analyst coverage, and greater share-price volatility. These

factors could limit our ability to raise capital on favourable terms, reduce the marketability of our Subordinate Voting Shares, and adversely affect the trading price of our Shares.

If we determine in the future that a cross-listing would be advantageous, we may incur significant additional costs and regulatory burdens to comply with the listing, disclosure, governance, and ongoing reporting requirements of a foreign exchange. There is no assurance that we would meet the eligibility criteria of any foreign exchange, that a cross-listing would be approved, or that such a listing—if completed—would increase liquidity or valuation. Any failure to broaden our investor base due to the absence of a cross-listing may adversely affect the trading price of our Subordinate Voting Shares and our ability to access capital.

DIVIDENDS AND DISTRIBUTIONS

The Company has not declared or paid any cash dividends on its securities in the three most recently completed fiscal years. The Company currently intends to retain any future earnings to fund the development and growth of the business and does not currently anticipate paying dividends on the Shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant. See "Risk Factors".

DESCRIPTION OF CAPITAL STRUCTURE

The following description of our share capital summarizes certain provisions contained in our Articles and By-Laws. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of our Articles and By-laws, which are available for review under the Company's profile on the SEDAR+ website at www.sedarplus.com or the Governance Documents page on the Company's Investor Relations website at www.d2l.com.

The Company's authorized share capital consists of an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares and an unlimited number of preferred shares, issuable in series.

The Subordinate Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws.

The following is a description of the material terms of the Company's Subordinate Voting Shares, Multiple Voting Shares and preferred shares, as set forth in the Articles.

Subordinate Voting Shares and Multiple Voting Shares

Except as described herein, the Subordinate Voting Shares and Multiple Voting Shares have the same rights, are equal in all respects, and will be treated by the Company as if they were one class of shares.

Rank

The Subordinate Voting Shares and Multiple Voting Shares rank *pari passu* with respect to the payment of dividends or other distributions, return of capital and distribution of assets in the event of the liquidation, dissolution, or winding up of the Company. In the event of the liquidation, dissolution, or winding-up of the Company or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Subordinate Voting Shares and the holders of Multiple Voting Shares are entitled to participate equally in the remaining property and assets of the Company available for distribution to the holders of Shares, without preference or distinction among or

between the Subordinate Voting Shares and the Multiple Voting Shares, subject to the rights of the holders of the preferred shares, if any.

Dividends

The holders of outstanding Subordinate Voting Shares and Multiple Voting Shares are entitled to receive dividends or other distributions at such times and in such amounts and form as the Board may from time to time determine, but subject to the rights of the holders of any preferred shares, without preference or distinction among or between the Subordinate Voting Shares and the Multiple Voting Shares. The Company is permitted to pay dividends or other distributions unless there are reasonable grounds for believing that: (i) the Company is, or would after such payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the Company's assets would, as a result of such payment, be less than the aggregate of its liabilities and stated capital of all classes of shares. In the event that a dividend is paid, or a distribution is made in the form of Shares, Subordinate Voting Shares shall be distributed with respect to outstanding Subordinate Voting Shares and Multiple Voting Shares shall be distributed with respect to outstanding Multiple Voting Shares, unless otherwise determined by the Board.

Voting Rights

The holders of outstanding Subordinate Voting Shares are entitled to one vote per share and the holders of Multiple Voting Shares are entitled to 10 votes per share, and the holders of Subordinate Voting Shares and Multiple Voting Shares vote together as a single class, except as expressly provided in the Articles, or as provided by law. Accordingly, as of April 2, 2025, holders of Subordinate Voting Shares were entitled to exercise 9.03% of all votes attached to the Shares and holders of Multiple Voting Shares were entitled to exercise 90.97% of all votes attached to the Shares.

Pre-Emptive Rights

Holders of Subordinate Voting Shares and Multiple Voting Shares have no pre-emptive rights.

Conversion

The Subordinate Voting Shares are not convertible into any other class of shares. Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share. Upon the first date that (i) a Multiple Voting Share shall be beneficially held by (A) a Person (as defined below) other than a Baker Group Permitted Holder (as defined below), or (B) a Person that ceases to be a Baker Group Permitted Holder, or (ii) the Baker Group Permitted Holders cease to have Voting Control (as defined below) over a Multiple Voting Share, the holder of such Multiple Voting Share, without any further action, shall automatically be deemed to have exercised their rights to convert such Multiple Voting Share into a fully paid and non-assessable Subordinate Voting Share.

In addition, all Multiple Voting Shares beneficially held by the Baker Group Permitted Holders will convert automatically into Subordinate Voting Shares at such time that the Baker Group Permitted Holders no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 5% of the aggregate number of outstanding Subordinate Voting Shares and Multiple Voting Shares.

For the purpose of the foregoing:

“Baker Group Permitted Holders” means (i) John Baker and any Members of the Immediate Family of John Baker, and (ii) any Person controlled, directly or indirectly, by one or more Persons referred to in clause (i) above;

“**Members of the Immediate Family**” means, with respect to any individual, each parent (whether by birth or adoption), child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each Spouse of such individual or of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons, and each legal representative of such individual or of any aforementioned Persons (including without limitation an attorney under a power of attorney, trustee, tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument.

“**Person**” means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company.

“**Spouse**” means, in relation to an individual, an individual that is legally married to the first-mentioned individual provided that (i) the individuals have not separated with no reasonable prospect that they will resume cohabitation, and (ii) one individual has not given written notice to the other of their intention to live separate and apart; and further provided that an individual who was the Spouse of an individual in accordance with the foregoing immediately before the death of such individual shall continue to be considered a Spouse of such individual after the death of such individual.

“**Voting Control**” with respect to a Multiple Voting Share means the exclusive power (whether directly or indirectly) to vote or direct the voting of such Multiple Voting Share by proxy, voting agreement or otherwise; provided, however, that the grant of a proxy in connection with actions to be taken at an annual or special meeting of shareholders or voting instructions relating thereto shall not be considered a loss of Voting Control.

A Person is “**controlled**” by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a Person that is an unincorporated entity other than a limited partnership, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; or (iii) in the case of a limited partnership, the other Person is the general partner of such limited partnership; and “**controlling**” shall be interpreted accordingly.

Subdivision or Consolidation

No subdivision or consolidation of the Subordinate Voting Shares or the Multiple Voting Shares may be carried out unless, at the same time, the Multiple Voting Shares or the Subordinate Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis.

Certain Class Votes

Except as required by the CBCA, applicable Canadian securities laws or the Company’s Articles, holders of Subordinate Voting Shares and Multiple Voting Shares vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares. Under the CBCA, certain types of amendments to the Company’s Articles are subject to approval by special resolution of the holders of the Company’s classes of shares voting separately as a class, including amendments to:

- add to, remove or change the rights, privileges, restrictions or conditions attached to the shares of that class;

- add to the rights or privileges of any class of shares having rights or privileges equal or superior to the shares of that class; and
- make any class of shares having rights or privileges inferior to the shares of such class equal or superior to the shares of that class.

Without limiting other rights at law of any holders of Subordinate Voting Shares or Multiple Voting Shares to vote separately as a class, neither the holders of the Subordinate Voting Shares nor the holders of the Multiple Voting Shares shall be entitled to vote separately as a class upon a proposal to amend the Company's Articles in the case of an amendment to (1) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class; or (2) create a new class of shares equal or superior to the shares of such class, which rights are otherwise provided for in paragraphs (a) and (e) of subsection 176(1) of the CBCA. Pursuant to the Articles, neither holders of the Company's Subordinate Voting Shares nor holders of the Company's Multiple Voting Shares will be entitled to vote separately as a class on a proposal to amend the Articles to effect an exchange, reclassification or cancellation of all or part of the shares of such class pursuant to Section 176(1)(b) of the CBCA unless such exchange, reclassification or cancellation: (a) affects only the holders of that class; or (b) affects the holders of Subordinate Voting Shares and Multiple Voting Shares differently, on a per share basis, and such holders are not already otherwise entitled to vote separately as a class under applicable law or the Company's Articles in respect of such exchange, reclassification or cancellation.

Pursuant to the Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of the Company's shareholders under the CBCA, unless different treatment of the Shares of each such class is approved by a majority of the votes cast by the holders of the Company's Subordinate Voting Shares and Multiple Voting Shares, each voting separately as a class.

Take-Over Bid Protection

Under applicable Canadian laws, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, upon completion of the IPO, holders of Multiple Voting Shares entered into a customary coattail agreement with D2L and a trustee, which is referred to herein as the "**Coattail Agreement**". The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under the take-over bid provisions of applicable Canadian securities legislation to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares.

The undertakings in the Coattail Agreement do not prevent a sale by the Baker Group Permitted Holders of Multiple Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares that:

- offers a price per Subordinate Voting Share at least as high as the highest price per share paid or required to be paid pursuant to the take-over bid for the Multiple Voting Shares;
- provides that the percentage of outstanding Subordinate Voting Shares to be taken up (exclusive of Shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of outstanding Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);

- has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares; and
- is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the Coattail Agreement does not prevent the transfer of Multiple Voting Shares to a Baker Group Permitted Holder, provided such transfer does not or would not constitute a take-over bid or, if so, is exempt or would be exempt from the formal bid requirements (as defined in applicable Canadian securities legislation). The conversion of Multiple Voting Shares into Subordinate Voting Shares shall not, in of itself constitute a sale of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Multiple Voting Shares (including a transfer to a pledgee as security) by a holder of Multiple Voting Shares party to the Coattail Agreement is conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into Subordinate Voting Shares in accordance with the Articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Subordinate Voting Shares. The obligation of the trustee to take such action is conditional on D2L or holders of the Subordinate Voting Shares providing such funds and indemnity as the trustee may require. No holder of Subordinate Voting Shares will have the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Subordinate Voting Shares and reasonable funds and indemnity have been provided to the trustee.

The Coattail Agreement may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada, and (b) the approval of at least 66 2/3% of the votes cast by holders of Subordinate Voting Shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Subordinate Voting Shares beneficially held by holders of Multiple Voting Shares, their affiliates and related parties and any persons who have an agreement to purchase Multiple Voting Shares on terms that would constitute a sale for purposes of the Coattail Agreement other than as permitted thereby.

No provision of the Coattail Agreement will limit the rights of any holders of Subordinate Voting Shares under applicable law.

Preferred Shares

The preferred shares may at any time and from time to time be issued in one or more series. Prior to the issue of preferred shares of any series, the Company's directors shall, subject to the rights, privileges, restrictions and conditions attached to the preferred shares as a class, the Company's Articles and the provisions of the CBCA, by resolution amend the Articles to fix the number of preferred shares in such series and determine the designation of, and the rights, restrictions, privileges and conditions attached to, the preferred shares of such series, including any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any retraction rights, any rights on the Company's liquidation, dissolution or winding-up and any sinking fund or other provisions attached to the preferred shares of the series. Except as provided in any special rights or restrictions attaching to any series of preferred shares issued from time to time, the holders of preferred shares will not be entitled to receive notice of, attend, or vote at any meeting of shareholders.

Preferred shares of each series, if and when issued, will, with respect to the payment of dividends, rank *pari passu* with the preferred shares of every other series and be entitled to preference over the Shares and any other of the Company's shares ranking junior to the preferred shares with respect to payment of dividends.

In the event of the Company's liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of preferred shares will be entitled to preference with respect to distribution of the Company's property or assets over the Shares and any other of the Company's shares ranking junior to the preferred shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the preferred shares.

Registration Rights Agreement

On closing of the IPO, the Company entered into an agreement (the "**Registration Rights Agreement**") with John Baker, Baker Holdco, NewView Capital Fund I, L.P., and OMERS Ventures LP (together with their respective affiliates, the "**Significant Shareholders**") with respect to certain rights of such shareholders. The following is a summary of the material attributes and characteristics of the Registration Rights Agreement. This summary is qualified in its entirety by reference to the provisions of that agreement, which contains a complete statement of those attributes and characteristics. The Registration Rights Agreement is available for review under the Company's profile on the SEDAR+ website at www.sedarplus.com.

The Registration Rights Agreement provides the Significant Shareholders with the right (the "**Demand Registration Right**"), among others, to require the Company to use reasonable commercial efforts to file on one or more prospectuses with applicable Canadian securities regulatory authorities, to qualify all or any portion of the Shares beneficially held by them for distribution to the public (a "**Demand Distribution**"), provided that the Company is not obliged to effect (i) more than one Demand Distribution in any 12-month period, (ii) within 90 days after the completion of a prior prospectus offering, or (iii) any Demand Distribution where the value of the Shares offered under such demand registration is (A) less than C\$25 million, in the case of a Covered Baker Offering (as defined below) for which a Baker Group Permitted Holder was a demanding shareholder, or (B) otherwise, less than C\$50 million, net of underwriting discounts and commissions. The Company may also distribute Subordinate Voting Shares in connection with a Demand Distribution provided that if the Demand Distribution involves an underwriting and the lead underwriter determines that the total number of Shares to be included in such Demand Distribution should be limited for certain prescribed reasons, the Shares to be included in the Demand Distribution will first be allocated to the Significant Shareholders.

The Registration Rights Agreement also provides the Significant Shareholders with the right (the "**Piggy-Back Registration Right**") to require the Company to include its Shares in any future public offerings of Subordinate Voting Shares undertaken by the Company by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a "**Piggy-Back Distribution**"). The Company will be required to use reasonable commercial efforts to cause to be included in the Piggy-Back Distribution all of the Shares that the Significant Shareholders request to be sold, provided that if the Piggy-Back Distribution involves an underwriting and the lead underwriter determines that the total number of Shares to be included in such Piggy-Back Distribution should be limited for certain prescribed reasons, the Shares to be included in the Piggy-Back Distribution will first be allocated to the Company.

The Demand Registration Right and Piggy-Back Registration Right is subject to various conditions and limitations, and the Company is entitled to defer any Demand Distribution in certain circumstances for a period not exceeding 120 days in any 12-month period. The expenses in respect of a Demand Distribution or Piggy-Back Distribution, including any underwriting fee, shall be borne by the Company and the Significant Shareholders on a proportionate basis according to the number of Shares proposed to be distributed by each, provided that the Company will bear all of the expenses of a Baker Group Permitted

Holder (other than the underwriting fee and expenses of counsel to such Baker Group Permitted Holder) in connection with the first two of any Demand Distribution(s) and/or Piggy-Back Distribution(s) pursuant to which any Baker Group Permitted Holder participates (a “**Covered Baker Offering**”).

Pursuant to the Registration Rights Agreement, the Company has agreed to indemnify the Significant Shareholders for any misrepresentation in a prospectus under which the Significant Shareholders’ Shares are distributed (other than in respect of any prospectus disclosure provided by the Significant Shareholders, in respect the Significant Shareholders). The Significant Shareholders have agreed to indemnify the Company for any prospectus disclosure provided by the Significant Shareholders in respect of the Significant Shareholders.

The Registration Rights Agreement automatically terminates upon the earliest to occur of the following events: (a) the date on which the last of the Significant Shareholders ceases to beneficially own or control, directly or indirectly, in the aggregate, the lesser of (i) 5% of the outstanding Shares, and (ii) 50% of the Shares that were beneficially owned or controlled, directly or indirectly, by the Significant Shareholder, in the aggregate, as of the closing of the IPO, (b) the date the Registration Rights Agreement is terminated by written agreement of the parties, and (c) the dissolution or liquidation of the Company.

MARKET FOR SECURITIES

Trading Price and Volume

The issued and outstanding Subordinate Voting Shares commenced trading on the TSX under the symbol “DTOL” on November 3, 2021. The following table sets forth the reported intraday high and low prices and monthly trading volumes of the Subordinate Voting Shares for our most recently completed financial year:

Month	High (C\$)	Low (C\$)	Volume
February 2025	\$21.11	\$17.97	1,056,473
March 2025	\$19.85	\$14.80	511,636
April 2025	\$16.11	\$11.66	1,437,500
May 2025	\$15.39	\$12.84	947,772
June 2025	\$15.49	\$12.89	596,137
July 2025	\$16.24	\$13.86	391,362
August 2025	\$16.56	\$15.75	827,778
September 2025	\$18.80	\$15.79	1,219,808
October 2025	\$19.05	\$16.89	573,813
November 2025	\$18.19	\$16.27	562,649
December 2025	\$17.01	\$13.41	650,882
January 2026	\$14.49	\$10.79	745,276

DIRECTORS AND EXECUTIVE OFFICERS

Directors

The Board currently consists of seven directors. The following table sets forth the name, age, province/state, and country of residence, positions held with the Company, principal occupations, and duration of service of the current directors of the Company. Additional biographical information for each individual is provided below.

Name & Residence	Age	Position with D2L	Director since	Principal Occupation
John Baker Ontario, Canada	49	Chair of the Board, Chief Executive Officer and President	2011 ⁽⁴⁾	Chief Executive Officer of D2L
J. Ian Giffen ⁽¹⁾⁽³⁾⁽⁵⁾ Ontario, Canada	68	Lead Director	2016	Corporate Director
Tim Connor ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾ California, USA	67	Director	2018	Partner of NewView Capital Management
Robert Courteau ⁽¹⁾⁽²⁾⁽⁵⁾ Ontario, Canada	70	Director	2021	Corporate Director
Tracy Edkins ⁽²⁾⁽³⁾⁽⁵⁾ British Columbia, Canada	55	Director	2021	Corporate Director
David Johnston ⁽¹⁾⁽³⁾⁽⁵⁾ Ontario, Canada	84	Director	2021	Corporate Director
Marta DeBellis ⁽²⁾⁽³⁾⁽⁵⁾ Utah, USA	56	Director	2024	Business Executive

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation and Human Capital Committee.
- (3) Member of CGN Committee.
- (4) Includes predecessors to D2L Inc.
- (5) Independent director for purposes of National Instrument 58-101 – Disclosure of Corporate Governance Practices.

Executive Officers

The following table sets forth the name, age, province/state and country of residence, position held with the Company, and duration of service with the Company of each current executive officer of the Company. Additional biographical information for each individual is provided below.

Name & Residence	Age	Position with D2L	Years with D2L (approx.)
John Baker Ontario, Canada	49	Chair of the Board, Chief Executive Officer and President	26
Josh Huff Ontario, Canada	36	Chief Financial Officer	10
Anna Forgione Ontario, Canada	61	Chief Legal Officer	12

Name & Residence	Age	Position with D2L	Years with D2L (approx.)
Lee Poteck Ontario, Canada	39	Chief Revenue Officer	13
Andrew Datars Ontario, Canada	60	Chief Technology Officer	1
Christian Pantel Manitoba, Canada	53	Chief Product Officer	11

As of the date of this AIF, the directors and executive officers of the Company, as a group, beneficially own, or control or direct, directly or indirectly, 935,147 Subordinate Voting Shares, representing 3.45% of the issued and outstanding Subordinate Voting Shares and 27,390,588 Multiple Voting Shares, representing 100% of the issued and outstanding Multiple Voting Shares. Accordingly, as a group, the directors and executive officers of the Company beneficially own, or control or direct, directly or indirectly, 52.00% of the Company's total issued and outstanding Shares and approximately 91.31% of the voting power attached to all of the Shares.

Directors

John Baker, Chief Executive Officer

John is the Chief Executive Officer, President and Chair of the Board of D2L. John founded D2L in 1999, at the age of 22, while attending the University of Waterloo. He is a board member of the Business Higher Education Roundtable, member of the Business Council of Canada, and Business Higher Education forum in the US. John graduated from the University of Waterloo with an Honours B.A.Sc. in Systems Design Engineering, with First Class Honours and an option in Management Sciences.

J. Ian Giffen, Lead Director

Ian Giffen has been a director of D2L since 2016 and is Lead Director of our Board. He is also a member of the board of directors of CSA Group Inc., and was formerly Chairman of Kinaxis Inc. and Descartes Systems Group Inc. In the non-profit sector, he serves on the Board of Governors of the Stratford Festival and previously sat on the boards of CAMH and the Toronto Daily Bread Food Bank.

With board experience spanning 25+ public and private companies, Ian was a director of Macromedia Inc. (1997–2005) until its \$4 billion sale to Adobe. He has chaired audit committees and special committees, leading M&A transactions exceeding \$10 billion. He holds Chartered Accountant and Corporate Finance designations and is a Fellow of both the Institute of Chartered Accountants of Ontario and the Institute of Corporate Directors.

Tim Connor, Director

Tim Connor has been a Partner of NewView Capital Management, LLC (“**NewView Capital**”), a growth equity investment firm based in Burlingame, California, since September 2018. Tim has over 40 years of experience working with high-growth, technology-driven companies as an investor, investment banker and public and private company operating executive. Before joining NewView Capital, Tim was the Chief Financial Officer of Code42 Software, Inc., an enterprise SaaS provider of data security, from February 2016 to August 2018. Prior, Tim was Chief Financial Officer of Datalogix, Inc., a data and analytics provider, from December 2012 through its acquisition by Oracle in 2015. Earlier in his career, Tim was a Managing Director in Lehman Brothers Technology Investment Banking team advising companies on

IPOs, other public equity and debt financings and merger and acquisition transactions. Tim holds an MBA from the Harvard Business School and a BA in Economics from Washington College.

Robert Courteau, *Director*

Robert Courteau is a corporate director and executive advisor supporting high growth companies and investors to achieve accelerated performance. He is currently the chair of the board of Kinaxis Inc. He most recently was the board chair of Lifeworks Inc. and has served on numerous public and private boards. As an advisor, he has worked closely with leading private companies and investors in support of their strategic plans.

An accomplished global executive, he was interim CEO of Kinaxis Inc., the chief executive officer of Altus Group Limited and prior to these roles, Mr. Courteau was a global corporate executive with SAP.AG. Throughout his various executive and board positions, Mr. Courteau has refined his expertise and insights into global market leadership, advisory services, enterprise application software and data solutions. He holds a bachelor of commerce degree and was awarded an honorary doctor of laws degree from Concordia University. The Royal Institution of Chartered Surveyors further recognized his dedication and innovative leadership in 2014, awarding him a fellowship.

Tracy Edkins, *Director*

Tracy Edkins is a board member and advisor bringing over 25 years of experience as a business-oriented human resources partner for industry leaders, including Splunk, eBay, and Starbucks. As a director for D2L since 2021, she also serves as Chair of the Compensation and Human Capital Committee. Additionally, Tracy serves on the board of Sylogist, a cloud-based ERP solutions vendor focused on the underserved public sector. She is also an advisor to Generation Investment Management and Thought Exchange and has previously served as advisor to Plan C Advisors and Findem. In the non-profit space, she has previously served on the board of ArtHouse Studio.

Tracy has expertise in product, engineering, sales and marketing across commerce, service and technology sectors. She is a trusted advisor to CEO's and executive management on alignment of culture throughout an organization. She is well known for her ability to engage employees as key stakeholders, particularly in industries where talent is the key asset to success and she has deep executive compensation, succession planning and team effectiveness expertise.

David Johnston, *Director*

David Johnston was Canada's 28th governor general. During his mandate, he established the Rideau Hall Foundation (RHF), a registered charity that supports and amplifies the Office of the Governor General in its work to connect, honour and inspire Canadians, and was chair of its board until June 2025.

Prior to his installation as governor general, David was a professor of law for 45 years and served as President of the University of Waterloo for two terms and Principal of McGill University for three terms. He was President of the Association of Universities and Colleges of Canada and of the Conférence des recteurs et des principaux des universités du Québec. He was the first non-U.S. citizen to be elected chair at Harvard University's Board of Overseers from which he graduated in 1963 magna cum laude and was twice named all-American in hockey and was named to Harvard's Athletic Hall of Fame. David holds degrees from Harvard University, the University of Cambridge and Queen's University, and has received more than three dozen honorary degrees or fellowships. He has authored or co-authored more than 30 books. He was named Companion of the Order of Canada in 1997. He has chaired or served on many provincial and federal task forces and committees and has served on the boards of more than a dozen public companies.

Marta DeBellis, *Director*

Marta DeBellis is an executive leader and leadership coach bringing over 30 years of global go-to-market experience client-side for brands such as Adobe, Intel, and Instructure and agency-side at MRM-McCann Worldgroup. Marta was most recently the Chief Marketing Officer at Ataccama, a company delivering data quality software that enables organizations to maximize the transformative potential of data and AI, having served in several roles since September 2023. Previously, from March 2022 to March 2023, she was the Chief Marketing Officer of Dotmatics, an R&D scientific software company, and, from August 2020 to March 2022, the Chief Marketing Officer of HireVue, an AI and human resources management company.

Marta is a business executive that brings a mix of strategic planning, cross-functional global GTM expertise, global in-market leadership, branding & storytelling with in-depth experience in B2B, B2B2C and B2C for SaaS across public and private equity companies. Marta has multi-faceted expertise in coaching and leadership development. She was on the leadership council to build and scale women's mentor programs at Adobe, is a regular mentor for marketing leaders in The Marketing Academy scholarship programs and provides leadership coaching via True Advance using a collaborative intelligence model.

Executive Officers who do not serve as Directors

Josh Huff, *Chief Financial Officer*

Josh has been with D2L for more than ten years in progressively senior finance positions including Controller, Vice President Finance, and Senior Vice President, Finance. Josh leads all finance-related areas including financial reporting, financial planning and analysis, strategic finance, controllership, and investor relations, and has oversight over the information technology and corporate development functions at D2L. Prior to joining D2L in 2014, Josh worked with KPMG Canada within the assurance practice focused on public and technology company audits. Josh holds a Bachelor of Business Administration (Honours) degree from Wilfrid Laurier University, a CPA, CA designation, and was awarded the Governor General's Gold Medal for the highest standing in Canada on the CPA Uniform Final Evaluation.

Anna Forgione, *Chief Legal Officer*

Anna has served as D2L's Chief Legal Officer (and prior to that, General Counsel and Corporate Secretary) since September 2013. Anna leads D2L's legal, privacy, and proposals teams. She brings over twenty years of experience in corporate leadership, technology advocacy, business development, negotiations, and strategic planning. She oversees all legal and regulatory matters for D2L worldwide. Her responsibilities include directing company transactional, intellectual property, litigation, acquisitions, compliance, and enterprise risk management functions. Before joining D2L, Anna served as General Counsel - Americas for Open Text Corporation and Assistant General Counsel for Geac Computer Corporation. Anna was also a founding executive of Telephony@Work. Anna holds a Juris Doctor degree from Osgoode Hall and has been a member of the Law Society of Ontario since 1994.

Lee Poteck, *Chief Revenue Officer*

Lee has been with D2L for more than thirteen years in progressively senior sales and sales management positions including Senior Vice President, Sales & Customer Success, Vice President, Education North America, and Vice President, Client Sales. Lee leads all revenue functions globally including, new logo and client sales teams, solution engineering, business development, sales enablement, revenue operations, customer success, and partnerships. Prior to joining D2L in 2012, Lee worked at RIM (BlackBerry). Lee holds a Bachelor of Science (Honours) degree in Biology from Western University, a Master of Business

Entrepreneurship & Technology from the University of Waterloo, and multiple Executive Education Certificates from Queen's University Smith School of Business.

Andrew Datar, *Chief Technology Officer*

Andrew has been with D2L for a year. He leads D2L's technology, engineering, and development functions, ensuring our customers have an outstanding product experience and that new product innovations are rapidly developed. Prior to joining D2L, Andrew spent eight years as Senior Vice President, Engineering for PointClickCare, and previously held roles at Microsoft and Oracle. Andrew holds a Master of Science in Physics from the University of Toronto and a Bachelor of Science in Physics from McGill University.

Christian Pantel, *Chief Product Officer*

Christian has been with D2L for more than eleven years in progressively senior product, design and engineering positions including, Senior Vice President, UX Development and Design-User Experience, Vice President, UX Development and Design, and Vice President, Product Design. He leads global product strategy, product management, product design, user experience research, and accessibility functions at D2L. Prior to joining D2L, Christian worked at Workday, Infor, and PeopleSoft. Christian holds a Master of Science in computing science from Simon Fraser University, specializing in human computer interaction and web-based learning environments. He also holds a Bachelor of Computer Science (Honours) from the University of Manitoba.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

No director or executive officer of the Company is, as at the date of this AIF, or has been within the last ten years, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Except as disclosed below, to the knowledge of the Company, no director or executive officer of the Company or any shareholder holding a sufficient number of voting securities to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the last ten years, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- (b) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision regarding the Company.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers.

CONFLICTS OF INTEREST

To the best of the Company's knowledge, other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Company and any directors or officers of the Company, except that certain of the directors and officers serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the CBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company may, from time to time, be involved in certain legal proceedings, as well as demands, claims and threatened litigation, that arise in the normal course of business, including assertions that the Company may be infringing patents or other intellectual property rights of others. The ultimate amount of liability, if any, for any pending claims of any type (either alone or combined) may materially affect the Company's financial position or results of operations. The ultimate outcome of any litigation is uncertain and, regardless of outcome, litigation can have an adverse impact on the Company's business because of defense costs, negative publicity, diversion of management resources and other factors. The Company's failure to obtain any necessary license or other rights on commercially reasonable terms, or otherwise, or litigation arising out of intellectual property claims could materially adversely affect its business. For more information concerning these risks, see "Risk Factors – Risks Related to our Business and Industry".

The Company is from time to time involved in legal proceedings of a nature considered normal to its business. To the Company's knowledge, there are no legal proceedings or regulatory actions material to the

Company to which it is a party, or has been a party to, or of which any of its property is or was the subject matter, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, in the three years prior to the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below and elsewhere in this AIF no director, executive officer or unitholder or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting securities of the Company, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this AIF which has materially affected or is reasonably expected to materially affect the Company or a subsidiary of the Company.

SkillsWave Transaction

On June 28, 2024, a corporation owned by John Baker, the Company's CEO, acquired 70% of the equity interest in SkillsWave from the Company in exchange for cash consideration of US\$809,038 (C\$1,120,000). SkillsWave was a wholly owned subsidiary of the Company incorporated on April 2, 2024, and provides upskilling solutions to employers.

On June 28, 2024, the Company also agreed to provide a loan to SkillsWave (the "**SkillsWave Loan**") in the principal amount of US\$9,500,000 maturing in five years and bearing interest at the Canadian prime rate per annum. Principal and interest are payable at maturity. The SkillsWave Loan was advanced in tranches, with US\$5,000,000 advanced upon closing of the transaction on June 28, 2024, and the remaining US\$4,500,000 advanced upon the six-month anniversary of closing. The principal and accrued interest are convertible at the option of the Company, in whole or in part, into non-voting shares of SkillsWave at a pre-determined price per share, to the extent that such shares, together with any shares acquired at closing and retained by the Company, do not exceed a maximum 37.5% ownership interest in SkillsWave. The SkillsWave Loan is secured by all assets of SkillsWave constituting a first priority security interest, subject only to permitted liens.

On June 28, 2024, the Company also entered into the following arrangements with SkillsWave: (i) the SkillsWave Loan; (ii) a Shared Technology License Agreement permitting SkillsWave the use of a perpetual, irrevocable, non-exclusive, royalty-free, non-transferrable and non-sublicensable license to use certain technology of D2L in connection with the conduct of its business; (iii) an Assignment and Guarantee Agreement whereby D2L assigns and transfers its rights, obligations, interests and liabilities in a customer agreement to SkillsWave, and in consideration of the assignment and release, D2L guarantees for the benefit of the customer all of SkillsWave's financial obligations and liabilities in respect of the period from the effective date of June 28, 2024 to August 21, 2026 under and subject to the terms and conditions of the customer agreement; further, and as a result of entering into such arrangement, SkillsWave cross-indemnifies D2L for any claims made under the Assignment and Guarantee Agreement; and (iv) a Transition Services Agreement with SkillsWave to provide administrative services on a cost recovery basis to support the orderly transition of the upskilling education business from the Company to SkillsWave, which transition was completed by January 31, 2025.

Service Arrangements with Related Parties

In the normal course of business, we obtain services from and provide services to related parties, as further described below.

Services we receive:

Lease of Premises – Catalyst

D2L Corporation has leased 93,059 square feet of premises in Kitchener, Ontario for an 11.5-year term that commenced on February 1, 2022 (the “**Kitchener Lease**”). The landlord under the Kitchener Lease, Catalyst 137 Kitchener L.P., is a private entity in which John Baker, our CEO, has a minority interest. The Kitchener Lease was approved by the independent members of the Board, John Baker abstaining, following declaration by John Baker of his conflict of interest. John Baker did not participate in the negotiation of the terms of the Kitchener Lease.

The Kitchener Lease provides for annual rent per square foot of the rentable area of the premises of C\$18 in the first year, increasing annually to C\$27.29 by the eleventh year, in each case exclusive of property taxes, certain operating costs and HST. The Kitchener Lease is terminable by D2L Corporation on certain conditions in the sixth and seventh years of the term of the lease, subject to payment of an early termination penalty. The Kitchener Lease may be extended at D2L Corporation’s option for up to four additional 60-month periods on at least 9 months prior notice, provided that the rent is to be adjusted to the then current fair market net rent for similar premises in similar buildings and an adjustment is to be made to reflect increased operating costs.

For additional information regarding the Kitchener Lease, including amounts paid in the current period, please see note 17(b) of the audited annual consolidated financial statements of the Company for its fiscal year ended January 31, 2026.

Upskilling Education Services - SkillsWave

Subsequent to the divestiture of SkillsWave on June 28, 2024, the Company entered into an agreement with SkillsWave through which D2L received upskilling education services from SkillsWave. The services received by D2L during the current period are consistent with the services it had previously received from the Wave service offering, prior to the transition of the Wave service offering from the Company to SkillsWave.

For additional information regarding the services received from SkillsWave, including amounts paid in the current period, please see note 17(c) of the audited annual consolidated financial statements of the Company for its fiscal year ended January 31, 2026.

Services we provide:

Subscription and Support Services to Virtual High School (Ontario)

We provide e-learning subscription and support services to VirtualHighSchool.com Inc. (“**VHS**”), a corporation which is controlled by family members of John Baker. The Company entered into a master agreement with VHS dated December 19, 2013 (as amended, the “**Virtual High School Agreement**”), pursuant to which we provide e-learning subscription and support services to VHS, which offers virtual private high school courses. The Virtual High School Agreement was approved by the Board, John Baker abstaining, following declaration by John Baker of his conflict of interest.

The Virtual High School Agreement was renewed on November 23, 2023, for an additional three-year term and was further amended on December 6, 2024, to extend the term to July 30, 2027. Prior to the Company's IPO, John Baker had a minority interest in VHS and on November 3, 2021, John Baker disposed of such interest in VHS. VHS remains controlled by family members of John Baker.

For additional information regarding the services provided to VHS, including amounts received in the current period, please see note 17(a) of the audited annual consolidated financial statements of the Company for its fiscal year ended January 31, 2026.

Subscription and Support Services to SkillsWave

The Company entered into a customer contract with SkillsWave for use of the Company's products and services dated September 18, 2024, for a term of 28 months which began on October 1, 2024, and will end on January 31, 2027. The terms of the customer contract and the services provided by D2L during the current periods are consistent with what is provided to other customers that use the Company's products and services.

For additional information regarding the services provided to SkillsWave, including amounts received in the current period, please see note 17(c) of the audited annual consolidated financial statements of the Company for its fiscal year ended January 31, 2026.

AUDITOR, TRANSFER AGENT AND REGISTRAR

KPMG LLP, located at Vaughan Metropolitan Centre, 100 New Park Place, Suite 1400, Vaughan, Ontario, L4K 0J3, is the independent auditor of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Subordinate Voting Shares is Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

The trustee for the Multiple Voting Shares under the Coattail Agreement is Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

PROMOTER

In connection with the IPO, Staff at the Ontario Securities Commission notified the Company that it was of the view that John Baker was a promoter of the Company within the meaning of applicable securities laws in Canada. As of the date of this AIF, Mr. Baker beneficially owns, or controls or directs, directly or indirectly, 566,601 Subordinate Voting Shares, representing 2.08% of the issued and outstanding Subordinate Voting Shares and 27,390,588 Multiple Voting Shares, representing 100% of the issued and outstanding Multiple Voting Shares. See also "Interest of Management and Others in Material Transactions".

MATERIAL CONTRACTS

Material contracts of the Company, other than contracts entered into in the ordinary course of business, that were entered into within the last financial year or before the last financial year but are still in effect:

- the Coattail Agreement, which is described under the heading “Description of Capital Structure – Subordinate Voting Shares and Multiple Voting Shares – Take-Over Bid Protection”; and
- the Registration Rights Agreement, which is described under the heading “Description of Capital Structure – Registration Rights Agreement”.

The Company’s material contracts described above are filed under the Company’s profile on SEDAR+ at www.sedarplus.com.

AUDIT COMMITTEE

Audit Committee’s Charter

The charter (the “**Charter**”) of the Company’s Audit Committee is reproduced as Exhibit “B”. The Board has adopted the Charter which describes the mandate of the Audit Committee that establishes, *inter alia*, the Audit Committee’s purpose and responsibilities. Within the purview of its mandate, the Audit Committee is responsible for overseeing the Company’s financial statements and financial disclosure and shall review and, if advisable, approve and recommend the annual financial statements and interim financial statements for Board approval. The Audit Committee’s responsibilities also include the selection, recommendation and oversight of the Company’s independent auditor, as well as the oversight of the Company’s internal controls over financial reporting and disclosure. The Audit Committee is also responsible for administering the Company’s whistleblowing policy and establishing procedures for the (i) receipt, retention and treatment of complaints received by the Company regarding violations of the written code of business conduct and ethics of the Company, accounting, internal accounting controls or audit matters, and (ii) the confidential, anonymous submissions by employees of the Company relating to concerns regarding questionable accounting or auditing matters.

Composition of Audit Committee

The Audit Committee is currently comprised of Ian Giffen (Chair), Tim Connor, Robert Courteau and David Johnston. Each of the members of the Audit Committee has an understanding of the accounting principles used to prepare the Company’s financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see “Directors and Executive Officers – Directors”.

It is the Board’s determination that each of the members of the Audit Committee is financially literate within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). A director is “financially literate” within the meaning of NI 52-110 if they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. Additionally, it is the Board’s determination that each of the current members of the Audit Committee is independent within the meaning of NI 52-110.

The members of the Audit Committee will be appointed annually by the Board, and each member of the Audit Committee will serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Company's external auditors not been adopted by the Board of Directors.

Risk Oversight

The Company is committed to maintaining an environment that integrates risk management into the fabric of the organization and has established an enterprise risk management ("ERM") program to provide structure and oversight.

Working with the executive leadership team, our Chief Legal Officer is responsible for overseeing the implementation of the ERM program and reporting regularly on our principal risks to the Audit Committee and the Board of Directors. The Board of Directors and Audit Committee have the responsibility to ensure that adequate systems are in place to identify, assess, manage and report on the key risk affecting D2L strategic objectives.

D2L's ERM framework is in line with industry leading practices (i.e. ISO 31000:2018 and COSO ERM 2017) and includes risk identification, assessment, prioritization, action planning and monitoring & reporting. The program's goal is to integrate these activities into established business processes across the organization to align strategic business efforts with the risk action planning.

Pre-Approval Policies and Procedures

The Audit Committee is responsible for pre-approving any and all audit services and permissible non-audit services to be performed by the Company's independent auditors and will adopt and implement policies for such pre-approval. The Audit Committee will consider the impact of such non-audit services and fees on the independence of the auditor and at least annually, and before the independent auditor issues their report on the Company's annual financial statements, the Audit Committee shall confirm the independence of the independent auditor by obtaining statements from the independent auditor describing all relationships with the Company, including with respect to any non-audit services, and by obtaining written confirmation from the independent auditor that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditor belongs.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors during the financial years ended January 31, 2026, and January 31, 2025, were as follows:

	Fiscal year ended January 31, 2026	Fiscal year ended January 31, 2025
Audit fees ⁽¹⁾	C\$760,000	C\$905,000
Audit-related fees ⁽²⁾	C\$-	C\$32,000
Tax fees	C\$2,000	C\$-
All other fees ⁽³⁾	C\$2,000	C\$2,000
Total	C\$764,000	C\$939,000

Notes:

- (1) The aggregate fees for audit services relate to audits of the Company's annual consolidated financial statements, reviews of the interim consolidated financial statements for the first three quarters of the year, and statutory audits of certain of the Company's subsidiaries.
- (2) The aggregate fees billed for general audit-related accounting advisory services.
- (3) The aggregate fees billed for services, products and solutions other than set out under the headings, "Audit fees" and "Audit-related fees".

ADDITIONAL INFORMATION

Additional information relating to the Company can be found under the Company's profile on SEDAR+ at www.sedarplus.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans will be contained in the Company's information circular for its upcoming annual meeting of Shareholders.

Additional financial information is provided in the Company's financial statements and management's discussion and analysis for the financial year ending January 31, 2026.

EXHIBIT “A”
GLOSSARY OF TERMS

In addition to terms defined elsewhere in this AIF, the following terms, when used in this AIF, will have the following meanings (unless otherwise indicated):

“**AI**” means a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments.

“**AIF**” means this annual information form as defined under the heading “General”.

“**API**” means application programming interface.

“**Articles**” has the meaning set out under the heading “Description of Capital Structure”.

“**Audit Committee**” has the meaning set out under the heading “Audit Committee”.

“**AWS**” means Amazon Web Services.

“**Baker Group Permitted Holders**” has the meaning set out under the heading “Description of Capital Structure – Subordinate Voting Shares and Multiple Voting Shares – Conversion”.

“**Baker Holdco**” means 2416535 Ontario Inc., a holding company indirectly controlled by John Baker, the Company’s founder, Chair and Chief Executive Officer.

“**Board**” or “**Board of Directors**” means the board of directors of the Company.

“**By-Laws**” has the meaning set out under the heading “Description of Capital Structure”.

“**C\$**” means Canadian dollars, the lawful currency of Canada.

“**CBCA**” means *Canada Business Corporations Act*.

“**Coattail Agreement**” has the meaning set out under the heading “Description of Capital Structure – Subordinate Voting Shares and Multiple Voting Shares – Take-Over Bid Protection”.

“**Company**” or “**D2L**” means D2L Inc.

“**CSA**” means Canadian Securities Administrators.

“**customers**” has the meaning set out under the heading “General”.

“**ERM**” means enterprise risk management.

“**EU**” means European Union.

“**Free Cash Flow**” means cash provided by (used in) operating activities less net additions to property and equipment.

“**Generative AI**” or “**GenAI**” refers to a class of AI system that, after being trained on large datasets, can be used to generate text, images, videos, or other outputs from a given prompt.

“**H5P**” means H5P Group AS

“**Higher Ed**” means higher education.

“**HolonIQ**” means HolonIQ Pty Ltd.

“**IPO**” has the meaning set out under the heading “Major Developments”.

“**IT**” means information technology.

“**K-12**” means Kindergarten to Grade 12.

“**LMS**” means learning management system.

“**Multiple Voting Shares**” means the multiple voting shares in the capital of the Company.

“**NCIB**” means normal course issuer bid.

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*.

“**Registration Rights Agreement**” has the meaning set out under the heading “Description of Capital Structure – Registration Rights Agreement”.

“**SaaS**” means Software as a Service.

“**Shares**” means, collectively, Subordinate Voting Shares and Multiple Voting Shares.

“**Significant Shareholders**” has the meaning set out under the heading “Description of Capital Structure – Registration Rights Agreement”.

“**SkillsWave**” means SkillsWave Corporation.

“**Subordinate Voting Shares**” means the subordinate voting shares in the capital of the Company.

“**TSX**” means the Toronto Stock Exchange.

“**U.S.**” means the United States of America.

“**US\$**” means United States dollars, the lawful currency of the United States.

“**WCAG**” has the meaning set out under the heading “Description of the Business – Compliance and Certifications – Accessibility”.

**EXHIBIT “B”
AUDIT COMMITTEE CHARTER**

D2L INC.

1. Purpose and Scope

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of D2L Inc. (the “**Company**”). As delegated by the Board, the Committee shall attend to the responsibilities set out in this Charter.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

Each member of the Committee shall be independent within the meaning of the provisions of National Instrument 52-110 – *Audit Committees*, as may be amended or replaced from time to time.

Term of Members

The members of the Committee shall be appointed annually by the Board, provided that if the composition of the Committee is not so determined, each director who was then serving as a member of the Committee shall continue as a member of the Committee until their successor is appointed. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

Committee Chair

At the time of the annual appointment of the members of the Committee, the Board may appoint a Chair of the Committee. If a Committee Chair is not appointed by the Board, the members of the Committee shall designate a Committee Chair by majority vote of the full Committee membership, provided that if the designation of the Committee Chair is not made, then the director who was then serving as Committee Chair shall continue as Committee Chair until their successor is appointed. Notwithstanding any of the foregoing, the Committee Chair must be a member of the Committee.

In the absence of the Committee Chair at a meeting of the Committee, the members of the Committee present may appoint a chair from their number for such meeting.

Financial Literacy of Members

At the time of their appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Further, at least one member of the Committee shall have experience as a certified public accountant, chief financial officer or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as a senior executive officer.

3. Meetings

Frequency of Meetings

The Committee shall meet as often as the Committee considers appropriate to fulfill its responsibilities, but in any event at least once per fiscal quarter.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Calling of Meetings

The Committee Chair, any member of the Committee, the Company's external auditors, the Chair of the Board, the Lead Director (if any), the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Committee by notifying the Company's Corporate Secretary who will notify the members of the Committee.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Committee Chair may report orally to the Board on any matter in their view requiring the immediate attention of the Board.

Attendance of Non-Members

The Company's external auditors are entitled to receive notice of, to attend and be heard at each Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

Meetings Without Management and Executive Sessions

As part of each meeting of the Committee, the Committee shall hold an *in camera* session, at which management and non-independent directors of the Board are not present, and the agenda for each Committee meeting will afford an opportunity for such a session.

The Committee shall also periodically meet separately, at unscheduled or regularly scheduled meetings or portions of meetings, in executive session or otherwise with each of the Company's external auditor and management, as the Committee deems appropriate.

Access to Management and Books and Records

The Committee shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the Company's management and employees and the books and records of the Company.

4. Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall

perform the functions and responsibilities required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the “**Applicable Requirements**”) or as the Board otherwise deems necessary or appropriate.

Financial Reports

(a) General

The Committee is responsible for overseeing the Company’s financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company’s financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The Company’s external auditors are responsible for auditing the Company’s annual financial statements and for reviewing the Company’s unaudited interim financial statements.

(b) Review of Annual Financial Reports

The Committee shall review the annual audited financial statements of the Company, the auditors’ report thereon and the related management’s discussion and analysis of the Company’s financial condition and financial performance (“**MD&A**”). After completing its review, if advisable, the Committee shall approve and recommend the annual financial statements and the related MD&A for Board approval.

(c) Review of Interim Financial Reports

The Committee shall review the interim financial statements of the Company, the auditors’ review report thereon, if any, and the related MD&A. After completing its review, if advisable, the Committee shall approve and recommend the interim financial statements and the related MD&A for Board approval.

(d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report, if any, prepared by the external auditors;
- (iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the Company’s financial statements;
- (v) regularly review the Company’s critical accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- (vii) review management’s process for formulating sensitive accounting estimates and the reasonableness of these estimates;

- (viii) review significant recorded and unrecorded audit adjustments;
- (ix) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under applicable generally accepted accounting principles (“GAAP”);
- (x) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (xi) inquire at least annually of both the Company’s management, accounting group and the Company’s auditors as to whether either has any concerns relative to the quality or aggressiveness of management’s accounting policies;
- (xii) review with the auditors alternative accounting treatments that have been discussed with management;
- (xiii) review with management any significant changes in GAAP, as well as emerging accounting and auditing issues, and their potential effects;
- (xiv) review with management matters that may have a material effect on the financial statements;
- (xv) review management’s report on the effectiveness of internal controls over financial reporting;
- (xvi) review the factors identified by management as factors that may affect future financial results;
- (xvii) review results of the Company’s whistleblower program; and
- (xviii) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.

(e) **Other Financial Disclosures**

The Committee is responsible for reviewing financial disclosure in a prospectus or other securities offering document of the Company, as well as press releases disclosing, or based upon, financial results of the Company and any other publicly disseminated material financial disclosure, including, in accordance with the Company’s Disclosure Policy, material financial outlook (e.g., earnings guidance) and forward-oriented financial information (e.g., forecasted financial statements) provided to analysts, rating agencies or otherwise publicly disseminated, and material non-GAAP financial measures, non-GAAP ratios, total of segments measures, capital management measures, and supplementary financial measures (each as defined in National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure*).

The Committee is responsible for ensuring that satisfactory procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assessing those procedures.

External Auditors

(a) General

The Committee shall be directly responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work. When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.

(b) Nomination and Compensation

The Committee shall review and, if advisable, recommend for Board approval the Company's external auditors to be nominated and the compensation of such external auditor. The Committee shall have ultimate authority to approve all audit engagement terms, including the auditors' audit plan.

(c) Resolution of Disagreements

The Committee shall assess the effectiveness of the working relationship of the Company's external auditors with management and resolve any disagreements between management and the external auditors as to financial reporting matters brought to its attention.

The Committee shall review all reportable events, including disagreements, unresolved issues and consultations with the Company's auditors, whether or not there is to be a change of auditors, and receive and review all reports prepared by the auditors.

(d) Discussions with Auditors

At least annually, the Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Committee.

(e) Audit Plan

At least annually, the Committee shall review a summary of the auditors' annual audit plan. The Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) Quarterly Review Report

The Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Company.

(g) Independence of Auditors

At least annually, and before the auditors issue their report on the annual financial statements, the Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Committee shall take appropriate action to oversee the independence of the auditors.

(h) **Evaluation of Lead Partner**

At least annually, the Committee shall review the qualifications and performance of the lead partner(s) of the auditors.

(i) **Requirement for Pre-Approval of Non-Audit Services**

The Committee shall approve in advance any and all audit services and permissible non-audit services to be performed by the auditors for the Company or its subsidiary entities that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures, and adopt and implement policies for such pre-approval. The Committee shall consider the impact of such service and fees on the independence of the auditor. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting.

(j) **Approval of Hiring Policies**

The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(k) **Internal Audit Function**

The Committee shall periodically review, assess, and consider the approval of the creation and the mandate, plan, budget and staffing of an internal audit department. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.

The Committee shall review the appointment, performance and replacement of a senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for such internal audit function.

(l) **Financial Executives**

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Compensation and Human Capital Committee, as appropriate.

Internal Controls

(a) **General**

The Committee shall review the Company's system of internal controls.

(b) **Establishment, Review and Approval**

The Committee shall oversee management's implementation and maintenance of appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and oversee management's review, evaluate and approve these procedures as appropriate. The Committee shall periodically consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and

- the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
 - (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
 - (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
 - (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Risk Management

The Committee shall be responsible for overseeing management's identification and assessment of the principal risks to the operations of the Company and the establishment and management of appropriate systems to manage such risks with a view to achieving a proper balance between risks incurred and potential return to holders of securities of the Company and to the long-term viability of the Company. In this regard, the Committee shall require management to report on a quarterly basis to the Committee, and the Committee shall review such reports provided by management, on the risks inherent in the business of the Company (including appropriate crisis preparedness, business continuity, information system controls, cybersecurity and disaster recovery plans), the appropriate degree of risk mitigation and risk control, overall compliance with and the effectiveness of the Company's risk management policies, and residual risks remaining after implementation of risk controls. The Committee shall report to the Board on a quarterly basis, with respect to the principal risks faced by the Company and the steps implemented by management to manage these risks.

Compliance with Legal and Regulatory Requirements

The Committee shall review reports from the Company's Corporate Secretary / General Counsel and other management members on: (a) legal or compliance matters that may have a material impact on the Company; (b) the effectiveness of the Company's compliance policies; and (c) any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Whistleblower Procedures

The Committee shall establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair of the Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Committee shall prepare, review and approve any Audit Committee disclosures required by Applicable Requirements in the Company's disclosure documents.

Delegation

The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Committee deems appropriate.

5. Conflicts of Interest

The Committee shall review the Company's policies relating to the avoidance of conflicts of interest and review and approve all payments to be made pursuant to any related party transactions involving executive officers and members of the Board of the Company or any significant shareholders of the Company, as may be necessary or desirable under the Applicable Requirements. The Committee shall consider the results of any review of these policies and procedures by the Company's external auditors.

6. Outside Advisors

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and may seek, retain and terminate accounting, legal, consulting or other expert advice from a source independent of management, at the expense of the Company, with notice to either the Chair of the Board, the Lead Director (if appointed) or the Chief Executive Officer of the Company, as deemed appropriate by the Committee. In furtherance of the foregoing, the Committee shall have the sole authority to retain and terminate, from a source independent of management, any such consultant or advisor to be used to assist in the evaluation of such matters and shall have the sole authority to approve the consultant or advisor's fees and other retention terms.

7. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all Applicable Requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

8. Charter Review

The Committee shall review and update this Charter annually and, in conjunction with the review and recommendations of the Corporate Governance and Nominating Committee regarding same, present the updated Charter to the Board for approval.