

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF ZOOMD TECHNOLOGIES LTD.

### Basis of Presentation

The following management’s discussion and analysis (“**MD&A**”) relates to the operating results, financial position, cash flows, and outlook guidance of Zoomd Technologies Ltd. (the “**Company**”) and its wholly-owned subsidiary Zoomd Ltd. (“**Zoomd**”) prepared for the three months and year ended December 31, 2024 and should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2024 and the related notes attached thereto (the “**Financial Statements**”). For the avoidance of doubt, any reference to the Company in this MD&A fully incorporates and includes Zoomd. The Financial Statements consolidate the accounts of the Company and its subsidiaries. All inter-company balances and transactions have been eliminated on consolidation. The Financial Statements and extracts of those Financial Statements included in this MD&A have been prepared in accordance with IFRS Accounting Standards® as issued by the International Accounting Standards Board (“IASB”).

The effective date of this MD&A is March 26, 2025.

**Unless otherwise stated herein, all amounts expressed in this MD&A are presented in thousands of United States dollars, denominated by “\$” or “USD” or “US\$”, the functional currency of the Company.**

### FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements that are based on current expectations, which involve risks and uncertainties associated with the business and the environment in which the Company operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, including those identified by the expressions “**anticipate**”, “**believe**”, “**plan**”, “**estimate**”, “**expect**”, “**intend**”, and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not facts but reflect management’s current expectations regarding future results or events. In developing the forward-looking statements in this MD&A, the Company has applied several material assumptions, including the availability of financing on reasonable terms, the Company’s ability and general business and economic conditions. These forward-looking statements are subject to several risks and uncertainties that could cause actual results or events to differ materially from current expectations, including, but not limited to, risks and uncertainties related to:

1. the performance of the Company’s business and operations;
2. the intention to grow the business and operations of the Company;
3. the ability of the Company to implement and execute its technology development roadmap;
4. the ability of the Company to grow through mergers and acquisitions;
5. future liquidity, financial capacity and availability of future financing;
6. global macroeconomic effects on the Company’s business, operations, and financial results, including but not limited to the macroeconomic effects of the war between Russia and Ukraine, and the Israeli-Palestinian conflict in the Middle East, as well as trade policy changes, including tariffs;
7. general economic conditions, including but not limited to risks associated with the weakening of global economic activity and recession, foreign currency fluctuations, increased interest rates, and inflation;

8. demand for the Company's offerings;
9. introduction of competing offerings;
10. the Company's ability to respond to rapid technological changes with new products and services;
11. the return on investment from research and development investments made by the Company;
12. the Company's ability to protect and enforce its intellectual property, and risks of potential claims of intellectual property infringement by third parties;
13. failure to manage the Company's product and service lifecycles;
14. failure to manage open-source software adoption and compliance risks;
15. the Company's concentrated customer base, as five of the Company's customers comprise 84% of its revenues for the year ended December 31, 2024;
16. the success of the Company's implementation of cost savings measures, primarily consisting of the discontinuance of non-profitable operations;
17. the ability of the Company's products to operate effectively within the systems of the Company's customers; and
18. general industry and privacy regulation trends which may change from time to time and could adversely impact the Company's business, including privacy changes made in the past by Apple and Google as well as future privacy changes.

With respect to the forward-looking statements contained herein, although the Company believes that the expectations and assumptions are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. There can be no assurance that the anticipated results or developments will be realized, and actual results can be expected to vary from the results projected and such variances may be material and adverse. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. All forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

### **Non-IFRS Financial Measures**

This MD&A refers to certain non-IFRS measures. These measures are not recognised measures under IFRS Accounting Standards, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. The Company's definitions of non-IFRS measures used in this MD&A may not be the same as the definitions for such measures used by other companies in their reporting. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS financial measures to provide investors with supplemental measures of its operating performance and to eliminate items that have less bearing on operating performance or operating conditions and thus highlight trends in its core business that may not otherwise

be apparent when relying solely on IFRS financial measures. Specifically, the Company believes that Adjusted EBITDA, when viewed with the Company's results under IFRS and the accompanying reconciliations, provides useful information about the Company's business without regard to potential distortions. By eliminating potential differences in results of operations between periods caused by factors such as depreciation and amortization methods and share-based compensation, the Company believes that Adjusted EBITDA can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. The Company believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period.

“**Adjusted EBITDA**” represents the Company's operating income before interest, taxes, depreciation, and amortization adjusted for the exclusion of share-based compensation and one-time non-operating expenses.

See “Reconciliation of Non-IFRS Measures” for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measure.

### **Company Overview**

Zoomd, the Company's wholly-owned operating subsidiary located in Israel, was incorporated on November 29, 2012 and began operating in 2013 in the area of web search and user behavior-based analytics. In September 2019, through a qualifying transaction undertaken pursuant to the rules of the TSX Venture Exchange (“**TSXV**”), Zoomd became a wholly-owned subsidiary of the Company, a reporting issuer in Alberta and British Columbia whose common shares are traded on the TSXV. The Company has developed and acquired proprietary patented technology and targets the needs of various segments of the digital marketing industry. The Company offers its services globally. As such, the Company operates in collaboration with hundreds of publishers and global advertisers.

The Company aims to consistently provide clear added value to its customers. The Company's services and technology stack development roadmap focuses on creating technology solutions which seamlessly integrate with a range of digital media sources. Through this integration, the Company aims to consolidate these sources, allowing its customers to achieve optimal value. The primary focus of this effort is directed towards enhancing user acquisition and retention strategies, tailoring them to the unique requirements of each media source in any screen or platform. Furthermore, the Company is committed to staying attuned to the market dynamics and the changing demands of its customers.

The Company actively evaluates the inclusion of novel distribution media channels into its platform. This adaptive approach ensures that the Company remains responsive to the evolving needs of its customers, contributing to its reputation as a forward-thinking and customer-centric company.

The Company provides clients with KPI (key performance indicators) based advertising and media buying based on the Company's technology, primarily in mobile user acquisition.

The Company is focusing its efforts, which are based on long-term trends within the online advertising industry, in line with its basic strategies of:

- Providing customers with digital, mobile focused advertising technologies, products and services for improving their media buying effectiveness, cost and measurement, and maximising their user acquisition and retention costs.
- Enabling customers to manage their user acquisition campaign budgets on multiple digital channels, screens and platforms including social networks, ad networks, exchanges, content

discovery platforms, influencers, connected TV(CTV), all using data driven KPI-based technology.

- Providing extra tools and features as part of its offering in an attempt to simplify campaign management tasks. Such extra tools and features include creative studio editing capabilities for quick ad adjustments, extra layers of data from app stores and unique optimization abilities for saving time and resources on campaign management tasks.

The Company previously maintained an internal site search engine as an offering for publishers and miscellaneous ad services. In Q2.23, the Company decided to discontinue these solutions, as changes in the market deemed the offerings less competitive and they were no longer generating adequate profit.

The Company's competitive advantage can be summarized as follows:

- The Company's advertising solution is built as a layer on the ecosystem. It is integrated into numerous media channels, consolidating data and streaming it into a centralized platform, giving the Company the ability to analyse and optimise campaigns for its customers on said channels.
- The Company's diverse offering allows it to choose the best channel for a specific target, maximising the advertiser's advertising budget. There is no dependency on any specific supplier or traffic channel. To that end, the Company uses a combination of research, development and acquisitions to improve its offerings;
  - In 2022, the Company acquired all of Albert Technologies Ltd. and Albert Technologies Inc.'s tangible and intangible assets ("**Albert**"). Albert is a marketing platform for advertisers which primarily targets Google and Meta;
  - In 2021, the Company acquired all of Performance Revenues Ltd's ("**Performance Revenues**") tangible and intangible assets; which focuses on influencer and creators marketing;
- The Company's platform and its products do not require an SDK (Software Development Kit) to be implemented.
- Outside of the walled gardens (Google, Meta, etc.) the marketing landscape is very fragmented. Zoomd enables advertisers to leverage a wide range and various types of media channels, from social to programmatic, OEM's, SDK networks and more. Their KPI's are achieved in all channels, or as a mix.
- The Company is not reliant on the Google/Meta "duopoly". They are a part of the Company's offering, but if not performing well, will not be allocated a portion of the media budgets. The Company's platform offers numerous acquisition channels including social, global publishers, SDK ad networks, DSP's, mobile operators, device manufactures and more. KPIs can be achieved, in scale, with less dependency on the "duopoly".
- As the industry is rapidly changing, the Company invests resources in market analysis, customer management and research and development to maintain its competitive advantage and refine its product to further differentiate itself from the competitors in order to build a healthy base for future growth.

## **Business Excellence and Operational Efficiency**

The Company operates in a dynamic and evolving economic environment, influenced by ongoing macroeconomic shifts. These factors continue to shape the global business landscape, particularly within the advertising sector, which remains the Company's primary domain of operation.

To navigate these complexities, the Company's management remains focused on strategic initiatives aimed at enhancing financial resilience and driving sustainable growth, including:

- A continued focus on core user acquisition activities, leveraging the Company's proprietary technology while adapting to evolving market conditions.
- Ongoing cost optimization efforts to improve operational efficiency and maintain a lean and agile structure.
- Expanding and diversifying the Company's customer portfolio across operational segments and geographies, reinforcing business resilience and long term stability.

The financial outcomes of these strategic decisions led to significant improvements. Although the Company discontinued several operations that were no longer aligned with the Company's vision, the Company achieved a 70% increase in revenues in 2024 compared to 2023.

During 2024 the Company achieved consistent quarterly revenue growth each quarter compared to the corresponding quarter in the previous year, ultimately resulting in an approximately 100% increase in Q4.2024 compared to Q4.2023. Moreover, despite this substantial revenue growth, the Company successfully maintained a controlled expense structure, with operating expenses as a percentage of revenue accounting for 22% in 2024, down from 50% in 2023, while also reflecting a decline in absolute terms of operating costs compared to 2023.

The increase in revenues combined with the modulated operating costs, led to a continued improvement in the Company's financial results achieving an Operating Income of \$9.5 million for 2024, a \$13.6 million improvement compared to 2023. The Company achieved seven consecutive quarters of Operating Income growth, culminating in an Adjusted EBITDA of \$11.3 million and for the first time since 2021 a positive Net Income of \$8.9 million in 2024. This profitability improvement also strengthened liquidity, with \$7.7 million in terms of cash generated from operating activities in 2024.

The Company's diverse customer base covers multiple sectors and regions, and as a result, its revenue cycles may sometimes be influenced by external factors beyond our control, rather than by the quality of the service we provide. These external factors can include seasonal trends, macroeconomic effects, internal client decisions to adjust advertising budgets, and wider changes within the customer's environment. Therefore, management continuously work to ensure the Company maintains a resilient and flexible foundation. This foundation enables the Company to swiftly and effectively respond to these unpredictable shifts while maintaining a healthy bottom line. The Company remains committed to adapting its strategies in response to evolving market conditions and opportunities, with a steadfast focus on delivering value to the Company's stakeholders and ensuring long-term growth and adaptability. The Company's ability to navigate market fluctuations and adapt to changing conditions is reflected in its strong client retention, averaging over three years for our top-tier customers. This figure highlights the trust and stability the Company cultivates with its customers and underscores the Company's ability to success, even in a dynamic and uncertain business environment.

**Selected Financial Information for the Twelve and Three Months Ended December 31, 2024 and 2023:**

The following financial information has been derived from the Company's Financial Statements. For further information see "Overview of Operating Results" below.

	Twelve months ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
Revenues	54,496	32,113	15,066	7,524
Cost of Revenues	32,994	20,089	8,895	4,936
Research and Development, Net	2,747	3,295	487	608
Selling, General and Administrative Expenses	9,520	9,983	2,676	1,924
Other Expenses (Income) <sup>(1)</sup>	(280)	2,839	(280)	-
Operating Income (Loss)	9,515	(4,093)	3,288	56
Finance Income	81	169	9	57
Finance Expense	(666)	(718)	(243)	(144)
Taxes on income	22	12	-	-
Net Income (Loss)	8,908	(4,654)	3,054	(31)
Income (Loss) Per Share (basic)	0.09	(0.04)	0.03	0.00
Income (Loss) Per Share (diluted)	0.08	(0.04)	0.02	0.00
Adjusted EBITDA*	11,342	1,672	3,227	557
Total Assets	28,654	18,644	28,654	18,644
Total Non-Current Liabilities	1,476	2,169	1,476	2,169

\* Non-IFRS measure

**Note:**

1. Cancellation of the obligation to repay grants received from the Israel Innovation Authority (2024) and write-off of capitalized development costs (2023).

## **Financial Operations Overview**

*Financial Period Ended December 31, 2024.*

### ***Revenue***

The Company provides clients with KPI based advertising and media buying based on the Company's technology, primarily (but not limited to) in mobile user acquisition.

The KPIs used most frequently are cost per install (CPI), cost per event (CPE), cost per click (CPC) or cost per mille (CPM). Alternatively, the Company may use an agreement whereby the revenue is based on a fixed percentage, by using traffic sources as publishers, ad networks and demand side platforms (DSPs). At the end of each month, the revenues from these advertisers are calculated and recognised, taking into consideration any contractual cap with such advertisers.

### ***Cost of Revenues***

Cost of revenues is comprised primarily from costs paid to the publisher or traffic source, for delivering the acquired results (KPIs, CPI, CPE, CPC, CPM) given by the advertisers, or with whom the Company shares the revenues it collects from the advertisers.

### ***Operating Cost and Expenses***

The Company's operating costs and expenses are classified into two categories: research and development expenses and all others (e.g., selling, general and administrative expenses). Operating costs also include amortization of intangible assets acquired in the business combination with Albert and Performance Revenues, and amortization of capitalized software development costs. Both have affected the operating margins. For each category, the largest component is typically personnel costs, which consists of salaries, employee benefits, and share-based compensation. Operating costs and expenses are generally recognised as incurred.

### ***Research and Development Expenses***

Research and development activities are central to the Company's business. The Company expects to continue its research and development investments in order to reach its planned milestones of the development roadmap. The Company's research and development expenses consist primarily of personnel costs, payments to subcontractors, cloud infrastructure, depreciation and amortization expenses and share-based compensation. The Company capitalizes certain internal and external software development costs, consisting primarily of direct labor associated with creating the internally developed software.

### ***Selling, General and Administrative Expenses***

The Company's selling, general and administrative expenses consist primarily of personnel expenses for the Company's sales, marketing, executive, finance, legal, human resources, and administrative personnel. It also includes professional service fees and other general corporate expenses, such as communication, depreciation and amortization, public relations, travel expenses and other office expenses.

The Company expects that its selling, general and administrative expenses will increase in the future. The Company targets global expansion with partners and establishing local operations in specific regions. It also anticipates additional general and administrative costs associated with being a public company. These public company-related expense increases are anticipated to include the costs of additional subsidiaries in various countries, legal fees, accounting and audit fees, directors' and officers' liability insurance premiums and costs related to investor relations.

### ***Other Expenses – Impairment***

Due to changes in market conditions and shifts in the marketing tech industry, the Company decided in Q2.23 to reallocate resources and adjust its investment focus away from certain self-serve components to others within the current solutions (“**Restructuring**”). The Restructuring involved allocation of resources to areas of greater and faster growth potential and discontinuation of investment in other initiatives the Company worked on. The Restructuring impacted the recoverability of software development costs invested, which were determined to no longer be recoverable. As such, \$2.8M of software development costs were written off entirely. Market dynamics, including macroeconomic cycles and shifts in technology in the marketing tech space, have influenced the viability and growth prospects of several components within the current solutions, which led the Company to implement the Restructuring.

### ***Finance Income and Finance Expenses***

Foreign currency transactions are translated into United States dollars using the exchange rates prevailing as at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Net Income (Loss) under “**finance expenses**” and “**finance income**”.

### **Overview of Operating Results**

#### ***Twelve and three months ended December 31, 2024, compared to the twelve and three months ended December 31, 2023***

##### ***Revenues***

Revenues for the twelve months ended December 31, 2024 were \$54,496 as compared to revenues of \$32,113 for the twelve months ended December 31, 2023, an increase of approximately 70% year over year.

Revenues for the three months ended December 31, 2024 were \$15,066 as compared to revenues of \$7,524 for the three months ended December 31, 2023, an increase of approximately 100% year over year.

Although the Company discontinued several operations that were no longer aligned with its vision in 2023, the Company achieved consistent quarterly revenue growth throughout 2024, with each quarter compared to the corresponding quarter in the previous year.



### ***Cost of Revenues***

For the twelve months ended December 31, 2024, cost of revenues amounted to \$32,994, as compared to \$20,089 for the twelve months ended December 31, 2023, an increase of approximately 64%. The increase is primarily attributed to the increase in revenues.

For the three months ended December 31, 2024, cost of revenues amounted to \$8,895, as compared to \$4,936 for the three months ended December 31, 2023, an increase of approximately 80%. The increase is primarily attributed to the increase in revenues.

As a result of the improvement in gross profit, the Company maintained a moderate increase in costs relative to revenue growth.

### ***Operating Costs and Expenses***

The following table summarizes operating expenses for the twelve and three months ended December 31, 2024 and 2023:

	<b>Twelve months ended December 31,</b>		<b>Three months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Research and Development Salaries and Subcontractors	1,384	1,774	367	207
Selling, Administrative, General Salaries and Related Expenses	6,731	6,959	2,087	1,354
Depreciation and Amortization	2,000	2,247	196	599
Selling, Administrative and Other Expenses	2,152	2,298	513	372
<b>Total Operational Expenses Before Other Expenses <sup>(1)</sup></b>	<b>12,267</b>	<b>13,278</b>	<b>3,163</b>	<b>2,532</b>
Other Expenses (Income) <sup>(2)</sup>	<b>(280)</b>	<b>2,839</b>	<b>(280)</b>	<b>-</b>
<b>Total Operating Expenses</b>	<b>11,987</b>	<b>16,117</b>	<b>2,883</b>	<b>2,532</b>

#### **Notes:**

1. As a result of the significant growth in revenues and profitability, some operating expenses have increased. Despite the substantial growth, the Company maintained a controlled expense structure, with a consistent decrease in the Total Operational Expenses Before Other Expenses as a percentage of revenue ratio from 41% to 23% and from 34% to 21% when comparing the twelve and three month periods ended December 31, 2024, to the corresponding periods in the previous year.
2. Cancellation of the obligation to repay grants received from the Israel Innovation Authority (2024) and write-off of capitalized development costs (2023).

### ***Operating Income (loss)***

Operating income for the twelve months ended December 31, 2024, was \$9,515 as compared to an operating loss of \$4,093 for the twelve months ended December 31, 2023, reflecting an increase of \$13,608. This improvement is primarily attributable to the revenue growth, the implementation of the Restructuring and the impairment of intangible assets recorded in the corresponding period.

Operating income for the three months ended December 31, 2024, was \$3,288 as compared to an operating income of \$56 for the three months ended December 31, 2023, an increase of \$3,232. The increase in operating income is mainly attributable to the increase in revenues and an improved gross profit margin.

**Adjusted EBITDA**

Adjusted EBITDA for the twelve months ended December 31, 2024 was \$11,342 as compared with Adjusted EBITDA of \$1,672 for the twelve months ended December 31, 2023, an increase of \$9,670. The increase in Adjusted EBITDA is primarily attributable to the increase in revenues and the Restructuring.

Adjusted EBITDA for the three months ended December 31, 2024 was \$3,227 as compared with Adjusted EBITDA of \$557 for the three months ended December 31, 2023, an increase of \$2,670. The increase in Adjusted EBITDA is primarily attributable to the increase in revenues and an improved gross profit margin.

The successful implementation of the Restructuring led to a significant improvement in Adjusted EBITDA, increasing by approximately 580% and 480% when comparing the twelve-month and three-month periods ended December 31, 2024, to the corresponding periods in the previous year, respectively.

**Reconciliation of Non-IFRS Measures**

The following table presents a reconciliation of Adjusted EBITDA to Operating income/loss for the twelve and three months ended December 31, 2024 and 2023:

	Twelve months ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
Operating income/(loss) .....	9,515	(4,093)	3,288	56
Adjustments:				
Depreciation and amortization .....	2,000	2,247	196	599
Impairment of intangible assets <sup>(1)</sup>	-	2,839	-	-
Cost of share-based payments .....	107	223	23	(98)
Non-recurring compensation payments in connection with business combination .....	-	216	-	-
Costs of discontinuance of non-profitable operations .....	-	240	-	-
Non-recurring income <sup>(2)</sup> .....	(280)	-	(280)	-
Total adjustments .....	1,827	5,765	(61)	501
<b>Adjusted EBITDA .....</b>	<b>11,342</b>	<b>1,672</b>	<b>3,227</b>	<b>557</b>

**Notes:**

1. Software development costs write-off.
2. Cancellation of the obligation to repay grants received from the Israel Innovation Authority.

***Finance Expenses, Net, and Net Income/ Loss***

The changes in financial expenses net for the twelve and three months ended December 31, 2024, as compared with the twelve and three months ended December 31, 2023, are immaterial.

Net income for the twelve months ended December 31, 2024 was \$8,908 as compared with net loss of \$4,654 for the twelve months ended December 31, 2023, an increase of \$13,562. The change is primarily attributable to the increase in revenues, the Restructuring implementation, and impairment of intangible assets in the corresponding period.

Net income for the three months twelve December 31, 2024 was \$3,054 as compared with net loss of \$31 for the three months ended December 31, 2023, an increase of \$3,085. The change is primarily attributable to the increase in revenues and the improvement in gross profit margin.

**Summary of Quarterly Results**

The following table below sets out certain financial data for the Company:

	<u>Q4 2024</u>	<u>Q3 2024</u>	<u>Q2 2024</u>	<u>Q1 2024</u>	<u>Q4 2023</u>	<u>Q3 2023</u>	<u>Q2 2023</u>	<u>Q1 2023</u>
Revenue	15,066	16,708	13,977	8,745	7,524	7,120	8,820	8,649
Operating Income/ (Loss)	3,288	3,249	2,389	589	56	(78)	(562)	(3,509)
<i>Adjustments:</i>								
<i>Depreciation and amortization</i>	196	604	606	594	599	570	555	523
<i>Cost of share-based payments</i>	23	10	38	36	(98)	63	124	134
<i>Non-recurring compensation payments in connection with business combination</i>	-	-	-	-	-	-	44	172
<i>Impairment of intangible assets</i>	-	-	-	-	-	-	-	2,839
<i>Costs of discontinuance of non-profitable operations</i>	-	-	-	-	-	20	220	-
<i>Non-recurring income</i>	(280)	-	-	-	-	-	-	-
Adjusted EBITDA	3,227	3,863	3,033	1,219	557	575	381	159
Basic Income (loss) per share	0.03	0.03	0.02	0.01	0.00	(0.00)	(0.01)	(0.03)
Diluted Income (loss) per share	0.02	0.03	0.02	0.01	0.00	(0.00)	(0.01)	(0.03)

### ***Liquidity & Capital Resources***

As of December 31, 2024, the Company held cash in the amount of \$9,235, trade receivables in the amount of \$10,406, other current assets in the amount of \$174, trade payables in the amount of \$5,063, a short term bank loan of \$2,002 and other current liabilities in the amount of \$2,412.

To date, the Company's primary sources of liquidity are cash from operations and a Credit Line Agreement with a lender that allows the Company to withdraw up to \$2,000. This amount is classified as short-term debt on the Financial Statements.

Management believes that the Company's recurring revenues, in addition to its existing cash and cash equivalents and cash flow from operations with the implementation of cost savings measures, will be sufficient to meet the Company's working capital requirements and future plans.

Further, see "Liquidity and fair value risk" below for additional information on the general liquidity risks facing the Company.

### ***Consolidated Cash Flow Activity***

The following summarizes the Company's statement of cash flow for twelve and three months ended December 31, 2024 and 2023.

#### ***Operating Activities***

Net cash generated from operating activities for the twelve and three months period ended December 31, 2024 was \$7,684 and \$2,606, respectively, compared to \$428 and \$869 for the same periods in 2023. The increase is primarily attributable to the increase in revenues and the Restructuring implementation.

#### ***Investing Activities***

Net cash used in investing activities for the twelve and three months period ended December 31, 2024 was \$560 and \$110, respectively, compared to \$1,078 and \$137 for the same periods in 2023. The decrease is primarily attributable to the Restructuring implementation.

#### ***Financing Activities***

Net cash used in financing activities for the twelve months ended December 31, 2024, was \$491, compared to \$524 for the same period in 2023.

Net cash used in financing activities for the three months ended December 31, 2024, \$97 compared to net cash generated from financing activities of \$366 for the same period in 2023. The change is mainly attributed to the utilization of a credit line.

### **Outstanding Share Data**

The Company has authorized share capital of an unlimited number of common voting shares. The Company's outstanding securities are comprised of:

	<b>December 31, 2024</b>
Common shares	98,749,714
Options	9,333,233

As of the date of this MD&A, 99,171,999 common shares were issued and outstanding. In addition, as of the date of this MD&A, 8,910,948 stock options were outstanding with exercise prices ranging from CA\$0 to CA\$0.43 per share.

### **Off-Balance Sheet Arrangements**

The Company has not had any off-balance sheet arrangements for the twelve month periods ended December 31, 2024 and 2023.

### **Related Party Transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial and operational decisions, or if both parties are controlled by the same third party. The Company engaged in the following related party transactions with Amit Bohensky, the Chairman of the Company, or companies controlled by him.

The Company received business management services from Amit Bohensky Consulting and Investments Ltd., ("**Bohensky Consulting**"), an Israeli company controlled by Amit Bohensky, the Company's Chairman. Such services are provided personally by Amit Bohensky. The Company may terminate the consulting agreement between the parties upon written notice of not less than 90 days. Since the fourth quarter of 2019, payments to Bohensky Consulting are in relation to Amit Bohensky's role as the Company's Chairman. For the twelve months period ended December 31, 2024, the total cost of these services for the year amounted to \$391. Outstanding balances with Bohensky Consulting as of December 31, 2024, consist of \$169.

### **Financial Instruments and Risk Factors**

The Company operates in a competitive industry and its results of operations, business prospects and financial condition are subject to a number of risks and uncertainties and are affected by a number of factors outside the control of the management of the Company. The risks and uncertainties include those disclosed in the Company's filing statement dated June 30, 2019 and filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) as well as the following risks and uncertainties from the Company's use of financial and other instruments.

#### ***Foreign currency risk***

The Company's functional currency is the United States dollar. The Company's exposure to the fluctuations occurring in the rates of exchange between the United States dollar, Canadian dollar and the NIS result primarily from salaries and related expenses that are stated in NIS. During the period, no change took place in the exposure to currency risk or in the manner in which the Company manages and measures the risk.

***Management of credit risk***

Before receiving a new customer, the Company conducts research on the financial strength of the customer and requests that the customer provides credit references from other suppliers with whom the customer maintains business relations. In addition, the Company purchased a credit insurance policy for some of its customers. Moreover, the Company holds cash and cash equivalents in various financial institutions. Pursuant to the Company's policies, evaluations of the relative financial stability of the different financial institutions are performed on an ongoing basis.

***Liquidity and fair value risk***

Careful management of liquidity risk requires a sufficient cash balance to support operating activities. Management constantly analyzes cash balances, which are comprised of cash and cash equivalents. This analysis is based on forecasted cash flows, in accordance with the policies and restrictions set by the Company. The Company keeps a sufficient level of cash and cash equivalents, by taking into account the cash required for its operating activities, in order to reduce the liquidity risk that the Company is exposed to.

**Critical Accounting Estimates**

Significant Accounting Judgements and Key Sources of Estimation are summarized in note 3 to the Financial Statements.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is posted on SEDAR + at [www.sedarplus.com](http://www.sedarplus.com).