



Simplifying Digital Transformation

Simplifying Digital Transformation

NTG Clarity Networks Inc.
Annual Report 2024

30+ Years of Service



Who We Are



NTG Clarity is a digital transformation service provider with a focus on the rapidly digitizing Saudi Arabian market. By providing outsourced software development solutions and proprietary software products, we accelerate and simplify the digital journey for our clients in the enterprise financial, IT, and telecom sectors.

NTG Clarity helps clients scale and stay connected by serving as a long-term technology partner in a rapidly- changing and increasingly digital world.



Our Vision

Is to make digital transformation accessible worldwide, capitalizing on our deep knowledge and experience in different industries to provide competitive, top-tier products and services.

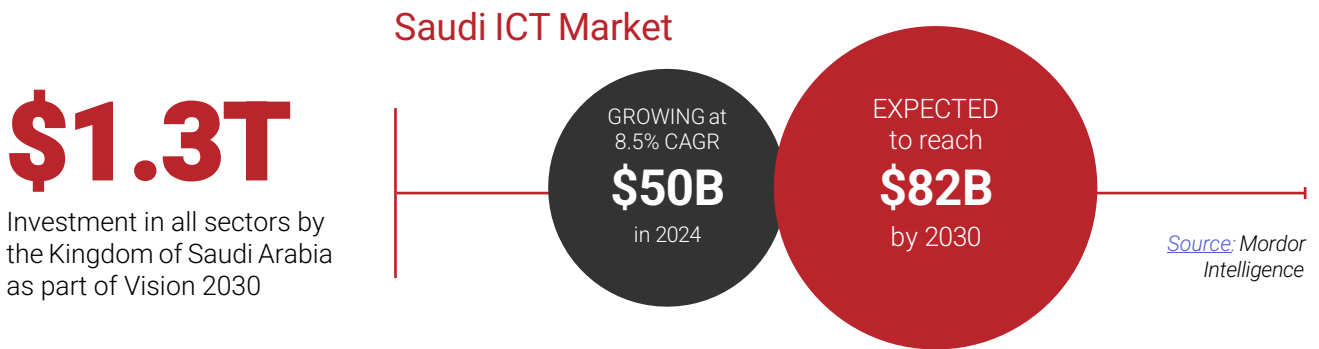


Our Mission

Enabling clients' Business Excellence and efficiency by architecting and delivering world class portfolios of integrated IT solutions owned by distinguished and highly motivated professionals.

Industry Context

The rapid digital transformation of the Saudi Arabian market is creating significant growth opportunities and a strong revenue tailwind.



Saudi Arabia is in great need of technical talent and has shown preference for nearshoring in destinations like Egypt.



About NTG Clarity

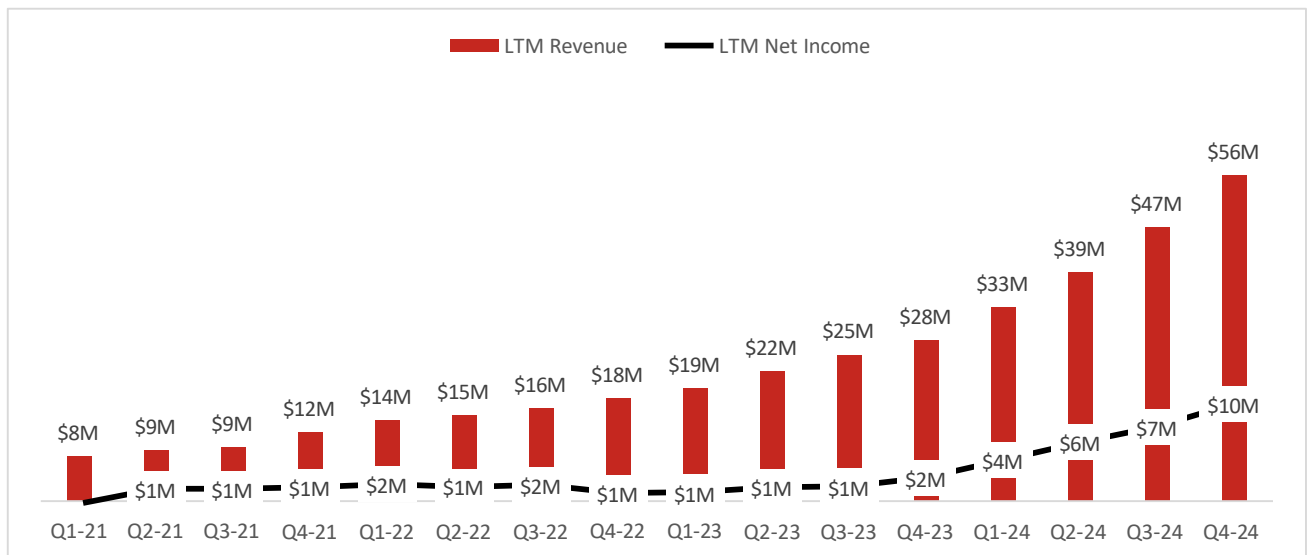
30+
Years of
Service

A proudly Canadian company serving the Saudi Arabian market, NTG harnesses Egypt's exceptional software talent to deliver cutting-edge solutions.

With over 30 years of experience, we provide enterprise services and software solutions to leading tier-one enterprises.

Track Record of Revenue and Net Income Growth

NTG's quality products and services have led to customers' engagements expanding in scope and duration, as well as new customers being referred by those same satisfied clients.



Team of Over
1,000

Software Development, IT and Network Design, Engineering, and Implementation professionals, many of whom have been with us 10+ years.



Investment in Education



NTG's strategic investment in education and talent development has empowered us to scale our team rapidly while maintaining exceptional service quality.

NTG Schools Vocational high schools in Cairo Egypt

- First opened in 2023
- Second opened in 2024

 **150**
current students

Academy Training Programs For university students, new grads, and upskilling employees

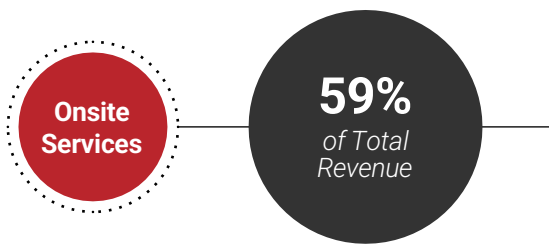


+3,500
historical participants

Lines of Business

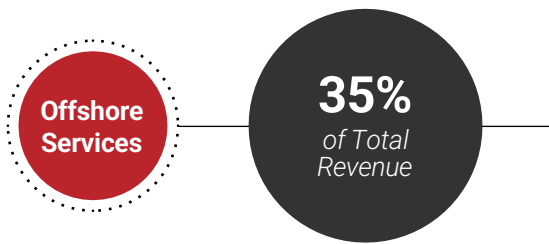
Outsourced Software Development and Proprietary Software Products

A booming trend in Digital Transformation means enterprises are looking to rapidly digitize and expand their software development teams.



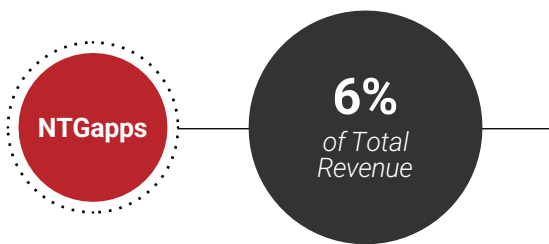
For clients that prefer to work in-person or with a hybrid model, we find local candidates ready to work or handle any relocation required such as travel and work permits.

Our 30+ years of experience means we have a worldwide network of thousands of experienced candidates.



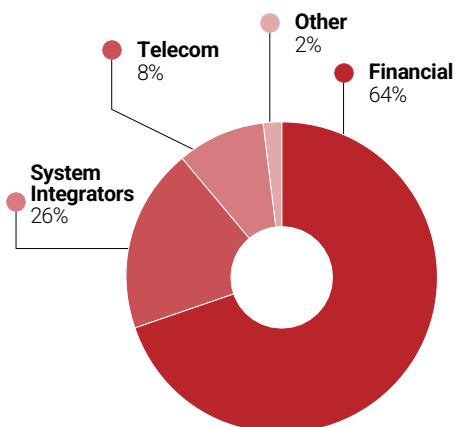
With the three offices in Cairo, Egypt that make up our Egypt Offshore Center, we're in the best position to take advantage of the city's talent with a population of over 20M.

Our clients love the talented individuals and competitive pricing that come with offshoring in Egypt, with many experienced candidates ready to hit the ground running and start work with as little as one week's notice.



The NTGapps Digital Toolbox is NTG's in-house developed proprietary software product designed to simplify digital transformation with customizable web and mobile application templates.

NTGapps serves as an alternative to the traditional software development process being used to develop powerful business applications in less time with fewer developers.



50+
Enterprise Clients

Across Finance, IT, Telecom, and other large enterprises.

Praise From Our Customers

90%

customer retention

54%

of customers increased service



stc

I am writing to express my sincere appreciation for your hard work and dedication to TFS2.0 Enhancement. Your contributions have been invaluable to our team, and I am grateful for all that you do.

Specifically, I want to recognize your outstanding work on the second module Card Expansion Module Project. Your attention to detail have been instrumental in achieving our goals and exceeding our customers' expectations. Your contributions have not gone unnoticed, and I want to publicly acknowledge your efforts.

 **AlJanoob Islamic Bank**
For Investment & Finance

I would like to take this opportunity to express my satisfaction with NTS Utilities Solution... NTG Clarity us provided with [NTGapps] Utilities Solution, which turned out to be robust and scalable while still being competitively priced and highly user-friendly.

Both NTG's sales and implementation teams were experienced and professional, helping our team get up and running quickly with [NTGapps] Utilities Solution. We were exacting in our expectations, and I would like to thank you for not only meeting them but exceeding them. I would certainly recommend [NTGapps] Utilities Solution to those in need of an end-to-end utilities' solution.

تکامل
Takamol

The NTG team was supporting, patient, accommodating, flexible and agile. It is important to acknowledge the skills, professionalism and capabilities of the staff we dealt with...

...NTG team met all the target dates and the project was delivered on time. NTG team kept us updated and worked with us closely to guarantee our requirements were met and the successful deliver of the project.

We see NTG as an important and effective partner, and we would not hesitate to recommend their products and services. We look forward to working with NTG team on future projects.

Letter to shareholders

Dear NTG Clarity Investor,

2024 has been a transformative year for NTG Clarity. Decades of strategic investment have met significant tailwinds in our key market to deliver remarkable results. While we know there is still much more to achieve, this year represents a pivotal moment in our journey, showcasing the strength of our long-term commitment to growing our business in Saudi Arabia and across the region.

For more than 20 years, we have methodically built NTG's foundation in Saudi Arabia through three strategic pillars:

- **Deeply entrenched relationships in Saudi Arabia**

We've cultivated trusted relationships with IT professionals across all levels, many of whom now hold leadership and key decision-making roles in some of the largest financial, IT, and telecom organizations in Saudi Arabia. These relationships are driving our revenue growth today and going forward.

- **Education & training programs to build our talent pipeline**

For decades, we've partnered with Egyptian schools to upskill and train engineering and IT professionals, creating a robust talent pipeline. This strategy reached a new milestone in 2023 when we partnered with the Egyptian Ministry of Education to establish two NTG schools dedicated to training future professionals. This is allowing us to rapidly scale to handle the demand and continue providing outstanding service to our customers.

- **Investing in the future**

We've expanded our training programs within Saudi Arabia to develop the technical and business leaders of tomorrow. These investments are already compounding the relationship network effects that have been central to our growth.



NTG Clarity's disciplined execution and long-term strategy have driven 15 consecutive quarters of last twelve-month revenue growth, with positive net income and cash flow.

The success of our strategy, the trust of our customers, and the dedication of the entire NTG team are all evident in our 2024 results.

2024 revenue increased by 102% to \$56.1 million, with Net Income of \$9.9 million up 326%, exceeding our previously-raised guidance for both revenue and net income, as well as marking our fourth consecutive year of revenue growth and profitable operations.

Our underlying KPIs are also showing the strength of our strategy, product market fit, and the excellent value that our customers get from our services. In 2024 we saw:

- **Larger and longer contract wins**

We signed three major contracts valued at over \$80M over three years, including our largest contract ever. This puts our backlog of unbilled purchase orders and contracts on hand as of 31-DEC-2024, along with any orders and contracts announced since then at over \$105 million, with visibility out over three years.

- **Increase in new customers:**

We've seen a 25% increase in customers¹ year-over-year driven by our relationships with key decision makers at some of the largest Saudi organizations.

- **Strong customer satisfaction**

With 90% customer retention² and 54% of customers increasing their level of service³ it is clear they recognize the quality and value NTG provides.

- **Accelerating interest in software products**

In and leading up to 2024, our largest professional services clients have signed on to work on proofs of concept and projects to implement our proprietary NTGapps software. In 2024, this resulted in 18% growth for our high-margin NTGapps offering.

With the pace of investment in Saudi Arabia increasing and our team’s growing reputation, 2024 is just the start.

Our 2025 guidance reflects our confidence in another year of meaningful growth, profitability, and cash generation. Our backlog now exceeds \$105 million, with approximately \$80 million of the backlog secured against three-year contracts. This visibility into future revenue along with our isolation from North American tariffs and uncertainty gives us strong conviction in our outlook.

Financial Outlook for 2025

- Revenue: Expected to be around \$75 million
- Adjusted EBITDA Margin⁴: Forecasted in the range of 16% - 20%

While Q4 2024 showcased the strength and profitability of our operating model, our 2025 Adjusted EBITDA guidance reflects a deliberate decision to provide ourselves flexibility to reinvest in the business.

We are prioritizing strategic investments in hiring, training, and operational scale to support and accelerate sustainable long-term growth.

In 2025 our strategic priorities are:

- Expand and solidify our position as an integral part of clients’ long-term digital strategy, leveraging our superior cost structure, quality offerings, and trusted relationships built over multiple years of service.
- Win new customers through the expanding network effect of recommendations from current and past clients.
- Increase adoption and traction of NTGapps, positioning them as essential tools within our clients’ digital ecosystems.

Importantly, we will maintain our commitment to our customers, our employees, our shareholders, and our community.



Customers

We accelerate and simplify the digital transformation journey for our clients by providing the right solution delivered by passionate professionals both on their sites and offshore.



People

With three years of consistent profitability under our belt, we’re actively identifying opportunities to make sure our revenue growth continues and as much of this new revenue as possible flows on to the bottom line.



Shareholders

We empower our staff to build and deliver challenging projects while providing opportunities for training and career advancement both internally and outside NTG



Community

We provide youth education and employment opportunities tailored to the modern job market through the NTG School.

We enter 2025 with an exceptional team, a proven strategy, and a strong foundation for continued success. On behalf of our leadership team and employees, I want to thank our shareholders for your continued trust and support. We remain steadfast in our commitment to driving long-term value and look forward to another year of growth, innovation, and opportunity.

Sincerely,



Ashraf Zaghoul

Ashraf Zaghoul

Chairman and Chief Executive Officer
NTG Clarity Networks

1. Customer defined as accounts spending more than \$100,000 in a year. Increase in number of customers as of twelve months ended December 31, 2024, compared to prior year period.
2. Customer retention based on customers as of twelve months ended December 31, 2024. Customer defined as accounts spending more than \$100,000 in a year.
3. Calculated as % of total customers that spent more with NTG through twelve months ended December 31, 2024, compared to prior year period. Customer defined as accounts spending more than \$100,000 in a year.
4. Adjusted EBITDA is a non-IFRS (non-GAAP) measure. Management believes that Adjusted EBITDA is a useful supplemental measure – but not an alternative – to Net Income. Please see the Non-IFRS Measures section towards the end of this MD&A for details and reconciliation of non-IFRS measures to IFRS measures.

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

This management discussion and analysis (MD&A) focuses on key statistics from the consolidated financial statements and pertains to known risks and uncertainties relating to the digital transformation, telecom and consulting industries. This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic, political and environmental conditions. This discussion and analysis of the financial condition and results of operations has been prepared as of April 10, 2025, for the year ending December 31, 2024 and should be read in conjunction with the audited consolidated financial statements and related notes and material contained in other parts of this annual report.

Additional information related to the Corporation is available on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements in this MD&A and associated notes and financial statements may be considered "forward-looking" within the meaning of applicable securities laws. These statements reflect the Corporation's plans and expectations based on our experience, interpretation of past trends, key assumptions and other relevant information available at the date that such statements are made.

The statements involve business, economic and competitive risks, uncertainties and contingencies. There is significant risk that predictions, projections or conclusions will not prove to be accurate and actual results may differ materially from estimates, expectations, or intentions expressed.

The forward-looking statements in this MD&A and associated notes and financial statements are based on what we believe are reasonable assumptions, however we caution readers not to place undue reliance on our forward-looking statements. We assume no obligation to update or revise these forward-looking statements to reflect new events or circumstances, except as required by securities law.

Business Overview

NTG Clarity ("NTG", "we", "us", "our") is a Canadian publicly traded Corporation (TSXV: NCI; OTC: NYWKF) that provides digital transformation solutions: software development outsourcing and software products. We have been providing engineering, Information Technology, and networking services and developing niche software products for telecommunications and utilities providers since our start in 1992. We have also expanded into the financial and government sectors, providing technical resources and products to assist customers with digital transformation and other technology projects.

We are headquartered in Toronto, Canada and have subsidiaries/branch offices in Cairo, Egypt; the USA; Riyadh, Saudi Arabia and Muscat, Oman. The Corporation is organized into two business segments: the Canadian segment, which is made up of activities in Canada and our offices in Saudi Arabia and Oman; and the Egypt segment, which is our primary delivery centre for software development and professional services, offshoring services and network services to customers worldwide.

Summary of Major NTG Events in 2024

This year's major announcements included \$139.8 million in contracts and Purchase Orders ("POs") signed with both new and existing customers. This total comprised of \$57.3 million in business-as-usual contracts and POs, and \$82.5 million in expanded 3-year engagements with three existing customers. Over the year, we saw strong momentum in contract wins, driven primarily by existing customers renewing their contracts with increased scope and duration. Our customer base also grew meaningfully, fueled by our strong referral network – resulting in six new customers who contributed 15% of our 2024 revenue.

In Q1 2024, we announced:

- \$26.7 million in contracts and POs signed.
- Four New NTGapps Implementation projects for customers in Iraq. NTGapps will provide ERP systems, an HR payroll platform, and a mobile app to support billing, collections, and meter reading for a utilities operator.
- The launch of our Artificial Intelligence (AI) Department, which successfully integrated AI with our proprietary NTGapps platform with the aim of using Large Language Models (LLMs) for financial and business decision-making purposes as well as for personnel training applications.
- Attendance at two major conferences: Mobile World Congress (MWC) in Barcelona, Spain, and LEAP 2024 in Riyadh, Saudi Arabia.
- The closing of a board and shareholder approved Share consolidation at a 5:1 ratio. The number of issued and outstanding shares were reduced from 187,672,355 shares to 37,534,471 shares, subject to treatment of fractional shares.

In Q2 2024, we announced:

- \$8.242 million in contracts and POs signed.
- Launched our new specialized offering of software testing as a service. As the Middle East continues its rapid digital transformation, software testing and quality assurance services are seeing rapidly increasing demand.

In Q3 2024, we announced:

- The signing of our largest-ever contract: a 3-year \$53 million Offshore Development Centre Agreement to provide offshore digital transformation services out of our Egypt Offshore Centre for an existing client in the Middle East. We have received and expect to continue to receive POs against this engagement in the future as work ramps up.
- Another 3-year \$7.5 million accepted Commercial Proposal for new to provide onsite resources to a new system integrator customer. We have received and expect to continue to receive POs against this engagement in the future as work ramps up.
- \$12 million in other contracts and POs signed.
- The closing of a Brokered LIFE Offering, raising gross proceeds of \$5,208,000 (net \$4,789,329). We will use the net proceeds, as required, for working capital to fund the rapid expansion required to deliver our digital transformation solutions through our Egypt Offshore Centre and Saudi sales office.

In Q4 2024, we announced:

- A 3-year \$22 million Master Service Agreement renewal and expansion to provide offshore digital transformation services from our Egypt Offshore Center for a customer in the financial sector. We have received and expect to continue to receive POs against this engagement in the future as work ramps up.
- \$10.3 million in other contracts and POs signed.
- Upgraded 2024 guidance with expected revenue of \$55 million, and a revised net income margin target of 14%.

The funds from our accelerating growth have allowed us to reduce our long-term debt by \$706,355 year-to-date. Improvements on our balance sheet have led to a shareholder's equity of \$12,601,184 as of December 31, 2024, compared to a deficit of \$3,237,143 at December 31, 2023.

Kingdom of Saudi Arabia (KSA)

KSA has continued to be the main hub for NTG sales, and has shown an unprecedented increase in demand for our digital transformation services and software products. The Saudi Vision 2030 economic development plan is investing heavily into technological development with the goal of diversifying the country's economy away from the Oil & Gas sector. We saw a 68% increase in revenue contribution for the country this year with 95% of our revenue coming from KSA (2023: 81%).

Through our more than 20 years of work in the region, NTG has developed an expansive network of key IT decision makers, and a track record of quality work delivered at a competitive price. As a result, we have been able to expand our business and diversify our customer base into sectors like banking & finance, IT & system integration, and government departments.

Egypt

Our Egypt offices serve as our primary delivery centre for offshore professional services and software development.

Since 2021, due to continuing economic slowdown in Egypt and devaluation of the Egyptian Pound, management has transformed NTG Egypt into primarily a delivery centre for offshore software development services for international customers through our Egypt Offshore Centre. While Egypt's legacy customers are still being serviced, this has resulted in reduced revenue on translation from Egypt, whose contribution in 2024 was 2% of the Corporation's revenue (2023: 9%).

In general, Egypt can be a challenging place to do business with restrictions on using foreign currency for business operations and on moving funds out of the country. The Egyptian pound (EGP) has continued to drop in value, dropping from around 23.4 EGP to the Canadian dollar in January to about 35.3 EGP in December 2024, a 34% drop in value (<https://www.exchange-rates.org/exchange-rate-history/cad-egp-2024>). Other effects in the economy include a benchmark interest rates of 19.25% and official inflation rate of 24.1 percent in December. This has resulted in NTG Egypt having to increase salaries to help personnel cope with the changing economy.

Despite difficult economic times in Egypt, NTG has been able to thrive by providing employment and professional development opportunities for Egyptians and providing offshore services to customers in Saudi Arabia. Egypt is a favorable outsourcing destination due to Egyptians' ability to speak the same language, work in the same or similar time zone, and share strong cultural ties with Saudi customers, all while providing considerable cost savings compared to hiring locally. This is the primary driver behind our growth and profitability in recent years.

In 2024, we expanded our commitment to education, training, and personal development by opening a second NTG School – the first being opened and announced in 2023 – in cooperation with the Egyptian Ministry of Education. This partnership aims to equip Egyptian secondary technology school students with a dual curriculum, integrating NTG's specialized technology training alongside the ministry's standard curriculum. NTG donates the time of a team of educational engineers to ensure a robust talent pipeline and comprehensive training for the next generation in the exciting field of digital transformation.

Oman

In 2024, we continued work for our customer in Oman, who is using our NTGapps Network Inventory and Project Management software products. This customer has been with NTG for over 10 years and while recurring revenues have decreased as the development and implementation was completed, annual support fees and change requests contributed 1% to NTG's revenue in 2024 (2023: 2%).

Iraq

We onboarded our first Iraqi customer in 2021 and have been growing our business in Iraq ever since. Our four active customers in Iraq account for 2% of our revenue in 2024 (2023: 6%). As Iraq embarks on an oil-funded digital transformation similar to Saudi Arabia, we look forward to offering our software products and services to guide them through the process.

Canada

Our Canadian office serves as our corporate headquarters and accounts for 1% of NTG's revenue (2023: 1%). We continued to work on projects with two North American customers through our Canadian office.

Outlook

NTG has seen another year of incredible growth and profitability with each quarter continuing to break revenue records, and with Q4 having our highest single-quarter revenue ever. Consolidated revenue for Q4 2024 was \$17,211,038, up 109% from \$8,224,124 for the same period in 2023. NTG has exceeded its 2024 revenue guidance of \$55,000,000, with a full-year revenue of \$56,126,751, up 102% from \$27,728,117 in 2023.

For Q4 2024, the Corporation recorded a net income of \$2,980,357, up 480% compared to \$469,848 for the same period in 2023. For the year ending December 31, 2024, the Corporation recorded a net income of \$9,855,552, up 326% compared to \$2,315,735 in 2023. This results in a net profit margin of 18%, exceeding 2024 guidance of 14%.

As KSA continues its drive to diversify its economy away from Oil & Gas and towards sectors like Technology, Finance, and Entertainment, we expect the strong demand for our services and products to continue as these sectors rapidly build out technical infrastructure and software. Our 20-year track record of quality work in the region has helped us build deep relationships with key IT decision makers, who are eager to both expand their existing engagements with us and refer us to peers and colleagues as new customers.

These customers are served well by our Egyptian workforce. Since 2021, NTG Egypt has transformed into a supplier of outsourced services for international customers through our Egypt Offshore Centre. Outsourcing out of Egypt can result in up to 50% cost saving compared to hiring locally in Saudi Arabia, and Egyptians speak the same language, work in the same or similar time zone, and share a cultural background with our Saudi customers, leading to better collaboration and better results.

Egypt is a massive country with a population in excess of 100 million and has a strong technical culture, with many universities providing technical education. We expect Egypt to be able to provide ample talent to fulfill our clients' needs for the foreseeable future, and we run many educational and training programs in partnership with the Ministry of Education as well as colleges and universities to further fortify NTG as a preferred employer for Egyptian technologists.

With our existing backlog of over \$105 million in POs and contracts on hand, we anticipate that 2025 will be another record-breaking year with a revenue target of \$75 million and Adjusted EBITDA* margin in the range of 16% to 20%.

We are shifting in our financial reporting metrics, moving from net income margin guidance to Adjusted EBITDA margin guidance. This change in reporting better reflects the underlying strength of our business by excluding the impact of foreign exchange fluctuations. While we are not affected by tariffs and the macro environment in North America, foreign exchange dynamics can create variability that is not representative of our core performance.

As we continue through 2025, our top priority is to focus on continuing to leverage the organic growth opportunities in Saudi Arabia. As large investments in technology are expected to continue, we will put our decades of experience, expansive professional network, and robust talent pipeline to work to continue our growth and meet our targets of:

- **Revenue:** Target of \$75 million
- **Adjusted EBITDA* Margin:** Forecasted in the range of 16% - 20%

While Q4 2024 showcased the strength and profitability of our operating model, our 2025 Adjusted EBITDA guidance reflects a deliberate decision to provide ourselves flexibility to reinvest in the business. We are prioritizing strategic investments in hiring, training, and operational scale to support and accelerate sustainable long-term growth.

Summary of Quarterly Results

We are continuing to see increasing record-setting revenues as existing and new customers continue to expand their engagements with us, and new customers are being onboarded.

Historically, NTG's operating results have fluctuated due to the timing of new contracts and their corresponding billing, and we expect this trend to continue. The following table shows a summary of our eight most recent quarters (in Canadian dollars).

2024	Revenue	Adjusted EBITDA*	Net Income	Profit per Share	Diluted Profit per Share	Total Assets
Quarter One	\$11,755,520	\$1,987,691	\$2,377,866	\$0.06	\$0.05	\$15,049,269
Quarter Two	\$12,488,315	\$2,816,491	\$2,443,374	\$0.05	\$0.05	\$18,805,235
Quarter Three	\$14,671,878	\$3,180,141	\$2,053,955	\$0.05	\$0.05	\$27,376,727
Quarter Four	\$17,211,038	\$4,322,955	\$2,980,357	\$0.07	\$0.05	\$28,292,859
TOTAL	\$56,126,751	\$12,307,278	\$9,855,552	\$0.23	\$0.20	\$28,292,859

2023	Revenue	Adjusted EBITDA*	Net Income	Profit per Share	Diluted Profit per Share	Total Assets
Quarter One	\$6,127,177	\$1,195,818	\$637,745	\$0.004	\$0.004	\$9,826,280
Quarter Two	\$6,373,261	\$990,176	\$698,261	\$0.005	\$0.004	\$10,014,812
Quarter Three	\$7,003,553	\$1,324,263	\$509,880	\$0.003	\$0.003	\$11,332,113
Quarter Four	\$8,224,124	\$(390,230)	\$469,848	\$0.000	\$0.000	\$12,456,036
TOTAL	\$27,728,117	\$3,120,027	\$2,315,735	\$0.01	\$0.01	\$12,456,036

* Adjusted EBITDA is a non-IFRS (non-GAAP) measure. Management believes that Adjusted EBITDA is a useful supplemental measure – but not an alternative – to Net Income. Please see the Non-IFRS Measures section towards the end of this MD&A for details and reconciliation of non-IFRS measures to IFRS measures.

Quarterly and Annual Results of Operations

The trust and commitment of our customers, combined with the dedication and hard work of the entire NTG team, led to a record-breaking year in 2024. We achieved the highest annual revenue in NTG's history, with Q4 2024 marking our strongest single quarter performance to date.

Financial highlights for the three months and year ending December 31, 2024:

Revenue

Consolidated revenue for the three months ending December 31, 2024 was up 109% to \$17,211,038 compared to \$8,224,124 for the same period in 2023. Revenue for the year increased 102% to \$56,126,751 compared to \$27,728,117 reported in the prior year.

Outsourced professional service revenue continues to be our largest service line, given its generally recurring nature. Offshoring now makes up 35% of NTG's consolidated revenue this year (2023: 12%), while onsite outsourcing makes up 59% (2023: 78%). In total, professional services contributed \$52,759,146 (94%) to revenue compared to \$24,875,456 (90%) in 2023.

Product-related revenue was \$3,367,605 or 6%, compared to \$2,852,662 or 10%, in 2023. While the percentage of product-related revenue contribution has declined, the absolute contribution has increased by 18% over 2023. The demand for our outsourcing services has increased at a much more rapid pace. We continue to work on marketing NTGapps, our low-code digital transformation product, in an effort to make product sales a larger part of NTG's revenue mix.

For the Egypt operating segment, revenue for the three months and year ending December 31, 2024 was \$343,430 and \$1,060,946 compared to \$573,474 and \$2,604,969 in 2023. Though we continue to support Egypt's legacy customers, NTG Egypt is now primarily the delivery centre for offshore services for our international customers.

For the Canadian operating segment, Q4 revenue increased 120% to \$16,867,608 compared to \$7,650,650 in Q4 2023. For the year ending December 31, 2024 revenues increased 119% to \$55,065,805 compared to \$25,123,148 in 2023. The increase in revenue in Canada is driven primarily by expansion in the KSA market, which has become a rapidly growing emerging market in need of technology and software to help meet their growth goals.

Consolidated revenues are 102% higher this year primarily due to:

- a 522% and 110% increase in work for our two largest customers respectively in KSA
- the addition of 6 new customers bringing in 15% of our 2024 revenue

Though we have 2 North American customers, the Middle East continues to be where the majority of NTG's revenue comes from and as of December 31, 2024, represents 99% of total revenue.

Historically, the majority of our revenue has come from the telecommunications industry; however, since 2021 we have been increasing work with customers in Banking & Finance and Government sectors. As the banking industry experiences rapid growth and digital transformation, NTG is meeting the demand by providing specialized IT and software development services. In 2024, 64% of our revenue came from the Banking & Finance sector, while 26% was driven by partnerships with System Integrators.

Contract Assets (formerly Unbilled Revenue)

Contract assets consists of revenue for services that have been delivered but not invoiced as of the period end date and is recognized in accordance with NTG's revenue recognition policy.

Revenue can be recognized for projects based on time and materials for professional services, or on a percentage of completion basis for product implementation and support. Based on NTG's contracts, the customer is invoiced upon the completion of defined milestones and/or the required customer acceptance, which is typically monthly. However, for some customers, contract milestones and customer acceptances fall mid-month, requiring unbilled revenue for work in the final month of the quarter to be recognized. This will typically be billed in the next month.

As of December 30, 2024, contract assets revenue was \$3,617,035 compared to \$198,729 at December 31, 2023. The large unbilled amount is primarily due to the previously described timing of milestones and customer acceptance requirements for major 2024 customer contracts in the Middle East. We expect a similar amount of revenue to remain unbilled each quarter for the foreseeable future due to the timing of these contracts, which are typically billed shortly after quarter end.

Costs of Sales and Gross Margin

Cost of sales consists of the expense of personnel providing professional services, and services to implement and provide technical support for our software solutions. In addition, it includes an allocation of certain direct and indirect costs attributable to these activities.

The cost of sales for the three months and year ending December 31, 2024 were \$10,969,853 and \$35,279,794 (2023: \$7,187,625 and \$18,926,200). Cost of sales for 2024 are up less than our increased revenue (86% vs 102% increase for revenue), resulting in a higher gross margin for the year.

Cost of sales	December 31, 2024	December 31, 2023
Salaries and wages	\$ 25,556,292	\$ 14,030,727
Travel	600,179	518,168
Hardware	17,865	57,522
Medical	40,357	--
Consulting	7,990,040	3,533,530
Amortization (Note 12)	528,733	421,218
Other	546,328	365,035
Total	\$ 35,279,794	\$ 18,926,200

Notably, the Cost of Sales – Consulting for the year ending December 31, 2024 was \$7,990,040 compared to \$3,533,530 in 2023, an increase of 126%. In 2023, the consulting line item reflected higher-cost contractors employed to fill short-term contract needs, however this is no longer the case. In 2024, consulting reflects the employment of a third-party company that NTG works with to meet Saudi government-imposed quotas for hiring Saudi Nationals. These employees report directly to NTG and deliver NTG services but are employed through a different model due to government regulations.

Additionally, in 2024, the Amortization line item was moved from Operating Expenses to Cost of Sales. This is due to the increasing revenue generated from sales of NTGapps, requiring its amortization to be recognized as a cost of sales in order to align with accounting best practises.

For the Egypt operating segment, the cost of sales for the three months and year ending December 31, 2024 were \$291,001 and \$592,796 respectively compared to \$2,928,137 and \$3,366,344 in 2023. Egypt now serves primarily as our delivery centre for offshore development services, meaning Cost of Sales for KSA customers is recognized in the Canadian segment.

For the Canadian operating segment, the cost of sales for the three months and year ending December 31, 2024 were \$10,678,852 and \$34,686,998 respectively compared to \$4,259,488 and \$15,559,856 in 2023.

The gross margin for Q4 2024 was \$6,241,185 or 36% compared to \$1,036,499 or 13% for Q4 2023. For the year ended December 31, 2024 the gross margin was \$20,846,957 or 37%, compared to \$8,801,917 or 32% for the same period in 2023. As professional services become a larger proportion of our business compared to software licensing and solutions, we expect gross margins in the range of 35 – 40% depending on the ratio between offshore and onsite services, with offshore having a slightly higher margin than onsite. We continue to work in all regions to optimize the cost of sales for our revenue.

Operating Expenses

For the three months and year ending 2024, expenses were \$1,872,490 and \$8,504,817 respectively compared to \$2,127,157 and \$6,628,123 in 2023.

Selling and Marketing

Selling and marketing expenses consist primarily of sales staff remuneration, commissions, travel, advertising, consulting, and trade show costs.

Sales and marketing expenses for the three months and year ending December 31, 2024 were \$703,308 and \$2,922,216 respectively compared to \$817,485 and \$2,172,925 in 2023.

Selling	December 31, 2024	December 31, 2023
Salary and wages	\$1,723,694	\$1,586,791
Marketing	95,569	16,977
Mailing and courier	7,700	6,903
Professional services	77,556	19,538
Meals and entertainment	152,606	118,246
Travel	865,091	424,469
Total	\$2,922,216	\$2,172,924

Selling and marketing costs as a portion of revenue decreased to 5.2% of revenue from 7.8% in 2023. Absolute costs increased by 34% year over year, mainly due to:

- Increase in salaries and commissions as a result of the 102% increased revenue.
- Significant increase in travel expenses as we increase the size and footprint of our sales and marketing teams in order to take advantage of the rapid growth in the KSA market.

General and Administrative

General and administration expenses (G&A) consist primarily of salary and benefits, rent and office expenses, insurance, professional fees, accounting and legal fees, director's fees, etc.

G&A expenses for the three months and year ending December 31, 2024 were \$1,743,659 and \$6,146,196 respectively compared to \$963,855 and \$3,872,199 in 2023.

General and Administrative	December 31, 2024	December 31, 2023
Salary and wages	\$3,527,012	\$2,147,793
Occupancy	349,691	148,704
Consulting	216,397	47,016
Professional fees	307,254	155,675
Insurance	1,250,948	954,900
Dues and subscriptions	56,279	40,853
Penalties and fees	45,042	24,215
Office and general	393,573	353,043
Total	\$6,146,196	\$3,872,199

G&A costs have increased by 59% year over year. G&A as a portion of revenue fell as we saw the benefits of operating leverage. The higher absolute G&A expenses were due to several factors related to expanding our Egypt Offshore Centre and Saudi sales office:

- Increase in salaries as we staff new offices and onboard/train personnel in preparation for deployment to customer sites and offshore positions. In general, new staff will be booked as G&A while they are onboarded and trained before being moved to Cost of Sales when they are deployed and billable with customers.
- Increase in rent because of the new office space in Cairo, Egypt, that is serving as our Egypt Offshore Centre. In August 2024, we expanded to an additional floor in the building to accommodate our large contracts announced in August. We also required more office space and accommodations in KSA for our growing team.
- Increase in consulting fees in Canada as we establish our Digital Marketing team.
- Increase in accounting and legal fees as we participated in a Share Consolidation in March 2024 and a LIFE Offering in September 2024 where we raised \$5,208,000. There were additional professional fees for the transactions.
- Significant increases in insurance costs because of the 75% increase in staff.
- Other office expenses have increased due to the increased number of offices in Egypt and KSA, supporting our large increase in revenue and projected revenue growth in 2025 and going forward.

Foreign Exchange Gain/Loss

Each entity in the Corporation determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency and the presentation currency of the parent entity is the Canadian dollar. Transactions in foreign currencies are initially recorded in respective functional currency rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate at the reporting date. Differences are taken to the statement of profit or loss and comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The functional currency of the subsidiary NTG Egypt Advanced is the Egyptian pound, and the functional currency of the subsidiary NTG Clarity Networks US Inc. is the US Dollar.

An entity may present its financial statements in any currency (or currencies). If the presentation currency differs from the entity's functional currency, it translates its results and financial position into the presentation currency. For example, when a group contains individual entities with different functional currencies, the results and financial position of each entity are expressed in a common currency so that consolidated financial statements may be presented.

For practical reasons, a rate that approximates the exchange rates at the dates of the transactions, for example an average rate for the period, is often used to translate income and expense items. However, if exchange rates fluctuate significantly, the use of the average rate for a period is inappropriate.

IAS 21.–47, in addition to IAS 21.–43, apply when the results and financial position of a foreign operation are translated into a presentation currency so that the foreign operation can be included in the financial statements of the reporting entity by consolidation or the equity method.

For the quarter ended December 31, 2024, the Corporation recognized a foreign currency exchange gain of \$574,477 compared to a loss of \$345,818 for the same period in 2023. For the year ending December 31, 2024, the Corporation recognized a foreign currency exchange gain of \$563,595 compared to a loss of \$583,000 for the year ending 2023. For more information on foreign exchange, see Note 3(b): Foreign currency translation.

Other Expenses

Research and Development

With the exception of NTGapps, our flagship product, research and development are paid for by customer requests and is therefore, included in cost of sales.

Provision for Bad Debt

NTG made no provision for bad debt in 2024 (2023: \$66,606).

Amortization of Intangible Assets

Intangible assets are related to the NTGapps low-code digital transformation platform initially capitalized in 2020 and until the product reached a mature steady state in late 2023. Expenditures on development of the software are recognized as an asset from the time the Corporation has determined an indefinite future economic benefit exists. Amortization costs are included in the Cost of Sales.

The amortization costs for the three months and year ending December 31, 2024 were \$132,183 and \$528,733 respectively compared to \$122,033 and \$421,218 in 2023.

Interest Expense

As of December 31, 2024, the interest expense for the three months and year was \$191,305 and \$435,332 compared to \$128,236 and \$378,985 for the same periods in 2023. Despite continued pay-down of interest-bearing debt, the increase is due in large part to the implicit interest on increased lease liabilities in Egypt due to our office expansion.

Share-based Compensation

NTG has a formal stock option plan allowing the issuance of options to directors, officers, employees and consultants in order to attract and retain qualified and experienced individuals. All options granted are non-assignable, generally expire five years after the grant date, and usually vest over one year but can have varying vesting periods.

No options were granted to any entities other than employees or consultants of NTG during 2024. Stock options granted prior to consolidation totalled 350,000. Stock options granted post-consolidation totalled 1,533,000. The weighted average expected contractual lives of outstanding and exercisable options are shown in Note 17(b). 3,915,266 options have vested and there are 4,072,000 issued. The difference of 156,734 will vest in the foreseeable future (within the next 12 months) and the expense will be charged in the future quarters.

The resulting share-based payment for these options issued totaled \$740,115 and \$974,266 for the three and twelve-months ending December 31, 2024 respectively, compared to \$25,750 and \$104,250 for the same periods in 2023. The rapid increase in our market capitalization and share price over 2024 has resulted in NTG's share-based compensation plan increasing in cost.

Management is actively reviewing the plan and expects the growth in this expense to slow in the near future.

Income Taxes

NTG has available income tax losses in the amounts of \$70,307 for the Canadian federal and provincial tax purposes which may be carried forward to reduce future years' taxable income which expires in 2040 (December 31, 2023: \$12,657,781). NTG was required to pay foreign income taxes in Saudi Arabia in 2024 (\$947,992 compared to \$0 in 2023).

Total Comprehensive Income after Taxes (Net Income)

For Q4 2024, the Corporation recorded a net income of \$2,980,357 compared to \$469,848 for the same period in 2023. For the year ending December 31, 2024, the Corporation recorded a net income of \$9,855,552 compared to \$2,315,735 in 2023.

The Egypt operating segment, for the three months ending December 31, 2024, recorded a net loss of \$229,579 compared to a net loss of \$1,051,006 in 2023. For the year ending December 31, 2024, there was a net loss of \$429,367 compared to a net loss of \$563,881 in 2023.

For the Canadian operating segment, for the three months ending December 31, 2024, recorded a net income of \$3,209,934 compared to \$1,520,854 in 2023. For the year ending December 31, 2024, there was a net income of \$10,284,919 compared to \$2,879,616 in 2023.

Assets and non-current liabilities

As of December 31, 2024, the Corporation closed the year with \$4,946,341 cash on hand (2023: \$358,088), bid/performance bonds of \$Nil (2023: \$293) and prepaid amounts of \$298,590 (2023: \$129,842).

Differences in prepaid amounts are due to the timing of insurance and rental renewals. The difference in cash on hand is due to positive operating cashflow and the Brokered LIFE Offering closed in September 2024, raising gross proceeds of \$5,208,000 (net \$4,789,329) to fund the rapid expansion of our Egypt Offshore Centre and Saudi sales office, and for working capital and general corporate purposes. See Note 17(a) for more information.

Property, plant and equipment

Property, plant and equipment of \$1,580,477 as of December 31, 2024 (2023: \$814,911) consists of computer equipment and office furniture with a useful life of 4-10 years, as well as buildings and land. In 2024, we purchased real estate for \$422,513 (Land: \$84,503, Building: \$338,010) in Egypt to accommodate the growth in staff working out of our Egypt Offshore Centre offices. In 2023, we purchased real estate in Egypt for \$418,772 (Land: \$83,755, Building: \$335,017).

NTG had total additions of \$1,625,997 in 2024 (2023: \$689,149) and depreciation of \$478,193 (2023: \$86,580), primarily for furniture and computer equipment additions were made in Egypt and KSA for our new and expanded offices, and laptops for our expanding workforce. Note additions include right-of-use asset addition of \$658,375 and the depreciation includes depreciation of our right-of-use asset of \$276,137 (2023: \$79,202) (see Note 14 for more information).

The increase in depreciation is largely due to significant building additions in the prior year which were purchased midway through the year. The full effect has been seen in the current year as the prior year was not a full year of amortization.

Intangible assets

Intangible assets relate to the upgrade of our internally developed NTGapps platform capitalized from 2020 until the product reached a mature steady state in late 2023. NTGapps facilitates the digital transformation journey for enterprises in all business verticals and allows them to automate their processes and create applications without the need for traditional software development.

In 2024, no NTGapps development was capitalized (2023: \$1,673,091). The amortization cost for 2024 was \$528,733 (2023: \$421,218) and is included in Cost of Sales.

An impairment test is performed on the non-current assets at year end, or when indicators warrant it. A test was performed at year end 2024 and there was no impairment. We will continue to assess on a quarterly basis for indicators of impairment.

Liabilities

As of December 31, 2024, NTG had the following current and non-current liabilities:

- The outstanding indebtedness of \$5,970,635 (2023: \$6,512,880) held by a numbered Company is disclosed as a long-term debt on the Statements of Financial Position. In Q4 2024, an additional \$150,000 was paid towards this long-term debt. In 2024, \$600,000 has been repaid. See Note 16(a) and Note 23 for more information.
- Two bank facilities in NTG Egypt; an overdraft facility with QNB bank and a loan with CIB bank repayable in monthly installments. See Note 16 for more information.
- An amount due from and owed to related parties includes balances owing to key management and key management compensation. See Note 27 for more information.
- Loans payable of \$Nil (December 31, 2023: \$493,767). See Note 23 for more information.

Liquidity and Capital Resources

NTG's principal requirement for capital is to provide working capital to fund its operations and support its organic growth. Historically, we have funded operations by using profits generated by operations and through the issuance of equity. In 2024, we funded operations, changes in non-cash working capital and capital expenditures using internally generated cash flows and cash on hand. In September we raised funds for our growth through a Brokered LIFE Offering (net \$4,789,329). As of year end 2024, cash on hand remains strong with \$4,946,341 cash on hand, cash equivalents, and cashable GICs.

As of December 31, 2024, we had a positive working capital of \$12,671,007, compared to a deficit of \$2,092,663 as of December 31, 2023.

Cash Flow Provided by Operations

The cash in-flow from operating activities for the year ending December 31, 2024 was \$2,572,960 compared to \$1,862,379 for the same period in 2023. The main differences include:

- a significantly larger net income (\$9,855,552 compared to \$2,315,735 in 2023)
- increased amortization and depreciation amounts (\$528,733 and \$478,193 compared to \$421,218 and \$165,782 in 2023). Note amortization amounts are included in Cost of Sales.
- a \$974K share-based payment expense compared to \$104K in 2023
- a \$10.4M increase in receivables with a small \$359K increase in payables

Cash Flow from Financing Activities

The cash in-flow from financing activities for the year ending December 31, 2024 was \$2,840,779 compared to \$275,065 for the same period in 2023. The main reasons for this significant increase in in-flow was:

- a significant paydown (repayment) of our long-term debt (\$706,355 compared to \$71,011 in 2023)
- a LIFE offering that took place in September 2024 and the issuance of common shares (\$5,008,509 compared to \$1,120,000 in 2023). In December 2023, NTG closed a Private Placement in the amount of \$1,110,000.
- a paydown (repayment) of the balance of our loans payable of \$493,767 compared to \$207,993 in 2023

Cash Flow from Investing Activities

Cash out-flow from investing activities for the year ending December 31, 2024, was \$825,486 compared to an out-flow of \$2,504,376 for 2023. This was mainly because of:

- the purchase of additional real estate in Egypt to accommodate the growth in staff working out of our Egypt Offshore Centre offices
- the purchase of computers and furniture associated with our new office in Egypt and our expanded office in KSA
- no capitalization of our intangible asset in 2024 (2023: \$1,673,091)

Commitments and Contractual Obligations

NTG was committed under agreements for the rental of office space in Canada at a monthly rate of \$8,195 monthly for the period from June 1, 2022 to May 31, 2023. In February 2023, we renewed the agreement and committed to pay \$8,195 monthly for the period from June 1, 2023 to May 31, 2024 and \$9,232 monthly for the period from June 1, 2024 to May 31, 2025.

Additionally, we are committed under agreements for the rental of office spaces in Egypt, KSA and Oman at a monthly rate ranging from \$272 to \$1,955 for 2025. The total contractual obligations for operating leases and lease liabilities are \$829,148. See Note 14 for further explanation.

Debt and Credit Facilities

As of December 31, 2024, NTG's indebtedness continues to be controlled by a numbered Company, controlled by Ashraf Zaghoul, NTG CEO and Kristine Lewis, NTG President. The numbered Company retains the Indebtedness and the Security, and all the rights, title and interest together with the full benefit of all powers and all covenants and provisions contained in the Security. The Company has agreed to principal installment repayments of \$150,000 per quarter, as cash flow permits. The Indebtedness held by the Company is secured by a General Security Agreement (GSA) over the assets of the Corporation. It is listed as Long-term debt on the Interim Consolidated Statements of Financial Position.

Additionally, as of December 31, 2024, NTG Egypt Advanced Software, a subsidiary of NTG, had the following:

- an overdraft facility with a bank in Egypt for supporting operations in the amount of 7,000,000 Egyptian pounds with an interest rate of 18%. The amount drawn on the facility as at December 31, 2024 is \$113,083 (2023: \$298,743). The loan is unsecured.
- a loan with a bank in Egypt for 5,750,000 EGP, repayable in monthly principal payments of 239,584 Egyptian pounds plus interest and with a maturity date of December 1, 2025.

As of December 31, 2024, the amount due was 3,994,521 EGP (approximately \$113,083) (December 31, 2023: \$245,496).

Off-Balance Sheet Arrangements

The Corporation has not entered into off-balance sheet financing arrangements. All commitments are reflected on the Corporation's balance sheet.

Transactions with Related Parties

Transactions between the Corporation and its subsidiaries, which are related parties to the Corporation, have been eliminated on consolidation. Related parties include key management, the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

The standard key management compensation is listed in Note 27.

The Corporation's long-term debt is controlled by a numbered Company, controlled by Ashraf Zaghoul, NTG CEO and Kristine Lewis, NTG President.

Basis of Preparation and Significant Accounting Policies

The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Significant accounting policies are presented in detail in Note 3 of our audited consolidated financial statements for the year ending December 31, 2024. These are available on SEDAR (www.sedar.com). The policies applied in these statements are based on IFRS issued and outstanding as of April 10, 2025, the date the Board of Directors approved the consolidated financial statements.

Proposed Transactions

There are no Proposed Transactions.

Business Risk and Management

NTG's primary risk management objective is to protect our balance sheet and cash flow. Principal financial liabilities are made up of a Company Indebtedness and trade and other payables. NTG has also taken on short-term debt from overseas to assist with cash flow.

We are exposed to market risk, interest rate risk, foreign exchange risk, credit risk, and liquidity risk. Senior management oversees the management of these risks and is supported by a Committee that advises on financial risks and the appropriate financial risk governance framework. The Board of Directors reviews and agrees policies for managing risks.

In addition to risks described elsewhere, NTG is subject to a number of risk factors. We have significant reliance on certain key personnel, some of whom are also key shareholders; Ashraf Zaghoul, CEO; Kristine Lewis, President; and Yaser Yousef, CTO.

Though we have worked hard to diversify our customer base, we are dependent on a few large customers. As of December 31, 2024, 70% of NTG's revenue was from five customers (2023: 54% from three customers). Management continues to work to diversify the customer base and country concentration. In 2024, 73% of our trade accounts receivable balance was from four customers (2023: 53% from three customers).

Additional risks and uncertainties not described below or not presently known to the Corporation may also impact our business. If any of these risks occur, our company's business, financial condition or results of operations could be harmed and the trading price of NTG's common shares could be materially affected. The purpose of discussing these risks and uncertainties is to highlight factors that could cause actual results to differ materially from past results or from those described in forward-looking statements. It is not to describe facts, trends and circumstances that could have a positive impact on the results or financial position.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise several types of risk: interest rate risk, currency risk, commodity price risk, and other price risk, such as equity risk. The Corporation is not subject to price risk from fluctuations in market prices of commodities and has no exposure to equity price risk.

There is a high concentration of competition in the digital transformation, IT, and telecom industries and is little barrier of entry for new competitors into the market. Many of our competitors are larger companies that have greater resources. To help mitigate this risk, we have partnered with, or signed agreements to work through a few of the large competitors, as we can offer seasoned resources at extremely competitive rates.

Changes in the regulatory environment would always affect our plans and investments. As we continue to grow, we will continually monitor and evaluate the various policies and procedures to ensure that they consider any changes in the Corporation and its marketplace.

In 2024, approximately 95% of our revenue came from work done for KSA customers (2023: 81%). The majority of NTG's KSA customers are consistently within our payment terms.

Historically 7-11% of our revenue comes from work done through our subsidiary, NTG Egypt, based in Cairo, Egypt. Egypt's revenue contribution in 2024 was 2% (2023: 9%). This drop in revenue was planned as NTG Egypt is now primarily a delivery centre for offshore services. Egypt continues to support our legacy customers in Egypt.

Oman's major customer contributed 1% of the revenue in 2024 (2023: 2%). Customers in Iraq account for 2% of our revenue in 2024 (2023: 6%).

Interest rate risk

NTG's exposure to interest rate fluctuations is primarily interest paid on its indebtedness and long-term loans. The Corporation performed sensitivity analysis on interest rates on December 31, 2024 to determine how a change in interest rates would impact equity and net loss.

During the year, NTG paid \$435,332 (2023: \$378,985) on its loans and liabilities. An increase or decrease of 100 basis points in the average interest rate paid during the period would have adjusted net earnings by approximately \$43,533 (2023: \$37,899). This analysis assumes that all other variables remain constant.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. NTG's financial instruments that are exposed to credit risk consist primarily of trade receivables. Our exposure to credit risk is impacted by the economic conditions for the industry which could affect the customers' ability to satisfy their obligations. To reduce risks, we perform periodic credit evaluations of the financial conditions of its customers and typically do not require collateral from them. Management assesses the need for allowance for potential credit losses by considering the credit risk of specific customers, historical trends and other information.

The credit quality of all the accounts receivable of the Corporation that are neither past due nor impaired and the age of accounts receivable that are past due but not impaired have been assessed on an individual basis and determined to have a mitigated risk profile.

Devaluation of Egyptian pound in 2024

The Egyptian Central Bank continues to devalue the currency. By the end of 2024 the EGP's value dropped from around 23 EGP to the Canadian dollar in January to about 35 EGP in December 2024. Other effects in the economy include interest rates which have been increasing (17-20%) and inflation rates have been going down (35.5-24.1%). (<https://www.cbe.org.eg/en/economic-research/statistics/>). NTG Egypt continues to review/increase salaries, on a quarterly basis, to help personnel cope with the changing economy.

We continue to mitigate much of the risk of doing business in the country as our expenses and our contracts with legacy customers in Egypt are both in the local currency. Additionally, NTG Egypt is a supplier of offshore services for international customers. As a result, contracts for offshoring services are billed in more stable currencies such as USD or Saudi Riyals (SAR).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to operating activities, when revenue or expense are denominated in a different currency from our functional currency, the Canadian dollar.

We do not hedge the risk related to fluctuations of the exchange rate between USA and Canadian dollars from the date of the sales transactions to the collection date due to the short-term nature of this exposure. The Corporation does not hedge the risk related to fluctuations of the exchange rate between USA and Canadian dollars from the date of the sales transactions to the collection date due to the short-term nature of this exposure.

A 10% change in exchange rates on December 31, 2024 would have the following approximate impacts:

10% impact to:	U.S. Dollar USD	Omani Riyal OMR	Kuwait Dinar KWD	Saudi Riyal SAR	Turkish Lira TRY	Iraqi Dinar IQD	Egyptian Pound LE
P&L in CAD	\$137,757	\$6,645	\$13,696	\$1,391,491	\$1,662	\$0	\$25,350
Equity in CAD	\$101,251	\$4,884	\$10,067	\$1,022,746	\$1,222	\$0	\$18,632

Liquidity risk

Liquidity risk is the risk that NTG will not be able to meet its financial obligations as they fall due. Our approach to managing liquidity is to ensure, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due, under normal and stressed conditions. We manage liquidity risk by reviewing capital requirements on an ongoing basis. We continuously review both actual and forecasted cash flows to ensure that we have appropriate capital capacity.

The following table summarizes the amount of contractual undiscounted future cash flow requirements for financial instruments as of December 31, 2024:

Contractual obligations	2025	2026	2027	2028 and after	Total
Operating line of credit	\$ 113,083	\$ –	\$ –	\$ –	\$ 113,083
Accounts payable and accrued liabilities	6,374,612	–	–	–	6,374,612
Operating lease and lease liability	502,905	275,426	50,817	–	829,148
Long-term debt	81,386	5,970,635	–	–	6,052,021

The aging of trade accounts payable are as follows:

December 31,	2024	2023
Current	\$ 174,829	\$ 1,000,607
31 – 60 days	22,420	39,432
61 – 90 days	21,958	2,729
91 – 180 days	24,578	151,434
More than 180 days	180,994	674,993
	\$ 424,779	\$ 1,869,195

Expenses are accrued when incurred. Accounts are deemed payable once an event occurs that requires payment by a specific date. The contractual maturity of the majority of accounts payable is within one month.

Capital Management

NTG manages its capital, which consists of cash provided from operations and long-term debt, with the primary objective being safeguarding sufficient working capital to sustain operations. The Board of Directors has not established capital benchmarks or other targets.

There have been no changes in NTG's approach to capital management during the year ending December 31, 2024. Also, no changes were made in the objectives, policies, or processes during the year ending December 31, 2024. We will continually assess the adequacy of our capital structure and capacity and make adjustments within the context of NTG's strategy, economic conditions, and the risk characteristics of the business.

NTG's objectives when managing capital are to:

- (i) safeguard the Corporation's ability to continue as a going concern, so that it can provide adequate returns for shareholders and benefits for other stakeholders;
- (ii) fund capital projects for facilitation of business expansion provided there is sufficient liquidity of capital to enable the internal financing; and
- (iii) maintain a capital base to maintain investor, creditor, and market confidence.

NTG considers the items included in the consolidated statements of changes in shareholders' equity as capital. We manage and adjust the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, we may issue new shares. We are not subject to externally imposed capital requirements.

Legal claim contingency

NTG is subject to a variety of claims and suits that arise from time to time in the ordinary course of business. Although management currently believes that resolving claims against NTG, individually or in aggregate, will not have a material adverse impact on our financial position, results of operations, and cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. To date, there are no claims or suits outstanding.

Guarantees

The Corporation indemnifies its directors and officers against claims reasonably incurred and resulting from the performance of their services to the Corporation, and maintains liability insurance for its directors and officers. As of June 7, 2024, the Corporation now has Director's and Officer's Insurance.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Corporation's disclosure controls and procedures as of December 31, 2024 and have concluded that such disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Corporation or its subsidiaries is made known to them.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers (CFO and CEO) filing the NI 52-109 certificate is not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the NI 52-109 certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Standards issued but not yet effective

As at April 10, 2025, the date of authorization of these financial statements, certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted by the Corporation. All other standards were early adopted as explained in the prior year's financial statements.

Non-IFRS measures

As mentioned previously in this MD&A, NTG references Adjusted EBITDA, which is a non-IFRS (non-GAAP) measure and Adjusted EBITDA margin, which is a non-GAAP ratio. Adjusted EBITDA means adjusted earnings before interest, taxes, depreciation and amortization. EBITDA is equal to net income (loss) before income taxes plus finance costs plus depreciation. Adjusted EBITDA is equal to EBITDA before other discretionary expenses and expenses outside of the control of NTG. In NTG's case these are other income, share-based payments, and expenses related to foreign exchange. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenue.

Adjusted EBITDA and Adjusted EBITDA margin are not recognized measures under IFRS. Management believes that in addition to net income (loss), Adjusted EBITDA and Adjusted EBITDA margin are useful supplemental measures as they provide an indication of the results generated by the Company's primary business activities prior to consideration of how those activities are financed, amortized, or how the results are taxed and consolidated in various jurisdictions and currencies as well as the cash generated by the Company's primary business activities without consideration of the timing of the monetization of non-cash working capital items.

Readers should be cautioned, however, that Adjusted EBITDA and Adjusted EBITDA margin should not be construed as an alternative to net income determined in accordance with IFRS as an indicator of the Company's performance. The Company's method of calculating Adjusted EBITDA and Adjusted EBITDA margin may differ from other organizations and, accordingly, Adjusted EBITDA and Adjusted EBITDA margin may not be comparable to measures used by other organizations.

The non-IFRS measures referenced in this MD&A reconcile to the IFRS measures reported in the Consolidated Financial Statements as follows, unless reconciled elsewhere:

Adjusted EBITDA	For the twelve months ended			
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net Income (Margin)	\$2,980,357 (17%)	\$469,848 (6%)	\$9,855,552 (18%)	\$2,315,734 (8%)
Add back:				
(Gain) loss on foreign exchange	(574,477)	345,818	(563,595)	583,000
Depreciation	322,577	83,894	478,193	165,782
Amortization	132,183	122,033	528,733	421,218
Interest, net	191,305	128,236	435,332	378,985
Taxes	513,700	11,563	810,636	-
Other income	(222,226)	(252,308)	(436,147)	(252,308)
Share-based payment	401,281	25,750	974,266	104,250
Loss on joint venture	267,730	0	267,730	0
Loss on disposal of assets	0	9,390	0	9,390
Exchange (gain) loss arising on translation of foreign operations	310,525	(1,334,454)	(43,422)	(606,024)
Adjusted EBITDA (Margin)	\$4,322,955 (25%)	\$(390,230) (-5%)	\$12,307,278 (22%)	\$3,120,027 (11%)

Management's Statement of Responsibility

The management of NTG Clarity Networks Inc. is responsible for the preparation of the accompanying consolidated financial statements and the preparation and presentation of information in the Annual Report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, and are considered by management to present fairly the financial position and operating results of the Corporation.

The Corporation maintains various systems of internal control to provide reasonable assurance that transactions are properly authorized and recorded, that assets are safeguarded, and that financial reports are properly maintained to provide reliable financial statements.

The Corporation's audit committee is comprised of independent directors and a management representative and is appointed by the Board of Directors annually. The committee meets periodically with the Corporation's management and independent auditors to review the consolidated financial statements and the independent auditors report. The audit committee has approved the consolidated financial statements and reported its findings to the Board of Directors.

The Corporation's independent auditors, NVS Professional Corporation, have examined the consolidated financial statements and their report follows.

"Ashraf Zaghloul"

Ashraf Zaghloul
Chief Executive Officer
April 10, 2025

"Kristine Lewis"

Kristine Lewis
President
April 10, 2025



Independent Auditor's Report

To the Shareholders of

NTG Clarity Networks Inc.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of NTG Clarity Networks Inc. and its subsidiaries (the "Corporation"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of profit and loss and comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements,

our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

NVS Professional Corporation

NVS Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants

Markham, Ontario
April 10, 2025

NTG CLARITY NETWORKS INC.

Consolidated Statements of Financial Position

(In Canadian Dollars)

As at December 31,	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents (Note 9)	\$ 4,946,341	\$ 358,088
Trade and other receivables (Note 10)	16,898,548	6,432,724
Prepaid expenses and deposits	298,590	129,842
Bid/performance bonds	–	293
Total current assets	\$ 22,143,479	\$ 6,920,947
Non-current assets		
Deferred income tax asset (Note 7)	\$137,356	\$ –
Property, plant and equipment (Note 11)	1,580,477	814,911
Intangible assets (Note 12)	3,928,741	4,457,474
Investment in joint venture (Note 13)	–	142,136
Right-of-use of assets (Note 14)	502,806	120,568
Total non-current assets	6,149,380	5,535,089
Total Assets	\$ 28,292,859	\$ 12,456,036
LIABILITIES		
Current liabilities		
Income taxes payable (Note 7)	\$ 575,560	\$ –
Current portion of lease liabilities (Note 14)	391,454	86,829
Accounts payable and accrued liabilities (Note 15)	8,370,924	8,011,523
Bank indebtedness (Note 16)	113,083	298,743
Current portion of long-term debt (Note 16)	81,386	122,748
Loans payable (Note 23)	–	493,767
Total current liabilities	\$ 9,532,407	\$ 9,013,610
Non-current liabilities		
Lease liabilities (Note 14)	188,633	43,941
Long-term debt (Note 16) (Note 24)	5,970,635	6,635,628
Total non-current liabilities	\$ 6,159,268	\$ 6,679,569
Total liabilities	\$15,691,675	\$15,693,179
SHAREHOLDER'S EQUITY		
Share capital (Note 17)	18,457,593	14,736,986
Contributed surplus (Note 18)	3,235,934	2,711,523
Foreign exchange reserve	(173,311)	(216,733)
Deficit	(8,919,032)	(20,468,919)
Total shareholders' equity	12,601,184	(3,237,143)
Total liabilities and shareholders' equity	\$28,292,859	\$12,456,036

Approved on behalf of the Board:

"Ashraf Zaghoul"

Ashraf Zaghoul
Director

"Kristine Lewis"

Kristine Lewis
Director

See accompanying notes to consolidated financial statements.

NTG CLARITY NETWORKS INC.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and December 31, 2023

(In Canadian Dollars)

	Share Capital	Contributed Surplus	Deficit	Foreign Exchange Reserve	Total Shareholders' Equity
Balance, January 1, 2023	\$ 13,606,986	\$ 2,617,273	\$(22,178,630)	\$ (822,757)	\$ (6,777,128)
Income from continuing operations	–	–	1,709,711	–	1,709,711
Other comprehensive income	–	–	–	606,024	606,024
Issuance of share capital (Note 17)	1,120,000	–	–	–	1,120,000
Reallocation of contributed surplus (Note 17) (Note 18)	10,000	(10,000)	–	–	–
Share-based compensation	–	104,250	–	–	104,250
Balance, December 30, 2023	\$ 14,736,986	\$ 2,711,523	\$ (20,468,919)	\$ (216,733)	\$ (3,237,143)
Income from continuing operations	–	–	9,812,130	–	9,812,130
Other comprehensive income	–	–	–	43,422	43,422
Issuance of share capital (Note 17)	3,435,693	1,572,816	–	–	5,008,509
Expired options transfer (Note 17)	–	(1,737,757)	1,737,757	–	–
Reallocation of contributed surplus (Note 17) (Note 18)	284,914	(284,914)	–	–	–
Share-based compensation (Note 17)	–	974,266	–	–	974,266
Balance, December 31, 2024	\$ 18,457,593	\$ 3,235,934	\$ (8,919,032)	\$ (173,311)	\$ 12,601,184

NTG CLARITY NETWORKS INC.

Consolidated Statements of Profit and Loss and Comprehensive Income

(In Canadian Dollars)

For the years ended December 31,	2024	2023
REVENUE (Note 6) (Note 20)	\$ 56,126,751	\$ 27,728,117
COST OF SALES (Note 21)	35,279,794	18,926,200
GROSS MARGIN	20,846,957	8,801,917
OPERATING EXPENSES		
Selling (Note 22)	2,922,216	2,172,925
General and administration (Note 22)	6,146,196	3,872,199
(Gain) Loss on foreign exchange	(563,595)	583,000
Total operating expenses	8,504,817	6,628,123
INCOME FROM OPERATIONS	\$ 12,342,140	\$ 2,173,794
OTHER (INCOME) EXPENSES		
Provision for expected credit losses (Note 10)	–	66,606
Depreciation (Note 11) (Note 14)	478,193	165,782
Interest	435,332	378,985
Share-based payments (Note 17)	974,266	104,250
Other income	(436,147)	(252,308)
Loss on joint venture	267,730	–
Loss on disposal of assets	–	9,390
Total other expense	1,719,374	472,705
NET INCOME BEFORE INCOME TAXES	\$ 10,622,766	\$ 1,701,089
INCOME TAXES (Note 7)		
Current income tax expense (recovery)	947,992	(8,622)
Deferred income tax recovery	(137,356)	–
INCOME FROM CONTINUING OPERATIONS	\$ 9,812,130	\$ 1,709,711
Other comprehensive income:		
Exchange gain arising on translation of foreign operations	43,422	606,024
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 9,855,552	\$ 2,315,735
Earnings per share (Note 8)		
Basic	\$ 0.23	\$ 0.01
Diluted	\$ 0.20	\$ 0.01
Weighted average number of shares outstanding		
Basic	42,155,658	185,172,355
Diluted	48,310,858	204,978,355

See accompanying notes to consolidated financial statements.

NTG CLARITY NETWORKS INC.

Consolidated Statements of Cash Flows

(In Canadian Dollars)

For the years ended December 31,	2024	2023
Cash provided by (used in)		
OPERATING ACTIVITIES		
Total comprehensive income for the year	\$ 9,855,552	\$ 2,315,735
Add-Items not affecting cash:		
Deferred income tax expense (Note 7)	(137,356)	–
Bad debt expense (Note 10)	–	66,606
Depreciation (Note 11) (Note 14)	478,193	165,782
Amortization (Note 12)	528,733	421,218
Interest expense	435,332	378,985
Share-based payment (Note 17)	974,266	104,250
Loss on disposal of asset	–	9,390
	\$12,134,720	\$3,461,966
Net change in non-cash working capital items,		
Increase in trades and other receivable	\$ (10,465,824)	\$ (2,547,322)
Increase in income taxes payable	575,560	–
Decrease in bid/performance bond	293	17,138
(Increase) in prepaid expenses and deposits	(168,748)	(43,091)
Increase in accounts payable and accrued liabilities	359,401	955,767
Increase in leasehold liabilities	137,558	17,921
TOTAL CASH IN-FLOW FROM OPERATING ACTIVITIES	\$ 2,572,960	\$ 1,862,379
FINANCING ACTIVITIES		
Principle payment of lease (Note 14)	(346,616)	(96,369)
Repayment of long-term debt (Note 16)	(706,355)	(71,011)
Repayment of bank indebtedness (Note 16)	(185,660)	(90,577)
Issuance of common shares (Note 17)	5,008,509	1,120,000
Repayment of loan payable (Note 23)	(493,767)	(207,993)
Interest paid	(435,332)	(378,985)
TOTAL CASH IN-FLOW FROM FINANCING ACTIVITIES	\$ 2,840,779	\$ 275,065
INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note 11)	(967,622)	(689,149)
Additions to intangible assets (Note 12)	–	(1,673,091)
Investments in joint venture (Note 13)	142,136	(142,136)
TOTAL CASH (OUT-FLOW) FROM INVESTING ACTIVITIES	\$ (825,486)	\$ (2,504,376)
NET INCREASE (DECREASE) IN CASH	4,588,253	(366,932)
Cash balance, beginning of period	358,088	725,020
Cash balance, end of period	\$ 4,946,341	\$ 358,088

See accompanying notes to consolidated financial statements.

NTG CLARITY NETWORKS INC.

Notes to the Audited Consolidated Financial Statements

December 31, 2024 and 2023

1. CORPORATE INFORMATION

NTG Clarity Networks Inc. (the "Corporation") is domiciled in Canada and its shares are traded publicly on the TSX Venture Exchange under ticker symbol NCI.V. The Corporation was incorporated on May 15, 2001 under the laws of Alberta. In the current year the registration of the corporation was moved from Alberta to Ontario. The Corporation's principal and registered office is Suite 202, 2820 14th Avenue, Markham, Ontario, L3R 0S9.

The Corporation provides network, telecom, IT and infrastructure solutions to medium and large network service providers. The Corporation specializes in providing telecommunications engineering, networking and related software solutions and has developed niche software products directed at the telecom service providers. NTG continues to offer professional telecom and IT services in the North American and Middle Eastern markets.

There is a high concentration of competition in the digital transformation, IT, and telecom industries and little barrier of entry for new competitors into the market. Many of our competitors are larger companies that have greater resources. To help mitigate this risk, we have partnered with, or signed agreements to work through a few of the large competitors, as we can offer seasoned resources at extremely competitive rates.

2. BASIS OF PRESENTATION

The audited consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The consolidated financial statements were authorized for issue by the Corporation's Board of Directors on April 10, 2025.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The audited consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries as at December 31, 2024.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continues to be consolidated until the date that such control ceases. The financial statements of the subsidiary is prepared for the same reporting period as the parent corporation using consistent accounting policies. All intra group balances, income and expenses, unrealized gains and losses, and dividends resulting from intra group transactions, if any, are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

The subsidiary of the Corporation as of December 31, 2024 is its 95% owned subsidiary, NTG Egypt Advanced Software, and its wholly owned U.S. subsidiary, NTG Clarity Networks US Inc.

The audited consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries as at December 31, 2024.

Associates and joint arrangements

The Corporation's interests in equity accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Corporation has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Corporation holds between 20% and 50% of the voting power of another entity.

The Corporation classifies its interest in joint arrangements as either joint operations (if the Corporation has rights to the assets and has obligations for the liabilities relating to an arrangement) or joint ventures (if the Corporation has the rights only to the net assets of an arrangement). When making this assessment, the Corporation considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

Investments in associates and joint ventures are accounted for using the equity method and are recognized initially at cost. The Corporation's investments include goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Corporation's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Corporation, from the date that significant influence commences until the date that it ceases. When the Corporation's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued, except to the extent that the Corporation has an obligation or has made payments on behalf of the investee.

(b) Foreign currency

Presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's presentation currency.

Translation to the presentation currency

Each entity in the Corporation determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency and the presentation currency of the parent entity is the Canadian dollar. Transactions in foreign currencies are initially recorded in respective functional currency rates at the date of the transaction.

The functional currency of the subsidiary NTG Egypt Advanced is the Egyptian pound, and the functional currency of the subsidiary NTG Clarity Networks US Inc. is the US Dollar.

Foreign currency transactions

Transactions carried out in foreign currencies are translated using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in a foreign currency at the reporting date are translated at the exchange rate at that date. The foreign currency gain or loss on such monetary items is recognized as income or expense for the period. Non monetary assets and liabilities denominated in a foreign currency are translated at the historical exchange rate prevailing at the transaction date.

Translation of financial statements of foreign operations

The assets and liabilities of subsidiaries whose functional currency is not the Canadian dollar are translated into Canadian dollars at the exchange rate prevailing at the reporting date. The income and expenses of foreign operations whose functional currency is not the Canadian dollar are translated to Canadian dollars at the exchange rate prevailing on the date of transaction. Foreign currency differences on translation are recognized in other comprehensive income (loss) in the cumulative translation account net of income tax.

(c) Financial instruments

Financial assets and liabilities

The Corporation recognizes financial assets and financial liabilities initially at fair value and subsequently measures these at either fair value or amortized cost based on their classification as described below:

Fair value through profit or loss

Financial assets and financial liabilities purchased or incurred, respectively, with the intention of generating earnings in the near term, and derivatives other than cash flow hedges, are classified as FVTPL. This category includes cash and cash equivalents, and derivative instruments that do not qualify for hedge accounting. For items classified as FVTPL, the Corporation initially recognizes such financial assets on the consolidated balance sheet at fair value and recognizes subsequent changes in the consolidated statement of operations. Transaction costs incurred are expensed in the consolidated statement of operations. The Corporation does not currently hold any liabilities designated as FVTPL.

Fair value through other comprehensive income

This category includes investments in equity securities. Subsequent to initial recognition, they are measured at fair value on the consolidated balance sheet and changes therein are recognized in other comprehensive income (loss). When an investment is derecognized, the accumulated gain or loss in other comprehensive income (loss) is transferred to the consolidated statement of operations.

Amortized cost

The Corporation classifies financial assets held to collect contractual cash flows at amortized cost, including trade and other receivables and investments in convertible debentures. The Corporation initially recognizes the carrying amount of such assets on the consolidated balance sheet at fair value plus directly attributable transaction costs, and subsequently measures these at amortized cost using the effective interest rate method, less any impairment losses.

Other financial liabilities

This category is for financial liabilities that are not classified as FVTPL and includes trade and other payables and long-term debt. These financial liabilities are recorded at amortized cost on the consolidated balance sheet.

Financial assets and liabilities classification

Cash and cash equivalents, trade and other receivables, bid/ performance bonds are classified as amortized cost. Similarly, accounts payable and accrued liabilities, long term debt, loans payable are classified as amortized cost. Carrying value of cash and cash equivalents, trade and other receivables, bid/ performance bonds, deposits, accounts payable and accrued liabilities, long term debt and loans payable approximate fair values.

Impairment of financial assets

A forward looking "expected credit loss" (ECL) model is used in determining the allowance for doubtful accounts as it relates to trade and other receivables. The Corporation's allowance is determined by historical experiences, and considers factors including the aging of the balances, the customer's credit worthiness, and updates based on the current economic conditions, expectation of bankruptcies, and the political and economic volatility in the markets/location of customers.

(d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of material and labour and other costs directly attributable to bringing the asset to a working condition for its intended use.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance and repair costs are expensed as incurred, except where they serve to increase productivity or to prolong the useful life of an asset, in which case they are capitalized.

Depreciation

Depreciation is recognized in profit or loss over the estimated useful life of each item of property, plant and equipment, since this period most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation is recorded on the following bases and at the following rates:

Computer software	Straight-line 1-2 years
Computer equipment	Straight-line 2-4 years
Office equipment	Straight-line 4-10 years
Building	Straight-line 20 years
Leasehold improvements	Straight-line over the lesser of the expected term of the lease or the useful life of the asset

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

(e) Intangible assets

The Corporation's intangible assets are composed of development costs. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development costs are capitalized only if:

- the development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- the future economic benefits are probable; and
- the Corporation intends and has sufficient resources to complete the development of and to use or sell the asset.

Capitalized development costs correspond to projects for specific customer applications that draw on approved generic standards or technologies already applied in production. These projects are analyzed on a case by case basis to ensure they meet the criteria for capitalization as described above. Development costs are subsequently amortized over the life of the asset from the start of usage.

Amortization of development costs is recognized in cost of sales in the consolidated statement of operations.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss when incurred.

The amortization methods and estimated useful lives of intangible assets are reviewed annually. Intangible assets are tested for impairment as required by IAS 38 and IAS 36 if there are indicators of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the intangible assets or the cash generating unit exceeds their recoverable amount. Impairment losses are recognized in the statements of comprehensive income. Amortization is provided on a straight-line basis over 10 years.

(f) Leases

The Corporation recognizes right of use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The right of use asset is measured based on the initial value of the lease liability adjusted for lease payments made at or before the commencement of the lease, initial direct costs and estimated dismantling and restoring costs. The right of use asset is depreciated over the shorter of the lease term and the asset's useful life, unless it is reasonably certain the Corporation will obtain ownership by the end of the lease term, in which case the asset is depreciated over its useful life.

The lease liability is measured at the present value of all future lease payments discounted at the lessee's incremental borrowing rate. Lease liabilities are measured at amortized cost using the effective interest rate method whereby interest is recognized in profit or loss over the lease term.

The Corporation has adopted the practical expedients related to short-term leases and leases of low value assets whereby lease obligations associated with these leases are recognized as an expense in the consolidated income statement when incurred.

(g) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Fair value less costs to sell is the amount obtainable from the sale of an asset or CGU in an arm's length

transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to the carrying amounts of the assets in the unit (group of units).

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the Corporation expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset when reimbursement is virtually certain. Commitments resulting from restructuring plans are recognized when an entity has a detailed formal plan and has raised a valid expectation with those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features.

When the effect of the time value of money is material, the amount of the provision is discounted using a rate that reflects the market's current assessment of this value and the risks specific to the liability concerned. The increase in the provision related to the passage of time is recognized in the consolidated statement of profit and loss and other comprehensive income in other income (expense).

(i) Revenue Recognition

Revenue represents the amount the Corporation expects to receive for products and services in its contracts with customers, net of discounts and sales taxes. The Corporation reports revenue under three revenue categories being, License, Professional services, and Maintenance and other recurring revenue.

Software license revenue is comprised of non-recurring license fees charged for the use of software products licensed under multiple year or perpetual arrangements. Professional service revenue consists of fees charged for implementation services, custom programming, product training, certain managed services, and consulting.

Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post delivery and also includes recurring fees derived from combined software/support contracts, transaction revenues, managed services associated with NTGapps software that has been sold to the customer, and hosted software as a service products.

Contracts with multiple products or services

The Corporation enters into contracts that contain multiple products and services such as software licenses, hosted software as a service, maintenance and professional services. The Corporation evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and Constellation's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a

single performance obligation. Where a contract consists of more than one performance obligation, revenue is allocated to each based on their estimated standalone selling price.

The Corporation sells on-premise software licenses on a perpetual basis. Revenue from the license of distinct software is recognized at the time that 1) the right-to-use the software has commenced; and 2) the software has been made available to the customer.

Professional services revenue including installation, implementation, training and customizations of software is recognized by the stage of completion of the performance obligation determined using the percentage of completion method based on contract costs incurred to date as a percentage of total estimated contract costs required to complete development work, or as such services are performed as appropriate in the circumstances. Professional services revenue also includes managed services not associated with NTGapps software. The revenue and profit of fixed price contracts is recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably but the Corporation expects to recover its costs, the amount of expected costs is treated as variable consideration and the transaction price is updated as more information becomes known.

Maintenance and other recurring revenues is recognized on a straight-line basis over the term of the contract. The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in contract assets. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of contract liability.

(j) Taxes

Income taxes

The tax rate is calculated on the basis of the fiscal regulations enacted or substantively enacted at the fiscal year end in each country where the entities in the Corporation carry out their business.

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income (loss). Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, with respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Sales tax

Revenues, expenses, liabilities and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(k) Compound Instruments

The component parts of compound instruments (e.g., debt issued with warrants) issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar debt without warrants. This amount is recorded as a liability on the amortized cost basis using the effective interest method until extinguished or at the instrument's maturity date.

The warrants classified as equity are determined by deducting the amount of the liability component from the fair value of the instrument as a whole. This is recognized and included in equity and is not subsequently remeasured. Warrants classified as equity will remain in equity until the conversion option is exercised, in which case the balance recognized in equity will be transferred to common shares within equity. When the warrants remain unexercised at their maturity date, the balance recognized in equity will be transferred to retained earnings or deficit. No gain or loss is recognized in profit or loss upon conversion or expiration of the warrants. Transaction costs that relate to the issue of the instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the debt using the effective interest method.

(l) Stock-based payments

The Corporation accounts for all stock-based payments to employees and non-employees using the fair value-based method of accounting. The Corporation measures the compensation cost of stock-based option awards at the grant date using the Black Scholes option valuation model to determine the fair value of the options. The stock-based compensation cost of the options is recognized as stock-based compensation expense over the relevant vesting period of the stock options.

(m) Earnings per share

The Corporation presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise share options granted to employees.

(n) Segment reporting

A segment is a distinguishable component of the Corporation that is engaged either in providing related products and services (business segment) or in providing products and services within a particular economic environment (geographical segment) and that is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Corporation's business and geographical segments. The Corporation's primary format for segment reporting is based on business segments. The business segments are determined based on the Corporation's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Corporation's headquarters) and head office expenses. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the Corporation's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the end of the reporting years. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years.

In the process of applying the Corporation's accounting policies, management has made the following judgments, which has the most significant effect on the amounts recognized in the consolidated financial statements.

Revenues

The Corporation derives revenue from fees charged to customers for licenses for software products and for professional services (support, consulting, development, training, etc.). Some of the software arrangements may contain multiple elements (product sales and professional services). The Corporation accounts for software, consulting and other service deliverables as separate units of accounting and allocate revenue based on their individual fair values. The revenue amounts allocated to the individual elements are recognized when the revenue recognition criteria have been met for the respective element. When services are essential to the functionality of the software, the software does not have standalone value and is combined with the essential services as a single element.

Contract assets

Contract assets is revenue which had been earned and therefore recognized in compliance with IFRS, but which has not been billed to the client(s) due to contract terms and/or billing cycle. Revenue can be recognized for projects based on time and materials, for professional services or on a percentage of completion basis for product implementation and support. Both can result in contract assets until the customer is invoiced.

Impairment of non-financial assets

Impairment exists when the carrying value of a non-financial asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the Corporation's budget and do not include restructuring activities, if any, that the Corporation is not yet committed to or significant future investments that will enhance the non-financial asset's performance of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units may include a sensitivity analysis.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the range of business relationships and the long-term nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Corporation may establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets, if any, are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Share-based compensation

The Corporation has a share-based compensation plan. The Corporation accounts for share based compensation options granted to employees and consultants using the fair value method determined using the Black Scholes option valuation model. The estimated compensation expense related to share based compensation is recognized over the vesting period of the options granted, with the related credit being charged to contributed surplus. Consideration paid by employees on the exercise of share-based compensation is recorded as capital stock and the related share-based compensation is transferred from capital reserves to capital stock.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful life of tangible assets

Tangible assets are amortized on a straight-line basis over their expected useful life once the asset is available for use. The Company reviews the estimated useful lives, residual values, and depreciation methods of its tangible assets at each reporting period. Management applies judgment in determining the expected useful life of assets based on factors such as historical experience, expected usage, technological advancements, and industry trends. Any revisions to useful lives are accounted for prospectively as changes in estimates.

Useful life of an intangible asset

Intangible assets with finite lives are amortized on a straight line basis over their expected useful life once the asset is available for use. Many factors are considered in determining the useful life of an intangible asset, including technical, technological, commercial or other types of obsolescence and typical product life cycles for the asset. Changes to the expected useful life of an asset is accounted for prospectively.

Treatment of development costs

Costs to develop products are capitalized to the extent that the criteria are met for recognition as intangible assets in accordance with IAS 38. Such criteria require that the product is technically and economically feasible, the Company has the intention and ability to use the asset, and that the asset will generate future benefits to the Company. Management assessed the capitalization of development costs based on the attributes of each development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is technically and economically feasible.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

As at April 10, 2025, the date of authorization of these financial statements, The Corporation performed an assessment of new and revised standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its consolidated financial statements would not be material.

6. OPERATING SEGMENT INFORMATION

For management purposes, the Corporation is organized into two operating segments. The Corporation's chief decision makers; the Chief Executive Officer, the President and the Chief Financial Officer, tracks the Corporation's operations by country.

These country segments represent the Corporation's reportable operating segments, which are used to manage the business. The Corporation analyses the performance of its operating segments based on expenditures and revenue growth.

Statement of profit and loss for the year ended December 31, 2024

	NTG Canada	NTG Egypt	Consolidated Total
Revenue	\$ 55,065,805	\$ 1,060,946	\$ 56,126,751
Cost of sales	34,686,998	592,796	35,279,794
Gross margin	20,378,807	468,150	20,846,957
Expenses	(8,004,229)	(500,588)	(8,504,817)
Depreciation / Amortization	(123,153)	(355,040)	(478,193)
Other (expenses) / income	(1,155,870)	(85,311)	(1,241,181)
Income tax expense	(810,636)	–	(810,636)
Exchange gain arising on translation	–	43,422	43,422
Total comprehensive income (loss) for the year	\$ 10,284,919	\$ (429,367)	\$ 9,855,552

Statement of profit and loss for the year ended December 31, 2023

	NTG Canada	NTG Egypt	Consolidated Total
Revenue	\$ 25,123,148	\$ 2,604,969	\$ 27,728,117
Cost of sales	15,559,856	3,366,344	18,926,200
Gross margin	\$ 9,563,292	\$ (761,376)	\$ 8,801,917
Expenses	(6,168,434)	(459,689)	(6,628,123)
Depreciation / Amortization	(95,734)	(70,049)	(165,782)
Other (expenses)/ income	(428,130)	121,207	(306,923)
Income tax expense	8,622	–	8,622
Exchange gain arising on translation	–	606,024	606,024
Total comprehensive income (loss) for the year	\$ 2,879,616	\$ (563,881)	\$ 2,315,735

All of the Corporation's assets are located in Canada and the Middle East.

Long term asset additions for the year ended December 31, 2024

	NTG Canada	NTG Egypt	Consolidated Total
Asset additions for the year ended December 31, 2024			
Property and equipment (Note 11)	\$ 187,820	\$ 779,802	\$ 967,622
Right of use of assets	–	658,375	658,375
	\$ 187,820	\$ 1,438,177	\$ 1,625,997

Long term asset additions for the year ended December 31, 2023

	NTG Canada	NTG Egypt	Consolidated Total
Asset additions for the year ending December 31, 2024			
Property and equipment (Note 11)			
Additions	\$ 30,315	\$ 658,834	\$ 689,149
Dispositions	–	(22,146)	(22,146)
Intangible assets (Note 12)	1,673,091	–	1,673,091
Right-of-use of assets	170,214	–	170,214
	\$1,873,620	\$636,688	\$2,510,308

Long term assets as at December 31, 2024

	NTG Canada	NTG Egypt	Consolidated Total
Assets as at December 31, 2024			
Property and equipment	\$ 190,543	\$ 1,389,934	\$ 1,580,477
Intangible assets	3,928,741	–	3,928,741
Right-of-use of assets	35,461	467,345	502,806
Deferred income tax asset	137,356	–	137,356
	\$ 4,292,101	\$ 1,857,279	\$ 6,149,380

Long term assets for the year ended December 31, 2023

	NTG Canada	NTG Egypt	Consolidated Total
Property and equipment	\$40,687	\$774,142	\$814,911
Intangible assets	4,457,474	–	4,457,474
Right-of-use of assets	120,568	–	120,568
Investment in joint venture	–	142,136	142,136
	\$4,618,811	\$916,278	\$5,535,089

The Corporation determines the geographic location of revenues based on customer location.

Sales by geographic location for the year ended December 31,	2024	2023
North America	\$ 280,734	\$ 235,245
Iraq	1,014,857	1,788,890
Saudi Arabia	53,317,238	22,479,963
Egypt	\$ 1,060,946	\$ 2,604,969
Oman	\$ 452,976	\$ 619,802
Kuwait	–	\$ (752)
	\$ 56,126,751	\$ 27,728,117

In the past, the majority of the Corporation's revenue is derived from the telecommunication industry. From 2021, the Corporation has also been working within the digital transformation and IT fields in the finance and systems integration sectors. In 2024, approximately 70% (2023: 54%) of the Corporation's revenue was derived from five customers (2023: three customers).

Receivables by segment for the year ended December 31,	2024	2023
Canada	\$ 16,209,858	\$ 5,725,885
Egypt	\$ 688,690	\$ 642,961
	\$ 16,898,548	\$ 6,432,724

As at December 31, 2024, approximately 73% (2023: 53%) of the Corporation's trade accounts receivable balance was from four (2023: three) customers.

Payables by segment for the year ended December 31,	2024	2023
Canada	\$ 7,148,153	\$ 7,182,754
Egypt	1,222,771	828,769
	\$ 8,370,924	\$ 8,011,523

Bank indebtedness by segment for the year ending December 31,	2024	2023
Egypt	113,083	298,743
	\$ 113,083	\$ 298,743

7. INCOME TAXES

The following is a reconciliation of the income taxes for the years ended as indicated.

NTG Canada

As at December 31,	2024	2023
Income before income taxes	\$11,095,555	\$2,870,994
Income tax at the Canadian federal tax rate of 38%	4,216,311	1,090,978
Tax effect of utilization of tax losses not previously recognized	(4,406,425)	(1,233,656)
Non-deductible share-based payments	370,221	39,615
CCA claimed in excess of amortization and depreciation	(1,378)	196,442
Other non-deductible expenses	13,427	3,754
Other deductions for tax purposes	(192,156)	(97,134)
Income tax expense in Canada	–	–
Income tax expense (recovery) in foreign operations	947,992	(8,622)
Income tax recognized on the statement of comprehensive income	\$947,992	\$(160,064)

The Corporation has the following deferred income tax assets for the years ended as indicated. They were not recognized on the statements of financial position in 2023 as it was not probable that they would be utilized.

As at December 31,	2024	2023
Deferred tax asset in relation to:		
Property and equipment	\$ 2,332	\$38,438
Intangible assets	124,478	–
Non-capital loss carry-forwards	10,546	3,354,312
Deferred tax assets not recognized	137,356	3,392,750
Less: Valuation allowance	–	3,392,750
Deferred tax asset recognized	\$137,356	\$–

The Corporation has available income tax losses in the amounts of \$70,307 for the Canadian federal and provincial tax purposes which may be carried forward to reduce future years' taxable income which expires in 2040.

NTG Egypt Advanced Software

As at December 31,	2024	2023
Income before income taxes	\$ (472,789)	\$ (1,169,907)
Income tax at the combined Egyptian federal and provincial tax rate of 22.5%	–	–
Income tax recognized on the statement of comprehensive income	\$ –	\$ –

8. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net income for the year attributable to ordinary equity holders of the parent by the weighted average number of common shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net income attributable to ordinary equity holders of the parent by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares, if any, that would be issued on conversion of all the dilutive potential effects.

The outstanding number and type of securities that could potentially dilute basic net income per share in the future but that were not included in the computation of diluted net income per shares because to do so would have reduced the earnings per share (anti dilutive) for the year presented are as noted below.

The following outstanding instruments could have a dilutive effect in the future:

Options – Share-based payments (Note 17 (b)) 4,072,000 of which 3,915,266 had vested as of December 31, 2024.

Warrants – Equity Instruments (Note 17 (a)(v)), 2,083,200, all of which had vested as of December 31, 2024.

The following reflects the earnings and unit data used in the basic and diluted earnings per share computations:

December 31,	2024	2023
Net earnings attributable to ordinary equity holders of the parent for basic earnings	\$9,855,552	\$2,315,735
Net earnings attributable to ordinary equity holders of the parent adjusted for the effect of dilution	\$9,855,552	\$2,315,735

December 31,	2024	2023
Weighted average number of common shares outstanding for basic earnings per share (Note 17)	42,155,658	185,172,355
Weighted average number with the effect of dilution on common shares	48,310,858	204,978,355
Income per share (basic)	\$0.23	\$0.01
Income per share (diluted)	\$0.20	\$0.01

Had the share consolidation occurred in 2023, the weighted average number of common shares outstanding for the purposes of calculating basic earnings per share would have been 37,034,471. The weighted average number of common shares outstanding, adjusted for the effect of dilution, would have been 40,995,671. Accordingly, basic earnings per share would have been \$0.05, and diluted earnings per share would have been \$0.05.

9. CASH AND CASH EQUIVALENTS

December 31,	2024	2023
Chequing accounts	\$1,921,891	\$358,088
Cashable GICs	3,024,450	–
	\$4,946,341	\$358,088

10. TRADE AND OTHER RECEIVABLES

December 31,	2024	2023
Trade receivables	\$ 12,582,922	\$ 5,847,655
Contract assets	3,617,035	198,729
Receivables from tax authorities	279,902	279,902
Other receivables	473,585	106,438
Total trade and other receivables	\$ 16,898,548	\$ 6,432,724

Trade receivables are non-interest bearing and are generally on 30-180 day terms. The Corporation recognized \$Nil (2023: \$66,606) in bad debt expense during the year.

Included in other receivables is an amount receivable from related parties for \$11,241 (2023: \$26,303). The balance is unsecured, non-interest bearing and has no specific terms of repayment.

Neither past due nor impaired	2024	2023
Current	\$ 4,279,570	\$ 2,983,147
31 – 60 days	4,490,862	2,111,346
61 – 90 days	2,146,019	203,030
91 – 180 days	1,521,256	337,372
Past due but not impaired		
Greater than 180 days	145,215	212,760
	\$ 12,582,922	\$ 5,847,655

Contract assets consists of service revenue that has already been rendered as at December 31, 2024 and recognized in accordance with the Corporation's revenue recognition policy from Note 3.

December 31,	2024	2023
Opening balance, January 1,	\$ 198,729	\$ 354,485
Revenue recognized during the year	3,617,035	198,729
Amounts billed	(198,729)	(354,485)
Closing balance December 31,	\$ 3,617,035	\$ 198,729

11. PROPERTY AND EQUIPMENT

The amount of borrowing costs capitalized during the year ending December 31, 2024 was \$Nil (2023: \$Nil).

	Furniture and Equipment	Computer Equipment	Computer Software	Buildings	Total
Cost:					
At January 1, 2023	\$617,510	\$1,020,911	\$400,996	\$ –	\$2,039,417
Additions	77,417	192,960	–	418,772	689,149
Disposals	(22,146)	–	–	–	(22,146)
At December 31, 2023	\$672,781	\$1,213,871	\$400,996	\$418,772	\$2,706,420
Additions	118,480	426,629	–	422,513	1,625,997
Disposals	–	–	–	–	–
At December 31, 2024	\$791,261	\$1,640,500	\$400,996	\$841,285	\$3,674,042
	Furniture and Equipment	Computer Equipment	Computer Software	Buildings	Total
Accumulated depreciation and impairment:					
At January 1, 2023	\$504,561	\$956,794	\$356,330	\$ –	\$1,817,685
Depreciation for the year	22,327	53,340	–	10,913	86,580
Disposals	(12,756)	–	–	–	(12,756)
At December 31, 2023	\$514,132	\$1,010,134	\$356,330	\$10,913	\$1,891,509
Depreciation for the year	22,523	159,312	–	20,221	202,056
Disposals	–	–	–	–	–
At December 31, 2024	\$536,655	\$1,169,446	\$356,330	\$31,134	\$2,093,565
Net book value:					
At December 31, 2024	\$254,606	\$471,054	\$44,666	\$810,151	\$1,580,477
At December 31, 2023	\$158,649	\$203,737	\$44,666	\$407,859	\$814,911

Addition to land and buildings as at the end of the reporting period is as follows:

December 31,	2024	2023
Land	\$ 84,503	\$ 83,755
Building	338,010	335,017
	\$ 422,513	\$ 418,772

12. INTANGIBLE ASSETS

The intangible asset related to the upgrade of the internally developed “NTGapps” (formerly “Smart2Go”) platform capitalized from 2020 to 2023. Expenditures on development of the software are recognized as an asset from the time the Corporation has determined future economic benefit exists.

The development costs are determined to have a useful life of 10 years are amortized on a straight line basis.

	NTGapps
Cost:	
At January 1, 2023	\$ 3,614,239
Additions	1,673,091
Disposals	–
At December 31, 2023	\$ 5,287,330
At December 31, 2024	\$ 5,287,330
Accumulated amortization and impairment:	
At January 1, 2023	\$ 408,638
Amortization charge for the year	421,218
At December 31, 2023	\$ 829,856
Amortization charge for the year	528,733
At December 31, 2024	\$ 1,358,589
Net book value:	NTGapps Development Costs
At December 31, 2024	\$ 3,928,741
At December 31, 2023	\$ 4,457,474

13. INVESTMENT IN JOINT VENTURE

The Corporation has a 50% interest in Alamat E Commerce Systems Company, a joint venture originally valued at 500,000 EGP. The Corporation interest in joint venture is accounted for using the equity method in the consolidated financial statements at \$NIL (2023: \$142,136). As of December 31, 2024, the Company has recognized a provision of \$173,986 (2023: \$Nil) included in other payables in Note 15, as its share of cumulative losses has exceeded the carrying amount of the investment. The provision reflects the Corporation’s legal or constructive obligations to fund the joint venture’s future operations or settle its outstanding liabilities.

If the joint venture generates future profits, the Company will resume recognizing its share of earnings only after the previously recognized losses have been recovered. Management monitors the financial position of the joint venture and assesses the necessity of additional provisions at each reporting period. The share of loss of the joint venture of \$267,730 (2023: \$Nil) is included in other income on the face of the statement of profit and loss and other comprehensive income.

14. RIGHT OF USE ASSET AND LEASE LIABILITIES

Right-of-use of Asset as at January 1, 2023	\$ 29,556
Present value of lease commitments	170,214
Depreciation	(79,202)
Right-of-use of Asset as at December 31, 2023	\$ 120,568
Present value of lease commitments	658,375
Depreciation	(276,137)
Right-of-use Asset as at December 31, 2024	\$ 502,806

On June 1, 2021, the Corporation leased office space for a period of 2 years, expired May 31, 2023. The lease was renewed for an additional 2 years, expiring May 31, 2025. The Corporation recognized a right of use asset and lease liability of \$170,214. The lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 19%, representing a significant accounting judgment.

On September 1, 2023, the Corporation leased office space for a period of 3 years, with a rent-free period for the first 2 months, expiring August 31, 2026. The Corporation recognized a right of use asset and lease liability of \$332,227. The lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 23%, representing a significant accounting judgment.

On August 1, 2024, the Corporation leased office space for a period of 3 years, expiring July 31, 2027. The Corporation recognized a right of use asset and lease liability of \$187,537. The lease liability was measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 23%, representing a significant accounting judgment.

On October 1, 2024, the Corporation leased office space for a period of 2 years, expiring September 30, 2026. The Corporation recognized a right of use asset and lease liability of \$138,611. The lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 23%, representing a significant accounting judgment.

Lease liabilities

The lease liability as at December 31, 2024 is as follows:

Lease Liabilities as at January 1, 2023	\$39,004
Add: present value of new lease commitments at a borrowing rate of 19%	170,214
Add: interest accretion during the reporting period	17,921
Subtract: lease payments during the reporting period	(96,369)
<hr/>	
Lease Liabilities as at December 31, 2023	\$130,770
Add: present value of new lease commitments	658,375
Add: interest accretion during the reporting period	137,558
Subtract: lease payments during the reporting period	(346,616)
<hr/>	
Lease Liabilities as at December 31, 2024	\$580,087

December 31,	2024	2023
Current portion of lease liabilities	391,454	86,829
Long-term portion of lease liabilities	188,633	43,941
<hr/>		
	580,087	130,770

The undiscounted future lease payments are as follows:

2025	393,674
2026	275,426
2027	50,817
<hr/>	
	\$ 719,917

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

December 31,	2024	2023
Trade payables (i)	\$ 424,779	\$ 1,869,195
Accrued liabilities (i)	187,695	329,845
Due to related parties (ii)	1,499,135	1,122,290
Payroll liability (iii)	3,428,089	2,522,855
Payroll taxes payable	787,790	320,378
Sales taxes payable	1,034,536	935,404
Commissions payable	591,720	539,501
Other payables	417,180	372,055
	\$ 8,370,924	\$ 8,011,523

- (i) Trade payables and accrued liabilities are non-interest bearing.
- (ii) Due to related parties are interest bearing at 5-8% interest p.a, on the balance of \$1,460,102 (2023: \$1,094,450), and non-interest bearing on the balance of \$39,033 (2023: \$27,840), with no specified terms of repayment. During the year, \$88,392 (2023: \$87,439) was recognised as interest accrued for the year.
- (iii) As of December 31, 2024, Key management (Ashraf Zaghloul and Kristine Lewis) is owed a total of \$1,525,829 (2023: \$1,448,572) end of service payroll liability. Included in payroll liability is an amount owed to related parties for \$10,319 (2023: \$22,971).
- (iv) Included in other payables is a provision for the Corporation's share of cumulative losses in the joint venture investment in the amount of \$173,986 (2023: \$Nil). The provision reflects the Corporation's legal or constructive obligations to fund the joint venture's future operations or settle its outstanding liabilities.

16. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Other financial liabilities

December 31,	2024	2023
Long-term debt (i)	\$ 5,970,635	\$ 6,512,880
Long-term portion of CIB loan (iii)	-	122,748
	\$ 5,970,635	\$ 6,635,628

- (i) The loan is due to 2729252 Ontario Inc., a company controlled by Ashraf Zaghloul, NTG CEO and Kristine Lewis, NTG President.

The loan remains secured by a General Security Agreement over the assets of the Corporation and charge interest as per company ability to pay subject to maximum of bank prime plus 2.05%. There are no specific repayment terms and will not be repaid in the next 12 months. The Corporation recognized interest expense of \$49,271 (2023: \$68,875) which is included in above loan balance.

As of December 31, 2024, NTG Egypt Advanced Software has the following credit facilities:

December 31,	2024	2023
Bank indebtedness (ii)		
Bank indebtedness	\$113,083	\$298,743
Long-term debt (iii)		
Long-term debt payable	\$81,386	\$245,496
- Current portion	\$81,386	\$122,748
- Long term	\$ –	\$122,748

(ii) Overdraft facility with a bank in Egypt for supporting operations in the amount of 7,000,000 Egyptian pounds with an interest rate of 18%. The amount drawn on the facility as at December 31, 2024 is \$113,083 (2023: \$298,743). The loan is unsecured.

(iii) In 2023, the Corporation increased the credit facility to 5,750,000 Egyptian pounds repayable over 2 years in monthly principal payments of 239,584 Egyptian pounds plus interest at 10%. The loan outstanding as on year end is 2,874,000 (2023: 5,750,000) Egyptian pounds (approximately \$81,386, (2023: \$(245,496))). The loan matures October 31, 2025. The loan is unsecured.

(b) Fair values

Set out below is a comparison by class of the carrying amount and fair value of the Corporation's financial instruments that are carried in the financial statements.

	Carrying Amount		Fair Value	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Financial assets				
Cash and cash equivalents	\$ 4,946,341	\$ 358,088	\$ 4,946,341	\$ 358,088
Trade and accounts receivable	16,673,542	6,152,822	16,673,542	6,152,822
Performance bonds	–	293	–	293
Total Financial Assets	\$ 21,619,883	\$ 6,511,203	\$ 21,619,883	\$ 6,511,203

	Carrying Amount		Fair Value	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Financial liabilities				
Accounts payable and accrued liabilities	\$ 6,548,598	\$6,755,740	\$ 6,548,598	\$6,755,740
Bank indebtedness	113,083	298,743	113,083	298,743
Current portion of long-term debt	81,386	122,748	81,386	122,748
Long-term debt	5,970,635	6,635,628	5,970,635	6,635,628
Loan payable	–	493,767	–	493,767
Total Financial Liabilities	\$12,713,702	\$14,306,626	\$12,713,702	\$14,306,626

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction between market participants in an arm's length transaction at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Trade and other accounts receivables, accounts payable and accrued liabilities, other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- Fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments and other financial liabilities (loans payable) are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk, and remaining maturities.

Fair value hierarchy

As at December 31, 2024, the Corporation held cash measured at fair value.

The Corporation uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- **Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Assets measured at fair value	December 31, 2024	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 4,946,341	\$ 4,946,341	\$ -	\$ -
Assets measured at fair value	\$ 4,946,341	\$ 4,946,341	\$ -	-
No liabilities were measured at fair value	\$ -	\$ -	\$ -	\$ -

During the reporting year ending December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

17. EQUITY INSTRUMENTS

(a) Common shares

As at December 31, 2024, the authorized share capital consists of an unlimited number of first preferred shares, second preferred shares and common shares. To date, no first or second preferred shares have been issued. Before any shares of a particular preferred share series are issued the directors of the Corporation, by resolution shall fix the dividend rates, whether the dividends are cumulative and the redemption price of the redeemable shares.

Share Consolidation

On March 18, 2024, the Corporation closed the Consolidation of its outstanding common shares on the basis of one (1) post consolidation share for every five (5) pre-consolidation shares. The Consolidation was approved by shareholders at the annual and special meeting of shareholders held on July 7, 2023. The Shares began trading on a consolidated basis on the TSX Venture Exchange on March 20, 2024.

As a result of the Consolidation, the number of issued and outstanding shares were reduced from 187,672,355 shares to 37,534,458 shares, subject to treatment of fractional shares. Any fractional interest in shares that is less than 0.5 of a share resulting from the Consolidation will be rounded down to the nearest whole share and any fractional interest in Shares that is 0.5 or greater of a share will be rounded up to the nearest whole share. The new CUSIP number for the post consolidation Shares is 62940V203 and the new ISIN number is CA62940V2030.

Brokered LIFE Offering – Financing

On September 27, 2024, the Corporation closed its brokered LIFE Offering. NTG issued an aggregate of 3,720,000 units at a price of C\$1.40 per Unit, for aggregate gross proceeds of \$5,208,000 CAD. Each Unit consists of one Common Share and one half (0.5) of one Common Share purchase warrant of the Corporation. Each Warrant is exercisable to acquire one Common Share of the Corporation at a price of C\$2.00 per Common Share for a period of 24 months after closing.

The Units were issued pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – Prospectus Exemptions. The securities offered under the listed issuer financing exemption are not subject to a hold period, in accordance with applicable Canadian securities laws.

The Corporation intends to use the net proceeds of the Offering to support the expansion and delivery of digital transformation solutions through the Corporation's Egypt Offshore Centre and Saudi sales office and for working capital and general corporate purposes.

In connection with the Offering and as consideration for their services, the Corporation paid to the Agent a cash commission of up to 6.0% of the aggregate gross proceeds of the Offering and issued to the Agent non-transferable warrants of the Company (the "Broker Warrants") in an amount equal to 6.0% of the number of Units issued under the Offering. Each Broker Warrant entitles the holder to acquire one Common Share at a price of C\$1.40, subject to adjustment in certain events, at any time on or before September 27, 2026.

Changes in the issued common shares of the Corporation are as follows:

	Common Shares	Amount
Balance, January 1, 2023	147,972,355	\$ 13,606,986
Shares issued on exercise of share options (i)	200,000	10,000
Allocation of contributed surplus (i)	–	10,000
Shares issued for private placement (ii)	37,000,000	1,110,000
Balance, December 31, 2023	185,172,355	\$ 14,736,986
Shares issued on exercise of share options (iii)	2,500,000	125,000
Allocation of contributed surplus (iii)	–	107,500
Share consolidation of 5:1 (iv)	(150,137,897)	–
Number of shares, adjusted post share consolidation	37,534,458	–
Shares issued for LIFE offering (v)	3,720,000	3,085,393
Shares issued on exercise of share options (vi)	901,200	225,300
Allocation of contributed surplus (vi)	–	177,414
Balance, December 31, 2024	42,155,658	\$ 18,457,593

- (i) In 2023, a total of 200,000 options were exercised, with a total value of \$10,000. This resulted in a re allocation of contributed surplus to capital stock in the amount of \$10,000.
- (ii) On December 15, 2023, the Corporation closed a non-brokered Private Placement of 37,000,000 common shares of the Company at a price of \$0.03 per Common Share for gross proceeds of \$1,110,000. The common shares issued were subject to a four month hold period. 9,000,000 of these shares were issued to directors of the Corporation and 28,000,000 of these shares were issued to 2729252 Ontario Inc, a company controlled by directors.
- (iii) In January 2024, a total of 2,500,000 options were exercised, with a total value of \$125,000. This resulted in a re allocation of contributed surplus to capital stock in the amount of \$107,500.
- (iv) On March 18, 2024, the Corporation closed consolidation of its outstanding common shares on the basis of one (1) post consolidation share for every five (5) pre-consolidation shares. As a result of the consolidation, the number of issued and outstanding shares were reduced from 187,672,355 shares to 37,534,458 shares, subject to treatment of fractional shares.
- (v) On September 27, 2024, the Corporation closed a brokered LIFE offering for 3,720,000 common shares, at a price of \$1.40 per Common Share for gross proceeds of \$5,580,000. In connection with the offering, the Corporation also issued 2,083,200 warrants, valued at \$1,572,816, 223,200 warrants valued at \$168,516 was included in share issuance costs. Total share issuance costs were \$718,307.
- (vi) From June to December 2024, a total of 901,200 options were exercised (post consolidation), with a total value of \$225,300. This resulted in a re allocation of contributed surplus to capital stock in the amount of \$177,414.

(b) Share-based payments

The Corporation has a formal stock option plan allowing the Company to issue options to its directors, officers, employees and consultants in order to attract and retain qualified and experienced individuals. The Board of Directors determines the exercise price and the number of options to be granted as well as all the terms of conditions of the options. All options granted by the Corporation are non-assignable. The options generally expire three to five years subsequent to the date of grant and vest over two years.

No options were granted to non-employees or consultants during 2024 and 2023.

Details of stock options are as follows:

	Options	Weighted average exercise price
Balance, 1 January 2023	17,715,000	\$ 0.05
Granted	3,230,000	0.05
Exercised	(200,000)	0.05
Expired	(939,000)	0.08
Balance, December 31, 2023	19,806,000	\$ 0.05
Granted (prior to consolidation)	350,000	\$ 0.05
Exercised (prior to consolidation)	(2,500,000)	0.05
Share consolidation (5:1)	(14,124,800)	–
Balance, adjusted post share consolidation	3,531,200	\$ 0.25
Granted (post consolidation)	1,533,000	0.72
Exercised (post consolidation)	(901,200)	0.25
Expired (post consolidation) (i)	(91,000)	0.26
Balance, December 31, 2024	4,072,000	\$ 0.45

(i) Expired Options Transfer

During the year, options in the amount of 91,000 (2023: 939,000) expired, resulting in a transfer of contributed surplus in the amount of \$19,045 (2023: \$Nil).

During the year, there was a transfer of contributed surplus related to options which expired prior to 2024 in the amount of \$1,718,712.

The stock options expire at various dates between December 2025 and November 2029. The weighted average expected contractual lives of outstanding and exercisable options are as follows:

Exercise Price	Options Outstanding		Options Exercisable	
	Number outstanding Dec 31/24	Remaining life of option	Number outstanding Dec 31/24	Remaining life of option
\$ 0.25	2,574,000	2.09	2,572,333	2.09
\$ 0.30	20,000	4.34	20,000	4.34
\$ 0.32	143,000	4.35	143,000	4.35
\$ 0.46	30,000	4.40	30,000	4.40
\$ 0.50	100,000	2.29	100,000	2.29
\$ 0.66	760,000	4.50	730,000	4.51
\$ 0.86	100,000	3.33	11,111	3.33
\$ 0.90	40,000	4.58	36,667	4.58
\$ 1.00	70,000	4.27	69,167	4.29
\$ 1.20	75,000	4.15	73,750	4.18
\$ 1.40	40,000	4.55	40,000	4.55
\$ 1.75	60,000	3.41	56,667	3.44
\$ 2.00	40,000	4.90	24,000	4.90
\$ 2.25	20,000	3.09	8,571	3.00
\$ 0.45	4,072,000	2.86	3,915,267	2.83

Activity related to share-based compensation is as follows:

For the year ending December 31, 2024 the Corporation recorded \$974,266 (2023: \$104,250) as contributed surplus and compensation expense, which is measured at fair value at the date of grant and is expensed over the option's vesting year. The weighted average fair value of options granted during the year 2024 is \$0.71 (2023: \$0.03).

In determining the amount of share-based compensation, the Corporation used the Black Scholes option pricing model to establish the fair value of options granted by applying the following assumptions:

	2024	2023
Stock price	\$0.04 - \$1.35	\$0.03 - \$0.04
Risk-free interest rate	2.94 - 4.32%	3.72 - 4.93%
Expected life (years)	3-5 years	5 years
Expected dividend yield	0%	0%
Expected volatility	0.00 - 162.57%	0.00 - 219.05%
Fair value of options issued in fiscal year	0.71	0.03

18. CONTRIBUTED SURPLUS

Contributed surplus for the year ending consisted of \$974,266 (2023: \$104,250) for share based payments and re allocation of contributed surplus on exercise of share options \$284,914 (2023: \$10,000).

Opening balance January 1, 2024	\$ 2,711,523
Share-based payments	974,266
Reallocation on exercise of share options	(284,914)
Issuance of warrants	1,572,816
Expired options transfer	(1,737,757)
Balance as at December 31, 2024	\$ 3,235,934

19. DIVIDENDS PAID AND PROPOSED

Cash dividends

The Corporation's practice is to not make dividend payments to shareholders.

20 REVENUE

The Corporation derives revenue from the transfer of goods and services over the time and at a point in time in the following major business lines:

Disaggregation of revenue from contracts with customers	2024	2023
Professional services	\$52,759,146	\$ 26,896,273
Licenses	2,806,337	693,203
Maintenance	561,268	138,641
	\$56,126,751	\$ 27,728,117

Timing of revenue recognition	2024	2023
Over the period of time	\$52,759,146	\$26,896,273
Point in time	3,367,605	831,844
	\$56,126,751	\$27,728,117

21. COST OF SALES

The details of the Corporation's cost of sales are as follows:

Cost of sales	2024	2023
Salaries	\$ 25,556,292	\$ 14,030,727
Travel	600,179	518,168
Hardware	17,865	57,522
Medical	40,357	–
Consulting	7,990,040	3,533,530
Amortization (Note 12)	528,733	421,218
Other	546,328	365,035
Total	\$ 35,279,794	\$ 18,926,200

22. EXPENSES: DISCLOSURE OF FUNCTION EXPENSES

The details of the Corporation's function expenses are as follows:

Selling	2024	2023
Salaries and wages	\$ 1,723,694	\$ 1,586,791
Marketing	95,569	16,977
Mailing and courier	7,700	6,903
Professional services	77,556	19,538
Meals and entertainment	152,606	118,246
Travel	865,091	424,469
Total	\$2,922,216	\$2,172,924

General and administration	2024	2023
Salary and wages	\$3,527,012	\$2,147,793
Occupancy	349,691	148,704
Consulting	216,397	47,016
Professional fees	307,254	155,675
Insurance	1,250,948	954,900
Dues and subscriptions	56,279	40,853
Penalties and fees	45,042	24,215
Office and general	393,573	353,043
Total	\$ 6,146,196	\$ 3,872,199

23. LOANS PAYABLE

In 2020, the Corporation entered into an agreement for funding on a sales project in the amount of \$338,080 (USD \$266,667). The agreement states that the lender will be paid 67% interest on the funding for one sixth of the profit from the project. The Corporation renewed the agreement in July 2021 and as per the revised term interest is repayable based on the project's profits at a rate of 63% of 1/11 of profit from the project and the capital investment is payable on demand with 90 days' notice. All other terms remain same. The loan was paid in October 2024.

In 2022, the Corporation entered into an agreement for funding on a sales project in the amount of \$325,000 (USD \$240,000). The agreement states that the lender will pay interest based on the project's profits at a rate of 63% of 1/11 of profit from the project. The Capital investment was paid in July 2023.

This transaction does not qualify as a joint arrangement or a principal agent relationship. The amount is non-secured.

In 2022, the Corporation entered into a non-secured loan agreement in the amount of \$15,530 (USD \$11,467) with no interest rate payable within 1 year. The amount was paid by January 2023.

In 2023, the Corporation entered into a non-secured loan agreement in the amount of \$141,077 (USD 106,667) with no interest rate payable by January 2024. The loan was paid in January 2024.

As of December 31, 2024, the Loans Payable amount owed is \$Nil (2023: \$493,767).

24. RELATED PARTY DISCLOSURES

The financial statements include the financial statements of the Corporation and the subsidiaries listed in the following table:

Name	Country of Incorporation	Equity Interest
NTG Egypt Advanced Software (Subsidiary)	Egypt	95%
NTG Clarity Networks US Inc. (Subsidiary)	USA	100%

All related party transactions are carried out in the normal course of operation and are recorded at fair value.

a) Balances owing to key management

The following tables provide the balances owing to key management and key management compensation for the years:

Related party balances	2024	2023
Amounts owed to related parties (i)	\$ 2,977,255	\$ 2,233,699
Amounts owed by related parties (ii)	11,241	22,971

Key management compensation	2024	2023
Short-term employee benefits	\$ 847,141	\$ 559,457
Post-retirement employee benefits	68,000	56,667
Share-based payments	295,750	18,000
Total	\$ 1,210,891	\$ 634,124

(i) As of December 31, 2024, key management personnel (Ashraf Zaghloul and Kristine Lewis) is owed a total of \$2,977,255 (2023: \$2,210,728) for unpaid salaries, expenses, benefits and compensation, outstanding since 2016. These amounts are part of Accounts Payable in Note 15. Included in payroll liability is an amount owed to related parties for \$10,319 (2023: \$22,971).

(ii) Included in other receivables is an amount receivable from related parties for \$11,241 (2023: \$26,303). The balance is unsecured, non-interest bearing and has no specific terms of repayment.

b) The Ultimate Parent

The Corporation is the ultimate parent entity.

c) Related Party Transactions

Certain inter-company transactions between the Corporation and its subsidiaries, which are related parties to the Corporation, have been eliminated.

Related parties include key management, the board of directors, close family members and entities controlled by these individuals as well as certain persons performing similar functions.

During the year 2024, directors and officer of the Corporation were granted a total number of 350,000 (2023: 900,000) options, as described in Note 17 (b), that were valued at \$295,750 (2023: \$27,000). In the year 2024, the directors and officer had exercised 600,000 (2023: None) options, for a total of \$150,000 (2023: \$Nil).

The loan is due to 2729252 Ontario Inc, which is a private company owned by two directors of the Corporation. See Note 16 (a) for more information. The Indebtedness held by the Corporation is secured by a General Security Agreement over the assets of the Corporation. As of December 31, 2024, the loan amount is \$5,970,635 (2023: \$6,512,880). The Corporation recognized interest expense of \$49,271 (2023: \$68,875) in the statement of profit and loss.

During the year, the company recognized income from the joint venture in the amount of \$212,935 (2023: \$217,204), included in other income

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Corporation's primary risk management objective is to protect the Corporation's balance sheet and cash flow.

The Corporation's principal financial liabilities comprise of bank overdraft, long term debt and trade and other payables. The main purpose of these financial liabilities is to raise finances for business development and capital investment in intangible assets.

The Corporation is exposed to market risk, interest rate risk, foreign exchange risk, credit risk, and liquidity risk.

The Corporation's senior management oversees the management of these risks. The Corporation's senior management is supported by a Committee that advises on financial risks and the appropriate financial risk governance framework for the Corporation.

The Committee provides assurance to the Corporation's senior management that the Corporation's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Corporation's policies and group risk appetite. All derivative activities, if any, for risk management purposes are carried out by a team that has the appropriate skills, experience, and supervision. It is the Corporation's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise several types of risk: interest rate risk, currency risk, commodity price risk, and other price risk, such as equity risk.

Interest rate risk

The Corporation's exposure to interest rate fluctuations is primarily interest paid on its bank indebtedness and long-term loans. The Corporation has performed sensitivity analysis on interest rates at December 31, 2024 to determine how a change in interest rates would impact equity and net loss. During the year the Corporation paid \$435,332 (2023: \$378,985) on its loans and liabilities. An increase or decrease of 100 basis points in the average interest rate paid during the period would have adjusted net earnings by approximately \$43,533 (2023: \$37,899). This analysis assumes that all other variables remain constant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation's exposure to the risk of changes in foreign exchange rates relates primarily to the Corporation's operating activities, when revenue or expense are denominated in a different currency from the Corporation's functional currency. The parent entity's functional currency is the Canadian dollar.

The Corporation does not hedge the risk related to fluctuations of the exchange rate between USA and Canadian dollars from the date of the sales transactions to the collection date due to the short-term nature of this exposure.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation's exposure to the risk of changes in foreign exchange rates relates primarily to the Corporation's operating activities, when revenue or expenses are denominated in a different currency from the Corporation's functional currency. The parent entity's functional currency is the Canadian dollar.

A 10% change in exchange rates on December 31, 2024 would have the following approximate impacts:

10% impact to:	U.S. Dollar USD	Omani Riyal OMR	Kuwait Dinar KWD	Saudi Riyal SAR	Turkish Lira TRY	Iraqi Dinar IQD	Egyptian Pound LE
P&L in CAD	\$137,757	\$6,645	\$13,696	\$1,391,491	\$1,662	\$Nil	\$25,350
Equity in CAD	\$101,251	\$4,884	\$10,067	\$1,022,746	\$1,222	\$Nil	\$18,632

A 10% change in exchange rates on December 31, 2023 would have the following approximate impacts:

10% impact to:	U.S. Dollar USD	Omani Riyal OMR	Kuwait Dinar KWD	Saudi Riyal SAR	Turkish Lira TRY	Iraqi Dinar IQD	Egyptian Pound LE
P&L in CAD	\$63,360	\$1,999	\$19,027	\$213,937	\$1,238	\$2,245	\$31,501
Equity in CAD	\$46,569	\$1,469	\$13,985	\$157,244	\$910	\$1,650	\$23,154

Commodity price risk

The Corporation is not subject to price risk from fluctuations in market prices of commodities.

Equity price risk

The Corporation has no exposure to equity price risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Corporation's financial instruments that are exposed to credit risk consist primarily of trade receivable. The Corporation's exposure to credit risk is impacted by the economic conditions for the industry which could affect the customers' ability to satisfy their obligations.

In order to reduce risks, the Corporation performs periodic credit evaluations of the financial conditions of its customers and typically does not require collateral from them. Management assesses the need for allowance for potential credit losses by considering the credit risk of specific customers, historical trends and other information.

The aging of trade accounts receivable are as follows:

Neither past due nor impaired	2024	2023
Current	\$ 4,279,570	\$ 2,983,147
31 – 60 days	4,490,862	2,111,346
61 – 90 days	2,146,019	203,030
91 – 180 days	1,521,256	337,372
Past due but not impaired		
Greater than 180 days	145,215	212,760
	\$ 12,582,922	\$ 5,847,655

The credit quality of all the accounts receivable of the Corporation that are neither past due nor impaired and the age of accounts receivable that are past due but not impaired have been assessed on an individual basis and determined to have a mitigated risk profile.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions. The Corporation manages liquidity risk by reviewing its capital requirements on an ongoing basis.

The Corporation continuously reviews both actual and forecasted cash flows to ensure that the Corporation has appropriate capital capacity.

The following table summarizes the amount of contractual undiscounted future cash flow requirements for financial instruments as at December 31, 2024:

Contractual obligations	2025	2026	2027	2028 and after	Total
Operating line of credit	\$113,083	\$ –	\$ –	\$ –	\$ 113,083
Accounts payable and accrued liabilities	6,548,598	–	–	–	6,548,598
Operating lease and lease liability	502,905	275,426	50,817	–	829,148
Long-term debt	81,386	5,970,635	–	–	6,052,021
	7,245,972	6,246,061	50,817	–	13,542,850

The Corporation accrues expenses when incurred. Accounts are deemed payable once an event occurs that requires payment by a specific date. The contractual maturity of accounts payable is within one month.

The aging of trade accounts payable are as follows:

December 31,	2024	2023
Current	\$ 174,829	\$ 1,000,607
31 – 60 days	22,420	39,432
61 – 90 days	21,958	2,729
91 – 180 days	24,578	151,434
More than 180 days	180,994	674,993
	\$ 424,779	\$ 1,869,195

Capital management

The Corporation manages its capital, which consists of cash provided from operations and long-term debt, with the primary objective being safeguarding sufficient working capital to sustain operations. The Board of Directors has not established capital benchmarks or other targets. As at December 31, 2024, the Corporation was considering pursuing additional capital through the issuance of additional equity or debt financing. There can be no guarantee that they will be successful in raising additional capital.

There have been no changes in the Corporation's approach to capital management during the year ending December 31, 2024. Also, no changes were made in the objectives, policies, or processes during the year ending December 31, 2024. The Corporation will continually assess the adequacy of its capital structure and capacity and will make adjustments within the context of the Corporation's strategy, economic conditions, and the risk characteristics of the business.

The Corporation's objectives when managing capital are to:

- (i) safeguard the Corporation's ability to continue as a going concern, so that it can provide adequate returns for shareholders and benefits for other stakeholders;
- (ii) fund capital projects for facilitation of business expansion provided there is sufficient liquidity of capital to enable the internal financing; and
- (iii) maintain a capital base to maintain investor, creditor, and market confidence.

The Corporation considers the items included in the consolidated statements of changes in shareholders' equity as capital. The Corporation manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may issue new shares. The Corporation is not subject to externally imposed capital requirements.

26. COMMITMENTS, CONTINGENCIES, AND GUARANTEES

Operating lease commitments – Corporation as lessee

The Corporation is committed under agreements for the rental of office spaces in Egypt and Saudi at a monthly rate ranging from \$272 to \$1,955 for 2025.

December 31,	2024
2025	\$ 109,231

Legal claim contingency

The Corporation is subject to a variety of claims and suits that arise from time to time in the ordinary course of business. Although management currently believes that resolving claims against the Corporation, individually or in aggregate, will not have a material adverse impact on the Corporation's financial position, results of operations, and cash flows. These matters are subject to inherent uncertainties and management's view of these matters may change in the future. To date, there are no claims or suits outstanding.

Guarantees

The Corporation indemnifies its directors and officers against claims reasonably incurred and resulting from the performance of their services to the Corporation, and maintains liability insurance for its directors and officers. As of June 7, 2024, the Corporation has Director's and Officer's Insurance.

27. COMPARATIVE FIGURES

Certain insignificant balances of the 2023 figures have been reclassified to conform with the current year's financial statement presentation.

Corporate Information

Board of Directors

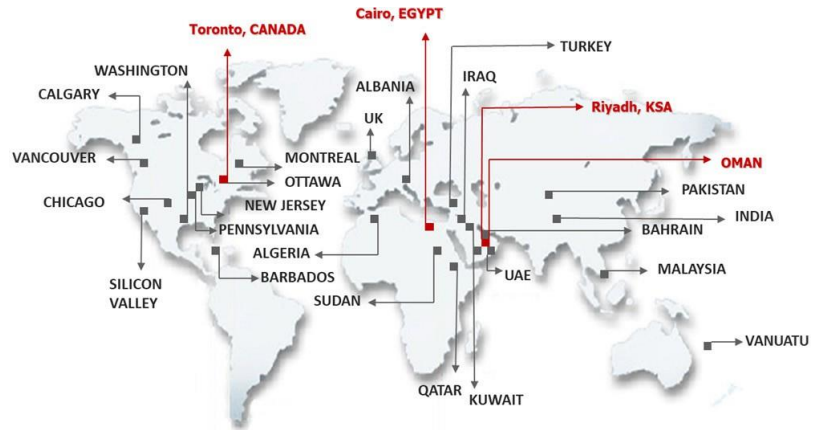
Ashraf Zaghloul
Kristine Lewis
Mohamed Saleem Siddiqi
Syed Zeeshan Hasnain

Officers

Ashraf Zaghloul
Chair & Chief Executive Officer

Kristine Lewis
President & Chief Financial Officer

International Work



Registrar and Transfer Agent

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<https://odysseytrust.com>

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Stock Exchange Listing

The TSX Venture Exchange
Trading Symbol: NCI

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