LifeSpeak Inc.

NEWS RELEASE

LifeSpeak Inc. Announces First Quarter 2025 Results

2025-05-08

- First quarter 2025 revenue of $11.3 million
- Adjusted EBITDA1 for first quarter 2025 of $2.7 million, representing an Adjusted EBITDA Margin1 of 24%
- Total Number of Clients2 of 784 as at March 31, 2025

TORONTO, May 8, 2025 /CNW/ - LifeSpeak Inc. ("LifeSpeak" or the "Company") (TSX: LSPK), the leading whole-person wellbeing solution for employers, health plans and other organizations, announced today its financial and operational results for the three months ended March 31, 2025. All references to dollar values in this press release are in Canadian dollars, unless otherwise indicated.

"Consistent with our fiscal year end 2024 financial results, we continue to experience headwinds with this challenging macro-economic climate but are remaining steadfast in our ability to generate substantial Adjusted EBITDA," said Michael Held, CEO and Founder of LifeSpeak. "We announced our Go-Private Transaction as well as the extension of our Term Loan and Forbearance Agreements ("Go-Private Transaction") with our lenders on April 17, 2025. This Go-Private Transaction will provide us with the ability to de-lever the business and execute on our plan for long-term growth with our partners."

Consolidated Business Highlights for the Three Months Ended March 31, 2025

(All capitalized terms not defined herein shall have the meaning ascribed to them in the Management's Discussion and Analysis for the three months ended March 31, 2025, unless otherwise stated)

- First quarter 2025 revenue reached $11.3 million, a decrease of 9% compared to the same period in 2024.
- ARR3 of $42.1 million as at March 31, 2025, a decrease of 6% over the same period in 2024. Of the $42.1 million of ARR2, approximately $35.2 million, or 84%, originated from enterprise clients. Of the $42.1 million of ARR2, approximately 67% originated from clients outside of Canada.

- ARR2 is reported on a constant currency basis using a 1.300 USD:CAD exchange rate. When adjusting for the exchange rate at the end of the first quarter 2025 of 1.4376 USD:CAD, ARR2 would be approximately $45.0 million.
- First quarter 2025 Adjusted EBITDA1 of $2.7 million, remaining consistent with the same period in 2024.
- First quarter 2025 Adjusted EBITDA1 Margin of 24%, an increase from 22% in the first quarter of 2024.
- First quarter 2025 net loss of $5.7 million, an increase from a net loss of $1.6 million in the first quarter of 2024.
- Notable new clients for the first quarter of 2025 and shortly thereafter included Owensboro Health and MaineHealth.
- The multi-product agreement with GreenShield, a leading Canadian integrated health and benefits organization, is highly significant to LifeSpeak in its scale, and continues to ramp up with meaningful financial contributions towards LifeSpeak's business.
- The Term Loan Commitment matured on February 28, 2025 but was not repaid at this time. On April 17, 2025, the Company entered into forbearance arrangements with its lenders. Each lender has agreed not to enforce their rights and remedies against the Company upon certain conditions being satisfied, including completing the Go-Private Transaction on or before June 30, 2025. In addition, the Term Loan Commitment maturity date has been extended to the earlier of June 30, 2025 or the completion of the Go-Private Transaction.
- On April 17, 2025, the Company entered into an Arrangement Agreement awaiting shareholder approval to raise additional capital in order to reduce its debt obligations and complete a Go-Private Transaction. The transaction is expected to close in the second quarter of 2025, subject to the satisfaction of customary closing conditions.

---

1 See "Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators" for a definition of "Adjusted EBITDA" and "Adjusted EBITDA Margin"
2 See "Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators" for a definition of "Number of Clients"
3 See "Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators" for a definition of "ARR"

Go-Private Transaction

As previously announced on April 17, 2025, the Company entered into an arrangement agreement (the "Arrangement Agreement") to complete a go-private transaction (the "Go-Private Transaction") by way of a plan of arrangement, pursuant to which a purchaser entity (the "Purchaser") will acquire all of the issued and outstanding common shares in the capital of LifeSpeak (the "Common Shares") at a price of $0.32 per Common Share, in cash (the "Consideration"), other than in respect of Rolling Shareholders who will exchange their Common Shares as set out below. The Consideration represents premiums of approximately 88% and 28% to the closing price and 20-day volume-weighted average price of the Common Shares on the Toronto Stock Exchange (the "TSX") as of April 16, 2025. The Go-Private Transaction is expected to close in the second quarter of 2025, subject to the satisfaction of customary closing conditions.

As part of the Go-Private Transaction, the Company's term Loan (as defined below) and a portion of its bridge loan will be converted to preferred shares of the Purchaser, and a consortium of other investors, including Company management and a lead investor (the "Investor"), will also subscribe for preferred shares of the Purchaser. In addition, certain shareholders of the Company and members of Company management (the "Rolling Shareholders"), will exchange their common shares for common shares of the Purchaser on a 1:1 basis. Upon completion of the Go-Private Transaction, the Purchaser will own 100% of the issued and outstanding shares of the Company. Further, it is expected that, following the completion of the Go-Private Transaction, the Purchaser and the Company will amalgamate under the provisions of the Canada Business Corporations Act (the "Amalgamation") and the Rolling Shareholders will consequently become shareholders of the corporation resulting from the Amalgamation.

Pursuant to an exchange and rollover agreement (the "Exchange Agreement") between the Company, the Investor and Beedie Investments Ltd. ("Beedie") entered into on the date of the Arrangement Agreement, Beedie has agreed to transfer to the Purchaser its non-revolving convertible term loan in the principal amount of $15 million, plus all payment-in-kind interest and fees capitalized or accrued thereon (including default interest), as well as up to 100% of Beedie's non-convertible bridge loans in the aggregate principal amount of $4.2 million, plus all payment in kind interest and fees capitalized or accrued on such amount. In addition, Beedie has the option to assist the Company in meeting the closing condition in the Arrangement Agreement related to having a minimum cash balance by making a cash investment. The consideration for such cash investment as well as the transfer of the convertible debt and the bridge loan to the Purchaser will be preferred shares of the Purchaser.

The Go-Private Transaction is subject to court approval and will be completed pursuant to a court-approved plan of arrangement under section 192 of the Canada Business Corporations Act. Completion of the Go-Private Transaction is subject to various other closing conditions, including the required level of approval for the Go-Private Transaction, being resolution of the affirmative vote at a special meeting ("Company Meeting") of (i) 66 and 2/3 of the votes cast on such resolution by shareholders present in person or represented by proxy at the Company Meeting, and (ii) a majority of the votes cast on such resolution by shareholders present in person or represented by proxy at the Company Meeting, excluding the votes of any shareholders required to be excluded for purposes of the "minority approval" requirement under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101") in the context of a "business combination"; and excluding the votes of the Rolling Shareholders and any other shareholders that may be required to be excluded pursuant to MI 61-101.

Assuming completion of the Transaction, the Company intends to make an application to cease to be a reporting issuer under Canadian securities laws (and will apply for exemptive relief in connection therewith). Following the granting of such relief, the Company expects that it will no longer be subject to the reporting requirements of applicable Canadian securities legislation.

As also previously announced on April 17, 2025, the Company entered into a forbearance and amending agreement (the "Forbearance and Amendment") with Beedie to amend the terms of its previously announced credit agreement (as amended from time to time, the "Credit Agreement") dated March 30, 2023 in respect of a non-revolving term convertible loan in the principal amount of $15 million (the "Loan"). Pursuant to the Forbearance and Amendment, Beedie has also agreed to forbear for the time being from demanding immediate repayment of the Loan and taking steps to enforce the security thereunder. Concurrent with entering into the Forbearance and Amendment, LifeSpeak has also entered into a second amendment to the existing forbearance agreement with its senior lenders (the "Senior Lenders Forbearance Amendment"). Pursuant to the Senior Lenders Forbearance Amendment, the senior lenders have agreed not to enforce their rights and remedies against the Company and the guarantors in respect of defaults under the senior facility, which ends upon certain conditions not being satisfied (such date, the "Forbearance Date"). Such conditions are primarily related to the Company completing the Go-Private Transaction and paying down its senior term loan in the timeframe set out in the Senior Lenders Forbearance Amendment. Similarly, Beedie has agreed, pursuant to the Forbearance and Amendment, to forbear until the same Forbearance Date. LifeSpeak has also entered into a commitment letter with its senior lenders ("Commitment Letter"). Pursuant to the Commitment Letter, the senior lenders commit to underwrite an extension of the term loan and revolving facility, subject to certain conditions being satisfied including completing the Go-Private Transaction, paying down the senior term loan and privatizing the Company.

ARR, Number of Clients, Consolidated Net Dollar Retention Rate and Logo Retention Rate

ARR3 was approximately $42.1 million as at March 31, 2025, with core enterprise client ARR3 of approximately $35.2 million.

ARR3 was broken down as follows over the last five quarters:

(In thousands of Canadian dollars)	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q1-2025 YoY Growth
Enterprise Client ARR	41,717	41,281	39,368	38,548	35,203	(16 %)
Embedded Solutions Clients & Other ARR	6,717	7,044	6,515	6,427	6,927	3 %
Total ARR	48,434	48,325	45,883	44,975	42,130	(13 %)

Total Number of Clients2 was 784 as at March 31, 2025, compared to 914 as at March 31, 2024.

Number of Clients2 was broken down as follows over the last five quarters:

	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q1-2025 YoY Growth
Total Enterprise Clients	902	881	839	833	776	(14 %)
Total Embedded Solutions Clients	12	12	8	8	8	(33 %)
Total Number of Clients	914	893	847	841	784	(14 %)

Consolidated Net Dollar Retention Rate4 for the quarter was 79%, a 4% decrease from the same period in 2024. Net Dollar Retention4 for Enterprise Clients was approximately 77% as at March 31, 2025, as compared to 83% for the comparative period in 2024. Enterprise Net Dollar Retention4 is lower primarily due to an increase in overall Enterprise Client churn, counteracted by cross-sell and multi-product opportunities within the existing Enterprise Client base.

Logo Retention Rate5 was 73% as at March 31, 2025 compared to 76% for the comparable period in 2024. The lower Logo Retention Rate5 is primarily attributable to the loss of smaller enterprise client logos within the portfolio of customers. Despite the decrease in Number of Clients4, the relative contribution to ARR3 of new clients is, on average, larger than that of lost clients.

4 See "Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators" for a definition, "Net Dollar Retention Rate".
5 See "Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators" for a definition, "Logo Retention Rate".

Financial Results for the Three Months Ended March 31:

Selected Consolidated Financial Information (In thousands of Canadian dollars)	Three Months Ended March 31,	
	2025	2024
Revenue	11,277	12,401
Content development costs	1,439	1,373
	9,838	11,028
Operating expenses:		
Sales and marketing	2,278	2,640
General and administrative	6,589	5,968

Share-based compensation	276	548
Foreign exchange loss (gain)	91	(1,789)
Amortization and depreciation	3,569	3,503
	12,903	10,870
Gain (loss) from operations	(3,065)	158
Finance expense, net	2,624	2,477
Loss before income taxes	(5,689)	(2,319)
Income taxes recovery	-	(715)
Net Loss	(5,689)	(1,604)
Loss per share - basic	(0.10)	(0.03)
Loss per share - diluted	(0.10)	(0.03)
Non-IFRS Measures and Non-IFRS Ratios		
EBITDA(1)	504	(3,661)
Adjusted EBITDA(2)	2,679	2,695
Adjusted Net Loss(3)	(3,514)	(2,570)
Adjusted loss per share – basic(4)	(0.06)	(0.05)
Adjusted loss per share – diluted(5)	(0.06)	(0.05)

Notes:

(1) "EBITDA" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators".

(2) "Adjusted EBITDA" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators".

(3) "Adjusted Net Loss" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators".

(4) "Adjusted loss per share – basic" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators".

(5) "Adjusted loss per share – diluted" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators".

Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators

LifeSpeak supplements its results of operations determined in accordance with IFRS with certain non-IFRS financial measures, non-IFRS ratios and key performance indicators that the Company believes are useful to investors, lenders and others in assessing its performance and which highlight trends its core business that may not otherwise be apparent when relying solely on IFRS measures. LifeSpeak management also uses non-IFRS measures, non-IFRS ratios and key performance indicators for purposes of comparison to prior periods, to prepare annual operating budgets, for the development of future projections and earnings growth prospects, to measure the profitability of ongoing operations and in analyzing our financial condition, business performance and trends. As such, these measures and indicators are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective, including how it evaluates its financial performance and how it manages its capital structure. LifeSpeak also believes that securities analysts, investors and other interested parties frequently use these non-IFRS measures, non-IFRS ratios and key performance indicators in the evaluation of issuers. These non-IFRS measures, non-IFRS ratios and key performance indicators are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and may include or exclude certain items as compared to similar IFRS measures, and such measures may not be comparable to similarly-titled measures reported by other companies. Accordingly, these measures and indicators should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

Non-IFRS Measures, Non-IFRS Ratios and Reconciliation of Non-IFRS Measures

The Company uses non-IFRS measures, including "EBITDA", "Adjusted EBITDA", "Adjusted Net Loss", and the non-IFRS ratios, including "Adjusted loss per share – basic", "Adjusted loss per share – diluted" and "Adjusted EBITDA Margin". This press release also makes reference to "Annual Recurring Revenue" or "ARR", "Net Dollar Retention Rate", "Number of Clients" and "Logo Retention Rate", which are key performance indicators used in our industry.

EBITDA and Adjusted EBITDA

"EBITDA" is defined as net loss before income tax recovery, finance expenses, net and amortization and depreciation.

"Adjusted EBITDA" is defined as EBITDA before acquisition and other costs, share based compensation, foreign exchange loss (gain), impairment, changes in fair value of contingent consideration, synergies realized and additional one time items. These non-cash and/or non-recurring costs are independent events and incurred over several financial periods.

"Adjusted EBITDA Margin" is calculated as Adjusted EBITDA divided by revenue for the relevant period.

(In thousands ofCanadian dollars)	Three Months Ended March 31,	
	2025	2024
Net loss	(5,689)	(1,604)
Add:		
Amortization and depreciation expense	3,569	3,503
Finance expense	2,624	2,477
Income tax recovery	-	(715)
EBITDA(1)	504	3,661
Add:		
Share-based compensation	276	548
Foreign exchange loss (gain)	91	(1,789)
Synergies realized(2)	557	-
Additional one-time costs (3)	1,251	275
Adjusted EBITDA (4)	2,679	2,695
Adjusted EBITDA Margin(5)	24 %	22 %

Notes:

(1) "EBITDA" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators".
(2) Synergies realized relates to the impact of the full period of cost synergies related to the reduction of employees and professional services in relation to acquisitions.
(3) One-time costs related to IPO specific adjustments, acquisitions specific adjustments and transition costs related to the Wellbeats acquisition.
(4) "Adjusted EBITDA" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators".
(5) "Adjusted EBITDA Margin" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators".

Adjusted Net Loss / Adjusted Loss

"Adjusted Net Loss" is defined as net loss before acquisition and other costs, share based compensation, foreign exchange loss (gain), impairment, changes in fair value of contingent consideration, synergies realized and additional one-time items. These non-cash and/or non-recurring costs are independent events and incurred over several financial periods.

"Adjusted loss per share – basic" is defined as Adjusted Net Loss divided by the weighted average number of shares outstanding – basic for the relevant period.

"Adjusted loss per share – diluted" is defined as Adjusted Net Loss divided by the weighted average number of shares outstanding – diluted for the relevant period.

(In thousands ofCanadian dollars)	Three Months Ended March 31,	
	2025	2024
Net loss	(5,689)	(1,604)
Add:		
Share-based compensation	276	548
Foreign exchange loss (gain)	91	(1,789)
Synergies realized(1)	557	-
Additional one-time costs (2)	1,251	275
Adjusted Net Loss (3)	(3,514)	(2,570)
Adjusted loss per share – basic(4)	(0.06)	(0.05)
Adjusted loss per share – diluted(5)	(0.06)	(0.05)

Notes:
(1) Synergies realized relates to the impact of the full period of cost synergies related to the reduction of employees and professional services in relation to acquisitions.
(2) One-time costs related to IPO specific adjustments, acquisitions specific adjustments and transition costs related to the Wellbeats acquisition.
(3) "Adjusted Net Loss" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures and Key Performance Indicators."
(4) "Adjusted loss per share – basic" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators".
(5) "Adjusted loss per share – diluted" has the meaning ascribed herein under "Cautionary Note Regarding Non-IFRS Measures, Non-IFRS Ratios and Key Performance Indicators".

Key Performance Indicators

Annual Recurring Revenue

"Annual Recurring Revenue" or "ARR" is equal to the annualized value of contracted recurring revenue from all clients of our platform at the date being measured. Contracted recurring revenue is revenue generated from clients who are, as of the date being measured, party to contracts with LifeSpeak. Such revenue is annualized by: (i) in the case where a contract was in existence for the entire month, multiplying recognized revenue in the calendar month of the date measured by 12; and (ii) in the case where a contract was entered into mid-month, extrapolating recognized revenue at the date measured for the entire calendar month, and then multiplying by 12. Contract lengths typically range from one to three years and, based on our past experience, the vast majority of clients renew their contracts upon expiry. ARR is mainly comprised of revenue from enterprise and embedded solutions and includes revenue from small business and ancillary services (comprised of portals, kits and events purchased by our existing clients or distributed through our channel partners). ARR provides a consolidated measure by which we can monitor the longer-term trends in our business.

"Enterprise client ARR" is ARR at a particular date attributable to enterprise clients.

Net Dollar Retention Rate

"Net Dollar Retention Rate" for a period is defined by considering a cohort of clients at the beginning of the period, and dividing the ARR from enterprise and embedded solutions attributable to that cohort at the end of the period, by the ARR from enterprise and embedded solutions attributable to that cohort at the beginning of the period. Net Dollar Retention Rate provides a consolidated measure by which we can monitor the percentage of recurring ARR retained from existing clients.

Number of Clients

"Number of Clients" is defined as the number of clients at the end of any particular period as the number of enterprise clients and clients of our embedded solutions for which the term of services has not ended, or with which the Company is negotiating contract renewal and which meet a minimum revenue threshold.

Logo Retention Rate

"Logo Retention Rate" for a period is defined by considering a cohort of clients at the beginning of the period, and dividing the Number of Clients from that cohort at the end of the period, by the Number of Clients from that cohort at the beginning of the period. Logo Retention Rate provides a consolidated measure by which the Company can monitor the percentage of contracted clients retained every year.

About LifeSpeak Inc.

Celebrating 20 years of supporting employee wellbeing, LifeSpeak Inc. is the leading provider of mental, physical, and family wellbeing solutions for employers, health plans, and other organizations across the globe. With a suite of digital solutions, LifeSpeak enables organizations to deliver best-in-class content and human expertise at scale, catering to individuals throughout their wellbeing journeys. The LifeSpeak Inc. portfolio of solutions spans every pillar of wellbeing, including LifeSpeak Mental Health & Resilience, Wellbeats Wellness, Torchlight Parenting & Caregiving, ALAViDA Substance Use, and LIFT session Fitness. Insights from LifeSpeak Inc.'s digital and data-driven solutions empower organizations and individuals to take impactful action to strengthen wellbeing and maximize workplace performance. To learn more, follow LifeSpeak Inc. on LinkedIn (**http://www.linkedin.com/company/lifespeak-inc**), or visit **www.LifeSpeak.com**. Because wellbeing can't wait.

Forward-Looking Information

This press release may contain "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information may relate to the Company's future business, financial outlook and anticipated events or results and may include information regarding the Company's financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, and the Company's plans and objectives. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Particularly, information regarding the Company's expectations of future results, revenue growth, ARR, EBITDA, adjusted EBITDA margin, adjusted EBITDA, adjusted Net Income (Loss), adjusted Earnings (Loss), Number of Clients, Net Dollar Retention Rate, Logo Retention Rate, performance, synergies, achievements, prospects, industry trends, advancement of its strategy and acceleration of its growth, amortization, contribution of new clients to ARR, the amortization schedule and loan repayments, the amount of senior indebtedness remaining, or opportunities, including for cross-selling, or the markets in which the Company operates, the repayment of certain amounts under the Loan, Term Loan, status of discussions with the Company's lenders (including in respect of addressing defaults under the Company's facilities, ability to remedy existing defaults and breaches of financial covenants, complying with the conditions of the forbearance arrangements, and statements regarding the proposed go-private transaction, including the proposed timing and various steps contemplated in respect of the transaction and statements regarding the plans, objectives and intentions of the Company and/or the purchaser, the anticipated delisting of the Company's common shares from the TSX and the Company ceasing to be a reporting issuer under Canadian securities laws is forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding possible future events or circumstances.

This forward-looking information and other forward-looking information are based on opinions, estimates and assumptions in light of the Company's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company currently believes are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. These opinions, estimates and assumptions include, but are not limited to, the following: the Company's ability to build its market share and enter new geographies; the total available market for its products; the Company's ability to retain key personnel; the Company's ability to maintain and expand geographic scope; the Company's ability to execute on its expansion plans; the Company's ability to continue investing in infrastructure to support its growth and brand recognition; the Company's ability to maintain its existing client base; the Company's ability to continue maintaining and enhancing its technological infrastructure and functionality of its platform; to the Company's ability to obtain financing on acceptable terms; the Company's ability to meet its amortization schedule in the future; decisions made by the Company's lenders; the ability to come to an agreement with its lenders to remedy the event of default and breach of financial covenants; the ability of the Company to satisfy its obligations in the form anticipated when due; our ability to satisfy the TSX with respect to continued listing criteria; the average contract sizes in respect of future enterprise clients and embedded solutions clients will align with our recent historical experiences; the size of clients we continue to pursue will be similar in size or larger than our historical clients; the impact of competition; the changes and trends in our industry or the global economy; and changes in laws, rules, regulations, and global standards. These risks and uncertainties further include (but are not limited to), in respect of the proposed go-private transaction, the failure of the parties to obtain the necessary regulatory approvals or to otherwise satisfy the conditions to the completion of the transaction, failure of the parties to obtain such approvals or satisfy such conditions in a timely manner, significant transaction costs or unknown liabilities, failure to realize the expected benefits of the transaction, and general economic conditions. Failure to obtain the necessary shareholder, court and regulatory approvals, or the failure of the parties to otherwise satisfy the conditions to the completion of the transaction or to complete the transaction, may result in the transaction not being completed on the proposed terms, or at all. In addition, if the transaction is not completed, the Company expects that its lenders may take enforcement steps against the Company as the Company's senior credit facility has matured without repayment and the Company is in cross-default under its junior facility. Failure to complete the Arrangement will materially and negatively impact the trading price of the Company's common shares and will likely result in the delisting of the common shares from the TSX. If the go-private transaction is not completed, the Company does not expect that there will be an alternative that would provide any value to securityholders. Furthermore, in certain circumstances, the Company may be required to pay a termination fee pursuant to the terms of the arrangement agreement which could have a material adverse effect on its financial position.

The risks and uncertainties that may affect forward-looking statements include, among others: performance of the market sectors that the Company serves; general market performance including capital market conditions and availability and cost of credit; foreign currency and exchange risk; impact of factors such as increased pricing pressure and possible margin compression; the regulatory and tax environment; that expected cost and revenue synergies are not realized within the expected timeframe or at all; that revenue, ARR, EBITDA margin and cash flow expectations are not met for any number of reasons; political, labour or supplier disruptions; that our clients face recessionary pressures, and other risks detailed from time to time in the Company's filings with Canadian provincial securities regulators, including the risk factors which are described in greater detail under "Risk Factors" in the Company's annual information form for the fiscal year ended 2024. Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not currently known to the Company or that the Company currently believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.

Accordingly, prospective investors should not place undue reliance on forward-looking information. The forward-looking information contained in this press release represents the Company's expectations as of the date of this press release (or as the date it is otherwise stated to be made) and is subject to change after such date. However, the Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable Canadian securities laws.

All of the forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements. Prospective investors should read this entire press release and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of an investment in the Company.

SOURCE LifeSpeak Inc.