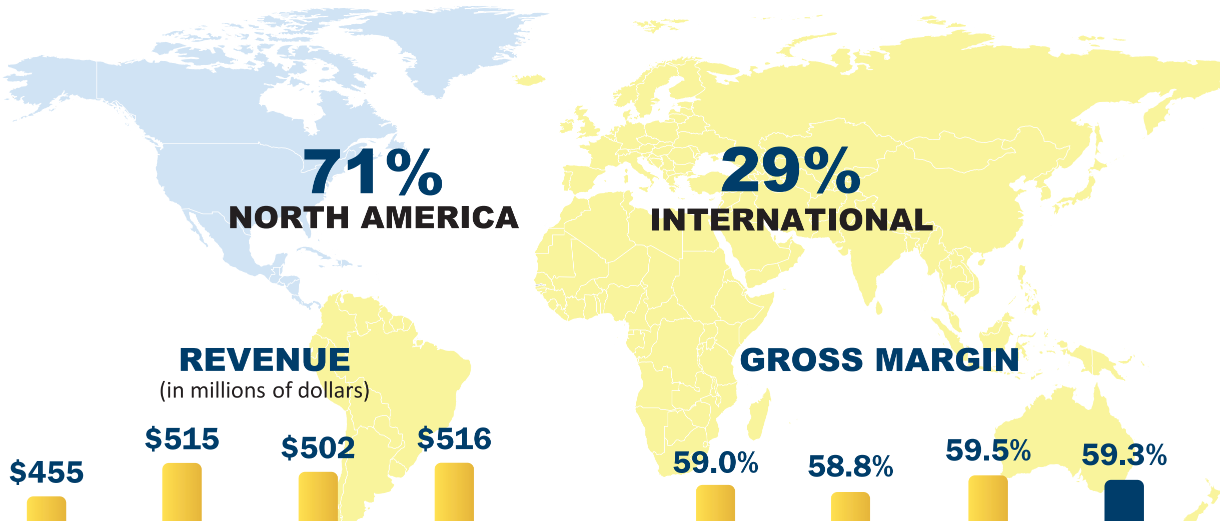
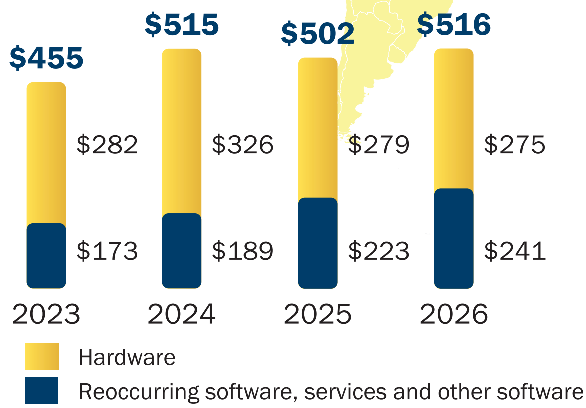
2026 ANNUAL REPORT

evertz 2026 HIGHLIGHTS

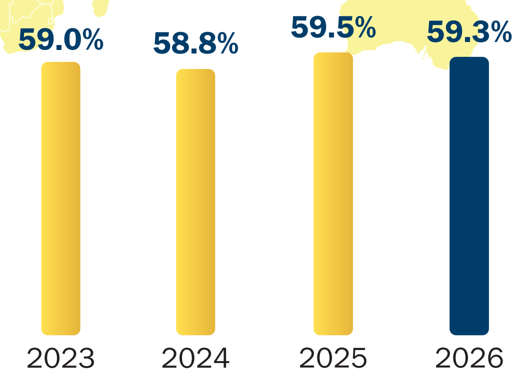
STRENGTH	INNOVATION	GENERATING CASH	PROFITABILITY
Record Revenue	**Re-investment in R&D**	**Operating Activities**	**Earnings Before Taxes**
$516M	**$148M**	**$86M**	**$88M**



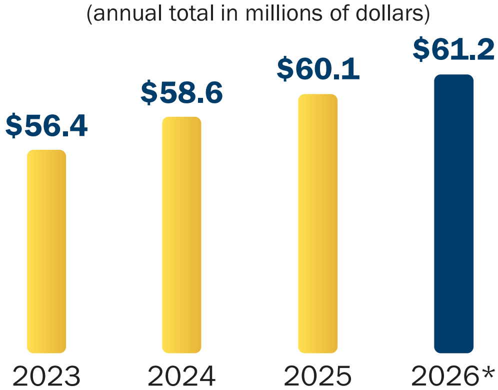
REVENUE
(in millions of dollars)



GROSS MARGIN

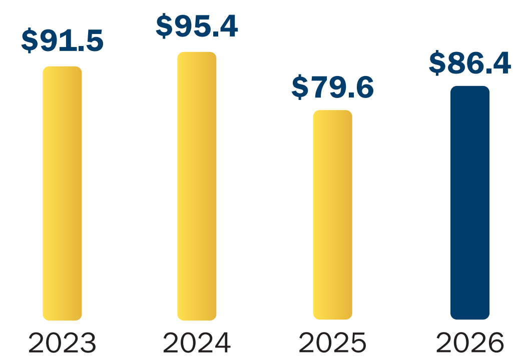


DIVIDENDS PAID
(annual total in millions of dollars)



*Excludes special dividend of $75.5 million

CASH FROM OPERATING ACTIVITIES
(in millions of dollars)



(before changes in non-working capital and current taxes)

A LETTER TO FELLOW SHAREHOLDERS

Fiscal 2026 was another outstanding year full of progress for Evertz, with record annual revenues, breaking the half a billion-dollar threshold, while reinforcing meaningful profitability and value for our shareholders. Evertz generated $516 million in revenue in fiscal 2026, with a record high 47% of revenue coming from software and services. Evertz financial performance reflects the strength of our product portfolio and the commitment and value we continue to deliver to our customers. Evertz continued focus on operational discipline enabled us to deliver strong profitability and return significant value to our shareholders through the return of $141 million in free cash flow and excess capital to our shareholders through dividends and share repurchases.

Highlights from the year include:

- Annual revenues breaking a half billion dollars mark ($516 million in the year);
- Reoccurring software, services and other software of $241 million, an increase of 8% from the prior year and representing 47% of total revenue;
- Annual investment in research and development of $148 million;
- Earnings before taxes of $88 million and fully diluted earnings per share of $0.83 for the year;
- Distribution of $61.2 million in excess cash flow to shareholders through increased quarterly dividends totaling $0.81 per share during the year;
- Share repurchases of $4.1 million under normal course issuer bids;
- Return to shareholders of excess capital of $75.5 million, through a special dividend of $1.00 per share.

Long-term Stability

Evertz has built its reputation over decades within an evolving and consolidating industry, providing solutions for changing customer needs and greater adoption of cloud and IP based solutions. Evertz customers know that our products are reliable and they choose us when failure is not an option. Backed by more than 300 years of combined senior management industry experience, Evertz is relied upon as a stable rock within our industry, consistently delivering reliable, innovative, and best-in-class solutions. Evertz broad product portfolio is built around our customers' evolving needs, supported by on-time, reliable delivery and a knowledgeable service and support team that works in close integration with our development teams to provide continuous after-sales support long after the initial sale. Evertz remains committed to solving complex technological challenges and to being the stable, trusted partner our customers rely on.

Business Transformation

The live video and media production and content distribution market is constantly changing, and organizations are adapting to meet the demands of an increasingly complex technology landscape. Our customers need to adapt to the current trends, seeking solutions that offer greater capabilities, while maintaining reliability of critical services, and are repeatedly turning to Evertz to modernize their operations and help build these new systems that can provide solutions for today’s environment, while future proofing for tomorrow’s possibilities. Software and services are a significant catalyst to drive the sale and completion of these large scaled solutions. In fiscal 2026, Evertz continued to make progress on the transformation of our business to more software and reoccurring-based offerings and solutions. Evertz generated $241 million in combined software and services, growing 8% in the year and 27% over two years, and representing 47% of Evertz total revenue. The growth in our software and services segment enables Evertz to strengthen our commitment to innovation and enhance the predictability and quality of our earnings.

Innovation

Evertz meets the demand for our comprehensive solutions through our continued commitment to innovation, which is a backbone of our vision as we maintain our technological leadership and expand into adjacent industries. Evertz invested $148 million in research and development in the past year and over $649 million throughout the past five years. We are investing in research and development across our diversified portfolio, providing solutions that leverage our knowledge in networking, security, and increasingly embedding artificial intelligence across our product portfolio, to fuel future innovation and growth opportunities. The annual investments fueled development activities within our core product portfolio and funded intensive longer term research and development initiatives, such as: unified Orchestration, Control and Management, Analytics and User Interface software platforms; high performance low latency IP networking technologies; unified SDI/IP media core platforms such as ENX; Software-Defined Networking for RF and RF over IP solutions that continue to modernize satellite ground segment infrastructure; our IT based and Cloud architectures; Playout and Content Management; DreamCatcher™ Live Production Suite with BRAVO AI-driven production tools; Interactive graphic overlay platforms; Compression and Media Transport Solutions; and IPMX-certified Professional AV Solutions. These solutions are enabling our current and future customers to efficiently transition to IP, IT and public/private/hybrid Cloud based solutions, providing flexible tools for content creation, production, monetization, and distribution.

COMPANY RECOGNITION

Over the past year, Evertz introduced significant innovation in new product offerings and received a number of recognitions, including those listed below:

TV Technology – 2026 NAB Best of Show *– Evertz awarded, in April 2026, for the* ***ENX****, a next-generation media core platform, designed to unify SDI and IP infrastructures, simplifying operations across modern production facilities while supporting large-scale UHD/4K deployments. ENX provides a powerful, scalable and easy-to-operate platform that supports both current workflows and future growth.*

TV Technology – 2026 NAB Best of Show *– Evertz awarded for* ***BRAVO-BLADE****, which brings BRAVO live-production capabilities directly into the ENX and NEXX platforms, removing the need for separate production switchers and complex tie-line management, while utilizing AI-driven tools to accelerate content creation and maintaining consistent output quality across multiple productions from a single live event.*

TV Technology – 2026 NAB Best of Show *– Evertz award for* ***X-CALIBER****, a high-density encoding and decoding platform for scalable media transport, live streaming and remote production. X-CALIBER operates as part of a broader Evertz media transport ecosystem, including with Evertz SCORPION and XPS platforms, and evertz.io, which extends X-CALIBER's capabilities into cloud-based environments.*

AV Technology – 2026 InfoComm Best of Show *– Evertz awarded, in June 2026, for the IPMX-certified* ***MMA-10G/25G Gateways****, purpose-built AV solutions for secure high-performance UHD media workflows. The* ***MMA-10G/25G Gateway*** *family, along with Evertz* ***NUCLEUS****, achieved IPMX "Internet Protocol Media Experience" certification through the industry's first IPMX Certification Event, providing a standards-based foundation to bridge professional AV and broadcast infrastructures and build flexible, scalable AV-over-IP systems.*

TV Technology – 2025 IBC Best of Show *– Evertz awarded, in September 2025, for* ***FRCX-2000****, a real-time frame rate conversion platform built for premium live production and global content delivery, seamlessly connecting IP and SDI workflows and well suited for international feed management across live sports, news, and event workflows. Evertz was also awarded with an* ***2025 IBC Best of Show****, by TV Technology, for the* ***ENX****, the next-generation media core platform designed to unify SDI and IP infrastructures and simplify operations across modern production facilities.*

Canada's Best Managed *– Evertz was awarded as a 2026 Platinum Member of Canada's Best Managed Companies, which recognizes excellence in Canadian companies. Canada's Best Managed Companies identifies Canadian corporate success through companies focused on their core vision, creating stakeholder value and excelling in the global economy.*

Save Soil Movement *– Evertz continues to be a proud sponsor of Conscious Planet and committed to raising awareness to the Save Soil Movement. The Save Soil Movement is a global movement launched to address land degradation and advocate for healthy soil and is consistent with Evertz goal of operating in a sustainable future.*

FOUNDATION FOR GROWTH

As a technology leader, we are continuously addressing the challenges and opportunities our industry presents. Technology is an essential driver to productivity and economic growth. Evertz is in a position to lead; providing our current customers and new markets with clean, highly reliable and technologically superior solutions to solve challenges customers face today and in the future. As the market leader, we are well positioned with numerous, large, exciting opportunities to capitalize on this in the coming year while also continuing to diversify our business through continued growth in government and defense related markets. Evertz is built upon the long-term vision of generating value and sustainable success through continuous investment in technology and product development, combined with a vigilant focus on operating discipline and uncompromising commitment throughout the organization to doing things the “right way”.

We generated significant cash from operations and maintain a pristine balance sheet. We view this financial strength as a competitive advantage, providing flexibility and allowing us to deliver significant value to our shareholders through the continued payment of dividends, while adhering to our strategy of investment into new technologies.

MOVING FOWARD

Evertz is entering the new year with a strong backlog, pipeline, and industry leading technologies and solutions, backed by a healthy balance sheet and a record of consistent investments in our technological solutions. Coming off a year in which we crossed a half a billion in revenue for the third straight year and more than doubled the capital returned to our shareholders, we expect superior industry results for fiscal 2027.

Evertz believes that our portfolio is stronger than ever and well positioned to help our customers succeed, while continuing to expand our products to new markets. Evertz remains focused on investing in new technologies, leveraging and expanding upon the high-profile industry leading Cloud and on-premise solutions that Evertz has successfully deployed, while offering newly developed solutions for the media and adjacent markets. With significant orders and a robust pipeline with key customers, we expect to gain broader adoption within the Media and Entertainment technology industry and in vertical and adjacent markets, including the government and defense market, which is proving to provide significant opportunity for growth.

We enter fiscal 2027 with significant momentum and demand for our Evertz IP, IT and Cloud native services and solutions with influential industry leaders across the world. As a leading innovator and one of the largest pure players in our technology sector, we believe Evertz is in a position of strength to provide solutions to customers and deliver to shareholders!

We would like to take this opportunity to thank our employees, channel partners, customers and shareholders for their continued support and we look forward to a successful future.

Romolo Magarelli
Director, President and Chief Executive Officer

Douglas A. DeBruin
Executive Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year ended April 30, 2026

THE FOLLOWING MANAGEMENT'S DISCUSSION AND ANALYSIS IS A REVIEW OF RESULTS OF THE OPERATIONS AND THE LIQUIDITY AND CAPITAL RESOURCES OF THE COMPANY. IT SHOULD BE READ IN CONJUNCTION WITH THE SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA AND THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS AND THE ACCOMPANYING NOTES CONTAINED ON SEDAR. THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY ARE PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") AND ARE PRESENTED IN CANADIAN DOLLARS. THE FISCAL YEAR OF THE COMPANY ENDS ON APRIL 30 OF EACH YEAR. CERTAIN INFORMATION CONTAINED HEREIN IS FORWARD-LOOKING AND BASED UPON ASSUMPTIONS AND ANTICIPATED RESULTS THAT ARE SUBJECT TO RISKS, UNCERTAINTIES AND OTHER FACTORS. SHOULD ONE OR MORE OF THESE UNCERTAINTIES MATERIALIZE OR SHOULD THE UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY SIGNIFICANTLY FROM THOSE EXPECTED.

FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements reflecting Evertz's objectives, estimates and expectations. Such forward-looking statements use words such as "may", "will", "expect", "believe", "anticipate", "plan", "intend", "project", "continue" and other similar terminology of a forward-looking nature or negatives of those terms.

Although management of the Company believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors. Accordingly, there are or will be a number of significant factors which could cause the Company's actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The report is based on information available to management on June 24, 2026.

OVERVIEW

Evertz is a leading solutions provider to the television broadcast, telecommunications and new-media industries. Founded in 1966, Evertz is a leading supplier of software, equipment and technology solutions to content creators, broadcasters, specialty channels and television service providers. Evertz designs, manufactures and markets video and audio infrastructure solutions for the production, post-production and transmission of video content. The Company's solutions are purchased by the television broadcast, telecommunications, professional audio-visual, content creator, advanced education, government, military, enterprise, and new media customers to support increasingly complex multi-channel digital and high definition, Ultra HD, and high dynamic range formats and next generation high bandwidth low latency IP network environments. The Company's products allow its customers to generate additional revenue while reducing costs through efficient, highly reliable and secure signal routing, distribution, monitoring and management of content as well as the automation and orchestration of more streamlined and agile workflow processes on premise and in the "Cloud".

The Company made early research and development investments to establish itself as the leading supplier to the broadcast industry addressing the ongoing technical transition to IP and IT based production, workflow and distribution systems helping to create more efficient and agile workflows enabling the proliferation of high quality video emerging Ultra HD, High Dynamic range initiatives. The Company has maintained its track record of rapid innovation; is a leader in Software Defined Video Network ("SDVN") technology and Radio Frequency ("RF") environments.

The Company is committed to maintaining its leadership position, and as such, a significant portion of the Company's staff is focused on research and development to ensure that the Company's products are at the forefront of the industry. This commitment contributes to the Company being consistently recognized as a leading broadcast and video networking industry innovator by its customers, and a trusted supplier for the secure government/military communications sector.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Outlined below are those policies considered material:

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the Company's parent company functional currency. Each subsidiary of the Company determines its own functional currency based on the primary economic environment in which the subsidiary operates. All financial information presented in Canadian dollars has been rounded to the nearest thousand, except per share amounts.

Basis of Consolidation

These financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor's returns.

The results of subsidiaries acquired or disposed of are included in the consolidated statements of earnings and comprehensive earnings from the effective date of acquisition of control and up to the effective date of disposal of control, as appropriate. Total comprehensive earnings of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-Company transactions, balances, income and expenses are eliminated in full consolidation.

Revenue Recognition

Revenue is measured using a five-step recognition model which includes; 1) identifying the contract(s) with the customer; 2) identifying the separate performance obligations in the contract; 3) determining the transaction price; 4) allocating the transaction price to separate performance obligations; and 5) recognizing revenue when (or as) each performance obligation is satisfied.

Step 1: Identifying the contract

Before recognizing revenue, the Company reviews customer contracts to ensure each party's rights and payment terms are identified, there is commercial substance, and that it is probable that the Company will collect the consideration in exchange for the goods or services as stated in the contract. The Company may enter into multiple contracts with the same customer. The Company uses judgement in evaluating whether various contracts are interrelated, which includes considerations as to whether they were negotiated as a package with a single commercial objective, whether the amount of consideration on one contract is dependent on the performance of the other contract, or if some or all goods and services in the contracts are a single performance obligation. New arrangements with existing customers can either be treated as a new contract or the modification of prior contracts with the customer. The Company uses judgment in making this determination, considering whether there is a connection between the new arrangement and the pre-existing contract, whether the goods and services under the new arrangement are highly interrelated with the goods and services sold under prior contracts, and how the goods and services under the new arrangement are priced. In determining whether a transaction price represents a contract modification or a change in variable consideration, the Company examines whether the change in price results from changing the contract or from applying unchanged existing contract provisions.

Step 2: Identifying performance obligations

The Company regularly sells hardware and software solutions with related services. Software solutions including both, right to access and right to use term based and perpetual licenses and stand-alone software solutions services. Services include training and commissioning, warranty, maintenance and support and other professional services. A customer contract typically lists items separately with distinct item descriptions, quantities, and prices.

If a contract contains a bundle of items priced together at a single price, the Company analyzes the contract to identify distinct performance obligations within the bundle. The Company uses judgment in determining whether a good or service, such as commissioning is considered separate performance obligations or are combined into one distinct performance obligation.

Step 3: Determining the transaction price
Transaction prices are typically the prices stated on the purchase orders or contracts, net of discounts. The Company reviews customer contracts for any variable considerations, existence of significant financing components and payables to customers, and adjusts transaction prices accordingly. Variable consideration is estimated and included in the transaction price based on the most likely amount to be received. The Company does not account for significant financing components if the period between when the Company transfers the promised goods or services to the customer and when the customer pays for those goods or services is one year or less.

Step 4: Allocating the transaction price to performance obligations
If a customer contract includes multiple performance obligations, the transaction price is allocated to each performance obligation based on its relative stand-alone selling price. If a stand-alone selling price is not directly observable, the Company estimates the stand-alone selling price of individual elements, based on prices at which the deliverable is regularly sold on a stand-alone basis after considering specific discounts where appropriate.

Step 5: Recognizing revenue upon satisfaction of performance obligations
The timing of revenue recognition is based on when a customer obtains control of the asset. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. The Company reviews customer contracts and the nature of the performance obligations to determine if a performance obligation is satisfied over time or at a point in time, and recognizes revenue accordingly.

Revenue from sales of hardware are recognized upon shipment, provided that the significant risks and rewards of ownership have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue can be reliably measured and its probable that the economic benefits will flow to the Company.

Revenue from software solutions are recognized either over a period of time or at a point in time depending on the contractual terms of the contract identified and the specific performance obligations identified therein. For performance obligations recognized at a point in time, revenue is recognized following the transfer of control or the Company has objective evidence that criteria for acceptance has been satisfied. For performance obligations satisfied over time, the Company measures the progress using the output method, measuring progress toward satisfaction of the performance obligation.

Revenue from services is recognized as services are performed and warranty and maintenance revenue is recognized ratably over the period of service.

Certain of the Company's hardware and software solutions contracts are long-term in nature, and the Company measures the progress using either an input or output method, depending on which yields the most reliable estimate. For construction type contracts, where estimated total costs and the outcome of the contract can be assessed reliably, the Company recognizes revenue over time, based on costs incurred relative to the estimated total contract costs. When the outcome of the contract cannot be assessed reliably, contract costs incurred are immediately expensed and revenue is recognized only to the extent that costs are considered likely to be recovered. For software solutions that require significant customization, where the direct measurement of value to the customer results in the best estimate and criteria for recognition over time is met, the Company recognizes revenue over time based on value provided to the customer to date. Revenue recognized in excess of billings are recorded as contract assets, while billings in excess of revenue recognized is recorded as deferred revenue.

Customer contracts have a variety of different payment terms. Contract assets are recognized when revenue is recognized in excess of billings or when the Company has a right to consideration and that right is conditional to something other than the passage of time. Contract assets are subsequently transferred to accounts receivable when the right to payment becomes unconditional. This usually occurs when the Company issues an invoice to the customer. Contract assets are adjusted for expected credit losses.

Contract assets are adjusted for expected credit losses, which are estimated based on factors such as the Company's past experience of collecting payments from the applicable customer, observable changes in national or local economic conditions that correlated with default on contract assets, financial difficulties of the customer, and it becoming probable that the borrow will either enter bankruptcy or financial reorganization.

Deferred revenue relates to advance consideration received from customers in excess of revenue recognized under the contract. Deferred revenue has been classified as long-term where the contractual obligations relating to the consideration are required to be provided by the Company more than one year from the presentation date. During the year, the Company recognized $81,288 in revenue that was recognized as deferred revenue at the beginning of the year (2025 – $74,547). As at April 30, 2026, for contracts in progress, the company has performance obligations that are expected to be completed within the next year of $108,313 and $113,925 expected to be completed in more than one year.

Finance Income

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in the bank.

Inventories

Inventories consist of raw materials and supplies, work in progress and finished goods. Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes raw materials, the cost of direct labour applied to the product and the overhead expense.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognized impairment loss. Where the costs of certain components of an item of property, plant and equipment are significant in relation to the total cost of the item, they are accounted for and depreciated separately. Depreciation expense is calculated based on depreciable amounts which is the cost of an asset less residual value and is recognized in earnings on a straight-line basis over the estimated useful life of the related asset. Borrowing costs are capitalized to the cost of qualifying assets that take a substantial period of time to be ready for their intended use.

The estimated useful lives are as follows:

Asset	Basis	Rate
Office furniture and equipment	Straight-line	10 years
Research and development equipment	Straight-line	5 years
Machinery and equipment	Straight-line	5 - 15 years
Leaseholds	Straight-line	5 years
Building	Straight-line	10 - 40 years
Airplanes	Straight-line	10 - 20 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in earnings.

The Company reviews the residual value, estimated useful life and the depreciation method at least annually.

Impairment of Non-Financial Assets

Goodwill is tested for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount may be more than its recoverable amount. At each reporting period, the Company reviews the carrying amounts of its other non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash inflows that are largely independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Goodwill is allocated to a group of CGU's based on the level at which it is monitored for internal reporting purposes.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss relating to a CGU to which goodwill has been allocated, is allocated to the carrying amount of the goodwill first. An impairment loss is recognized immediately in earnings.

An impairment loss in respect of goodwill is not reversed. Where an impairment loss subsequently reverses for other non-financial assets, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in earnings.

Intangible Assets

Intangible Assets

Intangible assets represent intellectual property acquired through business acquisitions and are recorded at cost less any impairment loss and are amortized using the straight–line method over a five–year period. The estimated useful life and amortization method are reviewed at the end of each reporting period.

Research and Development

All research and development expenditures are expensed as incurred unless a development project meets the criteria for capitalization. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No internally generated intangible assets have been recognized to date.

Research and development expenditures are recorded gross of investment tax credits and related government grants. Investment tax credits for scientific research and experimental development are recognized in the period the qualifying expenditures are incurred if there is reasonable assurance that they will be realized.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leasing

At inception of a contract, the Company assesses whether that contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company records a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, consisting of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the site on which it is located; less any lease incentives received.

The right-of-use asset is depreciated on a straight-line basis over the lease term. The lease term consists of the non-cancellable period of the lease; periods covered by options to extend the lease, where the Company is reasonably certain to exercise the option; and periods covered by options to terminate the lease, where the Company is reasonably certain not to exercise the option. The right-of-use asset is adjusted for remeasurement of lease liabilities resulting from a change in future lease payments arising from a change in rate or a change in the assessment of whether an extension or termination options will be exercised.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company generally use their incremental borrowing rate as the interest rate implicit in our leases cannot be readily determined. The lease liability is subsequently measured at amortized cost using the effective interest rate method. After the commencement date, the lease liability is remeasured if there is a modification, including a change in the lease term. Certain leases require us to make payments that relate to property taxes, insurance, and other non-rental costs. These non-rental costs are typically variable and are not included in the calculation of the right-of-use asset or lease liability.

Foreign Currency Translation

The individual financial statements of each subsidiary entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are presented in Canadian dollars ("CDN"), which is the functional currency of the parent Company and the presentation currency for the financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognized in earnings in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Foreign currency gains and losses are recognized in other comprehensive earnings. The relevant amount in cumulative foreign currency translation adjustment is reclassified into earnings upon disposition or partial disposition of a foreign operation and attributed to non-controlling interests as appropriate.

Income Taxes

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net earnings as reported in the statement of earnings because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred Tax
Deferred tax is the tax expected to be payable or recoverable on unused tax losses and credits, as well as differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which unused tax losses, credits and other deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is charged or credited to earnings, except when it relates to items charged or credited directly to other comprehensive earnings or equity, in which case the deferred tax is also dealt with in other comprehensive earnings or equity.

Share Based Compensation
Equity settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based transactions are set out in note 19 of the consolidated financial statements.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period of the option based on the Company's estimate of the number of equity instruments that will eventually vest. At each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in earnings such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share based payment reserve.

Cash settled share based compensation to employees, including restricted share units, or others providing similar services are measured at the fair value of the instruments at the grant date. The fair value is recognized as an expense with a corresponding increase in liabilities, both over the vesting period of the option grant. At each reporting period, the Company revises its estimate of fair value and the number of instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in earnings such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to liabilities.

Earnings Per Share
The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the net earnings attributable to shareholders by the weighted average number of common shares outstanding during the year. Diluted EPS is determined by adjusting the net earnings attributable to shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares, which is comprised of share options granted to employees with an exercise price below the average market price.

Finance Costs
Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other finance costs are recognized in earnings in the period in which they are incurred.

Investment Tax Credits

The Company is entitled to investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Investment tax credits relate entirely to the Company's research and development expenses in the consolidated statements of earnings but are presented separately in the consolidated statements of earnings for information purposes. Investment tax credits are recognized and recorded within income tax receivable or as a reduction of income tax payable, when there is reasonable assurance they will be received.

Financial Instruments

The Company's financial assets and liabilities which are initially recorded at fair value and subsequently measured based on their assigned classifications as follows:

Assets/Liabilities	Classification
Cash and cash equivalents	Amortized cost
Trade and other receivables	Amortized cost
Investments in public companies	Fair value through other comprehensive income
Investments in private companies	Fair value through profit and loss
Trade and other payables	Amortized cost
Redemption liability	Fair value through profit and loss

Financial Assets

All financial assets are initially measured at fair value, plus transaction costs. Transaction costs in respect of financial instruments that are classified as fair value through profit or loss are recognized in earnings immediately. Transaction costs in respect of other financial instruments are included in the initial measurement of the financial instrument.

Financial assets are classified into the following specific categories: financial assets "at fair value through profit or loss" ("FVTPL"), "fair value through other comprehensive income ("FVTOCI")" and "amortized cost". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in earnings. Financial assets at FVTOCI are stated at fair value, with any gains or losses arising on re-measurement recognized in other comprehensive earnings. Where financial assets at FVTOCI are derecognized, the gains or losses previously recognized in other comprehensive earnings is reclassified from other comprehensive earnings to earnings.

Impairment of Financial Assets

Financial assets, other than those at FVTPL and FVTOCI, are assessed for indicators of impairment at the time of initial recognition and at each reporting period. The Company measures a loss allowance based on the lifetime expected credit losses. Lifetime expected credit losses are estimated based on factors such as the Company's past experience of collecting payments, observable changes in national or local economic conditions that correlated with default on receivables, financial difficulties of the borrower, and it becoming probable that the borrow will either enter bankruptcy or financial reorganization. Financial assets are written off when there is no reasonable expectation of recovery.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. A trade receivable is considered impaired if it is probable that a customer will not pay all amounts due. When a trade receivable is considered impaired, it is recorded in the allowance account. Subsequent recoveries of amounts are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in earnings. When there is no reasonable expectation of recovery, the trade receivable balance is written off against the allowance account.

Financial Liabilities and Equity Instruments Issued by the Company
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in earnings. The net gain or loss recognized in earnings incorporates any interest paid on the financial liability and is included in the "other income and expenses" line item in the consolidated statements of earnings.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Critical Accounting Estimates and Judgments
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Consequently, actual results could differ from those estimates. Those estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant estimates include the determination of expected credit losses and the amount and timing of cash flows expected to be received from customers, which are used to calculate an allowance for doubtful accounts against existing receivables, and are described in further detail within Note 21 of the consolidated financial statements. Significant estimates are used in applying the five steps of revenue recognition, including the allocation of the transaction price on customer contracts with multiple deliverables, which are based on standalone selling prices of the applicable deliverable or using estimation techniques where no standalone selling prices are available. Significant estimates are used to calculate the provision for inventory obsolescence, which is recorded to adjust to the net realizable value of inventory and based on current market prices, current sales forecasts of both finished goods and forecasted raw material usages, product life cycles, and management's assessment of market conditions experiences. The determination of fair value for share based compensation requires significant estimates in determining the most appropriate valuation model for a grant, which is dependent on the terms and conditions of the grant and are described in greater detail within Note 19 of the consolidated financial statements. Significant estimates are used in the assessment of impairment of goodwill, including the allocation of assets to specific cash generating units and the forecasted cash flows and discounts rates applied in calculating their value in use, as described in Note 7 of the consolidated financial statements.

Significant items requiring the use of judgment in application of accounting policies and assumptions include the determination of functional currencies, classification of financial instruments, classification of leases, determination of the number of revenue performance obligations, the allocation of transaction prices on customer contracts, determination if revenues should be recognized at a point in time or over time, application of the percentage of completion method on long-term contracts, degree of componentization applied when calculating amortization of property, plant and equipment, and identification of cash generating units for impairment testing purposes.

Operating Segments
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company reviewed its operations and determined that it operates a single reportable segment, the video and audio infrastructure solutions market. The single reportable operating segment derives its revenue from the sale of hardware and software solutions, related services, training and commissioning and long-term contracts.

Changes in Accounting Policies

Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates
Effective May 1, 2025, the Company adopted amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates. Amendments made to IAS 21, The Effects of Changes in Foreign Exchange Rates was issued by the IASB in August 2023, and provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The adoption of the amendments did not have a material impact on the consolidated financial statements of the Company.

New and Revised IFRSs Issued but Not Yet Effective

The following is a list of amendments, revisions and new International Financial Reporting Standards issued but not yet effective. Unless otherwise indicated, earlier application is permitted.

Presentation and Disclosure in Financial Statements
IFRS 18, *Presentation and Disclosure in Financial Statements issues* was issued by the IASB in April 2024, and replaces IAS 1, *Presentation of Financial Statements*. The standard is effective for reporting periods beginning on or after January 1, 2027. The Company has not yet determined the impact of the standard.

Disclosure in Subsidiaries without Public Accountability
IFRS 19, *Subsidiaries without Public Accountability*: Disclosures was issued by the IASB in May 2024, and reduces disclosure requirements within the consolidated financial statements relating to eligible subsidiaries of the Company. The standard is effective for reporting periods beginning on or after January 1, 2027. The Company does not expect a material impact on the consolidated financial statements of the Company as a result of the amendment but has not yet finalized the analysis.

Amendments to the Classification and Measurement of Financial Instruments
IFRS 9, *Financial Instruments* was amended by the IASB in May 2024. This amendment focuses on clarifying classification and measurement of financial instruments. This standard is effective for reporting periods beginning on or after January 1, 2026. The Company has not yet determined the impact of the standard.

YEAR END HIGHLIGHTS

Revenue was $515.8 million for the year ended April 30, 2026, an increase of $14.2 million, compared to $501.6 million for the year ended April 30, 2025.

For the year ended April 30, 2026, net earnings were $64.4 million, an increase of $4.7 million from $59.7 million for the year ended April 30, 2025, and fully diluted earnings per share were $0.83, an increase from $0.77 for the year ended April 30, 2025.

Gross margin during the year ended April 30, 2026, was 59.3% as compared to 59.5% for the year ended April 30, 2025.

Selling and administrative expenses for the year ended April 30, 2026, was $77.0 million as compared to the year ended April 30, 2025, of $75.9 million. As a percentage of revenue, selling and administrative expenses totaled 14.9% for the year ended April 30, 2026, as opposed to 15.1% for the year ended April 30, 2025.

Research and development ("R&D") expenses were $148.1 million for the year ended April 30, 2026, as compared to $146.8 million for the year ended April 30, 2025.

Cash and cash equivalents were $19.1 million and working capital was $131.7 million as at April 30, 2026, compared to cash and cash equivalents of $111.7 million, and working capital of $206.9 million as at April 30, 2025.

HIGHLIGHTS FROM THE FOURTH QUARTER

Revenue was $131.6 million for the fourth quarter ended April 30, 2026; an increase of $3.8 million, compared to $127.8 million for the fourth quarter ended April 30, 2025.

For the fourth quarter ended April 30, 2026, net earnings were $15.2 million, an increase from $13.0 million for the fourth quarter ended April 30, 2025. Fully diluted earnings per share were $0.20, an increase from $0.17 in the fourth quarter ended April 30, 2025.

For the fourth quarter ended April 30, 2026, foreign exchange gain during the quarter was $0.4 million, compared to a foreign exchange loss of $4.4 million for the fourth quarter ended April 30, 2025. The gain was driven by an increase in value of the US dollar compared to the Canadian dollar.

Gross margin during the fourth quarter ended April 30, 2026, was 59.3% compared to 61.7% in the fourth quarter ended April 30, 2025.

Selling and administrative expenses for the fourth quarter ended April 30, 2026, was $20.7 million as compared to the fourth quarter ended April 30, 2025, of $20.7 million. As a percentage of revenue, selling and administrative expenses totaled 15.7% for the fourth quarter ended April 30, 2026, compared to 16.2% in the fourth quarter ended April 30, 2025.

Research and development expenses were $37.7 million for the fourth quarter ended April 30, 2026, as compared to $36.5 million for the fourth quarter ended April 30, 2025.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

(In thousands of dollars except earnings per share and share data)

	Year Ended April 30,		
	2026	2025	2024
Revenue	**$ 515,781**	$ 501,623	$ 514,616
Cost of goods sold	**209,794**	203,118	212,173
Gross margin	**305,987**	298,505	302,443
Expenses			
Selling and administrative	**77,043**	75,858	72,274
General	**4,180**	5,249	4,672
Research and development	**148,052**	146,771	134,843
Investment tax credits	**(17,020)**	(15,626)	(14,708)
Share based compensation	**5,989**	4,959	5,120
Foreign exchange (gain) loss	**421**	(218)	(154)
Total operating expenses	**218,665**	216,993	202,047
Earnings before undernoted	**87,322**	81,512	100,396
Finance income	**2,764**	2,779	1,661
Finance costs	**(1,506)**	(1,567)	(1,353)
Net loss from investments through profit and loss	**-**	(1,283)	(2,704)
Other income and expenses	**(344)**	463	(642)
Earnings before income taxes	**88,236**	81,904	97,358
Provision for (recovery of) income taxes			
Current	**24,321**	24,918	26,044
Deferred	**(506)**	(2,781)	287
	23,815	22,137	26,331
Net earnings for the year	**$ 64,421**	$ 59,767	$ 71,027
Net earnings attributable to non-controlling interest	**$ 454**	$ 374	$ 857
Net earnings attributable to shareholders	**63,967**	59,393	70,170
Net earnings for the year	**$ 64,421**	$ 59,767	$ 71,027
Earnings per share			
Basic	**$ 0.85**	$ 0.78	$ 0.92
Diluted	**$ 0.83**	$ 0.77	$ 0.91

SELECTED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

CONSOLIDATED BALANCE SHEET DATA

	As at April 30,		
	2026	2025	2024
Cash and cash equivalents	**$ 19,117**	$ 111,665	$ 86,325
Inventory	**$ 200,213**	$ 181,011	$ 206,154
Working capital	**$ 131,749**	$ 206,900	$ 201,437
Total assets	**$ 424,989**	$ 469,485	$ 484,722
Shareholders' equity	**$ 198,167**	$ 268,123	$ 263,267
Number of common shares outstanding:			
Basic	**75,583,950**	75,750,235	76,164,322
Fully-diluted	**79,771,350**	80,627,710	81,614,447
Weighted average number of shares outstanding:			
Basic	**75,507,140**	76,010,401	76,088,691
Fully-diluted	**76,814,543**	76,975,472	77,044,858

CONSOLIDATED STATEMENT OF OPERATIONS DATA

	2026	2025	2024
Revenue	**100.0%**	100.0%	100.0%
Cost of goods sold	**40.7%**	40.5%	41.2%
Gross margin	**59.3%**	59.5%	58.8%
Expenses			
Selling and administrative	**14.9%**	15.1%	14.0%
General	**0.8%**	1.0%	0.9%
Research and development	**28.7%**	29.3%	26.2%
Investment tax credits	**(3.3%)**	(3.1%)	(2.9%)
Share based compensation	**1.2%**	1.0%	1.0%
Foreign exchange loss (gain)	**0.1%**	(0.0%)	(0.0%)
Total operating expenses	**42.4%**	43.3%	39.2%
Earnings before undernoted	**16.9%**	16.3%	19.6%
Finance income	**0.5%**	0.6%	0.3%
Finance costs	**(0.3%)**	(0.3%)	(0.3%)
Net loss on investments through profit and loss	**0.00%**	(0.3%)	(0.5%)
Other income and expenses	**(0.1%)**	0.1%	(0.1%)
Earnings before income taxes	**17.0%**	16.3%	19.0%

CONSOLIDATED STATEMENT OF OPERATIONS DATA (CONTINUED)

Provision for (recovery of) income taxes					
Current		**4.7%**	5.0%		5.1%
Deferred		**0.0%**	(0.6%)		0.1%
		4.7%	4.4%		5.2%
Net earnings for the year		**12.3%**	11.9%		13.8%
Net earnings attributable to non-controlling interest		**0.1%**	0.1%		0.2%
Net earnings attributable to shareholders		**12.2%**	11.8%		13.6%
Net earnings for the year		**12.3%**	11.9%		13.8%
Earnings per share:					
Basic	**$**	**0.85**	0.78	$	0.92
Diluted	**$**	**0.83**	0.77	$	0.91

REVENUE AND EXPENSES

Revenue

The Company generates revenue principally from the sale of software, equipment, and technology solutions to television broadcast telecommunications, professional audio-visual, content creator, advanced education, government, military, enterprise and new media customers.

The Company markets and sells its products and services through both direct and indirect sales strategies. The Company's direct sales efforts focus on large and complex end-user customers. These customers have long sales cycles typically ranging from four to eight months before an order may be received by the Company for fulfillment.

The Company monitors revenue performance in two main geographic regions: (i) United States/Canada and (ii) International.

The Company currently generates approximately 70% to 80% of its revenue in the United States/Canada. The Company recognizes the opportunity to more aggressively target markets in other geographic regions and intends to invest in personnel and infrastructure in those markets.

While a significant portion of the Company's expenses are denominated in Canadian dollars, the Company collects a significant amount of its revenues in currencies other than the Canadian dollar and therefore has significant exposure to fluctuations in foreign currencies, in particular the US dollar. Approximately 80% to 85% of the Company's revenues are denominated in US dollars.

REVENUE

		Year Ended April 30,				
(In thousands of Canadian dollars)		**2026**		2025		2024
United States/Canada	**$**	**367,804**	$	374,412	$	338,031
International		**147,977**		127,211		176,585
	$	**515,781**	$	501,623	$	514,616

Total revenue for the year ended April 30, 2026, was $515.8 million, an increase of $14.2 million as compared to revenue of $501.6 million for the year ended April 30, 2025. The increase in the year was driven by the growth in the International region.

Revenue in the United States/Canada region was $367.8 million for the year ended April 30, 2026, a decrease of $6.6 million or 2% when compared to revenue of $374.4 million for the year ended April 30, 2025.

Revenue in the International region was $148.0 million for the year ended April 30, 2026, an increase of $20.8 million or 16% as compared to revenue of $127.2 million for the year ended April 30, 2025. The increase is driven by significant project completions and deliveries within Western Europe, as well as renewed growth in the Middle East, despite the continued regional unrest.

COST OF SALES

Cost of sales consists primarily of costs of manufacturing and assembly of products. A substantial portion of these costs is represented by components and compensation costs for the manufacture and assembly of products. Cost of sales also includes related overhead, certain depreciation, final assembly, quality assurance, inventory management, support costs as well as inventory obsolescence and write-offs. Cost of sales also includes the costs of providing services to clients, primarily the cost of service-related personnel.

GROSS MARGIN

	Year Ended April 30,		
(In thousands of Canadian dollars, except for percentages)	**2026**	2025	2024
Gross margin	**$ 305,987**	$ 298,505	$ 302,443
Gross margin % of sales	**59.3%**	59.5%	58.8%

Gross margin for the year ended April 30, 2026, was $306.0 million, compared to $298.5 million for the year ended April 30, 2025. As a percentage of revenue, the gross margin was 59.3% for the year ended April 30, 2026, compared to 59.5% for the year ended April 30, 2025.

Gross margins vary depending on the product mix, manufacturing volumes, geographic distribution, competitive pricing pressures and currency fluctuations. The sales environment continues to also be very competitive with substantial discounting in certain segments by our competition and the Company expects that it will continue to experience competitive pricing pressures.

The Company continually seeks to build its products more efficiently and enhance the value of its product and service offerings in order to reduce the risk of declining gross margin associated with the competitive environment.

Operating Expenses

The Company's operating expenses consist of: (i) selling, administrative and general; (ii) research and development and (iii) foreign exchange.

Selling expenses primarily relate to remuneration of sales and technical personnel. Other significant cost components include trade show costs, advertising and promotional activities, demonstration material and sales support. Selling and administrative expenses relate primarily to remuneration costs of related personnel, legal and professional fees, occupancy and other corporate and overhead costs. The Company also records certain depreciation and amortization charges as general expenses. For the most part, selling, and administrative expenses are fixed in nature and do not fluctuate directly with revenue. The Company has certain selling expenses that tend to fluctuate in regards to the timing of trade shows.

The Company invests in research and development to maintain its position in the markets it currently serves and to enhance its product portfolio with new functionality and efficiencies. Although the Company's research and development expenditures do not fluctuate directly with revenues, it monitors this spending in relation to revenues and adjusts expenditures when appropriate. Research and development expenditures consist primarily of personnel costs and material costs. Research and development expenses are presented on a gross basis (without deduction of research and development tax credits). Research and development tax credits associated with research and development expenditures are shown separately under research and development tax credits.

SELLING AND ADMINISTRATIVE

(In thousands of Canadian dollars, except for percentages)	Year Ended April 30, **2026**	2025	2024
Selling and administrative	**$ 77,043**	$ 75,858	$ 72,274
Selling and administrative % of sales	**14.9%**	15.1%	14.0%

Selling and administrative expenses excludes stock-based compensation, depreciation and amortization of intangibles. Selling and administrative expenses for the year ended April 30, 2026, were $77.0 million or 14.9% of revenue an increase of $1.2 million, as compared to selling and administrative expenses of $75.9 million or 14.9% of revenue for the year ended April 30, 2025. The increase of $1.2 million includes a $0.9 million in increase trade shows, promotion and travel and entertainment as the Company has increased attendance at trade shows and other related selling costs, particularly within the government/military sector. Additionally, the first quarter of the prior year included a recovery of $0.5 million, which was netted against associated fees, that did not reoccur in the current year.

Share Based Compensation
The Company has a stock option plan to attract, motivate and compensate persons who are integral to the growth and success of the Company. During the year ended April 30, 2026, share based compensation expense associated with the stock option plan was $0.2 million. In December 2025, the Company issued 1.0 million stock options, the majority of which were to employees within the research and development group.

In June 2022, the Company adopted an equity based restricted share unit plan, to further attract, motivate and compensate persons who are integral to the growth and success of the Company. During year ended April 30, 2026, share based compensation expense associated with the plan was $5.8 million. This is compared to $4.8 million, in the prior year. The increase in expenses over the year was driven by the issuance of 1.8 million restricted share units in December 2025, the majority of which were to employees within the research and development group.

RESEARCH AND DEVELOPMENT (R&D)

(In thousands of Canadian dollars, except for percentages)	Year Ended April 30, **2026**	2025	2024
Research and development expenses	**$ 148,052**	$ 146,771	$ 134,843
Research and development % of sales	**28.7%**	29.3%	26.2%

Research and development expenses excluded stock based compensation but includes depreciation. For the year ended April 30, 2026, gross R&D expenses were $148.1 million, an increase of $1.3 million as compared to an expense of $146.8 million for the year ended April 30, 2025. The increase of $1.3 million includes a $0.5 million increase in salary costs, and a $1.6 million increase in parts and materials and prototypes expenses as the Company continued the development of new products and solutions. Partially offsetting the increase is a $0.8 million decrease in specialized service costs. The prior year included $0.8 million in specialized service costs relating to updating a product line that was included in a prior acquisition. The specialized service did not reoccur this year.

Investment Tax Credits
For the year ended April 30, 2026, investment tax credits were $17.0 million compared to $15.6 million for the year ended April 30, 2025.

Foreign Exchange
For the year ended April 30, 2026, the foreign exchange loss was $0.4 million, as compared to a foreign exchange gain for the year ended April 30, 2025, of $0.2 million.

Investments, Finance Income, Finance Costs, Other Income and Expenses
For the year ended April 30, 2026, finance income, finance costs, other income and expenses netted to a gain of $0.9 million compared to a net gain of $0.4 million in the year ended April 30, 2025. The current year income is driven by finance income earned on the Company's cash.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Capital Resources

(In thousands of dollars except ratios)	Year Ended April 30,			
Key Balance Sheet Amounts and Ratios		**2026**		2025
Cash and cash equivalents	**$**	**19,117**	$	111,665
Working capital	**$**	**131,749**	$	206,900
Long-term assets	**$**	**72,426**	$	68,374
Days sales outstanding in accounts receivable		**57**		51

Statement of Cash Flow Summary

	Year Ended April 30,			
		2026		2025
Operating activities	**$**	**76,247**	$	99,625
Investing activities	**$**	**(17,829)**	$	(6,729)
Financing activities	**$**	**(147,127)**	$	(71,428)
Net (decrease) increase in cash	**$**	**(92,548)**	$	25,340

Operating Activities
For the year ended April 30, 2026, the Company generated cash from operations of $76.2 million, compared to $99.6 million for the year ended April 30, 2025. Excluding the effects of the changes in non-cash working capital and current taxes, the Company generated cash from operations of $86.4 million for the year ended April 30, 2026, compared to $79.6 million for the year ended April 30, 2025.

Investing Activities
The Company used cash for investing activities of $17.8 million for the year ended April 30, 2026, which was principally driven from the acquisition of capital assets for $18.7 million, including the acquisition of land and building for $3.0 million outside of Pittsburgh, PA, as the Company expands its manufacturing footprint in the United States and the acquisition of an airplane for $4.4 million. This was partially offset by proceeds from disposal of capital assets of $0.9 million, including the disposal of airplanes.

Financing Activities
For the year ended April 30, 2026, the Company used cash from financing activities of $147.1 million, which was principally driven by dividends paid of $136.7 million, including a special dividend of $75.5 million, $4.5 million in principle payments on capitalized leases and capital stock repurchased for $4.1 million.

WORKING CAPITAL

As at April 30, 2026, the Company had cash and cash equivalents of $19.1 million, compared to $111.7 million in cash and cash equivalents as at April 30, 2025.

The Company had working capital of $131.7 million as at April 30, 2026, compared to $206.9 million as at April 30, 2025. During the year, the Company had taken proactive steps to minimize the impact of increased lead times in the global supply chain relating to memory and processors in particular, by increasing raw material inventory. During the year, the Company has increased total raw materials by $9.5 million or 10% since April 30, 2025.

The Company believes that the current balance in cash plus future cash flow from operations will be sufficient to finance growth and related investment and financing activities in the foreseeable future.

Day sales outstanding in accounts receivable were 57 days at April 30, 2026, as compared to 51 for April 30, 2025.

SHARE CAPITAL STRUCTURE

Authorized capital stock consists of an unlimited number of common and preferred shares.

	Year Ended April 30,	
	2026	2025
Common shares	**75,583,950**	75,750,235
Stock options granted and outstanding	**1,030,000**	3,245,225
Restricted stock options granted and outstanding	**3,157,400**	1,632,250

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, bank indebtedness, trade and other receivables, trade and other payables and long- term debt. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company estimates the fair value of these instruments approximates the carrying values as listed below.

Fair Values and Classification of Financial Instruments:

The following summarizes the significant methods and assumptions used in estimating the fair values of financial instruments:

I. Quoted prices (unadjusted) in active markets for identical assets or liabilities.

II. Inputs other than quoted prices included in level I that are observable for the asset or liability, either directly or indirectly. Cash and cash equivalents, trade and other receivables, trade and other payables and long-term debt fair value measurements have been measured within level II.

III. Inputs for the asset or liability that are not based on observable market data.

CONTRACTUAL OBLIGATIONS

The following table sets forth the Company's contractual obligations as at April 30, 2026.

	Payments Due by Period				
(In thousands)	Total	Less than 1 Year	2-3 Years	4-5 Years	Thereafter
Redemption liabilities	$ 4,414	$ 4,414	$ -	$ -	$ -
Lease commitments	14,223	4,618	7,823	1,476	306
	$ 18,637	$ 9,032	$ 7,823	$ 1,476	$ 306

OFF-BALANCE SHEET FINANCING

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

In the normal course of business, we may enter into transactions with related parties. These transactions occur under market terms consistent with the terms of transactions with unrelated arms-length second parties. The Company continues to lease a premise from a company in which two shareholders' each indirectly hold a 16% interest, continues to lease a facility from a company in which two shareholders each indirectly hold a 20% interest, continues to lease three facilities for manufacturing where two shareholders indirectly own 100% interest, continues to lease a facility from a company in which two shareholders each indirectly own a 35% interest, and continues to lease a facility where two shareholders each indirectly own 46.6%.

SELECTED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION

The following table sets out selected consolidated financial information for each of the eight quarters ended April 30, 2026. In the opinion of management, this information has been prepared on the same basis as the audited consolidated financial statements. The operating results for any quarter should not be relied upon as any indication of results for any future period.

	Quarter Ending							
(In thousands)	**2026**		2025				2024	
	Apr 30	Jan 31	Oct 31	July 31	Apr 30	Jan 31	Oct 31	July 31
Hardware revenue	**$ 65,760**	$ 76,787	$ 72,013	$ 60,503	$ 71,673	$ 81,199	$ 70,477	$ 55,711
Reoccuring software, services and other software revenue	**65,808**	62,546	60,722	51,642	56,132	55,717	54,783	55,932
Revenue	**$ 131,568**	$ 139,333	$ 132,735	$ 112,145	$ 127,805	$ 136,916	$ 125,260	$ 111,643
Cost of goods sold	**53,498**	58,087	54,906	43,303	48,920	57,818	50,999	45,381
Gross margin	**$ 78,070**	$ 81,246	$ 77,829	$ 68,842	$ 78,885	$ 79,098	$ 74,261	$ 66,262
Operating expenses	**56,584**	55,428	52,793	53,858	59,481	50,990	52,869	53,653
Earnings from operations	**$ 21,486**	$ 25,818	$ 25,036	$ 14,984	$ 19,404	$ 28,108	$ 21,392	$ 12,609
Non-operating income	**(309)**	(24)	210	1,037	(826)	49	564	606
Earnings before taxes	**$ 21,177**	$ 25,794	$ 25,246	$ 16,021	$ 18,578	$ 28,157	$ 21,956	$ 13,215
Net earnings	**$ 15,142**	$ 18,458	$ 18,527	$ 11,842	$ 13,005	$ 20,915	$ 15,804	$ 9,669
Net earnings per share:								
Basic	**$ 0.20**	$ 0.24	$ 0.25	$ 0.16	$ 0.17	$ 0.28	$ 0.21	$ 0.13
Diluted	**$ 0.20**	$ 0.24	$ 0.24	$ 0.15	$ 0.17	$ 0.27	$ 0.21	$ 0.13
Dividends per share	**$ 0.205**	$ 1.205	$ 0.20	$ 0.20	$ 0.20	$ 0.20	$ 0.195	$ 0.195

The Company's revenue and corresponding earnings can vary from quarter to quarter depending on the delivery requirements of our customers. Our customers can be influenced by a variety of factors including upcoming sports or entertainment events as well as their access to capital. Net earnings represent net earnings attributable to shareholders.

DISCLOSURE CONTROLS AND PROCEDURES

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in National Instrument 52-109 of the Canadian Securities Administrators) as of April 30, 2026. Management has concluded that, as of April 30, 2026, the Company's disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period in which this report was being prepared.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for and has designed internal controls over financial reporting, or caused it to be designed under management's supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has concluded that, as of April 30, 2026, the Company's internal controls over financial reporting were effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes to the Company's internal controls over financial reporting during the year ended April 30, 2026, that have materially affected, or reasonably likely to materially affect, its internal controls over financial reporting. Management is currently operating under the *Committee of Sponsoring Organizations of the Treadway Commission Internal Control-Integrated Framework: 2013.*

OUTLOOK

Management is encouraged with the Company's revenue outlook, including within the cloud native technology and service business. Gross margin percentages may vary depending on the mix of products sold, the Company's success in winning more complete projects, utilization of manufacturing capacity and the competitiveness of the pricing environment. R&D will continue to be a key focus as the Company continues to invest in new product developments.

RISKS AND UNCERTAINTIES

Note that the outlook does not incorporate any potential impact from the U.S. tariffs announced over the past twelve to eighteen months on products imported from Canada or the retaliatory Canadian tariffs imposed on Canadian imports from the U.S. The Company has minimized its exposure to current U.S. and Canadian tariffs as the Company has manufacturing capabilities in Canada and the U.S. and the majority of the products sold by the Company are USMCA compliant.

The Company risk factors are outlined in our AIF filed on SEDAR.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Evertz Technologies Limited

OPINION

We have audited the consolidated financial statements of Evertz Technologies Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at April 30, 2026 and 2025, and the consolidated statements of earnings, comprehensive earnings, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at April 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other 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.

REVENUE RECOGNITION

Description of the key audit matter

The Group generates revenue through the sale of hardware, software solutions, services, warranty and maintenance as well as a combination of these revenue streams. The Group's contracts with customers involve multiple performance obligations. Determining whether the products and services represent distinct performance obligations, the allocation of the transaction fee to the performance obligations and, for certain performance obligations in certain arrangements, whether to recognize revenue at a point in time or over time may require significant management judgment.

We identified this a key audit matter due to the judgments involved in identifying distinct performance obligations, including the determination of timing of revenue recognition. This has resulted in a higher degree of judgment and audit effort in performing the procedures to audit the revenue recognition.

Please refer to note 2 Material Accounting Policies and note 15 Revenue to the consolidated financial statements.

How the Key Audit Matter Was Addressed in the Audit
Our audit procedures to address the Key Audit Matter included, but were not limited to, the following:

- We agreed key contractual terms back to signed contracts, including contract amendments and correspondence with customers, where applicable;

- Assessed the Group's determination of the distinct performance obligation by examining the contracts;

- We assessed the Group's determination of the allocation of the transaction fee to the performance obligation based on the standalone selling price for the performance obligation; and

- We obtained evidence of the Group's satisfaction of the performance obligation to the customers and assessed the Group's determination of whether to recognize the related revenues over time or at a point in time based on the terms of the agreements and the nature of the performance obligation rendered.

OTHER INFORMATION

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

- The information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Report, and

- The information included in the Management Discussion and Analysis.

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management 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 Accounting Standards as issued by the IASB, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Jamie Barron.

BDO Canada LLP

CHARTERED PROFESSIONAL ACCOUNTANTS, LICENSED PUBLIC ACCOUNTANTS

Oakville, Ontario
June 24, 2026

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at April 30, 2026 and April 30, 2025

(In thousands of Canadian dollars)		**April 30, 2026**		April 30, 2025
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**19,117**	$	111,665
Trade and other receivables (note 3)		**81,131**		71,743
Contract assets		**15,987**		15,568
Prepaid expenses		**14,974**		9,677
Inventories (note 4)		**200,213**		181,011
Income tax receivable (note 27)		**10,980**		1,649
		342,402		391,313
Property, plant and equipment (note 5)		**41,459**		32,211
Right-of-use assets (note 6)		**10,980**		15,816
Goodwill (note 7)		**19,987**		20,001
Intangibles (note 8)		**-**		346
Deferred income taxes (note 27)		**10,161**		9,798
	$	**424,989**	$	469,485
LIABILITIES				
Current liabilities				
Trade and other payables	**$**	**95,325**	$	67,982
Provisions (note 10)		**5,953**		5,269
Current portion of deferred revenue		**99,672**		101,035
Current portion of lease obligations (note 11)		**5,289**		5,091
Redemption liability (note 13)		**4,414**		3,798
		210,653		183,175
Long-term deferred revenue		**4,609**		1,238
Long-term lease obligations (note 11)		**8,448**		13,781
		223,710		198,194
EQUITY				
Capital stock (note 14)		**146,589**		144,978
Share based payment reserve		**28,112**		24,195
Accumulated other comprehensive earnings		**7,229**		6,568
Retained earnings		**16,237**		92,382
		23,466		98,950
Total equity attributable to shareholders		**198,167**		268,123
Non-controlling interest (note 24)		**3,112**		3,168
		201,279		271,291
	$	**424,989**	$	469,485

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended April 30, 2026 and 2025

(In thousands of Canadian dollars)	Capital stock	Share-based payment reserve	Accumulated other comprehensive earnings	Retained earnings	Total equity attributable to shareholders	Non-controlling interest	Total Equity
Balance at April 30, 2024	**$ 145,721**	**$ 19,246**	**$ 1,197**	**$ 97,103**	**$ 263,267**	**$ 3,410**	**$ 266,677**
Net earnings for the year	-	-	-	59,393	59,393	374	59,767
Foreign currency translation adjustment	-	-	5,371	-	5,371	134	5,505
Total comprehensive earnings for the year	$ -	$ -	$ 5,371	$ 59,393	$ 64,764	$ 508	$ 65,272
Dividends declared	-	-	-	(60,054)	(60,054)	(750)	(60,804)
Issued on exercise of employee stock options	49	-	-	-	49	-	49
Transfer of stock options	4	(4)	-	-	-	-	-
Share based compensation expense	-	4,954	-	-	4,954	-	4,954
Repurchase of common shares	(796)	-	-	(4,060)	(4,856)	-	(4,856)
Balance at April 30, 2025	**$ 144,978**	**$ 24,196**	**$ 6,568**	**$ 92,382**	**$ 268,124**	**$ 3,168**	**$ 271,292**
Net earnings for the year	-	-	-	63,967	63,967	454	64,421
Foreign currency translation adjustment	-	-	661	-	661	41	702
Total comprehensive earnings for the year	$ -	$ -	$ 661	$ 63,967	$ 64,628	$ 495	$ 65,123
Dividends declared	-	-	-	(136,676)	(136,676)	(551)	(137,227)
Repurchase of common shares (note 14)	(655)	-	-	(3,436)	(4,091)	-	(4,091)
Issued on exercise of employee stock options (note 14)	193	-	-	-	193	-	193
Transfer on exercise of stock options and restricted share units (note 14)	2,073	(2,073)	-	-	-	-	-
Share based compensation expense (note 19)	-	5,989	-	-	5,989	-	5,989
Balance at April 30, 2026	**$ 146,589**	**$ 28,112**	**$ 7,229**	**$ 16,237**	**$ 198,167**	**$ 3,112**	**$ 201,279**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

Years ended April 30

(In thousands of Canadian dollars, except per share amounts)		**2026**		2025
Revenue (notes 15 and 22)	**$**	**515,781**	$	501,623
Cost of goods sold		**209,794**		203,118
Gross margin		**305,987**		298,505
Expenses				
Selling, administrative and general (note 16)		**81,822**		81,604
Research and development (note 17)		**153,442**		151,233
Investment tax credits		**(17,020)**		(15,626)
Foreign exchange loss (gain)		**421**		(218)
		218,665		216,993
		87,322		81,512
Finance income		**2,764**		2,779
Finance costs		**(1,506)**		(1,567)
Net loss on investments through profit and loss (note 9)		**-**		(1,283)
Other (expenses) income		**(344)**		463
Earnings before income taxes		**88,236**		81,904
Provision for (recovery of) income taxes				
Current (note 27)		**24,321**		24,918
Deferred (note 27)		**(506)**		(2,781)
		23,815		22,137
Net earnings for the year	**$**	**64,421**	$	59,767
Net earnings attributable to non-controlling interest (note 24)	**$**	**454**	$	374
Net earnings attributable to shareholders		**63,967**		59,393
Net earnings for the year	**$**	**64,421**	$	59,767
Earnings per share (note 26)				
Basic	**$**	**0.85**	$	0.78
Diluted	**$**	**0.83**	$	0.77

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

Years ended April 30

(In thousands of Canadian dollars)		**2026**		2025
Net earnings for the year	**$**	**64,421**	$	59,767
Other comprehensive earnings:				
Items that may or will be reclassified to earnings:				
Foreign currency translation adjustment		**702**		5,505
Comprehensive earnings	**$**	**65,123**	$	65,272
Comprehensive earnings attributable to non-controlling interest	**$**	**495**	$	508
Comprehensive earnings attributable to shareholders		**64,628**		64,764
Comprehensive earnings	**$**	**65,123**	$	65,272

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended April 30

(In thousands of Canadian dollars)		**2026**		2025
Operating activities				
Net earnings for the year	**$**	**64,421**	$	59,767
Add: Items not involving cash				
Depreciation of property, plant and equipment (note 5)		**9,483**		10,337
Amortization of right-of-use assets (note 6)		**5,001**		4,986
Amortization of intangibles (note 8)		**346**		767
Gain on disposal of property, plant and equipment (note 5)		**(421)**		(678)
Realized and unrealized loss on investments (notes 9 and 13)		**616**		1,270
Share-based compensation (note 19)		**5,989**		4,954
Interest expense		**1,507**		998
Deferred income tax expense (note 27)		**(506)**		(2,781)
		86,436		79,620
Current tax expenses, net of investment tax credits (note 27)		**7,301**		9,292
Income taxes paid		**(13,217)**		(13,357)
Changes in non-cash working capital items (note 18)		**(4,273)**		24,070
Cash provided by operating activities		**76,247**		99,625
Investing activities				
Proceeds from disposal of business unit (note 9)		**-**		200
Acquisition of property, plant and equipment (note 5)		**(18,692)**		(7,945)
Proceeds from disposal of property, plant and equipment (note 5)		**863**		1,016
Cash used in investing activities		**(17,829)**		(6,729)
Financing activities				
Principal payments of lease liabilities (note 11)		**(4,495)**		(4,820)
Interest paid		**(1,507)**		(998)
Dividends paid		**(136,676)**		(60,054)
Dividends paid by subsidiaries to non-controlling interests		**(551)**		(749)
Capital stock repurchased (note 14)		**(4,091)**		(4,856)
Capital stock issued (note 14)		**193**		49
Cash used in financing activities		**(147,127)**		(71,428)
Effect of exchange rates on cash and cash equivalents		**(3,839)**		3,872
(Decrease) increase in cash and cash equivalents		**(92,548)**		25,340
Cash and cash equivalents at beginning of year		**111,665**		86,325
Cash and cash equivalents at end of year	**$**	**19,117**	$	111,665

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended April 30, 2026 and 2025

(In thousands of Canadian dollars, except for “number of common shares”, “number of options” and “per share” information)

EVERTZ TECHNOLOGIES LIMITED (“EVERTZ” OR THE “COMPANY”) IS INCORPORATED UNDER THE *CANADA BUSINESS CORPORATIONS ACT*. THE COMPANY IS INCORPORATED AND DOMICILED IN CANADA AND THE REGISTERED HEAD OFFICE IS LOCATED AT 5292 JOHN LUCAS DRIVE, BURLINGTON, ONTARIO, CANADA. THE COMPANY IS A LEADING SUPPLIER OF SOFTWARE, EQUIPMENT AND TECHNOLOGY SOLUTIONS TO THE TELEVISION BROADCAST, TELECOMMUNICATIONS, PROFESSIONAL AUDIO-VISUAL, GOVERNMENT, MILITARY, ENTERPRISE, AND NEW MEDIA SECTORS. THE COMPANY DESIGNS, MANUFACTURES AND DISTRIBUTES VIDEO AND AUDIO INFRASTRUCTURE SOLUTIONS FOR THE PRODUCTION, POST–PRODUCTION, BROADCAST AND TELECOMMUNICATIONS MARKETS.

1. STATEMENT OF COMPLIANCE

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

These consolidated financial statements were authorized for issue by the Board of Directors on June 24, 2026.

2. MATERIAL ACCOUNTING POLICIES

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the Company’s parent company functional currency. Each subsidiary of the Company determines its own functional currency based on the primary economic environment in which the subsidiary operates. All financial information presented in Canadian dollars has been rounded to the nearest thousand, except per share amounts.

Basis of Consolidation

These financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor’s returns.

The results of subsidiaries acquired or disposed of are included in the consolidated statements of earnings and comprehensive earnings from the effective date of acquisition of control and up to the effective date of disposal of control, as appropriate. Total comprehensive earnings of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-Company transactions, balances, income and expenses are eliminated in full consolidation.

Revenue Recognition

Revenue is measured using a five-step recognition model which includes; 1) identifying the contract(s) with the customer; 2) identifying the separate performance obligations in the contract; 3) determining the transaction price; 4) allocating the transaction price to separate performance obligations; and 5) recognizing revenue when (or as) each performance obligation is satisfied.

Step 1: Identifying the contract

Before recognizing revenue, the Company reviews customer contracts to ensure each party’s rights and payment terms are identified, there is commercial substance, and that it is probable that the Company will collect the consideration in exchange for the goods or services as stated in the contract. The Company may enter into multiple contracts with the same customer. The Company uses judgment in evaluating whether various contracts are interrelated, which includes considerations as to whether they were negotiated as a package with a single commercial objective, whether the amount of consideration on one contract is dependent on the performance of the other contract, or if some or all goods and services in the contracts are a single performance obligation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New arrangements with existing customers can either be treated as a new contract or the modification of prior contracts with the customer. The Company uses judgment in making this determination, considering whether there is a connection between the new arrangement and the pre-existing contract, whether the goods and services under the new arrangement are highly interrelated with the goods and services sold under prior contracts, and how the goods and services under the new arrangement are priced. In determining whether a transaction price represents a contract modification or a change in variable consideration, the Company examines whether the change in price results from changing the contract or from applying unchanged existing contract provisions.

Step 2: Identifying performance obligations
The Company regularly sells hardware and software solutions with related services. Software solutions including both, right to access and right to use term based and perpetual licenses and stand-alone software solutions services. Services include training and commissioning, warranty, maintenance and support and other professional services. A customer contract typically lists items separately with distinct item descriptions, quantities, and prices. If a contract contains a bundle of items priced together at a single price, the Company analyzes the contract to identify distinct performance obligations within the bundle. The Company uses judgment in determining whether a good or service, such as commissioning is considered separate performance obligations or are combined into one distinct performance obligation.

Step 3: Determining the transaction price
Transaction prices are typically the prices stated on the purchase orders or contracts, net of discounts. The Company reviews customer contracts for any variable considerations, existence of significant financing components and payables to customers, and adjusts transaction prices accordingly. Variable consideration is estimated and included in the transaction price based on the most likely amount to be received. The Company does not account for significant financing components if the period between when the Company transfers the promised goods or services to the customer and when the customer pays for those goods or services is one year or less.

Step 4: Allocating the transaction price to performance obligations
If a customer contract includes multiple performance obligations, the transaction price is allocated to each performance obligation based on its relative stand-alone selling price. If a stand-alone selling price is not directly observable, the Company estimates the stand-alone selling price of individual elements, based on prices at which the deliverable is regularly sold on a stand-alone basis after considering specific discounts where appropriate.

Step 5: Recognizing revenue upon satisfaction of performance obligations
The timing of revenue recognition is based on when a customer obtains control of the asset. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. The Company reviews customer contracts and the nature of the performance obligations to determine if a performance obligation is satisfied over time or at a point in time, and recognizes revenue accordingly.

Revenue from sales of hardware are recognized upon shipment, provided that the significant risks and rewards of ownership have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue can be reliably measured and its probable that the economic benefits will flow to the Company.

Revenue from software solutions are recognized either over a period of time or at a point in time depending on the contractual terms of the contract identified and the specific performance obligations identified therein. For performance obligations recognized at a point in time, revenue is recognized following the transfer of control or the Company has objective evidence that criteria for acceptance has been satisfied. For performance obligations satisfied over time, the Company measures the progress using the output method, measuring progress toward satisfaction of the performance obligation.

Revenue from services is recognized as services are performed and warranty and maintenance revenue is recognized ratably over the period of service.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certain of the Company's hardware and software solutions contracts are long-term in nature, and the Company measures the progress using either an input or output method, depending on which yields the most reliable estimate. For construction type contracts, where estimated total costs and the outcome of the contract can be assessed reliably, the Company recognizes revenue over time, based on costs incurred relative to the estimated total contract costs. When the outcome of the contract cannot be assessed reliably, contract costs incurred are immediately expensed and revenue is recognized only to the extent that costs are considered likely to be recovered. For software solutions that require significant customization, where the direct measurement of value to the customer results in the best estimate and criteria for recognition over time is met, the Company recognizes revenue over time based on value provided to the customer to date. Revenue recognized in excess of billings are recorded as contract assets, while billings in excess of revenue recognized is recorded as deferred revenue.

Customer contracts have a variety of different payment terms. Contract assets are recognized when revenue is recognized in excess of billings or when the Company has a right to consideration and that right is conditional to something other than the passage of time. Contract assets are subsequently transferred to accounts receivable when the right to payment becomes unconditional. This usually occurs when the Company issues an invoice to the customer. Contract assets are adjusted for expected credit losses.

Contract assets are adjusted for expected credit losses, which are estimated based on factors such as the Company's past experience of collecting payments from the applicable customer, observable changes in national or local economic conditions that correlated with default on contract assets, financial difficulties of the customer, and it becoming probable that the borrow will either enter bankruptcy or financial reorganization.

Deferred revenue relates to advance consideration received from customers in excess of revenue recognized under the contract. Deferred revenue has been classified as long-term where the contractual obligations relating to the consideration are required to be provided by the Company more than one year from the presentation date. During the year, the Company recognized $81,288 in revenue that was recognized as deferred revenue at the beginning of the year (2025 – $74,547). As at April 30, 2026, for contracts in progress, the company has performance obligations that are expected to be completed within the next year of $108,313 and $113,925 expected to be completed in more than one year.

Finance Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand and in the bank.

Inventories
Inventories consist of raw materials and supplies, work in progress and finished goods. Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes raw materials, the cost of direct labour applied to the product and the overhead expense.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Property, Plant and Equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any recognized impairment loss. Where the costs of certain components of an item of property, plant and equipment are significant in relation to the total cost of the item, they are accounted for and depreciated separately. Depreciation expense is calculated based on depreciable amounts which is the cost of an asset less residual value and is recognized in earnings on a straight-line basis over the estimated useful life of the related asset. Borrowing costs are capitalized to the cost of qualifying assets that take a substantial period of time to be ready for their intended use.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The estimated useful lives are as follows:

ASSET	BASIS	RATE
Office furniture and equipment	Straight-line	10 years
Research and development equipment	Straight-line	5 years
Machinery and equipment	Straight-line	5 - 15 years
Leaseholds	Straight-line	5 years
Building	Straight-line	10 - 40 years
Airplanes	Straight-line	10 - 20 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in earnings.

The Company reviews the residual value, estimated useful life and the depreciation method at least annually.

Impairment of Non-Financial Assets
Goodwill is tested for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount may be more than its recoverable amount. At each reporting period, the Company reviews the carrying amounts of its other non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash inflows that are largely independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Goodwill is allocated to a group of CGU's based on the level at which it is monitored for internal reporting purposes.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss relating to a CGU to which goodwill has been allocated, is allocated to the carrying amount of the goodwill first. An impairment loss is recognized immediately in earnings.

An impairment loss in respect of goodwill is not reversed. Where an impairment loss subsequently reverses for other non-financial assets, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in earnings.

Intangible Assets
Intangible Assets
Intangible assets represent intellectual property acquired through business acquisitions and are recorded at cost less any impairment loss and are amortized using the straight–line method over a five–year period. The estimated useful life and amortization method are reviewed at the end of each reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and Development
All research and development expenditures are expensed as incurred unless a development project meets the criteria for capitalization. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No internally generated intangible assets have been recognized to date.

Research and development expenditures are recorded gross of investment tax credits and related government grants. Investment tax credits for scientific research and experimental development are recognized in the period the qualifying expenditures are incurred if there is reasonable assurance that they will be realized.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leasing
At inception of a contract, the Company assesses whether that contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company records a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, consisting of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the site on which it is located; less any lease incentives received.

The right-of-use asset is depreciated on a straight-line basis over the lease term. The lease term consists of the non-cancellable period of the lease; periods covered by options to extend the lease, where the Company is reasonably certain to exercise the option; and periods covered by options to terminate the lease, where the Company is reasonably certain not to exercise the option. The right-of-use asset is adjusted for remeasurement of lease liabilities resulting from a change in future lease payments arising from a change in rate or a change in the assessment of whether an extension or termination options will be exercised.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company generally use their incremental borrowing rate as the interest rate implicit in our leases cannot be readily determined. The lease liability is subsequently measured at amortized cost using the effective interest rate method. After the commencement date, the lease liability is remeasured if there is a modification, including a change in the lease term. Certain leases require us to make payments that relate to property taxes, insurance, and other non-rental costs. These non-rental costs are typically variable and are not included in the calculation of the right-of-use asset or lease liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Currency Translation

The individual financial statements of each subsidiary entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are presented in Canadian dollars (“CDN”), which is the functional currency of the parent Company and the presentation currency for the financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognized in earnings in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company’s foreign operations are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Foreign currency gains and losses are recognized in other comprehensive earnings. The relevant amount in cumulative foreign currency translation adjustment is reclassified into earnings upon disposition or partial disposition of a foreign operation and attributed to non-controlling interests as appropriate.

Income Taxes

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net earnings as reported in the statement of earnings because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on unused tax losses and credits, as well as differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which unused tax losses, credits and other deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is charged or credited to earnings, except when it relates to items charged or credited directly to other comprehensive earnings or equity, in which case the deferred tax is also dealt with in other comprehensive earnings or equity.

Share Based Compensation

Equity settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based transactions are set out in note 19.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period of the option based on the Company's estimate of the number of equity instruments that will eventually vest. At each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in earnings such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share based payment reserve.

Cash settled share based compensation to employees, including restricted share units, or others providing similar services are measured at the fair value of the instruments at the grant date. The fair value is recognized as an expense with a corresponding increase in liabilities, both over the vesting period of the option grant. At each reporting period, the Company revises its estimate of fair value and the number of instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in earnings such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to liabilities.

Earnings Per Share
The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the net earnings attributable to shareholders by the weighted average number of common shares outstanding during the year. Diluted EPS is determined by adjusting the net earnings attributable to shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares, which is comprised of share options granted to employees with an exercise price below the average market price.

Finance Costs
Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other finance costs are recognized in earnings in the period in which they are incurred.

Investment Tax Credits
The Company is entitled to investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Investment tax credits relate entirely to the Company's research and development expenses in the consolidated statements of earnings but are presented separately in the consolidated statements of earnings for information purposes. Investment tax credits are recognized and recorded within income tax receivable or as a reduction of income tax payable, when there is reasonable assurance they will be received.

Financial Instruments
The Company's financial assets and liabilities which are initially recorded at fair value and subsequently measured based on their assigned classifications as follows:

Assets/Liabilities	Classification
Cash and cash equivalents	Amortized cost
Trade and other receivables	Amortized cost
Investments in public companies	Fair value through other comprehensive income
Investments in private companies	Fair value through profit and loss
Trade and other payables	Amortized cost
Redemption liability	Fair value through profit and loss

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Assets
All financial assets are initially measured at fair value, plus transaction costs. Transaction costs in respect of financial instruments that are classified as fair value through profit or loss are recognized in earnings immediately. Transaction costs in respect of other financial instruments are included in the initial measurement of the financial instrument.

Financial assets are classified into the following specific categories: financial assets "at fair value through profit or loss" ("FVTPL"), "fair value through other comprehensive income ("FVTOCI")" and "amortized cost". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in earnings. Financial assets at FVTOCI are stated at fair value, with any gains or losses arising on re-measurement recognized in other comprehensive earnings. Where financial assets at FVTOCI are derecognized, the gains or losses previously recognized in other comprehensive earnings is reclassified from other comprehensive earnings to earnings.

Impairment of Financial Assets
Financial assets, other than those at FVTPL and FVTOCI, are assessed for indicators of impairment at the time of initial recognition and at each reporting period. The Company measures a loss allowance based on the lifetime expected credit losses. Lifetime expected credit losses are estimated based on factors such as the Company's past experience of collecting payments, observable changes in national or local economic conditions that correlated with default on receivables, financial difficulties of the borrower, and it becoming probable that the borrow will either enter bankruptcy or financial reorganization. Financial assets are written off when there is no reasonable expectation of recovery.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. A trade receivable is considered impaired if it is probable that a customer will not pay all amounts due. When a trade receivable is considered impaired, it is recorded in the allowance account. Subsequent recoveries of amounts are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in earnings. When there is no reasonable expectation of recovery, the trade receivable balance is written off against the allowance account.

Financial Liabilities and Equity Instruments Issued by the Company
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in earnings. The net gain or loss recognized in earnings incorporates any interest paid on the financial liability and is included in the "other income and expenses" line item in the consolidated statements of earnings.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Critical Accounting Estimates and Judgments
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Consequently, actual results could differ from those estimates. Those estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant estimates include the determination of expected credit losses and the amount and timing of cash flows expected to be received from customers, which are used to calculate an allowance for doubtful accounts against existing receivables, and are described in further detail within Note 21. Significant estimates are used in applying the five steps of revenue recognition, including the allocation of the transaction price on customer contracts with multiple deliverables, which are based on standalone selling prices of the applicable deliverable or using estimation techniques where no standalone selling prices are available. Significant estimates are used to calculate the provision for inventory obsolescence, which is recorded to adjust to the net realizable value of inventory and based on current market prices, current sales forecasts of both finished goods and forecasted raw material usages, product life cycles, and management's assessment of market conditions experiences. The determination of fair value for share based compensation requires significant estimates in determining the most appropriate valuation model for a grant, which is dependent on the terms and conditions of the grant and are described in greater detail within Note 19. Significant estimates are used in the assessment of impairment of goodwill, including the allocation of assets to specific cash generating units and the forecasted cash flows and discounts rates applied in calculating their value in use, as described in Note 7.

Significant items requiring the use of judgment in application of accounting policies and assumptions include the determination of functional currencies, classification of financial instruments, classification of leases, determination of the number of revenue performance obligations, the allocation of transaction prices on customer contracts, determination if revenues should be recognized at a point in time or over time, application of the percentage of completion method on long-term contracts, degree of componentization applied when calculating amortization of property, plant and equipment, and identification of cash generating units for impairment testing purposes.

Operating Segments
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company reviewed its operations and determined that it operates a single reportable segment, the video and audio infrastructure solutions market. The single reportable operating segment derives its revenue from the sale of hardware and software solutions, related services, training and commissioning and long-term contracts.

Changes in Accounting Policies

Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates
Effective May 1, 2025, the Company adopted amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates. Amendments made to IAS 21, The Effects of Changes in Foreign Exchange Rates was issued by the IASB in August 2023, and provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The adoption of the amendments did not have a material impact on the consolidated financial statements of the Company.

New and Revised IFRSs Issued but Not Yet Effective

The following is a list of amendments, revisions and new International Financial Reporting Standards issued but not yet effective. Unless otherwise indicated, earlier application is permitted.

Presentation and Disclosure in Financial Statements
IFRS 18, Presentation and Disclosure in Financial Statements issues was issued by the IASB in April 2024, and replaces IAS 1, Presentation of Financial Statements. The standard is effective for reporting periods beginning on or after January 1, 2027. The Company has not yet determined the impact of the standard.

Disclosure in Subsidiaries without Public Accountability
IFRS 19, Subsidiaries without Public Accountability: Disclosures was issued by the IASB in May 2024, and reduces disclosure requirements within the consolidated financial statements relating to eligible subsidiaries of the Company. The standard is effective for reporting periods beginning on or after January 1, 2027. The Company does not expect a material impact on the consolidated financial statements of the Company as a result of the amendment but has not yet finalized the analysis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amendments to the Classification and Measurement of Financial Instruments
IFRS 9, Financial Instruments was amended by the IASB in May 2024. This amendment focuses on clarifying classification and measurement of financial instruments. This standard is effective for reporting periods beginning on or after January 1, 2026. The Company has not yet determined the impact of the standard.

3. TRADE AND OTHER RECEIVABLES

		2026		2025
Trade receivables, net of allowances	**$**	**78,319**	$	69,153
Other receivables		**2,812**		2,590
	$	**81,131**	$	71,743

4. INVENTORIES

		2026		2025
Finished goods	**$**	**58,039**	$	51,295
Raw material and supplies		**104,607**		95,084
Work in progress		**37,567**		34,632
	$	**200,213**	$	181,011

Cost of sales for the year ended April 30, 2026, included $175,574 of inventory (2025 - $170,058) and $6,098 of inventory write-offs (2025 - $9,960).

5. PROPERTY, PLANT AND EQUIPMENT

	April 30, 2026			April 30, 2025		
	Cost	**Accumulated Depreciation**	**Carrying Amount**	Cost	Accumulated Depreciation	Carrying Amount
Office furniture and equipment	**$ 5,328**	**$ 4,301**	**$ 1,027**	$ 5,614	$ 4,090	$ 1,524
Research and development equipment	**41,897**	**34,040**	**7,857**	38,037	31,595	6,442
Airplanes	**6,815**	**2,035**	**4,780**	10,490	9,831	659
Machinery and equipment	**80,861**	**70,296**	**10,565**	77,620	66,164	11,456
Leaseholds	**12,558**	**9,076**	**3,482**	10,723	8,318	2,405
Land	**3,413**	**-**	**3,413**	2,262	-	2,262
Buildings	**14,399**	**4,064**	**10,335**	11,555	4,092	7,463
	$ 165,271	**$ 123,812**	**$ 41,459**	$ 156,301	$ 124,090	$ 32,211

Years ended April 30, 2026 and 2025 (In thousands of Canadian dollars, except for "number of common shares", "number of options" and "per share" information)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Office furniture and equipment	Research and development equipment	Airplanes	Machinery and equipment	Leaseholds	Land	Buildings	Total
Cost								
Balance as at April 30, 2024	**$ 5,387**	**$ 35,590**	**$ 11,854**	**$ 73,978**	**$ 10,240**	**$ 2,252**	**$ 10,864**	**$ 150,165**
Additions	247	2,131	250	4,301	479	-	537	7,945
Foreign exchange adjustments	480	316	-	(163)	4	10	154	801
Disposals	(500)	-	(1,614)	(496)	-	-	-	(2,610)
Balance as at April 30, 2025	**$ 5,614**	**$ 38,037**	**$ 10,490**	**$ 77,620**	**$ 10,723**	**$ 2,262**	**$ 11,555**	**$ 156,301**
Additions	120	3,896	4,507	4,918	1,738	1,122	2,391	18,692
Foreign exchange adjustments	(402)	(19)	-	62	97	29	453	220
Disposals	(4)	(17)	(8,182)	(1,739)	-	-	-	(9,942)
Balance as at April 30, 2026	**$ 5,328**	**$ 41,897**	**$ 6,815**	**$ 80,861**	**$ 12,558**	**$ 3,413**	**$ 14,399**	**$ 165,271**
Accumulated Depreciation								
Balance as at April 30, 2024	**$ 4,168**	**$ 28,610**	**$ 10,740**	**$ 60,974**	**$ 7,581**	**$ -**	**$ 3,708**	**$ 115,781**
Depreciation for the year	353	2,939	533	5,391	737	-	384	10,337
Foreign exchange adjustments	69	46	-	128	-	-	-	243
Disposals	(500)	-	(1,442)	(329)	-	-	-	(2,271)
Balance as at April 30, 2025	**$ 4,090**	**$ 31,595**	**$ 9,831**	**$ 66,164**	**$ 8,318**	**$ -**	**$ 4,092**	**$ 124,090**
Depreciation for the year	202	2,546	282	5,203	770	-	480	9,483
Foreign exchange adjustments	13	(84)	-	350	(12)	-	(508)	(241)
Disposals	(4)	(17)	(8,078)	(1,421)	-	-	-	(9,520)
Balance as at April 30, 2026	**$ 4,301**	**$ 34,040**	**$ 2,035**	**$ 70,296**	**$ 9,076**	**$ -**	**$ 4,064**	**$ 123,812**
Carrying Amounts								
At April 30, 2025	$ 1,524	$ 6,442	$ 659	$ 11,456	$ 2,405	$ 2,262	$ 7,463	$ 32,211
At April 30, 2026	**$ 1,027**	**$ 7,857**	**$ 4,780**	**$ 10,565**	**$ 3,482**	**$ 3,413**	**$ 10,335**	**$ 41,459**

6. RIGHT-OF-USE ASSETS

	Land & Building
Balance as at April 30, 2024	**$ 20,432**
Amortization for the year	(4,986)
Foreign exchange adjustments	370
Balance as at April 30, 2025	**$ 15,816**
Amortization for the year	(5,001)
Foreign exchange adjustments	165
Balance as at April 30, 2026	**$ 10,980**

7. GOODWILL

The changes in carrying amounts of goodwill are as follows:

		Cost
Balance as at April 30, 2024	**$**	**21,352**
Disposal and impairment (note 9)	$	(1,583)
Foreign exchange differences		232
Balance as at April 30, 2025	**$**	**20,001**
Foreign exchange differences		(14)
Balance as at April 30, 2026	**$**	**19,987**

The Company performs an impairment test annually on April 30th or whenever there is an indication of impairment. For the purposes of testing for impairment, goodwill has been allocated to the following cash-generating units as follows:

	April 30,			
		2026		2025
Evertz Microsystems Ltd. (note 9)	**$**	**12,603**	$	12,596
Holdtech Kft		**5,346**		5,346
Quintech		**997**		1,013
ATCI		**390**		395
Ease Live		**651**		651
	$	**19,987**	$	20,001

The key assumptions used in performing the impairment tests as at April 30, 2026, are as follows:

Method of determining recoverable amount:	Value in use
Discount Rate:	8.0% - 12.0%
Perpetual growth rate:	1.2% - 2.0%

Recoverable Amount

Management's past experience and future expectations of the business performance is used to make a best estimate of the expected revenue, earnings before interest, taxes, depreciation and amortization and operating cash flows for a five year period. Subsequent to the fifth year, the present value of the fifth year cash flows is calculated in perpetuity.

Discount Rate

The discount rate applied is a pre tax rate that reflects the time value of money and risk associated with the business. The discount rate applied varies depending on the jurisdictions in which the entity operates.

Perpetual Growth Rate

The perpetual growth rate is management's current assessment of the long-term growth prospect of the Company in the jurisdictions in which it operates.

Sensitivity Analysis

Management performs a sensitivity analysis on the key assumptions including applying decreased growth rates and higher discounts rates. The sensitivity analysis indicates reasonable changes to key assumptions will not result in an impairment loss.

Years ended April 30, 2026 and 2025 (In thousands of Canadian dollars, except for "number of common shares", "number of options" and "per share" information)

8. INTANGIBLES

		Cost
Balance as at April 30, 2024	**$**	**1,098**
Amortization		(767)
Foreign exchange differences		15
Balance as at April 30, 2025	**$**	**346**
Amortization		(346)
Balance as at April 30, 2026	**$**	**-**

The intangible assets relate to the technology and patents acquired during prior period acquisitions.

9. INVESTMENTS AND BUSINESS COMBINATIONS

In fiscal 2025, a Canadian business was disposed of for proceeds of $300 including cash of $200 and promissory notes totaling $100. At the time of disposal, the business had no net assets and goodwill of $1,583, which was previously allocated to the Evertz Microsystems Ltd business unit. Upon disposal, the Company recorded a loss on the disposal of $1,283. Prior to the disposal, in fiscal 2025, the entity had revenue of $120 and a net loss of $107. In fiscal 2026, there were no disposals or acquisitions of investments.

10. PROVISIONS

		Warranty and Returns		Lease/ Retirement Obligations		Total
Balance as at April 30, 2024	**$**	**4,603**	**$**	**343**	**$**	**4,946**
Net additions (reductions)		147		118		265
Foreign exchange differences		30		28		58
Balance as at April 30, 2025	**$**	**4,780**	**$**	**489**	**$**	**5,269**
Net additions (reductions)		723		-		723
Foreign exchange differences		(40)		1		(39)
Balance as at April 30, 2026	**$**	**5,463**	**$**	**490**	**$**	**5,953**

Warranty and Returns
The provision relates to estimated future costs associated with standard warranty repairs and returns on the Company's products and solutions. The provision is based on historical data associated with similar products. The warranty and returns are expected to be incurred within the next twelve months.

Lease/Retirement Obligations
The provision relates to the estimated restoration costs expected to be incurred upon the conclusion of Company leases.

11. LEASE LIABILITIES

		April 30, 2026		April 30, 2025
Opening Balance	**$**	**18,872**	$	23,216
Interest		**762**		975
Lease payments		**(5,257)**		(5,795)
Foreign exchange adjustments		**(640)**		476
Closing Balance	**$**	**13,737**	$	18,872
Less current portion		**5,289**		5,091
Long term lease obligations	**$**	**8,448**	$	13,781

12. CREDIT FACILITIES

The Company has a credit facility of $75 million and a treasury risk management facility up to $10 million available, bearing interest at prime, subject to certain covenants and secured by all Canadian based assets. As at April 30, 2026, and April 30, 2025, the Company was in compliance with covenants. There were no borrowings against the facilities as at April 30, 2026, or April 30, 2025.

13. REDEMPTION LIABILITY

		April 30, 2026		April 30, 2025
Opening Balance	**$**	**3,798**	$	3,811
Change in fair value		**686**		(38)
Foreign exchange adjustments		**(70)**		25
Closing Balance	**$**	**4,414**	$	3,798

On October 27, 2020, the Company completed the investment of 73% in the voting share capital of Ease Live AS (“Ease Live”), who are based in Bergen, Norway. Ease Live, which was formerly part of Sixty AS, is a direct to consumer interactive graphics company. The non-controlling shareholders held a put option for the remaining shareholdings, exercisable between November 15, 2022, and December 15, 2022, for a fixed cash price of $3,798. The option was not exercised. The non-controlling shareholders had another put option for the remaining shareholdings, that was exercised in December 2023, for a price to be determined through the valuation process. As at April 30, 2026, the valuation process continues. The put option has been separately valued as a redemption liability, at its estimated fair value as at April 30, 2026.

Years ended April 30, 2026 and 2025 (In thousands of Canadian dollars, except for "number of common shares", "number of options" and "per share" information)

14. CAPITAL STOCK

Authorized capital stock consists of:
Unlimited number of preferred shares
Unlimited number of common shares

	Number of Common Shares		Amount
Balance as at April 30, 2024	**76,164,322**	**$**	**145,721**
Issued on exercise of stock options (note 19)	4,000		49
Transferred on stock option exercise	-		4
Cancelled pursuant to NCIB	(418,087)		(796)
Balance as at April 30, 2025	**75,750,235**	**$**	**144,978**
Cancelled pursuant to NCIB	(343,335)		(655)
Issued on exercise of stock options (note 19)	15,000		193
Transfer on exercise of stock options	-		23
Issued on exercise of RSU (note 19)	162,050		-
Transfer on exercise of RSU	-		2,050
Balance as at April 30, 2026	**75,583,950**	**$**	**146,589**

Dividends Per Share
During the year, $1.81 in dividends per share (including a $1.00 special dividend) were declared (2025 - 0.79 per share).

Normal Course Issuer Bid
In November 2023, the Company renewed their Normal Course Issuer Bid ("NCIB") with the TSX to repurchase, at the Company's discretion, until November 2024, up to 3,802,024 outstanding common shares on the open market or as otherwise permitted, subject to normal terms and limitations of such bids. In November 2024, the Company renewed their NCIB with the TSX to repurchase, at the Company's discretion, up to 3,797,308 outstanding common shares on the open market, or as otherwise permitted until November 26, 2025. During the year, the Company purchased and cancelled 343,335 common shares, under the combined two NCIB programs, at a weighted average price of $11.92 (2025 – the Company purchased and cancelled 418,087 common shares, under two NCIB programs, at weighted average price of $11.62).

In December 2025, the Company renewed their NCIB with the TSX to repurchase, at the Company's discretion, up to 3,774,227 outstanding common shares on the open market, or as otherwise permitted until December 10, 2026. During the year, the Company did not purchase or cancel shares under the renewed NCIB.

15. REVENUE

		2026		2025
Hardware	**$**	**275,063**	$	279,060
Reoccurring software, services and other software		**240,718**		222,563
	$	**515,781**	$	501,623

During the year, the Company recognized $76,941 in revenue over time (2025 - $71,131) and $438,841 (2025 - $430,492) in revenue at a point in time.

16. SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

		2026		2025
Salaries and benefits	$	**40,559**	$	41,064
Other selling and administrative		**36,484**		34,794
Share based compensation (note 19)		**599**		497
Amortization of intangibles (note 8)		**346**		767
Depreciation		**3,834**		4,482
	$	**81,822**	$	81,604

17. RESEARCH AND DEVELOPMENT

		2026		2025
Salaries and benefits	$	**117,648**	$	116,967
Other research and development		**27,451**		26,430
Share based compensation (note 19)		**5,390**		4,462
Depreciation		**2,953**		3,374
	$	**153,442**	$	151,233

18. STATEMENT OF CASH FLOWS

Changes in non–cash working capital items

		2026		2025
Trade and other receivables	$	**(9,388)**	$	12,707
Contract assets		**(419)**		(3,014)
Inventories		**(19,202)**		25,143
Prepaid expenses		**(5,297)**		1,502
Trade and other payables		**27,341**		4,733
Deferred revenue		**2,008**		(17,324)
Provisions		**684**		323
	$	**(4,273)**	$	24,070

19. SHARE BASED PAYMENTS

Stock Option Plan
The Company established, in June 2006, a stock option plan to attract, retain, motivate and compensate employees, officers and eligible directors who are integral to the growth and success of the Company. A number of shares equal to 10% of the Company's outstanding common shares are to be reserved for issuance under the stock option plan.

The Board of Directors administers the stock option plan and will determine the terms of any options granted. The exercise price of an option is to be set by the Board of Directors at the time of grant but shall not be lower than the market price as defined in the option plan at the time of grant. The term of the option cannot exceed 10 years. Stock options are currently granted normally fully vest and expire by the end of the fifth year.

Years ended April 30, 2026 and 2025 (In thousands of Canadian dollars, except for "number of common shares", "number of options" and "per share" information)

19. SHARE BASED PAYMENTS (CONTINUED)

The changes in the number of outstanding share options are as follows:

	Number of Options		Weighted Average Exercise Price
Balance as at April 30, 2024	**3,955,625**	**$**	**13.18**
Exercised	(4,000)		12.28
Forfeited	(103,900)		12.30
Expired	(602,500)		17.50
Balance as at April 30, 2025	**3,245,225**	**$**	**12.40**
Granted	1,030,000		13.32
Exercised	(15,000)		12.86
Forfeited	(1,000)		12.28
Expired	(3,229,225)		12.40
Balance as at April 30, 2026	**1,030,000**	**$**	**13.32**

Stock options outstanding as at April 30, 2026 were:

Exercise Price		Weighted Average Exercise Price	Number of Outstanding Options	Weighted Average Remaining Contractual Life	Number of Options Exercisable		Weighted Average Exercise Price of Exercisable Options
$ 13.32	$	13.32	1,030,000	5.1	-	$	13.32
Totals	$	13.32	1,030,000	5.1	-	$	13.32

Stock options outstanding as at April 30, 2025 were:

Exercise Price		Weighted Average Exercise Price	Number of Outstanding Options	Weighted Average Remaining Contractual Life	Number of Options Exercisable		Weighted Average Exercise Price of Exercisable Options
$ 12.28	$	12.28	2,760,725	0.3	2,208,580	$	12.28
$ 12.86	$	12.86	384,500	0.7	307,600	$	12.86
$ 14.07	$	14.07	100,000	0.9	80,000	$	14.07
Totals	$	12.40	3,245,225	0.3	2,596,180	$	12.40

Restricted Share Unit Plan (2022 Plan)
The Company established, in June 2022, a new restricted share unit plan (RSU-2022). The purpose of the plan is to provide an incentive to participants; including key executives of the Company, by rewarding such participants with equity-based compensation. Under the terms of the plan, the Company will redeem RSUs granted to a participant under the 2022 Plan through the issuance of one Common Share of the Company for each fully vested RSU.
The Board of Directors administers the equity based restricted share unit plan and will determine the terms of any restricted share units granted. Restricted share units currently granted normally fully vest and expire by the end of the fifth year.

A number of restricted share units equal to 10% of the Company's outstanding common shares at any point in time are to be reserved for issuance under the equity based restricted share unit plan, less the aggregate number of stock options granted under the Stock Option Plan described above.

19. SHARE BASED PAYMENTS (CONTINUED)

The change in the number of outstanding RSUs under the 2022 Plan are as follows:

	Number of RSUs (2022 Plan)
Balance as at April 30, 2024	**1,494,500**
Granted	180,000
Forfeiture	(42,250)
Balance as at April 30, 2025	**1,632,250**
Excercised	(162,050)
Granted	1,795,000
Forfeiture	(107,800)
Balance as at April 30, 2026	**3,157,400**

As at April 30, 2026, the average remaining contractual life for outstanding RSUs under the 2022 Plan is 2.7 years (2025 – 1.8 years).

Compensation Expense

Stock Option Plan

The share based compensation expense that has been charged against earnings over the fiscal year is $202 (2025 - $203). Compensation expense on grants was calculated using the Black-Scholes option pricing model.

Expected volatility is based on historical share price volatility over the past five years of the Company. Share based compensation expense was calculated using a weighted average forfeiture rate of 13% (2025 – 24%).

Restricted Share Unit Plan (2022 Plan)

The share base compensation expense that has been charged against earnings over the fiscal year is $5,787 (2025 – $4,750). Compensation expense on grants issued during the year was calculated using the fair value of the Company's share price at the grant date. Share based compensation expense was calculated used a weighted average forfeiture rate of 10% (2025 – 10%).

20. COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Company is party to a number of lawsuits, claims and contingencies. Accruals are made in instances where it is probable that liabilities have been incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, the Company believes the possibility of outflow of cash is remote and thus no additional provisions have been recognized.

The Company is committed to payments under long term debt agreements and certain lease obligations in Note 11 with minimum annual lease payments as follows:

		Redemption Liabilities		Leases Payments		Total
2026	$	4,414	$	4,618	$	9,032
2027		-		4,347		4,347
2028		-		3,476		3,476
2029		-		741		741
2030		-		735		735
Thereafter		-		306		306
Balance as at April 30, 2026	**$**	**4,414**	**$**	**14,223**	**$**	**18,637**

Years ended April 30, 2026 and 2025 (In thousands of Canadian dollars, except for "number of common shares", "number of options" and "per share" information)

20. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Total operating lease expense during the year was $618 (2025 - $601).

The Company has obtained documentary and standby letters of credit aggregating to a total of $13,257 (2025 - $13,218).

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company estimates that the fair value of financial instruments approximates their carrying values. The following summarizes the significant methods and assumptions used in estimating the fair values of financial instruments:

I. Quoted prices (unadjusted) in active markets for identical assets or liabilities.
II. Inputs other than quoted prices included in level I that are observable for the asset or liability, either directly or indirectly.
III. Inputs for the asset or liability that are not based on observable market data.

(a) Financial risk management:

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of risks as at April 30, 2026:

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, contract assets and trade and other receivables the total of which is the maximum exposure to credit risk. The Company performs evaluations of the financial situations of its customers and uses various controls and processes, such as credit checks and billings in advance to investigate credit risk. Management does not believe that there is significant credit concentration or risk not already provided for.

The Company sets up an allowance for doubtful accounts using the lifetime expected credit losses related to total receivables, while factoring in the credit risks of the individual customer and the aging of receivables. Amounts owing over 120 days are individually evaluated and provided for as an expected credit loss where appropriate in the allowance for doubtful accounts. When considering the need for provisions in relation to balances past due, the Company considers customer specific financial reports, payment terms and payment history. The Company also takes into consideration forward-looking information such as region-specific economic factors and other market indicators.

The trade and other receivables are presented as follows net of the allowance for doubtful accounts:

	April 30, 2026	April 30, 2025
Trade and other receivables	**$ 85,701**	$ 74,872
Allowance for doubtful accounts	**(4,570)**	(3,129)
	$ 81,131	$ 71,743

The change in the allowance for doubtful accounts was as follows:

	April 30, 2026	April 30, 2025
Balance at beginning of year	**$ 3,129**	$ 2,902
Increase in allowance	**1,410**	551
Bad debt recaptured and write-offs	**(55)**	(541)
Impact of variation in exchange rates	**86**	217
Balance at end of year	**$ 4,570**	$ 3,129

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The aging of trade and other receivables, net of the allowance for doubtful accounts was:

	April 30, 2026	April 30, 2025
Less than 30 days past billing date	**$ 43,344**	$ 36,469
30 - 60 days past billing date	**21,590**	13,909
61 - 90 days past billing date	**4,997**	6,770
Greater than 90 days past billing date	**11,200**	14,595
	$ 81,131	$ 71,743

Exchange Rate Risk
The Company transacts a significant portion of its business in U.S. dollars and is therefore exposed to currency fluctuations.

U.S. dollar financial instruments are as follows:

	April 30, 2026	April 30, 2025
Cash and cash equivalents	**$ 6,756**	$ 9,416
Trade and other receivables	**67,204**	65,929
Trade and other payables	**(14,279)**	(11,990)
	$ 59,681	$ 63,355

Based on the financial instruments as at April 30, 2026, a 5.0% change in the value of the U.S. dollar would result in a gain or loss of $2,910 in earnings before income tax.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's primary source of liquidity is its cash reserves. The Company also maintains certain credit facilities to support short term funding of operations and trade finance. The Company believes it has sufficient available funds to meet current and foreseeable financial requirements. The Company expects to settle all current financial liabilities within the next year. Maturity of lease obligations are disclosed in Note 20.

22. SEGMENTED INFORMATION

The Company reviewed its operations and determined that it operates a single operating segment, the video and audio infrastructure solutions market. The single reportable operating segment derives its revenues from the sale of hardware and software solutions including related services, training and commissioning.

Revenue	**2026**	2025
United States	**$ 350,981**	$ 357,609
International	**147,977**	127,211
Canada	**16,823**	16,803
	$ 515,781	$ 501,623

Years ended April 30, 2026 and 2025 (In thousands of Canadian dollars, except for "number of common shares", "number of options" and "per share" information)

22. SEGMENTED INFORMATION (CONTINUED)

	April 30, 2026			
	Property, Plant and Equipment	**Goodwill**	**Intangible Assets**	**Right-of-Use Assets**
United States	**$ 14,205**	**$ 1,385**	**$ -**	**$ 1,761**
International	**9,952**	**18,602**	**-**	**2,493**
Canada	**17,302**	**-**	**-**	**6,726**
	$ 41,459	**$ 19,987**	**$ -**	**$ 10,980**

	April 30, 2025			
	Property, Plant and Equipment	Goodwill	Intangible Assets	Right-of-Use Assets
United States	$ 3,274	$ 1,408	$ -	$ 2,454
International	10,022	18,593	346	2,900
Canada	18,915	-	-	10,462
	$ 32,211	$ 20,001	$ 346	$ 15,816

23. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

Related Party Transactions

Two shareholders each indirectly hold a 16% interest in the Company's leased premises in Ontario. This lease expires in 2029, with a total of $3,211 committed over the remaining term. During the year, rent paid for the leased principal premises amounted to $1,112 (2025 – $1,086) with no outstanding amounts due as at April 30, 2026.

On December 1, 2008, the Company entered into a property lease agreement where two shareholders each indirectly hold a 20% interest in the Company's leased premises in Ontario. This lease expires in 2028, with a total of $2,425 committed over the remaining term. During the year, rent paid for the leased principal premises amounted to $918 (2025 – $903) with no outstanding amounts due as at April 30, 2026.

On May 1, 2009, the Company entered into a property lease agreement where two shareholders each indirectly hold a 35% interest. This lease expires in 2029, with a total of $1,721 committed over the remaining term. During the year, rent paid for the leased principal premises amounted to $561 (2025 – $543) with no outstanding amounts due as at April 30, 2026.

On May 1, 2016, the Company entered into a property lease agreement where two shareholders each hold a 46.6% interest. This lease expires in 2026, with a total of $85 committed over the remaining term. During the year, rent paid for the leased principal premises amounted to $1,025 (2025 – $1,025) with no outstanding amounts due as at April 30, 2026.

23. RELATED PARTY TRANSACTIONS (CONTINUED)

The Company also leases properties where two shareholders indirectly own 100% interest. There were no amounts owing on the leases as at April 30, 2026. The term of these leases are as follows:

Lease Commencement Date	Lease Expiry Date		Amount Committed Over Remaining Term		Rent Paid 2026		Rent Paid 2025
October 2021	September 2026	$	135	**$**	**319**	$	310
December 2023	November 2028	$	911	**$**	**301**	$	278
August 2016	July 2026	$	71	**$**	**284**	$	281

These transactions were in the normal course of business and entered into at their respective fair values.

The remuneration of directors and other members of key management personnel for the years ended April 30, 2026, and April 30, 2025, are as follows:

		2026		2025
Short-term salaries and benefits	**$**	**5,279**	$	5,420
Share-based payments		**-**		-
	$	**5,279**	$	5,420

The total employee benefit expense was $218,254 (2025 - $210,554).

Subsidiaries

The Company has the following significant subsidiaries:

Company	% Ownership	Location
Evertz Microsystems Ltd.	100%	Canada
Evertz USA	100%	United States
Evertz UK	100%	United Kingdom
Holdtech Kft.	100%	Hungary
Quintech Electronics & Communications Inc.	100%	United States
Tech Digital Manufacturing Limited	100%	Canada
Truform Metal Fabrication Ltd.	75%	Canada
Ease Live AS	73%	Norway

24. NON-CONTROLLING INTEREST

The Company has subsidiaries with non-controlling interests of 25% of Truform Metal Fabrication Ltd., located in Canada, and 10% with Studiotech Poland Sp. z.o.o., a subsidiary of Holdtech Kft. located in Poland. Ease Live AS, located in Norway, also has a non-controlling interest of 27% of Ease Live AS, located in Norway, whose interest has been separately recorded as a redemption liability (see note 13).

Years ended April 30, 2026 and 2025 (In thousands of Canadian dollars, except for "number of common shares", "number of options" and "per share" information)

24. NON-CONTROLLING INTEREST (CONTINUED)

The table below summarizes the aggregate financial information relating to the above subsidiaries before eliminating entries, as no such subsidiary is individually significant.

		April 30, 2026		April 30, 2025
Current assets	**$**	**21,017**	$	17,181
Non-current assets		**17,444**		17,136
Current liabilities		**7,935**		4,462
Non-current liabilities		**1,024**		1,695
Equity attributable to shareholders		**26,390**		24,992
Non-controlling interest		**3,112**		3,168

		April 30, 2026		April 30, 2025
Revenue	**$**	**31,964**	$	32,959
Net earnings attributable to:				
Shareholders		**1,385**		2,843
Non-controlling interest		**454**		374

During the year, $551 (2025 - $750) in dividends were paid to non-controlling interests.

25. CAPITAL DISCLOSURES

The Company's capital is composed of total equity attributable to shareholders which totals $198,167 (2025 - $268,123) as at April 30, 2026. The Company's objective in managing capital is to ensure sufficient liquidity to finance increases in non-cash working capital, capital expenditures for capacity expansions, pursuit of selective acquisitions and the payment of quarterly dividends. The Company's strategy on capital risk management has not changed significantly since April 30, 2025.

The Company takes a conservative approach towards financial leverage and management of financial risk and the Company currently satisfies their internal requirements.

The Company is not subject to any capital requirements imposed by a regulator.

26. EARNINGS PER SHARE

	2026	2025
Weighted average common shares outstanding	**75,507,140**	76,010,401
Dilutive-effect of stock options	**1,307,403**	965,071
Diluted weighted average common shares outstanding	**76,814,543**	76,975,472

The weighted average number of diluted common shares does not exclude any anti-dilutive options during the year (2025 – 484,500).

27. INCOME TAXES

The Company's effective income tax rate differs from the statutory combined Canadian income tax rate as follows:

		2026		2025
Expected income tax expense using statutory rates (25%, 2025 - 25%)	**$**	**22,184**	$	22,276
Difference in foreign tax rates		**(259)**		(218)
Non-deductible stock based compensation		**1,455**		1,313
Non-deductible losses		**-**		348
Change in estimates relating to prior periods		**279**		388
Other		**156**		811
	$	**23,815**	$	24,918

Benefits arising from a previously unrecognized tax loss of $264 (2025 – nil) has been recognized in the year as a result of a change in estimated taxable income in future years.

Components of deferred income taxes are summarized as follows:

		April 30, 2026		April 30, 2025
Deferred income tax assets (liabilities):				
Tax loss carried forward	**$**	**1,475**	$	626
Research and development tax credits		**(3,551)**		(3,443)
Equipment tax vs accounting basis		**8,669**		7,978
Non-deductible reserves		**3,568**		4,637
	$	**10,161**	$	9,798

As at April 30, 2026, the Company had $4,226 in tax losses for which no deferred tax asset has been recognized in the statement of financial position. Of these losses, $841 expires in 2030, while the remaining balance has no expiry.

28. SUBSEQUENT EVENT

On June 24, 2026, the Company declared a quarterly dividend of $0.205 with a record date of July 6, 2026, and a payment date of July 13, 2026.

5-YEAR FINANCIAL HIGHLIGHTS

(all amounts in thousands, except EPS and share amounts)

Consolidated Statement of Earnings Data

	Year Ended April 30,				
	2026	2025	2024	2023	2022
Sales	**$ 515,781**	$ 501,623	$ 514,616	$ 454,578	$ 441,016
Selling and administrative expenses	**77,043**	75,858	72,274	61,518	60,884
Research and development expenses	**148,052**	146,771	134,843	117,127	102,438
Earnings before income taxes	**88,236**	81,904	97,358	87,810	97,912
Net earnings	**64,421**	59,767	71,027	64,555	72,677
Fully diluted EPS	**0.83**	0.77	0.91	0.84	0.94

Consolidated Balance Sheet Data

	Year Ended April 30,				
	2026	2025	2024	2023	2022
Cash and cash equivalents	**$ 19,117**	$ 111,665	$ 86,325	$ 12,468	$ 33,902
Total assets	**424,989**	469,485	484,722	436,652	420,979
Shareholder's equity	**198,167**	268,123	263,267	243,099	230,938
Number of common shares Outstanding					
Basic	**75,507,140**	76,010,401	76,088,691	76,200,428	76,266,341
Fully-diluted	**76,814,543**	76,975,472	77,044,858	76,232,462	76,570,564

CORPORATE AND SHAREHOLDER INFORMATION

DIRECTORS AND EXECUTIVE OFFICERS

Romolo Magarelli
Director, President and Chief Executive Officer

Douglas DeBruin
Executive Chairman

Christopher Colclough [1,2]
Director

Dr. Thomas Pistor [1]
Director

Don Carson [1,2]
Director

Brian Piccioni
Director

Rakesh Patel
Chief Technology Officer,
Director

Brian Campbell
Executive Vice-President,
Business Development

Douglas Moore
Chief Financial Officer

Vince Silvestri
Vice-President of Software Systems

Robert Peter
Vice-President,
International Operations

Jeff Marks
Vice-President
of Manufacturing

Dan Turow
Senior Vice-President,
Media Distribution and
Chief Information Officer (CIO)

Paulo Francisco
Vice-President of Engineering
Evertz AV Division

Marsha Garner
Vice-President, Inside Sales
and Administration

Orest Holyk
Vice-President of Sales USA

Jeremy Blythe
Vice-President of Engineering
Media Distribution

Rakesh Jalali
Vice-President of Technology
India

[1] Member of the Audit Committee.
[2] Member of the Compensation Committee.

CORPORATE AND SHAREHOLDER INFORMATION (CONTINUED)

AUDITORS

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T: (289) 881-1111

LEGAL COUNSEL

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66 Wellington Street West, Suite 4100
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Toronto, ON, Canada M5K 1B7
T: (416) 365-1110

EXCHANGE LISTING

The common shares of the Company are listed
on the Toronto Stock Exchange under the symbol ET

INVESTOR RELATIONS

Douglas Moore
Chief Financial Officer
T: (905) 335-7580
email: ir@evertz.com

REGISTRAR AND TRANSFER AGENT

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320 Bay Street, 14th Floor,
Toronto, ON Canada M5H 4A6
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T: 1-800-736-1755
www.computershare.com

ANNUAL SHAREHOLDERS MEETING

10:00 am Wednesday, October 7, 2026
1160 Sutton Drive
Burlington, ON Canada L7L 6R6

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SALES OFFICES

Burlington, ON

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Phoenix, AZ

Colorado Springs, CO

New York City, NY

Indiana, PA

Berkshire, UK

Croatia

Germany

Beijing

Hong Kong

India

Dubai

Australia

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