

Interim condensed consolidated financial statements of

EVERTZ TECHNOLOGIES LIMITED

Three month and Six month periods ended October 31, 2024 and April 30, 2024
(Unaudited)

EVERTZ TECHNOLOGIES LIMITED

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(Unaudited)

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Three month and Six month ended October 31, 2024 and 2023

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MANAGEMENT REPORT

The management of Evertz Technologies Limited (“Evertz” or the “Company”) is responsible for the preparation of the accompanying interim condensed consolidated financial statements. The interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and are considered by management to present fairly the consolidated financial position, operating results and cash flows of the Company.

These interim condensed consolidated financial statements have not been reviewed by the auditor. These interim condensed consolidated financial statements are unaudited and include all adjustments, consisting of normal and recurring items, that management considers necessary for the fair presentation of the consolidated financial position, results of operations and cash flows.

EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Financial Position
(Unaudited)

As at October 31, 2024 and April 30, 2024
(In thousands of Canadian dollars)

	October 31, 2024	April 30, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 61,729	\$ 86,325
Trade and other receivables (note 3)	73,433	84,350
Contract assets	16,248	12,554
Prepaid expenses	11,012	11,179
Inventories (note 4)	206,599	206,154
	369,021	400,562
Property, plant and equipment (note 5)	32,799	34,384
Right-of-use assets	18,247	20,432
Goodwill	22,116	21,352
Intangibles	693	1,098
Deferred income taxes	8,289	6,894
	\$ 451,165	\$ 484,722
Liabilities		
Current liabilities		
Trade and other payables	56,078	63,249
Provisions (note 6)	5,118	4,946
Deferred revenue	97,158	119,597
Current portion of lease obligations	4,837	4,296
Current portion of redemption liability	3,823	3,811
Income tax payable	2,202	3,226
	169,216	199,125
Long-term lease obligations	16,401	18,920
	185,617	218,045
Equity		
Capital stock (note 7)	145,349	145,721
Share based payment reserve	21,681	19,246
Accumulated other comprehensive loss	4,634	1,197
Retained earnings	90,814	97,103
	95,448	98,300
Total equity attributable to shareholders	262,478	263,267
Non-controlling interest	3,070	3,410
	265,548	266,677
	\$ 451,165	\$ 484,722

See accompanying notes to the interim condensed consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Changes in Equity
(Unaudited)

Six month periods ended October 31, 2024 and 2023
(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, 2023	\$ 143,344	\$ 14,696	\$ (2,402)	\$ 87,460	\$ 243,098	\$ 2,986	\$ 246,084
Net earnings for the period	-	-	-	37,686	37,686	457	38,143
Unrealized loss on FVTOCI investments, net of tax	-	-	(1,131)	-	(1,131)	-	(1,131)
Transfer of earnings on disposal of investments	-	-	2,704	-	2,704	-	2,704
Foreign currency translation adjustment	-	-	58	-	58	(23)	35
Total comprehensive earnings for the year	\$ -	\$ -	\$ 1,631	\$ 37,686	\$ 39,317	\$ 434	\$ 39,751
Dividends declared	-	-	-	(28,923)	(28,923)	(410)	(29,333)
Repurchase of common shares	(273)	-	-	(1,547)	(1,820)	-	(1,820)
Issue on exercise of employee stock options	553	-	-	-	553	-	553
Transfer of stock options	44	-	-	-	44	-	44
Share based compensation expense	-	2,413	-	-	2,413	-	2,413
Balance at October 31, 2023	\$ 143,668	\$ 17,109	\$ (771)	\$ 94,676	\$ 254,682	\$ 3,010	\$ 257,692
Balance at April 30, 2024	\$ 145,721	\$ 19,245	\$ 1,197	\$ 97,104	\$ 263,267	\$ 3,410	\$ 266,677
Net earnings for the period	-	-	-	25,473	25,473	175	25,648
Foreign currency translation adjustment	-	-	3,437	-	3,437	60	3,497
Total comprehensive earnings for the year	\$ -	\$ -	\$ 3,437	\$ 25,473	\$ 28,910	\$ 235	\$ 29,145
Dividends declared	-	-	-	(29,680)	(29,680)	(575)	(30,255)
Repurchase of common shares (note 7)	(372)	-	-	(2,083)	(2,455)	-	(2,455)
Share based compensation expense (note 11)	-	2,436	-	-	2,436	-	2,436
Balance at October 31, 2024	\$ 145,349	\$ 21,681	\$ 4,634	\$ 90,814	\$ 262,478	\$ 3,070	\$ 265,548

See accompanying notes to the interim condensed consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Earnings
(Unaudited)

Three month and six month periods ended October 31, 2024 and 2023
(In thousands of Canadian dollars, except per share amounts)

	Three month period ended October 31,		Six month period ended October 31,	
	2024	2023	2024	2023
Revenue	\$ 125,259	\$ 130,749	\$ 236,902	\$ 256,568
Cost of goods sold	50,999	52,730	96,380	106,513
Gross margin	74,260	78,019	140,522	150,055
Expenses				
Selling, administrative and general	19,801	18,792	38,804	36,523
Research and development	37,419	33,202	75,850	66,543
Investment tax credits	(3,590)	(3,212)	(7,350)	(6,607)
Foreign exchange gain	(761)	(2,913)	(782)	(861)
	52,869	45,869	106,522	95,598
	21,391	32,150	34,000	54,457
Finance income	837	413	1,542	537
Finance costs	(374)	(341)	(683)	(585)
Net loss on investments through profit and loss	-	(2,492)	-	(2,704)
Other income and expenses	101	216	311	122
Earnings before income taxes	21,955	29,946	35,170	51,827
Provision for (recovery of) income taxes				
Current	5,313	6,675	10,876	14,436
Deferred	705	1,020	(1,354)	(752)
	6,018	7,695	9,522	13,684
Net earnings for the period	\$ 15,937	\$ 22,251	\$ 25,648	\$ 38,143
Net earnings attributable to non-controlling interest	133	158	175	457
Net earnings attributable to shareholders	15,804	22,093	25,473	37,686
Net earnings for the period	\$ 15,937	\$ 22,251	\$ 25,648	\$ 38,143
Earnings per share (note 18)				
Basic	\$ 0.21	\$ 0.29	\$ 0.33	\$ 0.49
Diluted	\$ 0.21	\$ 0.29	\$ 0.33	\$ 0.49

See accompanying notes to the interim condensed consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Comprehensive Earnings
(Unaudited)

Three month and six month periods ended October 31, 2024 and 2023
(In thousands of Canadian dollars)

	Three month period ended		Six month period ended	
	October 31,		October 31,	
	2024	2023	2024	2023
Net earnings for the period	\$ 15,937	\$ 22,251	\$ 25,648	\$ 38,143
Other comprehensive earnings (loss):				
Items that may or will be reclassified to earnings:				
Unrealized loss on investments, net of tax	-	(634)	-	(1,131)
Reclassification to net earnings for loss on sale of FVTOCI investments, net of tax	-	2,492	-	2,704
Foreign currency translation adjustment	385	445	3,497	35
Comprehensive earnings	\$ 16,322	\$ 24,554	\$ 29,145	\$ 39,751
Comprehensive earnings attributable to non-controlling interest	\$ 158	\$ 191	\$ 235	\$ 434
Comprehensive earnings attributable to shareholders	\$ 16,164	\$ 24,363	\$ 28,910	\$ 39,317
Comprehensive earnings	\$ 16,322	\$ 24,554	\$ 29,145	\$ 39,751

See accompanying notes to the interim condensed consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)

Three month and six month periods ended October 31, 2024 and 2023
(In thousands of Canadian dollars)

	Three month period ended		Six month period ended	
	October 31,		October 31,	
	2024	2023	2024	2023
Operating activities				
Net earnings for the period	\$ 15,937	\$ 22,251	\$ 25,648	\$ 38,143
Add: Items not involving cash				
Depreciation of property, plant and equipment	2,531	2,424	5,251	4,853
Amortization of right-of-use assets	1,238	1,068	2,485	2,224
Amortization of intangibles	203	314	405	623
Realized loss on investments	-	2,492	-	2,704
(Gain) loss on disposal of property, plant and equipment	(5)	(13)	(45)	(13)
Share based compensation (note 11)	1,265	1,122	2,435	2,457
Interest expense	291	336	529	583
Deferred income tax recovery	379	935	(1,530)	(752)
	21,839	30,929	35,178	50,822
Current tax expenses, net of investment tax credits	1,823	3,463	3,716	7,829
Income taxes paid	(2,178)	(929)	(4,617)	(3,634)
Changes in non-cash working capital items (note 10)	(31,121)	(13,181)	(21,647)	25,254
Cash (used in) provided by operating activities	(9,637)	20,282	12,630	80,271
Investing activities				
Acquisition of property, plant and equipment	(1,454)	(2,274)	(3,508)	(5,528)
Proceeds from disposal of property, plant and equipment	11	22	65	22
Proceeds from disposal of investments	-	6,340	-	7,183
Cash (used in) provided by investing activities	(1,443)	4,088	(3,443)	1,677
Financing activities				
Principle payments of lease liabilities	(1,229)	(962)	(2,311)	(2,050)
Repayment of credit facilities	-	-	-	(5,928)
Interest paid	(279)	(236)	(517)	(483)
Dividends paid	(14,829)	(14,460)	(29,680)	(28,923)
Dividends paid by subsidiaries to non-controlling interests	(575)	(400)	(575)	(400)
Capital stock issued	-	553	-	553
Capital stock repurchased (note 7)	(1,804)	(1,462)	(2,455)	(1,820)
Cash used in financing activities	(18,716)	(16,967)	(35,538)	(39,051)
Effect of exchange rates on cash and cash equivalents	505	(472)	1,755	500
(Decrease) Increase in cash and cash equivalent	(29,291)	6,931	(24,596)	43,397
Cash and cash equivalent beginning of period	91,020	48,934	86,325	12,468
Cash and cash equivalent	\$ 61,729	\$ 55,865	\$ 61,729	\$ 55,865

See accompanying notes to the interim condensed consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three month and Six month periods ended October 31, 2024 and 2023
(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 content creators, broadcasters, specialty channels and television service providers. 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 interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and under using the same accounting policies as described in the Company’s consolidated financial statements for the year ended April 30, 2024.

These interim condensed consolidated financial statements do not include all information and note disclosures required by IFRS for annual financial statements, and therefore; should be read in conjunction with the April 30, 2024 annual consolidated financial statements.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on December 10, 2024.

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 group 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 on consolidation.

Critical Accounting Estimates and Judgements

The preparation of the Company's interim condensed financial statements requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Significant estimates and judgments used in preparation of the interim condensed consolidated financial statements are described in the Company's consolidated financial statements for the year ended April 30, 2024.

Changes in Accounting Policies

Lease Liability in Sale and Leaseback Transactions

Effective May 1, 2024, the Company adopted amendments to IFRS 16, *Leases* which clarifies the subsequent measurement requirements for sale and leaseback transactions for sellers-leasees. The adoption of the amendments did not have a material impact on the interim consolidated financial statements of the Company.

Presentation of Non-Current Liabilities with Covenants

Effective May 1, 2024, The Company adopted amendments to IAS 1, *Presentation of Financial Statements* which clarifies the classification, presentation and disclosure requirements in the standard for non-current liabilities with covenants. 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 listing 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.

3. TRADE AND OTHER RECEIVABLES

	October 31, 2024	April 30, 2024
Trade receivables, net of allowances	\$ 70,849	\$ 81,742
Other receivables	2,584	2,608
	\$ 73,433	\$ 84,350

4. INVENTORIES

	October 31, 2024	April 30, 2024
Finished goods	\$ 58,746	\$ 58,588
Raw material and supplies	108,491	109,750
Work in progress	39,362	37,816
	\$ 206,599	\$ 206,154

Cost of sales for the three and six month period ended October 31, 2024 included \$41,507 and \$78,504 of inventory, respectively and \$1,333 and \$2,716 of inventory write-offs respectively.

5. PROPERTY, PLANT AND EQUIPMENT

	October 31, 2024			April 30, 2024		
	Cost	Accumulated	Carrying	Cost	Accumulated	Carrying
		Depreciation	Amount		Depreciation	Amount
Office furniture and equipment	\$ 5,766	\$ 4,485	\$ 1,281	\$ 5,387	\$ 4,168	\$ 1,219
Research and development equipment	36,852	30,023	6,829	35,590	28,610	6,980
Airplanes	12,245	11,140	1,105	11,987	10,740	1,247
Machinery and equipment	74,794	63,557	11,237	73,845	60,974	12,871
Leaseholds	10,551	7,941	2,610	10,240	7,581	2,659
Land	2,266	-	2,266	2,252	-	2,252
Buildings	11,356	3,885	7,471	10,864	3,708	7,156
	\$ 153,830	\$ 121,031	\$ 32,799	\$ 150,165	\$ 115,781	\$ 34,384

6. PROVISIONS

	Warranty and	Lease/Retirement	Total
	Returns	Obligations	
Balance as at April 30, 2024	\$ 4,603	\$ 343	\$ 4,946
Net additions	131	(4)	127
Foreign exchange differences	30	15	45
Balance as at October 31, 2024	\$ 4,764	\$ 354	\$ 5,118

Warranty and Returns

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

Lease/Retirement Obligations

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

7. 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
Cancelled pursuant to NCIB	(195,396)	(372)
Balance as at October 31, 2024	75,968,926	\$ 145,349

Dividends Per Share

During the quarter, \$0.195 in dividends per share were declared (2023 - \$0.19).

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. During the six month period, the Company purchased and cancelled 195,396 common shares at a weighted average price of \$12.57 and during the three month period, 145,174 common shares were purchased and canceled at a weighed average price of \$12.43.

8. SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

	Three month period ended		Six month period ended	
	October 31,		October 31,	
	2024	2023	2024	2023
Selling and administrative	\$ 18,372	\$ 17,500	\$ 35,976	\$ 33,898
Depreciation - selling and administration	1,098	860	2,177	1,709
General:				
Share based compensation (note 11)	127	119	245	293
Amortization of intangibles	204	314	406	623
	\$ 19,801	\$ 18,793	\$ 38,804	\$ 36,523

9. RESEARCH AND DEVELOPMENT

	Three month period ended		Six month period ended	
	October 31,		October 31,	
	2024	2023	2024	2023
Research and development	\$ 35,387	\$ 31,146	\$ 71,866	\$ 62,231
Depreciation - research and development	892	1,021	1,787	1,926
General:				
Share based compensation (note 11)	1,140	1,035	2,197	2,386
	\$ 37,419	\$ 33,202	\$ 75,850	\$ 66,543

10. STATEMENT OF CASH FLOWS

Changes in non-cash working capital items

	Three month period ended		Six month period ended	
	October 31,		October 31,	
	2024	2023	2024	2023
Trade and other receivables	\$ (5,488)	\$ 2,873	\$ 11,436	\$ 26,069
Contract assets	(3,317)	5,313	(3,694)	3,581
Inventories	5,791	890	-	(2,049)
Prepaid expenses	1,006	(2,003)	722	(3,499)
Trade and other payables	(21,787)	(28,756)	(6,525)	(29,221)
Deferred revenue	(7,353)	7,853	(23,758)	30,715
Provisions	27	649	172	(342)
	\$ (31,121)	\$ (13,181)	\$ (21,647)	\$ 25,254

11. 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.

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
Forfeited	(53,400)	12.30
Expired	(15,000)	17.65
Balance as at October 31, 2024	3,887,225	\$ 13.17

Stock options outstanding as at October 31, 2024 are:

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
12.28-12.86	\$ 12.35	3,199,725	0.8	2,482,380	\$ 12.33
14.07-15.80	\$ 14.07	100,000	1.4	60,000	\$ 14.07
16.08-16.20	\$ 16.17	160,000	0.4	128,000	\$ 16.20
17.95-17.98	\$ 17.98	427,500	0.2	342,000	\$ 17.98
Totals	\$ 13.17	3,887,225	0.7	3,012,380	\$ 13.17

Restricted Share Unit Plan (2016 Plan)

The Company established, in March 2016, a restricted share unit plan (RSU-2016) 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, RSU's are issued to the participant with a vesting period of three years.

On the vesting date, all RSU's issued under the 2016 plan will be redeemed in cash at the fair market value at the date of vest plus any accrued dividends. The changes in the number of outstanding RSUs under the 2016 plan are as follows:

	Number of RSUs (2016 Plan)
Balance as at April 30, 2024	10,000
Exercised	(10,000)
Balance as at October 31, 2024	-

As at October 31, 2024, there are no outstanding RSUs under the 2016 plan.

Compensation expense

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 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.

The changes 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	157,000
Forfeited	(10,500)
Balance as at October 31, 2024	1,641,000

Compensation expense

Stock Option Plan

The share based compensation expense that has been charged against earnings over the six month and three month period is \$121 (2023 - \$296) and \$66 (2023 - \$152). Compensation expense on grants during the year was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

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 24% (2023 - 24%).

Restricted Share Unit Plan (2016 Plan)

The share based compensation expense that has been charged against earnings over the six month and three month period is \$7 and \$2 respectively (2023 - \$223 and \$32 respectively). Share based compensation expense was calculated using a weighted average forfeiture rate of 0% (2023 - 23%). As at October 31, 2024, the total liability included within trade and other payables is nil (2023 - \$997).

Restricted Share Unit Plan (2022 Plan)

The share base compensation expense that has been charged against earnings over the six month and three month period is \$2,314 and \$1,198 (2023 - \$2,160 and \$970 respectively). Compensation expense on grants 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 using a weighted average forfeiture rate of 11% (2023 - 10%).

12. SEGMENTED INFORMATION

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

	Three month period ended October 31,		Six month period ended October 31,	
	2024	2023	2024	2023
Revenue				
United States	\$ 91,504	\$ 67,970	\$ 160,111	\$ 153,169
International	30,409	56,745	68,088	95,543
Canada	3,346	6,034	8,703	7,856
	\$ 125,259	\$ 130,749	\$ 236,902	\$ 256,568

October 31, 2024				
	Property, Plant and Equipment	Goodwill	Intangible Assets	Right-of-Use Assets
United States	\$ 3,136	\$ 1,420	\$ -	\$ 2,806
International	9,902	19,113	693	3,112
Canada	19,761	1,583	-	12,329
	\$ 32,799	\$ 22,116	\$ 693	\$ 18,247

April 30, 2024					
	Property, Plant and Equipment	Goodwill	Intangible Assets	Right-of-Use Assets	
United States	\$ 3,485	\$ 1,400	\$ 60	\$	3,107
International	9,551	18,369	1,038		3,128
Canada	21,348	1,583	-		14,197
	\$ 34,384	\$ 21,352	\$ 1,098	\$	20,432

13. REVENUE

	Three month period ended		Six month period ended	
	October 31,		October 31,	
	2024	2023	2024	2023
Hardware	\$ 70,477	\$ 86,470	\$ 126,188	\$ 167,848
Reoccurring software, services and other software	54,783	44,279	110,715	88,720
	125,259	\$ 130,749	236,902	\$ 256,568

During the six and three month periods, the Company recognized \$31,307 and \$15,237 respectively in revenue under the long term contract method (2023 - \$29,133 and \$10,314).

14. 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 \$4,868 committed over the remaining term. During the year, rent paid for the leased principal premises amounted to \$270 (2023 - \$270) with no outstanding amounts due as at October 31, 2024.

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 \$3,800 committed over the remaining term. During the six month and three month periods, rent paid for the leased principal premises amounted to \$446 (2023 - \$446) and \$223 (2023 - \$223) with no outstanding amounts due as at October 31, 2024.

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 \$2,554 committed over the remaining term. During the six month and three month periods, rent paid for the leased principal premises amounted to \$272 (2023 - \$272) and \$136 (2023 - \$136) with no outstanding amounts due as at October 31, 2024.

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 \$1,623 committed over the remaining term. During the six month and three month periods, rent paid for the leased principal premises amounted to \$512 (2023 - \$505) and \$256 (2023 - \$252) with no outstanding amounts due as at October 31, 2024.

The Company also leases properties where two shareholders indirectly own 100% interest. There were no amounts owing on the leases as at October 31, 2024. The term of these leases are as follows:

Lease Commencement Date	Lease Expiry Date	Amount committed over remaining term	Three month period		Six month period	
			2024	2023	2024	2023
October 2021	September 2026	\$ 610	\$ 77	\$ 75	\$ 153	\$ 148
December 2023	November 2028	\$ 1,355	\$ 68	\$ 38	\$ 136	\$ 76
August 2016	July 2026	\$ 496	\$ 71	\$ 68	\$ 142	\$ 137

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

15. EARNINGS PER SHARE

	Three month period ended		Six month period ended	
	October 31,		October 31,	
	2024	2023	2024	2023
Weighted average common shares outstanding	76,044,853	76,087,521	76,098,477	76,107,761
Dilutive effect of stock options	780,107	562,719	909,358	594,507
Diluted weighted average common shares outstanding	76,824,960	76,650,240	77,007,835	76,702,268

The weighted average number of diluted common shares excludes 1,074,500 options because they were anti-dilutive during the period (2023 – 1,365,000).

16. SUBSEQUENT EVENT

On November 25, 2024, the Company renewed their NCIB with the TSX to repurchase, at the Company's discretion, from November 27, 2024 until November 26, 2025, up to 3,797,308 outstanding common shares on the open market, or as otherwise permitted, subject to normal terms and limitations of such bids.

On December 10, 2024, the Company declared a quarterly dividend of \$0.20 with a record date of December 19, 2024 and a payment date of December 24, 2024.