

Interim condensed consolidated financial statements of

## **EVERTZ TECHNOLOGIES LIMITED**

Three month and Six month periods ended October 31, 2025 and April 30, 2025  
(Unaudited)

# EVERTZ TECHNOLOGIES LIMITED

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(Unaudited)

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Three month and Six month ended October 31, 2025 and 2024

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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, 2025 and April 30, 2025  
(In thousands of Canadian dollars)

	October 31, 2025	April 30, 2025
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 96,695	\$ 111,665
Trade and other receivables (note 3)	70,903	71,743
Contract assets	19,527	15,568
Prepaid expenses	11,289	9,677
Inventories (note 4)	182,696	181,011
Income tax receivable	9,016	1,649
	390,126	391,313
Property, plant and equipment (note 5)	35,015	32,211
Right-of-use assets	13,501	15,816
Goodwill	20,020	20,001
Intangibles	-	346
Deferred income taxes	8,028	9,798
	\$ 466,690	\$ 469,485
<b>Liabilities</b>		
Current liabilities		
Trade and other payables	\$ 64,955	\$ 67,982
Provisions (note 6)	5,722	5,269
Deferred revenue	102,674	101,035
Current portion of lease obligations	5,250	5,091
Current portion of redemption liability	3,807	3,798
	182,408	183,175
Long-term deferred revenue	2,045	1,238
Long-term lease obligations	11,192	13,781
	195,645	198,194
<b>Equity</b>		
Capital stock (note 7)	145,317	144,978
Share based payment reserve	25,183	24,195
Accumulated other comprehensive income	8,360	6,568
Retained earnings	89,136	92,382
	97,496	98,950
Total equity attributable to shareholders	267,996	268,123
Non-controlling interest	3,049	3,168
	271,045	271,291
	\$ 466,690	\$ 469,485

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, 2025 and 2024  
(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
<b>Balance at April 30, 2024</b>	<b>\$ 145,721</b>	<b>\$ 19,245</b>	<b>\$ 1,197</b>	<b>\$ 97,104</b>	<b>\$ 263,267</b>	<b>\$ 3,410</b>	<b>\$ 266,677</b>
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 12)	-	2,436	-	-	2,436	-	2,436
<b>Balance at October 31, 2024</b>	<b>\$ 145,349</b>	<b>\$ 21,681</b>	<b>\$ 4,634</b>	<b>\$ 90,814</b>	<b>\$ 262,478</b>	<b>\$ 3,070</b>	<b>\$ 265,548</b>
<b>Balance at April 30, 2025</b>	<b>\$144,978</b>	<b>\$24,195</b>	<b>\$6,568</b>	<b>\$92,382</b>	<b>\$268,123</b>	<b>\$3,168</b>	<b>\$271,291</b>
Net earnings for the period	-	-	-	30,368	30,368	145	30,513
Foreign currency translation adjustment	-	-	1,792	-	1,792	61	1,853
Total comprehensive earnings for the year	\$ -	\$ -	\$ 1,792	\$ 30,368	\$ 32,160	\$ 206	\$ 32,366
Dividends declared	-	-	-	(30,178)	(30,178)	(325)	(30,503)
Repurchase of common shares (note 7)	(655)	-	-	(3,436)	(4,091)	-	(4,091)
Transfer of stock options (note 7)	994	(994)	-	-	-	-	-
Share based compensation expense (note 12)	-	1,982	-	-	1,982	-	1,982
<b>Balance at October 31, 2025</b>	<b>\$ 145,317</b>	<b>\$ 25,183</b>	<b>\$ 8,360</b>	<b>\$ 89,136</b>	<b>\$ 267,996</b>	<b>\$ 3,049</b>	<b>\$ 271,045</b>

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, 2025 and 2024

(In thousands of Canadian dollars, except per share amounts)

	Three month period ended October 31,		Six month period ended October 31,	
	2025	2024	2025	2024
Revenue (notes 13 and 14)	\$ 132,735	\$ 125,259	\$ 244,880	\$ 236,902
Cost of goods sold	54,906	50,999	98,209	96,380
Gross margin	77,829	74,260	146,671	140,522
Expenses				
Selling, administrative and general (note 9)	20,461	19,801	40,459	38,804
Research and development (note 10)	37,458	37,419	75,402	75,850
Investment tax credits	(4,350)	(3,590)	(7,697)	(7,350)
Foreign exchange gain	(776)	(761)	(1,512)	(782)
	52,793	52,869	106,652	106,522
Earnings before undernoted	25,036	21,391	40,019	34,000
Finance income	642	837	1,417	1,542
Finance costs	(620)	(374)	(858)	(683)
Other income	188	101	688	311
Earnings before income taxes	25,246	21,955	41,266	35,170
Provision for (recovery of) income taxes				
Current	4,956	5,313	8,921	10,876
Deferred	1,670	705	1,832	(1,354)
	6,626	6,018	10,753	9,522
Net earnings for the period	\$ 18,620	\$ 15,937	\$ 30,513	\$ 25,648
Net earnings attributable to non-controlling interest	93	133	145	175
Net earnings attributable to shareholders	18,527	15,804	30,368	25,473
Net earnings for the period	\$ 18,620	\$ 15,937	\$ 30,513	\$ 25,648
Earnings per share (note 16)				
Basic	\$ 0.25	\$ 0.21	\$ 0.40	\$ 0.33
Diluted	\$ 0.24	\$ 0.21	\$ 0.40	\$ 0.33

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, 2025 and 2024  
(In thousands of Canadian dollars)

	<b>Three month period ended</b>		<b>Six month period ended</b>	
	<b>October 31,</b>		<b>October 31,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net earnings for the period	\$ 18,620	\$ 15,937	\$ 30,513	\$ 25,648
Other comprehensive earnings :				
Foreign currency translation adjustment	1,931	385	1,853	3,497
Comprehensive earnings	\$ 20,551	\$ 16,322	\$ 32,366	\$ 29,145
Comprehensive earnings attributable to non-controlling interest	\$ 93	\$ 158	\$ 206	\$ 235
Comprehensive earnings attributable to shareholders	\$ 20,458	\$ 16,164	\$ 32,160	\$ 28,910
Comprehensive earnings	\$ 20,551	\$ 16,322	\$ 32,366	\$ 29,145

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, 2025 and 2024  
(In thousands of Canadian dollars)

	Three month period ended October 31,		Six month period ended October 31,	
	2025	2024	2025	2024
Operating activities				
Net earnings for the period	\$ 18,620	\$ 15,937	\$ 30,513	\$ 25,648
Add: Items not involving cash				
Depreciation of property, plant and equipment	2,505	2,531	4,968	5,251
Amortization of right-of-use assets	1,300	1,238	2,506	2,485
Amortization of intangibles	173	203	346	405
Loss on disposal of property, plant and equipment	(6)	(5)	(425)	(45)
Share based compensation (note 12)	914	1,265	1,982	2,435
Interest expense	620	291	866	529
Deferred income tax recovery (expense)	1,509	379	1,670	(1,530)
	25,635	21,839	42,426	35,178
Current tax expenses, net of investment tax credits	807	1,823	1,224	3,716
Income taxes paid	(5,094)	(2,178)	(6,349)	(4,617)
Changes in non-cash working capital items (note 11)	(26,330)	(31,121)	(8,786)	(21,647)
Cash (used in) provided by operating activities	(4,982)	(9,637)	28,515	12,630
Investing activities				
Acquisition of property, plant and equipment	(6,381)	(1,454)	(7,749)	(3,508)
Proceeds from disposal of property, plant and equipment	13	11	873	65
Cash used in investing activities	(6,368)	(1,443)	(6,876)	(3,443)
Financing activities				
Principle payments of lease liabilities	(1,112)	(1,229)	(2,206)	(2,311)
Interest paid	(620)	(279)	(857)	(517)
Dividends paid	(15,091)	(14,829)	(30,178)	(29,680)
Dividends paid by subsidiaries to non-controlling interests	(325)	(575)	(325)	(575)
Capital stock repurchased (note 7)	(308)	(1,804)	(4,091)	(2,455)
Cash used in financing activities	(17,456)	(18,716)	(37,657)	(35,538)
Effect of exchange rates on cash and cash equivalents	1,192	505	1,048	1,755
Decrease in cash and cash equivalent	(27,614)	(29,291)	(14,970)	(24,596)
Cash and cash equivalent beginning of period	124,309	91,020	111,665	86,325
Cash and cash equivalent	\$ 96,695	\$ 61,729	\$ 96,695	\$ 61,729

See accompanying notes to the interim condensed consolidated financial statements.



## **EVERTZ TECHNOLOGIES LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

Three month and Six month periods ended October 31, 2025 and 2024  
(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 using the same accounting policies as described in the Company’s consolidated financial statements for the year ended April 30, 2025.

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, 2025 annual consolidated financial statements.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on December 10, 2025.

#### **2. SIGNIFICANT 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.

*Note 2 continued...*

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 judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Significant estimates and judgements 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, 2025.

### **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 *IAS21, 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 interim 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.

### **3. TRADE AND OTHER RECEIVABLES**

	<b>October 31, 2025</b>	<b>April 30, 2025</b>
Trade receivables, net of allowances	\$ 66,574	\$ 69,153
Other receivables	4,329	2,590
	<b>\$ 70,903</b>	<b>\$ 71,743</b>

#### 4. INVENTORIES

	October 31, 2025	April 30, 2025
Finished goods	\$ 52,963	\$ 51,295
Raw material and supplies	91,271	95,084
Work in progress	38,462	34,632
	\$ 182,696	\$ 181,011

Cost of sales for the quarter ended October 31, 2025, included \$50,956 of inventory (2024 - \$43,763), \$4,358 of service and \$1,892 subcontracting costs (2024- \$6,138 and \$1,098 ) and \$1,648 of inventory write-offs (2024 – 1,333).

Cost of sales for the six-month period ended October 31, 2025, included \$85,037 of inventory (2024 - \$80,761), \$10,488 of service and \$2,983 subcontracting costs (2024- \$13,045 and \$2,575 ) and \$79 of inventory write-offs (2024 – 2,716)

#### 5. PROPERTY, PLANT AND EQUIPMENT

	October 31, 2025			April 30, 2025		
	Cost	Accumulated Depreciation	Carrying Amount	Cost	Accumulated Depreciation	Carrying Amount
Office furniture and equipment	\$ 5,296	\$ 4,211	\$ 1,085	\$ 5,614	\$ 4,090	\$ 1,524
Research and development equipment	40,105	32,957	7,148	38,037	31,595	6,442
Airplanes	1,896	1,630	266	10,490	9,831	659
Machinery and equipment	78,134	68,607	9,527	77,620	66,164	11,456
Leaseholds	12,256	8,717	3,539	10,723	8,318	2,405
Land	2,875	-	2,875	2,262	-	2,262
Buildings	14,618	4,043	10,575	11,555	4,092	7,463
	\$ 155,180	\$ 120,165	\$ 35,015	\$ 156,301	\$ 124,090	\$ 32,211

#### 6. PROVISIONS

	Warranty and Returns	Lease/Retirement Obligations	Total
<b>Balance as at April 30, 2025</b>	<b>\$ 4,780</b>	<b>\$ 489</b>	<b>\$ 5,269</b>
Net additions	423	-	423
Foreign exchange differences	31	(1)	30
<b>Balance as at October 31, 2025</b>	<b>\$ 5,234</b>	<b>\$ 488</b>	<b>\$ 5,722</b>

##### *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 warranties 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
<b>Balance as at April 30, 2025</b>	<b>75,750,235</b>	<b>\$ 144,978</b>
Cancelled pursuant to NCIB	(343,335)	(655)
Exercised	77,650	994
<b>Balance as at October 31, 2025</b>	<b>75,484,550</b>	<b>145,317</b>

### *Dividends Per Share*

During the quarter, \$0.20 in dividends per share were declared (2024 - \$0.195).

### *Normal Course Issuer Bid*

In November 2023, the Company entered into a new 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 six-month period, the Company purchased and cancelled 343,335 common shares, at a weighted average price of \$11.92 (2024- 195,396 a weighted average price of \$12.57) and during the three-month period, 25,700 common shares were purchased and canceled at a weighted average price of \$12.00 (2024 – 145,174 at a weighted average price of \$12.43).

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. The NCIB will commence on December 11, 2025 through to December 10, 2026.

## 8. 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 October 31, 2025, and April 30, 2025, the Company was in compliance with covenants. There were no borrowings against the facilities as at October 31, 2025, or April 30, 2025.

## 9. SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

	Three month period ended October 31,		Six month period ended October 31,	
	2025	2024	2025	2024
Salaries and Benefits	\$ 9,009	\$ 9,849	\$ 18,966	\$ 20,593
Other selling and administrative	10,093	8,523	18,760	15,383
Share based compensation (note 12)	91	127	198	245
Amortization of intangibles	173	204	346	406
Depreciation	1,095	1,098	2,189	2,177
	\$ 20,461	\$ 19,801	\$ 40,459	\$ 38,804

## 10. RESEARCH AND DEVELOPMENT

	Three month period ended October 31,		Six month period ended October 31,	
	2025	2024	2025	2024
Salaries and benefits	\$ 26,058	\$ 26,029	\$ 53,784	\$ 53,683
Other reasearch and development	9,789	9,358	18,318	18,183
Share based compensation (note 12)	823	1,140	1,784	2,197
Depreciation	788	892	1,516	1,787
	\$ 37,458	\$ 37,419	\$ 75,402	\$ 75,850

## 11. STATEMENT OF CASH FLOWS

### Changes in non-cash working capital items

	Three month period ended October 31,		Six month period ended October 31,	
	2025	2024	2025	2024
Trade and other receivables	\$ 5,801	\$ (5,488)	\$ 840	\$ 11,436
Contract assets	(4,158)	(3,317)	(3,959)	(3,694)
Inventories	(202)	5,791	(1,685)	-
Prepaid expenses	10	1,006	(1,612)	722
Trade and other payables	(19,930)	(21,787)	(5,269)	(6,525)
Deferred revenue	(8,127)	(7,353)	2,446	(23,758)
Provisions	276	27	453	172
	\$ (26,330)	\$ (31,121)	\$ (8,786)	\$ (21,647)

## 12. 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
<b>Balance as at April 30, 2025</b>	<b>3,245,225</b>	<b>\$ 12.40</b>
Forfeited	(2,759,725)	12.28
Exercised	(1,000)	12.28
<b>Balance as at October 31, 2025</b>	<b>484,500</b>	<b>\$ 13.11</b>

Note 12 continued...

Stock options outstanding as at October 31, 2025 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
\$12.86	\$ 12.86	384,500	0.2	307,600	\$ 12.86
\$14.07	\$ 14.07	100,000	0.4	80,000	\$ 14.07
Totals	\$ 13.11	484,500	0.2	387,600	\$ 13.11

*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)
<b>Balance as at April 30, 2025</b>	<b>1,632,250</b>
Exercised	(77,650)
<b>Balance as at October 31, 2025</b>	<b>1,554,600</b>

As at October 31 2025 the average remaining contractual life for outstanding RSUs under the 2022 Plan is 1.3 years (2024 – 2.2 years).

**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 \$35 (2024 - \$121) and \$8 (2024 – \$66). Compensation expense on grants are calculated using the Black-Scholes option pricing model. No issuances of stock options were made in current period.

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 26% (2024 – 24%).

*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 \$1,947 and \$905 respectively (2024 - \$2,314 and \$1,198 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% (2024 – 11%).

### 13. 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.

Revenue	Three month period ended October 31,		Six month period ended October 31,	
	2025	2024	2025	2024
United States	\$ 93,893	\$ 91,504	\$ 171,107	\$ 160,111
International	34,214	30,409	66,898	68,088
Canada	4,628	3,346	6,875	8,703
	\$ 132,735	\$ 125,259	\$ 244,880	\$ 236,902

October 31, 2025				
	Property, Plant and Equipment	Goodwill	Right-of-Use Assets	
United States	\$ 7,698	\$ 1,433	\$ 2,149	
International	9,743	18,587	2,757	
Canada	17,574	-	8,595	
	\$ 35,015	\$ 20,020	\$ 13,501	

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

### 14. REVENUE

	Three month period ended October 31,		Six month period ended October 31,	
	2025	2024	2025	2024
Hardware	\$ 72,013	\$ 70,476	\$ 132,516	\$ 126,187
Reoccurring software, services and other software	60,722	54,783	112,364	110,715
	132,735	\$ 125,259	244,880	\$ 236,902

During the six and three month periods, the Company recognized \$43,454 and \$24,910 respectively in revenue over time (2024- \$39,654 and \$18,811) and \$201,426 and \$107,825 respectively in revenue at a point in time (2024- \$197,248 and \$106,449).

### 15. 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.

*Note 15 continued...*

#### *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 \$3,767 committed over the remaining term. During the six month and three month period, rent paid for the leased principal premises amounted to \$556 (2024- 540) and \$278 (2024 – \$270) with no outstanding amounts due as at October 31, 2025.

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 \$2,884 committed over the remaining term. During the six month and three month periods, rent paid for the leased principal premises amounted to \$560 (2024 – \$446) and \$230 (2024 - \$223) with no outstanding amounts due as at October 31, 2025.

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 \$2,002 committed over the remaining term. During the six month and three month periods, rent paid for the leased principal premises amounted to \$281 (2024 – \$272) and \$140 (2024 - \$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 \$598 committed over the remaining term. During the six month and three month periods, rent paid for the leased principal premises amounted to \$513 (2024 – \$512) and \$256 (2024 - \$256) with no outstanding amounts due as at October 31, 2025.

The Company also leases properties where two shareholders indirectly own 100% interest. There were no amounts owing on the leases as at October 31, 2025. The term of these leases are as follows:

Lease Commencement Date	Lease Expiry Date	Amount committed over remaining term	Three Months ended October 31 2025	For Six Months ended October 31 2025	October 31 2024
October 2021	September 2026	\$ 296	\$ 79	\$ 77	\$ 153
December 2023	November 2028	\$ 1,065	\$ 73	\$ 68	\$ 147
August 2016	July 2026	\$ 213	\$ 71	\$ 71	\$ 142

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

## **16. EARNINGS PER SHARE**

	Three month period ended October 31,		Six month period ended October 31,	
	2025	2024	2025	2024
Weighted average common shares outstanding	75,451,858	76,044,853	75,495,006	76,098,477
Dilutive effect of stock options	1,079,064	780,107	1,094,929	909,358
Diluted weighted average common shares outstanding	76,530,922	76,824,960	76,589,935	77,007,835

The weighted average number of diluted common shares excludes 484,500 options because they were anti-dilutive during the period (2024 – 1,074,500).

## **17. SUBSEQUENT EVENT**

On December 10, 2025, the Company declared a quarterly dividend of \$0.205 with a record date of December 18, 2025 and a payment date of December 24, 2025.

On December 10, 2025, the Company also declared a special dividend of \$1.00 with a record date of December 18, 2025 and a payment date of December 24, 2025.