

Interim condensed consolidated financial statements of

EVERTZ TECHNOLOGIES LIMITED

Three month and Nine month periods ended January 31, 2025 and 2024
(Unaudited)

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

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(Unaudited)

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Three month and Nine month ended January 31, 2025 and 2024

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EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Financial Position
(Unaudited)

As at January 31, 2025 and April 30, 2024
(In thousands of Canadian dollars)

	January 31, 2025	April 30, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 96,280	\$ 86,325
Trade and other receivables (note 3)	77,454	84,350
Contract assets	14,409	12,554
Prepaid expenses	8,602	11,179
Inventories (note 4)	195,556	206,154
	392,301	400,562
Property, plant and equipment (note 5)	31,708	34,384
Right-of-use assets	17,140	20,432
Goodwill	22,161	21,352
Intangibles	519	1,098
Deferred income taxes	8,381	6,894
	\$ 472,210	\$ 484,722
Liabilities		
Current liabilities		
Trade and other payables	\$ 65,285	\$ 63,249
Provisions (note 6)	5,159	4,946
Deferred revenue	102,959	119,597
Current portion of redemption liability	3,979	3,811
Current portion of lease liabilities	5,008	4,296
Income tax payable	1,968	3,226
	184,358	199,125
Long-term lease liabilities	15,204	18,920
	199,562	218,045
Equity		
Capital stock (note 7)	145,343	145,721
Share based payment reserve	22,992	19,246
Accumulated other comprehensive earnings	5,055	1,197
Retained earnings	96,216	97,103
	101,271	98,300
Total equity attributable to shareholders	269,606	263,267
Non-controlling interest	3,042	3,410
	272,648	266,677
	\$ 472,210	\$ 484,722

See accompanying notes to the interim condensed consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Changes in Equity
(Unaudited)

Nine month periods ended January 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
Balance at April 30, 2023	\$ 143,344	\$ 14,696	\$ (2,402)	\$ 87,460	\$ 243,098	\$ 2,986	\$ 246,084
Net earnings for the period	-	-	-	56,407	56,407	760	57,167
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	-	-	288	-	288	(45)	243
Total comprehensive earnings for the period	\$ -	\$ -	\$ 1,861	\$ 56,407	\$ 58,268	\$ 715	\$ 58,983
Dividends declared	-	-	-	(43,747)	(43,747)	(410)	(44,157)
Repurchase of common shares	(325)	-	-	(1,846)	(2,171)	-	(2,171)
Issued on exercise of employee stock options	1,133	-	-	-	1,133	-	1,133
Transfer of stock options	44	(44)	-	-	-	-	-
Share based compensation expense	-	3,577	-	-	3,577	-	3,577
Balance at January 31, 2024	\$ 144,196	\$ 18,229	\$ (541)	\$ 98,274	\$ 260,158	\$ 3,291	\$ 263,449
Balance at April 30, 2024	\$ 145,721	\$ 19,246	\$ 1,197	\$ 97,103	\$ 263,267	\$ 3,410	\$ 266,677
Net earnings for the period	-	-	-	46,388	46,388	336	46,724
Foreign currency translation adjustment	-	-	3,858	-	3,858	45	3,903
Total comprehensive earnings for the year	\$ -	\$ -	\$ 3,858	\$ 46,388	\$ 50,246	\$ 381	\$ 50,627
Dividends declared	-	-	-	(44,868)	(44,868)	(749)	(45,617)
Repurchase of common shares (note 7)	(431)	-	-	(2,407)	(2,838)	-	(2,838)
Issued on exercise of employee stock options	49	-	-	-	49	-	49
Transfer of stock options	4	(4)	-	-	-	-	-
Share based compensation expense (note 11)	-	3,750	-	-	3,750	-	3,750
Balance at January 31, 2025	\$ 145,343	\$ 22,992	\$ 5,055	\$ 96,216	\$ 269,606	\$ 3,042	\$ 272,648

See accompanying notes to the interim condensed consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Earnings
(Unaudited)

Three month and nine month periods ended January 31, 2025 and 2024
(In thousands of Canadian dollars, except per share amounts)

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2025	2024	2025	2024
Revenue	\$ 136,916	\$ 135,278	\$ 373,818	\$ 391,846
Cost of goods sold	57,818	55,545	154,198	162,058
Gross margin	79,098	79,733	219,620	229,788
Expenses				
Selling, administrative and general (note 8)	20,647	19,447	59,451	55,970
Research and development (note 9)	37,767	35,035	113,617	101,578
Investment tax credits	(3,529)	(3,987)	(10,879)	(10,594)
Foreign exchange (gain) loss	(3,895)	2,840	(4,677)	1,979
	50,990	53,335	157,512	148,933
Earnings before undemoted	28,108	26,398	62,108	80,855
Finance income	531	547	2,073	1,084
Finance costs	(421)	(457)	(1,104)	(1,042)
Net loss on investments through profit and loss	-	-	-	(2,704)
Other income (expenses)	(62)	(526)	249	(404)
Earnings before income taxes	28,156	25,962	63,326	77,789
Provision for (recovery of) income taxes				
Current	7,505	6,045	18,381	20,481
Deferred	(425)	893	(1,779)	141
	7,080	6,938	16,602	20,622
Net earnings for the period	\$ 21,076	\$ 19,024	\$ 46,724	\$ 57,167
Net earnings attributable to non-controlling interest	161	302	336	760
Net earnings attributable to shareholders	20,915	18,722	46,388	56,407
Net earnings for the period	\$ 21,076	\$ 19,024	\$ 46,724	\$ 57,167
Earnings per share (note 15)				
Basic	\$ 0.28	\$ 0.25	\$ 0.61	\$ 0.74
Diluted	\$ 0.27	\$ 0.24	\$ 0.60	\$ 0.73

See accompanying notes to the interim condensed consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Comprehensive Earnings
(Unaudited)

Three month and nine month periods ended January 31, 2025 and 2024
(In thousands of Canadian dollars)

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2025	2024	2025	2024
Net earnings for the period	\$ 21,076	\$ 19,024	\$ 46,724	\$ 57,167
Other comprehensive earnings (loss):				
Items that may or will be reclassified to earnings:				
Unrealized loss on investments, net of tax	-	-	-	(1,131)
Reclassification to net earnings for loss on sale of FVTOCI investments, net of tax	-	-	-	2,704
Foreign currency translation adjustment	406	208	3,903	243
Comprehensive earnings	\$ 21,482	\$ 19,232	\$ 50,627	\$ 58,983
Comprehensive earnings attributable to non-controlling interest	\$ 146	\$ 281	\$ 381	\$ 715
Comprehensive earnings attributable to shareholders	\$ 21,336	\$ 18,951	\$ 50,246	\$ 58,268
Comprehensive earnings	\$ 21,482	\$ 19,232	\$ 50,627	\$ 58,983

See accompanying notes to the interim condensed consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)

Three month and nine month periods ended January 31, 2025 and 2024
(In thousands of Canadian dollars)

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2025	2024	2025	2024
Operating activities				
Net earnings for the period	\$ 21,076	\$ 19,024	\$ 46,724	\$ 57,167
Add: Items not involving cash				
Depreciation of property, plant and equipment	2,508	2,359	7,759	7,212
Amortization of right-of-use assets	1,285	1,206	3,770	3,430
Amortization of intangibles	207	200	612	823
(Gain) loss on disposal of property, plant and equipment	(15)	1	(60)	(12)
Realized loss on investments	-	-	-	2,704
Share based compensation	1,315	1,120	3,750	3,577
Interest expense	398	394	927	977
Deferred income tax recovery	-	703	(1,530)	(49)
	26,774	25,007	61,952	75,829
Current tax expenses, net of investment tax credits	3,583	2,058	7,299	9,887
Income taxes paid	(2,176)	(1,097)	(6,793)	(4,731)
Changes in non-cash working capital items (note 10)	24,794	4,259	3,147	29,513
Cash provided by operating activities	52,975	30,227	65,605	110,498
Investing activities				
Acquisition of property, plant and equipment	(1,177)	(632)	(4,685)	(6,158)
Proceeds from disposal of property, plant and equipment	24	1	89	21
Proceeds from disposal of investments	-	-	-	7,183
Cash (used in) provided by investing activities	(1,153)	(631)	(4,596)	1,046
Financing activities				
Principle payments of lease liabilities	(1,229)	(1,144)	(3,540)	(3,194)
Repayment of credit facilities	-	-	-	(5,928)
Interest paid	(242)	(394)	(759)	(877)
Dividends paid	(15,188)	(14,824)	(44,868)	(43,747)
Dividends paid by subsidiaries to non-controlling interest	(174)	-	(749)	(400)
Capital stock issued	49	580	49	1,133
Capital stock repurchased	(386)	(351)	(2,838)	(2,171)
Cash used in financing activities	(17,170)	(16,133)	(52,705)	(55,184)
Effect of exchange rates on cash and cash equivalents	(104)	384	1,651	884
Increase in cash and cash equivalents	34,551	13,847	9,955	57,244
Cash and cash equivalents beginning of period	61,729	55,865	86,325	12,468
Cash and cash equivalents	\$ 96,280	\$ 69,712	\$ 96,280	\$ 69,712

See accompanying notes to the interim condensed consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three month and Nine month periods ended January 31, 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 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 March 5, 2025.

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 are 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.

Critical Accounting Estimates and Judgements

The preparation of the Company's interim condensed and consolidated 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 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, 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 condensed and 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 interim condensed and 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

	January 31, 2025	April 30, 2024
Trade receivables	\$ 74,727	\$ 81,742
Other receivables	2,727	2,608
	\$ 77,454	\$ 84,350

4. INVENTORIES

	January 31, 2025	April 30, 2024
Finished goods	\$ 54,799	\$ 58,588
Raw material and supplies	104,507	109,750
Work in progress	36,250	37,816
	\$ 195,556	\$ 206,154

Cost of sales for the three and nine month period ended January 31, 2025 included \$49,855 and \$128,360 of inventory respectively (2024 - \$47,407 and \$138,355), \$3,335 and \$6,051 of inventory write-offs, (2024 - \$2,307 and \$1,621).

5. PROPERTY, PLANT AND EQUIPMENT

	January 31, 2025			April 30, 2024		
	Cost	Accumulated Depreciation	Carrying Amount	Cost	Accumulated Depreciation	Carrying Amount
Office furniture and equipment	\$ 5,849	\$ 4,660	\$ 1,189	\$ 5,387	\$ 4,168	\$ 1,219
Research and development equipment	37,146	30,642	6,504	35,590	28,610	6,980
Airplanes	12,374	11,215	1,159	11,987	10,740	1,247
Machinery and equipment	75,777	65,218	10,559	73,845	60,974	12,871
Leaseholds	10,624	8,124	2,500	10,240	7,581	2,659
Land	2,289	-	2,289	2,252	-	2,252
Buildings	11,484	3,976	7,508	10,864	3,708	7,156
	\$ 155,543	\$ 123,835	\$ 31,708	\$ 150,165	\$ 115,781	\$ 34,384

6. PROVISIONS

	Warranty and Returns	Lease/Retirement Obligations	Total
Balance as at April 30, 2024	\$ 4,603	\$ 343	\$ 4,946
Net additions	48	117	165
Foreign exchange differences	30	17	47
Balance as at January 31, 2025	\$ 4,682	\$ 477	\$ 5,159

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 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	(227,315)	(431)
Issued on exercise of stock options	4,000	49
Transferred on stock option exercise	-	4
Balance as at January 31, 2025	75,941,007	\$ 145,343

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 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 nine month period, the Company purchased and cancelled 227,315 common shares at a weighted average price of \$12.50 and during the three month period, 31,919 common shares were purchased and canceled at a weighed average price of \$12.08.

8. SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2025	2024	2025	2024
Selling and administrative	\$ 19,198	\$ 18,262	\$ 55,174	\$ 52,160
Depreciation - selling and administration	1,112	856	3,289	2,565
General:				
Share based compensation (note 11)	131	129	376	422
Amortization of intangibles	206	200	612	823
	\$ 20,647	\$ 19,447	\$ 59,451	\$ 55,970

9. RESEARCH AND DEVELOPMENT

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2025	2024	2025	2024
Research and development	\$ 35,767	\$ 33,023	\$ 107,634	\$ 95,254
Depreciation - research and development	817	944	2,603	2,870
General:				
Share based compensation (note 11)	1,183	1,068	3,380	3,454
	\$ 37,767	\$ 35,035	\$ 113,617	\$ 101,578

10. STATEMENT OF CASH FLOWS

Changes in non-cash working capital items

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2025	2024	2025	2024
Trade and other receivables	\$ (3,698)	\$ (12,973)	\$ 7,738	\$ 13,096
Contract assets	1,839	(2,236)	(1,855)	1,345
Inventories	11,037	(2,829)	11,037	(4,878)
Prepaid expenses	2,412	3,309	3,134	(190)
Trade and other payables	7,362	12,131	837	(17,090)
Deferred revenue	5,801	6,253	(17,957)	36,968
Provisions	41	604	213	262
Net cash provided by (used in)	\$ 24,794	\$ 4,259	\$ 3,147	\$ 29,513

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 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	(70,400)	12.29
Exercised	(4,000)	12.28
Expired	(442,500)	17.97
Balance as at January 31, 2025	3,438,725	\$ 12.58

Stock options outstanding as at January 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
\$12.28	\$ 12.28	2,791,725	0.5	2,233,380	\$ 12.86
\$12.86	\$ 12.86	387,000	0.9	309,600	\$ 14.07
\$14.07	\$ 14.07	100,000	1.2	60,000	\$ 14.07
\$16.20	\$ 16.20	160,000	0.2	128,000	\$ 18.20
Totals	\$ 12.58	3,438,725	0.6	2,730,980	\$ 11.59

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 January 31, 2025	-

As at January 31, 2025, there were 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	180,000
Forfeiture	(10,500)
Balance as at January 31, 2025	1,664,000

Compensation expense

Stock Option Plan

The share based compensation expense that has been charged against earnings over the nine month and three month period is \$164 (2024 - \$448) and \$43 (2024 - \$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% (2024 - 24%).

Restricted Share Unit Plan (2016 Plan)

The share based compensation expense that has been charged against earnings over the nine month and three month periods are \$6 and nil respectively (2024 - \$298 and \$76 respectively). Share based compensation expense was calculated using a weighted average forfeiture rate of 0% (2024 - 0%). As at January 31, 2025, there were no remaining units outstanding and the total liability included within trade and other payables is nil (2024 - \$142).

Restricted Share Unit Plan (2022 Plan)

The share base compensation expense that has been charged against earnings over the nine month and three month period is \$3,586 and \$1,272 (2024 - \$3,129 and \$969 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 used a weighted average forfeiture rate of 11% (2024 - 9%).

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		Nine month period ended	
	January 31, 2025		January 31, 2025	
Revenue	2025	2024	2025	2024
United States	\$ 94,724	\$ 76,137	\$ 254,835	\$ 229,306
International	37,845	54,777	105,933	150,320
Canada	4,347	4,364	13,050	12,220
	\$ 136,916	\$ 135,278	\$ 373,818	\$ 391,846

	January 31, 2025			April 30, 2024		
	Property, Plant and Equipment	Goodwill	Intangible Assets	Property, Plant and Equipment	Goodwill	Intangible Assets
United States	\$ 3,179	\$ 1,489	\$ -	\$ 3,485	\$ 1,400	\$ 60
International	9,762	19,089	520	9,551	18,369	1,038
Canada	18,767	1,583	-	21,348	1,583	-
	\$ 31,708	\$ 22,161	\$ 520	\$ 34,384	\$ 21,352	\$ 1,098

13. REVENUE

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2025	2024	2025	2024
Hardware	\$ 81,199	\$ 82,840	\$ 207,387	\$ 250,688
Reoccurring software, services and other software	55,717	52,438	166,431	141,158
	\$ 136,916	\$ 135,278	\$ 373,818	\$ 391,846

During the nine and three month periods, the Company recognized \$50,687 and \$19,380 respectively under the long term contract method (2024 - \$43,370 and \$14,237)

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 \$4,598 committed over the remaining term. During the nine month and three month periods, rent paid for the leased principal premises amounted to \$810 (2024 - \$810) and \$270 (2024 - \$270) with no outstanding amounts due as at January 31, 2025.

The Company also leases property where two shareholders indirectly own 100% interest. This lease was renewed in October 2021 and expires in 2026 with a total of \$532 committed over the remaining term. During the nine month and three month periods, rent paid for the leased principal premises amounted to \$232 (2024 - \$225) and \$78 (2024 - \$76) with no outstanding amounts due as at January 31, 2025.

On December 1, 2018 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 \$3,573 committed over the remaining term. During the nine month and three month periods, rent paid for the leased principal premises amounted to \$750 (2024 - \$669) and \$230 (2024 - \$223) with no outstanding amounts due as at January 31, 2025.

On May 1, 2019 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 \$2,418 committed over the remaining term. During the nine month and three month periods, rent paid for the leased principal premises amounted to \$408 (2024 - \$408) and \$136 (2024 - \$136) with no outstanding amounts due as at January 31, 2025.

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 \$1,367 committed over the remaining term. During the nine month and three month periods, rent paid for the leased principal premises amounted to \$769 (2024 - \$758) and \$256 (2024 - \$253) with no outstanding amounts due as at January 31, 2025.

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

Lease Commencement Date	Lease Expiry Date	Amount committed over remaining term	For Nine Months ending Jan. 31, 2025	For Nine Months ending Jan. 31, 2024
October 2021	September 2026	\$ 531	\$ 231	\$ 224
December 2023	November 2028	\$ 1,310	\$ 180	\$ 124
August 2016	July 2026	\$ 425	\$ 210	\$ 204

15. EARNINGS PER SHARE

	Three month period ended		Nine month period ended	
	January 31, 2025		January 31, 2025	
	2025	2024	2025	2024
Weighted average common shares outstanding	75,940,906	76,019,435	76,045,953	76,084,597
Dilutive effect of stock options	919,274	937,355	973,945	793,798
Diluted weighted average common shares outstanding	76,860,180	76,956,790	77,019,898	76,878,395

The weighted average number of diluted common shares excludes 647,000 options because they were anti-dilutive during the period (2024 – 762,500).

16. SUBSEQUENT EVENT

On March 5, 2025, the Company declared a quarterly dividend of \$0.20 with a record date of March 13, 2025 and a payment date of March 20, 2025.