

EVERTZ TECHNOLOGIES LIMITED
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Third Quarter ended January 31, 2025

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 March 5, 2025.

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 television content. The Company’s solutions are purchased by content creators, broadcasters, specialty channels and television service providers to support their increasingly complex multi-channel digital and high definition television (“HDTV/Ultra HD”) and next generation high bandwidth low latency IP network environments and by telecommunications and new-media companies. The Company’s products allow its customers to generate additional revenue while reducing costs through efficient 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 the expanding Internet Protocol Television (“IPTV”) market and a leader in Software Defined Video Network (“SDVN”) technology. 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.

QUARTER END HIGHLIGHTS

Revenue was \$136.9 million for the third quarter ended January 31, 2025; an increase of \$1.6 million, when compared to \$135.3 million for the same period ended January 31, 2024.

For the third quarter ended January 31, 2025, net earnings were \$21.1 million, an increase of 11% compared to \$19.0 million for the third quarter ended January 31, 2024. Fully diluted earnings per share were \$0.28 an increase from \$0.24 in the third quarter ended January 31, 2024.

For the third quarter ended January 31, 2025, net earnings from operations were \$28.1 million, compared to \$26.4 million for the third quarter ended January 31, 2024. For the third quarter ended January 31, 2025, foreign exchange gain was \$3.9 million, compared to a foreign exchange loss of \$2.8 million for the third quarter January 31, 2024.

Gross margin during the third quarter ended January 31, 2025 was 57.8 % compared to 58.9% in the third quarter ended January 31, 2024.

Selling and administrative expenses for the third quarter ended January 31, 2025 were \$19.2 million as compared to the third quarter ended January 31, 2024 of \$18.3 million. As a percentage of revenue, selling and administrative expenses totaled 14.0% for the third quarter ended January 31, 2025 compared to 13.5% in the third quarter ended January 31, 2024.

Research and development expenses were \$36.6 million for the third quarter ended January 31, 2025 as compared to \$34.0 million for the third quarter ended January 31, 2024.

Selected Consolidated Financial Information

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

	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 and administrative	19,198	18,262	55,174	52,160
General	1,318	1,056	3,901	3,388
Research and development	36,584	33,967	110,237	98,124
Investment tax credits	(3,529)	(3,987)	(10,879)	(10,594)
Share based compensation	1,314	1,197	3,756	3,876
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 costs	531	547	2,073	1,084
Finance income	(421)	(457)	(1,104)	(1,042)
Net loss on investments through profit and loss	-	-	-	(2,704)
Other (expenses) income	(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				
Basic	\$ 0.28	\$ 0.25	\$ 0.61	\$ 0.74
Diluted	\$ 0.27	\$ 0.24	\$ 0.60	\$ 0.73
Consolidated Balance Sheet Data				
		As At		As At
		January 31, 2025		April 30, 2024
Cash and Cash Equivalents	\$	96,280	\$	86,325
Inventory	\$	195,556	\$	206,154
Working capital	\$	207,943	\$	201,437
Total assets	\$	472,210	\$	484,722
Shareholders' equity	\$	269,606	\$	263,267
Number of common shares outstanding:				
Basic		75,941,007		76,164,322
Fully-diluted		81,043,732		81,614,447
Weighted average number of shares outstanding:				
Basic		76,045,953		76,088,691
Fully-diluted		77,019,898		77,044,858

Consolidated Statement of Operations Data

(in percentage except earnings per share and share data)

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2025	2024	2025	2024
Revenue	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	42.1%	41.1%	41.2%	41.4%
Gross margin	57.8%	58.9%	58.8%	58.6%
Expenses				
Selling and administrative	14.0%	13.5%	14.7%	13.3%
General	1.0%	0.8%	1.0%	0.9%
Research and development	26.7%	25.2%	29.5%	25.1%
Investment tax credits	(2.6%)	(3.0%)	(2.9%)	(2.7%)
Share based compensation	1.0%	0.9%	1.0%	1.0%
Foreign exchange (gain) loss	(2.8%)	2.1%	(1.2%)	0.5%
	37.3%	39.4%	42.1%	38.0%
Earnings before undernoted	20.5%	19.5%	16.7%	20.6%
Finance costs	0.4%	0.4%	0.5%	0.3%
Finance income	(0.3%)	(0.3%)	(0.3%)	(0.3%)
Net loss on investments through profit and loss	0.0%	0.0%	0.0%	(0.7%)
Other (expenses) income	(0.0%)	(0.4%)	0.1%	(0.1%)
Earnings before income taxes	20.6%	19.2%	17.0%	19.8%
Provision for (recovery) of income taxes				
Current	5.5%	4.5%	4.9%	5.2%
Deferred	(0.3%)	0.6%	(0.4%)	0.0%
	5.2%	5.1%	4.5%	5.2%
Net earnings for the period	15.4%	14.1%	12.5%	14.6%
Net earnings attributable to non-controlling interest	0.1%	0.2%	0.1%	0.2%
Net earnings attributable to shareholders	15.3%	13.9%	12.4%	14.4%
Net earnings for the period	15.4%	14.1%	12.5%	14.6%
Earnings per share:				
Basic	\$0.28	\$0.25	\$0.61	\$0.74
Diluted	\$0.27	\$0.24	\$0.60	\$0.73

Revenue and Expenses

The Company generates revenue principally from the sale of software, equipment, and technology solutions to content creators, broadcasters, specialty channels and television service providers.

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 substantially all 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 90% of the Company's revenues are denominated in US dollars.

Revenue

(In thousands of Canadian dollars, except for percentages)	Three month period ended			% increase (decrease)	Nine month period ended		
	January 31,				January 31,		
	2025	2024			2025	2024	
United States/Canada	\$ 99,071	\$ 80,501	23%	\$ 267,885	\$ 241,526	11%	
International	37,845	54,777	(31%)	105,933	150,320	(30%)	
	\$ 136,916	\$ 135,278	1%	\$ 373,818	\$ 391,846	(5%)	

Total revenue for the third quarter ended January 31, 2025 was \$136.9 million, an increase of \$1.6 million or 1% as compared to revenue of \$135.3 million for the third quarter ended January 31, 2024.

Total revenue for the nine month period ended January 31, 2025 was \$373.8 million, a decrease of \$18.0 million as compared to revenue of \$391.8 million for the nine month period ended January 31, 2024.

Revenue in the United States/Canada region was \$99.1 million for the third quarter ended January 31, 2025, an increase of \$18.6 million or 23% when compared to revenue of \$80.5 million for the third quarter ended January 31, 2024.

Revenue in the United States/Canada region was \$267.9 million for the nine month period ended January 31, 2025, an increase of \$26.4 million or 11% when compared to revenue of \$241.5 million for the nine month period ended January 31, 2024.

Revenue in the International region was \$37.8 million for the third quarter ended January 31, 2025, a decrease of \$16.0 million or 31% as compared to revenue of \$54.8 million for the third quarter ended January 31, 2024.

Revenue in the International region was \$105.9 million for the nine month period ended January 31, 2025, a decrease of \$44.4 million or 30% as compared to revenue of \$150.3 million for the nine month period ended January 31, 2024.

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 as well as inventory obsolescence and write-offs. Cost of sales also includes related overhead, certain depreciation, final assembly, quality assurance, inventory management and support costs. Cost of sales also includes the costs of providing services to clients, primarily the cost of service-related personnel.

Gross Margin

(In thousands of Canadian dollars, except for percentages)	Three month period ended			% increase	Nine month period ended		
	January 31,				January 31,		
	2025	2024			2025	2024	
Gross margin	\$ 79,098	\$ 79,733	(1%)	\$ 219,620	\$ 229,788	(4%)	
Gross margin % of sales	57.8%	58.9%		58.8%	58.6%		

Gross margin for the third quarter ended January 31, 2025 was \$79.1 million, compared to \$79.7 million for the third quarter ended January 31, 2024. As a percentage of revenue, the gross margin was 57.8 % for the third quarter ended January 31, 2025 compared to 58.9% for the third quarter ended January 31, 2024.

Gross margin for the nine month period ended January 31, 2025 was \$219.6 million, compared to \$229.8 million for the nine month period ended January 31, 2024. As a percentage of revenue, the gross margin was 58.8 % for the nine month period ended January 31, 2025 compared to 58.6% for the nine month period ended January 31, 2024.

The Company expects that it will continue to experience competitive pricing pressures and increased lead time of components. 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)	Three month period ended			% increase (decrease)	Nine month period ended			% increase (decrease)		
	January 31,				January 31,					
	2025	2024			2025	2024				
Selling and administrative	\$	19,198	\$	18,262	5%	\$	55,174	\$	52,160	6%
Selling and administrative % of sales		14.0%		13.5%			14.7%		13.3%	

Selling and administrative expenses excludes stock based compensation, depreciation and amortization of intangibles. Selling and administrative expenses for the third quarter ended January 31, 2025 were \$19.2 million or 14.0 % of revenue, as compared to selling and administrative expenses of \$18.3 million or 13.5% of revenue for third quarter ended January 31, 2024. The increase of \$0.9 million includes a \$0.4 million increase in selling costs and \$0.3 million increase from increased translation costs of USD, Euro and Sterling dominated expenses.

Selling and administrative expenses for the nine month period ended January 31, 2025 were \$55.2 million or 14.7% of revenue, as compared to selling and administrative expenses of \$52.2 million or 13.3% of revenue for the nine month period ended January 31, 2024. The increase of \$3.0 million includes \$1.5 million in increased salary costs, \$1.2 million in increased selling costs and an \$0.6 million increase from increased translation costs of USD, Euro and Sterling dominated expenses.

Share Based Compensation

In June 2022, the Company adopted an equity based restricted share unit plan, which was approved by shareholders on October 6, 2022 to attract, motivate and compensate persons who are integral to the growth and success of the Company. During the three and nine months periods ended January 31, 2025, share based compensation expense associated with the 2022 plan was \$1.3 million and \$3.8 million respectively. This is compared to \$1.0 million and \$3.0 million for the three month and nine month periods ended January 31, 2024.

Research and Development (R&D)

(In thousands of Canadian dollars, except for percentages)	Three month period ended			% increase (decrease)	Nine month period ended			% increase (decrease)
	January 31,				January 31,			
	2025	2024			2025	2024		
Research and development expenses	\$ 36,584	\$ 33,967	8%	\$ 110,237	\$ 98,124	12%		
Research and development % of sales	26.7%	25.2%		29.5%	25.1%			

Research and development expenses exclude stock based compensation but includes depreciation. For the third quarter ended January 31, 2025, gross R&D expenses were \$36.6 million, an increase of \$2.6 million as compared to an expense of \$33.9 million for the third quarter ended January 31, 2024. The increase of \$2.6 million includes a \$1.2 million increase in salary costs, a \$0.5 million increase in software, materials and supplies and a \$0.2 million increase from increased translation costs of USD, Euro and Sterling dominated expenses.

For the nine month period ended January 31, 2025, gross R&D expenses were \$110.2 million, an increase of \$12.1 million as compared to an expense of \$98.1 million for the nine month period ended January 31, 2024. The increase of \$12.1 million includes a \$5.7 million increase in North American salary costs due to increased headcount, \$1.0 million increase in overseas salaries, \$3.2 million increase in software, materials and prototype expenses, \$0.9 million increase on specialized services costs and a \$0.5 million increase from increased translation costs of USD, Euro and Sterling dominated expenses.

Investment Tax Credits

For the third quarter ended January 31, 2025, investment tax credits were \$3.6 million compared to \$4.0 million for the third quarter ended January 31, 2024.

For the nine month period ended January 31, 2025, investment tax credits were \$10.9 million compared to \$10.6 million for the nine month period ended January 31, 2024.

Foreign Exchange

For the third quarter ended January 31, 2025, the foreign exchange gain was \$ 3.9 million, as compared to a foreign exchange loss for the third quarter ended January 31, 2024 of \$2.8 million. The current period gain was predominantly driven by the translation of US dollar assets into Canadian dollars at a foreign exchange rate higher than the value of the US dollar against the Canadian dollar as at October 31, 2024.

For the nine month period ended January 31, 2025, the foreign exchange gain was \$4.7 million, as compared to a foreign exchange gain for the nine month period ended January 31, 2024 of \$2.0 million. The current period gain was predominantly driven by the translation of US dollar assets into Canadian dollars at a foreign exchange rate higher than the value of the US dollar against the Canadian dollar as at April 30, 2024.

Investments, Finance Income, Finance Costs, Other Income and Expenses

For the third quarter ended January 31, 2025, finance income, investment losses, finance costs, other income and expenses netted to a loss of less than \$0.1 million.

For the nine month period ended January 31, 2025, finance costs, investment losses, other income, and expenses netted to a loss of \$1.2 million.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Capital Resources			
<small>(in thousands of dollars except ratios)</small>			
Key Balance Sheet Amounts and Ratios:	As at		As at
	January 31, 2025		April 30, 2024
Cash and cash equivalents	\$	96,280	\$ 86,325
Working capital	\$	207,943	\$ 201,437
Long-term assets	\$	71,528	\$ 77,266
Days sales outstanding in accounts receivable		56	\$ 60

Statement of Cash Flow Summary	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2025	2024	2025	2024
Operating activities	\$ 52,975	\$ 30,227	\$ 65,605	\$ 110,498
Investing activities	\$ (1,153)	\$ (631)	\$ (4,596)	\$ 1,046
Financing activities	\$ (17,170)	\$ (16,133)	\$ (52,705)	\$ (55,184)
Net increase in cash	\$ 34,551	\$ 13,847	\$ 9,955	\$ 57,244

Operating Activities

For the third quarter ended January 31, 2025, the Company generated cash from operations of \$53.0 million, compared to \$30.2 million cash generated for the third quarter ended January 31, 2024. Excluding the effects of the changes in non-cash working capital and current taxes, the Company generated cash from operations of \$27.2 million for the third quarter ended January 31, 2025 compared to \$25.0 million for the third quarter ended January 31, 2024.

For the nine month period ended January 31, 2025, the Company generated cash for operations of \$65.6 million, compared to \$110.5 million cash generated for the nine month period ended January 31, 2024. Excluding the effects of the changes in non-cash working capital and current taxes, the Company generated cash from operations of \$62.4 million for the nine month period ended January 31, 2025 compared to \$75.8 million for the nine month period ended January 31, 2024.

Investing Activities

The Company used cash from investing activities of \$1.2 million for the third quarter ended January 31, 2025 which was principally driven by the acquisition of capital assets of \$1.2 million.

The Company used cash from investing activities of \$4.6 million for the nine month period ended January 31, 2025 which was principally driven the acquisition of capital assets of \$4.7 million.

Financing Activities

For the third quarter ended January 31, 2025, the Company used cash from financing activities of \$17.2 million, which was principally driven by dividends paid of \$15.2 million.

For the nine month period ended January 31, 2025, the Company used cash from financing activities of \$52.7 million, which was principally driven by dividends paid of \$44.9 million and capital stock repurchased for \$2.8 million.

WORKING CAPITAL

As at January 31, 2025, the Company had a cash and cash equivalent of \$96.3 million, compared to \$86.3 million at April 30, 2024.

The Company had working capital of \$207.9 million as at January 31, 2025 compared to \$201.4 million as at April 30, 2024.

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.

Days sales outstanding in accounts receivable were 56 days at January 31, 2025 as compared to 60 for April 30, 2024.

SHARE CAPITAL STRUCTURE

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

	As at January 31, 2025	As at April 30, 2024
Common shares	75,941,007	76,164,322
Stock options granted and outstanding	3,438,725	3,955,625
Restricted share units granted and outstanding	1,664,000	1,494,500

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, 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 January 31, 2025:

(In thousands)	Payments Due by Period					
	Total	Less than 1 Year	2-3 Years	4-5 Years	Thereafter	
Lease commitments	\$ 19,919	\$ 4,394	\$ 8,927	\$ 5,227	\$ 1,371	
Redemption Liabilities	3,979	3,979	-	-	-	
	\$ 23,898	\$ 8,373	\$ 8,927	\$ 5,227	\$ 1,371	

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 third 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 January 31, 2025. 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.

(In thousands)	Quarter Ending								
	2025	2024				2023			
	Jan 31	Oct 31	July 31	Apr 30	Jan 31	Oct 31	July 31	Apr 30	
Hardware Revenue	\$ 81,199	\$ 70,477	\$ 55,711	\$ 75,057	\$ 82,840	\$ 86,470	\$ 81,378	\$ 78,365	
Reoccurring Software, Services and Other Software Revenue	\$ 55,717	\$ 54,783	55,932	47,713	52,438	44,279	44,441	50,554	
Revenue	\$ 136,916	\$ 125,260	\$ 111,643	\$ 122,770	\$ 135,278	\$ 130,749	\$ 125,819	\$ 128,920	
Cost of goods sold	57,818	50,999	45,381	50,115	55,545	52,730	53,783	52,274	
Gross margin	\$ 79,098	\$ 74,261	\$ 66,262	\$ 72,655	\$ 79,733	\$ 78,019	\$ 72,036	\$ 76,646	
Operating expenses	50,990	52,869	53,653	53,114	53,335	45,869	49,729	46,179	
Earnings from operations	\$ 28,108	\$ 21,392	\$ 12,609	\$ 19,541	\$ 26,398	\$ 32,150	\$ 22,307	\$ 30,467	
Non-operating income	49	564	606	28	(436)	(2,204)	(426)	4,547	
Earnings before taxes	\$ 28,156	\$ 21,955	\$ 13,215	\$ 19,569	\$ 25,962	\$ 29,946	\$ 21,881	\$ 25,921	
Net earnings	\$ 20,915	\$ 15,804	\$ 9,669	13,764	\$ 18,722	\$ 22,093	\$ 15,593	\$ 18,423	
Net earnings per share:									
Basic	\$ 0.28	\$ 0.21	\$ 0.13	\$ 0.18	\$ 0.25	\$ 0.29	\$ 0.20	\$ 0.24	
Diluted	\$ 0.27	\$ 0.21	\$ 0.13	\$ 0.18	\$ 0.24	\$ 0.29	\$ 0.20	\$ 0.24	
Dividends per share:	\$ 0.20	\$ 0.195	\$ 0.195	\$ 0.195	\$ 0.195	\$ 0.19	\$ 0.19	\$ 0.19	

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 January 31, 2025.

Management has concluded that, as of January 31, 2025, 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 January 31, 2025, 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 period ended January 31, 2025 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, as evidenced by the receipt of significant orders and increase in the Company's backlog. 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

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