

**EVERTZ TECHNOLOGIES LIMITED**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For the Third Quarter ended January 31, 2026**

The following Management’s Discussion and Analysis is a review of results of the operations and the liquidity and capital resources of the Company. It should be read in conjunction with the selected consolidated financial information and other data and the Company’s consolidated financial statements and the accompanying notes contained on SEDAR. The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”) and are presented in Canadian dollars. The fiscal year of the Company ends on April 30 of each year. Certain information contained herein is forward-looking and based upon assumptions and anticipated results that are subject to risks, uncertainties and other factors. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected.

**FORWARD-LOOKING STATEMENTS**

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

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

The report is based on information available to management on March 4, 2026.

**OVERVIEW**

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

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

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

## **QUARTER END HIGHLIGHTS**

Revenue was \$139.3 million for the third quarter ended January 31, 2026; an increase of \$2.4 million, when compared to \$136.9 million for the same period ended January 31, 2025.

For the third quarter ended January 31, 2026, net earnings from operations, before the impact of foreign exchange, was \$28.1 million, an increase from \$24.2 million for the third quarter ended January 31, 2025. For the third quarter ended January 31, 2026, foreign exchange loss during the quarter was \$2.3 million, compared with a foreign exchange gain of \$3.9 million for the third quarter January 31, 2025.

For the third quarter ended January 31, 2026, net earnings from operations were \$25.8 million, a decrease from \$28.1 million for the third quarter ended January 31, 2025. For the third quarter ended January 31, 2026, net earnings were \$18.7 million, a decrease from \$21.1 million for the third quarter ended January 31, 2025. Fully diluted earnings per share were \$0.24 a decrease from \$0.27 in the third quarter ended January 31, 2025.

Gross margin during the third quarter ended January 31, 2026 was 58.3% compared to 57.8% in the third quarter ended January 31, 2025.

Selling and administrative expenses for the third quarter ended January 31, 2026 was \$18.6 million as compared to the third quarter ended January 31, 2025 of \$19.2 million. As a percentage of revenue, selling and administrative expenses totaled 13.3% for the third quarter ended January 31, 2026 compared to 14.0% in the third quarter ended January 31, 2025.

Research and development expenses were \$36.7 million for the third quarter ended January 31, 2026 as compared to \$36.6 million for the third quarter ended January 31, 2025.

### 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,	
	2026	2025	2026	2025
Revenue	\$ 139,333	\$ 136,916	\$ 384,213	\$ 373,818
Cost of goods sold	58,087	57,818	156,296	154,198
Gross margin	81,246	79,098	227,917	219,620
Expenses				
Selling and administrative	18,596	19,198	56,322	55,174
General	797	1,318	3,332	3,901
Research and development	36,739	36,584	110,357	110,237
Investment tax credits	(4,758)	(3,529)	(12,455)	(10,879)
Share based compensation	1,739	1,314	3,721	3,756
Foreign exchange loss (gain)	2,315	(3,895)	804	(4,677)
	55,428	50,990	162,081	157,512
Earnings before undemoted	25,818	28,108	65,836	62,108
Finance income	590	531	2,597	2,073
Finance costs	(281)	(421)	(1,139)	(1,104)
Other (expenses) income	(333)	(62)	(235)	249
Earnings before income taxes	25,794	28,156	67,059	63,326
Provision for (recovery of) income taxes				
Current	7,286	7,505	16,207	18,381
Deferred	(154)	(425)	1,678	(1,779)
	7,132	7,080	17,885	16,602
Net earnings for the period	\$ 18,662	\$ 21,076	\$ 49,174	\$ 46,724
Net earnings attributable to non-controlling interest	204	161	349	336
Net earnings attributable to shareholders	18,458	20,915	48,825	46,388
Net earnings for the period	\$ 18,662	\$ 21,076	\$ 49,174	\$ 46,724
Earnings per share				
Basic	\$ 0.24	\$ 0.28	\$ 0.65	\$ 0.61
Diluted	\$ 0.24	\$ 0.27	\$ 0.64	\$ 0.60

### Consolidated Balance Sheet Data

	As At	
	January 31, 2026	April 30, 2025
Cash and Cash Equivalents	\$ 24,790	\$ 111,665
Inventory	\$ 195,418	\$ 181,011
Working capital	\$ 133,184	\$ 206,900
Total assets	\$ 417,037	\$ 469,485
Shareholders' equity	\$ 196,529	\$ 268,123
Number of common shares outstanding:		
Basic	75,528,850	75,750,235
Fully-diluted	79,979,150	80,627,710
Weighted average number of shares outstanding:		
Basic	75,498,904	76,010,401
Fully-diluted	76,706,039	76,975,472

**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,	
	2026	2025	2026	2025
Revenue	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	41.7%	42.1%	40.7%	41.2%
Gross margin	58.3%	57.8%	59.3%	58.8%
Expenses				
Selling and administrative	13.3%	14.0%	14.7%	14.7%
General	0.6%	1.0%	0.9%	1.0%
Research and development	26.4%	26.7%	28.7%	29.5%
Investment tax credits	(3.4%)	(2.6%)	(3.2%)	(2.9%)
Share based compensation	1.2%	1.0%	1.0%	1.0%
Foreign exchange loss (gain)	1.7%	(2.8%)	0.2%	(1.3%)
	39.8%	37.3%	42.3%	42.0%
Earnings before undernoted	18.5%	20.5%	17.0%	16.8%
Finance income	0.4%	0.4%	0.7%	0.5%
Finance costs	(0.2%)	(0.3%)	(0.3%)	(0.3%)
Other (expenses) income	(0.2%)	0.0%	0.1%	0.1%
Earnings before income taxes	18.5%	20.6%	17.3%	17.1%
Provision for (recovery) of income taxes				
Current	5.2%	5.5%	4.2%	4.9%
Deferred	(0.1%)	(0.3%)	0.5%	(0.4%)
	5.1%	5.2%	4.7%	4.5%
Net earnings for the period	13.4%	15.4%	12.6%	12.6%
Net earnings attributable to non-controlling interest	0.1%	0.1%	0.1%	0.1%
Net earnings attributable to shareholders	13.3%	15.3%	12.5%	12.5%
Net earnings for the period	13.4%	15.4%	12.6%	12.6%
Earnings per share:				
Basic	\$0.24	\$0.28	\$0.65	\$0.61
Diluted	\$0.24	\$0.27	\$0.64	\$0.60

**REVENUE AND EXPENSES*****Revenue***

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 65% to 75% 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			Nine month period ended		
	January 31,		% increase	January 31,		% increase
	2026	2025	(decrease)	2026	2025	(decrease)
United States/Canada	\$ 95,640	\$ 99,071	(3%)	\$ 273,598	\$ 267,885	2%
International	43,693	37,845	15%	110,615	105,933	4%
	\$ 139,333	\$ 136,916	2%	\$ 384,213	\$ 373,818	3%

Total revenue for the third quarter ended January 31, 2026, was \$139.3 million, an increase of \$2.4 million or 2% as compared to revenue of \$136.9 million for the third quarter ended January 31, 2025.

Total revenue for the nine month period ended January 31, 2026 was \$384.2 million, an increase of \$10.4 million or 3% as compared to revenue of \$373.8 million for the nine month period ended January 31, 2025.

Revenue in the United States/Canada region was \$95.6 million for the third quarter ended January 31, 2026, a decrease of \$3.5 million or 3% compared to revenue of \$99.1 million for the third quarter ended January 31, 2025.

Revenue in the United States/Canada region was \$273.6 million for the nine month period ended January 31, 2026, an increase of \$5.7 million or 2% when compared to revenue of \$267.9 million for the nine month period ended January 31, 2025.

Revenue in the International region was \$43.7 million for the third quarter ended January 31, 2026, an increase of \$5.9 million or 15% as compared to revenue of \$37.8 million for the third quarter ended January 31, 2025. The increase is driven by strong growth in Europe.

Revenue in the International region was \$110.6 million for the nine month period ended January 31, 2026, an increase of \$4.7 million or 4% as compared to revenue of \$105.9 million for the nine month period ended January 31, 2025.

### **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 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,					
	2026	2025			2026	2025				
Gross margin	\$	81,246	\$	79,098	3%	\$	227,917	\$	219,620	4%
Gross margin % of sales		58.3%		57.8%			59.3%		58.8%	

Gross margin for the third quarter ended January 31, 2026 was \$81.2 million, compared to \$79.1 million for the third quarter ended January 31, 2025. As a percentage of revenue, the gross margin was 58.3% for the third quarter ended January 31, 2026 compared to 57.8% for the third quarter ended January 31, 2025.

Gross margin for the nine month period ended January 31, 2026 was \$227.9 million, compared to \$219.6 million for the nine month period ended January 31, 2025. As a percentage of revenue, the gross margin was 59.3% for the nine month period ended January 31, 2026 compared to 58.8% for the nine month period ended January 31, 2025.

Gross margins vary depending on the product mix, manufacturing volumes, geographic distribution, competitive pricing pressures and currency fluctuations. The Company expects that it will continue to experience competitive pricing pressures. The Company continually seeks to build its products more efficiently and enhance the value of its product and service offerings in order to reduce the risk of declining gross margin associated with the competitive environment.

## ***Operating Expenses***

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

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

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

## *Selling and Administrative*

(In thousands of Canadian dollars, except for percentages)	Three month period ended			% increase	Nine month period ended		
	January 31,				January 31,		
	2026	2025			2026	2025	
Selling and administrative	\$ 18,596	\$ 19,198	(3%)	\$ 56,322	\$ 55,174	2%	
Selling and administrative % of sales	13.3%	14.0%		14.7%	14.7%		

Selling and administrative expenses excludes stock based compensation, depreciation and amortization of intangibles. Selling and administrative expenses for the third quarter ended January 31, 2026 were \$18.6 million or 13.3% of revenue, as compared to selling and administrative expenses of \$19.2 million or 14.0% of revenue for third quarter ended January 31, 2025. The decrease of \$0.6 million includes \$1.0 million decrease in net salary costs, partially offset by a \$0.4 million increase in the bad debt expense due to an increase in estimated allowances for doubtful accounts on multiple customer accounts.

Selling and administrative expenses for the nine month period ended January 31, 2026 were \$56.3 million or 14.7% of revenue, as compared to selling and administrative expenses of \$55.2 million or 14.7% of revenue for the nine month period ended January 31, 2025. The increase of \$1.1 million includes a \$1.2 million in increase trades shows, promotion and travel and entertainment as the Company has increased attendance at trade shows and other related selling costs, particularly within the government/military sector. Additionally, the first quarter of the prior year included a recovery of \$0.5 million, which was netted against associated fees, that did not reoccur in the current year.

## *Share Based Compensation*

The Company also has an established stock option plan to attract, motivate and compensate persons who are integral to the growth and success of the Company. During the three and nine month periods ended January 31, 2026, share based compensation expense associated with the stock option plan was \$0.1 million. In December, 2025, the Company issued 1.0 million stock options, the majority of which were to employees within the research and development group.

In June 2022, the Company adopted an equity based restricted share unit plan, to further attract, motivate and compensate persons who are integral to the growth and success of the Company. During the three and nine month periods ended January 31, 2026, share based compensation expense associated with the plan was \$1.7 million, and \$3.7 million respectively. This is compared to \$1.3 million and \$3.6 million, respectively in the prior year. The increase in expenses over the three month period was driven by the issuance of 1.8 million restricted share units in December, 2025, the majority of which were to employees within the research and development group.

## *Research and Development (R&D)*

(In thousands of Canadian dollars, except for percentages)	Three month period ended			% increase	Nine month period ended		
	January 31,				January 31,		
	2026	2025			2026	2025	
Research and development expenses	\$ 36,736	\$ 36,584	1%	\$ 110,357	\$ 110,237	0%	
Research and development % of sales	26.4%	26.7%		28.7%	29.5%		

Research and development expenses exclude stock based compensation but includes depreciation. For the third quarter ended January 31, 2026, gross R&D expenses were \$36.7 million, an increase of \$0.1 million as compared to an expense of \$36.6 million for the third quarter ended January 31, 2025.

For the nine month period ended January 31, 2026, gross R&D expenses were \$110.4 million, an increase of \$0.2 million as compared to an expense of \$110.2 million for the nine month period ended January 31, 2025.

### ***Investment Tax Credits***

For the third quarter ended January 31, 2026, investment tax credits were \$4.8 million compared to \$3.6 million for the third quarter ended January 31, 2025. For the nine months ending January 31, 2026, investment tax credits were \$12.5 million compared to \$10.9 million for the nine month period ended January 31, 2025

### ***Foreign Exchange***

For the third quarter ended January 31, 2026, the foreign exchange loss was \$2.3 million, as compared to a foreign exchange gain for the third quarter ended January 31, 2025 of \$3.9 million. The current period loss was predominantly driven by the translation of US dollar assets into Canadian dollars at a foreign exchange rate lower than the value of the US dollar against the Canadian dollar as at October 31, 2025.

For the nine month period ended January 31, 2026, the foreign exchange loss was \$0.8 million, as compared to a foreign exchange gain for the nine month period ended January 31, 2025 of \$4.7 million. The current period loss was predominantly driven by the translation of US dollar assets into Canadian dollars at a foreign exchange rate lower than the value of the US dollar against the Canadian dollar as at April 30, 2025.

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

For the third quarter ended January 31, 2026, finance income, investment losses, finance costs, other income and expenses netted to a loss of less than \$0.1 million.

For the nine months ended January 31, 2026, finance income, investment losses, finance costs, other income and expenses netted to a gain of \$1.2 million.

## **LIQUIDITY AND CAPITAL RESOURCES**

<b>Liquidity and Capital Resources</b>			
<b>(in thousands of dollars except ratios)</b>			
<b>Key Balance Sheet Amounts and Ratios:</b>	<b>As at</b>		<b>As at</b>
	<b>January 31, 2026</b>		<b>April 30, 2025</b>
Cash and cash equivalents	\$	24,790	\$ 111,665
Working capital	\$	133,184	\$ 206,900
Long-term assets	\$	72,025	\$ 68,374
Days sales outstanding in accounts receivable		54	51

<b>Statement of Cash Flow Summary</b>	<b>Three month period ended</b>		<b>Nine month period ended</b>	
	<b>January 31,</b>		<b>January 31,</b>	
	<b>2026</b>	<b>2025</b>	<b>2026</b>	<b>2025</b>
Operating activities	\$ 29,291	\$ 52,975	\$ 57,806	\$ 65,605
Investing activities	\$ (7,011)	\$ (1,153)	\$ 13,887	\$ (4,596)
Financing activities	\$ (92,384)	\$ (17,170)	\$ (130,041)	\$ (52,705)
Net (decrease) increase in cash	\$ (71,905)	\$ 34,551	\$ (86,875)	\$ 9,955

### ***Operating Activities***

For the third quarter ended January 31, 2026, the Company cash generated from operations of \$29.3 million, compared to \$53.0 million cash used for the third quarter ended January 31, 2025. Excluding the effects of the changes in non-cash working capital and current taxes, the Company generated cash from operations of \$24.9 million for the third quarter ended January 31, 2026 compared to \$26.8 million for the third quarter ended January 31, 2025.

For the nine month period ended January 31, 2026, the Company generated cash from operations of \$57.8 million, compared to \$65.6 million for the nine month period ended January 31, 2025. Excluding the effects of the changes in non-cash working capital and current taxes, the Company generated cash from operations of \$67.3 million for the nine month period ended January 31, 2026 compared to \$62.0 million for the nine month period ended January 31, 2025.

### ***Investing Activities***

From investing activities, the Company used \$7.0 million for the third quarter ended January 31, 2026, which was principally driven by the acquisition of capital assets of \$7.0 million, including an acquisition of an airplane for \$4.4 million.

The Company used \$13.9 million investing activities for the nine month period ended January 31, 2026, which was principally driven by the acquisition of capital assets of \$14.8 million, including the acquisition of land and building for \$3.0 million outside of Pittsburgh, PA, as the Company expands its manufacturing footprint in the United States and the acquisition of an airplane for \$4.4 million. This was partially offset by proceeds from disposal of capital assets of \$0.9 million, including the disposal of airplanes.

### ***Financing Activities***

For the third quarter ended January 31, 2026, the Company used cash from financing activities of \$92.4 million, which was principally driven by dividends paid of \$91.0 million, and lease principle payments for \$1.1 million.

For the nine month period ended January 31, 2026, the Company used cash from financing activities of \$130.0 million, which was principally driven by dividends paid of \$121.2 million, including a special dividend of \$75.5 million, and capital stocks repurchased for \$4.1 million.

### **WORKING CAPITAL**

As at January 31, 2026, the Company had cash and cash equivalents of \$24.8 million, compared to \$111.7 million at April 30, 2025.

The Company had working capital of \$133.2 million as at January 31, 2026 compared to \$206.9 million as at April 30, 2025.

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

Day sales outstanding in accounts receivable were 54 days at January 31, 2026 as compared to 51 for April 30, 2025.

## SHARE CAPITAL STRUCTURE

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

	As at January 31, 2026	As at April 30, 2025
Common shares	75,498,904	75,750,235
Stock options granted and outstanding	1,130,000	3,245,225
Restricted share units granted and outstanding	3,320,300	1,632,250

## 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, 2026:

(In thousands)	Total	Payments Due by Period			
		Less than 1 Year	2-3 Years	4-5 Years	Thereafter
Lease commitments	\$ 14,684	\$ 1,930	\$ 8,163	\$ 3,554	\$ 1,037
Redemption Liabilities	\$ 4,027	4,027	-	-	-
	\$ 18,711	\$ 5,957	\$ 8,163	\$ 3,554	\$ 1,037

## OFF-BALANCE SHEET FINANCING

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

## RELATED PARTY TRANSACTIONS

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

## SELECTED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION

The following table sets out selected consolidated financial information for each of the eight quarters ended January 31, 2026. In the opinion of management, this information has been prepared on the same basis as the audited consolidated financial statements. The operating results for any quarter should not be relied upon as any indication of results for any future period.

(In thousands)	Quarter Ending							
	2026	2025				2024		
	Jan 31	Oct 31	July 31	Apr 30	Jan 31	Oct 31	July 31	Apr 30
Hardware Revenue	\$ 76,787	\$ 72,013	\$ 60,503	\$ 71,673	\$ 81,199	\$ 70,477	\$ 55,711	\$ 75,057
Reoccurring Software, Services and Other Software Revenue	\$ 62,546	\$ 60,722	\$ 51,642	\$ 56,132	\$ 55,717	\$ 54,783	\$ 55,932	\$ 47,713
Revenue	\$ 139,333	\$ 132,735	\$ 112,145	\$ 127,805	\$ 136,916	\$ 125,260	\$ 111,643	\$ 122,770
Cost of goods sold	\$ 58,087	\$ 54,906	\$ 43,303	\$ 48,920	\$ 57,818	\$ 50,999	\$ 45,381	\$ 50,115
Gross margin	\$ 81,246	\$ 77,829	\$ 68,842	\$ 78,885	\$ 79,098	\$ 74,261	\$ 66,262	\$ 72,655
Operating expenses	\$ 55,428	\$ 52,793	\$ 53,858	\$ 59,481	\$ 50,990	\$ 52,869	\$ 53,653	\$ 53,114
Earnings from operations	\$ 25,818	\$ 25,036	\$ 14,984	\$ 19,404	\$ 28,108	\$ 21,392	\$ 12,609	\$ 19,541
Non-operating income	(24)	210	1,037	(826)	49	564	606	28
Earnings before taxes	\$ 25,794	\$ 25,246	\$ 16,021	\$ 18,578	\$ 28,156	\$ 21,955	\$ 13,215	\$ 19,569
Net earnings	\$ 18,458	\$ 18,527	\$ 11,842	\$ 13,005	\$ 20,915	\$ 15,804	\$ 9,669	\$ 13,764
Net earnings per share:								
Basic	\$ 0.24	\$ 0.25	\$ 0.16	\$ 0.17	\$ 0.28	\$ 0.21	\$ 0.13	\$ 0.18
Diluted	\$ 0.24	\$ 0.24	\$ 0.15	\$ 0.17	\$ 0.27	\$ 0.21	\$ 0.13	\$ 0.18
Dividends per share:	\$ 0.205	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.195	\$ 0.195	\$ 0.195

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

### DISCLOSURE CONTROLS AND PROCEDURES

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in National Instrument 52-109 of the Canadian Securities Administrators) as of January 31, 2026.

Management has concluded that, as of January 31, 2026, the Company's disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period in which this report was being prepared.

### INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for and has designed internal controls over financial reporting, or caused it to be designed under management's supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has concluded that, as of January 31, 2026, the Company's internal controls over financial reporting were effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

## **CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING**

There have been no changes to the Company's internal controls over financial reporting during the period ended January 31, 2026 that have materially affected, or reasonably likely to materially affect, its internal controls over financial reporting. Management is currently operating under the Committee of Sponsoring Organizations of the Treadway Commission Internal Control-Integrated Framework: 2013.

## **OUTLOOK**

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

## **RISKS AND UNCERTAINTIES**

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

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