

Consolidated financial statements of

EVERTZ TECHNOLOGIES LIMITED

As at April 30, 2026 and April 30, 2025

EVERTZ TECHNOLOGIES LIMITED

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Consolidated financial statements
Years ended April 30, 2026 and 2025

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Independent Auditor's Report

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EVERTZ TECHNOLOGIES LIMITED

Consolidated Statements of Financial Position

As at April 30, 2026 and April 30, 2025

(In thousands of Canadian dollars)

| | April 30, 2026 | April 30, 2025 |
|--|-------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 19,117 | \$ 111,665 |
| Trade and other receivables (note 3) | 81,131 | 71,743 |
| Contract assets | 15,987 | 15,568 |
| Prepaid expenses | 14,974 | 9,677 |
| Inventories (note 4) | 200,213 | 181,011 |
| Income tax receivable (note 27) | 10,980 | 1,649 |
| | 342,402 | 391,313 |
| Property, plant and equipment (note 5) | 41,459 | 32,211 |
| Right-of-use assets (note 6) | 10,980 | 15,816 |
| Goodwill (note 7) | 19,987 | 20,001 |
| Intangibles (note 8) | - | 346 |
| Deferred income taxes (note 27) | 10,161 | 9,798 |
| | \$ 424,989 | \$ 469,485 |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | \$ 95,325 | \$ 67,982 |
| Provisions (note 10) | 5,953 | 5,269 |
| Current portion of deferred revenue | 99,672 | 101,035 |
| Current portion of lease obligations (note 11) | 5,289 | 5,091 |
| Redemption liability (notes 13) | 4,414 | 3,798 |
| | 210,653 | 183,175 |
| Long-term deferred revenue | 4,609 | 1,238 |
| Long-term lease obligations (note 11) | 8,448 | 13,781 |
| | 223,710 | 198,194 |
| Equity | | |
| Capital stock (note 14) | 146,589 | 144,978 |
| Share based payment reserve | 28,112 | 24,195 |
| Accumulated other comprehensive earnings | 7,229 | 6,568 |
| Retained earnings | 16,237 | 92,382 |
| | 23,466 | 98,950 |
| Total equity attributable to shareholders | 198,167 | 268,123 |
| Non-controlling interest (note 24) | 3,112 | 3,168 |
| | 201,279 | 271,291 |
| | \$ 424,989 | \$ 469,485 |

See accompanying notes to the consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Consolidated Statements of Changes in Equity

Years ended April 30, 2026 and 2025
(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, 2024 | \$ 145,721 | \$ 19,246 | \$ 1,197 | \$ 97,103 | \$ 263,267 | \$ 3,410 | \$ 266,677 |
| Net earnings for the year | - | - | - | 59,393 | 59,393 | 374 | 59,767 |
| Foreign currency translation adjustment | - | - | 5,371 | - | 5,371 | 134 | 5,505 |
| Total comprehensive earnings for the year | \$ - | \$ - | \$ 5,371 | \$ 59,393 | \$ 64,764 | \$ 508 | \$ 65,272 |
| Dividends declared | - | - | - | (60,054) | (60,054) | (750) | (60,804) |
| Issued on exercise of employee stock options | 49 | - | - | - | 49 | - | 49 |
| Transfer of stock options | 4 | (4) | - | - | - | - | - |
| Share based compensation expense | - | 4,954 | - | - | 4,954 | - | 4,954 |
| Repurchase of common shares | (796) | - | - | (4,060) | (4,856) | - | (4,856) |
| Balance at April 30, 2025 | \$ 144,978 | \$ 24,196 | \$ 6,568 | \$ 92,382 | \$ 268,124 | \$ 3,168 | \$ 271,292 |
| Net earnings for the year | - | - | - | 63,967 | 63,967 | 454 | 64,421 |
| Foreign currency translation adjustment | - | - | 661 | - | 661 | 41 | 702 |
| Total comprehensive earnings for the year | \$ - | \$ - | \$ 661 | \$ 63,967 | \$ 64,628 | \$ 495 | \$ 65,123 |
| Dividends declared | - | - | - | (136,676) | (136,676) | (551) | (137,227) |
| Repurchase of common shares (note 14) | (655) | - | - | (3,436) | (4,091) | - | (4,091) |
| Issued on exercise of employee stock options (note 14) | 193 | - | - | - | 193 | - | 193 |
| Transfer on exercise of stock options and restricted share units (note 14) | 2,073 | (2,073) | - | - | - | - | - |
| Share based compensation expense (note 19) | - | 5,989 | - | - | 5,989 | - | 5,989 |
| Balance at April 30, 2026 | \$ 146,589 | \$ 28,112 | \$ 7,229 | \$ 16,237 | \$ 198,167 | \$ 3,112 | \$ 201,279 |

See accompanying notes to the consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Consolidated Statements of Earnings

Years ended April 30

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

| | 2026 | 2025 |
|---|------------|------------|
| Revenue (note 15 and 22) | \$ 515,781 | \$ 501,623 |
| Cost of goods sold | 209,794 | 203,118 |
| Gross margin | 305,987 | 298,505 |
| Expenses | | |
| Selling, administrative and general (note 16) | 81,822 | 81,604 |
| Research and development (note 17) | 153,442 | 151,233 |
| Investment tax credits | (17,020) | (15,626) |
| Foreign exchange loss (gain) | 421 | (218) |
| | 218,665 | 216,993 |
| | 87,322 | 81,512 |
| Finance income | 2,764 | 2,779 |
| Finance costs | (1,506) | (1,567) |
| Net loss on investments through profit and loss (note 9) | - | (1,283) |
| Other (expenses) income | (344) | 463 |
| Earnings before income taxes | 88,236 | 81,904 |
| Provision for (recovery of) income taxes | | |
| Current (note 27) | 24,321 | 24,918 |
| Deferred (note 27) | (506) | (2,781) |
| | 23,815 | 22,137 |
| Net earnings for the year | \$ 64,421 | \$ 59,767 |
| Net earnings attributable to non-controlling interest (note 24) | \$ 454 | \$ 374 |
| Net earnings attributable to shareholders | 63,967 | 59,393 |
| Net earnings for the year | \$ 64,421 | \$ 59,767 |
| Earnings per share (note 26) | | |
| Basic | \$ 0.85 | \$ 0.78 |
| Diluted | \$ 0.83 | \$ 0.77 |

See accompanying notes to the consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Consolidated Statements of Comprehensive Earnings

Years ended April 30

(In thousands of Canadian dollars)

| | 2026 | 2025 |
|---|-------------|-------------|
| Net earnings for the year | \$ 64,421 | \$ 59,767 |
| Other comprehensive earnings: | | |
| Items that may or will be reclassified to earnings: | | |
| Foreign currency translation adjustment | 702 | 5,505 |
| Comprehensive earnings | \$ 65,123 | \$ 65,272 |
| Comprehensive earnings attributable to non-controlling interest | \$ 495 | \$ 508 |
| Comprehensive earnings attributable to shareholders | 64,628 | 64,764 |
| Comprehensive earnings | \$ 65,123 | \$ 65,272 |

See accompanying notes to the consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

Consolidated Statements of Cash Flows

Years ended April 30

(In thousands of Canadian dollars)

| | 2026 | | 2025 |
|--|-------------|----|-------------|
| Operating activities | | | |
| Net earnings for the year | \$ 64,421 | \$ | 59,767 |
| Add: Items not involving cash | | | |
| Depreciation of property, plant and equipment (note 5) | 9,483 | | 10,337 |
| Amortization of right-of-use assets (note 6) | 5,001 | | 4,986 |
| Amortization of intangibles (note 8) | 346 | | 767 |
| Gain on disposal of property, plant and equipment (note 5) | (421) | | (678) |
| Realized and unrealized loss on investments (notes 9 and 13) | 616 | | 1,270 |
| Share-based compensation (note 19) | 5,989 | | 4,954 |
| Interest expense | 1,507 | | 998 |
| Deferred income tax expense (note 27) | (506) | | (2,781) |
| | 86,436 | | 79,620 |
| Current tax expenses, net of investment tax credits (note 27) | 7,301 | | 9,292 |
| Income taxes paid | (13,217) | | (13,357) |
| Changes in non-cash working capital items (note 18) | (4,273) | | 24,070 |
| Cash provided by operating activities | 76,247 | | 99,625 |
| Investing activities | | | |
| Proceeds from disposal of business unit (note 9) | - | | 200 |
| Acquisition of property, plant and equipment (note 5) | (18,692) | | (7,945) |
| Proceeds from disposal of property, plant and equipment (note 5) | 863 | | 1,016 |
| Cash used in investing activities | (17,829) | | (6,729) |
| Financing activities | | | |
| Principal payments of lease liabilities (note 11) | (4,495) | | (4,820) |
| Interest paid | (1,507) | | (998) |
| Dividends paid | (136,676) | | (60,054) |
| Dividends paid by subsidiaries to non-controlling interests | (551) | | (749) |
| Capital stock repurchased (note 14) | (4,091) | | (4,856) |
| Capital stock issued (note 14) | 193 | | 49 |
| Cash used in financing activities | (147,127) | | (71,428) |
| Effect of exchange rates on cash and cash equivalents | (3,839) | | 3,872 |
| (Decrease) increase in cash and cash equivalents | (92,548) | | 25,340 |
| Cash and cash equivalents at beginning of year | 111,665 | | 86,325 |
| Cash and cash equivalents at end of year | \$ 19,117 | \$ | 111,665 |

See accompanying notes to the consolidated financial statements.

EVERTZ TECHNOLOGIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended April 30, 2026 and 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 the television broadcast, telecommunications, professional audio-visual, government, military, enterprise, and new media sectors. 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issue by the Board of Directors on June 24, 2026.

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 parent company functional currency. Each subsidiary of the Company determines its own functional currency based on the primary economic environment in which the subsidiary operates. All financial information presented in Canadian dollars has been rounded to the nearest thousand, except per share amounts.

Basis of Consolidation

These financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor’s returns.

The results of subsidiaries acquired or disposed of are included in the consolidated statements of earnings and comprehensive earnings from the effective date of acquisition of control and up to the effective date of disposal of control, as appropriate. Total comprehensive earnings of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-Company transactions, balances, income and expenses are eliminated in full consolidation.

Note 2 continued ...

Revenue Recognition

Revenue is measured using a five-step recognition model which includes; 1) identifying the contract(s) with the customer; 2) identifying the separate performance obligations in the contract; 3) determining the transaction price; 4) allocating the transaction price to separate performance obligations; and 5) recognizing revenue when (or as) each performance obligation is satisfied.

Step 1: Identifying the contract

Before recognizing revenue, the Company reviews customer contracts to ensure each party's rights and payment terms are identified, there is commercial substance, and that it is probable that the Company will collect the consideration in exchange for the goods or services as stated in the contract. The Company may enter into multiple contracts with the same customer. The Company uses judgement in evaluating whether various contracts are interrelated, which includes considerations as to whether they were negotiated as a package with a single commercial objective, whether the amount of consideration on one contract is dependent on the performance of the other contract, or if some or all goods and services in the contracts are a single performance obligation. New arrangements with existing customers can be either be treated as a new contract or the modification of prior contracts with the customer. The Company uses judgment in making this determination, considering whether there is a connection between the new arrangement and the pre-existing contract, whether the goods and services under the new arrangement are highly interrelated with the goods and services sold under prior contracts, and how the goods and services under the new arrangement are priced. In determining whether a transaction price represents a contract modification or a change in variable consideration, the Company examines whether the change in price results from changing the contract or from applying unchanged existing contract provisions.

Step 2: Identifying performance obligations

The Company regularly sells hardware and software solutions with related services. Software solutions including both, right to access and right to use term based and perpetual licenses and stand-alone software solutions services. Services include training and commissioning, warranty, maintenance and support and other professional services. A customer contract typically lists items separately with distinct item descriptions, quantities, and prices. If a contract contains a bundle of items priced together at a single price, the Company analyzes the contract to identify distinct performance obligations within the bundle. The Company uses judgment in determining whether a good or service, such as commissioning is considered separate performance obligations or are combined into one distinct performance obligation.

Step 3: Determining the transaction price

Transaction prices are typically the prices stated on the purchase orders or contracts, net of discounts. The Company reviews customer contracts for any variable considerations, existence of significant financing components and payables to customers, and adjusts transaction prices accordingly. Variable consideration is estimated and included in the transaction price based on the most likely amount to be received. The Company does not account for significant financing components if the period between when the Company transfers the promised goods or services to the customer and when the customer pays for those goods or services is one year or less.

Step 4: Allocating the transaction price to performance obligations

If a customer contract includes multiple performance obligations, the transaction price is allocated to each performance obligation based on its relative stand-alone selling price. If a stand-alone selling price is not directly observable, the Company estimates the stand-alone selling price of individual elements, based on prices at which the deliverable is regularly sold on a stand-alone basis after considering specific discounts where appropriate.

Step 5: Recognizing revenue upon satisfaction of performance obligations

The timing of revenue recognition is based on when a customer obtains control of the asset. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. The Company reviews customer contracts and the nature of the performance obligations to determine if a performance obligation is satisfied over time or at a point in time, and recognizes revenue accordingly.

Note 2 continued ...

Revenue from sales of hardware are recognized upon shipment, provided that the significant risks and rewards of ownership have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue can be reliably measured and its probable that the economic benefits will flow to the Company.

Revenue from software solutions are recognized either over a period of time or at a point in time depending on the contractual terms of the contract identified and the specific performance obligations identified therein. For performance obligations recognized at a point in time, revenue is recognized following the transfer of control or the Company has objective evidence that criteria for acceptance has been satisfied. For performance obligations satisfied over time, the Company measures the progress using the output method, measuring progress toward satisfaction of the performance obligation.

Revenue from services is recognized as services are performed and warranty and maintenance revenue is recognized ratably over the period of service.

Certain of the Company's hardware and software solutions contracts are long-term in nature, and the Company measures the progress using either an input or output method, depending on which yields the most reliable estimate. For construction type contracts, where estimated total costs and the outcome of the contract can be assessed reliably, the Company recognizes revenue over time, based on costs incurred relative to the estimated total contract costs. When the outcome of the contract cannot be assessed reliably, contract costs incurred are immediately expensed and revenue is recognized only to the extent that costs are considered likely to be recovered. For software solutions that require significant customization, where the direct measurement of value to the customer results in the best estimate and criteria for recognition over time is met, the Company recognizes revenue over time based on value provided to the customer to date. Revenue recognized in excess of billings are recorded as contract assets, while billings in excess of revenue recognized is recorded as deferred revenue.

Customer contracts have a variety of different payment terms. Contract assets are recognized when revenue is recognized in excess of billings or when the Company has a right to consideration and that right is conditional to something other than the passage of time. Contract assets are subsequently transferred to accounts receivable when the right to payment becomes unconditional. This usually occurs when the Company issues an invoice to the customer. Contract assets are adjusted for expected credit losses.

Contract assets are adjusted for expected credit losses, which are estimated based on factors such as the Company's past experience of collecting payments from the applicable customer, observable changes in national or local economic conditions that correlated with default on contract assets, financial difficulties of the customer, and it becoming probable that the borrow will either enter bankruptcy or financial reorganization.

Deferred revenue relates to advance consideration received from customers in excess of revenue recognized under the contract. Deferred revenue has been classified as long-term where the contractual obligations relating to the consideration are required to be provided by the Company more than one year from the presentation date. During the year, the Company recognized \$81,288 in revenue that was recognized as deferred revenue at the beginning of the year (2025 – \$74,547). As at April 30, 2026, for contracts in progress, the company has performance obligations that are expected to be completed within the next year of \$108,313 and \$113,925 expected to be completed in more than one year.

Finance Income

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in the bank.

Note 2 continued ...

Inventories

Inventories consist of raw materials and supplies, work in progress and finished goods. Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes raw materials, the cost of direct labour applied to the product and the overhead expense.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognized impairment loss. Where the costs of certain components of an item of property, plant and equipment are significant in relation to the total cost of the item, they are accounted for and depreciated separately. Depreciation expense is calculated based on depreciable amounts which is the cost of an asset less residual value and is recognized in earnings on a straight-line basis over the estimated useful life of the related asset. Borrowing costs are capitalized to the cost of qualifying assets that take a substantial period of time to be ready for their intended use.

The estimated useful lives are as follows:

| Asset | Basis | Rate |
|------------------------------------|---------------|---------------|
| Office furniture and equipment | Straight-line | 10 years |
| Research and development equipment | Straight-line | 5 years |
| Machinery and equipment | Straight-line | 5 - 15 years |
| Leaseholds | Straight-line | 5 years |
| Building | Straight-line | 10 - 40 years |
| Airplanes | Straight-line | 10 - 20 years |

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in earnings.

The Company reviews the residual value, estimated useful life and the depreciation method at least annually.

Impairment of Non-Financial Assets

Goodwill is tested for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount may be more than its recoverable amount. At each reporting period, the Company reviews the carrying amounts of its other non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash inflows that are largely independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Goodwill is allocated to a group of CGU's based on the level at which it is monitored for internal reporting purposes.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss relating to a CGU to which goodwill has been allocated, is allocated to the carrying amount of the goodwill first. An impairment loss is recognized immediately in earnings.

Note 2 continued ...

An impairment loss in respect of goodwill is not reversed. Where an impairment loss subsequently reverses for other non-financial assets, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in earnings.

Intangible Assets

Intangible Assets

Intangible assets represent intellectual property acquired through business acquisitions and are recorded at cost less any impairment loss and are amortized using the straight-line method over a five-year period. The estimated useful life and amortization method are reviewed at the end of each reporting period.

Research and Development

All research and development expenditures are expensed as incurred unless a development project meets the criteria for capitalization. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No internally generated intangible assets have been recognized to date.

Research and development expenditures are recorded gross of investment tax credits and related government grants. Investment tax credits for scientific research and experimental development are recognized in the period the qualifying expenditures are incurred if there is reasonable assurance that they will be realized.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leasing

At inception of a contract, the Company assesses whether that contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company records a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, consisting of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the site on which it is located; less any lease incentives received.

Note 2 continued ...

The right-of-use asset is depreciated on a straight-line basis over the lease term. The lease term consists of the non-cancellable period of the lease; periods covered by options to extend the lease, where the Company is reasonably certain to exercise the option; and periods covered by options to terminate the lease, where the Company is reasonably certain not to exercise the option. The right-of-use asset is adjusted for remeasurement of lease liabilities resulting from a change in future lease payments arising from a change in rate or a change in the assessment of whether an extension or termination options will be exercised.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company generally use their incremental borrowing rate as the interest rate implicit in our leases cannot be readily determined. The lease liability is subsequently measured at amortized cost using the effective interest rate method. After the commencement date, the lease liability is remeasured if there is a modification, including a change in the lease term. Certain leases require us to make payments that relate to property taxes, insurance, and other non-rental costs. These non-rental costs are typically variable and are not included in the calculation of the right-of-use asset or lease liability.

Foreign Currency Translation

The individual financial statements of each subsidiary entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are presented in Canadian dollars ("CDN"), which is the functional currency of the parent Company and the presentation currency for the financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognized in earnings in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Foreign currency gains and losses are recognized in other comprehensive earnings. The relevant amount in cumulative foreign currency translation adjustment is reclassified into earnings upon disposition or partial disposition of a foreign operation and attributed to non-controlling interests as appropriate.

Income Taxes

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net earnings as reported in the statement of earnings because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on unused tax losses and credits, as well as differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which unused tax losses, credits and other deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Note 2 continued ...

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is charged or credited to earnings, except when it relates to items charged or credited directly to other comprehensive earnings or equity, in which case the deferred tax is also dealt with in other comprehensive earnings or equity.

Share Based Compensation

Equity settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based transactions are set out in note 19.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period of the option based on the Company's estimate of the number of equity instruments that will eventually vest. At each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in earnings such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share based payment reserve.

Cash settled share based compensation to employees, including restricted share units, or others providing similar services are measured at the fair value of the instruments at the grant date. The fair value is recognized as an expense with a corresponding increase in liabilities, both over the vesting period of the option grant. At each reporting period, the Company revises its estimate of fair value and the number of instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in earnings such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to liabilities.

Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the net earnings attributable to shareholders by the weighted average number of common shares outstanding during the year. Diluted EPS is determined by adjusting the net earnings attributable to shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares, which is comprised of share options granted to employees with an exercise price below the average market price.

Finance Costs

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other finance costs are recognized in earnings in the period in which they are incurred.

Note 2 continued ...

Investment Tax Credits

The Company is entitled to investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Investment tax credits relate entirely to the Company's research and development expenses in the consolidated statements of earnings but are presented separately in the consolidated statements of earnings for information purposes. Investment tax credits are recognized and recorded within income tax receivable or as a reduction of income tax payable, when there is reasonable assurance they will be received.

Financial Instruments

The Company's financial assets and liabilities which are initially recorded at fair value and subsequently measured based on their assigned classifications as follows:

| <u>Assets/Liabilities</u> | <u>Classification</u> |
|----------------------------------|---|
| Cash and cash equivalents | Amortized Cost |
| Trade and other receivables | Amortized Cost |
| Investments in public companies | Fair value through other comprehensive income |
| Investments in private companies | Fair value through profit and loss |
| Trade and other payables | Amortized Cost |
| Redemption liability | Fair value through profit and loss |

Financial Assets

All financial assets are initially measured at fair value, plus transaction costs. Transaction costs in respect of financial instruments that are classified as fair value through profit or loss are recognized in earnings immediately. Transaction costs in respect of other financial instruments are included in the initial measurement of the financial instrument.

Financial assets are classified into the following specific categories: financial assets "at fair value through profit or loss" ("FVTPL"), "fair value through other comprehensive income ("FVTOCI")" and "amortized cost". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in earnings. Financial assets at FVTOCI are stated at fair value, with any gains or losses arising on re-measurement recognized in other comprehensive earnings. Where financial assets at FVTOCI are derecognized, the gains or losses previously recognized in other comprehensive earnings is reclassified from other comprehensive earnings to earnings.

Impairment of Financial Assets

Financial assets, other than those at FVTPL and FVTOCI, are assessed for indicators of impairment at the time of initial recognition and at each reporting period. The Company measures a loss allowance based on the lifetime expected credit losses. Lifetime expected credit losses are estimated based on factors such as the Company's past experience of collecting payments, observable changes in national or local economic conditions that correlated with default on receivables, financial difficulties of the borrower, and it becoming probable that the borrow will either enter bankruptcy or financial reorganization. Financial assets are written off when there is no reasonable expectation of recovery.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Note 2 continued ...

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. A trade receivable is considered impaired if it is probable that a customer will not pay all amounts due. When a trade receivable is considered impaired, it is recorded in the allowance account. Subsequent recoveries of amounts are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in earnings. When there is no reasonable expectation of recovery, the trade receivable balance is written off against the allowance account.

Financial Liabilities and Equity Instruments Issued by the Company

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in earnings. The net gain or loss recognized in earnings incorporates any interest paid on the financial liability and is included in the “other income and expenses” line item in the consolidated statements of earnings.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Consequently, actual results could differ from those estimates. Those estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant estimates include the determination of expected credit losses and the amount and timing of cash flows expected to be received from customers, which are used to calculate an allowance for doubtful accounts against existing receivables, and are described in further detail within Note 21. Significant estimates are used in applying the five steps of revenue recognition, including the allocation of the transaction price on customer contracts with multiple deliverables, which are based on standalone selling prices of the applicable deliverable or using estimation techniques where no standalone selling prices are available. Significant estimates are used to calculate the provision for inventory obsolescence, which is recorded to adjust to the net realizable value of inventory and based on current market prices, current sales forecasts of both finished goods and forecasted raw material usages, product life cycles, and management's assessment of market conditions experiences. The determination of fair value for share based compensation requires significant estimates in determining the most appropriate valuation model for a grant, which is dependent on the terms and conditions of the grant and are described in greater detail within Note 19. Significant estimates are used in the assessment of impairment of goodwill, including the allocation of assets to specific cash generating units and the forecasted cash flows and discounts rates applied in calculating their value in use, as described in Note 7.

Significant items requiring the use of judgment in application of accounting policies and assumptions include the determination of functional currencies, classification of financial instruments, classification of leases, determination of the number of revenue performance obligations, the allocation of transaction prices on customer contracts, determination if revenues should be recognized at a point in time or over time, application of the percentage of completion method on long-term contracts, degree of componentization applied when calculating amortization of property, plant and equipment, and identification of cash generating units for impairment testing purposes.

Note 2 continued ...

Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company reviewed its operations and determined that it operates a single reportable segment, the video and audio infrastructure solutions market. The single reportable operating segment derives its revenue from the sale of hardware and software solutions, related services, training and commissioning and long-term contracts.

Changes in Accounting Policies

Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates

Effective May, 1, 2025, the Company adopted amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates. Amendments made to IAS21, The Effects of Changes in Foreign Exchange Rates was issued by the IASB in August 2023 and provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The adoption of the amendments did not have a material impact on the consolidated financial statements of the Company.

New and Revised IFRSs Issued but Not Yet Effective

The following is a list of amendments, revisions and new International Financial Reporting Standards issued but not yet effective. Unless otherwise indicated, earlier application is permitted.

Presentation and Disclosure in Financial Statements

IFRS 18, Presentation and Disclosure in Financial Statements issues was issued by the IASB in April 2024 and replaces IAS 1, Presentation of Financial Statements. The standard is effective for reporting periods beginning on or after January 1, 2027. The Company has not yet determined the impact of the standard.

Disclosure in Subsidiaries without Public Accountability

IFRS 19, Subsidiaries without Public Accountability: Disclosures was issued by the IASB in May 2024 and reduces disclosure requirements within the consolidated financial statements relating to eligible subsidiaries of the Company. The standard is effective for reporting periods beginning on or after January 1, 2027. The Company does not expect a material impact on the consolidated financial statements of the Company as a result of the amendment but has not yet finalized the analysis.

Amendments to the Classification and Measurement of Financial Instruments

IFRS 9, Financial Instruments was amended by the IASB in May 2024. This amendment focuses on clarifying classification and measurement of financial instruments. This standard is effective for reporting periods beginning on or after January 1, 2026. The Company has not yet determined the impact of the standard.

3. TRADE AND OTHER RECEIVABLES

| | 2026 | | 2025 | |
|--------------------------------------|------|--------|------|--------|
| Trade receivables, net of allowances | \$ | 78,319 | \$ | 69,153 |
| Other receivables | | 2,812 | | 2,590 |
| | \$ | 81,131 | \$ | 71,743 |

4. INVENTORIES

| | 2026 | | 2025 | |
|---------------------------|------|---------|------|---------|
| Finished goods | \$ | 58,039 | \$ | 51,295 |
| Raw material and supplies | | 104,607 | | 95,084 |
| Work in progress | | 37,567 | | 34,632 |
| | \$ | 200,213 | \$ | 181,011 |

Cost of sales for the year ended April 30, 2026 included \$175,574 of inventory (2025 - \$170,058) and \$6,098 of inventory write-offs (2025 - \$9,960).

5. PROPERTY, PLANT AND EQUIPMENT

| | April 30, 2026 | | | April 30, 2025 | | |
|------------------------------------|----------------|--------------------------|-----------------|----------------|--------------------------|-----------------|
| | Cost | Accumulated Depreciation | Carrying Amount | Cost | Accumulated Depreciation | Carrying Amount |
| Office furniture and equipment | \$ 5,328 | \$ 4,301 | \$ 1,027 | \$ 5,614 | \$ 4,090 | \$ 1,524 |
| Research and development equipment | 41,897 | 34,040 | 7,857 | 38,037 | 31,595 | 6,442 |
| Airplanes | 6,815 | 2,035 | 4,780 | 10,490 | 9,831 | 659 |
| Machinery and equipment | 80,861 | 70,296 | 10,565 | 77,620 | 66,164 | 11,456 |
| Leaseholds | 12,558 | 9,076 | 3,482 | 10,723 | 8,318 | 2,405 |
| Land | 3,413 | - | 3,413 | 2,262 | - | 2,262 |
| Buildings | 14,399 | 4,064 | 10,335 | 11,555 | 4,092 | 7,463 |
| | \$ 165,271 | \$ 123,812 | \$ 41,459 | \$ 156,301 | \$ 124,090 | \$ 32,211 |

| | Office furniture and equipment | Research and development equipment | Airplanes | Machinery and equipment | Leaseholds | Land | Buildings | Total |
|-------------------------------------|--------------------------------|------------------------------------|-----------|-------------------------|------------|----------|-----------|------------|
| Cost | | | | | | | | |
| Balance as at April 30, 2024 | \$ 5,387 | \$ 35,590 | \$ 11,854 | \$ 73,978 | \$ 10,240 | \$ 2,252 | \$ 10,864 | \$ 150,165 |
| Additions | 247 | 2,131 | 250 | 4,301 | 479 | - | 537 | 7,945 |
| Foreign exchange adjustments | 480 | 316 | - | (163) | 4 | 10 | 154 | 801 |
| Disposals | (500) | - | (1,614) | (496) | - | - | - | (2,610) |
| Balance as at April 30, 2025 | \$ 5,614 | \$ 38,037 | \$ 10,490 | \$ 77,620 | \$ 10,723 | \$ 2,262 | \$ 11,555 | \$ 156,301 |
| Additions | 120 | 3,896 | 4,507 | 4,918 | 1,738 | 1,122 | 2,391 | 18,692 |
| Foreign exchange adjustments | (402) | (19) | - | 62 | 97 | 29 | 453 | 220 |
| Disposals | (4) | (17) | (8,182) | (1,739) | - | - | - | (9,942) |
| Balance as at April 30, 2026 | \$ 5,328 | \$ 41,897 | \$ 6,815 | \$ 80,861 | \$ 12,558 | \$ 3,413 | \$ 14,399 | \$ 165,271 |
| Accumulated Depreciation | | | | | | | | |
| Balance as at April 30, 2024 | \$ 4,168 | \$ 28,610 | \$ 10,740 | \$ 60,974 | \$ 7,581 | \$ - | \$ 3,708 | \$ 115,781 |
| Depreciation for the year | 353 | 2,939 | 533 | 5,391 | 737 | - | 384 | 10,337 |
| Foreign exchange adjustments | 69 | 46 | - | 128 | - | - | - | 243 |
| Disposals | (500) | - | (1,442) | (329) | - | - | - | (2,271) |
| Balance as at April 30, 2025 | \$ 4,090 | \$ 31,595 | \$ 9,831 | \$ 66,164 | \$ 8,318 | \$ - | \$ 4,092 | \$ 124,090 |
| Depreciation for the year | 202 | 2,546 | 282 | 5,203 | 770 | - | 480 | 9,483 |
| Foreign exchange adjustments | 13 | (84) | - | 350 | (12) | - | (508) | (241) |
| Disposals | (4) | (17) | (8,078) | (1,421) | - | - | - | (9,520) |
| Balance as at April 30, 2026 | \$ 4,301 | \$ 34,040 | \$ 2,035 | \$ 70,296 | \$ 9,076 | \$ - | \$ 4,064 | \$ 123,812 |
| Carrying amounts | | | | | | | | |
| At April 30, 2025 | \$ 1,524 | \$ 6,442 | \$ 659 | \$ 11,456 | \$ 2,405 | \$ 2,262 | \$ 7,463 | \$ 32,211 |
| At April 30, 2026 | \$ 1,027 | \$ 7,857 | \$ 4,780 | \$ 10,565 | \$ 3,482 | \$ 3,413 | \$ 10,335 | \$ 41,459 |

6. RIGHT-OF-USE ASSETS

| | Land & Building |
|-------------------------------------|----------------------------|
| Balance as at April 30, 2024 | \$ 20,432 |
| Amortization for the year | (4,986) |
| Foreign exchange adjustments | 370 |
| Balance as at April 30, 2025 | \$ 15,816 |
| Amortization for the year | (5,001) |
| Foreign exchange adjustments | 165 |
| Balance as at April 30, 2026 | \$ 10,980 |

7. GOODWILL

The changes in carrying amounts of goodwill are as follows:

| | Cost |
|-------------------------------------|------------------|
| Balance as at April 30, 2024 | \$ 21,352 |
| Disposal and impairment (note 9) | \$ (1,583) |
| Foreign exchange differences | 232 |
| Balance as at April 30, 2025 | \$ 20,001 |
| Foreign exchange differences | (14) |
| Balance as at April 30, 2026 | \$ 19,987 |

The Company performs an impairment test annually on April 30th or whenever there is an indication of impairment. For the purposes of testing for impairment, goodwill has been allocated to the following cash-generating units as follows:

| | April 30 | |
|----------------------------------|------------------|------------------|
| | 2026 | 2025 |
| Evertz Microsystems Ltd (note 9) | \$ 12,603 | \$ 12,596 |
| Holdtech Kft | 5,346 | 5,346 |
| Quintech | 997 | 1,013 |
| ATCI | 390 | 395 |
| Ease Live | 651 | 651 |
| | \$ 19,987 | \$ 20,001 |

The key assumptions used in performing the impairment tests as at April 30, 2026 are as follows:

| | |
|---|--------------|
| Method of determining recoverable amount: | Value in use |
| Discount Rate: | 8.0% - 12.0% |
| Perpetual growth rate: | 1.2% - 2.0% |

Recoverable Amount

Management's past experience and future expectations of the business performance is used to make a best estimate of the expected revenue, earnings before interest, taxes, depreciation and amortization and operating cash flows for a five year period. Subsequent to the fifth year, the present value of the fifth year cash flows is calculated in perpetuity.

Note 7 continued ...

Discount Rate

The discount rate applied is a pre tax rate that reflects the time value of money and risk associated with the business. The discount rate applied varies depending on the jurisdictions in which the entity operates.

Perpetual Growth Rate

The perpetual growth rate is management's current assessment of the long-term growth prospect of the Company in the jurisdictions in which it operates.

Sensitivity Analysis

Management performs a sensitivity analysis on the key assumptions including applying decreased growth rates and higher discounts rates. The sensitivity analysis indicates reasonable changes to key assumptions will not result in an impairment loss.

8. INTANGIBLES

| | Cost |
|-------------------------------------|-----------------|
| Balance as at April 30, 2024 | \$ 1,098 |
| Amortization | (767) |
| Foreign exchange differences | 15 |
| Balance as at April 30, 2025 | \$ 346 |
| Amortization | (346) |
| Balance as at April 30, 2026 | \$ - |

The intangible assets relate to the technology and patents acquired during prior period acquisitions.

9. INVESTMENTS AND BUSINESS COMBINATIONS

In fiscal 2025, a Canadian business was disposed of for proceeds of \$300 including cash of \$200 and promissory notes totaling \$100. At the time of disposal, the business had no net assets and goodwill of \$1,583, which was previously allocated to the Evertz Microsystems Ltd business unit. Upon disposal, the Company recorded a loss on the disposal of \$1,283. Prior to the disposal, in fiscal 2025 the entity had revenue of \$120 and a net loss of \$107. In fiscal 2026, there were no disposals or acquisitions of investments.

10. PROVISIONS

| | Warranty and Returns | Lease/Retirement Obligations | Total |
|-------------------------------------|-------------------------|---------------------------------|-----------------|
| Balance as at April 30, 2023 | \$ 4,603 | \$ 343 | \$ 4,946 |
| Net additions (reductions) | 147 | 118 | 265 |
| Foreign exchange differences | 30 | 28 | 58 |
| Balance as at April 30, 2025 | \$ 4,780 | \$ 489 | \$ 5,269 |
| Net additions (reductions) | 723 | - | 723 |
| Foreign exchange differences | (40) | 1 | (39) |
| Balance as at April 30, 2026 | \$ 5,463 | \$ 490 | \$ 5,953 |

Note 10 continued ...

Warranty and Returns

The provision relates to estimated future costs associated with standard warranty repairs and returns on the Company's products and 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 the estimated restoration costs expected to be incurred upon the conclusion of Company leases.

11. LEASE LIABILITIES

| | April 30, 2026 | April 30, 2025 |
|------------------------------------|-------------------|-------------------|
| Opening Balance | \$ 18,872 | \$ 23,216 |
| Interest | 762 | 975 |
| Lease Payments | (5,257) | (5,795) |
| Foreign exchange adjustments | (640) | 476 |
| Closing Balance | \$ 13,737 | \$ 18,872 |
| Less current portion | 5,289 | 5,091 |
| Long term lease obligations | \$ 8,448 | \$ 13,781 |

12. CREDIT FACILITIES

The Company has a credit facility of \$75 million and a treasury risk management facility up to \$10 million available, bearing interest at prime, subject to certain covenants and secured by all Canadian based assets. As at April 30, 2026 and April 30, 2025, the Company was in compliance with covenants. There were no borrowings against the facilities as at April 30, 2026, or April 30, 2025.

13. REDEMPTION LIABILITY

| | April 30, 2026 | April 30, 2025 |
|------------------------------|-------------------|-------------------|
| Opening Balance | \$ 3,798 | \$ 3,811 |
| Change in fair value | 686 | (38) |
| Foreign Exchange Adjustments | (70) | 25 |
| Closing Balance | 4,414 | 3,798 |

On October 27, 2020, the Company completed the investment of 73% in the voting share capital of Ease Live AS ("Ease Live"), who are based in Bergen, Norway. Ease Live, which was formerly part of Sixty AS, is a direct to consumer interactive graphics company. The non-controlling shareholders held a put option for the remaining shareholdings, exercisable between November 15, 2022 and December 15, 2022 for a fixed cash price of \$3,798. The option was not exercised. The non-controlling shareholders had another put option for the remaining shareholdings, that was exercised in December 2023 for a price to be determined through the valuation process. As at April 30, 2026, the valuation process continues. The put option has been separately valued as a redemption liability, at its estimated fair value as at April 30, 2026.

14. 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 |
| Issued on exercise of stock options (note 19) | 4,000 | 49 |
| Transferred on stock option exercise | - | 4 |
| Cancelled pursuant to NCIB | (418,087) | (796) |
| Balance as at April 30, 2025 | 75,750,235 | \$ 144,978 |
| Cancelled pursuant to NCIB | (343,335) | (655) |
| Issued on Exercise of Stock Options (note 19) | 15,000 | 193 |
| Transfer on Exercise of Stock Options | - | 23 |
| Issued on Exercise of RSU (note 19) | 162,050 | - |
| Transfer on Exercise of RSU | - | 2,050 |
| Balance as at April 30, 2026 | 75,583,950 | \$ 146,589 |

Dividends Per Share

During the year, \$1.81 in dividends per share (including a \$1.00 special dividend) were declared (2025 - 0.79 per share).

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 year, the Company purchased and cancelled 343,335 common shares, under the combined two NCIB programs, at a weighted average price of \$11.92 (2025 – the Company purchased and cancelled 418,087 common shares, under two NCIB programs, at weighted average price of \$11.62).

In December 2025, the Company renewed their NCIB with the TSX to repurchase, at the Company’s discretion, up to 3,774,227 outstanding common shares on the open market, or as otherwise permitted until December 10, 2026. During the year, the Company did not purchase or cancel shares under the renewed NCIB.

15. REVENUE

| | 2026 | 2025 |
|---|------------|------------|
| Hardware | \$ 275,063 | \$ 279,060 |
| Reoccurring software, services and other software | 240,718 | 222,563 |
| | \$ 515,781 | \$ 501,623 |

During the year, the Company recognized \$76,941 in revenue over time (2025 - \$71,131) and \$438,841 (2025 - \$430,492) in revenue at a point in time.

16. SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

| | | 2026 | | 2025 |
|--------------------------------------|----|-------------|----|-------------|
| Salaries and benefits | \$ | 40,559 | \$ | 41,064 |
| Other selling and administrative | | 36,484 | | 34,794 |
| Share based compensation (note 19) | | 599 | | 497 |
| Amortization of intangibles (note 8) | | 346 | | 767 |
| Depreciation | | 3,834 | | 4,482 |
| | \$ | 81,822 | \$ | 81,604 |

17. RESEARCH AND DEVELOPMENT

| | | 2026 | | 2025 |
|------------------------------------|----|-------------|----|-------------|
| Salaries and benefits | \$ | 117,648 | \$ | 116,967 |
| Other research and development | | 27,451 | | 26,430 |
| Share based compensation (note 19) | | 5,390 | | 4,462 |
| Depreciation | | 2,953 | | 3,374 |
| | \$ | 153,442 | \$ | 151,233 |

18. STATEMENT OF CASH FLOWS

Changes in non-cash working capital items

| | | 2026 | | 2025 |
|-----------------------------|----|-------------|----|-------------|
| Trade and other receivables | \$ | (9,388) | \$ | 12,707 |
| Contract assets | | (419) | | (3,014) |
| Inventories | | (19,202) | | 25,143 |
| Prepaid expenses | | (5,297) | | 1,502 |
| Trade and other payables | | 27,341 | | 4,733 |
| Deferred revenue | | 2,008 | | (17,324) |
| Provisions | | 684 | | 323 |
| | \$ | (4,273) | \$ | 24,070 |

19. SHARE BASED PAYMENTS

Stock Option Plan

The Company established, in June 2006, a stock option plan to attract, retain, motivate and compensate employees, officers and eligible directors who are integral to the growth and success of the Company. A number of shares equal to 10% of the Company's outstanding common shares are to be reserved for issuance under the stock option plan.

The Board of Directors administers the stock option plan and will determine the terms of any options granted. The exercise price of an option is to be set by the Board of Directors at the time of grant but shall not be lower than the market price as defined in the option plan at the time of grant. The term of the option cannot exceed 10 years. Stock options are currently granted normally fully vest and expire by the end of the fifth year.

Note 19 continued ...

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 |
| Exercised | (4,000) | 12.28 |
| Forfeited | (103,900) | 12.30 |
| Expired | (602,500) | 17.50 |
| Balance as at April 30, 2025 | 3,245,225 | \$ 12.40 |
| Granted | 1,030,000 | 13.32 |
| Exercised | (15,000) | 12.86 |
| Forfeited | (1,000) | 12.28 |
| Expired | (3,229,225) | 12.40 |
| Balance as at April 30, 2026 | 1,030,000 | \$ 13.32 |

Stock options outstanding as at April 30, 2026 were:

| 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 |
|----------------|------------------------------------|-------------------------------------|---|-------------------------------------|--|
| \$ 13.32 | \$ 13.32 | 1,030,000 | 5.1 | - | \$ 13.32 |
| Totals | \$ 13.32 | 1,030,000 | 5.1 | - | \$ 13.32 |

Stock options outstanding as at April 30, 2025 were:

| 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 | 2,760,725 | 0.3 | 2,208,580 | \$ 12.28 |
| \$ 12.86 | \$ 12.86 | 384,500 | 0.7 | 307,600 | \$ 12.86 |
| \$ 14.07 | \$ 14.07 | 100,000 | 0.9 | 80,000 | \$ 14.07 |
| Totals | \$ 12.40 | 3,245,225 | 0.3 | 2,596,180 | \$ 12.40 |

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 at any point in time 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

Note 19 continued ...

The change 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 | (42,250) |
| Balance as at April 30, 2025 | 1,632,250 |
| Exercised | (162,050) |
| Granted | 1,795,000 |
| Forfeiture | (107,800) |
| Balance as at April 30, 2026 | 3,157,400 |

As at April 30, 2026, the average remaining contractual life for outstanding RSUs under the 2022 Plan is 2.7 years (2025- 1.8 years).

Compensation expense

Stock Option Plan

The share based compensation expense that has been charged against earnings over the fiscal year is \$202 (2025 - \$203). Compensation expense on grants was calculated using the Black-Scholes option pricing model.

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 13% (2025 – 24%).

Restricted Share Unit Plan (2022 Plan)

The share base compensation expense that has been charged against earnings over the fiscal year is \$5,787 (2025 – \$4,750). Compensation expense on grants issued 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 10% (2025 – 10%).

20. COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Company is party to a number of lawsuits, claims and contingencies. Accruals are made in instances where it is probable that liabilities have been incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, the Company believes the possibility of outflow of cash is remote and thus no additional provisions have been recognized.

The Company is committed to payments under long term debt agreements and certain lease obligations in Note 11 with minimum annual lease payments as follows:

| | Redemption Liabilities | Leases Payments | Total |
|-------------------------------------|---------------------------|--------------------|------------------|
| 2026 | \$ 4,414 | \$ 4,618 | \$ 9,032 |
| 2027 | - | 4,347 | 4,347 |
| 2028 | - | 3,476 | 3,476 |
| 2029 | - | 741 | 741 |
| 2030 | - | 735 | 735 |
| Thereafter | - | 306 | 306 |
| Balance as at April 30, 2026 | \$ 4,414 | \$ 14,223 | \$ 18,637 |

Total operating lease expense during the year was \$618 (2025 - \$601).

Note 20 continued ...

The Company has obtained documentary and standby letters of credit aggregating to a total of \$13,257 (2025 - \$13,218).

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company estimates that the fair value of financial instruments approximates their carrying values. 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.
- III. Inputs for the asset or liability that are not based on observable market data.

(a) *Financial risk management:*

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of risks as at April 30, 2026:

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, contract assets and trade and other receivables the total of which is the maximum exposure to credit risk. The Company performs evaluations of the financial situations of its customers and uses various controls and processes, such as credit checks and billings in advance to investigate credit risk. Management does not believe that there is significant credit concentration or risk not already provided for.

The Company sets up an allowance for doubtful accounts using the lifetime expected credit losses related to total receivables, while factoring in the credit risks of the individual customer and the aging of receivables. Amounts owing over 120 days are individually evaluated and provided for as an expected credit loss where appropriate in the allowance for doubtful accounts. When considering the need for provisions in relation to balances past due, the Company considers customer specific financial reports, payment terms and payment history. The Company also takes into consideration forward-looking information such as region-specific economic factors and other market indicators. The trade and other receivables are presented as follows net of the allowance for doubtful accounts:

| | | April 30, 2026 | | April 30, 2025 |
|---------------------------------|----|---------------------------|----|---------------------------|
| Trade and other receivables | \$ | 85,701 | \$ | 74,872 |
| Allowance for doubtful accounts | | (4,570) | | (3,129) |
| | \$ | 81,131 | \$ | 71,743 |

The change in the allowance for doubtful accounts was as follows:

| | | April 30, 2026 | | April 30, 2025 |
|---------------------------------------|----|---------------------------|----|---------------------------|
| Balance at beginning of year | \$ | 3,129 | \$ | 2,902 |
| Increase in allowance | | 1,410 | | 551 |
| Bad debt recaptured and write-offs | | (55) | | (541) |
| Impact of variation in exchange rates | | 86 | | 217 |
| Balance at end of year | \$ | 4,570 | \$ | 3,129 |

Note 21 continued ...

The aging of trade and other receivables, net of the allowance for doubtful accounts was:

| | April 30, | | April 30, |
|--|------------------|----|------------------|
| | 2026 | | 2025 |
| Less than 30 days past billing date | \$ 43,344 | \$ | 36,469 |
| 30-60 days past billing date | 21,590 | | 13,909 |
| 61-90 days past billing date | 4,997 | | 6,770 |
| Greater than 90 days past billing date | 11,200 | | 14,595 |
| | \$ 81,131 | \$ | 71,743 |

Exchange Rate Risk

The Company transacts a significant portion of its business in U.S. dollars and is therefore exposed to currency fluctuations.

U.S. dollar financial instruments are as follows:

| | April 30, | | April 30, |
|-----------------------------|------------------|----|------------------|
| | 2026 | | 2025 |
| Cash and cash equivalents | \$ 6,756 | \$ | 9,416 |
| Trade and other receivables | 67,204 | | 65,929 |
| Trade and other payables | (14,279) | | (11,990) |
| | \$ 59,681 | \$ | 63,355 |

Based on the financial instruments as at April 30, 2026, a 5.0% change in the value of the U.S. dollar would result in a gain or loss of \$2,910 in earnings before income tax.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's primary source of liquidity is its cash reserves. The Company also maintains certain credit facilities to support short term funding of operations and trade finance. The Company believes it has sufficient available funds to meet current and foreseeable financial requirements. The Company expects to settle all current financial liabilities within the next year. Maturity of lease obligations are disclosed in Note 20.

22. SEGMENTED INFORMATION

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

| Revenue | | 2026 | | 2025 |
|----------------------|----|-------------|----|-------------|
| United States | \$ | 350,981 | \$ | 357,609 |
| International | | 147,977 | | 127,211 |
| Canada | | 16,823 | | 16,803 |
| | \$ | 515,781 | \$ | 501,623 |

Note 22 continued ...

| April 30, 2026 | | | | |
|-----------------------|--|------------------|------------------------------|--------------------------------|
| | Property, Plant and Equipment | Goodwill | Intangible Assets | Right-of-Use Assets |
| United States | \$ 14,205 | \$ 1,385 | \$ - | \$ 1,761 |
| International | 9,952 | 18,602 | - | 2,493 |
| Canada | 17,302 | - | - | 6,726 |
| | \$ 41,459 | \$ 19,987 | \$ - | \$ 10,980 |

| April 30, 2025 | | | | |
|-----------------------|--|------------------|------------------------------|--------------------------------|
| | Property, Plant and Equipment | Goodwill | Intangible Assets | Right-of-Use Assets |
| United States | \$ 3,274 | \$ 1,408 | \$ - | \$ 2,454 |
| International | 10,022 | 18,593 | 346 | 2,900 |
| Canada | 18,915 | - | - | 10,462 |
| | \$ 32,211 | \$ 20,001 | \$ 346 | \$ 15,816 |

23. 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 \$3,211 committed over the remaining term. During the year, rent paid for the leased principal premises amounted to \$1,112 (2025 – \$1,086) with no outstanding amounts due as at April 30, 2026.

On December 1, 2008 the Company entered into a property lease agreement where two shareholders each indirectly hold a 20% interest in the Company's leased premises in Ontario. This lease expires in 2028 with a total of \$2,425 committed over the remaining term. During the year, rent paid for the leased principal premises amounted to \$918 (2025 – \$903) with no outstanding amounts due as at April 30, 2026.

On May 1, 2009 the Company entered into a property lease agreement where two shareholders each indirectly hold a 35% interest. This lease expires in 2029 with a total of \$1,721 committed over the remaining term. During the year, rent paid for the leased principal premises amounted to \$561 (2025 – \$543) with no outstanding amounts due as at April 30, 2026.

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 \$85 committed over the remaining term. During the year, rent paid for the leased principal premises amounted to \$1,025 (2025 – \$1,025) with no outstanding amounts due as at April 30, 2026.

Note 23 continued ...

The Company also leases properties where two shareholders indirectly own 100% interest. There were no amounts owing on the leases as at April 30, 2026. The term of these leases are as follows:

| Lease Commencement Date | Lease Expiry Date | Amount committed over remaining term | | Rent paid 2026 | Rent paid 2025 |
|--------------------------------|--------------------------|---|-----|-----------------------|-----------------------|
| October 2021 | September 2026 | \$ | 135 | \$ 319 | \$ 310 |
| December 2023 | November 2028 | \$ | 911 | \$ 301 | \$ 278 |
| August 2016 | July 2026 | \$ | 71 | \$ 284 | \$ 281 |

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

The remuneration of directors and other members of key management personnel for the years ended April 30, 2026 and April 30, 2025 are as follows:

| | 2026 | 2025 |
|----------------------------------|-------------|-------------|
| Short-term salaries and benefits | \$ 5,279 | \$ 5,420 |
| Share-based payments | - | - |
| | \$ 5,279 | \$ 5,420 |

The total employee benefit expense was \$218,254 (2025 - \$210,554).

Subsidiaries:

The Company has the following significant subsidiaries:

| Company | % Ownership | Location |
|--|--------------------|-----------------|
| Evertz Microsystems Ltd. | 100% | Canada |
| Evertz USA | 100% | United States |
| Evertz UK | 100% | United Kingdom |
| Holdtech Kft. | 100% | Hungary |
| Quintech Electronics & Communications Inc. | 100% | United States |
| Tech Digital Manufacturing Limited | 100% | Canada |
| Truform Metal Fabrication Ltd. | 75% | Canada |
| Ease Live AS | 73% | Norway |

24. NON-CONTROLLING INTEREST

The Company has subsidiaries with non-controlling interests of 25% of Truform Metal Fabrication Ltd., located in Canada, and 10% with Studiotech Poland Sp. z.o.o., a subsidiary of Holdtech Kft. located in Poland. Ease Live AS, located in Norway, also has a non-controlling interest of 27% of Ease Live AS, located in Norway, whose interest has been separately recorded as a redemption liability (see note 13).

Note 24 continued ...

The table below summarizes the aggregate financial information relating to the above subsidiaries before eliminating entries, as no such subsidiary is individually significant.

| | | April 30, | |
|-------------------------------------|----|------------------|-------------|
| | | 2026 | 2025 |
| Current assets | \$ | 21,017 | \$ 17,181 |
| Non-current assets | | 17,444 | 17,136 |
| Current liabilities | | 7,935 | 4,462 |
| Non-current liabilities | | 1,024 | 1,695 |
| Equity attributable to shareholders | | 26,390 | 24,992 |
| Non-controlling interest | | 3,112 | 3,168 |
| | | | |
| | | April 30, | |
| | | 2026 | 2025 |
| Revenue | \$ | 31,964 | \$ 32,959 |
| Net earnings attributable to: | | | |
| Shareholders | | 1,385 | 2,843 |
| Non-controlling interest | | 454 | 374 |

During the year, \$551 (2025 - \$750) in dividends were paid to non-controlling interests.

25. CAPITAL DISCLOSURES

The Company's capital is composed of total equity attributable to shareholders which totals \$198,167 (2025 - \$268,123) as at April 30, 2026. The Company's objective in managing capital is to ensure sufficient liquidity to finance increases in non-cash working capital, capital expenditures for capacity expansions, pursuit of selective acquisitions and the payment of quarterly dividends. The Company's strategy on capital risk management has not changed significantly since April 30, 2025.

The Company takes a conservative approach towards financial leverage and management of financial risk and the Company currently satisfies their internal requirements.

The Company is not subject to any capital requirements imposed by a regulator.

26. EARNINGS PER SHARE

| | 2026 | 2025 |
|--|-------------|-------------|
| Weighted average common shares outstanding | 75,507,140 | 76,010,401 |
| Dilutive-effect of stock options | 1,307,403 | 965,071 |
| Diluted weighted average common shares outstanding | 76,814,543 | 76,975,472 |

The weighted average number of diluted common shares does not exclude any anti-dilutive options during the year (2025 – 484,500).

27. INCOME TAXES

The Company's effective income tax rate differs from the statutory combined Canadian income tax rate as follows:

| | 2026 | | 2025 |
|---|-------------|----|-------------|
| Expected income tax expense using statutory rates (25%, 2025 - 25%) | \$ 22,184 | \$ | 22,276 |
| Difference in foreign tax rates | (259) | | (218) |
| Non-deductible stock based compensation | 1,455 | | 1,313 |
| Non-deductible losses | - | | 348 |
| Change in estimates relating to prior periods | 279 | | 388 |
| Other | 156 | | 811 |
| | \$ 23,815 | \$ | 24,918 |

Benefits arising from a previously unrecognized tax loss of \$264 (2025 – nil) has been recognized in the year as a result of a change in estimated taxable income in future years.

Components of deferred income taxes are summarized as follows:

| | April 30, 2026 | | April 30, 2025 |
|--|---------------------------|----|---------------------------|
| Deferred income tax assets (liabilities): | | | |
| Tax loss carried forward | \$ 1,475 | \$ | 626 |
| Research and development tax credits | (3,551) | | (3,443) |
| Equipment tax vs accounting basis | 8,669 | | 7,978 |
| Non-deductible reserves | 3,568 | | 4,637 |
| | \$ 10,161 | \$ | 9,798 |

As at April 30, 2026, the Company had \$4,226 in tax losses for which no deferred tax asset has been recognized in the statement of financial position. Of these losses, \$841 expires in 2030 while the remaining balance has no expiry.

28. SUBSEQUENT EVENT

On June 24, 2026 the Company declared a quarterly dividend of \$0.205 with a record date of July 6, 2026 and a payment date of July 13, 2026.