
Consolidated financial statements of Haivision Systems Inc.

October 31, 2025 and 2024

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Independent Auditor's Report

To the Shareholders and the Board of Directors of
Haivision Systems Inc.

Opinion

We have audited the consolidated financial statements of Haivision Systems Inc. (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2025 and 2024, and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended October 31, 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue Recognition – Refer to Notes 2 and 14 of the financial statements

Key Audit Matter Description

The Company recognizes revenue from different streams including the sale of products and the sale of maintenance and support programs to customers. For transactions which have multiple performance obligations, the Company allocates the total transaction value to the appropriate performance obligation. Revenue is either recognized at a point in time or over time depending on the performance obligation. For the transaction price attributable to the sale of maintenance and support programs, the Company records deferred revenue at the inception of the contract and recognizes revenue on a straight-line basis over the period of service.

Revenue is a key audit matter due to the significant audit effort required in performing audit procedures related to the Company's revenue recognition.

How the Key Audit Matter was Addressed in the Audit

Our audit procedures related to revenue recognition included the following, among others:

- On a sample basis for sales of products and new maintenance and support programs, obtained and inspected a combination of source documents including invoices, purchase orders, shipping documents, proof of payments, and external confirmations, when applicable.
- For transactions which have multiple performance obligations, independently recalculated management's allocation of the total transaction value of contracts between performance obligations based on approved price lists.
- Recalculated the deferred revenue schedule by assessing the historical information, the additions from new maintenance and support programs and the revenue recognized for the year.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Maha Hijazi.

/s/ Deloitte LLP¹

January 14, 2026

¹ CPA auditor, public accountancy permit No. A130854

Haivision Systems Inc.**Consolidated statements of income and comprehensive income**

Years ended October 31, 2025 and 2024

(In Canadian dollars)

| | Notes | 2025 | 2024 |
|--|-------|--------------------|-------------|
| | | \$ | \$ |
| Revenue | 14 | 137,635,042 | 129,537,155 |
| Cost of sales | 16 | 37,831,497 | 34,850,689 |
| Gross profit | | 99,803,545 | 94,686,466 |
| Expenses | 16 | | |
| Sales and marketing | | 30,313,046 | 27,332,290 |
| Operations and support | | 18,878,829 | 15,885,835 |
| Research and development | | 30,020,831 | 27,520,549 |
| General and administrative | | 16,572,762 | 16,176,834 |
| Share-based compensation | | 3,487,848 | 2,289,905 |
| Legal settlement and related fees | | 1,715,950 | — |
| | | 100,989,266 | 89,205,413 |
| Operating (loss) income | | (1,185,721) | 5,481,053 |
| Financial expenses | 17 | 832,824 | 950,575 |
| (Loss) income before income taxes | | (2,018,545) | 4,530,478 |
| Income taxes (recovery) | 15 | | |
| Current | | 752,337 | 2,845,111 |
| Deferred | | (2,885,519) | (3,013,238) |
| | | (2,133,182) | (168,127) |
| Net income | | 114,637 | 4,698,605 |
| Other comprehensive income | | | |
| Items that may be reclassified to net income | | | |
| Foreign currency translation adjustment | | 2,550,025 | 811,405 |
| Comprehensive income | | 2,664,662 | 5,510,010 |
| Net income per share | 13 | | |
| Net income per share (basic) | | 0.00 | 0.16 |
| Net income per share (diluted) | | 0.00 | 0.16 |
| Weighted average number of common shares outstanding (basic) | | 28,040,622 | 28,954,290 |
| Weighted average number of common shares outstanding (diluted) | | 30,197,993 | 30,017,186 |

The accompanying notes are an integral part of the consolidated financial statements.

Haivision Systems Inc.
Consolidated statements of changes in equity
Years ended October 31, 2025 and 2024
(In Canadian dollars)

| | Notes | Shares outstanding | Share capital | Share-based compensation reserve | Foreign currency translation reserve | Deficit | Total equity |
|-------------------------------------|-------|-----------------------|-------------------|--|---|--------------------|-------------------|
| | | # | \$ | \$ | \$ | \$ | \$ |
| Balance, | | | | | | | |
| October 31, 2023 | | 28,907,380 | 90,902,460 | 5,294,894 | 7,952,661 | (9,996,590) | 94,153,425 |
| Other comprehensive income | | — | — | — | 811,405 | — | 811,405 |
| Net income | | — | — | — | — | 4,698,605 | 4,698,605 |
| Share-based compensation | 13 | — | — | 2,289,905 | — | — | 2,289,905 |
| Forfeited stock options | 13 | — | — | (231,415) | — | 231,415 | — |
| Repurchase of common shares | 13 | (829,600) | (2,613,240) | — | — | (1,043,466) | (3,656,706) |
| Common shares subject to repurchase | 13 | — | — | (1,000,000) | — | — | (1,000,000) |
| Exercise of RSUs | 13 | 107,185 | 453,249 | (954,293) | — | — | (501,044) |
| Balance, | | 28,184,965 | 88,742,469 | 5,399,091 | 8,764,066 | (6,110,036) | 96,795,590 |
| October 31, 2024 | | | | | | | |
| Other comprehensive income | | — | — | — | 2,550,025 | — | 2,550,025 |
| Net income | | — | — | — | — | 114,637 | 114,637 |
| Share-based compensation | 13 | — | — | 3,487,848 | — | — | 3,487,848 |
| Forfeited stock options | 13 | — | — | (34,836) | — | 34,836 | — |
| Repurchase of common shares | 13 | (990,032) | (3,118,600) | — | — | (1,278,458) | (4,397,058) |
| Common shares subject to repurchase | 13 | — | — | (500,000) | — | — | (500,000) |
| Exercise of RSUs | 13 | 101,147 | 307,740 | (778,397) | — | — | (470,657) |
| Balance, | | 27,296,080 | 85,931,609 | 7,573,706 | 11,314,091 | (7,239,021) | 97,580,385 |
| October 31, 2025 | | | | | | | |

The accompanying notes are an integral part of the consolidated financial statements.

Haivision Systems Inc.
Consolidated statements of financial position

As at October 31, 2025 and 2024

(In Canadian dollars)

| | Notes | 2025 | 2024 |
|--|-------|--------------------|-------------|
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash | | 17,198,767 | 16,471,364 |
| Trade and other receivables | 19 | 27,261,590 | 23,842,509 |
| Investment tax credits receivable | 15 | 2,047,031 | 1,941,172 |
| Income taxes receivable | | 91,358 | — |
| Inventories | 6 | 13,278,225 | 14,925,632 |
| Prepaid expenses and deposits | | 4,147,236 | 4,035,263 |
| | | 64,024,207 | 61,215,940 |
| Property and equipment | 8 | 3,893,013 | 4,241,558 |
| Right-of-use assets | 7 | 4,328,058 | 4,669,066 |
| Intangible assets | 9 | 6,513,240 | 11,240,945 |
| Goodwill | 9 | 47,925,730 | 46,720,926 |
| Non-refundable investment tax credits receivable | 15 | 8,522,516 | 6,522,825 |
| Deferred income taxes | 15 | 9,829,010 | 6,704,140 |
| | | 81,011,567 | 80,099,460 |
| | | 145,035,774 | 141,315,400 |
| Liabilities | | | |
| Current liabilities | | | |
| Line of credit | 10 | 2,731,115 | 2,226,657 |
| Trade and other payables | 11 | 20,250,395 | 16,370,877 |
| Income taxes payable | | — | 625,491 |
| Current portion of lease liabilities | 7 | 1,629,209 | 1,380,567 |
| Deferred revenue | 14 | 13,368,537 | 14,244,729 |
| Current portion of term loans | 12 | 1,029,631 | 1,149,598 |
| | | 39,008,887 | 35,997,919 |
| Lease liabilities | 7 | 3,296,045 | 4,046,998 |
| Deferred revenue | 14 | 3,854,906 | 3,011,432 |
| Term loans | 12 | 1,295,551 | 1,463,461 |
| | | 47,455,389 | 44,519,810 |
| Commitment and contingencies | 22 | | |
| Equity | | | |
| Share capital | 13 | 85,931,609 | 88,742,469 |
| Deficit | | (7,239,021) | (6,110,036) |
| Share-based compensation reserve | | 7,573,706 | 5,399,091 |
| Foreign currency translation reserve | | 11,314,091 | 8,764,066 |
| | | 97,580,385 | 96,795,590 |
| | | 145,035,774 | 141,315,400 |

The accompanying notes are an integral part of consolidated financial statements.

Approved by the Board

/s/ Miroslav Wicha, Director

/s/ Neil Hindle, Director

Haivision Systems Inc.
Consolidated statements of cash flows
Years ended October 31, 2025 and 2024
(In Canadian dollars)

| | Notes | 2025 | 2024 |
|---|-------|--------------------|-------------|
| | | \$ | \$ |
| Operating activities | | | |
| Net income | | 114,637 | 4,698,605 |
| Items not affecting cash | | | |
| Depreciation of property and equipment | 8 | 2,213,592 | 1,783,172 |
| Amortization of right-of-use assets | 7 | 1,530,530 | 1,663,604 |
| Amortization of intangible assets | 9 | 5,073,539 | 6,266,746 |
| Share-based compensation | 13 | 3,487,848 | 2,289,905 |
| Unrealized foreign exchange gain | | (325,297) | (850,350) |
| Current income taxes | 15 | 752,337 | 2,845,111 |
| Financial expenses | 17 | 832,824 | 950,575 |
| Non-refundable investment tax credits receivable | | (1,999,691) | (920,550) |
| Gain on disposal of right-of-use assets | | — | (158,244) |
| Deferred income taxes recovery | | (2,885,519) | (3,013,238) |
| | | 8,794,800 | 15,555,336 |
| Changes in non-cash operating working capital items | 18 | 1,857,296 | 7,307,427 |
| Interest paid | | (476,337) | (495,576) |
| Income taxes paid | | (1,469,186) | (2,878,218) |
| | | 8,706,573 | 19,488,969 |
| Investing activities | | | |
| Purchase price paid | | — | (204,299) |
| Additions to property and equipment | 8 | (1,745,484) | (1,995,274) |
| | | (1,745,484) | (2,199,573) |
| Financing activities | | | |
| Payment of lease liabilities | 7 | (2,035,749) | (2,113,765) |
| Increase in term loans | 12 | 641,783 | 405,982 |
| Repayment of term loans | 12 | (929,660) | (857,663) |
| RSU issuance | | (470,657) | (501,044) |
| Repurchase of common shares | 13 | (4,397,058) | (3,656,706) |
| Line of credit | 10 | 504,458 | (2,458,574) |
| | | (6,686,883) | (9,181,770) |
| Effect of foreign exchange gain on cash | | 453,197 | 78,051 |
| Net increase in cash | | 727,403 | 8,185,677 |
| Cash, beginning of year | | 16,471,364 | 8,285,687 |
| Cash, end of year | | 17,198,767 | 16,471,364 |

The accompanying notes are an integral part of the consolidated financial statements.

Haivision Systems Inc.

Notes to the consolidated financial statements

October 31, 2025 and 2024

(In Canadian dollars)

1. Statute of incorporation and nature of activities

Haivision Systems Inc. (the "Company") was incorporated under the *Canada Business Corporations Act* on April 26, 2004. Its registered head office is located at 2600 Boulevard Alfred Nobel, Montréal, Québec, Canada, H4S 0A9. The Company produces and provides mission-critical, real-time video networking and visual collaboration solutions.

The Board of Directors approved the consolidated financial statements for the years ended October 31, 2025 and 2024, and authorized their publication on January 14, 2026.

The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency, and are rounded to the nearest dollar.

2. Material accounting policies

Statement of compliance

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Functional and presentation currency

The functional currency of the parent company is the U.S. dollar, which is the primary economic environment in which the entity operates. Some of the Company's subsidiaries operate in other functional currencies. For each entity, items included in the consolidated financial statements are measured using that functional currency.

In preparing the consolidated financial statements, revenues, expenses and non-monetary assets and liabilities denominated in foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at that date. The exchange differences arising on the translation are recognized in the consolidated statements of income (loss) and comprehensive income.

Translation to presentation currency

The consolidated financial statements of the Company are translated from their functional currency to the Canadian dollar, the presentation currency. Assets and liabilities are translated at the closing exchange rates prevailing at the consolidated financial position date, and income and expenses are translated using the average exchange rates. The accumulated gains or losses arising from translation of functional currencies to the presentation currency are included as a separate component of other comprehensive income ("OCI").

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Haivision Network Video Inc., Haivision Network Video GmbH, Haivision Media Technologies S.L., Haivision MCS, LLC and Aviwest S.A.S.

2. Material accounting policies (continued)

Basis of consolidation (continued)

Subsidiaries are fully consolidated from the date of acquisition or formation, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. Control exists when the Company is exposed to or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through the power over the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-company balances, income and expenses, unrealized gains and losses and dividends resulting from intra-company transactions are eliminated in full upon consolidation.

Details of the Company's material subsidiaries at the end of the reporting period are as follows:

| Name of subsidiary | Principal activity | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Company | |
|-----------------------------------|--|--------------------------------------|---|------|
| | | | 2025 | 2024 |
| Haivision Network Video Inc. | Sale of video streaming solutions | United States | 100% | 100% |
| Haivision Network Video GmbH | Development of video streaming solutions | Germany | 100% | 100% |
| Haivision Media Technologies S.L. | Development of video streaming solutions | Spain | 100% | 100% |
| Haivision MCS, LLC | Sale of visualization solutions | United States | 100% | 100% |
| Aviwest S.A.S. | Sale of video streaming solutions | France | 100% | 100% |

Revenue recognition

The Company recognizes revenue from the following sources:

- (a) Sale of products;
- (b) Maintenance and support;
- (c) Cloud solutions; and
- (d) Services and other.

Identifying the performance obligations in the contract

The Company assesses whether each product or service is distinct for the purpose of identifying the various performance obligations in each contract. Products and services are considered distinct provided that: (i) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer and (ii) the Company's promise to transfer the good or service to the customer is separately identifiable or distinct from other promises in the contract.

2. Material accounting policies (continued)

Allocation of the transaction price to performance obligations in the contract

If the contract contains a single performance obligation, the entire transaction price is allocated to that performance obligation. A contract may include multiple performance obligations with a combination of distinct products, services and maintenance and support. For contracts with multiple performance obligations, the Company allocates the total transaction value to each distinct performance obligation based on relative standalone selling price. The Company determines the standalone selling price by considering its overall pricing objectives and market conditions. As the Company's go-to-market strategies evolve, the Company may modify its pricing practices in the future, which could result in changes in relative standalone selling prices.

Sale of products

The Company sells products to customers both through the use of resellers and a direct sales force. Revenue for hardware sales and perpetual software licences is recognized at a point in time, being when the buyer takes control of the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.

Maintenance and support

The Company sells maintenance and support services which act as an after-sales service. This service relates to maintenance work that may be required to be carried out on the product for a period after sale. This period can then be extended if the customer requires additional years of maintenance services. The renewal of services after the period will be for the price at which these are sold by the Company to all of its customers as at the date of renewal regardless of the existence of a renewal option. Consequently, the option to extend the renewal period does not provide customers with any advantage when they enter into the initial contract and therefore no revenue has been deferred relating to this renewal option.

Revenue relating to the maintenance and support services is recognized over time. The transaction price allocated to these services is recognized as deferred revenue at the time of the initial sales transaction and is released into revenue on a straight-line basis over the period of service (i.e., one to five years when the services are purchased together with the underlying equipment).

Cloud solutions

The Company provides cloud solution services to its clients. Such services are recognized as a performance obligation satisfied over time. Revenue is recognized for these services over the term of the contract.

Services and other

The Company provides training and professional services to its clients. Such services are recognized at a point in time when the services are completed and all criteria of acceptance have been satisfied.

Inventories

Inventory is comprised of raw materials and finished goods, which includes finished items requiring final assembly prior to shipment, and is valued at the lower of cost and replacement cost and the lower of cost and net realizable value respectively. Cost is determined using the weighted average cost method. The net realizable value for finished goods and finished items requiring final assembly is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Reserves for potentially obsolete or slow-moving inventory are estimated periodically based on an analysis of inventory levels.

Haivision Systems Inc.
Notes to the consolidated financial statements

October 31, 2025 and 2024

(In Canadian dollars)

2. Material accounting policies (continued)

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes expenditures that are directly attributable to the acquisition of the item.

Depreciation is calculated on a straight-line basis over the expected useful life to the estimated residual value of the related assets. Leasehold improvements are depreciated over the period of the lease or the estimated useful life, whichever is shorter, using the straight-line method.

The following estimated useful lives are used in the calculation of depreciation:

| | |
|------------------------|------------------|
| Equipment | 24 to 40 months |
| Computer equipment | 30 to 40 months |
| Furniture and fixtures | 48 to 60 months |
| Leasehold improvements | 36 to 120 months |

The estimated useful lives, depreciation methods and residual values are reviewed, at a minimum, annually.

Enhancements and replacements are capitalized as additions to property and equipment only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured with reliability. Ongoing regular maintenance costs related to property and equipment are expensed as incurred.

Intangible assets

Intangible assets, excluding development costs, consist mainly of acquired technology, customer relationships and trademarks. Acquired technology through a business combination is initially recorded at fair value based on the estimated net future income-producing capabilities of the technology products or the replacement cost method. Customer relationships and trademarks acquired through business combinations are initially recorded at their fair value based on the present value of expected future cash flows. The Company amortizes its intangible assets on a straight-line basis over the following estimated useful lives:

| | |
|------------------------|---------------|
| Acquired technology | 5 to 10 years |
| Customer relationships | 7 years |
| Trademarks | 2 to 5 years |

Subsequent to initial recognition, internally generated intangible assets are reported at cost, less accumulated amortization and accumulated impairment losses.

Research and development costs

Expenditures on research activities are recognized as an expense in the period in which they are incurred.

An internally generated intangible asset arising from development is recognized if, and only if, all of the criteria for capitalization have been met.

Government assistance and investment tax credits

Government assistance is recorded as a reduction of the related expense. Government assistance is recorded in the accounts when reasonable assurance exists that the Company has complied with the terms and conditions of the approved grant program. Investment tax credits are accounted for under the cost reduction method, whereby the investment tax credits are applied against the carrying value of the related expense. Investment tax credits are recorded when the qualifying expenditures have been incurred and if there is reasonable assurance that the tax credits will be realized. Investment tax credits are subject to audit by the tax authorities.

2. Material accounting policies (continued)

Goodwill

Goodwill arising on a business acquisition is recognized as an asset at the date that control is acquired (the "acquisition date"). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the fair value of the identifiable net assets.

Impairment of long-lived assets and goodwill

At each reporting date, the carrying amounts of the tangible and definite-life intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists for an asset, 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 flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generate cash inflows that are independent of those from other assets.

Goodwill is not amortized but is reviewed for impairment at least annually or sooner if indicators of impairment exist. Goodwill is tested for impairment at the cash-generating unit or groups of cash-generating units level at which it is monitored.

The recoverable amount is the higher of fair value, less costs of disposal, and value in use. In assessing value in use, the estimated future pre-tax 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 group of CGUs for which the estimates of future cash flows have not been adjusted.

An impairment loss is expensed immediately in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. Any impairment loss on goodwill is not subsequently reversed.

No impairment losses have been recognized in the consolidated statements of income (loss) and comprehensive income related to property and equipment, intangible assets and goodwill.

Taxation

Income tax expense represents the sum of the current and deferred taxes.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of income (loss) and comprehensive income because of items of income or expense that are taxable or deductible in other years and 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 end of the reporting period.

2. Material accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from 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.

The carrying amount of deferred tax assets is reviewed at the end of 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset, realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. 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 assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes for the period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Share-based compensation

The Company grants stock options, restricted share units ("RSUs") and deferred share units ("DSUs") to employees, officers and directors of the Company, that are settled by the issuance of common shares. All stock options and RSUs have graded vesting features and DSUs vest upon issuance. The Company establishes compensation expense for those grants based on the fair value of each tranche of options at the grant date.

The Company estimates option forfeitures at the time of grant and revises those estimates at each reporting date.

2. Material accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. All recognized financial assets and financial liabilities are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets and financial liabilities.

Classification of financial instruments

The Company has classified each of its financial instruments at amortized cost.

Financial assets at amortized cost

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Effective interest rate method

Interest income and expense are calculated by applying the effective interest rate to the gross carrying amount of a financial asset or liability, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost.

Impairment of financial assets

The Company recognizes lifetime expected credit losses for trade and other receivables. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime expected credit losses represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The Company recognizes an expected credit loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2. Material accounting policies (continued)

Leases

Right-of-use assets

The Company recognizes right-of-use ("ROU") assets at the commencement date of the lease. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for remeasurement of lease liabilities resulting from a change in future lease payments arising from a change in an index or a rate, or a change in the assessment of whether the purchase, extension or termination options will be exercised.

The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes a lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentive receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the implicit interest rate in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the assessment to purchase the underlying asset.

Lease components are considered in the present value calculation, while non-lease components are expensed as incurred. The Company allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and which do not contain a purchase option. The Company also applies the low-value asset recognition exemption to leases of assets with a value below \$5,000. Lease payments on short-term leases and low-value asset leases are recognized as expense on a straight-line basis over the lease term.

Provisions

Provisions are recorded for the best estimate of expenditures required to settle liabilities of uncertain timing or amount when management determines that a legal or constructive obligation exists as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and such amounts can be reasonably estimated. Provisions are measured at the present value of the expected expenditures to be required to settle the obligation.

2. Material accounting policies (continued)

Provisions (continued)

The ultimate cost to settle such liabilities is at times uncertain, and cost estimates can vary in response to many factors. The settlement of these liabilities could materially differ from recorded amounts. In addition, the expected timing of expenditures can also change. As a result, there could be significant adjustments to provisions, which could result in additional charges or recoveries affecting future financial results.

Restructuring

A restructuring provision is recognized when the Company has developed a detailed plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Earnings per share

Basic earnings per share is calculated by dividing net income by the basic weighted-average number of outstanding common shares.

Diluted earnings per share are computed similarly but reflect the potential dilution that would occur if dilutive options were exercised. The Company has granted stock options that are potentially dilutive securities. Diluted loss per share excludes all dilutive potential shares if their effect is anti-dilutive. All outstanding stock options could potentially dilute earnings per share in the future.

Related party transactions

Transactions with related parties that are executed in the normal course of operations are recorded at fair value.

Segment reporting

The Company reports segment information in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") who is responsible for allocating resources and assessing performance of the Company's operating segments. The Company operates as a single operating and reportable segment ("Haivision segment").

Certain comparative figures have been reclassified to conform to the current year presentation.

3. Critical accounting judgments, estimates and assumptions in applying the Company's material accounting policies

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3. Critical accounting judgments, estimates and assumptions in applying the Company's accounting policies (continued)

Judgments

In the process of applying the Company's accounting policies, management has made the following significant judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Functional currency

The Company and its subsidiaries sell and operate worldwide, but its decision-making process and product development are centrally located, which requires significant judgment from management in order to determine the functional currency of each entity.

Investment tax credits

Significant management judgment is required to determine the amount of refundable and non-refundable tax credits to recognize, based on the likely timing and the level of future income taxes payable in Canada and Europe, the expiration dates of non-refundable tax credits, any limitations on the amount of tax credits that may be refunded in any year, the determination of qualifying expenditures and available tax planning strategies.

Impairment of assets

Management exercises judgment in identifying and assessing indicators of impairment, and defining a CGU. Goodwill is tested for impairment annually based on the October 31 balances and whenever there is an indication of impairment. Other long-lived assets are tested only when indicators of impairment are present. During the year, no impairment was recorded.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of assets

Significant estimates are required in forecasting future cash flows, and in determining other key assumptions such as discount rates, terminal growth rates and earnings multipliers used for assessing fair value less costs of disposal or value in use to establish the recoverable amount. The recoverable amount is the higher of the value in use or the fair value less costs of disposal, both of which require estimates and assumptions in their determination.

The Company also reviews the estimated useful lives of property and equipment and intangible assets with definite useful lives at the end of each year and assesses whether the useful lives of certain items should be shortened or extended.

Income taxes

The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues, depending on the conditions prevailing in the respective entity's domicile.

3. Critical accounting judgments, estimates and assumptions in applying the Company's accounting policies (continued)

Estimates and assumptions (continued)

Income taxes (continued)

Deferred tax assets are recognized based on an assessment of the Company's ability to utilize underlying future tax deductions against future taxable income. If the assessment of the Company's ability to utilize the underlying future tax deductions changed, the Company would be required to recognize more or fewer tax deductions as assets, which would decrease or increase the income tax expense in the period in which it is determined.

Investment tax credits

The Company earns Canadian and European investment tax credits, which are calculated based on the amount of qualifying research and development expenditures incurred in each taxation year. A portion of these credits is refundable in cash. The balance is non-refundable and may only be claimed as a reduction of Canadian income taxes payable.

Management estimates the amount of refundable and non-refundable investment tax credits based on historic claims, its expectations of its taxable status for the taxation year and its determination of the amount of its qualifying expenditures. The amount of any tax credit is subject to review and adjustment by governmental authorities, which may vary from management's estimates.

4. Standards, interpretations and amendments adopted in the consolidated financial statements

IAS 1, Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to *IAS 1, Classification of Liabilities as Current or Non-Current*. These amendments clarify how to classify liabilities on the statement of financial position, mainly focusing on:

- The existence of a right to defer settlement for at least 12 months;
- That the right must exist at the reporting date;
- Clarification around covenants, especially those tested after the reporting date; and
- Restrictions on management's intentions being used to justify classification.

The Company has adopted these amendments as of November 1, 2024. There was no impact on the Company's accounting policies or the consolidated financial statements as a result of adopting such amendments.

5. Accounting policy developments and standards, interpretations and amendments to published standards that are issued but not yet effective

The following revised standards are effective for annual periods beginning on January 1, 2025 or after, and have not been adopted in the current period, but may affect the accounting for future transactions or arrangements:

Amendment to IFRS 7 and IFRS 9, Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures* to clarify the date of recognition and derecognition of some financial assets and liabilities including introducing a new exception for certain financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of certain financial assets and introduce disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income. This amendment is effective for annual periods beginning on or after January 1, 2026.

The Company does not expect that the adoption of this standard will have a material impact on the consolidated financial statements of the Company in future periods.

Amendment to IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies:

- Improved comparability in the statement of profit or loss by introducing three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide new defined subtotals, including operating profit;
- Enhanced transparency of management-defined performance measures by requiring companies to disclose explanations of those company-specific measures that are related to the income statement; and
- Enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The Corporation is currently assessing the impact of the new standard on its consolidated financial statements presentation and disclosure.

6. Inventories

| | 2025 | 2024 |
|----------------------------|--------------------|-------------|
| | \$ | \$ |
| Finished goods | 14,214,260 | 14,833,321 |
| Raw materials | 1,531,133 | 2,117,089 |
| Provision for obsolescence | (2,467,168) | (2,024,778) |
| | 13,278,225 | 14,925,632 |

The amount of inventory recognized in cost of sales during the year ended October 31, 2025, was \$30,126,158 (\$28,070,878 in 2024).

6. Inventories (continued)

The following table shows the continuity of the provision for obsolescence deducted from inventories:

| | 2025 | 2024 |
|--|------------------|-----------|
| | \$ | \$ |
| Balance, beginning of year | 2,024,778 | 2,263,717 |
| Increase in provision for obsolescence | 756,533 | 640,865 |
| Write-down of inventories | (314,143) | (879,804) |
| Balance, end of year | 2,467,168 | 2,024,778 |

7. Leases

The Company's leases consist of office spaces.

Right-of-use assets

| | 2025 | 2024 |
|---|--------------------|-------------|
| | \$ | \$ |
| Net carrying amount | | |
| Balance, beginning of year | 4,669,066 | 7,493,838 |
| Amortization expense | (1,530,530) | (1,663,604) |
| Addition of right-of-use assets | 1,094,044 | (1,176,052) |
| Foreign currency translation adjustment | 95,478 | 14,884 |
| Balance, end of year | 4,328,058 | 4,669,066 |

Amounts recognized in the consolidated statements of (loss) income and comprehensive income as part of General and Administrative and Financial Expenses

| | 2025 | 2024 |
|---|------------------|-----------|
| | \$ | \$ |
| Interest accrued on lease liabilities | 356,487 | 454,999 |
| Expenses related to short-term leases and variable lease payments | 1,226,343 | 1,237,399 |

Information on cash flows

| | 2025 | 2024 |
|-------------------------------|------------------|-----------|
| | \$ | \$ |
| Total cash outflow for leases | 3,262,092 | 3,371,164 |

Haivision Systems Inc.
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7. Leases (continued)

Lease liabilities

The changes to the lease liabilities during the year ended October 31, 2025, are as follows:

| | 2025 | 2024 |
|---|--------------------|-------------|
| | \$ | \$ |
| Balance, beginning of year | 5,427,565 | 8,426,140 |
| Interest accretion expense | 356,487 | 454,999 |
| Payment of lease liabilities | (2,035,749) | (2,133,765) |
| Addition of lease liabilities | 1,094,044 | (1,334,296) |
| Foreign currency translation adjustment | 82,907 | 14,487 |
| Balance, end of year | 4,925,254 | 5,427,565 |
| Current portion | 1,629,209 | 1,380,567 |
| Non-current portion | 3,296,045 | 4,046,998 |

As at October 31, 2025, under the terms of the operating lease contracts for premises, the Company committed to pay, over the following fiscal years, the following payments:

| | 2025 | 2024 |
|---|------------------|-----------|
| | \$ | \$ |
| Maturity schedule – contractual undiscounted cash flows | | |
| Less than one year | 1,893,510 | 1,552,512 |
| One to five years | 3,706,641 | 4,293,498 |
| More than five years | — | — |
| Total undiscounted liabilities | 5,600,151 | 5,846,010 |

8. Property and equipment

| | Equipment | Computer equipment | Furniture and fixtures | Leasehold improvements | Total |
|---|------------------|---------------------------|-------------------------------|-------------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| <i>Net Book Value</i> | | | | | |
| Balance, October 31, 2024 | 2,923,708 | 511,976 | 290,679 | 515,195 | 4,241,558 |
| Additions | 1,288,110 | 51,511 | 113,511 | 292,352 | 1,745,484 |
| Depreciation | 1,775,642 | 251,029 | 55,430 | 131,491 | 2,213,592 |
| Foreign currency translation adjustment | (162,616) | 150,545 | 63,825 | 67,809 | 119,563 |
| Balance, October 31, 2025 | 2,273,560 | 463,003 | 412,585 | 743,865 | 3,893,013 |

Haivision Systems Inc.
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8. Property and equipment (continued)

| | Equipment | Computer equipment | Furniture and fixtures | Leasehold improvements | Total |
|---|-----------|--------------------|------------------------|------------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| <i>Net Book Value</i> | | | | | |
| Balance, | | | | | |
| October 31, 2023 | 2,251,213 | 654,072 | 367,952 | 627,071 | 3,900,308 |
| Additions | 1,655,357 | 331,877 | 8,040 | — | 1,995,274 |
| Depreciation | 1,134,641 | 492,783 | 44,318 | 111,430 | 1,783,172 |
| Foreign currency translation adjustment | 151,779 | 18,810 | (40,995) | (446) | 129,148 |
| Balance, | | | | | |
| October 31, 2024 | 2,923,708 | 511,976 | 290,679 | 515,195 | 4,241,558 |

9. Intangible assets and goodwill

| | Acquired technology | Customer relationships | Trademarks | Total intangible assets | Goodwill |
|---|---------------------|------------------------|------------|-------------------------|------------|
| | \$ | \$ | \$ | \$ | \$ |
| <i>Cost</i> | | | | | |
| Balance, | | | | | |
| October 31, 2024 | 29,559,989 | 9,389,495 | 7,268,897 | 46,218,381 | 46,720,926 |
| Disposal | — | — | — | — | — |
| Foreign currency translation adjustment | 216,666 | 68,822 | — | 285,488 | 1,204,804 |
| Balance, | | | | | |
| October 31, 2025 | 29,776,655 | 9,458,317 | 7,268,897 | 46,503,869 | 47,925,730 |
| <i>Accumulated amortization</i> | | | | | |
| Balance, | | | | | |
| October 31, 2024 | 21,768,395 | 5,940,144 | 7,268,897 | 34,977,436 | — |
| Disposal | — | — | — | — | — |
| Amortization | 4,215,210 | 858,329 | — | 5,073,539 | — |
| Foreign currency translation adjustment | (3,365) | (56,981) | — | (60,346) | — |
| Balance, | | | | | |
| October 31, 2025 | 25,980,240 | 6,741,492 | 7,268,897 | 39,990,629 | — |
| Net book value as at | | | | | |
| October 31, 2025 | 3,796,415 | 2,716,825 | — | 6,513,240 | 47,925,730 |

9. Intangible assets and goodwill (continued)

| | Acquired technology | Customer relationships | Trademarks | Total intangible assets | Goodwill |
|---|------------------------|---------------------------|------------|-------------------------------|------------|
| | \$ | \$ | \$ | \$ | \$ |
| <i>Cost</i> | | | | | |
| Balance, October 31, 2023 | 29,386,864 | 9,282,912 | 7,223,670 | 46,425,694 | 46,218,791 |
| Foreign currency translation adjustment | 173,125 | 106,583 | 45,227 | 324,935 | 502,135 |
| Balance, October 31, 2024 | 29,559,989 | 9,389,495 | 7,268,897 | 46,750,629 | 46,720,926 |
| <i>Accumulated amortization</i> | | | | | |
| Balance, October 31, 2023 | 16,975,231 | 5,063,405 | 6,186,987 | 28,757,871 | — |
| Amortization | 4,483,219 | 803,948 | 979,579 | 6,266,746 | — |
| Foreign currency translation adjustment | 309,945 | 72,791 | 102,331 | 485,067 | — |
| Balance, October 31, 2024 | 21,768,395 | 5,940,144 | 7,268,897 | 35,509,684 | — |
| Net book value as at October 31, 2024 | 7,791,594 | 3,449,351 | — | 11,240,945 | 46,720,926 |

The Company completed its annual impairment test of goodwill as of October 31, 2025, using a value in use model. Goodwill is tested at the Haivision operating segment level, which comprises one CGU. The recoverable amount of the Haivision operating segment exceeded its carrying value as of the measurement date and no impairment was recognized. The following key assumptions were used to determine the recoverable amount for the impairment test performed during the year ended October 31, 2025:

Cash flows: Cash flow forecasts were developed based on earnings before interest, income taxes, depreciation and amortization "(EBITDA)" until 2030, with the terminal value calculated as cash flows in perpetuity in the final year. Cash flows were discounted in order to determine the recoverable amount.

Terminal growth rate: Management used a terminal growth rate to adjust its forecasted cash flows based on expected increases in inflation and revenue for the Company. Management used a terminal growth rate of 4% to estimate the forecasted cash flows into perpetuity based on expected increases in inflation.

Discount rate: Cash flows are discounted using pre-tax discount rates. The pre-tax and post-tax discount rate applied was 22% and 17% respectively.

Management determined all key assumptions based on past experience as well as the use of external sources of information.

The Company believes that any reasonably possible change in the key assumptions on which the recoverable amount of Goodwill is based would not cause the carrying amount of Goodwill to exceed its recoverable amount.

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10. Line of credit

The Company has a credit agreement, maturing on August 20, 2026, providing for a revolving line of credit facility in the maximum principal amount of \$35,000,000. The revolving facility also provides access to additional financing of \$25,000,000 on an uncommitted basis through an accordion provision under the same terms, bringing the total financing capacity of the facilities to \$60,000,000. The revolving facility bears interest at Canadian prime rate plus between 0.00% and 1.50% depending on the Company's leverage. As at October 31, 2025, the current rate based on current level of leverage is 4.45%. The facility is collateralized by a first-ranking pledge on all of the Company's present and future tangible and intangible assets.

The credit facility is subject to the maintenance of the following financial covenants:

- (a) Maximum funded debt to Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") ratio at the end of each fiscal quarter of 3.75:1.00
- (b) Minimum EBITDA to interest ratio at the end of each fiscal quarter of 5.00:1.00.

As at October 31, 2025, the Company was in compliance with its covenants.

The referenced Canadian prime rate as at October 31, 2025, was 4.45%.

11. Trade and other payables

| | 2025 | 2024 |
|---------------------------|-------------------|------------|
| | \$ | \$ |
| Trade | 9,623,857 | 9,907,308 |
| Payroll-related accruals | 8,918,954 | 5,438,733 |
| Other accrued liabilities | 1,707,584 | 1,024,836 |
| | 20,250,395 | 16,370,877 |

12. Term loans

| | 2025 | 2024 |
|---|------------------|-----------|
| | \$ | \$ |
| Term loans, non-interest bearing and interest bearing between 0.75% and 5.11%, instalments of principal and principal and interest payable, monthly or quarterly, in amounts ranging from \$13,803 and \$80,845 maturing between June 2026 and September 2029 | 2,325,182 | 2,613,059 |
| Current portion | 1,029,631 | 1,149,598 |
| | 1,295,551 | 1,463,461 |

Principal payments required in each of the forthcoming fiscal years are as follows:

| | |
|---------------------|-----------|
| | \$ |
| 2026 | 1,029,631 |
| 2027 | 207,852 |
| 2028 | — |
| 2029 and thereafter | 1,087,699 |

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13. Share capital

October 31, 2025 - Authorized, unlimited number

Common shares, voting and participating

Preferred shares, non-voting and participating

Issued

| | 2025 | 2024 |
|---|--------------------|-------------|
| | \$ | \$ |
| 27,296,080 Common shares (28,184,965 as at October 31, 2024) | 89,068,591 | 92,097,829 |
| Share issuance costs, net of deferred income taxes of \$1,200,000 | (3,136,982) | (3,355,360) |
| | 85,931,609 | 88,742,469 |

Stock Option Plan

The Stock Option Plan (the "Option Plan") is administered by the Company's Board of Directors, under which the recipients are awarded stock options to acquire common shares.

Unless otherwise determined by the Board at the time of the grant, each stock option shall be exercisable until the tenth anniversary of the date on which it was granted. One third of the options granted shall vest on the first anniversary of the date of grant and the remaining two thirds shall vest annually over two years, totalling a three-year vesting period.

During the year ended October 31, 2025, the Company granted a total of 20,000 stock options at an exercise price of \$4.37.

A summary of the Option Plan's position for the year ended October 31, 2025, is presented below:

| | 2025 | | 2024 | |
|--------------------------------|--------------------------|--|-------------------|---|
| | Options | | Options | |
| | Number of options | Weighted average exercise price per share | Number of options | Weighted average exercise price per share |
| | # | \$ | # | \$ |
| Outstanding, beginning of year | 2,613,673 | 5.47 | 2,331,268 | 5.73 |
| Granted | 20,000 | 4.37 | 438,439 | 4.84 |
| Forfeited | (26,500) | 6.19 | (156,034) | 7.54 |
| Exercised | — | — | — | — |
| Outstanding, end of year | 2,607,173 | 5.45 | 2,613,673 | 5.47 |

13. Share capital (continued)

Stock Option Plan (continued)

As at October 31, 2025, the range of the exercise price of all outstanding options was \$3.13 to \$9.93 (\$3.13 to \$9.93 in 2024) and the weighted average remaining life was 6.51 years (7.49 years in 2024). As at October 31, 2025, 808,975 options that had an exercise price below the October 31, 2025 closing share price were vested.

The Company applies the fair value method of accounting for share-based compensation awards granted. Fair value is calculated based on a Black-Scholes option pricing model. The principal components of the pricing model for the options granted in the year ended October 31, 2025, are as follows:

| | 2025 | 2024 |
|---|----------------|---------|
| Weighted average risk-free interest rate | 2.74% | 3.54% |
| Weighted average expected life of options | 5 years | 5 years |
| Expected dividend yield | — | — |
| Expected volatility | 48.07% | 48.99% |
| Expected forfeiture rate | 5.66% | 6.91% |

The expected volatility is based on the share price fluctuations of the Company since it went public.

The share-based compensation expense recorded for the options during the year ended October 31, 2025, amounted to \$500,041 (\$1,029,346 in 2024).

Restricted Share Units Plan

The Restricted Share Units Plan (the "RSU Plan") is administered by the Company's Board of Directors, under which the recipients are awarded restricted share units ("RSUs") to acquire common shares.

During the year ended October 31, 2025, the Company granted a total of 804,205 RSUs to employees, executive officers, and eligible participants, of which 293,137 were granted to executive officers. The Company applies the fair value method of accounting for share-based compensation awards granted. Fair value is determined at the grant date and is valued at the share price on that date.

The share-based compensation expense recorded for the RSUs during the year ended October 31, 2025, amounted to \$2,571,306 (\$961,049 in 2024).

A summary of the RSU Plan's position for the year ended October 31, 2025, is presented below:

| | 2025 | 2024 |
|--------------------------------|-----------------------|----------------|
| | Number of RSUs | Number of RSUs |
| Outstanding, beginning of year | 478,269 | 439,465 |
| Granted | 804,205 | 274,587 |
| Forfeited | (7,500) | (25,076) |
| Exercised | (195,394) | (210,707) |
| Outstanding, end of year | 1,079,580 | 478,269 |

13. Share capital (continued)

Deferred Share Units Plan

The Deferred Share Unit Plan (the "DSU Plan") is administered by the Company's Board of Directors, under which the recipients are awarded deferred share units ("DSUs") to acquire common shares. A Deferred Share Unit is a notional unit credited by the Company to an eligible director, to be exchanged for a fully paid common share six months after the eligible director ceases to be a director of the Company.

During the year ended October 31, 2025, the Company granted a total of 88,176 DSUs to its directors, all of which vested immediately. The Company applies the fair value method of accounting for share-based compensation awards granted. Fair value is determined at the grant date and is valued at the share price on that date.

The share-based compensation expense recorded for the DSUs during the year ended October 31, 2025, amounted to \$416,501 (\$299,510 in 2024).

A summary of the DSU Plan's position for the year ended October 31, 2025, is presented below:

| | 2025 | 2024 |
|--------------------------------|---------------------------|-------------------|
| | Number of DSUs | Number of DSUs |
| Outstanding, beginning of year | 168,563 | 97,073 |
| Granted | 88,176 | 71,490 |
| Forfeited | — | — |
| Exercised | — | — |
| Outstanding, end of year | 256,739 | 168,563 |

Share repurchases

The Company renewed its Normal Course Issuer Bid ("NCIB") on January 15, 2025, to purchase, commencing on January 29, 2025, for cancellation up to 1,924,404 of its common shares (representing approximately 10% of the public float of common shares outstanding as at January 15, 2025) before January 28, 2026.

As at October 31, 2025, a \$1.5 million financial liability, with a corresponding amount in equity, was recorded in *Trade and other payables* on the consolidated statements of financial position in relation with the NCIB. This liability represents the value of common shares authorized to be repurchased by a designated broker under an automatic share purchase plan from November 1, 2025, to January 14, 2026. This automatic share purchase plan allows for the purchase of the Company's common shares under preset conditions at times when the Company would ordinarily not be permitted due to regulatory restrictions or self-imposed blackout periods.

During the year ended October 31, 2025, the Company purchased under its NCIB program that ended on January 21, 2025, 116,800 common shares for cash of \$526,123. In total, from the inception of this program until its expiry, the Company purchased 946,400 common shares for aggregate cash consideration of \$4,182,829. Under the renewed NCIB program, which expires on January 28, 2026, the Company purchased an additional 873,232 common shares for cash consideration of \$3,870,935.

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14. Revenue

| | 2025 | 2024 |
|-------------------------|--------------------|-------------|
| | \$ | \$ |
| Product | 101,549,436 | 93,776,923 |
| Maintenance and support | 28,732,823 | 25,841,375 |
| Cloud solutions | 152,671 | 87,773 |
| Services and other | 7,200,112 | 9,831,084 |
| | 137,635,042 | 129,537,155 |

Deferred revenue

The following table provides a reconciliation of deferred revenue balances to invoiced billings and revenue:

| | 2025 | 2024 |
|----------------------------|---------------------|--------------|
| | \$ | \$ |
| Balance, beginning of year | 17,256,161 | 15,124,608 |
| Billings | 28,700,105 | 27,972,928 |
| Revenue recognized | (28,732,823) | (25,841,375) |
| Balance, end of year | 17,223,443 | 17,256,161 |
| Less: current portion | 13,368,537 | 14,244,729 |
| | 3,854,906 | 3,011,432 |

During the year ended October 31, 2025, the Company invoiced customers for services to be rendered in the future for an amount of \$6,584,189 (\$4,487,698 in 2024). These invoices have not been accounted for in these consolidated financial statements.

The Company expects to recognize the majority of these deferred revenues within the next twelve months.

15. Taxation

- (a) The reconciliation of income taxes computed at the Canadian statutory rates to income tax expense recorded was as follows:

| | 2025 | 2024 |
|--|--------------------|-------------|
| | \$ | \$ |
| Income taxes calculated at statutory rates | (534,914) | 1,200,577 |
| Increase (decrease) resulting from | | |
| Income tax rate differential of foreign subsidiaries | (102,390) | (235,706) |
| Permanent differences | 835,601 | 675,246 |
| Adjustments in respect of prior years | 177,740 | 219,261 |
| Variation of unrecognized deferred tax assets | (365,664) | (1,661,922) |
| Adjustments related to intercompany transactions | (2,143,555) | (365,583) |
| Income tax expense (recovery) | (2,133,182) | (168,127) |

The income tax statutory rate is 26.5% (26.5% in 2024) for the year ended October 31, 2025. The income tax statutory rate is the Company's combined rate applicable in the jurisdictions in which it operates.

15. Taxation (continued)

(b) The significant components of the Company's deferred income tax assets and liabilities are as follows:

| | 2025 | 2024 |
|---------------------------------------|-------------------|-----------|
| | \$ | \$ |
| Deferred tax assets | | |
| Trade and other payables | 442,117 | 516,594 |
| Deferred revenue | 830,864 | 948,065 |
| Property and equipment | 2,776,291 | 1,992,043 |
| Intangible assets | 1,800,147 | 1,047,562 |
| Lease obligations | 938,148 | 1,059,312 |
| Losses carried forward | 1,906,723 | 1,999,381 |
| Research and development expenditures | 3,829,131 | 1,236,589 |
| Share issuance costs | 29,766 | 271,200 |
| | 12,553,187 | 9,070,746 |
| Deferred tax liabilities | | |
| Right-of-use assets | 853,076 | 852,926 |
| Investment tax credits | 1,871,101 | 1,513,680 |
| Net deferred tax assets | 9,829,010 | 6,704,140 |

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and/or tax planning strategies.

Non-refundable investment tax credits receivable

The Company has Canadian federal investment tax credits of approximately \$7,100,000 (\$5,700,000 as at October 31, 2024), which can be used to reduce income taxes payable, expiring at various dates to 2045. The benefit of these items has been recorded in the consolidated financial statements.

Non-capital loss carryforwards

As at October 31, 2025, Aviwest S.A.S. had total non-capital losses of approximately \$7,600,000 (\$8,100,000 as at October 31, 2024) available to reduce future taxable income. The benefits of these non-capital losses have been recorded in the consolidated financial statements.

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16. Expenses

Below are select expenses, presented by nature, which are included in cost of sales and operating expenses, presented by function, in profit and loss

| | 2025 | 2024 |
|--|-------------------|------------|
| | \$ | \$ |
| Salaries, commissions and benefits | 65,025,840 | 56,460,535 |
| Rent | 1,226,343 | 1,237,399 |
| Depreciation of property and equipment | 2,213,592 | 1,783,172 |
| Amortization of right-of-use assets | 1,530,530 | 1,663,604 |
| Amortization of intangible assets | 5,073,539 | 6,266,746 |

Depreciation included in cost of sales during the year ended October 31, 2025, was \$985,041 (\$695,131 in 2024).

17. Financial expenses (income)

| | 2025 | 2024 |
|-------------------------------|------------------|-----------|
| | \$ | \$ |
| Interest on term loans | 273,683 | 227,847 |
| Interest on credit facility | 458,083 | 368,404 |
| Interest on lease liabilities | 356,487 | 454,999 |
| Interest income | (255,429) | (100,675) |
| | 832,824 | 950,575 |

18. Additional information relating to the consolidated statements of cash flows

| | 2025 | 2024 |
|---|--------------------|-------------|
| | \$ | \$ |
| Net changes in non-cash operating working capital items | | |
| Trade and other receivables | (3,419,081) | 2,270,496 |
| Investment tax credits receivable | (105,859) | 296,911 |
| Inventories | 1,647,407 | 4,004,185 |
| Prepaid expenses and deposits | (111,971) | 7,571 |
| Trade and other payables | 3,879,518 | (1,163,323) |
| Restructuring costs payable | — | (239,966) |
| Deferred revenue | (32,718) | 2,131,553 |
| | 1,857,296 | 7,307,427 |

19. Financial instruments

Fair value hierarchy

The fair value is the amount at which a financial instrument could be exchanged between willing parties based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for loans with similar terms, conditions and maturities. The entity's own credit risk and the credit risk of the counterparty were taken into account when determining the fair value of financial assets and financial liabilities, including derivative instruments.

The fair value of cash, trade and other receivables, trade and other payables and the line of credit is approximately equal to their carrying value due to their short-term maturity.

Fair value of debt is determined based on market rates prevailing at the consolidated statements of financial position date and compared to those provided by financial institutions for similar financial instruments.

These estimates are significantly affected by assumptions, including the amount and timing of estimated future cash flows and discount rates, all of which reflect varying degrees of risk.

The following schedule represents the carrying values and the fair values of other financial instruments:

| | 2025 | | 2024 | |
|----------------------|------------------|------------------|----------------|------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| | \$ | \$ | \$ | \$ |
| Term loans (Level 2) | 2,325,182 | 2,182,454 | 2,613,059 | 2,536,173 |

Determination of fair value and the resulting hierarchy require the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

Fair value of financial instruments

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in their entirety, which are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
2. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 inputs are unobservable inputs for the asset or liability.

19. Financial instruments (continued)

Credit risk

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. The Company carries out, on a continuing basis, credit checks on its customers and regularly monitors the credit risk exposure and takes steps to mitigate the likelihood of exposure resulting in actual loss.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognized a loss allowance of 100% against all receivables that have indicated that they are generally not recoverable.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

The components of trade receivables are as follows:

| | 2025 | 2024 |
|---|--------------------|-------------|
| | \$ | \$ |
| Current | 17,671,393 | 15,896,353 |
| Past due less than 30 days | 4,844,373 | 3,119,645 |
| Past due less than 60 days | 1,190,791 | 969,950 |
| Past due less than 90 days | 1,599,025 | 1,339,120 |
| Past due over 90 days | 3,413,900 | 3,768,523 |
| Trade receivables (before allowance for expected credit losses) | 28,719,482 | 25,093,591 |
| Less: Allowance for expected credit losses | (1,457,892) | (1,251,082) |
| Trade and other receivables (net of allowance for expected credit losses) | 27,261,590 | 23,842,509 |
| Allowance for expected credit losses | | |
| Balance, beginning of year | 1,251,082 | 1,072,937 |
| Bad debt expense | 206,810 | 178,145 |
| Balance, end of year | 1,457,892 | 1,251,082 |

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the end of the reporting period.

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19. Financial instruments (continued)

Concentration of credit risk

Three customers (three in 2024) represented approximately 16.1% of the accounts receivable balance as at October 31, 2025 (19.8% as at October 31, 2024). In addition, the Company generated 16.6% (13.7% in 2024) of its revenue from four customers (five in 2024) in the approximate amount of \$22,893,000 (\$17,734,000 in 2024).

Interest rate risk

The Company is exposed to interest rate risk on its credit facility that bears variable interest rates and does not currently hold any financial instruments that mitigate this risk. The Company regularly monitors its level of borrowing and renegotiates its credit agreements as required in order to mitigate this risk.

A 10% change in the interest rate would result in a \$12,153 (\$13,249 in 2024) impact on profit or loss.

Foreign exchange risk

The foreign exchange risk is the risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. Fluctuations in payments made for the Company's products could cause unanticipated fluctuations in the Company's operating results.

The following account balances include amounts expressed in Canadian dollars for which cash flows are denominated in a currency, predominantly the Canadian dollar and the Euro, other than the U.S. dollar:

| | 2025 | 2024 |
|-----------------------------------|-------------------|-----------|
| | \$ | \$ |
| Cash | 6,301,886 | 5,187,291 |
| Trade and other receivables | 4,469,092 | 3,731,390 |
| Investment tax credits receivable | 10,152,516 | 8,152,825 |
| Trade and other payables | 12,116,372 | 8,814,588 |
| Line of credit | 2,731,115 | 2,226,657 |
| Term loans | 2,325,182 | 2,613,059 |
| Income taxes (receivable) payable | (2,590) | 37,918 |

If the Canadian dollar were to change by 10% against the U.S. dollar and the Euro, the impact would be \$375,342 (\$337,928 in 2024) on the consolidated statements of loss (income) and comprehensive income.

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at October 31, 2025, the most significant financial liabilities are trade and other payables, line of credit, term loans and lease liabilities.

20. Capital risk management

The Company's primary uses of capital are for working capital, capital expenditures and select acquisitions. Based on the current level of operations, management believes that cash on hand, cash flows from operations and available borrowings under the credit facility will enable the Company to meet its working capital, capital expenditure, debt service and other funding requirements (including select acquisitions).

The Company's aim is to maintain a level of capital that is adequate to meet several objectives, including: (i) an acceptable debt level ratio of interest-bearing debt to EBITDA and (ii) a level of debt service coverage to meet financial covenants in order to provide access to adequate funding sources to support current operations, pursue its internal growth strategy, pursue select acquisitions and maintain capital flexibility.

The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

21. Related party disclosures

Compensation of five (five in 2024) key management personnel:

| | 2025 | 2024 |
|--------------------------------|------------------|-----------|
| | \$ | \$ |
| Salaries, bonuses and benefits | 4,497,150 | 4,181,357 |

Compensation of non-employee directors

For the years ended October 31, 2025, and October 31, 2024, independent directors were entitled to cash compensation totalling \$225,000 (\$157,836 in 2024), which has been accrued for within trade and other payables. The Company reimburses reasonable costs to attend board and committee meetings.

22. Commitment and contingencies

(a) *Commitment*

The Company has arrangements whereby royalties are payable on certain sales and the royalty rates decrease as specific volumes are achieved. The royalty expense amounted to \$28,149 in 2025 (\$19,945 in 2024).

(b) *Contingencies*

On March 9, 2017, an entity filed proceedings against the Company alleging that the Company was not entitled to terminate the supply agreement entered into between the parties and breached an exclusivity undertaking. The entity was claiming an amount of \$132,660,117 in damages, plus interest and indemnity. The trial was completed in February 2025 and the decision was rendered on May 6, 2025, awarding the entity an amount of \$631,000 plus interest and fees. Accordingly, the Company has recorded a provision of \$1,000,000 as at October 31, 2025. On May 28, 2025, the entity filed an appeal against the decision rendered. The Company believes that the likelihood of an unfavourable outcome, beyond the decision rendered, is not probable. Accordingly, no additional provision has been recorded.

22. Commitment and contingencies (continued)

(b) Contingencies (continued)

The Company is not aware of any other proceedings outstanding or threatened by or against it or relating to its business which may have, or have had in the recent past, significant effects on the Company's financial position, profitability or cash flows and believes that the likelihood of an unfavourable outcome in any dispute is not probable. Accordingly, no provision has been recorded.

23. Reportable segments

The Company has one reportable segment, the provision of mission-critical, real-time video networking and visual collaboration solutions.

Geographical information

Revenue by geographical area, based on the location of customers, is as follows:

| | 2025 | 2024 |
|---------------|--------------------|-------------|
| | \$ | \$ |
| Canada | 2,520,687 | 1,415,968 |
| International | 38,370,379 | 42,187,809 |
| United States | 96,743,976 | 85,933,378 |
| | 137,635,042 | 129,537,155 |

Non-current assets by geographical area is as follows:

| | 2025 | 2024 |
|---------------|-------------------|------------|
| | \$ | \$ |
| Canada | 40,216,621 | 40,693,183 |
| International | 23,755,213 | 22,921,039 |
| United States | 17,039,733 | 16,485,238 |
| | 81,011,567 | 80,099,460 |