NEWS RELEASE

Quarterhill Reports Second Quarter 2026 Financial Results

2026-08-13

TORONTO, Aug. 13, 2026 /PRNewswire/ -- **Quarterhill Inc. ("Quarterhill" or the "Company")** (TSX: QTRH) (OTCQX: QTRHF), a leading technology innovator providing next-generation, AI-driven Intelligent Transportation System ("ITS") solutions, reported financial results for the second quarter ended June 30, 2026. All financial information in this press release is reported in U.S. dollars unless otherwise indicated. The results do not include any contribution from Conduent's tolling solutions business, which Quarterhill agreed to acquire on June 30, 2026, in a transaction expected to close in Q4 2026.

Quarterhill delivered its strongest quarter of profitability in over three years, generating $4.6 million in adjusted EBITDA[1] and an adjusted EBITDA margin[1] of 11%. This marks the Company's fourth consecutive quarter of positive adjusted EBITDA.

Quarterhill continues to build scale and profitability, supported by sustained financial momentum and its definitive agreement to acquire Conduent's tolling solutions business. Upon closing, the transaction is expected to approximately triple Quarterhill's tolling revenue and establish the Company as the second-largest tolling operator in the U.S., supported by approximately $2 billion of combined backlog[1].

Management Commentary

"We continued to strengthen our financial profile in the second quarter as we build a larger, more focused, and more profitable ITS platform," said **Chuck Myers, Quarterhill's Chief Executive Officer.** "Adjusted EBITDA margin[1] expanded meaningfully year over year, gross margin[1] expanded to 29% from 15%, and we delivered our fourth consecutive quarter of positive Adjusted EBITDA[1], demonstrating the operating leverage in our model. As we scale the business, we expect to drive further margin expansion.

"Our pending acquisition of Conduent's tolling solutions business will fundamentally reshape

Quarterhill's scale and financial profile. Upon closing, the transaction is expected to approximately triple our tolling revenue and make Quarterhill the second-largest tolling operator in the U.S., with enhanced capabilities across electronic tolling, back-office operations and roadside systems, and supported by approximately $2 billion of combined backlog. Our immediate priorities are completing the transaction in the fourth quarter and executing a smooth integration, and I have full confidence in our team's ability to deliver on both.

"Momentum is also building across our organic business, spurred by demand for our AI-driven solutions. Recent awards from transportation agencies in Utah, Illinois, Oklahoma, and the Asia-Pacific region demonstrate the value customers see in modernizing tolling and roadside operations with our next generation solutions. We believe the commercial opportunity pipeline in our industry remains above $2 billion as agencies increasingly commit funding to infrastructure modernization.

"With improving profitability, a growing organic pipeline, and the pending Conduent transaction, we believe Quarterhill is well positioned to accelerate its growth and create meaningful long-term value for customers and shareholders as we strengthen our position as a global leader in the ITS industry."

Q2 2026 Financial Highlights

- Revenue of $42.5 million, compared to $43.1 million in the year-ago period.
- Gross margin[1] expanded to 29%, an improvement of 1,400 basis points compared to 15% in Q2 2025.
- Adjusted EBITDA[1] totaled $4.6 million, a $7.3 million improvement from an Adjusted EBITDA loss of $2.7 million in Q2 2025.
- Cash generated from operations of $5.7 million, compared to cash used from operations of ($4.6) million in Q2 2025.
- Revenue backlog[1] was $415 million at June 30, 2026.

Q2 2026 and Recent Business and Operational Highlights

- **Acquisition of Conduent's Tolling Solutions Business:** Entered into a definitive agreement to acquire substantially all the assets of Conduent's tolling solutions business for $70 million in cash and Quarterhill common shares representing approximately 7% of the Company's outstanding shares following closing. The transaction is expected to approximately triple Quarterhill's tolling revenue and result in approximately $2 billion of combined backlog[1], pro forma annual revenue exceeding $400 million, and an Adjusted EBITDA margin[1] of 10% to 15%. Closing is expected in Q4 2026, subject to TSX approval and other customary closing conditions.
- **Oklahoma DOT Commercial Vehicle Screening Modernization ($5.25 Million):** Contract to deploy Mainline and Ramp Sorter Systems, Weigh-In-Motion, Electronic Screening, Tire Anomaly Classification System, and Dimensioning capabilities at an existing Interstate 35 weigh station, expanding a longstanding partnership with ODOT.
- **Illinois DOT Traffic Data Partnership ($2.5 Million):** Long-term partnership with IDOT to install new Continuous Count Sites and maintain existing locations across District 1, covering northeastern Illinois and the Chicago metro area, over an initial three-year term with optional

annual extensions for up to 10 years.

- **Utah DOT Tolling Back-Office Deployment ($6.3 Million):** Five-year contract with five optional one-year extensions to deploy Quarterhill's tolling back-office and customer service platform across UDOT's I-15 Express Lanes network, spanning 77 tolling locations.
- **International Orders in South Korea and Thailand (approximately $2.1 Million):** New orders for commercial vehicle and tolling systems, extending Quarterhill's presence in the Asia Pacific region.

Q2 2026 Financial Review

Quarterhill's Management's Discussion and Analysis and Financial Statements for the quarter ended June 30, 2026, are available on the Company's website and at its profile at SEDAR+.

Revenues for the quarter ended June 30, 2026, were $42.5 million compared to $43.1 million in the year-ago period. The slight decrease in revenue was primarily due to lower tolling project activity, partially offset by growth in the commercial vehicle and enforcement business unit. For the six months ended June 30, 2026, revenue increased 5% to $81.1 million from $77.0 million in the prior-year period.

Gross profit as a value and as a percentage of revenues (gross margin[1]) may be subject to significant variance in each reporting period due to the nature and type of contract and service work performed, and currency volatility. Gross profit for the quarter ended June 30, 2026, was $12.2 million or 29% as a percentage of revenue, as compared to $6.3 million, or 15%, in the prior year comparative period. The increase in gross profit percentages year-over-year was primarily due to the Company's restructuring, stronger contract economics and disciplined execution on certain tolling contracts, and continued strong margin performance in the Company's commercial vehicle and enforcement operations.

Total operating expenses are comprised of selling, general, and administrative costs ("SG&A"), research and development ("R&D") costs, depreciation, amortization of intangible assets, and other charges. Total operating expenses for the quarter ended June 30, 2026, were $17.4 million, or 41% as a percentage of revenue, compared to $12.9 million or 30% as a percentage of revenue, in the prior year comparative period. The increase is primarily due to an increase in selling, general, and administrative costs associated with stock-based compensation, recruitment, technical consulting, facilities expenses and other charges.

Adjusted EBITDA[1] for the quarter was $4.6 million, compared to ($2.7) million in the same period last year. The higher Adjusted EBITDA[1] in Q2 2026 was primarily driven by the expansion in gross profit margin resulting from the Company's restructuring and cost-cutting initiatives, as well as the increase in revenues associated with the Company's commercial vehicle and enforcement business.

Net income (loss) for the quarter ended June 30, 2026, was ($5.6) million, or ($0.05) per basic and diluted share, compared to net income (loss) of ($6.8) million, or ($0.06) per diluted share, in the same period last year.

Cash generated from (used in) operations for the quarter ended June 30, 2026, was $5.7 million, compared to cash generated from (used in) operations of ($4.6) million in the same period last year.

Cash and cash equivalents were $26.2 million at June 30, 2026, compared to $14.7 million at March 31, 2026. The increase was primarily due to the completion of the Company's new secured term loan and cash generated from operations during the quarter.

1. Refers to a Non-IFRS financial measure or ratio. Please refer to the "Non-IFRS Financial Measures and Non-IFRS Ratios" section for further information.

Conference Call and Webcast

Quarterhill will host a conference call to discuss its financial results today, August 13, 2026, at 8:30 AM Eastern Time.

Webcast Information

- Live and replay audio webcast will be available at: https://app.webinar.net/jX25BWmZYxq

Traditional Dial-in Information

- To access the call from the U.S. and Canada, dial 1.888.699.1199 (Toll Free)
- To access the call from other locations, dial 1.416.945.7677 (International)

Rapidconnect

To instantly join the call by phone, please use the following link to register and be automatically connected: https://emportal.ink/4wsDeDO

Replay

A telephone replay of the call will be available through August 20, 2026, by dialing:

- 1.888.660.6345 (North America)
- 1.289.819.1450 (International)
- Passcode: 32470

Non-IFRS Financial Measures and Non-IFRS Ratios

Quarterhill uses both IFRS and certain non-IFRS financial measures to assess performance. Non-IFRS financial measures are financial measures disclosed by a company that (a) depict historical or expected future financial performance, financial position or cash flow of a company, (b) with respect to their composition, exclude amounts that are included in, or include amounts that are excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the company, (c) are not disclosed in the financial statements of the company, and (d) are not a ratio, fraction, percentage or similar representation. Non-IFRS ratios are financial measures disclosed by a company that are in the form of a ratio, fraction, percentage or similar representation that has a non-IFRS financial measure as one or more of its components, and that are not disclosed in the financial statements of the company.

These non-IFRS financial measures and non-IFRS ratios are not standardized financial measures under IFRS, and, therefore, are unlikely to be comparable to similar financial measures presented by other companies. Management believes these non-IFRS financial measures and non-IFRS ratios provide transparent and useful supplemental information to help investors evaluate our financial performance, financial condition, and liquidity using the same measures as management. These non-IFRS financial measures and non-IFRS ratios should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS.

Adjusted EBITDA - Non-IFRS Financial Measures

We use the non-IFRS financial measure "Adjusted EBITDA" to mean net loss adjusted for (i) income taxes, (ii) finance expense or income; (iii) amortization and impairment of intangibles; (iv) other charges and other one-time items; (v) depreciation of right-of-use assets and property, plant and equipment; (vi) stock-based compensation; (vii) foreign exchange (gain) loss; (viii) other (income) expense; and (ix) changes in fair value of derivative liability. Adjusted EBITDA is used by our management to assess our normalized cash generated on a consolidated basis. Adjusted EBITDA is also a performance measure that may be used by investors to analyze the cash generated by Quarterhill. Adjusted EBITDA should not be interpreted as an alternative to net income (loss) and cash flows from operations as determined in accordance with IFRS or as a measure of liquidity. The most directly comparable IFRS financial measure is net income (loss). See Reconciliation of Net Loss to Adjusted EBITDA below.

Adjusted EBITDA per share – Non-IFRS Ratio

Adjusted EBITDA per share is calculated as Adjusted EBITDA divided by the basic weighted average of common shares. Adjusted EBITDA per share is used by our management and investors to analyze cash generated by Quarterhill on a per share basis. The most comparable IFRS measure is earnings per share. See Reconciliation of Net Loss to Adjusted EBITDA below.

Adjusted EBITDA Margin – Non-IFRS Ratio

Adjusted EBITDA margin is calculated as Adjusted EBITDA as a percentage of revenue. Adjusted EBITDA margin is used by our management and investors to evaluate Quarterhill's normalized cash generation and operating profitability relative to revenue, and to compare performance across periods on a consistent basis. The most comparable IFRS measure is net income (loss).

Backlog - Non-IFRS Financial Measure

We use the non-IFRS measure "backlog" to mean the total value of work that has not yet been completed but that in management's experience of similar situations has: (a) a high certainty of being performed pursuant to existing contracts or work orders specifying job scope, value and timing; (b) an expectation of expansion of existing contracts due to expected extensions; and/or (c) been awarded to one or more of our ITS operating subsidiaries as evidenced by a binding contract or where the finalization of a binding contract is reasonably assured. Activities under such contracts may cover a period of up to 15 years. We do not include in "backlog" the value of any expected but unsigned change orders that management considers may apply to such contracts. Backlog is used by management to evaluate the Company's future revenue potential and operational visibility. Backlog provides useful information to investors as it reflects the value of contracted work expected to be recognized as revenue in future periods.

Supplementary Financial Measures

Supplementary financial measures are financial measures disclosed by a company that (a) are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of a company, (b) are not disclosed in the financial statements of the company, (c) are not non-IFRS financial measures, and (d) are not non-IFRS ratios. Key supplementary measures disclosed are as follows:

Gross margin %
Calculated as gross profit as a percentage of revenue.

About Quarterhill

Quarterhill is a global leader in the Intelligent Transportation System (ITS) industry, advancing mobility through smart infrastructure solutions that reduce congestion, improve roadway safety, and create more sustainable travel. Each year, Quarterhill's platforms process billions of transactions, perform compliance and safety inspections on millions of commercial vehicles, and enable transportation agencies worldwide to optimize thousands of lanes of traffic to improve travel for everyone. Leveraging advanced artificial intelligence and machine learning technologies, Quarterhill's platform delivers automation and predictive insight to help agencies manage transportation networks more efficiently. By working in close partnership with governments, communities, and industry leaders, Quarterhill is building today's connected roadways while shaping the next generation of intelligent, resilient mobility. Quarterhill is listed on the TSX under the symbol QTRH and on the OTCQX Best Market under the symbol QTRHF. For more information, please visit: www.quarterhill.com.

Forward-looking Information

This news release contains forward-looking information and forward-looking statements within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). Forward-looking statements relate to future events, conditions or financial performance based on future economic conditions and courses of action. All statements other than statements of historical fact may be forward-looking statements, often identified by words such as "seek", "anticipate", "budget", "plan", "goal", and similar expressions. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results to differ materially from those anticipated, and should not be unduly relied upon. In particular, this news release contains forward-looking statements pertaining to, but not limited to, the following: operational and financial expectations for the 2026 financial year, including organic growth and M&A opportunities; anticipated future financial results, including expansion of gross margin; customer demand for our products and results from organic sales initiatives; the Company's business plan and strategy; expectations relating to the Company's contracts and award agreements; market opportunity and size; the anticipated timing and completion of the acquisition of Conduent's tolling solutions business, including the satisfaction of closing conditions and receipt of TSX approval; expected pro forma revenue, Adjusted EBITDA margin and combined backlog of the combined company following completion of the acquisition of Conduent; anticipated synergies and the integration of the acquired business; and the results of operational enhancements and technology investment by the Company.

Although the forward-looking statements contained in this news release are based upon assumptions which management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward looking statements contained in this news release, the Company has made assumptions regarding, but not limited to: the Company's ability to execute on its business plan; satisfaction of the closing conditions and receipt of TSX approval for the Conduent acquisition; successful integration of acquisitions and synergies, including in respect to the Conduent acquisition; general economic and industry trends; operating assumptions; market opportunity assumptions; demand for the Company's products and services; cost estimates for fixed price contracts; and the other assumptions set forth in the Company's most recent annual information form available under the Company's profile on SEDAR+ at www.sedarplus.ca.

The Company's actual results could differ materially from those anticipated in the forward-looking statements, as a result of numerous known and unknown risks and uncertainties and other factors including, but not limited to: changes in demand for the Company's products and services; general economic, political, market and business conditions, including fluctuations in interest rates, foreign exchange rates, stock market volatility; reliance on key management personnel; risks that the acquisition of Conduent's tolling solutions business may not be completed on the anticipated timeline or at all, and risks relating to the integration of the acquired business and the realization of anticipated synergies; risks related to competition within the Company's industry and relating to technological advances; litigation risks; cyber-security risks; risks associated with the Company's expectations in respect of backlog; fixed price contracts may result in unexpected costs to the Company; risks of health epidemics, pandemics and similar outbreaks; and the other risks set forth in the Company's most recent annual information form and management's discussion and analysis for the three and twelve months ended December 31, 2025 available under the Company's profile on SEDAR+ at http://www.sedarplus.ca.

The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Readers are therefore cautioned that the foregoing lists of important factors are not exhaustive, and they should not unduly rely on the forward-looking statements in this news release. All forward-looking statements are expressly qualified by this cautionary statement. Quarterhill has no intention, and undertakes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This news release contains "future-oriented financial information" and "financial outlooks" within the meaning of applicable Canadian securities laws (collectively, "FOFI"), including about the financial results, revenue, gross margin and Adjusted EBITDA of Quarterhill for the year ended December 31, 2026. FOFI, as with forward-looking statements generally, are, without limitation, based on the assumptions and qualifications, and are subject to the risks set out above in respect of forward-looking statements. Quarterhill's actual financial position and results of operations may differ materially from management's current expectations and, as a result, the Company's financial results may differ materially from the FOFI provided in this news release. The Company and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments and the FOFI contained in this news release was approved by management as of the date hereof, for purposes of providing further information about the Company's future business operations and results. However, because this information is subjective and subject to numerous risks and assumptions, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, the Company undertakes no obligation to update such FOFI. Readers are cautioned that the FOFI contained in this news release should not be used for purposes other than for which it is disclosed herein, and such information is presented for illustrative purposes only and may not be an indication of the Company's actual financial position or results of operations.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss (Unaudited)
(in thousands and in United States dollars, except share and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Revenues	**$42,511**	$43,075	**$81,125**	$76,964
Direct cost of revenues	**30,356**	36,732	**58,259**	66,690
Gross profit	**12,155**	6,343	**22,866**	10,274
Operating expenses				
Selling, general and administrative expenses	**10,696**	9,675	**21,827**	17,706
Impairment expense	**1,031**	-	**1,031**	-
Research and development expenses	**271**	500	**578**	781
Depreciation of right-of-use assets	**399**	217	**799**	552
Depreciation of property, plant and equipment	**366**	365	**719**	734
Amortization of intangible assets	**2,145**	2,046	**4,323**	4,020
Other charges	**2,480**	83	**2,515**	324
	17,388	12,886	**31,792**	24,117
Results from operations	**(5,233)**	(6,543)	**(8,926)**	(13,843)
Finance income	**(9)**	(65)	**(49)**	(120)
Finance expense	**2,070**	1,564	**3,530**	3,057
Foreign exchange (gain) loss	**(2,213)**	2,748	**(2,484)**	3,020
Other income	**(181)**	(3,292)	**(306)**	(3,609)
Change in fair value of derivative liability	**-**	(60)	**-**	(490)
Loss before taxes	**(4,900)**	(7,438)	**(9,617)**	(15,701)
Current income tax expense (recovery)	**1,035**	(66)	**1,758**	43
Deferred income tax recovery	**(368)**	(537)	**(559)**	(539)
Income tax expense (recovery)	**667**	(603)	**1,199**	(496)
Net loss	**(5,567)**	(6,835)	**(10,816)**	(15,205)
Other comprehensive (loss) income that may be reclassified subsequently to net loss:				
Foreign currency translation adjustment	**(1,123)**	1,945	**(1,966)**	2,506
Comprehensive loss	**($6,690)**	($4,890)	**($12,782)**	($12,699)
Loss per share - Basic and diluted	**($0.05)**	($0.06)	**($0.09)**	($0.13)

Interim Condensed Consolidated Statements of Financial Position
(in thousands and in United States dollars)

As at	June 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	**$26,222**	$24,846
Accounts receivable, net	**22,796**	18,126
Unbilled revenue	**31,690**	38,980
Inventories net of obsolescence	**8,098**	8,922
Prepaid expenses and deposits	**9,646**	5,550
	98,452	96,424
Non-current assets		
Accounts and other long-term receivables	**5,541**	5,274
Right-of-use assets, net	**3,690**	4,516
Property, plant and equipment, net	**3,012**	3,157
Intangible assets, net	**75,630**	76,548
Investment in other entity	**3,919**	3,919
Deferred compensation asset	**565**	1,175
	92,357	94,589
TOTAL ASSETS	**$190,809**	$191,013
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$30,877**	$34,156
Income taxes payable	**1,674**	254
Current portion of lease liabilities	**1,652**	2,094
Current portion of deferred revenue	**8,213**	9,435
Current portion of long-term debt	**563**	13,883
Convertible debentures	**39,790**	40,395
	82,769	100,217
Non-current liabilities		
Long-term deferred revenue	**1,505**	867
Long-term lease liabilities	**2,420**	3,389
Long-term debt	**26,248**	-
Deferred compensation liabilities	**506**	464
Deferred income tax liabilities	**1,548**	2,124
Other long-term liabilities	**512**	512
	32,739	7,356
TOTAL LIABILITIES	**115,508**	107,573
Shareholders' equity		
Share Capital	**319,956**	317,395
Contributed surplus	**131,615**	129,533
Accumulated other comprehensive income	**12,057**	14,023
Deficit	**(388,327)**	(377,511)
	75,301	83,440
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$190,809**	$191,013

Interim Condensed Consolidated Statements of Cash Flows (Unaudited)
(in thousands and in United States dollars, except share and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Operating activities:				
Net loss	**($5,567)**	($6,835)	**($10,816)**	($15,205)
Add (deduct) non-cash items:				
Stock-based compensation expense	**3,104**	1,153	**5,583**	2,097
Depreciation and amortization	**2,910**	2,628	**5,841**	5,306
Foreign exchange (gain) loss	**(2,213)**	2,748	**(2,484)**	3,020
Other income	**(181)**	(3,292)	**(306)**	(3,402)
Impairment expense	**1,031**	-	**1,031**	-
Deferred and non-cash income tax recovery	**(368)**	(537)	**(559)**	(539)
Change in fair value of embedded derivatives	**(10)**	(48)	**(7)**	(45)

Change in fair value of derivative liability	**-**	(60)	**-**	(490)
Non-cash interest expense	**663**	560	**1,185**	1,099
Net change in non-cash working capital balances	**6,341**	(881)	**790**	(28)
Cash generated (used) in operations	**5,710**	(4,564)	**258**	(8,187)
Financing activities:				
Payment of lease liabilities	**(706)**	(668)	**(1,377)**	(1,311)
Repayment of long-term debt	**(13,245)**	-	**(14,583)**	(531)
Net proceeds from secured term loan	**28,426**	-	**28,426**	-
Common shares issued for cash on the exercise of options	**58**	-	**58**	-
Cash generated (used) in financing activities	**14,533**	(668)	**12,524**	(1,842)
Investing activities:				
Net proceeds from disposition of a joint venture	**-**	-	**-**	319
Proceeds from sale of property, plant and equipment	**-**	26	**-**	26
Purchase of property, plant and equipment	**(283)**	(310)	**(739)**	(369)
Dividend received from investment in other entity	**-**	3,203	**-**	3,203
Prepaid acquisition consideration	**(3,500)**	-	**(3,500)**	-
Capitalized software costs	**(2,770)**	(1,231)	**(4,161)**	(2,147)
Cash (used) generated in investing activities	**(6,553)**	1,688	**(8,400)**	1,032
Effect of foreign exchange	**(2,184)**	79	**(3,006)**	(238)
Net increase (decrease) in cash and cash equivalents	**11,506**	(3,465)	**1,376**	(9,235)
Cash and cash equivalents, beginning of period	**14,716**	26,123	**24,846**	31,893
Cash and cash equivalents, end of period	**$26,222**	$22,658	**$26,222**	$22,658

Interim Condensed Consolidated Statements of Shareholders' Equity (Unaudited)
(in thousands and in United States dollars)

	Share Capital	**Contributed Surplus**	**Accumulated Other Comprehensive Income**	**Deficit**	**Total Shareholders' Equity**
Balance, January 1, 2025	$314,630	$127,446	$12,148	($323,101)	$131,123
Net loss	-	-	-	(15,205)	(15,205)
Other comprehensive income	-	-	2,506	-	2,506
Stock-based compensation expense	-	2,097	-	-	2,097
Common shares issued from restricted stock units	815	(1,156)	-	-	(341)
Common shares issued from deferred stock units	345	(741)	-	-	(396)
Balance, June 30, 2025	$315,790	$127,646	$14,654	($338,306)	$119,784
Balance, January 1, 2026	**$317,395**	**$129,533**	**$14,023**	**($377,511)**	**$83,440**
Net loss	**-**	**-**	**-**	**(10,816)**	**(10,816)**
Other comprehensive loss	**-**	**-**	**(1,966)**	**-**	**(1,966)**
Stock-based compensation expense	**-**	**5,583**	**-**	**-**	**5,583**
Exercise of stock options	**74**	**(16)**	**-**	**-**	**58**
Common shares issued from restricted stock units	**1,756**	**(2,754)**	**-**	**-**	**(998)**
Common shares issued for retention and performance stocks	**731**	**(731)**	**-**	**-**	**-**
Balance, June 30, 2026	**$319,956**	**$131,615**	**$12,057**	**(388,327)**	**$75,301**

Reconciliation of Net Loss to Adjusted EBITDA
(in thousands and in United States dollars, except share and per share amounts)

	Three months ended June 30,			
	2026		2025	
	$	**Per Share [4]**	$	Per Share
Net loss	**($5,567)**	**($0.05)**	($6,835)	($0.06)
Adjusted for:				
Income tax expense (recovery)	**667**	**0.01**	(603)	(0.01)
Foreign exchange (gain) loss	**(2,213)**	**(0.02)**	2,748	0.02
Impairment loss[1]	**1,031**	**0.01**	-	-

Finance income	**(9)**	**(0.00)**	(65)	(0.00)
Finance expense	**2,070**	**0.02**	1,564	0.01
Other charges	**113**	**0.00**	83	0.00
Depreciation and amortization	**2,910**	**0.02**	2,628	0.02
Stock based compensation expense	**3,104**	**0.03**	1,153	0.01
Non-recurring project costs[2]	**2,689**	**0.02**	-	-
Change in fair value of derivative liability	**-**	**-**	(60)	(0.00)
Other income	**(181)**	**(0.00)**	(3,292)	(0.03)
Adjusted EBITDA [3]	**$4,614**	**$0.04**	($2,679)	($0.02)
Weighted average number of Common Shares				
Basic	**120,530,472**		116,418,530	

	Six months ended June 30,			
	2026		2025	
	$	**Per Share [4]**	$	Per Share
Net loss	**($10,816)**	**($0.09)**	($15,205)	($0.13)
Adjusted for:				
Income tax expense	**1,199**	**$0.01**	(496)	(0.00)
Foreign exchange loss (gain)	**(2,484)**	**($0.02)**	3,020	0.02
Impairment loss[1]	**1,031**	**$0.01**	-	-
Finance income	**(49)**	**($0.00)**	(120)	(0.00)
Finance expense	**3,530**	**$0.03**	3,057	0.02
Other charges	**148**	**$0.00**	324	0.00
Depreciation and amortization	**5,841**	**$0.05**	5,306	0.05
Stock based compensation expense	**5,583**	**$0.05**	2,097	0.02
Non-recurring project costs[2]	**2,976**	**$0.02**	-	-
Change in fair value of derivative liability	**-**	**-**	(490)	(0.00)
Other income	**(306)**	**($0.00)**	(3,609)	(0.03)
Adjusted EBITDA [3]	**$6,653**	**$0.06**	($6,116)	($0.05)
Weighted average number of Common Shares				
Basic	**119,854,701**		116,159,811	

[1] Impairment loss relates to net assets write off from upcoming sale of VDS Verkehrstechnik GmBH
[2] Non-recurring project costs mostly relates to consulting fees for the upcoming Conduent Tolling acquisition.
[3] Refer to Adjusted EBITDA - Non-IFRS Financial Measure
[4] Refer to Adjusted EBITDA per share – Non-IFRS ratio

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