Quarterhill

NEWS RELEASE

Quarterhill Reports Third Quarter 2026 Financial Results

2026-11-10

TORONTO, Nov. 10, 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, today reported financial results for the third quarter ended September 30, 2026. All financial information in this press release is reported in USD unless otherwise indicated.

Quarterhill generated revenue of $43.2 million in the third quarter, its highest quarterly revenue since 2022 and up 9% year-over-year. The Company also expanded gross margin[1] to 29% from 26% in the prior-year period and recorded its fifth consecutive quarter of positive Adjusted EBITDA, reflecting continued progress in operating performance.

Subsequent to the third quarter, the Company repaid its convertible debentures in full, further strengthening its balance sheet. Quarterhill enters its next phase of growth with a stronger financial foundation and greater flexibility to execute on its strategic priorities. The Company continues to work towards closing the previously-announced Conduent tolling acquisition and remains focused on positioning the combined business for long-term growth and value creation.

Management Commentary

"We delivered another solid quarter of progress, with our highest quarterly revenue since 2022, year-over-year gross margin expansion, and our fifth consecutive quarter of positive Adjusted EBITDA," **said Chuck Myers, Quarterhill's Chief Executive Officer**. "These results reflect the improvements we have made in our core operations and our continued focus on disciplined execution. Key contract wins with ITD, PennDOT, and LA Metro highlight the commercial momentum we are building and the strength of our growing pipeline. We believe these awards also demonstrate the depth of our customer relationships and the continued demand for our solutions.

"Following the quarter, we repaid our outstanding convertible debentures in full, significantly

strengthening our balance sheet and simplifying our capital structure. We are continuing to work towards closing the previously-announced Conduent tolling acquisition, which remains subject to the satisfaction of customary and negotiated closing conditions, including receipt of TSX approval.

Q3 2026 Financial Highlights

- Revenue increased 9% to $43.2 million, compared to $39.7 million in the year-ago period, representing the Company's highest quarterly revenue since 2022.
- Gross margin[1] expanded to 29%, compared to 26% in the year-ago period.
- Adjusted EBITDA[2] totaled $3.9 million, compared to $1.4 million in the year-ago period.
- Revenue backlog[3] was $418.9 million at September 30, 2026.

Recent Business and Operational Highlights

- **Repayment of Convertible Debentures:** Repaid in full the CAD$57.5 million aggregate principal amount of 6.0% convertible unsecured subordinated debentures, together with all accrued and unpaid interest, on October 30, 2026, eliminating a significant debt obligation and simplifying the Company's capital structure.
- **CAD$51.75 Million Bought Deal Private Placement:** On September 16, 2026, closed an upsized bought deal private placement of 20,867,100 common shares at CAD$2.48 per share, for aggregate gross proceeds of CAD$51,750,408, including full exercise of the underwriters' option. Net proceeds are intended for general corporate purposes, working capital, repayment of debt obligations, and growth initiatives, including future acquisitions.
- **LA Metro ExpressLanes Back Office Modernization ($28.2 Million):** Selected as a subcontractor to BRiC-TPS, LLC on LA Metro's new ExpressLanes back-office system covering the I-10, I-110, and I-105 and future corridors, with an eight-year base term and two three-year option periods for up to 14 years, expanding Quarterhill's role in major U.S. transportation infrastructure modernization programs.
- **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.
- **PennDOT Weigh-In-Motion Program ($4.6 Million):** Awarded contract with the Pennsylvania Department of Transportation to provide ongoing maintenance, calibration, and support services for the Commonwealth's Weigh-In-Motion program, over an initial three-year term with options to extend for an additional two years.
- **Idaho Transportation Department (ITD) Commercial Vehicle Screening ($1.78 Million):** Awarded a contract to maintain, support, and modernize Idaho's commercial vehicle screening infrastructure, including weigh-in-motion, electronic screening, and enforcement systems, over an initial one-year term with an option for a one-year extension, extending a longstanding partnership with ITD**.**
- **UK Market Entry with TMB-13X Intersection Radar:** Proprietary multilane intersection radar achieved TOPAS 2505B registration, a requirement for traffic signal detection technology deployed in the UK. The registration enables sales to UK traffic signal controller manufacturers, system integrators, and transport authorities, opening a new market opportunity for Quarterhill's

proprietary technology.

Q3 2026 Financial Review

Quarterhill's financial statements and MD&A for the quarter ended September 30, 2026, are available on the Company's website and on its SEDAR+ profile.

Revenue for the quarter ended September 30, 2026, increased 9% to $43.2 million compared to $39.7 million in the year-ago period. For the nine months ended September 30, 2026, revenue increased 6% to $124.3 million from $116.7 million in the prior-year period.

Gross profit as a value and as a percentage of revenue (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 September 30, 2026, was $12.3 million, or 29% of revenue, as compared to $10.5 million, or 26% of revenue, in the prior year comparative period. The year-over-year increase in gross profit percentage was primarily due to the Company's restructuring, improved margins on certain tolling contracts, and continued strong margin performance in the Company's commercial vehicle and enforcement business.

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 September 30, 2026, were $23.6 million, or 55% of revenue, compared to $13.7 million, or 34% of revenue, in the prior-year comparative period. The increase is primarily due to stock-based compensation, consulting expenses related to pending and potential acquisitions, impairment expense, facilities expenses, and other charges.

Adjusted EBITDA[2] for the quarter was $3.9 million, compared to $1.4 million in the same period last year. The higher Adjusted EBITDA[2] in Q3 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 revenue associated with the Company's commercial vehicle and enforcement business.

Net income (loss) for the quarter ended September 30, 2026, was ($16.5) million, or ($0.13) per basic and diluted share, compared to net income (loss) of ($4.7) million, or ($0.04) per basic and diluted share, in the same period last year.

Cash generated from (used in) operations for the quarter ended September 30, 2026, was ($8.6) million, compared to cash generated from (used in) operations of $6.4 million in the same period last year.

Cash and cash equivalents were $51.6 million at September 30, 2026, compared to $26.2 million at June 30, 2026. The increase was primarily due to the net proceeds from the bought deal private placement closed on September 16, 2026, partially offset by cash used in operating and investing activities.

On October 30, 2026, the Company entered into a definitive agreement and sold its remaining 10% equity interest in Wi-Lan Inc. for $2.25 million and received early payment of its $6.25 million earn-out from the 2023 sale of Wi-Lan Inc., originally due in December 2027. The equity sale and earn-out together totaled $8.5 million.

1. Gross margin is a supplementary financial measure. ² Adjusted EBITDA and ³ backlog are non-IFRS financial measures, and Adjusted EBITDA margin is a non-IFRS ratio. Please refer to the "Non-IFRS Financial Measures and Non-IFRS Ratios" section for further information.

Conference Call and Webcast

Quarterhill management will host a conference call to discuss its financial results today, November 10, 2026, at 8:30 a.m. Eastern time.

Webcast Information

- Live and replay audio webcast will be available at: https://app.webinar.net/av1A3o2VEln

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/4zlskS9

Replay

A telephone replay of the call will be available through November 17, 2026, by dialing:

- 1.888.660.6345 (North America)
- 1.289.819.1450 (International)
- Passcode: 68719

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; (iii) finance income; (iv) amortization of intangible assets; (v) other charges; (vi) depreciation of right-of-use assets and property, plant and equipment; (vii) stock-based compensation; (viii) foreign exchange (gain) loss; (ix) other income; (x) changes in fair value of derivative liability; (xi) changes in fair value of investment in other entity; (xii) impairment of assets; and (xiii) non-recurring project costs. 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; anticipated future financial results, including expansion of gross margin; customer demand for our products and results from organic sales initiatives; the Company's pipeline and the conversion of such pipeline into new contract wins; the Company's business plan and strategy; expectations relating to the Company's contracts and award agreements, including the expected value and term thereof and the exercise of any extension or option periods; the Company's backlog and the expected recognition of backlog as revenue; market opportunity and size, including the opportunity for sales of the Company's proprietary technology in the UK; the intended use of the net proceeds of the private placement; 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; integration of the acquired business; the expansion of the Company's AI-driven technologies and broader suite of solutions; expected improvements in profitability and long-term shareholder value; 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 for the year ended December 31, 2025 and management's discussion and analysis for the three and nine months ended September 30, 2026, 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.

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 September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Revenues	**$43,157**	$39,743	**$124,282**	$116,707
Direct cost of revenues	**30,808**	29,288	**89,067**	95,978
Gross profit	**12,349**	10,455	**35,215**	20,729
Operating expenses				
Selling, general and administrative expenses	**12,084**	9,902	**33,911**	27,608
Impairment expense	**63**	-	**1,094**	-
Research and development expenses	**293**	510	**871**	1,291
Depreciation of right-of-use assets	**398**	373	**1,197**	925
Depreciation of property, plant and equipment	**360**	369	**1,079**	1,103
Amortization of intangible assets	**2,274**	2,069	**6,597**	6,089
Other charges	**8,149**	483	**10,664**	807
	23,621	13,706	**55,413**	37,823
Results from operations	**(11,272)**	(3,251)	**(20,198)**	(17,094)
Finance income	**(8)**	(58)	**(57)**	(178)
Finance expense	**2,446**	1,507	**5,976**	4,564
Foreign exchange (gain) loss	**1,299**	(824)	**(1,184)**	2,196
Other income	**(990)**	(98)	**(1,296)**	(3,707)
Change in fair value of investment in other entity	**1,669**	-	**1,669**	-
Change in fair value of derivative liability	**-**	(29)	**-**	(519)
Loss before taxes	**(15,688)**	(3,749)	**(25,306)**	(19,450)
Current income tax expense	**1,096**	734	**2,854**	777
Deferred income tax (recovery) expense	**(324)**	251	**(883)**	(288)
Income tax expense	**772**	985	**1,971**	489
Net loss	**(16,460)**	(4,734)	**(27,277)**	(19,939)
Other comprehensive (loss) income that may be reclassified subsequently to net loss:				
Foreign currency translation adjustment	**(1,746)**	(650)	**(3,712)**	1,856
Comprehensive loss	**($18,206)**	($5,384)	**($30,989)**	($18,083)
Loss per share - Basic and diluted	**($0.13)**	($0.04)	($0.22)	($0.17)

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

As at	**September 30, 2026**	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	**$51,588**	$24,846
Accounts receivable, net	**21,279**	18,126
Unbilled revenue	**39,231**	38,980
Inventories net of obsolescence	**7,882**	8,922
Prepaid expenses and deposits	**11,623**	5,550
	131,603	96,424
Non-current assets		
Accounts and other long-term receivables	**6,500**	5,274
Right-of-use assets, net	**3,341**	4,516
Property, plant and equipment, net	**2,948**	3,157
Intangible assets, net	**75,393**	76,548

Investment in other entity	**2,250**	3,919
Deferred compensation asset	**549**	1,175
	90,981	94,589
TOTAL ASSETS	**$222,584**	$191,013
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$40,112**	$34,156
Income taxes payable	**2,479**	254
Current portion of lease liabilities	**1,610**	2,094
Current portion of deferred revenue	**7,303**	9,435
Current portion of long-term debt	**26,743**	13,883
Convertible debentures	**40,390**	40,395
	118,637	100,217
Non-current liabilities		
Long-term deferred revenue	**1,419**	867
Long-term lease liabilities	**2,051**	3,389
Deferred compensation liabilities	**511**	464
Deferred income tax liabilities	**1,211**	2,124
Other long-term liabilities	**512**	512
	5,704	7,356
TOTAL LIABILITIES	**124,341**	107,573
Shareholders' equity		
Share capital	**359,948**	317,395
Contributed surplus	**132,772**	129,533
Accumulated other comprehensive income	**10,311**	14,023
Deficit	**(404,788)**	(377,511)
	98,243	83,440
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$222,584**	$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 September 30,		**Nine months ended September 30,**	
	2026	2025	**2026**	2025
Operating activities:				
Net loss	**($16,460)**	($4,734)	**($27,277)**	($19,939)
Add (deduct) non-cash items:				
Stock-based compensation expense	**4,535**	1,343	**10,118**	3,440
Depreciation and amortization	**3,032**	2,811	**8,873**	8,117
Foreign exchange (gain) loss	**(1,361)**	(824)	**(3,845)**	2,196
Other income	**(864)**	(98)	**(1,170)**	(3,500)
Impairment expense	**63**	-	**1,094**	-
Deferred and non-cash income tax recovery	**(324)**	251	**(883)**	(288)
Change in fair value of embedded derivatives	**7**	25	**-**	(20)
Change in fair value of investment in other entity	**1,669**	-	**1,669**	-
Change in fair value of derivative liability	**-**	(29)	**-**	(519)
Non-cash interest expense	**737**	556	**1,922**	1,655
Net change in non-cash working capital balances	**376**	7,140	**1,167**	7,112
Cash (used in) generated from operations	**(8,590)**	6,441	**(8,332)**	(1,746)
Financing activities:				
Payment of lease liabilities	**(528)**	(551)	**(1,905)**	(1,862)
Repayment of long-term debt	**645**	(3,062)	**(13,938)**	(3,593)
Net proceeds from secured term loan	**(1,995)**	-	**26,431**	-
Net proceeds from equity private placement	**35,225**	-	**35,225**	-
Proceeds from exercise of options	**391**	-	**449**	-
Cash generated from (used) in financing activities	**33,738**	(3,613)	**46,262**	(5,455)
Investing activities:				
Net proceeds from disposition of a joint venture	**-**	-	**-**	319
Proceeds from sale of property, plant and equipment	**-**	-	**-**	26
Cash disposed on sale of subsidiary	**(305)**	-	**(305)**	-
Purchase of property, plant and equipment	**(269)**	(161)	**(1,008)**	(530)
Dividend received from investment in other entity	**-**	-	**-**	3,203
Prepaid acquisition consideration	**-**	-	**(3,500)**	-
Capitalized software costs	**(1,454)**	(862)	**(5,615)**	(3,009)
Cash (used in) generated from investing activities	**(2,028)**	(1,023)	**(10,428)**	9
Effect of foreign exchange	**2,246**	(378)	**(760)**	(616)
Net increase (decrease) in cash and cash equivalents	**25,366**	1,427	**26,742**	(7,808)
Cash and cash equivalents, beginning of period	**26,222**	22,658	**24,846**	31,893

Cash and cash equivalents, end of period	**$51,588**	$24,085	**$51,588**	$24,085

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	-	-	-	(19,939)	(19,939)
Other comprehensive income	-	-	1,856	-	1,856
Stock-based compensation expense	-	3,440	-	-	3,440
Common shares issued from restricted stock units	1,012	(1,436)	-	-	(424)
Common shares issued from deferred stock units	345	(741)	-	-	(396)
Balance, September 30, 2025	$315,987	$128,709	$14,004	($343,040)	$115,660
Balance, January 1, 2026	**$317,395**	**$129,533**	**$14,023**	**($377,511)**	**$83,440**
Net loss	**-**	**-**	**-**	**(27,277)**	**(27,277)**
Other comprehensive loss	**-**	**-**	**(3,712)**	**-**	**(3,712)**
Stock-based compensation expense	**-**	**10,118**	**-**	**-**	**10,118**
Exercise of stock options	**593**	**(144)**	**-**	**-**	**449**
Common shares issued from restricted stock units	**6,004**	**(6,004)**	**-**	**-**	**-**
Common shares issued for retention and performance stocks	**731**	**(731)**	**-**	**-**	**-**
Private placement, net of share issuance costs	**35,225**	**-**	**-**	**-**	**35,225**
Balance, September 30, 2026	**$359,948**	**$132,772**	**$10,311**	**(404,788)**	**$98,243**

Reconciliation of Net Loss to Adjusted EBITDA

(in thousands and in United States dollars, except share and per share amounts)

	Three months ended September 30,			
	2026		2025	
	$	Per Share [4]	$	Per Share
Net loss	**($16,460)**	**($0.13)**	($4,734)	($0.04)
Adjusted for:				
Income tax expense (recovery)	**$772**	**0.01**	985	0.01
Foreign exchange (gain) loss	**$1,299**	**0.01**	(824)	(0.01)
Impairment loss[1]	**$63**	**-**	-	-
Finance income	**($8)**	**-**	(58)	-
Finance expense	**$2,446**	**0.02**	1,507	0.01
Other charges	**$1,982**	**0.02**	483	0.00
Depreciation and amortization	**$3,032**	**0.02**	2,811	0.02
Stock based compensation expense	**$4,535**	**0.04**	1,343	0.01
Non-recurring project costs[2]	**$5,558**	**0.04**	-	-
Change in fair value of investment in other entity	**1,669**	**0.01**	-	-
Change in fair value of derivative liability	**-**	**-**	(29)	(0.00)
Other income	**(990)**	**(0.01)**	(98)	(0.00)
Adjusted EBITDA [3]	**$3,898**	**$0.03**	$1,386	$0.01
Weighted average number of Common Shares				
Basic	**126,820,277**		116,898,292	

[1] Impairment loss relates to net assets write off from sale of VDS Verkehrstechnik GmBH.
[2] Non-recurring project costs mostly relates to consulting fees for the proposed pending 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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