



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2026



Blackline Safety Corp.
Condensed Consolidated Statements of Financial Position

(Unaudited, in thousands of CAD)	January 31, 2026	October 31, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	41,387	32,625
Short-term investments	—	14,000
Trade and other receivables (Note 4)	60,884	53,544
Inventory	22,484	21,626
Prepaid expenses and advances	4,917	6,206
Contract assets	1,894	1,763
Total current assets	131,566	129,764
NON-CURRENT ASSETS		
Property and equipment (Note 5)	12,938	13,283
Intangible assets	1,636	1,464
Right-of-use assets	2,263	2,472
Goodwill	4,883	4,883
Contract assets	716	810
Other receivables (Note 4)	12,513	13,713
Total non-current assets	34,949	36,625
TOTAL ASSETS	166,515	166,389
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and other accrued liabilities (Note 3(b)(iii))	23,527	23,642
Warranty provision	2,547	2,766
Deferred revenue	36,291	28,679
Contract liabilities (Note 3(b)(iii))	1,686	1,923
Lease liabilities (Note 3(b)(iii))	1,026	1,024
Total current liabilities	65,077	58,034
NON-CURRENT LIABILITIES		
Bank indebtedness (Note 3(b)(iii) and 6)	10,066	10,204
Warranty provision	2,271	1,667
Deferred revenue	16,314	15,995
Contract liabilities (Note 3(b)(iii))	680	753
Lease liabilities (Note 3(b)(iii))	1,465	1,676
Total non-current liabilities	30,796	30,295
TOTAL LIABILITIES	95,873	88,329
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	261,017	260,802
Contributed surplus	13,510	13,208
Accumulated other comprehensive income	2,902	8,018
Deficit	(206,787)	(203,968)
TOTAL SHAREHOLDERS' EQUITY	70,642	78,060
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	166,515	166,389

See accompanying notes to the condensed consolidated interim financial statements.

Blackline Safety Corp.
Condensed Consolidated Statements of Loss and Comprehensive Loss

(Unaudited, in thousands of CAD, except per share amounts)	Three-Months Ended January 31,	
	2026	2025
Revenue (Notes 8 and 9)		
Product revenue	13,957	17,799
Service revenue	24,891	19,876
Total revenue	38,848	37,675
Cost of sales (Note 9)	13,571	15,256
Gross profit (Note 9)	25,277	22,419
Expenses (Note 9)		
General and administrative expenses	8,717	7,208
Sales and marketing expenses	11,959	11,512
Product research and development costs	5,911	4,932
Foreign exchange loss (gain) (Note 3(b)(i))	1,522	(1,194)
Total expenses	28,109	22,458
Results from operating activities	(2,832)	(39)
Finance income (expense), net (Note 11)	374	(109)
Net loss before income tax	(2,458)	(148)
Income tax expense	(361)	(982)
Net loss	(2,819)	(1,130)
Other comprehensive loss:		
Foreign exchange translation (loss) gain on foreign operations	(5,116)	709
Comprehensive loss for the period	(7,935)	(421)
Loss per common share (Note 12)		
Basic and diluted	(0.03)	(0.01)

See accompanying notes to the condensed consolidated interim financial statements.

Blackline Safety Corp.
Condensed Consolidated Statements of Changes in Equity

(Unaudited, in thousands of CAD)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Equity
Balance as at October 31, 2024	230,788	12,268	9,857	(195,300)	57,613
Net Loss	—	—	—	(1,130)	(1,130)
Foreign exchange translation on foreign operations	—	—	709	—	709
Stock options exercised (Note 7)	698	(241)	—	—	457
Issued for cash through private placement (Note 7)	26,980	—	—	—	26,980
Share Issuance costs (Note 7)	(531)	—	—	—	(531)
Stock-based compensation expense (Notes 7 and 10)	87	192	—	—	279
Balance as at January 31, 2025	258,022	12,219	10,566	(196,430)	84,377
Balance as at October 31, 2025	260,802	13,208	8,018	(203,968)	78,060
Net Loss	—	—	—	(2,819)	(2,819)
Foreign exchange translation on foreign operations	—	—	(5,116)	—	(5,116)
Stock options exercised (Note 7)	17	302	—	—	319
Stock-based compensation expense (Notes 7 and 10)	198	—	—	—	198
Balance as at January 31, 2026	261,017	13,510	2,902	(206,787)	70,642

See accompanying notes to the condensed consolidated interim financial statements.

Blackline Safety Corp.
Condensed Consolidated Statements of Cash Flows

(Unaudited, in thousands of CAD)	Three-Months Ended January 31,	
	2026	2025
Operating activities		
Net loss	(2,819)	(1,130)
Depreciation and amortization	2,200	2,095
Stock-based compensation expense (Note 10)	614	455
Finance income, net (Note 11)	(217)	(484)
Unrealized foreign exchange (gain) loss	167	122
(Gain) loss on disposals of property and equipment (Note 5)	(25)	185
Net changes in non-cash operating items (Note 13)	1,578	(4,764)
Net cash provided by (used in) operating activities	1,498	(3,521)
Financing activities		
Net proceeds from share issuances and option exercises (Note 7)	203	26,993
Repayments on bank indebtedness (Note 6)	(469)	(630)
Repayment on securitization facility	—	(1,220)
Repayment of lease liabilities	(288)	(143)
Net cash (used in) provided by financing activities	(554)	25,000
Investing activities		
Purchase of short-term investments	—	(32,500)
Redemption of short-term investments	14,000	9,000
Finance income, net (Note 11)	561	187
Purchase of property, equipment, and intangible assets (Note 5)	(2,229)	(1,522)
Net changes in non-cash investing items (Note 13)	324	93
Net cash provided by (used in) investing activities	12,656	(24,742)
Effect of foreign exchange changes on cash and cash equivalents	(4,838)	1,030
Net increase (decrease) in cash and cash equivalents	8,762	(2,233)
Cash and cash equivalents, beginning of period	32,625	16,107
Cash and cash equivalents, end of period	41,387	13,874

Supplementary cash flow information (Note 13)

See accompanying notes to the condensed consolidated interim financial statements.

Blackline Safety Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three-month periods ended January 31, 2026 and 2025
(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

1. Nature of operations

Blackline Safety Corp. and its subsidiaries (together the "Company") is a global connected safety technology company that develops, manufactures and markets products and services that empower businesses with real-time safety insights to manage emergency responses, evacuations and gas detection compliance programs. The Company is a public company listed on the Toronto Stock Exchange ("TSX") under the ticker symbol "BLN" and is incorporated and domiciled in the province of Alberta in Canada.

The Company's principal business office is Unit 100, 803 24 Avenue S.E., Calgary, Alberta, T2G 1P5 and the Company's registered office is Suite 2400, 525 8 Avenue S.W., Calgary, Alberta, T2P 1G1.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on March 11, 2026.

2. Summary of significant accounting policies

a) Basis of preparation

The condensed consolidated interim financial statements and accompanying notes have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These condensed consolidated interim financial statements have been prepared under the same accounting policies and methods of computation as the audited consolidated financial statements for the year ended October 31, 2025, other than as described in Note 2(b).

These condensed consolidated interim financial statements do not contain all the disclosures required for full annual consolidated financial statements and should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended October 31, 2025.

b) Changes in accounting policy and disclosures

i) New and amended standards adopted by the Company

The following new or amended standards that became applicable and were adopted by the Company for the reporting period ended January 31, 2026.

Lack of Exchangeability (Amendments to IAS 21)

The amendment to IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("IAS 21"), contains guidance on when a currency is exchangeable into another currency and how to determine the exchange rate when it is not. The amendment also adds a disclosure requirement when a currency is not exchangeable. The new amendment is effective for annual periods beginning on or after January 1, 2025 with earlier adoption permitted.

The amendment had no significant impact on the condensed consolidated interim financial statements.

ii) New standards and interpretations not yet adopted

Certain new and amended accounting standards and interpretations have been published that are not mandatory for the January 31, 2026 reporting period and have not been early adopted by the Company.

Blackline Safety Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three-month periods ended January 31, 2026 and 2025
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Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendment to IFRS 9, *Financial Instruments* ("IFRS 9") and IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7") clarifies the date of recognition and derecognition of some financial assets and liabilities, including a new exception for certain financial liabilities settled through an electronic payment system before the settlement date. The amendment is effective for annual periods beginning on or after January 1, 2026 with earlier adoption permitted.

The Company is assessing the impact of this amendment.

Presentation and Disclosures in Financial Statements ("IFRS 18")

This is a new standard on presentation and disclosure in financial statements which replaces IAS 1, with a focus on updates to the statement of profit or loss. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

An entity is required to apply IFRS 18 for annual reporting periods on or after January 1, 2027, with earlier adoption permitted. IFRS 18 requires retrospective application with specific transition provisions.

While the adoption of the standard will affect the Company's income statement presentation, the company is still assessing the overall impact of this standard.

3. Financial instruments and risk management

a) Financial instruments

The carrying amounts of the Company's cash and cash equivalents, short-term investments, trade and other receivables, accounts payable and other accrued liabilities, contract liabilities and bank indebtedness approximate their fair values.

The Company's exposure to various risks associated with the financial instruments is discussed in Note 3(b). The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial instrument mentioned above.

b) Financial risk management

The Company's risk management includes foreign exchange risk, interest rate risk, credit risk and liquidity risk.

i. Market risk

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures including U.S. dollar ("USD"), British pound ("GBP"), Euro ("EUR") and Australian dollar ("AUD"). Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The Company's policy with respect to foreign currency risk management is to obtain natural hedges of revenue and expenses to the extent possible. The Company does not speculate in foreign currency and remains at risk to the market where natural hedges are not in place. Due to the recent outbreak of conflict in the Middle East and geopolitical uncertainty surrounding the imposition of tariffs, there may be an adverse impact to the economy and government fiscal policies which could result in a fluctuation in foreign exchange rates, increasing foreign exchange risk arising from the Company's exposure to various currencies.

Blackline Safety Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three-month periods ended January 31, 2026 and 2025
(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

Sensitivity

The Company is primarily exposed to changes in USD/CAD, GBP/CAD and EUR/CAD exchange rates. The sensitivity of profit or loss to changes in exchange rates arises mainly from cash and cash equivalents, trade and other receivables and accounts payable and other accrued liabilities. The potential impact of this is not material to the Company.

Interest rate risk

The Company's interest rate risk arises from its cash and cash equivalents and bank indebtedness.

Exposure

The Company's cash and cash equivalents and bank indebtedness are subject to variable interest rate changes.

Sensitivity

The net loss of the Company is sensitive to higher/lower interest income from cash and cash equivalents and to higher/lower interest expenses from bank indebtedness as a result of changes in benchmark interest rates. The potential impact of this is not material to the Company.

ii. Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposure to customers, including outstanding trade accounts receivables and lease receivables.

Risk management

Credit risk is managed consistently across the Company. The cash and cash equivalents are comprised of cash with a Canadian chartered bank, a Canadian financial institution, a United States chartered bank, a UK plc bank and a French bank. Bank indebtedness is comprised of the amount drawn, if any, on the Company's senior secured operating facility with a Canadian financial institution. To manage credit risk, the Company only deals with highly rated financial institutions. Due to the high credit ratings, counterparty risk is expected to be low.

The Company assesses the credit quality of all customers, taking into account their financial position, past payment experience, industry and market conditions and other factors. Individual risk limits are set based on internal or external ratings and with compliance with credit limits which are regularly monitored. There is no concentration of credit risk as the Company generates revenue from diverse industries, vertical and geographic markets.

Sales to certain customers, or customers without credit terms, are required to be paid in advance to mitigate credit risk.

iii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period, the Company held cash and cash equivalents of \$41,387 (October 31, 2025: \$32,625) and held fully redeemable short-term investments with no redemption fees of \$nil (October 31, 2025: \$14,000) that are readily available for managing liquidity risk. Due to the dynamic nature of the underlying business, the Company maintains flexibility in funding by maintaining available credit under a senior secured operating facility. Refer to Note 6 for additional details.

Management maintains a forward-looking cash requirement, comprising cash and cash equivalents and a senior secured operating facility with a Canadian financial institution. This ensures that funds are readily available to meet financial obligations as they become due, as well as ensuring that adequate funds exist to support strategic business objectives.

Blackline Safety Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three-month periods ended January 31, 2026 and 2025
(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

The Company has financed its activities primarily through cash flows from operations, funds from brokered and non-brokered private placements, prospectus offerings and a senior secured operating facility. The ability to sustain operations is dependent on successfully commercializing its products and services, continuing to increase sales and continuing to increase the gross profit of the Company's products and services and, if required, the ability to raise additional equity or debt. The Company believes it has sufficient funds and access to capital for at least the next 12 months.

Maturity of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. The undiscounted cash flows equal the carrying value, with the exception of lease liabilities.

	Less than 6 months	6 – 12 months	Over 1 year	Total contractual cash flows	Carrying amount
As at January 31, 2026					
Accounts payable and other accrued liabilities	19,139	4,388	—	23,527	23,527
Contract liabilities	1,394	292	680	2,366	2,366
Bank indebtedness	—	—	10,066	10,066	10,066
	20,533	4,680	10,746	35,959	35,959
Lease liabilities	611	528	1,592	2,731	2,491
Total	21,144	5,208	12,338	38,690	38,450

As at October 31, 2025					
Accounts payable and other accrued liabilities	18,423	5,219	—	23,642	23,642
Contract liabilities	1,240	683	753	2,676	2,676
Bank indebtedness	—	—	10,204	10,204	10,204
	19,663	5,902	10,957	36,522	36,522
Lease liabilities	606	583	1,834	3,023	2,700
Total	20,269	6,485	12,791	39,545	39,222

4. Trade and other receivables

	January 31, 2026	October 31, 2025
Trade accounts receivable	52,210	44,806
Other receivables – current	9,800	10,260
Other receivables – non-current	12,513	13,713
Loss allowance	(1,126)	(1,522)
Total	73,397	67,257

Current other receivables consist of the current portion of the net investment in the Company's finance lease program, accrued interest from short-term investments and taxes receivable. Non-current other receivables consist primarily of the net investment in the Company's finance lease program.

Blackline Safety Corp.
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For the three-month periods ended January 31, 2026 and 2025
(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

5. Property and equipment

January 31, 2026

	October 31, 2025	Foreign exchange differences	Additions	Other Disposals & Transfers	Depreciation	Net book value
SMT equipment	1,198	—	4	—	66	1,136
Manufacturing equipment	1,986	—	174	—	159	2,001
Furniture and equipment	195	—	—	—	25	170
Equipment leased under lease program	122	—	(1)	—	24	97
Rental equipment	6,076	(3)	635	84	695	6,097
Cartridges	2,596	(3)	266	(59)	628	2,172
Computer hardware	893	2	275	—	115	1,055
Evaluation kits	60	2	—	—	20	42
Leasehold improvements	157	(1)	37	—	25	168
Total	13,283	(3)	1,390	25	1,757	12,938

January 31, 2026

	Cost	Accumulated depreciation	Net book value
SMT equipment	2,620	1,484	1,136
Manufacturing equipment	3,265	1,264	2,001
Furniture and equipment	460	290	170
Equipment leased under lease program	523	426	97
Rental equipment	10,836	4,739	6,097
Cartridges	5,225	3,053	2,172
Computer hardware	1,588	533	1,055
Evaluation kits	496	454	42
Leasehold improvements	312	144	168
Total	25,325	12,387	12,938

October 31, 2025

	Cost	Accumulated depreciation	Net book value
SMT equipment	2,616	1,418	1,198
Manufacturing equipment	3,115	1,129	1,986
Furniture and equipment	509	314	195
Equipment leased under lease program	261	139	122
Rental equipment	10,229	4,153	6,076
Cartridges	5,444	2,848	2,596
Computer hardware	1,319	426	893
Evaluation kits	494	434	60
Leasehold improvements	346	189	157
Total	24,333	11,050	13,283

Additions to the cartridge asset category represents the modular cartridge options, including gas sensors, used in the Company's principal connected safety product devices which generate service revenue for the Company.

Blackline Safety Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three-month periods ended January 31, 2026 and 2025
(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

6. Bank indebtedness

The Company has a three-year \$25,000 senior secured operating facility (“operating facility” or “facility”) with a Canadian financial institution (the “lender”) pursuant to the terms of the amended and restated commitment letter dated October 31, 2025. The operating facility includes a \$15,000 accordion feature to increase the size of the facility. The operating facility borrowing base is derived from the Company’s monthly recurring revenue and bears interest at a variable rate. On Canadian advances, the interest rate is based on the Canadian Overnight Repo Rate Average (CORRA) plus a margin of 2.25% to 3.25% depending on the term. On USD advances the rate is based on the US Prime rate plus a margin of 1.00% to 2.00%.

The Company had available capacity on its operating facility of \$14,934 as at January 31, 2026 (October 31, 2025: \$14,796).

The operating facility includes financial covenants, principally a quarterly liquidity to cash burn ratio, as defined in the agreement with the lender, of not less than 6.0 to 1.0. The Company was in compliance with all covenants as at January 31, 2026.

The operating facility is measured at amortized cost and is secured by a general security agreement over the property of Blackline Safety Corp. and its significant subsidiaries.

	Maturity Date	January 31, 2026	October 31, 2025
Bank indebtedness	October 31, 2028	10,066	10,204

7. Share capital

a) Authorized

The Company is authorized to issue an unlimited number of common voting shares without nominal or par value and an unlimited number of preferred shares without nominal or par value.

b) Issued

(CAD thousands, except for number of shares)	Number of Shares	Amount
As at October 31, 2024	81,792,332	230,788
Options Exercised	242,141	698
Issued through stock-based compensation plan	13,592	87
Issued through private placement	4,170,024	26,980
Share issue costs	—	(531)
As at January 31, 2025	86,218,089	258,022
As at October 31, 2025	86,969,653	260,802
Options Exercised	8,128	17
Issued through stock-based compensation plan	28,425	198
As at January 31, 2026	87,006,206	261,017

During the three-month period ended January 31, 2026, there were 18,336 common share options exercised for proceeds net of income tax withholdings of \$5. On exercise of these common share options, 8,128 common shares were issued and \$12 was credited to share capital from contributed surplus.

Blackline Safety Corp.
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For the three-month periods ended January 31, 2026 and 2025
(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

During the three-month period ended January 31, 2025, 351,902 common share options were exercised for proceeds net of income tax withholdings of \$457. On exercise of these common share options, 242,141 common shares were issued and \$241 was credited to share capital from contributed surplus.

8. Revenue from contracts with customers

The disaggregation of the Company's revenue from contracts with customers was as follows:

<i>Revenue</i>	Three-Months Ended January 31,	
	2026	2025
Product revenue	13,957	17,799
Software services revenue	22,083	18,159
Rental revenue	2,808	1,717
Total revenue	38,848	37,675
<i>Timing of revenue recognition</i>		
At a point in time	13,335	17,450
Over time	25,513	20,225
Total revenue	38,848	37,675

9. Segment information

The Chief Executive Officer is the Company's Chief Operating Decision Maker. Management has determined the operating segments based on the information reviewed by the Chief Executive Officer for the purposes of allocating resources and assessing performance.

The Chief Executive Officer considers the business performance from a product and service perspective. The product revenue is driven by sales of the Company's suite of connected safety products with the service revenue generated by the automated compliance, monitoring and support of those products and rentals. There are no sales between segments and revenue from customers is measured in a manner consistent with that in the condensed consolidated interim statement of loss and comprehensive loss. The Company's expenses, finance income and costs, assets and liabilities are not allocated to reportable segments.

Blackline Safety Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the three-month periods ended January 31, 2026 and 2025
(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

	Three-Months Ended January 31,	
	2026	2025
Revenue		
Product	13,957	17,799
Service	24,891	19,876
Total Revenue	38,848	37,675
Cost of sales		
Product	8,838	10,733
Service	4,733	4,523
Total Cost of sales	13,571	15,256
Gross profit		
Product	5,119	7,066
Service	20,158	15,353
Gross profit	25,277	22,419
General and administrative expenses	8,717	7,208
Sales and marketing expenses	11,959	11,512
Product research and development costs	5,911	4,932
Foreign exchange loss (gain)	1,522	(1,194)
Finance (income) expense, net	(374)	109
Net loss before income tax	(2,458)	(148)
Income tax expense	(361)	(982)
Net loss	(2,819)	(1,130)

In the three-month period ended January 31, 2026 and 2025, there were no customers representing greater than 10% of the Company's revenue.

Revenues from customers and distributors by country/geographic area are as follows:

	Three-Months Ended January 31,	
	2026	2025
Canada	7,050	6,824
United States	17,762	19,337
Europe	10,361	9,069
Rest of World ⁽¹⁾	3,675	2,445
Total revenue	38,848	37,675

(1) The Company's rest of world market is primarily in Asia, the Middle East, Australia, New Zealand and Africa and has not directly impacted by the ongoing military conflict between Russia and Ukraine.

Subsequent to the period end, there has been an outbreak of conflict in the Middle East and Iran. The extent and duration of this conflict cannot be reasonably predicted at this time; however, given the Company's ongoing growth in the area, there is a potential to impact our revenue and operations in the region in the future.

Blackline Safety Corp.
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(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

10. Share-based compensation

The Company has established a stock-based compensation plan ("stock option plan" or the "plan") which was approved by shareholders. The purpose of the stock option plan is to provide long-term incentives for directors, officers, employees and certain consultants of the Company to deliver long-term shareholder returns.

Participation in the plan is at the Board of Directors' discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under the plan are for no consideration and carry no dividend or voting rights. The plan allows for the purchase of one common share for each option granted, at the volume weighted average trading price for five days prior to the date of grant, subject to certain conditions being met.

The number of options that are expected to be exercised depends on the Company's share price on the TSX. Options granted under the plan vest over an immediate to three-year period. For those options which vest immediately, they remain exercisable for a period of five years and for those options which are fully vested after three years, the options remain exercisable for a period of two years after vesting.

	Number of options	Weighted average price per stock option \$
As at October 31, 2024	5,784,151	4.38
Vested and exercisable at October 31, 2024	3,907,918	4.58
Exercised during the period	(351,902)	3.42
Forfeited during the period	(83,167)	7.39
As at January 31, 2025	5,349,082	4.40
Vested and exercisable at January 31, 2025	3,643,957	4.63
As at October 31, 2025	5,354,007	5.00
Vested and exercisable at October 31, 2025	3,744,915	4.78
Exercised during the period	(18,336)	4.18
Forfeited during the period	(41,830)	6.39
As at January 31, 2026	5,293,841	5.00
Vested and exercisable at January 31, 2026	3,890,062	4.77

The weighted average share price at the time of option exercises during the three-months ended January 31, 2026 was \$7.16 (January 31, 2025: \$6.73).

The weighted average remaining contractual life of the options outstanding as at January 31, 2026 is 2.48 years (January 31, 2025: 2.78 years).

The Company uses the Black-Scholes model and a forfeiture rate of 29% (January 31, 2025: 32%), based on historical data, to calculate the stock-based compensation expense during the period. The valuation at grant date is determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share and the expected dividend yield.

There were no stock options granted during the three-month periods ended January 31, 2026 and 2025.

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(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

11. Finance income and costs

	Three-Months Ended January 31,	
	2026	2025
<i>Finance income</i>		
Interest received/receivable from finance leases and financial assets held for cash management purposes	684	587
<i>Finance costs</i>		
Interest and finance charges paid/payable for financial liabilities	(310)	(696)
Finance income (expense), net	374	(109)

12. Loss per common share

The effects of potentially dilutive instruments such as stock options on loss per common share are anti-dilutive and therefore have been excluded from the calculation of diluted loss per common share.

	Three-Months Ended January 31,	
(CAD thousands, except number of shares and per share amounts)	2026	2025
Weighted average shares outstanding – basic and diluted ⁽¹⁾	86,989,230	82,204,231
Net Loss for the period	(2,819)	(1,130)
Basic and diluted loss per share	(0.03)	(0.01)

(1) For the three-month period ended January 31, 2026, 1.84 million of outstanding options were excluded from the dilutive weighted average shares calculation, as they were anti-dilutive (0.89 million for the three-month period ended January 31, 2025).

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13. Supplementary cash flow information

The net changes in non-cash operating and investing activities are as follows:

	Three-Months Ended January 31,	
	2026	2025
Operating activities		
Changes in non-cash operating items:		
Trade and other receivables	(7,582)	(6,770)
Inventory	(845)	48
Prepaid expenses and advances	1,296	645
Contract assets	(133)	(132)
Contract assets – non-current	94	79
Other receivables – non-current	1,200	(3,149)
Accounts payable and other accrued liabilities	(400)	1,005
Warranty provision	(219)	(57)
Deferred revenue	7,566	2,548
Contract liabilities	(237)	(904)
Warranty provision – non-current	604	201
Deferred revenue – non-current	306	1,730
Contract liabilities – non-current	(72)	(8)
	1,578	(4,764)
Investing activities⁽¹⁾		
Changes in non-cash investing items:		
Accounts payable and other accrued liabilities	324	93

(1) Relates to changes in accounts payable and other accrued liabilities for purchases of property, equipment, and intangible assets on the condensed consolidated statements of cash flows.

	Three-Months Ended January 31,	
	2026	2025
Cash taxes paid	63	17
Cash interest (received) paid	(330)	414

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