

# Martello Reports Financial Results for the Third Quarter of the 2026 Fiscal Year

- *The Company remains focused on actions to achieve positive cash flow following the operational restructuring in Q3 FY26.*
- *Collaboration with Mitel continues to progress, including work toward an updated Mitel Performance Analytics (MPA) commercial agreement, continued adoption of MPA by Mitel partners and customers, and ongoing discussions on potential growth initiatives.*
- *Innovation in MPA advanced with the release of MPA 3.6, expanding intelligence, automation, artificial intelligence (AI) and centralized management capabilities to support more proactive and efficient operations for Mitel partners and customers.*
- *Liquidity was strengthened with a \$2M loan agreement with Wesley Clover International, the investment firm controlled by Martello Chairman Terence Matthews.*

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OTTAWA, ON, Feb. 12, 2026 /CNW/ - [Martello Technologies Group Inc.](#), ("Martello" or the "Company") (TSXV: MTLO), a provider of experience monitoring solutions for unified communications and collaboration (UCC) systems, today released financial results for the three and nine months ended December 31, 2025. Martello's software proactively detects performance issues before they impact users of these systems.

"Following the Q3 FY26 operational restructuring, management remains committed to establishing a strong foundation for future growth", said Jim Clark, Chief Executive Officer of Martello. "As we stay focused on actions to achieve positive future cash flow, we continue our dialogue with Mitel, channel partners and enterprises through our ongoing market engagement, to identify innovation opportunities that will bring them value".

"Mitel is a key strategic partner for Martello, and MPA is an important part of the Mitel product strategy," said Terence Matthews, Chairman of Martello. "As management works collaboratively with Mitel toward an updated commercial agreement for MPA that supports the long-term success of both companies, I look forward to further discussions on future initiatives in this strategic partnership."

## Q3 FY26 Financial Highlights

Financial Highlights (in 000's)	December 31,	December 31,	December 31,	December 31,
	2025	2024	2025	2024
	(Three months ended)		(Nine months ended)	
Sales	\$ 2,988	3,718	9,075	11,155
Cost of Goods Sold	480	527	1,407	1,532
<b>Gross Margin</b>	<b>2,508</b>	<b>3,191</b>	<b>7,668</b>	<b>9,622</b>
Gross Margin	% 83.9 %	85.8 %	84.5 %	86.3 %
Operating Expenses	5,557	4,175	19,697	12,420
<b>Loss from operations</b>	<b>(3,049)</b>	<b>(985)</b>	<b>(12,029)</b>	<b>(2,798)</b>
Other income/(expense)	(514)	(720)	(1,118)	(1,325)
<b>Loss before income tax</b>	<b>(3,563)</b>	<b>(1,704)</b>	<b>(13,147)</b>	<b>(4,123)</b>
Income tax recovery (expense)	(1)	(95)	(3)	33

Net loss		(3,564)	(1,799)	(13,151)	(4,089)
Total Comprehensive loss	\$	(3,285)	(2,099)	(12,905)	(4,297)
EBITDA (1)	\$	(3,112)	(765)	(10,784)	(1,459)
Impairment of assets		185	-	6,092	-
Termination costs on restructuring		2,714	-	2,714	-
Other		175	338	(13)	257
Adjusted EBITDA (1)	\$	(39)	(427)	(1,992)	(1,202)

(1) Non-IFRS measure. See "Non-IFRS Financial Measures".

- Revenue of \$3M was 20% lower than the same quarter of the prior year, primarily due to lower renewal rates on sunsetting legacy product offerings.
- Sunsetting legacy product revenue declined by 34.2% or \$0.46M in Q3 FY26 compared to Q3 FY25. The ongoing decline of legacy product revenue is proceeding as expected.
- Revenue from the Mitel business segment decreased by 7% in Q3 FY26 compared to the same period in the prior year. This decrease is primarily attributable to an expected shift in the revenue mix from various MPA offerings. The Mitel business represents a growth opportunity as it continues to be a large source of revenue and gross margin, representing 52% of total revenues in Q3 FY26 (compared to 45% in Q3 FY25).
- Vantage DX monthly recurring revenue ("MRR") declined 22% year-over-year in Q3 FY26, while overall MRR fell 20% to \$0.98M from \$1.22M in the prior year. The decreases were primarily driven by customer attrition, expected declines in sunsetting legacy product renewals, and changes in the mix of users subscribed to certain Mitel offerings.
- 98% of total revenues were recurring in Q3 FY26 consistent with Q3 FY25.
- Gross margin was 83.9% in Q3 FY26 compared to 85.8% in Q3 FY25. The decrease in gross margin reflects a proportionally larger decline in revenue in the Modern Workplace Optimization business segment relative to the reduction in cost of sales. Mitel gross margin remains consistent with the same quarter in the prior year.
- Operating expenses for Q3 FY26 increased by 33% or \$1.39M to \$5.56M from \$4.17M in Q3 FY25, including \$2.7M in termination costs associated with global workforce reductions resulting from the operational restructuring announced in October 2025.
- Loss from operations was \$3.05M compared to a loss of \$0.98M in the same period of FY25, an increase of \$2.07M, including \$2.7M attributable to one-time costs related to the Company's operational restructuring and lower revenue, as discussed above.
- Adjusted EBITDA (a non-IFRS measure) was a loss of \$0.04M in Q3 FY26 compared to a loss of \$0.43M in Q3 FY25. The decreased loss was due to lower compensation costs following the operational restructuring, offset by lower sales.
- The Company's cash and short-term investments balance was \$3.48M as of December 31, 2025 (compared to \$6.69M at March 31, 2025). The \$3.2M decrease was primarily attributable to \$4.96M of cash used in operating activities, mainly driven by employee termination payouts and lower sales and partially offset by a \$2.0M loan received from Wesley Clover International in Q3 FY26.

The financial statements, notes and Management Discussion and Analysis ("MD&A") are available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), and on Martello's website at [www.martellotech.com](http://www.martellotech.com). The financial statements include the wholly-owned subsidiaries of Martello. All amounts are reported in Canadian dollars. MRR is a non-IFRS measure, representing average monthly recurring revenues earned in a fiscal quarter.

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## **About Martello Technologies Group**

Martello (TSXV: MTLO) is a technology company that provides experience monitoring solutions for unified communications and collaboration (UCC) platforms such as Mitel and Microsoft Teams. Martello is a public company headquartered in Ottawa, Canada. Learn more at <http://www.martellotech.com>

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*Forward-looking information is neither a statement of historical fact nor assurance of future performance. Instead, forward-looking information is based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking information relates to the future, such statements are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking information. Therefore, you should not rely on any of the forward-looking information. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking information include, among others, the following:*

- *Continued volatility in the capital or credit markets and the uncertainty of additional financing.*
- *Our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so.*
- *Changes in customer demand.*
- *Disruptions to our technology network including computer systems and software, as well as natural events such as severe weather, fires, floods and earthquakes or man-made or other disruptions of our operating systems, structures or equipment.*
- *Delayed purchase timelines and disruptions to customer budgets, as well as Martello's ability to maintain business continuity.*
- *and other risks disclosed in the Company's filings with Canadian Securities Regulators, which are available on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).*

*Any forward-looking information provided by the Company in this news release is based only on information currently available and speaks only as of the date on which it is made. Except as required by applicable securities laws, we undertake no obligation to publicly update any forward-*

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CNW 18:10e 12-FEB-26