

NamSys Inc.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2025

The following is a discussion and analysis of the results of operations and financial condition of NamSys Inc. (“NamSys” or “the Company”) for the years ended October 31, 2025 and 2024 along with certain factors that may affect the Company’s prospective financial condition and results of operations.

Forward-Looking Statements

This MD&A contains forward-looking information. All statements, other than statements of historic fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates and/or assumptions in respect of revenue, cash flow, costs, economic return) constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Overview

The Company is at the forefront of transforming the cash processing and transportation industry through its innovative cloud-based solutions and subscription pricing model. The mission of the Company revolves around enhancing efficiency, security, and accuracy in cash handling operations for retailers, cash-in-transit providers and financial institutions. By leveraging the power of cloud technology, the Company provides scalable and cost-effective turnkey access to cutting-edge cash management systems.

Subscription-based pricing structure ensures that clients receive continuous value and support, allowing them to optimize their operations without significant upfront investments. A commitment to real-time data, insights, and analytics empowers stakeholders to make informed decisions, streamline processes, and reduce operational costs. By embracing the cloud and subscription-based services, the Company is driving the evolution of the cash ecosystem towards a more efficient and sustainable future.

The Company’s products are labelled as “Cirreon” and “Currency Controller”, and are well recognized in the industry.

SELECTED ANNUAL INFORMATION

The table below presents selected annual information derived from the Company's financial statements for each of the three most recently completed financial years ending October 31:

	2025	2024	2023
	\$	\$	\$
Total Revenue	7,891,605	6,840,146	6,093,020
Operating Income	3,146,476	2,572,018	2,107,434
Comprehensive Income	2,486,109	2,090,475	1,614,875
Income per share:			
Basic	0.09	0.08	0.06
Diluted	0.09	0.08	0.06
Total Assets	11,634,612	9,236,649	8,590,508
Total Long Term Liabilities	-	-	-

Quarterly Financial Data

The table below presents selected financial data of the Company for each of the eight fiscal quarters ended October 31, 2025:

	Fiscal quarter end							
	Oct. 31 2025	Jul. 31 2025	Apr. 30 2025	Jan. 31 2025	Oct. 31 2024	Jul. 31 2024	Apr. 30 2024	Jan. 31 2024
	(in thousands of dollars)							
Revenue	2,023	1,917	2,010	1,942	1,854	1,741	1,661	1,584
Gross profit	1,270	1,221	1,325	1,263	1,158	1,109	1,047	956
Operating income	775	744	744	822	805	678	703	595
Income after tax	617	610	557	702	559	581	524	426
Income per share:								
Basic	0.023	0.023	0.021	0.026	0.021	0.022	0.019	0.016
Diluted	0.022	0.022	0.020	0.026	0.020	0.021	0.019	0.015

Results of Operations

Three months ended October 31, 2025 compared to Three months ended October 31, 2024

Revenue

	2025	2024	Change	Change %
	\$	\$	\$	
Software subscriptions, hosted services, maintenance and product support	1,975,730	1,776,905	198,825	11.2%
Professional services	47,451	77,318	(29,867)	-38.6%
	2,023,181	1,854,223	168,958	9.1%

Revenue in the three months ended October 31, 2025, increased in comparison to the same period in the prior year. The Company's total sales for the three months ended October 31, 2025, were \$2,023,181 as compared to \$1,854,223 for the corresponding period in 2024, an increase of \$168,958 or 9.1%. The Company continues to see growth in its "software-as-a-service" offerings and benefits from this model as the services are paid monthly.

The Company generates software revenue from Cirreon and Currency Controller software subscriptions and hosted services, upgrading legacy license holder's systems, training, consulting and from recurring revenues for maintenance and product support of legacy systems. The majority of the Company's legacy licensed systems customers renew their product support agreements annually, in order to stay current with new features and developments. A small number of Cirreon license agreements have been granted to distributors where the product has been customized to meet the needs of the distributor's clients. Such licenses are for definitive periods and are for defined usage with normal "SaaS" monthly fees.

Recurring revenue, including maintenance, product support, software subscriptions and hosted services (SaaS) revenue for the three months ended October 31, 2025, represented \$1,975,730 of the total revenue compared to \$1,776,905 for the corresponding three months the previous year, an increase of \$198,825 or 11.2%. Recurring revenue represented 97.7% of total sales revenue in the three months ended October 31, 2025, as compared to 95.8% in the same three months of fiscal 2024.

Cost of Goods Sold and Gross Profit

Three months ended October 31, 2025 compared to Three months ended October 31, 2024

Historically, the sales mix between software license fees and subscriptions, hosted products and other services impact the Company's Gross Profit in any given reporting period. Gross Profit can also be affected by changes in the exchange rate between Canadian and U.S. dollars, given that U.S. dollar sales represent 95% or more of total sales.

Cost of goods sold for the three months ended October 31, 2025, was \$752,767 compared to \$696,004 in the corresponding period in 2024. The overall Gross Profit achieved in the fourth quarter of 2025 was \$1,270,414 or 62.8%, compared to Gross Profit for the

corresponding period in 2024 of \$1,158,219 or 62.5%, an increase in Gross Margin percentage of 0.3 percentage points.

Selling Expenses

Three months ended October 31, 2025 compared to Three months ended October 31, 2024

Selling expenses are comprised of direct selling and marketing expenses and the compensation of employees and contractors whose principal function is sales and marketing. Selling expenses for the three months ended October 31, 2025, totaled \$181,618, an increase of \$26,816 or 17.3% from \$154,802 in the corresponding period of 2024. Selling expenses increased with the addition of a new business development position covering the European market and expanded travel costs (\$35,240). Various other selling expenses decreased by an aggregate of \$8,424 in the quarter, such that the total increase in selling expenses is \$26,816. Selling expense was 9.0% of revenue in the fourth quarter of 2025 as compared to 8.3% in the 2024 same quarter, recognizing that revenues in the 2025 period were up \$168,958 or 9.1% from the 2024 comparative period.

General and Administration Expenses

Three months ended October 31, 2025 compared to Three months ended October 31, 2024

General and administration (“G&A”) expense consists primarily of salaries, benefits and overhead expenses, corporate maintenance charges, occupancy, professional fees and travel.

G&A expense totaled \$312,957 in the three months ended October 31, 2025, as compared to \$325,824 in the 2024 comparative period, a decrease of \$12,867 or 3.9%. Various G&A expenses decreased in aggregate by \$12,867 in the quarter.

Depreciation of property and equipment for the three months ended October 31, 2025, of \$2,187 increased by \$130 or 6.3% from \$2,057 in the same period of 2024. The level of amortization is a result of the Company incurring only minor expenditures for property and equipment over the last several years.

With the increase in sales, as noted above, and the decrease in G&A expenses, the G&A expense ratio as compared to revenue was 15.5% in the fourth quarter of 2025 as compared to 17.6% in the 2024 fourth quarter.

Bad debt expense

In the fourth quarter of 2025, the Company determined that a trade receivable from one customer was not collectible and wrote off the balance, recognizing a bad debt expense of \$584 on the statement operations and comprehensive income.

Financing and Other Costs and Income

Other than trade and other payables, the Company has no debt outstanding and incurred no interest expense in respect of outstanding debt in the current or comparative periods.

Interest income

At October 31, 2025, the Company held a \$4,300,000 cashable guaranteed investment certificate (GIC) which matures on March 6, 2026, and bears interest at a variable rate which is currently 2.45% per annum, a \$200,000 cashable GIC which matures on March 25, 2026, and bears interest at a variable rate which is currently 2.0% per annum, a \$3,000,000 cashable GIC which matures on April 30, 2026, and bears interest at a variable rate which is currently 2.45% per annum, and a \$1,700,000 cashable GIC which matures on November 2, 2026, and bears interest at a variable rate which is currently 2.45% per annum. In respect of short term investments, for the quarter ended October 31, 2025, interest income of \$46,041 was recognized (\$66,187 for the quarter ended October 31, 2024).

Gain (loss) on foreign exchange

The Company recognized a gain on foreign exchange of \$14,913 in the fourth quarter of 2025, whereas a gain of \$20,847 was experienced in the comparative quarter of 2024. This results in a decrease in income of \$5,934 in the 2025 fourth quarter as compared to the 2024 same period. The gain on foreign exchange recognized in the quarter ended October 31, 2025, is a result of both the large number of clients that are domiciled in the USA and other countries, which are invoiced for services in US dollars, along with the fluctuation in the Canadian dollar vis-à-vis the US dollar occurring during the quarter. The Company invoices its foreign customers in US dollars and recognizes a foreign exchange gain (loss) when the Canadian dollar amount of the receivable at period end, or the amount received in the period, is greater (less) than at the time of invoicing.

Provision for Income Taxes

The basic rate of 26.50% was applied to the pre-tax income in the 2025 fourth quarter of \$843,175 (2024 – basic rate of 26.50% and pre-tax income of \$774,085), resulting in a current income tax expense of \$226,853 (2024 – expense of \$214,503). Deferred income tax recovery was \$400 in the fourth quarter of 2025 (2024 – expense of \$100).

As a result of recognizing a current income tax expense of \$260,405 in the first quarter of 2025, \$205,337 in the second quarter, \$223,898 in the third quarter and \$226,853 in the fourth quarter, remitting income tax of \$361,176, \$131,000, \$262,000 and \$196,500 in the first, second, third and fourth quarters, and recording tax receivables of \$nil, \$32,342, \$19,937 and \$26,516 due to income tax withholdings made by one of the Company's foreign customers in the first, second, third and fourth quarters, at October 31, 2025, the Company had income taxes receivable of \$9,673 (October 31, 2024 – payable of \$103,305)

As a result of recognizing a deferred income tax recovery of \$600 in the first quarter of 2025, \$300 in the second quarter, \$nil in the third quarter and \$400 in the fourth quarter, at October 31, 2025, the Company had deferred income tax assets totaling \$10,400 (October 31, 2024 – \$9,100). This asset primarily relates to deferred tax assets from deferral of capital cost allowance.

Share-based compensation

Share-based compensation for the three months ended October 31, 2025 of \$10,005 (2024 – \$25,006) has been expensed to the statement of operations and comprehensive income with a corresponding amount being recorded in the equity settled share-based payments reserve in shareholders' equity. The total expense of \$10,005 for the three months ended October 31, 2025 (2024 – \$25,006) was charged as follows: \$5,142 to cost of sales (2024 – \$12,851); \$1,766 to selling expenses (2024 – \$4,413); and \$3,097 to general and administration expenses (2024 – \$7,742).

Comprehensive Income and Income Per Share

As a result of the factors discussed above, the comprehensive income after tax for the three months ended October 31, 2025 was \$616,722 as compared to a comprehensive income of \$559,482 in the three months ended October 31, 2024.

Three months ended October 31,

	2025	2024
	\$	\$
Comprehensive income	616,722	559,482
Income per share:		
Basic	0.02	0.02
Diluted	0.02	0.02

For the three months ended October 31, 2025, the weighted average number of shares outstanding used to calculate basic income per share was 26,933,898 (2024 – 26,869,662) and diluted income per share was 27,664,989 (2024 – 27,490,150).

Year ended October 31, 2025 compared to Year ended October 31, 2024

Revenue

	2025	2024	Change	Change %
	\$	\$	\$	
Software subscriptions, hosted services, maintenance and product support	7,811,909	6,716,298	1,095,611	16.3%
Professional services	79,696	123,848	(44,152)	-35.7%
	7,891,605	6,840,146	1,051,459	15.4%

Revenue in the year ended October 31, 2025, increased in comparison to the same period in the prior year. The Company's total sales for the year ended October 31, 2025, were \$7,891,605 as compared to \$6,840,146 for the corresponding period in 2024, an increase of \$1,051,459 or 15.4%. The Company continues to see growth in its "software-as-a-service" offerings and benefits from this model as the services are paid monthly.

The Company generates software revenue from Cirreon and Currency Controller software subscriptions and hosted services, upgrading legacy license holder's systems, training, consulting and from recurring revenues for maintenance and product support of legacy systems. The majority of the Company's legacy licensed systems customers renew their product support

agreements annually, in order to stay current with new features and developments. A small number of Cirreon license agreements have been granted to distributors where the product has been customized to meet the needs of the distributor's clients. Such licenses are for definitive periods and are for defined usage with normal "SaaS" monthly fees.

Recurring revenue, including maintenance, product support, software subscriptions and hosted services (SaaS) revenue for the year ended October 31, 2025, represented \$7,811,909 of the total revenue compared to \$6,716,298 for the corresponding twelve months the previous year, an increase of \$1,095,611 or 16.3%. Recurring revenue represented 99.0% of total sales revenue in the year ended October 31, 2025, as compared to 98.2% in the same twelve months of fiscal 2024.

Cost of Goods Sold and Gross Profit

Year ended October 31, 2025 compared to Year ended October 31, 2024

Historically, the sales mix between software license fees and subscriptions, hosted products and other services impact the Company's Gross Profit in any given reporting period. Gross Profit can also be affected by changes in the exchange rate between Canadian and U.S. dollars, given that U.S. dollar sales represent 95% or more of total sales.

Cost of goods sold for the year ended October 31, 2025, was \$2,813,196 compared to \$2,570,778 in the corresponding period in 2024. The overall Gross Profit achieved in fiscal year 2025 was \$5,078,409 or 64.4%, compared to Gross Profit for the corresponding period in 2024 of \$4,269,368 or 62.4%, an increase in Gross Margin percentage of 2.0 percentage points. The increase in Gross Margin is due to the level of staffing resources remaining relatively flat year-over-year.

Selling Expenses

Year ended October 31, 2025 compared to Year ended October 31, 2024

Selling expenses are comprised of direct selling and marketing expenses and the compensation of employees and contractors whose principal function is sales and marketing. Selling expenses for the year ended October 31, 2025, totaled \$714,618, an increase of \$272,431 or 61.6% from \$442,187 in the corresponding period of 2024. Selling expenses increased with the addition of a new business development position covering the European market and expanded travel as well as trade show attendance costs (\$255,466). Various other selling expenses increased by an aggregate of \$16,965 in the period, such that the total increase in selling expenses is \$272,431. Selling expense was 9.1% of revenue in fiscal year 2025 as compared to 6.5% in the 2024 same period, recognizing that revenues in the 2025 period were up \$1,051,459 or 15.4% from the 2024 comparative period.

General and Administration Expenses

Year ended October 31, 2025 compared to Year ended October 31, 2024

General and administration ("G&A") expense consists primarily of salaries, benefits and overhead expenses, corporate maintenance charges, occupancy, professional fees and travel.

G&A expense totaled \$1,165,985 in the year ended October 31, 2025, as compared to \$1,255,163 in the 2024 comparative period, a decrease of \$89,178 or 7.1%. This decrease is mostly due to a one-time-only management fee of \$50,000 paid in the third quarter of 2024 to a company that was partially owned by the then Chairman of NamSys. Various other G&A expenses decreased in aggregate by \$39,178 in the period, such that the total decrease in G&A expenses is \$89,178.

Depreciation of property and equipment for the year ended October 31, 2025, of \$7,465 increased by \$441 or 6.3% from \$7,024 in the same period of 2024. The level of amortization is a result of the Company incurring only minor expenditures for property and equipment over the last several years.

With the increase in sales, as noted above, and the decrease in G&A expenses, the G&A expense ratio as compared to revenue was 14.8% in fiscal year 2025 as compared to 18.3% in the 2024 fiscal year.

Bad debt expense

In the second and fourth quarters of 2025, the Company determined that trade receivables from two customers were not collectible and wrote off both balances, recognizing a total bad debt expense of \$51,330 on the statement of operations and comprehensive income.

Financing and Other Costs and Income

Other than trade and other payables, the Company has no debt outstanding and incurred no interest expense in respect of outstanding debt in the current or comparative periods.

Interest income

At October 31, 2025, the Company held a \$4,300,000 cashable guaranteed investment certificate (GIC) which matures on March 6, 2026, and bears interest at a variable rate which is currently 2.45% per annum, a \$200,000 cashable GIC which matures on March 25, 2026, and bears interest at a variable rate which is currently 2.0% per annum, a \$3,000,000 cashable GIC which matures on April 30, 2026, and bears interest at a variable rate which is currently 2.45% per annum, and a \$1,700,000 cashable GIC which matures on November 2, 2026, and bears interest at a variable rate which is currently 2.45% per annum. In respect of short term investments, for the year ended October 31, 2025, interest income of \$235,681 was recognized (\$273,084 for the year ended October 31, 2024).

Gain (loss) on foreign exchange

The Company recognized a loss on foreign exchange of \$10,945 in fiscal year 2025, whereas a gain of \$25,590 was experienced in the comparative period of 2024. This results in a decrease in income of \$36,535 in the 2025 fiscal year as compared to the 2024 same period. The loss on foreign exchange recognized in the year ended October 31, 2025, is a result of both the large number of clients that are domiciled in the USA and other countries, which are invoiced for services in US dollars, along with the fluctuation in the Canadian dollar vis-à-vis the US dollar occurring during the period. The Company invoices its foreign customers in US dollars and recognizes a foreign exchange gain (loss) when the Canadian dollar amount of the receivable at period end, or the amount received in the period, is greater (less) than at the time of invoicing.

Provision for Income Taxes

The basic rate of 26.50% was applied to the pre-tax income in the 2025 fiscal year of \$3,401,302 (2024 – basic rate of 26.50% and pre-tax income of \$2,889,448), resulting in a current income tax expense of \$916,493 (2024 – expense of \$787,373). Deferred income tax recovery was \$1,300 in fiscal year 2025 (2024 – expense of \$11,600).

As a result of recognizing a current income tax expense of \$916,493 in fiscal year 2025, remitting income tax of \$950,676 and recording a tax receivable of \$78,795 due to income tax withholdings made by one of the Company's foreign customers, at October 31, 2025, the Company had income taxes receivable of \$9,673 (October 31, 2024 – payable of \$103,305).

As a result of recognizing a deferred income tax recovery of \$1,300 in fiscal year 2025, at October 31, 2025, the Company had deferred income tax assets totaling \$10,400 (October 31, 2024 – \$9,100). This asset primarily relates to deferred tax assets from deferral of capital cost allowance.

Share-based compensation

Share-based compensation for the year ended October 31, 2025 of \$47,030 (2024 – \$114,174) has been expensed to the statement of operations and comprehensive income with a corresponding amount being recorded in the equity settled share-based payments reserve in shareholders' equity. The total expense of \$47,030 for the year ended October 31, 2025 (2024 – \$114,174) was charged as follows: \$24,171 to cost of sales (2024 – \$58,677); \$8,300 to selling expenses (2024 – \$20,149); and \$14,559 to general and administration expenses (2024 – \$35,348).

Related Party Transactions

The following summarizes the Company's related party transactions:

- a) Included in general and administration expenses in the year ended October 31, 2025, are rent and administration expenses of \$nil (2024 – \$45,600) for the (Head) office rental and corporate secretarial functions of the Company. These expenses, along with management fees of \$nil (2024 – \$110,000), were paid in lieu of salary to a company that was partially owned by the individual who was Chairman of the Company ("Chairman") until his retirement on October 31, 2024. In addition, selling expenses include consulting expenses for sales and marketing in the amount of \$45,000 incurred in the year ended October 31, 2025 (2024 – \$45,000) from a company that is controlled by the Founder of the Company.
- b) Amounts due to related parties in trade and other payables at October 31, 2025, are amounts due to directors of \$145,959 (October 31, 2024 – \$193,844); and an amount due to a company that was partially owned by the individual who was Chairman until his retirement on October 31, 2024 of \$nil (October 31, 2024 – \$7,200). The related party amounts included in trade and other payables are unsecured, non-interest bearing and due on demand.

Comprehensive Income and Income Per Share

As a result of the factors discussed above, the comprehensive income after tax for the year ended October 31, 2025 was \$2,486,109 as compared to a comprehensive income of \$2,090,475 in the year ended October 31, 2024.

Year ended October 31,

	2025	2024
	\$	\$
Comprehensive income	2,486,109	2,090,475
Income per share:		
Basic	0.09	0.08
Diluted	0.09	0.08

For the year ended October 31, 2025, the weighted average number of shares outstanding used to calculate basic income per share was 26,886,174 (2024 – 27,023,975) and diluted income per share was 27,601,426 (2024 – 27,537,621).

Liquidity and Capital Resources

General

During the most recent five year period ended October 31, 2025, the Company funded all capital expenditures, operations and debt reduction from cash flow.

Cash Flow from Operations

The Company had working capital of \$10,881,859 at October 31, 2025, compared to working capital of \$8,491,315 at October 31, 2024. Excluded from the October 31, 2025, working capital calculations are: prepaid expenses of \$162,679 (October 31, 2024 – \$171,893); and deferred revenue of \$301,975 (October 31, 2024 – \$440,985).

For the year ended October 31, 2025, the Company had positive cash flow from operations of \$2,588,524 as compared to positive cash flow from operations of \$2,203,649 in the year ended October 31, 2024.

STATEMENT OF FINANCIAL POSITION

Short Term Investments

At October 31, 2025, the Company held a \$4,300,000 cashable guaranteed investment certificate (GIC) which matures on March 6, 2026, and bears interest at a variable rate which is currently 2.45% per annum, a \$200,000 cashable GIC which matures on March 25, 2026, and bears interest at a variable rate which is currently 2.0% per annum, a \$3,000,000 cashable GIC which matures on April 30, 2026, and bears interest at a variable rate which is currently 2.45% per annum, and a \$1,700,000 cashable GIC which matures on November 2, 2026, and bears interest at a variable rate which is currently 2.45% per annum.

Total interest earned for the year ended October 31, 2025 in respect of short term investments amounted to \$235,681 (2024 – \$273,084).

Capital Expenditures

The Company's primary capital expenditure activities in the past involved the acquisition of deferred development of technology, property and equipment purchases, and capital investments into intellectual property. During fiscal year 2025, capital expenditures were \$9,661 as compared to \$8,259 in fiscal year 2024.

Summary of Significant Accounting Policy Choices or Changes under IFRS

The Company's significant accounting policies have been disclosed in Note 2 of the financial statements.

Foreign currency translation

The Company uses the Canadian dollar as the Company's presentation currency. IFRS requires the assessment of functional currency for the parent and each subsidiary. The functional currency for the Company was determined to be Canadian Dollars.

Property and equipment

The Company uses an historic cost model in reporting its property and equipment.

Management has concluded that there was no impairment in the current and comparative period.

Income taxes

Income tax expense is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are calculated using substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. An asset is recognized on the statement of financial position when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in net income in the period in which the change is substantively enacted.

Change in accounting policies

During the year ended October 31, 2025, the Company adopted a number of amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company's financial statements.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Annual Improvements to IFRS Accounting Standards

The IASB issued narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows. The amendments to IFRS 9 address a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9. The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

Additional Information

Additional information relating to the Company including the interim and annual financial statements are available on SEDAR at www.sedar.com.

Special Dividend

On May 21, 2024, the Company announced a special dividend of \$0.05 per common share of the Company paid on June 11, 2024, to holders of record of common shares on May 29, 2024. The aggregate dividend paid was \$1,350,477 on 27,009,532 common shares. The Company does not plan to make regular dividend distributions in the future, and no ongoing dividend strategy is currently in place.

Outstanding Securities Data

On August 29, 2023, the Company announced that the TSX Venture Exchange (TSXV) had accepted its intention to make a normal course issuer bid (NCIB) to purchase up to 1,364,316 common shares representing 5% of the Company's then current issued and outstanding common shares through the facilities of the TSXV during the period commencing August 30, 2023 and ending on August 30, 2024. On March 26, 2025, the Company announced that the TSXV had accepted its intention to make a NCIB to purchase up to 1,343,186 common shares representing 5% of the Company's then current issued and outstanding common shares through the facilities of the TSXV during the period commencing March 27, 2025 and ending on March 26, 2026. During the year ended October 31, 2024, the Company paid \$339,924 for the repurchase and cancellation of 355,600 common shares. During the year ended October 31, 2025, the Company paid \$46,492 for the repurchase and cancellation of 33,200 common shares, including the initial cost for approval and setup of the repurchase arrangement which commenced March 27, 2025.

Summary of securities issued and outstanding as at October 31, 2025

<u>Class</u>	<u>Authorized</u>	<u>Issued and Outstanding</u>
Common	Unlimited	26,900,698

On December 15, 2022, the Company approved the granting of 1,211,250 options under the Company's stock option plan. Options granted carry a five year term, an exercise price of \$0.58 and vest evenly over three years on the anniversary date of the grant. As a result of the special dividend paid June 11, 2024, the exercise price of the stock options is reduced by the equivalent amount of \$0.05.

During the year ended October 31, 2025, a total of 70,166 stock options with an exercise price of \$0.53 were exercised for aggregate gross proceeds of \$37,189.

Options outstanding as of October 31, 2025, are as follows:

<u>Options</u>	<u>Exercise price</u>	<u>Expiry date</u>
1,141,084	\$0.53	December 15, 2027

Options vested as of October 31, 2025, are as follows:

<u>Options</u>	<u>Exercise price</u>	<u>Expiry date</u>
737,334	\$0.53	December 15, 2027

Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal control over financial reporting for the issuer. They are assisted in this responsibility by the Management team. The Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures and the design of internal controls at October 31, 2025, have concluded that the Company's disclosure controls and procedures are adequate and effective to ensure that material information relating to the Company would have been known to them. Through the evaluation of the design of its internal controls the Company has identified an internal control weakness in the financial reporting process, specifically a lack of segregation of duties in the accounting process. This situation is common to many small companies. In order to mitigate the impact of this weakness and to ensure quality financial reporting, there are supervisory controls exercised by management and audit committee oversight, and interim and annual financial statements are reviewed by the Company's board. While the deficiency in segregation of duties could lead to a material misstatement in the financial statements, management believes that its supervisory and review controls are sufficient to prevent a material misstatement from occurring.

Critical Accounting Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, revenue and expenses and the accompanying notes. Actual results could differ from these estimates under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. The areas that management makes critical estimates, assumptions and judgments are useful lives and impairment of property and equipment, probable future taxable income, recoverability of deferred income tax assets, and functional currency of the Company. Actual results could differ from those estimates.

Investor Relations

Personnel employed directly by the Company handle all investor relations. The duties include news releases, investor communications and general day to day operations of this department.

Legal Proceedings

There are no outstanding legal proceedings.

Environmental Issues

Given the nature of the Company's business, there are no material environmental issues.

Risk Factors

Dependence on Management

The Company's success is dependent on its founders, directors and management team. The loss of the services of key personnel could make it more difficult to successfully operate the Company's business and pursue its business goals.

Ability to Attract and Retain Personnel

Significant competition exists for skilled personnel and as a result of that competition we are seeing wage and labor cost escalation in various areas and levels within our workforce. Our success is highly dependent on our ability to identify, hire, train, motivate, promote, and retain individuals. In responding to inflationary wage pressure to retain or attract individuals, we could see increases in our operating costs that outpace our ability to grow revenues. If we fail to cross train employees, particularly those with specialized knowledge it could impair our ability to provide consistent and uninterrupted service to our customers. If we are not able to attract, retain or establish an effective succession planning program for individuals it could have a material adverse effect on our business, results of operations, financial condition and the price of our common shares.

Fluctuations in Monetary Exchange

Historically, the largest percentage of our revenues have been denominated in U.S. dollars. However, the majority of our expenses, including employee wages, have been denominated in Canadian dollars. Therefore, changes in the value of the U.S. dollar as compared to the Canadian dollar may materially affect our operating results. We generally have not implemented hedging programs to mitigate our exposure to currency fluctuations affecting international accounts receivable, cash balances and payables. We also have not hedged our exposure to currency fluctuations affecting future international revenues and expenses and other commitments. Accordingly, currency exchange rate fluctuations have caused, and may continue to cause, variability in our foreign currency denominated revenue streams, receivables, expenses and liabilities.

Market Condition Risks

The Company's products are sold to large participants in the currency management marketplace including banks, currency providers, retail service providers and in turn their retail clients. While these participants are interested in improving their efficiency in managing and handling currency, economic uncertainty could cause them to restrict capital budgets required to bring this efficiency to their operations. Further, the merger and acquisition activity in the financial services sector at the present time creates both an opportunity and risk for suppliers to the industry. When two banks merge, the continuing entity usually selects one technology provider for a given function. Our experience in the past would suggest that the provider with the largest installed base in the combined entity will replace the provider with the smaller installed base, predicated upon a smaller cost of conversion rather than ultimate efficiency of one service versus another. The good news, however, is that currency management and handling systems are absolutely required by the surviving entity.

While retailers may not be prepared to make capital acquisitions of sophisticated cash and coin handling systems, the major currency providers and carriers have for the last few years been transitioning their business to the provision of a complete turnkey service as opposed to

merely transporting currency to and from retail establishments. Our “SaaS” Cirreon technology for this market is leading edge and has been adopted by the largest of these currency transport and providers.

Financing Risk

Notwithstanding Management’s strong belief that the trends in the marketplace with respect to the Company’s products are positive and improving, there can be no assurance that third party funding will be available in the future on terms acceptable to the Company.

Competition Risk

The Company’s business is in a competitive market and it competes with companies that have greater resources, experience and market stature. However, our products are considered by the marketplace to be “state-of-the-art” and the stature of our distributor marketing partners mitigate the competitive risk.

Product Performance and Availability Risk

Product or network failures and cyber-security breaches can have a significant, negative impact on the business including, but not limited to, reducing sales, increasing costs and impairing our reputation.

The Company’s products are tested extensively and must meet certain quality assurance tests prior to delivery to customers.

We rely on information technology networks and systems to process, transmit and store electronic information. Any disruption to our services and products, our own information systems or communications networks or those of third-party providers on which we rely as part of our own product offerings could result in the inability of our customers to receive our products for an indeterminate period of time. Our ability to deliver our products and services depends on the development and maintenance of internet infrastructure by third parties. This includes maintenance of reliable networks with the necessary security, speed, data capacity and bandwidth. While our services are designed to operate without interruption, we have experienced, and may in the future experience, interruptions and delays in services and availability from time to time. In the event of a catastrophic event with respect to one or more of our systems, we may experience an extended period of system unavailability, which could negatively impact our relationship with customers.

In addition, any disruption to the availability of customer information, or any compromise to the integrity or confidentiality of customer information in our systems or networks, or the systems or networks of third parties on which we rely, could result in our customers being unable to effectively use our products or services or being forced to take mitigating actions to protect their information.

Any actual or perceived threat of disruption to our services or any compromise of customer information could impair our reputation and cause us to lose customers or revenue, or face litigation, necessitate customer service or repair work that would involve substantial costs and distract management from operating our business. Despite the implementation of advanced threat protection, information and network security measures and disaster recovery plans, our systems and those of third parties on which we rely may be vulnerable. If we are unable (or are perceived as being unable) to prevent, or promptly identify and remedy, such outages and

breaches, our operations may be disrupted, our business reputation could be adversely affected, and there could be a negative impact on our financial condition and results of operations.

Market for Securities

The common shares of the Company are listed and posted for trading on the TSX Venture Exchange under the trading symbol "CTZ".

Toronto, Ontario
February 24, 2026