

## Vecima Reports Q2 Fiscal 2026 Results

Revenue of \$73.7M; Gross Margin 44.9%; Adjusted EBITDA of \$10.6M

- Consolidated revenue grew 3.5% YoY and 3.7% QoQ
- Gross margin percentage strengthened to 44.9%, from 36.4% in Q2 fiscal 2025 and 42.1% in Q1 fiscal 2026
- CDS sales of \$12.3M up 20.7% YoY and 9.7% QoQ
- Consolidated revenue momentum forecast to ramp in next twelve months as larger scale adoption of Vecima's next-generation Broadband solutions gets underway and expands

VICTORIA, British Columbia--(BUSINESS WIRE)--February 12, 2026--Vecima Networks Inc. (TSX: VCM) today reported financial results for the three and six months ended December 31, 2025.

### FINANCIAL HIGHLIGHTS

<i>(Canadian dollars in millions except percentages, employees, and per share data)</i>	Q2 FY26	Q1 FY26	Q2 FY25
Revenue	\$73.7	\$71.1	\$71.2
Gross Margin	44.9%	42.1%	36.4%
Net Income (Loss)	\$0.1	\$0.2	\$(7.9)
Earnings (Loss) Per Share <sup>1</sup>	\$0.00	\$0.01	\$(0.32)
Adjusted Gross Margin <sup>2,3</sup>	46.4%	43.9%	35.6%
Adjusted Earnings (Loss) Per Share <sup>1,2,4,5</sup>	\$0.04	\$0.05	\$(0.30)
Adjusted EBITDA <sup>2</sup>	\$10.6	\$11.5	\$(0.3)
Employees	611	600	590

<sup>1)</sup> Based on weighted average number of shares outstanding.

<sup>2)</sup> Adjusted Gross Margin, Adjusted Earnings Per Share and Adjusted EBITDA do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures provided by other issuers. Starting in Q4 fiscal 2025, we have changed our definition and calculation of Adjusted EBITDA and Adjusted Earnings Per Share. For a reconciliation of Adjusted Earnings Per Share, investors should refer to Vecima's Management's Discussion and Analysis for the three and six months ended December 31, 2025.

<sup>3)</sup> Adjusted gross margin adds back the impact of a non-cash write-down of inventories to net realizable value and warrant expense (recovery) of \$1.0 million and nil, respectively, for the three months ended December 31, 2025, and \$0.3 million and (\$0.9) million, respectively, for the three months ended December 31, 2024.

<sup>4)</sup> Adjusted earnings per share includes non-cash share-based compensation of \$0.4 million or \$0.02 per share for the three months ended December 31, 2025, and \$0.5 million or \$0.02 per share for the three months ended December 31, 2024. The non-cash share-based compensation primarily reflects certain performance-based vesting thresholds achieved under the Company's Performance Share Unit Plan.

<sup>5)</sup> Adjusted earnings per share and Adjusted EBITDA include foreign exchange loss of \$1.4 million or \$0.06 per share for the three months ended December 31, 2025, and \$4.3 million or \$0.18 per share for the three months ended December 31, 2024.

“This was a rewarding second quarter that delivered significant customer progress and improved operating performance across our business,” said Sumit Kumar, Vecima's President and Chief

Executive Officer. “Consolidated second quarter sales of \$73.7 million were up 3.5% compared to Q2 fiscal 2025 and 3.7% sequentially from Q1 fiscal 2026, reflecting solid performance in our VBS segment and significantly higher results in our CDS segment. Year-over-year profitability also rose sharply, with gross margin increasing 850 basis points to 44.9%, driven by a higher-margin product mix and increased operating efficiency with adjusted EBITDA climbing \$10.9 million to 14.4% of sales. Our strategy, close collaboration with customers, and patient approach to deployment timing not only drove this strong second quarter performance, but have also laid the groundwork for significant new growth.”

“Based on customer developments and market dynamics, we believe deployments of our next-generation technology are approaching a major growth inflection. With a lead North American Tier 1 BSP (Broadband Service Provider) customer on the verge of ramping up its large-scale rollout of our next-generation DAA technologies, another North American Tier 1 customer preparing for a broad upgrade to our new TerraceIQ commercial video platform, demand expected to remain strong for our high-margin, market-leading Entra Optical line of fiber-access solutions, and new products continuing to roll out, our visibility and confidence in forward growth has sharpened as we enter calendar 2026.”

“Based on customer indications, we now expect next-twelve-month revenue to increase in the range of 20% to 30%, compared to calendar 2025, driven by Vecima's portfolio strength, major customer design wins, and essential DAA-based gigabit upgrades globally. The anticipated demand profile also positions adjusted EBITDA margins to break through 20% for the same period, driving adjusted EBITDA growth of 70% to 85% compared to calendar 2025.”

“While recent industry consolidation activity, as previously discussed, could still constrain deliveries in the third quarter of fiscal 2026, the impact is now expected to be modest and further mitigated by a favorable product mix in the quarter. Demand is expected to ramp up sharply beginning in the fourth quarter.”

“The anticipated growth and profitability expansion build on our recent achievements,” added Mr. Kumar. “In our VBS segment, our solid second quarter revenue performance was paired with significantly improved gross margins. The segment's topline continued to benefit from strong uptake of our EN9000, the industry's only Generic Access Platform (GAP) Node, while improved bottom-line performance reflected ongoing strength in our Entra Optical platforms for fiber-to-the-home, as well as our roll out of new DAA products, including our EN3400 compact GAP node and innovative new Entra Power Holdover Modules driving a more favorable product mix. Highlights of the quarter included continued excellent progress with our new vCMTS solutions as we move closer to deployments with our lead customer and continue to significantly increase vCMTS program engagements with customers worldwide.”

“In our CDS segment, a significant increase in managed IPTV network expansions and early rollout of our new Dynamic Ad Insertion (DAI) solutions contributed to a 20.7% year-over-year improvement in segment sales paired with a very strong 65.1% gross margin. And as always, our Telematics segment was a consistent, highly profitable contributor to our Q2 results.”

“As we move forward, Vecima is performing strongly and sharply focused on responding to the demand growth our customers are forecasting. While our next-generation Entra DAA cable-access products, Entra Optical fiber-access products and TerraceIQ Commercial Video solutions are expected to be at the forefront of near-term growth, we see additional multi-year opportunities for vCMTS, and in our CDS segment, IPTV and DAI. Our strategy of building the industry's broadest and deepest portfolio of innovative, interoperable next-generation fiber and cable access products and IPTV solutions, paired with our growing focus on software-centric products and platforms that will prepare customers for the 50G future, has positioned Vecima for upcoming sustained growth and strong profitability,” concluded Mr. Kumar.

## **Financial and Corporate**

- Increased second quarter consolidated sales to \$73.7 million, up 3.5% from \$71.2 million in Q2 fiscal 2025 and 3.7% from \$71.1 million in Q1 fiscal 2026.
- Second quarter gross margin increased to 44.9% (adjusted gross margin of 46.4%), from 36.4% (adjusted gross margin of 35.6%) in Q2 fiscal 2025 and 42.1% (adjusted gross margin of 43.9%) in Q1 fiscal 2026.
- Generated strong adjusted EBITDA (non-IFRS) of \$10.6 million, compared to an adjusted EBITDA loss of \$0.3 million in Q2 fiscal 2025, and adjusted EBITDA of \$11.5 million in Q1 fiscal 2026.
- Net income of \$0.1 million or \$0.00 cents per share (adjusted net income of \$0.9 million or \$0.04 cents per share) improved significantly from a net loss of \$7.9 million or \$0.32 cents per share (adjusted net loss of \$7.3 million or \$0.30 cents per share) in Q2 fiscal 2025, and was slightly lower than net income of \$0.2 million or \$0.01 cents per share (adjusted net income of \$1.2 million or \$0.05 cents per share) in Q1 fiscal 2026.
- Ended the second quarter in a strong financial position with working capital of \$49.3 million at December 31, 2025, compared to \$51.2 million at June 30, 2025. Continued focus on debt reduction lowered net debt to \$66.9 million in Q2 fiscal 2026, from a high of \$92.0 million in Q3 fiscal 2024.

## **Video and Broadband Solutions (VBS)**

- Second quarter Video and Broadband Solutions segment sales of \$59.6 million were slightly higher than the \$59.3 million achieved in Q2 fiscal 2025, and up 2.8% from \$58.0 million in Q1 fiscal 2026.
- VBS gross margin strengthened significantly to 39.9% (adjusted gross margin of 41.6%), from gross margin of 32.0% (adjusted gross margin of 30.9%) in Q2 fiscal 2025 and 37.6% (adjusted gross margin of 39.7%) in Q1 fiscal 2026, reflecting the start of anticipated gross margin improvements based on Vecima's modelled product mix.

## **DAA (Entra Family)**

- Second quarter deployments of Entra DAA products generated revenue of \$56.3 million, similar to \$56.2 million in Q2 fiscal 2025 and up 2.3% from \$55.0 million in Q1 fiscal 2026.

- Total customer engagements increased to 147 MSOs worldwide at quarter-end, from 123 a year earlier, with customer engagements continuing to deepen. Seventy of these customers have ordered Entra products as broader DAA deployment progresses.
- Continued strong demand for the EN9000, the industry's only GAP node. The EN9000 continues to gain broad adoption with customers, widely seeding broadband networks with a future-proof platform capable of being upgraded with multiple successive generations of DOCSIS or FTTH technology.
- Commenced deliveries of Entra EN3400 platforms to the lead customer in Q2, providing a robust contribution to VBS sales. The EN3400 builds on the success of the Entra EN9000 with a compact, standardized multi-services GAP node with a unique form factor optimized for enterprise and MDU (multi-dwelling unit) applications. The EN3400 offers both line-powered and AC-powered options, as well as an assortment of RPD (Remote PHY Devices) and R-OLT (Remote Optical Line Terminal) options.
- Significantly increased sales of the recently launched Entra PHM (Power Holdover Modules). Entra PHMs provide protection from network power fluctuations to Vecima's cable and fiber access platforms in the field, considerably enhancing access network resiliency and reliability.
- Vecima's new vCMTS solution continued to advance with the lead Tier 1 customer broadening trial activity while preparing to modernize and enhance its DOCSIS network using Entra vCMTS. Engagement with additional customers also continued to expand during the quarter. Vecima's vCMTS solution is part of the Entra Cloud platform which enables operators to transform their networks for next-generation broadband access, including DOCSIS 4.0. Dell'Oro Group forecasts the global market for vCMTS will be worth approximately \$350 million annually by calendar 2029. Currently, Vecima is just one of three vendors worldwide offering a vCMTS solution.
- Secured first XGS-PON customer in the U.S. while continuing to expand engagement around the globe.
- Closed order for the EXS1610 All-PON solution with a new European customer.
- Continued growth in Remote MACPHY deployed base in Europe.
- Expanded engagements for Vecima's Entra Access Test and Automations platforms in North America and Europe.
- Demand continued to increase across key customers for Vecima's industry-leading SF-4X remote optical line terminals for fiber to the home.

### **Commercial Video (Terrace Family)**

- Commercial Video product sales were in line with expectations and included second quarter sales of \$3.2 million (Q2 fiscal 2025: \$3.0 million; Q1 fiscal 2026: \$2.9 million). These results reflect the continued transition to next-generation platforms, together with some of Vecima's newer DAA-driven Commercial Video solutions now being accounted for as part of Entra family sales.

- TerraceIQ Commercial Video solution continued to gain traction with key customers in the Americas, setting the stage for significant anticipated growth in the next twelve months.
  - Selected by a lead Tier 1 U.S. customer to support its major network upgrade with Vecima's TerraceIQ solution. As part of a multi-year program, the Tier 1 customer expects to carry out a significant evolution of its commercial video footprint nationally, encompassing both the upgrade of Terrace QAM platforms deployed within thousands of commercial properties today, along with rollouts for new commercial video services contracts going forward.
  - Secured additional TerraceIQ awards with a fiber Broadband Service Provider in the U.S. and a Tier 1 MSO in Mexico.

### **Content Delivery and Storage (CDS)**

- The Content Delivery and Storage segment grew second quarter sales to \$12.3 million, up 20.7% from \$10.2 million in Q2 fiscal 2025 and an increase of 9.7% from \$11.2 million in Q1 fiscal 2026.
- Achieved strong second quarter CDS gross margin performance of 65.1% (Q2 fiscal 2025: 56.5%; Q1 fiscal 2026: 60.7%).
  - Acceleration of IPTV customer subscriber growth, together with significant further migration from QAM to IPTV across multiple customers. Migration to IPTV using Vecima's MediaScale platform offers significant advantages for both service providers and users, including superior bandwidth efficiency, increased flexibility for viewers, and reduced infrastructure maintenance costs.
  - Continued deployment of Vecima's Targeted Dynamic Ad Insertion (DAI) solution which enables operators to deliver personalized experiences and increase video average revenue per user (ARPU) without increasing rates to customers.

### **Telematics**

- The Telematics segment generated second quarter sales of \$1.8 million, an increase of 5.5% from \$1.7 million in Q2 fiscal 2025, and 3.2% lower than the \$1.9 million achieved in Q1 fiscal 2026.
  - Added 11 new customers for the NERO asset tracking platform during the second quarter, booking an additional 345 new subscriptions and bringing total asset tags under management to over 106,000.
  - Achieved strong gross margin percentage of 71.4% (Q2 fiscal 2025: 66.5%; Q1 fiscal 2026: 67.6%).

### **Trade and Tariffs**

- Trade actions had a negligible impact on the 91% of Vecima's sales made to the US in Q2 fiscal 2026. The Company's manufacturing is predominantly domiciled in Canada, exempting that portion of its production from tariff actions under the United States-Mexico-Canada Agreement (USMCA). While renegotiation of the USMCA could, in an unlikely case, result in the introduction of new tariffs affecting Vecima's products, the

Company is one of the few competitors in the industry that fully "owns" its manufacturing process. This provides significant flexibility to adapt quickly to changing macroeconomic conditions, including the ability to rapidly transition manufacturing to different countries as Vecima has demonstrated in the past.

## **CONFERENCE CALL**

A conference call and live audio webcast will be held today, Thursday, February 12, 2026 at 1 p.m. ET to discuss the Company's second quarter results. Vecima's unaudited interim consolidated financial statements and management's discussion and analysis for the three and six months ended December 31, 2025 are available under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca), and at <https://vecima.com/investor-relations/financial-reports/>.

To participate in the Q2FY26 teleconference, dial 1-833-752-3965 or 1-647-849-3105. The webcast will be available in real time at <https://event.choruscall.com/mediaframe/webcast.html?webcastid=SBviZJrm> and will be archived on the Vecima website at <https://vecima.com/investor-relations/earnings-call-archive/>.

## **About Vecima Networks**

Vecima Networks Inc. (TSX: VCM) is leading the global evolution to the multi-gigabit, content-rich networks of the future. Our talented people deliver future-ready software, services, and integrated platforms that power broadband and video streaming networks, monitor and manage transportation, and transform experiences in homes, businesses, and everywhere people connect. We help our customers evolve their networks with cloud-based solutions that deliver groundbreaking speed, superior video quality, and exciting new services to their subscribers. There is power in connectivity – it enables people, businesses, and communities to grow and thrive. Learn more at [www.vecima.com](http://www.vecima.com).

## **Adjusted EBITDA and Adjusted Earnings (Loss) Per Share**

Adjusted EBITDA and Adjusted Earnings (Loss) Per Share do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures provided by other issuers. Accordingly, investors are cautioned that Adjusted EBITDA or Adjusted Earnings Per Share should not be construed as an alternative to net income, determined in accordance with IFRS, as an indicator of the Company's financial performance or as a measure of its liquidity and cash flows. For a reconciliation of Adjusted EBITDA or Adjusted Earnings (Loss) Per Share, investors should refer to Vecima's Management's Discussion and Analysis for the second quarter of fiscal 2026.

## **Forward-Looking Statements**

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information is generally identifiable by use of the words "believes", "may", "plans", "will", "anticipates", "intends", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-

looking information in this news release includes the following statements: Our strategy, close collaboration with customers, and patient approach to deployment timing not only drove this strong second quarter performance, but have also laid the groundwork for significant new growth; based on customer developments and market dynamics, we believe deployments of our next-generation technology are approaching a major growth inflection; with a lead North American Tier 1 BSP (Broadband Service Provider) customer on the verge of ramping up its large-scale rollout of our next-generation DAA technologies, another North American Tier 1 customer preparing for a broad upgrade to our new TerraceIQ commercial video platform, demand expected to remain strong for our high-margin, market-leading Entra Optical line of fiber-access solutions, demand expected to remain strong for our high-margin, market-leading EntraOptical line of fiber-access solutions, and new products continuing to roll out, our visibility and confidence in forward growth has sharpened as we enter calendar 2026; we now expect next-twelve-month revenue to increase in the range of 20 to 30%, compared to calendar 2025; additionally, based on customer indications, we now expect next-twelve-month revenue to increase in the range of 20% to 30%, compared to calendar 2025, driven by Vecima's portfolio strength, major customer design wins, and essential DAA-based gigabit upgrades globally; the anticipated demand profile also positions adjusted EBITDA margins to break through 20% for the same period, driving adjusted EBITDA growth of 70% to 85% compared to calendar 2025; while recent industry consolidation activity, as previously discussed, could still constrain deliveries in the third quarter of fiscal 2026, the impact is now expected to be modest and further mitigated by a favorable product mix in the quarter; demand is expected to ramp up sharply beginning in the fourth quarter; the anticipated growth and profitability expansion build on our recent achievements; as we move forward, Vecima is performing strongly and sharply focused on responding to the demand growth our customers are forecasting; while our next-generation Entra DAA cable-access products, Entra Optical fiber-access products and TerraceIQ Commercial Video solutions are expected to be at the forefront of near-term growth, we see additional multi-year opportunities for vCMTS, and in our CDS segment, IPTV and DAI; our strategy of building the industry's broadest and deepest portfolio of innovative, interoperable next-generation fiber and cable access products and IPTV solutions, paired with our growing focus on software-centric products and platforms that will prepare customers for the 50G future, has positioned Vecima for upcoming sustained growth and strong profitability; Dell'Oro Group forecasts the global market for vCMTS will be worth approximately \$350 million annually by calendar 2029; TerraceIQ Commercial Video solution continued to gain traction with key customers in the Americas, setting the stage for significant anticipated growth in the next twelve months; the Tier 1 customer expects to carry out a significant evolution of its commercial video footprint nationally, encompassing both the upgrade of Terrace QAM platforms deployed within thousands of commercial properties today, along with rollouts for new commercial video services contracts going forward; renegotiation of the USMCA could, in an unlikely case, result in the introduction of new tariffs affecting Vecima's products.

A more complete discussion of the risks and uncertainties facing Vecima is disclosed under the heading "Risk Factors" in the Company's Annual Information Form dated September 25, 2025, as well as the Company's continuous disclosure filings with Canadian securities regulatory authorities available at [www.sedarplus.ca](http://www.sedarplus.ca). All forward-looking information herein is qualified in its entirety by this cautionary statement, and Vecima disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any

of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

**VECIMA NETWORKS INC.**

**Interim Condensed Consolidated Statements of Financial Position**

*(unaudited - in thousands of Canadian dollars)*

As at	<b>December 31, 2025</b>	June 30, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,123	3,441
Accounts receivable	25,394	23,916
Income tax receivable	1,692	1,690
Inventories	101,244	110,631
Prepaid expenses and other current assets	6,738	6,685
Contract assets	2,274	1,159
<b>Total current assets</b>	<b>140,465</b>	<b>147,522</b>
<b>Non-current assets</b>		
Property, plant and equipment	11,318	10,935
Right-of-use assets	4,021	4,824
Goodwill	16,588	16,934
Intangible assets	105,260	101,610
Investment tax credits	23,045	22,157
Deferred tax assets	29,009	27,656
Other long-term assets	460	431
<b>Total assets</b>	<b>\$ 330,166</b>	<b>332,069</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Revolving line of credit	\$ 33,322	33,938
Accounts payable and accrued liabilities	35,281	37,694
Provisions	1,089	874
Deferred revenue	9,073	15,226
Current portion of financial liability	462	290
Current portion of long-term debt	11,986	8,336
<b>Total current liabilities</b>	<b>91,213</b>	<b>96,358</b>
<b>Non-current liabilities</b>		
Provisions	509	460
Deferred revenue	1,540	1,755
Long-term debt	24,752	19,927
<b>Total liabilities</b>	<b>118,014</b>	<b>118,500</b>
<b>Shareholders' equity</b>		
Share capital	24,152	24,152
Reserves	6,917	5,966
Retained earnings	179,500	181,857
Accumulated other comprehensive income	1,583	1,594
<b>Total shareholders' equity</b>	<b>212,152</b>	<b>213,569</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 330,166</b>	<b>332,069</b>

**VECIMA NETWORKS INC.**

**Interim Condensed Consolidated Statements of Comprehensive Income (Loss)**

*(unaudited - in thousands of Canadian dollars, except per share amounts)*

Periods ended December 31,	Three months		Six months	
	2025	2024	2025	2024
<b>Sales</b>	\$ 73,722	\$ 71,223	\$ 144,796	\$ 153,128
<b>Cost of sales:</b>				
Cost of product and services	39,577	44,981	79,575	92,366
Write-down of inventory to net realizable value	1,052	326	2,223	675
<b>Total cost of sales</b>	<b>40,629</b>	<b>45,307</b>	<b>81,798</b>	<b>93,041</b>
<b>Gross profit</b>	<b>33,093</b>	<b>25,916</b>	<b>62,998</b>	<b>60,087</b>
<b>Operating expenses</b>				
Research and development	13,176	11,288	25,308	22,912
Sales and marketing	9,398	7,257	18,205	16,699
General and administrative	6,738	7,320	13,295	15,040
Restructuring costs	–	2,798	–	2,798
Share-based compensation	434	462	951	1,008
Other expense	39	194	25	487
<b>Total operating expenses</b>	<b>29,785</b>	<b>29,319</b>	<b>57,784</b>	<b>58,944</b>
<b>Operating income (loss)</b>	<b>3,308</b>	<b>(3,403)</b>	<b>5,214</b>	<b>1,143</b>
Finance expense	(2,133)	(2,345)	(5,034)	(4,718)
Foreign exchange loss	(1,360)	(4,272)	(471)	(3,764)
<b>Loss before income taxes</b>	<b>(185)</b>	<b>(10,020)</b>	<b>(291)</b>	<b>(7,339)</b>
Income tax recovery	(298)	(2,135)	(608)	(1,599)
<b>Net income (loss)</b>	<b>\$ 113</b>	<b>\$ (7,885)</b>	<b>\$ 317</b>	<b>\$ (5,740)</b>
<b>Other comprehensive income (loss)</b>				
<b>Item that may be subsequently reclassified to net income</b>				
Exchange differences on translation of foreign operations	\$ (1,173)	\$ 6,001	\$ (11)	\$ 5,089
<b>Comprehensive income (loss)</b>	<b>\$ (1,060)</b>	<b>\$ (1,884)</b>	<b>\$ 306</b>	<b>\$ (651)</b>
<b>Net income (loss) per share</b>				
Continuing operations – basic	\$ 0.00	\$ (0.32)	\$ 0.01	\$ (0.24)
Discontinued operations – basic	\$ 0.00	\$ (0.32)	\$ 0.01	\$ (0.24)
<b>Weighted average number of common shares</b>				
Shares outstanding – basic	24,314,594	24,311,812	24,314,594	24,312,185
Shares outstanding – diluted	24,314,594	24,311,812	24,315,025	24,312,185

**VECIMA NETWORKS INC.**

**Interim Condensed Consolidated Statements of Changes in Equity**

*(unaudited - in thousands of Canadian dollars)*

	Share capital	Reserves	Retained earnings	Accumulated other comprehensive	Total
				income (loss)	
Balance as at June 30, 2024	\$ 24,117	\$ 4,120	\$ 204,968	\$ 1,755	\$ 234,960

Net loss	–	–	(5,740)	–	<b>(5,740)</b>
Other comprehensive income	–	–	–	5,089	<b>5,089</b>
Dividends	–	–	(2,674)	–	<b>(2,674)</b>
Shares issued by exercising options	23	(6)	–	–	<b>17</b>
Share-based payment expense	–	1,008	–	–	<b>1,008</b>
<b>Balance as at December 31, 2024</b>	<b>\$ 24,140</b>	<b>\$ 5,122</b>	<b>\$196,554</b>	<b>\$ 6,844</b>	<b>\$232,660</b>
Balance as at June 30, 2025	\$ 24,152	\$ 5,966	\$181,857	\$ 1,594	\$213,569
Net income	–	–	317	–	<b>317</b>
Other comprehensive loss	–	–	–	(11)	<b>(11)</b>
Dividends	–	–	(2,674)	–	<b>(2,674)</b>
Share-based payment expense	–	951	–	–	<b>951</b>
<b>Balance as at December 31, 2025</b>	<b>\$ 24,152</b>	<b>\$ 6,917</b>	<b>\$179,500</b>	<b>\$ 1,583</b>	<b>\$212,152</b>

### VECIMA NETWORKS INC.

#### Interim Condensed Consolidated Statements of Cash Flows

(unaudited - in thousands of Canadian dollars)

Periods ended December 31,	Three months		Six months	
	2025	2024	2025	2024
<b>OPERATING ACTIVITIES</b>				
Net income (loss)	\$ 113	\$ (7,885)	\$ 317	\$ (5,740)
Adjustments for non-cash items:				
Loss on sale of property, plant and equipment	22	79	34	99
Depreciation and amortization	7,163	6,158	14,071	11,728
Share-based compensation	434	462	951	1,008
Warrant expense (recovery)	49	(871)	181	(765)
Write-down (recovery) of inventory to net realizable value	979	(1,340)	2,092	(829)
Income tax expense	(1,106)	983	401	2,923
Deferred income tax recovery	808	(3,118)	(1,009)	(4,522)
Interest expense	2,134	2,105	5,041	4,505
Interest income	(1)	–	(7)	(27)
Net change in working capital	(2,548)	20,559	(4,297)	36,213
Decrease in other long-term assets	460	106	456	182
Increase in provisions	255	707	264	814
Increase in investment tax credits	(42)	(45)	(78)	(94)
Income tax paid	–	(526)	(3)	(1,113)
Interest received	1	–	7	27
Interest paid	(1,940)	(2,164)	(4,878)	(4,751)
<b>Cash provided by operating activities</b>	<b>6,781</b>	<b>15,210</b>	<b>13,543</b>	<b>39,658</b>
<b>INVESTING ACTIVITIES</b>				
Capital expenditures	(1,405)	(395)	(2,249)	(1,480)
Proceeds from sale of property, plant and equipment	–	56	–	153
Business acquisitions, net of cash acquired	–	(3,881)	–	(3,881)
Deferred development costs	(8,615)	(8,426)	(15,787)	(15,102)
<b>Cash used in investing activities</b>	<b>(10,020)</b>	<b>(12,646)</b>	<b>(18,036)</b>	<b>(20,310)</b>
<b>FINANCING ACTIVITIES</b>				
Net repayments (draws) from revolving line of credit	1,574	(3,853)	(616)	(19,620)

Principal repayments of lease liabilities	(395)	(418)	(812)	(655)
Repayment of short and long-term debt	(400)	(406)	(820)	(860)
Proceeds from short and long-term debt	–	–	10,000	–
Proceeds from shareholder loan	–	5,000	–	5,000
Dividends paid	(2,674)	(2,674)	(2,674)	(2,674)
Issuance of shares through exercised options	–	14	–	23
<b>Cash provided by (used in) financing activities</b>	<b>(1,895)</b>	<b>(2,337)</b>	<b>5,078</b>	<b>(18,786)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,134)</b>	<b>227</b>	<b>585</b>	<b>562</b>
Effect of change in exchange rates on cash	(309)	(91)	(903)	(342)
Cash and cash equivalents, beginning of period	8,566	2,220	3,441	2,136
<b>Cash and cash equivalents, end of period</b>	<b>\$ 3,123</b>	<b>\$ 2,356</b>	<b>\$ 3,123</b>	<b>\$ 2,356</b>

## Contacts

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