



EQ Inc. Reports First Quarter 2026 Financial Results and Annual General Meeting Results

31% Year Over Year Revenue Growth, New ClearLake Licenses, and Improving Margins Reflect Growing Platform Momentum

TORONTO, ON (May 22, 2026) - EQ Inc. (TSXV: EQ.V) (“EQ Works” or the “Company”), a leader in AI and data driven software and solutions that empowers brands to better understand, acquire and retain their most valuable customers, today announced its financial results for the first quarter ended March 31, 2026.

Revenue for the first quarter of 2026 was \$1.9 million, an increase of 31% compared to the same period a year ago. This increase reflects continued client demand for EQ’s AI data driven media solutions and the growing contribution of its proprietary ClearLake platform and its Integrated Rewards division. The Company is encouraged by the continued momentum across its business units heading into the second quarter.

Gross margin for the quarter was 42%, an improvement over both Q4 2025 and Q1 2025, reflecting the Company's continued focus on higher margin, recurring revenue lines of business. The adjusted EBITDA loss of \$0.4 million was a 29% improvement over the same period a year ago, demonstrating the ongoing progress EQ is making toward its profitability objectives.

Quarterly Operational Highlights

The first quarter of 2026 demonstrated continued progress across all three of EQ's business units:

- Revenue of \$1.9 million represents 31% growth over Q1 2025, driven by continued client demand across media, Integrated Rewards, and ClearLake
- Gross margin of 42% improved over both Q4 2025 and Q1 2025, reflecting a disciplined focus on higher margin business
- Adjusted EBITDA loss of \$438,000 represents a 29% improvement over Q1 2025, continuing the trend of improving operating performance established in 2025
- Generated \$882,000 in cash from operating activities, reflecting strong collections and disciplined working capital management
- DSO improved to 86 days from 93 days in Q4 2025, demonstrating improved collections efficiency



"Q1 2026 reflects the continued execution of our strategy and the growing strength of our business," said Geoffrey Rotstein, President and CEO of EQ Works. "A 31% increase in revenue over the same quarter last year, improved gross margins, and a meaningful reduction in our adjusted EBITDA loss are all evidence that our focus on higher margin, recurring revenue lines of business is working. ClearLake continues to gain traction across multiple verticals, Integrated Rewards is growing its contribution, and our team continues to execute with discipline. We are encouraged by the momentum heading into Q2 and remain confident in our trajectory for the remainder of 2026."

Subsequent Events and AGM Results

On May 1, 2026, the Company announced the closing of a non-brokered private placement of 1,130 units of the Company (each, a "Unit") at a price of \$1,000 per Unit for aggregate gross proceeds of \$1,130,000 (the "Offering"). In connection with the Offering, the Company paid a finder's fee to eligible arm's length parties in respect of certain subscriptions. The final amount of the finder's fee for the Offering consisted of cash commissions of \$19,500 and the issuance of an aggregate of 19,500 finder's warrants (each, a "Finder's Warrant"). Each Finder's Warrant entitles the holder to purchase one Common Share at an exercise price of \$1.00 per Common Share for a period of 12 months from the date of issuance.

On May 21, 2026, the Company held its Annual and Special Meeting. All resolutions presented at the meeting were passed and EQ re-elected its entire Board of Directors to a new term. The Company thanks its shareholders for their continued support and confidence in EQ's strategic direction.

Non-IFRS Financial Measures

EQ Works measures the success of the Company's strategies and performance based on Adjusted EBITDA, which is outlined and reconciled with net loss in the section entitled "Reconciliation of net loss for the period to Adjusted EBITDA" in the MD&A. The Company defines Adjusted EBITDA as net loss from operations before: (a) depreciation of property and equipment and amortization of intangible assets, (b) share-based payments, (c) finance income and costs, net, and (d) restructuring costs. Management uses Adjusted EBITDA as a measure of the Company's operating performance because it provides information on the Company's ability to provide operating cash flows for working capital requirements, capital expenditures, and potential acquisitions. The Company also believes that analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies in its industry.

Neither the TSX-V nor its Regulation Services Provider (as that term is defined in policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.



Forward-Looking Statements

Certain statements contained in this press release constitute “forward-looking statements”. All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “plan”, “continue”, “will”, “may”, “would”, “anticipate”, “estimate”, “forecast”, “predict”, “project”, “seek”, “should” or similar expressions, or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company’s expectations, estimates, and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks, and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied, or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance, or achievements to differ materially include, but are not limited to, the risk factors discussed in the Company’s MD&A for the three months ended March 31, 2026. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives but cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and any other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update or revise them to reflect subsequent information, events, or circumstances or otherwise, except as required by law.

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