NamSys Inc.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED JANUARY 31, 2026

The following is a discussion and analysis of the results of operations and financial condition of NamSys Inc. (“NamSys” or “the Company”) for the three months ended January 31, 2026 and 2025 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.

Quarterly Financial Data

The table below presents selected financial data of the Company for each of the eight fiscal quarters ended January 31, 2026:

	Fiscal quarter end							
	Jan. 31 2026	Oct. 31 2025	Jul. 31 2025	Apr. 30 2025	Jan. 31 2025	Oct. 31 2024	Jul. 31 2024	Apr. 30 2024
	(in thousands of dollars)							
Revenue	2,134	2,023	1,917	2,010	1,942	1,854	1,741	1,661
Gross profit	1,366	1,270	1,221	1,325	1,263	1,158	1,109	1,047
Operating income	941	775	744	744	822	805	678	703
Income after tax	657	617	610	557	702	559	581	524
Income per share:								
Basic	0.024	0.023	0.023	0.021	0.026	0.021	0.022	0.019
Diluted	0.024	0.022	0.022	0.020	0.026	0.020	0.021	0.019

Results of Operations

Three months ended January 31, 2026 compared to Three months ended January 31, 2025

Revenue

	2026	2025	Change	Change %
	$	$	$	
Software subscriptions, hosted services, maintenance and product support	2,061,986	1,927,759	134,227	7.0%
Professional services	71,889	13,854	58,035	418.9%
	2,133,875	1,941,613	192,262	9.9%

Revenue in the three months ended January 31, 2026, increased in comparison to the same period in the prior year. The Company's total sales for the three months ended January 31, 2026, were $2,133,875 as compared to $1,941,613 for the corresponding period in 2025, an increase of $192,262 or 9.9%. 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 January 31, 2026, represented $2,061,986 of the total revenue compared to $1,927,759 for the corresponding three months the previous year, an increase of $134,227 or 7.0%. Recurring revenue represented 96.6% of total sales revenue in the three months ended January 31, 2026, as compared to 99.3% in the same three months of fiscal 2025.

Cost of Goods Sold and Gross Profit

Three months ended January 31, 2026 compared to Three months ended January 31, 2025

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 January 31, 2026, was $768,273 compared to $679,086 in the corresponding period in 2025. The overall Gross Profit achieved in the first quarter of 2026 was $1,365,602 or 64.0%, compared to Gross Profit for the corresponding period in 2025 of $1,262,527 or 65.0%, a decrease in Gross Margin percentage of 1.0 percentage points.

Selling Expenses

Three months ended January 31, 2026 compared to Three months ended January 31, 2025

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 January 31, 2026, totaled $160,121, a decrease of $16,833 or 9.5% from $176,954 in the corresponding period of 2025. Selling expenses decreased with lower trade show attendance costs ($17,912). Various other selling expenses increased by an aggregate of $1,079 in the quarter, such that the net decrease in selling expenses is $16,833. Selling expense was 7.5% of revenue in the first quarter of 2026 as compared to 9.1% in the 2025 same quarter, recognizing that revenues in the 2026 period were up $192,262 or 9.9% from the 2025 comparative period.

General and Administration Expenses

Three months ended January 31, 2026 compared to Three months ended January 31, 2025

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 $264,188 in the three months ended January 31, 2026, as compared to $280,558 in the 2025 comparative period, a decrease of $16,370 or 5.8%. Various G&A expenses decreased in aggregate by $16,370 in the quarter.

Depreciation of property and equipment for the three months ended January 31, 2026, of $1,785 increased by $81 or 4.8% from $1,704 in the same period of 2025. 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 12.4% in the first quarter of 2026 as compared to 14.4% in the 2025 first quarter.

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 January 31, 2026, 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 January 31, 2026, interest income of $56,586 was recognized ($70,862 for the quarter ended January 31, 2025).

Gain (loss) on foreign exchange

The Company recognized a loss on foreign exchange of $108,029 in the first quarter of 2026, whereas a gain of $78,032 was experienced in the comparative quarter of 2025. This results in a decrease in income of $186,061 in the 2026 first quarter as compared to the 2025 same period. The loss on foreign exchange recognized in the quarter ended January 31, 2026, 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 2026 first quarter of $896,218 (2025 – basic rate of 26.50% and pre-tax income of $961,790), resulting in a current income tax expense of $239,206 (2025 – expense of $260,405). Deferred income tax expense was $nil in the first quarter of 2026 (2025 – recovery of $600).

As a result of recognizing a current income tax expense of $239,206 in the first quarter of 2026, remitting income tax of $230,500 and recording tax receivables of $29,103 due to income tax withholdings made by one of the Company's foreign customers, at January 31, 2026, the Company had income taxes receivable of $30,070 (October 31, 2025 – receivable of $9,673)

As a result of recognizing a deferred income tax expense of $nil in the first quarter of 2025, at January 31, 2026, the Company had deferred income tax assets totaling $10,400 (October 31, 2025 – $10,400). 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 January 31, 2026 of $4,894 (2025 – $17,342) 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 $4,894 for the three months ended January 31, 2026 (2025 – $17,342) was charged as follows: $2,515 to cost of sales (2025 – $8,913); $864 to selling expenses (2025 – $3,060); and $1,515 to general and administration expenses (2025 – $5,369).

Related Party Transactions

The following summarizes the Company's related party transactions:

a) Included in selling expenses in the three months ended January 31, 2026, are consulting expenses for sales and marketing in the amount of $11,250 (2025 – $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 January 31, 2026, are amounts due to directors of $176,806 (October 31, 2025 – $145,959). 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 three months ended January 31, 2026 was $657,012 as compared to a comprehensive income of $701,985 in the three months ended January 31, 2025.

Three months ended January 31,

	2026	2025
	$	$
Comprehensive income	657,012	701,985
Income per share:		
Basic	0.02	0.03
Diluted	0.02	0.03

For the three months ended January 31, 2026, the weighted average number of shares outstanding used to calculate basic income per share was 26,859,522 (2025 – 26,863,732) and diluted income per share was 27,535,716 (2025 – 27,507,033).

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 $12,031,481 at January 31, 2026, compared to working capital of $10,881,859 at October 31, 2025. Excluded from the January 31, 2026, working capital calculations are: prepaid expenses of $115,191 (October 31, 2025 – $162,679); and deferred revenue of $928,920 (October 31, 2025 – $301,975).

For the three months ended January 31, 2026, the Company had positive cash flow from operations of $1,143,364 as compared to positive cash flow from operations of $697,514 in the three months ended January 31, 2025.

STATEMENT OF FINANCIAL POSITION

Short Term Investments

At January 31, 2026, 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 three months ended January 31, 2026 in respect of short term investments amounted to $56,586 (2025 – $70,862).

Trade and Other Receivables

At January 31, 2026, the company had trade and other receivables of $1,438,112 (October 31, 2025 – $1,241,499). The amount of receivables over 90 days past due, at January 31, 2026, is $53,383 (October 31, 2025 – $126,998). Based on subsequent collections and a review of outstanding balances, the Company believes no provision for expected credit losses is required at this time.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization and are amortized over their estimated useful lives as follows:

Office equipment	20% declining balance

Property and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recovered. An impairment loss is measured as the amount by which the carrying value of the long-lived asset exceeds its recoverable amount.

Deferred Income Tax Asset

In the three months ended January 31, 2026, the Company recognized a deferred income tax expense of $nil and, as a result, at January 31, 2026, the Company had deferred income tax assets totaling $10,400 (October 31, 2025 – $10,400). The amount of deferred tax assets is based on management’s best estimate of probable future taxable income and is subject to a degree of measurement uncertainty.

Financing Agreements

Other than trade and other payables, and income taxes payable, the Company has no debt outstanding.

Contractual Obligations

A summary of the Company’s undiscounted contractual obligations, at January 31, 2026:

	Total	Less than 1 year	1 to 5 years
	$	$	$
Trade and other payables	623,821	623,821	-
Income taxes payable	-	-	-
Premises lease	9,195	9,195	-
	633,016	633,016	-

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 the first quarter of 2026, capital expenditures were $2,016 as compared to $3,998 in the first quarter of 2025.

Summary of Significant Accounting Policy Choices or Changes under IFRS Accounting Standards (“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 three months ended January 31, 2026, 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 asses 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. On February 25, 2026, the Company announced a special dividend of $0.15 per common share of the Company to be paid on March 12, 2026, to holders of record of common shares on March 5, 2026. 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 March 26, 2025, 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 1,343,186 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, 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. During the three months ended January 31, 2026, the Company paid $198,411 for the repurchase and cancellation of 149,600 common shares.

Summary of securities issued and outstanding as at January 31, 2026

Class	Authorized	Issued and Outstanding
Common	Unlimited	26,773,598

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 was reduced by the equivalent amount of $0.05.

During the three months ended January 31, 2026, a total of 22,500 stock options with an exercise price of $0.53 were exercised for aggregate gross proceeds of $11,925. Concurrent with the exercise, $6,642 was reallocated from the equity settled share-based payments reserve to share capital in shareholders' equity.

Options outstanding as of January 31, 2026, are as follows:

Options	Exercise price	Expiry date
1,118,584	$0.53	December 15, 2027

Options vested as of January 31, 2026, are as follows:

Options	Exercise price	Expiry date
1,118,584	$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 January 31, 2026, 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 it's 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
March 27, 2026