



NTG Clarity Achieves Record Topline Performance in Q1 2025

Raises Full Year Revenue Guidance to Reflect Q1 Performance

Toronto, Ontario--(Newsfile Corp. - May 28, 2025) - NTG Clarity Networks Inc. (TSXV: NCI) (OTC Pink: NYWKF); NTG Clarity ("NTG" or the "Company") today reports its first quarter results for the quarter ended March 31, 2025 (all figures in Canadian Dollars).

Q1 2025 Highlights

All comparisons below are to the quarter ended March 31, 2024, unless otherwise noted

- **Revenue** grew 68% year-over-year to \$19.7 million, driven by strong growth of offshore services, which grew 268% and the accelerating growth of NTGapps, which grew 151%.
- **Gross Profit** rose 51% year-over-year to \$6.7 million, representing 34% of revenue, compared to \$4.5 million and 38% in the prior year. Gross margin saw temporary pressure due to upfront travel and relocation costs associated with new client engagements—costs that are expected to normalize in future periods.
- **Net Income** was \$2.1 million, or 11% of revenue, compared to \$2.4 million or 20% in the prior year. The year-over-year decline reflects proactive investment in long-term growth initiatives, including expansion of our sales and account management teams—as well as the initiation of income tax provisions amounting to \$1.2 million for the quarter. Net Income Before Income Taxes grew by 56% year-over-year.
- **Adjusted EBITDA** grew 45% to \$2.9 million, or 15% of revenue, compared to \$2.0 million or 17% of revenue in the prior year.
- **Operating Cash Flow** of \$397 thousand.
- **Free Cash Flow used** of \$17 thousand.

“We’ve started 2025 by continuing our strong growth trajectory, fueled by the increasing demand for our offshore services and the momentum in our higher-margin software business, NTGapps,” said Adam Zaghloul, Vice President of Strategy & Planning at NTG Clarity. “We’re making strategic investments in sales, marketing, and operations today to support this growth and sustain our track record of top-line performance.”

“We are executing on our 2025 strategic priorities by leveraging the cost advantages and high-quality offerings of our offshore platform to deepen relationships with customers. At the same time, customer trials of NTGapps are starting to convert into full contracts. We also secured new clients this quarter through our referral network and look forward to demonstrating why NTG should play a larger role in supporting their digital transformation strategies.”

Financial Outlook for 2025

The strong start to 2025 gives us confidence to increase our full year revenue guidance to \$78 million. The performance this quarter is also consistent with our Adjusted EBITDA margin range which provides us greater flexibility in hiring, onboarding, and training the talent needed to meet growing demand as well as expanding our sales team to continue driving outsized growth.



While our current Adjusted EBITDA is tracking below the lower end of the target range, we anticipate margin improvement over the course of the year. This will be driven by near-term growth investments beginning to scale more efficiently relative to revenue.

- Revenue: Expected to be approximately \$78 million
- Adjusted EBITDA Margin: Forecasted in the range of 16% - 20%

In 2025 our strategic priorities are:

- Expand and solidify our position as an integral part of clients' long-term digital strategy, leveraging our superior cost structure, quality offerings, and trusted relationships built over multiple years of service.
- Win new customers through the expanding network effect of recommendations from current and past clients.
- Increase adoption and traction of NTGapps, positioning them as essential tools within our clients' digital ecosystems.

Conference Call Details

On Thursday, May 29, 2025, at 11:00 AM ET, management will host a conference call webcast to discuss the Company's financial and operating results.

What: NTG Clarity Q1 2025 Earnings Call

When: Thursday, May 29, 2025, at 11:00 AM ET

Where: Live webcast can be accessed from the Events page of NTG's website:

<https://ntgclarity.com/events/first-quarter-2025-earnings-conference-call-ntg-clarity/>

Management will be hosting a Q&A at the end of the call; however, to streamline the earnings conference call, we ask any questions to be emailed along with the asker's name and company, if applicable, by the end of the day Wednesday, May 28, 2025, to:

Adam Zaghloul, Vice President, Strategy & Planning

Email: adam@ntgclarity.com

Income Statement Highlights for the Quarter Ended March 31, 2025 and 2024

	March 31, 2025	March 31, 2024
REVENUE	\$ 19,699,129	\$ 11,755,520
COST OF SALES	12,966,584	7,302,609
GROSS PROFIT	\$ 6,732,545	\$ 4,452,911
Operating Expenses	3,392,598	2,284,411
Other Expenses	161,835	136,739
Exchange loss (gain) on translation	(88,718)	(346,105)
Provision for income taxes	1,172,168	0
Comprehensive Income	\$ 2,094,661	\$ 2,377,866
per share (basic)	\$ 0.05	\$ 0.06
per share (fully diluted)	\$ 0.04	\$ 0.06



Balance Sheet Highlights

	March 31, 2025	December 31, 2024
Total Assets	\$ 30,859,346	\$ 28,292,859
Total Liabilities	\$ 15,981,000	\$ 15,691,675
Shareholder's Equity	\$ 14,878,345	\$ 12,601,184

Non-GAAP Financial Measures

NTG references Adjusted EBITDA, which is a non-IFRS (non-GAAP) measure and Adjusted EBITDA margin, which is a non-GAAP ratio. Adjusted EBITDA means adjusted earnings before interest, taxes, depreciation and amortization. EBITDA is equal to net income (loss) before income taxes plus finance costs plus depreciation. Adjusted EBITDA is equal to EBITDA before other discretionary expenses and expenses outside of the control of NTG. In NTG's case these are other income, share-based payments, and expenses related to foreign exchange. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenue.

Adjusted EBITDA and Adjusted EBITDA margin are not recognized measures under IFRS. Management believes that in addition to net income (loss), Adjusted EBITDA and Adjusted EBITDA margin are useful supplemental measures as they provide an indication of the results generated by the Company's primary business activities prior to consideration of how those activities are financed, amortized, or how the results are taxed and consolidated in various jurisdictions and currencies as well as the cash generated by the Company's primary business activities without consideration of the timing of the monetization of non-cash working capital items.

NTG also references Free Cash Flow, which is a non-IFRS (non-GAAP) measure. Free Cash Flow means cash provided by operating activities less capital expenditures. In NTG's case, Free Cash Flow is equal to net cash from operating activities as reported in the consolidated statements of cash flows, reduced by the purchase of property and equipment.

Free Cash Flow is not a recognized measure under IFRS. Management believes that in addition to net cash from operating activities, Free Cash Flow is a useful supplemental measure as it provides insight into the cash generated by the Company's primary business activities after funding required capital expenditures, and it reflects the Company's ability to pursue strategic growth, repay debt, or return capital to shareholders.

Readers should be cautioned, however, that Adjusted EBITDA and Adjusted EBITDA margin should not be construed as an alternative to net income determined in accordance with IFRS as an indicator of the Company's performance. Neither should Free Cash Flow be construed as an alternative to net cash from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. The Company's method of calculating Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow may differ from other organizations and, accordingly, Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow may not be comparable to measures used by other organizations.



The non-IFRS measures referenced in this release reconcile to the IFRS measures reported in the Consolidated Financial Statements as follows, unless reconciled elsewhere:

Adjusted EBITDA	For the three months ended	
	March 31, 2025	March 31, 2024
Net Income (Margin)	\$ 2,094,661 (11%)	\$ 2,377,866 (20%)
Add back:		
(Gain) loss on foreign exchange	(594,623)	(312,992)
Depreciation	182,231	50,659
Amortization	\$132,183	132,183
Interest, net	60,095	74,374
Taxes	1,185,877	55,332
Other income	(94,200)	(66,001)
Share-based payment	0	22,375
Loss on joint venture	0	0
Loss on disposal of assets	0	0
Exchange gain arising on translation of foreign operations	[88,718]	[346,105]
Adjusted EBITDA (Margin)	\$ 2,877,506 (15%)	\$ 1,987,691 (17%)

Free Cash Flow	For the three months ended	
	March 31, 2025	March 31, 2024
TOTAL CASH IN-FLOW FROM OPERATING ACTIVITIES	\$ 396,770	\$ 798,118
Less:		
Purchase of property, plant and equipment	414,075	234,741
Free Cash Flow	\$ (17,305)	\$ 563,377

About NTG Clarity Networks Inc.

NTG Clarity Networks' vision is to be a global leader in digital transformation solutions. As a Canadian company established in 1992, NTG Clarity has delivered software, networking, and IT solutions to large enterprises including financial institutions and network service providers. More than 1,100 IT and network professionals provide design, engineering, implementation, software development and security expertise to the industry's leading enterprises.

For Further Information:

Adam Zaghloul, Vice President, Strategy & Planning
NTG Clarity Networks Inc.
Ph: 905-305-1325



Fax: 905-752-0469

Email: adam@ntgclarity.com

Forward Looking Information

Certain statements in this release, other than statements of historical fact, are forward looking information that involve various risks and uncertainties. Forward looking information includes, but is not limited to, statements with respect to: 2025 financial guidance including anticipated revenue and adjusted EBITDA margin; anticipated activity levels and operating results; projections based on current backlog; corporate strategies; customer demand and competitive conditions in the markets in which the Company operates.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: future demand for the Company's products and services; the results of research and development activities; access to capital; intellectual property protection; general business, economic, competitive, political and social uncertainties; delays in obtaining governmental approvals; failure to obtain regulatory approvals; reliance on key personnel; stock market volatility; fluctuations in interest rates and exchange rates; and the impact of new laws and regulatory requirements. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about estimated annual revenue and adjusted EBITDA margin, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set out in the above paragraph. The actual financial results of the Company may vary from the amounts set out herein and such variation may be material. NTG and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, the Company undertakes no obligation to update such FOFI. FOFI contained in this news release was made as of the date hereof and was provided for the purpose of providing further information about the Company's anticipated future business operations on an annual basis. Readers are cautioned that the FOFI contained in this news release should not be used for purposes other than for which it is disclosed herein.

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