



OPTIVA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTER ENDED JUNE 30, 2025

DATED: August 13, 2025

SCOPE OF ANALYSIS

This Management's Discussion and Analysis ("MD&A") provides a review of the results of operations, financial condition and cash flows of Optiva Inc. (the "Company" or "Optiva") as at and for the three and six month periods ended June 30, 2025.

The MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2025 prepared in accordance with IAS 34 "Interim Financial Reporting", and the audited consolidated financial statements for the fiscal year ended December 31, 2024, which we prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

Information contained in this MD&A is based on information available to management as of August 13, 2025.

Unless otherwise indicated, all dollar amounts are expressed in U.S. Dollars. In this document, "we," "us," "our," "Company" and "Optiva" all refer to Optiva Inc. collectively with its subsidiaries.

FORWARD-LOOKING INFORMATION

All information other than statements of current and historical fact contained in this MD&A is forward-looking information (within the meaning of applicable securities laws). In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will", "occur" or "be achieved", and similar words or the negative thereof. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement.

Forward-looking information in this MD&A includes, but is not limited to, the Company's beliefs regarding business trends, our customers' preferences and our ability to address their requirements, the basis for our future growth and competition in our industry. By its nature, forward-looking information is inherently uncertain, is subject to risk and is based on numerous assumptions, including those set out under the "Risks and Uncertainties" section of this MD&A, and assumptions that: the Company will continue to develop products that meet its customer's needs; that the Company will be able to implement business improvements and achieve cost savings; the Company's customers and their respective businesses will continue to perform as expected; that demand for the Company's products will remain stable; the Company will be able to retain key personnel; currency exchanges rates in the jurisdictions in which the Company operates will remain relatively consistent; and capital can be obtained at reasonable costs; as well as risks and assumptions regarding present and future business strategies, the environment in which the Company will operate in the future, expected revenues, and the Company's ability to achieve its goals. Although management of the Company believes that the expectations represented in such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct.

The future outcomes that relate to forward-looking information may be influenced by many factors that could cause actual future results, conditions, actions or events to differ materially from the targets,

expectations, estimates or intentions expressed in the forward-looking information, including, but not limited to, risks associated with: the effectiveness of, and the Company's ability to successfully implement, the Company's strategic plan; the strength of the Company's customers and their respective businesses and demand for the Company's products; the impact of management and other changes on the Company's business relationships; the Company's solutions failing to perform as expected; cybersecurity risks, including the risk of system failures or data security breaches; geopolitical uncertainties; market developments; global pandemic; intense competition; the ability to recruit and retain personnel; currency fluctuations; the time period of the Company's sales and product development cycles; customer credit and defaults; variances in quarterly revenue and operating results; customer concentration risks; intellectual property and infringement risks; product liability claims; transfer pricing; taxation; liquidity and financial resources; risks relating to the Debentures; dependence on sales channel partners and suppliers; and the other risk factors described under the heading "Risk Factors" in the Company's most recent Annual Information Form. The Company cautions that such list of factors is not exhaustive, and when relying on forward-looking information to make decisions with respect to the Company, readers should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking information.

There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is provided as of the date of this MD&A or such other date specified herein, and the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances, except as required under applicable securities laws.

Cautionary Note Regarding Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures and operating metrics, specifically Adjusted EBITDA and Operating working capital. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Such non-IFRS measures are operating metrics used in our industry. We also include these measures because we believe certain investors use these measures and metrics as a means of assessing financial performance and that such measures highlight trends in our financial performance that may not otherwise be apparent when one relies solely on IFRS measures. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts. Non-IFRS measures should not be considered in isolation, nor as a substitute for analysis of the financial information reported under IFRS including revenue, net income, cash flows generated by operating, investing or financing activities, or other financial statement data presented in accordance with IFRS, and may not be comparable to similarly titled measures used by other companies. See Schedule I to this MD&A for a reconciliation of such measures to IFRS.

FIRST QUARTER HIGHLIGHTS

Financial Highlights¹

| Q2 Fiscal 2025 Highlights (\$ US Millions, except per share information) (Unaudited) | Three Months Ended | | Six Months Ended | |
|--|--------------------|----------|------------------|----------|
| | June 30, | | June 30, | |
| | 2025 | 2024 | 2025 | 2024 |
| Revenue | 10.3 | 11.4 | 21.8 | 23.1 |
| Net Income (Loss) | (4.4) | (5.6) | (6.8) | (11.6) |
| Earnings (Loss) Per Share | (\$0.71) | (\$0.90) | (\$1.09) | (\$1.88) |
| Adjusted EBITDA ⁽¹⁾ | (1.6) | (1.7) | (1.2) | (4.0) |
| Cash from (used in) operating activities | 4.9 | 5.2 | 1.9 | 1.8 |
| Total cash, including restricted cash | 12.9 | 17.1 | 12.9 | 17.1 |

Business Highlights

- TCV of Q2 bookings totaled \$26.6 million. For the trailing twelve months, TCV of bookings totaled \$64.3 million.
- A Tier 1 European MVNO, selected Optiva to modernize its business support systems (BSS). Optiva will deploy its AI-enabled, end-to-end stack, empowering the MVNO to achieve next-level agility, flexibility and scalability. Optiva BSS Platform and its AI-driven analytics tools will be deployed across multiple countries and markets. The modernization will further position the MVNO at the forefront of the industry, aligning with its broader digital transformation strategy to continue leading in the MVNx, mobile-first, experience-driven era.
- A Tier 1 European Telcom chose Optiva to power its next-generation mobile virtual network enabler (MVNE) platform. With Optiva's modular, full end-to-end, AI-enabled BSS stack at its core, the operator will offer an enhanced and agile solution to MVNOs and other wholesale customers, including fixed wireless access (FWA) and fiber-to-the-home (FTTH) providers. Optiva BSS Platform will offer modularity and choice to the operator's customers, allowing them to select and customize capabilities tailored to their specific business needs, driving differentiation, innovation and new revenue.
- Digitel, a leading mobile network operator in Venezuela with more than 7.2 million subscribers and an Optiva customer since 2014, renewed its BSS platform support agreement for an additional three years.
- Optiva was named a finalist for Most Innovative Telco AI/ML Product or Solution for the Leading Lights 2025 Awards by Light Reading. The nomination recognizes how Optiva solutions apply AI and machine learning to support the changing needs of communications network operators.

¹ Adjusted EBITDA and Adjusted Earnings (Loss) Per Share are non-IFRS measures. For definitions and reconciliations of non-IFRS measures to their most directly comparable IFRS measures, see Schedule I.

OPTIVA OVERVIEW

Optiva, which commenced operations in July 1999, is an innovative provider of cloud-native monetization and business support systems ("BSS") products on the private and public cloud to communication service providers ("CSPs") worldwide.

The Company's products and services empower CSPs to monetize on their various customer segments, including consumer, enterprise, wholesale and IoT. The Company's solutions allow the introduction of new innovative tariffs and marketing offerings, through its rating, charging and billing solutions. Coupled with complementing products such as payment solutions, policy control, wholesales billing, customer care and subscriber self-service applications, Optiva allows its customers to achieve their objectives and address their challenges, including monetization of their communication services, convergence of their service portfolio and diversification of their offering, all through improving customer experience and reduced costs.

The common shares of Optiva Inc. (TSX: OPT) are listed on the Toronto Stock Exchange (the "TSX"). For more information, visit www.optiva.com.

The Company derives its revenue from three main geographic areas, namely:

1. APAC – Asia and Pacific Rim
2. Americas – North America, Latin America, and the Caribbean
3. EMEA – Europe, Middle East, and Africa

Optiva's award-winning cloud-native real-time converged charging and billing platform delivers the benefits of a flexible, end-to-end software platform, including real-time charging, rating, billing, product catalog, policy management and customer care for any digital services of a CSP. Optiva's product family supports any type of CSP from tier 1 to tier 5, in the private or public cloud, MVNOs, MVNE, MNOs and IoT. It enables a digital customer journey delivering innovative end-user services from real-time offering towards digital guide self-management of customer interaction.

Optiva supports the telecommunication industry with the following market solutions:

- **Optiva BSS Platform™** – Optiva BSS Platform provides a fully managed, end-to-end digital, cloud-native, AI-enabled BSS solution available on private and public cloud for CSPs, including MNOs, MVNEs, and MVNOs. Optiva BSS Platform is Optiva's proposition in the SaaS market. The modular, multi-tenant and unified platform allows customers to focus on their business, not on deploying and managing enterprise software. Customers can design marketing plans, onboard subscribers, and deploy their services with stability and scale. With Optiva BSS Platform, customers can run an end-to-end digital BSS stack with all of the mandatory components such as unified rating and charging, billing, customer care and self-care, product catalog, payments and voucher management, collections and settlements, and dealer care. The solution is platform agnostic and runs natively on the Google Cloud and Microsoft Azure, and is also available on an OpenShift infrastructure on a private cloud as a preferred choice.
- **Optiva Charging Engine™** – Optiva's highly scalable, battle-tested, convergent charging solution is a cloud-native, AI-enabled platform for private and public cloud. Its true convergence

backed by a universal data model and extensive north and south bound integrations make monetization possible for any network attribute, service and business model. This extensive monetization capability empowers a traditional telco business to drive new revenue streams. The solution is agnostic and runs natively on the Google Cloud and Microsoft Azure, and is also available on an OpenShift infrastructure on a private cloud as a preferred choice. With cloud investments, Kubernetes Engine hosted containers, and flexible customization framework, Optiva Charging Engine™ enables fast adaptation to the market with cloud-native automatic release management and new use cases with short time to market and low total cost of ownership (TCO). It enables operators to launch and monetize their 4G and 5G networks and any other line of business to deliver advanced monetization services, including Voice over LTE/VoNR, fixed line broadband, TV, machine to machine, IoT, cloud services, and OTT offerings.

- **Optiva MVNO Hubs** – Optiva MVNO Hubs is a unified and multi-tenant, AI-enabled BSS -as a Service for MVNO/Es, leveraging Optiva BSS Platform hosted on Google Cloud infrastructure. The service will be pre-integrated with the major MNOs in various geographic regions and enables the accelerated launch of MVNO operations by simplifying integration complexities. Optiva MVNO Hubs supports integration with payment vendors, taxation services and a range of value added services and partner ecosystem including OTT, gaming and more. Optiva MVNO Hubs can be migrated to a customer's own Google infrastructure, providing a seamless growth path for successful MVNOs.
- **Optiva Partner Monetization** – Optiva Partner Monetization platform is an end-to-end AI-enabled partner lifecycle management platform designed to rapidly onboard and manage telco B2B2X partner ecosystems. It is a scalable cloud-native solution that includes a self-service partner portal to ensure better management for thousands of partners while controlling costs and eliminating complexity. Multi-tiered partner relationships, long account hierarchies, tree structured settlements, real-time charging, all-in-one bundles, and more are all enabled with B2B2X billing and charging lifecycles.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets out selected consolidated financial information of Optiva for the periods indicated. Each investor should read the following information in conjunction with those financial statements and related notes. The operating results for any past period are not necessarily indicative of results for any future period. The selected financial information set out below has been derived from the Company's audited consolidated financial statements.

| Consolidated Statements of Comprehensive Income (loss) (all amounts in millions of US\$, except per share amounts) (unaudited) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|--------------|------------------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| Revenue | | | | |
| Support and subscription | 6.4 | 7.4 | 13.9 | 14.8 |
| Software, services and other | 3.8 | 4.0 | 7.9 | 8.3 |
| Total Revenue | 10.3 | 11.4 | 21.8 | 23.1 |
| Cost of revenue | 5.2 | 5.0 | 9.3 | 9.9 |
| Gross profit | 5.0 | 6.4 | 12.5 | 13.2 |
| Operating expenses | | | | |
| Sales and marketing | 2.1 | 2.5 | 4.1 | 5.3 |
| General and administrative | 1.9 | 2.6 | 3.5 | 5.6 |
| Research and development | 2.7 | 3.7 | 6.0 | 7.7 |
| Total Operating Expenses | 6.7 | 8.8 | 13.6 | 18.6 |
| Loss from operations | (1.7) | (2.5) | (1.1) | (5.5) |
| Foreign exchange gain (loss) | 0.5 | (0.1) | 0.6 | (0.2) |
| Finance income | 0.1 | 0.1 | 0.2 | 0.3 |
| Finance costs | (3.0) | (2.8) | (5.9) | (5.7) |
| Loss before income taxes | (4.1) | (5.3) | (6.3) | (11.1) |
| Income tax expense | 0.3 | 0.3 | 0.5 | 0.6 |
| Net Loss for the period | (4.4) | (5.6) | (6.8) | (11.6) |
| Loss per common share | | | | |
| Basic | \$ (0.71) | \$ (0.90) | \$ (1.09) | \$ (1.88) |
| Diluted | \$ (0.71) | \$ (0.90) | \$ (1.09) | \$ (1.88) |
| Weighted average number of common shares (millions) | | | | |
| Basic | 6.2 | 6.2 | 6.2 | 6.2 |
| Diluted | 6.2 | 6.2 | 6.2 | 6.2 |

| Statement of Financial Position Data | As at | | As at | |
|--|--------------|--------------|--------------|-----------|
| | June 30, | | December 31, | |
| <i>\$US Millions</i> <i>(unaudited)</i> | 2025 | 2024 | \$ Change | % Change |
| Cash, Cash Equivalents and Restricted Cash | 12.9 | 11.1 | 1.8 | 16% |
| Trade Accounts, Other Receivables and Unbilled Revenue | 15.9 | 16.9 | (1.0) | (6%) |
| Goodwill and Intangible Assets | 32.3 | 32.3 | 0.0 | 0% |
| Total Assets | 70.3 | 70.1 | 0.2 | 0% |
| Trade Payable and Accrued Liabilities | 15.5 | 16.2 | (0.7) | (4%) |
| Deferred Revenue | 5.4 | 2.8 | 2.6 | 96% |
| Other long-term liabilities | 1.5 | 1.9 | (0.4) | (23%) |
| Debentures | 108.5 | 102.7 | 5.8 | 6% |
| Total Liabilities | 133.9 | 126.9 | 7.0 | 6% |
| Shareholders' Deficit | (63.6) | (56.7) | (6.9) | 12% |

CURRENT PERIOD OPERATING RESULTS

Revenue

The following tables set forth the Company's revenues by type and as a percentage of total revenue for the periods indicated:

| \$US Millions (unaudited) | Three Months Ended | | Six Months Ended | | Change | |
|-----------------------------------|--------------------|-------------|------------------|-------------|--------------|--------------|
| | June 30, | | June 30, | | Quarter | YTD |
| | 2025 | 2024 | 2025 | 2024 | \$ | \$ |
| Support and Subscription | 6.4 | 7.4 | 13.9 | 14.8 | (1.0) | (0.9) |
| Software and Services | 3.8 | 3.9 | 7.6 | 7.9 | (0.1) | (0.3) |
| Third Party Software and Hardware | 0.1 | 0.1 | 0.3 | 0.4 | 0.0 | (0.1) |
| Total | 10.3 | 11.4 | 21.8 | 23.1 | (1.1) | (1.3) |

| Percentage of Total Revenue (unaudited) | Three Months Ended | | Six Months Ended | |
|--|--------------------|-------------|------------------|-------------|
| | June 30, | | June 30, | |
| | 2025 | 2024 | 2025 | 2024 |
| Support and Subscription | 62% | 65% | 64% | 64% |
| Software and Services | 37% | 34% | 35% | 34% |
| Third Party Software and Hardware | 1% | 1% | 1% | 2% |
| Total | 100% | 100% | 100% | 100% |

The Company recognizes revenue from the sale of software licenses, including initial perpetual licenses, term licenses, capacity increases and/or upgrades, professional services, third-party hardware and software components and customer support contracts.

Support and Subscription Revenue

Support and subscription revenue consists of revenue from our customer support and maintenance contracts and term-based software licensing. The term of these agreements typically commences on successful completion of acceptance testing of the software deployment, with customers initially entering into these contracts for a period of one or more years and then renewing for similar periods thereafter.

Support and subscription revenue for the three-month period ended June 30, 2025, was \$6.4 million, or 62% of total revenue, compared to \$7.4 million, or 65% of total revenue, for the same period last year. For the six-months ended June 30, 2025, the Company's support and subscription decreased to \$13.9 million, or 64% of total revenue, compared to \$14.8 million or 64% of total revenue for the same period last year. The decrease in support and subscription revenue compared to last year is due to the earlier than expected discontinuation of support by migrating customers mainly in the EMEA region.

Software and Services Revenue

Software and services revenue consists of fees earned from the on-premise licensing, except for term-based licenses, which are recorded as subscription, and deployment of software products to our customers as well as the revenues resulting from consulting and training service contracts related to the software products.

Software and services revenue for the three-month period ended June 30, 2025, decreased to \$3.8 million, or 37% of total revenue, compared to \$3.9 million, or 34% of total revenue for the same period last year. For the six-month period ended June 30, 2025, the Company's software and services revenue was \$7.6 million, or 35% of total revenue, compared to \$7.9 million, or 34% of total revenue for the same period last year. The decrease in the period mainly relates to fewer software implementations mainly in the APAC region, slightly offset by higher software implementations in the EMEA region.

Third-Party Software and Hardware Revenue

Third-party software and hardware revenue consist of revenue from the sale of other vendors' software and hardware components as part of Optiva's solutions, including server platforms, database software and other ancillary components.

Third-party software and hardware revenue for the three-month period ended June 30, 2025 was \$0.1 million compared to \$0.1 million for the same period last year. For the six-month period ended June 30, 2025, the Company's third party software and hardware revenue was \$0.3 million, compared to \$0.4 million, for the same period last year. Management continues its initiative to minimize the sale of third-party software and hardware components, which have minimal contribution to overall profitability.

Revenue by Geography

Revenue is attributed to geographic locations based on the location of the customer. The following tables set forth revenues by main geographic area and as a percentage of total revenue for the periods indicated:

| \$US Millions (unaudited) | Three Months Ended June 30, | | Six Months Ended June 30, | | Change between Periods | |
|--|--------------------------------|-------------|------------------------------|-------------|------------------------|--------------|
| | 2025 | 2024 | 2025 | 2024 | Quarter \$ | YTD \$ |
| Asia and Pacific Rim | 1.3 | 1.9 | 2.8 | 3.5 | (0.6) | (0.7) |
| North America, Latin America and Caribbean | 4.2 | 4.3 | 8.3 | 8.4 | (0.1) | (0.1) |
| Europe, Middle East and Africa | 4.8 | 5.2 | 10.7 | 11.1 | (0.4) | (0.4) |
| Total | 10.3 | 11.4 | 21.8 | 23.1 | (1.1) | (1.3) |

| Percentage of Total Revenue (unaudited) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|-------------|------------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| Asia and Pacific Rim | 12% | 16% | 13% | 15% |
| North America, Latin America and Caribbean | 41% | 38% | 38% | 37% |
| Europe, Middle East and Africa | 47% | 46% | 49% | 48% |
| Total | 100% | 100% | 100% | 100% |

For the three-month period ended June 30, 2025, revenue from the APAC region was \$1.3 million, or 12% of total revenue, compared to \$1.9 million, or 16% of total revenue, for the same comparable period. This decrease is mainly a result of discontinuation of support for certain customers and lower software and services revenue from software implementation. For the six-month period ended June 30, 2025, revenue from the APAC region was \$2.8 million, or 13% of total revenue, compared to \$3.5 million, or 15% of total revenue, for the same comparable period. This decrease is mainly a result of lower software and services revenue from software implementation.

For the three-month period ended June 30, 2025, revenue from the Americas region was \$4.2 million, or 41% of total revenue, compared to \$4.3 million, or 38% of total revenue, for the same comparable period. For the six-month period ended June 30, 2025, revenue from the Americas region was \$8.3 million, or 38% of total revenue, compared to \$8.4 million, or 37% of total revenue, for the same comparable period.

For the three-month period ended June 30, 2025, revenue from the EMEA region decreased to \$4.8 million, or 47% of total revenue, compared to \$5.2 million, or 46% of total revenue, for the same comparable period. For the six-month period ended June 30, 2025, revenue from the EMEA region decreased to \$10.7 million, or 49% of total revenue, compared to \$11.1 million, or 48% of total revenue, for the same comparable period. The decrease in revenue for the three and six months ended June 30, 2025, is mainly a result of lower support revenue due to the loss of certain customers partially offset by higher software and services revenue from new customers.

Cost of Revenue and Gross Margin

Cost of revenue consists of cross-functional personnel costs providing professional services to implement and provide post-sales technical support for our solutions, and the costs of third party hardware and software components sold as part of Optiva's solutions. In addition, cost of revenue includes an allocation of certain direct and indirect costs attributable to these activities. Personnel levels are determined based on expected revenue and support demand levels; therefore, gross margin as a percentage of revenue can vary significantly from quarter to quarter.

For the three months ended June 30, 2025, cost of revenue increased to \$5.2 million, compared to \$5.0 million incurred for the same period last year. The gross margin for the quarter decreased to 49% in the three months ended June 30, 2025, compared to 56% in the three months ended June 30, 2024. The increase in cost of revenue is primarily due to higher costs associated to the customizations ordered by the customers that required fulfilment. The decrease in gross margin is primarily attributable to lower revenue from high margin support and subscription revenue and higher amount of customizations with lower margins ordered by customers that required fulfillment, compared to the previous period. For the six months ended June 30, 2025, cost of revenue decreased to \$9.3 million from \$9.9 million incurred for the same comparable period. The gross margin is the same at 57% for the six months ended June 30, 2025 compared to 57% for the six months ended June 30, 2024. The decrease in cost of revenue is primarily due to overall lower costs associated to the lower implementation activity for existing customers, for the six month ended June 30, 2025.

Operating Expenses

Total operating expenses in the three months ended June 30, 2025, decreased to \$6.7 million as compared to \$8.8 million in the same period last year. Excluding depreciation and amortization costs and share-based compensation, total operating costs in the quarter ended June 30, 2025, decreased to \$6.7 million, or 66% of total revenue, compared to \$8.1 million, or 71% of total revenue, for the same period last year. The decrease in overall operating expenses (excluding depreciation and amortization costs and share-based compensation) is mainly attributable to lower sales and marketing costs, lower general and administrative costs and lower R&D cost, as further explained below.

Total operating expenses in the six months ended June 30, 2025, decreased to \$13.6 million as compared to \$18.6 million in the six months ended June 30, 2024. Excluding depreciation and amortization costs and share-based compensation, total operating costs in the six months ended June 30, 2025, decreased to \$13.7 million, or 63% of total revenue, compared to \$17.2 million, or 74% of total revenue, for the six months ended June 30, 2024. The decrease in overall operating expenses (excluding depreciation and amortization costs and share-based compensation) is mainly attributable to lower sales and marketing costs, lower general and administrative costs and lower R&D cost, as further explained below.

The following tables set forth total operating expenses by function and as a percentage of total revenue for the periods indicated:

| \$US Millions (unaudited) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| Sales and Marketing | 2.1 | 2.5 | 4.1 | 5.3 |
| General and Administrative | 1.9 | 2.6 | 3.5 | 5.6 |
| Research and Development | 2.7 | 3.7 | 6.0 | 7.7 |
| Total Operating Expenses | 6.7 | 8.8 | 13.6 | 18.6 |
| <i>Excluding Depreciation, amortization and share-based compensation</i> | <i>6.7</i> | <i>8.1</i> | <i>13.7</i> | <i>17.2</i> |

| Percentage of Total Revenue (unaudited) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| Sales and Marketing | 21% | 22% | 19% | 23% |
| General and Administrative | 18% | 23% | 16% | 24% |
| Research and Development | 27% | 32% | 27% | 33% |
| Total Operating Expenses | 66% | 77% | 62% | 81% |
| <i>Excluding Depreciation, amortization and share-based compensation</i> | <i>65%</i> | <i>71%</i> | <i>63%</i> | <i>74%</i> |

Sales and Marketing Expenses

Sales and Marketing (“S&M”) expenses consist primarily of salaries, variable compensation costs and other personnel costs, travel, advertising, marketing and conference costs, plus the allocation of certain overhead costs to support the Company’s sales and marketing activities.

For the three-month period ended June 30, 2025, S&M expenditures decreased to \$2.1 million, or 21% of total revenue, compared to \$2.5 million, or 22% of total revenue, compared to the same period last year. For the six months ended June 30, 2025, S&M expenditures decreased to \$4.1 million, or 19% of total revenue, compared to \$5.3 million, or 2% of total revenue, for the comparable period. The decrease in S&M expenditures is mainly due to lower headcount related costs and lower marketing costs.

General and Administrative Expenses

General and administrative (“G&A”) expenses include personnel costs, professional fees, depreciation and share-based compensation costs associated with the Company’s corporate leadership, compliance and support activities such as finance, human resources, information technology, legal and tax.

For the three-month period ended June 30, 2025, G&A expenditures decreased to \$1.9 million or 18% of total revenue, from \$2.6 million, or 23% of total revenue, compared to the same comparative period. Excluding the share-based compensation, amortization and depreciation, G&A expenses decreased to \$1.9 million or 18% of total revenue for the three months ended June 30, 2025 compared to \$2.1 million or 18% of total revenue in the same comparable period. The decrease was mainly due to decrease in

compensation related costs, lower accounting and tax fees related to ongoing tax audits offset by higher professional fees related to the special committee of the Board.

For the six months ended June 30, 2025, G&A expenditures decreased to \$3.5 million, or 16% of total revenue, from \$5.6 million, or 24% of total revenue, compared to the same comparative period. Excluding share-based compensation, amortization and depreciation, G&A expenses have decreased to \$3.7 million or 17% of total revenue for the six months ended June 30, 2025 compared to \$4.6 million or 20% of total revenue in the same comparable period. The decrease in G&A expenditures in the six months ended June 30, 2025 is mainly due to decrease in compensation related costs, lower bad debt expense and lower accounting and tax fee related to ongoing tax audits partially offset by higher professional fees related to the special committee of the Board.

Research and Development Expenses

R&D expenses consist primarily of personnel costs associated with product management, code optimization and the development and testing of new products and features. The Company has fully modernized its products to be cloud native, and continues to maintaining a technological leadership position with its product roadmap investments.

For the three-month period ended June 30, 2025, R&D expenditures decreased to \$2.7 million, or 27% of total revenue, from \$3.7 million, or 32% of total revenue, as compared to the same comparative period. For the six months ended June 30, 2025, R&D expenditures decreased to \$6.0 million, or 27% of total revenue, from \$7.7 million, or 33% of total revenue, as compared to the same comparative period. The decrease is primarily associated with decrease in headcount and related.

The Company's spend on R&D activities is discretionary in nature. Consequently, the R&D spend is generally expected to vary by quarter, and sometimes this variation can be significant.

Foreign Exchange Gain/Loss

We operate internationally and have foreign currency risks related to our revenue, operating expenses, monetary assets, monetary liabilities and cash denominated in currencies other than the U.S. Dollar, which is our functional currency. Consequently, movements in the foreign currencies in which we transact have and could significantly affect current and future net earnings. Currently, we do not use derivative instruments to hedge such currency risks.

The Company has monetary assets and liabilities in a number of currencies, the most significant of which are denominated in Euro and the Canadian Dollar. For the three months ended June 30, 2025, the Company had a foreign currency exchange gain of \$0.5 million, compared to exchange loss of \$0.1 million in the comparable period. For the six months ended June 30, 2025, the Company had a foreign currency exchange gain of \$0.6 million, compared to exchange loss of \$0.2 million in the comparable period.

A change in foreign exchange rates as at June 30, 2025, of 10% would result in a gain or loss of approximately \$0.3 million arising from the translation of the Company's foreign currency-denominated monetary assets and liabilities as at June 30, 2025. This foreign currency gain or loss arising from

translation would be recorded in the consolidated statements of comprehensive income in the period realized.

Income Taxes

The Company's operations are global, and the income tax provision is determined in each of the jurisdictions in which the Company conducts its business. The Company's current income tax expense for the three and six months ended June 30, 2025 mainly includes less than \$0.1 million and \$0.1 million (three and six months ended June 30, 2024 - \$0.1 million and \$0.2 million) of corporate tax expense incurred by foreign subsidiaries generating taxable profits and \$0.2 million and \$0.4 million (three and six months ended June 30, 2024 - \$0.3 million and \$0.5 million) of foreign withholding taxes. The Company's deferred tax expense of less than \$0.1 million for the three and six months ended June 30, 2025 (three and six months ended June 30, 2024 – tax recovery of less than \$0.1 million and \$0.1 million) consists primarily of changes in temporary differences recognized during the current period.

The income tax expense relating to foreign subsidiaries that are virtually inactive may vary in future quarters as tax audits for previous years are brought to their conclusion, and there is a risk that such assessments may exceed the provision that the Company is carrying, resulting in additional income tax charges.

Net income (loss)

Net loss for the three months ended June 30, 2025 was \$4.4 million, compared to a net loss of \$5.6 million in the same period in 2024. Net loss for the six months ended June 30, 2025 was \$6.8 million, compared to a net loss of \$11.6 million for the six months ended June 30, 2024. The net loss for quarter was lower mainly due to the lower operating expenses as discussed above.

Adjusted EBITDA

Adjusted EBITDA² loss for three months ended June 30, 2025 amounted to \$1.6 million as compared to Adjusted EBITDA loss of \$1.7 million during the same period in 2024. Adjusted EBITDA loss for the six months ended June 30, 2025, amounted to \$1.2 million as compared to Adjusted EBITDA loss of \$4.0 million for six months ended June 30, 2024. The lower Adjusted EBITDA is mainly due to lower operating costs as discussed above.

² Adjusted EBITDA is a non-IFRS measure. For definitions and reconciliations of non-IFRS measures to their most directly comparable IFRS measures, see Schedule I.

SUMMARY OF EARNINGS RESULTS

All financial results are in thousands, unless otherwise stated, with the exception of per share amounts, and have been prepared in accordance with IFRS. The table below provides summarized information for our eight most recently completed quarters:

| \$US Millions, except share and per share amounts (Unaudited) | 2Q 25 | 1Q 25 | 4Q 24 | 3Q 24 | 2Q 24 | 1Q 24 | 4Q 23 | 3Q 23 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|
| Revenue | 10.3 | 11.6 | 12.0 | 12.0 | 11.4 | 11.7 | 12.0 | 11.7 |
| Net Income (loss) | (4.4) | (2.3) | (4.7) | (3.4) | (5.6) | (6.0) | (4.0) | (4.2) |
| Earnings (loss) per Share | \$(0.71) | \$(0.38) | \$(0.76) | \$(0.54) | \$(0.90) | \$(0.98) | \$(0.65) | \$(0.68) |
| Diluted Earnings (loss) per Share | \$(0.71) | \$(0.38) | \$(0.76) | \$(0.54) | \$(0.90) | \$(0.98) | \$(0.65) | \$(0.68) |
| Weighted average shares outstanding – Basic (thousands) | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 |
| Weighted average shares outstanding – Diluted (thousands) | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 |

Revenue in the three months ended June 30, 2025 decreased from the prior quarter mainly due to decrease in support and subscription revenue due to loss of certain customers. Revenue in the three months ended March 31, 2025 decreased from the prior quarter mainly due to lower support and subscription revenue. Revenue in the three months ended December 31, 2024 remained the same compared to the quarter ended September 30, 2024. Revenue in the three months ended September 30, 2024 increased from the previous quarter mainly due to increase in support and subscription revenue. Revenue in three months ended June 30, 2024 and March 31, 2024 decreased from the previous quarter due to decrease in Software and Services revenue. Revenue in the quarter ended December 31, 2023 increased from the previous quarter due to higher Software and Services revenue. The net loss for the three months ended June 30, 2025 was higher than the previous quarter mainly due to lower revenue and higher costs of goods sold. The net loss for the three months ended March 31, 2025 was lower than the previous quarter due to the lower operating expenses incurred in the quarter. The net loss for the three months ended December 31, 2024 was higher compared to last quarter due to higher operating costs. The net loss for the three months ended September 30, 2024 was lower than the previous quarter due to higher revenue and lower operating costs. The net loss for the quarter ended June 30, 2024 was marginally lower than the previous quarter as a result of lower operating costs offset by lower revenue. The net loss for the quarter ended March 31, 2024 was higher than the previous quarter mainly as a result of higher operating costs and a foreign exchange loss. The net loss for the quarter ended December 31, 2023 was lower than the previous quarter as a result of foreign exchange gains, a recovery of income taxes partially offset by a provision of \$1.1 million with respect to unbilled revenue.

LIQUIDITY AND CAPITAL RESOURCES

The Company's objective in managing capital resources is to ensure sufficient liquidity to drive its organic growth, fund operations and implement its strategic plan, while managing financial risk. The Company currently funds its operations and capital expenditure requirements through its cash and cash

flows generated by operating activities, proceeds from the issuance of equity instruments (including common shares, warrants and preferred shares), proceeds from the issuance of debentures and cash on hand.

The Company's outstanding debentures are due in July 2025 are classified as current liability as at June 30, 2025. The Company's board of directors has formed a special committee of independent directors that are actively engaged with strategic third parties, including key holders of the Secured Notes, for purposes of evaluating strategic alternatives, including a potential transaction, to optimize outcomes for the business, our people, and our customers. Subsequent to the quarter, on July 18, the Company entered into a support agreement (the "Support Agreement") with the holders of approximately 85% of the outstanding principal amount of the Debentures. The Support Agreement provides the Company with a 45-day grace period (the "Grace Period") to allow the Special Committee to conclude negotiations with the Debenture holders and prospective merger counterparties regarding a potential transaction. During the Grace Period, Debenture holders who are parties to the Support Agreement have agreed to forbear from exercising any of their rights or remedies in connection with any payment default occurring from the scheduled maturity of the Debentures on July 20, 2025. This Grace Period may be extended at the election of the Debenture holders. The Company's ability to continue its operations is dependent upon its ability to refinance the debentures or implement other financial alternatives including other sources of financing through debt or equity, however there is no assurance that this will be successful.

| Key Balance Sheet Amounts and Liquidity Ratios | As at June 30, | As at December 31, | | |
|---|---------------------------|-------------------------------|------------------|-----------------|
| <i>\$US Millions, except ratios and metrics (unaudited)</i> | 2025 | 2024 | \$ Change | % Change |
| Cash, Cash Equivalents and Restricted Cash | 12.9 | 11.1 | 1.8 | 16% |
| Trade Accounts Receivable | 4.2 | 6.3 | (2.1) | (33%) |
| Operating Working capital | (113.3) | (105.0) | (8.3) | 8% |
| Days sales outstanding in trade accounts receivable (days) | 44.0 | 49.3 | (5.3) | (11%) |
| Days sales outstanding in unbilled revenue (days) | 85.6 | 96.0 | (10.4) | (11%) |

The Company uses operating working capital³, days sales outstanding ("DSO") in trade accounts receivable and DSO in unbilled revenue as measures to enhance comparisons between periods. Management believes these DSO measures to be important indicators of the Company's ability to convert trade receivables and unbilled revenue into cash. A lower DSO indicates a more efficient cash collection process and delivery and customer acceptance process. These terms do not have a standardized meaning under IFRS and are unlikely to be comparable to similarly titled measures reported by other issuers. The calculation of each of these items is more fully described below.

DSO - The Company has calculated DSO based on annualized revenue and the average of the beginning and ending accounts receivable balance for the three-month period being reported.

³ Operating working capital is a non-IFRS measure. For definitions and reconciliations of non-IFRS measures to their most directly comparable IFRS measures, see Schedule I.

DSO in unbilled revenue - The Company has calculated DSO in unbilled revenue based on annualized revenue and the average of the beginning and ending unbilled revenue balance for the three-month period being reported.

Cash and restricted cash decreased by \$1.8 million to \$12.9 million at June 30, 2025, compared to December 31, 2024. This was mainly as a result of use of working capital and paying some tax liabilities as a results of past tax audits that were previously accrued for.

Operating working capital³ represents the Company's current assets less its current liabilities, excluding cash and cash equivalents. The Company's operating working capital deficit increased by \$8.3 million to a deficit of \$113.3 million at June 30, 2025, from a deficit of \$105.0 million at December 31, 2024. The operating working capital deficit was mainly due to classification of the debentures as a current liability. The Debentures in the amount of \$108.6 million as at June 30, 2025, have a maturity date of July 20, 2025. Subsequent to the quarter, on July 18, the Company has entered into a Support Agreement with approximately 85% of the outstanding principal amount of the Debenture holders. The Support Agreement provides a 45-day Grace Period to allow Optiva's special committee of independent directors to conclude negotiations with the Debenture holders and prospective merger counterparties regarding a potential transaction.

On January 20, 2025, the Company decided to make a PIK Election with respect to the interest obligation and as a result issued additional Debentures to the existing holders in the amount of \$5.1 million, instead of paying cash. Please see further discussion in the "Risks and Uncertainties" section below. Excluding the debentures, the operating working capital deficit has decreased by \$2.5 million mainly due to a decrease in accounts receivable accrued liabilities and an increase in deferred revenue partially offset by higher unbilled revenue.

The table below outlines a summary of cash inflows (outflows) by activity.

| Statement of Cash Flows Summary (\$ US Millions) (Unaudited) | Three months ended | | Six Months Ended | |
|--|--------------------|-------|------------------|-------|
| | June 30, | | June 30, | |
| | 2025 | 2024 | 2025 | 2024 |
| Cash inflows and (outflows) by activity: | | | | |
| Operating activities | 4.9 | 5.2 | 1.9 | 1.8 |
| Investing activities | (0.0) | (0.2) | (0.7) | (0.4) |
| Financing activities | - | - | - | (5.1) |
| Effect of FX changes on cash and cash equivalents | (0.0) | 0.1 | 0.0 | 0.4 |
| Net cash inflows (outflows) | 4.9 | 5.1 | 1.2 | (3.3) |
| Cash and cash equivalents, beginning of period | 6.5 | 11.2 | 10.2 | 19.6 |
| Cash and cash equivalents, end of period | 11.4 | 16.3 | 11.4 | 16.3 |
| Cash (including Restricted Cash), end of period | 12.9 | 17.1 | 12.9 | 17.1 |

Cash From (Used for) Operating Activities

Net cash generated by operating activities was \$4.9 million in the three months ended June 30, 2025, compared to cash generated of \$5.2 million in the same period last year. Cash generated in operating activities in the three months ended June 30, 2025, mainly relates to cash generated from working capital,

reimbursement from pension assets and tax refunds received. For the quarter ended June 30, 2024, net cash generated from operating activities mainly related to cash generated from working capital and tax refunds received.

Net cash generated by operating activities was \$1.9 million in the six months ended June 30, 2025, compared to cash generated of \$1.8 million in the same period last year. Cash generated by operating activities in the six months ended June 30, 2025, mainly relates to cash generated from working capital and reimbursement of from pension assets offset by taxes paid. Cash generated from operating activities in the six months ended June 30, 2024, mainly relates to cash generated from working capital and tax refunds received.

Cash From (Used for) Investing Activities

In the three months ended June 30, 2025, there were no investing activities, compared to cash used of \$0.2 million during the same period in fiscal 2024. In the six months ended June 30, 2025, there was \$0.7 million of cash used in investing activities, compared to cash used of \$0.4 million during the same period in fiscal 2024. The use of cash in six months ended June 30, 2024 mainly relates to increase in restricted cash. The use of cash in the previous year was mainly due to purchase of computer equipment.

Cash From (Used for) Financing Activities

The cash used in financing activities in the three months ended June 30, 2025 was nil compared to cash used in financing activities of nil in the same period last year. The cash used in financing activities in the six months ended June 30, 2025 was nil compared to cash used in financing activities of \$5.1 million in the same period last year. In the six month period ending June 30, 2025, the Company decided to make a PIK Election with respect to the interest obligation and as a result issued additional Debentures to the existing holders in the amount of \$5.1 million, instead of paying cash. The cash used in financing activities in the six months ended June 30, 2024 was due to payment of interest on debentures.

MANAGEMENT OF CAPITAL

The Company's objective in managing capital is to ensure sufficient liquidity to organically grow revenue, increase cash flow and create shareholder value by delivering innovative and market-leading products, while managing financial risk. The Company's primary uses of capital are financing its operations and increases in working capital. The Company currently funds these requirements from cash flows from operations and cash raised through past debt issuance.

OUTSTANDING SHARE DATA

The number of common shares outstanding as at August 13, 2025, is 6,226,043 (December 31, 2024 – 6,212,992). In addition, at June 30, 2025, there were 100,000 (December 31, 2024 – 130,000) stock options outstanding with exercise price of CAD \$32.45.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING (“ICFR”)

Disclosure controls and procedures within the Company have been designed to provide reasonable assurance that all relevant information is identified and passed to its Disclosure Committee to ensure appropriate and timely decisions are made regarding public disclosure.

Internal controls over financial reporting have been designed by management, with the participation of the Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), to provide reasonable assurance regarding the reliability of the Company’s financial reporting and its preparation of financial statements for external purposes in accordance with IFRS. The control framework used to design the Company’s internal control over financial reporting is the “Internal Control – Integrated Framework (2013)” published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

There have been no changes to the Company’s internal controls over financial reporting during the three and six months ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

PATENT PORTFOLIO

As part of Optiva’s commitment to R&D to maintain its position as a key industry innovator in the real-time BSS software space, the Company currently has a portfolio with over 40 patents. To date, Optiva has not initiated any action with respect to assertions and/or claims of patent infringement.

RISKS AND UNCERTAINTIES

Going Concern

For the six months ended June 30, 2025, the Company had a net loss of \$6.8 million (six months ended June 30, 2024 – net loss of \$11.6 million). The Company also had a working capital deficit (current assets less current liabilities) of \$101.9 million as at June 30, 2025 (December 31, 2024 – working capital deficit of \$94.8 million), reflecting inclusion of the 9.75% secured PIK toggle debentures due July 20, 2025 (the “Debentures”) as a current liability. The Debentures in the amount of \$108.6 million as of June 30, 2025, had a maturity date of July 20, 2025.

Based on the cash balance of \$11.4 million as of June 30, 2025 and cash flows from operations to the Debentures maturity date on July 20, 2025, the Company had insufficient cash to meet its obligations upon maturity of the Debentures in July 2025. The Company’s board of directors has formed a special committee of independent directors that are actively engaged with strategic third parties, including key holders of the Secured Notes, for purposes of evaluating strategic alternatives, including a proposed transactions, to optimize outcomes for the business, our people, and our customers. Subsequent to the quarter, on July 18, the Company entered into a Support Agreement with the holders of approximately 85% of the outstanding principal amount of the Debentures. The Support Agreement provides the Company with a 45-day Grace Period to allow the Special Committee to conclude negotiations with the Debenture holders and prospective merger counterparties regarding a potential transaction. During the Grace Period, Debenture holders who are parties to the Support Agreement have agreed to forbear from

exercising any of their rights or remedies in connection with any payment default occurring on the scheduled maturity of the Debentures on July 20, 2025. This Grace Period may be extended at the election of the Debenture holders. The Company's ability to continue its operations is dependent upon its ability to refinance the debentures or implement other financial alternatives including other sources of financing through debt or equity, however there is no assurance that this will be successful. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The condensed interim consolidated statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. The financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate, and these adjustments could be material.

In addition to above, a complete description of the risks and uncertainties affecting the Company is included in the most recently filed Annual Information Form. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business and operations and cause the price of the common shares to decline. If any of the noted risks actually occur, our business may be harmed and the financial condition and results of operation may suffer significantly. In that event, the trading price of the common shares could decline, and shareholders may lose all or part of their investment.

ADDITIONAL INFORMATION

Additional information, including the quarterly and annual consolidated financial statements, annual information form, management proxy circular and other disclosure documents may be examined by accessing the SEDAR website at www.sedarplus.com.

SCHEDULE I

NON-IFRS MEASURES

"EBITDA" and "Adjusted EBITDA" are not financial measures calculated and presented in accordance with International Financial Reporting Standards (IFRS) and should not be considered in isolation or as a substitute to net income (loss), operating income or any other financial measures of performance calculated and presented in accordance with IFRS, or as an alternative to cash flow from operating activities as a measure of liquidity. The Company defines EBITDA as net income (loss) excluding amounts for depreciation and amortization, other income, finance costs, finance income, income tax expense (recovery), foreign exchange gain (loss) and share-based compensation. The Company defines "Adjusted EBITDA" as EBITDA (as defined above), excluding restructuring costs, provision amounts and other one-time unusual items. The Company believes that Adjusted EBITDA is a metric that investors may find useful in understanding the Company's financial position. The following table provides a reconciliation of Net Income to EBITDA and Adjusted EBITDA (\$US millions).

| | Three months ended, June 30, | | Six months ended, June 30, | |
|------------------------------------|------------------------------|----------|----------------------------|-----------|
| | 2025 | 2024 | 2025 | 2024 |
| Net loss for the period | \$ (4.4) | \$ (5.6) | \$ (6.8) | \$ (11.6) |
| Add back / (subtract): | | | | |
| Depreciation of computer equipment | 0.1 | 0.2 | 0.2 | 0.3 |
| Finance income | (0.1) | (0.1) | (0.2) | (0.3) |
| Finance costs | 3.0 | 2.8 | 5.9 | 5.7 |
| Income tax expense (recovery) | 0.3 | 0.3 | 0.5 | 0.6 |
| Foreign exchange loss (gain) | (0.5) | 0.1 | (0.6) | 0.2 |
| Share-based compensation | - | 0.6 | (0.3) | 1.1 |
| EBITDA and Adjusted EBITDA | \$ (1.6) | \$ (1.7) | \$ (1.2) | \$ (4.0) |

"Operating working capital" is a Non-IFRS measure. The Company defines operating working capital as the Company's current assets less its current liabilities, excluding cash and cash equivalents. The following table provides the calculation for the operating working capital.

| | June 30, 2025 | December 31, 2024 |
|---------------------------------|------------------|----------------------|
| Total current assets | \$ 30.4 | \$ 30.1 |
| Less: Total current liabilities | (132.3) | (124.9) |
| Less: Cash and cash equivalents | (11.4) | (10.2) |
| Operating Working Capital | \$ (113.3) | \$ (105.0) |