

Condensed Consolidated Interim Financial Statements
(Expressed in U.S. dollars)

OPTIVA INC.

As at and for the three and six months ended June 30, 2025 and 2024
(Unaudited)

OPTIVA INC.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of U.S. dollars)
(Unaudited)

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,446	\$ 10,217
Trade accounts and other receivables (note 3)	5,111	7,229
Unbilled revenue	10,467	9,292
Prepaid expenses	1,809	1,994
Income taxes receivable	355	346
Other assets	1,189	1,034
Total current assets	30,377	30,112
Restricted cash	1,438	843
Computer equipment	431	571
Deferred income taxes	425	475
Other Assets	3,111	2,712
Long-term unbilled revenue	345	384
Pension and other long-term employment benefit plans	1,906	2,773
Goodwill	32,271	32,271
Total assets	\$ 70,304	\$ 70,141
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities:		
Trade payables	\$ 1,805	\$ 1,940
Accrued liabilities	13,704	14,229
Income taxes payable	3,030	3,367
Deferred revenue	5,246	2,688
Debentures (note 5)	108,492	102,701
Total current liabilities	132,277	124,925
Deferred revenue	136	64
Other liabilities	1,376	1,768
Deferred income taxes	85	126
Total liabilities	133,874	126,883
Shareholders' equity (deficit):		
Share capital	270,760	270,746
Contributed surplus	15,221	15,309
Deficit	(355,316)	(348,562)
Accumulated other comprehensive income (loss)	5,765	5,765
Total shareholders' equity (deficit)	(63,570)	(56,742)
Total liabilities and shareholders' equity (deficit)	\$ 70,304	\$ 70,141

Going concern (note 1(b))
Subsequent event (notes 1(b) and 5)
Guarantees and contingent liabilities (note 9)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

OPTIVA INC.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
(Expressed in thousands U.S. dollars, except per share and share amounts)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue (note 8):				
Support and subscription	\$ 6,415	\$ 7,432	\$ 13,915	\$ 14,762
Software licenses, services and other	3,837	3,961	7,929	8,335
	10,252	11,393	21,844	23,097
Cost of revenue	5,209	5,028	9,336	9,916
Gross profit	5,043	6,365	12,508	13,181
Operating expenses:				
Sales and marketing	2,148	2,508	4,072	5,264
General and administrative	1,851	2,626	3,526	5,643
Research and development	2,741	3,690	6,012	7,728
	6,740	8,824	13,610	18,635
Loss from operations	(1,697)	(2,459)	(1,102)	(5,454)
Foreign exchange gain (loss)	500	(86)	585	(248)
Finance income	68	132	156	325
Finance costs (note 5)	(2,991)	(2,845)	(5,897)	(5,674)
Loss before income taxes	(4,120)	(5,258)	(6,258)	(11,051)
Income taxes (recovery) (note 6):				
Current	262	385	488	679
Deferred	33	(42)	8	(97)
	295	343	496	582
Total net loss and Comprehensive loss	\$ (4,415)	\$ (5,601)	\$ (6,754)	\$ (11,633)
Loss per common share (note 4(b)):				
Basic	\$ (0.71)	\$ (0.90)	\$ (1.09)	\$ (1.88)
Diluted	(0.71)	(0.90)	(1.09)	(1.88)
Weighted average number of common shares (thousands) (note 4(b)):				
Basic	6,222	6,212	6,218	6,196
Diluted	6,222	6,212	6,218	6,196

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

OPTIVA INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in thousands of U.S. dollars)

Six months ended June 30, 2025 and 2024
(Unaudited)

	Share capital		Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity (deficit)
	Number Outstanding (thousands) (note 4)	Amount				
Balance, December 31, 2024	6,213	\$ 270,746	\$ 15,309	\$ (348,562)	\$ 5,765	\$ (56,742)
Net loss for the period	—	—	—	(6,754)	—	(6,754)
Issue of share capital under Deferred Share Units	13	14	—	—	—	14
Share-based compensation (note 4(c)(i)&(ii))	—	—	(88)	—	—	(88)
Balance, June 30, 2025	6,226	\$ 270,760	\$ 15,221	\$ (355,316)	\$ 5,765	\$ (63,570)
Balance, December 31, 2023	6,180	\$ 270,610	\$ 15,117	\$ (328,885)	\$ 3,870	\$ (39,288)
Net loss for the period	—	—	—	(11,633)	—	(11,633)
Issue of share capital under Deferred Share Units	33	136	—	—	—	136
Share-based compensation (note 4(c)(i)&(ii))	—	—	100	—	—	100
Balance, June 30, 2024	6,213	\$ 270,746	\$ 15,217	\$ (340,518)	\$ 3,870	\$ (50,685)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

OPTIVA INC.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of U.S. dollars)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cash provided by (used in):				
Operating activities:				
Loss for the period	\$ (4,415)	\$ (5,601)	\$ (6,754)	\$ (11,633)
Adjustments for:				
Depreciation of computer equipment	75	153	188	332
Finance income	(68)	(132)	(156)	(325)
Finance costs	2,991	2,845	5,897	5,674
Pension	1,801	(777)	1,354	(864)
Income tax expense (note 6)	295	343	496	582
Unrealized foreign exchange gain	(264)	(60)	(429)	(374)
Share-based compensation (note 4(c))	(21)	593	(270)	1,100
Change in non-cash operating working capital (note 7)	3,457	5,651	2,483	5,351
	3,851	3,015	2,809	(157)
Interest paid	(2)	(6)	(2)	(6)
Interest received	51	114	139	286
Income taxes received (paid)	1,031	2,090	(1,084)	1,654
	4,931	5,213	1,862	1,777
Financing activities:				
Payment of interest on debentures	—	—	—	(5,086)
	—	—	—	(5,086)
Investing activities:				
Purchase of computer equipment	(58)	(181)	(58)	(381)
Decrease (increase) in restricted cash	38	(1)	(594)	8
	(20)	(182)	(652)	(373)
Effect of foreign exchange rate changes on cash and cash equivalents	(12)	62	19	376
Increase (decrease) in cash and cash equivalents	4,899	5,093	1,229	(3,306)
Cash and cash equivalents, beginning of period	6,547	11,243	10,217	19,642
Cash and cash equivalents, end of period	\$ 11,446	\$ 16,336	\$ 11,446	\$ 16,336

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

OPTIVA INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)
(Expressed in thousand of U.S. dollars)

Three and six months ended June 30, 2025 and 2024
(Unaudited)

Reporting Entity

Optiva Inc. (the "Company" or "Optiva"), through its predecessors, commenced operations on March 29, 1999. The Company was incorporated under the Canada Business Corporations Act on November 1, 2006. The Company's registered head office is located at 100 King Street West, Suite 3400, Toronto, Ontario, Canada. The Company is publicly traded on the Toronto Stock Exchange under ticker symbol — TSX: OPT.

Optiva monetizes today's digital world for communications service providers. The Company's portfolio of monetization and subscriber management solutions includes real-time billing, charging, policy, and customer care modules and is available on premise, cloud-based, or as Software-as-a-Service ("SaaS"). With a central focus on driving customer success, Optiva's products power growth and innovation for operators globally. The Company's software products allow communication service providers to monetize various markets, including consumer, enterprise, wholesale, and the expanding SaaS and cloud ecosystems. Optiva's software supports the introduction of new revenue streams and innovative tariffs, payment solutions, data services, and advanced customer care and subscriber self-care functionality. Optiva is the parent of the wholly owned operating subsidiary, Optiva Canada Inc., and its various subsidiaries.

1. Basis of preparation and going concern:

(a) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and do not include all the information required for annual consolidated financial statements. These condensed consolidated interim financial statements for the three and six months ended June 30, 2025 were authorized for issuance by the Board of Directors of the Company on August 13, 2025.

OPTIVA INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)
(Expressed in thousand of U.S. dollars)

Three and six months ended June 30, 2025 and 2024
(Unaudited)

1. Basis of preparation and going concern (continued):

(b) Going concern:

These consolidated financial statements have been prepared using the going concern basis of preparation which assumes that the Company will realize its assets and settle its obligations in the normal course of business.

For the six months ended June 30, 2025, the Company had a net loss of \$6,754 (six months ended June 30, 2024 – net loss of \$11,633). The Company also had a working capital deficit (current assets less current liabilities) of \$101,900 as at June 30, 2025 (December 31, 2024 – working capital deficit of \$94,813), reflecting inclusion of the 9.75% secured PIK toggle debentures (the “Debentures”) as a current liability (note 5). The Debentures in the amount of \$108,575 as of June 30, 2025, had a scheduled maturity date of July 20, 2025.

Based on the cash balance of \$11,446 as of June 30, 2025 and cash flows from operations to the Debentures scheduled maturity date, the Company had insufficient cash to meet its obligations upon maturity of the Debentures. 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 transactions, to optimize outcomes for the business, our people, and our customers.

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. 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.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its

OPTIVA INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)
(Expressed in thousand of U.S. dollars)

Three and six months ended June 30, 2025 and 2024
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2. Basis of preparation and going concern (continued):

obligations in the normal course of business. These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate, and these adjustments could be material.

(c) Judgments and estimates:

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses, consistent with those disclosed in the 2024 annual consolidated financial statements and described in these condensed consolidated interim financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

2. Material accounting policies:

(a) Basis of measurement and presentation:

The notes presented in these condensed consolidated interim financial statements include, in general, only significant changes and transactions occurring since the Company's last year end and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the 2024 annual financial statements, including the notes thereto.

(b) Basis of consolidation:

The condensed consolidated interim financial statements include the financial statements of the Company, Optiva Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

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Notes to Condensed Consolidated Interim Financial Statements (continued)
(Expressed in thousand of U.S. dollars)

Three and six months ended June 30, 2025 and 2024
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2. Material accounting policies (continued):

(c) Functional currency:

The condensed consolidated interim financial statements are presented in thousands of U.S. dollars, which is the Company's functional currency, unless otherwise noted and per unit amounts.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities not denominated in the functional currency are translated at the period-end exchange rates. Foreign exchange gains and losses are recognized in the condensed consolidated interim statements of comprehensive income (loss).

3. Trade accounts and other receivables:

	June 30, 2025	December 31, 2024
Trade receivables, net of allowance for doubtful accounts	\$ 4,233	\$ 6,308
Other receivables (a)	878	921
	<u>\$ 5,111</u>	<u>\$ 7,229</u>

(a) At June 30, 2025 and December 31, 2024, the other receivables balance mainly includes amounts relating to indirect taxes receivable.

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Notes to Condensed Consolidated Interim Financial Statements (continued)
(Expressed in thousand of U.S. dollars)

Three and six months ended June 30, 2025 and 2024
(Unaudited)

4. Share Capital:

(a) Authorized:

Unlimited Preferred Shares, issuable in series
Unlimited Common Shares

(b) Loss per share:

A reconciliation of the number of common shares used for purposes of calculating basic and diluted loss per common share for the three and six months ended June 30, 2025 and 2024, is as follows (in thousands):

	Three months ended June 30, 2025 2024		Six months ended June 30, 2025 2024	
Basic weighted average number of common shares outstanding	6,222	6,212	6,218	6,196
Effect of dilutive securities	—	—	—	—
Diluted weighted average number of common shares outstanding	6,222	6,212	6,218	6,196

The total number of stock options that were excluded from the calculation for the three and six months ended June 30, 2025 was 100,000 (three and six months ended June 30, 2024 – 130,000), as their inclusion would be anti-dilutive.

(c) Share-based compensation:

The net share-based compensation expense relating to the Company's stock options, deferred share unit plan and share unit plan during the three and six months ended June 30, 2025 was a recovery of \$21 and recovery of \$270, respectively (three and six months ended June 30, 2024 – expense of \$593 and \$1,100, respectively).

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Notes to Condensed Consolidated Interim Financial Statements (continued)
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4. Share Capital (continued):

(i) Stock options:

The table below is a summary of the stock option plans for the six months ended June 30, 2025:

	CAD options	
	Number of stock options	Weighted average exercise price per share (CAD)
Outstanding, December 31, 2024	130,000	\$ 30.44
Granted	—	—
Forfeited	(30,000)	23.74
Outstanding, June 30, 2025	100,000	\$ 32.45

The share-based compensation expense relating to the vesting of granted stock options during the three and six months ended June 30, 2025 was an expense of nil and recovery of \$88, respectively (three and six months ended June 30, 2024 – expense of \$51 and \$100, respectively).

(ii) Share unit plan:

There were nil RSUs granted during the three and six months ended June 30, 2025 (three and six months ended June 30, 2024 – nil). The fair value of RSUs granted were established based on the fair value of the underlying stock on the grant date. The share-based compensation expense relating to the Company's share unit plan during the three and six months ended June 30, 2025 was nil and nil, respectively (three and six months ended June 30, 2024 – nil and nil).

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Notes to Condensed Consolidated Interim Financial Statements (continued)
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4. Share Capital (continued):

(iii) Deferred share unit plan:

The table below is a summary of the deferred share units ("DSU") for the six months ended June 30, 2025:

DSU	
Outstanding, December 31, 2024	263,058
Granted	30,374
Exercised	(32,954)
Outstanding, June 30, 2025	260,478

During the three and six months ended June 30, 2025, the Company recorded a compensation recovery of \$21 and \$182, respectively (three and six months ended June 30, 2024 – compensation expense of \$542 and \$1,000, respectively). During the six months ended June 30, 2025, there were 13,051 shares issued under the deferred share unit plan as a result of exercise of DSU's on resignation of a former director.

5. Debentures:

On July 20, 2020, the Company closed a \$90,000 financing (the "Debenture Financing") of 9.75% secured PIK toggle debentures due July 2025 (the "Debentures"). The Debentures are guaranteed by certain of the Company's subsidiaries and constitute senior secured obligations of the Company. The net proceeds from the Debenture Financing were used towards the redemption of all the Series A Preferred shares and accrued dividends. The Debenture Financing was completed on a private placement basis pursuant to certain prospectus exemptions.

On September 29, 2023, the Company issued an additional \$13,500 financing of 9.75% secured PIK toggle debentures due July 2025. The Debenture Financing was completed on a private placement basis pursuant to certain prospectus exemptions. Optiva is using the net proceeds from the financing for general working capital purposes.

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 \$5,075, instead of paying cash.

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Notes to Condensed Consolidated Interim Financial Statements (continued)
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5. Debentures (continued):

	June 30, 2025	December 31, 2024
Debenture financing, bearing interest at 9.75%, per annum, payable semi-annually, maturing July 20, 2025	\$ 108,575	\$ 103,500
Less unamortized deferred financing costs	(83)	(799)
Long-term portion of loans and borrowings	\$ 108,492	\$ 102,701

As at June 30, 2025, \$108,575 (December 31, 2024 - \$103,500) is outstanding and interest computed on a 365-day (or 366-day, as applicable) basis, payable semi-annually on July 20 and January 20 of each year commencing on January 20, 2021. The Company has incurred a total of \$4,709 of transaction costs to date and has recorded these costs as deferred financing costs that are being amortized over the expected five-year term of the Debentures. During the three and six months ended June 30, 2025, \$365 and \$716, respectively, of deferred financing fees was amortized (three and six months ended June 30, 2024 - \$331 and \$653, respectively).

For the three and six months ended June 30, 2025, interest expense of \$2,639 and \$5,222, respectively (three and six months ended June 30, 2024 - \$2,509 and \$5,018, respectively) was incurred in connection with the Debenture Financing has been recognized in the condensed consolidated interim statements of comprehensive income (loss).

On July 18, the Company has entered into a Support Agreement with the holders of approximately 85% of its 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.

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Notes to Condensed Consolidated Interim Financial Statements (continued)
(Expressed in thousand of U.S. dollars)

Three and six months ended June 30, 2025 and 2024
(Unaudited)

6. Income tax expense:

The Company's current income tax expense for the three and six months ended June 30, 2025 mainly includes \$42 and \$107 (three and six months ended June 30, 2024 - \$98 and \$210) of corporate tax expense incurred by foreign subsidiaries generating taxable profits and \$220 and \$381 (three and six months ended June 30, 2024 - \$287 and \$469) of foreign withholding taxes. The Company's deferred tax expense of \$33 and \$8 for the three and six months ended June 30, 2025 (three and six months ended June 30, 2024 – tax recovery of \$42 and \$97) consists primarily of changes in temporary differences recognized during the current period.

7. Change in non-cash operating working capital:

The change in non-cash working capital for the three and six months ended June 30, 2025 is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Trade accounts and other receivables	\$ 1,263	\$ 2,319	\$ 2,135	\$ 1,033
Unbilled revenue	(413)	1,847	(1,136)	2,196
Prepaid expenses	107	28	185	224
Other assets	(599)	(832)	(554)	(906)
Trade payables	122	380	(132)	(254)
Accrued liabilities and other liabilities	487	1,860	(895)	2,534
Income taxes receivable/payable	95	70	250	59
Deferred revenue	2,395	(21)	2,630	465
	\$ 3,457	\$ 5,651	\$ 2,483	\$ 5,351

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Notes to Condensed Consolidated Interim Financial Statements (continued)
(Expressed in thousand of U.S. dollars)

Three and six months ended June 30, 2025 and 2024
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8. Segment Reporting:

The Company has determined that it operates in a single reportable operating segment, the telecommunications software market. The single reportable operating segment derives its revenue from the sale of software products and related services and hardware.

Revenue is attributed to geographic locations, based on the location of the external customer. The Company's revenue by geographic area for the three and six months ended June 30 is as follows:

	Three months ended June 30,			Six months ended June 30,		
	2025	2024		2025	2024	
Europe, Middle East and Africa	\$ 4,792	\$ 5,223	\$	10,687	\$	11,123
North America, Latin America and Caribbean	4,212	4,311		8,361		8,437
Asia and Pacific Rim	1,248	1,859		2,796		3,537
	\$ 10,252	\$ 11,393	\$	21,844	\$	23,097

The Company's revenue by type for the three and six months ended June 30 is as follows:

	Three months ended June 30,			Six months ended June 30,		
	2025	2024		2025	2024	
Revenue by type:						
Support and subscription	\$ 6,415	\$ 7,432	\$	13,915	\$	14,762
Software and services	3,733	3,844		7,615		7,949
Third-party software and hardware	104	117		314		386
	\$ 10,252	\$ 11,393	\$	21,844	\$	23,097

OPTIVA INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)
(Expressed in thousand of U.S. dollars)

Three and six months ended June 30, 2025 and 2024
(Unaudited)

9. Guarantees and contingent liabilities:

From time to time, the Company has provided routine indemnifications to its customers against liability if the Company's products infringe on a third party's intellectual property rights. The maximum exposure from these indemnifications cannot be reasonably estimated. In some cases, the Company has recourse against other parties to mitigate its risk of loss from these guarantees.

In the normal course of operations, the Company is subject to claims from time to time, relating to labour, customers and other matters. The Company vigorously defends itself against such claims and reviews the probability of outcome that may result in an outflow of its cash or other resources as at each consolidated statement of financial position date. Where an outflow of resources is considered probable, a provision is recognized in the condensed consolidated interim statements of financial position as the best estimate of the probable costs that the Company will incur associated with the claim. Although it is not always possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse impact on the results of operations, financial position or liquidity of the Company.