

POLLARD BANKNOTE REPORTS
4TH QUARTER AND ANNUAL FINANCIAL RESULTS

WINNIPEG, Manitoba, March 10, 2026 /CNW/ - Pollard Banknote Limited (TSX: PBL) ("Pollard") today released its financial results for the three months and year ended December 31, 2025.

Full Year 2025 Results and Highlights

- Established a new record for revenue at \$596.0 million, up 7.0% from last year.
- Combined sales⁽¹⁾ in the year, including our share of NeoPollard Interactive LLC ("NPI") joint venture sales, attained \$725.0 million, up 8.9% from \$665.9 million in 2024.
- Net income was \$34.7 million, a decrease of \$0.5 million or 1.4% from \$35.2 million earned in 2024.
- Adjusted EBITDA⁽¹⁾ achieved a record annual amount of \$119.9 million, which was \$5.4 million or 4.7% higher than the previous year.
- Our joint venture iLottery operations, including our Michigan iLottery contract, generated very strong results in comparison to last year, contributing \$73.8 million in combined income before income taxes in 2025, 24.5% higher than the \$59.3 million earned in 2024.
- Successfully went live with our Catalyst™ iLottery solution with the Kansas Lottery, the first implementation of our new technology.
- The California Lottery, the largest seller of instant tickets in the United States, announced the award of their primary instant ticket contract to Pollard with a six-year contract and up to an additional six years of extensions.
- Loterie Nationale ("Belgium Lottery") awarded a twelve-year contract to Pollard to provide its gaming platform including a full omni-channel solution supporting both retail and iLottery.
- Continued to expand our product offerings with the acquisition of Pacific Gaming, LLC, a leading manufacturer of hand-held electronic bingo devices used in the charitable gaming market.

(1) See Non-GAAP measures for explanation

Fourth Quarter Results and Highlights

- Revenue reached \$150.8 million, up 7.5% from the fourth quarter of last year.
- Combined sales⁽¹⁾ in the quarter, including our share of our NPI's joint venture sales, reached \$185.0 million, up 10.0% from \$168.2 million earned in the same quarter last year.
- Net income was \$4.6 million, an increase of \$6.4 million from the net loss of \$1.8 million in 2024.
- Adjusted EBITDA⁽¹⁾ achieved \$27.7 million, up 9.9% from \$25.2 million in the fourth quarter of 2024.
- The Oklahoma Lottery Commission awarded Pollard a contract to provide a turnkey player loyalty solution and related digital services, effective November 24, 2025. The contract includes a one-year term with six one-year renewal options, with a total potential value of approximately U.S. \$10.0 million.

"2025 was a transformative year for Pollard Banknote marked by significant achievements across many of our business lines," remarked John Pollard, Co-Chief Executive Officer. "We achieved new records for both revenue and Adjusted EBITDA while generating strong operational cash flow. This enabled us to continue investing in key capital initiatives that support our long-term strategic objectives."

"Our Combined sales were \$725.0 million in 2025, 8.9% above prior-year results and reflecting substantial progress in expanding our revenue base. Despite temporary pressure on gross margins due to startup costs associated with launching a full standalone iLottery operation and certain regulatory changes in a large charitable eTab market, our Adjusted EBITDA nonetheless improved over 2024. We remain very confident that initiatives underway in our iLottery and eTab operations will help offset these impacts in 2026."

"During the year our first iLottery operation, powered by our Catalyst™ solution, went live with the Kansas Lottery in record time and has exceeded all operational expectations, including handling very smoothly a number of large jackpot runs experienced over the last four months of the year. This was followed by an award of a major contract from the Belgium Lottery to provide a complete suite of technologies including key components such as a central gaming system for draw-based games, management of eInstant games, player engagement technology, an instant ticket management system for warehousing and distribution, and a new iLottery platform. It is important to highlight that this is not just an iLottery system, but a full omni-channel solution that manages both traditional retail sales of Belgium's lottery products alongside their iLottery offerings. Both of these significant wins demonstrate that the market recognizes the value of our state-of-the-art Catalyst™ solution."

"Instant ticket margins improved during the year driven by the full impact of our repricing strategy enacted a few years ago, supplemented by greater sales of our higher-value proprietary products including our patented Scratch FX® process. The award to Pollard

for the contract for primary instant ticket supply by the California Lottery, one of the largest instant ticket sellers in the world, is a major achievement and creates the foundation for higher ticket volumes in 2026.”

“Our charitable gaming group continues to actively expand into opportunities in both print-based and electronic solutions,” stated Doug Pollard, Co-Chief Executive Officer. “The acquisitions of C.J. Venne and Pacific Gaming over the past two years expanded our product offerings and enhanced our ability to compete more broadly with key distributors. Our new ICON gaming kiosks have been extremely well received in the market and have been placed in a number of jurisdictions during 2025. We also continue to see considerable eTab interest to support charities and we are excited about these opportunities.”

“The importance of good game content is fundamental to the ongoing success of Pollard, whether on printed instant and pull-tab tickets, eInstants for iLottery operations, or eTabs. Our dedicated internal game studio, working alongside expanded game development resources across our company, has had significant success in developing distinctive and exceptional content across all platforms and will remain a continued focus in the future. We currently have launched 146 eInstant games across nine jurisdictions.”

“During 2025 we undertook a major project to implement a new ERP system across our core instant ticket and corporate operations to provide more timely and comprehensive information, and establish a foundation for future growth. The project remains on track and will continue through 2026.”

“Our NPi joint venture iLottery operations, including our Michigan iLottery contract, contributed a nearly record \$19.1 million in the fourth quarter compared to \$13.9 million for the fourth quarter of 2024. Higher revenue from eInstant and draw-based games was supported by two large jackpots awarded during the quarter including the second-largest jackpot ever with a U.S. dollar \$1.8 billion Powerball® win. The recent award of a two-year contract extension by the North Carolina Lottery to the joint venture, extending the contract through June 2028, is an important vote of confidence in the success of the business.”

“The environment surrounding protectionist trade measures including tariffs continues to be unpredictable. The overall structure of our businesses and processes has ensured no material impact on our organization and we expect this to continue. We will continue to monitor the ever-changing situation regarding tariffs and other protectionist trade measures, and their potential financial and operating impact on Pollard. The resilience of the lottery and charitable gaming industries in navigating economic uncertainty provides additional support for our future financial and operational results.”

“The fourth quarter generated solid earnings and revenue growth across a number of product lines, creating significant momentum going into 2026,” concluded John Pollard. “We are extremely proud of the accomplishments in the fourth quarter and throughout

2025. Our investments in modern solutions, advanced technology, specialized team resources and critical infrastructure have positioned Pollard to seize the opportunities in the lottery and charitable gaming markets. Multiple significant contract wins during the past twelve months confirm our strategy is the correct one to maintain Pollard as the partner of choice for lotteries and charities worldwide.”

Use of GAAP and Non-GAAP Financial Measures

The selected financial and operating information has been derived from, and should be read in conjunction with, the audited consolidated financial statements of Pollard as at and for the year ended December 31, 2025. These financial statements have been prepared in accordance with the IFRS Accounting Standards (“IFRS” or “GAAP”).

Reference to “EBITDA” is to earnings before interest, income taxes, depreciation, amortization and purchase accounting amortization. Reference to “Adjusted EBITDA” is to EBITDA before unrealized foreign exchange gains and losses, and certain non-recurring items including ERP implementation costs, severance costs, acquisition costs, contingent consideration fair value adjustments and net insurance proceeds. Adjusted EBITDA is an important metric used by many investors to compare issuers on the basis of the ability to generate cash from operations and management believes that, in addition to net income, Adjusted EBITDA is a useful supplementary measure.

Reference to “Combined sales” is to sales recognized under GAAP plus Pollard’s 50% proportionate share of NeoPollard Interactive LLC’s (“NPI”) sales, its iLottery joint venture operation. Reference to “Combined iLottery sales” is to sales recognized under GAAP for Pollard’s 50% proportionate share of its Michigan Lottery joint iLottery operation plus Pollard’s 50% proportionate share of NPI’s sales, its iLottery joint venture operation.

EBITDA, Adjusted EBITDA, Combined sales and Combined iLottery sales are measures not recognized under GAAP and do not have a standardized meaning prescribed by GAAP. Therefore, these measures may not be comparable to similar measures presented by other entities. Investors are cautioned that EBITDA, Adjusted EBITDA, Combined sales and Combined iLottery sales should not be construed as alternatives to net income or sales as determined in accordance with GAAP as an indicator of Pollard’s performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows.

Forward-Looking Statements

Certain statements in this report may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this document, such statements include such words as “may,” “will,” “expect,” “believe,” “plan” and other similar terminology. These statements reflect management’s current expectations regarding future events and operating performance and speak only as of the date of this document. There should not be an expectation that

such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

POLLARD BANKNOTE LIMITED

Pollard is one of the leading providers of products and solutions to lottery and charitable gaming industries throughout the world. Management believes Pollard is the largest provider of instant tickets based in Canada and the second largest producer of instant tickets in the world. In addition, management believes Pollard is also the second largest bingo paper and pull-tab supplier to the charitable gaming industry in North America and, through our internal proprietary iLottery solution and our 50% joint venture, one of the largest suppliers of iLottery solutions to the U.S. lottery market.

On October 16, 2025, Pollard was awarded a contract from the Belgium Lottery to deliver and operate its next-generation gaming platform, Catalyst™. As part of this 12-year agreement, valued at approximately \$289 million, Pollard will provide its Omnichannel Central Gaming System, Player Account Management, Player Engagement Technology, Game Aggregation Bridge, Instant Ticket Management System and its Integrated Marketing Engagement Platform.

On April 1, 2025, Pollard acquired 100% of the business of Pacific Gaming, LLC and LIF Capital Group, LLC (collectively "Pacific"), for a purchase price of \$10.0 million U.S. dollars (\$14.4 million) prior to standard working capital adjustments. Pacific is a recognized leader in bingo electronics, handhelds, blowers, point-of-sale systems and bingo management systems. The purchase price was funded by proceeds from Pollard's credit facility and cash on hand.

On July 31, 2024, Pollard acquired 100% of the equity of Clarence J. Venne, LLC ("Venne") for a purchase price of \$12.6 million U.S. dollars (\$17.4 million) prior to standard working capital adjustments. Venne is one of the leading manufacturers of bingo daubers utilized primarily in the charitable gaming bingo market. The purchase price was funded by proceeds from Pollard's credit facility and cash on hand.

HIGHLIGHTS	Three months ended <u>December 31, 2025</u>	Three months ended <u>December 31, 2024</u>
Revenue	\$ 150.8 million	\$ 140.3 million
Gross profit	\$ 22.4 million	\$ 22.4 million
<i>Gross profit % of revenue</i>	<i>14.9%</i>	<i>16.1%</i>
Administration expenses	\$ 20.2 million	\$ 16.1 million
Selling expenses	\$ 5.8 million	\$ 5.3 million
NPi equity investment income	(\$ 16.9 million)	(\$ 12.6 million)
Unrealized foreign exchange loss	\$ 0.6 million	\$ 4.2 million
Net income (loss)	\$ 4.6 million	(\$ 1.8 million)
Net income (loss) per share – basic	\$ 0.17	(\$ 0.07)
Net income (loss) per share – diluted	\$ 0.17	(\$ 0.06)
Adjusted EBITDA	\$ 27.7 million	\$ 25.2 million
	Year ended <u>December 31, 2025</u>	Year ended <u>December 31, 2024</u>
Revenue	\$ 596.0 million	\$ 557.1 million
Gross profit	\$ 99.8 million	\$ 104.7 million
<i>Gross profit % of revenue</i>	<i>16.7%</i>	<i>18.8%</i>
Administration expenses	\$ 74.3 million	\$ 65.0 million
Selling expenses	\$ 24.8 million	\$ 22.4 million
NPi equity investment income	(\$ 66.2 million)	(\$ 52.6 million)
Unrealized foreign exchange loss	\$ 3.9 million	\$ 6.7 million
Net income	\$ 34.7 million	\$ 35.2 million
Net income per share – basic	\$ 1.28	\$ 1.30
Net income per share – diluted	\$ 1.26	\$ 1.28
Adjusted EBITDA	\$ 119.9 million	\$ 114.5 million

Results of Operations – Year ended December 31, 2025
SELECTED FINANCIAL INFORMATION

(millions of dollars)

	Year ended December 31, 2025	Year ended December 31, 2024
Revenue	\$596.0	\$557.1
Cost of sales	496.2	452.4
Gross profit	99.8	104.7
Administration expenses	74.3	65.0
Selling expenses	24.8	22.4
Equity investment income	(66.2)	(52.6)
Other expenses	0.1	0.1
Income from operations	66.8	69.8
Foreign exchange loss	3.5	7.4
Interest expense	11.5	10.3
Income before income taxes	51.8	52.1
Income taxes:		
Current	19.4	37.0
Deferred reduction	(2.3)	(20.1)
Net income	\$34.7	\$35.2
Adjustments:		
Amortization and depreciation	49.2	44.3
Interest	11.5	10.3
Income taxes	17.1	16.9
EBITDA	\$112.5	\$106.7
Unrealized foreign exchange loss	3.9	6.7
Severance costs	0.3	1.3
Acquisition costs	0.1	0.3
ERP implementation costs	3.1	0.0
Contingent consideration fair value adjustment	0.0	(0.5)
Total Adjusted EBITDA	\$119.9	\$114.5
	December 31, 2025	December 31, 2024
Total Assets	\$695.9	\$636.3
Total Non-Current Liabilities	\$176.3	\$167.2

Results of Operations – Year ended December 31, 2025

During the year ended December 31, 2025 (“Fiscal 2025” or “2025”), Pollard achieved revenue of \$596.0 million, compared to \$557.1 million in the year ended December 31, 2024 (“Fiscal 2024” or “2024”). Factors impacting the \$38.9 million revenue increase were:

- The higher instant ticket average selling price in Fiscal 2025 increased revenue by \$23.0 million as compared to 2024, primarily due to increased proprietary product sales, the change in customer mix and the impact of repriced contracts. This increase was partially offset by the decrease in instant ticket sales volumes of \$17.1 million as compared to 2024, partly as a result of Pollard declining to produce certain lower margin work.
- Higher sales of ancillary lottery products and services increased revenue by \$3.9 million. This growth was primarily due to increased digital sales, including Pollard’s Kansas contract iLottery sales, and higher distribution related sales. Partially offsetting these increases in ancillary lottery sales was the decrease in sales of licensed products.
- Higher charitable gaming volumes increased revenue by \$16.1 million in Fiscal 2025 as compared to 2024. This is predominately as a result of the acquisition of Venne and Pacific. In addition, the higher average selling price of charitable printed games further increased revenue by \$2.3 million. These increases in revenue were partially offset by a decrease in charitable eGaming (“eTab or eTabs”) sales of \$5.2 million compared to 2024 primarily due to the impact from regulatory changes, starting January 1, 2025, in a certain jurisdiction.
- Lower Michigan iLottery sales in 2025 decreased revenue by \$0.7 million as compared to 2024.

During Fiscal 2025, Pollard generated approximately 70.0% (2024 – 70.7%) of its revenue in U.S. dollars including a portion of international sales which are priced in U.S. dollars. During Fiscal 2025, the actual U.S. dollar value was converted to Canadian dollars at an average rate of \$1.402, compared to an average rate of \$1.359 in Fiscal 2024. This 3.2% increase in the U.S. dollar value resulted in an approximate increase of \$12.8 million in revenue relative to Fiscal 2024. In addition, during 2025, the value of the Euro strengthened against the Canadian dollar resulting in an approximate increase of \$3.8 million in revenue relative to 2024.

Cost of sales was \$496.2 million in Fiscal 2025 compared to \$452.4 million in Fiscal 2024. The increase of \$43.8 million in cost of sales was primarily due to the additional costs associated with increased Pollard iLottery operations, including iLottery Kansas start-up related expenditures, and related amortization, and higher charitable gaming volumes, primarily a result of the addition of Venne and Pacific. In addition, higher exchange rates on U.S. dollar denominated expenses and increases in certain instant ticket manufacturing overhead costs further increased cost of sales when compared to 2024.

Gross profit decreased to \$99.8 million (16.7% of sales) in Fiscal 2025 compared to \$104.7 million (18.8% of sales) in Fiscal 2024. The decrease of \$4.9 million in gross profit and the decrease in gross profit percentage were primarily the result of:

- The launch of Pollard's first iLottery operation resulted in incremental overhead costs and negative gross profit in the start-up phase of running the Kansas iLottery operation.
- Higher amortization and depreciation expense, predominately related to increased amortization of intangible assets, including our Catalyst™ gaming platform, reduced gross profit.
- Lower eTab sales in 2025, as a result of regulatory changes in a certain jurisdiction, negatively impacted gross profit.
- The acquisitions of Venne and Pacific positively impacted gross profit.
- Higher average instant ticket selling price increased gross profit.

Administration expenses increased to \$74.3 million in Fiscal 2025 compared to \$65.0 million in Fiscal 2024. The increase of \$9.3 million was largely a result of ERP implementation costs of \$3.1 million incurred in 2025, as well as increased compensation and software licensing costs. Further increasing administration expenses as compared to 2024 were the addition of Venne and Pacific administration expenses.

Selling expenses increased to \$24.8 million in Fiscal 2025 compared to \$22.4 million in Fiscal 2024. The increase of \$2.4 million compared to 2024 was primarily due to the addition of Venne and Pacific selling expenses.

Pollard's share of income from NPi increased to \$66.2 million in Fiscal 2025 from \$52.6 million in Fiscal 2024. This \$13.6 million increase was primarily due to the continued strong eInstants sales growth in North Carolina and Virginia, partially offset by the expiry of a customer contract at the end of the second quarter.

Other expenses were \$0.1 million in Fiscal 2025 consistent with \$0.1 million in Fiscal 2024. The 2025 other expenses of \$0.1 million was comprised of severance related costs of \$0.3 million relating to a restructuring within one of our business units, largely offset by \$0.2 million of other income.

The 2024 other expenses of \$0.1 million was comprised of severance related costs of \$1.3 million related to downsizing a portion of our operational workforce as a result of the expiry of a lottery service contract in Europe, mostly offset by \$0.7 million of other income and the \$0.5 million contingent consideration fair value adjustment.

The net foreign exchange loss was \$3.5 million in Fiscal 2025 compared to a net foreign exchange loss of \$7.4 million in Fiscal 2024. The 2025 net foreign exchange loss of \$3.5 million resulted from a net unrealized foreign exchange loss of \$3.9 million, primarily a

result of the decreased Canadian equivalent value on U.S. dollar denominated net intercompany receivables and accounts receivable, partially offset by an unrealized gain of U.S. dollar denominated accounts payable and long-term debt. Partially offsetting the unrealized loss, Pollard incurred a realized foreign exchange gain of \$0.4 million which was primarily due to foreign currency denominated accounts receivable being converted into Canadian dollars at favorable foreign exchange rates.

The 2024 net foreign exchange loss of \$7.4 million resulted from a net unrealized foreign exchange loss of \$6.7 million, primarily due to the increased Canadian equivalent value of U.S. dollar denominated accounts payable and long-term debt due to the weakening of the Canadian dollar relative to the U.S. dollar, partially offset by the unrealized gain on U.S. dollar denominated accounts receivable. In addition, Pollard experienced a realized foreign exchange loss of \$0.7 million primarily due to foreign currency denominated accounts payable paid at unfavorable exchange rates, which was partially offset by a realized foreign exchange gain mainly due to foreign currency denominated accounts receivable being converted into Canadian dollars at favorable foreign exchange rates.

Adjusted EBITDA increased to \$119.9 million in Fiscal 2025 compared to \$114.5 million in Fiscal 2024. The primary reasons for the increase of \$5.4 million were the increase in equity investment income of \$13.6 million and the increase in realized foreign exchange gain of \$1.1 million. Partially offsetting these increases in Adjusted EBITDA were the increase in administration expenses (net of acquisition and ERP implementation costs) of \$6.4 million, the increase in selling expenses of \$2.4 million and the decrease in other income (net of severance related costs) of \$0.5 million.

Interest expense increased to \$11.5 million in Fiscal 2025 from \$10.3 million in Fiscal 2024, primarily as a result of the increase in the average long-term debt outstanding as compared to 2024 due to acquisitions and higher investment in non-cash working capital for the first nine months of 2025, partially offset by the impact of lower interest rates in 2025.

Amortization and depreciation totaled \$49.2 million during Fiscal 2025 which increased from \$44.3 million during Fiscal 2024. The increase of \$4.9 million was primarily the result of increased amortization of intangible assets, including our Catalyst™ gaming platform.

Income tax expense was \$17.1 million in Fiscal 2025, an effective rate of 33.1%, which was higher than our domestic rate of 27.0% due primarily to the effect of withholding and other taxes, other items and the effect of foreign exchange related non-deductible items partially offset by the effect of lower income tax rates in foreign jurisdictions.

Income tax expense was \$16.9 million in Fiscal 2024, an effective rate of 32.5%, which was higher than our domestic rate of 27.0% due primarily to the effect of withholding and other taxes partially offset by the effect of lower income tax rates in foreign jurisdictions.

Net income decreased to \$34.7 million in Fiscal 2025 compared to net income of \$35.2 million in Fiscal 2024. The main reasons for the decrease of \$0.5 million were the increase

in administration expenses of \$9.3 million, the decrease in gross profit of \$4.9 million, the increase in selling expenses of \$2.4 million, the increase in interest expense of \$1.2 million and the increase in income tax expense of \$0.2 million. Partially offsetting these decreases to net income were the increase in equity investment income of \$13.6 million and the decrease in net foreign exchange loss of \$3.9 million.

Net income per share (basic and diluted) decreased to \$1.28 and \$1.26 per share, respectively, in Fiscal 2025 from \$1.30 and \$1.28 per share, respectively, in Fiscal 2024.

Joint Venture iLottery

Pollard and NeoGames US, LLP, a subsidiary of Aristocrat Interactive S.a.r.l. ("NeoGames"), together provide iLottery services to certain North American lotteries. In 2013, Pollard was awarded an iLottery contract from the Michigan Lottery. As a result, Pollard entered into a contract with NeoGames to provide its technology in return for a 50% financial interest in the operation. Under IFRS, Pollard recognizes its 50% share in the Michigan Lottery contract in its consolidated statements of income in sales and cost of sales.

In 2014 Pollard, in conjunction with NeoGames, established NeoPollard Interactive LLC ("NPI") to provide iLottery services for certain joint customer contracts, excluding the Michigan Lottery iLottery contract. Under IFRS, Pollard accounts for its investment in its joint venture, NPI, as an equity investment. Under the equity method of accounting, Pollard recognizes its share of the income and expenses of NPI separately as equity investment income.

(millions of dollars)

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Sales – Pollard’s share									
Michigan iLottery	\$7.2	\$6.6	\$6.0	\$6.0	\$5.7	\$6.0	\$6.8	\$7.1	\$7.0
NPI	34.2	31.0	32.1	31.7	27.9	27.2	28.2	25.5	21.8
Combined iLottery sales	<u>\$41.4</u>	<u>\$37.6</u>	<u>\$38.1</u>	<u>\$37.7</u>	<u>\$33.6</u>	<u>\$33.2</u>	<u>\$35.0</u>	<u>\$32.6</u>	<u>\$28.8</u>
Income before income taxes – Pollard’s share									
Michigan iLottery	\$2.2	\$2.1	\$1.8	\$1.6	\$1.3	\$0.7	\$2.1	\$2.7	\$2.5
NPI	16.9	15.3	17.7	16.2	12.6	13.6	14.1	12.2	11.0
Combined income before income taxes – Pollard’s share	<u>\$19.1</u>	<u>\$17.4</u>	<u>\$19.5</u>	<u>\$17.8</u>	<u>\$13.9</u>	<u>\$14.3</u>	<u>\$16.2</u>	<u>\$14.9</u>	<u>\$13.5</u>

Throughout 2024 and 2025, NPI’s contracts achieved strong organic growth, adding to sales and income before taxes. Quarterly sales and income before taxes are positively impacted during quarters, including the fourth and third quarters of 2025, where

substantial draw-based game (Powerball® and Mega Millions®) jackpots are awarded. Beginning in the third quarter of 2024, income before income taxes from Michigan iLottery was negatively impacted by lower sales and further negatively impacted by certain one-time higher processing costs in the third quarter of 2024.

In the third quarter of 2025, NPi's sales and net income before income taxes were negatively impacted by the expiry of a customer contract at the start of the quarter. In addition, a net foreign exchange loss further reduced NPi's income in the quarter. In the second quarter of 2025, NPi's net income before income taxes was positively impacted by a net foreign exchange gain.

Results of Operations – Three months ended December 31, 2025
SELECTED FINANCIAL INFORMATION

(millions of dollars)	Three months ended December 31, 2025 (unaudited)	Three months ended December 31, 2024 (unaudited)
Revenue	\$150.8	\$140.3
Cost of sales	128.4	117.9
Gross profit	22.4	22.4
Administration expenses	20.2	16.1
Selling expenses	5.8	5.3
Equity investment income	(16.9)	(12.6)
Other (income) expenses	0.1	(0.5)
Income from operations	13.2	14.1
Foreign exchange loss	0.5	4.4
Interest expense	2.6	2.7
Income before income taxes	10.1	7.0
Income taxes:		
Current	8.6	14.6
Deferred reduction	(3.1)	(5.8)
	5.5	8.8
Net income (loss)	\$4.6	(\$1.8)
Adjustments:		
Amortization and depreciation	12.8	11.6
Interest	2.6	2.7
Income taxes	5.5	8.8
EBITDA	\$25.5	\$21.3
Unrealized foreign exchange loss	0.6	4.2
Severance costs	0.3	0.2
ERP implementation costs	1.3	0.0
Contingent consideration fair value adjustment	0.0	(0.5)
Adjusted EBITDA	\$27.7	\$25.2

Results of Operations – Three months ended December 31, 2025

During the three months ended December 31, 2025, Pollard achieved revenue of \$150.8 million, compared to \$140.3 million in the three months ended December 31, 2024. Factors impacting the \$10.5 million revenue increase were:

- The higher instant ticket average selling price in the fourth quarter of 2025 increased revenue by \$1.4 million as compared to 2024, primarily due to the increase in proprietary product sales and the change in customer mix. However, this increase to revenue was partially offset by the decrease in instant ticket sales volumes of \$0.5 million as compared to 2024.
- Higher sales of ancillary lottery products and services increased revenue by \$2.8 million. This growth was largely due to increased sales of licensed products, Pollard's Kansas contract iLottery sales and distribution services as compared to the fourth quarter of 2024. These increases were partially offset by lower sales of digital and loyalty products.
- Higher charitable gaming volumes increased revenue by \$2.1 million in the fourth quarter of 2025 predominately as a result of the acquisition of Pacific in the second quarter of 2025. Further increasing charitable gaming sales in 2025 was the higher average selling price of charitable printed games, which increased sales by \$0.1 million as compared to 2024. These increases in sales were partially offset by a decrease in charitable eGaming ("eTab or eTabs") revenue of \$1.2 million compared to 2024, primarily due to the impact from regulatory changes in a certain jurisdiction.
- Higher Michigan iLottery sales increased revenue in the fourth quarter of 2025 by \$1.3 million as compared to the fourth quarter of 2024. Sales of eInstants and draw-based games were positively impacted by two significant jackpots in the quarter.

During the three months ended December 31, 2025, Pollard generated approximately 71.7% (2024 – 70.1%) of its revenue in U.S. dollars including a portion of international sales which were priced in U.S. dollars. During the fourth quarter of 2025, the actual U.S. dollar value was converted to Canadian dollars at \$1.397, compared to a rate of \$1.362 during the fourth quarter of 2024. This 2.5% increase in the U.S. dollar value resulted in an approximate increase of \$2.7 million in revenue relative to 2024. In addition, during the fourth quarter of 2025, the value of the Euro strengthened against the Canadian dollar resulting in an approximate increase of \$1.8 million in revenue relative to 2024.

Cost of sales was \$128.4 million in the fourth quarter of 2025 compared to \$117.9 million in the fourth quarter of 2024. The increase of \$10.5 million was primarily due to higher charitable gaming volumes, primarily a result of the addition of Pacific, higher instant ticket costs due to product mix, additional costs associated with increased Pollard iLottery operations, including Kansas start-up related expenditures and related amortization, and

higher license product sales. In addition, higher exchange rates on U.S. dollar denominated expenses further increased cost of sales when compared to 2024.

Gross profit was \$22.4 million (14.9% of sales) in the fourth quarter of 2025 consistent with \$22.4 million (16.0% of sales) in the fourth quarter of 2024. The main factors impacting our gross profit in the fourth quarter of 2025 were:

- The February launch of Pollard's first iLottery operation resulted in incremental overhead costs and negative gross profit in the start-up phase of running the Kansas iLottery operation.
- Higher amortization and depreciation expense, predominately related to increased amortization of intangible assets, including our Catalyst™ gaming platform, reduced gross profit.
- Lower eTab sales in 2025, as a result of regulatory changes in a certain jurisdiction, negatively impacted gross profit.
- The acquisition of Pacific positively impacted gross profit.
- Higher average instant ticket selling price increased gross profit.

Administration expenses increased to \$20.2 million in the fourth quarter of 2025 compared to \$16.1 million in the fourth quarter of 2024. The increase of \$4.1 million was largely a result of higher compensation costs, ERP implementation costs of \$1.3 million and increased software licensing costs, as well as the addition of Pacific administration expenses.

Selling expenses increased to \$5.8 million in the fourth quarter of 2025 compared to \$5.3 million in the fourth quarter of 2024. This \$0.5 million increase was primarily due to higher compensation costs and the addition of Pacific selling expenses.

Pollard's share of income from NPi increased to \$16.9 million in the fourth quarter of 2025 from \$12.6 million in the fourth quarter of 2024. This \$4.3 million increase was primarily due to the continued strong eInstants sales growth in North Carolina and Virginia, and increased draw-based game sales due in part to two significant jackpots awarded in the quarter. These increases were partially offset by the expiry of a customer contract at the end of the second quarter of 2025.

Other expenses were \$0.1 million in the fourth quarter of 2025 compared to other income of \$0.5 million in the fourth quarter of 2024. The 2025 other expenses of \$0.1 million were comprised of severance related costs of \$0.3 million relating to a restructuring within one of our business units, mostly offset by \$0.2 million of other income.

The 2024 other income of \$0.5 million was comprised of \$0.5 million of contingent consideration fair value adjustment and \$0.2 million of other income, partially offset by

severance related costs of \$0.2 million related to downsizing a portion of our operational workforce as a result of the expiry of a lottery service contract in Europe.

The net foreign exchange loss was \$0.5 million in the fourth quarter of 2025 compared to a net foreign exchange loss of \$4.4 million in the fourth quarter of 2024. The 2025 net foreign exchange loss of \$0.5 million resulted from a net unrealized foreign exchange loss of \$0.6 million, primarily a result of the decreased Canadian equivalent value on U.S. dollar denominated net intercompany receivables and accounts receivable, partially offset by an unrealized gain of U.S. dollar denominated accounts payable and long-term debt. Partially offsetting the unrealized loss, Pollard experienced a realized foreign exchange gain of \$0.1 million, which was primarily due to foreign currency denominated accounts receivable being converted into Canadian dollars at unfavorable foreign exchange rates.

The 2024 net foreign exchange loss of \$4.4 million resulted from a net unrealized foreign exchange loss of \$4.2 million, primarily due to the increased Canadian equivalent value of U.S. dollar denominated accounts payable and long-term debt due to the weakening of the Canadian dollar relative to the U.S. dollar, partially offset by the unrealized gains on U.S. dollar denominated accounts receivable. In addition, Pollard experienced a realized foreign exchange loss of \$0.2 million, which was primarily due to foreign currency denominated accounts payable paid at unfavorable exchange rates, which was partially offset by a realized foreign exchange gain mainly due to foreign currency denominated accounts receivable being converted into Canadian dollars at favorable foreign exchange rates.

Adjusted EBITDA increased to \$27.7 million in the fourth quarter of 2025 compared to \$25.2 million in the fourth quarter of 2024. The primary reasons for the increase of \$2.5 million were the increase in equity investment income of \$4.3 million, increase in gross profit (net of amortization and depreciation) of \$1.2 million and the increase in realized foreign exchange gain of \$0.3 million. Partially offsetting these increases to Adjusted EBITDA was the increase in administration expenses of \$2.8 million (net of ERP implementation costs) and the increase in selling expenses of \$0.5 million.

Interest expense decreased to \$2.6 million in the fourth quarter of 2025 from \$2.7 million in the fourth quarter of 2024, primarily as a result of the decrease in average interest rates on long-term debt outstanding as compared to 2024, partially offset by the increase in average long-term debt outstanding.

Amortization and depreciation totaled \$12.8 million during the fourth quarter of 2025 compared to \$11.6 million during the fourth quarter of 2024. The increase of \$1.2 million was primarily the result of increased amortization of intangible assets, including our Catalyst™ gaming platform.

Income tax expense was \$5.5 million in the fourth quarter of 2025, an effective rate of 54.6%, which was higher than our domestic rate of 27.0% due primarily to the effect of withholding and other taxes, and the effect of foreign exchange related non-deductible items, partially offset by the effect of lower income tax rates in foreign jurisdictions.

Income tax expense was \$8.8 million in the fourth quarter of 2024, an effective rate of 125.2%, which was higher than our domestic rate of 27.0% due primarily to the effect of withholding and other taxes.

Net income was \$4.6 million in the fourth quarter of 2025 compared to a net loss of \$1.8 million in the fourth quarter of 2024. The main reasons for the increase of \$6.4 million were the increase in equity investment income of \$4.3 million, the decrease in net foreign exchange loss of \$3.9 million and the decrease in income tax expense of \$3.3 million. Partially offsetting these increases to the net income were the increase in administration expenses of \$4.1 million, the increase in other expenses of \$0.6 million and the increase in selling expenses of \$0.5 million.

Net income per share (basic and diluted) was \$0.17 and \$0.17 per share, respectively, in the fourth quarter of 2025 compared to a net loss of \$0.07 and \$0.06 per share, respectively, (basic and diluted) in the fourth quarter of 2024.

Outlook

Retail sales of instant tickets in 2025 were modestly higher than 2024, and we expect this trend to continue in 2026. Our volumes will be higher in 2026 as a result of winning the primary instant ticket contract with the California Lottery, which is now effective with production underway.

Work on implementing our new ERP system continues and will be a focus throughout 2026 ahead of the planned go-live in 2027. This updated, more responsive information system will directly support our instant ticket business line and our corporate operations, assisting us in improving our manufacturing efficiencies and improving our instant ticket margins.

Overall demand for both printed products and electronic eTabs is strong in the charitable sector. A number of jurisdictions are exploring electronic gaming as a mechanism to provide charities with opportunities to generate more funds for good causes through the use of tablets or kiosks. Critical to success is strong game content, and we continue to focus more resources on expanding and improving our game content. Indeed, our eTab performance in Minnesota, which was negatively impacted during 2025 due to regulatory changes, has seen steady improvement over the past year and in the early part of 2026 through improved game content.

Our Kansas iLottery operation had a very successful implementation in 2025 and has continued to achieve significant milestones. Revenue grew strongly in the fourth quarter, and a number of initiatives are underway to continue this growth in 2026.

The implementation of our recently awarded Belgium Lottery gaming system contract is underway and proceeding well, with planning and preliminary work as the initial focus. The assignment of resources will build throughout 2026 with increasing positive financial impact expected through the year. We will continue to invest heavily in our digital business including eInstants, PlayOn[®] loyalty solutions, and our core Catalyst[™] platform.

We believe there are near-term opportunities in all of these areas, particularly given the growing demand for effective lottery-specific loyalty programs. Interest in iLottery remains very strong throughout the U.S. and internationally.

Significant internally generated cash flow from our operations allows us to fund our investments in CAPEX, including our ongoing advancement of our internal Catalyst™ solution and eInstant games. We expect our 2026 investments in CAPEX to be lower than the amount spent in 2025.

Changes and trends emerging in international trade, tariffs, and other protectionist trade policies continue, and we will monitor to ensure that our operating practices remain positioned to minimize any potential financial impact.

We have established very strong foundations for success during 2025 with transformational contract wins in a number of key business lines, with positive financial impacts building through 2026 and the following years. Our digital lottery group continues to implement our solutions on these new contracts and to bid on other opportunities; new markets for eTab solutions in charitable gaming are developing, which we are aggressively pursuing; and our instant ticket business has embraced our new primary contract from the California Lottery and will be focused on improving our overall margins. All of these developments position Pollard as the partner of choice for assisting lotteries and charities in raising funds for good causes.

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