

Senvest Capital Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited)

March 31, 2026



SENVEST

Notice of No Auditor Review of Interim Consolidated Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors PricewaterhouseCoopers LLP have not reviewed the unaudited condensed interim consolidated financial statements as at and for the period ended March 31, 2026.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

Senvest Capital (“Senvest” or the “Company”) recorded a net loss attributable to common shareholders of (\$48.76) million or (\$20.13) per basic and diluted common share for the period ended March 31, 2026. This compares to net loss attributable to common shareholders of (\$332.0) million or (\$136.14) per basic and diluted common share for the period ended March 31, 2025. For the current period, the US dollar strengthened against the Canadian dollar and the result was a currency translation gain of about \$32.7 million. This amount is not reported in the Company’s statement of income rather it’s reflected in its statement of comprehensive loss. As a result, the comprehensive loss attributable to common shareholders was (\$16.05) million for the period.

The Company’s loss from equity investments was the biggest contributor to the results. The net change in fair value of equity investments and other holdings including securities sold short and derivative liabilities totaled (\$95.06) million in the year versus (\$873.4) million in 2025. Most of the Company’s equity investments are held by two funds, Senvest Master Fund, L.P. (Senvest Partners Fund) and Senvest Technology Partners Master Fund, L.P., which are consolidated into the accounts of the Company.

On a consolidated basis across the different funds, the largest holdings as at March 31, 2026 were Tower semiconductors (TSEM), Bank of Cyprus Holdings (BOCH), Wix.com (WIX), Illumina (ILMN), Paramount Resources (POU), and Radware (RDWR). Comments on some individual positions from the fund managers are included below.

“Tower Semiconductor’s stock price increased +49.45% in the first quarter as the stock’s momentum continued following a strong second half of 2025. As investors continue to identify companies that benefit from the exploding AI ecosystem, TSEM finds itself benefiting from cyclical as well as secular trends, which propelled its stock, its revenue, and profitability to all-time highs. As noted in prior letters, TSEM is a global leader in silicon germanium (“SiGe”) and silicon photonics (“SiPho”), which are key enabling technologies for the latest cutting-edge optical networking systems used to transfer data in today’s most advanced servers, switches, and GPU clusters for both model training and inferencing AI workloads. As AI infrastructure continues to mature, traditional copper wiring that was used to move data between chips is becoming a bottleneck due to technical limitations. Data centers are now rapidly incorporating more optical photonic-based interconnect technology to solve the networking bottleneck. TSEM remains the key “arms-dealer” for the current AI cycle.

During Tower’s March quarter earnings call, management indicated it would expand its SiPho and SiGe capacity by an additional \$270 million, on top of the \$300 million incremental investment announced in its third quarter call this past November. With this current round of additional investment TSEM will more than five times its overall SiPho footprint once equipment is fully installed and qualified, bringing its AI-related revenue capability well above \$1 billion annually, representing more than half of TSEM’s current revenue. TSEM now believes it can generate about \$2.85 billion in revenue with gross margins of 39% (was previously roughly 27%) and operating margins of 28% (was previously 21%), translating to earnings exceeding \$7.50 per share in 2027/28.

Subsequent to the above-noted capex investments, Tower made another major announcement in late March with the restructuring of its Japanese JV (TPSCo) with its partner, Nuvoton. Under the agreement, Tower will take 100% ownership of the 300mm facility (Fab 7) in Uozu Japan, while Nuvoton will take full ownership of the

200mm facility (Fab 5). This transition includes plans to quadruple the 300mm capacity to meet surging demand for Tower's SiPho platforms. Although this new capacity won't be up and running until the end of the decade, it should effectively double the size of the company to about \$5 billion in revenue at full capacity. We estimate that at a \$5 billion revenue run rate, Tower should be able to generate over \$2 billion in EBITDA with EPS approaching \$15/share. We believe the market has increased conviction in multiple long-term growth opportunities for TSEM, which should support its increasingly higher valuation.

Canadian oil and gas exploration company Paramount Resources appreciated +23.53% in the quarter, underperforming the XEG (+42.08%), the relevant benchmark ETF for Canadian E&Ps.

From a commodity price perspective, the quarter was extraordinary. In late February, the United States and Israel launched joint military strikes against Iran, effectively closing the Strait of Hormuz. By end of March, roughly 11 million bbl/d of regional production was shut-in, with Iran striking energy infrastructure across the Gulf, including a major Saudi refinery, the port of Fujairah, and Qatar's Ras Laffan LNG facility. WTI surged +51.0% in March alone to over \$101, while Brent reached \$118 per barrel. For natural gas, Henry Hub had a volatile quarter, surging +39.0% in January before reversing sharply, ending the quarter down roughly 8%. However, the destruction of roughly 2 bcf/d of Qatari LNG export capacity, estimated to take 3 to 5 years to repair, pushed European TTF gas up +57.2% in March. POU underperformed the XEG in the quarter due to their higher natural gas weighting relative to other constituents, though this same exposure positions them to benefit longer-term from the structural tightening of global LNG markets, which will be increasingly reliant on Canadian gas exports.

For POU, the quarter was highlighted by strong 4Q25 results and accelerating operational momentum. Fourth quarter production came in at roughly 47k boe/d versus Bloomberg consensus of 45k boe/d, driven by strong well results at Willesden Green, trending roughly 20% above type curve expectations. Additionally, the company is ahead of schedule on Phase 2 of the Alhambra plant, which will further ramp Willesden Green production when it comes online in "early" 3Q26. Despite this, 2026 production guidance was largely unchanged, which we view as extremely conservative. Guidance assumed 25-75% uptime for Alhambra Phase 2, versus 99% uptime achieved on Phase 1, and did not appear to incorporate updated well productivity assumptions for the recent exceptional results.

POU smartly expanded their land position ahead of disclosing these well results, increasing their Willesden Green acreage by roughly 20% to over 320k net acres, their Sinclair position by roughly 30% to 140k acres, and adding 16k acres at Liard. With the expanded Willesden Green land base, management now has runway for additional production expansions beyond the previously contemplated 50k boe/d over 3 phases. One sell-side analyst noted POU could be a 250k boe/d company in their investing lifetime, versus roughly 42k boe/d produced in 2025.

We continue to believe POU offers a best-in-class combination of production growth and shareholder returns, with serious torque in any commodity price upside scenario. At 115k boe/d of production in 2028 and assuming a conservative commodity price scenario of \$60 WTI and \$3 Henry Hub, we estimate POU would generate roughly C\$2/share in levered free cash flow before growth capex. At \$80 WTI (below current pricing of around \$100/bbl) and \$4 Henry Hub, POU would generate over C\$5/share in levered free cash flow. The street has increased 2028 production estimates from 95k boe/d to 106k boe/d, but has still not given POU full credit for recent well results and improved capital efficiency. We see significant upside both from higher commodity prices and higher street production estimates.

Ciena's stock increased +66.00% in the first quarter on another positively revised growth outlook for 2026, driven by an acceleration in orders. CIEN saw its record backlog increase to \$7 billion, up from just \$5 billion during the prior quarter, the largest quarter-over-quarter increase in orders in the company's history. CIEN again raised its 2026 revenue forecast to 28% year-over-year growth, versus 26% provided just a quarter earlier. To put CIEN's \$7 billion backlog into perspective, it now covers CIEN's expected 2026 outlook as well as part of 2027. Investors are bullish on the long-term prospects of new coherent optical technologies, which are poised to unlock billions in growth over the coming years. This optimism centers on two key applications: "scale across" networking, which links regional GPU clusters into a single, massive AI data center, and data center out-of-band management (DCOM). Combined, these innovations represent a multi-billion-dollar opportunity to expand infrastructure and connectivity. Looking out a bit further, new applications for coherent technology are emerging and expected to address opportunities "inside-the-data center," which could also, over time, add incremental revenue opportunities for CIEN.

MDA Space shares increased +32.28% in the first quarter as the company benefited from several catalysts driving the strong stock performance. Most notably, we would highlight the successful US listing and equity offering that raised approximately \$475 million (CAD) in proceeds. With a fortified balance sheet and no near-term debt maturities, management signaled its readiness to pursue strategic M&A, vertical integration, and geographic expansion. Supported by solid initial guidance for 2026, MDA now expects another year of durable double-digit revenue and EBITDA growth as the company pursues its diversification strategy which has translated into a growth pipeline that has doubled to \$40 billion, up from \$20 billion. The incremental growth of MDA's pipeline is largely driven by emerging defense and intelligence-related opportunities. To better address these opportunities, MDA announced the formation of 49North, a subsidiary that would exclusively focus on delivering multi-domain, mission-critical capabilities for Canada's national defense priorities extending beyond the space domain.

We believe MDA has multiple additional catalysts that could continue to drive the stock in 2026. Beyond its existing satellite contracts, management has reiterated its view that it could secure at least one additional constellation contract over the next year, given the maturity of its current bids. We also see opportunities for contract expansions and follow-on orders from existing customers across both commercial and government customers. We would also note that subsequent to quarter end, key customer Globalstar (GSAT) agreed to be acquired by Amazon as part of the buildout of its Amazon's LEO constellation. While we don't anticipate any impact to either of MDA's existing contracts, we actually believe that this may present an opportunity for MDA to crack Amazon's LEO Direct-to-Device supply chain ecosystem. Some investors feared that an acquisition of GSAT, by Amazon competitor, Starlink, would present risk to MDA given lingering concerns from the prior EchoStar constellation contract, which was ultimately canceled after EchoStar sold its spectrum to SpaceX in September. Even with the recent stock appreciation, MDA shares only trade at 20x EBITDA, a modest premium to defense peers that trade at 17x EBITDA despite durable double-digit revenue and EBITDA growth, which exceeds peers.

Genius Sports was the Fund's largest detractor in the first quarter of 2026, with shares declining -59.80% during the period. The bulk of the move occurred in a single session: on February 5, GENI announced its acquisition of Legend prior to the open, and shares fell roughly 27% that day. The stock continued to drift lower through quarter-end as investors may also have reacted to broader concerns about U.S. betting handle and the emergence of sports betting in prediction markets. In our view, the market has misread the strategic rationale behind the transaction and, in doing so, has dislocated the shares from the underlying earnings power of the combined business.

The prevailing interpretation of the transaction is that GENI overpaid for a legacy affiliate marketing asset, obscured what had been a clean official-data narrative, introduced balance-sheet leverage for the first time, and exposed itself to AI and large-language-model disruption at the top of the funnel. (An affiliate marketing company drives traffic to third-party merchants through its own content or media properties and earns revenue when that traffic converts into revenue). We disagree with that view. Sales and marketing spend represents only approximately 5% of Legend's revenue, versus roughly 30% to 40% at comparable public affiliates, reflecting a loyal owned-audience model rather than traditional affiliate marketers that rely on expensive paid search acquisition. Properties including Covers.com, Casino.org, and Casino Guru generated 320 million visits from 118 million unique users in 2025, with more than two-thirds of traffic arising from direct, repeat visitation. This is a participation layer, not a traffic broker, and it operates on a proprietary ad-tech stack developed over two decades and supported by roughly \$300 million of invested technology. We spent time with the founder/CEO of Legend, who will join GENI's executive team and has a three-year contract with a two-year earnout to further incentivize his retention. The Legend CEO impressed greatly and his track record of success in building Legend on cash flows and no external equity funding adds to our positive view of him. On the question of AI, we believe the dynamic runs in the opposite direction. As large language models commoditize generic information retrieval, owned environments in which 118 million users repeatedly choose to participate, together with the behavioral intent data those interactions generate, become structurally more valuable, not less.

Combined with GENI's official data graph, Legend addresses a longstanding blind spot for media buyers: the ability to target high-intent sports and iGaming audiences with unified, granular, first-party signals at scale. Commercial validation of that thesis is already evident. During the quarter GENI extended its agency relationships with Publicis, WPP, and PMG, and at the recent IAB NewFronts the company debuted its "Moment Engine," which matches live sports data to addressable CTV and display inventory, to brand advertisers for the first time through integrations with multiple ad tech platforms. Fourth quarter 2025 media revenue grew approximately 95% year-over-year, and management expects the offering to extend to Meta inventory in the second quarter. The economics of the Legend transaction itself are also more measured than the market reaction implies. GENI is paying up to \$1.2 billion for Legend, consisting of \$900 million upfront and a \$300 million two-year earnout, representing approximately 8.6x FY26E EBITDA at announcement. Management has laid out a clear deleveraging path: pro forma net leverage is expected to open below 3.0x at close and decline to below 1.5x by 2028, with pro forma free cash flow conversion in excess of 60%. The transaction is expected to be accretive to EBITDA margins and free cash flow conversion immediately upon close.

A slowdown in U.S. betting handle, which some investors have attributed to prediction markets taking share from regulated sportsbooks also likely weighed on shares in the quarter. That debate remains open, but it is considerably less relevant to GENI's earnings than to those of its customers. The majority of GENI's betting-technology revenue is contracted with minimum guarantees and annual price escalators, and the smaller variable component is tied to operator hold rather than headline handle. Industry hold remained healthy through the quarter. If anything, we view the emergence of prediction markets as a net tailwind: as category-leading operators launch their own prediction-market products, the resulting advertising demand is expected to flow through the combined GENI-plus-Legend media infrastructure. Additionally, they will need official data from GENI in order to partner with sports leagues and access league and team credentials and logos.

Our conviction in the business rests on management and valuation. Mark Locke, GENI's founder & CEO, and largest individual shareholder with a ~8% stake, has a track record of executing through initially controversial decisions, including the official-data rights model, the NFL partnership, and the Second Spectrum acquisition.

This transformative deal accelerates the company's foray into the burgeoning and far larger market opportunity of digital advertising for sports. GENI has a unique position in this market based on its unrivaled live sports data capabilities. On valuation, the shares now trade at roughly 6.5x EV/2026E EBITDA, more than two standard deviations below the two-year average of approximately 14x. That is a multiple ordinarily reserved for businesses in structural decline, which GENI is not. The company is compounding organic revenue at rates in excess of 20% annually, expanding EBITDA margins, delevering its balance sheet, and monetizing newly opened addressable markets in brand advertising and iGaming. As integration progresses and the combined data and participation asset is monetized across sportsbook, iGaming, and brand channels, we expect both the business's earnings power and the multiple the market ascribes to it to move materially higher from current levels.

UiPath, an AI-based robotic and agentic process automation platform software provider, saw its stock price decline -32.28% in the first quarter despite the company's core business continuing to demonstrate further stabilization. In fact, during the company's fourth quarter earnings report, the company noted that is currently expecting a positive inflection in net new annual recurring revenue (NNARR) for the upcoming year, which would represent its first year of positive growth in four years. UiPath, like many software companies, have been caught up in a vicious software ecosystem liquidation triggered by a massive rotation out of traditional software stocks and into AI infrastructure (semiconductor and networking) companies. In Q1 2026, the IGV Index plummeted -24.26% as investors reassessed terminal multiples for SaaS incumbents, fearing that generative AI might cannibalize IT budgets and commoditize core software workflows. This "indiscriminate" sell-off saw infrastructure software multiples contract from historical peaks to decade lows, with even high performers like Palantir and Datadog seeing double-digit percentage declines.

During its most recent earnings report, the company delivered better-than-expected profitability, positive year-over-year net new annual recurring revenue ("ARR") growth, and a better-than-expected outlook for fiscal 2027. Management highlighted continued progress in adopting its new agentic orchestration tool, Maestro, as its broader AI platform now exceeds \$200 million in ARR. AI monetization for PATH remains in the early stages, but it is encouraging to hear that momentum is building and AI-related recurring revenue is accelerating. From a broader perspective, PATH is a dominant leader in the software automation market, an industry valued in the tens of billions of dollars with consistent double-digit annual growth. By automating the repetitive, routine tasks inherent in modern digital workflows, PATH has established itself as the clear frontrunner in Robotic Process Automation (RPA) with commanding market share. The company is currently evolving into an end-to-end automation platform by integrating Agentic AI, positioning itself as a neutral "orchestrator" capable of managing AI agents across various software providers without the conflict of interest inherent in application-heavy competitors. Despite this, at a stock price of roughly \$10.75, PATH trades at just over 2x EV/Sales and 12-14x P/E and P/FCF—a significant discount compared to other software firms with similar "Rule of 40" dynamics. Consequently, PATH's current valuation offers investors the potential of Agentic AI orchestration as a free upside optionality.

nCino, a perceived victim of the "SaaSocalypse", declined -39.23% in the first quarter versus -21.99% for the IGV software index. NCNO is a unified operating system used primarily by banks for loan origination, onboarding, account opening, and portfolio management. Over years of deployment across hundreds of banking customers, NCNO has developed a highly specialized, deeply integrated platform that has earned it the premier brand in bank software.

Software stocks sold off broadly in the first quarter driven by mounting fears that AI will commoditize the software application layer. NCNO's underperformance to the IGV signals that they have been deemed an AI loser along with the rest of software, if not more so. While we recognize the risks AI poses, our research supports the view that NCNO is likely one of the most defensible software companies. For example, one major enterprise bank customer we spoke to recently renewed their contract even in the face of a roughly 10% price increase. This customer, like many others, concluded that NCNO's product was far superior to competitors, the platform was too deeply embedded in its data and workflows, and building an in-house alternative was prohibitively expensive (upwards of nine figures).

Not only do we believe that NCNO's core business is defensible, but more importantly, we are increasingly confident that they will be an AI winner. The management team is not sitting idle; instead, they are rapidly integrating AI features into their platform. The company's Banking Advisor product, an AI-powered suite trained on NCNO's proprietary data from approximately 500 consenting banks, is seeing strong adoption and creates a new consumption-based monetization opportunity. Management has been extraordinarily front-footed on their AI strategy, and they are leading the charge in agentic AI within the banking sector. While competition in agentic AI is fierce, NCNO's embedded position and established trust give it a durable advantage. New AI entrants may find it easy to build agents, but the real challenge is accessing the data and satisfying the industry's stringent compliance requirements.

Subsequent to the quarter, NCNO reported its off-calendar fourth quarter results, which validated our thesis. The company reaccelerated core subscription revenue growth and delivered exceptional organic, constant currency Annual Contract Value ("ACV") growth of 13%. Notably, they signed a Japanese bank customer with over \$2.0 trillion in assets with room for substantial ACV upside. The day after earnings, the stock gained 10.6%, significantly outperforming the IGV. The company also continues to expand margins and improve GAAP profitability, which has become an increasing area of focus for software investors. Profitability progress has been gradual, but the activist board seat ensures continued pressure in the right direction. At the current stock price of around \$18.50, the stock trades at approximately 3.7x EV/Sales and 17x P/FCF on 2026 consensus estimates; we view these multiples as attractive given the accelerating topline and margin expansion opportunity. As NCNO accelerates revenue growth and demonstrates AI monetization, we believe it can overcome the prevailing narrative by proving itself an AI winner.

Shares of Wix, a market-leading website design and builder platform, declined -13.30% during the first quarter, as concerns around AI-driven disruption of incumbent software vendors and elevated investment spending related to Base44 and Wix Harmony weighed on sentiment. This decline occurred against a backdrop of a broader software selloff; the IGV, the primary software index, is down 20% year-to-date as of mid-April, driven largely by fear of software commoditization in the wake of new Anthropic product releases and the rapid proliferation of AI-native development tools.

At the beginning of March, Wix reported Q4 2025 results that exceeded expectations: revenue of \$524 million (+14% y/y), bookings of \$535 million (+15% y/y). Full-year 2025 revenue reached nearly \$2 billion, with free cash flow of \$605 million, representing a 30% FCF margin. The quarter was highlighted by two important milestones. First, Base44 reached \$100 million in ARR at the beginning of March — one year after its founding and nine months after its acquisition — a remarkable trajectory from only "a few million" dollars of ARR at the time of acquisition in June 2025. The \$100 million result validates Wix's early entry into the vibe-coding market. Second, Wix launched Wix Harmony, its AI-first website builder, in January 2026, with early performance

showing better-than-expected conversion rates, faster monetization, and higher ARPU among early cohorts. For FY2026, Wix guided to mid-teens consolidated revenue and bookings growth, with FCF margin in the low-to-mid-20% range.

Partners revenue grew 21% year-over-year to \$203 million in Q4, driven by strong Wix Studio adoption. The partner-driven strategy remains a key advantage, as Wix's ecosystem — encompassing commerce, bookings, CRM, memberships, and payments — creates platform stickiness that commodity AI tools cannot yet replicate. The key differentiator is not the website itself but the operational infrastructure behind it.

Following the Q4 report, Wix announced a \$250 million private equity placement led by Durable Capital Partners with an extended lockup, signaling meaningful external conviction in the long-term thesis. The board also authorized a \$2 billion share repurchase program for FY2026–2027 and subsequently launched a \$1.75 billion modified Dutch auction tender offer, which expired on April 1, accepting approximately 17.6 million shares at \$92.00 per share — roughly 29.7% of shares outstanding — for an aggregate cost of approximately \$1.6 billion.

The Senvest Master Fund is focused primarily on small and mid-cap companies. The fund recorded a return of (3.1%) net of fees in the first quarter. With most of the long portfolio invested in small and mid-cap stocks, the fund underperformed its most relevant benchmark, the Russell 2000 for the first quarter. The fund outperformed the S&P 500 index for the first quarter though it does not consider this index as a benchmark. The fund has issued an institutional share class which requires a minimum investment of \$75 million US, and includes a longer duration element, which further enhances the stability of its capital base and its ability to make long-term investments to help generate returns for the benefit of all our partners. Senvest's internal capital is subject to the same liquidity provisions of the institutional share class. As a result, a complete redemption of Senvest's internal capital from its funds can take years.

The Senvest Technology Partners Fund was initiated in 2003 to focus on investing in Israel related companies. In 2019, the Fund broadened its geographic investment mandate to focus on global technology investments. After investing in Israel-related technology for 15 years, its holdings extended across the global technology universe. The Technology Fund maintained the same investment philosophy and continued to leverage the existing diligence and understanding of global technology and end markets. This fund recorded a return of (3.95%) net of fees for the first quarter (monthly results of the two funds can be found on the Company's website). As stated above both funds are consolidated into the accounts of the Company.

The Company has a portfolio of real estate investments as at March 31, 2026. One part of this amount represents investments in different US real estate income trusts (REITs) and partnerships. These REITs and partnerships are not publicly traded and there is no established market for them. The most likely scenario for a disposal of these holdings is an eventual sale of the underlying real estate properties of the REITs and partnerships and the distribution to its holders. Also, there are minority interests in private entities whose main assets are real estate properties. As described above for the REITs and partnerships, the most likely scenario for a disposal of these holdings is an eventual sale of the underlying real estate properties.

The Company also has investment properties in lands and buildings, specifically self-storage units in Madrid, Spain and a commercial building in New York, US. Investment properties are initially measured at cost, including transaction costs. Subsequent to the initial recognition, investment properties are remeasured at fair value, using the fair value model. The fair value is based on external valuations from third party valuers. Gains or losses

arising from changes in fair value of investment properties are included in the Company's net income or loss. The Company has ten self-storage units in operation, and another six units are at various degrees of construction.

The Company consolidates the Senvest Management LLC (SML) entity that serves as the investment manager of Senvest Partners and Senvest Technology Partners as well as the general partners of the funds. The portion of the expected residual returns of structured entities that do not belong to the Company is reflected as a non-controlling interest on the statement of financial position. This non-controlling interest is owned by an executive of the Corporation. This non-controlling interest was \$25.9 million as at March 31, 2026, from \$25.7 million as at December 31, 2025.

At the end of March 31, 2026, Senvest had total consolidated assets of \$6,091.5 million versus \$6,057.7 million at the end of 2025. Equity investments and other holdings totaled \$5,339.9 million from \$5,605.6 million in December 2025. The Company purchased \$1,100.4 million of investment holdings in the period and sold \$1,277.0 million of such holdings. The Company's liabilities increased to \$4,008.3 million this year versus \$3,957.2 million in 2025, which was primarily due to an increase in Securities sold short. The proceeds of securities sold short were \$1,049.4 million and the amount of shorts covered was \$753.6 million. Overall, the trading figures were moderately less than the corresponding amounts for the prior year's quarter.

Functional currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Company is the US dollar.

Presentation currency

The Company has adopted the Canadian dollar as its presentation currency, which in the opinion of management is the most appropriate presentation currency. Historically, the Company's consolidated financial statements have been presented in Canadian dollars, and since the Company's shares are listed on a Canadian stock exchange, management believes it would better serve the use of shareholders to continue issuing consolidated financial statements in Canadian dollars. The US dollar consolidated financial statements described above are translated into the presentation currency as follows: assets and liabilities – at the closing rate at the date of the consolidated statement of financial position; and income and expenses – at the average rate for the period. All resulting changes are recognized in other comprehensive income as currency translation differences. Equity items are translated using the historical rate.

Risks

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk, currency risk and equity price risk), credit risk and liquidity risk.

The Company's overall risk management program seeks to maximize the returns derived for the level of risk to which the Company is exposed and seeks to minimize potential adverse effects on the Company's financial performance. Managing these risks is carried out by management under policies approved by the Board of Directors.

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

Market risk

Fair value and cash flow interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

Most of the Company's debt is based on floating rates which expose the Company to cash flow interest rate risk. The Company does not have a long-term stream of cash flows that it can match against this type of fixed debt, so it prefers to use short-term floating rate debt. The Company does not mitigate its exposure to interest rate fluctuation on floating rate debt. If interest rates spike, then the Company could enter into interest rate swaps or more probably just reduce its debt level.

Currency risks

Currency risk refers to the risk that values of monetary financial assets and liabilities denominated in foreign currencies will vary as a result of changes in underlying foreign exchange rates.

The Company is exposed to currency risk due to potential variations in currencies other than the US dollar. These currencies are: the Canadian dollar, the Euro, The British Pound and the Israeli Shekel

Equity price risk

Equity price risk is the risk that the fair value of equity investments and other holdings and equities sold short, and derivatives will vary as a result of changes in the market prices of the holdings. The majority of the Company's equity investments and other holdings and all of the securities sold short, and derivatives are based on quoted market prices as at the consolidated statement of financial position date. Changes in the market price of quoted securities and derivatives may be related to a change in the financial outlook of the investee entities or due to the market in general. Where non-monetary financial instruments – for example, equity securities – are traded in currencies other than the US dollar, the price, initially expressed in a foreign currency and then converted into US dollars, will also fluctuate because of changes in foreign exchange rates.

Securities sold short represent obligations of the Company to make future delivery of specific securities and create an obligation to purchase the security at market prices prevailing at the later delivery date. This creates the risk that the Company's ultimate obligation to satisfy the delivery requirements will exceed the amount of the proceeds initially received or the liability recorded in the consolidated financial statements. In addition, the Company has entered into derivative financial instruments, which have a notional value greater than their fair value, which is recorded in the consolidated financial statements. This creates a risk that the Company could settle these instruments at a value greater or less than the amount that they have been recorded in the consolidated financial statements.

The Company's equity investments and other holdings have a downside risk limited to their carrying value, while the risk of equities sold short, and derivatives is open ended. The Company is subject to commercial margin requirements which act as a barrier to the open-ended risks of the securities sold short and derivatives. The

Company closely monitors both its equity investments and other holdings, and its equities sold short and derivatives.

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial obligations. The Company's largest assets are equity investments and other holdings. Most of these assets are made up of equities in listed companies which can be liquidated in a relatively short time. Due to its large holding of liquid assets, the Company believes that it has sufficient resources to meet its obligations as they come due. All financial liabilities other than equities sold short, derivative liabilities, mortgages, lease liabilities and liability for redeemable units as at the consolidated statement of financial position date mature or are expected to be repaid within one year. The liquidity risk related to these liabilities is managed by maintaining a portfolio of liquid investment assets.

Credit risk

Credit risk is the risk that a counterparty will fail to fulfill its obligations under a contract and will cause the Company to suffer a loss.

The Company is exposed to credit risk from cash and cash equivalents, restricted short-term investments, due from broker and debt investments. Credit risk arising from funds held at financial institutions are managed by only investing with financial institutions with a minimum A rating. The Company manages its credit risk exposure from debt securities by closely monitoring the debt issuer and the ratings issued by various bond rating agencies. All debt security investments measured at fair value through profit or loss are traded over stock exchanges therefore exiting a position with increased risk is relatively easy if the credit worthiness of an issuer falls below the Company's threshold for credit risk exposure. All non-trading convertible debt securities are convertible into equity of the issuer and are measured at fair value using independent third-party appraisals. The Company closely monitors the debt issuer in order to identify when the credit risk falls below the Company's threshold at which point the Company may exercise its option to redeem its debt holdings or dispose of it in the less liquid private markets.

Capital risk management

The Company's objective when managing its capital is to maintain a solid capital structure appropriate for the nature of its business. The Company considers its capital to be its equity. The Company manages its capital structure in light of changes in economic conditions. To maintain or adjust its capital structure, the Company initiates normal course issuer bids or adjusts the amount of dividends paid. The Company monitors capital on the basis of its net debt -to-capital ratio. Net liabilities used in the net debt-to-capital ratio is calculated by subtracting the due from broker balances from total liabilities. The net debt-to-capital ratio is as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Total net liabilities	\$3,612.1	\$3,830.5
Total equity	\$2,083.2	\$2,100.5
Net liabilities to capital ratio	1.73	1.82

The Company's objective is to maintain a debt-to-capital ratio below 3.0. The Company believes that limiting its debt-to-capital ratio in this manner is the best way to monitor risk. The Company's debt to capital ratio was at 1.73 as at March 31, 2026, from 1.82 at the end of 2025. The Company does not have any externally imposed restrictive covenants or capital requirements, other than those included in the credit facility.

Investment Risk

To the extent not discussed above, the Company is subject to additional risks with respect to the investments made.

The value of the Company's portfolio may decrease as well as increase, due to a variety of factors, including general economic conditions, and market factors. Additionally, investment decisions made by the Company may not always be profitable or prove to have been correct. Investment strategies, at any given time, may incur significant losses. Losses can occur for several reasons, including but not limited to, an overall decline in the underlying market, a lack of liquidity in the underlying markets, excessive volatility in a particular market, government intervention or monetary and/or fiscal policies of a specific region or country. The profitability of a significant portion of the Company's investments also depends largely upon the Company's ability to correctly assess the future course of the price movements of securities and other investments. There can be no assurance that the Company will be able to accurately predict these price movements.

The Company's investment strategy is speculative and involves risk. The Company trades in options and other derivatives, as well as using short sales and utilizing leverage. The portfolio may not be diversified among a wide range of issuers or industries. In addition, the Company may take concentrated positions in its high conviction ideas, invest in high yield securities or invest in foreign markets outside the US and Canada. Accordingly, the investment portfolio may be subject to more rapid change in value than would be the case if the Company were required to maintain a wide diversification in the portfolios among industries, areas, types of securities and issuers.

The Company may make investments in the securities of high growth companies. More specifically, the Company may have significant investments in smaller-to-medium sized companies with market capitalizations of less than \$2 billion US. While smaller companies may have potential for rapid growth, they often involve higher risks because they lack the management experience, financial resources, product diversification, and competitive strengths of larger corporations. These factors make smaller companies far more likely than their larger counterparts to experience significant operating and financial setbacks that threaten their short-term and long-term viability. In addition, in many instances, the frequency and volume of their trading is substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations and exiting investments in such securities at appropriate prices may be difficult, or subject to substantial delay. Furthermore, some of the portfolio may be invested in technology, technology-related markets and biotech. These types of companies may allocate greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. Also, these companies could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

The Company tries to manage the above risks by monitoring its leverage, actively following its investee companies and trying to react to market conditions. At the same time the Company expects its portfolio to exhibit a higher degree of volatility than portfolios that invest in larger more stable companies and that invest within more defined limits. As at March 31, 2026, approximately 92.4% of the Company's portfolio was invested in Level 1 securities. The Company monitors its Level 1 securities as a percentage of its total investments; however, it does not have a fixed number that this percentage cannot fall below.

Climate Change Risk

Climate change risk refers to the physical risks and transition-related risks related to the changes in climate patterns that may have a significant impact on communities and the economy. While the direct exposure of the Corporation's operations to climate change risk is relatively low, as an investor in equities and other assets, the Corporation could indirectly be impacted by this risk through its portfolio investments.

The Corporation's portfolio investments face the potential direct impact of more frequent and more intense extreme weather events, as well as the potential indirect impact of any related supply chain disruptions. The exposure of the Corporation's portfolio investments to climate change risk also arises from the movement toward a low-emission economy, which may result in increased reputational, market, regulatory, policy, legal and technology-related risks. Existing portfolio investments in carbon-intensive industries and in other markets which are dependent on such industries may be more exposed to such transitional risks as a result of significant changes in customer perceptions and preferences, the increasing cost of carbon emissions and competition from renewable energy.

Critical accounting estimates and judgments

Critical accounting estimates

The Company makes accounting estimates that are subject to measurement uncertainty because they require the use of judgement and assumptions. The Company uses judgement and assumptions in designing and selecting measurement or valuations techniques that are appropriate to the circumstances and applies inputs that correlate to the measurement or valuation technique selected. Inputs selected also require the use of judgment and assumptions.

Consolidation of entities in which the Company holds less than 50% of the voting rights.

Management considers the Company to have de facto control of Senvest Management L.L.C. (RIMA), RIMA Senvest Master Fund GP, L.L.C., and Senvest Technology Partners GP, L.L.C. three legal entities wholly owned by an executive of the Company, because of the Company's Board representation and the contractual terms of the investment advisory agreement. RIMA is the investment adviser to the Funds, whereas RIMA Senvest Master Fund GP, L.L.C. is the General Partner of Senvest Master fund LP and Senvest Technology Partners GP LLC is the General Partner of Senvest Technology Partners Master Fund LP. As compensation for its sub-advisory services, the Company is entitled to receive 60% of the net management fees (after all expenses) through RIMA and incentive allocation earned through the General Partners each fiscal year.

Management considers that the Company has control of Senvest Master Fund LP, Senvest Technology Partners Master Fund LP and Senvest Cyprus Recovery Investment Partners LP even though the Company has less than 50% of the voting rights in each of the Funds. The Company assessed that the removal rights of non-affiliated unitholders are exercisable but not strong enough given the Company's decision-making authority over relevant

activities, the remuneration to which it is entitled and its exposure to returns. The Company, through its structured entities, is the majority unitholder of each of the Funds and acts as a principal while there are no other unitholders forming a group to exercise their votes collectively.

Fair value estimates of investment properties

The Company has adopted the fair value model in measuring its investment properties. The fair value of the investment properties is performed by external independent knowledgeable valuers located in the area of the properties. Inputs used in the property valuation models are based on appropriate assumptions that reflect the type of property and location. Management reviews the assumptions made and models used to ensure they correlate with their expectation and understanding of the market. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair value estimates of financial instruments

The fair value of financial instruments, including real estate investments, where no active market exists or where listed prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or by using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. To the extent practical, models use only observable data; however, areas such as credit risk (both the Company's own credit risk and counterparty credit risk), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Financial instruments in Level 1

The fair value of financial assets and financial liabilities traded in active markets are based on quoted market prices at the close of trading on the year-end date. The quoted market price used for financial assets and financial liabilities held by the Company is the close price. Investments classified in Level 1 include active listed equities and derivatives traded on an exchange. The financial assets classified as Level 1 were approximately 92.4% of the total financial assets.

Financial instruments in Level 2

Financial instruments classified with Level 2 trade in markets that are not considered to be active but are valued based on quoted market prices, broker quotations or valuation techniques, such as financial models, that use market data. These valuation techniques maximize the use of observable market data where available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. These include corporate bonds, thinly traded listed equities and derivatives, over-the-counter derivatives and private equities.

The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each year-end date. Valuation techniques used for non-standardized financial instruments such as options and other over-the-counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analyses, option pricing models and other valuation techniques commonly used by market participants, making maximum use of market inputs and relying as little as possible on entity-specific inputs. The financial assets classified as Level 2 were approximately 2% of the total financial assets.

Financial instruments in Level 3

Investments classified in Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments consist of unlisted equity investments, debt securities and real estate investments. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value. The financial assets classified as Level 3 were approximately 5.6% of the total fair value of financial assets.

Level 3 valuations are reviewed by the Company's Chief Financial Officer (CFO), who reports directly to the Board on a quarterly basis in line with the Company's reporting dates. The Board considers the appropriateness of the valuation models and inputs used. On an annual basis, close to the year-end date, the Company obtains independent, third-party appraisals to determine the fair value of the Company's most significant Level 3 holdings.

The Company's CFO reviews the results of the independent valuations. Emphasis is placed on the valuation model used to determine its appropriateness, the assumptions made to determine whether it is consistent with the nature of the investment, and market conditions and inputs such as cash flow and discount rates to determine reasonableness.

As at March 31, 2026, Level 3 instruments are in various entities and industries.

Real estate investments are made up of investments in private real estate companies, and in real estate income trusts and partnerships. The real estate companies are involved with various types of buildings in different geographical locations. For the main Level 3 instruments, the Company relied on appraisals carried out by independent third-party valuers. There was no established market for any of these investments, so the most likely scenario is a disposal of the underlying assets. For the investments in real estate income trusts and partnerships, the Company relied mainly on audited financial statements, valuing the assets at fair value. The most likely scenario is an eventual sale of the underlying properties and the subsequent distribution to the holders.

Income taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the consolidated provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

The Company is currently subject to an ongoing review by the Canada Revenue Agency (CRA) in relation to its corporate tax filings for the fiscal years 2016-2024. As of March 31, 2026, certain Notices of Reassessment have been issued. In accordance with IAS 12-Income Taxes and IFRIC 23-Uncertainty Over Income Tax Treatments, management has assessed the probability that CRA will accept the uncertain tax treatment. After consultation with external tax advisors, management has recorded a provision for certain of the elements in its consolidated financial statements.

The tax issue at the heart of this matter relates to the profit allocation that the Company receives from its investments as a limited partner in Senvest Master Fund LP and Senvest Technology Partners Master Fund LP. The issue is whether the allocation of gains from these funds should be on account of income or on account of

capital. The Company estimates that any remaining exposure could be in a range of zero to upwards of \$100 million. This is subject to change depending on the outcome of CRA's review and any further developments. Although the Company does not agree with the CRA's viewpoint and has no hesitation about litigating the matter, it will continue to monitor the situation and reflect the developments surrounding this tax issue and revise its estimates when so warranted.

QUARTERLY RESULTS

(In thousands of Canadian dollars except for earnings (loss) per share information)

Year	Total revenue and investment gains (losses)	Net income (loss)-common shareholders	Earnings (loss) per share
2026-1	(74,870)	(48,763)	(20.13)
2025-4	287,728	82,186	33.82
2025-3	536,921	172,773	70.98
2025-2	613,464	226,348	92.75
2025-1	(838,225)	(332,010)	(136.14)
2024-4	433,827	107,070	43.67
2024-3	500,463	170,457	69.24
2024-2	(133,821)	(71,690)	(29.02)

Liability for redeemable units

Liability for redeemable units represents the units in Senvest Master Fund, L.P., Senvest Technology Partners Master Fund, L.P. and Senvest Cyprus Recovery Investment Partners, L.P. Fund (collectively the Funds or individually a Fund) that are not owned by the Company. Senvest Master Fund, L.P. and Senvest Technology Partners Master Fund, L.P. units may be redeemed as of the end of any calendar quarter, however for a particular class (the institutional class) there is a maximum quarterly redemption of 17% of the investor units and a maximum annual redemption of 34% of the investor units. The parent company, Senvest Capital, who is an investor in these funds has agreed to be bound by the terms of the institutional class. Redemptions made within the first 24 months will be subject to a redemption fee of 3% to 5% which is payable to Senvest Master Fund, L.P. and Senvest Technology Partners Master Fund, L.P. In addition, there are notice periods of 60 days that must be given prior to any redemption. Senvest Cyprus Recovery Investment Partners, L.P. Fund has units that can be redeemed semi-annually with a 120-day notice. These units are recognized initially at fair value, net of any transaction costs incurred, and subsequently units are measured at the redemption amount.

Redeemable units are issued and redeemed at the holder's option at prices based on each Fund's net asset value per unit at the time of subscription or redemption. Each Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of each class of redeemable units by the total number of outstanding redeemable units for each respective class. In accordance with the provisions of the Funds' offering documents, investment positions are valued at the close price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

The Company has had wide swings in profitability from quarter to quarter in the past two years, as seen above. The profit has fluctuated a significant amount quarter to quarter. These wide swings are primarily due to the large quarterly mark to market adjustments in the Company's portfolio of public holdings. However, we expect the volatility and choppiness of the markets to result in wide profit swings from year to year and from quarter to quarter. Reference is made to the section on Investment risk above.

The Company maintains accounts with several major financial institutions in the U.S. who function as the Company's main prime brokers. The Company has assets with the prime brokers pledged as collateral for leverage. Although the prime brokers are large financial institutions, there is no guarantee that any financial institution will not become insolvent. In addition, there may be practical or time problems associated with enforcing the Company's rights to its assets in the case of such insolvency.

While both the U.S. Bankruptcy Code and the Securities Investor Protection Act seek to protect customer property in the event of a failure, insolvency or liquidation of a broker dealer, there is no certainty that, in the event of a failure of a broker dealer that has custody of the Company's assets, the Company would not incur losses due to its assets being unavailable for a period of time, ultimately less than full recovery of its assets, or both. As a significant majority of the Company's assets are in custody with three prime brokers, such losses could be significant.

On August 27, 2025, Senvest commenced a new normal course issuer bid to purchase a maximum of 100,000 of its own common shares until August 26, 2026. There have been 9,000 shares repurchased under this bid. The number of common shares outstanding as at March 31, 2026, was 2,422,124 and as at May 13, 2026, was 2,421,024. There were no stock options outstanding as at March 31, 2026, and none have been issued since 2005.

The Company has financing with a bank, composed of a credit facility and a guarantee facility. A first ranking movable hypothec in the amount of \$9.2 million on all its assets has been granted as collateral for both facilities. According to the terms of the facilities, the Company is required to comply with certain financial covenants. During the year, the Company met the requirements of all the covenants. The Company also has margin facilities with brokers.

Related party transactions

The Company consolidates the Senvest Management LLC entity that serves as the investment manager of Senvest Partners and Senvest Technology Partners as well as the general partners of the funds. The portion of the expected residual returns of structured entities that do not belong to the Company is reflected as a non-controlling interest on the consolidated statement of financial position. This non-controlling interest is owned by an executive of the Company and was \$25.9 million as at March 31, 2026, from \$25.7 million on December 31, 2025.

Significant Equity Investments

For information on a summary of financial information from certain significant investees please refer to the 2025 audited consolidated financial statements. The accounts of Senvest Partners, Senvest Technology Partners and Senvest Cyprus Recovery Investment Fund are consolidated with the Company's accounts.

FORWARD LOOKING STATEMENTS

This MD&A contains “forward looking statements” which reflect the current expectations of management regarding our future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as “may”, “would”, “could”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “estimate”, “aim”, “endeavour”, “likely”, “think” and similar expressions have been used to identify these forward-looking statements. These statements reflect our current beliefs with respect to future events and are based on information currently available to us. Forward looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward looking statements including, without limitation, those Risk Factors listed in the Company's annual information form. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this MD&A. These forward-looking statements are made as of May 15, 2026 and will not be updated or revised except as required by applicable securities law.

OTHER FINANCIAL INFORMATION

There is additional financial information about the Company on Sedar+ at <http://www.sedarplus.ca/> the Company's website at www.senvest.com, as well the Company's or Senvest Management's U.S. SEC section 13 and other filings on www.sec.gov

INTERNAL CONTROLS

There have been no changes in the Company's internal controls over financial reporting during the quarter ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial report.

(Signed)

Richard Mashaal

(Signed)

George Malikotsis

Each Interim Co-President and Interim Co-Chief executive Officer

May 15, 2026

(Management Discussion and Analysis (“MD&A”) provides a review of Senvest Capital Inc.'s operations, performance and financial condition for the period ended March 31, 2026, and should be read in conjunction with the 2025 annual filings. Readers are also requested to visit the SEDAR+ website at www.sedarplus.ca for additional information. This MD&A also contains certain forward-looking statements with respect to the Corporation. These forward-looking statements, by their nature necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by these forward-looking statements. We consider the assumptions on which these forward-looking statements are based to be reasonable, but caution the reader that these assumptions regarding future events, many of which are beyond our control may ultimately prove to be incorrect

Senvest Capital Inc.

Interim Consolidated Statements of Financial Position (Unaudited)

(in thousands of Canadian dollars)

	Note	As at March 31, 2026 \$	As at December 31, 2025 \$
Assets			
Cash and cash equivalents		106,769	106,108
Restricted short-term investments		477	477
Due from brokers		396,152	126,649
Equity investments and other holdings	5	5,339,866	5,605,631
Investments in associates		17,121	18,107
Real estate investments		44,804	39,201
Investment properties		149,460	143,067
Income taxes receivable		21,575	2,370
Deferred income tax asset		1,574	1,547
Other assets		13,663	14,526
Total assets		6,091,461	6,057,683
Liabilities			
Bank advances		16	175
Trade and other payables		67,689	75,386
Due to brokers		642,895	686,560
Securities sold short and derivative liabilities	5	945,432	702,074
Redemptions payable		31,646	114,245
Income taxes payable		-	3,950
Deferred income tax liabilities		134,030	137,771
Liability for redeemable units		2,186,553	2,236,995
Total liabilities		4,008,261	3,957,156
Equity			
Equity attributable to common shareholders			
Share capital		20,204	20,235
Accumulated other comprehensive income		292,300	259,590
Retained earnings		1,744,790	1,794,970
Total equity attributable to common shareholders		2,057,294	2,074,795
Non-controlling interests		25,906	25,732
Total equity		2,083,200	2,100,527
Total liabilities and equity		6,091,461	6,057,683

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

Approved by the Board of Directors

_____ Director

_____ Director

Senvest Capital Inc.

Interim Consolidated Statements of Loss

(Unaudited) For the three-months ended March 31, 2026 and 2025

(in thousands of Canadian dollars, except per share data)

	2026 \$	2025 \$
Revenue		
Interest income	10,710	13,964
Dividend income	5,086	20,334
Other income	4,291	5,876
	<hr/> 20,087	<hr/> 40,174
Investment gains (losses)		
Net change in fair value of equity investments and other holdings	(95,060)	(873,444)
Dividend expense on securities sold short	(1,945)	(1,476)
Net change in fair value of real estate investments	939	(804)
Share of profit loss of associates	694	(169)
Foreign exchange gain (loss)	415	(2,506)
	<hr/> (94,957)	<hr/> (873,399)
Total revenue and net investment losses	<hr/> (74,870)	<hr/> (838,225)
Operating costs and other expenses		
Employee benefit expense	12,151	12,364
Interest expense	15,902	26,595
Transaction costs	3,764	5,208
Other operating expenses	8,708	5,227
	<hr/> 40,525	<hr/> 49,394
Change in redemption amount of redeemable units	<hr/> (64,341)	<hr/> (505,385)
Loss before income tax	<hr/> (51,054)	<hr/> (382,234)
Income tax recovery	(2,029)	(48,608)
	<hr/> (49,025)	<hr/> (333,626)
Net loss for the period	<hr/> (49,025)	<hr/> (333,626)
Net loss attributable to:		
Common shareholders	(48,763)	(332,010)
Non-controlling interests	(262)	(1,616)
Losses per share attributable to common shareholders		
Basic and Diluted	(20.13)	(136.14)

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

Senvest Capital Inc.

Interim Consolidated Statements of Comprehensive Income (Loss) (Unaudited) For the three-months ended March 31, 2026 and 2025

(in thousands of Canadian dollars)

	2026 \$	2025 \$
Net loss for the period	(49,025)	(333,626)
Other comprehensive income		
Currency translation differences	33,146	879
Comprehensive loss for the period	<u>(15,879)</u>	<u>(332,747)</u>
Comprehensive income (loss) attributable to:		
Common shareholders	(16,053)	(331,108)
Non-controlling interests	174	(1,639)

Other comprehensive income (loss) includes currency translation differences arising from the Company's interest in foreign entities. Accumulated other comprehensive income (loss) arising from currency translation differences arising from the Company's interest in foreign entities will be reclassified to profit and loss upon the disposal of such entities. Currency translation differences arising from the translation of the parent company's consolidated financial statements' translation to the presentation currency will not be subsequently reclassified to profit and loss.

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

Senvest Capital Inc.

Interim Consolidated Statements of Changes in Equity

(Unaudited) For the three-months ended March 31, 2026 and 2025

(in thousands of Canadian dollars)

	Attributable to common shareholders					Total equity \$
	Share capital \$	Accumulated other comprehensive income \$	Retained earnings \$	Total \$	Non-controlling interests \$	
Balance – December 31, 2024	20,368	347,934	1,651,651	2,019,953	22,561	2,042,514
Net loss for the period	-	-	(332,010)	(332,010)	(1,616)	(333,626)
Other comprehensive income (loss)	-	902	-	902	(23)	879
Comprehensive income (loss) for the period	-	902	(332,010)	(331,108)	(1,639)	(332,747)
Repurchase of common shares	(49)	-	(2,321)	(2,370)	-	(2,370)
Balance – March 31, 2025	20,319	348,836	1,317,320	1,686,475	20,922	1,707,397
Balance – December 31, 2025	20,235	259,590	1,794,970	2,074,795	25,732	2,100,527
Net loss for the period	-	-	(48,763)	(48,763)	(262)	(49,025)
Other comprehensive income	-	32,710	-	32,710	436	33,146
Comprehensive Income (loss) for the period	-	32,710	(48,763)	(16,053)	174	(15,879)
Repurchase of common shares	(31)	-	(1,417)	(1,448)	-	(1,448)
Balance – March 31, 2026	20,204	292,300	1,744,790	2,057,294	25,906	2,083,200

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

Senvest Capital Inc.

Interim Consolidated Statements of Cash Flows

(Unaudited) For the three-months ended March 31, 2026 and 2025

(in thousands of Canadian dollars)

	Note	2026 \$	2025 \$
Cash flows provided by (used in)			
Operating activities			
Net loss for the period		(49,025)	(333,626)
Adjustments for non-cash items	6a	23,883	316,741
Purchase of equity investments and other holdings held for trading		(1,100,395)	(950,689)
Purchase of securities sold short and derivative liabilities		(753,573)	(1,134,165)
Proceeds on sale of equity investments and other holdings held for trading		1,276,947	1,550,085
Proceeds from securities sold short and derivative liabilities		1,049,353	1,690,902
Dividends and distributions from real estate investments		1,098	227
Changes in working capital items	6b	(347,580)	(1,019,090)
Net cash provided in operating activities		<u>100,708</u>	<u>120,385</u>
Investing activities			
Purchase of real estate investments		(5,016)	(311)
Purchase of investment properties		(6,415)	(10,529)
Purchase of equity investments and other holdings as fair value through profit or loss		(13,093)	(22,146)
Proceeds on sale of equity investments and other holdings as fair value through profit or loss		28,747	14,333
Proceeds from investments in associates		1,968	205
Net cash provided (used) in investing activities		<u>6,191</u>	<u>(18,448)</u>
Financing activities			
Increase (decrease) in bank advances		(159)	(256)
Payment of operating lease liability		(356)	(353)
Repurchase of common shares		(1,448)	(2,370)
Proceeds from issuance of redeemable units		8,511	21,461
Amounts paid on redemption of redeemable units		(114,426)	(101,344)
Net cash used in financing activities		<u>(107,878)</u>	<u>(82,862)</u>
Increase (decrease) in cash and cash equivalents		(979)	19,075
Effect of changes in foreign exchange rates on cash and cash equivalents		1,640	(179)
Cash and cash equivalents – Beginning of period		<u>106,108</u>	<u>66,189</u>
Cash and cash equivalents – End of period		<u>106,769</u>	<u>85,085</u>
Amounts of cash flows classified within operating activities:			
Cash paid for interest		16,451	27,502
Cash paid for dividends on equities sold short		1,559	937
Cash received on interest		10,850	13,684
Cash received on dividends		5,827	22,705
Cash paid for income taxes		26,501	4,237

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

Senvest Capital Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited) March 31, 2026

(tabular figures are expressed in thousands of Canadian dollars, except per share data)

1 General information

Senvest Capital Inc. (the “Company”) was incorporated under Part I of the Canada Corporations Act on November 20, 1968 under the name Sensormatic Electronics Canada Limited and was continued under the Canada Business Corporations Act under the same name effective July 23, 1979. On April 21, 1991, the Company changed its name to Senvest Capital Inc. The Company and its subsidiaries hold investments in equity and real estate holdings that are located predominantly in the United States. The Company’s head office and principal place of business is located at 1000 Sherbrooke Street West, Suite 2400, Montréal, Quebec H3A 3G4. The Company’s shares are traded on the Toronto Stock Exchange under the symbol “SEC”.

2 Summary of significant accounting policies

Basis of preparation

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards)

The Board of Directors (Board) approved these consolidated financial statements for issue on May 15, 2026.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities at fair value through profit or loss (FVTPL), including derivative instruments, and investment properties which have been measured at fair value.

Consolidation

Subsidiaries

The financial statements of the Company consolidate the accounts of the Company, its subsidiaries, and its structured entities. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation. Where applicable, amounts reported by subsidiaries, associates and structured entities have been adjusted to conform with the Company’s accounting policies.

Investments in associates

Investments in associates held by the Company’s investment entities are included in the Company’s consolidated financial statements as financial assets at FVTPL. The accounting policies applied to these investments in associates are similar to those applied to the Company’s other financial assets at FVTPL and are disclosed in the accounting policy notes discussing the classification and measurement of financial assets and liabilities.

Senvest Capital Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited) March 31, 2026

(tabular figures are expressed in thousands of Canadian dollars, except per share data)

Investment in associates that are not held by the Company's investment entities are included in the Company's consolidated financial statements using the equity method.

Equity method

Participations in associates are initially recorded at cost plus transaction costs. Subsequent to the acquisition date, the Company's share of profits or losses of associates is recognized in the consolidated statements of income (loss). The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Dilution gains and losses arising from changes in interests in investments in associates are recognized in the consolidated statements of income (loss).

The Company assesses at each year-end whether there is any objective evidence that its interests in associates are impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less cost to sell and value in use) and charged to the consolidated statement of income (loss). In accordance with IAS 36 *Impairment of Assets*, impairment losses are reversed in subsequent years if the recoverable amount of the investment subsequently increases, and the increase can be related objectively to an event occurring after the impairment was recognized.

Liability for redeemable units

Liability for redeemable units represents the units in Senvest Master Fund, L.P., Senvest Technology Partners Master Fund, L.P. and Senvest Cyprus Recovery Investment Partners, L.P. Fund (collectively the "Funds" or individually a "Fund") that are not owned by the Company. Senvest Master Fund, L.P. and Senvest Technology Partners Master Fund, L.P. units may be redeemed as of the end of any calendar quarter subject to the required notice of redemption period, maximum quarterly amounts and redemption fees. Senvest Cyprus Recovery Investment Partners, L.P. Fund has units that can be redeemed semi-annually with a 120 day notice. These units are recognized initially at fair value, net of any transaction costs incurred, and subsequently units are measured at the redemption amount.

Redeemable units are issued and redeemed at the holder's option at prices based on each Fund's net asset value per unit at the time of subscription or redemption. Each Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of each class of redeemable units by the total number of outstanding redeemable units for each respective class. In accordance with the provisions of the Funds' offering documents, investment positions are valued at the close price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

Non-controlling interests

Non-controlling interests represent equity interests in the consolidated structured entities owned by outside parties. The share of net assets of the structured entity attributable to non-controlling interests is presented as a component of equity. Their share of net income (loss) and comprehensive income (loss) is recognized directly

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in equity. Changes in the Company's ownership interest in the structured entity that do not result in a loss of control are accounted for as equity transactions.

Foreign currency translation

Functional currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Company is the US dollar.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statement of income (loss).

Consolidation and foreign operations

The financial statements of a subsidiary or a structured entity that has a functional currency different from that of the parent company are translated into US dollars as follows: assets and liabilities – at the closing rate at the date of the consolidated statement of financial position; and income and expenses – at the average rate for the period (as this is considered a reasonable approximation of actual rates). All resulting changes are recognized in other comprehensive income (loss) as currency translation differences.

If the Company disposes its interest in a foreign operation or loses control or significant influence over a foreign operation, the foreign exchange gains or losses accumulated in other comprehensive income (loss) related to the foreign operation would be recognized in net income (loss). If the Company disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign exchange gains or losses accumulated in other comprehensive income (loss) related to the subsidiary would be reallocated between controlling and non-controlling interests.

Presentation currency

The Company has adopted the Canadian dollar as its presentation currency, which in the opinion of management is the most appropriate presentation currency. Historically, the Company's consolidated financial statements have been presented in Canadian dollars, and since the Company's shares are listed on a Canadian stock exchange, management believes it would better serve the use of shareholders to continue issuing consolidated financial statements in Canadian dollars. The US dollar consolidated financial statements described above are translated into the presentation currency as follows: assets and liabilities – at the closing rate at the date of the consolidated statement of financial position; and income and expenses – at the average rate for the period. All resulting changes are recognized in other comprehensive income (loss) as currency translation differences. Equity items are translated using the historical rate.

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Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial assets and liabilities

Recognition, derecognition and offsetting

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and financial liabilities are recognized on the trade date, the date on which the Company commits to purchase or sell the investment.

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable and unconditional right to offset the recognized amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Classification and measurement

The classification of financial assets is based on the Company's business model and the financial asset's contractual cash flow characteristics. Business models are reassessed periodically, and contractual cash flows characteristics are assessed to determine whether they are "Solely payments of principal and interest" (SPPI).

The Company assesses its business models individually at the level of the subsidiaries and the associated companies. Information that is considered in determining the business models includes policies and objectives for the financial instrument held in each entity, how risk and performance is measured at the entity level and reported to management and expected future events for the financial instrument with respect to valuation, holding period and selling. All of the group entities' financial assets are managed on a fair value basis with the exception of bank balances and short-term trade receivables. The Company does not hold any long-term financial assets with the intent of solely collecting payments of principal and interest or collecting such payments and selling the assets.

Financial assets, including hybrid contracts, are classified as either amortized cost or the residual classification of FVTPL.

Financial assets with cash flows that are SPPI and are held within a business model where the objective is to hold the financial assets in order to collect contractual cash flows ("Hold to collect" business model) are measured at amortized cost.

Financial assets with cash flows that are SPPI but are not held within the "Hold to collect" business model are measured at FVTPL.

Financial assets with cash flows that do not meet the SPPI conditions are measured at FVTPL.

Financial assets held for trading are classified as FVTPL.

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Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company elects to measure them at FVTPL. The Company has not made such elections.

Financial assets at FVTPL

i) Financial assets and financial liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition it is part of a portfolio of identifiable financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

The Company makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions.

From time to time, the Company enters into derivative financial instruments for speculative purposes. Derivatives are also classified as held for trading. The Company does not classify any derivatives as hedges in a hedging relationship.

ii) Financial assets managed as fair value through profit or loss

Financial assets managed as fair value through profit or loss are financial instruments that are not classified as held for trading but form part of a portfolio that is managed and whose performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The Company's policy requires management to evaluate the information about these financial assets and financial liabilities on a fair value basis together with other related financial information.

Recognition, derecognition and measurement

Financial assets and financial liabilities at FVTPL are initially recognized at fair value. Transaction costs are expensed as incurred in the consolidated statement of income (loss).

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value which approximates the amount that would be received or paid if the derivative were to be transferred to a market participant at the consolidated statement of financial position date.

Gains and losses arising from changes in the fair value of financial assets or financial liabilities at FVTPL are presented in the consolidated statement of income (loss) in net change in fair value of equity investments and other holdings or net change in fair value of real estate investments in the period in which they arise.

The fair value is included in equity investments and other holdings if in an asset position or equities sold short and derivative liabilities if in a liability position.

Dividend income from financial assets at fair value through profit or loss is recognized in the consolidated statement of income (loss) as dividend income when the Company's right to receive payment is established.

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Interest on debt securities at fair value through profit or loss is recognized in the consolidated statement of income (loss) in interest income based on the contractual rate on an accrual basis. Dividend expense from equities sold short is recognized in the consolidated statement of income (loss) as dividend expense on equities sold short.

Financial assets at amortized cost

Classification

Financial assets at amortized cost are non-derivative financial assets with cash flows that are SPPI and that are managed under a “hold to collect” business model.

The Company’s financial assets at amortized cost consist of cash and cash equivalents, due from brokers, as well as loans to employees and restricted short-term investment, which are included in other assets.

Recognition and measurement

At initial recognition, the Company measures its financial assets at its fair value plus transactions costs incurred. The amortized cost is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets.

Impairment

Substantially all of the Company’s financial assets at amortized cost are short-term assets and due by counterparties with low credit risk. The Company monitors its financial assets measured at amortized cost and counterparty risk.

Financial liabilities at amortized cost

Classification

The Company’s financial liabilities at amortized cost are non-derivative liabilities that comprise bank advances, trade and other payables, due to brokers, redemptions payable, subscriptions received in advance and liability for redeemable units.

Recognition and measurement

Trade and other payables are initially recognized at fair value. Subsequently, trade and other payables are measured at amortized cost using the effective interest method. Bank advances, due to brokers, redemptions payable and subscriptions received in advance are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

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Due from and to brokers

Amounts due from and to brokers represent positive and negative cash balances or margin accounts, and pending trades on the purchase or sale of securities.

Where terms in the prime brokerage agreements permit the prime broker to settle margin balances with cash accounts or collateral, the due from brokers cash balances are offset against the due to brokers margin balances at each prime broker.

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation and are not occupied by the Company. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Changes in fair values are recognized in the consolidated statement of income (loss) as part of net change in fair value of investment properties in the period in which they arise.

Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of income except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the consolidated statement of financial position date and will apply when it is expected that the related deferred income tax asset will be realized or the deferred income tax liability settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

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Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new common shares or options are recorded in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share is calculated by dividing the net income (loss) for the year attributable to equity owners of the parent by the weighted average number of common shares outstanding during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potentially dilutive instruments. The Company currently does not have any dilutive instruments.

Accounting standards and amendments issued but not yet adopted

The IASB has issued new standards and amendments to existing standards that are not mandatory for the March 31 2026, reporting period and which were not early adopted by the Company. The Company's assessment of the impact of this new standard and amendments is set out below:

- i) IFRS 18, *Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after January 1, 2027)

In April 2024, the IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, *Presentation of Financial Statements*. The key concepts introduced in IFRS 18 relate to:

- The structure of the statement of income;
- The requirement to determine the most useful structured summary for presenting expenses in the statement of income;
- Required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is currently still assessing the impact of the forthcoming standard and amendments. No other new standards or amendments to standards are expected to have a material impact on the consolidated financial statements of the Company.

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3 Critical accounting estimates and judgments

Critical accounting estimates

The Company makes accounting estimates that are subject to measurement uncertainty because they require the use of judgement and assumptions. The Company uses judgement and assumptions in designing and selecting measurement or valuations techniques that are appropriate to the circumstances and applies inputs that correlate to the measurement or valuation technique selected. Inputs selected also require the use of judgment and assumptions.

Fair value of financial instruments

The fair value of financial instruments, including real estate investments, where no active market exists or where listed prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or by using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. To the extent practical, models use only observable data; however, areas such as credit risk (both the Company's own credit risk and counterparty credit risk), volatilities and correlations require management to make estimates.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair value of investment properties

The Company has adopted the fair value model in measuring its investment properties. The fair value of the investment properties is performed by external independent knowledgeable valuers located in the area of the properties. Inputs used in the property valuation models are based on appropriate assumptions that reflect the type of property and location. Management reviews the assumptions made and models used to ensure they correlate with their expectation and understanding of the market.

Changes in assumptions about these factors could affect the reported fair value of investment properties.

Income taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the consolidated provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

The Company is currently subject to an ongoing review by the Canada Revenue Agency (CRA) in relation to its corporate tax filings for the fiscal years 2016-2024. As of March 31, 2026, certain Notices of Reassessment have been issued. In accordance with IAS 12-Income Taxes and IFRIC 23-Uncertainty Over Income Tax Treatments, management has assessed the probability that CRA will accept the uncertain tax treatment. After consultation with external tax advisors, management has recorded a provision for certain of the elements in its consolidated financial statements.

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The tax issue at the heart of this matter relates to the profit allocation that the Company receives from its investments as a limited partner in Senvest Master Fund LP and Senvest Technology Partners Master Fund LP. The issue is whether the allocation of gains from these funds should be on account of income or on account of capital. The Company estimates that any remaining exposure could be in a range of zero to upwards of \$100 million. This is subject to change depending on the outcome of CRA's review and any further developments. Although the Company does not agree with the CRA's viewpoint and has no hesitation about litigating the matter, it will continue to monitor the situation and reflect the developments surrounding this tax issue and revise its estimates when so warranted.

Critical accounting judgments

Consolidation of entities in which the Company holds less than 50% of the voting rights

Management considers the Company to have de facto control of Senvest Management L.L.C. (RIMA), RIMA Senvest Master Fund GP, L.L.C., and Senvest Technology Partners GP, L.L.C. three legal entities wholly owned by an executive of the Company, because of the Company's Board representation and the contractual terms of the investment advisory agreement. RIMA is the investment adviser to the Funds, whereas RIMA Senvest Master Fund GP, L.L.C. is the General Partner of Senvest Master fund LP and Senvest Technology Partners GP LLC is the General Partner of Senvest Technology Partners Master Fund LP. As compensation for its sub-advisory services, the Company is entitled to receive 60% of the net management fees through RIMA and incentive allocation earned through the General Partners each fiscal year.

Management considers the Company to have control of Senvest Master Fund, L.P., Senvest Technology Partners, Master Fund L.P. and Senvest Cyprus Recovery Investment Fund, L.P. even though the Company has less than 50% of the voting rights in each of the Funds. The Company assessed that the removal rights of non-affiliated unitholders are exercisable but not strong enough given the Company's decision-making authority over relevant activities, the remuneration to which it is entitled and its exposure to returns. The Company, through its structured entities, is the majority unitholder of each of the Funds and acts as a principal while there are no other unitholders forming a group to exercise their votes collectively.

4 Fair value measurement of financial instruments

Fair value estimation

The tables below analyze financial instruments carried at fair value, by the valuation method. The different levels have been defined as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

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Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 – Inputs that are not based on observable market data

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the company. The company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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The following tables analyze within the fair value hierarchy the company's financial assets and financial liabilities measured at fair value as at March 31, 2026 and December 31, 2025.

	As at March 31, 2026			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Financial assets at fair value through profit or loss				
Held for trading				
Equity securities	4,959,616	13,655	-	4,973,271
Debt securities	-	17,311	-	17,311
Derivative financial assets	-	75,901	8,363	84,264
Other				
Equity securities	13,391	1,353	244,576	259,320
Debt securities	-	-	5,700	5,700
Real estate investments	-	-	44,804	44,804
	4,973,007	108,220	303,443	5,384,670
Liabilities				
Financial liabilities				
Held for trading				
Equity holdings sold short	(836,980)	-	-	(836,980)
Derivatives	-	(108,452)	-	(108,452)
	(836,980)	(108,452)	-	(945,432)
As at December 31, 2025				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Financial assets at fair value through profit or loss				
Held for trading				
Equity securities	5,210,950	11,612	-	5,222,562
Debt securities	-	32,194	-	32,194
Derivative financial assets	-	52,820	-	52,820
Other				
Equity securities	30,902	1,259	254,852	287,013
Debt securities	-	-	11,042	11,042
Real estate investments	-	-	39,201	39,201
	5,241,852	97,885	305,095	5,644,832
Liabilities				
Financial liabilities				
Held for trading				
Equity holdings sold short	(629,487)	-	-	(629,487)
Derivatives	-	(72,587)	-	(72,587)
	(629,487)	(72,587)	-	(702,074)

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Financial instruments in Level 1

The fair value of financial assets and financial liabilities traded in active markets are based on quoted market prices at the close of trading on the year-end date. The quoted market price used for financial assets and financial liabilities held by the Company is the close price. Investments classified in Level 1 include active listed equities and derivatives traded on an exchange.

Financial instruments in Level 2

Financial instruments classified with Level 2 trade in markets that are not considered to be active but are valued based on quoted market prices, broker quotations or valuation techniques such as financial models that use market data. These valuation techniques maximize the use of observable market data where available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. These include corporate bonds, thinly traded listed equities and derivatives, over-the-counter derivatives and private equities.

The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each year-end date. Valuation techniques used for non-standardized financial instruments such as options and other over-the-counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analyses, option-pricing models and other valuation techniques commonly used by market participants, making maximum use of market inputs and relying as little as possible on entity-specific inputs:

Description	Valuation technique
Equity securities	Quoted market prices or broker quotes for similar instruments
Private equities	Valuation techniques or net asset value based on observable inputs
Debt securities	Quoted market prices or broker quotes for similar instruments
Derivatives	Quoted market prices or broker quotes for similar instruments

Financial instruments in Level 3

Investments classified in Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments consist of unlisted equity investments, debt securities and real estate investments. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

Level 3 valuations are reviewed by the Company's chief financial officer (CFO), who reports directly to the Board on a quarterly basis in line with the Company's reporting dates. The Board considers the appropriateness of the valuation models and inputs used. On an annual basis, close to the year-end date, the Company obtains independent, third party appraisals to determine the fair value of the Company's most significant Level 3 holdings. The Company's CFO reviews the results of the independent valuations. Emphasis is placed on the valuation model used to determine its appropriateness, the assumptions made to determine whether it is consistent with the nature of the investment, and market conditions and inputs such as cash flow and discount rates to determine reasonableness.

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As at March 31, 2026 and December 31, 2025, Level 3 instruments are in various entities and industries.

Real estate investments comprising investments in private real estate companies and in real estate income trusts and partnerships. The real estate companies are involved with various types of buildings in different geographical locations. For the main Level 3 instruments, the Company relied on appraisals carried out by independent third party valuers. There was no established market for any of these investments, so the most likely scenario is a disposal of the underlying assets. For the investments in real estate income trusts and partnerships, the Company relied mainly on audited financial statements, valuing the assets at fair value. The most likely scenario is an eventual sale of the underlying properties and the subsequent distribution to the holders.

5 Equity investments and other holdings, securities sold short and derivative liabilities

Equity investments and other holdings

	As at March 31, 2026 \$	As at December 31, 2025 \$
Assets		
Financial assets at fair value through profit or loss		
Held for trading		
Equity securities	4,973,271	5,589,916
Debt securities	17,311	23,687
Derivative financial assets	84,264	72,902
	<hr/> 5,074,846	<hr/> 5,686,505
Financial assets at fair value through profit or loss		
Other		
Equity securities	259,320	339,768
Debt securities	5,700	31,060
	<hr/> 5,339,866	<hr/> 6,057,333
Current portion	5,074,846	5,686,505
Non-current portion	265,020	370,828
	<hr/> <hr/>	<hr/> <hr/>

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Securities sold short and derivative liabilities

	As at March 31, 2026 \$	As at December 31, 2025 \$
Liabilities		
Financial liabilities		
Held for trading		
Securities sold short		
Listed equity securities	836,980	629,487
Derivative financial liabilities	108,452	72,587
	945,432	702,074

6 Supplementary information to consolidated statements of cash flows

(a) Adjustments of items not affecting cash and cash equivalents are as follows:

	2026 \$	2025 \$
Net change in fair value of equity investments and other holdings	95,060	873,444
Net change in fair value of real estate investments	(939)	804
Share of loss of associates, adjusted for distributions received	(694)	169
Amortization and depreciation	783	263
Change in redemption amount of redeemable units	(64,341)	(505,385)
Deferred income tax	(5,986)	(52,554)
	23,883	316,741

(b) Changes in working capital items are as follows:

	2026 \$	2025 \$
Decrease (increase) in		
Due from brokers	(263,092)	(113,668)
Income taxes receivable	(18,860)	-
Other assets	768	427
Increase (decrease) in		
Trade and other payables	(7,988)	859
Due to Brokers	(54,455)	(906,708)
Income taxes payable	(3,953)	-
	(347,580)	(1,019,090)