atrium research

Research Flash

NTG Clarity – New Framework Agreement Signalling Rebound Has Begun

Nicholas Cortellucci, CFA | Equity Research Analyst | ncortellucci@atriumresearch.ca | 647-391-3314
Luca Perna | Equity Research Associate | lperna@atriumresearch.ca | 647-969-1027

Rating	Target Price
BUY	**$1.25**
Unchanged	*Unchanged*

November 18, 2026

Disseminated on Behalf of NTG Clarity Networks Inc.

All figures in CAD unless otherwise stated

NTG Clarity Networks Inc.	NCI:TSXV
Rating	BUY
Target Price	$1.25
Return to Target	297%

Market Data	
Share Price	$0.315
Average Daily TSXV Volume (K)	17.5
FD ITM Shares (M)	48.3
Market Cap ($M)	$15.2
Cash & Marketable Securities ($M)	$2.8
Debt ($M)	$5.8
Enterprise Value ($M)	$18.2

FYE Dec 31	2025A	2026E	2027E
Revenue ($M)	$83.4	$84.0	$94.6
Gross Margin (%)	36%	33%	36%
Adj. EBITDA ($M)	$11.9	$1.9	$8.7
Adj. EBITDA Margin (%)	14%	2%	9%
Net Income ($M)	$5.5	$2.6	$4.7
EPS (Basic)	$0.11	$0.07	$0.10
FCFF ($M)	($3.8)	$7.9	$4.0

Valuation	2025A	2026E	2027E
EV/EBITDA	1.5x	9.8x	2.1x
EV/Sales	0.2x	0.2x	0.2x
P/E	2.8x	5.8x	3.2x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



NTG Clarity Networks' vision is to be a global leader in digital transformation solutions. As a Canadian company established in 1992, NTG Clarity has delivered software, networking, and IT solutions to large enterprises including financial institutions and network service providers. More than 1,400 IT and network professionals provide design, engineering, implementation, software development and security expertise to the industry's leading enterprises.

What you need to know:

- NTG announced that it has signed a new three-year framework agreement with a Saudi technology company, including $8.6M in new POs with the potential to add more into 2027.
- NTG also disclosed $8.6M in POs against other framework agreements, $5.7M in renewed POs and contracts, $1.5M in expansion POs, and $74K in NTGapps POs.
- This represents the second consecutive month with a signed framework agreement, highlighting solid momentum.

Yesterday, after market close, NTG Clarity Networks (NCI:TSXV, NYWKF:OTCPK) announced that it has signed a three-year framework agreement with a Saudi technology company. This represented the second consecutive month of large framework agreements signed by NTG, signalling that the business has started to rebound. **We are maintaining our BUY rating and target price of $1.25/share on NTG Clarity.**

The client is a portfolio company of one of the KSA's largest investment entities. NTG now works with four of this entity's portfolio companies. The agreement comes with initial orders to deploy a team of over 30 professionals with resources expected to be fully deployed in January (NTG has ~1,400 employees). This combines with other POs and renewals for $24.5M as seen below:

- $8.6M in new work purchase orders for offshore software development services with the aforementioned new customer. This is the total initial commitment over the three-year period, with expected additional POs for 2027 and beyond.
- $8.6M in purchase orders for offshore software development services, against previously announced framework orders.
- $5.7M in renewed POs and contracts for offshore and onsite software development services.
- $1.5M in expansion PO with an existing real estate development customer for offshore and onsite software development services (connected to March 2026 framework agreement).
- $74K in new POs for NTGapps from existing telecom customers.

The new framework agreement has an expected gross margin of 33% (in line with 2026 numbers) and payment terms of 30 days (not disclosed in prior announcements; bullish signal). Management views this framework agreement as an entry point with the client, with a large opportunity to expand in the future as it builds its relationship upon execution and customer satisfaction. This was one of the agreements that NTG was holding onto resources on the bench for over the past few quarters. Given that our model already assumed recovery into 2027, we are leaving our estimates unchanged, expecting $94.6M in revenue at a 9% EBITDA margin.

Extended Framework Agreement

On October 13th (read our flash here), NTG announced a customer in the IT sector has extended its previously announced $53M three-year contract by an additional four years to August 2031. The contract provides for up to $100M in additional work (increasing from $18M/year to $25M/year) and has expected gross margins of ~33%. We increased our revenue estimates for 2027 on the back of this.

Q3 Financial Preview

NTG will report its Q3 financials later this month and we are expecting the following results:

- Revenue of $20.4M (-2% YoY)
- Gross margin of 33% vs. 35% in Q3/25
- Adjusted EBITDA of $0.2M (1% margin) vs. $2.5M in Q3/25
- Net income of ($0.1M)
- Progress on cash collection

Why We Like NCI

- NTG's land-and-expand model turns satisfied customers into referral sources, with contracts scaling from $2-4M in 2024 to consistently above $10M and a contracted backlog of $80M as of Q2.
- NTG has operated in Saudi Arabia for 20+ years, serving tier 1 clients in financial services, telecom, and government. Its Egypt-based offshore delivery model provides a cost and cultural advantage that global IT firms struggle to replicate.
- NTG invested heavily in talent in 2025, compressing EBITDA margins to 14% from a peak of 22%. We expect margins to recover through 2027 as new staff are deployed on new contracts (contingent on the Middle East conflict stabilizing).
- Management and board own 36% of shares outstanding and have led the Company since its founding in 1992, with the last financing conducted at $2.20/share, well above today's price.

Catalysts

- Quarterly Financial Results – Ongoing
- Contract Announcements – Ongoing
- Takeout Candidate – Ongoing

Tear Sheet

Market Data	
Ticker	NCI:TSXV
Stock Price	$0.315
Rating	BUY
Target Price	$1.25
Upside	297%
Market Cap ($M)	$15.2
Cash ($M)	$2.8
Debt ($M)	$5.8
EV ($M)	$18.2

Capital Structure	
Basic Shares Outstanding (M)	48.0
Warrants (M)	4.1
Options (M)	2.6
FD Shares (M)	54.7
FD ITM Shares (M)	48.3

Ownership	
Management & Board	36%
Retail & Institutions	64%

Financial Estimates	2024A	Q1/25A	Q2/25A	Q3/25A	Q4/25A	2025A	Q1/26A	Q2/26A	Q3/26E	Q4/26E	2026E	2027E
Revenue ($M)	**56.1**	**19.7**	**18.9**	**20.9**	**23.9**	**83.4**	**21.3**	**20.1**	**20.4**	**22.2**	**84.0**	**94.6**
% YoY	*102%*	*68%*	*51%*	*42%*	*39%*	*49%*	*8%*	*6%*	*-2%*	*-7%*	*1%*	*13%*
Gross Profit ($M)	**20.8**	**6.7**	**7.2**	**7.3**	**9.1**	**30.3**	**7.0**	**6.7**	**6.7**	**7.3**	**27.8**	**33.9**
Gross Margin	*37%*	*34%*	*38%*	*35%*	*38%*	*36%*	*33%*	*34%*	*33%*	*33%*	*33%*	*36%*
Adj. EBITDA ($M)	**12.3**	**2.9**	**2.8**	**2.5**	**3.8**	**11.9**	**0.8**	**0.0**	**0.2**	**0.9**	**1.9**	**8.7**
Adj. EBITDA Margin	*22%*	*15%*	*15%*	*12%*	*16%*	*14%*	*4%*	*0%*	*1%*	*4%*	*2%*	*9%*
Net Income ($M)	9.8	2.0	0.5	1.8	1.3	5.5	0.6	1.8	(0.1)	0.3	2.6	4.7
EPS (Basic)	0.23	0.05	0.01	0.04	0.01	0.11	0.02	0.05	(0.00)	0.01	0.07	0.10
FCFF ($M)	1.6	(0.0)	(2.7)	(4.1)	3.0	(3.8)	(0.1)	(4.7)	12.4	0.2	7.9	4.0

Figure 1: Tear Sheet

Disclosures

Analyst Certification
Each authoring analyst of Atrium Research on this report certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated securities discussed (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the research, (iii) to the best of the authoring analyst's knowledge, she/he is not in receipt of material non-public information about the issuer, (iv) the analyst does not own common shares, options, or warrants in the company under coverage, (v) the analysts adhere to the CFA Institute guidelines for analyst independence, and (vi) this report belongs to the CFA Institute.

Atrium Research Ratings System
BUY: The stock is expected to generate returns of over 20% over the next 24 months.
HOLD: The stock is expected to generate returns of 0-20% over the next 24 months.
SELL: The stock is expected to generate negative returns over the next 24 months.
NOT RATED (N/R): Atrium does not provide research coverage on the respective company.

COVERED COMPANIES
66

About Atrium Research
Atrium Research provides institutional quality company sponsored research on public equities in North America. Our investment philosophy takes a 3-5 year view on equities currently being overlooked by the market. Our research process emphasizes understanding the key performance metrics for each specific company, trustworthy management teams, and an in-depth valuation analysis. For further information on our team, please visit https://www.atriumresearch.ca/team.

General Information
Atrium Research Corporation (ARC) has created and distributed this report. This report is a general discussion of the merits and risks of a security or securities only, was prepared for general circulation, is not in any way meant to be tailored to the needs and circumstances of any recipient and does not provide investment recommendations specific to individual investors. As such, the securities discussed in this report may not be suitable for all investors and investors must make their own investment decisions based upon their specific investment objectives and financial situation, utilizing their own financial advisors as they deem necessary.

This report is based on information we considered reliable; we have not been provided with any material non-public information by the company (or companies) discussed in this report. We do not represent that this report is accurate or complete and it should not be relied upon as such; further any information in this report is subject to change without any formal or type of notice provided. Investors should consider this report as only one factor in their investment decisions; this report is not intended as a replacement for investor's independent judgment.

ARC is not a CIRO registered dealer and does not offer investment-banking services to its clients. ARC (and its employees) do not own, trade or have a beneficial interest in the securities of the companies we provide research services for and does not serve as an officer or Director of the companies discussed in this report. ARC does not make a market in any securities. This report is not disseminated in connection with any distribution of securities and is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

ARC does not make any warranties, expressed or implied, as to the results to be obtained from using this information and makes no express of implied warranties for particular use. Anyone using this report assumes full responsibility for whatever results they obtain. This report does not constitute a personal recommendation or take into account any financial or investment objectives, portfolio holdings, strategy, financial situations or needs of individuals. This report has not been prepared for any particular individual or institution. As such, any advice or recommendation in this report may not be suitable for a particular recipient. ARC assumes recipients of this report are capable of evaluating the information contained herein and of exercising independent judgment. A recipient of this report should not make any investment decision without first considering whether any advice or recommendation in this report is suitable for the recipient based on the recipient's particular circumstances and, if appropriate or otherwise needed, seeking professional advice, including tax advice. ARC does not perform any suitability or other analysis to check whether an investment decision made by the recipient based on this report is consistent with a recipient's investment objectives, portfolio holdings, strategy, financial situation, or needs. Past performance is not an indication or guarantee of future results, future returns are not guaranteed, and loss of original capital may occur. By providing this report, ARC does not accept any authority, discretion, or control over the management of the recipient's assets. Any action taken by the recipient of this report, based on the information in the report, is at the recipient's sole judgment and risk. The recipient must perform his or her own independent review of any prospective investment. Neither ARC nor any person employed by ARC accepts any liability whatsoever for any direct or indirect loss resulting from any use of its research or the information it contains.

This report contains "forward-looking" statements. Forward-looking statements regarding the Company and/or stock's performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Such statements involve a number of risks and uncertainties such as competition, market demand, and the company's (and management's) ability to correctly forecast financial estimates. As a result, the actual results, events, performance or achievements of the financial product may be materially different from those expressed or implied in such statements. Please see the Company's MD&A "Risk Factors" Section for a more complete discussion of company specific risks for the company discussed in this report. Any opinion or estimate constitutes the preparer's best judgment as of the date of preparation, and is subject to change without notice. ARC assumes no obligation to maintain or update this report based on subsequent information and events.

ARC is receiving a cash compensation from NTG Clarity Networks Inc. for 12-months of research coverage. This report was disseminated on behalf of NTG Clarity Networks Inc. ARC retains full editorial control over its research content. ARC does not have investment banking relationships and does not expect to receive any investment banking driven income. ARC reports are primarily disseminated electronically and, in some cases, printed form. Electronic reports are simultaneously available to all recipients in any form. This report or any portion hereof may not be copied, reprinted, sold, or redistributed or disclosed by the recipient or any third party, by content scraping or extraction, automated processing, or any other form or means, without the prior written consent of ARC. Any unauthorized use is prohibited. Neither ARC nor any of its respective directors, officers or employees is responsible for guaranteeing the financial success of any investment, or accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this report or its contents.

To receive future reports on covered companies please visit https://www.atriumresearch.ca/research or subscribe on our website.

This report has been prepared independently of any issuer of securities mentioned herein and not as agent of any issuer of securities. No ARC personnel have authority whatsoever to make any representations or warranty on behalf of the Company. Any comments or statements made herein are those of ARC.

The information contained herein is not, and under no circumstances is to be construed as, an offer to sell securities described herein, or solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators, if applicable, and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. The information contained herein is under no circumstances to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed judgment upon this research report, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offence.

The information contained in this report is intended to be viewed only in jurisdictions where it may be legally viewed and is not intended for use by any person or entity in any jurisdiction where such use would be contrary to local regulations or which would require any registration requirement within such jurisdiction.