

# Årsredovisning

## Enghouse Interactive AB

Org.nr 556542-8132

Räkenskapsår 2023-11-01 - 2024-10-31

### Fastställelseintyg

Undertecknad styrelseledamot intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 10 april 2025.

Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm den 10 april 2025



Stephen Sadler

# Årsredovisning

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## Arsredovisning

för räkenskapsåret 2023-11-01-2024-10-31

Styrelsen för Enghouse Interactive AB avger härmed följande årsredovisning.

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Styrelsens säte: Stockholm

Företagets redovisningsvaluta: Svenska kronor (SEK).

Alla belopp redovisas, om inte annat anges, i tusen kronor (tkr).

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## Förvaltningsberättelse

### Information om verksamheten

Enghouse Interactive är en av världens ledande leverantörer av lösningar för kundkommunikation med fokus på skalbarhet i storlek, komplexitet och integration för att säkerställa en framgångsrik och enkel kundsamverkan för företag oavsett bransch. Vi levererar alltifrån traditionella kontaktcenterlösningar till avancerade webchattar och videokommunikationslösningar. Samtliga våra lösningar är plattformsborende och distribueras via molnstjänster eller är kundplacerade - allt utifrån kundens behov.

### Ägarförhållanden

Bolaget är ett dotterbolag till Enghouse Systems Ltd med säte i Ontario, Kanada.

### Koncernstruktur

Enghouse Interactive AB är moderbolag till sju helägda dotterbolag, Enghouse Interactive AS, Enghouse Interactive A/S, Locus Holdings AS, Enghouse Networks (Sweden) AB, CD Rator A/S, Aktavara AB samt Enghouse (Netherlands) Holding B.V.

### Väsentliga händelser under och efter räkenskapsåret

I september 2024 fusionerades bolaget med dotterföretaget Competella AB.

### Produktutveckling

Produktutvecklingsarbetet i Enghousekoncernen bedrivs på flera geografiska utvecklingscenter i världen. Utveckling som berör Enghouse Interactive har sina huvudsakliga utvecklingscenter lokaliserade i Stockholm, Sverige respektive i Reading, England.

### Risker

Även om Enghouse Interactive är mycket väl positionerat med sitt programkoncept och har möjlighet att distribuera både fasta installationer och molnbaserade lösningar så är just de molnbaserade kommunikationslösningarna en marknad som öppnat upp för upp för många nya företag som med enklare lösningar konkurransutsätter marknaden i högre grad än tidigare.

### Flerårsöversikt

	2024	2023	2022	2021
Nettoomsättning (tkr)	87,064	77,518	81,869	88,523
Resultat efter finansiella poster (tkr)	133,011	165,453	92,488	139,403
Balansomslutning (tkr)	671,167	680,867	664,189	628,748
Soliditet (%)	63%	64%	70%	80%
Antal anställda	36	43	40	54

### Förslag till resultatdisposition (kr)

Styrelsen föreslår att till förfogande stående medel

Balanserat resultat	244,383,521
Årets resultat	120,228,601
	<b>364,612,122</b>
disponeras så att	
till aktieägare utdelas	145,000,000
i ny räkning överföres	219,612,122
	<b>364,612,122</b>

### Styrelsens yttrande enligt 18 kap 4 § aktiebolagslagen (2005:551)

Styrelsen i Enghouse Interactive AB har beslutat att föreslå aktieägaren att på årsstämman besluta om vinstutdelning med 145,000,000 kr. Detta yttrande är framtaget i enlighet med bestämmelserna i 18 kap 4 § aktiebolagslagen och utgör styrelsens bedömning av om den föreslagna vinstutdelningen är försvarlig med hänsyn till vad som anges i 17 kap 3 § andra och tredje styckena aktiebolagslagen.

Styrelsen bedömer att bolagets likviditet och resultatutveckling under räkenskapsåret 2023-11-01- 2024-10-31 har varit positiv och förväntas bli positiv under 2025 och att föreslagen vinstutdelning är försvarlig med hänsyn till vad som anges i 17 kap 3 § aktiebolagslagen.

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### Resultaträkning

	Not	2023-11-01 - 2024-10-31	2022-11-01 - 2023-10-31
Nettoomsättning	2, 6	87,064	77,518
Övriga rörelseintäkter		12,372	15,383
		<b>99,436</b>	<b>92,901</b>
<i>Rörelsens kostnader</i>			
Råvaror och förnödenheter	6	-2,505	-1,592
Övriga externa kostnader	3, 4	-12,261	-10,316
Personalkostnader	5	-34,904	-40,744
Avskrivning av materiella och imateriella anläggningstillgångar		-190	-198
		<b>-49,859</b>	<b>-52,849</b>
<b>Rörelseresultat</b>		<b>49,576</b>	<b>40,052</b>
<i>Resultat från finansiella poster</i>			
Övriga ränteintäkter och liknande resultatposter	7, 8	89,609	135,159
Räntekostnader och liknande resultatposter	9	-6,174	-9,757
		<b>83,435</b>	<b>125,402</b>
<b>Resultat efter finansiella poster</b>		<b>133,011</b>	<b>165,453</b>
Bokslutsdispositioner	10	-4,219	-6,071
<b>Resultat före skatt</b>		<b>128,792</b>	<b>159,382</b>
Skatt på årets resultat	11	-8,563	-5,534
<b>Årets resultat</b>		<b>120,229</b>	<b>153,849</b>

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## Balansräkning

	Not	2024-10-31	2023-10-31
<b>TILLGÅNGAR</b>			
<b>Anläggningstillgångar</b>			
<i>Immateriella anläggningstillgångar</i>			
Koncessioner, patent, licenser, varumärken samt liknande rättigheter	12	0	0
Goodwill	13	22,434	0
		<b>22,434</b>	<b>0</b>
<i>Materiella anläggningstillgångar</i>			
Inventarier, verktyg och installationer	14	165	355
		<b>165</b>	<b>355</b>
<i>Finansiella anläggningstillgångar</i>			
Andelar i koncernföretag	15	562,092	607,388
Andra långfristiga fordringar	16	1,522	1,500
		<b>563,615</b>	<b>608,888</b>
<b>Summa anläggningstillgångar</b>		<b>586,214</b>	<b>609,243</b>
<b>Omsättningstillgångar</b>			
<i>Kortfristiga fordringar</i>			
Kundfordringar		5,521	2,765
Fordringar hos koncernföretag		34,816	31,463
Övriga kortfristiga fordringar		15,421	16,165
Förutbetalda kostnader och upplupna intäkter	17	7,166	6,346
		<b>62,924</b>	<b>56,739</b>
<i>Kassa och bank</i>		<b>22,029</b>	<b>14,885</b>
<b>Summa omsättningstillgångar</b>		<b>84,953</b>	<b>71,624</b>
<b>SUMMA TILLGÅNGAR</b>		<b>671,167</b>	<b>680,867</b>

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## Balansräkning

	Not	2024-10-31	2023-10-31
<b>EGET KAPITAL OCH SKULDER</b>			
<i>Eget kapital</i>			
<i>Bundet eget kapital</i>			
Aktiekapital	18	4,365	4,365
Reservfond		20	20
		<b>4,385</b>	<b>4,385</b>
<i>Fritt eget kapital</i>			
Balanserad vinst eller förlust		244,384	230,842
Årets resultat		120,229	153,849
		<b>364,612</b>	<b>384,691</b>
<b>Summa eget kapital</b>		<b>368,998</b>	<b>389,076</b>
<i>Obeskattade reserver</i>	19	64,800	60,581
<i>Kortfristiga skulder</i>			
Leverantörsskulder		864	589
Skulder till koncernföretag		212,662	210,967
Övriga kortfristiga skulder		3,394	3,301
Upplöpna kostnader och förutbetalda intäkter	20	20,450	16,352
		<b>237,369</b>	<b>231,210</b>
<b>SUMMA EGET KAPITAL OCH SKULDER</b>		<b>671,167</b>	<b>680,867</b>

## Rapport över förändringar i eget kapital

	Aktiekapital	Reservfond	Överkursfond	Balanserat resultat	Årets resultat	Totalt
Utgående balans 2022-10-31	4,365	20	168,303	142,807	97,765	413,261
Omföring resultat föregående år	0	0	0	97,765	-97,765	0
Lämnad utdelning	0	0	0	-178,033	0	-178,033
Årets resultat	0	0	0	0	153,849	153,849
Utgående balans 2023-10-31	4,365	20	168,303	62,539	153,849	389,076
Omföring resultat föregående år	0	0	0	153,849	-153,849	0
Lämnad utdelning	0	0	0	-129,000	0	-129,000
Fusionsdifferens	0	0	0	-11,308	0	-11,308
Årets resultat	0	0	0	0	120,229	120,229
Utgående balans 2024-10-31	4,365	20	168,303	76,081	120,228	368,997

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### Kassaflödesanalys (tkr)

	2023-11-01 - 2024-10-31	2022-11-01 - 2023-10-31
<b>Den löpande verksamheten</b>		
Rörelseresultat	49,576	40,052
Justeringar för poster som inte ingår i kassaflödet m.m.		
Avskrivningar och nedskrivningar	190	197
Orealiserad kursvinst/förlust	-1,876	-6,405
	<b>47,890</b>	<b>33,844</b>
Erhållen ränta	815	158
Erhållen utdelning	88,773	135,001
Erlagd ränta	-4,298	-3,352
Betald inkomstskatt	-8,563	-5,534
<b>Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital</b>	<b>124,617</b>	<b>160,117</b>
<i>Förändringar i rörelsekapital</i>		
Förändring av rörelsefordringar	-6,185	-15,212
Förändring av rörelseskulder	6,158	42,290
<b>Kassaflöde från den löpande verksamheten</b>	<b>124,590</b>	<b>187,195</b>
<i>Investeringsverksamheten</i>		
Förvärv av andelar i dotterföretag	0	-1,740
Effekt av fusion	11,554	0
Förvärv av materiella anläggningstillgångar	0	-294
<b>Kassaflöde från investeringsverksamheten</b>	<b>11,554</b>	<b>-2,034</b>
<i>Finansieringsverksamheten</i>		
Utbetald utdelning	-129,000	-178,033
Lämnade koncernbidrag	0	-7,500
<b>Kassaflöde från finansieringsverksamheten</b>	<b>-129,000</b>	<b>-185,533</b>
<b>Årets kassaflöde</b>	<b>7,144</b>	<b>-372</b>
Likvida medel vid årets början	14,885	15,257
Likvida medel vid årets slut	22,029	14,885

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## Noter

### Not 1. Redovisningsprinciper m.m.

#### Allmänna redovisningsprinciper

Årsredovisningen har upprättats enligt årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

#### Koncern tillhörighet och koncernredovisning

Enghouse upprättar ingen koncernredovisning enligt ÅRL 7:2 med hänvisning till att bolagets moderföretag Enghouse Systems Limited upprättar en sådan. Koncernredovisningen är tillgänglig för allmänheten från Enghouse Systems Limited, 80 Tiverton Court, Suite 800, Markham, Ontario, Kanada och på hemsidan <https://www.enghouse.com/investors/financials/>

#### Omräkning av poster i utländsk valuta

Monetära tillgångs- och skuldposter i utländsk valuta värderas till balansdagens kurs. Transaktioner i utländsk valuta omräknas enligt transaktionsdagen avistakurs.

#### Intäktsredovisning

Bolagets nettoomsättning är hänförlig till installation av mjukvara inklusive licenser samt support- och konsulttjänster. Fakturering sker i såväl förskott som i efterskott. Pågående arbeten till fast pris vinstavdräknas successivt. Förskottsfakturerade å conton redovisas under Upplupna kostnader och upparbetad tid redovisas som en Upplupen intäkt till dess att arbetet avslutas. Intäkter från projekt på löpande räkning redovisas efter nedlagd tid.

#### Inkomstskatter

Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

Fordringar och skulder nettoredovisas endast när det finns en legal rätt till kvittning. Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. Skatteeffekter av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

#### Immateriella tillgångar

Immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar.

Avskrivningar görs linjärt över den bedömda nyttjandetiden.

Immateriella tillgångar som genereras inom företaget, redovisas inte i balansräkningen, kostnaderna belastar i stället resultatet under det år då de uppstår.

#### Utgifter för forskning och utveckling

Utgifter avseende forskning redovisas som en kostnad när de uppstår. Utgifter för utveckling som är hänförliga till ett enskilt projekt, som ej finansieras av kund, redovisas som tillgång i balansräkningen när det finns skäl att anta att beloppet kommer att kunna återvinnas i framtiden. Tillgången skrivs av under den period då försäljning som sammanhänger med projektet förväntas ske. Resterande utgifter kostnadsförs löpande.

#### Goodwill

Goodwill utgörs av det belopp varmed anskaffningsvärdet överstiger det verkliga värdet av de förvärvade nettotillgångarna vid förvärvstillfället. Goodwill utgörs av fusionsgoodwill.

### Avskrivningsprinciper för immateriella anläggningstillgångar

De beräknade nyttjandeperioderna för innevarande och jämförelseperioderna är följande:

Förvärvade programvaror	4 år
Kundrelationer	8 år
Patent	10 år
Goodwill	5 år

#### Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången. Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som Övrig rörelseintäkt respektive Övrig rörelsekostnad.

Materiella anläggningstillgångar skrivs av systematisk över tillgångens bedömda nyttjandeperiod. När tillgångarnas avskrivningsbara belopp fastställs, beaktas i förekommande fall tillgångens restvärde.

Följande avskrivningstider tillämpas:

Inventarier, verktyg och installationer	3-5 år
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#### Nedskrivningar av icke-finansiella tillgångar

När det finns en indikation på att en tillgångs värde minskat, görs en prövning av nedskrivningsbehov. Har tillgången ett återvinningsvärde som är lägre än det redovisade värdet, skrivs den ner till återvinningsvärdet. Vid bedömning av nedskrivningsbehov grupperas tillgångarna på de lägsta nivåer där det finns separata identifierbara kassaflöden (kassagenererande enheter). För tillgångar som tidigare skrivits ner görs per varje balansdagen prövning av om återföring bör göras.

#### Leasingavtal

Samtliga leasingavtal där företaget är leasetagare redovisas som operationell leasing (hyresavtal), oavsett om avtalen är finansiella eller operationella. Leasingavgiften redovisas som en kostnad linjärt över leasingperioden.

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#### Finansiella instrument

Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar och övriga fordringar, leverantörsskulder och låneskulder. Instrumenten redovisas i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförs och företaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

#### Kundfordringar och övriga fordringar

Fordringar redovisas som omsättningsstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Fordringar som är räntefria eller som löper med ränta som avviker från marknadsräntan och har en löptid överstigande 12 månader redovisas till ett diskonterat nuvärde och tidsvärdeförändringen redovisas som ränteintäkt i resultaträkningen.

#### Låneskulder och leverantörsskulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde eller avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

#### Kvitning av finansiell fordran och finansiell skuld

En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

#### Obeskattade reserver

Obeskattade reserver redovisas med bruttobelopp i balansräkningen, inklusive den uppskjutna skatteskuld som är hänförlig till reserverna.

#### Bokslutsdispositioner

Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen.

#### Ersättningar till anställda

##### Kortfristiga ersättningar:

Kortfristiga ersättningar i företaget utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro och sjukvård. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.

##### Ersättningar efter avslutad anställning:

I företaget förekommer såväl avgiftsbestämda som förmånsbestämda pensionsplaner. I avgiftsbestämda planer betalar företaget fastställda avgifter till ett annat företag och har inte någon legal eller informell förpliktelse att betala något ytterligare även om det andra företaget inte kan uppfylla sitt uppfylla sitt åtagande.

##### Ersättningar vid uppsägning:

Ersättningar vid uppsägning utgår då företaget beslutar att avsluta en anställning före den normala tidpunkten för anställnings upphörande eller då en anställd accepterar ett erbjudande om frivillig avgång i utbyte mot sådan ersättning.

#### Kassaflödesanalys

Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar. Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringar som är noterade på en marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten. Förändringar i marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten. Förändringar i spärrade medel redovisas i investeringsverksamheten.

#### Uppskattningar och bedömningar

Bolaget gör uppskattningar och bedömningar om framtiden. De uppskattningar för redovisningsändamål som blir följden av dessa kommer, definitionsmässigt, sällan att motsvara det verkliga resultatet. De uppskattningar och antaganden som innebär en betydande risk för väsentliga justeringar i redovisade värden för tillgångar och skulder under nästkommande år behandlas i huvuddrag nedan.

#### Aktier i dotterföretag

Antaganden görs om framtida förhållanden för att beräkna framtida kassaflöden som bestämmer återvinningsvärdet jämförs med det redovisade värdet för dessa tillgångar och ligger till grund för eventuella nedskrivningar eller återföringar. De antaganden som påverkar återvinningsvärdet mest eventuella nedskrivningar eller återföringar. De antaganden som påverkar återvinningsvärdet mest är framtida resultatutveckling, diskonteringsränta och nyttjandeperiod. Om framtida omvärldsfaktorer och förhållanden ändras kan antaganden påverkas så att redovisade värden på bolagets andelar i dotterföretag ändras.

#### Nyckeltalsdefinitioner

##### Nettoomsättning

Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

##### Resultat efter finansiella poster

Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

##### Balansomslutning

Företagets samlade tillgångar.

##### Soliditet (%)

Justerat eget kapital ( eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Enghouse Interactive AB  
556542-8132

Räkenskapsår 2023-11-01 - 2024-10-31

## Noter

### Not 2 Nettoomsättningens fördelning

Nettoomsättningen fördelar sig på geografiska marknader enligt följande:

	2024	2023
Sverige	47,639	46,953
Danmark	13,182	16,378
Schweitz	12,593	0
Norge	11,322	13,869
Övriga marknader	2,328	318
	<b>87,064</b>	<b>77,518</b>

### Not 3 Arvode till revisorer

	2024	2023
Frejs Revisorer AB		
Revisionsuppdraget	239	190
Annan revisionsverksamhet	53	0
Skatterådgivning	23	13
	<b>315</b>	<b>203</b>

### Not 4. Operationella leasingavtal

	2024	2023
Kostnadsförda leasingavgifter avseende operationella leasingavtal	4,306	5,908
Framtida minimileaseavgifter avseende ej uppsägningsbara operationella leasingavtal:		
Ska betalas inom 1 år	2,424	5,394
Ska betalas inom 2-5 år	4,003	858
Ska betalas senare än 5 år	0	0

### Not 5 Anställda och personalkostnader

#### Medelantalet anställda

	2024	2023
Män	28	33
Kvinnor	8	10
	<b>36</b>	<b>43</b>

#### Löner och andra ersättningar

	2024	2023
Styrelse och verkställande direktör	0	82
Övriga anställda	23,951	28,035
	<b>23,951</b>	<b>28,117</b>

#### Pensions- och övriga sociala kostnader

Pensionskostnader för styrelse och verkställande direktör	0	14
Pensionskostnader för övriga anställda	2,863	3,276
Övriga sociala kostnader enligt lag och avtal	7,983	8,940
	<b>10,846</b>	<b>12,230</b>

#### Könsfördelning bland ledande befattningshavare

	2024	2023
Andel kvinnor i styrelsen	0%	0%
Andel män i styrelsen	100%	100%
Andel kvinnor bland övriga ledande befattningshavare	0%	0%
Andel män bland övriga ledande befattningshavare	100%	100%

Enghouse Interactive AB  
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Räkenskapsår 2023-11-01 - 2024-10-31

**Not 6 Inköp och försäljning mellan koncernföretag**

	2024	2023
Nedan anges andelen av årets inköp och försäljning avseende koncernföretag.		
Inköp	6%	9%
Försäljning	10%	12%

**Not 7 Resultat från andelar i koncernföretag**

	2024	2023
Erhållna utdelningar	88,773	135,001
	<b>88,773</b>	<b>135,001</b>

**Not 8 Övriga ränteintäkter och liknande resultatposter**

	2024	2023
Utdelningar	88,773	135,001
Övriga ränteintäkter	837	158
	<b>89,610</b>	<b>135,159</b>

**Not 9 Räntekostnader och liknande resultatposter**

	2024	2023
Räntekostnader till koncernföretag	-4,166	-3,289
Övriga räntekostnader	-1	-1
Kursdifferenser	-1,875	-6,405
Övriga finansiella kostnader	-132	-62
	<b>-6,174</b>	<b>-9,757</b>

**Not 10 Bokslutsdispositioner**

	2024	2023
Aterföring periodiseringsfond	9,281	9,929
Avsättning periodiseringsfond	-13,500	-8,500
Lämnade koncernbidrag		-7,500
	<b>-4,219</b>	<b>-6,071</b>

**Not 11 Skatt på årets resultat**

	2024	2023
Aktuell skatt	-8,563	-5,534
Justering avseende tidigare år	0	0
<b>Summa redovisad skatt</b>	<b>-8,563</b>	<b>-5,534</b>

*Avstämning av effektiv skattesats*  
Redovisat resultat före skatt

	128,792	159,382
--	---------	---------

Skatt på redovisat resultat enligt gällande skattesats (20.6% resp 20.6%):

	-26,530	-32,833
--	---------	---------

Skatteeffekt av:

ej avdragsgilla kostnader	-25	-146
---------------------------	-----	------

schablonsränta på periodiseringsfond	-442	-370
--------------------------------------	------	------

ej skattepliktiga intäkter	18,428	27,815
----------------------------	--------	--------

Utnyttjat underskottsavdrag	6	0
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<b>Redovisad skatt</b>	<b>-8,563</b>	<b>-5,534</b>
------------------------	---------------	---------------

**Effektiv skattesats**

	6.6%	3.5%
--	------	------

**Not 12 Koncessioner, patent, licenser, varumärken och liknande rättigheter**

	2024-10-31	2023-10-31
Ingående anskaffningsvärden	47,487	47,487
<b>Utgående ackumulerade anskaffningsvärden</b>	<b>47,487</b>	<b>47,487</b>
Ingående avskrivningar	-47,487	-47,487
Årets avskrivningar		
<b>Utgående ackumulerade avskrivningar</b>	<b>-47,487</b>	<b>-47,487</b>
<b>Utgående redovisat värde</b>	<b>0</b>	<b>0</b>

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Räkenskapsår 2023-11-01 - 2024-10-31

Not 13 Goodwill

	2024-10-31	2023-10-31
Ingående anskaffningsvärden	94,291	94,291
Anskaffningar fusion	42,064	0
Försäljningar/utrangeringar	-94,291	0
<b>Utgående ackumulerade anskaffningsvärden</b>	<b>42,064</b>	<b>94,291</b>
Ingående avskrivningar	-94,291	-94,289
Ack avskrivningar fusion	-19,630	0
Årets avskrivningar	0	-2
Försäljningar/utrangeringar	94,291	0
<b>Utgående ackumulerade avskrivningar</b>	<b>-19,630</b>	<b>-94,291</b>
<b>Utgående redovisat värde</b>	<b>22,434</b>	<b>0</b>

Not 14 Inventarier

	2024-10-31	2023-10-31
Ingående anskaffningsvärden	3,146	2,852
Försäljningar/utrangeringar	-512	0
<b>Utgående ackumulerade anskaffningsvärden</b>	<b>2,634</b>	<b>3,146</b>
Ingående avskrivningar	-2,791	-2,596
Försäljningar/utrangeringar	512	0
Årets avskrivningar	-190	-195
<b>Utgående ackumulerade avskrivningar</b>	<b>-2,469</b>	<b>-2,791</b>
<b>Utgående redovisat värde</b>	<b>165</b>	<b>355</b>

Not 15 Andelar i koncernföretag

	2024-10-31	2023-10-31
Ingående anskaffningsvärden	607,388	605,648
Årets anskaffningar	0	1,740
Upplösning genom fusion	-45,296	0
<b>Utgående ackumulerade anskaffningsvärden</b>	<b>562,092</b>	<b>607,388</b>
<b>Utgående redovisat värde</b>	<b>562,092</b>	<b>607,388</b>

Specifikation av andelar i koncernföretag

Bolagsnamn	Säte	Org. nr.	Kapitalandel	Rösträttsandel	Antal andelar	Bokfört värde 2024-10-31
Enghouse Interactive AS	Oslo, Norge	982261562	100%	100%	1,000	2,576
Enghouse Interactive A/S	Ballerup, Danmark	32557902	100%	100%	130	10,552
Enghouse Networks (Sweden) AB	Solna	556548-8243	100%	100%	1,000	75,403
Locus Holdings AS	Sandefjord, Norge	935166438	100%	100%	630,445	79,841
CDRator A/S	Ballerup, Danmark	26499879	100%	100%	1,000	180,351
Aktavara AB	Stockholm	556623-5262	100%	100%	1,200	21,000
Enghouse (Netherlands) Holding B.V.	Rotterdam, NL	53931521	100%	100%	100	192,369
						<b>562,092</b>

Not 16 Andra långfristiga fordringar

	2024-10-31	2023-10-31
Ingående anskaffningsvärden	1,500	1,500
<b>Utgående ackumulerade anskaffningsvärden</b>	<b>1,500</b>	<b>1,500</b>

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Räkenskapsår 2023-11-01 - 2024-10-31

Not 17 Förutbetalda kostnader och upplupna intäkter

	2024-10-31	2023-10-31
Upplupna intäkter	5,760	4,937
Förutbetalda hyreskostnader	995	997
Förutbetalda försäkringspremier	161	122
Övriga förutbetalda kostnader	250	290
	7,166	6,346

Not 18 Antal aktier

	2024-10-31	2023-10-31	2024-10-31	2023-10-31
	Kvotvärde	Kvotvärde	Antal	Antal
A-aktier	10	10	307,933	307,933
B-aktier	10	10	128,613	128,613
			436,546	436,546

Not 19 Obeskattade reserver

	2024-10-31	2023-10-31
Periodiseringsfond avsatt 2018	0	9,281
Periodiseringsfond avsatt 2019	10,000	10,000
Periodiseringsfond avsatt 2020	12,800	12,800
Periodiseringsfond avsatt 2021	11,000	11,000
Periodiseringsfond avsatt 2022	9,000	9,000
Periodiseringsfond avsatt 2023	8,500	8,500
Periodiseringsfond avsatt 2024	13,500	0
	64,800	60,581

Not 20 Upplupna kostnader och förutbetalda intäkter

	2024-10-31	2023-10-31
Upplupna löner	92	115
Upplupna semesterlöner	2,730	2,998
Upplupna sociala avgifter	977	1,050
Förutbetalda serviceavtal	15,133	10,676
Övriga upplupna kostnader	1,518	1,513
	20,450	16,352

Not 21 Ställda säkerheter

	2024-10-31	2023-10-31
Spärrade bankmedel	1,500	1,500
Summa ställda säkerheter	1,500	1,500

Not 22 Disposition av vinst eller förlust

	2024-10-31	2023-10-31
<b>Förslag till resultatdisposition</b>		
Styrelsen föreslår att till förfogande stående medel		
Balanserat resultat	244,384	230,842
Årets resultat	120,228	153,849
	364,612	384,691
<b>disponeras så att</b>		
till aktieägare utdelas	145,000	129,000
i ny räkning överföres	219,612	255,691
	364,612	384,691

Not 23 Fusion

Fusionen redovisas i enlighet med BFNAR 2020:5. Övertagna tillgångar och skulder redovisas till koncernmässigt värde. Den fusionsdifferens som uppstår redovisas direkt mot eget kapital i det övertagande bolaget.

Den 19 september 2024 fusionerades Competella AB, Org nr 556781-5070, med Enghouse Interactive AB, org. nr. 556542-8132.

Följande upplysningar kan lämnas om det överåtande bolaget på fusionsdagen.

Finansiella anläggningstillgångar	43	Bundet eget kapital	107
Kundfordringar	129	Fritt eget kapital	11,447
Övriga kortfristiga fordringar	13,267	Övriga kortfristiga skulder	10,459
Kassa och bank	11,314	Upparbetat resultat	2,740
<b>Summa tillgångar</b>	<b>24,753</b>	<b>Summa skulder</b>	<b>24,753</b>

Nettoomsättning upp gick till 14,986 tkr och rörelseresultat till 2,753 tkr.

Bokfört värde på aktierna	45,295,957
Eget kapital vid årets ingång	-11,554,371
Fusionsgoodwill	-22,433,922
Fusionsdifferens	11,307,664

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Räkenskapsår 2023-11-01 - 2024-10-31

Stockholm den 10 april 2025



Stephen Sadler  
Styrelseledamot

Dan Sandberg  
Styrelseledamot

John Ryan  
Styrelseledamot

Vår revisionsberättelse har lämnats den 10/4-2025

Frejs Revisorer AB



Annika Lessmark  
Auktoriserad revisor

Fotokopians överensstämmelse  
med originalet intygas:



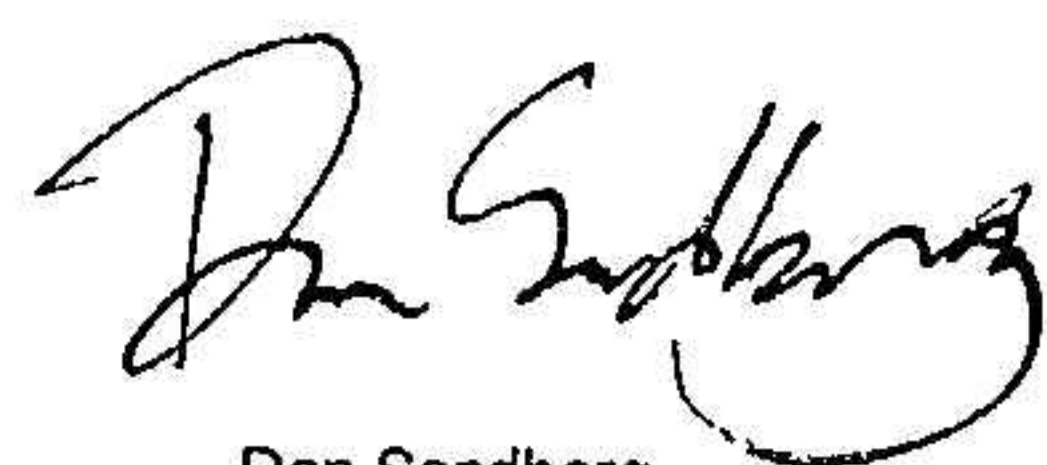
Enghouse Interactive AB  
556542-8132

Räkenskapsår 2023-11-01 - 2024-10-31

2025052204053

Stockholm den 10 april 2025

Stephen Sadler  
Styrelseledamot



Dan Sandberg  
Styrelseledamot

John Ryan  
Styrelseledamot

Vår revisionsberättelse har lämnats den

Frejs Revisorer AB



Annika Lessmark  
Auktoriserad revisor

Fotokopians överensstämmelse  
med originalet intygas:



Enghouse Interactive AB  
556542-8132


Räkenskapsår 2023-11-01 - 2024-10-31

2025052204054

Stockholm den 10 april 2025

Stephen Sadler  
Styrelseledamot


Dan Sandberg  
Styrelseledamot



John Ryan  
Styrelseledamot

Vår revisionsberättelse har lämnats den

Frejs Revisorer AB



Annika Lessmark  
Auktoriserad revisor

Fotokopians överensstämmelse  
med originalet intygas:



# Revisionsberättelse

Till bolagsstämman i Enghouse Interactive AB  
Org.nr 556542-8132

## Rapport om årsredovisningen

### *Uttalanden*

Vi har utfört en revision av årsredovisningen för Enghouse Interactive AB för räkenskapsåret 2023-11-01 - 2024-10-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Enghouse Interactive ABs finansiella ställning per 2024-10-31 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

### *Grund för uttalanden*

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Enghouse Interactive AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.


Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### *Styrelsens ansvar*

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

### *Revisorns ansvar*

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen. 

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:


- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.

- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat. 

## Rapport om andra krav enligt lagar och andra författningar

### **Uttalanden**

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Enghouse Interactive AB för räkenskapsåret 2023-11-01 - 2024-10-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

### **Grund för uttalanden**

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Enghouse Interactive AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### **Styrelsens ansvar**

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

### **Revisorns ansvar**

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen. 

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionsred i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionsred i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Göteborg den 10 april 2025

**Frejs Revisorer AB**



Annika Lessmark

Auktoriserad revisor

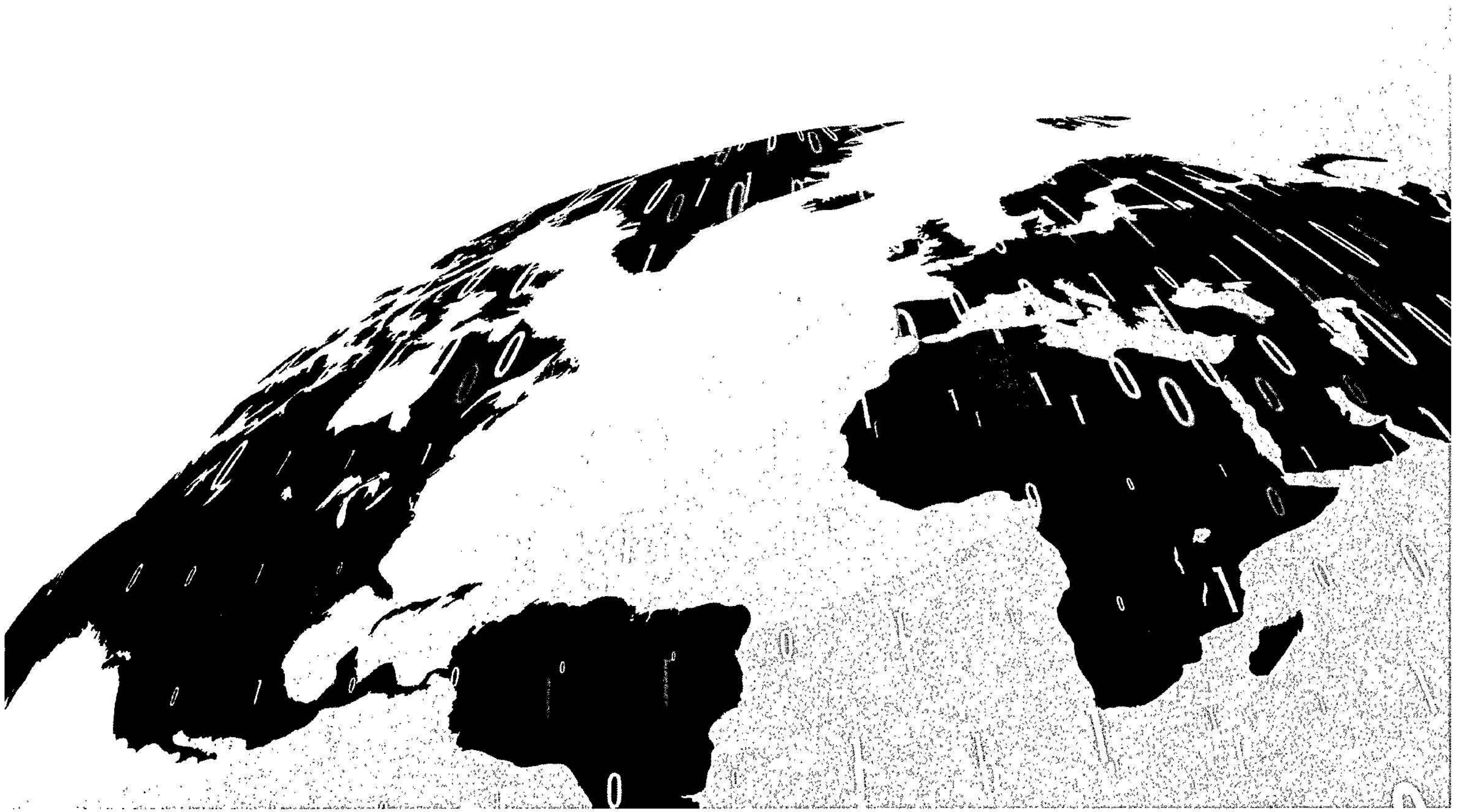
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med originalet intygas:





**Enghouse Systems**  
Software engineered for results

# 2024 Annual Report



**Enghouse Systems**

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## Chairman's Message:

Dear fellow Shareholders,

Fiscal 2024 marked another successful year for Enghouse, with annual revenues exceeding \$500 million for the first time since the exceptional fiscal year during COVID-19. Revenue this year has increased by 10.7% to \$502.5 million, compared to \$454.0 million in the prior year, achieving double-digit growth. This achievement highlights the resilience of our business model, the strength of our strategy, and the dedication of our team in navigating shifting market dynamics. Our success this year reflects our strategic emphasis on growing recurring revenue streams, which now constitute 69.0% of total revenues. While perpetual software sales continue to decline in line with broader market trends, we have effectively mitigated this impact through strong performance in our SaaS and maintenance services revenues. We have also maintained our discipline in managing our operations and streamlining expenses, driving another year of improved profitability.

During fiscal 2024 we deployed cash of \$43.4 million on two acquisitions and returned \$53.1 million to our shareholders through dividends, while at the same time increasing our cash reserves to record levels to position the Company well for further acquisition growth. We generated cash flows from operating activities, excluding changes in working capital, of \$151.8 million, closing the year with \$274.7 million in cash, cash equivalents and short-term investments and no external debt, increasing from \$240.4 million in fiscal 2023. We delivered net income of \$81.3 million, or \$1.47 per diluted share, and net cash from operating activities of \$132.1 million in the fiscal year.

In this changing marketplace our commitment to providing customers with choice remains central to our strategy. Across our product suite, we offer a range of deployment options, including multi-tenant SaaS, private SaaS, and on-premise solutions, meeting diverse customer needs without locking them into a single approach. This flexibility continues to differentiate us in the market, which coupled with our acquisition strategy, positions us well for the future. Given the rapid and ongoing developments in artificial intelligence ("AI") we also continue to enhance our product offerings by providing AI technology to help customers automate and streamline their operations, while implementing AI internally to increase our own efficiency and operational productivity.

Our disciplined approach to financial management has enabled us to generate record cash reserves. During the year, we acquired Mediasite and SeaChange, which have been successfully integrated into our operations. Acquisitions remain a cornerstone of our strategy as we continue to investigate opportunities that meet our acquisition criteria. Our financial strength ensures we remain well-positioned for continued growth, whether through acquisitions or organic investments in technology and talent.

As we close the year, we are confident in our ability to continue to deliver sustainable growth and long-term value for our shareholders, employees, and customers. We believe our strategy of operational excellence, customer-centric innovation, and prudent financial stewardship will continue to guide us toward new opportunities and further success.

Thank you for your continued trust and support.

Stephen J. Sadler  
Chairman of the Board and Chief Executive Officer

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following Management Discussion and Analysis ("MD&A") has been prepared as of December 12, 2024 and all information contained herein is current as of that date unless otherwise indicated. For a complete understanding of our business environment, risks, trends and uncertainties and the effect of critical accounting policies and estimates on our results, this MD&A should be read in conjunction with Enghouse Systems Limited's ("Enghouse Systems") and its subsidiaries (together "Enghouse", "we" "us" "our" or "the Company") fiscal 2024 audited consolidated financial statements and the notes thereto. This MD&A covers the consolidated results of operations, financial condition and cash flows of Enghouse Systems and its subsidiaries, all wholly owned, for the year ended October 31, 2024.

Unless otherwise noted, the results reported herein have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian dollars, stated in thousands, except per share amounts and as otherwise indicated.

This document is intended to assist the reader in better understanding operations and key financial results as of the date of this report. The consolidated Financial Statements and the MD&A have been reviewed by the Company's Audit Committee and approved by its Board of Directors.

### **Non-IFRS Measures and Forward-Looking Statements**

The Company uses non-IFRS measures to assess its operating performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. The Company uses Adjusted EBITDA as a measure of operating performance. Therefore, Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Adjusted EBITDA is calculated based on results from operating activities adjusted for depreciation of property, equipment and right-of-use assets and special charges for acquisition related restructuring and legal costs. Management uses Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA per diluted share to evaluate operating performance as it excludes amortization of acquired software and intangibles (which is an accounting allocation of the cost of software and intangible assets arising on acquisition), any impact of finance and tax related activities, asset depreciation, foreign exchange gains and losses, other income and restructuring costs primarily related to acquisitions.

Certain statements made or incorporated by reference in this MD&A are forward-looking and relate to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, new services, market forces, commitments and technological developments. By its nature, such forward-looking information is subject to various risks and uncertainties, including those discussed in this MD&A or in documents incorporated by reference in this MD&A, such as Enghouse Systems' Annual Information Form, which could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed herein. Readers are cautioned not to place undue reliance on this forward-looking information and the Company shall have no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. This report should be viewed in conjunction with the Company's other publicly available filings, including its Annual Information Form, copies of which are filed electronically on SEDAR at [www.sedarplus.com](http://www.sedarplus.com).

### **Corporate Overview**

Enghouse is a Canadian publicly traded company (TSX:ENGH) that provides a wide range of mission critical vertically focused enterprise software solutions. Our core technologies are used for contact centers, video communications, virtual healthcare, education, telecommunications networks, IPTV, public safety and transit. The Company's two-pronged strategy to grow earnings focuses on both organic growth and acquisitions, which, to date, have been funded only through cash flows from operating activities as the Company has no outstanding external debt financing. The Company is organized around two business segments, the Interactive Management Group ("IMG") and the Asset Management Group ("AMG") due to their unique customer segments and technology offerings.

IMG specializes in contact center and video software and services designed to enhance customer service by increasing efficiency and managing customer communications across multiple types of interactions including voice, email, social channels, web chats, text and video. Products include contact center, video collaboration, video health monitoring, video capture technology, video room systems, interactive voice response, artificial intelligence tools, outbound dialers, attendant console, agent performance optimization, customer survey, business intelligence and analytics that may be deployed in private cloud, multi-tenant cloud or on-premise environments. IMG's customers are varied and include financial services companies, media businesses, education, telecoms, business process service providers, technology and health care providers.

AMG provides a portfolio of software and services solutions to network telecommunication providers, cable operators, media, transit, transportation, defence, utilities, government and public safety companies. Its products include network infrastructure, Operations Support Systems, Business Support Systems and revenue generation solutions such as video streaming and cloud IPTV solutions. AMG also provides transit e-ticketing, automated fare collections, fleet routing, dispatch, scheduling, communications and emergency control center solutions for the transportation, government, first responders and security sectors.

Enghouse continues to focus on building a vertically focused enterprise software company with a diversified product suite and global market presence. Enghouse's financial goals are to grow our business profitably, generating positive returns and cash flows from operating activities that we deploy on building high quality products, funding acquisitions and returning to shareholders through dividends.

The Company generates the majority of its revenue from recurring revenue streams that increase the predictability of its operating results. While Enghouse continues to develop and enhance its existing product portfolio to grow organically, including expanding our Software as a Service ("SaaS") offerings (both private cloud and multi-tenant cloud), we augment and expedite this strategy through acquisitions. This dual-faceted approach enables us to broaden the spectrum of products and services available to our customer base more quickly than through organic means alone.

### **Key Events**

In fiscal 2024, we increased revenue to \$502.5 million, representing 10.7% growth over fiscal 2023, with record SaaS and maintenance service revenue of \$346.6 million, an increase of 16.4% over last year. We successfully achieved double digit revenue growth, demonstrating our ability to adapt to shifting market dynamics and customer needs. Our total revenue reflects growth but with a changing composition, with recurring revenue increasingly becoming a primary focus area for predictable growth. Our recurring revenue has seen a substantial increase, driven by the continued transition from perpetual software licenses to subscription-based SaaS offerings. While perpetual software license revenue has declined in line with market trends, we have been able to mitigate the impact by maintaining and growing other revenue streams. This resilience highlights the health and stability of our overall product portfolio and the positive impact of our strategy to offer customers choice and flexibility around how they prefer to purchase and deploy our technology.

We have made significant progress in navigating the market transition towards SaaS away from perpetual, on-premise deployments. Despite the ongoing shift, we have successfully increased profitability, while balancing investments in product development and cloud infrastructure to manage our SaaS offerings. We have achieved this growth in profitability through a strong emphasis on customer retention initiatives, operational efficiencies and acquisitions. With recurring revenue now representing a larger share of our overall business, we believe we are well positioned for long-term success.

The Company completed two acquisitions during the fiscal year, deploying capital of \$43.4 million, compared to \$55.2 million deployed on acquisitions in fiscal 2023.

On February 12, 2024, the Company acquired substantially all of the assets of Mediasite, a SaaS video recording and streaming business from Sonic Foundry, Inc. (OTC: SOFO). The addition of Mediasite expands Enghouse's footprint in the Japanese market and provides a suite of SaaS video software solutions to augment current offerings with a primary focus on the education sector and events.

On May 9, 2024, the Company acquired substantially all of the assets of SeaChange International, Inc. ("SeaChange") related to its IPTV products, advertising and video streaming business. SeaChange is a provider of streaming video services, cable TV broadcast platforms and advanced advertising insertion technology. SeaChange provides their IPTV technology to operators, broadcasters and content owners worldwide to help them deliver the highest quality video experience to consumers.

Results from operating activities have improved in fiscal 2024 from \$122.1 million to \$133.8 million stemming primarily from improved revenue net of direct costs on higher contributions from SaaS and maintenance services despite direct services cost margin compression as well as improved operating margins.

We continue to deliver positive financial performance, leveraging disciplined business execution and targeted investments to achieve consistent results. Fiscal 2024 represents a positive year highlighted by healthy revenue growth, strengthened profitability, improved cash flow from operating activities, and further progress in transitioning our business model to align with evolving customer requirements.

## Outlook

As we enter fiscal 2025, Enghouse is operating in an evolving, yet still cautious, economic environment. After a period of higher interest rates worldwide, many Central banks have reduced rates throughout 2024, providing some relief to both consumers and businesses. While Enghouse continues to operate without any external debt, there will be an impact on interest revenue. This shift in monetary policy is expected to foster a more favorable climate for investment and growth, although inflation remains a consideration in the broader economy along with a strong undertone of potential recession. Global geopolitical risks and regional uncertainties remain as governments increase their focus on protection through tariffs and other trade measures, which are evolving. These multiple factors make it even more evident that we will be required to maintain our focus on financial discipline and adaptability, which remain central to the way we operate.

The increasing demand for SaaS solutions continues to present significant opportunities as well as risk for Enghouse. As businesses move toward digital transformation, we remain focused on offering solutions that cater to the diverse needs of our customers while ensuring that our revenue growth does not come at the expense of profitability. However, in the SaaS market we see some competitors being more aggressive in their pursuit of revenue growth without clear paths to sustainable profitability, whereas we will continue to prioritize profitability through operational efficiency and margin protection.

Our ability to offer customers choice both in terms of on-premise or cloud deployments overlaid with a cloud-agnostic strategy remains a key differentiator, providing customers the flexibility to choose their preferred method of deploying our technology and cloud service providers while ensuring they benefit from the full range of Enghouse's capabilities. We remain confident that this approach will continue to give us a competitive edge, particularly as customers seek tailored solutions to meet their specific needs.

The economic outlook, marked by conflicting trade indicators, allows us to remain cautiously optimistic about our ability to drive growth and profitability in 2025. Our strong cash position, combined with consistent operating cash flows from operating activities, positions us well to capitalize on investment opportunities where the outlook is positive, while maintaining a disciplined approach to spending. While the market opportunity for technology acquisitions continues, we remain patient in seeking opportunities that are accretive to earnings and meet our acquisition criteria. Our focus remains on expanding our product suite and geographic reach, with a long-standing emphasis on maintaining financial discipline and profitable growth.

## Quarterly Results of Operations

The following table sets forth certain unaudited information for each of the eight most recent quarters. Our operating results may fluctuate quarterly, mainly as a result of the timing and demand for large perpetual and term software license orders, professional services and hardware sales as well as fluctuations in usage volumes of our software or customers selecting SaaS offerings rather than on-premise solutions. Our quarterly results may also be influenced by inflation, seasonality, foreign exchange, timing of new acquisitions, geopolitical changes, as well as changes in staffing and infrastructure. See "Risks and Uncertainties" for more details.

The following table sets forth certain unaudited information for each of the eight most recent quarters.

For the three months ended	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Revenue	\$ 125,702	\$ 130,501	\$ 125,813	\$ 120,489	\$ 123,129	\$ 110,997	\$ 113,461	\$ 106,435
Direct costs	44,967	45,836	43,201	41,582	41,213	35,872	38,106	34,808
Revenue, net of direct costs	\$ 80,735	\$ 84,665	\$ 82,612	\$ 78,907	\$ 81,916	\$ 75,125	\$ 75,355	\$ 71,627
As a % of revenue	64.2%	64.9%	65.7%	65.5%	66.5%	67.7%	66.4%	67.3%
Operating expenses	47,133	49,120	49,031	46,180	46,115	43,901	47,712	41,710
Special charges	169	1,243	106	91	117	331	2,001	28
Results from operating activities	\$ 33,433	\$ 34,302	\$ 33,475	\$ 32,636	\$ 35,684	\$ 30,893	\$ 25,642	\$ 29,889
As a % of revenue	26.6%	26.3%	26.6%	27.1%	29.0%	27.8%	22.6%	28.1%
Amortization	(9,322)	(9,663)	(11,146)	(10,374)	(11,205)	(9,730)	(9,838)	(8,832)
Other	4,137	832	2,576	380	5,160	568	(628)	(378)
Income before income taxes	\$ 28,248	\$ 25,471	\$ 24,905	\$ 22,642	\$ 29,639	\$ 21,731	\$ 15,176	\$ 20,679
Provision for income taxes	5,607	4,891	4,931	4,509	4,517	4,164	2,640	3,656
Net income for the period	\$ 22,641	\$ 20,580	\$ 19,974	\$ 18,133	\$ 25,122	\$ 17,567	\$ 12,536	\$ 17,023
Basic earnings per share	0.41	0.37	0.36	0.33	0.45	0.32	0.23	0.31
Diluted earnings per share	0.41	0.37	0.36	0.33	0.45	0.32	0.23	0.31
Cash flows from operating activities	31,583	40,333	40,256	19,899	28,318	39,020	18,698	29,262
Cash flows from operating activities excluding changes in working capital	40,270	37,363	38,613	35,557	43,504	35,481	28,875	32,632
Cash and short-term investments	274,727	258,693	263,772	247,423	240,359	249,676	234,488	250,664
Total assets	833,493	840,837	822,065	800,070	783,670	745,973	775,549	737,906
Adjusted EBITDA:								
Results from operating activities	33,433	34,302	33,475	32,636	35,684	30,893	25,642	29,889
Depreciation	655	647	551	494	627	585	613	626
Depreciation of right-of-use assets	1,375	1,530	1,570	1,506	1,491	1,606	1,931	1,736
Special charges	169	1,243	106	91	117	331	2,001	28
Adjusted EBITDA	\$ 35,632	\$ 37,722	\$ 35,702	\$ 34,727	\$ 37,919	\$ 33,415	\$ 30,187	\$ 32,279
Adjusted EBITDA margin	28.3%	28.9%	28.4%	28.8%	30.8%	30.1%	26.6%	30.3%
Adjusted EBITDA per diluted share	\$ 0.64	\$ 0.68	\$ 0.64	\$ 0.63	\$ 0.69	\$ 0.60	\$ 0.54	\$ 0.58

## Results of Operations

The following table provides details regarding operating results for the three and twelve months ended October 31, 2024.

For the period ended October 31	Three months				Twelve months			
	2024	2023	Var (\$)	Var (%)	2024	2023	Var (\$)	Var (%)
Revenue	\$ 125,702	\$ 123,129	2,573	2.1	\$ 502,505	\$ 454,022	48,483	10.7
Direct costs	44,967	41,213	3,754	9.1	175,586	149,999	25,587	17.1
Revenue, net of direct costs	\$ 80,735	\$ 81,916	(1,181)	(1.4)	\$ 326,919	\$ 304,023	22,896	7.5
As a % of revenue	64.2%	66.5%			65.1%	67.0%		
Operating expenses	47,133	46,115	1,018	2.2	191,464	179,438	12,026	6.7
Special charges	169	117	52	44.4	1,609	2,477	(868)	(35.0)
Results from operating activities	\$ 33,433	\$ 35,684	(2,251)	(6.3)	\$ 133,846	\$ 122,108	11,738	9.6
As a % of revenue	26.6%	29.0%			26.6%	26.9%		
Amortization of acquired software and customer relationships	(9,322)	(11,205)	1,883	16.8	(40,505)	(39,605)	(900)	(2.3)
Foreign exchange gains (losses)	1,870	2,753	(883)	(32.1)	(1,680)	1,266	(2,946)	(232.7)
Interest expense – lease obligations	(126)	(164)	38	23.2	(556)	(695)	139	20.0
Finance income	2,825	2,581	244	9.5	10,121	6,264	3,857	61.6
Finance expenses	(8)	(27)	19	70.4	(49)	(163)	114	69.9
Other (expense) income	(424)	17	(441)	(2594.1)	89	(1,950)	2,039	104.6
Income before income taxes	\$ 28,248	\$ 29,639	(1,391)	(4.7)	\$ 101,266	\$ 87,225	14,041	16.1
Provision for income taxes	5,607	4,517	1,090	24.1	19,938	14,977	4,961	33.1
Net Income for the period	\$ 22,641	\$ 25,122	(2,481)	(9.9)	\$ 81,328	\$ 72,248	9,080	12.6
Basic earnings per share	0.41	0.45	(0.04)	(8.9)	1.47	1.31	0.16	12.2
Diluted earnings per share	0.41	0.45	(0.04)	(8.9)	1.47	1.31	0.16	12.2
Cash flows from operating activities	31,583	28,318	3,265	11.5	132,071	115,298	16,773	14.5
Cash flows from operating activities excluding changes in working capital	40,270	43,504	(3,234)	(7.4)	151,803	140,492	11,311	8.1

## Revenue

The following table provides details regarding revenue for the three and twelve months ended October 31, 2024.

For the period ended October 31	Three months			Twelve months		
	2024	2023	Variance	2024	2023	Variance
Software licenses	\$ 15,860	\$ 17,467	\$ (1,607)	\$ 72,906	\$ 80,054	\$ (7,148)
SaaS and maintenance services	88,196	87,196	1,000	346,579	297,635	48,944
Professional services	18,469	16,483	1,986	70,046	67,273	2,773
Hardware	3,177	1,983	1,194	12,974	9,060	3,914
Revenue	\$ 125,702	\$ 123,129	\$ 2,573	\$ 502,505	\$ 454,022	\$ 48,483
Interactive Management Group	74,731	78,578	(3,847)	308,920	265,311	43,609
Asset Management Group	50,971	44,551	6,420	193,585	188,711	4,874
Revenue	\$ 125,702	\$ 123,129	\$ 2,573	\$ 502,505	\$ 454,022	\$ 48,483

Revenue for the three months ended October 31, 2024 was \$125.7 million, an increase of \$2.6 million or 2.1% from the same period in the prior year. Revenue was positively impacted by \$2.1 million as a result of favourable foreign exchange. The foreign exchange impact represents an increase of \$1.3 million in SaaS and maintenance services revenue, \$0.4 million in professional services revenue, \$0.4 million in software licenses revenue and a nominal increase in hardware revenue. This is calculated by applying the change in the average exchange rates between 2023 and 2024 to our foreign currency denominated revenue in 2024. On a constant-currency basis, the positive variance of \$0.5 million is explained by:

- An increase of \$1.6 million or 9.4% in professional services revenue, primarily attributable to contributions from acquisitions and a \$1.1 million or 57.4% increase in hardware revenue.
- A decrease of \$2.0 million or 11.2% in software licenses revenue that can vary depending on the timing of transactions, as well as a decrease of \$0.2 million in SaaS and maintenance services revenue.

Revenue for the twelve months ended October 31, 2024 was \$502.5 million, an increase of \$48.5 million or 10.7% from the prior year. These increases are inclusive of favourable foreign exchange of \$6.7 million. The foreign exchange impact represents increases of \$4.3

million in SaaS and maintenance revenue, \$1.3 million in software licenses revenue, \$1.0 million in professional services revenue and \$0.1 million in hardware revenue as calculated using the same methodology used for the three-month period.

On a constant-currency basis, the positive variance of \$41.8 million is explained by:

- An increase of \$44.6 million or 15.0% in SaaS and maintenance services revenue from acquisitions, reduced by maintenance services customer churn from the ongoing shift in market demand for SaaS offerings.
- A \$3.8 million or 41.8% increase in hardware revenue from acquisitions and a \$1.8 million or 2.7% increase in professional services revenue as acquisition-related revenue is partially offset by reductions in the existing business.
- These increases were partially offset by an \$8.4 million or 10.5% decrease in software licenses revenue that can vary depending on the timing of transactions, along with a decrease in demand for on-premise software.

#### *Interactive Management Group*

IMG revenue for the three months ended October 31, 2024 was \$74.7 million, a decrease of \$3.8 million or 4.9% from the same period in the prior year. The variance is inclusive of a \$1.1 million increase as a result of foreign exchange. On a constant-currency basis, the variance of \$2.7 million is explained by:

- A decrease of \$4.4 million in SaaS and maintenance services revenue, primarily attributable to reductions from prior year acquisitions reflecting customer's actions pre-acquisition.
- A decrease of \$3.1 million in software licenses revenue, resulting from the decrease in demand for on-premise software, partially offset by an increase of \$2.0 million in professional services revenue and \$0.6 million in hardware revenue.

Revenue for the twelve months ended October 31, 2024 was \$308.9 million, an increase of \$43.6 million or 16.4% from the same period in the prior year. The variance includes a \$4.3 million increase as a result of foreign exchange. On a constant-currency basis, the variance is explained by a \$37.4 million increase in SaaS and maintenance services revenue, a \$5.6 million increase in professional services revenue and a \$3.6 million increase in hardware revenue, offsetting a \$7.3 million decrease in software licenses revenue, as the shift away from on-premise software license revenue towards SaaS continues.

#### *Asset Management Group*

AMG revenue for the three months ended October 31, 2024 was \$51.0 million, an increase of \$6.4 million or 14.4% from the same period in the prior year. The variance includes a \$1.0 million increase as a result of foreign exchange. On a constant-currency basis, the variance of \$5.5 million is explained by:

- An increase of \$4.1 million in SaaS and maintenance services revenue, from acquisitions.
- An increase of \$1.1 million in software licenses revenue, primarily term licenses from the most recent acquisition, with the balance of the increase from hardware revenue being offset by a reduction in professional services revenue.

Revenue for the twelve months ended October 31, 2024 was \$193.6 million, an increase of \$4.9 million or 2.6% from the prior year. The variance includes a \$2.4 million increase as a result of foreign exchange. On a constant-currency basis, the \$2.5 million revenue increase was primarily as a result of a \$7.2 million increase in SaaS and maintenance services revenue as mentioned above, offset by a \$3.6 million decrease in professional services revenue from the existing business and a \$1.1 million decrease in software licenses revenue.

## Direct Costs

The following table provides details regarding direct costs for the three and twelve months ended October 31, 2024.

For the period ended October 31	Three months			Twelve months		
	2024	2023	Variance	2024	2023	Variance
Software licenses	\$ 397	\$ 622	\$ (225)	\$ 3,501	\$ 2,910	\$ 591
Services	43,043	39,108	3,935	165,221	141,802	23,419
Hardware	1,527	1,483	44	6,864	5,287	1,577
<b>Direct Costs</b>	<b>\$ 44,967</b>	<b>\$ 41,213</b>	<b>\$ 3,754</b>	<b>\$ 175,586</b>	<b>\$ 149,999</b>	<b>\$ 25,587</b>
<i>As a % of revenue</i>						
Software licenses	2.5%	3.6%		4.8%	3.6%	
Services	40.4%	37.7%		39.7%	38.9%	
Hardware	48.1%	74.8%		52.9%	58.4%	
<b>Total</b>	<b>35.8%</b>	<b>33.5%</b>		<b>34.9%</b>	<b>33.0%</b>	
Interactive Management Group	25,900	24,337	1,563	102,390	78,788	23,602
Asset Management Group	19,067	16,876	2,191	73,196	71,211	1,985
<b>Direct Costs</b>	<b>\$ 44,967</b>	<b>\$ 41,213</b>	<b>\$ 3,754</b>	<b>\$ 175,586</b>	<b>\$ 149,999</b>	<b>\$ 25,587</b>
<i>As a % of revenue</i>						
Interactive Management Group	34.7%	31.0%		33.1%	29.7%	
Asset Management Group	37.4%	37.9%		37.8%	37.7%	
<b>Revenue, net of Direct Costs</b>	<b>\$ 80,735</b>	<b>\$ 81,916</b>	<b>\$ (1,181)</b>	<b>\$ 326,919</b>	<b>\$ 304,023</b>	<b>\$ 22,896</b>
<i>As a % of revenue</i>	64.2%	66.5%		65.1%	67.0%	

Direct costs for the three months ended October 31, 2024 were \$45.0 million or 35.8% of revenue compared to \$41.2 million or 33.5% of revenue in the same period in the prior year. Overall margins declined as a result of a shift in revenue mix from software licenses towards lower margin revenue lines of SaaS, professional services and hardware which have higher direct costs.

Direct costs for the twelve months ended October 31, 2024 were \$175.6 million or 34.9% of revenue compared to \$150.0 million or 33.0% of revenue in the prior year. The decrease in overall margins is attributable to the same factors discussed for the three-month period.

### Interactive Management Group

IMG direct costs for the three months ended October 31, 2024 were \$25.9 million or 34.7% of segment revenue compared to \$24.3 million or 31.0% of revenue in the prior year. The lower margins are primarily a result of a shift in product mix from on-premise software licenses towards SaaS, professional services and hardware revenue, which have higher direct costs. In addition, we incurred increased expenses related to recent acquisitions that require a period of time to normalize within our existing cost structures.

IMG direct costs for the twelve months ended October 31, 2024 were \$102.4 million or 33.1% of segment revenue compared to \$78.8 million or 29.7% of revenue in the prior year as a result of the same factors discussed for the three-month period.

### Asset Management Group

AMG direct costs were \$19.1 million or 37.4% of segment revenue for the three months ended October 31, 2024 compared to \$16.9 million or 37.9% of revenue in the same period in the prior year. The higher margins are primarily a result of improved margins on professional services revenue, attributable to reduced reliance on external contractors.

AMG direct costs for the twelve months ended October 31, 2024 were \$73.2 million or 37.8% of segment revenue, comparable to \$71.2 million or 37.7% of revenue in the prior year.

## Revenue, Net of Direct Costs

Revenue, net of direct costs for the three months ended October 31, 2024 decreased by \$1.2 million to \$80.7 million or 64.2% of revenue compared to \$81.9 million or 66.5% in the same period in the prior year. The decrease in revenue, net of direct costs for the three-month period is attributable to lower services margins offset by net favourable foreign exchange impacts as noted above. For the twelve months ended October 31, 2024, revenue, net of direct costs increased by \$22.9 million to \$326.9 million or 65.1% of revenue compared to \$304.0 million or 67.0% in the prior year. The increase in revenue, net of direct costs for the twelve-month period is attributable to increased revenue on incremental contributions from SaaS and maintenance services, which outpaced the associated cost of providing those services.

## Operating Expenses

The following table provides details regarding operating expenses for the three and twelve months ended October 31, 2024.

For the period ended October 31	Three months			Twelve months		
	2024	2023	Variance	2024	2023	Variance
Selling, general and administrative	\$ 22,642	\$ 23,702	\$ (1,060)	\$ 94,303	\$ 90,889	\$ 3,414
Research and development	22,461	20,295	2,166	88,833	79,334	9,499
Depreciation	655	627	28	2,347	2,451	(104)
Depreciation of right-of-use assets	1,375	1,491	(116)	5,981	6,764	(783)
Special charges	169	117	52	1,609	2,477	(868)
<b>Operating expenses</b>	<b>\$ 47,302</b>	<b>\$ 46,232</b>	<b>\$ 1,070</b>	<b>\$ 193,073</b>	<b>\$ 181,915</b>	<b>\$ 11,158</b>
<i>As a % of revenue</i>						
<i>Selling, general and administrative</i>	<i>18.0%</i>	<i>19.2%</i>		<i>18.8%</i>	<i>20.0%</i>	
<i>Research and development</i>	<i>17.9%</i>	<i>16.5%</i>		<i>17.7%</i>	<i>17.5%</i>	
<i>Depreciation</i>	<i>0.5%</i>	<i>0.5%</i>		<i>0.5%</i>	<i>0.5%</i>	
<i>Depreciation of right-of-use assets</i>	<i>1.1%</i>	<i>1.2%</i>		<i>1.2%</i>	<i>1.5%</i>	
<i>Special charges</i>	<i>0.1%</i>	<i>0.1%</i>		<i>0.3%</i>	<i>0.5%</i>	
<i>Operating expenses</i>	<i>37.6%</i>	<i>37.5%</i>		<i>38.4%</i>	<i>40.1%</i>	

Operating expenses for the three months ended October 31, 2024 totaled \$47.3 million, an increase of 2.3% compared to the same period in the prior year and represent 37.6% of revenue compared to 37.5% in the same period in the prior year. The variance is explained by:

- An increase of \$2.2 million in research and development, resulting from increased investment related to recent acquisitions and enabling SaaS deployment options. This is mitigated by realizing efficiencies in our existing business. Research and development expenses are equivalent to 17.9% of revenue in the current period compared to 16.5% in the same period in the prior year.
- A decrease of \$1.1 million in selling, general and administrative expenses as a result of cost savings achieved by better aligning our cost structure to revenue, resulting in selling, general and administrative expenses representing a smaller proportion of revenue (18.0%) than the comparative period (19.2%).
- These variances are inclusive of an overall increase in direct costs and operating expenses of \$1.3 million as a result of foreign exchange, when compared to the same period in the prior year.

Operating expenses for the twelve months ended October 31, 2024 totaled \$193.1 million, an increase of \$11.2 million or 6.1% from the same period in the prior year and represent 38.4% of revenue compared to 40.1% in the same period in the prior year. The increase in cost is explained by:

- An increase of \$9.5 million in research and development, which represents a slightly higher percentage of revenue (17.7%) than the comparative period (17.5%) reflecting increased expenses associated with recent acquisitions and lower available R&D tax incentives.
- An increase of \$3.4 million in selling, general and administrative expenses primarily as a result of integrating acquisitions throughout the year and represents 18.8% of revenue compared to 20.0% in the prior year.
- A decrease of \$0.9 million in special charges, attributable to acquisitions.
- These variances are inclusive of an overall increase in direct costs and operating expenses of \$4.5 million as a result of foreign exchange, when compared to the prior year.

## Foreign Exchange

The majority of our revenue is from sales denominated in foreign currencies. We do not hedge foreign currency exposure as most of our major international operations fund operating expenses with local cash flow from operating activities surpluses that provide a natural hedge. While foreign exchange may have a significant impact on both revenue and expenses, the net impact on results from operating activities is lessened. This will also affect the relative cost of foreign currency denominated acquisitions stated in Canadian dollars.

During the three months ended October 31, 2024, the Canadian dollar weakened against most major currencies compared to the same period in the prior year. As a result, in the fourth quarter, there was a positive impact to revenue of \$2.1 million reported in Canadian dollars and total direct and operating expenses were higher by \$1.3 million compared to the same period in the prior year. For the year ended October 31, 2024, the Canadian dollar also weakened against the same major currencies resulting in a positive impact to revenue of \$6.7 million reported in Canadian dollars while operating expenses and direct costs were higher by \$4.5 million compared to the prior year.

For the three months ended October 31, 2024, we recognized unrealized foreign exchange gains of \$1.9 million related to foreign currency denominated monetary assets and liabilities compared to gains of \$2.8 million in the same period in the prior year. The gain was a result of the movement in non-functional currencies on monetary assets and liabilities relative to the functional currencies of the entities recording the gain or loss.

For the twelve months ended October 31, 2024, we recognized \$1.7 million of unrealized foreign exchange losses related to foreign currency denominated monetary assets and liabilities compared to gains of \$1.3 million in the prior year.

Translation gains or losses incurred upon consolidation of our foreign operations' statements of financial position into Canadian dollars are included in our Accumulated other comprehensive income (loss) account on the Consolidated Statements of Financial Position.

### **Amortization of Acquired Software and Customer Relationships**

Amortization expense for acquired software and customer relationships for the three and twelve months ended October 31, 2024 decreased by \$1.9 million to \$9.3 million and increased by \$0.9 million to \$40.5 million respectively, compared to the same periods in the prior year. Both variances are attributable to incremental amortization of acquired software and customer relationships from current and prior year acquisitions, net of expiring amortization.

### **Finance Income**

Finance income, which is primarily comprised of interest income on cash accounts, for the three months ended October 31, 2024 was \$2.8 million an increase of \$0.2 million relative to the same period in the prior year as a result of increasing cash balances combined with proactive efforts to repatriate and move cash into high-interest-bearing regions and accounts. For the twelve months ended October 31, 2024, finance income increased by \$3.9 million to \$10.1 million compared to the same period in the prior year. The increase is attributable to the same factors discussed for the three-month period.

### **Other income (expense)**

Other income (expense) for the three months ended October 31, 2024 decreased by \$0.4 million compared to the same period in the prior year as a result of increased realized and unrealized losses in the current quarter compared to nominal net realized and unrealized gains in the prior year's fourth quarter. For the twelve months ended October 31, 2024, other income (expense) increased by \$2.0 million compared to the same period in the prior year. The increase mainly is attributable to the decrease in realized and unrealized losses on investments in equity positions in the current year.

### **Provision for income taxes**

The provision for income taxes for the three months ended October 31, 2024 increased by \$1.1 million to reflect a \$5.6 million provision for income taxes, compared to a provision of \$4.5 million in the same period in the prior year. For the twelve-month period ended October 31, 2024, the provision for income taxes increased to \$19.9 million compared to the prior year's provision of \$15.0 million. For the three and twelve months ended October 31, 2024, our effective tax rate was 19.8% and 19.7%, respectively, compared to 15.2% and 17.2%, respectively, for the same periods in the prior year. The increase in the provision for income taxes in the quarter is attributable to an increase in withholding taxes paid on dividend funding repatriations while the increase in the year is primarily attributable to the unfavourable resolution of tax positions and higher income before income taxes.

### **Net income**

Net income for the three months ended October 31, 2024, decreased by \$2.5 million to \$22.6 million while net income for the twelve months ended October 31, 2024, increased by \$9.1 million to \$81.3 million, respectively, compared to the same periods in the prior year. The decrease in the quarter was attributable to weaker revenue, net of direct costs resulting from increased cost of services and incremental operating expenses as a result of acquisitions and the continued shift from higher margin software licenses revenue and maintenance services revenue towards increased contributions from lower margin SaaS revenue. The increase in the year was the result of stronger revenue and favourable operating expense margins despite lower direct services cost margins associated with delivering increased SaaS and maintenance services revenue.

For the three and twelve months ended October 31, 2024, diluted earnings per share was \$0.41 and \$1.47, respectively, compared to \$0.45 and \$1.31, respectively, in the same periods in the prior year.

### Cash flows from operating activities

For the three months and twelve months ended October 31, 2024, cash flows from operating activities were \$31.6 million and \$132.1 million, respectively, compared to \$28.3 million and \$115.3 million in the same periods in the prior year. The increase in cash flow from operating activities for the three-month period reflects improved collection of receivables compared to the prior year's fourth quarter, while the twelve-month period reflects improved profitability as well relatively favourable working capital adjustments, compared to the prior year.

Operating cash flows excluding changes in non-cash working capital items for the three months and twelve months, respectively, ended October 31, 2024 decreased by 7.4% and increased by 8.1%, respectively, to \$40.3 million and \$151.8 million compared to the same periods in the prior year as a result of lower net income before income taxes for the three-month period, but higher net income before income taxes for the twelve-month period.

### Adjusted EBITDA

The table below reconciles Adjusted EBITDA to the most directly comparable IFRS measure, results from operating activities, for the three and twelve months ended October 31, 2024.

For the period ended October 31	Three months			Twelve months		
	2024	2023	Variance	2024	2023	Variance
Total revenue	\$ 125,702	\$ 123,129	\$ 2,573	\$ 502,505	\$ 454,022	\$ 48,483
Results from operating activities	33,433	35,684	(2,251)	133,846	122,108	11,738
Depreciation	655	627	28	2,347	2,451	(104)
Depreciation of right-of-use assets	1,375	1,491	(116)	5,981	6,764	(783)
Special charges	169	117	52	1,609	2,477	(868)
<b>Adjusted EBITDA</b>	<b>\$ 35,632</b>	<b>\$ 37,919</b>	<b>\$ (2,287)</b>	<b>\$ 143,783</b>	<b>\$ 133,800</b>	<b>\$ 9,983</b>
<i>Adjusted EBITDA margin</i>	28.3%	30.8%		28.6%	29.5%	
<b>Adjusted EBITDA per diluted share</b>	<b>\$ 0.64</b>	<b>\$ 0.69</b>	<b>\$ (0.05)</b>	<b>\$ 2.60</b>	<b>\$ 2.42</b>	<b>\$ 0.18</b>

Adjusted EBITDA for the three and twelve months ended October 31, 2024 decreased by \$2.3 million and increased by \$10.0 million respectively, compared to the same periods in the prior year. The decrease in adjusted EBITDA and adjusted EBITDA margins in the fourth quarter is primarily a result of margin compression from the product mix shift to lower margin revenue streams.

For the twelve-month period ending October 31, 2024, the increase in Adjusted EBITDA reflects higher SaaS and maintenance services revenue contributions and improved efficiencies in existing operations.

Special charges, primarily reflecting acquisition related restructuring and legal charges, have been excluded from adjusted EBITDA along with depreciation of property and equipment as well as right-of-use assets.

### Liquidity and cash reserves

We closed the year with record cash, cash equivalents and short-term investments of \$274.7 million, compared to the October 31, 2023 balance of \$240.4 million. This reflects continued positive cash flows from operating activities for the year of \$132.1 million partially offset by cash spent of \$43.4 million on the acquisitions of Mediasite and SeaChange during the year, \$53.1 million for dividends and the repurchase of \$6.0 million of our common stock. Dividends paid increased 18.7% compared to the prior year.

For the year ended October 31, 2024, cash and cash equivalents increased by a total of \$34.7 million compared to an increase of \$14.4 million in the prior year. This is primarily the result of generating improved cash flows from operating activities through improved income before income taxes as well as reduced spending on acquisitions, despite returning more cash to shareholders through dividends, compared to the prior fiscal year. The ability to generate cash flows from operating activities is pivotal to our acquisition strategy, which has enabled us to pursue further acquisitions without the need to obtain external debt financing.

At October 31, 2024 working capital was \$171.9 million compared to \$151.9 million at the end of fiscal 2023. The increase in working capital is predominately the result of improved operating results in the fiscal year. Management remains confident that the Company has the funds necessary to meet its existing and future financial operating commitments and fund its dividend strategy. Future acquisition growth may be funded through a combination of cash, debt and equity consideration, which could cause dilution to existing shareholders.

## **Capital Stock**

The Company had 55,374,201 Common Shares issued and outstanding as at December 12, 2024. During the year, 313,000 stock options were exercised contributing \$9.1 million in cash compared to 20,000 stock options and \$0.6 million in cash to the Company in the prior year. The Company granted 295,000 options in fiscal 2024 compared to 135,000 options granted in the prior year.

The Company renewed its Normal Course Issuer Bid commencing May 7, 2024 and expiring May 6, 2025, allowing the Company to repurchase up to a maximum of 3,000,000 common shares of Enhouse. The Company repurchased and cancelled 99,246 common shares at a weighted average price of \$31.11 per share for a total cost of \$3.1 million in the fourth quarter and 195,416 common shares in fiscal 2024 at a weighted average price of \$30.67, for a total cost of \$6.0 million. In Fiscal 2023, the Company repurchased and cancelled 13,622 common shares, all in the fourth quarter, at a weighted average price of \$31.16 per share for a total cost of \$0.4 million.

### *Share Unit Plan*

On March 9, 2023, a new Share Unit Plan (the "Unit Plan") was approved by shareholders. Under the Unit Plan, certain officers and employees may receive restricted share units ("RSUs") and performance share units ("PSUs"). The maximum number of shares reserved for issuance under the Unit Plan is a fixed 700,000. RSUs and PSUs will vest in a period specified by the Compensation Committee ("Committee"), which shall be not later than December 15<sup>th</sup> of the third year following the year in which the eligible participant performed the services related to the grant. PSUs will also be subject to performance conditions that are approved by the Board and Committee.

#### RSUs

Upon vesting, RSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all RSUs with common shares. The share-based payment expense will be recognized evenly over the vesting period. As at October 31, 2024, there were no RSUs awarded or vested.

#### PSUs

PSUs granted will be a bonus for services in the year the award is granted. Depending on the specific purpose of the award, the Committee will determine the associated performance metrics, weightings and performance period. Performance metrics may include financial (including, without limitation, common share price), personal, operational or transaction-based performance criteria. These metrics may be measured on an absolute basis, or at the sole election of the Board and Committee, may result in the percentage of vested PSUs in a grant exceeding 100%, but to a maximum of 200%. Upon vesting, PSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all PSUs with issuance of common shares. The share-based payment expense relating to market-based performance conditions will be recognized evenly over the vesting period, while the share-based payment expense relating to non-market performance conditions will be recognized over the vesting period, subject to measurement adjustments. As at October 31, 2024, 25,447 PSUs were outstanding.

#### Deferred Share Unit Plan

On March 9, 2023, a new Deferred Share Unit Plan (the "DSU Plan") was approved by shareholders. The maximum number of common shares reserved for issuance under the DSU Plan is a fixed 80,000. Under the DSU Plan, non-executive directors of the Company may elect to defer a portion of their compensation until they leave the Board and have the value of such portion fluctuate with the value of common shares. The purpose of the DSU Plan is to attract and retain qualified persons to serve on the Board. As at October 31, 2024, 5,512 DSUs were granted and vested. DSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all DSUs with issuance of common shares. The share-based payment expense of DSUs will be recognized upon grant, when the DSUs vest.

## Dividend Policy

The Company has paid regular quarterly dividends since May 31, 2007 and has increased its regular quarterly dividend in each of the past sixteen years from \$0.013 per common share in 2007 to \$0.26 per common share presently.

The following table provides details regarding dividends declared for the last three fiscal years.

Declaration date	Record date	Payment date	Common shares outstanding	Dividend per share (\$)	Total Dividend (\$)
<i>(in thousands of dollars, except per share amounts)</i>					
September 5, 2024	November 15, 2024	November 29, 2024	55,374,201	0.260	14,397
June 10, 2024	August 16, 2024	August 30, 2024	55,373,447	0.260	14,397
March 13, 2024	May 17, 2024	May 31, 2024	55,375,982	0.260	14,398
December 14, 2023	February 15, 2024	February 29, 2024	55,399,617	0.220	12,188
					<b>55,380</b>
September 7, 2023	November 16, 2023	November 30, 2023	55,256,617	0.220	12,156
June 8, 2023	August 17, 2023	August 31, 2023	55,270,239	0.220	12,159
March 9, 2023	May 17, 2023	May 31, 2023	55,270,239	0.220	12,159
December 15, 2022	February 14, 2023	February 28, 2023	55,270,239	0.185	10,226
					<b>46,700</b>
September 8, 2022	November 16, 2022	November 30, 2022	55,250,239	0.185	10,221
June 7, 2022	August 17, 2022	August 31, 2022	55,263,239	0.185	10,223
March 3, 2022	May 17, 2022	May 31, 2022	55,593,424	0.185	10,285
December 16, 2021	February 14, 2022	February 28, 2022	55,553,424	0.160	8,889
					<b>39,618</b>

The decision on whether to declare a dividend is subject to the Board of Director's discretion. In determining whether to declare and the amount of the dividend, the Board of Directors takes into account the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors deems relevant at the time.

## Commitments and Contractual Obligations

We have no significant commercial commitments or obligations other than for the leases of the facilities we currently occupy, automobiles, office and computer equipment. During fiscal 2024, we continued to decrease our lease facility obligations as we have adopted a hybrid work environment requiring less facilities.

We have certain obligations related to a defined benefit pension plan that was assumed as part of a previous acquisition. Further information regarding the plan commitments is included within our consolidated financial statements.

## Off-Statement of Financial Position Arrangements

We have not entered into off-statement of financial position financing arrangements. Except for operating leases and other low probability and/or immeasurable contingencies (not accrued in accordance with IFRS), all commitments are reflected on our Consolidated Statements of Financial Position.

## Transactions with Related Parties

We have not entered into any transactions with related parties during the period, other than transactions between wholly owned subsidiaries and us in the normal course of business, which are eliminated on consolidation.

## Basis of Preparation and Material Accounting Policies

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Our material accounting policies are described in Note 3 of the audited consolidated financial statements as at October 31, 2024, which is available on SEDAR ([www.sedarplus.com](http://www.sedarplus.com)). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of December 12, 2024, the date the Board of Directors approved the consolidated financial statements.

### **Critical Accounting Estimates and Judgments**

The preparation of our consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a regular basis. Significant areas requiring us to make estimates, assumptions and judgments include those related to revenue recognition, intangible assets, the carrying value of goodwill and income taxes. We base our estimates on historical experience as well as on various other assumptions that are believed to be reasonable under the circumstances at the time.

Under different assumptions or conditions, the actual results would differ, potentially materially, from those previously estimated. Many of the conditions impacting these assumptions and estimates are beyond our control. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and will be recorded with corresponding impact on net income.

### **Revenue Recognition**

#### *Separation and Measurement of Customer Contract Obligations and Deliverables*

Management applies significant judgment when evaluating contracts with customers to deliver more than one type of product or service within a single arrangement. Significant judgment is exercised to evaluate whether the goods or services are considered distinct performance obligations that should be accounted for separately from some or all of the other goods or services in the arrangement and in determining the relative contract consideration allocated to the distinct performance obligations.

In certain arrangements with multiple performance obligations, the standalone selling price ("SSP") may not always be directly observable. In arrangements with a combination of license and services we allocate the transaction price between the license and other performance obligations. Given that the SSP of the license is highly variable, contract consideration is assigned in sequence to each performance obligation using a residual approach:

- A portion of contract consideration is allocated to hardware at cost plus a standard margin.
- A portion of contract consideration is allocated to the services using standard rates. Rates are based on cost plus margin, daily rates or, where applicable, a percentage of the list price based on standard selling terms.
- The residual amount is assigned as the fair-value to the software license.

Judgment and estimates could impact the timing of when revenue is recognized and could have a material impact on our consolidated financial statements.

### **Acquired Assets and Liabilities Including Intangible Assets and Goodwill**

We account for business combinations using the acquisition method, under which an allocation of the excess of the purchase price of business acquisitions over the fair value of identifiable net assets acquired to goodwill is made. One of the most significant estimates relates to the determination of the fair value of the assets and liabilities acquired. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, purchase price allocations are derived from a valuation analysis prepared by management. Fair values are determined using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows and are closely linked to the assumptions made by management regarding the future performance of the assets concerned and the discount rate applied. Significant judgment is applied in making assumptions about inputs that impact the amount and timing of future cashflows.

Any goodwill or intangible assets with indefinite useful lives acquired in business combinations are not amortized to income over their useful lives but are assessed annually for any potential in value.

All other intangible assets are amortized to operations over their estimated useful lives. Our intangible assets relate to acquired technology, patents and customer relationships. We also review the carrying value of amortizable intangible assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected from its use and eventual disposition. In assessing the recoverability of these intangible assets, we must make assumptions regarding estimated future cash flows, market conditions and other factors to determine the fair value of the assets. If these estimates or related assumptions change in the future, we may be required to record impairment charges for these assets.

## Goodwill Impairment

The goodwill recorded in the consolidated financial statements relates to two significant groups of cash generating units (“CGUs”): AMG and IMG. Our assumptions used in testing goodwill for impairment are affected by current market conditions, which may affect expected revenue and costs. We also have significant competition in the markets in which we operate, which may impact our revenues and operating costs. The recoverable amount of the groups of CGUs was based on an assessment of value in use using a discounted cash flow approach. The approach uses cash flow projections based on financial budgets approved by management covering a one-year period. Cash flows for the years thereafter are extrapolated using estimated annual growth rates. We use a pre-tax discount rate, which has been estimated based on the industry’s weighted average cost of capital. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flows may differ or change quickly, depending on economic conditions and other events. Future changes in assumptions could negatively impact future assessments of the recoverable amount for the groups of CGUs and we could be required to recognize an impairment loss.

## Income Taxes

Management uses significant judgment to determine the provision for (recovery of) income taxes, current and deferred income tax assets and liabilities and the recoverability of income tax assets recorded. We operate in multiple tax jurisdictions and to the extent that there are profits in these jurisdictions, the profits are subject to income taxes at varying tax rates and regulations under the legislation of these jurisdictions. Our effective tax rate may be affected by changes to or application of tax laws in any particular jurisdiction, changes in the geographical mix of revenue and expense, level of relative profitability in each jurisdiction, utilization of non-capital losses and income tax loss carry-forwards and management’s assessment of its ability to realize deferred income tax assets. Accordingly, management must estimate the provision for (recovery of) income taxes of the Company on a quarterly basis, which involves determining taxable income, temporary differences between tax and accounting carrying values and income tax loss carry-forwards. Favourable or unfavourable adjustments to the provision for (recovery of) income taxes may result when tax positions are resolved or settled at amounts that differ from those estimates.

We have deferred income tax assets that are subject to periodic recoverability assessments. Realization of our deferred income tax assets is largely dependent upon its achievement of projected future taxable income and the continued applicability of ongoing tax planning strategies. Our judgments regarding future profitability may change due to future market conditions, changes in tax legislation and other factors that could adversely affect the ongoing value of the deferred income tax assets. These changes, if any, may require the material adjustment of these deferred income tax asset balances through an adjustment to the carrying value thereon in the future. This adjustment would reduce the deferred income tax asset to the amount that is considered to be more likely than not to be realized and would be recorded in the period such a determination was to be made.

## Environmental, Social, Governance (“ESG”):

Enghouse is committed to fulfilling its Environmental, Social and Governance (“ESG”) responsibilities. Reducing our physical footprint results in a positive environmental impact while providing cost-savings. Encouraging diversity in our workforce and supporting our employees creates a work environment that we believe increases productivity and reduces turnover. We also believe good governance protects our operations and assets while all three elements help ensure a strong standing within the broader community.

Additional information on ESG can be found in our Annual Information Form (“AIF”). Further supplementing the information contained in our AIF, our ESG policies are published on our website.

## Risks and Uncertainties

We continue to operate in an ever-changing and competitive business and economic environment that exposes the Company to a number of risks and uncertainties. The following section describes some, but not all, of the risks and uncertainties that may adversely impact our business, financial condition, or results of operations. Additional risks and uncertainties not described below or not presently known to us may also impact our business and operations and cause the price of our common shares to decline.

If any of these risks actually occur, our business, financial condition or results of operations could be seriously harmed and the trading price of the Company’s common shares could be materially affected. The reader should understand that the sole purpose of discussing these risks and uncertainties is to alert the reader to factors that could cause actual results to differ materially from past results or from those described in forward-looking statements and not to describe facts, trends and circumstances that could have a favourable impact on our results or financial position.

***System or network failures or information security breaches in connection with both our internal systems and our services and products could reduce our sales, impair our reputation, increase costs or result in liability claims and seriously harm our business.***

We receive confidential information and recognize the continued importance of cyber security. Despite implementing security measures, information technology and infrastructure may be vulnerable to unforeseen break-ins, theft, hacks, viruses, phishing, malware, denial of service attacks and other improper activity that could jeopardize the security of information for which we are responsible and/or impair our operations. Although we generally do not store third-party financial data, cyber attacks could compromise our networks and stored information could be accessed, lost, stolen, or used maliciously. Any such breach could expose the Company to litigation, loss of customers or otherwise harm our reputation and business. To minimize this risk, we have employees whose role is to monitor information technology, adhere to industry standards for cyber security, use encryption technology and have remediation plans that can be engaged should the need arise.

Some of our businesses provide SaaS services for certain of our software products. These SaaS services, which generally take place through third-party data centers, depend upon the uninterrupted operation of data centers and the ability to protect computer equipment and information stored in these data centers against damage that may be caused by natural disaster, fire, power loss, telecommunications or internet failure, unauthorized intrusion, computer viruses and other similar damaging events. If any of the data centers we use were to become inoperable for an extended period, we might be unable to provide our customers with contracted services. Although we take what we believe to be reasonable precautions against such occurrences and we maintain business interruption and cyber risk insurance in certain limited circumstances, no assurance can be given that damaging events such as these will not result in a prolonged interruption of our services, which could result in customer dissatisfaction, loss of revenue and damage to our business. To minimize this risk, we engage leading hosting providers who employ cutting edge security practices.

***Our success depends on our ability to continue to innovate and create new products and enhancements to our existing products.***

To keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance, we must enhance and improve existing products and continue to introduce new products and services including those that address our customer's increasing SaaS requirements. If we are unable to successfully develop new products, develop, update and offer SaaS versions of our product suite where applicable, integrate acquired products or enhance and improve existing products or if we fail to position and/or price our products to meet market demand, our business and operating results will be adversely affected. Accelerated product introductions and short product life cycles require high levels of expenditures for research and development that could adversely affect our results of operations. Further, the introduction of new products could require long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue.

No assurance can be provided that our software products will remain compatible with evolving computer hardware and software platforms and operating environments. In addition, competitive or technological developments and new regulatory requirements may require us to make substantial, unanticipated investments in new products and technologies. If we are required to expend substantial resources to respond to specific technological or product changes, our operating results could be adversely affected. Our continuing ability to address these risks will depend, to a large extent, on our ability to retain a technically competent research and development staff and to adapt to rapid technological advances in the industry, including the growing shift towards SaaS offerings.

***The rapid advancement and integration of Artificial Intelligence ("AI") in our industry may adversely impact our ability to compete and operate in our current markets and cause our operating results to suffer.***

As AI technologies evolve, products and services that do not incorporate or adapt to these advancements may quickly become outdated, leading to potential financial losses for the Company. Moreover, the emergence of new, disruptive companies leveraging AI can pose a threat to us in the market. These newcomers, unencumbered by legacy systems or traditional business models, have the potential to swiftly gain market share and redefine industry dynamics. The unpredictable nature of AI development and its impacts on our market further contribute to uncertainties, making it challenging to anticipate and navigate potential disruptions. To mitigate these risks, we must remain agile, continuously innovate, and proactively embrace AI to stay competitive in this evolving landscape.

***Our existing customers might cancel their SaaS or maintenance services contracts with us, fail to renew contracts on their renewal dates and/or fail to purchase additional services and products. We may be unable to attract new customers.***

We continue to realize a significant amount (69.0% in fiscal 2024 compared to 65.6% in fiscal 2023) of our revenue from SaaS and maintenance services provided in connection with the products we provide as part of our core business strategy. We expect that a substantial portion of our revenue will continue to be derived from renewals of these SaaS and maintenance arrangements with our customers as well as from professional services engagements for these customers. The continued expansion of this revenue stream as a result of incremental license and SaaS sales and through the acquisition of companies with existing SaaS and maintenance customer bases is a key tenet to our revenue growth strategy, as is further developing our current SaaS service offerings.

However, there can be no assurances that the rate of customer attrition, which would result in lower revenue, will be offset by a combination of new SaaS and maintenance services revenue associated with incremental license and SaaS sales, acquisitions and contract price increases. Attrition in our customer base occurs when existing customers elect not to renew their SaaS or maintenance arrangements. Customer attrition occurs for a variety of reasons, including a customer's decision to replace our software product with that of a competing vendor, to purchase maintenance or consulting services from a third-party service provider or to forego maintenance services altogether. It can also occur when a customer is acquired or ceases operations. Any factors that adversely affect the ability of our software products to compete with those available from others, such as availability of competitors' products offering more advanced product architecture, on a SaaS basis, superior functionality or performance or lower prices could lead to increased rates of customer attrition.

***We may not remain competitive. Increased competition could seriously harm our business.***

We experience intense competition from other software companies. Competitors may announce new products, services or enhancements including SaaS offerings that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the business, results of operations and financial condition of the Company. Many of our competitors and potential competitors have significantly greater technical, marketing, service or financial resources or SaaS capabilities. We have observed unprofitable pricing behaviour used to drive revenue growth in the marketplace. Other competitive factors include price, performance, product features, market timing, brand recognition, product quality, product availability, breadth of product line, design expertise, customer service and post contract support. A very important selection factor from a customer perspective is a large installed customer base that has widely and productively implemented our software products, which not only increases the potential for repeat business, but also provides reference accounts to promote our products and solutions with new customers. While management believes that we have a significant installed customer base in IMG and AMG, many of our competitors have a larger installed base of users, longer operating histories or greater name recognition. In addition, if one or more of our competitors were to merge or partner with other competitors, the change in the competitive landscape could adversely affect our ability to compete effectively.

***We may have difficulties identifying, successfully completing, or integrating acquisitions, or maintaining or growing our acquired businesses.***

We remain committed to our dual faceted growth strategy, pursuing accretive acquisitions and scaling our organic operations to be consistently profitable. In the current fiscal year, we completed the acquisitions of Mediasite and SeaChange and paid \$43.4 million in aggregate, net of cash acquired and holdbacks and received \$0.2 million to settle holdbacks from prior acquisitions. While we have both the experience and financial resources required to execute our acquisition strategy, we do not have control over the market conditions prevailing or likely to prevail in the future, including international pandemics, which may impact our ability to execute this strategy. There can be no assurance that we will be able to identify suitable acquisition candidates available for sale at reasonable valuations, consummate any acquisition or successfully integrate any acquired business into our operations. We have and will likely continue to have competition for acquisition candidates from other parties including those that have greater resources or are willing to pay higher valuation multiples. Acquisitions may involve a number of other risks including: diversion of management's attention; disruption to our ongoing business; failure to retain key acquired personnel; difficulties in integrating acquired operations, technologies, products or personnel; unanticipated expenses, events or circumstances; assumption of disclosed and undisclosed liabilities; and inappropriate valuation of the acquired in-process research and development, or the entire acquired business.

***Changes in the value of the Canadian dollar, as compared to the currencies of other countries where we transact business, could harm our operating results and financial condition.***

We continue to actively pursue a strategy of growth by acquisition, most of which are in international markets, that exposes us to revenue denominated in numerous foreign currencies. Our organizational structure includes a large presence in Scandinavia and Europe as well as the United States of America and United Kingdom and our corporate headquarters in Canada. We have operations in a number of countries around the world that have exposed us to foreign currency risk on a global basis.

In fiscal 2024, compared to the prior year the Canadian dollar weakened against most major world currencies. The U.S. dollar was reported using an average foreign exchange rate of \$1.36 in fiscal 2024 versus \$1.35 in fiscal 2023, representing a 0.9% increase while the pound sterling averaged \$1.74 in the current year compared to \$1.66 in the prior fiscal year, a 4.3% increase. Meanwhile, the euro averaged \$1.48, a 2.2% increase compared to \$1.45 in the prior year.

Overall, revenue generated by our U.S. based operations was 41%, up from 36% in the prior fiscal year. Whereas 12% of our revenue was generated by operations in the U.K., down from 13% in the prior fiscal year, while revenue generated by European operations decreased to 19% from 21% in the prior fiscal year and revenue generated by our Scandinavian operations was 16% compared to 17% in the prior year. Approximately 6% of our revenue was generated by operations in the Asia-Pacific and other regions compared to 7% in fiscal 2023, with the balance being generated by Canadian operations. Further changes in foreign exchange rates between Canada and other countries could have a material effect, either favourable or adverse, on both our revenue and expenses going forward. However, these currencies generally act as a natural hedge as we have both revenue and expenses denominated in these currencies. There can be no assurances that we will prove successful in our efforts to manage this risk, which may adversely impact our operating results.

***If we fail to attract and retain key personnel, it could adversely affect our ability to develop and effectively manage our business.***

Our success depends on the continued efforts and abilities of our key technical, sales and management personnel. The loss of the services of any of these persons could have a material adverse effect on our business, results of operations and financial condition. We do not carry key man insurance.

Success is also highly dependent on our continuing ability to identify, recruit, hire, train, motivate and retain highly qualified management, finance, technical, sales and marketing personnel. Any such new hire may require a significant transition period prior to making a meaningful contribution to the Company. Competition for qualified employees is particularly intense in the technology industry, especially in the current labour market and we have in the past experienced difficulty recruiting qualified employees. Our failure to attract and to retain the necessary qualified personnel could seriously harm our operating results and financial condition. As previously mentioned, this is further exacerbated by current macroeconomic trends, including inflation, labour shortages and flexible work arrangements along with an increased propensity to switch jobs.

***Our success is dependent on our ability to manage growth from financial and human resources perspectives.***

The growth of our operations places a strain on financial and human resources. Our success depends on our ability to manage growth from a financial and human resources perspective. Our ability to manage future growth will depend in large part upon a number of factors, including the ability to: build and train sales and marketing staff to create an expanding presence in the evolving marketplace for our products; attract and retain qualified technical personnel in order to continue to develop reliable and scalable products and services that respond to evolving customer needs; develop customer support capacity as sales increase, so that we can provide customer support without diverting resources from product development efforts; and expand our internal management and financial controls significantly, so that we can maintain control over our operations and provide support to other functional areas within the Company as the number of personnel and size of the Company increases. Our inability to achieve any of these objectives could harm our business and operating results.

***We are dependent on certain technologies used in our products that are licensed on a non-exclusive basis from third parties. An inability to access third-party technologies could disrupt our ability to ship products.***

We license certain technologies used in our products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their products, could delay our ability to ship our products while we seek to implement alternative technology offered by other sources and may require significant unplanned

investments. In addition, alternative technology may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to purchase other third-party technology licenses relating to one or more of our products or relating to current or future technologies. There is a risk that we will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, if at all.

*Our success and ability to compete depends upon our ability to secure and protect patents, trademarks and other proprietary rights.*

A number of competitors and other third parties have been issued patents and may have filed patent applications or obtain additional patents and proprietary rights for technologies similar to those in our products. Some of these patents may grant very broad protection to the owners of the patents. We cannot determine with certainty whether any existing third-party patents or the issuance of any third-party patents would require us to alter our technology, obtain licenses or cease certain activities. We may become subject to claims by third parties alleging our technology infringes their property rights due to the growth of software products in our target markets, the overlap in functionality of these products and the prevalence of software products. We provide our customers with a qualified indemnity against the infringement of third-party intellectual property rights. From time to time, various owners of patents and copyrighted works send us or our customers letters alleging that our products infringe or might infringe upon the owner's intellectual property rights. Accordingly, where appropriate, we forward any such allegation or licensing request to outside legal counsel for review. We generally attempt to resolve any such matter by informing the owner of our position concerning non-infringement or invalidity. Even though we attempt to resolve these matters without litigation, it is always possible that the owner of a patent or copyrighted work will bring an action against the Company.

We rely on a combination of copyright and trade secret laws and contractual provisions to establish and protect our rights in our software and proprietary technology. We generally enter into non-disclosure agreements with employees and customers and historically have restricted access to our software products' source code. We regard our source code as proprietary information and attempt to protect the source code versions of our products as trade secrets and as unpublished copyrighted works. In a few cases, we have provided copies of source code for certain products to third-party escrow agents to be released on certain predefined terms. Despite our precautions, it may be possible for unauthorized parties to copy or otherwise reverse engineer portions of our products or otherwise obtain and use information that we regard as proprietary.

Existing copyright and trade secret laws offer only limited protection and the laws of certain countries in which our products may be used in the future do not protect our products and intellectual property rights to the same extent as the laws of Canada and the United States. Certain provisions of the license and strategic alliance agreements that may be entered into in the future by us, including provisions protecting against unauthorized use, transfer and disclosure, may be unenforceable under the laws of certain jurisdictions and we are required to negotiate limits on these provisions from time to time.

Litigation may be necessary to determine the scope, enforceability and validity of third-party proprietary rights or to establish our proprietary rights. Some competitors have substantially greater resources and may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than we could. Regardless of their merit, any such claims could: be time consuming; be expensive to defend; divert management's attention and focus away from the business; cause product shipment delays or stoppages; subject us to significant liabilities; and require us to enter into costly royalty or licensing agreements or to modify or stop using the infringing technology, any of which may adversely affect our revenue, financial condition and results of operations. There can be no assurance that the steps taken by us to protect our proprietary rights will be adequate to deter misappropriation of our technology or independent development by others of technologies that are substantially equivalent or superior to our technology.

*We may be subject to product liability claims from customers if the occurrence of errors or failures is significant given the business-critical nature of our products.*

As a result of their complexity, software products may contain undetected errors or failures when entering the market. Despite conducting testing and quality assurance, defects and errors may be found in new software products after commencement of commercial shipments or the offering of a network service using these software products. In these circumstances, we may be unable to successfully correct the errors in a timely manner or at all. The occurrence of errors and failures in our software products could result in negative publicity and a loss of, or delay in, market acceptance of those software products. Such publicity could reduce revenue from new licenses and lead to increased customer attrition. Alleviating these errors and failures could require significant expenditure of capital and other resources by us. The consequences of these errors and failures could have a material adverse effect on our business, results of operations and financial condition. Because many of our customers use our software products for business-critical applications, any errors, defects, or other performance problems could result in financial or other damage to our customers.

Our customers or other third parties could seek to recover damages from us in the event of actual or alleged failures of our software solutions.

Although we maintain product liability insurance in certain limited circumstances and our license agreements with customers typically contain provisions designed to limit our exposure to potential product liability claims, it is possible that this insurance and these limitation of liability provisions may not effectively protect us against these claims and the liability and associated costs. While we have not experienced any product liability claims to date, the sale and support of our products may entail the risk of those claims, which are likely to be substantial considering the use of our products in critical applications. Accordingly, any such claim could have a material adverse effect upon our business, results of operations and financial condition. In addition, defending this kind of claim, regardless of its merits, or otherwise satisfying affected customers, could entail substantial expense and require the devotion of significant time and attention by key management personnel.

*From time to time, we may be subject to litigation or dispute resolution that could result in significant costs to us and damage our reputation.*

In addition to being subject to litigation in the ordinary course of business, we may become subject to class actions, securities litigation, or other actions, including anti-trust and anti-competitive actions. Any litigation may be time-consuming, expensive and distracting from the conduct of our day-to-day business. The adverse resolution of any specific lawsuit could have a material adverse effect on our financial condition and liquidity. In addition, the resolution of those matters may require us to issue additional common shares, which could potentially result in dilution. Expenses incurred in connection with these matters (which include fees of lawyers and other professional advisors and potential obligations to indemnify officers and directors who may be parties to such actions) could adversely affect our cash position.

*Our success is dependent on certain strategic relationships with third parties to execute our operations and strategy and to uphold our reputation.*

We currently have strategic relationships with resellers, original equipment manufacturers ("OEMs"), hosted service providers, system integrators and enterprise application providers. We depend on these relationships to: distribute our products; generate sales leads; build brand and market awareness; and implement and support our solutions. We believe that our success depends, in part, on our ability to develop and maintain strategic relationships with resellers, OEMs, system integrators and enterprise application providers. We generally do not have long-term or exclusive agreements with these strategic partners. If we lose a strategic partner in a key market, or if a current or future strategic partner fails to adequately provide customer service to our customers, our reputation will suffer and sales of our product and services could be substantially diminished.

*The significance of our international operations increases our exposure to international business risks that could cause our operating results to suffer.*

We intend to maintain and expand our international operations, which may include entry into new international markets. The possible expansion of our international operations will require management attention and financial resources to establish additional foreign operations, hire additional personnel and recruit additional international resellers. Incremental revenue may not be adequate to cover the expenses of international expansion. Our possible expansion into new international markets may take longer than anticipated and could directly impact how quickly we increase product sales into these markets. International markets may take additional time and resources to penetrate successfully. Any disruption in the ability of our personnel to travel could impact our ability to expand international operations and to service our international customers, which could, in turn, have a material adverse effect on our business, results of operations and financial condition. Other risks we may encounter in conducting international business activities generally could include the following: economic and political instability; climate change; unexpected changes in foreign regulatory requirements and laws; tariffs and other trade barriers; timing, cost and potential difficulty of adapting our product to the local language standards; longer sales cycles and accounts receivable cash collections cycles; potentially adverse tax consequences; inflation; fluctuations in foreign currencies; and restrictions on the repatriation of funds.

*We may have exposure to greater than anticipated tax liabilities or expenses.*

We conduct our business operations in various foreign jurisdictions and through legal entities primarily in Canada, the United States, Sweden, Norway, Denmark, Germany, Ireland, Australia, New Zealand, Spain, Portugal, Belgium, France, the Netherlands, Italy, Brazil and the United Kingdom. Accordingly, we are subject to income taxes as well as non-income-based taxes in Canada, as well as these and other foreign jurisdictions and our tax structure is subject to review by numerous taxation authorities. The tax laws of these jurisdictions have detailed and varied tax rules, which are subject to change.

Significant judgment is required in determining our worldwide provision for (recovery of) income taxes, deferred tax assets and other tax liabilities. Although we strive to ensure that our tax estimates and filing positions are reasonable, no assurance can be provided that the final determination of any tax audits or litigation will not be different from what is reflected in our historical income tax provisions and accruals and any such differences may materially affect our operating results for the affected period or periods. We also have exposure to additional non-income tax liabilities such as payroll, sales, use, value-added, non-resident withholding, repatriation, net worth, property, harmonized and goods and services taxes in Canada, the United States, Sweden, Norway, Denmark, Germany, Ireland, Australia, New Zealand, Spain, Portugal, Belgium, France, the Netherlands, Italy, Brazil, the United Kingdom and other foreign jurisdictions.

International taxation authorities in these regions could challenge the validity of our tax filings or introduce new tax legislation. If any of these taxation authorities are successful in challenging our tax filings or introduce new tax legislation, our provision for (recovery of) income taxes may be adversely affected and we could also be subject to interest and penalty charges. Any such increase in our provision for or decrease in our recovery of income taxes and related interest and penalties could have a significant impact on future net earnings and future cash flows. Additionally, increases in tax rates as a result of increased government spending could increase our deferred tax liabilities and, as a result, our cash-paid taxes.

*Changes in privacy and contact center laws and regulations may adversely impact on our ability to compete and operate in our current markets and cause our operating results to suffer.*

Our customers can use our products to collect, use, process and store information regarding their customers and individuals. Federal, provincial and foreign government bodies and agencies may adopt or change laws and regulations regarding the collection, use, processing, storage and disclosure of such information obtained from consumers and individuals. In the European Union, some of our operations are subject to the European Union's General Data Protection Regulation ("GDPR") that took effect May 25, 2018. The GDPR introduces a number of new obligations for subject companies including, for example, expanded disclosures about how personal data is to be used, new mechanisms for obtaining consent from data subjects, new controls for data subjects with respect to their personal data, limitations on retention of personal data and mandatory data breach notifications. Additionally, the GDPR places companies under new obligations relating to data transfers and the security of the personal data they possess. Given the breadth of the GDPR, there can be no assurance that the measures we have taken for the purposes of compliance will be successful in preventing breach of the GDPR. In addition to government regulatory activity, privacy advocacy groups and the technology industry and other industries may consider various new, additional, or different self-regulatory standards that may place additional burdens directly on our customers and target customers and indirectly on us. Our products are expected to be capable of use by our customers in compliance with such laws and regulations. The functional and operational requirements and costs of compliance with such laws and regulations may adversely impact our business and failure to enable our products to comply with such laws and regulations could lead to significant fines and penalties imposed by regulators, as well as claims by our customers or third parties. Additionally, all of these domestic and international legislative and regulatory initiatives could adversely affect our customers' ability or desire to collect, use, process and store certain information, which could reduce demand for our products.

*Our results from operating activities may vary significantly from quarter to quarter and therefore may be difficult to predict or may fail to meet investment community expectations.*

Our revenue is difficult to forecast and may fluctuate significantly from quarter to quarter. In addition, our operating results may not follow any past trends. The factors affecting revenue and results, many of which are outside of our control, include: foreign exchange fluctuations; competitive conditions; market acceptance of our products; the ability to hire, train and retain sufficient sales and professional services staff; the ability to complete our service obligations related to product sales in a timely manner; varying size, timing and contractual terms of orders for products, including conversion to SaaS offerings, which may delay the recognition of revenue; the ability to maintain existing relationships and to create new relationships to assist with sales and marketing efforts; the discretionary nature of customers' purchasing and budget cycles and changes in their budgets for and timing of, software and related

purchases; the length and variability of the sales cycles for our products; strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy; general weakening of the economy including rising interest rates and inflation resulting in a decrease in the overall demand for computer software and services or otherwise affecting customers' capital investment levels in enterprise software; changes in our pricing policies and the pricing policies of our competitors; timing of product development and new product initiatives; and changes in the mix of revenue attributable to substantially lower-margin service revenue, including SaaS-based product and service offerings, as opposed to higher-margin product license and maintenance revenue.

While we have consistently managed our businesses by scaling our costs to prevailing revenue levels to ensure that we operate profitably and generate positive cash flow from operating activities to increase our cash reserves and fund our acquisition strategy internally, no assurance can be provided that we will be able to sustain this profitability on a quarterly or annual basis.

We, on at least an annual basis, review the value of acquired intangibles and goodwill to determine whether any impairment exists. We also periodically review opportunities to organize operations more efficiently and may record restructuring charges in connection with any such reorganization. Our acquisition strategy provides management with a regular opportunity with each new acquisition to revisit and re-organize our operations to leverage the strength and synergies introduced by new organizations. Any write-down of intangible assets or goodwill or restructuring charges in the future could affect our results of operations materially and adversely and as a result our share price may decline.

*The price of our common shares has in the past been volatile and may also be volatile in the future.*

The market price of our common shares ("Common Shares") may be volatile and could be subject to wide fluctuations due to a number of factors, including: actual or anticipated fluctuations in results of operations; changes in estimates of future results of operations; announcements of technological innovations or new product introductions by us or our competitors; general industry changes in the enterprise software markets; or other events or factors. In addition, the financial markets have experienced significant price and value fluctuations that have particularly affected the market prices of equity securities of many technology companies and that sometimes have been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally and in the software industry specifically, may adversely affect the market price of our Common Shares.

There can be no assurance that an active trading market for the Common Shares will be sustained in the future. If an active public market is not sustained, the liquidity of an investment in the Common Shares may be limited and the Company's share price may decline.

*A significant national or international health pandemic increases our exposure to business risks that could cause our operating results to suffer.*

International health pandemics, including but not limited to COVID-19, may present a source of economic uncertainty to the Company. The duration and effects of a pandemic on the Company would be unknown and it is not possible to reliably estimate the length and severity of any future pandemic-related impacts on the financial results and operations of the Company.

Additional changes by customers, suppliers and regulators in response to international health pandemics could materially impact the Company's financial results and may include effects on: timing and collectability of receivables, supply chains and distribution channels impacting delivery schedules, restrictions on cross-border commerce and travel, greater currency volatility, increased staff turnover, increased tax and/or higher interest rates, delays in hiring and increased risks to IT systems, cybersecurity networks and digital services. These uncertain economic conditions may adversely impact operations and the financial performance of the Company and its customers, demand for the Company's products and services or the equity markets, which could adversely affect the Company's financial performance. Furthermore, a pandemic could further exacerbate difficulties in identifying and successfully completing or integrating acquisitions as travel restrictions make it more difficult to perform due diligence.

#### Controls and Procedures

In compliance with the Canadian Securities Administrators' National Instrument 52-109 ("NI 52-109"), the Company has filed with applicable Canadian securities regulatory authorities, certificates signed by its Chief Executive Officer ("CEO") and Vice President Finance in capacity as Chief Financial Officer ("CFO") that, among other things, report on the design and effectiveness of disclosure controls and procedures and the design of internal controls over financial reporting.

**Disclosure Controls and Procedures**

Disclosure controls and procedures have been designed under the supervision of the CEO and CFO, with the participation of other management, to provide reasonable assurance that all relevant information required to be disclosed by us is recorded, processed, summarized and reported on a timely basis to senior management, as appropriate, to allow timely decisions regarding required public disclosure. Pursuant to NI 52-109, as of October 31, 2024, an evaluation of the effectiveness of our disclosure controls and procedures was carried out under the supervision of the CEO and CFO. Based on this evaluation, the CEO and the CFO concluded that the design and operation of these disclosure controls and procedures were effective. This evaluation considered our disclosure policy, a sub-certification process and the functioning of our Disclosure Committee.

**Internal controls over financial reporting**

The Company's CEO and CFO are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of consolidated financial statements in accordance with IFRS.

As at October 31, 2024, an evaluation was carried out of the effectiveness of the design and operation of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting. Based on that evaluation, the Company's CEO and CFO have concluded that, as at October 31, 2024, the design and operation of controls over financial reporting was effective. These evaluations were conducted in accordance with the standards established in *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission and the requirements of NI 52-109. The control framework used by the CEO and the CFO to design the Company's internal control over financial reporting is the "Internal Control – Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

There were no changes to the Company's internal control over financial reporting during the year ended October 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Additional Information**

Additional information relating to the Company including our most recently completed AIF is available on SEDAR at [www.sedarplus.com](http://www.sedarplus.com) and on our website at [www.enghouse.com](http://www.enghouse.com).

## Management's Responsibility for Financial Reporting

Management is responsible for the preparation of the Company's consolidated financial statements and all other information in Management's Discussion and Analysis as well as the Annual Report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which involve management's best estimates and judgments based on available information.

Management maintains appropriate systems of internal accounting and administrative controls, which are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

The Board of Directors of Enghouse Systems Limited (the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its Audit Committee (the "Committee").

The Committee is appointed by the Board and all of its members are independent directors. The Committee meets periodically with management and the external auditors to discuss internal controls over financial reporting, auditing matters and financial reporting issues, to satisfy itself that management's responsibilities are properly discharged and to recommend approval of the consolidated financial statements to the Board.

The consolidated financial statements have been audited on behalf of shareholders by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. The external auditors have full and free access to management and the Committee.



Stephen J. Sadler  
Chairman of the Board and  
Chief Executive Officer



Rob Medved  
Vice President Finance and  
Corporate Secretary

Markham, Ontario  
December 12, 2024

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Enghouse Systems Limited

### Opinion

We have audited the consolidated financial statements of Enghouse Systems Limited and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at October 31, 2024 and 2023, and the consolidated statements of operations and comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at October 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance IFRS Accounting Standards.

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' International Code for Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidation financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition - Allocation of transaction price in customer arrangements with multiple performance obligations</b></p>	
<p>The Group enters into arrangements with customers whereby they have multiple performance obligations of which some are delivered at a point in time while other performance obligations are provided over time. On-premise software licenses provided on a fixed-fee basis, subject to monthly or annual minimum payments, are recognized at the time that both the right to use the software has commenced and the software has been made available to the customer. Typically, the Group's software license arrangements also contain multiple performance obligations that may include the provision of some, or all, of SaaS and maintenance services, professional services and hardware. Consideration from the customer arrangement is allocated based on the standalone selling price to the performance obligations in accordance with International Financial Reporting Standard 15. Typically, the standalone selling price for software licenses is determined utilizing the residual approach where the software license is allocated the remaining contract consideration after the allocation to other performance obligations. The hardware standalone selling price is determined using standard list prices. The contract consideration allocated to maintenance is supported by observable standalone selling prices for maintenance renewals. The standalone selling price of professional services is determined on daily rates that are based on employee costs plus a profit margin that is considered to be consistent with that of comparable companies.</p> <p>For the year ended October 31, 2024, the Group recorded total revenue of \$503 million.</p>	<p>In respect to the allocation of consideration of customer arrangements within multiple performance obligations, our procedures among others, included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Group's methodology in allocating revenue for customer arrangements with multiple performance obligations.</li> <li>• Our understanding included an assessment of the appropriateness of management using the residual approach and their assertion that the pricing of software licenses is highly variable.</li> <li>• We evaluated the design and tested the operating effectiveness of the controls over the review and setup of transactions involving a bundling of services.</li> <li>• We tested a sample of customer arrangements to determine whether management had applied their allocation policy in a consistent and appropriate manner.</li> <li>• We assessed the support for the standalone selling prices of maintenance by comparing the consistency of standard list prices and contractual renewal rates.</li> <li>• We also assessed management's cost-plus margin approach for allocating consideration to professional services by validating cost rates are derived from accurate costs and that margins are consistent with historic margins and other comparable companies.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>Acquisitions - Accounting for purchase price and allocation to identifiable assets and liabilities</b></p> <p>As described in note 11 of the Group's consolidated financial statements, the Group completed two acquisitions during the year ended October 31, 2024 with total purchase consideration of \$45.5 million. The preliminary purchase price allocation includes goodwill of approximately \$24.3 million and intangible assets of \$29.2 million. The Group applies the acquisition method to account for business combinations whereby the excess of the fair value of the consideration transferred, including contingent or deferred consideration, over the fair value of the assets and liabilities acquired is considered goodwill. Acquisition related costs are expensed as incurred and classified as special charges.</p> <p>Auditing business combinations was complex, given the degree of judgment and subjectivity in evaluating management's estimates and assumptions in determining the fair value of the assets acquired and liabilities assumed, in particular, determining the fair value of acquired software and customer relationship intangible assets using a multi-period excess earnings method. Significant assumptions included the future performance of the assets concerned, and the discount rate applied.</p>	<p>As part of our audit procedures:</p> <ul style="list-style-type: none"> <li>• We gained an understanding of management's rationale for the acquisition made.</li> <li>• We have read the purchase agreements to obtain an understanding of the key terms and conditions to identify the necessary accounting considerations and identification of assets acquired and liabilities assumed.</li> <li>• We obtained the closing balance sheet and performed audit procedures over significant accounts as of the transaction closing date.</li> <li>• We involved our valuation specialists to assess the valuation methodology applied for the fair value of the intangible assets acquired and the various inputs utilized, including the selected rates of return and we consulted with our tax specialists around country specific tax attributes.</li> <li>• We assessed the appropriateness of forecasted revenue growth rates and margin percentages used in the estimation of fair value of the intangible assets acquired by comparing to historical performance and similar acquisitions made by the Group.</li> <li>• We assessed the consistency of methods and assumptions applied by management for acquisitions made in the year as well as prior acquisitions made.</li> <li>• We assessed the adequacy of the Group's disclosures included in note 11 of the consolidated financial statements in relation to this matter.</li> </ul>

### Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If based on the work we will perform on this other information, we conclude there is a material misstatement of other information, we are required to report that fact to those charged with governance.

### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Brittany Keenan.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style font.

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
December 12, 2024

## Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

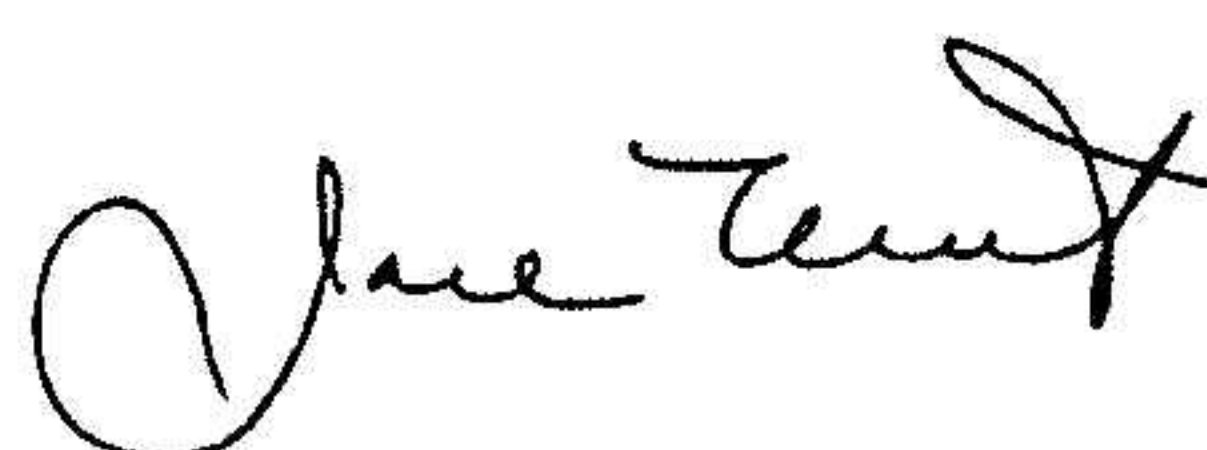
	Notes	As at October 31, 2024	As at October 31, 2023
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	16	\$ 274,240	\$ 239,532
Short-term investments	16	487	827
Accounts receivable	16	92,348	93,383
Prepaid expenses and other assets		16,100	15,515
Income taxes recoverable		-	114
		<b>383,175</b>	<b>349,371</b>
<b>Non-current assets:</b>			
Property and equipment	4	4,192	3,273
Right-of-use assets	12	11,473	12,242
Intangible assets	5	98,594	109,659
Goodwill	5	309,831	280,241
Deferred income tax assets	9	26,228	28,884
		<b>450,318</b>	<b>434,299</b>
		<b>\$ 833,493</b>	<b>\$ 783,670</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities		\$ 70,087	\$ 67,769
Income taxes payable		5,525	-
Dividends payable	7	14,397	12,156
Provisions	6	1,834	2,238
Deferred revenue		114,080	109,019
Lease obligations	12	5,344	6,322
		<b>211,267</b>	<b>197,504</b>
<b>Non-current liabilities:</b>			
Income taxes payable	9	-	1,333
Deferred income tax liabilities	9	10,500	13,340
Deferred revenue		8,094	8,170
Net employee defined benefit obligation		2,081	1,912
Lease obligations	12	5,744	6,080
		<b>26,419</b>	<b>30,835</b>
		<b>237,686</b>	<b>228,339</b>
<b>Shareholders' equity</b>			
Share capital	7	118,217	107,701
Contributed surplus		9,764	10,404
Retained earnings		446,748	426,397
Accumulated other comprehensive income	7	21,078	10,829
		<b>595,807</b>	<b>555,331</b>
		<b>\$ 833,493</b>	<b>\$ 783,670</b>

The accompanying notes form an integral part of these consolidated financial statements.

On Behalf of the Board of Directors:



Stephen J. Sadler  
Director



Jane Mowat  
Director

## Consolidated Statements of Operations and Comprehensive Income

(in thousands of Canadian dollars except per share amounts)

Year ended October 31	Notes	2024	2023
<b>Revenue</b>			
Software licenses		\$ 72,906	\$ 80,054
SaaS and maintenance services		346,579	297,635
Professional services		70,046	67,273
Hardware		12,974	9,060
		<b>502,505</b>	<b>454,022</b>
<b>Direct costs</b>			
Software licenses		3,501	2,910
Services		165,221	141,802
Hardware		6,864	5,287
		<b>175,586</b>	<b>149,999</b>
<b>Revenue, net of direct costs</b>		<b>326,919</b>	<b>304,023</b>
<b>Operating expenses</b>			
Selling, general and administrative		94,303	90,889
Research and development		88,833	79,334
Depreciation	4	2,347	2,451
Depreciation of right-of-use assets	12	5,981	6,764
Special charges		1,609	2,477
		<b>193,073</b>	<b>181,915</b>
<b>Results from operating activities</b>		<b>133,846</b>	<b>122,108</b>
Amortization of acquired software and customer relationships	5	(40,505)	(39,605)
Foreign exchange (losses) gains		(1,680)	1,266
Interest expense – lease obligations	12	(556)	(695)
Finance income		10,121	6,264
Finance expenses		(49)	(163)
Other income (expense)		89	(1,950)
<b>Income before income taxes</b>		<b>101,266</b>	<b>87,225</b>
Provision for income taxes	9	19,938	14,977
<b>Net income for the year</b>		<b>\$ 81,328</b>	<b>\$ 72,248</b>
<b>Items that may be subsequently reclassified to income:</b>			
Cumulative translation adjustment	7	10,249	19,800
<b>Other comprehensive income</b>		<b>10,249</b>	<b>19,800</b>
<b>Comprehensive income</b>		<b>\$ 91,577</b>	<b>\$ 92,048</b>
<b>Earnings per share</b>			
Basic	10	\$ 1.47	\$ 1.31
Diluted	10	\$ 1.47	\$ 1.31

The accompanying notes form an integral part of these consolidated financial statements.

## Consolidated Statements of Changes in Shareholders' Equity

(in thousands of Canadian dollars)

	Share capital (#)	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total
As at November 1, 2023	55,256,617	\$ 107,701	\$ 10,404	\$ 10,829	\$ 426,397	\$ 555,331
Net income for the year	-	-	-	-	81,328	81,328
Cumulative translation adjustment (Note 7)	-	-	-	10,249	-	10,249
<b>Comprehensive income</b>	-	\$ -	\$ -	\$ 10,249	\$ 81,328	\$ 91,577
Employee share-based compensation:						
Value of services recognized	-	-	1,192	-	(4)	1,188
Issuance of shares	313,000	10,917	(1,832)	-	-	9,085
Normal course issuer bid share repurchases (Note 7)	(195,416)	(401)	-	-	(5,593)	(5,994)
Dividends declared (Note 7)	-	-	-	-	(55,380)	(55,380)
<b>As at October 31, 2024</b>	<b>55,374,201</b>	<b>\$ 118,217</b>	<b>\$ 9,764</b>	<b>\$ 21,078</b>	<b>\$ 446,748</b>	<b>\$ 595,807</b>
As at November 1, 2022	55,250,239	\$ 107,007	\$ 8,882	\$ (8,971)	\$ 401,247	\$ 508,165
Net income for the year	-	-	-	-	72,248	72,248
Cumulative translation adjustment (Note 7)	-	-	-	19,800	-	19,800
<b>Comprehensive income</b>	-	\$ -	\$ -	\$ 19,800	\$ 72,248	\$ 92,048
Employee share-based compensation:						
Value of services recognized	-	-	1,639	-	-	1,639
Issuance of shares	20,000	721	(117)	-	-	604
Normal course issuer bid share repurchases (Note 7)	(13,622)	(27)	-	-	(398)	(425)
Dividends declared (Note 7)	-	-	-	-	(46,700)	(46,700)
<b>As at October 31, 2023</b>	<b>55,256,617</b>	<b>\$ 107,701</b>	<b>\$ 10,404</b>	<b>\$ 10,829</b>	<b>\$ 426,397</b>	<b>\$ 555,331</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

Year ended October 31	Notes	2024	2023
<b>OPERATING ACTIVITIES</b>			
Net income for the year		\$ 81,328	\$ 72,248
Adjustments for non-cash items			
Depreciation	4	2,347	2,451
Depreciation of right-of-use assets	12	5,981	6,764
Interest expense – lease obligations	12	556	695
Amortization of acquired software and customer relationships	5	40,505	39,605
Stock-based compensation expense	8	1,188	1,639
Provision for income taxes	9	19,938	14,977
Finance expenses and other (income) expense		(40)	2,113
		<b>\$ 151,803</b>	<b>\$ 140,492</b>
Changes in non-cash operating working capital	17	(7,920)	(11,244)
Income taxes paid		(11,812)	(13,950)
<b>Net cash provided by operating activities</b>		<b>\$ 132,071</b>	<b>\$ 115,298</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment, net	4	\$ (1,977)	\$ (1,060)
Acquisitions, net of cash acquired*	11	(43,448)	(55,167)
Recovery (payment) of purchase consideration for prior-year acquisitions		171	(999)
Purchase of short-term investments, net			(4)
<b>Net cash used in investing activities</b>		<b>\$ (45,254)</b>	<b>\$ (57,230)</b>
<b>FINANCING ACTIVITIES</b>			
Issuance of share capital	7	9,085	604
Normal course issuer bid share repurchases	7	(5,994)	(425)
Repayment of lease obligations	12	(7,030)	(7,194)
Dividends paid		(53,139)	(44,765)
<b>Net cash used in financing activities</b>		<b>\$ (57,078)</b>	<b>\$ (51,780)</b>
Impact of foreign exchange on cash and cash equivalents		4,969	8,140
<b>Increase in cash and cash equivalents</b>		<b>\$ 34,708</b>	<b>\$ 14,428</b>
Cash and cash equivalents - beginning of year		239,532	225,104
<b>Cash and cash equivalents - end of year</b>		<b>\$ 274,240</b>	<b>\$ 239,532</b>

\* Acquisitions are net of cash acquired of \$742 for the year ended October 31, 2024 (2023 – \$2,088).  
The accompanying notes form an integral part of these consolidated financial statements.

## Notes to Consolidated Financial Statements

October 31, 2024 and 2023

(in thousands of Canadian dollars, except as indicated)

### 1. Description of the Business and Reporting Entity

Enghouse Systems Limited ("Enghouse Systems") and its subsidiaries (together "Enghouse", "our" or "the Company") provides a wide range of mission critical vertically focused enterprise software solutions. Our core technologies are used for contact centers, video communications, virtual healthcare, education, telecommunications networks, IPTV, public safety and transit. The Company's two-pronged strategy to grow earnings focuses on both organic growth and acquisitions, which, to date, have been funded only through cash flows from operating activities as the Company has no outstanding external debt financing. The Company is organized around two business segments, the Interactive Management Group ("IMG") and the Asset Management Group ("AMG"), due to their unique customer segments and technology offerings.

IMG specializes in contact center and video software and services designed to enhance customer service by increasing efficiency and managing customer communications across multiple types of interactions including voice, email, social channels, web chats, text and video. Products include contact center, video collaboration, video health monitoring, video capture technology, video room systems, interactive voice response, artificial intelligence tools, outbound dialers, attendant console, agent performance optimization, customer survey, business intelligence and analytics that may be deployed in private cloud, multi-tenant cloud or on-premise environments. IMG's customers are varied and include financial services companies, media businesses, education, telecoms, business process service providers, technology and health care providers.

AMG provides a portfolio of software and services solutions to network telecommunication providers, cable operators, media, transit, transportation, defence, utilities, government and public safety companies. Its products include network infrastructure, Operations Support Systems, Business Support Systems and revenue generation solutions such as video streaming and cloud IPTV solutions. AMG also provides transit e-ticketing, automated fare collections, fleet routing, dispatch, scheduling, communications and emergency control center solutions for the transportation, government, first responders and security sectors.

Enghouse Systems Limited is a Canadian publicly traded company (TSX:ENGH) that is incorporated and domiciled in Canada. The address of its registered office is 80 Tiverton Court, Suite 800, Markham, Ontario, L3R 0G4. The Company has offices around the world, including the United States, the United Kingdom, Sweden, Norway, Denmark, the Netherlands, France, Belgium, Brazil, Germany, Ireland, Australia, New Zealand, Israel, Lebanon, Romania, Italy, Spain, Japan, Colombia, Croatia, China, Portugal, Poland and Austria.

### 2. Basis of Preparation and Adoption of International Financial Reporting Standards

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the consolidated financial statements, are disclosed in Note 3.

These consolidated financial statements were approved by the Audit Committee of the Board of Directors for issue on December 12, 2024.

### 3. Summary of Material Accounting Policies

#### Basis of Measurement

The consolidated financial statements are prepared on a going concern basis, using historical cost, except for investments in equity securities designated at fair value through profit or loss, certain assets and liabilities initially recognized in connection with business combinations and derivative financial instruments, which are measured at fair value. All financial information is presented in Canadian dollars rounded to the nearest thousands, except as otherwise noted.

## Notes to Consolidated Financial Statements

October 31, 2024 and 2023

(in thousands of Canadian dollars, except as indicated)

### Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions, balances and unrealized profits and losses from intercompany transactions have been eliminated upon consolidation, unless the transaction provides evidence of an impairment of the transferred asset. The Company does not have any special purpose entities to be consolidated. The accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Company.

Subsidiaries are all entities (including structured entities) over which Enghouse has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

### Business Combinations

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Company expenses acquisition-related expenses as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Company is recognized at fair value as at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in the Consolidated Statements of Operations and Comprehensive Income. A portion of the consideration on acquisitions is subject to holdback and adjustment in accordance with the terms of the purchase agreements. The Company accrues holdbacks as part of the consideration payable on acquisition.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

### Foreign Currency Translation

#### (i) Functional and Presentation Currency

The Company's subsidiaries generally operate in their local currency environment. Accordingly, items included in the financial statements of each legal entity consolidated within the Enghouse group are measured using the currency of the primary economic environment in which the legal entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is also the parent company's functional currency.

When the Company disposes of its entire interest in a foreign operation, or loses control over a foreign operation, the foreign currency gains or losses in accumulated other comprehensive income (loss) related to the foreign operation are recognized in profit or loss. If the Company disposes of part of an interest in a foreign operation that remains a subsidiary, a proportionate amount of foreign currency gains or losses in accumulated other comprehensive income (loss) related to the subsidiary is reallocated between controlling and non-controlling interests.

#### (ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's

## Notes to Consolidated Financial Statements

October 31, 2024 and 2023

(in thousands of Canadian dollars, except as indicated)

functional currency are recognized in the Consolidated Statements of Operations and Comprehensive Income and disclosed separately below the results from operating activities.

### (iii) Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Canadian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars using average exchange rates for the month during which the transactions occurred. Foreign currency differences are recognized in other comprehensive income (loss) in the cumulative translation account.

### Cash and Cash Equivalents

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

### Short-term Investments

Short-term investments include equity securities, which are investments in publicly available securities that are carried at fair market value, as well as fixed-income securities with original maturities of one year or less that do not qualify for measurement at either amortized cost or fair value through other comprehensive income ("FVOCI").

### Financial Instruments

Financial assets and 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 liabilities are offset and the net amount is reported in the Consolidated Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### Financial Assets at Fair Value through Profit or Loss

The Company classifies the following financial assets at fair value through profit or loss: debt investments that do not qualify for measurement at either amortized cost or FVOCI, equity investments held for trading and equity investments for which the Company has not elected to recognize gains and losses through other comprehensive income (loss). The equities held by the Company are those of publicly traded companies whose fair values are determined by the closing quoted market values for each investment at the Consolidated Statement of Financial Position dates. The fair value of the Company's equity portfolio is subject to fluctuations in equity markets and is denominated in Canadian dollars.

Interest on cash and cash equivalents, calculated using the effective interest rate method, is recognized in the Consolidated Statements of Operations and Comprehensive Income as part of finance income.

Dividends on equity investments that are held for trading are recognized in the Consolidated Statements of Operations and Comprehensive Income as part of finance income when the Company's right to receive payment is established.

### Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. These are classified in current assets, except for the portion expected to be realized or paid beyond twelve months of the Consolidated Statement of Financial Position dates, which is classified as non-current. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Company holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest rate method.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

### Cash and Cash Equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable within 24 hours' notice with no loss of interest.

## Notes to Consolidated Financial Statements

October 31, 2024 and 2023

(in thousands of Canadian dollars, except as indicated)

### Trade and Other Payables

Trade payables are unsecured and are usually paid within 45 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Accounts payable includes accrued liabilities, dividends and other payables. Trade and other payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce trade and other payables to fair value. Subsequently, trade and other payables are measured at amortized cost using the effective interest rate method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

The Company is not party to any derivative financial instruments.

### Impairment of Financial Assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not otherwise consider, or indications that a debtor or issuer will enter bankruptcy.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over prior periods and the corresponding historical credit losses experienced during this period.

Impairment losses on financial assets measured at amortized cost are calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and recorded as an expected credit loss against receivables. When a subsequent event causes the impairment loss to decrease, the decrease is reversed through profit or loss.

### Property and Equipment

Property and equipment are recorded at acquisition cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the Consolidated Statements of Operations and Comprehensive Income during the period in which they are incurred.

The major categories of property and equipment are depreciated as follows:

Furniture and fixtures	5 years straight-line
Computer hardware	3 years straight-line
Leasehold improvements	Shorter of useful life or initial lease term

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts (if any) and separately depreciates each part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. The cost and accumulated depreciation of replaced assets are derecognized when replaced. Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount of the assets and are included as part of other income (expense) in the Consolidated Statements of Operations and Comprehensive Income.

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### Acquired Software and Customer Relationships

The Company uses the income approach to value its acquired software and customer relationship intangible assets. This approach is a valuation technique that calculates the fair value of an intangible asset based on the cash flows that an asset could be expected to generate over its remaining useful life. The Company's intangible assets include customer relationships and acquired software with finite useful lives. These assets are capitalized and are amortized to operations over their estimated useful lives from the date that they are acquired and available for use, since this most closely reflects the expected usage and consumption patterns related to the future economic benefits embodied in the assets. The Company considers the length of time over which it expects to earn or recover the cost of the assets. The estimated useful lives for the current and comparative periods are as follows:

Acquired software	4 to 8 years straight-line
Customer relationships	4 to 8 years straight-line

Amortization methods, estimates of useful lives and residual values are reviewed at least annually and are adjusted as appropriate.

### Goodwill

Goodwill represents the excess of the purchase price of business acquisitions over the fair values of identifiable net assets acquired in such acquisitions and is allocated as at the date of the business combination. Goodwill acquired through a business combination is allocated to each cash-generating unit ("CGU") or group of CGUs that are expected to benefit from the related business combination. A group of CGUs represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, which is not higher than an operating segment. The Company has two groups of CGUs: IMG and AMG, for which goodwill is monitored. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

### Impairment of Non-Financial Assets

The unamortized portions of property and equipment, acquired software and customer relationships are reviewed when events or circumstances indicate that the carrying amounts may not be recoverable. Intangible assets with an indefinite useful life or intangible assets not yet available for use are subject to an annual impairment test. Goodwill is not subject to amortization but is assessed for impairment on at least an annual basis and, additionally, whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable amount is estimated annually on October 31 of each year.

For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash inflows. The recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is measured as the amount by which the asset's or CGU's carrying amount exceeds its recoverable amount. Impairment losses are recognized in the Consolidated Statements of Operations and Comprehensive Income.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

No such impairment losses have been recognized during the year.

### Employee Benefits

#### (i) Post-Employment Benefit Obligations

Employees of companies included in these audited consolidated financial statements have entitlements under the Company's pension plans, which include both defined contribution and defined benefit pension plans. These plans take different forms depending on the legal, financial and tax regime of each country. The cost of defined contribution pension plans is charged to expense as the contributions become payable and cease when an employee leaves the Company.

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The Company's obligations and expenses related to defined benefit pension plans are determined using actuarial valuations and are dependent on a number of assumptions. The defined benefit obligations and benefit cost levels will change because of future changes in actuarial methods and assumptions, membership data, plan provisions, legislative rules and future experience gains or losses, which may not have been anticipated at this time. Emerging experience, differing from assumptions, will result in gains or losses that will be disclosed in future accounting valuations.

### (ii) Stock-Based Compensation Plans

The Company grants stock options to certain employees. Stock options are granted at a price equal to or above the market value of the shares at the date of the grant. When the stock options are exercised, the Company issues new common shares. The consideration received on the exercise of stock options is credited to share capital at the time of exercise. PSUs granted will be a bonus for services in the year the award is granted. Upon vesting, PSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all PSUs with issuance of common shares. The share-based payment expense relating to market-based performance conditions will be recognized evenly over the vesting period, while the share-based payment expense relating to non-market performance conditions will be recognized over the vesting period, subject to measurement adjustments. Under the DSU Plan, non-executive directors of the Company may elect to defer a portion of their compensation until they leave the Board and have the value of such portion fluctuate with the value of common shares. DSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all DSUs with issuance of common shares. The share-based payment expense of DSUs will be recognized upon grant, when the DSUs vest. The Company's stock option compensation plan is described in Note 8.

Stock options generally vest over four or five years in a tiered manner and expire after seven years. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period on a straight-line basis based on the number of awards expected to vest, with a corresponding credit to contributed surplus. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

### (iii) Termination Benefits

The Company recognizes termination benefits as an expense when it is demonstrably committed to either terminating the employment of current employees in accordance with a detailed formal plan without possibility for withdrawal or providing benefits as a result of an offer made to encourage voluntary termination. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

### (iv) Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under the Company's incentive compensation plan if the Company has a legal or constructive obligation to pay this amount at the time bonuses are paid as a result of past service provided by the employee and the obligation can be reliably estimated.

### Provisions

Provisions, including those for onerous contracts, legal claims and restructuring, are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured based on management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material.

The Company performs evaluations to identify onerous contracts and legal claims and, where applicable, records provisions for such items. A provision for onerous contracts is recognized when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received from the contract. A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan and the restructuring either has commenced or been publicly announced. Restructuring provisions include such items as employee termination payments and over-market and excess capacity lease obligations acquired in business combinations. Provisions are not recognized for future operating losses.

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A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

### Income Taxes

The provision for (recovery of) income taxes is comprised of current and deferred income tax expense. Current income tax expense and deferred income tax expense are recognized in the Consolidated Statements of Operations and Comprehensive Income, except to the extent that they relate to items recognized directly in other comprehensive income (loss) or equity, in which case the income tax is also recognized directly in other comprehensive income (loss) or equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting periods and any adjustment to the tax payable in respect of previous years.

In general, deferred income tax is the amount of income taxes expected to be paid or recoverable in future periods in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, carry-forwards of unused tax losses and unused tax credits. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the Consolidated Statement of Financial Position dates and are expected to apply when the deferred income tax asset or liability is settled. Deferred income tax assets, including unutilized tax losses, are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except 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. Deferred income tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses and tax credits can be utilized. The carrying value of deferred income tax assets is reviewed at each Consolidated Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be recovered.

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 income 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 assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be recognized simultaneously. Deferred income tax assets and liabilities are presented as non-current.

### Dividends

Dividends on common shares are recognized in the Company's consolidated financial statements in the period in which the dividends are declared and approved by the Company's Board of Directors.

### Leases

The Company leases various facilities, equipment and vehicles. Lease terms are negotiated on an individual lease basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by, or available to, the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third-party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company and its subsidiaries that do not have recent third-party financing; and
- Makes adjustments specific to the lease, e.g., term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the liability less any lease payments at or before the commencement date less any lease incentives received.

All short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less.

### Share Capital

Common shares are classified as equity. Incremental costs attributable to the issuance of shares are recognized as a deduction from equity.

### Revenue Recognition

Revenue represents the amount the Company expects to receive for products and services in its contracts with customers, net of discounts and sales taxes. The Company accounts for customer contracts when it secures written approval in the form of a signed contract, the parties are committed to the contract with the rights of the parties, including payment terms, specifically identified, the contract has commercial substance and the consideration is probable of collection. The timing of revenue recognition often differs from contract payment schedules and milestones, resulting in revenue that has been earned but not billed. These amounts are included as accounts receivable. Amounts billed in accordance with customer contracts, but in advance of revenue being recognized, are classified as deferred revenue.

#### (i) Arrangements with Multi-Performance Obligations

The Company typically contracts with customers to deliver more than one of the goods and services noted below as part of a single arrangement. The Company exercises significant judgment to evaluate these arrangements to determine whether the goods or services are considered distinct performance obligations that should be accounted for separately from some or all of the other goods or services in the arrangement. A good or service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Company's promise to transfer the good or service is separately identifiable from other promises in the contract. Goods and services that are not distinct are combined with other goods and services until they are distinct as a bundle and can be accounted for as a single performance obligation. Where a contract consists of more than one performance obligation, revenue is allocated to each based on their estimated relative standalone selling price ("SSP"). The SSP reflects the price Enghouse charges for a specific good or service if it was sold separately to similar customers in similar circumstances. This is typically determined using observable data and is based on a narrow range of prices or rates established from historical analysis. This range is subject to periodic review and assessment when material changes in facts and circumstances warrant it.

The SSP may not be directly observable for all performance obligations within bundled transactions. In bundled transactions with license and customer maintenance, the Company typically allocates the transaction price between license and maintenance using the residual approach as it has determined the SSP for certain goods and services, such as licenses, in these arrangements is highly variable.

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### (ii) Nature of Goods and Services

Revenue consists primarily of fees for licenses of the Company's software, subscriptions, Software as a Service ("SaaS") and maintenance services, professional services and hardware revenue.

### (iii) License Revenue

The Company sells on-premise software licenses on both a perpetual and specified-term basis. Perpetual licenses provide customers the right to use the software for an indefinite period of time in exchange for a one-time license fee, generally paid at contract inception. Term licenses provide the customer with the right to use software for a specified period in exchange for a fee, which may be paid at contract inception or paid in installments over the period of the contract. Revenue from the licensing of software on a perpetual basis is recognized at the time that both the right to use the software has commenced and the software has been made available to the customer for download at the commencement of the term. Term license revenue provided on a fixed-fee basis, subject to monthly or annual minimum fees, is recognized at the time that both the right to use the software has commenced and the software has been made available to the customer. Term license revenue provided on a variable usage basis, such as the number of transactions, subscribers or other variable measure, is recognized over time based on a customer's utilization in a given period. The Company also sells third-party software as an added service to customers. This revenue is generally recognized on delivery to the customer on the same terms and basis as the Company provides its own proprietary software to customers.

### (iv) Hardware Revenue

Hardware is sold to customers to complement the Company's software offering. This revenue is generally recognized on delivery to the customer when the Company has transferred control of the hardware to the buyer under the terms of an enforceable contract.

### (v) SaaS and Maintenance Services Revenue

In the Company's SaaS arrangements, the end user generally does not take possession of the software and the software application resides on the Company's hardware or that of a third party with the customer obtaining the right to access the software. SaaS solutions and services are provided on a usage basis, which can vary depending on the number of users or subscribers and is recognized based on a customer's utilization of the services over the term of the arrangement.

Maintenance revenue consists primarily of technical support and the provision of unspecified upgrades and updates made on a when-and-if-available basis. This support is related to the Company's perpetual and term-based on-premise license arrangements. Maintenance is not critical to the customer's ability to derive benefit from its right to use the Company's software and is considered a distinct performance obligation when sold together with licenses in a bundled transaction.

The amount of the selling price associated with SaaS and maintenance services revenue agreements is deferred and recognized as revenue over the period during which the services are performed. This deferred revenue is included on the Consolidated Statements of Financial Position as a current liability to the extent the services are to be delivered in the next twelve months. Setup fees on SaaS services revenue are deferred and recognized on a straight-line basis over the estimated life of the customer relationship period.

### (vi) Professional Services Revenue

Professional services revenue includes installation, implementation, configuration, consulting and training services provided as a bundle along with software licenses or on a standalone basis. Payment for professional services is either on a fixed-fee or time and materials basis. As the Company's professional services do not significantly alter the functionality of the license and its customers can benefit from its professional services on their own or together with other readily available resources, professional services are considered a distinct performance obligation within the context of the contract. Professional services revenue is recognized as delivered, typically on an input-based measure of progress such as total labour hours incurred versus total expected labour hours.

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### (vii) Performance Obligations

A summary of the Company's typical performance obligations and when the obligations are satisfied is as follows:

Performance obligation	When performance obligation is satisfied
Software licenses revenue:	
Perpetual licenses	When software is made available for download (point in time)
Term licenses – fixed-fee basis	When software is made available for download (point in time)
Term licenses – variable/usage basis	Based on customer utilization (over time)
SaaS and maintenance services revenue	Ratable over course of the service term (over time)
Professional service revenue	As the services are delivered (over time)
Hardware revenue	As control of the hardware transferred (point in time)

### Direct Costs

Direct costs include third-party costs related to the delivery of software, hardware and professional, SaaS and maintenance services as well as commissions payable to sales staff.

### Research and Development Costs

The Company qualifies for certain investment tax credits related to the research and development of its computer software. Expenditures related to research are expensed as incurred and are reduced by related investment tax credits, which are recognized as a reduction to research and development expense on the Consolidated Statements of Operations and Comprehensive Income when reasonable assurance of realization exists. Expenditures during the development phase are capitalized if certain criteria, including technical feasibility and intent and ability to develop and use or sell the technology, are met; otherwise, they are expensed as incurred. No costs have been deferred on the Consolidated Statements of Financial Position as at October 31, 2024 or 2023.

### Special Charges

Special charges include costs for certain acquisition-related restructuring initiatives undertaken as well as acquisition-related transaction costs and similar charges.

### Finance Income and Finance Expenses

Finance income comprises interest income, gains on the disposal of short-term investments and dividend income. Interest income is recognized as it is accrued through profit or loss, using the effective interest rate method.

Finance expenses comprise interest expense on letters of credit guarantees or other similar arrangements, bank charges and impairment losses recognized on financial assets other than trade receivables.

### Earnings per Share

Basic earnings per share are computed by dividing the net income for the period by the weighted average number of common shares outstanding during the period.

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding for stock options and PSUs issued by the Company. The number of shares included with respect to stock options and PSUs is computed using the Treasury Stock method. This method assumes that proceeds, which could be obtained upon the exercise of in-the-money stock options and PSUs, would be used to purchase common shares at the average market price during the year.

### Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM is the person or persons who are responsible for allocating resources and assessing performance of the operating segments. The CODM has been identified as the Chief Executive Officer.

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### Critical Accounting Estimates and Judgments

The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the consolidated financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a regular basis. Significant areas requiring the Company to make estimates, assumptions and judgments include those related to revenue recognition, intangible assets, the carrying value of goodwill and income taxes. The Company bases its estimates on historical experience as well as on various other assumptions that are believed to be reasonable under the circumstances at the time.

Under different assumptions or conditions, the actual results would differ, potentially materially, from those previously estimated. Many of the conditions impacting these assumptions and estimates are beyond the Company's control. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and will be recorded with a corresponding impact on net income.

### Revenue Recognition

#### *Separation and Measurement of Customer Contract Obligations and Deliverables*

Management applies significant judgment when evaluating contracts with customers to deliver more than one type of product or service within a single arrangement. Significant judgment is exercised to evaluate whether the goods or services are considered distinct performance obligations that should be accounted for separately from some or all of the other goods or services in the arrangement and in determining the relative contract consideration allocated to the distinct performance obligations.

In certain arrangements with multiple performance obligations, the SSP may not always be directly observable. In arrangements with a combination of license and services, the Company allocates the transaction price between the license and other performance obligations. Given that the SSP of the license is highly variable, contract consideration is assigned in sequence to each performance obligation using a residual approach:

- A portion of contract consideration is allocated to hardware at cost plus a standard margin.
- A portion of contract consideration is allocated to the services using standard rates. Rates are based on cost plus margin, daily rates or, where applicable, a percentage of the list price based on standard selling terms.
- The residual amount is assigned as the fair value to the software license.

Judgment and estimates could impact the timing of when revenue is recognized and could have a material impact on the Company's consolidated financial statements.

### Acquired Assets and Liabilities Including Intangible Assets and Goodwill

The Company accounts for business combinations using the acquisition method, under which it allocates the excess of the purchase price of business acquisitions over the fair value of identifiable net assets acquired to goodwill. One of the most significant estimates relates to the determination of the fair value of the assets and liabilities acquired. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, purchase price allocations are derived from a valuation analysis prepared by management. Fair values are determined using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows and are closely linked to the assumptions made by management regarding the future performance of the assets concerned and the discount rate applied. Significant judgment is applied in making assumptions about inputs that impact the amount and timing of future cash flows.

Any goodwill or intangible assets with indefinite useful lives acquired in business combinations are not amortized to income over their useful lives but are assessed annually for any potential impairment in value.

All other intangible assets are amortized over their estimated useful lives. The Company's intangible assets relate to acquired software and customer relationships. Enghouse also reviews the carrying value of amortizable intangible assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected from its use and eventual disposition. In assessing the recoverability of these intangible assets, the Company must make assumptions

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regarding estimated future cash flows, market conditions and other factors to determine the fair value of the assets. If these estimates or related assumptions change in the future, the Company may be required to record impairment charges for these assets.

### Goodwill Impairment

The goodwill recorded in the consolidated financial statements relates to two significant groups of CGUs: the IMG and AMG. The Company's assumptions used in testing goodwill for impairment are affected by current market conditions, which may affect expected revenue and costs. The Company also has significant competition in markets in which it operates, which may affect its revenues and operating costs. The recoverable amount of the groups of CGUs was based on an assessment of value in use using a discounted cash flow approach. The approach uses cash flow projections based on financial budgets approved by management covering a one-year period. Cash flows for the years thereafter are extrapolated using estimated annual growth rates. The Company uses a pre-tax discount rate, which has been estimated based on the industry's weighted average cost of capital. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flows may differ or change quickly, depending on economic conditions and other events. Future changes in assumptions could negatively affect future assessments of the recoverable amount for the groups of CGUs and the Company would be required to recognize an impairment loss.

As at October 31, 2024 and 2023, the Company's estimate of the recoverable amounts for each of the AMG CGU and IMG CGU exceeded their respective carrying values by a significant margin and, as such, the Company determined that the groups of CGUs with goodwill had not been impaired. Based on its sensitivity analysis, management believes that any reasonable change in key assumptions used to calculate the recoverable amounts would have no impact on the results of the impairment test.

### Income Taxes

Management uses significant judgment to determine the provision for (recovery of) income taxes, current and deferred income tax assets and liabilities and the recoverability of income tax assets recorded. The Company operates in multiple tax jurisdictions and to the extent that there are profits in these jurisdictions, the profits are subject to tax at varying tax rates and regulations under the legislation of these jurisdictions. The Company's effective tax rate may be affected by changes to or application of tax laws in any particular jurisdiction, changes in the geographical mix of revenue and expense, level of relative profitability in each jurisdiction, utilization of non-capital losses and income tax loss carry-forwards and management's assessment of its ability to realize deferred income tax assets. Accordingly, management must estimate the provision for (recovery of) income taxes of the Company, which involves determining taxable income, temporary differences between tax and accounting carrying values and income tax loss carry-forwards. Favourable or unfavourable adjustments to the provision for (recovery of) income taxes may result when tax positions are resolved or settled at amounts that differ from those estimates.

The Company has deferred income tax assets that are subject to periodic recoverability assessments. Realization of the Company's deferred income tax assets is largely dependent upon its achievement of projected future taxable income and the continued applicability of ongoing tax planning strategies. The Company's judgments regarding future profitability may change due to future market conditions, changes in tax legislation and other factors that could adversely affect the ongoing value of the deferred income tax assets. These changes, if any, may require the material adjustment of these deferred income tax asset balances through an adjustment to the carrying value thereon in the future. This adjustment would reduce the deferred income tax asset to the amount that is considered to be more likely than not to be realized and would be recorded in the period such a determination was to be made.

### New standards and interpretations adopted

The Company applied for the first time certain amendments to standards, which are effective for annual periods beginning on or after January 1, 2023.

#### *Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*

Beginning on November 1, 2023, the Company adopted the amendments to IAS 1 Presentation of financial statements and IFRS Practice Statement 2 Making Materiality Judgements. These amendments help companies provide useful accounting policy disclosures. The Company has updated its material accounting policies disclosures accordingly in its consolidated financial statements.

#### *Definition of Accounting Estimates (Amendments to IAS 8)*

Beginning on November 1, 2023, the Company adopted the amendments to IAS 8 Accounting policies, changes in accounting estimates and errors. These amendments require the disclosure of material accounting policy information rather than disclosing significant

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accounting policies and clarify how to distinguish changes in accounting policies from changes in accounting estimates. The adoption of the amendments did not have a material impact on the consolidated financial statements.

### *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*

Beginning on November 1, 2023, the Company adopted the amendments to IAS 12 Income taxes. The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The adoption of the amendments did not have a material impact on the consolidated financial statements.

### *International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)*

Beginning November 1, 2023, the Company adopted amendments to IAS 12 Income Taxes. This introduced a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and targeted disclosure requirements for affected entities. The adoption of the amendments did not have a material impact on the consolidated financial statements.

### **Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is assessing the impact of adopting this amendment on its consolidated financial statements.

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### 4. Property and Equipment

	Furniture and fixtures		Computer hardware		Leasehold improvements		Total
<b>As at October 31, 2022</b>							
Cost	\$	2,156	\$	24,308	\$	2,965	\$ 29,429
Accumulated depreciation		(1,989)		(20,818)		(2,436)	(25,243)
<b>Net book value</b>	<b>\$</b>	<b>167</b>	<b>\$</b>	<b>3,490</b>	<b>\$</b>	<b>529</b>	<b>\$ 4,186</b>
<b>Year ended October 31, 2023</b>							
Opening net book value	\$	167	\$	3,490	\$	529	\$ 4,186
Additions		79		961		20	1,060
Acquisitions (Note 11)		-		295		-	295
Depreciation		(106)		(2,332)		(13)	(2,451)
Exchange difference		(12)		355		(160)	183
<b>Closing net book value</b>	<b>\$</b>	<b>128</b>	<b>\$</b>	<b>2,769</b>	<b>\$</b>	<b>376</b>	<b>\$ 3,273</b>
<b>As at October 31, 2023</b>							
Cost	\$	2,223	\$	25,919	\$	2,825	\$ 30,967
Accumulated depreciation		(2,095)		(23,150)		(2,449)	(27,694)
<b>Net book value</b>	<b>\$</b>	<b>128</b>	<b>\$</b>	<b>2,769</b>	<b>\$</b>	<b>376</b>	<b>\$ 3,273</b>
<b>Year ended October 31, 2024</b>							
Opening net book value	\$	128	\$	2,769	\$	376	\$ 3,273
Additions		3		1,966		8	1,977
Acquisitions (Note 11)		-		1,203		-	1,203
Depreciation		(36)		(2,148)		(163)	(2,347)
Exchange difference		(17)		123		(20)	86
<b>Closing net book value</b>	<b>\$</b>	<b>78</b>	<b>\$</b>	<b>3,913</b>	<b>\$</b>	<b>201</b>	<b>\$ 4,192</b>
<b>As at October 31, 2024</b>							
Cost	\$	2,209	\$	29,211	\$	2,813	\$ 34,233
Accumulated depreciation		(2,131)		(25,298)		(2,612)	(30,041)
<b>Net book value</b>	<b>\$</b>	<b>78</b>	<b>\$</b>	<b>3,913</b>	<b>\$</b>	<b>201</b>	<b>\$ 4,192</b>

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### 5. Intangible Assets and Goodwill

	Acquired software	Customer relationships	Total intangibles	Goodwill
<b>As at October 31, 2022</b>				
Cost	\$ 266,983	\$ 176,287	\$ 443,270	\$ 230,002
Accumulated amortization	(219,398)	(137,970)	(357,368)	-
<b>Net book value</b>	<b>\$ 47,585</b>	<b>\$ 38,317</b>	<b>\$ 85,902</b>	<b>\$ 230,002</b>
<b>Year ended October 31, 2023</b>				
Opening net book value	\$ 47,585	\$ 38,317	\$ 85,902	\$ 230,002
Acquisitions (Note 11)	31,213	27,065	58,278	39,710
Amortization	(24,800)	(14,805)	(39,605)	-
Exchange difference	2,549	2,535	5,084	10,529
<b>Closing net book value</b>	<b>\$ 56,547</b>	<b>\$ 53,112</b>	<b>\$ 109,659</b>	<b>\$ 280,241</b>
<b>As at October 31, 2023</b>				
Cost	\$ 298,196	\$ 203,352	\$ 501,548	\$ 280,241
Accumulated amortization	(241,649)	(150,240)	(391,889)	-
<b>Net book value</b>	<b>\$ 56,547</b>	<b>\$ 53,112</b>	<b>\$ 109,659</b>	<b>\$ 280,241</b>
<b>Year ended October 31, 2024</b>				
Opening net book value	\$ 56,547	\$ 53,112	\$ 109,659	\$ 280,241
Acquisitions (Note 11)	19,879	9,283	29,162	24,303
Amortization	(23,398)	(17,107)	(40,505)	-
Exchange difference	184	94	278	5,287
<b>Closing net book value</b>	<b>\$ 53,212</b>	<b>\$ 45,382</b>	<b>\$ 98,594</b>	<b>\$ 309,831</b>
<b>As at October 31, 2024</b>				
Cost	\$ 318,075	\$ 212,635	\$ 530,710	\$ 309,831
Accumulated amortization	(264,863)	(167,253)	(432,116)	-
<b>Net book value</b>	<b>\$ 53,212</b>	<b>\$ 45,382</b>	<b>\$ 98,594</b>	<b>\$ 309,831</b>

### 6. Provisions

Provisions include accruals for onerous contracts, legal claims, restructuring and special charges and are measured based on management's best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Year ended October 31	2024	2023
At beginning of year	\$ 2,238	\$ 3,183
Additions	1,141	1,403
Reversed	(517)	(1,438)
Utilized during the year	(1,052)	(993)
Effect of movements in foreign exchange	24	83
<b>At end of year</b>	<b>\$ 1,834</b>	<b>\$ 2,238</b>

### 7. Share Capital and Other Components of Shareholders' Equity

#### Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares with no par value; an unlimited amount of Class A, redeemable, retractable, non-voting, non-cumulative, preference shares; and an unlimited number of Class B, redeemable, retractable, non-voting, preference shares. There were no Class A and no Class B preference shares issued and outstanding as at either October 31, 2024 or 2023.

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### Normal Course Issuer Bid Share Repurchases

On May 7, 2024, the Company renewed its common share repurchase plan, whereby it may repurchase up to a maximum of 3,000,000 common shares of the Company, expiring May 6, 2025.

During the year ended October 31, 2024, the Company repurchased and cancelled 195,416 common shares (2023 – 13,622) at a weighted average price of \$30.67 per share for a total cost of \$6.0 million (2023 - \$0.4 million, or \$31.16 per share).

### Dividends

During the year ended October 31, 2024, the Company declared dividends of \$55,380 (\$1.00 per common share) of which \$14,397 was paid on November 29, 2024 and was reflected as a liability in the Consolidated Statements of Financial Position as at October 31, 2024 (2023 - \$12,156). For the year ended October 31, 2023, dividends declared were \$46,700 (\$0.845 per common share).

### Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) comprises the following separate components of equity:

	Translation of foreign operations		Unrealized losses		Total
As at November 1, 2022	\$	(8,852)	\$	(119)	\$ (8,971)
Cumulative translation adjustment		19,800		-	19,800
As at October 31, 2023	\$	10,948	\$	(119)	\$ 10,829
Cumulative translation adjustment		10,249		-	10,249
As at October 31, 2024	\$	21,197	\$	(119)	\$ 21,078

## 8. Stock-Based Compensation

The Company has granted options to purchase common shares to certain directors, officers and employees of the Company, pursuant to the terms of the Company's stock option plan (the "Plan"). The Plan provides that, as of October 31, 2024, a total of 2,736,900 (2023 – 3,049,900) common shares remain reserved for options and that the shares reserved for options, which could become exercisable in any one year, will not exceed more than 10% of the issued and outstanding common shares of the Company at the time such options may be exercisable. These options vest at various times over four or five years and expire seven years after the grant date. The exercise price of each option equals the market price of the Company's stock on the date the options are granted.

A summary of the status of the Company's Plan as at October 31, 2024 and 2023 and changes during the years ended on those dates is presented as follows:

	Number of options		Weighted average exercise price	
	2024	2023	2024	2023
Outstanding at beginning of year	1,481,500	1,463,500	\$ 35.97	\$ 36.31
Granted	295,000	135,000	31.04	35.22
Exercised	(313,000)	(20,000)	29.03	30.21
Forfeited	(49,000)	(97,000)	37.39	41.21
Outstanding at end of year	1,414,500	1,481,500	\$ 36.43	\$ 35.97
Exercisable at end of year	694,500	853,500	\$ 38.69	\$ 35.19

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A summary of stock options outstanding and exercisable as at October 31, 2024 is set out below:

Exercise price	Outstanding stock options			Exercisable stock options		
	Number outstanding	Weighted average remaining contractual life in years	Weighted average exercise price in \$	Number exercisable	Weighted average exercise price in \$	
\$30.00 to \$35.00	785,000	4.84	33.08	214,000	33.80	
\$35.01 to \$40.00	434,500	2.40	37.58	344,500	38.17	
\$40.01 to \$50.00	180,000	2.14	46.19	123,000	46.28	
\$50.01 to \$62.00	15,000	3.37	61.41	13,000	61.41	
	<b>1,414,500</b>	<b>3.73</b>	<b>36.43</b>	<b>694,500</b>	<b>38.69</b>	

The Company uses the fair value method for recording compensation expense related to equity instruments awarded to employees, officers and directors in accordance with IFRS 2, *Share-based Payments*. For the purposes of expensing stock options, each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. During fiscal 2024, the Company recorded a non-cash charge of \$1.0 million (2023 – \$1.6 million) relating to stock options.

For options granted in the year, the fair value of each stock option on the date of the grant was estimated using the Black-Scholes option pricing model as set out below. Estimated volatility is calculated on a monthly basis using historical closing prices, as adjusted for certain events that management deemed to be non-recurring and non-indicative of future events over a period, noted below, which reflects the expected life of the options.

	2024	2023
Options Granted		
Risk-free interest rate	3.98%	3.62%
Estimated volatility	36%	31%
Dividend yield	\$1.04	\$0.88
Expected life (in years)	5.0	5.0
Weighted average fair value	\$8.65	\$9.10
Weighted average share price at grant date	\$31.04	\$35.22

### Share Unit Plan

On March 9, 2023, a new Share Unit Plan (the "Unit Plan") was approved by shareholders. Under the Unit Plan, certain officers and employees may receive restricted share units ("RSUs") and performance share units ("PSUs"). The maximum number of shares reserved for issuance under the Unit Plan is a fixed 700,000. RSUs and PSUs will vest in a period specified by the Compensation Committee ("Committee"), which shall be not later than December 15<sup>th</sup> of the third year following the year in which the eligible participant performed the services related to the grant. PSUs will also be subject to performance conditions that are approved by the Board and Committee.

#### RSUs

Upon vesting, RSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all RSUs with common shares. The share-based payment expense will be recognized evenly over the vesting period. As at October 31, 2024 and October 31, 2023, there were no RSUs awarded or vested.

#### PSUs

PSUs granted will be a bonus for services in the year the award is granted. Depending on the specific purpose of the award, the Committee will determine the associated performance metrics, weightings and performance period. Performance metrics may include financial (including, without limitation, common share price), personal, operational or transaction-based performance criteria. These metrics may be measured on an absolute basis, or at the sole election of the Board and Committee, may result in the percentage of vested PSUs in a grant exceeding 100%, but to a maximum of 200%. Upon vesting, PSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all PSUs with issuance of common shares. The share-based payment expense relating to market-based performance conditions will be recognized evenly over the vesting period, while the share-based payment expense relating to non-market performance conditions will be recognized over the vesting period, subject to

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measurement adjustments. A summary of the status of the Company's PSUs as at October 31, 2024 and 2023, and changes during the years ended on those dates, is presented as follows:

Year ended October 31	2024	2023
Outstanding at beginning of year	-	-
Granted	25,000	-
Dividend equivalent unit issued	447	-
Outstanding at end of year	25,447	-

### Deferred Share Unit Plan

On March 9, 2023, a new Deferred Share Unit Plan (the "DSU Plan") was approved by shareholders. The maximum number of common shares reserved for issuance under the DSU Plan is a fixed 80,000. Under the DSU Plan, non-executive directors of the Company may elect to defer a portion of their compensation until they leave the Board and have the value of such portion fluctuate with the value of common shares. The purpose of the DSU Plan is to attract and retain qualified persons to serve on the Board. DSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all DSUs with issuance of common shares. The share-based payment expense of DSUs will be recognized upon grant, when the DSUs vest. A summary of the status of the Company's DSUs as at October 31, 2024 and 2023, and changes during the years ended on those dates, is presented as follows:

Year ended October 31	2024	2023
Outstanding at beginning of year	-	-
Granted	5,486	-
Dividend equivalent unit issued	26	-
Outstanding at end of year	5,512	-

## 9. Income taxes

(A) The provision for income taxes consists of the following:

	2024	2023
<b>Current income taxes:</b>		
Current tax on profits for the year	\$ 16,843	\$ 12,572
Foreign withholding taxes	3,000	2,703
Adjustments upon filing of tax returns	290	947
	<b>\$ 20,133</b>	<b>\$ 16,222</b>
<b>Deferred income taxes:</b>		
Origination and reversal of timing differences	3,116	2,045
Change in tax rates	(5)	(134)
Recognition of previously unrecognized tax assets	(3,306)	(3,156)
	<b>\$ (195)</b>	<b>\$ (1,245)</b>
<b>Provision for income taxes</b>	<b>\$ 19,938</b>	<b>\$ 14,977</b>

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(B) The Company operates in several tax jurisdictions. The provision for income taxes differs from the expense that would be obtained by applying the combined federal and provincial statutory rate in Canada as a result of the following:

	2024		2023	
	\$	%	\$	%
Expected income tax amount at statutory rate	\$ 26,835	26.5	\$ 23,115	26.5
Foreign earnings subject to different income tax rates	(1,524)	(1.5)	(1,275)	(1.5)
Change in tax rates	(5)	(0.0)	(134)	(0.2)
Non-deductible expenses	439	0.4	544	0.6
Tax-exempt income	(6,262)	(6.2)	(6,427)	(7.4)
Foreign withholding taxes	3,000	3.0	2,703	3.1
Resolution of tax positions	761	0.8	(393)	(0.5)
Changes in recognized assets	(3,306)	(3.3)	(3,156)	(3.4)
Effective income tax amount and rate	\$ 19,938	19.7	\$ 14,977	17.2

During the year no tax rate changes have been substantively enacted.

(C) The Company has recognized deferred income tax assets and liabilities as at October 31, 2024 and 2023 of the following:

	2024	2023
<b>Deferred income tax assets:</b>		
Provisions and reserves	\$ 4,942	\$ 6,208
Income tax loss carry-forwards	10,622	8,679
SRED expenditures	6,525	5,852
Property and equipment	4,139	2,547
Acquired software	-	5,598
	26,228	28,884
<b>Deferred income tax liabilities:</b>		
Acquired software	1,367	2,712
Other intangibles	5,291	7,202
Deferred revenue reserves	3,842	3,426
	10,500	13,340
<b>Net deferred income tax assets</b>	<b>\$ 15,728</b>	<b>\$ 15,544</b>

(D) The movement in deferred income tax assets and liabilities during the year is as follows:

	Balance November 1, 2023	Recognized in profit or loss	Acquired in business combinations	Other	Balance October 31, 2024
Provisions and reserves	\$ 6,208	\$ (1,266)	\$ -	\$ -	\$ 4,942
Income tax loss carry-forwards	8,679	1,943	-	-	10,622
SRED expenditures	5,852	673	-	-	6,525
Property and equipment	2,547	1,592	-	-	4,139
Acquired Software	5,598	(5,598)	-	-	-
Other	-	12	-	(12)	-
<b>Assets</b>	<b>\$ 28,884</b>	<b>\$ (2,644)</b>	<b>\$ -</b>	<b>\$ (12)</b>	<b>\$ 26,228</b>
Acquired software	2,712	(1,345)	-	-	1,367
Intangible assets	7,202	(1,911)	-	-	5,291
Deferred revenue reserves	3,426	416	-	-	3,842
<b>Liabilities</b>	<b>\$ 13,340</b>	<b>\$ (2,840)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,500</b>

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	Balance November 1, 2022	Recognized in profit or loss	Acquired in business combinations	Other	Balance October 31, 2023
Provisions and reserves	\$ 7,612	\$ (1,404)	\$ -	\$ -	\$ 6,208
Income tax loss carry-forwards	4,791	3,888	-	-	8,679
SRED expenditures	190	5,662	-	-	5,852
Property and equipment	1,041	1,506	-	-	2,547
Acquired Software	16,713	(11,115)	-	-	5,598
Other	-	(467)	-	467	-
<b>Assets</b>	<b>\$ 30,347</b>	<b>\$ (1,930)</b>	<b>\$ -</b>	<b>\$ 467</b>	<b>\$ 28,884</b>
Acquired software	4,213	(2,358)	857	-	2,712
Intangible assets	4,456	(874)	3,620	-	7,202
Deferred revenue reserves	3,369	57	-	-	3,426
<b>Liabilities</b>	<b>\$ 12,038</b>	<b>\$ (3,175)</b>	<b>\$ 4,477</b>	<b>\$ -</b>	<b>\$ 13,340</b>

The Company and its subsidiaries have non-capital losses available for carry-forward for income tax purposes, which may be subject to restriction on their availability to shelter income as follows:

Jurisdiction	Non-capital losses available 2024	Non-capital losses available 2023	Expiry terms
Canada	\$ 111,000	\$ 124,000	Expire in periods commencing in 2029 – 2045
United States	62,000	66,000	Expire in periods commencing in 2025 – 2040
United Kingdom	23,000	24,000	No expiry
Israel	45,000	46,000	No expiry
Belgium	8,000	6,000	No expiry
Other	41,000	41,000	No expiry
	<b>\$290,000</b>	<b>\$307,000</b>	

The Company has \$290 million of non-capital losses available, of which \$220 million have not been recognized. Of the unrecognized amount, \$32 million in losses were incurred by companies resident in the U.S., which are subject to IRC 382 limitations expiring over the next 14 years. These limit the use of losses that are available and provide that these losses can only be applied on a straight-line basis over the applicable expiry period. Based on the attributes and the Company's profitability in the U.S., it is uncertain whether there will be sufficient future taxable income with which to offset these losses during this period. Of the remaining \$188 million, \$98 million of losses were incurred in Canada and \$90 million in losses are related to losses incurred by other foreign subsidiaries that have been acquired during the year or in previous years. Due to a lack of financial history and historical losses in these entities, management believes that it is not appropriate to fully recognize tax assets for losses acquired with these businesses, which could potentially reverse.

Additionally, the Company has not recognized approximately \$116 million of deductible temporary differences as it is uncertain whether future taxable income in the tax jurisdictions in which the temporary differences arise will be available from which to realize the benefits. Of this amount, \$25 million relates to scientific research and development credits available in Canada that are subject to expiry between 2025 and 2043. The current year's tax provision includes a credit of \$2.8 million booked for the recognition of deferred income tax assets related primarily to non-capital losses for tax purposes, compared to a credit of \$1.7 million recorded in fiscal 2023 for the same reason.

### 10. Earnings per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the year.

Year ended October 31	2024	2023
Net income for the year	\$ 81,328	\$ 72,248
Weighted average number of common shares outstanding	55,352	55,266
Basic earnings per share	\$ 1.47	\$ 1.31

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Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potentially dilutive common shares. The Company has stock options and PSUs as being potentially dilutive to common shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's outstanding shares for the period) based on the monetary value of the subscription rights attached to the stock options and PSUs. The number of shares calculated above is compared to the number of shares that would have been issued assuming the exercise of the stock options and PSUs.

Year ended October 31	2024	2023
Net income for the year	\$ 81,328	\$ 72,248
Weighted average number of common shares outstanding	55,352	55,266
Adjustment for stock options and PSUs	10	55
Weighted average number of common shares outstanding for diluted earnings per share	55,362	55,321
Diluted earnings per share	\$ 1.47	\$ 1.31

### 11. Acquisitions

Acquisitions have been recorded under the acquisition method of accounting and results have been included in the consolidated financial statements from their respective acquisition dates. Accordingly, the allocation of the purchase price to assets and liabilities is based on fair value, with the excess of the purchase price over fair value of the assets acquired being allocated to goodwill.

#### 2024 Acquisitions

On May 9, 2024, the Company acquired substantially all of the assets of SeaChange International, Inc. ("SeaChange") related to its IPTV products and services business. SeaChange is a provider of streaming video services, cable TV broadcast platforms and advanced advertising insertion technology. SeaChange provides their IPTV technology to operators, broadcasters and content owners worldwide to help them deliver the highest quality video experience to consumers. The acquisition was completed for an aggregate cash purchase price of \$31.1 million, with \$1.4 million held in escrow subject to potential adjustment. Results for the acquisition are included in AMG from the date of acquisition.

On February 12, 2024, the Company acquired substantially all of the assets of Mediasite, a SaaS video recording and streaming business from Sonic Foundry, Inc. (OTC: SOFO). The addition of Mediasite expands Enghouse's footprint in the Japanese market and provides a suite of SaaS video software solutions to augment current offerings. The acquisition was completed for an aggregate cash purchase price of \$14.3 million, with \$1.4 million subject to holdback and potential adjustment. Results for the acquisition are included in IMG from the date of acquisition.

#### 2023 Acquisitions

On August 1, 2023, the Company acquired substantially all the assets of Lifesize, a cloud communications company. Lifesize's technology offerings are designed to empower enterprises in managing their hybrid workforces more efficiently. Their cloud contact center solution, which includes workforce management capabilities, enables enterprises to elevate their customer experience delivering unified interactions across all channels.

On February 9, 2023, the Company acquired 100% of the issued and outstanding common shares of Mobi All Tecnologia S.A. ("Navita"). Headquartered in Sao Paulo, Brazil, Navita provides SaaS-based Enterprise Mobility Management solutions in managing and controlling critical mobile assets as well as telecom and IT expense management.

On February 8, 2023, the Company completed its acquisition of Qumu Corporation ("Qumu") (Nasdaq: QUMU), a global provider of cloud-based enterprise video technology. Under a December 19, 2022 agreement, a wholly owned subsidiary of the Company completed the tender offer for all the outstanding shares of Qumu for USD \$0.90 per share in cash.

The three acquisitions were completed for an aggregate cash purchase price of \$57.3 million with \$1.4 million remaining in escrow, subject to potential adjustment. Results for all three acquisitions are included in IMG from their respective dates of acquisition.

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Management has established the preliminary price allocation taking into account all relevant information at the time of preparing these notes to the Consolidated Financial Statements. The purchase price allocations for acquisitions completed in 2023 have been finalized, while acquisitions completed in 2024 have not been finalized, subject to receipt of additional information related to the settlement of the holdback obligations.

### Purchase Price Allocation

	AMG Preliminary 2024	IMG Preliminary 2024	IMG Final 2023
Cash and cash equivalents	\$ 245	\$ 497	\$ 2,088
Accounts receivable	8,082	2,029	12,846
Prepaid expenses and other assets	2,609	977	2,149
Property and equipment	903	300	295
Deferred income tax assets	-	140	-
Acquired software	10,997	8,882	31,213
Customer relationships	7,354	1,929	27,065
Right-of-use assets	-	570	183
Goodwill	11,377	12,926	39,710
<b>Total assets acquired</b>	<b>\$ 41,567</b>	<b>\$ 28,250</b>	<b>\$ 115,549</b>
Current liabilities assumed	\$ 10,089	\$ 13,599	\$ 49,286
Other long-term liabilities	-	254	3,534
Deferred income tax liabilities	-	-	4,477
Long-term loans	379	140	997
<b>Total liabilities assumed</b>	<b>\$ 10,468</b>	<b>\$ 13,993</b>	<b>\$ 58,294</b>
<b>Net assets acquired for cash consideration</b>	<b>\$ 31,099</b>	<b>\$ 14,257</b>	<b>\$ 57,255</b>

The gross contractual amounts of acquired receivables in 2024 were \$21.3 million (2023 – \$16.2 million). However, acquired receivables are generally represented as collectible by the sellers and therefore are expected to be fully collectible from either the customers or sellers. The Company does not believe the impact of the acquisitions is material to either consolidated revenue or consolidated net income.

The goodwill recognized in connection with 2024 acquisitions is primarily attributable to the anticipated improvement in the operations of the companies acquired and synergies with existing operations as a result of implementation of the Company's business strategies and methodologies. Goodwill also includes other intangibles such as assembled workforce that do not qualify for separate recognition under IFRS. Of the total goodwill of \$24.3 million recorded in 2024, \$20.8 million will be deductible for tax purposes while \$20.6 million of the \$39.7 million recorded in 2023 is deductible for tax purposes.

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### 12. Leases

The Company has the right-of-use of land, buildings, automobiles and equipment under lease. The non-cancellable contract period for the Company's leases typically ranges from less than one year to ten years.

	2024	2023
Less than 1 year*	\$ 5,344	\$ 6,322
Between 1 and 5 years	5,699	8,751
More than 5 years	521	1,640
	<b>\$ 11,564</b>	<b>\$ 16,713</b>

\*Includes short-term and low-value leases in addition to leases accounted for under IFRS 16, *Leases*.

#### Lease Liabilities and Right-of-use Assets

Below is a summary of the activity related to lease liabilities and right-of-use assets for the years ended October 31, 2024 and 2023:

Lease liabilities	2024	2023
Beginning of year	\$ 12,402	\$ 19,877
Additions	2,011	449
Acquisitions	570	183
Lease modifications	2,657	2,290
Lease terminations	-	(1,576)
Interest expense	556	695
Payments, including repayments of interest	(7,030)	(7,194)
Foreign exchange	(78)	(2,322)
End of year	<b>\$ 11,088</b>	<b>\$ 12,402</b>
Current portion of lease liabilities	5,344	6,322
Long-term portion of lease liabilities	5,744	6,080
Right-of-use assets	2024	2023
Cost		
Beginning of year	\$ 38,327	\$ 41,143
Acquisitions	570	183
Lease modifications	2,657	2,338
Additions	2,011	449
Lease terminations	-	(3,916)
Foreign exchange	(755)	(1,870)
End of year	<b>\$ 42,810</b>	<b>\$ 38,327</b>
Accumulated depreciation		
Beginning of year	26,085	21,080
Depreciation	5,981	6,764
Lease terminations	-	(2,496)
Foreign exchange	(729)	737
End of year	<b>\$ 31,337</b>	<b>\$ 26,085</b>
Net book value	<b>\$ 11,473</b>	<b>\$ 12,242</b>

Expenses associated with short-term leases were \$1.9 million and \$0.1 million on low-value leases for the year ended October 31, 2024 and were \$1.7 million and \$0.2 million, respectively, for the year ended October 31, 2023.

### 13. Segment Information

The Company has two operating segments, IMG and AMG, and evaluates segment performance based on revenue and results from operations. A description of the Company's segments is provided in Note 1. The accounting policies followed by these segments are the same as those described in the summary of material accounting policies.

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Year ended October 31	2024			2023		
	IMG	AMG	Total	IMG	AMG	Total
Revenue	\$ 308,920	\$ 193,585	\$ 502,505	\$ 265,311	\$ 188,711	\$ 454,022
Direct costs	(102,390)	(73,196)	(175,586)	(78,788)	(71,211)	(149,999)
Revenue, net of direct costs	<b>206,530</b>	<b>120,389</b>	<b>326,919</b>	<b>186,523</b>	<b>117,500</b>	<b>304,023</b>
Operating expenses excluding special charges	(90,871)	(47,238)	(138,109)	(84,493)	(45,169)	(129,662)
Depreciation	(1,574)	(773)	(2,347)	(1,969)	(482)	(2,451)
Depreciation of right-of-use assets	(3,870)	(2,111)	(5,981)	(4,184)	(2,580)	(6,764)
Segment profit	<b>\$ 110,215</b>	<b>\$ 70,267</b>	<b>\$ 180,482</b>	<b>\$ 95,877</b>	<b>\$ 69,269</b>	<b>\$ 165,146</b>
Special charges			(1,609)			(2,477)
Corporate and shared service expenses			(45,027)			(40,561)
Results from operating activities			<b>\$ 133,846</b>			<b>\$ 122,108</b>

Goodwill allocated to IMG and AMG is \$211,951 and \$97,880, respectively, for the year ended October 31, 2024 and was \$195,967 and \$84,274, respectively, for the year ended October 31, 2023.

Revenue from customers as well as non-current assets are attributable to individual countries based on the reporting entity that records the transaction and is distributed geographically as follows:

Jurisdiction	Revenue (%)		Non-current assets	
	2024	2023	2024	2023
United States	41	36	\$ 227,907	\$ 210,418
Europe, excluding Scandinavia	19	21	66,035	71,485
Scandinavia	16	17	38,726	38,685
United Kingdom	12	13	33,637	32,056
Canada	6	6	47,817	41,687
Asia-Pacific and other	6	7	9,968	11,084
Total	<b>100</b>	<b>100</b>	<b>\$ 424,090</b>	<b>\$ 405,415</b>
Deferred income tax assets			26,228	28,884
Total non-current assets			<b>\$ 450,318</b>	<b>\$ 434,299</b>

## 14. Litigation and Contingencies

### General

The Company provides its customers with a qualified indemnity against the infringement of third-party intellectual property rights. From time to time, various owners of patents and copyrighted works send the Company or its customers letters alleging that the Company's products do or might infringe upon the owner's intellectual property rights and/or suggesting that the Company or its customers should negotiate a license agreement with the owner. The Company's policy is to never knowingly infringe upon any third-party's intellectual property rights. Accordingly, where appropriate, the Company forwards any such allegation or licensing request to its outside legal counsel for review. The Company generally attempts to resolve any such matter by informing the owner of the Company's position concerning non-infringement or invalidity. Even though the Company attempts to resolve these matters without litigation, it is always possible that the owner of a patent or copyrighted work will sue the Company.

In response to correspondence from and, in a few instances, litigation instigated by, third-party patent holders, a few of the Company's customers have attempted to tender to the Company the defence of its products under contractual indemnity provisions. With respect to this litigation and any other litigation the Company becomes involved with, under a contractual indemnity or any other legal theory, the Company has and will continue to consider all its options for resolution and vigorously assert all appropriate defences. There are no material claims outstanding against the Company at October 31, 2024.

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### 15. Capital Disclosures

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to deploy capital to provide an appropriate return on investment to its shareholders. The capital structure of the Company consists of shareholders' equity, comprising retained earnings, share capital and accumulated other comprehensive income or loss amounts relating to equity securities held for trading and cumulative translation adjustments. The Company does not have any outstanding debt financing. The Company manages its capital structure and adjusts it in light of economic conditions and the risk characteristics of the underlying assets. The Company's primary uses of capital are to finance non-cash working capital requirements, capital expenditures and acquisitions, which are currently funded from its internally generated cash flows.

The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There has been no change with respect to the overall capital risk management strategy during the years ended October 31, 2024 and 2023.

### 16. Financial Instruments

#### Fair Value of Financial Instruments

The Company has determined that the fair value of its cash, cash equivalents, short-term investments and financial liabilities approximate their respective carrying amounts as at the Consolidated Statement of Financial Position dates due to their short-term nature.

#### Fair Value Hierarchy

The table below analyzes financial instruments carried at fair value, by valuation method. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., prices) or indirectly (i.e., derived from prices). Level 3 inputs are inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

In the following table, the Company has segregated all financial assets and liabilities that are measured at fair value into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date. The Company has no financial assets that are measured using Level 2 or 3 inputs.

Financial assets and financial liabilities that are measured at fair value as at October 31, 2024 and 2023 in the consolidated financial statements are summarized below. The Company has no significant financial liabilities measured at fair value initially other than those recognized in connection with business combinations. There were no transfers of fair value measurements between Level 1 and Level 2 of the fair value hierarchy in 2024 and 2023.

Assets	October 31, 2024			October 31, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash and cash equivalents	\$ 274,240	\$ -	\$ 274,240	\$ 239,532	\$ -	\$ 239,532
Short-term investments	487	-	487	827	-	827
<b>Total</b>	<b>\$ 274,727</b>	<b>\$ -</b>	<b>\$ 274,727</b>	<b>\$ 240,359</b>	<b>\$ -</b>	<b>\$ 240,359</b>

#### Risk Management

The Company, through its financial assets and liabilities, is exposed to risks of varying degrees of significance that could impact its ability to achieve its strategic growth objectives. The main objective of the Company's risk management process is to ensure that risks are properly identified and addressed. The Company has exposure to credit risk, market risk and liquidity risk.

The Company manages its short-term investment portfolio to maximize returns, maintain liquidity and diversify its credit risk exposure to safeguard its principal. To achieve this objective, the Company has established an investment committee consisting of the Company's Chief Executive Officer, Vice President, Finance and Chairperson of the Audit Committee. The Company has also adopted a formal investment policy to govern the management of the Company's investment portfolio, which specifies eligible investments,

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investment limits, minimum allowable credit ratings of investments and the permissible concentration of credit risk. The Company does not enter into any hedge transactions in its investment portfolio and is not party to any derivative financial instruments.

### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable. The amounts reported in the Consolidated Statements of Financial Position are net of the expected credit loss allowance for bad debts, estimated by the Company's management based on prior experience and their assessment of the current economic environment. The lifetime expected credit loss reflects the Company's best estimate of losses on the accounts receivable and unbilled revenues. The Company reviews its trade receivable accounts regularly and makes adjustments as soon as the account is determined not to be fully collectible. The Company believes that its credit risk with respect to accounts receivable is limited for a number of reasons including dealing primarily with large companies and governmental agencies, diversifying its customer base across varying industries and geographic locations, regular management review, negotiating progress payments as contracts are executed and past experience with bad debt expense. The Company historically has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographic area. No individual customer's trade receivable poses a significant credit risk to the Company.

Accounts receivable had a carrying value of \$92.3 million as at October 31, 2024 (2023 – \$93.4 million), representing the maximum exposure to credit risk of those financial assets, net of the loss allowance of \$16.7 million. The Company's expected credit loss for accounts receivable increased from \$11.9 million as at October 31, 2023 primarily as a result of increased sales volumes and past due balances in recently acquired companies. The definition of items that are past due is determined by reference to payment terms agreed to with individual customers, which are normally within 30 to 60 days. Approximately 15.0% or \$16.4 million of accounts receivable as at October 31, 2024 was outstanding more than 90 days, compared to 11.9% or \$12.5 million past due as at October 31, 2023.

With respect to its investment portfolio, the Company limits its exposure to credit risks from counterparties to financial instruments by dealing only with major financial institutions and large multi-national corporations with high credit ratings, investing only in high-grade investment products and limiting exposure to any one financial institution, commercial issuer or investment type and limiting the term of maturity. Management does not expect any counterparties to fail to meet their obligations. The carrying amount of financial assets represents the maximum credit exposure to the Company.

### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its financial instruments.

### Foreign Exchange Risk

Foreign exchange risk is related to the portion of the Company's business transactions denominated in currencies other than Canadian dollars, a large portion of which relates to fluctuations in the value of the Canadian dollar relative to that of the U.S. dollar. However, a significant proportion of revenue is also generated by the Company's U.K. and European operations, which diversifies the risk.

If all the foreign currencies in which the Company transacts were to fluctuate by 1% from existing rates against the Canadian dollar, results from operating activities would be increased or decreased by approximately \$1.3 million in the Consolidated Statements of Operations and Comprehensive Income.

For the Company's foreign currency transactions, fluctuations in the respective exchange rates relative to the Canadian dollar will create volatility in the Company's cash flows and the reported amounts for revenue and selling, general and administrative expenses on a period-to-period basis.

Additional earnings volatility arises from the translation of monetary assets and liabilities denominated in currencies other than the functional currency of the subsidiary in which they are recorded. Changes in the rates of exchange at each Consolidated Statement of Financial Position date of these monetary assets and liabilities are reported as a foreign exchange gain or loss. For the year ended October 31, 2024, the Company reported foreign exchange losses of \$1.7 million compared to gains of \$1.3 million in fiscal 2023.

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Translation gains or losses incurred upon consolidation of the Company's foreign operations' financial positions into Canadian dollars are included in the Company's accumulated other comprehensive income (loss) account on the Consolidated Statements of Financial Position. During fiscal 2024, the exchange rate for U.S. dollars to Canadian dollars averaged \$1.36 (2023 – \$1.35), while the pound sterling averaged \$1.74 (2023 – \$1.66), and the euro averaged \$1.48 (2023 – \$1.45). If exchange rates were to fluctuate by 1%, the translation gain or loss on the Company's net assets could be valued at plus or minus \$0.9 million due to the fluctuation and would be recorded in other comprehensive income (loss).

### Interest Rate Risk

Interest rate risk arises because of the fluctuation in interest rates. The Company is subject to interest rate risk on its cash and short-term investments. If interest rates were to fluctuate proportionally by 1% of existing rates, interest income would be increased or decreased by approximately \$2.4 million per year.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure that it has sufficient liquidity to meet its obligations, mainly accounts payable, accrued liabilities, accrued provisions and deferred revenue, when due. The Company does not have any outstanding external debt financing and settles its financial obligations out of cash. The ability to do so relies on the Company's ability to generate cash from operations and collect accounts receivable in a timely manner and by maintaining sufficient cash on hand. As at October 31, 2024, the Company's current liabilities, all of which fall due for payment within twelve months of the Consolidated Statement of Financial Position date, were \$211.3 million (2023 – \$197.5 million). As at October 31, 2024, the Company had a working capital surplus of \$171.9 million (2023 – \$151.9 million), which includes cash and short-term investments balances of \$274.7 million (2023 – \$240.4 million).

## 17. Changes in Non-Cash Operating Working Capital

Year ended October 31	2024	2023
Decrease in accounts receivable	\$ 13,904	\$ 16,842
Decrease (increase) in prepaid expenses and other assets	3,703	(49)
Decrease in accounts payable and accrued liabilities	(6,226)	(10,227)
Decrease in provisions	(403)	(1,060)
Changes in income taxes payable/recoverable	(3,553)	(3,339)
Decrease in deferred revenue	(15,345)	(13,411)
Changes in non-cash operating working capital	\$ (7,920)	\$ (11,244)

## 18. Additional IFRS Information

Expense by nature	2024	2023
Third-party license, maintenance and services	\$ 55,718	\$ 39,890
Hardware	6,864	5,287
Staff costs	260,936	245,254
Technology and computer supplies	14,761	12,026
Other administrative expenses	3,473	2,727
Travel and marketing	8,778	7,783
Communications	1,617	2,061
Occupancy cost, excluding right-of-use-assets	2,054	1,472
Professional services	4,522	3,723
Restructuring	1,609	2,477
Depreciation of right-of-use assets	5,981	6,764
Depreciation	2,347	2,451
Total	\$ 368,660	\$ 331,915

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Staff costs	2024	2023
Salaries and wages	\$ 187,309	\$ 171,108
Employee benefits	36,125	33,042
Stock-based compensation	1,188	1,639
Termination benefits	162	1,513
Bonuses	5,694	5,397
Commissions	3,598	3,592
Contractors	26,860	28,963
<b>Total</b>	<b>\$ 260,936</b>	<b>\$ 245,254</b>

Included in employee benefits is the Company's share of costs related to defined contribution pension plans of \$5.5 million (2023 – \$5.4 million).

### 19. Related Parties

#### *Related Party Transactions*

The Company has not entered into any related party transactions other than the key management compensation discussed below.

#### *Key Management Personnel Compensation*

The key management personnel of the Company are the eight members of the Company's executive management team located in Canada who control approximately 11.6% (2023 – 11.7%) of the outstanding shares of Enghouse.

	2024	2023
Salaries, bonuses and employee benefits	\$ 7,964	\$ 7,805
Stock options expense	573	725
<b>Total</b>	<b>\$ 8,537</b>	<b>\$ 8,530</b>

### 20. Defined Benefit Pension Obligation

The Company assumed certain defined benefit pension obligations with respect to several employees in Belgium, Germany and the Netherlands resulting from the Company's Tollgrade acquisition. There are no plan assets and therefore the net defined benefit obligation per the Consolidated Statements of Financial Position represents the complete benefit obligation for all three countries. As at October 31, 2024, the majority of the defined benefit obligation relates to Germany, which is carried at fair value of \$1.5 million (2023 – \$1.4 million). Sensitivity resulting from the pension plan's significant actuarial assumptions and variables does not have a significant impact on the Consolidated Statements of Operations and Comprehensive Income.