Enghouse Systems
Software engineered for results

NEWS

Enghouse Releases Fourth Quarter and Year End Results

Markham, Ontario – December 15, 2025 **– Enghouse Systems Limited (TSX: ENGH)** announces its fourth quarter (unaudited) and audited year-end financial results for the period ended October 31, 2025. All figures are denominated in Canadian dollars unless otherwise indicated.

Fourth Quarter and Annual Financial Highlights:

- Revenue was $124.5 million as compared to $125.7 million in the fourth quarter last year and for the fiscal year was $498.9 million compared to $502.5 million last year;
- Recurring revenue, which includes SaaS and maintenance services, was $86.1 million compared to $88.2 million in Q4 2024, and represents 69.2% of total revenue. For the fiscal year, recurring revenue was $348.0 million compared to $346.6 million in the prior year, as we continue to prioritize this revenue stream;
- Results from operating activities were $31.0 million compared to $33.4 million in Q4 2024 and decreased in the fiscal year to $114.4 million from $133.8 million;
- Net income was $21.1 million compared to $22.6 million in Q4 2024 and $73.7 million in the fiscal year compared to $81.3 million last year;
- Adjusted EBITDA was $33.7 million compared to $35.6 million in Q4 2024, while achieving a 27.0% margin. Adjusted EBITDA was $127.6 million in the fiscal year compared to $143.8 million in the prior year, while achieving a 25.6% margin;
- Net cash provided by operating activities, excluding changes in working capital and income taxes paid, was $35.3 million compared to $40.3 million in Q4 2024 and $129.5 million for the fiscal year compared to $151.8 million in the prior year. Cash, cash equivalents and short-term investments were $269.1 million as at October 31, 2025.

Fiscal 2025 unfolded amid significant economic, technological, and geopolitical shifts, including a rapidly evolving AI landscape and heightened global uncertainty from tariffs. Despite these conditions, Enghouse delivered steady performance and continued progress on strategic priorities. Revenue remained stable at $498.9 million, supported by a diversified portfolio and a recurring revenue base representing approximately 69% of total revenue, providing predictability and insulation from broader market volatility.

Throughout the year, the Company emphasized operational discipline and efficiency, advancing restructuring and cost-alignment initiatives to maintain profitability. These actions contributed to improving adjusted EBITDA in the fourth quarter and are expected to support further benefits in the coming year. Enghouse generated strong net cash provided by operating activities and maintained a robust financial position, closing the year with $269.1 million in cash and no external debt. Capital was deployed toward shareholder returns through dividends and share repurchases, as well as into three strategic acquisitions that expanded geographic reach and strengthened transportation product capabilities in communications and mobility solutions.

Subsequent to year-end, the Company acquired Sixbell Telco's telecommunications division, expanding its presence in the Latin American market. Sixbell Telco provides a comprehensive suite of software platforms that enable service providers to modernize and transform their networks.

Looking ahead to fiscal 2026, Enghouse remains focused on strengthening its recurring revenue base, advancing operational efficiency, and pursuing acquisitions in an environment that offers attractive opportunities. With a flexible solution portfolio, disciplined cost management and a strong cash position, the Company is well positioned to navigate ongoing volatility while delivering predictable performance and long-term shareholder value.

Quarterly dividends:

Today, the Board of Directors approved the Company's eligible quarterly dividend of $0.30 per common share payable on February 27, 2026 to shareholders of record at the close of business on February 13, 2026.

Enghouse Systems Limited
Financial Highlights
(Unaudited, in thousands of Canadian dollars)

For the period ended October 31	Three months (Unaudited) 2025	2024	Var ($)	Var (%)	Twelve months 2025	2024	Var ($)	Var (%)
Revenue	**$ 124,482**	**$ 125,702**	**(1,220)**	***(1.0)***	**$ 498,878**	**$ 502,505**	**(3,627)**	***(0.7)***
Direct costs	45,728	44,967	761	*1.7*	181,585	175,586	5,999	*3.4*
Revenue, net of direct costs	**$ 78,754**	**$ 80,735**	**(1,981)**	***(2.5)***	**$ 317,293**	**$ 326,919**	**(9,626)**	***(2.9)***
As a % of revenue	*63.3%*	*64.2%*			*63.6%*	*65.1%*		
Operating expenses	47,160	47,133	27	*0.1*	197,867	191,464	6,403	*3.3*
Special charges	572	169	403	*238.5*	5,072	1,609	3,463	*215.2*
Results from operating activities	**$ 31,022**	**$ 33,433**	**(2,411)**	***(7.2)***	**$ 114,354**	**$ 133,846**	**(19,492)**	***(14.6)***
As a % of revenue	*24.9%*	*26.6%*			*22.9%*	*26.6%*		
Amortization of acquired software and customer relationships	(6,685)	(9,322)	2,637	*28.3*	(29,492)	(40,505)	11,013	*27.2*
Foreign exchange (losses) gains	(145)	1,870	(2,015)	*107.8*	(2,378)	(1,680)	(698)	*(41.5)*
Interest expense – lease obligations	(114)	(126)	12	*9.5*	(505)	(556)	51	*9.2*
Finance income	2,017	2,825	(808)	*(28.6)*	8,041	10,121	(2,080)	*(20.6)*
Finance expenses	(55)	(8)	(47)	*(587.5)*	(98)	(49)	(49)	*(100.0)*
Other (expense) income	(8)	(424)	416	*98.1*	1,617	89	1,528	*1716.9*
Income before income taxes	**$ 26,032**	**$ 28,248**	**(2,216)**	***(7.8)***	**$ 91,539**	**$ 101,266**	**(9,727)**	***(9.6)***
Provision for income taxes	4,904	5,607	(703)	*(12.5)*	17,873	19,938	(2,065)	*(10.4)*
Net Income for the period	**$ 21,128**	**$ 22,641**	**(1,513)**	**(6.7)**	**$ 73,666**	**$ 81,328**	**(7,662)**	**(9.4)**
Basic earnings per share	0.38	0.41	(0.03)	*(7.3)*	1.34	1.47	(0.13)	*(8.8)*
Diluted earnings per share	0.38	0.41	(0.03)	*(7.3)*	1.34	1.47	(0.13)	*(8.8)*
Net cash provided by operating activities	19,627	31,583	(11,956)	*(37.9)*	104,634	132,071	(27,437)	*(20.8)*
Net cash provided by operating activities excluding changes in working capital and income taxes paid	35,325	40,270	(4,945)	*(12.3)*	129,503	151,803	(22,300)	*(14.7)*
Adjusted EBITDA								
Results from operating activities	31,022	33,433	(2,411)	*(7.2)*	114,354	133,846	(19,492)	*(14.6)*
Depreciation	624	655	(31)	*(4.7)*	2,518	2,347	171	*7.3*
Depreciation of right-of-use assets	1,443	1,375	68	*4.9*	5,644	5,981	(337)	*(5.6)*
Special charges	572	169	403	*238.5*	5,072	1,609	3,463	*215.2*
Adjusted EBITDA	**$ 33,661**	**$ 35,632**	(1,971)	*(5.5)*	**$ 127,588**	**$ 143,783**	(16,195)	*(11.3)*
Adjusted EBITDA margin	*27.0%*	*28.3%*			*25.6%*	*28.6%*		
Adjusted EBITDA per diluted share	**$ 0.61**	**$ 0.64**	(0.03)	*(4.7)*	**$ 2.31**	**$ 2.60**	(0.29)	*(11.2)*

Enghouse Systems Limited

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	As at October 31, 2025	As at October 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 269,061	$ 274,240
Short-term investments	25	487
Accounts receivable	88,980	92,348
Prepaid expenses and other assets	17,001	16,100
	375,067	**383,175**
Non-current assets:		
Property and equipment	3,890	4,192
Right-of-use assets	11,453	11,473
Intangible assets	89,710	98,594
Goodwill	341,593	309,831
Deferred income tax assets	35,105	26,228
	481,751	**450,318**
	$ 856,818	**$ 833,493**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 76,167	$ 70,087
Income tax payable	10,662	5,525
Dividends payable	16,426	14,397
Provisions	2,013	1,834
Deferred revenue	108,268	114,080
Lease obligations	5,197	5,344
	218,733	**211,267**
Non-current liabilities:		
Deferred income tax liabilities	13,439	10,500
Deferred revenue	6,791	8,094
Net employee defined benefit obligation	2,442	2,081
Lease obligations	5,944	5,744
	28,616	**26,419**
	247,349	**237,686**
Shareholders' equity		
Share capital	116,894	118,217
Contributed surplus	11,110	9,764
Retained earnings	443,134	446,748
Accumulated other comprehensive income	38,331	21,078
	609,469	**595,807**
	$ 856,818	**$ 833,493**

Enghouse Systems Limited

Consolidated Statement of Operations and Comprehensive Income

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

	Three months		Twelve months	
Periods ended October 31	**2025** (Unaudited)	**2024** (Unaudited)	**2025**	**2024**
Revenue				
Software licenses	$ 15,480	$ 15,860	$ 67,436	$ 72,906
SaaS and maintenance services	86,121	88,196	347,995	346,579
Professional services	17,349	18,469	68,238	70,046
Hardware	5,532	3,177	15,209	12,974
	124,482	**125,702**	**498,878**	**502,505**
Direct costs				
Software licenses	673	397	2,752	3,501
Services	43,019	43,043	172,357	165,221
Hardware	2,036	1,527	6,476	6,864
	45,728	44,967	181,585	175,586
Revenue, net of direct costs	**78,754**	**80,735**	**317,293**	**326,919**
Operating expenses				
Selling, general and administrative	21,267	22,642	93,635	94,303
Research and development	23,826	22,461	96,070	88,833
Depreciation	624	655	2,518	2,347
Depreciation of right-of-use assets	1,443	1,375	5,644	5,981
Special charges	572	169	5,072	1,609
	47,732	**47,302**	**202,939**	**193,073**
Results from operating activities	**31,022**	**33,433**	**114,354**	**133,846**
Amortization of acquired software and customer relationships	(6,685)	(9,322)	(29,492)	(40,505)
Foreign exchange (losses) gains	(145)	1,870	(2,378)	(1,680)
Interest expense – lease obligations	(114)	(126)	(505)	(556)
Finance income	2,017	2,825	8,041	10,121
Finance expenses	(55)	(8)	(98)	(49)
Other (expense) income	(8)	(424)	1,617	89
Income before income taxes	**26,032**	**28,248**	**91,539**	**101,266**
Provision for income taxes	4,904	5,607	17,873	19,938
Net income for the period	**$ 21,128**	**$ 22,641**	**$ 73,666**	**$ 81,328**
Items that may be subsequently reclassified to income:				
Cumulative translation adjustment	8,938	2,882	17,253	10,249
Other comprehensive income	**8,938**	**2,882**	**17,253**	**10,249**
Comprehensive income	**$ 30,066**	**$ 25,523**	**$ 90,919**	**$ 91,577**
Earnings per share				
Basic	**$ 0.38**	$ 0.41	**$ 1.34**	$ 1.47
Diluted	**$ 0.38**	$ 0.41	**$ 1.34**	$ 1.47

Enghouse Systems Limited

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Three months		Twelve months	
Periods ended October 31	**2025** (Unaudited)	**2024** (Unaudited)	**2025**	**2024**
OPERATING ACTIVITIES				
Net income for the period	$ 21,128	$ 22,641	$ 73,666	$ 81,328
Adjustments for non-cash items				
Depreciation	624	655	2,518	2,347
Depreciation of right-of-use assets	1,443	1,375	5,644	5,981
Interest expense – lease obligations	114	126	505	556
Amortization of acquired software and customer relationships	6,685	9,322	29,492	40,505
Stock-based compensation expense	364	112	1,324	1,188
Provision for income taxes	4,904	5,607	17,873	19,938
Finance expenses and other (income) expense	63	432	(1,519)	(40)
	35,325	**40,270**	**129,503**	**151,803**
Changes in non-cash operating working capital	(10,031)	(7,674)	(6,361)	(7,920)
Income taxes paid	(5,667)	(1,013)	(18,508)	(11,812)
Net cash provided by operating activities	**19,627**	**31,583**	**104,634**	**132,071**
INVESTING ACTIVITIES				
Purchase of property and equipment, net	(300)	(516)	(1,479)	(1,977)
Acquisitions, net of cash acquired*	-	-	(33,399)	(43,448)
Proceeds from sale of short-term investments	75	-	75	-
Recovery of purchase consideration for prior-year acquisitions	-	-	-	171
Net cash used in investing activities	**(225)**	**(516)**	**(34,803)**	**(45,254)**
FINANCING ACTIVITIES				
Issuance of share capital	-	2,990	**-**	**9,085**
Normal course issuer bid share repurchases	(7,213)	(3,088)	(14,742)	(5,994)
Repayment of lease obligations	(1,304)	(1,283)	(6,074)	(7,030)
Dividends paid	(16,526)	(14,397)	(61,810)	(53,139)
Net cash used in financing activities	**(25,043)**	**(15,778)**	**(82,626)**	**(57,078)**
Impact of foreign exchange on cash and cash equivalents	3,221	1,238	7,616	4,969
(Decrease) increase in cash and cash equivalents	**(2,420)**	**16,527**	**(5,179)**	**34,708**
Cash and cash equivalents - beginning of period	271,481	257,713	274,240	239,532
Cash and cash equivalents - end of period	**$ 269,061**	**$ 274,240**	**$ 269,061**	**$ 274,240**

** Acquisitions are net of cash acquired of nil and $9,287 for the quarter and year ended October 31, 2025, respectively and nil and $742 for the quarter and year ended October 31, 2024, respectively.*

Enghouse Systems Limited
Segment Reporting Information
(in thousands of Canadian dollars)

For the period ended October 31, 2025	Three months (Unaudited)			Twelve months		
	IMG	AMG	Total	IMG	AMG	Total
Revenue	$ 68,795	$ 55,687	$ 124,482	$ 285,760	$ 213,118	$ 498,878
Direct costs	(23,787)	(21,941)	(45,728)	(100,133)	(81,452)	(181,585)
Revenue, net of direct costs	**45,008**	**33,746**	**78,754**	**185,627**	**131,666**	**317,293**
Operating expenses excluding special charges	(21,232)	(14,432)	(35,664)	(90,066)	(55,625)	(145,691)
Depreciation	(290)	(334)	(624)	(1,441)	(1,077)	(2,518)
Depreciation of right-of-use assets	(867)	(576)	(1,443)	(3,568)	(2,076)	(5,644)
Segment profit	**$ 22,619**	**$ 18,404**	**$ 41,023**	**$ 90,552**	**$ 72,888**	**$ 163,440**
Special charges			(572)			(5,072)
Corporate and shared service expenses			(9,429)			(44,014)
Results from operating activities			**$ 31,022**			**$ 114,354**

For the period ended October 31, 2024	Three months (Unaudited)			Twelve months		
	IMG	AMG	Total	IMG	AMG	Total
Revenue	$ 74,731	$ 50,971	$ 125,702	$ 308,920	$ 193,585	$ 502,505
Direct costs	(25,900)	(19,067)	(44,967)	(102,390)	(73,196)	(175,586)
Revenue, net of direct costs	**48,831**	**31,904**	**80,735**	**206,530**	**120,389**	**326,919**
Operating expenses excluding special charges	(21,235)	(13,071)	(34,306)	(90,871)	(47,238)	(138,109)
Depreciation	(416)	(239)	(655)	(1,574)	(773)	(2,347)
Depreciation of right-of-use assets	(940)	(435)	(1,375)	(3,870)	(2,111)	(5,981)
Segment profit	**$ 26,240**	**$ 18,159**	**$ 44,399**	**$ 110,215**	**$ 70,267**	**$ 180,482**
Special charges			(169)			(1,609)
Corporate and shared service expenses			(10,797)			(45,027)
Results from operating activities			**$ 33,433**			**$ 133,846**

About Enghouse
Enghouse Systems Limited is a Canadian publicly traded company (TSX: ENGH) that provides 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 through net cash provided by operating activities as the Company has no 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. Further information about Enghouse may be obtained from the Company's website at www.enghouse.com.

Conference Call and Webcast
A conference call to discuss the results will be held on Tuesday, December 16, 2025 at 8:45 a.m. EST. To participate, please call +1-289-514-5100 or North American Toll-Free +1-800-717-1738. Confirmation code: 17364 A webcast is also available at: https://www.enghouse.com/investors.php.

For further information please contact:
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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, Adjusted EBITDA margin and Adjusted EBITDA per diluted share as measures of operating performance. Therefore, these collective Adjusted EBITDA measures 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 and equipment and right-of-use assets and special charges for acquisition related restructuring costs. Management uses Adjusted EBITDA to evaluate operating performance as it excludes amortization of 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.