Enghouse Systems
Software engineered for results

NEWS

Enghouse Releases Second Quarter Results

Markham, Ontario – June 9, 2026 **– Enghouse Systems Limited (TSX: ENGH)** announces second quarter (unaudited) financial results for the period ended April 30, 2026. All figures are denominated in Canadian dollars unless otherwise indicated.

Second Quarter Financial Highlights:

- Revenue was $114.3 million as compared to $124.8 million in Q2 2025 and for the six-month period was $234.4 million compared to $248.8 million last year;
- Recurring revenue, which includes SaaS and maintenance services, was $79.2 million compared to $86.2 million in Q2 2025, and represents 69.3% of total revenue. For the six-month period, recurring revenue was $163.7 million compared to $174.1 million in the prior period, and represents 69.9% of total revenue;
- Results from operating activities was $23.6 million compared to $25.1 million in Q2 2025 and decreased for the six-month period to $51.9 million from $56.1 million in the comparable period;
- Net income increased to $16.3 million compared to $13.5 million in Q2 2025. For the six-month period, net income was $33.8 million compared to $35.4 million in the prior period;
- Adjusted EBITDA was $26.5 million compared to $28.6 million in Q2 2025, while achieving a 23.2% margin. For the six-month period, Adjusted EBITDA was $57.6 million compared to $61.7 million in the prior year;
- Net cash provided by operating activities, excluding changes in working capital and income taxes paid, increased to $28.7 million compared to $25.5 million in Q2 2025 and was $60.1 million for the six-month period compared to $63.3 million last year. Cash, cash equivalents and short-term investments were $269.7 million as at April 30, 2026.

The second quarter reflected ongoing turbulence in global markets, where shifting geopolitical conditions, trade dynamics, and rapid technological change continued to drive uncertainty and dramatic responses. Through this environment, the Company remained patient and disciplined, scaling its operations to current market conditions, maintaining profitability and strong cash reserves, while investing in innovation and long-term growth initiatives.

The Asset Management Group reported stable revenue trends, though influenced by the timing of one-time transactions, while the Interactive Management Group experienced churn, including that expected from prior acquisitions as well as from customers migrating toward SaaS-based offerings.

During the quarter, profitability remained a key focus, with continued efforts to calibrate costs to prevailing revenue. Operating efficiencies and disciplined expense management contributed to a 13.5% improvement in operating expenses relative to the same period in the prior year. These actions supported continued positive earnings results and are expected to yield further benefits as they fully annualize, reinforcing the Company’s ability to maintain profitability in a dynamic operating environment. The Company reported net income of $16.3 million in the quarter compared to $13.5 million in the prior year.

Enghouse closed the quarter with $269.7 million in cash, cash equivalents, and short-term investments, and no external debt. This robust financial capacity provides flexibility to invest in further operational efficiencies, accretive acquisitions and product innovation, including AI-driven enhancements. Given its diversified business model, significant recurring revenue base, and strong liquidity, the Company is well positioned to navigate ongoing uncertainty while continuing to deliver sustainable, long-term shareholder value through its disciplined capital allocation strategy.

Quarterly dividends:

Today, the Board of Directors approved an eligible quarterly dividend of $0.31 per common share, payable on August 28, 2026, to shareholders of record at the close of business on August 14, 2026.

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

For the periods ended April 30	Three months 2026	Three months 2025	Three months Var ($)	Three months Var (%)	Six months 2026	Six months 2025	Six months Var ($)	Six months Var (%)
Revenue	**$ 114,277**	**$ 124,819**	**(10,542)**	***(8.4)***	**$ 234,375**	**$ 248,819**	**(14,444)**	***(5.8)***
Direct costs	44,178	45,985	(1,807)	*(3.9)*	88,805	90,448	(1,643)	*(1.8)*
Revenue, net of direct costs	**$ 70,099**	**$ 78,834**	**(8,735)**	***(11.1)***	**$ 145,570**	**$ 158,371**	**(12,801)**	***(8.1)***
As a % of revenue	*61.3%*	*63.2%*			*62.1%*	*63.6%*		
Operating expenses	45,443	52,345	(6,902)	*(13.2)*	91,833	100,802	(8,969)	*(8.9)*
Special charges	1,027	1,401	(374)	*(26.7)*	1,837	1,492	345	*23.1*
Results from operating activities	**$ 23,629**	**$ 25,088**	**(1,459)**	***(5.8)***	**$ 51,900**	**$ 56,077**	**(4,177)**	***(7.4)***
As a % of revenue	*20.7%*	*20.1%*			*22.1%*	*22.5%*		
Amortization of acquired software and customer relationships	(6,186)	(7,296)	1,110	*15.2*	(12,807)	(15,775)	2,968	*18.8*
Foreign exchange gains (losses)	1,280	(3,962)	5,242	*132.3*	236	(1,653)	1,889	*114.3*
Interest expense – lease obligations	(105)	(131)	26	*19.8*	(233)	(259)	26	*10.0*
Finance income	1,611	1,913	(302)	*(15.8)*	3,159	4,217	(1,058)	*(25.1)*
Finance expenses	(1)	(24)	23	*95.8*	(75)	(27)	(48)	*(177.8)*
Other income	(4)	1,201	(1,205)	*(100.3)*	1,455	1,500	(45)	*(3.0)*
Income before income taxes	**$ 20,224**	**$ 16,789**	**3,435**	***20.5***	**$ 43,635**	**$ 44,080**	**(445)**	***(1.0)***
Provision for income taxes	3,936	3,328	608	*18.3*	9,847	8,715	1,132	*13.0*
Net Income for the period	**$ 16,288**	**$ 13,461**	**2,827**	***21.0***	**$ 33,788**	**$ 35,365**	**(1,577)**	***(4.5)***
Basic earnings per share	**0.30**	0.24	0.06	*25.0*	**0.62**	0.64	*(0.02)*	*(3.1)*
Diluted earnings per share	**0.30**	0.24	0.06	*25.0*	**0.62**	0.64	*(0.02)*	*(3.1)*
Net cash provided by operating activities	31,562	36,671	(5,109)	*(13.9)*	52,353	57,920	(5,567)	*(9.6)*
Net cash provided by operating activities excluding changes in working capital and income taxes paid	28,689	25,543	3,146	*12.3*	60,096	63,284	(3,188)	*(5.0)*
Adjusted EBITDA								
Results from operating activities	23,629	25,088	(1,459)	*(5.8)*	51,900	56,077	(4,177)	*(7.4)*
Depreciation	593	647	(54)	*8.3*	1,207	1,300	(93)	*7.2*
Depreciation of right-of-use assets	1,219	1,430	(211)	*14.8*	2,670	2,808	(138)	*4.9*
Special charges	1,027	1,401	(374)	*26.7*	1,837	1,492	345	*(23.1)*
Adjusted EBITDA	**$ 26,468**	**$ 28,566**	**(2,098)**	***(7.3)***	**$ 57,614**	**$ 61,677**	**(4,063)**	***(6.6)***
Adjusted EBITDA margin	*23.2%*	*22.9%*			*24.6%*	*24.8%*		
Adjusted EBITDA per diluted share	**$ 0.49**	**$ 0.52**	**(0.03)**	***(5.8)***	**$ 1.06**	**$ 1.12**	**(0.06)**	***(5.4)***

Enghouse Systems Limited

Condensed Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars) *(unaudited)*	As at April 30, 2026	As at October 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 269,700	$ 269,061
Short-term investments	27	25
Accounts receivable	81,016	88,980
Prepaid expenses and other assets	15,320	17,001
	366,063	**375,067**
Non-current assets:		
Property and equipment	3,802	3,890
Right-of-use assets	9,359	11,453
Intangible assets	80,077	89,710
Goodwill	338,014	341,593
Deferred income tax assets	35,182	35,105
	466,434	**481,751**
	$ 832,497	**$ 856,818**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 63,063	$ 76,167
Income taxes payable	6,955	10,662
Dividends payable	16,855	16,426
Provisions	1,668	2,013
Deferred revenue	114,250	108,268
Lease obligations	3,932	5,197
	206,723	**218,733**
Non-current liabilities:		
Deferred income tax liabilities	13,763	13,439
Deferred revenue	7,982	6,791
Net employee defined-benefit obligation	2,438	2,442
Lease obligations	5,078	5,944
	29,261	**28,616**
	235,984	**247,349**
Shareholders' equity:		
Share capital	116,076	116,894
Contributed surplus	12,057	11,110
Retained earnings	437,428	443,134
Accumulated other comprehensive income	30,952	38,331
	596,513	**609,469**
	$ 832,497	**$ 856,818**

Enghouse Systems Limited

Condensed Consolidated Interim Statements of Operations and Comprehensive Income

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

	Three months		Six months	
Periods ended April 30	**2026**	**2025**	**2026**	**2025**
Revenue				
Software licenses	$ 15,059	$ 16,885	$ 31,918	$ 34,666
SaaS and maintenance services	79,171	86,189	163,724	174,121
Professional services	16,419	17,625	32,515	33,733
Hardware	3,628	4,120	6,218	6,299
	114,277	**124,819**	**234,375**	**248,819**
Direct costs				
Software licenses	461	703	1,107	1,439
Services	42,012	43,431	84,671	85,928
Hardware	1,705	1,851	3,027	3,081
	44,178	**45,985**	**88,805**	**90,448**
Revenue, net of direct costs	**70,099**	**78,834**	**145,570**	**158,371**
Operating expenses				
Selling, general and administrative	20,991	24,980	43,386	48,616
Research and development	22,640	25,288	44,570	48,078
Depreciation	593	647	1,207	1,300
Depreciation of right-of-use assets	1,219	1,430	2,670	2,808
Special charges	1,027	1,401	1,837	1,492
	46,470	**53,746**	**93,670**	**102,294**
Results from operating activities	**23,629**	**25,088**	**51,900**	**56,077**
Amortization of acquired software and customer relationships	(6,186)	(7,296)	(12,807)	(15,775)
Foreign exchange gains (losses)	1,280	(3,962)	236	(1,653)
Interest expense – lease obligations	(105)	(131)	(233)	(259)
Finance income	1,611	1,913	3,159	4,217
Finance expenses	(1)	(24)	(75)	(27)
Other (expenses) income	(4)	1,201	1,455	1,500
Income before income taxes	**20,224**	**16,789**	**43,635**	**44,080**
Provision for income taxes	3,936	3,328	9,847	8,715
Net income for the period	**16,288**	**13,461**	**33,788**	**35,365**
Item that may be subsequently reclassified to income:				
Cumulative translation adjustment	(1,086)	(3,183)	(7,379)	6,388
Other comprehensive (loss) income	**(1,086)**	**(3,183)**	**(7,379)**	**6,388**
Comprehensive income	**$ 15,202**	**$ 10,278**	**$ 26,409**	**$ 41,753**
Earnings per share				
Basic	$ 0.30	$ 0.24	$ 0.62	$ 0.64
Diluted	$ 0.30	$ 0.24	$ 0.62	$ 0.64

Enghouse Systems Limited

Condensed Consolidated Interim Statements of Cash Flows

(in thousands of Canadian dollars)				
(unaudited)	Three months		Six months	
Periods ended April 30	**2026**	**2025**	**2026**	**2025**
OPERATING ACTIVITIES				
Net income for the period	$ 16,288	$ 13,461	$ 33,788	$ 35,365
Adjustments for non-cash items				
Depreciation	593	647	1,207	1,300
Depreciation of right-of-use assets	1,219	1,430	2,670	2,808
Interest expense – lease obligations	105	131	233	259
Amortization of acquired software and customer relationships	6,186	7,296	12,807	15,775
Stock-based compensation expense	357	427	924	535
Provision for income taxes	3,936	3,328	9,847	8,715
Finance expenses and other (income) expenses	5	(1,177)	(1,380)	(1,473)
	28,689	**25,543**	**60,096**	**63,284**
Changes in non-cash operating working capital	11,250	16,261	7,339	4,370
Income taxes paid	(8,377)	(5,133)	(15,082)	(9,734)
Net cash provided by operating activities	**31,562**	**36,671**	**52,353**	**57,920**
INVESTING ACTIVITIES				
Purchase of property and equipment, net	(300)	(403)	(1,124)	(807)
Acquisitions, net of cash acquired*	-	(26,813)	(5,524)	(33,399)
Payment of purchase consideration for prior-year acquisitions	(1,489)	-	(1,489)	-
Proceeds from sale of intangible asset	-	-	701	-
Net cash used in investing activities	**(1,789)**	**(27,216)**	**(7,436)**	**(34,206)**
FINANCING ACTIVITIES				
Normal course issuer bid share repurchases	(2,033)	-	(7,084)	(5,950)
Repayment of lease obligations	(1,275)	(1,835)	(2,864)	(3,209)
Dividends paid	(16,350)	(14,340)	(32,776)	(28,737)
Net cash used in financing activities	**(19,658)**	**(16,175)**	**(42,724)**	**(37,896)**
Impact of foreign exchange on cash and cash equivalents	(605)	(299)	(1,554)	3,227
Increase (decrease) in cash and cash equivalents	**9,510**	**(7,019)**	**639**	**(10,955)**
Cash and cash equivalents - beginning of period	260,190	270,304	269,061	274,240
Cash and cash equivalents - end of period	**$ 269,700**	**$ 263,285**	**$ 269,700**	**$ 263,285**

**Acquisitions are net of cash acquired of $Nil and $83 for the three and six months ended April 30, 2026, respectively, and $6,667 and $9,287 for the three and six months ended April 30, 2025, respectively.*

Enghouse Systems Limited

Segment Reporting Information

(in thousands of Canadian dollars)
(unaudited)

Three months ended April 30	2026			2025		
	IMG	AMG	Total	IMG	AMG	Total
Revenue	$ 62,839	$ 51,438	$ 114,277	$ 74,118	$ 50,701	$ 124,819
Direct costs	(22,511)	(21,667)	(44,178)	(25,811)	(20,174)	(45,985)
Revenue, net of direct costs	**40,328**	**29,771**	**70,099**	**48,307**	**30,527**	**78,834**
Operating expenses excluding special charges	(20,827)	(13,626)	(34,453)	(24,001)	(14,957)	(38,958)
Depreciation	(314)	(279)	(593)	(393)	(254)	(647)
Depreciation of right-of-use assets	(701)	(518)	(1,219)	(927)	(503)	(1,430)
Segment profit	**$ 18,486**	**$ 15,348**	**$ 33,834**	**$ 22,986**	**$ 14,813**	**$ 37,799**
Special charges			(1,027)			(1,401)
Corporate and shared service expenses			(9,178)			(11,310)
Results from operating activities			**$ 23,629**			**$ 25,088**

Six months ended April 30	2026			2025		
	IMG	AMG	Total	IMG	AMG	Total
Revenue	$ 130,136	$ 104,239	$ 234,375	$ 147,339	$ 101,480	$ 248,819
Direct costs	(45,309)	(43,496)	(88,805)	(51,524)	(38,924)	(90,448)
Revenue, net of direct costs	**84,827**	**60,743**	**145,570**	**95,815**	**62,556**	**158,371**
Operating expenses excluding special charges	(42,338)	(26,321)	(68,659)	(46,603)	(26,935)	(73,538)
Depreciation	(640)	(567)	(1,207)	(795)	(505)	(1,300)
Depreciation of right-of-use assets	(1,627)	(1,043)	(2,670)	(1,836)	(972)	(2,808)
Segment profit	**$ 40,222**	**$ 32,812**	**$ 73,034**	**$ 46,581**	**$ 34,144**	**$ 80,725**
Special charges			(1,837)			(1,492)
Corporate and shared service expenses			(19,297)			(23,156)
Results from operating activities			**$ 51,900**			**$ 56,077**

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 Wednesday, June 10, 2026 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: 04682. A webcast is also available at: https://www.enghouse.com/investors.php.

For further information please contact:

Sam Anidjar
Vice President, Corporate Development
(905) 946-3200
investor@enghouse.com

****

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.