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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tecsys Inc.

Opinion

We have audited the consolidated financial statements of Tecsys Inc. (the "Entity"), which comprise:

- the consolidated statements of financial position as at April 30, 2024 and April 30, 2023
- the consolidated statements of income and other comprehensive income for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at April 30, 2024 and April 30, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with 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 Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 our audit of the financial statements for the year ended April 30, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditors' report.

Revenue Recognition - Determination of distinct performance obligations and stand-alone selling prices

Description of the matter

We draw attention to the Notes 2 (e) (i) and 3 (a) to the financial statements. The Entity enters into bundled arrangements with customers that may include licenses, professional services, maintenance services and subscription services. Judgment is required by the Entity to identify the various distinct performance obligations and to allocate the contractual transaction price to each distinct performance obligation based on the stand-alone selling prices.

Why the matter is a key audit matter

We identified the determination of distinct performance obligations and the allocation of the contractual transaction price based on the stand-alone selling prices as a key audit matter. Significant auditor judgment was required to evaluate the Entity's significant judgments of whether the licenses, professional services, maintenance services and subscription services are distinct and what the stand-alone selling price was. There was significant auditor effort, involving more senior professionals, required to address this matter.

How the matter was addressed in the audit

For a selection of contracts entered into during the year with customers, the primary procedures we performed to address this key audit matter included the following:

- We assessed the Entity’s determination of each distinct performance obligation in each bundled arrangement by examining the contract source documents; and

- We evaluated the methodology used to determine the stand-alone selling price of certain elements of the bundled services by comparing it to historical pricing patterns in comparable customer contracts.

Other Information

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

- the information included in Management’s Discussion and Analysis filed with the relevant Canadian Securities Commissions.

- the information, other than the financial statements and the auditor’s report thereon, included in a document likely to be entitled "Annual Report 2024".

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management’s Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor’s report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor’s report thereon, included in a document likely to be entitled "Annual Report 2024" is expected to be made available to us after the date of this auditor’s report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements.

- We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the 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 auditor's 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 auditor's report is Aaron Fima.

KPMG LLP*

Montréal, Canada

June 27, 2024

*CPA auditor, public accountancy permit No. A125211

Tecsys Inc.

Consolidated Statements of Financial Position
(in thousands of Canadian dollars)

	Note	April 30, 2024	April 30, 2023
Assets			
Current assets			
Cash and cash equivalents		$ 18,856	$ 21,235
Short-term investments	4	16,713	15,835
Accounts receivable	22	22,090	22,900
Work in progress		4,248	1,734
Other receivables	21, 22	134	523
Tax credits	5	6,422	5,338
Inventory	6	1,359	1,034
Prepaid expenses and other	9	9,143	8,193
Total current assets		78,965	76,792
Non-current assets			
Other long-term receivables and assets		421	363
Tax credits	5	4,737	5,368
Property and equipment	7	1,372	1,802
Right-of-use assets	8	1,251	1,708
Contract acquisition costs	9	4,478	3,738
Deferred development costs	10	2,683	2,254
Other intangible assets	10	7,703	9,287
Goodwill	10	17,363	17,467
Deferred tax assets	17	9,073	8,137
Total non-current assets		49,081	50,124
Total assets		**$ 128,046**	**$ 126,916**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	13	$ 20,030	$ 21,669
Deferred revenue		36,211	30,388
Lease obligations	12	812	793
Total current liabilities		57,053	52,850
Non-current liabilities			
Other long-term accrued liabilities	22	496	253
Deferred tax liabilities	17	826	1,255
Lease obligations	12	1,302	2,120
Total non-current liabilities		2,624	3,628
Total liabilities		$ 59,677	$ 56,478
Other commitments	20		
Equity			
Share capital	14	$ 52,256	$ 44,338
Contributed surplus		9,417	15,285
Retained earnings		8,121	10,832
Accumulated other comprehensive loss	22	(1,425)	(17)
Total equity attributable to the owners of the Company		68,369	70,438
Total liabilities and equity		**$ 128,046**	**$ 126,916**

Approved by the Board of Directors

David Booth _______________________________ Director   Kathleen Miller _______________________________ Director

See accompanying notes to the consolidated financial statements.

Tecsys Inc.

Consolidated Statements of Income and Comprehensive Income

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

Years ended April 30,	Note	2024	2023
Revenue:			
SaaS		$ 51,918	$ 37,476
Maintenance and Support		33,957	32,714
Professional Services		55,188	55,353
License		1,386	3,116
Hardware		28,793	23,765
Total revenue		**171,242**	**152,424**
Cost of revenue	16	**92,853**	**85,615**
Gross profit		**78,389**	**66,809**
Operating expenses:			
Sales and marketing		32,976	28,080
General and administration		11,844	11,218
Research and development, net of tax credits	5	29,514	23,943
Restructuring costs	25	2,122	-
Total operating expenses		76,456	63,241
Profit from operations		**1,933**	**3,568**
Other income	19	557	145
Profit before income taxes		2,490	3,713
Income tax expense	17	641	1,624
Net profit		**$ 1,849**	**$ 2,089**
Other comprehensive income (loss):			
Effective portion of changes in fair value on designated revenue hedges	22	(1,086)	(6)
Exchange differences on translation of foreign operations	22	(322)	1,423
Comprehensive income		**$ 441**	**$ 3,506**
Basic and diluted earnings per common share	14	**$ 0.13**	**$ 0.14**

See accompanying notes to the consolidated financial statements.

Tecsys Inc.

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

	Note	April 30, 2024	April 30, 2023
Cash flows from operating activities:			
Net profit		$ 1,849	$ 2,089
Adjustments for:			
Depreciation of property and equipment and right-of-use-assets	7, 8	1,477	1,775
Amortization of deferred development costs	10	583	496
Amortization of other intangible assets	10	1,493	1,603
Interest (income) expense and foreign exchange loss	19	(557)	(145)
Unrealized foreign exchange and other		(569)	1,754
Non-refundable tax credits		(1,961)	(2,095)
Stock-based compensation	14	2,301	2,177
Income taxes		519	554
Net cash from operating activities excluding changes in non-cash working capital items related to operations		5,135	8,208
Accounts receivable		764	(5,915)
Work in progress		(2,518)	(151)
Other receivables and assets		1	(58)
Tax credits		113	(114)
Inventory		(327)	(226)
Prepaid expenses		(646)	(1,452)
Contract acquisition costs	9	(1,045)	(908)
Accounts payable and accrued liabilities		(2,455)	3,259
Deferred revenue		5,833	5,713
Changes in non-cash working capital items related to operations		(280)	148
Net cash provided by operating activities		**4,855**	**8,356**
Cash flows from financing activities:			
Repayment of long-term debt	11	-	(8,400)
Proceeds from short-term investments	4	-	5,000
Payment of lease obligations	12	(786)	(689)
Payment of dividends	14	(4,560)	(4,225)
Interest paid	19	(163)	(406)
Issuance of common shares on exercise of stock options	14	6,964	297
Shares repurchased and cancelled	14	(7,215)	-
Net cash used in financing activities		**(5,760)**	**(8,423)**
Cash flows from investing activities:			
Interest received	19	97	90
Transfers from short-term investments	4	40	-
Acquisitions of property and equipment	7	(599)	(850)
Acquisitions of other intangible assets	10	-	(62)
Deferred development costs	10	(1,012)	(880)
Net cash used in investing activities		**(1,474)**	**(1,702)**
Net decrease in cash and cash equivalents during the period		(2,379)	(1,769)
Cash and cash equivalents - beginning of period		21,235	23,004
Cash and cash equivalents - end of period		**$ 18,856**	**$ 21,235**

See accompanying notes to the consolidated financial statements.

Tecsys Inc.

Consolidated Statements of Changes in Equity

(in thousands of Canadian dollars, except number of shares)

		Share capital			Accumulated other comprehensive income (loss)		
	Note	Number	Amount	Contributed Surplus		Retained earnings	Total
Balance, May 1, 2023		**14,582,837**	**$ 44,338**	**$ 15,285**	**$ (17)**	**$ 10,832**	**$ 70,438**
Net profit		-	-	-	-	1,849	1,849
Other comprehensive (loss) income:							
Effective portion of changes in fair value on designated revenue hedges	22	-	-	-	(1,086)	-	(1,086)
Exchange difference on translation of foreign operations	22	-	-	-	(322)	-	(322)
Total comprehensive (loss) income		**-**	**-**	**-**	**(1,408)**	**1,849**	**441**
Shares repurchased and cancelled	14	(204,500)	(684)	(6,531)	-	-	(7,215)
Stock-based compensation	14	-	-	2,301	-	-	2,301
Dividends to equity owners	14	-	-	-	-	(4,560)	(4,560)
Share options exercised	14	461,813	8,602	(1,638)	-	-	6,964
Total transactions with owners of the Company		**257,313**	**$ 7,918**	**$ (5,868)**	**$ -**	**$ (4,560)**	**$ (2,510)**
Balance, April 30, 2024		**14,840,150**	**$ 52,256**	**$ 9,417**	**$ (1,425)**	**$ 8,121**	**$ 68,369**
Balance, May 1, 2022		**14,562,895**	**$ 43,973**	**$ 13,176**	**$ (1,434)**	**$ 12,968**	**$ 68,683**
Net profit		-	-	-	-	2,089	2,089
Other comprehensive income:							
Effective portion of changes in fair value on designated revenue hedges		-	-	-	(6)	-	(6)
Exchange difference on translation of foreign operations		-	-	-	1,423	-	1,423
Total comprehensive income		**-**	**-**	**-**	**1,417**	**2,089**	**3,506**
Stock-based compensation		-	-	2,177	-	-	2,177
Dividends to equity owners		-	-	-	-	(4,225)	(4,225)
Share options exercised		19,942	365	(68)	-	-	297
Total transactions with owners of the Company		**19,942**	**$ 365**	**$ 2,109**	**$ -**	**$ (4,225)**	**$ (1,751)**
Balance, April 30, 2023		**14,582,837**	**$ 44,338**	**$ 15,285**	**$ (17)**	**$ 10,832**	**$ 70,438**

See accompanying notes to the consolidated financial statements.

1. Description of business:

Tecsys Inc. (the "Company") was incorporated under the Canada Business Corporations Act in 1983. The Company's principal business activity is the development, marketing and sale of enterprise-wide supply chain management software for distribution, warehousing, transportation logistics, point-of-use and order management. The Company sells its software primarily on a subscription basis as Software as a Service and also on a perpetual license basis with recurring support. The Company also provides related consulting, education and support services. The Company is headquartered at 1, Place Alexis Nihon, Montréal, Canada, and derives substantially all of its revenue from customers located in the United States, Canada and Europe. The Company's customers consist primarily of healthcare systems, services parts, third-party logistics, retail and general wholesale high volume distribution industries. The consolidated financial statements comprise the Company and its wholly-owned subsidiaries. The Company is a publicly listed entity and its shares are traded on the Toronto Stock Exchange under the symbol TCS.

2. Basis of preparation:

(a) Statement of compliance:

The Company's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements for the year ended April 30, 2024 were authorized for issuance by the Board of Directors on June 27, 2024.

(b) Basis of consolidation:

These consolidated financial statements include the accounts of the Company and its subsidiaries.

(i) Subsidiaries:

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company's wholly-owned subsidiaries and their jurisdiction of incorporation are as follows:

Subsidiary	Jurisdiction of incorporation
Tecsys U.S. Inc.	Ohio
Tecsys Europe Limited	England
Logi D Holding Inc.	Canada
Logi D Inc.	Canada
Logi D Corp.	Delaware
Tecsys Denmark Holding ApS	Denmark
Tecsys A/S	Denmark

(ii) Transactions eliminated on consolidation:

Inter-company balances and transactions, and any income and expenses arising from inter-group transactions, are eliminated in preparing the consolidated financial statements.

(c) Basis of measurement:

The consolidated financial statements have been prepared on a going concern basis using the historical cost basis except for the following items in the consolidated statements of financial position:

- Derivative financial instruments which are measured at fair value;

2. Basis of preparation (continued):

(c) Basis of measurement (continued):

- Share based compensation arrangements which are measured in accordance with IFRS 2, Share Based Payment; and
- Lease liabilities which are measured at the present value of minimum lease liabilities in accordance with IFRS 16, *Leases*.

(d) Functional and presentation currency:

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company, and amounts are rounded to the nearest thousand ($000) except when otherwise indicated.

(e) Critical accounting judgments and key sources of estimation uncertainty:

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions, and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, and revenue and expenses. Reported amounts and note disclosures reflect the overall economic conditions that are most likely to occur and the anticipated measures that management intends to take. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that the Company believes could have the most significant impact on reported amounts.

Impairment of assets:

The Company assesses whether there are any indicators of impairment of non-financial assets at each reporting period date. In addition, the Company is required to determine the recoverable amount of a cash-generating unit ("CGU"), defined as the smallest identifiable group of assets that generates cash inflows independent of other assets. Management applies judgment in assessing and identifying each CGU.

Key sources of estimation uncertainty

Information about areas requiring the use of judgment, management assumptions and estimates, and key sources of estimation uncertainty that the Company believes could have the most significant impact on reported amounts is noted below:

(i) Revenue recognition – Determination of distinct performance obligations and stand-alone selling prices:

Revenue recognition, particularly in bundled arrangements which may include licenses, professional services, maintenance services and subscription services, requires judgment in identifying performance obligations and allocating revenue to each performance obligation based on the relative stand-alone selling price of each performance obligation. As certain of these performance obligations have a term of more than one year, the identification and the allocation of the consideration received to each distinct performance obligation impacts the amount and timing of revenue recognition.

2. Basis of preparation (continued):

(e) Critical accounting judgments and key sources of estimation uncertainty (continued):

(ii) Income taxes:

In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and available tax planning strategies.

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

(iii) Impairment of assets:

Impairment assessments are based on internal estimates of the recoverable amount of a CGU. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs of disposal. This determination requires significant estimates in a variety of areas including cash flows projected based on past experience, actual operating results and future projections, the calculation of discount rates as well as the identification of comparable companies used to identify market multiples for the determination of fair value less costs of disposal. The Company documents and supports all assumptions made to determine the above estimates and updates such assumptions to reflect the best information available to the Company if and when an impairment assessment requires the recoverable amount of a CGU to be determined.

3. Material accounting policies:

These consolidated financial statements have been prepared with the accounting policies set out below and have been applied consistently to all periods presented, unless otherwise indicated.

(a) Revenue recognition:

The Company's revenue consists of fees from software as a service ("SaaS"), Cloud subscriptions, proprietary software licenses, third-party software, customer support services, fees from implementation services such as training, installation, consulting as well as fees from sale of hardware. Software licenses sold by the Company are generally perpetual in nature and the arrangement generally comprise various services.

Revenues generated by the Company include the following:

(i) SaaS:

The Company generates revenue from proprietary software under a Software as a Service (SaaS) model. Under SaaS agreements, our customers have the right to access our cloud-based environment that we provide and manage and the right to receive support and to use the software. However, the customer does not have the right to take possession of the software. SaaS revenue is recognized over the term of the related contracts, commencing on the date an executed contract exists and the customer has the right to use and access the platform. Certain SaaS contracts have variable fees that are recognized based on transaction volumes.

(ii) Maintenance and support:

Maintenance and support services provided to customers on legacy perpetual software licenses is recognized ratably over the term of the maintenance and support services. The Company also provides hosting services to customers, which is recognized over the term of the related contracts. Maintenance service revenue related to hardware products that is serviced by a third-party is recognized upon delivery of the product when the estimated cost of providing support during the arrangement is deemed insignificant.

3. Material accounting policies (continued):

(a) Revenue recognition (continued):

(ii) Maintenance and support (continued):

Third-party support revenues related to third-party software and the related cost are generally recognized upon the delivery of the third-party products as the support fee is included with the initial licensing fee. The support included with the initial license is for one year or less, and the estimated cost of providing support during the arrangement is deemed insignificant. In addition, unspecified upgrades for third-party support agreements historically have been and are expected to continue to be minimal and infrequent.

(iii) Professional services:

The Company provides consulting and training services to its customers. Revenues from such services are recognized as the services are performed. Included in professional service revenue are reimbursable travel expenses related to providing services to customers. The Company records reimbursable expense revenue in Professional Services revenue and records the associated cost under Cost of Revenue in its statements of comprehensive income.

(iv) License:

The Company recognizes perpetual license revenue at a point in time when the product has been delivered and where the title and risk of loss has been passed to the customer and the Company no longer retains continuing managerial involvement or effective control over the products sold.

(v) Hardware:

The Company recognizes hardware revenue as per shipping terms or when the Company has completed its contractual obligations.

For certain hardware contracts, hardware revenue is recognized net of related costs. The Company recognizes hardware revenue net of related costs when the Company acts as an agent in the transaction.

(vi) Bundled arrangements:

Some of the Company's sales involve bundled arrangements that include products (software and/or hardware), SaaS, maintenance and various professional services. The Company evaluates each deliverable in an arrangement to determine whether such deliverable would represent a distinct performance obligation. Revenue is recognized for each performance obligation when the applicable revenue recognition criteria, as described above, are met. In bundled arrangements, the Company separately accounts for each product or service when the promised product or service is capable of being distinct and is distinct within the context of the contract.

The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. The residual approach is used if the stand-alone selling price of one or more goods or services is highly variable or uncertain, and observable stand-alone selling prices exist for the other goods or services promised in the contract.

(vii) Contract acquisition costs:

The Company recognizes an asset for the incremental costs of obtaining a contract with a customer if it expects the costs to be recoverable and has determined that certain sales incentive programs (commissions) meet the requirements to be capitalized. Capitalized contract acquisition costs are amortized consistently with the pattern of transfer to the customer for the goods and services to which the asset relates. Generally, the contract acquisition costs are amortized over 3 to 5 years.

3. Material accounting policies (continued):

(a) Revenue recognition (continued):

(viii) Work in progress and deferred revenue:

The Company recognizes amounts as revenue in excess of billings as work in progress. The Company has deferred revenue for amounts billed in accordance with customer contracts for which the service associated with these revenues have not yet been rendered. Revenues on these services are recorded once the performance obligation has been met.

(b) Financial instruments

The Company initially recognizes financial assets and financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Company classifies its financial assets as subsequently measured at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and financial liabilities are classified into the following categories and depend on the purpose for which the financial assets were acquired.

(i) Financial assets measured at amortized cost:

A financial asset is subsequently measured at amortized cost, using the effective interest method except for short-term receivables where the interest revenue would be immaterial, and net of any impairment loss, if:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company currently classifies its cash and cash equivalents, short-term investments, accounts receivable, and other accounts receivable (excluding the fair value of derivatives) as financial assets measured at amortized cost.

(ii) Financial assets measured at fair value:

These assets are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss. The Company measures derivative financial instruments at fair value.

(iii) Financial liabilities measured at amortized cost:

A financial liability is subsequently measured at amortized cost, using the effective interest method. The Company currently classifies accounts payable and accrued liabilities (excluding derivative financial instruments designated as effective hedging instruments and non-hedge derivative financial instruments) as financial liabilities measured at amortized cost.

3. Material accounting policies (continued):

(b) Financial instruments (continued):

(iv) Derivative financial instruments not designated in a hedging relationship measured at fair value:

Non-hedge derivative financial instruments, including forward foreign exchange contracts, are recorded as either assets or liabilities measured initially at fair value. Attributable transaction costs are recognized in profit or loss as incurred. The Company may hold derivative financial instruments to offset its risk exposure to fluctuations of other currencies compared to the Canadian dollar. All derivative financial instruments not designated in a hedge relationship are classified as financial instruments at fair value through profit and loss. The fair value of derivative financial instruments is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument.

The net fair value of outstanding forward foreign exchange contracts is included as part of the accounts designated "other receivable", "accounts payable and accrued liabilities" or "other long-term accrued liabilities" as appropriate. Any subsequent change in the fair value of non-hedge designated outstanding forward foreign exchange contracts is accounted for in other income in profit or loss for the period in which it arises.

The foreign currency gains and losses on these contracts are recognized in the period in which they are generated and offset the exchange losses or gains recognized on the revaluation of the foreign currency net monetary assets. Cash flows from foreign exchange contract settlements are classified as cash flows from operating activities along with the corresponding cash flows from the monetary assets being economically hedged.

(v) Derivative financial instruments designated in a hedging relationship measured at fair value:

The Company uses derivative financial instruments to hedge its exposure to exchange rate fluctuations on highly probable future foreign currency denominated revenue.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions. This process includes linking all derivative hedging instruments to forecasted transactions. Hedge effectiveness is assessed based on the degree to which the cash flows from the derivative contracts are expected to offset the cash flows of the underlying transaction being hedged.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value is recognized in accumulated other comprehensive income (loss). The amounts in accumulated other comprehensive income (loss) are classified to profit when the underlying hedged transaction, identified at contract inception, affects profit or loss. Any ineffective portion of a hedge relationship is recognized immediately in profit. Ineffectiveness is mainly caused by the differences in discount rates between the actual derivative instrument and the perfectively effective hypothetical derivative.

When derivative contracts designated as cash flow hedges are terminated, expired, sold or no longer qualify for hedge accounting, hedge accounting is discontinued prospectively. Any amounts recorded in accumulated other comprehensive income (loss) up until the time the contracts do not qualify for hedge accounting remain in accumulated other comprehensive income (loss) until the hedged future cash flows occur if they are still expected to occur.

3. Material accounting policies (continued):

(b) Financial instruments (continued):

(v) Derivative financial instruments designated in a hedging relationship measured at fair value (continued):

However, if the amount in accumulated other comprehensive income (loss) is a loss and the Company expects that all or a portion of that loss will not be recovered in future periods, then it shall immediately reclassify the amount that is not expected to be recovered into profit. Additionally, if the hedged future cash flows are no longer expected to occur, then the amount in accumulated other comprehensive income (loss) shall be immediately reclassified to profit. Amounts recognized in accumulated other comprehensive income (loss) are recognized in profit in the period in which the underlying hedged transaction is completed. Gains or losses arising subsequent to the derivative contracts not qualifying for hedge accounting are recognized in the period incurred.

(vi) Fair value of financial instruments:

The Company must classify the fair value measurements of financial instruments according to a three-level hierarchy, based on the type of inputs used in making these measurements. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

(vii) Impairment of financial assets:

The Company uses the simplified expected credit-loss ("ECL") model for its trade accounts receivables, as permitted by IFRS 9. The simplified approach under IFRS 9 permits the use of the lifetime expected loss provision for all trade receivables. Lifetime ECL represents the ECL that will result from all probable default events over the expected life of a financial instrument. The Company establishes an impairment loss allowance on a collective and individual assessment basis, by considering past events, its past experience of collecting payments, as well as current conditions and forecasts of future economic conditions. Collective assessment is carried out by grouping together trade accounts receivable with similar characteristics.

Impairment losses related to trade and other receivables are presented separately in the consolidated income statements.

(c) Cash and cash equivalents:

Cash and cash equivalents consist primarily of unrestricted cash and short-term investments having an initial maturity of one months or less.

(d) Short-term investments:

Short-term investments consist of a simple interest guaranteed income certificates held with Schedule 1 Canadian banks. Investments are measured at amortized cost. The carrying amount of investments approximates fair market value due to the short-term maturity of these instruments.

3. Material accounting policies (continued):

(e) Inventory:

Inventory is stated at the lower of cost and net realizable value. Cost is determined on an average cost basis. Inventory costs include the purchase price and other costs directly related to the acquisition of materials, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less selling expenses.

(f) Property and equipment:

Property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within profit or loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value.

The Company provides for depreciation of property and equipment commencing once the related assets have been put into service. Depreciation is recognized in profit or loss on a straight-line basis since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The following periods are used to calculate depreciation:

	Period
Computer equipment	2 to 5 years
Furniture and fixtures	10 years
Leasehold improvements	Lower of term of lease or economic life

Depreciation methods, useful lives and residual values are reviewed at each financial period-end and adjusted prospectively if appropriate.

(g) Intangible assets:

(i) Goodwill:

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment loss, if any.

(ii) Research and development costs:

Costs related to research are expensed as incurred.

Development costs of new software products for sale, net of government assistance, are capitalized as deferred development costs if they can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the product. Otherwise, development costs are expensed as incurred. Expenditures capitalized include the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

3. Material accounting policies (continued):

(g) Intangible assets (continued):

(ii) Research and development costs (continued):

Deferred development costs are amortized, commencing when the product is available for general release and sale, over the estimated product life of five years using the straight-line method.

Subsequent to initial measurement, deferred development costs are stated at cost less accumulated amortization and accumulated impairment losses.

(iii) Other intangible assets:

Other intangible assets consist of software technology and customer assets and are carried at cost less accumulated amortization and accumulated impairment losses. All intangible assets have finite useful lives and are therefore subject to amortization. Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

The Company uses the straight-line method and the following periods are used to calculate amortization:

	Period
Technology	5 to 10 years
Customer assets	5 to 15 years
Other	5 years
Software	5 years

Amortization methods, useful lives and residual values are reviewed at each financial period-end and adjusted prospectively if appropriate.

(h) Impairment of non-financial assets:

The Company reviews the carrying value of its non-financial assets, which include property and equipment, technology, customer assets, patents, software, and deferred development costs at each reporting date to determine whether events or changed circumstances indicate that the carrying value may not be recoverable. For goodwill, the recoverability is estimated annually, on April 30 or more often when there are indicators of impairment.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit, or CGU”). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

The Company’s corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU or group of CGU’s to which the corporate asset belongs.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing its fair value less costs to sell, the Company estimates the fair value of an asset in an active market, less the costs directly attributable to selling the asset.

3. Material accounting policies (continued):

(h) Impairment of non-financial assets (continued):

An impairment loss is recognized if the carrying value of a non-financial asset exceeds the recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other non-financial 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, if no impairment loss had been recognized.

(i) Government assistance:

Government assistance consists of scientific research and experimental development ("SRED") tax credits and e-business tax credits. SRED and e-business tax credits are accounted for as a reduction of the related expenditures and recorded when there is reasonable assurance that the Company has complied with the terms and conditions of the approved government program.

The refundable portion of tax credits is recorded in the period in which the related expenditures are incurred. The non-refundable portion of tax credits is recorded in the period in which the related expenditures are incurred or in a subsequent period to the extent that their future realization is determined to be probable, provided the Company has reasonable assurance the credits will be received and the Company will comply with the conditions associated with the award.

SRED and e-business tax credits claimed for the current and prior years are subject to government review which could result in adjustments to profit or loss.

(j) Leases:

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option.

3. Material accounting policies (continued):

(j) leases (continued):

The lease liability is initially measured at the 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 lessee's incremental borrowing rate. Lease payments used for the calculations comprise mainly fixed payments and variable lease payments that depend on an index or a rate, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual guarantee, or if the Company changes its assessments of whether it will exercise a purchase, extension or termination option.

When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining amount of the remeasurement is recognized in profit or loss.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(k) Income taxes:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred 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 realized simultaneously.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Share-based payment arrangements:

The Company measures stock options granted to employees and directors that vest in specified installments over the service period based on the fair value of each tranche on the grant date by using the Black-Scholes option-pricing model. Each tranche of an award is considered a separate award with its own vesting period. Based on the Company's estimate of equity instruments that will eventually vest, a compensation expense is recognized over the vesting period applicable to the tranche with a corresponding increase to contributed surplus. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 14.

3. Material accounting policies (continued):

(l) Share-based payment arrangements (continued):

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in contributed surplus. When the stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion previously recorded in contributed surplus.

(m) Earnings per share:

Basic earnings per share is calculated using the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated based on the weighted average number of common shares outstanding during the period plus the effects of dilutive potential common shares outstanding during the period. This method requires that the dilutive effect of outstanding options be calculated as if all dilutive options had been exercised at the later of the beginning of the reporting period or date of issuance, and that the funds obtained thereby be used to purchase common shares of the Company at the average trading price of the common shares during the period.

(n) Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The operating segment's operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

(o) Foreign currency transactions:

Transactions in foreign currencies that are not hedged are translated to the respective functional currencies of the Company's subsidiaries at the average exchange rates for the period. The monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are translated at the exchange rates prevailing at the statement of financial position date and translation gains and losses are included in the consolidated income statement. Non-monetary items denominated in foreign currencies other than the functional currency are translated at historical rates. Revenues that are hedged are translated at the exchange rate specified in the underlying derivative instrument hedging the transaction.

Foreign currency translation

The assets and liabilities of foreign operations, whose functional currency is not the Canadian dollar, are translated into Canadian dollars at the exchange rates in effect at the statement of financial position date. Revenue and expenses that are not hedged are translated at the exchange rate in effect on the date of the transaction. Differences arising from the exchange rate changes are included in other comprehensive income (loss) in the cumulative translation account.

On disposal of a foreign operation where control is lost, the cumulative amount of the exchange differences recognized in other comprehensive income (loss) relating to that particular foreign operation is recognized in the consolidated income statement as part of the gain or loss on disposal.

3. Material accounting policies (continued):

(o) Foreign currency transactions (continued):

Foreign currency translation (continued):

For foreign operations whose functional currency is the Canadian dollar, monetary assets and liabilities are translated into Canadian dollars at the exchange rates in effect at the statement of financial position date. Non-monetary items measured at historical cost are translated using the historical exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Revenue and expenses that are not hedged are translated at average exchange rates for the period. Differences arising from the exchange rate changes are included in the statement of income and comprehensive income (loss).

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and monetary items for which the settlement is planned but that have been designated as a hedge of the net investment in a foreign operation and to the extent the hedge is effective, are recognized in other comprehensive income (loss) in the cumulative translation account and reclassified from equity to the consolidated income statement on the disposal of the net investment.

New standards and interpretations adopted by the Company

The IASB has issued the following amendments, effective for annual periods beginning on or after January 1, 2023:

- IAS 1 *Presentation of Financial Statements* requiring companies to disclose their material accounting policy information.
- IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, clarifying how to distinguish changes in accounting policies from changes in accounting estimates.
- IAS 12 *Income Taxes* requiring companies to recognize deferred tax on transactions such as leases and decommissioning obligations that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

There was no impact on the Company's accounting policies or the consolidated financial statements as a result of adopting the IAS 1, IAS 8 and IAS 12 amendments.

New standards and interpretations not yet adopted by the Company

For the period ended April 30, 2024, the Company has not yet applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- Amendments to IAS 1 *Presentation of Financial Statements* affecting the presentation of liabilities as current or non-current in the statement of financial position.
- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments*: disclosures to enhance the transparency of supplier finance arrangements by including disclosure requirements.
- Amendments to IFRS 16 *Leases* to include variable payments when measuring a lease liability arising from a sale-and-leaseback transaction.

These amendments to IAS 1, IAS 7, IFRS 7 and IFRS 16 are effective for annual periods beginning on or after January 1, 2024. The Company does not expect that the adoption of these amendments will have a material impact on the financial statements of the Company in future periods.

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

3. Material accounting policies (continued):

New standards and interpretations not yet adopted by the Company (continued):

The IASB has also issued IFRS 18 *Presentation and Disclosure in Financial Statements* which includes requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The new IFRS 18 standard is effective for annual periods beginning on or after January 1, 2027. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

4. Short-term investments:

		Twelve Months Ended April 30, 2024		Twelve Months Ended April 30, 2023
Balance, beginning of period	$	15,835	$	20,239
Withdrawals to repay long-term debt (note 11)		-		(5,000)
Net withdrawals		(40)		-
Interest on short-term investments (note 19)		918		596
Balance, end of period	**$**	**16,713**	**$**	**15,835**

Short-term investment consists of Guaranteed Investment Certificates (GIC) with maturities of less than 3 months.

5. Government assistance (Tax credits):

The Company is eligible to receive scientific research and experimental development ("SRED") tax credits granted by the Canadian federal government ("Federal") and the governments of the provinces of Québec and Ontario ("Provincial").

Federal SRED tax credits, which are non-refundable, are earned on qualified Canadian SRED expenditures and can only be used to offset Federal income taxes otherwise payable. Provincial SRED tax credits, which are refundable, are earned on qualified SRED salaries in the provinces of Québec and Ontario.

The Company is also eligible to receive a Provincial refundable and non-refundable tax credit for the development of e-business information technologies. This tax credit is granted to corporations on salaries paid to employees carrying out activities based on specific eligibility requirements. The credits are earned at an annual rate of 30% of salaries paid to eligible employees engaged in eligible activities, to a maximum annual refundable tax credit of $20 and maximum annual non-refundable tax credit of $5 per eligible employee. The Company must obtain an eligibility certificate each year confirming that it has satisfied the criteria relating to the proportion of the activities in the information technology sector and for the services supplied. Provincial non-refundable tax credits can only be applied against provincial tax payable.

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

5. Government assistance (Tax credits) (continued):

The following table presents the tax credits for the Company:

	SRED		E-business provincial credits		
	Canadian Federal non-refundable tax credits	Provincial refundable tax credits	Refundable tax credits	Non-refundable tax credits	Total
Balance, April 30, 2023	$ 5,090	$ 84	$ 4,236	$ 1,296	$ 10,706
Tax credits received or utilized against income tax expense	(902)	(41)	(4,446)	(493)	(5,882)
Adjustments to prior year's credits	281	11	210	(45)	457
Recognition of tax credit	710	93	4,060	1,015	5,878
Balance, April 30, 2024	$ 5,179	$ 147	$ 4,060	$ 1,773	$ 11,159
Presented as:					
Current Tax credits	$ 1,090	$ 147	$ 4,060	$ 1,125	$ 6,422
Non-Current Tax credits	$ 4,089	$ -	$ -	$ 648	$ 4,737

	SRED		E-business provincial credits		
	Canadian Federal non-refundable tax credits	Provincial refundable tax credits	Refundable tax credits	Non-refundable tax credits	Total
Balance, April 30, 2022	$ 4,362	$ 42	$ 3,787	$ 815	$ 9,006
Tax credits received or utilized against income tax expense	(239)	(61)	(3,911)	(647)	(4,858)
Adjustments to prior year's credits	280	19	124	67	490
Recognition of tax credit	687	84	4,236	1,061	6,068
Balance, April 30, 2023	$ 5,090	$ 84	$ 4,236	$ 1,296	$ 10,706
Presented as:					
Current Tax credits	$ 621	$ 84	$ 4,236	$ 397	$ 5,338
Non-Current Tax credits	$ 4,469	$ -	$ -	$ 899	$ 5,368

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

5. Government assistance (Tax credits) (continued):

The amounts recorded as receivable or recoverable are subject to a government tax audit and the final amounts received may differ from those recorded. There are no unfulfilled conditions or contingencies associated with the government assistance received.

As at April 30, 2024, the Company has non-refundable tax credits totaling approximately $6,952 (April 30, 2023 - $6,386) for Canadian Federal and Provincial income tax purposes which may be used to reduce taxes payable in future years. These non-refundable tax credits may be claimed no later than fiscal years ending April 30:

	Provincial Non-refundable tax credits	Federal Non-refundable tax credits
2036	$ -	$ 170
2037	-	246
2038	-	289
2039	-	349
2040	-	507
2041	-	583
2042	-	500
2043	-	833
2044	777	958
2045	996	744
	$ 1,773	$ 5,179

Tax credits recognized in profit and loss for the years are outlined below:

	2024	2023
Federal non-refundable research and development tax credits	$ 710	$ 687
Provincial refundable research and development tax credits	93	84
E-business refundable tax credits for research and development employees	2,034	1,821
E-business non-refundable tax credits for research and development employees	509	455
Adjustments to prior year's credits	431	371
Total research and development tax credits	$ 3,777	$ 3,418
E-business refundable tax credits for other employees	2,025	2,415
E-business non-refundable tax credits for other employees	507	606
Adjustments to prior year's credits	26	119
Tax credits recognized in the year	$ 6,335	$ 6,558

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

6. Inventory:

	2024	2023
Finished goods	$ 1,265	$ 1,017
Third-party software licenses for resale	94	17
	$ 1,359	**$ 1,034**

During fiscal 2024, finished goods and third-party software licenses for resale recognized as cost of revenue amounted to $19,924 (2023 - $18,019).

7. Property and equipment:

	Computer equipment	Furniture and fixtures	Leasehold improvements	Total
Cost				
Balance at April 30, 2022	$ 11,237	$ 1,984	$ 2,506	$ 15,727
Additions	850	-	-	850
Effect of foreign currency exchange differences	(5)	-	-	(5)
Disposals / retirements	-	(216)	(424)	(640)
Balance at April, 30 2023	$ 12,082	$ 1,768	$ 2,082	$ 15,932
Additions	593	6	-	599
Effect of foreign currency exchange differences	-	4	-	4
Disposals/ retirements	(120)	(6)	-	(126)
Balance at April 30, 2024	$ 12,555	$ 1,772	$ 2,082	$ 16,409
Accumulated depreciation				
Balance at April 30, 2022	$ 10,140	$ 1,572	$ 1,951	$ 13,663
Depreciation	832	122	158	1,112
Effect of foreign currency exchange differences	(5)	-	-	(5)
Disposals / retirements	-	(216)	(424)	(640)
Balance at April 30, 2023	$ 10,967	$ 1,478	$ 1,685	$ 14,130
Depreciation	802	77	150	1,029
Effect of foreign currency exchange differences	-	4	-	4
Disposals/ retirements	(120)	(6)	-	(126)
Balance at April 30, 2024	$ 11,649	$ 1,553	$ 1,835	$ 15,037
Carrying amounts				
At April 30, 2023	$ 1,115	$ 290	$ 397	$ 1,802
At April 30, 2024	$ 906	$ 219	$ 247	$ 1,372

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

8. Right-of-use assets:

The following table presents the right-of-use assets for the Company:

	Offices	Data centers	Vehicles and equipment	Total
Balance at April 30, 2022	$ 4,474	$ -	$ 73	$ 4,547
Depreciation	(550)	(63)	(50)	(663)
Additions	-	217	-	217
Remeasurement of lease liability (note 12)	(2,449)	-	-	(2,449)
Effect of foreign currency exchange differences	38	16	2	56
Balance at April 30, 2023	1,513	170	25	1,708
Depreciation	(359)	(66)	(23)	(448)
Additions	-	-	-	-
Effect of foreign currency exchange differences	(5)	(4)	-	(9)
Balance at April 30, 2024	$ 1,149	$ 100	$ 2	$ 1,251

9. Contract acquisition costs:

The following table presents the contract acquisition costs for the Company:

	2024	2023
Balance, beginning of the period	$ 5,799	$ 4,891
Additions	3,415	2,920
Amortization	(2,370)	(2,012)
Balance, end of period	**$ 6,844**	**$ 5,799**

Presented as:

	2024	2023
Current	$ 2,366	$ 2,061
Non-current	$ 4,478	$ 3,738

The current portion of contract acquisition costs is included in Prepaid expenses in the Consolidated Statements of Financial Position. Amortization of contract acquisition costs is recorded in sales and marketing expense.

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

10. Goodwill, deferred development costs, and other intangible assets:

	Goodwill	Deferred development costs	Other intangible assets: Software	Technology	Customer assets	Other	Total of other intangible assets
Cost							
Balance at April 30, 2022	$ 16,863	$ 13,120	$ 5,588	$ 8,573	$ 9,884	$ 245	$ 24,290
Additions	-	880	62	-	-	-	62
Effect of foreign currency exchange differences	604	-	-	106	636	-	742
Balance at April 30, 2023	$ 17,467	$ 14,000	$ 5,650	$ 8,679	$ 10,520	$ 245	$ 25,094
Additions	-	1,012	-	-	-	-	-
Effect of foreign currency exchange differences	(104)	-	-	(18)	(108)	-	(126)
Balance at April 30, 2024	**$ 17,363**	**$ 15,012**	**$ 5,650**	**$ 8,661**	**$ 10,412**	**$ 245**	**$ 24,968**
Accumulated amortization							
Balance at April 30, 2022	$ -	$ 11,250	$ 4,780	$ 4,545	$ 4,419	$ 245	$ 13,989
Amortization for the year	-	496	289	616	698	-	1,603
Effect of foreign currency exchange differences	-	-	-	35	180	-	215
Balance at April 30, 2023	$ -	$ 11,746	$ 5,069	$ 5,196	$ 5,297	$ 245	$ 15,807
Amortization for the year	-	583	230	622	641	-	1,493
Effect of foreign currency exchange differences	-	-	-	(7)	(28)	-	(35)
Balance at April 30, 2024	**$ -**	**$ 12,329**	**$ 5,299**	**$ 5,811**	**$ 5,910**	**$ 245**	**$ 17,265**
Carrying Amounts							
At April 30, 2023	$ 17,467	$ 2,254	$ 581	$ 3,483	$ 5,223	$ -	$ 9,287
At April 30, 2024	$ 17,363	$ 2,683	$ 351	$ 2,850	$ 4,502	$ -	$ 7,703

Certain technology, customer relationships, and other intangible assets are fully amortized, but are still property of the Company.

The following tables reflect the amortization expense recognized for the various intangible assets within the various functions for the years ended April 30, 2024 and 2023:

	2024				
	Deferred development costs	Software	Technology	Customer assets	Total
Cost of revenue: Products	$ -	$ -	$ -	$ 87	$ 87
Cost of revenue: Services	-	190	622	-	812
Sales and marketing	-	21	-	554	575
Research and development	583	19	-	-	602
	$ 583	**$ 230**	**$ 622**	**$ 641**	**$ 2,076**

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

10. Goodwill, deferred development costs, and other intangible assets (continued):

	2023				
	Deferred development costs	Software	Technology	Customer assets	Total
Cost of revenue: Products	$ -	$ -	$ -	$ 87	$ 87
Cost of revenue: Services	-	186	616	-	802
Sales and marketing	-	41	-	611	652
General and administration	-	15	-	-	15
Research and development	496	47	-	-	543
	$ 496	**$ 289**	**$ 616**	**$ 698**	**$ 2,099**

Impairment testing for cash-generating units containing goodwill

For the purposes of impairment testing, goodwill is allocated to the cash-generating units ("CGUs") which represent the lowest level within the Company for which there are separately identifiable cash inflows. The Company has two CGUs, the non-Tecsys A/S CGU and the Tecsys A/S CGU. As at April 30, 2024 goodwill for Non-Tecsys A/S and Tecsys A/S represent $10,783 and $6,580 respectively (April 30, 2023 - $10,783 and $6,684 respectively).

The Company performs its goodwill impairment assessment on an annual basis or more frequently if there are any indications that impairment may exist. The recoverable amount of the Company's CGU's was based on the higher of its value in use (which was determined by discounting the future cash flows generated from the continuing use of the units) and the fair value less cost to dispose based on market multiples. The carrying amount of the units were determined to be lower than their recoverable amount and no impairment loss was recognized in April 30, 2024 and 2023.

Value in use

The value in use was determined by discounting the future cash flows generated from the continuing use of the units. Cash flows were projected based on past experience, actual operating results and the annual business plan prepared at the end of fiscal 2024 for the upcoming year. Cash flows for an additional four-year period and a terminal value were extrapolated using a constant growth rate, which does not exceed the long-term average growth rate for the industry. The Company uses a discount rate to calculate the present value of its projected cash flows.

Fair value less costs of disposal

The market approach was used which assumes that comparable companies share similar characteristics, and that company fair values will correlate to those characteristics. Comparable companies will have similar business models, market presence, growth prospects and revenue profiles. Therefore, a comparison of a CGU to similar companies whose financial information is publicly available may provide a reasonable basis to estimate fair value. Under the market approach, fair value is calculated based on revenue multiples of benchmark comparable to the CGU's business applied to current year revenues less an estimate for cost of sales.

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

10. Goodwill, deferred development costs, and other intangible assets (continued):

Impairment testing for cash-generating units containing goodwill (continued)

Key assumptions used in calculations

The following table presents the basis used as the recoverable amount and the key assumptions used in calculating the recoverable amount:

			2024
	Basis used as recoverable amount	Pre-tax discount rate/ Multiple	Terminal Growth rate
Non-Tecsys A/S	Value in use	14.25%	5%
Tecsys A/S	Fair value less costs of disposal	1.2x Revenue	N/A

			2023
	Basis used as recoverable amount	Pre-tax discount rate/ Multiple	Terminal Growth rate
Non-Tecsys A/S	Value in use	14.25%	5%
Tecsys A/S	Fair value less costs of disposal	1.4x Revenue	N/A

The assumptions used by the Company in the determination of the recoverable amounts are classified as Level 3 in the fair value hierarchy.

When using the value in use for Non-Tecsys A/S for Fiscal 2024, no reasonably possible change in the key assumptions used in determining the recoverable amount would result in any impairment of goodwill.

When using the fair value less costs of disposal for Tecsys A/S for Fiscal 2024, varying the assumption on the multiple to 0.73x Revenue, assuming all other variables remained constant, would cause the carrying amount to be equal to its recoverable amount.

11. Banking facilities:

On January 30, 2019, the Company entered into a Credit Agreement. The Credit Agreement included a Term Facility of up to $12,000 and a Revolving Facility of $5,000. The Revolving Facility was for general corporate purposes. Canadian Dollar borrowings under the Credit Agreement were made in the form of Prime Rate Loans or Banker's Acceptances. The Credit Agreement (including Revolving Facility) expired on January 30, 2024.

The Company repaid the outstanding balance of the Term Facility on December 30, 2022. As at April 30, 2023 the Company had no outstanding balances under the Term Facility and the Revolving Facility.

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

12. Lease obligations:

The Company's leases are for office space, data centers, vehicles and equipment. Most of these leases do not contain renewal options. For those that have such options, the renewal period is 5 years. The Company has included renewal options in the measurement of lease obligations when it is reasonably certain to exercise the renewal option.

The following table presents lease obligations for the Company:

		2024		2023
Current	$	812	$	793
Non-current		1,302		2,120
Total lease obligations	**$**	**2,114**	**$**	**2,913**

The following table presents the contractual undiscounted cash flows for lease obligations as at April 30, 2024:

Less than one year	$	816
One to five years		1,354
More than five years		121
Total undiscounted lease obligations	**$**	**2,291**

Interest expense on lease obligations for fiscal year 2024 was $121 (2023 - $205). Total cash outflow was $907 for fiscal year 2024 (2023 - $894), including $786 of principal payments on lease obligations (2023 - $689). The expense relating to variable lease payments not included in the measurement of lease obligations was $973 (2023 – $933). This consists of variable lease payments for operating costs, property taxes and insurance.

Expenses relating to short-term leases not included in the measurement of lease obligations were not significant for fiscal year 2024 and 2023. Expenses relating to leases of low value assets were $220 (2023 - $223). There were no additions on lease obligations during fiscal year 2024 (2023 - $217)

During fiscal year 2023, the Company remeasured certain of its lease liabilities due to changes in the assessments of the renewal periods included in the lease terms. In fiscal year 2023, a lease liability was adjusted by $2,449 with an equal reduction of the carrying value of the right-of-use asset.

13. Accounts payable and accrued liabilities:

		2024		2023
Trade payables	$	4,486	$	6,937
Accrued liabilities and other payables		3,829		3,571
Salaries and benefits due to related parties		851		1,472
Employee salaries and benefits payable		9,346		8,416
Fair value of derivatives in a loss position		1,518		1,273
	$	**20,030**	**$**	**21,669**

14. Share capital and Stock option plan:

(a) Authorized share capital:

Authorized – unlimited as to number and without par value.

Common shares

The holders of common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company.

All outstanding shares issued are fully paid.

Class A preferred shares

Class A preferred shares are issuable in series, having such attributes as the Board of Directors may determine. Holders of Class A preferred shares do not carry the right to vote. No preferred shares are outstanding as at April 30, 2024 and April 30, 2023.

(b) Executive share purchase plan:

The Company has an executive share purchase plan (the "purchase plan") to provide for mandatory purchases of common shares by certain key executives of the Company (the "participants") in order to better align the participant's financial interests with those of the holders of common shares, create ownership focus and build long-term commitment to the Company.

Each participant is required to make annual purchases of common shares through the facilities of the TSX secondary market ("annual purchases") having an aggregate purchase price equal to 10% of his or her annual base salary during the immediately preceding fiscal year (the "base salary"). Annual purchases must be made within 90 days of May 1 of every fiscal year.

Each participant has the obligation to make annual purchases until he or she owns common shares having an aggregate market value equal to at least 50% of his or her base salary (the "threshold"). If a participant reached his or her threshold and ceased making annual purchases but on any determination date for any subsequent fiscal year of the Company, (i) the market value of the common shares owned by a participant falls below his or her threshold, whether as a result of a disposition of common shares or a decrease in the market value of the common shares he or she owns, such participant is required to make additional purchases of common shares in accordance with the plan until his or her threshold is reached, or (ii) the market value of the common shares owned by a participant exceeds his or her threshold, whether as a result of an acquisition of common shares or an increase in the market value of the common shares he or she owns, such participant is entitled to dispose of common shares having an aggregate market value equal to the amount in excess of his or her threshold.

During each fiscal year, a participant is required to make an annual purchase, each participant has the right to borrow from the Company, and the Company has the obligation to loan to each participant, an amount not to exceed the annual purchase for such fiscal year for such participant (a "loan"). The loans bear no interest and are disbursed in one lump sum. If the employment of a participant with the Company terminates for any reason whatsoever, all amounts due under any outstanding loan become immediately due and payable.

If a participant fails to make his or her annual purchase in full in any fiscal year, the Company may withhold half of any bonus or other incentive payment earned by the participant in that fiscal year until the participant completes the required annual purchase.

The Board of Directors may at any time amend, suspend or terminate the purchase plan upon notice to the participants.

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

14. Share capital and Stock option plan (continued):

(c) Dividend policy:

The Company maintains a quarterly dividend policy. The declaration and payment of dividends is at the discretion of the Board of Directors, which will consider earnings, capital requirements, financial conditions and other such factors as the Board of Directors, in its sole discretion, deems relevant.

During fiscal 2024, the Company declared quarterly dividends of $0.075 for the first two quarters and $0.08 for each of the following quarters for an aggregate of $4,560. During fiscal 2023, the Company declared quarterly dividends of $0.07 for the first two quarters and $0.075 for each of the following quarters for an aggregate of $4,225.

(d) Earnings per share:

The calculation of basic earnings per share is based on the profit attributable to common shareholders and the weighted average number of common shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to common shareholders and the weighted average number of common shares outstanding after adjustment for the effects of all dilutive common shares.

Basic and diluted earnings per share are calculated as follows:

		2024		2023
Net profit, attributable to common shareholders	$	1,849	$	2,089
Weighted average number of common shares outstanding		14,706,251		14,567,839
Dilutive impact of stock options		19,905		239,154
Weighted average number of common shares outstanding		14,726,156		14,806,993
Basic earnings per common share	$	0.13	$	0.14
Diluted earnings per common share	$	0.13	$	0.14

As at April 30, 2024, 567,743 options were excluded from the calculation of weighted average number of diluted common shares as their effect would have been anti-dilutive (381,293 options as at April 30, 2023).

(e) Stock option plan:

The Company has a stock option plan under which stock options may be granted to certain employees and directors. Under the terms of the plan, the Company may grant options up to 10% of its issued and outstanding shares. The stock option plan is administered by the Board of Directors who may determine, in accordance with the terms of the plan, the terms relating to each option, including the extent to which each option is exercisable during the term of the options.

The exercise price is generally determined based on the weighted average trading price of the Company's common shares for the 5 days prior to the date the Board of Directors grants the option.

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

14. Share capital and Stock option plan (continued):

(e) Stock option plan (continued):

The movement in outstanding stock options for fiscal year 2024 and 2023 is as follows:

	Number of options		Weighted average exercise price
Outstanding at April 30, 2023	991,966	$	25.32
Granted	283,874		25.65
Exercised	(461,813)		15.08
Forfeited	(46,540)		34.85
Outstanding at April 30, 2024	767,487	$	31.02

	Number of options		Weighted average exercise price
Outstanding at April 30, 2022	806,666	$	22.64
Granted	217,846		34.70
Exercised	(19,942)		14.88
Forfeited	(12,604)		32.56
Outstanding at April 30, 2023	991,966	$	25.32

The following table outlines the outstanding stock options of the Company as at April 30, 2024:

		Fair value per option	Remaining contractual life in years	Number of options currently exercisable		Exercise price	Outstanding options
Granted on February 28, 2020	$	4.78	0.83	7,500	$	18.95	7,500
Granted on July 8, 2020		6.95	1.19	133,243		26.75	142,125
Granted on December 2, 2020		10.74	1.59	2,646		36.77	3,257
Granted on February 24, 2021		18.79	1.82	1,500		60.62	2,000
Granted on June 29, 2021		12.66	2.16	100,833		40.34	146,664
Granted on June 29, 2022		12.90	3.16	80,990		34.91	185,122
Granted on September 26, 2022		10.80	3.41	1,313		28.55	3,500
Granted on March 1, 2023		10.42	3.83	750		26.88	3,000
Granted on June 29, 2023		9.98	4.16	50,339		25.48	268,471
Granted on November 30, 2023		13.68	4.58	366		33.52	5,848

The issued options vest on quarterly straight-line basis (6.25% per quarter) over the vesting period of 4 years and must be exercised within 5 years from the date of grant.

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

14. Share capital and Stock option plan (continued):

(e) Stock option plan (continued):

The fair value of options granted on June 29, 2023 and November 30, 2023 were determined using the Black-Scholes option pricing model with the following assumptions:

	Fiscal 2024		Fiscal 2023		
	June 29, 2023	**November 30, 2023**	**June 29, 2022**	**September 26, 2022**	**March 1, 2023**
Exercise share price	$ 25.48	$ 33.52	$ 34.91	$ 28.55	$ 26.88
Expected option life (years)	5	5	5	5	5
Weighted average expected stock price volatility	43.56%	44.76%	39.67%	41.53%	42.98%
Weighted average dividend yield	1.14%	0.90%	0.77%	0.96%	1.06%
Weighted average risk-free interest rate	3.72%	3.70%	3.26%	3.39%	3.54%

For the fiscal year ended April 30, 2024, the Company recognized stock-based compensation expense of $2,301 ($2,177 for the fiscal year ended April 30, 2023). The contributed surplus accounts are used to record the accumulated compensation expense related to equity-settled share-based compensation transactions. Upon exercise of stock options, the corresponding amounts previously credited to contributed surplus are transferred to share capital.

(f) Share capital:

On September 12, 2023, the Company announced its Notice of Intention to make a normal course issuer bid ("NCIB") with the Toronto Stock Exchange ("TSX"). Pursuant to the NCIB, during the twelve-month period commencing September 14, 2023 and ending September 13, 2024, the Company intends to purchase up to 500,000 common shares, which represents 3.40% of its 14,694,143 issued and outstanding common shares as of September 1, 2023. Under the NCIB, other than purchases made under block purchase exemptions, the Company may purchase up to 3,572 common shares during any trading day, which represents 25% of 14,288, being the average daily trading volume for the six months ended August 31, 2023. These purchases will be made at the prevailing market price at the time of acquisition, plus brokerage fees, through the facilities of the TSX and/or alternative Canadian trading systems, in accordance with the TSX's applicable policies. All common shares purchased under the NCIB will be cancelled.

During the fiscal year ended April 30, 2024 the Company purchased 204,500 (same period in Fiscal 2023 – nil) of its outstanding common shares for cancellation at an average price of $34.67 per share. The total cost related to purchasing these shares, including other related costs, was $7,215. The excess of the purchase price over the net book value of these shares of $6,531 has been charged to contributed surplus.

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

15. Remaining performance obligation:

The Company enters into SaaS subscription agreements and has historically entered into hosting agreements (classified under Maintenance and Support) that are typically multi-year performance obligations with original contract terms of three to five years. The Company enters into maintenance and support contracts other than hosting agreements that typically have an original term of one year and are subject to annual renewal. These contracts with an original term of one year (or less) are excluded from the table below.

The following table presents revenue expected to be recognized in the future related to SaaS and maintenance and support performance obligations that are part of a contract with an original duration of greater than one year and that are unsatisfied (or partially satisfied) at April 30, 2024:

				2024	2023
	Fiscal 2025	Fiscal 2026	Fiscal 2027 and thereafter	Total	Total
SaaS	$ 57,864	$ 51,903	$ 87,173	$ 196,940	$ 137,699
Maintenance and support	1,078	109	-	1,187	1,657
	$ 58,942	**$ 52,012**	**$ 87,173**	**$ 198,127**	**$ 139,356**

16. Cost of revenue:

	For the year ended	
	April 30, 2024	April 30, 2023
SaaS, maintenance, support, and professional services:		
Gross expenses	$ 72,685	$ 67,451
Amortization of intangible assets	812	802
Reimbursable expenses	1,551	1,916
E-business tax credits	(2,585)	(3,038)
	$ 72,463	$ 67,131
License and hardware	20,390	18,484
Cost of revenue	**$ 92,853**	**$ 85,615**

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

17. Income Taxes:

(a) Income taxes comprise the following components:

		2024		2023
Current income taxes:				
Current year	$	1,144	$	1,940
Adjustments of previous year's tax expense		840		(676)
Current income taxes expense	$	1,984	$	1,264
Deferred income taxes:				
Origination and reversal of temporary differences		386		(172)
Net change in unrecognized deductible temporary difference		(518)		144
Recognition and/or utilization of previously unrecognized temporary difference		(355)		(332)
Adjustments of previous year's tax expense		(856)		720
Deferred income tax (benefit) expense		(1,343)		360
Income tax expense	**$**	**641**	**$**	**1,624**

(b) The provision for income taxes varies from the expected provision at the statutory rate for the following reasons:

		2024		2023
Combined basic federal and provincial statutory income tax rate		26.50%		26.50%
Profit before Income taxes	$	2,490	$	3,713
Expected combined income tax expense		660		984
Increase (reduction) in income taxes resulting from:				
Effect of differences in tax rates and additional income taxes in other jurisdictions		124		-
Utilization of unrecognized benefits		(355)		(332)
Net changes in unrecognized benefits		(518)		144
Utilization of previously unrecognized temporary difference		(16)		-
Permanent differences and other		746		828
Income tax expense	**$**	**641**	**$**	**1,624**

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

17. Income taxes (continued):

(c) Recognized deferred tax assets and liabilities:

Changes in deferred tax assets and liabilities for the years ended April 30, 2024 and April 30, 2023 are as follows:

	Balance as at April 30, 2023	Recognized in statement of profit	Foreign exchange	Balance as at April 30, 2024
Research and development expenses	$ 4,920	$ 1,627	$ -	$ 6,547
Net operating losses	3,414	(753)	-	2,661
Property and equipment	4,077	270	-	4,347
Non-deductible reserves and accruals	198	34	-	232
Right-of-use-assets and lease liability	318	(88)	-	230
Charitable donations	143	(25)	-	118
Share issue costs	90	(90)	-	-
Other	(12)	17	-	5
Contract acquisition costs	(1,535)	1	-	(1,534)
E-business tax credits	(540)	(16)	-	(556)
Federal tax credits	(1,543)	151	-	(1,392)
Deferred development costs	(597)	(114)	-	(711)
Intangibles	(2,051)	309	42	(1,700)
Net deferred tax recognized	$ 6,882	$ 1,323	$ 42	$ 8,247

	Balance as at April 30, 2022	Recognized in statement of profit	Foreign Exchange	Balance as at April 30, 2023
Research and development expenses	$ 5,345	$ (425)	$ -	$ 4,920
Net operating losses	3,418	(4)	-	3,414
Property and equipment	3,717	360	-	4,077
Non-deductible reserves and accruals	189	9	-	198
Right-of-use-assets and lease liability	342	(24)	-	318
Charitable donations	145	(2)	-	143
Share issue costs	181	(91)	-	90
Other	-	(12)	-	(12)
Contract acquisition costs	(1,237)	(298)	-	(1,535)
E-business tax credits	(416)	(124)	-	(540)
Federal tax credits	(1,581)	38	-	(1,543)
Deferred development costs	(495)	(102)	-	(597)
Intangibles	(2,258)	315	(108)	(2,051)
Net deferred tax recognized	$ 7,350	$ (360)	$ (108)	$ 6,882

As at April 30, 2024 the Company has net deferred tax assets of $9,073 (April 30, 2023 – $8,137) and net deferred tax liabilities of $826 (April 30, 2023 – $1,255) presented on the Consolidated Statements of Financial Position.

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

17. Income taxes (continued):

(c) Recognized deferred tax assets and liabilities (continued):

The Company had Canadian Federal non-refundable SRED tax credits totaling approximately $5,179 (note 5) (April 30, 2023 – $5,090) which may be used only to reduce future current federal income taxes otherwise payable. For the year ended April 30, 2024, the Company intends to claim available Federal non-refundable tax credits to reduce Canadian Federal income taxes otherwise payable of $74.

The Company had provincial non-refundable tax credits of $1,773 (note 5) (April 30, 2023 - $1,296) which may be used only to reduce future current provincial income taxes otherwise payable. For the year ended April 30, 2024, the Company intends to claim available provincial non-refundable tax credits to reduce provincial income taxes otherwise payable of $493.

(d) Unrecognized net deferred tax assets

As at April 30, 2024 and 2023, unrecognized net deferred tax assets consist of the following:

		2024		2023
Research and development expenses	$	-	$	300
Net operating losses of Canadian subsidiaries		1,576		2,137
Net operating losses of UK subsidiary		62		74
Capital losses		854		854
Other		(27)		(27)
Unrecognized net deferred tax assets	**$**	**2,465**	**$**	**3,338**

Canadian subsidiaries have unrecognized accumulated research and development expenses of $nil (April 30, 2023 – $1,435) for Federal income tax purposes, $nil (April 30, 2023 – $726) for Québec provincial income tax purposes, and $nil (April 30, 2023 – $778) for Ontario income tax purposes which may be carried forward indefinitely and used to reduce taxable income in future years. In addition, Canadian subsidiaries have net operating losses carried forward of $nil (April 30, 2023 - $11,656) for Federal income tax purposes, $16,857 (April 30, 2023 - $3,170) for Québec provincial income tax purposes and $nil (April 30, 2023 - $1,485) for Ontario provincial tax purposes which may be applied to reduce taxable income in future years.

The Company's U.K. subsidiary has unrecognized net operating losses carried forward for income tax purposes of approximately $328 (£196) (April 30, 2023 – $391 (£ 233)) which may be applied to reduce taxable income in future years.

The Company and its subsidiaries have unrecognized accumulated capital losses of approximately $6,384 (April 30, 2023 – $6,384) which may be applied to reduce future taxable capital gains.

These deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

Unrecognized deferred tax liabilities:

As at April 30, 2024, no deferred tax liabilities were recognized for temporary differences arising from investments in subsidiaries because the Company controls the decisions affecting the realization of such liabilities and it is probable that the temporary differences will not reverse in the foreseeable future.

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

18. Personnel expenses:

	For the year ended			
		April 30, 2024		April 30, 2023
Salaries, including bonus and commissions	$	101,195	$	92,451
Benefits		14,152		11,926
	$	**115,347**	**$**	**104,377**

19. Other income (costs):

	For the year ended			
		April 30, 2024		April 30, 2023
Interest expense on bank loans and other	$	(42)	$	(201)
Interest accretion expense – lease obligations		(121)		(205)
Foreign exchange loss		(295)		(135)
Interest income on short-term investments		918		596
Interest income - other		97		90
	$	**557**	**$**	**145**

20. Other commitments:

As at April 30, 2024, with the exception of the leases recognized under IFRS 16 as lease liabilities, the Company had other commitments which includes operating leases with terms of less than 12 months and commitments under service contracts including public cloud infrastructure costs. The minimum payments are as follows:

	Payments due by period									
		Total		Less than 1 year		1-3 years		3-5 years		After 5 years
Other contractual obligations	$	20,946	$	11,704	$	9,242	$	-	$	-

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

21. Related party transactions:

Key management includes Board of Directors (executive and non-executive) and members of the Executive Committee that report directly to the President and Chief Executive Officer of the Company.
As at April 30, 2024, key management and their spouses control 17.7% (April 30, 2023 – 18.9%) of the issued common shares of the Company. The compensation paid or payable to key management for employee services is as follows:

	For the year ended	
	April 30, 2024	April 30, 2023
Salaries, including bonus and commissions	$ 4,285	$ 5,109
Other short-term benefits	273	249
Payments to defined contribution plans	147	141
	$ 4,705	**$ 5,499**

Under the provisions of the share purchase plan for key management and other management employees, the Company provided interest-free loans to key management and other management employees of $424 (2023 - $416) to facilitate their purchase of the Company's common shares during fiscal 2024. As of April 30, 2024, loans outstanding amounted to $62 (2023 -$142) and are included in other receivables in the Consolidated Statements of Financial Position.

22. Financial instruments and risk management:

Classification of financial instruments

The table below summarizes the Company's financial instruments and their classifications.

	2024			2023
	Fair value	Amortized cost	Total	
Financial assets				
Cash and cash equivalents	$ -	$ 18,856	$ 18,856	$ 21,235
Short-term investments	-	16,713	16,713	15,835
Accounts receivable	-	22,090	22,090	22,900
Foreign exchange derivatives included in other receivables	-	-	-	285
Foreign exchange derivatives included in other long-term receivables	72	-	72	117
Other receivables and other long-term receivables	-	213	213	484
	$ 72	**$ 57,872**	**$ 57,944**	**$ 60,856**
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ 18,512	$ 18,512	$ 20,396
Foreign exchange derivatives included in accounts payable and accrued liabilities	1,518	-	1,518	1,273
Foreign exchange derivatives included in other long-term accrued liabilities	496	-	496	253
	$ 2,014	**$ 18,512**	**$ 20,526**	**$ 21,922**

22. Financial instruments and risk management (continued):

(a) Fair value disclosures

The Company has determined that the carrying values of its short-term financial assets and liabilities, including cash and cash equivalents, accounts receivable, other receivables, short-term investments and accounts payable and accrued liabilities approximate their fair value because of the relatively short period to maturity of the instruments.

The fair value of derivatives consisting of foreign exchange forward contracts is measured using a generally accepted valuation technique which is the discounted value of the difference between the contract's value at maturity based on the rate set out in the contract and the contract's value at maturity based on the rate that the counterparty would use if it were to renegotiate the same contract at the measurement date under the same conditions. The fair value of derivative financial instruments is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument.

The fair value of financial assets, financial liabilities and derivative financial instruments were measured using the Level 2 inputs in the fair value hierarchy as at April 30, 2024 and 2023.

The forward foreign exchange contracts in a hedging relationship designated as cash flow hedges qualified for hedge accounting. The forward foreign exchange contracts outstanding as at April 30, 2024 and April 30, 2023 consisted primarily of contracts to reduce the exposure to fluctuations in the U.S. dollar. For fiscal 2024 and 2023, the derivatives designated as cash flow hedges were considered to be fully effective and no ineffectiveness has been recognized in net finance costs.

(b) Risk management

The Company is exposed to the following risks as a result of holding financial instruments: currency risk, credit risk, liquidity risk, interest rate risk and market price risk.

Currency risk

The Company is exposed to currency risk as a certain portion of the Company's revenues and expenses are incurred in U.S. dollars resulting in U.S. dollar-denominated accounts receivable and accounts payable and accrued liabilities. In addition, certain of the Company's cash and cash equivalents are denominated in U.S. dollars. These balances are therefore subject to gains or losses due to fluctuations in that currency. The Company may enter into foreign exchange contracts in order to (a) offset the impact of the fluctuation of the U.S. dollar on its U.S. net monetary assets and (b) hedge highly probable future revenue denominated in U.S. dollars. The Company uses derivative financial instruments only for risk management purposes, not for generating trading profits. As such, any change in cash flows associated with derivative instruments is expected to be offset by changes in cash flows related to the net monetary position in the foreign currency and the recognition of highly probable future U.S. denominated revenue and related accounts receivable.

22. Financial instruments and risk management (continued):

(b) Risk management (continued):

Currency risk (continued):

Non-hedge designated derivative instruments

On April 30, 2024, the Company held five outstanding foreign exchange contracts with various maturities to September 27, 2024 to sell US$4,500 into Canadian dollars at rates averaging CA$1.3477 to yield CA$6,065. On April 30, 2024, the Company recorded an unrealized exchange loss of $136 included in accounts payable and accrued liabilities representing the change in fair value of these outstanding contracts since inception and their initial measurement.

On April 30, 2023, the Company held three outstanding foreign exchange contracts with various maturities to July 31, 2023 to sell US$2,650 into Canadian dollars at rates averaging CA$1.3352 to yield CA$3,538. On April 30, 2023, the Company recorded an unrealized exchange loss of $51 included in accounts payable and accrued liabilities representing the change in fair value of these outstanding contracts since inception and their initial measurement.

Revenue hedge designated derivative instruments

On April 30, 2024, the Company held seventy outstanding foreign exchange contracts with various maturities to July 29, 2026 to sell US$111,500 at rates averaging CA$1.3496 to yield CA$150,479. Of the outstanding US$111,500 hedge designated foreign exchange contracts, US$97,500 pertain to highly probable future revenue denominated in U.S. dollars expected over the twenty-four-month period through April 2026 while US$14,000 is related to realized U.S. dollar denominated revenue. Of the US$97,500 outstanding hedge designated foreign exchange contracts pertaining to highly probable future revenue denominated in U.S. dollars, US$49,500 relates to highly probable future revenue in the twelve-month period through April 2025 and US$48,000 relates to highly probable future revenue in the twelve-month period through April 2026. On April 30, 2024, the Company had recorded an unrealized gain of $72 included in other long-term receivables and an unrealized loss of $1,878 included in accounts payable and accrued liabilities (of which $496 is included in non-current liabilities) representing the change in fair value of these outstanding contracts since inception and their initial measurement.

On April 30, 2023, the Company held sixty-four outstanding foreign exchange contracts with various maturities to July 2025 to sell US$105,500 at rates averaging CA$1.3376 to yield CA$141,115. Of the outstanding US$105,500 hedge designated foreign exchange contracts, US$93,500 pertain to highly probable future revenue denominated in U.S. dollars expected over the twenty-four-month period through April 2025 while US$12,000 is related to realized U.S. dollar denominated revenue. Of the US$93,500 outstanding hedge designated foreign exchange contracts pertaining to highly probable future revenue denominated in U.S. dollars, US$50,000 relates to highly probable future revenue in the twelve-month period through April 2024 and US$43,500 relates to highly probable future revenue in the twelve-month period through April 2025. On April 30, 2023, the Company had recorded an unrealized gain of $402 included in other receivables and an unrealized loss of $1,475 included in accounts payable and accrued liabilities representing the change in fair value of these outstanding contracts since inception and their initial measurement.

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

22. Financial instruments and risk management (continued):

(b) Risk management (continued):

Currency risk (continued)

Revenue hedge designated derivative instruments (continued)

	Carrying amount of the hedging instruments							
		Notional amount of the hedging instrument		Assets presented in other receivables		Liabilities presented in accounts payable and accrued liabilities		Changes in fair value used for calculating hedge ineffectiveness
Cash flow hedges:								
April 30, 2024 Foreign exchange risk:	US$	111,500	CA$	72	CA$	1,878	CA$	(1,806)
April 30, 2023 Foreign exchange risk:	US$	105,500	CA$	402	CA$	1,475	CA$	(1,073)

Hedging components of accumulated other comprehensive income (loss)

The following table represents the movement in accumulated other comprehensive income (loss) since the designation of hedging derivative instruments:

		2024		**2023**
Accumulated other comprehensive (loss) income on cash flow hedges as at the beginning of period	$	(207)	$	(201)
Changes in fair value on derivatives designated as cash flow hedges		(1,681)		(3,145)
Amounts reclassified from accumulated other comprehensive income to net earnings, and included in:				
Revenue		375		2,657
Other costs		220		482
Accumulated other comprehensive loss from cash flow hedges	$	(1,293)	$	(207)
Accumulated other comprehensive (loss) income - translation adjustment from foreign operations at the end of period		(132)		190
Total accumulated other comprehensive loss as at the end of period	**$**	**(1,425)**	**$**	**(17)**

As at April 30, 2024 $1,293 (2023 - $207) of the net loss presented in accumulated other comprehensive loss is expected to be classified to net profit within the next twenty-four months.

22. Financial instruments and risk management (continued):

(b) Risk management (continued):

Currency risk (continued)

Foreign currency exposure

The following table (in thousands of local currency) provides an indication of the Company's significant foreign exchange currency exposures excluding designated hedge derivatives related to highly probable future revenue as at April 30, 2024 and 2023.

	2024					2023				
	DKK	**US$**	**£**	**€**	**AU$**	**DKK**	**US$**	**£**	**€**	**AU$**
Cash and cash equivalents	4,643	6,329	9	279	-	1,334	3,998	42	301	-
Accounts receivable	5,744	16,043	32	751	1	6,991	16,805	22	1,056	106
Other receivables	409	-	-	-	-	396	78	-	-	-
Accounts payable and accrued liabilities	(3,326)	(4,288)	(113)	(598)	-	(2,685)	(5,306)	(102)	(301)	-
Derivative financial instruments – notional amount	-	(18,500)	-	-	-	-	(14,650)	-	-	-
	7,470	(416)	(72)	432	1	6,036	925	(38)	1,056	106

The following exchange rates were applied during the years ended April 30, 2024 and 2023:

	2024		2023	
	Average rate	Reporting date rate	Average rate	Reporting date rate
CA$ per US$	1.3503	1.3780	1.3303	1.3546
CA$ per £	1.6976	1.7213	1.5979	1.7023
CA$ per €	1.4617	1.4698	1.3870	1.4925
CA$ per DKK	0.1961	0.1971	0.1864	0.2002
CA$ per AU$	0.8860	0.8919	0.9028	0.8962

Based on the Company's foreign currency exposures noted above, varying the above foreign currency reporting date exchange rates to reflect a 5% appreciation would have had the following impact on profit (in thousands of Canadian dollars), assuming all other variables remained constant.

	2024				2023			
	US$	**£**	**€**	**AU$**	**US$**	**£**	**€**	**AU$**
(Decrease)/Increase in profit	(29)	(6)	32	-	63	(3)	79	5

A 5% depreciation of these currencies would have an equal but opposite effect on the profit, assuming all other variables remained constant.

All variations in CA$ per DKK have no impact on the Company's profit since all amounts denominated in DKK are from a foreign operation. Exchanges differences on translating the foreign operation have no impact on profit.

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

22. Financial instruments and risk management (continued):

(b) Risk management (continued):

Credit risk

Credit risk is the risk associated with incurring a financial loss when the other party fails to discharge an obligation.

Financial instruments which potentially subject the Company to credit risk consist principally of cash and cash equivalents, short-term investments, accounts receivable, and other accounts receivable. The Company's cash and cash equivalents are maintained at major financial institutions. The Company manages its credit risk on investments by dealing only with major Canadian banks and investing only in instruments that management believes have high credit ratings. Given these high credit ratings, the Company does not expect any counterparties to these investments to fail to meet their obligations.

As at April 30, 2024 and 2023, no customers individually accounted for greater than 10% of total trade receivables and work in progress. Generally, there is no particular concentration of credit risk related to the accounts receivable due to the distribution of customers and procedures for the management of commercial risks. The Company performs ongoing credit reviews of its customers and establishes an allowance for expected credit losses when accounts are determined to be uncollectible. Customers do not provide collateral in exchange for credit.

The Company has an arrangement, which automatically renewed in fiscal 2024, with a federal crown corporation and another insurer ("the insurers") wherein the insurers assume the risk of credit loss in the case of bankruptcy for up to 90% of accounts receivable for certain qualifying foreign and domestic customers. The insurance is subject to a deductible and maximum of US$2,000 (April 30, 2023 - US$2,000) for export losses and US$570 (April 30, 2023 - US$570) for domestic losses in any policy period. The insurance policy period runs from February 1 to January 31 of each year.

The Company maintains an allowance for expected credit losses at an amount estimated to be sufficient to provide adequate protection against losses resulting from collecting less than full payment on its receivables. Individual overdue accounts are reviewed, and allowance adjustments are recorded when determined necessary to state receivables at the realizable value. If the financial condition of customers deteriorates resulting in their diminished ability or willingness to make payment, additional provisions for doubtful accounts are recorded. The Company's maximum credit risk exposure corresponds to the carrying amounts of the trade accounts receivable.

	2024	2023
Not past due	$ 14,078	$ 15,797
Past due 1-180 days	8,660	7,865
Past due over 180 days	311	13
Allowance for expected credit losses	(959)	(775)
	$ 22,090	**$ 22,900**

Allowance for expected credit losses:	2024	2023
Balance at beginning	$ 775	$ 926
Impairment losses recognized – write off	(21)	(425)
Additional provisions	205	274
Balance	**$ 959**	**$ 775**

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

22. Financial instruments and risk management (continued):

(b) Risk management (continued)

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 manages liquidity risk through the management of its capital structure and financial leverage, as outlined in the capital disclosure discussion in note 23 below. It also manages liquidity risk by monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business.

The following are contractual maturities of financial liabilities as of April 30, 2024 and 2023.

	April 30, 2024			
	Total	**Less than 1 year**	**1-3 years**	**Beyond**
Accounts payable and accrued liabilities	$ 20,030	$ 20,030	$ -	$ -
Other long-term accrued liabilities	496	-	496	-
	$ **20,526**	**$ 20,030**	**$ 496**	**$ -**

	April 30, 2023			
	Total	**Less than 1 year**	**1-3 years**	**Beyond**
Accounts payable and accrued liabilities	$ 21,669	$ 21,669	$ -	$ -
Other long-term accrued liabilities	253	-	253	-
	$ **21,922**	**$ 21,669**	**$ 253**	**$ -**

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to financial instruments with interest rate risk is not significant.

Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk comprises three types of risk: currency risk; interest rate risk; and other price risk. Other price risk includes fluctuations in value caused by factors specific to the financial instrument or its issuer or factors affecting all similar instruments traded in the market. The Company's exposure to financial instruments with market risk characteristics is not significant.

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

23. Capital disclosure:

The Company defines capital as equity, borrowings under credit agreements, and bank advances, net of cash and short-term investments. The Company's objectives in its management of capital is to safeguard its ability to continue funding its operations as a going concern, ensuring sufficient liquidity to finance its operations, working capital, capital expenditures, organic growth, potential future acquisitions, and to provide returns to shareholders through its dividend policy. The capital management objectives remain the same as for the previous fiscal year.

Its capital management policies may also include promoting shareholder value through the concentration of its shareholdings by means of purchasing its own shares for cancellation through normal course issuer bids when the Company considers it advisable to do so. As mentioned in Note 14, the Company has repurchased and cancelled 204,500 of its outstanding common shares in fiscal 2024.

In order to maintain or adjust its capital structure, the Company may upon approval from its Board of Directors, issue shares, repurchase shares for cancellation, adjust the amount of dividends to shareholders, pay off debt, and extend or amend its banking and credit facilities as deemed appropriate under the specific circumstances. The Credit Agreement (including Revolving Facility) expired on January 30, 2024.

The Company repaid the outstanding balance of the Term Facility on December 30, 2022. As at April 30, 2023 the Company had no outstanding balances under the Term Facility and the Revolving Facility.

24. Operating segment:

Management has organized the Company under one reportable segment: the development and marketing of enterprise-wide distribution software and related services. The Company's subsidiaries in the U.S. and the U.K. comprise sales and service operations offering implementation and maintenance services only.

Following is a summary of revenue by geographic location in which the Company's customers are located:

	For the year ended	
	April 30, 2024	**April 30, 2023**
Canada	$ 30,348	$ 27,276
United States	122,218	104,560
Europe	17,286	18,097
Other	1,390	2,491
	$ 171,242	**$ 152,424**

25. Restructuring cost:

In February 2024, the Company embarked on a strategic restructuring initiative. As part of the restructuring effort, the Company reduced its workforce by about 4% across several departments, which resulted in severance costs of $2,122. This restructuring plan was communicated to employees in February 2024.

26. Subsequent event:

On June 27, 2024, the Company's Board of Directors declared a quarterly dividend of $0.08 per share to be paid on August 2, 2024 to shareholders of record on July 12, 2024.