# Kinaxis Inc.

## Management's discussion and analysis

### for the year ended December 31, 2024

**February 26, 2025**

*Unless the context requires otherwise, all references in this management's discussion and analysis (the "MD&A") to "Kinaxis", "we", "us", "our" and the "Company" refer to Kinaxis Inc. and its subsidiaries as constituted on December 31, 2024. This MD&A has been prepared with an effective date of February 26, 2025.*

*This MD&A for the year ended December 31, 2024 should be read in conjunction with our annual audited consolidated financial statements and the related notes thereto as at and for the year ended December 31, 2024. The financial information presented in this MD&A is derived from our annual audited consolidated financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. This MD&A contains forward-looking statements that involve risks, uncertainties and assumptions, including statements regarding anticipated developments in future financial periods and our future plans and objectives. There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on such forward-looking statements. See "Forward-looking statements".*

*This MD&A includes certain trademarks, trade names and service marks which are protected under applicable intellectual property laws and are the property of Kinaxis. Solely for convenience, our trademarks, such as "Kinaxis" and "RapidResponse" and "Maestro" may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks, trade names and service marks to the fullest extent under applicable law. Trademarks used in this MD&A, other than those that belong to Kinaxis, are the property of their respective owners.*

*All references to $ or dollar amounts in this MD&A are to U.S. currency unless otherwise indicated.*

*Additional information relating to Kinaxis Inc., including the Company's Annual Information Form and other documents filed with applicable securities regulators in Canada, can be found on SEDAR+ at www.sedarplus.ca.*

## Non-IFRS measures and ratios

This MD&A makes reference to certain non-IFRS measures and ratios such as "Adjusted profit", "Adjusted EBITDA", "Adjusted EBITDA Margin" and "Adjusted diluted earnings per share". These non-IFRS measures and ratios are not recognized, defined or standardized measures under IFRS. Our definition of Adjusted profit, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted diluted earnings per share will likely differ from that used by other companies and therefore comparability may be limited.

Adjusted profit, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted diluted earnings per share should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS. These non-IFRS measures and ratios should be read in conjunction with our annual audited consolidated financial statements and the related notes thereto as at and for the year ended December 31, 2024. Readers should not place undue reliance on non-IFRS measures and ratios and should instead view them in conjunction with the most comparable IFRS financial measures. See the reconciliations of Adjusted profit, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted diluted earnings per share to the most comparable IFRS financial measure in the "Reconciliation of non-IFRS measures and ratios" section of this MD&A.

## Forward-looking statements

This MD&A contains forward-looking statements that relate to our current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "could", "expect", "anticipate", "aim", "estimate", "plan", "seek", "believe", "potential", "predict", "ongoing", "continue", "is/are likely to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements.

Forward-looking statements are intended to assist readers in understanding management's expectations as of the date of this MD&A and may not be suitable for other purposes. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- our expectations about our revenue, expenses and operations;
- our expectations about the benefits of our acquisitions;

- our anticipated cash needs;
- our ability to protect, maintain and enforce our intellectual property rights, including our ability to defend against third party claims;
- third party claims of infringement or violation of, or other conflicts with, intellectual property rights by us;
- our plans for and timing of expansion of our solutions and services;
- our future growth plans and strategy;
- the acceptance by our customers and the marketplace of new technologies and solutions;
- our ability to attract new customers and develop and maintain existing customers;
- our ability to attract and retain our people;
- our expectations with respect to the development and advancement in our technologies;
- our competitive position and our expectations regarding competition;
- regulatory developments and the regulatory environments we operate in;
- anticipated trends and challenges in our business, for our customers and the markets we operate in;
- our plans and expectations related to our partnerships;
- expectations relating to a hybrid workforce and results on the company's carbon footprint;
- anticipated trends, standards and challenges in our business and the markets we operate in;
- our expectations regarding the impact of events out of our control on the Company's future operations and performance;
- our expectations regarding artificial intelligence ("AI");
- our ability to raise capital, if needed;
- our expectations regarding the development of our sales force and marketing;
- our reliance on partners;
- our ability to develop widespread brand awareness;
- our ability to scale our operations and meet our objectives;
- our ability to assess and adapt to rapid technological developments;
- our ability to retain existing customers, add new customers and meet customer demands and contractual commitments;
- our expectations regarding our contract model, renewals and terms;
- the impacts of general market and economic conditions on our business;
- the adoption of our solutions by customers;
- our ability to detect, defend against and respond to security and privacy breaches and the impact of such incidents on our business;
- the impacts of failures, interruptions or delays on our business;
- the possibility of future legal proceedings;
- the market price of our common shares;
- our investment in research and development;
- our expectations regarding future costs and expenses;
- our expectations regarding credit ratings;
- our expectations regarding our internal controls over financing reporting; and
- our plans to repurchase and cancel shares under the Normal Course Issuer Bid ("NCIB").

Forward-looking statements are based on certain assumptions, opinions, estimates and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments and other factors we believe are appropriate. Expected future developments include growth in our target market, an increase in our subscription revenue and decrease in maintenance and support revenue based on trends in customer behavior, increasing sales and marketing expenses, research and development expenses and general and administrative expenses

based on our business plans and our continued ability to realize on the benefits of tax credits in the near term. Although we believe that the assumptions underlying the forward-looking statements are reasonable, they may prove to be incorrect.

Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, including those set forth below under the heading "Risks and Uncertainties". These risks and uncertainties could cause our actual results, performance, achievements and experience to differ materially from the future expectations expressed or implied by the forward-looking statements. In light of these risks and uncertainties, readers should not place undue reliance on forward-looking statements.

All of the forward-looking statements in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein. There is no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Kinaxis. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements.

The forward-looking statements made in this MD&A relate only to events or information as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. We do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless we are required by law to do so.

## Risks and uncertainties

We are exposed to risks and uncertainties in our business, including the risk factors set forth below which are the most material to our business. If any of the following risks or other risks occur, our business, prospects, financial condition, results of operations and cash flows could be materially adversely affected. This could cause the trading price of Kinaxis shares to decline and investors could lose all or part of their investment in our common shares.

We've organized the risks and uncertainties into five categories ("Strategic", "Financial", "Operational", "Regulatory and compliance", and "Other") for readability and prioritized them within each category:

### Strategic risks

- If we're unable to develop new products and services, sell our solutions into new markets or further penetrate our existing markets, our revenue will not grow as expected.
- If we do not adequately scale our operations to meet and sustain our growth objectives, it could affect our ability to remain competitive and adversely affect our business.
- If we're unable to assess and adapt to rapid technological developments, it could impair our ability to remain competitive.
- If we are unable to develop, market and sell our AI solutions or manage the risks and challenges related to AI, our business could be adversely affected.
- We participate in highly competitive markets, and our failure to compete successfully would make it difficult for us to add and retain customers and would reduce or impede the growth of our business.
- If we fail to protect our intellectual property and proprietary rights adequately, our business could be adversely affected.
- If a third party makes an assertion that we're infringing its intellectual property, it could subject us to costly and time-consuming litigation or expensive licenses which could harm our business.
- As we increase our emphasis on our partner ecosystem, we may encounter new risks, such as dependence on partners for a material portion of our revenue and potential channel conflict.
- If we do not maintain the compatibility of our solutions with third party applications that our customers use in their business processes, demand for our solutions could decline.
- If we're unable to retain our key employees, including members of our leadership team and employees who possess specialized knowledge and technical skills,or effectively compete for such talent, our business would be harmed and we might not be able to implement our business plan successfully.

- Our growth depends on the continued development of our direct sales force.
- Mergers or other strategic transactions involving our competitors, partners or customers could weaken our competitive position, which could harm our results of operations.
- We may not receive significant revenue as a result of our current research and development efforts.
- Our business may suffer if we do not develop widespread brand awareness cost-effectively.
- Our strategy includes pursuing acquisitions and our potential inability to successfully integrate newly-acquired companies or businesses may adversely affect our financial results.
- Efforts to reduce climate change could affect our sales and financial results.
- We may need to raise additional funds to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms.
- There is an increased expectation by various stakeholders to address social and environmental challenges, including climate change, human rights, racism and inequality, and to demonstrate exemplary governance in managing Environmental, Social and Governance risks. An inability to manage this risk can result in higher costs for capital, regulatory compliance and disclosures.

## Financial risks

- If we're unable to attract new customers or sell additional products to our existing customers, our revenue growth and profitability will be adversely affected.
- Downturns in general economic and market conditions and reductions in IT spending may reduce demand for our solutions, which could negatively affect our revenue, results of operations and cash flows.
- We derive a significant portion of our revenue from a relatively small number of customers, and our growth depends on our ability to retain existing customers and add new customers.
- We encounter long sales cycles, particularly with our larger customers, which could have an adverse effect on the amount, timing and predictability of our revenue.
- We rely significantly on recurring revenue, and if recurring revenue declines or contracts are not renewed, our future results of operations could be harmed.
- If we experience significant fluctuations in our rate of anticipated growth and do not balance our expenses with our revenue forecasts, our results could be harmed.
- Downturns or upturns in new sales will not be immediately reflected in operating results and may be difficult to discern.
- Our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts which could cause our share price to decline.
- We may incur operating losses in the future.
- We are subject to fluctuations in currency exchange rates.

## Operational risks

- Security and privacy breaches, including ransomware and cyberattacks, could delay or interrupt service to our customers, harm our reputation or subject us to significant liability and adversely affect our business and financial results. Our ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security or privacy relating to customer information.
- Our solutions are complex and customers may experience difficulty in implementing or upgrading our products successfully or otherwise achieving the benefits attributable to our products.
- We enter into service level agreements with all our customers. If we do not meet these contractual commitments, we could be obligated to provide credits or refunds for prepaid amounts related to unused subscription services or face contract terminations, which could adversely affect our revenues.
- If our productivity is impacted as a result of remote work, we may incur additional costs to address such issues and our financial condition and results may be adversely impacted.

- Events that are out of our control, such as a geopolitical crisis, widespread outbreak of an illness or other health issue, a natural disaster or terrorist attack could negatively affect various aspects of our business.
- If our productivity is impacted as a result of remote work, we may incur additional costs to address such issues and our financial condition and results may be adversely impacted.
- We may experience service failures or interruptions due to defects in the software, infrastructure, third party components or processes that comprise our existing or new solutions, any of which could adversely affect our business.
- Interruptions or delays in the services provided by third parties, including public cloud services, could impair the delivery of our solutions and our business could suffer.
- Because our long-term success depends, in part, on our ability to continue to expand the sales of our solutions to customers located outside North America, our business will be susceptible to risks associated with international operations.
- The use of open source software in our products may expose us to additional risks and harm our intellectual property.
- The outcome of any litigation, arbitration or other dispute resolution proceedings that we may engage in from time to time is inherently uncertain. We may become defendants in legal proceedings where we are unable to assess our exposure and this could result in significant liabilities in the event of an adverse judgment or decision.

## Regulatory and compliance risks

- Privacy and security concerns, including evolving laws and regulations in these areas, could adversely affect our business and operating results.
- Current and future accounting pronouncements and other financial reporting standards might negatively impact our financial results.
- The evolution of laws and regulations regarding environmental, social and governance practices and disclosures, could adversely affect our business and operating results.
- We are subject to taxation in various jurisdictions and the taxing authorities may disagree with our tax positions.

## Other risks

- The market price of our common shares may be volatile and may experience significant fluctuations in response to numerous factors, many of which are beyond our control.
- We may issue and sell additional securities to finance our operations or issue securities to directors, officers, employees and consultants of the Company in connection with security based compensation arrangements. Sales or issuances of substantial amounts of our securities, or the perception that such issuances or sales could occur, may adversely affect prevailing market prices for our securities issued and outstanding from time to time.

These risks are described in further detail in the section entitled "Risk Factors" in our 2024 filed Annual Information Form.

# Overview

Kinaxis® is a leader in modern supply chain orchestration, powering complex global supply chains and supporting the people who manage them, in service of humanity. Our powerful, AI-infused supply chain orchestration platform, Maestro™, combines proprietary technologies and techniques that provide full transparency and agility across the entire supply chain — from multi-year strategic planning to last-mile delivery.

The Maestro platform comprises three layers: a supply chain data fabric connecting internal and external data sources into a single source of truth, an always-on intelligence engine that delivers real-time insights, predictions and adaptive solutions, and a seamless user interface, enabling business leaders to make faster and more valuable decisions than ever before, from anywhere and from any device. The platform is infused with generative, predictive and agentic AI, enabling users to navigate data, predict outcomes and impacts, and automate key tasks without deep AI expertise. You can read more about our approach to AI in our 2024 Annual Information Form on our website (www.kinaxis.com).

We are trusted by renowned global brands with complex supply chain networks to provide the agility and predictability needed to navigate today's volatility and disruption. We serve the needs of Global Fortune 100, Fortune 500 and other large and mid-size companies in high-tech, life sciences, industrial (including aerospace & defense), mobility, consumer products, chemical, logistics, and oil & gas.

Our customers include many leading organizations like Merck & Co., Ford Motor Company, Proctor & Gamble, Unilever, and Schneider Electric. They choose the Maestro platform as a purpose-built solution to holistically address end-to-end supply chain orchestration, rather than using bundled solutions from enterprise resource planning ("ERP") vendors like Oracle or SAP.

We believe this market is growing because of several factors, including the increasing complexity of supply chains due to geopolitics, lockdowns, labor shortages, severe weather events, and more, combined with a diversity of data sources and systems, competitive pressures and rapid technological development have created a critical need for businesses to transform their supply chain operations.

## Recurring revenue model

We sell our product using a subscription-based model, with the product being delivered from the cloud in the vast majority of cases, from locations we manage within leased third-party data center facilities or with third-party cloud providers. Revenue from product delivered from the cloud is recorded as Software as a Service ("SaaS") revenue. Certain customers have licensed our subscription product on an on-premise basis or have retained the option to take the hosted software on-premise as a hybrid subscription. Under IFRS 15, for on-premise and hybrid customers, the deemed software component for the applicable subscription term is recognized as "subscription term license revenue" upon initiation or renewal of the subscription contract term, with the remaining maintenance and support component and hosting services for hybrid subscriptions recognized ratably over the term as "maintenance and support revenue".

Our subscription customers generally enter into three to five year agreements which are paid annually in advance. SaaS and on-premise subscription agreements are generally subject to price increases upon renewal reflecting both inflationary increases and the additional value provided by our solutions. In addition to the expected increase in SaaS and subscription term license revenue from price increases over time, existing customers may subscribe for additional applications, users or sites during the terms of their agreements. Our subscription fee generally depends on the size of our customer, the number of applications deployed, the number of users and the number of licensed manufacturing, distribution and inventory sites. The average annual contract value fluctuates from period to period depending on the number and size of new customer arrangements and the extent to which we are successful in expanding adoption of our products by existing customers. For certain contracts, a component of consideration is recognized on a unit basis in accordance with transaction volume. We also provide professional services for implementation and configuration of the product, as well as ongoing technical services and training. Professional services are typically billed on a time and material basis, with some services billed as a fixed-fee arrangement.

Our subscription model results in a high proportion of recurring revenue, which includes SaaS and maintenance and support revenue (see "Significant Factors Affecting Results of Operations – Revenue"). While the underlying contracts for on-premise subscription agreements are typically structured in the same manner as for our cloud-delivered customers,

including contracted, recurring annual payments, under IFRS 15 for on-premise customers we are required to separately report revenue as two components: the deemed software component and the maintenance and support component. The deemed software component for the entire term of these on-premise subscriptions is recognized as revenue upon contract term commencement or renewal (as a subscription term license). The amount and timing of any recurring subscription term license revenue from on-premise subscription agreements is subject to the timing and length of the renewal term of the agreement.

We believe the power of the subscription model is only fully realized when a vendor has high retention rates. High customer retention rates generate a long customer lifetime and a very high lifetime value of the customer. Our annual net revenue retention rates remain over 100%, which includes sales of additional applications, users and sites to existing customers.

The recurring nature of our revenue provides high visibility into future performance, and upfront payments result in cash flow generation in advance of revenue recognition. Typically, 80% or more of our expected annual SaaS revenue is recognized from customer contracts that are in place at the beginning of the year and this continues to be our target model going forward. However, this also means that agreements with new customers or agreements with existing customers purchasing additional applications, users or sites in a quarter may not contribute significantly to revenue in the current quarter. For example, a new customer who enters into an agreement late in a quarter will typically have limited contribution to the revenue recognized in that quarter.

## Strong financial track record

We have established a consistent financial track record of strong revenue growth, solid earnings performance and cash generation. Our SaaS revenue growth is driven both by contracts with new customers and expansion of our solution within our existing customer base. Subscription term license revenue is generally driven by the timing of renewals of the underlying on-premise customer contracts. Our combined net revenue retention from both SaaS and on-premise subscriptions is greater than 100%, reflecting our longer term contract structure and strong renewal history.

For the three months and year ended December 31, 2024, our SaaS revenue was $81.9 million and $309.2 million (three months and year ended December 31, 2023 – $69.9 million and $265.1 million), subscription term license revenue was $1.6 million and $12.0 million (three months and year ended December 31, 2023 – $2.9 million and $19.5 million) and total revenue was $123.9 million and $483.1 million (three months and year ended December 31, 2023 – $112.0 million and $427.0 million). For the three months and year ended December 31, 2024 our Adjusted EBITDA was 25% and 22% of revenue (three months and year ended December 31, 2023 – 18% and 18%). Our ending cash, cash equivalents and short-term investment balance was $298.5 million (December 31, 2023 – $293.0 million).

For the three months and year ended December 31, 2024 our ten largest customers accounted for 18% and 19% of our total revenues (three months and year ended December 31, 2023 – 22% and 20%) with no customer accounting for greater than 10% of total revenues (three months and year ended December 31, 2023 – no customer).

## Growth strategy

Increasing revenues through new customer wins is one of our highest organizational priorities. Our sales cycle can be lengthy, up to approximately 12 months. We generally target very large organizations with significant internal processes for adoption of new systems. We currently pursue a revenue growth model that includes both direct sales through our internal sales force, as well as indirect sales supported by our system integrators, value added resellers and other service partners.

We continue to invest in our partnerships both from a sales and product implementation perspective. We work with global and regional system integrators, which are able to positively influence the decision-making process at major target customers and help customers realize end-to-end supply chain optimization by implementing our industry-leading concurrent planning solution. Such partners include Accenture, Deloitte, EY, Genpact, mSE Solutions, and Cognizant. Our referral partners direct new opportunities to us under a business arrangement. We regard Value Added Resellers as an extension of our sales force that resells and supports Maestro in select markets, with a focus on mid-market companies. Finally, we work with solution extension partners, such as 4flow, OCYO Consulting, Wahupa and PlanetTogether to provide additional applications on our platform, and project44, LevaData and Exiger to provide additional data streams

and signaling to increase the value that customers gain from Maestro. These partners, which we work with under revenue sharing agreements, deliver digital inputs or domain-specific applications that leverage the power of concurrent planning and extend the capabilities of the platform.

Due to the growth in the market and the increasing need for solutions, we expect competition in the industry from new entrants and larger incumbent vendors to increase. In addition to this increased competitive pressure, changes in the global economy, may have an impact on the timing and ability of these enterprises to make buying decisions, which may have an impact on our performance.

We are headquartered in Ottawa, Ontario, and have offices located in Tokyo, Japan, Rotterdam, the Netherlands, Chennai, India and Dallas, Texas. We have subsidiaries located in the United States, Japan, the Netherlands, India, Hong Kong, South Korea, United Kingdom, Romania, Mexico, Taiwan, Singapore, France, Ireland, and Germany. We continue to expand our operations internationally. For the three months and year ended December 31, 2024, 59% and 60% of our revenues were derived from North American customers (three months and year ended December 31, 2023 – 59% and 60%) and our remaining revenues were derived from European and Asian customers.

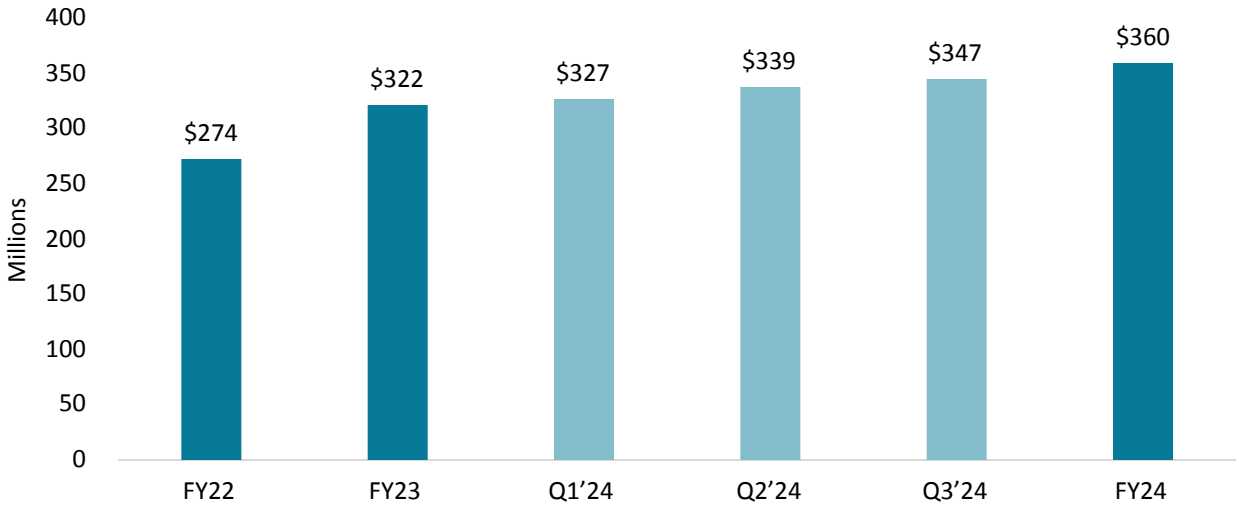
## Key performance indicators

We use a number of key performance indicators to assess the performance of our business including Annual Recurring Revenue ("ARR") and Remaining Performance Obligation ("RPO"). These financial measures may not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers and are not always reconcilable to a comparable IFRS measure. We evaluate our performance by comparing our actual results to budgets, forecasts and prior period results. We evaluate our performance by comparing our actual results to budgets, forecasts and prior period results. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

### Annual Recurring Revenue

ARR is the total annualized value of recurring subscription amounts (ultimately recognized as SaaS, subscription term licenses and maintenance & support revenue) of all subscription contracts at a point in time. Annualized subscription amounts are determined solely by reference to the underlying contracts, normalizing for the varying revenue recognition treatments under IFRS for cloud-based versus on-premise subscription amounts. It excludes one-time fees, such as for non-recurring professional services, and assumes that customers will renew the contractual commitments on a periodic basis as those commitments come up for renewal, unless such renewal is known to be unlikely at period end. We believe that this measure provides a more current indication of our performance in the growth of our subscription business than other metrics.

The Company's ARR at December 31, 2024 is $360 million, an increase of 12% year-over-year or 14% on a constant currency basis. We calculate constant currency growth rates by applying the applicable prior period exchange rates to current period results.

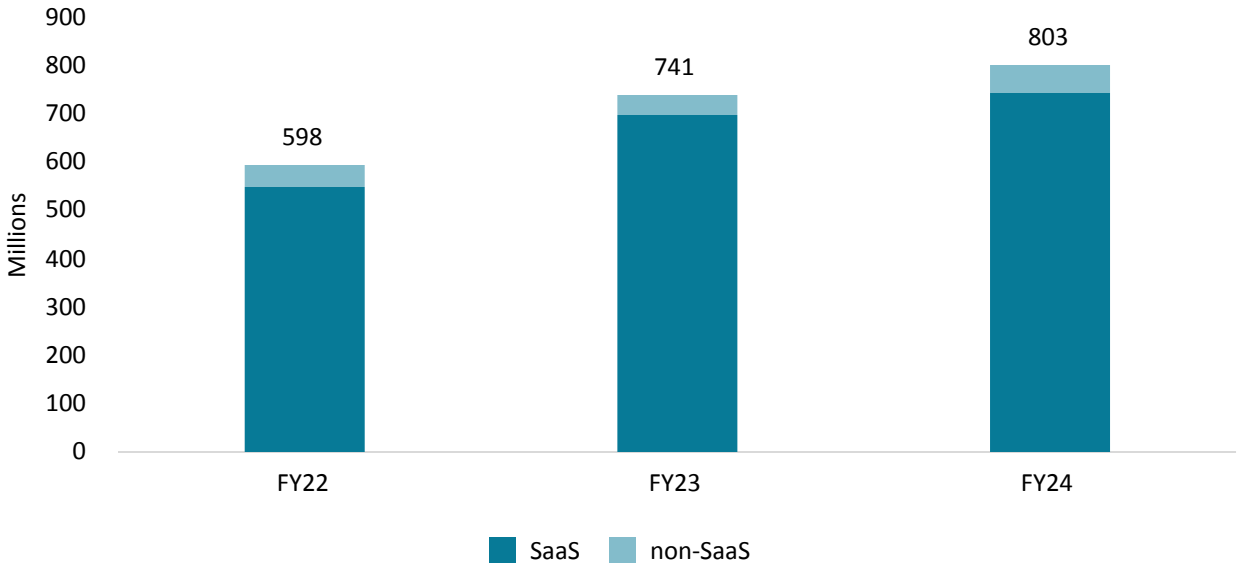



| | | | | | | |
|---|---|---|---|---|---|---|
| Year-over-year growth | 24% | 18% | 15% | 15% | 14% | 12% |
| Year-over-year growth in constant currency | 26% | 18% | 16% | 16% | 12% | 14% |

## Remaining Performance Obligation

RPO represents the minimum contracted revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at period end. Our business model continues to focus on delivering long-term value to our customers. As a result, we typically enter into three to five-year agreements with our customers. RPO is not necessarily indicative of future revenue growth and is influenced by several factors, including the timing of renewals, average contract terms, foreign currency exchange rates and fluctuations in new business growth. RPO is also impacted by acquisitions.

At December 31, 2024, RPO amounts to $803 million, including $747 million in SaaS revenue (December 31, 2023 – $741 million and $701 million). Year-over-year RPO growth for the year ended December 31, 2024, was 8% (year ended December 31, 2023 – 24%). We focus on the longer term growth of this metric by disclosing a three-year cumulative annual growth rate because of potential fluctuations over the shorter term. At December 31, 2024, the three-year cumulative annual growth rate is 18%.




## Significant factors affecting results of operations

Our results of operations are influenced by a variety of factors, including:

### Revenue

Our revenue consists of SaaS revenue, subscription term license revenue, professional services revenue and maintenance and support revenue.

**SaaS revenue** is comprised of subscription fees for provision of our products as software as a service in our hosted, cloud environment. This includes hosting services and maintenance and support for the solution over the term of the contract when the product is provided from the cloud under a SaaS arrangement.

**Professional services revenue** is comprised of fees charged to assist organizations to implement and integrate our solution and train their staff to use and deploy our solution. Professional service engagements are contracted on a time and materials basis including billable travel expenses and are billed and recognized as revenue as the service is delivered. In certain circumstances, we enter into arrangements for professional services on a fixed price basis; in these cases, revenue is recognized by reference to the stage of completion of the contract.

**Subscription term license revenue** is comprised of fees for the implied software component for on-premise and hybrid subscriptions, which is recognized as revenue upon term commencement. Hybrid subscription refers to the option of certain customers to take the hosted software on-premise.

**Maintenance and support revenue** is comprised of fees for the implied maintenance and support component for on-premise and hybrid subscriptions.

### Cost of revenue

Cost of revenue consists of personnel, travel and other overhead costs related to implementation teams supporting initial deployments, training services and subsequent stand-alone engagements for additional services. Cost of revenue also includes personnel and overhead costs associated with our customer support team, amortization related to acquired technology and internally developed software, depreciation related to our computer hardware and leased data center facilities where we physically host our SaaS solution, network connectivity costs for the provisioning of hosting services under SaaS arrangements and public cloud hosting costs.

## Selling and marketing expenses

Selling and marketing expenses consist primarily of personnel and related costs for our sales and marketing teams, including salaries and benefits, contract acquisition costs including commissions earned by sales personnel and partner referral fees, partner programs support and training, and trade show and promotional marketing costs.

We plan to continue to invest in sales and marketing by expanding our domestic and international selling and marketing activities, building brand awareness, developing partners, and sponsoring additional marketing events. We expect that in the future, selling and marketing expenses, in absolute dollars, will continue to increase.

## Research and development expenses

Research and development expenses consist primarily of personnel and related costs for the teams responsible for the ongoing research, development and product management of our supply chain management solutions. These expenses are recorded net of any applicable scientific research and experimental development investment tax credits ("investment tax credits") earned for expenses incurred in Canada against eligible projects. We only record non-refundable tax credits to the extent there is reasonable assurance we will be able to use the investment tax credits to reduce current or future tax liabilities. As the Company has an established history of profits, we do expect to realize the benefit of these tax credits in the near term. Further, we anticipate that spending on research and development will also be higher in absolute dollars as we expand our research and development and product management teams.

## General and administrative expenses

General and administrative expenses consist primarily of personnel and related costs associated with administrative functions of the business including finance, human resources and internal information system support, as well as legal, accounting and other professional fees and amortization related to customer relationships. We expect that, in the future, general and administrative expenses will continue to increase in absolute dollars as we invest in our infrastructure and we incur additional employee-related costs and professional fees related to the growth of our business and international expansion.

## Foreign exchange

Our presentation and functional currency is USD with the exception of our subsidiaries in South Korea (Korean Won), Japan (Japanese Yen), the Netherlands, Romania, France, Germany and Ireland (Euro), the United Kingdom (British Pound) and India (Indian Rupee). We derive most of our revenue in USD. Our head office and a significant portion of our employees are located in Ottawa, Canada, and as such approximately half of our expenses are incurred in Canadian dollars.

# Results of operations

## Summary of results

The following table sets forth a summary of our results of operations:

| | Three months ended December 31, | | Year ended December 31, | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (In thousands of USD, except earnings per share) | | | | |
| **Statement of Operations** | | | | | |
| Revenue | $ 123,935 | $ 111,990 | $ 483,111 | $ 426,971 | $ 366,889 |
| Cost of revenue | 48,833 | 43,100 | 188,528 | 168,074 | 131,102 |
| Gross profit | 75,102 | 68,890 | 294,583 | 258,897 | 235,787 |
| Operating expenses | 78,106 | 63,974 | 281,845 | 244,795 | 207,866 |
| | (3,004) | 4,916 | 12,738 | 14,102 | 27,921 |
| Foreign exchange gain (loss) | 927 | 797 | 682 | (1,236) | 1,499 |
| Net finance and other income (expense) | 2,829 | 3,099 | 11,732 | 8,821 | 1,240 |
| Change in fair value of contingent consideration | — | — | — | (1,951) | 826 |
| Profit before income taxes | 752 | 8,812 | 25,152 | 19,736 | 31,486 |
| Income tax expense | 17,068 | 4,791 | 25,096 | 9,676 | 11,406 |
| Profit (loss) | $ (16,316) | $ 4,021 | $ 56 | $ 10,060 | $ 20,080 |
| Adjusted profit[(1)] | $ 12,032 | $ 12,409 | $ 68,251 | $ 46,518 | $ 45,492 |
| Adjusted EBITDA[(1)] | $ 31,462 | $ 19,727 | $ 106,085 | $ 74,872 | $ 79,446 |
| Basic earnings (loss) per share | $ (0.58) | $ 0.14 | $ — | $ 0.36 | $ 0.73 |
| Diluted earnings (loss) per share | $ (0.58) | $ 0.14 | $ — | $ 0.35 | $ 0.70 |
| Adjusted diluted earnings per share[(1)] | $ 0.43 | $ 0.43 | $ 2.36 | $ 1.60 | $ 1.59 |

Note:

(1) Adjusted profit, Adjusted EBITDA and Adjusted diluted earnings per share are non-IFRS measures and ratios. See "Non-IFRS measures and ratios". For a reconciliation of these measures to the closest IFRS measure, where a comparable IFRS measure exists, see "Reconciliation of non-IFRS measures and ratios" below.

| | As at December 31, 2024 | As at December 31, 2023 | As at December 31, 2022 |
|---|---|---|---|
| | | (In thousands of USD) | |
| Total assets | $ 685,336 | $ 691,981 | $ 648,273 |
| Total non-current liabilities | 49,317 | 54,050 | 56,838 |

## Reconciliation of non-IFRS measures and ratios

To supplement our consolidated financial statements, which are prepared and presented in accordance with IFRS, we provide investors with the following non-IFRS financial measures and ratios: Adjusted profit, Adjusted diluted earnings per share and Adjusted EBITDA. In addition we provide Adjusted EBITDA Margin which expresses Adjusted EBITDA as a percentage of revenue. We believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and ratios in the evaluation of performance. Providing these non-IFRS measures provides useful information because they portray the financial results of the Company before certain expenses that do not impact the ongoing operating decisions taken by management. We also use non-IFRS measures and ratios to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess our ability to meet our capital expenditure and working capital requirements, and to determine components of employee compensation.

## Adjusted profit and Adjusted diluted earnings per share

Adjusted profit represents profit adjusted to exclude the change in the fair value of contingent consideration, our equity compensation plans, special charges, and non-recurring items. Adjusted diluted earnings per share represents diluted earnings per share calculated using Adjusted profit. We use Adjusted profit and Adjusted diluted earnings per share as these measures and ratios better align with our performance and improve comparability against our peers.

## Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA represents profit adjusted to exclude the change in the fair value of contingent consideration, our equity compensation plans, special charges, non-recurring items, income tax expense, depreciation and amortization, foreign exchange loss (gain), and net finance expense (income). Adjusted EBITDA Margin expresses Adjusted EBITDA as a percentage of revenue. We use these measures to provide readers with supplemental information on our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures.

Costs have been incurred recently related to business transformation activities as the Company works to evaluate, develop and implement its strategy and execution plans, including related financial advice and shareholder communications. For the three months and year ended December 31, 2024, these costs related to professional fees for financial advice and shareholder communications, fees to settle a long-standing dispute with a competitor, impairment charges from retiring legacy technology, and to retirement allowances and recruitment fees for the transition of the CEO. These costs are presented collectively as special charges and are excluded from the calculation of Adjusted EBITDA. Each business transformation activity included in special charges is a unique action based on specific objectives, varying in nature, scope and size. These activities are being undertaken to enhance the future performance and strategic direction of the Company, and to shift focus and resources from non-core to core priorities. Business transformation activities have less bearing on present operating performance and decisions. Therefore, management believes the exclusion of these special charges from Adjusted EBITDA will aid readers in the understanding and comparison of the Company's operating results and underlying operational trends. We expect to incur special charges related to business transformation activities in future periods.

With respect to fees incurred for the dispute settlement, which are included in special charges, we have determined that these amounts are outside the ordinary course of business due to the distinct nature of the dispute which is unlike other expenses the Company incurs for IP protection. This distinction also arises from factors such as the counterparty involved, the remedies and damages sought, and the Company's overall litigation and IP strategy. The Company has not been involved in any other significant IP related disputes and does not anticipate further disputes of this nature, except as generally disclosed in "Risk and uncertainties" above.

During the year ended December 31, 2024 we incurred expenses for termination benefits associated with a restructuring initiative. These costs are recorded in Cost of revenue and Operating expenses in the Consolidated Statement of Comprehensive Income. These expenses are not considered to be reflective of ordinary operations because they are part of a discrete initiative completed in the third quarter. Therefore we believe the exclusion of the costs associated with this discrete initiative as non-recurring items will better aid readers in the understanding and comparability of our operating results and underlying operational trends.

We have reconciled Adjusted profit and Adjusted EBITDA to the most comparable IFRS financial measure as follows:

| | Three months ended | | Year ended December 31, | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (In thousands of USD) | | | | |
| Profit (loss) | $ (16,316) | $ 4,021 | $ 56 | $ 10,060 | $ 20,080 |
| Change in fair value of contingent consideration | — | — | — | 1,951 | (826) |
| Share-based compensation | 10,228 | 8,388 | 39,581 | 34,507 | 26,238 |
| Special charges[1] | 18,191 | — | 21,365 | — | — |
| Non-recurring item[2] | (71) | — | 7,249 | — | — |
| Adjusted profit | $ 12,032 | $ 12,409 | $ 68,251 | $ 46,518 | $ 45,492 |
| Income tax expense | 17,068 | 4,791 | 25,096 | 9,676 | 11,406 |
| Depreciation and amortization | 6,046 | 6,424 | 24,928 | 26,284 | 25,060 |
| Foreign exchange loss (gain) | (927) | (797) | (682) | 1,236 | (1,499) |
| Net finance income | (2,757) | (3,100) | (11,508) | (8,842) | (1,013) |
| | 19,430 | 7,318 | 37,834 | 28,354 | 33,954 |
| Adjusted EBITDA | $ 31,462 | $ 19,727 | $ 106,085 | $ 74,872 | $ 79,446 |
| Adjusted EBITDA as a percentage of revenue | 25.4% | 17.6% | 22.0% | 17.5% | 21.7% |

Notes:

(1) Costs associated with business transformation activities.

(2) Costs associated with the restructuring initiative.

## Revenue

| | Three months ended December 31, | | 2023 to 2024 | Year ended December 31, | | 2023 to 2024 |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | % | 2024 | 2023 | % |
| | (In thousands of USD) | | | | | |
| SaaS | $ 81,856 | $ 69,891 | 17% | $ 309,243 | $ 265,080 | 17% |
| Subscription term license | 1,592 | 2,899 | (45)% | 11,951 | 19,548 | (39)% |
| Professional services | 35,092 | 34,318 | 2% | 141,501 | 123,728 | 14% |
| Maintenance and support | 5,395 | 4,882 | 11% | 20,416 | 18,615 | 10% |
| | 123,935 | 111,990 | 11% | 483,111 | 426,971 | 13% |

Total revenue for the three months and year ended December 31, 2024 was $123.9 million and $483.1 million, an increase of $11.9 million and $56.1 million compared to the same periods in 2023. The increases result from continued strong growth in both SaaS and Professional services revenue. These increases more than offset the expected decline in subscription term license revenue for the three months and year ended December 31, 2024 that occurs with the regular cycle of contract renewals with our customers.

### SaaS revenue

SaaS revenue for the three months and year ended December 31, 2024 was $81.9 million and $309.2 million, an increase of $12.0 million and $44.2 million compared to the same periods in 2023. These increases were due to contracts secured with new customers, as well as the expansion of existing customer subscriptions.

### Subscription term license revenue

Subscription term license revenue for the three months and year ended December 31, 2024 was $1.6 million and $12.0 million, a decrease of $1.3 million and $7.6 million compared to the same periods in 2023. These changes were expected as subscription term license revenue varies quarter to quarter due to the timing of renewals and expansions for on-premise and hybrid subscription arrangements. The decreases were due to the regular renewal cycle, partly offset by existing customer expansions.

### Professional services revenue

Professional services revenue for the three months and year ended December 31, 2024 was $35.1 million and $141.5 million, an increase of $0.8 million and $17.8 million compared to the same periods in 2023. The increases were due to increased deployment activity driven by new subscription customers and expansion work with existing customers. Professional services revenue can vary quarter to quarter due to the size, timing and scheduling of customer engagements and the level of partner-led engagements.

### Maintenance and support revenue

Maintenance and support revenue for the three months and year ended December 31, 2024 was $5.4 million and $20.4 million, an increase of $0.5 million and $1.8 million compared to the same periods in 2023. The increase largely reflects the expansion of new or existing on-premise customers.

## Cost of revenue

| | Three months ended December 31, | | 2023 to 2024 | Year ended December 31, | | 2023 to 2024 |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | % | 2024 | 2023 | % |
| | (In thousands of USD) | | | | | |
| Cost of revenue | $ 48,833 | $ 43,100 | 13% | $ 188,528 | $ 168,074 | 12% |
| Gross profit | 75,102 | 68,890 | 9% | 294,583 | 258,897 | 14% |
| Gross margin | 61% | 62% | | 61% | 61% | |
| Software[(1)] | 73% | 76% | | 75% | 76% | |
| Professional services | 29% | 29% | | 28% | 22% | |

Note:
(1) Software gross margin corresponds to SaaS, subscription term license and maintenance and support revenue.

Cost of revenue for the three months and year ended December 31, 2024 was $48.8 million and $188.5 million, an increase of $5.7 million and $20.5 million compared to the same periods in 2023. The increase is consistent with revenue growth and was due to higher headcount and related compensation costs, IT and public cloud costs, and partner and third-party provider costs.

Gross margin for the three months and year ended December 31, 2024 was 61%, compared to 62% and 61% for the same periods in 2023. Gross margin is driven by a mix of software and professional services gross margins. Software gross margins for the three months and year ended December 31, 2024 were 73% and 75%, compared to 76% for the same periods in 2023. For the three months ended December 31, 2024, the decrease in software margin mainly reflects the impact of an impairment of intangible assets related to retiring a legacy technology. For the year ended December 31, 2024, the decrease in software margin primarily reflects the transition from private to public cloud service arrangements, costs associated with the Company's restructuring initiative, an impairment of legacy technology, and the impact of lower subscription term license revenue due to the timing of on-premise renewals. Professional services gross margins for the three months and year ended December 31, 2024 were 29% and 28%, compared to 29% and 22% for the same periods in 2023. The higher margin on a year-to-date basis reflects improved billing rates and efficiencies in service operations.

## Selling and marketing expenses

| | Three months ended December 31, | | 2023 to 2024 | Year ended December 31, | | 2023 to 2024 |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | % | 2024 | 2023 | % |
| | (In thousands of USD) | | | | | |
| Selling and marketing | $ 25,624 | $ 26,606 | (4%) | $ 100,531 | $ 102,719 | (2%) |
| As a percentage of revenue | 21% | 24% | | 21% | 24% | |

Selling and marketing expenses for the three months and year ended December 31, 2024 were $25.6 million and $100.5 million, a decrease of $1.0 million and $2.2 million compared to the same periods in 2023. The decrease in both periods resulted from lower marketing program costs, and from cost improvements resulting from the Company's restructuring initiative.

## Research and development expenses

| | Three months ended December 31, | | 2023 to 2024 | Year ended December 31, | | 2023 to 2024 |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | % | 2024 | 2023 | % |
| | | | (In thousands of USD) | | | |
| Research and development | $ 21,310 | $ 20,665 | 3% | $ 87,653 | $ 81,707 | 7% |
| As a percentage of revenue | 17% | 18% | | 18% | 19% | |

Research and development expenses for the three months and year ended December 31, 2024 were $21.3 million and $87.7 million, an increase of $0.6 million and $5.9 million compared to the same periods in 2023. The increase on a year-to date basis primarily reflects continued investment to drive further innovation in our Maestro Supply Chain Management platform and to ensure sustainable market leadership.

## General and administrative expenses

| | Three months ended December 31, | | 2023 to 2024 | Year ended December 31, | | 2023 to 2024 |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | % | 2024 | 2023 | % |
| | | | (In thousands of USD) | | | |
| General and administrative | $ 31,172 | $ 16,703 | 87% | $ 93,661 | $ 60,369 | 55% |
| As a percentage of revenue | 25% | 15% | | 19% | 14% | |

General and administrative expenses for the three months and year ended December 31, 2024 were $31.2 million and $93.7 million, an increase of $14.5 million and $33.3 million compared to the same periods in 2023. The increases were due to specific costs associated with business transformation and restructuring activities incurred during the year. These included professional fees for financial advice and shareholder communications, settlement of a long-standing dispute with a competitor, severance costs, and retirement allowances.

## Other income and expense

| | Three months ended December 31, | | 2023 to 2024 | Year ended December 31, | | 2023 to 2024 |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | % | 2024 | 2023 | % |
| | | | (In thousands of USD) | | | |
| Other income: | | | | | | |
| Foreign exchange gain (loss) | $ 927 | $ 797 | 16% | $ 682 | $ (1,236) | —[1] |
| Net finance and other income | 2,829 | 3,099 | (9%) | 11,732 | 8,821 | 33% |
| Change in fair value of contingent consideration | — | — | —[1] | — | (1,951) | —[1] |
| Total other income | 3,756 | 3,896 | (4%) | 12,414 | 5,634 | 120% |

Note:
(1) The percentage change has been excluded as it is not meaningful.

Total other income and expense for the three months and year ended December 31, 2024 was income of $3.8 million and $12.4 million, compared to income of $3.9 million and $5.6 million in the same periods in 2023. Finance income decreased in the three months ended December 31, 2024 due to lower interest rates earned on investments. For the year ended December 31, 2024, finance income increased due to higher interest income on investments, reflecting both improved interest rates and additional funds invested. Also contributing to the changes in other income were non-cash

revaluations of the fair value of contingent consideration in the prior period following the acquisition of MP Objects B.V., as well as foreign exchange gains from a relative strengthening of the USD.

## Income taxes

| | Three months ended December 31, | | 2023 to 2024 | Year ended December 31, | | 2023 to 2024 |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | % | 2024 | 2023 | % |
| | (In thousands of USD) | | | | | |
| Income tax expense: | $ 17,068 | $ 4,791 | 256% | $ 25,096 | $ 9,676 | 159% |

Income tax expense for the three months and year ended December 31, 2024 was $17.1 million and $25.1 million compared to an income tax expense of $4.8 million and $9.7 million for the same periods in 2023. For the three months and year ended December 31, 2024, the increase in tax expense is primarily attributable to tax arising from a one-time capital gain resulting from the strategic transfer of certain regional market rights within the corporate group. This transaction was undertaken to support the Company's international growth strategy.

## Profit (loss)

| | Three months ended December 31, | | 2023 to 2024 | Year ended December 31, | | 2023 to 2024 |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | % | 2024 | 2023 | % |
| | (In thousands of USD except earnings per share) | | | | | |
| Profit (loss) | $ (16,316) | $ 4,021 | —[1] | $ 56 | $ 10,060 | —[1] |
| Adjusted profit[2] | 12,032 | 12,409 | (3%) | 68,251 | 46,518 | 47% |
| Adjusted EBITDA[2] | 31,462 | 19,727 | 59% | 106,085 | 74,872 | 42% |
| Basic earnings (loss) per share | $ (0.58) | $ 0.14 | | $ — | $ 0.36 | |
| Diluted earnings (loss) per share | $ (0.58) | $ 0.14 | | $ — | $ 0.35 | |
| Adjusted diluted earnings per share[1] | $ 0.43 | $ 0.43 | | $ 2.36 | $ 1.60 | |

Notes:

(1) The percentage has been excluded as it is not meaningful.

(2) Adjusted profit, Adjusted EBITDA and Adjusted diluted earnings per share are non-IFRS measures and ratios. See "Non-IFRS measures and ratios". For a reconciliation of these measures to the closest IFRS measure, where a comparable IFRS measure exists, see "Reconciliation of non-IFRS measures and ratios".

The profit (loss) for the three months and year ended December 31, 2024 was ($16.3) million and $0.1 million, or ($0.58) and $0.00 per basic and diluted share, compared to a profit of $4.0 million and $10.1 million, or $0.14 and $0.36 per basic share, and $0.14 and $0.35 per diluted share for the same periods in 2023. For the three months and year ended December 31, 2024, profit (loss) was impacted by higher tax expense associated with a capital gain from transferring certain regional market rights within the corporate group, higher general and administrative costs associated with business transformation activities, the impairment of intangible assets relating to legacy technology and the settlement of a long-standing dispute with a competitor. These costs were partly offset by the increase in gross profit in 2024.

Adjusted EBITDA for the three months and year ended December 31, 2024 was $31.5 million and $106.1 million, an increase of $11.7 million and $31.2 million compared to the three months and year ended December 31, 2023. This strong growth in Adjusted EBITDA was due to higher revenue and improved gross margin combined with a relative decrease in operating expenses as a percentage of revenue.

## Key balance sheet items

| | As at December 31, 2024 | As at December 31, 2023 |
|---|---|---|
| | (In thousands of USD) | |
| Total assets | $ 685,336 | $ 691,981 |
| Total liabilities | 289,825 | 237,153 |

An analysis of the key balance sheet items driving the change in total assets and liabilities is as follows:

### Trade and other receivables

| | As at December 31, 2024 | As at December 31, 2023 |
|---|---|---|
| | (In thousands of USD) | |
| Trade accounts receivable | $ 118,461 | $ 118,084 |
| Unbilled receivables | 34,212 | 34,913 |
| Taxes receivable | 508 | 1,114 |
| Other | 3,478 | 3,539 |
| Loss allowance | (265) | (1,041) |
| Total trade and other receivables | 156,394 | 156,609 |

Trade accounts receivable at December 31, 2024 were $118.5 million, an increase of $0.4 million compared to the balance at December 31, 2023. The aging of trade receivables is generally current or within 30 days past due and overdue amounts have been provided for in a loss allowance if required. The balance at any point in time is impacted by the timing of the annual subscription billing cycle for each customer and when new customer contracts are secured. Unbilled receivables at December 31, 2024 were $34.2 million, a decrease of $0.7 million compared to December 31, 2023, due to a decrease in subscription term license and professional services revenue recorded in advance of billing.

### Property and equipment

| | As at December 31, 2024 | As at December 31, 2023 |
|---|---|---|
| | (In thousands of USD) | |
| Land | $ — | $ 18 |
| Computer equipment | 15,036 | 19,020 |
| Computer software | 151 | 542 |
| Office furniture and equipment | 363 | 1,676 |
| Leasehold improvements | 16,936 | 19,044 |
| Total property and equipment | 32,486 | 40,300 |

Property and equipment at December 31, 2024 was $32.5 million, a decrease of $7.8 million compared to December 31, 2023. The decrease is primarily due to depreciation.

## Right-of-use assets & lease obligations

| | As at December 31, 2024 | As at December 31, 2023 |
|---|---|---|
| | (In thousands of USD) | |
| Right-of-use assets | $ 46,705 | $ 47,109 |
| Lease obligations: | | |
| Current | 5,587 | 5,805 |
| Non-current | 43,348 | 45,985 |
| | 48,935 | 51,790 |

The right-of-use assets and lease obligations relate to our leases for office space and data centres. Right-of-use assets at December 31, 2024 were $46.7 million, a decrease of $0.4 million compared to December 31, 2023. Lease obligations at December 31, 2024 were $48.9 million, a decrease of $2.9 million compared to December 31, 2023. Decreases in right-of-use assets and in lease obligations reflects the amortization of right-of-use assets and payments made under our lease contracts, net of additions.

## Contract acquisition costs

| | As at December 31, 2024 | As at December 31, 2023 |
|---|---|---|
| | (In thousands of USD) | |
| Contract acquisition costs | $ 32,005 | $ 27,438 |

Contract acquisition costs are capitalized and amortized over the expected life of the customer upon commencement of the related revenue. Contract acquisition costs consist of sales commissions paid to employees and third-party referral fees. Variable compensation plans are determined on an annual basis and may differ in how they correlate to revenue from year to year. Contract acquisition costs at December 31, 2024 were $32.0 million, an increase of $4.6 million compared to December 31, 2023. This increase was due to commissions incurred in the period on an increasing sales base, partly offset by amortization.

## Trade payables and accrued liabilities

| | As at December 31, 2024 | As at December 31, 2023 |
|---|---|---|
| | (In thousands of USD) | |
| Trade accounts payable | $ 15,624 | $ 11,723 |
| Accrued liabilities | 59,891 | 26,263 |
| Taxes payable | 18,854 | 1,714 |
| | 94,369 | 39,700 |

Trade accounts payable at December 31, 2024 were 15.6 million, an increase of $3.9 million compared to December 31, 2023. The increase was primarily due to the costs associated with the transition from private to public cloud service arrangements. Accrued liabilities at December 31, 2024 were $59.9 million, an increase of $33.6 million compared to December 31, 2023. The increase was due to the obligation for the repurchase of shares of $18.2 million and the costs incurred for a long-standing dispute settlement with a competitor. Taxes payable at December 31, 2024 were $18.9 million, an increase of $17.1 million compared to December 31, 2023. This increase was primarily from the Company

strategically transferring certain regional market rights within the corporate group which resulted in a one-time capital gain that triggered a current tax payable of $23.1 million and a deferred tax asset of $5.5 million. The ownership of the Company's current developed technology remains unchanged.

## Deferred revenue

| | As at December 31, 2024 | As at December 31, 2023 |
|---|---|---|
| | (In thousands of USD) | |
| Deferred revenue | $ 140,008 | $ 137,598 |

Deferred revenue at December 31, 2024 was $140.0 million, an increase of $2.4 million compared to December 31, 2023. We generally bill our customers annually in advance for SaaS agreements resulting in initially recording the amount billed as deferred revenue which is subsequently recognized in revenue over the agreement term. The change in deferred revenue was due to variances in the timing of billings for new and existing customer contracts. There was no deferred revenue relating to subscription term periods beyond one year.

## Summary of quarterly results

The following table summarizes selected results for the eight most recent completed quarters:

| | Three months ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dec 31, 2024 | Sep 30, 2024 | Jun 30, 2024 | Mar 30, 2024 | Dec 31, 2023 | Sept 30, 2023 | Jun 30, 2023 | Mar 31, 2023 |
| | (In thousands of USD) | | | | | | | |
| Revenue: | | | | | | | | |
| SaaS | $ 81,856 | $ 78,621 | $ 75,395 | $ 73,371 | $ 69,891 | $ 67,940 | $ 64,104 | $ 63,145 |
| Professional services | 35,092 | 35,471 | 36,495 | 34,443 | 34,318 | 32,851 | 29,991 | 26,568 |
| Maintenance and support | 5,395 | 5,186 | 5,020 | 4,815 | 4,882 | 4,753 | 4,591 | 4,389 |
| Subscription term license | 1,592 | 2,250 | 1,368 | 6,741 | 2,899 | 2,535 | 7,086 | 7,028 |
| | 123,935 | 121,528 | 118,278 | 119,370 | 111,990 | 108,079 | 105,772 | 101,130 |
| Cost of revenue | 48,833 | 45,163 | 48,092 | 46,440 | 43,100 | 42,743 | 42,102 | 40,129 |
| Gross profit | 75,102 | 76,365 | 70,186 | 72,930 | 68,890 | 65,336 | 63,670 | 61,001 |
| Operating expenses | 78,106 | 68,753 | 67,825 | 67,161 | 63,974 | 57,741 | 64,196 | 58,884 |
| | (3,004) | 7,612 | 2,361 | 5,769 | 4,916 | 7,595 | (526) | 2,117 |
| Foreign exchange gain (loss) | 927 | (411) | 40 | 126 | 797 | 76 | (2,374) | 265 |
| Net finance and other income | 2,829 | 2,887 | 3,115 | 2,901 | 3,099 | 2,598 | 1,819 | 1,305 |
| Change in fair value of contingent consideration | — | — | — | — | — | 705 | (462) | (2,194) |
| Profit (loss) before income taxes | 752 | 10,088 | 5,516 | 8,796 | 8,812 | 10,974 | (1,543) | 1,493 |
| Income tax expense | 17,068 | 3,337 | 2,082 | 2,609 | 4,791 | 3,584 | 997 | 304 |
| Profit (loss) | $ (16,316) | $ 6,751 | $ 3,434 | $ 6,187 | $ 4,021 | $ 7,390 | $ (2,540) | $ 1,189 |
| Change in fair value of contingent consideration | — | — | — | — | — | (705) | 462 | 2,194 |
| Share-based compensation | 10,228 | 12,929 | 7,702 | 8,722 | 8,388 | 8,745 | 9,155 | 8,219 |
| Special Charges | 18,191 | 3,174 | — | — | — | — | — | — |
| Non-recurring item[1] | (71) | 22 | 5,546 | 1,752 | — | — | — | — |
| Adjusted profit[2] | $ 12,032 | $ 22,876 | $ 16,682 | $ 16,661 | $ 12,409 | $ 15,430 | $ 7,077 | $ 11,602 |
| Income tax expense | 17,068 | 3,337 | 2,082 | 2,609 | 4,791 | 3,584 | 997 | 304 |
| Depreciation and amortization | 6,046 | 6,209 | 6,268 | 6,405 | 6,424 | 6,456 | 6,517 | 6,887 |
| Foreign exchange loss (gain) | (927) | 411 | (40) | (126) | (797) | (76) | 2,374 | (265) |
| Net finance income | (2,757) | (2,820) | (3,062) | (2,869) | (3,100) | (2,593) | (1,763) | (1,386) |
| | 19,430 | 7,137 | 5,248 | 6,019 | 7,318 | 7,371 | 8,125 | 5,540 |
| Adjusted EBITDA[2] | $ 31,462 | $ 30,013 | $ 21,930 | $ 22,680 | $ 19,727 | $ 22,801 | $ 15,202 | $ 17,142 |
| Basic earnings (loss) per share | $ (0.58) | $ 0.24 | $ 0.12 | $ 0.22 | $ 0.14 | $ 0.26 | $ (0.09) | $ 0.04 |
| Diluted earnings (loss) per share | $ (0.58) | $ 0.23 | $ 0.12 | $ 0.21 | $ 0.14 | $ 0.25 | $ (0.09) | $ 0.04 |
| Adjusted diluted earnings per share[2] | $ 0.43 | $ 0.79 | $ 0.58 | $ 0.58 | $ 0.43 | $ 0.53 | $ 0.25 | $ 0.40 |

Notes:

(1) Costs (recovery) associated with restructuring initiative

(2) Adjusted profit, Adjusted EBITDA and Adjusted diluted earnings per share are non-IFRS measures and ratios. See "Non-IFRS measures and ratios". For a reconciliation of these measures to the closest IFRS measure, where a comparable IFRS measure exists, see "Reconciliation of non-IFRS measures and ratios"

Our quarterly revenue has generally trended upwards over the past eight quarters, primarily due to sales of new subscriptions for RapidResponse as well as new customer deployment activity. Subscription term license revenue varies quarter to quarter due to the timing of new contracts, expansions and renewals for on-premise and hybrid subscription arrangements.

Cost of revenue has increased as we continue to invest in personnel to support the growth in our business. Gross margin has ranged from 59% to 63% of revenue, with fluctuations due to the change in revenue mix between subscription term license and professional services compared to SaaS, our main contributor of revenue. Operating expenses have increased for the majority of the periods presented primarily due to the addition of personnel in connection with the expansion of our business.

## Liquidity and capital resources

Our primary source of cash flow is sales of subscriptions for our software and sales of professional services. Our approach to managing liquidity is to ensure, to the extent possible, that we always have sufficient liquidity to meet our liabilities as they come due. We do so by continuously monitoring cash flow and actual operating expenses compared to budget.

| | As at December 31, 2024 | As at December 31, 2023 |
|---|---|---|
| | (In thousands of USD) | |
| Cash and cash equivalents | $ 172,192 | $ 174,844 |
| Short-term investments | 126,307 | 118,118 |
| | 298,499 | 292,962 |

Cash and cash equivalents decreased by $2.7 million to $172.2 million at December 31, 2024. Short-term investments increased by $8.2 million to $126.3 million at December 31, 2024. Total cash, cash equivalents and short-term investments increased by $5.5 million to $298.5 million at December 31, 2024.

In addition to the cash, cash equivalents and short-term investment balances, we have a $20.0 million CAD revolving demand facility available to meet ongoing working capital requirements. A Standby Letter of Credit in the amount of $1.4 million CAD has been issued against this facility. The facility is secured by a general security agreement representing a first charge over the Company's assets. Our principal cash requirements are for working capital and capital expenditures. Excluding deferred revenue, working capital at December 31, 2024 was $372.6 million. Given the ongoing cash generated from operations and our existing cash and credit facilities, we believe there is sufficient liquidity to meet our contractual obligations of $294.0 million and finance our longer-term growth.

### Cash flow

The following table provides a summary of cash inflows and outflows by activity:

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | (In thousands of USD) | | | |
| **Cash inflow (outflow) by activity** | | | | |
| Operating activities | $ 24,117 | $ 27,969 | $ 99,213 | $ 79,357 |
| Investing activities | (17,729) | 12,257 | (13,619) | (67,312) |
| Financing activities | (13,630) | (27,505) | (83,688) | (12,035) |
| Effects of exchange rates | (3,794) | 1,820 | (4,558) | (513) |
| Net cash inflows (outflows) | (11,036) | 14,541 | (2,652) | (503) |
| Less: Net redemption (purchase) of short-term investments | (15,461) | 12,546 | (9,104) | (65,013) |
| Net inflows (outflows) excluding short-term investments | 4,425 | 1,995 | 6,452 | 64,510 |

*Cash provided by operating activities*

Cash generated by operating activities for the three months ended December 31, 2024 was $24.1 million compared to $28.0 million in the same period in 2023. The decrease in cash generated is primarily due to the profit in the comparative three months of 2023. Cash generated by operating activities for the year ended December 31, 2024 was $99.2 million compared to $79.4 million for the same period in 2023. Higher cash inflow during the year ended December 31, 2024 primarily reflects improved cash inflow on working capital balances and higher interest income.

*Cash provided by (used in) investing activities*

Cash used in investing activities for the three months ended December 31, 2024 was $17.7 million compared to $12.3 million of cash generated in the same period in 2023. The cash used in the three months ended December 31, 2024 resulted from a net purchase of short-term investments of $15.5 million and purchases of property and equipment of $2.3 million. For the same period in 2023, cash generated included a net redemption of short-term investments of $12.5 million, partly offset by purchases of property and equipment of $0.3 million. Cash used in investing activities for the year ended December 31, 2024 was $13.6 million compared to $67.3 million for the same period in 2023. Cash used during the year ended December 31, 2024 included a net purchase of short-term investments of $9.1 million in addition to purchases of property and equipment of $4.5 million. Cash used for the same period in 2023 included a net purchase of short-term investments of $65.0 million and purchases of property and equipment of $2.3 million.

*Cash provided by (used in) financing activities*

Cash used in financing activities for the three months ended December 31, 2024 was $13.6 million compared to $27.5 million in the same period in 2023. The decrease in cash used was from a decrease in the repurchase of shares as part of our NCIB, and a decrease in the proceeds from the exercise of stock options. Cash used in financing activities for the year ended December 31, 2024 was $83.7 million compared to $12.0 million for the same period in 2023. The increase in cash used was from the repurchase of shares under the NCIB and a decrease in the proceeds received from the exercise of stock options.

## Contractual obligations

Our lease commitments are primarily for office premises and secure data center facilities with expiry dates that range from February 2025 to February 2037. The largest lease commitment relates to our head office in Ottawa, Canada, the lease of which commenced September 2021 and expires in 2037. Given the ongoing cash generated from operations and our existing cash and credit facilities, we believe there is sufficient liquidity to meet our contractual obligations.

During the current and prior periods, the Company has signed partnership agreements that enhance the Company's go-to-market capabilities, professional services capacity, and cloud data services. These agreements include minimum purchase commitments ranging from three to five years.

The following table summarizes our contractual obligations as at December 31, 2024, including commitments relating to leasing contracts and cloud services agreements:

| | Less than 1 year | 1 to 3 years | 3 to 5 years | More than 5 years | Total amount |
|---|---|---|---|---|---|
| | | | (In thousands of USD) | | |
| **Commitments** | | | | | |
| Lease agreements | $ 7,070 | $ 8,277 | $ 5,377 | $ 19,856 | $ 40,580 |
| Third party service agreements | 39,702 | 61,166 | 58,167 | — | 159,035 |
| **Financial obligations** | | | | | |
| Trade payables and accrued liabilities | 94,369 | — | — | — | 94,369 |
| Total contractual obligations | $ 141,141 | $ 69,443 | $ 63,544 | $ 19,856 | $ 293,984 |

The following table summarizes our contractual obligations as at December 31, 2023, including commitments relating to leasing contracts:

| | Less than 1 year | 1 to 3 years | 3 to 5 years | More than 5 years | Total amount |
|---|---|---|---|---|---|
| | | | (In thousands of USD) | | |
| **Commitments** | | | | | |
| Lease agreements | $ 6,539 | $ 7,513 | $ 5,928 | $ 24,462 | $ 44,442 |
| Third party service agreements | 7,634 | 39,682 | 47,925 | 15,000 | 110,241 |
| **Financial obligations** | | | | | |
| Trade payables and accrued liabilities | 39,700 | — | — | — | 39,700 |
| Total contractual obligations | $ 53,873 | $ 47,195 | $ 53,853 | $ 39,462 | $ 194,383 |

## Off-balance sheet arrangements

We have no off-balance sheet arrangements, other than variable payments related to operating leases with terms of twelve months or less (which have been included in the disclosed obligations under "Liquidity and capital resources – Contractual obligations"), that have, or are likely to have, a current or future material effect on our consolidated financial position, financial performance, liquidity, capital expenditures or capital resources.

## Transactions with related parties

We did not have any transactions during the three months and year ended December 31, 2024 and 2023 between the Company and a related party outside the normal course of business.

## Financial instruments and other instruments

We recognize financial assets and liabilities when we become party to the contractual provisions of the instrument. On initial recognition, financial assets and liabilities are measured at fair value plus transaction costs directly attributable to the financial assets and liabilities, except for financial assets or liabilities at fair value through profit and loss, whereby the transactions costs are expensed as incurred. The carrying amounts of our financial instruments approximate fair value due to the short-term maturity of these instruments.

### Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our credit risk is primarily attributable to trade and other receivables.

The nature of our subscription-based business results in payments being received in advance of the majority of the services being delivered, as a result, our credit risk exposure is low.

We invest our excess cash in short-term investments with the objective of maintaining safety of principal and providing adequate liquidity to meet all current payment obligations and future planned capital expenditures with the secondary objective of maximizing the overall yield of the investment. We manage our credit risk on investments by dealing only with commercial banks and investing only in instruments that we believe have high credit ratings. Given these high credit ratings, we do not expect any counterparties to these investments to fail to meet their obligations.

### Market risk

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

*Currency risk*

A portion of our revenues and operating costs are realized in currencies other than our functional currency, such as the Canadian dollar, Japanese Yen, Euro, and British Pound. As a result, we are exposed to currency risk on these transactions. Also, additional earnings volatility arises from the translation of monetary assets and liabilities, investment tax credits recoverable and deferred tax assets and liabilities denominated in foreign currencies at the rate of exchange on each date of our consolidated statements of financial position; the impact of which is reported as a foreign exchange gain or loss or as income tax expense for deferred tax assets and liabilities.

Our objective in managing our currency risk is to minimize exposure to currencies other than our functional currency. We manage currency risk by matching foreign denominated assets with foreign denominated liabilities and by entering into forward currency contracts for certain known Canadian dollar denominated expenses.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. We believe that interest rate risk is low for our financial assets as the majority of investments are made in fixed rate instruments. We do have interest rate risk related to our credit facilities. The rates on our Revolving Facility are variable and tied to Royal Bank prime rate and Royal Bank US base rate. No amounts have been drawn as at December 31, 2024.

### Capital management

Our capital is composed of shareholders' equity which includes our common shares. Our objective in managing our capital is financial stability and sufficient liquidity to increase shareholder value through organic growth and investment in sales, marketing and product development. Our senior management team is responsible for managing the capital through regular review of financial information to ensure sufficient resources are available to meet operating requirements and investments to support our growth strategy. The Board of Directors of Kinaxis (the "Board") is responsible for overseeing this process. In order to maintain or adjust our capital structure, we could issue new shares, repurchase shares, approve special dividends or issue debt.

## Critical accounting policies and estimates

See our annual consolidated financial statements for the year ended December 31, 2024 and the related notes thereto for a discussion of the accounting policies and estimates that are critical to the understanding of our business operations and the results of our operations.

## Contingencies

In the last quarter of 2024 the Company reached an agreement in principle to settle its ongoing patent litigation with Blue Yonder Group, Inc. The settlement agreement, executed in the first quarter of 2025, fully resolves all pending litigation matters between the companies. At December 31, 2024 the Company has recognized a liability for amounts payable in respect of this settlement. The terms of the settlement agreement are confidential.

## Controls and procedures

### Disclosure controls and procedures

The Company's Interim Chief Executive Officer ("Interim CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining our disclosure controls and procedures. We maintain a set of disclosure controls and procedures designed to provide reasonable assurance that information required to be publicly disclosed is recorded, processed, summarized and reported on a timely basis. Our Interim CEO, and CFO, have evaluated the design and effectiveness of our disclosure controls and procedures at the end of the quarter and based on the evaluation have concluded that the disclosure controls and procedures are effectively designed.

### Internal controls over financial reporting

Our internal controls over financial reporting ("ICFR") are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Our management is responsible for establishing and maintaining adequate ICFR. Management, including our Interim CEO and CFO, does not expect that our ICFR will prevent or detect all errors and all fraud or will be effective under all future conditions. A control system is subject to inherent limitations and even those systems determined to be effective can provide only reasonable, but not absolute, assurance that the control objectives will be met with respect to financial statement preparation and presentation.

National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators requires our Interim CEO and CFO to certify that they are responsible for establishing and maintaining ICFR and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Our Interim CEO and CFO are also responsible for disclosing any changes to our internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Our management under the supervision of our Interim CEO and CFO has evaluated the design and effectiveness of our ICFR based on the Internal Control – Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. As at December 31, 2024, management assessed the design and effectiveness of our ICFR and concluded that our ICFR is appropriately designed and there are no material weaknesses that have been identified. There were no significant changes to our ICFR for the three months and year ended December 31, 2024.

## Outstanding share information

As at December 31, 2024, our authorized capital consists of an unlimited number of common shares with no stated par value. Changes in the number of common shares, options, restricted share units, deferred share units and performance share units outstanding for the three months and year ended December 31, 2024 and as of February 26, 2025 are summarized as follows:

| Class of Security | Number outstanding at December 31, 2023 | Net issued | Number outstanding at December 31, 2024 | Net issued | Number outstanding at February 26, 2025 |
|---|---|---|---|---|---|
| Common shares | 28,428,799 | (373,585) | 28,055,214 | 42,057 | 28,097,271 |
| Stock options | 1,193,430 | (446,218) | 747,212 | (51,932) | 695,280 |
| Restricted Share Units | 273,542 | 205,340 | 478,882 | (6,857) | 472,025 |
| Deferred Share Units | 84,866 | (11,071) | 73,795 | — | 73,795 |
| Performance Share Units | 148,311 | 24,028 | 172,339 | — | 172,339 |

Our outstanding common shares decreased by 373,585 shares in 2024 due to 881,454 shares repurchased for cancellation offset by the exercise of 326,533 stock options, the vesting of 33,815 performance share units resulting in 36,010 shares issued, the vesting of 123,566 restricted share units and 21,760 deferred share units.

Our outstanding stock options decreased by 446,218 options in 2024 due to the 326,533 options exercised and 131,174 options forfeited, offset by the grant of 11,489 options. Each option is exercisable for one common share.

Our outstanding restricted share units increased by 205,340 units in 2024 due to the grant of 399,649 units less 123,566 units vested and 70,743 units forfeited. Our outstanding deferred share units increased by 11,071 units in 2024 due to 10,689 units granted and 21,760 units exercised. Our outstanding performance share units increased by 24,028 units in 2024 due to 93,133 units granted less 33,815 units vested and 35,290 units forfeited. Upon vesting, each share unit can be paid out or settled in cash, an equivalent number of common shares, or a combination thereof, as elected by the Compensation Committee of the Board.