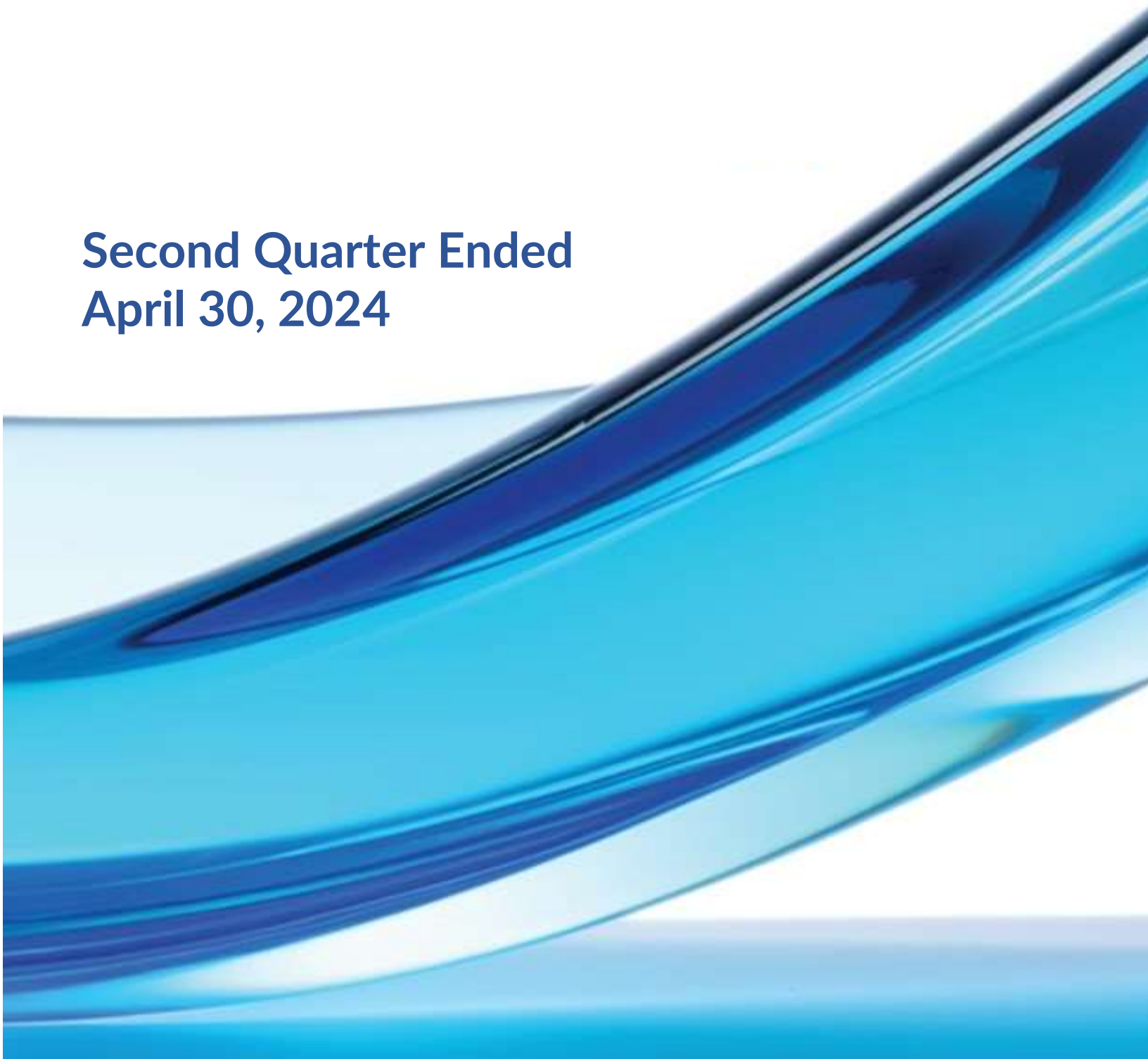
Enghouse Systems
Software engineered for results

Second Quarter Ended April 30, 2024



June 10, 2024

Dear fellow Shareholders,

We are pleased to share our second-quarter results for the three months ending April 30, 2024. Our strong performance this quarter is demonstrated by double-digit growth in revenue, profitability and operating cash flows. Our proficiency in executing and integrating acquisitions continues to be a crucial profit growth driver. This quarter we completed the acquisition of Mediasite, which expanded our video technology into the education and event market and increased our presence in Japan.

As many of the software markets we participate in continue to transition towards Software as a Service (“SaaS”) offerings, we have successfully adapted our business model to align with our customers' evolving preferences. Our comprehensive range of solutions, including SaaS in both private and multi-tenanted cloud environments as well as on-premise solutions, positions us well in this changing technology environment.

Artificial Intelligence ("AI") remains a key topic in the broader technology market driven primarily by the emergence of generative AI technologies. We continue to make strides in adopting AI tools to enhance our internal workforce efficiency and developing AI-driven products that add value to the solutions we provide our customers. While these initiatives are still in the early stages, we are optimistic about the long-term positive impact they will have on our business.

Revenue for the second quarter of 2024 was $125.8 million representing a 10.9% increase compared to the same period in the prior year. This growth is driven largely by our recurring revenue comprised of SaaS and maintenance services, which now constitute 67.5% of our total revenues, up from 63.1% in the comparative period. This represents a significant shift towards more recurring revenues, improving the strength and stability of our business model.

We are committed to managing our business with a focus on achieving profitable growth, which in our view benefits Enghouse over the long term. In the quarter, adjusted EBITDA was $35.7 million or $0.64 per diluted share, compared to $30.2 million or $0.54 per diluted share in the second quarter of 2023, an increase of 18.3%. Net income also increased in the quarter to $20.0 million or $0.36 per diluted share, compared to $12.5 million or $0.23 per diluted share, reported in the same period last year, an increase of 59.3%.

Cash flows from operating activities, excluding changes in working capital, were $38.6 million compared to $28.9 million in the prior year, an increase of 33.7%. As a result, Enghouse closed the quarter with $263.8 million in cash, cash equivalents and short-term investments, compared to $240.4 million at October 31, 2023, with no outstanding external debt financing. The year-on-year growth in cash balances was achieved while paying dividends to shareholders, repurchasing stock and acquiring the assets of Mediasite. Our cash balance is at an all-time high, reflecting our strong financial management and operational execution, and enables us to complete acquisitions without diluting shareholders or incurring debt.

We continue to deploy our capital on acquisitions and subsequent to quarter-end, on May 9, 2024, Enghouse completed the acquisition of substantially all of the assets of SeaChange International, Inc. (“SeaChange”) related to its IPTV products and services business, for a net purchase price of approximately US$23 million. This acquisition increases the scale of our growing IPTV business, augments our product offerings and furthers our expansion into the European market. SeaChange will be integrated within Enghouse’s Asset Management Group.

Today, the Board of Directors approved the Company’s eligible quarterly dividend of $0.26 per common share, payable on August 30, 2024 to shareholders of record at the close of business on August 16, 2024.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") has been prepared as of June 10, 2024 *and all information contained herein is current as of that date unless otherwise indicated. For a complete understanding of our business environment, risks, trends and uncertainties and the effect of critical accounting policies and estimates on our results, this MD&A should be read in conjunction with Enghouse Systems Limited's ("Enghouse Systems") and its subsidiaries (together "Enghouse", "we" "us" "our" or "the Company") fiscal 2023 MD&A and audited consolidated financial statements and the notes thereto. This MD&A covers the unaudited condensed consolidated interim results of operations, financial condition and cash flows of Enghouse Systems and its subsidiaries, all wholly owned, for the* second quarter ended April 30, 2024.

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

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

Non-IFRS measures and forward-looking statements

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

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

For additional information with respect to certain of these risks or factors, reference should be made to the "Risks and Uncertainties" section of the MD&A and notes to the audited consolidated financial statements for the year ended October 31, 2023, as well as to the Company's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, copies of which are filed electronically on SEDAR at www.sedarplus.com.

Corporate Overview

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

IMG specializes in contact center and video software and services designed to enhance customer service, increase efficiency and manage customer communications across multiple types of interactions including voice, email, social channels, web chats, text and

video. Products include contact center, video collaboration, video health monitoring, video capture technology, video room systems, interactive voice response, artificial intelligence tools, outbound dialers, attendant console, agent performance optimization, customer survey, business intelligence and analytics that may be deployed in private cloud, multi-tenant cloud or on-premise environments. IMG's customers are varied and include financial services companies, media businesses, telecoms, business process service providers, technology and health care providers.

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

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

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

Second quarter overview

In the second quarter of fiscal 2024, Enghouse achieved double-digit growth in revenue, results from operating activities and cash flow from operations. These results reflect the positive impact of our proficiency in executing and integrating acquisitions, our customer choice strategy, the advantages of our vertically focused software solutions, and our commitment to delivering high-quality products and services.

These financial results are driven by our strategic focus on achieving profitable growth. Many of the markets we serve are transitioning to SaaS, contributing to our 18.6% growth in recurring revenue, inclusive of acquisitions. We also continue to manage our expenses diligently as we face rising costs due to global inflation and as the movement to SaaS negatively influences gross margins. Our focus on managing our costs has been crucial in maintaining our financial health, evidenced by the growth in results from operating activities, which have increased by 30.5%. We also generated a 115.3% increase in cash flows from operating activities, increasing our cash to record levels in the quarter.

During the quarter, we completed the acquisition of the assets of Mediasite from Sonic Foundry Inc., which expands our IPTV market product offerings and global presence in this market. Given our ability to integrate acquisitions effectively, we are already seeing positive contributions from Mediasite. Continuing to pursue acquisitions is crucial for sustaining our growth trajectory and ensuring we remain competitive in the evolving software market.

Looking ahead, we remain dedicated to expanding our product offerings and continuing to invest in research and development, which is geared towards enhancing our products and exploring new avenues for innovation. We continue to focus on achieving profitable growth both organically and through acquisitions, which we believe delivers long-term value to our shareholders.

Quarterly results of operations

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

The following table provides details regarding operating results for the past eight quarters:

For the three months ended	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Revenue	**$ 125,813**	**$ 120,489**	**$ 123,129**	**$ 110,997**	**$ 113,461**	**$ 106,435**	**$ 108,060**	**$ 102,111**
Direct costs	43,201	41,582	41,213	35,872	38,106	34,808	32,340	31,348
Revenue, net of direct costs	**$ 82,612**	**$ 78,907**	**$ 81,916**	**$ 75,125**	**$ 75,355**	**$ 71,627**	**$ 75,720**	**$ 70,763**
As a % of revenue	*65.7%*	*65.5%*	*66.5%*	*67.7%*	66.4%	*67.3%*	*70.1%*	*69.3%*
Operating expenses	49,031	46,180	46,115	43,901	47,712	41,710	42,448	40,790
Special charges	106	91	117	331	2,001	28	123	216
Results from operating activities	**$ 33,475**	**$ 32,636**	**$ 35,684**	**$ 30,893**	**$ 25,642**	**$ 29,889**	**$ 33,149**	**$ 29,757**
As a % of revenue	*26.6%*	*27.1%*	*29.0%*	*27.8%*	22.6%	*28.1%*	*30.7%*	*29.1%*
Amortization	(11,146)	(10,374)	(11,205)	(9,730)	(9,838)	(8,832)	(8,826)	(8,484)
Other	2,576	380	5,160	568	(628)	(378)	884	1,051
Income before income taxes	**$ 24,905**	**$ 22,642**	**$ 29,639**	**$ 21,731**	**$ 15,176**	**$ 20,679**	**$ 25,207**	**$ 22,324**
Provision for (recovery of) income taxes	4,931	4,509	4,517	4,164	2,640	3,656	(11,742)	4,243
Net Income for the period	**$ 19,974**	**$ 18,133**	**$ 25,122**	**$ 17,567**	**$ 12,536**	**$ 17,023**	**$ 36,949**	**$ 18,081**
Basic earnings per share	0.36	0.33	0.45	0.32	0.23	0.31	0.67	0.33
Diluted earnings per share	0.36	0.33	0.45	0.32	0.23	0.31	0.67	0.33
Operating cash flows	40,256	19,899	28,318	39,020	18,698	29,262	18,539	29,158
Operating cash flows excl. changes in working capital	38,613	35,557	43,504	35,481	28,875	32,632	37,740	34,081
Cash and short-term investments	263,772	247,423	240,359	249,676	234,488	250,664	228,054	229,485
Total assets	822,065	800,070	783,670	745,973	775,549	737,906	704,998	670,400
Adjusted EBITDA:								
Results from operating activities	33,475	32,636	35,684	30,893	25,642	29,889	33,149	29,757
Depreciation	551	494	627	585	613	626	709	665
Depreciation of right-of-use assets	1,570	1,506	1,491	1,606	1,931	1,736	1,824	1,849
Special charges	106	91	117	331	2,001	28	123	216
Adjusted EBITDA	**$ 35,702**	**$ 34,727**	**$ 37,919**	**$ 33,415**	**$ 30,187**	**$ 32,279**	**$ 35,805**	**$ 32,487**
Adjusted EBITDA margin	*28.4%*	*28.8%*	*30.8%*	*30.1%*	26.6%	*30.3%*	*33.1%*	*31.8%*
Adjusted EBITDA per diluted share	**$ 0.64**	**$ 0.63**	**$ 0.69**	**$ 0.60**	**$ 0.54**	**$ 0.58**	**$ 0.65**	**$ 0.59**

Results of operations

The following table provides details regarding operating results for the three and six months ended April 30, 2024.

	Three months				Six months			
For the period ended April 30	**2024**	**2023**	**Var ($)**	**Var (%)**	**2024**	**2023**	**Var ($)**	**Var (%)**
Revenue	**$ 125,813**	**$ 113,461**	**12,352**	**10.9**	**$ 246,302**	**$ 219,896**	**26,406**	***12.0***
Direct costs	43,201	38,106	5,095	13.4	84,783	72,914	11,869	*16.3*
Revenue, net of direct costs	**$ 82,612**	**$ 75,355**	**7,257**	**9.6**	**$ 161,519**	**$ 146,982**	**14,537**	***9.9***
As a % of revenue	*65.7%*	*66.4%*			*65.6%*	*66.8%*		
Operating expenses	49,031	47,712	1,319	2.8	95,211	89,422	5,789	*6.5*
Special charges	106	2,001	(1,895)	(94.7)	197	2,029	(1,832)	*(90.3)*
Results from operating activities	**$ 33,475**	**$ 25,642**	**7,833**	**30.5**	**$ 66,111**	**$ 55,531**	**10,580**	***19.1***
As a % of revenue	*26.6%*	*22.6%*			*26.8%*	*25.3%*		
Amortization of acquired software and customer relationships	(11,146)	(9,838)	(1,308)	(13.3)	(21,520)	(18,670)	(2,850)	*(15.3)*
Foreign exchange losses	(86)	(790)	704	89.1	(1,803)	(1,843)	40	*2.2*
Interest expense – lease obligations	(148)	(192)	44	22.9	(298)	(359)	61	*17.0*
Finance income	2,602	1,006	1,596	158.6	4,963	1,982	2,981	*150.4*
Finance expenses	(12)	(124)	112	90.3	(12)	(131)	119	*90.8*
Other income (expenses)	220	(528)	748	141.7	106	(655)	761	*116.2*
Income before income taxes	**$ 24,905**	**$ 15,176**	**9,729**	**64.1**	**$ 47,547**	**$ 35,855**	**11,692**	***32.6***
Provision for income taxes	4,931	2,640	2,291	86.8	9,440	6,296	3,144	*49.9*
Net Income for the period	**$ 19,974**	**$ 12,536**	**7,438**	**59.3**	**$ 38,107**	**$ 29,559**	**8,548**	***28.9***
Basic earnings per share	0.36	0.23	0.13	56.5	0.69	0.53	0.16	*30.2*
Diluted earnings per share	0.36	0.23	0.13	56.5	0.69	0.53	0.16	*30.2*
Operating cash flows	40,256	18,698	21,558	115.3	60,155	47,960	12,195	*25.4*
Operating cash flows excluding changes in working capital	38,613	28,875	9,738	33.7	74,170	61,507	12,663	*20.6*

Revenue

The following table provides details regarding revenue for the three and six months ended April 30, 2024.

	Three months			Six months		
For the period ended April 30	**2024**	**2023**	**Variance**	**2024**	**2023**	**Variance**
Software licenses	$ 20,492	$ 22,016	$ (1,524)	$ 37,467	$ 42,751	$ (5,284)
SaaS and maintenance services	84,984	71,634	13,350	169,571	138,137	31,434
Professional services	17,401	17,995	(594)	33,346	34,886	(1,540)
Hardware	2,936	1,816	1,120	5,918	4,122	1,796
Revenue	**$ 125,813**	**$ 113,461**	**$ 12,352**	**$ 246,302**	**$ 219,896**	**$ 26,406**
Interactive Management Group	80,530	64,578	15,952	156,666	122,431	34,235
Asset Management Group	45,283	48,883	(3,600)	89,636	97,465	(7,829)
Revenue	**$ 125,813**	**$ 113,461**	**$ 12,352**	**$ 246,302**	**$ 219,896**	**$ 26,406**

Revenue for the three months ended April 30, 2024 was $125.8 million, an increase of $12.4 million or 10.9% from the same period in the prior year. Revenue was positively impacted by $0.5 million as a result of favourable foreign exchange. On a constant-currency basis, the variance is explained by:

- An increase of $13.0 million in SaaS and maintenance revenue, primarily attributable to contributions from acquisitions, ongoing shift in market demand for SaaS offerings and continued focus on customer satisfaction and retention. SaaS and maintenance services are an important strategic source of revenue given their predictable and recurring nature and represented 67.5% of total revenues for the period and 63.1% for the comparative period.

- A decrease of $1.8 million in software licenses revenue and $0.6 million in professional services revenue, that can vary depending on the timing of transactions, as well as a decrease in demand for on-premise software. This decrease was offset by an increase of $1.1 million in hardware sales.

Revenue for the six months ended April 30, 2024 was $246.3 million, an increase of $26.4 million or 12.0% from the same period in the prior year. This increase is inclusive of a $2.2 million increase related to foreign exchange. On a constant currency basis, this increase is primarily attributable to the same factors previously mentioned above.

Interactive Management Group

IMG revenue for the three months ended April 30, 2024 was $80.5 million, an increase of $16.0 million or 24.7% from the same period in the prior year. The variance is inclusive of a $0.4 million increase as a result of foreign exchange. On a constant-currency basis, the variance is explained by a $15.6 million increase in revenue, attributable to increased SaaS and maintenance services revenue, inclusive of acquisitions. In addition, increases in professional services and hardware revenue were mostly offset by a decline in software licenses revenue due to the decrease in demand for on-premise software.

Revenue for the six months ended April 30, 2024 was $156.7 million, an increase of $34.2 million or 28.0% from the same period in the prior year. The variance is inclusive of a $1.8 million increase as a result of foreign exchange. On a constant-currency basis, the increase is primarily the result of increased SaaS revenue as previously mentioned, offsetting lower software license revenue.

Asset Management Group

AMG revenue for the three months ended April 30, 2024 was $45.3 million, a decrease of $3.6 million or 7.4% from same period in the prior year. The variance is inclusive of a $0.1 million increase as a result of foreign exchange. On a constant-currency basis, the variance is explained by a $3.7 million decrease in revenue, resulting from lower professional services revenue related to the timing of large public safety projects and professional services in the Networks group.

Revenue for the six months ended April 30, 2024 was $89.6 million, a decrease of $7.8 million or 8.0% from the same period in the prior year. The variance is inclusive of a $0.4 million increase as a result of foreign exchange. On a constant-currency basis, the variance is primarily attributable to the factors previously mentioned as well as decreased Networks software licenses revenue.

Direct Costs

The following table provides details regarding direct costs for the three and six months ended April 30, 2024.

	Three months			Six months		
For the period ended April 30	**2024**	**2023**	**Variance**	**2024**	**2023**	**Variance**
Software licenses	$ 741	$ 698	$ 43	$ 1,415	$ 1,568	$ (153)
Services	40,951	36,793	4,158	80,482	69,218	11,264
Hardware	1,509	615	894	2,886	2,128	758
Direct Costs	**$ 43,201**	**$ 38,106**	**$ 5,095**	**$ 84,783**	**$ 72,914**	**$ 11,869**
As a % of associated revenue						
Software licenses	*3.6%*	*3.2%*		*3.8%*	*3.7%*	
Services	*40.0%*	*41.1%*		*39.7%*	*40.0%*	
Hardware	*51.4%*	*33.9%*		*48.8%*	*51.6%*	
Total	*34.3%*	*33.6%*		*34.4%*	*33.2%*	
Interactive Management Group	26,573	19,133	7,440	51,979	35,564	16,415
Asset Management Group	16,628	18,973	(2,345)	32,804	37,350	(4,546)
Direct Costs	**$ 43,201**	**$ 38,106**	**$ 5,095**	**$ 84,783**	**$ 72,914**	**$ 11,869**
As a % of associated revenue						
Interactive Management Group	*33.0%*	*29.6%*		*33.2%*	*29.0%*	
Asset Management Group	*36.7%*	*38.8%*		*36.6%*	*38.3%*	

Direct costs for the three months ended April 30, 2024 were $43.2 million or 34.3% of revenue compared to $38.1 million or 33.6% of revenue in the same period in the prior year. Overall margins declined as a result of a shift in product mix towards SaaS services, which have additional costs of cloud computing services and engineering cloud operations personnel costs that are required to provide our SaaS offerings. In addition, direct hardware costs have increased as a result of incremental hardware revenue and changes to the hardware product mix in the quarter.

Direct costs for the six months ended April 30, 2024 were $84.8 million or 34.4% of revenue compared to $72.9 million or 33.2% of revenue in the same period in the prior year. The decrease in margins is attributable to the same factors discussed for the three-month period.

Interactive Management Group

IMG direct costs for the three months ended April 30, 2024 were $26.6 million or 33.0% of segment revenue compared to $19.1 million or 29.6% of revenue in the same period in the prior year. The lower margins are primarily due to a shift in product mix towards SaaS, which has higher direct costs relating primarily to cloud computing and costs associated with our engineering cloud operations group.

IMG direct costs for the six months ended April 30, 2024 were $52.0 million or 33.2% of segment revenue compared to $35.6 million or 29.0% of revenue in the same period in the prior year, attributable to the same factors discussed for the three-month period.

Asset Management Group

AMG direct costs were $16.6 million or 36.7% of segment revenue for the three months ended April 30, 2024 compared to $19.0 million or 38.8% of revenue in the same period in the prior year. The higher margins are a result of improved margins on professional services revenue, attributable to reduced reliance on external contractors.

AMG direct costs for the six months ended April 30, 2024 were $32.8 million or 36.6% of segment revenue compared to $37.4 million or 38.3% of revenue in the same period in the prior year attributable to the same factors discussed for the three-month period.

Revenue, Net of Direct Costs

Revenue, net of direct costs for the three months ended April 30, 2024 increased by $7.3 million to $82.6 million, which represents 65.7% of revenue compared to $75.4 million or 66.4% in the same period in the prior year. While revenue, net of direct costs increased as a result of increased SaaS and maintenance services revenue, the increase in direct costs as a percentage of revenue reflects the relative increase in direct costs related primarily to cloud computing compared to on-premise software licenses revenue.

Revenue, net of direct costs for the six months ended April 30, 2024 increased by $14.5 million to $161.5 million, which represents 65.6% of revenue compared to $147.0 million or 66.8% in the same period in the prior year. The increase is a result of higher revenue offset by relatively higher direct costs from recent acquisitions related to changes in the product mix.

Operating Expenses

The following table provides details regarding operating expenses for the three and six months ended April 30, 2024.

	Three months			Six months		
For the period ended April 30	**2024**	**2023**	**Variance**	**2024**	**2023**	**Variance**
Selling, general and administrative	$ 24,812	$ 23,935	$ 877	$ 47,681	$ 44,733	$ 2,948
Research and development	22,098	21,233	865	43,409	39,783	3,626
Depreciation	551	613	(62)	1,045	1,239	(194)
Depreciation of right-of-use assets	1,570	1,931	(361)	3,076	3,667	(591)
Special charges	106	2,001	(1,895)	197	2,029	(1,832)
Operating expenses	**$ 49,137**	**$ 49,713**	**$ (576)**	**$ 95,408**	**$ 91,451**	**$ 3,957**
As a % of total revenue						
Selling, general and administrative	*19.7%*	*21.1%*		*19.4%*	*20.3%*	
Research and development	*17.6%*	*18.7%*		*17.6%*	*18.1%*	
Depreciation	*0.4%*	*0.5%*		*0.4%*	*0.6%*	
Depreciation of right-of-use assets	*1.2%*	*1.7%*		*1.2%*	*1.7%*	
Special charges	*0.1%*	*1.8%*		*0.1%*	*0.9%*	
Operating expenses	*39.1%*	*43.8%*		*38.7%*	*41.6%*	

Operating expenses for the three months ended April 30, 2024 totaled $49.1 million, a decrease of $0.6 million or 1.2% compared to the same period in the prior year. The variance is largely explained by:

- Selling, general and administrative expenses improved on a percentage of revenue basis to 19.7% from 21.1%. This improvement is associated with an increase in sales and marketing productivity. The total net increase of $0.9 million in selling, general and

administrative costs reflects increased expenditure associated with recent acquisitions, offset by reductions in costs associated with the existing business.

- A total net increase of $0.9 million in research and development expenses resulting from increased investment related to recent acquisitions and enabling SaaS deployment options and AI features into our product suite, offset by realizing efficiencies in our existing business. Research and development expenses improved as a percentage of revenue to 17.6% of revenue compared to 18.7% in the same period in the prior year.
- A decrease of $1.9 million in special charges, attributable to prior year's acquisitions, which had higher restructuring charges.
- These variances are inclusive of an overall increase in direct costs and operating expenses of $0.3 million as a result of foreign exchange, when compared to the same period in the prior year.

Operating expenses for the six months ended April 30, 2024 totaled $95.4 million, an increase of $4.0 million or 4.3% from the same period in the prior year. The variance is attributable to the factors discussed above, net of a reduction in depreciation and depreciation of right-of-use assets from closing facilities.

Foreign Exchange

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

During the three months ended April 30, 2024, the Canadian dollar weakened against most major currencies compared to the same period in the prior year. As result, in the second quarter, there was a positive impact to revenue of $0.5 million reported in Canadian dollars, while operating and direct costs were also higher by $0.3 million compared to the same period in the prior year. The movements in foreign exchange rates were particularly prevalent with the weakening of the Canadian Dollar against the pound sterling.

For the three months ended April 30, 2024, we recognized foreign exchange losses of $0.1 million related to foreign currency denominated monetary assets and liabilities in the current period compared to losses of $0.8 million in the same period in the prior year. The loss was a result of the movement in non-functional currencies on monetary assets and liabilities relative to the functional currencies of the entities recording the gain or loss.

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

For the six months ended April 30, 2024, we recognized $1.8 million of foreign exchange losses related to foreign currency denominated monetary assets and liabilities, which was similar to foreign exchange losses in the same period in the prior year.

Amortization of Software and Customer Relationships

Amortization expense for acquired software and customer relationships for the three and six months ended April 30, 2024 increased by $1.3 million to $11.1 million and by $2.9 million to $21.5 million, respectively, compared to the same periods in the prior year. Both variances are attributable to incremental amortization of acquired software and customer relationships from current and prior year acquisitions.

Finance Income

Finance income, which is primarily comprised of interest income on cash accounts, for the three months ended April 30, 2024 increased by $1.6 million relative to the same period in the prior year as a result of increasing interest rates combined with internal efforts to repatriate and move cash into high-interest-bearing regions and accounts. For the six months ended April 30, 2024, finance income increased by $3.0 million compared to the same period in the prior year. The increase is attributable to the same factors discussed for the three-month period.

Other income (expenses)

Other income (expenses) for the three months ended April 30, 2024 increased by $0.7 million relative to the comparative quarter as a result of unrealized gains on investments in equity positions carried at fair value during the quarter compared to nominal unrealized losses in the comparative period. For the six months ended April 30, 2024, other income (expenses) increased by $0.8 million compared to the same period in the prior year. The increase is attributable to the aforementioned movement in net unrealized investment gains on equity positions carried at fair value compared to unrealized losses in the comparative period.

Provision for income taxes

The provision for income taxes for the three months ended April 30, 2024 increased by $2.3 million to $4.9 million, compared to the same period in the prior year. For the three and six months ended April 30, 2024, our effective tax rate was 19.8% and 19.9%, respectively, compared to 17.4% and 17.6%, respectively, for the three and six month periods in the prior year.

Net income

Net income for the three months ended April 30, 2024 increased by $7.4 million to $20.0 million, compared to the same period in the prior year. The increase in net income is primarily attributable to increased revenue, net of an increase in direct costs, as a result of the shift from higher margin software licenses and maintenance services revenue towards increased contributions from SaaS revenue. For the six months ended April 30, 2024, net income increased by $8.5 million to $38.1 million for the same reasons mentioned for the three-month period.

For the three and six months ended April 30, 2024, diluted earnings per share were $0.36 and $0.69, respectively, compared to $0.23 and $0.53 in the same periods in the prior year.

Cash flows from operating activities

For the three months ended April 30, 2024, cash flows from operating activities were $40.3 million compared to $18.7 million in the same period in the prior year, an increase of 115.3%. The increase in cash flows from operating activities reflects improved net income on increased revenue and positive changes in non-cash operating working capital, primarily related to collections of accounts receivable and increased accounts payables and accrued liabilities.

For the six months ended April 30, 2024, cash flows from operating activities increased 25.4% to $60.2 million compared to $48.0 million, respectively, in the same period in the prior year. The increase in cash flows from operating activities is entirely related to improved net income in the year.

Cash flows from operating activities, excluding changes in non-cash working capital items, for the three and six months ended April 30, 2024 increased by 33.7% and 20.6% to $38.6 million and $74.2 million, respectively, compared to the same periods in the prior year.

Adjusted EBITDA

The table below reconciles Adjusted EBITDA to the most directly comparable IFRS measure, results from operating activities, for the three and six months ended April 30, 2024.

For the period ended April 30	Three months			Six months		
	2024	2023	Variance	2024	2023	Variance
Revenue	$ 125,813	$ 113,461	$ 12,352	$ 246,302	$ 219,896	$ 26,406
Results from operating activities	33,475	25,642	7,833	66,111	55,531	10,580
Depreciation	551	613	(62)	1,045	1,239	(194)
Depreciation of right-of-use assets	1,570	1,931	(361)	3,076	3,667	(591)
Special charges	106	2,001	(1,895)	197	2,029	(1,832)
Adjusted EBITDA	**$ 35,702**	**$ 30,187**	**$ 5,515**	**$ 70,429**	**$ 62,466**	**$ 7,963**
Adjusted EBITDA margin	*28.4%*	*26.6%*		*28.6%*	*28.4%*	
Adjusted EBITDA per diluted share	**$ 0.64**	**$ 0.54**	**$ 0.10**	**$ 1.27**	**$ 1.13**	**$ 0.14**

Adjusted EBITDA for the three and six months ended April 30, 2024 increased by $5.5 million and $8.0 million, respectively, compared to the same periods in the prior year. The increases are primarily a result of higher SaaS and maintenance services revenue and improved efficiency in existing operations, offset by an increase in costs related to acquisitions.

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

Liquidity and cash reserves

We closed the period with cash, cash equivalents and short-term investments of $263.8 million, compared to the October 31, 2023 balance of $240.4 million. For the six months ended April 30, 2024, cash, cash equivalents and short-term investments increased by a total of $23.4 million. This reflects continued positive cash flows from operating activities for the year of $60.2 million, partially offset by net cash spent of $12.6 million on the Mediasite acquisition, $24.3 million for dividends and $1.1 million for the repurchase and cancellation of our common stock. Dividends paid increased 19.1% compared to the prior year.

At April 30, 2024, working capital was $168.6 million compared to $151.9 million at the end of prior year. The increase in working capital is predominately the result of improved operating results in the fiscal year as well as increased collections of accounts receivable in the quarter. Management is confident that the Company has the funds necessary to meet its existing and future financial operating commitments and dividend strategy. Future acquisition growth may be funded through a combination of cash, debt and equity consideration, which could cause dilution to existing shareholders.

Capital Stock

The Company had 55,375,982 Common Shares issued and outstanding as at June 10, 2024. During the quarter, 14,000 stock options were exercised compared to no stock options exercised for the Company in the same period in the prior year. The Company granted 40,000 options and 25,000 Performance Stock Units in the first two quarters of 2024 compared to 70,000 options granted in the first two quarters of the prior year and no Performance Stock Units in the same period in the prior year.

The Company renewed its Normal Course Issuer Bid commencing May 7, 2024 and expiring May 6, 2025, allowing the Company to repurchase up to a maximum of 3,000,000 common shares of Enghouse. The Company repurchased and cancelled 37,635 common shares in the first two quarters of fiscal 2024 at a weighted average price of $30.47 per share for a total cost of $1.1 million compared to no repurchases of common shares during the same period of 2023.

Share Unit Plan

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

RSUs

Upon vesting, RSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all RSUs with common shares. The share-based payment expense will be recognized evenly over the vesting period. As at April 30, 2024, there were no RSUs awarded or vested.

PSUs

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

share-based payment expense relating to non-market performance conditions will be recognized over the vesting period, subject to measurement adjustments.

Deferred Share Unit Plan

On March 9, 2023, a new Deferred Share Unit Plan (the "DSU Plan") was approved by shareholders. The maximum number of common shares reserved for issuance under the DSU Plan is a fixed 80,000. Under the DSU Plan, non-executive directors of the Company may elect to defer a portion of their compensation until they leave the Board and have the value of such portion fluctuate with the value of common shares. The purpose of the DSU Plan is to attract and retain qualified persons to serve on the Board. As at April 30, 2024, there were no DSUs awarded or vested. DSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all DSUs with issuance of common shares. The share-based payment expense of DSUs will be recognized upon grant, when the DSUs vest.

Off-statement of financial Position arrangements

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

Transactions with related parties

The Company has not entered into any transactions with related parties during the period, other than transactions with wholly-owned subsidiaries in the normal course of business, which are eliminated on consolidation.

Basis of preparation and significant accounting policies

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

Our significant accounting policies are described in Note 3 of the audited consolidated financial statements as at October 31, 2023, which is available on SEDAR (*www.sedarplus.com*). The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of June 10, 2024, the date the Board of Directors approved the unaudited condensed consolidated interim financial statements.

Environmental, Social, Governance ("ESG"):

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

Additional information on ESG can be found in our Annual Information Form ("AIF"). Further supplementing the information contained in our AIF, our ESG policies are published on SEDAR at *www.sedarplus.com*.

Risks and uncertainties

The primary risks and uncertainties that affect or may affect the Company and its business, financial condition, and results of operations remain substantially unchanged from those discussed in the Company's latest Annual Information Form and its Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended October 31, 2023, contained in the Company's 2023 Annual Report to Shareholders and all such risks and uncertainties are incorporated herein by reference.

Controls and procedures

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

Disclosure controls and procedures

Disclosure controls and procedures have been designed under the supervision of the CEO and CFO, with the participation of other management, to provide reasonable assurance that all relevant information required to be disclosed by us is recorded, processed, summarized and reported on a timely basis to senior management, as appropriate, to allow timely decisions regarding required public disclosure. Pursuant to NI 52-109, as of October 31, 2023, an evaluation of the effectiveness of our disclosure controls and procedures was carried out under the supervision of the CEO and CFO. Based on this evaluation, the CEO and the CFO concluded that the design and operation of these disclosure controls and procedures were effective. This evaluation considered our disclosure policy, a sub-certification process and the functioning of our Disclosure Committee.

Internal controls over financial reporting

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

As at October 31, 2023, an evaluation was carried out of the effectiveness of the design and operation of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting. Based on that evaluation, the Company's CEO and CFO have concluded that, as at October 31, 2023, the design and operation of controls over financial reporting was effective. These evaluations were conducted in accordance with the standards established in *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission, and the requirements of NI 52-109. The control framework used by the CEO and the CFO to design the Company's internal control over financial reporting is the "Internal Control – Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

There were no changes to the Company's internal control over financial reporting during the quarter ended April 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Additional information

Additional information relating to the Company including our most recently completed Annual Information Form ("AIF") is available on SEDAR at *www.sedarplus.com*.

Notice of no auditor review of Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of the Company for the three and six months ended April 30, 2024 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

Condensed Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars) (unaudited)	Notes	As at April 30, 2024	As at October 31, 2023
ASSETS			
Current assets:			
Cash and cash equivalents		$ 262,918	$ 239,532
Short-term investments		854	827
Accounts receivable		110,965	93,383
Prepaid expenses and other assets		17,369	15,515
Income taxes recoverable		-	114
		392,106	**349,371**
Non-current assets:			
Property and equipment		3,328	3,273
Right-of-use assets		9,966	12,242
Intangible assets	4	98,253	109,659
Goodwill	4	292,990	280,241
Deferred income tax assets		25,422	28,884
		429,959	**434,299**
		$ 822,065	**$ 783,670**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities		$ 70,229	$ 67,769
Income taxes payable		1,500	-
Dividends payable		14,398	12,156
Provisions	5	1,420	2,238
Deferred revenue		130,273	109,019
Lease obligations		5,733	6,322
		223,553	**197,504**
Non-current liabilities:			
Income taxes payable		-	1,333
Deferred income tax liabilities		11,897	13,340
Deferred revenue		7,752	8,170
Net employee defined-benefit obligation		1,922	1,912
Lease obligations		4,337	6,080
		25,908	**30,835**
		249,461	**228,339**
Shareholders' equity:			
Share capital		113,237	107,701
Contributed surplus		10,252	10,404
Retained earnings		436,848	426,397
Accumulated other comprehensive income	6	12,267	10,829
		572,604	**555,331**
		$ 822,065	**$ 783,670**

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

Condensed Consolidated Interim Statements of Operations and Comprehensive Income

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

Periods ended April 30	Notes	Three months 2024	Three months 2023	Six months 2024	Six months 2023
Revenue					
Software licenses		$ 20,492	$ 22,016	$ 37,467	$ 42,751
SaaS and maintenance services		84,984	71,634	169,571	138,137
Professional services		17,401	17,995	33,346	34,886
Hardware		2,936	1,816	5,918	4,122
		125,813	**113,461**	**246,302**	**219,896**
Direct costs					
Software licenses		741	698	1,415	1,568
Services		40,951	36,793	80,482	69,218
Hardware		1,509	615	2,886	2,128
		43,201	38,106	84,783	72,914
Revenue, net of direct costs		**82,612**	**75,355**	**161,519**	**146,982**
Operating expenses					
Selling, general and administrative		24,812	23,935	47,681	44,733
Research and development		22,098	21,233	43,409	39,783
Depreciation		551	613	1,045	1,239
Depreciation of right-of-use assets		1,570	1,931	3,076	3,667
Special charges		106	2,001	197	2,029
		49,137	**49,713**	**95,408**	**91,451**
Results from operating activities		**33,475**	**25,642**	**66,111**	**55,531**
Amortization of acquired software and customer relationships	4	(11,146)	(9,838)	(21,520)	(18,670)
Foreign exchange losses		(86)	(790)	(1,803)	(1,843)
Interest expense – lease obligations		(148)	(192)	(298)	(359)
Finance income		2,602	1,006	4,963	1,982
Finance expenses		(12)	(124)	(12)	(131)
Other income (expenses)		220	(528)	106	(655)
Income before income taxes		**24,905**	**15,176**	**47,547**	**35,855**
Provision for income taxes	8	4,931	2,640	9,440	6,296
Net income for the period		**19,974**	**12,536**	**38,107**	**29,559**
Item that may be subsequently reclassified to income:					
Cumulative translation adjustment		9,455	11,295	1,438	21,038
Other comprehensive income		**9,455**	**11,295**	**1,438**	**21,038**
Comprehensive income		**$ 29,429**	**$ 23,831**	**$ 39,545**	**$ 50,597**
Earnings per share					
Basic	9	$ 0.36	$ 0.23	$ 0.69	$ 0.53
Diluted	9	$ 0.36	$ 0.23	$ 0.69	$ 0.53

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

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(in thousands of Canadian dollars) (unaudited)	Share capital (#)	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total
As at November 1, 2023	**55,256,617**	**$ 107,701**	**$ 10,404**	**$ 10,829**	**$ 426,397**	**$ 555,331**
Net income for the period	-	-	-	-	38,107	38,107
Cumulative translation adjustment (Note 6)	-	-	-	1,438	-	1,438
Comprehensive income	**-**	**$ -**	**$ -**	**$ 1,438**	**$ 38,107**	**$ 39,545**
Employee share options:						
Value of services recognized (Note 7)	-	-	778	-	-	778
Proceeds from issuance of shares	157,000	5,613	(930)	-	-	4,683
Normal course issuer bid share repurchases (Note 6)	(37,635)	(77)	-	-	(1,070)	(1,147)
Dividends declared (Note 6)	-	-	-	-	(26,586)	(26,586)
As at April 30, 2024	**55,375,982**	**$ 113,237**	**$ 10,252**	**$ 12,267**	**$ 436,848**	**$ 572,604**
As at November 1, 2022	**55,250,239**	**$ 107,007**	**$ 8,882**	**$ (8,971)**	**$ 401,247**	**$ 508,165**
Net income for the period	-	-	-	-	29,559	29,559
Cumulative translation adjustment (Note 6)	-	-	-	21,038	-	21,038
Comprehensive income	**-**	**$ -**	**$ -**	**$ 21,038**	**$ 29,559**	**$ 50,597**
Employee share options:						
Value of services recognized	-	-	931	-	-	931
Proceeds from issuance of shares	20,000	721	(117)	-	-	604
Dividends declared (Note 6)	-	-	-	-	(22,383)	(22,383)
As at April 30, 2023	**55,270,239**	**$ 107,728**	**$ 9,696**	**$ 12,067**	**$ 408,423**	**$ 537,914**

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

Condensed Consolidated Interim Statements of Cash Flows

(in thousands of Canadian dollars)
(unaudited)

Periods ended April 30	Notes	Three months 2024	Three months 2023	Six months 2024	Six months 2023
OPERATING ACTIVITIES					
Net income for the period		$ 19,974	$ 12,536	$ 38,107	$ 29,559
Adjustments for non-cash items					
Depreciation		551	613	1,045	1,239
Depreciation of right-of-use assets		1,570	1,931	3,076	3,667
Interest expense – lease obligations		148	192	298	359
Amortization of acquired software and customer relationships	4	11,146	9,838	21,520	18,670
Stock-based compensation expense	7	501	473	778	931
Provision for income taxes		4,931	2,640	9,440	6,296
Finance expenses and other (income) expenses		(208)	652	(94)	786
		38,613	**28,875**	**74,170**	**61,507**
Changes in non-cash operating working capital	13	6,651	(5,989)	(6,489)	(3,987)
Income taxes paid		(5,008)	(4,188)	(7,526)	(9,560)
Net cash provided by operating activities		**40,256**	**18,698**	**60,155**	**47,960**
INVESTING ACTIVITIES					
Net purchase of property and equipment		(418)	(66)	(778)	(171)
Acquisitions, net of cash acquired*	10	(12,594)	(25,617)	(12,594)	(25,617)
Purchase consideration for prior-year acquisitions	10	-	233	171	233
Purchase of short-term investments		-	-	-	(69)
Net cash used in investing activities		**(13,012)**	**(25,450)**	**(13,201)**	**(25,624)**
FINANCING ACTIVITIES					
Issuance of share capital		373	-	4,683	604
Normal course issuer bid share repurchases		(1,147)	-	(1,147)	-
Repayment of lease obligations		(1,798)	(2,470)	(3,400)	(4,280)
Dividends paid		(12,188)	(10,225)	(24,344)	(20,446)
Net cash used in financing activities		**(14,760)**	**(12,695)**	**(24,208)**	**(24,122)**
Impact of foreign exchange on cash and cash equivalents		3,682	3,797	640	8,833
Increase (decrease) in cash and cash equivalents		**16,166**	**(15,650)**	**23,386**	**7,047**
Cash and cash equivalents - beginning of period		246,752	247,801	239,532	225,104
Cash and cash equivalents - end of period		**$ 262,918**	**$ 232,151**	**$ 262,918**	**$ 232,151**

** Acquisitions are net of cash acquired of $497 for the three and six months ended April 30, 2024 and $2,088 for the three and six months ended April 30, 2023.*

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

1. Description of the Business and Reporting Entity

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

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

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

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

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

(a) Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"). The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended October 31, 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Board of Directors, on the recommendation of its Audit Committee, approved these unaudited condensed consolidated interim financial statements for issue on June 10, 2024.

(b) Basis of Preparation and Measurement

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as issued by the International Accounting Standards Board. The unaudited condensed consolidated interim financial statements reflect the accounting policies disclosed in Note 3 of the Company's 2023 audited annual consolidated financial statements, except as disclosed herein. They have been prepared on a going-concern basis, using historical cost, except for investments in equity securities designated at fair value through profit or loss, certain assets and liabilities initially recognized in connection with business combinations and derivative financial instruments, which are measured at fair value.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of June 10, 2024.

(c) Functional and Presentation Currency

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

(d) Use of Estimates and Judgments

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. In preparing these unaudited condensed consolidated interim financial statements, the significant judgments made by management and the key sources of estimation uncertainty were the same as those that applied to the audited annual consolidated financial statements for the year ended October 31, 2023.

3. Material Accounting Policies

The material accounting policies used in preparing these unaudited condensed consolidated interim financial statements are unchanged from those disclosed in the Company's audited annual consolidated financial statements for the year ended October 31, 2023, except for the below:

The Company applied for the first time certain amendments to standards, which are effective for annual periods beginning on or after January 1, 2023, including *Amendments to IFRS 17, Insurance Contracts; Amendments to IAS 1, Presentation of Financial Statements – Disclosure of Accounting Policies; Amendments to IAS 8, Accounting Policies – Changes in Accounting Estimates and Errors; Amendments to IAS 12, Deferred Tax Related to Assets and Liabilities from a Single Transaction;* and *Amendments to IAS 12, International Tax Reform – Pillar Two Model Rules*. The amendments had no material impact on the unaudited condensed consolidated interim financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies have been applied consistently by the Company's subsidiaries.

4. Intangible Assets and Goodwill

	Acquired software	Customer relationships	Total intangibles	Goodwill
As at November 1, 2023				
Cost	$ 298,196	$ 203,352	$ 501,548	$ 280,241
Accumulated amortization	(241,649)	(150,240)	(391,889)	-
Net book value	**$ 56,547**	**$ 53,112**	**$ 109,659**	**$ 280,241**
Period ended April 30, 2024				
Opening net book value	$ 56,547	$ 53,112	$ 109,659	$ 280,241
Acquisitions	8,882	1,929	10,811	10,192
Purchase price adjustments	-	-	-	2,837
Amortization	(12,931)	(8,589)	(21,520)	-
Exchange difference	(285)	(412)	(697)	(280)
Closing net book value	**$ 52,213**	**$ 46,040**	**$ 98,253**	**$ 292,990**
As at April 30, 2024				
Cost	$ 307,078	$ 205,281	$ 512,359	$ 292,990
Accumulated amortization	(254,865)	(159,241)	(414,106)	-
Net book value	**$ 52,213**	**$ 46,040**	**$ 98,253**	**$ 292,990**

	Acquired software	Customer relationships	Total intangibles	Goodwill
As at November 1, 2022				
Cost	$ 266,983	$ 176,287	$ 443,270	$ 230,002
Accumulated amortization	(219,398)	(137,970)	(357,368)	-
Net book value	**$ 47,585**	**$ 38,317**	**$ 85,902**	**$ 230,002**
Period ended April 30, 2023				
Opening net book value	$ 47,585	$ 38,317	$ 85,902	$ 230,002
Acquisitions	15,203	15,931	31,134	19,606
Amortization	(11,807)	(6,863)	(18,670)	-
Exchange difference	1,608	1,830	3,438	9,384
Closing net book value	**$ 52,589**	**$ 49,215**	**$ 101,804**	**$ 258,992**
As at April 30, 2023				
Cost	$ 282,186	$ 192,218	$ 474,404	$ 258,992
Accumulated amortization	(229,597)	(143,003)	(372,600)	-
Net book value	**$ 52,589**	**$ 49,215**	**$ 101,804**	**$ 258,992**

5. Provisions

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

Six months ended April 30	2024	2023
At beginning of period	**$ 2,238**	**$ 3,183**
Additions	180	993
Reversed	(517)	(847)
Utilized during the period	(476)	(265)
Effect of movements in foreign exchange	(5)	107
At end of period	**$ 1,420**	**$ 3,171**

6. Share Capital and Other Components of Shareholders' Equity

Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares with no par value, an unlimited number of Class A, redeemable, retractable, non-voting, non-cumulative, preference shares and an unlimited number of Class B, redeemable, retractable, non-voting, preference shares. There were 55,375,982 common shares outstanding as at April 30, 2024. There were no Class A and no Class B preference shares issued and outstanding as at either April 30, 2024 or October 31, 2023.

Normal Course Issuer Bid Repurchases

On May 7, 2024, the Company renewed its common share repurchase plan, whereby it may repurchase up to a maximum of 3,000,000 common shares of the Company, expiring on May 6, 2025. The Company repurchased and cancelled 37,635 common shares in the first two quarters of fiscal 2024 at a weighted average price of $30.47 per share for a total cost of $1.1 million compared to no repurchases of common shares in the first two quarters of fiscal 2023.

Dividends

During the three months ended April 30, 2024, the Company declared dividends of $0.26 per common share compared to $0.22 per common share in the comparative period of the prior year, and paid dividends of $0.22 compared to $0.185 during the same period in the prior year.

Accumulated Other Comprehensive Income (Loss)

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

	Translation of foreign operations	Unrealized losses	Total
As at November 1, 2023	$ 10,948	$ (119)	$ 10,829
Cumulative translation adjustment	1,438	-	1,438
As at April 30, 2024	**$ 12,386**	**$ (119)**	**$ 12,267**
As at November 1, 2022	$ (8,852)	$ (119)	$ (8,971)
Cumulative translation adjustment	21,038	-	21,038
As at April 30, 2023	**$ 12,186**	**$ (119)**	**$ 12,067**

7. Stock-Based Compensation

The Company has granted options to purchase common shares to certain directors, officers and employees of the Company, pursuant to the terms of the Company's stock option plan (the "Plan"). The Plan provides that a total of 2,892,900 (April 30, 2023 – 3,049,900) common shares are reserved for options and that the shares reserved for options, which could become exercisable in any one year, will not exceed more than 10% of the issued and outstanding common shares of the Company at the time such options may be exercisable. These options vest at various times over four years and expire seven years after the grant date. The exercise price of each option equals the market price of the Company's stock on the date the options are granted.

A summary of the status of the Company's Plan as at April 30, 2024 and April 30, 2023, and changes during the period ended on those dates, is presented as follows:

Three months ended April 30	Number of options		Weighted average exercise price	
	2024	2023	2024	2023
Outstanding at beginning of period	1,310,500	1,443,500	$ 36.55	$ 36.39
Granted	40,000	70,000	30.87	35.64
Exercised	(14,000)	-	26.55	-
Forfeited	(1,000)	(46,000)	34.71	40.89
Outstanding at end of period	**1,335,500**	**1,467,500**	**$ 36.48**	**$ 36.22**
Exercisable at end of period	**847,500**	**904,500**	**$ 36.78**	**$ 35.55**

Six months ended April 30	Number of options		Weighted average exercise price	
	2024	2023	2024	2023
Outstanding at beginning of period	1,481,500	1,463,500	$ 35.97	$ 36.31
Granted	40,000	70,000	30.87	35.64
Exercised	(157,000)	(20,000)	29.82	30.21
Forfeited	(29,000)	(46,000)	38.60	40.89
Outstanding at end of period	**1,335,500**	**1,467,500**	**$ 36.48**	**$ 36.22**
Exercisable at end of period	**847,500**	**904,500**	**$ 36.78**	**$ 35.55**

The Company uses the fair value method for recording expenses related to equity instruments awarded to employees, officers and directors in accordance with IFRS 2, *Share-Based Payments*. For the purposes of expensing stock options, each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. The Company recorded a non-cash charge of $0.5 million and $0.8 million for the three and six months ended April 30, 2024, compared to $0.5 million and $0.9 million, respectively, in the same periods in the prior year.

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

Options granted in the six months ended April 30	2024	2023
Risk-free interest rate	3.69%	3.66%
Estimated volatility	32%	31%
Dividend yield	$ 1.04	$ 0.88
Expected life (in years)	5.0	5.0
Weighted average fair value	$ 7.37	$ 9.19
Weighted average share price at grant date	$30.87	$35.64

Share Unit Plan

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

RSUs

Upon vesting, RSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all RSUs with common shares. The share-based payment expense will be recognized evenly over the vesting period. As at April 30, 2024, there were no RSUs awarded or vested.

PSUs

PSUs granted will be a bonus for services in the year the award is granted. Depending on the specific purpose of the award, the Committee will determine the associated performance metrics, weightings and performance period. Performance metrics may include financial (including, without limitation, common share price), personal, operational or transaction-based performance criteria. These metrics may be measured on an absolute basis, or at the sole election of the Board and Committee, may result in the percentage of vested PSUs in a grant exceeding 100%, but to a maximum of 200%. Upon vesting, PSUs will be paid in either cash or an issuance of common shares, at the discretion of the Committee. The Company plans to settle all PSUs with issuance of common shares. The share-based payment expense relating to market-based performance conditions will be recognized evenly over the vesting period, while the share-based payment expense relating to non-market performance conditions will be recognized over the vesting period, subject to measurement adjustments. A summary of the status of the Company's PSUs as at April 30, 2024 and April 30, 2023, and changes during the period ended on those dates, is presented as follows:

Period ended April 30	Three months Number of PSUs		Six months Number of PSUs	
	2024	2023	2024	2023
Outstanding at beginning of period	-	-	-	-
Granted	25,000	-	25,000	-
Outstanding at end of period	**25,000**	**-**	**25,000**	**-**

Deferred Share Unit Plan

On March 9, 2023, a new Deferred Share Unit Plan (the "DSU Plan") was approved by shareholders. The maximum number of common shares reserved for issuance under the DSU Plan is a fixed 80,000. Under the DSU Plan, non-executive directors of the Company may elect to defer a portion of their compensation until they leave the Board and have the value of such portion fluctuate with the value of common shares. The purpose of the DSU Plan is to attract and retain qualified persons to serve on the Board. As at April 30, 2024, there were no DSUs awarded or vested. DSUs will be paid in either cash or an issuance of common shares, at the discretion of the

Committee. The Company plans to settle all DSUs with issuance of common shares. The share-based payment expense of DSUs will be recognized upon grant, when the DSUs vest.

8. Income Taxes

The provision for income taxes is recognized based on management's best estimate of the estimated annual income tax rate expected for the full financial year applied to the pre-tax income for the interim period for each entity in the consolidated group. As a result of foreign exchange fluctuations, acquisitions and the relative mix of income earned in differing jurisdictions, the Company has determined that a reasonable estimate of a weighted average annual tax rate cannot be determined for the consolidated group.

For the three months ended April 30, 2024, the Company recorded a provision for income taxes of $4.9 million (19.8% effective tax rate) as compared to a provision of $2.6 million (17.4%) for the same period in the prior year.

For the six months ended April 30, 2024, the Company recorded a provision for income taxes of $9.4 million (19.9% effective tax rate) as compared to a provision of $6.3 million (17.6%) for the same period in the prior year.

9. Earnings per Share

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

Periods ended April 30	Three months		Six months	
	2024	2023	2024	2023
Net income for the period	$ 19,974	$ 12,536	$ 38,107	$ 29,559
Weighted average number of common shares outstanding	55,384	55,270	55,335	55,263
Basic earnings per share	**$ 0.36**	**$ 0.23**	**$ 0.69**	**$ 0.53**

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

Periods ended April 30	Three months		Six months	
	2024	2023	2024	2023
Net income for the period	$ 19,974	$ 12,536	$ 38,107	$ 29,559
Weighted average number of common shares outstanding	55,384	55,270	55,335	55,263
Adjustment for stock options	25	173	34	102
Weighted average number of common shares outstanding for diluted earnings per share	55,409	55,443	55,369	55,365
Diluted earnings per share	**$ 0.36**	**$ 0.23**	**$ 0.69**	**$ 0.53**

10. Acquisitions

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

2024 Acquisitions

On February 12, 2024, the Company acquired substantially all of the assets of Mediasite, a SaaS video recording and streaming business from Sonic Foundry, Inc. (OTC: SOFO). The addition of Mediasite expands Enghouse's footprint in the Japanese market and provides a suite of SaaS video software solutions to augment current offerings. The acquisition was completed for an aggregate cash purchase price of $14.4 million, with $1.4 million subject to hold-back and potential adjustment. Results for the acquisition are included in IMG from the date of acquisition.

2023 Acquisitions

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

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

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

The three acquisitions were completed for an aggregate cash purchase price of $57.1 million with $1.6 million remaining in escrow, subject to potential adjustment. Results for all three acquisitions are included in IMG from their respective dates of acquisition.

Management has established the preliminary price allocations, taking into account all relevant information at the time of preparing these notes to the unaudited condensed consolidated interim financial statements. The purchase price allocations have not been finalized for LifeSize and Mediasite, subject to receipt of additional information and the settlement of the holdback obligations.

Purchase Price Allocations

	IMG Preliminary 2024	IMG Preliminary 2023
Cash and cash equivalents	$ 497	$ 2,088
Accounts receivable	3,210	11,706
Prepaid expenses and other assets	1,405	1,721
Property and equipment	300	295
Deferred income tax assets	140	-
Acquired software	8,882	31,213
Customer relationships	1,929	27,065
Right-of-use assets	570	183
Goodwill	10,192	42,461
Total assets acquired	**$ 27,125**	**$ 116,732**
Current liabilities assumed	$ 12,300	$ 50,639
Other long-term liabilities	254	3,534
Deferred income tax liabilities	-	4,477
Long term loans	140	997
Total liabilities assumed	**$ 12,694**	**$ 59,647**
Net assets acquired for cash consideration	**$ 14,431**	**$ 57,085**

11. Segment Information

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

Three months ended April 30	2024			2023		
	IMG	AMG	Total	IMG	AMG	Total
Revenue	$ 80,530	$ 45,283	$ 125,813	$ 64,578	$ 48,883	$ 113,461
Direct costs	(26,573)	(16,628)	(43,201)	(19,133)	(18,973)	(38,106)
Revenue, net of direct costs	**53,957**	**28,655**	**82,612**	**45,445**	**29,910**	**75,355**
Operating expenses excluding special charges	(23,483)	(11,751)	(35,234)	(23,034)	(12,596)	(35,630)
Depreciation	(392)	(159)	(551)	(544)	(69)	(613)
Depreciation of right-of-use assets	(997)	(573)	(1,570)	(941)	(990)	(1,931)
Segment profit	**$ 29,085**	**$ 16,172**	**$ 45,257**	**$ 20,926**	**$ 16,255**	**$ 37,181**
Special charges			(106)			(2,001)
Corporate and shared service expenses			(11,676)			(9,538)
Results from operating activities			**$ 33,475**			**$ 25,642**

Six months ended April 30	2024			2023		
	IMG	AMG	Total	IMG	AMG	Total
Revenue	$ 156,666	$ 89,636	$ 246,302	$ 122,431	$ 97,465	$ 219,896
Direct costs	(51,979)	(32,804)	(84,783)	(35,564)	(37,350)	(72,914)
Revenue, net of direct costs	**104,687**	**56,832**	**161,519**	**86,867**	**60,115**	**146,982**
Operating expenses excluding special charges	(44,909)	(23,447)	(68,356)	(42,285)	(23,916)	(66,201)
Depreciation	(769)	(276)	(1,045)	(1,081)	(158)	(1,239)
Depreciation of right-of-use assets	(1,933)	(1,143)	(3,076)	(2,041)	(1,626)	(3,667)
Segment profit	**$ 57,076**	**$ 31,966**	**$ 89,042**	**$ 41,460**	**$ 34,415**	**$ 75,875**
Special charges			(197)			(2,029)
Corporate and shared service expenses			(22,734)			(18,315)
Results from operating activities			**$ 66,111**			**$ 55,531**

12. Litigation and Contingencies

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

In response to correspondence from and, in a few instances, litigation instigated by, third-party patent holders, a few of the Company's customers have attempted to tender to the Company the defence of its products under contractual indemnity provisions. With respect to this litigation, and any other litigation the Company becomes involved with, under a contractual indemnity or any other legal theory, the Company has and will continue to consider all its options for resolution and vigorously assert all appropriate defences. There are no material claims outstanding against the Company as at April 30, 2024.

13. Changes in Non-Cash Operating Working Capital

Periods ended April 30	Three months		Six months	
	2024	2023	2024	2023
Decrease (increase) in accounts receivable	$ 14,975	$ 6,030	$ (14,272)	$ (3,608)
Decrease (increase) in prepaid expenses and other assets	1,263	(264)	(394)	(1,733)
Increase (decrease) in accounts payable and accrued liabilities	968	(4,816)	(1,320)	(9,063)
(Decrease) increase in provisions	(7)	537	(791)	(74)
(Decrease) increase in income taxes payable net of recoverable	(353)	(608)	468	(704)
(Decrease) increase in deferred revenue	(10,195)	(6,868)	9,820	11,195
Changes in non-cash operating working capital	**$ 6,651**	**$ (5,989)**	**$ (6,489)**	**$ (3,987)**

Changes in non-cash operating working capital are inclusive of results from acquisitions for the period(s) subsequent to the date that they are acquired.

14. Subsequent Event

On May 9, 2024, Enghouse completed its acquisition of substantially all of the assets of SeaChange International, Inc. (“SeaChange”) related to its IPTV products and services business, for a net purchase price of approximately US$23 million. SeaChange is a provider of streaming video services, cable TV broadcast platforms and advanced advertising insertion technology. The company provides their IPTV technology to operators, broadcasters and content owners worldwide to help them deliver the highest quality video experience to consumers. SeaChange will be integrated within Enghouse’s AMG segment from the date of acquisition.