Enghouse Systems
Software engineered for results

NEWS

Enghouse Releases Third Quarter Results

Markham, Ontario – September 10, 2026 **– Enghouse Systems Limited (TSX: ENGH)** announces third quarter (unaudited) financial results for the period ended July 31, 2026. All figures are denominated in Canadian dollars unless otherwise indicated.

Third Quarter Financial Highlights:

- Revenue was $117.6 million as compared to $125.6 million in Q3 2025 and for the nine-month period was $352.0 million compared to $374.4 million last year;
- Recurring revenue, which includes SaaS and maintenance services, was $81.7 million compared to $87.8 million in Q3 2025, and represents 69.5% of total revenue. For the nine-month period, recurring revenue was $245.4 million compared to $261.9 million in the prior period, and represents 69.7% of total revenue;
- Results from operating activities were $24.5 million compared to $27.3 million in Q3 2025 and for the nine-month period were $76.4 million compared to $83.3 million in the prior year;
- Net income was $15.4 million compared to $17.2 million in Q3 2025. For the nine-month period, net income was $49.2 million compared to $52.5 million in the prior period;
- Adjusted EBITDA was $30.8 million compared to $32.3 million in Q3 2025, while achieving a 26.2% margin. For the nine-month period, Adjusted EBITDA was $88.4 million compared to $93.9 million in the prior year;
- Net cash provided by operating activities, excluding changes in working capital and income taxes paid, was $28.4 million compared to $30.9 million in Q3 2025 and was $88.5 million for the nine-month period compared to $94.2 million last year. Cash, cash equivalents and short-term investments were $267.8 million as at July 31, 2026.

During the quarter, Enghouse continued to operate in an environment shaped by evolving economic conditions, shifting trade dynamics, geopolitical developments and the ongoing impact of artificial intelligence on businesses worldwide. Against this backdrop, we remained focused on what we can control by executing our strategy, supporting our customers' critical operations, and enhancing our portfolio through targeted investments and innovation.

Revenue increased compared to the second quarter of fiscal 2026, reflecting improved business activity and the timing of certain transactions during the period. While some areas of the business continue to experience normal customer turnover and variability in software license and hardware demand, our recurring revenue streams remain a significant contributor to overall performance. The quarter reflects the benefits of our diversified portfolio, broad customer base, and disciplined approach to managing the business through uncertain market conditions.

As committed, we took steps to strengthen the Company's operating profile and long-term earnings potential. During the quarter, we implemented further actions to better align our cost structure with current activity levels and streamline operations across the Company, taking a $4.6 million restructuring charge. Operating expenses, excluding special charges, were $45.7 million compared to $49.9 million in the prior year, reflecting progress in our cost optimization efforts, with additional benefits expected to be realized in future periods.

Enghouse ended the quarter with $267.8 million in cash, cash equivalents, and short-term investments, and no external debt. During the third quarter we paid dividends of $16.9 million and completed share buybacks of $7.5 million. The Company’s financial strength continues to provide significant strategic flexibility, allowing us to invest in our business, pursue acquisition opportunities, return capital to shareholders, and respond to changing market opportunities as they arise.

Quarterly dividends:

Today, the Board of Directors approved an eligible quarterly dividend of $0.31 per common share, payable on November 27, 2026, to shareholders of record at the close of business on November 13, 2026.

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

For the periods ended July 31	Three months				Nine months			
	2026	2025	Var ($)	Var (%)	2026	2025	Var ($)	Var (%)
Revenue	**$ 117,576**	**$ 125,577**	**(8,001)**	***(6.4)***	**$ 351,951**	**$ 374,396**	**(22,445)**	***(6.0)***
Direct costs	42,742	45,409	(2,667)	*(5.9)*	131,547	135,857	(4,310)	*(3.2)*
Revenue, net of direct costs	**$ 74,834**	**$ 80,168**	**(5,334)**	***(6.7)***	**$ 220,404**	**$ 238,539**	**(18,135)**	***(7.6)***
As a % of revenue	*63.6%*	*63.8%*			*62.6%*	*63.7%*		
Operating expenses	45,722	49,905	(4,183)	*(8.4)*	137,555	150,707	(13,152)	*(8.7)*
Special charges	4,645	3,008	1,637	*54.4*	6,482	4,500	1,982	*44.0*
Results from operating activities	**$ 24,467**	**$ 27,255**	**(2,788)**	***(10.2)***	**$ 76,367**	**$ 83,332**	**(6,965)**	***(8.4)***
As a % of revenue	*20.8%*	*21.7%*			*21.7%*	*22.3%*		
Amortization of acquired software and customer relationships	(6,143)	(7,032)	889	*12.6*	(18,950)	(22,807)	3,857	*16.9*
Foreign exchange gains (losses)	333	(580)	913	*157.4*	569	(2,233)	2,802	*125.5*
Interest expense – lease obligations	(110)	(132)	22	*16.7*	(343)	(391)	48	*12.3*
Finance income	1,719	1,807	(88)	*(4.9)*	4,878	6,024	(1,146)	*(19.0)*
Finance expenses	(2)	(16)	14	*87.5*	(77)	(43)	(34)	*(79.1)*
Other (expenses) income	(415)	125	(540)	*(432.0)*	1,040	1,625	(585)	*(36.0)*
Income before income taxes	**$ 19,849**	**$ 21,427**	**(1,578)**	***(7.4)***	**$ 63,484**	**$ 65,507**	**(2,023)**	***(3.1)***
Provision for income taxes	4,472	4,254	218	*5.1*	14,319	12,969	1,350	*10.4*
Net Income for the period	**$ 15,377**	**$ 17,173**	**(1,796)**	***(10.5)***	**$ 49,165**	**$ 52,538**	**(3,373)**	***(6.4)***
Basic earnings per share	**0.28**	0.31	(0.03)	*(9.7)*	**0.90**	0.95	*(0.05)*	*(5.3)*
Diluted earnings per share	**0.28**	0.31	(0.03)	*(9.7)*	**0.90**	0.95	*(0.05)*	*(5.3)*
Net cash provided by operating activities	22,475	27,087	(4,612)	*(17.0)*	74,828	85,007	(10,179)	*(12.0)*
Net cash provided by operating activities excluding changes in working capital and income taxes paid	28,443	30,894	(2,451)	*(7.9)*	88,539	94,178	(5,639)	*(6.0)*
Adjusted EBITDA								
Results from operating activities	24,467	27,255	(2,788)	*(10.2)*	76,367	83,332	(6,965)	*(8.4)*
Depreciation	597	594	3	*(0.5)*	1,804	1,894	(90)	*4.8*
Depreciation of right-of-use assets	1,094	1,393	(299)	*21.5*	3,764	4,201	(437)	*10.4*
Special charges	4,645	3,008	1,637	*(54.4)*	6,482	4,500	1,982	*(44.0)*
Adjusted EBITDA	**$ 30,803**	**$ 32,250**	**(1,447)**	***(4.5)***	**$ 88,417**	**$ 93,927**	**(5,510)**	***(5.9)***
Adjusted EBITDA margin	*26.2%*	*25.7%*			*25.1%*	*25.1%*		
Adjusted EBITDA per diluted share	**$ 0.57**	**$ 0.58**	**(0.01)**	***(1.7)***	**$ 1.62**	**$ 1.70**	**(0.08)**	***(4.7)***

Enghouse Systems Limited

Condensed Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars) *(unaudited)*	As at July 31, 2026	As at October 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 267,786	$ 269,061
Short-term investments	23	25
Accounts receivable	74,266	88,980
Prepaid expenses and other assets	13,199	17,001
	355,274	**375,067**
Non-current assets:		
Property and equipment	3,510	3,890
Right-of-use assets	8,573	11,453
Intangible assets	75,438	89,710
Goodwill	344,454	341,593
Deferred income tax assets	36,132	35,105
	468,107	**481,751**
	$ 823,381	**$ 856,818**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 57,496	$ 76,167
Income taxes payable	6,195	10,662
Dividends payable	16,709	16,426
Provisions	5,179	2,013
Deferred revenue	111,469	108,268
Lease obligations	4,015	5,197
	201,063	**218,733**
Non-current liabilities:		
Deferred income tax liabilities	13,003	13,439
Deferred revenue	4,753	6,791
Net employee defined-benefit obligation	2,450	2,442
Lease obligations	4,009	5,944
	24,215	**28,616**
	225,278	**247,349**
Shareholders' equity:		
Share capital	115,071	116,894
Contributed surplus	12,304	11,110
Retained earnings	429,576	443,134
Accumulated other comprehensive income	41,152	38,331
	598,103	**609,469**
	$ 823,381	**$ 856,818**

Enghouse Systems Limited

Condensed Consolidated Interim Statements of Operations and Comprehensive Income

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

	Three months		Nine months	
Periods ended July 31	**2026**	**2025**	**2026**	**2025**
Revenue				
Software licenses	$ 17,349	$ 17,290	$ 49,267	$ 51,956
SaaS and maintenance services	81,675	87,753	245,399	261,874
Professional services	16,427	17,156	48,942	50,889
Hardware	2,125	3,378	8,343	9,677
	117,576	**125,577**	**351,951**	**374,396**
Direct costs				
Software licenses	671	640	1,778	2,079
Services	40,942	43,410	125,613	129,338
Hardware	1,129	1,359	4,156	4,440
	42,742	**45,409**	**131,547**	**135,857**
Revenue, net of direct costs	**74,834**	**80,168**	**220,404**	**238,539**
Operating expenses				
Selling, general and administrative	22,468	23,752	65,854	72,368
Research and development	21,563	24,166	66,133	72,244
Depreciation	597	594	1,804	1,894
Depreciation of right-of-use assets	1,094	1,393	3,764	4,201
Special charges	4,645	3,008	6,482	4,500
	50,367	**52,913**	**144,037**	**155,207**
Results from operating activities	**24,467**	**27,255**	**76,367**	**83,332**
Amortization of acquired software and customer relationships	(6,143)	(7,032)	(18,950)	(22,807)
Foreign exchange gains (losses)	333	(580)	569	(2,233)
Interest expense – lease obligations	(110)	(132)	(343)	(391)
Finance income	1,719	1,807	4,878	6,024
Finance expenses	(2)	(16)	(77)	(43)
Other (expenses) income	(415)	125	1,040	1,625
Income before income taxes	**19,849**	**21,427**	**63,484**	**65,507**
Provision for income taxes	4,472	4,254	14,319	12,969
Net income for the period	**15,377**	**17,173**	**49,165**	**52,538**
Item that may be subsequently reclassified to income:				
Cumulative translation adjustment	10,200	1,928	2,821	8,316
Other comprehensive income	**10,200**	**1,928**	**2,821**	**8,316**
Comprehensive income	**$ 25,577**	**$ 19,101**	**$ 51,986**	**$ 60,854**
Earnings per share				
Basic	$ 0.28	$ 0.31	$ 0.90	$ 0.95
Diluted	$ 0.28	$ 0.31	$ 0.90	$ 0.95

Enghouse Systems Limited

Condensed Consolidated Interim Statements of Cash Flows

(in thousands of Canadian dollars)
(unaudited)

	Three months		Nine months	
Periods ended July 31	**2026**	**2025**	**2026**	**2025**
OPERATING ACTIVITIES				
Net income for the period	$ 15,377	$ 17,173	$ 49,165	$ 52,538
Adjustments for non-cash items				
Depreciation	597	594	1,804	1,894
Depreciation of right-of-use assets	1,094	1,393	3,764	4,201
Interest expense – lease obligations	110	132	343	391
Amortization of acquired software and customer relationships	6,143	7,032	18,950	22,807
Stock-based compensation expense	233	425	1,157	960
Provision for income taxes	4,472	4,254	14,319	12,969
Finance expenses and other (income) expenses	417	(109)	(963)	(1,582)
	28,443	**30,894**	**88,539**	**94,178**
Changes in non-cash operating working capital	133	(700)	7,472	3,670
Income taxes paid	(6,101)	(3,107)	(21,183)	(12,841)
Net cash provided by operating activities	**22,475**	**27,087**	**74,828**	**85,007**
INVESTING ACTIVITIES				
Purchase of property and equipment, net	(250)	(372)	(1,374)	(1,179)
Acquisitions, net of cash acquired*	-	-	(5,524)	(33,399)
Payment of purchase consideration for prior-year acquisitions	(2,188)	-	(3,677)	-
Proceeds from sale of intangible assets	-	-	701	-
Net cash used in investing activities	**(2,438)**	**(372)**	**(9,874)**	**(34,578)**
FINANCING ACTIVITIES				
Normal course issuer bid share repurchases	(7,511)	(1,579)	(14,595)	(7,529)
Repayment of lease obligations	(1,120)	(1,561)	(3,984)	(4,770)
Dividends paid	(16,855)	(16,547)	(49,631)	(45,284)
Net cash used in financing activities	**(25,486)**	**(19,687)**	**(68,210)**	**(57,583)**
Impact of foreign exchange on cash and cash equivalents	3,535	1,168	1,981	4,395
(Decrease) increase in cash and cash equivalents	**(1,914)**	**8,196**	**(1,275)**	**(2,759)**
Cash and cash equivalents - beginning of period	269,700	263,285	269,061	274,240
Cash and cash equivalents - end of period	**$ 267,786**	**$ 271,481**	**$ 267,786**	**$ 271,481**

**Acquisitions are net of cash acquired of $Nil and $83 for the three and nine months ended July 31, 2026, respectively, and $Nil and $9,287 for the three and nine months ended July 31, 2025, respectively.*

Enghouse Systems Limited

Segment Reporting Information

(in thousands of Canadian dollars)
(unaudited)

Three months ended July 31	2026			2025		
	IMG	AMG	Total	IMG	AMG	Total
Revenue	$ 64,610	$ 52,966	$ 117,576	$ 69,625	$ 55,952	$ 125,577
Direct costs	(22,053)	(20,689)	(42,742)	(24,822)	(20,587)	(45,409)
Revenue, net of direct costs	**42,557**	**32,277**	**74,834**	**44,803**	**35,365**	**80,168**
Operating expenses excluding special charges	(20,105)	(13,032)	(33,137)	(22,230)	(14,259)	(36,489)
Depreciation	(340)	(257)	(597)	(356)	(238)	(594)
Depreciation of right-of-use assets	(592)	(502)	(1,094)	(865)	(528)	(1,393)
Segment profit	**$ 21,520**	**$ 18,486**	**$ 40,006**	**$ 21,352**	**$ 20,340**	**$ 41,692**
Special charges			(4,645)			(3,008)
Corporate and shared service expenses			(10,894)			(11,429)
Results from operating activities			**$ 24,467**			**$ 27,255**

Nine months ended July 31	2026			2025		
	IMG	AMG	Total	IMG	AMG	Total
Revenue	$ 194,745	$ 157,206	$ 351,951	$ 216,964	$ 157,432	$ 374,396
Direct costs	(67,362)	(64,185)	(131,547)	(76,346)	(59,511)	(135,857)
Revenue, net of direct costs	**127,383**	**93,021**	**220,404**	**140,618**	**97,921**	**238,539**
Operating expenses excluding special charges	(62,443)	(39,353)	(101,796)	(68,833)	(41,194)	(110,027)
Depreciation	(980)	(824)	(1,804)	(1,151)	(743)	(1,894)
Depreciation of right-of-use assets	(2,219)	(1,545)	(3,764)	(2,701)	(1,500)	(4,201)
Segment profit	**$ 61,741**	**$ 51,299**	**$ 113,040**	**$ 67,933**	**$ 54,484**	**$ 122,417**
Special charges			(6,482)			(4,500)
Corporate and shared service expenses			(30,191)			(34,585)
Results from operating activities			**$ 76,367**			**$ 83,332**

About Enghouse

Enghouse Systems Limited is a Canadian publicly traded company (TSX: ENGH) that provides mission-critical vertically focused enterprise software solutions. Our core technologies are used for contact centers, video communications, virtual healthcare, education, telecommunications networks, IPTV, public safety and transit. The Company's two-pronged strategy to grow earnings focuses on both organic growth and acquisitions, which, to date, have been funded through net cash provided by operating activities as the Company has no external debt financing. The Company is organized around two business segments, the Interactive Management Group ("IMG") and the Asset Management Group ("AMG") due to their unique customer segments and technology offerings. Further information about Enghouse may be obtained from the Company's website at www.enghouse.com.

Conference Call and Webcast

A conference call to discuss the results will be held on Friday, September 11, 2026 at 8:45 a.m. EST. To participate, please call +1-289-514-5100 or North American Toll-Free +1-800-717-1738. Confirmation code: 94138. A webcast is also available at: https://www.enghouse.com/investors.php.

For further information please contact:

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

****

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