

Kinaxis Inc.

Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2025 and 2024

(In thousands of USD)

(Unaudited)

Kinaxis Inc.**Condensed Consolidated Interim Statements of Financial Position**

(Expressed in thousands of USD)

(Unaudited)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 143,489	\$ 172,192
Short-term investments	171,100	126,307
Trade and other receivables (note 3)	129,397	156,394
Prepaid expenses	26,487	18,244
	470,473	473,137
Non-current assets:		
Unbilled receivables (note 3)	465	1,448
Other receivables	937	867
Prepaid expenses	1,760	2,072
Deferred tax assets	11,206	11,016
Contract acquisition costs (note 4)	32,995	32,005
Property and equipment (note 5)	31,484	32,486
Right-of-use assets (note 6)	47,699	46,705
Intangible assets (note 7)	12,460	12,865
Goodwill (note 8)	73,910	72,735
	212,916	212,199
	\$ 683,389	\$ 685,336
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade payables and accrued liabilities (note 9)	\$ 62,930	\$ 94,369
Deferred revenue (note 10)	152,879	140,008
Provisions	544	544
Lease obligations (note 11)	5,419	5,587
	221,772	240,508
Non-current liabilities:		
Lease obligations (note 11)	44,953	43,348
Deferred tax liabilities	5,880	5,969
	50,833	49,317
Shareholders' equity:		
Share capital (note 12)	308,163	285,422
Contributed surplus	—	12,078
Accumulated other comprehensive loss	(2,193)	(3,847)
Retained earnings	104,814	101,858
	410,784	395,511
	\$ 683,389	\$ 685,336

See accompanying notes to condensed consolidated interim financial statements.

On behalf of the Board of Directors:

(signed) Angel Mendez

Director

(signed) Elizabeth (Betsy) Rafael

Director

Kinaxis Inc.**Condensed Consolidated Interim Statements of Comprehensive Income**

(Expressed in thousands of USD, except share and per share data)

(Unaudited)

	Three months ended March 31,	
	2025	2024
Revenue (note 14)	\$ 132,788	\$ 119,370
Cost of revenue	46,249	46,440
Gross profit	86,539	72,930
Operating expenses:		
Selling and marketing	28,689	24,927
Research and development	22,668	22,985
General and administrative	16,866	19,249
	68,223	67,161
	18,316	5,769
Other income:		
Foreign exchange gain	914	126
Net finance and other income	2,423	2,901
	3,337	3,027
Profit before income taxes	21,653	8,796
Income tax expense	5,740	2,609
Profit	15,913	6,187
Other comprehensive income (loss):		
Items that are or may be reclassified subsequently to profit (loss):		
Foreign currency translation differences - foreign operations	1,077	(1,334)
Change in valuation of cash flow hedges	577	(477)
	1,654	(1,811)
Total comprehensive income	\$ 17,567	\$ 4,376
Basic earnings per share	\$ 0.57	\$ 0.22
Weighted average number of basic Common Shares (note 13)	28,094,465	28,262,317
Diluted earnings per share	\$ 0.55	\$ 0.21
Weighted average number of diluted Common Shares (note 13)	28,788,191	28,953,287

See accompanying notes to condensed consolidated interim financial statements.

Kinaxis Inc.**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity**

(Expressed in thousands of USD)

(Unaudited)

	Accumulated other comprehensive income (loss)							
		Share capital	Contributed surplus	Cash flow hedges	Currency translation adjustments	Total	Retained earnings	Total equity
Balance, December 31, 2023	\$	307,327	\$ 44,339	\$ 441	\$ 919	\$ 1,360	\$ 101,802	\$ 454,828
Profit		—	—	—	—	—	56	56
Other comprehensive loss		—	—	(1,644)	(3,563)	(5,207)	—	(5,207)
Total comprehensive income (loss)		—	—	(1,644)	(3,563)	(5,207)	56	(5,151)
Share options exercised		28,065	(6,512)	—	—	—	—	21,553
Restricted share units vested		14,992	(14,992)	—	—	—	—	—
Deferred share units vested		1,396	(1,396)	—	—	—	—	—
Performance share units vested		5,533	(5,533)	—	—	—	—	—
Share-based payments		—	40,723	—	—	—	—	40,723
Shares repurchased		(53,727)	(44,551)	—	—	—	—	(98,278)
Obligations related to share repurchased		(18,164)	—	—	—	—	—	(18,164)
Total shareholder transactions		(21,905)	(32,261)	—	—	—	—	(54,166)
Balance, December 31, 2024	\$	285,422	\$ 12,078	\$ (1,203)	\$ (2,644)	\$ (3,847)	\$ 101,858	\$ 395,511
Profit		—	—	—	—	—	15,913	15,913
Other comprehensive income		—	—	577	1,077	1,654	—	1,654
Total comprehensive income		—	—	577	1,077	1,654	15,913	\$ 17,567
Share options exercised		7,625	(1,805)	—	—	—	—	5,820
Restricted share units vested		12,828	(12,828)	—	—	—	—	—
Performance share units vested		3,262	(3,262)	—	—	—	—	—
Share-based payments		—	8,527	—	—	—	—	8,527
Shares repurchased (note 12)		(1,721)	(2,710)	—	—	—	(12,957)	(17,388)
Change in obligation for share repurchases (note 12)		747	—	—	—	—	—	747
Total shareholder transactions		22,741	(12,078)	—	—	—	(12,957)	(2,294)
Balance, March 31, 2025	\$	308,163	\$ —	\$ (626)	\$ (1,567)	\$ (2,193)	\$ 104,814	\$ 410,784

See accompanying notes to condensed consolidated interim financial statements.

Kinaxis Inc.**Condensed Consolidated Interim Statements of Cash Flows**

(Expressed in thousands of USD)

(Unaudited)

	Three months ended March 31,	
	2025	2024
Cash flows from operating activities:		
Profit	\$ 15,913	\$ 6,187
Items not affecting cash:		
Depreciation of property and equipment and right-of-use assets (note 15)	4,619	5,076
Amortization of intangible assets (note 7, 15)	804	1,329
Share-based payments (note 12)	9,347	8,722
Net finance income	(2,366)	(2,869)
Income tax expense	5,740	2,609
Investment tax credits recoverable	—	(900)
Change in operating assets and liabilities (note 16)	13,781	9,107
Interest received	2,903	4,410
Interest paid	(449)	(382)
Income taxes paid	(18,645)	(1,278)
	31,647	32,011
Cash flows from (used in) investing activities:		
Purchase of property and equipment (note 5)	(1,582)	(191)
Purchase of short-term investments	(122,445)	(59,357)
Redemption of short-term investments	77,564	92,563
	(46,463)	33,015
Cash flows used in financing activities:		
Payment of lease obligations (note 11)	(1,561)	(1,740)
Repurchase of shares (note 12)	(17,388)	(21,282)
Proceeds from exercise of stock options	5,820	4,182
	(13,129)	(18,840)
Increase (decrease) in cash and cash equivalents	(27,945)	46,186
Cash and cash equivalents, beginning of period	172,192	174,844
Effects of exchange rates on cash and cash equivalents	(758)	(1,656)
Cash and cash equivalents, end of period	\$ 143,489	\$ 219,374

See accompanying notes to condensed consolidated interim financial statements.

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements For the three months ended March 31, 2025 and 2024

(Expressed in thousands of USD, except share and per share amounts)

(Unaudited)

1. Corporate information:

Kinaxis Inc. ("Kinaxis" or the "Company") is incorporated under the Canada Business Corporations Act and domiciled in Ontario, Canada. The address of the Company's registered office is 3199 Palladium Drive, Ottawa, Ontario. The condensed consolidated interim financial statements of the Company as at March 31, 2025 and for the three months ended March 31, 2025 and 2024 comprise the Company and its subsidiaries.

Kinaxis is a leading provider of cloud-based subscription software that enables its customers to improve and accelerate analysis and decision-making across their supply chain operations. Kinaxis is a global enterprise with registered offices in the United States, Japan, Hong Kong, The Netherlands, South Korea, United Kingdom, Romania, Mexico, Taiwan, Singapore, France, Ireland, Germany, India, and Canada.

2. Basis of preparation:

(a) Statement of compliance:

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2024.

The unaudited condensed consolidated financial statements were authorized for issue by the Board of Directors on May 7, 2025.

(b) Material accounting policies:

The accounting policies applied in these unaudited condensed consolidated interim financial statements are the same as those applied in the Company's consolidated financial statements as at and for the year ended December 31, 2024. The accounting policies have been applied consistently to all periods presented.

(c) Use of estimates and judgments:

In preparing these unaudited condensed consolidated interim financial statements, Management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2024.

Kinaxis Inc.**Notes to Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024**

(Expressed in thousands of USD, except share and per share amounts)

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3. Trade and other receivables:

	March 31, 2025	December 31, 2024
Trade accounts receivable	\$ 99,858	\$ 118,461
Unbilled receivables	26,613	34,212
Taxes receivable	402	508
Other	3,044	3,478
	129,917	156,659
Loss allowance	(520)	(265)
	\$ 129,397	\$ 156,394

There were no trade accounts receivable written off as uncollectible in the three months ended March 31, 2025 (year ended December 31, 2024 – \$915).

The following table presents changes in total unbilled receivables:

	Three months ended March 31, 2025	2024
Balance, beginning of period	\$ 35,660	\$ 38,050
Amounts transferred to trade accounts receivable	(28,261)	(25,218)
Revenue in excess of billings	19,679	23,198
Balance, end of period	\$ 27,078	\$ 36,030

The following table presents current and non-current unbilled receivables:

	March 31, 2025	December 31, 2024
Current	\$ 26,613	\$ 34,212
Non-current	465	1,448

Kinaxis Inc.**Notes to Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024**

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4. Contract acquisition costs:

	Three months ended March 31,	
	2025	2024
Balance, beginning of period	\$ 32,005	\$ 27,438
Additions	3,645	4,660
Amortization	(2,989)	(2,443)
Effects of movements in exchange rates	334	(169)
Balance, end of period	\$ 32,995	\$ 29,486

Amortization of contract acquisition costs is recorded in selling and marketing expense.

5. Property and equipment:

Cost	December 31, 2024	Additions	Dispositions	Effects of exchange rates	March 31, 2025
Computer equipment	\$ 68,354	\$ 1,363	\$ —	\$ 576	\$ 70,293
Computer software	3,923	25	—	9	3,957
Office furniture and equipment	4,246	—	(45)	10	4,211
Leasehold improvements	23,683	194	(169)	44	23,752
Total cost	\$ 100,206	\$ 1,582	\$ (214)	\$ 639	\$ 102,213

Accumulated depreciation	December 31, 2024	Depreciation	Dispositions	Effects of exchange rates	March 31, 2025
Computer equipment	\$ 53,318	\$ 1,995	\$ —	\$ 479	\$ 55,792
Computer software	3,772	65	—	9	3,846
Office furniture and equipment	3,883	122	(45)	4	3,964
Leasehold improvements	6,747	518	(169)	31	7,127
Total accumulated depreciation	\$ 67,720	\$ 2,700	\$ (214)	\$ 523	\$ 70,729

Kinaxis Inc.**Notes to Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024**

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5. Property and equipment (continued):

Carrying value	March 31, 2025	December 31, 2024
Computer equipment	\$ 14,501	\$ 15,036
Computer software	111	151
Office furniture and equipment	247	363
Leasehold improvements	16,625	16,936
Total property and equipment	\$ 31,484	\$ 32,486

There were proceeds of \$nil associated with asset dispositions in the three months ended March 31, 2025 (year ended December 31, 2024 – \$35).

6. Right-of-use assets:

	December 31, 2024	Additions	Depreciation	Effects of exchange rates	March 31, 2025
Offices	\$ 40,177	\$ 2,734	\$ (930)	\$ 53	\$ 42,034
Data centres	6,528	113	(989)	13	5,665
Total right-of-use assets	\$ 46,705	\$ 2,847	\$ (1,919)	\$ 66	\$ 47,699

7. Intangible assets:

The estimated useful life of customer relationships is three to nine years, the estimated useful life of technology is four to six years and the estimated life of internally developed software is five years.

	December 31, 2024	Amortization	Effect of exchange rates	March 31, 2025
Customer relationships	\$ 5,596	\$ (238)	\$ 210	\$ 5,568
Technology	5,292	(389)	189	5,092
Internally developed software	1,977	(177)	—	1,800
Total intangible assets	\$ 12,865	\$ (804)	\$ 399	\$ 12,460

Kinaxis Inc.**Notes to Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024**

(Expressed in thousands of USD, except share and per share amounts)

(Unaudited)

8. Goodwill:

	Three months ended March 31,	
	2025	2024
Balance, beginning of period	\$ 72,735	\$ 74,556
Effect of foreign exchange	1,175	(683)
Balance, end of period	\$ 73,910	\$ 73,873

9. Trade payables and accrued liabilities:

	March 31, 2025	December 31, 2024
Trade accounts payable	\$ 16,944	\$ 15,624
Accrued liabilities	39,001	59,891
Taxes payable	6,985	18,854
	\$ 62,930	\$ 94,369

10. Deferred revenue:

	Three months ended March 31,	
	2025	2024
Balance, beginning of period	\$ 140,008	\$ 137,598
Recognition of deferred revenue	(64,909)	(55,534)
Amounts invoiced and revenue deferred	77,780	53,318
Balance, end of period	\$ 152,879	\$ 135,382

Kinaxis Inc.**Notes to Condensed Consolidated Interim Financial Statements
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11. Lease obligations:

The Company's leases are for office space and data centres with lease terms ranging from one to twenty years. These leases contain no renewal options or a renewal option for one, three or five years. The Company has included renewal options in the lease term when it is reasonably certain to exercise the renewal option.

	March 31, 2025	December 31, 2024
Current	\$ 5,419	\$ 5,587
Non-current	44,953	43,348
Total lease obligations	\$ 50,372	\$ 48,935

The following table presents the contractual undiscounted cash flows for lease obligations as at March 31, 2025:

Less than one year	\$ 8,755
One to five years	17,590
More than five years	33,105
Total undiscounted lease obligations	\$ 59,450

The following table presents payments for lease obligations:

	Three months ended March 31, 2025	2024
Principal payments	\$ 1,561	\$ 1,740
Interest payments	449	382
Variable lease payments	750	226
Short-term lease payments	96	125
Total cash outflow for leases	\$ 2,856	\$ 2,473

Kinaxis Inc.**Notes to Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024**

(Expressed in thousands of USD, except share and per share amounts)

(Unaudited)

12. Share capital:**Authorized**

The Company is authorized to issue an unlimited number of Common Shares.

Issued Common Shares

	Three months ended March 31, 2025		Three Months Ended March 31, 2024	
	Shares	Amount	Shares	Amount
Shares outstanding, beginning of period	28,055,214	\$ 285,422	28,428,799	\$ 307,327
Shares issued from exercised options	110,964	7,625	59,244	5,408
Shares issued from vested restricted share units	112,897	12,828	57,241	6,981
Shares issued from vested performance share units	19,278	3,262	36,010	5,533
Shares repurchased	(157,428)	(1,721)	(196,188)	(1,989)
Change in obligation related to share repurchases	—	747	—	—
Shares outstanding, end of period	28,140,925	\$ 308,163	28,385,106	\$ 323,260

Stock option plans

The Company has outstanding stock options issued under its 2012 Stock Option Plan. No further options may be granted under the 2012 plan. In June 2017, the Company adopted a new Canadian Resident Stock Option Plan and a new Non-Canadian Resident Stock Option Plan (“the Plans”). Stock options granted under the Plans have an exercise price equal to the stock’s TSX price at the date of grant and the maximum term of these options is five years. Options are granted periodically and typically vest over four years.

At March 31, 2025, there were 931,874 stock options available for grant under the Plans.

Kinaxis Inc.**Notes to Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024**

(Expressed in thousands of USD, except share and per share amounts)

(Unaudited)

12. Share capital (continued):

The following table presents changes in stock options outstanding:

	Three Months Ended March 31, 2025		Year ended December 31, 2024	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Options outstanding, beginning of period	747,212	\$ 74.48	1,193,430	\$ 83.08
Granted	8,962	109.29	11,489	106.71
Exercised	(110,964)	52.45	(326,533)	66.03
Forfeited	(9,375)	105.87	(131,174)	130.04
Options outstanding, end of period	635,835	\$ 78.51	747,212	\$ 74.48
Options exercisable, end of period	560,613	\$ 74.28	634,588	\$ 69.36

The following table presents information about stock options outstanding at March 31, 2025:

Range of exercise prices	Options outstanding			Options exercisable	
	Number outstanding	Weighted average contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$1 to \$30	22,810	0.83	\$ 27.34	22,810	\$ 27.34
\$30 to \$60	245,634	1.25	40.02	245,634	40.02
\$60 to \$90	—	0.00	0.00	—	0.00
\$90 to \$120	327,391	1.48	102.92	255,044	101.25
\$120 to \$150	40,000	0.70	144.20	37,125	144.50
	635,835	1.32	\$ 78.51	560,613	\$ 74.28

The per share weighted-average fair value of stock options granted during the three months ended March 31, 2025 was \$30.91 (year ended December 31, 2024 – \$34.30) on the date of grant using the Black Scholes option-pricing model with the following weighted-average assumptions:

	Three months ended March 31, 2025	Year ended December 31, 2024
Expected dividend yield	0%	0%
Risk-free interest rate	2.57%	3.28%
Expected life	three to five years	three to five years
Estimated volatility	32%	36%

Kinaxis Inc.**Notes to Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024**

(Expressed in thousands of USD, except share and per share amounts)

(Unaudited)

12. Share capital (continued):**Share Unit Plan**

At March 31, 2025, there were 644,212 share units available for grant under the Share Unit Plan.

The following table presents changes in share units outstanding:

	Three months ended March 31, 2025			Year ended December 31, 2024		
	RSU	PSU	DSU	RSU	PSU	DSU
Units outstanding, beginning of period	478,882	172,339	73,795	273,542	148,311	84,866
Granted	207,044	80,404	10,507	399,649	93,133	10,689
Exercised	(112,897)	(19,278)	—	(123,566)	(33,815)	(21,760)
Forfeited	(8,080)	(2,003)	—	(70,743)	(35,290)	—
Units outstanding, end of period	564,949	231,462	84,302	478,882	172,339	73,795

Each restricted share unit ("RSU") entitles the participant to receive one Common Share. The RSUs generally vest over time in equal annual tranches over two to three years. The weighted-average grant date fair value of the RSUs granted during the three months ended March 31, 2025 was \$109.90 per unit (year ended December 31, 2024 – \$108.86) using the fair value of a Common Share at time of grant.

Performance share units ("PSU") generally entitle participants to receive up to two Common Shares based on the Company's total shareholder return relative to the total shareholder return of the constituents of the S&P Software & Services Select Industry Index over three-year vesting periods. The weighted-average grant date fair value of these PSUs granted in the three months ended March 31, 2025 was \$146.49 per unit (year ended December 31, 2024 – \$134.91). Valuation of these PSUs was completed using a Monte Carlo pricing model based on the fair value of a Common Share at time of grant and the following assumptions:

	Three months ended March 31, 2025	Year ended December 31, 2024
Expected dividend yield	0%	0%
Risk-free interest rate	2.61%	3.84%
Performance measurement period	three years	three years
Estimated volatility	36%	36%
Correlation coefficient to Industry Index	0.35	0.35

Each deferred share unit ("DSU") entitles the participant to receive one Common Share. The DSUs vest immediately as the participants are entitled to the shares upon termination of their service. The fair value of the DSUs granted during the three months ended March 31, 2025 was \$109.90 per unit (year ended December 31, 2024 – \$108.02) using the fair value of a Common Share at time of grant.

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12. Share capital (continued):**Share-based payments expense**

The Company estimates a forfeiture rate, based on an analysis of actual forfeitures, to determine share-based payments expense. The following table presents share-based payments expense:

	Three months ended March 31,	
	2025	2024
Stock options	\$ 271	\$ 943
Restricted share units	7,791	4,996
Performance share units	130	1,628
Deferred share units	1,155	1,155
	<u>\$ 9,347</u>	<u>\$ 8,722</u>

The following table presents share-based payments expense by function:

	Three months ended March 31,	
	2025	2024
Cost of revenue	\$ 1,602	\$ 1,386
Selling and marketing	2,749	1,078
Research and development	549	1,928
General and administrative	4,447	4,330
	<u>\$ 9,347</u>	<u>\$ 8,722</u>

Share repurchase

On October 31, 2024, the Toronto Stock Exchange ("TSX") accepted the Company's notice of intention to commence a Normal Course Issuer Bid ("NCIB") allowing the Company to repurchase for cancellation, at its discretion, up to 5% of the "public float" (calculated in accordance with the rules of the TSX) during the twelve-month period commencing November 6, 2024 and ending no later than November 5, 2025. Kinaxis has entered into an automatic share purchase plan ("ASPP") to provide the option to instruct its broker to make purchases under the NCIB during any applicable blackout periods. Under this bid during the three months ended March 31, 2025, 157,428 Common Shares were repurchased for cancellation at an average price of \$110.49 per share. As at March 31, 2025, an obligation for the repurchase of shares of \$17,417 (December 31, 2024 – \$18,164) was recognized as an accrued liability, as instructions were provided to the Company's broker to continue making purchases during the current blackout period in accordance with the ASPP.

Kinaxis Inc.**Notes to Condensed Consolidated Interim Financial Statements
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13. Earnings per share:

The following table summarizes the calculation of the weighted average number of basic and diluted common shares:

	Three months ended March 31,	
	2025	2024
Issued Common Shares at beginning of period	28,055,214	28,321,874
Effect of shares issued from exercise of options	39,058	15,892
Effect of shares issued from vesting of restricted share units	32,342	15,726
Effect of shares issued from vesting of performance share units	3,856	4,749
Effect of shares cancelled from repurchase of shares	(36,005)	(95,924)
Weighted average number of basic Common Shares	28,094,465	28,262,317
Effect of share options on issue	254,592	373,868
Effect of share units on issue	439,134	317,102
Weighted average number of diluted Common Shares	28,788,191	28,953,287

For 2025, 173,848 options and 15,335 share units (three months ended March 31, 2024 – 311,232 options and 143,955 share units) were excluded from the weighted average number of diluted common shares as their effect would have been anti-dilutive.

14. Revenue:

The following table presents revenue of the Company:

	Three months ended March 31,	
	2025	2024
SaaS	\$ 84,882	\$ 73,371
Subscription term license	9,027	6,741
Professional services	33,340	34,443
Maintenance and support	5,539	4,815
	\$ 132,788	\$ 119,370

The following table presents revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at March 31, 2025:

Kinaxis Inc.**Notes to Condensed Consolidated Interim Financial Statements
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(Unaudited)

14. Revenue (continued):

	2025	2026	2027 and thereafter	Total
SaaS	\$ 238,674	\$ 245,215	\$ 282,581	\$ 766,470
Maintenance and support	15,806	13,772	13,159	42,737
Subscription term license	2,320	70	—	2,390
	\$ 256,800	\$ 259,057	\$ 295,740	\$ 811,597

15. Depreciation and amortization:

The following table presents depreciation expense of property and equipment and right-of-use assets by function:

	Three months ended March 31,	
	2025	2024
Cost of revenue	\$ 2,366	\$ 2,572
Selling and marketing	4	3
Research and development	472	442
General and administrative	1,777	2,059
	\$ 4,619	\$ 5,076

The following table presents amortization expense of intangible assets by function:

	Three months ended March 31,	
	2025	2024
Cost of revenue	\$ 566	\$ 959
General and administrative	238	370
	\$ 804	\$ 1,329

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(Unaudited)

16. Statement of cash flows:

The following table presents changes in operating assets and liabilities:

	Three months ended March 31,	
	2025	2024
Trade and other receivables	\$ 27,849	\$ 21,281
Prepaid expenses	(7,933)	(5,756)
Contract acquisition costs	(1,020)	(2,082)
Trade payables and accrued liabilities	(18,160)	(2,872)
Deferred revenue	13,045	(1,464)
	\$ 13,781	\$ 9,107

17. Financial instruments:**(a) Fair value of financial instruments:**

The Company measures the fair value of its financial assets and financial liabilities using a fair value hierarchy. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value. The different levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Other techniques for which inputs are based on quoted prices for identical or similar instruments in markets that are not active, quoted prices for similar instruments in active markets, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or liability;

Level 3: Techniques which use inputs that have a significant effect on the recognized fair value that require the Company to use its own assumptions about market participant assumptions.

The carrying amounts of short-term investments, trade and other receivables, unbilled receivables, and trade payables and accrued liabilities are recorded at amortized cost and approximate fair value due to the short-term maturity of these instruments.

The fair value of foreign currency forward contracts was determined based on Level 2 inputs, which included period-end mid-market quotations for each underlying contract as calculated by the financial institution with which the Company has transacted. The quotations are based on bid/ask quotations and represent the discounted future settlement amounts based on current market rates.

As at March 31, 2025 and December 31, 2024, financial instruments measured at fair value in the consolidated statements of financial position were as follows:

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17. Financial instruments (continued):**(a) Fair value of financial instruments (continued):**

	March 31, 2025		December 31, 2024	
	Fair value hierarchy	Fair value	Fair value hierarchy	Fair value
Liabilities:				
Foreign currency forward contracts	Level 2	\$ 852	Level 2	\$ 1,637

The Company designates foreign currency forward contracts as cash flow hedges when all the requirements in IFRS 9, Financial Instruments are met. The Company's currency pair used for cash flow hedges is US dollar / Canadian dollar. The notional principal of the foreign exchange contracts was \$52,800 CAD as at March 31, 2025 (December 31, 2024 - \$48,000 CAD).

(b) Credit risk:

The following table presents maximum exposure to credit risk for trade accounts receivable, net of loss allowances, by geographic region:

	March 31, 2025		December 31, 2024	
United States	\$	54,101	\$	73,141
Europe		36,064		36,218
Asia		8,364		6,941
Canada		809		1,896
	\$	99,338	\$	118,196

The following table presents aging of trade accounts receivable, net of loss allowances:

	March 31, 2025		December 31, 2024	
Current	\$	78,042	\$	95,754
Past due:				
0 – 30 days		14,507		12,268
31 – 60 days		2,111		5,409
Greater than 60 days		4,678		4,765
	\$	99,338	\$	118,196

At March 31, 2025, no customers individually accounted for greater than 10% of total trade accounts receivable (December 31, 2024 – no customers). For the three months ended March 31, 2025, no customers individually accounted for greater than 10% of revenue (March 31, 2025 – no customers).

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18. Segmented information:

The Company's Interim Chief Executive Officer ("CEO") has been identified as the chief operating decision maker. The Interim CEO evaluates the performance of the Company and allocates resources based on the information provided by the Company's internal management system at a consolidated level. The Company has determined that it has only one operating segment: the design, development, marketing and sale of supply chain management software and solutions.

Geographic information

The following table presents external revenue on a geographic basis:

	Three months ended March 31,	
	2025	2024
United States	\$ 80,312	\$ 69,545
Europe	39,817	39,120
Asia	11,080	8,633
Canada	1,579	2,072
	\$ 132,788	\$ 119,370

The following table presents property and equipment on a geographic basis:

	March 31, 2025	December 31, 2024
Canada	\$ 20,492	\$ 21,241
United States	6,561	6,711
Asia	2,361	2,334
Europe	2,070	2,200
	\$ 31,484	\$ 32,486

The following table presents right-of-use assets on a geographic basis:

	March 31, 2025	December 31, 2024
Canada	\$ 38,182	\$ 38,383
Asia	2,546	3,066
United States	5,516	3,075
Europe	1,455	1,551
	\$ 47,699	\$ 46,075

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18. Segmented information (continued):

The following table presents intangible assets on a geographic basis:

	March 31, 2025	December 31, 2024
Europe	\$ 10,531	\$ 10,709
Canada	1,929	2,156
	\$ 12,460	\$ 12,865

19. Contingencies and commitments:**(a) Litigation and contingencies:**

During the current period the Company executed a settlement agreement with Blue Yonder Group, Inc. The settlement agreement fully resolved all pending litigation matters between the companies. Amounts due in respect of this settlement were paid during the current period. The terms of the settlement agreement are confidential.

The Company, from time to time, is subject to other claims and suits relating to matters in the ordinary course of business. The Company believes that any ultimate liability resulting from any such litigation will not have a material adverse effect on the Company's results from operations, cash flows or financial position.

(b) Commitments:

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

The future aggregate operating expenses that the Company has committed to incur at March 31, 2025 are as follows:

Less than one year	\$ 25,696
One to five years	111,801
	\$ 137,497