



Investor Presentation Q3 2021

Propelling to New Heights





Safe Harbour

The statements in this presentation relating to matters that are not historical fact are forward looking statements that are based on management's beliefs and assumptions.

Such statements are not guarantees of future performance, and are subject to a number of uncertainties, including but not limited to future economic conditions, the markets that Tecsys Inc. serves, the actions of competitors, major new technological trends and other factors beyond the control of Tecsys Inc., which could cause actual results to differ materially from such statements.

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Our story is all about our customers

Our Purpose: To empower good companies to be great.

Our Position: To clarify uncertainty in the supply chain.

Our Mission: To equip supply chain greatness.

Our Vision: That good companies have the space to thrive.



37 Years

of complex
supply network
experience

9 Times

"Visionary" in
Gartner's WMS
Magic Quadrant

Top 3

in Gartner's
2020 Healthcare
Supply Chain
Top 25 "Masters"

**Visionary provider of supply chain technology
for the world's most complex supply networks**

Global Reach



1,000+
Customers

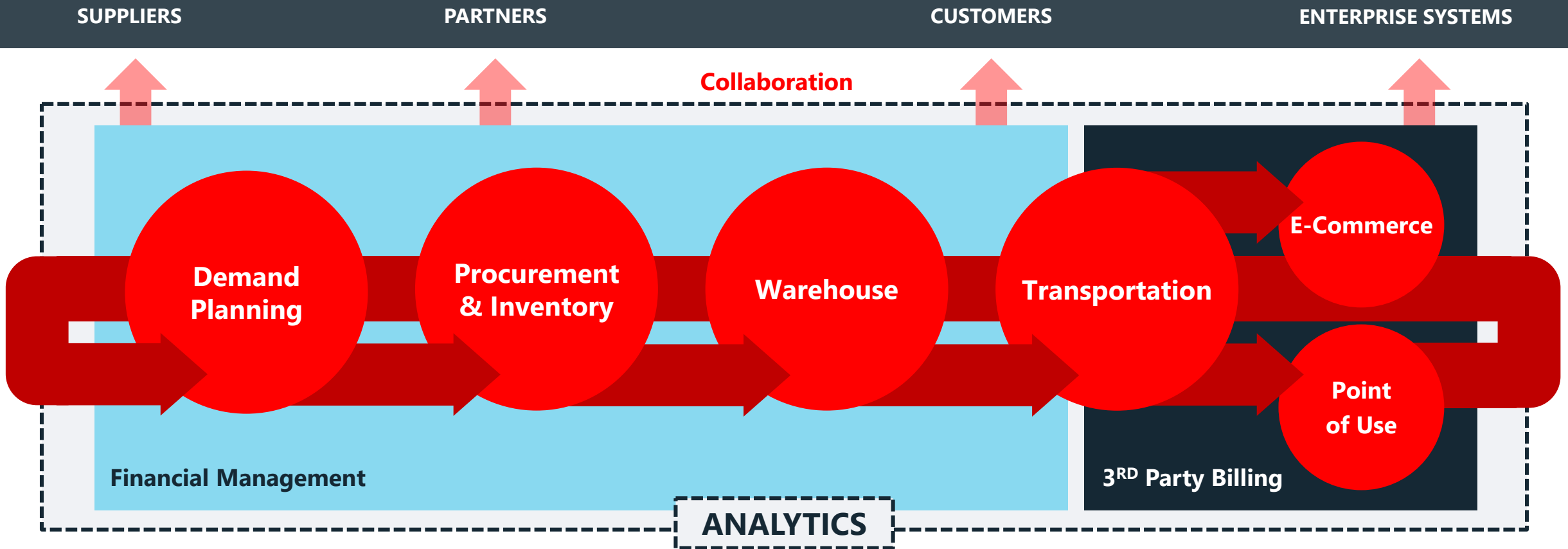
20%+
Annual Recurring
Revenue YoY
Growth*

\$118M
Revenue*
63% USA
20% Canada
17% ROW
(primarily Europe)

\$51M
Annual Recurring
Revenue**

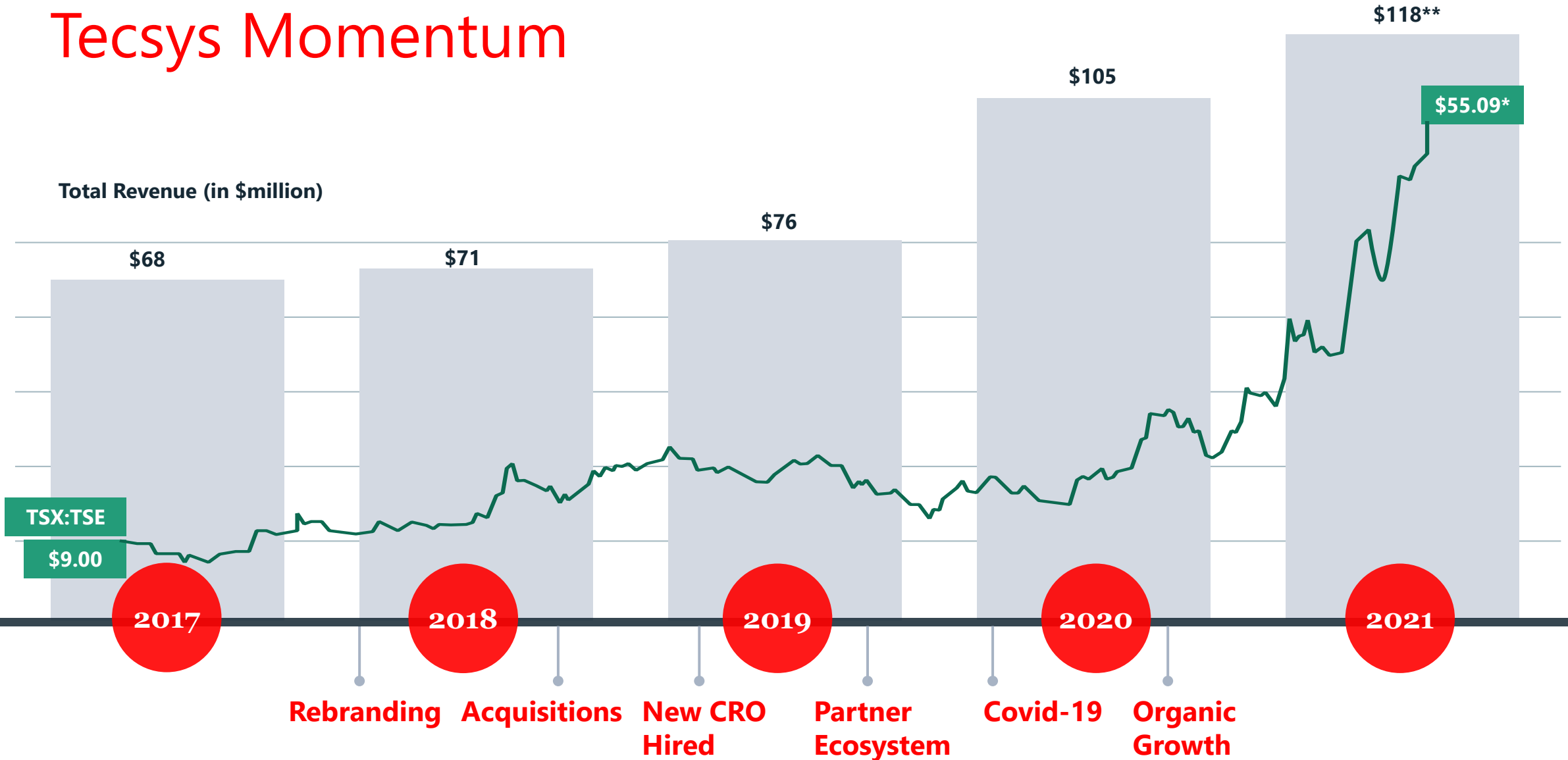
607
Employees**

End-to-end Integrated Supply Chain Management Solutions



Healthcare – Distribution – Retail – 3PL

Tecsys Momentum



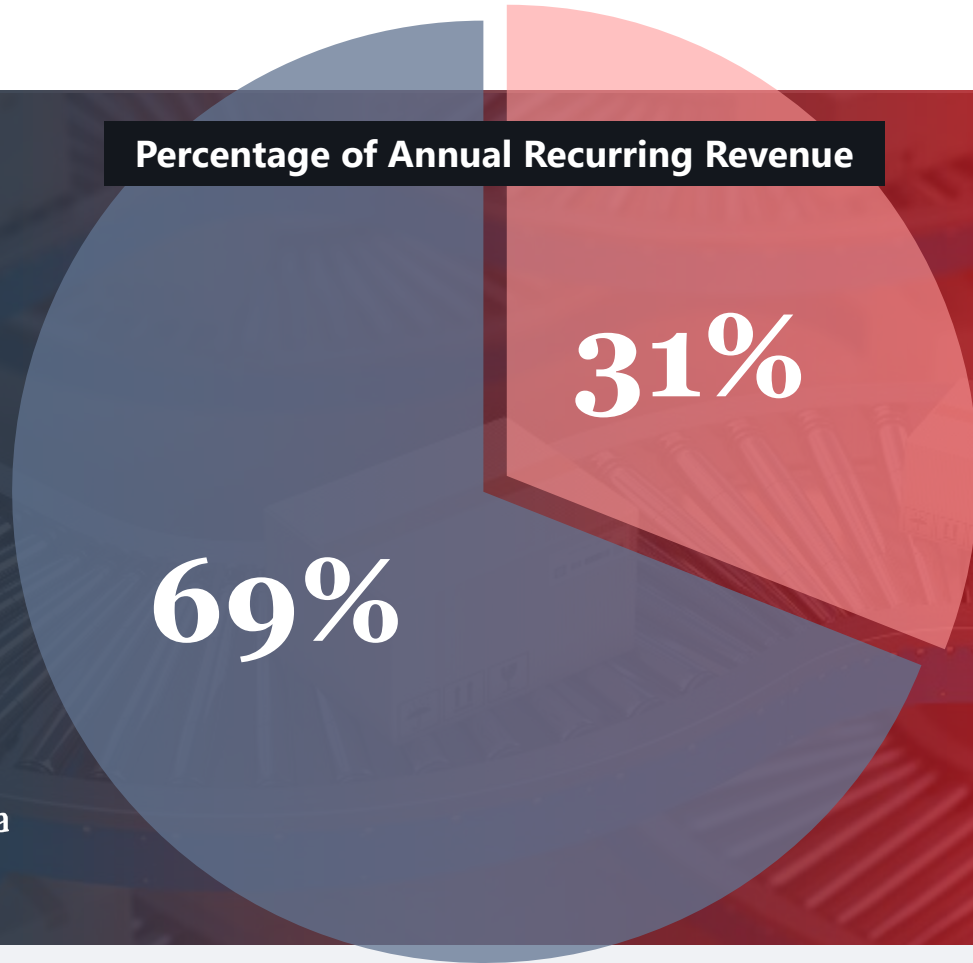
* On January 29, 2021
 ** Last twelve months, January 31, 2021

Key Markets

Converging Complex Distribution



Percentage of Annual Recurring Revenue



Healthcare



Solutions Built on Experience: Delivering end-to-end solutions with technology & services tailored to key industries.

COVID-19 Exposed Weaknesses in Healthcare Supply Chains

- Point of Use Breakdowns
- Volume Fluctuations
- IDNs struggling

- Standardization across networks
- Extraordinary pressure on supply chain to deliver

Result: Healthcare supply chains need solutions urgently

Opportunity: Tecsys is considered the LEADER in solving these issues for IDNs

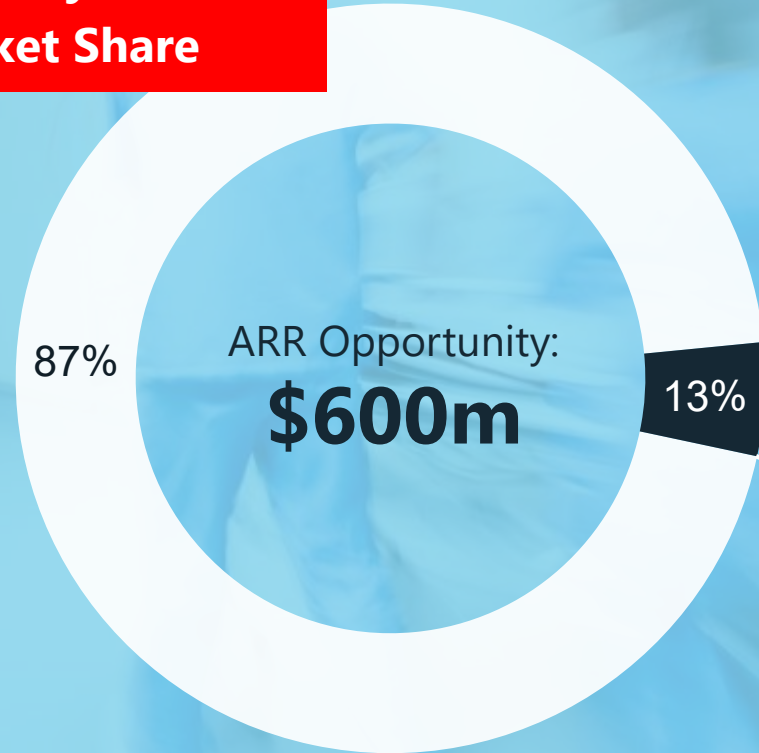
Healthcare Market Opportunity

Becoming Dominant in US Health Systems Market – The \$600M ARR* Opportunity

300

Target Health Systems

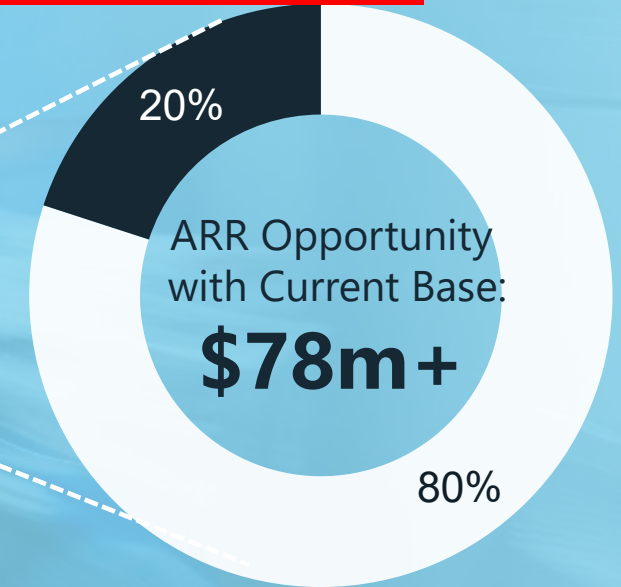
**Health Systems
Market Share**



■ Market Opportunity

■ Current Share

**Base Account
Penetration**



■ Market Opportunity

Brand Owner/Retail Convergence Drives Opportunity in Complex Distribution

- Seismic shift happening in retail – amplified by COVID19
- Consumers demand products faster

- Businesses/trading partners expect the same
- Extraordinary pressure on supply chain to deliver

Result: Supply Chain Management needs urgent upgrade to handle complexity
Opportunity: Tecsys is well positioned to solve these challenges

Distribution Convergence Market Opportunity –\$6B

ARR Opportunity
\$6B

12,000
Total Prospects

Industries:

High Volume distribution/wholesalers of hard goods in these specific verticals: General hard goods – agricultural equipment, auto parts, computer equipment, construction materials, consumer packaged goods, electrical & electronics, fulfillment operations, giftware, HVAC, healthcare products, heavy equipment, home products, industrial products, office supplies, service parts, third party logistics services

\$200M-\$10B+

Target market revenue range

Canada & the U.S.A.

Partner Ecosystem - Accelerate Growth

Software Alliances

e.g., Workday, Salesforce, Cerner, OSF Digital, Episerver

- Synergistic Solutions
- Market Reach
- Specific Vertical
- Market Share
- Access to a Customer Base

Consultants & SI

e.g., West Monroe, enVista, Avalon, RiseNow, Sequoia, Deloitte, KPMG, Accenture

- Synergistic Services
- Aligned Vertical Focus
- Market Reach
- Increased Deployment Capacity
- Strong Local Network
- Access to a Customer Base

Partner influenced current sales pipeline

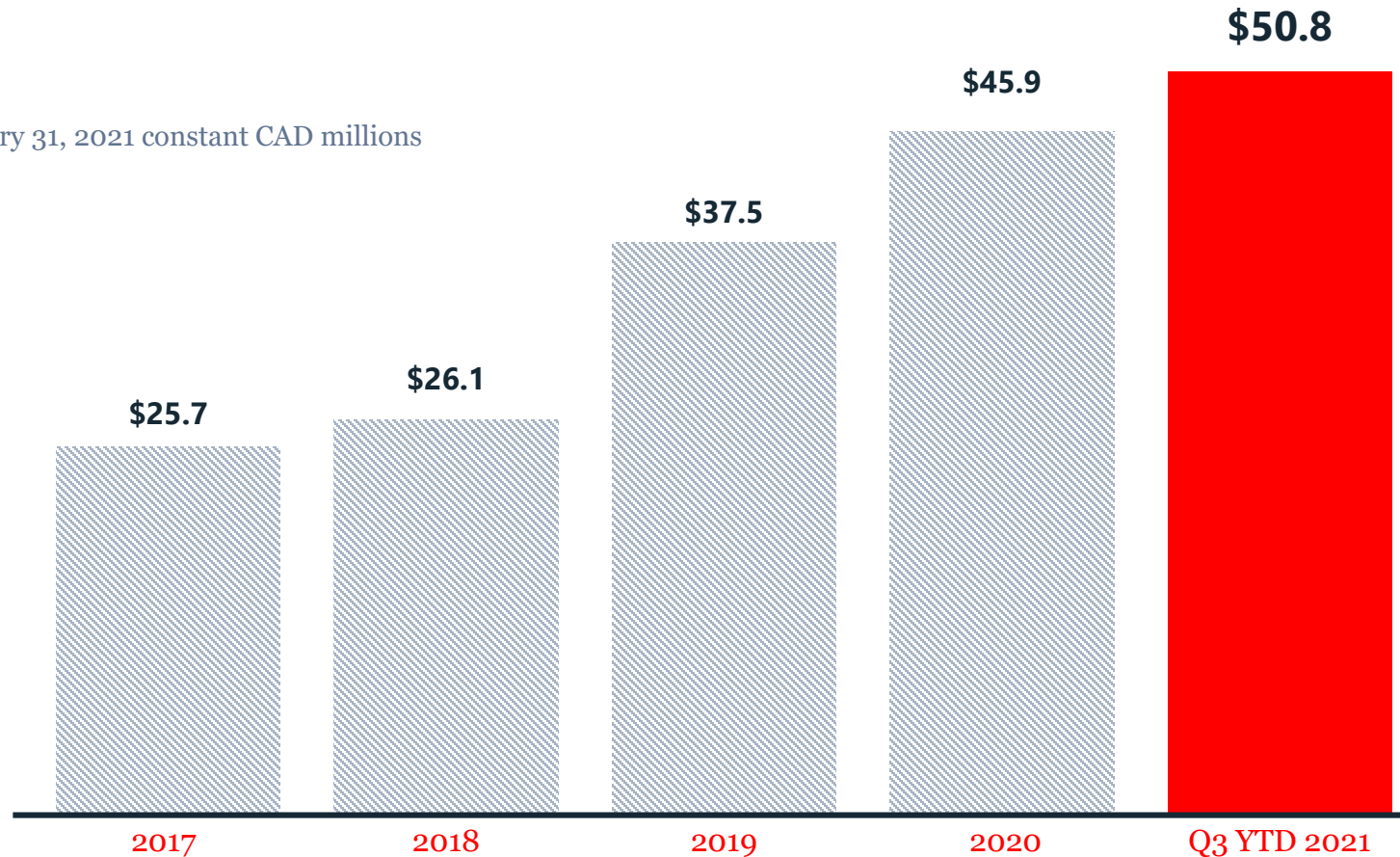
2018: **0%**

Q3 FY21: **21%**

Building Annual Recurring Revenue (ARR*)

31% of ARR is Health Care, 69% is Complex Distribution (3PL, Retail, Distributors)

Amounts in January 31, 2021 constant CAD millions



*Refer to January 31, 2021 Management Discussion and Analysis "Key Performance Indicators"

31%

of ARR is Healthcare

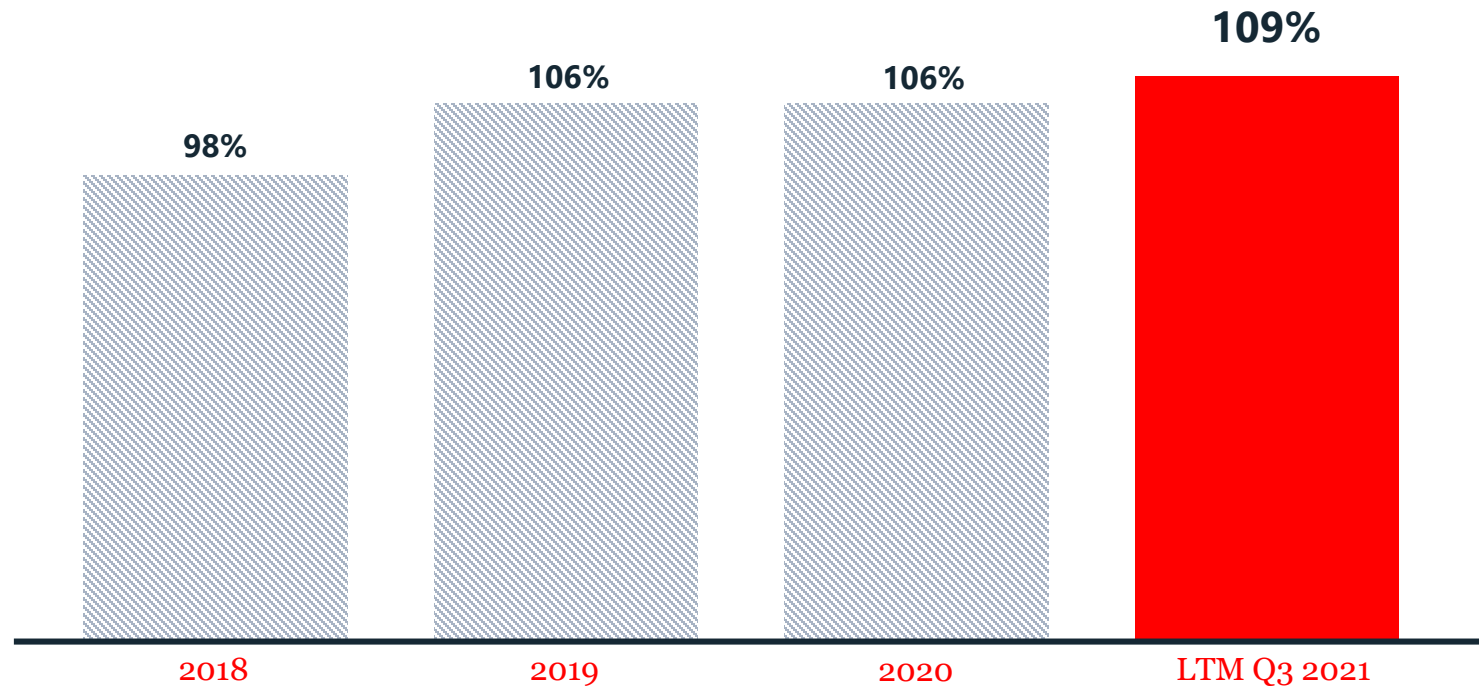
69%

Complex Distribution

20%

YoY growth as of January 31, 2021

Annual Recurring Revenue Net Retention Rate



109%

**LTM Q3 2021
Recurring Revenue
Net Retention Rate**

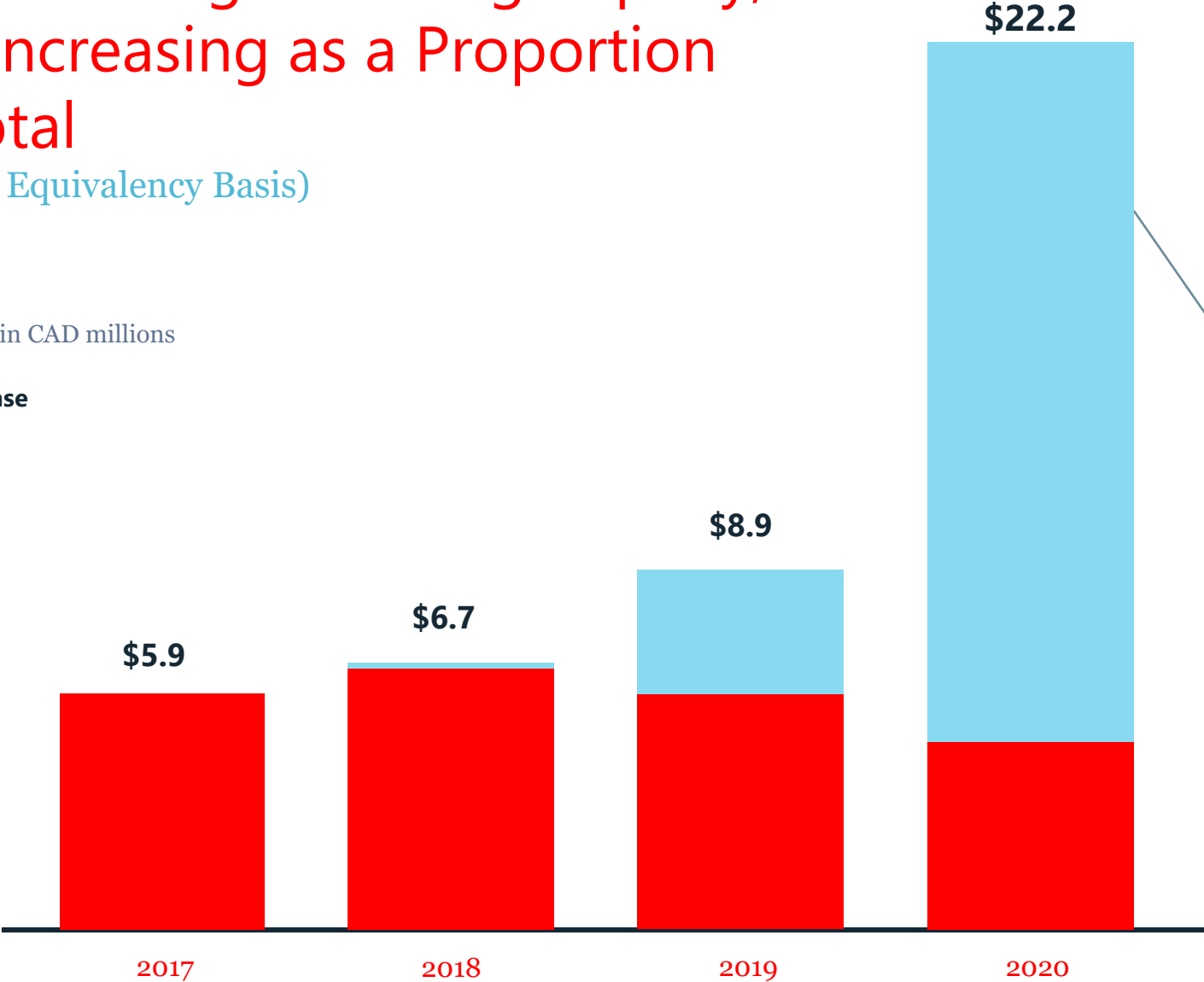
**Net Retention = (Existing
customer expansion less
churn) divided by Beginning
period ARR**

SaaS Bookings Growing Rapidly, and increasing as a Proportion of Total

(License Equivalency Basis)

Amounts in CAD millions

- License
- SaaS



147%
YoY growth

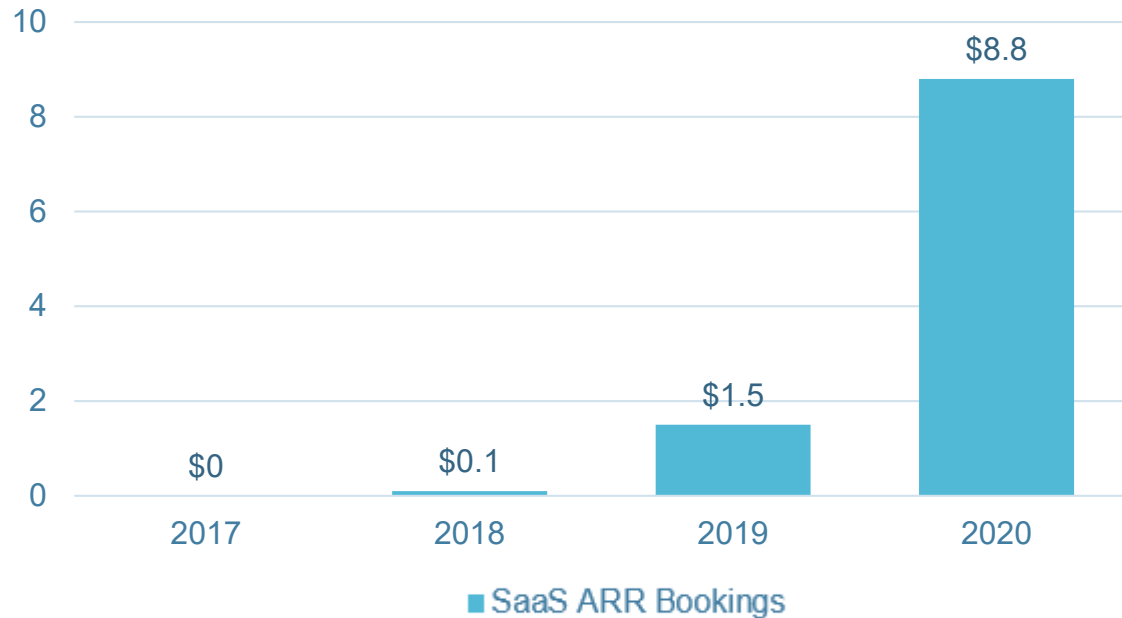
77%
SaaS bookings

23%
License bookings

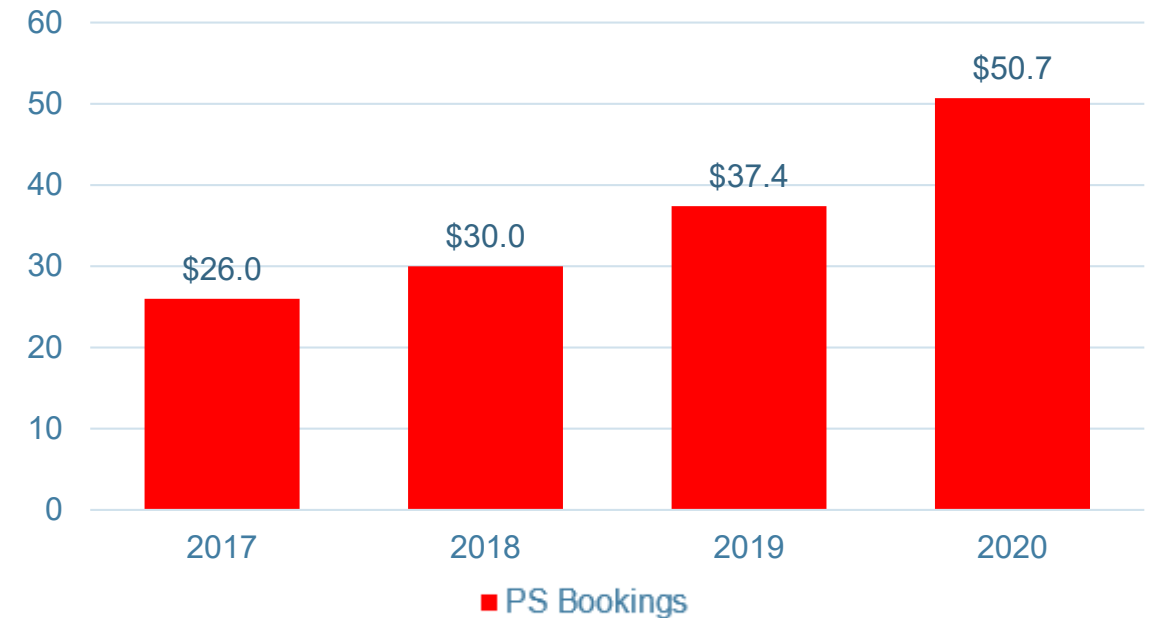
SaaS and Professional Services Bookings Growth

In \$CAD Millions

FY20 SaaS Bookings* Growth: 486%



FY20 PS Bookings* Growth: 36%

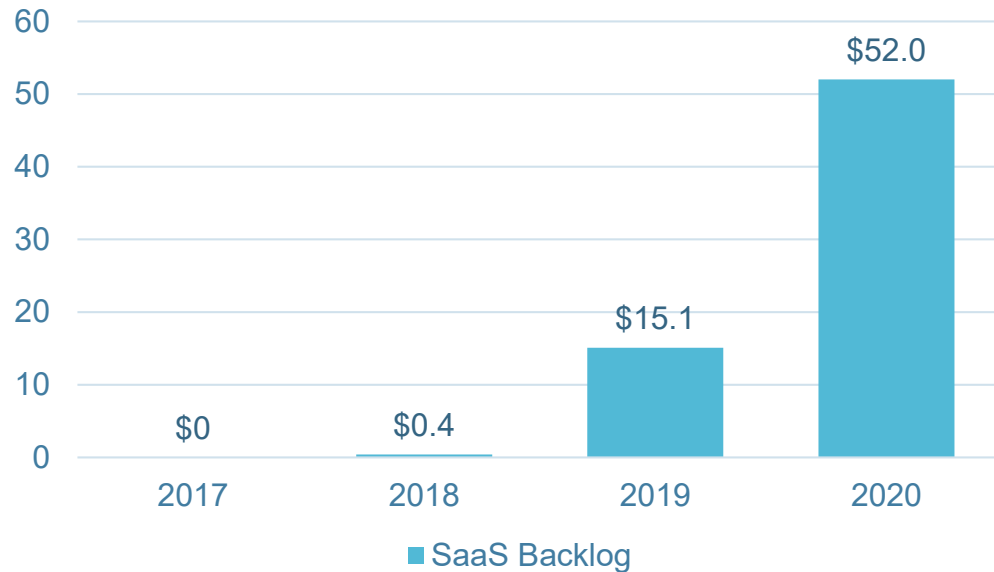


*Please refer to FY 2020 Annual Report MD&A for definition of Bookings and Backlog under Key Performance Indicators

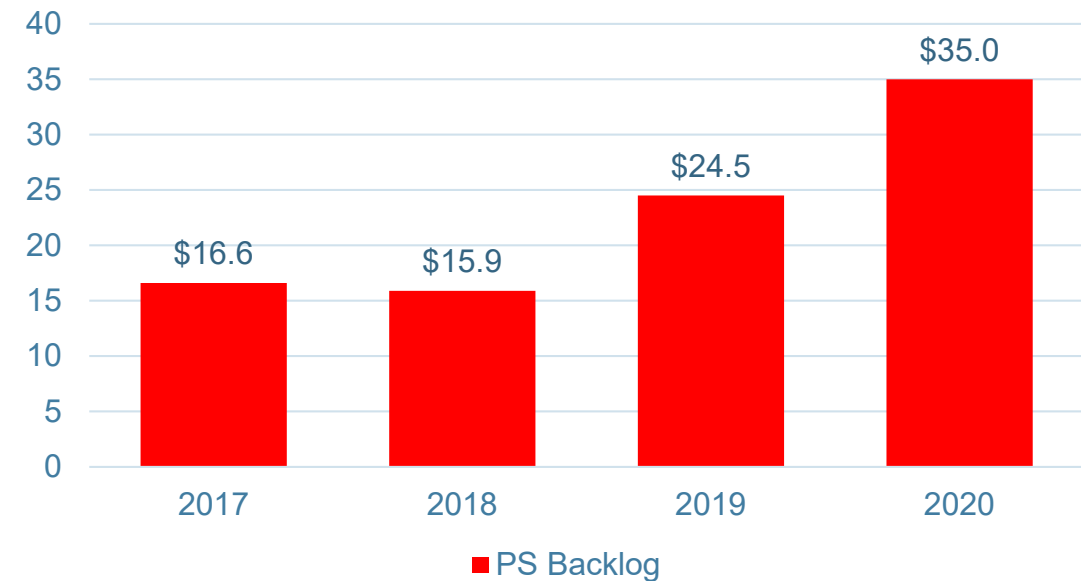
Strong & Growing Backlog – Driven by SaaS Success

In \$CAD Millions

FY20 SaaS Backlog* Growth: 244%



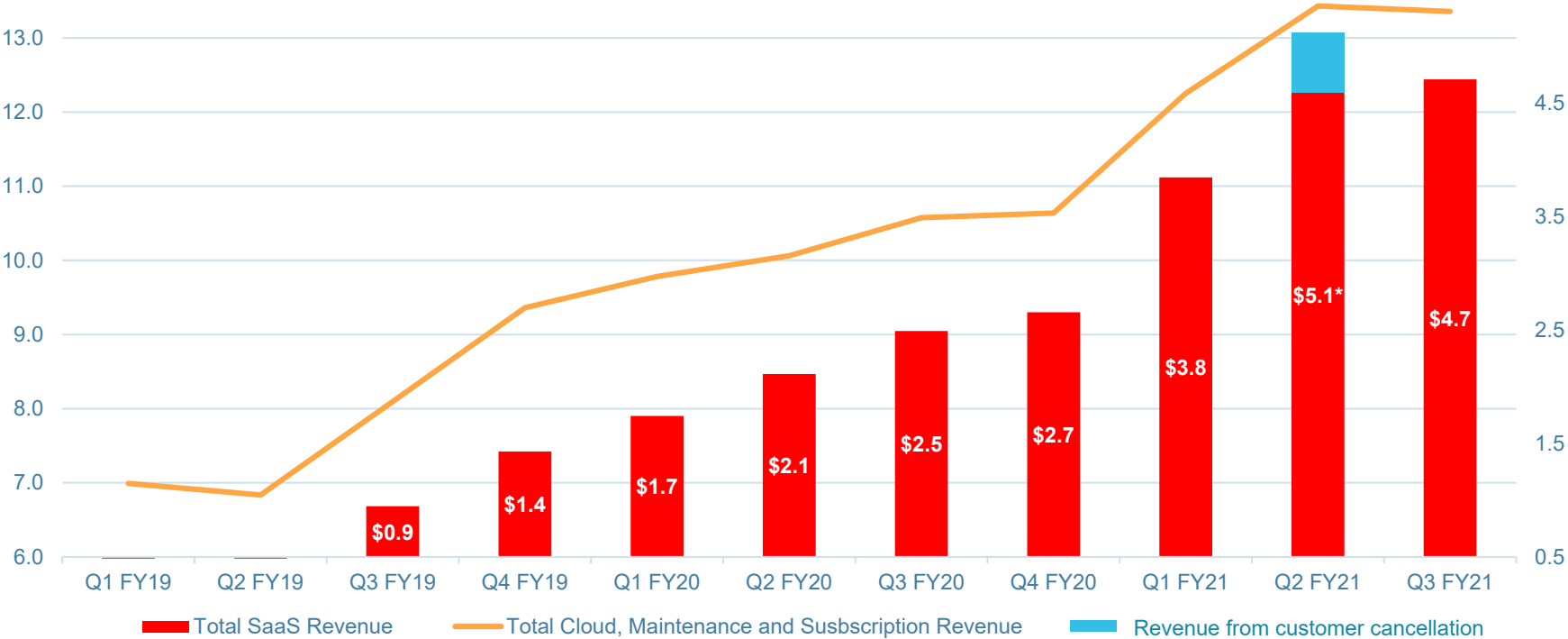
FY20 PS Backlog* Growth: 43%



SaaS Bookings Fuel Recurring Revenue Growth

In \$CAD Millions

Quarterly SaaS Revenue Growth



89%

YoY SaaS Revenue Growth (Q3 FY21 compared to prior year)

35%

Q3 FY21 SaaS Revenue as a percentage of total Cloud, Maintenance and Subscription Revenue (up from 24% in Q3 FY20)

*Included a customer cancellation, which had the effect of pulling \$0.5 million of anticipated future revenues into the second quarter of fiscal 2021.

Corporate Information



Annual Recurring
Revenue**



\$50.8M

up 20% YoY

SaaS ARR
Bookings*



\$10.1M

up 78% YoY

Cloud, Maintenance and
Subscription Revenue*



\$49.7M

up 25% YoY

Financial Highlights, in CAD 000 except EPS

	Q3, 2021		Q3, 2020		Δ YoY		Q3, 2021 TTM		Q3, 2020 TTM		Δ YoY	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Total Revenue	\$31,942	100%	\$26,847	100%	\$5,095	19%	\$118,477	100%	\$100,296	100%	\$18,181	18%
Cloud, Maintenance and Subscription Revenue	\$13,358	42%	\$10,575	39%	\$2,783	26%	\$49,681	42%	\$39,780	40%	\$9,901	25%
Cost of sales	\$16,535	52%	\$14,013	52%	\$2,522	18%	\$60,674	51%	\$51,965	52%	\$8,709	17%
Gross margin	\$15,407	48%	\$12,834	48%	\$2,573	20%	\$57,803	49%	\$48,331	48%	\$9,472	20%
Sales & Marketing	\$5,074	16%	\$5,451	20%	(\$377)	-7%	\$20,704	17%	\$19,824	20%	\$880	4%
General and Administration	\$2,648	8%	\$2,363	9%	\$285	12%	\$10,606	9%	\$10,020	10%	\$586	6%
Research and Development	\$5,055	16%	\$3,625	14%	\$1,430	39%	\$17,849	15%	\$14,790	15%	\$3,059	21%
Restructuring costs	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$420	0%	(\$420)	-100%
Operating expenses	\$12,777	40%	\$11,439	43%	\$1,338	12%	\$49,159	41%	\$45,054	45%	\$4,105	9%
Profit from operations	\$2,630	8%	\$1,395	5%	\$1,235	89%	\$8,644	7%	\$3,277	3%	\$5,367	164%
Net income	\$1,847	6%	\$834	3%	\$1,013	121%	\$5,543	5%	\$2,050	2%	\$3,493	170%
Adjusted EBITDA	\$3,964	12%	\$2,648	10%	\$1,316	50%	\$14,254	12%	\$9,004	9%	\$5,250	58%
EPS Basic	\$0.13		\$0.06		\$0.07	117%	\$0.39		\$0.16		\$0.23	144%
EPS Diluted	\$0.12		\$0.06		\$0.06	100%	\$0.38		\$0.16		\$0.22	138%
License Bookings	\$1,172		\$1,524		(\$352)	-23%	\$4,925		\$4,575		\$350	8%
SaaS ARR Bookings	\$993		\$1,952		(\$959)	-49%	\$10,130		\$5,698		\$4,432	78%
Annual Recurring Revenue	\$50,817		\$42,471		\$8,346	20%						
SaaS Backlog	\$57,636		\$36,063		\$21,573	60%						
Professional Services Backlog	\$37,795		\$24,262		\$13,533	56%						

Refer to January 31, 2021 Management Discussion and Analysis "Non-IFRS Performance Measure"

Refer to January 31, 2021 Management Discussion and Analysis "Key Performance Indicators"

Corporate Overview

\$797M

Market Cap**
14.5M S/O

TMX

Symbol TCS

25¢

Dividend per Year*

23%

Insider Ownership

Brokerage Coverage

- Cormark Securities
- Echelon Partners
- LB Securities
- National Bank
- Raymond James
- Stifel/GMP

* Last twelve months, January 31, 2021

** At January 29, 2021

Management Team



Peter Brereton
President and CEO

Peter initially led the company's software development, product management, sales and marketing. In 1998, he was appointed CEO and was largely responsible for the company's Initial Public Offering. He repositioned Tecsys in the supply chain execution industry, and leveraged the company's strengths in technology and supply chain expertise to achieve significant growth and become a leader in its markets.



Laurie McGrath
Chief Marketing Officer

Laurie knows the power and beauty of a strong brand and focuses her time on ensuring Tecsys is synonymous with quality and results. She brings a creative eye to the expression of the Tecsys brand and what it means to customers across global corporate and product marketing initiatives. Laurie joined the company in 2018 with more than 20 years of executive marketing, branding, and communication experience, as well as deep knowledge of the supply chain, technology, and healthcare sectors.



Mark J. Bentler
Chief Financial Officer

Mark joined Tecsys in 2018 as Chief Executive Officer. Mark has more than 20 years of international experience and was previously Chief Financial Officer for Aptos Retail. In addition to playing a significant role in the formation and growth of the company, he led the successful transition of the business' retail management enterprise solutions to a cloud-centric platform. Prior to his work at Aptos Retail, he served as Vice President, Finance for Epicor Retail.



Bill King
Chief Revenue Officer

Bill has led Tecsys' go-to-market strategy and expansion since January 2019. Prior to joining Tecsys, he held executive sales leadership positions at Oracle in the North American Sales organization, most recently as vice president of key accounts and previously as group vice president of North America Storage Sales. Prior to Oracle, Bill was with Fujitsu for over a decade and held a variety of executive management positions.

Reasons to Invest

Cloud-based

**\$600M
ARR
TAM**

**\$6B
ARR
TAM**

SaaS

**ARR
Growth**

**6.09x
NTM
EV/sales**

COVID-19



Operates a **single cloud-based platform** that services two major supply chain market segments.

Greenfield **opportunity in healthcare** with the potential to dominate a global \$600M ARR TAM.

Disruptor **opportunity in complex distribution** as retail, 3PL, and distributors modernize & replace legacy systems. \$6B ARR TAM.

Transitioning to a **SaaS business model** with SaaS bookings representing 77% of total product bookings for fiscal year 2020.

LTM January 31, 2021 ARR YoY growth of 20%.

Trading at 6.09x NTM EV/sales, a 49% discount to its closest comparable MANH.

Investing in sales & marketing to exploit new **opportunities emerging from COVID-19** pandemic.