



Investor Presentation Q4 2022

Strength in Numbers



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.



38 Years

of complex
supply network
experience

11 Times

Tecsys named in
Gartner's Magic
Quadrant for WMS
and promoted to
Challenger in 2022

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

43%
SaaS Revenue
Growth*

\$137M
Revenue**
65% USA
21% Canada
14% ROW
(primarily Europe)

\$63M
Annual Recurring
Revenue***

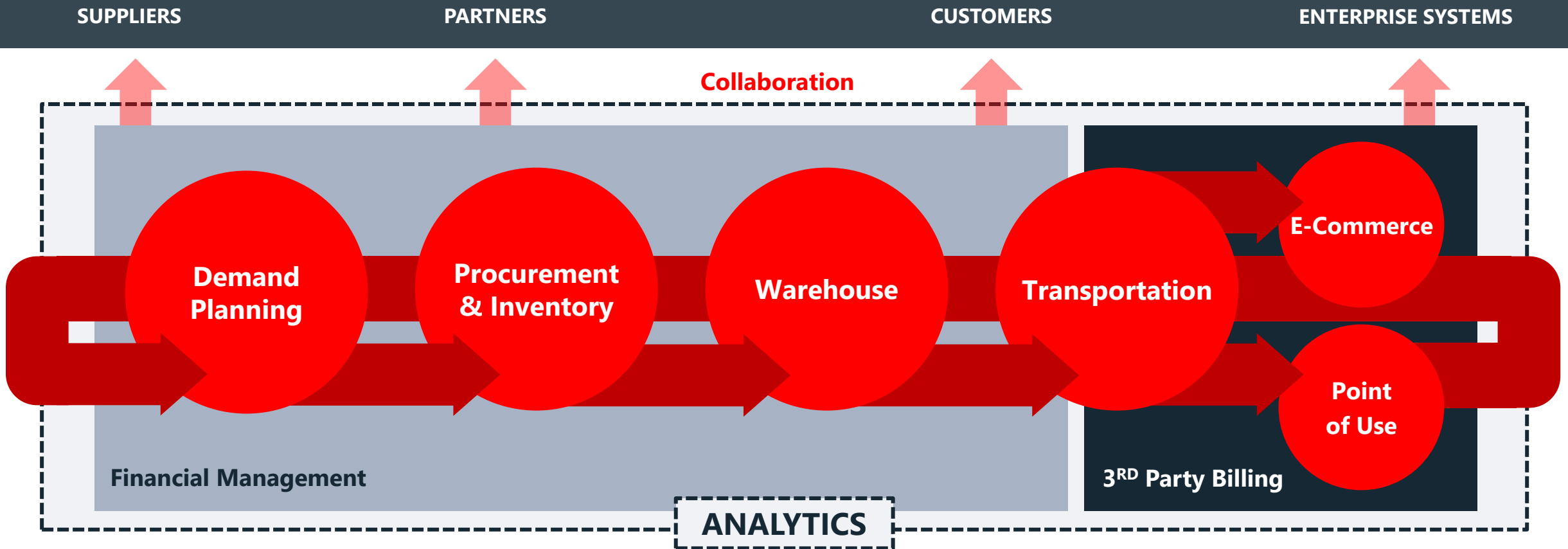
719
Employees***

* Constant currency growth in Q4 vs. same period last year based on April 30, 2022 exchange rates

** Last twelve months, April 30, 2022

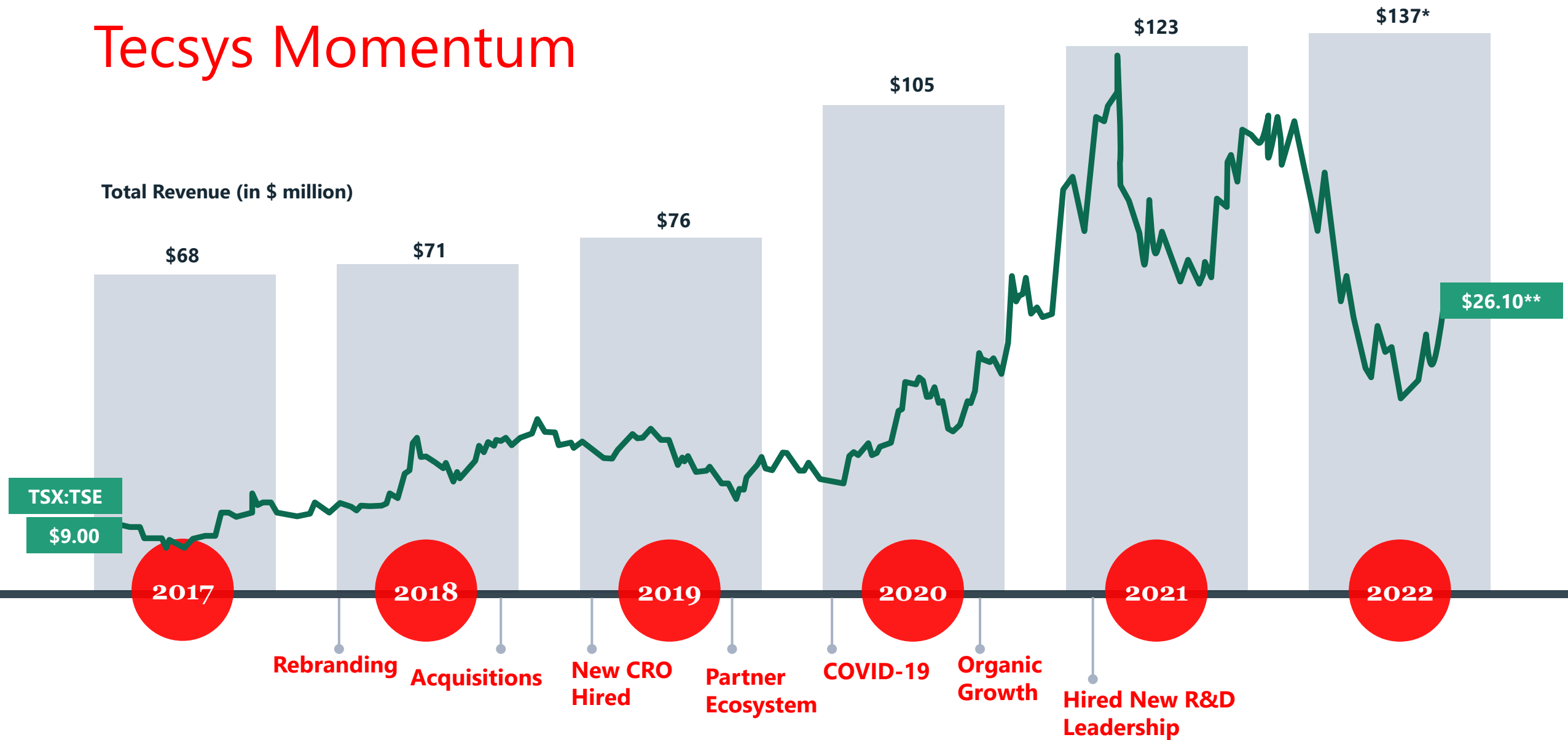
*** At April 30, 2022

End-to-end Integrated Supply Chain Management Solutions



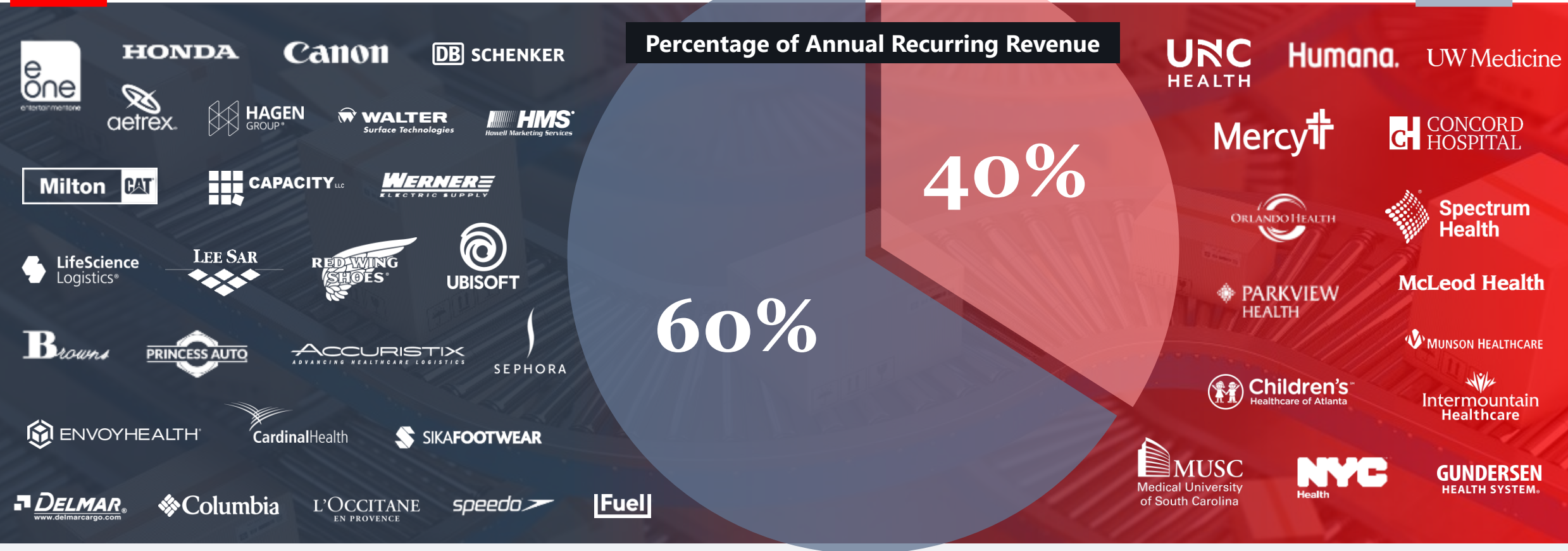
Healthcare – Distribution – Retail – 3PL

Tecsys Momentum



Key Markets

Converging Complex Distribution



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: Tecsyst is considered the LEADER in solving these issues for IDNs

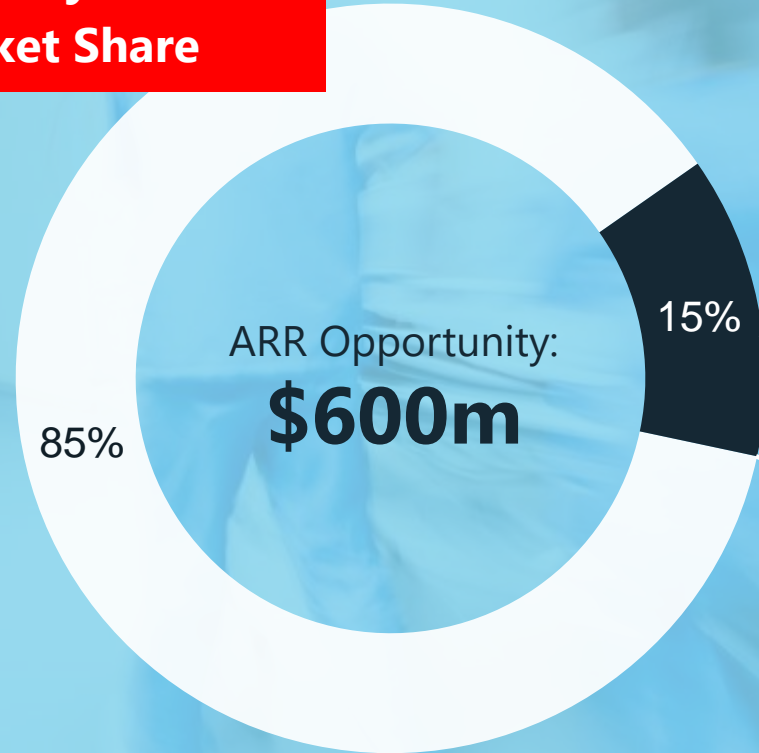
Healthcare Market Opportunity

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

300

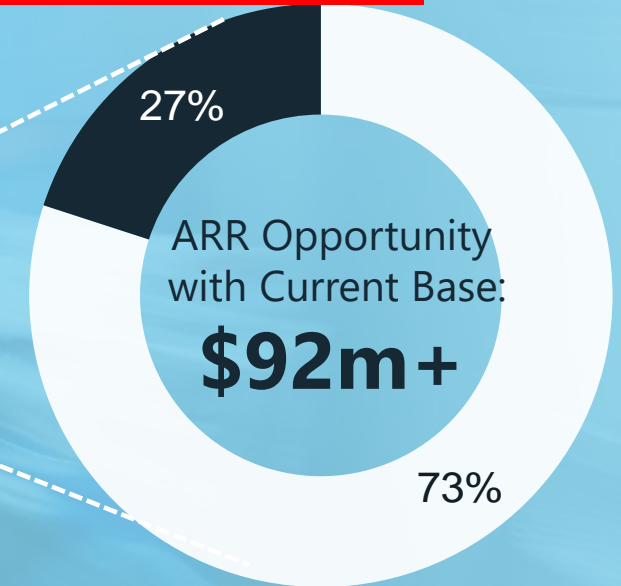
Target Health Systems

**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., Microsoft, AWS, IBM, OSF Digital, Zebra Technologies, Terso Solutions, Interfaceware

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

Consultants & SI

e.g., West Monroe, Avalon, RiseNow, Sequoia,

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

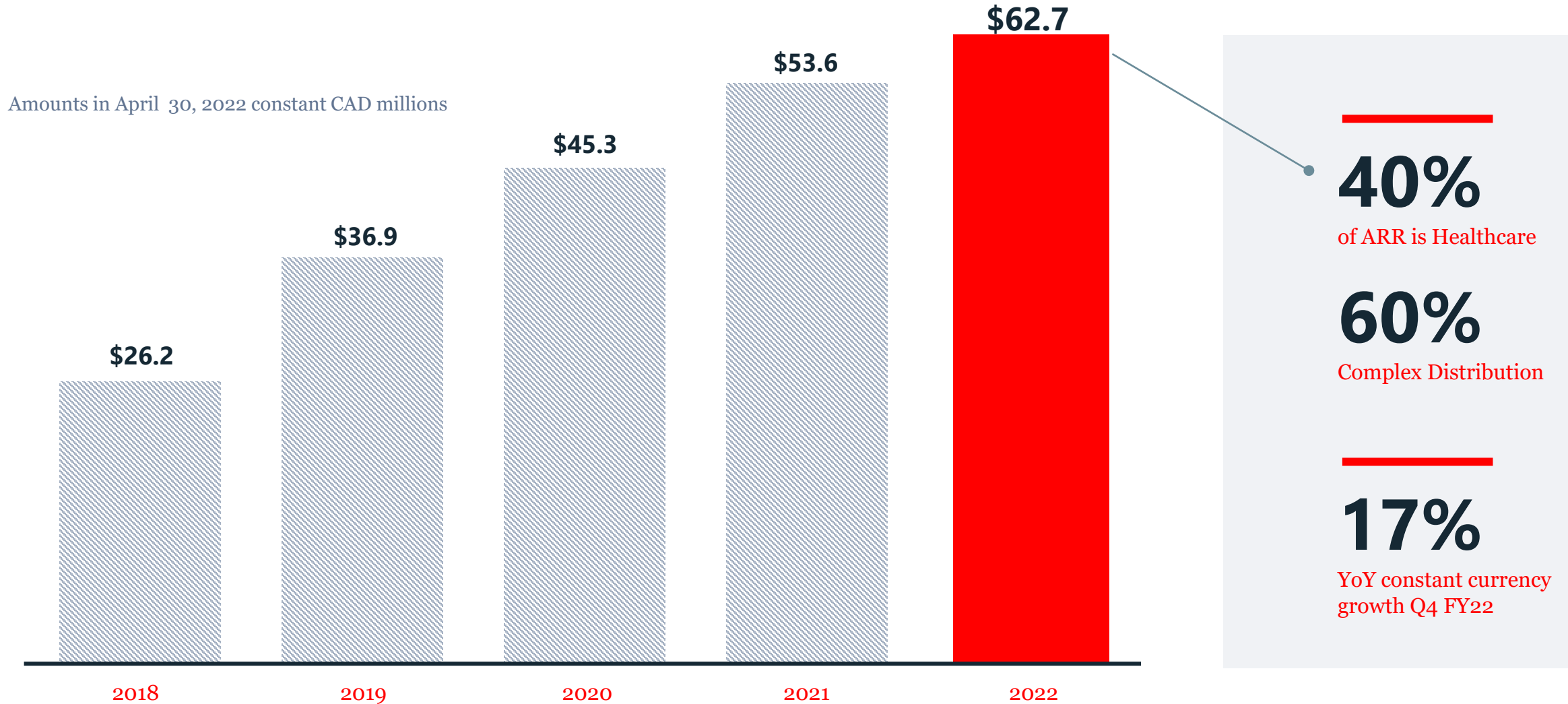
Partner influenced current sales pipeline

2018: **0%**

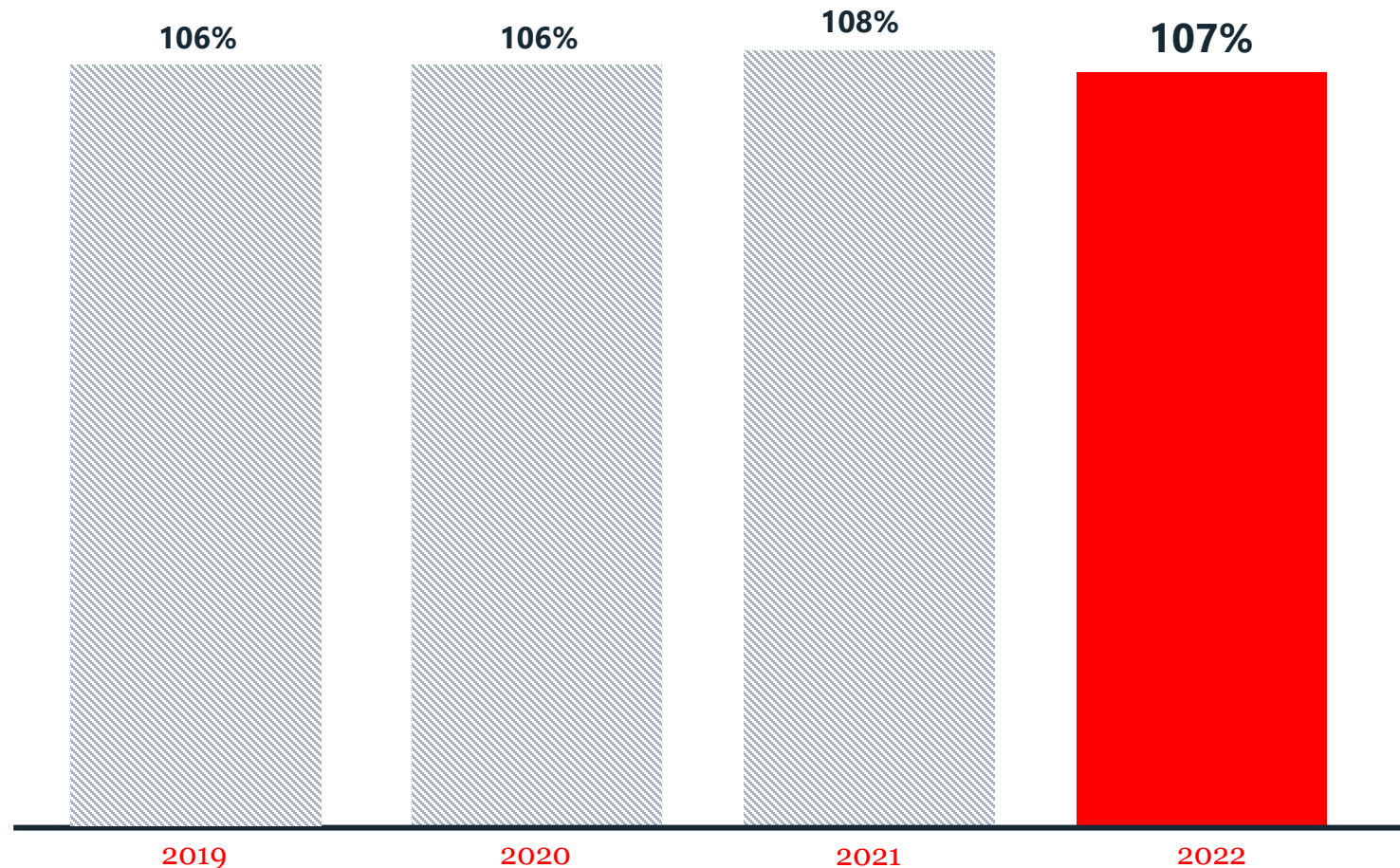
Q4 FY22: **25%**

Building Annual Recurring Revenue (ARR*)

40% of ARR is Healthcare, 60% is Complex Distribution (3PL, Retail, Distributors)



Annual Recurring Revenue Net Retention Rate



107%

**LTM Q4 2022
Recurring Revenue
Net Retention Rate**

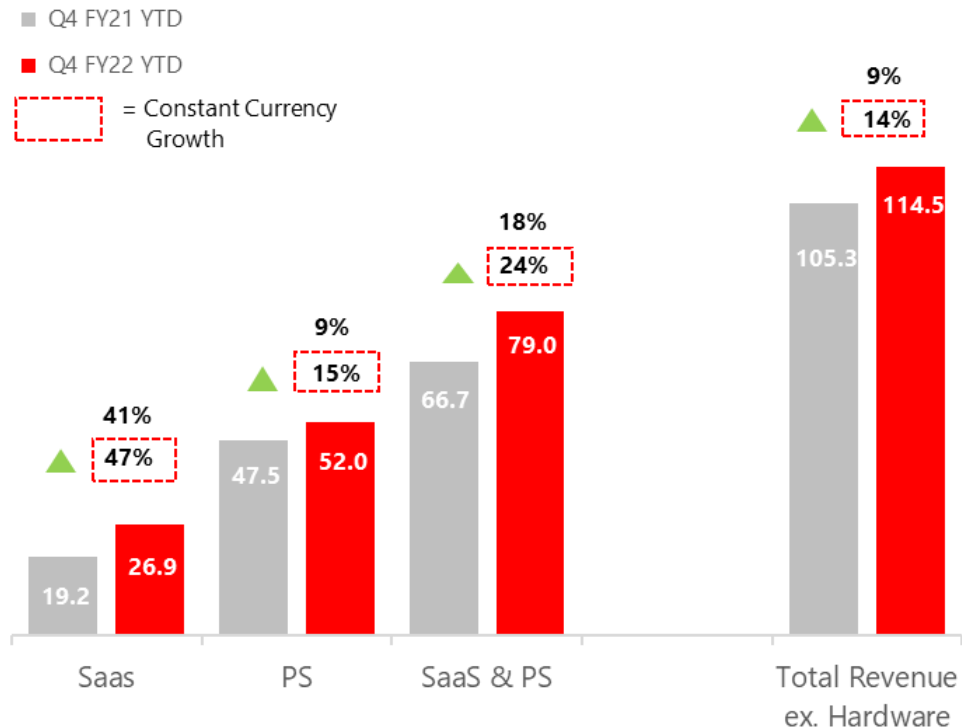
**Net Retention = (Existing
customer expansion less
churn) divided by Beginning
period ARR**

Tecsys Growth Vector – SaaS

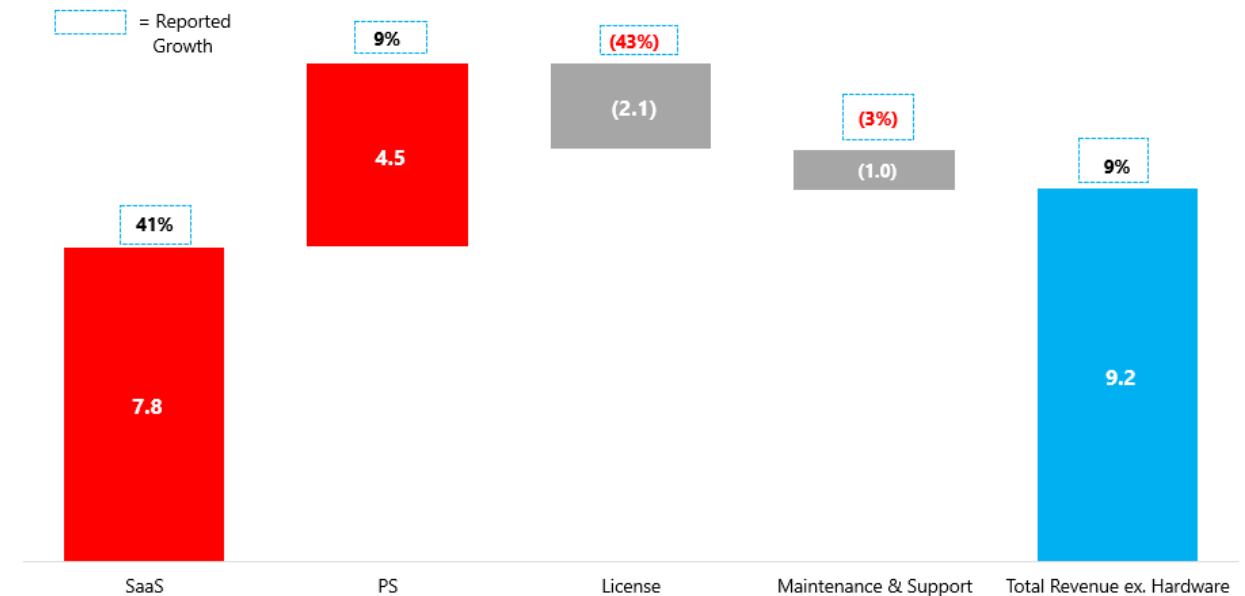
Amounts in \$ million

SaaS growing at 47% constant currency; SaaS combined with professional services growing at 24% constant currency.

SaaS and Prof. Services Growth – Q4 FY22 YTD



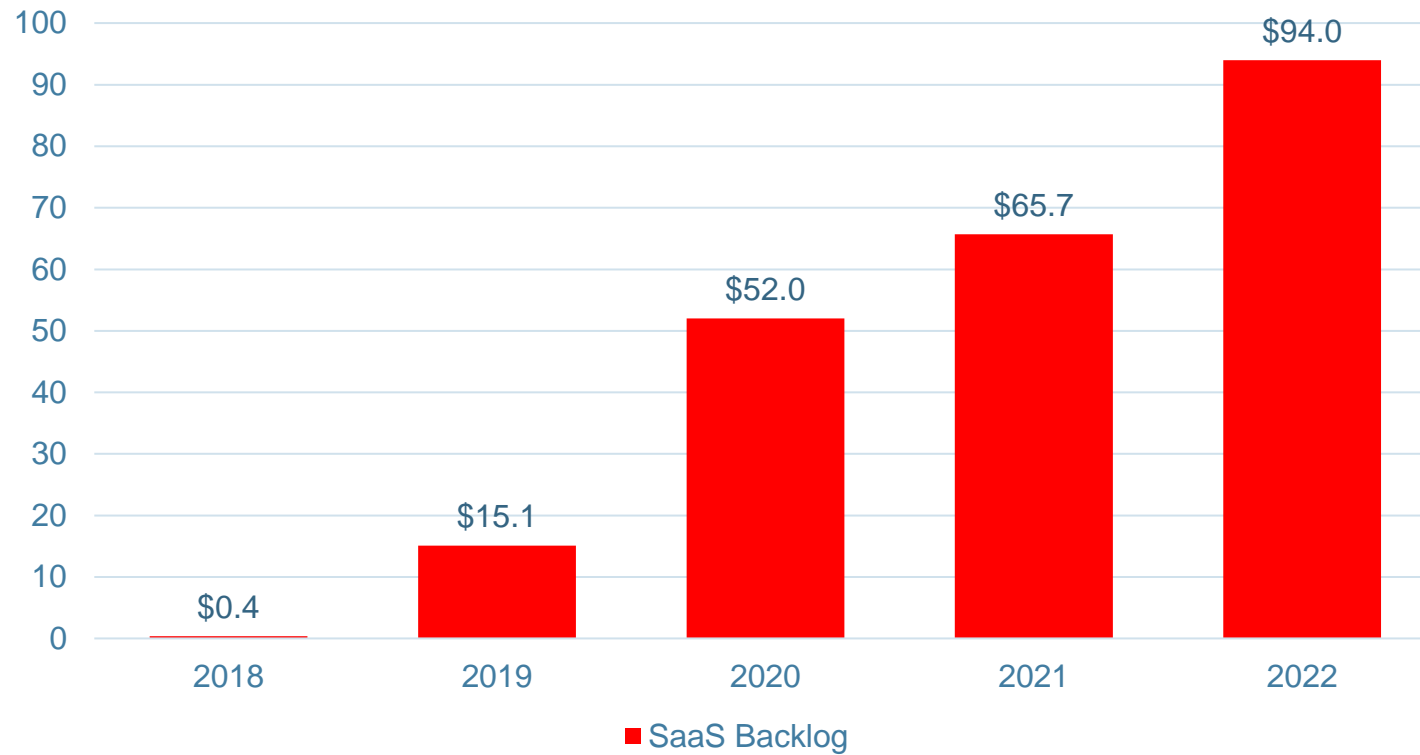
Revenue Growth by Type – Q4 FY22 YTD



Strong & Growing SaaS Backlog

In \$CAD Millions

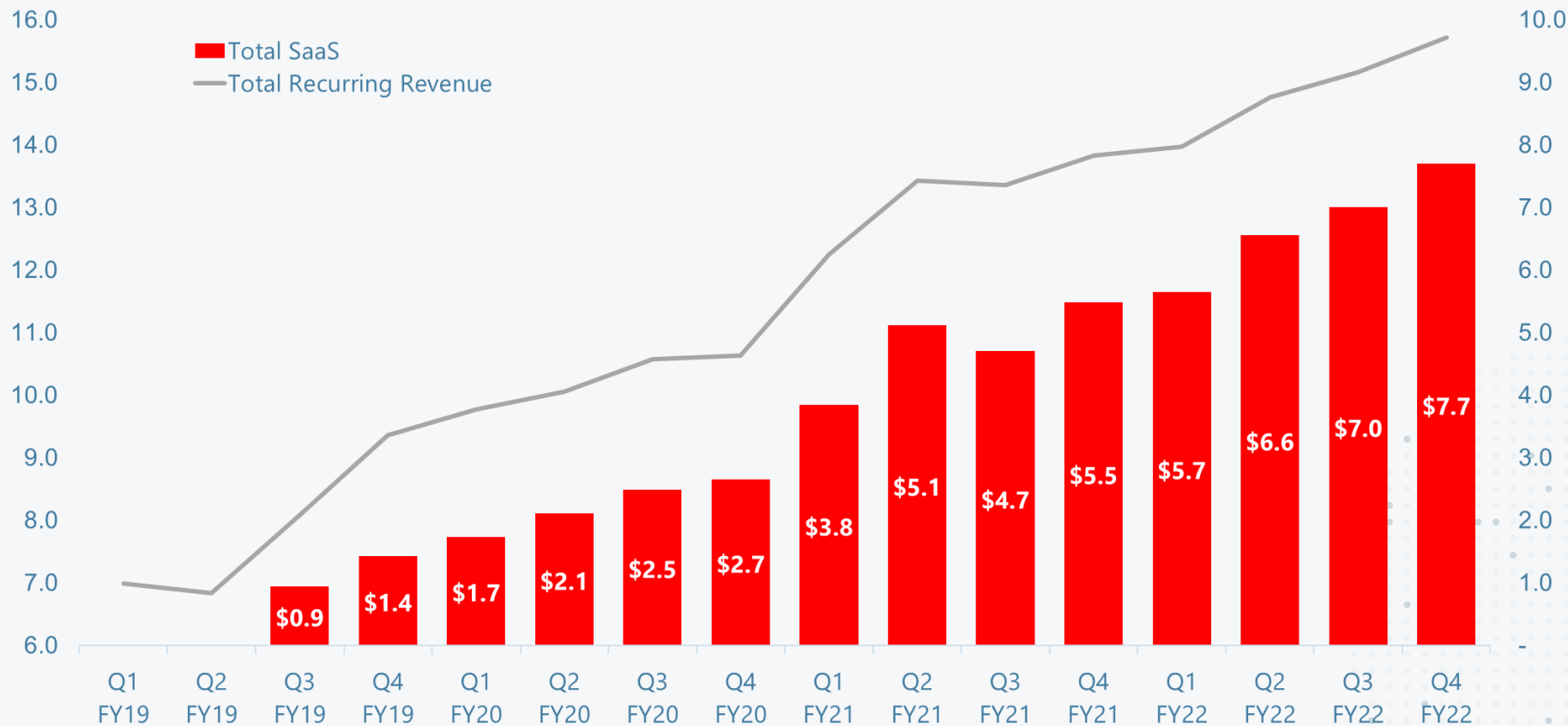
FY22 SaaS Backlog* Growth: 43%



SaaS Bookings Fuel Recurring Revenue Growth

Amounts in \$ million

Quarterly SaaS Revenue



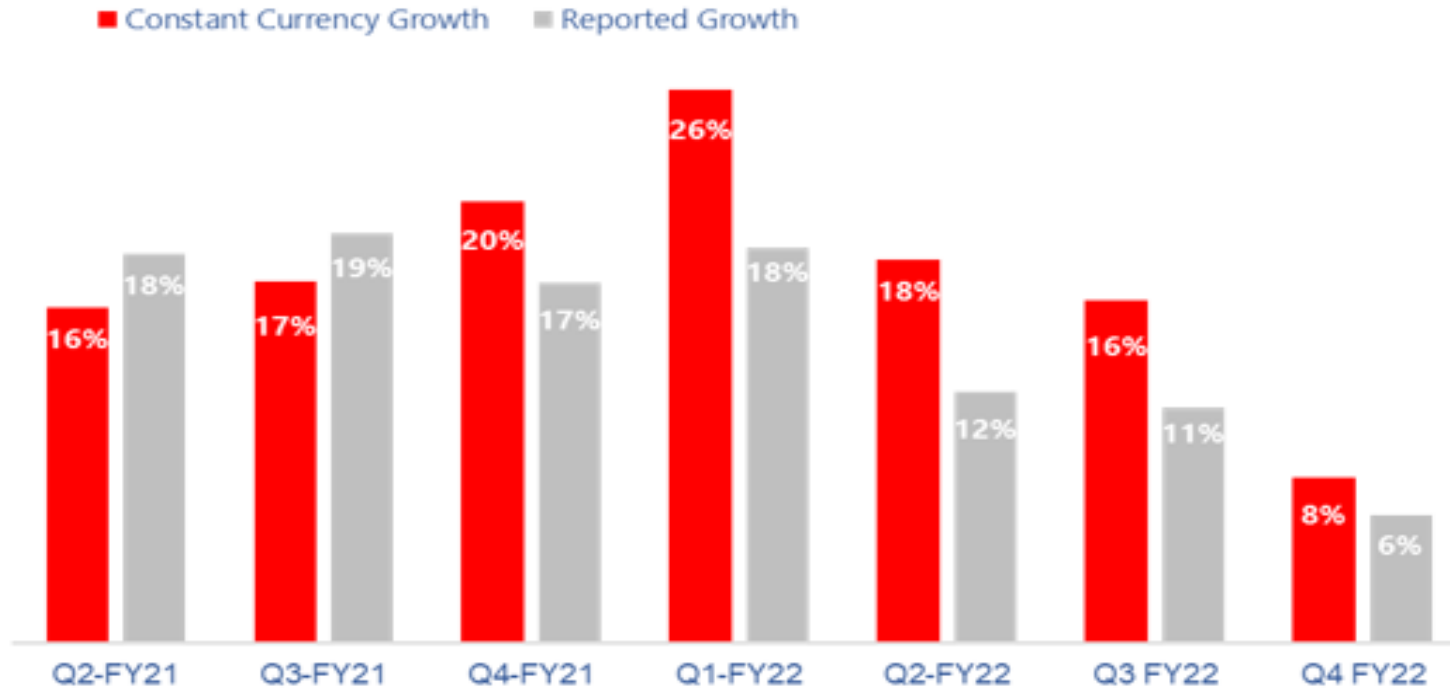
43%

YoY SaaS Revenue Growth
Q4 FY22 (constant currency
basis)

49%

Q4 FY22 SaaS Revenue as a
percentage of total Cloud,
Maintenance and
Subscription Revenue (up
from 40% in Q4 FY21 and up
from 46% in Q3 FY22)

Currency Impact on Total Revenue Growth (vs. prior year quarter)



Corporate Information



Financial Highlights, in CAD 000 except EPS

| | Q4, 2022 | | Q4, 2021 | | Δ YoY | | Q4, 2022 TTM | | Q4, 2021 TTM | | Δ YoY | |
|--|----------|------|----------|------|-----------|------|--------------|------|--------------|------|-----------|------|
| | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % |
| Total Revenue | \$34,288 | 100% | \$32,374 | 100% | \$1,914 | 6% | \$137,200 | 100% | \$123,101 | 100% | \$14,099 | 11% |
| SaaS Revenue | \$7,708 | 22% | \$5,492 | 17% | \$2,216 | 40% | \$26,929 | 20% | \$19,164 | 16% | \$7,765 | 41% |
| Maintenance and Support Revenue | \$8,808 | 26% | \$8,344 | 26% | \$464 | 6% | \$32,698 | 24% | \$33,715 | 27% | (\$1,017) | -3% |
| Cost of Sales | \$19,158 | 56% | \$16,651 | 51% | \$2,507 | 15% | \$76,890 | 56% | \$62,471 | 51% | \$14,419 | 23% |
| Gross margin | \$15,130 | 44% | \$15,723 | 49% | (\$593) | -4% | \$60,310 | 44% | \$60,630 | 49% | (\$320) | -1% |
| Sales & Marketing | \$6,388 | 19% | \$5,649 | 17% | \$739 | 13% | \$24,294 | 18% | \$20,985 | 17% | \$3,309 | 16% |
| General and Administration | \$2,652 | 8% | \$2,427 | 7% | \$225 | 9% | \$10,865 | 8% | \$10,396 | 8% | \$469 | 5% |
| Research and Development | \$4,779 | 14% | \$5,016 | 15% | (\$237) | -5% | \$19,775 | 14% | \$18,568 | 15% | \$1,207 | 7% |
| Operating expenses | \$13,819 | 40% | \$13,092 | 40% | \$727 | 6% | \$54,934 | 40% | \$49,949 | 41% | \$4,985 | 10% |
| Profit from operations | \$1,311 | 4% | \$2,631 | 8% | (\$1,320) | -50% | \$5,376 | 4% | \$10,681 | 9% | (\$5,305) | -50% |
| Net income | \$2,586 | 8% | \$2,020 | 6% | \$566 | 28% | \$4,478 | 3% | \$7,188 | 6% | (\$2,710) | -38% |
| Adjusted EBITDA | \$1,730 | 5% | \$3,917 | 12% | (\$2,187) | -56% | \$10,130 | 7% | \$16,220 | 13% | (\$6,090) | -38% |
| EPS Basic | \$0.18 | | \$0.14 | | \$0.04 | 29% | \$0.31 | | \$0.50 | | (\$0.19) | -38% |
| EPS Diluted | \$0.17 | | \$0.14 | | \$0.03 | 21% | \$0.30 | | \$0.49 | | (\$0.19) | -39% |
| License Bookings | \$540 | | \$752 | | (\$212) | -28% | \$2,402 | | \$4,288 | | (\$1,886) | -44% |
| SaaS ARR Bookings | \$4,457 | | \$3,493 | | \$964 | 28% | \$11,920 | | \$9,548 | | \$2,372 | 25% |
| Annual Recurring Revenue | \$62,737 | | \$52,485 | | \$10,252 | 20% | | | | | | |
| SaaS Backlog | \$93,976 | | \$65,725 | | \$28,251 | 43% | | | | | | |
| Professional Services Backlog | \$33,427 | | \$33,639 | | (\$212) | -1% | | | | | | |

Refer to April 30, 2022 Management Discussion and Analysis "Non-IFRS Performance Measure"

Refer to April 30, 2022 Management Discussion and Analysis "Key Performance Indicators"

Corporate Overview

\$380M

Market Cap**
14.6M S/O

TMX

Symbol TCS

27¢

Dividend per Year*

22%

Insider Ownership**

Brokerage Coverage

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

* Last twelve months, April 30, 2022

** At April 30, 2022

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 Financial 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**

**2.65x
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 94% of total product bookings for Q4 fiscal 2022.

LTM April 30, 2022 ARR YoY growth of 20% (17% on a constant currency basis).

Trading at 2.65x NTM EV/sales, a 74% discount to its closest comparable MANH.

Investing in sales & marketing to exploit expanding opportunities.