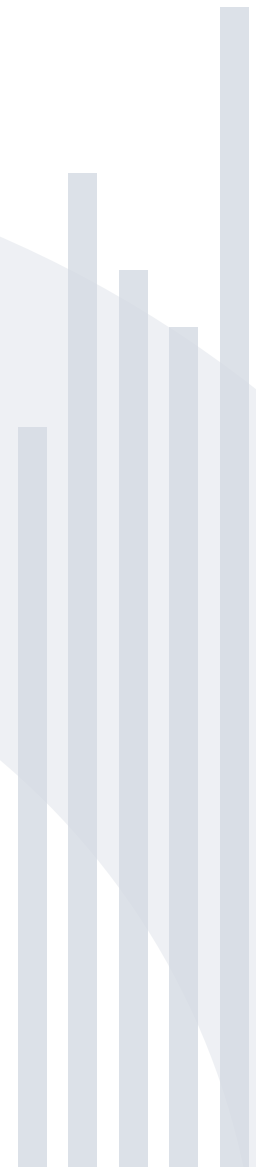




Investor Presentation Q1 FY2025

A HIGHER STANDARD





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.

All names, trademarks, products and services mentioned are registered or unregistered trademarks of their respective owners.

Tecsys at a glance

Purpose:

To empower
good companies
to be great

Position:

To clarify
uncertainty in the
supply chain

Mission:

To equip supply
chain greatness

Vision:

That good
companies have
the space to thrive

Our story is all about our customers

40+ years
of complex
supply network
experience

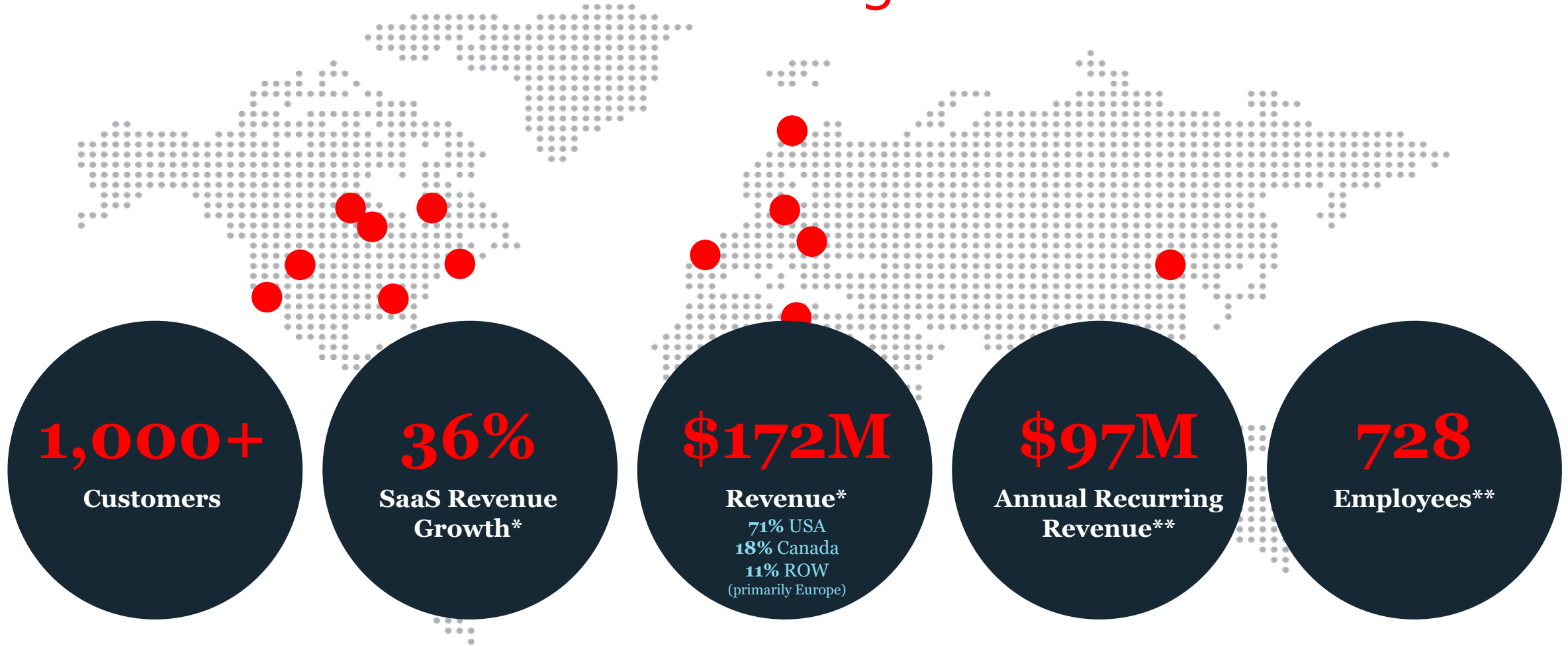
13 times
Tecsys named in
Gartner's Magic
Quadrant for WMS and
positioned as
Challenger since 2022

Top 2
Eight customers, two
with Masters
recognition, on
Gartner's Healthcare
Supply Chain Top 25
for 2023

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



Global reach and financial strength

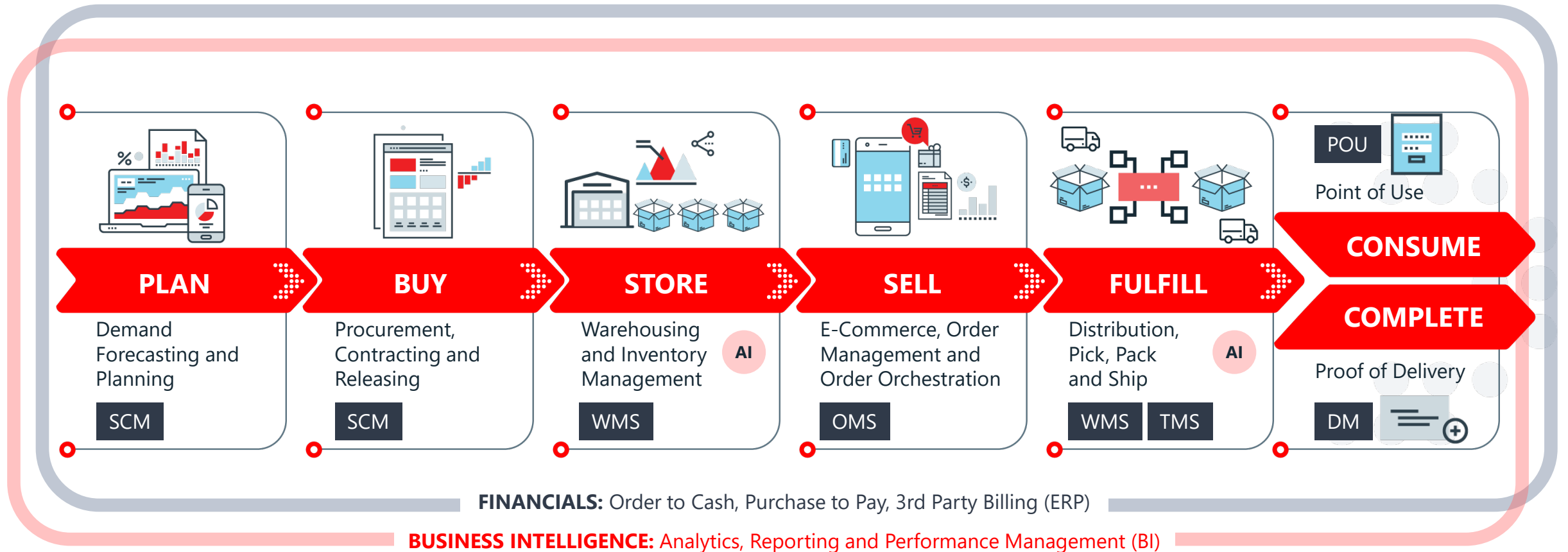


* Last twelve months, July 31, 2024

** On July 31, 2024

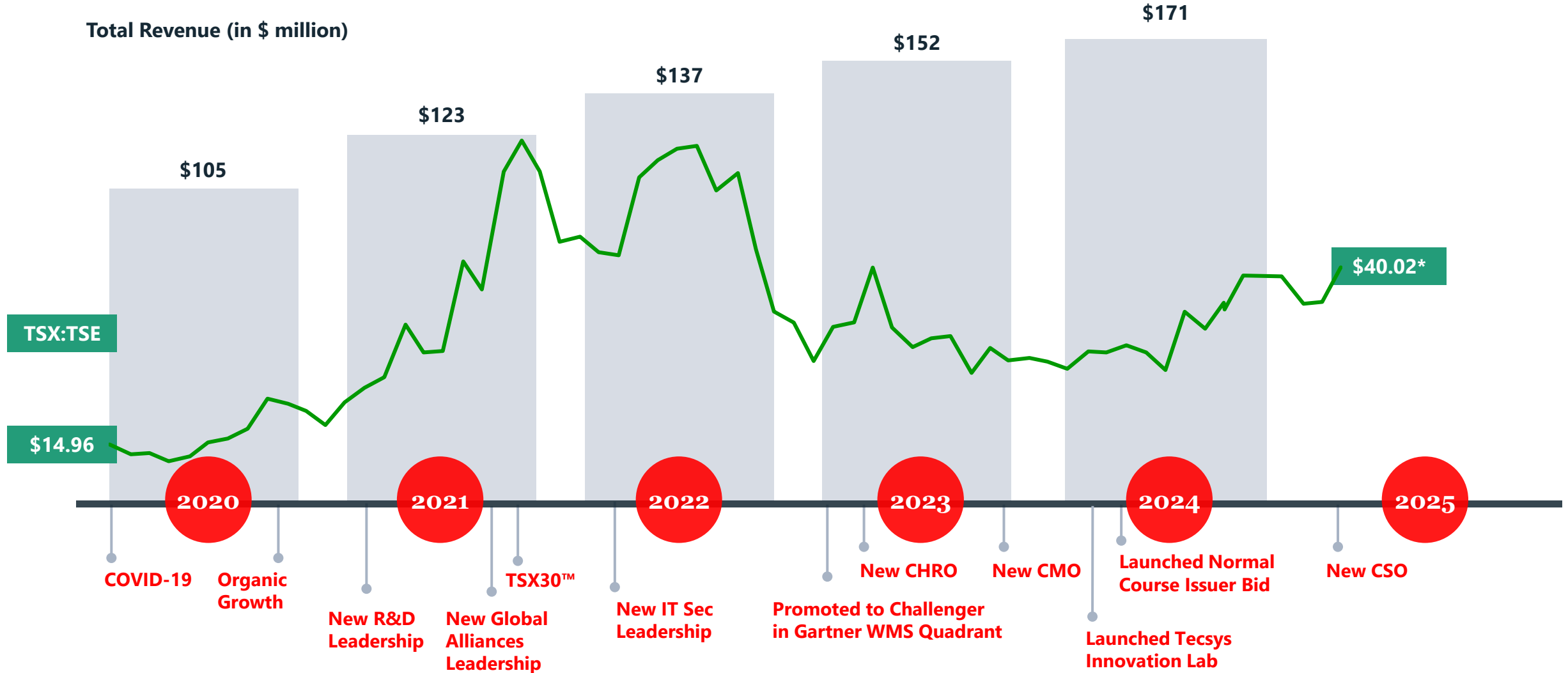
End-to-end integrated supply chain management solutions

A platform for success



Momentum

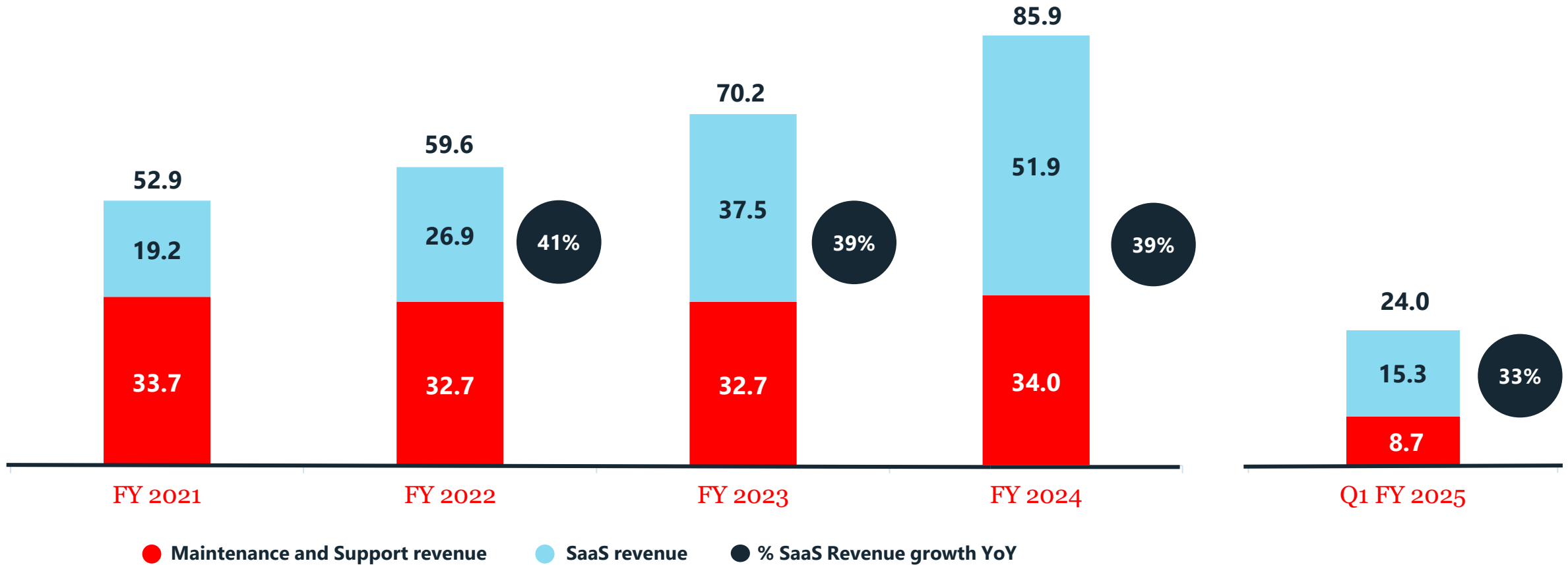
Total Revenue (in \$ million)



SaaS growth driving increase in recurring revenue

in \$CAD millions

\$96.9 million based on Q1 FY25 ARR¹



¹ Refer to July 31, 2024, Management Discussion and Analysis "Key Performance Indicators"

Customers

Converging complex distribution

49%

Percentage of Annual
Recurring Revenue

51%

Healthcare



Solutions built on experience: Delivering end-to-end solutions with technology & services tailored to key industries

Healthcare supply chains are stressed

- Point of use breakdowns
- Volume fluctuations
- IDNs struggling

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

Result: Healthcare supply chains need solutions urgently

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

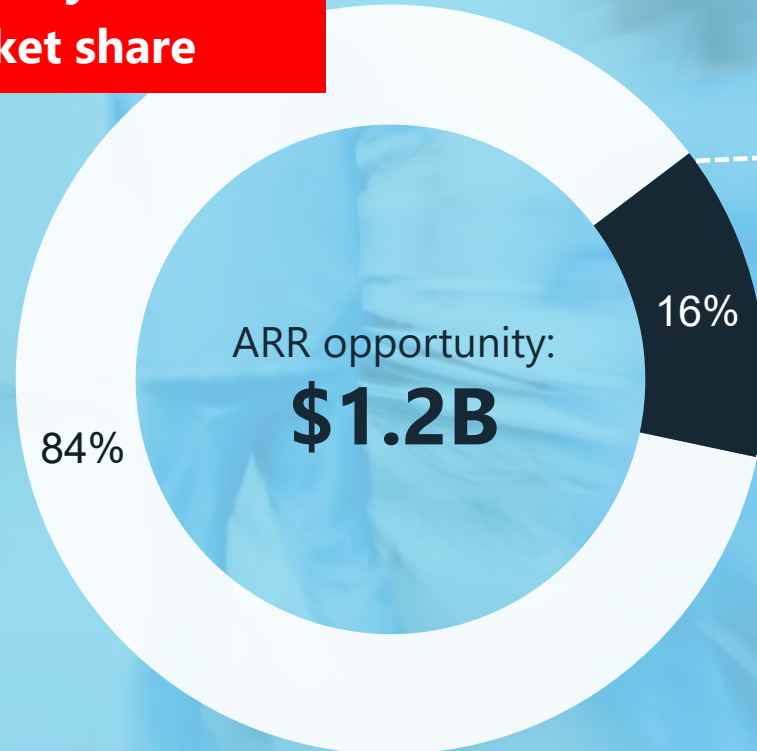
Healthcare market opportunity

Becoming dominant in U.S. Health Systems market – The \$1.2B ARR* opportunity

373

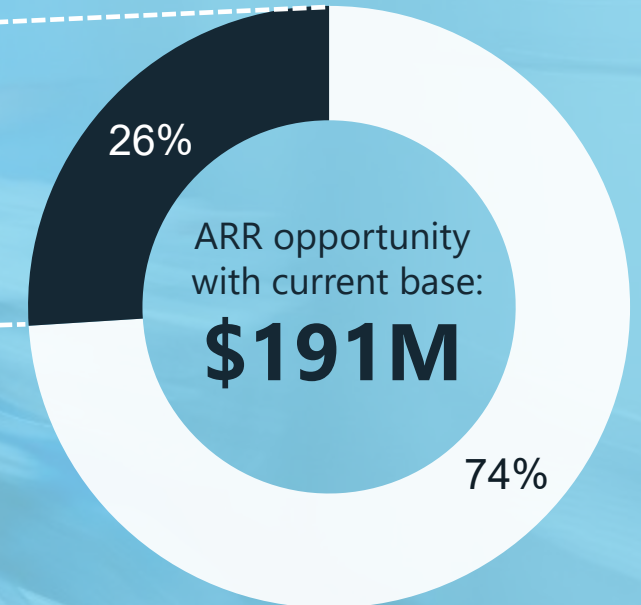
Target Health Systems

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
- 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 and the U.S.

Delivering exceptional innovation and service together

Partner ecosystem - Accelerate growth

Technology partners

AWS, Workday, Oracle, Shopify, Locus Robotics, Zebra Technologies, SVT Robotics, TraceLink and Matthews Automation

- Complementary solutions
- Specific vertical
- Market reach
- Access to a customer base
- Market share

Advisory and service partners

Deloitte, CGI, KPMG, Bricz, Avalon CSC, RiseNow Consulting, Sequoia Group, Sedlak Supply Chain Consultants and TechSera

- Complementary services
- Aligned vertical focus
- Access to a customer base
- Strong local network
- Resource augmentation

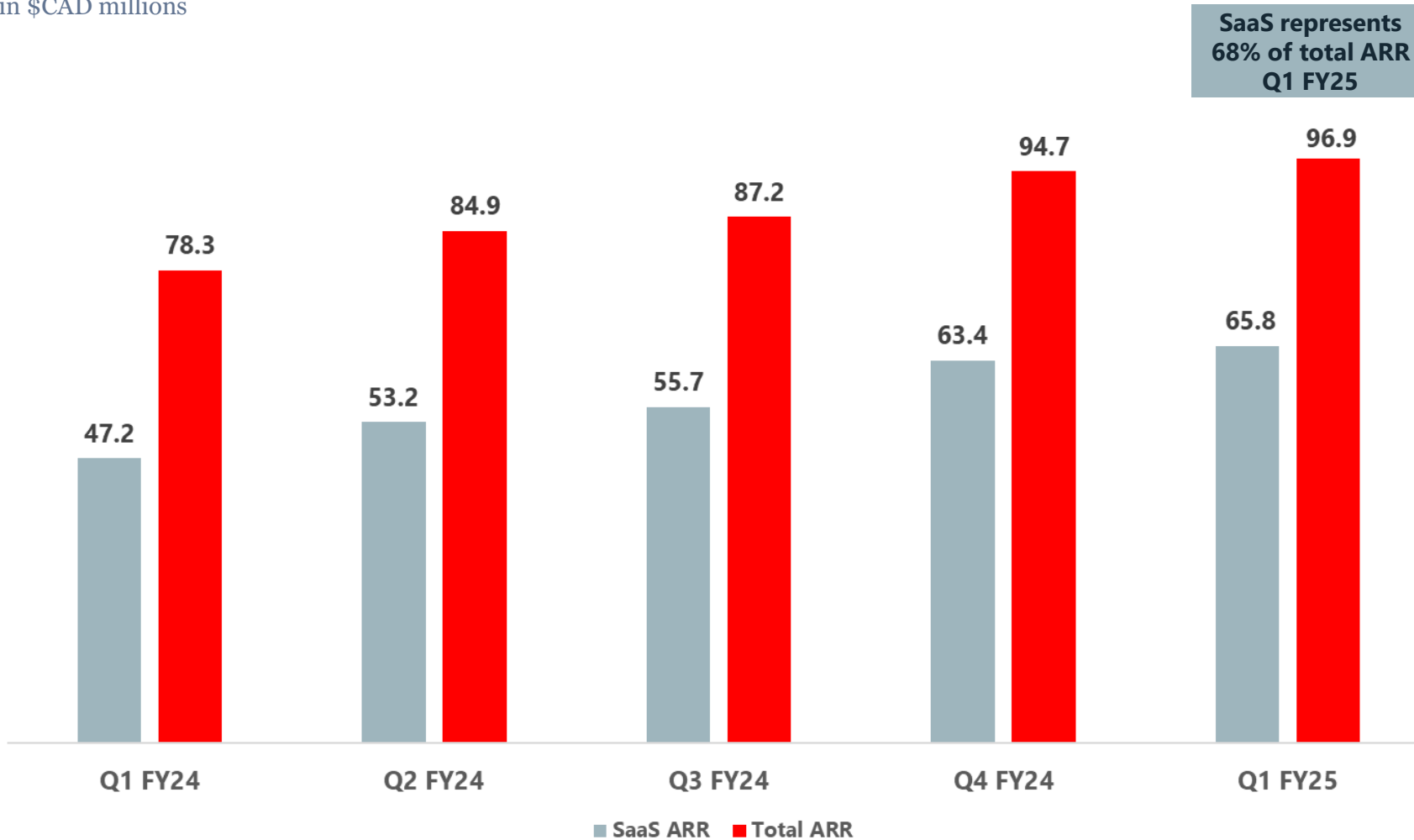
Partner influenced current sales pipeline

Q1 FY25: 24%



SaaS driving Annual Recurring Revenue (ARR)¹ growth

in \$CAD millions



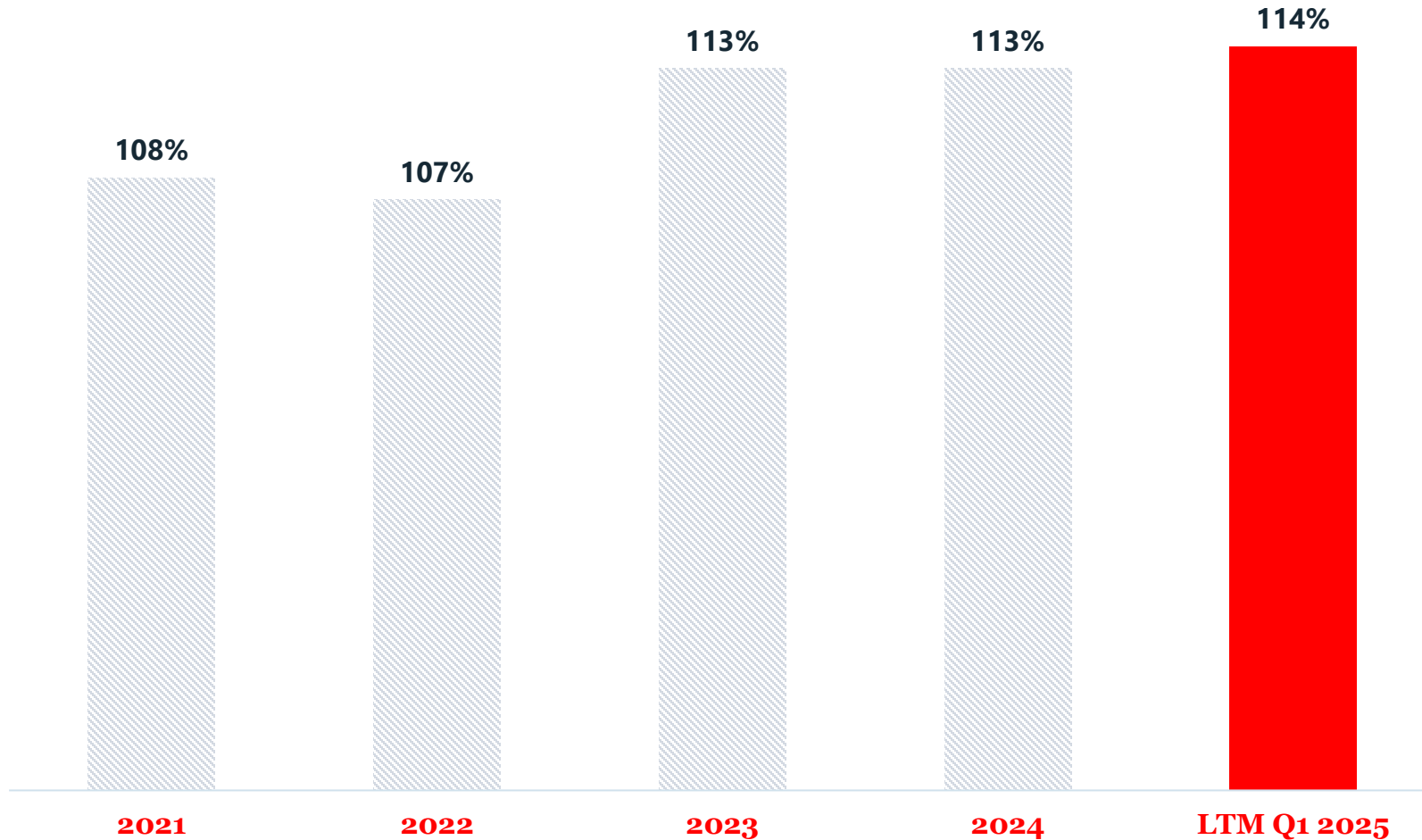
39%

Q1 FY25 SaaS ARR
growth YoY

57%

Q1 FY25 recurring
revenue as a % of
total revenue

Annual Recurring Revenue net retention rate



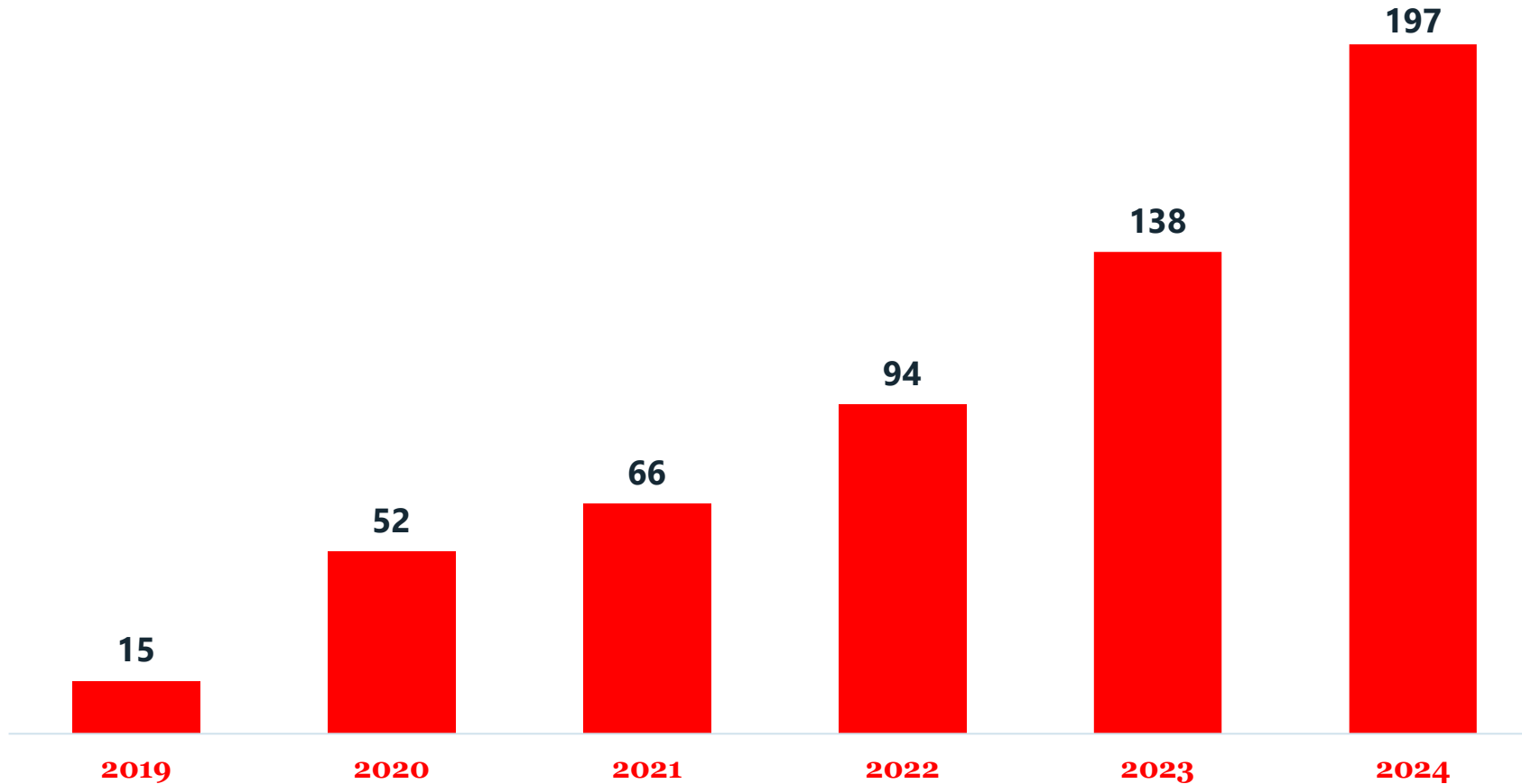
114%

**LTM Q1 Fiscal
2025 Recurring
Revenue net
retention rate**

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

SaaS Remaining Performance Obligation (RPO)

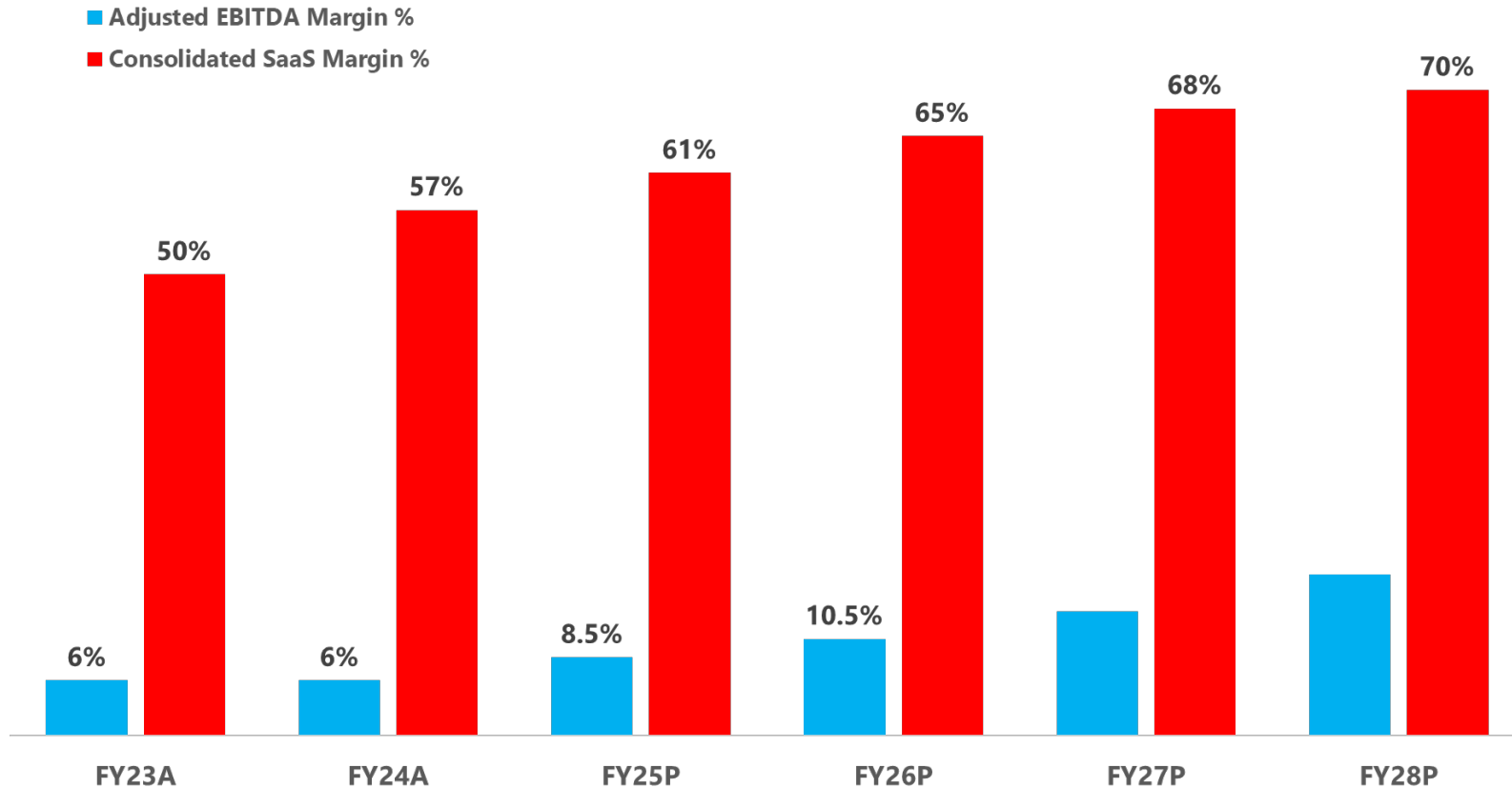
in \$CAD millions



40%

Q1 FY25 SaaS RPO YoY Growth

Projected* SaaS margin expansion



- Previously sub-scale SaaS business at an inflection point.
- *Projected SaaS margin assumes: 30% YoY SaaS Revenue growth.
- AEBITDA FY25P and FY26P represent guidance mid-point.
- AEBITDA FY27P and FY28P are directional targets.

Financial highlights

in \$CAD thousands except EPS

	Q1 2025		Q1 2024		Δ YoY		Q1 2025 TTM		Q1 2024 TTM		Δ YoY	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Total Revenue	42,276	100%	41,975	100%	301	1%	171,543	100%	160,195	100%	11,348	7%
SaaS Revenue	15,314	36%	11,495	27%	3,819	33%	55,737	32%	40,970	26%	14,767	36%
Maintenance and Support Revenue	8,715	21%	8,298	20%	417	5%	34,374	20%	32,744	20%	1,630	5%
Professional Services Revenue	13,387	32%	14,908	36%	(1,521)	-10%	53,667	31%	56,630	35%	(2,963)	-5%
Cost of Revenue	22,548	53%	22,475	54%	73	0%	92,926	54%	88,644	55%	4,282	5%
Gross Profit	19,728	47%	19,500	46%	228	1%	78,617	46%	71,551	45%	7,066	10%
Sales & Marketing	8,352	20%	7,671	18%	681	9%	33,657	20%	29,501	18%	4,156	14%
General and Administration	2,978	7%	2,959	7%	19	1%	11,863	7%	11,443	7%	420	4%
Research and Development	7,331	17%	7,112	17%	219	3%	29,733	17%	25,371	16%	4,362	17%
Restructuring Costs	-	0%	-	0%	-	n.a	2,122	1%	-	0%	2,122	n.a
Operating Expenses	18,661	44%	17,742	42%	919	5%	77,375	45%	66,315	41%	11,060	17%
Profit from Operations	1,067	3%	1,758	4%	(691)	-39%	1,242	1%	5,236	3%	(3,994)	-76%
Net Profit	798	2%	1,171	3%	(373)	-32%	1,476	1%	3,220	2%	(1,744)	-54%
Adjusted EBITDA	2,591	6%	3,173	8%	(582)	-18%	9,032	5%	11,173	7%	(2,141)	-19%
EPS Basic & Diluted	0.05		0.08		(0.03)	-38%	0.10		0.22		(0.12)	-55%
SaaS ARR Bookings	3,044		1,935		1,109	57%	19,663		14,419		5,244	36%
Total Annual Recurring Revenue							96,867		78,332		18,535	24%
SaaS Backlog							194,874		139,402		55,472	40%
Professional Services Backlog							35,513		40,156		(4,643)	-12%
SaaS Annual Recurring Revenue							65,788		47,244		18,544	39%

Refer to July 31, 2024, Management Discussion and Analysis "Non-IFRS Performance Measures"

Refer to July 31, 2024, Management Discussion and Analysis "Key Performance Indicators"

Corporate overview

\$592M

Market cap**
14.8M S/O

TMX

Symbol TCS

32¢

Dividend per year*

18%

Insider ownership**

Brokerage coverage

- Cormark Securities Inc.
- National Bank Financial
- Raymond James
- Stifel
- Ventum Financial

* Last twelve months, July 31, 2024

** On July 31, 2024

Reasons to invest

Cloud-based



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

**\$1.2B
ARR
TAM**



Greenfield **opportunity in healthcare** with the potential to dominate a global \$1.2B ARR TAM

**\$6B
ARR
TAM**



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

**36%
SaaS
revenue
growth**



LTM July 31, 2024, YoY SaaS revenue growth of 36%

**3.0x
NTM
EV/sales**



Trading at 3.0x NTM EV/sales, an 80% discount to its closest comparable MANH



Thank you

