

The heartbeat of **modern supply chains**

Visibility. Agility. Confidence in every outcome.

2026 ANNUAL REPORT

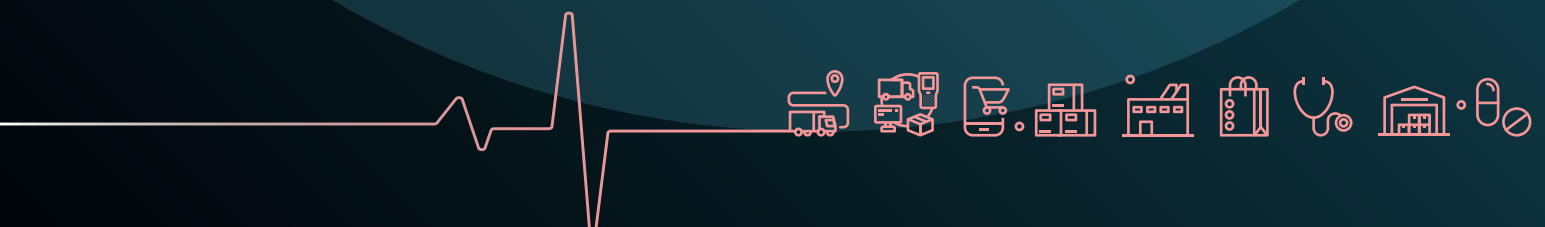
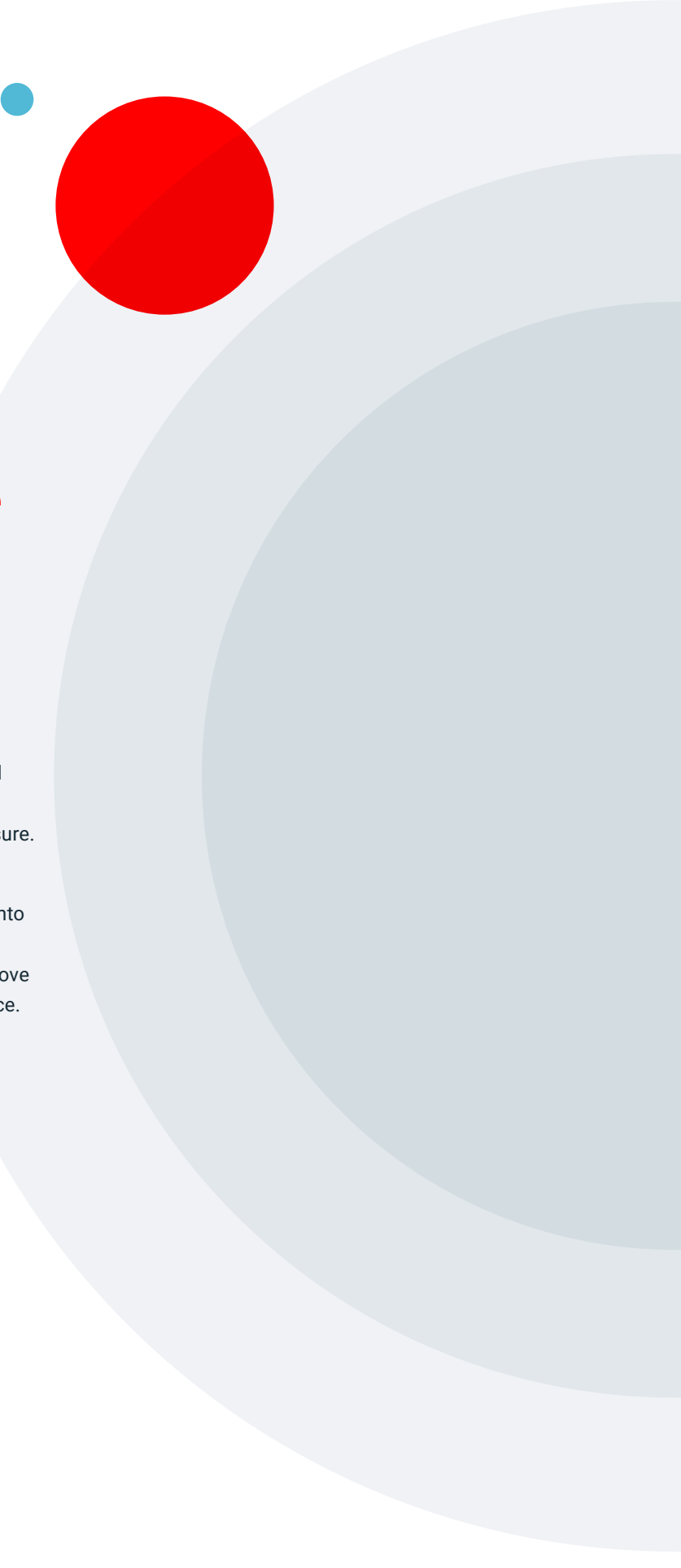


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The statements in this annual report relating to matters that are not historical fact are forward-looking statements that are based on management’s beliefs and assumptions. Such statements are not guarantees of future performance and are subject to 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. More information about the risks and uncertainties associated with Tecsys Inc.’s business can be found in the MD&A section of this annual report and the Annual Information Form for the fiscal year ended April 30, 2026. These documents have been filed with the Canadian securities commissions and are available on our website (<https://www.tecsys.com/about-us/investors/>) and on SEDAR+ (www.sedarplus.ca).

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A decorative graphic on the right side of the page. It features a large red circle in the upper right, a smaller blue circle above it, and several large, overlapping, light gray concentric circles that sweep across the right half of the page.

Tecsys at a glance

Tecsys provides supply chain management software for organizations operating in complex, high-stakes environments where performance is critical.

Across healthcare and distribution, our platform enables real-time visibility, coordinated execution and operational control across the workflows that matter most: helping organizations deliver consistently, especially under pressure.

Built on a scalable cloud foundation and deep domain expertise, Tecsys connects people, processes and data into a unified system of execution. As supply chains become more dynamic and constrained, we help organizations move beyond managing complexity to operating with confidence.

BENCHMARK OF EXCELLENCE

Built on experience.
Proven in performance.

40+
years

More than four decades of operating experience in complex supply chain environments

Leader

Recognized as a Leader in the 2025 Nucleus Research WMS Technology Value Matrix

Modern Healthcare
2025 BEST IN BUSINESS

Named to Modern Healthcare's Best in Business (2025), recognizing organizations contributing to performance and innovation across the healthcare industry

1,000+
customer sites

A global network of mission-critical operations across Canada, the U.S. and Europe

Challenger

Positioned as a Challenger in the 2026 Gartner® Magic Quadrant™ for Warehouse Management Systems (15th inclusion)



Included in the RXInsider Pharmacy500, highlighting organizations influencing performance and leadership in pharmacy supply chain

40%

Forty percent of the 2025 Gartner® Healthcare Supply Chain Top 25, including two Masters, rely on Tecsys solutions

Partner

Connected to a robust network of 104 value-added partners architected to deliver value quickly and consistently



Named an Inbound Logistics Top 100 Logistics IT Provider, recognizing technology providers supporting complex logistics and supply chain operations



A message from Peter Brereton

President and CEO

Dear stakeholders,

Fiscal 2026 made one thing clear: supply chain execution is no longer a back-office function; it is a determinant of organizational performance.

The conditions that defined FY26 — labor constraints, drug shortages, cost pressure and the proliferation of AI tools promising transformation — have forced a reckoning in supply chain management. Organizations can no longer operate through disconnected systems and manual processes. The window for modernization has narrowed, and the cost of inaction is rising.

Tecsys was built for precisely this moment.

Over the past year, we further strengthened our position within the healthcare and complex distribution markets, delivering record revenue, expanding our SaaS business and improving profitability. These results reflect the durability of our model and the demand for software that enables reliable execution across essential workflows.

Platform investment and continued analyst recognition reinforced our position as the operational standard for complex supply chain environments. Central to that advancement is how we are applying intelligence across our customers' most critical operations.

With TecsysIQ™, we are applying intelligence where it matters most — inside mission-critical workflows where execution errors have real consequences. This is not productivity AI. It is operational AI,

***“Tecsys was built
for precisely this
moment.”***

purpose-built for environments where consistency, compliance and speed are non-negotiable.

Our healthcare position is built on something competitors cannot easily replicate: we serve health systems, life sciences manufacturers and healthcare distributors — giving us visibility from production to bedside that no single-segment player possesses. That full-spectrum knowledge shapes everything we build.

40% of the 2025 Gartner Healthcare Supply Chain Top 25, including two Masters, rely on our platform. In healthcare, supply chain failure is not a business problem — it is a patient care problem. We build accordingly.

The supply chains we serve are at a fundamental inflection point — particularly in healthcare, where the convergence of AI, real-time data and operational intelligence is beginning to reshape how care is delivered and how patient outcomes are protected. We are investing in the capabilities that will accelerate that transformation: deeper intelligence, greater automation and more connected execution. Our growth priorities are calibrated to that opportunity — expanding our SaaS business, strengthening recurring revenue and scaling with discipline.

We enter fiscal 2027 with clear momentum, a differentiated market position and a platform increasingly recognized as essential infrastructure for mission-critical supply chains.

On behalf of our leadership team, I thank our customers, partners and employees for their continued trust and commitment.

Sincerely,



Peter Brereton
President and CEO
Tecsys Inc.

***“This is not
productivity AI.
It is operational
AI, purpose-built
for environments
where consistency,
compliance and
speed are non-
negotiable.”***

A message from Dave Brereton



Chairman of the Board

Dear stakeholders,

Periods of technological change invite both ambition and uncertainty.

The current evolution of artificial intelligence represents a fundamental shift in how decisions are made, how work is coordinated and how organizations operate at scale. In supply chain, this shift is reshaping how organizations anticipate, respond and execute in real time.

Yet progress will not be defined by the introduction of new tools alone, but by the ability to embed intelligence into operations in a way that is consistent, dependable and trusted.

This is where experience matters.

Tecsys has spent decades working alongside organizations operating some of the most complex supply chains in healthcare and distribution. That history brings not only technical expertise, but a practical understanding of how systems perform under pressure and where small failures can have outsized consequences.

Nowhere is that more evident than in healthcare, where Tecsys serves health systems, life sciences manufacturers and healthcare distributors, a cross-sector perspective that provides visibility across the full supply chain, from production to point of care.

As the Company continues to evolve its platform and capabilities, the Board believes Tecsys is well positioned to guide customers through this transition, helping them apply intelligence in a way that is both operationally sound and scalable. In this next phase, leadership will not be defined by experimentation alone, but by the ability to translate innovation into measurable outcomes for customers.

***"This is where
experience
matters."***

At the same time, the discipline that has defined Tecsys remains essential. Sustainable growth is built through consistent execution, thoughtful investment and a clear focus on where the Company can create differentiated value. The Board remains focused on supporting this approach – ensuring priorities are aligned, risk is managed and the Company is positioned for its next phase of growth.

People remain central to this equation. As AI reshapes workflows, the expertise and judgment of the individuals applying it become more consequential, not less. The Board is attentive to ensuring Tecsys maintains the domain depth and organizational capability that complex, high-stakes environments demand.

The pace of change is unlikely to slow. In this environment, the combination of deep domain expertise, disciplined execution and continued innovation will be critical – not only to navigating disruption, but to shaping what comes next.

The Board enters fiscal 2027 with confidence in the Company's direction and its ability to lead in a market that increasingly demands exactly what Tecsys has built.

On behalf of the Board, I thank the management team, employees, customers and partners for their continued commitment.

Sincerely,



Dave Brereton
Chairman of the Board
Tecsys Inc.

“In this environment, the combination of deep domain expertise, disciplined execution and continued innovation will be critical – not only to navigating disruption, but to shaping what comes next.”

The evolution of Tecsys



FY26 was not just a strong financial year. It was the year Tecsys advanced its position as the intelligence and execution layer for mission-critical supply chains.

Our strategic priorities

Execution confidence

Software that performs when failure is not an option.

AI as **decision intelligence**

Intelligence embedded where decisions are made — not layered on top.

Security

Enterprise-grade security, built in from the start.

Industry **authority**

Decades of domain depth in healthcare and complex distribution.

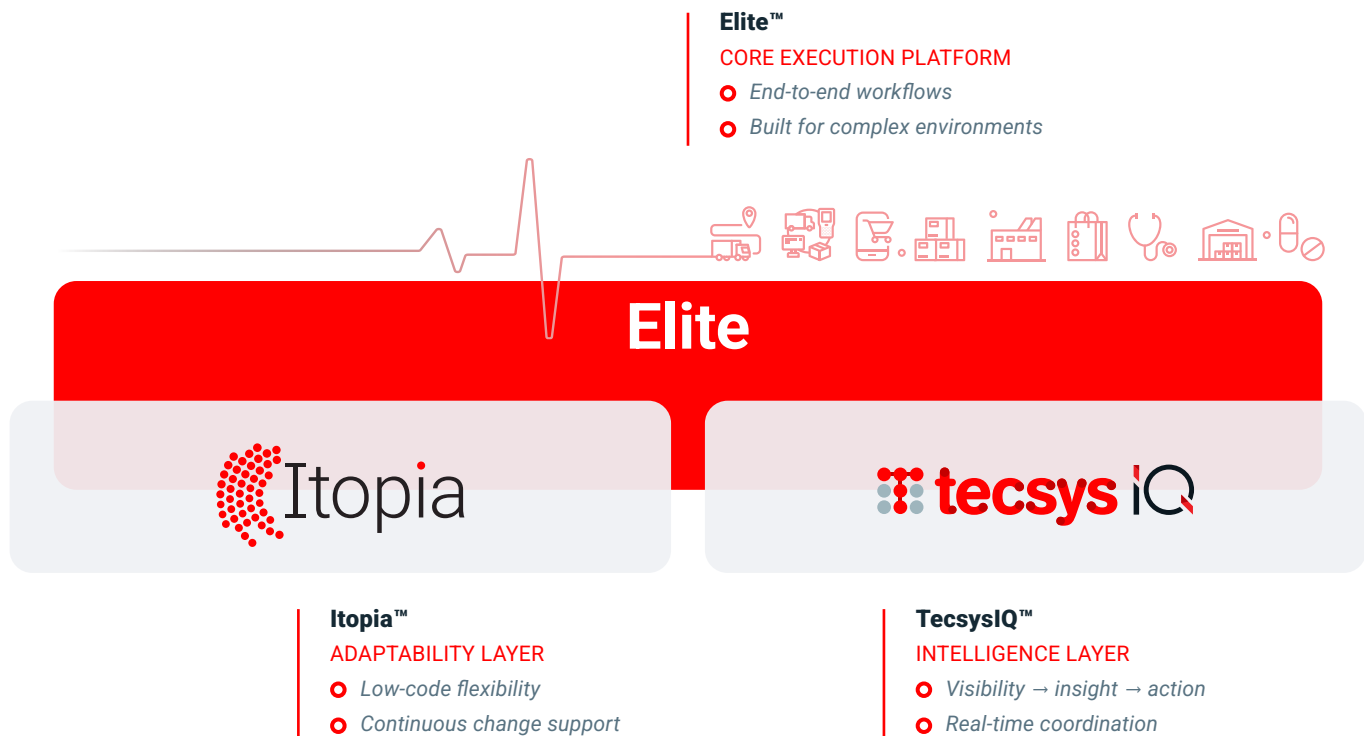
Outcomes over features

Measured in fill rates, accuracy and cost — not capabilities.

Profitable **growth**

Expanding SaaS revenue with discipline and improving returns.

One platform connecting visibility, intelligence and execution



Tecsyst Elite™ is a unified platform built for the complexity of mission-critical supply chains — connecting the workflows, data and intelligence that organizations depend on to execute with confidence.

At its core, Elite provides end-to-end execution across the most demanding operational environments. Itopia™ adds an adaptability layer that allows organizations to configure and evolve workflows without disruption.

TecsystIQ™ brings intelligence into the platform — surfacing visibility, generating insight and enabling action in real time.

Together, they form a single, connected system where execution, adaptability and intelligence are not separate tools — they are one platform.

Measurable impact



"Manual inventory processes were creating unnecessary waste and inefficiencies that added up to roughly \$40 million each year. With Tecsys-enabled visibility, we achieved \$14 million in annual savings."

— Texas Children's Hospital



"Working with Tecsys means being on the forefront of supply chain technology... Tecsys innovates based on where its customers need to go."

— LK Packaging



"We achieved 99.98% order accuracy and a 90% same-day shipment rate."

— Accuristix



"We increased our fill rate to 99.97% and reduced backorders by 59%."

— North Mississippi Health Services



"We increased fill rates to 98% while improving warehouse labor productivity by 15%."

— Walter Surface Technologies



"We fulfilled orders faster and showed more available inventory because we had more accuracy — it was a great success."

— La Vie en Rose

Financial highlights

In \$000s CAD, except EPS	FY2026	FY2025
Total revenue	193,142	176,454
SaaS revenue	80,412	67,071
Profit from operations	7,753	7,180
Net profit	4,038	4,459
Adjusted net profit ¹	7,457	4,459
Adjusted EBITDA ¹	20,031	13,373
Diluted earnings per share	0.27	0.30
Adjusted diluted earnings per share ¹	0.50	0.30
Cash from operations	16,254	13,908

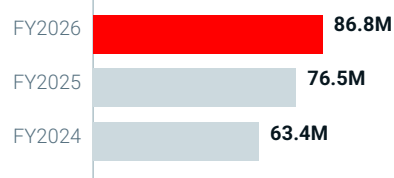
Shareholder value

As of April 30 2026, in CAD millions

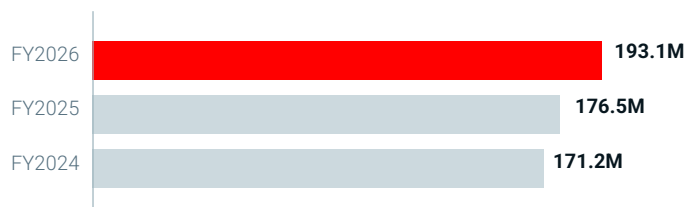
SaaS remaining performance obligation ("SaaS RPO")²



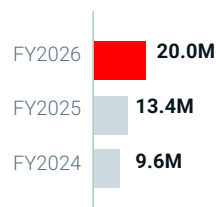
SaaS annual recurring revenue ("SaaS ARR")²



Total revenue



Adjusted EBITDA¹



¹ Refer to section in the Management's Discussion and Analysis titled "Non-IFRS Performance Measures."

² Refer to section in the Management's Discussion and Analysis titled "Key Performance Indicators."

CORPORATE GOVERNANCE

Ensuring principled leadership and oversight

Our corporate governance framework enables disciplined, long-term management of the Company, underpinned by strong ethical standards and robust oversight. It ensures the integrity and accountability of our operations across all areas of the business.

By aligning the interests of stakeholders and shareholders, our approach reinforces consistent execution and supports sustainable performance over time.

	Audit Committee	Compensation Committee	Governance and Nominating Committee	Full Board of Directors
Strategic Planning				
Emerging Trends and Opportunities				•
Competitive Environment				•
Corporate Governance				
Governance Disclosure and Transparency			•	•
Oversight and Accountability	•			•
Code of Business Conduct			•	•
Human Resource Management				
Compensation Principles, Policies and Plans		•		•
Management Succession Review				•
Management Integrity				•
Risk Management				
Internal Controls	•			•
Enterprise Risk Management	•			•
Privacy and Data Security	•			•

⁽¹⁾ Member of the Audit Committee

⁽²⁾ Member of the Compensation Committee

⁽³⁾ Member of the Corporate Governance and Nominating Committee

⁽⁴⁾ Lead Independent Director

Board of Directors



David Brereton
Chairman of the Board
Tecsys Inc.



Peter Brereton
President and CEO
Tecsys Inc.



Andrew Kirkwood ^{(2) (3)}
Strategic Advisor
AEK Ventures Ltd



David Booth ^{(1) (3)}
Corporate Director



Kathleen Miller ^{(1) (3)}
Corporate Director



Sripriya Thinagar ^{(1) (2)}
CEO
ManoloAI LLC



Stephany Verstraete ^{(1) (2)}
Chief Marketing Officer
Xometry



Vernon Lobo ^{(2) (3) (4)}
Managing Director
Mosaic Venture Partners Inc.

INSIDE TECSYS

The people, values and culture behind how we operate

Tecsys is a global team operating across Canada, the United States, Europe and India — united by a shared commitment to helping organizations run the most complex supply chains with confidence.

Our people are the foundation of that capability. Long employee tenure, values-driven leadership and a culture of trust and innovation are not aspirational statements — they are reflected in how we show up for customers, for each other and for the communities in which we operate.

That commitment extends beyond our operations. Tecsys supports employee-led giving and community partnerships focused on youth, education and local impact. In Montreal, our Pedal for Kids team has raised funds for the Montreal Children's Hospital Foundation for over 25 years — a tradition that speaks to who we are as much as what we build.



**Earn
trust daily**

Value the customer: strive for high-quality outcomes and deliver them with authenticity.

Act with integrity: do what's right, prioritizing ethics over personal gain.



**Build each
other up**

Value each other: recognize each person's unique strengths and empower ownership of their contributions.

Work as a team: encourage collaboration, combining diverse talents to reach shared goals.



**Explore
boldly**

Stay curious: always seek new ideas and challenge the status quo to drive meaningful impact.

Adapt for success: embrace change, using challenges as opportunities for growth.



2026 Best
Places to Work



2026 Best Workplaces
for Women



2026 Montreal's
Top Employers



Management's
discussion and analysis
of financial condition and
results of operations

Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management Discussion and Analysis ("MD&A") dated June 29, 2026, comments on our operations, financial performance and financial condition as at and for the years ended April 30, 2026 and April 30, 2025 and should be read in conjunction with the consolidated financial statements of Tecsys Inc. ("Tecsys", the "Company") and Notes thereto. Fiscal 2026 refers to the twelve-month period ended April 30, 2026 and Fiscal 2025 refers to the twelve-month period ended April 30, 2025.

The Company prepares its consolidated financial statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements are prepared by and are the responsibility of the Company's Management.

This document and the consolidated financial statements are expressed in Canadian dollars unless otherwise indicated. The functional currency of the Company and its subsidiaries is the Canadian dollar with the exception of its Danish subsidiaries whose functional currency is the Danish kroner.

The consolidated financial statements were authorized for issue by the Board of Directors on June 29, 2026. Additional information about Tecsys, including copies of the continuous disclosure materials such as the annual information form and the management proxy circular, can be obtained from SEDAR+ at www.sedarplus.ca.

Forward-Looking Information

This management's discussion and analysis contains "forward-looking information" within the meaning of applicable securities legislation. Although the forward-looking information is based on what the Company believes are reasonable assumptions, current expectations, and estimates, investors are cautioned from placing undue reliance on this information since actual results may vary from the forward-looking information. Forward-looking information may be identified by the use of forward-looking terminology such as "believe", "intend", "may", "will", "expect", "estimate", "anticipate", "continue" or similar terms, variations of those terms or the negative of those terms, and the use of the conditional tense as well as similar expressions.

Such forward-looking information that is not historical fact, including statements based on management's belief and assumptions, cannot be considered as guarantees of future performance. They are subject to a number of risks and uncertainties, including but not limited to future economic conditions, the markets that the Company serves, the actions of competitors, major new technological trends, and other factors, many of which are beyond the Company's control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. The Company undertakes no obligation to update publicly any forward-looking information whether as a result of new information, future events or otherwise other than as required by applicable legislation. Important risk factors that may affect these expectations include, but are not limited to, the factors described under the section "Risks and Uncertainties".

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this management discussion and analysis. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: (i) competitive environment; (ii) operating risks; (iii) the Company's management and employees; (iv) capital and operating investment by the Company's customers; (v) customer project implementations; (vi) liquidity; (vii) current global financial and geopolitical conditions; (viii) implementation of the Company's commercial strategic plan; (ix) credit; (x) potential product liabilities and other lawsuits to which the Company may be subject; (xi) additional financing and dilution; (xii) market liquidity of the Company's common shares; (xiii) development of new products; (xiv) intellectual property and other proprietary rights; (xv) acquisition and expansion; (xvi) foreign currency; (xvii) interest rates; (xviii) technology and regulatory changes; (xix) internal information technology infrastructure and applications; (xx) cyber security; (xxi) the impact of ongoing international trade tensions; and (xxii) rapid developments in artificial intelligence (AI).

Use of non-IFRS Performance Measures

The Company uses certain non-IFRS financial performance measures in its MD&A and other communications which are described in the “Non-IFRS Performance Measures” section of this MD&A. The non-IFRS measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures reported by other companies. Readers are cautioned that the disclosure of these metrics is meant to add to, and not to replace, the discussion of financial results determined in accordance with IFRS. Management uses both IFRS and non-IFRS measures when planning, monitoring and evaluating the Company’s performance.

Overview

Tecsys is trusted by mission-critical organizations in healthcare and distribution to power resilient, efficient and secure supply chains. A global provider of cloud-based AI-driven software with deep domain expertise, Tecsys delivers real-time operational visibility and execution across critical workflows when performance and reliability matter most.

The Company has established a leading position in North America for supply chain solutions in healthcare and distribution and continues to invest in expanding its global footprint and aligning its platform and solutions across geographies. Tecsys A/S, based in Denmark, supports European operations and enables the delivery of a consistent platform, product portfolio, implementation approach and customer experience across the region.

Tecsys supports organizations as they respond to ongoing structural and regulatory shifts shaping modern supply chain operations. Across healthcare and distribution, customers face evolving government initiatives, trade dynamics and compliance expectations that require greater visibility, control and adaptability without disrupting day-to-day execution. Tecsys’ solutions are designed to help organizations navigate these changes by strengthening data integrity, improving traceability and embedding compliance considerations directly into operational workflows. This enables customers to manage risk proactively, maintain continuity and adapt more confidently as regulatory requirements and market conditions evolve.

The Company delivers an integrated platform, Elite™, that enables organizations to run complex, high-stakes operations with agility, clarity and confidence. Designed for real-world complexity, Elite™ powers end-to-end supply chain management with low-code flexibility and AI-driven intelligence so organizations can improve outcomes, mitigate risk and realize stronger ROI. Core products including Healthcare Supply Chain Management, Warehouse Management System, Pharmacy Inventory Management and Hospital Point of Use are delivered within a unified technology environment that enables internal and external data to flow across operations securely. Our technology enables coordinated decision making, end-to-end visibility and more effective execution as supply and demand conditions change.

The Tecsys Elite™ platform is designed to operate reliably in environments characterized by operational complexity and scale. Customers use the platform to establish greater consistency, control and traceability while maintaining the flexibility to adapt processes, integrate with partners and extend operations across multiple sites and regions as their businesses evolve.

Tecsys’ alliance strategy continued to develop and mature during Fiscal 2026. Foundational relationships with key technology partners including Amazon Web Services (AWS), Microsoft Corporation, Shopify, Oracle Corporation, and Workday, Inc. continue to support its product offering. Other technology solution partners like Honeywell International Inc., Zebra Technologies Corporation, and Terso Solutions Inc., round out Tecsys’ ability to deliver complete supply chain solutions. Tecsys continues to expand service partners such as Avalon Corporate Solutions Corp, TraceLink Inc., Sequoia Group, RiseNow LLC and others where Tecsys and the partners work together on opportunities within the customer base as well as on new client pursuits. Additionally, Tecsys has formed a number of partnerships to address Supply Chain Automation. These partners include SVT Robotics, Autostore, Locus Robotics Corp, HAI Robotics and others.

Industry Verticals

Tecsys' business is centered primarily on healthcare and distribution, where the Company has developed deep domain expertise and long-standing customer relationships. While healthcare is a strategic growth priority, Tecsys' solutions are designed to support complex operations across industries where control, resilience and execution matter most.

In healthcare, Tecsys serves health systems, hospitals, integrated delivery networks, pharmaceutical distributors, medical distributors and life sciences manufacturers. The Company helps organizations strengthen resilience, improve operational performance and support better outcomes by bringing greater visibility, traceability and control to inventory, suppliers and workflows across hospitals and care networks. Healthcare supply chains often remain burdened by fragmented systems, manual processes and limited visibility, which can contribute to waste, stockouts, compliance challenges and unnecessary administrative effort. Tecsys addresses these challenges with solutions designed for regulated environments, helping healthcare organizations reduce risk, control costs and ensure critical products are available where and when they are needed.

In distribution, Tecsys serves manufacturers, third-party logistics providers, heavy equipment parts distributors, industrial distributors and other organizations operating complex, high-volume supply chains. The Company helps organizations connect inventory and operations across increasingly complex networks. These environments are shaped by tighter margins, rising service expectations, more channels and ongoing disruption. Tecsys combines industry expertise with flexible, scalable solutions that help customers improve throughput, coordinate fulfillment, adapt more quickly to change and maintain operational control across warehouses, distribution centers and broader supply chain networks.

Selected Key Events

On May 1, 2025, Tecsys announced the establishment of a new subsidiary in India, through which Tecsys assumed customer contracts from Pivottree Inc. and engaged employees based in Bangalore, India, to support WMS solutions and service delivery to those customers. The newly acquired team is also supporting ongoing product development and enhancing global 24/7 support coverage.

On May 7, 2025, Tecsys announced that it was positioned by Gartner as a Challenger in the Magic Quadrant¹ for Warehouse Management Systems for its vision and execution. This marked the 14th time that Tecsys was recognized in this report.

On June 2, 2025, Tecsys announced the launch of TecsysIQ™, a cloud-native intelligence layer that helps healthcare organizations unify fragmented data and deliver AI-powered insights across clinical, operational and financial systems. Built on the Databricks Data Intelligence Platform, TecsysIQ™ delivers a modern analytics foundation that accelerates the development of AI-enabled applications and data-driven decision-making that improve patient care and strengthen health system performance.

On July 24, 2025, Tecsys announced that it was certified by Great Place To Work® across every country in which it operates: Canada, the United States, Denmark and India².

On September 17, 2025, Tecsys announced the renewal of its Normal Course Issuer Bid ("NCIB") and the approval from the Toronto Stock Exchange ("TSX") to repurchase up to 500,000 common shares, representing 3.4% of the Company's public float of 14,814,835 issued and outstanding common shares as at September 9, 2025, covering the twelve-month period commencing September 20, 2025 and ending September 19, 2026.

On November 13, 2025, Tecsys announced that its flagship Elite™ platform is now available in AWS Marketplace, giving healthcare and complex distribution organizations faster, more direct access to its enterprise-grade technology.

On January 13, 2026, Tecsys announced that the Company was recognized by Modern Healthcare's Best in Business Awards for its role in helping health systems strengthen supply chain resilience and visibility.³

On March 17, 2026, Tecsys announced that the TSX approved an amendment to the Company's NCIB to increase the maximum number of common shares that may be purchased for cancellation from 500,000 to 900,000 common shares for the remainder of the current NCIB term. The increased authorization reflects the Company's intention to make additional repurchases as part of its disciplined capital allocation strategy.

¹ Gartner, Magic Quadrant for Warehouse Management Systems (May 1, 2025).

² Tecsys press release dated July 24, 2025 announcing Great Place To Work® Certification™ across all countries in which Tecsys operates.

³ Tecsys press release dated January 13, 2026 announcing recognition in Modern Healthcare's Best in Business Awards.

On April 1, 2026, Tecsys announced that it had received a trio of workforce awards. Tecsys was recognized as one of the 2026 Best Workplaces™ in Canada, a 2026 Best Workplaces for Women™ by Great Place To Work® Canada and, for a second consecutive year, one of Montreal's Top Employers.⁴

Description of Business Model

The Company has five principal sources of revenue:

- Software as a service ("SaaS") subscription; the Company generates revenue from proprietary software under a SaaS model. SaaS subscriptions represent the right to access our software platform in a managed environment for a period of time. The Company enters into SaaS subscription agreements that are typically multi-year performance obligations with original contract terms of three to five years with auto-renewal provisions;
- Maintenance and support, which derives largely from the Company's legacy perpetual license installed base. Revenue from maintenance and support also results from selling hardware with attached maintenance which is part of our continuing business model. The Company enters into maintenance and support contracts that typically have an original term of one year and are subject to annual renewal;
- Professional services, including implementation, consulting and training services provided to customers, as well as reimbursable expenses;
- Licenses, including proprietary software as well as third-party software; and
- Hardware, including third-party hardware products and proprietary technology products.

The revenue mix for the three months and year ended April 30, 2026 and 2025 is as follows:

<i>Revenue Mix %</i>	Three Months Ended April 30,		Year Ended April 30,	
	2026	2025	2026	2025
SaaS	43%	39%	42%	38%
Maintenance and support	15%	17%	16%	18%
Professional services	31%	35%	33%	33%
License	1%	1%	0%	1%
Hardware	10%	8%	9%	10%

Tecsys expects SaaS revenue to continue to grow over time. Revenue from maintenance and support services relate in large part to our prior business model of selling perpetual licenses with attached maintenance and support fees. Revenue from maintenance and support services also results from selling hardware with attached maintenance which is part of our continuing business model. The Company expects maintenance and support services revenue to generally decline over time as new customers acquire SaaS subscriptions and existing customers eventually migrate to SaaS.

Key Performance Indicators ("KPI")

The Company uses certain key performance indicators in its MD&A and other communications which are described in the following section. These key performance indicators do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled indicators reported by other companies and cannot be reconciled to a directly comparable IFRS measure. Readers are cautioned that the disclosure of these metrics are meant to add to, and not to replace, the discussion of financial results determined in accordance with IFRS. Management uses IFRS and Non-IFRS measures as well as key performance indicators when planning, monitoring and evaluating the Company's performance.

⁴Tecsys press release dated April 1, 2026 announcing recognition as one of the 2026 Best Workplaces™ in Canada, a 2026 Best Workplaces for Women™ and one of Montréal's Top Employers.

Recurring Revenue and Backlog

Because SaaS is our primary growth driver and continues to represent a larger share of total revenue, management has refined its key performance indicators during Fiscal 2026 to focus on SaaS Annual Recurring Revenue ("SaaS ARR") rather than total ARR. SaaS ARR is defined as the contractually committed purchase of SaaS over the next twelve months. The quantification assumes that customers will renew their contractual commitments as they come up for renewal unless they have cancelled. This portion of revenue is predictable and stable, making SaaS ARR a strong leading indicator of near-term SaaS revenue. It is also a widely used metric to assess future revenue potential. As a result, SaaS ARR has also replaced SaaS bookings as a KPI.

Management uses SaaS Remaining Performance Obligation ("SaaS RPO") as a KPI. Our SaaS subscription agreements typically span three to five years, creating multi-year performance obligations. SaaS RPO reflects contracted revenue expected to be recognized in future periods from obligations that are unsatisfied or partially satisfied at the reporting date. Unlike SaaS ARR, which provides a one-year view, SaaS RPO captures the longer-term revenue visibility of our SaaS contracts.

For Professional Services, management relies on Professional Services Backlog as an indicator of near-term revenue potential. Professional Services Backlog refers to the value of contracted revenue that is not yet recognized. Given the inherent variability in quarterly bookings, and the stronger predictive value of backlog, Professional Services Backlog has replaced Professional Services bookings as the relevant KPI in Fiscal 2026.

				Q4 FY26 LTM	Q4 FY26 LTM
	April 30, 2026	April 30, 2025	April 30, 2024	Change %	Constant Currency Change %
<i>(in thousands of CAD)</i>					
SaaS ARR	\$ 86,770	\$ 76,515	\$ 63,442	13%	15%
SaaS RPO	243,009	216,657	196,940	12%	14%
Professional Services Backlog	31,906	48,949	32,146	-35%	-34%

The Company also presents growth for the KPIs on a constant currency basis. We calculate the constant currency growth rate by applying the applicable current period exchange rates to prior period results. Specifically, we convert all non-Canadian dollar denominated amounts at the exchange rates in effect at the end of the current period, rather than the exchange rates in effect at the end of the comparison period. This supplementary measure allows readers to assess how our business would have performed excluding the effect of foreign currency rate fluctuations.

At April 30, 2026, the Company's total SaaS ARR reached \$86.8 million. Elite™ SaaS ARR, our core product and the predominant contributor to total SaaS ARR, grew by 19% over the same period, representing 21% growth on a constant currency basis.

SaaS ARR increased by \$3.5 million sequentially in Q4 Fiscal 2026, driven by new SaaS bookings during the quarter. Foreign exchange and attrition each had minor negative impact on the sequential change in SaaS ARR in the quarter.

Momentum from cumulative Elite™ SaaS bookings and renewals continues to translate into growth in SaaS RPO which was up 14% on a constant currency basis compared to Q4 Fiscal 2025.

Professional Services Backlog was \$31.9 million at the end of Q4 Fiscal 2026, down 34% on a constant currency basis compared to Q4 last year. We expect backlog and demand for delivery services to continue to drive solid professional services revenue in Q1 Fiscal 2027.

Results of Operations

The following table presents a summary of the results of operations:

	Three months ended April 30,		Year ended April 30,		
<i>(in thousands of CAD, except earnings per share)</i>	2026	2025	2026	2025	2024
Statement of Operations					
Revenue	\$ 50,045	\$ 46,555	\$ 193,142	\$ 176,454	\$ 171,242
Cost of revenue	24,020	22,712	93,594	91,161	92,853
Gross profit	26,025	23,843	99,548	85,293	78,389
Operating expenses	25,546	20,733	91,795	78,113	76,456
Profit from operations	479	3,110	7,753	7,180	1,933
Other (costs) income	(132)	(98)	(65)	255	557
Profit before income taxes	\$ 347	\$ 3,012	\$ 7,688	\$ 7,435	\$ 2,490
Income tax expense	571	1,302	3,650	2,976	641
Net (loss) profit	\$ (224)	\$ 1,710	\$ 4,038	\$ 4,459	\$ 1,849
Adjusted net profit ⁵	\$ 3,195	\$ 1,710	\$ 7,457	\$ 4,459	\$ 3,409
Adjusted EBITDA ⁵	\$ 6,731	\$ 4,305	\$ 20,031	\$ 13,373	\$ 9,614
Basic (loss) earnings per share	\$ (0.02)	\$ 0.12	\$ 0.27	\$ 0.30	\$ 0.13
Diluted (loss) earnings per share	\$ (0.02)	\$ 0.11	\$ 0.27	\$ 0.30	\$ 0.13
Adjusted diluted earnings per share ⁵	\$ 0.21	\$ 0.11	\$ 0.50	\$ 0.30	\$ 0.23

Non-IFRS Performance Measures

The terms and definitions of the non-IFRS measures used in this MD&A are provided below. These non-IFRS measures do not have any standardized meanings prescribed by IFRS and may not be comparable to similar measures presented by other companies. Accordingly, they should not be considered in isolation.

EBITDA and Adjusted EBITDA

EBITDA is calculated as earnings before interest expense, interest income, income taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA before stock-based compensation and restructuring costs. The exclusion of interest expense, interest income, income taxes and restructuring costs eliminates the impact on earnings derived from non-operational activities and non-recurring items, and the exclusion of depreciation, amortization and stock-based compensation eliminates the non-cash impact of these items.

The Company believes that these measures are useful measures of financial performance without the variation caused by the impacts of the items described above and that could potentially distort the analysis of trends in our operating performance. In addition, they are commonly used by investors and analysts to measure a company's performance, its ability to service debt and to meet other payment obligations, or as a common valuation measurement. Excluding these items does not imply that they are necessarily non-recurring. Management believes these non-IFRS financial measures, in addition to conventional measures prepared in accordance with IFRS, enable investors to evaluate the Company's operating results, underlying performance and future prospects in a manner similar to management. Although EBITDA and Adjusted EBITDA are frequently used by securities analysts, lenders and others in their evaluation of companies, they have limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under IFRS.

⁵ Refer to section "Non-IFRS Performance Measures" for definition.

The reconciliation of EBITDA and Adjusted EBITDA to the most directly comparable IFRS measure is provided below.

<i>(in thousands of CAD)</i>	Three months ended April 30,			Year ended April 30,		
	2026	2025	2026	2025	2024	
Net (loss) profit for the period	\$ (224)	\$ 1,710	\$ 4,038	\$ 4,459	\$ 1,849	
Adjustments for:						
Depreciation of property and equipment and right-of-use assets	355	349	1,417	1,473	1,477	
Amortization of deferred development costs	245	184	1,082	769	583	
Amortization of other intangible assets	524	320	2,124	1,304	1,493	
Interest expense	61	15	143	82	163	
Interest income	(159)	(111)	(464)	(641)	(1,015)	
Income taxes	571	1,302	3,650	2,976	641	
EBITDA	\$ 1,373	\$ 3,769	\$ 11,990	\$ 10,422	\$ 5,191	
Adjustments for:						
Stock based compensation	706	536	3,389	2,951	2,301	
Restructuring costs	4,652	-	4,652	-	2,122	
Adjusted EBITDA	\$ 6,731	\$ 4,305	\$ 20,031	\$ 13,373	\$ 9,614	

Adjusted net profit and Adjusted diluted earnings per share

Adjusted net profit represents net profit adjusted to exclude restructuring costs, net of related tax benefits which are determined based on statutory income tax rates. Adjusted diluted earnings per share is calculated by dividing Adjusted net profit by the weighted average number of diluted common shares in the period.

The Company believes that these measures are useful measures of financial performance without the variation caused by the impact of the restructuring costs, net of tax, described above.

The reconciliation of Adjusted net profit to the most directly comparable IFRS measure is provided below.

<i>(in thousands of CAD)</i>	Three months ended April 30,			Year ended April 30,		
	2026	2025	2026	2025	2024	
Net (loss) profit	\$ (224)	\$ 1,710	\$ 4,038	\$ 4,459	\$ 1,849	
Adjustments for:						
Restructuring costs	4,652	-	4,652	-	2,122	
Tax benefit related to restructuring costs	(1,233)	-	(1,233)	-	(562)	
Adjusted net profit	\$ 3,195	\$ 1,710	\$ 7,457	\$ 4,459	\$ 3,409	

Constant currency

Financial results at constant currency allow results to be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons in the analysis of trends in business performance. Financial results at constant currency are obtained by translating prior period results denominated in U.S. dollars and Danish kroner at the foreign exchange rates of the current period. Current period foreign exchange rates used in the constant currency translation include the impact of designated U.S. dollar cash flow hedges.

Revenue

(in thousands of CAD)	Three months ended April 30,			Year ended April 30,		
	2026	2025	Change %	2026	2025	Change %
SaaS	\$ 21,488	\$ 18,375	17%	\$ 80,412	\$ 67,071	20%
Maintenance and Support	7,383	7,910	-7%	30,694	32,470	-5%
Professional Services	15,792	16,213	-3%	63,807	57,665	11%
License	302	294	3%	1,079	1,811	-40%
Hardware	5,080	3,763	35%	17,150	17,437	-2%
Total Revenue	\$ 50,045	\$ 46,555	7%	\$ 193,142	\$ 176,454	9%

Total revenue for the three months ended April 30, 2026 was \$50.0 million, an increase of \$3.5 million compared to the same period last year. On a constant currency basis, total revenue for Q4 Fiscal 2026 grew by approximately 8% year-over-year.

Total revenue for the year ended April 30, 2026 was \$193.1 million, an increase of \$16.7 million compared to the same period last year. Foreign exchange did not have a significant impact on Fiscal 2026 total revenue compared to last year.

In Q4 Fiscal 2026, total revenue excluding hardware increased by 5% year-over-year (approximately 6% on a constant currency basis). For Fiscal 2026, total revenue excluding hardware increased by 11% year-over-year. Foreign exchange did not have a significant impact on Fiscal 2026 total revenue excluding hardware compared to last year.

In Q4 Fiscal 2026, 77% of the Company's revenues were generated in U.S. dollars (71% in Q4 Fiscal 2025). The U.S. dollar averaged CA\$1.3706 in Q4 Fiscal 2026 compared to CA\$1.4217 last year. The decrease in value of the U.S. dollar, combined with partial hedging of U.S. revenue (cash flow hedges), resulted in a net unfavorable foreign currency related revenue variance of \$0.7 million compared to Q4 Fiscal 2025.

During Fiscal 2026, 74% of the Company's revenues were generated in U.S. dollars (72% in Fiscal 2025). The U.S. dollar averaged CA\$1.3801 in Fiscal 2026 compared to CA\$1.3941 last year. The decrease in value of the U.S. dollar, combined with partial hedging of U.S. revenue (cash flow hedges), resulted in a net unfavorable foreign currency related revenue variance of \$0.4 million compared to Fiscal 2025.

SaaS revenue

SaaS revenue in the fourth quarter of Fiscal 2026 was \$21.5 million, up \$3.1 million compared to the fourth quarter of Fiscal 2025.

On a constant currency basis, SaaS revenue in the fourth quarter of Fiscal 2026 increased by approximately 18% compared to the same period in Fiscal 2025.

SaaS revenue for Fiscal 2026 was \$80.4 million, up \$13.3 million compared to Fiscal 2025. The increase is driven by new SaaS revenue from recent bookings. In Fiscal 2026, foreign exchange did not have a significant impact on SaaS revenue compared to Fiscal 2025.

Maintenance and support revenue

Maintenance and support revenue for the three months ended April 30, 2026 was \$7.4 million, down \$0.5 million compared to the same period of Fiscal 2025.

Maintenance and support revenue for Fiscal 2026 was \$30.7 million, down \$1.8 million compared to Fiscal 2025.

The Company expects maintenance and support revenue to generally decline over time as new customers acquire SaaS subscriptions and existing customers eventually migrate to SaaS.

Professional services revenue

Professional services revenue for the three months ended April 30, 2026 was \$15.8 million, down \$0.4 million compared to the same period of Fiscal 2025. On a constant currency basis, professional services revenue in the fourth quarter of Fiscal 2026 decreased by approximately 2% compared to the same period in Fiscal 2025.

Professional services revenue for Fiscal 2026 was \$63.8 million, up \$6.1 million compared to Fiscal 2025. Professional services revenue growth was underpinned by a solid backlog entering the year and reinforced by ongoing momentum in implementation demand. In Fiscal 2026, foreign exchange did not have a significant impact on professional services revenue compared to Fiscal 2025.

License revenue

In the fourth quarter of Fiscal 2026, license revenue was \$0.3 million, flat compared to the same period of Fiscal 2025. In Fiscal 2026, license revenue was \$1.1 million, down \$0.7 million compared to Fiscal 2025.

Hardware revenue

Hardware revenue for the three months ended April 30, 2026 was \$5.1 million, up \$1.3 million compared to the same period last year.

Hardware revenue for Fiscal 2026 was \$17.2 million, down \$0.3 million compared to Fiscal 2025. While hardware revenue tends to be uneven, it is a key component of the Company's market offering and thereby supports its recurring revenue business.

Cost of Revenue and Gross Profit

(in thousands of CAD)	Three months ended April 30,			Year ended April 30,		
	2026	2025	Change %	2026	2025	Change %
Cost of revenue:						
SaaS, maintenance, support and professional services	\$ 19,981	\$ 19,739	1%	\$ 80,253	\$ 76,919	4%
License and hardware	4,039	2,973	36%	13,341	14,242	-6%
Total cost of revenue	24,020	22,712	6%	93,594	91,161	3%
Gross profit & gross profit margin:						
SaaS, maintenance, support and professional services gross profit	\$ 24,682	\$ 22,759	8%	\$ 94,660	\$ 80,287	18%
Gross profit margin	55%	54%		54%	51%	
License and hardware gross profit	\$ 1,343	\$ 1,084	24%	\$ 4,888	\$ 5,006	-2%
Gross profit margin	25%	27%		27%	26%	
Total gross profit	\$ 26,025	\$ 23,843	9%	\$ 99,548	\$ 85,293	17%
Total gross profit margin	52%	51%		52%	48%	

Total cost of revenue for the fourth quarter of Fiscal 2026 was \$24.0 million, up \$1.3 million compared to the same period in Fiscal 2025. The increase was primarily driven by higher license and hardware costs, while SaaS, maintenance, support and professional services costs were up slightly compared to the same quarter last year. Total cost of revenue for Fiscal 2026 was \$93.6 million, up \$2.4 million compared to Fiscal 2025. For the year ended April 30, 2026, the increase is driven by higher SaaS, maintenance, support and professional services costs, partially offset by lower license and hardware costs.

For the fourth quarter of Fiscal 2026, the cost of SaaS, maintenance, support and professional services increased slightly to \$20.0 million compared to \$19.7 million in the same period of Fiscal 2025. The increase in SaaS, maintenance, support and professional services costs was driven by higher direct costs associated with revenue growth, including higher public cloud infrastructure costs, which was substantially offset by personnel-related cost efficiencies resulting from the restructuring initiative (refer to Operating expenses section in this MD&A).

For Fiscal 2026, the cost of SaaS, maintenance, support and professional services increased to \$80.3 million compared to \$76.9 million in Fiscal 2025. The increase in SaaS, maintenance, support and professional services costs was primarily driven by higher direct costs associated with revenue growth, including higher public cloud and other infrastructure costs.

For the fourth quarter of Fiscal 2026 and 2025, the cost of SaaS, maintenance, support and professional services included tax credits of \$0.5 million. For Fiscal 2026 and 2025, the cost of SaaS, maintenance, support and professional services included tax credits of \$2.5 million.

In Q4 Fiscal 2026, gross profit was \$26.0 million, up \$2.2 million compared to the same period in Fiscal 2025. In Fiscal 2026, gross profit was \$99.5 million, up \$14.3 million compared to Fiscal 2025. The increase in gross profit is primarily driven by higher SaaS, maintenance, support and professional services gross profit contribution.

Total gross profit margin was 52% for the three months ended April 30, 2026 compared to 51% for the same period in Fiscal 2025. SaaS margin expansion was the key driver of increased gross profit margin in Q4 Fiscal 2026. For Fiscal 2026, total gross profit margin was 52% compared to 48% for Fiscal 2025. SaaS margin expansion and higher professional services margins were the key drivers of increased gross profit margin in Fiscal 2026.

License and hardware gross profit margin for the three months ended April 30, 2026 was 25% compared to 27% for the same period in Fiscal 2025. The decrease in gross profit margin in the fourth quarter was due to a higher mix of lower-margin hardware revenue. For Fiscal 2026, license and hardware gross profit margin was 27% compared to 26% for Fiscal 2025.

Operating Expenses

(in thousands of CAD)	Three months ended April 30,			Change %	Year ended April 30,			Change %
	2026	2025			2026	2025		
Sales and marketing expenses	\$ 9,493	\$ 9,695	-2%		\$ 39,538	\$ 36,152	9%	
<i>As a percentage of Total Revenue</i>	19%	21%			20%	20%		
General and administration expenses	3,613	3,373	7%		14,541	12,646	15%	
<i>As a percentage of Total Revenue</i>	7%	7%			8%	7%		
Research and development expenses, net of tax credits	7,788	7,665	2%		33,064	29,315	13%	
<i>As a percentage of Total Revenue</i>	16%	16%			17%	17%		
Restructuring costs	4,652	-	n.m.		4,652	-	n.m.	
<i>As a percentage of Total Revenue</i>	9%	0%			2%	0%		
Total operating expenses	\$ 25,546	\$ 20,733	23%		\$ 91,795	\$ 78,113	18%	
<i>As a percentage of Total Revenue</i>	51%	45%			48%	44%		
Total operating expenses excluding restructuring costs	\$ 20,894	\$ 20,733	1%		\$ 87,143	\$ 78,113	12%	
<i>As a percentage of Total Revenue</i>	42%	45%			45%	44%		

Total operating expenses for the three months ended April 30, 2026 were \$25.5 million, an increase of \$4.8 million compared to the same period in Fiscal 2025. Excluding restructuring costs, total operating expenses as a percentage of total revenue in Q4 Fiscal 2026 was 42% compared to 45% in Q4 Fiscal 2025. Total operating expenses for Fiscal 2026 were \$91.8 million, an increase of \$13.7 million compared to Fiscal 2025. Excluding restructuring costs, total operating expenses as a percentage of total revenue in Fiscal 2026 was 45% compared to 44% in Fiscal 2025.

During the three months ended April 30, 2026, foreign exchange had a favorable impact on expenses of \$0.5 million when compared to the same period in Fiscal 2025. During Fiscal 2026, foreign exchange had a favorable impact on expenses of \$0.6 million when compared to Fiscal 2025.

Sales and marketing expenses

Sales and marketing expenses for the three months ended April 30, 2026 were \$9.5 million, a decrease of \$0.2 million compared to the same period in Fiscal 2025. The decrease is mainly attributed to lower personnel costs and travel (see also Restructuring costs below), partially offset by higher amortization of intangible assets (acquired customer contracts - refer to Note 4 of the consolidated financial statements) and marketing program costs.

Sales and marketing expenses for Fiscal 2026 were \$39.5 million, an increase of \$3.4 million compared to Fiscal 2025. The increase was attributed to marketing programs including user conference costs, amortization of intangible assets and higher personnel costs.

General and administrative expenses

General and administrative expenses for the fourth quarter of Fiscal 2026 were \$3.6 million, an increase of \$0.2 million compared to the same period in Fiscal 2025.

General and administrative expenses for Fiscal 2026 were \$14.5 million, an increase of \$1.9 million compared to Fiscal 2025. The increase was primarily driven by higher bad debt expense, personnel costs and professional fees.

Net R&D expenses

Net R&D expenses for the three months ended April 30, 2026 were \$7.8 million, an increase of \$0.1 million compared to the same period last year. Net R&D expenses for Fiscal 2026 were \$33.1 million, an increase of \$3.7 million compared to Fiscal 2025. The increase resulted primarily from higher personnel costs and other R&D costs, including costs incurred to support our efforts to achieve Federal Risk and Authorization Management Program ("FedRAMP") certification, partially offset by higher net capitalized development costs.

For the three months ended April 30, 2026, the Company deferred development costs, net of tax credits, of \$0.7 million compared to \$0.6 million in the same period last year. For Fiscal 2026, the Company deferred development costs, net of tax credits, of \$2.2 million compared to \$1.9 million in Fiscal 2025. In the fourth quarter of Fiscal 2026, the Company amortized deferred development costs of \$0.1 million compared to \$0.2 million in the same period of Fiscal 2025. In Fiscal 2026, the Company amortized deferred development costs of \$0.7 million compared to \$0.8 million in Fiscal 2025.

In the fourth quarter of Fiscal 2026, the Company recorded R&D tax credits and e-business tax credits of \$0.8 million compared to \$1.0 million for the same period last year. For Fiscal 2026, the Company recorded R&D tax credits and e-business tax credits of \$3.9 million compared to \$4.3 million in Fiscal 2025.

Restructuring costs

The Company implemented a workforce reduction of approximately 7% across multiple functions in February 2026, following a review of its operations and capabilities to ensure alignment with its strategic direction. The restructuring plan was communicated to employees in February 2026 and resulted in severance costs of \$4.7 million.

The Company expects the restructuring to eliminate roughly \$8.1 million in annual costs, largely from personnel-related efficiencies. These reductions create flexibility for the Company to redirect resources into strategic growth initiatives, and, accordingly, the future operating cost profile will reflect both the realized efficiencies and the reinvestments required to support long-term growth. The above statements contain projections based on the Company's current expectations and assumptions regarding future events and market trends. Actual outcomes may vary significantly. See also Forward-Looking Information above.

Other (Costs) Income and Income Tax Expense

(in thousands of CAD)	Three months ended April 30,		Year ended April 30,	
	2026	2025	2026	2025
Other (costs) income	\$ (132)	\$ (98)	\$ (65)	\$ 255
Income Tax Expense	571	1,302	3,650	2,976
Income Tax Expense as a percentage of profit before income taxes	165%	43%	47%	40%

Other costs and income for the three months and year ended April 30, 2026 consist primarily of foreign exchange loss, interest income on short-term investments and interest on lease obligations.

Income tax expense for the three months ended April 30, 2026 was \$0.6 million, compared to \$1.3 million for the same period in Fiscal 2025. Income tax expense as a percentage of profit before income taxes for the fourth quarter of Fiscal 2026 was significantly impacted by the restructuring costs recorded in the period, which reduced pre-tax income without a proportionate change in permanent tax differences. For the year ended April 30, 2026, income tax expense was \$3.7 million compared to \$3.0 million in Fiscal 2025. The Company paid cash taxes of \$0.9 million during Fiscal 2026 compared to \$0.6 million during Fiscal 2025.

Net (Loss) Profit

(in thousands of CAD, except earnings per share)	Three months ended April 30,		Change %	Year ended April 30,		Change %
	2026	2025		2026	2025	
Net (loss) profit	\$ (224)	\$ 1,710	n.m. ⁶	\$ 4,038	\$ 4,459	-9%
Adjusted net profit ⁷	\$ 3,195	\$ 1,710	87%	\$ 7,457	\$ 4,459	67%
Adjusted EBITDA ⁷	\$ 6,731	\$ 4,305	56%	\$ 20,031	\$ 13,373	50%
Basic (loss) earnings per share	\$ (0.02)	\$ 0.12	n.m.	\$ 0.27	\$ 0.30	-10%
Diluted (loss) earnings per share	\$ (0.02)	\$ 0.11	n.m.	\$ 0.27	\$ 0.30	-10%
Adjusted diluted earnings per share ⁷	\$ 0.21	\$ 0.11	91%	\$ 0.50	\$ 0.30	67%

Net (loss) profit in Q4 and full year Fiscal 2026 was positively impacted by higher margin contributions and negatively impacted by restructuring costs.

Adjusted EBITDA⁷ and Adjusted net profit⁷ benefited from higher SaaS contributions in Q4 Fiscal 2026, and from both higher SaaS contributions and higher professional services margins for the full year Fiscal 2026.

During the three months ended April 30, 2026, foreign exchange had an unfavorable impact of \$0.2 million on net (loss) profit when compared to the same period in Fiscal 2025. During Fiscal 2026, foreign exchange had a favorable impact of \$0.1 million on net profit when compared to Fiscal 2025.

⁶ The percentage change has been excluded as it is not meaningful.

⁷ Refer to section "Non-IFRS Performance Measures" for definition.

Quarterly Selected Financial Data

The following table summarizes selected results for the eight most recently completed quarters to April 30, 2026:

(in thousands of CAD, except earnings per share)	FY 2026				FY 2025			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
SaaS revenue	\$ 21,488	\$ 20,131	\$ 19,654	\$ 19,139	\$ 18,375	\$ 17,252	\$ 16,130	\$ 15,314
Total revenue	50,045	48,496	48,641	45,960	46,555	45,181	42,442	42,276
Net (loss) profit	(224)	1,734	1,766	762	1,710	1,193	758	798
Adjusted net profit ⁸	3,195	1,734	1,766	762	1,710	1,193	758	798
Comprehensive (loss) income	(237)	4,822	821	12	9,858	(4,085)	410	935
Adjusted EBITDA ⁸	6,731	5,046	5,040	3,214	4,305	3,535	2,942	2,591
Basic (loss) earnings per share	\$ (0.02)	\$ 0.12	\$ 0.12	\$ 0.05	\$ 0.12	\$ 0.08	\$ 0.05	\$ 0.05
Diluted (loss) earnings per share	\$ (0.02)	\$ 0.12	\$ 0.12	\$ 0.05	\$ 0.11	\$ 0.08	\$ 0.05	\$ 0.05
Adjusted diluted earnings per share ⁸	\$ 0.21	\$ 0.12	\$ 0.12	\$ 0.05	\$ 0.11	\$ 0.08	\$ 0.05	\$ 0.05

SaaS revenue has shown sustained growth over the last eight quarters. Total revenue growth during this period has been impacted by fluctuations in professional services revenue and hardware revenue and a general decline in legacy maintenance & support revenue and license revenue as the business model shifts to SaaS.

Net (loss) profit in Q4 Fiscal 2026 was negatively impacted by restructuring costs. Comprehensive (loss) income is impacted by foreign exchange movements resulting from cash flow hedging and cumulative translation adjustments from foreign operations. These impacts are described in note 20 of the consolidated financial statements.

Liquidity and Capital Resources

(in thousands of CAD)	April 30, 2026		April 30, 2025	
Current assets	\$	84,786	\$	89,904
Current liabilities	\$	75,772	\$	67,982

On April 30, 2026, current assets totaled \$84.8 million, down \$5.1 million, compared to \$89.9 million at the end of Fiscal 2025. The decrease is mainly due to cash and cash equivalents (as further described below) and work in progress, partially offset by higher accounts receivable.

Current liabilities on April 30, 2026, totaled \$75.8 million, up \$7.8 million, compared to \$68.0 million at the end of Fiscal 2025. The increase is mainly due to deferred revenue, partially offset by lower accounts payable and accrued liabilities.

(in thousands of CAD)	April 30, 2026		April 30, 2025	
Cash and cash equivalents	\$	19,133	\$	27,580
Short-term investments		12,077		11,712
	\$	31,210	\$	39,292

Cash and cash equivalents combined with short-term investments decreased by \$8.1 million to \$31.2 million compared to \$39.3 million at the end of Fiscal 2025. Cash and cash equivalents decreased by \$8.4 million while short-term investments increased by \$0.4 million. The decrease in cash and cash equivalents is mainly due to (1) cash outflows from share repurchases under our Normal Course Issuer Bid, (2) payment of dividends, (3) investment in deferred development costs, (4) investment in property and equipment primarily related to our new Montreal office, and (5) acquisition of intangible assets, all significantly offset by cash inflows from operating activities.

⁸ Refer to section "Non-IFRS Performance Measures" for definition.

<i>Cash inflow (outflow) by activity</i> <i>(in thousands of CAD)</i>		April 30, 2026		April 30, 2025	
Operating Activities	\$	16,254	\$	13,908	
Financing Activities		(18,430)		(8,074)	
Investing Activities		(6,271)		2,890	
Net cash (outflows) inflows	\$	(8,447)	\$	8,724	

Operating Activities

Operating activities provided \$16.3 million of cash in Fiscal 2026 in comparison to \$13.9 million in Fiscal 2025. In Fiscal 2026, cash from operating activities excluding changes in non-cash working capital items increased by \$1.7 million, while cash inflows from non-cash working capital items increased by \$0.7 million compared to Fiscal 2025. Cash from operating activities in Fiscal 2026 included the impact of \$4.3 million of cash outflows related to restructuring costs.

Financing Activities

Cash flows used in financing activities were \$18.4 million for Fiscal 2026 in comparison to \$8.1 million in Fiscal 2025. In Fiscal 2026, cash flow used in financing activities was primarily the result of shares repurchased and cancelled under our Normal Course Issuer Bid and payments of dividends.

Investing Activities

In Fiscal 2026, investing activities used funds of \$6.3 million compared to \$2.9 million of cash provided in Fiscal 2025. The increase in cash used in investing activities is primarily due to lower transfers from short-term investments, higher acquisition of intangible assets and acquisitions of property and equipment primarily related to our new Montreal office.

The Company believes that funds on hand at April 30, 2026 together with cash flows from operations will be sufficient to meet its needs for working capital, R&D, capital expenditures and dividend policy, as well as investing in long-term growth.

Commitments and Contractual Obligations

The Company has a lease agreement for its head office in Montreal, Quebec, expiring on April 30, 2036. The Company has a lease agreement for its office in Laval, Quebec, that expires June 30, 2027. The Company also has a lease agreement for its office in Denmark that expires on December 31, 2026. These are the principal leases of the Company.

As at April 30, 2026, the principal commitments consist of operating leases and other obligations. The following table summarizes significant contractual obligations as at April 30, 2026.

The lease obligations represent the undiscounted minimum lease payments for leases of office space recognized on the consolidated balance sheet as lease liabilities under IFRS 16.

In thousands of Canadian dollars

Payments due by period							
Contractual Obligations	Total	Less than 1 year	1 – 3 years	3 – 5 years	After 5 years		
Lease obligations	\$ 6,649	\$ 767	\$ 1,198	\$ 1,276	\$ 3,408		
Other obligations	51,056	17,315	29,214	4,527	-		
Accounts payable and accrued liabilities and other liabilities	21,191	21,191	-	-	-		
Total Contractual Obligations	\$ 78,896	\$ 39,273	\$ 30,412	\$ 5,803	\$ 3,408		

Other obligations include operating leases with terms of less than 12 months and other service contracts.

Dividend Policy

The Company maintains a quarterly dividend policy. The declaration and payment of dividends is at the discretion of the Board of Directors, which will consider earnings, capital requirements, financial conditions and other such factors as the Board of Directors, in its sole discretion, deems relevant.

During Fiscal 2026, the Company declared quarterly dividends of \$0.085 for the first two quarters and \$0.09 for each of the following quarters for an aggregate of \$5.2 million. During Fiscal 2025, the Company declared quarterly dividends of \$0.08 for the first two quarters and \$0.085 for each of the following quarters for an aggregate of \$4.9 million.

Related Party Transactions

Under the provisions of the share purchase plan for key management and other management employees, the Company provided interest-free loans to key management and other management employees of \$0.7 million during Fiscal 2026 (Fiscal 2025 - \$0.5 million) to facilitate their purchase of the Company's common shares. As of April 30, 2026, loans outstanding amounted to \$19 thousand (April 30, 2025 - \$35 thousand).

Contingencies

In the normal course of operations, the Company may be exposed to lawsuits, claims and contingencies. Provisions are recognized as liabilities in instances when there are present obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and where such liabilities can be reliably estimated. Although it is possible that liabilities may be incurred in instances where no provision has been made, the Company has no reason to believe that the ultimate resolution of such matters will have a material impact on its financial position.

Subsequent Events

On June 29, 2026, the Company's Board of Directors declared a quarterly dividend of \$0.09 per share to be paid on August 4, 2026 to shareholders of record on July 10, 2026.

Off-Balance Sheet Agreements

The Company was not involved in any off-balance sheet arrangements as at April 30, 2026 with the exception of variable payments related to operating leases and operating leases with terms of twelve months or less (disclosed under **Commitments and Contractual Obligations**).

Current and Anticipated Impacts of Current Economic Conditions

Current overall economic conditions together with market uncertainty and volatility may have an adverse impact on the demand for the Company's products and services as the industry may adjust quickly to exercise caution on spending. This uncertainty may impact the Company's revenue.

Based on SaaS ARR of \$86.8 million and Professional services backlog of \$31.9 million as of April 30, 2026 and considering the recurring nature of maintenance and support revenue, the Company's management believes that total services revenue (including SaaS, maintenance and support and professional services revenue) ranging between \$44.4 million and \$45.4 million per quarter can be sustained in the short term.

Strategically, the Company continues to focus its efforts on the most likely opportunities within its existing vertical markets and customer base. The Company also currently offers SaaS subscriptions, modular sales and implementations and enhanced payment terms to promote revenue growth. We see continued market appetite for subscription-based SaaS licensing.

The exchange rate of the U.S. dollar in comparison to the Canadian dollar continues to be an important factor affecting revenues and profitability as the Company currently derives more than 70% of its business from U.S. customers while the majority of its cost base is in Canadian dollars.

The Company will continue to adjust its business model to ensure that costs are aligned to its revenue expectations and economic reality to the extent possible.

Financial Instruments and Financial Risk Management

The Company has determined that the carrying values of its short-term financial assets and liabilities, including cash and cash equivalents, accounts receivable, other accounts receivable, short-term investments and accounts payable and accrued liabilities approximate their fair value because of the relatively short period to maturity of the instruments.

Derivatives in the form of forward exchange contracts are used to manage currency risk related to the fluctuation of the U.S. dollar. The Company is exposed to currency risk as a certain portion of the Company's revenue and expenses are realized in U.S. dollars resulting in U.S. dollar-denominated receivables and accounts payable and accrued liabilities. In addition, certain of the Company's cash and cash equivalents are denominated in U.S. dollars.

The Company's hedging strategy is practiced on two fronts. Firstly, the Company enters into forward exchange contracts to hedge some portion of its highly probable future cash flow denominated in U.S. dollars, typically over a one to two fiscal-year time horizon, with the intention of stabilizing revenue and margin expectations due to possible short term exchange fluctuations. Secondly, the Company may enter into forward exchange contracts in order to offset the impact of the fluctuation of the U.S. dollar regarding the revaluation of its U.S net monetary asset position. In this regard, the Company practices economic hedging regularly by analyzing its net U.S. monetary asset position and may use forward exchange contracts to equilibrate its position. As such, any change in cash flows associated with derivative instruments is expected to be offset by changes in cash flows related to the net monetary position in the foreign currency and the recognition of highly probable future U.S. denominated revenue and related accounts receivable. The Company uses derivative financial instruments only for risk management purposes, not for generating speculative trading profits.

Financial instruments which potentially subject the Company to credit risk consist principally of cash and cash equivalents, accounts receivable, other receivables, and accounts payable and accrued liabilities. The Company's cash and cash equivalents are maintained at major financial institutions. The Company manages its credit risk on investments by dealing only with major Canadian banks and investing only in instruments that management believes have high credit ratings. Given these high credit ratings, the Company does not expect any counterparties to these investments to fail to meet their obligations.

As at April 30, 2026, one customer accounted for more than 10% of total accounts receivable and work in progress (2025 – none). That customer paid substantially all of its outstanding accounts receivable subsequent to year end. The Company performs ongoing credit reviews of all its customers and establishes an allowance for expected credit loss when accounts are determined to be uncollectible. Customers do not provide collateral in exchange for credit.

Refer to Note 20 – Financial instruments and risk management of the consolidated financial statements for additional discussion of the Company's risk management policies, including currency risk, credit risk, liquidity risk, interest rate risk and market price risk.

Outstanding Share Data

As at April 30, 2026, the Company had 14,434,337 common shares outstanding. The Company issued 22,031 shares on the exercise of stock options in Fiscal 2026 (Fiscal 2025 – 168,170). The Company repurchased and cancelled 423,814 of its common shares as part of its ongoing normal course issuer bid in Fiscal 2026 (Fiscal 2025 – 172,200).

Critical Accounting Policies and Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The Company's critical accounting policies are those that it believes are the most important in determining its financial condition and results.

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions, and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis and the effects of revisions are recorded in the consolidated financial statements in the period in which the estimates are revised and in any future periods affected.

Refer to the Company's consolidated financial statements for Fiscal 2026 and the related notes for a discussion of the accounting policies and critical accounting judgments and key sources of estimation uncertainty that are essential to the understanding of the business and results of operations.

Risks and Uncertainties

The Company is exposed to risks and uncertainties, including the risk factors set forth below:

- The Company has incurred net losses in the past and may incur losses in the future.
- The Company's operations could be adversely affected by events outside of its control, such as natural disasters, wars or health epidemics.
- Economic and geopolitical conditions can adversely affect the Company's business, results of operations, cash flow and financial condition, including its revenue growth and profitability, which in turn could adversely affect its stock price.
- If the Company is unable to attract new customers or sell additional products to and/or retain its existing customers, its revenue growth and profitability will be adversely affected.
- The Company relies significantly on recurring revenue, and if recurring revenue declines or contracts are not renewed, its future results of operations could be harmed.
- Fluctuations in quarterly results may fail to meet the expectations of investors or security analysts which could cause the Company's share price to decline.
- Lengthy sales and implementation cycle could have an adverse effect on the amount, timing and predictability of the Company's revenue.
- Defects, delays or interruptions in providing SaaS will have an impact on the operating results of the Company.
- Security breaches could delay or interrupt service to its customers, harm its reputation or subject the Company to significant liability and adversely affect its business and financial results. Its ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security relating to customer information.
- Despite the Company's security measures, its information technology and infrastructure may be vulnerable to cyber-threats, security and privacy breaches by hackers or breaches due to employee error, malfeasance or other disruptions.
- The Company's ability to develop new products and services in order to sell its solutions into new markets or further penetrate its existing markets will impact its revenue growth.
- The market in which the Company participates is highly competitive, its failure to compete successfully would make it difficult to add and retain customers and would reduce and impede its growth.
- If the Company fails to retain its key employees, its business would be negatively impacted.
- The Company's strategy includes pursuing acquisitions and its potential inability to successfully integrate newly acquired companies or businesses may adversely affect its financial results.
- Risk of software defects could adversely affect the Company's business.
- The Company's intellectual property rights could be challenged, invalidated, circumvented or copied, causing a competitive disadvantage, lost opportunities or market share, and potential costly litigation to enforce or re-establish the Company's rights.
- The rapidly evolving artificial intelligence landscape may expose the Company to reputational, competitive, privacy and cybersecurity risks.
- Third parties could claim that the Company's products infringe their proprietary rights. This could subject the Company to costly and time-consuming litigation.
- There is no assurance that third-party software companies will continue to permit the Company to sub-license on commercially reasonable terms. This could delay or interrupt the delivery of the Company's solutions.
- Fluctuations in the exchange rate between the Canadian dollar and other currencies may have a material adverse effect on the margin the Company may realize from its products and services and may directly impact results of operations.
- The Company relies on the federal Scientific Research and Experimental Development (SR&ED) program and provincial e-Business tax credits to support its ongoing innovation and technology development and other activities. Changes in government policy, funding priorities, or administrative practices could materially reduce or eliminate these incentives in future periods.
- The Company may need to raise additional funds to pursue its growth strategy or continue its operations, and it may be unable to raise capital when needed or on acceptable terms.

These risks are described in further detail in the section entitled "Risk Factors" in our most recently filed Annual Information Form.

Controls & Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure. The Company's Chief Executive Officer (CEO) and its Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures regarding the communication of information. They are assisted in this responsibility by the Company's Executive Committee, which is composed of members of senior management. Based on the evaluation of the Company's disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were effective as of April 30, 2026.

Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of the Company's financial reporting and its compliance with IFRS in its consolidated financial statements.

An evaluation was carried out under the supervision and with the participation of the Company's Chief Executive Officer and the Chief Financial Officer to evaluate the design and operating effectiveness of the Company's internal controls over financial reporting as at April 30, 2026. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the internal control over financial reporting, as defined by National Instrument 52-109 was appropriately designed and operating effectively. The evaluations were conducted in accordance with the framework criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013) (COSO), a recognized control model, and the requirements of National Instrument 52-109, Certification of Disclosures in Issuers' Annual and Interim Filings.

No changes to internal controls over financial reporting have come to management's attention during the three-month period ending on April 30, 2026, that have materially affected or are reasonably likely to materially affect internal controls over financial reporting.

Supplemental Information

Reconciliation of EBITDA and Adjusted EBITDA to the most directly comparable IFRS measure

FY2026					FY2025				
(in thousands of CAD)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Net (loss) profit for the period	\$ (224)	\$ 1,734	\$ 1,766	\$ 762	\$ 1,710	\$ 1,193	\$ 758	\$ 798	
Adjustments for:									
Depreciation of property and equipment and right-of-use assets	355	401	332	329	349	376	377	371	
Amortization of deferred development costs	245	275	281	281	184	190	198	197	
Amortization of other intangible assets	524	528	529	543	320	322	328	334	
Interest expense	61	64	7	11	15	18	24	25	
Interest income	(159)	(86)	(98)	(121)	(111)	(150)	(163)	(217)	
Income taxes	571	1,304	1,150	625	1,302	811	427	436	
EBITDA	1,373	4,220	3,967	2,430	3,769	2,760	1,949	1,944	
Adjustments for:									
Stock based compensation	706	826	1,073	784	536	775	993	647	
Restructuring costs	4,652	-	-	-	-	-	-	-	
Adjusted EBITDA	\$ 6,731	\$ 5,046	\$ 5,040	\$ 3,214	\$ 4,305	\$ 3,535	\$ 2,942	\$ 2,591	

Reconciliation of Adjusted net profit to the most directly comparable IFRS measure

FY2026					FY2025				
(in thousands of CAD)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Net (loss) profit for the period	\$ (224)	\$ 1,734	\$ 1,766	\$ 762	\$ 1,710	\$ 1,193	\$ 758	\$ 798	
Adjustments for:									
Restructuring costs	4,652	-	-	-	-	-	-	-	
Tax benefit related to restructuring costs	(1,233)	-	-	-	-	-	-	-	
Adjusted net profit	\$ 3,195	\$ 1,734	\$ 1,766	\$ 762	\$ 1,710	\$ 1,193	\$ 758	\$ 798	

Management's report

The consolidated financial statements of the Company included herewith as well as all the information presented in this Annual Report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements include amounts based on the use of best estimates and judgements. Management has established these amounts in a reasonable manner in order to ensure that the consolidated financial statements are fairly presented in all material respects. Management has also prepared the financial information presented elsewhere in the annual report and has ensured that it agrees with the consolidated financial statements. The Company maintains control systems for internal accounting and administration. The objective of these systems is to provide a reasonable assurance that the financial information is pertinent, reliable and accurate and that the Company's assets are properly accounted for and safeguarded.

The Board of Directors is entrusted with ensuring that management assumes its responsibilities with regard to the presentation of financial information and is ultimately responsible for the examination and approval of the financial statements. However, it is mainly through its Audit Committee, whose members are external directors, that the Board discharges this responsibility. This committee meets periodically with management and the external auditors to discuss the internal controls exercised over the process of presentation of the financial information, auditing issues and questions on the presentation of financial information, in order to assure itself that each party properly fulfills its function and also to examine the consolidated financial statements and the external auditors' report.

The consolidated financial statements have been audited on behalf of the shareholders by the external auditors, KPMG LLP for the fiscal years ended April 30, 2026 and 2025. The auditors have free and full access to internal records, to management and to the Audit Committee.



Peter Brereton
President and CEO
June 29, 2026



Mark J. Bentler
Chief Financial Officer

Independent Auditor's Report

To the Shareholders of Tecsys Inc.

Opinion

We have audited the consolidated financial statements of Tecsys Inc. (the Entity), which comprise:

- the consolidated statements of financial position as at April 30, 2026 and April 30, 2025.
- the consolidated statements of income and comprehensive income for the years then ended.
- the consolidated statements of changes in equity for the years then ended.
- the consolidated statements of cash flows for the years then ended.
- and notes to the consolidated financial statements, including a summary of material accounting policy information.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at April 30, 2026 and April 30, 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended April 30, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Revenue Recognition - Determination of distinct performance obligations and stand-alone selling prices

Description of the matter

We draw attention to the Notes 2 (f) and 3 (a) to the financial statements. The Entity enters into bundled arrangements with customers that may include professional services, maintenance and support, hardware and software as a service ("SaaS"). Judgment is required by the Entity to identify the various distinct performance obligations and to allocate the contractual transaction price to each distinct performance obligation based on the stand-alone selling prices.

Why the matter is a key audit matter

We identified the determination of distinct performance obligations and the allocation of the contractual transaction price based on the stand-alone selling prices as a key audit matter. Significant auditor judgment was required to evaluate the Entity's significant judgments



of whether the professional services, maintenance and support, hardware and SaaS are distinct and what the stand-alone selling price was. There was significant auditor effort, involving more senior professionals, required to address this matter.

How the matter was addressed in the audit

For a selection of contracts entered into during the year with customers, the primary procedures we performed to address this key audit matter included the following:

- we assessed the Entity's determination of each distinct performance obligation in each bundled arrangement by examining the contract source documents; and
- we evaluated the methodology used to determine the stand-alone selling price of certain elements of the bundled services by comparing it to historical pricing patterns in comparable customer contracts.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report 2026".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report 2026" is expected to be made available to us after the date of this auditor's report.

If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditor's report is Aaron Fima.

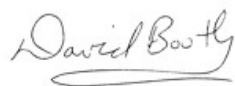
Montreal, Canada
June 29, 2026

Tecsys Inc.**Consolidated Statements of Financial Position**

(in thousands of Canadian dollars)

	Note	April 30, 2026	April 30, 2025
Assets			
Current assets			
Cash and cash equivalents		\$ 19,133	\$ 27,580
Short-term investments	5	12,077	11,712
Accounts receivable	20	28,425	23,943
Work in progress		5,681	7,436
Other receivables	19, 20	818	274
Tax credits	6	6,193	6,390
Inventory		1,167	1,870
Prepaid expenses and other	8	11,292	10,699
Total current assets		84,786	89,904
Non-current assets			
Other long-term receivables and assets	20	3,188	1,457
Tax credits	6	6,978	6,120
Property and equipment		4,824	1,164
Right-of-use assets	7	2,409	836
Contract acquisition costs	8	5,084	5,017
Deferred development costs	9	4,965	3,838
Other intangible assets	9	7,356	6,726
Goodwill	9	17,901	17,827
Deferred tax assets	15	5,516	7,521
Total non-current assets		58,221	50,506
Total assets		\$ 143,007	\$ 140,410
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11, 20	\$ 21,191	\$ 22,367
Deferred revenue		54,050	45,025
Lease obligations	10	531	590
Total current liabilities		75,772	67,982
Non-current liabilities			
Other long-term accrued liabilities	20	-	33
Deferred tax liabilities	15	200	405
Lease obligations	10	4,759	728
Total non-current liabilities		4,959	1,166
Total liabilities		\$ 80,731	\$ 69,148
Other commitments	18		
Equity			
Share capital	12	\$ 56,691	\$ 57,573
Contributed surplus		-	4,755
Retained earnings		2,971	7,700
Accumulated other comprehensive income	20	2,614	1,234
Total equity attributable to the owners of the Company		62,276	71,262
Total liabilities and equity		\$ 143,007	\$ 140,410

Approved by the Board of Directors



Director



Director

See accompanying notes to the consolidated financial statements.

Tecsyst Inc.**Consolidated Statements of Income and Comprehensive Income**

(in thousands of Canadian dollars, except per share data)

Years ended April 30,	Note	2026	2025
Revenue:			
SaaS		\$ 80,412	\$ 67,071
Maintenance and Support		30,694	32,470
Professional Services		63,807	57,665
License		1,079	1,811
Hardware		17,150	17,437
Total revenue		193,142	176,454
Cost of revenue	14	93,594	91,161
Gross profit		99,548	85,293
Operating expenses:			
Sales and marketing		39,538	36,152
General and administration		14,541	12,646
Research and development, net of tax credits	6	33,064	29,315
Restructuring costs	23	4,652	-
Total operating expenses		91,795	78,113
Profit from operations		7,753	7,180
Other (costs) income	17	(65)	255
Profit before income taxes		7,688	7,435
Income tax expense	15	3,650	2,976
Net profit		\$ 4,038	\$ 4,459
Other comprehensive income:			
Effective portion of changes in fair value on designated cash flow hedges, net of tax	20	1,269	1,941
Exchange differences on translation of foreign operations	20	111	718
Comprehensive income		\$ 5,418	\$ 7,118
Basic and diluted earnings per common share	12	\$ 0.27	\$ 0.30

See accompanying notes to the consolidated financial statements.

Tecsys Inc.**Consolidated Statements of Cash Flows**

(in thousands of Canadian dollars)

	Note	April 30, 2026	April 30, 2025
Cash flows from operating activities:			
Net profit		\$ 4,038	\$ 4,459
Adjustments for:			
Depreciation of property and equipment and right-of-use assets	7	1,417	1,473
Amortization of deferred development costs	9	1,082	769
Amortization of other intangible assets	9	2,124	1,304
Interest expense (income) and foreign exchange loss	17	65	(255)
Unrealized foreign exchange and other		(818)	(605)
Non-refundable tax credits	6	(2,474)	(2,530)
Stock-based compensation	12	3,389	2,951
Income taxes		2,748	2,346
Net cash from operating activities excluding changes in non-cash working capital items related to operations		11,571	9,912
Accounts receivable		(4,426)	(1,728)
Work in progress		1,763	(3,152)
Other receivables and assets		(597)	(278)
Tax credits		199	16
Inventory		704	(507)
Prepaid expenses		(403)	(993)
Contract acquisition costs	8	(258)	(1,090)
Accounts payable and accrued liabilities		(707)	2,962
Deferred revenue		8,408	8,766
Changes in non-cash working capital items related to operations		4,683	3,996
Net cash provided by operating activities		16,254	13,908
Cash flows from financing activities:			
Payment of lease obligations	10	(609)	(816)
Payment of dividends	12	(5,155)	(4,880)
Interest paid		(28)	(82)
Issuance of common shares on exercise of stock options	12	590	4,638
Shares repurchased and cancelled	12	(13,228)	(6,934)
Net cash used in financing activities		(18,430)	(8,074)
Cash flows from investing activities:			
Interest received		99	72
Transfers from short-term investments	5	-	5,570
Acquisitions of property and equipment		(2,186)	(828)
Acquisition of intangible assets	4	(1,975)	-
Deferred development costs	9	(2,209)	(1,924)
Net cash (used in) provided by investing activities		(6,271)	2,890
Net (decrease) increase in cash and cash equivalents during the period		(8,447)	8,724
Cash and cash equivalents - beginning of period		27,580	18,856
Cash and cash equivalents - end of period		\$ 19,133	\$ 27,580

See accompanying notes to the consolidated financial statements.

Tecsys Inc.
Consolidated Statements of Changes in Equity

(in thousands of Canadian dollars, except number of shares)

	Note	Share capital		Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total
		Number	Amount				
Balance, May 1, 2025		14,836,120	\$ 57,573	\$ 4,755	\$ 1,234	\$ 7,700	\$ 71,262
Net profit		-	-	-	-	4,038	4,038
Other comprehensive income:							
Effective portion of changes in fair value on designated cash flow hedges	20	-	-	-	1,269	-	1,269
Exchange differences on translation of foreign operations	20	-	-	-	111	-	111
Total comprehensive income		-	-	-	1,380	4,038	5,418
Shares repurchased and cancelled	12	(423,814)	(1,664)	(7,952)	-	(3,612)	(13,228)
Stock-based compensation	12	-	-	3,389	-	-	3,389
Dividends to equity owners	12	-	-	-	-	(5,155)	(5,155)
Share options exercised	12	22,031	782	(192)	-	-	590
Total transactions with owners of the Company		(401,783)	\$ (882)	\$ (4,755)	\$ -	\$ (8,767)	\$ (14,404)
Balance, April 30, 2026		14,434,337	\$ 56,691	\$ -	\$ 2,614	\$ 2,971	\$ 62,276
Balance, May 1, 2024		14,840,150	\$ 52,256	\$ 9,417	\$ (1,425)	\$ 8,121	\$ 68,369
Net profit		-	-	-	-	4,459	4,459
Other comprehensive income:							
Effective portion of changes in fair value on designated cash flow hedges	20	-	-	-	1,941	-	1,941
Exchange differences on translation of foreign operations	20	-	-	-	718	-	718
Total comprehensive income		-	-	-	2,659	4,459	7,118
Shares repurchased and cancelled	12	(172,200)	(618)	(6,316)	-	-	(6,934)
Stock-based compensation	12	-	-	2,951	-	-	2,951
Dividends to equity owners	12	-	-	-	-	(4,880)	(4,880)
Share options exercised	12	168,170	5,935	(1,297)	-	-	4,638
Total transactions with owners of the Company		(4,030)	\$ 5,317	\$ (4,662)	\$ -	\$ (4,880)	\$ (4,225)
Balance, April 30, 2025		14,836,120	\$ 57,573	\$ 4,755	\$ 1,234	\$ 7,700	\$ 71,262

See accompanying notes to the consolidated financial statements.

Tecsys Inc.

Notes to the Consolidated Financial Statements
For the years ended April 30, 2026 and 2025
(in thousands of Canadian dollars, except per share data)

1. Description of business:

Tecsys Inc. (the "Company") is incorporated under the Canada Business Corporations Act and is headquartered at 1801, McGill College Avenue, Montreal, Canada. The consolidated financial statements of the Company as at and for the years ended April 30, 2026 and 2025 comprise the Company and its subsidiaries.

The Company's principal business activity is the development, marketing and sale of enterprise-wide supply chain management software for distribution, warehousing, transportation logistics, point-of-use and order management. The Company sells its software primarily on a subscription basis as Software as a Service ("SaaS"). Its customers are primarily healthcare and life sciences providers and suppliers, as well as retailers, third-party logistics providers and high-volume distributors. The Company's shares are listed on the Toronto Stock Exchange under the stock symbol "TCS".

2. Basis of preparation:

(a) Statement of compliance:

The Company's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on June 29, 2026.

(b) Basis of consolidation:

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions, balances, revenues and expenses between the Company and its subsidiaries have been eliminated.

The Company's wholly owned subsidiaries and their jurisdiction of incorporation are as follows:

Subsidiary	Jurisdiction of incorporation
Tecsys U.S. Inc.	Ohio
Tecsys Europe Limited	England
Logi D Holding Inc.	Canada
Logi D Inc.	Canada
Logi D Corp.	Delaware
Tecsys Denmark Holding ApS	Denmark
Tecsys A/S	Denmark
Tecsys Supply Chain Software Private Limited	India

(c) Basis of measurement:

The consolidated financial statements have been prepared on a going concern basis using the historical cost basis except for derivative financial instruments measured at fair value, share-based compensation arrangements measured as per *IFRS 2, Share Based Payment*, and lease liabilities measured in accordance with *IFRS 16, Leases*.

(d) Functional and presentation currency:

The consolidated financial statements are presented in Canadian dollars ("CAD"), which is the functional currency of the Company. Amounts are presented in thousands of CAD unless otherwise indicated. Some of the Company's subsidiaries have a functional currency other than the Canadian dollar.

2. Basis of preparation (continued):**(e) Foreign currency:***Foreign currency transactions*

Foreign currency transactions are translated into the functional currency at the average exchange rates for the period. Monetary assets and liabilities denominated in currencies other than the functional currency are translated at the exchange rates prevailing at the reporting date. Exchange differences on monetary items are recognized in other (costs) income in the period in which they arise. Non-monetary items denominated in currencies other than the functional currency are translated at the rate at the date of the original transaction.

Revenues subject to a designated cash flow hedge are translated at the rate specified in the related hedging instrument.

Foreign operations

The assets and liabilities of foreign operations whose functional currency is not the Canadian dollar are translated into CAD at the exchange rate at the reporting date, and revenue and expenses at average rates for the period. The resulting exchange differences are recognized in other comprehensive income in the cumulative translation account.

Foreign exchange gains or losses arising from monetary items receivable from, or payable to, a foreign operation for which the settlement is neither planned nor likely to occur in the foreseeable future are recognized in other comprehensive income in the cumulative translation account.

(f) Use of estimates and judgments:

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions, and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis and the effects of revisions are recorded in the consolidated financial statements in the period in which the estimates are revised.

Management identified one area where critical judgment and estimation was used in applying the Company's accounting policies, which could have a significant impact on reported amounts. This involves the determination of distinct performance obligations and standalone selling prices ("SSPs") in revenue recognition. Revenue recognition, particularly in bundled arrangements which may include professional services, maintenance services and subscription services, requires judgment in identifying performance obligations and allocating revenue to each performance obligation based on the relative stand-alone selling price of each performance obligation or residual approach. As certain of these performance obligations have a term of more than one year, the identification and the allocation of the consideration received to each distinct performance obligation impacts the amount and timing of revenue recognition.

3. Material accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

(a) Revenue recognition:

The Company's revenue consists of fees from software as a service ("SaaS"), cloud subscriptions, proprietary software licenses, third-party software, customer support services, fees from implementation services such as training, installation, consulting as well as fees from sale of hardware. Software licenses sold by the Company are generally perpetual in nature and the arrangement generally comprises various services. Revenues generated by the Company include the following:

3. Material accounting policies (continued):**(a) Revenue recognition (continued):****(i) SaaS:**

The Company generates revenue from proprietary software under a SaaS model. Under SaaS agreements, our customers have the right to access our cloud-based environment that we provide and manage and the right to receive support and to use the software. However, the customer does not have the right to take possession of the software. SaaS revenue is recognized over the term of the related contracts, commencing on the date an executed contract exists and the customer has the right to use and access the platform. Certain SaaS contracts have variable fees that are recognized based on transaction volumes.

(ii) Maintenance and support:

Maintenance and support services provided to customers on legacy perpetual software licenses is recognized ratably over the term of the maintenance and support services. The Company also provides hosting services to customers, which is recognized over the term of the related contracts. Maintenance service revenue related to hardware products that is serviced by a third-party is recognized upon delivery of the product when the estimated cost of providing support during the arrangement is deemed insignificant.

Third-party support revenue related to third-party software and the related cost are generally recognized upon the delivery of the third-party products when the estimated cost of providing support during the arrangement is deemed insignificant. In addition, unspecified upgrades for third-party support agreements historically have been and are expected to continue to be minimal and infrequent.

(iii) Professional services:

The Company provides consulting and training services to its customers. Revenues from such services are recognized as the services are performed. Included in professional services revenue are reimbursable travel expenses related to providing services to customers. The Company records reimbursable expense revenue in Professional Services revenue and records the associated cost under Cost of Revenue in its consolidated statements of income and comprehensive income.

(iv) License:

The Company recognizes perpetual license revenue at a point in time when the product has been delivered and where the title and risk of loss has been passed to the customer and the Company no longer retains continuing managerial involvement or effective control over the products sold.

(v) Hardware:

The Company recognizes hardware revenue as per shipping terms or when the Company has completed its contractual obligations.

3. Material accounting policies (continued):**(a) Revenue recognition (continued):****(vi) Bundled arrangements:**

Some of the Company's sales involve bundled arrangements that include products (software and/or hardware), SaaS, maintenance and various professional services. The Company evaluates each deliverable in an arrangement to determine whether such deliverable would represent a distinct performance obligation. Revenue is recognized for each performance obligation when the applicable revenue recognition criteria, as described above, are met. In bundled arrangements, the Company separately accounts for each product or service when the promised product or service is capable of being distinct and is distinct within the context of the contract.

The transaction price is allocated to each performance obligation on a relative SSP basis. The residual approach is used if the SSP of one or more goods or services is highly variable or uncertain, and observable SSPs exist for the other goods or services promised in the contract.

(vii) Contract acquisition costs:

The Company recognizes an asset for the incremental costs of obtaining a contract with a customer if it expects the costs to be recoverable and has determined that certain sales incentive programs (commissions) meet the requirements to be capitalized. Capitalized contract acquisition costs are amortized consistently with the pattern of transfer to the customer for the goods and services to which the asset relates. Generally, the contract acquisition costs are amortized over 3 to 5 years.

(viii) Work in progress and deferred revenue:

The Company recognizes amounts as revenue in excess of billings as work in progress. The Company has deferred revenue for amounts billed in accordance with customer contracts for which the service associated with these revenues have not yet been rendered. Revenues on these services are recorded once the performance obligation has been met.

(b) Financial instruments:

Financial assets and financial liabilities are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Subsequent to the initial recognition, the Company measures financial assets at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition.

The Company derecognizes a financial asset when the contractual rights to its cash flows expire, or when those rights are transferred along with substantially all the risks and rewards of ownership.

3. Material accounting policies (continued):**(b) Financial instruments (continued):****(i) Financial assets - Amortized costs:**

A financial asset is subsequently measured at amortized cost using the effective interest method less any impairment. Interest income is recognized using the effective interest rate, except for short-term receivables where it would be immaterial.

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company currently classifies its cash and cash equivalents, short-term investments, accounts receivable and other receivables (excluding derivative financial instruments) as financial assets measured at amortized cost.

(ii) Financial liabilities - measured at amortized cost:

A financial liability is subsequently measured at amortized cost, using the effective interest method. The Company currently classifies accounts payable and accrued liabilities (excluding derivative financial instruments) as financial liabilities measured at amortized cost.

(iii) Derivative financial instruments not designated in a hedging relationship measured at fair value:

The Company may use derivative financial instruments to manage its exposure to exchange rate fluctuations on foreign currency denominated net monetary assets. Derivative use is limited to foreign currency forward contracts, which are measured at fair value and presented as other receivables, other long-term receivables, accounts payable and accrued liabilities, or other long-term accrued liabilities. The fair value is based on forward rates that incorporate the market price, interest rates, volatility and credit risk. Changes in fair value are recognized in other (costs) income in the period in which they arise and offset the exchange gains or losses on revaluation of the foreign currency denominated net monetary assets. Cash flows from settlement of these contracts are classified as operating activities, consistent with the cash flows from the foreign monetary assets.

(iv) Derivative financial instruments designated in a hedging relationship measured at fair value (hedge accounting):

The Company uses derivative financial instruments to hedge its exposure to exchange rate fluctuations on highly probable future foreign currency denominated revenue. The Company formally documents the relationship between each hedging instrument and the hedged forecasted transactions, along with its risk management objectives and strategy. Hedge effectiveness is assessed based on the degree to which the cash flows from the derivative are expected to offset the cash flows of the underlying transaction being hedged.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in its fair value, net of tax, is recognized in accumulated other comprehensive income ("AOCI"). Any ineffective portion is recognized immediately in profit or loss.

Hedge accounting is discontinued prospectively when a hedging derivative is terminated, expires, is sold or no longer qualifies for hedge accounting. Amounts previously recorded in AOCI remain in AOCI until the hedged transaction affects profit or loss. AOCI amounts are reclassified immediately to profit or loss if the cash flows from the hedged transaction are no longer expected to occur or if the AOCI amounts represent a loss not expected to be recovered. Gains or losses on a derivative arising after it no longer qualifies for hedge accounting are recognized in profit or loss in the period in which they arise.

3. Material accounting policies (continued):**(b) Financial instruments (continued):****(v) Fair value of financial instruments:**

The Company must classify the fair value measurements of financial instruments according to a three-level hierarchy, based on the type of inputs used in making these measurements. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

(vi) Impairment of financial assets:

The Company applies the simplified expected credit loss ("ECL") model permitted by IFRS 9 for its trade accounts receivable. Under this approach, a lifetime expected loss provision is recognized for all trade receivables. Lifetime ECL represents the expected credit losses arising from default events over the expected life of the financial asset. The Company establishes the impairment loss allowance on a collective and individual basis, considering past events, historical collection experience, current conditions and forecasts of future economic conditions. Collective assessment is performed by grouping trade accounts receivable with similar characteristics.

(c) Cash and cash equivalents:

Cash and cash equivalents consist of unrestricted cash and include cash investments in interest-bearing accounts.

(d) Short-term investments:

Short-term investments consist of guaranteed income certificates held with Schedule 1 Canadian banks and are measured at amortized cost. The carrying amount approximates fair market value due to the short-term maturity of these instruments.

(e) Intangible assets:**(i) Goodwill:**

Goodwill arising on the acquisition of a business is carried at cost as established at the date of the acquisition less accumulated impairment losses, if any.

(ii) Research and development costs:

Costs related to research are expensed as incurred.

Development costs related to new software products, whether for sale or for internal use, are capitalized as deferred development costs, net of government assistance. Capitalization occurs when the project is technically and commercially feasible, future economic benefits are probable, expenditures can be measured reliably, and the Company has the intention and sufficient resources to complete development and to sell the resulting product or use the software. Otherwise, development costs are expensed as incurred. Expenditures capitalized include the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use.

3. Material accounting policies (continued):

(e) Intangible assets (continued):

(ii) Research and development costs (continued):

Deferred development costs are amortized on a straight-line basis over an estimated useful life of five years, commencing when the product is available for commercial sale or the software is available for internal use.

After initial recognition, deferred development costs are carried at cost less accumulated amortization and accumulated impairment losses.

(iii) Other intangible assets:

Other intangible assets consist of software, technology and customer assets and are carried at cost less accumulated amortization and accumulated impairment losses. All intangible assets have finite useful lives and are therefore subject to amortization. Amortization is calculated over the cost of the asset less its residual value.

The Company uses the straight-line method and the following periods are used to calculate amortization:

	Period
Technology	5 to 10 years
Customer assets	3 to 15 years
Software	5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively.

(f) Impairment of non-financial assets:

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment, other intangible assets and deferred development costs to determine whether there is any indication of impairment. Goodwill is tested for impairment annually on April 30, or more frequently if indicators of impairment exist. If an indication of impairment exists, the recoverable amount of the asset is estimated. For impairment testing, assets that cannot be tested individually are grouped at the CGU level. Goodwill acquired in a business combination is allocated to the CGU or group of CGUs expected to benefit from the synergies of the combination, subject to the operating segment ceiling and at the lowest level at which goodwill is monitored internally.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs of disposal reflects the CGU's price in an active market less directly attributable selling cost. The Company applies a market approach, using revenue multiples from comparable companies (with similar business characteristics, revenue profiles and business models) applied to current year revenues, less costs of disposal.

If the recoverable amount of an asset or CGU is less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized immediately in profit or loss. For a CGU, the loss is allocated first to reduce any allocated goodwill, then to other assets in the CGU on a pro rata basis.

Impairment losses recognized in prior periods, other than in respect of goodwill, are reviewed at each reporting date and reversed if the recoverable amount has increased. The reversal is limited to the carrying amount that would have been determined, net of depreciation, had no impairment been recognized. Impairment losses on goodwill are not reversed.

3. Material accounting policies (continued):**(g) Government assistance:**

Government assistance consists of scientific research and experimental development ("SRED") tax credits and e-business tax credits. SRED and e-business tax credits are accounted for as a reduction of the related expenditures or deferred development costs and recorded when there is reasonable assurance that the Company has complied with the terms and conditions of the approved government program.

The refundable as well as non-refundable portion of tax credits are recorded in the period in which the related expenditures are incurred, provided the Company has reasonable assurance the credits will be received and the Company will comply with the conditions associated with the award.

SRED and e-business tax credits claimed for the current and prior years are subject to government review which could result in adjustments to profit or loss.

(h) Leases:

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle, remove or restore the underlying asset or site, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of its useful life or the end of the lease term. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of unpaid fixed lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method and is remeasured when there is a change in the Company's assessment of whether it will exercise a purchase, extension or termination option. When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining amount of the remeasurement is recognized in profit or loss.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

3. Material accounting policies (continued):**(i) Income taxes:**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on either the same taxable entity, or on different taxable entities that intend to settle current tax liabilities and assets on a net basis or realize their tax assets and liabilities simultaneously.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Share-based payment arrangements:

Stock options granted to employees and directors vest in specified installments over the service period. Each tranche is treated as a separate award with its own vesting period, and its fair value is measured at the grant date using the Black-Scholes option-pricing model. Compensation expense is recognized over the vesting period applicable to each tranche, based on the Company's estimate of the equity instruments that will eventually vest, with a corresponding increase to contributed surplus.

At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. Any change in estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus. When stock options are exercised, share capital is credited with the sum of the consideration received and the related amount previously recorded in contributed surplus.

(k) Earnings per share:

Basic earnings per share is calculated using the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding for the dilutive effect of stock options. The dilutive effect is calculated using the treasury stock method, under which dilutive options are assumed to have been exercised at the later of the beginning of the period or the grant date, with the assumed proceeds used to repurchase common shares at the average trading price during the period.

(l) New standards and interpretations not yet adopted by the Company:

On April 9, 2024, the IASB issued *IFRS 18 Presentation and Disclosure in Financial Statements* to replace *IAS 1, Presentation of Financial Statements*. While many existing IAS 1 requirements are carried forward, IFRS 18 introduces a defined structure for the statement of income with required categories and subtotals, and new disclosure requirements for management-defined performance measures, including a reconciliation to the most directly comparable subtotal specified in IFRS, presented in a single note. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact of this standard.

Tecsys Inc.

Notes to the Consolidated Financial Statements
For the years ended April 30, 2026 and 2025
(in thousands of Canadian dollars, except per share data)

4. Acquisition of intangible assets:

On May 1, 2025, the Company announced the establishment of a new subsidiary in India as part of an asset acquisition that included the hiring of an India-based team. The \$2,700 acquisition is comprised of intangible assets and was paid for with cash of \$1,975 and assumption of liabilities (primarily deferred revenue) of \$725.

5. Short-term investments:

	Twelve Months Ended April 30, 2026	Twelve Months Ended April 30, 2025
Balance, beginning of period	\$ 11,712	\$ 16,713
Net withdrawals	-	(5,570)
Interest on short-term investments (note 17)	365	569
Balance, end of period	\$ 12,077	\$ 11,712

Short-term investments consist of Guaranteed Investment Certificates (GIC) with maturities of less than 3 months.

6. Government assistance (Tax credits):

The Company is eligible to receive scientific research and experimental development ("SRED") tax credits granted by the Canadian federal government ("Federal") and the governments of the provinces of Québec and Ontario ("Provincial").

Federal SRED tax credits, which are non-refundable, are earned on qualified Canadian SRED expenditures and can only be used to offset Federal income taxes otherwise payable. Provincial SRED tax credits are earned on qualified SRED salaries in the provinces of Québec and Ontario.

The Company is also eligible to receive a Provincial refundable and non-refundable tax credit for the development of e-business information technologies. This tax credit is granted to corporations on salaries paid to employees carrying out activities based on specific eligibility requirements. In fiscal 2025, the credits were earned at an annual rate of 30% of salaries paid to eligible employees engaged in eligible activities, to a maximum annual refundable tax credit of \$20 and maximum annual non-refundable tax credit of \$5 per eligible employee. For fiscal 2026, the credits are earned at an annual rate of 30% of eligible salaries exceeding the annual salary exclusion threshold of \$19 per eligible employee. For fiscal 2026, the credit is composed of a 23% refundable credit and a 7% non-refundable credit, with no maximum annual cap on the credit per employee.

The Company must obtain an eligibility certificate each year confirming that it has satisfied the criteria relating to the proportion of the activities in the information technology sector and for the services supplied. Provincial non-refundable tax credits can only be applied against provincial tax payable.

Tecsyst Inc.

Notes to the Consolidated Financial Statements

For the years ended April 30, 2026 and 2025

(in thousands of Canadian dollars, except per share data)

6. Government assistance (Tax credits) (continued):

The following table presents the tax credits for the Company for the year ended April 30, 2026:

	SRED		E-business provincial credits			
	Canadian Federal non-refundable tax credits	Provincial refundable tax credits	Refundable tax credits	Non-refundable tax credits	Total	
Balance, April 30, 2025	\$ 6,310	\$ 108	\$ 4,083	\$ 2,009	\$	12,510
Tax credits received or utilized against income tax expense or payable	(230)	(37)	(4,488)	(1,384)		(6,139)
Adjustments to prior year's credits	308	6	405	102		821
Recognition of tax credit	900	92	3,823	1,164		5,979
Balance, April 30, 2026	\$ 7,288	\$ 169	\$ 3,823	\$ 1,891	\$	13,171

Presented as:

Current Tax credits	\$ 1,062	\$ 169	\$ 3,823	\$ 1,139	\$	6,193
Non-Current Tax credits	\$ 6,226	\$ -	\$ -	\$ 752	\$	6,978

The following table presents the tax credits for the Company for the year ended April 30, 2025:

	SRED		E-business provincial credits			
	Canadian Federal non-refundable tax credits	Provincial refundable tax credits	Refundable tax credits	Non-refundable tax credits	Total	
Balance, April 30, 2024	\$ 5,179	\$ 147	\$ 4,060	\$ 1,773	\$	11,159
Tax credits received or utilized against income tax expense or payable	(282)	(55)	(4,320)	(881)		(5,538)
Adjustments to prior year's credits	472	(37)	260	97		792
Recognition of tax credit	941	53	4,083	1,020		6,097
Balance, April 30, 2025	\$ 6,310	\$ 108	\$ 4,083	\$ 2,009	\$	12,510

Presented as:

Current Tax credits	\$ 1,062	\$ 108	\$ 4,083	\$ 1,137	\$	6,390
Non-Current Tax credits	\$ 5,248	\$ -	\$ -	\$ 872	\$	6,120

The amounts recorded as receivable or recoverable are subject to a government tax audit and the final amounts received may differ from those recorded. There are no unfulfilled conditions or contingencies associated with the government assistance received.

Tecsys Inc.

Notes to the Consolidated Financial Statements

For the years ended April 30, 2026 and 2025

(in thousands of Canadian dollars, except per share data)

6. Government assistance (Tax credits) (continued):

As at April 30, 2026, the Company has recognized non-refundable tax credits totaling approximately \$9,179 (April 30, 2025 - \$8,319) for Canadian Federal and Provincial income tax purposes which may be used to reduce taxes payable in future years. These non-refundable tax credits may be claimed no later than fiscal years ending April 30:

	Federal non-refundable tax credits	Provincial non-refundable tax credits
2037	\$ 81	\$ -
2038	289	-
2039	856	-
2040	583	-
2041	500	-
2042	833	-
2043	958	-
2044	1,182	-
2045	1,073	727
2046	933	1,164
	\$ 7,288	\$ 1,891

Tax credits recognized in profit and loss for the years are outlined below:

	2026	2025
Federal non-refundable research and development tax credits	\$ 900	\$ 941
Provincial refundable research and development tax credits	92	53
E-business refundable tax credits for research and development employees	2,209	2,131
E-business non-refundable tax credits for research and development employees	673	532
Reclassification to deferred development costs	(359)	-
Adjustments to prior year's credits	360	643
Total research and development tax credits	\$ 3,875	\$ 4,300
E-business refundable tax credits for other employees	1,614	1,952
E-business non-refundable tax credits for other employees	491	488
Adjustments to prior year's credits	461	149
Tax credits recognized in the year	\$ 6,441	\$ 6,889

Tecsys Inc.

Notes to the Consolidated Financial Statements
For the years ended April 30, 2026 and 2025
(in thousands of Canadian dollars, except per share data)

7. Right-of-use ("ROU") assets:

The following table presents the ROU assets for the Company:

	Offices	Data centers	Vehicles and equipment	Total
Balance at April 30, 2024	\$ 1,149	\$ 100	\$ 2	\$ 1,251
Depreciation	(361)	(68)	(2)	(431)
Effect of foreign currency exchange differences	12	4	-	16
Balance at April 30, 2025	800	36	-	836
Additions	2,412	-	-	2,412
Remeasurement of lease liability (note 10)	(455)	-	-	(455)
Depreciation	(355)	(30)	-	(385)
Effect of foreign currency exchange differences	7	(6)	-	1
Balance at April 30, 2026	\$ 2,409	\$ -	\$ -	\$ 2,409

On November 1, 2025, the Company entered a 10-year lease for its new Montreal office, resulting in the recognition of a ROU asset of \$2,412. The new ROU asset is depreciated on a straight-line basis over the lease term. At commencement date, ROU assets are recorded as the present value of future minimum lease payments less lease incentives.

As part of the lease arrangement, the Company received a non-cash lease incentive of \$2,503, representing landlord-funded office improvement costs, which was recorded as leasehold improvements (Property and Equipment). The leasehold improvements are depreciated over the lease term assuming no renewal period.

8. Contract acquisition costs:

The following table presents the contract acquisition costs for the Company:

	2026	2025
Balance, beginning of the period	\$ 7,934	\$ 6,844
Additions	3,522	3,735
Amortization	(3,264)	(2,645)
Balance, end of period	\$ 8,192	\$ 7,934

Presented as:

	2026	2025
Current	\$ 3,108	\$ 2,917
Non-current	\$ 5,084	\$ 5,017

The current portion of contract acquisition costs is included in Prepaid expenses and other in the Consolidated Statements of Financial Position. Amortization of contract acquisition costs is recorded in sales and marketing expense.

Tecsys Inc.

Notes to the Consolidated Financial Statements

For the years ended April 30, 2026 and 2025

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9. Goodwill, deferred development costs and other intangible assets:

	Other intangible assets							
	Goodwill	Deferred development costs	Software	Technology	Customer assets	Other	Total of other intangible assets	
Cost								
Balance at April 30, 2024	\$ 17,363	\$ 15,012	\$ 5,650	\$ 8,661	\$ 10,412	\$ 245	\$ 24,968	
Additions	-	1,924	-	-	-	-	-	
Effect of foreign currency exchange differences	464	-	-	81	487	-	568	
Balance at April 30, 2025	\$ 17,827	\$ 16,936	\$ 5,650	\$ 8,742	\$ 10,899	\$ 245	\$ 25,536	
Additions	-	2,209	-	-	2,700	-	2,700	
Effect of foreign currency exchange differences	74	-	-	13	77	-	90	
Balance at April 30, 2026	\$ 17,901	\$ 19,145	\$ 5,650	\$ 8,755	\$ 13,676	\$ 245	\$ 28,326	
Accumulated amortization								
Balance at April 30, 2024	\$ -	\$ 12,329	\$ 5,299	\$ 5,811	\$ 5,910	\$ 245	\$ 17,265	
Amortization for the year	-	769	203	624	477	-	1,304	
Effect of foreign currency exchange differences	-	-	-	48	193	-	241	
Balance at April 30, 2025	\$ -	\$ 13,098	\$ 5,502	\$ 6,483	\$ 6,580	\$ 245	\$ 18,810	
Amortization for the year	-	1,082	88	633	1,403	-	2,124	
Effect of foreign currency exchange differences	-	-	-	7	29	-	36	
Balance at April 30, 2026	\$ -	\$ 14,180	\$ 5,590	\$ 7,123	\$ 8,012	\$ 245	\$ 20,970	
Carrying amounts								
At April 30, 2025	\$ 17,827	\$ 3,838	\$ 148	\$ 2,259	\$ 4,319	\$ -	\$ 6,726	
At April 30, 2026	\$ 17,901	\$ 4,965	\$ 60	\$ 1,632	\$ 5,664	\$ -	\$ 7,356	

Certain technology, customer assets and other intangible assets are fully amortized, but are still property of the Company. In fiscal 2026, the Company acquired \$2,700 of customer assets as part of the establishment of an India-based subsidiary (refer to note 4).

The following tables reflect the amortization expense recognized for the various intangible assets within the various functions for the years ended April 30, 2026 and 2025:

	2026				
	Deferred development costs	Software	Technology	Customer assets	Total
Cost of revenue:					
SaaS, maintenance, support, and professional services	\$ 324	\$ 56	\$ 633	\$ -	\$ 1,013
License and hardware	37	-	-	-	37
Sales and marketing	-	13	-	1,403	1,416
Research and development	721	19	-	-	740
	\$ 1,082	\$ 88	\$ 633	\$ 1,403	\$ 3,206

Tecsys Inc.

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9. Goodwill, deferred development costs and other intangible assets (continued):

	2025				
	Deferred development cost	Software	Technology	Customer assets	Total
Cost of revenue:					
SaaS, maintenance, support, and professional services	\$ -	\$ 134	\$ 624	\$ -	\$ 758
License and hardware	-	-	-	5	5
Sales and marketing	-	32	-	472	504
Research and development	769	37	-	-	806
	\$ 769	\$ 203	\$ 624	\$ 477	\$ 2,073

Impairment testing for cash-generating units containing goodwill

For the purposes of impairment testing, goodwill is allocated to the CGUs which represent the lowest level within the Company for which there are separately identifiable cash inflows. The Company has two CGUs, the non-Tecsys A/S CGU and the Tecsys A/S CGU. As at April 30, 2026, goodwill for Non-Tecsys A/S and Tecsys A/S represent \$10,783 and \$7,118 respectively (April 30, 2025 - \$10,783 and \$7,044 respectively). The carrying amount of the CGUs were determined to be lower than their recoverable amount and no impairment loss was recognized in April 30, 2026 and 2025.

Value in use

The value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. Cash flows were projected based on past experience, actual operating results and the annual business plan prepared at the end of fiscal 2026 for the upcoming year. Cash flows for an additional four-year period and a terminal value were extrapolated using a constant growth rate, which does not exceed the long-term average growth rate for the industry. The Company uses a discount rate to calculate the present value of its projected cash flows.

Fair value less costs of disposal

The market approach was used which assumes that comparable companies share similar characteristics, and that company fair values will correlate to those characteristics. Comparable companies will have similar business models, market presence, growth prospects and revenue profiles. Therefore, a comparison of a CGU to similar companies whose financial information is publicly available may provide a reasonable basis to estimate fair value. Under the market approach, fair value is calculated based on revenue multiples of benchmark comparable to the CGU's business applied to current year revenues less an estimate for cost of disposal.

Key assumptions used in impairment testing

The following presents the key assumptions used in calculating the recoverable amount:

	2026		
	Basis used as recoverable amount	Pre-tax discount rate/ Multiple	Terminal Growth rate
Non-Tecsys A/S	Value in use	11.75%	5%
Tecsys A/S	Fair value less costs of disposal	1.1x Revenue	N/A

Tecsys Inc.

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9. Goodwill, deferred development costs and other intangible assets (continued):**Impairment testing for cash-generating units containing goodwill (continued)***Key assumptions used in impairment testing (continued)*

			2025
	Basis used as recoverable amount	Pre-tax discount rate/ Multiple	Terminal Growth rate
Non-Tecsys A/S	Value in use	14.25%	5%
Tecsys A/S	Fair value less costs of disposal	1.1x Revenue	N/A

The assumptions used by the Company in the determination of the recoverable amounts are classified as Level 3 in the fair value hierarchy.

When using the value in use for Non-Tecsys A/S for fiscal 2026, no reasonably possible change in the key assumptions used in determining the recoverable amount would result in any impairment of goodwill. When using the fair value less costs of disposal for Tecsys A/S for fiscal 2026, varying the assumption on the multiple to 0.77x revenue, assuming all other variables remained constant, would cause the carrying amount to be equal to its recoverable amount.

10. Lease obligations:

The Company's leases are primarily for office space. The following table presents the contractual undiscounted cash flows and carrying amount for lease obligations as at April 30, 2026:

	Carrying amount	Undiscounted cash flows
Less than one year	\$ 531	\$ 767
One to five years	1,730	2,474
More than five years	3,029	3,408
	\$ 5,290	\$ 6,649

Total cash outflow was \$637 for fiscal year 2026 (2025 - \$895), including \$609 of principal payments on lease obligations (2025 - \$816).

The expense relating to variable lease payments not included in the measurement of lease obligations was \$648 (2025 - \$1,048). This consists of variable lease payments for operating costs, property taxes and insurance.

Expenses relating to short-term leases not included in the measurement of lease obligations were not significant for fiscal year 2026 and 2025. Expenses relating to leases of low value assets were \$252 (2025 - \$180).

Additions to lease obligations for fiscal year 2026 were \$4,915 (2025 - \$nil), representing the present value of future minimum lease payments associated with the new Montreal office lease.

During fiscal year 2026, the Company remeasured one of its lease liabilities following a change in the assessment of the renewal period included in the lease term. This remeasurement resulted in a reduction of \$455 to both the lease liability and the corresponding ROU asset (refer to note 7).

Tecsys Inc.

Notes to the Consolidated Financial Statements
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11. Accounts payable and accrued liabilities:

	2026	2025
Trade payables	\$ 5,073	\$ 6,750
Accrued liabilities and other payables	4,473	4,460
Employee compensation payable to related parties	1,646	913
Employee compensation payable	9,973	9,546
Fair value of derivatives in a loss position	26	698
	\$ 21,191	\$ 22,367

12. Share capital and Stock option plan:

(a) Authorized share capital:

Authorized - unlimited as to number and without par value.

Common shares

The holders of common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company.

All outstanding shares issued are fully paid.

Class A preferred shares

Class A preferred shares are issuable in series, having such attributes as the Board of Directors may determine. Holders of Class A preferred shares do not carry the right to vote. No preferred shares are outstanding as at April 30, 2026 and April 30, 2025.

(b) Executive share purchase plan:

The Company has an executive share purchase plan (the "purchase plan") to provide for mandatory purchases of common shares by certain key executives of the Company (the "participants") in order to better align the participant's financial interests with those of the holders of common shares, create ownership focus and build long-term commitment to the Company.

Each participant is required to make annual purchases of common shares through the facilities of the TSX secondary market ("annual purchases") having an aggregate purchase price equal to 10% of his or her annual base salary during the immediately preceding fiscal year (the "base salary"). Each participant has the obligation to make annual purchases until he or she owns common shares having an aggregate market value equal to at least 50% of his or her base salary (the "threshold"). If a participant reached his or her threshold and ceased making annual purchases but on any determination date for any subsequent fiscal year of the Company, (i) the market value of the common shares owned by a participant falls below his or her threshold, whether as a result of a disposition of common shares or a decrease in the market value of the common shares he or she owns, such participant is required to make additional purchases of common shares in accordance with the plan until his or her threshold is reached, or (ii) the market value of the common shares owned by a participant exceeds his or her threshold, whether as a result of an acquisition of common shares or an increase in the market value of the common shares he or she owns, such participant is entitled to dispose of common shares having an aggregate market value equal to the amount in excess of his or her threshold.

Tecsys Inc.

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12. Share capital and Stock option plan (continued):

b) Executive share purchase plan (continued):

During each fiscal year a participant is required to make an annual purchase, each participant has the right to borrow from the Company, and the Company has the obligation to loan to each participant, an amount not to exceed the annual purchase for such fiscal year for such participant (a "loan"). The loans bear no interest and are disbursed in one lump sum. If the employment of a participant with the Company terminates for any reason whatsoever, all amounts due under any outstanding loan become immediately due and payable.

If a participant fails to make his or her annual purchase in full in any fiscal year, the Company may withhold half of any bonus or other incentive payment earned by the participant in that fiscal year until the participant completes the required annual purchase.

The Board of Directors may at any time amend, suspend or terminate the purchase plan upon notice to the participants.

(c) Dividend policy:

The Company maintains a quarterly dividend policy. The declaration and payment of dividends is at the discretion of the Board of Directors, which will consider earnings, capital requirements, financial conditions and other such factors as the Board of Directors, in its sole discretion, deems relevant.

During fiscal 2026, the Company declared quarterly dividends of \$0.085 for the first two quarters and \$0.09 for each of the following quarters for an aggregate of \$5,155. During fiscal 2025, the Company declared quarterly dividends of \$0.08 for the first two quarters and \$0.085 for each of the following quarters for an aggregate of \$4,880.

(d) Earnings per share:

The calculation of basic earnings per share is based on the profit attributable to common shareholders and the weighted average number of common shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to common shareholders and the weighted average number of common shares outstanding after adjustment for the effects of all dilutive common shares.

Basic and diluted earnings per share are calculated as follows:

	2026		2025	
Net profit, attributable to common shareholders	\$	4,038	\$	4,459
Weighted average number of basic common shares		14,716,315		14,776,565
Dilutive impact of stock options		53,455		100,662
Weighted average number of diluted common shares		14,769,770		14,877,227
Basic and diluted earnings per common share	\$	0.27	\$	0.30

As at April 30, 2026, 752,649 options were excluded from the calculation of weighted average number of diluted common shares as their effect would have been anti-dilutive (234,643 options as at April 30, 2025).

Tecsys Inc.

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12. Share capital and Stock option plan (continued):

(e) Stock option plan:

The Company has a stock option plan under which stock options may be granted to certain employees and directors. Under the terms of the plan, the Company may grant options up to 10% of its issued and outstanding shares. The stock option plan is administered by the Board of Directors who may determine, in accordance with the terms of the plan, the terms relating to each option, including the extent to which each option is exercisable during the term of the options.

The exercise price is generally determined based on the weighted average trading price of the Company's common shares for the 5 days prior to the date the Board of Directors grants the option.

The movement in outstanding stock options for fiscal year 2026 and 2025 is as follows:

	Number of options		Weighted average exercise price
Outstanding at April 30, 2025	858,906	\$	32.49
Granted	242,245		40.47
Exercised	(22,031)		26.78
Forfeited/Expired	(28,654)		36.39
Outstanding at April 30, 2026	1,050,466	\$	34.34

	Number of options		Weighted average exercise price
Outstanding at April 30, 2024	767,487	\$	31.02
Granted	267,239		33.59
Exercised	(168,170)		27.58
Forfeited	(7,650)		31.06
Outstanding at April 30, 2025	858,906	\$	32.49

The following table outlines the outstanding stock options of the Company as at April 30, 2026:

Grant Date	Fair value per option	Remaining contractual life in years	Number of options currently exercisable	Exercise price	Outstanding options
June 29, 2021	\$ 12.66	0.16	131,507	\$ 40.34	131,507
June 29, 2022	12.90	1.16	155,321	34.91	166,294
September 26, 2022	10.80	1.41	3,063	28.55	3,500
March 1, 2023	10.42	1.84	2,250	26.88	3,000
June 29, 2023	9.98	2.17	162,585	25.48	243,061
November 30, 2023	13.68	2.59	3,290	33.52	5,848
June 27, 2024	12.74	3.16	105,756	33.23	243,935
September 5, 2024	15.80	3.35	4,154	42.02	11,076
June 26, 2025	15.71	4.16	45,421	40.47	242,245

The issued options vest on quarterly straight-line basis (6.25% per quarter) over the vesting period of 4 years and must be exercised within 5 years from the date of grant.

12. Share capital and Stock option plan (continued):

(e) Stock option plan (continued):

The fair value of options granted on June 26, 2025, September 5, 2024 and June 27, 2024 were determined using the Black-Scholes option pricing model with the following assumptions:

	Fiscal 2026	Fiscal 2025	
	June 26, 2025	September 5, 2024	June 27, 2024
Exercise share price	\$ 40.47	\$ 42.02	\$ 33.23
Expected option life (years)	5	5	5
Weighted average expected stock price volatility	43.26%	41.11%	42.10%
Weighted average dividend yield	0.82%	0.75%	0.93%
Weighted average risk-free interest rate	2.90%	2.96%	3.40%

For the fiscal year ended April 30, 2026, the Company recognized stock-based compensation expense of \$3,389 (\$2,951 for the fiscal year ended April 30, 2025). The contributed surplus accounts are used to record the accumulated compensation expense related to equity-settled share-based compensation transactions. Upon exercise of stock options, the corresponding amounts previously credited to contributed surplus are transferred to share capital.

(f) Share capital:

On September 12, 2023, the Company announced its Notice of Intention to make a normal course issuer bid ("NCIB") with the Toronto Stock Exchange ("TSX"). The NCIB covered the twelve-month period commencing September 14, 2023 and ending September 13, 2024. On September 18, 2024, the Company announced that the TSX approved the renewal of the Company's NCIB for the twelve-month period commencing September 20, 2024 and ending September 19, 2025.

On September 17, 2025, the Company announced that the TSX approved the renewal of the Company's NCIB for the twelve-month period commencing September 20, 2025 and ending September 19, 2026. The Company intended to purchase up to 500,000 common shares, which represented 3.4% of its 14,814,835 issued and outstanding common shares as of September 9, 2025. Under the NCIB, other than purchases made under block purchase exemptions, the Company may purchase up to 2,378 common shares during any trading day. On March 17, 2026, the Company announced that the TSX approved an amendment to its NCIB to increase the maximum number of common shares that may be purchased for cancellation from 500,000 to 900,000 for the remainder of the current term ending September 19, 2026. Purchases under the NCIB programs are made at the prevailing market price at the time of acquisition, plus brokerage fees, through the facilities of the TSX and/or alternative Canadian trading systems, in accordance with the TSX's applicable policies. All common shares purchased under the NCIB programs are cancelled.

During fiscal 2026, the Company purchased 423,814 of its outstanding common shares for cancellation (fiscal 2025 – 172,200) at an average price of \$30.88 per share (fiscal 2025 – \$40.27 per share). The total cost related to purchasing these shares, including other related costs, was \$13,228 (fiscal 2025 – \$6,934). The excess of the purchase price over the book value of these shares was \$11,564, of which \$7,952 was charged to contributed surplus and \$3,612 to retained earnings (fiscal 2025 – \$6,316 charged to contributed surplus). The Company records the excess of the purchase price over the book value of the repurchased shares against contributed surplus, to the extent available, and then to retained earnings.

Tecsys Inc.

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13. Remaining performance obligation:

The Company enters into SaaS subscription agreements and has historically entered into hosting agreements (classified under Maintenance and Support) that are typically multi-year performance obligations with original contract terms of three to five years. The Company enters into maintenance and support contracts other than hosting agreements that typically have an original term of one year and are subject to annual renewal. These contracts with an original term of one year (or less) are excluded from the table below.

The following table presents revenue expected to be recognized in the future related to SaaS and maintenance and support performance obligations that are part of a contract with an original duration of greater than one year and that are unsatisfied (or partially satisfied) at April 30, 2026:

	2026				2025
	Fiscal 2027	Fiscal 2028	Fiscal 2029 and thereafter	Total	Total
SaaS	\$ 79,880	\$ 58,019	\$ 105,110	\$ 243,009	\$ 216,657
Maintenance and support	616	-	-	616	833
	\$ 80,496	\$ 58,019	\$ 105,110	\$ 243,625	\$ 217,490

14. Cost of revenue:

	For the year ended	
	April 30, 2026	April 30, 2025
SaaS, maintenance, support and professional services:		
Gross expenses	\$ 80,262	\$ 77,580
Depreciation and Amortization	1,013	758
Reimbursable expenses	1,473	1,097
E-business tax credits	(2,495)	(2,516)
	\$ 80,253	\$ 76,919
License and hardware	13,341	14,242
Cost of revenue	\$ 93,594	\$ 91,161

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15. Income taxes:

(a) Income taxes comprise the following components:

	2026		2025	
Current income taxes:				
Current year	\$	2,410	\$	1,785
Adjustments to the previous year's tax expense		142		100
Current income taxes expense	\$	2,552	\$	1,885
Deferred income taxes:				
Origination and reversal of temporary differences		880		1,182
Net change in unrecognized deductible temporary difference		242		(117)
Recognition of previously unrecognized temporary difference		-		22
Adjustments to the previous year's tax expense		(24)		4
Deferred income tax expense		1,098		1,091
Income tax expense	\$	3,650	\$	2,976

(b) The provision for income taxes varies from the expected provision at the statutory rate for the following reasons:

	2026		2025	
Combined basic federal and provincial statutory income tax rate		26.50%		26.50%
Profit before income taxes	\$	7,688	\$	7,435
Expected combined income tax expense		2,037		1,970
Increase (reduction) in income taxes resulting from:				
Effect of differences in tax rates and additional income taxes in other jurisdictions		208		129
Net changes in unrecognized benefits		242		(95)
Adjustments for previous years' balances		118		104
Permanent differences and other		1,045		868
Income tax expense	\$	3,650	\$	2,976

During the year ended April 30, 2026, the Company paid cash taxes of \$902 (2025: \$630). As at April 30, 2026, the Company had current income taxes payable of \$187 (April 30, 2025 – \$201), which is included in accounts payable and accrued liabilities.

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15. Income taxes (continued):

(c) Recognized deferred tax assets and liabilities:

Changes in deferred tax assets and liabilities for the years ended April 30, 2026 and April 30, 2025 are as follows:

	Balance as at April 30, 2025	Recognized in statement of profit	Other Comprehensive Income	Foreign Exchange	Balance as at April 30, 2026
Research and development expenses	\$ 8,094	\$ (1,016)	\$ -	\$ -	\$ 7,078
Net operating losses	1,028	(297)	-	-	731
Property and equipment	4,620	(430)	-	-	4,190
Non-deductible reserves and accruals	218	(12)	-	-	206
Right-of-use-assets and lease liability	128	635	-	-	763
Other	17	113	-	-	130
Designated cash flow hedges	-	-	(692)	-	(692)
Contract acquisition costs	(2,102)	(69)	-	-	(2,171)
E-business tax credits	(628)	(5)	-	-	(633)
Federal tax credits	(1,719)	(273)	-	-	(1,992)
Deferred development costs	(1,017)	(253)	-	-	(1,270)
Intangibles	(1,523)	509	-	(10)	(1,024)
Net deferred tax recognized	\$ 7,116	\$ (1,098)	\$ (692)	\$ (10)	\$ 5,316

	Balance as at April 30, 2024	Recognized in statement of profit	Foreign Exchange	Balance as at April 30, 2025
Research and development expenses	\$ 6,547	\$ 1,547	\$ -	\$ 8,094
Net operating losses	2,661	(1,633)	-	1,028
Property and equipment	4,347	273	-	4,620
Non-deductible reserves and accruals	232	(14)	-	218
Right-of-use assets and lease liability	230	(102)	-	128
Charitable donations	118	(118)	-	-
Other	5	12	-	17
Contract acquisition costs	(1,534)	(568)	-	(2,102)
E-business tax credits	(556)	(72)	-	(628)
Federal tax credits	(1,392)	(327)	-	(1,719)
Deferred development costs	(711)	(306)	-	(1,017)
Intangibles	(1,700)	217	(40)	(1,523)
Net deferred tax recognized	\$ 8,247	\$ (1,091)	\$ (40)	\$ 7,116

As at April 30, 2026 the Company has net deferred tax assets of \$5,516 (April 30, 2025 – \$7,521) and net deferred tax liabilities of \$200 (April 30, 2025 – \$405) presented on the Consolidated Statements of Financial Position.

15. Income taxes (continued):

(c) Recognized deferred tax assets and liabilities (continued):

The Company had Canadian Federal non-refundable SRED tax credits totaling approximately \$7,288 (note 6) (April 30, 2025 – \$6,310) which may be used only to reduce future current federal income taxes otherwise payable. For the year ended April 30, 2026, the Company intends to claim available Federal non-refundable tax credits to reduce Canadian Federal income taxes otherwise payable of \$230.

For the year ended April 30, 2026, the Company intends to claim available provincial non-refundable tax credits to reduce provincial income taxes otherwise payable of \$1,384. The Company had provincial non-refundable tax credits of \$1,891 (note 6) (April 30, 2025 – \$2,009) which may be used only to reduce future current provincial income taxes otherwise payable.

(d) Unrecognized net deferred tax assets:

As at April 30, 2026 and 2025, unrecognized net deferred tax assets consist of the following:

	2026	2025
Net operating losses of Canadian subsidiaries	\$ 1,469	\$ 1,491
Net operating losses of UK subsidiary	38	52
Net operating losses of Danish subsidiaries	268	-
Capital losses	874	869
Other	(23)	(27)
Unrecognized net deferred tax assets	\$ 2,626	\$ 2,385

Canadian subsidiaries have unrecognized net operating losses carried forward of approximately \$16,345 (April 30, 2025 – \$16,510) for Québec provincial income tax purposes which may be applied to reduce taxable income in future years and expire between Fiscal 2037 and Fiscal 2042.

The Company's U.K. subsidiary has unrecognized net operating losses carried forward for income tax purposes of approximately \$201 (£109) (April 30, 2025 – \$273 (£ 163)) which may be applied to reduce taxable income in future years and have no expiration.

The Company's Danish subsidiaries have unrecognized net operating losses carried forward of approximately \$1,216 (DKK 5,704) (April 30, 2025 – nil) which may be applied to reduce taxable income in future years and have no expiration.

The Company and its subsidiaries have unrecognized accumulated capital losses of approximately \$6,561 (April 30, 2025 – \$6,561) which may be applied to reduce future taxable capital gains and have no expiration.

The temporary deferred tax differences have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

Unrecognized deferred tax liabilities:

As at April 30, 2026, no deferred tax liabilities were recognized for temporary differences arising from investments in subsidiaries because the Company controls the decisions affecting the realization of such liabilities and it is probable that the temporary differences will not reverse in the foreseeable future.

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16. Personnel expenses:

	For the year ended	
	April 30, 2026	April 30, 2025
Salaries, including bonus and commissions	\$ 112,029	\$ 103,869
Benefits	15,538	14,547
	\$ 127,567	\$ 118,416

17. Other (costs) income:

	For the year ended	
	April 30, 2026	April 30, 2025
Interest accretion expense – lease obligations	\$ (143)	\$ (82)
Foreign exchange loss	(386)	(304)
Interest income on short-term investments	365	569
Interest income - other	99	72
	\$ (65)	\$ 255

For the year ended April 30, 2026, \$115 of the interest expense was non-cash interest accretion on lease obligations (2025 - \$nil).

18. Other commitments:

As at April 30, 2026, with the exception of the leases recognized under IFRS 16 as lease liabilities, the Company had other commitments which include operating leases with terms of less than 12 months and commitments under service contracts including public cloud infrastructure costs. The minimum payments are as follows:

	Payments due by period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	After 5 years
Other contractual obligations	\$ 51,056	\$ 17,315	\$ 29,214	\$ 4,527	\$ -

19. Related party transactions:

Key management includes Board of Directors (executive and non-executive) and members of the Executive Committee that report directly to the President and Chief Executive Officer of the Company.

As at April 30, 2026, key management and their spouses control 15.6% (April 30, 2025 – 16.8%) of the issued common shares of the Company.

Tecsys Inc.

Notes to the Consolidated Financial Statements

For the years ended April 30, 2026 and 2025

(in thousands of Canadian dollars, except per share data)

19. Related party transactions (continued):

The compensation paid or payable to key management is as follows:

	For the year ended	
	April 30, 2026	April 30, 2025
Salaries, bonus and other benefits	\$ 7,230	\$ 6,156
Stock-based compensation expense	2,244	2,157
	\$ 9,474	\$ 8,313

The Company has a share purchase plan for key management and other management employees under which they may receive interest-free loans to facilitate the purchase of common shares. During fiscal 2026, the Company provided interest-free loans to key management and other management employees of \$674 (2025 - \$454). As of April 30, 2026, loans outstanding amounted to \$19 (2025 - \$35) and are included in other receivables in the Consolidated Statements of Financial Position.

20. Financial instruments and risk management:**(a) Fair value disclosures:**

The Company has determined that the carrying values of its short-term financial assets and liabilities, including cash and cash equivalents, accounts receivable, other receivables, short-term investments and accounts payable and accrued liabilities approximate their fair value because of the relatively short period to maturity of the instruments.

The fair value of derivatives consisting of foreign exchange forward contracts is measured as the difference between the contract's value at maturity based on the rate set out in the contract and its value at maturity based on the rate the counterparty would use if it were to renegotiate the same contract at the measurement date under the same conditions.

The fair value of financial assets, financial liabilities and derivative financial instruments were measured using the Level 2 inputs in the fair value hierarchy as at April 30, 2026 and 2025.

The forward foreign exchange contracts in a hedging relationship designated as cash flow hedges qualified for hedge accounting. The forward foreign exchange contracts outstanding as at April 30, 2026 and April 30, 2025 consisted of contracts to reduce the exposure to fluctuations in the U.S. dollar. For fiscal 2026 and 2025, the derivatives designated as cash flow hedges were considered to be fully effective and no ineffectiveness has been recognized in other (costs) income.

(b) Risk management:

The Company is exposed to the following risks as a result of holding financial instruments: currency risk, credit risk, liquidity risk, interest rate risk and market price risk.

Tecsys Inc.

Notes to the Consolidated Financial Statements

For the years ended April 30, 2026 and 2025

(in thousands of Canadian dollars, except per share data)

20. Financial instruments and risk management (continued):

(b) Risk management (continued):

Currency risk

The Company is exposed to currency risk as a certain portion of the Company's revenues and expenses are incurred in U.S. dollars resulting in U.S. dollar-denominated accounts receivable and accounts payable and accrued liabilities. In addition, certain of the Company's cash and cash equivalents are denominated in U.S. dollars. These balances are therefore subject to gains or losses due to fluctuations in that currency. The Company may enter into foreign exchange contracts in order to (a) offset the impact of the fluctuation of the U.S. dollar on its U.S. net monetary assets and (b) hedge highly probable future revenue denominated in U.S. dollars. The Company uses derivative financial instruments only for risk management purposes, not for generating trading profits. As such, any change in cash flows associated with derivative instruments is expected to be offset by changes in cash flows related to the net monetary position in the foreign currency and the recognition of highly probable future U.S. denominated revenue.

Derivative instruments-forward foreign exchange contracts

The following table presents derivative instruments as of April 30, 2026:

	Number of contracts	To sell	Contracts average exchange rate	Unrealized gain presented in		Unrealized loss presented in	
				Other receivables	Other long-term receivables and assets	Accounts payable and accrued liabilities	Other long-term accrued liabilities
April 30, 2026	71	US\$ 125,000	CA\$ 1.3630	CA\$ 774	CA \$1,874	CA\$ 26	CA\$ -
April 30, 2025	71	US\$ 119,000	CA\$ 1.3592	CA\$ 211	CA \$ 759	CA\$ 698	CA \$33

Of the US\$125,000 open contracts to sell US Dollars on April 30, 2026, US\$113,000 relate to cash flow hedges and US\$12,000 relate to contracts no longer designated as cash flow hedges (on April 30, 2025: US\$107,000 and US\$12,000, respectively).

Outstanding Contracts related to highly probable future revenue	Notional amount	
As of April 30, 2026 – Related to highly probable future revenue	US\$	113,000
In the 12-month period through April 2027	US\$	56,000
In the 12-month period through April 2028	US\$	57,000
As of April 30, 2025 – Related to highly probable future revenue	US\$	107,000
In the 12-month period through April 2026	US\$	51,000
In the 12-month period through April 2027	US\$	56,000

Tecsys Inc.

Notes to the Consolidated Financial Statements
For the years ended April 30, 2026 and 2025
(in thousands of Canadian dollars, except per share data)

20. Financial instruments and risk management (continued):

(b) Risk management (continued):

Currency risk (continued)

The following table represents the movement in accumulated other comprehensive income since the designation of hedging derivative instruments:

	2026	2025
Accumulated other comprehensive income (loss) on cash flow hedges as at the beginning of period	\$ 648	\$ (1,293)
Changes in fair value on derivatives designated as cash flow hedges, net of tax	331	(658)
Amounts reclassified from accumulated other comprehensive income to net earnings and included in revenue	938	2,599
Accumulated other comprehensive income from cash flow hedges	\$ 1,917	\$ 648
Accumulated other comprehensive income - translation adjustment from foreign operations at the end of period	697	586
Total accumulated other comprehensive income as at the end of period	\$ 2,614	\$ 1,234

As at April 30, 2026, the accumulated other comprehensive income from cash flow hedges of \$1,917 (2025 - \$648 income) presented in accumulated other comprehensive income is expected to be classified to net profit within the next twenty-four months.

Foreign currency exposure

The following table (in thousands of local currency) provides an indication of the Company's significant foreign exchange currency exposures excluding designated hedge derivatives related to highly probable future revenue as at April 30, 2026 and 2025.

	2026				2025		
	US\$	£	€	INR	US\$	£	€
Cash and cash equivalents	12,568	23	43	10,075	9,272	150	51
Accounts receivable	20,328	169	1,031	-	18,760	33	579
Other receivables	14	-	-	-	25	-	-
Accounts payable and accrued liabilities	(4,526)	(175)	(634)	(25,081)	(6,001)	(153)	(376)
Derivative financial instruments – notional amount	(12,000)	-	-	-	(12,000)	-	-
	16,384	17	440	(15,006)	10,056	30	254

Tecsys Inc.

Notes to the Consolidated Financial Statements

For the years ended April 30, 2026 and 2025

(in thousands of Canadian dollars, except per share data)

20. Financial instruments and risk management (continued):

(b) Risk management (continued):

Currency risk (continued)

The following exchange rates were applied during the years ended April 30, 2026 and 2025:

	2026		2025	
	Average rate	Reporting date rate	Average rate	Reporting date rate
CA\$ per US\$	1.3801	1.3582	1.3941	1.3834
CA\$ per £	1.8533	1.8476	1.7857	1.8549
CA\$ per €	1.6053	1.5963	1.5019	1.5750
CA\$ per INR	0.0155	0.0143	-	-

Based on the Company's foreign currency exposures noted above, varying the above foreign currency reporting date exchange rates to reflect a 5% appreciation would have had the following impact on profit before income taxes (in thousands of Canadian dollars), assuming all other variables remained constant.

	2026				2025		
	US\$	£	€	INR	US\$	£	€
Increase (decrease) in profit before income taxes	1,113	2	35	(11)	696	3	20

A 5% depreciation of these currencies would have an equal but opposite effect on the profit, assuming all other variables remained constant.

Credit risk

Credit risk is the risk associated with incurring a financial loss when the other party fails to discharge an obligation.

Financial instruments which potentially subject the Company to credit risk consist principally of cash and cash equivalents, short-term investments, other receivables and accounts receivable. The Company's cash and cash equivalents are maintained at major financial institutions. The Company manages its credit risk on investments by dealing only with major Canadian banks and investing only in instruments that management believes have high credit ratings. Given these high credit ratings, the Company does not expect any counterparties to these investments to fail to meet their obligations.

Generally, credit risk is not concentrated due to the diversified customer base and established credit risk management practices. As at April 30, 2026, one customer accounted for more than 10% of gross accounts receivable and work in progress (2025 – none). That customer paid substantially all of its outstanding accounts receivable subsequent to year end. The Company performs ongoing credit reviews of its customers and establishes an allowance for expected credit losses when accounts are determined to be uncollectible. Customers do not provide collateral in exchange for credit.

Tecsys Inc.

Notes to the Consolidated Financial Statements

For the years ended April 30, 2026 and 2025

(in thousands of Canadian dollars, except per share data)

20. Financial instruments and risk management (continued):

(b) Risk management (continued):

Credit risk (continued)

The Company maintains an allowance for expected credit losses at an amount estimated to be sufficient to provide adequate protection against losses resulting from collecting less than full payment on its receivables. Individual overdue accounts are reviewed, and allowance adjustments are recorded when determined necessary to state receivables at the realizable value. If the financial condition of customers deteriorates resulting in their diminished ability or willingness to make payment, additional allowance for expected credit losses are recorded. The Company's maximum credit risk exposure corresponds to the carrying amounts of the trade accounts receivable.

	2026	2025
Not past due	\$ 18,727	\$ 16,745
Past due 1-180 days	10,136	7,525
Past due over 180 days	281	598
Allowance for expected credit losses	(719)	(925)
	\$ 28,425	\$ 23,943

Allowance for expected credit losses:	2026	2025
Balance at beginning	\$ 925	\$ 959
Amounts written off during the year	(193)	(116)
Impairment losses (reversals) recognized	(13)	82
Balance	\$ 719	\$ 925

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in the capital disclosure discussion in note 21 below. It also manages liquidity risk by monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business.

The Company's accounts payable and accrued liabilities are expected to be settled within 12 months of the reporting date (2025 – within 12 months). Other long-term liabilities were \$nil as of April 30, 2026 (April 30, 2025 – \$33, consisting of unrealized losses on foreign exchange contracts expected to be settled in 1-3 years).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to financial instruments with interest rate risk is not significant.

Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk comprises three types of risk: currency risk, interest rate risk and other price risk. Other price risk includes fluctuations in value caused by factors specific to the financial instrument or its issuer or factors affecting all similar instruments traded in the market. The Company's exposure to financial instruments with market risk characteristics is not significant.

Tecsys Inc.

Notes to the Consolidated Financial Statements

For the years ended April 30, 2026 and 2025

(in thousands of Canadian dollars, except per share data)

21. Capital disclosure:

The Company defines capital as equity, net of cash and short-term investments. The Company's objectives in its management of capital are to safeguard its ability to continue funding its operations as a going concern, ensuring sufficient liquidity to finance its operations, working capital, capital expenditures, organic growth, potential future acquisitions, and to provide returns to shareholders through its dividend policy. The capital management objectives remain the same as for the previous fiscal year.

Its capital management policies may also include promoting shareholder value through the concentration of its shareholdings by means of purchasing its own shares for cancellation through normal course issuer bids when the Company considers it advisable to do so. As mentioned in Note 12, the Company has repurchased and cancelled 423,814 of its outstanding common shares in fiscal 2026 (2025 -172,200).

In order to maintain or adjust its capital structure, the Company may, upon approval from its Board of Directors, issue shares, repurchase shares for cancellation and adjust the amount of dividends to shareholders.

22. Operating segment:

The Company has determined that it has one operating segment: the development, marketing and sale of enterprise-wide supply chain management software and related services. The Company's Chief Executive Officer ("CEO") has been identified as the chief operating decision maker. The CEO evaluates the performance of the Company and allocates resources at the consolidated level.

Substantially all of the Company's non-current assets are located in Canada and Denmark. As at April 30, 2026, non-current assets located in Canada were \$45,894 (2025 - \$38,252) and those located in Denmark were \$12,141 (2025 - \$12,167).

The following is a summary of revenue by geographic location in which the Company's customers are located:

	For the year ended	
	April 30, 2026	April 30, 2025
United States	\$ 143,142	\$ 126,274
Canada	31,219	32,836
Europe	17,174	15,641
Other	1,607	1,703
	\$ 193,142	\$ 176,454

23. Restructuring costs:

The Company implemented a workforce reduction in February 2026 following a review of its operations and capabilities to ensure alignment with its strategic direction. The restructuring plan was communicated to employees in February 2026 and resulted in severance costs of \$4,652.

24. Subsequent event:

On June 29, 2026, the Company's Board of Directors declared a quarterly dividend of \$0.09 per share to be paid on August 4, 2026 to shareholders of record on July 10, 2026.

General information

Common share information

Principal market

The Company's common shares were first listed on the Toronto Stock Exchange (TSX) on July 27, 1998. The stock symbol of the Company's common shares is TCS. The following table sets forth the high and low prices, as well as the trading volume for the common shares for the fiscal period shown below.

Fiscal Year 2026: May 1, 2025 to April 30, 2026

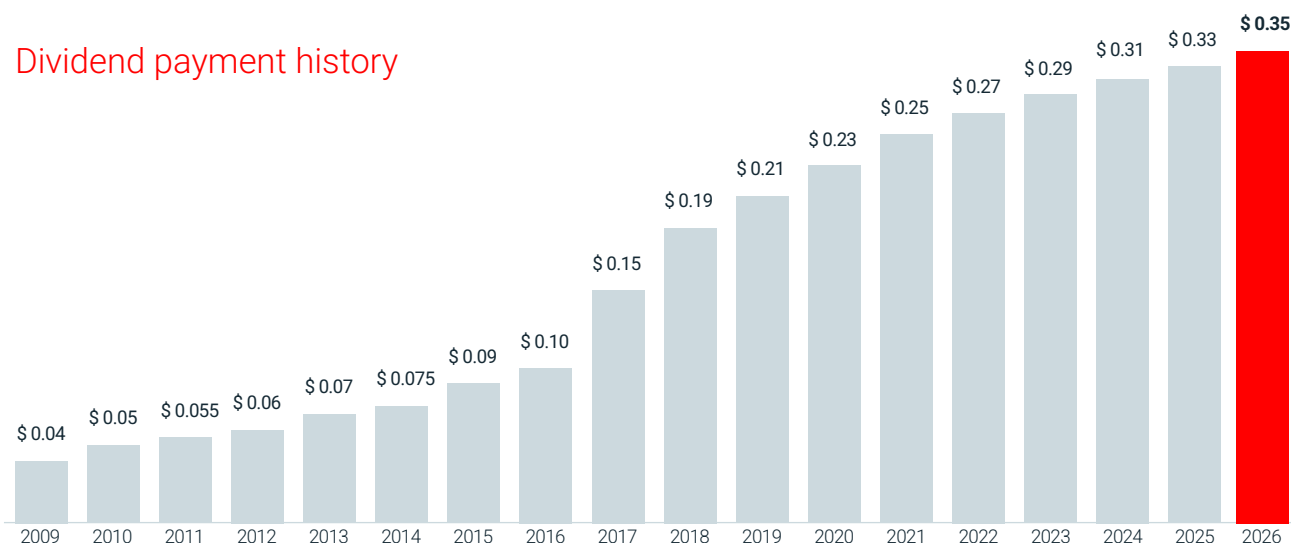
	High	Low	Volume TSX
First Quarter	\$ 44.86	\$ 35.60	591,284
Second Quarter	\$ 39.51	\$ 32.85	1,925,887
Third Quarter	\$ 36.89	\$ 26.01	2,139,623
Fourth Quarter	\$ 36.23	\$ 22.51	1,619,843
			6,276,637

Dividend policy

The Company maintains a quarterly dividend policy. The declaration and payment of dividends is at the discretion of the Board of Directors, which will consider earnings, capital requirements, financial conditions and other such factors as the Board of Directors, in its sole discretion, deems relevant.

On June 29, 2026, the Company's Board of Directors declared a quarterly dividend of \$0.09 per share to be paid on August 4, 2026 to shareholders of record on July 10, 2026.

Dividend payment history



Investor inquiries

In addition to its Annual Report, the Company files an Annual Information Form (AIF), as well as a Management Proxy Circular with the Canadian Securities Commissions which are available on Tecsyst's website (www.tecsys.com) and on SEDAR+ (www.sedarplus.ca). For further information or to obtain additional copies of any of the above-mentioned documents, please contact:

Investor relations

Tecsyst Inc.
1801 McGill College Avenue,
Suite 1200,
Montréal, QC H3A 2N4
Canada

Tel: (800) 922-8649
(514) 866-0001
Fax: (450) 688-3288

investors@tecsys.com
www.tecsys.com

Directors and executive management

Board of directors

David Brereton
Chairman of the Board
Tecsys Inc.

Peter Brereton
President and CEO
Tecsys Inc.

Andrew Kirkwood ^{(2) (3)}
Strategic Advisor
AEK Ventures Ltd

David Booth ^{(1) (3)}
Corporate Director

Kathleen Miller ^{(1) (3)}
Corporate Director

Sripriya Thinagar ^{(1) (2)}
CEO
ManoloAI LLC

Stephany Verstraete ^{(1) (2)}
Chief Marketing Officer
Xometry

Vernon Lobo ^{(2) (3) (4)}
Managing Director
Mosaic Venture Partners Inc.

Executive management

David Brereton
Chairman of the Board

Peter Brereton
President and CEO

Mark Bentler
Chief Financial Officer

Bill King
Chief Revenue Officer

Vito Calabretta
Chief Customer Officer

Shannon Karl
Chief Marketing Officer

Martin Schryburt
Chief Product and Technology Officer

Nancy Cloutier
Chief Human Resources Officer

Charles Kierpiec
Chief Legal Officer

Rex Ahlstrom
Chief Strategy Officer

⁽¹⁾ Member of the Audit Committee

⁽²⁾ Member of the Compensation Committee

⁽³⁾ Member of the Corporate Governance and Nominating Committee

⁽⁴⁾ Lead Independent Director

Corporate information

North America

Corporate Headquarters

Tecsys Inc.
1801 McGill College Avenue,
Suite 1200
Montréal, QC H3A 2N4
Canada
Tel: (800) 922-8649
(514) 866-0001
Fax: (450) 688-3288

Tecsys U.S., Inc.
231 South LaSalle Street
Suite 2100
Chicago, IL 60604
USA
Tel: (800) 922-8649

Tecsys Inc.
120 East Beaver Creek Rd.
Suite 200
Richmond Hill, Ontario L4B 4V1
Canada
Tel: (800) 922-8649

Tecsys Inc.
820 St-Martin Blvd. West
Laval, Quebec H7M 0A7
Canada
Tel: (450) 628-8800
Fax: (450) 688-3288

Europe

Tecsys A/S
Stationsparken 25
2600 Glostrup
Denmark
Tel: +45 43 43 29 29

Asia-Pacific

Tecsys Supply Chain Software
Private Limited
BMTC Complex, Old Madiwala,
Kuvempu Nagar, Stage 2, BTM
Layout, Bengaluru, Karnataka 560068

Investor inquiries

Tecsys Inc.
Investor Relations
1801 McGill College Avenue,
Suite 1200
Montréal, QC H3A 2N4
Canada
Tel: (800) 922-8649
(514) 866-0001
Fax: (450) 688-3288
investors@tecsys.com
www.tecsys.com

Subsidiaries

Tecsys U.S., Inc.
Tecsys Europe Limited
Tecsys A/S
Tecsys Denmark Holding ApS
LOGI D HOLDING INC.
LOGI D INC.
LOGI D CORP.
Tecsys Supply Chain Software
Private Limited

Auditors

KPMG LLP
Montreal, Quebec, Canada

Bankers

National Bank of Canada
Montreal, Quebec, Canada

Legal counsel

McCarthy Tétrault LLP
Montreal, Quebec, Canada

Transfer agent and registrar

Computershare Investor Services Inc.
320 Bay Street, 14th Floor
Toronto, Ontario
M5H 4A6
Canada
Tel: (416) 263-9200
(800) 564-6253
Fax: (800) 453-0330
service@computershare.com



Tecsys Inc.
1801 McGill College Avenue
Suite 1200
Montreal, Quebec H3A 2N4
Canada

Tel: (800) 922-8649
(514) 866-0001
Fax: (450) 688-3288

www.tecsys.com

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