tecsys

The modern heartbeat of supply chains

1st Quarter Fiscal 2027 Report

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

This Management Discussion and Analysis ("MD&A") dated September 10, 2026, comments on our operations, financial performance and financial condition as at and for the three-month periods ended July 31, 2026 and July 31, 2025 and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Tecsys Inc. ("Tecsys", the "Company") and Notes thereto and the annual report for the year ended April 30, 2026. The Company's first quarter of fiscal year 2027 ended on July 31, 2026.

The Company prepares its Financial Statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The 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 Financial Statements were authorized for issue by the Board of Directors on September 10, 2026. Additional information about Tecsys Inc., 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" in the Company's annual report for the year ended April 30, 2026.

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 and continues to invest in expanding its global footprint.

Customers face evolving government initiatives, trade dynamics and compliance expectations that require greater visibility, control and adaptability. Tecsys' solutions help organizations navigate these shifts by strengthening data integrity, improving traceability and embedding compliance directly into operational workflows.

In healthcare, Tecsys serves health systems, integrated delivery networks, hospitals, pharmaceutical distributors, medical distributors and life sciences manufacturers, bringing greater visibility, traceability and control to inventory and workflows across hospitals and care networks. In distribution, Tecsys serves manufacturers, third-party logistics providers, heavy equipment parts distributors, industrial distributors and other organizations operating complex, high-volume supply chains, helping them connect inventory and operations across networks shaped by tighter margins, rising service expectations and ongoing disruption.

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, comprised primarily of third-party hardware products.

The revenue mix for the three months ended July 31, 2026 and 2025 is as follows:

	Three Months Ended July 31,	
Revenue Mix %	**2026**	**2025**
SaaS	45%	42%
Maintenance and support	15%	17%
Professional services	32%	35%
License	0%	0%
Hardware	8%	6%

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.

SaaS Annual Recurring Revenue ("SaaS 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. Elite™ SaaS refers to our core product and the predominant contributor to total SaaS ARR and total SaaS revenue.

SaaS Remaining Performance Obligation ("SaaS RPO")

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.

Professional Services Backlog

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.

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.

The following table presents a summary of the KPIs:

(in thousands of CAD)	July 31, 2026	April 30, 2026	April 30, 2025	Q1 FY27 LTM Change %	Q1 FY27 LTM Constant Currency Change %
SaaS ARR	$ 93,744	$ 86,770	$ 76,515	18%	17%
Elite™ SaaS ARR	89,636	82,128	69,243	24%	22%
SaaS RPO	259,154	243,009	216,657	14%	13%
Professional Services Backlog	27,338	31,906	48,949	-37%	-38%

At July 31, 2026, the Company's total SaaS ARR reached $93.7 million. Elite™ SaaS ARR grew by 24% year-over-year, representing 22% growth on a constant currency basis.

Total SaaS ARR increased by $7.0 million sequentially in Q1 Fiscal 2027, driven by record Elite™ SaaS bookings for a first quarter and a favorable foreign exchange impact of $2.4 million, partially offset by attrition, which was proportionately higher within the non-Elite™ SaaS platform.

Momentum from cumulative Elite™ SaaS bookings and renewals continues to translate into growth in SaaS RPO which was up 13% on a constant currency basis compared to Q1 Fiscal 2026.

Professional Services backlog totaled $27.3 million as at the end of Q1 Fiscal 2027, representing a 38% year-over-year decline on a constant currency basis. Despite continued strength in pipeline activity, the lower professional services backlog level at quarter-end is expected to have a near-term impact on revenue conversion, resulting in a slight sequential decline in professional services revenue in Q2 Fiscal 2027. It is also important to note that it is not uncommon for professional services bookings to follow SaaS bookings with a timing lag; as a result, the strong SaaS bookings recorded in Q1 Fiscal 2027 may not translate into professional services demand until Q2 Fiscal 2027 and subsequent periods as customers advance through deployment planning and execution.

Results of Operations

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

	Three Months Ended July 31,	
(in thousands of CAD, except earnings per share)	**2026**	**2025**
Statement of Operations		
Revenue	$ 50,048	$ 45,960
Cost of revenue	23,505	22,392
Gross profit	26,543	23,568
Operating expenses	22,379	22,205
Profit from operations	4,164	1,363
Other income	726	24
Profit before income taxes	$ 4,890	$ 1,387
Income tax expense	1,793	625
Net profit	$ 3,097	$ 762
Adjusted EBITDA[1]	$ 6,858	$ 3,214
Basic and diluted earnings per share	$ 0.21	$ 0.05

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

[1] Refer to section ''Non-IFRS Performance Measures'' for definition.

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.

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

	Three Months Ended July 31,	
(in thousands of CAD)	**2026**	**2025**
Net profit for the period	$ 3,097	$ 762
Adjustments for:		
Depreciation of property and equipment and right-of-use assets	371	329
Amortization of deferred development costs	346	281
Amortization of other intangible assets	525	543
Interest expense	62	11
Interest income	(186)	(121)
Income taxes	1,793	625
EBITDA	$ 6,008	$ 2,430
Adjustments for:		
Stock-based compensation	850	784
Adjusted EBITDA[2]	$ 6,858	$ 3,214

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

	Three Months Ended July 31,		
(in thousands of CAD)	**2026**	**2025**	**Change %**
SaaS	$ 22,652	$ 19,139	18%
Maintenance and support	7,386	7,857	-6%
Professional services	16,099	16,039	0%
License	108	89	21%
Hardware	3,803	2,836	34%
Total Revenue	$ 50,048	$ 45,960	9%

Total revenue for the three months ended July 31, 2026, was $50.0 million, an increase of $4.1 million compared to the same period last year.

On a constant currency basis, total revenue for the three months ended July 31, 2026 grew by approximately 8% year-over-year.

In Q1 Fiscal 2027, total revenue excluding hardware increased by 7% year-over-year (6% on a constant currency basis).

In Q1 Fiscal 2027, 74% of the Company's revenues were generated in U.S. dollars (72% in Q1 Fiscal 2026). The U.S. dollar averaged CA$1.3957 compared to CA$1.3743 last year. The increase in value of the U.S. dollar, combined with

[2] Refer to section "Non-IFRS Performance Measures" for definition.

partial hedging of U.S revenue (cash flow hedges), resulted in a net favorable foreign currency related revenue variance of $0.4 million compared to Q1 Fiscal 2026.

SaaS revenue

SaaS revenue in the first quarter of Fiscal 2027 was $22.7 million, up $3.5 million compared to the first quarter of Fiscal 2026. On a constant currency basis, SaaS revenue in the first quarter of Fiscal 2027 increased by approximately 17% compared to the same period in Fiscal 2026. Elite™ SaaS[3] revenue increased by 24% in the first quarter of Fiscal 2027 compared to the same period last year (23% on a constant currency basis).

Maintenance and support revenue

Maintenance and support revenue for the three months ended July 31, 2026 was $7.4 million, down $0.5 million compared to the same period in Fiscal 2026.

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 July 31, 2026 was $16.1 million, up $0.1 million compared to the same period in Fiscal 2026. During the three months ended July 31, 2026, reimbursable travel revenue was $0.8 million, up by $0.5 million compared to the same quarter last year.

On a constant currency basis, professional services revenue in the first quarter of Fiscal 2027 decreased by approximately 1% compared to the same period in Fiscal 2026.

License revenue

In the first quarter of Fiscal 2027, license revenue was $0.1 million, relatively flat compared to the same period in Fiscal 2026.

Hardware revenue

Hardware revenue for the three months ended July 31, 2026, was $3.8 million, up $1.0 million compared to the same period last year. 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.

[3] Refer to section "Key Performance Indicators" for definition.

Cost of Revenue and Gross Profit

(in thousands of CAD)	Three Months Ended July 31, 2026	2025	Change %
Cost of revenue:			
SaaS, maintenance, support and professional services	$ 20,478	$ 20,182	1%
License and hardware	3,027	2,210	37%
Total cost of revenue	**23,505**	**22,392**	**5%**
Gross profit & gross profit margin:			
SaaS, maintenance, support and professional services gross profit	$ 25,659	$ 22,853	12%
Gross profit margin	56%	53%	
License and hardware gross profit	$ 884	$ 715	24%
Gross profit margin	23%	24%	
Total gross profit	**$ 26,543**	**$ 23,568**	**13%**
Total gross profit margin	**53%**	**51%**	

Total cost of revenue for the first quarter of Fiscal 2027 was $23.5 million, up $1.1 million compared to the same period in Fiscal 2026. The increase was primarily driven by higher license and hardware costs.

For the first quarter of Fiscal 2027, cost of revenue for SaaS, maintenance, support and professional services increased to $20.5 million, compared to $20.2 million in the same period of Fiscal 2026. Lower personnel-related costs primarily resulting from the restructuring initiative in the prior quarter (refer to the Operating Expenses section of the Q4 Fiscal 2026 MD&A) were more than offset by higher reimbursable travel costs related to professional services delivery, higher public cloud infrastructure costs and higher amortization of deferred development costs.

For the first quarter of Fiscal 2027, the cost of SaaS, maintenance, support and professional services included tax credits of $0.4 million, compared to $0.5 million for the same period in Fiscal 2026.

In the first quarter of Fiscal 2027, gross profit was $26.5 million, up $3.0 million compared to the same period in Fiscal 2026. The increase in gross profit was primarily driven by higher SaaS gross profit contribution.

Total gross profit margin was 53% for the three-month period ended July 31, 2026, compared to 51% for the same period in Fiscal 2026. SaaS margin expansion was the key driver of increased gross profit margin in the first quarter of Fiscal 2027.

License and hardware gross profit margin for the three months ended July 31, 2026 was 23% compared to 24% for the same period in Fiscal 2026. The decrease in gross profit margin was due to a higher mix of lower-margin hardware revenue.

Operating Expenses

(in thousands of CAD)		Three Months Ended July 31, 2026		2025	Change %
Sales and marketing expenses	$	10,153	$	10,316	-2%
As a percentage of Total Revenue		20%		22%	
General and administration expenses		3,524		3,385	4%
As a percentage of Total Revenue		7%		7%	
Research and development expenses, net of tax credits		8,702		8,504	2%
As a percentage of Total Revenue		17%		19%	
Total operating expenses	**$**	**22,379**	**$**	**22,205**	**1%**
As a percentage of Total Revenue		**45%**		**48%**	

Total operating expenses for the three months ended July 31, 2026 were $22.4 million, an increase of $0.2 million compared to the same period in Fiscal 2026. During the three months ended July 31, 2026, foreign exchange had an unfavorable impact on expenses of $0.2 million when compared to the same period in Fiscal 2026.

Sales and marketing expenses

Sales and marketing expenses for the three months ended July 31, 2026 were $10.2 million, a decrease of $0.2 million compared to the same period in Fiscal 2026. The decrease is mainly attributed to lower personnel-related costs (refer to Restructuring costs section of the Q4 Fiscal 2026 MD&A), partially offset by higher marketing program costs.

General and administrative expenses

General and administrative expenses for the first quarter of Fiscal 2027 were $3.5 million, an increase of $0.1 million compared to the same period in Fiscal 2026. The increase was mainly attributed to higher professional fees and personnel-related costs.

Net R&D expenses

Net R&D expenses for the three months ended July 31, 2026 were $8.7 million, an increase of $0.2 million compared to the same period last year. The increase was primarily due to higher costs incurred to support our efforts to achieve Federal Risk and Authorization Management Program ("FedRAMP") certification and higher other R&D costs, partially offset by the impact of the Q4 Fiscal 2026 restructuring initiative as noted above and lower amortization of deferred development costs.

For the three months ended July 31, 2026 and 2025, the Company deferred development costs, net of tax credits, of $0.5 million. In the first quarter of Fiscal 2027, the Company amortized deferred development costs of $0.1 million compared to $0.3 million in the same period last year.

In the first quarter of Fiscal 2027, the Company recorded R&D tax credits and e-business tax credits of $0.8 million compared to $0.9 million for the same period in Fiscal 2026.

Other Income and Income Tax Expense

(in thousands of CAD)	Three Months Ended July 31, 2026	2025
Other income	$ 726	$ 24
Income tax expense	1,793	625
Income tax expense as a percentage of profit before income taxes	37%	45%

Other income for the three months ended July 31, 2026 consisted primarily of foreign exchange gain, interest income on short-term investments and interest on lease obligations.

Income tax expense for the three months ended July 31, 2026 increased by $1.2 million compared to the same period last year. The increase in income tax expense is primarily due to higher pre-tax profits in the current period.

Net Profit

(in thousands of CAD, except earnings per share)	Three Months Ended July 31, 2026	2025	Change %
Net profit	$ 3,097	$ 762	306%
Adjusted EBITDA[4]	$ 6,858	$ 3,214	113%
Basic and diluted earnings per share	$ 0.21	$ 0.05	320%

Net profit, Adjusted EBITDA and earnings per share for the first quarter of Fiscal 2027 benefited from higher SaaS contributions, partially offset by increased operating expenses. Net profit and earnings per share were affected by higher income tax expense in the current period. In Q1 Fiscal 2027, foreign exchange had a favorable impact of $0.9 million on net profit, Adjusted EBITDA and earnings per share compared to the same period last year.

Quarterly Selected Financial Data

The following table summarizes selected results for the eight most recently completed quarters to July 31, 2026:

	FY 2027	FY 2026				FY 2025		
(in thousands of CAD, except earnings per share)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
SaaS revenue	$ 22,652	$ 21,488	$ 20,131	$ 19,654	$ 19,139	$ 18,375	$ 17,252	$ 16,130
Total revenue	50,048	50,045	48,496	48,641	45,960	46,555	45,181	42,442
Net profit (loss)	3,097	(224)	1,734	1,766	762	1,710	1,193	758
Adjusted net profit	3,097	3,195	1,734	1,766	762	1,710	1,193	758
Comprehensive income (loss)	451	(237)	4,822	821	12	9,858	(4,085)	410
Adjusted EBITDA[4]	6,858	6,731	5,046	5,040	3,214	4,305	3,535	2,942
Basic earnings (loss) per share	$ 0.21	$ (0.02)	$ 0.12	$ 0.12	$ 0.05	$ 0.12	$ 0.08	$ 0.05
Diluted earnings (loss) per share	$ 0.21	$ (0.02)	$ 0.12	$ 0.12	$ 0.05	$ 0.11	$ 0.08	$ 0.05
Adjusted diluted earnings per share	$ 0.21	$ 0.21	$ 0.12	$ 0.12	$ 0.05	$ 0.11	$ 0.08	$ 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 profit (loss) in Q4

[4] Refer to section "Non-IFRS Performance Measures" for definition.

Fiscal 2026 was negatively impacted by restructuring costs. Comprehensive income (loss) is impacted by foreign exchange movements resulting from cash flow hedging and cumulative translation adjustments from foreign operations.

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. See Supplemental Information below for a reconciliation of Adjusted net profit to the most directly comparable IFRS measure.

Liquidity and Capital Resources

(in thousands of CAD)		**July 31, 2026**		**April 30, 2026**
Current assets	$	82,713	$	84,786
Current liabilities	$	73,717	$	75,772

On July 31, 2026, current assets totaled $82.7 million, down $2.1 million, compared to $84.8 million at the end of Fiscal 2026. The decrease is primarily due to lower accounts receivable and work in progress, partially offset by higher cash and cash equivalents (as further described below).

Current liabilities on July 31, 2026, totaled $73.7 million, down $2.1 million, compared to $75.8 million at the end of Fiscal 2026. The decrease is primarily due to lower deferred revenue, partially offset by higher accounts payable and accrued liabilities.

(in thousands of CAD)		**July 31, 2026**		**April 30, 2026**
Cash and cash equivalents	$	22,827	$	19,133
Short-term investments		12,164		12,077
	$	34,991	$	31,210

Cash and cash equivalents combined with short-term investments increased by $3.8 million to $35.0 million compared to $31.2 million at the end of Fiscal 2026. Cash and cash equivalents increased by $3.7 million while short-term investments increased by $0.1 million. The increase in cash and cash equivalents is mainly due to cash inflows from operating activities, partially offset by (1) share repurchases under the Company's Normal Course Issuer Bid, (2) investment in deferred development costs, (3) payment of lease obligations and (4) investment in property and equipment.

Cash inflow (outflow) by activity *(in thousands of CAD)*		**July 31, 2026**		**July 31, 2025**
Operating Activities	$	5,037	$	(4,657)
Financing Activities		(790)		(706)
Investing Activities		(553)		(3,039)
Net cash inflows (outflows)	$	3,694	$	(8,402)

Operating Activities

Operating activities provided $5.0 million of cash in the first quarter of Fiscal 2027 compared to $4.7 million of cash used in the first quarter of Fiscal 2026. The $9.7 million year-over-year increase in cash provided by operating activities was mainly attributable to lower net cash outflows from changes in working capital as well as higher profitability in the first quarter of Fiscal 2027.

In the first quarter of Fiscal 2027, cash from operating activities excluding changes in non-cash working capital items increased by $4.2 million, while changes in non-cash working capital items improved by $5.5 million compared to the first quarter of Fiscal 2026.

Financing Activities

Cash used in financing activities was $0.8 million for the first quarter of Fiscal 2027 in comparison to $0.7 million used in the first quarter of 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 lease obligations.

Investing Activities

In the first quarter of Fiscal 2027, investing activities used funds of $0.6 million compared to $3.0 million of cash used in the first quarter of Fiscal 2026. The decrease in cash outflow is primarily due to lower acquisition of intangible assets and property and equipment.

The Company believes that funds on hand at July 31, 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 to invest in long-term growth.

Related Party Transactions

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. The Company provided interest-free loans of $0.7 million during the three months ended July 31, 2026 ($0.7 million for the same period last year). As of July 31, 2026, loans outstanding amounted to $0.6 million (April 30, 2026 - $19 thousand).

Subsequent Events

On August 4, 2026, the Company paid a dividend of $0.09 per share totaling $1.3 million. On September 10, 2026, the Company's Board of Directors declared a quarterly dividend of $0.09 per share to be paid on October 2, 2026 to shareholders of record on September 22, 2026.

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 capital spending. This uncertainty may impact the Company's revenue.

Based on SaaS ARR of $93.7 million and Professional services backlog of $27.3 million as of July 31, 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 $45.5 million and $46.5 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.

Outstanding Share Data

As at July 31, 2026, the Company had 14,416,937 common shares outstanding. The Company did not issue any common shares on the exercise of stock options in the first quarter of Fiscal 2027 (Fiscal 2026 – 12,615).

In the first quarter of Fiscal 2027, the Company repurchased and cancelled 17,400 of its common shares as part of its ongoing Normal Course Issuer Bid (Fiscal 2026 – 21,300).

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 judgements 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.

There have been no significant changes in the key sources of estimation uncertainty and judgements made in relation to the accounting policies applied to those disclosed in the Company's annual consolidated financial statements for the year ended April 30, 2026.

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 July 31, 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 Financial Statements. The control framework that was designed by the Company's ICFR is 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).

No changes to internal controls over financial reporting have come to management's attention during the three-month period ended on July 31, 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

	FY 2027	FY 2026				FY 2025		
(in thousands of CAD)	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Net profit (loss)	$ 3,097	$ (224)	$ 1,734	$ 1,766	$ 762	$ 1,710	$ 1,193	$ 758
Adjustments for:								
Depreciation of property and equipment and right-of-use assets	371	355	401	332	329	349	376	377
Amortization of deferred development costs	346	245	275	281	281	184	190	198
Amortization of other intangible assets	525	524	528	529	543	320	322	328
Interest expense	62	61	64	7	11	15	18	24
Interest income	(186)	(159)	(86)	(98)	(121)	(111)	(150)	(163)
Income taxes	1,793	571	1,304	1,150	625	1,302	811	427
EBITDA	6,008	1,373	4,220	3,967	2,430	3,769	2,760	1,949
Adjustments for:								
Stock-based compensation	850	706	826	1,073	784	536	775	993
Restructuring costs	-	4,652	-	-	-	-	-	-
Adjusted EBITDA	$ 6,858	$ 6,731	$ 5,046	$ 5,040	$ 3,214	$ 4,305	$ 3,535	$ 2,942

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

	FY 2027	FY 2026				FY 2025		
(in thousands of CAD)	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Net profit (loss)	$ 3,097	$ (224)	$ 1,734	$ 1,766	$ 762	$ 1,710	$ 1,193	$ 758
Adjustments for:								
Restructuring costs	-	4,652	-	-	-	-	-	-
Tax benefit related to restructuring costs	-	(1,233)	-	-	-	-	-	-
Adjusted net profit	$ 3,097	$ 3,195	$ 1,734	$ 1,766	$ 762	$ 1,710	$ 1,193	$ 758

Condensed Interim Consolidated Financial Statements

(Unaudited)

TECSYS INC.

For the three-month periods ended July 31, 2026 and 2025

MANAGEMENT'S COMMENTS ON THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED JULY 31, 2026 and 2025

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's Management.

The Company's independent Auditors, KPMG LLP, have not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's Auditors.

Dated this 10th day of September 2026.

Tecsys Inc.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited)
(in thousands of Canadian dollars)

	Note	July 31, 2026	April 30, 2026
Assets			
Current assets			
Cash and cash equivalents		$ 22,827	$ 19,133
Short-term investments	4	12,164	12,077
Accounts receivable		22,569	28,425
Work in progress		4,546	5,681
Other receivables		695	818
Tax credits		6,947	6,193
Inventory		1,253	1,167
Prepaid expenses and other	5	11,712	11,292
Total current assets		82,713	84,786
Non-current assets			
Other long-term receivables and assets	10	1,077	3,188
Tax credits		7,492	6,978
Property and equipment		4,678	4,824
Right-of-use assets		2,315	2,409
Contract acquisition costs	5	5,815	5,084
Deferred development costs		5,137	4,965
Other intangible assets	3	6,890	7,356
Goodwill		18,002	17,901
Deferred tax assets		6,524	5,516
Total non-current assets		57,930	58,221
Total assets		**$ 140,643**	**$ 143,007**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 23,106	$ 21,191
Deferred revenue		50,119	54,050
Lease obligations		492	531
Total current liabilities		73,717	75,772
Non-current liabilities			
Other long-term accrued liabilities	10	374	-
Deferred tax liabilities		203	200
Lease obligations		4,645	4,759
Total non-current liabilities		5,222	4,959
Total liabilities		$ 78,939	$ 80,731
Equity			
Share capital	6	$ 56,623	$ 56,691
Contributed surplus		343	-
Retained earnings		4,770	2,971
Accumulated other comprehensive (loss) income	10	(32)	2,614
Total equity attributable to the owners of the Company		61,704	62,276
Total liabilities and equity		**$ 140,643**	**$ 143,007**

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Tecsys Inc.

Condensed Interim Consolidated Statements of Income and Comprehensive Income

For the three-month periods ended July 31, 2026 and 2025
(Unaudited)
(in thousands of Canadian dollars, except per share data)

	Note	July 31, 2026	July 31, 2025
Revenue:			
SaaS		$ 22,652	$ 19,139
Maintenance and Support		7,386	7,857
Professional Services		16,099	16,039
License		108	89
Hardware		3,803	2,836
Total revenue		**50,048**	**45,960**
Cost of revenue	8	**23,505**	**22,392**
Gross profit		**26,543**	**23,568**
Operating expenses:			
Sales and marketing		10,153	10,316
General and administration		3,524	3,385
Research and development, net of tax credits		8,702	8,504
Total operating expenses		22,379	22,205
Profit from operations		**4,164**	**1,363**
Other income	9	726	24
Profit before income taxes		4,890	1,387
Income tax expense		1,793	625
Net profit		**$ 3,097**	**$ 762**
Other comprehensive (loss) income:			
Effective portion of changes in fair value on designated cash flow hedges, net of tax	10	(2,780)	(747)
Exchange differences on translation of foreign operations	10	134	(3)
Comprehensive income		**$ 451**	**$ 12**
Basic and diluted earnings per common share	6	**$ 0.21**	**$ 0.05**

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Tecsys Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the three-month periods ended July 31, 2026 and 2025

(Unaudited)

(in thousands of Canadian dollars)

	Note	July 31, 2026	July 31, 2025
Cash flows from operating activities:			
Net profit		$ 3,097	$ 762
Adjustments for:			
Depreciation of property and equipment and right-of-use assets		371	329
Amortization of deferred development costs		346	281
Amortization of other intangible assets		525	543
Interest expense (income) and foreign exchange (gain) loss	9	(726)	(24)
Unrealized foreign exchange and other		1,096	(195)
Non-refundable tax credits		(561)	(516)
Stock-based compensation	6	850	784
Income taxes		1,790	620
Net cash from operating activities excluding changes in non-cash working capital items related to operations		6,788	2,584
Accounts receivable		5,912	2,753
Work in progress		1,143	1,381
Other receivables and assets		(83)	(580)
Tax credits		(707)	(975)
Inventory		(85)	(190)
Prepaid expenses		(539)	606
Contract acquisition costs	5	(604)	264
Accounts payable and accrued liabilities		(2,833)	(5,952)
Deferred revenue		(3,955)	(4,548)
Changes in non-cash working capital items related to operations		(1,751)	(7,241)
Net cash provided by (used in) operating activities		**5,037**	**(4,657)**
Cash flows from financing activities:			
Payment of lease obligations		(153)	(217)
Interest paid	9	(62)	(11)
Issuance of common shares on exercise of stock options		-	350
Shares repurchased and cancelled	6	(575)	(828)
Net cash used in financing activities		**(790)**	**(706)**
Cash flows from investing activities:			
Interest received	9	99	22
Acquisitions of property and equipment		(134)	(568)
Acquisition of intangible assets	3	-	(1,975)
Deferred development costs		(518)	(518)
Net cash used in investing activities		**(553)**	**(3,039)**
Net increase (decrease) in cash and cash equivalents during the period		3,694	(8,402)
Cash and cash equivalents - beginning of period		19,133	27,580
Cash and cash equivalents - end of period		**$ 22,827**	**$ 19,178**

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Tecsys Inc.

Condensed Interim Consolidated Statements of Changes in Equity

For the three-month periods ended July 31, 2026 and 2025

(Unaudited)

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

		Share capital					
	Note	**Number**	**Amount**	**Contributed Surplus**	**Accumulated other comprehensive income (loss)**	**Retained earnings**	**Total**
Balance, May 1, 2026		**14,434,337**	**$ 56,691**	**$ -**	**$ 2,614**	**$ 2,971**	**$ 62,276**
Net profit		-	-	-	-	3,097	3,097
Other comprehensive (loss) income:							
Effective portion of changes in fair value on designated cash flow hedges, net of tax	10	-	-	-	(2,780)	-	(2,780)
Exchange differences on translation of foreign operations	10	-	-	-	134	-	134
Total comprehensive (loss) income		**-**	**-**	**-**	**(2,646)**	**3,097**	**451**
Shares repurchased and cancelled	6	(17,400)	(68)	(507)	-	-	(575)
Stock-based compensation	6	-	-	850	-	-	850
Dividends to equity owners	6	-	-	-	-	(1,298)	(1,298)
Total transactions with owners of the Company		**(17,400)**	**$ (68)**	**$ 343**	**$ -**	**$ (1,298)**	**$ (1,023)**
Balance, July 31, 2026		**14,416,937**	**$ 56,623**	**$ 343**	**$ (32)**	**$ 4,770**	**$ 61,704**
Balance, May 1, 2025		**14,836,120**	**$ 57,573**	**$ 4,755**	**$ 1,234**	**$ 7,700**	**$ 71,262**
Net profit		-	-	-	-	762	762
Other comprehensive (loss) income:							
Effective portion of changes in fair value on designated cash flow hedges, net of tax	10	-	-	-	(747)	-	(747)
Exchange differences on translation of foreign operations	10	-	-	-	(3)	-	(3)
Total comprehensive (loss) income		**-**	**-**	**-**	**(750)**	**762**	**12**
Shares repurchased and cancelled	6	(21,300)	(83)	(745)	-	-	(828)
Stock-based compensation	6	-	-	784	-	-	784
Dividends to equity owners	6	-	-	-	-	(1,261)	(1,261)
Share options exercised	6	12,615	449	(99)	-	-	350
Total transactions with owners of the Company		**(8,685)**	**$ 366**	**$ (60)**	**$ -**	**$ (1,261)**	**$ (955)**
Balance, July 31, 2025		**14,827,435**	**$ 57,939**	**$ 4,695**	**$ 484**	**$ 7,201**	**$ 70,319**

See accompanying notes to the unaudited condensed interim consolidated financial statements.

1. Description of business:

Tecsys Inc. (the "Company") was incorporated under the Canada Business Corporations Act and is headquartered at 1801, McGill College Avenue, Montreal, Canada. 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 unaudited condensed interim consolidated financial statements and the notes thereto have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). They do not include all the information required in the full annual financial statements. Certain information and footnote disclosures normally included in annual financial statements were omitted or condensed where such information is not considered material to the understanding of the Company's interim financial information. As such, they should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended April 30, 2026 ("Fiscal 2026").

The unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on September 10, 2026.

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at April 30, 2026.

(b) Functional and presentation currency:

The unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company. All financial information presented in Canadian dollars has been rounded to the nearest thousand except when otherwise indicated.

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

Refer to the Company's audited annual consolidated financial statements for Fiscal 2026 for a discussion of new standards and interpretations not yet adopted by the Company.

3. 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.

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

4. Short-term investments:

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

		Three Months Ended July 31, 2026		Twelve Months Ended April 30, 2026
Balance, beginning of period	$	12,077	$	11,712
Interest on short-term investments (note 9)		87		365
Balance, end of period	**$**	**12,164**	**$**	**12,077**

5. Contract acquisition costs:

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

		Three Months Ended July 31, 2026		Twelve Months Ended April 30, 2026
Balance, beginning of the period	$	8,192	$	7,934
Additions		1,500		3,522
Amortization		(896)		(3,264)
Balance, end of period	**$**	**8,796**	**$**	**8,192**

Presented as:

		July 31, 2026		April 30, 2026
Current	$	2,981	$	3,108
Non-current	$	5,815	$	5,084

The current portion of contract acquisition costs is included in Prepaid expenses and other in the unaudited condensed interim consolidated statements of financial position. Amortization of contract acquisition costs is recorded in sales and marketing expense.

6. Share capital and Stock option plan:

(a) 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, paid on August 4, 2026 to shareholders of record on July 10, 2026.

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

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

(b) 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:

	Three Months Ended July 31,			
		2026		2025
Net profit, attributable to common shareholders	$	3,097	$	762
Weighted average number of basic common shares		14,423,646		14,834,415
Dilutive impact of stock options		69,387		120,005
Weighted average number of diluted common shares		14,493,033		14,954,420
Basic and diluted earnings per common share	$	0.21	$	0.05

As at July 31, 2026, 679,471 options were excluded from the calculation of weighted average number of diluted common shares as their effect would have been anti-dilutive (391,082 options as at July 31, 2025).

(c) 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 the three months ended July 31, 2026 and 2025 is as follows:

	Number of options		Weighted average exercise price
Outstanding at April 30, 2026	1,050,466	$	34.34
Granted	292,657		35.23
Expired	(131,507)		40.34
Outstanding at July 31, 2026	1,211,616	$	33.90

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

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

(c) Stock option plan (continued):

	Number of options		Weighted average exercise price
Outstanding at April 30, 2025	858,906	$	32.49
Granted	242,245		40.47
Exercised	(12,615)		27.75
Outstanding at July 31, 2025	1,088,536	$	34.32

The following table outlines the outstanding stock options of the Company as at July 31, 2026:

Grant Date	Fair value per option	Remaining contractual life in years	Number of options currently exercisable	Exercise price	Outstanding options
June 29, 2022	$ 12.90	0.91	166,294	$ 34.91	166,294
September 26, 2022	10.80	1.16	3,281	28.55	3,500
March 1, 2023	10.42	1.59	2,438	26.88	3,000
June 29, 2023	9.98	1.92	178,681	25.48	243,061
November 30, 2023	13.68	2.34	3,655	33.52	5,848
June 27, 2024	12.74	2.91	121,109	33.23	243,935
September 5, 2024	15.80	3.10	4,846	42.02	11,076
June 26, 2025	15.71	3.91	60,561	40.47	242,245
June 29, 2026	13.21	4.92	-	35.23	292,657

The issued options vest on a 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.

The fair value of options granted on June 29, 2026 and June 26, 2025 was determined using the Black-Scholes option pricing model with the following assumptions:

		Fiscal 2027 June 29, 2026		Fiscal 2026 June 26, 2025
Exercise share price	$	35.23	$	40.47
Expected option life (years)		5		5
Weighted average expected stock price volatility		41.98%		43.26%
Weighted average dividend yield		0.99%		0.82%
Weighted average risk-free interest rate		3.03%		2.90%

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

(c) Stock option plan (continued):

For the three months ended July 31, 2026, the Company recognized stock-based compensation expense of $850 ($784 for the same period in Fiscal 2026). 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.

(d) Share capital:

On September 18, 2024, the Company announced that the Toronto Stock Exchange ("TSX") approved the renewal of the Company's normal course issuer bid ("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 the three-month period ended July 31, 2026, the Company purchased 17,400 (21,300 for the same period in Fiscal 2026) of its outstanding common shares for cancellation at an average price of $33.07 per share ($38.86 for the same period in Fiscal 2026). The total cost related to purchasing these shares, including other related costs, was $575 ($828 for the same period in Fiscal 2026). The excess of the purchase price over the net book value of these shares of $507 has been charged to contributed surplus ($745 for the same period in Fiscal 2026).

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

7. Remaining performance obligation:

The Company enters into SaaS subscription agreements that are typically multi-year performance obligations with original contract terms of three to five years. The Company enters into maintenance and support contracts 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 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 July 31, 2026 and 2025:

								July 31, 2026		**July 31, 2025**
		Remainder of Fiscal 2027		**Fiscal 2028**		**Fiscal 2029 and thereafter**		**Total**		**Total**
SaaS	$	63,794	$	66,665	$	128,695	$	259,154	$	226,349

8. Cost of revenue:

				Three Months Ended July 31,
		2026		**2025**
SaaS, maintenance, support, and professional services:				
Gross expenses	$	19,702	$	20,243
Depreciation and Amortization		410		186
Reimbursable expenses		781		264
E-business tax credits		(415)		(511)
	$	20,478	$	20,182
License and hardware		3,027		2,210
Cost of revenue	**$**	**23,505**	**$**	**22,392**

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

9. Other income:

	Three Months Ended July 31, 2026	2025
Interest accretion expense - lease obligations	$ (62)	$ (11)
Foreign exchange gain (loss)	602	(86)
Interest income on short-term investments	87	99
Interest income - other	99	22
	$ 726	**$ 24**

10. Financial instruments and risk management:

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, work in progress, 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 July 31, 2026 and 2025:

				Unrealized gain presented in		Unrealized loss presented in	
	Number of contracts	To sell	Contracts average exchange rate	Other receivables	Other long-term receivables and assets	Accounts payable and accrued liabilities	Other long-term accrued liabilities
July 31, 2026	68	US$ 137,000	CA$ 1.3643	CA$ 79	CA$ 252	CA$ 1,630	CA$ 374
July 31, 2025	65	US$ 107,000	CA$ 1.3613	CA$ 140	CA$ 376	CA$ 793	CA$ 160

Of the US$137,000 open contracts to sell U.S. dollars on July 31, 2026, US$123,000 relate to cash flow hedges and US$14,000 relate to contracts no longer designated as cash flow hedges (on July 31, 2025: US$94,000 and US$13,000, respectively).

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

10. Financial instruments and risk management (continued):

Derivative instruments – forward foreign exchange contracts (continued)

Outstanding contracts related to highly probable future revenue		Notional amount
As of July 31, 2026 – Related to highly probable future revenue	US$	123,000
In the 12-month period through July 2027	US$	57,000
In the 15-month period through October 2028	US$	66,000
As of July 31, 2025 – Related to highly probable future revenue	US$	94,000
In the 12-month period through July 2026	US$	52,000
In the 9-month period through April 2027	US$	42,000

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

	Three Months Ended July 31, 2026	2025
Accumulated other comprehensive income on cash flow hedges as at the beginning of period	$ 1,917	$ 648
Changes in fair value on derivatives designated as cash flow hedges, net of tax	(3,290)	(946)
Amounts reclassified from accumulated other comprehensive income to net earnings and included in revenue	510	199
Accumulated other comprehensive loss from cash flow hedges	$ (863)	$ (99)
Accumulated other comprehensive income - translation adjustment from foreign operations at the end of period	831	583
Total accumulated other comprehensive (loss) income as at the end of period	**$ (32)**	**$ 484**

As at July 31, 2026, the accumulated other comprehensive loss from cash flow hedges of $863 (as at July 31, 2025 – accumulated other comprehensive loss of $99) presented in accumulated other comprehensive income is expected to be reclassified to net profit within the next 27 months (as at July 31, 2025 – 21 months).

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

11. Related party transactions:

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

As at July 31, 2026, key management and their spouses control 15.5% (April 30, 2026 – 15.6%) of the issued common shares of the Company.

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

	Three Months Ended July 31, 2026	2025
Salaries, bonus and other benefits	$ 1,991	$ 1,720
Stock-based compensation expense	571	536
	$ 2,562	**$ 2,256**

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 the three months ended July 31, 2026, the Company provided interest-free loans of $699 ($674 for the same period in Fiscal 2026). As at July 31, 2026, loans outstanding amounted to $574 (April 30, 2026 – $19) and are included in other receivables in the unaudited condensed interim consolidated statements of financial position.

12. 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 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 July 31, 2026, non-current assets located in Canada were $45,940 (April 30, 2026 - $45,894) and those located in Denmark were $11,793 (April 30, 2026 - $12,141).

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

	Three Months Ended July 31, 2026	2025
United States	$ 37,150	$ 33,130
Canada	8,695	8,564
Europe	3,820	3,875
Other	383	391
	$ 50,048	**$ 45,960**

13. Subsequent events:

On August 4, 2026, the Company paid a dividend of $0.09 per share totaling $1,298. On September 10, 2026, the Company's Board of Directors declared a quarterly dividend of $0.09 per share to be paid on October 2, 2026 to shareholders of record on September 22, 2026.

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