Investor Presentation Q2 2021

Propelling to New Heights
Safe Harbour

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

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

All names, trademarks, products and services mentioned are registered or unregistered trademarks of their respective owners.
Our story is all about our customers

**Our Purpose:** To empower good companies to be great.

**Our Position:** To clarify uncertainty in the supply chain.

**Our Mission:** To equip supply chain greatness.

**Our Vision:** That good companies have the space to thrive.
Visionary provider of supply chain technology for the world’s most complex supply networks
Global Reach

1,000+ Customers
26% Annual Recurring Revenue YoY Growth*

$113M Revenue*
63% USA
20% Canada
17% ROW (primarily Europe)

$51M Annual Recurring Revenue**

562 Employees**

* Last twelve months, October 31, 2020
** At October 31, 2020
End-to-end Integrated Supply Chain Management Solutions

SUPPLIERS

PARTNERS

CUSTOMERS

ENTERPRISE SYSTEMS

Collaboration

Demand Planning

Procurement & Inventory

Warehouse

Transportation

Financial Management

E-Commerce

Point of Use

3RD Party Billing

ANALYTICS

Healthcare – Distribution – Retail – 3PL
Tecsys Momentum

Total Revenue (in $million)

2017: $68.4
2018: $70.7
2019: $76.4
2020: $104.9

* On November 27, 2020

Rebranding
Acquisitions
New CRO Hired
Partner Ecosystem
Organic Growth

TSX:TSE
$9.00

$37.80*
Key Markets

Converging Complex Distribution

Percentage of Annual Recurring Revenue

- 30%
- 70%

Solutions Built on Experience: Delivering end-to-end solutions with technology & services tailored to key industries.
COVID-19 Exposed Weaknesses in Healthcare Supply Chains

- Standardization across networks
- Extraordinary pressure on supply chain to deliver
- Point of Use Breakdowns
- Volume Fluctuations
- IDNs struggling

Result: Healthcare supply chains need solutions urgently
Opportunity: Tecsys is considered the LEADER in solving these issues for IDNs
Healthcare Market Opportunity
Becoming Dominant in US Health Systems Market – The $600M ARR* Opportunity

Health Systems Market Share

ARR Opportunity: $600m

87%

13%

Base Account Penetration

ARR Opportunity with Current Base: $76m+

20%

80%

300 Target Health Systems
Brand Owner/Retail Convergence Drives Opportunity in Complex Distribution

- Seismic shift happening in retail – amplified by COVID19
- Consumers demand products faster
- Businesses/trading partners expect the same
- Extraordinary pressure on supply chain to deliver

**Result:** Supply Chain Management needs urgent upgrade to handle complexity

**Opportunity:** Tecsys is well positioned to solve these challenges
Distribution Convergence Market Opportunity – $6B

ARR Opportunity
$6B

Total Prospects
12,000

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

$200M-$10B+
Target market revenue range

Canada & the U.S.A.
Partner Ecosystem - Accelerate Growth

Software Alliances
- e.g. Workday, Salesforce, Cerner, OSF Digital, Episerver
  - Synergistic Solutions
  - Market Reach
  - Specific Vertical
  - Market Share
  - Access to a Customer Base

Consultants & SI
- e.g. West Monroe, enVista, Avalon, RiseNow, Sequoia
  - Synergistic Services
  - Aligned Vertical Focus
  - Market Reach
  - Staff Augmentation
  - Strong Local Network
  - Access to a Customer Base

Partner influenced current sales pipeline
2018: 0%
Q2 FY21: 17%
Building Annual Recurring Revenue (ARR*)

30% of ARR is Health Care, 70% is Complex Distribution (3PL, Retail, Distributors)

Amounts in October 31, 2020 constant CAD millions

- 2017: $26.4
- 2018: $26.8
- 2019: $38.3
- 2020: $47.1
- Q2 YTD 2021: $50.9

*Refer to October 31, 2020 Management Discussion and Analysis “Key Performance Indicators”

- 30% of ARR is Healthcare
- 70% of ARR is Complex Distribution
- Q2 YTD 2021 ARR growth, annualized: 16%
Annual Recurring Revenue Net Retention Rate

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>LTM Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Retention Rate</td>
<td>98%</td>
<td>106%</td>
<td>106%</td>
<td>112%</td>
</tr>
</tbody>
</table>

Net Retention = (Existing customer expansion less churn) divided by Beginning period ARR
SaaS Bookings Growing Rapidly, and increasing as a Proportion of Total (License Equivalency Basis)

Amounts in CAD millions

- License
- SaaS

<table>
<thead>
<tr>
<th>Year</th>
<th>License</th>
<th>SaaS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$5.9</td>
<td></td>
<td>$5.9</td>
</tr>
<tr>
<td>2018</td>
<td>$6.7</td>
<td></td>
<td>$6.7</td>
</tr>
<tr>
<td>2019</td>
<td>$8.9</td>
<td></td>
<td>$8.9</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td>$22.2</td>
<td>$22.2</td>
</tr>
</tbody>
</table>

147% YoY growth
77% SaaS bookings
23% License bookings
SaaS and Professional Services Bookings Growth

In $CAD Millions

**FY20 SaaS Bookings** Growth: **486%**

<table>
<thead>
<tr>
<th>Year</th>
<th>SaaS ARR Bookings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$0</td>
</tr>
<tr>
<td>2018</td>
<td>$0.1</td>
</tr>
<tr>
<td>2019</td>
<td>$1.5</td>
</tr>
<tr>
<td>2020</td>
<td>$8.8</td>
</tr>
</tbody>
</table>

**FY20 PS Bookings** Growth: **36%**

<table>
<thead>
<tr>
<th>Year</th>
<th>PS Bookings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$26.0</td>
</tr>
<tr>
<td>2018</td>
<td>$30.0</td>
</tr>
<tr>
<td>2019</td>
<td>$37.4</td>
</tr>
<tr>
<td>2020</td>
<td>$50.7</td>
</tr>
</tbody>
</table>

*Please refer to FY 2020 Annual Report MD&A for definition of Bookings and Backlog under Key Performance Indicators*
Strong & Growing Backlog – Driven by SaaS Success

In $CAD Millions

FY20 SaaS Backlog* Growth: **244%**

FY20 PS Backlog* Growth: **43%**

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

In $CAD Millions

Quarterly SaaS Revenue Growth

142%

YoY SaaS Revenue Growth (Q2 FY21 compared to prior year)

38%

Q2 FY21 SaaS Revenue as a percentage of total Cloud, Maintenance and Subscription Revenue (up from 21% in Q2 FY20)
Corporate Information
**Annual Recurring Revenue**

$50.9M up 26% YoY

**SaaS ARR Bookings**

$11.1M up 159% YoY

**Cloud, Maintenance and Subscription Revenue**

$46.9M up 26% YoY

* Last twelve months, October 31, 2020
** At October 31, 2020
Financial Highlights, in CAD 000 except EPS

<table>
<thead>
<tr>
<th></th>
<th>Q2, 2021</th>
<th>Q2, 2020</th>
<th>Δ YoY</th>
<th>Q2, 2021 TTM</th>
<th>Q2, 2020 TTM</th>
<th>Δ YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$30,694</td>
<td>$26,008</td>
<td>100%</td>
<td>$113,382</td>
<td>$92,241</td>
<td>23%</td>
</tr>
<tr>
<td>Cloud, Maintenance and</td>
<td>$13,432</td>
<td>$10,603</td>
<td>44%</td>
<td>$46,898</td>
<td>$37,300</td>
<td>41%</td>
</tr>
<tr>
<td>Subscription Revenue</td>
<td>$14,684</td>
<td>$12,953</td>
<td>48%</td>
<td>$58,152</td>
<td>$47,306</td>
<td>51%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>$16,010</td>
<td>$13,055</td>
<td>52%</td>
<td>$55,230</td>
<td>$44,935</td>
<td>49%</td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>$5,265</td>
<td>$4,807</td>
<td>17%</td>
<td>$21,081</td>
<td>$18,985</td>
<td>19%</td>
</tr>
<tr>
<td>General and Administration</td>
<td>$2,895</td>
<td>$2,437</td>
<td>9%</td>
<td>$10,321</td>
<td>$10,664</td>
<td>12%</td>
</tr>
<tr>
<td>Research and Development</td>
<td>$4,398</td>
<td>$3,595</td>
<td>14%</td>
<td>$16,419</td>
<td>$14,671</td>
<td>16%</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>$0</td>
<td>$0</td>
<td>0%</td>
<td>$16,419</td>
<td>$14,671</td>
<td>0%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$12,558</td>
<td>$10,839</td>
<td>41%</td>
<td>$47,821</td>
<td>$44,740</td>
<td>49%</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>$3,452</td>
<td>$2,216</td>
<td>11%</td>
<td>$7,409</td>
<td>$7,214</td>
<td>3,700</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$2,086</td>
<td>$1,404</td>
<td>7%</td>
<td>$4,530</td>
<td>$4,743</td>
<td>2,227</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$4,830</td>
<td>$3,677</td>
<td>16%</td>
<td>$12,398</td>
<td>$6,680</td>
<td>107%</td>
</tr>
<tr>
<td>EPS Basic</td>
<td>$0.14</td>
<td>$0.11</td>
<td>0%</td>
<td>$0.32</td>
<td>($0.02)</td>
<td>1,700</td>
</tr>
<tr>
<td>EPS Diluted</td>
<td>$0.14</td>
<td>$0.11</td>
<td>0%</td>
<td>$0.32</td>
<td>($0.02)</td>
<td>1,700</td>
</tr>
<tr>
<td>License Bookings</td>
<td>$1,904</td>
<td>$1,413</td>
<td>35%</td>
<td>$5,277</td>
<td>$4,639</td>
<td>14%</td>
</tr>
<tr>
<td>SaaS ARR Bookings</td>
<td>$2,692</td>
<td>$2,350</td>
<td>15%</td>
<td>$11,090</td>
<td>$4,275</td>
<td>159%</td>
</tr>
<tr>
<td>Annual Recurring Revenue</td>
<td>$50,873</td>
<td>$40,499</td>
<td>26%</td>
<td>$10,374</td>
<td>$4,275</td>
<td>159%</td>
</tr>
<tr>
<td>SaaS Backlog</td>
<td>$60,234</td>
<td>$28,467</td>
<td>112%</td>
<td>$31,767</td>
<td>$16,604</td>
<td>75%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$38,746</td>
<td>$22,142</td>
<td>75%</td>
<td>$16,604</td>
<td>$10,846</td>
<td>23%</td>
</tr>
</tbody>
</table>

Refer to October 31, 2020 Management Discussion and Analysis “Non-IFRS Performance Measure”

Refer to October 31, 2020 Management Discussion and Analysis “Key Performance Indicators”
Corporate Overview

$511M
Market Cap
14.4M S/O

Symbol TCS

24¢
Dividend per Year*

26%
Insider Ownership

Brokerage Coverage

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

* Last twelve months, October 31, 2020
Management Team

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

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

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

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

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

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

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

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

- **ARR Growth**: LTM October 31, 2020 ARR YoY growth of 26%.

- **4.67x NTM EV/sales**: Trading at 4.67x NTM EV/sales, a 48% discount to its closest comparable MANH.

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