News Release

FOR IMMEDIATE RELEASE

Tecsys Reports Financial Results for the First Quarter of Fiscal 2026

SaaS Revenue Up 25%, Adjusted EBITDA[i] Up 24%

Montreal, Canada. September 4, 2025 — Tecsys Inc. (TSX: TCS), an industry-leading supply chain management SaaS company, today announced its results for the first quarter of fiscal 2026, ended July 31, 2025. All dollar amounts are expressed in Canadian currency and are prepared in accordance with International Financial Reporting Standards (IFRS).

"We are pleased to begin the first quarter of fiscal 2026 with 25% SaaS revenue growth and a 24% increase in profitability over last year," said Peter Brereton, president and CEO of Tecsys. "Our pipeline has grown substantially over the summer months both on the new account side and expansions. The most successful user conference in our history was certainly a contributor with attendance rising by 25% over the previous conference. Our new location in Bangalore is up and running and already contributing to our results and our product development. We remain confident in our outlook for the remainder of fiscal 2026."

Mark Bentler, chief financial officer, added: "On top of our solid SaaS revenue growth in the quarter, we saw professional services revenue growth of 20% amid continuing robust implementation activity. Based on our first quarter performance and visibility for the balance of the year, we are maintaining our full fiscal 2026 guidance for total revenue growth, SaaS revenue growth, and Adjusted EBITDA margin [i]."

First Quarter Highlights:

- SaaS revenue increased by 25% to $19.1 million, up from $15.3 million in Q1 2025.
- SaaS ARR[ii] increased by 21% to $79.3 million on July 31, 2025, compared to $65.8 million on July 31, 2024.
- SaaS Remaining Performance Obligation (RPO[ii]) increased by 16% to $226.3 million at July 31, 2025, up from $194.9 million at the same time last year.
- Total revenue increased to $46.0 million compared to $42.3 million in Q1 2025.
- Net profit was $0.8 million ($0.05 per fully diluted share) in Q1 2026 and Q1 2025.
- Adjusted EBITDA[i] was $3.2 million compared to $2.6 million reported in Q1 last year.
- In the first quarter of fiscal 2026, Tecsys acquired 21,300 of its outstanding common shares for approximately $0.8 million as part of its ongoing Normal Course Issuer Bid, compared to 59,600 common shares acquired in the same period last year for approximately $2.2 million.

Financial Guidance:

Tecsys is maintaining full fiscal year financial guidance as follows:

	FY26 Guidance
Total Revenue Growth	8-10%
SaaS Revenue Growth	20-22%
Adjusted EBITDA[i] Margin	8-9%

On September 4, 2025, the Company declared a quarterly dividend of $0.085 per share to be paid on October 3, 2025, to shareholders of record on September 19, 2025.

Pursuant to the Canadian Income Tax Act, dividends paid by the Company to Canadian residents are considered to be “eligible” dividends.

Q1 2026 Financial Results Conference Call
Date: September 5, 2025
Time: 8:30 a.m. ET
Phone number: 800-836-8184 or 646-357-8785
The call can be replayed until September 12, 2025, by calling:
888-660-6345 or 646-517-4150 (access code: 21406#)

[i] See Non-IFRS Performance Measures in Management’s Discussion and Analysis of the Q1 2026 Interim Financial Statements.

[ii] See Key Performance Indicators in Management’s Discussion and Analysis of the Q1 2026 Interim Financial Statements.

About Tecsys

Tecsys is a global provider of advanced supply chain solutions. With a commitment to innovation and customer success, the company equips organizations with the essential software, technology and expertise needed for operational excellence and competitive advantage. Its cloud solutions serve a diverse range of industries, including healthcare, distribution and converging commerce, across multiple complex, regulated and high-volume markets. Built on the Itopia® low-code application platform, Tecsys' offerings include enterprise resource planning, warehouse management, consolidated service management, distribution and transportation management, supply management at the point of use and order management solutions. Tecsys provides critical data insights and control across the supply chain, ensuring that organizations are agile, responsive and scalable. Tecsys is publicly traded on the Toronto Stock Exchange under the ticker symbol TCS. For more about Tecsys and its solutions, please visit www.tecsys.com.

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Forward Looking Statements

The statements in this news release 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 the Company's annual report and the most recently filed annual information form. These documents have been filed with the Canadian securities commissions and are available on our website (www.tecsys.com) and on SEDAR+ (www.sedarplus.ca).

Non-IFRS Measures

Reconciliation of 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.

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

	Three Months Ended July 31,		Trailing 12 Months Ended July 31,	
(in thousands of CAD)	**2025**	**2024**	**2025**	**2024**
Net profit	$ 762	$ 798	$ 4,423	$ 1,476
Adjustments for:				
Depreciation of property and equipment and right-of-use assets	329	371	1,431	1,464
Amortization of deferred development costs	281	197	853	638
Amortization of other intangible assets	543	334	1,513	1,431
Interest expense	11	25	68	150
Interest income	(121)	(217)	(545)	(963)
Income taxes	625	436	3,165	218
EBITDA	$ 2,430	$ 1,944	$ 10,908	$ 4,414
Adjustments for:				
Stock based compensation	784	647	3,088	2,496
Restructuring costs	-	-	-	2,122
Adjusted EBITDA[i]	$ 3,214	$ 2,591	$ 13,996	$ 9,032

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

		July 31, 2025		April 30, 2025
Assets				
Current assets				
Cash and cash equivalents	$	19,178	$	27,580
Short-term investments		11,811		11,712
Accounts receivable		21,191		23,943
Work in progress		6,056		7,436
Other receivables		754		274
Tax credits		7,366		6,390
Inventory		2,060		1,870
Prepaid expenses and other		10,106		10,699
Total current assets		78,522		89,904
Non-current assets				
Other long-term receivables and assets		1,103		1,457
Tax credits		6,635		6,120
Property and equipment		1,493		1,164
Right-of-use assets		291		836
Contract acquisition costs		4,740		5,017
Deferred development costs		4,075		3,838
Other intangible assets		8,890		6,726
Goodwill		17,839		17,827
Deferred tax assets		7,557		7,521
Total non-current assets		52,623		50,506
Total assets	**$**	**131,145**	**$**	**140,410**
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities		18,728		22,367
Deferred revenue		41,095		45,025
Lease obligations		457		590
Total current liabilities		60,280		67,982
Non-current liabilities				
Other long-term accrued liabilities		160		33
Deferred tax liabilities		197		405
Lease obligations		189		728
Total non-current liabilities		546		1,166
Total liabilities	$	60,826	$	69,148
Equity				
Share capital	$	57,939	$	57,573
Contributed surplus		4,695		4,755
Retained earnings		7,201		7,700
Accumulated other comprehensive income		484		1,234
Total equity attributable to the owners of the Company		70,319		71,262
Total liabilities and equity	**$**	**131,145**	**$**	**140,410**

Condensed Interim Consolidated Statements of Income and Comprehensive Income
(Unaudited)
(In thousands of Canadian dollars, except per share data)

	Three Months Ended July 31,	
	2025	**2024**
Revenue:		
SaaS	$ 19,139	$ 15,314
Maintenance and Support	7,857	8,715
Professional Services	16,039	13,387
License	89	861
Hardware	2,836	3,999
Total revenue	**45,960**	**42,276**
Cost of revenue	**22,392**	**22,548**
Gross profit	**23,568**	**19,728**
Operating expenses:		
Sales and marketing	10,316	8,352
General and administration	3,385	2,978
Research and development, net of tax credits	8,504	7,331
Total operating expenses	22,205	18,661
Profit from operations	**1,363**	**1,067**
Other income	24	167
Profit before income taxes	1,387	1,234
Income tax expense	625	436
Net profit	**$ 762**	**$ 798**
Other comprehensive (loss) income:		
Effective portion of changes in fair value on designated revenue hedges	(747)	(20)
Exchange differences on translation of foreign operations	(3)	157
Comprehensive income	**$ 12**	**$ 935**
Basic and diluted earnings per common share	**$ 0.05**	**$ 0.05**

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(In thousands of Canadian dollars)

	Three Months Ended July 31,	
	2025	**2024**
Cash flows from operating activities:		
Net profit	$ 762	$ 798
Adjustments for:		
Depreciation of property and equipment and right-of-use-assets	329	371
Amortization of deferred development costs	281	197
Amortization of other intangible assets	543	334
Interest (income) expense and foreign exchange loss	(24)	(167)
Unrealized foreign exchange and other	(195)	(123)
Non-refundable tax credits	(516)	(429)
Stock-based compensation	784	647
Income taxes	620	3
Net cash from operating activities excluding changes in non-cash working capital items related to operations	2,584	1,631
Accounts receivable	2,753	2,434
Work in progress	1,381	(2,486)
Other receivables and assets	(580)	(520)
Tax credits	(975)	(1,034)
Inventory	(190)	(714)
Prepaid expenses	606	903
Contract acquisition costs	264	(39)
Accounts payable and accrued liabilities	(5,952)	(3,119)
Deferred revenue	(4,548)	(2,961)
Changes in non-cash working capital items related to operations	(7,241)	(7,536)
Net cash used in operating activities	**(4,657)**	**(5,905)**
Cash flows from financing activities:		
Payment of lease obligations	(217)	(198)
Interest paid	(11)	(25)
Issuance of common shares on exercise of stock options	350	277
Shares repurchased and cancelled	(828)	(2,211)
Net cash used in financing activities	**(706)**	**(2,157)**
Cash flows from investing activities:		
Interest received	22	24
Transfers from short-term investments	-	548
Acquisitions of property and equipment	(568)	(209)
Acquisition of intangible assets	(1,975)	-
Deferred development costs	(518)	(452)
Net cash used in investing activities	**(3,039)**	(89)
Net decrease in cash and cash equivalents during the period	(8,402)	(8,151)
Cash and cash equivalents - beginning of period	27,580	18,856
Cash and cash equivalents - end of period	**$ 19,178**	**$ 10,705**

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited)
(In thousands of Canadian dollars, except number of shares)

	Share capital										
	Number		Amount		Contributed Surplus		Accumulated other comprehensive income (loss)		Retained earnings		Total
Balance, May 1, 2025	**14,836,120**	**$**	**57,573**	**$**	**4,755**	**$**	**1,234**	**$**	**7,700**	**$**	**71,262**
Net profit	-		-		-		-		762		762
Other comprehensive (loss) income:											
Effective portion of changes in fair value on designated revenue hedges	-		-		-		(747)		-		(747)
Exchange difference on translation of foreign operations	-		-		-		(3)		-		(3)
Total comprehensive (loss) income	**-**		**-**		**-**		**(750)**		**762**		**12**
Shares repurchased and cancelled	(21,300)		(83)		(745)		-		-		(828)
Stock-based compensation	-		-		784		-		-		784
Dividends to equity owners	-		-		-		-		(1,261)		(1,261)
Share options exercised	12,615		449		(99)		-		-		350
Total transactions with owners of the Company	**(8,685)**	**$**	**366**		**(60)**	**$**	**-**	**$**	**(1,261)**	**$**	**(955)**
Balance, July 31, 2025	**14,827,435**	**$**	**57,939**		**4,695**	**$**	**484**	**$**	**7,201**	**$**	**70,319**
Balance, May 1, 2024	**14,840,150**	**$**	**52,256**		**9,417**	**$**	**(1,425)**	**$**	**8,121**	**$**	**68,369**
Net profit	-		-		-		-		798		798
Other comprehensive (loss) income:											
Effective portion of changes in fair value on designated revenue hedges	-		-		-		(20)		-		(20)
Exchange difference on translation of foreign operations	-		-		-		157		-		157
Total comprehensive income	**-**		**-**		**-**		**137**		**798**		**935**
Shares repurchased and cancelled	(59,600)		(210)		(2,001)		-		-		(2,211)
Stock-based compensation	-		-		647		-		-		647
Dividends to equity owners	-		-		-		-		(1,184)		(1,184)
Share options exercised	12,537		348		(71)		-		-		277
Total transactions with owners of the Company	**(47,063)**	**$**	**138**		**(1,425)**	**$**	**-**	**$**	**(1,184)**	**$**	**(2,471)**
Balance, July 31, 2024	**14,793,087**	**$**	**52,394**		**7,992**	**$**	**(1,288)**	**$**	**7,735**	**$**	**66,833**