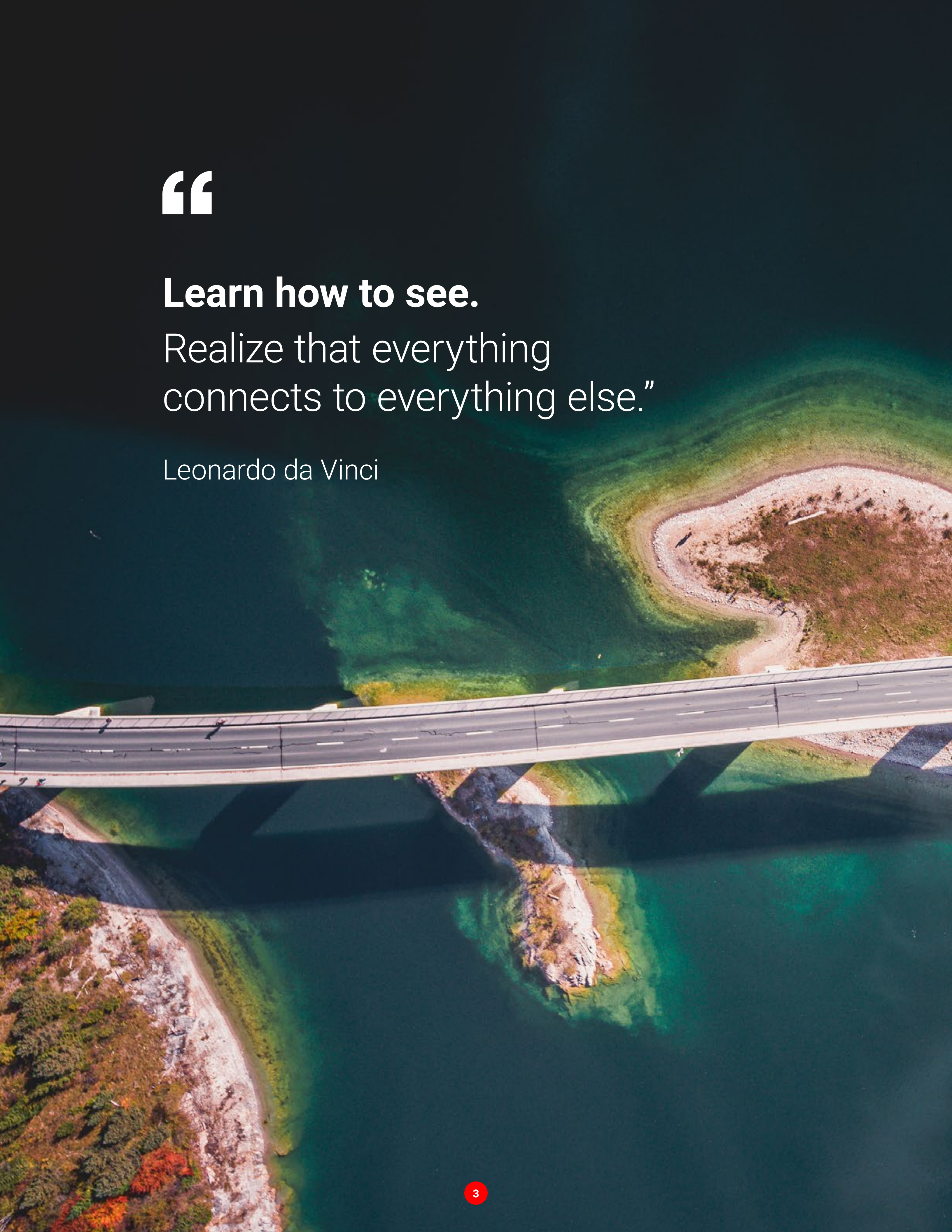
tecsys

Committed to a Connected World

2022 Annual Report

Table of Contents

The statements in this annual report relating to matters that are not historical fact are forward-looking statements that are based on management's beliefs and assumptions. Such statements are not guarantees of future performance and are subject to a number of uncertainties, including but not limited to future economic conditions, the markets that Tecsys Inc. serves, the actions of competitors, major new technological trends, and other factors beyond the control of Tecsys Inc., which could cause actual results to differ materially from such statements. More information about the risks and uncertainties associated with Tecsys Inc.'s business can be found in the MD&A section of this annual report and the Annual Information Form for the fiscal year ended April 30, 2022. These documents have been filed with the Canadian securities commissions and are available on our website (***https://www.tecsys.com/about-us/investors/***) and on SEDAR (***www.sedar.com***).



“

Learn how to see.
Realize that everything connects to everything else.”

Leonardo da Vinci

Tecsys at a Glance

Since our founding in 1983, so much has changed in the realm of supply chain technology. But one thing has remained consistent across industries, geographies and decades — by transforming their supply chains, good organizations can become great.

We provide transformative supply chain solutions that equip growing organizations with industry-leading services and tools to achieve operational greatness. Tecsys' solutions are designed to create clarity out of the complex supply chain challenges that organizations face with increases in scale, customer expectations and inventory.

Built on an enterprise platform, Tecsys' solutions include warehouse management, distribution and transportation management, supply management at point of use, retail order management, as well as complete financial management and analytics solutions. Our customers reduce operating costs, improve customer service and uncover optimization opportunities.

We believe that visionary organizations should have the opportunity to thrive. And they should not have to sacrifice their core values and principles as they grow. Our approach to supply chain transformation enables growing organizations to realize their aspirations.

Good businesses make people's lives better.

Supply chains connect the world. Every day, billions of supply chain transactions are taking place across a global network of interconnected nodes; the materials, products and information being transferred are linked to nearly everything we encounter in the industrialized world.

At the heart of Tecsys' business is the forging of these connections. Our value lies in the efficiency we broker between the people, products and processes that make up the supply chains around us. We have long held the belief that good businesses should thrive, and through our solutions we empower good businesses to do great things.

And so, together with our fiscal performance, we want to highlight how Tecsys prioritizes our connections to the world around us. Our momentum calls on us to reflect on our priorities, refine our framework, celebrate our people, and think about how our corporate values can contribute to solving global challenges. We examine our impact on the world and consider the fingerprints we leave behind. We take stock of where we are and take aim at what's possible.

A Record of Success

“Tecsys is at the forefront of the healthcare supply chain industry, and we are excited to deepen our relationship with them. The Tecsys team has served as a trusted architect of our supply chain execution tech stack, and we are confident that they will continue to support our supply chain modernization journey into the pharmacy.”

Chris Jellison
Vice president, Pharmacy at Parkview Health

“Our industry faces margin pressure by way of materials, logistics and labor, so it is incumbent on us to seek out ways to control operational costs. Addressing supply chain inefficiencies with Tecsys software gives us a means to optimize our operations in response to the shifting conditions. It gives us better flexibility, visibility, and the platform to be able to scale in size or complexity depending on the market.”

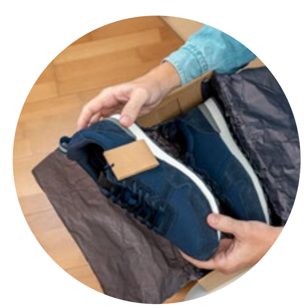
Mike Feighery
Vice president, Supply Chain at American Woodmark Corporation

“Whether in-store, online or some hybrid of both, we want to make sure our customers have positive shopping experiences. By streamlining our back-end order management processes with Tecsys, we gain the flexibility and robustness to deliver on our brand promise and fulfill our commitment to our customers. Tecsys helps us leverage in-store inventory so we have more visibility into available-to-promise stock, and gives us the tools to batch fulfill and consolidate orders in a micro-fulfillment environment to minimize delays and costs typically associated with e-commerce.”

Richard Dalke
Head of Marketing and Online at POLITIX

“We turned to Tecsys to help us modernize our omnichannel infrastructure, and the results have been very positive. Not only does the Tecsys platform enable us to fulfill orders more economically through consolidation and dynamic routing, but we are also able to cater to a new segment of digital consumer by providing more channels, more flexibility, and better access to inventory. We are agile in our online order fulfillment capabilities, and we know that we are in good hands with the team at Tecsys.”

Dennis Keane
CIO at Red Wing Shoes



Financial Highlights

Our 2022 results demonstrate consistent and resilient growth built on strong financials coupled with a strong internal growth, a strong market position and a strong competitive momentum.

$000's Except for EPS & ROE	2022	2021
Revenue	137,200	123,101
Profit from Operations	5,376	10,681
Profit	4,478	7,188
Adjusted EBITDA[1]	10,130	16,220
Earnings per Share	0.31	0.50
SaaS ARR Bookings[2]	11,920	9,548
Cash from Operations	4,944	19,113
Annual Recurring Revenue[2]	62,737	52,485

Market Position

39 Years

Nearly **four decades** of complex supply network experience.

100+ Countries

Tecsys software is being used in **over 100 countries** around the world.

1000+ Customers

Global network of customer sites primarily located in Canada, USA and Europe.

Top 3

Tecsys customers ranked **top three** in "Masters Category" of Gartner's Healthcare Supply Chain Top 25 for 2021.[3]

Top 5

Top five Distributed Order Management in IDC's MarketScape research report.

1 of 13 Vendors

Named as a **Representative Vendor** in the 2021 Gartner Market Guide for Retail Store Inventory Management Applications.[4]

Shareholder Value

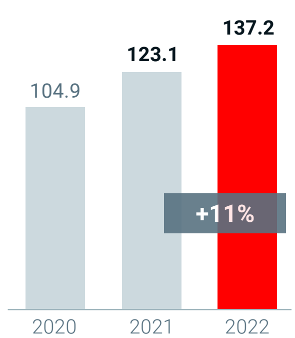
As of April 30, 2022 in $ millions

SaaS ARR Bookings

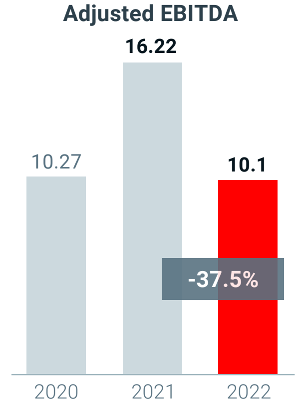
11.9 million

↑ 25%

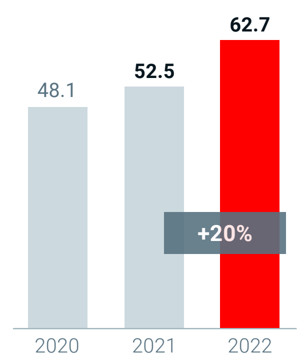
Total Revenue



Adjusted EBITDA



Annual Recurring Revenue



Organizational Capacity

Headcount

719 Total Employees

9.8% ↑

25% of total ↑

Partner-influenced Pipeline

[1] Refer to section in the Management's Discussion and Analysis titled "Non-IFRS Performance Measures."
[2] Refer to section in the Management's Discussion and Analysis titled "Key Performance Indicators."
[3] Gartner, The Healthcare Supply Chain Top 25 for 2021, Eric O'Daffer, 10 November 2021.
[4] Gartner, Market Guide for Retail Store Inventory Management Applications, Sandeep Unni, 3 May 2021.

A Message from Peter Brereton

President and CEO

We are all levers for positive change, and this is perhaps most salient when so much change is afoot. The world around us has transformed from where it was just a few years ago. Everything from work policies and business models to digital adoption and personal priorities have undergone monumental shifts; and through that, many of us have crystallized new lenses for success and forged new value paradigms.

For Tecsys, a transforming supply chain industry has proven to be an impetus for fiscal performance. Our total revenue continues to climb, up 11% year over year to $137 million, underscored by sustained momentum in SaaS value delivery. Indeed, it was a milestone year in that all but one new major account and every major account upgrade has been a SaaS deal, now representing 91% of all software bookings, up from 82% last year. Our SaaS revenue was $27 million, up 41% from one year ago; we are now on the cusp of yet another milestone with SaaS revenue representing 45% of total cloud, maintenance and subscription revenue, up from 36% one year ago.

Our organization has transformed as well. Our team has grown substantially, our software portfolio has evolved, and our customer base continues to expand in both volume and depth. We have tapped into our strengthening global alliances ecosystem, with half of new logos this year having been partner-influenced. In September 2021, it was announced that we were included in the Toronto Stock Exchange's 2021 TSX30, a flagship program recognizing the 30 top-performing TSX stocks over a three-year period.

We are pleased to see that our formula for value creation is resonating amongst both shareholders and customers alike. It has been an immense honor to serve as this company's president and CEO as we work to define the next chapter of modern and reliable supply chain management.

But with these waves of growth come a responsibility to uphold the ethos that informs our enviable employee satisfaction and industry-leading tenure. For several decades, we have recruited and retained the brightest supply chain minds, and our team has never been stronger than it is today. As we build our company around the world, I am truly excited about sharing that culture with an expanding team.

> **I am proud of the company culture we have established here at Tecsys. We have long prized our commitment to the highest of ethical standards in every business engagement and prioritized good people as the engine for our success.**

The health and safety of our team has always been paramount, and we have always prioritized work/life balance, and encouraging a diversity of perspectives, backgrounds and personalities.

As you will see in this report, our commitment to performance is rooted in people-first values. Our focus on environmental, social and governance initiatives is our declaration to stakeholders both inside and outside our organization that our company culture is one to be celebrated, cultivated and enriched; just as we strive to be the gold standard for supply chain software. We're getting serious about making substantive data-driven strides as we strengthen the social, environmental and organizational pillars of progress.

As we embark on a new fiscal year, I am confident that our market, our momentum and our mindset will propel us forward. Our market is showing an accelerated demand for technology systems that equip supply chain operating teams for excellence. Our momentum positions us favorably to be able to exploit opportunities in healthcare and the digital economy, as well as M&A opportunities should they arise. We continue to build market presence domestically and in key international markets. Our global network, high-quality revenue streams and robust pipeline give us every reason to be excited for the year ahead.

With a sincere thank you to new and returning customers, our dedicated and talented team, strong global alliances and supportive shareholders, we kick off Fiscal 2023 with everything we need to rise to new heights and deliver on our commitment to supply chain excellence.

Peter Brereton
President and CEO

A Message from Dave Brereton

Executive Chairman

Companies that build their success on the shoulders of integrity are incredible examples of corporate stewardship. It is through that lens of integrity that the well-being of its people, the diversity of its workforce, the opportunities through equity and the value of inclusion truly thrive. For nearly 40 years, it has been my privilege to play a leadership role in this organization that places great import on these tenets, threaded through so many of its leaders, employees and collaborators.

As we reflect on a year of challenge and turbulence, we are proud of the organic achievements to date. We worked together to weather global disruption and turmoil, building market position and achieving strong fiscal performance with dramatic growth in SaaS revenue.

Market conditions are propelling businesses toward supply chain modernization and optimization. Many companies are still struggling to find their footing in a post-pandemic (we hope) setting that demands faster and more complex movement of goods. Tecsys is well-positioned to equip those companies with the technology needed to meet those demands. From retail operations now offering home delivery and curbside pickup, to logistics providers held to more aggressive service level agreements and same day or next-day delivery, to healthcare organizations more cognizant of shortages and stockouts, Tecsys' value proposition is resonating clearly for the many organizations looking to strengthen their supply chain muscle.

> **Tecsys is a force to be reckoned with, and at the heart of that strength is a diverse, talented and impressive team. Our investment in our people translates into great software solutions and service, and that has proven to be the recipe for happy customers.**

Likewise, our Board of Directors offer a diversity of insight and strategic direction. As we become more intentional in our efforts, we can look forward to a continued culture of professional and personal inclusivity.

Support for our global community continues to play an important role at Tecsys. We maintain our proud legacy of donating approximately one third of one percent of revenues to charitable causes around the world with a particular focus on disadvantaged youth. This year, we concentrated much of our effort on helping the displaced youths of a war-torn Ukraine. As we watch in horror at the ongoing crisis, it is difficult to fathom the devastating impact that it has had on thousands of families and children. Our donations support a network of local charities that are carrying out frontline efforts to feed, shelter and provide emergency services. Among those efforts is the conversion of camps in surrounding countries into refugee centers to accommodate moms and kids whose lives have been turned upside down.

In the words of social reformer and Save the Children founder Eglantyne Jebb at the end of the First World War, "All wars, whether just or unjust, disastrous or victorious, are waged against the child." Her words, nearly a century later, resonate just as profoundly, and give us motive to continue our charitable mandate. Our growth as an organization means that our charitable contribution has grown as well, and I am proud of Tecsys' ongoing support of our global community.

It is an honor to be part of an organization so rooted in principle, so focused on continuous improvement, and so committed to leading through example. As Tecsys continues to gain market share and build its global footprint, on behalf of the Board, congratulations for another successful year and an exciting outlook.

I am confident that the strength of our solution, the resolve of our team, and a market that demands more robust supply chain functionality will continue to attract investment by customers and shareholders alike.

To our shareholders who have entrusted us to serve our customers and our markets with vigor and integrity, thank you for your trust.

Dave Brereton
Executive Chairman of the Board

Our Focus on ESG

Our approach to supply chain transformation enables growing organizations to realize their aspirations. Our vision is to provide the software and services needed to create clarity out of operational complexity. Through our solutions, customers reduce operating costs, improve customer service, and uncover financial, operational and environmental optimization opportunities.

We believe that visionary organizations should have the opportunity to thrive. And they should not have to sacrifice their core values and principles as they grow. Throughout every business engagement, we equip those organizations for improvement; we provide the data and analytics to improve user experiences and reduce waste by optimizing their physical and logical logistics operations.

As we evolve as an organization, our focus is to introduce a new, complementary lens for success; to identify areas of ESG opportunity and build upon them to strengthen our delivered value. Informed by standards of The Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI), our objective is to communicate to our stakeholders how we are prioritizing material ESG issues that resonate with our customers, our colleagues, and our communities, both local and global.

Through this journey, we aim to enrich our environment, become more intentional in our employee engagement, and more rigorous in our ESG-focused policies; throughout, we will be guided through continuous improvement and equipped with the insights we need to evolve our ESG landscape.

Our focus is rooted on these fundamental tenets:

FOUNDATIONAL VALUES

Pursuing Integrity in Business

Integrity is a priceless essential; it is what our customers value most and our employees cherish dearly. Our founding principles are deeply rooted in a culture of integrity that guides every engagement and has made Tecsys what it is today. That integrity extends into our business dealings, our collaborative culture, and our Customer for Life philosophy.

We respect our customers.

Our commitment to the customer is to always do the right thing. Financial results do not come at the expense of business ethics. We will remain transparent and honest. We will get creative to help solve problems. We will not cut corners. We believe that our success is deeply connected to our customers' success, and we pursue mutual excellence through that lens.

We respect our colleagues.

Tecsys is composed of a rich tapestry of business expertise and support functions from a global team with diverse backgrounds; we embrace the advantages that diversity, equity and inclusion afford each of us as we pursue our goals. At Tecsys, we can pursue our personal and professional ambitions knowing that we will be safe and respected for being us.

We respect the world around us.

Tecsys has a proud legacy of giving back to the community. In business and in life, we are passionate changemakers committed to making a positive impact on the world around us. We think everyone has a role in making our global communities stronger. We embrace volunteerism and encourage principled engagements inside and outside of Tecsys.

We believe that visionary organizations should have the opportunity to thrive. And they should not have to sacrifice their core values and principles as they grow. Throughout every business engagement, we equip those organizations for improvement; **we provide the data and analytics to improve user experiences and reduce waste by optimizing their physical and logical logistics operations.**

Sustaining Leadership and Oversight

Our corporate governance is designed to guide the principled management of the company. Led by the highest standards of ethical conduct, these are the control processes that ensure the accuracy and integrity of business operations.

In service to the interests of Tecsys' stakeholders and shareholders alike, our corporate governance ensures that our success is underscored by the values we embrace.

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

Corporate Governance and Risk Management

Code of Business Conduct

Our code of business conduct defines the standards for ethical business practices we expect from everyone at Tecsys. We believe it is our collective and individual responsibility to act in a manner that will enhance Tecsys' reputation for honesty, integrity and the faithful performance of its undertaking and obligations. As such, this code sets out principles related to lawfulness, public affairs, conflicts of interest, confidentiality, diversity and inclusion, environmentalism, trade practice standards and more. We regularly review and update this code to ensure it reflects the underlying tenets of Tecsys' commitment to integrity throughout its business operations.

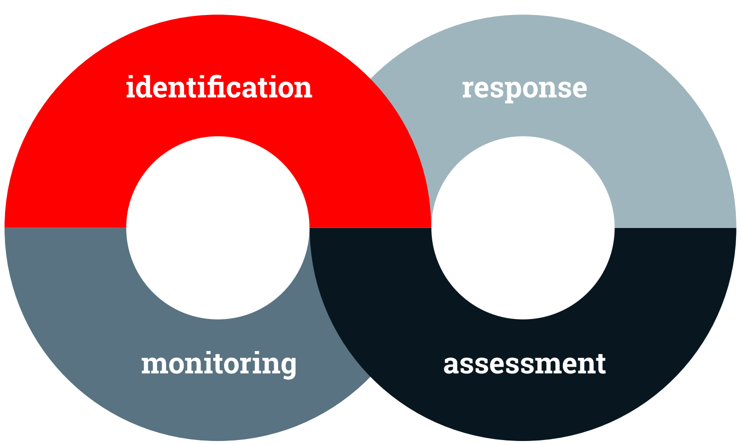
Oversight and Accountability

We recognize that there may be situations where employees or other parties believe that business conduct policies and procedures have not been followed, or that the information has been intentionally or unintentionally misstated or omitted, which may impair or impugn the company or its people. We strongly encourage any employee or other party with a complaint or concern to report potential violations. We have an established Whistle Blower Policy and Discrimination and Harassment Policy that ensure there are confidential and anonymous mechanisms in place to allow an employee or third party to provide any concerning information without fear of retribution. We commit to investigate the matter and engage resources as necessary in order to reach a satisfactory conclusion.

Enterprise Risk Management, Privacy and Data Security

Over the last two years, we initiated an Enterprise Risk Management (ERM) process to proactively and continuously identify, monitor and mitigate risk to the business. This initiative is under the guidance of the Audit Committee. Its mandate is to consider both internal and external, as well as financial and non-financial risk exposures, identify controls or potential controls, establish our risk posture with respect to the risk exposures, and identify and execute mitigation strategies where deemed appropriate. In an evolving data landscape, our ERM process considers the importance of customer data privacy and has a significant focus on data security.

Continuous Risk Mitigation



David Brereton
Executive Chairman of the Board
Tecsys Inc.

Peter Brereton
President and CEO
Tecsys Inc.

Vernon Lobo [2] [3]
Managing Director
Mosaic Venture Partners Inc.

Steve Sasser [1] [2]
Co-Founder and Managing Principal
Swordstone Partners

David Booth [1] [3]
Consultant
BackOffice Associates LLC

Rani Hublou [2]
Principal
Incline Strategies

Kathleen Miller [1]
Corporate Director

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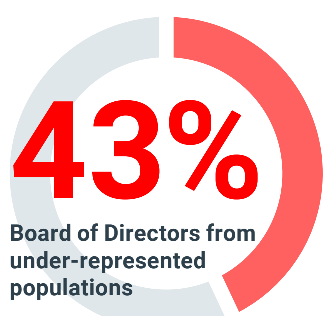
(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Corporate Governance and Nominating Committee

Prioritizing Perspectives

A well-balanced Executive provides us with critical insights and outlooks that helps us reach informed and effective business decisions. Integral to our Management and Board's succession planning has been the value and importance of establishing a diversity of perspectives to strengthen our corporate governance.



Respecting the Individual

Our people are at the core of what we do; the software we build, the professional services we deliver, the customer care we provide – each arm of our business relies on our people to be successful, and we endeavour to support them in that pursuit.

We often refer to the Tecsys team as family; in part, we can point to our above-average employee tenure of 8.2 years as a reason why we lean on this notion of family, but it goes beyond that. Family is key to the Tecsys culture, and we believe in a strong and healthy work-life balance.

Each member can benefit from the social support and friendship of the Tecsys community.

Diversity

We embrace the power of difference as a value driver in everything we do. In our quest for cutting-edge thinkers and creative points of view, we seek to build teams that reflect the diversity of the world around us.

Equity

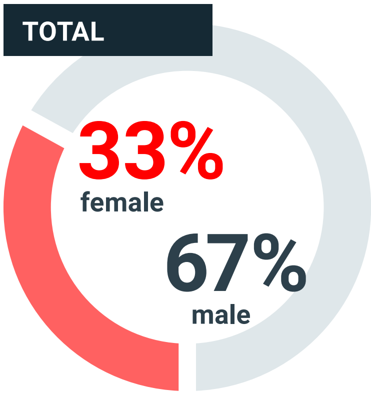
We commit to the principles of equity by attracting, hiring, developing, retaining and promoting with equal opportunity, while recognizing that individual circumstances may call on us to allocate resources to produce fair outcomes.

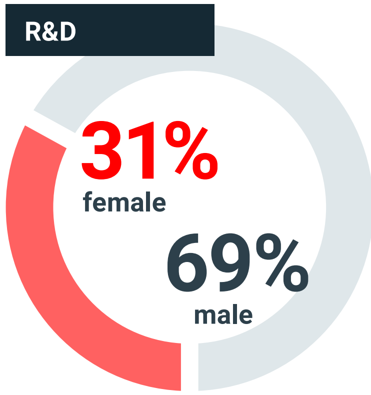
Inclusion

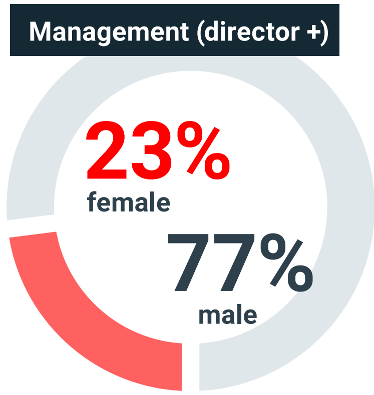
We respect everyone's individual input because we believe that makes for stronger output. Our team is composed of people from every walk of life, and by valuing what makes us unique, we discover what makes us unstoppable.

Based in Montreal, the Tecsys family reflects the nature of this beautiful cultural melting pot. Montreal's diversity is extremely distinct, so much so you could consider it a cultural universe of its own. The organization is composed of a rich tapestry of business expertise and support functions from a global team with diverse professional backgrounds; this diversity provides a strong foundation for lean multidisciplinary supply chain execution enablement.

Tecsys strives to create a work environment that embraces individual differences and gives everyone full consideration for employment opportunities. We embrace the advantages that diversity, equity and inclusion afford each of us as we pursue our commercial goals.







Tecsys is reaffirming its commitment to the principles of equal employment opportunity and diversity in the workplace and of meeting the accessibility needs of our employees and job applicants. Tecsys will continue to attract, develop, and retain a highly skilled, diverse workforce.

Tecsys is fully committed to supporting, promoting, and maintaining a workplace that ensures equal employment opportunity for all individuals, without regard to race, religion, color, national or ethnic origin, gender, age, sexual orientation, disability, or veteran status.

We mandate that every manager and supervisor of Tecsys and its divisions must lead by example to ensure the workplace is free from discrimination, hostility, intimidation, reprisal and harassment. Employees have the responsibility of treating co-workers and all other individuals with dignity and respect and to help the company in achieving these goals.

Organizationally, we take affirmative action to ensure that all employment practices such as advertising, recruitment, hiring, promotion, company-sponsored training, educational assistance, transfer, layoff, termination, compensation, benefits, and social and recreational programs are free of discrimination or harassment with regard to the categories listed above.

Employee Engagement

We believe that people are inspired to build the best technology at the intersection of passion and purpose.

Since 1983, we've known that our people are at the core of what we do; the software we build, the professional services we deliver, the customer care we provide. Stitched into the DNA of the Tecsys team is that we are not only colleagues, but collaborators; we work together to help each other, and our customers' businesses, achieve great things. This mindset is part of the reason why **94%** of employee respondents would recommend Tecsys to a friend, and our CEO has a **98%** approval rating on Glassdoor.

Employee Recognition and Ambassadors

We work hard to never lose sight of the great things our team is doing, and to recognize individuals who add to the culture and spirit of that greatness. Last year, we established an Ambassador Program with representation across departments, and out of this came our new employee recognition program called **Bravo**. Through the Bravo program, employees can send live recognition and peer-to-peer thank you notes by nominating one another for Teamwork, Integrity, Leadership and other categories. Nominees are broadcast monthly to the company, and select nominees are spotlighted and recognized at Town Hall meetings. It is a great way to share our successes and recognize the contributions of our colleagues.

Mentorship

We offer a mentoring program through Farla, an organization that connects mentors with mentees by coupling mutually beneficial experiences, goals and personalities. This program is open to all employees, as mentor or mentee, because we believe each of us should have the opportunity to invest in professional growth and development and share their experience with others.

Career Development

Our career planning provides upward career momentum for all employees at Tecsys. 98% of our positions are posted internally, and management encourages their team to look at new opportunities that lead to employee and professional growth. We offer lateral moves to different teams as well as promotions. Newly introduced career maps outline the competencies and proficiency levels for a large majority of roles across different teams; this empowers our employees to have open discussions with their managers and put in the necessary development plans to reach their next role or level. Over the past year, close to **20%** of our employees have taken on new roles within the organization.

"Support for our global community continues to play an important role at Tecsys. We maintain our proud legacy of donating approximately one third of one percent of revenues to charitable causes around the world with a particular focus on disadvantaged youth."

Dave Brereton
Executive Chairman of the Board

Fostering Community Engagement

Grassroots charitable initiatives are well-ingrained into the DNA of Tecsys employees. From Pedal for Kids to Sun Youth, Operation: Santa Claus and Dans la Rue to Youth Unlimited, the well-being of children has long been a focus for the company's stalwart community efforts.

To recognize and support these positive contributions made by Tecsys employees to our local and global communities as part of our objective to being a socially responsible corporation, Tecsys offers an employee donation matching program. Our goal is to provide financial contributions to eligible charities and fundraising activities where Tecsys employees have demonstrated significant ongoing community involvement, with the hope that we may encourage their participation in charitable pursuits.

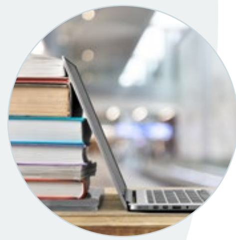
Tecsys also encourages in-house fundraising activities designed to raise funds or support for eligible charities or sports teams for which the employee or immediate family is involved. We want to foster in our Tecsys community a sense of duty beyond our commercial objectives so that we all have an opportunity to grow both professionally and personally throughout our employment.

PRIMACY OF OUR PEOPLE

Investing in Employee Wellness

Health and Wellness

Lifestyle



Education

We want our employees to be healthy and happy. As such, we take care to establish programs that consider our employees' health, physical, mental, and social well-being. Perhaps now more than ever, the importance of a work culture that promotes health, wellness and balance is critical, and we are proud of our many programs that address this incredibly important part of our employees' lives.

Health and Wellness

We are committed to the health and safety of our employees and remain focused on providing industry benchmark programs to help everyone at Tecsys invest in their personal well-being. We cultivate that culture daily; we offer live sessions that include yoga, stretching, a high-intensity interval training (HIIT) workout and the very popular meditation. We also host virtual sessions on fitness, nutrition, happiness and general well-being. Our wellness program reimburses our employees for wellness-oriented programs including fitness equipment. Other benefits include TELUS Health Telemedicine along with our Employee Assistance Program which offers our employees support should they need it. Through our virtual healthcare platform, employees can engage with a clinical team via chat or video along with primary care providers for on-demand consultations.

TELUS Health

Homewood Health | Santé

Lifestyle

We believe in a strong and healthy work-life balance. We are professionals, but we have personal lives, too. That is why we invest in our employees through programs that offer lifestyle benefits and conveniences. Whether that takes the form of flexible working hours, membership reimbursement programs, preferred rates for various services and vendors, complementary insurance and financial services, and more, we have engaged our people and developed programs that resonate for them and their quality of life.

Education

Recognizing that people are very important to the future of the company, we have instituted programs to help fund further education, gain on-the-job training and engage in robust performance management; by collaborating with one another, we find opportunities to grow from within and co-create career maps that strengthen our workforce, deepen our collective expertise, and form the backbone of our impressive employee tenure.

As such, our policy provides assistance for those employees pursuing courses of study that contribute to their growth within their current position, or to their future advancement toward other positions in the organization. The educational assistance program therefore complements the ongoing corporate training efforts to enable employees to further their career and professional development.

The overall purpose of Tecsys' educational assistance and performance management programs are to consistently reinforce the development of a knowledge-based organization, evolving in a competitive, fast-growing, high-technology environment.

Tecsys is committed to the protection of the environment. Our code of conduct stipulates that Tecsys and its employees shall treat the protection of the environment as an integral factor in all decision-making; and our goal is to meet or exceed all applicable governmental requirements.

IMPACT ON ENVIRONMENT

Building a Greener Future

Supply chain software has the potential to hold the torch of sustainability, serving as an agent for the environmental gains it enables. With greater adoption of digital purchasing comes a higher number of smaller shipments, which carry a substantial environmental impact. As supply chain organizations structure themselves for a shifting balance between in-store showrooming and digital shopping and shipping, the need to control the increasing costs of moving one line item from point A to point B becomes economically and environmentally significant. Furthermore, the pandemic created entirely new parameters that provided an unlikely roadmap to broad and lasting sustainability efforts with great benefit to the environment.

We are building stewardship of the environment into our strategy and our operations across the organization. Today Tecsys is working to increase awareness, to educate all of our stakeholders, and to seed meaningful action.

By shifting to remote offices, we matured our digital communications platform and began to use it more purposefully to strengthen remote engagement with one another and with customers. This has translated into a marked shift in travel and commuting that we believe we can sustain in the long term: we are forecasting a 44% decrease in professional services and project management travel as well as a 40% decrease in office travel. We have likewise shifted our recruitment efforts to consider customer proximity; this decentralization carries both environmental and financial benefit.

As we hone this new organizational framework, we also seek out original ways to encourage simple behaviors among our employees and raise awareness how each of us can contribute to a greener future.

We are most excited about our potential to impact other indirect emissions that occur in our value chain.

In addition, we have already started working on ways that we can inspire, compel, and facilitate our customers in their efforts to pursue greener operations. We know that our software creates efficiencies for our customers. Our Transportation Management software can be configured to reduce travel time and if we can include meaningful metrics in our implementation processes, we can encourage meaningful reductions in miles and methods. Our Inventory Management software reduces waste by improving warehouse density, reducing the amount of inventory in the supply chain, tracking location to eliminate loss, as well as monitoring expiration dates to minimize waste. Our Point of Use software encourages returns and recycling to avoid waste. These advantages are built into our products for the financial benefit of our customers.

> “Partnering with Tecsys has allowed us to improve our operational efficiency and reduce material waste within our distribution center. These efficiency gains were even more on display this year during some extremely tough times. Our company, like many others across the country, has been struggling with staffing. As we are seeing volume up and our resources down, our great working relationship with Tecsys has allowed us to continue to tackle many continuous improvement initiatives to better service our customers.”
>
> Philip Fisher
> **Regional Distribution Center Warehouse Manager at Werner Electric**

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

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

This Management Discussion and Analysis (MD&A) dated June 29, 2022, comments on our operations, financial performance and financial condition as at and for the years ended April 30, 2022 and April 30, 2021 and should be read in conjunction with the consolidated financial statements of Tecsys Inc. ("Tecsys", the "Company") and Notes thereto, which are included in this document. Fiscal 2022 refers to the twelve-month period ended April 30, 2022, and Fiscal 2021 refers to the twelve-month period ended April 30, 2021.

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements are prepared by and are the responsibility of the Company's Management.

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

The consolidated financial statements were authorized for issue by the Board of Directors on June 29, 2022. Additional information about Tecsys Inc., including the Company's most recently completed Annual Information Form, can be obtained from SEDAR at www.sedar.com.

Forward-Looking Information

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

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

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this management discussion and analysis. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: (i) competitive environment; (ii) operating risks; (iii) the Company's management and employees; (iv) capital 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 and (xxi) expected impact of COVID-19 on the Company's future operations and performance.

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 a global provider of cloud-based supply chain solutions that equip the borderless enterprise for growth and competitive advantage. Spanning multiple complex, regulated and high-volume distribution industries, Tecsys delivers dynamic and powerful solutions for warehouse management, distribution and transportation management, supply management at point of use, order management and fulfillment, as well as financial management and analytics solutions.

Customers running on Tecsys' supply chain platform are confident knowing they can execute, day in and day out, regardless of business fluctuations or changes in technology. As their businesses grow more complex, organizations operating a Tecsys platform can adapt and scale to business needs or size, expand and collaborate with customers, suppliers and partners as one borderless enterprise, and transform their supply chains at the speed that their growth demands. From demand planning to demand fulfillment, Tecsys puts power into the hands of both front-line workers and back-office planners, helping business leaders operate sustainable and scalable logistics so they may focus on the future of their products, services and people, not on their operational challenges.

Customers around the world trust their supply chains to Tecsys in the healthcare, automotive and service parts, third-party logistics, converging commerce, as well as industrial and general wholesale high-volume distribution markets. Tecsys is the market leader in North America for supply chain solutions for health systems and hospitals. Tecsys serves a number of marquee brands located in the U.S., Canada, Europe and Australia, and continues to expand its global footprint across its principal markets.

The Company continues to develop its international presence. Acquired in 2019, Tecsys A/S (formerly PCSYS A/S), now serves as a key European extension. The Tecsys A/S product line is now being marketed under the Tecsys brand and Tecsys A/S continues to add customers in the manufacturing, retail and logistics industries, primarily in Europe. This alignment extends brand awareness to the European market and provides a common corporate identity to leverage existing software solutions across global geographies. In parallel, Tecsys A/S products are being positioned for North American markets, and opportunities for solution cross-pollination continue to emerge.

Tecsys is also well positioned to enable organizations pursuing sustainability initiatives. With greater adoption of digital purchasing comes a higher number of smaller shipments, which carry a substantial environmental impact. As supply chain organizations structure themselves for a shifting balance between in-store showrooming and digital shopping and shipping, the need to control the increasing costs of moving one line item from point A to point B becomes economically and environmentally significant. For the past two years, Tecsys has been recognized by Supply & Demand Chain Executive with a 2020[1] and 2021[2] Green Supply Chain Award for its enablement of operational efficiency and capacity to address sustainability targets.

Tecsys has noted exponential growth in the e-commerce fulfillment sector with mounting pressure for distribution organizations to fulfil higher order volumes under changing customer demands. Accelerated consumer adoption of digital commerce has escalated order fulfillment complexity for converging retail and direct-to-consumer companies, which has been driving investment in order management systems (OMS). Tecsys' OMS offering orchestrates and optimizes the process of customer order fulfillment across a wide variety of inventory-holding locations by meeting customer expectations at the lowest possible cost of order fulfillment.

Tecsys' management believes that demand for OMS systems that are connected to an end-to-end supply chain execution platform will continue to increase as a result of shifts in consumer shopping behavior. Consumer demand for alternative fulfillment options such as curbside pickup, click-and-collect and ship-from-store show no signs of waning, and Tecsys' OMS is well-positioned to equip brand owners to fulfill against this compounded logistics complexity.

[1] https://digital.acbusinessmedia.com/SDC/MISC/sdc1220_green-awards.pdf

[2] https://s3.amazonaws.com/digital.acbusinessmedia.com/SDC/MISC/SDC1221_Green%20Awards.pdf

Tecsys' partnership strategy continued to develop and mature during Fiscal 2022. Foundational relationships with key technology partners including Amazon Web Services (AWS), International Business Machines Corporation, Oracle Corporation, Microsoft Corporation and Workday Inc. continue to support its product offering. Other technology solution partners like Honeywell International Inc., Zebra Technologies Corporation, and Terso Solutions Inc., round out Tecsys ability to deliver complete supply chain solutions. Tecsys continues to expand service partners such as Avalon Corporate Solutions Corp, OSF Global Services Inc, RiseNow LLC and others where Tecsys and the partners work together jointly on opportunities within the customer base as well as on new client pursuits.

Industry Verticals

Tecsys' management believes that its enterprise supply chain platform is well-suited to respond to the changing distribution market. Currently, Tecsys' business development and sales efforts are focused on vertical markets where the Company has the highest winning opportunity and best financial returns. From research and development and customer services perspectives, this allows Tecsys to replicate its solutions, enabling the Company to reduce costs inherent in new development and adoption of technology. It also helps increase the depth of expertise in these market segments where the Company has developed a reputation as an expert among its customers.

One such industry vertical is healthcare. At this point, Tecsys is able to bring its decades of supply chain expertise and investment into the healthcare industry through point- of-use, distribution and warehouse management solutions. Longstanding customers include major distributors, a number of health systems or Integrated Delivery Networks (IDNs), as well as third-party logistics providers (3PLs) in Canada and the United States. According to the American Hospital Association (AHA)[3], there are over 6,090 hospitals in the United States.

Today's healthcare supply chain is complex and costly; prior to recent volatilities, it was reported that it represents the second largest area of expense for hospitals, behind only labor, consuming approximately 40% to 55%[4] of the average operating budget. With pandemic-related impacts to both labor and supply chain, there is an increasing urgency to manage these escalating costs strategically. Unlike retail and other industries where the supply chain is viewed as a strategic asset, the healthcare supply chain has often been underleveraged. Most healthcare organizations are managing supplies using outdated information technology systems that cannot communicate with one another. As a result, supply chain processes are largely manual, with staff entering data into various hospital systems as they procure products, manage inventory, capture its use and trigger replenishment needs.

Healthcare has traditionally lagged behind other industries when it comes to supply chain technology investments. The manual labor required among supply chain, operations and clinical staff is inefficient, error prone and expensive. With disjointed systems and data, healthcare organizations have little or no visibility into and control over their supplies. This leads to expired product and significant waste. Further, supply chain disruptions and gaps in supply visibility highlighted by mounting volatility due to recent global events, together with sustained challenges in the labor market, has created greater market awareness of supply chain technology that enables a higher degree of operational responsiveness and agility.

In order for a hospital to transform its supply chain from a major liability into a strategic asset, it must transition from manual to electronic processes. This requires the use of enabling technologies for supply chain automation such as those offered by Tecsys. Technologies enabling standardization, consolidation and integration within a unified platform are a prerequisite to overcome the complexity and challenges.

Another vertical that carries opportunity is the converging commerce market, inclusive of direct-to-consumer brands, complex retail and e-commerce fulfillment organizations. Accelerated by the shift in consumer behavior following COVID-19 restrictions, there is greater demand for e-commerce and order pickup buying options with the Adobe Digital Economy Index reporting that global e-commerce is showing a 38% year over year growth, with 9% of online shoppers in the US reported never having purchased anything online prior to March 2020[5]. Currently, many consumer brands operate siloed online and in-store order management processes, while others are not equipped for e-commerce options entirely. The convergence of physical and digital commerce has exposed disconnected customer experiences. In order to cope with the growing complexity of order management requirements in a converging commerce environment offering multiple fulfillment options, retailers and brands rely on OMS systems such as that offered by Tecsys. Technologies enabling optimization of complex order fulfillment routes, shipping costs, returns and inventory management equip those in this market with a flexible platform for dynamic and scalable omnichannel fulfillment.

[3] https://www.aha.org/statistics/fast-facts-us-hospitals

[4] https://rctom.hbs.org/submission/healthcare-where-supply-chain-digitalization-is-life-or-death/

[5] https://business.adobe.com/resources/reports/adobe-digital-economic-index-april-2021/thank-you.html?faas_unique_submission_id=DB2D0CA9-BA33-753C-BD9C-4C7F83153321

The Supply Chain Management Industry

Supply Chain Management (SCM) is a business strategy to improve shareholder and customer value. SCM encompasses the processes of creating and fulfilling the market's demand for goods and services; it enhances distributor and customer value by optimizing the flow of products, services and related information from suppliers to customers, with a goal of enabling customer satisfaction and improving return on assets. Within SCM is Supply Chain Execution (SCE), on which Tecsys has most of its focus, an execution-oriented set of solutions that enable the efficient procurement and supply of goods, services and information to meet customer-specific demand. Businesses deploying SCE solutions are looking to achieve greater visibility into product movements, cost containment and compliance.

In 2021, the Council of Supply Chain Management Professionals (CSCMP)'s Annual State of Logistics Report®, highlighted the lack of effective tools to meet escalating complexity: "In general, logistics cost increases resulted from trying to meet these difficult challenges with assets that could not be deployed as efficiently, along with an expanding scope of logistics activities"[6].

Indeed, today's distribution landscape is more sophisticated and volatile than ever; nonetheless, it demands 100% fulfillment with faster service and resiliency. It demands collaboration with customers, suppliers and partners as a borderless enterprise. From unified commerce to the internet of things (IoT), change is reshaping supply chain platforms and they must extend, scale and adapt to the size and needs of business. Competition is fierce, and disintermediation continues to pose a significant threat, giving rise to omnichannel distribution networks and shrinking the margin of error in operations.

Thriving in the current distribution era means adapting internal infrastructure, technology and processes to external challenges. Considering the impact of major disruptions to brick and mortar, the resiliency of multichannel and online retailers, and the strong competition from those who stick to their core competencies means investing in new and innovative technologies. Such disruptions and the accelerated digital environment are pressuring distribution industry leaders to rethink their strategy and take the first step to transform their supply chain or risk being left behind.

Agile companies are quickly outperforming and overtaking their less nimble competitors. McKinsey & Company's research suggests that, on average, companies that digitize their supply chains can expect to boost annual growth of earnings before interest and taxes by 3.2% and annual revenue growth by 2.3%.

In a 2020 publication[7], PricewaterhouseCoopers LLP surveyed over 1600 executives from companies across seven industries to investigate the role of digital supply chains in turbulent times. The survey reveals that investments into digital supply chain excellence result in:

- 2x increased revenues and 2x decreased costs as compared to digital novices
- 84% report >90% on-time in-full delivery performance (compared to 12% of digital novices).
- 53% more inventory turns than digital novices.
- Benefits beyond numbers like risk management, increased asset utilization and improved sustainability.

The publication explains: "For many companies market environments are becoming ever-more challenging. To cope with constant change, companies will need to make sure that their organization is able to continuously evolve and improve. They'll need a culture of continuous innovation and cross-functional collaboration to get there - always keeping the end-to-end value chain in mind. Generally, that means beginning with the needs of the end customer, but also taking into account everything from factories, to warehouses, to backend technologies."

Material Handling Industry ("MHI") is the largest material handling, logistics and supply chain association in the U.S. and publisher of the MHI Annual Industry Report[8], produced in conjunction with Deloitte Consulting LLP. The 2021 report explored the supply chain vulnerabilities exposed by COVID-19, and the role of digital technologies as a mechanism to be better positioned for supply chain resiliency in an uncertain future. In 2022, the report "challenge[d] business and supply chain leaders to benefit from those insights by embracing groundbreaking innovations that can revolutionize how supply chains operate – enabling future supply chains to thrive in the face of inevitable disruptions." Notably, the report emphasizes an appetite and timeliness for supply chain transformation: "It's time to take advantage of the new awareness and create a bold path for the future."

[6] https://epages.gopenske.com/rs/004-RHK-737/images/State-of-Logistics-2021-Executive-Summary.pdf?_ga=2.174525730.1422720746.1653578180-1123149756.1653578180

[7] McKinsey & Company; Digital transformation: raising supply chain performance to new levels

[8] https://www.mhi.org/publications/report

The report also highlights the sharp rise in supply chain innovation investment expected over the next two years. In the report's survey of over 1000 supply chain and manufacturing leaders, "of the 64% of respondents increasing investments, 66% say they will spend more than $1 million over the next two years. Investments are particularly growing in the middle ranges from $5 million up to $100 million - 18% say they will spend more than $10 million, where 41% say they spend more than $5 million."

Using digital innovation to improve supply chain efficiency, transparency and sustainability has become a necessity for continuing to grow the customer base and maintain a competitive standing.

Selected Key Events

During Fiscal 2021, Tecsys accelerated its shift from perpetual license to SaaS bookings[9]. It also announced important functional advancements to its end-to-end supply chain platform and omnichannel order fulfillment solution with store-as-warehouse functionality and e-commerce fulfillment-focused warehouse capabilities.

On May 3, 2021, Tecsys was recognized as a Representative Vendor in 2021 Gartner Market Guide for Retail Store Inventory Management Applications. Tecsys is one of 13 store inventory management (SIM) vendors named in the report.

On June 30, 2021, Gartner, Inc. released the 2021 Magic Quadrant[10] for Warehouse Management Systems, in which Tecsys was positioned in the "Visionaries" quadrant, a position that it has held since its first inclusion in 2010. Gartner Magic Quadrant research methodology provides a graphical competitive positioning of four types of technology providers in fast-growing markets: Leaders, Visionaries, Niche Players and Challengers. Gartner has evaluated global WMS vendors based on their completeness of vision and ability to execute and has recognized 18 WMS suppliers that were included in the 2021 Magic Quadrant for Warehouse Management Systems, one of which is Tecsys.

On September 14, 2021, the Toronto Stock Exchange (TSX) announced that Tecsys was included in the Toronto Stock Exchange's 2021 TSX30™, a flagship program recognizing the 30 top-performing TSX stocks over a three-year period based on dividend-adjusted share price appreciation.

On March 28, 2022, Tecsys introduced Omni™ WMS, an agile SaaS-native warehouse management system designed to serve the evolving omnichannel market that straddles the complexities between hybrid e-commerce and traditional fulfillment, to its North American market. Omni™ WMS has been marketed as a Tecsys A/S product in Europe, and is an example of the cross-pollination of product lines.

Description of Business Model

The Company has five principal sources of revenue:

- Software as a service (SaaS) subscription which represent the right to access our software platform in a hosted and managed environment for a period of time; these subscriptions are typically sold in three to five year term agreements with auto-renewal provisions;
- Maintenance and support services sold with perpetual licenses and hardware maintenance services; these services are typically sold in annual agreements with auto-renewal provisions;
- Professional services, including implementation, consulting and training services provided to customers;
- Licenses;
- Hardware.

Tecsys expects SaaS revenue to continue to grow over time. Revenue from maintenance and support services relate in a large part to our prior business model of selling perpetual licenses with attached maintenance and support fees. 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.

In the three months and year ended April 30, 2022, the Company generated $34.3 million and $137.2 million in total revenue, respectively. The revenue mix for the three months ended April 30, 2022, was: SaaS 22%; maintenance and support 23%; professional services 38%; license 2%; and hardware 15%. The revenue mix for Fiscal 2022 was: SaaS 20%; maintenance and support 24%; professional services 38%; license 2%; and hardware 16%.

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

[10] Gartner, Magic Quadrant for Warehouse Management Systems, Simon Tunstall & Dwight Klappich, June 30, 2021

Key Performance Indicators

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.

Recurring Revenue

Recurring revenue (also referred to as Annual Recurring Revenue (ARR)) is defined as the contractually committed purchase of SaaS, maintenance, and customer support services over the next twelve months. The quantification assumes that the customer will renew the contractual commitment on a periodic basis as they come up for renewal unless the customer has cancelled. This portion of the Company's revenue is predictable and stable.

Bookings

Broadly speaking, bookings refer to the total value of accepted contracts. This includes SaaS ARR bookings (the average annual value of committed SaaS recurring revenue at the time of contract signing), professional services bookings and perpetual license bookings. The Company believes that these metrics are primary indicators of business performance.

Backlog

Backlog in general refers to the value of contracted revenue that is not yet recognized. Our backlog reporting focuses on (a) Annual Recurring Revenue and (b) Professional Services Backlog.

The Company also focuses on Remaining Performance Obligation (RPO) as a key performance indicator. The Company enters into SaaS subscription agreements that are typically multi-year performance obligations with original contract terms of three to five years. SaaS RPO represents revenue that we expect to recognize in the future related to firm performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. Unlike ARR which has a one-year time horizon, SaaS RPO can include multiple years of contracted SaaS subscriptions.

Results of Operations

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

	Three months ended April 30,		Year ended April 30,		
(in thousands of CAD, except earnings per share)	**2022**	**2021**	**2022**	**2021**	**2020**
Statement of Operations					
Revenue	$ 34,288	$ 32,374	$ 137,200	$ 123,101	$ 104,855
Cost of revenue	19,158	16,651	76,890	62,471	54,537
Gross profit	15,130	15,723	60,310	60,630	50,318
Operating expenses	13,819	13,092	54,934	49,949	45,610
Profit from operations	1,311	2,631	5,376	10,681	4,708
Other (income) costs	(164)	95	(48)	324	1,128
Profit before income taxes	$ 1,475	$ 2,536	$ 5,424	$ 10,357	$ 3,580
Income taxes	(1,111)	516	946	3,169	1,234
Profit	$ 2,586	$ 2,020	$ 4,478	$ 7,188	$ 2,346
Adjusted EBITDA[11]	$ 1,730	$ 3,917	$ 10,130	$ 16,220	$ 10,271
Basic earnings per share	$ 0.18	$ 0.14	$ 0.31	$ 0.50	$ 0.18
Diluted earnings per share	$ 0.17	$ 0.14	$ 0.30	$ 0.49	$ 0.18
Total Annual Recurring Revenue (ARR)[12]			$ 62,737	$ 52,485	$ 48,140

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, fair value adjustment on contingent consideration earnout, restructuring costs, gain on remeasurement of lease liability and recognition of tax credits generated in prior periods. The exclusion of interest expense, interest income, income taxes and restructuring costs eliminates the impact on earnings derived from non-operational activities, and the exclusion of depreciation, amortization, and share-based compensation, fair value adjustments, gains and losses on remeasurement of lease liabilities and recognition of tax credits generated in prior years eliminates the non-cash impact of these items. For the year ended April 30, 2022, we amended the definition of Adjusted EBITDA to include adjustments for the gain on remeasurement of lease liability and the recognition of tax credits generated in prior periods as a result of new significant non-cash transactions.

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-GAAP 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.

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

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

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

	Three months ended April 30,		Year ended April 30,		
	2022	**2021**	**2022**	**2021**	**2020**
Net profit (loss)	$ 2,586	$ 2,020	$ 4,478	$ 7,188	$ 2,346
Adjustments for:					
Depreciation of property and equipment and right-of-use assets	515	567	2,162	2,180	2,004
Amortization of deferred development costs	87	60	290	269	536
Amortization of other intangible assets	382	404	1,612	1,663	1,530
Interest expense	178	158	622	787	1,080
Interest income	(57)	(18)	(474)	(174)	(74)
Income taxes	(1,111)	516	946	3,169	1,234
EBITDA	$ 2,580	$ 3,707	$ 9,636	$ 15,082	8,656
Adjustments for:					
Stock based compensation	340	210	1,684	1,138	1,024
Fair value adjustment on contingent consideration earnout – Tecsys A/S	-	-	-	-	171
Restructuring costs	-	-	-	-	420
Gain on remeasurement of lease liability	(573)	-	(573)	-	-
Recognition of tax credits generated in prior periods	(617)	-	(617)	-	-
Adjusted EBITDA	$ 1,730	$ 3,917	$ 10,130	$ 16,220	$ 10,271

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 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 revenue hedges.

Revenue

The Company has changed the presentation of revenue in the Consolidated Statements of Income and Comprehensive income as of the beginning of Fiscal 2022. As a result of the change, comparative figures have been reclassified to conform with the basis of presentation used in Fiscal 2022. Refer to Note 25 - Comparative information of the Consolidated Financial Statements.

Total Revenue for the three months and year ended April 30, 2022, increased to $34.3 million and $137.2 million, respectively, an increase of $1.9 million or 6% and $14.1 million or 11% compared to the same periods of Fiscal 2021. Revenue is broken down as follows:

(in thousands of CAD)	**2022**	**2021**	**%**	**2022**	**2021**	**%**
SaaS	$ 7,708	$ 5,492	40%	$ 26,929	$ 19,164	41%
Maintenance and Support	8,008	8,344	-4%	32,698	33,715	-3%
Professional Services	12,896	12,175	6%	52,040	47,530	9%
License	558	1,026	-46%	2,806	4,921	-43%
Hardware	5,118	5,337	-4%	22,727	17,771	28%
	34,288	32,374	6%	137,200	123,101	11%

Approximately 65% of the Company's revenues were generated in U.S. dollars during the fourth quarter of Fiscal 2022 (2021-65%). The U.S. dollar averaged CA$1.2667 in the fourth quarter of Fiscal 2022 in comparison to CA$1.2588 in the same period of Fiscal 2021. The increase in the value of the U.S dollar was more than offset by the net impact of the Company's partial hedging of U.S. revenue giving rise to a net unfavorable foreign currency related revenue variance of $0.7 million in comparison to the fourth quarter of Fiscal 2021.

For the year ended April 30, 2022, approximately 65% (2021-63%) of the Company's revenues were generated in U.S. dollars. The U.S. dollar averaged CA$1.2547 in Fiscal 2022 and CA$1.3086 in Fiscal 2021. The decline in the value of the U.S. dollar more than offset the Company's partial hedging of U.S. revenue giving rise to a net unfavorable foreign currency related revenue variance of $6.6 million in comparison to Fiscal 2021. The unfavorable foreign currency movement impacted all revenue lines.

On a constant currency basis (using Fiscal 2022 currency rates), fourth quarter and Fiscal 2022 revenue grew by approximately 8% and 16%, respectively, compared to the same periods of Fiscal 2021.

Total ARR on April 30, 2022, was $62.7 million, up 20% compared to $52.5 million on April 30, 2021. A significant amount of ARR is denominated in currencies other than Canadian Dollars. As a result, movements in exchange rates will have an impact on ARR. On a constant currency basis, ARR increased 17% in Fiscal 2022. ARR was up 5% sequentially on both a reported and constant currency basis compared to the third quarter of Fiscal 2022.

SaaS revenue

The Company generates revenue from proprietary software under a SaaS model. SaaS subscriptions represent the right to access our software platform in a hosted and 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.

SaaS revenue in the fourth quarter of Fiscal 2022 was $7.7 million, up 40% or $2.2 million compared to the fourth of Fiscal 2021 and up $0.7 million sequentially compared to the third quarter of Fiscal 2022. The increases are due to new SaaS revenue from bookings in recent quarters, net of cancellations impacting the quarter and foreign exchange, as a significant portion of the Company's SaaS fees are denominated in U.S. dollars. SaaS revenue for Fiscal 2022, was $26.9 million, up 41% or $7.8 million compared to Fiscal 2021. On a constant currency basis, fourth quarter and Fiscal 2022 SaaS revenue grew by approximately 43% and 47%, respectively, compared to the same periods of Fiscal 2021.

In the fourth quarter of Fiscal 2022, SaaS subscription bookings (measured on an ARR basis) were $4.5 million, up 29% compared to $3.5 million in the fourth quarter of Fiscal 2021. In Fiscal 2022 SaaS subscription bookings were $11.9 million, up 25% compared to $9.5 million in Fiscal 2021.The Company has historically seen some lumpiness in quarterly deal closings, and the Company expects this to continue.

On April 30, 2022, SaaS RPO[13] was $94.0 million, up 43% from $65.7 million at the same time last year. A significant amount of SaaS RPO is denominated in currencies other than Canadian Dollars. As a result, movements in exchange rates will impact reported SaaS RPO. On a constant currency basis, SaaS RPO increased 39% during Fiscal 2022. SaaS RPO was up 20% sequentially compared to the third quarter of Fiscal 2022 and up 19% on a constant currency basis.

Maintenance and support revenue

Maintenance and support revenue derives largely from the Company's legacy perpetual license installed base. The Company enters into maintenance and support contracts that typically have an original term of one year and are subject to annual renewal. Maintenance and support revenue for the three months and year ended April 30, 2022, was $8.0 million and $32.7 million, down 4% and 3%, respectively, compared to the same periods in Fiscal 2021. On a constant currency basis, maintenance and support revenue was down by approximately 3% in the fourth quarter and grew by approximately 1% in Fiscal 2022. Maintenance and support revenue generally follows the trend of License revenue, and we expect a decline in maintenance and support revenue over time as the business continues to shift to SaaS.

Professional services revenue

Professional services revenue includes fees for implementation, consulting and training services provided to customers, as well as reimbursable expenses. Professional services revenue for the three months ended April 30, 2022, was $12.9 million, up 6% compared to $12.2 million during the same period in Fiscal 2021. For Fiscal 2022, professional services revenue was $52.0 million, up 9% compared to $47.5 million in Fiscal 2021. Negative foreign exchange impact reduced reported professional

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

services revenue growth as a significant portion of the Company's professional services revenue is denominated in U.S. dollars. On a constant currency basis, fourth quarter and Fiscal 2022 professional services revenue grew by approximately 8% and 15%, respectively, compared to the same periods of Fiscal 2021. In the fourth quarter of Fiscal 2022, Professional Services bookings were $14.8 million, up 70% compared to $8.7 million in the fourth quarter of Fiscal 2021. In Fiscal 2022 Professional services bookings were $56.5 million, up 26% compared to $44.8 million in Fiscal 2021. Professional services bookings are in part linked to SaaS subscription bookings and license bookings and are subject to timing.

License revenue

License revenue includes revenue from proprietary software as well as third-party software. In the three months ended April 30, 2022, license revenue amounted to $0.6 million, down 46% from $1.0 million in the same period last year. For Fiscal 2022, license revenue was $2.8 million, down 43% compared to $4.9 million during the same period in Fiscal 2021. Perpetual license bookings in the three months and year ended April 30, 2022, were $0.5 million and $2.4 million, respectively, compared to $0.8 million and $4.3 million during the same periods in Fiscal 2021. We expect license revenue to generally decline over time because of the shift to SaaS.

Hardware revenue

Hardware revenue includes third-party hardware products and proprietary technology products. Hardware revenue for the three months ended April 30, 2022, was $5.1 million, down 4% from $5.3 million in the same period last year. For Fiscal 2022, hardware revenue was $22.7 million, up 28% from $17.8 million in Fiscal 2021. The increase in hardware revenue has been the result of a strong hardware order backlog coming into the current Fiscal year.

Cost of Revenue and Gross Profit

	Three months ended April 30,		Change	Year ended April 30,		Change
(in thousands of CAD)	**2022**	**2021**	**%**	**2022**	**2021**	**%**
Cost of revenue:						
SaaS, Maintenance, Support and Professional Services	$ 15,311	$ 12,592	22%	$ 58,916	$ 48,116	22%
License and Hardware	3,847	4,059	-5%	17,974	14,355	25%
Total cost of revenue	19,158	16,651	15%	76,890	62,471	23%
Gross profit & gross profit margin:						
SaaS, Maintenance, Support and Professional Services gross profit	$ 13,301	$ 13,419	-1%	$ 52,751	$ 52,293	1%
Gross profit margin	46%	52%		47%	52%	
License and Hardware gross profit	$ 1,829	$ 2,304	-21%	$ 7,559	$ 8,337	-9%
Gross profit margin	32%	36%		30%	37%	
Total gross profit	$ 15,130	$ 15,723	-4%	$ 60,310	$ 60,630	-1%
Total gross profit margin	44%	49%		44%	49%	

Total cost of revenue for the three months and year ended April 30, 2022, increased to $19.2 million and $76.9 million, up 15% and 23% respectively compared to the same periods last year. The increase is driven by higher SaaS, Maintenance, Support and Professional Services costs for the quarter and both higher SaaS, Maintenance, Support and Professional Services costs and License and Hardware costs for Fiscal 2022.

In the three month and year ended April 30, 2022, the cost of SaaS, Maintenance, Support and Professional Services increased to $15.3 million and $58.9 million, up $2.7 million and $10.8 million, respectively, compared to the same periods last year. Cost of SaaS, Maintenance, Support and Professional Services increased as a result of direct costs associated with higher revenue, including higher employee costs and higher public cloud infrastructure costs. We did see the impact on costs from an increasingly competitive labor market and we also continued to invest during the fourth quarter and Fiscal 2022 in preparing the organization for growth. We expect these investments, including investments in security and our cloud operations systems and team, will ultimately result in the ability to scale with continued growth. The cost of SaaS, Maintenance, Support and Professional Services includes tax credits of $0.6 million for the fourth quarter of Fiscal 2022 and Fiscal 2021, and $2.6 million in Fiscal 2022 compared to $2.5 million in Fiscal 2021.

The cost of License and Hardware decreased to $3.8 million in the fourth quarter of Fiscal 2022, down $0.2 million or 5% in comparison to the same period in Fiscal 2021. The decrease was mainly attributed to lower third-party hardware product costs associated with lower revenue for the quarter. The cost of License and Hardware increased to $18.0 million in Fiscal 2022, up $3.6 million or 25% compared to the same period last year and driven by higher third-party product costs associated with higher revenue.

Gross profit was $15.1 million, down $0.6 million in the fourth quarter of Fiscal 2022 compared to the same period last year. This is mainly attributable to lower gross profit contribution from License and Hardware. The decline in lower license and hardware margin was driven in particular by lower license revenue and this is consistent with the shift to SaaS.

Gross profit was $60.3 million, down $0.3 million in Fiscal 2022 compared to Fiscal 2021. Gross profit contribution was negatively impacted by foreign exchange, includes the impact of added investment to scale the business and lower license and hardware margin, and the latter is consistent with the shift to SaaS.

As a percentage of revenue, total gross profit margin for the three months ended April 30, 2022, was 44% compared to 49% for the same period last year. Foreign exchange accounted for about one percentage point of the margin decline in the quarter compared to the same period last year. Combined SaaS, maintenance, support and professional services gross profit margin for the three months ended April 30, 2022 was 46% compared to 52% in the same period in Fiscal 2021. The non-foreign exchange-related portion of this decline was primarily from lower professional services margins as existing delivery capacity was underutilized during the quarter. This resulted mainly from the timing of project rollouts. Professional services backlog remained solid at $33.4 million at April 30, 2022. Excluding the impact of foreign exchange, SaaS, maintenance and support gross profit margin was down slightly from the prior year quarter as the Company continued to add investment to scale the business. License and Hardware gross profit margin decreased to 32% from 36% in the prior year quarter. This decline was primarily the result of revenue mix driven by lower license revenue, which is in line with the shift to SaaS.

For Fiscal 2022, total gross profit margin was 44% compared to 49% in Fiscal 2021. Foreign exchange accounted for about two percentage points of the margin decline in Fiscal 2022 compared to Fiscal 2021. Combined SaaS, maintenance, support and professional services gross profit margin for the year ended April 30, 2022 was 47% compared to 52% in Fiscal 2021. The non-foreign exchange-related portion of this decline was primarily from lower professional services margins as we expanded investment in delivery capacity in Fiscal 2022. Excluding the impact of foreign exchange, SaaS, maintenance and support gross profit margin was down slightly from Fiscal 2022 as the Company continued to add investment to scale this business as noted above. License and Hardware gross profit margin decreased to 30% from 37% in Fiscal 2021. This decline was primarily the result of revenue mix driven by higher hardware revenue and lower license revenue in Fiscal 2022, the latter of which is consistent with the shift to SaaS.

Operating Expenses

	Three months ended April 30,				Change	Year ended April 30,				Change
(in thousands of CAD)	2022		2021		%	2022		2021		%
Sales and marketing expenses	$	6,388	$	5,649	13%	$	24,294	$	20,985	16%
As a percentage of Revenue		19%		17%			18%		17%	
General and administration expenses		2,652		2,427	9%		10,865		10,396	5%
As a percentage of Revenue		8%		7%			8%		8%	
Research and development expenses, net of tax credits		4,779		5,016	-5%		19,775		18,568	7%
As a percentage of Revenue		14%		15%			14%		15%	
Total operating expenses		**13,819**		**13,092**	**6%**		**54,934**		**49,949**	**10%**
As a percentage of revenue		**40%**		**40%**			**40%**		**41%**	

Total operating expenses for the three months and year ended April 30, 2022, increased to $13.8 million and $54.9 million, respectively, increases of $0.7 million and $5.0 million, respectively, compared to the same periods in Fiscal 2021. The impact of foreign exchange during the fourth quarter of Fiscal 2022 on operating expenses was not significant when compared to the same period last year. For Fiscal 2022, the weaker U.S dollar had a favorable impact on expenses of $1.4 million when compared to Fiscal 2021.

Sales and marketing expenses

During the fourth quarter of Fiscal 2022, sales and marketing expenses amounted to $6.4 million, $0.7 million higher than the comparable quarter in Fiscal 2021. The increase is mainly attributed to higher personnel, travel and marketing program costs. During Fiscal 2022, sales and marketing expenses amounted to $24.3 million, $3.3 million higher than last year. The increase is primarily attributed to higher personnel costs and is the result of our continued investment to expand sales capacity and coverage. Fiscal 2022 expenses also increased due to higher travel and marketing program costs.

General and administrative expenses

General and administrative expenses for the three months ended April 30, 2022, were $2.7 million, an increase of $0.2 million compared to the same period in Fiscal 2021. The increase is attributed to increased personnel and other costs, partially offset by reduction in bad debt expense.

General and administrative expenses for Fiscal 2022, were $10.9 million, an increase of $0.5 million compared to Fiscal 2021. The increase is attributed to higher professional fees, partially offset by lower personnel costs and bad debt expense.

Net R&D expenses

Net R&D expenses for three months and year ended April 30, 2022, were $4.8 million and $19.8 million, respectively, down $0.2 million and up $1.2 million, respectively, from the same periods in Fiscal 2021. The general increase during the year was mainly attributable to higher personnel costs. The decrease in the fourth quarter of Fiscal 2022 was mainly attributable to higher personnel costs more than offset by higher R&D tax credits. During the fourth quarter of Fiscal 2022, the Company recognized $0.6 million of Federal non-refundable SRED tax credits generated in prior periods since the recognition was met during the reporting period.

The Company recorded R&D tax credits and e-business tax credits of $1.4 million, and amortized deferred development costs and other intangible assets of $0.1 million in the fourth quarter of Fiscal 2022 compared to $0.6 million and $0.1 million in Fiscal 2021. Additionally, during the three months ended April 30, 2022, the company deferred $0.2 million of development costs compared to $0.1 million in the same period of last year.

For Fiscal, 2022, the Company recorded R&D tax credits and e-business tax credits of $3.3 million compared to $2.3 million for the same period in Fiscal 2021. Amortized development costs and other intangible assets in Fiscal 2022 and 2021 were $0.3 million. Additionally, in Fiscal 2022, the Company deferred development costs of $1.1 million compared to $0.3 million in the same period of Fiscal 2021.

Other (income) costs and Income Taxes

	Three months ended April 30,		Change	Year ended April 30,		Change
(in thousands of CAD)	2022	2021	%	2022	2021	%
Other (Income) Costs	$ (164)	$ 95	-273%	$ (48)	$ 324	-115%
Income Tax (Benefit) Expense	$ (1,111)	$ 516	-315%	$ 946	$ 3,169	-70%
Income Taxes as a percentage of profit before income taxes	(75) %	20%		17%	31%	

Other income for the three months ended April 30, 2022 was $0.2 million compared to other costs of 0.1 million for the same period in Fiscal 2021. For Fiscal 2022, other income was $0.05 million, compared to other costs of $0.3 million in Fiscal 2021. Other income in the fourth quarter and year ended April 30, 2022 consists primarily of interest expense on long term debt and lease obligations and foreign exchange losses, offset by interest income and gain on remeasurement of lease liability of $0.6 million. Interest income for the year ended April 30, 2022 also includes a $0.3 million refund of interest related to the payment of the acquired tax liability. Refer to Note 19 - Other income (costs) of the Consolidated Financial Statements.

Income tax benefit for the three months ended April 30, 2022, was $1.1 million compared to income tax expense of $0.5 million for the same period of Fiscal 2021. Income tax expense for the year ended April 30, 2022 was $0.9 million compared to $3.2 million for Fiscal 2021. The decrease in income tax expense was due primarily to the recognition of approximately $1.9 million net deferred tax assets in the fourth quarter of Fiscal 2022. The recognition resulted from the completion of a definitive plan to amalgamate certain entities in the group, thereby increasing the probability that future taxable profit will be available against which the Company can utilize these previously unrecognized tax assets. This planned amalgamation was completed effective May 1, 2022.

Profit

	Three months ended April 30,		Change	Year ended April 30,		Change
(in thousands of CAD)	2022	2021	%	2022	2021	%
Profit	$ 2,586	$ 2,020	28%	$ 4,478	$ 7,188	-38%
Adjusted EBITDA[14]	$ 1,730	$ 3,917	-56%	$ 10,130	$ 16,220	-38%
Basic earnings per share	$ 0.18	$ 0.14		$ 0.31	$ 0.50	
Diluted earnings per share	$ 0.17	$ 0.14		$ 0.30	$ 0.49	

Profit, Adjusted EBITDA and earnings per share were all negatively impacted by unfavorable foreign exchange movements, lower license revenue as well as additional investment in delivery capacity, sales and marketing and research and development compared to the same periods in Fiscal 2021. Approximately 65% of the Company's revenue is denominated in US dollars while a significant majority of the Company's costs are denominated in Canadian dollars. As such, foreign exchange movements can have a material impact on reported Profit, Adjusted EBITDA and earnings per share. During the three months and year ended April 30, 2022, unfavorable foreign exchange movements had a negative impact on Profit and Adjusted EBITDA of

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

approximately $0.7 million and $5.2 million, respectively, compared to the same periods in Fiscal 2021. Profit was positively impacted in the three and twelve months ended April 30, 2022 as a result of the recognition of approximately $1.9 million net deferred tax assets and the recognition of approximately $0.6 million gain on remeasurement of lease liability as described above under Other (income) costs and Income Taxes as well as by the recognition of approximately $0.6 million tax credits generated in prior periods.

Quarterly Selected Financial Data

The following table summarizes selected results for the eight most recently completed quarters to April 30, 2022:

	FY 2022				FY 2021			
(in thousands of CAD, except earnings per share)	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Total revenue	34,288	35,411	34,269	33,232	32,374	31,942	30,694	28,091
Profit	2,586	940	708	244	2,020	1,847	2,086	1,235
Comprehensive income (loss)	2,159	317	489	(147)	1,088	1,527	1,486	2,897
Adjusted EBITDA[15]	1,730	2,738	3,206	2,456	3,917	3,964	4,830	3,509
Basic earnings per common share	0.18	0.06	0.05	0.02	0.14	0.13	0.14	0.09
Diluted earnings per common share	0.17	0.06	0.05	0.02	0.14	0.12	0.14	0.08

Total quarterly revenue has generally trended upward over the past eight quarters, primarily due to an increase in revenue from SaaS and professional services driven by increased bookings and following the Company's transition to SaaS during the end of Fiscal 2019. During Fiscal 2022, the impact of foreign exchange, lower license revenue as well as additional investment in delivery capacity, sales and marketing and research and development have moderated Profit and Adjusted EBITDA. See also Profit section above regarding Fiscal 2022 fourth quarter Profit.

Liquidity and Capital Resources

On April 30, 2022, current assets totaled $74.4 million compared to $75.8 million at the end of Fiscal 2021. Cash and cash equivalents combined with short-term investments decreased $2.7 million to $43.2 million compared to $45.9 million at the end of Fiscal 2021. The decrease is due to several factors including changes in non-cash working capital items, the most significant of which was timing of payments of accounts payable and accrued liabilities during Fiscal 2022. The decrease is also due to net financing activity outflows including the payment of dividends and repayment of long-term loans and net investing activity outflows including capital expenditures, increase in deferred development costs and final payment related to a prior period business acquisition.

Accounts receivable and work in progress totaled $18.5 million on April 30, 2022, an increase of $1.5 million compared to $17.0 million as of April 30, 2021. The increase is mainly attributed to higher revenue and a higher level of work in progress. The Company's Days Sales Outstanding (DSO) stood at 49 days at the end of April 30, 2022 compared to 47 at the end of Fiscal 2021. DSO is a measure of the average number of days that a company takes to collect revenue after a sale. The Company's DSO is determined on a quarterly basis and can be calculated by dividing the total of accounts receivable and work in progress at the end of a quarter by the total value of sales during the same quarter and multiplying the result by 90 days.

Current liabilities on April 30, 2022, totaled $43.5 million compared to $44.0 million at the end of Fiscal 2021. The decrease is mainly due to decrease in accounts payables, lease obligations and short-term loans.

Cash from Operating Activities

Operating activities generated $4.9 million of cash in Fiscal 2022 in comparison to $19.1 million in Fiscal 2021, a decrease of $14.2 million.

[15] Refer to section "Non-IFRS Performance Measures" for definition, as well as for the reconciliation of Adjusted EBITDA for the three months ended April 30, 2022 and 2021. The reconciliation of Adjusted EBITDA for the other periods can be found in the Supplemental Information section.

Cash from operating activities excluding changes in non-cash working capital items accounted for approximately $3.4 million of the decrease and this was primarily the result of lower profit as previously noted. Changes in non-cash working capital items accounted for $10.8 million of the decrease. The main cause for this decrease was increased accounts receivable and work in progress as the business continues to grow, primarily timing related increased payments for accounts payable and changes in deferred revenue.

Financing Activities

Cash flows used in financing activities decreased to $5.3 million for Fiscal 2022 in comparison to $7.1 million for Fiscal 2021. During Fiscal 2022, financing activities related primarily to payments of dividends, interest, lease obligations and long-term debt partially offset by proceeds from the issuance of common shares from the exercise of stock options. Financing activities in Fiscal 2021 included a one-time payment of an acquired tax liability.

Investing Activities

During Fiscal 2022, investing activities used funds of $2.4 million in comparison to $13.8 million for Fiscal 2021.

In Fiscal 2022, the Company made a final payment of $0.5 million related to a prior business acquisition. During Fiscal 2021, the Company paid $2.1 million in payments related to prior business acquisitions. During Fiscal 2021, the Company invested $10.0 million in a guaranteed investment certificate (GIC). The GIC has a 31-day withdrawal notice requirement, and the interest is automatically reinvested monthly. The Company has maintained that GIC since the initial investment. The Company used funds of $0.9 million and $1.5 million for the acquisition of property and equipment and intangible assets in Fiscal 2022 and Fiscal 2021, respectively. Additionally, the Company invested in its proprietary products with the capitalization of $1.1 million and $0.3 million reflected as deferred development costs in Fiscal 2022 and Fiscal 2021, respectively.

The Company believes that funds on hand at April 30, 2022 together with cash flows from operations, and its accessibility to the operating line of credit will be sufficient to meet its covenants and needs for working capital, R&D, capital expenditures and dividend policy, as well as to invest in long-term growth.

Commitments and Contractual Obligations

The Company has a lease agreement for its head office in Montreal, Quebec which expires on November 30, 2025 and has an option to extend for five additional years until November 30, 2030. The Company has a lease agreement for its office in Markham, Ontario. The lease term of ten years and eight months terminates on July 31, 2022. The Company has a lease agreement for its office in Laval, Quebec. The lease term of ten years ends on February 28, 2026 and has an option to extend the lease for 5 years until February 28, 2031. The Company also has a lease agreement for its office in Denmark that terminates on December 31, 2026. These are the principal leases of the Company.

As at April 30, 2022, the principal commitments consist of operating leases, long-term debt and other obligations. The following table summarizes significant contractual obligations as at April 30, 2022.

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

In thousands of Canadian dollars

Contractual Obligations	Total	Less than 1 year	Payments Due by Period 1 – 3 years	3 – 5 years	After 5 years
Long-term debt	8,400	1,200	7,200	-	-
Lease obligations	6,800	819	2,459	2,271	1,251
Other obligations	4,585	2,769	1,816	-	-
Accounts payable and accruedlia-bilities and other liabilities	16,971	16,971	-	-	-
Total Contractual Obligations	36,756	21,759	11,475	2,271	1,251

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

Dividend Policy

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

During Fiscal 2022, the Company declared a dividend of $0.065 per share on two occasions that were paid on August 6, 2021 and October 8, 2021 to shareholders of a record date at the close of business on July 16, 2021 and September 24, 2021, respectively and declared a dividend of $0.07 per share on two other separate occasions that were paid on January 7, 2022 and April 14, 2022 to shareholders of record at the close of business on December 16, 2021 and March 24, 2022, respectively, for an aggregate of $3.9 million.

During Fiscal 2021, the Company declared a dividend of $0.06 per share on two occasions that were paid on August 7, 2020 and October 9, 2020 to shareholders of a record at the close of business on July 24, 2020 and September 25, 2020, respectively and declared a dividend of $0.065 per share on two other separate occasions that were paid on January 7, 2021 and April 8, 2021 to shareholders of record at the close of business on December 17, 2020 and March 18, 2021, respectively, for an aggregate of $3.6 million.

Related Party Transactions

Under the provisions of the share purchase plan for key management and other management employees, the Company provided interest-free loans to key management and other management employees of $0.3 million during Fiscal 2022 ($0.5 million for Fiscal 2021) to facilitate their purchase of the Company's common shares. As of April 30, 2022, loans outstanding amounted to $0.2 million (April 30, 2021 - $0.4 million). Refer to note 21 – Related party transactions of the consolidated financial statements.

Contingencies

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

Subsequent Events

On June 29, 2022, the Company's Board of Directors declared a quarterly dividend of $0.07 per share to be paid on August 5, 2022 to shareholders of record on July 15, 2022.

Off-Balance Sheet Agreements

The Company was not involved in any off-balance sheet arrangements as at April 30, 2022 with the exception of variable payments related to operating leases and operating leases with terms of twelve months or less.

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 industry may adjust quickly to exercise caution on capital spending. This uncertainty may impact the Company's revenue.

Based on ARR of $62.7 million and Professional services backlog of $33.4 million, the Company's management believes that quarterly services revenue (including SaaS, maintenance and support and professional services revenue) ranging between $28.0 million and $29.0 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 subscription-based licensing, hosting services, modular sales and implementations and enhanced payment terms to promote revenue growth. We see continued market appetite for subscription-based SaaS licensing. To the extent our bookings continue to shift from perpetual license to SaaS, and considering that license revenue is typically recognized up front while SaaS revenue is recognized over the contract period, revenue and operating profit will be impacted in the medium term.

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 generally derives approximately 60% to 70% of its business from U.S. customers while the majority of its cost base is in Canadian dollars.

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

Financial Instruments and Financial Risk Management

The Company has determined that the carrying values of its short-term financial assets and liabilities, including cash and cash equivalents, accounts receivable, other accounts receivable, short-term investments and accounts payable and accrued liabilities approximate their fair value because of the relatively short period to maturity of the instruments. The fair value of the long-term debt was determined to be not significantly different from its carrying value.

Derivative instruments are also recorded as assets and liabilities measured at their fair value. As such, the fair value of all outstanding foreign exchange contracts representing a $0.6 million loss was recorded in accounts payable and accrued liabilities at April 30, 2022 (April 30, 2021 - $1.7 million gain was recorded in other accounts receivable).

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

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

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

As at April 30, 2022 no customers individually accounted for greater than 10% of total accounts receivable and work in progress (April 30, 2021 – two customers were individually greater than 10%). Generally, there is no particular concentration of credit risk related to accounts receivable due to the distribution of customers and procedures for the management of commercial risks. The Company performs ongoing credit reviews of all its customers and establishes an allowance for expected credit loss when accounts are determined to be uncollectible. Customers do not provide collateral in exchange for credit. The Company is not currently experiencing or anticipating any material credit losses as a result of the COVID-19 pandemic.

Refer to note 22 – Financial instruments and risk management of the consolidated financial statements for additional discussion of the Company’s risk management policies, including currency risk, credit risk, liquidity risk, interest rate risk and market price risk.

Outstanding Share Data

As at April 30, 2022, the Company had 14,562,895 common shares outstanding. The Company issued 57,800 shares on the exercise of stock options in Fiscal 2022.

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

Reported amounts and note disclosures reflect the overall economic conditions that are most likely to occur and the anticipated measures that management intends to take. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Refer to the Company's annual consolidated financial statements for Fiscal 2022 and the related notes for a discussion of the accounting policies and critical accounting judgements and key sources of estimation uncertainty that are essential to the understanding of the business and results of operations.

New standards and interpretations not yet adopted:

A number of new standards, interpretations and amendments to existing standards were issued by the IASB that are not yet effective for periods ended April 30, 2022 and have not been applied in preparing the Company's annual consolidated financial statements.

The following standards or amendments are currently being assessed by the Company:

Standard	Issue date	Effective date for the Company	Impact
IAS 37, Provisions, Contingent Liabilities and Contingent Assets	May 2020	May 1, 2022	Not expected to be material
IAS 1, Presentation of Financial Statements	January 2020, July 2020 and February 2021	May 1, 2023	In assessment
IAS 8, Definition of Accounting Estimates	February 2021	May 1, 2023	In assessment
IAS 12, Income Taxes	May 2021	May 1, 2023	In assessment

Refer to the Company's annual consolidated financial statements for Fiscal 2022 and the related notes for a discussion of new standards and interpretations not yet adopted.

Risks and Uncertainties

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

- The Company has incurred net losses in the past and may incur losses in the future.
- The Company's operations could be adversely affected by events outside of its control, such as natural disasters, wars or health epidemics.
- Economic conditions can adversely affect our business, results of operations, cash flow and financial condition, including our revenue growth and profitability, which in turn could adversely affect our stock price.
- If the Company is unable to attract new customers or sell additional products to and/or retain its existing customers, its revenue growth and profitability will be adversely affected.
- Impact of transitioning from primarily on-premise perpetual license sales to a higher mix of Software as a Service ("SaaS").
- Fluctuations in quarterly results may fail to meet the expectations of investors or security analysts which could cause the Company's share price to decline.
- Lengthy sales and implementation cycle could have an adverse effect on the amount, timing and predictability of the Company's revenue.
- Defects, delays or interruptions in providing SaaS will have an impact on the operating results of the Company.
- Security breaches could delay or interrupt service to its customers, harm its reputation or subject the Company to significant liability and adversely affect its business and financial results. Its ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security relating to customer information.
- Despite the Company's security measures, its information technology and infrastructure may be vulnerable to cyber-threats, security and privacy breaches by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise Tecsys' networks and the information stored there could be accessed, publicly disclosed, lost or stolen.
- The Company's ability to develop new products and services in order to sell its solutions into new markets or further penetrate its existing markets will impact its revenue growth.
- The markets in which the Company participates is highly competitive, its failure to compete successfully would make it difficult to add and retain customers and would reduce and impede its growth.
- If the Company fails to retain its key employees, its business would be negatively impacted.
- The Company's strategy includes pursuing acquisitions and its potential inability to successfully integrate newly acquired companies or business may adversely affect its financial results.
- Risk of software defects could adversely affect the Company's business.
- The Company's intellectual property rights could be challenged, invalidated, circumvented or copied, causing a competitive disadvantage, lost opportunities or market share, and potential costly litigation to enforce or re-establish the Company's rights.
- Third parties could claim that the Company's products infringe their proprietary rights. This could subject the Company to costly and time-consuming litigation.
- There is no assurance that third-party software companies will continue to permit the Company to sub-license on commercially reasonable terms. This could delay or interrupt the delivery of the Company's solutions.
- Fluctuations in the exchange rate between the Canadian dollar and other currencies may have a material adverse effect on the margin the Company may realize from its products and services and may directly impact results of operations.
- The Company may need to raise additional funds to pursue its growth strategy or continue its operations, and it may be unable to raise capital when needed or on acceptable terms.
- Impacts related to COVID-19 pandemic are expected to continue to pose risk on the economy. The ultimate duration and magnitude of the impact of the pandemic on the economy and the financial effect on Tecsys' operations and business is uncertain.

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

Controls & Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure. The Company's Chief Executive Officer (CEO) and its Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures regarding the communication of information. They are assisted in this responsibility by the Company's Executive Committee, which is composed of members of senior management. Based on the evaluation of the Company's disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were effective as of April 30, 2022.

Internal Control over Financial Reporting

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

An evaluation was carried out under the supervision and with the participation of the Company's Chief Executive Officer and the Chief Financial Officer to evaluate the design and operating effectiveness of the Company's internal controls over financial reporting as at April 30, 2022. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the internal control over financial reporting, as defined by National Instrument 52-109 was appropriately designed and operating effectively. The evaluations were conducted in accordance with the framework criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013) (COSO), a recognized control model, and the requirements of National Instrument 52-109, Certification of Disclosures in Issuers' Annual and Interim Filings.

No changes to internal controls over financial reporting have come to management's attention during the three- month period ending on April 30, 2022, 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 2022				FY 2021			
(in thousands of CAD)	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Profit for the period	$ 2,586	$ 940	$ 708	$ 244	$ 2,020	$ 1,847	$ 2,086	$ 1,235
Adjustments for:								
Depreciation of property and equipment and right-of-use assets	515	551	553	543	567	554	526	533
Amortization of deferred development costs	87	80	69	54	60	48	58	103
Amortization of other intangible assets	382	408	411	411	404	425	426	408
Interest expense	178	138	145	161	158	158	195	276
Interest income	(57)	(337)	(40)	(40)	(18)	(43)	(63)	(50)
Income taxes	(1,111)	537	791	729	516	683	1,235	735
EBITDA	$ 2,580	$ 2,317	$ 2,637	$ 2,102	$ 3,707	$ 3,672	$ 4,463	$ 3,240
Adjustments for:								
Stock based compensation	340	421	569	354	210	292	367	269
Gain on remeasurement of lease liability	(573)	-	-	-	-	-	-	-
Recognition of tax credits generated in prior periods	(617)	-		-	-	-	-	-
Adjusted EBITDA	$ 1,730	$ 2,738	$ 3,206	$ 2,456	$ 3,917	$ 3,964	$ 4,830	$ 3,509

Management's Report

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

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

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

The consolidated financial statements have been audited on behalf of the shareholders by the external auditors, KPMG LLP for the fiscal years ended April 30, 2022 and 2021. The auditors have free and full access to internal records, to management and to the Audit Committee.

Peter Brereton
President and CEO
June 29, 2022

Mark J. Bentler
Chief Financial Officer

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Independent Auditors' Report

To the Shareholders of Tecsys Inc.

Opinion

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

- the consolidated statements of financial position as at April 30, 2022 and April 30, 2021;
- the consolidated statements of income and other comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at April 30, 2022 and April 30, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended April 30, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditors' report.

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

Description of the matter

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

Why the matter is a key audit matter

We identified the determination of distinct performance obligations and the allocation of the contractual transaction price based on the stand-alone selling prices as a key audit matter. Significant auditor judgment was required to evaluate the Entity's significant judgments of whether the products (software and/or hardware), software as a service, maintenance and various professional services are distinct and what the stand- alone selling price was. There was significant auditor effort, involving more senior professionals, required to address this matter.

How the matter was addressed in the audit

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

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

Other Information

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

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "Annual Report 2022".

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

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

We obtained the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditors' report thereon included in a document likely to be entitled "Annual Report 2022" is expected to be available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP*

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

Montréal, Canada
June 29, 2022

*CPA auditor, public accountancy permit No. A125211

Tecsys Inc.

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

	Note	April 30, 2022	April 30, 2021
Assets			
Current assets			
Cash and cash equivalents		$ 23,004	$ 25,752
Short-term investments	4	20,239	20,100
Accounts receivable	22	16,962	16,840
Work in progress		1,579	182
Other receivables	21, 22	234	2,034
Tax credits	5	5,224	5,359
Inventory	6	806	628
Prepaid expenses	9	6,392	4,897
Total current assets		74,440	75,792
Non-current assets			
Other long-term receivables		192	303
Tax credits	5	3,782	3,904
Property and equipment	7	2,064	2,682
Right-of-use assets	8	4,547	7,245
Contract acquisition costs	9	3,177	2,678
Deferred development costs	10	1,870	1,088
Other intangible assets	10	10,301	12,194
Goodwill	10	16,863	17,417
Deferred tax assets	17	8,608	6,006
Total non-current assets		51,404	53,517
Total assets		$ 125,844	$ 129,309
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	13	$ 16,971	$ 19,417
Deferred revenue		24,689	22,044
Current portion of long-term debt	11	1,200	1,216
Other current liabilities	13	-	500
Lease obligations	12	662	848
Total current liabilities		43,522	44,025
Non-current liabilities			
Long-term debt	11	7,200	8,400
Deferred tax liabilities	17	1,258	1,499
Lease obligations	12	5,181	8,295
Total non-current liabilities		13,639	18,194
Total liabilities		57,161	62,219
Contingencies and other commitments	20		
Equity			
Share capital	14	43,973	42,700
Contributed surplus		13,176	11,745
Retained earnings		12,968	12,419
Accumulated other comprehensive income	22	(1,434)	226
Total equity attributable to the owners of the Company		68,683	67,090
Total liabilities and equity		$ 125,844	$ 129,309

Approved by the Board of Directors

Kathleen Miller Director

David Brereton Director

See accompanying notes to the consolidated financial statements.

Tecsys Inc.

Consolidated Statements of Income and Comprehensive Income

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

Years ended April 30,	Note	2022	2021
Revenue:			
SaaS	25	$ 26,929	$ 19,164
Maintenance and Support	25	32,698	33,715
Professional Services	25	52,040	47,530
License	25	2,806	4,921
Hardware	25	22,727	17,771
Total revenue		137,200	123,101
Cost of revenue	16	76,890	62,471
Gross profit		60,310	60,630
Operating expenses:			
Sales and marketing		24,294	20,985
General and administration		10,865	10,396
Research and development, net of tax credits	5	19,775	18,568
Total operating expenses		54,934	49,949
Profit from operations		5,376	10,681
Other (income) costs	19	(48)	324
Profit before income taxes		5,424	10,357
Income tax expense	17	946	3,169
Net profit, attributable to the owners of the Company		$ 4,478	$ 7,188
Other comprehensive income (loss):			
Effective portion of changes in fair value on designated revenue hedges	22	(693)	(77)
Exchange differences on translation of foreign operations	22	(967)	(113)
Comprehensive income, attributable to the owners of the Company		$ 2,818	$ 6,998
Basic earnings per common share	14	$ 0.31	$ 0.50
Diluted earnings per common share	14	$ 0.30	$ 0.49

See accompanying notes to the consolidated financial statements.

Tecsys Inc.

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

Years ended April 30,	Note	2022	2021
Cash flows from operating activities:			
Net profit		$ 4,478	$ 7,188
Adjustments for:			
Depreciation of property and equipment and right-of-use assets	7, 8	2,162	2,180
Amortization of deferred development costs	10	290	269
Amortization of other intangible assets	10	1,612	1,663
Interest expense (income) and foreign exchange (gain) loss	19	525	324
Gain on lease remeasurement	12,19	(573)	-
Unrealized foreign exchange and other		1,117	(1,130)
Non-refundable tax credits		(2,332)	(1,395)
Stock-based compensation	14	1,684	1,138
Income taxes		402	2,545
Net cash from operating activities excluding changes in non-cash working capital items related to operations		9,365	12,782
Accounts receivable		(270)	1,552
Work in progress		(1,410)	652
Other receivables		219	289
Tax credits		(397)	(724)
Inventory		(186)	5
Prepaid expenses		(1,502)	(1,120)
Contract acquisition costs		(499)	(354)
Accounts payable and accrued liabilities		(3,076)	137
Deferred revenue		2,700	5,894
Changes in non-cash working capital items related to operations		(4,421)	6,331
Net cash from operating activities		4,944	19,113
Cash flows from financing activities:			
Repayment of long-term debt	11	(1,216)	(1,215)
Payment of lease obligations	12	(859)	(929)
Payment of dividends	14	(3,929)	(3,607)
Refund (payment) of acquired tax liability	13, 19	299	(2,191)
Issuance of common shares on exercise of stock options	14	1,020	1,442
Interest paid		(622)	(638)
Net cash used in financing activities		(5,307)	(7,138)
Cash flows from investing activities:			
Purchase of short-term investments	4	-	(10,000)
Interest received	19	175	174
Acquisitions of property and equipment	7	(733)	(962)
Acquisitions of other intangible assets	10	(255)	(569)
Deferred development costs	10	(1,072)	(254)
Payments related to prior business acquisitions	13	(500)	(2,140)
Net cash used in investing activities		(2,385)	(13,751)
Net (decrease) increase in cash and cash equivalents during the year		(2,748)	(1,776)
Cash and cash equivalents - beginning of year		25,752	27,528
Cash and cash equivalents - end of year		$ 23,004	$ 25,752
Supplemental cash flow information:			
Purchase of property and equipment included in accounts payable and accrued liabilities		$ 75	$ 95

See accompanying notes to the consolidated financial statements.

Tecsys Inc.

Consolidated Statements of Changes in Equity

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

		Share capital											
	Note	Number		Amount		Contributed surplus		Accumulated other comprehensive income (loss)		Retained earnings		Total
Balance, May 1, 2021		14,505,095	$	42,700	$	11,745	$	226	$	12,419	$	67,090
Net profit		-		-		-		-		4,478		4,478
Other comprehensive income:												
Effective portion of changes in fair value on designated revenue hedges	22	-		-		-		(693)		-		(693)
Exchange difference on translation of foreign operations	22	-		-		-		(967)		-		(967)
Total comprehensive income		-		-		-		(1,660)		4,478		2,818
Stock-based compensation	14	-		-		1,684		-		-		1,684
Dividends to equity owners	14	-		-		-		-		(3,929)		(3,929)
Share options exercised	14	57,800		1,273		(253)		-		-		1,020
Total transactions with owners of the Company		57,800		1,273		1,431		-		(3,929)		(1,225)
Balance, April 30, 2022		14,562,895	$	43,973	$	13,176	$	(1,434)	$	12,968	$	68,683
Balance, May 1, 2020		14,416,543	$	40,901	$	10,964	$	416	$	8,838	$	61,119
Net profit		-		-		-		-		7,188		7,188
Other comprehensive income:												
Effective portion of changes in fair value on designated revenue hedges		-		-		-		(77)		-		(77)
Exchange difference on translation of foreign operations		-		-		-		(113)		-		(113)
Total comprehensive income		-		-		-		(190)		7,188		6,998
Stock-based compensation		-		-		1,138		-		-		1,138
Dividends to equity owners		-		-		-		-		(3,607)		(3,607)
Share options exercised		88,552		1,799		(357)		-		-		1,442
Total transactions with owners of the Company		88,552		1,799		781		-		(3,607)		(1,027)
Balance, April 30, 2021		14,505,095	$	42,700	$	11,745	$	226	$	12,419	$	67,090

See accompanying notes to the consolidated financial statements.

1. Description of business:

Tecsys Inc. (the "Company") was incorporated under the Canada Business Corporations Act in 1983. 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 and also on a perpetual license basis with recurring support. The Company also provides related consulting, education and support services. The Company is headquartered at 1, Place Alexis Nihon, Montréal, Canada, and derives substantially all of its revenue from customers located in the United States, Canada and Europe. The Company's customers consist primarily of healthcare systems, services parts, third-party logistics, retail and general wholesale high volume distribution industries. The consolidated financial statements comprise the Company and its wholly-owned subsidiaries. The Company is a publicly listed entity and its shares are traded on the Toronto Stock Exchange under the symbol TCS.

2. Basis of preparation:

(a) Statement of compliance:

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

The consolidated financial statements for the year ended April 30, 2022 were authorized for issuance by the Board of Directors on June 29, 2022.

(b) Basis of measurement:

The consolidated financial statements have been prepared on a going concern basis using the historical cost basis except for the following items in the consolidated statements of financial position:

- Derivative financial instruments which are measured at fair value;
- Identifiable assets acquired and liabilities assumed in connection with a business combination which are initially measured at fair value at the acquisition date;
- Share based compensation arrangements which are measured in accordance with IFRS 2, Share Based Payment; and
- Lease liabilities which are measured at the present value of minimum lease liabilities in accordance with IFRS 16, Leases.

(c) Functional and presentation currency:

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company, and amounts are rounded to the nearest thousand ($000) except when otherwise indicated.

(d) Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions, and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and revenue and expenses. Reported amounts and note disclosures reflect the overall economic conditions that are most likely to occur and the anticipated measures that management intends to take. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that the Company believes could have the most significant impact on reported amounts.

2. Basis of preparation (continued):

(d) Critical accounting judgements and key sources of estimation uncertainty (continued):

Impairment of assets:

The Company assesses whether there are any indicators of impairment of non-financial assets at each reporting period date. In addition, the Company is required to determine the recoverable amount of a cash-generating unit ("CGU"), defined as the smallest identifiable group of assets that generates cash inflows independent of other assets. Management applies judgement in assessing and identifying each CGU.

Key sources of estimation uncertainty

Information about areas requiring the use of judgment, management assumptions and estimates, and key sources of estimation uncertainty that the Company believes could have the most significant impact on reported amounts is noted below:

(i) Revenue recognition – Determination of distinct performance obligations and stand-alone selling prices:

Revenue recognition, particularly in bundled arrangements which may include licenses, professional services, maintenance services and subscription services, requires judgment in identifying performance obligations and allocating revenue to each performance obligation based on the relative stand-alone selling price of each performance obligation. As certain of these performance obligations have a term of more than one year, the identification and the allocation of the consideration received to each distinct performance obligation impacts the amount and timing of revenue recognition.

(ii) Income taxes:

In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and available tax planning strategies.

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

(iii) Impairment of assets:

Impairment assessments are based on internal estimates of the recoverable amount of a CGU. This determination requires significant estimates in a variety of areas including cash flows projected based on past experience, actual operating results and future projections, as well as the calculation of discount rates. The Company documents and supports all assumptions made to determine the above estimates and updates such assumptions to reflect the best information available to the Company if and when an impairment assessment requires the recoverable amount of a CGU to be determined.

3. Significant accounting policies:

These consolidated financial statements have been prepared with the accounting policies set out below and have been applied consistently to all periods presented, unless otherwise indicated.

(a) Basis of consolidation:

These consolidated financial statements include the accounts of the Company and its subsidiaries.

(i) Subsidiaries:

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(i) Subsidiaries (continued):

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

Subsidiary	Jurisdiction of Incorporation
Tecsys U.S. Inc.	Ohio
Tecsys Europe Limited	England
Logi D Holding Inc.	Canada
Logi D Inc.	Canada
Logi D Corp.	Delaware
OrderDynamics Corp.	Canada
Tecsys Denmark Holding ApS	Denmark
Tecsys A/S	Denmark

(ii) Transactions eliminated on consolidation:

Inter-company balances and transactions, and any income and expenses arising from inter-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency transactions:

Transactions in foreign currencies that are not hedged are translated to the respective functional currencies of the Company's subsidiaries at the average exchange rates for the period. The monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are translated at the exchange rates prevailing at the statement of financial position date and translation gains and losses are included in the consolidated income statement. Non-monetary items denominated in foreign currencies other than the functional currency are translated at historical rates.

Revenues that are hedged are translated at the exchange rate specified in the underlying derivative instrument hedging the transaction.

Foreign currency translation

The assets and liabilities of foreign operations, whose functional currency is not the Canadian dollar, are translated into Canadian dollars at the exchange rates in effect at the statement of financial position date. Revenue and expenses that are not hedged are translated at the exchange rate in effect on the date of the transaction. Differences arising from the exchange rate changes are included in other comprehensive income (loss) in the cumulative translation account.

On disposal of a foreign operation where control is lost, the cumulative amount of the exchange differences recognized in other comprehensive income (loss) relating to that particular foreign operation is recognized in the consolidated income statement as part of the gain or loss on disposal.

For foreign operations whose functional currency is the Canadian dollar, monetary assets and liabilities are translated into Canadian dollars at the exchange rates in effect at the statement of financial position date. Non-monetary items measured at historical cost are translated using the historical exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Revenue and expenses that are not hedged are translated at average exchange rates for the period. Differences arising from the exchange rate changes are included in the statement of income and comprehensive income (loss).

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and monetary items for which the settlement is planned but that have been designated as a hedge of the net investment in a foreign operation and to the extent the hedge is effective, are recognized in other comprehensive income (loss) in the cumulative translation account and reclassified from equity to the consolidated income statement on the disposal of the net investment.

3. Significant accounting policies (continued):

(c) Financial instruments:

The Company initially recognizes financial assets on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Company classifies its financial assets as subsequently measured at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets are classified into the following categories and depend on the purpose for which the financial assets were acquired.

(i) Financial assets measured at amortized cost:

A financial asset is subsequently measured at amortized cost, using the effective interest method except for short-term receivables where the interest revenue would be immaterial, and net of any impairment loss, if:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company currently classifies its cash and cash equivalents, short-term investments, accounts receivable, and other accounts receivable (excluding the fair value of derivatives) as financial assets measured at amortized cost.

(ii) Financial assets measured at fair value:

These assets are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss. However, for investments in equity instruments that are not held for trading, the Company may elect at initial recognition to present gains and losses in other comprehensive income. For such investments measured at fair value through other comprehensive income, gains and losses are never reclassified to profit or loss, and no impairment is recognized in profit or loss. Dividends earned from such investments are recognized in profit or loss, unless the dividend clearly represents a repayment of part of the cost of the investment. The Company measures derivative financial instruments at fair value.

(iii) Financial liabilities measured at amortized cost:

A financial liability is subsequently measured at amortized cost, using the effective interest method. The Company currently classifies accounts payable and accrued liabilities (excluding derivative financial instruments designated as effective hedging instruments and non-hedge derivative financial instruments), and long-term debt as financial liabilities measured at amortized cost.

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

Non-hedge derivative financial instruments, including forward foreign exchange contracts, are recorded as either assets or liabilities measured initially at fair value. Attributable transaction costs are recognized in profit or loss as incurred. The Company may hold derivative financial instruments to offset its risk exposure to fluctuations of other currencies compared to the Canadian dollar. All derivative financial instruments not designated in a hedge relationship are classified as financial instruments at fair value through profit and loss. The fair value of derivative financial instruments is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument. The net fair value of outstanding forward foreign exchange contracts is included as part of the accounts designated "other receivable" or "accounts payable and accrued liabilities" as appropriate. Any subsequent change in the fair value of non- hedge designated outstanding forward foreign exchange contracts is accounted for in finance income or finance cost in profit or loss for the period in which it arises.

3. Significant accounting policies (continued):

(c) Financial instruments (continued):

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

The foreign currency gains and losses on these contracts are recognized in the period in which they are generated and offset the exchange losses or gains recognized on the revaluation of the foreign currency net monetary assets. Cash flows from foreign exchange contract settlements are classified as cash flows from operating activities along with the corresponding cash flows from the monetary assets being economically hedged.

(v) Derivative financial instruments designated in a hedging relationship measured at fair value:

The Company uses derivative financial instruments to hedge its exposure to exchange rate fluctuations on highly probable future foreign currency denominated revenue.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions. This process includes linking all derivative hedging instruments to forecasted transactions. Hedge effectiveness is assessed based on the degree to which the cash flows from the derivative contracts are expected to offset the cash flows of the underlying transaction being hedged.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value is recognized in accumulated other comprehensive income (loss). The amounts in accumulated other comprehensive income (loss) are classified to profit when the underlying hedged transaction, identified at contract inception, affects profit or loss. Any ineffective portion of a hedge relationship is recognized immediately in profit. Ineffectiveness is mainly caused by the differences in discount rates between the actual derivative instrument and the perfectively effective hypothetical derivative.

When derivative contracts designated as cash flow hedges are terminated, expired, sold or no longer qualify for hedge accounting, hedge accounting is discontinued prospectively. Any amounts recorded in accumulated other comprehensive income (loss) up until the time the contracts do not qualify for hedge accounting remain in accumulated other comprehensive income (loss) until the hedged future cash flows occur if they are still expected to occur.

However, if the amount in accumulated other comprehensive income (loss) is a loss and the Company expects that all or a portion of that loss will not be recovered in future periods, then it shall immediately reclassify the amount that is not expected to be recovered into profit. Additionally, if the hedged future cash flows are no longer expected to occur, then the amount in accumulated other comprehensive income (loss) shall be immediately reclassified to profit. Amounts recognized in accumulated other comprehensive income (loss) are recognized in profit in the period in which the underlying hedged transaction is completed. Gains or losses arising subsequent to the derivative contracts not qualifying for hedge accounting are recognized in the period incurred.

(vi) Fair value of financial instruments:

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

(vii) Impairment of financial assets:

Loss allowances for 'expected credit losses' ("ECLs") are measured on either of the following bases:

i. 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

ii. Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company has elected to measure loss allowances for trade accounts receivable at an amount equal to lifetime ECLs.

3. Significant accounting policies (continued):

(c) Financial instruments (continued):

(vii) Impairment of financial assets (continued):

The Company measures loss allowances for other receivables in accordance with the following model:

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, including forward-looking information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as recovering inventory or the Company's credit insurance (if any).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

i. Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). The Company establishes an impairment loss allowance on a collective and individual assessment basis, by considering past events, current conditions and forecasts of future economic conditions. Collective assessment is carried out by grouping together trade accounts receivable with similar characteristics. ECLs are discounted at the effective interest rate of the financial asset.

ii. Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Examples of events that could occur are:

- significant financial difficulty of the borrower;
- a breach of contract, such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;

  or
- the disappearance of an active market for that financial asset because of financial difficulties.

It may not be possible to identify a single discrete event; instead, the combined effect of several events may have caused financial assets to become credit impaired.

iii. Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables are presented separately in the consolidated income statements.

iv. Write-off

The gross carrying amount of a financial assets is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

3. Significant accounting policies (continued):

(d) Cash and cash equivalents:

Cash and cash equivalents consist primarily of unrestricted cash and short-term investments having an initial maturity of three months or less.

(e) Short-term investments:

Short-term investments consist of a simple interest guaranteed income certificate held with a Schedule 1 Canadian bank. Investments are measured at amortized cost. The carrying amount of investments approximates fair market value due to the short-term maturity of these instruments.

(f) Inventory:

Inventory is stated at the lower of cost and net realizable value. Cost is determined on an average cost basis. Inventory costs include the purchase price and other costs directly related to the acquisition of materials, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less selling expenses.

(g) Property and equipment:

Property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within profit or loss.

Subsequent costs

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value.

The Company provides for depreciation of property and equipment commencing once the related assets have been put into service. Depreciation is recognized in profit or loss on a straight-line basis since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The Company uses the straight-line method and the following periods are used to calculate depreciation:

	Period
Computer equipment	2 to 5 years
Furniture and fixtures	10 years
Leasehold improvements	Lower of term of lease or economic life

Depreciation methods, useful lives and residual values are reviewed at each financial period-end and adjusted prospectively if appropriate.

3. Significant accounting policies (continued):

(h) Intangible assets:

(i) Goodwill:

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

(ii) Research and development costs:

Costs related to research are expensed as incurred.

Development costs of new software products for sale, net of government assistance, are capitalized as deferred development costs if they can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the product. Otherwise, development costs are expensed as incurred. Expenditures capitalized include the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use and borrowing costs on qualifying assets.

Deferred development costs are depreciated, commencing when the product is available for general release and sale, over the estimated product life of five years using the straight-line method.

Subsequent to initial measurement, deferred development costs are stated at cost less accumulated depreciation and accumulated impairment losses.

(iii) Other intangible assets:

Other intangible assets consist of software technology and customer assets and are carried at cost less accumulated depreciation and accumulated impairment losses. All intangible assets have finite useful lives and are therefore subject to depreciation.

Depreciation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. The Company uses the straight-line method and the following periods are used to calculate depreciation:

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

Depreciation methods, useful lives and residual values are reviewed at each financial period-end and adjusted prospectively if appropriate.

(i) Impairment of non-financial assets:

The Company reviews the carrying value of its non-financial assets, which include property and equipment, technology, customer assets, patents, software, and deferred development costs at each reporting date to determine whether events or changed circumstances indicate that the carrying value may not be recoverable. For goodwill, the recoverability is estimated annually, on April 30 or more often when there are indicators of impairment.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

3. Significant accounting policies (continued):

(i) Impairment of non-financial assets (continued):

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU or group of CGU's to which the corporate asset belongs.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying value of a non-financial asset exceeds the recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other non-financial assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

(j) Government assistance:

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

The refundable portion of tax credits is recorded in the period in which the related expenditures are incurred. The non-refundable portion of tax credits is recorded in the period in which the related expenditures are incurred or in a subsequent period to the extent that their future realization is determined to be probable, provided the Company has reasonable assurance the credits will be received and the Company will comply with the conditions associated with the award.

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

(k) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. This includes provisions for onerous contracts, litigation and contingencies.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

(l) Leases:

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

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of- use asset or the end of the lease term. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. Lease terms range from 5 to 21 years for offices and 3 to 6 years for equipment and vehicles.

3. Significant accounting policies (continued):

(l) Leases (continued):

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Lease payments used for the calculations comprise mainly fixed payments and variable lease payments that depend on an index or a rate, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual guarantee, or if the Company changes its assessments of whether it will exercise a purchase, extension or termination option. When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining amount of the remeasurement is recognized in profit or loss.

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

(m) Income taxes:

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

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

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

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

(n) Revenue recognition:

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

Revenues generated by the Company include the following:

(i) SaaS:

The Company generates revenue from proprietary software under a Software as a Service (SaaS) model. Under SaaS agreements, our customers have the right to access our cloud-based environment that we provide and manage, the right to receive support and to use the software, however the customer does not have the right to take possession of the software. SaaS revenue is recognized over the term of the related contracts. Certain SaaS contracts have variable fees that are recognized based on transaction volumes.

3. Significant accounting policies (continued):

(n) Revenue recognition (continued):

(ii) Maintenance and support:

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

Third-party support revenues related to third-party software and the related cost are generally recognized upon the delivery of the third-party products as the support fee is included with the initial licensing fee, the support included with the initial license is for one year or less, and the estimated cost of providing support during the arrangement is deemed insignificant. In addition, unspecified upgrades for third-party support agreements historically have been and are expected to continue to be minimal and infrequent.

(iii) Professional services:

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

(v) License:

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

(vi) Hardware:

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

(vi) Bundled arrangements:

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

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

(vii) Contract costs:

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

(viii) Work in progress and deferred revenue:

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

3. Significant accounting policies (continued):

(o) Employee benefits:

The Company offers a defined contribution plan to current employees. The Company's expense is limited to the employer's match of employees' contributions to the retirement savings plan. The Company has no legal or constructive obligation to pay additional amounts. An employee's entitlement to all benefits ceases upon termination of employment with the Company. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense when earned by the employee.

(p) Share-based payment arrangements:

The Company measures stock options granted to employees and directors that vest in specified installments over the service period based on the fair value of each tranche on the grant date by using the Black-Scholes option-pricing model. Each tranche of an award is considered a separate award with its own vesting period. Based on the Company's estimate of equity instruments that will eventually vest, a compensation expense is recognized over the vesting period applicable to the tranche with a corresponding increase to contributed surplus. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 14.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in contributed surplus. When the stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion previously recorded in contributed surplus.

(q) Earnings per share:

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

Diluted earnings per share is calculated based on the weighted average number of common shares outstanding during the period plus the effects of dilutive potential common shares outstanding during the period. This method requires that the dilutive effect of outstanding options be calculated as if all dilutive options had been exercised at the later of the beginning of the reporting period or date of issuance, and that the funds obtained thereby be used to purchase common shares of the Company at the average trading price of the common shares during the period.

(r) Share capital:

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

(s) Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The operating segment's operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

New standards and interpretations not yet adopted:

A number of new standards, interpretations and amendments to existing standards were issued by the IASB that are not yet effective for the period ended April 30, 2022 and have not been applied in preparing these consolidated financial statements.

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

3. Significant accounting policies (continued):

New standards and interpretations not yet adopted (continued):

The following standards or amendments are currently being assessed by the Company:

Standard	Issue date	Effective date for the Company	Impact
IAS 37, Provisions, Contingent Liabilities and Contingent Assets	May 2020	May 1, 2022	Not expected to be material
IAS 1, Presentation of Financial Statements	January 2020, July 2020 and February 2021	May 1, 2023	In assessment
IAS 8, Definition of Accounting Estimates	February 2021	May 1, 2023	In assessment
IAS 12, Income Taxes	May 2021	May 1, 2023	In assessment

IAS 37, Provisions, Contingent Liabilities and Contingent Assets:

In May 2020, the IASB issued Onerous Contracts – *Cost of Fulfilling a Contract (Amendments to IAS 37)* amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The changes in Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) clarify that the "cost of fulfilling" a contract comprises both the incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The amendments to IAS 37 are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The Company will adopt the amendments on May 1, 2022.

IAS 1, Presentation of Financial Statements:

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)* which provides a general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position, not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. In July 2020, the IASB published Classification of Liabilities as Current or Non-current – Deferral of Effective Date (Amendment to IAS 1) deferring the effective date of the January 2020 amendments to IAS 1 by one year.

In February 2021 the IASB issued *Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 Making Materiality Judgements)* which provides guidance on accounting policy disclosure. The amendments in the Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 Making Materiality Judgements) require companies to disclose their material accounting policies rather than their significant accounting policies. The amendments clarify that accounting policies related to immaterial transactions or events or conditions do not need to be disclosed, and also that not all accounting policies that relate to material transactions, or events or conditions are themselves material to a company's financial statements. The IASB has developed guidance on how an entity can identify material accounting policy information and provides examples of when accounting policy information is likely to be material.

Both amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The Company will adopt the amendments on May 1, 2023.

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

3. Significant accounting policies (continued):

New standards and interpretations not yet adopted (continued):

IAS 8, Definition of Accounting Estimates:

In February 2022, the IASB issued *Definition of Accounting Estimates (Amendments to IAS 8)* to introduce a new definition for accounting estimates. Accounting estimates are items in the financial statements that are subject to measurement uncertainty. The amendments also clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error, and a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The amendments to IAS 8 are effective for annual reporting periods beginning on or after January 1, 2023. Earlier adoption is permitted. The Company will adopt the amendments on May 1, 2023.

IAS 12, Income Taxes:

In May 2021, the IASB issued *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)* that clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change is an exemption from the initial recognition exemption, so that it does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition. Instead, companies are required to recognize equal deferred tax assets and liabilities. The amendments to IAS 12 are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The Company is currently assessing the impact of the amendment.

4. Short-term investments:

	2022	2021
Beginning balance	$ 20,100	$ 10,000
Additions	-	10,000
Interest on short-term investments	139	100
Ending Balance	$20,239	$20,100

Short-term investment consists of Guaranteed Investment Certificate (GIC). On May 1, 2020, the Company invested $10,000 in a GIC. The GIC has a 31-day withdrawal notice requirement, and the interest is automatically reinvested monthly.

5. Government assistance (Tax credits):

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

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

The Company is also eligible to receive a Provincial refundable and non-refundable tax credit for the development of e-business information technologies. This tax credit is granted to corporations on salaries paid to employees carrying out activities based on specific eligibility requirements. The credits are earned at an annual rate of 30% of salaries paid to eligible employees engaged in eligible activities, to a maximum annual refundable tax credit of $20 and maximum annual non-refundable tax credit of $5 per eligible employee. The Company must obtain an eligibility certificate each year confirming that it has satisfied the criteria relating to the proportion of the activities in the information technology sector and for the services supplied. Provincial non-refundable tax credits can only be applied against provincial tax payable.

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

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

The following table presents the tax credits for the Company:

	SRED Canadian Federal non-refundable tax credits	SRED Provincial refundable tax credits	E-business refundable tax credits	E-business non-refundable tax credits	Total
Balance, April 30, 2020	$ 5,609	$ 20	$ 2,607	$ 550	$ 8,786
Tax credits received or utilized against income tax expense	(1,250)	(20)	(2,635)	(453)	(4,358)
Adjustments to prior year's credits	(52)	-	28	17	(7)
Recognition of tax credit	552	20	3,412	858	4,842
Balance, April 30, 2021	$ 4,859	$ 20	$ 3,412	$ 972	$ 9,263
Presented as:					
Current					
Tax credits	$ 955	$ 20	$ 3,412	$ 972	$ 5,359
Non-current					
Tax credits	$ 3,904	$ -	$ -	$ -	$ 3,904
Tax credits received or utilized against income tax expense	(1,947)	(52)	(3,201)	(1,039)	(6,239)
Adjustments to prior year's credits	232	32	(211)	(65)	(12)
Recognition of tax credit	1,218	42	3,787	947	5,994
Balance, April 30, 2022	$ 4,362	$ 42	$ 3,787	$ 815	$ 9,006
Presented as:					
Current					
Tax credits	$ 580	$ 42	$ 3,787	$ 815	$ 5,224
Non-current					
Tax credits	$ 3,782	$ -	$ -	$ -	$ 3,782

The amounts recorded as receivable or recoverable are subject to a government tax audit and the final amounts received may differ from those recorded. There are no unfulfilled conditions or contingencies associated with the government assistance received. During fiscal 2022, the Company recognized $617 (2021 – nil) of Federal non-refundable SRED tax credits generated in prior periods that met the criteria for recognition in the current year.

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

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

As at April 30, 2022, the Company has non-refundable research and development tax credits totaling approximately $4,362 (April 30, 2021 - $4,859) for Canadian Federal income tax purposes which may be used to reduce taxes payable in future years. These Federal non-refundable tax credits may be claimed no later than fiscal years ending April 30:

	Federal non-refundable tax credits
2029	$ 93
2030	86
2031	94
2032	73
2033	94
2034	240
2035	242
2036	237
2037	420
2038	349
2039	507
2040	583
2041	743
2042	601
	$ 4,362

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

	2022	2021
Federal non-refundable research and development tax credits	$ 1,218	$ 552
Provincial refundable research and development tax credits	42	20
E-business refundable tax credits for research and development employees	1,624	1,418
E-business non-refundable tax credits for research and development employees	363	361
Adjustments to prior year's credits	115	(52)
Total research and development tax credits	3,362	2,299
E-business refundable tax credits for other employees	2,163	1,994
E-business non-refundable tax credits for other employees	584	497
Adjustments to prior year's credits	(127)	45
Tax credits recognized in the year	$ 5,982	$ 4,835

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

6. Inventory:

	2022	2021
Finished goods	$ 660	$ 404
Third-party software licenses for resale	146	224
	$ 806	$ 628

During fiscal 2022, finished goods and third-party software licenses for resale recognized as cost of revenue amounted to $17,617 (2021 - $13,943).

7. Property and equipment:

	Computer equipment	Furniture and fixtures	Leasehold Improve-ments	Total
Cost				
Balance at April 30, 2020	$ 10,452	$ 1,846	$ 2,506	$ 14,804
Additions	890	167	-	1,057
Disposals	(816)	(31)	-	(847)
Balance at April 30, 2021	$ 10,526	$ 1,982	$ 2,506	$ 15,014
Additions	711	2	-	713
Balance at April 30, 2022	$ 11,237	$ 1,984	$ 2,506	$ 15,727
Accumulated Depreciation				
Balance at April 30, 2020	$ 9,114	$ 1,308	$ 1,559	$ 11,981
Depreciation	853	147	198	1,198
Disposals	(816)	(31)	-	(847)
Balance at April 30, 2021	$ 9,151	$ 1,424	$ 1,757	$ 12,332
Depreciation	989	148	194	1,331
Balance at April 30, 2022	$ 10,140	$ 1,572	$ 1,951	$ 13,663
Carrying Amounts				
At April 30, 2021	$ 1,375	$ 558	$ 749	$ 2,682
At April 30, 2022	$ 1,097	$ 412	$ 555	$ 2,064

There were no proceeds associated with property and equipment dispositions during fiscal year 2022 (2021 – nil).

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

8. Right-of-use assets:

The following table presents the right-of-use assets for the Company:

	Offices	Data centers	Vehicles and equipment	Total
Balance, May 1, 2020	$ 7,816	$ 165	$ 253	$ 8,234
Depreciation	(752)	(135)	(95)	(982)
Effect of foreign currency exchange differences	(6)	-	(1)	(7)
Balance, April 30, 2021	$ 7,058	$ 30	$ 157	$ 7,245
Depreciation	(721)	(33)	(77)	(831)
Remeasurement of lease liability (note 12)	(1,815)	-	-	(1,815)
Effect of foreign currency exchange differences	(48)	3	(7)	(52)
Balance, April 30, 2022	$ 4,474	$ 0	$ 73	$ 4,547

9. Contract acquisition costs:

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

	2022	2021
Balance, beginning of the year	$ 4,202	$ 3,087
Additions	2,482	2,441
Amortization	(1,793)	(1,326)
Balance, end of the year	$ 4,891	$ 4,202
Presented as:		
Current portion	$ 1,714	$ 1,524
Non-current		
Contract acquisition costs	$ 3,177	$ 2,678

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

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

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

	Goodwill	Deferred development costs	Other intangible assets				
			Software	Technology	Customer assets	Other	Total of other intangible assets
Cost							
Balance at April 30, 2020	$ 17,540	$11,794	$ 4,764	$ 8,696	$ 10,581	$ 245	$24,286
Additions	-	254	569	-	-	-	569
Effect of foreign currency exchange differences	(123)	-	-	(23)	(114)	-	(137)
Balance at April 30, 2021	$ 17,417	$12,048	$ 5,333	$ 8,673	$ 10,467	$ 245	$24,718
Additions	-	1,072	255	-	-	-	255
Effect of foreign currency exchange differences	(554)	-	-	(100)	(583)	-	(683)
Balance at April 30, 2022	$ 16,863	$13,120	$ 5,588	$ 8,573	$ 9,884	$ 245	$24,290
Accumulated amortization							
Balance at April 30, 2020	$ -	$10,691	$ 4,225	$ 3,326	$ 3,095	$ 239	$10,885
Amortization for the year	-	269	282	628	747	6	1,663
Effect of foreign currency exchange differences	-	-	-	(5)	(19)	-	(24)
Balance at April 30, 2021	$ -	$10,960	$ 4,507	$ 3,949	$ 3,823	$ 245	$12,524
Amortization for the year	-	290	273	621	718	-	1,612
Effect of foreign currency exchange differences	-	-	-	(25)	(122)	-	(147)
Balance at April 30, 2022	$ -	$11,250	$ 4,780	$ 4,545	$ 4,419	$ 245	$13,989
Carrying amounts							
At April 30, 2021	$ 17,417	$ 1,088	$ 826	$ 4,724	$ 6,644	$ -	$12,194
At April 30, 2022	$ 16,863	$ 1,870	$ 808	$ 4,028	$ 5,465	$ -	$10,301

Certain technology, customer relationships, and other intangible assets are fully amortized, but are still property of the Company.

The following table reflects the amortization expense recognized for the various intangible assets within the various functions for the years ended April 30, 2022 and 2021:

	2022					
	Deferred development costs	Software	Technology	Customer relationships	Other intangible assets	Total
Cost of revenue: Products	$ -	$ -	$ -	$ 87	$ -	$ 87
Cost of revenue: Services	-	125	621	-	-	746
Sales and marketing	-	30	-	631	-	661
General and administration	-	91	-	-	-	91
Research and development	290	27	-	-	-	317
	$ 290	$ 273	$ 621	$ 718	$ -	$ 1,902

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

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

	2021					
	Deferred development costs	Software	Technology	Customer assets	Other intangible assets	Total
Cost of revenue: Products	$ -	$ -	$ -	$ 87	$ -	$ 87
Cost of revenue: Services	-	119	628	-	-	747
Sales and marketing	-	29	-	660	-	689
General and administration	-	110	-	-	6	116
Research and development	269	24	-	-	-	293
	$ 269	$ 282	$ 628	$ 747	$ 6	$ 1,932

Impairment testing for cash-generating units containing goodwill

For the purposes of impairment testing, goodwill is allocated to the cash-generating units ("CGUs") which represent the lowest level within the Company for which there are separately identifiable cash inflows. The Company has two CGUs, the non-Tecsys A/S CGU and the Tecsys A/S CGU. As at April 30, 2022 goodwill for Non-Tecsys A/S and Tecsys A/S represent $10,783 and $6,080 respectively (April 30, 2021 - $10,783 and $6,634 respectively).

The Company performs its goodwill impairment assessment on an annual basis or more frequently if there are any indications that impairment may exist. The recoverable amount of the Company's CGU's was based on its value in use which was determined by discounting the future cash flows generated from the continuing use of the units. The carrying amount of the units were determined to be lower than their recoverable amount and no impairment loss was recognized on April 30, 2022 and 2021.

The calculation of the value in use was based on the following key assumptions:

Cash flows were projected based on past experience, actual operating results and the annual business plan prepared at the end of fiscal 2022 for the forthcoming year. Cash flows for an additional four-year period and a terminal value were extrapolated using a constant growth rate of 5%, which does not exceed the long-term average growth rate for the industry.

A pre-tax discount rate of 14% for the non-Tecsys A/S CGU and 14% for the Tecsys A/S CGU was applied in determining the recoverable amount of the unit. The values assigned to the key assumptions represent management's assessment of future trends in the software industry and are based on both external and internal sources.

No reasonably possible change in the key assumptions used in determining the recoverable amount would result in any impairment of goodwill.

11. Banking facilities and long-term debt:

On January 30, 2019, the Company entered into a Credit Agreement. The Credit Agreement includes a Term Facility of up to $12,000 and a Revolving Facility of $5,000. The Term Facility was used for the purchase of Tecsys A/S and for general corporate purposes. The Revolving Facility is for general corporate purposes. As at April 30, 2022, the Company had outstanding $8,400 under the Term Facility (the ''Term Loan") (April 30, 2021 - $9,600). The Revolving Facility was undrawn as of April 30, 2022 and April 30, 2021.

Canadian Dollar borrowings under the Credit Agreement are made in the form of Prime Rate Loans (bearing interest at prime plus 0.75%-1.75% per annum) or Banker's Acceptances (bearing interest at base plus 1.75% - 2.75% per annum). The Company may repay outstanding amounts under the Credit Agreement at any time.

Security under the credit agreement consists of a first-ranking movable hypothec on the Company's corporeal and incorporeal, present and future movable property.

The current Credit Agreement requires the Company to maintain a Fixed Charge Coverage Ratio of not less than 1.20 : 1.0 and a Net Debt to Bank EBITDA ratio not greater than 2.50 : 1. On April 30, 2022, the Company was in compliance with all its financial covenants.

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

11. Banking facilities and long-term debt (continued):

The remaining term loan is payable in quarterly installments of $300 until January 2024, with the balance payable on that same date.

	April 30, 2022	April 30, 2021
Term Loan, secured by a hypothec on movable properties	$ 8,400	$ 9,600
Government funded debt, with no interest or security, payable over various installments	-	16
	$ 8,400	$ 9,616
Current portion	(1,200)	(1,216)
Long-term debt	$ 7,200	$ 8,400

12. Lease obligations:

The Company's leases are for office space, data centers, vehicles and equipment. Most of these leases do not contain renewal options. The range of renewal options for those that have such options are between 5 to 10 years. The Company has included renewal options in the measurement of lease obligations when it is reasonably certain to exercise the renewal option.

The following table presents lease obligations for the Company as at April 30:

	2022	2021
Current	$ 662	$ 848
Non-current	5,181	8,295
Total lease obligations	$ 5,843	$ 9,143

The following table presents the contractual undiscounted cash flows for lease obligations as at April 30, 2022:

Less than one year	$ 819
One to five years	4,000
More than five years	1,981
Total undiscounted lease obligations	$ 6,800

Interest expense on lease obligations for fiscal year 2022 was $308 (2021 - $359). Total cash outflow was $1,153 for fiscal year 2022 (2021 - $1,288), including $845 of principal payments on lease obligations (2021 - $929). The expense relating to variable lease payments not included in the measurement of lease obligations was $1,008 (2021 – $985). This consists of variable lease payments for operating costs, property taxes and insurance.

Expenses relating to short-term leases not included in the measurement of lease obligations for fiscal year ended April 30, 2022 was $60 (2021 - $248). Expenses relating to leases of low value assets was $179 (2021 -$182). Additions on lease obligations during fiscal year 2022 were $nil (2021 - $nil).

During fiscal year 2022, the Company remeasured one of its lease liabilities due to a change in the assessment of the renewal period included in the lease term. The lease liability was adjusted by $2,388, reducing the carrying value of the right-of-use asset to zero, and as a result a gain on remeasurement of lease liability of $573 was recognized in other income.

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

13. Accounts payable, accrued liabilities and other current liabilities:

	2022	2021
Trade payables	$ 3,880	$ 4,367
Accrued liabilities and other payables	4,259	4,499
Salaries and benefits due to related parties	1,680	2,005
Employee salaries and benefits payable	6,541	8,546
Fair value of derivatives in a loss position	611	-
Other current liabilities	-	500
	$ 16,971	$ 19,917
Presented as:		
Current		
Accounts payable and accrued liabilities	$ 16,971	$ 19,417
Other current liabilities	-	500
	$ 16,971	$ 19,917

In fiscal 2021, the Company paid $2,191 to the Canada Revenue Agency relating to the acquired tax liability ("CRA Liability"), which was part of the total consideration to acquire OrderDynamics Corporation. Also during fiscal 2021, the Company paid $2,140 of indemnification holdback security related to prior business acquisitions.

As at April 30, 2021, other current liabilities included $500 indemnification holdback security associated with the acquisition of OrderDynamics Corporation. During fiscal 2022, the Company made the final payment of $500 to the vendors.

14. Share capital and Stock option plan:

(a) Authorized share capital:

Authorized - unlimited as to number and without par value.

Common shares

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

All outstanding shares issued are fully paid.

Class A preferred shares

Class A preferred shares are issuable in series, having such attributes as the Board of Directors may determine. Holders of Class A preferred shares do not carry the right to vote. No preferred shares are outstanding as at April 30, 2022 and April 30, 2021.

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

(b) Executive share purchase plan:

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

Each participant is required to make annual purchases of common shares through the facilities of the TSX secondary market ("annual purchases") having an aggregate purchase price equal to 10% of his or her annual base salary during the immediately preceding fiscal year (the "base salary"). Annual purchases must be made within 90 days of May 1 of every fiscal year.

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

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

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

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

(c) Dividend policy:

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

During fiscal 2022, the Company declared quarterly dividends of $0.065 for the first two quarters and $0.07 for each of the following quarters for an aggregate of $3,929. During fiscal 2021, the Company declared quarterly dividends of $0.06 for the first two quarters and $0.065 for each of the following quarters for an aggregate of $3,607.

(d) Earnings per share:

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

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

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

Basic and diluted earnings per share are calculated as follows:

	2022	2021
Net Profit, attributable to common shareholders	$ 4,478	$ 7,188
Weighted average number of common shares outstanding (basic)	14,541,263	14,436,184
Dilutive impact of stock options	370,669	345,143
Weighted average number of common shares outstanding (diluted)	14,911,932	14,781,327
Basic earnings per common share	$ 0.31	$ 0.50
Diluted earnings per common share	$ 0.30	$ 0.49

As at April 30, 2022, 2,000 options were excluded from the calculation of weighted average number of diluted common shares as their effect would have been anti-dilutive (2,000 options as at April 30, 2021).

(e) Stock option plan:

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

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

The movement in outstanding stock options for fiscal year 2022 and 2021 is as follows:

	Number of options	Weighted average exercise price
Outstanding at April 30, 2021	709,086	$ 18.02
Granted	166,472	40.34
Exercised	(57,800)	17.66
Forfeited	(11,092)	18.97
Outstanding at April 30, 2022	806,666	$ 22.64

	Number of options	Weighted average exercise price
Outstanding at April 30, 2020	646,587	$ 15.16
Granted	169,574	27.53
Exercised	(88,552)	16.28
Forfeited	(18,523)	14.92
Outstanding at April 30, 2021	709,086	$ 18.02

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

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

(e) Stock option plan (Continued):

The following table outlines the outstanding stock options of the Company as at April 30, 2022:

	Fair value per option	Remaining contractual life in years	Number of options currently exercisable	Exercise price	Outstanding options
Granted on September 6, 2018	$ 4.42	1.35	87,788	$ 17.23	108,900
Granted on July 3, 2019	3.28	2.17	248,308	14.29	370,266
Granted on February 28, 2020	4.78	2.83	3,750	18.95	7,500
Granted on July 8, 2020	6.95	3.19	63,444	26.75	145,014
Granted on December 2, 2020	10.74	3.59	2,036	36.77	6,514
Granted on February 24, 2021	18.79	3.82	500	60.62	2,000
Granted on June 29, 2021	12.66	4.16	31,214	40.34	166,472

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

The fair value of options granted on June 29, 2021, were determined using the Black-Scholes option pricing model with the following assumptions:

	2022			2021
	June 29, 2021	July 8, 2021	December 2, 2020	February 24, 2021
Exercise share price	$ 40.34	$ 26.75	$ 36.77	$ 60.62
Expected option life (years)	5	5	5	5
Weighted average expected stock price volatility	36.61%	32.06%	35.09%	36.01%
Weighted average dividend yield	0.62%	0.86%	0.64%	0.41%
Weighted average risk-free interest rate	0.97%	0.37%	0.44%	0.63%

For the fiscal year ended April 30, 2022, the Company recognized stock-based compensation expense of $1,684 ($1,138 for the fiscal year ended April 30, 2021). 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.

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

15. Remaining Performance obligation:

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

The following table presents revenue expected to be recognized in the future related to SaaS and maintenance and support performance obligations that are part of a contract with an original duration of greater than one year and that are unsatisfied (or partially satisfied) at April 30, 2022:

	2023	2024	2025 and thereafter	Total
SaaS	$ 29,497	$ 25,045	$ 39,434	$ 93,976
Maintenance and support	1,483	708	321	2,512
Total	$ 30,980	$ 25,753	$ 39,755	$ 96,488

16. Cost of revenue:

	April 30, 2022	April 30, 2021
SaaS, maintenance, support and professional services:		
Gross expenses	$ 60,377	$ 50,140
Amortization of intangible assets	289	284
Reimbursable expenses	800	156
E-business tax credits	(2,550)	(2,464)
	58,916	48,116
License and hardware	17,974	14,355
Total	$ 76,890	$ 62,471

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

17. Income Taxes:

(a) Income taxes comprise the following components:

		2022		2021
Current income taxes				
Current year	$	3,146	$	2,326
Adjustments of previous year's tax expense		531		(40)
Current income taxes expense	$	3,677	$	2,286
Deferred income taxes				
Origination and reversal of temporary differences	$	(1,379)	$	526
Net change in unrecognized deductible temporary difference		872		305
Recognition of previously unrecognized temporary difference		(1,961)		
Adjustments of previous year's tax expense		(263)		52
Deferred income tax (benefit) expense	$	(2,731)	$	883
Income tax expense	$	946	$	3,169

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

		2022		2021
Combined basic federal and provincial statutory income tax rate		26.50%		26.50%
Profit before income taxes	$	5,424	$	10,357
Expected combined income tax expense		1,437		2,745
Increase (reduction) in income taxes resulting from:				
Utilization of unrecognized benefits		(332)		(480)
Net changes in unrecognized benefits		1,204		785
Utilization of previously unrecognized temporary difference		(1,961)		-
Permanent differences and other		598		119
Income tax expense		946		3,169

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

17. Income Taxes (continued):

(c) Recognized deferred tax assets and liabilities:

Changes in deferred tax assets and liabilities for the years ended April 30, 2022 and April 30, 2021 are as follows:

	Balance as at April 30, 2021	Recognized in statement of profit	Foreign Exchange	Balance as at April 30, 2022
Research and development expenses	$ 4,601	$ 744	$ -	$ 5,345
Net operating losses	1,468	1,950	-	3,418
Property and equipment	3,343	374	-	3,717
Non-deductible reserves and accruals	153	36	-	189
Right-of-use assets and lease liability	502	(160)	-	342
Charitable donations	139	6	-	145
Share issue costs	323	(142)	-	181
Other	17	(17)	-	-
Contract acquisition costs	(1,061)	(176)	-	(1,237)
E-business tax credits	(380)	(36)	-	(416)
Federal tax credits	(1,605)	24	-	(1,581)
Deferred development costs	(288)	(207)	-	(495)
Intangibles	(2,705)	335	112	(2,258)
Net deferred tax recognized	$ 4,507	$ 2,731	$ 112	7,350

	Balance as at April 30, 2020	Recognized in statement of profit	Foreign exchange	Balance as at April 30, 2021
Research and development expenses	$ 5,225	$ (624)	$ -	$ 4,601
Net operating losses	1,670	(202)	-	1,468
Property and equipment	3,082	261	-	3,343
Non-deductible reserves and accruals	193	(40)	-	153
Right-of-use assets and lease liability	488	14	-	502
Charitable donations	219	(80)	-	139
Share issue costs	467	(144)	-	323
Other	91	(74)	-	17
Contract acquisition costs	(704)	(357)	-	(1,061)
E-business tax credits	(266)	(114)	-	(380)
Federal tax credits	(1,670)	65	-	(1,605)
Deferred development costs	(310)	22	-	(288)
Intangibles	(3,095)	390	-	(2,705)
Net deferred tax recognized	$ 5,390	$ (883)	$ -	$ 4,507

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

17. Income Taxes (continued):

As at April 30, 2022 the Company has net deferred tax assets of $8,608 (April 30, 2021 – $6,006) and net deferred tax liabilities of $1,258 (April 30, 2021 – $1,499) presented on the Consolidated Statements of Financial Position.

The Company had Canadian Federal non-refundable SRED tax credits totaling approximately $4,362 (note 5) (April 30, 2021 – $4,859) which may be used only to reduce future current federal income taxes otherwise payable. For the year ended April 30, 2022, the Company intends to claim available Federal non-refundable tax credits to reduce Canadian Federal income taxes otherwise payable of $1,602.

The Company had provincial non-refundable tax credits of $815 (note 5) (April 30, 2021 - $972) which may be used only to reduce future current provincial income taxes otherwise payable. For the year ended April 30, 2022, the Company intends to claim available provincial non-refundable tax credits to reduce provincial income taxes otherwise payable of $853.

During the fourth quarter of fiscal 2022, the Company recognized $2,125 of deferred tax assets related to operating losses and $164 of deferred tax liabilities related to federal tax credits, both related to previous periods. The recognition resulted from the increased probability that future taxable profit will be available against which the Company can utilize the benefits. Future taxable profit as per the profitability analysis includes the plan to amalgamate certain entities in the group. Such amalgamation was completed effective May 1, 2022.

(d) Unrecognized net deferred tax assets

As at April 30, 2022 and 2021, unrecognized net deferred tax assets consist of the following:

	2022	2021
Research and development expenses	$ 300	$ 380
Net operating losses of Canadian subsidiaries	2,269	3,272
Net operating losses of UK subsidiary	81	91
Capital losses	854	854
Other	22	18
Unrecognized net deferred tax assets	$ 3,526	$ 4,615

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

17. Income Taxes (continued):

(d) Unrecognized net deferred tax assets (continued):

Canadian subsidiaries have unrecognized accumulated research and development expenses of approximately $1,435 (April 30, 2021 – $1,435) for Federal income tax purposes, nil (April 30, 2021 - nil) for Québec provincial income tax purposes, and $738 (April 30, 2021 – $1,435) for Ontario income tax purposes which may be carried forward indefinitely and used to reduce taxable income in future years. In addition, Canadian subsidiaries have net operating losses carried forward of approximately $12,151 (April 30, 2021 - $12,253) for Federal income tax purposes, $3,878 (April 30, 2021 - $4,510) for Québec provincial income tax purposes and nil (April 30, 2021 - $7,959) for Ontario provincial tax purposes which may be applied to reduce taxable income in future years.

The Company's U.K. subsidiary has unrecognized net operating losses carried forward for income tax purposes of approximately $426 (£ 264) (April 30, 2021 – $479 (£ 3282)) which may be applied to reduce taxable income in future years.

The Company and its subsidiaries have unrecognized accumulated capital losses of approximately $6,384 (April 30, 2021 – $6,384) which may be applied to reduce future taxable capital gains.

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

Unrecognized deferred tax liabilities:

As at April 30, 2022, no deferred tax liabilities were recognized for temporary differences arising from investments in subsidiaries because the Company controls the decisions affecting the realization of such liabilities and it is probable that the temporary differences will not reverse in the foreseeable future.

18. Personnel expenses:

		2022		2021
Salaries, including bonus and commissions	$	81,908	$	72,619
Other short-term benefits		6,231		5,128
Payments to defined contribution plans		4,277		2,709
	$	92,416	$	80,456

19. Other (income) cost:

		2022		2021
Interest expense on bank loans and other	$	314	$	428
Interest accretion expense – lease obligations		308		359
Foreign exchange (gain) loss		377		(289)
Interest income on bank deposits		(474)		(174)
Gain on remeasurement of lease liability		(573)		-
	$	(48)	$	324

Interest income includes a $299 refund of interest related to the settlement of the acquired tax liability ("CRA Liability"), which was part of the total consideration to acquire OrderDynamics Corporation.

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

20. Provisions, contingencies and other commitments:

In the normal course of operations, the Company may be exposed to lawsuits, claims and contingencies. Provisions are recognized as liabilities when there are present obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and where such liabilities can be reliably estimated.

As at April 30, 2022, with the exception of the leases recognized under IFRS 16 as lease liabilities, the Company had other commitments which includes operating leases with terms of less than 12 months and commitments under service contracts including public cloud infrastructure costs. The minimum payments are as follows:

	Payments due by period				
	Total	Less than 1 year	1 - 3 years	3- 5 years	After 5 years
Other contractual obligations	4,585	2,769	1,816	-	-

21. Related party transactions:

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

As at April 30, 2022, key management and their spouses control 21.6% (April 30, 2021 – 22.5%) of the issued common shares of the Company. The compensation paid or payable to key management for employee services is as follows:

		2022		2021
Salaries	$	5,201	$	4,994
Other short-term benefits		246		403
Payment to defined contribution plans		146		139
	$	5,593	$	5,536

Under the provisions of the share purchase plan for key management and other management employees, the Company provided interest-free loans to key management and other management employees of $300 (2021-$500) to facilitate their purchase of the Company's common shares during fiscal 2022. As of April 30, 2022, loans outstanding amounted to $241 (2021-$401) and are included in other receivables and other long-term receivables in the Consolidated Statements of Financial Position.

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

22. Financial instruments and risk management:

Classification of financial instruments

The table below summarizes the Company's financial instruments and their classifications.

	2022			2021
	Fair value	Amortized cost	Total	
Financial assets				
Cash and cash equivalents	$ -	$ 23,004	$ 23,004	$ 25,752
Short-term investments	-	20,239	20,239	20,100
Accounts receivable	-	16,962	16,962	16,840
Other receivables and other long-term receivables	-	241	241	651
Foreign exchange derivatives included in other receivables	-	-	-	1,686
	$ -	$ 60,176	$ 60,176	$ 65,029
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ 16,360	$ 16,360	$ 19,417
Other current liabilities	-	-	-	500
Foreign exchange derivatives included in accounts payable and accrued liabilities	611	-	611	-
Long-term debt	-	8,400	8,400	9,616
	$ 611	$ 24,760	$ 25,371	$ 29,533

(a) Fair value disclosures

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

The fair value of the long-term debt was determined using level 2 of the fair value hierarchy, by discounting the future cash flows using interest rates which the Company could obtain for loans with similar terms, conditions, and maturity dates. There is no significant difference between the fair value and the carrying value of the long-term debt as at April 30, 2022 and 2021.

The fair value of derivatives consisting of foreign exchange forward contracts is measured using a generally accepted valuation technique which is the discounted value of the difference between the contract's value at maturity based on the rate set out in the contract and the contract's value at maturity based on the rate that the counterparty would use if it were to renegotiate the same contract at the measurement date under the same conditions. The fair value of derivative financial instruments is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument.

The fair value of financial assets, financial liabilities and derivative financial instruments were measured using the Level 2 inputs in the fair value hierarchy as at April 30, 2022 and 2021.

The forward foreign exchange contracts in a hedging relationship designated as cash flow hedges qualified for hedge accounting. The forward foreign exchange contracts outstanding as at April 30, 2022 and April 30, 2021 consisted primarily of contracts to reduce the exposure to fluctuations in the U.S. dollar. For fiscal 2022 and 2021, the derivatives designated as cash flow hedges were considered to be fully effective and no ineffectiveness has been recognized in net finance costs.

22. Financial instruments and risk management (continued):

(b) Risk management

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

Currency risk

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

Non-hedge designated derivative instruments

On April 30, 2022, the Company held two outstanding foreign exchange contracts with various maturities to July 2022 to sell US$4,300 into Canadian dollars at rates averaging CA$1.254 to yield CA$5,392. On April 30, 2022, the Company recorded an unrealized exchange loss of $131 included in accounts payable and accrued liabilities representing the change in fair value of these outstanding contracts since inception and their initial measurement.

On April 30, 2021, the Company held two outstanding foreign exchange contracts with various maturities to June 2021 to sell US$5,300 into Canadian dollars at rates averaging CA$1.2587 to yield CA$6,671. On April 30, 2021, the Company recorded an unrealized exchange gain of $157 included in other receivables representing the change in fair value of these outstanding contracts since inception and their initial measurement

Revenue hedge designated derivative instruments

On April 30, 2022, the Company held twenty outstanding foreign exchange contracts with various maturities to July 2023 to sell US$36,000 at rates averaging CA$1.2716 to yield CA$45,779. Of the outstanding US$36,000 hedge designated foreign exchange contracts, US$24,000 pertain to highly probable future revenue denominated in U.S. dollars expected over the twelve-month period through April 2023 while US$12,000 is related to realized U.S. dollar denominated revenue. On April 30, 2022, the Company had recorded an unrealized loss of $480 included in accounts payable and accrued liabilities representing the change in fair value of these outstanding contracts since inception and their initial measurement.

On April 30, 2021, the Company held fifteen outstanding foreign exchange contracts with various maturities to July 2022 to sell US$28,900 at rates averaging CA$1.2818 to yield CA$37,044. Of the outstanding US$28,900 hedge designated foreign exchange contracts, US$24,000 pertain to highly probable future revenue denominated in U.S. dollars expected over the twelve-month period through April 2022 while US$4,900 is related to realized U.S. dollar denominated revenue. On April 30, 2021, the Company had recorded an unrealized gain of $1,529 included in other receivables representing the change in fair value of these outstanding contracts since inception and their initial measurement.

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

22. Financial instruments and risk management (continued):

(b) Risk management (continued)

Currency risk (continued)

	Notional amount of the hedging instrument		Carrying amount of the hedging instrument: Assets presented in other receivables		Liabilities presented in accounts payable and accrued liabilities		Changes in fair value used for calculating hedge ineffectiveness	
Cash-flow hedges:								
April 30, 2022 Foreign exchange risk:	US$	36,000	CA$	-	CA$	480	CA$	(480)
April 30, 2021 Foreign exchange risk:	US$	28,900	CA$	1,529	CA$	-	CA$	1,529

Hedging components of accumulated other comprehensive income (loss)

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

	2022	2021
Accumulated other comprehensive income (loss) on cash flow hedges as at the beginning of the period	$ 492	$ 569
Net gain on derivatives designated as cash flow hedges	(1,012)	3,122
Amounts reclassified from accumulated other comprehensive income to net earnings, and included in:		
Revenue	33	(2,534)
Other (income) costs	286	(665)
Accumulated other comprehensive (loss)/ gain from cash flow hedges	$ (201)	$ 492
Accumulated other comprehensive loss - translation adjustment from foreign operations at the end of period	(1,233)	(266)
Total accumulated other comprehensive (loss)/ gain as at the end of period	$ (1,434)	$ 226

As at April 30, 2022, $201 of the net loss presented in accumulated other comprehensive gain is expected to be classified to net profit within the next twelve months.

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

22. Financial instruments and risk management (continued):

(b) Risk management (continued)

Currency risk (continued)

Foreign currency exposure

The following table provides an indication of the Company's significant foreign exchange currency exposures excluding designated hedge derivatives related to highly probable future revenue as at April 30, 2022 and 2021.

	2022				2021			
	DKK	US$	£	€	DKK	US$	£	€
Cash and cash equivalents	5,661	4,204	29	1,045	11,138	5,627	150	1,304
Accounts receivable	8,119	14,148	37	201	11,323	11,791	39	50
Other receivables	369	55	-	-	362	172	-	-
Accounts payable and accrued liabilities	(5,918)	(2,691)	(88)	(300)	(14,253)	(4,341)	(102)	(99)
Derivative financial instruments – notional amount	-	(16,300)	-	-	-	(10,200)	-	-
	8,231	(584)	(22)	946	8,570	3,049	87	1,255

The following exchange rates applied during the years ended April 30, 2022 and 2021:

	2022		2021	
	Average rate	Reporting date rate	Average rate	Reporting date rate
CA$ per US$	1.2547	1.2851	1.3086	1.2292
CA$ per £	1.7050	1.6158	1.7259	1.6979
CA$ per €	1.4461	1.3551	1.5387	1.4770
CA$ per DKK	0.1945	0.1821	0.2067	0.1987

Based on the Company's foreign currency exposures noted above, varying the above foreign currency reporting date exchange rates to reflect a 5% appreciation would have had the following impact on profit, assuming all other variables remained constant.

	2022			2021		
	US$	£	€	US$	£	€
(Decrease)/Increase in profit	(18)	(2)	64	187	7	93

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

All variations in CA$ per DKK have no impact on the Company's profit since all amounts denominated in DKK are from a foreign operation. Exchanges differences on translating the foreign operation have no impact on profit.

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

22. Financial instruments and risk management (continued):

(b) Risk management (continued)

Credit risk

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

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

As at April 30, 2022, no customers individually accounted for greater than 10% of total trade receivables and work in progress (April 30, 2021 – two customers above 10%). Generally, there is no particular concentration of credit risk related to the accounts receivable due to the distribution of customers and procedures for the management of commercial risks. The Company performs ongoing credit reviews of its customers and establishes an allowance for expected credit losses when accounts are determined to be uncollectible. Customers do not provide collateral in exchange for credit.

The Company has an arrangement, which automatically renewed in fiscal 2022, with a federal crown corporation and another insurer ("the insurers") wherein the insurers assume the risk of credit loss in the case of bankruptcy for up to 90% of accounts receivable for certain qualifying foreign and domestic customers. The insurance is subject to a deductible and maximum of US$ 2,000 (April 30, 2021 - US$2,000) for export losses and US$570 (April 30, 2021 - US$770) for domestic losses in any policy period. The insurance policy period runs from February 1 to January 31 of each year.

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

	2022	2021
Not past due	$ 10,515	$ 11,427
Past due 1-180 days	6,904	6,591
Past due over 180 days	469	112
	17,888	18,130
Allowance for expected credit losses	(926)	(1,290)
	$ 16,962	$ 16,840

Allowance for expected credit losses	2022	2021
Balance at beginning	$ 1,290	$ 1,067
Impairment losses recognized - write off	(199)	(130)
Additional (reversal of) provisions	(165)	353
Balance at April 30	$ 926	$ 1,290

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

22. Financial instruments and risk management (continued):

(b) Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in the capital disclosure discussion in note 23 below. It also manages liquidity risk by monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business.

The following are contractual maturities of financial liabilities as of April 30, 2022 and 2021:

2022	Total	Less than 1 year	1-3 years	3-5 years	Beyond
Accounts payable and accrued liabilities	$ 16,971	$ 16,971	$ -	$ -	$ -
Short term and long-term debt	8,400	1,200	7,200	-	-
	$ 25,371	$ 18,171	$ 7,200	$ -	$ -

2021	Total	Less than 1 year	1-3 years	3-5 years	Beyond
Accounts payable and accrued liabilities	$ 19,417	$ 19,417	$ -	$ -	$ -
Other current liabilities	500	500	-	-	-
Long-term debt	9,616	1,216	8,400	-	-
	$ 29,533	$ 21,133	$ 8,400	$ -	$ -

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to cash flow risk due to interest rate fluctuations on its floating-rate interest-bearing long-term debt.

Market price risk

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

23. Capital disclosure:

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

Its capital management policies may also include promoting shareholder value through the concentration of its shareholdings by means of purchasing its own shares for cancellation through normal course issuer bids when the Company considers it advisable to do so. The Revolving Facility remains undrawn as of April 30, 2022 and can be utilized for general corporate purposes.

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

23. Capital disclosure (continued):

In order to maintain or adjust its capital structure, the Company may upon approval from its Board of Directors, issue shares, repurchase shares for cancellation, adjust the amount of dividends to shareholders, pay off existing debt, and extend or amend its banking and credit facilities as deemed appropriate under the specific circumstances. The Company's banking and credit facilities require adherence to financial covenants. The Company is in compliance with these covenants as at April 30, 2022 and at April 30, 2021. Other than its banking agreement covenants, the Company is not subject to externally imposed capital requirements.

24. Operating segment:

Management has organized the Company under one reportable segment: the development and marketing of enterprise-wide distribution software and related services. Substantially all of the Company's property and equipment (including right-of-use assets), goodwill and other intangible assets are located in Canada and Denmark. For Denmark, the property and equipment (including right-of-use assets), goodwill and other intangible assets (including deferred development costs) as at April 30, 2022 were $540, $6,081 and $5,720 respectively (2021 – $824, $6,635 and $6,823). For Canada, the amounts were $6,071, $10,782, and $6,451 respectively (2021 - $9,103, $10,782 and $6,459). As at April 30, 2022, total assets attributable to Denmark were $15,300 (April 30, 2021 - $19,188). The Company's subsidiaries in the U.S. and the U.K. comprise sales and service operations offering implementation and maintenance services only.

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

	2022	2021
Canada	$ 29,264	$ 24,752
United States	89,185	78,056
Europe	17,350	19,113
Other	1,401	1,180
	$ 137,200	$ 123,101

25. Comparative information:

Certain comparative figures have been reclassified to conform with the basis of presentation used in the current year. The change in the presentation of revenue reflects the Company's shift from perpetual license to SaaS and the growing importance of SaaS revenue to overall revenue. The change also reflects a disaggregation based on license and hardware revenues instead of proprietary and third-party revenues. Management believes that this new presentation will highlight revenue streams that are driving performance and will therefore provide a better understanding of the results of the business.

Following is a description of the reclassified items and amounts included in the consolidated statements of income and comprehensive income for the year ended April 30, 2021:

(a) The Company's previous presentation of cloud, maintenance and subscription revenue included SaaS and maintenance and support revenue. The Company has reclassified SaaS revenue onto a separate line. The reclassification was for a total of $19,164.

Maintenance and support revenue now includes maintenance and support services sold with perpetual licenses and hardware maintenance services.

(b) Reimbursable expense revenue and costs were previously presented as separate lines under revenue and costs of revenue, respectively. The company has now reclassified reimbursable expense revenue within professional services revenue and the related costs are included in costs of revenue. The reclassification was for a total of $155. See also note 16.

25. Comparative information (Continued):

(c) The Company's previous presentation of proprietary products revenue included both license and proprietary hardware products revenue. The Company has now reclassified proprietary hardware products within hardware revenue for a total of $684.

License revenue now includes proprietary software license and third-party software license revenue.

(d) The Company's previous presentation of third-party products revenue included both third-party hardware products and third-party software license revenue. The Company has now reclassified third-party software license revenue within license revenue for a total of $376.

(e) Hardware revenue now includes third-party products and proprietary hardware products. The Company previously has been presenting product costs and services costs separately. The Company now presents product and services costs combined under cost of revenue. See also note 16.

26. Subsequent event:

On June 29, 2022, the Company's Board of Directors declared a quarterly dividend of $0.07 per share to be paid on August 5, 2022 to shareholders of record on July 15, 2022.

General Information

Common Share Information

Principal Market

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

Fiscal Year 2022: May 1, 2021 to April 30, 2022

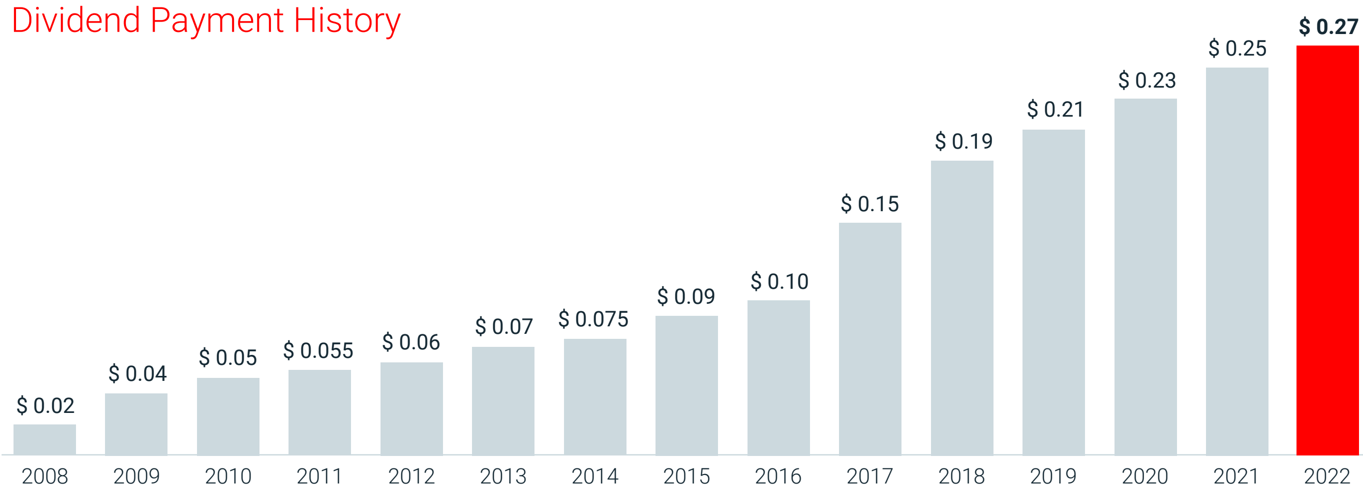
	High	Low	Volume TSX
First Quarter	$ 52.69	$ 38.18	1,365,657
Second Quarter	$ 61.06	$ 50.50	832,578
Third Quarter	$ 60.80	$ 36.47	1,846,640
Fourth Quarter	$ 43.15	$ 41.49	2,265,868

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, 2022, the Company's Board of Directors declared a quarterly dividend of $0.07 per share to be paid on August 5, 2022 to shareholders of record on July 15, 2022.

Dividend Payment History



Investor Inquiries

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

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Tecsys Inc.

Peter Brereton
President and CEO
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Managing Director
Mosaic Venture Partners Inc.

Steve Sasser [1] [2]
Co-Founder and Managing Principal
Swordstone Partners

David Booth [1] [3]
Consultant
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Rani Hublou [2] [3]
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Kathleen Miller [1]
Corporate Director

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Executive Chairman of the Board

Peter Brereton
President and CEO

Mark Bentler
Chief Financial Officer

Bill King
Chief Revenue Officer

Greg MacNeill
Senior Vice President, World Wide Sales

Vito Calabretta
Senior Vice President, Global Operations

Laurie McGrath
Chief Marketing Officer

Martin Wulff
Managing Director, Tecsys A/S

Martin Schryburt
Vice President, Research and Development

Patricia Barry
Vice President, Human Resources

Catalin Badea
Chief Technology Officer

Catherine Sigmar
Chief Legal Officer and Vice President, Strategic Initiatives

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Corporate Governance and Nominating Committee

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LOGI D INC.
LOGI D CORP.

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