

Moderator: Good morning, and welcome to the NamSys Annual Meeting. My name is Chris, and I will be your conference moderator for today's call. During the presentation, all participants will be in a listen-only mode. We will be facilitating a brief question-and-answer session towards the end of the presentation. You may register to ask a question at any time by pressing the star and one on your touchtone phone. As a reminder, this conference is being recorded for replay purposes. I would now like to turn the presentation to your host for today's call, Barry Sparks, Executive Chairman. Please go ahead.

K. Barry Sparks: Thank you, Chris. I would like to thank all of you for attending via the virtual conference call facilities. I plan to deal first with the formal parts of the meeting, following which, our CEO, Jason Siemens will move forward with the virtual conference. Questions will be taken from both the conference call participants as well as the shareholders.

Moving on then, the 2022 Annual Meeting of Shareholders of NamSys will now come to order.

Les Gord, our Corporate Secretary, will act as Secretary of the meeting.

The first item of business is the appointment of the Scrutineer. Rosa Garofalo, Senior Relationship Manger of TSX Trust Company has agreed to act as Scrutineer and is here by so appointed. Are you comfortable with that, Rosa?

Rosa Garofalo: Yes, I am. Thank you.

K. Barry Sparks: Okay. Notice to Meeting. I have received a Declaration prepared by an Officer of TSX Trust indicating that the notice calling this meeting with the company information circular and formal proxy were mailed on or about April 7, 2022, to Shareholders of Record as of March 25, 2022, or alternatively they were delivered to the Shareholders' intermediaries.

Has the Secretary determined the presence of a quorum?

Leslie Gord: Yes, Mr. Chairman.

K. Barry Sparks: Thank you, Les. And now the meeting has been regularly called and properly constituted for the transaction of business. As the first item of formal business, we will proceed with the election of Directors. I now declare the meeting open for the nomination of Directors.

Christie Gray: Mr. Chairman, my name is Christie Gray. I am pleased to nominate the following persons for election as Directors of the Corporation for the ensuing year, or until their successors are elected or appointed.

Mr. Leslie T. Gord,
Mr. G. James Johnson
Mr. H. Joe Prodan

Mr. Jason B. Siemens
Mr. K. Barry Sparks
Ms. Nicole A. Sparks
Mr. E. Christopher Stait-Gardner

K. Barry Sparks: Thank you, Christie. Are there any further nominations? In the absence of further nominations, I declare the nominations for Directors closed. May I have a seconder for this Motion?

Lynda Allcock: Mr. Chairman, my name is Lynda Allcock, and I second the Motion.

K. Barry Sparks: Thank you, Linda. Will the Scrutineer please provide the vote breakdown?

Rosa Garofalo: Thank you, Barry. Did you want shares or just percentage? Is that okay? Which one did you want me use?

K. Barry Sparks: Just percentages.

Rosa Garofalo: Okay.
Christopher Stait-Gardner - 97% in favor
Barry Sparks - 100% in favor
Jason Siemens - 100% in favor
Leslie Gord - 97% in favor
James Johnson - 100% in favor
Joe Prodan - 97% in favor
Nicole Sparks - 100% in favor

K. Barry Sparks: Thank you. I didn't hear the Nicole Sparks.

Rosa Garofalo: Nicole was 100% in favor.

K. Barry Sparks: Thank you very much. Thank you, Rosa. All those in favor of the Directors slate signify by stating agreed, those against. The agreed first.

All: Agreed.

K. Barry Sparks: Anybody against? Being none, I declare the persons nominated to be duly elected as Directors of the Corporation, to hold office until the next Annual Meeting of Shareholders, or until their successors are elected or appointed.

As the next matter of business, I table at this meeting the financial statements of the Corporation for the period ended October 31st, 2021, together with a report of the auditors thereon. I do not propose to ask your host to approve the financial statements which have already been approved by your Board of Directors and are available on segar.ca. However, I do wish to recognize and advise the meeting that the auditors of the corporation for Fiscal 2021, McGovern Hurley LLP, have served NamSys well. They have an excellent reputation and the depth of resources to rotate personnel as required by the Canadian CPA.

Could I please have someone move a resolution appointing the auditors for the current year?

Leslie T. Gord: My name is Leslie Gord, and I move that McGovern Hurley LLP, or their successors be, and they are hereby appointed auditors of the Corporation to hold office until the next Annual Meeting of Shareholders at such remuneration as may be fixed by the Directors, and they are hereby authorized to fix such remuneration.

K. Barry Sparks: Thank you, Les. May I have a seconder for this Motion?

H. Joe Prodan: Mr. Chairman, my name is Joe Prodan, and I second the Motion.

K. Barry Sparks: Thank you, Joe. As there are no other nominations, I declare the nominations closed. I now call for a vote to appoint McGovern Hurley LLP the company's auditors for Fiscal 2022. All in favor?

All: Aye.

K. Barry Sparks: Anybody against?

Leslie T. Gord: Mr. Chairman, the share has voted in favor of the auditor appointment and confirm that the Shareholders voted to appointment McGovern Hurley LLP the Company's auditor for 2022.

K. Barry Sparks: Thank you, Les. I hereby declare McGovern Hurley LLP to be duly appointed auditors of the Corporation, to hold office to the next Annual Meeting of Shareholders, at such remuneration as may be fixed by the Directors, and that the Directors are authorized to take such remuneration.

The last item, we're not looking for a vote on it. We are just wanting to advise the Shareholders that we have the approved Stock Option Plan. The plan has been in existence but unused for the past decade. We therefore wish to renew the Employee Ownership Program this year. I don't need a Motion to approve it. I just want to let the Shareholders know that we are going to activate the Employee Ownership Program.

The last item then is to say, we're done. Ladies and gentlemen, this concludes the formal portion of the meeting and I declare the formal part of this meeting terminated.

As mentioned before the start of the meeting, Jason Siemens will now lead a presentation on existing operations and the future outlook for the corporation. Over to you, Jason.

Jason Siemens: Thank you, Barry. We'll start with Christie Gray reading our Safe Harbor Statement.

Christie Gray: This presentation contains some forward-looking information. All statements other than statements of historic facts that address activities, events, or developments that the Company believes, expects, or anticipates will or may occur in the future including, without limitations, statements regarding estimates and/or assumptions in respect of revenue, cashflow costs, economic return, constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the company.

Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information; and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to or effect on the Company.

Any forward-looking statement speaks only as of the date on which it is made and except as many or as may be required by applicable security laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events, or results, or otherwise.

Although the company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance; and accordingly, undue reliance should not be put on such information due to the inherent uncertainty therein.

Jason Siemens: Thank you, Christie.

Christie Gray: You're welcome.

Jason Siemens: I'll begin my presentation by reiterating our thesis. First, cash remains the popular payment method. The usage is falling, but it's still used for at least one in four payments in the U.S. and is relied upon by unbanked and underbanked consumers around the world. Cash is the least expensive payment method for many consumers and often the best option for small merchants.

However, cash is definitely more labor-intensive than card payments, and these costs do not correlate with the amount of cash. It doesn't matter if a store's cash sales are \$500 or \$5000, the cost to manually handle it is the same. Likewise, the cost to likewise, the cost to transport and process it stays the same regardless of the value of the deposit. So, if cash use is declining but it's not disappearing, and the costs are largely fixed, that means that the per-transaction cost of these cash payments is rising. As a company, we're focused on delivering technology and systems that help reduce those costs. We want to make cash payments less expensive and more competitive with electronic payments.

We will quickly review our product suite. Looking at cashflow, supply chain, we help deliver on these efficiency improvements in each link of that chain. Let's start on the left, with our Cirreon Smart Safe and Recycler Monitoring Application. Smart Safe and Recyclers, for those of you who don't know, are devices in stores that automate the collection and storage of cash. These devices lever significant labor savings and reduce the risk of theft. Our software collects data from the devices and helps the store balance employees and cash registers and accelerate the flow of funds into the store's bank account.

We sell this software through partners like cash-and-transit companies and hardware manufacturers. We do not produce any hardware ourselves. We are purely a software company, and because of that, we are manufacturer agnostic. Ours is a universal platform.

For the transportation of cash, our software runs on handheld devices, similar to those that you might find used by FedEx, UPS. It tracks the pick-up and delivery of the cash, captures the signatures, tracks the GPS location of trucks, and reports all that information to the Cloud in near real time. This Class A software improves the service delivery by optimizing the ride of vehicle, prioritizing stops. It also reduces the time that the employee spends at the client site doing the pick-up or delivery. We also enable these companies to go 100% paperless and reduce the fuel usage of their vehicles. We sell the Cirreon CIT System directly to these cash-and-transit companies.

Lastly, we have our Currency Controller, our cashflow software, which is used by banks and cash-and-transit companies to process deposits, fulfill cash orders, and reconcile clients. Like our Smart Safe product, we are hardware agnostic and support cash processing equipment from all of the major manufacturers. We sell this system directly to banks and cash-and-transit companies, but our focus is on cash-and-transit, as banks over the years have outsourced more and more of their cash processing business to these companies. We deliver all of our software service products from the Amazon Web Services public Cloud. We continue to strengthen our partnership with them.

Very importantly, we announced in January that we completed our SOC 2 Security Control Report. Like a financial audit, this is a technology and business process audit that helps assure our clients, and in turn their clients, that we are handling their data properly and managing their systems properly. This is a very significant achievement for the company. Increasingly banks are requiring this from their vendors, so it gives us an advantage over our competition. We have a new Chief Information Security Officer to help manage the ongoing security audit and manage our security posture. The SOC 2 Report will also allow us to upsell banks that currently have an on-premises currency control installation from one of our legacy sales and help migrate them to our cloud environment.

Most importantly, security wise, we continue to report zero security incidents over the past 12 months, and we delivered an average system uptime of 99.98% across all of our production environments.

Moving on to Operations, we have committed to fully remote Operations with regular in-person meetings and on-demand spaces, like the space we're in today. Employee feedback about working remotely has been great, and it has allowed us to hire outside of the highly competitive Toronto Area. We currently have 13 full-time employees and are actively hiring for multiple positions, including developers, systems engineers.

Revenue increased 5%, which was below our internal expectations. Because our solutions are very complex, the sales cycle can be quite long protracted, and we feel that we're seeing a bit of a ripple effect from the lack of travel and engagements over the past 24 months, so 2020 and 2021. That said, we're pleased with the activity in the first quarter, and we're looking forward to attending shows and conferences that are coming up this year and looking forward to meeting with our existing and new clients.

Income was up 15%, and we continue to operate in a very lean fashion, and we continue to be cost conscious. We ended the year with gross margins of 58%. Our SOC 2 did have an impact on the bottom line, but like we say, we think it's both valuable as well as necessary going forward. Lastly, we have a healthy cash balance of \$4.3 Million, and we also have no short-term or long-term debt.

Next, we'll just take a quick look at historical revenue. This graph shows revenue since 2014, the trends. We continue to be firmly committed to software-as-a-service and the recurring revenue subscription model as well as expanding our subscription-based offerings. We don't have any plans on going back to a packaged software model. Recurring revenue makes up 99% of our sales.

If we dive a little bit deeper into the revenue numbers by product, we'll find that the overall growth in Smart Safe has stalled a bit over the past 12 months. This was largely due to two major customers, one that lost a major bank contract and has been decommissioning space on the network over the past 12 months, and the second customer that began marketing an ultranet proprietary solution in mid-2020. Excluding those two customers, growth in Smart Safe was 17%.

Next, in Cirreon CIT, this year we've aggregated reporting of the CIT and banking products because 100% of sales this year combined both products as a single sale, so we thought it made sense to combine them for reporting purposes. Growth here was 17% over the past trailing 12 months and 7.5%. That growth came entirely from CIT companies, not banks, and all of those used both our Cirreon CIT and Currency Controller products.

The trend is definitely a packaged enterprise sale, where these companies are using our entire suite of products to run and transform their business. It makes the relationship that we have with that cash-and-transit customer very sticky because we end up integrating a lot of their other applications as well as being actively used by their employees and their clients on a daily basis.

We also recorded another year of zero customer churn. I'd like to thank our product teams. This really is a testament to our commitment to customer satisfaction.

Lastly, we added a line here to represent sales in U.S. Dollars. Over 95% of sales are billed in U.S. Dollars, including international businesses that may be outside of the United States. Month-to-month exchange rates, when we're billing on a monthly subscription basis, do affect us, and so this line gives you an idea of how that trend is represented when we treat it in the U.S. currency.

Some of that new revenue and new cash-and-transit companies that we brought on board was derived from the businesses that service the cannabis industry. Cannabis is a product that is legal in Canada and much of the United States. The industry is growing very quickly, at approximately 30% per year, and it does not show any signs of slowing down. Payments in dispensaries must be made in cash, as the product is still illegal federally, so companies like Visa and Mastercard as well as large banks and big national cash-and-transit companies aren't able to service the industry, even though it's legal at the state and local levels.

There have been efforts to change regulations to allow more regular banking. This includes the SAFE Banking Act and the MORE Act, both of which are going through congress as we speak, but these do face opposition and may not become law in the near term. We're more hopeful in the long-term that business with this industry will normalize. In the meantime, we are providing products that help these cash-and-transit companies service their customers.

Getting back to the exchange rate question, this chart does show that there has been a negative impact from a stronger Canadian Dollar year over year. For example, our Q1 revenue showed growth of 3.8% year over year in Canadian Dollars, but growth was 7% when measured in U.S. Dollars. Although this is something that is outside of our control, it is of course something that we keep an eye on as far as planning expenses and expenditures.

Speaking of variables, a newer variable is Central Bank interest rates. Since 2008, the industry has been blessed with ultra-low rates that allowed a fairly relaxed approach to cash inventories. This meant that banks and retailers could justify keeping more cash on hand, in their stores, in their branches, in ATM networks, and cash vaults. Cash is a non-earning asset. With rising rates, there is a hard incentive to reduce cash inventories. For the retailer, this might mean finding ways of getting the cash into their bank account faster to service lines of credit. Our Cirreon Smart Safe solution facilitates this. We're also using Cirreon to help these same retailers predict cashier change requirements to reduce excess cash sitting idle in the store.

For cash-and-transit companies, their bank and retail clients are going to become more demanding. There will be increased demand for same-day and just-in-time

service. Our CIT solution will help reduce those transport times by optimizing the cash-and-transit routes and their delivery and service schedules.

Lastly, banks and credit unions will also want to get their excess cash to the Federal Reserve or Central Bank, and our Currency Controller product helps them predict their day-to-day cash needs and then reduce the cash inventories across their vault network. To summarize, we think that a rising interest rate environment may actually increase demand for our products.

I'll open it up to questions and answers, but first I have some questions we received online from one of our investors.

Question 1: Is there a certain cash balance or percent of market cap where NamSys would consider issuing a dividend?

I think we're looking at using our cash for acquisition purposes. We're not looking at issuing a dividend at this time. It has been discussed at our Board Meetings though, so it is an open topic, but we don't have a firm answer for you there.

Question 2: Is the business outlook for NamSys products improving as pandemic restrictions ease?

I think that's a definite yes. A big part of our business was cash-and-transit companies during 2021. One of the challenges was labor. They were having trouble getting people to drive the trucks, or they were having trouble actually buying trucks because of supply chain shortages and electronic components for the vehicles. Certainly, it was a very challenging year for our clients, and we think that it had a negative impact on sales on that front.

As things normalize, supply chain disruptions hopefully ease and the labor market becomes a little bit more normal, then this will allow the cash-and-transit companies to begin focusing on technology optimization rather than the day-to-day real challenges.

Question 3: Can you comment on the hiring of Milo? What were the driving factors for hiring a Chief Information Security Officer?

Milo's background is, he was a datacenter security officer for a cloud IT company. He had a deep background in what we were looking to achieve, specifically our SOC 2 Report. He was instrumental in getting across the finish line. He worked with our auditors. He made sure that our business processes were up to standard, and we made modifications where we needed to.

When he came into the business, we were in a very good position as far as starting our SOC 2. We were already doing almost all of the requirements, but he really checked those last few boxes and, again, got us that SOC 2 Report, which I

talked about earlier, is extremely valuable for supporting our existing customers, but also proving to new customers that we are trustworthy.

It's becoming a bit of payable stakes sales wise. Banks and these companies just won't consider you if you don't have this type of report. We think that is a big competitive advantage for us because other cloud providers in the industry don't have that maturity at the process or data management level to meet the requirement for this audit. It's a very important step for us.

Question 4: In the last conference call, you mentioned business leaps with the regional banks in the U.S. Are you seeing increasing interest from the regional banks or streamlining their cash processing?

Yes, we continue to have occasional discussions with regional banks. Certainly, it's not a market that we're targeting. We don't have any new business with regional banks to report today, but they are an important part of the cash supply chain. We do have solutions that are definitely geared to banks that still have those cash vault facilities in-house.

Question 5: How was NamSys's sales marketing strategy evolved as you've taken on CEO position and stepped away from directly managing operations?

It has helped them in that I'm able to focus more on direct sales. I think that's proven itself out with the number of new clients that we've onboarded over the past six to nine months. Christie Gray, our COO, has taken over a lot of the responsibilities for hiring personnel, the financial side of the business, and has definitely allowed me to focus on sales, focus on the vision of the company going forward, where the product market fit is. It has worked out really well.

I think that is the end of our online questions. Chris, are you able to open up the lines for questions now?

Moderator: Certainly. At this time, if you would like to ask a question over the phone, please press star and one on your touchtone phone. You may withdraw yourself from the question queue at any time by pressing the pound key. We will pause a moment to allow questions to join the queue. [pause] Once again, everyone, that is star and one to join the question queue. We will pause another moment. [pause]

Jason Siemens: I answered all the questions already. [laughter]

Moderator: It does appear there are no questions over the line at this time.

Jason Siemens: In that case, Barry, would you like to close the meeting?

K. Barry Sparks: I guess if the questions-and-answer session is over, should we wait a minute just to make sure.

Jason Siemens: I'll make my closing remarks, and if a question comes in last minute, then we can take it. I would invite anyone on the line to feel free to email us with questions. You can see our email addresses at the bottom of our NamSys.com web page. We are always happy to talk about our products and talk about the market and to inform you of our strategy. I recognize a few names on the list of callers. Some of you we've talked to very recently. I'm sure we'll be talking soon again.

K. Barry Sparks: Thank you. If there's nothing else, I think we're over.

Jason Siemens: All right.

K. Barry Sparks: Thank you very much, ladies and gentleman. We look forward to having you follow us on the stock market. We try to do our best putting out pretty wholesome reports on a quarterly basis.

Jason Siemens: Thank you, Barry. Thank you, everyone. We'll close the call, Chris