

James: Good morning and welcome to the NamSys Annual Meeting. My name is James and I'll 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 toward the end of the presentation. You may register to ask a question at any time by pressing the * and 1 on your touchtone phone. As a reminder, this conference is being recorded for replay purposes. I'd now like to turn the presentation over to our host for today's call, Barry Sparks, CEO. Please go ahead.

Barry Sparks: Good morning, ladies and gentlemen. Welcome to the annual meeting of shareholders of NamSys, Inc. My name is Barry Sparks. I'm the executive chairman of the corporation and in accordance with the corporation bylaws I will chair this meeting.

Before we start the meeting, however, I would like to thank you all for attending via the virtual conference call facilities. Maybe we're going to get lucky and have a real in-person thing by next year, okay. I plan to deal with the formal parts of the meeting first following, which our CEO Jason Siemens will move forward with our virtual conference call presentation on the business and our look for the future. Questions will be taken from both the conference call participants, as well as from shareholders.

Moving on, the 2023 Annual Meeting of Shareholders of NamSys, Inc. will now come to order. Leslie Gord, our corporate secretary, will act as secretary of the meeting.

The first item of business is the appointment of a scrutineer. Rosa Garofalo, senior relationship manager of TSX Trust Company has agreed to act as the scrutineer and is hereby appointed to do so. 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 former proxy were mailed on or about April 10, 2023, to shareholders of record as have -- I'm sorry April 10, 2023, as well, okay, or alternatively were delivered to the shareholders and/or mediaries. Has the secretary determined the presence of a quorum?

Participant: Yes, Mr. Chairman.

Barry Sparks: Thank you, Leslie Gord. I now declare that 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, and 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's T. Gord, Mr. G. James Johnson, Mr. G. Bouchard-Phillips, Mr. H. Joe Prodan, Mr. Jason B. Siemens, Mr. K. Barry Sparks, Ms. Nicole A. Sparks, and Mr. E. Christopher Stait-Gardner.

Barry Sparks: Thank you, Christie. Are there any further nominations?

Participant: James, if you could open up and instruct the callers on how to indicate that they'd like to make a nomination?

James: Certainly. At this time if you'd like to make a nomination please press *1 on your touchtone phone. Once again, that's *1 if you'd like to make a nomination. We'll pause for a moment.

Participant: Thank you, James.

Barry Sparks: In the absence of further nominations, I require the nomination for directors closed. May I have a seconder for this motion, please?

Joe Flabby: Joe Flabby. My name's Joe Flabby and I second the motion.

Barry Sparks: Thank you. Will the scrutineer please provide the vote breakdown by director? Each director received, we believe, between 97% and 100% of the votes in cast and favor of re-election. Thank you, Rosa. Would you have a look at that and let me know?

Rosa Garofalo: Actually, Barry, it was 99% for all the directors.

Barry Sparks: 99% okay. Okay, so the vote on this resolution appears to be redundant then, however, will all those in favor of the directors please signify by stating agreed? Agreed.

Participant: Agreed.

Barry Sparks: Voters against? Being none, I hereby declare those people 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 31, 2022. That is our year-end. Together with the report of the auditors thereon, I do not propose to ask shareholders to approve the financial statements, which have been approved by your board of directors and are available on SEDAR.ca. However, I do wish to recognize and advise the meeting that the auditors of the corporation for fiscal 2022 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 Organization. Today, please have someone move a resolution appointing the auditors for the current year.

Leslie 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 with such remuneration.

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

Christie Gray: Yes, this is Christie Gray, Mr. Chairman, I second the motion.

Leslie Gord: Thank you.

Barry Sparks: Thank you, Christie. Is there -- as there are no other nominations, I declare the nominations closed. I now call for a vote to appoint McGovern Hurley, LLP the companies _____ [00:07:05] for fiscal 2023. All in favor?

Leslie Gord: Again, favored. Mr. Chairman, I have a printout of the shares voted in favor of the auditor appointment and confirm that the shareholders voted to appoint McGovern Hurley, LLP, the companies auditor for 2023.

Barry Sparks: Thank you, Les. I hereby declare McGovern Hurley, LLP to be duly 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 the directors are authorized to pick such remuneration.

Ladies and gentlemen this concludes the formal part of the meeting and I, therefore, declare the meeting terminated unless someone has some questions.

As mentioned before the start of this meeting Jason Siemens will now give a presentation on existing operations and the future outlook for the corporation. He is also prepared, as CEO, to answer, to the best of his ability, any questions you may have. Jason, over to you. Thank you.

Jason Siemens: Thanks, Barry. All right. Welcome everybody. We'll start by reading our Safe Harbor Statement and I'll ask Christie Gray, our COO to do that.

Christie Gray: Okay. The Safe Harbor Statement, this presentation, contains forward-looking information. All statements other than statements of historic fact that address activities, events, or developments that the company believes, expects, or anticipates will or may occur in the future, including without limitation, statements regarding estimates and/or assumptions in respect of revenue, cash flow, 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 effects on the company. Any forward-looking statements speaks only as of the date on which it is made and except as may be required by applicable securities 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: Okay, thanks, Christie. So, I'm going to begin my presentation by repeating our thesis. So first of all, the cash has been very resilient in 2022. There was a fear that cashless payment options introduced during the pandemic might make cash obsolete but that has not played out and it remains to be a popular payment. Cash users is falling but it's still used for approximately one in five payments in the United States and is relied upon by unbanked and underbanked consumers around the world. Cash is the least expensive payment method for many consumers and is often the best option for small merchants. That said, cash is more expensive to handle than card payments and these costs do not correlate with the amounts of cash. So, it doesn't matter if the source cash sales for \$500.00 or \$5,000.00, the cost manually to handle it is the same. Likewise, the cost to transport a bag of cash and cost offset in the same regard lessens the value. So, if cash use is declining but it's not disappearing and costs are largely fixed that means the per transaction cost is increasing and as a company, we're focused on delivering technologies that help reduce those costs.

So, if we look at cash as a supply chain, we help deliver efficiency improvements in each different link in that chain. So, starting on the left with our Cirreon Smart Safe and Monitoring Application, these are devices that are placed in stores, and they automate the collection and storage of cash. These devices then deliver significant labor savings and reduce the risk of theft within the store footprint. Our software helps sort of balance these devices, balance their employees and cash registers, and accelerate the flow of funds and credit into their store bank account. We sell this software primarily through partners like cash and trans companies that harbor manufacturers. It's important to note that we do not produce any hardware ourselves and we are vendor agnostic. So, we created a universal platform for the industry.

For the transportation of cash, our software runs on hand-held devices similar to those used by FedEx, DHL, UPS and it tracks the pickup and delivery of cash, cash with signatures, track the GPS location of the employees, and reports to the

cloud in near real-time. The cloud base software then takes over and is used to monitor and improve the delivery of service by optimizing the route of the vehicles, prioritizing stops, and reducing the amount of time that it takes to service each client site. We enable our clients to go 100% paperless, reduce the fuel usage, and produce an overall greener solution and we sell our Cirreon CIT system directly to cash and transit companies.

Off on the right we have our Currency Controller Cash Vault Software. This is used by banks and cash and transit companies to process deposits, fulfill orders for cash, load ATMs, and to reconcile client's deposits and inventories. Like our smart base product, we harbor agnostic and support equipment for all the major manufacturers, and we sell the system directly to banks and cash-in-transit companies, but we have a focus on cash-in-transit.

We continue to deliver our software solutions through AWS and in 2022 we, once again, completed our annual SOC2 Security Controls Report. This gives our customers the confidence that their systems and data are being handled properly and securely and we have been able to use the certification of the competitive advantage in winning new business in 2022. We do -- have continued our record of zero security incidents and we delivered an average system uptime of 99.98% across all of our production environments.

Let's review operations. So first of all, we continue to work on a fully remote basis. We had regular in-person meetings in on-demand spaces that we rented, similar to Wework. We also have tried to increase group travel, as well as site visits to customers, which benefit both the employees, as well as our clients. We don't have any plans for a return to the office at this point in time. We currently have 17 full-time employees, and we are actively hiring for multiple positions.

For revenue, we increased revenue 8.4% from 2021 to 2022 and revenue growth in 2021 was just 5%. So, we are seeing a modest acceleration in sales. Income before tax was also up 10% year over year and our gross margin was 58%, which was just a small decrease of 1.9% from the previous year, which I think is a testament to how we try to control our costs internally.

Cash was up 1.4 million dollars last year from 2021 and is now 6.1 million dollars. We have all the funds not required for day-to-day operations in GIC accounts with the major banks.

So, looking back historically, the chart goes back to 2014 but obviously, you can see the trend. The dark parts in this slide represent the four quarters of 2022. So we're happy to say that we've increased revenue for seven quarters in a row and we credit this to zero customer churn, which means we did not lose any customers during this period and we feel that this is a testament to the quality of the products, as well as, the support that our employees provide to our customer base.

If we look at revenue on a product basis, we'll find that our Cirreon Smart Safe Monitoring product continues to be our largest contributor to revenue but it's down to 44% from 49% of revenue in 2021. All of the growth can really be traced to our Currency Controller in CIT applications. Our Currency Controller Cash Vault System now counts for 40% of revenue and grew 19% in 2022. Our Cirreon CIT application accounts for 16% of revenue and grew 30% in 2022 and this up from a 17% growth rate the previous year. We've also included a line on the graph that represents sales in US Dollars. So, this line is there to demonstrate how our sales are improving regardless of exchange rate circumstances.

To drill down into that a little deeper, the US Dollar exchange rate is important to our business. Most of our business is in the United States but even our international clients are invoiced in US Dollars and in 2021 we saw a negative impact of a stronger Canadian Dollar but in the first -- our first quarter of 2023, October and since, this trend has reversed, and the rate has returned to 2020 levels. This is outside of our control obviously, but it is a variable that we keep a close eye on when planning future expenditures.

I'll take a moment to address the recent topic in the news, the regional banking crisis. So, when we talked about interest rates last year, we did not predict the impact they would have on bank balance sheets and so for us, the most affected segment is our Currency Controller users. So regional banks and credit unions use the Currency Controller Application to process money for their customers and members, for ATMs, provide money to the branch network and we do have limited exposure here. So firstly, banks and credit unions have really been focused on outsourcing to cash and transit companies over the past 10 years and that's the reason why we focus all of our sales efforts to that segment or that space and so most of the bank and financial institution clients of this product represent legacy business. So, this would be business that was sold on a non-subscription basis prior to 2010 and the total contribution from this group of regional banks and credit unions is approximately 500,000.00 dollars or about 9% of revenue.

There's a topic I'd like to touch on here is our growing international strategy. So, we've talked about how, in the past, about how the CIT market in the US is highly consolidated and we now serve a significant portion of CIT companies in the US and almost all of CIT operators in the Caribbean. Our plans for expanding internationally were largely put on hold over the past couple of years, for obvious reasons, but we did start conversations with companies in Europe, the Middle East, and Africa. This resulted in us opening up to a data center region with Amazon Web Services to engage with them and Amazon does -- their technology makes this very easy for us to deploy and inexpensive to maintain. And there are two main vendors to the CIT space in this geography. The first is Giesecke+Devrient and they're a German company that produces

software currency handling hardware and they, as well, participate in secured document production, the production of passports, SIM cards, and other security technology. They acquired a company called Transtrack International in 2019 so that would be our main competitor in Europe from G+D. And the other CPS, CPS or Cash Processing Systems was spun out of De La Rue in 2015. De La Rue is similar to Giesecke+Devrient -- a large money printer to countries around the world. They spun out their cash software and cash hardware technology into this new entity called CPS but CPS recently declared bankruptcy in January and has been restructured into a separate business called Enterprise Cash Management or ECM. And we feel that it's the perfect time to capitalize on the weakness of the two companies as they both either absorb technology into their organization or recover from failure. And we think that the CIT companies and banks that rely on these products for mission critical applications will be -- will entertain companies like us as alternatives. And to that end, we're going to be sponsoring the European Secure Transportation Association, or ESTA, Cash Conference this year. It's in Malta at the end of May. And so, we're going to be bringing the NamSys brand to the European market, make it front and center.

So, we do have some questions and answers that were submitted online in advance of this presentation. So, I'll try to answer these questions from our shareholders now and then we will open it up.

So, the first question that we received was, "How does the reopening of the economy post-pandemic have an effect on new business and revenue growth?". This really ties into the second question as well, "How does NamSys market it's products and services?" So, trade shows and conferences whether it be the IACOA, which is the Independent Armored Car Operators Association, the SCTA, which is the Secure Cash Transportation Association, or now ESTA, the European version of that organization. All those conferences are essential for us to meet customers, introduce our products, as well, a big case of our sales strategy is to introduce potential clients to existing clients to let them demonstrate how our products have delivered value, have remained reliable and robust, and how our support is really supported their goals within their organizations. So, these trade shows remain essential and that was the biggest impact in the pandemic. I think we talked about that last year. And as you see we did see that uptick in revenue growth. I think that was largely because things like that kind of reopened.

The third question here is, "Can you comment on Gabriel Bouchard-Phillips joining the Board of Directors? Are there any key objectives?" Well, first of all, I'll say that Gabriel is a partner and senior portfolio manager at Van Berkom and Associates and they specialize in small-cap companies like us, and Gabriel has really brought some great insights to the board. I really like his professionalism. He's been a real asset to the company, and we will be leaning

on him for all of those areas that were asked whether it be M&A investor relations, etc. He has already had a positive impact there.

So, with that, James, I'd like to open it up to questions from the audience.

James: Certainly. At this time if you'd like to ask a question, please press the *and 1 on your touchtone phone. You may remove yourself from the queue at any time by pressing *2. Once again, that is * and 1 to ask a question. We will pause for a moment to allow questions to queue.

Jason Siemens: Thanks, James.

James: And once again, if you'd like to ask a question, please * and 1 on your touchtone phone. And it appears we have no questions at this time. I will turn the program back over to our presenters for any additional closing remarks.

Jason Siemens: Thanks, James. So first of all, thank you for attending. Thank you for your support as shareholders. I know I talked to many of you on a regular basis and yeah, thank you for your support and we will be doing this again soon. Thanks, everyone.