



October 18th, 2021

Sylogist Accelerates Growth with Acquisition of Pavliks

CALGARY, October 18th, 2021 /Marketwired/ - Sylogist Ltd. (TSX:SYZ) (“Sylogist” or the “Company”) is pleased to announce the acquisition of The Pavlik Group Inc. and affiliated entities (“Pavliks”), a provider of proprietary SaaS applications and professional services primarily to public sector organizations and member associations. Pursuant to the transaction, which closed on October 18th, 2021, Sylogist acquired all the shares of Pavliks for \$11.5 million (CAD), subject to working capital adjustments. With historical growth averaging 20% per year, Pavliks is tracking toward current year revenue of \$9.4 million and Adjusted EBITDA of \$1.6 million, materially expanding Sylogist’s scale and growth profile.

The Portal Connector (“TPC”) business unit offers a fast growing, modern, low/no code, acclaimed solution enabling clients to build and integrate customer-facing web applications with Microsoft Dynamics. This innovative TPC solution has grown in excess of 40% annually in recent years to now generate approximately one third of Pavliks’ total revenue from a global clientele, including marquee customers such as the Australian federal government. Sylogist plans to fast-track TPC’s out-of-the-box integration beyond Microsoft databases and invest in its direct and channel sales capacity to enhance its already impressive growth. In addition, TPC presents material cross-sell and add-on platform enhancement opportunities across the entire Sylogist customer base. Pavliks’ other business units include expert Microsoft Dynamics development and implementation services focused mainly on public sector entities and member associations, and managed services, including coveted cybersecurity and cloud productivity. All Pavliks’ activities are highly strategic and synergistic with Sylogist’s platform offerings and growth strategy.

Bill Wood, Sylogist’s President and CEO, stated: “We are delighted to welcome Pavliks customers and team members to our growing Sylogist family. This acquisition is immediately accretive, and brings to Sylogist near-term enhanced scale, organic growth, cash flows, and exciting strategic IP and value creation upside as our businesses are immediately stronger together.

In the last 7 months, Sylogist has acquired 3 highly strategic and growing businesses, driving 50% run-rate revenue gains relative to FY2020. The acquisition of Pavliks is another example of our ability to source and close attractive deals, execute our M&A growth strategy, and is indicative of increasing momentum across the business. I am pleased with the organic and inorganic value creation traction we’re seeing and the exciting growth path we are on.” concluded Mr. Wood.

Ian Pavlik, President of Pavliks, stated: “My family knew that we could only sell our company to someone who would prioritize its customers, invest in its people, and bring the expertise and resources necessary to take it to the next level. Having now discussed and worked extensively with Bill and the Sylogist management team, I have complete confidence that they are the right partner to achieve these objectives and take it to new heights.”

The current Pavliks’ management team will continue to lead its daily operations, reporting into the Sylogist executive team; with Ian Pavlik serving as General Manager, reporting directly to Sylogist CEO, Bill Wood.

About Sylogist

Sylogist is a public sector SaaS company that provides comprehensive ERP, CRM, fundraising, education administration, and payments solutions that allow its customers to carry out their missions. It serves over 1,700 customers globally, including all levels of government, non-profit and non-governmental organizations, educational institutions, and public compliance-driven and funded companies. The Company has industry-leading profitability, an exceptionally strong balance sheet, a track record of successful acquisitions, and a portfolio of mission-critical SaaS solutions. Full financial statements together with Management’s Discussion and Analysis are available on SEDAR at www.sedar.com.

The Company’s stock is traded on the TSX Exchange under the symbol SYZ. Information about Sylogist can be found at www.sylogist.com.

About Pavliks.com

Pavliks is a technology company, with over 50 employees and 230 customers, that provides robust web portal solutions, Microsoft Dynamics implementation and customization, and managed IT services to public and private sector organizations globally. Its proprietary IP, Dynamics expertise, and deep community roots allow it to serve its customers, both directly and through a network of resellers. The company has a talented team, robust technology, and strong growth prospects.

Pavliks is a division of Sylogist. Information about the company can be found at www.pavliks.com

Forward-looking Statements

Certain statements in this news release may be forward-looking statements within the meaning of applicable securities laws and regulations. These statements typically use words such as expect, believe, estimate, project, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology. Forward-looking information in this news release includes statements with respect to Pavliks.com’s revenue and EBITDA in the current fiscal year, TPC’s growth rate, Sylogist’s plans to fast-track TPC’s out-of-the-box integration and invest in its sales capacity, TPC’s cross-sell and platform enhancement opportunities, the strategic and synergistic nature of Pavliks’ business units,

the accretive nature of this acquisition and its organic growth and value creation upside, and Sylogist's future value creation, and organic and inorganic growth. By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the beliefs and plans and other forward-looking expectations expressed herein will not be achieved or will prove inaccurate. Although Sylogist believes that the expectations reflected in these forward-looking statements are reasonable, it provides no assurance that these expectations will prove to have been correct. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking information, including headwinds from COVID-19 and economic turmoil, competitive threats to innovation or Sylogist's inability to invest and add expertise, and market uptake of Sylogist products. Additional information regarding some of these risks, uncertainties and other factors may be found in the Company's Annual Information Form for the fiscal period ended September 30, 2020, and in the management's discussion and analysis for the three months ended June 30, 2021, and other documents available on the Company's profile at www.sedar.com. Material assumptions and factors that could cause actual results to differ materially from such forward-looking information include Sylogist's ability to attract and retain customers and to realize on its investments. Although Sylogist believes that the material assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur. Sylogist disclaims any intention or obligation to update or revise any forward-looking information, whether because of new information, future events or otherwise, other than as required by law.

Certain information set out herein may be considered as "financial outlook" within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding Sylogist's reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

Non-GAAP Financial Measures

Adjusted EBITDA, is a non-GAAP financial measures. Adjusted EBITDA is defined as: profit for the period before stock-based compensation, share-based payments, foreign exchange gains or losses, interest expense, bargain purchase price on acquisition, income taxes, acquisition-related costs, depreciation and amortization.

This news release makes reference to certain non-GAAP measures. These measures are not recognized measures under Canadian GAAP, do not have a standardized meaning prescribed by Canadian GAAP and are therefore may not be comparable to similar measures presented by other issuers. These measures are provided as additional information to complement measures under GAAP by providing further understanding of the Company's expected results of operations from management's perspective. Accordingly, such measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under Canadian GAAP.

Adjusted EBITDA is provided to investors as an alternative method for assessing the Company's operating results in a manner that is focused on the Company's ongoing operations and to provide a more consistent basis for comparison between periods. This measure should not be construed as an alternative to net profit (loss) or cash flow from operating activities determined in accordance with GAAP as an indicator of the Company's performance. For further information regarding non-GAAP measures used by the Company, please refer to the management's discussion and analysis of the Company, copies of which are available on Sylogist's SEDAR profile at www.sedar.com.

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