Sylogist Reports Strong Q2 Fiscal 2022 Results
Growth Accelerates with Record Revenue and Continued Profitability, Dividend Declared

CALGARY, May 12, 2022 /Newsfile Corp./ - Sylogist Ltd. (TSX: SYZ) ("Sylogist" or the "Company"), a leading public sector SaaS company, is pleased to announce its unaudited financial results for the second quarter of the 2022 fiscal year, ended March 31, 2022.

Q2 2022 Highlights *(all comparisons are to Q2 of Fiscal 2021, unless otherwise noted)*

- Revenues of $13.1 million, compared to $8.9 million, an increase of 48%;
- Recurring revenues from subscriptions and maintenance reached $8.7 million, compared to $7.0 million, an increase of 24%;
- Gross Profit of $8.4 million, compared to $6.3 million, an increase of 35%;
- Gross Profit Margin of 64%, compared to 71%;
- Profit before income tax of $1.0 million, compared to $1.7 million;
- Adjusted EBITDA of $3.9 million, compared to $4.4 million;
- Adjusted EBITDA Margin of 30%, compared to 50%;
- Adjusted EBITDA per share of $0.16 per share, compared to $0.18 per share;
- The Company's Board of Directors has approved a quarterly dividend of $0.125 per common share for shareholders of record as at May 31, 2022 to be paid on June 15, 2022, which is treated as an eligible dividend under the *Income Tax Act* (Canada).

"We are very pleased with our results this quarter," commented Bill Wood, President and CEO of Sylogist. "After a year plus of headwinds from COVID-19, and again from the Omicron variant surge in Q1 and early Q2, we turned a corner in the back half of the 2nd quarter and drove material organic growth. Notably, our organic revenue growth rate rose significantly in Q2, reaching neutral after a number of negative quarters, as projects ramped up and nearly $3 million in additional bookings were signed. We maintained strong profitability, with a 30% EBITDA margin in the quarter, all pointing to our results tracking to plan.

Based on the positive activity we're seeing, including within our three recent acquisitions, strategic initiatives taking hold, a sizeable and growing backlog, and an aligned, expanded and motivated team in place, we see acceleration continuing and a sight line to organic growth in the high single digits through fiscal 2022, while maintaining the Rule of 40 posture, as we expected."

The Company will host a conference call at 1:00 PM Eastern Time on May 12, 2022. Bill Wood, Sylogist's President and Chief Executive Officer, and Xavier Shorter, Sylogist's Chief Financial Officer, will present the Company's recent financial results and discuss the business' performance. Sylogist's management will also address questions as time allows.

Investors are invited to join the call at 1-800-319-4610 (Canada/USA Toll Free) or 1-416-915-3239. Callers are asked to join 5-10 minutes prior to the scheduled start time.

About Sylogist

Sylogist is a public sector SaaS company that provides comprehensive enterprise resource planning (ERP), constituent relationship management (CRM), fundraising, education administration, and payments solutions that allow its customers to carry out their missions. It serves nearly 2,000 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 best in class 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 Toronto Stock Exchange under the symbol SYZ. Information about Sylogist can be found at www.sylogist.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 strategic initiatives taking hold, a sizeable and growing backlog, growth acceleration continuing, achieving an organic growth rate in the high single digits, and maintaining a "Rule of 40" posture and the payment of a quarterly dividend. 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 its inability to attract key employees or enlist customer support, its inability to develop innovative technology, its inability to find opportunities to deploy free cash flow, continuing headwinds from COVID-19, and economic turmoil. 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, 2021 and in the management's discussion and analysis for the fiscal period ended March 31, 2022, 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 employees and customers and to realize on its investments, the ability to expand technology partner and customer relationships and the acceleration of organic and inorganic growth. 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 as a result 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

(1) *Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA per share and Adjusted Working Capital, and Adjusted Working Capital per Share are 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. Adjusted EBITDA Margin refers to Adjusted EBITDA as a percentage of revenue. Adjusted EBITDA per share refers to Adjusted EBITDA per basic weighted average number of shares outstanding. Adjusted Working Capital is defined as current assets less current liabilities adjusted for deferred revenue. Adjusted Working Capital per share refers to Adjusted Working Capital per basic weighted average number of shares outstanding.*

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, Adjusted EBITDA Margin, Adjusted EBITDA per share, Adjusted Working Capital, and Adjusted Working Capital per share are provided to investors as alternative methods 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. These measures should not be construed as alternatives to profit 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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