# SYLOGIST LTD.

Annual Information Form

Fiscal Year Ended December 31, 2025

Dated March 27, 2026

**SYLOGIST LTD.**

**ANNUAL INFORMATION FORM**

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## ITEM 1 – EXPLANATORY NOTES AND CAUTIONARY STATEMENTS

### 1.1 Explanatory Notes

In this Annual Information Form ("**AIF**"), unless otherwise noted or the context indicates otherwise, references to "**Sylogist**", or to the "**Corporation**", or to the "**Company**", "**we**" or "**our**" are to Sylogist Ltd. and includes its subsidiaries.

Reference is made in this AIF to the Corporation's annual financial statements and annual management discussion and analysis ("**MD&A**") for the year ended December 31, 2025. The Corporation's annual financial statements and MD&A are available for review under the Corporation's SEDAR+ profile at www.sedarplus.ca. All financial information in this AIF is prepared in Canadian dollars in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

This AIF has been prepared as of March 27, 2026, and, unless otherwise stated, the information contained herein is stated as of December 31, 2025.

### 1.2 Forward-Looking Information

This AIF contains "forward-looking information" within the meaning of applicable securities legislation. Although the forward-looking information is based on what we believe 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 "aim", "allow", "believe", "assume", "intend", "may", "will", "expect", "estimate", "anticipate", "continue", "could", "can", "outlook" 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.

In particular, this AIF contains forward-looking statements pertaining to, but not limited to, the following:

- business plans and prospects;
- results with respect to our growth, shareholder value creation, profit, sales, and revenue;
- expectations regarding the growth over time of software-as-a-service ("SaaS") revenue as a percentage of total revenue and the corresponding general decline of maintenance, support services, hardware and project services revenue;
- expectations regarding our investment and expansion in our target markets;
- ability to execute on our acquisition strategy and plans;
- ability to maintain, continue investing in, and expand our partner channel;
- expectations regarding competition in our products and services markets;
- having sufficient liquidity and cash flow to support operations, meet our commitments, invest in new opportunities and long-term growth, strengthen our competitive position, meet our

working capital needs, invest in research and development ("**R&D**"), make capital expenditures and drive profitable long-term growth;

- expectations regarding our financial and operational outlook for 2026, including the factors driving this expected outlook;
- ability to obtain the financial resources, on favourable terms or at all, that may be required to successfully compete in our products and services markets;
- the impact of escalated geopolitical tensions, including the recent introduction of potential tariffs between
- Canada and the U.S. which continue to generate considerable uncertainty;
- expectations regarding supply and demand fundamentals;
- expectations regarding the impact of artificial intelligence on our business and competitive landscape;
- expectations that we are adequately staffed for current industry activity levels, and that we will be able to retain and attract staff;
- expectations regarding the trends and factors affecting the pricing environment for our services;
- expectations regarding our financial results and performance;
- expectations regarding the continued strategic increase in our sales and marketing spend in 2026;
- expectations regarding lower levels of capitalizable R&D spending going forward;
- expectations regarding our capital spending plans and our ability to execute these plans;
- expectations regarding utilization of our NCIB program;
- expectations regarding our stock price;
- expectations regarding our ability or intention to pay dividends;
- the potential impact and costs associated with activist shareholder activity;
- expectations regarding exposure to lawsuits, claims and contingencies, and the financial ability to settle any such obligations;
- expectations regarding customer needs, preferences and financial flexibility;
- ability to procure and retain customers and contracts;
- expectations regarding foreign exchange and seasonal fluctuations;
- anticipated compliance with debt and any other covenants;
- expectations that we can maintain our strong position in our products and services markets; and
- expectations regarding the nature and focus of our share-based compensation programs.

Such forward-looking information that is not historical fact, including statements based on management's beliefs 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 we serve, the actions of competitors, major new technological trends, and other factors, many of which are beyond the Company's control and could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. The forward-looking information contained in this AIF is expressly qualified by this cautionary statement. We undertake no obligation to update publicly any forward-looking information whether because 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 "Risks and Uncertainties" section of this AIF. Readers are cautioned that the foregoing list of factors are not exhaustive.

Actual results and developments may differ, in some cases materially, from those expressed or implied by the forward-looking statements contained in this AIF. 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) 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) access to credit sources and the terms of such financing; (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, including the impact of artificial intelligence; (xix) internal information technology infrastructure and applications; and (xx) cyber security; (xxi) the continued availability, support and strategic direction of third-party technology platforms, including Microsoft's product lifecycle decisions; (xxii) the absence of material environmental, social or governance requirements affecting the Company's operations or capital expenditures; and (xxiii) the ability of third-party partners to deliver services and generate sales in accordance with the Company's expectations.

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.

### 1.3 Currency and Exchange Rates

In this AIF, unless otherwise indicated, references to “$” are to Canadian dollars. References to “US$,” “USD” or “US dollars” are to the lawful currency of the United States.

## ITEM 2 - CORPORATE STRUCTURE

### 2.1 Name, Address, and Incorporation

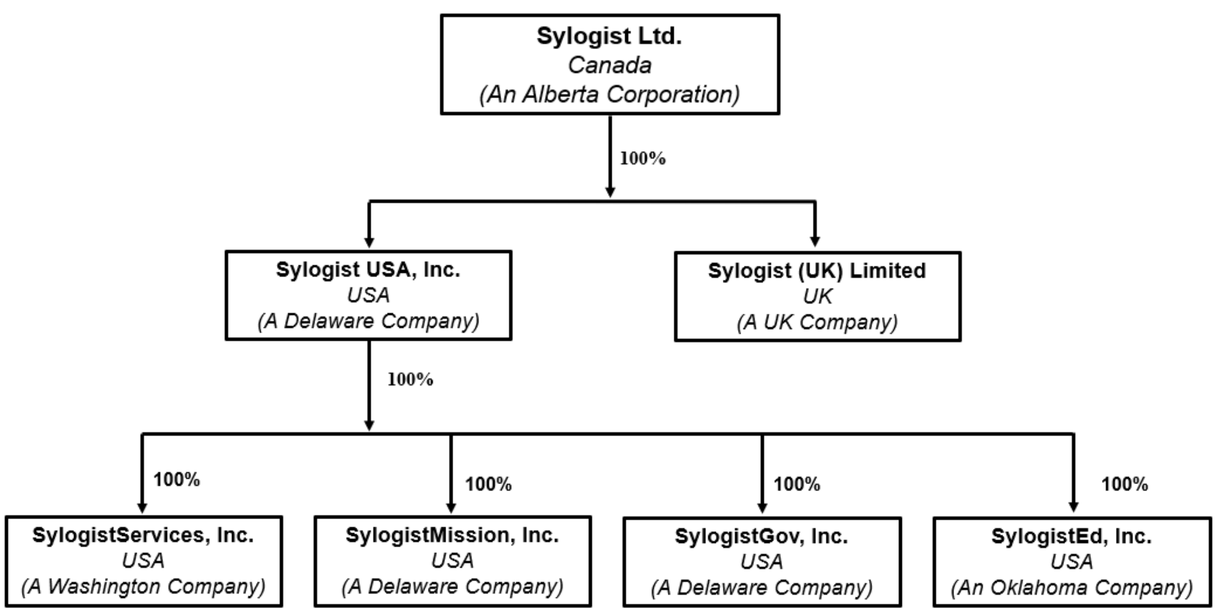
Sylogist Ltd. was incorporated under the *Business Corporations Act* (Alberta) (the “**ABCA**”) on March 1, 1993, as “557356 Alberta Ltd.”. On February 16, 1994, the Corporation filed articles of amendment to change its name from “557356 Alberta Ltd.” to “FinTech Services Ltd.”. On February 27, 1998, the Corporation amended its articles to remove the applicable private company provisions, including all share transfer restrictions, and to remove all of the then existing classes of shares except for the class “A” shares of the Corporation. The articles of the Corporation were again amended on November 17, 2000, to change the name of the Corporation from “FinTech Services Ltd.” to “FinTech Solutions Ltd.”. On July 17, 2001, the Corporation filed articles of amendment which, in place of the class “A” share class of the Corporation, authorized the Corporation to issue an unlimited number of common shares of the Corporation. On June 20, 2002, the Corporation changed its name from “FinTech Solutions Ltd.” to “Sylogist Inc.” and, on November 14, 2002, the Corporation further amended its articles to effect a seven (7) for one (1) consolidation of the common shares of the Corporation and to change the name of the Corporation from “Sylogist Inc.” to “Sylogist Ltd.”. On October 1, 2005, the Corporation utilized the short form amalgamation provisions of the ABCA to amalgamate its wholly owned subsidiary, E-Point Technologies Inc., into Sylogist, which then utilized the short form amalgamation provisions of the ABCA to amalgamate its wholly owned subsidiary, Masterworks Software Systems Ltd., into Sylogist on January 1, 2008. On July 1, 2013, the Corporation utilized the short form amalgamation provisions of the ABCA to amalgamate its wholly owned subsidiary, Epic Data International Inc., into Sylogist. On October 1, 2022, the Corporation utilized the short form amalgamation provisions of the ABCA to amalgamate its wholly owned subsidiary, Mission CRM Ltd., into Sylogist and, on January 1, 2023, the Corporation utilized the short form amalgamation provisions of the ABCA to amalgamate its subsidiaries, FPA Group Inc. and The Pavliks Group Inc., into Sylogist.

The head office is located at 5920 1A Street SW, Calgary, AB T2S 1R8. The registered and records office of the Corporation is located at the offices of Osler, Hoskin & Harcourt LLP, Suite 2700, 225 - 6th Avenue SW, Calgary, Alberta, T2P 1N2.

The common shares in the capital of the Corporation (the "**Common Shares**") are listed on the Toronto Stock Exchange ("**TSX**") under the trading symbol "SYZ."

## 2.2 Inter-Corporate Relationships

The following chart illustrates, as at the financial year ended December 31, 2025, the Corporation's principal subsidiaries, including their respective place of incorporation and the percentage of voting securities in each that are beneficially owned, or controlled or directed, directly or indirectly, by the Corporation:



## ITEM 3 - GENERAL DEVELOPMENT OF THE BUSINESS

### 3.1 Three Year History

Over the past three years, Sylogist has invested in transforming its product portfolio into new vertical market specific SaaS platform offerings, which allowed it to transform from being a suite of on-premise software solutions to a sophisticated provider of purpose-built SaaS platforms.

.Set out below is a more detailed summary of the events and conditions that have influenced the general development of the Company's business since January 1, 2023.

***Fiscal Year Ended 2023 (12 months ended December 31, 2023)***

On January 31, 2023, the Corporation renewed its credit facility on the existing terms for one year.

On March 27, 2023, Sylogist announced that Sujeet Kini was appointed as Chief Financial Officer with a start date of May 1, 2023.

On June 20, 2023, the Corporation announced that its largest shareholder, PenderFund Capital Management Ltd ("**PenderFund**"), had entered into a nomination agreement with the Corporation pursuant to which the Corporation agreed to appoint one independent PenderFund nominee to the board of directors of the Corporation and thereafter, include one PenderFund nominee among the management recommended nominees for election to the board of directors of the Corporation at each shareholder meeting at which directors of the Corporation are elected. PenderFund agreed to vote in favour of the appointment of all of the Corporation's director nominees at the Corporation's annual and special meetings of shareholders held on June 27, 2023.

Effective August 25, 2023, Errol Olsen, a nominee of PenderFund, was appointed as a director of the Corporation and Janice P. Anderson resigned as a director of the Corporation.

On September 21, 2023, the Company repaid $4.0 million of the outstanding balance under the credit facility.

On November 21, 2023, the Corporation commenced the 2024 NCIB to acquire up to 2,273,409 Common Shares (10% of the Corporation's public float as of November 13, 2023) over the ensuing 12-month period at prevailing market prices. During the year ended December 31, 2023, pursuant to the NCIBs, Sylogist repurchased a total of 343,600 Common Shares at an average price of $6.16 for a total cost of $2.2 million.

***Fiscal Year Ended 2024 (12 months ended December 31, 2024)***

On February 7, 2024, Tracy Edkins and Andrea Ward were appointed to the board of directors of the Corporation.

On February 23, 2024, Sylogist completed the asset acquisition of Time Clock Now for cash consideration of USD $1.65 million ($2.2 million). The Asset is included within the Company's "Time and Talent Suite" offering which is a comprehensive SaaS solution for streamlining time tracking and scheduling.

On June 12, 2024, Sylogist held the Annual General and Special Meeting of Shareholders at which time the Company announced the election of Aziz Benmalek to the board of directors of the Corporation.

On June 28, 2024, Sylogist completed the sale of its Managed IT Services division for consideration of $300,000 to Mountain View IT Solutions.

On October 31, 2024, the Company entered into an agreement with its current lender, the Royal Bank of Canada, to renew and extend its corporate credit facility. The credit facility is committed for a three-year term and includes a revolving credit facility of $50 million, with an additional $75 million optional "accordion" feature.

On November 28, 2024, the Corporation commenced the 2025 NCIB to acquire up to 2,273,409 Common Shares (10% of the Corporation's public float as of November 18, 2024) over the ensuing 12-month period at prevailing market prices. During the 12 months ended December 31, 2024, the Company repurchased 154,200 Common Shares at an average price of $8.99 for a total cost of $1.4 million.

***Fiscal Year Ended 2025 (12 months ended December 31, 2025)***

On February 12, 2025, the Company announced the appointment of J. Kim Fennell to the board of directors and that Taylor Gray retired as a director of the board of the Company effective February 28, 2025.

On April 17, 2025, the Company announced it had been awarded a multi-year contract by the Texas OAG to implement a new, cloud-based Statewide Automated Victim Notification Service (SAVNS), supporting 150+ agencies with real-time, secure notifications.

On September 12, 2025, the Company announced it formed a special committee of independent directors to address a request for board representation from a shareholder.

On October 28, 2025, the Company announced proactive governance changes, including board succession planning as Barry Foster announced he would be stepping down as Board Chair and the board of directors announced the adoption of a shareholder rights plan (the "Rights Plan") effective as of October 27, 2025.

***Fiscal Year Ended 2026 (To Date)***

On January 29, 2026, the Company announced effective January 28, 2026, William C. Wood has stepped down as President and Chief Executive Officer of Sylogist, and that the Board of Directors had appointed Craig O'Neill as Interim President and Chief Executive Officer.

On February 4, 2026, the Company announced that it received a shareholder meeting requisition notice pursuant to section 142 of the *Business Corporations Act* (Alberta) dated January 29, 2026, from a shareholder of Sylogist.

On February 17, 2026, the Toronto Stock Exchange ("**TSX**") approved the Company's Notice of Intention to renew its Normal Course Issuer Bid ("**NCIB**") program effective February 19, 2026.

On February 17, 2026, the Company's Board of Directors declared a quarterly dividend of $0.01 per share to be paid on March 11, 2026, to shareholders of record on February 28, 2026.

On March 04, 2026, the Company announced a strategic go-to-market relationship with RSM US LLP ("**RSM**"), the leading provider of assurance, tax and consulting services to the middle market. The relationship is designed to expand the delivery of industry-specific, Microsoft-based solutions to nonprofit organizations and local governments at scale.

On March 16, 2026, the Company announced the appointment of Andrew Shen to the Company's Board of Directors, effective March 20, 2026, and that Barry Foster will not be standing for re-election. The Company also announced that it would be combining its Annual meeting of shareholders along with the Special meeting, both of which have been scheduled for May 12, 2026.

### 3.2 Significant Acquisitions

No acquisitions were completed during Sylogist's most recently completed financial year.

## ITEM 4 - DESCRIPTION OF THE BUSINESS

### 4.1 Overview

Founded in 1993, Sylogist is a SaaS provider of Enterprise Resource Planning ("**ERP**"), Customer Relationship Management ("**CRM**"), and other mission critical business administration software solutions to public-sector organizations that operate in the non-profit organization ("**NPO**")/non-governmental organization ("**NGO**"), public school administration, and local and municipal government market segments.

Sylogist is headquartered in Calgary, Alberta, and currently employs slightly under 200 professionals across the U.S., Canada, and the U.K. We are led by an experienced executive team with significant leadership, operational and entrepreneurial histories across the public-sector software markets. We serve customers primarily across North America.

Over the past five years, Sylogist has invested in creating new market specific SaaS platform offerings, including the rewrite of strategic legacy products in addition to investments in operations, sales and leadership, which enabled it to transform from offering a suite of siloed software solutions to a sophisticated provider of purpose-built integrated SaaS platforms. In addition, three strategic acquisitions completed in 2021 accelerated this transformation and strengthened Sylogist's position as a prominent Microsoft partner focused on the public sector.

The primary source of revenue for Sylogist comes from SaaS subscriptions. These subscriptions, along with revenue from recurring maintenance and support contracts, collectively make up approximately 72% of the Company's total revenue.

SaaS subscription revenue (52% of total 2025 revenue) generally consists of multi-year customer agreements, ranging from three to five years.

Maintenance and support revenue (20% of total 2025 revenue) consists of recurring revenue from maintenance and support activities for legacy on-premise software offerings.

Project services revenue (25% of total 2025 revenue) consists of non-recurring services related to SaaS implementation, configuration, and upgrades. These services are typically charged on a time and materials basis.

Hardware and other revenue (3% of total 2025 revenue) include revenue generated from hardware, ad hoc on-premise license sales and other ancillary revenue.

***Strategy and Business Model***

Sylogist's financial strategy is a combination of scalable growth leveraged off a strong foundation of profitability. We are focused on selling our product offerings entirely on a SaaS subscription basis. As a result, SaaS subscription revenue as a percentage of total recurring revenue is expected to go up over time and is a significant part of our focus in terms of our product development and sales and marketing efforts. We generate added recurring revenue in the form of maintenance and support ("**M&S**") services related to our historical sales of perpetual licenses with attached M&S contracts. We expect M&S revenue as a percentage of overall recurring revenue will continue to decline over time as new customers acquire SaaS subscriptions and existing customers migrate to our SaaS offerings. The Company also earns non-recurring revenue in the form of project services ("**PS**") and hardware sales. These revenue sources are viewed as ancillary to our pursuit of SaaS revenue and have declined over time as we incorporate a partner-led delivery model.

***Strategic Alliances and Partners***

Over the past two years, Sylogist has made investments in the partner channel with a view to driving a larger portion of its PS delivery and deal origination via partners. To this end, in the near term, we expect to continue to maintain our internal team of PS staff to support both directly delivered premium implementation services as well as the onboarding and empowerment of partners. We expect PS and hardware revenue as a percentage of total revenue will decline over time as we focus on sales of SaaS software and engaging our partner network to deliver a substantial part of professional services. Partners also help Sylogist to uncover future displacement and upgrade opportunities in their communities of customers (e.g., opportunities related to the sunset of Microsoft Dynamics Great Plains ERP in 2028).

***The Microsoft Relationship***

On July 1, 2025, we advanced our long-standing partnership with Microsoft, transitioning from a managed reseller to a managed Software Development Company ("**SDC**"), formerly known as a managed Independent Software Vendor ("**ISV**"). This elevated designation—granted to roughly the top 10% of Microsoft partners worldwide—recognizes Sylogist's growing success as a trusted software partner. The shift reflects the execution of our strategy to move away from resale-based activities toward developing, marketing, and delivering proprietary SaaS solutions built on Microsoft's technology stack.

<u>Technology</u>

The Microsoft relationship is a competitive advantage for Sylogist, facilitating seamless integration of Sylogist's products into Microsoft's ecosystem and technology suite. This relationship provides Sylogist with significant technological benefits, including top-tier data security, reduction of its own data center requirements (as systems and data are hosted in

Microsoft's Azure data centers) and enabling Sylogist to gain leverage from investments that Microsoft makes in its technology stack.

All of this provides R&D cost savings for Sylogist, allowing the Company to focus its R&D spend on efforts that provide vertical market differentiation and greater return on investment for its customers. Additionally, the Microsoft relationship allows the Company's customers greater accessibility to Microsoft's Artificial Intelligence ("**AI**") capabilities as they consider generative AI adoption and as the Company incorporates AI into its offerings.

Go-to-Market

The Microsoft relationship provides us with a competitive go-to-market ("**GTM**") advantage in the form of joint GTM activities, critical validation and brand recognition, in-bound referrals, the ability to leverage Microsoft's partner channels, easier adoption of Sylogist products by customers who are in the Microsoft ecosystem and additional 'referenceability' in a request for proposal process.

***Customer Centric Focus***

Sylogist's customer base is rooted in the mid to upper-market segments within each of our three target market verticals. We prioritize customer service, and our customer base is well diversified and loyal. We believe that the mission critical nature of our platforms effectively creates a "moat" and a barrier to entry for competitors due to high switching costs for customers. Given the "collegial" nature of the public sector markets that we operate in, customer advocacy and "word-of-mouth" referrals are critical to winning new business.

***Research and Development***

The Company has made significant investments in strategic R&D initiatives over the past five years, allowing it to create SaaS-based platforms tailored to its three strategic public sector markets. These investments included both in-house talent and contractor expansion in developing its modern SaaS. platforms and included moving from a waterfall to agile software development methodology allowing it to deliver new innovation at a higher cadence.

***Acquisitions***

The Company views strategic acquisitions as a potential accelerator to its organic growth and profitability targets.

Sylogist has been a disciplined acquirer of the right businesses at the right price and regularly reviews potential acquisition opportunities. Companies and/or assets that are acquired are typically fully integrated within six months, allowing the Company to gain the benefit of synergies in a short period of time. Additionally, the management team has deep expertise of integrating new acquisitions in the Company's existing business activities and the Company has the capacity to fund such acquisitions through its credit facility. The Company has a credit facility that is comprised of a revolving credit facility of $50 million, which can be used for general corporate purposes, with an additional $75 million optional accordion feature. The Company has the ability under its credit facility to borrow in Canadian and U.S. dollars. The renewed credit facility is committed for a three-year term ending in October 2027 and is renewable annually thereafter.

### *Dividends*

Through fiscal years 2025 and 2024, the Company paid a quarterly dividend of $0.01 per share. Future dividends will be determined at the discretion of the board of directors of the Company based on the Company's capital allocation priorities at that time.

### *Share Buybacks*

The Company has in place a NCIB program allowing it to buy up to 10% of its outstanding stock. The NCIB program expires annually in November every year and has been renewed on an annual basis. During fiscal year 2025, the Company repurchased 2,400 Common Shares at an average price of $9.15.

### *Invoicing Seasonality*

Given the seasonality related to the buying cycle of customers within its education market segment[1] the Company's cash balances are typically at their highest point in the second half of the year.

## 4.2 Products and Services

The Company's product suite is tailored to three primary market segments: the non-profit and non-governmental organizations segment ("**SylogistMission**"), the public-school administration segment ("**SylogistEd**"), and the local and municipal government segment ("**SylogistGov**"). Additionally, software solutions and related services for customers outside its three primary markets segments are included under SylogistSolutions ("**SylogistSolutions**[2]").

The SylogistGov and SylogistMission ERP offerings are built on the Microsoft Dynamics 365 Business Central platform and the SylogistMission CRM and SylogistGov VSS offerings are built on the Microsoft Dynamics 365 CRM platform. Sylogist believes this has significant advantages, including ongoing R&D and innovation, top-tier data security, agile go-to-market capability, and ease of third-party integration for its customers.

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[1] For additional detail, refer to the "*Products and Services– SylogistEd*" section of this AIF.

[2] Previously referred to as "SylogistServices".

*SylogistMission*


**SylogistMission** provides mission critical, modularized SaaS-based ERP, CRM and analytics solutions for NPOs and NGOs. The end-to-end platform allows customers to track the entirety of the fundraising cycle, from the point of receiving donations through to the deployment of funds and the measurement of outcomes.

The SylogistMission platform has two primary modules:

- SylogistMission ERP, a financial and grants management solution built on Microsoft Dynamics 365 Business Central; and
- SylogistMission CRM, an end-to-end donor engagement, campaign management and analytics platform built on Microsoft Dynamics 365 CRM, which includes the Microsoft non-profit common data model.

The functionality of this modularized and integrated platform includes accounting, fundraising and donation processing capabilities including grant administration, constituent management, online donations, major gift cultivation, volunteer management, reporting and analytics, and program/event-based functionality. Additionally, its modularized design enables the Company to execute its ‘land and expand’ strategy by initially selling to the customer’s primary need and then introducing the remainder of the platform’s functionality over time.

Revenue generated from SylogistMission, inclusive of related PS revenue, was approximately 31% of total revenue for the 12 months ended December 31, 2025.

***SylogistEd***


**SylogistEd** is a wholly SaaS-based platform for K-12[3] public school districts and career-technical institutes in North America. The platform was rebranded from the acquired WenGAGE brand as part of the Company's overall branding and GTM strategy. SylogistEd's modular functionality includes ERP and accounting, student information management, human resources and payroll, lunchroom administration, document management, online payments, and a teacher, parent/guardian, and employee online portal. As a result of the education buying cycle, although bookings within SylogistEd happen throughout the year, software fulfillment and implementation typically occur from January through August of each year.

Revenue generated from SylogistEd, inclusive of related PS revenue was approximately 30% of total revenue for the 12 months ended December 31, 2025.

The SylogistEd U.S. suite is built utilizing the Microsoft development stack while SylogistEd Canadian suite is built on the Microsoft Business Central platform and includes ERP and accounting, human resource and payroll, and online payments.

3 Kindergarten to 12th grade.

*SylogistGov*


**SylogistGov** is a SaaS solution for local and municipal governments in North America. It includes a fully integrated ERP along with market-specific functionality including citizen engagement, taxation & billing, asset management, budgeting, analytics, case management, and payments. SylogistGov also offers the Victim Services Suite ("VSS") solution, which is a specialized victim notification solution for state criminal justice agencies in the U.S., addressing a niche market that is underserved and often supported by dated legacy applications.

SylogistGov's revenue inclusive of related PS revenue was approximately 14% of total revenue for the 12 months ended December 31, 2025.

**SylogistSolutions** covers the remainder of the Company's strategic offerings including:

- **Dynamics 365 by Sylogist** – Tailored Dynamics 365 software solutions for enhanced productivity and workflows.
- **Epic Data by Sylogist (formerly known as Epic Data) –** Software solutions for safety, defense, and manufacturing that supports well-known public organizations and military-related entities across North America and the United Kingdom.
- **Portal Connector by Sylogist** – Software solutions for building self-serve, customer facing web portals connected to enterprise back-end applications, such as Microsoft Dynamics CRM and ERP.
- **Payroll by Sylogist** - Payroll and Human Resources application modules include the "Time and Talent Suite" that integrate seamlessly with SylogistMission, SylogistGov ERP, and Microsoft Business Central.
- **FuelPay by Sylogist –** A flexible and customizable payment processing solution with easy ERP integration tailored for fleet and retail fuel businesses, including features such as point of sale and standalone operation and support for multiple pump brands. FuelPay by

Sylogist targets businesses in the alternative, marina fueling, and unattended operations space.

SylogistSolutions' revenue inclusive of related PS revenue was approximately 24% of total revenue for the 12 months ended December 31, 2025.

***Project Services***

The Company also provides PS that are billed primarily on a time and materials basis. In some limited cases due to unique customer procurement obligations, PS are also provided on a structured, well-defined fixed fee basis.

Project Services fall into two categories:

- Implementation, configuration and training services related to the Company's three strategic proprietary SaaS offerings (SylogistMission, SylogistGov, and SylogistEd); and
- Project services rendered via the SylogistSolutions' team relating to strategic and/or customized project work.

### 4.3 Competitive Conditions

The public sector software space is fragmented with a few large companies and numerous smaller regional providers. Additionally, several of Sylogist's competitors offer dated and/or not fully integrated SaaS solutions, which positions Sylogist well to gain new business. As supported by publicly available research data, the Company believes that a substantial portion of the public sector market continues to operate on legacy systems. Digital transformation in this sector has become a priority, creating a market opportunity for Sylogist. Competitors of Sylogist include Blackbaud Inc., Tyler Technologies Inc., Sage Group Plc, Central Square Technologies, Power School Holdings Inc., Cherry Road Technologies, and Infinite Campus Inc. among others. The larger horizontal ERP and CRM companies such as Oracle Inc., Workday Inc., and Salesforce Inc. are also active in the public sector, but their offerings do not typically provide the required "out of the box" functionality, are more expensive, and take much longer to implement due to the customization they require. Sylogist competes favorably across its target markets on account of the modernity and purpose-built nature of its SaaS platforms and customer-centric approach.

### 4.4 IP and Trademarks

The IP of each Sylogist subsidiary is proprietary and protected under applicable trade secret laws and through nondisclosure agreements with employees, customers, and other third parties.

The Company owns all the IP in each of its offerings, which is typically layered on Microsoft foundations but may utilize other accounting platforms in the future. The Company relies on a combination of contractual provisions and copyright and trade secret laws to protect its IP and licenses the use of products to customers rather than transferring ownership. Continuous investment in research and development, with a focus on enhancing product capabilities and interoperability, keeps Sylogist products competitive and up to date.

The principal trademarks owned by the Company are "Sylogist," "Serenic," "MissionCRM," "Epic Data," "AwardVision," "NaviPayroll," "InfoStrat," "WenGAGE," and "The Portal Connector." These trademarks are registered in Canada and the United States.

These exclusive trademark rights are perpetual, provided that their registrations are filed and renewed on a timely basis and that the trademarks are used in commerce by Sylogist. The Company recognizes the importance of its trademarks and the need to protect and enhance their value. It is the practice of the Company to register or otherwise protect such intangible assets in all jurisdictions in which it operates.

### 4.5 Elongated Sales Cycle & Seasonality

Sylogist sales are subject to quarterly and seasonal variations that may cause significant fluctuations in operating results. The timing of the Company's revenues may be difficult to predict. Customers typically undertake a significant evaluation process that can result in a lengthy sales cycle. The Company spends substantial time, effort, and money on its sales efforts without any assurance that the efforts will produce any sales during a given period.

### 4.6 Economic Dependence

The Company owns and controls its intellectual property and maintains longstanding customer relationships. Sylogist's business benefits from its Microsoft relationship, with solutions under the SylogistGov and SylogistMission business units built on the Microsoft Dynamics 365 platform. SylogistEd product offerings, while not based on Dynamics 365, are custom applications hosted in Microsoft Azure. As a managed SDC, Sylogist may procure and resell Microsoft Dynamics 365 Business Central and Microsoft Dynamics licenses as part of its SylogistMission and SylogistGov platforms. Terminating the Microsoft relationship would adversely affect these platforms, thereby impacting the Company's revenues and profitability.

### 4.7 Environmental Protection

Given the Company operates in the digital, technological, and SaaS space there are no financial and operational effects of environmental protection requirements on the capital expenditures, profit or loss and competitive position of the Company in the current financial year, and it does not reasonably expect any in future years either.

### 4.8 Employees

As of December 31, 2025, Sylogist employed approximately 200 full-time employees in North America.

### 4.9 Foreign Operations

For the 12 months ended December 31, 2025, approximately 99% of Sylogist's revenues were generated in North America, with approximately 69% of Sylogist's revenues generated in the United States.

### 4.10 Reorganizations

Within the three most recently completed financial years, the Company has not been the subject of material reorganization.

### 4.11 Corporate (Social) Responsibility

The Corporation is committed to supporting charitable causes in the communities in which it operates.

### 4.12 Risk Factors

Sylogist is subject to risks and uncertainties that could result in a material adverse effect on the Company's business and financial results on a consolidated basis. The board of directors of the Company has overall responsibility and oversight of the Company's risk management practices. The Company's management is responsible for developing and monitoring the Company's risk strategy, and reports to the board of directors of the Company on its activities. Risk management is incorporated in all levels of strategic and operational planning and is reviewed regularly to reflect changes in market conditions and the Company's activities. Management has identified the risks below as specific risks to Sylogist and its business. The reader is urged to review these risk factors. The markets in which Sylogist currently operates are very competitive and change rapidly and therefore, new risks may emerge from time to time.

***Partners***

The Company's growth strategy increasingly relies on third-party partners to support sales, implementation, and ongoing customer support. The Company's results may be adversely affected if partners lack sufficient capability, resourcing, training, or accountability to deliver solutions effectively. Inadequate partner enablement, inconsistent service quality, or limited partner investment in independent sales and marketing capacity could constrain market penetration, delay customer implementations, and negatively impact customer satisfaction and retention. Additionally, an over-reliance on a limited number of strategic partners may increase operational and execution risk if those relationships deteriorate or fail to scale in line with the Company's growth objectives.

***Microsoft Partnership and Relationship***

The Company benefits from certain Microsoft partner designations, programs, and incentives that contribute to its competitive positioning, cost structure, and go-to-market strategy. Any loss, reduction, or change in these designations, or in Microsoft's partner program requirements, could adversely affect the Company's access to benefits, pricing structures, co-sell opportunities, and operational efficiencies. Changes in Microsoft's strategic priorities, licensing models, or program economics could result in increased costs, margin pressure, or the need for incremental investment to maintain alignment with Microsoft's ecosystem.

***Product***

The Company's ability to compete effectively depends on the readiness, functionality, and reliability of its products, as well as alignment between product development and go-to-market strategies. If product enhancements, integrations, or releases do not align with customer needs, partner delivery models, or market demand, the Company may experience longer sales cycles, reduced adoption, or increased customer attrition. Delays in product development, quality issues, or failure to prioritize features that support targeted verticals may negatively impact revenue growth, customer satisfaction, and the Company's competitive position.

### *Market and Pricing*

The Company operates across multiple markets and industry sub-sectors, each with distinct customer needs, purchasing behaviors, and pricing sensitivity. The Company's results may be adversely affected if its pricing models do not adequately reflect these differences or fail to capture the value delivered in specific segments. Competitive pricing pressure, customer procurement practices, or an inability to implement more granular, market-specific pricing strategies could negatively impact revenue growth and operating margins.

### *Customer Wellness and Retention*

The Company's future revenue growth and profitability depend in part on its ability to retain existing customers, generate customer references, and increase net revenue retention through renewals and expansions. A decline in customer satisfaction, product adoption, or perceived value could lead to higher attrition rates and reduced expansion opportunities. If customer success and support capabilities do not scale effectively with growth, the Company may experience increased churn, reduced referenceability, and lower lifetime customer value, which could adversely affect operating results.

### *Resourcing*

The Company's performance depends on its ability to effectively allocate and manage human resources across its operations, including maintaining an appropriate balance of subject matter experts, generalists, and third-party service providers. Inefficient resource allocation, skills shortages, or over-reliance on external resources may increase costs, delay project delivery, or negatively impact service quality. As the Company grows, failure to align resourcing strategies with business demand could adversely affect operating efficiency and employee engagement.

### *Security and Cybersecurity*

The Company is subject to risks associated with cybersecurity threats, data protection, and compliance with industry's best practices and regulatory requirements. A failure to maintain effective security controls, prevent unauthorized access, or protect sensitive customer and Company data could result in service disruptions, financial losses, legal or regulatory consequences, and reputational damage. As the Company increasingly relies on cloud platforms, third-party vendors, and partners, the scope and complexity of cybersecurity risks may increase.

### *Workforce and Talent Acquisition*

The Company's success depends on its ability to attract, retain, and motivate qualified personnel. Competitive labor markets, insufficient succession planning, or ineffective retention and compensation strategies could result in higher employee turnover and difficulty filling key roles. The loss of key personnel or an inability to recruit skilled employees in a timely manner could impair execution, innovation, and the Company's ability to achieve its strategic objectives.

### *Financial Forecasting and Revenue Mix*

The Company's operating results may be subject to increased variability as its revenue mix evolves, including a greater reliance on partner-led delivery models. Changes in revenue recognition timing, margin profiles, or partner economics may introduce volatility in reported results and cash flows. Inaccurate forecasting assumptions or limited visibility into partner performance could adversely affect financial planning, resource allocation, and investor confidence.

### *Reputation*

The Company's reputation may be adversely affected by events beyond its direct control, including the actions or failures of third-party vendors, partners, or former employees, or other individuals associated with the Company. Negative publicity resulting from cybersecurity incidents, service disruptions, vendor misconduct, or unfounded allegations could damage customer and partner trust. Reputational harm may have a material adverse effect on the Company's ability to attract customers, partners, and employees, as well as its overall market perception.

### *Profitability*

As the Company grows, it expects operating expenses and capital expenditures to increase correspondingly, and as a result, will need to generate increased revenue to maintain profitability. The Company may not be able to sustain or to increase profitability or cash flows from operations on a quarterly or annual basis in the future and, in turn, could incur losses in future periods. If revenues decline, operating results could be seriously impaired because a portion of the Company's expenses are fixed and cannot be easily or quickly reduced.

### *Volatility in Operating Results*

Quarterly operational results may be impacted by many factors, including revenue fluctuations based on demand, economic conditions, capital allocation and budgeting cycles, timing of sales, acquisitions and related costs, customer acceptance of product enhancements, variance in the size of license transactions, changes in customer purchasing or procurement processes, having to defer revenues under the Company's revenue recognition policies and IFRS, and seasonality variations in the markets. The Company considers fluctuations in its quarterly operations to have an impact on its future financial position. The Company's expense levels, operating costs and staffing levels are based in part on its expectations of future sales and projects, and the Company may not be able to adjust spending in a timely manner to compensate for any sales shortfall.

Additionally, revenues relating to subscription and maintenance services are generally recognized ratably over the contract term. As a result, a portion of the revenue the Company reports each quarter is generally attributable to arrangements entered into during previous quarters. Therefore, a decline in bookings[4] as it relates to new customers, renewals by existing customers or general market acceptance of the Company's products in any given quarter may not necessarily be fully reflected in the revenues in that quarter and could have a negative impact on the Company's revenues and profitability in future quarters.

### *Pricing and Margins*

The pricing of software and services is highly competitive, as is pricing for related hardware and components. There are competitors of all sizes with similar offerings to that of the Company, with some larger competitors offering mission critical systems and support services. These competitive offerings can put pressure on prices and, consequently, operating margins.

Another key element of Sylogist's corporate strategy is to dedicate resources to R&D, and related product and service opportunities, both through internal investments and the acquisition of intellectual property from external companies through acquisition initiatives. As the Company

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[4] Refer to the "*Non-IFRS Performance Measures*" section in the Company's December 31, 2025, MD&A.

dedicates resources to R&D efforts to support its competitive advantage, these related expenditures could adversely affect the Company's operating margins.

### *Volatility in Stock Price*

The market price of the Company's common shares can be highly volatile and subject to fluctuations. These fluctuations in common share market price may continue due to quarterly variations in operating results, announcements of technological innovations, developments with respect to patents, copyrights or other proprietary rights, changes in interest rates, general economic and market conditions, or new products by the Company or its competitors, changes in financial estimates by securities analysts, or other events or factors. In addition, the financial markets have experienced significant price fluctuations over the last few years, which have particularly affected the market price of equity securities of many technology companies. In many cases, such pressures have been unrelated to the operating performance of such companies or the failure of such companies to meet market expectations in a particular period.

### *Foreign Currency Risk*

Sylogist operates internationally and, accordingly, a portion of the Company's financial resources are held in currencies other than the Canadian dollar, which is the functional currency of the Company. Further, the Company generates revenues and incurs expenses in U.S. dollars, Euros and Great British Pounds. The Company's exposure to the U.S. dollar, Euros, and the Great British Pound may change over time as the geographic mix of the business changes. Consequently, the Company's results have been affected, and it expects its future results could be adversely affected by significant foreign exchange fluctuations.

### *Dividends*

The Board of Directors approved the initial decision to pay a dividend to shareholders commencing in 2010, with such decision being reviewed quarterly. The Board of Directors will, at their discretion, determine the amount of any future dividends payable. Although the Company has paid quarterly dividends since 2010, there can be no assurance that the Board of Directors will declare further dividends. The actual dividends declared, if any, will depend on numerous factors, such as capital priorities to fund growth, working capital, and sufficient operating cash flow. The Company may adjust future dividends payable upward or downward or stop paying dividends entirely based on shareholder valuation creation and capital allocation opportunities available.

### *Financial Condition, Liquidity, and Requirements Outlook*

The Company's cash balance and working capital position are expected to be adequate to sustain its existing operations. If the Company is unable to continue to grow revenue and cash flow from operations, its cash and working capital position could be adversely affected.

### *Potential Need for Future Financing*

There can be no assurance that the Company will be able to obtain the financial resources that may be required to successfully compete in the markets on favorable commercial terms, or at all. Failure to obtain such financing could affect the Company's ability to successfully execute mergers and acquisitions, and other business opportunities that may arise from time to time.

### *Acquisition Related Liabilities*

Although the Company conducts due diligence reviews of potential acquisition candidates, it may incur contingent liabilities through acquisitions which may be material, despite its best efforts to estimate risks associated with the contingencies and the likelihood of them materializing. The Company's estimates could differ materially from such liabilities actually incurred.

### *Dependence on Key Personnel*

The success of the Company is largely dependent on its senior leadership. Failure to retain key employees and to attract and retain additional ones with required skills and experience could negatively impact the Company's growth and profitability. Competition for highly skilled management, technical, project delivery, and other key work streams is intense in the information technology industry.

Sylogist's progress to date in commercializing its proprietary products have been dependent, to a significant extent, on the skills of its senior management. The departure of certain members of the executive team could have an adverse effect on Sylogist.

The Company has experienced changes in its management personnel in the past and further changes may occur in the future. Sylogist may face transitional difficulties in connection with these changes, and there can be no assurance that it will be able to attract and retain highly skilled and qualified personnel to replace key employees who leave the Company.

### *Third Party Technology*

Sylogist incorporates third-party technology, including technology from Microsoft Corporation into some of its products and may incorporate additional third-party technology as the Company develops and expands its product offerings. The operation of Sylogist products could be impaired if errors occur in such third-party technology, which errors may be difficult to correct being out of its control, or to replace if a third-party vendor seeks to terminate the Company's license to use the technology. Such technology could become subject to claims of infringement by others.

### *Fixed Price Contracts and Delivery Management*

A portion of Sylogist's project service contracts are fixed price contracts. In the context of these fixed price contracts, there is a risk that the Company will be unable to deliver under the contract within the time specified and at a cost to the Company that is equal to or less the contract price. The technical sophistication of the systems delivered under the contracts may require amendments to be negotiated from time to time, subject to the mutually agreed upon contract change processes. A significant contract overrun that is caused by the actions or in-actions of the Company could affect its results of operations and financial position.

### *Market and Competition*

The markets for Sylogist products and services are competitive and significantly affected by new product introductions and other market activities by industry participants. The Company expects competition to persist, even increase and intensify in the future as the markets for its products and services continue to develop, and additional companies enter the markets in which Sylogist operates in. Numerous releases of products and services that compete with those of the Company can be expected in the future. There can be no assurance that Sylogist will be able to compete effectively with current and future competitors. If these or other competitors were to engage in aggressive pricing policies with respect to other competing products, or significant price competition was to otherwise develop, Sylogist may be forced to lower its prices or otherwise adjust its current business practices accordingly.

***Potential Acquisitions and Investments***

In previous years, Sylogist acquired and expects to continue acquiring or investing in businesses, products, and technologies that expand or complement its current business, products and services, and accelerate its organic growth strategy. Such acquisitions or investments may involve significant commitments of financial or other resources of the Company. There can be no assurance that any such acquisition or investment can be satisfactorily financed or, if acquired, will generate revenue, income or other returns for the Company, or that financial or other resources committed to such activities will not be lost. Such activities could also place additional strain on its administrative and operational resources and its ability to manage growth.

***Management of Growth and Integration of Acquisitions***

The Company's core business plan is centered on a profitable growth strategy. The Company also intends to grow both organically and through strategic acquisitions in the future. There can be no assurance that the Company will complete any future acquisitions and, if completed, such acquisitions will be successfully integrated into the Company. Sylogist's growth will likely place strains on its resources and increased demands on its internal systems, procedures, and controls. With any acquisition, the Company needs to integrate and manage the businesses acquired. This could increase the demands on the Company's management, resources, systems, procedures and controls. There can be no assurance that the Company's administrative infrastructure, systems, procedures and controls will continue to adequately support its operations or that management will be able to achieve the rapid, effective execution of the product and business initiatives necessary to successfully expanded Sylogist products and services and successfully integrate any acquisitions in the future.

***Major Contracts***

Sylogist has and may enter into major contracts that are complex and have several delivery milestones. These contracts are subject to delays, changes, revisions, and termination. There is no guarantee that the Company can complete all activities on time and on budget and that the funding available from the customer will be adequate to meet possible adjustments to the project plan and duration. Failure by the Company to manage customer delivery responsibilities and project schedules, deliver project resources, and collect payments on a timely basis are significant risks to us.

***Government Contracts***

A significant portion of Sylogist's total annual services revenue is derived from contracts with public sector entities. Changes in government, government policy, priorities, or funding could affect the Company's financial condition or results of operations. Government contracts could be terminated or suspended at any time. Pursuant to the economic and political climate, government agencies may experience pressure to reduce funding provided to NGOs or NPOs, which could affect the ability of such organizations to procure Sylogist's services and therefore could adversely affect its financial condition or results of operations.

### *Risk to Reputation*

Reputation is a critical asset in the technology services industry. Potential damage to that reputation is a significant risk for us. Any of the risks identified in this document could damage Sylogist's reputation which, in turn, may result in a lack of customer or employee confidence, legal liability, and difficulties in securing capital.

### *Environment and Market Risk*

Sales are subject to some conditions outside of the Company's control, such as economic cycles, the growth of complementary businesses such as software applications or events in specific industry verticals. The liquidity and financial position of the Company is a function of the decisions it will have to make to successfully compete and expand. As the marketplace for Sylogist products and services evolve, the Company's future results could be impacted by a dependence on a few customer or partner relationships. In addition, the timing and customer acceptance of new or upgraded products and services may also affect its results in the future.

### *IP Rights*

Although Sylogist makes efforts to protect its IP rights, there can be no guarantee that unlicensed copying of its software will not take place, especially in countries where software piracy laws and enforcement are weak. Policing unauthorized use of the Company's technology, if required, may be difficult and costly.

From time to time, the Company may receive notices from third parties alleging that Sylogist has infringed their IP rights. Responding to any such claim, regardless of its merit, may be time consuming, result in costly litigation, divert management's attention and resources, or cause the Company to incur significant expenses. Any meritorious claim of IP infringement against Sylogist may potentially result in a temporary or permanent injunction, prohibiting the Company from marketing or selling certain products or requiring it to pay royalties to a third-party. In the event of a meritorious claim, the failure of the Company to develop or license substitute technology may materially adversely affect its business and results of operations.

As Sylogist develops new technologies, its ability to protect its proprietary rights from unauthorized use by third parties may be possible only to the extent that Sylogist IP is effectively maintained as confidential know-how/trade secrets. The industries in which the Company operates can be subject to expensive litigation regarding IP rights. As a result, Sylogist may be required to defend against claims of IP infringement which may adversely affect the Company's financial condition and operating results. Although Sylogist does not typically pursue patents, if it chooses to do so in the future, there is no guarantee that any of its future patent applications will result in the issuance of any patents. If approved, any future patents of the Company may not be sufficiently broad to prevent others from developing competing products. The validity and ability to enforce the Company's patents, if any, cannot be predicted with certainty and its future patents may be found to be invalid or unenforceable or its future patent applications may not be accepted.

Unauthorized parties may attempt to copy or otherwise obtain and use Sylogist products or technology. Monitoring unauthorized use of the Company's IP is difficult, and it cannot be certain that the steps it has taken will prevent unauthorized use of its technology. If competitors can use the Company's technology, its ability to compete effectively could be harmed. Moreover, others may independently develop and obtain patents for technologies that are similar, or superior, to the Company's technologies. If that happens, the Company may need to license these technologies, and it may not be able to obtain licenses on reasonable terms, if at all, which could have a material adverse effect on its business.

### *Intrusion of the Company's Computer Systems*

Sylogist operations are dependent on the continued and uninterrupted performance of its computer systems, which are hosted in the cloud. Accordingly, the Company relies on its ability to protect its cloud-based computer systems against a wide range of risks, including but not limited to malware and data breaches. Any system failure, security breach or unanticipated problem with the Company's cloud-based computer systems could interrupt or delay its operations, damage its reputation, and, if sustained or repeated, reduce the attractiveness of Sylogist services, potentially resulting in the loss of revenue and customers. In this cloud-based environment, the risk of data breaches and malware attacks is a particularly significant concern that the Company must address proactively to safeguard its operations and protect its stakeholders' interests.

### *Legislative, Insurance, Compliance Costs, Regulatory Action and Environment*

To comply with various increasing and complex regulatory reporting and standards involves significant cost. Recent changes to securities regulatory standards, accounting standards, and compliance reporting have placed an additional expense burden on Sylogist. Insurers may increase premiums because of high claims rates experienced by them over the past and so future premiums for the Company's various insurance policies, including directors' and officers' insurance policies, could be subject to increase. Proposed changes in the accounting rules could materially increase the Company's internal accounting and external audit fees. Corporate governance standards in Canada are evolving continuously. Despite its best attempts, there can be no assurance that the Company will comply with all applicable corporate governance guidelines or best practices.

### *Key Supplier Relationships*

Sylogist is dependent on its relationships with third parties to provide strategic components of its software sales and maintenance revenue, and its hardware sales. To the extent third parties are unable to support the Company in such areas, Sylogist may be forced to source components or software from others, perhaps at increased prices and with an impact on its ability to service its customers and win new business. Many of Sylogist's products are dependent on the uninterrupted operations of third-party data hosting centers, which, if unavailable, even for a limited period, could result in revenue loss and customer claims. While the Company takes reasonable precautions against some events, and believes its hosting providers, primarily Microsoft, are reputable businesses with strong availability, redundancy, and security protocols, there can be no assurance that their services will be provided uninterrupted.

### *Management of Future Growth and Expansion*

Planned expansion of Sylogist's business and future success will depend on its ability to manage strategic growth as it expands its products and marketing capacities, which may place a significant strain on the Company's management resources, employees and operations, as well as its ability to finance such growth. To manage strategic growth effectively, Sylogist will be required to continue to implement changes in certain aspects of its business, expand its operations, and develop, train, manage and assimilate an increasing number of management-level and other employees. If management is unable to oversee growth effectively, its business prospects, financial condition, and operating results could be affected.

### *Financial Position of Customers*

If a material number of Sylogist customers are not able to continue operations for whatever reason, consolidate or reduce their operations, or postpone current or expected purchases of its products and services, its business, results of operations, and financial condition could be adversely affected.

### *Customer Retention/Attrition*

Once Sylogist solutions are deployed to a customer, they generally rely on the Company's support services for a myriad of reasons. Due to the collegial nature of the markets the Company serves, a high level of customer satisfaction is important to revenue retention and the successful future marketing and sales activities of the Company to win new business and expand customer wallet share.

### *Industry Growth*

There can be no assurance that the market for existing Sylogist products will continue to grow or that the Company will be successful in independently growing market share for its products. If the markets in which Sylogist competes grows slower than the company currently anticipate, or if it is unable to grow within its target markets, its operating results, and financial condition could be adversely affected.

### *Lengthy and Variable Sales Cycle*

The Company's sales cycle generally ranges from three to eighteen months. Sylogist spends a substantial amount of time educating potential customers about the use and benefits of its solutions and related services. Because the adoption of Sylogist technologies often represent a substantial investment, potential customers may take months to evaluate Sylogist technologies and products, determine the size of the user base to be covered, and obtain the necessary budget allocation and expenditure authorizations to purchase the Company's products. The process of entering into a contractual agreement typically involves lengthy negotiations. Additionally, Sylogist may be required to integrate its solution with synergistic third-party products, which must be specified in the contract and agreed to by the customer.

Sylogist may also spend a significant amount of time and money on a potential customer that ultimately does not purchase its solution. Any such lost sales could cause the Company's operating results to vary significantly from projected results. Also, Sylogist may not be able to accurately predict sales by partners since its partners may not always keep the Company informed about the status of possible sales and other revenue opportunities with their prospects and customers. Sales of Sylogist products by partners also may depend on the availability of their own products and implementation resources. The Company has no control over the timing of its partners' product rollouts, and it may not be informed of when these rollouts will occur.

Because of these factors, it is difficult to forecast the Company's revenue and operating results. Sylogist's inability to accurately predict the timing and magnitude of its sales could cause a number of problems, including: (i) the Company may have difficulty meeting its customers' delivery requirements in the event an unusually high number of orders received in a period of time; (ii) the Company may expend significant management efforts and incur substantial sales and marketing expenses in a particular period that do not translate into orders in the planned periods, or at all; and (iii) the Company may have difficulty meeting its cash flow requirements and obtaining credit because of delays in receiving orders or delays in receiving payment for its products and services. The problems resulting from the Company's lengthy and variable sales cycle could impede its growth, harm its valuation, and restrict its ability to extend limited credit terms, fluctuations in currency exchange rates could cause Sylogist products to become relatively more expensive to customers.

***Economic Slowdown***

From time to time, markets have witnessed the weakening of global macro-economic conditions. This weakness affected information technology spending patterns on a global basis, and as a result affected Sylogist's ability to forecast current and future period revenues. An unforeseen deterioration of economic conditions or unexpected market forces may have a negative impact on the Company's future financial performance.

***International Markets***

Sales outside of Canada represent a significant portion of Sylogist's total gross revenues. Sales to international customers are subject to a number of risks and uncertainties including, but not limited to, complications in both compliance with and unexpected changes in foreign government laws, regulations, and telecommunications standards, import and export license requirements, tariffs and other trade barriers, potential adverse tax consequences, fluctuations in currency exchange rates, exchange controls, and difficulty in collecting accounts receivables in a particular country, leading to a reduction in sales or profitability in that country. As a result of these factors, the Company may not be successful in entering certain international markets and maintaining staffing and managing foreign operations, potential political and economic instability including the recent political landscape between Canada and the United States and the ongoing threat of tariffs between these countries, events of international terrorism, economic effects of public health threats such as pandemics or epidemics, uncertainties of laws and enforcement relating to the protection of property rights including IP rights, unauthorized copying of the Company's proprietary technologies, uncertainties in local commercial or financial sector practices, uncertainties in local accepted business practices and standards which may not be similar to accepted business practices and standards in Canada and which may create unforeseen business or public relations situations, and other factors. While international sales are typically denominated in US dollars, this may be subject to change based on an increase in international market demand for Sylogist products.

***Litigation***

Sylogist may be subject to litigation in the ordinary course of business, as well as in the context of potential securities claims, class actions and other corporate activities. Any litigation is time-consuming and costly, both financially and by diverting management and staff resources from the Company's day-to-day business.

***Taxation***

Sylogist is subject to income and non-income-based taxes in Canada, the United States, the United Kingdom and other foreign jurisdictions. Tax structure and tax filings are subject to review by taxation authorities in the ordinary course of business and it cannot be assured that the final determination of any such review will not be different from what is reflected in the Company's historical income tax filings, provisions or accruals. Any such differences could materially affect operating results or result in additional tax expense in future periods. Significant judgment is required of management in determining the Company's provisions for income taxes and other tax liabilities and while management strives to ensure its estimates and filing positions are reasonable, there can be no assurance that the result of any tax audits or proceedings will not differ, which may materially impact operating results. In addition, tax laws are subject to change, which may materially impact the Company's tax filings and operating results.

***Product Liability***

Sylogist solutions are highly complex and sophisticated and, from time to time, may contain design defects that are difficult to detect and correct. Errors may be found in new products after commencement of commercial shipments or, if discovered, the Company may not be able to successfully correct such errors in a timely manner, if at all. The occurrence of such errors and failures in Sylogist products could result in a loss or delay in their market acceptance and correcting these could require significant expenditure of capital. Sylogist solutions are integrated into its customers' networks and equipment. The sale and support of these products may entail the risk of product liability or warranty claims based on damage to such networks and equipment. In addition, the failure of the Company's products to meet customer expectations could give rise to warranty and potentially other legal claims.

***Artificial Intelligence***

The rapid development of AI in recent years has created uncertainty to its effect on companies that rely on technology and software. Additionally, companies leveraging AI can pose a threat to the current market by potentially outpacing the technological advancement of their competitors, which may redefine industry dynamics. The unpredictable advancement of AI and its impact on software further contribute to uncertainties, making it challenging to anticipate and navigate potential risks to Sylogist.

***Shareholder Activism***

The Company may from time to time be subject to a proxy contests or other similar actions. In such situations the timing, duration, cost potential impact of such situations on the Company's business, financial condition or results of operation cannot be predicted in advance. Such situations will require the Company to incur costs and expenses, including with respect to legal and other professional advisory fees, and are time-consuming and can divert the attention of the Board of Directors and senior management. These may also create uncertainty that could negatively impact the Company's ability to attract and retain customers, partners, and key personnel.

**ITEM 5 - DIVIDENDS AND DISTRIBUTIONS**

The board of directors of the Corporation authorized the payment of a quarterly dividend commencing in 2010, which such quarterly dividend payment policy is reviewed quarterly. During the three most recently completed financial years, the board of directors of the Corporation declared aggregate annual dividends on the Common Shares in the amount of: (i) $0.04 per Common Share for a total dividend payment of $0.9 million during the fiscal year ended December 31, 2023; (ii) $0.04 per Common Share for a total dividend payment of $0.9 million during the fiscal year ended December 31, 2024, and (iii) $0.04 per Common Share for a total dividend payment of $0.9 million during the fiscal year ended December 31, 2025. Based on the Company's closing stock price as at December 31, 2025, the trailing 12 months' dividend yield, excluding special dividends, was 0.69%.

The Company's borrowing arrangements subject the payment of dividends to attainment of financial covenants. To date, the Company has satisfied such financial covenants.

## ITEM 6 - DESCRIPTION OF CAPITAL STRUCTURE

The Corporation's authorized capital consists of an unlimited number of Common Shares. As at December 31, 2025, there were 23,389,577 Common Shares issued and outstanding. As at the date of this AIF, 23,294,577 Common Shares are issued and outstanding.

### 6.1 Common Shares

Each Common Share carries the right to attend and vote at all general meetings of shareholders. Holders of Common Shares are entitled to receive on a *pro rata* basis dividends, as and when declared by the board of directors of the Company at its discretion from funds legally available for the payment of dividends. Upon the liquidation, dissolution, or winding up of the Company, holders of Common Shares are entitled to receive on a *pro rata* basis the net assets of the Company after payment of debts and other liabilities. The Common Shares do not carry any pre-emptive, subscription, redemption, or conversion rights, nor do they contain any sinking or purchase fund provisions.

### 6.2 Options and Other Convertible Securities

***Stock Option Plan***

On November 10, 2020, the board of directors of the Company adopted a fixed incentive stock option plan. On May 3, 2021, the board of directors of the Company adopted a rolling incentive stock option plan to replace the fixed incentive stock option plan. Under the rolling stock option plan, the aggregate number of Common Shares to be issued, upon exercise of all options granted under the plan, shall not exceed 10% of the issued Common Shares, at the time the options were granted. Options granted under the plan generally have a term of five (5) years, and vest at such times as determined by the board of directors of the Company at the date of grant, which is typically over three (3) years. The exercise price of each option is determined by the board of directors of the Company at the volume weighted average trading price per Common Share on the TSX for the three (3) trading days on which the Common Shares traded immediately preceding the date of grant. In the fiscal year ended December 31, 2025, no stock options were exercised, 645,000 stock options expired and 636,597 stock options were granted.

***Share Unit Plan***

On March 30, 2022, the Company instituted a share unit plan. Under the share unit plan, the Company is authorized to grant restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**").

Under this plan, the Board of Directors granted DSUs to non-officer directors of the Company for services rendered. The DSUs are to be settled in cash no later than December 31st of the calendar year following the calendar year in which the non-officer director ceases to be a director of the Company. Additional DSUs are credited to the directors' accounts when cash dividends are paid to the common shareholders of the Company. Such amount of additional DSUs is determined by dividing the dividends which would have been paid on the DSUs had they been common shares of the Company by the volume weighted average trading price of the Company's shares over the 5-day trading period immediately preceding the date the dividends are paid.

Upon redemption, and at each reporting date, the DSUs are valued on a per DSU basis at an amount equal to the volume weighted average trading price of the Company's shares over the immediately preceding five-day trading period. During the year ended December 31, 2025, 33,063 DSUs were granted for a total of 129,484 DSUs outstanding. During the year ended December 31, 2025, $300 was paid to retiring directors. During the year ended December 31, 2025, expense of $192 was in was included in the consolidated statement of comprehensive income, and the liability at December 31, 2025, amounted to $747.

Also under this plan, the Board of Directors granted RSUs to employees of the Company for services rendered. RSUs vest annually over four years. RSUs are to be settled in cash or common shares, at the board of directors' discretion, prior to December 31 each year. Additional RSUs are credited to the employees' accounts when cash dividends are paid to the common shareholders of the Company. Such an additional amount of RSUs is determined by dividing the dividends which would have been paid on the RSUs had they been common shares of the Company. In the fiscal year ended December 31, 2025, 126,136 RSUs were granted to employees, 101,441 RSUs vested, nil RSUs forfeited, and 172,597 RSUs remained outstanding. During the year ended December 31, 2025, $530 was included in the consolidated statement of comprehensive income, and the liability at December 31, 2025, amounted to $456.

Also under this plan, On March 30, 2025, the Board of Directors granted 204,927 PSUs to the executive management team of the company. There are two types of PSU awards, one which vests based on a combination of employee service and the achievement of certain financial performance targets and one which vests based on a combination of employee service and the achievement of total shareholder return ("**TSR**") targets. The achievement of the financial performance and TSR targets in these PSUs is determined over a three-year performance period. At the conclusion of the three-year performance period, the number of PSUs that ultimately vest can range from 0% to a maximum vesting opportunity of 200% of the initial award, depending upon actual performance versus the established annual recurring revenue ("**ARR**")[5] and stock-price targets. The grant date fair value of PSUs with financial performance-based targets is equal to the closing price of the Company's common shares on the date of grant. The grant date fair value of PSUs with TSR targets is determined on the grant date using a Monte Carlo simulation, which is a valuation model that considers the likelihood of achieving the TSR targets embedded in the award ("**Monte Carlo Model**"). The compensation expense attributable to each type of PSU is recognized on a straight-line basis over the requisite service period. The fair value determined by the Monte Carlo Model is affected by the Company's share price, as well as assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, market conditions as of the grant date, the Company's expected share price volatility over the term of the awards, and other relevant data. During the year ended December 31, 2025, $309 was included in the consolidated statement of comprehensive income, and the liability at December 31, 2025, amounted to $309.

5 For definitions of non-IFRS measures and reconciliations to their most comparable IFRS measures, please refer to the Corporation's MD&A available for review under the Corporation's SEDAR+ profile at www.sedarplus.ca.

Details of the stock options outstanding and exercisable as at December 31, 2025, are as follows:

| Options | | | | |
|---|---|---|---|---|
| **Exercise Price** | **Number of Outstanding Options** | **Weighted-Average Remaining Period Until Exercisable (Years)** | **Number of Options Exercisable** | **Weighted-Average Remaining Contractual Life Post Vesting (Years)** |
| $11.78 | 225,000 | 0 | 225,000 | 0.1 |
| $5.87 | 150,000 | 0.33 | 100,000 | 2.3 |
| $8.14 | 636,597 | 2.25 | — | 3.3 |
| **TOTAL** | **1,011,597** | **1.46** | **325,000** | **0.8** |

***Shareholder Rights Plan***

On October 28, 2025, the Company announced that it has adopted the Rights Plan effective as of October 27, 2025, pursuant to a shareholder rights plan agreement entered into with Computershare Trust Company of Canada, as rights agent. The Rights Plan is designed to ensure that all Sylogist shareholders are treated fairly in connection with any take-over bid and to protect against "creeping bids", which involve the accumulation of 20% or more, on an aggregate basis, of the Company's Common Shares through purchases exempt from applicable take over bid rules. The Rights Plan must be ratified and confirmed at the Annual and special meeting of shareholders on May 12, 2026, or it will be terminated on that date. For additional information, a copy of the Rights Plan is available under the Corporation's SEDAR+ profile at www.sedarplus.ca.

## ITEM 7 – MARKET FOR SECURITIES

### 7.1 Trading Price and Volume

The Company's Common Shares are listed and posted for trading on the TSX under the symbol "SYZ". The following table sets forth the monthly price range and the trading volume for the Common Shares for fiscal year ended December 31, 2025, as reported by the TSX for the periods indicated:

| Period | High Trading Price | Low Trading Price | Volume (#) |
|---|---|---|---|
| January | $11.06 | $8.53 | 1,897,736 |
| February | $10.65 | $9.50 | 616,817 |
| March | $9.42 | $8.06 | 1,160,266 |
| April | $8.66 | $7.07 | 846,820 |
| May | $9.53 | $8.74 | 374,799 |
| June | $9.26 | $8.54 | 1,018,821 |
| July | $9.81 | $8.45 | 503,881 |
| August | $9.37 | $7.70 | 1,997,614 |
| September | $8.04 | $6.81 | 1,068,134 |
| October | $6.77 | $5.47 | 1,003,274 |
| November | $6.30 | $5.31 | 662,498 |
| December | $5.80 | $5.38 | 549,292 |

### 7.2 Prior Sales

The Corporation did not issue any Common Shares during the fiscal year ended December 31, 2025. On March 31, 2025, the Board of Directors granted 636,597 stock options to members of the executive management team of the company.

As at the date of this AIF, the Corporation has 576,711 stock options, 137,363 PSUs, 87,304 RSUs, and 159,237 DSUs outstanding.

## ITEM 8 - ESCROW SECURITIES

As at the date of this AIF, to the Corporation’s knowledge, there are no securities held in escrow or subject to a contractual restriction on transfer.

## ITEM 9 - DIRECTORS AND OFFICERS

### 9.1 Name, Occupation, and Security Holding

The following table and the notes thereto set out as at the date of this AIF, or such subsequent date as indicated in the table, the names of all the directors and executive officers of the Corporation (or, as noted below, its subsidiaries) as well as information concerning their committee membership, municipalities of residence, and principal occupations for the past five years. Each of the directors of Sylogist will hold office until the next annual meeting of the holders of Common Shares or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with Sylogist’s articles. William C. Wood served as the President, CEO, and as a director of the Corporation during the calendar year 2025 and subsequently stepped down from these roles as of January 28, 2026.

| Name, Province, and Country of Residence | Current principal occupation and principal occupation during last five (5) years | Director Since |
|---|---|---|
| Craig O'Neill<br>Ontario, Canada<br>*Interim-President and Chief Executive Officer (“**CEO**”)* | Interim-President and CEO of Sylogist since January 29, 2026. Prior thereto, CEO of Kindsight formerly known as iWave from April 2023 to September 2024. Prior thereto, CEO of Versapay from September 2013 to April 2023. | N/A |
| Sujeet Kini(5)<br>Ontario, Canada<br>*Chief Financial Officer (“**CFO**”)* | CFO of Sylogist since May 1, 2023. Prior thereto, CFO at BlueCat Networks Inc. May 2021 to April 1, 2023. Prior thereto, CFO at Shareworks by Morgan Stanley March 2018 to April 2021. | N/A |
| Donna Smiley<br>Colorado, US<br>*Chief Customer Officer (“**CCO**”)* | Chief Customer Officer of Sylogist since January 2023. Prior thereto, Vice-President, Customer Experience of Sylogist since January 2021. Prior thereto, Vice-President, Operations of Sylogist since January 2019. Prior thereto, Managing Director, Operations of Sylogist since July 2014. | N/A |
| Theresa (Terry) LoPresti<br>Washington, DC, US<br>*Chief Technology and Innovation Officer (“**CTIO**”).* | CTIO of Sylogist USA Inc. since January 2021. Prior thereto, Chief Technology Officer of FrontStream Holdings LLC since January 2012. | N/A |
| Grant McLarnon<br>Alberta, Canada<br>*Chief Revenue Officer (“**CRO**”)* | Chief Revenue Officer of Sylogist since December 2022. Prior thereto, Partner and National Leader, Microsoft at KPMG Canada from May 2018 to February 2021. Prior thereto, Co-Founder and CEO of Adoxio from October 2015 to May 2018. | N/A |
| Tracy Harder<br>Kentucky, US<br>*Vice-President, Talent & Engagement* | Vice-President, Talent & Engagement of Sylogist USA Inc. since December 2021. Prior thereto, Vice-President, Human Capital of Arsenal Capital Partners from March 2020 to December 2021. Prior thereto, Vice President, Human Resources at FrontStream, privately held by Arsenal Capital Partners and later by Marlin Equity Partners, from September 2010 to March 2020. | N/A |

| Name, Province, and Country of Residence | Current principal occupation and principal occupation during last five (5) years | Director Since |
|---|---|---|
| Errol Olsen(1)(2)(7)<br>British Columbia, Canada<br>*Director (Board Chair)* | Corporate consultant since January 2024. Chief Operating Officer at Uncommon Purpose Ventures from April 2022 to December 2023. Chief Financial Officer at Traction Sales and Marketing (dba as “Traction on Demand”) from December 2019 to April 2022. Chief Financial Officer at Absolute Software from July 2010 to December 2019. | August 25, 2023 |
| Barry D.A. Foster(1)(3)(4)(6)<br>Ontario, Canada<br>*Director* | President and Portfolio Manager, Innerkip Capital Management since 2004. | June 25, 2019 |
| Tracy Edkins(2)(3)<br>British Columbia, Canada<br>*Director* | Corporate Director and Chair, Compensation Committee of D2L.com, a TSX listed company since July 2021; advisory board member at ThoughtExchange since April 2022, Senior Advisor at Generation Investment Management since August 2020, Senior Advisor at Plan C Advisors from October 2020 to March 2025, Corporate Director and Compensation Committee Chair at Happy Money from July 2021 to January 2024. | February 7, 2024 |
| Aziz Benmalek(2)(3)<br>Washington, USA<br>*Director* | CEO and board director at Aeris since 2024, a privately owned IoT solutions provider; previously serving as President at Sage from 2020, Vice President & Channel Chief at Splunk from 2019 to 2020 and severing in various executive roles at Microsoft for over 20 years. | June 12, 2024 |
| Andrea Ward(1)(3)<br>California, USA<br>*Director* | Most recently Chief Marketing Officer at VidMob, September 2023; Vice President Enterprise Marketing at Adobe, July 2019; Chief Marketing Officer at Magento from August 2016, Board Member/Advisor for IMA (Internet Marketing Association) | February 7, 2024 |

| Name, Province, and Country of Residence | Current principal occupation and principal occupation during last five (5) years | Director Since |
|---|---|---|
| J. Kim Fennell(2)(3)<br>California, USA<br>*Director* | Currently, Venture Partner with True North Fund, Canada and Chief Business Officer with Robot.com. Board Director Bird Construction (TSX: BDT); Board Director RB Global (NYSE: RBA) 2017-2022; Head of Business Development US/Canada at Uber 2015-2019; CEO deCarta 2004-2015; CEO of Pinnacle Systems 2002-2004; CEO of StorageWay 2000-2002. Previously held executive positions at Octel and ROLM in Silicon Valley. | February 12, 2025 |
| Andrew Shen(8)<br>Ontario, Canada<br>Director | Currently, General Partner of Shen Capital since June 2019, Chairman of Flexion since June 2025, Board Observer of ICEsoft Technologies since September 2021, and Board Observer and Chairman of MediaValet Inc. from September 2019 to April 2024. | March 20, 2026 |

**Notes:**

(1) Current member of the Audit Committee.

(2) Current member of the Compensation Committee.

(3) Current member of the Nominating and Governance Committee.

(4) Barry Foster was appointed interim CEO of Sylogist from October 1, 2020, to November 9, 2020.

(5) On March 27, 2023, Sylogist announced that Sujeet Kini had been hired as Chief Financial Officer, with a start date of May 1, 2023.

(6) Barry Foster will not be standing for re-election.

(7) Effective February 18, 2026, Sylogist appointed Errol Olsen Board Chair of the Company.

(8) Effective March 20, 2026, Sylogist appointed Andrew Shen as a director of the Company.

As at the date of this AIF, the current directors, and executive officers of Sylogist, as a group, beneficially own, or control or direct, directly, or indirectly, an aggregate of 780,474 Common Shares, representing approximately 3% of the issued and outstanding Common Shares. The information as to the number of Common Shares beneficially owned, or controlled or directed, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers of the Company individually.

### 9.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of Sylogist is, as at the date hereof, or has been, within the ten (10) years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Sylogist) that was subject to a cease trade order, an order similar to a cease trade or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued: (i) while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, no director or executive officer of Sylogist, or a shareholder holding sufficient number of securities of Sylogist to affect materially the control of Sylogist: (i) is, as at the date hereof, or has been, within the ten (10) years before the date hereof, a director, or executive officer of any company (including Sylogist) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to the bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of the Company, no director or executive officer of Sylogist, or a shareholder holding sufficient number of securities of Sylogist to affect materially the control of Sylogist, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### 9.3 Conflicts of Interest

To the knowledge of the Company, no conflicts of interest or material potential conflicts of interest exist between the Company and any of its directors or executive officers.

In the event a conflict of interest arises in which directors and executive officers of the Company have a direct interest or influence in a particular transaction, the interests of these people could conflict with those of the Company, and fiduciary duty may be impaired as a result. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith, and in the best interests of the Company.

## ITEM 10 - PROMOTERS

No person or company has acted as a promoter within the meaning of the *Securities Act* (Alberta) during the years ended December 31, 2025, or December 31, 2024, or during the current financial year.

## ITEM 11 - LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the normal course of business, claims by and against the Company arise from time to time. To the knowledge of the Company, there are no claims, legal proceedings or regulatory actions by and against the Company, including ones that may not cause a materially adverse effect on the Company or its operations.

## ITEM 12 - INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, no informed person (a director, officer, or holder of 10% or more Common Shares) or any associate or affiliate of any informed person had any interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company within the three most recently completed financial years or during the current financial year.

## ITEM 13 - TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Corporation is Computershare Trust Company of Canada, through its offices in Calgary, Alberta and Toronto, Ontario.

## ITEM 14 - MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the Company has not entered into any material contracts during the most recently completed financial year or prior thereto that remain in effect.

The Company entered into the Shareholder Rights Plan Agreement dated January 31, 2025, between the Company and Computershare Trust Company of Canada as rights agent, under the Rights Plan referred to under “Description of Capital Structure – Shareholder Rights Plan”. There is no other material contracts entered into by the Company in the most recently completed financial year, other than those in the ordinary course of business.

## ITEM 15 - INTERESTS OF EXPERTS

The following persons, firms and companies are named as having prepared or certified a report, valuation statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, relating to, or subsequent to its last financial year and whose profession or business gives authority to the report, valuation statement or opinion made by the person, firm or company:

| Description | Name |
|---|---|
| Independent Auditor, Auditors’ Report dated March 19, 2026, for the fiscal year ended December 31, 2025 | KPMG LLP |

None of the foregoing experts, nor any partner, employee or consultant of such an expert who participated in and who was in a position to directly influence the preparation of the applicable statement, report or valuation, has received or is expected to receive, registered or beneficial interests, direct or indirect, in shares or other property of the Company or any of its associates or affiliates, representing 1% or more of the Company’s outstanding common shares.

## ITEM 16 - AUDIT COMMITTEE

### 16.1 Audit Committee Charter

The Audit Committee of the board of directors of the Corporation operates under a written charter that sets out its responsibilities and composition requirements. A copy of the charter is attached to this AIF as Schedule “A.”

### 16.2 Composition of the Audit Committee

As at the date of this AIF, the table below sets out the members of the Audit Committee and states whether they are financially literate and/or independent (in accordance with the definition of “independent” and “financial literacy”, respectively, set out in National Instrument 52-110 – *Audit Committees*, as amended from time to time).

| Director(1) | Independent | Financially Literate |
|---|---|---|
| Errol Olsen (Chair) | Yes | Yes |
| Barry D.A. Foster(2) | Yes | Yes |
| Andrea Ward | Yes | Yes |

**Notes:**

(1) As of February 28, 2025, Taylor Gray retired as a director of the board. Mr. Gray, CA, CPA was a client service partner at BDO Canada LLP with over 30 years’ experience in serving entrepreneurial businesses in the areas of accounting, auditing, and taxation. His clientele spans a wide variety of industries, including public companies, privately held companies and not-for-profit organizations. In addition to his years in public accounting, he spent five years in sales for a private company and as Vice President, Finance for a public oil and gas service company. Mr. Gray also holds a B.A. (Economics) from Queens University.

(2) Barry Foster will not be standing for re-election, Andrew Shen has been appointed to the Company’s Board of Directors effective March 20, 2026.

### 16.3 Relevant Education and Experience

Each director serving on the Company’s Audit Committee has an understanding of the accounting principles used to prepare Sylogist’s financial statements; experience in preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer’s financial statements; or experience actively supervising individuals engaged in such activities, and experience as to the general application of relevant accounting principles; and an understanding of the internal controls and procedures necessary for financial reporting.

**The following sets out the education and experience of each director relevant to the performance of his duties as a member of the Audit Committee:**

***Errol Olsen, Chair***

Mr. Olsen has more than 25 years of experience leading the finance and operations functions of companies ranging from start-ups to multinational corporations and has broad experience in finance, strategy development, operations, technology, and governance. His previous positions include Chief Financial Officer at Traction Sales and Marketing (dba Traction on Demand) and Chief Financial Officer at Absolute Software. Mr. Olsen was also a manager in the audit and advisory services group at KPMG LLP, where he worked with a portfolio of private and public companies. Mr. Olsen holds a CPA, CA designation and a Bachelor of Business Administration from Simon Fraser University.

***Barry D.A. Foster***

Mr. Foster has been a President and Portfolio Manager of Innerkip Capital Management Inc. ("**Innerkip**") since June 2004. Innerkip is registered with the Ontario Securities Commission as a Portfolio Manager and Investment Fund Manager, specializing in direct investments in small-cap Canadian-listed companies. Barry Foster has been a Sylogist shareholder since 2006. Mr. Foster is a graduate of the Ivey School of Business, Honours Bachelor of Arts in Business Administration (HBA) and received his Chartered Financial Analyst Designation (CFA) in 1998.

***Andrea Ward***

Ms. Ward has broad hands-on marketing experience across brand and communication, demand generation, pricing, and customer success. She has been a distinguished product and go-to-market executive for over two decades most notably as the Vice President of Global Marketing at Oracle followed by working as a Chief Marketing Officer for Magento Commerce prior to the acquisition by Adobe. Ms. Ward is a graduate from the Standford University Graduate School of Business Executive Program for Women Leaders and completed her MBA in International Finance at Santa Clara University in 1996.

### 16.4 Audit Committee Oversight

At no time during the financial year ended December 31, 2025, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors of the Corporation.

### 16.5 Pre-Approval Policies and Procedures

Pursuant to the Audit Committee Charter and unless otherwise permitted by National Instrument 52-110 – *Audit Committees*, the Audit Committee of the Company must pre-approve any non-audit services to be provided to the Company or its subsidiaries by the external auditors of the Company. The Audit Committee may delegate to one (1) or more of its independent members authority to pre-approve non-audit services, but no such delegation may be made to management of the Company. The pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Audit Committee at its first scheduled meeting following such preapproval.

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, including KPMG LLP's performance of certain services to assist Sylogist with the adoption of International Financial Reporting Standards.

### 16.6 External Auditor Service Fees

The aggregate fees billed by KPMG LLP in the financial years ended December 31, 2025, and December 31, 2024, are as follows:

| Financial Year Ended | Audit Fees[(1)] | Audit-Related Fees[(2)] | Tax Fees[(3)] |
|---|---|---|---|
| December 31, 2025 | $442,500 | N/A | N/A |
| December 31, 2024 | $382,500 | $28,020 | $4,280 |

**Notes:**

(1) Audit fees consist of fees for the audit of annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements. The services provided in this category include quarterly review fees.

(2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of Sylogist's financial statements and are not reported as Audit Fees. The services provided in this category included research into accounting and audit-related issues and review of internal controls.

(3) Fees for tax compliance, tax advice and tax planning.

## ITEM 17- ADDITIONAL INFORMATION

Additional information with respect to Sylogist may be found on SEDAR+ under the Corporation's profile at www.sedarplus.ca. Additional financial information is provided in the Corporation's annual financial statements and MD&A for the year ended December 31, 2025.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Sylogist's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in Sylogist's management information circular dated May 23, 2025, for its annual and special meetings of shareholders held on June 27, 2025. Such information will also be contained in the Corporation's management information circular which relates to its annual meeting of shareholders to be held on May 12, 2026, and which will be filed on SEDAR+ under the Corporation's profile at www.sedarplus.ca.

## SCHEDULE "A"- CHARTER OF THE AUDIT COMMITTEE

## SYLOGIST LTD.

### CHARTER OF THE AUDIT COMMITTEE OF SYLOGIST LTD.

### *1. PURPOSE*

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "Board") of Sylogist Ltd. (the "Corporation") is to:

(a) assist the Board in fulfilling its responsibility to oversee the Corporation's accounting and financial reporting processes and audits of the Corporation's financial statements;

(b) review the Corporation's financial reports and other financial information, disclosure controls and procedures and internal accounting and financial controls;

(c) review the Corporation's financial statements, management's discussion and analysis and annual and interim profit or loss press releases before public release;

(d) serve as an independent and objective party to monitor the Corporation's financial reporting processes and internal control systems;

(e) recommend to the Board of Directors the appointment of the external auditor, to be approved by the shareholders, compensation, and retention (and where appropriate, replacement) of the external auditor;

(f) oversee the work of the external auditor in preparing or issuing an audit report or related work, monitor the independence of the external auditor and pre-approve all auditing services and permitted non-audit services provided by the external auditor;

(g) receive direct reports from the external auditor and resolve any disagreements between management and the external auditor regarding financial reporting;

(h) review the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation; and

(i) carry out the specific responsibilities set forth below in furtherance of this stated purpose.

### *2. COMPOSITION AND TERM*

Committee members shall be appointed by the Board and shall serve at the pleasure of the Board. Any member of the Committee may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board. The Board shall designate one member as chair of the Committee (the "Chair"). The Committee shall be composed of three or more directors, each of whom shall be "independent" and "financially literate", as required by and defined in National Instrument 52-110 – Audit Committees ("NI 52-110"), subject to any exceptions permitted under NI 52-110.

### *3. RESPONSIBILITIES AND DUTIES*

The Committee's role is one of oversight of the integrity of the Corporation's accounting and financial reporting process, including financial reporting processes, internal controls over financial reporting and disclosure controls procedures. It is recognized that the Corporation's management is responsible for preparing the financial statements and notes thereto and that the Corporation's external auditor is ultimately accountable to the Board and the Committee, as representatives of the shareholders and other stakeholders, for providing an audit opinion on the financial statements and notes.

The duties and responsibilities of the Committee are as follows:

(a) **Appointment of External auditor.** The Committee shall have direct responsibility for recommending the appointment, compensation, retention (and where appropriate, replacement), and oversight of the work of any accounting firm selected to be the Corporation's external auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Corporation, and to review the performance of the external auditor.

(b) **Appointment of Chief Financial Officer and Internal Auditor.** The Committee shall participate in the identification of candidates for the positions of Chief Financial Officer and the manager of the Corporation's internal auditing function, if any, and shall advise management with respect to the decision to hire a particular candidate.

(c) **Disclosure Controls and Procedures.** The Committee shall review periodically with management the Corporation's disclosure controls and procedures.

(d) **Internal Controls.** The Committee shall discuss periodically with management and the external auditor the quality and adequacy of the Corporation's internal controls and internal auditing procedures, if any, including any significant deficiencies in the design or operation of those controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls. The Committee shall also discuss with the external auditor how the Corporation's financial systems and controls compare with industry practices.

(e) **Accounting Policies.** The Committee shall review periodically with management and the external auditor the quality, as well as acceptability, of the Corporation's accounting policies, and discuss with the external auditor how the Corporation's accounting policies compare with those in the industry. The Committee shall discuss with the external auditor the quality and not just the acceptability of the Corporation's accounting principles, including all critical accounting policies and estimates used, any alternate treatment of financial information that has been discussed with management, the ramifications of use of such alternative classifications, recognitions, derecognitions, measurements, presentations and disclosures and treatments and the auditor's preferred treatment, as well as any other material communications with management.

(f) **Pre-approval of All Audit Services and Permitted Non-Audit Services.** The Committee shall approve, in advance, all audit services and all permitted non-audit services to be provided to the Corporation by the external auditor; provided that any non-audit services performed pursuant to an exception to the pre-approval requirement permitted by applicable securities regulators shall not be deemed unauthorized as permitted under the rules of professional conduct of the Chartered Professional Accountants of Ontario.

(g) **Annual Audit.** In connection with the annual audit of the Corporation's financial statements, the Committee shall:

(i) request from the external auditor a formal written statement delineating all relationships between the external auditor and the Corporation;

(ii) discuss with the external auditor any disclosed relationships and their impact on the external auditor's objectivity and independence, and take appropriate action to oversee the independence of the external auditor;

(iii) approve the selection, and the terms of engagement, of the external auditor;

(iv) review with management and the external auditor the audited financial statements to be filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and review and consider with the external auditor the matters required to be discussed under applicable statements of auditing standards;

(v) perform the procedures set forth under the heading "Financial Reporting Procedures" below with respect to the annual financial statements;

(vi) review with the Corporation's counsel, external auditor and management any legal or regulatory matter that could have a significant impact on the Corporation's financial statements;

(vii) review and make recommendations with respect to any litigation, claim or contingency that could have a material effect upon the financial position of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee; and

(viii) review with management and the external auditor the Corporation's critical accounting policies and estimates.

(h) **Financial Reporting Procedures.** In connection with the Committee's review of each reporting of the Corporation's annual financial information, the Committee shall:

(i) discuss with the external auditor whether all material correcting adjustments identified, if any, by the external auditor in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board of London, England and adopted by the Canadian Accounting Standards Board, Generally Accepted Auditing Standards of Canada and the rules of the applicable securities regulators, as may be amended from time to time, are reflected in the Corporation's financial statements;

   (i) review with the external auditor all material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences, if any;

   (ii) review with management and the external auditor any significant financial or other arrangements of the Corporation which do not appear on the Corporation's financial statements and any transactions or courses of dealing with third parties that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Corporation's financial statements; and

   (iii) resolve any disagreements, if any, between management and the external auditor regarding financial reporting.

(j) **Enterprise Risk Management.** The Committee will ensure that, in addition to its oversight of management's processes to identify and manage key financial risks, the Corporation has in place a process for enterprise risk management whereby the Committee reviews the enterprise's most critical risks and tracks management's actions to manage such risks. On a periodic basis, not less than annually, the Committee will report to the Board on the process for enterprise risk management, the Corporation's most critical risks and management's actions to address such risks.

(k) **Insurance Coverage.** Review and make recommendations regarding insurance coverage (annually or as may be otherwise appropriate).

(l) **Audit Committee Charter.** The Committee shall review and assess at least annually the adequacy of this Audit Committee Charter and recommend any proposed changes to the Board for approval. The Board may amend this Audit Committee Charter as required.

(m) **Whistleblower Procedures.** Any issue of significant financial misconduct shall be brought to the attention of the Committee for its consideration. In this regard, the Committee shall establish and maintain procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters or any matter, which in the view of the complainant, is illegal, unethical, or contrary to the policies of the Corporation, including any matters which relate to fraud against shareholders or violations of the Corporation's Code of Business Conduct and Ethics, or in some other manner not right or proper.

### *4. MEETING AND PROCEDURES*

*4.1 Meetings*

The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Chair. The Committee shall meet as many times as it considers necessary to carry out its responsibilities effectively and shall, in any event, meet at least once per quarter.

*4.2 Quorum and Voting*

Unless otherwise determined by the Committee, two or more members of the Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Committee Chair is absent, the chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by the Committee members, except where only two members are present, in which case any question shall be decided unanimously.

*4.3 Attendance*

The Committee may invite such officers, directors or employees of the Corporation, external auditors, insurance agents and brokers, financial, technical or legal advisors, or other persons as it sees fit, from time to time, to attend meetings of the Committee and to assist in the discussion of matters being considered by the Committee.

*4.4 Chair*

The Chair shall preside at all meetings of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and will, in any event, advise all other members of any decisions made or powers exercised.

*4.5 Decisions*

Decisions of the Committee shall be evidenced by resolutions passed at meetings of the Committee and recorded in the minutes of such meetings or by an instrument in writing signed by all of the members of the Committee.

*4.6 Secretary and Minutes*

The Chair shall appoint a secretary for each meeting to keep minutes of such meeting. The minutes of the Committee will be in writing and duly entered into the books of the Corporation. The minutes of the Committee will be circulated to all members of the Board, redacted as may be determined necessary by the Chair to remove any sensitive personnel information not otherwise material to the Board.

***5. RESOURCES AND AUTHORITY***

The Committee is granted all authority required by NI 52-110, including without limitation the authority to:

(a) investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Corporation;

(b) engage independent legal, tax, accounting or other advisors to obtain such advice and assistance as the Committee determines necessary to carry out its duties and set and pay the compensation for any advisors so engaged; and

(c) communicate directly with the external auditor (and internal auditor, if any).

The Committee may request any officer or employee of the Corporation or the Corporation's counsel or other advisors to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee.

The Corporation shall provide the Committee all appropriate funding, as determined by the Committee, for payment of compensation to any such advisors and any external auditor, as well as for any ordinary administrative expenses of the Committee that it determines are necessary or appropriate in carrying out its responsibilities.

This Charter is not intended to give rise to civil liability on the part of the Corporation or its directors or officers to shareholders, other security holders, customers, suppliers, competitors, employees or other persons or to any other liability whatsoever on their part.