



sylogist

Company Presentation

October 2021

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This presentation contains forward-looking statements relating to the future operations and profitability of the Corporation and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expects” and similar expressions. Any statements that are contained in this presentation that are not statements of historical fact may be deemed to be forward-looking statements. Such forward-looking statements are subject to important risks, uncertainties and assumptions. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Sylogist. As a result, we cannot guarantee that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this presentation are expressly qualified by this cautionary statement. The forward-looking statements contained in this presentation are made as of the date of this presentation, and Sylogist does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by Canadian securities law. Refer to management discussion and analysis on SEDAR for further information on risks, uncertainties, and other factors.

Certain information set out in this presentation 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.

Who We Are: A Public Sector Focused SaaS Company



Sylogist provides essential SaaS solutions to public service organizations

Who We Serve



K-12



Government



NFPs and NGOs



Payments

Financial Snapshot

\$37.7M

Revenue, TTM June 2021

\$16.3M

Adj. EBITDA, TTM June 2021

43%

EBITDA Margin, TTM June 2021

~83%

Recurring Revenue

Recent Developments



New Leadership

- CEO Bill Wood has spent 25+ years' growing tech firms in Sylogist's key verticals
- CTIO Terry LoPresti is an experienced tech and M&A strategist
- Director Ian McKinnon brings extensive tech growth and M&A experience



Acquisitions

- Acquired Pavliks, a provider of web portal IP and MS Dynamics and managed services, in Oct 2021
- Acquired MISSION CRM, an innovative SaaS fundraising and donor engagement platform, in Oct 2021
- Acquired MAS, a provider of K-12 financial and student information solutions, in March 2021



Credit Facility

- Sylogist has increased its credit facility from \$40M to \$75M CAD
- This provides resources to enable further strategic acquisitions



TSX Listing

- Sylogist has graduated from the Venture Exchange to the TSX
- A TSX listing provides increased exposure and access to potential growth capital

Sylogist's New CEO

About Bill



A proven leader known for innovation, talent recruitment, transformation, growth & value creation

- A founding member of Blackbaud and several CEO roles with highly successful companies in Sylogist's key verticals
- Most recently CEO of private equity-backed FrontStream
- His strengths include: strategy & alignment, commercial activities, transitioning products into platforms, data monetization, partnerships, building SaaS market leaders
- Seasoned in strategic acquisitions

Bill's Initial Thoughts

- Strong customer retention & ARR
- Contemporary products and technology
- Solid financial controls and discipline
- Streamlined OPEX
- Microsoft partnership
- Strong financial position

Near-Term Opportunities

- Myriad opportunities for partnerships
- Market awareness upside
- Strategic organic growth investments
- Acquisitions

M&A Strategy Execution



2014



2017



2020



2021



2021



2021

Recent Acquisitions



Leadership in our core verticals



High profit potential



Strong recurring revenue



Large customer base



Strong IP portfolio



Mission critical

Sylogist has closed 3 deals since March 2021

- ✓ Robust pipeline of acquisition targets
- ✓ Expanded M&A team with internal resources and external advisors
- ✓ Evaluating both tuck-in and transformational acquisitions
- ✓ Accelerating deal cadence; aiming to add \$20M - \$25M rev from acquisitions annually by 2023



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Pavliks Overview



- 53 employees based in Barrie, Ont.
- Provider of proprietary SaaS applications and professional service, primarily to public sector organizations
- The Portal Connector is a fast-growing, modern, low/no code solution enabling clients to build and integrate customer-facing web applications
- 2 other business units include expert Microsoft Dynamics development and implementation services, and managed services including cybersecurity and cloud productivity
- Former owners remaining for a transition period

Current FYE Rev: \$9.4M

Current FYE EBITDA: \$1.6M

Customers: ~230

Historical Rev Growth : ~20%

Purchase Price: \$11.5M CAD



Pavliks Synergy Opportunities

To drive value creation, we could...

- ▶ Invest in Portal Connector's growth
- ▶ Cross-sell Portal Connector to entire Sylogist customer community
- ▶ Integrate InfoStrat and Pavliks Dynamics teams for immediate scale and talent depth
- ▶ Leverage Managed Service business unit's expertise to capitalize on internal and external demand

Pavliks has complementary IP, an aligned public sector presence, and an extremely strong team

MISSION CRM Overview



- Founded in 2016, 19 employees based in Toronto, ON
- Innovative, SaaS-based donor management and fundraising platform built on Microsoft Dynamics
- Existing Serenic integration partner
- Finalized platform in late 2020, now focusing on executing go-to-market and growth plan
- Key management remaining with business
- Internally sourced deal, was not in a sales process

Customers: **21 marquee organizations**

Purchase Price:

- **\$2.67M CAD at closing, ~3x TTM rev**
- **3-year earnout¹**
- **Total EV/Rev is ~1x if Mission CRM hits earnout milestones**

Year 3 Earnout Rev Target: **\$8.5M**

MISSION CRM Platform



- Platform is built on top of Microsoft's Fundraising & Engagement Dynamics application (which Microsoft purchased from them)
- Includes Microsoft's Common Data Model (CDM) at its core
- Manages donor engagement and fundraising activities in a single system
- Modern and innovative
- Meets the needs of mid-market and large nonprofits & NGOs
- Material tailwind opportunity from Microsoft F&E sales and expanded go-to-market

MISSION CRM Synergy Opportunities

To drive value creation, we could...

- ▶ Provide resources and expertise to accelerate growth and enable scaling
- ▶ Integrate Navigator, Grants Manager+, and MISSION CRM into a unified end-to-end platform offering
- ▶ Bring MISSION CRM and Navigator offering to mid market (currently targets upper end)
- ▶ Cross-sell MISSION CRM to Navigator customers
- ▶ Monetize donation flow by enhancing MISSION CRM platform with SYZ payments technology
- ▶ Leverage MISSION CRM's excellent Microsoft talent and relationship

MISSION CRM has complementary technology, customers, and people

MAS Acquisition

Municipal Accounting Systems (MAS) Overview

- Modern, SaaS accounting, student information management, and lunchroom solution for Oklahoma school districts
- Founded in 1985 and based in Shawnee, Oklahoma (23 employees)
- Key management remaining with business

Acquisition Benefits

- ✓ Enhancement of offerings and experience via sharing of existing IP
- ✓ Expansion into new school districts in North America with broader platform solution
- ✓ Ease of integration and partnering with complementary K-12 solutions
- ✓ Broadened customer community and strengthened go-to-market investment leverage
- ✓ Flexibility to approach non-Microsoft based school districts

Opportunity was not originated via a sale process; Sylogist identified, made contact, and rapidly negotiated terms

Key Metrics (C\$M)

\$7.4	\$4.3	~58%
<i>CY2020 Revenue</i>	<i>CY2020 EBITDA</i>	<i>CY2020 EBITDA Margin</i>
\$37.8M	500	~85%
<i>Purchase Price</i>	<i>Customers</i>	<i>Market Share</i>



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The Public Sector Advantage

Serving the public sector with mission-critical software provides a wide range of advantages

High Customer LTV

Long average tenure (20+ years) and a strong recurring and scalable service model drives high customer lifetime value

Predictable Recurring Revenue

Multi-year customer agreements provide highly predictable maintenance and subscription revenue, as well as a predictable cadence of service-related fees

Reduced Customer Acquisition Cost

Sylogist helps those who help others; the public sector is highly collegial and open to sharing information, with customers championing our software and driving business through referrals

Global Customer Base

Sylogist serves thousands of customers across its key verticals

K-12 Education



Government



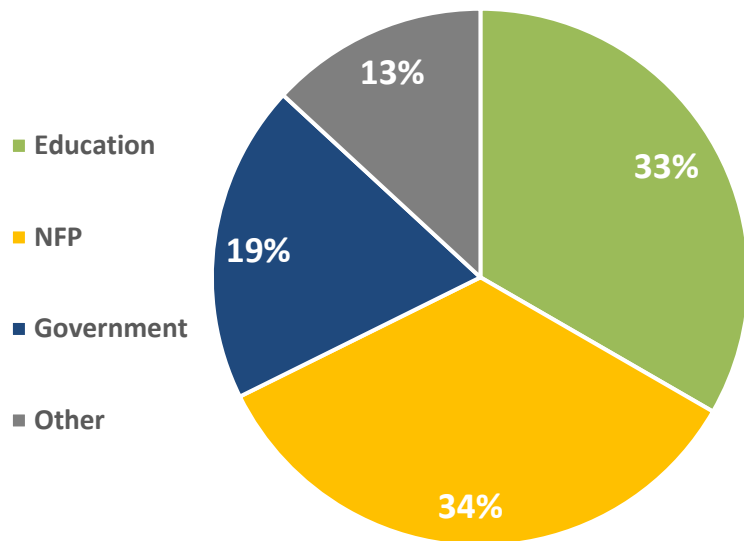
NFP & NGO



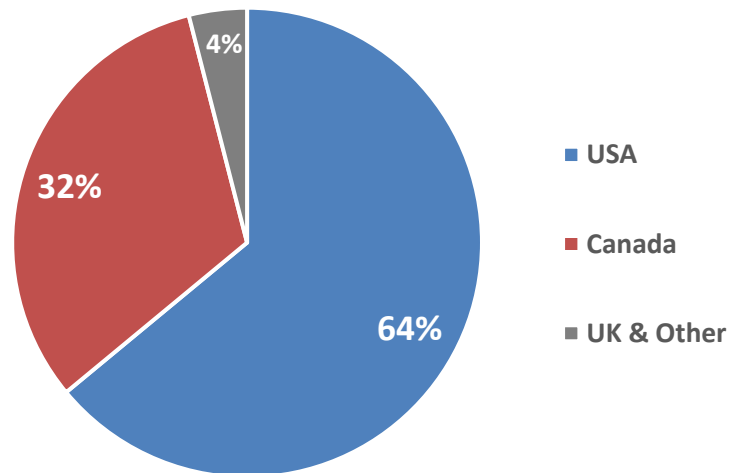
Diversified Verticals

Customers are diversified across sectors and geographies

Revenue by Vertical



Revenue by Geography



Client Case Studies



Industry

- Nongovernmental Organization

The Opportunity

- PIH has 6,000 employees and a \$65M annual budget, operating across nine locations globally
- Sylogist provided a multi-currency, multi-language fund accounting ERP solution

WHAT WAS ACHIEVED

- ✓ Centralized view of global finances and project management
- ✓ Able to more efficiently serve 2 million patients annually



Industry

- Government agency

The Opportunity

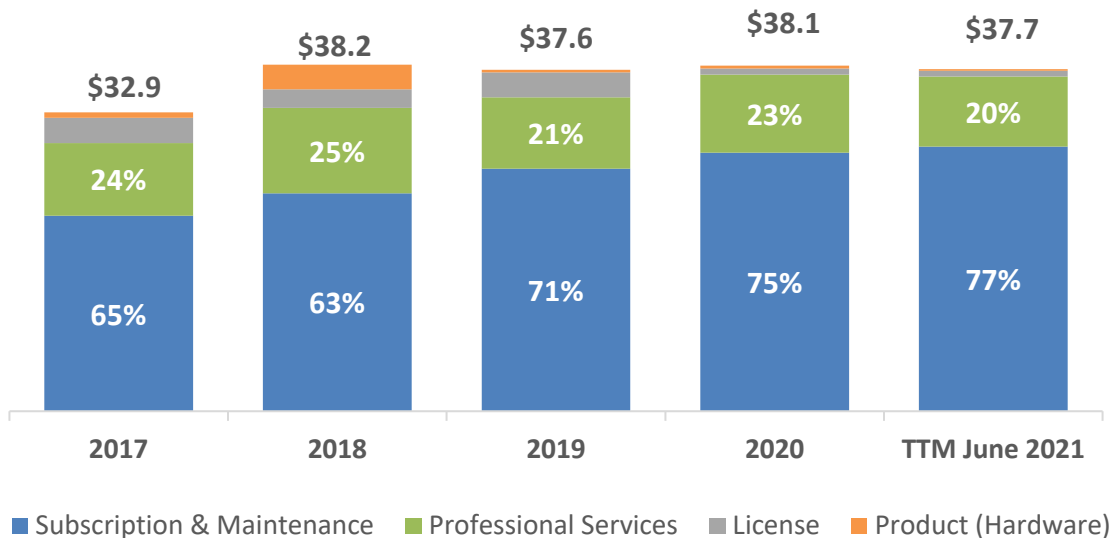
- MWDOD ensures water supply for 28 retail water agencies and cities
- Unsatisfied with its two previous ERP solutions, MWDOD turned to Sylogist for a fully integrated Microsoft-based system that could handle its complex multiple grants and programs

WHAT WAS ACHIEVED

- ✓ Integration of financial and grant/awards management in a single system
- ✓ Better information for improved decision making
- ✓ More efficient service provision

Predictable and Strong Recurring Revenue

Revenue by Type (\$M)



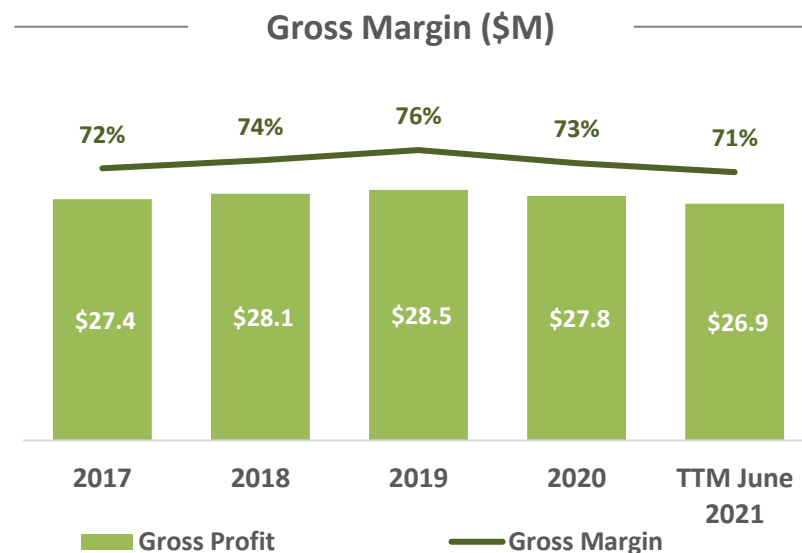
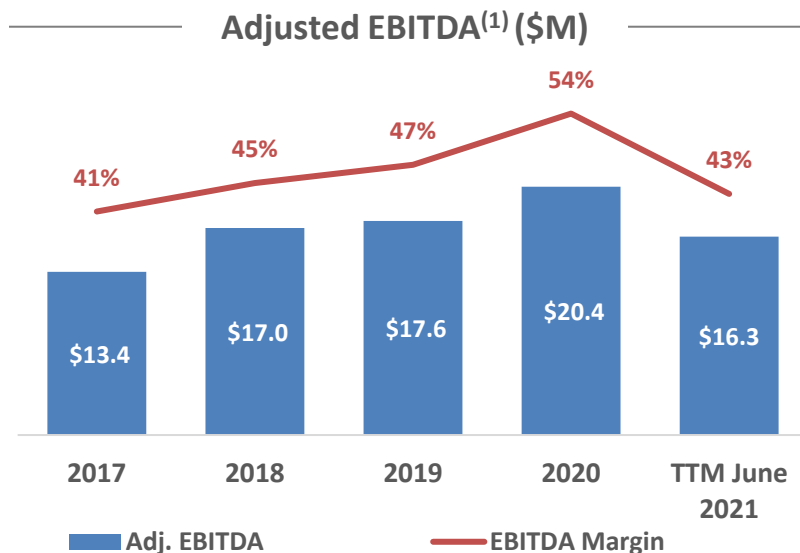
Recurring revenue has steadily increased each year

Prof Services Gross Margin: 30%

Subscription &
Maintenance Gross
Margin: 82%

Subscription and maintenance revenue is contractually recurring; professional services revenue has a predictable base with occasional large one-time implementations

Strong Financial Performance



4%: Shareholders' annualized five-year total return, including dividends⁽²⁾

(1) Please refer to the Company's latest MD&A for the calculation of its Adjusted EBITDA. The Company's calculation of Adjusted EBITDA may differ materially from that of other companies. (2) Morningstar data at close of Sept 30 2021; assumes dividends reinvested

COVID Resilience

Sylogist's operating model and the mission-critical nature of its software have minimized COVID-19's impact

1

Operations continue uninterrupted. Our people, operations and service delivery activities worked remotely, as necessary, prior to the pandemic which served to minimize COVID's disruption to the company and to employee productivity

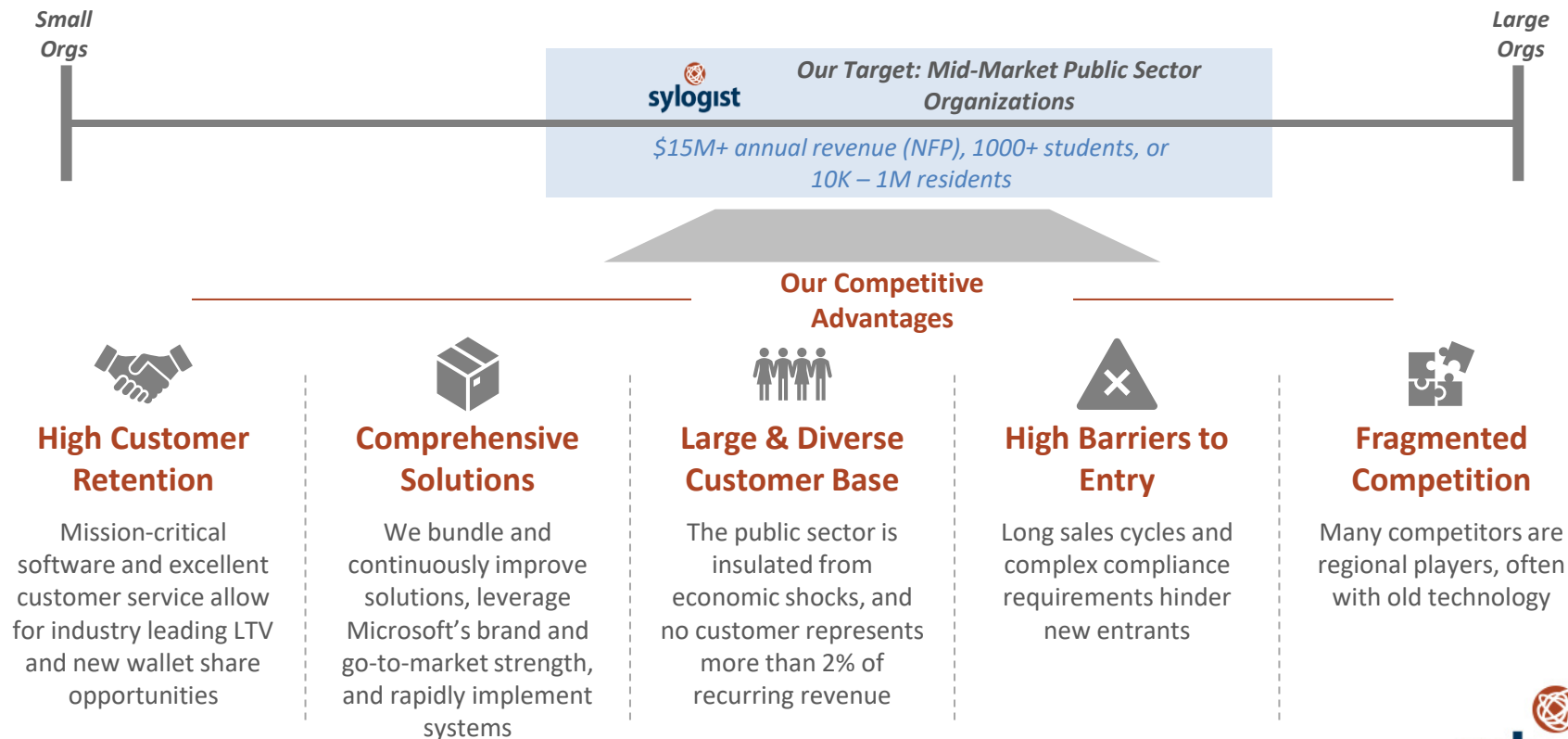
2

Financial performance remains stable. While other companies serving our markets have seen material revenue declines and customer churn, the impact to our business has been minimal, in part due to the essential nature of our solutions to customer operations

3

Sales pipeline remains strong. Although some technology decisions have been delayed, they have not been cancelled; we expect demand to recover as vaccines become more widely available

Competitive Position



K-12 Education



Providing school districts with mission-critical financial and student information management SaaS solutions

Organic Growth Opportunities

- Enhance platforms with new IP
- Cross-sell MAS IP to Navigator customers
- Establish strategic partners or distribution channels to extend products' reach
- Convert North Carolina customers to modern platform; the state's RFP has stalled, providing an opportunity to entrench Navigator

M&A Growth Opportunities

- Roll up legacy providers in USA; as owners reach retirement age, many are looking for an exit
- Expand into other aspects of the fast-growing edtech market (e.g., learning management systems)

Government



Bringing modern SaaS solutions and professional services to all levels of government

Organic Growth Opportunities

- Launch Navigator for Municipalities, replacing legacy systems and entering new markets
- Drive SAVIN's growth; continue to replace a legacy competitor's victim notification solutions, state by state

M&A Growth Opportunities

- Acquire companies with complementary capabilities (e.g., tax, utility billing) to round out modern solution
- Roll up smaller players
- Enter other spheres of govtech market (e.g., citizen engagement, regulatory)

NFP & NGO



Helping nonprofit and nongovernmental organizations fulfill their missions with a comprehensive ERP and grant management platform

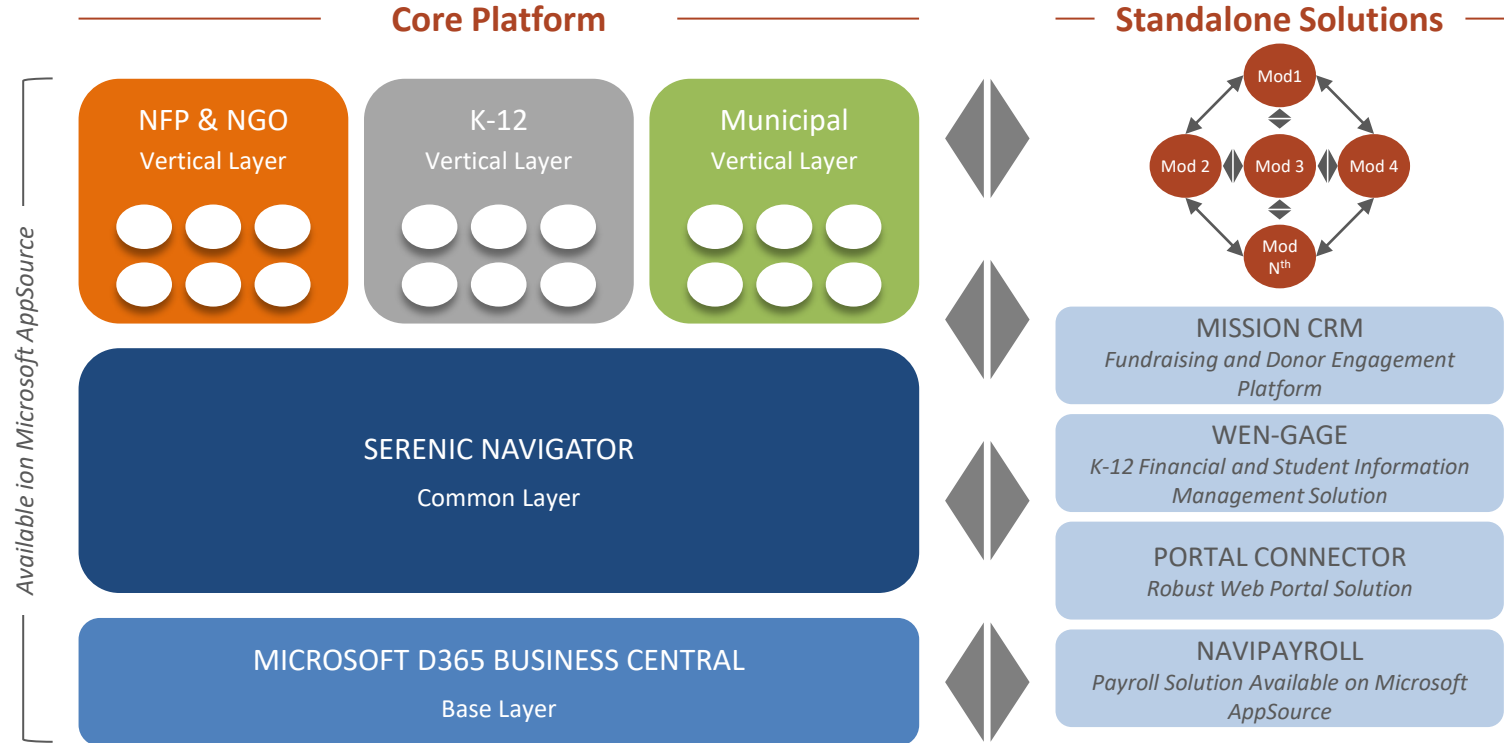
Organic Growth Opportunities

- Accelerate sales by investing in strategic growth initiatives
- Leverage customer coalitions & referrals
- Leverage international presence to expand our footprint

M&A Growth Opportunities

- Acquire companies with complementary technology to augment our ERP (e.g., case management)
- Execute a roll-up play in select complementary sectors

Modern Technology Platform



The Acquisition Growth Opportunity

Resources

~\$15M

Cash on Hand



\$75M+

Credit Line



Annual Operating
Cash Flow



Opportunity

- Hundreds of potential targets, with in-house staff and external advisors actively sourcing deals
- An integration playbook to rapidly improve acquired companies' profitability
- An experienced team ready to accelerate growth

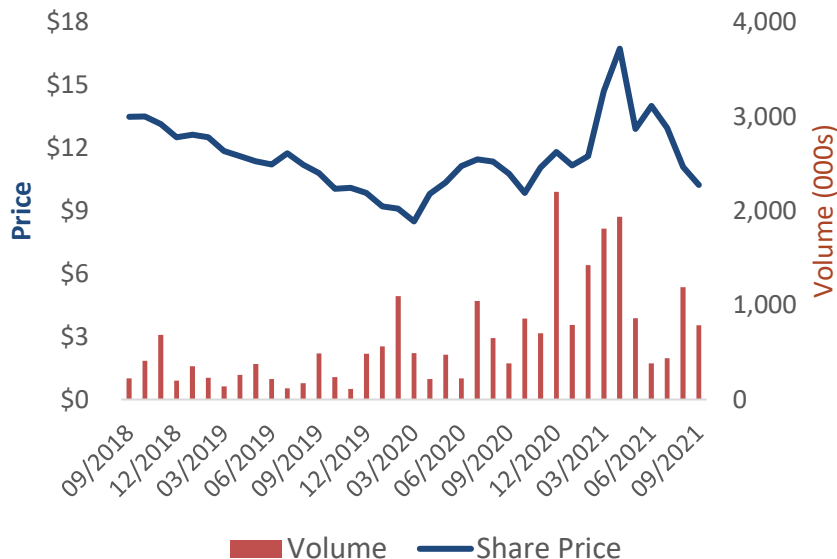


*We are charting a **more aggressive approach** to non-dilutive growth*

*Our sizeable resources will allow us to **reshape the company***

Sylogist Capitalization

Share Price & Volume



Capitalization Table

Share Price (30-Sept-21)	\$10.24
Fully Diluted Shares Outstanding	24
Market Capitalization	\$270
Add: Total Debt	18
Less: Cash & Equivalents	(20)
Enterprise Value	\$247
Dividend & Dividend Yield	\$0.50 4.9%

September 2021 data as of close on September 30, 2021

Summary

MISSION CRITICAL SOFTWARE FOR THE PUBLIC SECTOR



✓ *Organic growth opportunities leveraging Microsoft ecosystem and accelerated shift to the cloud*

RESILIENT, RECURRING AND PROFITABLE OPERATIONS



✓ *High margin business, with strong profitability and cash flow conversion; no customer concentration*

SUCCESSFUL M&A TRACK RECORD WITH PROVEN INTEGRATION



✓ *3 accretive acquisitions over last 4 years; proven ability to source, close, and integrate acquisitions*

GROWING INDUSTRY WITH MASSIVE TOTAL ADDRESSABLE MARKET



✓ *Many potential customers running legacy systems; significant “whitespace” to deepen existing penetration*

RENEWED AND EXPERIENCED LEADERSHIP TEAM



✓ *New CEO with decades of public sector tech experience and a mandate to accelerate growth*