



Converge Technology Solutions

Leading North American Hybrid IT Solutions Provider

Summer 2020



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All figures in this document are in C\$ unless otherwise stated.

Company Overview

About Us

- Converge Technology Solutions is building a leading national platform of regionally focused Hybrid IT Solution Providers (ITSP) in the U.S. and Canada focused on delivering multi-cloud solutions and services to public and private clients
- First acquisition completed in October 2017
- Addressing increased demand for digital transformation acceleration driven by necessary 'work from home' solutions during COVID-19
- Twelve acquisitions to date:
 - Corus360, Northern Micro, Key Information Systems, Becker-Carroll, BlueChipTek, Essex Technology Group, Lighthouse Computer Services, SIS, Nordisk, Datatrend, VSS, and PCD Solutions
- Management team, board, and founders have extensive acquisition and management experience in both private and public markets
- Trading began on Nov 13, 2018 on the TSX Venture Exchange as TSXV:CTS



Hybrid IT Roll-Up Strategy



Technical Expertise and Experience Across Numerous Vendor Platforms

Hardware Partners



Cloud Partners



Software Partners



Distribution Partners



Full Suite of IT Solutions and Services



Cloud



Cybersecurity



Advanced Analytics



Managed Services



Digital Infrastructure

Complete Cloud Transformation Services

Plan and Design



Build and Migrate



Run and Operate



Optimize



40+

Office Locations

190+

Salespeople

260+

Technical Resources

with

400+

Certifications

2,000+

Customers

8

Key Vendor Relationships

250+

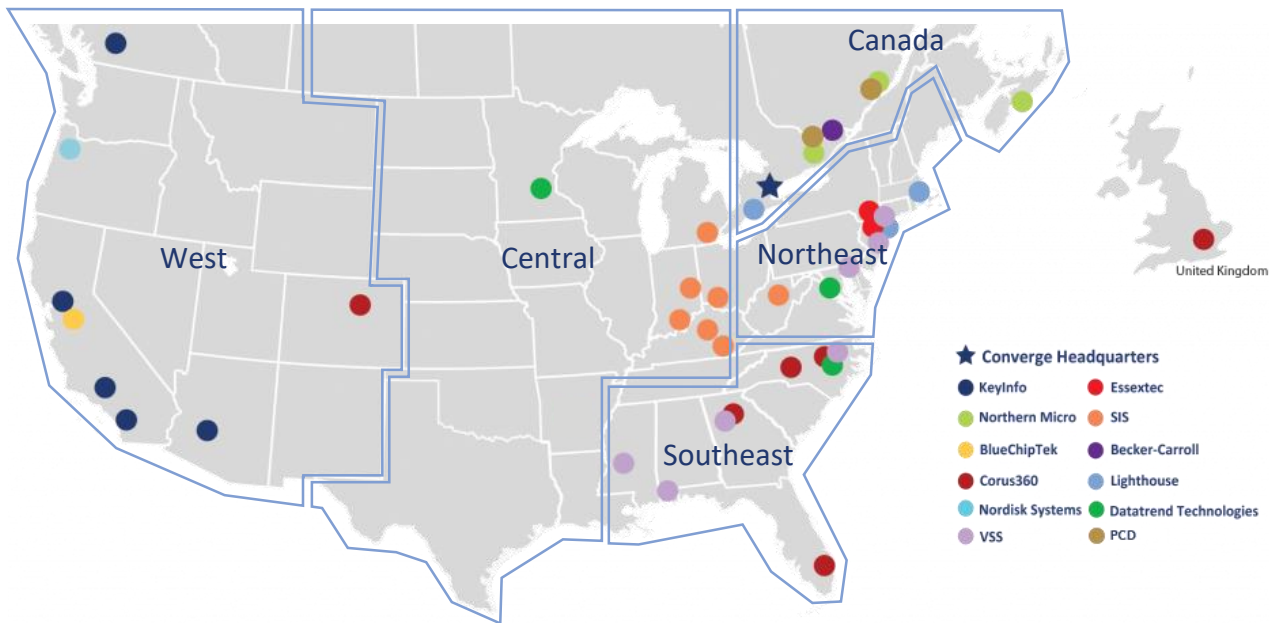
Total Vendor Relationships

Portfolio Roll-Up



Converge National Platform

Scaled North American Footprint with Strong Vendor Relationships and Capabilities



West:	Central:	Southeast:	Northeast:	Canada:
107 Employees	166 Employees	172 Employees	190 Employees	114 Employees
40+	190+	260+	400+	2,000+
Office Locations	Salespeople	Technical Resources	with Certifications	Customers
			8	250+
			Key Vendor Relationships	Total Vendor Relationships



2019 – Rising Star Partner of the Year

Premier/APEX Partner Status



2020 – Business Unit Excellence Award

Platinum Partner Status - US



2020 - 1st on Fast Growth 150 List

2020 - Top 50 on Solution Provider 500 List



2020 – Ingram Micro Cloud Reseller of the Year Award for North America



2016 – Personal Systems Partner of the Year

Gold Partner Status - US



3 of 5 Master Services Competencies

Advanced Partner Status



2018 - US Service Partner Ready Recognition

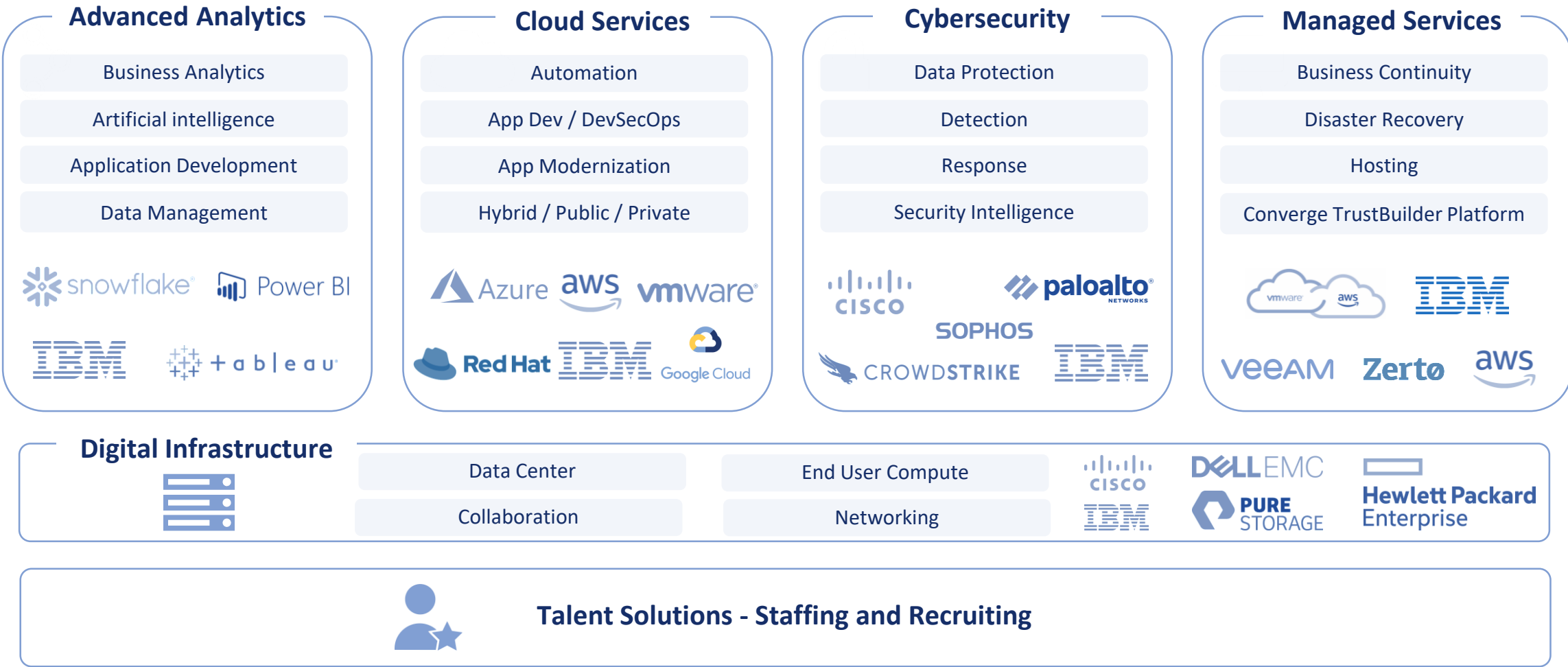
Gold Partner Status - US



2018 - Rising Star of the Year

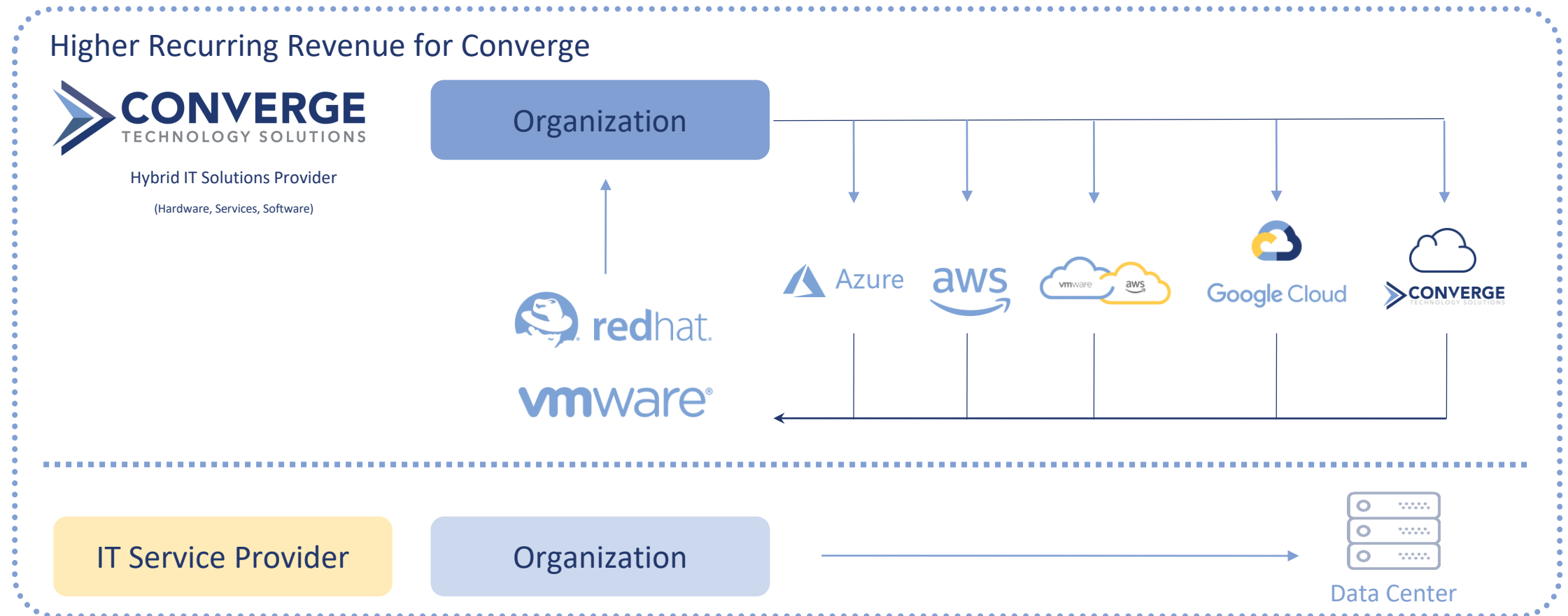
Platinum Partner Status - US

Converge Solution Practices

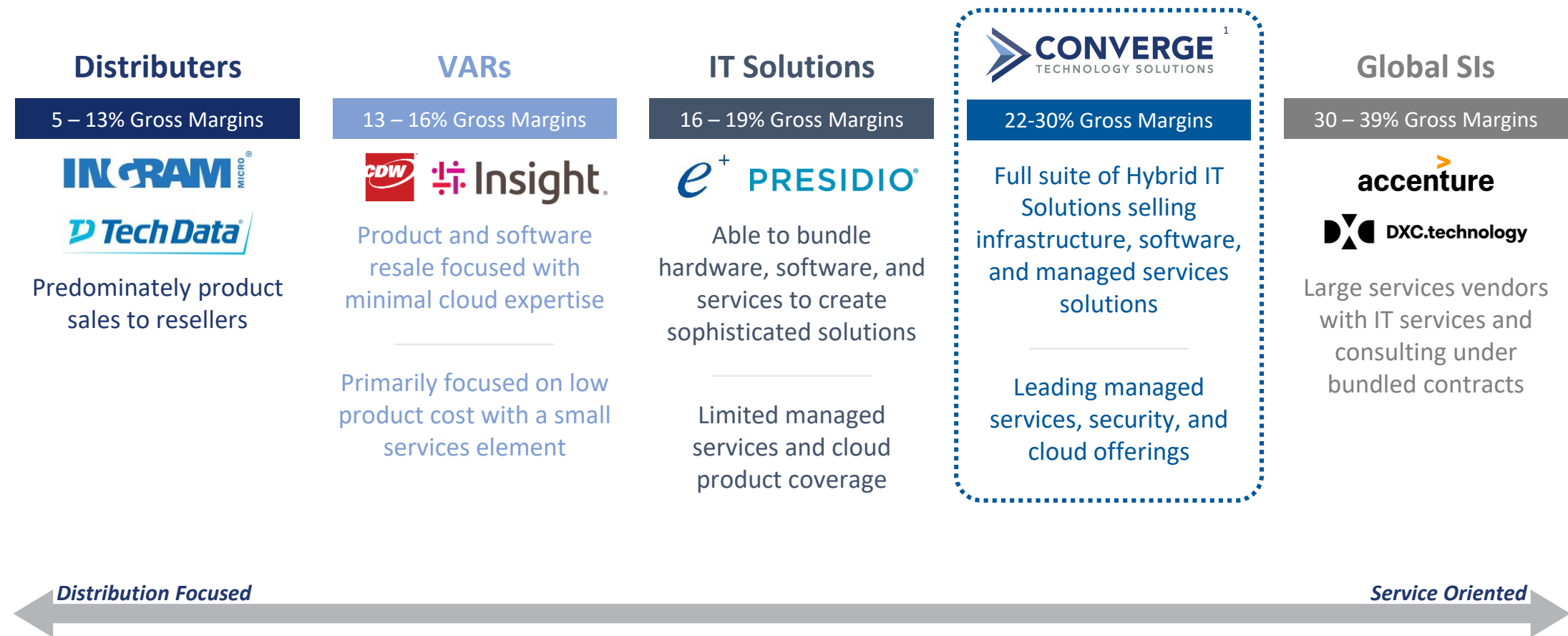


Transformation into a Hybrid IT Solution Provider

Converge acquires IT Service Providers and transforms them into multi-cloud providers with sizable software and service capabilities



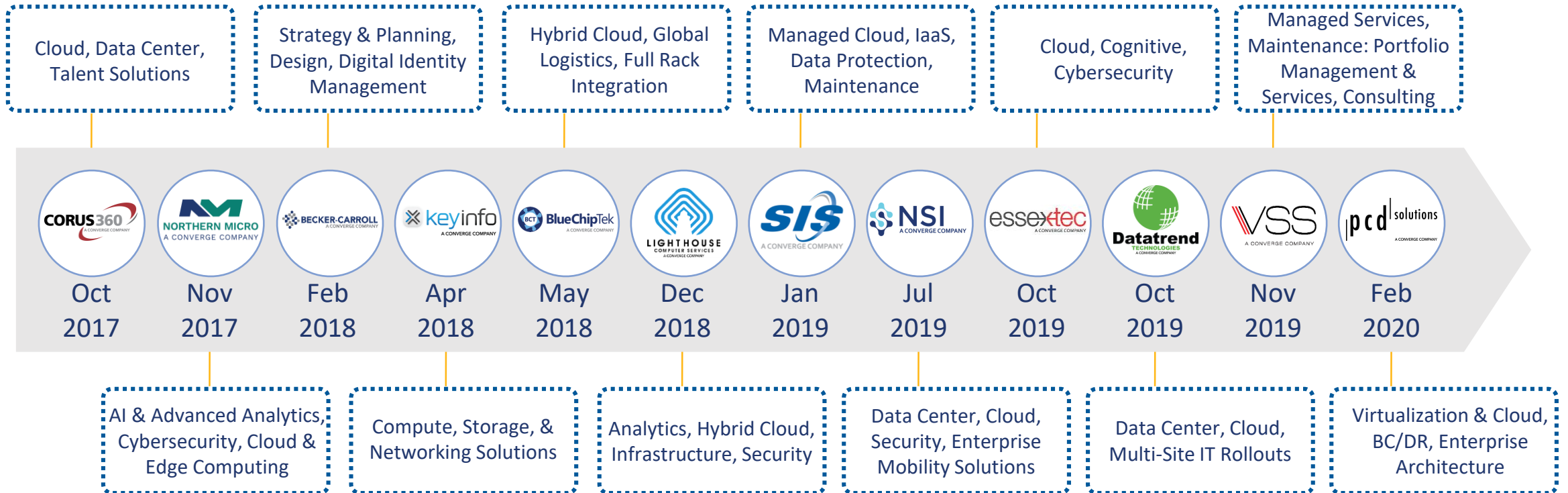
Differentiating Converge as a Hybrid ITSP



1. 24.1% GP in Q2FY20

Acquisitions to Date

Twelve acquisitions completed since October 2017



Continued Growth and Cost Synergy Realization

Phase 1 Broad Geographical Coverage 2018	<ul style="list-style-type: none"> Built national footprint across the U.S. and Canada through nine acquisitions since Oct. 2017 Developed national managed services and other recurring revenue offerings 	<i>(in C\$)</i> ~\$545M <i>Pro Forma Run-Rate Revenue</i>	<i>Actual Results</i> ~\$23M <i>Pro Forma Run-Rate Adj. EBITDA</i>	~\$75M* <i>Annualized Recurring Revenue</i>
Phase 2 Enabling Hybrid IT & Cross-Sell 2019 / 2020	<ul style="list-style-type: none"> Continue M&A strategy to expand coverage into the 30+ largest U.S. cities Strengthen national managed services and other recurring revenue offerings across acquired businesses 	~\$1.0B <i>Pro Forma Run-Rate Revenue</i>	<i>Targeted Pro Forma Results*</i> ~\$50M <i>Pro Forma Run-Rate Adj. EBITDA</i>	~\$140M* <i>Annualized Recurring Revenue</i>
Phase 3 Cost Synergy Realization 2020 / 2021	<ul style="list-style-type: none"> Further enhance scale with larger acquisitions across North America Continued cross-sell opportunities within existing customer base Fully integrate back office ERP and focus on additional cost take-out opportunities 	\$2.0B+ <i>Pro Forma Run-Rate Revenue</i>	<i>Targeted Pro Forma Results*</i> \$100 – 200M <i>Pro Forma Run-Rate Adj. EBITDA</i>	\$240M+* <i>Annualized Recurring Revenue</i>

Phase 3 = current phase

Note: *Annualized Gross Recurring Revenue

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Addressing Market Opportunities

Highly Fragmented Market with Few Scaled Providers ¹

Converge's unique consolidation strategy provides customers with the resources and technical capabilities of a scaled platform, while maintaining the brand, reputation, and dedicated resources of a regional provider



~80K

IT Solutions providers covering a wide range of capabilities, geographies, and end markets



~50%

Market share held by smaller regional and local providers



< 5%

Market share of the largest market participant

1. CMA Market Report.

Large Market Opportunity ¹



\$3.7T

Global Market



\$1.2T

U.S. Market

Converge Focus

\$400B
SMB

\$650B
Mid Market +
Enterprise

\$150B
Other

Converge focuses on acquisitions and organic growth through cross-selling.

Integration and Operational Model

Focused on Synergies and Efficiencies

Revenue Synergies

Increase Sales

- Run campaigns with Tier-1 vendors repeating industry specific sales across geographies
- Cross-sell best of breed solutions to other Converge customers
- Leverage relationships to increase enterprise sales
- Consolidate recurring revenue offerings across acquisitions and service a broader range of customers
- Introduce Converge TrustBuilder Platform into large North American customer footprint

Expand EBITDA margins by approx. 1.5%* due to Vendor Rebates

- Top Vendor certifications leads to better pricing, rebates and market development funds

Target to remove costs equal to approx. 2%* of Revenue

- 1% derived from back office costs and 1% from front office duplications

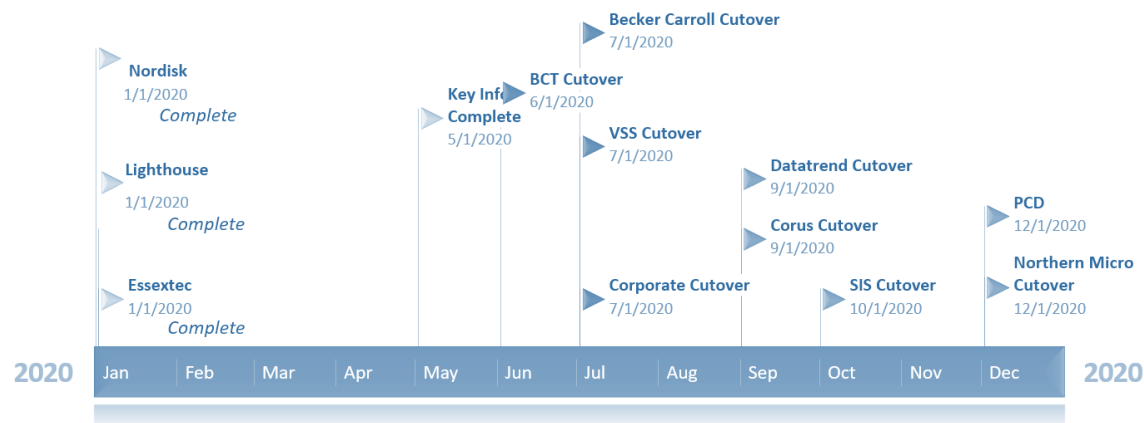
Working Capital Efficiency

Improve working capital by extending terms with vendors

- Extending average payable terms by 10-15 days generates approximately \$2.7M-\$4.1M of liquidity for every \$100M of product spend*

Integration – CTS ERP Migration Overview

Target	Converge Subsidiary		
Q1'20	 NSI A CONVERGE COMPANY		
Q2'20	 keyinfo A CONVERGE COMPANY	 BlueChipTek A CONVERGE COMPANY	
Q3'20	 CORUS360 A CONVERGE COMPANY	 VSS A CONVERGE COMPANY	 Datatrend TECHNOLOGIES A CONVERGE COMPANY
Q4'20	 SIS A CONVERGE COMPANY	 pcd solutions A CONVERGE COMPANY	 NORTHERN MICRO A CONVERGE COMPANY



Current Status

Four Subsidiaries are currently on the Converge NAV Standard:

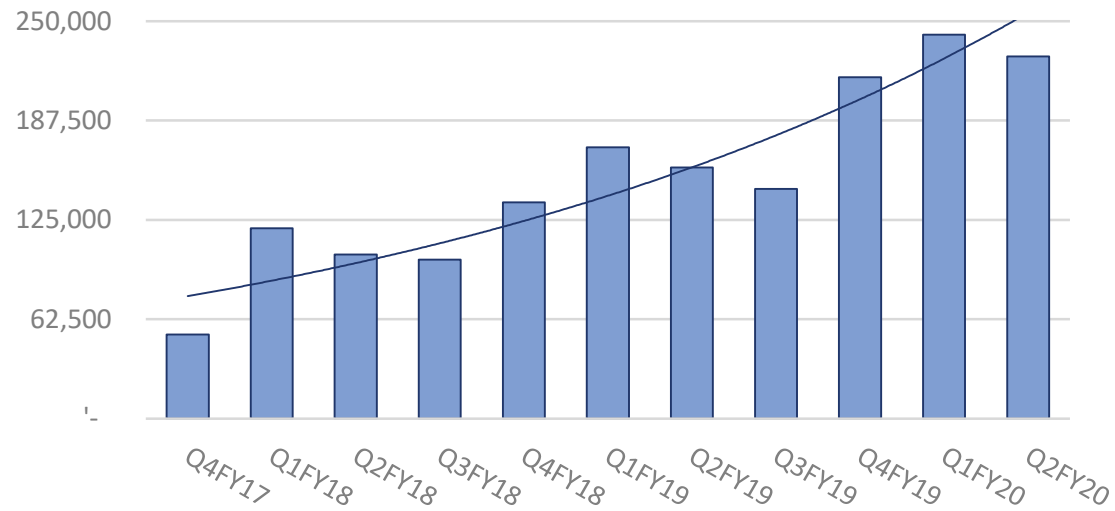


Four Subsidiaries are in progress and running concurrently:

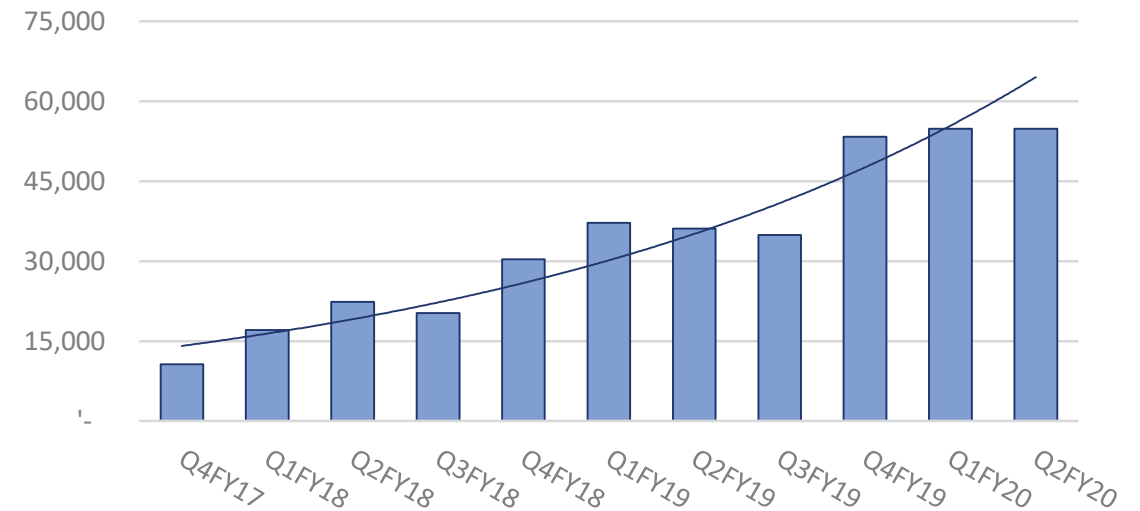


Rapid Revenue and Gross Profit Growth

Revenue



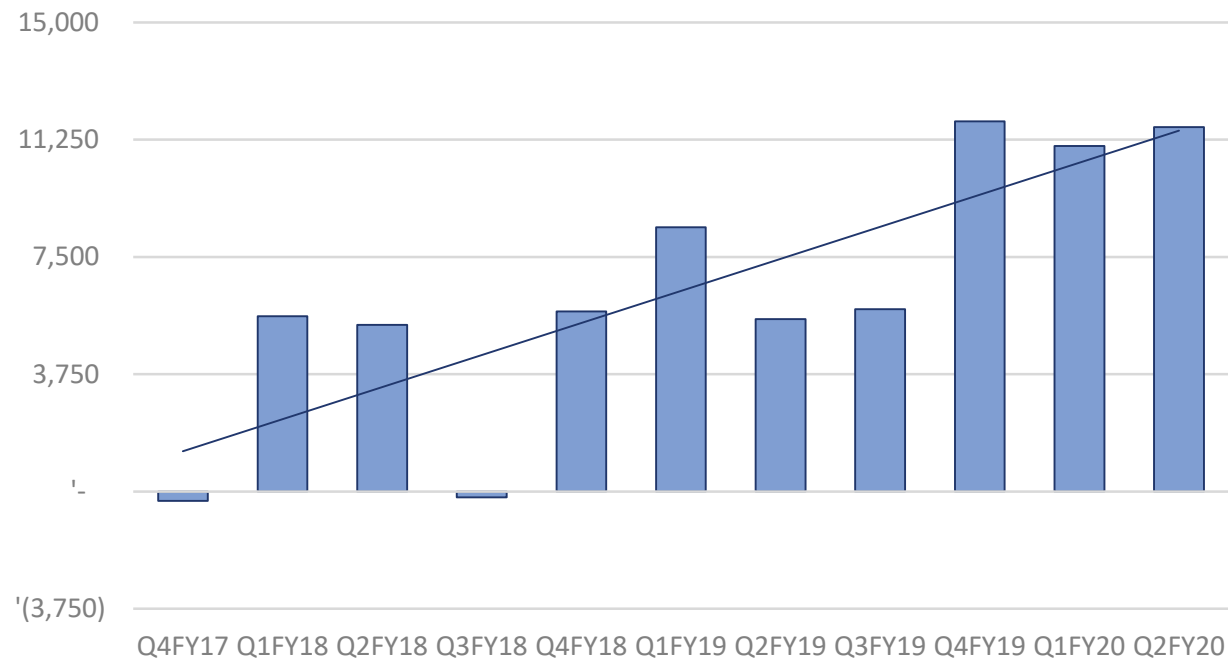
Gross Profit



- Quarterly revenue increased from \$52 million to \$228 million in 11 quarters
- Quarterly gross profit increased 5X over 11 quarters to \$55 million in Q2
- Gross margin is now between 23% and 25%
 - Room to grow as we focus more on higher margin recurring managed-cloud services

Adjusted EBITDA Growth

Adjusted EBITDA*



*Income (loss) before finance expenses, income taxes, depreciation and amortization, change in contingent consideration, transaction costs, initial public offering costs



- Year over year Q2 adjusted EBITDA increased 112% to \$11.7 million
- Room to grow due to expansion of Gross margin plus integration savings
 - Annualized cost savings of \$20 million this year.

Converge Leadership Team



Shaun Maine | *CEO*

- Former COO of Pivot
- Ran Prosys Info Systems (\$700M+ ITSP) and performed diligence & integration for Pivot acquisitions
- Early Java Pioneer with extensive experience in software industry



Don Cuthbertson | *CTO*

- Former Chief Data Officer of Pivot, and Former CEO of IntelligentWorks – a custom software development company based in Ottawa
- President of Canadian Region
- Leads Blockchain initiatives



Cory Reid | *COO*

- Former Chief Information Officer of Pivot
- 25+ years of experience in both the software and infrastructure sides of the technology sector, as well as sales and warehouse operations
- Leads integration initiatives from acquisitions to operations



Carl Smith | *CFO*

- Former CFO at Espial Group – acquired by a leading Canadian based software company
- Over 20 years of experience in finance with strong knowledge of capital markets, IR, and operations
- Oversees Strategic Financial Planning and Analysis, Financial Reporting, and Internal Controls Management



Gordon McMillan | *Board Chair*

- Co-Founder of Converge TP
- Co-Founder of Pivot, Triax Capital, Skylon Capital
- Director of Flow Capital Corp., and Quisitive Technology Solutions Inc.
- Financial Industry entrepreneur and investor



Greg Berard | *President*

- President of Lighthouse Computer Services & Eastern Region
- Extensive experience in IT Management across hardware, services and software
- Oversees business development, client services, strategic partnerships, and go to market strategy



Cari Hash | *SVP Enterprise Sales*

- SVP of Enterprise Sales and SVP of Sales for Datatrend
- Over 20 years experience in Global Enterprise Sales and Leadership
- Responsible for Enterprise Sales & Strategy, along with Converge Sales Strategy with Cisco



Vanita Patel | *VP of IBM Sales*

- Experienced leader with 20+ years of sales and management services
- Expert in building new ecosystem business models and driving growth in existing partnerships
- Targeted leadership and development experiences result in delivering organizational design and transformation



Rhonda Hanes | *VP of HR*

- VP of Human Resources and Director of HR for Corus360
- Leads HR practices emphasizing teamwork, communication and growth
- Heads multiple leadership groups including Emerge 360 Leadership Development Program, GRIT (Girls Rule IT), and Toastmasters



Tommy Whatley | *EVP Services & Vendor Alliance*

- Former VP for Professional Services of Pivot
- 25+ years of experience in technology services delivery and technical presales alignment, as well as leading vendor alliance programs and strategy
- Specializes in services alignment and growth with merger and acquisitions



Thank You

Shaun Maine

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Carl Smith

Chief Financial Officer

Carl.Smith@convergetp.com

John Flores

Executive Vice President

John.Flores@convergetp.com