



Converge Technology Solutions Corp. To Acquire Stone Group

Converge enters the UK market with the company's 35th acquisition.

FOR IMMEDIATE RELEASE

SEPTEMBER 22, 2022 – TORONTO, ONTARIO, CANADA and GATINEAU, QUÉBEC, CANADA - Converge Technology Solutions Corp. ("**Converge**" or "**the Company**") (TSX:CTS) (FSE:OZB) (OTCQX:CTSDF) a software-enabled IT & Cloud Solutions provider, is pleased to announce it has agreed to acquire UK-based Stone Technologies Group Limited ("**Stone**"), a trusted provider of Circular IT solutions for education institutions, as well as public and private sector organizations in the United Kingdom. Converge's acquisition of Stone is subject to conditions, including regulatory approval under the United Kingdom National Security and Investments Act 2021, and is expected to close in the fourth quarter.

Stone has served the UK's public and private sectors for over 30 years assisting thousands of organizations to adapt and thrive in a continually changing technology landscape, deploying market leading technologies, delivering personalized services, and providing reliable IT support. The company's vision is to make a true and lasting impact on the way technology is sold, providing a full circular procurement cycle for clients for the good of the environment and future generations. With a focus on sustainability, Stone has made it easy for organizations to recycle their redundant technology through the innovative Stone 360 App.

Commenting on the acquisition, Simon Harbridge, CEO of Stone Technologies stated, "We are delighted to be joining the Converge family. As a growing organization with a strong team and great platform for significant expansion in the UK and Europe, joining Converge is a benefit for both our clients and Stone employees. Becoming part of Converge will strengthen our ability to deliver an expanded technology portfolio and support the diverse needs of our clients. Additionally, there is a great cultural fit and the team at Converge will be fully aligned with our environmental and sustainability mission."

"2022 has been a monumental year of growth for Converge in the European market," stated Shaun Maine, CEO of Converge. "Along with our recent acquisitions in Germany, we are excited to leverage the knowledge and skills of Stone Group and its teams to continue enhancing our capabilities and offerings to our clients in the United Kingdom and European Union."

Stone Group generated gross revenue¹ of approximately C\$212.9 million (£140.1 million) with an adjusted EBITDA² of C\$9.0 million (£5.9 million) for the trailing twelve-month period ended July 31, 2022. Consideration for the purchase will consist of C\$59.6 million (£39.2 million) in cash paid at closing, in exchange for approximately an 89% interest in Stone. Positive net working capital will also be paid out at

¹ Gross revenue is a non-IFRS measurement and reflects the gross amount billed to customers, adjusted for amounts deferred or accrued.

² Earnings before interest, taxes, depreciation, and amortization ("EBITDA") and adjusted EBITDA are non-IFRS measures and are not recognized, defined, or standardized measures under IFRS. Adjusted EBITDA removes the impact of certain income and expenses that the Company expects to be non-recurring under Converge ownership.

closing. Under the terms of the acquisition, certain key management personnel of Stone will reinvest a portion of the proceeds from sale of their shares into a new Converge UK holding company, representing an aggregate minority interest stake of 11%. The purchase agreement allows for Converge to acquire the remaining 11% of Stone after approximately 3 years. After adjusting for positive working capital in Stone at closing, the purchase multiple would be approximately 6.6 times adjusted EBITDA² for the trailing twelve-month period ended July 31, 2022. The purchase price will be financed by Converge's global revolving credit facility. Upon closing, the acquisition will be immediately accretive to Converge, resulting in increased revenue and adjusted EBITDA² from that point.

Stone Group marks the thirty-fifth acquisition announced by Converge or its affiliates since October 2017. Converge's family of companies also includes Corus Group, LLC; Northern Micro, Inc.; 10084182 Canada Inc. operating as Becker-Carroll; Key Information Systems, Inc.; BlueChip Tek, Inc.; Lighthouse Computer Systems, Inc.; Software Information Systems LLC.; Nordisk Systems, Inc.; Essex Technology Group, Inc.; Datatrend Technologies, Inc.; VSS, LLC; Solutions PCD, Inc.; Unique Digital, Inc.; Workgroup Connections, Inc.; Vivvo Application Studios LTD.; Vicom Computer Services, Inc.; CarpeDatum LLC; Accudata Systems, Inc.; Dasher Technologies, Inc.; ExactlyIT, Inc.; REDNET GmbH; Vicom Infinity, Inc.; Infinity Systems Software, Inc.; LPA Software Solutions, LLC; OPIN Digital, Inc; Paragon Development Systems, Inc.; Visucom GmbH; 1CRM Systems Corp.; Interdynamix Systems; Creative Breakthroughs, Inc.; PC Specialists, Inc. d/b/a Technology Integration Group; GfdB, ImfB, and DEQSTER; Notarius; and Newcomp Analytics.

About Stone Group

Established in 1991, Stone Group is a leading provider of Information and Communications Technology (ICT) Solutions to UK Public Sector and Private Sector organizations of all sizes. Its mission is to improve the education, health, and quality of life of people in the UK through technology services. By taking ownership of its customers' technology, Stone Group enables organizations to concentrate on what they do best – whether that is looking after the citizens of today or tomorrow.

About Converge

Converge Technology Solutions Corp. is a software-enabled IT & Cloud Solutions provider focused on delivering industry-leading solutions and services. Converge's global solution approach delivers advanced analytics, application modernization, cloud platforms, cybersecurity, digital infrastructure, and digital workplace offerings to clients across various industries. The Company supports these solutions with advisory, implementation, and managed services expertise across all major IT vendors in the marketplace. This multi-faceted approach enables Converge to address the unique business and technology requirements for all clients in the public and private sectors. For more information, visit convergetp.com.

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