



Converge Technology Solutions Corp.

Management Discussion and Analysis

For the three and nine months ended September 30, 2022 and 2021

Converge Technology Solutions Corp. Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

General Information

The following management discussion and analysis (“MD&A”) of the financial condition, changes in financial condition and results of operations of Converge Technology Solutions Corp. (the “Company” or “Converge”) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the three and nine months ended September 30, 2022 and 2021. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and accompanying notes thereto for the three and nine months ended September 30, 2022, as well as the Company’s consolidated financial statements and MD&A for the year ended December 31, 2021.

The condensed interim consolidated financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) in effect for the Company’s reporting three and nine months ended September 30, 2022. The consolidated financial statements can be found at www.sedar.com and www.convergetp.com.

This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations and 52-112 – Non-GAAP and Other Financial Measures Disclosure. This MD&A is dated as at November 8, 2022 and was approved by the Board of Directors on that date. Results are reported in thousands of Canadian dollars unless otherwise stated.

The Company’s registered head office is 85 Rue Victoria, Gatineau, Quebec, J8X 2A3.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

About Forward-Looking Information

Certain information and statements within the MD&A and documents incorporated by reference may constitute “forward-looking information” within the meaning of applicable securities laws (“forward-looking statements”). Such forward-looking statements, if and when made, include projections or estimates made by the Company and its management as to the Company’s future objectives, business operations, plans or expectations with respect to business strategies, expected growth of the Company’s platform of IT Solutions Providers (“ITSPs”), expectations regarding the pipeline of investment opportunities available to the Company, the impact of the coronavirus disease (“COVID-19”) on the Company’s business and the markets in which it operates, expectations regarding future competitive conditions and the Company’s competitive position, expectations regarding the Company’s differentiated and competitive skill set, the Company’s expectations regarding operating in large and transformative markets, the Company’s expectations regarding customers and customer contracting, the Company’s expectations regarding vendor and distributor relationships and the Company’s expectations to expand its client base. Forward-looking statements include all disclosures regarding possible events, conditions or results of operations that are based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. The Company cautions the reader not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Often, but not always, forward-looking statements can be identified by the use of words or phrases such as “plans”, “expects”, “projected”, “estimated”, “forecasts”, “anticipates”, “indicative”, “intend”, “guidance”, “outlook”, “potential”, “prospects”, “seek”, “strategy”, “targets” or “believes”, or variations of such words and phrases or statements that certain future conditions, actions, events or results “will”, “may”, “could”, “would”, “should”, “might” or “can”, or negative versions thereof, “be taken”, “occur”, “continue” or “be achieved”, and other similar expressions, and may be based on management’s current assumptions and expectations related to all aspects of the Company’s business, industry and the global economy.

Overview of the Business

Converge is a North American and European 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, 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.

The Company recently expanded its footprint into Europe with the acquisitions of Visucom GmbH, School Supplies 4.0 GmbH (“Visucom”) in February 2022, and Gesellschaft für digitale Bildung, Institut für modern Bildung, and DEQSTER (collectively, “GfdB”) on July 29, 2022. These acquisitions are complementary to REDNET GmbH (“Rednet”) that was acquired in 2021 and will further enhance Converge’s ability to deliver a wide range of complementary products and services to the German education sector.

Companies increasingly rely on the expertise and experience of an IT solutions provider to design their IT infrastructure, to procure and integrate the appropriate hardware and software for an integrated IT solution, and to provide ongoing IT support services. This trend is largely driven by limited in-house capacity, higher costs and challenges related to internal development, deployment, and maintenance of complex and rapidly changing IT infrastructure. Furthermore, clients are increasingly looking to consolidate their vendors and minimize the number of providers they interact with for their IT needs. Companies are looking for providers who offer a broad portfolio of end-to-end capabilities including next generation technologies and new delivery models. Converge offers an extensive range of products, services, and solutions to meet these needs.

With significant increases in the amount of information and the abundance of data in today’s market environment, companies are increasingly demanding a more agile, responsive technology infrastructure system that helps meet their strategic business objectives. These needs are increasingly under pressure with the desire to create virtual environments that can further leverage this growing dataset, including cloud computing. Cloud computing heavily leverages resource pools in a variety of different technologies – storage and networking, virtualization, and the

Converge Technology Solutions Corp. Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

data center. Converge believes that these technologies are not only central aspects of a company's IT strategy, but also central to a company's broader business strategy.

As a buyer of Information Technology Service Providers ("ITSPs"), Converge tends to seek out acquisitions that have digital transformation, cloud, compliance, security, vertical market, and regional expertise. With a focus on these areas, Converge believes it is well positioned to become an international solutions leader within these segments.

The following table presents further details on the material subsidiaries of Converge as of September 30, 2022:

Company	Location	Ownership percentage
Northern Micro Inc. ("Northern Micro")	Ottawa, ON	100%
Corus Group, LLC ("Corus360")	Atlanta, GA	100%
Portage CyberTech Inc., 10084182 Canada Inc. o/a Becker-Carroll, Vivvo Application Studios, OPIN Digital Inc., OPIN Digital Corp., 1CRM Systems Corp., Solutions Notarius Inc. ("Portage")	Ottawa, ON	53%
Acumetrics Business Intelligence Inc. ("Lighthouse")	Providence, RI	100%
Key Information Systems, Inc. ("KeyInfo")	Agoura Hills, CA	100%
BlueChip Tek, Inc. ("BlueChip Tek")	Santa Clara, CA	100%
SIS Holding Company, LLC, Software Information Systems, LLC ("SIS")	Lexington, KY	100%
Converge Technology Solutions US, LLC	Norcross, GA	100%
Datatrend Technologies, Inc. ("Datatrend")	Minnetonka, MN	100%
Workgroup Connections, Inc. ("Workgroup")	St. Louis, MO	100%
Infinity Systems Software, Inc. ("Infinity Systems")	New York, NY	100%
Vicom Infinity, Inc ("Vicom Infinity")	Farmingdale, NY	100%
LPA Software Solutions ("LPA")	Rochester, NY	100%
Essex Acquisition, LLC, Essex Technology Group, Inc., Essex Commercial Finance LLC ("Essex")	New York, NY	100%
VSS Holdings, LLC, VSS, LLC, Information Insights, LLC ("VSS")	Madison, MS	100%
Solutions P.C.D. Inc, P.C.D. Consultation Inc. ("PCD")	Montreal, QC	100%
Unique Digital, Inc. ("Unique Digital")	Dallas, TX	100%
CarpeDatum LLC ("CarpeDatum")	Aurora, CO	100% ⁽¹⁾
Accudata Systems LLC ("Accudata")	Houston, TX	100%
Dasher Technologies, Inc. ("Dasher")	Campbell, CA	100%
ExactlyIT Inc., ExactlyIT, S. de R.L. de C.V ("ExactlyIT")	Morrisville, NC	100%
REDNET GmbH ("Rednet")	Mainz, Germany	75% ⁽²⁾
PDS Holding Company, Paragon Development Systems Inc., Works Computing, LLC., Paragon Staffing, LLC. ("PDS")	Milwaukee, WI	100%
Visucom GmbH ("Visucom")	Walzbachtal, Germany	100%
Creative Breakthroughs, Inc. ("CBI")	Ferndale, MI	100%
IDX Systems Corp., 1176524 Alberta Ltd., 1190422 Alberta Ltd., 1245720 Alberta Ltd. ("IDX")	Edmonton, AB	100%

Converge Technology Solutions Corp. Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

PC Specialists, Inc., Itex, Inc., TIG Asia Limited, Technology Integration Group Hong Kong Limited, TIG (Shanghai) Co., Ltd. ("TIG")	San Diego, CA	100%
Gesellschaft für digitale Bildung, Institut für modern Bildung, and DEQSTER ("GfdB")	Hamburg, Germany	100%
Newcomp Analytics Inc., Newcomp Analytics Inc, Newcomp Solutions (USA), Inc. ("Newcomp")	Toronto, ON	100%

Notes:

- (1) The Company indirectly holds all of the issued and outstanding Class A membership units of CarpeDatum, which represents 100% of the economic interests in CarpeDatum. As of the date of this MD&A, there are also 321,689 Class B membership units of CarpeDatum (which have no right to economic participation in CarpeDatum) issued and outstanding, held by the vendors of CarpeDatum and exchangeable into common shares of the Company.
- (2) The seller holds a put option, which provides the non-controlling interest shareholders of Rednet the right to require the Company to purchase the remaining 25% ownership interest in Rednet. For accounting purposes, the Company has elected to consolidate 100% of Rednet in its financial statements and does not recognize a non-controlling interest, as per IAS 32 – Financial Instruments.

Strategy

Global Strategy - Converge's strategy is to become the leading ITSP to mid-market customers in North America and Europe. We have recently added an executive management team in Europe that will allow Converge to pursue its expansion strategy.

Identify and Acquire - Converge's strategy is to identify and acquire ITSPs that offer a multi-vendor technology solution for clients. Selecting the right companies for acquisition is essential to creating market momentum and is pivotal in delivering lasting value to the Company's stakeholders. Converge selects ITSPs with proven business, technical, enterprise client, and industry experience that are known and recognized for the business value they create for its clients and partners.

Invest and Transform to Drive Organic Growth - Building on the capabilities, relationships, and value of acquired companies, Converge invests in resources, education, tools, and relationships to deepen domain level expertise in specific technology practice areas and industry sectors. Converge has acquired and built public and private cloud capabilities that transform ITSPs into Hybrid IT providers.

Consolidate Certain Back-Office Functions - Starting with back office and support functions, Converge creates significant financial and operating efficiencies as well as service-level gains by leveraging its best-of-breed systems, purchasing power, staff, and processes across acquired companies.

Volume Rebates - Converge provides value to clients and the market by identifying and expanding business, industry, and technical solutions competencies across acquired organizations, including leveraging vendor certifications and hardware volumes across groups to receive increased pricing incentives and rebates.

Talent - Converge continues to build its talent pool of highly qualified engineers and software professionals in its key practice areas in order to provide value-added IT solutions to the Company's customers.

3-Year Acquisition History (2019 – 2021):

2019

In 2019, Converge completed six acquisitions. During the first quarter of 2019, Converge acquired SIS Holding Company, LLC and Software Information Systems, LLC (collectively "SIS"), a strategic company focused on managed cloud delivery, compute efficiency, network optimization, and IT spend optimization. During the third quarter of 2019, Converge acquired Nordisk Systems, Inc. ("Nordisk"), a professional services organization specialized in infrastructure, cloud, security, analytics, business continuity and managed services solutions. During the fourth quarter of 2019, Converge acquired Essextec Acquisition, LLC. ("Essextec"), a leading Wall Street-based cloud, cognitive, and cybersecurity solution provider, Datatrend Technologies, Inc. ("Datatrend"), a leading

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

technology solutions provider focused on Next Gen Data Center, hybrid cloud, infrastructure, multi-site IT deployments, and ISV/OEM solutions, and VSS Holdings, LLC (“VSS”), a leading technology solutions provider specializing in managed services, technology solutions, IT portfolio management and consulting services.

2020

In 2020, despite the global challenges associated with the COVID-19 pandemic, Converge successfully closed five acquisitions in North America. On February 1, 2020, the Company acquired P.C.D. Inc. and P.C.D. Consultation Inc. (collectively “PCD”), a Montreal, Canada based partner focused on solutions in enterprise system architecture, storage and information management, virtualization and cloud, and business continuity and disaster recovery. On October 1, 2020, the Company acquired Unique Digital, Inc. (“Unique Digital”), a Texas-based IT solutions provider focused on architecting and implementing solutions in big data, cloud, data protection networking, security, and virtualization. On December 1, 2020, the Company acquired Workgroup Connections, Inc. (“Workgroup”), a US-based IT solutions provider with headquarters in Missouri and Colorado, that specializes in leading-edge cloud, software development, and licensing services and solutions. On December 22, 2020, the Company acquired Vivvo Application Studios, Inc. (“Vivvo”), a Canadian technology innovation organization that delivers a feature-rich, production-ready, proven identity-management-as-a-service (IDMAAS) platform that enables and accelerates digital transformation. On December 31, 2020, the Company acquired Vicom Computer Services, Inc. (“Vicom”), a New York-based full-service multi-cloud infrastructure provider.

2021

In 2021, the Company continued to execute on its acquisition strategy, completing the acquisitions of 9 companies in total. On January 6, 2021, the Company acquired all of the issued and outstanding shares of CarpeDatum LLC, (“CarpeDatum”), a Colorado-based analytics consulting organization. On February 12, 2021, the Company acquired all of the issued and outstanding shares of Accudata Systems LLC, (“Accudata”), a Texas-based IT consulting and integration firm that provides infrastructure and security solutions and services. The transaction was accounted for as a business combination. On April 1, 2021, the Company acquired all of the issued and outstanding shares of Dasher Technologies, Inc., (“Dasher”), a Silicon Valley-based IT solution provider that has industry-recognized expertise in technologies such as cybersecurity, enterprise networking, data center, and hybrid cloud services. On June 22, 2021, the Company acquired all of the issued and outstanding shares of ExactlyIT, Inc. (“ExactlyIT”), a managed services provider (“MSP”) headquartered in North Carolina, with operational offices in Mexico, that has managed business-critical systems to deliver innovative, next-generation managed IT services. On August 4, 2021, the Company acquired a 75% interest in REDNET AG (“Rednet”), an IT services provider headquartered in Mainz, Germany that specializes in serving the education, healthcare, and government/public sectors, providing detailed advice, economic planning, smooth logistics, and fast service to its clients. On August 30, 2021, the Company announced the closing of its previously announced acquisitions of Vicom Infinity, Inc. and Infinity Systems Software, Inc. Vicom Infinity is a world-class IBM mainframe solutions provider, and Infinity Systems Software has been a leading supplier of software and services for IBM platforms for more than 20 years. On October 1, 2021, the Company acquired all of the issued and outstanding shares of LPA Software Solutions (“LPA”), an IT services provider headquartered in Rochester, NY that provides business analytics solutions and professional services in analytics, data science, artificial intelligence, financial performance management, data governance, data integration, location analytics, and data sets. On December 1, 2021, Portage, the Company’s 53% owned cyber security-focused SaaS entity, acquired all of the issued and outstanding shares of OPIN Digital Inc. (“OPIN”), an Ontario-based full-service Canadian digital agency focused on designing and building digital web, mobile, and app experiences to support the strategic service goal of government and enterprise customers

Please refer to *Business and Financial Highlights for the Quarter Ended September 30, 2022* for acquisitions completed by the Company since January 1, 2022.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

European Expansion

On February 9, 2022, the Company completed the acquisition of 100% interest in Visucom, headquartered in Walzbachtal, Germany, representing the Company's 27th acquisition to date and Converge's second European acquisition. Founded in 1987, Visucom has been a trusted supplier of professional screens, interactive blackboards, loudspeakers, cameras, projectors, displays, and media controls for education and public clients. Visucom also offers on-site installations and training and has an excellent reputation for neutral advice, planning, and equipment for all market-leading manufacturers of media devices. On July 29 2022, the Company completed the acquisition of GfdB, representing the Company's 32nd acquisition to date and Converge's third European acquisition. GfdB is a full-service IT supplier for education, offering everything from hardware and software to advanced training and comprehensive technical or consulting services, as well as the development and production of equipment for digital learning and working. Together with Rednet, Converge will offer clients across Germany a wider range of service offerings and further expand Converge's global footprint.

COVID-19

The COVID-19 pandemic continues to present a source of economic uncertainty to the Company. These uncertain economic conditions may adversely impact operations and the financial performance of the Company and its customers, negatively impact demand for the Company's products and services or the equity markets, which could adversely affect the Company's financial performance. As of the date of this MD&A, Converge has experienced increased demand for solutions that allow employees to work remotely. As a result, the Company has experienced increased revenue in some of its product and service offerings that support remote work and cloud enablement, as companies and organizations recognize the need to move to a hybrid IT infrastructure that allows their employees to work remotely and access information and systems by way of cloud infrastructure. As a result, the Company has continued to experience increased revenue in some of its product and service offerings that support remote work and cloud enablement, as companies and organizations recognize the need to move to a hybrid IT infrastructure that allows their employees to work remotely and access information and systems by way of cloud infrastructure.

Operationally, Converge has implemented technology and procedures that enable the majority of its employees to work remotely with minimal disruption to the Company's operations. To the extent that employees are required to be in the office or warehouse to fulfill orders, the Company has followed guidelines and rules put in place by local, state, provincial and federal governments. The Company has good relations with its suppliers and is in regular contact with them and to date, has not experienced any meaningful disruptions in its supply chain that have negatively impacted the Company's ability to meet its demand and fulfill customer orders.

Pandemics, epidemics and other systemic or widespread health and safety risks could occur, any of which could adversely affect the Company's ability to maintain operations or meet revenue or expense targets or plans and may also adversely affect the ability of suppliers to provide products and services needed to operate the business. Pandemics, epidemics and other health and safety risks could also have an adverse effect on the economy and financial markets resulting in a declining level of activity, which could have a negative impact on the demand for, and prices of, the Company's products and services.

The COVID-19 pandemic continues to impact the well-being of individuals as well as the Canadian and global economies. The Company, informed by measures recommended by public health agencies, continues to provide its essential services and support to customers while safeguarding the health and safety of employees.

Supply Chain Impacts

The impact of COVID-19 and measures to prevent its spread have affected the Company in a number of ways. To date, some of the Company's key vendors have experienced supply shortages as it relates to product available for delivery to Converge's customers. Therefore, the Company is experiencing higher than normal product backlog in its pipeline. In response, during the period Converge has proactively increased its inventory levels where possible to alleviate supply chain pressures. The Company continues to work closely with key vendor and proactively manage its inventory levels to mitigate the impact of industry wide supply constraints.

There have been industry-wide disruptions. However, overall, given the constantly evolving nature, extent, and sentiments about the-COVID-19 pandemic, it is difficult to predict with certainty medium or long-term impacts of

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

the pandemic to the Company. Key unknowns which may affect the Company and its business and financial positions include the duration, severity, and the impact of a resurgence of the outbreaks, imposition of new or reintroduction of emergency measures, timing, and extent of, border closures or reopening timing, changes to travel restrictions, and fluctuations in financial and commodity markets. In addition, labour shortages due to illness or, restrictions on the movement of personnel as well as supply chain disruptions could result in a material reduction or even cessation of all or a portion of the Company's operations. Further spread or severity of COVID-19 in Canada and globally could also have a material adverse effect on the regional economies in which the Company operates, could negatively impact stock markets, including the trading price of its shares, adversely impact the Company's ability to raise capital, cause continued interest rate volatility or make obtaining financing or renegotiating the terms of its existing financing more challenging or more expensive.

In addition, the recent escalation in conflict between Russia and Ukraine ("Conflict") and the resulting imposition of sanctions and counter sanctions have disrupted supply chains and caused instability in the global economy. The short and long-term implications of the conflict are difficult to predict at this time. The ongoing conflict could result in the imposition of future economic sanctions, which may have a greater adverse effect on economic markets and could result in an even greater impact related to global supply and pricing of electricity and materials.

Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 pandemic and the Conflict may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. Therefore, uncertainty about judgements, estimates and assumptions made by management during the preparation of the Company's condensed interim consolidated financial statements related to potential impacts of the COVID-19 pandemic and the Conflict on revenue, expenses, assets, liabilities, and note disclosures could result in a material adjustment to the carrying value of the asset or liability affected.

As of September 30, 2022, the Company's product bookings backlog, which is calculated as purchase orders received from customers that are not yet delivered at the end of the fiscal period, was approximately \$433 million as compared to approximately \$350 million as at December 31, 2021. As at June 30, 2022, product backlog was approximately \$507 million, decreasing by \$74 million. The Company continues to work closely with its vendors and customers to ensure fulfillment of orders as soon as possible and expects to see these orders fulfilled in the coming quarters.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Business And Financial Highlights For The Three and Nine Months Ended September 30, 2022

Financial results for the three and nine months ended September 30, 2022:

- For the three months ended September 30, 2022, the Company earned revenue of \$603,206, gross profit of \$139,654, and adjusted EBITDA¹ of \$30,967 (three months ended September 30, 2021 – revenue of \$367,349, gross profit of \$83,771, and adjusted EBITDA¹ of \$18,862).
- For the nine months ended September 30, 2022, the Company earned revenue of \$1,749,899, gross profit of \$381,851, and adjusted EBITDA¹ of \$99,804 (nine months ended September 30, 2021 – revenue of \$1,022,858, gross profit of \$229,811, and adjusted EBITDA¹ of \$59,349).
- For the three months ended September 30, 2022, Adjusted Free Cash Flow¹ was \$24,740 and Adjusted Free Cash Flow Conversion¹ was 80%, decreasing from \$15,468 and 82%, respectively, for the three months ended September 30, 2021.
- For the nine months ended September 30, 2022, Adjusted Free Cash Flow¹ was \$82,688 and Adjusted Free Cash Flow Conversion¹ was 83%, increasing from \$48,687 and 82%, respectively, for the nine months ended September 30, 2021.

Share Repurchase

On August 8, 2022, the Company announced that the Toronto Stock Exchange (“TSX”) approved the Company’s Notice of Intention to make a Normal Course Issuer Bid (“NCIB”). Pursuant to the NCIB, the Company may purchase for cancellation up to an aggregate of 10,744,818 of the Company’s common shares representing 5% of the issued and outstanding common shares as at July 31, 2022. The NCIB commenced on August 11, 2022 and terminates one year after its commencement, or earlier if the maximum number of common shares under the NCIB have been purchased or the NCIB is terminated at the option of the Company. All common shares acquired by the Company under the NCIB will be cancelled.

The Company also entered into an automatic purchase plan agreement (“ASPP”) with a broker upon commencement of the NCIB to allow for purchases of common shares during certain pre-determined blackout periods when the Company ordinarily would not be active in the market due to its own internal trading blackout periods, insider trading rules or otherwise.

During the three and nine months ended September 30, 2022, 5,058,200 common shares were repurchased and cancelled under the NCIB (three and nine months ended September 30, 2021 – nil), for an aggregate purchase price of \$30,539.

Acquisitions completed during the nine months ended September 30, 2022:

- On January 7, 2022, the Company acquired a 100% interest in PDS, a corporation headquartered in Milwaukee, WI that offers solutions ranging from cloud and security to servers and infrastructure to virtualized work environment and remote work. The total consideration for the purchase was \$71,737 (\$56,638 USD), consisting of (i) \$69,305 in cash; and (ii) working capital and other adjustments of \$2,432.
- On February 9, 2022, the Company acquired a 100% interest in Visucom, which was effective to January 1, 2022 for accounting purposes. Headquartered in Walzbachtal, Germany, Visucom is a supplier of hardware for education and public sector clients, offering on-site installations, training, neutral advice, planning, and equipment for market-leading manufacturers of media devices. The total consideration for the purchase consisted of \$8,203 (€5,700) in cash.

¹ This is a Non-IFRS measure (including non-IFRS ratio or supplementary financial measure) and not a recognized, defined or standardized measure under IFRS. See the Non-IFRS Financial & Supplementary Financial Measures section of this MD&A.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

- On March 1, 2022, Portage, the Company's 53% owned cyber security-focused SaaS entity, acquired a 100% interest in 1CRM, a SAAS-based software corporation headquartered in Victoria, Canada that operates in the cloud and on premise, with the ability to handle daily task management, marketing automation, sales and opportunities, order management, client service and project management in a single system. The total consideration for the purchase consisted of (i) \$3,000 in cash; (ii) working capital adjustment of \$132; and (iii) an estimated aggregate of \$1,190 in earn-out payments for the two years following closing of the acquisition based on the achievement of certain milestones.
- On April 1, 2022, the Company acquired a 100% interest in CBI, a corporation headquartered in Ferndale, Michigan, a services-led organization focused on cybersecurity solutions centered around threat detection and obstruction. CBI's solutions help defend and secure customer networks and endpoints, as well as testing and monitoring areas of operational risk, and protecting data. The total consideration for the purchase of CBI was \$73,468 (\$58,719 USD). Purchase consideration consisted of (i) \$58,806 (\$47,000 USD) in cash; (ii) working capital adjustment of \$5,416 (\$4,329 USD); and (iii) an estimated aggregate of \$9,246 (\$7,390 USD) in earn-out payments for the three years following closing of the acquisition based on the achievement of certain milestones.
- On April 29, 2022, the Company announced that it acquired a 100% interest in IDX, a corporation headquartered in Edmonton, Alberta, focused on cloud computing, infrastructure and open-source consulting. The total consideration for the purchase of IDX was \$30,802. Purchase consideration consisted of (i) \$27,772 in cash; and (ii) working capital adjustment of \$3,030.
- On June 17, 2022, Portage, the Company's 53% owned cyber security-focused SaaS entity, acquired a 100% interest in Notarius, a corporation headquartered in Montreal, QC, that provides solutions that safeguard the long-term reliability of electronic documents. The total consideration for the purchase of Notarius was \$54,843. Purchase consideration consisted of (i) \$44,876 in cash; (ii) working capital adjustment of \$4,975; and (iii) promissory note of \$4,992.
- On July 29, 2022, the Company acquired a 100% interest in TIG, a corporation headquartered in San Diego, CA, specializing in optimized performance solutions and critical business support. The total consideration for the purchase of TIG was \$139,938 (\$109,122 USD). Purchase consideration consisted of (i) \$130,101 (\$101,451 USD) in cash; and (ii) working capital adjustment of \$9,837 (\$7,671 USD).
- On July 29, 2022, the Company acquired a 100% interest in GfdB, IfmB, and DEQSTER (collectively, "GfdB"), education market focused organizations headquartered in Germany which enable schools and universities to implement their digital future. GfdB and IfmB are full-service IT suppliers for education, while DEQSTER specializes in the development of production of equipment for digital learning and working. The total consideration for the purchase was \$38,809 (€29,689), consisting of (i) \$33,026 (€25,264) in cash, (ii) negative working capital adjustment of \$2,919 (€2,232), and (iii) an estimated aggregate of \$8,702 (€6,657) in earn-out payments for the three years following the acquisition based on the achievement of certain milestones.
- On September 9, 2022, the Company acquired a 100% interest in Newcomp Analytics Inc., a corporation headquartered in Toronto, ON, that assists organizations in building a map to deeper analytics while providing teams with the tools they need to tackle big data projects. The total consideration for the purchase of Newcomp was \$25,550, consisting of (i) \$18,285 in cash, (ii) working capital adjustment of \$6,322, and (iii) deferred payments in aggregate of \$943 in favour of the sellers due over the two years following closing of the acquisition. As part of the purchase consideration for the acquisition of Newcomp, the sellers are also entitled to retention bonuses that becomes payable annually over the two years following the acquisition date. Remuneration is contingent on continued employment for certain employees and is expensed over time as it becomes earned.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Subsequent to quarter-end

Acquisition of Stone Technologies Group Limited

- On November 4, 2022, the Company acquired an 89% interest in Stone Technologies Group Limited (“Stone”), a provider of Circular IT solutions for education institutions, as well as public and private sector organizations in the United Kingdom. Under the terms of the acquisition, certain key management personnel of Stone reinvested 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. The transaction will be accounted for as a business combination. The total consideration for the purchase was \$64,062 (£41,931), consisting of (i) \$59,903 (£39,209) in cash, and (ii) working capital adjustment of \$4,159 (£2,722).

Outlook for Fiscal 2022

Although the effects of COVID-19 and the Conflict linger, corporate and public sector organizations are increasingly looking to digital transformation to drive innovation and operating efficiency. With efforts to accommodate a shifting workforce culture, and new business processes, Converge recognizes its ability to play a role in advancing these post-pandemic requirements and enabling organizations to deliver these operating efficiencies in a secure and optimized manner. During this period Converge has seen increased demand for products, solutions, and services in the analytics, cloud, cybersecurity, and talent spaces. Converge anticipates increased spending in these areas and is preparing to accommodate those seeking innovative solutions and a hybrid IT infrastructure that can support a remote workforce and enable this digital transformation. The Company remains well-equipped to meet demand with its increased global footprint through the Company’s extensive and diverse network of leading hardware and software partners.

Enterprise IT Priorities

According to the Enterprise Strategy Group, which examines key business and technology priorities driving spending plans across a range of technology markets including infrastructure, cloud services, cybersecurity, artificial intelligence (AI), analytics, data protection, mobility, business applications, and more, Technology Spending Intentions Survey 2022 finds the top five technology focus areas for IT leaders are:

- Enterprise technology spending
- Fortified and holistic cybersecurity strategies
- Risk of ransomware as a business priority for customers
- A focus on hybrid cloud balance
- The methodologies that support cloud-native initiatives

Enterprise Technology Spending

Enterprise technology streamlines workflows, improves communication, and provides access to data. COVID-19 dramatically changed the landscape of the traditional workplace, the technology sector, and the world as a whole. The need for reliable communication with fully remote teams, the ability to securely access data from any checkpoint across the globe, and a continued desire for efficiency and simplification in operations, requires organizations to continue investing in enterprise technology and solutions that began in 2020 and 2021. Specifically, with new demand for expanded work from home capabilities, many organizations are poised to make a significant investment in this sector and Converge is well positioned to meet the needs of its clients.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Fortified and Holistic Cybersecurity Strategies

Staying in front of cybersecurity threats is a top business focus for executives in 2022. As businesses move more data to the cloud, this creates more complex structures to protect data, networks and users. Ongoing work from home and remote work mandates have also created new, vulnerable attack environments. Keeping data secure and compliant is a significant need for even the most complex organization. Therefore, strategies such as encryption, trusted environments, and a multilayered security approach are in high demand. Converge's cybersecurity practice is comprised of an ever-evolving set of defense tools, risk management approaches, and technologies created to help teams remain secure.

Risk of Ransomware as a Business Priority for Customers

The real risk of operational disruption, brand damage, and legal liabilities caused by ransomware attacks has elevated cybersecurity from a technical issue normally handled by security teams to a major executive level priority and discussion. Even the most sophisticated and mature companies with cyber-defenses already in place are now rethinking their preparedness and response capabilities when faced with imminent threat of ransomware strikes. Without a robust strategy to prepare for, respond to, and recover from such incidents, organizations are left with significant monetary, functionality, and brand exposure risk. Converge's industry-driven security solutions combined with industry leading expertise provide clients with the ability to add security from the core architecture, the network, the edge, and the endpoint while staying ahead of threats and providing fast remediation options.

A Focus on Hybrid Cloud Balance

Hybrid cloud — both public and private — promises the most value for enterprises, leveraged for the right reasons and at timely moments in an organization's lifecycle. Companies today are accelerating their use of hybrid cloud as a result of demands from their business to support company initiatives. Clients are looking to drive unique experiences, find better ways to scale capacity, and reduce cost & resources. The adoption of hybrid cloud also offers unique solutions for each business' specific needs. Converge is well equipped to assist teams in their cloud journey.

Methodologies that Support Cloud-Native Initiatives

Cloud-native applications help organizations thrive in a digital world, with the added ability to build and update apps quickly, at a higher quality and with less risk than other methods. Cloud-native programs are scalable, easily modified, and extend capabilities with minimal coding. With scalability at the forefront of most cloud-native designs, these applications are highly valuable in their ability to change with the needs of a business without creating dependencies

Converge's Competitive Positioning

With a portfolio of software-enabled IT & cloud solutions backed by industry-leading advanced analytics, application modernization, cloud, cybersecurity, digital infrastructure, and digital workplace offerings, Converge is strategically positioned as a leader in the technology space and a valued supplier for its clients. The Company supports these solutions with advisory, implementation, and managed services expertise across all major IT partners in the marketplace. Converge continues to advance its focus on delivering world class solutions and services.

Execution of this strategy includes Converge's continued focus on its approach to growth through selective acquisitions and development of recurring revenue offerings. Converge's consolidation strategy provides clients with the resources and technical capabilities of a scaled platform, along with the brand, reputation, and dedicated resources of a global provider. An emphasis on hybrid IT solutions also facilitates entry into new markets and verticals, as well as cross-selling opportunities with existing customers.

In the balance of 2022 and beyond, Converge will continue to strengthen its managed services, software, and recurring revenue offerings through continued expansion in North America, Europe, and globally.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Non-IFRS Financial & Supplementary Financial Measures

This MD&A refers to certain performance indicators including Adjusted EBITDA, Adjusted Free Cash Flow, Adjusted Free Cash Flow Conversion, Gross Revenue, and Organic Growth that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management believes that these measures are useful to most shareholders, creditors, and other stakeholders in analyzing the Company's operating results, and can highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers.

Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the ability to meet capital expenditure and working capital requirements. These non-IFRS financial measures should not be considered as an alternative to the consolidated income (loss) or any other measure of performance under IFRS. Investors are encouraged to review the Company's financial statements and disclosures in their entirety and are cautioned not to put undue reliance on non-IFRS measures and view them in conjunction with the most comparable IFRS financial measures.

Adjusted EBITDA

Adjusted EBITDA represents net income adjusted to exclude amortization, depreciation, interest expense and finance costs, foreign exchange gains and losses, share-based compensation expense, income tax expense, and special charges. Special charges consist primarily of restructuring related expenses for employee terminations, lease terminations, and restructuring of acquired companies, as well as certain legal fees or provisions related to acquired companies. From time to time, it may also include adjustments in the fair value of contingent consideration, and other such non-recurring costs related to restructuring, financing, and acquisitions.

Adjusted EBITDA is not a recognized, defined, or standardized measure under IFRS. The Company's definition of Adjusted EBITDA will likely differ from that used by other companies and therefore comparability may be limited. Adjusted EBITDA should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS.

Adjusted EBITDA as a % of Gross Profit

The Company believes that Adjusted EBITDA as a % of Gross Profit is a useful measure of the Company's operating efficiency and profitability. This is calculated by dividing Adjusted EBITDA by gross profit.

Adjusted EBITDA as a % of Net Revenue

The Company believes that Adjusted EBITDA as a % of Net Revenue is a useful measure of the Company's operating efficiency and profitability. This is calculated by dividing Adjusted EBITDA by net revenue.

Adjusted Net Income and Adjusted Earnings per Share ("EPS")

Adjusted Net Income represents net income adjusted to exclude special charges, amortization of acquired intangible assets, unrealized foreign exchange gain/loss, and share-based compensation. The Company believes that Adjusted Net Income is a more useful measure than net income as it excludes the impact of one-time, non-cash and/or non-recurring items that are not reflective of Converge's underlying business performance. Adjusted EPS is calculated by dividing Adjusted Net Income by the total weighted average shares outstanding on a basic and diluted basis.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Gross revenue

Gross revenue, which is a non-IFRS measurement, reflects the gross amount billed to customers, adjusted for amounts deferred or accrued. The Company believes gross revenue is a useful alternative financial metric to net revenue, the IFRS measure, as it better reflects volume fluctuations as compared to net revenue. Under the applicable IFRS 15 'principal vs agent' guidance, the principal records revenue on a gross basis and the agent records commission on a net basis. In transactions where Converge is acting as an agent between the customer and the vendor, net revenue is calculated by reducing gross revenue by the cost of sale amount.

Adjusted Free Cash Flow and Adjusted Free Cash Flow Conversion

The Company calculates Adjusted Free Cash Flow as Adjusted EBITDA less: (i) recurring capital expenditures ("Recurring Capex") and (ii) lease payments relating to the IFRS 16 lease liability ("IFRS 16 Lease Liability"). Management defines Recurring Capex as the actual capital expenditures which are required to maintain the Company's existing and ongoing operations in its normal course of business. Recurring Capex excludes one-time expenditures to support growth initiatives that the Company categorizes as non-recurring in nature.

Adjusted Free Cash Flow is a useful measure that allows the Company to primarily identify how much pre-tax cash is available for continued investment in the business and for the Company's growth by acquisition strategy.

Management also believes that Adjusted EBITDA is a good proxy for cash generation and as such, Adjusted Free Cash Flow Conversion is a useful metric that demonstrates that the rate at which the Company can convert Adjusted EBITDA to cash.

Organic Growth

The Company measures organic growth on a quarterly and year-to-date basis, at the gross revenue and gross profit levels, and includes the contributions under Converge ownership in the current and comparative period(s). In calculating organic growth, the Company therefore deducts gross revenue and gross profit generated from companies that were acquired in the current reporting period(s).

Gross revenue organic growth is calculated by deducting prior period gross revenues, as reported in the Company's public filings, from current period gross revenue for the same portfolio of companies. Gross revenue organic growth percentage is calculated by dividing organic growth by prior period reported gross revenues.

Gross profit organic growth is calculated by deducting prior period gross profit, as reported in the Companies public filings, from current period gross profit for the same portfolio of companies. Gross profit organic growth percentage is calculated by dividing organic growth by prior period reported gross profit.

Annual Recurring Revenue ("ARR")

Annual recurring revenue represents annualized net revenue from managed services, which are long-term recurring contracts. This is calculated by multiplying quarterly net managed services revenues by four.

Gross Profit Margin

Gross profit margin represents the percentage of total revenue in excess of costs of goods sold and is an indicator of the Company's profitability on sales before operating expenses. This is calculated by dividing gross profit by revenues.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Summary of Consolidated Financial Results

The following table provides consolidated financial results for the Company as indicated below

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Revenues				
Product	\$ 474,006	\$ 289,591	\$ 1,419,216	\$ 823,385
Service	129,200	77,758	330,683	199,473
Total revenue	603,206	367,349	1,749,899	1,022,858
Cost of sales	463,552	283,578	1,368,048	793,047
Gross profit	139,654	83,771	381,851	229,811
Selling, general and administrative expenses	111,032	66,092	287,267	173,365
Income before the following	28,622	17,679	94,584	56,446
Depreciation and amortization	23,094	10,162	54,751	24,548
Finance expense, net	5,886	1,528	10,798	5,675
Special charges	8,211	8,702	19,492	17,107
Share-based compensation expense	1,275	1,193	4,172	1,193
Other income	(25,570)	(8,491)	(22,432)	(5,485)
Income before income taxes	15,726	4,585	27,803	13,408
Income tax expense (recovery)	(2,502)	(11)	304	4,121
Net income	\$ 18,228	\$ 4,596	\$ 27,499	\$ 9,287
Net income (loss) attributable to:				
Shareholders of Converge	20,595	4,596	30,819	9,287
Non-controlling interest	(2,367)	-	(3,320)	-
	\$ 18,228	\$ 4,596	\$ 27,499	\$ 9,287
Other comprehensive income (loss)				
Exchange differences on translation of foreign operations	5,352	(641)	(859)	(23)
Comprehensive income	\$ 23,580	\$ 3,955	\$ 26,640	\$ 9,264
Comprehensive income (loss) attributable to:				
Shareholders of Converge	25,947	3,955	29,660	9,264
Non-controlling interest	(2,367)	-	(3,320)	-
	\$ 23,580	\$ 3,955	\$ 26,640	\$ 9,264
Adjusted EBITDA¹	\$ 30,967	\$ 18,862	\$ 99,804	\$ 59,349
Adjusted EBITDA as a % of Gross Profit¹	22.2%	22.5%	26.1%	25.8%
Adjusted EBITDA as a % of Net Revenue¹	5.1%	5.1%	5.7%	5.8%

¹ This is a Non-IFRS measure (including non-IFRS ratio or supplementary financial measure) and not a recognized, defined or standardized measure under IFRS. See the Non-IFRS Financial & Supplementary Financial Measures section of this MD&A.

Converge Technology Solutions Corp. Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Adjusted EBITDA¹

The Company has reconciled Adjusted EBITDA¹ to the most comparable IFRS financial measure as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Net income before taxes	\$ 15,726	\$ 4,585	\$ 27,803	\$ 13,408
Finance expense	5,886	1,528	10,798	5,675
Share-based compensation expense	1,275	1,193	4,172	1,193
Depreciation and amortization	23,094	10,162	54,751	24,548
Depreciation included in cost of sales	1,008	683	3,320	2,443
Foreign exchange gain	(24,233)	(7,991)	(20,532)	(5,025)
Special charges	8,211	8,702	19,492	17,107
Adjusted EBITDA¹	\$ 30,967	\$ 18,862	\$ 99,804	\$ 59,349

For the three months ended September 30, 2022, special charges are primarily due to \$5,913 of acquisition transaction costs, \$113 of legal provisions and other costs related to acquired companies, \$1,935 in financing related costs, and \$250 of employee compensation and benefits. During the same period in the prior year, special charges were primarily due to \$2,800 of acquisition transaction costs, \$91 of legal provisions and other costs related to acquired companies, \$461 in financing related costs, \$1,267 of restructuring costs related to the integration of acquired companies, \$275 of employee compensation and benefits, and \$3,808 due to a change in fair value of contingent consideration.

For the nine months ended September 30, 2022, special charges are primarily due to \$15,879 of acquisition transaction costs, \$447 of legal provisions and other costs related to acquired companies, \$2,788 in financing related costs, \$128 of restructuring costs related to the integration of acquired companies, and \$250 of employee compensation and benefits. During the same period in the prior year, special charges were primarily due to \$6,435 of acquisition transaction costs, \$413 of legal provisions and other costs related to acquired companies, \$1,178 in financing related costs, \$2,568 of restructuring costs related to the integration of acquired companies, \$275 of employee compensation and benefits, and \$6,238 due to a change in fair value of contingent consideration.

Overall Company Performance and Key Changes in Financial Results

Revenue

Gross revenue¹

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021 ⁽¹⁾	2022	2021
Product	\$ 474,006	\$ 289,591	\$ 1,419,216	\$ 823,385
Managed services	35,681	25,785	101,932	64,205
Third party and professional services	220,884	157,043	613,030	445,049
Total gross revenue	\$ 730,571	\$ 472,419	\$ 2,134,178	\$ 1,332,639
Adjustment for sales transacted as agent	127,365	105,070	384,279	309,781
Net revenue	\$ 603,206	\$ 367,349	\$ 1,749,899	\$ 1,022,858

(1) Certain amounts have been reclassified on a year-to-date basis to conform with the current period presentation.

¹ This is a Non-IFRS measure (including non-IFRS ratio or supplementary financial measure) and not a recognized, defined or standardized measure under IFRS. See the Non-IFRS Financial & Supplementary Financial Measures section of this MD&A.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Gross revenue organic growth¹

Gross revenue organic growth for the three months ended September 30, 2022 was \$27,804 (5.9%). Organic growth for the nine months ended September 30, 2022 was \$166,758 (12.5%).

This continued organic growth is attributable to the Company's strong integration engine, whereby the Company can seamlessly integrate acquired companies and grow revenues organically through expanding customers' digital infrastructure.

The following table calculates organic growth for the three months ended September 30, 2022 and year-to-date ("YTD"):

	Q3 (3-month)	Q3 YTD (9-month)
Gross revenue ¹	\$ 730,571	\$ 2,134,178
Less: gross revenues from companies not owned in comparative period	230,348	634,781
Gross revenue of companies owned in comparative period	500,223	1,499,397
Prior period gross revenue	472,419	1,332,639
Organic Growth - \$	\$ 27,804	\$ 166,758
Organic Growth - %	5.9%	12.5%

Net Revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Product	\$ 474,006	\$ 289,591	\$ 1,419,216	\$ 823,385
Managed Services	30,973	20,264	86,286	53,514
Third party and professional services	98,227	57,494	244,397	145,959
Total	\$ 603,206	\$ 367,349	\$ 1,749,899	\$ 1,022,858

Product revenue, which includes hardware and software, for the three months ended September 30, 2022 increased 64% to \$474,006 from \$289,591 for the three months ended September 30, 2021, primarily due to the impact of the acquisitions of PDS, Visucom, IDX, CBI, TIG, Gf dB, 1CRM and Newcomp that were completed during the period subsequent to September 30, 2021. Recurring revenue from managed services, which are long-term contracts, increased 53% to \$30,973 from \$20,264 last year primarily due to the impact of recent acquisitions that sell cloud and managed services, increased managed services revenue from the Company's recently announced IBM Power for Google Cloud ("IP4G"), and organic growth from the expansion of existing customers' managed services. At September 30, 2022, ARR¹ from managed services was \$123,892 as compared to \$81,056 last year. Third party and professional services which includes the net revenue from public cloud resell and software support, increased 71% to \$98,227 from \$57,494 last year primarily due to the impact of acquisitions completed in the intervening period.

For the three months ended September 30, 2022, revenue by industry was approximately 24% from healthcare, 23% from technology companies, 16% from government, 11% from financial services, and 26% from other companies.

Product revenue, which includes hardware and software, for the nine months ended September 30, 2022 increased 72% to \$1,419,216 from \$823,385 for the nine months ended September 30, 2021, primarily due to higher sales to the Canadian government and the impact of the acquisitions of PDS, Visucom, IDX, CBI, TIG, Gf dB, 1CRM and Newcomp that were completed during the period subsequent to September 30, 2021. Recurring revenue from managed services, which are long-term contracts, increased 61% to \$86,286 from \$53,514 last year primarily due

¹ This is a Non-IFRS measure (including non-IFRS ratio or supplementary financial measure) and not a recognized, defined or standardized measure under IFRS. See the Non-IFRS Financial & Supplementary Financial Measures section of this MD&A.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

to the impact of recent acquisitions that sell cloud and managed services, increased managed services revenue from the Company's recently announced IBM Power for Google Cloud ("IP4G"), and organic growth from the expansion of existing customers' managed services. Third party and professional services which includes the net revenue from public cloud resell and software support, increased 67% to \$244,397 from \$145,959 last year primarily due to the impact of acquisitions completed in the intervening period.

For the nine months ended September 30, 2022, revenue by industry was approximately 20% from healthcare, 20% from government, 20% from technology companies, 17% from financial services, and 23% from other companies.

Gross profit and gross profit margin

For the three months ended September 30, 2022, gross profit increased 66.7% to \$139,654 from \$83,771 last year and gross profit margin of 23.2% increased from 22.8% in the same period last year. For the nine months ended September 30, 2022, gross profit increased 66.2% to \$381,851 from \$229,811 last year and gross profit margin of 21.8% decreased from 22.5% in the same period last year.

In the short-term, gross profit margin reflects the impact of acquired companies, whereby recent acquisitions tend to sell primarily lower margin hardware, paired with high volume but lower margin end-user device sales. As the Company begins to achieve scale in its higher margin cloud and managed services, and cross-sell these services to customers of recently acquired companies, Converge expects gross margins to increase.

Gross profit organic growth¹

Gross profit organic growth for the three months ended September 30, 2022 was \$10,889 (13.0%). Organic growth for the nine months ended September 30, 2022 was \$34,501 (15.0%).

Converge's ability to grow its gross profit organically is attributable to the Company's strong integration engine and illustrates the Company's success in cross-selling higher margin software and services across the Company's various practice areas, including cyber security, analytics, and cloud and managed services.

The following table calculates organic growth for the three months ended September 30, 2022 and year-to-date ("YTD"):

	Q3 (3-month)	Q3 YTD (9-month)
Gross profit	\$ 139,654	\$ 381,851
Less: gross profit from companies not owned in comparative period	44,994	117,539
Gross profit of companies owned in comparative period	94,660	264,312
Prior period gross profit	83,771	229,811
Organic Growth - \$	\$ 10,889	\$ 34,501
Organic Growth - %	13.0%	15.0%

¹This is a Non-IFRS measure (including non-IFRS ratio or supplementary financial measure) and not a recognized, defined or standardized measure under IFRS. See the Non-IFRS Financial & Supplementary Financial Measures section of this MD&A.

Converge Technology Solutions Corp. Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Selling, general, and administrative expenses

Selling, general, and administrative expenses comprised of the following expenses for the periods indicated below:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Salaries and benefits	\$ 94,125	\$ 55,383	\$ 242,712	\$ 149,021
Professional fees	3,663	2,658	10,035	7,328
Office, travel and events	12,073	6,073	29,758	14,440
Other expenses	1,171	1,978	4,762	2,576
Total	\$ 111,032	\$ 66,092	\$ 287,267	\$ 173,365

Employee compensation and benefits for the three months ended September 30, 2022 increased to \$94,125 from \$55,383 last year primarily due to increased headcount related to acquisitions. Professional fees increased to \$3,663 for the three months ended September 30, 2022 from \$2,658 last year primarily due to advisory services for tax and planning for the Company's expansion into Europe. Office, travel and events increased to \$12,073 for the three months ended September 30, 2022 from \$6,073 last year primarily due to the impact of new acquisitions and greater employee travel as COVID-19 related restrictions have lessened and more in-person events have resumed. Other expenses decreased to \$1,171 for the three months ended September 30, 2022 compared to \$1,978 in prior year.

Employee compensation and benefits for the nine months ended September 30, 2022 increased to \$242,712 from \$149,021 last year primarily due to increased headcount related to acquisitions. Professional fees increased to \$10,035 for the nine months ended September 30, 2022 from \$7,328 last year primarily due to advisory services for tax and planning for the Company's expansion into Europe. Office, travel and events increased to \$29,758 for the nine months ended September 30, 2022 from \$14,440 last year primarily due to the impact of new acquisitions and greater employee travel as COVID-19 related restrictions have lessened and more in-person events have resumed. Other expenses increased to \$4,762 for the nine months ended September 30, 2022 compared to \$2,576 in prior year.

Depreciation and amortization

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Amortization of intangibles	\$ 17,785	\$ 8,689	\$ 43,047	\$ 18,791
Depreciation of right of use assets and equipment	6,317	1,473	15,024	5,757
Total	\$ 24,102	\$ 10,162	\$ 58,071	\$ 24,548

Amortization of intangibles for the three months ended September 30, 2022 increased to \$17,785 from \$8,689. Amortization of intangibles for the nine months ended September 30, 2022 increased to \$43,047 from \$18,791. The increase is primarily due to intangible assets related to the acquisitions of companies purchased subsequent to September 30, 2021.

Depreciation expense for the three months ended September 30, 2022 increased to \$6,317 from \$1,473 last year. Depreciation expense for the nine months ended September 30, 2022 increased to \$15,024 from \$5,757 last year. The increase is primarily due to right-of-use asset and equipment additions from companies acquired subsequent to September 30, 2021.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Finance expense

Finance expense for the three months ended September 30, 2022 of \$5,886 consisted of interest expense related to (i) borrowings under the Company's credit facility of \$4,579; (ii) deferred consideration and other interest of \$858; and (iii) right-of-use assets of \$449. Finance expense for the three months ended September 30, 2021 of \$1,528 consisted of interest expense related to (i) receivable backed financing of \$1,174; (ii) notes payable of \$110; (iii) right-of-use assets of \$244.

Finance expense for the nine months ended September 30, 2022 of \$10,798 consisted of interest expense related to (i) borrowings under the Company's credit facility of \$7,638; (ii) deferred consideration and other interest of \$1,782; (iii) right-of-use assets of \$1,378. Finance expense for the nine months ended September 30, 2021 of \$5,675 consisted of interest expense related to (i) receivable backed financing of \$4,118; (ii) notes payable of \$677; (iii) right-of-use assets of \$880.

The overall increase in finance expense is primarily as a result of higher average balances drawn on the Company's revolving credit facility to fund recent acquisitions, including the acquisitions of TIG and GfdB which the Company completed during the quarter.

Special charges

Special charges for the three months ended September 30, 2022 decreased to \$8,211 from \$8,702 last year. For the nine months ended September 30, 2022, special charges increased to \$19,492 from \$17,107 in the same period in 2021. Refer to the Adjusted EBITDA section of this MD&A for a breakdown of special charges.

Other income

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Unrealized foreign exchange gain	\$ (24,233)	\$ (7,991)	\$ (20,532)	\$ (5,025)
Other income	(1,337)	(500)	(1,900)	(460)
Other income	\$ (25,570)	\$ (8,491)	\$ (22,432)	\$ (5,485)

Other income for the three months ended September 30, 2022 was \$25,570 compared to \$8,491 last year. Other income for the nine months ended September 30, 2021 was \$22,432 compared to \$5,485 last year. The increases in the three- and nine-month periods are as a result of the impact of unrealized foreign exchange gains and losses from the foreign exchange impact that arises on the translation of certain foreign currency denominated net asset balances into the Company's Canadian dollar reporting currency. IAS 21 accounting rules requires that the exchange difference is to be included in the consolidated statements of income and loss.

Income tax expense (recovery)

Income tax recovery for the three months ended September 30, 2022 increased to \$2,502 from a recovery of \$11 in the prior year. For the nine months ended September 30, 2022, income tax expense was \$304 compared to \$4,121 in the prior year.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Quarterly Financial Results

The following table summarizes select financial information from the Company's results of operations for the eight most recently completed quarters. In general, the business tends to fluctuate quarter over quarter based on a variety of factors. The spending of key customers is seasonal and heavily dependent on budgeted capital to be used before the end of their respective fiscal periods. The financial results shown below may not be indicative of the Company's financial performance in a future comparative period.

For the three months ended	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Revenues	603,206	596,656	550,037	504,983	367,349	345,307	310,202	289,557
Gross Profit	139,654	133,152	109,045	115,893	83,771	78,244	67,797	70,927
Gross Profit Margin ¹	23%	22%	20%	23%	23%	23%	22%	24%
Adjusted EBITDA ¹	30,967	39,188	29,649	34,685	18,862	21,720	18,768	23,375
Net income (loss)	18,228	11,678	(2,408)	7,080	4,596	1,025	3,666	950
Earnings per share:								
Basic	0.10	0.05	(0.01)	0.03	0.02	0.01	0.02	0.01
Diluted	0.10	0.05	(0.01)	0.03	0.02	0.01	0.02	0.01

For the three months ended	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Net income (loss)	18,228	11,678	(2,408)	7,080	4,596	1,025	3,666	950
Special charges	8,211	5,559	5,722	2,595	8,702	5,354	3,051	7,149
Amortization of acquired intangible assets	17,785	13,946	11,316	9,021	7,315	5,815	4,287	3,617
Foreign exchange loss (gain)	(24,233)	(2,968)	6,668	5,669	(7,991)	1,954	1,012	3,486
Share-based compensation	1,275	1,685	1,212	1,132	1,193	-	-	-
Adjusted Net Income ¹	21,266	29,900	22,510	25,497	13,815	14,148	12,016	15,202
Adjusted EPS ¹ :								
Basic	0.10	0.14	0.10	0.12	0.07	0.08	0.08	0.12
Diluted	0.10	0.14	0.10	0.12	0.07	0.08	0.07	0.11

¹ This is a Non-IFRS measure (including non-IFRS ratio or supplementary financial measure) and not a recognized, defined or standardized measure under IFRS. See the Non-IFRS Financial & Supplementary Financial Measures section of this MD&A.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Overview of Financial Position

The following table provides the financial position of the Company as indicated below:

As at	September 30, 2022	December 31, 2021
Assets		
Current assets	\$ 999,620	\$ 780,708
Long-term assets	1,022,063	588,129
Total assets	\$ 2,021,683	\$ 1,368,837
Liabilities		
Current liabilities	1,184,916	591,215
Long-term liabilities	197,098	128,794
Total liabilities	\$ 1,382,014	\$ 720,009
Shareholders' equity		
Common shares	609,916	633,489
Contributed surplus	6,497	2,325
Exchange rights	1,641	2,396
Accumulated other comprehensive (loss) income	(530)	329
Deficit	(9,874)	(25,050)
Non-controlling interest	32,019	35,339
Total shareholders' equity	\$ 639,669	\$ 648,828
Total liabilities and shareholders' equity	\$ 2,021,683	\$ 1,368,837

Current Assets

Current assets are mainly comprised of cash of \$172,229 (December 31, 2021 - \$248,193), trade and other receivables of \$637,764 (December 31, 2021 - \$416,499), and inventories of \$163,777 (December 31, 2021 - \$104,254).

Long-term assets

Long-term assets are mainly comprised of goodwill of \$502,575 (December 31, 2021 - \$323,284) and intangible assets of \$454,117 (December 31, 2021 - \$233,586). Goodwill increased for the nine months ended September 30, 2022 due to the acquisitions of PDS, Visucom, 1CRM, CBI, IDX, Notarius, TIG, GfDB, and Newcomp, reflecting the benefits attributable to synergies, revenue growth, future market development, and the estimated fair value of an assembled workforce. As at September 30, 2022, intangible assets consisted of \$291,241 (December 31, 2021 - \$119,061) in customer relationships, \$153,601 (December 31, 2021 - \$33,424) in trade name and trademarks, \$7,441 (December 31, 2021 - \$575) in developed technology, \$738 in computer software (December 31, 2021 - \$526), and \$1,096 (December 31, 2021 - nil) in backlog.

Current Liabilities

Current liabilities are mainly comprised of \$686,629 (December 31, 2021 - \$519,434) in trade and other payables from the Company's operations, \$371,690 (December 31, 2021 - \$816) in borrowings, \$69,371 (December 31, 2021 - \$27,581) in deferred revenue, and \$43,073 (December 31, 2021 - \$29,407) in other financial liabilities.

On July 28, 2022, the Company entered into a global revolving credit agreement (the "Revolver Credit Facility") with a syndicate of Canadian and US lenders, led by J.P. Morgan and the Canadian Imperial Bank of Commerce ("CIBC"). The Revolver Credit Facility can be drawn to a maximum of \$500,000 and includes an uncommitted accordion feature of \$100,000, which would bring the total borrowing capacity up to \$600,000, and allows the Company to borrow in foreign currencies. Interest is payable monthly at an interest rate that generally approximates the Secured Overnight Financing Rate, plus applicable bank margin ranging from 1.25% to 2.25%. As at September 30, 2022, the total balance owing to the lender under these facilities was \$370,905 (December 31, 2021 - nil).

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

On July 27, 2022, the Company terminated its existing asset-based lending (“ABL”) facilities, which provided lines of credit secured by the assets of the Company. The ABL facilities could be drawn to a certain percentage of the eligible trade receivables and inventory balances, to a maximum of \$300,000. Interest was payable monthly at the published CIBC Bank prime rate plus 0% to 2%.

The Revolver Credit Facility includes certain financial covenants. The Company was in full compliance with all financial covenants as at September 30, 2022.

The Company also has a credit agreement with a US-based third party. As at September 30, 2022, the total balance owing to the lender under the remaining facility was \$785 (December 31, 2021 – \$1,228). Under this credit agreement, the Company is required to make quarterly blended repayments of principal and interest, at an interest rate of 8.5% per annum.

The following table provides a summary of borrowings and debt:

As at	September 30, 2022	December 31, 2021
Revolver Credit Facility	\$ 370,905	\$ -
Contract financing facilities	785	1,228
Notes payable and contingent consideration related to acquisitions	80,068	69,378
Notes payable relating to operations	1,834	318
	453,592	70,924
Long-term portion	50,320	43,819
Current portion	\$ 403,272	\$ 27,105

Long-term liabilities

Long-term liabilities are comprised of \$106,413 (December 31, 2021 - \$85,296) in other financial liabilities, nil in borrowings (December 31, 2021 – \$412), and deferred tax liability of \$90,685 (December 31, 2021 - \$43,086). The increase in long-term liabilities is mainly due to contingent consideration from acquisitions, which are earn-out payments typically paid over a two to three-year period, based on the achievement of certain milestones. Refer to Note 7 of the condensed interim consolidated financial statements for further detail.

Liquidity and Capital Resources

Liquidity

The Company manages its liquidity to ensure that it has sufficient liquidity to meet its short term and long-term commitments as they become due, while maintaining financial flexibility to pursue its strategy of organic and acquisition growth. To date, the Company has effectively managed liquidity through issuance of common shares, proceeds from debt, and cashflow from operations. The increased demand for technology solutions due in part to COVID-19 has generally increased investor demand for technology related companies. Refer to the section *Business and Financial Highlights for the Three and Nine Months Ended September 30, 2022* for a discussion of the Company's recent financing initiatives.

The Company anticipates that it will have sufficient liquidity to fund its current cash requirements for working capital and contractual commitments, and if required, believes that it has the ability to raise additional capital or debt to help fund its acquisition strategy and to achieve planned organic and inorganic growth targets.

Capital Resources

The Company's capital management objectives are to maintain financial flexibility in order to pursue its strategy of organic and acquisition growth and to provide returns to its shareholders. The Company manages its capital

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

structure in accordance with changes in economic conditions. In order to maintain or adjust its capital structure, the Company may elect to issue or repay financial liabilities, issue shares, repurchase shares, pay dividends or undertake any other activities as deemed appropriate under the specific circumstances. The Company is not subject to any externally imposed capital requirements.

Cash Flow Analysis

Adjusted Free Cash Flow¹ and Adjusted Free Cash Flow Conversion¹

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Adjusted EBITDA¹	\$ 30,967	\$ 18,862	\$ 99,804	\$ 59,349
Capex	(2,765)	(810)	(8,622)	(3,661)
Payment of lease liabilities	(3,462)	(2,584)	(8,494)	(7,001)
Adjusted Free Cash Flow¹	\$ 24,740	\$ 15,468	\$ 82,688	\$ 48,687
Adjusted Free Cash Flow Conversion¹	80%	82%	83%	82%

Adjusted Free Cash Flow¹ for the three months ended September 30, 2022 increased to \$24,740 from \$15,468 last year, and Adjusted Free Cash Flow Conversion¹ was 80% compared to 82% last year. For the nine months ended September 30, 2022, Adjusted Free Cash Flow¹ increased to \$82,688 compared to \$48,687 last year, and Adjusted Free Cash Flow Conversion¹ increased to 83% from 82% over the same period.

The increase in Adjusted Free Cash Flow¹ and Adjusted Free Cash Flow Conversion¹ for the three and nine month periods is attributable to the Company's strong, continued Adjusted EBITDA¹ growth and effective management of working capital, while generally maintaining low Capex requirements.

The following table provides a summary of the Company's cash flows for the periods indicated below:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Cash from operating activities	\$ 14,950	\$ 48,121	\$ 11,191	\$ 67,300
Cash used in investing activities	(158,665)	(150,411)	(389,705)	(258,531)
Cash from financing activities	137,958	181,482	308,933	330,541
Net change in cash and cash equivalents	(5,757)	79,192	(69,581)	139,310
Cash and cash equivalents at the beginning of period	184,175	124,923	248,193	64,767
Effect of foreign exchange fluctuations on cash held	(6,189)	6,229	(6,383)	6,267
Cash and cash equivalents at the end of the period	\$ 172,229	\$ 210,344	\$ 172,229	\$ 210,344

Cash from operating activities

Cash from operating activities was \$14,950 for the three months ended September 30, 2022. The was primarily attributable to a decrease in trade and other receivables of \$71,898 and inventories of \$6,511, offset by a decrease in trade and other payables of \$86,206 and income taxes payable of \$1,901, as compared to decreases in trade and other receivables of \$34,045 and increases in trade and other payables of \$16,896, offset by an increase of inventory of \$7,103 in the same period in 2021. For the nine months ended September 30, 2022, cash from operating activities was \$11,191 primarily due to decreases in trade and other payables of \$69,836, decreases in income taxes payable of \$18,926, offset by decreases in inventories of \$17,769, as compared to a decrease in

¹ This is a Non-IFRS measure (including non-IFRS ratio or supplementary financial measure) and not a recognized, defined or standardized measure under IFRS. See the Non-IFRS Financial & Supplementary Financial Measures section of this MD&A.

Converge Technology Solutions Corp. Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

trade and other receivables of \$93,065 and decrease in trade and other payables of \$48,706, offset by increases in inventories of \$31,290 and increases in deferred revenue and customer deposits of \$13,123 in the same period in 2021.

Cash used in investing activities

Cash used in investing activities for the three months ended September 30, 2022 was mainly due to the acquisition of TIG, GfdB, and Newcomp compared to the acquisitions of Vicom Infinity, Infinity Systems, and Rednet during the three months ended September 30, 2021. Deferred consideration interest payments of \$121 was paid during the three months ended September 30, 2022 compared to \$1,879 of deferred consideration and interest payments paid in the same period in 2021. For the nine months ended September 30, 2022, cash used in investing activities was mainly due to the acquisition of nine companies of \$353,683 compared to acquisition of seven companies of \$244,293 in the same period in 2021. Contingent consideration of \$10,135 and deferred consideration of \$7,069 was paid during the nine months ended September 30, 2022 compared to \$5,502 of contingent consideration and \$5,627 of deferred consideration paid in the same period in 2021.

Cash from financing activities

For the three months ended September 30, 2022, cash generated from financing was \$137,958, which was mainly driven by the Company's net borrowings of \$173,084, partially offset by repurchase of common shares of \$30,539 under the Company's NCIB. In the three-month comparative period for 2021, cash generated from financing was \$181,482, which was mainly driven by the Company's net proceeds from an equity raise in August 2021 totaling \$248,370, offset by net repayments under the Company's credit facility of \$51,900 and transfers to restricted cash of \$11,467 for the acquisition of LPA. For the nine months ended September 30, 2022, cash generated from financing was \$308,933, which was mainly driven by the Company's net borrowings of \$357,901, partially offset by repurchase of common shares of \$30,539 under the Company's NCIB, payment of lease liabilities of \$8,494, transfers to restricted cash of \$4,372, and interest paid of \$4,287. In the nine-month comparative period for 2021, cash generated from financing was \$330,541, which was mainly driven by the Company's net proceeds from equity raises in January 2021, June 2021, and August 2021 totaling \$493,886, offset by net repayments under the Company's credit facility of \$135,448, transfers to restricted cash of \$11,467 for the acquisition of LPA, payment of lease liabilities of \$7,001, and interest paid of \$5,639.

Use of Proceeds

The following tabular comparison details the actual use of the Company's revolving credit facility:

Intended use of Credit Facility	Estimated Amount	Actual use of Proceeds	Actual Amount	Variance
Acquisitions	Undetermined	January 1, 2022	\$8,203	No variance
		Acquisition of Visucom	(€5,700)	
		January 7, 2022	\$71,737	No variance
		Acquisition of PDS	(\$56,638 USD)	
		April 1, 2022	\$64,222	No variance
		Acquisition of CBI	(\$51,329 USD)	
		May 1, 2022	\$30,802	No variance
		Acquisition of IDX		

Converge Technology Solutions Corp. Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

June 17, 2022 Acquisition of Notarius	\$49,851	No variance
July 29, 2022 Acquisition of TIG	\$130,101 (\$101,451 USD)	No variance
July 29, 2022 Acquisition of GfdB	\$33,026 (€25,264)	No variance
September 9, 2022 Acquisition of Newcomp	\$18,285	No variance

Commitments and Contingencies

Commitments

As at September 30, 2022, the Company is committed under office building and computer equipment leases, for the following minimum annual rentals:

	September 30, 2022	December 31, 2021
	\$	\$
Minimum lease payments		
2022	3,341	8,137
2023	12,224	5,232
2024	8,365	3,317
2025	5,170	1,275
2026 and onwards	9,331	3,252
	38,431	21,213
Less: future finance charges	(4,514)	(3,404)
Present value of minimum lease payments	33,917	17,809
Current liabilities	11,490	6,859
Non-current liabilities	22,427	10,950
	33,917	17,809

Contingencies

In the normal course of operations, the Company is party to legal claims and contingencies. Accruals are made in instances where it is probable that liabilities have been incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, the Company does not believe that the ultimate outcome of these matters will have a material impact on its financial position.

Off-Balance Sheet Arrangements

As at September 30, 2022, the Company does not have any off-balance sheet arrangements other than the commitments and contingencies noted above.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Related Party Transactions

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly, including the Company's directors and officers.

Total amounts expensed for the Company's key management personnel was \$1,788 and \$5,099 for the three and nine months ended September 30, 2022 (for the three and nine months ended September 30, 2021 - \$1,954 and \$4,403) and includes salaries, bonuses, advisory fees, short-term employment benefits and other personnel costs.

On August 4, 2021, the Company entered into a loan agreement with key management personnel, borrowing principal totaling \$23,225 (€16,139) to purchase the 75% interest of Rednet, with interest on the unpaid principal balance at the rate of 5% per annum. The loan matures at the earlier of ten years from the acquisition date, or when either the seller's put option or the Company's call option are exercised. The loan balance as at September 30, 2022 was \$22,699 (December 31, 2021 – \$24,043). Interest expense recognized for the three and nine months ended September 30, 2022 was \$265 and \$790 (three months ended September 30, 2021 – nil).

Outstanding Share Capital

The table below provides a summary of the outstanding share capital of the Company as at September 30, 2022.

Capital	Authorized	Outstanding as at November 8, 2022	Outstanding as at September 30, 2022
Common shares	Unlimited	210,316,736	210,316,736
Exchange rights	Not applicable	321,689	321,689
Stock options		2,800,000	2,800,000
RSUs		69,675	69,675

Stock option plans

During the nine months ended September 30, 2022, 1,200,000 options (the "Options") for common shares were granted under the Company's long-term incentive plan. The Options vest over a four-year period with one quarter of the Options vesting every twelve months from the grant date. The Company uses the Black-Scholes option pricing model to value the Options at the time of grant. Management periodically reviews the estimates used for calculating the fair value of options; volatility is calculated at the time of option grant using historical share price trading activity; the risk-free interest rate is based on the government of Canada bond rate; the dividend yield is nil%; the expected annualized volatility is 52% to 60%; and the expected life of each option is 6.25 years after vesting.

During the three and nine months ended September 30, 2022, the Company recognized share-based compensation expense of \$1,115 and \$3,826 from stock option plans (three and nine months ended September 30, 2021 – \$1,193). As at September 30, 2022, 2,800,000 options were outstanding and 400,000 were exercisable, at a weighted average exercise price of \$8.60 per share with a weighted average remaining contractual life of 1.67 years.

Restricted stock units

During the nine months ended September 30, 2022, 69,675 restricted stock units (the "RSUs") were granted under the Company's long-term incentive plan. The RSUs fully vest over a one-year period from the grant date. The Company valued the RSUs at fair value based upon the closing stock price on the date of the grant.

During the three and nine months ended September 30, 2022, the Company recognized share-based compensation expense of \$160 and \$346 from RSUs (three and nine months ended September 30, 2021 – nil).

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Critical Accounting Policies and Estimates

Please see the Company's audited consolidated financial statements for the year ended December 31, 2021 for a discussion of the accounting policies and estimates that are critical to the understanding of the Company's business operations and the results of its operations.

New or Pending Accounting Standards, Amendments and Interpretations

The following new accounting standards were applied or adopted by the Company as at September 30, 2022:

Amendments to IFRS 9

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The adoption of this amendment did not have a material impact on the condensed interim consolidated financial statements.

The following new accounting standards have been issued but not yet adopted by the Company at September 30, 2022:

Amendments to IAS 1 In January 2020, IASB issued Classification of Liabilities as "Current" or "Non-current", which amends IAS 1.

The narrow scope amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The Company is still assessing the impact of adopting these amendments on its financial statements.

Amendments to IAS 8 In February 2021, IASB issued Definition of Accounting Estimates, which amends IAS 8.

The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company is still assessing the impact of adopting these amendments on its financial statements.

Amendments to IAS 12 In May 2021, IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which amends IAS 12.

The amendment narrows the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offset temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of transactions such as leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively.

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued Disclosure of Accounting Policies, which amends IAS 1 and IFRS Practice Statement 2. The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendment to IAS 1 requires companies to disclose their material accounting policy information rather than its significant accounting policies. The amendment also clarifies that not all accounting policy information that relates to material transactions, other events or conditions is material to the financial statements. The amendment to IFRS Practice Statement 2 adds guidance and examples to the materiality practice statement, which explains how to apply the materiality process to identify material accounting policy information. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied prospectively. The Company is currently analyzing the impact these amendments will have on its financial statements.

Amendments to IFRS 16 in September 2022, IASB issued Lease Liability in a Sale and Leaseback

The amendment specified the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. A sale and leaseback transaction involves the transfer of an asset by an entity to another entity and the leaseback of the same asset by the seller-lessee. The amendment is intended to improve the requirements for sale and leaseback transactions in IFRS 16. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

Risks and Uncertainties

The Company's business is subject to a number of risk factors which are described in its annual information form ("AIF") for the year ended December 31, 2021 and 2020 and its annual MD&A for the years ended December 31, 2021 and 2020, including a discussion of risk as a result of COVID-19 and updated in this MD&A (see "COVID-19" section), all available at www.sedar.com under the Company's profile. The risks presented in the Company's filings should not be considered to be exhaustive and may not be all of the risks that Converge may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. If any of the noted risks occur, it may negatively affect the financial results of the Company and adversely affect the market price of Converge.

Evaluation of Disclosure Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures. Under the supervision and with the participation of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), management evaluated the effectiveness of the Company's disclosure controls and procedures. Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to management, including the Company's certifying officers, as appropriate to allow timely decisions regarding required disclosure. Management concluded that the Company's disclosure controls and procedures were effectively designed as at September 30, 2022.

Evaluation of Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining internal control over financial reporting. Under the supervision and with the participation of the Company's President and CEO and the CFO, management evaluated the effectiveness of the Company's internal control over financial reporting. Internal control is a process designed by, or under the supervision of, an issuer's certifying officers, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes those policies and procedures that: (a) pertain to the maintenance of records that in reasonable detail accurately and

Converge Technology Solutions Corp.

Management Discussion and Analysis

(expressed in thousands of Canadian dollars, except share amounts and share prices)

fairly reflect the transactions and dispositions of the assets of the company; (b) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the IFRS, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (c) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual financial statements. Management concluded that the Company's internal controls over financial reporting were effectively designed and operating as at September 30, 2022. There were no significant changes to the Company's internal controls over financial reporting for the period ended September 30, 2022.

Further Information

Additional information relating to the Company is available on the Company's website at www.convergetp.com.