



Converge Technology Solutions

Technology & Cloud Solutions Provider

August 2023

Disclaimer

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION: The information contained in this presentation has been prepared by Converge Technology Solutions Corp. (“Converge” or the “Company”). This presentation includes information, statements, beliefs and opinions which are forward-looking, and which reflect current estimates, expectations and projections about future events. Statements containing the words “believe”, “expect”, “intend”, “should”, “seek”, “anticipate”, “will”, “positioned”, “project”, “risk”, “plan”, “may”, “estimate” or, in each case, their negative and words of similar meaning are intended to identify forward-looking statements. Forward-looking statements relate to, among other things, the Company’s objectives and strategy, acquisition and expansion plans, future cash flows, financial condition, operating performance and demand for services. By their nature, forward-looking statements involve a number of known and unknown risks, uncertainties and assumptions concerning, among other things, the Company’s anticipated business strategies, anticipated trends in the Company’s business and anticipated market share, that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. The foregoing and other material risks and uncertainties are discussed in our public filings at www.sedar.com, including in our management discussion & analysis (“MD&A”) that accompanies the financial statements for the period ended June 30, 2023 and for the year ended December 31, 2022 and our annual information form for the year ended December 31, 2022 filed under the Company’s profile on SEDAR at www.sedar.com. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. In addition, even if the outcome and financial effects of the plans and events described herein are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. Although Converge has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking information contained in this presentation is based on the Company’s current estimates, expectations and projections, which the Company believes are reasonable as of the date hereof. The Company can give no assurance that these estimates, expectations and projections will prove to have been correct. Readers should not place undue reliance on forward-looking statements, which are based on the information available as of the date hereof. Forward-looking statements contained in this presentation are made as of the date hereof and, except as required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Historical statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. In this regard, certain financial information contained herein has been extracted from, or based upon, information available in the public domain and/or provided by the Company. In particular, historical results should not be taken as a representation that such trends will continue or be replicated in the future. No statement in this presentation is intended to be nor may be construed as a profit forecast.

CAUTIONARY NOTE REGARDING FUTURE-ORIENTED FINANCIAL INFORMATION: To the extent any forward-looking information in this presentation constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated market penetration and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information are generally, without limitation, based on the assumptions and subject to the risks set out above under the heading “Cautionary Note Regarding Forward-Looking Information”. Converge’s actual financial position and results of operations may differ materially from management’s current expectations and, as a result, Converge’s revenue and expenses may differ materially from the revenue and expenses profiles provided in this document. Such information is presented for illustrative purposes only and may not be an indication of Converge’s actual financial position or results of operations. .

USE OF NON-IFRS MEASURES AND RATIOS: Converge’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the accounting policies we adopted in accordance with IFRS. In this presentation, management has used certain terms, including Adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) and Adjusted Net Income, Gross Sales, Organic Growth, Backlog and ARR, which are not recognized under IFRS and do not have a standardized meaning under IFRS. Converge’s method of calculating such non-IFRS measures and ratios may differ from methods used by other companies and therefore may not be comparable to similar measures presented by other companies. The Company refers to the non-IFRS measures and ratios because certain investors may use this information to assess the Company’s performance and also determine the Company’s ability to generate cash flow. Such non-IFRS measures and ratios are furnished to provide additional information and should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS and is not necessarily indicative of operating costs presented under IFRS. A full description of these non-IFRS measures and ratios and reconciliations for such non-IFRS measures and ratios can be found in the MD&A that accompanies the financial statements for the period ended June 30, 2023 and for the year ended December 31, 2022 and filed under the Company’s profile on SEDAR at www.sedar.com.

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

Company Overview

Converge (TSX:CTS) is a services-led, software-enabled, end-to-end IT solutions provider focused on the delivery of advanced analytics, application modernization, cloud, cybersecurity, digital infrastructure, and digital workplace offerings to enterprise customers.

Business Overview

- Converge is a global IT solutions and managed services provider with 60 offices, delivering advanced analytics, application modernization, cloud platforms, cybersecurity, digital infrastructure, and digital workplace offerings to customers across various industries, with expertise across all major IT vendors
- Target customers are the underserved mid-market companies, including corporate and government customers
- Converge has an exceptional M&A track record, driving margin improvements through rebates and discounts, cross-selling higher value solutions, increasing recurring revenues, and optimizing working capital in all of its investments

H1'23 By Numbers

\$ 1.9B

Gross
Sales*

+37%
Y/Y

\$347.3M

Gross
Profit

+32%
Y/Y

\$82.7M

Adjusted
EBITDA*

+20%
Y/Y

Q2'23 Financial Highlights

\$ 957.2M

Gross
Sales*

+31%
Y/Y

\$175.7M

Gross
Profit

+32%
Y/Y

\$41.5M

Adjusted
EBITDA*

+6%
Y/Y

End-to-End IT Solutions Provider

In each solution area, Converge can support its customers at any point in their journey – from initial assessment and planning, to design and implementation, to ongoing management and support (AIM)



Advise



Implement



Manage

**Supported by Deep Vendor Dynamics
Across IT Landscape**

10

Key Vendor
Relationships

1,000+

Total Partner
Relationships



* Non-IFRS measure. Refer to reconciliation to nearest IFRS measure provided in appendix to this presentation.



2021 – Top NA Sell Business Partner

2021 – Beacon Award for Outstanding Technology SSS

2021 – IBM Data and AI Business Unit Excellence

2021 – IBM Business Unit Excellence Award for Digital Trust

Platinum Partner Status



2020, 2021 & 2022 Ingram Micro Cloud Reseller of the Year Award for North America

2022 Ingram Micro Women in Cloud Female Leader of the Year Award, Rochelle Manns

2021 – Ingram Micro Blue Series Partner of the Year & CORE Partner of the Year NA



2022 – Advantage Partner of the Year

2021 – Elite Partner Status



2021 – North America SMB Partner of the Year

2021 – Platinum Partner Status



2021 – Top NA IBM and Red Hat Synergy Partner

Premier/APEX Partner Status



2023 – Elite 150 on MSP 500

2023 – Solution Provider 500 List Ranked #30

2023 – Fast Growth 150 List Ranked #34

2022 – Tech Elite 250 Category



2022 – Multiple Region Partner of the Year



2023 – North America Partner of the Year - West Region



MC: Data Center Virtualization

MC: Network Virtualization

MC: VMware Cloud on AWS

MC: Cloud Mgmt and Automation

Recent Business Highlights

- Announced the conclusion of the strategic review process and the dissolution of the Special Committee on May 9, 2023.
- The Board of Directors have authorized the initiation of a quarterly dividend. Declaring second quarter dividend of \$0.01 per common share to be paid on September 22nd, 2023 to shareholders of record at the close of business on September 8th, 2023
- Converge concluded its previously announced NCIB program after purchasing 4.28 million shares throughout Q2-23
- The Company announced that the Toronto Stock Exchange approved the Company's Notice of Intention to make a Normal Course Issuer Bid. Pursuant to the NCIB, the Company may purchase for cancellation up to an aggregate of 19,427,276 common shares. All common shares acquired by the Company under the NCIB will be cancelled
- Announced the appointment of Avjit Kamboj to Chief Financial Officer, a finance and technology executive with over 16 years of experience in capital and international markets.
- In Q4-22 the Company appointed Sean Colicchio to Global Chief Information Security Officer, responsible for Converge's physical and digital security strategies as well as the identification and mitigation of cybersecurity risks.
- Awarded the 2023 NetApp North America Partner of the Year for the West Region.
- Achieved 34th spot on CRN® 2023 Fast Growth 150 list, 2023 Solution Provider 500 for the fourth year in a row, ranking 30th, and Managed Service Provider (MSP) 500 List in the Elite 150 Category. Along with being named CRN® 2022 Triple Crown Award winner by earning a placement on each of the Solution Provider 500, the Fast Growth 150 and the Tech Elite 250 and ranked 8th on Canada's 2023 CDN® Top 100 Solution Providers.

Key Investment Highlights



Large and Fragmented IT Market in North America and Europe

Converge currently commands a small fraction of the IT market, but is leveraging well-established regional businesses and customer relationships to drive market penetration of an estimated \$1.3 trillion market⁽¹⁾



Full Spectrum IT Solution Provider Positioned to Benefit from Shift to the Cloud

The emerging digital economy is pressuring companies of all sizes to shift workloads from legacy on-premise infrastructure to the cloud; Converge delivers an unparalleled level of service and expertise supporting customers throughout the entire journey from initial assessment and planning, to design and implementation, to ongoing management and support



Mid-market Focus

Converge targets mid-market customers (500 - 10,000 employees) with lean internal IT teams that are more reliant on the Company as a partner, while avoiding competing with the larger, global IT services firms; this has led to a well-diversified, blue-chip customer base, low customer concentration, and growing natural wallet share



Proven Ability to Identify, Close and Integrate M&A Opportunities

Converge has completed 35 transactions over the last 6 years, allowing the team to develop a proven and repeatable strategy to identify, acquire, and integrate M&A opportunities, often with meaningful cost savings realized



Recognized Ability to Convert Value Added Reseller (“VAR”) Centric Businesses to Unique Differentiated IT, Consulting & Managed Service Driven Solution Providers, Driving Valuation Multiple Expansion

Demonstrated success of consolidating smaller and often under capitalized regional VARs, and transforming them through solution expansion, automation, and innovation into integrated, higher-margin, managed services providers with long-term, multi-year engagements



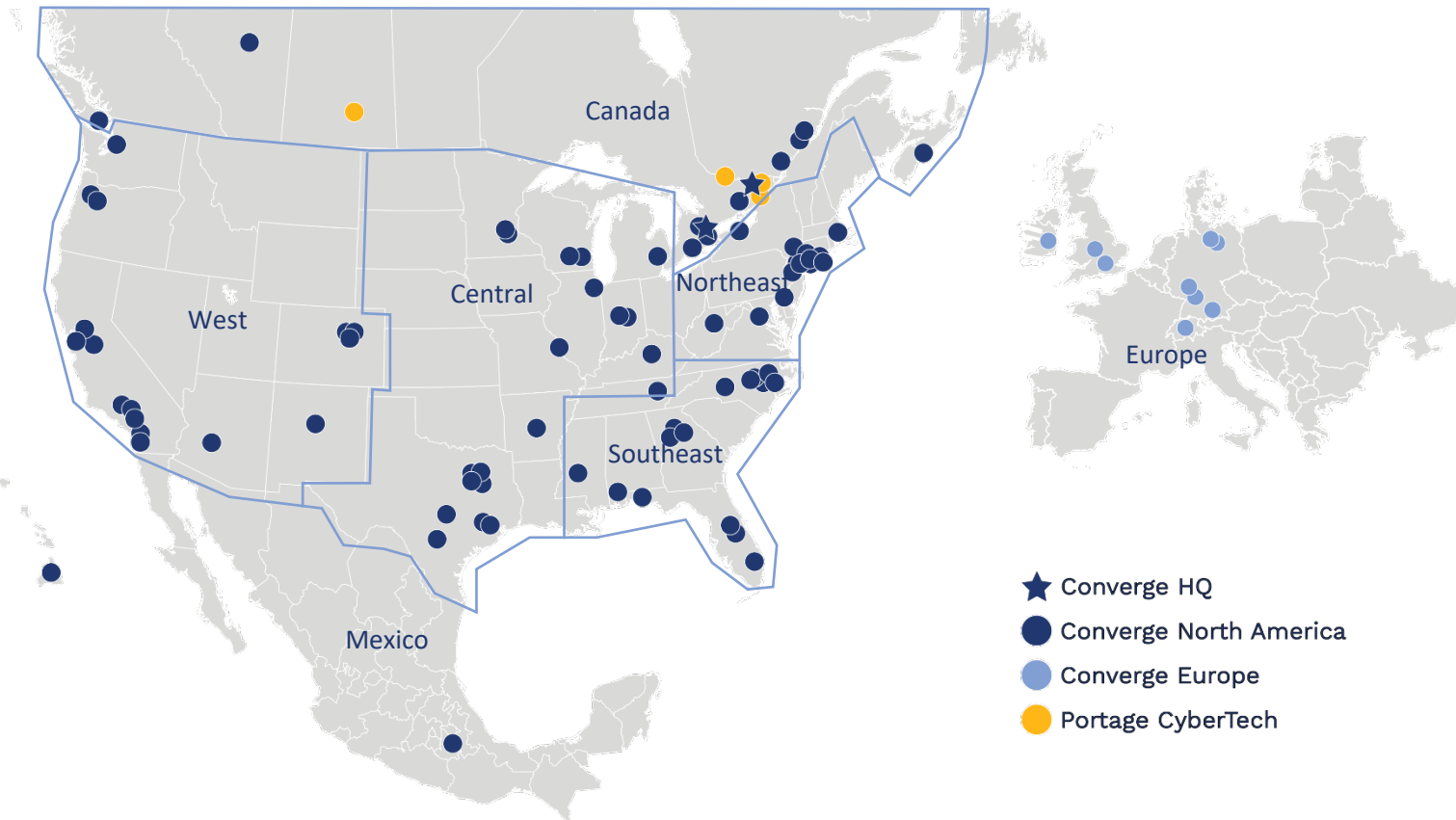
Experienced and Proven Management Team

Converge benefits from a highly experienced management team, with extensive experience across the IT services, VAR, and software industries, which is aligned with shareholders through meaningful ownership of the Company

1. Gartner 2022 Global IT Services Market

Converge Platform

Scaled Footprint with Strong Partner Relationships and Capabilities



60+ Global Office Locations	500+ Global Sales Personnel	1,500+ Global Technical Resources
60+ Pre-Sales Solution Architects	35 Solution Specialists	
<hr/> <i>with</i> <hr/>		
1,000+ Certifications	4,000+ Customers	
10 Key Partner Relationships	1,000+ Total Partner Relationships	

Fully Integrated Set of Solutions & Services

A Full Suite of Solutions...



Advanced Analytics

- AI/ML
- Business Analytics
- Data Visualization
- Data Platforming & Integration
- Financial & Operational Mgmt.
- Robotic Process Automation



Application Modernization

- Application Development & Migrations
- DevOps
- Containers Services & Kubernetes
- Automation & Orchestration
- Observability & Intelligent Ops
- Integration & Middleware



Cloud Platforms

- Cloud Foundations & Landing Zones
- Cloud Migrations
- IBM Power on Cloud
- VMware on Cloud
- Infrastructure as Code & Automation
- Cloud Governance & Operations
- FinOps & Cost Optimization



Cybersecurity

- Advanced Testing
- Governance, Risk & Compliance
- Incident Response
- Architecture & Integration
- Strategic Staffing
- Managed Security



Digital Infrastructure

- Datacenter & Compute
- Intelligent Networking
- Customer Experience
- Multi-site Deployment
- Configuration Centers
- Infrastructure Security



Digital Workplace

- Voice & Unified Communications
- Workplace Productivity Solutions
- Endpoint Management Solutions
- Virtual Desktop Solution
- End User Compute



GIDS

- Planning/Acquisition
- Configuration
- Deployment
- Support
- Management
- Retirement/Disposal

...Delivered through End-to-End Service Offerings



Advise

- Architecture Planning & Insights
- Roadmap Design & Prioritization
- Software Asset Management
- Strategic Transformation Workshops & Assessments



Implement

- Agile Methodology & DevSecOps
- Build & Design
- Integration & Support
- Program & Project Management
- Talent Services



Manage

- Service Desk & Managed ITSM
- Managed Applications (AMS)
- Security Operations Center (SOC)
- Infrastructure Operations Center (IOC)

Diversified Blue Chip Mid-Market Customer Base

Converge focuses on the underserved mid-market and lacks significant customer or sector concentration

Case Studies



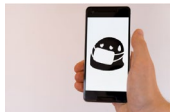
Medical Device Company Achieves DevSecOps Compliance



Construction Company Rebuilds After Ransomware Attack



Institutional Brokerage Firm Invests in Business Intelligence



Federal Health Agency Discovers the Art of Possible with AI for Remote Work



Global Fintech Leader Banks on Talent Solutions for Application Modernization & Cloud Migration



Industry-Leading Manufacturer Finds the Right Talent



State's Internal IT Services Successfully Establishes Disaster Recovery Plan



County Consolidates Disparate Systems to Single Data Protection Solution



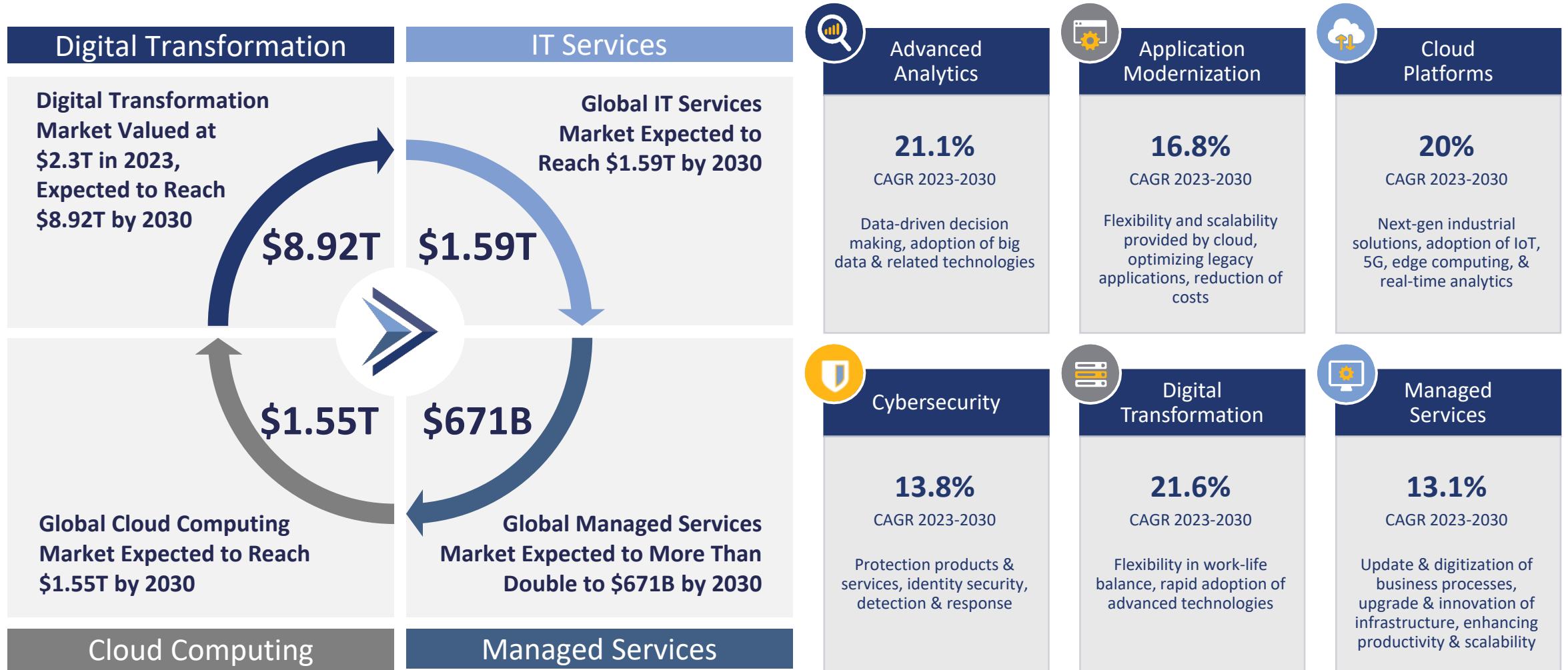
World-Class Data Science Firm Builds Data Lake and Pipeline Application to Store & Transform Data

Executive Briefings

- Converge has been very successful in building relationships with customers through holding Executive Briefing sessions
- A sales rep will take a senior team of Converge specialists to meet with an existing customer's CTO and all relevant technology focused senior staff
- Converge's aim for this meeting is to ensure that the client is aware of the breadth of services and expertise that it has, especially for customers in divisions that have been recently acquired by Converge who would have been provided a much more limited service previously
- The customer can talk through its existing solutions, where it is unhappy with a service provider or frustrations it is having with established processes to see if the team can suggest alternatives
- The Converge team can recommend the latest best practices and introduce its specialists to see if they can deliver better service
- This has worked well for both small and large accounts – a recent success came in one of Converge's larger accounts where they met with the customers CTO and 5 senior VPs in technology which resulted in seven new service leads for the Converge team to follow up
- Converge delivered over **107** client facing-events in **H1'23**

Converge achieved **112 net new logo wins** in Q2 2023, contributing to 215 for H1'23¹

Market Opportunity – By Sector



Source: IDC, Forrester, eMarketer, Gartner, MarketingLand, BigCommerce, IDG, Canalys, Spiceworks, ResearchAndMarkets, Mordor Intelligence, Grand View Research

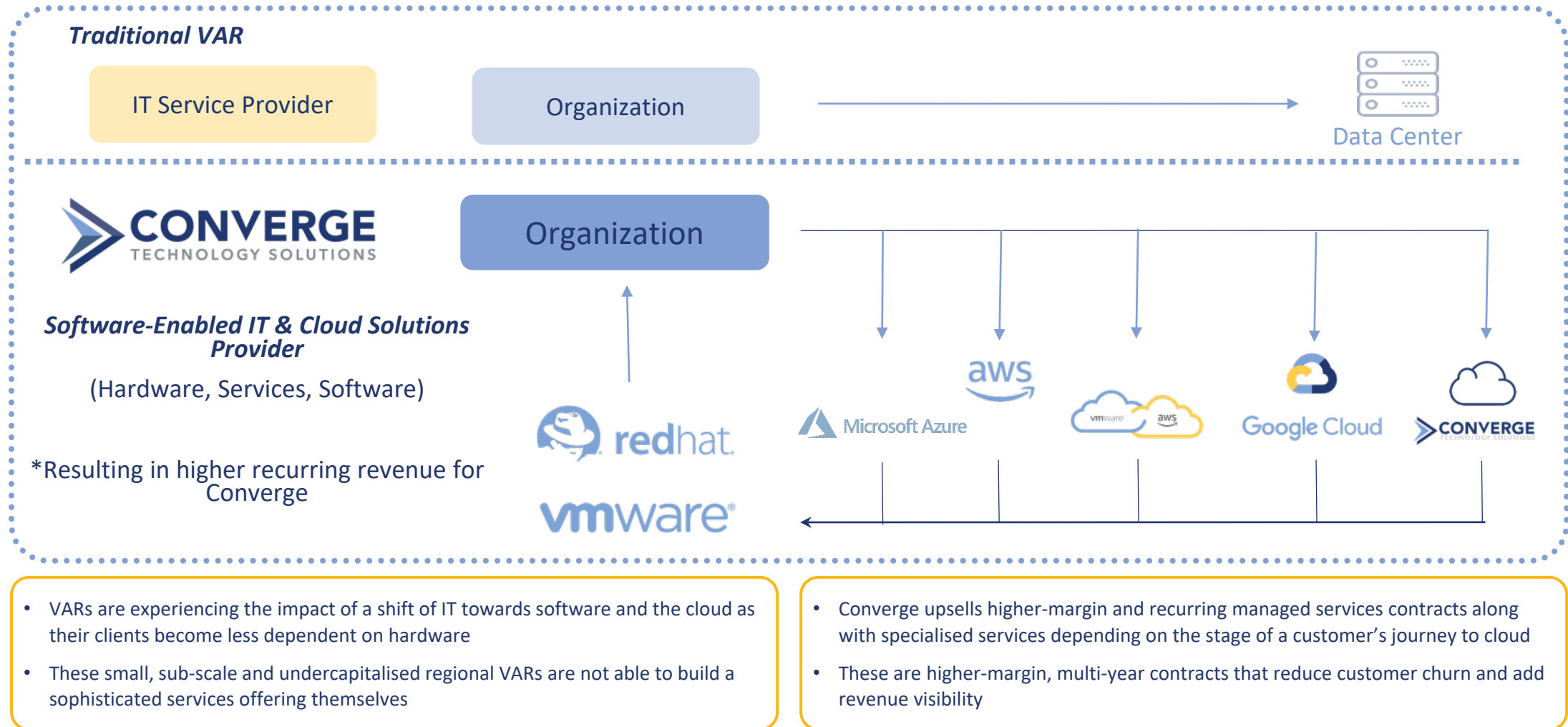
Confidential and Proprietary Copyright © 2022 Converge Technology Solutions Corp.

Source: MarketsandMarkets, Fortune Business Insights, Market Research Future

Differentiated Business Model with Unique Strategic Focus Areas

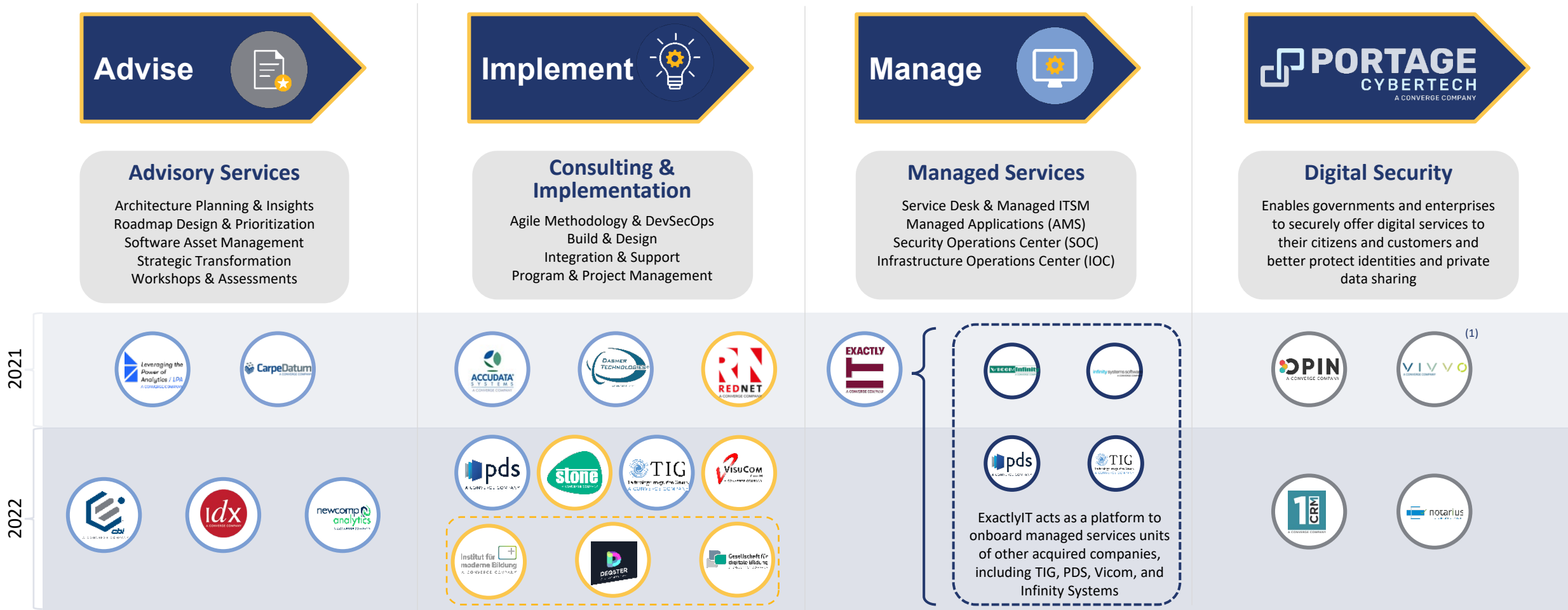


Transformation into a Software-Enabled IT & Cloud Solution Provider



Proven M&A Track Record and Growth Roadmap

Converge has a proven M&A track record and strategy targeting new geographies, expanding capabilities, and differentiating itself from its competitors



Source: Converge management and public filings

Note: Acquisitions over the last two fiscal years

1. Acquired in December 2020

Significant Cost Savings Realized as Acquired Companies Migrate onto Converge Platform

Acquisition Strategy Template⁽¹⁾

5.0x
multiple on
\$3m EBITDA

- Acquire Target which generates \$100m of revenue and 3% EBITDA margins for 5.0x EBITDA (\$15m)

+\$3.5M
EBITDA

- Target can access Converge's volume discounts with key vendors adding 1.5% to the EBITDA margin (4.5% margin)
- Cost savings through headcount reduction adds a further 2% to EBITDA margin (6.5% margin)

2.5x
multiple on
\$6.5m EBITDA

- By following this strategy Converge can lower the effective multiple paid from 5.0x to 2.5x EBITDA
- Acquisitions are value accretive very quickly

+\$3M
cash

- Target can access Converge's superior payment terms, lengthening payment terms from 45 days to 60-75 days
- This can free up \$3-7m of working capital

+\$3-4M
EBITDA

- Target can cross-sell Converge's broader offering including managed services to its existing customer base

Additional Growth Drivers



Improved Technical Knowledge

- Larger knowledge base enabling enhanced training and retooling opportunities for acquired staff, increasing employee satisfaction, and lowering churn



Improved Systems and Reporting

- Migration to consolidated ERP and reporting tools allowing for better visibility, optimization and planning
- Introduce Converge "TrustBuilder" platform into large North American customer footprint



Optimized Marketing Spend

- Run campaigns with tier-1 vendors repeating industry sales across geographies



Broader & Deeper Solutions Offerings

- Cross-sell best of breed solutions and higher margin services to other Converge customers



Scale Begets Scale

- Leverage relationships to increase enterprise and large government opportunities

Source: Converge management and public filings

1. Acquisition Strategy Template is indicative of customer-centric VAR acquisitions, and not necessarily the template for all acquisitions (especially acquisitions for expanded capabilities)

Meticulous Approach to M&A Integration to Achieve Operational Excellence

Converge integrates acquisitions at an exceptional rate to maximize performance and minimize costs across the platform

Converge Completed 41 Integration Projects in 2022



...Building Toward Full Integration Across 9 Various Workstreams



Integration Timeline Strategy

	30 Days	90 Days	120 Days	270 Days
Finance Integration Plan (Public Controls)	X			
Top Vendor Certifications	X			
Sales and services staff regionalized and reporting to President	X			
HR, IT, Operational Finance and Sales Support Staff Regionalized and Reporting to COO	X			
Brand as a "Converge Company"	X			
Cross Sell New Services and Products (Executive Briefings, Customer Workshops)		X		
Marketing Programs to Promote Cloud Services and Expertise		X		
IT Integration			X	
Financial ERP, PSA Integration, Concur				X
CRM				X

Key Deliverables

30 Days

- Small visible changes
- Signal the post acquisition reality of being a Converge Company
- Increase vendor rebates
- Accounting and reporting standards established

90 Days

- Cross Selling

120 – 270 days

- Some larger process and system changes
- Back-office integration



Key Financials

H1 and Q2 2023

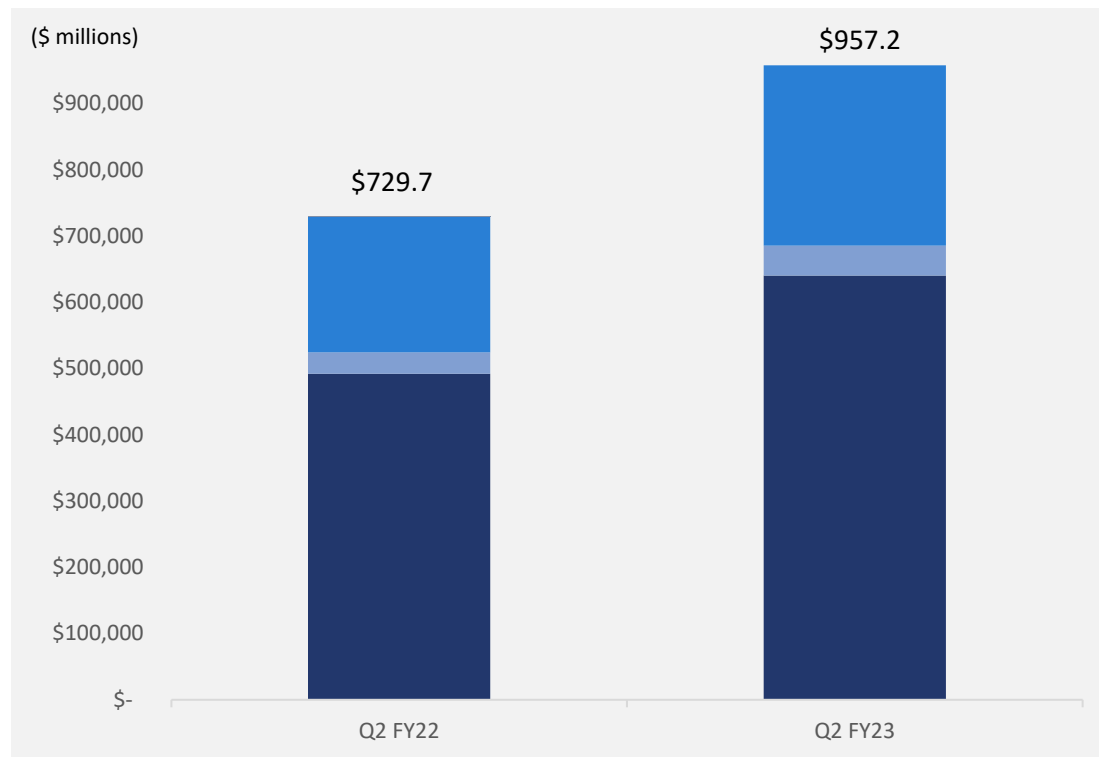
Key Financial Metrics

<i>In \$000s except per share amounts</i>	Q223	Q222	H123	H122
Gross Sales¹	957,219	729,678	1,922,477	1,403,607
Revenue	665,813	515,196	1,344,011	1,009,236
Gross Profit (GP)	175,672	133,152	347,260	242,196
Gross Profit (GP) as %	26.4%	25.8%	25.8%	24.0%
Adjusted EBITDA¹	41,527	39,187	82,735	68,836
Adjusted EBITDA¹ as % of GP	23.6%	29.4%	23.8%	28.4%
Adjusted EBITDA¹ as % of Revenue	6.2%	7.6%	6.2%	6.8%
Net (loss) income	(4,495)	11,678	(7,856)	9,270
Adjusted net income¹	25,124	29,900	49,565	52,410
Adjusted EPS¹	0.12	0.14	0.24	0.24

¹Non-IFRS measure. Refer to reconciliation to nearest IFRS measure provided in appendix to this presentation.

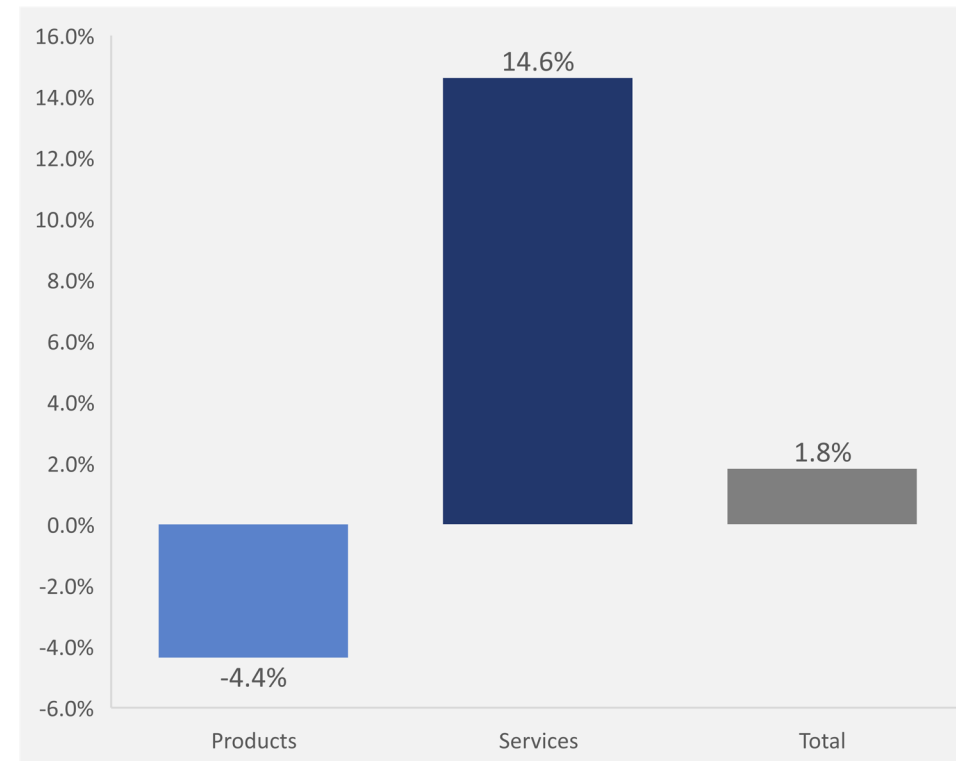
Q2'23 | Gross Sales

Gross Sales – Q2'23



Hardware & Software ■ 3rd Party & Professional Services ■ Managed Services ■

Organic Growth – Q2'23



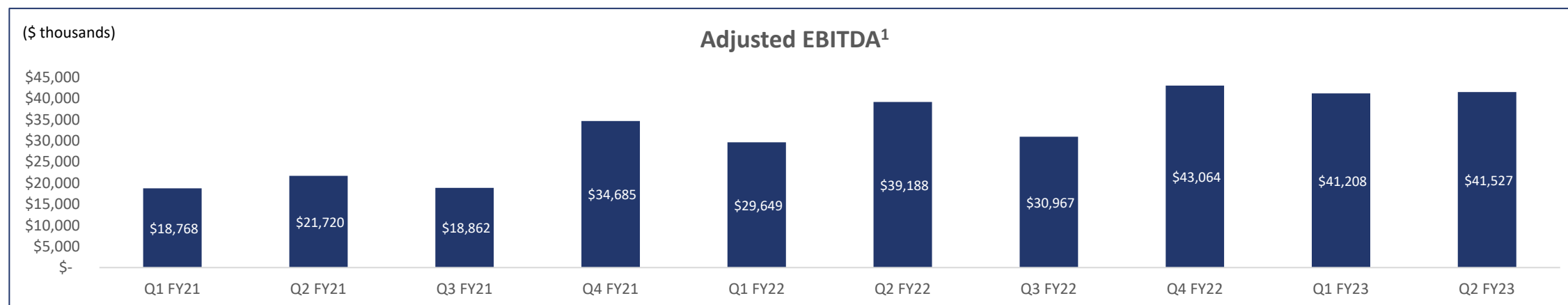
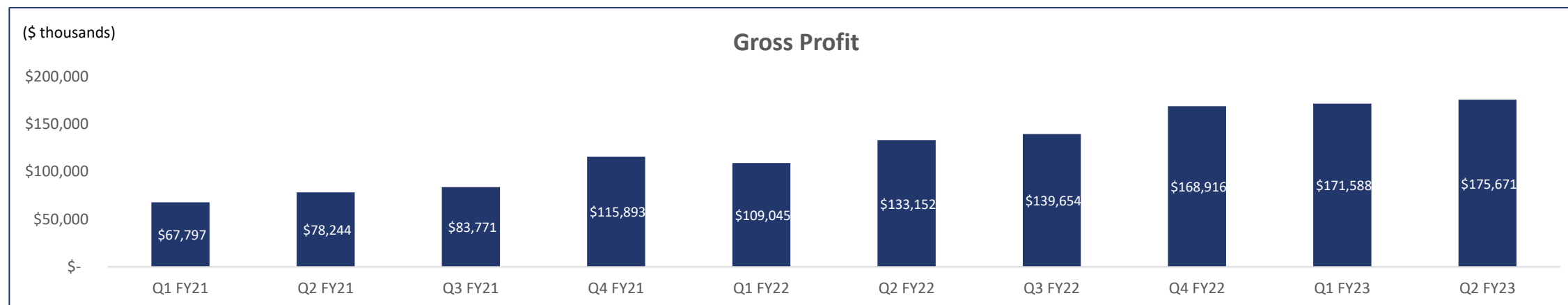
Decrease ■ Increase ■ Total ■

Services gross sales organic growth of 14.6% (1.8% organic growth overall)

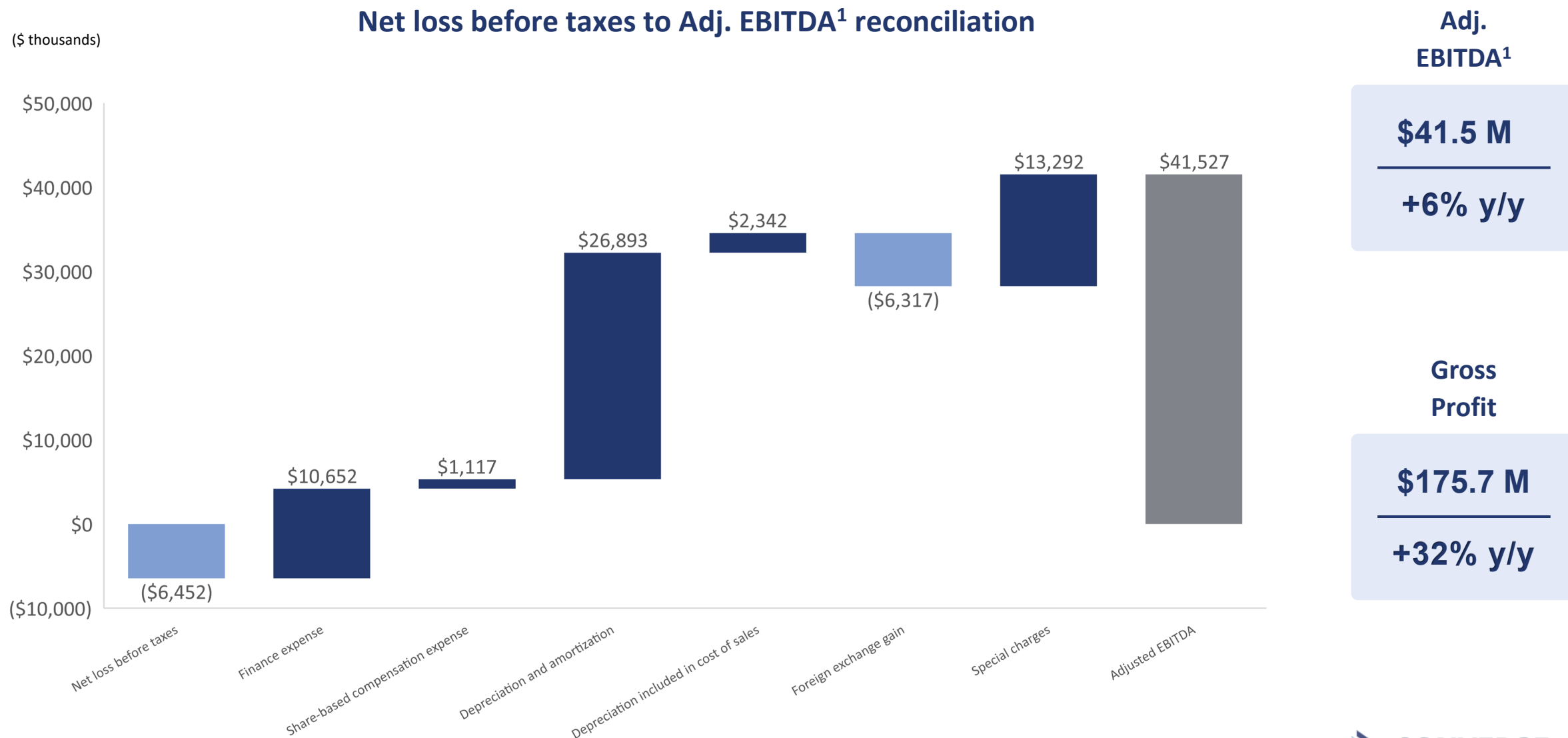
Managed Services ARR = \$152.5 Million

Profitability

Record Gross Profit of \$175.5 Million in Q2 FY23, 32% increase year over year



Adjusted EBITDA

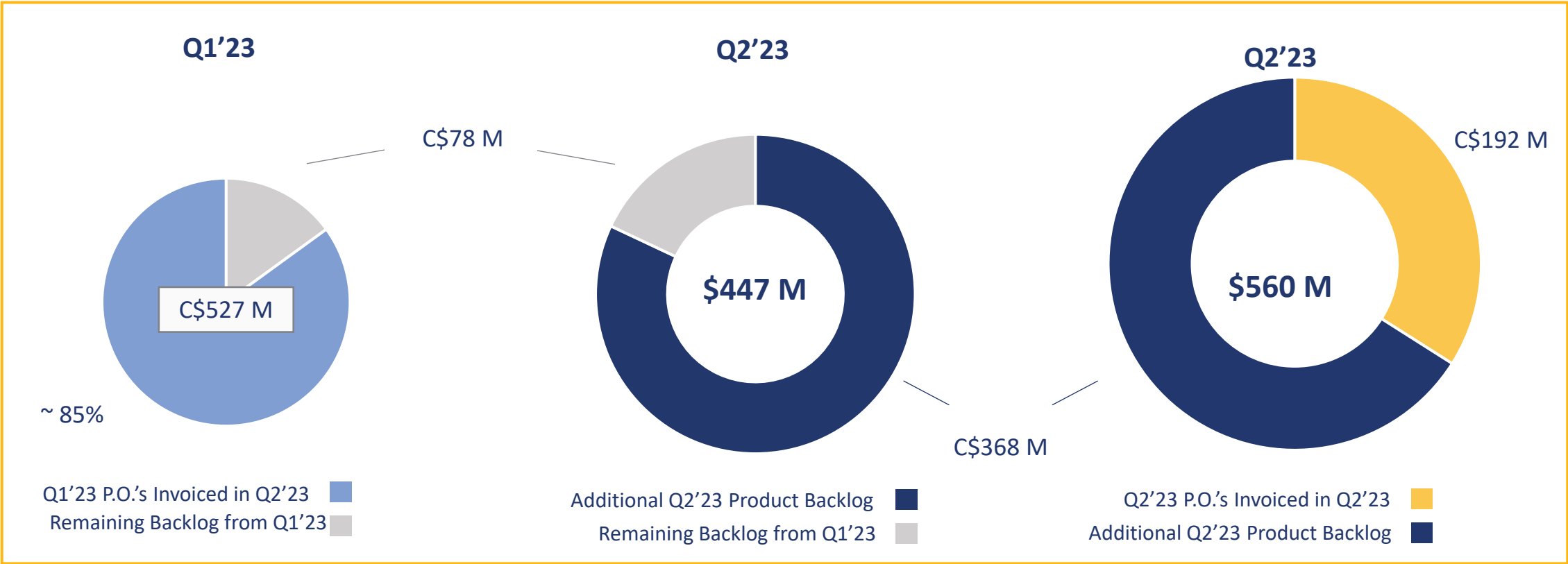


Converge Backlog Management

In Q1, the Company invoiced over 85% of the existing Q1 backlog. Based on new orders in Q2, backlog was updated to \$447M heading into Q3. Given that \$192 million of orders received in Q2 invoiced in Q2, \$560 million of new orders was generated throughout the second quarter highlighting the strength of demand from mid-market customers.

CTS Product Backlog

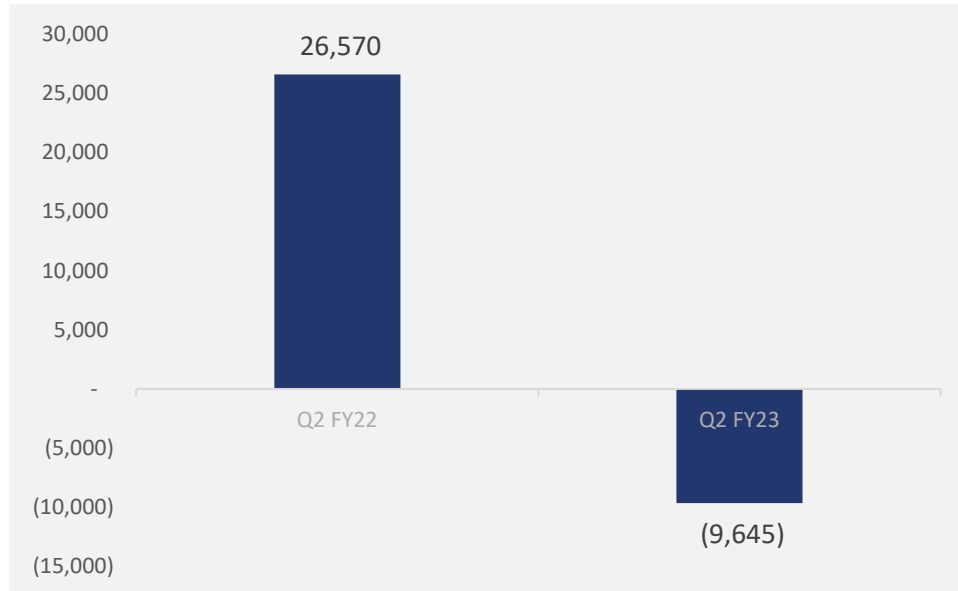
Demand Generated in Q2'23



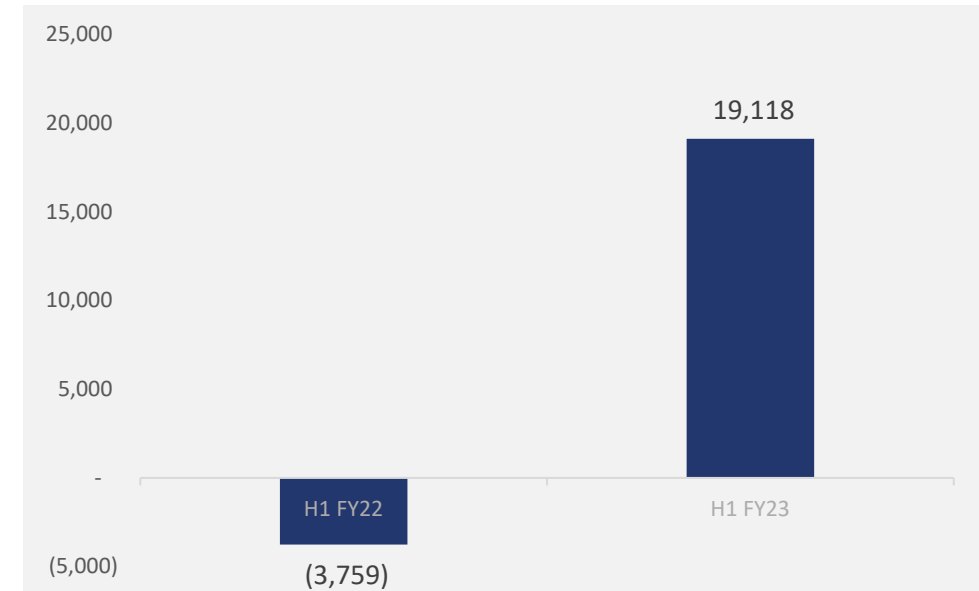
Note: Bookings backlog is calculated as purchase orders received from customers not yet delivered at the end of the fiscal period for North America Region.
Confidential and Proprietary Copyright © 2023 Converge Technology Solutions Corp.

Liquidity and Cash Flows

Cash from operating Activities – Q2'23



Cash from operating Activities – H1'23



**Liquidity
available**

~\$250M

**Net Debt to
Adjusted EBITDA¹
Leverage per credit
agreement**

2.8x



Thank You

Investor Relations

investors@convergetp.com

Non-IFRS Measures & Reconciliation



Adjusted EBITDA

	Q2 2023	Q2 2022	Q2 2023 LTM	Q2 2022 LTM
Net income (loss) before taxes	(6,452)	13,078	(9,738)	12,077
Finance expense	10,652	3,094	20,002	4,912
Share-based compensation expense	1,117	1,685	1,965	2,897
Depreciation and amortization	26,893	17,178	52,783	31,657
Depreciation included in cost of sales	2,342	1,561	4,002	2,312
Foreign exchange loss	(6,317)	(2,968)	(3,855)	3,701
Special charges	13,292	5,559	17,576	11,280
Adjusted EBITDA	41,527	39,187	82,735	68,836

Non-IFRS Measures & Reconciliation



Adjusted Earnings per Share (EPS)

	Q2 2023	Q2 2022	Q2 2023 LTM	Q2 2022 LTM
Net income (loss)	(4,495)	11,678	(7,856)	9,270
Special charges	13,292	5,559	17,576	11,280
Amortization on acquired intangibles	21,527	13,946	41,735	25,262
Foreign exchange (gain) loss	(6,317)	(2,968)	(3,855)	3,701
Stock based compensation	1,117	1,685	1,965	2,897
Adjusted Net Income	25,124	29,900	49,565	52,410
Adjusted Earnings per Share (EPS) - basic	\$ 0.12	\$ 0.14	\$ 0.24	\$ 0.24
Weighted average # of shares - basic	208,331	215,292	208,649	214,847

Non-IFRS Measures & Reconciliation



Gross Sales

	Q2 23	Q2 22	Q2 23 LTM	Q2 22 LTM
Product	639,996	491,821	1,305,306	945,210
Managed services	45,182	32,268	85,818	66,251
Third party and professional services	272,041	205,589	531,353	392,146
Gross sales	957,219	729,678	1,922,477	1,403,607
Adjustment for sales transacted as agent	(291,406)	(214,482)	(578,466)	(394,371)
Net revenue	665,813	515,196	1,344,011	1,009,236

Gross Sales Organic Growth

	Q2 2023	Q2 2022
Gross sales	957,219	729,678
Less: gross sales from Companies not owned in comparative period	214,227	215,748
Gross sales of Companies owned in comparative period	742,992	513,930
Prior period gross sales	729,678	452,120
Organic Growth - \$	13,314	61,810
Organic Growth - %	1.8%	13.7%

Non-IFRS Measures & Reconciliation



Gross Profit Organic Growth

	Q2 2023	Q2 2022
Gross profit	175,672	133,152
Less: gross profit from companies not owned in comparative period	39,239	40,737
Gross profit of companies owned in comparative period	136,433	92,415
Prior period gross revenue	133,152	78,244
Organic Growth - \$	3,281	14,171
Organic Growth - %	2.5%	18.1%