



Converge Technology Solutions

Technology & Cloud Solutions Provider

November 2023

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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 EBITDA, Adjusted Net Income, Gross Sales, Organic Growth, Product Bookings Backlog and ARR, which are not recognized under IFRS and do not have a standardized meaning under IFRS. 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. 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. 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, are cautioned not to put undue reliance on non-IFRS measures and view them in conjunction with the most comparable IFRS financial measures. A full description of these non-IFRS measures and reconciliations for such non-IFRS measures can be found in the MD&A that accompanies the financial statements for the period ended September 30, 2023 and for the year ended December 31, 2022 and filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

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

YTD'23 By Numbers

\$ 2.96B

Gross
Sales*

+38%
Y/Y

\$521.4M

Gross
Profit

+36%
Y/Y

\$123.8M

Adjusted
EBITDA*

+24%
Y/Y

Q3'23 Financial Highlights

\$1.04B

Gross
Sales*

+42%
Y/Y

\$174.1M

Gross
Profit

+25%
Y/Y

\$41.3M

Adjusted
EBITDA*

+33%
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



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



MC: Data Center Virtualization

MC: Network Virtualization

MC: VMware Cloud on AWS

MC: Cloud Mgmt and Automation



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



2023 – Elite 150 on MSP 500

2023 – Solution Provider 500 List Ranked #30

2023 – Fast Growth 150 List Ranked #34

2023 – Tech Elite 250 Category



2023 – Customer Experience Partner of the Year - Central Region



2023 – North America Partner of the Year - West Region

Recent Business Highlights

- Converge launched "Coffee and Converge", a series of in-person and virtual events showcasing the depth of the Company's vast and unique offerings, occurring over several quarters. The inaugural event was held in September and focused on the company's Artificial Intelligence and Cybersecurity practices and the second installment of the series was held on November 2nd highlighting Converge's Managed Services practice areas. Recordings of the webcasts are available in the Recent Events section of [Converge Investors Page](#).
- Converge announced in Q3-23 the company exceeded over a billion dollars in Gross Sales¹, an increase of 42% from the comparative period in the prior year.
- The Board of Directors authorized a third quarter dividend of \$0.01 per common share to be paid on December 28, 2023 to shareholders of record at the close of business on December 13, 2023
- Announced the conclusion of the strategic review process and the dissolution of the Special Committee on May 9, 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.
- Awarded for the second consecutive year CRN® 2023 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 announced the 2023 NetApp North America Partner of the Year for the West Region.
- Achieved the 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 and ranked 8th on Canada's 2023 CDN® Top 100 Solution Providers

¹ This is a non-IFRS measure and not a recognized, defined or standardized measure under IFRS. See "Use of Non-IFRS Measures" in the disclaimer and refer to the Appendix to this presentation for a reconciliation to the most directly comparable IFRS financial measure.

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



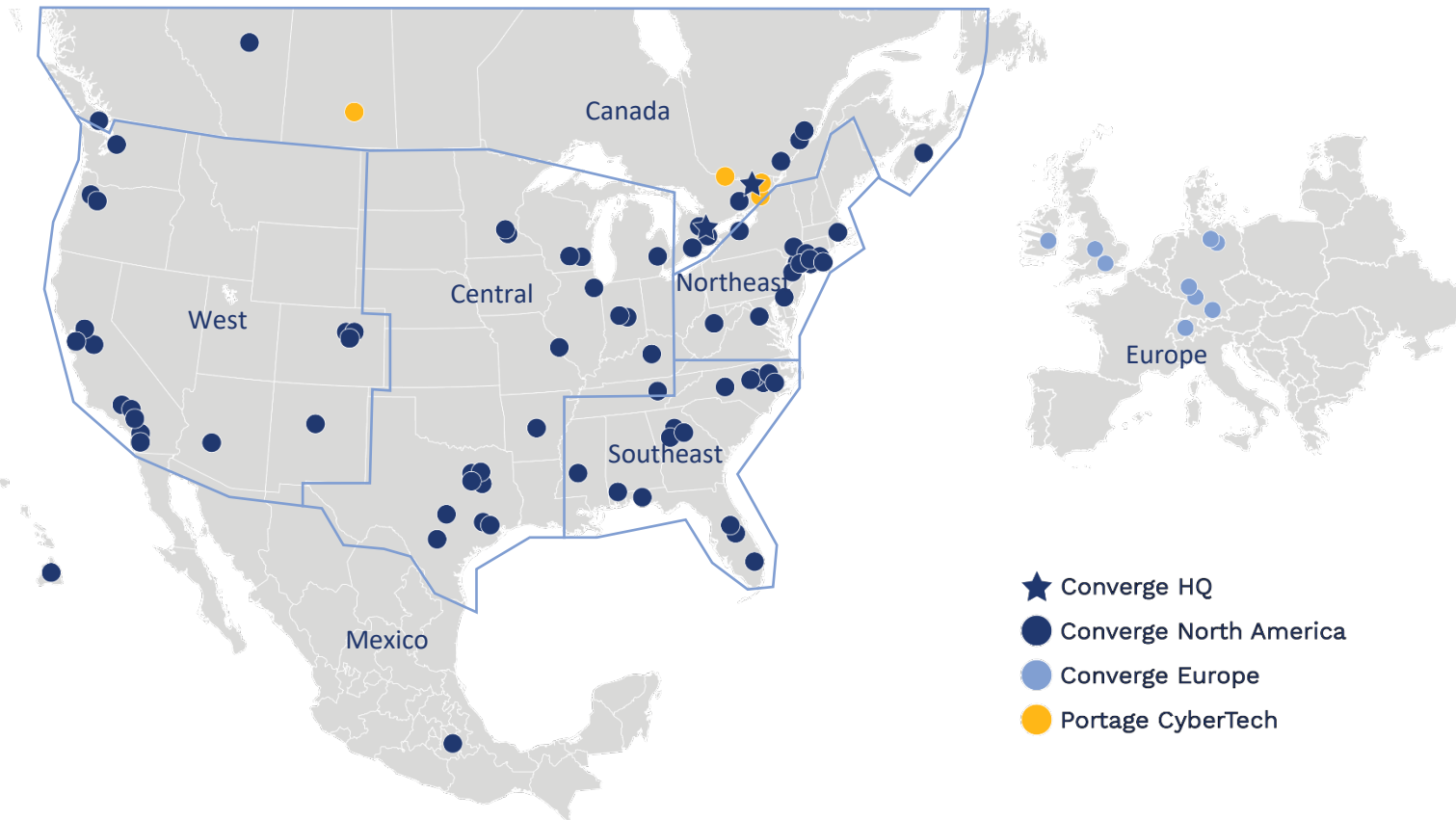
Experienced and Proven Management Team

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	

AIM – Vertically Integrated Set of Solutions



*January 1, 2023 – October 31, 2023

¹Statistic based on United States and Canada.

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Diversified Blue Chip Mid-Market Customer Base

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

Case Studies



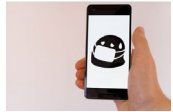
Medical Device Company Achieves DevSecOps Compliance



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

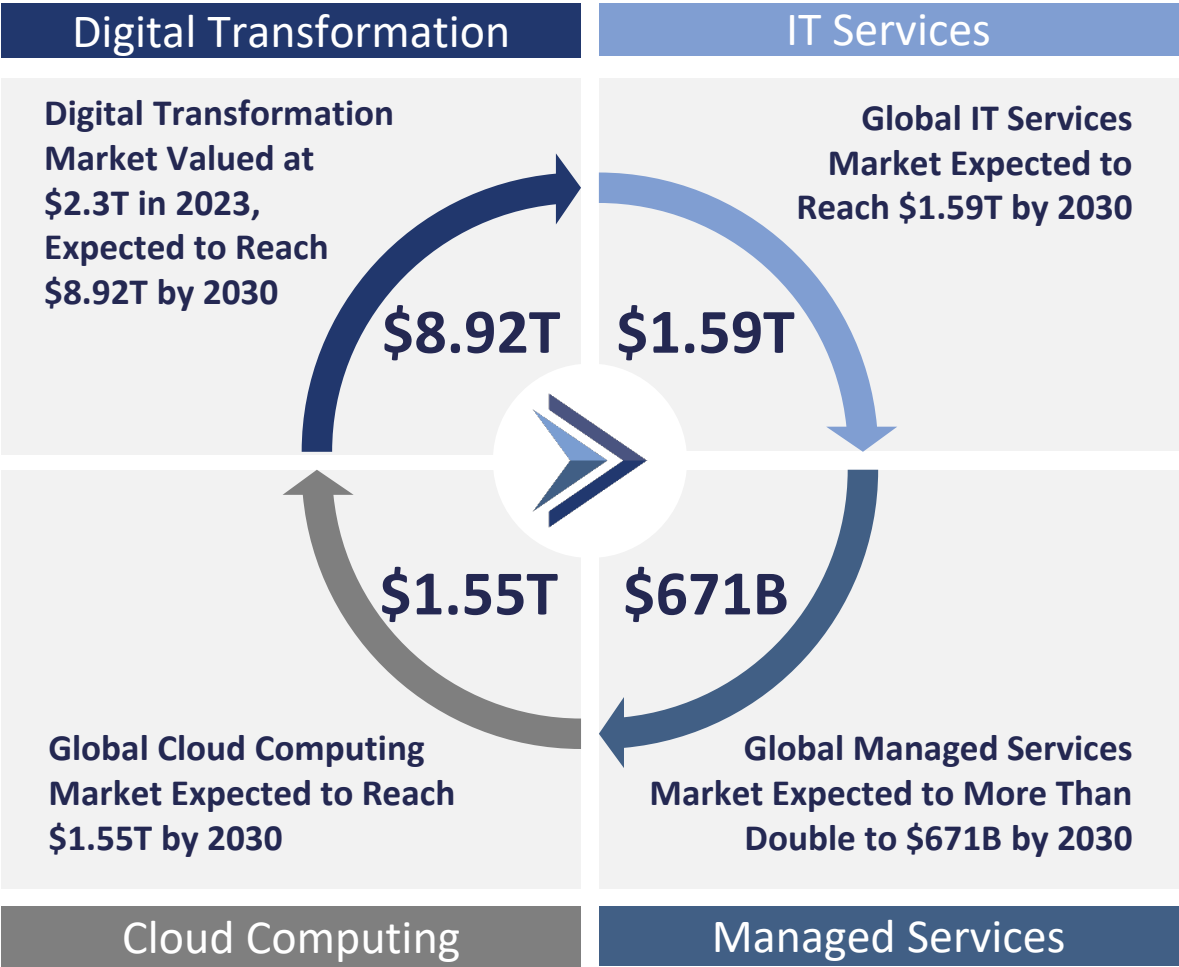


World-Class Data Science Firm Builds Data Lake and Pipeline Application to Store & Transform Data

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

Market Opportunity – By Sector



Advanced Analytics

21.1%

CAGR 2023-2030

Data-driven decision making, adoption of big data & related technologies



Application Modernization

16.8%

CAGR 2023-2030

Flexibility and scalability provided by cloud, optimizing legacy applications, reduction of costs



Cloud Platforms

20%

CAGR 2023-2030

Next-gen industrial solutions, adoption of IoT, 5G, edge computing, & real-time analytics



Cybersecurity

13.8%

CAGR 2023-2030

Protection products & services, identity security, detection & response



Digital Transformation

21.6%

CAGR 2023-2030

Flexibility in work-life balance, rapid adoption of advanced technologies



Managed Services

13.1%

CAGR 2023-2030

Update & digitization of business processes, upgrade & innovation of infrastructure, enhancing productivity & scalability

Source: Markets and Markets, Fortune Business Insights, Market Research Future

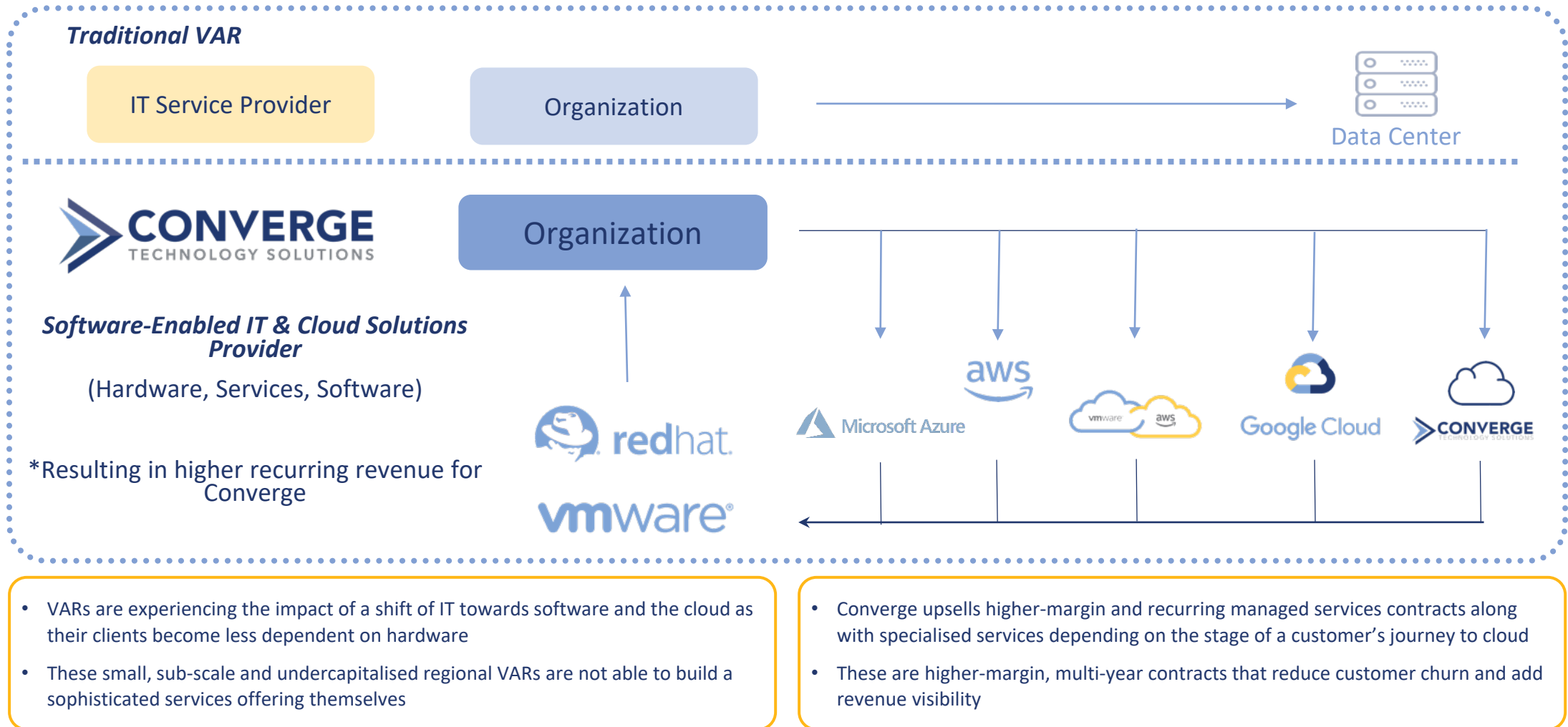
Source: IDC, Forrester, eMarketer, Gartner, Marketing Land, BigCommerce, IDG, Canalys, Spiceworks, Research And Markets, Mordor Intelligence, Grand View Research

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Differentiated Business Model with Unique Strategic Focus Areas

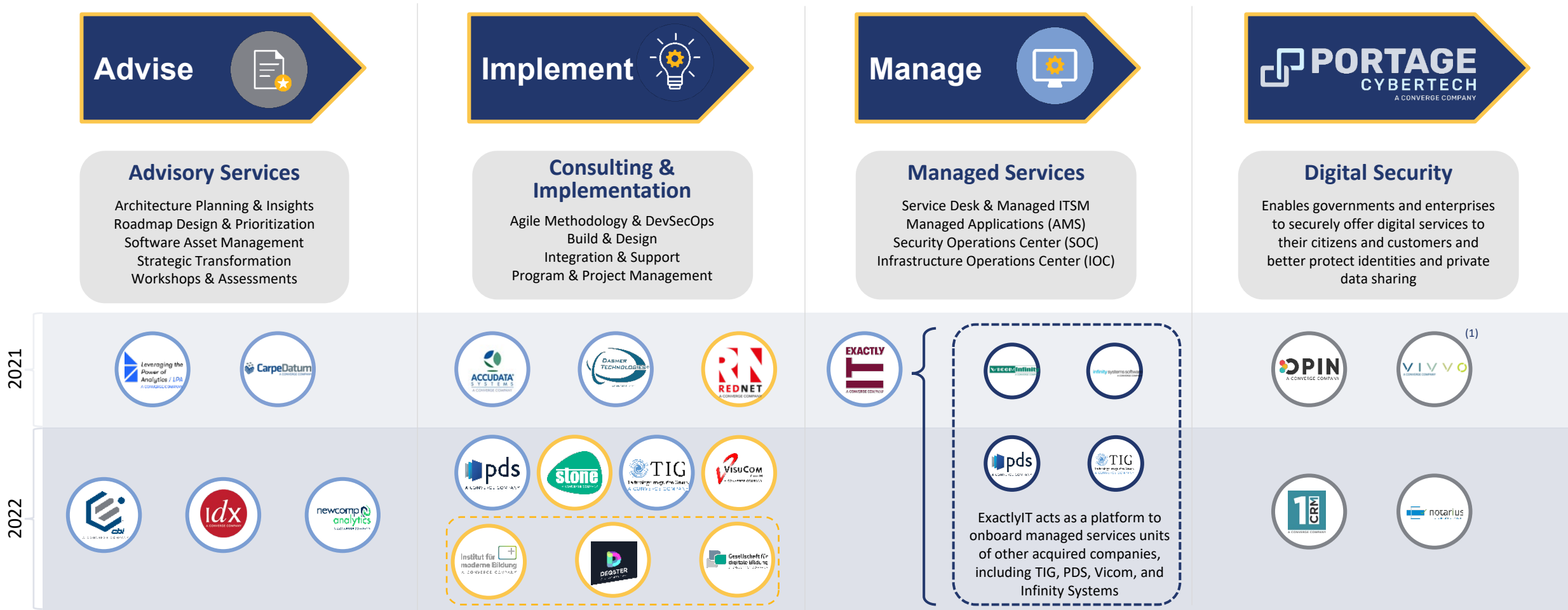


Transformation into a Software-Enabled IT & Cloud Solution Provider



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

Q3 2023

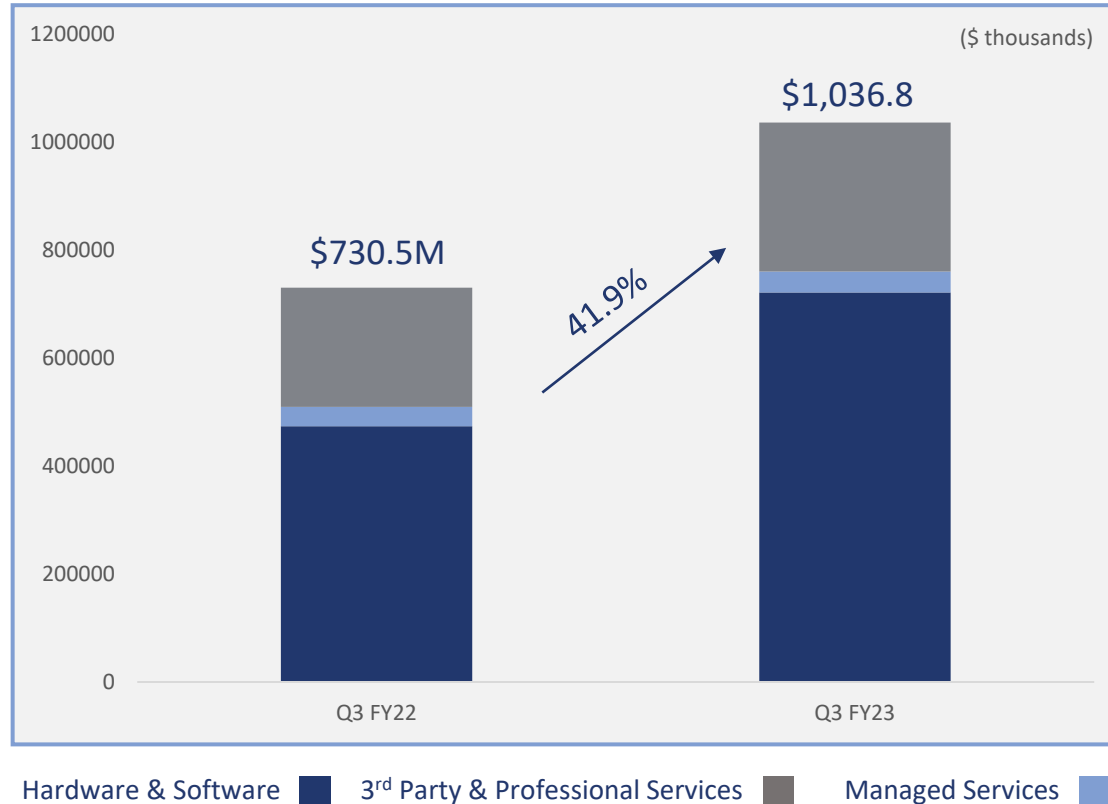
Key Financial Metrics

<i>In \$000s except per share amounts</i>	Q3 23	Q3 22	Q3 23 YTD	Q3 22 YTD
Gross Sales¹	1,036,760	730,571	2,959,237	2,134,178
Revenue	710,106	514,485	2,054,117	1,523,721
Gross Profit (GP)	174,090	139,654	521,351	381,851
Gross Profit (GP) as %	24.5%	27.1%	25.4%	25.1%
Adjusted EBITDA¹	41,258	30,967	123,789	99,804
Adjusted EBITDA¹ as % of GP	23.7%	22.2%	23.7%	26.1%
Adjusted EBITDA¹ as % of Revenue	5.8%	6.0%	6.0%	6.6%
Net (loss) income	(3,316)	18,228	(11,174)	27,449
Adjusted net income¹	20,622	21,266	70,187	73,676
Adjusted EPS¹	0.10	0.10	0.34	0.34

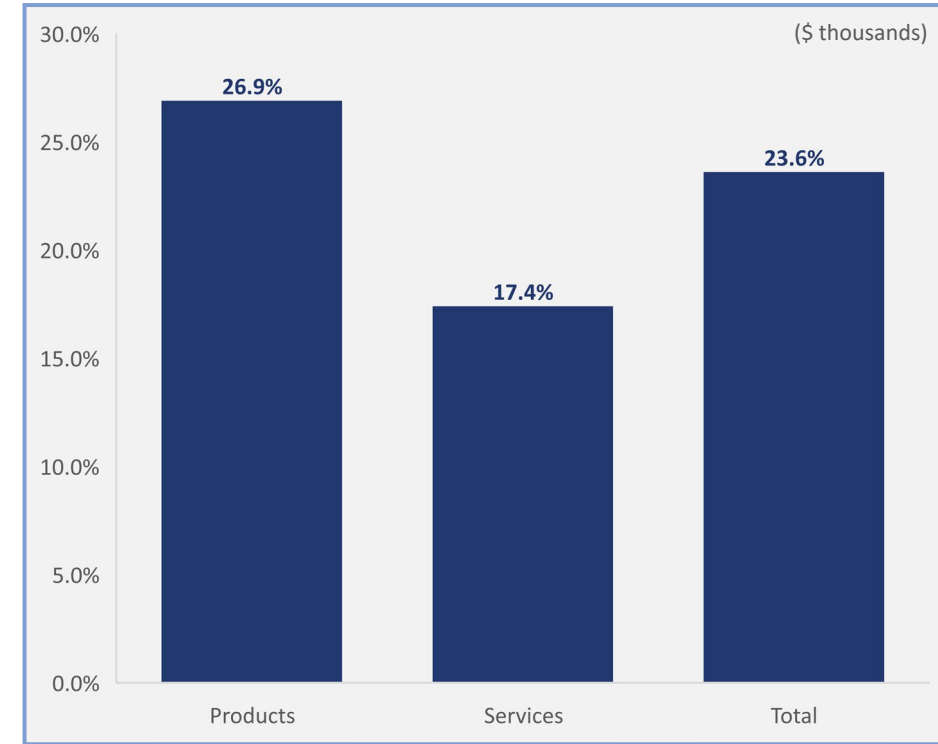
¹ This is a non-IFRS measure and not a recognized, defined or standardized measure under IFRS. See "Use of Non-IFRS Measures" in the disclaimer and refer to the Appendix to this presentation for a reconciliation to the most directly comparable IFRS financial measure.

Q3'23 | Gross Sales

Gross Sales¹ – Q3'23



Organic Growth¹ – Q3'23

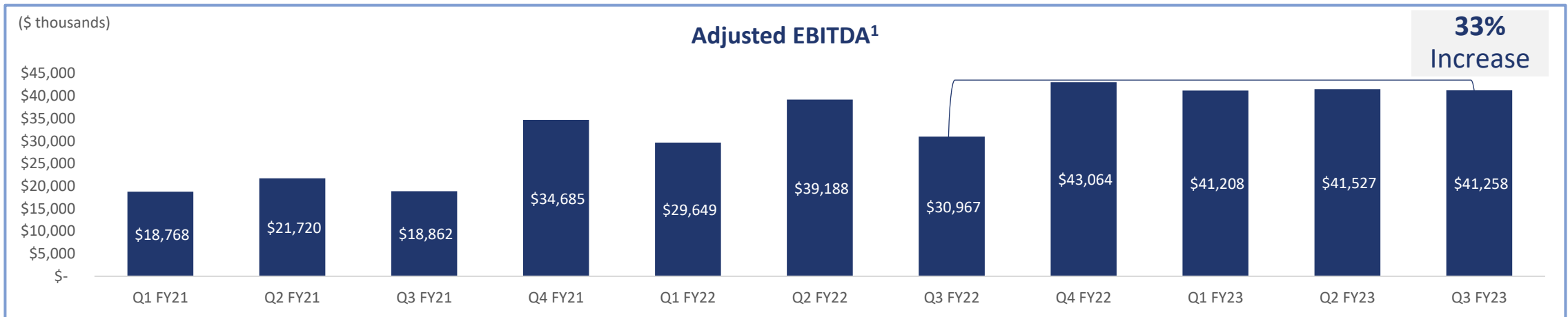
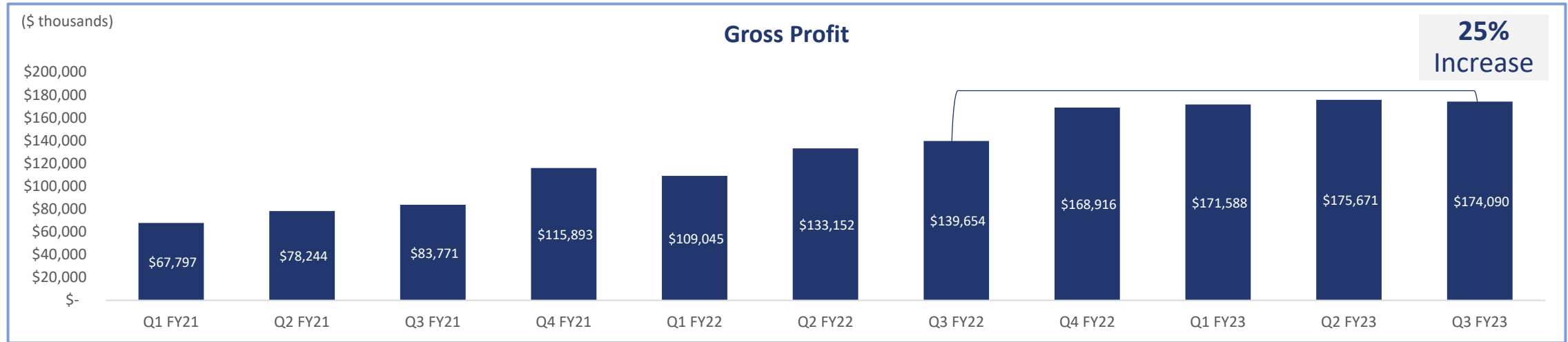


Note: Services includes managed services and 3rd party & professional services.

Gross sales organic growth¹ of 23.6% drive by strong solutions sales

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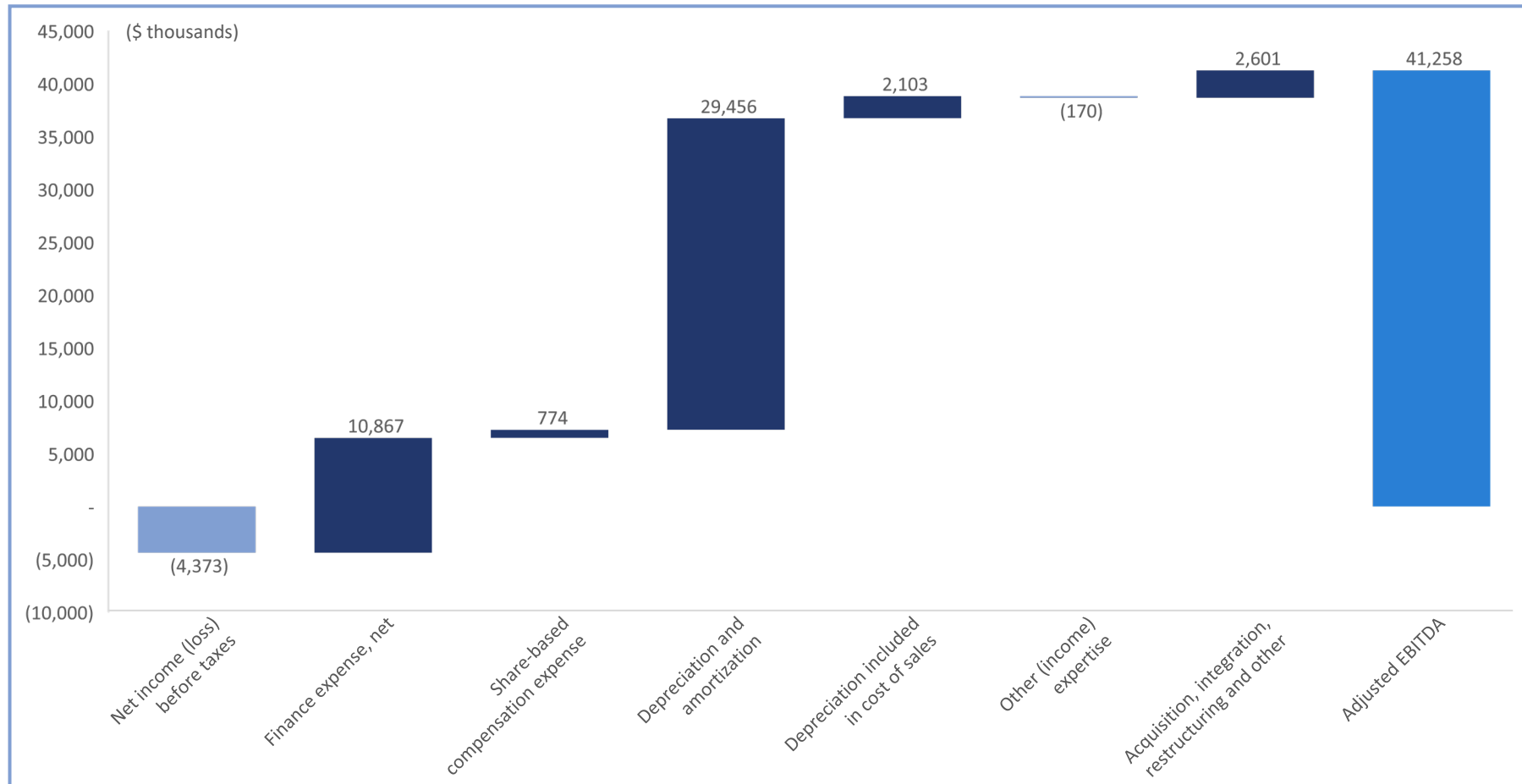
Profitability



¹ This is a non-IFRS measure and not a recognized, defined or standardized measure under IFRS. See "Use of Non-IFRS Measures" in the disclaimer and refer to the Appendix to this presentation for a reconciliation to the most directly comparable IFRS financial measure.

Adjusted EBITDA

Net Loss Before Taxes to Adj. EBITDA¹ Reconciliation



**Adj.
EBITDA¹**

\$41.3 M

+33% y/y

**Gross
Profit**

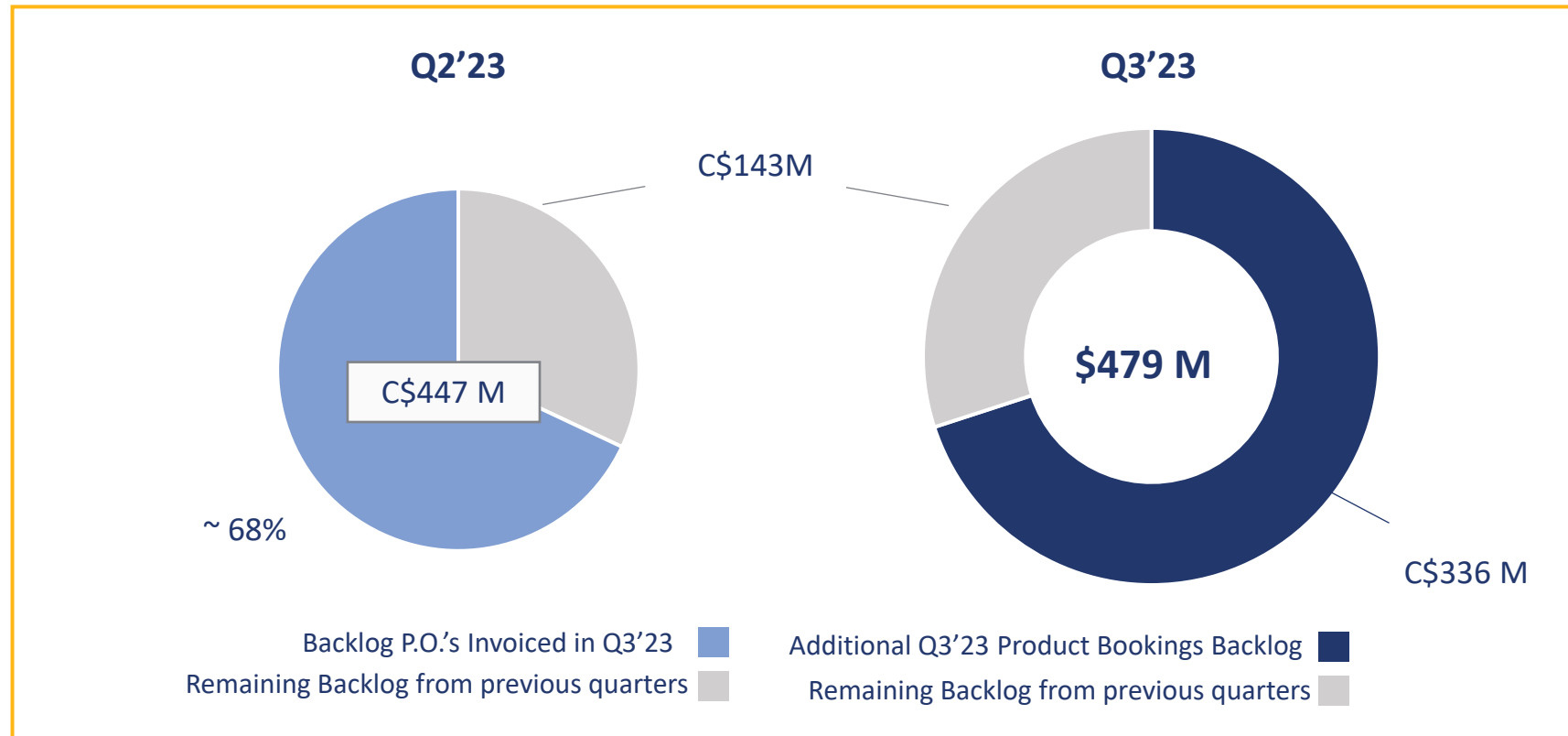
\$174.1 M

+25% y/y

¹ This is a non-IFRS measure and not a recognized, defined or standardized measure under IFRS. See "Use of Non-IFRS Measures" in the disclaimer and refer to the Appendix to this presentation for a reconciliation to the most directly comparable IFRS financial measure.

Converge Product Bookings Backlog Management

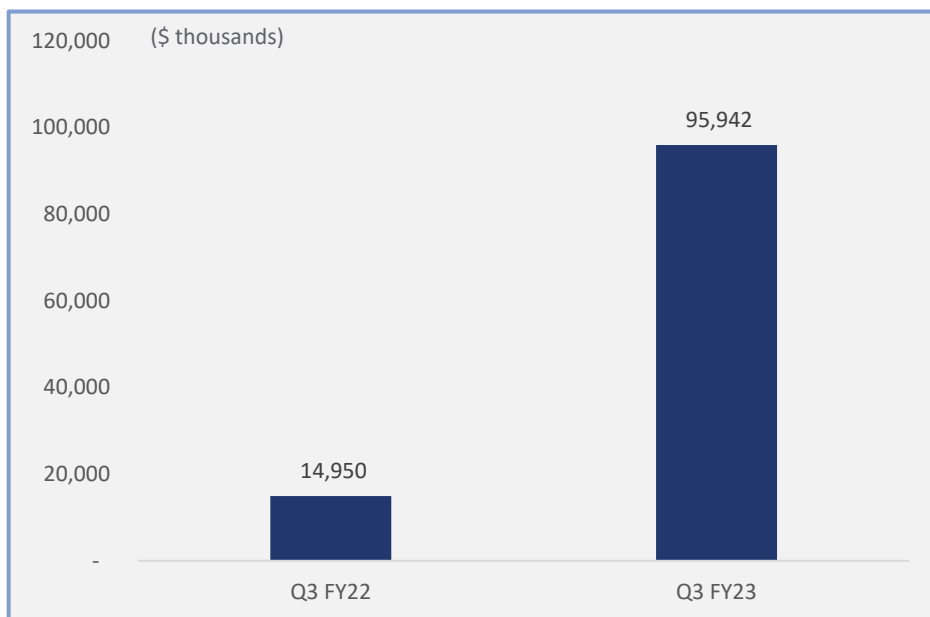
CTS Product Bookings Backlog



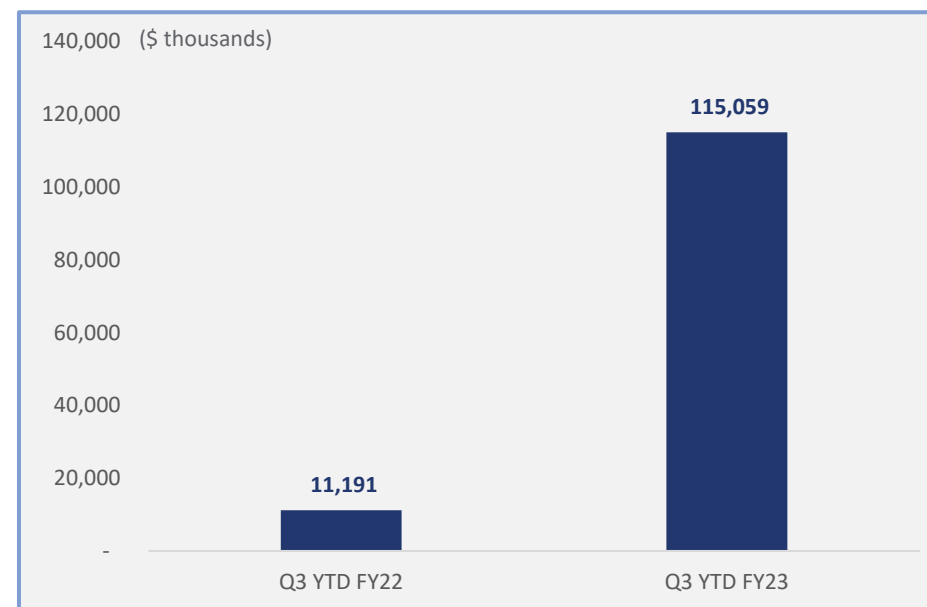
Note: Product bookings backlog is for product only and is calculated as purchase orders received from customers that are not yet delivered at the end of the fiscal period for United States and Canada.

Liquidity and Cash Flows

Cash from Operating Activities – Q3



Cash from Operating Activities – Q3 YTD



Liquidity Available

~\$292M

Net Debt to LTM Adjusted EBITDA¹

1.84x

Net Debt to LTM Adjusted EBITDA¹ Leverage per credit agreement

2.55x

Note: **Net Debt to LTM Adjusted EBITDA¹ Leverage per credit agreement** only allows of \$50M of cash deduction. Debt also includes capital lease liabilities, deferred and contingent consideration and NCI liability. Adj. EBITDA is based on pro-forma LTM Adj. EBITDA of \$169.7M, excluding Portage.

¹ This is a non-IFRS measure and not a recognized, defined or standardized measure under IFRS. See "Use of Non-IFRS Measures" in the disclaimer and refer to the Appendix to this presentation for a reconciliation to the most directly comparable IFRS financial measure.



Thank You

Investor Relations

investors@convergetp.com

Non-IFRS Measures & Reconciliation



Adjusted EBITDA¹

	Q3 2023	Q3 2022	Q3 2023 YTD	Q3 2022 YTD
Net income (loss) before taxes	(4,373)	15,726	(14,111)	27,803
Finance expense, net	10,867	5,886	30,870	10,798
Share-based compensation expense	774	1,275	2,738	4,172
Depreciation and amortization	29,456	23,094	82,239	54,751
Depreciation included in cost of sales	2,103	1,008	6,105	3,320
Other (income) expense	(170)	(24,233)	(4,230)	(20,532)
Change in fair value of contingent Consideration	-	-	9,209	-
Acquisition, integration, restructuring and other	2,601	8,211	10,969	19,492
Adjusted EBITDA	41,258	30,967	123,789	99,804

¹Adjusted EBITDA represents net income or loss adjusted to exclude amortization, depreciation, interest expense and net finance expense, foreign exchange gains and losses, other expenses and income, share-based compensation expense, income tax expense, change in fair value of contingent consideration, and acquisition, integration, restructuring and other expenses. Acquisition and transaction related costs primarily consists of acquisition-related compensation tied to continued employment of pre-existing shareholders of the acquiree not included in the total purchase consideration and professional fees. Integration costs primarily consist of professional fees incurred related to integration of acquisitions completed. Restructuring costs mainly represent employee exit costs as a result of synergies created from acquisitions and organizational changes. 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.

Non-IFRS Measures & Reconciliation



Adjusted Earnings per Share (EPS)¹

	Q3 2023	Q3 2022	Q3 2023 YTD	Q3 2022 YTD
Net income (loss)	(3,316)	18,228	(11,172)	27,498
Acquisition, integration, restructuring and other	2,601	8,211	10,968	19,491
Change in fair value of contingent consideration	-	-	9,209	-
Amortization on intangibles	21,056	17,785	62,791	43,047
Foreign exchange loss (gain)	(493)	(24,233)	(4,348)	(20,532)
Share-based compensation	774	1,275	2,739	4,172
Adjusted Net Income	20,622	21,266	70,187	73,676
Adjusted Earnings per Share (EPS) - basic	\$ 0.10	\$ 0.10	\$ 0.34	\$ 0.34
Weighted average # of shares - basic	205,076	210,724	207,451	214,480

¹ Adjusted Net Income represents net income adjusted to exclude acquisition, integration, restructuring and other expenses, change in fair value of contingent consideration, 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.

Non-IFRS Measures & Reconciliation



Gross Sales¹

	Q3 23	Q3 22	Q3 23 YTD	Q3 22 YTD
Product	721,871	474,006	2,027,384	1,419,216
Managed services	38,728	35,681	124,546	101,932
Third party and professional services	276,161	220,884	807,307	613,030
Gross sales	1,036,760	730,571	2,959,237	2,134,178
Adjustment for sales transacted as agent	(326,654)	(216,086)	(905,120)	(610,457)
Net revenue	710,106	514,485	2,054,117	1,523,721

Gross Sales Organic Growth²

	Q3 2023	Q3 2022
Gross sales	1,036,760	730,571
Less: gross sales from Companies not owned in comparative period	133,891	230,348
Gross sales of Companies owned in comparative period	902,869	500,223
Prior period gross sales	730,571	472,419
Organic Growth - \$	172,298	27,804
Organic Growth - %	23.6%	5.9%

¹Gross sales, which is a non-IFRS measurement, reflects the gross amount billed to customers, adjusted for amounts deferred or accrued. The Company believes gross sales 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 sales by the cost of sale amount.

²Gross sales organic growth is calculated by deducting prior period gross sales, as reported in the Company's public filings, from current period gross sales for the same portfolio of companies. Gross sales organic growth percentage is calculated by dividing organic growth by prior period reported gross sales.

Non-IFRS Measures & Reconciliation



Gross Profit Organic Growth¹

	Q3 2023	Q3 2022
Gross profit	174,090	139,654
Less: gross profit from companies not owned in comparative period	20,375	44,994
Gross profit of companies owned in comparative period	153,715	94,660
Prior period gross revenue	139,654	83,771
Organic Growth - \$	14,061	10,889
Organic Growth - %	10.1%	13.0%

¹Gross 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.