



# Converge Technology Solutions Reports Third Quarter 2022 Financial Results

FOR IMMEDIATE RELEASE

**November 8, 2022 – TORONTO, ONTARIO, CANADA and GATINEAU, QUÉBEC, CANADA** - Converge Technology Solutions Corp. (“**Converge**” or “**the Company**”) (TSX:CTS) (FSE:0ZB) (OTCQX:CTSDF) is pleased to provide its financial results for the three and nine months ended September 30, 2022. All figures are in Canadian dollars unless otherwise stated.

## Financial Summary

<i>In \$000s except per share amounts</i>	<b>3-month Q3 2022</b>	3-month Q3 2021	Growth %	<b>9-month Q3 2022</b>	9-month Q3 2021	Growth %
Gross revenues <sup>1</sup>	<b>730,571</b>	472,419	55%	<b>2,134,178</b>	1,332,639	60%
Net revenues	<b>603,206</b>	367,349	64%	<b>1,749,899</b>	1,022,858	71%
Gross profit (GP)	<b>139,654</b>	83,771	67%	<b>381,851</b>	229,811	66%
Gross margin %	<b>23.2%</b>	22.8%		<b>21.8%</b>	22.5%	
Adjusted EBITDA <sup>1</sup>	<b>30,967</b>	18,862	64%	<b>99,804</b>	59,349	68%
Adjusted EBITDA <sup>1</sup> as a % of GP	<b>22.2%</b>	22.5%		<b>26.1%</b>	25.8%	
Adjusted EBITDA <sup>1</sup> as a % of Net Revenue	<b>5.1%</b>	5.1%		<b>5.7%</b>	5.8%	
Net income	<b>18,228</b>	4,596	297%	<b>27,449</b>	9,287	196%
Net income per diluted share	<b>\$0.10</b>	\$0.02	400%	<b>\$0.14</b>	\$0.05	180%
Adjusted net income <sup>1</sup>	<b>21,266</b>	13,815	54%	<b>73,676</b>	39,979	84%
Adjusted EPS <sup>1</sup>	<b>\$0.10</b>	\$0.07	43%	<b>\$0.34</b>	\$0.22	55%

## Financial highlights for the three-month period ended September 30, 2022 (“Q3-2022”):

- Q3-2022 net revenue increased 64% over the same quarter last year (“Q3-2021”) to \$603.2 million
- Q3-2022 gross profit increased 67% over last year to \$139.7 million
- Adjusted EBITDA<sup>1</sup> increased 64% to \$31.0 million from \$18.9 million last year
- For Q3-2022, the Company generated Adjusted Free Cashflow<sup>1</sup> and Adjusted Free Cash Flow Conversion<sup>1</sup> of \$24.7 million and 80%, respectively
- Reported Adjusted EPS<sup>1</sup> of \$0.10 per share for Q3-2022 increasing by 43% from \$0.07 per share in Q3-2021
- Organic gross revenue growth<sup>1</sup> for Q3-2022 of 6%. Organic gross profit growth<sup>1</sup> for Q3-2022 of 13%
- Professional (Advisory and Implementation) services revenue in Q3 grew 85% year over year to \$77.4 million.
- Achieved 108 net new logos in Q3-2022, securing 328 net new logos in 2022

<sup>1</sup> This is a Non-IFRS measure (including non-IFRS ratio) and not a recognized, defined or a standardized measure under IFRS. See the Non-IFRS Financial Measures section of this news release for definitions, uses and a reconciliation of historical non-IFRS financial measures to the most directly comparable IFRS financial measures.

<sup>2</sup> Bookings backlog is calculated as purchase orders received from customers not yet delivered at the end of the fiscal period.

- Improvements to hardware supply chains resulted in product bookings backlog<sup>2</sup> decreasing to approximately \$432.8 million in Q3-2022 compared to \$507.4 million in Q2-2022 while Q3-2022 Services Backlog<sup>2</sup> was approximately \$70.2 million compared to \$70.9 million in Q2-2022

### **Q3-2022 Business Highlights & Subsequent to Quarter**

- Converge celebrated the five-year anniversary of its first acquisition and secured the CRN 2022 Triple Crown award with top rankings on all three CRN lists, including the Solution Provider 500, Fast Growth 150 and Tech Elite 250.
- Acquired approximately \$1.2 billion of LTM gross revenue and \$68.4 million EBITDA through 10 acquisitions year-to-date including Paragon Development Systems, Inc. (“PDS”); Visucom GmbH (“Visucom”); 1CRM Systems Corp. (“1CRM”); Creative Breakthroughs, Inc. (“CBI”); Interdynamix Systems (“IDX”); Solutions Notarius Inc. (“Notarius”); Gesellschaft für digitale Bildung, Institut für modern Bildung, and DEQSTER (collectively “Gf dB”); and Technology Integration Group (“TIG”), Newcomp Analytics (“Newcomp”) and Stone Technologies Group Limited (“Stone”).
- Completed a five year \$500m global revolving credit facility (the “Global Credit Facility”), led by J.P. Morgan and Canadian Imperial Bank of Commerce as joint lead arrangers, with the Bank of Nova Scotia, the Toronto -Dominion Bank and Bank of Montreal participating in the lender group. The Global Credit Facility includes an uncommitted accordion of \$100m, for a total borrowing capacity of \$600m.
- Normal Course Issuer Bid (NCIB) commenced on August 11, 2022 allowing the Company to purchase for cancellation up to an aggregate of 10,744,818 common shares.
- Richard Lecoutre joined the Converge Leadership team as Global Chief Financial Officer on September 1, 2022 and will help guide Converge’s European and global expansion.

“We continue to report record financial results, and I am incredibly proud that Converge grew by over 60% year-over-year across revenue, gross profit and Adjusted EBITDA,” said Shaun Maine, CEO of Converge. “The fact that after 3 quarters Converge has higher revenue, gross profit and Adjusted EBITDA compared to our full year 2021 results illustrates how Converge’s combination of organic and inorganic growth is the best growth model in the IT Services industry. Combined with that, our 85% year over year growth in professional services is at a higher rate than the overall business proving our shift to become strategically more valuable to our customer. This means that we now have an approximately \$500m annualized services business. The expansion of our advisory business, particularly around analytics and cybersecurity, has resulted in record gross profit and accelerated services growth. Having completed our 10th transaction in 2022 we exceeded our goal of adding \$1b gross revenue through acquisitions this year. Now we will focus on integration and our cross-selling strategies, particularly around services and high value solutions. We expect to see the high demand for our services-led, software-enabled hybrid IT solutions continue for the remainder of 2022, with Q4 growth rates consistent with Q3 year-to-date, and this high demand continuing into 2023.”

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**Conference Call Details:**

Date: Wednesday, November 9<sup>th</sup>, 2022

Time: 8:00 AM Eastern Time

**Participant Webcast Link:**

Webcast Link - <https://app.webinar.net/kOdERzOlj7K>

**Participant Dial-in Details:**

**Confirmation #: 18195364**

Toronto: 416-764-8609

North American Toll Free: 888-390-0605

**International Toll-Free Numbers:**

Germany: 08007240293

Ireland: 1800939111

Spain: 900834776

Switzerland: 0800312635

United Kingdom: 08006522435

**Recording Playback:**

A recording of the webcast will be available after the call using the following link:

Webcast Link - <https://app.webinar.net/kOdERzOlj7K>

Expiry Date: November 9<sup>th</sup>, 2023

A live audio webcast accompanied by presentation slides and archive of the conference call will be available by visiting the Company's website at <https://convergetp.com/investor-relations/>. Please connect at least 15 minutes prior to the conference call to ensure time for any software download that may be needed to hear the webcast.

**About Converge**

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

**For further information contact:**

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**Summary of Consolidated Statements of Financial Position**  
**(expressed in thousands of Canadian dollars)**

	September 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets		
Cash	\$ 172,229	\$ 248,193
Restricted cash	4,348	-
Trade and other receivables	637,764	416,499
Inventories	163,777	104,254
Prepaid expenses and other assets	21,502	11,762
	<b>999,620</b>	<b>780,708</b>
Long-term assets		
Property, equipment, and right-of-use assets, net	64,708	30,642
Intangible assets, net	454,117	233,586
Goodwill	502,575	323,284
Other non-current assets	663	617
	<b>\$ 2,021,683</b>	<b>\$ 1,368,837</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Trade and other payables	\$ 686,629	\$ 519,434
Borrowings	371,690	816
Other financial liabilities	43,073	29,407
Deferred revenue	69,371	27,581
Income taxes payable	14,153	13,977
	<b>1,184,916</b>	<b>591,215</b>
Long-term liabilities		
Other financial liabilities	106,413	85,296
Borrowings	-	412
Deferred tax liability	90,685	43,086
	<b>\$ 1,382,014</b>	<b>\$ 720,009</b>
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)
Total equity attributable to shareholders of Converge	<b>607,650</b>	<b>613,489</b>
Non-controlling interest	32,019	35,339
	<b>639,669</b>	<b>648,828</b>
	<b>\$ 2,021,683</b>	<b>\$ 1,368,837</b>

## Summary of Consolidated Statements of Income and Comprehensive Income

(expressed in thousands of Canadian dollars)

	For the three months ended September 30,		For the 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
<b>Gross profit</b>	<b>139,654</b>	83,771	<b>381,851</b>	229,811
Selling, general and administrative expenses	111,032	66,092	287,267	173,365
<b>Income before the following</b>	<b>28,622</b>	17,679	<b>94,584</b>	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	17,101
Share-based compensation expense	1,275	1,193	4,172	1,193
Other income	(25,570)	(8,491)	(22,432)	(5,485)
<b>Income before income taxes</b>	<b>15,726</b>	4,585	<b>27,803</b>	13,408
Income tax expense (recovery)	(2,502)	(11)	304	4,121
<b>Net income</b>	<b>\$ 18,228</b>	\$ 4,596	<b>\$ 27,499</b>	\$ 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
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations	5,352	(641)	(859)	(23)
<b>Comprehensive income</b>	<b>\$ 23,580</b>	\$ 3,955	<b>\$ 26,640</b>	\$ 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
<b>Adjusted EBITDA<sup>2</sup></b>	<b>\$ 30,967</b>	\$ 18,862	<b>\$ 99,804</b>	\$ 59,349
<b>Adjusted EBITDA as a % of Net Revenue<sup>2</sup></b>	<b>5.1%</b>	5.1%	<b>5.7%</b>	5.8%
<b>Adjusted EBITDA as a % of Gross Profit<sup>2</sup></b>	<b>22.2%</b>	22.5%	<b>26.1%</b>	25.8%

<sup>2</sup> This is a Non-IFRS measure (including non-IFRS ratio) and not a recognized, defined or a standardized measure under IFRS. See the Non-IFRS Financial Measures section of this news release for definitions, uses and a reconciliation of historical non-IFRS financial measures to the most directly comparable IFRS financial measures.

**Summary of Consolidated Statements of Cash Flows**  
(expressed in thousands of Canadian dollars)

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Net income	\$ 18,228	\$ 4,596	27,499	\$ 9,287
Adjustments to reconcile net income to net cash from operating activities				
Depreciation and amortization	24,101	10,324	58,071	26,635
Unrealized foreign exchange gains	(24,233)	(7,991)	(20,532)	(5,025)
Share-based compensation expense	1,275	1,193	4,172	1,193
Finance expense, net	5,886	1,528	10,798	5,675
Change in fair value of contingent consideration	-	3,808	-	4,405
Income tax expense (recovery)	(2,502)	(11)	304	4,121
	22,755	13,447	80,312	46,291
Changes in non-cash working capital items				
Trade and other receivables	71,898	34,045	(4,241)	93,065
Inventories	6,511	(7,103)	17,769	(31,290)
Prepaid expenses and other assets	835	(4,146)	(3,781)	(4,447)
Trade and other payables	(86,206)	16,896	(69,836)	(48,706)
Income taxes payable	(1,901)	(634)	(18,926)	(2,613)
Other financial liabilities	(338)	6	1,898	1,877
Deferred revenue and customer deposits	1,396	(4,390)	7,996	13,123
<b>Cash from operating activities</b>	<b>14,950</b>	<b>48,121</b>	<b>11,191</b>	<b>67,300</b>
<b>Cash flows used in investing activities</b>				
Purchase of property and equipment	(4,332)	(810)	(18,812)	(3,661)
Proceeds on disposal of property and equipment	-	421	(6)	552
Repayment of contingent consideration	-	-	(10,135)	(5,502)
Repayment of deferred consideration	(121)	(1,879)	(7,069)	(5,627)
Business combinations, net of cash acquired	(154,212)	(148,143)	(353,683)	(244,293)
<b>Cash used in investing activities</b>	<b>(158,665)</b>	<b>(150,411)</b>	<b>(389,705)</b>	<b>(258,531)</b>
<b>Cash flows from financing activities</b>				
Transfers from (to) restricted cash	141	(11,467)	(4,372)	(11,467)
Interest paid	(1,229)	(561)	(4,287)	(5,639)
Dividend paid	-	-	(1,080)	-
Payments of lease liabilities	(3,462)	(2,584)	(8,494)	(7,001)
Net proceeds from issuance of common shares	-	248,370	-	493,886
Repurchase of common shares	(30,539)	-	(30,539)	-
Repayment of notes payable	(37)	(376)	(196)	(3,790)
Net proceeds from (repayment of) borrowings	173,084	(51,900)	357,901	(135,448)
<b>Cash from financing activities</b>	<b>137,958</b>	<b>181,482</b>	<b>308,933</b>	<b>330,541</b>
<b>Net change in cash during the period</b>	<b>(5,757)</b>	<b>79,192</b>	<b>(69,581)</b>	<b>139,310</b>
Effect of foreign exchange on cash	(6,189)	6,229	(6,383)	6,267
Cash, beginning of period	184,175	124,923	248,193	64,767
<b>Cash, end of period</b>	<b>\$ 172,229</b>	<b>\$ 210,344</b>	<b>\$ 172,229</b>	<b>\$ 210,344</b>

## Non-IFRS Financial Measures

This news release refers to certain performance indicators including “Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)”, “Adjusted Free Cash Flow”, “Adjusted Free Cash Flow Conversion”, “Adjusted Net Income” and “Adjusted Earnings per Share”, “Gross Revenue”, and “Organic Growth” which are not recognized under IFRS and do not have any standardized meaning prescribed by 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. 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 and ratios 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 and ratios are furnished to provide additional information and should not be considered in isolation or 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 ratios and view them in conjunction with the most comparable IFRS financial measures.

### ***Adjusted EBITDA***

Adjusted EBITDA represents net income (loss) 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.

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

### ***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.

The following table provides a calculation for Adjusted Cash Flow and Adjusted Cash Flow Conversion:

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

### ***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 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 Net Income and Adjusted Earnings per Share (“EPS”)***

Adjusted Net Income represents net income adjusted to exclude special charges, amortization of acquired intangible assets, 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.

The Company has provided a reconciliation to the most comparable IFRS financial measure as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
Net income	\$ 18,228	\$ 4,596	\$ 27,498	\$ 9,287
Special charges	8,211	8,702	19,492	17,107
Amortization of acquired intangible assets	17,785	7,315	43,047	17,417
Foreign exchange gain	(24,233)	(7,991)	(20,533)	(5,025)
Share-based compensation	1,275	1,193	4,172	1,193
<b>Adjusted Net Income:</b>	<b>\$ 21,266</b>	<b>\$ 13,815</b>	<b>\$ 73,676</b>	<b>\$ 39,979</b>
<b>Basic</b>	<b>0.10</b>	0.07	<b>0.34</b>	0.22
<b>Diluted</b>	<b>0.10</b>	0.07	<b>0.34</b>	0.22

### ***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.

The Company has provided a reconciliation of gross revenue to net revenue, which is the most comparable IFRS financial measure, as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2022</b>	2021	<b>2022</b>	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	\$ 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

## 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.

The following table calculates gross revenue organic growth for Q3-2022:

	Q3 (3-month)	Q3 YTD (9-month)
Gross revenue	\$ 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
<b>Organic Growth - \$</b>	<b>\$ 27,804</b>	<b>\$ 166,758</b>
<b>Organic Growth - %</b>	<b>5.9%</b>	<b>12.5%</b>

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.

The following table calculates gross profit organic growth for Q3-2022:

	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
<b>Organic Growth - \$</b>	<b>\$ 10,889</b>	<b>\$ 34,501</b>
<b>Organic Growth - %</b>	<b>13.0%</b>	<b>15.0%</b>

## Forward-Looking Information

This press release contains certain "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") within the meaning of applicable Canadian securities legislation regarding Converge and its business. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected" "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts". "estimates", "believes" or intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could, "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while the Company considers reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results

and future events to differ materially from those expressed or implied by such forward-looking statements. Except as required by law, Converge assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change. The reader is cautioned not to place undue reliance on forward-looking statements.

For a detailed description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's filings available on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com) including its most recent Annual Information Form, its Management Discussion and Analysis and its Annual and Quarterly Financial Statements.