Converge Technology Solutions Reports Record Q4 and FY2022

FOR IMMEDIATE RELEASE

March 15, 2023 – 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 full fiscal year ("FY22") and three-month period ended December 31, 2022 ("Q4-22"). All figures are in Canadian dollars unless otherwise stated.

FY 2022 Financial Highlights:

- Gross revenue[1] for FY22 of $3.09 billion compared to $1.97 billion in FY21; an increase of $1.12 billion or 57%.
- Gross Profit for FY22 was $550.8 million compared to $345.7 million in FY21; an increase of $205.1 million or 59%.
- Organic gross revenue growth[1] for FY22 was 8.6% and gross profit organic growth[1] was 10.5%.
- Adjusted EBITDA[1] of $142.9 million compared to $94.0 million in FY21; an increase of 52%.
- Net revenue for FY22 under existing reporting treatment was $2.52 billion, consistent with the Company's preliminary release, an increase of 64.7% over reported FY21 results. As a result of an IFRS 15 accounting policy change, reported net revenue was impacted by $356.8 million. See "software net-down change" below for a full description of the change in accounting policy and impact on reported FY22 and FY21 results. This IFRS based accounting policy change does not reflect any business or operational performance changes, and had a nil impact on reported gross profit, net income, and Adjusted EBITDA.
- Cash on hand was $159.9 million at the end of 2022, and borrowings under the Company's global revolving credit facility (the "Global Credit Facility") was $420.4 million.
- Product bookings backlog[2] increased to $479.4 million at the end of Q4-2022. This represents growth of over $46.6 million compared to product bookings backlog in Q3-2022 of $432.8 million and is indicative of the impact of ongoing supply chain challenges.
- Basic adjusted EPS[1] of $0.50 per share for FY22, increasing from $0.35 per share in FY21.
- On a run-rate basis, pro-forma Adjusted EBITDA[1] is $167.6 million.

"In 2022, Converge grew faster than any comparable public provider globally, expanding gross profit by 59% year-over-year, translating to gross profit organic growth of 10.5%", said Shaun Maine, CEO of Converge. "And, we expect to continuously improve on these results in 2023, outpacing the market on growth by expanding on high-value solution areas such as data analytics, AI, cloud, and cybersecurity while simultaneously rolling out various managed services and continuing to expand our offerings into Europe."

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[1] 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.

[2] Bookings backlog is calculated as purchase orders received from customers not yet delivered at the end of the fiscal period

Q4-2022 Financial Highlights:

- Gross revenue[1] for Q4-22 of $956.8 million compared to $645.2 million in Q4-21; an increase of $314.6 million or 49%.
- Gross Profit of $168.9 million compared to $115.9 million in Q4-21; an increase of $53.0 million or 46%.
- Adjusted EBITDA[1] of $43.1 million, increasing from $34.7 million in Q4-21 by 24%.
- Net revenue for Q4-22 under existing reporting treatment was $771.6 million, consistent with the Company's preliminary release, an increase of 53% over reported Q4-21 results. As a result of an IFRS 15 accounting policy change, reported net revenue was adjusted down by $130.6 million. See "software net-down change" below for a full description of the change in accounting policy and impact on reported Q4-22 and Q4-21 results. This IFRS based accounting policy change does not reflect any business or operational performance changes, and had a nil impact on reported gross profit, net income, and Adjusted EBITDA.
- Cash generated from operations was $30.4 million, compared to $17.9 million in Q4-21, representing an increase of 69%.
- Q4-22 bookings[3] were over $1 billion, setting up a strong 2023 with 89% of our customers already buying more than one service and/or solution.
- Adjusted EPS[1] of $0.16 per share for Q4-22, increasing from $0.12 per share in Q4-21.

"We are successfully executing against our strategy, while managing backlog and inventory challenges, demonstrating the resilience of our offering despite current macro-economic conditions," continued Maine. "We are pleased to report that over 90% of the Q4 backlog has been shipped in the first quarter of 2023, which we expect will contribute to a strong Q1 2023. We anticipate Q1 financial performance to be closer to Q4, as compared to historical trends where Q1 has been seasonally about 20% to 25% lower than Q4. While the overall market is expected to remain flat in 2023, we anticipate that we will gain market share organically, and that we'll see improvements in our gross profit and Adjusted EBITDA[1] margins."

Q4-2022 & FY22 Business Highlights

- Completed 10 acquisitions throughout 2022, representing $1.2 billion in gross revenue on a pro forma basis, including Converge's 35th acquisition and entry to the UK market with Stone Technologies Group, furthering the Company's global expansion.
- Achieved 105 net new logos in Q4-22 resulting in 433 net new logos throughout the fiscal year.
- 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.
- Board of Directors formed a Special Committee of independent directors to undertake, in consultation with its established financial and legal advisors, a review and evaluation of

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[3] Bookings represents the gross contracted revenue based on actual revenue recognized in the period, plus the change in bookings backlog from the prior quarter

strategic alternatives that may be available to the Company to unlock shareholder value.

Subsequent developments

- Announced updated role of Greg Berard to Global President and CEO while continuing to report to Shaun Maine as Group CEO. Greg's responsibility will expand globally to align Converge strategy to the same operational scale and footprint as executed in North America.
- On February 9, 2023, the Company announced the increase of its Global Credit Facility from $500 million to $600 million under its accordion feature, with no change to its existing credit terms.
- The Company used partial proceeds from this facility to acquire the remaining 25% stake in Rednet. The Company completed this transaction in Q1.
- Following a medical leave, Richard Lecoutre has resigned from Converge for medical reasons. Matt Smith will return to the role of Interim CFO, which he previously held between June 2021 and September 2022.

"Richard advanced our finance organization with best-in-class processes during his tenure with us and made a long-lasting positive impact on Converge", said Maine. "I personally want to thank Richard for all that he has done for Converge and wish him all the best in his recovery. Matt has proven himself as a strong finance executive and I am confident in Matt's ability to step up and lead our finance organization again."

Software net-down change

In Q4, the Company adopted an accounting policy change in response to emerging IFRS guidance that introduced new interpretations of a company's role when it resells certain OEM software licenses, for companies that previously reported software revenue on a gross basis, to move to net treatment ("software net-down"). The accounting policy change is applied to the full-year audited 2022 results and 2021 for comparative purposes. Additionally, the quarterly impacts of the software net-down to the Company's 2022 and 2021 reported results have been included as an appendix within, and can also be found in the Company's Q4 and FY22 MD&A.

The following table details the impact of the software net-down change on the Company's Q4-22 and FY22 and prior year reported net revenue:

	Q4-22			Q4-21
	Balance pre-accounting policy change	Impact of policy change	**Net revenue reported**	Reclassified
Product	**$ 638,261**	(130,631)	**$ 507,630**	$ 353,884
Managed services	**33,344**	-	**33,344**	22,372
Third party and professional services	**99,953**	-	**99,953**	69,695
Total net revenue	**$ 771,558**	(130,631)	**$ 640,927**	$ 445,951

	FY22			FY21
	Balance pre-accounting policy change	Impact of policy change	**Net revenue reported**	Reclassified
Product	**$ 2,057,477**	(356,810)	**$ 1,700,667**	$ 1,038,197
Managed services	**119,630**	-	**119,630**	75,886
Third party and professional services	**344,350**	-	**344,296**	215,654
Total net revenue	**$ 2,521,457**	(356,810)	**$ 2,164,647**	$ 1,329,737

Conference Call Details:
Date: Thursday, March 16th, 2023
Time: 8:00 AM Eastern Time

Participant Webcast Link:
Webcast Link - https://app.webinar.net/KZ5EdX0d7Yn

Participant Dial-in Details:
Confirmation #: 72210906
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Expiry Date: March 23rd, 2023

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

About Converge
Converge Technology Solutions Corp. is a services-led, software-enabled, IT & Cloud Solutions provider focused on delivering industry-leading solutions. Converge's global approach delivers advanced analytics, application modernization, cloud platforms, cybersecurity, digital infrastructure, and digital workplace offerings to clients across various industries. The Company supports these solutions with advisory, implementation, and managed services expertise across all major IT vendors in the marketplace. This

multi-faceted approach enables Converge to address the unique business and technology requirements for all clients in the public and private sectors. For more information, visit convergetp.com.

For further information contact:

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Summary of Consolidated Statements of Financial Position

(expressed in thousands of Canadian dollars)

	December 31, 2022	December 31, 2021
Assets		
Current assets		
Cash	**$ 159,890**	$ 248,193
Restricted cash	**5,230**	-
Trade and other receivables	**781,683**	416,499
Inventories	**158,430**	104,254
Prepaid expenses and other assets	**23,046**	11,762
	1,128,279	780,708
Long-term assets		
Property, equipment, and right-of-use assets, net	**88,352**	30,642
Intangible assets, net	**463,751**	233,586
Goodwill	**563,848**	323,284
Other non-current assets	**4,646**	617
	$ 2,248,876	$ 1,368,837
Liabilities		
Current liabilities		
Trade and other payables	**$ 824,924**	$ 519,434
Borrowings	**421,728**	816
Other financial liabilities	**123,932**	29,407
Deferred revenue and other liabilities	**60,210**	27,581
Income taxes payable	**7,112**	13,977
	1,437,906	591,215
Long-term liabilities		
Other financial liabilities	**77,183**	85,296
Borrowings	**-**	412
Deferred tax liability	**102,977**	43,086
	$ 1,618,066	$ 720,009
Shareholders' equity		
Common shares	**595,019**	633,489
Contributed surplus	**7,919**	2,325
Exchange rights	**1,705**	2,396
Accumulated other comprehensive income	**13,708**	329
Deficit	**(18,441)**	(25,050)
Total equity attributable to shareholders of Converge	**599,910**	101,747
Non-controlling interest	**30,900**	
	630,810	648,828
	$ 2,248,876	$ 1,368,837

Summary of Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(expressed in thousands of Canadian dollars)

	Three months ended December 31, 2022	Three months ended December 31, 2021	Twelve months ended December 31, 2022	Twelve months ended December 31, 2021
Revenues				
Product	**$ 507,630**	$ 353,884	**$ 1,700,667**	$ 1,038,196
Service	**133,297**	92,067	**463,980**	291,541
Total revenue	**640,927**	445,951	**2,164,647**	1,329,737
Cost of sales	**472,011**	330,058	**1,613,879**	984,033
Gross profit	**168,916**	115,893	**550,768**	345,704
Selling, general and administrative expenses	**126,377**	81,440	**413,644**	254,805
Income before the following	**42,539**	34,453	**137,124**	90,899
Depreciation and amortization	**20,363**	11,925	**75,114**	36,473
Finance expense, net	**9,062**	2,125	**19,860**	7,801
Special charges	**18,654**	2,595	**38,146**	19,701
Share-based compensation expense	**1,422**	1,132	**5,594**	2,325
Other expense (income)	**2,057**	6,108	**(20,375)**	625
Income before income taxes	**(9,019)**	10,568	**18,785**	23,974
Income tax (recovery) expense	**(4,363)**	3,488	**(4,059)**	7,608
Net income	**$ (4,656)**	$ 7,080	**$ 22,844**	$ 16,366
Net income (loss) attributable to:				
Shareholders of Converge	**(3,528)**	6,660	**27,283**	15,946
Non-controlling interest	**(1,128)**	420	**(4,439)**	420
	$ (4,656)	$ 7,080	**$ 22,844**	$ 16,366
Other comprehensive income (loss)				
Exchange differences on translation of foreign operations	**(14,238)**	465	**(13,379)**	488
Comprehensive income	**$ 9,582**	$ 6,615	**$ 36,223**	$ 15,878
Comprehensive income (loss) attributable to:				
Shareholders of Converge	**10,710**	6,195	**40,662**	15,458
Non-controlling interest	**(1,128)**	420	**(4,439)**	420
	$ 9,582	$ 6,615	**$ 36,223**	$ 15,878
Adjusted EBITDA[1]	**$ 43,064**	$ 34,685	**$ 142,868**	$ 94,035
Adjusted EBITDA as a % of Gross Profit[1]	**25.5%**	30.0%	**25.9%**	27.0%

Summary of Consolidated Statements of Cash Flows

(expressed in thousands of Canadian dollars

	For the three months ended December 30, 2022	For the three months ended December 30, 2021	For the twelve months ended December 30, 2022	For the twelve months ended December 30, 2021
Cash flows from operating activities				
Net income (loss)	**$ (4,656)**	$ 7,080	**$ 22,844**	$ 16,366
Adjustments to reconcile net income (loss) to net cash from operating activities				
Depreciation and amortization	**21,994**	12,952	**80,065**	39,587
Unrealized foreign exchange (gains) losses	**951**	5,670	**(19,581)**	645
Share-based compensation expense	**1,422**	1,132	**5,594**	2,325
Finance expense, net	**9,062**	2,125	**19,860**	7,801
Change in fair value of contingent consideration	**14,033**	(1,138)	**14,033**	5,100
Income tax (recovery) expense	**(4,363)**	3,488	**(4,059)**	7,608
	38,443	31,309	**118,756**	79,432
Changes in non-cash working capital items	**(8,048)**	(13,376)	**(77,170)**	7,633
Cash from operating activities	**30,395**	17,933	**41,586**	87,065
Cash flows used in investing activities				
Purchase of property and equipment	**(5,131)**	(2,648)	**(23,942)**	(6,310)
Proceeds on disposal of property and equipment	**475**	(364)	**299**	187
Repayment of contingent consideration	**-**	-	**(10,135)**	(5,502)
Repayment of deferred consideration	**(4,521)**	-	**(11,501)**	(5,627)
Business combinations, net of cash acquired	**(64,466)**	(16,256)	**(418,147)**	(260,550)
Cash used in investing activities	**(73,643)**	(19,268)	**(463,426)**	(277,802)
Cash flows from financing activities				
Transfers from (to) restricted cash	**(39)**	11,467	**(4,411)**	-
Interest paid	**(6,022)**	(103)	**(10,309)**	(5,742)
Dividend paid	**4**	-	**(1,084)**	-
Payments of lease liabilities	**(3,796)**	(3,043)	**(12,290)**	(10,044)
Proceeds from issuance of common shares and warrants	**-**	-	**-**	493,883
Proceeds from equity funding by a non-controlling interest	**-**	33,200	**-**	33,200
Repurchase of common shares	**(9,461)**	-	**(40,000)**	-
Repayment of notes payable	**(40)**	(296)	**(236)**	(4,086)
Repayment of borrowings	**46,734**	(379)	**404,640**	(135,827)
Cash from financing activities	**27,380**	40,846	**336,310**	371,384
Net change in cash during the period	**(15,868)**	39,511	**(85,530)**	180,647
Effect of foreign exchange on cash	**3,529**	1,680	**(2,773)**	2,779
Cash, beginning of period	**172,229**	207,002	**248,193**	64,767
Cash, end of period	**$ 159,890**	**$** 248,193	**$ 159,890**	**$** 248,193

Appendix: Quarterly impact of software net-down on Q4 FY22 and historical results

The following table illustrates the impact of the software net-down accounting change on the Company's trailing eight quarters:

For the three months ended	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net revenues, previously reported	771,558	603,206	596,656	550,037	504,983	367,349	345,307	310,202
Impact of software net-down	(130,631)	(88,721)	(81,460)	(55,998)	(59,032)	(65,548)	(31,264)	(42,260)
Net revenues, adjusted	640,927	514,485	515,196	494,039	445,951	301,801	314,043	267,942
Gross Profit (unchanged)	168,916	139,654	133,152	109,045	115,893	83,771	78,244	67,797
Gross Margin, previously reported	22%	23%	22%	20%	23%	23%	23%	22%
Impact of software net-down	4%	4%	3%	2%	3%	5%	2%	3%
Gross Margin, adjusted	26%	27%	26%	22%	26%	28%	25%	25%

Non-IFRS Financial Measures

This release refers to certain performance indicators including Adjusted EBITDA that does 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 results. 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.

Adjusted EBITDA

Adjusted EBITDA represents net income or 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.

The Company uses Adjusted EBITDA to provide investors with a supplemental measure of its operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company 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 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.

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. 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.

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

	For the three months ended December 31,		For the twelve months ended December 31,	
	2022	2021	**2022**	2021
Net income (loss) before taxes	**$ (9,019)**	$ 10,568	**$ 18,785**	$ 23,974
Finance expense	**9,062**	2,125	**19,860**	7,801
Share-based compensation expense	**1,422**	1,132	**5,594**	2,325
Depreciation and amortization	**20,363**	11,925	**75,114**	36,473
Depreciation included in cost of sales	**1,631**	671	**4,950**	3,114
Foreign exchange loss (gain)	**951**	5,669	**(19,581)**	647
Special charges	**18,654**	2,595	**38,146**	19,701
Adjusted EBITDA	**$ 43,064**	$ 34,685	**$ 142,868**	$ 94,035

Adjusted Free Cash Flow and Adjusted Free Cash Flow Conversion

The Company calculates Adjusted Free Cash Flow as Adjusted EBITDA less: (i) capital expenditures ("Capex") and (ii) lease payments relating to the IFRS 16 lease liability ("IFRS 16 Lease Liability"). Capex and IFRS 16 Lease Liability cash outflows are found in the cash flows from investing activities and cash flows from financing activities sections of the Company's consolidated statements of cash flows, respectively. 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 Q4-222 and FY22:

	For the three months ended December 31,		For the twelve months ended December 31,	
	2022	2021	**2022**	2021
Adjusted EBITDA	**$ 43,064**	$ 34,685	**$ 142,868**	$ 94,035
Capex	**(2,597)**	(2,648)	**(11,219)**	(6,310)
Payment of lease liabilities	**(3,796)**	(3,043)	**(12,290)**	(10,044)
Adjusted Free Cash Flow	**$ 36,671**	$ 28,994	**$ 119,359**	$ 77,681
Adjusted Free Cash Flow Conversion	**85%**	84%	**84%**	83%

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 (Loss) and Adjusted Earnings per Share ("EPS")

Adjusted Net Income (Loss) represents net income (loss) adjusted to exclude special charges, amortization of acquired intangible assets, and share-based compensation. The Company believes that Adjusted Net Income (Loss) is a more useful measure than net income (loss) 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 (Loss) 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:

	For the three months ended December 31,		**For the twelve months ended December 31,**	
	2022	2021	**2022**	2021
Net income (loss)	**$ (4,656)**	$ 7,080	**$ 22,844**	$ 16,366
Special charges	**18,654**	2,595	**38,146**	19,701
Amortization of acquired intangible assets	**16,502**	9,021	**59,549**	26,438
Foreign exchange loss (gain)	**951**	5,669	**(19,481)**	647
Share-based compensation	**1,422**	1,132	**5,594**	2,325
Adjusted Net Income:	**$ 32,873**	$ 25,497	**$ 106,552**	$ 65,477
Basic	**0.16**	0.12	**0.50**	0.35
Diluted	**0.16**	0.12	**0.49**	0.35

Gross revenue and Gross revenue for organic growth

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:

		Q4 2022		Q4 2021
	Without policy change	Software net-down	**Reported**	Adjusted
Product	**$ 638,261**	-	**$ 638,261**	$ 412,916
Managed services	**36,244**	-	**36,244**	24,577
Third party and professional services	**282,298**	-	**282,298**	204,658
Total gross revenue	**$ 956,803**	-	**$ 956,803**	$ 642,151
Adjustment for sales transacted as agent	**185,245**	130,631	**315,876**	196,200
Net revenue	**$ 771,558**	(130,631)	**$ 640,927**	$ 445,951

		FY 2022		FY 2021
	Without policy change	Software net-down	**Reported**	Adjusted
Product	**$ 2,057,477**	-	**$ 2,057,477**	$ 1,236,301
Managed services	**138,176**	-	**138,176**	88,782
Third party and professional services	**895,328**	-	**895,328**	649,707
Total gross revenue	**$ 3,090,981**	-	**$ 3,090,981**	$ 1,974,790
Adjustment for sales transacted as agent	**569,524**	356,810	**926,334**	645,053
Net revenue	**$ 2,521,457**	(356,810)	**$ 2,164,647**	$ 1,329,737

Organic Growth

The Company measures organic growth 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 FY22:

	FY22
Gross revenue	**$ 3,090,981**
Less: gross revenue from companies not owned in comparative	**945,777**
Gross revenue of companies owned in comparative period	**$ 2,145,204**
Prior period gross revenue	**1,974,790**
Organic Growth - $	**$ 170,414**
Organic Growth - %	**8.6%**

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 FY22:

	FY22
Gross profit	**$ 550,766**
Less: gross profit from companies not owned in comparative period	**168,825**
Gross profit of companies owned in comparative period	**381,941**
Prior period gross profit	**345,705**
Organic Growth - $	**$ 36,236**
Organic Growth - %	**10.5%**

Pro-forma Adjusted EBITDA

The following table provides a reconciliation of reported Adjusted EBITDA to the calculated pro-forma Adjusted EBITDA of the Company as at December 31, 2022:

	$
Adjusted EBITDA – FY22	**142,868**
Add:	
Pro-forma contribution from acquisitions	16,489
Annualized SG&A savings from cost take-out	7,295
Other expected synergies	959
Total pro-forma adjustments	24,743
Pro-forma Adjusted EBITDA	**167,611**

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 considered 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 statement available on SEDAR under the Company’s profile at www.sedar.com including its most recent Annual Information Form, its Management Discussion and Analysis and its Annual and Quarterly Financial Statements.