CONVERGE TECHNOLOGY SOLUTIONS CORP.

ANNUAL INFORMATION FORM

For the year ended December 31, 2023

March 5, 2024

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ANNUAL INFORMATION FORM

DATE, CURRENCY AND OTHER INFORMATION

Notice to Readers

In this annual information form ("**AIF**"), unless the context otherwise requires, the "Company", "Converge", "we", "us" or "our" refers to Converge Technology Solutions Corp. together with its subsidiaries, including Converge Technology Partners Inc. ("**Converge Partners**").

General

This AIF applies to the business activities and operations of Converge Technology Solutions Corp. for the year ended December 31, 2023, as updated to March 5, 2024 to reflect the Company's business subsequent to December 31, 2023.

All currency amounts in this AIF are expressed in Canadian dollars, United States dollars, Pound sterling, or Euros and are denoted by "**$**", "**US$**", "**£**" and "**€**", respectively.

This AIF includes market and industry data that has been obtained from third party sources, including industry publications. Converge believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, Converge has not independently verified any of the data from third-party sources referred to in this AIF or ascertained the underlying economic assumptions relied upon by such sources.

FORWARD-LOOKING INFORMATION

This AIF contains "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") within the meaning of 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", "evolving", "seek", "anticipates", "guidance", "outlook", "potential", "prospects", "targets", "indicative", "intend", "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.

Specifically, statements regarding projections or estimates made by the Company and its management as to the Company's future objectives, business operations, plans or expectations with respect to business strategies, the Company's platform of ITSPs, the Company's ability to complete the integration of its recent acquisitions, the achievement of certain milestones following the completion of recent acquisitions and the resultant ability to make earn-out payments, the pipeline of investment opportunities available to the Company, future competitive conditions and the Company's competitive position, the Company's differentiated and competitive skill set, customer demand for the Company's services, the future of remote working, the evolution of IT products and services, operating in large and transformative markets, customers and customer contracting, vendor and distributor relationships, the Company's ability to expand its client base, and the implementation of its diversity commitments. Forward-looking statements include all disclosures regarding possible events, conditions or results of operations that are based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. While these opinions, estimates and assumptions are considered by the Company to be appropriate and reasonable in the circumstances as of the date of this AIF, they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, levels of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking statements are based on management's perceptions of historical trends, current plans, estimates, projections, beliefs and opinions and expected future developments. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the Company's plan to pursue prospective acquisitions; the Company's ability to identify and acquire technologies; the Company's ability to conduct diligence in respect of prospective acquisitions; the Company's ability to successfully integrate subsidiaries; the Company's ability to navigate challenges related to its rapid growth; the ability of the Company to successfully implement its strategy; health epidemics, pandemics and similar outbreaks and any related government policies and actions; the outbreak of war or other hostilities between countries or regions; acts of terrorism; natural disasters; the Company's dependence on third-party suppliers; the Company's dependence on its relationships with original equipment manufacturers; the Company's dependence on its distributors; changes in IT distribution methods and practices; a failure of the Company to attract new clients or retain existing clients; the Company's ability to maintain its reputation; the market for the Company's products, IT solutions and services; the IT expenditure levels of customers; changes in the IT industry; the Company's reliance on technical innovation; the economy generally; industry competition; real or perceived errors in the Company's IT solutions, technology or software; the failure of the Company to meet its obligations under its service level agreements; difficulties in delivering complex and large projects to customers; the ability of the Company to obtain payment from its customers; the Company's reliance on payments and credits from vendors; risks related to public sector customers; the seasonal spending of key customers; the Company's reliance on IT systems and networks; damage or disruption to the Company's systems and services; cyber threats; the Company's ability to protect its intellectual property rights; infringements on third party intellectual property rights; the failure to comply with open-source licenses; the Company's reliance on financing and access to credit; the Company's reliance on payments and credits from volume sales incentive programs and marketing development funding programs; liquidity risks; foreign currency risks; risks related to the impairment of assets; the Company's exposure to the inherent risks of doing business internationally; the Company's reliance on insurance; the failure to comply with privacy and data protection requirements; changes in laws; litigation; risks related to sanctions, anti-bribery and corruption, money-laundering and antitrust; the Company's dependence on its senior management team; the ability of the Company to retain and hire skilled personnel; employee misconduct; conflicts of interest with the Company's directors; and the Company's use of subcontractors. Additional information identifying risks and uncertainties relating to the Company's business are described under the heading "*Risk Factors*" in this AIF. If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to the Company or that the Company presently believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

Although the Company bases these forward-looking statements on assumptions that it believes are reasonable when made, the Company cautions investors that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this AIF. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking statement is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking information, which speaks only as of the date made.

The forward-looking statements contained in this AIF speak only as of the date of this AIF. The Company does not undertake any obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

CORPORATE STRUCTURE

Name, Address and Incorporation

Converge was incorporated pursuant to the BCBCA on January 4, 2018 under the name "Norwick Capital Corp." ("**Norwick**"), which was a capital pool company listed on the TSXV. On November 7, 2018, the Company completed its qualifying transaction in accordance with the policies of the TSXV and pursuant to the terms of an acquisition agreement (the "**Acquisition Agreement**") dated August 28, 2018 between the Company, Converge Partners and Norwick Acquisition Corp. The Company acquired all of the issued and outstanding Class A common shares of

Converge Partners pursuant to the Acquisition Agreement, at which time Converge Partners was amalgamated with Norwick Acquisition Corp. to become a single wholly owned subsidiary of the Company (the "**Transaction**"). Prior to completion of the Transaction, the Company amended its Articles to change its name to "Converge Technology Solutions Corp." and consolidated its common shares on the basis of one common share for every 3.2 pre-consolidation common shares.

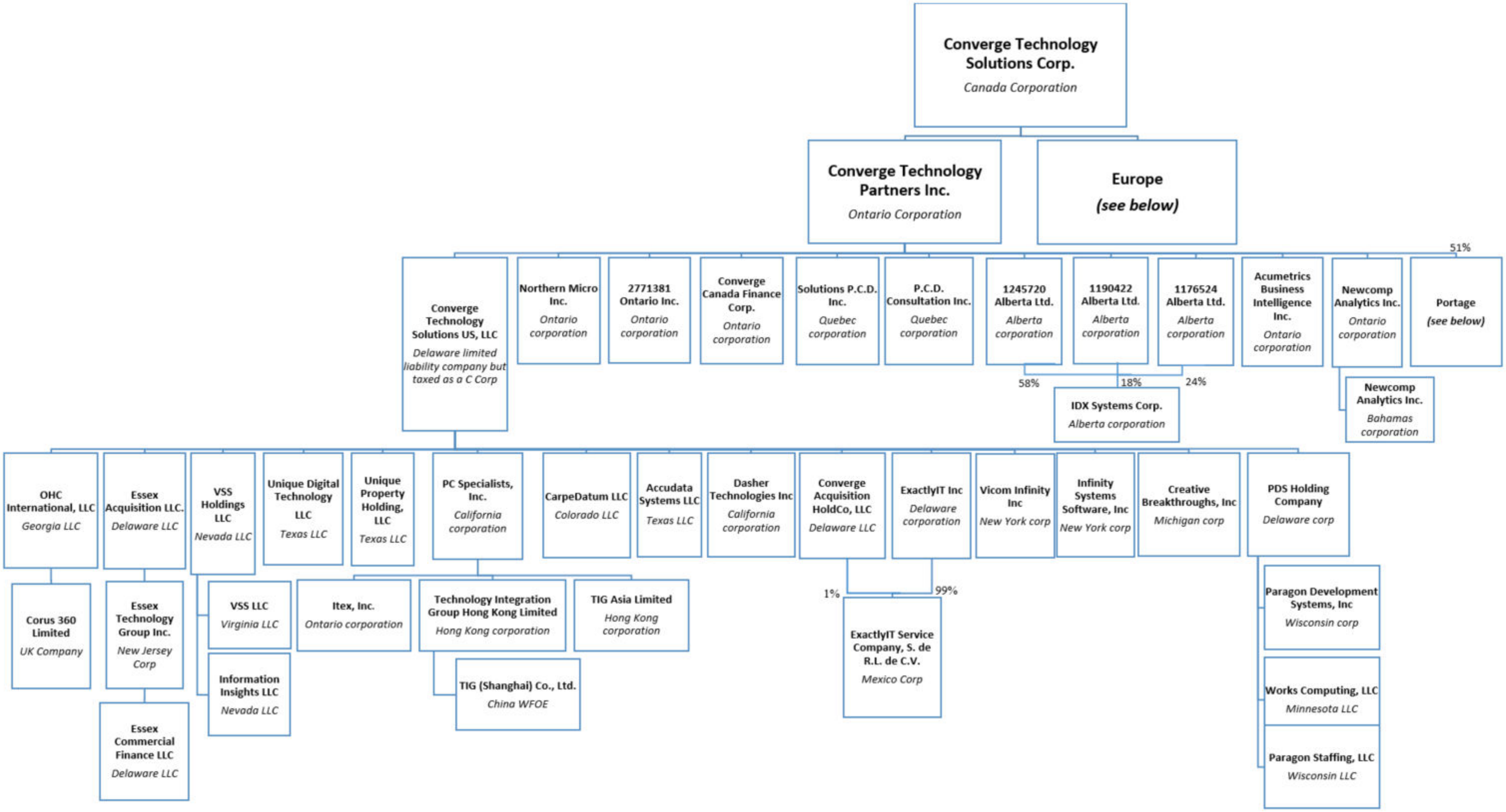
On December 15, 2020, the Company continued from the BCBCA to the CBCA. The registered office of the Company is located at 85 Rue Victoria, Gatineau, Quebec, J8X 2A3 and the head office of the Company is located at 161 Bay Street, Suite 2325, Toronto, Ontario, M5J 2T6.

The Common Shares are listed on the TSX under the symbol "CTS".

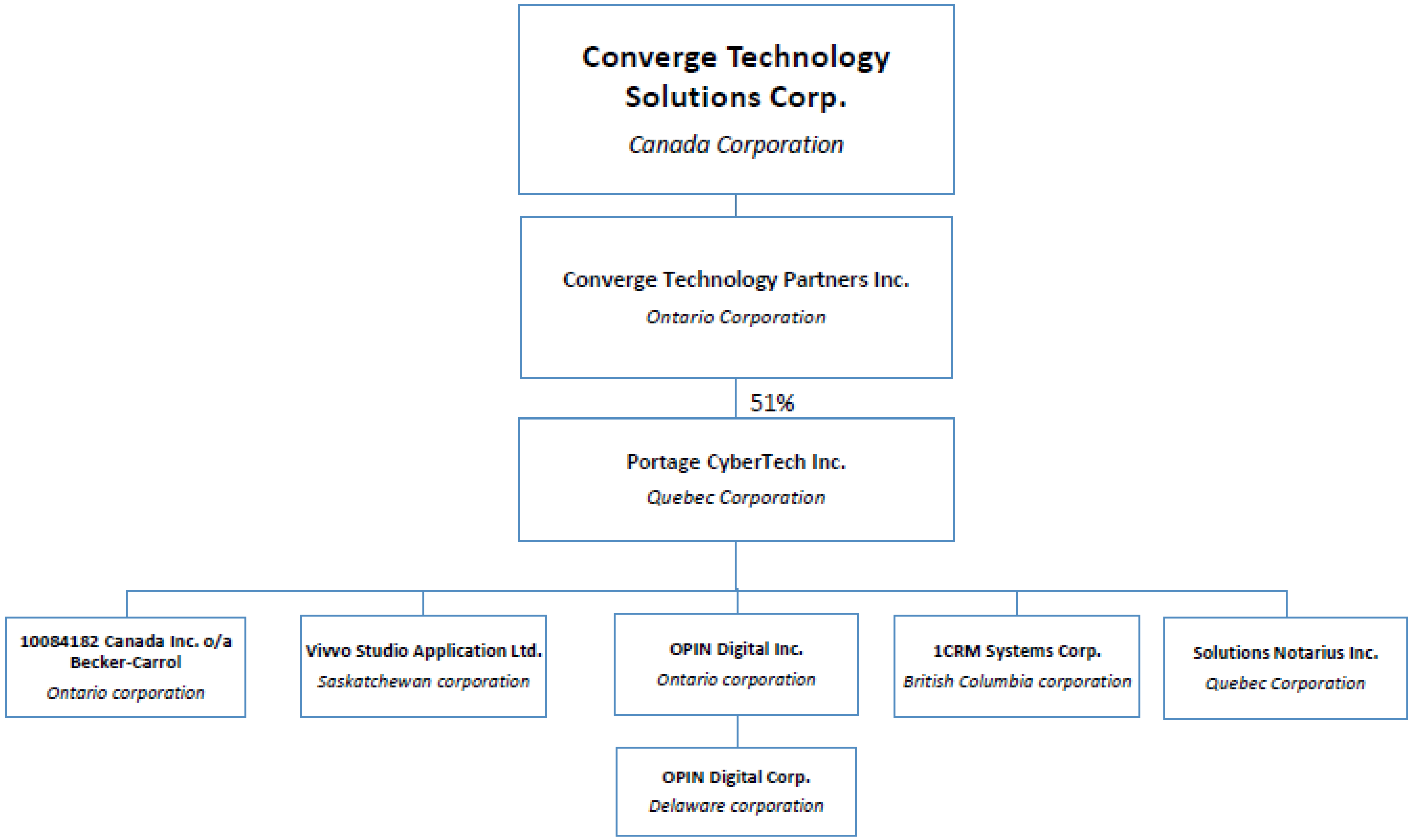
Inter-Corporate Relationships

The following chart identifies the Company's subsidiaries (including jurisdiction of formation or incorporation of the various entities) as of the date of this AIF. All subsidiaries are 100% owned unless otherwise indicated.

North America

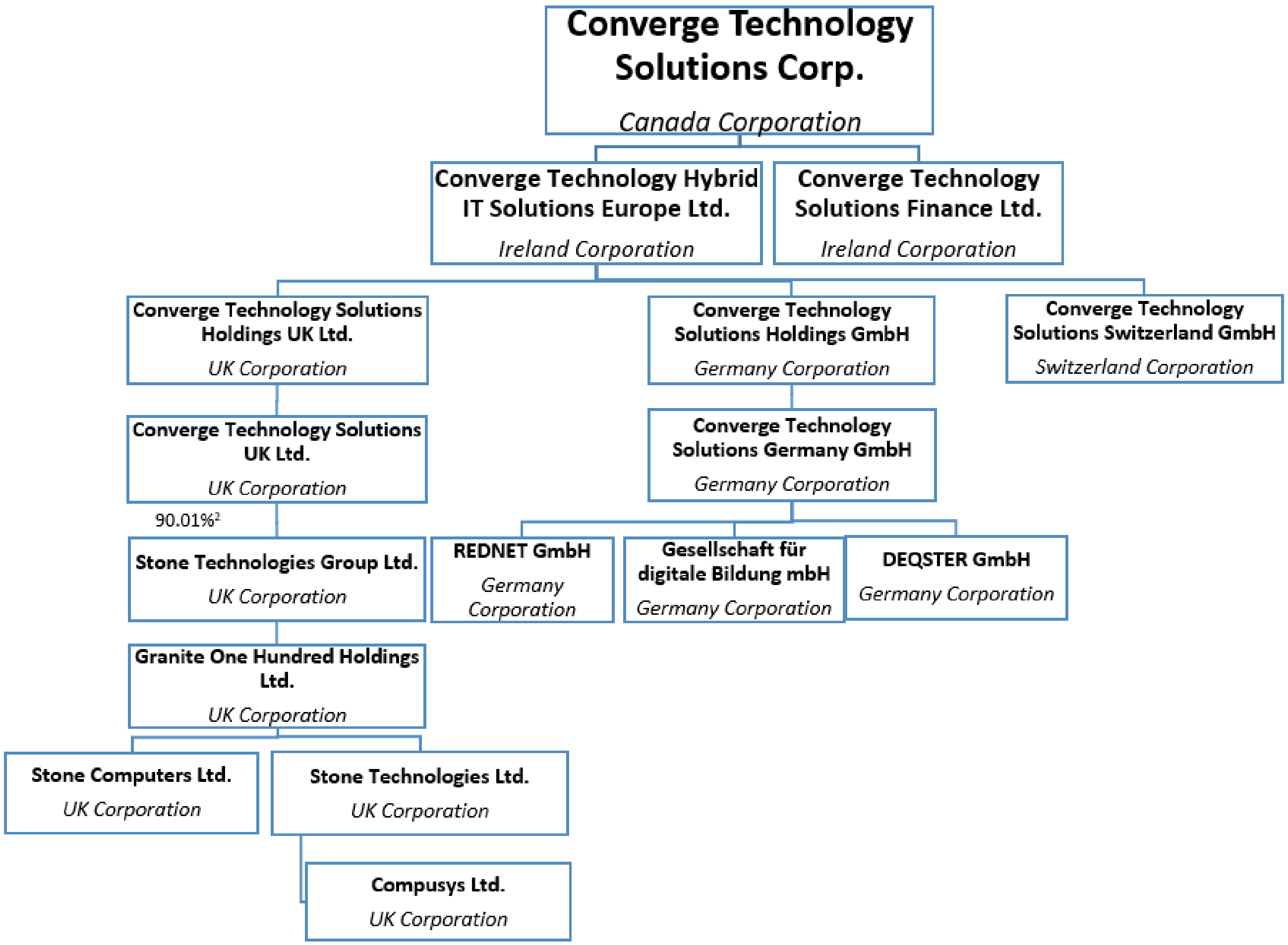


Portage [(1)]



(1) The Company indirectly holds 51% of the outstanding shares of Portage.

Europe [(2)]



(2) The Company indirectly holds 90.01% of the outstanding shares of Converge Technology Solutions UK Ltd.

GENERAL DEVELOPMENT OF THE BUSINESS

Converge is a services-led, software-enabled, IT & Cloud Solutions provider focused on delivering industry-leading solutions. Converge's global approach delivers advanced analytics, artificial intelligence, 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.

Converge has primarily grown by identifying and acquiring regionally focused and undercapitalized North American ITSPs that lack scale. The Company employs an industry-leading solutions and support approach to scale and assemble ITSPs to offer clients comprehensive solutions and services offerings. To date, Converge has acquired 35 businesses in North America, Europe and the UK. See "Description of the Business – Overview" for more information regarding Converge's acquisitions.

The major developments of the Company for the year ended December 31, 2021 were as follows:

- On January 6, 2021, the Company announced that it had completed the acquisition of CarpeDatum, a national IBM Analytics consulting organization and Alteryx Preferred Partner, headquartered in Denver, Colorado with offices in Los Angeles, California and Dallas, Texas. Consideration for the acquisition consisted of: (i) US$1.25 million in cash; (ii) up to an aggregate of US$2.5 million in earn-out payments for the three years following closing of the acquisition based on the achievement of certain milestones; and (iii) the issuance of a right to the sellers to exchange their retained membership interests in CarpeDatum for 367,644 Common Shares, subject to certain conditions. As of the date of this AIF, all Class B membership units have been exchanged into Common Shares.

- On January 15, 2021, the Company completed an underwritten public offering of 17,825,000 Common Shares at a price to the public of $4.85 per Common Share for gross proceeds to the Company of $86,451,250, including the full exercise of the over-allotment option by the underwriters.

- On February 11, 2021, the Company completed its graduation to the TSX and the Common Shares began trading on the TSX under the symbol "CTS". In connection with the Company's graduation to the TSX, the Common Shares were delisted from the TSXV.

- On February 12, 2021, the Company announced that it had completed the acquisition of Accudata Systems, Inc., an IT consulting and integration firm with a 38-year history of providing IT infrastructure and security solutions and services. Consideration for the acquisition consisted of US$7.5 million in cash paid at closing and earn-out payments of up to US$11.0 million in aggregate, payable over three years.

- On March 22, 2021, the Company announced that it had increased its ABL Facilities from $140 million to $190 million.

- On April 1, 2021, the Company announced that it had completed the acquisition of Dasher Technologies, Inc., an IT solution provider headquartered in Silicon Valley. Consideration for the purchase consisted of US$39.5 million in cash paid at closing and notes payable of US$9.0 million in aggregate, payable over three years.

- On April 6, 2021, the Company announced that Doris Albiez was appointed to the Company's European Advisory Board and on May 20, 2021, the Company announced that Thomas Volk was appointed to the Board.

- On June 3, 2021, the Company completed an underwritten public offering of 23,000,000 Common Shares at a price to the public of $7.50 per Common Share for gross proceeds to the Company of $172.5 million, including the full exercise of the over-allotment option by the underwriters.

- On June 22, 2021, the Company announced that it had completed the acquisition of ExactlyIT, Inc, a next generation internationally managed IT services provider, headquartered in North Carolina with operational offices in Mexico. Consideration for the purchase consisted of US$26.4 million in cash paid at closing.

- On June 23, 2021, the Company announced changes to the Board and management of the Company. Darlene Kelly was appointed to the Board. The Company announced that Brian Phillips, an independent director, would be appointed to act as Lead Director of the Board. The Company announced the appointment of Matthew Smith as interim Chief Financial Officer and the departure of Carl Smith. In addition, the Company announced the appointment of Julianne Belaga as Chief Legal Officer of the Company.

- On August 5, 2021, the Company announced that it had completed the acquisition of 75% interest in REDNET, an IT services provider headquartered in Mainz, Germany. Consideration for the acquired interest was approximately €96.0 million paid in cash at closing, subject to a working capital adjustment. In addition, the Company received its pro rata share of the economic benefit earned by REDNET commencing January 1, 2021. At December 31, 2022, the Company signed a definitive agreement with the seller which modified the original purchase agreement to allow the Company to acquire the remaining interest on March 15, 2023 which was completed on the same date. As a result, the Company now owns 100% of REDNET.

- On August 31, 2021, the Company announced that it had completed the acquisitions of Vicom Infinity, Inc. ("**Vicom Infinity**") and its sister company, Infinity Systems Software, Inc. ("**Infinity Systems Software**"). Vicom Infinity is an IBM mainframe solutions provider and Infinity Systems Software supplies software and services for IBM platforms. Aggregate consideration for the purchases consisted of US$15.0 million in cash paid at closing.

- On September 1, 2021, the Company completed an underwritten public offering of 24,552,500 Common Shares at a price of $10.55 per Common Share for gross proceeds of $259,028,875, including the full exercise of the over-allotment option by the underwriters.

- On October 4, 2021, the Company announced that it had acquired business data analytics firm, LPA Software Solutions, LLC. Consideration for the purchase consisted of US$9.0 million in cash paid at closing and earn-out payments of up to US$3.0 million in aggregate, payable over two years.

- On October 14, 2021, the Company announced that its recently formed cybersecurity-focused software as a service (SaaS) entity, Portage, closed a non-brokered private placement of 43,750,000 common shares at a price of $0.80 per common share for gross proceeds to Portage of $35.0 million. Upon completion of the private placement, Converge owned approximately 53% of Portage.

- On December 1, 2021, the Company announced that Portage acquired OPIN Digital Inc. ("**OPIN**") a full-service Canadian digital agency, headquartered in Ontario with an additional presence in New York, focused on designing and building digital web, mobile and experiences to support strategic digital service goals of government and enterprise customers. The purchase price consisted of the following: (i) $4.67 million in cash at closing; (ii) up to an aggregate of $1.56 million in earn-out payments for the two years following closing of the acquisition based on the achievement of certain milestones.

- On December 8, 2021, the Company announced that it had increased its ABL Facilities from $190 million to $300 million.

The major developments of the Company for the year ended December 31, 2022 were as follows:

- On January 10, 2022, the Company announced the acquisition of PDS Holding Company, a Delaware corporation, and its wholly-owned subsidiaries, including Paragon Development Systems, Inc., a Wisconsin-based organization focused on fueling digital transformation. Consideration for the purchase consisted of US$54.7 million in cash paid at closing, subject to a working capital adjustment.

- On February 9, 2022, the Company announced the acquisition of Visucom GmbH ("**Visucom**") along with its subsidiary, School Supplies 4.0 GmbH. Headquartered in Walzbachtal, Germany, with an additional presence in Haiger, Visucom is a supplier of professional screens, interactive blackboards, loudspeakers, cameras, projects, displays and media controls for education and public sector clients. Consideration for the purchase consisted of €5.7 million in cash paid at closing.

- On March 1, 2022, the Company announced the acquisition of 1CRM Systems Corp. ("**ICRM**") by Portage. 1CRM specializes in cloud software solutions that equip small- and medium-sized organizations with integrated business information while improving their cost model and streamlining their internal business processes. Consideration for the purchase consisted of $3.0 million in cash paid at closing and up to an aggregate of $2.0 million in earn-out payments for the two years following closing based on the achievement of certain milestones.

- On March 15, 2022, the Company announced the appointment of John Teltsch to the Company's senior leadership team as Chief Revenue Officer.

- On March 29, 2022, the Company announced the appointment of Richard Lecoutre to the Company's senior leadership team as Chief Financial Officer effective September 1, 2022.

- On April 1, 2022, the Company announced the acquisition of Creative Breakthroughs Inc. ("**CBI**"). Headquartered in Ferndale, Michigan, CBI is a services-led organization focused on cybersecurity solutions centered around threat detection and obstruction. CBI's solutions help defend and secure customer networks and endpoints, as well as testing and monitoring areas of operational risk, and protecting data. Consideration for the purchase consisted of US$47.0 million in cash paid at closing, subject to a working capital adjustment, and up to an aggregate of US$17.0 million in earn-out payments for the three years following closing based on the achievement of certain milestones.

- On April 29, 2022, the Company announced that it acquired a 100% interest in Interdynamix. Headquartered in Edmonton, Alberta, Interdynamix is a next-generations systems integrator focused on business, engineering, and innovation. Consideration for the purchase consisted of $28.0 million in cash paid at closing, subject to a working capital adjustment.

- On June 20, 2022, Portage announced the acquisition of Notarius, a corporation headquartered in Montreal, QC, that provides solutions that safeguard the long-term reliability of electronic documents. Consideration for the purchase consisted of $44.9 million in cash paid at closing, a working capital adjustment, and a promissory note of $5.0 million.

- On July 27, 2022, the Company terminated its ABL Facilities and on the same date, the Company entered into the Revolver Credit Facility. The Revolver Credit Facility can be drawn to a maximum of $500.0 million and includes an uncommitted accordion feature of $100.0 million, for a total borrowing capacity of up to $600.0 million, and allows the Company to borrow in foreign currencies. Interest is payable monthly at an interest rate that generally approximates the Secured Overnight Financing Rate, plus applicable bank margin ranging from 1.25% to 2.25%.

- On July 29, 2022, the Company announced the acquisition of Gesellschaft für digitale Bildung ("**GfdB**"), Institut für moderne Bildung ("**IfmB**") and DEQSTER, education market focused organizations headquartered in Germany which enable schools and universities to implement their digital future. GfdB and IfmB are full-service IT suppliers for education, while DEQSTER specializes in the development of production of equipment for digital learning and working. Consideration for the purchase consisted of €27.8 million in cash paid at closing, subject to a working capital adjustment, and up to an aggregate of €15.0 million in earn-out payments for the three years following closing based on the achievement of certain milestones.

- On August 2, 2022, the Company announced the acquisition of PC Specialists Technology Integration Group, a corporation headquartered in San Diego, California, specializing in optimized performance solutions and critical business support. Consideration for the purchase consisted of US$108.6 million in cash paid at closing, subject to a working capital adjustment.

- On September 12, 2022, the Company announced the acquisition of Newcomp Analytics Inc., a corporation headquartered in Toronto, Ontario, that assists organizations in building a map to deeper analytics while providing teams with the tools they need to tackle big data projects. Consideration for the purchase consisted of $18.3 million in cash paid at closing, subject to a working capital adjustment, and deferred payments in aggregate of $1.0 million due over the two years following closing of the acquisition.

- On October 14, 2022, the minority shareholders of Portage were granted an additional 4,375,000 common shares of Portage in connection with the automatic exercise of warrants. As a result, and as of the date of this AIF, the Company owns approximately 51% of the outstanding common shares of Portage.

- On November 7, 2022, the Company announced the acquisition of its first UK-based company, acquiring an 89% interest in Stone Technologies Group Limited ("**Stone**"), a provider of Circular IT solutions for education institutions, as well as public and private sector organizations in the UK. The acquisition of Stone capped off a monumental year of growth for Converge in the European market, and provided the Company with industry leading knowledge and skills to continue enhancing Converge's capabilities and offerings to its clients in the UK and European Union. Under the terms of the acquisition, certain key management personnel of Stone reinvested a portion of the proceeds from sale of their shares into a new Converge UK holding company, representing an aggregate minority interest stake of 11%. The purchase agreement allows for Converge to acquire the remaining 11% of Stone after approximately three years. Consideration for the purchase consisted of £46.2 million paid at closing, subject to a working capital adjustment.

- On November 22, 2022, the Company announced that its Board formed a special committee of independent directors (the "**Special Committee**") to undertake, in consultation with its financial and legal advisors, a review and evaluation of strategic alternatives (the "**Strategic Review**") that may be available to the Company to unlock shareholder value. The Special Committee was chaired by Brian Phillips, Lead Independent Director and included Darlene Kelly, Chair of Audit Committee and Ralph Garcea, Chair of Compensation Committee. In conjunction with the Strategic Review, the Company announced on December 12, 2022 that the Special Committee retained Canaccord Genuity Corp and Houlihan Lokey Capital, Inc., as its co-financial advisors to assist in its review and evaluation of strategic alternatives that may be available to the Company. In addition, the Company retained LodeRock Advisors Inc. to assist with investor relations activities managing the communications to investors and market analysts.

The major developments of the Company for the year ended December 31, 2023 were as follows:

- On February 9, 2023, the Company announced the increase of its existing Revolver Credit Facility from $500,000,000 to $600,000,000 under its accordion feature, with no change to its existing credit terms.
- On March 15, 2023, the Company announced the updated role of Greg Berard to Global President and CEO while continuing to report to Shaun Maine as Group CEO.
- On March 15, 2023, the Company announced the resignation of Richard Lecoutre as CFO of the Company due to medical reasons, and the re-appointment of Matthew Smith as Interim CFO.
- On March 15, 2023, the Company acquired the remaining 25% interest in REDNET for $36.7 million.
- On May 9, 2023, the Company announced the conclusion of the Strategic Review (as described more particularly above), with the Special Committee concluding that the considered proposals would not be in the best interests of the Company. The Special Committee further recommended that the Board endorse the Company's continued execution of its business plans as an independent publicly held company under the leadership of Group CEO Shaun Maine. The Board accepted and endorsed the Special Committee's recommendation.

- On May 9, 2023, the Company announced that the Board had authorized Converge's first quarterly dividend to date of $0.01 per Common Share in respect of the first quarter of 2023, which was paid on June 16, 2023.

Additional dividends of $0.01 were announced on each of August 9, 2023, and November 14, 2023, in respect of the second and third quarters of 2023, respectively, and paid on September 22, 2023, and December 28, 2023, respectively.

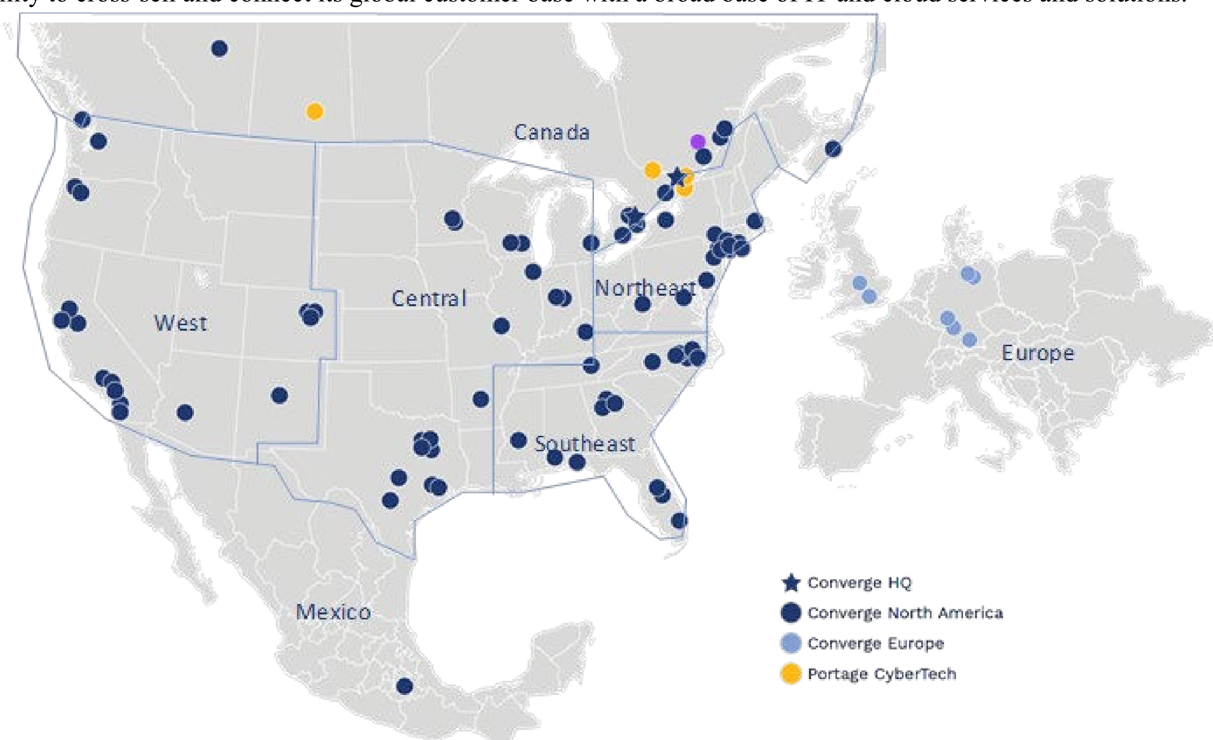
- Additionally, on May 9, 2023, the Company announced the appointment of Avjit Kamboj to the Company's senior leadership team as Chief Financial Officer effective as of May 10, 2023.
- On August 9, 2023, the Company announced that the TSX had approved the renewal of the Company's normal course issuer bid (the "**NCIB**"). Pursuant to the NCIB, Converge may purchase for cancellation up to an aggregate of 19,427,276 Common Shares representing approximately 10% of Converge's public float of Common Shares as at July 28, 2023. The NCIB commenced on August 11, 2023 and will terminate one year after its commencement, or earlier if the maximum number of Common Shares under the NCIB have been purchased or the NCIB is terminated at the option of the Company. The Company also entered into an automatic share purchase plan agreement with Canaccord Genuity Corp. to facilitate the repurchase of Common Shares under the NCIB.
- On December 5, 2023, the Company announced the appointment of Wendy Bahr to the Board.

DESCRIPTION OF THE BUSINESS

Overview

Converge is a North American and European software-enabled IT & cloud solutions provider focused on delivering industry-leading solutions and services. Converge's global solutions approach delivers advanced analytics, artificial intelligence, 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.

To date, Converge has acquired 35 businesses in North America, Europe and the UK. This has allowed it to consolidate sales capabilities, expand geographic presence, and facilitate network integration and data centre capabilities. These acquired businesses provide the Company with a complementary suite of products and services capabilities, with the ability to cross-sell and connect its global customer base with a broad base of IT and cloud services and solutions.



Converge's ideal ITSP acquisition targets were those that are regionally focused, undercapitalized and lacking scale, but which had multiple strong relationships with leading IT vendors and distributors such as AWS, IBM, Cisco, Dell, Microsoft and others. The Company also values ITSPs with a sub-scale managed services business that provides a base of recurring revenue. After acquiring an ITSP, Converge's key focus is on achieving rapid integration into the Company, developing and deploying hybrid cloud strategies and creating valuable recurring managed services.

Strengths

The ITSP market in which Converge operates is competitive, highly fragmented, and characterized by rapid transformation in service models and use needs. Converge differentiates itself in the market through its broad geographical coverage, scale, industry and manufacturer certifications at the highest levels, technology expertise, breadth and depth of product offerings, growing managed services business, and its focus on hybrid IT solutions, including emerging and transforming technologies.

With a suite of software-enabled hybrid IT solutions backed by industry-leading advanced analytics, artificial intelligence, application modernization, cloud, cybersecurity, digital infrastructure, managed services, and talent solutions, Converge has strategically positioned itself as a valued supplier for customers and as a leader in this industry.

The Company's key strengths include:

Strong relationships with OEMs and distributors underpinning a multi-vendor strategy

Converge maintains strong relationships with multiple OEMs and distributors to ensure that clients can leverage state of-the-art hardware, software, and other solutions across an array of vendors rather than from a single seller. Converge's relationships with technology vendors and OEMs include storage providers such as Pure Storage, Dell, EMC, and NetApp, virtualization providers such as VMware, diversified IT hardware and software providers such as Hewlett Packard and IBM, and networking providers such as Cisco, Brocade, Palo Alto and Juniper. As of the date of this AIF, Converge continues to be an authorized reseller for hundreds of manufacturers and maintains top tier certifications with all first tier OEMs, most second-tier OEMs, cloud providers such as AWS, Microsoft, Google, IBM, and software providers of solutions like Alteryx, Arctic Wolf, Crowdstrike, Red Hat, Snowflake and VMWare. These certifications are a significant point of differentiation between Converge and many of its competitors.

In addition, Converge's increasing scale allows the Company to take advantage of higher discounts and a range of incentive programs from OEM partners. Converge strives to maximize its access to and use of partner funding sources in the form of market development funds and rebates. Participation in these programs is based upon meeting certain thresholds for volume of sales or purchases of the partners' products and services. Funding may also be made available for specific marketing initiatives with clients, discounts, marketing funds, price protection, or rebates. Participation in partner funding enables Converge to finance significant marketing campaigns as well as fund headcount growth to add team members with specific credentials in that vendor's technologies. As Converge is able to offer clients a full suite of end-to-end, technology agnostic solutions that include hardware, software, cloud, managed services, and professional services, it can assist clients in containing IT operations and maintenance costs while maximizing the value of their assets. The advantages of using Converge as a multi-vendor solutions provider include the ability to provide a single point of contact and accountability, as well as consistent delivery of IT services across any platform. In addition, it allows for customized and specialized IT services.

Differentiated and Competitive Skill Set

- *Strong Value Proposition:* As the primary point of contact for meeting customers' IT needs, Converge helps customers reduce the time, cost, and effort needed to implement comprehensive, multi-vendor, hybrid IT solutions, which allows clients to focus on other critical aspects of their businesses. Converge has 1,700+ sales and technical employees to provide expertise and develop strong relationships with clients, including a broad base of engineers and project managers holding professional certifications across the Company's product and service offerings.

- *End-to-end Integrated IT Solution:* Converge provides end-to-end integrated IT solutions, including hardware and software, maintenance and support services, professional services, and managed hosting. Converge's pre-sales engineers rely on their experience and domain expertise to recommend the appropriate solutions from leading OEM vendors. Converge's professional services engineers provide a full spectrum of provisioning, configuration, testing, and full implementation services to deliver an integrated solution.
- *Technical Expertise:* Converge's engineers and sales teams work closely with clients' IT teams to identify the appropriate technologies to address their business needs. Engineers develop and maintain expertise in configuration, installation, and operational support for multiple OEM solutions. Converge's subject matter experts possess deep knowledge in a broad range of technologies and hybrid IT solutions, including analytics, artificial intelligence, application modernization, cloud platforms, cybersecurity and data centre optimization. Converge's employees continue to expand their technology skills, spending a significant portion of their time on acquiring new certifications and keeping pace with emerging technologies.
- *Client-centric Approach:* Converge's clients consist of mid-market companies, enterprise, federal, provincial, state and local governments, and other public entities. Converge delivers solutions to companies that operate in increasingly complex environments and many diverse verticals, including consumer products, consumer electronics, healthcare, telecommunications, technology, industrial, and non-for-profit. These companies demand highly responsive and superior service from their suppliers. Converge's consultative, technology-agnostic strategy allows it to provide solutions that best serve the interests of its clients. Converge's flexible engagement model allows it to address clients' needs quickly and consistently. While its scale allows Converge to serve clients over broad geographic areas, Converge's local offices enable it to maintain client relationships and ensure timely response to client needs. Converge's flexible, client-centric approach, record of excellent customer service, broad and deep technology expertise, proprietary tools, and established processes and procedures are key differentiators that allow it to continue to effectively serve clients. With a client-focused, rather than vendor-focused, approach, Converge's ITSP subsidiaries have been able to develop successful, long-term track records with clients, many for 10 or more years.
- *International Coverage and Scale:* Converge has a broad geographic reach that allows it to serve clients throughout North America and, more recently, Europe and the UK. Converge's regional hubs allow the Company to provide national coverage to clients while also maintaining a local relationship with single-location customers.

Operating in Large and Growing End Transformative Markets

Companies are increasingly reliant on IT to support remote working and drive business growth and facilitate faster, more responsive, reliable, secure, and lower-cost business operations. Within these markets, Converge has a firm focus on areas of above-market growth, including data centre strategies, cloud computing, advanced analytics, AI, and cybersecurity. Converge focuses on providing best-in-class solutions in these segments, which are amongst the fastest growing areas in the IT industry.

Strategy

The Company's strategy is to continue moving towards a services-oriented model in line with large IT vendors and consulting firms. Execution of this strategy includes Converge's continued focus on its approach to organic growth through cross-sales execution and growth of their advisory, implementation, and managed services. Converge's acquisition and consolidation strategy provides customers with the resources and technical capabilities of a scaled platform, while maintaining the brand, reputation, and dedicated resources of a regional provider. An emphasis on hybrid IT solutions also facilitates entry into new markets and verticals, as well as cross-selling opportunities with existing customers.

Key elements of the Company's strategy are described below:

- *Global Strategy:* Converge's strategy is to become the leading ITSP to mid-market customers in North America, Europe and the UK. The Company has recently added an executive management team in Europe that will allow Converge to pursue its expansion strategy.

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

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

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

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

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

Competitive Conditions

The ITSP market in which Converge operates is transforming, competitive, and highly fragmented. Converge differentiates itself in the market through its geographical coverage, increasing scale, industry and manufacturer certifications at the highest levels, leading technology expertise, breadth and depth of product offerings, growing managed services business, and a focus on hybrid IT solutions, including emerging and transforming technologies.

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

Principal Products and Services

The Company resells, tests, and integrates a broad selection of IT hardware and software products for its clients. In order to address clients' needs, the Company focuses on solutions that cover a broad spectrum of IT, utilizing an expansive suite of products and services to serve customers' IT requirements, with a particular focus on software as solutions, which include Advanced Analytics, Cloud Services and Cybersecurity, and professional services, which include Digital Infrastructure, Managed Services and Talent Solutions:

- *Advanced Analytics*: The Company offers an advanced analytics process to help customers obtain better insight into their hidden data. This service offers several approaches, including mathematical and statistical methods, as well as machine-driven techniques such as deep learning and blockchain technology. Combined with predictive analytics, Converge enables enterprises to forecast trends and behaviours, predict future behaviour and better navigate toward success. As part of its analytics service suite, the Company offers services, including application development, AI, business analytics, data management and performance management.

- *Artificial Intelligence*: The Company specializes in crafting custom artificial intelligence and machine learning applications that are meticulously designed to clients' needs. Converge's AI solutions help teams bolster operations, augment capabilities, and deepen business expertise to allow organizations the liberty to focus on more meaningful tasks. Our tailored approach to AI and machine-learning includes generative AI, deep search, virtual agents, visual insights, predictive analytics, data science, robotic process automation, and Converge's very own custom AI solution – Converse AI.

Application Modernization and Cloud Services: The Company offers comprehensive cloud services to meet clients' needs in the evolving ways in which they save, store and access data. Businesses are growing increasingly reliant on external sources of infrastructure. The Company's multi-faceted cloud practice is built by a team of solution architects ready to enable organizations to adopt new strategies and approaches that embrace cloud technologies. These capabilities include infrastructure-as-a-service and platform-as-a-service models. This approach utilizes an architecture-first model to meet each client's specific needs. The Company's Cloud Services offerings include public and hybrid cloud offerings as well as the Company's proprietary Converge Enterprise Cloud.

- *Cybersecurity:* Staying in front of cybersecurity remains a primary priority of the Company. As cyber-attacks become more widespread and sophisticated, companies cannot afford to defer or delay investment in protecting their organizations – ransomware attacks have increased sharply over the past few years, making defending against them a top priority for leaders. Additionally, as necessary demand for cybersecurity increases, there is an understandable need for skilled cyber-personnel to facilitate the implementation of such protections. Converge remains prepared to meet the continuing need for cybersecurity, both with our Converge Cybersecurity practice and the aid of our Talent Services offerings, allowing the Company to staff projects quickly and within budget.

- *Digital Infrastructure and Digital Workspace:* Converge's Digital Infrastructure solutions enable the delivery of applications through secure, mobile, reliable access, allowing customers to achieve enhanced business outcomes. The Company's solutions accelerate the value chain of delivering products and services from our clients' partners and suppliers to their end customers. Converge's Digital Infrastructure practice is equipped to meet its customers' digital transformation needs, already employing a deep bench of highly skilled engineers and a dedicated team of solutions architects. The Company's certified technical teams also draw on 750+ strategic alliance partnerships, which allow Converge to take a partner-agnostic consultancy approach. Converge's collaborative Digital Infrastructure solution process helps clients design and implement a highly available and responsive infrastructure environment that enables business to continuously innovate and grow, as well as translates to an increased return on investment (ROI) and significantly improved user experience.

- *Managed Services:* Converge Managed Services offers the ability to provide 24-7 monitoring, remote management and engineering services utilizing service desk-initiated, ticket-based support for remediation or escalation of alerts, system conditions and vendor management. The Company's Managed Services offering includes managed end-user services, managed infrastructure services, managed security services and managed application services.

- *Talent Solutions:* Converge's Talent Solutions team delivers technology staffing services to help its clients build, transition, and transform through people. The Company collaborates with a wide network of talent that spans various aspects of IT, while offering flexible delivery options to help its clients achieve their business needs. The Converge Talent Solutions team has built numerous relationships with senior recruiters, top partners, and in-house consultants to give its clients a competitive edge in the recruiting and hiring processes.

Products

The Company offers customers a variety of products and services across its focus areas. The Company utilizes its established relationships with OEM suppliers and distributors in networking infrastructure, cloud computing, cybersecurity, and storage. The range of key products and related services offered by Converge include:

- *Data Centres:* The Company provides infrastructure and data centre solutions to meet an array of enterprise-scale workloads, helping clients to reduce costs through modernizing data centres and migrating or consolidating data centre resources. Data centre products offered by the Company include networking, virtualization, storage, disaster recovery and continuous replication of critical applications, infrastructure, data and systems that assist clients in the deployment of data centres. Virtualization also allows clients to create multiple virtual machines, networks, and applications across fewer physical machines, which enables customers to leverage their computing resources to achieve significant operational efficiencies.

- *Cloud Solutions:* There has been a significant evolution in how business save, store and access data, resulting in growing reliance on external sources of infrastructure. Although traditional cloud solutions have often focused on either public or private cloud, there has been a recent emergence in adoption of hybrid cloud, which allows businesses the ability to combine one or more cloud providers' offerings into a unique solution for that organization's specific needs. With the recent expansion of remote work, cloud adoption has increased and continues to grow. The Company offers public cloud, hybrid cloud and Converge Enterprise cloud solutions, which are designed to meet clients' specific needs. Services include assessment, design, architecture, and optimization of both public and private cloud options, such as Microsoft Azure, AWS, VMware, Google Cloud, IBM Cloud, and Red Hat Open Shift. The Company's Converge Enterprise Cloud provides a full range of resiliency solutions including cloud recovery, data protection, business resiliency and continuity consulting services.

- *Unified Communications:* As part of its Digital Infrastructure services, the Company offers email, voice, and video communication technologies such as phone systems and teleconferencing. These offerings include cognitive collaboration, collaborative workspaces and legacy voice migrations, enabling clients to more seamlessly communicate in evolving work environments.

- *Networking and Storage Products:* Innovative network solutions are required in order to provide high-quality user experiences, while both ensuring security and reducing complexity. The Company's networking solutions enable organizations to achieve digital transformation through enterprise networking, security and infrastructure products that help clients meet growing bandwidth, security, and storage demands.

- *Desktops and Laptops:* The Company's end user computing solutions deliver applications services to clients, with engineers providing clients with devices on which users can run apps in a distributed environment. The Company specializes in virtualizing applications, allowing end users to leverage these applications to their full potential. End user computing solutions include desktops, laptops, as well as computing peripherals, including chargers and power systems and other computing needs.

- *Mobile and Handheld Devices:* The Company offers mobile, location-based technologies such as tablets and other devices. It also offers the Trust Platform, which gives users access to software solutions built using blockchain technology and solution architecture in the areas of privacy, access, and identity management.

Services

Converge provides professional and managed services to support its clients' infrastructure, cybersecurity and cloud needs. Increasingly, there is a focus by clients on cloud computing and cybersecurity services to support remote work. Converge services include:

- *Managed and Hosted Services:* Managed service offerings are built to solve customer problems, as well as achieve the highest customer experience, resiliency and performance. These services free the IT department from administrative tasks, so they can refocus on their company's business. The Company offers these solutions that help clients achieve higher utilization of their resources, risk mitigation, and increased business agility including secure, direct, aggregated, and managed interconnections to cloud providers. The Company's managed services include:

    - *Managed end-user services:* managed service desk, managed client devices, managed collaboration and communication, managed virtual desktop.

    - *Managed infrastructure services:* managed network, managed hybrid cloud, managed backup and resiliency, managed systems applications and products ("**SAP**"), Converge enterprise cloud.

  - *Managed security services:* detection and response, managed secure internet gateway, managed SIEM, managed intrusion, detection and prevention, vulnerability management.

  - *Managed application services:* SAP functional services, IT service management ("**ITSM**") and ITSM-as-a-service.

- *Cybersecurity Services:* With an increase in remote work, there is also an increased need for security and cybersecurity solutions to keep employees safe, wherever they may work. As internal and external cyber threats continue to multiply in an unprecedented way, securing data, environments, and systems is a top priority of customers in every industry. A comprehensive cybersecurity program helps businesses to protect their organizations from threats and potential cybersecurity incidents, such as data breaches. Additionally, The real risk of operational disruption, brand damage, and legal liabilities caused by ransomware attacks has elevated cybersecurity from a technical issue normally handled by security teams to a major executive level priority and discussion. Even the most sophisticated and mature companies with cyber-defenses already in place are now rethinking their preparedness and response capabilities when faced with imminent threat of ransomware strikes. Without a robust strategy to prepare for, respond to, and recover from such incidents, organizations are left with significant monetary, functionality, and brand exposure risk. The Company assists clients in addressing specific security risks and in creating integrated cybersecurity strategies through the design and implementation of security solutions for clients. The Company offers the following cybersecurity services:

  - *Security Consulting:* The Company offers cybersecurity consulting, working with clients to give them the ability to add security everywhere, from their core architecture, to their network, edge and endpoints. The Company helps clients to stay ahead of cybersecurity threats as well as provide fast remediation options. As part of its consulting services, the Company offers security controls workshops, information security assessments, network pen testing, web app pen testing, social engineering assessments and cloud security assessments.

  - *Identity and Data Protection:* The Company helps clients to proactively identify unauthorized or suspicious activity by continuously tracking structured and unstructured data actions across the clients' systems. They provide clients' security teams with certified, skilled support to help clients protect their businesses and rapidly respond to incidents while maximizing the efficiency of their resources. To facilitate identity and data protection, the Company's services include identity and access management, database activity monitoring consulting, data protection, data protection managed services and operating 24-7 security operations centres.

  - *Incident Management:* Industry-certified risk and compliance experts, who have experience creating and refining IR plans, help clients to develop their IR strategies, manage their IR programs and test real-world scenarios so that clients' organizations can respond quickly and efficiently in the face of cybersecurity incidents. The Company's incident management tools include Security Orchestration Automation Response, incident response program development, table-top exercises, root cause analysis, incident handling triage, managed IDS/IPS services, managed endpoint detection and response services and 24-7 security operations centres.

  - *Security Intelligence and Analytics:* The Company's security intelligence and analytics solutions help clients to eliminate blind spots in their security systems and provide visibility to key cybersecurity risks. The Company's experienced security professionals offer expertise, approaches and solutions to better clients' cybersecurity systems which help clients effectively monitor and improve their security systems and quickly identify, analyse and respond to potential security threats. The Company offers multiple solutions, including SIEM assessments and health checks, SIEM deployment and optimization, SIEM triage services, multi-cloud security operations controls, managed domain name system security, managed SIEM services and 24-7 security operations centres.

- *Security Remediation:* The Company's security remediation solutions help clients create a structured approach to identifying and mitigating IT security threats. Offered services in this area include remediation planning, remediation strategy services, tactical security services, VCISO services, managed vulnerability scanning, endpoint management services and 24-7 security operations centres.

- *Advanced Cloud Computing, Analytics and Artificial Intelligence:* In an AI-first world, clients are expecting offerings for the types of experiences that machine learning applications promise to deliver — more intuitive, more captivating, and more secure. Yet still, business leaders continue to ask the same question: "Just how exactly does AI fit into my organization? And what can and should I be doing about it?" From strategy to implementation, Converge helps organizations tap into the power of data by leading with the right mix of people, processes, and tools. The Company helps reimagine existing data infrastructure to give businesses more-panoramic and more-granular views. With the capabilities of advanced analytics, data, and artificial intelligence tools, organizations can tap into the power of a whole new realm of possibilities. The Company's offerings include:

  - *Application development:* full-stack cloud-native, legacy modernization, custom application support, CI/CD ("**Continuous Integration/Continuous Delivery**"), security and hybrid cloud adoption.

  - *AI:* computer vision, computer voice, natural language processing, predictive analytics, enterprise search and robotic process automation.

  - *Business analytics:* predictive and prescriptive analytics, data science, data management, enterprise reporting, data visualization and performance management.

  - *Data management:* data architecture, dataops, data visualization, data warehouse, data mart, data lake, data platform (hardware, virtual machine, containerized and cloud), data integration and data governance, master data management.

  - *Performance management:* budgeting, planning and forecasting, sales and operations planning, supply chain optimization and financial reporting and analysis.

- *Application Modernization and Cloud Platforms:* The Company offers the design and implementation of cloud solutions that include private, public, and managed clouds as well as data analytics and analysis. Hybrid cloud — both public and private — promises the most value for enterprises, leveraged for the right reasons, and at timely moments in an organization's lifecycle. Companies are accelerating their use of hybrid cloud as a result of demands from their business to support company initiatives while looking to drive unique experiences, find better ways to scale capacity, and reduce cost & resources. The Company also realizes clients may be facing obstacles when it comes to migrating and modernizing legacy applications to new platforms and applications. As businesses modernize and adopt Hybrid or Multicloud strategies, there are challenges to solve around workload portability, integration, operability, and consistent management across platforms. The Company's offerings include:

  - *Cloud Plan & Design*: Assessment & TCO Analysis, Migration & Modernization Strategy & Plan, Cloud & Application Architecture, Proof of Technology & Challenges, Landing Zone & BootStrap

  - *Migrate to Modernize*: Managing Billing, Cloud Migration Lift & Shift Re-Platform to Hybrid Multi-Cloud, Workload, Data Re-Factoring & App Modernization, Cloud Native Application Rewrite, DevSecOps & Automation Infrastructure as Code

  - *Run & Operate*: Governance & Security, DevOps Center of Excellence & Training, Business Continuity & High Availability, Application Outsourcing & Team Support, Monitoring, Logging, & APM

- *Cloud Optimization*: Cost Optimization, Operational Excellence, Performance Efficiency, Security, Reliability

- *Application Migrations*: Agile DevSecOps & SRE, DataOps, MLOps – DataBricks, Snowflake, Synapse, DataFactory, RedShift, AI-Assisted CI/CD Tool Chains &Everything-as-code Automation, Legacy Platforms: IBM WebSphere, J2EE, iSeries RPG and COBOL, Automated & AI-assisted Code Assessment Tools, Microservice Container Platforms, Secure Cloud-Native Serverless applications

- *DevSecOps*: Create and operate DevOps Center of Excellence to help advance customer's DevOps maturity and culture; Champion 'everything-as-code' infrastructure, compliance, security, FINOPs and test "as-code" automation principles with vigilance; Establish best practices in cloud infrastructure and software life cycle governance with a well-architected framework across pillars of security, operational excellence, performance efficiency, cost optimization, and reliability

- *Container Platform & Kubernetes*: Assessment and Advisory Services, Platform Engineering & Operations, Workload Migration/Modernization, Cloud Native Platforms & Operations, DevOps/DevSecOps Engineering, Technical Trainings and Workshops

- *IT Automation & Orchestration*: Optimize and Improve service delivery with a limited number of internal resources, simplify and standardize environment management approach, automate operations management, automation of applications, clouds, firewalls, network devices, servers, and storage

- *Observability & Intelligent Operations*: Availability and performance monitoring of all items within the IT enterprise ("Manager of Managers"), dashboard and single pane of glass for events and alerts from all tools, AI/ML infused event correlation and consolidation, application dependency discovery mapping

- *Integration – APIs & Streaming*: Manage access to services within and outside of the organization, connect applications on-prem or in the cloud, API development and management, minimize latency with event-based (Kafka) architectures, synchronize data between diverse systems, provide secure, reliable communication across application boundaries with enterprise messaging, move data rapidly, securely, and predictably

- *Systems Architecture:* In order to simplify and optimize complex infrastructures and heterogeneous operating system environments, the Company offers systems architecture solutions. The Company's solutions include:

  - *Next generation data centre, storage and visualization:* virtualization, converged and hyperconverged platforms, computing solutions, storage and data management, data protection and disaster recovery, networking and security, data centre software and data centre assessments

  - *Intelligent networking and security:* wireless and mobility, internet of things, data centre networking, cybersecurity, networking and security assessments, wireless surveys, design and deployment services, multi-site deployment services, managed infrastructure services

  - *End-user computing:* desktop and notebook computers, desktop operating systems and applications, smartphones and wearables, mobile, web and cloud applications, virtual desktops and applications

  - *Customer experience:* unified communications, cognitive collaboration, collaborative workspaces, legacy voice migrations

- *Professional Services:* The Company offers solutions to administer and monitor clients' vendor contracts, including identifying technological needs and delivering procurement services.

- *Staffing Services:* The Company utilizes its Careers portal to provide contract, contract-to-hire, and placement services for technical staffing solutions.

- *Lifecycle and Desktop Recovery Services:* The Company offers lifecycle and desktop services that allow end-users to remain productive by providing break or fix, troubleshooting, maintenance, and management services. Authorized by most major manufacturers, the Company can also provide warranty support as well as flexible service level agreements to meet the needs of budget-conscious clients and out-of-warranty equipment scenarios.

Sales and Marketing

Converge markets and sells its services directly to customers through its professional staff, senior management and direct sales personnel operating out of its headquarters and sales offices in Canada, the United States ,Europe and the UK.

Converge divides North America into five sales regions and also has sales staff located in Europe and the UK. Converge has a team of salespeople spread over all regions in which it operates that work directly with customers to address their IT needs. When Converge acquires an ITSP, it integrates the sales staff into the Converge sales teams across the sales regions. Additionally, the Company has also established its customer service centre in Mexico, from where customer service representatives assist customers across Converge's portfolio.

Customers and Customer Contracting

As of the date of this AIF, the Company provides services to thousands of customers across multiple industries. For the year ended December 31, 2023, revenue by the Company's key industries was approximately 17% from healthcare, 14% from financial services companies, 13% from government, 13% from technology companies, 9% from automotive companies, and 34% from other companies.

The Company engages with its customers on the basis of different contractual arrangements, depending on the nature of the product or service being provided, and the nature of the customer. For example, when providing managed services, the Company's customer contracts are typically multi-year contracts and may be automatically renewed unless cancelled by one party.

Proprietary Protection

Most of Converge's intellectual property related to its professional and managed services business stems from the combined technological know-how of its highly skilled workforce that has served clients in a wide variety of industries. Intellectual property related to the Trust Platform Software and other related software solutions stems from the development of software and processes. The intellectual property of each of Converge's ITSP subsidiaries is proprietary and protected under federal, provincial, state and equivalent trade secret laws and through nondisclosure agreements with employees, clients, and other third parties, which limit access to and use of proprietary intellectual property.

Employees

As of the date of this AIF, Converge, directly and through its ITSP subsidiaries, employs approximately 2,700 full-time employees located in Canada, Mexico, China, Europe, the UK and the U.S. The Company's employees have over 1,000 certifications from its various vendors and strategic partners.

Facilities

The Company's headquarters are in Gatineau, Quebec. The Company has principal offices in Toronto, Ontario with additional regional offices in the jurisdictions within which it operates. The Company believes that its current facilities are adequate to meet its ongoing needs for the near and mid-term and that, if it requires additional space, it will be able to obtain additional facilities on commercially reasonable terms.

Environmental, Social and Governance (ESG)

Diversity, Equity and Inclusion (DEI)

We value the importance of diversity by gender, age, disability, sexual orientation, geographic representation, Indigenous status and ethnicity, and we believe that the Board and the Company as a whole benefit from a broad range of perspectives and experience and are free of conscious or unconscious bias and discrimination. We care deeply about creating an inclusive environment for our skilled employees in which they can thrive, deliver compelling innovations to our customers and create shareholder value. Converge has introduced the following DEI initiatives to both support the strong foundation of our corporate culture and promote employee wellness:

- *Diversity and Inclusion Program:* The Diversity and Inclusion Program at Converge was created in support of our belief that employees are our greatest assets. We believe that a bias-free and diverse work environment not only fosters a culture of equality, but also creates value across our entire organization. The Company employs a full-time employee who focuses solely on its DEI efforts.
- *Women for Women:* Women for Women is a resource for individuals who identify as women at Converge to receive professional mentoring and advice from other individuals who identify as women within the Company.

While the Board has not adopted a written diversity policy as of the date of this AIF, we recognize that diversity and inclusion, as informed by our values and initiatives, are evolving goals and we will work under the guidance of our Nomination and Governance Committee to implement robust evaluation and nomination processes designed to address our commitments. Converge considers diversity as a factor in its succession planning and leadership appointments and is discussing its approach to targets to make sure the Company is encouraging and promoting those from diverse and underrepresented groups in a formal manner.

The Environment

Converge's commitment to the environment and to tackling climate change is strong despite not operating in a carbon-intensive business. Converge promotes sustainability by guiding its clients, through its ITSPs and otherwise, toward environmentally-sound technology, such as cloud-based solutions that are reputed to use less energy than traditional infrastructures. Wherever possible, Converge also encourages and promotes the effcieint use of energy and natural resources through its own operating practices, including via programs focused on waste reduction and recycling at each of its offices.

Business Conduct

Converge is committed to conducting its business ethically and in compliance with the letter and spirit of all applicable laws (e.g., anti-bribery, corruption, insider trading, anti-money laundering laws) from a broad array of countries, including the United States, Canada and the European Union ensuring ethical business conduct related to the transfer of goods and services. Converge is further committed to conduct business fairly, to promote fair competition, and to hold itself accountable for its own ethical practices. The Board's written Code of Business Conduct and Ethics applies to directors, officers and employees of the Company and promotes the Company's commitment to ethical business conduct throughout its operations.

Culture

Converge Core Values was launched in early 2023 to create a stated commitment and guideline to which we treat our customers, employees, partners and co-workers. The Core Values are outlined through a promise of Integrity, Unity, Commitment and Excellence. Every employee will receive a coin that displays the Core Values as a reminder of the commitment and dediacation from the Company's Leadership.

- Converge will demonstrate **Integrity** in being honest and transparent with our employees as we continue to evolve as an organization.

- Our motto of 'better together' is evident in the **Unity** we have created as part of our culture. We believe that the relationships built along with the contagious energy has created a environment that separates us in the marketplace.
- We continue to foster diversity and inclusion; giving the space for our employees to be themselves. Our passion is evident throughout Converge as our **Commitment** for all employees to feel valued and appreciated is at the forefront of our daily decisions as an organization.
- It is this drive for continuous improvement that creates a foundation for our leaders to be their very best. This mindset of **Excellence** will remain an important thread by which we measure ourselves as we move towards the next phase of our growth strategy.

The rate at which Converge completes acquisitions may be perceived as a potential challenge to successful integrations and a barrier to consistent culture. However, the Company strives to create synergies and capture opportunities for adopting meaningful policies, processes, and initiatives already in place at its subsidiaries to positively impact the culture at Converge. The Company strategically pursues targets with complementary corporate values and seeks to build from exemplary ESG policies that put people and the environment first.

Data Privacy and Information Security

Converge has long maintained industry best practices for incorporating data and privacy protection into our day-to-day activities, including the products and services we offer. Converge has implemented a wide range of measures to ensure the availability, integrity and confidentiality of data. See also "Description of the Business – Principal Products and Services – Products – Cybersecurity Services".

Converge is subject to applicable Canadian and foreign privacy laws regarding the collection, use, disclosure and protection of client and employee data. We store personal information and other confidential information of our partners, customers and their consumers and employees, and may also store credit card information of our customers. Accordingly, we may be subject to federal, state, provincial and foreign laws regarding cybersecurity and the protection of data and privacy, including, the *Personal Information Protection and Electronic Documents Act* (Canada), the *California Consumer Privacy Act*, as amended, the *United Kingdom General Data Protection Regulation* and GDPR. Further, the privacy and data protection laws in some jurisdictions require companies to notify governmental authorities and/or individuals of certain security breaches, such as those involving certain types of personal data or those giving rise to a significant risk of harm to an individual. Our agreements with certain customers require us to notify them in the event of a security incident. Additionally, we are required, based on contracts with certain customers and the privacy and data protection laws in some jurisdictions, to use industry-standard or reasonable measures to safeguard personal or confidential information. We post on our website or otherwise make available to customers our privacy policy, data processing agreement, and terms of service, which describe the way we process customer data and data relating to their employees and consumers. These documents set out Converge's commitment to processing personal data in a responsible manner and in compliance with applicable data protection legislation.

In 2022, Converge appointed Sean Colicchio as its first Global Chief Information Security Officer, responsible for the Company's physical and digital security strategies as well as the identification and mitigation of potential risks. The addition of the CISO role within the Converge organization represented a significant investment and milestone in advancing the Company's knowledge, recognition and responsibility surrounding its cybersecurity practices and will be crucial to the long-term success of Converges growth strategy.

RISK FACTORS

The Company's business is subject to a variety of risks and special considerations. As a result, prospective investors in the Company should carefully consider the risks described below and the other information included in this AIF and any information gathered as a result of the prospective investor's own independent evaluation of the Company and its business before deciding to invest in the Common Shares. The following summary of "risk factors" does not purport to be exhaustive or to summarize all the risks that may be associated with purchasing or owning Common Shares. Additional risks and uncertainties not presently known to Converge, or that it believes to be immaterial, may impair the Company's business. Each potential investor is advised and expected to conduct its own investigation into the Company and to arrive at an independent evaluation of the investment. If any of the following risks actually occur, the Company's business, financial condition and results of operations could suffer. In that case, the value of the Common Shares could decline, and the investor could lose all or part of its investment.

The Company may not be successful at identifying or acquiring other businesses or technologies, and due diligence processes may not reveal all relevant facts.

As part of its strategy, the Company intends to defend and grow its market position in the United States, Canada, Europe and the UK through acquisitions of ITSPs and software developers. Potential targets are evaluated, amongst other factors, on their ability to provide the Company access to new markets, add competencies, provide product revenue, reach cross-selling targets, enhance technologies, achieve estimated synergies, and add customers. There can be no assurance that the Company will continue to be able to identify suitable targets for acquisitions or that such acquisitions will be available to the Company on commercially favourable terms or terms that fit its acquisitions model. Accordingly, the Company may not complete the number and type of acquisitions which it plans, which could limit the Company's growth potential and prospects and reduce investors' confidence in the Company and its strategy.

In addition, there can be no assurance that the Company will correctly identify and evaluate potential risks related to acquisition targets during its due diligence exercise prior to any acquisition. Diligence reviews of acquisition targets may not identify all of the material issues necessary to accurately estimate the cost or potential loss contingencies with respect to a particular transaction, including potential exposure to regulatory issues, ownership of assets, retention of staff, or legal issues or disputes resulting from an acquisition target's previous activities. The Company may incur unanticipated costs or expenses, including post-closing asset impairment charges, expenses associated with eliminating duplicate credit facilities, resolving litigation and other liabilities. The Company may be negatively impacted as a result of the materialization of such risks following an acquisition.

In addition, there may be unforeseen developments or circumstances, which may cause expected synergies or earnings to not be realized, as described in "—The Company's ability to conduct its business and its financial results are dependent on the successful integration of acquired subsidiaries and its estimates and assessments of synergies and earnings potential in acquired companies may not live up to expectations." Further, goodwill from acquisitions may have to be impaired, which could negatively impact the Company's results of operations and financial position. In addition, the key personnel of the acquired company may decide not to continue to work for the Company, which could have a negative impact on customer relationships and sales, as described in "—The Company's strategy to pursue acquisitions could disrupt its business and/or have a negative impact on its operational performance, financial performance and/or financial condition." These difficulties could disrupt the Company's ongoing business, increase the overall complexity of the business, and increase expenses. Such negative impacts may outweigh any positive benefits derived from acquisitions and may have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company's strategy to pursue acquisitions could disrupt its business and/or have a negative impact on its operational performance, financial performance and/or financial condition.

The Company is pursuing a strategy of growth primarily through acquisitions. Acquisitions involve a number of risks, including diversion of management's time and attention, transaction costs, failure to retain key acquired personnel, and/or legal and financial liabilities, some or all of which could have a material adverse effect on the Company's business, financial condition, and results of operations. In addition, there can be no assurance that the Company will be able to complete any acquisition it pursues on commercially favourable terms (if at all), that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the Company's business. If an acquired business, product or technology does not perform as expected, this could lead the Company to experience losses or require impairments to goodwill recorded following an acquisition, which could have a negative impact on its financial condition and its ability to execute its growth strategy.

The Company's growth to date has, and it expects its future growth will, place significant demands on its management team and other resources and will require the Company to continuously develop and improve its operational, financial and other internal controls.

The failure of the Company to successfully manage its strategy of growth through acquisitions could therefore have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company's ability to conduct its business and its financial results are dependent on the successful integration of acquired subsidiaries, and its estimates and assessments of synergies and earnings potential in acquired companies may not live up to expectations.

The Company's future financial results are largely dependent on the successful integration of the ITSPs and software developers that the Company has recently acquired, and in particular those it expects to acquire as it pursues its strategy within timeframes and cost parameters delineated by the Company. As part of its strategic acquisition model, the Company targets ITSPs that it believes provide it with opportunities to achieve revenue, synergies and cost savings. However, there can be no assurance that the Company will be able to achieve these targets. If the Company is inefficient or unsuccessful at integrating any acquired businesses into its operations, it may not be able to achieve anticipated rates of growth, synergies, increases in market share, profitability or competitive position in specific markets or services or achieve other anticipated benefits (including maintaining the financial performance of the acquired company). For example, the Company may be unable to retain acquired customers, or achieve anticipated revenue increase through cross-sales of existing product or service offerings to acquired customers. The Company also may be unable to achieve anticipated cross-savings through back-office integration and other efficiencies sought as part of the integration process. Failure to effectively integrate an acquired ITSP or to achieve anticipated benefits for any reason may also require the Company to write-off goodwill recorded in connection with an acquisition. The pursuit of multiple acquisitions at the same time, as the Company has done in the past and expects to continue, magnifies these risks.

The Company is faced with the added challenge of continuing to conduct its ongoing operations while concurrently working towards the successful integration of these acquired subsidiaries. There is a risk that the Company will be unable to fully integrate its acquired subsidiaries as expected or without disruption to other areas of the Company's business, which may have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company's success will depend on its ability to continue to successfully navigate challenges inherent in rapid growth.

The Company has expanded its operations significantly in recent years, primarily through the acquisition of ITSPs in its industry in order to supplement its offering and grow its customer base. While these acquisitions introduce a number of specific risks (including those described in "—The Company's strategy to pursue acquisitions could disrupt its business and/or have a negative impact on its operational performance, financial performance and/or financial condition" and "—The Company's ability to conduct its business and its financial results are dependent on the successful integration of acquired subsidiaries, and its estimates and assessments of synergies and earnings potential in acquired companies may not live up to expectations"), the Company may also face risks arising from general growth across its operations, including organic growth in services provided to existing, acquired and newly-won customers.

In particular, the Company's continued growth will increase the challenges involved in:

- recruiting, training and retaining technical, finance, sales and management personnel and consultants with the knowledge, skills and experience that the Company's business model requires;

- maintaining high levels of customer satisfaction;

- developing and improving its internal infrastructure, particularly its financial, operational, communications and internal systems;

- managing operating costs and remaining cost-effective;

- achieving economies of scale;

- preserving its culture, values and performance-focused environment; and

- effectively managing its personnel and operations and effectively communicating to its personnel worldwide the Company's core values, strategies and goals.

If the Company is not able to manage these risks, it may experience disruptions to its operating activities or reduced capacity to undertake initiatives aimed to support strategic growth, including service offering developments and efforts to deepen existing client relationships and win new customers. Any of these factors could also lead to interruptions to existing operating activities, which could harm the Company's reputation and lead to loss of customers. As a result, failure to manage these risks could have a material adverse effect on the Company's business, financial condition, and results of operations.

Failure to successfully execute its other strategies may negatively affect the Company's competitive position.

The Company's business strategy will require that it successfully and simultaneously completes many tasks. In order to be successful, the Company must: (i) continue to build and operate a highly reliable, complex infrastructure; (ii) attract and retain clients; (iii) hire, train and retain quality employees; and (iv) evolve the Company's business to gain advantages in a competitive environment. If the Company fails to execute any element of its strategy in a timely and effective manner, competitors may be able to seize marketing opportunities that the Company has identified, which could have a material adverse effect on the Company's business, financial condition, and results of operation.

The Company may require additional financing in the long term, and there can be no assurance that the Company will be successful in securing such additional financing if required.

The Company evaluates financing options on an ongoing basis in the normal course and may increase its Revolver Credit Facility. The Company may require additional financing in the long term to fund its acquisition strategy, international expansion and other purposes. The ability to source such financing in the future, if needed, will depend in part on prevailing capital market conditions and the Company's financial condition and cash flow at the time. Furthermore, the Company's lenders may change as the business needs of the Company expand beyond North America. If only further debt is raised (for example, in connection with acquisitions), debt obligations may in the future require the Company to dedicate a greater portion of its cash flow from operations to making interest payments, thereby reducing the availability of cash flow for other purposes. There can be no assurance the Company will be successful in its efforts to arrange additional financing if sought, or on favourable terms. Any incurrence of debt may require the Company to grant security over some or all of its assets, agree to covenants restricting its operational flexibility, or maintain certain financial measures on a periodic basis. If financing is raised by the issuance of Common Shares or other forms of convertible securities, control of the Company may change and existing shareholders of the Company will suffer dilution. If sufficient funds are not available or are only available on terms which are not acceptable, the Company may not be able to take advantage of certain opportunities or be in a position to adequately respond to competitive pressures, which could materially and adversely affect the Company's results of operations and financial condition.

There is no guarantee that the Company will have adequate liquidity, which could impact its ability to operate.

Although the Company generates positive cash flow from operations and the Company may have access to additional credit, there is no guarantee that, over the long term, such positive cash flow position will be maintained, or that such additional credit will be obtained. The Company has taken on liabilities in connection with its past acquisitions. The Company's ability to satisfy these liabilities over the long term will be contingent upon its success in achieving sufficient cash flow from such acquisitions to be able to make payments when due and payable, including payments of deferred purchase price, earn-outs, milestone payments and payments of loan interest and principal repayment. There is no assurance that the Company will be able to secure future additional financing over the long term to repay its liabilities under existing debt obligations or in respect of obligations agreed to in connection with acquisitions should cash flows from operations be insufficient to repay these liabilities. The Company may, in the long term, enter into other borrowing arrangements in order to fund expansion plans, and such arrangements may include covenants that have similar obligations or that restrict its business in some way. Failure to maintain adequate liquidity over the long term would restrict the Company's ability to operate, comply with covenants applicable to its borrowings, or pursue new business opportunities in the future.

The obligations of the Company under its Revolver Credit Facility are secured by security interests in all of the present and future right, title and interest in and to certain property of the Company and its subsidiaries in favour and for the benefit of the lenders. In the event of a default in payment on, or of the acceleration of, the Revolver Credit Facility, and upon the lenders exercising the remedies pursuant to the terms of such obligations, such enforcement would have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company is dependent on third-party suppliers and distributors, and the failure of these suppliers or distributors to provide materials or components, or to so provide on the pricing, volume and other terms sought by the Company, could have a negative effect on the Company's ability to provide products and services to its customers.

The Company is substantially dependent upon the services of certain key technology suppliers and manufacturers and on existing relationships to facilitate purchasing from distributors for the successful operation of its business. The Company's contracts with suppliers vary in duration and are generally terminable by either party at will or upon notice. A supplier's failure to supply materials or components in a timely manner (for example, caused by disruptions related to natural causes or geopolitical reasons), or the Company's inability to obtain substitute sources for these materials and components in a timely manner or on terms acceptable to the Company, could harm the Company's ability to provide its products and services to customers. The Company may also experience increases in the prices for these third-party products and services which could negatively impact its profitability or require it to pass any cost increases on to its customers, which may result in a loss of customers and decreases in revenue for the Company. A loss of a supplier or increase in cost of supplying key products or services could also require the Company's employees to obtain new certifications and training to ensure that they can adequately serve customer requirements for any replacement suppliers, products and services. As a result, disruptions in, or significant changes to, the Company's supplier relationships could also negatively impact the Company's reputation. As a result, the loss of the services of any of these suppliers and a failure to obtain an acceptable alternative solution at a similar cost could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company's relationships with distributors take considerable time, effort and resources to establish. If the strategy of a key distributor changes in a way that adversely changes the Company's supply chain, it will take additional resources to create new vendor relationships. Although the Company benefits from integration with its technology partners and distribution partners' supply chains to provide up-to-the-minute stock and availability information to its sales team, such systems may fail or be disrupted due to circumstances outside of the Company's control. Timely fulfilment of its customer orders may occasionally be adversely affected by a supply shortage of certain hardware products as a result of strong demand or production or delivery problems experienced by its technology partners, their distributors and/or third-party logistics providers, or as a result of an industry-wide shortage of the product.

If any of these circumstances occurs, it could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company is dependent on its relationships with original equipment manufacturers and the loss of any of these relationships could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company is an authorized reseller of the products and services of leading IT OEMs, such as Amazon Web Services, IBM, Dell and Cisco. In many cases, the Company has achieved the highest level of relationship the manufacturer offers, and the Company's employees hold certifications issued by these manufacturers and by industry associations relating to the configuration, installation, and servicing of these products. Certain OEMs are large multinational companies with financial resources exceeding those of the Company and with whom the Company has limited opportunities to negotiate and renegotiate contractual terms.

The Company differentiates itself from its competitors by the range of OEMs it represents, the relationship level it has achieved with these manufacturers, and the scope of the manufacturer and industry certifications the Company's employees hold. However, there can be no assurance that the Company will be able to retain its relationships with these manufacturers on the same terms as it had previously, or at all, or that the Company will be able to retain the employees holding the requisite manufacturer and industry certifications. The loss of any of these relationships or certifications could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company is dependent on its relationship with value added distributors.

The Company is an authorized reseller of the products and services of leading IT OEMs, which are sourced both directly and through value added distributors. In the event that there were disruptions, whether operational or financial, at the operations of such value added distributors, or in the Company's relationship with such value added distributors, the Company's supply chain of OEM products and consequently, the Company's inventory could be adversely affected. Though the Company has been a value added reseller for many years, there can be no assurance that the Company will be able to retain its relationships with the value added distributors on the same terms as it has historically.

The Company is dependent on the continued services of its senior management team.

The Company's future success is substantially dependent on the continued services and performance of its senior management team. The members of its senior management team have extensive industry experience and the loss of a key member of management could adversely affect the Company's ability to execute its business strategy, identify new business opportunities, manage its finances and operations, and drive the innovation necessary to remain competitive. There can be no assurance that any members of the senior management team will continue to work at the Company for the full duration of, or beyond, the terms of their existing service agreements. Further, there can be no assurance that the Company will be able to enforce non-compete agreements with members of its senior management. In addition, the Company may face challenges in attracting suitably qualified new senior management team members. The departure of any member of its senior management without adequate replacement may have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company faces various risks related to health epidemics, pandemics and similar outbreaks, which may have material adverse effects on the Company's operating and financial performance and on its workforce.

The COVID-19 pandemic has had disruptive effects and has presented a source of economic uncertainty to the Company. Although the effects of the COVID-19 pandemic have eased, it is possible that the resulting economic impact may continue to adversely affect operations and the financial performance of the Company and its customers, the demand for the Company's products and services, or the equity markets generally, any of which could adversely affect the Company's financial performance.

While the Company has experienced increased demand in connection with facilitating remote working, some of the Company's customers, particularly those operating in industries or who service such industries most affected by the COVID-19 pandemic, including the retail, restaurant, hotel, hospitality, consumer discretionary and travel industries, have and may continue to reduce or delay their technology-driven initiatives or overall IT budgets, or have had to or may have to delay their payment cycles, which could materially and adversely impact the Company's business.

Any failure of the Company to retain and grow revenue from existing clients could negatively affect the Company's business, results of operations, and financial condition.

The Company's results are highly dependent on its ability to retain customers and grow revenue from and expand its existing customer base. A material portion of the Company's revenue is derived from software related-IT solutions and services, including public and private cloud-based solutions that are not subject to recurring contractual commitments or minimum volume requirements. In addition, customers with whom the Company has recurring or re-occurring commitments are under no obligation to renew their contracts at the conclusion of the current term. The Company may also face risks related to retaining acquired customers, as further described in "—The Company's ability to conduct its business and its financial results are dependent on the successful integration of acquired subsidiaries and its estimates and assessments of synergies and earnings potential in acquired companies may not live up to expectations."

There can be no assurance that the Company will be able to retain or further improve customer retention, that customers will renew their contracts on terms similarly beneficial to the Company or at all, or that customers will not switch to competitors, each of which could result in lower revenue. Customers may reduce business volume or terminate their relationships with the Company for a variety of reasons, including dissatisfaction with the quality or prices of the Company's products and services. For example, the Company may sell a software product that does not meet the customer's requirements or that fails to deliver the expected benefits, or the IT solutions or services the Company provides may be inadequate from the customer's perspective.

The Company's future growth is highly dependent on its ability to grow revenues from existing customers, including, in particular, by diversifying its service offerings to capture additional wallet share. Its success in attaching IT solutions and services to products is affected by factors including the perceived utility and cost effectiveness of its IT solutions and services portfolio, its success in training and incentivizing its salesforce to effectively sell such service offerings, its success in training its technical professionals who service its customers and factors beyond its control, including customers' technology budgets and financial condition.

Once the Company's solutions and methodologies are deployed within its client's infrastructure environments, such clients will be reliant on the Company's support services to resolve any issues with such solutions and methodologies. A high level of support and service is important for the successful marketing and sale of the Company's services and solutions. Failure to help its clients quickly resolve post-deployment issues and to provide effective ongoing support may adversely affect the Company's reputation with prospective clients and its ability to continue selling its solutions to existing clients.

The Company is working toward identifying and providing additional services and products that appeal to existing clients in an effort to increase its revenues, as management believes that the Company's support services and network are key differentiating factors as compared to IT services provided by competitors. However, if other providers were to significantly enhance their support capabilities, including through material investment in personnel or other resources, it could require the Company to undertake more investment than it currently plans or result in a loss of customers to competitors.

If the Company is unable to maintain its existing customer base and grow its service provision to those clients for any of these reasons, it could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company's ability to meet its financial targets is reliant on its ability to attract new clients.

In addition to retaining customers, the Company plans to expand the number of clients it serves and the diversity of its client base. The Company may face challenges winning new clients, including if it is unable to provide products and services that meet their needs or if its pricing or service offering is not competitive with that of other IT providers. Further, the Company may have difficulty winning new customers if a competitor is already embedded with any of such customer's IT system.

The Company's ability to attract new clients is dependent on a number of additional factors including, but not limited to, offering high quality products and services at competitive prices, managing changes in customer demands, the strength of its competitors, the perceived utility and cost effectiveness of its IT solutions and services portfolio, its success in training and incentivizing its salesforce to effectively sell such service offerings, its success in training its technical professionals who service its customers, and factors beyond its control, including customers' technology budgets and financial condition. Furthermore, potential clients may have competitive bid selection processes that may be lengthy and require the Company to dedicate significant resources in pursuit of a client opportunity which can result in unprofitable customer acquisition cost, lost revenue, or weaken the Company's position in future competitive bid selection processes. As these factors could negatively impact the Company's ability to expand its customer base, they could have a material adverse effect on the Company's business, financial condition, and results of operations.

Clients could also change their IT usage and procurements, as described in "—The Company is subject to the risk of reduced customers' IT expenditure levels." If any such risks were to materialize, it could have a material adverse effect on the Company's business, financial condition, and results of operations.

The market for the Company's products, IT solutions and services could develop slower than expected or decline.

It is uncertain whether the market for the Company's products, IT solutions and services will sustain high levels of customer demand and market acceptance. The Company's success will depend to a substantial extent on the widespread adoption of IT solutions and services in general, and the willingness of customers to purchase or subscribe for IT solutions and services, to increase the frequency and extent of their use of the products the Company sells and IT solutions and services the Company provides, as well as the perceived value of IT solutions and services to customers. Many companies have invested substantial personnel and financial resources to integrate IT solutions and services, but it is difficult to predict future customer adoption rates and demand for applications and products the Company sells, the future growth rate and size of the IT solutions and services market, or the entry of competitive service providers. The expansion of the IT solutions and services market depends on a number of factors, including the cost, performance, and perceived value associated with IT solutions and services.

Additionally, the growth of the IT market depends on investment in and growth of industries in which the Company operates, including governmental support. Any change to the government's investment plan, such as if it were decreased or not renewed, could impact demand for the Company's services and, as a result its performance or strategy in the region. Significant investment in technological capabilities is expected to continue in the coming years, which would support the Company's existing and potential customers in their own growth and demand for IT solutions and services of the types provided by the Company. As a result, if the investment or industry support does not reach expected levels, it could cause the market for the Company's products, solutions or services to grow more slowly than expected or decline, and therefore have a negative impact on the Company's financial condition and results of operations.

If the Company or other IT solutions and services providers experience performance issues, security incidents, disruptions in delivery or other problems, the market for IT solutions and services as a whole, including products and services the Company offers, may be negatively affected.

Changes in IT distribution methods and practices could have a negative impact on the Company's revenues.

Distribution methods and practices continually change in the IT industry. The Company's business model provides customers with a variety of hybrid IT solutions for cloud, software and other services that, in most cases, include or incorporate products provided by third-party OEMs. Some OEMs distribute their products directly to end-users and, if this practice proliferates, the Company would potentially be cut out of the supply chain and revenues may suffer as a result.

In addition, companies are increasingly using the internet to distribute software and a variety of technology services. If this trend continues, the Company may miss out on revenue opportunities and/or experience a reduction in its existing client base as clients source products through other distribution channels.

Furthermore, major cloud providers have begun to offer their services on the so-called "Cloud Marketplace", which allows enterprises to obtain the benefits of commercially licensed, internally operated software with less complexity and lower initial set-up, operational and licensing costs, which could increase competition for the Company or lead to a reduction in hardware sales. These developments could have a negative impact on the Company's revenues and margins, and on its business, financial condition, and results of operations.

The Company is subject to the risk of customers' reduced IT expenditure levels.

As an IT solutions company, the Company is dependent on its customers' continued investments in their respective IT systems and capabilities. The Company's customers, both within the private sector and public sector segments may reduce IT expenditure levels for a variety of reasons, including as part of broader cost-cutting programmes in response to adverse market conditions, as part of implementing strategic objectives, or otherwise. Such reduction in IT expenditure levels may mean fewer IT projects for the Company, smaller scale IT projects and/or increased price pressure on existing or new projects. Economic volatility and uncertainty are particularly challenging because many of the projects undertaken by the Company for customers require major investments by such customers and they are generally less willing to make such investment decisions under uncertain economic conditions. Volatile, negative or uncertain economic conditions in the markets of the Company's customers could in the future undermine business confidence and cause customers to reduce or defer their spending on new initiatives and technologies, or may result in customers reducing, delaying or eliminating spending under existing contracts or putting pressure on pricing.

As a service provider to public sector customers, the Company is impacted by financial, budgetary, regulatory, or political constraints, or changes in government policy and public spending constraints, which could have a significant impact on the size, scope, timing and duration of contracts and orders placed by them and, therefore, on the level of business which the Company will derive from such customers. This business is therefore dependent on, and susceptible to, changes in governmental policies, as well as budget priorities and regulatory or political constraints or attitudes, in particular those relating to the provision of public services and the attitude to outsourcing of services and activities to the private sector, any of which could have a significant impact on the number, size, scope, type, timing and duration of contracts, and therefore, on the level of business that the Company may win. Such factors could also result in a suspension, cancellation, termination, or non-renewal of existing contracts. Accordingly, the Company is subject to risks and uncertainties associated with periodic changes in governments following national elections. See "—Company is subject to risks relating to public sector customers, including public sector contracts, operating requirements and compliance with regulations on public procurement."

Any such reduced expenditure on IT solutions by the Company's customers in the public sector or private sectors could have a material adverse effect on the Company's business, financial condition, and results of operations.

Changes in the IT industry and rapid changes in technology may reduce demand for the Company's IT hardware, software, and services.

The Company's results of operations are influenced by a variety of factors, including the condition of the IT industry, shifts in demand for, or availability of, IT hardware, software, peripherals and services, and industry innovation and the introduction of new products and technologies. The IT industry is characterized by rapid technological change and the frequent introduction of new products and changing delivery channels and models can decrease demand for current products and services and can disrupt historical purchasing patterns.

Additionally, the Company's clients' needs may be impacted by changes in their operating models or strategic initiatives. For example, companies in the industries the Company serves sometimes seek to achieve economies of scale and other synergies by combining, partnering with or acquiring other companies. If one of the Company's current customers merges or consolidates with a company that relies on another provider for the products and services offered by the Company, the Company may lose work from that customer or lose the opportunity to gain additional work if the Company is not successful in generating new opportunities from the merger or consolidation. If there is a reduction in demand for IT solutions and service caused by a lack of customer acceptance, technological challenges, weakening economic conditions, security or privacy concerns, competing technologies and products, reductions in corporate spending, or otherwise, it could have a material adverse effect on the Company's business, financial condition, and results of operations.

Furthermore, as the Company's clients shift more towards managed services and cloud revenues, the Company could experience a decrease in its total gross revenue, despite these solutions having higher margins. This shift can also impact historical purchasing patterns. As clients move to cloud-based services, this change could lead to a decline in hardware sales. If the Company fails to react in a timely manner to such changes, it may experience lower sales and, with respect to hardware, it may have to record write-downs of obsolete inventory.

The Company's ability to attract and retain customers, partners and employees is dependent on its reputation.

The Company believes that its brand name and reputation are important corporate assets that help distinguish its IT solutions and services from those of competitors, allow it to maintain strong relationships with technology providers and to also contribute to its efforts to recruit and retain talented employees. However, its corporate reputation is potentially susceptible to material damage by events such as misconduct or compliance violations by employees, agents or business partners, disputes with customers, cybersecurity breaches or service outages, internal control deficiencies, errors or perceived deficiencies in its IT solutions and services, government investigations or legal proceedings. Similarly, the Company's reputation could be damaged by actions or statements of current or former customers, employees, competitors, technology providers, and members of the investment community or the media. Damage to its reputation could be difficult, costly and time consuming to repair and result in lost business from customers or difficulty attracting talent, each of which may have a material adverse effect on its business, financial condition, and results of operations.

The Company's success relies on technical innovation, and failure to develop new technologies could have a negative effect on the Company's growth, results of operations and financial condition.

The Company's success relies in part on its ability to develop new technologies and products that appeal to its customers. The IT solutions industry is characterized by rapid technological change, evolving industry standards, changing customer preferences and constant new product and service introductions. The Company's future success depends on its ability to continue to develop and implement services and solutions that are attractive to, and cost-efficient for, its customers. This requires it to anticipate and respond to rapid and continuing changes in technology, industry developments and service and solution offerings by new entrants in order to serve the evolving needs of its customers. New technology may emerge that could reduce, and over time replace, the need for some of the services and solutions that the Company currently provides. In addition, as new technologies and technological trends become available, customers may reduce spending on legacy technologies in anticipation of implementing these new technologies. The Company's growth strategy focuses on responding to these types of developments by continuing to develop its service and solution offerings through innovation and by utilizing new technology to meet customer needs. If the Company does not adapt, expand and develop its services and solutions in response to changes in technology or customer demand, its ability to develop and maintain a competitive advantage and continue to grow could be negatively affected, which could have an adverse effect on its results of operations.

Developments in the industries in which the Company serves could also shift demand to new services and solutions. If, as a result, the Company's customers demand new services and solutions, the Company may be less competitive in these new areas or need to make significant investments to meet that demand. In addition, the Company operates in an environment in which there currently are, and will continue to be, new entrants that may offer new technologies, services, and solutions. New or existing competitors may develop better technology or may have greater resources than the Company, increasing their competitive advantage. New services, solutions, or technologies offered by competitors or new entrants may make the Company's offerings less attractive or less competitive, when compared to other alternatives, which may adversely affect its business.

Failure of the Company to meet its obligations under its service level agreements could result in termination of such agreements or failure to attract new clients.

The Company has service level agreements with many clients. These arrangements require the Company to estimate the level of service it will in fact be able to provide to its clients. If the Company fails to meet its service level obligations under these agreements, it may be subject to penalties, which could result in higher-than-expected costs, decreased revenues and decreased gross and operating margins. The Company could also lose clients by failing to meet its service level obligations under these agreements and the reputation of the Company may suffer as a result.

The Company may face difficulties in delivering complex and large projects to its customers which could result in loss of business and reputational harm.

As the Company's managed services business grows, it expects to take on an increasing number of complex and large projects, which would be in addition to the complex AI, cloud and security projects it currently implements. The performance of such projects involves many challenges, including correctly scoping the project work and understanding the customers' needs and their operations appropriately, which in turn depends on a number of factors, including the proficiency of the Company's professionals and management. The Company's failure to understand its customers' requirements, delays or failure in delivering IT solutions that meet the requirements specified by the Company's customers, or the failure to meet certain milestones agreed upon for the delivery of IT solutions could result in termination of customer contracts, and the Company could be liable to its customers for significant penalties or damages. In certain instances, larger projects may involve multiple engagements or stages, and there is a risk that a customer may choose not to retain the Company for additional stages or may cancel or delay additional planned engagements. These terminations, cancellations or delays may result from factors that have little or nothing to do with the quality of the Company's IT solutions, such as the business or financial condition of the Company's customers or the economy generally. Such cancellations or delays make it difficult to plan for project resource requirements and inaccuracies in such resource planning and allocation may have a negative impact on the Company's profitability. Smaller projects may have the same devastating reputational impact, since all projects are subject to the same methodology regardless of their size. If the Company fails to deliver complex and large projects, this could have a material adverse effect on the Company's business, financial condition, and results of operations.

Real or perceived errors, failures or bugs in the Company's customer IT solutions, software or technology, or failure to meet customer specifications, could adversely affect the Company's reputation, business, financial condition, and results of operations.

Technology incorporated in the Company's IT solutions, including in-licensed third-party technology, is complex and may contain errors, failures, bugs or defects that negatively affect performance. Real or perceived errors, failures, bugs or defects may not be found or become apparent until after the products have been adopted by a large number of users in commercial environments. Real or perceived errors, failures, bugs or defects in the Company's customer IT solutions could result in negative publicity, loss of or delay in market acceptance of its services and harm to its brand, weakening of its competitive position, claims by customers for losses sustained by them or failure to meet the stated service level and key performance commitments in its customer agreements. In such circumstances, the Company may be required, or may choose, for customer relations or other reasons, to expend significant additional resources to help correct the problem. Any real or perceived errors, failures, bugs or defects in the Company's customer IT solutions could also impair its ability to attract new customers, retain existing customers or expand its use of its IT solutions and services, which could have a material adverse effect on its business, financial condition, and results of operations.

Provisions in the Company's customer contracts designed to limit its exposure to product and professional liability claims may not always be effective or enforceable and any liability may exceed or be outside the scope of any available insurance coverage. In addition, there can be no assurance that provisions in the Company's customer contracts that purport to exclude liability for errors or defects in the products it sells or IT solutions and services it provides will be effective or enforceable in every jurisdiction. Furthermore, any negative publicity related to its contracts and, in particular, its contracts with government counterparties, regardless of the accuracy of such publicity, may adversely affect the Company's business and reputation.

Any of the above risks could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company relies on IT systems and networks, and any disruptions in such systems or networks, or failure of such systems or networks to adapt to the Company's growth, could negatively impact its operations and reputation.

A portion of the Company's IT systems are internally developed and contain external applications that are linked to the proprietary core. There are continued risks when various departments in the Company operate on different systems and the Company must rely on developed interfaces between these systems. There can be no assurance that these systems will continue to expand to meet the needs of the Company as it grows or that the interfaces will be robust enough for the growth of the Company.

Interruptions or failures of the Company's systems and services could negatively impact the Company's business, reputation, and results of operations.

The Company's success depends, in part, on its business continuity plan. The Company's data centres are susceptible to damage or interruption from human error, fire, flood, power loss, telecommunications failure, terrorist attacks and similar events. The Company may experience failures or interruptions of its systems and services, or other problems in connection with its operations, as a result of damage to or failure of its computer software or hardware or its connections. Such damage or failure may result from any of the following:

- errors in the processing of data by the Company's systems;

- computer viruses or software defects;

- physical or electronic break-ins, sabotage, DDoS attacks, intentional acts of vandalism and similar events (as further described in "—The Company may not be able to protect itself against cyber threats that have the potential to significantly disrupt the Company and its customers' services");

- increased capacity demands or changes in system requirements of the Company's clients; and

- errors by the Company's employees or third-party service providers.

Any interruptions to the Company's system or services may damage its reputation, thereby harming its business and results of operations. While the Company maintains disaster recovery plans and insurance, claims may exceed insurance coverage limits, may not be covered by insurance, or insurance may not continue to be available on commercially reasonable terms. In addition, the Company's clients may experience a loss in connectivity by its hosted solution as a result of a power loss at its data centre, internet interruption or software defects. Such loss in connectivity may result in lost revenues, delays in client acceptance or unforeseen liabilities that may be detrimental to the Company's reputation and business.

The Company's operations are similarly dependent on the continued and uninterrupted performance of its computer systems and, accordingly, on its ability to protect its computer systems against damage from computer viruses, security breaches and cyberattacks, fire, power loss, telecommunications failures, vandalism, theft and other malicious acts, and similar unexpected adverse events. The Company's business continuity plan may not be successful in allowing the Company to manage severe disruptions. Any system failure, security breach or other damage or unanticipated problem with the Company's computer systems could interrupt or delay the Company's operations, damage its reputation and, if sustained or repeated, reduce the attractiveness of the Company's services and result in the loss of clients.

The Company may not be able to protect itself against cyber threats that have the potential to significantly disrupt the Company and its customers' services.

As a provider of IT solutions, the Company has high exposure to cybersecurity risk. The Company uses various applications internally to develop solutions for its customers and also accesses clients' networks and production environments which may be subject to cyber threats. The financial and strategic importance of certain of the Company's customers, particularly in the public sector, as well as companies with global operations, increases the Company's susceptibility to attacks from cybercriminals and nation-state cyber espionage. Any such cyber-attacks may compromise the confidentiality, integrity and availability of information systems and business data of the Company or its customers.

Cyber risks generally fall into three broad categories: (i) systems may be hacked and data locked, and the hackers then demand a ransom to release the data; (ii) hackers attack with the intention to harm or even destroy a company's IT infrastructure with no obvious monetary benefit; or (iii) hackers attack with the intent to obtain sensitive data, such as confidential industrial information, bank details or personal data, in order to gain monetary benefits by selling or misappropriating such data. The scope of cyber-attacks has in the recent past developed such that cyber-attacks now occur on a daily basis. While the vast majority of these attacks do not reach a level of sophistication that could pose a threat to the Company or its customers, the Company may not be able to stop cyber-attacks despite its efforts to continually monitor and assess its security organization in terms of resources and service offerings. In addition, the Company may not be able to adapt to new threats. An increase in social hacking (for example, unauthorized third parties attempting to gain credentials, access, or information through direct personal interaction with the Company's employees) also creates a risk for the Company. Human error by the Company's personnel poses a constant risk and the Company's efforts in awareness training and process improvements are unlikely to remove all risk of potentially negative consequences of human error. There can be no assurance that IT security incidents or breaches will not occur in the future, or that future security incidents, breaches and other issues will not have a material impact on the Company's business or that its procedures will be sufficient to address such future IT security incidents, breaches, and other issues.

The Company has experienced DDoS attacks, which are cyber-attacks where the perpetrator seeks to make a machine or network resource unavailable to its intended users by disrupting services of a host connected to the Internet. The Company's impact from this threat has been limited in scope to a single high-availability asset pair, and compensating controls have been leveraged to protect against this exposure. The denial-of-service is typically accomplished by flooding the targeted machine or resource with superfluous requests in an attempt to overload systems and prevent some or all legitimate requests from being fulfilled. The occurrence of any DDoS attacks could lead to interruptions, delays or shutdowns, potentially causing harm to the Company's and its customers' business by making critical data, including personal data, temporarily inaccessible.

The occurrence of any cyber threats, such as the theft or unauthorized use or publication of the Company's or its customers' confidential information or other proprietary business information as a result of an IT security incident, could expose the Company to liability, adversely affect the Company's competitive position and reputation, and reduce marketplace acceptance of the Company's IT solutions, whether or not the incident is ultimately determined to be the Company's fault. Any theft, unauthorized use or publication of such sensitive data is likely to materially damage the Company's reputation. If the Company's IT systems are compromised resulting in reputational harm or its inability to deliver solutions to customers, this could have a material adverse effect on the Company's business, financial condition, and results of operations.

There is no assurance that the Company will be able to protect its intellectual property rights.

The Company's ability to secure its intellectual property rights is essential to the success of its ongoing operations and future opportunities. There can be no assurance, however, that the Company's rights will not be challenged, invalidated, or circumvented. Policing the unauthorized use of its intellectual property may be expensive and time consuming. Consequently, third parties, including its competitors, may be able to use the Company's intellectual property without a licence. The unauthorized use of its intellectual property by third parties may reduce or eliminate the competitive advantage the Company derives from using its own technology. Additionally, while it is Company policy to require employees and contractors who may be involved in the conception or development of intellectual property to enter into agreements assigning such intellectual property rights to the Company, the Company may be unsuccessful in executing such an agreement with each party who conceives or develops intellectual property that it regards as its own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached. The Company may be forced to bring claims against third parties, including former employees and contractors, to determine the inventorship or ownership of what it regards as its intellectual property. If it fails in asserting such claims, the Company may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property. Even if successful in actions to enforce its intellectual property rights, litigation could result in substantial costs and could be a distraction to the Company's management and employees.

In addition, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States and Canada, and therefore there can be no assurance that the Company will be able to adequately protect its proprietary technology against unauthorized third-party copying or use. Such unauthorized copying or use may adversely affect the Company's competitive position. Further, there can be no assurance that the Company will successfully obtain licenses to any technology that it may require to conduct its business or that, if obtainable, such technology can be licensed at a reasonable cost.

Some of the Company's IT solutions are developed using third party open-source software components, and any failure to comply with the terms of the underlying open-source licences could restrict its ability to sell the Company's products or increase its operating costs.

Certain open-source licences contain requirements that the licensee make available source code for modifications or derivative works created based upon the type of open-source software used. To the extent the Company's proprietary IT solutions are combined with open-source software, as is expected to be the case in connection with a new managed services platform that is being developed, the Company could in certain limited circumstances be required to release some of its proprietary technology to the public. In addition, usage of open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties or controls on the origin of the software. Additionally, the terms of many open-source licences have not yet been interpreted by courts and there is a risk that these licences could be construed in a manner that could impose unanticipated conditions or restrictions on the Company's ability to commercialize its IT solutions.

The Company cannot guarantee that its processes for controlling the use of open-source software in its products will be effective. If it is held to have breached the terms of an open-source software licence, the Company could be required to pay significant damages, seek licences from third parties, stop distributing IT solutions and services that contain the open-source software, revise or modify its code to remove the alleged infringing code, release the source code of its proprietary software, or take other steps to avoid or remedy an alleged infringement. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, and results of operations.

Assertions by third parties of infringement of their intellectual property rights may result in damages claims and litigation costs, or force the Company to modify its products or processes or prevent it from selling its products.

The Company's IT solutions could infringe on third-party intellectual property rights. Although the Company is not aware of any material infringement claims, third parties may in the future assert claims against the Company or its customers alleging infringement of patent, copyright, trademark, or other intellectual property rights. This risk is expected to increase as the Company continues to expand outside North America, where new competitors may bring claims against the Company. Infringement claims could harm the Company's reputation, result in liability for the Company or prevent it from offering certain IT solutions. Any claims that the Company's IT solutions infringe the intellectual property rights of third parties, regardless of the merit or resolution of such claims, may result in significant costs in defending and resolving such claims, and may divert the efforts and attention of the Company's management and technical personnel from its business. In addition, as a result of such intellectual property infringement claims, the Company could be required or otherwise decide that it is appropriate to:

- discontinue using, licensing, or offering particular IT solutions subject to infringement claims;
- discontinue using the technology or processes subject to infringement claims;
- develop other technology not subject to infringement claims, which could be costly or unsuccessful; or
- obtain future use rights.

The occurrence of any of the foregoing could result in unexpected increased expenses or require the Company to recognize an impairment of its assets. In addition, if the Company alters or discontinues offering a particular IT solution as a result of an infringement claim, the Company's operating revenue could be affected. If a claim of infringement were successful against the Company or its customers, an injunction might be ordered against its customers or its own operations, causing further damage.

Failure to adequately protect the Company's technology infrastructure against data corruption, privacy breaches, cyber-based attacks or network breaches could have a material adverse effect on the Company's business.

The Company is highly dependent on its technology infrastructure to securely process, transmit and store electronic information. Certain confidential information resides on the third party hosted data center servers and is transmitted over the Company's network. The Company relies on encryption and authentication technology licensed from third parties to effect secure transmission of confidential information, including personal information and credit card numbers. Advances in computer capabilities, new discoveries in the field of cryptography or other developments may result in a compromise or breach of the technology used by the Company to protect confidential information. Servers may also be vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering with the Company's and/or a third party's computer systems, which could lead to a loss of critical data or the unauthorized disclosure of confidential information.

If the Company is unable to prevent such security or privacy breaches, its operations could be disrupted, or the Company may suffer loss of reputation, financial loss, risk of litigation and other regulatory penalties because of lost or misappropriated information, including sensitive consumer data. In addition, if the Company's security measures fail to protect credit and debit card information adequately, the Company could be liable to its clients for their losses. The Company may need to expend significant resources to protect against and remedy any potential security breaches and their consequences. If the Company is unable to maintain protections and processes at a level commensurate with that required by its clients, it could negatively affect the Company's relationships with its clients and harm its business.

There are Canadian and foreign laws regarding privacy and the storing, sharing, use, handling, maintenance, disposal, transmittal, disclosure and protection of personally identifiable information and sensitive data. Specifically, personally identifiable information is increasingly subject to legislation and regulations to protect the privacy of personally identifiable information that is collected, processed and transmitted. Any violations of these laws and regulations may require the Company to change its business practices or operational structure, address legal claims and sustain monetary penalties and/or other harms to its business.

The regulatory framework for privacy issues in Canada and in foreign markets is constantly evolving and is likely to remain uncertain for the foreseeable future. The interpretation and application of such laws is often uncertain and such laws may be interpreted and applied in a manner inconsistent with its current policies and practices or require changes to the features of the Company's services. If either the Company or its third-party service providers are unable to address any privacy concerns, even if unfounded, or to comply with applicable laws and regulations, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada), it could result in additional costs and liability, damage the Company's reputation and harm its business.

The Company competes in a highly competitive market, and its business, operating results and prospects could be negatively affected by existing or emerging competitors.

The industry in which the Company operates is developing rapidly and related technology trends are constantly evolving. In this environment, the Company faces significant price competition from its competitors. There is no assurance that the Company will be able to respond effectively or in a timely manner to the various competitive factors affecting the industries in which it operates. The Company may be forced to reduce the prices of the products and services it sells in response to offerings made by its competitors. In addition, the Company may not be able to maintain the level of bargaining power that it has enjoyed in the past when negotiating the prices of its services.

The Company faces substantial competition from other national, multi-regional, regional, and local value-added IT infrastructure providers and ITSPs, some of which may have greater financial and other resources than that of the Company or that may have more fully developed business relationships with clients or prospective clients than the Company or with suppliers, OEMs, and distributors. Many of the Company's competitors compete principally on the basis of price and may lower costs or accept lower selling prices and, therefore, the Company may need to reduce its prices.

The Company's profitability is dependent on the rates at which it is able to charge for its products and services. The rates charged for products and services are affected by a number of factors, including but not limited to:

- clients' perceptions of the Company's ability to add value through its services;

- introduction of new services or products by the Company or its competitors;

- competitors' pricing policies;

- the ability to charge higher prices where it is justified by market demand or the value of the Company's services;

- the ability to accurately estimate, attain and sustain contract revenues, margins and cash flows over long contract periods;

- procurement practices of the Company's clients; and
- general economic and political conditions.

The competitive landscape may also be impacted by acquisition activity undertaken by competitors. Competitive pressures in the Company's market could rise in the future as other IT solutions providers build out their service offerings, competitors acquire or merge with others to increase service capabilities and market share, and other systems integrators grow their market share.

If the Company is not able to maintain favourable pricing for its products and services, its profit margin and profitability may suffer.

The Company may be negatively affected by macroeconomic, political or other conditions.

The Company is sensitive to the spending patterns of its clients, which are subject to economic and business conditions.

It is difficult to estimate the level of growth for the global economy as a whole, particularly while geopolitical relationships and events, including the ongoing conflict between Russia and Ukraine and recent conflict in Gaza, present potential risks that are difficult to assess or forecast. While demand for the Company's products and services continues to be strong, in recent periods factors such as supply chain disruption, high levels of inflation and increasing interest rates in a number of countries in which the Company operates have impacted the Company's customers and their end-markets, as macroeconomic volatility and changes in consumer, commercial and governmental activity continue to impact markets. These factors make it particularly difficult to estimate growth in various parts of the economy, including the markets in which the Company and its customers participate, and could result in an increase in expenses and financing cost which would negatively impact the Company.

In particular, as all components of the Company's budgeting and forecasting are dependent upon estimates of growth in the markets that the Company serves, economic uncertainties make it difficult to estimate future income and expenditures. Downturns in the economy, market uncertainties and changes in customer spending patterns, including as a result of periodic fluctuations or unprecedented events such as the COVID-19 pandemic, the Russian invasion of Ukraine and the conflict in Gaza, may cause clients to delay, reduce or cancel orders for the Company's products, which could have a material adverse impact on the Company's business, financial condition and results of operations including as a result of delayed payments to suppliers which may, in turn, adversely affect the Company's relationships with the suppliers impacting the availability of further product and credit.

In addition to its impact on customer relationships and customer end-market performance, the macroeconomic and market volatility observed in recent periods can also create risks for the Company's internal operating activities. This includes operational factors such as costs of employee wages and benefits, IT service supplies and resources, overhead costs (including energy and resource costs), among other expenses, as well as shortages and delays in the supply chain. If the Company is not able to manage increases in these expenses, or if shortages limit the Company's ability to procure certain resources, it could negatively impact the Company's profitability and its IT service activities.

In addition, worldwide economic conditions and market volatility as a result of political leadership in certain countries and other disruptions to global and regional economies and markets, including continuing increases in inflation and interest rates, the possibility of recession, or financial market instability, may impact future business activities. External factors, such as natural disasters, diseases, acts of terrorism and the outbreak of war, hostilities and armed conflicts between countries have created uncertainties that may affect the global economy and markets generally and could have a material adverse effect on the Company's business, financial condition, and results of operations. More generally, these geopolitical, social and economic conditions could result in increased volatility in the United States, Canada, Europe, the UK and worldwide in financial markets and in the economy, as well as other adverse impacts.

The Company is subject to inflation risk.

Global economies are currently experiencing elevated inflation, which could curtail levels of economic activity, including in the Company's primary markets. The general rate of inflation impacts the general economic and business environment, which in turn impacts the Company. Inflationary pressures relating to global financial support measures undertaken in response to the COVID-19 pandemic, as well as any economic conditions resulting from governmental attempts to reduce inflation, such as the imposition of higher interest rates, could negatively impact the Company's business, financial condition, and results of operations. There can be no assurance that any governmental action will be taken to control inflationary or deflationary cycles, that any governmental action taken will be effective or whether any governmental action may contribute to economic uncertainty. Governmental action to address inflation or deflation may also affect currency values. Higher interest rates as a result of inflation could negatively impact future borrowing costs or make debt financing less attractive to the Company, which could, in turn, have a material adverse effect on the Company's cash flow and ability to service debt obligations. However, while prices have increased due to factors such as inflation and rising interest rates, demand for the Company's services continues to be strong.

The Company's debt servicing costs could increase.

The Bank of Canada announced several interest rate increases over Fiscal 2023. Continued increases in interest rates would result in higher interest expense on borrowing tied to variable rates of interest, partially offset by lower current or deferred income tax expense. Furthermore, adverse credit market conditions could limit the Company's ability to refinance Revolver Credit Facility.

The Company relies on third parties for financing and access to credit and an inability to meet the obligations under agreements with third parties could have a negative impact on the availability of additional products, financing or credit.

There is a risk that the Company's suppliers and lenders could reduce or reorganize the credit available to the Company. From time to time, the Company will rely upon its OEM, distribution and banking relationships in order to finance sizeable, non-recurring transactions of scale, including acquisitions. The Company also relies upon certain suppliers extending credit in respect of product delivered for on-sale. Delays in product sales, which may occur for a variety of reasons, such as a result of downturns in the economy, market uncertainties and fluctuations in customer spending patterns, including as a result of periodic fluctuations or unprecedented events such as the COVID-19 pandemic, may affect the Company's ability, over the long term to meet those obligations. Failure to meet such obligations may, in turn, adversely affect the Company's relationships with its suppliers impacting the availability of further products and credit. If any of these circumstances occur, it could have a material adverse effect on the Company's business, financial condition, and results of operations.

If the Company were unable to obtain payment from its customers of the amounts they owe for the Customer's services, its results of operations and cash flows could be materially adversely affected.

The Company's business depends on its ability to successfully and on a timely basis obtain payment from its customers of the amounts they owe to the Company for work performed. Payment terms vary among customers, markets and between the private and public sectors. The nature of the Company's contracts sometimes requires the Company to commit resources to a project prior to receiving advances, progress or other payments from customers in amounts sufficient to cover expenditures on the project as they are incurred. Delays in customer payments may subject the Company to working capital shortages. If a customer defaults in making payments on a project to which the Company has devoted significant resources or if a project in which it has invested significant resources is delayed, cancelled, or does not proceed to completion without the Company being reimbursed accordingly, it could have a material adverse effect on the Company's revenue and profitability.

The Company generally evaluates the financial condition of its new customers and usually bills and seeks to collect payment on relatively short cycles. The Company might not accurately assess the creditworthiness of its customers or its creditworthiness assessment may become outdated. Macroeconomic conditions, such as rising inflation and interest rates, could result in financial difficulties for the Company's customers, including bankruptcy and insolvency. This could cause customers to delay payments, request modifications to their payment arrangements that could increase the Company's receivables balance, or cause customers to default on their payment obligations. The Company has established provisions for losses of receivables and unbilled services. Actual losses on customer receivables could differ from those that the Company currently anticipates, and, as a result, the Company might need to adjust its provisions. Timely collection of customer receivables also depends on the Company's ability to complete its contractual commitments and bill and collect its contracted revenue. If the Company is unable to meet contractual requirements, it might experience delays in collection of and/or be unable to collect its customer balances, and if this occurs, it could have a material adverse effect on the Company's business, financial condition, and results of operations.

Employee misconduct may result in the loss of technology partner, distributor or customer relationships or other risks.

The Company may be unable to prevent its employees, or the employees of its partners, subcontractors or customers, from engaging in misconduct, fraud or other improper activities that could adversely affect the Company's business and reputation. Misconduct may include the failure to comply with the Company's technology partners', distributors' or customers' policies and procedures, as well as with applicable legislation and regulation. Particularly, the increasing size and scope of the Company's operations raise the possibility that a member of its personnel will engage in fraudulent activity, breach its contractual obligations, or otherwise expose the Company to unacceptable business risks. The precautions the Company takes to prevent and detect such activity may not be effective, and it may be exposed to risks related to, and losses caused by, actions of its employees and the employees of others. As a result of employee misconduct, the Company may face fines and penalties, reputational damage and loss of technology partner or authorized distributor status or customer relationships. In particular, failure to comply with policies and procedures of public sector customers, including procurement regulations, regulations regarding the protection of classified information, and legislation regarding the pricing of labour and other costs in government contracts may result in the Company's suspension or debarment from contracting with public sector organizations.

If employee misconduct resulted in the Company's customers cancelling or failing to renew their contracts, or its inability to pursue certain public sector business, it may experience harm to its reputation and decreases in revenue, which may have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company is subject to risk related to its exposure to foreign currencies.

The Company is subject to risks and losses resulting from fluctuations in the relative value of the currencies of different countries where its clients and operations are located. The Company reports its operating results in CAD, but a portion of the Company's operating revenue and expenses are denominated in currencies other than CAD due to activities in the United States, Europe and the UK where the Company has expenses, as well as income in the local currencies. As the Company continues its international expansion, it expects this exposure to non-CAD currencies to increase. Because the Company's consolidated financial statements are presented in CAD, the Company translates operating revenue and expenses, as well as assets and liabilities, into CAD at exchange rates in effect during or at the end of each reporting period. In particular, the Company has significant operations in the United States, with US dollars as the functional currency for those operations, and the Company's recent acquisitions of REDNET and Visucom in Germany and Stone in the UK have exposed the Company to operating activities denominated in Euro and Pound sterling, respectively. The Company is therefore exposed to foreign currency fluctuations on its reported amounts of US and European assets and liabilities. Strengthening of the CAD against the functional currencies of the Company will result in a decrease in the Company's revenue and operating results as reported in CAD.

Additionally, some of the Company's ITSP subsidiaries incur costs in, and generate income in, currencies other than their respective reporting currencies, exposing them to foreign currency transaction risk. However, the Company is not exposed to significant foreign currency exchange risk, as it has minimal sales and purchase contracts denominated in currencies other than the functional currency of the Company and its subsidiaries.

There can be no assurance that the Company will not suffer losses in the future. Any such losses could have a material adverse impact on results of operations and cash available to support operations.

Expansion of the Company's business involves entering new markets, and its operations are subject to certain risks inherent in doing business internationally.

It is a strategic focus of the Company to expand its operations and the Company may continue to expand its operations outside North America or through acquisitions, in particular in Europe following its acquisition of REDNET and Visucom, both located in Germany and the acquisition of Stone in the UK. The Company may not be able to compete effectively in new markets and the cost of expanding into international markets and integrating acquired operations in countries where the Company does not have significant experience may be substantially greater than expected and may outweigh the positive impact of such acquisitions, if any. Further, the diverse and international nature of the Company's operations may cause the Company to allocate resources to certain business areas within the Company which are not as profitable as other business areas within the Company. If the Company fails to compete effectively with existing or new competitors in the new markets it enters, or if the costs associated with entering such new markets are substantially greater than expected, this could have a material adverse effect on the Company's business, financial condition, and results of operations. In addition, the Company may be required to reconsider its strategy to invest in its international expansion plans and there can be no assurance that such strategy will be commercially successful.

The Company's growing international operations increase the Company's exposure to risks inherent in operating in these countries, including supervision of local management, fluctuations in foreign exchange and inflation rates, international hostilities, war, terrorism, natural disasters, pandemics, intellectual property and data protection, infrastructure disruptions and security breaches, and other forms of economic and political instability, which could have a material adverse effect on the Company's business, financial condition, and results of operations. International operations are subject to numerous, and sometimes conflicting, legal rules on matters as diverse such as import/export controls, trade restrictions, repatriation of cash, tariffs, taxation, sanctions, government affairs, internal control obligations, data privacy and labour relations, including obtaining work permits for the Company's employees. Violations of these laws or regulations in the conduct of the Company's business could result in fines and/or criminal sanctions, unfavourable publicity, damage to its reputation, restrictions on its ability to process information or do business, allegations by the Company's customers that it has not performed its contractual obligations or other unintended consequences. In complying with such laws and regulations, the Company may incur significant costs, which could affect its profitability. Local laws of the countries in which the Company operates might be insufficient to protect the Company's rights or otherwise limit or restrict its business. The Company's failure to comply with applicable legal and regulatory requirements could have a material adverse effect on the Company's business, financial condition, and results of operations. Further, the Company's business continuity and disaster recovery plans for the local systems in the jurisdictions in which the Company is active may not be effective if catastrophic events occur in any of these countries.

If any of these circumstances occur, it could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company's insurance coverage may not be adequate to compensate for any interruptions or loss of business.

The Company's business and financial results may be negatively impacted to varying degrees by a number of events which are beyond its control, including cyber-attacks, unauthorized access, energy blackouts, pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornados, fires, floods, ice storms or other natural or manmade catastrophes. Such events can evolve very rapidly and their impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe that the Company's operations and ability to carry on business will not be disrupted, as further described in "—Interruptions or failures of the Company's systems and services could negatively impact the Company's business, reputation and results of operations." The occurrence of such events may not release the Company from performing its obligations to third parties. A catastrophic event, including an outbreak of infectious disease, a pandemic or a similar health threat, fear of the foregoing, or steps undertaken by governments in response to the foregoing, could adversely impact the Company. In addition, liquidity and volatility, credit availability and market and financial conditions generally could change at any time as a result. Any of these events in isolation or in combination, could have a material negative impact on the Company's financial condition, operating results and cash flows.

The Company carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars, disease or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Moreover, there can be no assurance that insurance providers will continue to grant the Company coverage on commercially acceptable terms, or at all. Should an uninsured or under-insured loss occur, the Company could suffer damage to its equipment and facilities and impair the Company's ability to service its clients, which may have a material adverse effect on the Company's business, financial condition, liquidity, and results of operations.

Changes in laws, rules, and regulations to which the Company or its customers or suppliers are subject could adversely affect the Company's results of operations and financial position.

Changes to any of the laws, rules, regulations, or policies to which the Company or its customers or suppliers is subject could have a significant impact on the Company's business. There can be no assurance that the Company will be able to comply with any future laws, rules, regulations, and policies. Failure by the Company to comply with applicable laws, rules, regulations, and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Company's business, financial condition, liquidity, and results of operations. In addition, compliance with any future laws, rules, regulations, and policies could negatively impact the Company's profitability and have a material adverse effect on its business, financial condition, liquidity, and results of operations.

Privacy and data protection compliance breaches or failure to protect confidential and proprietary information could harm the Company's reputation and expose it to litigation and/or other legal or regulatory actions and/or sanctions

The Company is subject to data protection laws, privacy requirements and other regulatory restrictions in the various jurisdictions in which it operates. In the normal course of the Company's business, the Company may come into possession of sensitive personal data, or act as processor of or otherwise handle such personal data. This information needs to be handled by the Company in compliance with such laws and regulations as such laws and regulations govern the Company's ability to collect, use, process and transfer personal information relating to its customers and their clients, as well as its employees and others. Therefore, the Company is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged and/or processed in breach of applicable privacy and data protection laws and regulation.

The Company's failure to keep apprised of, and comply with, privacy, data use and security laws, standards, and regulations, including, without limitation, unauthorized disclosure of, or access to, data, could result in the limitation, suspension or termination of services and contracts with customers or the imposition of administrative, civil, or criminal penalties, which could have a material adverse effect on the Company's business, financial condition and/or results of operations. Further, any data breach could expose the Company to significant liability for material and non-material damages and the Company's reputation may be significantly harmed as a result.

In addition, the Company's international presence exposes it to data protection laws, privacy requirements and other regulatory restrictions in a multitude of jurisdictions, including the United States, Canada, the UK, the European Union and the rest of Europe, and full compliance with such laws, requirements and restrictions is costly and affects the profitability of the Company. The process of ensuring compliance with all mandatory documentation requirements pursuant to the applicable data protection laws, as well as the implementation thereof across the Company, will remain ongoing as the Company continues to acquire and integrate new ITSPs.

Keeping apprised of new requirements on a continuous basis and ensuring legal and operational compliance throughout the Company may negatively impact the ability of the Company to generate profits and could have a material adverse effect on its business, financial condition, and results of operations.

The Company may be exposed to changes in tax laws and regulations, which could adversely affect the Company.

The Company may be subject to income taxes in various foreign jurisdictions. Significant judgment is required in determining the Company's worldwide provision for income taxes and, in the ordinary course of its business, there are many transactions and calculations where the ultimate tax determination may be uncertain.

The Company will be required to estimate what its taxes will be in the future. Although management of the Company believes its current tax estimates are reasonable, the estimate process and applicable tax laws are inherently uncertain, and its estimates are not binding on tax authorities. The Company's effective tax rate could be adversely affected by changes in its business, including but not limited to the mix of earnings in countries with differing statutory tax rates, changes in the elections it makes and changes in applicable tax laws. The Company's tax determinations will be subject to audit by tax authorities, which audits, if any, could adversely affect the Company's income tax provision. Should the Company's ultimate tax liability exceed its estimates, its income tax provision and net income may be materially affected.

Litigation may lead the Company to incur significant costs, which could negatively impact the Company's results of operations and financial condition.

From time to time, the Company may become subject to claims, lawsuits (including class actions and individual lawsuits), government investigations and other proceedings involving intellectual property, data protection, labour and employment, competition, securities, tax, marketing, commercial disputes, and other matters. They may include disputes with technology partners, customers, subcontractors, suppliers, employees, or investors. The Company may also become subject to proceedings by governmental authorities in connection with its compliance with laws and regulatory requirements, including in the areas of labour, tax, and data protection.

The outcome of pending or potential future legal, arbitration or regulatory proceedings is, as a general matter, difficult to predict. An unfavourable outcome on any litigation or arbitration matter could require the Company to pay substantial damages, prevent it from selling certain of its IT solutions, or, in connection with any intellectual property infringement claims, require the Company to pay ongoing royalty payments. The Company's provisions for losses related to pending legal proceedings in the future may not be adequate to cover its ultimate costs in relation to such proceedings and may need to be adjusted as a result of subsequent developments in, or the final outcome of, such legal proceedings. Whether or not the Company will ultimately prevail in future litigation matters, litigation and arbitration are costly and can divert management's attention from the Company's business. In addition, the Company may decide to settle a litigation or arbitration matter, which could cause the Company to incur significant costs. A settlement or an unfavourable outcome on any litigation or arbitration matter could have a material adverse effect on the Company's business, financial condition, and results of operations.

The directors of the Company may enter into situations in which they are in direct competition with the Company.

The directors of the Company may be, or may become, engaged in different industries, both on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Company. Conflicts of interest, if any, which arise, will be subject to and governed by the procedures prescribed by the Board. Notwithstanding these procedures, such conflicts of interest may be difficult to manage, and could have a negative impact on the Company's business.

The Company's success depends upon its highly skilled IT professionals and its ability to hire, attract, motivate, retain, and train these personnel.

The Company's success depends upon its ability to attract and retain highly qualified IT professionals. In particular, it must attract, train and retain appropriate numbers of talented people with diverse skills in order to serve customer needs and grow its business. If it is unable to do so, its ability to develop new business and effectively lead its current and future projects could be jeopardized.

The ability to maintain and renew existing engagements and obtain new business will also depend, in large part, on the Company's ability to attract, train and retain technical personnel with the skills that keep pace with continuing changes in information technology, evolving industry standards and changing customer preferences. The Company's profitability also depends on its ability to effectively utilize personnel with the right mix of skills and experience to support its projects. The processes and costs associated with recruiting, training, and retaining employees place significant demands on the Company's resources. In addition, the demands of changing technology, evolving standards, and changing customer preferences may require the Company to redeploy and retrain its IT professionals. If the Company needs to reduce its headcount, it will need to comply with labour regulations in relevant jurisdictions, which can be time consuming and/or entail additional costs.

The Company believes there is a shortage of, and significant competition for, professionals with the advanced technological skills necessary to provide the services and solutions it offers, where finding employees with the right skill set for its business is challenging. The Company has subcontracted to a limited extent in the past, and may do so in the future, with other service providers in order to meet its obligations to its customers. The Company's profitability and ability to compete for and manage customer engagements could be adversely affected if it cannot manage employee hiring and turnover to achieve a stable and efficient workforce structure.

The Company may incur additional costs from its use of subcontractors and may be liable for their mistakes.

From time to time, the Company uses subcontractors to carry out its business. The Company is responsible for any errors caused by its subcontractors in the same way it is for its own employees and there are generally higher costs associated with subcontractors, which could have a material adverse effect on the Company's results if the ratio of subcontractors to employers increases and if large volumes of major projects are assigned to subcontractors.

These risks related to the use of subcontractors could, if they materialize, have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company is reliant on the payments and credits from vendors and there can be no assurance that the Company will continue to receive these amounts at historical levels or on similarly favourable terms in the future.

The Company receives payments and credits from vendors, including consideration pursuant to volume sales incentive programs and marketing development funding programs. These arrangements are used to offset, among other things, inventory costs, costs of goods sold, marketing costs and other operating expenses. No assurance can be given, however, that the Company will continue to receive these amounts at historical payment levels in the future, or that the Company will be able to collect outstanding amounts relating to these incentives in a timely manner, or at all. Any sizeable reduction in, the discontinuance of, or a significant delay in receiving or the inability to collect such incentives could have a material adverse effect on the Company's business, financial condition, and results of operations.

Additionally, the Company has secured generally favorable payment terms with its vendors and distributors, including extended payment arrangements. If the Company were unable to secure equally favorable payment terms from one or more major vendors or distributors, or if it were required to contract directly with OEMs pursuant to their standard payment terms, this could have a material adverse effect on the Company's margins, working capital position and its financial performance generally.

The Company is subject to risks relating to public sector customers, including public sector contracts, operating requirements, and compliance with regulations on public procurement.

A portion of the Company's sales are derived from public sector entities and quasi-governmental organizations. Business from public sector customers carries various risks inherent in the government contracting process. For example, the terms and conditions of government contracts tend to be more burdensome than other contracts and may include, among other things, extensive rights of audit, more punitive service-level penalties, requirements with respect to the Company's financial condition, the seniority of personnel assigned to the project, and less advantageous or no limitations on the Company's liability.

Public sector projects moreover differ from commercial contracts in the private sector in that they are generally subject to public procurement rules. Contracts for IT products and services are generally re-tendered on a regular basis and, as a result, the Company may be required to participate in a tender to maintain existing public contracts and is subject to the risk of losing the public sector customer as a result of the tender process. Public sector contracts, in some instances, may also be subject to a higher risk of reduction in scope or termination than other contracts as a result of political and administrative decisions concerning levels of public spending or changes in government and their economic policies, see “The Company is subject to the risk of reduced customers’ IT expenditure levels”.

In addition, public sector clients are often required to comply with heightened privacy and other operating restrictions, including restrictions on contracting with foreign-owned counterparties. In the United States, certain public sector clients are obligated to only permit IT solutions providers to access classified information if they are not operating under FOCI, unless adequate safeguards are in place to protect national security interests. As a result, the Company has been, and expects to continue to be, required to put in place FOCI mitigation measures, such as Data Classification and Security; Access Controls and Auditing; HR and further enhancement of personnel and company policies. These requirements can be complex and mitigation measures can be costly to implement, which could result in a loss of customers or, if the Company is unable to implement effective safeguards, result in a fine or penalty. There is also an ongoing risk that the Company relinquishes some element of operational and managerial oversight of those aspects of the business that are the subject of the mitigation plan, which can increase the Company’s risk profile.

Contractual non-compliance, failure to comply with procurement regulations and regulations regarding the protection of classified information, and other improper or illegal activities, may result in various civil and criminal penalties and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with the government.

The Company’s business is subject to periodic fluctuations, which may have an impact on its results of operations and financial results.

The Company’s sales are subject to quarterly, periodic and other variations that make revenues difficult to predict and may cause significant fluctuations in operating results. The spending of key customers is seasonal and heavily dependent on budgeted capital to be used before the end of their respective fiscal periods.

Revenues may fluctuate due to, among other things:

- the nature, number, timing, scope and contractual terms on the projects in which the Company are engaged;
- delays incurred in the performance of ongoing projects;
- supply chain issues which impact the ability of the Company to deliver products, solutions or services for which it earns revenue;
- the Company’s ongoing shift to managed services and the expanding role of cloud recurring revenues, which are higher-margin services, but could lead to a decrease in the Company’s total gross revenue;
- the accuracy of estimates of time required to complete ongoing projects; and
- general economic conditions.

Furthermore, clients typically undertake a significant evaluation process that has in the past resulted in a lengthy sales cycle. While the Company spends substantial time, effort and money on its sales efforts, there is no assurance that these efforts will produce any sales during a given period.

The market price of the Company's Common Shares may fluctuate widely.

The market price of the Company's Common Shares could fluctuate substantially due to:

- future announcements concerning the Company or its competitors;
- quarterly fluctuations in operating results;
- announcements of acquisitions or technological innovations;
- changes in earnings estimates or recommendations by analysts; or
- current market volatility.

In addition, the share prices of many business and technology services companies fluctuate widely for reasons which may be unrelated to operating results. Fluctuation in the market price of the Common Shares may impact the Company's ability to finance its operations and retain personnel.

The Company's consolidated balance sheet includes significant amounts of goodwill and intangible assets in connection with acquisitions and faces the risk of impairment of a significant portion of these assets.

The Company's consolidated balance sheet includes goodwill and intangible assets that represented 44% of its total assets as at December 31, 2023. These assets consist primarily of customer relationships and trade names. The Company also expects to acquire additional entities in the future, which may result in its recognition of additional goodwill and intangible assets. Under current accounting standards, the Company is required to amortize certain intangible assets over the useful life of the asset, while goodwill and certain other intangible assets are not amortized. On a regular basis, the Company assesses whether there have been impairments in the carrying value of goodwill and certain intangible assets. If the carrying value of the asset is determined to be impaired, then it is written down to fair value by a charge to operating earnings. An impairment of a significant portion of goodwill or intangible assets could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company's operations are subject to sanctions, anti-bribery and corruption, money-laundering and antitrust laws and regulations.

The Company is subject to regulations and economic sanctions imposed by multiple authorities, such as by Canada and the United States through the Canadian Export and Import Controls Bureau, the U.S. Treasury Department's Office of Foreign Assets Control, and the U.S. Commerce Department's Bureau of Industry and Security, and by other countries in which the Company operates with similar regulatory frameworks, including the UK and Germany.

Sanctions, anti-bribery and corruption, money-laundering and antitrust regimes evolve over time, and it is difficult to predict the interpretation, implementation, or enforcement of governmental policies with respect to its activities. While the Company continuously reviews its policies, controls, and procedures to ensure compliance with applicable laws and regulations, there can be no assurance that these policies and procedures will be followed by its employees, consultants, agents, or partners at all times or that its internal controls will effectively detect and prevent any violations.

Violations of anti-corruption laws, sanctions, money-laundering and antitrust laws and regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts and revocations or restrictions of licences, as well as criminal fines and imprisonment. In addition, any violation could result in adverse media coverage, have an impact on the Company's reputation and consequently on its ability to maintain long-term commercial relationships with its customers and attract new business.

Any failure on the Company's part to manage the above risks could adversely affect its business, results of operations, and financial condition.

DIVIDENDS

The Company declared its first quarterly dividend payments in 2023, totaling dividend payments in the amount of $0.03 per Common Share. The declaration and payment of dividends on the Common Shares are at the sole discretion of the Board but will be dependent upon the Company's results of operations, financial condition, cash requirements, and other relevant factors. The Board's decision to pay a dividend reflects its confidence in Converge's business and is in line with the Company's dividend policy disclosed in its short form base shelf prospectus dated July 8, 2019. The Company has declared the following dividends on the Common Shares to date:

Record Date	Payment Date	Dividend
June 9, 2023	June 16, 2023	$0.01
September 8, 2023	September 22, 2023	$0.01
December 13, 2023	December 28. 2023	$0.01

DESCRIPTION OF CAPITAL STRUCTURE

The following description of our share capital summarizes certain provisions contained in our Articles and by-laws. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of our Articles and by-laws, which have been filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

Authorized Capital

The Company is authorized to issue an unlimited number of Common Shares. As of at the date of this AIF, there were 203,410,498 Common Shares issued and outstanding.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend any shareholders' meetings and are entitled to one vote in respect of each Common Share held at such meetings.

The holders of the Common Shares are entitled to receive, on a *pro rata* basis, dividends, if any, as and when declared by the Board upon the Common Shares.

In the event of the liquidation, dissolution or wind-up of the Company or other distribution of assets of the Company among shareholders for the purpose of winding-up the Company's affairs, the Common Shares shall rank equally as to priority of distribution. Such distribution shall be made in equal amount per Common Share on all the Common Shares outstanding without preference or distinction.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the symbol "CTS".

The following table sets forth the high and low trading prices in Canadian Dollars and the trading volumes on the TSX on a monthly basis during the year ended December 31, 2023.

Month	High ($)	Low ($)	Volume
December 2023	4.42	3.945	9,366,318
November 2023	4.26	2.72	13,900,423
October 2023	2.88	2.245	8,338,211
September 2023	3.03	2.66	7,800,836
August 2023	3.30	2.39	19,600,253
July 2023	3.53	3.01	10,706,713
June 2023	3.76	2.98	27,567,635
May 2023	3.79	2.59	31,709,324
April 2023	4.10	3.12	12,571,761
March 2023	4.72	3.865	27,606,818
February 2023	6.23	4.51	22,417,091
January 2023	6.00	4.42	17,608,067

GOVERNANCE OF THE COMPANY

Directors and Officers of the Company

The following table sets out, for each of the members of the Board and the officers of the Company, respectively, the person's name, municipality of residence, position with the Company and principal occupation as of the date hereof. As of the date of this AIF, the Company does not have term limits for its directors. Each director will hold office until the next annual meeting of shareholders or until their resignation or removal.

The table also identifies the members of each committee of the Board and which directors are "independent" within the meaning of NP 58-201.

Name, Municipality of Residence	Position held with Converge	Director Since	Principal Occupation During Preceding Five Years and Positions Held
Shaun Maine St George's, Bermuda	Director and Group Chief Executive Officer	2016[1]	Chief Executive Officer of Converge (2017-Present)
Thomas Volk Munich, Germany	Director (Chairman of the Board)	May 2021	Chief Executive Officer, Cancom SE (2018-2020), President and General Manager, Cancom SE (2017-2018)

Name, Municipality of Residence	Position held with Converge	Director Since	Principal Occupation During Preceding Five Years and Positions Held
Brian Phillips (2)(3)(5) Vancouver, British Columbia	Director (Lead Independent Director)	November 2018	Corporate director
Nathan Chan (2)(4)(5) Toronto, Ontario	Director	November 2018	Lawyer, Impart Law Professional Corporation
Ralph Garcea (2)(4) Caledon, Ontario	Director	June 2019	Managing Partner, Focus Merchant Group (2018-Present), Managing Director, Echelon Wealth Partners (2017-2018)
Darlene Kelly (2)(3)(4) Ottawa, Ontario	Director	June 2021	Chief Operating Officer, TeraMach (1999-2018), Business and Leadership Coach (2019-Present)
Toni Rinow (2)(3)(5) Laval, Québec	Director	June 2022	Chief Financial Officer and Chief Operating Officer, Neptune Wellness (2020-2021), Interim CEO, BetterLife Pharma (2019-2020), Global General Manager, Jubilant Radiopharma (2018-2019), Chief Financial Officer and Chief Operating Officer, Isologic Radiopharma (2016-2018)
Wendy Bahr **(2)** Los Gatos, California	Director	December 2023	Chief Commercial Officer, Rubrik, Inc. (2019-2022), Senior Vice President, Global Partner Organization, Cisco Systems (2015-2018)
Greg Berard Lincoln, Rhode Island	Global President and Converge Chief Executive Officer	N/A	President, Lighthouse Computer Services, Inc. (2017 to present)
John Teltsch Ridgefield, Connecticut	Chief Revenue Officer	N/A	General Manager, IBM Americas (2021), General Manager, Global IBM System Sales and Technical Support (2018-2020), General Manager, IBM Global Business Partners (2015-2018)
Avjit Kamboj (7) Toronto, Ontario	Chief Financial Officer	N/A	Managing Director, KAM Consulting Services Inc. (2016-2020, 2022-present), Chief Financial Officer, Dye & Durham Corporation (2019-2022)

Name, Municipality of Residence	Position held with Converge	Director Since	Principal Occupation During Preceding Five Years and Positions Held
Cory Reid Galway, Ireland	Chief Operating Officer	N/A	Chief Information Officer, Pivot Technology (2010-2018)
Julianne Belaga Atlanta, Georgia	Chief Legal Officer and Secretary	N/A	Chief Legal Officer of Converge (2021-Present), General Counsel, Catalyst Tech Ventures, LLC (2017-2022), General Counsel, Corus Group LLC and Converge Technology Solutions US, LLC (2017-2021), Vice President & General Counsel, Corporate Services Group, Avnet Inc. (2012-2017)
Donald Cuthbertson Carleton Place, Ontario	Portage Chief Executive Officer	N/A	Portage Chief Executive Officer (2021-Present), Chief Technology Officer, Converge (2019-2021)

Notes:
(1) Mr. Maine formerly served as director of Converge Partners.
(2) Mr. Phillips, Mr. Chan, Ms. Kelly, Ms. Rinow, Ms. Bahr and Mr. Garcea are independent directors within the meaning of NP 58-201. Mr. Phillips is the lead independent director.
(3) Member of the Audit Committee. Ms. Kelly is chair of the Audit Committee.
(4) Member of the Compensation Committee. Mr. Garcea is the chair of the Compensation Committee.
(5) Member of the Nomination and Governance Committee. Mr. Phillips is chair of the Nomination and Governance Committee.
(6) Ms. Bahr was appointed to the Board effective December 5, 2023.
(7) Mr. Kamboj was appointed Chief Financial Officer of the Company effective May 10, 2023.

Voting Securities

To the best of the Company's knowledge based on information furnished by the directors and officers of the Company, as a group, the directors and officers of the Company beneficially own or exercise control or direction, directly or indirectly, 10,842,681 Common Shares or approximately 5.7% of the issued and outstanding Common Shares as at the date hereof.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

During the past ten years, none of the directors or executive officers of the Company were a director, chief executive officer or chief financial officer of any company (including the Company) that was, during his or her tenure, the subject of a cease trade order or similar order or an order that denied that reporting issuer access to any statutory exemptions for a period of more than 30 consecutive days.

During the past ten years, none of the directors, officers or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (a) has made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder; or (b) were a director or executive officer of any company (including the Company) that, during his or her tenure, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of the Company will be subject in connection with the operations of the Company. Each of the directors and officers of the Company may be or already are associated with other public and private corporations which may give rise to conflicts of interest. Certain of the directors have either other employment or other business or time restrictions placed on them and accordingly, these directors will only be able to devote part of their time to the affairs of the Company. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporation on their own behalf and on behalf of other corporations. Conflicts, if any, will be subject to the procedures and remedies prescribed by the CBCA and applicable securities laws, regulations and policies (including the policies of the TSX). See also “Risk Factors”.

LEGAL PROCEEDINGS, INVESTIGATIONS AND REGULATORY ACTIONS

The Company may from time to time be subject to claims and various legal proceedings arising in the ordinary course of business. The Company, nor any of its subsidiaries, has not within the last twelve months from the date of this AIF been, and is not currently, party to or aware of any threatened litigation, governmental or administrative and administrative proceedings, regulatory actions, arbitration, dispute proceedings or other legal proceedings which could in the future have, or have had in the recent past, a material adverse effect on the Company’s business, reputation, results of operations or financial condition.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, there are no material interests, direct or indirect, of any of the Company’s directors or executive officers, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of the Company’s outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

MATERIAL CONTRACTS

The Company has not entered into a material contract within the most recently completed financial year, or prior to the most recently completed financial year that is still in effect, other than agreements entered into in the ordinary course of business.

REGISTRAR AND TRANSFER AGENT

The Company’s transfer agent and registrar is Computershare Investor Services Inc. at its office located at 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9.

INTERESTS OF EXPERTS

The Company’s auditor, Ernst & Young LLP, Chartered Accountants, located at 100 Adelaide St W, Toronto, ON M5H 0B3 has audited the consolidated financial statements of the Company as at December 31, 2023, and for the year then ended. Ernst & Young LLP has advised the Company that it is independent in the context of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

To the knowledge of the Company, none of the experts so named (or any of the designated professionals thereof) held securities representing more than 1% of all issued and outstanding Common Shares as at the date of the statement, report or valuation in question.

AUDIT COMMITTEE INFORMATION

The Audit Committee is responsible for overseeing the Company’s accounting and financial reporting processes, internal systems of control, independent auditor relationships and the audits of the Company’s financial statements and exercising the duties set out in the Audit Committee's Charter. The members of the Audit Committee are Darlene Kelly (Chair), Brian Phillips, and Toni Rinow. Each member of the Audit Committee is independent (as defined in NI 52-110) and no member of the Audit Committee receives, directly or indirectly, any compensation from Converge other than for service as a member of the Board and its committees. All members of the Audit Committee are financially literate (as defined under NI 52-110). The full text of the charter of the Audit Committee is attached as Appendix "A" to this AIF.

Composition of the Audit Committee

In addition to each Audit Committee member's general business experience, all members have experience reviewing financial statements and dealing with related accounting and auditing issues. The education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

Darlene Kelly

Ms. Kelly has been a finance and business leader with extensive experience in the IT industry. For 20 years, Ms. Kelly was Chief Operating Officer/Chief Financial Officer at TeraMach from its early years, through growth and geographical expansion. In 2016, Ms. Kelly led the sale of TeraMach to Pivot Technology Solutions as well as its subsequent integration. In 2019, Ms. Kelly launched a coaching and advisory practice supporting corporate leaders and entrepreneurs. Ms. Kelly is a Chartered Professional Accountant and a Fellow of the Chartered Professional Accountants of Ontario. Ms. Kelly is an internationally certified leadership coach and a member of the Institute of Corporate Directors. Ms. Kelly holds a Bachelors' Degree (Honours) in Commerce from the University of Ottawa.

Brian Phillips

Mr. Phillips has been in the financial services industry for 30 years, the last 15 as a partner at Phillips, Hager & North Investment Management ("**PHN**") and continued after its acquisition by the Royal Bank of Canada in 2008. Prior to PHN he was a Vice President with various security dealers, including Pemberton Securities, until acquired by RBC Dominion Securities in 1989. Mr. Phillips holds an MBA from the Ivey School of Business.

Toni Rinow

Dr. Rinow is a transformational finance and business leader with over 20 years of experience and a proven track record in international corporate development. Dr. Rinow specializes in guiding companies through inflection points of growth, innovation, technology convergence and business integration. She is a catalyst for growth and expansion and is well known for accelerating revenue streams through acquisitions, corporate development, sales and marketing, and financings. Dr. Rinow transforms data into actionable strategies and most recently served in a NASDAQ traded company raising over $160 million in capital expansion financing and executed on acquisitions securing a Morgan Stanley capital-backed portfolio.

Dr. Rinow led healthcare organizations as General Manager at global nuclear medicine leader Jubiliant Draximage Inc and as Chief Operating Officer at Isologic Innovative Radiopharmaceuticals. Her professional career includes leadership roles in both public and private pharmaceutical and healthcare organizations, where she spearheaded acquisitions across Canada, Latin America, Europe, India and the US. Dr. Rinow has successfully facilitated the negotiation of international corporate alliances valued over $100M and overseen an investment portfolio with $400M under management.

Dr. Rinow holds an MBA and a Master's in Accounting from McGill University, as well as a chemical engineering degree from ERASMUS European Higher Institute of Chemistry in Strasbourg, France and a PhD in Biophysics and Chemistry from the University of Montreal. She is also trained in artificial intelligence at MIT Massachusetts Institute of Technology.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve and disclose, as required, the retention of the external auditor for audit and non-audit related services to be provided to the Company that are permitted under applicable law. Annually, the external auditor submits its work plan to the Audit Committee, including the nature and scope of any audit-related services planned for the upcoming year. That plan is then reviewed and pre-approved by the Audit Committee. Any unplanned audit or non-audit related services are presented for pre-approval at the regularly scheduled meetings of the Audit Committee. Audit Committee pre-approval of non-audit related services is required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Audit Committee regarding Converge's engagement of the external auditor, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each service provided and the policies and procedures do not include delegation of the Audit Committee's responsibilities under applicable securities laws to Converge's management. The Audit Committee may delegate to a member of the Audit Committee the authority to grant pre-approvals, provided the pre-approvals are presented to the Audit Committee at its next subsequent meeting.

External Auditor Service Fees

The aggregate fees billed by the external auditors of Converge in each of the last two fiscal years are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees(1)	Tax Fees(2)	All Other Fees
December 31, 2022	$1,381,400	$355,000	$430,000	Nil
December 31, 2023	$1,072,050	$441,250	$829,549	Nil

Notes:

(1) Audit-related fees were for assurance and related services reasonably related to the performance of audit related work on the Company's acquisitions and includes various statutory audit fees for the Company's European entities, which are not reported under "Audit Fees" above.

(2) Tax fees were incurred for services consisting of tax compliance, including the preparation and review of tax returns, assistance regarding tax audits and tax advisory services relating to domestic and international taxation.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found at SEDAR+, which can be accessed at www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, will be contained in the Company's information circular for its upcoming annual meeting of shareholders. Additional financial information is provided in the Company's financial statements and management's discussion and analysis for the financial year ending December 31, 2023.

GLOSSARY OF TERMS

"**ABL Facilities**" means the lines of credit secured by the assets of the Company provided to the Company under the asset-based lending agreement among the Company and a syndicate of Canadian banks led by CIBC.

"**Acquisition Agreement**" has the meaning ascribed to such term under the heading "Name, Address and Incorporation".

"**AI**" means artificial intelligence.

"**AIF**" means this annual information form.

"**Audit Committee**" means the audit committee of the Board.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Board**" means the board of directors of the Company.

"**CAD**" means Canadian dollars, the lawful currency of Canada.

"**CBCA**" means the *Canada Business Corporation Act*.

"**CBI**" has the meaning ascribed to such term under the heading "General Development of the Business".

"**CIBC**" means the Canadian Imperial Bank of Commerce.

"**Common Shares**" means the common shares of the Company.

"**Company**", "**Converge**", "**we**", "**us**" or "**our**" means Converge Technology Solutions Corp. together with its subsidiaries, including Converge Partners, as the context requires.

"**Converge Partners**" means Converge Technology Partners Inc.

"**COVID-19**" means the coronavirus disease.

"**DDoS**" means distributed denial-of-service.

"**FOCI**" means foreign ownership, control or influence.

"**forward-looking statements**" has the meaning ascribed to such term under the heading "Forward-Looking Information".

"**GDPR**" means the European General Data Protection Regulation.

"**GfdB**" has the meaning ascribed to such term under the heading "General Development of the Business".

"**ICRM**" has the meaning ascribed to such term under the heading "General Development of the Business".

"**IfmB**" has the meaning ascribed to such term under the heading "General Development of the Business".

"**Infinity Systems Software**" has the meaning ascribed to such term under the heading "General Development of the Business".

"**IR**" means incident response.

“**IT**” means information technology.

“**ITSM**” has the meaning ascribed to such term under the heading “Services”.

“**ITSPs**” means IT service providers.

“**NCIB**” has the meaning ascribed to such term under the heading “General Development of the Business”.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**Norwick**” has the meaning ascribed to such term under the heading “Name, Address and Incorporation”.

“**NP 58-201**” means National Policy 58-201 – *Corporate Governance Guidelines*

“**OEMs**” means original equipment manufacturers.

“**OPIN**” has the meaning ascribed to such term under the heading “General Development of the Business”.

“**PHN**” has the meaning ascribed to such term under the heading “Composition of the Audit Committee”.

“**Portage**” means Portage CyberTech Inc.

“**Revolver Credit Facility**” means the facilities provided to the Company under the global revolving credit agreement dated July 27, 2022, among the Company and a syndicate of Canadian and US lenders, led by J.P. Morgan and CIBC.

“**SAP**” has the meaning ascribed to such term under the heading “Services”.

“**SIEM**” means security information and event management.

“**Special Committee**” has the meaning ascribed to such term under the heading “General Development of the Business”.

“**Stone**” has the meaning ascribed to such term under the heading “General Development of the Business”.

“**Strategic Review**” has the meaning ascribed to such term under the heading “General Development of the Business”.

“**Transaction**” has the meaning ascribed to such term under the heading “Name, Address and Incorporation”.

“**TSX**” means the Toronto Stock Exchange.

“**TSXV**” means the TSX Venture Exchange.

“**UK**” means the United Kingdom of Great Britain and Northern Ireland.

“**Vicom Infinity**” has the meaning ascribed to such term under the heading “General Development of the Business”.

“**Visucom**” has the meaning ascribed to such term under the heading “General Development of the Business”.

APPENDIX "A"

CONVERGE TECHNOLOGY SOLUTIONS CORP.

AUDIT COMMITTEE CHARTER

Effective Date: May 13, 2022

This charter (the "Charter") sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the "Audit Committee" or "the Committee") of the Board of Directors (the "Board") of Converge Technology Solutions Corp. ("Converge" or the "Company").

1. Purpose

The Committee shall assist the Board in fulfilling its oversight responsibilities with respect to:

a) financial reporting and disclosure requirements;

b) ensuring that an effective risk management and financial control framework has been implemented and tested by management of Converge; and

c) external and internal Audit processes.

2. Composition and Membership

a) The Board will appoint the members ("Members") of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of Converge or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.

b) The Committee shall consist of as many directors of the Board as the Board may determine, but in any event, not less than 3 (three) Members. Each Member will meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which Converge's securities are listed, including National Instrument 52-110 — Audit Committees, subject to available exemptions that may be relied upon in the appropriate circumstances. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment. Further, at least one member of the Audit Committee shall have experience as a certified public accountant, chief financial officer or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as a senior executive officer.

c) At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee (the "Chair"). The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this Charter, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board.

d) Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

a) The Committee may meet as such times and places as the Chair may determine as necessary to carry out its responsibilities, but in any event, not less than four times per year.

b) Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone, video or other electronic means. Powers of the Committee may also be exercised by written resolutions signed by all Members.

c) The Chair, any member of the Audit Committee, the external Auditors, the Chair of the Board, or the President & Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying Chair who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. The powers of the Committee may be exercised at a meeting where a quorum is present or by resolution in writing signed by all Members.

e) The Committee may invite from time to time, at its discretion, senior executives of the Company or such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without members of management in attendance for a portion of each meeting of the Committee.

f) To the extent possible, in advance of every regular meeting of the Committee, the Chair, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Converge to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

g) The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

h) The external Auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

i) The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

j) The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board by default, but the Committee shall have the power to otherwise regulate its procedure.

k) The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4. Duties and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an Audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

Financial Reports and Disclosure

a) The Audit Committee shall review and approve the interim financial statements and related management's discussion and analysis, and review and recommend to the Board for approval the annual Audited financial statements, including the Auditor's report thereon, and related management's discussion and analysis, financial reports and any guidance with respect to earnings per share to be provided to analysts and rating agencies, prior to their being filed with the appropriate regulatory authorities and/or publicly disclosed. The Committee shall satisfy itself that the financial statements are presented in accordance with applicable accounting principles, with such documents to indicate whether such information has been reviewed by the Board or the Committee. The Committee shall also satisfy itself that, in the case of the annual financial statements, the Audit function has been effectively carried out by the Auditors and, in the case of the interim financial statements, that the review function has been effectively carried out;

b) The Audit committee shall review and discuss with management press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws or otherwise pursuant to the policies of the Company before the Company publicly discloses this information, including the type and presentation of information, paying particular attention to any forward-looking guidance, pro forma or non-IFRS measures. The Committee shall recommend to the Board the approval of the annual earnings releases. The Committee shall have the authority to approve the interim earnings releases and shall review matters related to the interim earnings releases with the Board;

c) The Audit Committee shall review and recommend to the Board for approval, where appropriate, all other public disclosure documents containing audited or unaudited financial information prior to their being filed with the appropriate regulatory authorities and/or publicly disclosed, including any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information;

d) The Audit Committee shall review with management of Converge, and with external Auditors, significant disclosure issues regarding accounting principles, practices, and judgments of management and alternative treatments under International Financial Reporting Standards ("IFRS") , with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS, as applicable;

e) The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated, and material non-GAAP financial measures, non-GAAP ratios, total of segments measures, capital management measures, and supplementary financial measures (each as defined in National Instrument 51-112 – *Non-GAAP and Other Financial Measures Disclosure*.

5. External Audit

General

The Audit Committee shall be responsible for oversight of the work of the Auditors, including the Auditors' work in preparing or issuing an Audit report, performing other Audit, review or attest services or any other related work.

Nomination and Compensation

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external Auditors to be nominated and the compensation of such external Auditor. The Audit Committee shall have ultimate authority to approve all Audit engagement terms and fees, including the Auditors' Audit plan.

Resolution of Disagreements

The Audit Committee shall resolve any disagreements between management and the Auditors as to financial reporting matters brought to its attention.

Discussions with Auditors

At least annually, the Audit Committee shall discuss with the Auditors such matters as are required by applicable Auditing standards to be discussed by the Auditors with the Audit Committee. The Audit Committee shall also review on an ongoing basis with the Auditors and management significant issues that may arise regarding accounting principles and financial statement presentation, as well as matters concerning the scope, adequacy and effectiveness of the Company's financial controls.

Audit Plan

At least annually, the Audit Committee shall review a summary of the Auditors' annual Audit plan. The Audit Committee shall consider and review with the Auditors any material changes to the scope of the plan.

Quarterly Review Report

The Audit Committee shall review a report prepared by the Auditors in respect of each of the interim financial statements of the Company.

Independence of Auditors

At least annually, and before the Auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the Auditors a formal written statement describing all relationships between the Auditors and the Company; discuss with the Auditors any disclosed relationships or services that may affect the objectivity and independence of the Auditors; and obtain written confirmation from the Auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the Auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the Auditors.

Evaluation and Rotation of Lead Partner

As appropriate, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the Auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external Auditors.

Requirement for Pre-Approval of Non-Audit Services

The Audit Committee shall approve in advance any retainer of the Auditors to perform any non-Audit service to the Company that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

6. Approval of Hiring Policies

The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external Auditors of the Company.

a) **Financial Executives**

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

7. Internal Controls

a) General

The Audit Committee shall review the Company's system of internal controls.

b) Establishment, Review and Approval

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the Auditors:

(i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;

(ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;

(iii) any material issues raised by any inquiry or investigation by the Company's regulators;

(iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

(v) any related significant issues and recommendations of the Auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

8. Compliance with Legal and Regulatory Requirements

The Audit Committee shall review reports from the Company's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

9. Audit Committees Commitment Limit

No member of the Audit Committee shall serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee and discloses such determination in the Company's management proxy circular.

10. Outside Advisors

The Audit Committee may conduct or authorize investigations into or studies of matters within the Audit Committee's scope of responsibilities and duties as described above, and may seek, retain and terminate accounting, legal, consulting or other expert advice from a source independent of management, at the expense of the Company, with notice to either the Chair of the Board, the Lead Director or the Chief Executive Officer of the Company.

11. Audit Committee Hotline Whistleblower Procedures

The Audit Committee shall establish a complaints reporting procedure and whistleblower hotline for (a) the receipt, retention, and treatment of complaints received by the Company, including regarding accounting, internal accounting controls, or Auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding the Company's affairs, including questionable accounting or Auditing matters. Any such complaints or concerns that are received shall be reviewed by members of the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel (if any) to reach a satisfactory conclusion, in each case in accordance with the Whistleblowing Policy of the Company.

12. Audit Committee Disclosure

The Audit Committee shall prepare, review and approve any Audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

13. Delegation

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this Charter as the Audit Committee deems appropriate.

14. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and by-laws, it is not intended to establish any legally binding obligations.

15. Charter Review

The Committee shall review and update this Charter as deemed advisable from time to time and present it to the Board for approval.