



# Converge Technology Solutions



Technology & Cloud Solutions Provider

# Disclaimer

This presentation has been prepared for informational purposes only. The information contained in this presentation has been prepared by Converge Technology Solutions Corp. ("Converge" or the "Company").

These materials are not, and in no circumstances are they to be construed as, a prospectus, an offering memorandum, an advertisement, or a public offering of securities. In addition, these materials do not form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, or any offer to underwrite or otherwise acquire any securities of the Company or any other securities, nor shall they or any part of them nor the fact of their distribution or communication form the basis of, or be relied on in connection with, any contract, commitment or investment decision in relation thereto, nor does it constitute a recommendation regarding the securities of the Company. No securities regulatory authority or similar authority has reviewed or in any way passed upon the document or the merits of these securities and any representation to the contrary is an offence.

All figures in this document are in C\$'000 unless otherwise stated.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:** This presentation contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation regarding Converge and its business. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using the phrases such as "believe", "expect", "intend", "should", "seek", "anticipate", "will", "positioned", "project", "risk", "plan", "may", "estimate", "forecasts", "budgets" or, in each case, their negative and words of similar meaning) are not statements of historical fact and may be forward-looking statements. Forward-looking statements relate to, among other things, the Company's expectations of future results, performance, prospects and markets in which it operates, or about any future intention with regard to its business and acquisition strategies are considered forward-looking information. The foregoing demonstrates Converge's objectives, which are not forecasts or estimates of its financial position, but are based on the implementation of its strategic goals, growth prospects, and growth initiatives. The forward-looking information are based on management's opinions, estimates and assumptions, including, but not limited to: (i) Converge's results of operations will continue as expected, (ii) the Company will continue to effectively execute against its key strategic growth priorities, (iii) the Company will continue to retain and grow its existing customer base and market share, (iv) the Company will be able to take advantage of future prospects and opportunities, and realize on synergies, including with respect of acquisitions, (v) there will be no changes in legislative or regulatory matters that negatively impact the Company's business, (vi) current tax laws will remain in effect and will not be materially changed, (vii) economic conditions will remain relatively stable throughout the period, (viii) the industries Converge operates in will continue to grow consistent with past experience, and (ix) those assumptions described under the heading "About Forward-Looking Information" in the Company's Management's Discussion and Analysis for the period ended December 31, 2023 and for the year ended December 31, 2023. 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 press release, 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.

The forward looking information set out above, are subject to significant risks including, without limitation: that the Company will be unable to effectively execute against its key strategic growth priorities, including in respect of acquisitions; the Company will be unable to continue to retain and grow its existing customer base and market share; risks related to the Company's business and financial position; that the Company may not be able to accurately predict its rate of growth and profitability; risks related to economic and political uncertainty; income tax related risks; and those risk factors discussed in greater detail under the "Risk Factors" section of the Company's most recent annual information form and under the heading "Risks and Uncertainties" in the Company's most recent Management's Discussion and Analysis, which are each available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. In addition, even if the outcome and financial effects of the plans and events described herein are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. Although Converge has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking information contained in this presentation is based on the Company's current estimates, expectations and projections, which the Company believes are reasonable as of the date hereof. The Company can give no assurance that these estimates, expectations and projections will prove to have been correct. Readers should not place undue reliance on forward-looking statements, which are based on the information available as of the date hereof. Forward-looking statements contained in this presentation are made as of the date hereof and, except as required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances. Historical statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. In this regard, certain financial information contained herein has been extracted from, or based upon, information available in the public domain and/or provided by the Company. In particular, historical results should not be taken as a representation that such trends will continue or be replicated in the future. No statement in this presentation is intended to be nor may be construed as a profit forecast.

**USE OF NON-IFRS MEASURES AND RATIOS:** Converge's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the accounting policies we adopted in accordance with IFRS. In this presentation, management has used certain terms, including Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings per Share ("EPS"), Gross Sales, Backlog, Organic Growth and Net Debt to LTM Adjusted EBITDA, which is a non-IFRS ratio, which are not recognized under IFRS and do not have a standardized meaning under IFRS. Management believes that these measures are useful to most shareholders, creditors, and other stakeholders in analyzing the Company's operating results and can highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Converge's method of calculating such non-IFRS measures and ratios may differ from methods used by other companies and therefore may not be comparable to similar measures presented by other companies. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the ability to meet capital expenditure and working capital requirements. These non-IFRS financial measures should not be considered as an alternative to the consolidated income (loss) or any other measure of performance under IFRS. Investors are encouraged to review the Company's financial statements and disclosures in their entirety, are cautioned not to put undue reliance on non-IFRS measures and view them in conjunction with the most comparable IFRS financial measures. A full description of these non-IFRS measures and reconciliations for such non-IFRS measures can be found in the MD&A that accompanies the financial statements for the period ended December 31, 2023 and for the year ended December 31, 2023 and filed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# Company Overview

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

## Business Overview

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

## End-to-End IT Solutions Provider

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



Advise



Implement



Manage

## Q2 YTD'24 Highlights

**\$2.07 B**

Gross Sales<sup>1</sup>

**+7.7% y/y**

**\$354.6 M**

Gross Profit

**+2.1% y/y**

**\$87.3 M**

Adj. EBITDA<sup>1</sup>

**+5.8% y/y**

## Q2 '24 Highlights

**\$1.06 B**

Gross Sales<sup>1</sup>

**+11.1% y/y**

**\$179.3 M**

Gross Profit

**+2.1% y/y**

**\$45.1 M**

Adj. EBITDA<sup>1</sup>

**+8.6% y/y**

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

# Partner Diversification & Depth

## Deep Vendor Dynamics Across IT Landscape

**10+**  
Key Vendor Relationships

**~1000+**  
Total Partner Relationships

## Top Partner Alliances



## Partner Awards

**NVIDIA**  
**2024** - Networking Partner of the Year  
**2024** - Canadian Partner of the Year

**ARCTIC WOLF**  
**2024** - Large Solution Provider Partner of the Year

**alteryx**  
**2024** - Americas Acceleration Partner of the Year

**NetApp**  
**2023** - North America Partner of the Year - West

**IBM**  
**2024** - NA IBM Partner Plus Award - Digital Defense  
**2021** - Top NA Sell Business Partner

**Hewlett Packard Enterprise**  
**2024** - NA Storage Partner of the Year  
**2021** - NA SMB Partner of the Year  
**2021** - Platinum Partner Status

**CISCO**  
**2024** - Cisco Gold Partner Worldwide  
**2023** - Customer Experience Partner of the Year - Central

**vmware**  
**2024**: VMware by Broadcom's Americas Technical Enablement Partner of the Year  
**MC** - Data Center Virtualization, Network Virtualization, VMware Cloud on AWS, Cloud Management & Automation

**PURESTORAGE**  
**2022** - Advantage Partner of the Year

**Red Hat**  
**2021** - Top NA IBM and Red Hat Synergy Partner  
 Premier/APEX Partner Status

**CRN**  
**2024** - Elite 150 on MSP 500  
**2024** - Tech Elite 250 Category  
**2023** - Triple Crown Winner  
**2023** - Elite 150 on MSP 500

**INGRAM MICRO**  
**2020, 2021 & 2022** Ingram Micro Cloud Reseller of the Year Award for North America  
**2022** Ingram Micro Women in Cloud Female Leader of the Year Award, Rochelle Manns

# Key Investment Highlights

---



## Large and Fragmented IT Market in North America and Europe

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



## Full Spectrum IT Solution Provider Positioned to Benefit from the AI Infrastructure Build, Cybersecurity Growth and the Shift to the Cloud

Converge is collaborating with industry-leading technology partners to support the most pressing IT investment priorities for enterprises; Converge delivers an unparalleled level of service and expertise, supporting customers from initial assessment and planning, design and implementation, and ongoing management and support



## Mid-market Focus

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



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

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



## Experienced and Proven Management Team

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



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

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



# Converge Breadth & Depth

86% Gross Sales in North America <sup>1</sup> / 14% Gross Sales in Europe <sup>1</sup>

## Global Footprint with Strong Partner Relationships and Capabilities

**60+** Global Office Locations

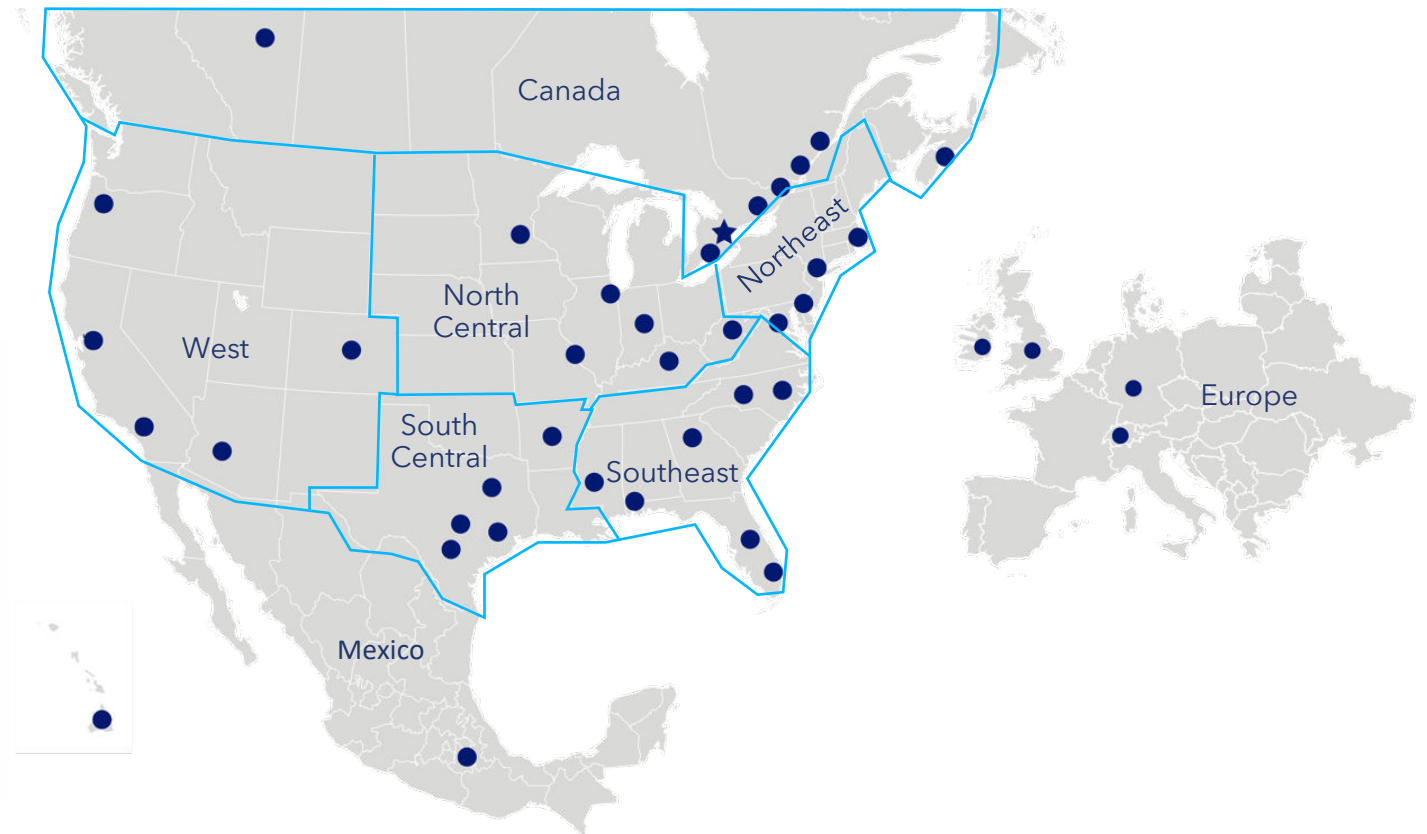
**500+** Global Sales Personnel

**1,700+** Global Technical Resources

with

**1,000+** Certifications

**4,000+** Customers



# AIM - Vertically Integrated Set of Solutions



## Advanced Analytics

- Business Analytics
- Data Visualization
- Data Platforming & Integration
- Financial & Operational Management
- Robotic Process Automation



## Artificial Intelligence

- Generative AI
- Deep Search
- Virtual Agents
- Visual Insights
- Predictive Analytics
- Data Science
- Machine Learning



## Application Modernization

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



## Cloud Platforms

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



## Cybersecurity

- Advanced Testing
- Governance, Risk & Compliance
- Incident Readiness & Response
- Strategy & Defense
- Data Protection
- Identity & Access Management
- Strategic Staffing
- Managed Security Services



## Digital Infrastructure

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



## Digital Workplace

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

### Delivered Through End-to-End Service Offerings

#### Advise

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

#### Implement

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

#### Manage

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

# Diversified Mid-Market Customer Base

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

## Case Studies



Medical Device Company Achieves DevSecOps Compliance



Construction Company Rebuilds After Ransomware Attack



Institutional Brokerage Firm Invests in Business Intelligence



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



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



Industry-Leading Manufacturer Finds the Right Talent



State's Internal IT Services Successfully Establishes Disaster Recovery Plan



County Consolidates Disparate Systems to Single Data Protection Solution



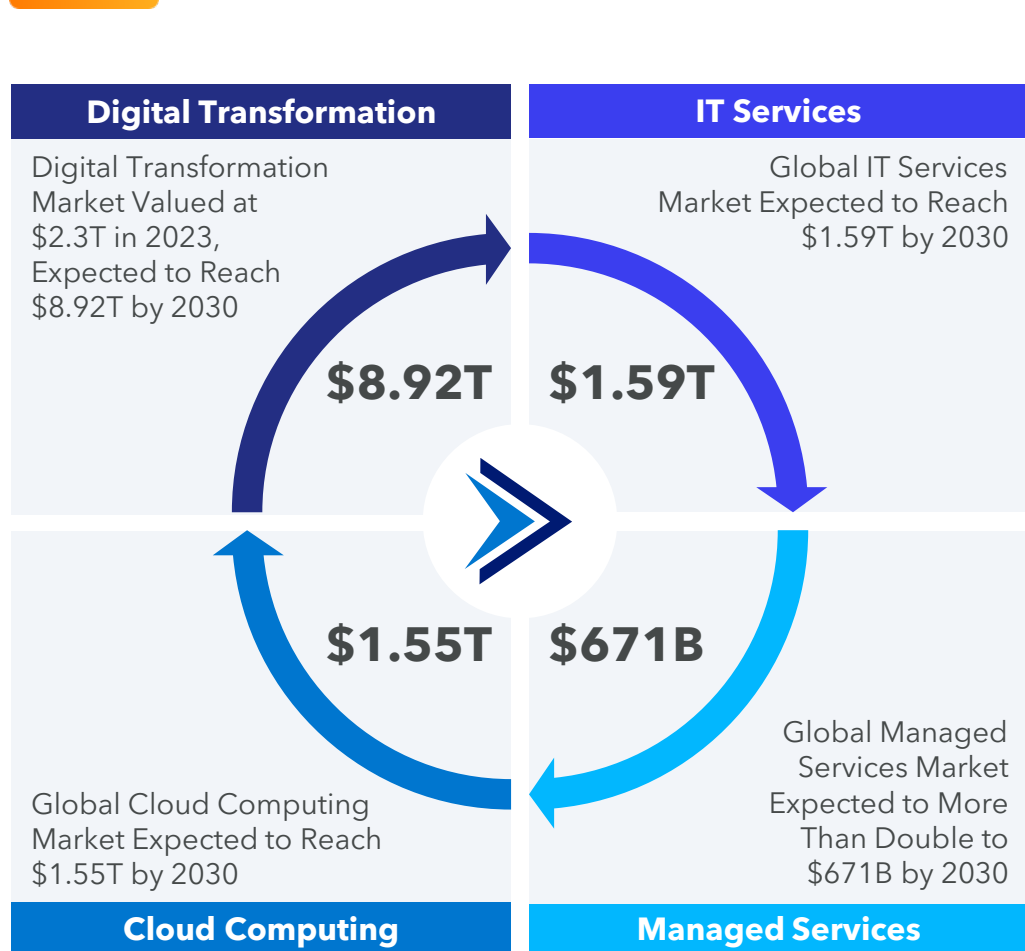
World-Class Data Science Firm Builds Data Lake and Pipeline Application to Store & Transform Data

## Executive Briefings

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



# Market Opportunity - By Sector



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

<b>Advanced Analytics</b>  <b>21.1%</b> CAGR 2023-2030 Data-driven decision making, adoption of big data & related technologies	<b>Application Modernization</b>  <b>16.8%</b> CAGR 2023-2030 Flexibility and scalability provided by cloud, optimizing legacy applications, reduction of costs	<b>Cloud Platforms</b>  <b>20%</b> CAGR 2023-2030 Next-gen industrial solutions, adoption of IoT, 5G, edge computing, & real-time analytics
<b>Cybersecurity</b>  <b>13.8%</b> CAGR 2023-2030 Protection products & services, identity security, detection & response	<b>Digital Transformation</b>  <b>21.6%</b> CAGR 2023-2030 Flexibility in work-life balance, rapid adoption of advanced technologies	<b>Managed Services</b>  <b>13.1%</b> CAGR 2023-2030 Update & digitization of business processes, upgrade & innovation of infrastructure, enhancing productivity & scalability

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

# Market Opportunity - Artificial Intelligence

## Artificial Intelligence



**36.8%**

CAGR 2024-2033

Demand for automation and efficiency, innovation, and content creation

Global AI Market Expected to Reach **USD 2.745B by 2032**

### Growth Factors

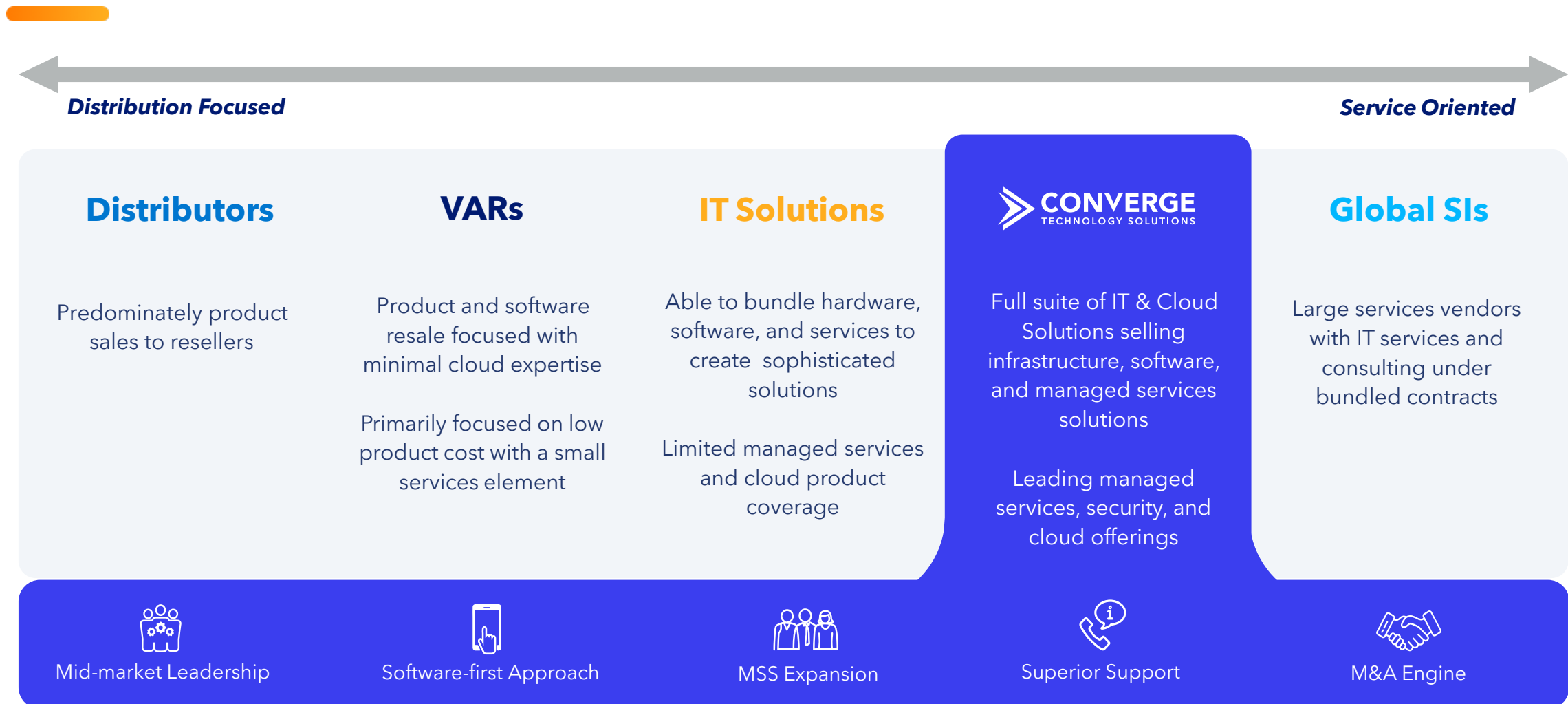
Compute (Hardware & Cloud)  
Data Quality/Access  
Industry-Specific Applications

### Key Verticals

Automotive  
Finance  
Healthcare  
Marketing  
Manufacturing  
Retail  
Supply Chain Management

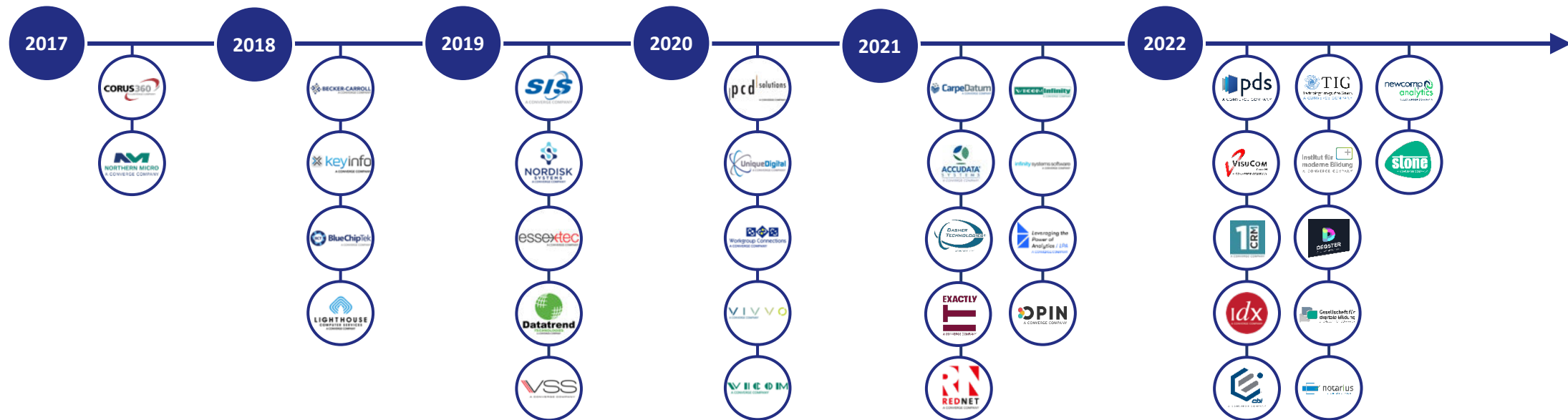
**Converge Opportunity spans Hardware, Software & Services**

# Differentiated Business Model with Unique Strategic Focus Areas



# Proven M&A Track Record & Growth Roadmap

Converge has a proven M&A track record and strategy targeting new geographies, expanding capabilities, and differentiating itself from competitors. With 35 acquisitions in five years, Converge has become a world-leading software-enabled IT & Cloud Solutions Provider spanning North America and Europe with the focus on delivering industry-leading solutions and services





# Key Financials

Q2 & Q2'YTD 2024

*All figures in this document are in C\$'000 unless otherwise stated*

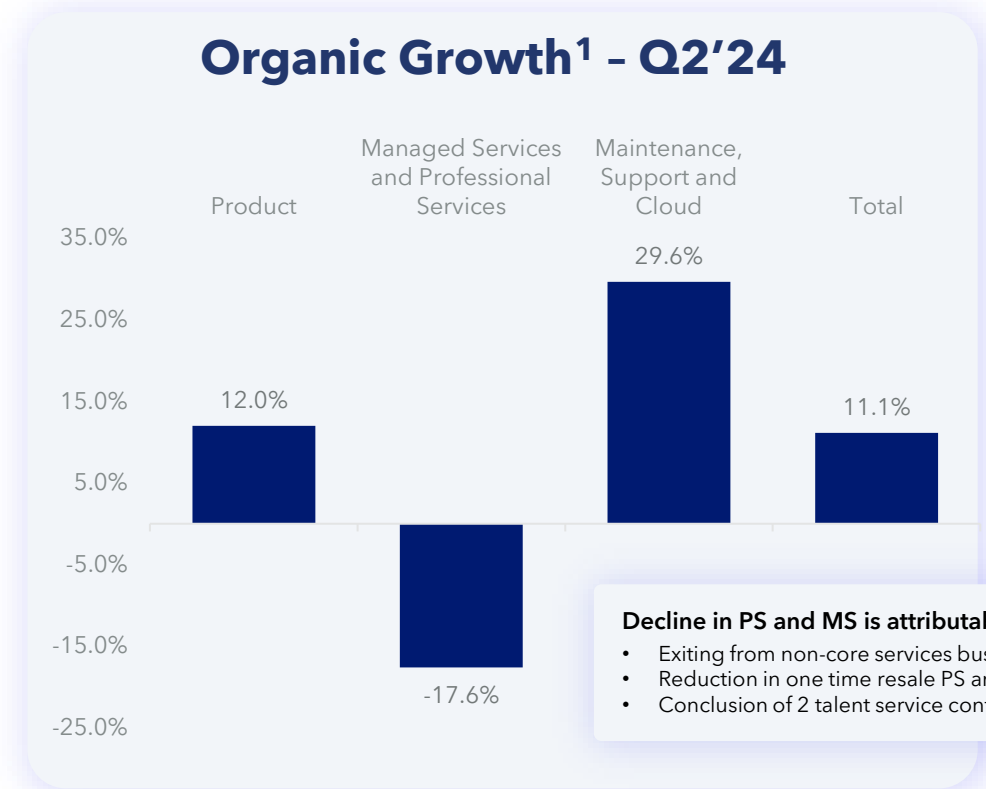
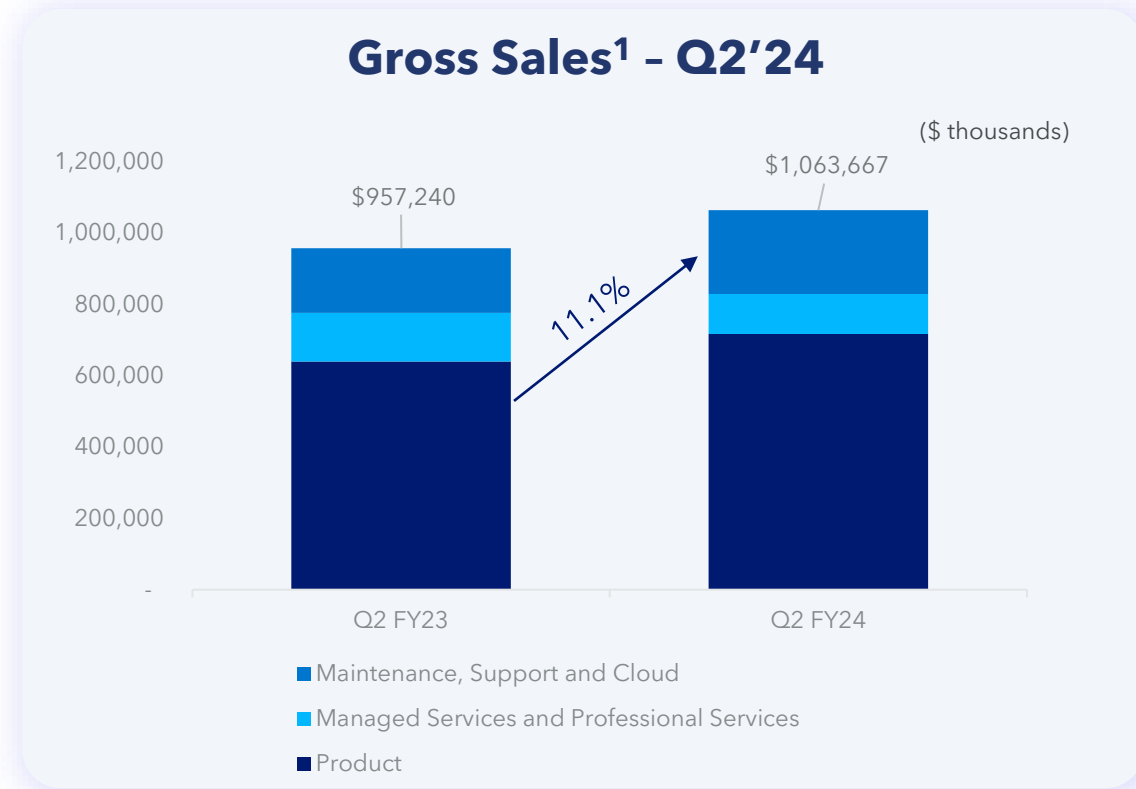


# Key Financial Metrics

<i>In \$000s except per share amounts</i>	<b>Q2' 24</b>	Q2' 23	<b>Q2' 24 YTD</b>	Q2' 23YTD
<b>Gross Sales<sup>1</sup></b>	<b>1,063,667</b>	957,240	<b>2,069,656</b>	1,922,498
<b>Revenue</b>	<b>651,847</b>	665,813	<b>1,280,613</b>	1,344,011
<b>Gross Profit (GP)</b>	<b>179,284</b>	175,672	<b>354,556</b>	347,260
<b>Gross Profit (GP) %</b>	<b>27.5%</b>	26.4%	<b>27.7%</b>	25.8%
<b>Adjusted EBITDA<sup>1</sup></b>	<b>45,107</b>	41,257	<b>87,316</b>	82,531
<b>Adjusted EBITDA<sup>1</sup> as % of GP</b>	<b>25.2%</b>	23.5%	<b>24.6%</b>	23.8%
<b>Net loss</b>	<b>(164,963)</b>	(4,495)	<b>(168,503)</b>	(7,856)
<b>Adjusted net income<sup>1</sup></b>	<b>38,759</b>	25,124	<b>61,466</b>	49,565
<b>Adjusted EPS<sup>1</sup></b>	<b>\$0.19</b>	\$0.12	<b>\$0.30</b>	\$0.24

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

# Q2'24 | Gross Sales



**Gross sales organic growth<sup>1</sup> of 11.1% drive by strong solutions sales**

**Double digit growth in focus practice areas**

# Revenue Recognition - IFRS impact of netting down

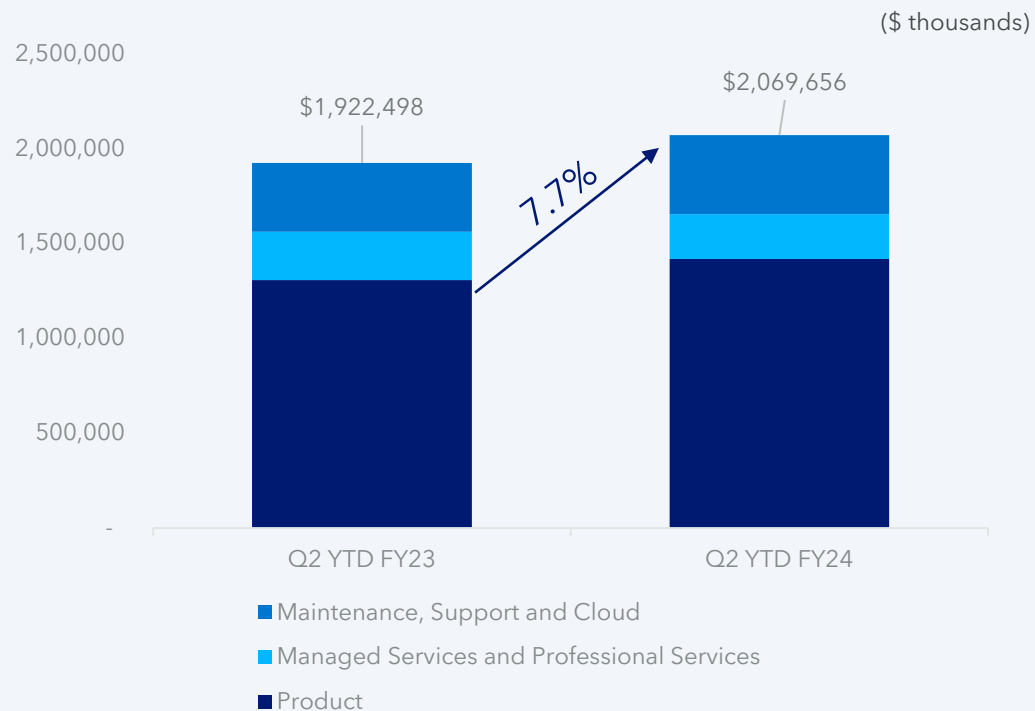
	Hardware	Software	Managed Services & Professional Services ("MS / PS")	MS / PS Resale	Maintenance & Support, Cloud
<b>Selling Relationship</b>	Principal	Agent	Principal	Agent	Agent
<b>Gross Sales</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>
<b>Adjustment for Agent Relationship</b>	n.a.	(\$750)	n.a.	(\$750)	(\$750)
<b>Revenue</b>	\$1,000	\$250	\$1,000	\$250	\$250
<b>Cost of Sales</b>	(\$750)	n.a.	(\$750)	n.a.	n.a.
<b>Gross Profit</b>	<b>\$250</b>	<b>\$250</b>	<b>\$250</b>	<b>\$250</b>	<b>\$250</b>

IFRS treatment for principal vs. agent relationship

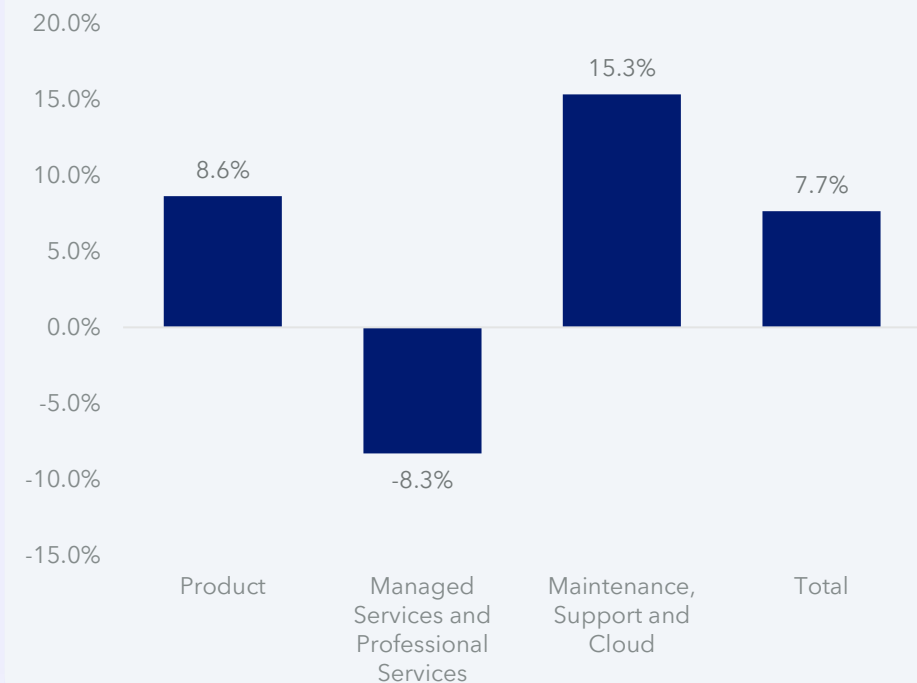
**No impact to gross sales or gross profit**

# Q2'24 YTD | Gross Sales

## Gross Sales<sup>1</sup> - Q2'24 YTD

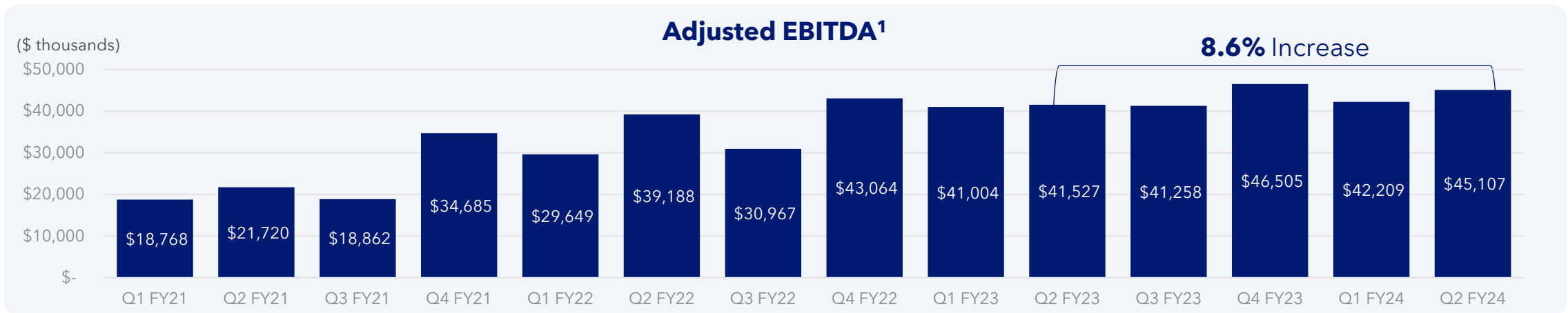


## Organic Growth<sup>1</sup> - Q2'24 YTD



**Gross sales organic growth<sup>1</sup> of 7.7% driven by strong solutions sales**

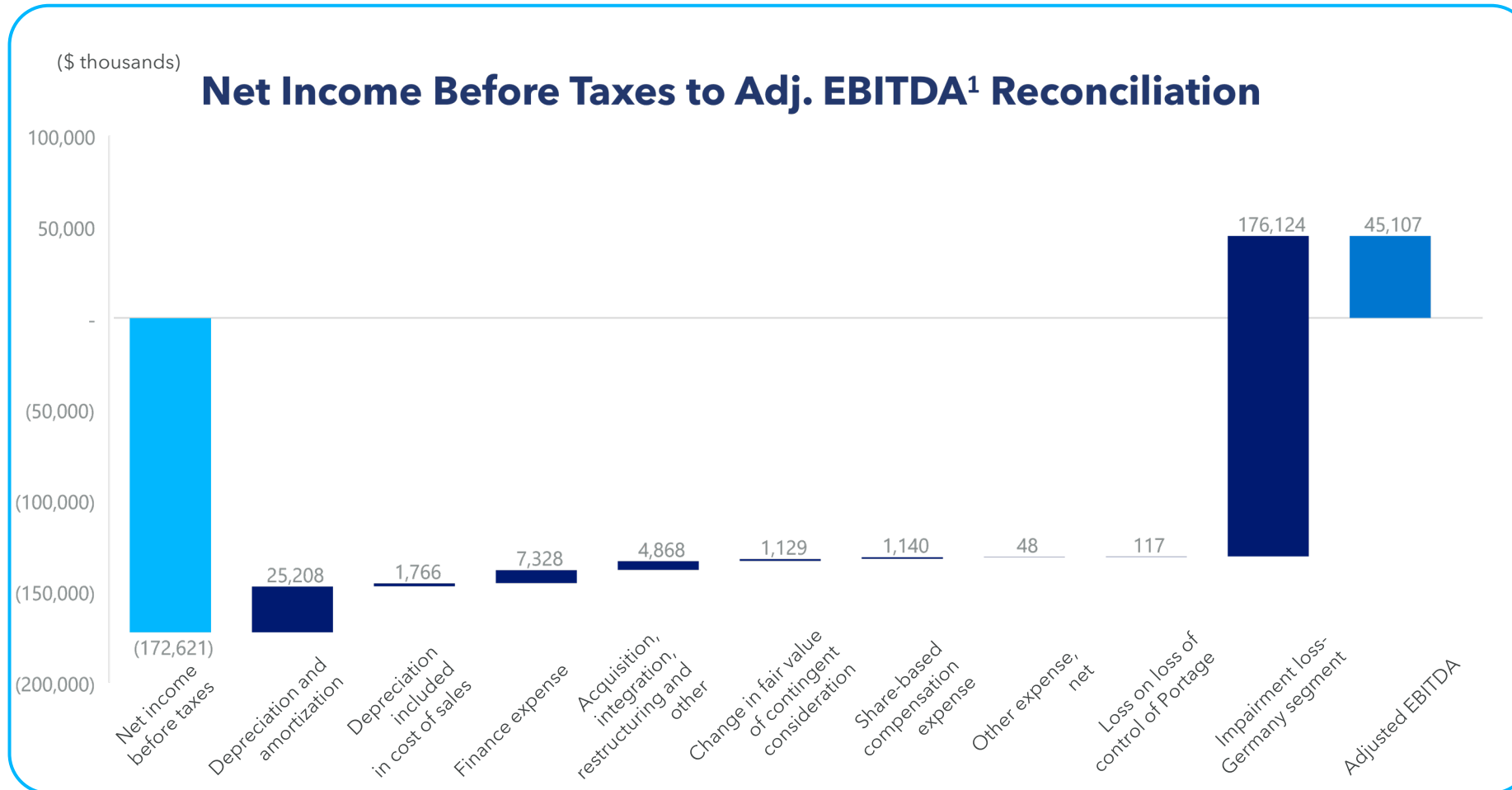
# Profitability



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



# Adjusted EBITDA



**Adj.  
EBITDA<sup>1</sup>**

\$45.1 M

+8.6% y/y

**Gross  
Profit**

\$179.3 M

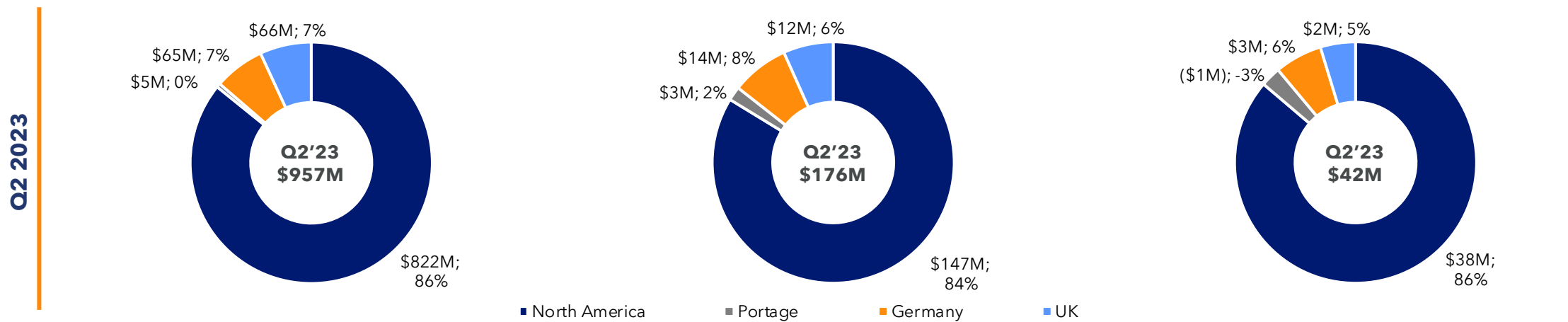
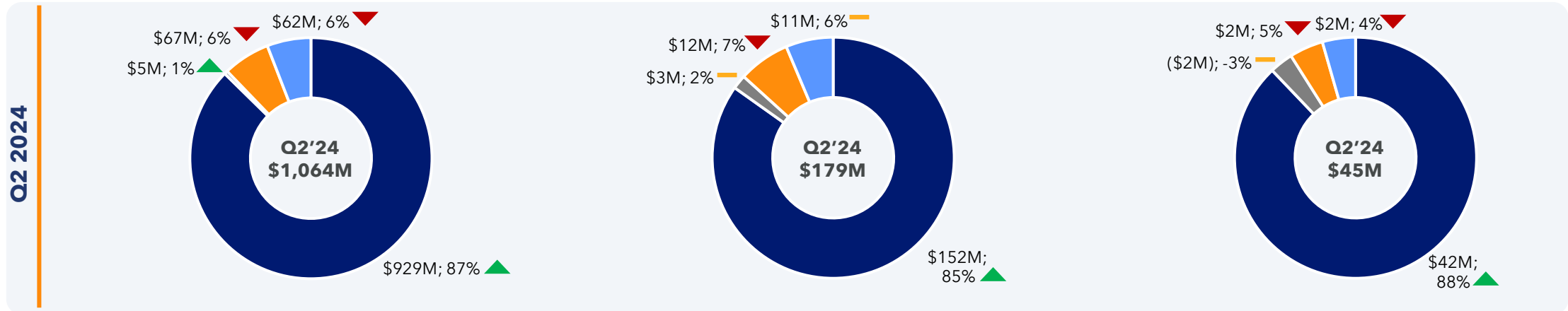
+2.1% y/y

# Mix by Geography (Q2'24)

Gross Sales (C\$ mm / % Mix)

Gross Profit (C\$ mm / % Mix)

Adj. EBITDA (C\$ mm / % Mix)



■ North America ■ Portage ■ Germany ■ UK

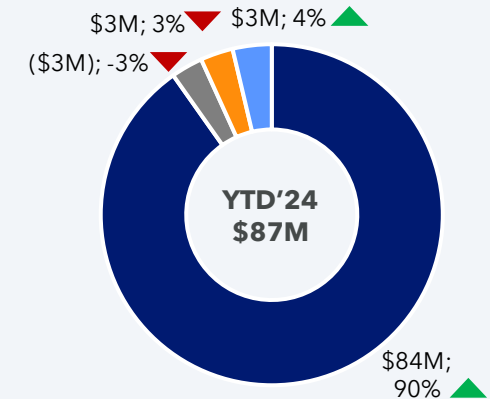
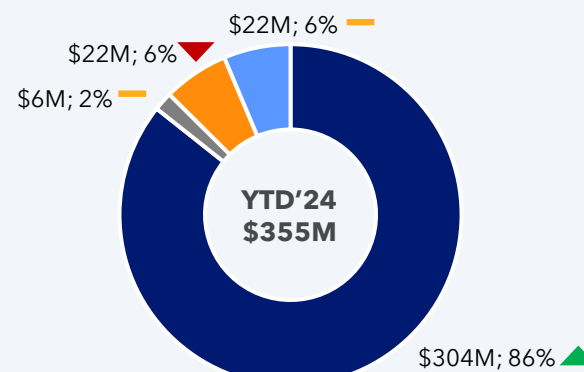
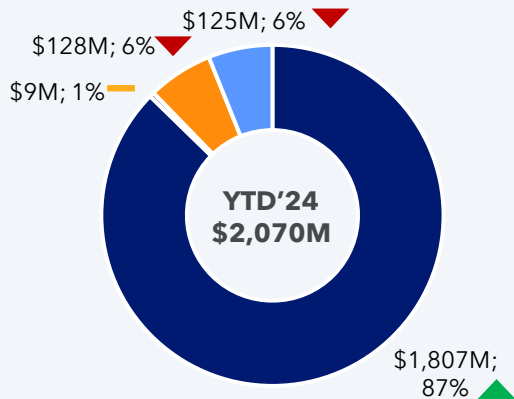
# Mix by Geography (Q2'24 YTD)

Gross Sales (C\$ mm / % Mix)

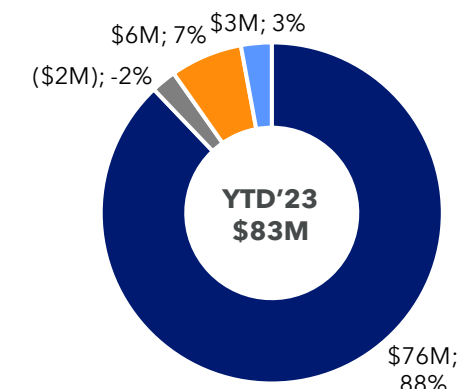
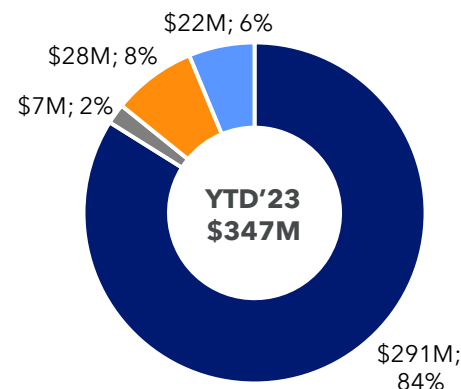
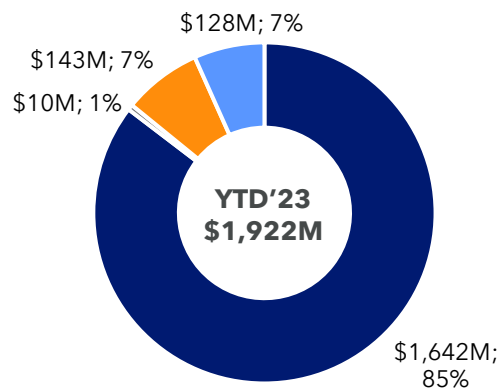
Gross Profit (C\$ mm / % Mix)

Adj. EBITDA (C\$ mm / % Mix)

YTD 2024

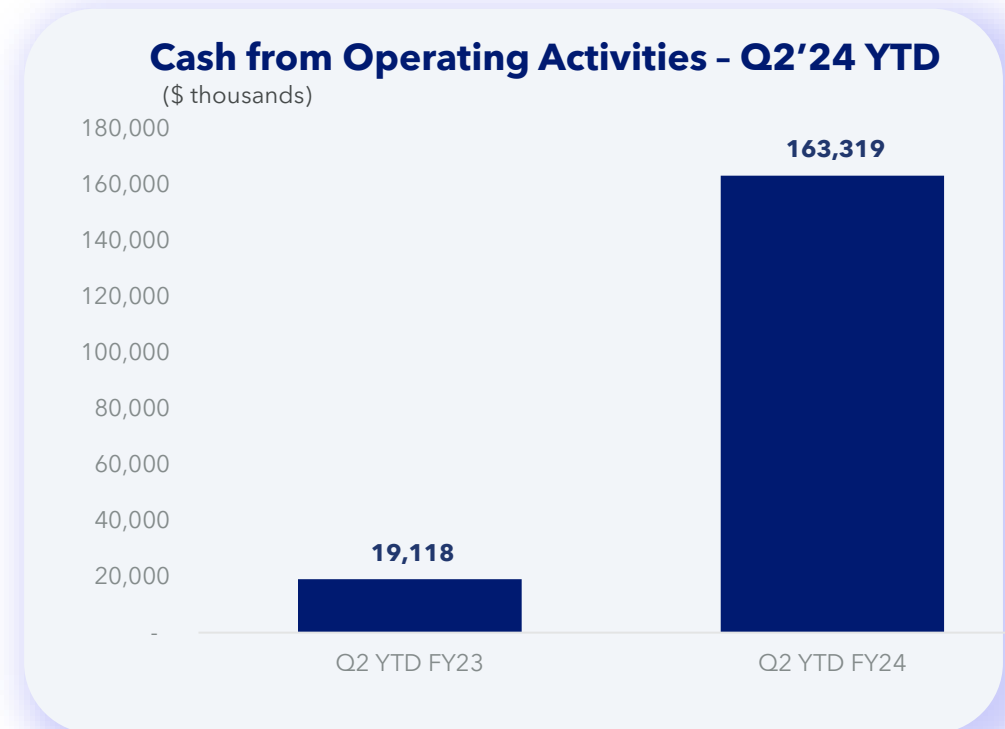


YTD 2023



■ North America ■ Portage ■ Germany ■ UK

# Liquidity and Cash Flows



**Liquidity Available<sup>2</sup>**

**>\$440M**

**Net Debt to LTM Adj. EBITDA<sup>1,3</sup> 0.90x**

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

<sup>2</sup> Cash plus amount available under the credit facility.

<sup>3</sup> **Net Debt to LTM Adjusted EBITDA<sup>1</sup>** calculated as net debt (current and non-current borrowings less cash) divided by LTM 2024 Q1 Adj. EBITDA.



**Thank you.**

**Investor Relations**

[investors@convergetp.com](mailto:investors@convergetp.com)



# Non-IFRS Measures & Reconciliation

## Adjusted EBITDA<sup>1</sup>

	Q2 2024	Q2 2023	Q2 2024 YTD	Q2 2023 YTD
<b>Net (loss) income before taxes</b>	<b>(172,621)</b>	(6,452)	<b>(172,593)</b>	(9,738)
Depreciation and amortization	<b>25,208</b>	26,893	<b>49,421</b>	52,783
Depreciation included in cost of sales	<b>1,766</b>	2,342	<b>4,596</b>	3,798
Finance expense	<b>7,328</b>	10,652	<b>15,755</b>	20,002
Acquisition, integration, restructuring and other	<b>4,868</b>	4,083	<b>8,456</b>	8,367
Change in fair value of contingent Consideration	<b>1,129</b>	9,209	<b>3,273</b>	9,209
Share-based compensation expense	<b>1,140</b>	1,117	<b>1,912</b>	1,965
Other expense, net	<b>48</b>	(6,317)	<b>255</b>	(3,855)
Loss on loss of control of Portage	<b>117</b>	-	<b>117</b>	-
Impairment loss- Germany segment	<b>176,124</b>	-	<b>176,124</b>	-
<b>Adjusted EBITDA</b>	<b>45,107</b>	41,527	<b>87,316</b>	82,531

<sup>1</sup>Adjusted EBITDA represents net income or loss adjusted to exclude amortization, depreciation, interest expense and net finance expense, foreign exchange gains and losses, other expenses and income, share-based compensation expense, income tax expense, change in fair value of contingent consideration, impairment loss, gain or loss on loss of control of subsidiary, and acquisition, integration, restructuring and other expenses. Acquisition and transaction related costs primarily consists of acquisition-related compensation tied to continued employment of pre-existing shareholders of the acquiree not included in the total purchase consideration and professional fees. Integration costs primarily consist of professional fees incurred related to integration of acquisitions completed. Restructuring costs mainly represent employee exit costs as a result of synergies created from acquisitions and organizational changes. Adjusted EBITDA is not a recognized, defined, or standardized measure under IFRS. The Company's definition of Adjusted EBITDA will likely differ from that used by other companies and therefore comparability may be limited. Adjusted EBITDA should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS.

# Non-IFRS Measures & Reconciliation

## Gross Sales<sup>1</sup>

	Q2 2024	Q2 2023	Q2 2024 YTD	Q2 2023 YTD
Product	716,692	640,017	1,418,144	1,305,327
Managed services and professional services	112,026	135,977	234,279	255,444
Maintenance, support, and cloud solutions	234,949	181,246	417,233	361,727
<b>Gross sales</b>	<b>1,063,667</b>	<b>957,240</b>	<b>2,069,656</b>	<b>1,922,498</b>
Less: Adjustment for sales transacted as agent	411,820	291,427	789,043	578,487
<b>Revenue</b>	<b>651,847</b>	<b>665,813</b>	<b>1,280,613</b>	<b>1,344,011</b>

## Gross Sales Organic Growth<sup>2</sup>

	Q2 2024	Q2 2023	Q2 2024 YTD	Q2 2023 YTD
<b>Gross sales</b>	<b>1,063,667</b>	<b>957,240</b>	<b>2,069,656</b>	<b>1,922,498</b>
Less: gross sales from Companies not owned in comparative period	-	214,227	-	459,857
<b>Gross sales of Companies owned in comparative period</b>	<b>1,063,667</b>	<b>743,013</b>	<b>2,069,656</b>	<b>1,462,641</b>
Prior period gross sales	957,240	729,678	1,922,498	1,403,607
<b>Organic Growth - \$</b>	<b>106,427</b>	<b>13,335</b>	<b>147,158</b>	<b>59,034</b>
<b>Organic Growth - %</b>	<b>11.1%</b>	<b>1.8%</b>	<b>7.7%</b>	<b>4.2%</b>

<sup>1</sup>Gross sales, which is a non-IFRS measurement, reflects the gross amount billed to customers, adjusted for amounts deferred or accrued. The Company believes gross sales is a useful alternative financial metric to net revenue, the IFRS measure, as it better reflects volume fluctuations as compared to net revenue. Under the applicable IFRS 15 'principal vs agent' guidance, the principal records revenue on a gross basis and the agent records commission on a net basis. In transactions where Converge is acting as an agent between the customer and the vendor, net revenue is calculated by reducing gross sales by the cost of sale amount.

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

# Non-IFRS Measures & Reconciliation

## Adjusted Earnings per Share (EPS)<sup>1</sup>

	Q2 2024	Q2 2023	Q2 2024 YTD	Q2 2023 YTD
<b>Net Loss</b>	<b>(164,963)</b>	<b>(4,495)</b>	<b>(168,503)</b>	<b>(7,856)</b>
Acquisition, integration, restructuring and other	4,868	4,083	8,456	8,367
Change in fair value of contingent consideration	1,129	9,209	3,273	9,209
Amortization on intangibles	20,271	21,527	39,857	41,735
Foreign exchange (loss) gain	73	(6,317)	230	(3,855)
Share-based compensation	1,140	1,117	1,912	1,965
Loss on loss of control of Portage	117	-	117	-
Impairment loss- Germany segment	176,124	-	176,124	-
<b>Adjusted Net Income</b>	<b>38,759</b>	<b>25,124</b>	<b>61,466</b>	<b>49,565</b>
<b>Adjusted Earnings per Share (EPS) - basic</b>	<b>\$ 0.19</b>	<b>\$ 0.12</b>	<b>\$ 0.30</b>	<b>\$ 0.24</b>
<b>Weighted average # of shares - basic</b>	<b>199,616</b>	<b>208,331</b>	<b>201,659</b>	<b>208,649</b>

<sup>1</sup> Adjusted Net Income represents net income adjusted to exclude acquisition, integration, restructuring and other expenses, change in fair value of contingent consideration, amortization of acquired intangible assets, unrealized foreign exchange gain/loss, and share-based compensation. The Company believes that Adjusted Net Income is a more useful measure than net income as it excludes the impact of one-time, non-cash and/or non-recurring items that are not reflective of Converge's underlying business performance. Adjusted EPS is calculated by dividing Adjusted Net Income by the total weighted average shares outstanding on a basic and diluted basis.

# Non-IFRS Measures & Reconciliation

## Gross Profit Organic Growth<sup>1</sup>

	Q2 2024	Q2 2023	Q2 2024 YTD	Q2 2023 YTD
<b>Gross profit</b>	<b>179,284</b>	175,672	<b>354,556</b>	347,260
Less: gross profit from companies not owned in comparative period	-	39,239	-	83,836
<b>Gross profit of companies owned in comparative period</b>	<b>179,284</b>	136,433	<b>354,556</b>	263,424
Prior period gross revenue	<b>175,672</b>	133,152	347,260	242,197
<b>Organic Growth - \$</b>	<b>3,612</b>	3,281	<b>7,296</b>	21,227
<b>Organic Growth - %</b>	<b>2.1%</b>	2.5%	<b>2.1%</b>	8.8%

<sup>1</sup>Gross profit organic growth is calculated by deducting prior period gross profit, as reported in the Companies public filings, from current period gross profit for the same portfolio of companies. Gross profit organic growth percentage is calculated by dividing organic growth by prior period reported gross profit.