



Converge Reports Second Quarter 2024 Results

Gross sales organic growth¹ of 11.1% and gross profit organic growth¹ of 2.1%;

Returned \$47.4 million in capital through dividends and share repurchases;

Announces Group CEO Transition

FOR IMMEDIATE RELEASE

August 8, 2024 – TORONTO, ONTARIO, CANADA and GATINEAU, QUÉBEC, CANADA - Converge Technology Solutions Corp. (“Converge” or “the Company”) (TSX:CTS) (FSE:0ZB) (OTCQX:CTSDF) is pleased to provide its financial results for the three and six months period ended June 30, 2024. All figures are in Canadian dollars unless otherwise stated.

Second Quarter 2024 Highlights (year-over-year, unless otherwise noted):

- Gross sales¹ of \$1.06 billion, an increase of \$106.4 million or 11.1%;
- Gross sales organic growth¹ of 11.1% and gross profit organic growth¹ of 2.1%;
- Revenue of \$651.8 million, a decrease of \$14.0 million;
- Gross profit increased 2.1% to \$179.3 million, representing a gross margin of 27.5%;
- Adjusted EBITDA¹ increased 8.6% to \$45.1 million;
- Cash from operating activities was \$52.4 million, an increase of \$62.0 million, compared to cash used in operating activities of \$9.6 million for the comparative period in the prior year;
- Returned \$47.4 million of capital to shareholders;
- Reduced net debt¹ by \$194.0 million year-over-year and by \$51.9 million compared to Q4 FY23 to \$157.9 million, compared to \$351.9 million as at Q2 FY23 and \$209.8 million as at Q4 FY23.

Year-To-Date 2024 Highlights (year-over-year, unless otherwise noted):

- Gross sales¹ of \$2.07 billion, an increase of \$147.2 million or 7.7%;
- Gross sales organic growth¹ of 7.7% and gross profit organic growth of 2.1%;
- Revenue of \$1.28 billion, a decrease of \$63.4 million;
- Gross profit increased 2.1% to \$354.6 million, representing a gross margin of 27.7%;
- Adjusted EBITDA¹ increased 5.8% to \$87.3 million;
- Net loss of \$168.5 million, an increase in loss of \$160.6 million, driven by the non-cash impairment charge on the Germany segment of \$176.1 million;
- Returned \$51.7 million of capital to shareholders;
- Cash from operating activities was \$163.3 million, an increase of \$144.2 million, compared to \$19.1 million for the comparative period in the prior year.

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

"Demand for products, software and services in our key practice areas of AI, cybersecurity and cloud drove double-digit organic growth in the second quarter, leading to our fourth consecutive quarter of billion-dollar gross sales," said Greg Berard, Converge CEO. "The team has done an incredible job adapting to the needs of our clients and demonstrating the strength and diversity of our business model. This has allowed us to return \$51.7 million in capital to shareholders year-to-date and \$47.4 million in Q2 alone through dividends and share repurchases."

Financial Summary

<i>In \$000s except per share amounts</i>	3-month Q2 2024	3-month Q2 2023	6-month Q2 2024	6-month Q2 2023
Gross Sales ¹	1,063,667	957,240	2,069,656	1,922,498
Revenue	651,847	665,813	1,280,613	1,344,011
Gross profit (GP)	179,284	175,672	354,556	347,260
Gross profit (GP) %	27.5%	26.4%	27.7%	25.8%
Adjusted EBITDA ¹	45,107	41,257	87,316	82,531
Adjusted EBITDA as a % of GP ¹	25.2%	23.6%	24.6%	23.8%
Net Loss	(164,963)	(4,495)	(168,503)	(7,856)
Adjusted net income ¹	38,759	25,124	61,466	49,565
Adjusted EPS ¹	\$0.19	\$0.12	\$0.30	\$0.24

Subsequent to Quarter-End

- On August 7, 2024, the Board declared a quarterly dividend of \$0.015 per common share to be paid on September 10, 2024 to shareholders of record at the close of business on August 27, 2024.

Financial Outlook

Converge is providing financial guidance for the three months ended September 30, 2024 and fiscal year ended December 31, 2024 as follows:

(expressed in millions of Canadian dollars)

	Q3 2023 Actual	Q3 2024 Expected	FY 2023 Actual	FY 2024 Expected
Revenue	\$710.1	\$636 - \$658	\$2,705	\$2,620 - \$2,664
Gross profit	\$174.1	\$172 - \$178	\$702.9	\$709 - \$721
Adjusted EBITDA	\$41.3	\$43 - \$47	\$170.3	\$176 - \$184

Note: Q3 2023 Actual and FY 2023 Actual includes results of Portage which has been deconsolidated on June 27, 2024.

Group CEO Transition

Converge is announcing today that following the recent deconsolidation of Portage Cybertech Inc. ("Portage"), Converge will be eliminating the role of 'Group CEO' at the end of 2024. Shaun Maine will continue in his role as Chair of Portage and continue to be an advisor to Greg Berard, currently CEO of Converge. Greg will assume all of Mr. Maine's executive responsibilities at the beginning of 2025.

“Greg has expertly spearheaded the leadership of Converge globally since the beginning of 2023, integrating our family of acquisitions under One Converge and propelling our organic growth engine” said Shaun Maine, Group CEO. “From founding Converge in 2017 to becoming a global company with approximately 3,000 employees generating more than \$4 billion in annualized gross sales, I’m immensely proud of the team’s achievements. Greg created the practices areas in 2019 and is the right person to leverage those unique capabilities to take advantage of the growth opportunities in the IT Services marketplace, particularly around AI.”

“On behalf of the Board, I want to thank Shaun for his unwavering vision and leadership,” said Thomas Volk, Chair of the Board. “Under Greg’s leadership, Converge is the strongest it has ever been, possessing the depth and scale to become a global leader and sustain long-term value creation for our shareholders.”

Conference Call Details:

Date: Thursday, August 8th, 2024

Time: 8:00 AM Eastern Standard Time

Participant Webcast Link:

Webcast Link – <https://app.webinar.net/JRKZ82MjxEQ>

Participant Dial-in Details with Operator Assistance:

Conference ID: 50386

Toronto: 1-289-819-1350

North American Toll Free: 1-800-836-8184

International Toll-Free Numbers:

Germany: 498005889782

Ireland: 35315251826

Spain: 34917918582

Switzerland: 41432107274

United Kingdom: 448002797040

You may register and enter your phone number to receive an instant automated call back via

<https://emportal.ink/3VPeZPg>

Recording Playback:

Webcast Link - <https://app.webinar.net/JRKZ82MjxEQ>

Toronto: 1-289-819-1450

North American Toll Free: 1-888-660-6345

Replay Code: 50386 #

Expiry Date: August 15th, 2024

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

About Converge

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

For further information contact:

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

	June 30, 2024	December 31, 2023
	\$	\$
Assets		
Current		
Cash	173,820	169,872
Restricted cash	267	547
Trade and other receivables	882,385	803,652
Inventories	82,664	73,166
Prepaid expenses and other assets	33,265	26,528
	1,172,401	1,073,765
Non-current		
Investment in associates	29,877	-
Unbilled receivables and other assets	115,349	64,158
Property, equipment and right-of-use assets, net	68,880	75,488
Intangible assets, net	290,550	375,181
Goodwill	387,573	564,770
Total assets	2,064,630	2,153,362
Liabilities		
Current		
Trade and other payables	1,055,632	853,655
Other financial liabilities	32,341	54,095
Deferred revenue	66,617	59,325
Borrowings	12,141	1,664
Income taxes payable	-	9,286
	1,166,731	978,025
Non-current		
Trade and other payables	104,030	60,339
Other financial liabilities	42,875	57,668
Borrowings	319,538	378,007
Deferred tax liabilities	47,766	67,168
Total liabilities	1,680,940	1,541,207
Shareholders' equity		
Common shares	574,155	599,434
Contributed surplus	12,586	10,970
Accumulated other comprehensive income	15,997	3,963
Deficit	(219,048)	(28,167)
Total equity attributable to shareholders of Converge	383,690	586,200
Non-controlling interest ("NCI")	-	25,955
	383,690	612,155
Total liabilities and shareholders' equity	2,064,630	2,153,362

Summary of Condensed Consolidated Interim Statements of Income and Comprehensive Income

(expressed in thousands of Canadian dollars)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenue				
Product	516,448	511,597	1,002,558	1,048,286
Service	135,399	154,216	278,055	295,725
Total revenue	651,847	665,813	1,280,613	1,344,011
Cost of sales	472,563	490,141	926,057	996,751
Gross profit	179,284	175,672	354,556	347,260
Selling, general and administrative expenses	135,943	136,699	271,836	268,732
Income before the following	43,341	38,973	82,720	78,528
Depreciation and amortization	25,208	26,893	49,421	52,783
Finance expense, net	7,328	10,652	15,755	20,002
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
Share-based compensation expense	1,140	1,117	1,912	1,965
Other (income) expense, net	48	(6,529)	255	(4,060)
Loss on loss of control of Portage	117	-	117	-
Impairment loss- Germany segment	176,124	-	176,124	-
(Loss) Income before income taxes	(172,621)	(6,452)	(172,593)	(9,738)
Income tax recovery	(7,658)	(1,957)	(4,090)	(1,882)
Net (loss) income	(164,963)	(4,495)	(168,503)	(7,856)
Net (loss) income attributable to:				
Shareholders of Converge	(163,315)	(3,548)	(165,230)	(5,505)
Non-controlling interest	(1,644)	(947)	(3,273)	(2,351)
	(164,963)	(4,495)	(168,503)	(7,856)
Other comprehensive (loss) income				
Exchange gain (loss) on translation of foreign operations	3,895	(15,725)	12,034	(13,552)
Comprehensive (loss) income	(161,068)	(20,220)	(156,469)	(21,408)
Comprehensive (loss) income attributable to:				
Shareholders of Converge	(159,423)	(19,273)	(153,196)	(19,057)
Non-controlling interest	(1,645)	(947)	(3,273)	(2,351)
	(161,068)	(20,220)	(156,469)	(21,408)
Adjusted EBITDA	45,107	41,527	87,316	82,531
Adjusted EBITDA as a % of Gross profit	25.2%	23.6%	24.6%	23.8%
Adjusted EBITDA as a % of Revenue	6.9%	6.2%	6.8%	6.2%

Summary of Condensed Consolidated Interim Statements of Cash Flows

(expressed in thousands of Canadian dollars)

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Cash flows (used in) from operating activities				
Net (loss) income	(164,963)	(4,495)	(168,503)	(7,856)
Adjustments to reconcile net (loss) income to cash from operating activities				
Depreciation and amortization	26,973	29,235	54,017	56,785
Unrealized foreign exchange (gains) losses	-	(5,281)	-	(2,818)
Share-based compensation expense	1,140	1,117	1,912	1,965
Finance expense, net	7,328	10,652	15,755	20,002
Gain on sale of property and equipment	8	(598)	69	(598)
Change in fair value of contingent consideration	1,129	6,551	3,273	6,551
Impairment loss – Germany segment	176,124	-	176,124	-
Loss on loss of control of Portage	117	-	117	-
Income tax expense (recovery)	(7,658)	(1,957)	(4,090)	(1,882)
	40,198	35,224	78,674	72,149
Changes in non-cash working capital	36,231	(40,349)	109,353	(41,585)
	76,429	(5,125)	188,027	30,564
Income taxes paid	(24,045)	(4,520)	(24,708)	(11,446)
Cash from operating activities	52,384	(9,645)	163,319	19,118
Cash flows used in investing activities				
Purchase of property, equipment and intangible assets	(2,003)	(2,091)	(3,861)	(7,197)
Proceeds on disposal of property and equipment	-	3,681	-	3,749
Payment of contingent consideration	(16,164)	(975)	(19,328)	(9,935)
Payment of deferred consideration	(4,002)	(4,066)	(11,867)	(29,720)
Payment of NCI liability	-	-	-	(29,994)
Cash used in investing activities	(22,169)	(3,451)	(35,056)	(73,097)

Cash flows (used in) from financing activities

Transfers from restricted cash	296	2,371	293	2,587
Interest paid	(5,556)	(7,365)	(12,329)	(15,242)
Dividends paid	(2,969)	(2,067)	(5,003)	(2,067)
Payment of lease liabilities	(5,028)	(5,089)	(10,116)	(10,224)
Repurchase of common shares	(44,425)	(14,230)	(46,721)	(14,230)
Stock options exercised	875	-	875	-
Repayment of notes payable	-	(40)	(39)	(80)
Net proceeds from (repayment of) borrowings	41,799	(22,815)	(54,472)	11,384
Cash (used in) from financing activities	(15,008)	(49,235)	(127,512)	(27,872)
Net change in cash during the period	15,207	(62,331)	751	(81,851)
Effect of foreign exchange on cash	1,631	1,746	4,271	404
Cash derecognized on loss of control of Portage	(1,074)	-	(1,074)	-
Cash, beginning of the period	158,056	139,028	169,872	159,890
Cash, end of the period	173,820	78,443	173,820	78,443

Non-IFRS Financial Measures

This press release refers to certain performance indicators including Adjusted EBITDA, gross profit, gross sales, gross sales organic growth, net debt, adjusted net income (“Adjusted Net Income”) and adjusted earnings per share (“Adjusted EPS”) that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management believes that these measures are useful to most shareholders, creditors, and other stakeholders in analyzing the Company’s operating results and can highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers.

Management also uses non-IFRS measures 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.

Please see “Non-IFRS Financial & Supplementary Financial Measures” and “Summary of Consolidated Financial Results” in the Company’s most recent Management’s Discussion and Analysis, which is available on the Company’s profile on SEDAR+ at www.sedarplus.ca, for further details on certain non-IFRS measures, which information is incorporated by reference herein.

Adjusted EBITDA

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.

The IFRS measure most directly comparable to Adjusted EBITDA presented in the Company's financial statements is net (loss) income before taxes.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Net (loss) income before taxes	(172,621)	(6,452)	(172,593)	(9,738)
Depreciation and amortization	25,208	26,893	49,421	52,783
Depreciation included in cost of sales	1,766	2,342	4,596	3,798
Finance expense, net	7,328	10,652	15,755	20,002
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
Share-based compensation expense	1,140	1,117	1,912	1,965
Other expense, net	48	(6,317)	255	(3,855)
Loss on loss of control on Portage	117	-	117	-
Impairment loss- Germany segment	176,124	-	176,124	-
Adjusted EBITDA	45,107	41,527	87,316	82,531

Adjusted EBITDA as a % of Gross Profit¹

The Company believes that Adjusted EBITDA as a % of gross profit is a useful measure of the Company's operating efficiency and profitability. This is calculated by dividing Adjusted EBITDA by gross profit.

Adjusted Net Income and Adjusted EPS¹

Adjusted Net Income represents net income (loss) adjusted to exclude acquisition, integration, restructuring and other expenses, change in fair value of contingent consideration, impairment loss, gain or loss on loss of control of subsidiary, 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. The IFRS measure most directly comparable to Adjusted Net Income presented in the Company's financial statements is net income (loss) and net income (loss) per share.

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

	For the three months		For the six months	
	ended June 30,		ended June 30,	
	2024	2023	2024	2023
Net income (loss)	(164,963)	(4,495)	(168,503)	(7,856)
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 or Portage	117	-	117	-
Impairment loss- Germany segment	176,124	-	176,124	-
Adjusted Net Income	38,759	25,124	61,466	49,565
Adjusted EPS -Basic	\$0.19	\$0.12	\$0.30	\$0.24

Leverage Ratio

The Company defines leverage ratio as net debt (current and non-current borrowings less cash) divided by trailing twelve months Adjusted EBITDA.

Gross sales and gross sales organic growth

Gross sales, which is a non-IFRS measure, 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.

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

	For the three months		For the six months	
	ended June 30,		ended June 30,	
	2024	2023	2024	2023
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	234,949	181,246	417,233	361,727
Gross sales	1,063,667	957,240	2,069,656	1,922,498
Less: adjustment for sales transacted as agent	(411,820)	(291,427)	(789,043)	(578,487)
Revenue	651,847	665,813	1,280,613	1,344,011

Organic Growth

The Company measures organic growth at the gross sales and gross profit levels, and includes the contributions under Converge ownership in the current and comparative period(s). In calculating organic growth, the Company therefore deducts gross sales and gross profit generated from all corresponding prior comparable pre-acquisition period(s) from the current reporting period(s) included in the consolidated results.

Gross sales organic growth is calculated by deducting prior period gross sales, 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.

	For the three months		For the six months	
	ended June 30,		ended June 30,	
	2024	2023	2024	2023
Gross sales	1,063,667	957,240	2,069,656	1,922,498
Less: gross sales from companies not owned in comparative period	-	214,227	-	459,857
Gross sales of companies owned in comparative period	1,063,667	743,013	2,069,656	1,462,641
Prior period gross sales	957,240	729,678	1,922,498	1,403,607
Organic Growth - \$	106,427	13,335	147,158	59,034
Organic Growth - %	11.1%	1.8%	7.7%	4.2%

Gross profit organic growth is calculated by deducting prior period gross profit, 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.

	For the three months		For the six months	
	ended June 30,		ended June 30,	
	2024	2023	2024	2023
Gross profit	179,284	175,672	354,556	347,260
Less: gross profit from companies not owned in comparative period	-	39,239	-	83,836
Gross profit of companies owned in comparative period	179,284	136,433	354,556	263,424
Prior period gross profit	175,672	133,152	347,260	242,197
Organic Growth - \$	3,612	3,281	7,296	21,227
Organic Growth - %	2.1%	2.5%	2.1%	8.8%

Forward-Looking Information

This press release contains certain “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking statements**”) within the meaning of applicable Canadian securities legislation regarding Converge and its business. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected” “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”. “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Specifically, statements regarding Converge's forecast on gross profit and Adjusted EBITDA, expectations of future results, performance, prospects, the 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, including management's assessments of, and outlook for, gross profit and Adjusted EBITDA, 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 three months ended March 31, 2024. 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, including the achievement of target gross profit and Adjusted EBITDA 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. Many of these risks are beyond the Company's control.

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 press release. In addition, even if the Company's results of operations, financial condition and liquidity and the development of the industry in which it operates are consistent with the forward-looking statements contained in this press release, those results of developments may not be indicative of results or developments in subsequent periods.

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 information contained in this press release represents the company's expectations as of the date specified herein, and are subject to change after such date. However, the Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information or to publicly announce the results of any revisions to any of those statements, whether as a result of new information, future events or otherwise, except as required under applicable securities laws. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

All of the forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements.