



## Converge Reports Fourth Quarter and Fiscal Year 2024 Results

**FOR IMMEDIATE RELEASE**

**March 5, 2025 – 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 months and fiscal year ended December 31, 2024. All figures are in Canadian dollars unless otherwise stated.

### **Fourth Quarter 2024 Highlights (year-over-year, unless otherwise noted):**

- Gross sales<sup>1</sup> of \$1.11 billion, an increase of \$27.4 million or 2.5%;
- Gross sales organic growth<sup>1</sup> of 3.0% and gross profit organic growth<sup>1</sup> of (0.0%);
- Revenue of \$680.8 million, an increase of \$29.7 million or 4.6%;
- Gross profit decreased 1.6% to \$178.6 million, representing a gross margin of 26.7%;
- Adjusted EBITDA<sup>1</sup> increased by 3.0% to \$47.9 million;
- Cash from operating activities was \$57.0 million, a decrease of \$57.5 million, compared to \$114.5 million for the comparative period in the prior year;
- Returned \$20.6 million of capital to shareholders<sup>1</sup> as compared to \$4.7 million return of capital to shareholders in Q4 FY23; and
- Reduced net debt<sup>1</sup> by \$14.5 million from \$127.9 million at Q3 2024; maintaining a leverage ratio<sup>1</sup> below 0.7x.

### **Fiscal Year 2024 Highlights (year-over-year, unless otherwise noted):**

- Gross sales<sup>1</sup> of \$4.12 billion, an increase of \$82.8 million or 2.1%;
- Gross sales organic growth<sup>1</sup> of 2.3% and gross profit organic growth<sup>1</sup> of (0.7%);
- Revenue of \$2.59 billion, a decrease of \$113.1 million or (4.2%);
- Gross profit decreased 1.6% to \$691.4 million, representing a gross margin of 26.7%;
- Adjusted EBITDA<sup>1</sup> decreased by 1.7% to \$167.3 million;
- Net loss of \$181.0 million, an increase in loss of \$174.6 million, driven by the non-cash impairment charge on the Germany segment of \$176.1 million;
- Returned \$82.3 million of capital to shareholders<sup>1</sup> as compared to \$23.5 million return of capital to shareholders for the comparative period in prior year;
- Cash from operating activities was \$269.4 million, an increase of \$39.9 million, compared to \$229.5 million for the comparative period in the prior year; and
- Reduced net debt<sup>1</sup> by \$96.4 million to \$113.4 million, from \$209.8 million at Q4 2023.

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<sup>1</sup> This is a Non-IFRS measure (including non-IFRS ratio or supplementary financial measure) and not a recognized, defined or 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.

## Financial Summary

| <i>In \$000s except per share amounts</i> | Three months ended |           | Fiscal year ended |           |
|---|--------------------|-----------|-------------------|-----------|
|   | December 31,       |           | December 31,      |           |
|   | 2024               | 2023      | 2024              | 2023      |
|   | \$                 | \$        | \$                | \$        |
| Gross Sales <sup>1</sup>                  | <b>1,106,055</b>   | 1,078,663 | <b>4,120,717</b>  | 4,037,921 |
| Revenue                                   | <b>680,778</b>     | 651,090   | <b>2,592,081</b>  | 2,705,207 |
| Gross profit (GP)                         | <b>178,629</b>     | 181,529   | <b>691,442</b>    | 702,880   |
| Gross profit (GP)%                        | <b>26.2%</b>       | 27.9%     | <b>26.7%</b>      | 26.0%     |
| Adjusted EBITDA <sup>1</sup>              | <b>47,885</b>      | 46,505    | <b>167,315</b>    | 170,294   |
| Adjusted EBITDA as a % of GP <sup>1</sup> | <b>26.8%</b>       | 25.6%     | <b>24.2%</b>      | 24.2%     |
| Net loss                                  | <b>(9,174)</b>     | 4,781     | <b>(180,986)</b>  | (6,393)   |
| Adjusted net income <sup>1</sup>          | <b>45,586</b>      | 38,214    | <b>130,289</b>    | 108,399   |
| Adjusted EPS <sup>1</sup>                 | <b>0.23</b>        | 0.19      | <b>0.66</b>       | 0.53      |

### Converge to be Acquired by H.I.G. Capital

On February 7, 2025, Converge announced that it had entered into an arrangement agreement (the “**Arrangement Agreement**”) with an affiliate of H.I.G. Capital (“**H.I.G.**”), whereby H.I.G. will acquire all of the issued and outstanding common shares (the “**Common Shares**”) of the Company (the “**Transaction**”). Under the terms of the Arrangement Agreement, shareholders will receive \$5.50 per Common Share in cash, other than Common Shares held by certain shareholders who enter into rollover equity agreements, representing approximately 56% and 57% respective premiums to the closing price and 30-day volume weighted average price of the shares on the TSX on February 6, 2025, the last trading day prior to the date of the announcement of the Transaction. The purchase price of the Transaction values Converge at an enterprise value of approximately C\$1.3 billion. Upon completion of the Transaction, the Company intends to apply to delist the Common Shares from all public markets and cease to be a reporting issuer under Canadian securities laws.

The Transaction is to be considered by shareholders at a special meeting of shareholders to be held on April 10, 2025. A management information circular with respect to the matters to be considered at that meeting will be filed by Converge on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), and will be mailed to shareholders.

As a result of the proposed Transaction, the Company will not be holding an earnings conference call and is suspending its practice of providing its outlook for revenue, gross profit and Adjusted EBITDA for the 2025 fiscal year. As part of the Arrangement Agreement, Converge has agreed that its regular quarterly dividend during the pendency of the Transaction will not be declared.

<sup>1</sup> This is a Non-IFRS measure (including non-IFRS ratio or supplementary financial measure) and not a recognized, defined or 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.

## About Converge

Converge Technology Solutions Corp. is reimagining the way businesses think about IT—a vision driven by people, for people. Since 2017, we have focused on delivering outcomes-driven solutions that tackle human-centered challenges. As a services-led, software-enabled, IT & Cloud Solutions provider, we combine deep expertise, local connections, and global resources to deliver industry-leading solutions.

Through advanced analytics, artificial intelligence (AI), cloud platforms, cybersecurity, digital infrastructure, and workplace transformation, we empower businesses across industries to innovate, streamline operations, and achieve meaningful results. Our AIM (Advise, Implement, Manage) methodology ensures solutions are tailored to our customers' specific needs, aligning with existing systems to drive success without complexity.

Discover IT reimagined with Converge—where innovation meets people. Learn more at [convergetp.com](https://convergetp.com).

### For further information contact:

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## Summary of Statements of Financial Position

(expressed in thousands of Canadian dollars)

|  | December 31,<br>2024<br>\$ | December 31,<br>2023<br>\$ |
|--|----------------------------|----------------------------|
| <b>Assets</b>                                    |                            |                            |
| Current  |                            |                            |
| Cash   | 142,733                    | 170,419                    |
| Trade and other receivables                      | 1,000,573                  | 803,652                    |
| Inventories                                      | 62,938                     | 73,166                     |
| Prepaid expenses and other assets                | 30,728                     | 26,528                     |
|  | 1,236,972                  | 1,073,765                  |
| Non-current                                      |                            |                            |
| Investment in associates                         | 4,795                      | -                          |
| Unbilled receivables and other assets            | 204,208                    | 64,158                     |
| Property, equipment and right-of-use assets, net | 69,696                     | 75,488                     |
| Intangible assets, net                           | 265,882                    | 375,181                    |
| Goodwill   | 404,711                    | 564,770                    |
| <b>Total assets</b>                              | <b>2,186,264</b>           | <b>2,153,362</b>           |
| <b>Liabilities</b>                               |                            |                            |
| Current  |                            |                            |
| Trade and other payables                         | 1,202,943                  | 853,655                    |
| Other financial liabilities                      | 39,882                     | 54,095                     |
| Deferred revenue                                 | 81,109                     | 59,325                     |
| Borrowings                                       | 639                        | 1,664                      |
| Income taxes payable                             | -                          | 9,286                      |
|  | 1,324,573                  | 978,025                    |

|   |                  |                  |
|---|------------------|------------------|
| Non-current   |                  |                  |
| Accrued liabilities and other payables                | 184,514          | 60,339           |
| Other financial liabilities                           | 34,174           | 57,668           |
| Borrowings  | 255,464          | 378,007          |
| Deferred tax liabilities                              | 28,804           | 67,168           |
| <b>Total liabilities</b>                              | <b>1,827,529</b> | <b>1,541,207</b> |
| <b>Shareholders' equity</b>                           |                  |                  |
| Common shares   | 555,521          | 599,434          |
| Contributed surplus                                   | 16,532           | 10,970           |
| Accumulated other comprehensive income                | 28,603           | 3,963            |
| Deficit   | (241,921)        | (28,167)         |
| Total equity attributable to shareholders of Converge | 358,735          | 586,200          |
| Non-controlling interest                              | -                | 25,955           |
|   | <b>358,735</b>   | <b>612,155</b>   |
| <b>Total liabilities and shareholders' equity</b>     | <b>2,186,264</b> | <b>2,153,362</b> |

**Summary of Statements of Income and Comprehensive Income**  
(expressed in thousands of Canadian dollars)

|   | Three months ended<br>December 31, |                | Fiscal year ended<br>December 31, |                 |
|---|------------------------------------|----------------|-----------------------------------|-----------------|
|   | 2024                               | 2023           | 2024                              | 2023            |
|   | \$                                 | \$             | \$                                | \$              |
| <b>Revenue</b>                                    |                                    |                |                                   |                 |
| Product   | 555,055                            | 490,948        | 2,058,494                         | 2,098,880       |
| Service   | 125,723                            | 160,142        | 533,587                           | 606,327         |
| Total revenue                                     | 680,778                            | 651,090        | 2,592,081                         | 2,705,207       |
| Cost of sales                                     | 502,149                            | 469,561        | 1,900,639                         | 2,002,327       |
| <b>Gross profit</b>                               | <b>178,629</b>                     | <b>181,529</b> | <b>691,442</b>                    | <b>702,880</b>  |
| Selling, general and administrative expenses      | 134,040                            | 137,451        | 534,918                           | 541,118         |
| <b>Income before the following</b>                | <b>44,589</b>                      | <b>44,078</b>  | <b>156,524</b>                    | <b>161,762</b>  |
| Depreciation and amortization                     | 20,283                             | 29,212         | 89,665                            | 111,451         |
| Finance expense, net                              | 8,098                              | 10,355         | 30,979                            | 41,225          |
| Acquisition, integration, restructuring and other | 5,737                              | 2,679          | 16,429                            | 13,648          |
| Change in fair value of contingent consideration  | 6,293                              | 5,464          | 10,582                            | 14,673          |
| Share-based compensation                          | 1,185                              | 954            | 5,858                             | 3,692           |
| Other loss (income), net                          | 237                                | (132)          | 1,357                             | (4,362)         |
| Loss on loss of control of Portage                | -                                  | -              | 117                               | -               |
| Loss from investment in associates                | 23,962                             | -              | 25,930                            | -               |
| Impairment loss – Germany segment                 | -                                  | -              | 176,124                           | -               |
| <b>Loss before income taxes</b>                   | <b>(21,206)</b>                    | <b>(4,454)</b> | <b>(200,517)</b>                  | <b>(18,565)</b> |
| Income tax recovery                               | (12,032)                           | (9,235)        | (19,531)                          | (12,172)        |

|   |                |         |                  |          |
|---|----------------|---------|------------------|----------|
| <b>Net (loss) income</b>                                  | <b>(9,174)</b> | 4,781   | <b>(180,986)</b> | (6,393)  |
| Net (loss) income attributable to:                        |                |         |                  |          |
| Shareholders of Converge                                  | <b>(9,174)</b> | 5,861   | <b>(177,713)</b> | (1,448)  |
| Non-controlling interest                                  | -              | (1,080) | <b>(3,273)</b>   | (4,945)  |
|   | <b>(9,174)</b> | 4,781   | <b>(180,986)</b> | (6,393)  |
| <b>Other comprehensive (loss) income</b>                  |                |         |                  |          |
| Exchange differences on translation of foreign operations | <b>15,594</b>  | 916     | <b>24,640</b>    | (9,745)  |
| <b>Comprehensive (loss) income</b>                        | <b>6,420</b>   | 5,697   | <b>(156,346)</b> | (16,138) |
| Comprehensive (loss) income attributable to:              |                |         |                  |          |
| Shareholders of Converge                                  | <b>6,420</b>   | 6,777   | <b>(153,073)</b> | (11,193) |
| Non-controlling interest                                  | -              | (1,080) | <b>(3,273)</b>   | (4,945)  |
|   | <b>6,420</b>   | 5,697   | <b>(156,346)</b> | (16,138) |
| <b>Adjusted EBITDA<sup>1</sup></b>                        | <b>47,885</b>  | 46,505  | <b>167,315</b>   | 170,294  |
| <b>Adjusted EBITDA as a % of gross profit<sup>1</sup></b> | <b>26.8%</b>   | 25.6%   | <b>24.2%</b>     | 24.2%    |

### Summary of Statements of Cash Flows

(expressed in thousands of Canadian dollars)

|   | Three months ended<br>December 31, |         | Fiscal year ended<br>December 31, |          |
|---|------------------------------------|---------|-----------------------------------|----------|
|   | 2024                               | 2023    | 2024                              | 2023     |
|   | \$                                 | \$      | \$                                | \$       |
| <b>Cash flows from operating activities</b>                             |                                    |         |                                   |          |
| Net loss  | <b>(9,174)</b>                     | 4,781   | <b>(180,986)</b>                  | (6,393)  |
| Adjustments to reconcile net loss to net cash from operating activities |                                    |         |                                   |          |
| Depreciation and amortization   | <b>23,579</b>                      | 31,369  | <b>100,456</b>                    | 119,983  |
| Unrealized foreign exchange loss (gain)                                 | <b>197</b>                         | (4)     | <b>1,077</b>                      | (2,822)  |
| Share-based compensation  | <b>1,185</b>                       | 954     | <b>5,858</b>                      | 3,692    |
| Finance expense, net  | <b>8,098</b>                       | 10,355  | <b>30,979</b>                     | 41,225   |
| (Loss) gain on sale of property and equipment                           | <b>14</b>                          | 335     | <b>87</b>                         | (263)    |
| Change in fair value of contingent                                      | <b>6,293</b>                       | 5,464   | <b>10,582</b>                     | 14,673   |
| Impairment loss – Germany segment                                       | -                                  | -       | <b>176,124</b>                    | -        |
| Loss on loss of control of Portage                                      | -                                  | -       | <b>117</b>                        | -        |
| Loss from investment in associates                                      | <b>23,962</b>                      | -       | <b>25,930</b>                     | -        |
| Income tax recovery   | <b>(12,032)</b>                    | (9,235) | <b>(19,531)</b>                   | (12,172) |
|   | <b>42,122</b>                      | 44,289  | <b>150,693</b>                    | 157,923  |
| Changes in non-cash working capital items                               | <b>16,822</b>                      | 71,888  | <b>148,464</b>                    | 90,746   |
|   | <b>58,944</b>                      | 116,177 | <b>299,157</b>                    | 248,669  |

<sup>1</sup> This is a Non-IFRS measure (including non-IFRS ratio or supplementary financial measure) and not a recognized, defined or 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.

|                                       |               |         |                |          |
|---------------------------------------|---------------|---------|----------------|----------|
| Income taxes paid                     | (1,971)       | (1,696) | (29,776)       | (19,129) |
| <b>Cash from operating activities</b> | <b>56,973</b> | 114,481 | <b>269,381</b> | 229,540  |

#### **Cash flows from (used in) investing activities**

|   |                |         |                 |           |
|---|----------------|---------|-----------------|-----------|
| Purchase of (proceeds from) property, equipment and intangible assets | 206            | (2,038) | (1,442)         | (10,828)  |
| Proceeds on disposal of property and                                  | -              | 7       | -               | 3,756     |
| Payment of contingent consideration                                   | (5,971)        | (1,238) | (25,299)        | (24,773)  |
| Payment of deferred consideration                                     | -              | -       | (12,375)        | (41,114)  |
| Payment of NCI liability  | -              | -       | -               | (30,967)  |
| <b>Cash used in investing activities</b>                              | <b>(5,765)</b> | (3,269) | <b>(39,116)</b> | (103,926) |

#### **Cash flows (used in) from financing activities**

|  |                 |          |                  |           |
|--|-----------------|----------|------------------|-----------|
| Transfers from restricted cash           | -               | 3,162    | -                | 5,230     |
| Interest paid                            | (5,637)         | (7,938)  | (23,767)         | (33,724)  |
| Dividends paid                           | (2,852)         | (2,042)  | (10,777)         | (6,156)   |
| Payment of lease liabilities             | (4,967)         | (5,427)  | (19,760)         | (20,626)  |
| Repurchase of common shares              | (17,713)        | (2,094)  | (71,506)         | (17,388)  |
| Stock options exercised                  | -               | -        | 875              | -         |
| Repayment of notes payable               | -               | (40)     | (39)             | (159)     |
| Net repayment of borrowings              | (61,502)        | (29,882) | (139,848)        | (40,475)  |
| <b>Cash used in financing activities</b> | <b>(92,671)</b> | (44,261) | <b>(264,822)</b> | (113,298) |

|   |                 |         |                 |         |
|---|-----------------|---------|-----------------|---------|
| <b>Net change in cash during the period</b> | <b>(41,463)</b> | 66,951  | <b>(34,557)</b> | 12,316  |
| Effect of foreign exchange on cash          | 3,732           | (1,753) | 7,945           | (1,787) |
| Cash derecognized on loss of control of     | -               | -       | (1,074)         | -       |
| <b>Cash, beginning of the period</b>        | <b>180,464</b>  | 105,221 | <b>170,419</b>  | 159,890 |
| <b>Cash, end of the period</b>              | <b>142,733</b>  | 170,419 | <b>142,733</b>  | 170,419 |

#### **Non-IFRS Financial Measures**

This press release refers to certain performance indicators including Adjusted EBITDA, gross sales, gross sales organic growth, return of capital, net debt, leverage ratio, 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](http://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, net finance expense, foreign exchange gains and losses, other expenses and income, share-based compensation expense, income tax expense or recovery, change in fair value of contingent consideration, impairment loss, gain or loss on loss of control of subsidiary, income or loss from investment in associates 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:

|   | Three months ended<br>December 31, |            | Fiscal year ended<br>December 31, |            |
|---|------------------------------------|------------|-----------------------------------|------------|
| <i>In \$000s</i>                                  | 2024<br>\$                         | 2023<br>\$ | 2024<br>\$                        | 2023<br>\$ |
| <b>Net (loss) income before taxes</b>             | <b>(21,206)</b>                    | (4,454)    | <b>(200,517)</b>                  | (18,565)   |
| Depreciation and amortization                     | <b>20,283</b>                      | 29,212     | <b>89,665</b>                     | 111,451    |
| Depreciation included in cost of sales            | <b>3,296</b>                       | 2,427      | <b>10,791</b>                     | 8,532      |
| Finance expense, net                              | <b>8,098</b>                       | 10,355     | <b>30,979</b>                     | 41,225     |
| Acquisition, integration, restructuring and other | <b>5,737</b>                       | 2,679      | <b>16,429</b>                     | 13,648     |

|  |               |        |                |         |
|--|---------------|--------|----------------|---------|
| Change in fair value of contingent consideration | <b>6,293</b>  | 5,464  | <b>10,582</b>  | 14,673  |
| Share-based compensation                         | <b>1,185</b>  | 954    | <b>5,858</b>   | 3,692   |
| Other loss (income), net                         | <b>237</b>    | (132)  | <b>1,357</b>   | (4,362) |
| Loss on loss of control of Portage               | -             | -      | <b>117</b>     | -       |
| Loss from investment in associates               | <b>23,962</b> | -      | <b>25,930</b>  | -       |
| Impairment loss – Germany segment                | -             | -      | <b>176,124</b> | -       |
| <b>Adjusted EBITDA</b>                           | <b>47,885</b> | 46,505 | <b>167,315</b> | 170,294 |

*Adjusted EBITDA as a % of Gross Profit*

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

*Adjusted Net Income and Adjusted EPS*

Adjusted Net Income represents net income or 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, income or loss from investment in associates, amortization of acquired intangible assets, unrealized foreign exchange gain or 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:

| <i>In \$000s except per share amounts</i>         | <b>Three months ended</b> |             | <b>Fiscal year ended</b> |             |
|---|---------------------------|-------------|--------------------------|-------------|
|   | <b>December 31,</b>       |             | <b>December 31,</b>      |             |
|   | <b>2024</b>               | <b>2023</b> | <b>2024</b>              | <b>2023</b> |
|   | <b>\$</b>                 | <b>\$</b>   | <b>\$</b>                | <b>\$</b>   |
| Net loss  | <b>(9,174)</b>            | 4,781       | <b>(180,986)</b>         | (6,393)     |
| Acquisition, integration, restructuring and other | <b>5,737</b>              | 2,679       | <b>16,429</b>            | 13,648      |
| Change in fair value of contingent consideration  | <b>6,293</b>              | 5,464       | <b>10,582</b>            | 14,673      |
| Amortization on intangibles                       | <b>17,386</b>             | 24,468      | <b>75,158</b>            | 87,259      |
| Foreign exchange loss (gain)                      | <b>197</b>                | (132)       | <b>1,077</b>             | (4,480)     |
| Share-based compensation                          | <b>1,185</b>              | 954         | <b>5,858</b>             | 3,692       |



|                                    |               |        |                |         |
|------------------------------------|---------------|--------|----------------|---------|
| Loss on loss of control or Portage | -             | -      | 117            | -       |
| Loss from investment in associates | 23,962        | -      | 25,930         | -       |
| Impairment loss- Germany segment   | -             | -      | 176,124        | -       |
| <b>Adjusted Net Income</b>         | <b>45,586</b> | 38,214 | <b>130,289</b> | 108,399 |
| <b>Adjusted EPS - Basic</b>        | <b>0.23</b>   | 0.19   | <b>0.66</b>    | 0.53    |

### *Return of capital*

The Company calculates return of capital to shareholders as the total of cash used in dividend payments and share repurchases.

### *Net Debt*

The Company calculates net debt<sup>1</sup> as current and non-current borrowings less cash.

### *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:

|  | <b>Three months ended<br/>December 31,</b> |           | <b>Fiscal year ended<br/>December 31,</b> |           |
|--|--|-----------|---|-----------|
| <i>In \$000s</i>                               | <b>2024</b>                                | 2023      | <b>2024</b>                               | 2023      |
|  | \$   | \$        | \$  | \$        |
| Product  | 811,839                                    | 719,974   | 2,898,039                                 | 2,747,172 |
| Managed services and professional services     | 119,128                                    | 138,001   | 472,535                                   | 522,827   |
| Maintenance, support, and cloud solutions      | 175,088                                    | 220,688   | 750,143                                   | 767,922   |
| Gross sales                                    | 1,106,055                                  | 1,078,663 | 4,120,717                                 | 4,037,921 |
| Less: adjustment for sales transacted as agent | 425,277                                    | 427,573   | 1,528,636                                 | 1,332,714 |

|         |                |         |                  |           |
|---------|----------------|---------|------------------|-----------|
| Revenue | <b>680,778</b> | 651,090 | <b>2,592,081</b> | 2,705,207 |
|---------|----------------|---------|------------------|-----------|

### Organic growth

The Company measures organic growth on a quarterly and year-to-date basis, 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 period comparable pre-acquisition period(s) from the current reporting period(s) included in the consolidated results.

Organic growth calculation for the three months and fiscal year ended December 31, 2024, deducts gross sales and gross profits from Portage CyberTech Inc. ("**Portage**") for the three and six months ended December 31, 2023 due to deconsolidation of Portage on June 27, 2024.

Gross profit organic growth is calculated by deducting prior period gross profit, as reported in the Company's 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.

|  | Three months ended<br>December 31, |           | Fiscal year ended<br>December 31, |           |
|--|------------------------------------|-----------|-----------------------------------|-----------|
| <i>In \$000s</i>   | 2024                               | 2023      | 2024                              | 2023      |
|  | \$                                 | \$        | \$                                | \$        |
| Gross sales  | <b>1,106,055</b>                   | 1,078,663 | <b>4,120,717</b>                  | 4,037,921 |
| Less: gross sales from companies not owned in comparative period | -                                  | 17,286    | -                                 | 611,045   |
| Gross sales of companies owned in comparative period             | <b>1,106,055</b>                   | 1,061,377 | <b>4,120,717</b>                  | 3,426,876 |
| Less: prior period gross sales <sup>(i)</sup>                    | <b>1,074,132</b>                   | 956,803   | <b>4,028,409</b>                  | 3,090,981 |
| <b>Organic Growth - \$</b>                                       | <b>31,923</b>                      | 104,574   | <b>92,308</b>                     | 335,895   |
| <b>Organic Growth - %</b>  | <b>3.0%</b>                        | 10.9%     | <b>2.3%</b>                       | 10.9%     |

(i) For the three months ended December 31, 2024, Portage prior period gross sales of \$4,531 is excluded and for the fiscal year ended December 31, 2024, Portage prior period gross sales<sup>1</sup> of \$9,512 is excluded.

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.

|                  | Three months ended<br>December 31, |         | Fiscal year ended<br>December 31, |         |
|------------------|------------------------------------|---------|-----------------------------------|---------|
| <i>In \$000s</i> | 2024                               | 2023    | 2024                              | 2023    |
|                  | \$                                 | \$      | \$                                | \$      |
| Gross profit     | <b>178,629</b>                     | 181,529 | <b>691,442</b>                    | 702,880 |

|   |                |         |                |         |
|---|----------------|---------|----------------|---------|
| Less: gross profit from companies not owned in comparative period | -              | 3,032   | -              | 107,295 |
| Gross profit of companies owned in comparative period             | <b>178,629</b> | 178,497 | <b>691,442</b> | 595,585 |
| Less: Prior period gross profit <sup>(i)</sup>                    | <b>178,656</b> | 168,916 | <b>696,556</b> | 550,767 |
| <b>Organic Growth - \$</b>  | <b>(27)</b>    | 9,581   | <b>(5,114)</b> | 44,818  |
| <b>Organic Growth - %</b>   | -              | 5.7%    | <b>(0.7%)</b>  | 8.1%    |

(i) For the three months ended December 31, 2024, Portage prior period gross profit of \$2,873 is excluded and for the fiscal year ended December 31, 2024, Portage prior period gross profit of \$6,324 is excluded.

## 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 the Transaction, anticipated timing of the special meeting of shareholders in respect of the Transaction, the delisting from the TSX and ceasing to be a to be a reporting issuer under Canadian securities laws , 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: assumptions as to the ability of the parties to the Transaction to receive, in a timely manner and on satisfactory terms, the necessary regulatory, court and shareholder approvals; the ability of the parties to satisfy, in a timely manner, the other conditions for the completion of the Transaction, and other expectations and assumptions concerning the proposed Transaction. The anticipated dates indicated may change for a number of reasons, including the necessary regulatory and court approvals or the necessity to extend the time limits for satisfying the other conditions for the completion of the proposed Transaction.

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 are subject to significant risks including, without limitation: the failure of the parties to obtain the necessary regulatory and court approvals; failure of the parties to obtain such approvals or satisfy such conditions in a timely manner; H.I.G’s ability to complete the anticipated debt and equity financing as contemplated by applicable commitment letters or to otherwise secure favourable

terms for alternative financing; significant transaction costs or unknown liabilities; the ability of the Board to consider and approve, subject to compliance by the Company with its obligations under the Arrangement Agreement, a superior proposal for the Company; the market price of Common Shares and business generally; potential legal proceedings relating to the Transaction and the outcome of any such legal proceeding; or the occurrence of any event, change or other circumstances that could give rise to the termination of the Arrangement Agreement and general economic conditions. Failure to obtain the necessary shareholder, regulatory and court approvals, or the failure of the parties to otherwise satisfy the conditions for the completion of the Transaction or to complete the Transaction, may result in the Transaction not being completed on the proposed terms or at all. In addition, if the Transaction is not completed, and the Company continues as an independent entity, there are risks that the announcement of the Transaction and the dedication of substantial resources by the Company to the completion of the Transaction could have an impact on its business and strategic relationships, including with future and prospective employees, customers, suppliers and partners, operating results and activities in general, and could have a material adverse effect on its current and future operations, financial condition and prospects. 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.

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.

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