



# EMERGE

We Acquire and Accelerate E-Commerce Brands

**TSXV: ECOM**

ACQUIRE | INTEGRATE | ACCELERATE

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**EMERGE Commerce (TSXV: ECOM)** is a disciplined, diversified, acquirer and operator of category-leading, niche e-commerce brands across North America

**\$120M**

Gross Merchandise Sales ("GMS") <sup>(1)</sup>

**120**

Employees<sup>(2)</sup>

**Toronto**

Headquarters

**8**

Brands

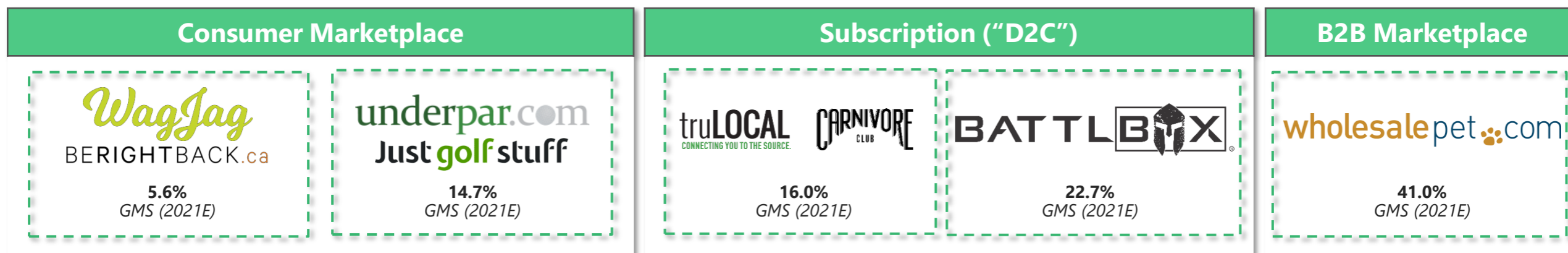
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Verticals

**2**

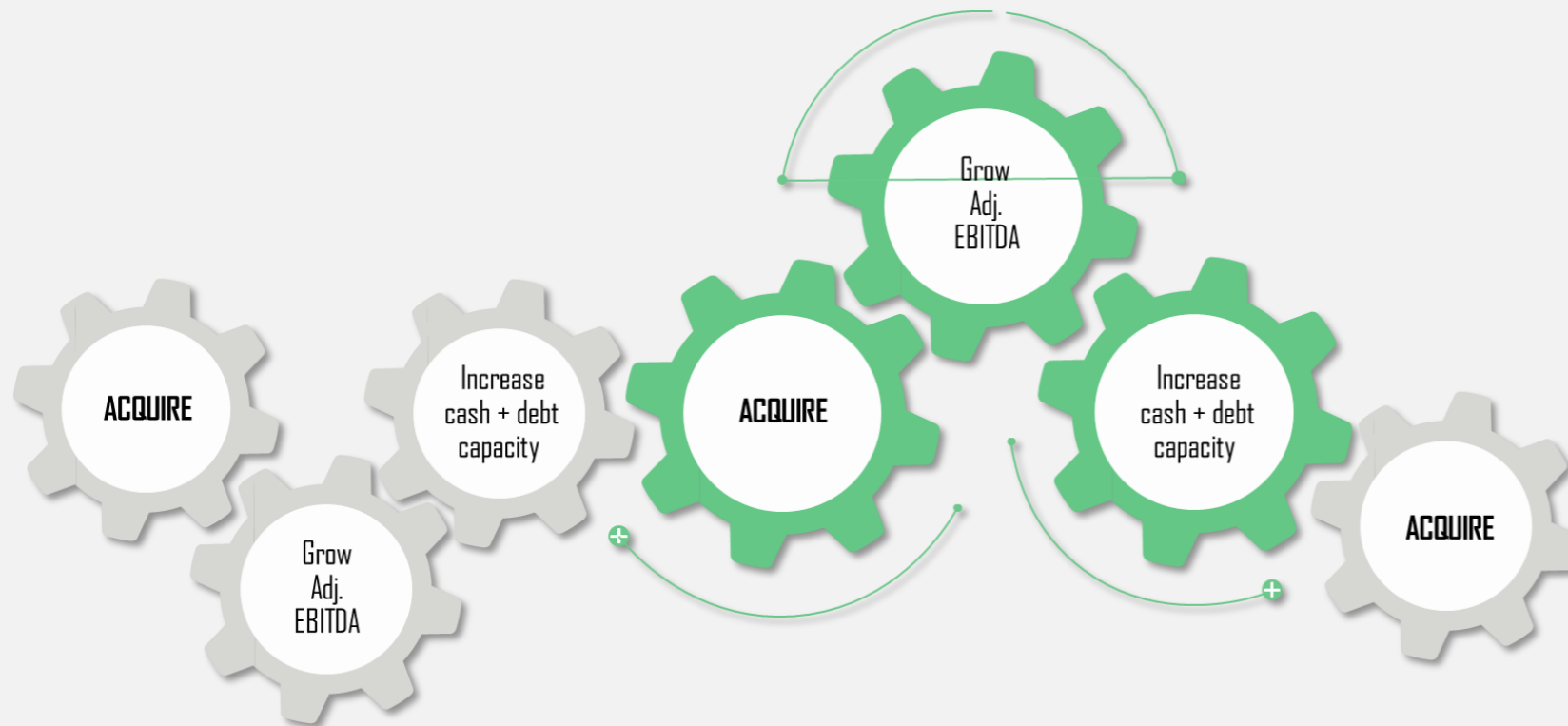
Countries

## EMERGE Brand Portfolio



1. GMS stands for Gross Merchandise Sales. EMERGE 2021 Pro Forma GMS based on the Company's estimate of the additional GMS that it would have recorded if it had acquired the businesses acquired during that period on the first day of that period.  
 2. Approximate number of employees at December 31, 2021

## EMERGE Acquisition Model & Economics



- ✓ 1,000's of niche e-commerce businesses with greater than \$1M EBITDA
- ✓ Improved debt terms and pricing with higher profitability and cash flows
- ✓ Ability to increase size and frequency of acquisitions with the right team in place

## EMERGE Acquisition Playbook



### Acquire

- ✓ Sustainably **reduce the cost per acquisition** vs. online advertising under traditional e-commerce model



### Integrate

- ✓ Leveraged shared platform and teams to **realize efficiencies**



### Accelerate

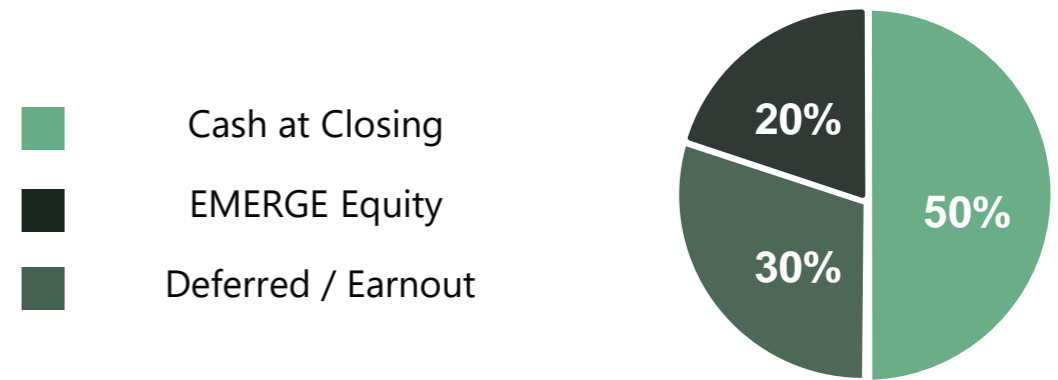
- ✓ Propel brands to new heights via **cross selling, high margin advertising, and recurring subscription program**

**A Proven Playbook To Acquire And Integrate Profitable Niche E-commerce Businesses, Driving Triple-Digit Revenue And Adjusted EBITDA Growth**

## Target Criteria

- **Market leadership** position in niche e-commerce segment
- Healthy **organic growth**
- Exclusive **recurring merchant relationships**
- Target **EBITDA of \$1M to \$5M**
- Target Acquisition **multiple of 4x – 6x EBITDA**
- **Key Management** staying with alignment

## Target Consideration Mix



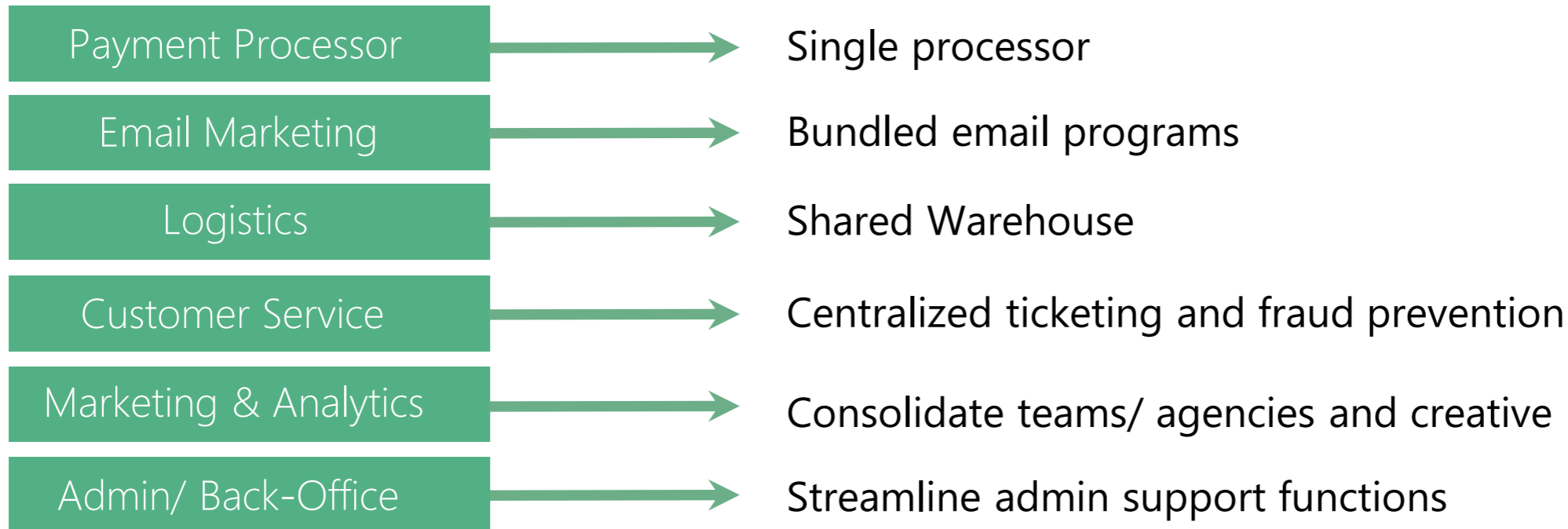
## Target Verticals

E-Commerce Niche	Geography	GMS / Revenue (C\$M)	EBITDA (C\$M)	
Subscription Portfolio		C\$20.0	C\$3.5	<input checked="" type="checkbox"/>
Pets B2B Marketplace		C\$50.0	C\$3.5	<input checked="" type="checkbox"/>
Health & Wellness		C\$20.0	C\$2.5	
Golf "Tuck-Ins"		C\$50.0	C\$5.0	
B2B Marketplace		C\$50.0	C\$4.0	
Smart Home		C\$75.0	C\$11.0	

# Synergies In the Works

2022 is a key year to extract synergies and unlock additional growth opportunities from the completed acquisitions, and across the portfolio

## INTEGRATE (*"Shared Services"*)



## ACCELERATE



## Q1 2022 Financials

- **GMS:** \$30.2M vs. \$11.4M in '21 **+166% YoY**
- **Revenue:** \$15.8M vs. \$7.1M **+123% YoY**
- **Adj. EBITDA:** \$1.1M vs. \$0.27M **+297% YoY**

## Major Milestones in Q1

- Eclipsed **\$30M GMS** in a quarter for the first time
- Second consecutive quarter with Adj. EBITDA **exceeding \$1M+**
- The Company has **multiple signed LOIs**

## Brand Level Progress

- **WholesalePet:** Double-digit growth, strong profitability and cash flows
- **BattlBox Group:** Strong Adj. EBITDA. Repeat customer rate of ~85%
- **truLOCAL** remains close to ~2x pre-pandemic levels
- **JustGolfStuff** grew GMS by more than 2x in 2021. **UnderPar Canada** Showing early comeback signs



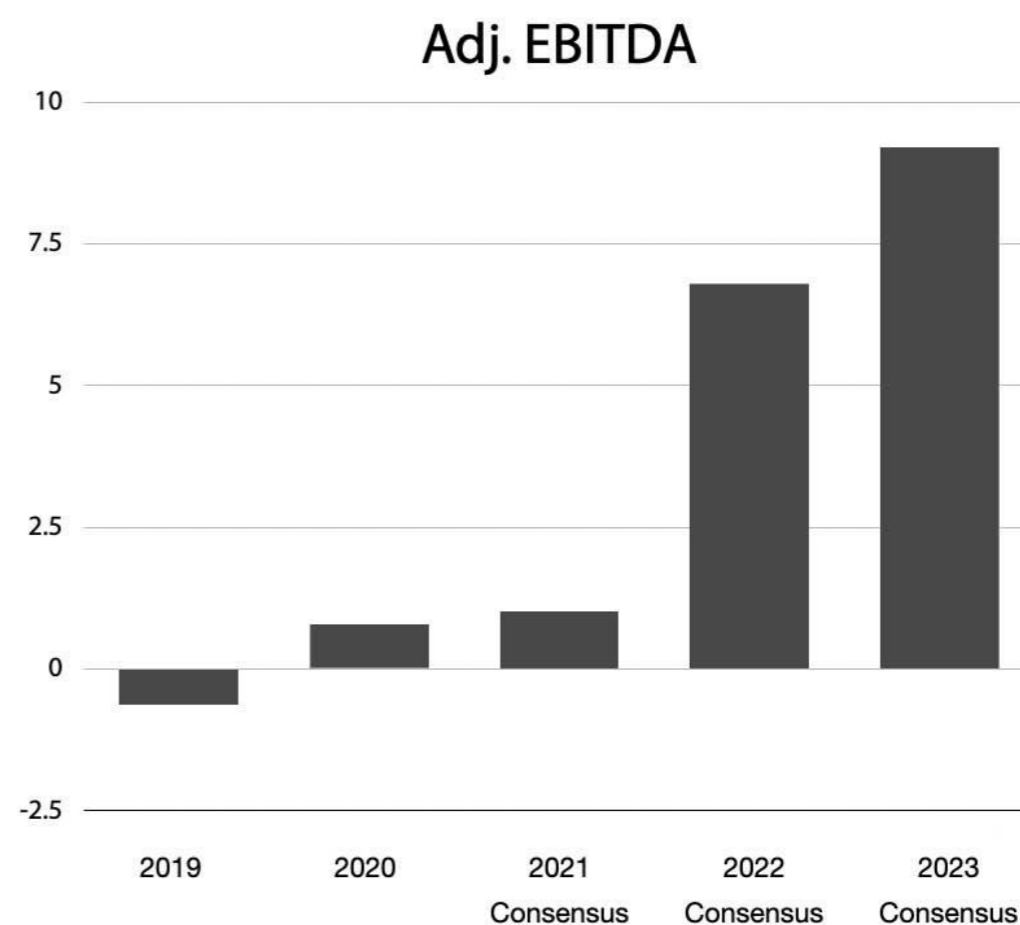
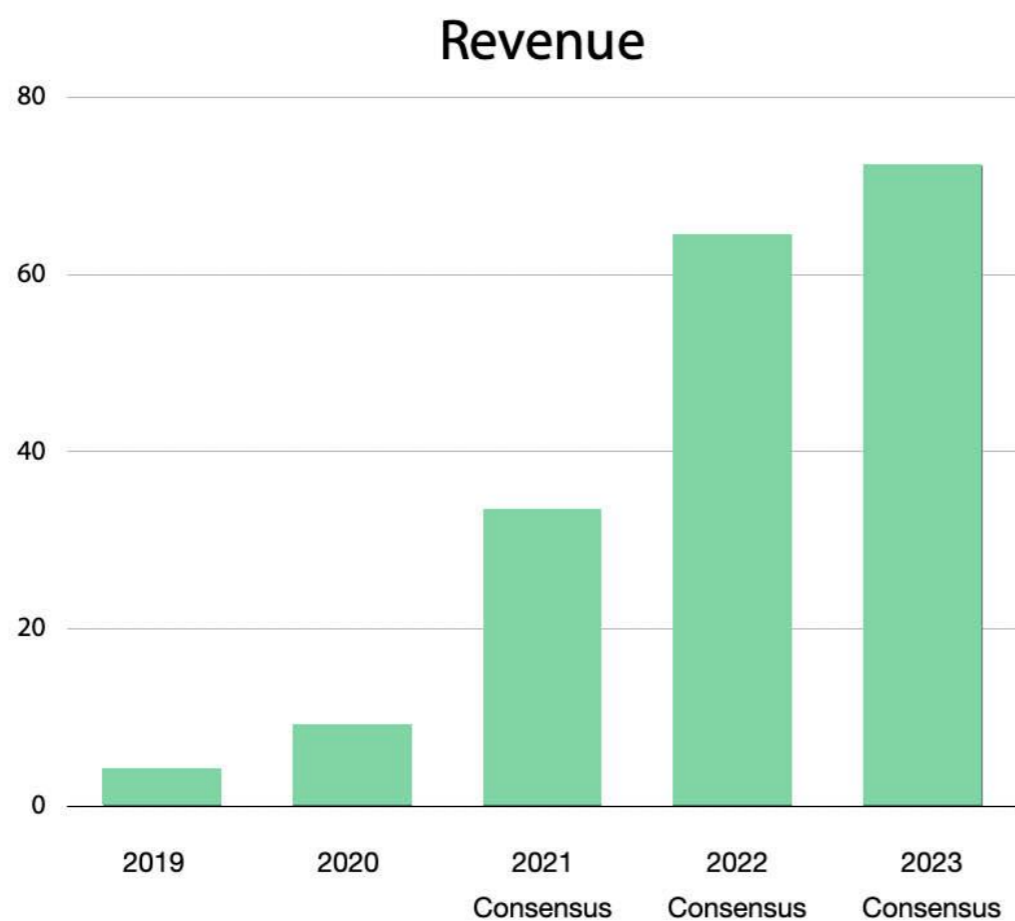
All Figures in CAD\$ Millions

<b>GMS (1)</b>	19.8	28	50
<b>Revenue (2)</b>	19.8	28	4.7
<b>Adj. EBITDA (2)</b>	1.6	3.5	3.5

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2. Figures based on TTM period at time of each acquisition, based on unaudited/ draft financials or quality of earnings reports / additional management normalizations

Analysts expect the pro forma business to achieve **\$64M revenue** and significantly expand **Adj. EBITDA to \$6.4M in 2022**, *excluding additional acquisitions*



*Consensus estimates from Canaccord Genuity and Raymond James*

1. Management does not endorse consensus estimates and does not provide formal guidance at this time.

1. Drive **synergies and healthy organic growth** for the overall portfolio
2. Achieve **positive Operating Cash Flow (“OCF”)**
3. **Accretive acquisitions** to bolster existing and new verticals, increasing scale and improved margins
4. **Refinance and Expand debt facility** at improved pricing and terms
5. **Increase investor awareness** and improve liquidity
6. **Eclipse \$100M Revenue and \$10M Adj. EBITDA this year**



**Ghassan Halazon** FOUNDER, CHIEF EXECUTIVE OFFICER

- 12 years of acquiring and operating some of Canada’s most coveted e-commerce brands
- Canada’s Top 40 Under 40 Award (2020)
- Raised over \$100M in capital
- Investment Banker with Citi (New York)



**Jonathan Leong** CHIEF FINANCIAL OFFICER

- CPA and CBV with 10+ years of experience
- Senior-level position at VetStrategy, a private equity backed roll-up in the veterinary industry valued at \$1BN



**Fazal Khaishgi** CHIEF OPERATING OFFICER

- Among first 5 employees at Buytopia (sold to EMERGE)
- Co-led the development of SnapSaves, a cashback rewards app (sold to Groupon)



**George Marouchos** VICE PRESIDENT, M&A

- Senior leadership team member at Dye & Durham (TSX: DND), a \$3BN legal tech consolidation play
- Senior roles at Maple Leaf, Unilever and Pepsi



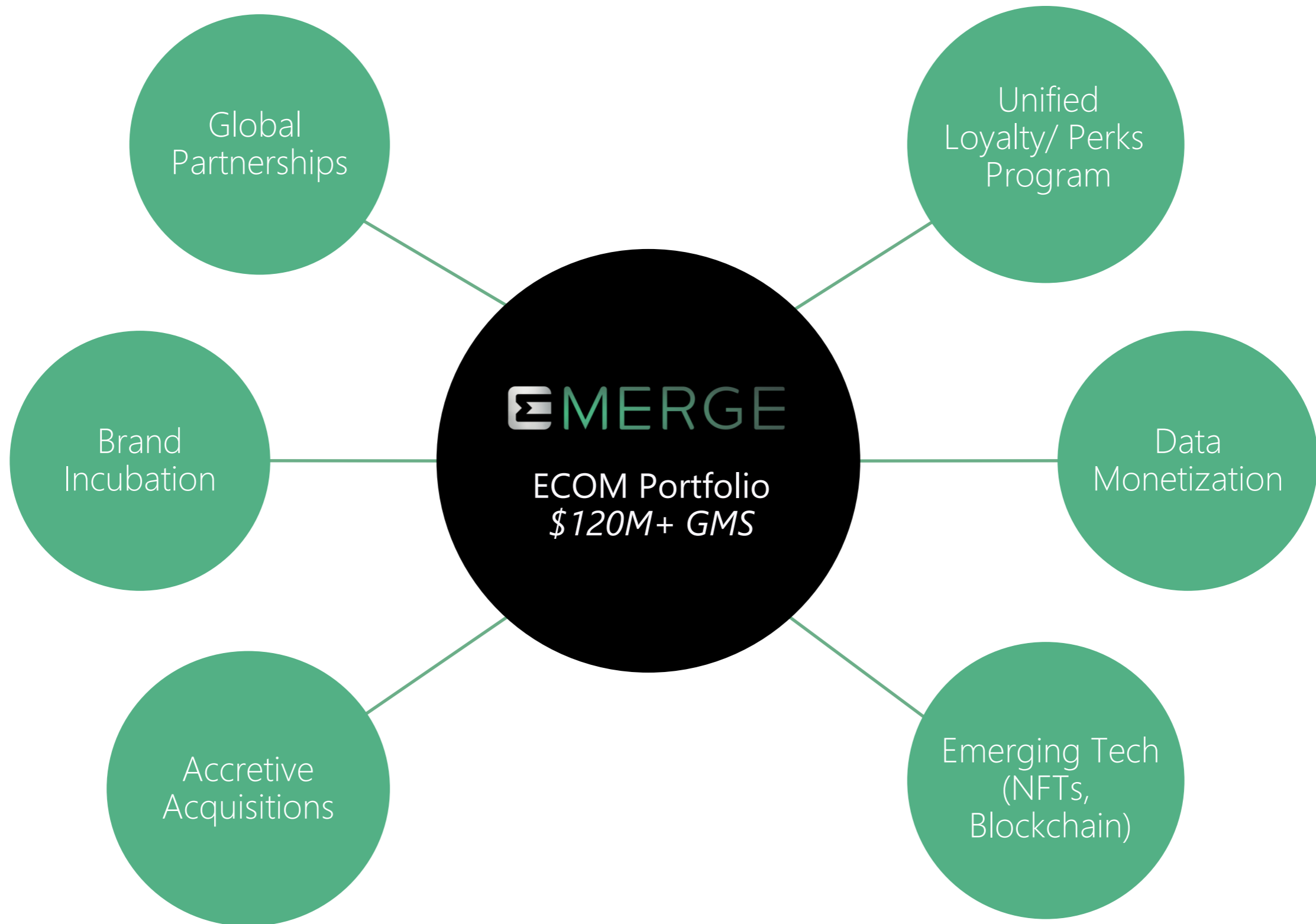
**Tanya Zakaib**, HR MANAGER

- 8 years of HR experience, recently at Mastercard Foundation
- BBA Hons from the University of Guelph, and Human Resources Management Postgraduate Certificate from Humber College

TSXV: ECOM	
Price	\$0.24
Basic Shares Outstanding	103.96M
<b>Market Capitalization</b>	<b>\$25M</b>
In-the-money Options	3.9M
In-the-money Warrants	0.2M
Fully Diluted	108M
Loan	25.0M
Cash	(6M)
<b>Enterprise Value</b>	<b>\$44M</b>

1. Price as of June 14, 2022 close  
 2. Estimated cash balance  
 3. Treasury Method used for Options and Warrants







Thank You.

Ghassan Halazon

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James Bowen, CFA

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