

# EMERGE

Corporate Presentation

May 2025

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# EMERGE Portfolio Overview



EMERGE Commerce (TSXV: ECOM) is a *Canadian* brand portfolio across *Grocery & Golf* verticals

**\$25M**

Pro Forma Revenue <sup>(1)</sup>

**4**

Consecutive Quarters of Organic Growth <sup>(2)</sup>

**Positive**

Pro Forma Adj. EBITDA <sup>(3)</sup>

**4**

Brands

**2**

Verticals

**Canada**

Primary Market

## E-Commerce Verticals

*Local Meat and Seafood Subscription*



**Grocery**

*Discounted Experiences, Apparel, and Equipment*



**Golf**

1. Approx. combined revenue based on pro forma EMERGE (audited) + Tee 2 Green in 2024 (unaudited)

2. Based on EMERGE's reported quarterly revenue growth (year-over-year)

3. Adjusted EBITDA is a non-GAAP measure, as defined in Company financial statements.. Based on combined Adjusted EBITDA (Pro Forma EMERGE + Tee 2 Green) in 2024 (unaudited)



- **truLOCAL is the market leader in Canadian meat & seafood subscription, delivering locally sourced products, direct-to-consumers (“D2C”)**
- Operates 3 regional hubs (ON, BC, AB), with service across Canada
- Largest EMERGE brand by revenue
- Accelerating organic revenue growth over the last year
- Predictable, re-occurring subscriptions drives the majority of revenue
- Favorable Customer Lifetime Value (“CLTV”) to Customer Acquisition Cost (“CAC”)
- Strong retention and highly loyal member community
- truLOCAL revenue is ~80% higher than pre-pandemic (2019)

**truLOCAL is a major strategic opportunity for EMERGE**

*(U.S. market leader is a ~US\$500M+ revenue business)*



## Key Performance Indicators (1)



**\$225**  
Average Order Value (“AOV”)



**\$1,772**  
Customer Lifetime Value (“CLTV<sup>(2)</sup>”)



**5,162**  
Avg. Monthly Boxes



**\$146**  
Avg. Customer Acquisition Cost (“CAC”)



**~2 Boxes**  
Avg. to Breakeven



**~90%**  
Returning Customers

1. truLOCAL KPIs based on average trailing-twelve-months (2024)

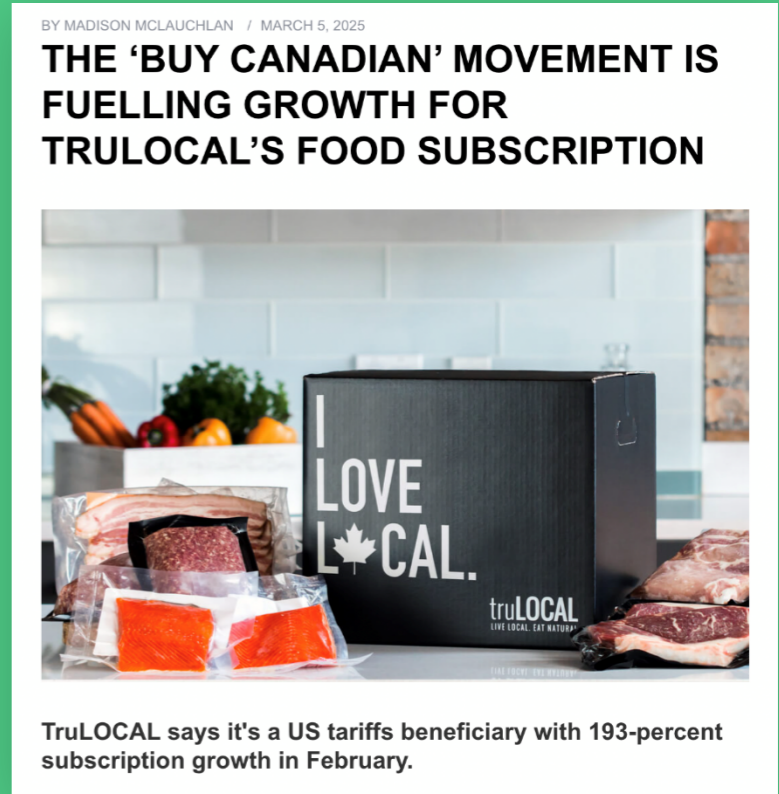
2. CLTV calculated as subscription box revenue to date divided by Subscribers who have made a purchase

truLOCAL is at the forefront of the #SupportLOCAL movement sweeping the country.

- BMO estimates “Buy Canadian” movement will add **\$10 billion** annually in consumer spend locally. **84% of Canadians** surveyed say they considered **buying more Canadian-made products** in February<sup>(1)</sup>.
- truLOCAL reported **Net new subscriptions<sup>(2)</sup> increased by 193%** in February 2025, with continued positive momentum
- **Reduced cost per acquisition (CPA) of nearly 20% YoY** in February 2025
- truLOCAL has been ramping up advertising to drive brand awareness and grow market share with a focus on high ROI opportunities
- New ad campaign and revamped website are having visible impacts on performance
- *“Nationally loved. Locally sourced.”*

1.Sources: Bank of Montreal and Abacus Data.

2.Net new subscriptions is defined as new (paid) subscriptions initiated minus subscriptions cancelled in that same period.



The “Meat Subscription Market” is anticipated to grow at a **CAGR of 15.2% to US\$6.4 Billion** by 2033

- Meat subscription revenues estimated at US\$1.7 Billion in 2024
- Key drivers influencing the rapid market growth include **healthy eating trends, sustainably sourced meat, and customizable subscription plans,**
- Demand for **locally sourced, hormone-free, antibiotic-free, high-quality meat** products on the rise
- Over **US\$124 was spent per capita** on food subscriptions in the U.S.
- **Major strategic buyers and investors** in the “Food Tech/ E-Grocery” space



## Key Market Growth Drivers

- **Convenience.** Hassle-free shopping
- **Transparency.** Understanding where and how food is sourced
- **Health and Wellness.** Consumers seeking out high quality, natural meats
- **Environment.** Sustainable farming practices
- **Customization.** Orders based on preferences and dietary restrictions

1. Source: <https://www.globenewswire.com/en/news-release/2023/02/13/2606789/0/en/With-15-2-CAGR-The-Meat-Subscription-Market-worth-US-6-4-Billion-by-2033-Globally-Report-by-Persistence-Market-Research.html>

2. Source: <https://www.factmr.com/report/meat-subscription-market>

## Market Opportunity



15.2%  
CAGR



US\$6.4BN  
Market Size by  
2033



\$124  
Per Capita  
Spend



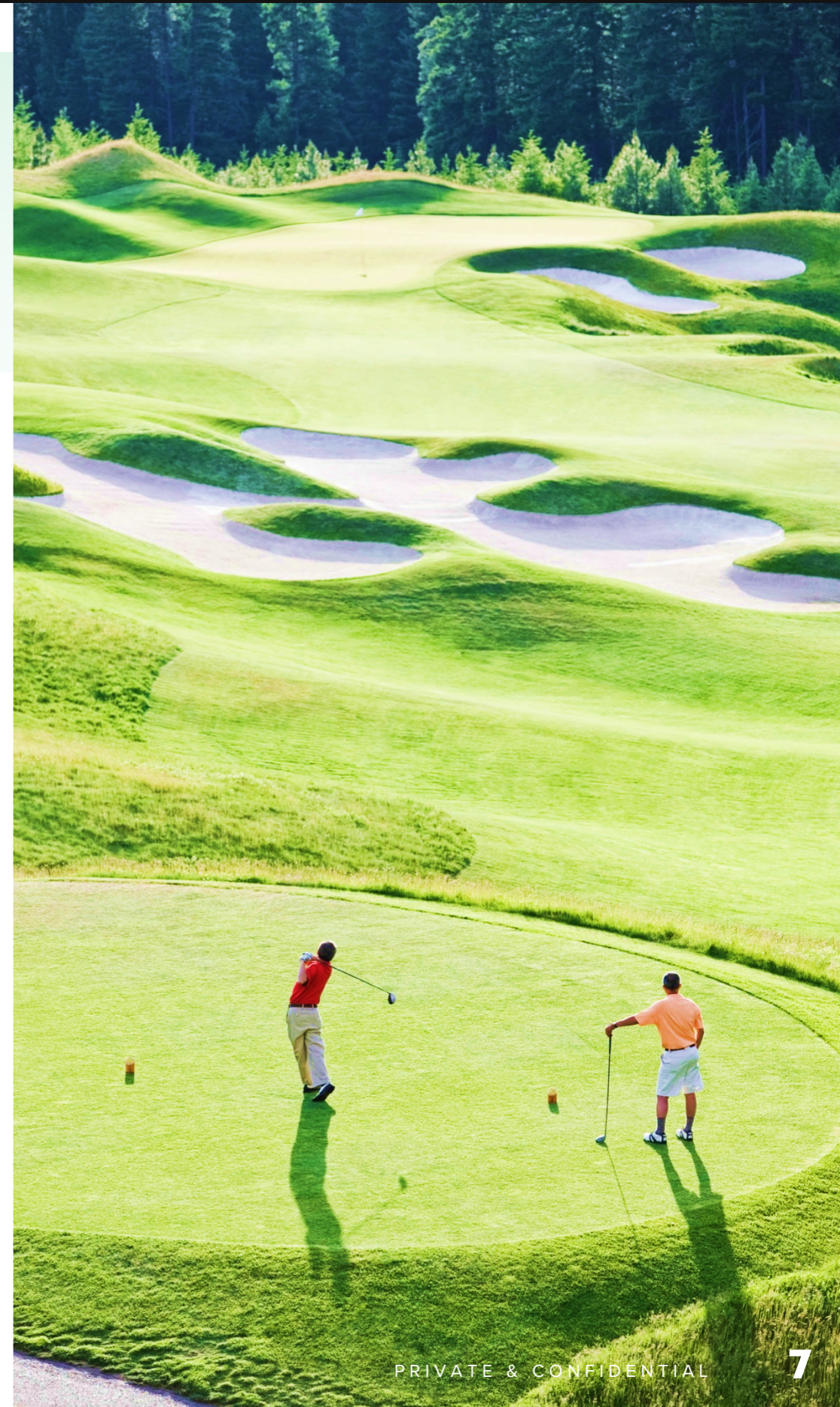
US\$1.7 BN  
Meat Subscription  
Revenue

# Acquisition Overview: Tee 2 Green

Tee 2 Green is a profitable, bolt-on golf apparel & equipment acquisition, at favorable terms and immediate synergies with our golf brand portfolio.



- Tee 2 Green Ltd. ("T2G") generated **revenue of \$6.4M, Adjusted EBITDA of \$1M** and **net income of \$700K** in 2024 (unaudited)
- **Purchase price of \$2.2M**, including \$1.1M cash on closing, \$900K deferred consideration over a **5-year payment plan**, and \$200K in EMERGE shares issued at **\$0.065/ share** (*subject to a 180-day escrow*)
- As part of the deal, EMERGE acquired of **\$2.4M inventory** on closing under an **8-year payment plan**, providing a sizable cash flow advantage in 2025
- EMERGE **utilized cash on hand to close the transaction**, leveraging recently bolstered cash position from non-core asset sales (SHOP domains sold to **Shopify (TSX: SHOP)**, and Carnivore Club) announced in January 2025, as well as the flexible deal structure negotiated with T2G.
- Inclusive of T2G, EMERGE expects to achieve **positive cash flow** in 2025



# Golf – Discounted Apparel, Equipment and Experiences EMERGE



- Tee 2 Green (“T2G”) is a **profitable** golf **apparel and equipment** business with a **38-year track record** of operations
- **Diversified streams of income** with 2 retail stores (Ontario), dozens of roadshows, online store, custom fittings and simulator rentals
- **Long-term retail licensing agreements** with major golf manufacturers like Taylormade, Callaway, Cobra and Wilson
- Includes private label brand, **NORTHERN SPIRIT** (golf bags and accessories), driving high gross margin

## Just **golf** stuff

- JustGolfStuff (“JGS”) is a discount golf **apparel & equipment** marketplace
- EMERGE’s fastest growing business over last 5 years (*10x GMS growth since 2019*)

## underpar.com

- UnderPar (“**UP**”) is a leading discounted golf **experiences** marketplace across some key golf regions
- Double-digit organic revenue growth in 2024 and significantly improved profitability
- Weakening economic climate conducive to UnderPar’s discount model (*UnderPar was founded during the “Great Recession” in 2008-09*)



### Key Performance Indicators

underpar.com    Just **golf** stuff



**UP: \$211**  
**JGS: \$158**

*Avg. Order Value*



**UP: \$30**  
**JGS: \$22**

*Customer Acquisition Cost*



**UP: 3,894**  
**JGS: 2,536**

*Avg. Monthly Customers*



**UP: 4,760**  
**JGS: 2,640**

*Avg. # of Orders*

1. Golf KPIs based on average trailing-twelve-months



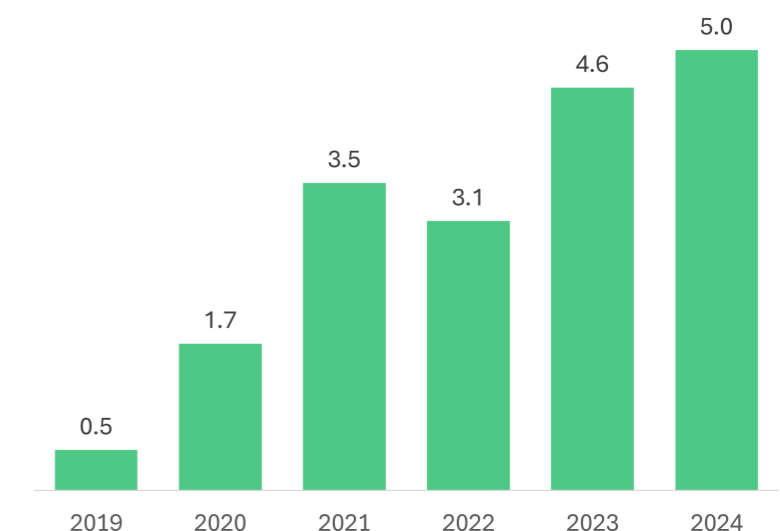
- **Cross-sell:** Promote T2Gs roadshows and retail stores to 400,000 golfers, and feature UnderPar courses to T2G audience
- **Scale Online:** Leverage EMERGE’s digital team of marketing and tech experts to scale T2G Online
- **Savings:** Combined sales volume expected to reduce shipping costs. Immediate opex reductions via shared resources
- **Access to Brand Partnerships:** T2G has long-standing relationships in golf to pass along to JGS

## Just Golf Stuff Case Study: ~10x in 5 Years

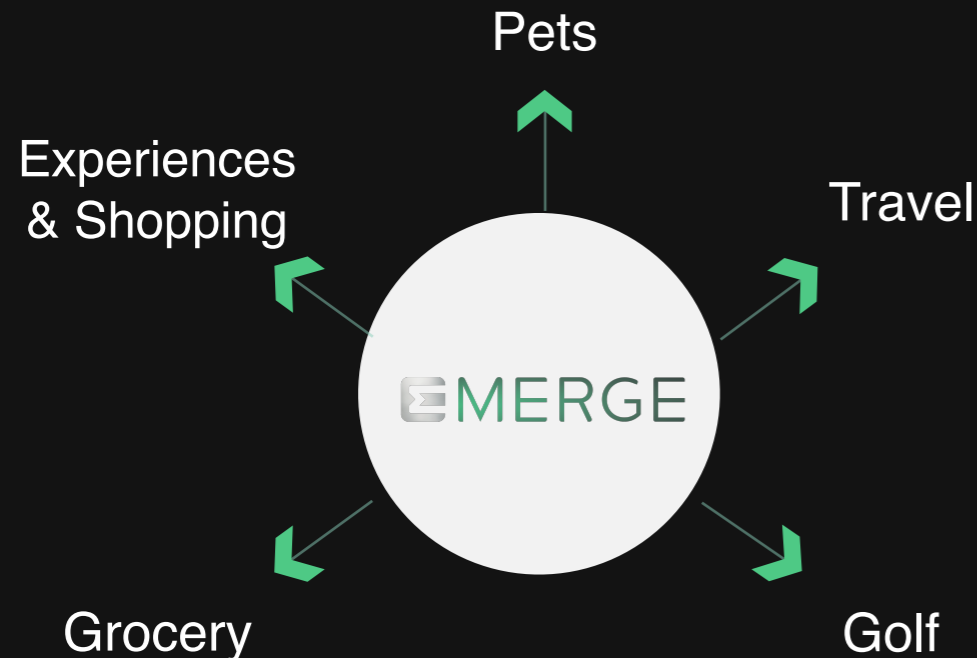
- When EMERGE acquired **UnderPar Group** in November 2019, JustGolfStuff (“JGS”) was a small side golf apparel & products business with ~\$500K **GMS**<sup>(1)</sup> in 2019
- EMERGE leveraged its existing HQ team + captive golf audience to significantly grow JGS by providing merchandising, marketing, introducing a partnership with Amex Canada
- Growth in the sport of golf has been accompanied by rising demand for golf products

1. Gross Merchandise Sales, a non-IFRS measure.

JustGolfStuff **GMS** <sup>(1)</sup>



## EMERGE 1.0



## EMERGE 2.0



### ECOM 1.0: Diversified Portfolio

- **Decentralized.** HQ team oversees middle-management operating at the brand-level
- **Large HQ team and resources** focused on supporting and administrating the various portfolio brands
- **Minimal Synergy.** Disparate brands in unrelated verticals with minimal cross-selling and savings opportunities
- *Unfavorable Macro. Organic Revenue declined from artificial peak-pandemic highs. Rising interest rates*

### ECOM 2.0: Streamlined / Focused Strategy

- **Centralized.** CEO/ HQ management team directly operating key brands
- **Streamlined Operations.** Focus on our most compelling opportunities, with reduced HQ expenses
- **High Synergy.** Tuck-in acquisitions in existing sectors to drive additional scale and savings
- **Reduced Debt** following sale of non-core assets
- *Favorable Macro. Return to revenue growth as of Q2 2024. Interest rate cuts drive immediate cash savings*

2024 was a transformative year. We re-ignited organic revenue growth, improved profitability, streamlined the business, drastically reduced debt, and grew our cash position YoY with no equity raised.

## ✓ Re-ignite organic revenue growth **01**

- Positive revenue growth for 3 consecutive quarters
- **Accelerated double-digit growth trends** in Q4

## ✓ Substantially reduce debt (and interest expense) **03**

- Reduced net debt from ~\$32M at peak to ~ \$5M by end of 2024
- Interest rate cuts benefit cash flow

## ✓ Improve profitability and streamlined business **02**

- Significant improvement in Adj. EBITDA and Net Income in 2024
- **Expected to be Adj. EBITDA positive (including T2G)**

## ✓ Grow cash position YoY **04**

- **Cash position exceeded \$3M** at year-end vs. \$1.6M at Q3 2024 and \$2.5M at Q4 2023
- **No equity raised.** Cash growth driven by strong sales growth as well as sale of non-core assets

1. Results based on reported 2024 YTD, including preliminary Q4 results (unaudited).

# 2025

## Q1 Highlights

- 4<sup>th</sup> consecutive positive quarter of organic revenue growth
- 1<sup>st</sup> positive Adjusted EBITDA under EMERGE 2.0 strategy

✓ **Q1 GMS** <sup>(1)</sup> increased by 8% to \$8.0M vs. \$7.4M in Q1 2024 (“YoY”)

✓ **Q1 Revenue** increased by 8% to \$5.0M vs. \$4.7M in Q1 ‘24

✓ **Q1 Adj. EBITDA**<sup>(2)</sup> improved to positive \$32K vs. loss of (\$191K) in Q1 ‘24 driven by improved topline and reduced overhead expenses

✓ **Q1 Net Income** from continuing operations improved to (\$21K) vs. (\$82K) in Q1 ‘24

✓ **Cash balance** of \$2.7M at March 31, 2025

✓ **Q2 Outlook:**

**Double-digit revenue growth and strong, positive Adjusted EBITDA**

**Note:** Results exclude Carnivore Club, a non-core brand, sold on January 15, 2025

1. Gross Merchandise Sales, a non-IFRS measure.

2. Adj. EBITDA is a non-IFRS measure.

Extracting synergies and accelerating growth across the streamlined portfolio, paving the way for a proven playbook primed for tuck-in acquisitions in 2025 and beyond

### Savings

Payment Processor	→	Approved preferred rate payment processor <i>(Estimated ~\$100K savings)</i>
Email Service Provider	→	Migrated to a more cost-effective ESP <i>(Estimated \$75K savings)</i>
Warehouse / Logistics	→	Shared facility for all our product-based brands
Customer Service	→	Centralized ticketing system and fraud prevention
Marketing & Analytics	→	Consolidate teams/ agencies, leveraging learnings from various channels
HQ Team	→	Streamlined HQ team <i>(~\$750K savings)</i>

### Growth

Cross-Selling	→	Free customer acquisition via adjacent portfolio brands in same vertical
Advertising & Data	→	Leveraging combined reach/ segmented data to secure premium advertisers
Margin Enhancement	→	Unlocking add-on/ peripheral gross margin opportunities (e.g. Checkout upsell)
M&A Expertise	→	Offering our in-house expertise to drive tuck-in acquisitions



## 1 New Revenue Initiatives

- **Corporate Orders** (e.g. ~\$450,000 order from a ~\$50BN multi-national client – Holiday gifts to staff)
- **Scaling Assortment.** Add-on / member offers upsell to increase Average Order Value (“AOV”)
- **Advertising/ Data.** Targeted premium audience, digital (site + email), In-box (samples), and offline (mailers). 90%+ margin

## 3 Tuck-in Acquisitions

- **Multiple acquisition candidates identified with \$1-2M EBITDA each**
- Established platform and playbook
- Buyer-friendly market/ flexible terms

## 2 Geographical Expansion

- **Canada:** Facilities across ON, BC, and AB with national service
- **U.S./ International:** Large, fragmented market with room for multiple \$100-500M players

## 4 Partnerships

- Affiliate partners (Amex, Travelzoo, etc.)
- Corporate perks programs
- Influencers and content partners
- Gyms Memberships

# Amended Credit Facility

**EMERGE entered into a up to 24-month facility providing us with visibility into April 2027**

- EMERGE entered a credit facility amendment with its existing lender (the "**Amended Facility**")
- The Amended Facility provides **a term of up to 24 months, with an initial 18-month term plus an additional 6-month extension** <sup>(1)</sup>
- Revised, flexible covenants for pro forma business
- Variable interest rate, currently 11.5% down from a high of 13.75%
- *Recent and upcoming interest rate cuts are expected to result in meaningful interest savings*

Senior Debt facility has been reduced to \$5.85M down from \$25M originally, a ~77% Reduction

**\$5.85M**

**Sr. Credit Facility**

**Up to 24<sup>(1)</sup> Months**

**Term**

**11.5%**

**Interest Rate (Variable)**

1. An initial 18-month term plus an additional 6-month extension upon mutual agreement of the parties.

# 2025 Priorities

**Accelerate positive organic revenue growth** trends building on 2024 momentum

1

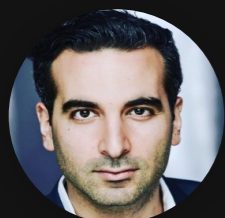
**Re-activate accretive M&A program** with a focus on opportunistic, cash flow positive acquisitions on “Day 1”

2

Continue to opportunistically explore avenues to **enhance cash flow**, reduce interest expense and drive shareholder value

3

1. Company goal, inclusive of potential future acquisitions, and not guarantee or necessarily indicative of future performance.



**Ghassan Halazon** **Founder, CEO, and Director**

- 15 years of building, buying and selling some of Canada’s most coveted e-commerce brands
- Canada’s Top 40 Under 40 Award (2020), a Caldwell Award
- Former Investment Banker with Citi (New York)
- Georgetown MBA (Class of 2008), McGill (Bachelor of Commerce)



**Dasha Enenko** **CFO, and Secretary**

- 10 years of accounting and finance experience, including at MNP with a focus on auditing public companies
- Previous role at EMERGE as Accounting Manager
- Chartered Professional Accountant (CPA)



**Maurice Finn**, **COO, Golf**

- Leads EMERGE’s Golf business
- Grew JustGolfStuff by nearly 10x over the last 5 years
- Originally joined EMERGE in 2018 as VP, Sales and Partnerships
- Previously, Direct Business Manager at Ingram Micro

**Cap Table**

Price	\$0.05
Basic Shares Outstanding	142.2M
<b>Market Capitalization</b>	<b>\$7.1M</b>
RSUs, Options & Warrants	5.0M
Convertible Debentures	10.3M
Fully Diluted Shares	157.5M
Total Debt	\$7.2M
Cash	(\$2.0M)
<b>Enterprise Value</b>	<b>\$12.3M</b>

1. Share Price, market capitalization, and other figures are as of May 30, 2025 close  
 2. Total debt includes \$5.85M senior credit facility and \$1.39m convertible note  
 3. Estimated cash balance  
 4. Treasury Method used for approx. RSUs, Options and Warrants

## Board of Directors



**Drew Green**,  
*Independent Director*  
**Chairman**



**Ian McKinnon**,  
*Independent Director*  
**Compensation & Governance Committee Chair**



**John Kim**,  
*Independent Director*  
**Audit Committee Chair**

## Strong Operating Metrics.

3 consecutive quarters of organic revenue growth. Positive Adj. EBITDA and cash flow expected moving forward.

## Tariff-Proof, Recession-Proof.

“Buy Canadian” sentiment accelerating truLOCAL’s growth. Discounted golf verticals well positioned in a recession.

## Market-Leading Brands with Loyal Community.

truLOCAL is the Canadian market-leader in D2C meat & seafood subscription, and EMERGE’s golf portfolio (400K+ member database) is one of the largest Canadian golf groups.

## Much Improved Debt Profile.

Senior debt reduced by ~77% from \$25M originally down to \$5.85M, while growing Adj. EBITDA and benefiting from interest rate cuts.

## Experienced Team.

Track record of re-igniting organic growth, reducing costs, improved profitability, and negotiating accretive deals.

## Extensive Acquisition Pipeline.

Multiple acquisition candidates with \$1-2M EBITDA each. Buyer-friendly market, flexible terms.

## Massive Opportunity.

Two, \$100M+ vertical opportunities in Grocery and Golf verticals.



underpar.com



Just **golf** stuff

Thank you.

**Ghassan Halazon**

Founder & CEO

Ghassan@emerge-brands.com

**Investor Relations**

Investor@emerge-brands.com

The logo for EMERGE features a stylized 'E' icon on the left, composed of a white square with a black arrow pointing right. To the right of the icon, the word 'EMERGE' is written in a bold, sans-serif font. The 'E' is white, and the remaining letters 'MERGE' are a light green color.

**TSXV: ECOM**

PREMIUM E-COMMERCE PORTFOLIO