

We Acquire and Operate D2C E-Commerce Brands

**TSXV: ECOM** 

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## Canada's Fastest Growing E-Commerce Network





emerce (TSXV: ECOM) is a diversified, rapidly growing acquirer and operator of direct-to-consumer ("D2C") brands across North America. Our network of e-commerce sites provide members with access to premium meat subscriptions, groceries, golf, and family offers. Our portfolio houses some of Canada's most coveted digital destinations.

underpar.com





Just golf stuff

BERIGHTBACK.ca

## Marketplace Model: truLOCAL Example







Transmit Payments



## Connecting merchants and members through the power of data-driven offers

- Acquire digitally savvy, health-conscious audience
- · Build online presence
- Leverage truLOCAL facilities and technology

E-COMMERCE:

Average 35% gross profit

- Access to locally sourced, grass fed meat
- Delivered to doorsteps
- Monthly membership model (Average \$234/ month)



## Pro Forma Q3 2020 LTM (1)



\$50M

**Gross Merchandise Sales** 

Acquisitions

\$28M

Revenue

2M

Members

69%

Subscription Revenue

ACCELERATE

2,203% (2)

3 Year **Growth Rate** 

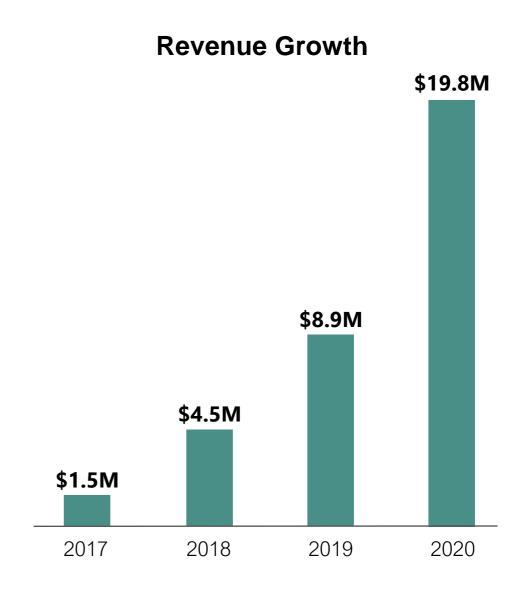
EMERGE + truLOCAL implied Q3 2020 YTD (unaudited)
 EMERGE Revenue Growth Rate for FY2017 - FY 2019 (pro forma)

# truLOCAL: Acquisition Highlights



# EMERGE Acquired truLOCAL, the Market Leader in Direct-to-Consumer, Meat Subscriptions for up to \$16.8M

- 5th acquisition, largest deal to date, expected to be immediately accretive to earnings
- \$19.8 million LTM Revenue (unaudited), 130% growth year over year (2020), profitable
- 1st monthly recurring subscription offering, premium customer base and highly strategic food technology platform
- Transaction funded with cash on hand and drawdown of remaining \$3.0 million acquisition debt facility
- truLOCAL's award-winning founder and team will continue in their roles



# January 2021 Corporate Update



Q1 2021 is off to a strong start with triple digit growth in Grocery and Golf Products leading the way

- truLOCAL achieved Revenue growth of 116% in February 2021 (YoY)
- Shopify-powered brand, JustGolfStuff.ca, achieved record GMS growth of over 4,000% in January 2021 (YoY), largest month ever

tru**local** 

Just golf stuff

- Triple digit revenue growth expected in Q1
   2021 compared to Q1 2020
- Majority of revenue to be subscriptionbased in 2021
- Additional acquisition opportunities in Food Tech/ Subscriptions among other verticals

## Integrate





**Email Service Provider** 





Fraud Prevention Solution



Cloud/ Hosting





**Affiliate Partners** 



Customer Relationship Management



Caching/Security

## In-House & Agencies

Marketing & Business Intelligence

Portfolio companies benefit from the economies of scale of a collective platform while focusing on growing leadership positions in their respective niches

EMERGE platform offers a **one-stop-shop solution** to all portfolio companies

## **Consolidate back office**

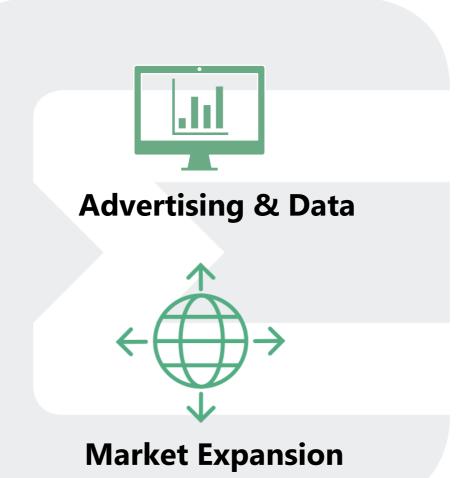
functions to Corporate (Human Resources, Customer Service, Payroll, Accounting) Pre-negotiated **group pricing** for key e-commerce software

## Accelerate

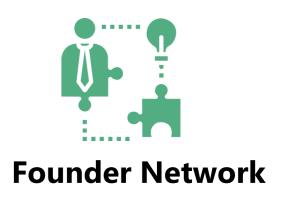












EMERGE offers portfolio companies extensive reach, expertise, and relationships to accelerate their business to the next level

### **REACH**

2M members and growing

### **EXPERTISE**

Scaling the business organically and inorganically

### **NETWORK**

Proprietary relationships and partnerships

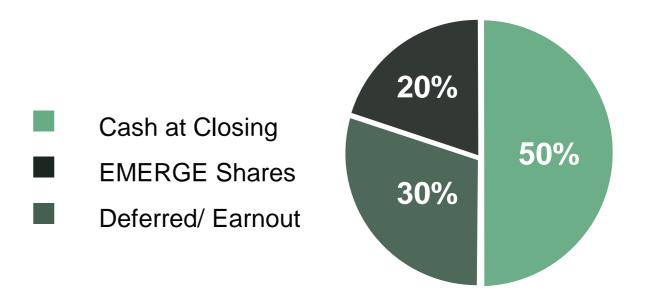
# Capital Efficient Acquisitions



Through a disciplined capital allocation strategy and proprietary pipeline, EMERGE has established a premium e-commerce portfolio

## **Target Criteria**

- Demonstrable 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 4-6X EBITDA





## Acquisition Pipeline



Total Pipeline 45

Live Opportunities
15

Combined EBITDA \$35M

## **Select Acquisition Target Profiles**

E-Commerce Niche	Geography	Revenue	EBITDA
Meat Subscription	Canada	10	1
Organic Grocery	Canada/ U.S.	35	3
Golf	U.S.	25	3.2
Health & Wellness	U.S.	14	5.9
Nutrition Subscription	U.S. / Canada	55	9

EMERGE has a proven M&A team and a robust live pipeline that combines for \$35M EBITDA (pre-synergies) and growing

## "Deals as a Datahub"





## EMERGE leverages data insights to inform strategic decisions

# WagJag

- "Deals as a Datahub"
- Canadian leader in offers for family audience
- Purchased from Torstar Corp.

# underpar.com Just golf stuff

- #1 golf experiences, growing products player in Canada
  - Expanding U.S. presence (60% of sales)
  - Multi-year track record of profitability

# trulocal connecting you to the source

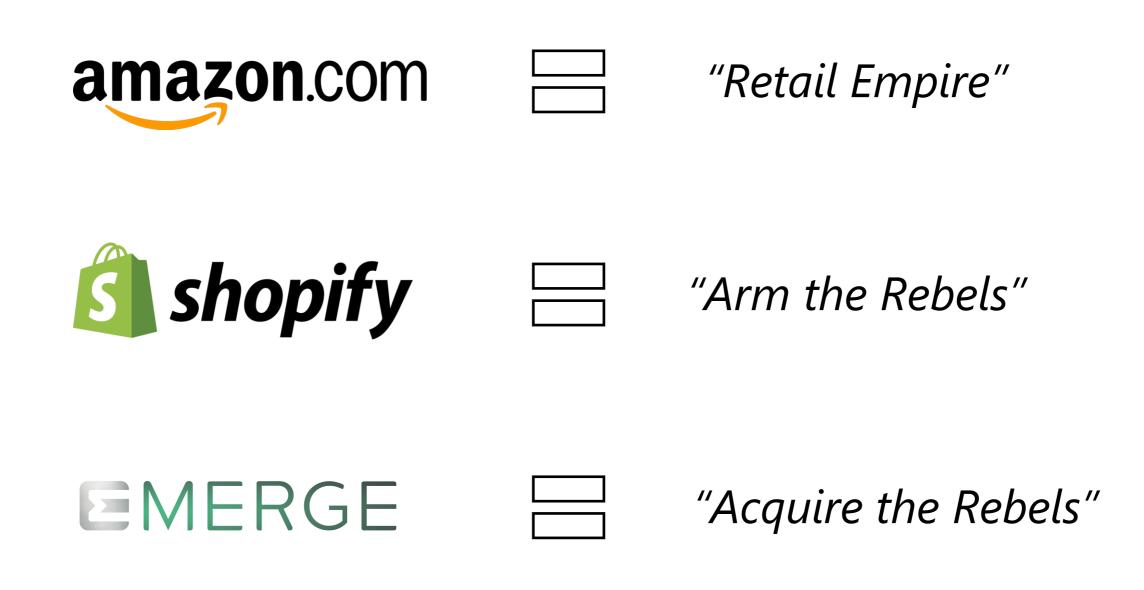
- #1 D2C, premium meat subscription
- First monthly recurring business
- Triple digit organic growth, profitable

## UPCOMING ACQUISITIONS

- Market leaders in 'sticky' verticals
  - · North America focus
- D2C e-commerce brands
  - Healthy sales and EBITDA growth

## Where We Play





# Company Overview



(Figures in \$M)

TSX'	LUU	

Basic Shares Outstanding	89.5	Price	\$1.22
Outstanding RSUs	4.1	Shares	89.5
In-the-money Options (treasury method)	7.2	<b>Market Capitalization</b>	\$109.2
In-the-money Warrants (treasury method)	3.6		
Contingent Earnout	1.6	Loan	\$8.0
Special Warrants (Latest Financing)	8.9	Cash	(\$20.0)
Fully Diluted Shares Outstanding	114.9	Enterprise Value	\$97.2

<sup>1.</sup> Share price at market close (March 22, 2021)

<sup>2.</sup> Estimated cash balance (unaudited). Excludes live financing (\$13M gross proceeds additional expected)

<sup>3.</sup> Special warrants from latest financing to be converted to common shares upon filing of preliminary prospectus

## Leadership Team









- 10 years of acquiring and operating some of Canada's most coveted e-commerce brands
- Recipient of Canada's Top 40 Under 40 Award (2020), presented by BNN Bloomberg and National Post
- Over the past decade, Ghassan has hired over 300 employees, completed 7 M&A transactions, across 3 countries
- Investment Banker with Citi (New York). Advised on \$5Bn+ worth of capital raising and M&A transactions
- Holds an MBA from Georgetown University, and a Bachelor of Commerce from McGill University
- Ghassan sits on the Boards of the Canadian Arab Institute, and the Be-Abled Society





#### Jonathan Leong CHIEF FINANCIAL OFFICER

- Jonathan is a Chartered Professional Accountant and Chartered Business Valuator with over 10 years of experience
- Held senior-level position at a \$300M private-equity roll-up in the veterinary industry, recently valued at \$1Bn+
- Served as CFO for several public companies
- 5 years at Grant Thorton LLP in Audit/Assurance, Corporate Finance and Transaction Advisory
- Jonathan obtained his Master of Accounting from the University of Waterloo



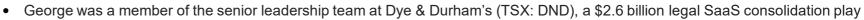


#### Fazal Khaishgi CHIEF OPERATING OFFICER

- Savvy operator with 10 years of proven success in operating and scaling high growth e-Commerce and SaaS businesses
- Among the first 5 employees at Buytopia (acquired by EMERGE). Drove operations helping Buytopia rank #3 Profit HOT 50, 2013
- Co-led the development of SnapSaves; a leading mobile couponing platform (sold to GROUPON in 2014)
- Successfully concluded the sale of Buytopia to EMERGE and joined the management team to lead operations
- Fazal holds an undergraduate degree from the University of Toronto



### George Marouchos VICE PRESIDENT, M&A



- Supported nine acquisitions including integration efforts and implemented organization wide streamlined processes and KPIs
- Deep CPG and Grocery expertise with senior roles at Maple Leaf, Unilever and Pepsi
- George holds Bachelor and Master's degrees in Industrial Engineering from the University of Toronto







#### Maurice Finn VICE PRESIDENT, SALES & PARTNERSHIPS

- Joined EMERGE in March 2018, and leads Sales & Premium Advertising Partnerships
- Led the sales initiatives as Direct Business Manager for Ingram Micro from 2015-2018
- Maurice earned both a Bachelor of Commerce and Bachelor of Laws Degree from The National University of Ireland, Galway

# Board & Advisory Team



## **BOARD OF DIRECTORS**





Drew Green Chairman



Ghassan Halazon Director, CEO



Kia Besharat Director







Nima Besharat Director



John Kim Director



Jonson Sun Director





### **ADVISORY TEAM**





Michele Romanow



lan Palm



Kenny Finkelstein



Albert Soberano







# Thank You.

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