

EMERGE Announces VP M&A and Corporate Development Hire, Provides Further Details on truLOCAL, and Acquisition Pipeline

TORONTO, Jan. 18, 2021 /CNW/ - [EMERGE Commerce Ltd.](#) ("EMERGE" or the "Company") (TSXV: ECOM), a leading acquirer and operator of niche e-commerce brands, is pleased to announce the addition of George Marouchos to the leadership team, as Vice President, M&A and Corporate Development. Mr. Marouchos was most recently a member of the senior leadership team at Dye and Durham (TSX: DND), in his role as Vice President, Strategic Analytics and Applications, where he assisted the company in acquiring and integrating nine businesses. Mr. Marouchos originally joined Dye and Durham as Vice President, Operations, where he led the reorganization and streamlining of Dye and Durham's various departments. Mr. Marouchos also has extensive experience in the meats and consumer packaged goods ("CPG") industries, previously as a senior manager at Maple Leaf Foods Inc. (TSXV: MFI), where he was the youngest Six Sigma Black Belt, as well as senior roles at Unilever PLC (LSE: ULVR) and PepsiCo, Inc. (NASDAQ: PEP).

Ghassan Halazon, Founder and CEO of EMERGE, stated, "We are thrilled that George has joined us to lead our M&A efforts as we prepare to accelerate our acquisition strategy. George's experience acquiring, integrating and enhancing businesses, complemented with his deep grocery and CPG expertise, make him an excellent fit to execute against our ambitious roadmap."

"EMERGE is at the forefront of the rapid rise of e-commerce and has proven to be a disciplined operator with a prudent capital allocation strategy. I am excited to contribute my knowledge to drive the team's acquisition efforts forward in this next phase of growth," said Mr. Marouchos.

EMERGE would also like to provide the following updates:

truLOCAL Acquisition

EMERGE acquired truLOCAL Inc. ("truLOCAL"), the market leader in direct-to-consumer, premium meat subscriptions, on December 31, 2020.

- **Profitable:** truLOCAL generated positive EBITDA¹ in calendar 2020. truLOCAL must meet a minimum threshold of \$1.7 million EBITDA in Year 1, and \$2.5 million EBITDA in Year 2, respectively, in order for former shareholders of truLOCAL to be paid earn-out consideration.
- **Revenue Growth:** Over a 4-year period², truLOCAL grew revenues (unaudited) from \$1.4 million (2018) to \$4.8 million (2019) to \$8.9 million (2020), to \$19.8 million in calendar 2020.
- **Subscription Model:** truLOCAL revenue is generated from monthly recurring subscription (membership) for the delivery of locally sourced, premium meats.
- **Market Expansion:** truLOCAL currently has offices and facilities in Ontario, British Columbia, Alberta, and Illinois. The business is preparing to roll-out additional markets starting in Q1 2021.

"truLOCAL was able to scale its operations with approximately \$1 million in total equity invested until its acquisition by EMERGE. This is a testament to the rare breed of disciplined profitable e-commerce startups that EMERGE stands firmly behind, and continues to partner with," continued Halazon.

truLOCAL experienced a significant increase in subscribers and revenues that has been sustained throughout the pandemic, as Canadian consumers continue to shop online for groceries, among other categories, in record numbers.

Acquisition Pipeline Update

To date, EMERGE has completed five e-commerce acquisitions in North America:

- EMERGE anticipates completing two to three acquisitions over the next 12-18 months.
- EMERGE is rapidly expanding its acquisition pipeline, currently at over 40 target e-commerce companies ranging from early due diligence to signed letters of intent.
- Typical target acquisition profile:
 - Leading e-commerce player in a desirable online niche
 - Revenue of \$5 million to \$50 million
 - EBITDA of \$1 million to \$5 million
 - Multi-year track record of revenue growth and profitability
 - North America focused

"Shopify (TSX: SHOP) and similar technology platforms have created a robust ecosystem that powers thousands of profitable, growing niche e-commerce brands. Under the EMERGE umbrella, we believe these small-to-medium e-commerce businesses are stronger together. It is our ambition to become North America's leading consumer e-commerce portfolio," said Halazon.

¹ *EBITDA is a non-GAAP measure and should not be construed as alternatives to net income/loss determined in accordance with IFRS. Earnings before interest, taxes, depreciation and amortization ("EBITDA") does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that EBITDA is a useful measure because it provides information about the operating and financial performance of EMERGE and its ability to generate ongoing operating cash flow to fund future working capital needs and fund future capital expenditures or acquisitions.*

² *2018-2020 figures based on February fiscal year for truLOCAL (unaudited) except where stated.*

About EMERGE:

EMERGE is a disciplined, diversified, rapidly growing acquirer and operator of niche e-commerce brands across North America. Our network of e-commerce sites provides our members with access to groceries, golf, nearby escapes, and family offers. Our portfolio houses some of Canada's most coveted online destinations including trulocal.ca, UnderPar.com, WagJag.com, JustGolfStuff.ca, and BeRightBack.ca. EMERGE was named one of the fastest growing companies in Canada by the Startup 50, and the Globe and Mail's 2020 Canada's Top Growing Companies.

To learn more, visit www.emerge-commerce.com.

Cautionary notice

Investors are cautioned that any information released or received with respect to the transactions described herein may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Notice regarding forward-looking statements

This press release may contain certain forward-looking information and statements ("forward-looking information") within the meaning of applicable Canadian securities legislation, that are not based on historical fact, including without limitation statements containing the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "continue", "estimate", "forecasts" and other similar expressions. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by

these statements. The Company undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of the Company, its securities, or financial or operating results (as applicable). Although the Company believes that the expectations reflected in forward-looking information in this press release are reasonable, such forward-looking information has been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including the risk factors discussed in the Company's filing statement which are incorporated herein by reference and are available through SEDAR at www.sedar.com. The forward-looking information contained in this press release are expressly qualified by this cautionary statement and are made as of the date hereof. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

SOURCE EMERGE Commerce Ltd.

View original content: <http://www.newswire.ca/en/releases/archive/January2021/18/c0761.html>

%SEDAR: 00048783E

For further information: Investor Relations: James Bowen, CFA, EMERGE Commerce Ltd., 416-519-9442, James.bowen@loderockadvisors.com; Media Relations: Lauren Arnold, Talk Shop Media, lauren@talkshopmedia.com

CO: EMERGE Commerce Ltd.

CNW 07:00e 18-JAN-21