EMERGE Reports Preliminary Q4 Results, Achieves Positive Adjusted EBITDA and Strong Revenue Growth

TORONTO, Jan. 27, 2025 /CNW/ - EMERGE Commerce Ltd. (TSXV: ECOM) ("**EMERGE**" or the "**Company**"), a premium e-commerce brand portfolio, is providing selected preliminary unaudited results for its fourth quarter ended December 31, 2024.

Preliminary Q4 2024 Financial Highlights:

- **Q4 2024 Gross Merchandise Sales ("GMS")[1]** grew to $9.3M, compared to $7.96M in Q4 2023, an increase of 17% YoY
- **Q4 2024 revenue** is expected to be approximately $5.3M, compared to revenue of $4.6M in Q4 2023, an increase of 15%, our highest growth rate of the year
- **Positive Adjusted EBITDA[1]** expected to be between $40K and $80K, compared to a loss of ($400K) in Q4 2023
- *These preliminary results exclude Carnivore Club, a non-core business, which was sold on January 15, 2025*
- Cash balance exceeded $3M at year-end, compared to $1.6M at September 30, 2024 and $2.5M at December 31, 2023

(1) Non-GAAP Financial Measure. Refer to section "Non-GAAP Financial Measures" below for additional information.

Ghassan Halazon, EMERGE founder and CEO, commented, "EMERGE's organic revenue growth accelerated to double-digits in Q4, and we expect to achieve positive Adjusted EBITDA for the first time this year. We can now confidently say that we have delivered on our goals to re-ignite organic growth and significantly improve profitability in 2024. This marks our 3rd consecutive quarter of positive organic revenue growth since shifting our focus to *EMERGE 2.0*, our more centralized, streamlined strategy that entails managing a more focused set of brands. Both truLOCAL and the golf business drove double-digit growth in Q4. We also grew our cash position to $3M to start 2025, driven by stronger than anticipated topline growth and the sale of our dormant Shop domains to Shopify. Subsequently, we also announced the sale of another non-core asset, Carnivore Club, which was not included in the above preliminary results. We look forward to reporting our Q4 and full year 2024 financial results in the coming months, and plan to leverage our accelerated growth trends and our improved cash position to build on this momentum in 2025."

Preliminary Unaudited Financial Information

The financial and operating results included in this news release are based on preliminary unaudited estimated results which have not yet been finalized or, in the case of annual results, audited. These estimated results are subject to change upon completion of the financial statements for the year ended December 31, 2024, and the audit of such financial statements and such changes could be material due to, among other things, the completion of EMERGE's financial closing procedures, final adjustments, review by EMERGE's auditors and other developments that may arise between now and the time the financial results are finalized. Accordingly, such estimated results are forward-looking statements (as defined below) within the meaning of applicable securities legislation and are subject to the limitations and risks described under "Forward-Looking Statements" below.

EMERGE anticipates filing its audited annual financial statements for the year ended December 31, 2024, and related management's discussion and analysis on SEDAR in April 2025.

Unless otherwise noted, all amounts are in Canadian dollars.

About EMERGE

EMERGE is a premium e-commerce brand portfolio in Canada and the U.S. Our subscription and marketplace e-commerce properties provide our members with access to unique offerings across our grocery and golf verticals. truLOCAL is our premium meat and seafood subscription service, connecting local farmers with a digitally savvy, health-conscious audience. Our golf businesses include UnderPar, our discounted tee-times/ experiences brand, and JustGolfStuff, our golf products & apparel brand.

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Non-GAAP Financial Measures

This press release makes reference to certain non-GAAP measures. These non-GAAP measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the financial information of the Company reported under IFRS. Gross Merchandise Sales ("GMS") and Adjusted EBITDA should not be construed as alternatives to revenue determined in accordance with IFRS. GMS and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers.

GMS as defined by management is the total dollar value of customer purchases of goods and services, excluding applicable taxes and net of discounts and refunds. Management believes GMS provides a useful measure for the dollar volume of e-commerce transactions made through our platforms and an indicator for our business performance.

Adjusted EBITDA as defined by management means earnings before interest and financing costs, income taxes, depreciation and amortization, transaction costs, foreign exchange gains/losses, discontinued operations, unrealized gains/losses on contingent consideration and share-based compensation. Management believes that Adjusted 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.

The following table reconciles preliminary GMS to preliminary revenue:

Preliminary Unaudited	**Q4 2024[(1)] $ (millions)**	Q4 2023 $ (millions)	**Full Year 2024[(1)] $ (millions)**	Full Year 2023 $ (millions)
Revenue	**5.3**	4.6	**19.3**	17.7
Adjusted for:				
Merchant costs deducted from net revenue	**3.7**	3.1	**13.1**	11.5
Sales added to deferred revenue	**2.3**	1.9	**8.0**	6.7
Deferred and other revenue recognized, or orders processed	**(2.0)**	(1.5)	**(7.9)**	(6.6)
Advertising revenue	**-**	(0.1)	**(0.4)**	(0.2)
GMS	**9.3**	8.0	**32.1**	29.1

(1) Amounts for Q4 2024 and Full Year 2024 in the table are preliminary

[(2)]*Figures above exclude the results of Carnivore Club, a non-core business, which was sold on January 15, 2025*

A description and reconciliation of the adjusted measures will be included in the Company's management discussion & analysis for the three and twelve months ended December 31, 2024.

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, and including statements with respect to the anticipated savings to result from the implementation of the cost optimization and synergies initiative. 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 MD&A and Annual Information Form, which 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.

On Behalf of the Board
Ghassan Halazon
Director, President, and CEO
EMERGE Commerce Ltd.

SOURCE Emerge Commerce Ltd.

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