

EMERGE Reports Strong Q1 2026 Results

- Q1 revenue increased 17.5% YoY to \$5.9M (8th consecutive quarter of YoY growth)
- Q1 Adj. EBITDA⁽¹⁾ improved to \$122K (6th consecutive quarter of positive Adj. EBITDA)
- Cash grew YoY to \$4.1M from \$2.7M
- **Q2 2025 Outlook:** Continued revenue growth and positive Adj. EBITDA⁽¹⁾ expected

TORONTO, May 28, 2026 /CNW/ - [EMERGE Commerce Ltd.](#) (TSXV: ECOM) ("**EMERGE**" or the "**Company**"), an acquirer and operator of profitable e-commerce brands and technologies, today announced its financial results for the three months ended March 31, 2026. Copies of the interim Financial Statements and MD&A are available on the Company's profile on SEDAR at www.sedar.com.

Q1 2026 Financial Highlights

For the first quarter of 2026, compared to the first quarter of 2025:

- **Q1 revenue** grew to \$5.9M vs. \$5.0M, an increase of 17.5% YoY, marking the 8th consecutive quarter of YoY revenue growth
- **Q1 Gross profit** grew to \$2.1M vs. \$1.9M, an increase of 6.2% YoY
- **Q1 Adj. EBITDA⁽¹⁾** improved to \$122K vs. \$32K, marking the 6th consecutive quarter of positive Adj. EBITDA⁽¹⁾
- **Cash position** grew to \$4.1M (March 31, 2026) vs. \$2.7M (March 31, 2025), an increase of \$1.4M YoY

[Viral Loops](#) was acquired on **March 10, 2026** and contributed from the day of closing. Q2 is Viral Loops first full quarter under EMERGE ownership. Viral Loops achieved approximately \$1.3M Revenue and \$800K Adj. EBITDA⁽¹⁾ in 2025 (unaudited).

Ghassan Halazon, Founder and CEO, EMERGE, "Our Q1 results marked another strong quarter of revenue growth and positive Adjusted EBITDA⁽¹⁾, despite being the most seasonal quarter for our golf business. During the quarter, we also completed the strategic acquisition of Viral Loops that we expect will be immediately accretive to earnings and cash flow. Looking ahead, Q2 is expected to be the strongest quarter of the year in terms of revenue and Adj. EBITDA⁽¹⁾, with the 2026 golf season now in full swing, along with the inclusion of Viral Loops in its first full quarter under EMERGE."

Q1 2026 Strategic Highlights

Debt Refinancing

On February 18, 2026, EMERGE amended its existing credit facility, extending the maturity to **October 2027**. The outstanding balance currently stands at \$5.85M, with pricing unchanged at the greater of 9.0% per annum and TD Prime Rate + 6.55%. The Company remains in good standing with existing lender, which it has worked with since November 2019.

The amendment does not preclude the Company from refinancing its credit facility at a cheaper

rate, at any time, should it secure more favourable terms.

Viral Loops Acquisition and Concurrent Private Placement

On March 6, 2026, EMERGE closed an upsized non-brokered private placement for aggregate gross proceeds of \$2.7M at a price of \$0.10 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at \$0.15 per share until March 6, 2028.

Subsequently, on March 10, 2026, EMERGE completed the acquisition of Viral Loops, a profitable B2B referral technology company with a 10-year operating history. Viral Loops represents the Company's first acquisition under **EMERGE B2B**, a vertical established to enhance EMERGE's overall financial profile and support its D2C Grocery and Golf businesses.

For the year ended December 31, 2025, Viral Loops generated approximately CA\$1.3M revenue and approximately \$800K Adj. EBITDA⁽¹⁾ (*unaudited*). The acquisition consideration included \$2.1M in cash paid at closing and an additional deferred cash payment of \$200K payable on the one-year anniversary of closing. The purchase price equates to a **~2.9x 2025 Adj. EBITDA⁽¹⁾** multiple.

Outlook

For Q2 2026, EMERGE expects to deliver another quarter of revenue growth and positive Adjusted EBITDA⁽¹⁾. The Company is also making some investments at the HQ level and across its portfolio to drive and support current and future growth.

Q2 2026 is a seasonally strong quarter overall, including peak season for the golf business, particularly at Tee 2 Green ("T2G"). Q2 will also be the first full quarter to include Viral Loops results, expected to contribute positive Adj. EBITDA⁽¹⁾ and cash flow.

EMERGE acquired T2G on April 5, 2025, and Viral Loops on March 10, 2026.

Top Priorities

The Company's top priorities in the near-term are to i) continue to drive organic growth, ii) extract synergies to drive profitability, iii) explore avenues to enhance cash flow and reduce interest expense; and iv) explore accretive strategic/ tuck-in acquisition opportunities

Conference Call

Management will host a conference call on **Thursday, May 28 at 9:00 am ET** to discuss its first quarter results. To access the conference call, please dial **(416) 945-7677** or **(888) 699-1199** and provide **conference ID 35050**.

Alternatively, the conference call can be accessed online at: <https://app.webinar.net/01GRbq8ezN5>

Selected Financial Highlights

The tables below set out selected financial information and should be read in conjunction with the Company's consolidated financial statements and MD&A for the three and twelve months ended **March 31, 2026**, which are available on SEDAR.

	Three months ended March 31,	
	2026	2025
	\$	\$
Gross Merchandise Sales ¹	8,434,269	8,008,570
Total revenue	5,907,250	5,028,958
Adjusted EBITDA ¹	122,240	32,299

Net loss from continuing operations	(125,472)	(21,609)
Net income ²	(125,472)	403,120
Basic and diluted loss per share from continuing operations	(0.00080)	(0.00002)
Basic and diluted loss per share from discontinued operations	-	0.00031
Total assets	13,534,723	6,585,339
Long-term liabilities	7,715,974	1,104,733

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

² Results from the Carnivore Club business have been classified as discontinued operations in the comparative period.

The following table highlights Adjusted EBITDA⁽¹⁾ and a reconciliation of the Company's reported results to its adjusted measures:

	Three months ended March 31,	
	2026	2025
	\$	\$
Net (loss) income	(125,472)	403,120
<i>Add back:</i>		
Finance costs	365,752	254,227
Income taxes (recovery)	27,599	80,547
Amortization	76,919	52,778
EBITDA⁽¹⁾	344,798	790,672
Share-based compensation	32,400	58,145
Transaction cost	38,606	12,958
Fair value adjustment to inventory acquired ¹	39,988	-
(Gain) loss on debt modification	(259,581)	-
Foreign exchange and other gains	(73,971)	(404,747)
Net income from discontinued operations	-	(424,729)
Adjusted EBITDA⁽¹⁾	122,240	32,299

The following table highlights GMS⁽¹⁾ and a reconciliation of the Company's reported results to its adjusted measures:

	Three months ended March 31,	
	2026	2025
	\$	\$
Revenue	5,907,250	5,028,958
<i>Adjusted for:</i>		
Merchant costs deducted from net revenue	2,463,915	3,781,678
Deferred revenue and other adjustments to revenue	92,413	(760,282)
Advertising revenue	(29,309)	(41,784)
GMS⁽¹⁾	8,434,269	8,008,570

About EMERGE

EMERGE Commerce (TSXV: ECOM) is a disciplined acquirer and operator of profitable e-commerce brands and technologies across Direct-to Consumer ("**D2C**") and Business-to-Business ("**B2B**") segments. Our **D2C** portfolio spans our **Grocery and Golf** verticals. [truLOCAL](#) is our flagship Canadian meat and seafood subscription service. Our Golf vertical includes [UnderPar](#) (discounted golf experiences), [JustGolfStuff](#) and [Tee 2 Green](#) (discounted apparel and equipment). **EMERGE B2B** houses [Viral Loops](#), our referral marketing platform.

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(1) Non-GAAP 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"), EBITDA, and Adjusted EBITDA should not be construed as alternatives to revenue or net income/loss determined in accordance with IFRS. GMS, EBITDA 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.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") and 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, fair value increments on inventory included in cost of sales, 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.

*A reconciliation of the adjusted measures is included in the Company's management discussion & analysis for the three months ended **March 31, 2026** in the section "Non-GAAP Financial Measures" available through SEDAR at www.sedar.com.*

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 MD&A and Annual Information Form 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. Unless otherwise noted, all amounts are in Canadian dollars.

On Behalf of the Board

Ghassan Halazon
Director, President, and CEO
EMERGE Commerce Ltd.

SOURCE Emerge Commerce Ltd.

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