



Pluribus Technologies Corp. Announces Q4 2021 Financial Results

Fiscal 2021 Highlighted by Five Acquisitions and Significantly Enhanced Scale of the Business

Toronto, Ontario, – April 28, 2022 – Pluribus Technologies Corp. (TSXV: PLRB) (“**Pluribus**” or the “**Company**”), a growing acquiror of small, profitable technology companies, today announced its financial results for the fourth quarter and year ended December 31, 2021. The Company’s consolidated financial statements and accompanying notes for the years ended December 31, 2021 and 2020 are available under Pluribus’ profile on SEDAR (www.sedar.com). All dollar amounts are in thousands of Canadian dollars unless otherwise noted. Certain metrics, including Adjusted EBITDA, are non-IFRS measures (see “Non-IFRS Measures” below).

“In 2021, Pluribus secured approximately \$50 million in new capital and rapidly deployed that on a suite of acquisitions in our core verticals, which contributed to the strong growth in revenue and Adjusted EBITDA for the year,” said Richard Adair, CEO of Pluribus Technologies. “We picked up where we left off as we entered 2022, securing our listing on the TSX Venture Exchange and closing two more acquisitions – Kesson Group and Social5 – that strengthened our position in key segments/verticals and delivered greater revenue and EBITDA scale. Going forward, we remain focused on completing additional acquisitions in our core verticals and acting on further opportunities to realize revenue and Adjusted EBITDA synergies following their integration into the Pluribus family.”

Selected Financial Highlights for the Fourth Quarter and 2021 Fiscal Year

- Revenue for the three and 12 months ended December 31, 2021 increased by 217% and 242% to \$6.8 million and \$18.6 million, respectively, reflecting the five acquisitions completed during 2021, and their full contribution in the fourth quarter.
- Adjusted EBITDA¹ for the three and 12 months ended December 31, 2021 were \$1.8 million and \$2.8 million, respectively, compared to losses of \$0.5 million and \$0.4 million in the comparative periods. The increase in Adjusted EBITDA reflects the contribution from the five acquisitions closed during 2021, net of higher corporate costs.
- Net loss for the three and 12 months ended December 31, 2021 was \$12.9 million, an increase of \$11.1 million, and \$21.0 million, an increase of \$17.8 million, compared to \$1.8 million and \$3.2 million for the comparable periods, respectively. The increase in net loss was driven primarily by higher non-operational expenses, specifically costs for the acquisition completed during the year and transaction costs relating to the RTO process and related financings.
- Cash on hand on December 31, 2021, amounted to \$1.7 million compared to \$1.4 million on December 31, 2020.
- During the fiscal year the Company raised approximately \$50 million in equity financing via three brokered private placements as well as approximately \$12 million in additional debt financing.
- Of the \$50 million in equity financing, \$25 million of that was raised through the RTO Financing. Although the RTO Financing closed on December 3, 2021; the funds were not released by the TSX Venture Exchange (“**TSXV**”) until the RTO was approved, which took place on January 13, 2022. As a result, those funds are not reflected in the Company’s December 31, 2021 cash balance.

¹ Adjusted EBITDA is a non-IFRS measure as described in the “Non-IFRS Measures” section of this news release. These measures are not recognized measures under IFRS, do not have a standardized meaning under IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

Selected Highlights Subsequent to Year-End

- Commenced trading on the TSXV on January 19, 2022.
- Completed acquisition of the Kesson Group, Pluribus' sixth in the eLearning market.
- Completed acquisition of Social 5, a social media marketing company.
- Integrated five eLearning acquisitions under The Learning Network banner to help support organic growth and drive enhanced profitability.
- Entered into an agreement for a new three-year, \$42 million credit facility with National Bank of Canada; of which \$24 million will be drawn upon immediately. Of the \$24 million, approximately \$14.5 million will be used to repay the balance of the previous borrowings at the time of settlement, \$0.8 million for transaction costs associated with the new financing, with the remaining \$8.7 million available for acquisitions and general corporate uses.

Results of Operations

(000's) For the period ended December 31,	Three Months				Twelve Months			
	2021	2020	Var	Var	2021	2020	Var	Var
	\$	\$	\$	%	\$	\$	\$	%
Revenue	6,837	2,154	4,683	217%	18,557	5,429	13,128	242%
Gross Profit	4,427	1,586	2,841	179%	11,965	4,080	7,885	193%
Operating Expenses	2,662	2,124	538	25%	9,162	4,452	4,710	106%
Non-Operational Expenses	15,323	1,243	14,080	96%	24,543	2,754	21,789	853%
Net Loss	(12,882)	(1,795)	(11,087)	-618%	(20,992)	(3,196)	(17,796)	-557%
Adjusted EBITDA	1,765	(538)	2,303	N/A	2,803	(372)	3,175	N/A
Adjusted EBITDA %	25.8%	-25.0%		50.8%	15.1%			22.0%

Outlook

Pluribus is currently focused on four verticals: eLearning, eCommerce, HealthTech and Digital Enablement. We continue to focus on acquisition targets that are owner operated, less than \$10 million in revenue and have normalized EBITDA margins of 20-30%. The pipeline of acquisition opportunities remains robust, as owner-operators continue to look for succession options for their businesses. Pluribus is seeking EBITDA-accretive acquisitions to scale up our existing vertical business units, expand into new ones on an opportunistic basis, as well as grow revenue and further expand our product offering. In 2022, we expect to close additional acquisitions at a similar cadence to the one we delivered in 2021, subject to access to the necessary capital. As of the date of this financial report, we have completed two acquisitions so far in 2022. Operationally, we generally expect to grow these acquisitions profitably following the completion of the integration of the business and the subsequent roll out of our sales and business development plans. In 2022, we expect higher corporate costs associated with being a public company as well as lower SR&ED income to offset Canadian R&D expenditures due to our public company status.

Pluribus' management team will host a conference call to discuss its fiscal 2021 fourth quarter financial results on Friday April 29, 2022.

Conference Call Details

Date: Friday, April 29, 2022

Time: 8:30 am EDT

Dial-In Numbers: (416) 764-8650 or (888) 664-6383

Conference ID: 87087872

Webcast: Available on the [Events & Presentations](#) page of the Company's investor website

Replay: (416) 764-8677 or (888) 390-0541 (playback code: 087872#) – available until midnight (EDT) on May 6, 2022

About Pluribus Technologies Corp.

Pluribus is a technology company that is a value-based acquirer of small, profitable business-to-business technology companies in a range of verticals and industries. Pluribus provides its acquisitions access to experienced sales and marketing resources, strategic partnership opportunities, a diverse portfolio of customers in different geographical markets and enabling technologies to create new revenue streams and provide the opportunity for these companies to grow in their respective markets. For more information, please visit: <https://www.pluribustechologies.com/>.

Non-IFRS Measures

The Company uses non-IFRS measures to assess its operating performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. The Company uses Adjusted EBITDA as a measure of operating performance. Management uses Adjusted EBITDA to evaluate operating performance as it excludes amortization of software and intangibles (which is an accounting allocation of the cost of software and intangible assets arising on acquisition), any impact of finance and tax related activities, asset depreciation, foreign exchange gains and losses, other income, restructuring and transition costs primarily related to acquisitions and other one-time non-recurring transactions.

Reconciliation of Non-IFRS Measures

The Company uses the Non-IFRS measure Adjusted EBITDA to evaluate performance. The following table presents the reconciliation from net income (loss) to Adjusted EBITDA of the three months and year ended December 31, 2021.

(000's) For the period ended December 31,	Three Months				Twelve Months			
	2021	2020	Var	Var	2021	2020	Var	Var
	\$	\$	\$	%	\$	\$	\$	%
Total Revenue	6,837	2,154	4,683	217%	18,557	5,429	13,128	242%
Net loss for the year	(12,882)	(1,795)	(11,087)	-618%	(20,992)	(3,196)	(17,796)	-557%
Acquisition costs	1,204	404	800	198%	2,777	788	1,989	253%
Transition costs	10,624	—	10,624	N/A	11,844	—	11,844	N/A
Amortization and depreciation	701	207	494	239%	2,295	760	1,535	202%
Share-based compensation	5	18	(13)	-72%	34	21	13	62%
Loss from change of fair value of financial liabilities	1,931	269	1,662	618%	6,269	580	5,689	981%
Loss (gain) on revaluation of contingent consideration	104	(10)	114	N/A	73	(10)	83	N/A
Finance expense, net	383	134	249	186%	914	360	554	154%
Foreign exchange loss	371	221	150	68%	337	255	82	32%
Income tax expense	(676)	14	(690)	-4929%	(748)	70	(818)	-1169%
Total Adjustments	14,647	1,257	13,390	1066%	23,795	2,824	20,971	743%
Adjusted EBITDA	1,765	(538)	2,303	N/A	2,803	(372)	3,175	N/A
Adjusted EBITDA %	25.8%	-25.0%		50.8%	15.1%	-6.9%		22.0%

Forward-Looking Information

Certain information in this press release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking information in this press release includes, but is not limited to, statements with respect to the business plans of the Company, including the successful completion and pace of future acquisitions, the Company management's expectation on the growth, profitability and performance of its current and future acquisitions, the Company's ability to continue acquiring business-to-business technology companies at reasonable prices and the Company's ability to grow its portfolio companies into significant organizations. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend" or negatives of these terms and similar expressions.

Forward-looking statements are based on certain assumptions, including the Company's ability to complete acquisitions on favorable terms; the Company's ability to manage a complex portfolio of companies effectively; the Company's ability to scale its management team to support a rapid pace of growth; the Company's ability to raise sufficient financing to continue the pace of its acquisition strategy; the Company's ability to maintain its rapid pace of growth. Other assumptions include industry trends, the availability of growth opportunities, and general business, economic, competitive, political, regulatory and social uncertainties will not prevent the Company from conducting its business. While the Company considers these assumptions to be reasonable

based on information currently available, they are inherently subject to significant business, economic and competitive uncertainties and contingencies and they may prove to be incorrect. Forward-looking information speaks only to such assumptions as of the date of this release.

Forward-looking statements also necessarily involve known and unknown risks, including without limitation, risks associated with general economic conditions, including the COVID-19 pandemic, adverse industry events, marketing costs, loss of markets, future legislative and regulatory developments, the inability to access sufficient capital on favourable terms, the Company's limited operating history; ability to complete favorable acquisitions; the technology industry in Canada and internationally, income tax and regulatory matters, the ability of the Company to execute its business strategies, including the ability manage a complex portfolio of companies effectively, competition, currency and interest rate fluctuations, and other risks.

Readers are cautioned that the foregoing is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ from those anticipated. Forward-looking statements are not guarantees of future performance. The purpose of forward-looking information is to provide the reader with a description of management's expectations, and such forward-looking information may not be appropriate for any other purpose. Except as required by law, the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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

Contact:

Craig Armitage
LodeRock Advisors
investors@pluribustechologies.com
+1 (416) 347-8954

Richard Adair
Chief Executive Officer
Pluribus Technologies Corp.
1 (800) 851-9383

Source: Pluribus Technologies Corp.