

Q4 Inc. Files and Mails Management Information Circular for Special Meeting of Shareholders to Approve Proposed Acquisition by Sumeru Equity Partners

- *Q4 Inc. shareholders to receive cash payment of \$6.05 per Common Share – representing a 36% premium to the closing price of the Common Shares prior to announcement of the proposed Arrangement*
- *Provides shareholders with significant and certain value following robust process overseen by an independent special committee of Q4's Board*
- *Q4's Board (other than the conflicted directors) unanimously recommends that Shareholders vote FOR the Arrangement at the Meeting*
- *Shareholders questions or require voting assistance? Contact Laurel Hill Advisory Group toll free at 1-877-452-7184 (+1 416-304-0211 Outside North America) or by email at assistance@laurelhill.com*

TORONTO--(BUSINESS WIRE)--January 3, 2024--Q4 Inc. (TSX:QFOR) (“Q4” or the “Company”), the leading capital markets access platform, today announced that it has filed and is in the process of mailing its management information circular (the “Circular”) and related materials for the special meeting (the “Meeting”) of the holders (the “Shareholders”) of the Company’s common shares (the “Common Shares”), to be held on January 24, 2024 at 10:00 a.m. (Toronto time), virtually via live audio webcast, at <https://meetnow.global/MA5VC62>.

The Circular provides important information on the previously announced plan of arrangement (the “Arrangement”) pursuant to which an entity (the “Purchaser”) controlled by Sumeru Equity Partners (“Sumeru”), a leading technology-focused investment firm that provides growth capital, would acquire all of the issued and outstanding Common Shares for \$6.05 per Common Share (the “Consideration”), other than those held by certain Shareholders rolling their equity interests (“Rolling Shareholders”). The Circular also provides information on related matters, including voting procedures, how to attend the virtual Meeting and instructions for Shareholders unable to attend the Meeting.

The Company has filed the Circular with the Canadian Securities Administrators on SEDAR+ under the Company’s profile at www.sedarplus.ca and is mailing copies of the Circular and applicable related Meeting materials (collectively, the “Meeting Materials”) to Shareholders of record as of December 19, 2023. The Meeting will be held virtually via live audio webcast accessed as more particularly set out in the Meeting Materials. Copies of the Meeting Materials can also be obtained at <https://investors.q4inc.com/Special-Meeting>.

Julie Silcock, independent director and Chair of the independent Special Committee said, "The all-cash agreement with Sumeru Equity Partners delivers significant, immediate value to shareholders. The agreement followed a robust process under the direction and supervision of the independent Special Committee, with the assistance of its advisors, to uncover potential transactions that could maximize value for Shareholders. In assessing the transaction, the Special Committee considered a variety of reasons and factors, which are detailed in the Company's management information circular. The Special Committee thoroughly evaluated the Company's stand-alone business strategy and determined that the Consideration proposed for Shareholders (excluding Rolling Shareholders) is the best path forward available for the Company, including superior to the alternative of remaining an independent public company and pursuing the Company's long-term strategic plan."

Silcock added, "Notably, the Consideration under the Arrangement reflects a significant all-cash premium to Q4's trading price and followed extensive negotiations with Sumeru and represents an increase from the consideration initially proposed by Sumeru."

Background to the Arrangement

The Company completed its initial public offering in October 2021 seeking to raise capital for internal growth and to use its listed equity and cash as consideration for acquisitions, which was a key part of its growth strategy. Following Q4's IPO, broad declines in North American equity markets resulted in significantly lower share price performance for many technology companies. The weak macroeconomic environment also resulted in a dramatic decrease in the number of companies going public and an increase in M&A activity and stock exchange de-listings, which in turn resulted in lower new client acquisition and higher uncontrollable client churn. The downward pressure on the Company's share price and trading multiple adversely impacted the Company's ability to execute strategic acquisitions and limited the Company's ability to grow as planned.

The Company entered into the arrangement agreement governing the Arrangement (the "Arrangement Agreement") following a comprehensive process taken under the direction and supervision of an independent special committee of the Board of Directors (the "Special Committee") and its advisors. This included a canvas of certain potential counterparties before the entry into of the Arrangement Agreement. The Special Committee ultimately unanimously determined that the Arrangement Agreement was the best path forward for the Company and its Shareholders. Following the announcement of the Arrangement, with the assistance of its financial advisor, Raymond James & Associates Ltd. ("Raymond James"), the Special Committee took advantage of a negotiated "go-shop" process to canvas interest from a variety of potential interested parties, including financial sponsors and strategic parties, and received unsolicited inbound interest from certain parties. Raymond James had contact with 23 parties during the process. The Company did not receive any acquisition proposals during the go-shop period.

Selected Reasons for the Arrangement

- **Premium Consideration.** The Consideration to be received by Shareholders (other than the Rolling Shareholders) pursuant to the Arrangement represents a 36% premium to the closing price of the Common Shares on the Toronto Stock Exchange (the “TSX”) on November 10, 2023, the last trading day prior to the announcement of the Arrangement, a 43% premium to the 20-day volume-weighted average trading price of the Common Shares on the TSX as of November 10, 2023 and a 46% premium to the 60-day volume-weighted average trading price of the Common Shares on the TSX as of November 10, 2023.
- **Certainty of Value and Liquidity.** The Consideration offered to Shareholders (other than the Rolling Shareholders) under the Arrangement is all cash, which allows such Shareholders to immediately realize value for all of their investment and provides certainty of value and immediate liquidity.
- **Highest Proposal.** The Special Committee concluded, after extensive negotiations with Sumeru, that the Consideration, which represents an increase from the consideration initially proposed by Sumeru, was the highest price that could be obtained from Sumeru and that further negotiation could have caused Sumeru to withdraw its proposal, which would have deprived the Shareholders of the opportunity to evaluate and vote on the Arrangement.
- **Review of Strategic Alternatives.** The Special Committee, after consultation with Raymond James, considered the identity and potential strategic interest of other industry and financial counterparties for a potential transaction with the Company and the Special Committee determined that it was unlikely any person or group would be willing and able to propose a transaction that was on terms (including price) more favourable than the Consideration under the Arrangement. The Special Committee also considered the Company’s stand-alone business strategy and concluded that the Consideration offered to Shareholders (other than the Rolling Shareholders) is more favourable to Shareholders than the alternative of remaining an independent public company and pursuing the Company’s long-term strategic plan (taking into account the risks, rewards and uncertainties).
- **Go-Shop Provision.** The Company undertook a go-shop process to solicit alternative proposals, but did not receive any acquisition proposals.
- **Independent Formal Valuation and Fairness Opinions.**
 - Stifel Nicolaus Canada Inc. (“**Stifel Canada**”) provided an independent formal valuation under applicable securities laws that concluded that, based upon and subject to the assumptions made, procedures followed, matters considered, and limitations and qualifications set forth therein, as of November 12, 2023, the fair market value of the Shares was in the range of \$5.50 to \$6.80 per Share.

- Both Stifel Canada and Raymond James concluded that, based upon and subject to the assumptions made, procedures followed, matters considered, and limitations and qualifications set out in their respective opinions, that the Consideration to be received by the Shareholders (other than the Rolling Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to such Shareholders. Shareholders are urged to read both Stifel Canada's formal valuation and fairness opinion and the Raymond James fairness opinion in their entirety. Copies of both opinions can be found in the Circular.
- **Minority Vote and Court Approval.** The Arrangement must be approved by not only two-thirds of the votes cast by Shareholders, but also by a majority of the minority Shareholders in accordance with applicable securities laws, and by the Ontario Superior Court of Justice (Commercial List), which will consider the fairness and reasonableness of the Arrangement to all Shareholders.

Shareholders are urged to read the Circular and its appendices carefully and in its entirety as the Circular contains extensive detail regarding the background to the Arrangement, detailed reasons for the recommendation of the Special Committee and the Board (including the above reasons) and other factors considered.

Board Recommendation

The Board, with conflicted directors not in attendance or participating in the decision, unanimously determined that the Arrangement is in the best interests of the Company and is fair to the Shareholders (other than the Rolling Shareholders). Accordingly, the Board (other than the conflicted directors) unanimously recommends that Shareholders vote **FOR** the Arrangement at the Meeting.

Shareholder Questions and Assistance

Shareholders who have questions regarding the Arrangement or require assistance with voting may contact Laurel Hill Advisory Group, the Company's shareholder communications advisor and proxy solicitation agent at:

Laurel Hill Advisory Group

North American Toll Free: 1-877-452-7184 (+1 416-304-0211 Outside North America)

Email: assistance@laurelhill.com.

About Q4 Inc.

Q4 Inc. (TSX: QFOR) is the leading capital markets access platform that is transforming how issuers, investors, and the sell-side efficiently connect, communicate, and engage with each other.

The Q4 Platform facilitates interactions across the capital markets through IR website products, virtual events solutions, engagement analytics, investor relations CRM, shareholder and market analysis, surveillance, and ESG tools. The Q4 Platform is the only holistic capital markets access platform that digitally drives connections, analyzes impact, and targets the right engagement to help public companies work faster and smarter.

The company is a trusted partner to more than 2,500 public companies globally, including many of the most respected brands in the world, and maintains an award-winning culture where team members grow and thrive.

Q4 is headquartered in Toronto, with offices in New York and London. Learn more at investors.Q4inc.com.

All dollar figures in this release are in Canadian dollars unless otherwise indicated.

About Sumeru Equity Partners

Sumeru Equity Partners provides growth capital at the intersection of people and innovative technology. Sumeru seeks to embolden innovative founders and management teams with capital and scaling partnership. Sumeru has invested over US\$3 billion in more than fifty platform and add-on investments across enterprise and vertical SaaS, data analytics, education technology, infrastructure software and cybersecurity. The firm typically invests in companies throughout North America and Europe. For more information, please visit sumeruequity.com.

Cautionary Note Regarding Forward-Looking Information

This release includes “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements with respect to the purchase by the Purchaser of all of the issued and outstanding Common Shares, the rationale of the Board for entering into the Arrangement Agreement, the anticipated timing and the various steps to be completed in connection with the Arrangement, including receipt of Shareholder and court approvals, the anticipated timing for closing of the Arrangement.

In some cases, but not necessarily in all cases, forward-looking statements can be identified by the use of forward-looking terminology such as “plans” “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “is positioned”, “estimates”, “intends”, “assumes”, “anticipates” or “does not anticipate” or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking statements. Forward-looking statements are not historical facts, nor guarantees or assurances of future performance but instead represent management’s current beliefs, expectations, estimates and projections regarding future events and operating performance. Forward-looking statements are necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date of this release, are subject to inherent uncertainties, risks and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ, possibly materially, from those indicated by the forward-looking statements include, but are not limited to, the possibility that the proposed Arrangement will not be completed on the terms and conditions, or on the timing, currently contemplated, or at all, the possibility of the Arrangement Agreement being terminated in certain circumstances, the ability of the Board to consider and approve a Superior Proposal for the Company, and the other risk factors identified under “Risk Factors” in the Company’s latest annual information form and management’s discussion and analysis for the year ended December 31, 2022 and in the management’s discussion and analysis for the period ended September 30, 2023, and in other periodic filings that the Company has made and may make in the future with the securities commissions or similar regulatory authorities in Canada, all of which are available under the Company’s SEDAR+ profile at www.sedarplus.ca. These factors are not intended to represent a complete list of the factors that could affect the Company. However, such risk factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. You should not place undue reliance on forward-looking statements, which speak only as of the date of this release.

Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other risk factors not currently known to us or that we currently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking statements. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, you should not place undue reliance on forward-looking statements. The forward-looking statements represent the Company’s expectations as of the date of this release (or as the date it is otherwise stated to be made) and are subject to change after such date. However, the Company disclaims any intention and undertakes no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable Canadian securities laws. All of the forward-looking statements contained in this release are expressly qualified by the foregoing cautionary statements.

Contacts

Investor

Laurel Hill Advisory Group

North America Toll Free: 1-877-452-7184

Collect Calls Outside North America: 1-416-304-0211

assistance@laurelhill.com

Edward Miller

Director, Investor Relations

(437) 291-1554

ir@q4inc.com

Media

Longacre Square Partners

Scott Deveau

sdeveau@longacresquare.com