



# VerticalScope Holdings Inc.

TSX: FORA

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# Our Company

## VerticalScope is a Leading Digital Platform for Enthusiast Communities and Authentic Perspectives

*We build, acquire and operate digital communities that enable people who are passionate about their interests to connect safely online. Our communities are a source of **authentic human perspectives** in a sea of AI-generated content.*

Note that the pipeline and Adj. EBITDA are based on management's estimates / anticipated results.

(1) Three months ended September 30, 2024.

(2) As at September 30, 2024

(3) Twelve months ended September 30, 2024. Adj. EBITDA is a Non-IFRS measure. Please see "Non-IFRS Measures and Industry Metrics"



### Our Users

- **122M** MAUs<sup>(1)</sup>
- **65M** registered community members<sup>(2)</sup>
- Enthusiasts, super fans, pros, hobbyists



### Our Communities and Acquisition Playbook

- **1,200+** hyper-focused apps, forums, marketplaces, editorial, and e-commerce ratings & reviews brands
- We have completed **230+** community acquisitions



### Our Fora Software Platform

- Unified cloud-based SaaS platform purpose-built for enthusiast communities



### Highly Profitable Business Model with Multiple Growth Levers

- USD **\$67 Million** TTM Revenue, **\$28 Million** TTM Adj. EBITDA<sup>(3)</sup>

# Our Users

## Everyone Is Passionate About Something



Watch Geeks 🧐



Audio Nerds 🎧



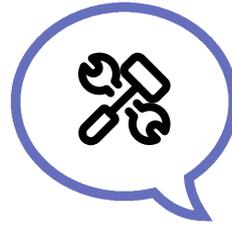
Motorheads 🚗



Fitness Obsessed 😊

### Our Users Are...

- Enthusiasts
- Super Fans
- Experts
- Pros
- Hobbyists
- Armchair Analysts



DIYers 🛠️



Deal Junkies 🤑



Mountain Bikers 🚴



# Our Communities

## We Focus on Hyper-Specific Subjects & Niche Communities

We believe that creating dedicated spaces for niche interests creates a culture of ownership and leads to intense, positive engagement.

We maintain separate brands for each property and empower our users to develop each community's authentic personality.

Our members help develop our communities and share generously.

Mountain Biking



DIY



Beekeeping



Volvos



Audio Gear



GoPro



Mercedes Benz



BMW



Toyota



Woodworking



Harley Davidsons



DIY Audio



Guitars



Electronics



Watches



White Water



1,200+  
Communities

Snowboarding  
SNOWBOARDING  
FORUM.COM

Video Streaming



Diecast Models



Horses



T-Shirting



Sailing



Electricians



Parenthood



MI Hunting & Fishing



Snowblowers



Road Biking



Saxophones



Deals



Trade Pros



Recipes



Dogs



# The Fora Software Platform



## Proprietary, Cloud-based Community Platform

We built our proprietary software platform to accelerate innovation, enhance our user experience, reduce reliance on third party software and support hundreds of individual communities on a single, unified code base.

## Benefits of our Unified, Cloud-Based Community Software Platform



Improved User Experience and Engagement



Integrated Monetization



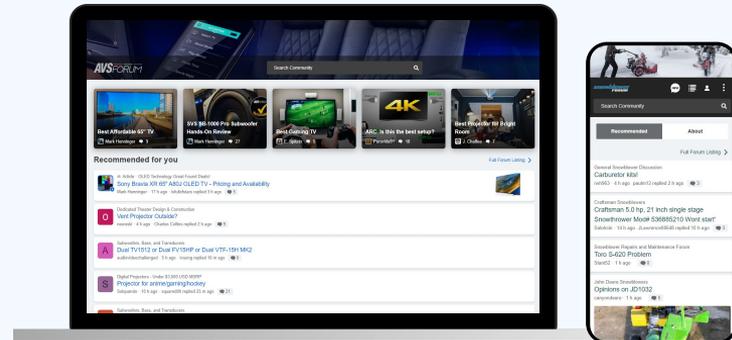
Scalability, Speed & Reliability



Community Management & Moderation



Rapid Onboarding of New Communities



# Topic-Focused Communities Have Durable Advantages

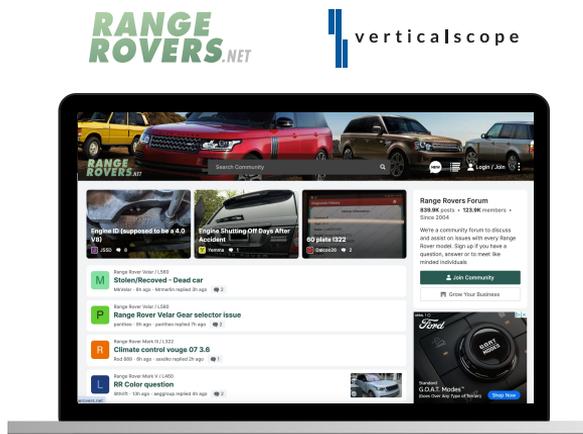
**Passion:** what you know about the things you love is more important than who you are IRL

**Depth:** power-users create compelling content that is used to research big-ticket purchases

**Safety:** pseudonyms allow users to share freely without public scrutiny of their IRL identity

**Focus:** reduced political posturing, social pressure, noise and distraction

The benefits of focus are persistent for enthusiasts



124k Members | 840k Posts | 7 Posts per Member



16k Members | 40k Posts | 2.5 Posts per Member

8x | 21x | 3x

Members  
Posts  
Post Per Member

Members  
Posts  
Post Per Member

Members  
Posts  
Post Per Member

Mountain Bikes		
MTBR	Reddit	

518k	354k	1.5x
15.5m	2.8m	5.5x
30	7.9	3.8x

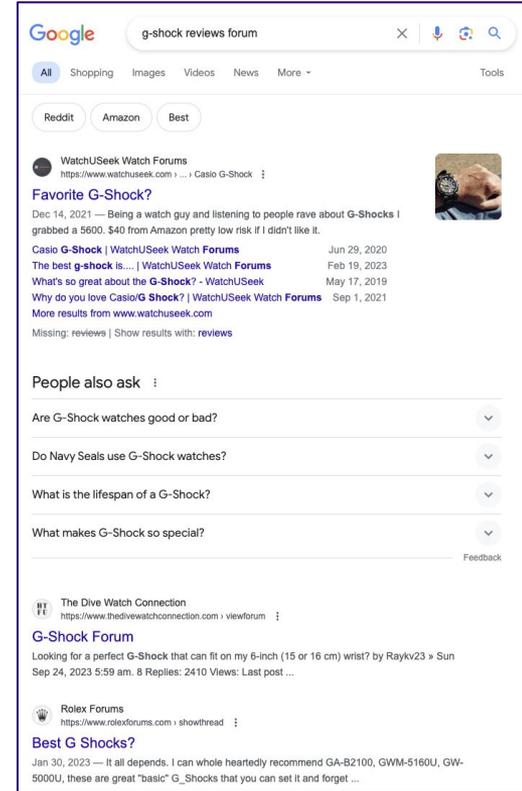
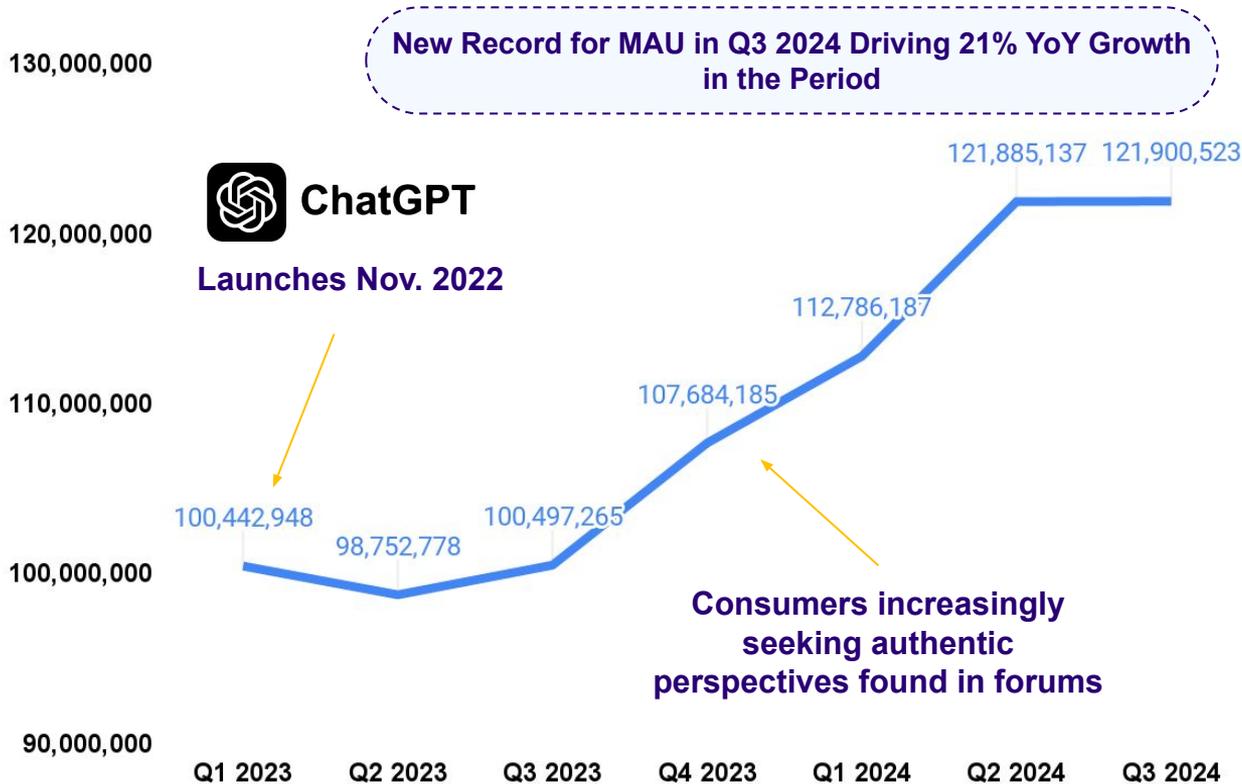
Mercedes-Benz		
BenzWorld	Reddit	

700k	164k	4.3x
7.6m	642k	11.8x
11	3.9	2.8x

Sailing		
SailNet	Reddit	

175k	416k	0.4x
1.7m	818k	2.0x
10	1.9	5.3x

# Generative AI Has Caused a Major Shift In Consumer Behavior



Note: Source For platform MAU Metrics per Google Analytics

# We Acquire Communities to Accelerate Our Growth

## Independent Communities

- Independently owned by hobbyist founder
- Monetization managed as a part-time effort to founder's day job
- Legacy, patchwork software and consumer-grade web hosting
- Limited moderation & support

## Our Operating Playbook

- Analytics-driven target discovery
- Target asset-only acquisitions focused on domain, users and content
- Short-form legal contracts to expedite close
- Migration to Fora
- Consolidation of service providers & back-office



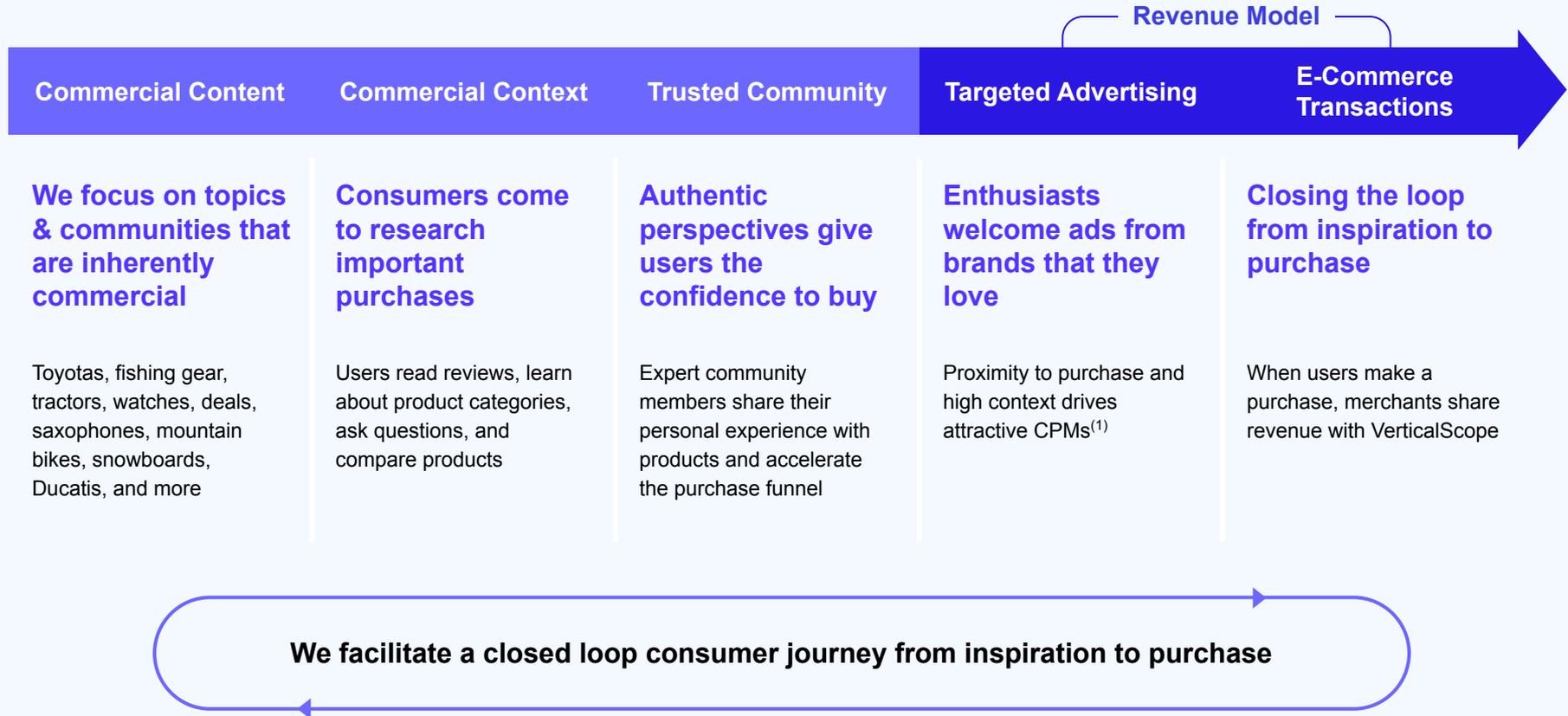
## Transaction Dynamics

- Transaction triggered by founder life events
- Continuity of community
- Limited universe of buyers
- Strong reputation and no other active consolidators
- Upfront cash with target multiple of 5x - 7x TTM EBITDA
- Speed & certainty of close

## Fora Software Benefits

- Rapid migration & community onboarding
- Improved user experience, enhanced features, additional points of engagement
- Better community management and mod & admin automation
- Higher ARPU from integrated monetization and greater scale

# Our Business Model - *Highly Targeted Niches + Consumer Intent*



(1) CPM is a non-IFRS measure. Please see "Non-IFRS Measures and Industry Metrics".

# How We Generate Consistently Attractive Margins

## 01 User-Generated Content

**2B** posts generated by our community members

## 04 The Fora SaaS Platform

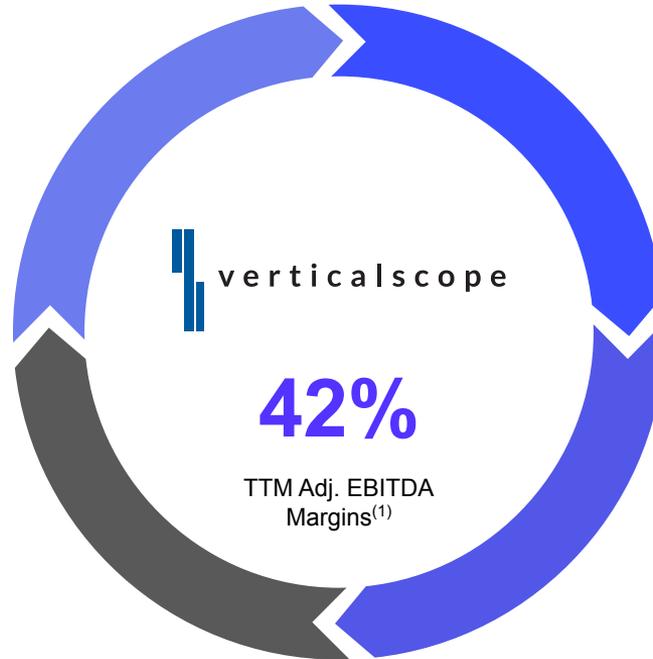
**Highly efficient SaaS platform** enables hosting & management of 1,200+ communities on a single code base

## 02 Volunteer Mods & Admins

Purpose-built technology and **10,000+ volunteer moderators** efficiently moderate millions of conversations

## 03 Organic Audience

**90%+ organic traffic** from our avid members and highly specific search queries



(1) EBITDA Margin is a Non-IFRS measure. Please see "Non-IFRS Measures and Industry Metrics". Twelve months ended September 30, 2024

# Accelerating Revenue Growth

## Revenue



**YTD Digital Advertising <sup>(1)</sup>: 23% YoY growth fueled by MAU & monetization strategies**

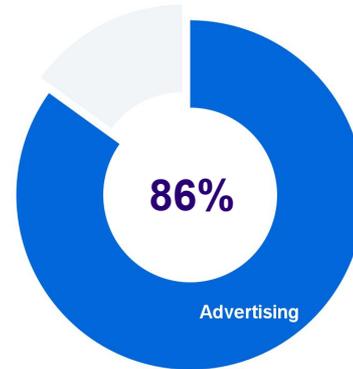
All figures in US\$ millions

<sup>1</sup> For the nine months ending September 30, 2024

<sup>2</sup> For the twelve months ending September 30, 2024

## Revenue Model

### Digital Advertising <sup>(2)</sup>



- Direct advertising relationship with 400+ customers in the U.S. and Canada
- Programmatic advertising driven by connections with many of the largest ad exchanges



### E-commerce <sup>(2)</sup>



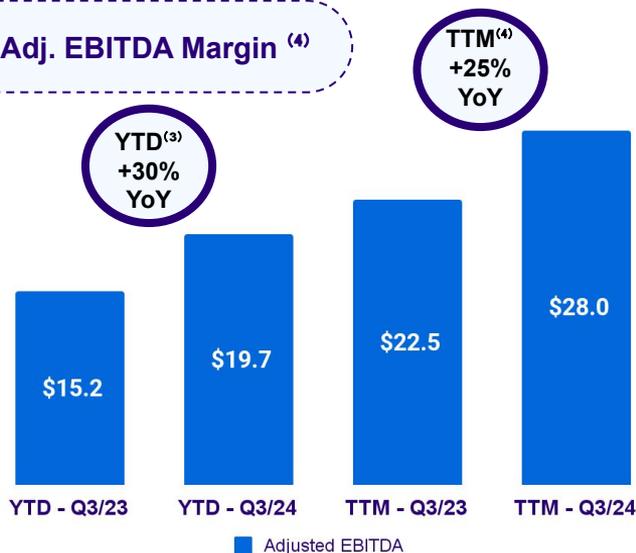
- E-commerce relationships with 70+ partners and networks
- Subscription revenue from SMBs and premium users for greater access to our communities



# Profitable Business Model and Resilient Free Cash Flow

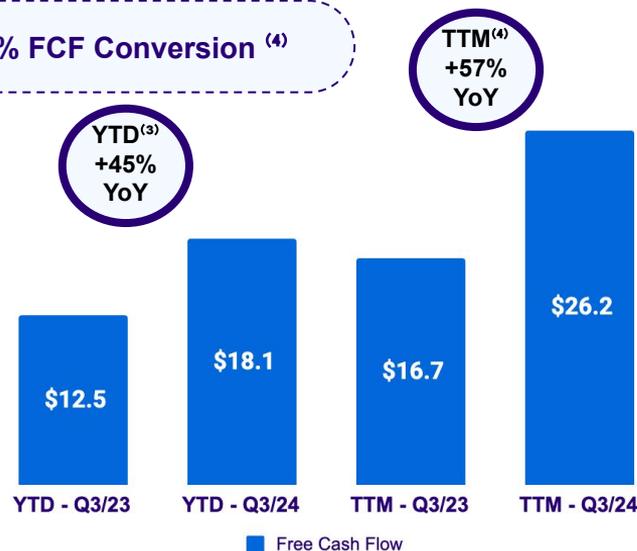
## Adjusted EBITDA <sup>(1)</sup>

42% Adj. EBITDA Margin <sup>(4)</sup>



## Free Cash Flow <sup>(2)</sup>

94% FCF Conversion <sup>(4)</sup>



**Proven track record of generating strong free cash flow strategically deployed towards debt reduction and strengthening financial position**

All figures in US\$ millions

<sup>(1)</sup> Adj. EBITDA is a Non-IFRS measure. Please see "Forward-Looking Information".

<sup>(2)</sup> "Free Cash Flow" and "Free Cash Flow Conversion" are Non-IFRS measures. Please see "Non-IFRS Measures and Industry Metrics".

<sup>(3)</sup> For the nine months ending September 30, 2024

<sup>(4)</sup> For the twelve months ending September 30, 2024

# Capital Allocation: M&A and Strengthening Financial Position

## Post IPO Highlights

**\$110M**

Net IPO proceeds - June 2021

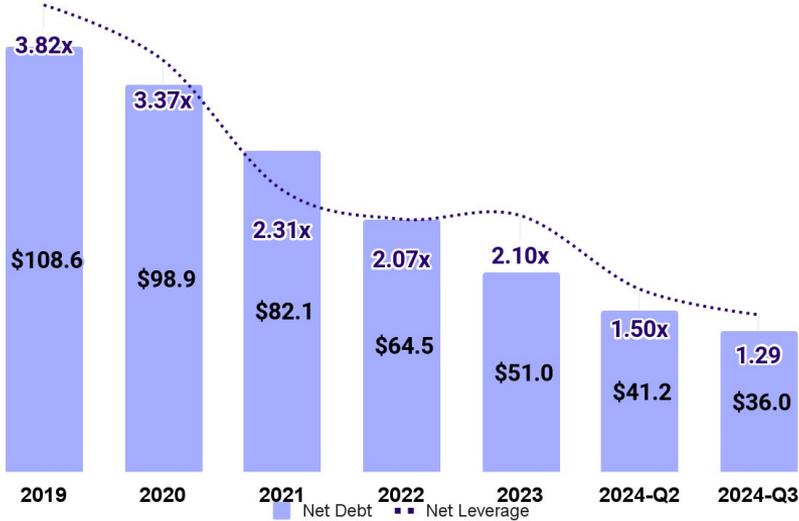
**\$102M**

M&A on over 35 acquisitions

**\$46M**

Reduction in net debt position <sup>(2)</sup>

## Net Debt Reduction <sup>(1)</sup>



All figures in US\$ millions  
 (1) Net Debt and Net Leverage as defined by our amended and restated credit agreement are Non-IFRS measures  
 (2) January 2022 to September 2024. Net Debt and Net Leverage as defined by our amended and restated credit agreement are Non-IFRS measures

Now

Emerging

Future

# Multiple Drivers of Long-term Growth

**A.I.**

LLM Licensing +  
User Created Communities

**Monetization**

Video, Data-driven Advertising  
+ Commerce

**Forum Acquisitions**

1,000s of Independent Forums

**Grow User Base**

Organic MAU + Engagement

# Founder-Led Management Team

## Rob Laidlaw

Founder, Chairman & CEO



## Chris Goodridge

President & COO



## Diane Yu

Chief Legal Officer



## Vince Bellissimo

Chief Financial Officer



## Brandon Seibel

Chief Technology Officer



## Track Record of Strong Capital Stewardship

- Long history of strong cash flow generation
- Funded software platform while maintaining robust EBITDA margins and free cash flow
- Strong positioning for organic growth
- Significant insider ownership: Rob Laidlaw holding a 15% stake with 2.96M Multiple Voting Shares

**THANK YOU**