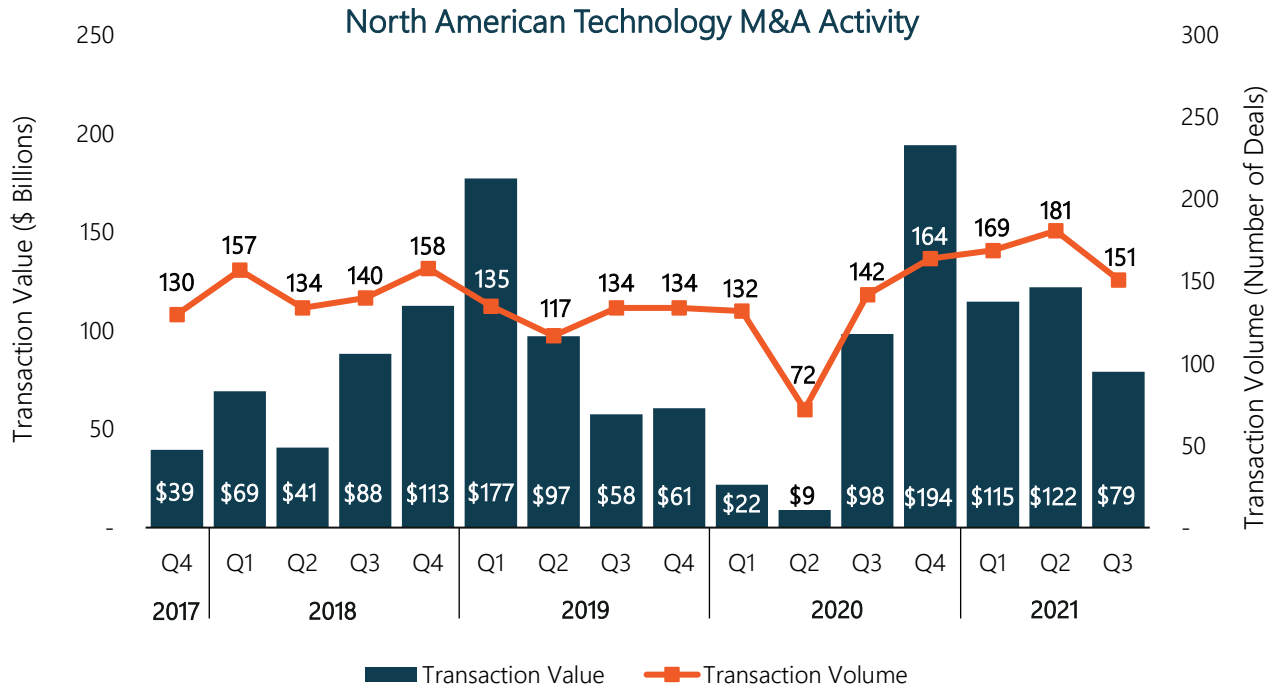


Technology

Quarterly Update | Q3 2021





Source: Capital IQ. Data as of September 30, 2021.

All figures are in CAD unless otherwise stated.

Transaction value is only inclusive of total transaction values which have been disclosed within Capital IQ.

Technology includes companies classified as: Software & Services, Technology Hardware & Equipment, and Semiconductors & Semiconductor Equipment.

Q3 Transactions

151

(-16.6% vs. Q2 2021)

Q3 Transaction Value

\$79 billion

(-35.2% vs. Q2 2021)

YTD21 Transactions

501

(44.8% vs. YTD20)

YTD21 Transaction Value

\$316 billion

(145% vs. YTD20)

M&A Market Update – Q3 2021

- The technology industry experienced a decrease in both transaction volume and transaction value from Q2 2021 to Q3 2021. Total transaction value decreased from \$122 billion to \$79 billion and transaction volume decreased from 181 deals to 151 deals. The softening of M&A activity in Q3 may indicate that the large backlog of deals postponed by the COVID-19 pandemic is beginning to diminish.
- Of the 151 reported transactions for which transaction value was reported, 27 disclosed EV/Revenue metrics and 12 disclosed EV/EBITDA metrics. Of these disclosures, the median EV/Revenue was 3.5x, representing a 16.4% decrease from the prior quarter's median of 4.2x and the median EV/EBITDA was 18.7x, representing a 23.2% decrease from the prior quarter's median of 24.3x.
- **Q3 Industry Spotlight on esports:** The esports industry has experienced growth in revenues and investment, resulting from increasing coverage from mainstream media outlets, backing from celebrities, and increased viewership arising from the COVID-19 pandemic. Although the \$1 billion global eSports industry is still relatively new, a focus on youth viewers is driving global projected viewership growth at 9% per year. This emerging market is attracting investment, which has spurred M&A activity as companies seek to establish their position in the market and gain some form of competitive positioning.

Source: Capital IQ. Data as of September 30, 2021;

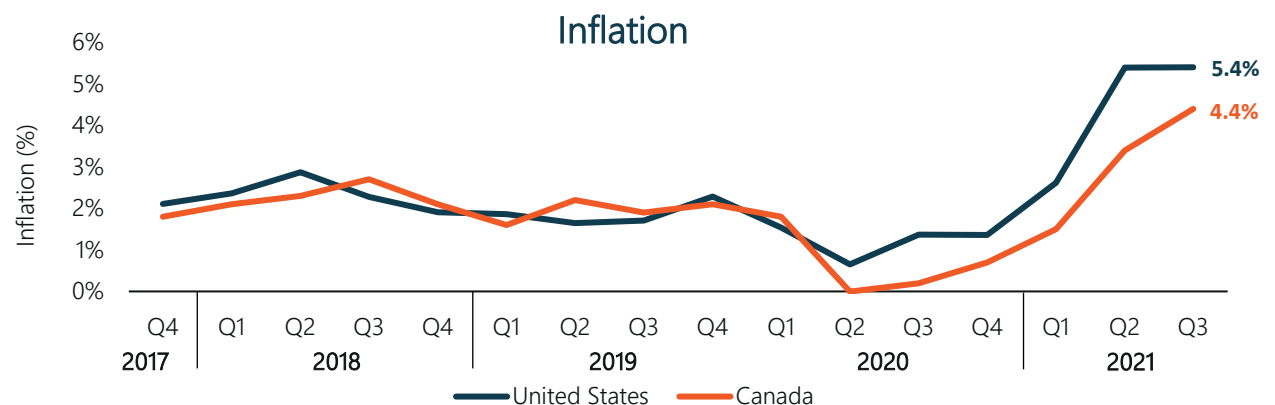
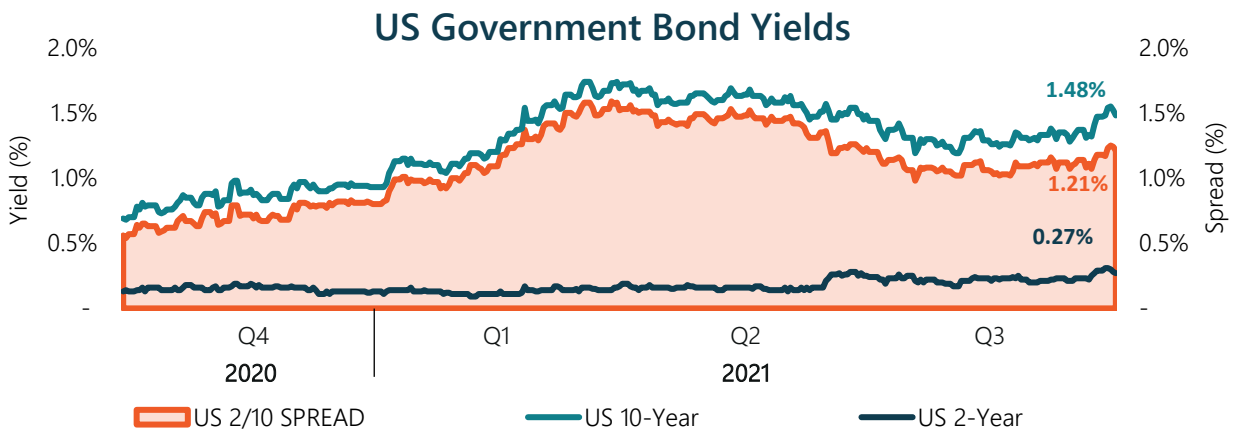
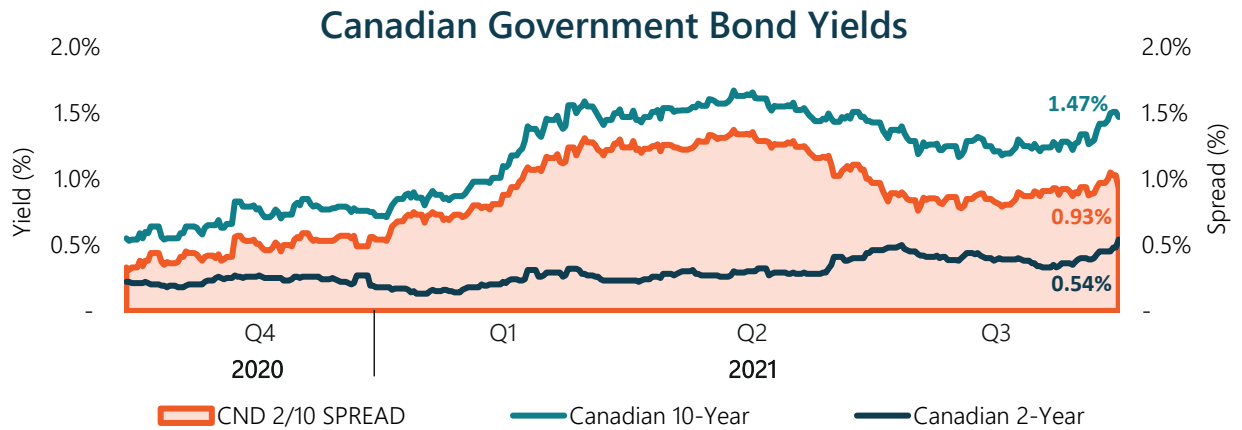
https://www.rbccm.com/en/insights/story.page?dcr=templatedata/article/insights/data/2021/04/the_rise_of_gaming_and_esports;

<https://store.businessinsider.com/products/the-esports-ecosystem-1>

Macroeconomic Indicators

Key external drivers that affect the technology industry include changes to inflation rates and treasury yields. The market outlook for inflation rates is a key driver of yields – rising yields negatively impact the cost of capital for companies, economic growth, and investor demand for higher risk assets such as technology stocks.

Inflation in Canada reached an 18-year high of 4.4% in Q3 2021, while in the US it increased to 5.4%. The increasing inflation rates have been driven by rising prices for housing, gasoline, and food. Both Canadian and US 10-year government bond yields remained relatively flat in Q3 2021, with each ending at approximately 1.5%.



Select Recent M&A Transactions

intuit.

has acquired



Announced	Sep 13, 2021
EV	\$15.2 billion
EV/EBITDA	Not disclosed
EV/Revenue	14.56x

Intuit Inc. announced its acquisition of The Rocket Science Group, LLC d/b/a MailChimp on September 13, 2021. MailChimp operates as an online marketing platform for small businesses globally. The total consideration is approximately \$15.2 billion of which 49% is expected to be paid in cash. The transaction currently does not have a targeted closing date.



has acquired



Announced	Aug 5, 2021
EV	\$6.2 billion
EV/EBITDA	27.0x
EV/Revenue	6.3x

Clearlake Capital Group LP announced its acquisition of Cornerstone OnDemand Inc. on August 5, 2021. Cornerstone is a leading provider of cloud-based talent management software solutions to customers globally. The total consideration is approximately \$6.2 billion.



has acquired



Announced	July 27, 2021
EV	\$345 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

HP Inc. announced its acquisition of Canadian software company Teradici Corporation from Pender Private Investments Inc. on July 27, 2021. Teradici offers remote desktop software and display protocols for customers in architecture, engineering & construction, education, finance, game development, government, and media markets. The total consideration is approximately \$345 million.

Canon

has acquired



Closed	Sep 28, 2021
EV	\$345 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Canon Inc. announced its acquisition of Canadian semiconductor manufacturer Redlen Technologies Inc. on September 8, 2021 and closed the transaction on September 28, 2021. Redlen manufactures cadmium zinc telluride (CZT) semiconductors for use in radiation detection and imaging equipment, including nuclear cardiology, CT scanning, baggage screening, and bomb detection. The total consideration is approximately \$345 million.

Public Comparable Analysis

Trading Multiples & Operating Statistics

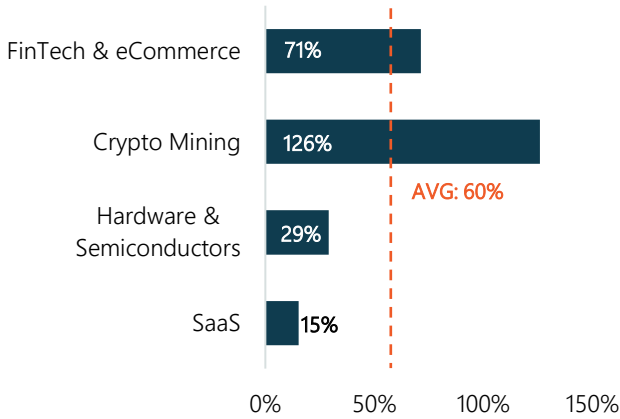
(Figures in CAD millions, except percentages and ratios)

Company	Market Cap	Enterprise Value	LTM Operating Figures				NTM Consensus		Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	LTM EV/EBITDA	LTM EV/REV
SaaS										
Constellation Software Inc.	\$43,973	\$45,084	\$5,599	22.1%	\$1,187	21.2%	22.2%	29.4%	38.0x	8.1x
Open Text Corporation	\$16,650	\$19,512	\$4,195	8.9%	\$1,444	34.4%	1.2%	38.2%	13.2x	4.6x
The Descartes Systems Group Inc	\$8,725	\$8,580	\$479	14.7%	\$197	41.1%	15.4%	42.5%	43.6x	17.9x
Topicus.com Inc.	\$5,302	\$10,062	\$906	35.7%	\$210	23.2%	N/A	N/A	48.0x	11.1x
Kinaxis Inc.	\$4,991	\$4,721	\$282	4.7%	\$19	6.7%	20.8%	16.5%	250.3x	16.7x
Enghouse Systems Limited	\$3,085	\$2,927	\$475	(3.5%)	\$162	34.1%	7.0%	34.4%	18.1x	6.2x
Docebo Inc.	\$3,027	\$2,763	\$102	61.4%	(\$8)	(7.8%)	47.3%	(3.9%)	NM	27.1x
Dye & Durham Limited	\$2,824	\$2,999	\$209	219.0%	\$78	37.2%	92.6%	55.3%	38.6x	14.4x
Tecsys Inc.	\$832	\$811	\$128	19.2%	\$13	9.8%	9.6%	9.5%	64.9x	6.3x
LifeSpeak Inc.	\$364	\$388	\$16	-	\$4	24.9%	131.2%	47.5%	95.9x	23.9x
Alithya Group Inc.	\$278	\$349	\$320	15.3%	\$5	1.5%	30.3%	7.0%	75.1x	1.1x
Sylogist Ltd.	\$245	\$241	\$38	1.4%	\$13	34.8%	31.7%	35.7%	18.4x	6.4x
Farmers Edge Inc.	\$211	\$124	\$45	-	(\$42)	NM	28.4%	(51.0%)	NM	2.7x
Median	\$3,027	\$2,927	\$282	14.7%	\$19	24.1%	25.3%	31.9%	43.6x	8.1x
Mean	\$6,962	\$7,581	\$984	30.7%	\$252	21.7%	36.5%	21.8%	64.0x	11.3x
Hardware & Semiconductors										
Canadian Solar Inc.	\$2,624	\$4,701	\$5,543	39.8%	\$501	9.0%	35.6%	9.3%	9.2x	0.8x
Meta Materials Inc.	\$2,045	\$1,956	\$2	49.9%	(\$13)	NM	N/A	N/A	NM	NM
Celestica Inc.	\$1,426	\$1,550	\$6,966	(5.9%)	\$333	4.8%	9.1%	6.1%	4.9x	0.2x
Evertz Technologies Limited	\$1,095	\$990	\$384	(1.5%)	\$105	27.3%	10.5%	24.5%	9.5x	2.6x
Sangoma Technologies Corporation	\$451	\$535	\$167	27.3%	\$21	12.8%	58.5%	20.0%	24.9x	3.2x
Vecima Networks Inc.	\$369	\$346	\$124	30.9%	\$6	5.0%	30.3%	10.9%	55.2x	2.8x
POET Technologies Inc.	\$367	\$341	\$0	N/A	(\$19)	NM	NM	NM	NM	NM
Median	\$1,095	\$990	\$167	29.1%	\$21	9.0%	30.3%	10.9%	9.5x	2.6x
Mean	\$1,197	\$1,488	\$1,884	23.4%	\$133	11.8%	28.8%	14.1%	20.7x	1.9x
Crypto Mining										
Hut 8 Mining Corp.	\$1,747	\$1,661	\$84	32.6%	\$30	35.2%	281.6%	53.7%	55.9x	19.7x
HIVE Blockchain Technologies Ltd.	\$1,300	\$1,287	\$121	265.0%	\$126	104.5%	N/A	N/A	13.3x	15.3x
Bitfarms Ltd.	\$936	\$918	\$103	125.8%	\$49	47.7%	132.2%	N/A	18.7x	8.9x
BIGG Digital Assets Inc.	\$332	\$283	\$10	635.1%	(\$5)	(54.0%)	211.1%	27.2%	NM	28.6x
DMG Blockchain Solutions Inc.	\$153	\$106	\$8	2.7%	(\$5)	(61.3%)	519.0%	N/A	NM	12.9x
Median	\$936	\$918	\$84	125.8%	\$30	35.2%	246.4%	40.5%	18.7x	15.3x
Mean	\$894	\$851	\$65	212%	\$39	14.4%	286.0%	40.5%	29.3x	17.1x
FinTech & eCommerce										
Shopify Inc.	\$214,513	\$206,069	\$5,323	71.3%	\$691	13.0%	31.6%	14.7%	288.0x	42.3x
Nuvei Corporation	\$20,219	\$20,201	\$666	69.7%	\$253	38.0%	49.5%	42.9%	82.0x	30.4x
Lightspeed Commerce Inc.	\$17,475	\$16,801	\$373	127.0%	(\$112)	(30.1%)	90.9%	(5.3%)	NM	45.0x
Peak Fintech Group Inc.	\$786	\$798	\$76	280.5%	(\$1)	(1.0%)	119.7%	11.6%	NM	10.4x
Payfare Inc.	\$491	\$445	\$21	N/A	(\$19)	NM	199.9%	(3.3%)	NM	21.7x
WeCommerce Holdings Ltd.	\$410	\$453	\$28	59.9%	(\$1)	(5.4%)	112.3%	34.0%	NM	16.4x
Median	\$9,131	\$8,800	\$225	71.3%	(\$1)	(1.0%)	101.6%	13.2%	185.0x	26.0x
Mean	\$42,316	\$40,795	\$1,081	121.7%	\$135	3%	100.7%	15.8%	185.0x	27.7x

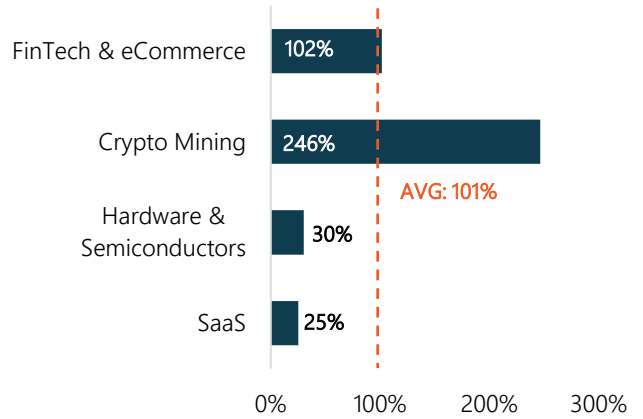
Public Comparable Analysis

Growth, Margins & Multiples

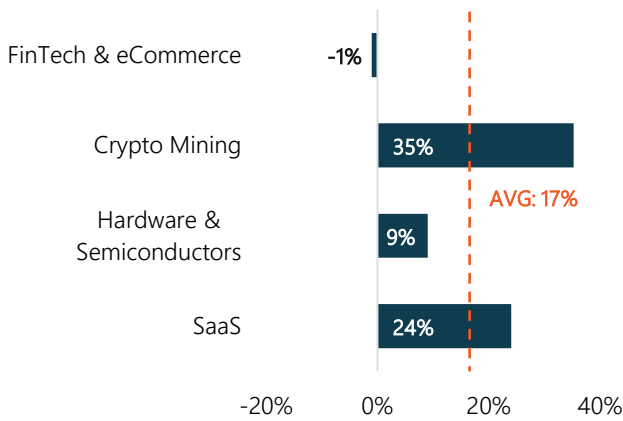
LTM REVENUE GROWTH



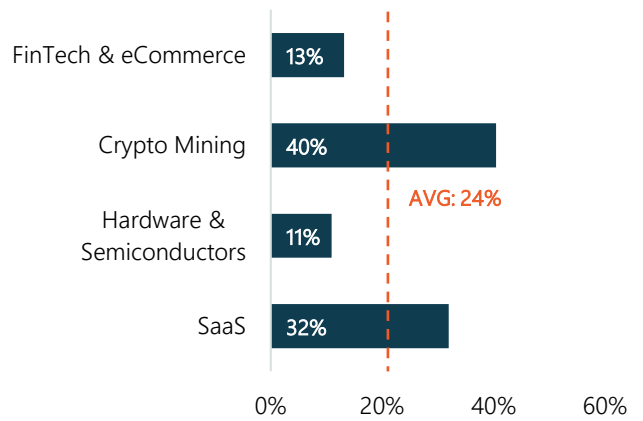
NTM REVENUE GROWTH



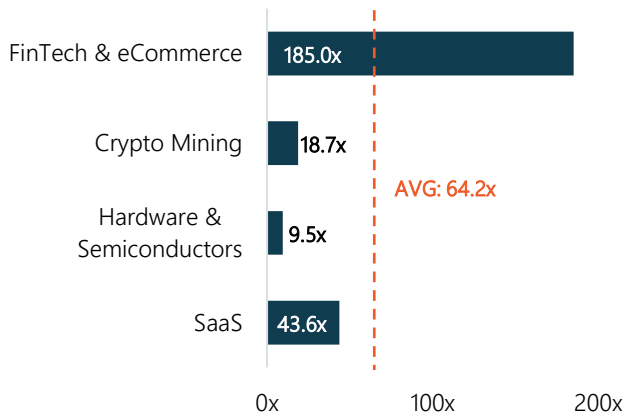
LTM EBITDA MARGIN



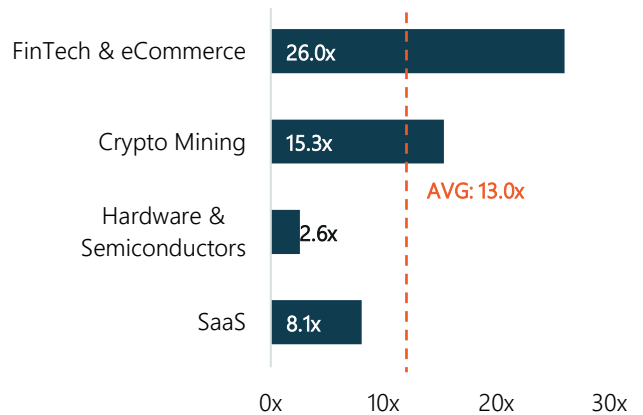
NTM EBITDA MARGIN



LTM EV/EBITDA



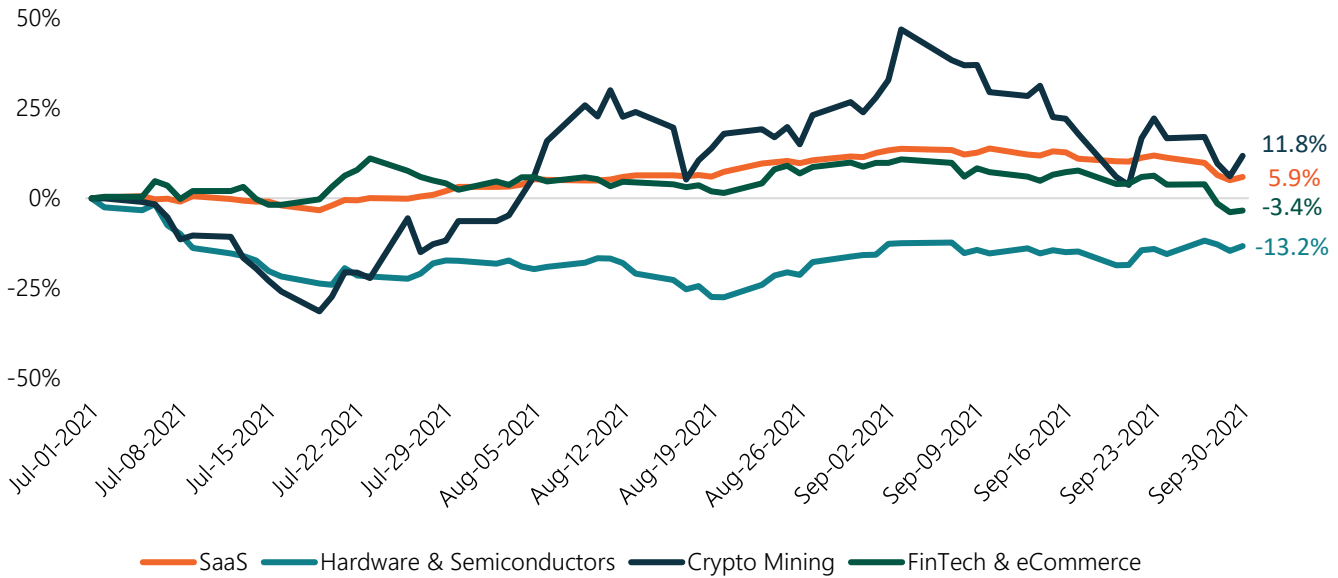
LTM EV/REVENUE



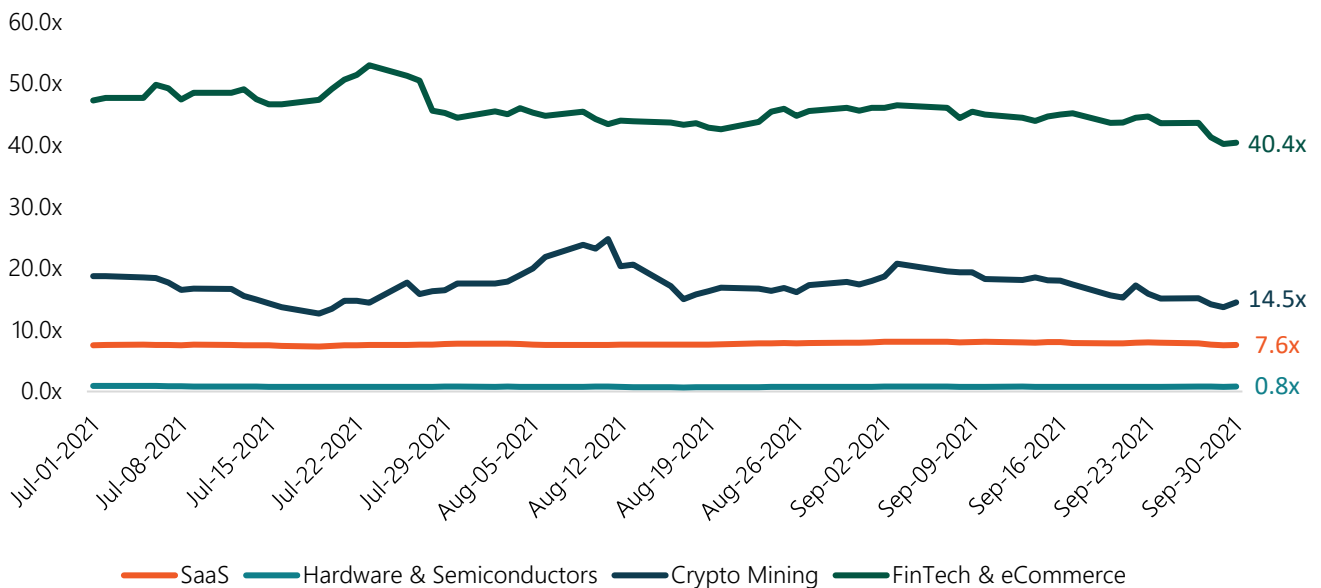
Public Comparable Analysis

Peer Group Performance

Share Price Performance – Q3



EV/Revenue Multiple Performance – Q3



Featured: esports

Setting the Foundation

Electronic sports, or “esports”, are video games played in an organized and competitive environment. In the last several years, esports has moved from a niche community of passionate video game fans to a mainstream, billion-dollar industry. Total esports viewership from around the world is expected to reach 646 million by 2023, and the market could surpass \$1.5 billion at this time. esports is on track to surpass traditional sports, and many traditional sports organizations are embracing it, especially in Canada. The National Hockey League’s Montreal Canadiens, Phil Kessel, and Carl Hagelin have an ownership stake in OverActive Media, a major Toronto-based esports organization, while the Toronto Raptors have their own esports team.

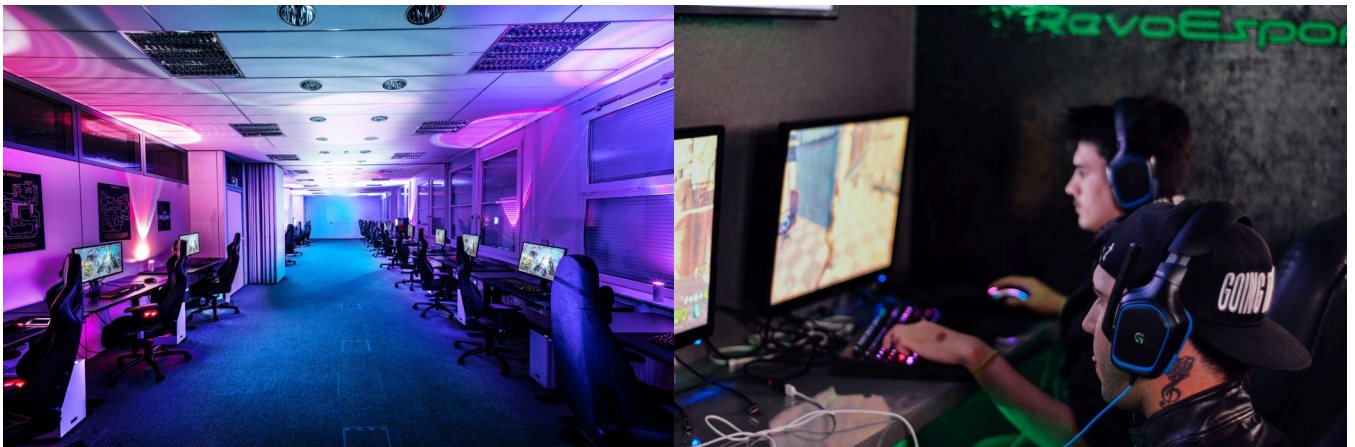
It’s a major global movement, and one in which Canada has been holding its own in several major titles in recent years. While Canada is not yet a leading destination for esports, there is a lot of potential and excitement in the area. In 2017, Team Canada snagged second place in the Overwatch World Cup. And, in 2018, Canadian Sasha “Scarlett” Hostyn earned a historic win at the IEM championship in Pyeongchang, becoming the first woman to win a major StarCraft 2 championship.

Today, several Canadian teams and organizations represent Canada on the world stage. Toronto Defiant and Vancouver Titans are part of the global Overwatch League and their esports organizations, OverActive Media and Luminosity Gaming, respectively, are considered leading global esports organizations.

There are also efforts to build important infrastructure within Canada to support esports development. Vancouver is working hard to make esports a pillar of the economy with a formal esports strategy — the only city in Canada so far — and OverActive Media has planned a Toronto-based 7,000-seat esports venue in opening in 2025 that will only foster more connections in the ecosystem.

For Canada to take full advantage of its esports talent, however, the country is expected to invest in additional infrastructure other than venues. Equitable internet access is one area of investment, which would translate to supporting other areas like online education. At the same time and similar to traditional sports, a focus on more activations at the local level will enable young players to foster their talent and potentially go professional.

Regardless of infrastructure challenges, the ecosystem is emerging and the Canadian esports scene has time to carve out a lucrative model that works, especially as esports becomes more closely tied to traditional sports. As esports continues to grow, Canada is poised to see big benefits, especially as video games continue to be a leading entertainment source for the next generation.



Featured: esports

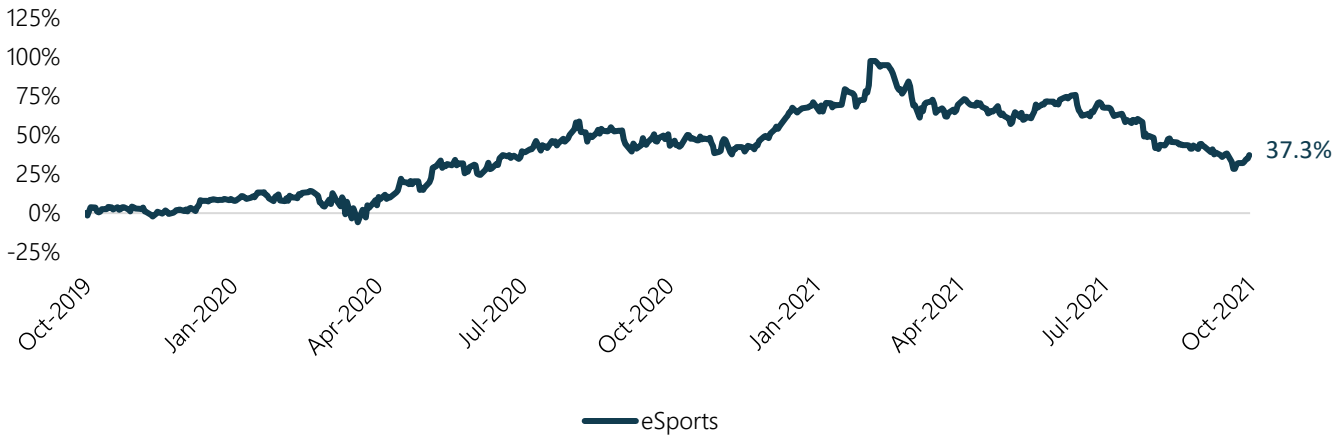
Performance Analysis, Trading Multiples & Operating Statistics

North American esports Peer Group

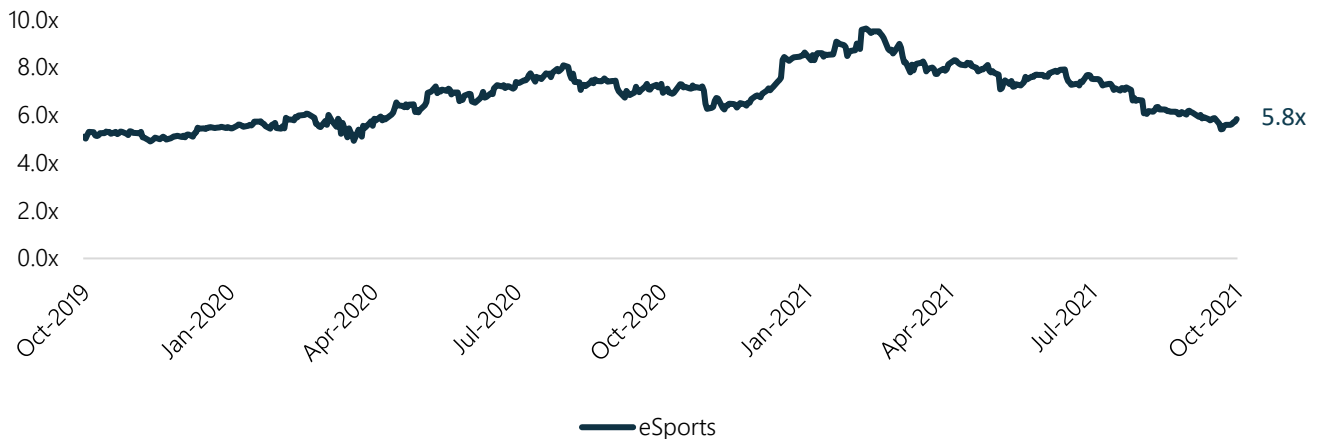
(Figures in CAD millions, except percentages and ratios)

Company	Market Cap	Enterprise Value	LTM Operating Figures				NTM Consensus		Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	LTM EV/EBITDA	LTM EV/REV
eSports										
Activision Blizzard, Inc.	\$76,099	\$68,489	\$11,074	27.9%	\$4,314	39.0%	(1.7%)	44.9%	15.6x	6.1x
Take-Two Interactive Software, Inc.	\$21,532	\$18,579	\$4,156	(0.7%)	\$1,103	26.5%	3.1%	20.9%	16.5x	4.4x
Skillz Inc.	\$5,000	\$4,124	\$373	78.7%	(\$206)	(55.3%)	60.1%	(23.1%)	NM	10.8x
Enthusiast Gaming Holdings Inc.	\$577	\$536	\$126	377.3%	(\$31)	(25.0%)	42.4%	(8.3%)	NM	4.3x
Super League Gaming, Inc.	\$141	\$101	\$4	185.8%	(\$23)	NM	282.3%	(127.7%)	NM	23.7x
OverActive Media Corp.	\$117	\$133	\$10	N/A	(\$9)	NM	NM	N/A	NM	13.8x
Allied Esports Entertainment Inc.	\$88	\$83	\$4	N/A	(\$17)	NM	NM	N/A	NM	23.1x
ESE Entertainment Inc.	\$80	\$72	\$5	N/A	(\$6)	NM	NM	N/A	NM	13.5x
Median	\$359	\$334	\$68	78.7%	(\$13)	0.8%	42.4%	(8.3%)	16.0x	12.2x
Mean	\$12,954	\$11,515	\$1,969	133.8%	\$641	(3.7%)	77.2%	(18.7%)	16.0x	12.5x

Share Price Performance – 2 years



EV/Revenue Performance – 2 years



Featured: esports

Featured esports Transactions



Acquired



Announced	Aug 10, 2021
EV	\$401.0 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Unity Software Inc. announced its acquisition of Parsec Cloud Inc. on August 10, 2021. Parsec develops and delivers a cloud and remote PC gaming platform allowing users to play games on any PC or Mac from anywhere and allowing remote access to customer's gaming PCs. The total consideration is approximately \$401 million.



Acquired



Closed	Sep 10, 2021
EV	\$630.6 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Vista Outdoor Inc. announced its acquisition of Foresight Sports Inc. on September 10, 2021. Foresight Sports is a leading provider of virtual golf solutions, including golf performance analysis software and monitoring systems. The total consideration is approximately \$630 million.

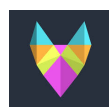


Acquired



Closed	Sep 13, 2021
EV	\$12.7 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Phunware, Inc. announced its acquisition of Lyte Technology, Inc. on September 13, 2021. Lyte specializes in marketing and distributing custom, high-end computer systems with advanced graphic processing units designed for gaming, streaming, and cryptocurrency mining. The total consideration is approximately \$13 million.



Acquired



Closed	Sep 15, 2021
EV	\$22.1 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Evasyst, Inc. announced its acquisition of Live Current Media Inc. on September 15, 2021. Live Current is a digital technology company currently developing SPRT MTRX, a sports and gaming social network where players bid on professional sports scores. The total consideration is approximately \$22.1 million.

About Us

MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

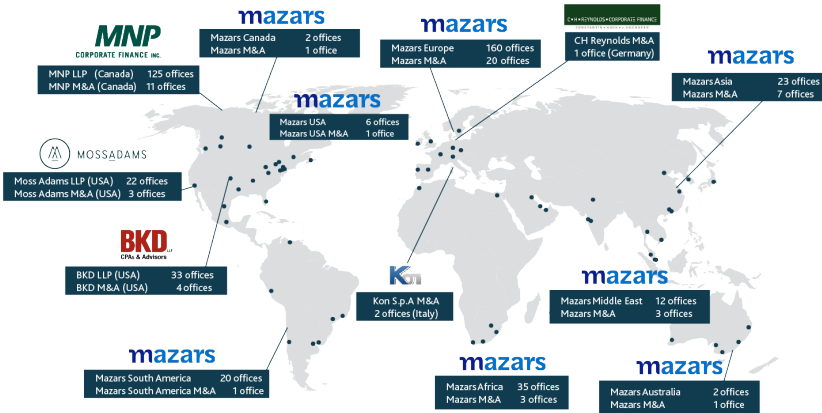
Our typical transactions range in value between \$3 million and \$300 million.

Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting, and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 250+ M&A professionals in more than 30 countries.



CFxB CFxBorder - Global reach with local relationships
 Our corporate finance team through CFxB consists of 250 plus M&A professionals in more than 30 countries



Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

Recently Closed Deals (National)

About Us

Deal Experience

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past five years alone we have completed over 125 transactions worth over \$2 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Health Care
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

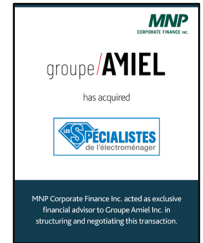
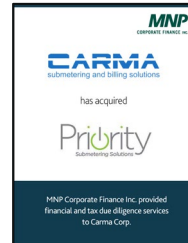
Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes, and overall progress.

Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement, and risk management.

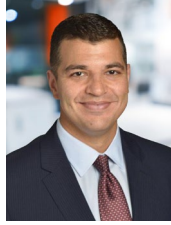
Recently Closed Deals (National)



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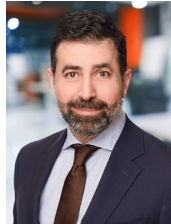
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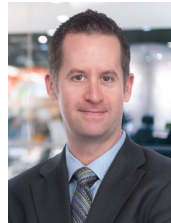


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Due Diligence Leadership



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