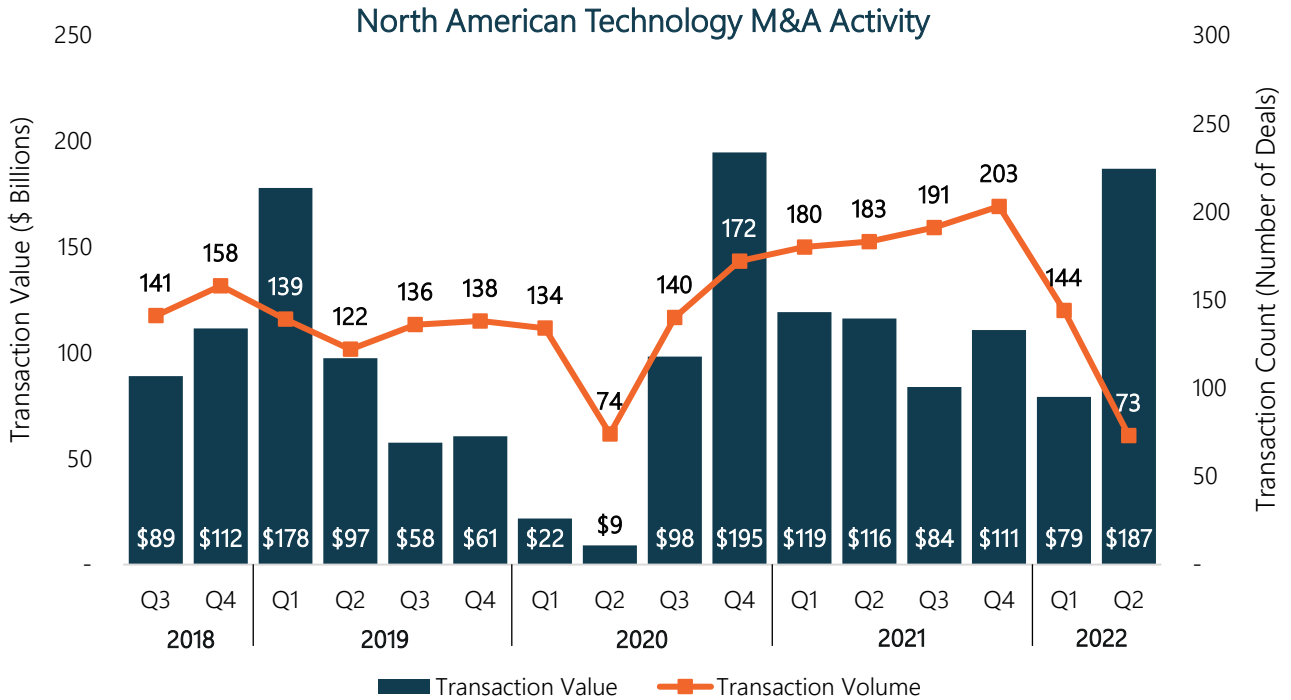


Technology

Quarterly Update | Q2 2022





Source: Capital IQ. Data as of June 30, 2022.
 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 under Capital IQ categories: Software & Services, Technology Hardware & Equipment, and Semiconductors & Semiconductor Equipment.

Q2 Transactions 73 (-49.3% vs. Q1 2022)	Q2 Transaction Value \$187 billion (136.7% vs. Q1 2022)	YTD22 Transactions 217 (-40.2% vs. YTD21)	YTD22 Transaction Value \$266 billion (13.0% vs. YTD21)
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M&A Market Update – Q2 2022

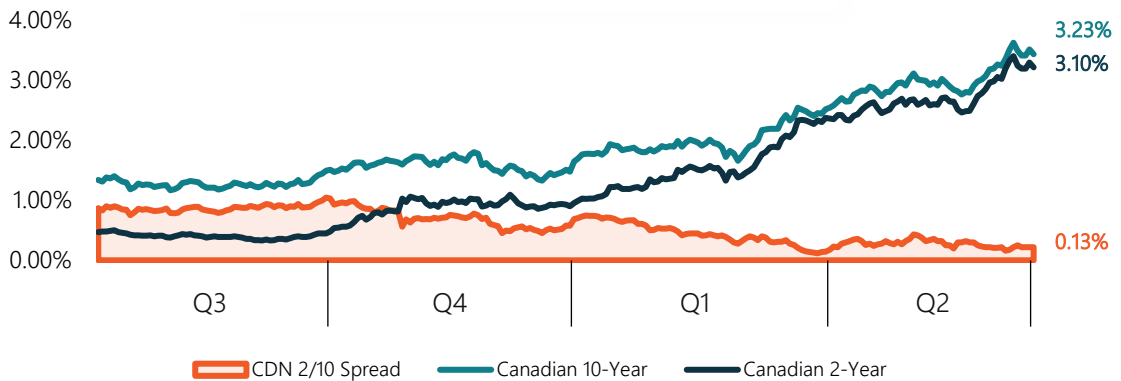
- The technology industry experienced a consecutive decrease in transaction count in Q2 2022, continuing the downward trend since the beginning of 2022. Total transaction count decreased from 144 to 73 deals, representing a 49.3% decline.
- The transaction value increased from \$79 billion to \$187 billion, or a 136.7% increase from Q1 2022. However, this is mostly due to the largest technology deal in the quarter, where Broadcom Inc. announced the acquisition of VMware, Inc. for \$93.3B. This deal accounts for 50% of the deal value in the quarter. Without it, the transaction value for the quarter would be approximately \$93.7B, an 18.6% increase from Q1 2022.
- Q2 2022 experienced the lowest deal count in the past four years, other than in Q2 2020 (74 deals), which was a result of the COVID-19 pandemic and a slowdown in M&A activities across all industries. The Q2 2022 deal count signifies the market's expectation of a potential recession and rising interest rates. However, this does not completely halt deal-making activity as high-profile transactions continue to occur, resulting in a high transaction value in the quarter.
- The Bank of Canada and the Federal Reserve have raised interest rates to combat high inflation in the past quarter, and valuations of technology companies have been negatively impacted. This may be one factor driving lower overall transaction values in the industry. Potential buyers may be taking a more conservative approach in deal-making as they observe the impact of restrictive monetary policies, the war in Ukraine, and increasing financing costs.

Macroeconomic Indicators

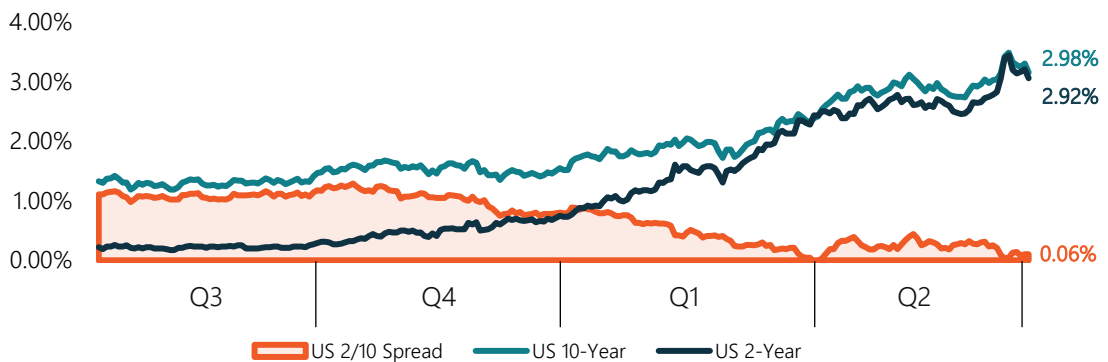
Key external drivers that affect the technology industry include changes to inflation rates and treasury yields. The market outlook for inflation rates is a key metric. Interest rates have continuously increased over the past several months for both Canada and the US, to combat inflationary pressures which have driven yields higher. Higher yields slow down economic growth, and reduce investor demand for higher risk assets such as tech stocks.

Inflation in Canada reached a 39-year high of 8.1% in Q2 2022, while in the US it increased to 9.1%. Both Canadian and US 10-year government bond yields have increased in to 3.23% and 2.98% in Q2 2022, respectively.

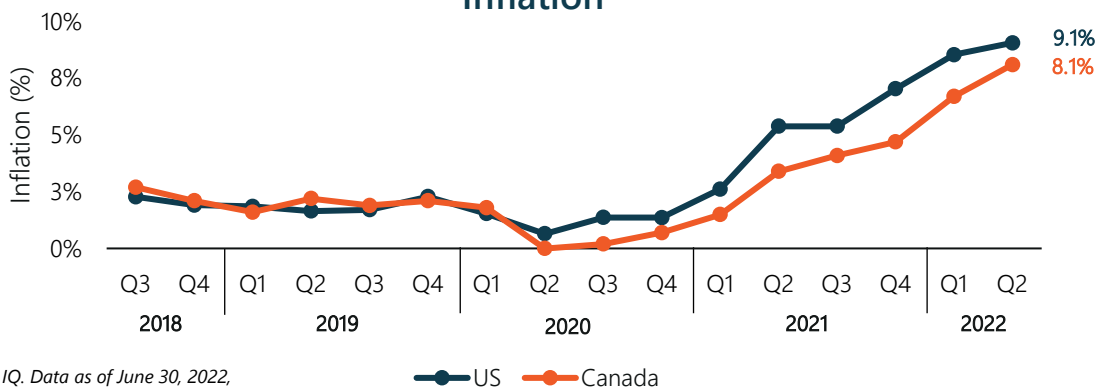
Canadian Government Bond Yields



US Government Bond Yields



Inflation



Source: Capital IQ. Data as of June 30, 2022, Bank of Canada. Data as of June 30, 2022.

Select Recent M&A Transactions



is acquiring



Announced	May 26, 2022
EV	\$93.28 billion
EV/EBITDA	22.0x
EV/Revenue	5.3x

Broadcom Inc. (NASDAQ: AVGO) announced the acquisition of **VMware, Inc.** (NYSE: VMW) on May 26, 2022 in a cash and stock transaction. VMware is a cloud computing company offering digital solutions to businesses, including cloud management, cloud infrastructure, networking, security, and digital workspaces. This is the largest technology deal of the quarter, with total consideration approximating \$93.28 billion, a 14.7% premium over VMware's last closing price prior to announcement.



has acquired



Closed	May 26, 2022
EV	\$2.37 billion
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Advanced Micro Devices, Inc. (NASDAQ:AMD) closed the acquisition of **Pensando Systems Inc.** on May 26, 2022 in an all-cash transaction. Pensando develops an online platform that allows enterprises and public cloud providers to execute IT essential functions, including cloud, security, storage, and network services at the cloud scale. The total consideration is approximately \$2.37 billion.



is acquiring



Announced	May 19, 2022
EV	\$94.79 million
EV/EBITDA	6.2x
EV/Revenue	0.2x

Converge Technology Solutions Corp. (TSX: CTS) announced the acquisition of **PC Specialists, Inc.** (doing business as **Technology Integration Group**) on May 19, 2022. Technology Integration Group designs specifically procured solutions to computer software challenges ranging from cybersecurity to enterprise network maintenance. The total consideration is approximately \$94.79 million.



has acquired



Closed	April 14, 2022
EV	\$60.0 million
EV/EBITDA	Not disclosed
EV/Revenue	3.0x

Halma plc (LSE: HLMA) closed the acquisition of **Deep Trekker Inc.** on April 14, 2022. Deep Trekker produces highly complex remotely operated vehicles intended for use underwater, offering insights from deep bodies of water, to piping systems in a home. The total consideration is approximately \$60.0 million.

Public Comparable Analysis

Trading Multiples & Operating Statistics

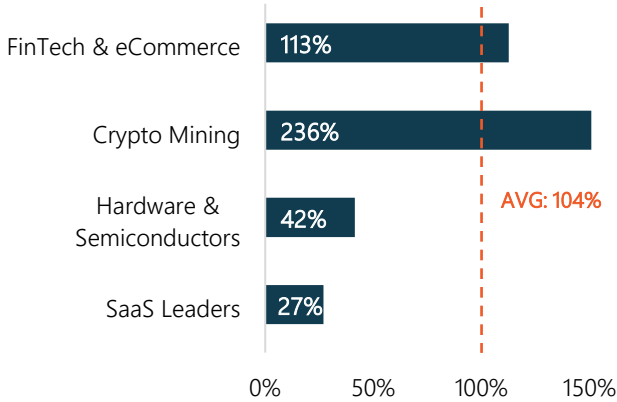
(Figures in CAD millions, except percentages and ratios)

Company	Market Cap	Enterprise Value	LTM Operating Figures				NTM Consensus		Valuation	
			Revenue	Growth	EBITDA	Margin	Revenue Growth	EBITDA Margin	LTM EV/EBITDA	LTM EV/REV
SaaS Leaders										
Constellation Software Inc.	\$40,494	\$41,290	\$6,693	27.9%	\$1,437	21.5%	37.6%	26.7%	28.7x	6.2x
Open Text Corporation	\$13,048	\$16,711	\$4,351	5.0%	\$1,448	33.3%	7.5%	36.6%	11.2x	3.7x
The Descartes Systems Group Inc.	\$6,782	\$6,523	\$567	21.6%	\$241	42.6%	11.9%	44.0%	27.0x	11.5x
Topicus.com Inc.	\$5,825	\$6,134	\$1,063	38.4%	\$236	22.2%	NM	N/A	26.0x	5.8x
BlackBerry Limited	\$4,006	\$3,857	\$901	(17.3%)	(\$100)	(11.1%)	(1.2%)	(16.3%)	NM	4.3x
Kinaxis Inc.	\$3,834	\$3,595	\$363	27.0%	\$51	14.2%	23.6%	14.2%	69.9x	9.9x
Enghouse Systems Limited	\$1,581	\$1,372	\$448	(8.3%)	\$120	26.8%	(1.9%)	32.9%	11.4x	3.1x
Dye & Durham Limited	\$1,504	\$2,489	\$430	209.6%	\$177	41.3%	35.2%	56.9%	14.0x	5.8x
Docebo Inc.	\$1,216	\$956	\$143	61.1%	(\$14)	(9.5%)	45.5%	(0.9%)	NM	6.7x
Median	\$4,006	\$3,857	\$567	27.0%	\$177	22.2%	17.7%	29.8%	26.0x	5.8x
Mean	\$8,699	\$9,214	\$1,662	40.6%	\$400	20.1%	19.8%	24.2%	26.9x	6.3x
Hardware & Semiconductors										
Celestica Inc.	\$1,553	\$2,104	\$7,449	5.3%	\$421	5.7%	15.9%	6.2%	5.0x	0.3x
Evertz Technologies Limited	\$995	\$994	\$441	28.6%	\$111	25.1%	3.9%	24.0%	9.0x	2.3x
Meta Materials Inc.	\$479	\$543	\$8	405.5%	(\$57)	NM	150.8%	NM	NM	NM
Vecima Networks Inc.	\$375	\$382	\$162	41.5%	\$15	9.5%	42.7%	17.4%	24.8x	2.4x
POET Technologies Inc.	\$246	\$224	\$0	NM	(\$23)	NM	294.7%	NM	NM	NM
Sangoma Technologies Corporation	\$233	\$371	\$268	97.0%	\$17	6.2%	35.1%	17.3%	22.3x	1.4x
Median	\$427	\$462	\$215	41.5%	\$16	7.9%	38.9%	17.3%	15.6x	1.8x
Mean	\$647	\$770	\$1,388	115.6%	\$81	11.6%	90.5%	16.2%	15.2x	1.6x
Crypto Mining										
HIVE Blockchain Technologies Ltd.	\$317	\$247	\$242	396.9%	\$255	105.2%	7.5%	88.4%	1.0x	1.0x
Hut 8 Mining Corp.	\$304	\$269	\$195	225.5%	\$86	44.3%	4.9%	32.2%	3.1x	1.4x
Bitfarms Ltd.	\$292	\$387	\$226	236.4%	\$110	48.8%	NM	N/A	3.5x	1.7x
Median	\$304	\$269	\$226	236.4%	\$110	48.8%	6.2%	60.3%	3.1x	1.4x
Mean	\$304	\$301	\$221	286%	\$151	66.1%	6.2%	60.3%	2.5x	1.4x
FinTech & eCommerce										
Shopify Inc.	\$50,758	\$42,963	\$6,026	40.0%	\$239	4.0%	31.9%	2.4%	174.2x	6.9x
Nuvei Corporation	\$6,578	\$6,309	\$985	77.8%	\$299	30.3%	33.8%	43.6%	21.1x	6.4x
Lightspeed Commerce Inc.	\$4,286	\$3,171	\$685	147.3%	(\$234)	(34.2%)	41.9%	(5.1%)	NM	4.6x
Payfare Inc.	\$211	\$169	\$64	347.8%	(\$17)	(26.7%)	129.4%	3.8%	NM	2.7x
Median	\$5,432	\$4,740	\$835	112.6%	\$111	(11.4%)	37.9%	3.1%	97.7x	5.5x
Mean	\$15,458	\$13,153	\$1,940	153.2%	\$72	(6.6%)	59.3%	11.2%	97.7x	5.2x

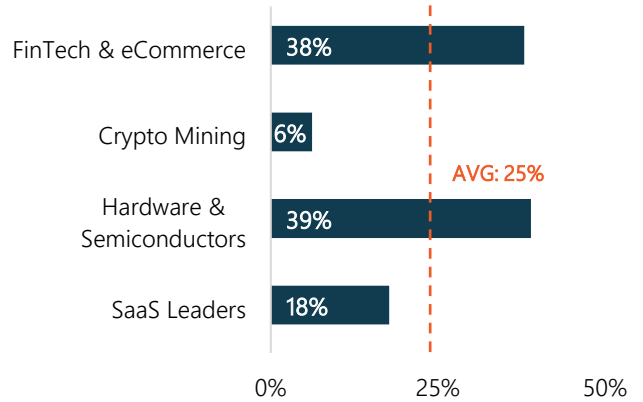
Public Comparable Analysis

Growth, Margins & Multiples

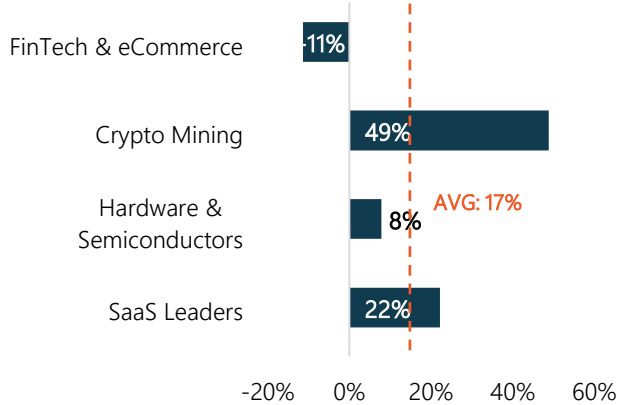
LTM REVENUE GROWTH



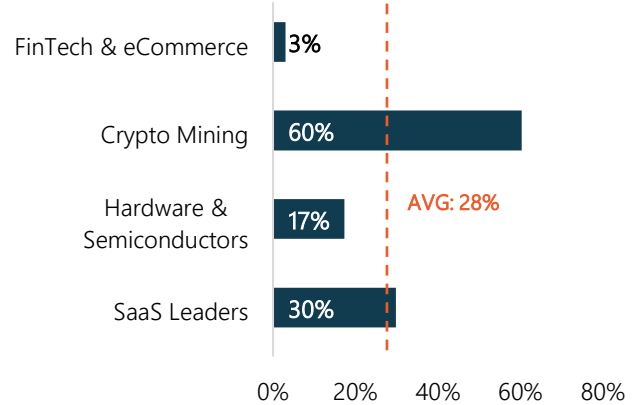
NTM REVENUE GROWTH



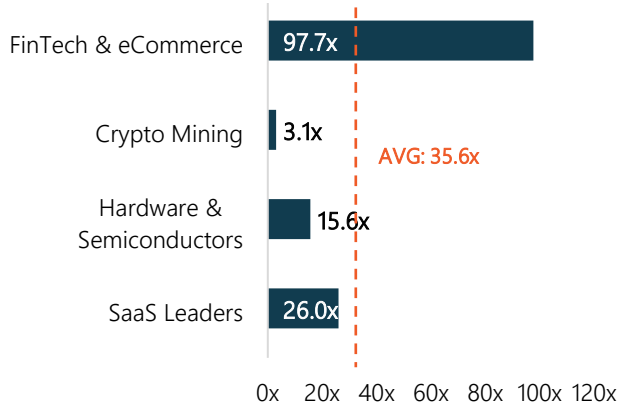
LTM EBITDA MARGIN



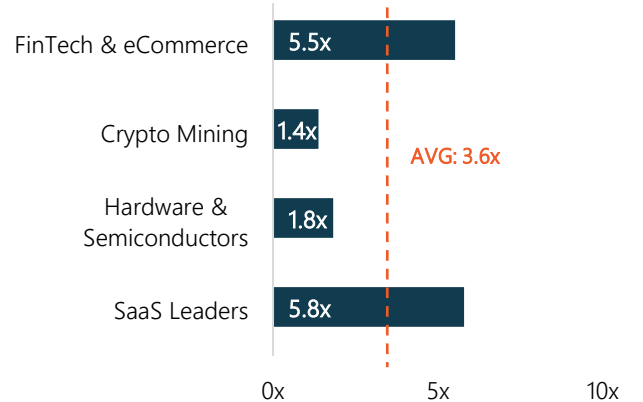
NTM EBITDA MARGIN



LTM EV/EBITDA



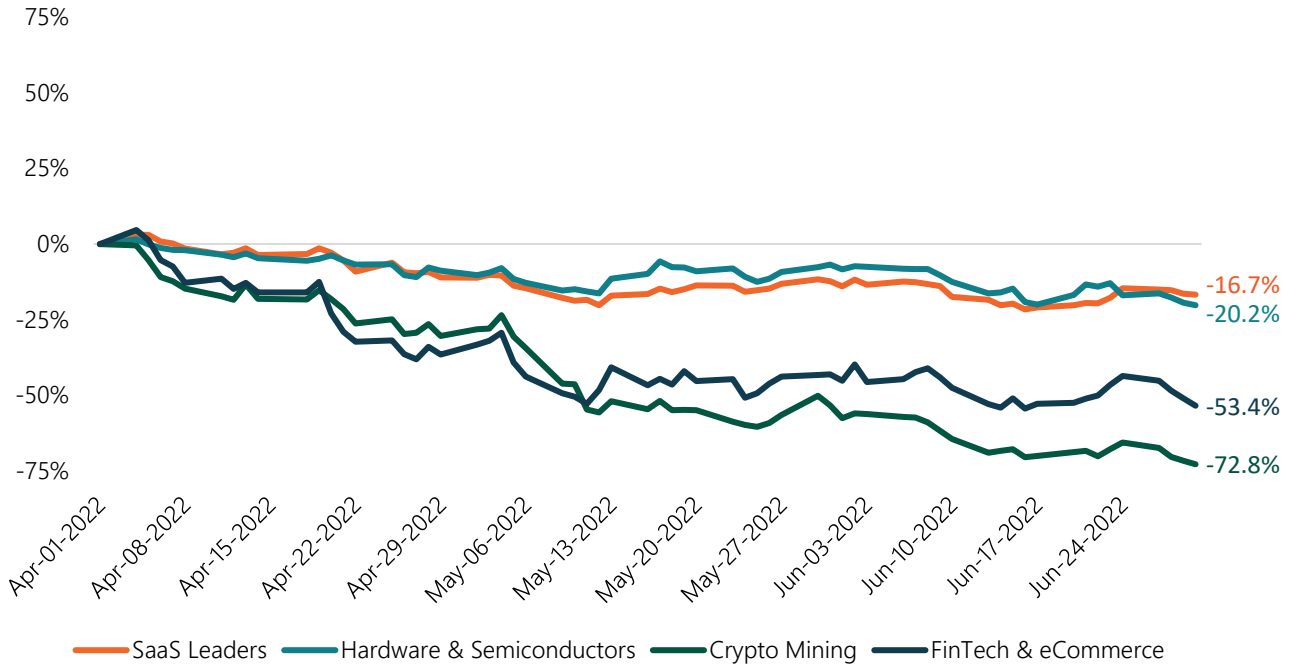
LTM EV/REVENUE



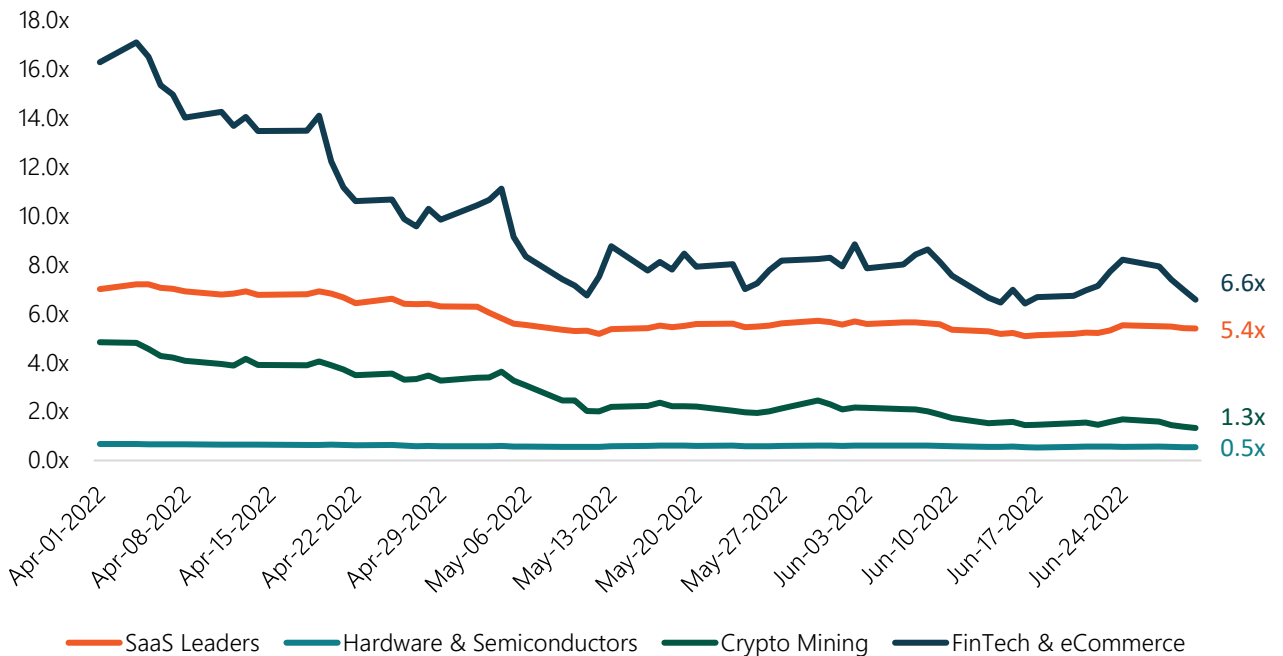
Public Comparable Analysis

Peer Group Performance

Share Price Performance – Q2



EV/Revenue Multiple Performance – Q2



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.

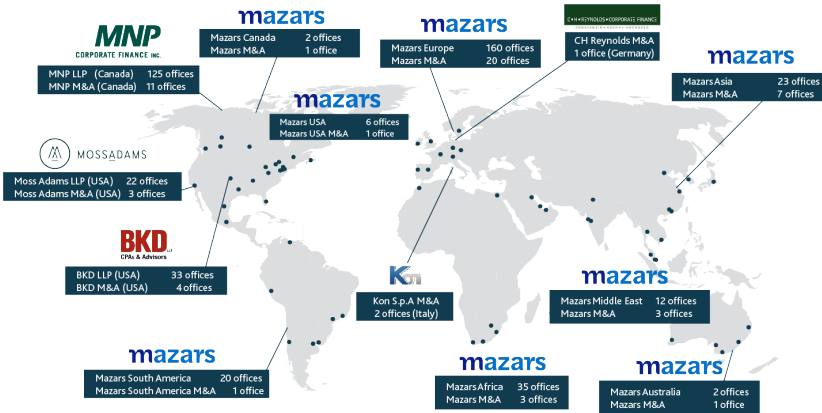
Our typical transactions range in value between \$3 million and \$300 million.

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 eight years alone we have completed over 220 transactions worth almost \$4 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

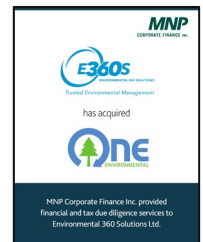
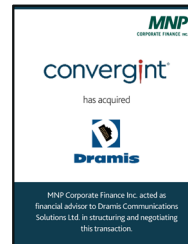
Hands-on Approach

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)

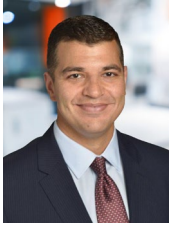


Leadership Team

Transaction Leadership



Brett Franklin
President
Winnipeg
Brett.Franklin@mnp.ca
204.336.6190



Aleem Bandali
Managing Director
Vancouver
Aleem.Bandali@mnp.ca
778.374.2140



Bryce Davis
Managing Director
Vancouver
Bryce.Davis@mnp.ca
604.637.1514



Mike Reynolds
Managing Director
Calgary
Mike.Reynolds@mnp.ca
587.702.5909



Mark Regehr
Managing Director
Edmonton
Mark.Regehr@mnp.ca
780.969.1404



Erik St-Hilaire
Managing Director
Winnipeg
Erik.St-Hilaire@mnp.ca
204.336.6200



Jon Edgett
Managing Director
Waterloo
Jon.Edgett@mnp.ca
519.772.7460



Stephen Shaw
Managing Director
Toronto
Stephen.Shaw@mnp.ca
416.515.3883



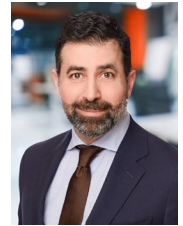
Dan Porter
Managing Director
Toronto
Dan.Porter@mnp.ca
416.515.3877



Chris Chapman
Managing Director
Toronto
Chris.Chapman@mnp.ca
416.596.1711



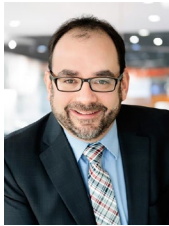
Kevin Tremblay
Managing Director
Toronto
Kevin.Tremblay@mnp.ca
647.943.4051



Patrick Khouzam
Managing Director
Montreal
Patrick.Khouzam@mnp.ca
514.228.7874



Jean-Raymond Lafond
Managing Director
Drummondville
Jean-Raymond.Lafond@mnp.ca
819.473.7251



Éric Grondin
Managing Director
Sherbrooke
Éric.Grondin@mnp.ca
819.823.3290



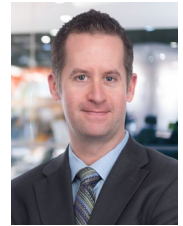
Jasmin Allard
Managing Director
Sherbrooke
Jasmin.Allard@mnp.ca
819.560.7856



Jonathan Banford
Managing Director
Chicoutimi
Jonathan.Banford@mnp.ca
418.696.3924



Frédéric Fortin
Managing Director
Chicoutimi
Frederic.Fortin@mnp.ca
418.696.4561



Craig Maloney
Managing Director
Halifax
Craig.Maloney@mnp.ca
902.493.5430

Due Diligence Leadership



Johnny Earl
Managing Director
Vancouver
Johnny.Earl@mnp.ca
604.637.1504



John Caggianiello
Managing Director
Toronto
John.Caggianiello@mnp.ca
416.513.4177



Wilson Lai
Managing Director
Toronto
Wilson.Lai@mnp.ca
289.695.4386