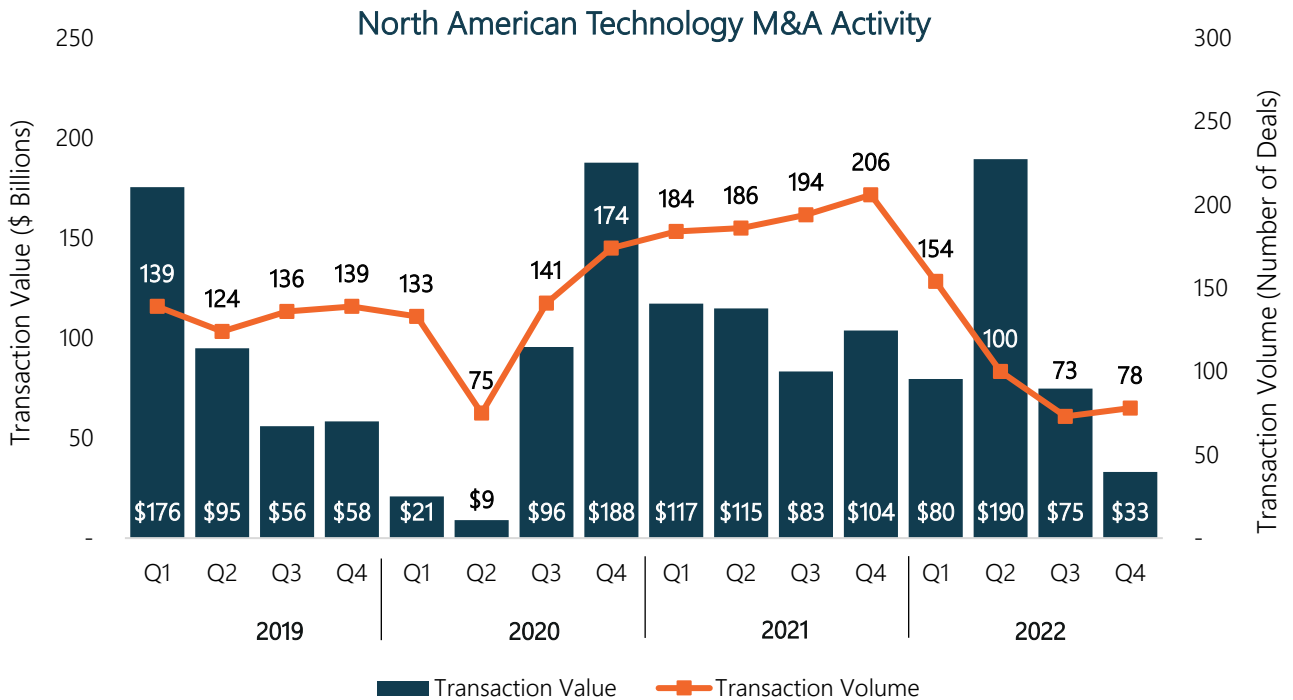


Technology

Quarterly Update | Q4 2022





Source: Capital IQ. Data as of December 31, 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.

Q4 Transactions

78

(7% vs. Q3 2022)

Q4 Transaction Value

\$33 billion

(-56% vs. Q3 2022)

2022 Transactions

405

(-47% vs. 2021)

2022 Transaction Value

\$377 billion

(-10% vs. 2021)

M&A Market Update – Q4 2022

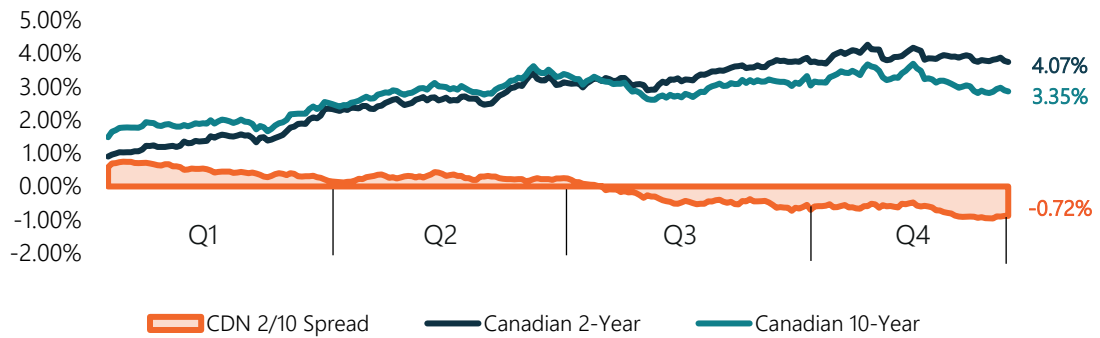
- The technology industry experienced another quarter of depressed M&A activity in Q4 2022. Both the transaction value and transaction volume represent the third lowest levels of quarterly deal activity over the past four years.
- Year-over-year transaction volume in the sector fell nearly 50% from its high in 2021 as acquirers take a more conservative approach to deal-making in this rising interest rate environment.
- The economic and geopolitical environment for the past three years has created an unconventional set of circumstances for investing in and acquiring businesses. Today, financial and strategic acquirers are adjusting their mindsets regarding how to create and preserve value in this economic climate. Revisiting the investment thesis on previous investments (especially growth and profitability targets) and de-risking new investments will very likely require more rigour in uncertain times.
- Relying on value creation through a 'growth premium,' low cost of capital, and achieving cost synergies is a risky proposition when customers are reducing and deferring non-discretionary spending, and when companies are grappling with reduced leverage, higher cost of capital, and increasing costs due to labour shortages and inflation. Therefore, M&A activity may remain suppressed for the technology industry in the near term.

Macroeconomic Indicators

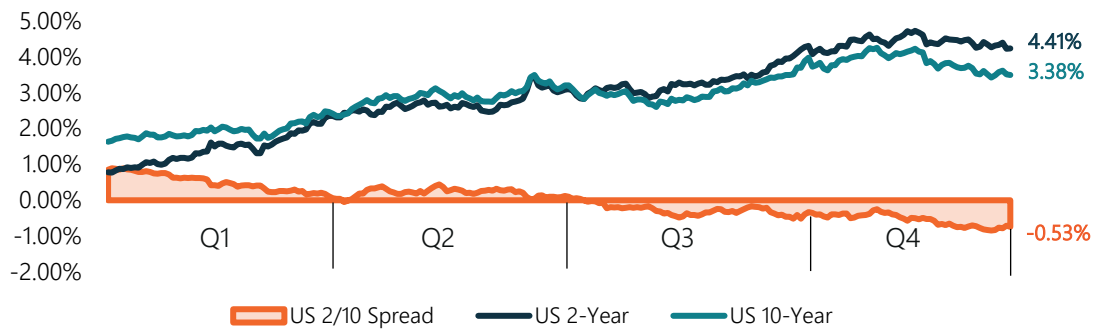
Key external drivers that affect the technology industry include changes in inflation rates (i.e., Consumer Price Index) and treasury yields. Interest rates have shown conflicting movement over the past several months for both Canada and US, where the two-year bond yield is growing at a faster rate than the 10-year yield, beginning in Q3 2022. Investors commonly consider an inverted yield curve to be a recession indicator.

Inflation in Canada declined to 6.3% in December 2022, down from its peak of 8.1% in Q2. Similarly in the US, inflation decreased to 6.5% in December 2022. While it may appear that hawkish monetary policies are reducing inflation as intended, both the Bank of Canada and the Federal Reserve have indicated that further rate hikes in the upcoming quarter may be necessary to bring inflation back to targeted levels.

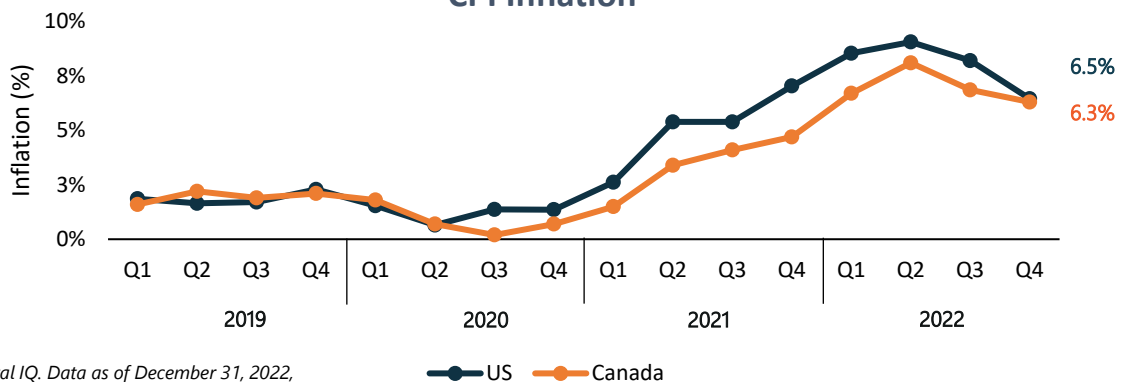
Canadian Government Bond Yields



US Government Bond Yields



CPI Inflation



Select Recent M&A Transactions



is acquiring



Announced	Dec. 7, 2022
EV	\$24.4 million
EV/EBITDA	NM
EV/Revenue	0.44x

GameSquare Esports Inc. (CNSX:GSQ) entered into a definitive arrangement agreement to acquire **Engine Gaming and Media, Inc.** (TSXV:GAME) on December 7, 2022. Engine Gaming and Media, Inc., together with its subsidiaries, engages in the development and sale of gaming applications. Engine Gaming and Media, Inc. was incorporated in 2011 and is headquartered in Toronto, Canada.



has acquired



Closed	Oct 31, 2022
EV	\$325.0 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

AMETEK, Inc. (NYSE:AME) acquired **RTDS Technologies Inc.** in October 2022. RTDS joins AMETEK as part of its Electronic Instruments Group (EIG). RTDS Technologies Inc. engages in the development, support, and commercialization of real time digital power system simulators for utilities, equipment manufacturers, and research institutes in Canada and internationally. RTDS Technologies Inc. was incorporated in 1993 and is based in Winnipeg, Canada.



has acquired



Closed	Oct. 4, 2022
EV	\$65.8 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

SPS Commerce, Inc. (NasdaqGS:SPSC) acquired **InterTrade Systems, Inc.** from Orchestra Technologies Inc. for CAD 65.8 million on October 4, 2022. InterTrade Systems, Inc. provides B2B solutions to address supply chain challenges and associated electronic data interchange (EDI) needs. The company was founded in 1996 and is based in Laval, Canada.



is acquiring



Closed	Oct. 3, 2022
EV	\$15.8 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Velodyne Lidar, Inc. (NasdaqGS:VLDR) acquired **Bluecity.ai** on October 3, 2022. Velodyne Lidar acquired Bluecity in an all-stock acquisition. Bluecity provides advanced traffic analytics services that include count and speed analytics, safety and conflict analytics, and automated traffic signal performance measures. The company is based in Montreal, Canada.

Public Comparable Analysis

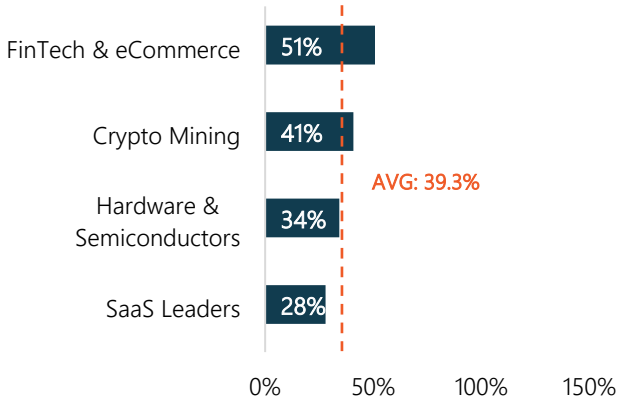
Trading Multiples & Operating Statistics

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 Leaders										
Constellation Software Inc.	\$44,798	\$46,936	\$8,452	27.9%	\$1,459	17.3%	15.9%	25.9%	32.2x	5.6x
Open Text Corporation	\$10,697	\$14,446	\$4,824	2.9%	\$1,447	30.0%	0.7%	36.1%	10.1x	3.0x
The Descartes Systems Group Inc.	\$8,006	\$7,693	\$645	16.6%	\$275	42.6%	6.7%	44.7%	28.0x	11.9x
Topicus.com Inc.	\$5,822	\$6,382	\$1,159	28.0%	\$213	18.4%	NM	N/A	29.9x	5.5x
Kinaxis Inc.	\$4,233	\$3,992	\$463	42.1%	\$49	10.6%	15.8%	15.6%	81.4x	8.6x
BlackBerry Limited	\$2,559	\$2,593	\$934	(7.1%)	(\$103)	(11.0%)	(4.6%)	(12.6%)	NM	2.8x
Enghouse Systems Limited	\$1,987	\$1,779	\$428	(8.5%)	\$119	27.8%	3.0%	32.8%	15.0x	4.2x
Magnet Forensics Inc.	\$1,527	\$1,368	\$123	38.5%	\$10	8.0%	28.4%	19.8%	139.1x	11.2x
Docebo Inc.	\$1,472	\$1,184	\$184	43.5%	(\$12)	(6.6%)	25.1%	5.3%	NM	6.4x
Dye & Durham Limited	\$1,090	\$2,022	\$482	61.0%	\$186	38.5%	(0.3%)	57.9%	10.9x	4.2x
Median	\$3,396	\$3,292	\$564	27.9%	\$152	17.8%	6.7%	25.9%	29.0x	5.5x
Mean	\$8,219	\$8,839	\$1,769	24.5%	\$364	17.6%	10.1%	25.1%	43.3x	6.3x
Hardware & Semiconductors										
Canadian Solar Inc.	\$2,688	\$5,221	\$9,646	46.7%	\$946	9.8%	27.3%	9.1%	5.6x	0.5x
Celestica Inc.	\$1,863	\$2,453	\$9,226	22.0%	\$529	5.7%	8.5%	6.5%	4.6x	0.3x
Evertz Technologies Limited	\$973	\$1,008	\$451	15.6%	\$113	NM	1.6%	22.5%	8.9x	2.2x
Meta Materials Inc.	\$583	\$647	\$15	434.4%	(\$92)	(606.2%)	83.0%	(260.6%)	NM	43.3x
Vecima Networks Inc.	\$467	\$486	\$228	NM	\$30	NM	35.3%	NM	16.3x	2.1x
Median	\$973	\$1,008	\$451	34.3%	\$113	5.7%	27.3%	7.8%	7.3x	2.1x
Mean	\$1,315	\$1,963	\$3,913	129.7%	\$305	(196.9%)	31.1%	(55.7%)	8.9x	9.7x
Crypto Mining										
Hut 8 Mining Corp.	\$228	\$245	\$187	44.9%	\$56	30.1%	(38.6%)	6.5%	4.4x	1.3x
HIVE Blockchain Technologies Ltd.	\$162	\$192	\$264	36.8%	\$45	16.9%	(59.0%)	55.5%	4.3x	0.7x
Median	\$195	\$218	\$225	40.8%	\$50	23.5%	(48.8%)	31.0%	4.3x	1.0x
Mean	\$195	\$218	\$225	40.8%	\$50	23.5%	(48.8%)	31.0%	4.3x	1.0x
FinTech & eCommerce										
Shopify Inc.	\$59,759	\$54,829	\$7,201	24.6%	(\$376)	(5.2%)	16.3%	(1.6%)	NM	7.7x
Nuvei Corporation	\$4,862	\$4,544	\$1,146	32.8%	\$277	24.2%	7.8%	39.9%	16.4x	4.0x
Lightspeed Commerce Inc.	\$2,910	\$1,761	\$902	68.8%	(\$308)	(34.2%)	21.2%	(2.2%)	NM	2.0x
Payfare Inc.	\$200	\$160	\$112	273.1%	(\$12)	(10.5%)	58.3%	14.5%	NM	1.4x
Median	\$3,886	\$3,153	\$1,024	50.8%	(\$160)	(7.9%)	18.8%	6.5%	16.4x	3.0x
Mean	\$16,933	\$15,324	\$2,340	99.8%	(\$105)	(6.4%)	25.9%	12.7%	16.4x	3.8x

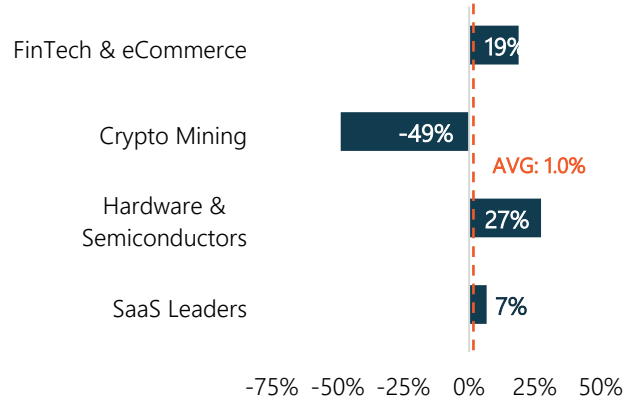
Public Comparable Analysis

Growth, Margins & Multiples

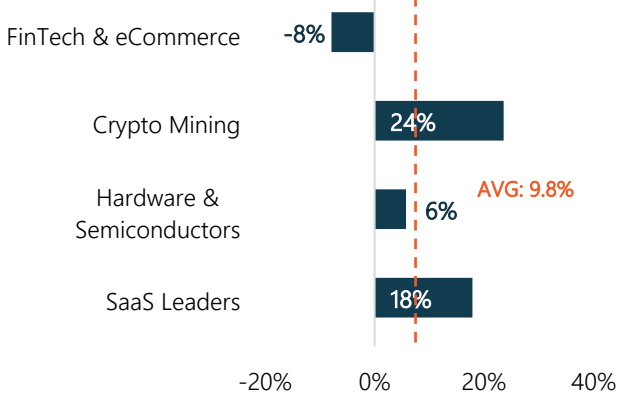
LTM REVENUE GROWTH



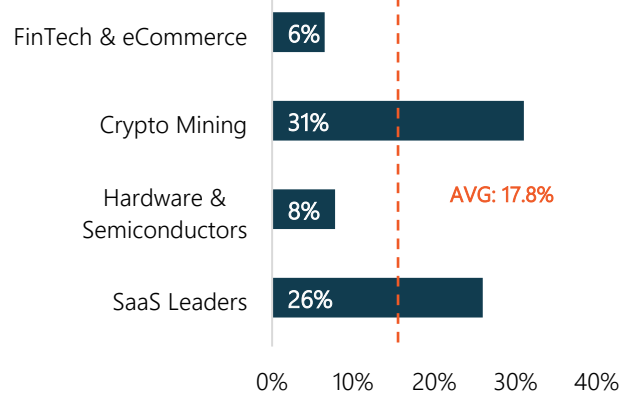
NTM REVENUE GROWTH



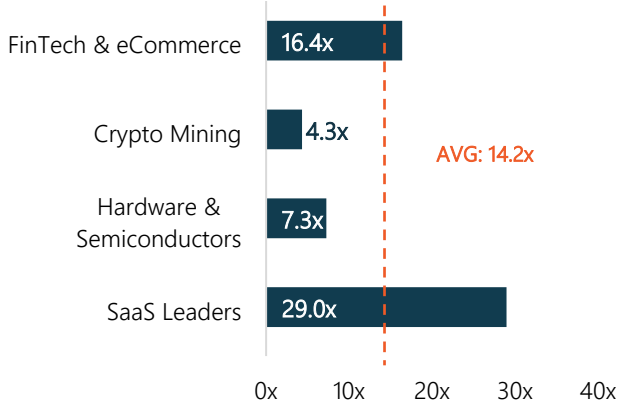
LTM EBITDA MARGIN



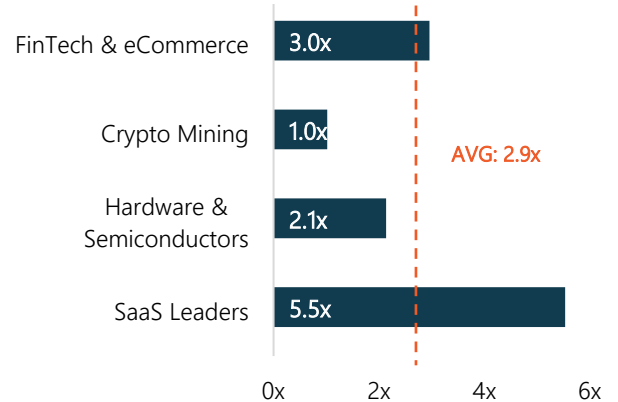
NTM EBITDA MARGIN



LTM EV/EBITDA



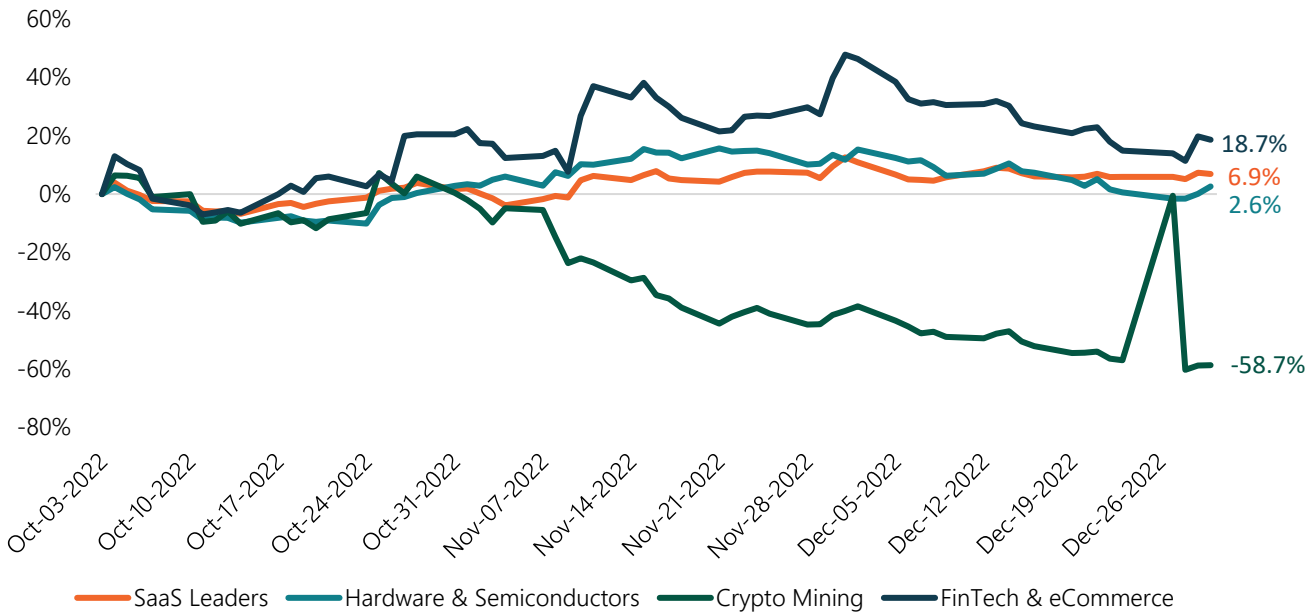
LTM EV/REVENUE



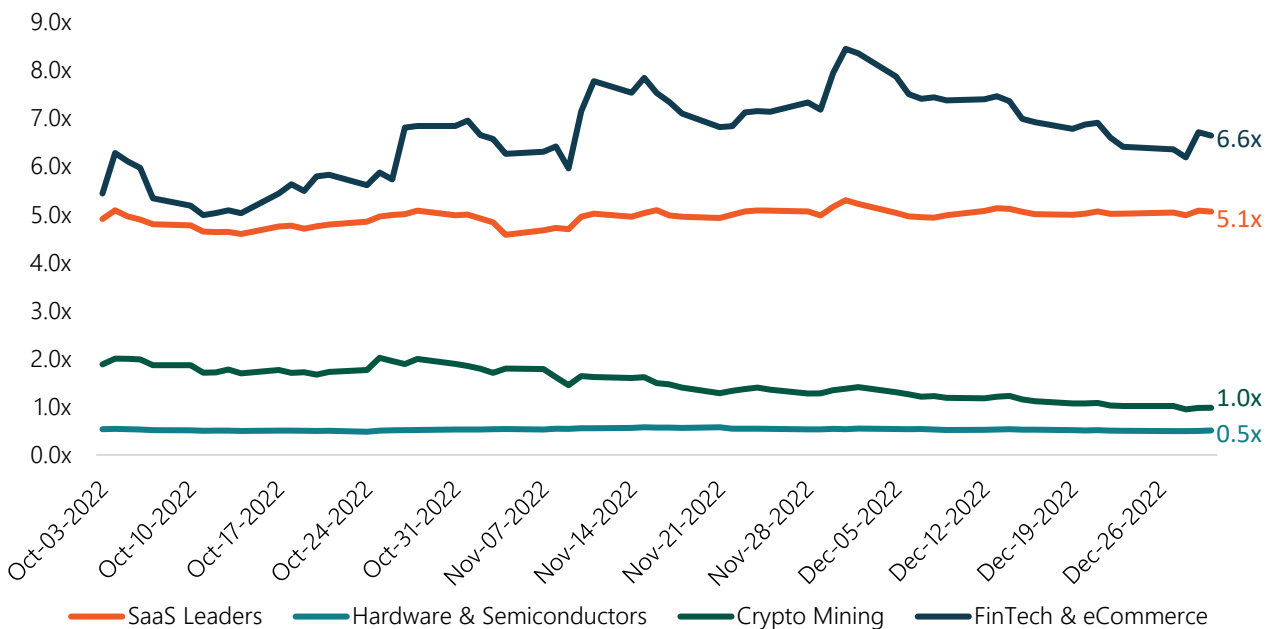
Public Comparable Analysis

Peer Group Performance

Share Price Performance – Q4



EV/Revenue Multiple Performance – Q4



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.

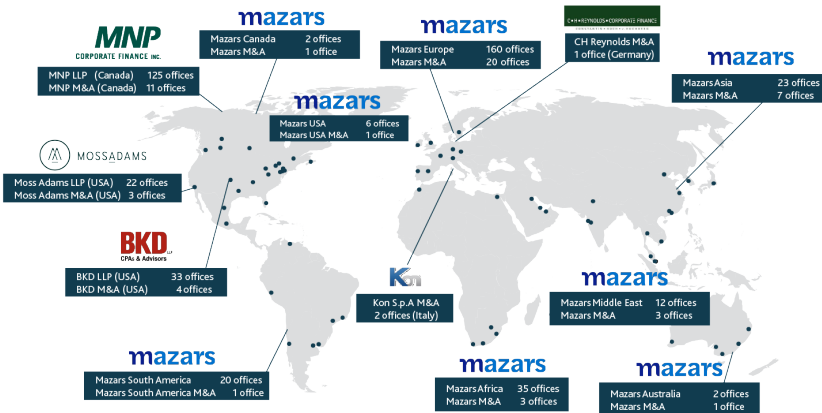
Our typical transactions range in value between \$3 million and \$300 million.

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)

FYihealth group.
has partnered with
ESTEEM

MNP Corporate Finance Inc. acted as exclusive financial advisor to Esteem Medical Esthetics in structuring and negotiating this transaction.

MONETTE FARMS
has acquired the Salt Current, Saskatchewan cleaning and processing facility assets from
SIMPSON SEEDS INC.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Simpson Seeds Inc. in structuring and negotiating this transaction.

Convertus
has acquired
ENVIREM ORGANICS INC.
Advancing Healthy Beauty

MNP Corporate Finance Inc. acted as exclusive financial advisor to Convertus Group in structuring and negotiating this transaction.

E360S
has acquired select industrial waste and oil recycling facilities from
GFL

MNP Corporate Finance Inc. provided financial due diligence services to Environmental 360 Solutions Ltd.

RME
has acquired
ROBERTSON IMPLEMENTS

MNP Corporate Finance Inc. acted as exclusive financial advisor to Robertson Implements in structuring and negotiating this transaction.

AdeptAg
a profile company of
LLR Partners
has acquired
BELLPARK

MNP Corporate Finance Inc. acted as exclusive financial advisor to Bellpark Solutions Inc. in structuring and negotiating this transaction.

pfm 20 YEARS OF INVESTING IN SASKATCHEWAN
has acquired
SEXTON
FAMILY OF COMPANIES

MNP Corporate Finance Inc. provided financial and tax due diligence services to PFM Capital Inc.

KRYSTAL GROWTH PARTNERS
has acquired
huer foods inc.

MNP Corporate Finance Inc. provided financial due diligence services to Krystal Growth Partners Ltd.

UNIVERSAL GROUP
has acquired
Advanced Traffic Control

MNP Corporate Finance Inc. provided financial, tax and IT due diligence services to Universal Group.

TRILOGY CAPITAL CORP.
has invested in
SSRG

MNP Corporate Finance Inc. acted as exclusive financial advisor to Scalis Security & Risk Group (SSRG) in facilitating this transaction.

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 ten years alone we have completed over 250 transactions worth over \$4.5 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

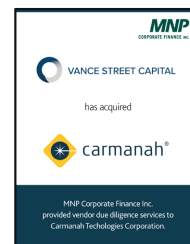
Hands-on Approach

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.

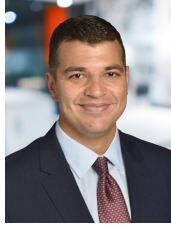
Recently Closed Deals (National)



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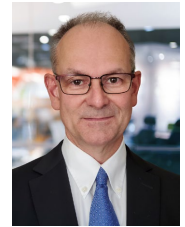
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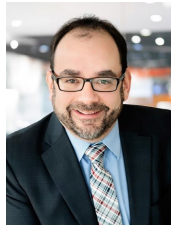
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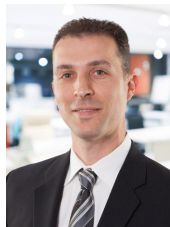
Due Diligence Leadership



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