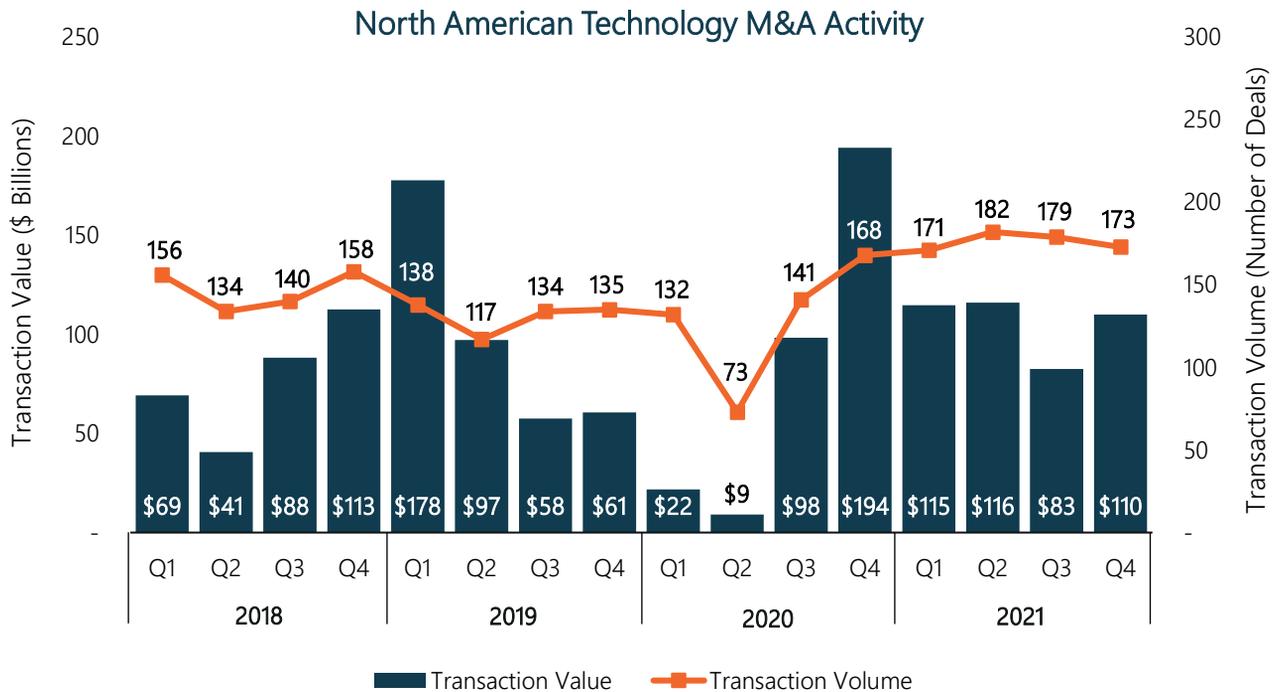


Technology

Quarterly Update | Q4 2021





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

Q4 Transactions

173

(-3.4% vs. Q3 2021)

Q4 Transaction Value

\$110 billion

(33.3% vs. Q3 2021)

2021 Transactions

705

(37.2% vs. 2020)

2021 Transaction Value

\$424 billion

(31.0% vs. 2020)

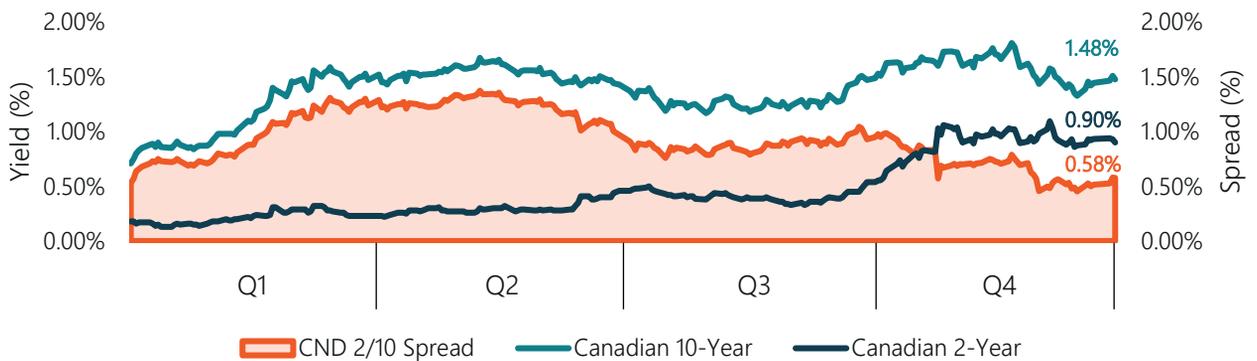
M&A Market Update – Q4 2021

- The technology industry experienced a 33% increase in transaction value from Q3 2021 to Q4 2021 on slightly lower transaction volume. Total transaction value increased from \$83 billion to \$110 billion and transaction volume decreased from 179 deals to 173 deals. With Q4's results, the technology industry in 2021 experienced the highest activity of value and volume over the last four years. Total transaction value for 2021 was \$424 billion, \$30 billion higher than the previous yearly high in 2019. Total transaction volume for 2021 was 705 deals, 117 higher than the previous yearly high in 2018.
- Of the 173 reported transactions for which transaction value was reported, 33 disclosed EV/Revenue metrics and 19 disclosed EV/EBITDA metrics. Of these disclosures, the median EV/Revenue was 3.0x and the median EV/EBITDA was 12.0x. Q4 had the highest amount of cash consideration as a percentage of total consideration since Q4 2019, with 88% of all transaction value being cash consideration.
- **Q4 Industry Spotlight on Industrial Technology:** The industrial technology sector continues to reshape traditional industrial and manufacturing industries with increased usage of automation, robotics, and connectivity. The COVID-19 pandemic has accelerated shifts towards automation as an alternative to human contributions, given the challenges of increasing health & safety costs and physical distancing requirements.

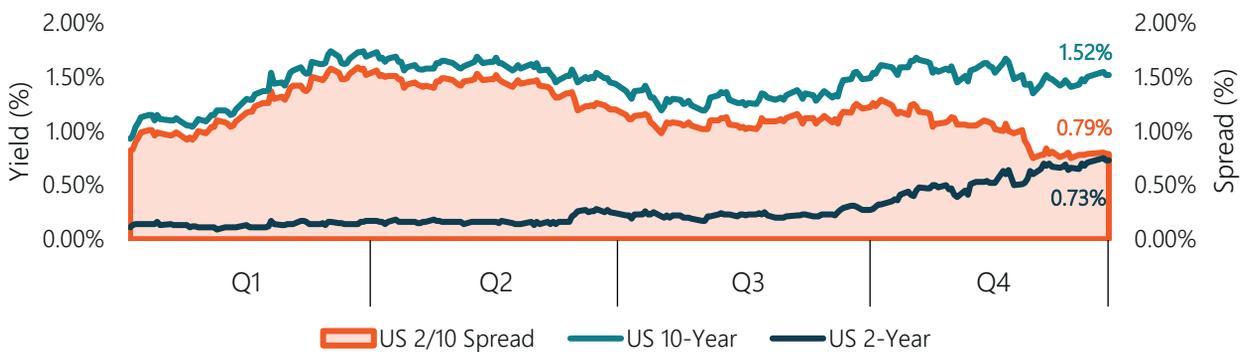
Key external drivers that affect the technology industry include changes to inflation rates and treasury yields. The market outlook for inflation rates is a key driver of yields – rising yields impact the cost of capital for companies, economic growth, and investor demand for higher risk assets such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

Inflation in Canada reached a 30-year high of 4.8% in Q4 2021, while in the US it increased to 5.5%. 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 Q4 2021, with each ending at approximately 1.5%.

Canadian Government Bond Yields



US Government Bond Yields



Inflation



Select Recent M&A Transactions

An Investor Group
has acquired



Announced	Nov 8, 2021
EV	\$25.96 billion
EV/EBITDA	30.1x
EV/Revenue	10.96x

An investor group that includes Advent International, Permira Advisers LLC, Crosspoint Capital Partners, and Canada Pension Plan Investment Board announced the acquisition of **McAfee Corp.** on November 8, 2021. McAfee is a provider of various integrated security, privacy and antivirus solutions to customers globally. The total consideration is approximately \$25.96 billion, a 22% premium over its last closing price prior to announcement.



has acquired



Announced	Dec 15, 2021
EV	\$8.69 billion
EV/EBITDA	17.63x
EV/Revenue	5.23x

Entegris Inc. announced the acquisition of **CMC Materials Inc.** in a cash and stock transaction on December 15, 2021. CMC Materials provides consumable materials to semiconductor manufacturers globally. The total consideration is approximately \$8.69 billion, a 35% premium over its last closing price prior to announcement.



has acquired



Announced	Dec 17, 2021
EV	\$3.51 billion
EV/EBITDA	56.79x
EV/Revenue	5.42x

Thoma Bravo LP announced its acquisition of **Bottomline Technologies Inc.** in an all cash transaction on December 17, 2021. Bottomline Technologies is a fintech company providing cloud-based payment solutions to its customers. The total consideration is approximately \$3.51 billion, a 42% premium over its last closing price prior to announcement.



has acquired



Closed	Dec 1, 2021
EV	\$1.01 billion
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Generac Power Systems Inc. announced its acquisition of **ecobee Inc.** on November 1, 2021 and closed the transaction on December 1, 2021. ecobee Inc. provides home energy management products including smart thermostats, voice-control security cameras, smart sensors, and air filters for residential and commercial applications. The total consideration is approximately \$1.01 billion.

Public Comparable Analysis

Trading Multiples & Operating Statistics

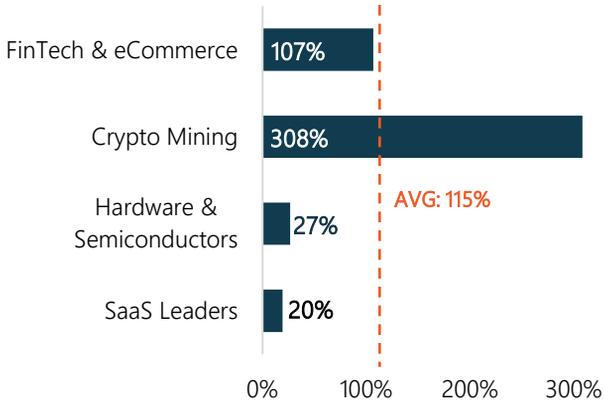
(Figures in CAD millions, except percentages and ratios)

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.	\$49,735	\$50,735	\$6,087	25.6%	\$1,186	19.5%	21.1%	29.2%	42.8x	8.3x
Open Text Corporation	\$16,317	\$18,995	\$4,317	6.1%	\$1,481	34.3%	1.6%	37.9%	12.8x	4.4x
The Descartes Systems Group Inc	\$8,857	\$8,659	\$503	19.5%	\$209	41.5%	16.4%	43.4%	41.5x	17.2x
BlackBerry Limited	\$6,781	\$6,860	\$951	(23.0%)	(\$1)	(0.1%)	6.9%	(4.4%)	NM	7.2x
Kinaxis Inc.	\$4,855	\$4,618	\$300	5.1%	\$17	5.6%	NM	18.9%	277.5x	15.4x
Topicus.com Inc.	\$4,703	\$9,474	\$985	42.0%	\$208	21.2%	NM	N/A	45.4x	9.6x
Dye & Durham Limited	\$3,087	\$3,555	\$300	325.2%	\$111	36.9%	81.2%	55.0%	32.1x	11.9x
Docebo Inc.	\$2,782	\$2,515	\$118	65.1%	(\$12)	(10.2%)	45.6%	(3.0%)	NM	21.3x
Enghouse Systems Limited	\$2,690	\$2,517	\$467	(7.3%)	\$144	30.7%	3.8%	34.8%	17.5x	5.4x
Median	\$4,855	\$6,860	\$503	19.5%	\$144	21.2%	16.4%	32.0%	41.5x	9.6x
Mean	\$11,090	\$11,992	\$1,559	50.9%	\$371	19.9%	25.2%	26.5%	67.1x	11.2x
Hardware & Semiconductors										
Celestica Inc.	\$1,758	\$1,891	\$6,966	(5.9%)	\$334	NM	N/A	6.1%	5.7x	0.3x
Evertz Technologies Limited	\$1,002	\$996	\$390	5.5%	\$96	24.6%	12.9%	24.9%	10.4x	2.6x
Meta Materials Inc.	\$876	\$805	\$3	72.5%	(\$24)	NM	NM	NM	NM	NM
Sangoma Technologies Corporation	\$415	\$499	\$201	52.7%	\$26	12.7%	35.3%	20.2%	19.6x	2.5x
Vecima Networks Inc.	\$330	\$318	\$129	26.6%	\$5	3.7%	38.0%	12.5%	66.3x	2.5x
Median	\$876	\$805	\$201	26.6%	\$26	12.7%	35.3%	16.3%	15.0x	2.5x
Mean	\$876	\$902	\$1,538	30.3%	\$87	13.7%	28.7%	15.9%	25.5x	1.9x
Crypto Mining										
Hut 8 Mining Corp.	\$1,656	\$1,443	\$129	202.6%	\$51	39.4%	204.8%	71.7%	28.4x	11.2x
HIVE Blockchain Technologies Ltd.	\$1,287	\$1,309	\$173	359.3%	\$189	108.9%	N/A	-	6.9x	7.6x
Bitfarms Ltd.	\$1,231	\$1,203	\$153	257.4%	\$81	53.0%	87.0%	N/A	14.8x	7.9x
BIGG Digital Assets Inc.	\$255	\$206	\$12	547.9%	(\$8)	(67.8%)	113.1%	25.9%	NM	17.4x
Median	\$1,259	\$1,256	\$141	308.4%	\$66	46.2%	113.1%	25.9%	14.8x	9.5x
Mean	\$1,107	\$1,040	\$117	342%	\$78	33.4%	135.0%	32.5%	16.7x	11.0x
FinTech & eCommerce										
Shopify Inc.	\$218,931	\$210,808	\$5,323	71.3%	\$696	13.1%	32.9%	14.5%	NM	39.6x
Nuvei Corporation	\$11,722	\$12,015	\$793	84.7%	\$292	36.8%	41.8%	43.2%	41.2x	15.1x
Lightspeed Commerce Inc.	\$7,566	\$6,150	\$492	159.0%	(\$144)	(29.3%)	58.1%	(7.2%)	NM	12.5x
Tenet Fintech Group Inc.	\$677	\$655	\$87	183.4%	\$1	1.3%	140.1%	14.8%	NM	7.5x
WeCommerce Holdings Ltd.	\$531	\$568	\$32	69.7%	(\$2)	(7.0%)	77.3%	36.5%	NM	17.5x
Payfare Inc.	\$388	\$342	\$30	128.9%	(\$20)	NM	(100.0%)	N/A	NM	11.4x
Median	\$4,122	\$3,402	\$289	106.8%	(\$1)	1.3%	50.0%	14.8%	41.2x	13.8x
Mean	\$39,969	\$38,423	\$1,126	116.2%	\$137	3%	41.7%	20.4%	41.2x	17.3x

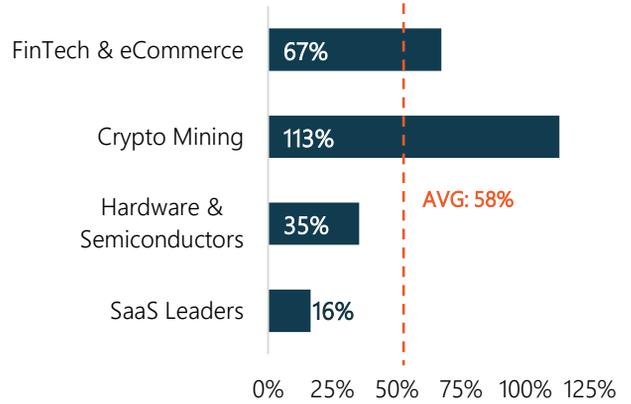
Public Comparable Analysis

Growth, Margins & Multiples

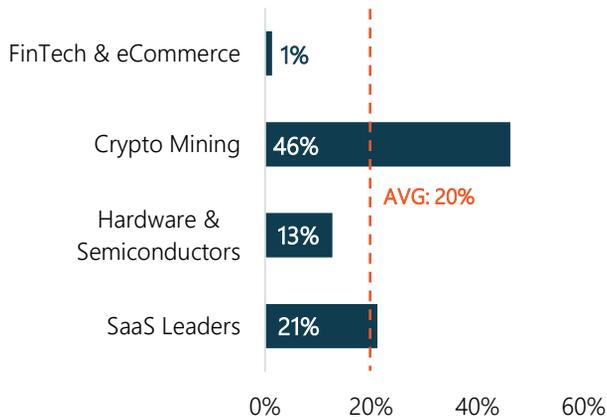
LTM REVENUE GROWTH



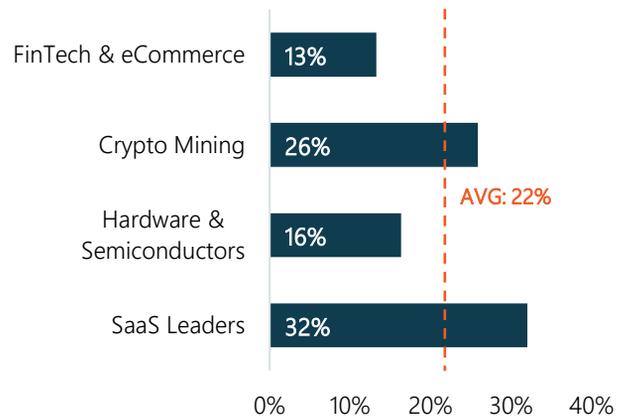
NTM REVENUE GROWTH



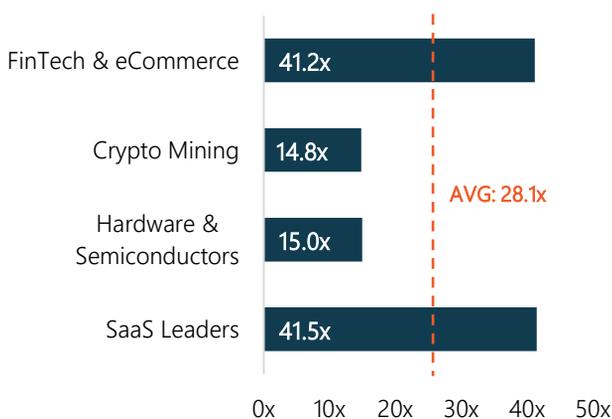
LTM EBITDA MARGIN



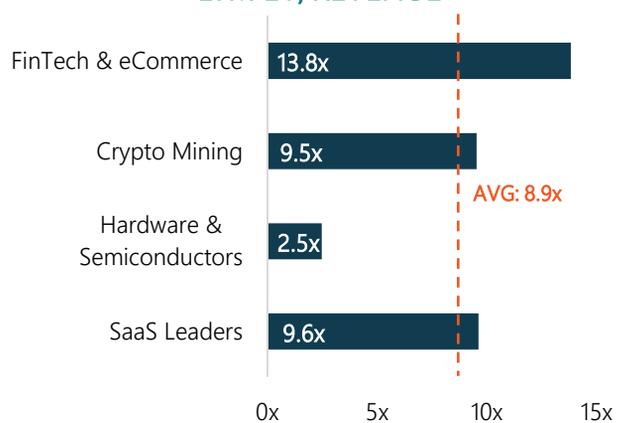
NTM EBITDA MARGIN



LTM EV/REVENUE



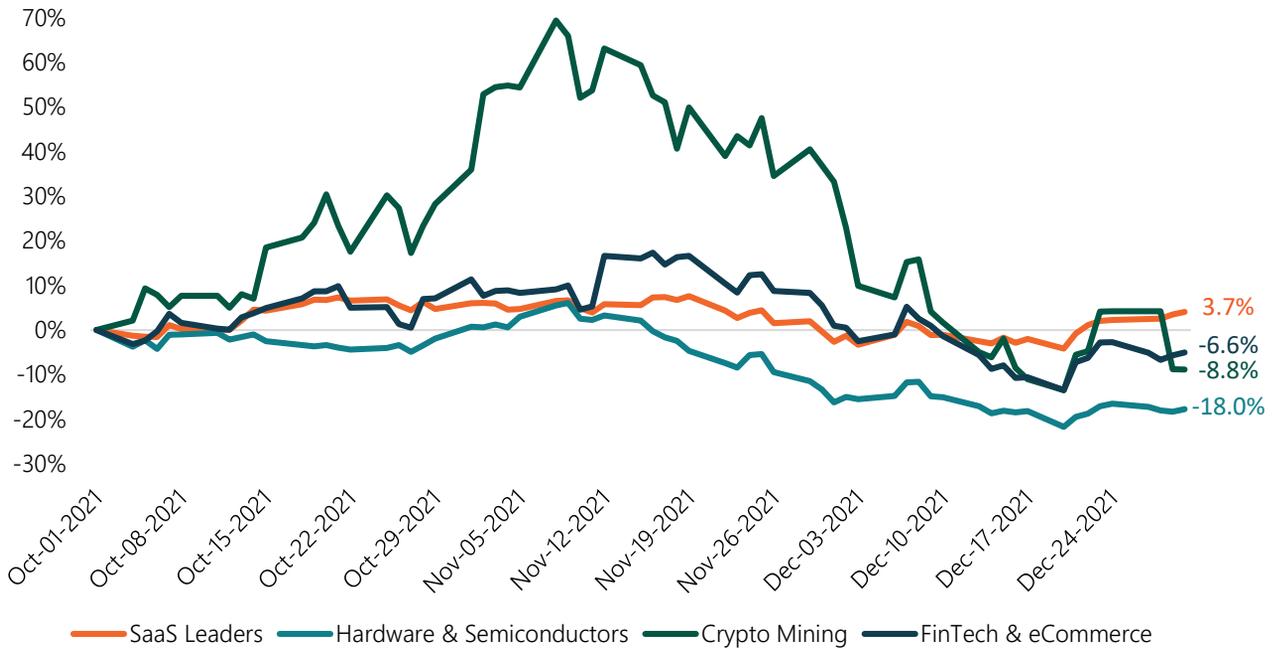
LTM EV/REVENUE



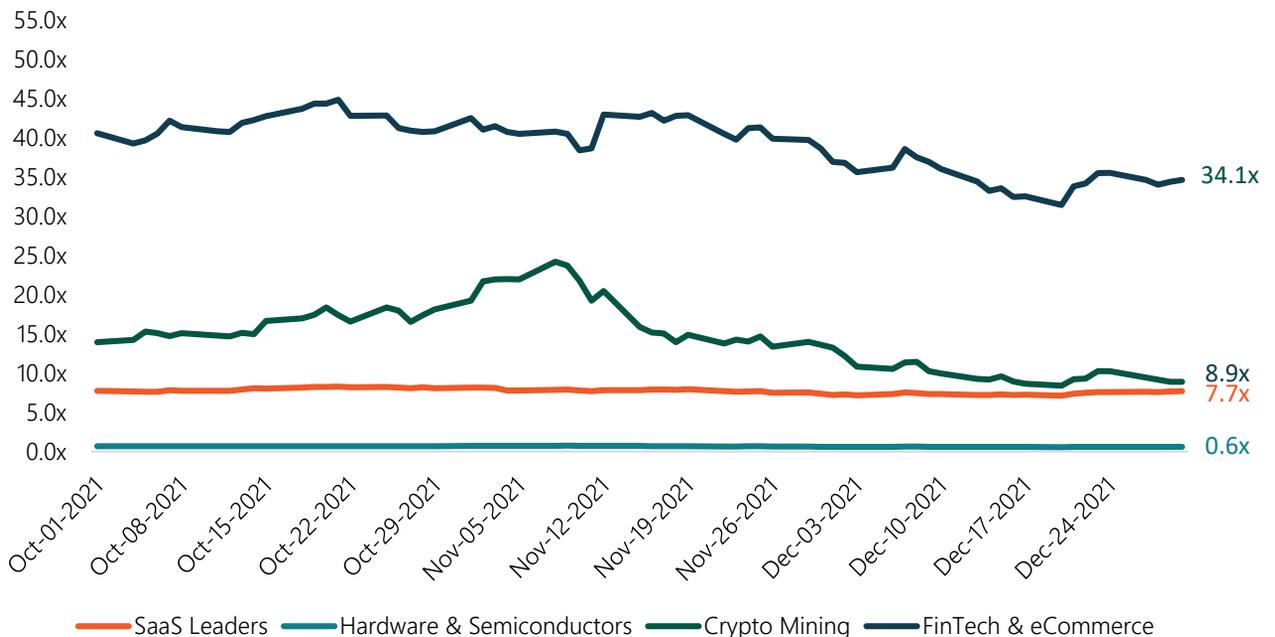
Public Comparable Analysis

Peer Group Performance

Share Price Performance – Q4



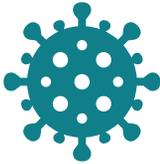
EV/Revenue Multiple Performance – Q4



Featured: Industrial Technology

Overview

Industrial Technology refers to a broad category of innovation taking place within manufacturing and industrial facilities with the use of control systems, automation, connectivity, and robots. More specifically, industrial automation is the practice of using new and innovative technologies to perform processes and machines as a replacement to human responsibility. The concept behind automation was to reduce human error, reduce costs, and improve overall productivity within an industrial facility.



Effects of COVID-19

- COVID-19 may accelerate the automation of jobs as companies invest in technology to safeguard against future pandemics.
- “Automation forcing” may cause companies to operate with smaller numbers of employees to meet physical distancing requirements.
- Employers experiencing higher numbers of employee absences due to illness along with rising health & safety costs may also consider automation as a viable alternative to staffing.



Priority for Economic Growth in Canada

- The economic strategy of the federal government includes targeting a 50% increase in both manufacturing sales (to \$1 trillion) and exports (to \$540 billion) by 2030.
- It has created CANADVANCE, a network of technology adoption centres linking innovators with established manufacturers to increase productivity and diversity.
- The government is aiming to create a more investable manufacturing framework, with more focus on technology.



Automation as a Solution to Labour Shortages

- There is a shortage of skilled labour, and trends indicate a stronger desire among the labour force to work in industries outside traditional manufacturing.
- As the labour market tightens, companies must increase wages to attract talent. Increased production costs from higher wages makes automation an attractive alternative.



Featured: Industrial Technology

North American Industrial Technology Performance

(Figures in CAD millions, except percentages and ratios)

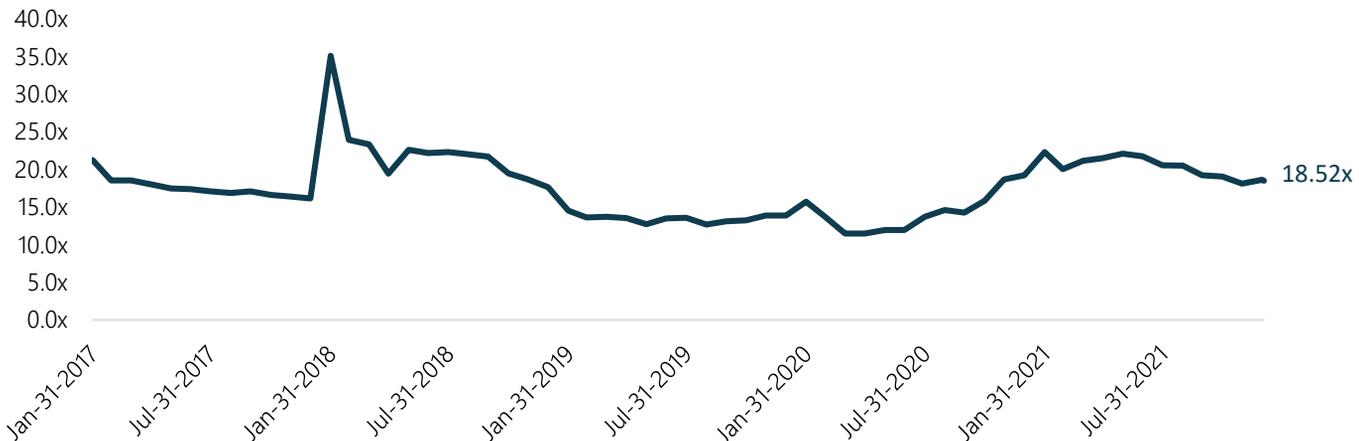
Company	Market Cap	Enterprise Value	LTM Operating Figures				NTM Consensus		Valuation	
			Revenue		EBITDA		Revenue	EBITDA	LTM	LTM
			Revenue	Growth	EBITDA	Margin	Growth	Margin	EV/EBITDA	EV/REV
Industrial Technology										
Honeywell International Inc.	\$181,652	\$194,818	\$43,792	4.2%	\$11,436	26.1%	3.1%	25.8%	17.0x	4.4x
General Electric Company	\$131,227	\$190,182	\$93,894	(6.8%)	\$8,450	9.0%	5.7%	12.9%	18.1x	1.9x
Emerson Electric Co.	\$69,992	\$76,216	\$23,057	8.6%	\$5,211	22.6%	6.0%	24.0%	14.6x	3.3x
Roper Technologies, Inc.	\$65,658	\$75,753	\$7,933	27.7%	\$2,985	37.6%	(4.3%)	38.3%	25.4x	9.5x
Rockwell Automation, Inc.	\$51,216	\$56,322	\$8,847	10.5%	\$1,841	20.8%	16.4%	22.0%	30.6x	6.4x
AMETEK, Inc.	\$43,044	\$46,171	\$6,628	12.8%	\$1,969	29.7%	12.6%	28.9%	23.4x	7.0x
Flowserve Corporation	\$5,044	\$6,168	\$4,561	(5.4%)	\$635	13.9%	3.5%	12.3%	9.7x	1.4x
ATS Automation Tooling Systems Inc.	\$4,635	\$5,075	\$1,802	27.9%	\$262	14.5%	24.9%	15.8%	19.4x	2.8x
Columbus McKinnon Corporation	\$1,665	\$2,154	\$999	15.2%	\$128	12.9%	18.1%	16.0%	16.8x	2.2x
Ag Growth International Inc.	\$595	\$1,448	\$1,096	9.9%	\$99	9.1%	15.5%	15.1%	14.6x	1.3x
Median	\$47,130	\$51,246	\$7,280	10.2%	\$1,905	17.7%	9.3%	19.0%	17.6x	3.1x
Mean	\$55,473	\$65,431	\$19,261	10.5%	\$3,302	19.6%	10.1%	21.1%	19.0x	4.0x

Note: The peer group illustrated above consists of ten North American companies with a strong focus in various areas of Industrial Technology.

Share Price Performance – 5 Years



EV/EBITDA Performance – 5 Years



Featured: Industrial Technology

Featured: Industrial Technology Transactions



Crestview
has acquired a majority interest in



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

Closed	Aug 2021
EV	Not disclosed
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Crestview Partners has acquired a majority interest in **JMP Solutions**. MNP Corporate Finance Inc. acted as exclusive financial advisor to JMP Solutions in structuring and negotiating this transaction. Founded in 1987, JMP Solutions is a leader in industrial automation and technology, providing engineering, design, procurement, system improvements, and turnkey solutions to Fortune 1000 customers.



ZTR
the Industrial IoT Division of ZTR Control Systems Inc. has merged with



MNP Corporate Finance Inc. acted as exclusive financial advisor to ZTR Control Systems Inc. in structuring and negotiating this transaction.

Closed	Nov 2021
EV	Not disclosed
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

The Industrial IoT Division of **ZTR Control Systems Inc.** has merged with **TrackUnit ApS**. MNP Corporate Finance Inc. acted as exclusive financial advisor to ZTR Control Systems Inc. in structuring and negotiating this transaction. This transaction will extend both companies' core focus to accelerate the digital journey in the construction industry.



has acquired



Closed	Dec 20, 2021
EV	\$339.2 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Norgren Inc. announced its acquisition of **Adaptas Solutions LLC** on November 15, 2021 and closed the transaction on December 20, 2021. Adaptas Solutions is a manufacturer of liquid handling and lab automation components, as well as electron multipliers, power supplies, and ion optic grids. The total consideration is approximately \$339.2 million.



has acquired



Announced	Nov 4, 2021
EV	\$24.91 million
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Allied Motion Technologies Inc. announced its acquisition of **ALIO Industries Inc.** on November 4, 2021. ALIO Industries is a manufacturer of advanced linear and rotary motion systems for nano-precision applications. The total consideration included approximately \$18.68 million in cash and \$6.23 million in Allied Motion Technologies stock.

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.

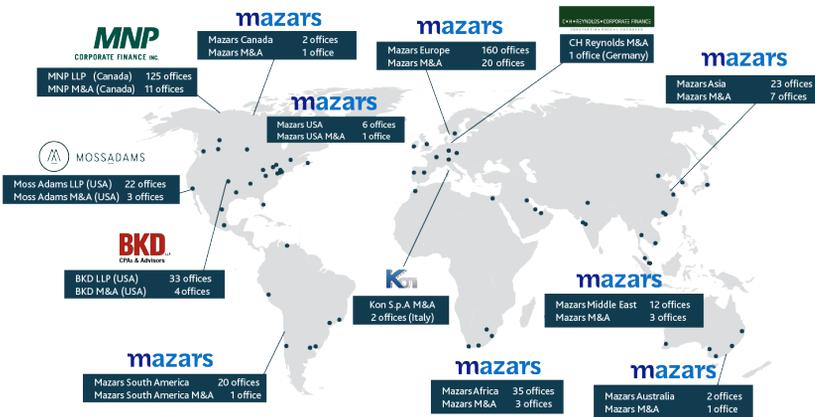
Our typical transactions range in value between \$3 million and \$300 million.

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 200 transactions worth over \$3.5 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

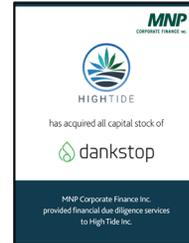
Hands-on Approach

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)



Transaction Leadership



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