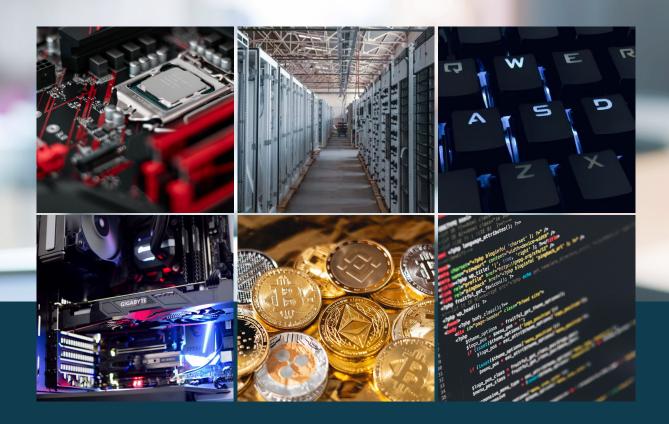


Technology

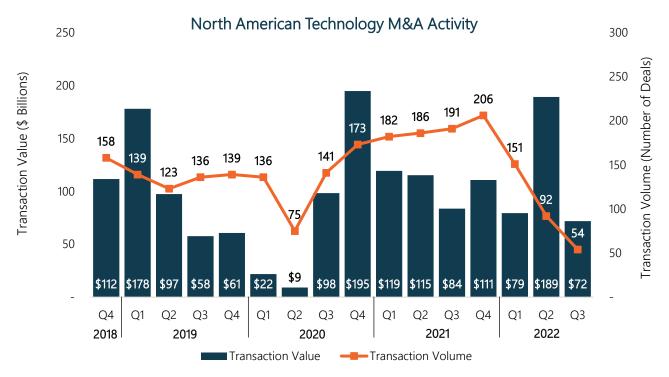
Quarterly Update | Q3 2022



Industry Overview

M&A Activity





Source: Capital IQ. Data as of September 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.

Q3 Transactions (-41.3% vs. Q2 2022)

Q3 Transaction Value (-62.0% vs. O2 2022)

YTD22 Transactions

(-46.9% vs. YTD21)

YTD22 Transaction Value

(7.0% vs. YTD21)

M&A Market Update – Q3 2022

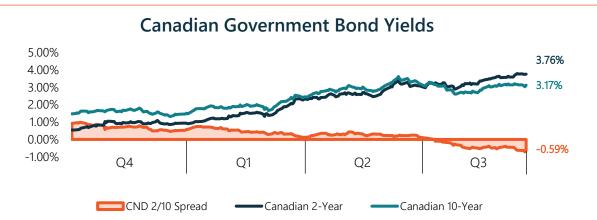
- The technology industry continues to experience decreasing transaction volume from guarter-to-guarter in 2022. Q3 2022 had 54 transactions, a decrease of 41.3% from Q2 2022.
- The transaction value this year (YTD22) may appear to be 7.0% higher than last year's YTD, however, this was mostly due to large deals in Q2 2022, including Broadcom's \$93.3B acquisition of VMWare Inc.
- The Bank of Canada and the Federal Reserve have continued to raise interest rates to combat high inflation. This action, along with the increase in long-term interest rates, continues to be a contributing factor to lower M&A activity in the industry. Q3 2022 experienced the lowest deal count in the past 16 quarters. Potential buyers may be taking a more conservative approach to deal-making as they observe the impact of restrictive monetary policies and drastic declines in their own valuations.
- While a combination of factors are slowing down technology M&A activity, 2021 levels were an abnormality relative to longer term industry activity. Recent declines appear to be less dramatic relative to pre-pandemic levels and current activity may be a "new normal" for the foreseeable future.

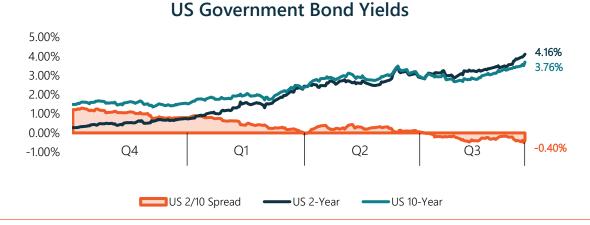
Macroeconomic Indicators

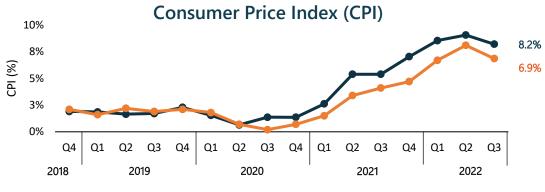


Key external drivers that affect the technology industry include changes in inflation rates (i.e. Consumer Price Index) and treasury yields. Interest rates have shown conflicting movement over the past several months for both Canada and US, where the two-year bond yield is growing at a faster rate than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

Inflation in Canada declined to 6.9% year-over-year in Q3 2022 from a Q2 high of 8.1%. Similarly in the US, inflation decreased to 8.2% in Q3 2022 from 9.1% in Q2. While it may appear that hawkish monetary policies are reducing inflation as intended, both the Bank of Canada and the Federal Reserve have committed to continued rate hikes in the upcoming quarter.







US -

Canada

Select Recent M&A Transactions





is acquiring



Announced	Sep 15, 2022
EV	\$25.63 billion
EV/EBITDA	Not disclosed
EV/Revenue	Not disclosed

Adobe Inc. (NASDAQ:ADBE) announced the acquisition of Figma Inc. on September 15, 2022. Figma is a developer of a web-based interface design platform to help companies connecting team members in the design process for real-time collaboration. The total consideration is approximately \$25.63 billion, in a cash and stock transaction.



is acquiring



Announced	Aug 8, 2022					
EV	\$12.63 billion					
EV/EBITDA	Not disclosed					
EV/Revenue	10.6x					

Vista Equity Partners announced the acquisition of **Avalara Inc.** (NYSE:AVLR) on August 8, 2022 in an all-cash transaction. Avalara provides cloud-based compliance solutions for various types of transaction taxes in partnership with ERP, accounting, ecommerce and other financial management systems providers. The total consideration is approximately \$12.63 billion.



is acquiring



Announced	Aug 1, 2022
EV	\$5.09 billion
EV/EBITDA	20.0x
EV/Revenue	6.6x

Global Payments Inc. (NYSE:GPN) announced the acquisition of **EVO Payments, Inc.** (NASDAQ:EVOP) on August 1, 2022 in an all-cash transaction. EVO Payments is a leading global provider of payment technology integrations. The total consideration is approximately \$5.09 billion.



Is acquiring



Announced	Aug 2, 2022
EV	\$1.75 billion
EV/EBITDA	67.6x
EV/Revenue	2.1x

Semtech Corporation (NASDAQ:SMTC) announced the acquisition of Sierra Wireless, Inc. (TSX:SW) on August 2, 2022 in an all-cash transaction. Sierra Wireless is a global provider of Internet of Things (IoT) solutions to various industries. The total consideration is approximately \$1.75 billion.

Public Comparable Analysis

Trading Multiples & Operating Statistics



(Figures in CAD millions, except percentages and ratios)

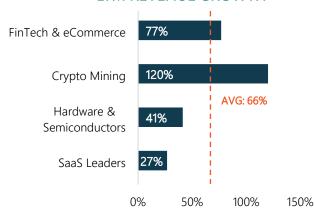
			LTM Operating Figures				NTM Consensus		Valuation	
	Market	Enterprise		Revenue		EBITDA	Revenue	EBITDA	LTM	LTM
Company	Cap	Value	Revenue	Growth	EBITDA	Margin	Growth	Margin	EV/EBITDA	EV/REV
SaaS Leaders										
Constellation Software Inc.	\$40,732	\$42,817	\$7,383	26.9%	\$1,422	19.3%	29.3%	26.0%	30.1x	5.8x
Open Text Corporation	\$9,660	\$13,471	\$4,500	3.2%	\$1,429	31.8%	9.5%	36.1%	8.8x	2.8x
The Descartes Systems Group Inc.	\$7,437	\$7,206	\$590	19.9%	\$251	42.5%	17.9%	43.8%	28.7x	12.2x
Topicus.com Inc.	\$5,350	\$5,842	\$1,089	31.3%	\$221	20.3%	NM	N/A	26.4x	5.4x
Kinaxis Inc.	\$3,784	\$3,530	\$402	36.9%	\$43	10.8%	29.0%	15.8%	81.3x	8.8x
BlackBerry Limited	\$3,759	\$3,609	\$922	(9.3%)	(\$109)	(11.8%)	3.1%	(12.7%)	NM	3.9x
Enghouse Systems Limited	\$1,603	\$1,394	\$433	(8.9%)	\$124	28.7%	(2.5%)	33.3%	11.2x	3.2x
Docebo Inc.	\$1,227	\$958	\$160	50.6%	(\$14)	(8.6%)	43.0%	1.9%	NM	6.0x
Dye & Durham Limited	\$1,177	\$2,121	\$475	127.2%	\$200	42.0%	14.9%	58.5%	10.6x	4.5x
Magnet Forensics Inc.	\$900	\$760	\$106	39.0%	\$8	7.6%	36.1%	17.0%	94.3x	7.2x
Median	\$3,784	\$3,609	\$590	26.9%	\$200	20.3%	16.4%	29.7%	26.4x	5.4x
Mean	\$8,303	\$8,994	\$1,773	30.9%	\$396	19.4%	18.0%	25.3%	28.2x	5.8x
Hardware & Semiconductors										
Canadian Solar Inc.	\$3,287	\$5,795	\$8,144	41.3%	\$817	10.0%	44.1%	8.4%	6.7x	0.7x
Celestica Inc.	\$1,434	\$1,999	\$8,068	12.0%	\$454	5.6%	16.9%	6.3%	4.4x	0.2x
Evertz Technologies Limited	\$936	\$931	\$445	16.1%	\$110	NM	0.6%	22.3%	8.4x	2.1x
Vecima Networks Inc.	\$393	\$397	\$187	50.4%	\$17	9.3%	47.0%	18.2%	22.8x	2.1x
Meta Materials Inc.	\$322	\$355	\$12	NM	(\$75)	NM	152.8%	NM	NM	28.3x
Sangoma Technologies Corporation	\$161	\$302	\$289	70.8%	\$21	7.3%	30.6%	17.7%	14.3x	1.0x
Median	\$664	\$664	\$367	41.3%	\$66	8.3%	37.3%	17.7%	8.4x	1.6x
Mean	\$1,089	\$1,630	\$2,857	38.1%	\$224	8.1%	48.7%	14.6%	11.3x	5.7x
Crypto Mining										
Hut 8 Mining Corp.	\$478	\$468	\$205	143.8%	(\$26)	(12.5%)	(9.5%)	15.2%	NM	2.3x
HIVE Blockchain Technologies Ltd.	\$429	\$465	\$279	116.2%	\$89	31.9%	(30.3%)	51.8%	5.2x	1.7x
Bitfarms Ltd.	\$301	\$401	\$240	124.1%	\$106	44.2%	NM	N/A	3.8x	1.7x
Median	\$365	\$433	\$259	120.1%	\$98	38.0%	(30.3%)	51.8%	4.5x	1.7x
Mean	\$365	\$433	\$259	120%	\$98	38.0%	(30.3%)	51.8%	4.5x	1.7x
FinTech & eCommerce										
Shopify Inc.	\$47,023	\$39,111	\$6,443	29.8%	(\$142)	(2.2%)	26.7%	(3.2%)	NM	5.7x
Nuvei Corporation	\$5,274	\$59,111 \$5,016	\$0,443 \$1,058	29.6% 52.6%	\$289	(2.2%)	15.6%	39.6%	17.3x	5.7x 4.7x
Lightspeed Commerce Inc.	\$3,274 \$3,632	\$2,528	\$1,036 \$781	101.2%	\$209 (\$281)	(36.0%)	40.9%	(2.8%)	NM	4.7x 3.2x
J	\$3,032 \$251	\$2,320 \$212	\$701 \$88	330.9%	(\$201) (\$14)	(36.0%)	93.0%	12.1%	NM	3.2x 2.4x
Payfare Inc. Median	\$4,453	\$3,772	\$920	76.9%	(\$78)	(8.9%)	33.8%	4.6%	17.3x	4.0x
Mean	\$4,433 \$14.045	\$3,772 \$11 717	\$2.093	128 6%	(\$70) (\$37)	(6.9%)	33.0% 44.1%	4.0% 11 4%	17.3x 17.3x	4.0x 4.0y

Public Comparable Analysis

Growth, Margins & Multiples



LTM REVENUE GROWTH



NTM REVENUE GROWTH



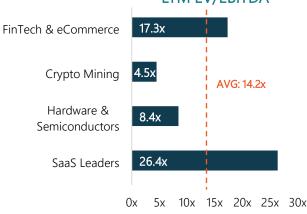
LTM EBITDA MARGIN



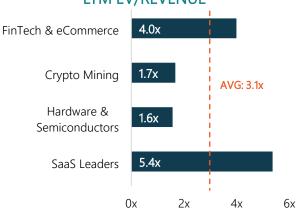
NTM EBITDA MARGIN



LTM EV/EBITDA



LTM EV/REVENUE

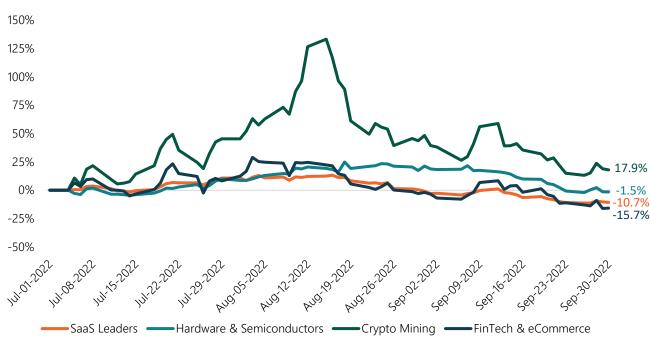


Public Comparable Analysis

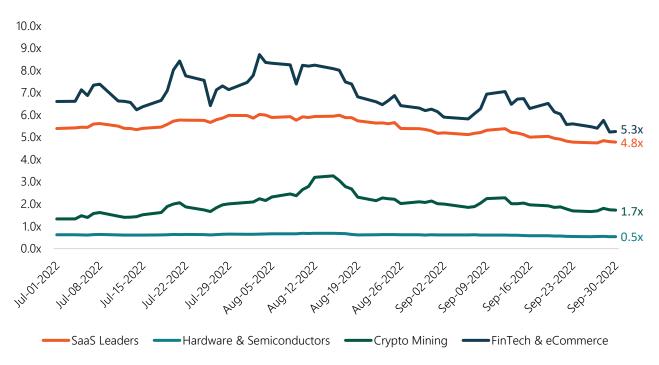
Peer Group Performance







EV/Revenue Multiple Performance – Q3



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.

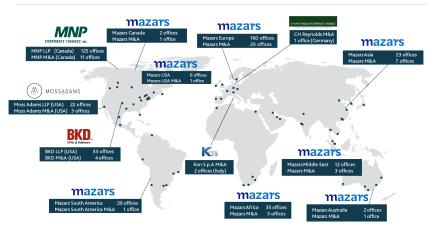
Our typical transactions range in value between \$3 million and \$300 million.

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.







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 235 transactions worth over \$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)





















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