

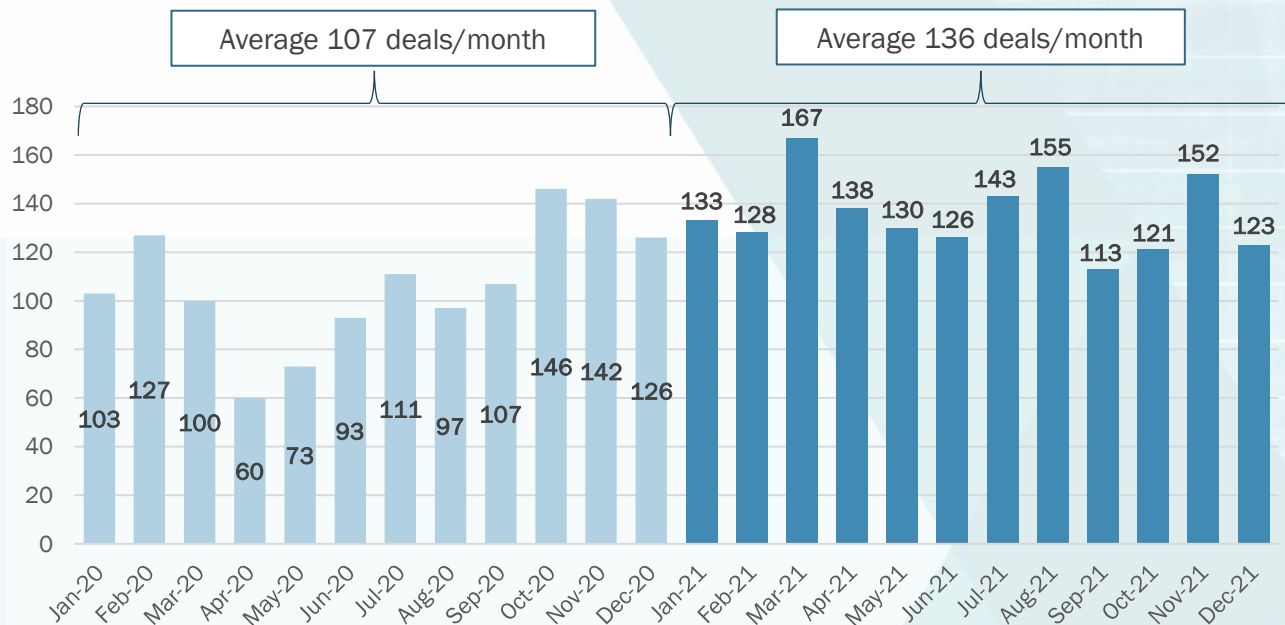


Value & Market Insights

2021 | Q4

Deal Volume

Canadian Transaction Volume ⁽¹⁾



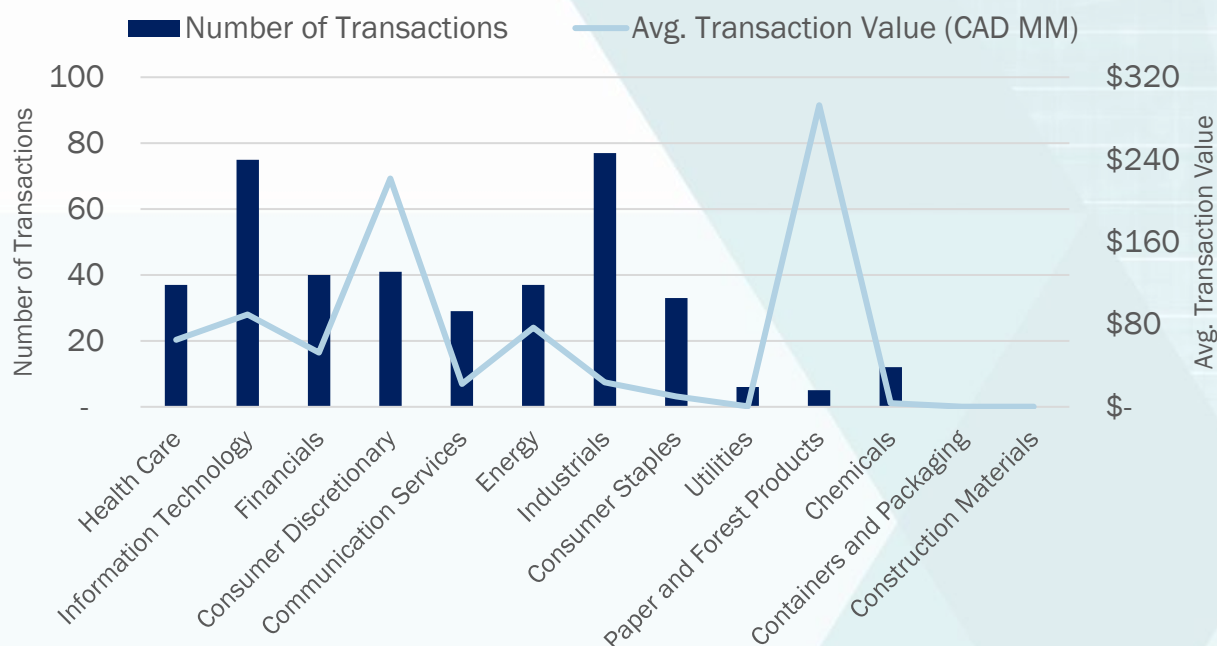
2021 experienced a strong recovery from the initial impact of COVID-19 in 2020, as pent-up demand and a low cost of capital drove 1,629 deals, an increase of 27% over the prior year. 2021 proved to be a record year for M&A driven by an abundance of capital and sky-high valuations.

We expect to see similar deal volumes in 2022 as sellers take advantage of strong valuations and buyers look to invest the dry powder available. However, the market may be tempered by the economic impact of supply chain issues, inflation and potentially higher interest rates on the horizon. Several trends expected in 2022 include:

- 1) A shift in focus towards environmental, social and governance (ESG) priorities as recent social and environmental events have garnered significant interest in the area.
- 2) A scarce labour market will force companies to identify ways to retain and acquire talent, with M&A being a possible solution.
- 3) Companies may aim to achieve more self-sufficiency through vertical integration in order to address global supply chain constraints and extreme weather events.

Industry Overview

Q4 2021 Canadian Transactions By Industry ⁽¹⁾



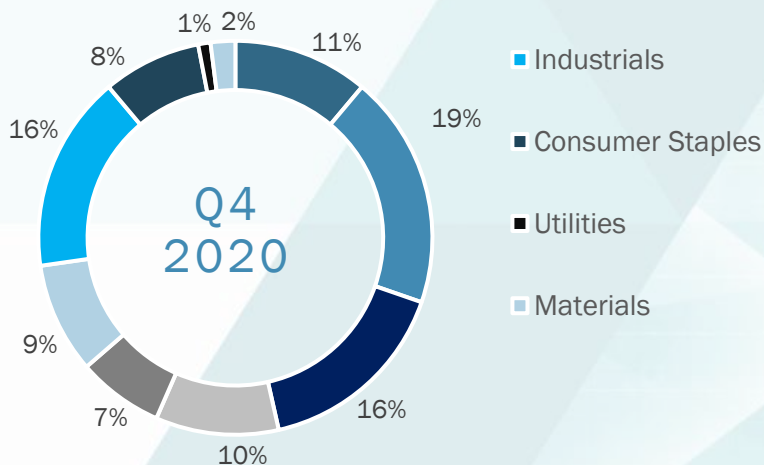
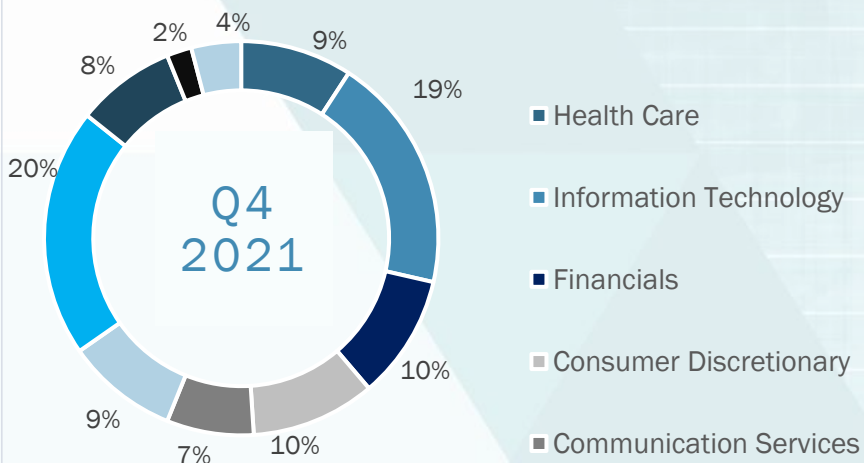
Q4 2021's Most Active Industries ⁽¹⁾

Industry	2021 Transaction Volume		Average Transaction Value ⁽²⁾
	Q4		
Industrials	77		\$23.6M
Information Technology	75		\$89.6M
Consumer Discretionary	41		\$221.7M
Financials	40		\$52.6M
Energy	37		\$76.9M
Healthcare	34		\$64.9M

Industry Overview

Canadian Q4 2021 Transactions By Industry ⁽¹⁾

Q4 2021 transactions by industry proved to be consistent with Q4 2020. Healthcare, which was booming in the early phase of the pandemic (19% in Q4 2020), has reduced to more sustainable levels (9% in Q4 2021).



Buyer Profile

Canadian Transactions By Buyer Location ⁽¹⁾

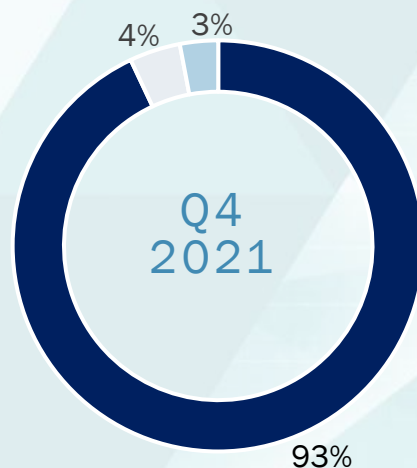
Buyer Location	Q4 2020 (Count)	Q4 2020 (%)	Q4 2021 (Count)	Q4 2021 (%)
Western Canada	110	27%	104	27%
Eastern Canada	140	34%	139	35%
USA	77	19%	88	22%
International	43	10%	35	9%
Not Disclosed	43	10%	26	7%
Total	413	100%	413	100%

Consistent with historical trends, domestic parties continue to be the largest acquirer of Canadian-based businesses. However, US-based buyer activity grew for both the number and percentage of transactions.

Canadian Transaction By Buyer Type ⁽¹⁾

Strategic acquirors remained the dominant buyer type through Q4 2021, taking advantage of accessible and inexpensive capital.

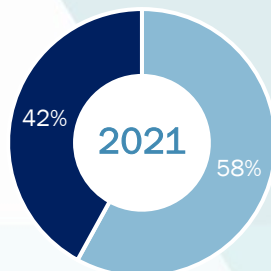
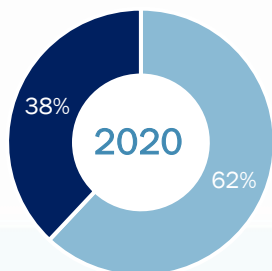
Buyer Type	Q4 2020	Q4 2021
Strategic	88%	93%
Financial	6%	4%
Not Disclosed	6%	3%



■ Strategic Buyer □ Financial Buyer □ Not Disclosed

Seller Profile

Western Canada vs. Eastern Canada ⁽¹⁾⁽²⁾



■ Western Canada
■ Eastern Canada

2021 saw an increase in deal activity from Western Canadian companies at 42% of Canadian deals compared to 38% in 2020. British Columbia had the largest number of Western Canadian sellers at 61% in 2021.

Western Canadian Transactions By Location ⁽¹⁾⁽²⁾⁽³⁾

Seller Location	Q4 2020 (Count)	Q4 2020 (%)	Q4 2021 (Count)	Q4 2021 (%)
British Columbia	75	65%	73	60%
Alberta	29	25%	38	32%
Saskatchewan	5	4%	4	3%
Manitoba	7	6%	6	5%
Total	116	100%	121	100%
Largest Transactions ⁽⁴⁾	\$1.2B acquisition of People Corporation by West Street Capital Partners VII Investments, L.P. (Subsidiary of Goldman Sachs Group Inc. and Broad Street Principal Investments, L.L.C.)		\$900M acquisition of Storm Resources Ltd. by Canadian Natural Resources Limited (TSX:CNQ)	

Q4 2021 saw an increase in deal volume with 121 deals vs. 116 in Q4 2020. British Columbia dropped to 60% in Q4 2021 vs. 65% in Q4 2020, while the Alberta market increased to 32% from 25%.

Notable Canadian Transactions

Select Q4 2021 Industrial and Diversified Deals in Western Canada

Date	Target	Target Prov.	Buyer
10/4/2021	Firesky Energy Inc.	SK	Surge Energy Inc. (TSX:SGY)
10/7/2021	Alcanna Inc. (TSX:CLIQ)	AB	Sundial Growers Inc. (NasdaqCM:SNDL)
10/8/2021	Mid-Nite Sun Transportation Ltd	AB	General Logistics Systems B.V.
10/14/2021	Alavida Health Ltd.	BC	LifeSpeak Inc. (TSX:LSPK)
10/27/2021	Rifco Inc. (TSXV:RFC)	AB	Chesswood Group Limited (TSX:CHW)
10/27/2021	Wow Unlimited Media Inc. (TSXV:WOW)	BC	Genius Brands International, Inc. (NasdaqCM:GNUS)
11/3/2021	The Nation Network	AB	Playmaker Capital Inc. (TSXV:PMKR)
11/3/2021	Harvest Insurance Agency Ltd.	MB	Westland Insurance Group Ltd.
11/4/2021	Simply Sweet Gummy Ltd.	BC	Halo Collective Inc. (OTCPK:HCAN.F)
11/9/2021	Storm Resources Ltd.	AB	Canadian Natural Resources Limited (TSX:CNQ)
11/23/2021	Optimal CP Inc.	AB	Extreme Vehicle Battery Technologies Corp. (CNSX:ACDC)
12/14/2021	Excell Battery Company	BC	Ultralife Corporation (NasdaqGM:ULBI)
12/20/2021	Next Green Wave Holdings Inc. (CNSX:NGW)	BC	Planet 13 Holdings Inc. (CNSX:PLTH)
12/20/2021	Plus Products Inc. (OTCPK:PLPR.F)	BC	Glass House Brands Inc. (OTCPK:GLAS.F)
12/23/2021	Trilogy Software Inc.	AB	Xero Limited (ASX:XRO)
12/24/2021	Absorbent Products Ltd.	BC	Progressive Planet Solutions Inc. (TSXV:PLAN)

Team Update

2021 was a banner year for our firm as we continued to invest in our ability to service our clients, adding additional team members across each of our offices.



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Transactions in 2021

Advisor to
FOSTER PARK
BROKERS
on the sale to
NFP
sequeira PARTNERS

Advisor to
JOIE
farm
on its partnership
with a private
investor
sequeira PARTNERS

Advisor to
Group Benefits
Insurance Brokerage
on the sale to
people
CORPORATION
sequeira PARTNERS

Advisor to
GWAT
Consulting Inc.
on the sale of its U.S.
Division to
ambipar
GROUP
sequeira PARTNERS

About Us

Sequeira Partners is Western Canada's leading sell-side transaction advisor to private and public industrial, energy services, business services, manufacturing and insurance businesses.

From our offices in Vancouver, Edmonton and Calgary, the team at Sequeira Partners has completed more than 200 mid-market transactions in Canada, the United States, and countries around the world.
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