

# 2024 ANNUAL REPORT



A PRIVATE EQUITY INVESTMENT MANAGEMENT COMPANY

PFM Capital Inc. was established to provide a homegrown solution to the lack of capital available for Saskatchewan businesses, aiming to provide companies with the resources required to execute their strategic goals while adding long-term value to the benefit of all stakeholders.

We hold all of our partners and investees in the highest regard and personally invest in all of the funds that we manage. We make a point to align our interests with those of our partners and are committed to building long-term mutually beneficial relationships.

**Randy Beattie**  
*Founding Partner, President*

CURRENT FUNDS UNDER MANAGEMENT



# REALIZING VALUE, BUILDING CONFIDENCE

April 16, 2025

---

Our patience and dedication to our established investment process has continued to guide us through a year of significant milestones and strategic opportunities.

2024 began with a continuation of the slower activity, which defined 2023, as cautious sentiment and macroeconomic headwinds lingered. Despite the subdued start, deal activity gained momentum in the second half of the year, with Q4 setting a record with the largest amount of quarterly investment in Canadian private equity history, according to the Canadian Venture Capital Association. While larger deals captured headlines, most completed transactions fell within the \$25M–\$100MM range, highlighting strength in the mid-market segment. This renewed activity and focus on the middle market gives us optimism about the quality and quantum of opportunities we are seeing in 2025.

We observed this shift in market sentiment with several successful liquidity events occurring throughout 2024. Among these, the sale of the All-Fab Group of Companies to Sycamore Partners along with RONA stands out as a premier exit for our Apex Funds. This represents a very strong return for Apex II and Apex III LPs and a testament to the value we work to build in each of our portfolio companies. 2024 also saw continued capital appreciation amongst our blue-chip energy, midstream and industrial portfolio across all Apex funds.

The second half of the year brought with it a meaningful uptick in deal flow activity, with a diverse set of opportunities emerging. We continue to evaluate approximately \$1.0 billion in opportunities per year. PFM uses a targeted and disciplined

approach to deploying capital, seeking risk-adjusted returns with companies we believe can withstand market volatility and deliver sustained growth. Given the number of deals in exclusivity and in advanced due diligence stages, we expect 2025 to be a sizeable placement year for Apex IV Investment Fund.

2025 has introduced new sets of challenges and opportunities, including elevated levels of market volatility and subdued consumer and business sentiment. However, conviction in our disciplined investment strategy gives us confidence that new opportunities will emerge and the strength and resilience of our portfolio helps ensure existing companies will continue to create value.

We thank you for your continued support throughout 2024. To our Limited Partners, we are grateful for the trust you place in us to steward your capital with discipline and purpose. To our portfolio companies, we value the partnerships we've built and look forward to working alongside you as we pursue shared growth and long-term success in the years ahead.



**Randy Beattie**  
*Founding Partner,  
President*



**Rob Duguid**  
*Founding Partner,  
Chief Executive Officer*



# OUR STRATEGY

---

PFM Capital invests in mid-market businesses, with the objective of achieving long-term capital appreciation.

By strategically focusing on both yield and growth, we are able to structure our investments in a way that suits both our investors, and our portfolio companies. We use a broad range of securities, from common equity to subordinated debt, which ensures that our investees are able to grow and execute on their business plan without ever impeding the balance sheet.

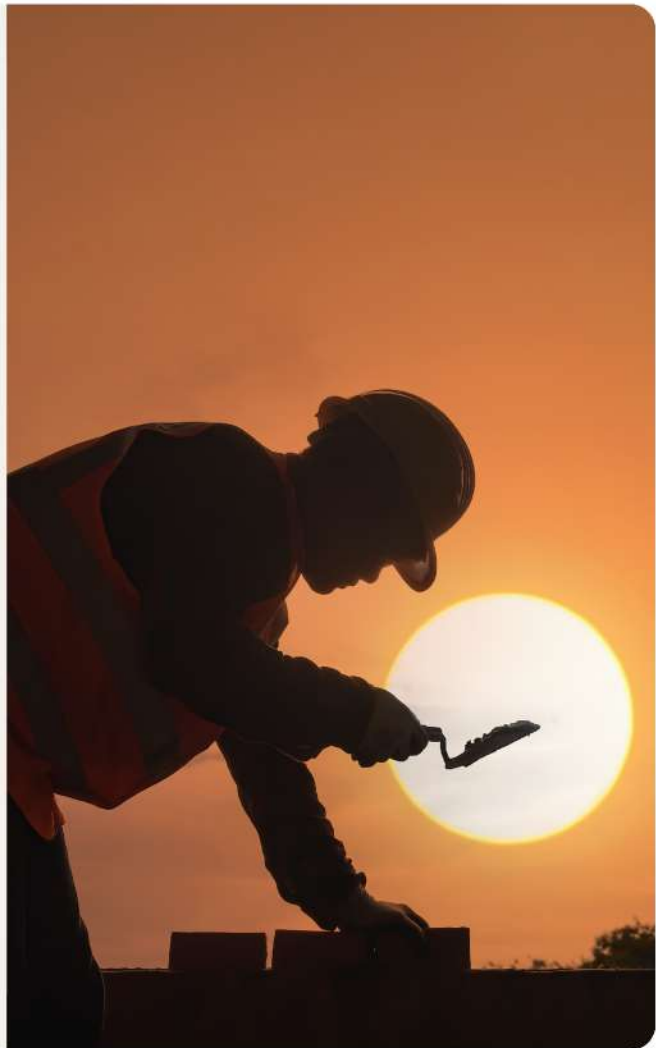


## Our Typical Investment

At PFM we are able to structure our transactions using a variety of instruments and ownership stakes to match the needs of our investee companies. While our flexibility allows us to invest in a wide range of companies and industries, our business partners typically exhibit the following attributes:

- ▶ Well-aligned experienced management teams,
- ▶ Market segments with growth potential,
- ▶ 5-8 year investment timeframe,
- ▶ A clear identifiable exit opportunity,
- ▶ EBIDTA of \$2-\$10 MM and/or enterprise value of \$10- \$100 MM.

If a company matches our investment criteria, we would typically invest \$5-25 MM in a single financing. We will invest more or less than our typical transaction amount depending on the circumstances of the particular investment opportunity.



# APEX SERIES

---

The Apex Series of Funds offer institutional and accredited investors exposure to a professionally managed diverse portfolio of private companies. Building on the success of Apex Investment Fund Limited Partnership, Apex II, Apex III, and Apex IV targets mature companies with established operations that can provide high growth and/or yield potential across different sectors. Sector exposure includes but is not limited to:

- ▶ Industrials & Manufacturing
- ▶ Consumer & Discretionary Staples
- ▶ Energy & Production Midstream
- ▶ Ag Products & Services





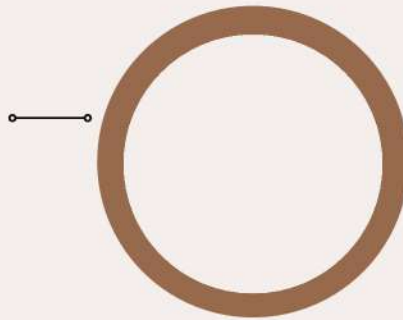
## FUND STATISTICS\*

Total value invested at cost since inception  
\$10,000,000

Total number of investees since inception  
1

## PORTFOLIO ACTIVITY BY SECTOR AT COST SINCE INCEPTION

Energy (E&P)  
100%



\*as at December 31, 2024



Apex IV Investment Fund provides institutional and accredited investors with access to participate in equity, near-equity or subordinated debt investments in mid-market private Western Canadian based companies that offer the potential for substantial capital appreciation or income generation.



Woodland Development Corp. became a portfolio company in March 2023, when Funds managed by PFM were lead investors in a syndicated financing arrangement. The financing was completed to fund an asset acquisition in SE Saskatchewan from an intermediate oil and gas producer. They have an enviable management team with extensive experience throughout southeast Saskatchewan and beyond. The Fund Manager believes the investment offers a good risk-adjusted return based on the strength of the management team, attractive entry price, and industry and asset fundamentals.

Apex IV completed its final close on December 22, 2023 with total committed capital of \$136.3 million. Apex IV has maintained consistency with Apex I, II, and III's mid-market investment philosophy. Information above indicates Apex IV Limited Partnership (LP I) and Apex IV Limited Partnership II (Apex IV LP II). When consolidated, the information will reference 'Total Fund Statistics'.



A photograph of an oil pumpjack in a field of tall grass under a blue sky with white clouds. The pumpjack is in the foreground, slightly to the right, and is silhouetted against the sky. The grass is in the foreground, and the sky is in the background.

APEX IV INVESTEE HIGHLIGHT

# Woodland Development Corp.

SECTOR: ENERGY E&P

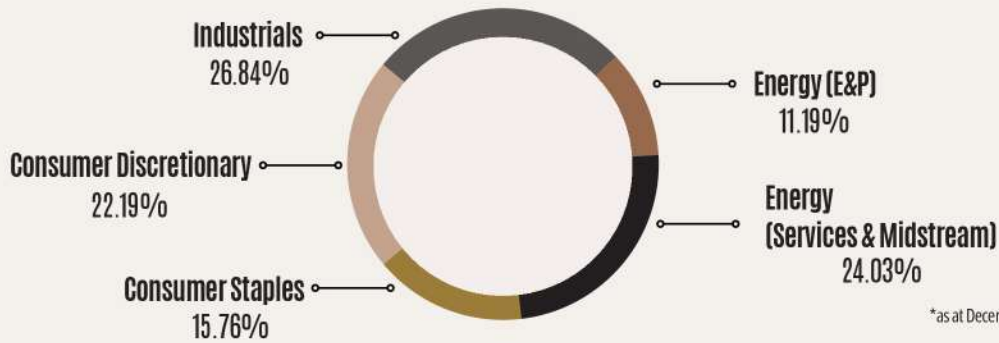
Woodland continues to execute on its business plan of diligent debt reduction each quarter, along with allocating capital to asset retirement obligations and re-activations/re-entries. Woodland reduced its net debt by > 25% in 2024, completed > 70 downhole abandonments and reclaimed > 20 sites along with a reduction in emissions intensity/boe. This was accomplished while methodically growing its production base. Its robust hedging program alongside a modest decline rate/modest maintenance capex will help Woodland mitigate commodity or differential volatility that might emerge in 2025.



## FUND STATISTICS\*

Total value invested at cost since inception	Total number of investees since inception	Value of remaining investments at cost	Total number of remaining investees	Cash Returned to Limited Partners
\$95,190,484	11	\$76,113,779	8	\$14,536,265

## PORTFOLIO ACTIVITY BY SECTOR AT COST SINCE INCEPTION



\*as at December 31, 2024



## REMAINING PORTFOLIO HOLDINGS

Apex III Investment Fund provides institutional and accredited investors with access to participate in equity, near-equity or subordinated debt investments in mid-market private Western Canadian based companies that offer the potential for substantial capital appreciation or income generation. Apex III is the third iteration of PFM's diverse private equity fund.



Astara Energy Corp. is composed of the same senior management team from Astara Oil Corp. which was one of few private E&P companies to generate a positive MOIC from 2014-2021. Astara was capitalized in 2022 and consolidated a number of assets in Central and East Central Alberta.





Bone & Biscuit Co. Holdings Inc. is the franchisor of over 60 retail boutique pet stores located across Canada. Headquartered in Kelowna, B.C., the company also owns and operates five corporate locations in Alberta- three in Fort McMurray, and two in Grand Prairie.



Caltex Trilogy is a private E&P company that commenced operations in August 2022 and completed its first external raise in August 2023. The company has raised over \$80 million since inception and its assets are concentrated near Lindbergh in NE Alberta. Caltex Trilogy is comprised of the same management team from Caltex Resources which was sold to Strathcona in 2021 for \$561 million and a blended ~3.0x MOIC for funds managed by PFM.



Lift Auto Group is a platform company for the purpose of consolidating collision repair shops within Canada. Operating in the collision repair industry, Lift provides repair related services including replacement parts and paint services. Based out of Kelowna, B.C., the Company currently has over 50 locations across B.C., Yukon, AB, SK and ON.



Founded in 1967 and based in Regina, SK, SFOC offers an integrated distribution, buying and transportation platform in the building materials industry across its five business lines: Sexton Group, Kenroc Building Materials, Builders Choice, Sexton Transport, and Tage Davidsen.



Spur Petroleum Ltd. is a private oil & gas company focused on the development, exploration and acquisition of oil & gas properties in central Alberta (Clearwater Medium Fairway). Spur Petroleum is the dominant landowner and producer in the Clearwater which is regarded as being amongst the most economic plays in North America. Spur has created tremendous shareholder value, organically growing its Clearwater production base from 600 boe/d at inception to over 50,000 boe/d.



Steel Reef is a privately held midstream company. They are focused on the capturing, transporting, and processing of associated gas and other products in Western Canadian Sedimentary Basin and Bakken resource play. Steel Reef has also entered into power purchase agreements with SaskPower to generate utility scale electricity from recovered flare gas. Their asset base and expertise provide customers with a vertically integrated infrastructure offering and generates superior returns for shareholders.



Founded in 2008, Surface Hair develops and sells a complete portfolio of high-performance hair care products for salons and stylists. Surface Hair carries over 200 products, comprised of shampoos and conditioners, styling products, oil treatment, and colouring products. Inspired by salon owner and international hair stylist, Wayne Grund, Surface was founded on the principle of respecting personal health and the Earth. Surface Hair offers a culture of education, guest service and technical experience.

Apex III completed its final close on November 1, 2019 with total commitment capital of \$103.4 million. Apex III has maintained consistency with Apex I and Apex II's mid-market investment philosophy. As at December 31, 2024, 100% of the total committed capital has been placed.

## APEX III EXIT HIGHLIGHT

# All-Fab Group

### SECTOR: INDUSTRIALS

All-Fab Group designs, manufactures and distributes structural wood building components for residential, commercial and agricultural applications as well as ready-to-move homes and buildings in Canada and the United States. The company operates under five brands: All-Fab, Olympic, Nu-Fab, Pacific and Littfin, with manufacturing facilities in Canada and the United States.

Sycamore Partners along with RONA Inc. closed the acquisition of All-Fab Group on December 23rd. Apex III made its initial investment in All-Fab in 2019 and made a subsequent follow-on in 2020. Funds under management of PFM played a pivotal role in providing capital and strategic support to help fund several acquisitions which enabled All-Fab to become one of the largest building solutions providers across Western Canada. Inclusive of customary holdbacks, the transaction generated a very strong return for Apex III with a projected gross MOIC of ~ 7.0x and a gross XIRR of ~ 57%.

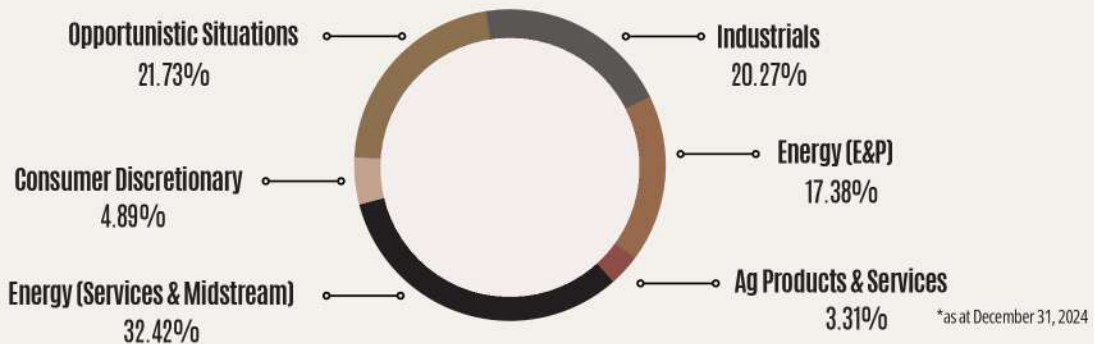




## FUND STATISTICS\*

Total value invested at cost since inception	Total number of investees since inception	Value of remaining investments at cost	Total number of remaining investees	Cash Returned to Limited Partners
\$93,641,114	24	\$39,266,425	8	\$106,418,231

### PORTFOLIO ACTIVITY BY SECTOR AT COST SINCE INCEPTION

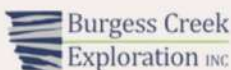


### PORTFOLIO HOLDINGS

Building on the success of Apex Investment Fund Limited Partnership, Apex II targets mature companies with established operations that can provide high growth and/or yield potential in the energy, value-added agriculture, real estate, consumer discretionary, industrials and manufacturing sectors



Aureus Energy Services provides water management services across North America. They provide technical solutions throughout the life cycle of water management which are designed to lower emissions, conserve water and create cost saving for clients.



Burgess Creek is a junior oil and natural gas exploration company that primarily focuses on lower risk conventional drilling prospects. The Burgess Creek management team has generated strong returns in two prior companies across a variety of commodity cycles. The company raised capital for the start-up and growth of a Southeastern Saskatchewan focused E&P company.





CORE Linepipe is a manufacturing and service company that specializes in the development, manufacturing and installation of a proprietary corrosion resistant pipeline system. CORE developed and manufactures a liner which is inserted into conventional steel pipe, and developed and manufactures a mechanical pipe joining system.

**FOUNDATION DEVELOPMENTS**

Foundation Developments consists of a portfolio of four commercial buildings with a total of 159,111 square feet of office space in Regina, SK. The buildings have a low vacancy rate, are secured with long-term leases by high-quality tenants, and were purchased opportunistically.



Harbour Landing Village is a greenfield senior housing development located in south Regina, SK. The offering consists of independent, assisted and supportive senior living as well as childcare services. Additional amenities include an onsite restaurant open to the public, home care services, wellness activities and social events.



Karve Energy is an E&P company operating in east central Alberta that Apex II initially gained exposure to in July 2014 through an equity raise. The company was recapitalized in June 2016 when a new management team was brought in.



Prairie Soil Services provides a variety of value-added solutions to farming operations in the Yorkton and Canora, SK region. The company partners with producers to streamline their input purchases and establish efficiencies in accounting and seeding processes.

**STEELREEF<sup>+</sup>**

Steel Reef is a privately held midstream company. They are focused on the capturing, transporting, and processing of associated gas and other products in Western Canadian Sedimentary Basin and Bakken resource play. Steel Reef has also entered into power purchase agreements with SaskPower to generate utility scale electricity from recovered flare gas. Their asset base and expertise provide customers with a vertically integrated infrastructure offering and generates superior returns for shareholders.

Apex II completed its final close on June 19, 2014 with total committed capital of \$88 million. The fund was fully drawn as at June 30, 2019 and has successfully exited 16 of 24 investee companies.



APEX II EXIT HIGHLIGHT

# Multiple Exits

SECTORS: INDUSTRIALS, FINANCIALS, ENERGY E&P

2024 was a productive year for Apex II as it monetized 9 investees and distributed \$31.3 million to LPs. This was followed by a \$22.4 million distribution in early 2025. The following investments saw full or partial liquidity during 2024; All-Fab Group, Foundation Developments, Hi-Tec Profiles, Parkside Townhomes, Spur Petroleum, TAM International, Urban Heights, Varsteel, WindRiver Power.

Encompassing dividends received throughout the respective holding periods and partial liquidity which occurred earlier in some instances, these investment generated \$110.6 million in proceeds from a cost base of \$28.3 million, or a gross MOICX of 3.9x. A large percentage of those returns were derived from All-Fab, Spur and Varsteel. We are pleased with the risk adjusted return generated from a diverse mix of companies/sub-sectors and over a number of economic peaks and troughs.



# OUR RESULTS

AS AT DECEMBER 31, 2024, PFM HAD:

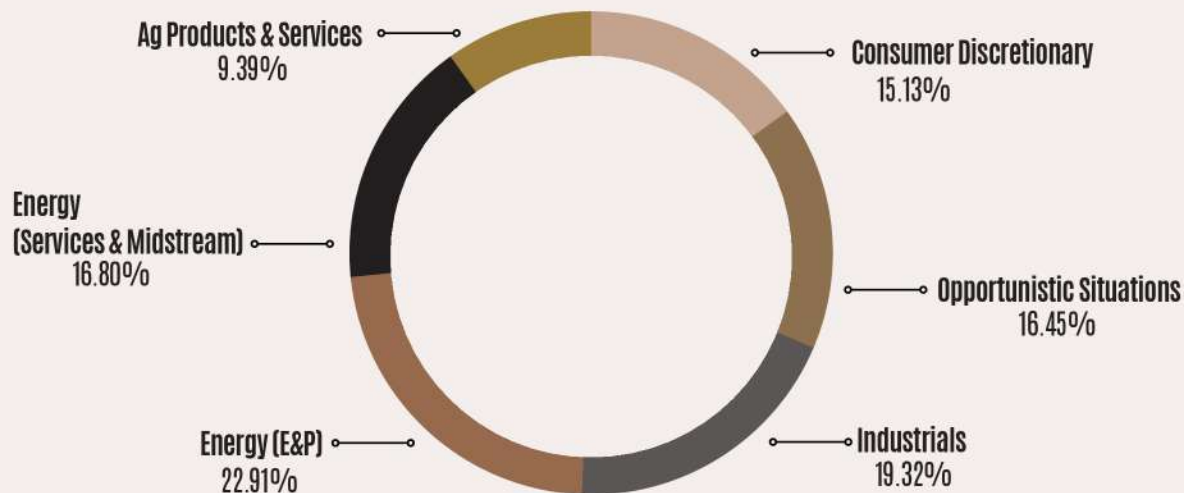
Raised more than  
**\$1,236 Million**  
of capital

Invested  
**\$1,143 Million**  
in 143 portfolio companies

Realized an aggregate  
**2.4x MOIC**  
on exited investments

# OUR ACTIVITY

MOIC: Multiple on Invested Capital  
PFM disbursed since inception (as  
at December 31, 2024)



\*as at December 31, 2024



# OUR TEAM

PFM Capital Inc. is an employee-owned investment firm. Founded in 1989 as a corporate finance company, PFM has been managing private equity and venture capital funds since 1993. With more than 16 years of experience each, and 13+ years of working together in Private Equity fund management, our senior management team has been active in our network for years and has experience in all major industries that drive growth in the prairies.



**Rob Duguid**  
Founding Partner, Chief  
Executive Officer



**Randy Beattie**  
Founding Partner, President



**Jeff Linner, CFA, CBV**  
Partner, Chief of  
Investments



**Johanna Salloum, CFA**  
Partner, Senior Director -  
Investments



**Jason Moser, CFA, CBV**  
Partner, Senior Director -  
Investments



**Cassandra Gay, CPA, CA**  
Chief Financial Officer



**Shayne Barrie, CFA**  
Director - Investments



**Ghalib Hemnani**  
Director - Investments



**Dilan Elgert, CFA**  
Director - Investments



**Julia Frain, CFA**  
Associate - Investments



**Anthony Hinzmann, CFA**  
Associate - Investments



**Noah Picton**  
Associate - Investments



**Ryan Klassen**  
Manitoba Lead



**Marga Bos**  
Controller



**Austin Bentz, CFA**  
Director - Investor Relations



**Madison Wickenheiser**  
Investor Relations Analyst



**Claire Hanson**  
Office Manager

SASKATCHEWAN

2<sup>nd</sup> Floor, Assiniboia Club Building  
1925 Victoria Avenue, Regina, SK S4P 0R3

MANITOBA

#200, 185 Carlton Street, Winnipeg, MB R3C 3H7

TEL 306.791.4855

EMAIL [investorrelations@pfm.ca](mailto:investorrelations@pfm.ca)

WEB [www.pfm.ca](http://www.pfm.ca)

