

STAFFING INDUSTRY INSIGHTS

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Extensive Staffing Transaction Experience

 Connect • Collaborate • Succeed Has been acquired by A Portfolio Company of Served as Exclusive Advisor to Collab USA LLC	 Problem Solved! Has been acquired by A Portfolio Company of Served as Exclusive Advisor to QED National	 IT'S TIME TO GO PRO Has been acquired by A Portfolio Company of Served as Exclusive Advisor to ProTask, Inc.	 Has been acquired by Served as Exclusive Advisor to Saicon Consultants
 Has been acquired by Recruiting Solutions Served as Exclusive Advisor to CompuStaff	 Has been acquired by INTELLIGENCE IS HUMAN Served as Advisor to DAKO Group	 a Turnberry Solutions Company Has been acquired by Served as Exclusive Advisor to New Elevation	 Has been acquired by Healthcare Staffing Veteran, Janet Elkin Served as Exclusive Advisor to ICON Medical Network

Q3 2023 M&A Overview

- Global mergers and acquisitions activity fell 36% year-on-year in the third-quarter 2023 and the total transaction value fell to \$717.4 billion from \$738.1 billion in the same period last year, according to Dealogic data.
- North American staffing M&A transactions volume was flat in the third-quarter 2023. Momentum Advisory Partners noted a total of 27 announced transactions, which was in-line with Q2 2023.
- Light Industrial/Commercial staffing businesses recorded the highest volume, accounting for nearly a third (8) of all announced transactions in the quarter.
- Of the 27 announced transactions, private equity firms were involved nine. Of those nine, eight were completed as add-on acquisitions and one was a platform acquisition.
- Momentum advised and represented the founders of a Healthcare and Life Sciences staffing firm, Collab USA LLC, the firm's 10th transaction since its founding in July 2020.

Despite no increase in transaction volume from Q2 to Q3 2023, there was a notable change in sentiment among active M&A participants on the buy-side. "It seems as if there's a fair amount of pent-up demand as buyers have adjusted to the higher costs of financing and those flush with cash fight through the tougher market conditions to strategically pursue growth" said Akash Taneja, founder of Momentum. "Based on the number of private equity transactions in the quarter, it appears those with the ability to get creative with financing and transaction structure, will continue to be acquisitive."

We recently spoke with Troy Gregory, System One Holdings Chairman and Chief Executive Officer as well as staffing industry veteran of over 20-years. As the head of the firm since 2008, System One Holdings has been among the most active acquirors of staffing and solutions businesses across the US, completing over 15 acquisitions. Troy remains positive for the coming quarter and new year in terms of the firm's M&A efforts and had the following to say:

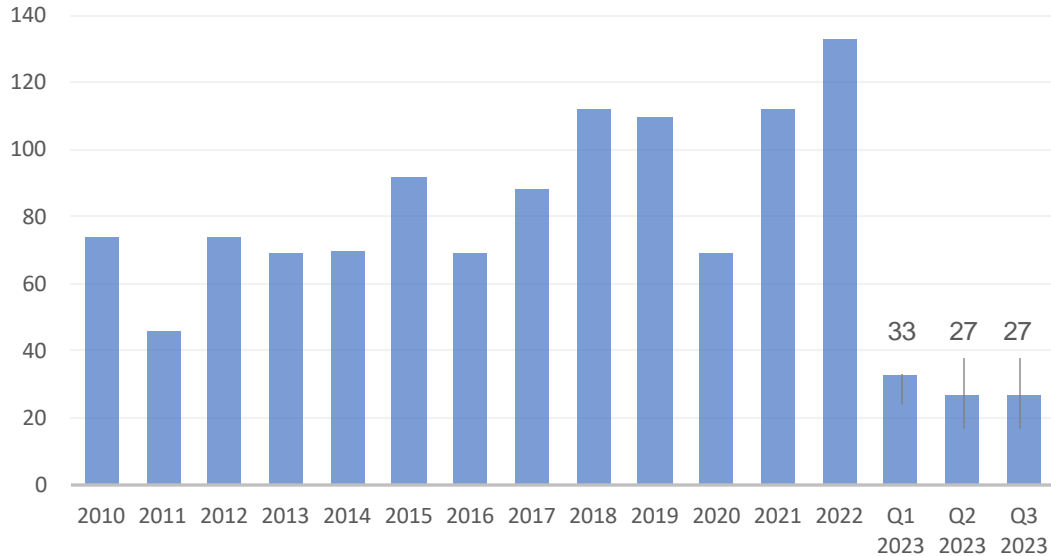
“System One is continuing to aggressively pursue opportunities for acquisition in the staffing industry as part of its growth strategy. We most certainly witnessed a “Covid” spike in 2022 resulting in record revenue in many of the companies we identified and evaluated as acquisition targets. We also noted an uptick in valuation multiples and seller expectations, we believe due to that post-Covid reaction. It’s our view that things are starting to level off and opportunities will continue to present themselves in the foreseeable future. We have not strayed from our core capabilities and continue to be disciplined in our acquisition strategy. Highest on our list of attributes in evaluating a potential acquisition opportunities is company culture and fit. making sure the businesses we acquire, fit in and ensure they will be successful for years to come.”

system|one

- Troy Gregory, Chairman & CEO

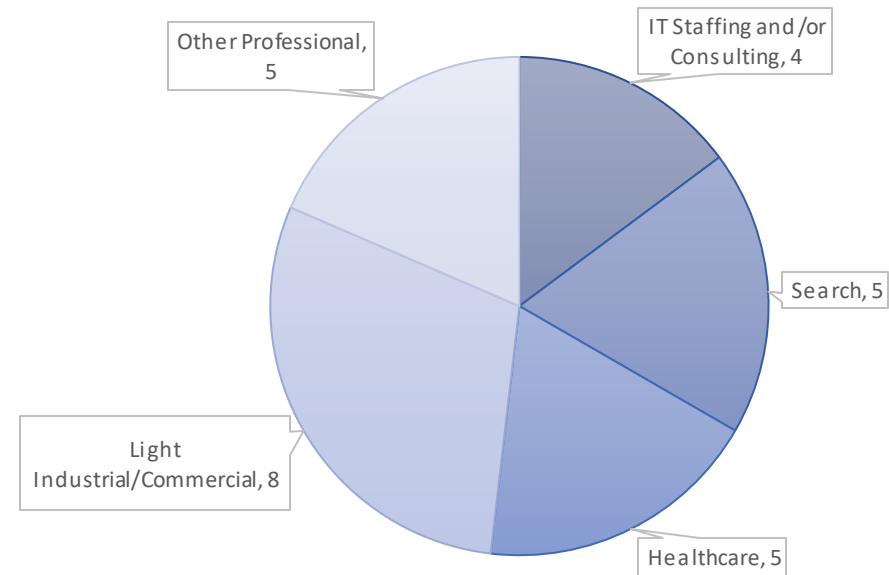
Q3 2023 Breakdown

M&A Transactions Since 2010



- Q3 2023 transaction volume was flat from Q2 2023, although still down double digits percentage wise from Q3 a year ago.
- There were 27 transactions completed by 27 unique buyers, both strategic and financial (private equity).
- The market is on pace to reach just shy of 120 completed transactions for the full year 2023, which would be down over 10% versus 2022.

M&A Transactions by Sector



- Light Industrial/Commercial staffing led the way with eight completed transactions in the quarter, up from four transactions in the previous quarter.
- Dealmaking in technology, which typically accounts for the largest share of deal volumes in staffing (20% through the first three quarters of 2023), fell from seven transactions in Q2 to four in Q3. We continue to expect IT outpace all other staffing segments in terms of total transactions completed this year.

Notable Transactions of Q3 2023

Buyer



Acquired Company



Transaction Details

Princeton, NJ (July, 10 2023) – Momentum Advisory Partners announced that Aequor Technologies, a leading healthcare, life science and technology firm, has acquired Collab Infotech, a clinical, scientific and IT staffing firm based in Princeton. This strategic move further strengthens Aequor's position in the staffing industry and enhances its ability to provide comprehensive workforce solutions to clients worldwide. **Momentum Advisory Partners acted as the exclusive advisor to Collab Infotech in the transaction.**



Design Group
Staffing Inc



Birmingham, AL (September 7, 2023) – Hire Technologies, a provider of IT, healthcare electric utilities and nuclear staffing, announced a sale of their provision IT staffing business unit to Canada's 7th largest staffing provider, Design Group Staffing Inc. This is the second sale Hire Technologies has gone through since the company decided in March to liquidate assets back to the vendors who it acquired previously.



Acacium
Group



Draper, UT (September 8, 2023) — Acacium Group, a leading global healthcare and life sciences UK-based staffing firm acquired Sumo Medical Staffing to expand their US coverage in locum tenens staffing. Sumo will continue to be run by the founding owners Jeff Parker, Kevin Anderson, and Boyd Waters but will be under the supervision of Acacium Group COO Christopher Brink who oversees the US Healthcare Staffing Division.

Momentum Q3 2023 Transaction



During the entire process, Momentum was able to establish a good working relationship with all parties involved—buyers, VCs, and attorneys on both sides—and took the lead in driving the process to a successful closing.

- Sam Matreja
Co-Founder & President

Aequor, based in Piscataway New Jersey, has been providing healthcare, life science and technology staffing solutions since its formation in 2001. Through this acquisition, Aequor Technologies aims to leverage Collab’s extensive industry expertise, knowledge and established client relationships to deliver enhanced staffing solutions.

Based in Princeton, New Jersey, Collab Infotech is a provider of clinical, scientific and IT staffing and has been doing business since its founding in 2009. The Company was co-founded by Sam Matreja who will join the Aequor team following the acquisition.

“This acquisition will give Aequor a greater footprint in the clinical IT space with access to new customers and an experienced team of recruiters to help us fill our client needs,” Aequor Co-CEO Manmeet Virdi said. “By becoming a part of Aequor Technologies, we gain access to a global platform and a vast network of resources, enabling us to expand our reach and provide even greater value to our clients,” said Sam Matreja, founder and head of Collab.

Following the acquisition Sam Matreja will join forces with the Aequor team as Senior Vice President and the rest of the management team from Mr. Matreja will be following him in their respective positions, in their new Piscataway home.

Q3 2023 Announced Transactions

Date	Buyer	Acquired Company	Description
11-Jul	Aequor	Collab Infotech	Collab Infotech specializes in providing Clinical, Scientific, IT & Healthcare staffing solutions. Providing these talents on Contract, Contract to Hire, and Direct Hire basis.
13-Jul	Premier Health	Solutions Staffing	Vancouver, BC based healthcare staffing firm that provides nurses and allied healthcare professionals.
17-Jul	Ascend	Employee Solutions	Employee Solutions is one of the largest human resources companies in Texas, Oklahoma, Arkansas and specializes in light industrial, clerical and warehouse staffing.
18-Jul	Futuris	Insigma	Information Technology provider delivering superior quality software development, consulting and staffing solutions based in Virginia.
19-Jul	Trillium	American Craftsmen	Washington based construction staffing firm providing temp, full-time and direct hire services.
2-Aug	Elite365	Kobor MedSearch	Locum tenens and perm staffing firm specializing in CRNAs and Anesthesiologists.
7-Aug	Terra Staffing	ASG Staffing	Midwestern firm specializing in light industrial staffing for manufacturing and distribution-based clients.
8-Aug	Airswift	Energy Resourcing	A staffing division of Worley's, which is a global recruitment and contractor management business focusing on the engineering services industry.
9-Aug	Hirewell	The Collective Search	Bay area recruiting firm with a focus in finding sales talent for VC & PE backed software companies.
11-Aug	ZRG	The Registry	The Registry provides colleges and universities across the US and abroad with interim leaders in higher education.
11-Aug	Staffworks	Sourcepoint Staffing	Full-service staffing agency in the areas of contract, contract to permanent, and direct hire recruiting in the Industrial, Office, and Professional arenas in the greater Milwaukee area.
14-Aug	Noor Staffing	Star Hospitality	NY based hospitality staffing firm providing talent for staff aug, temp and temp to perm.
16-Aug	BeachFleischman	Kuadra Support	Accounting outsourcing and staffing firm that offers a comprehensive online back-office solution that includes multilingual accounting services for companies across all industries.
23-Aug	24 seven	Cydio Group	San Diego based specialized IT staffing firm that provides innovative, first-hand knowledge and connects top-tier IT professionals with notable organizations.

Q3 2023 Announced Transactions (cont'd)

Date	Buyer	Acquired Company	Description
24-Aug	Raise	Shiftfillers	Tech-powered staffing platform that connects job seekers with light industrial companies.
28-Aug	Surge	Tower Legal Solutions	NY based legal staffing provider specializing in substantive legal staffing/secondees, managed review, contract management, foreign languages and permanent placement.
5-Sep	Active Staffing	Normann Staffing Services	Private employment service that has been providing temporary and permanent staffing to organizations in New York's Hudson Valley in the industrial and office/clerical segments.
6-Sep	JW Michaels & CO	Legerity Group	Legerity Group primarily addresses interim finance and accounting positions, with a focus on middle-to senior-level roles out of Boca Raton.
7-Sep	Design Group Staffing	Hire Technologies	Rapidly growing IT and Engineering staffing company based in Birmingham, Alabama.
8-Sep	Acacium Group	Sumo Medical Staffing	SUMO Medical Staffing is a nationwide Healthcare Staffing and Recruiting Company, offering clients Locum Tenens and Permanent Placement Staffing Services.
8-Sep	Corsica Partners	Alora Search Partners	MA based talent acquisition firm specializing in private equity, portfolio companies and Fortune 500 companies and finding the top tier talent they demand.
12-Sep	Agilus	ProVision IT Resources	A division of Hire Technologies Inc. which is a network of IT staffing firms based in Toronto.
13-Sep	Cherry Bekaert	Cordia Partners	Cordia Partners is a leading provider of outsourced accounting, technology consulting, and business advisory services in the Washington, DC Metropolitan region.
14-Sep	BV Investment Partners	Hardenbergh Group	The Hardenbergh Group places medical services professionals at ALL levels in hospitals, health systems, CVOs, health plans, medical groups, and networks nationwide for more than 30 years.
19-Sep	Active Staffing	Phoenix Staff	Maryland-based staffing agency specializing in recruiting a myriad of industrial professionals for over three decades in Houston, Texas and Hyattsville, Maryland.
25-Sep	Surestaff	Cardinal Staffing	Cardinal is one of the largest temp agencies in the the Midwest specializing in light industrial, logistics, manufacturing, automotive, food processing, and distribution/warehouse.
29-Sep	Capital Search	Spaulding Associates	Maine based specialized search firm offering personalized service in the power engineering industry and software companies.



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