

THE
WESTERN INVESTMENT
COMPANY OF CANADA LIMITED



**INVESTOR PRESENTATION
DECEMBER 2017**

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Overview of Western



Western Overview



Purpose

To create long-term wealth for shareholders by building and maintaining a diversified portfolio of strong, stable and profitable Western-based companies and help them grow



Strategy

Acquire significant ownership positions in successful companies by:
i) Offering "Continuity Capital" ii) Providing oversight using "Pattison Principles" and Rockefeller Habits"; iii) Maximize return to shareholders through "Western Sensibility"



Goals

100 MM in equity investments
by Jan 2019

3 industry sectors by Jan 2019

Discussion on “Continuity Capital”



1

Fund succession and/or growth for an already successful business

2

Founder share ownership with unique put/call structure and earnouts

3

Buy-in program for existing management

4

Entrepreneur friendly, respectful negotiations

5

Board of Directors seat / voting fairness for owner

Deep Experience Building Companies



Western's Board of Directors Experience

Name	Reporting Issuer	Exchange	Position	From	To
Scott Tannas	Western Financial Group Inc.	TSX	Director	May 1996	June 2017
	Western Financial Group Inc.	TSX	CEO	May 1996	Jan 2014
	Rocky Mountain Dealerships Inc.	TSX	Director	Aug 2014	Present
James F. Dinning	Bronco Energy Ltd	TSX	Chairman	Feb 2009	Nov 2010
	Liquor Stores N.A. Ltd.	TSX	Chairman	Sept 2004	July 2017
	Parkland Fuel Corp.	TSX	Director	Aug 2004	May 2014
	Oncolytics Biotech Inc.	TSX, NASDAQ	Director	Mar 2004	Mar 2016
	Russel Metals Inc.	TSX	Chairman	Feb 2003	Present
	Western Financial Group Inc.	TSXV	Chairman	Nov 2002	June 2017
Willard Yuill	Shaw Communications Inc.	TSX, NYSE	Director	Oct 1999	Present
	Western Financial Group Inc.	TSX	Director	Sept 2004	Apr 2011
Robert Espey	Parkland Fuel Corp.	TSX	President/CEO/COO	Jan 2011	Present
	Parkland Income Fund	TSX	VP Retail	Nov 2008	Dec 2010
Kabir Jivraj	Northview Apartment (REIT)	TSX	Trustee	May 2006	Aug 2011
	NorSerCo Inc.	TSX	Director	Dec 2010	Aug 2011
	O2Capital Inc. (Xianburg Data Systems Canada)	TSX-V	Director	Feb 2008	May 2011
	Platform Resources Inc.	TSX-V	Control Person	Apr 2004	Feb 2005

Significant Insider Ownership



Western Insider Ownership

Shareholder	Shares	Ownership
Scott Tannas (<i>CEO</i>)	1,011,000	3.31%
Shafeen Mawani (<i>COO</i>)	649,606	2.13%
Willard Yuill (<i>Director</i>)	608,000	1.99%
Kabir Jivraj (<i>Director</i>)	565,000	1.85%
James Dinning (<i>Director</i>)	531,000	1.74%
Robert Espey (<i>Director</i>)	530,000	1.74%
Other Insiders	400,000	1.31%
Total Management & Directors	4,294,606	14.07%
Other Shareholders	26,120,650	85.93%
Total Shares Outstanding¹	30,415,256	100.00%

¹ As of November 15, 2017

Western's Investment Criteria



Investment Criteria

Deep Verticals	1) Insurance / Financial Services 2) Distribution / Retail 3) Agriculture and Related Services	4) Human Services 5) Special Situations
Acquisition Enterprise Value	\$10-100 million	
Ownership	30%-100%	
Geographic Region	Western Canada (BC, AB, Sask, MB)	

Oversight Plan for Acquisitions



Pattison principles, Rockefeller habits

- Quarterly rhythms / meetings
- Industry analysis to support decisions of portfolio companies
- Critical number generation/monitoring (KPIs)
- One year planning with 10 year BHAG (“Big Hairy Audacious Goal”)
- Continuing mentoring and education for executives of portfolio companies
- Business focus – long term vision

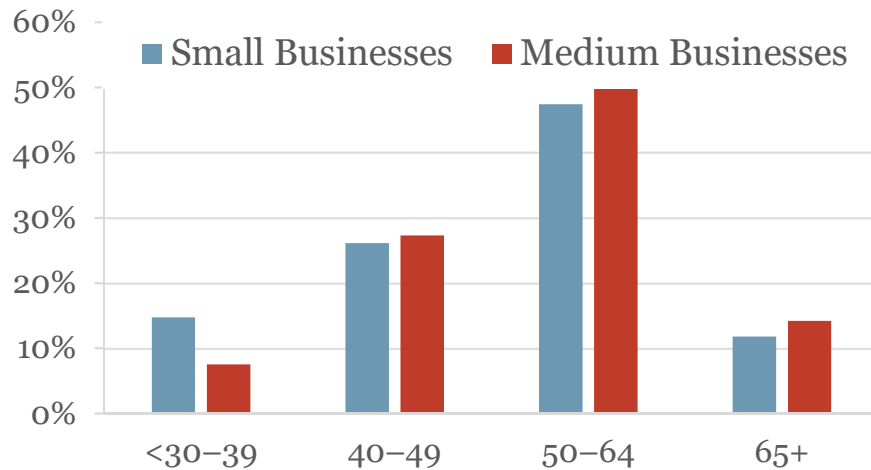
Western Management and Directors Experience

- Prior history of building industry leading companies in Western Canada
- Industry expertise aligns with target verticals
- Active in the local community; strong ability to generate acquisition leads and connect with Western Canadian entrepreneurs
- Diversified skill set in operations, finance and sales

Growing Opportunity to Partner with SMEs

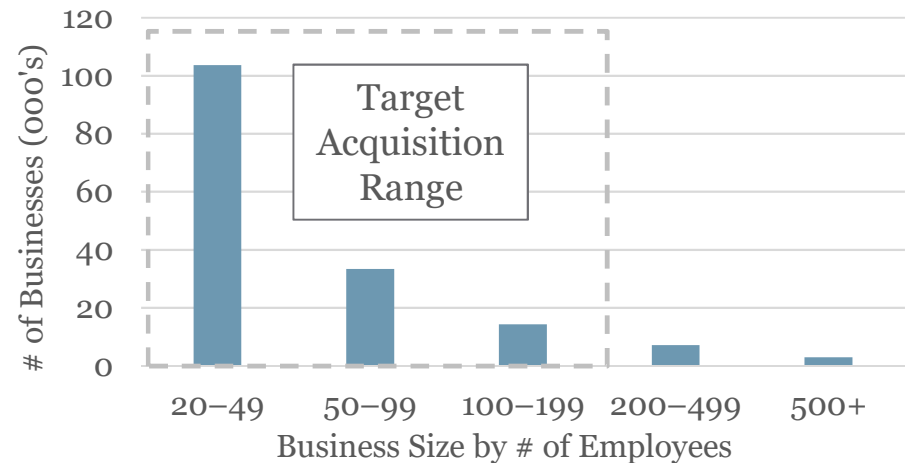


Aging Business Owners Looking for Liquidity



- ~60% of small and medium sized business owners are aged 50 or older and nearing retirement; the trend is expected to increase as the population continues to age
- Many owners do not have succession plans in place and are expected to transition ownership in the next 10 years
- A majority of small and medium sized businesses have been in operation for greater than 10 years and have a track record of profitability

Large Number of SMEs Available in Canada



- Western Canada comprises ~37% of all available companies between 20-199 employees or ~55,000 companies within the target size range and geographic area
- Western expects attractive valuations between 3-6x EBTIDA given the expected increased supply of businesses as owners reach retirement

Source: Statistics Canada, Key Small Business Statistics - June 2016 and Survey on Financing and Growth of SMEs, 2014
 Small Businesses defined as <99 employees; Medium Businesses 100-500 employees

Emerging Asset Class - Public Private Equity



Canadian Publicly Traded Private Equity

CLAIRVEST

THE
WESTERN INVESTMENT
COMPANY OF CANADA LIMITED

Brookfield
Business Partners

ALARIS
ROYALTY CORP.

EIC Exchange
Income
Corporation

WESTAIM

MOSAIC CAPITAL

ONEX

**FOUNDERS
ADVANTAGE
CAPITAL**

Public Company Private Equity versus Traditional Private Equity

Permanent Capital:	No requirement to exit in 5-7 years compared to traditional private equity; business owners have more certainty of long-term ownership
Tax-free Roll Over:	Vendors have the option to receive public stock in Western rather than all cash
Investment Decisions:	Investment decisions made on a long-term basis rather than based on the investment horizon
Management Fees:	GP / LP structure eliminated; removal of lucrative and expensive private equity fees
Liquidity:	Active market available through a public listing for investors versus pre-defined liquidity windows for traditional PE funds

2017 Western Accomplishments



Date	Announcement	Description
Dec 16, 2016	Closing – Investment #1	GlassMasters acquisition and Qualifying Transaction
Feb 22, 2017	Closing of \$12.4mm Equity Financing	Completion of \$12.4mm equity financing including overallotment option; financing upsized from \$7.5mm
Sept 1, 2017	Closing – Investment #2	Golden Health retirement homes acquisition
Sept 21, 2017	LOI – Investment #3	Signed non-binding LOI with Ocean Sales
Nov 16, 2017	LOI – Investment #4	Signed LOI for fourth investment, the “Agri-food Processor”. Closing estimated to be during Q1 2018
Jan 1, 2018	Closing – Investment #3	Closing of Ocean Sales acquisition

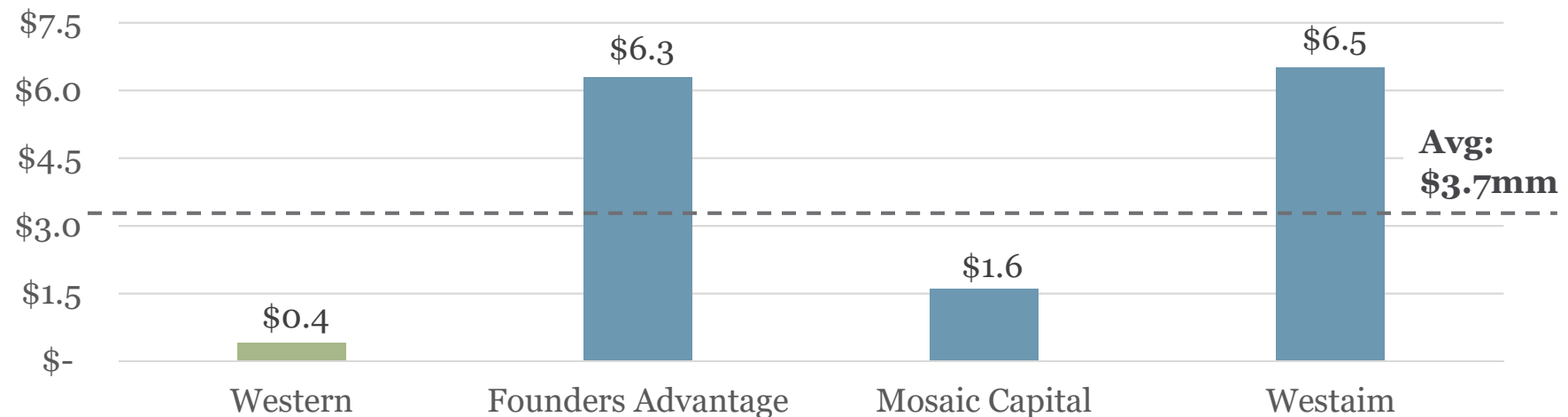
“Western Sensibility” Philosophy



“Western Sensibility” is a shareholder friendly operating model that ensures that expenses for the Company are in line with revenue generated

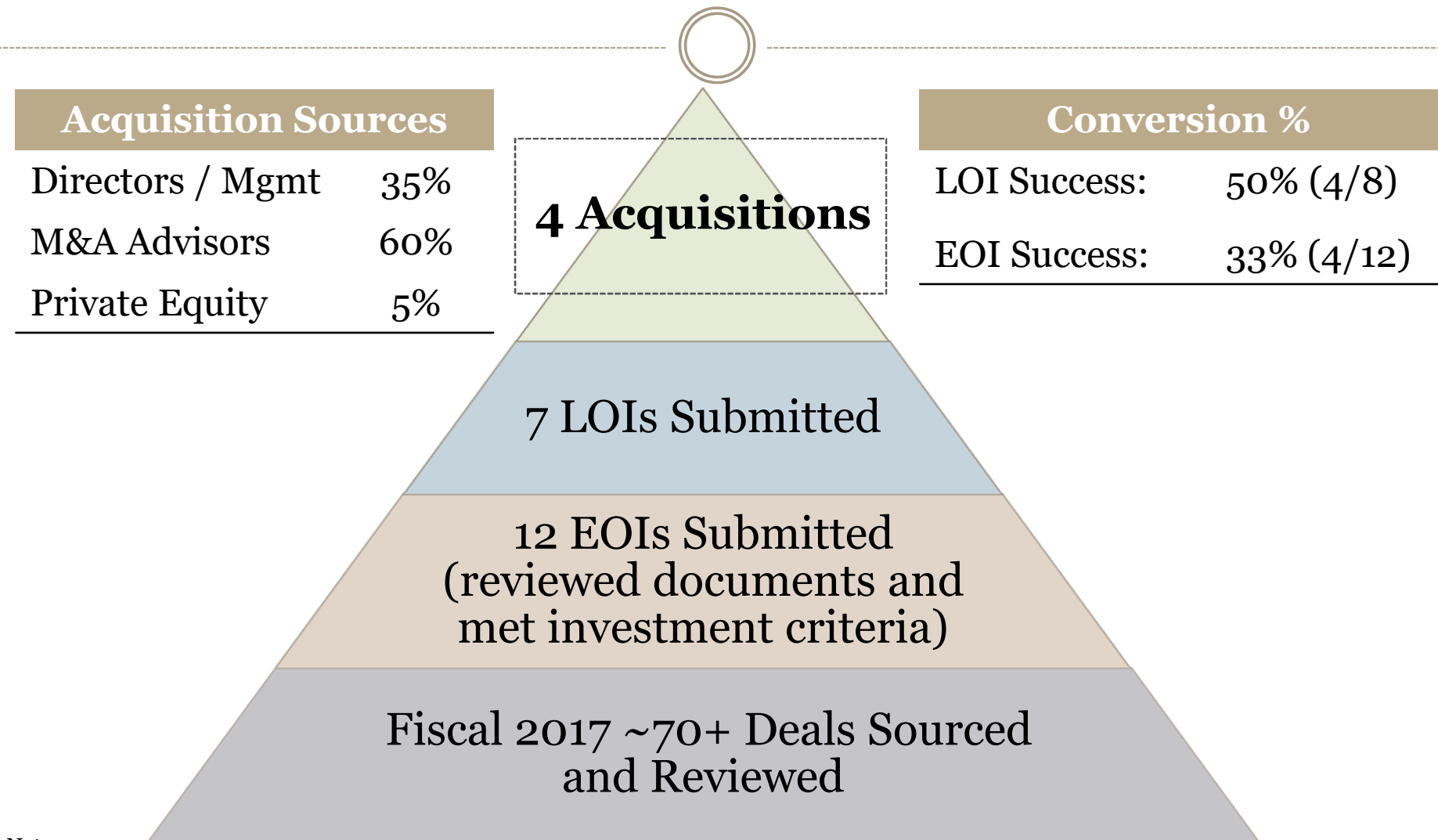
- Sustainable but flexible workforce of part-time employees and contractors that expands and contracts on the needs of the company
- Directors compensated through modest option program and unique “time and expense” formula
- Management fees from portfolio companies will be used to offset increased G&A over time

Executive Compensation – Top Three Total Compensation¹ (\$mm)



¹ Based on the 2016 Management Information Circular; included an additional 200K for Western to normalize operations.

Ability to Execute Deals in the SME Space



Notes:

Activity from January to December 2017 with limited activity in the first three months of the year

Overview of Acquisitions



Summary of WIC Acquisitions



Summary of WIC Acquisitions Year-to-Date

GlassMasters autoglass ltd.

Golden Health Care Inc



The “Agri-food Processor”

Current Status	Closed (Dec 16, 2016)	Closed (Sept 1, 2017)	Est. Closing (Jan 1, 2018)	Est. Closing (Q1 2018)
Purchase Price	\$17 mm	\$5 mm	\$9.5 mm	~\$27-\$29mm
Earn-out	\$1.5mm	--	--	\$3.5mm
Purchase Price Multiple ²	5.86x	na	4.98x	6.00x
WIC Ownership (%)	50.1%	30%	75%	50.4%
Equity Investment	\$4.01mm	\$5.05mm	\$3.45mm	\$3.325mm
Leverage ³	54%	43%	54%	68%
Cost of Senior Debt	Prime + 0.80%	3.00 - 3.30%	Prime + 1.50%	TBD

Notes:

- 1 Purchase Price multiple based calculated as Upfront purchase price divided by Normalized NTM EBTIDA as of the Closing Date
- 2 Leverage defined as Total Debt divided Upfront Purchase Price

Investment #1:

Company Overview:

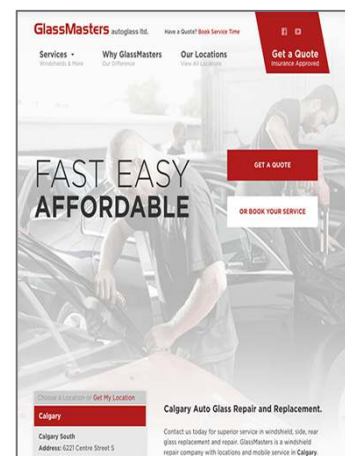
- Founded in 2001, GlassMasters is one of the largest windshield replacement and repair companies in AB
- 7 retail locations in principal markets of Calgary, Red Deer and Edmonton and 2 warehouse locations
- Western owns 50.1%, ATB Capital 25.0% and current management 24.9%
 - Maximum earn-out of \$1.5mm over four year
 - Expansion slated for AB, BC and Sask

Financial Metrics:

Purchase Price	\$17mm
Purchase Date	Dec 16, 2016
Acquisition Multiple ¹	5.86x
WIC Investment (Ownership %)	\$4.01mm/(50.1%)
Annual Mgmt Fee	\$100,000
Leverage at Purchase Date	54%
2017E EBTIDA	\$2.9mm
2017E Net Income	\$1.5mm

¹ Purchase Price divided by 2017E EBTIDA

GlassMasters autoglass



Investment Thesis:

- ✓ Excellent management team, with a track record of double digit cash flow and revenue growth
- ✓ Resilient earnings even through the downturn in Alberta's economy
- ✓ Low capex investment required for growth
- ✓ Potential for significant organic growth and tuck-in acquisitions in a fragmented market in Western Canada



Investment #2:

Golden Health Care Inc

Company Overview:

- Purchased 30% ownership in three retirement homes in Regina, Estevan and Prince Albert
 - Partners include management and a provincial Labour-sponsored Investment Fund who together own and operate 457 beds in eight communities
 - Operations date back to 2003
 - Full service; offers assisted living to dementia care within the same community



Financial Metrics:

Purchase Price	\$5mm
Expected Purchase Date	Sept 1, 2017
Cap Rate	7.70%
WIC Investment / (Ownership %)	\$5mm / (30%)
Annual Mgmt Fee ¹	TBD
Leverage	42%
2017E Net Income	\$0.3mm

¹ Western has a 25% ownership in Golden Health Care Management which collects management fees from seven retirement homes with 457 beds

Investment Thesis:

- ✓ Seasoned management team and largest full service retirement operator in Saskatchewan; under-levered assets
- ✓ Unique service model by offering “aging in place” care in the same community / facility
- ✓ Expectation of regulatory changes in the Saskatchewan marketplace will potentially boost expansion potential
- ✓ Expansion opportunities at sites where occupancy is currently 100% with significant waiting lists
- ✓ New build sites in planning stages

Investment #3:



Company Overview:

- Ocean Sales markets high-quality, household products across North America
 - Founded 34 years ago; headquartered in Calgary with warehouses located in Eastern Canada and USA
 - Strong relationship with Costco Canada and is in the process of expanding operations to USA
 - Western will own 75% while the owner is expected to retain 25%

Financial Metrics:

Purchase Price	\$9.5mm
Expected Purchase Date	Jan 1, 2018
Acquisition Multiple ¹	4.98x
WIC Investment /(Ownership %)	\$3.45mm/(75%)
Annual Mgmt Fee	\$100,000
Leverage	54%
2018E EBTIDA	\$1.9mm
2018E Net Income	\$1.2mm

¹ Purchase Price divided by 2018E EBTIDA



Investment Thesis:

- ✓ Diversified product line with low fixed cost requirements
- ✓ Scalable business model without significant capex spend
- ✓ Expansion into the US presents significant growth opportunities for the company
- ✓ Attractive valuation results in strong expected returns with modest leverage

Investment #4:

The “Agri-food Processor”

Company Overview:

- Producer of dairy products in Western Canada
 - Headquartered in Calgary with two distribution facilities in Alberta and BC. Acquisition includes ~\$15mm in real estate assets
 - Company has a long history of profitability in a regulated market with high barriers of entry
 - Strong relationship with large grocery chains and food distributors / potential expansion to adjacent products



Financial Metrics:

Purchase Price (incl. real estate)	\$27-29mm
Expected Purchase Date	Q1 2018
Acquisition Multiple ¹	6.00x
WIC Investment / (Ownership %)	\$3.325mm / (50.4%)
Annual Mgmt Fee	\$90,000
Leverage	68%
2018E EBTIDA	\$2.5mm
2018E Net Income	\$1.0mm

Investment Thesis:

- ✓ Well recognized brand in Western Canada
- ✓ History of consistent profitability in a highly regulated market
- ✓ Expansion opportunities for the company at existing facilities in addition to surplus processing capacity
- ✓ Owner committed to remaining involved in the business for the next three years

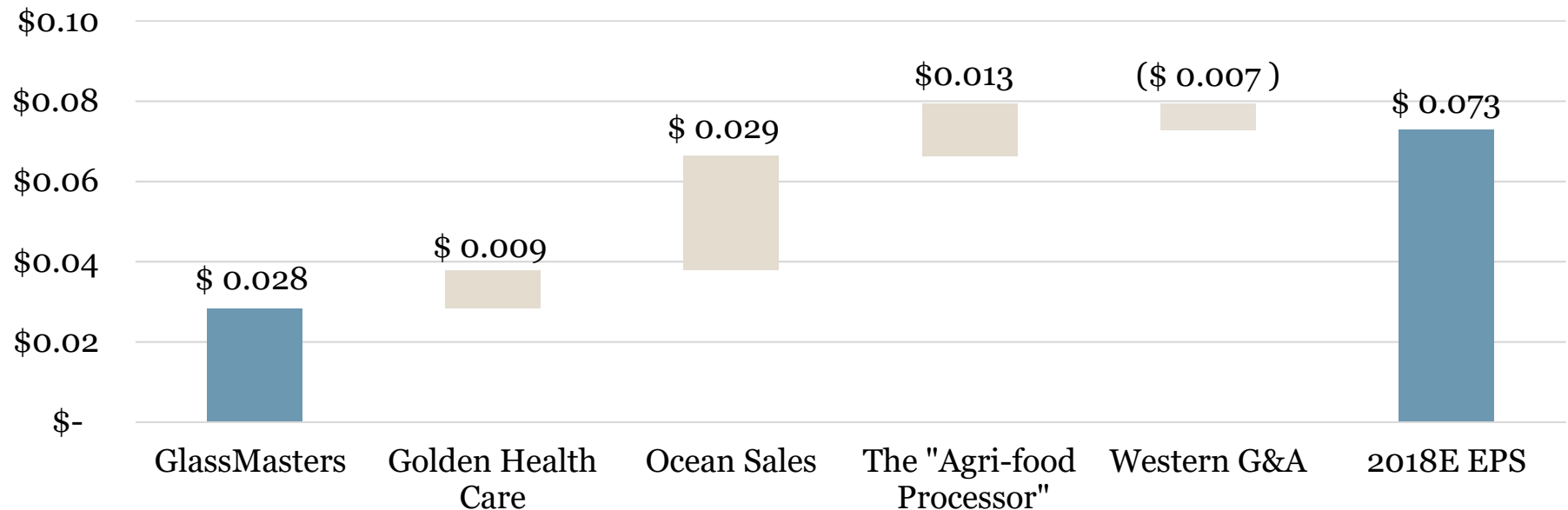
¹ Purchase Price divided by 2018E EBTIDA

Western 2018E EPS Expectations



- Below summarizes the contribution of each investment
- **2018E PE ratio of ~6.8x** based on \$0.073 2018E EPS and a current share price of \$0.50
- Includes acquisition costs for the “Agri-food Processor” of \$0.3mm; removing these costs contribution from the Agri-food Processor would be \$0.017 versus \$0.013

2018E Earnings per Share

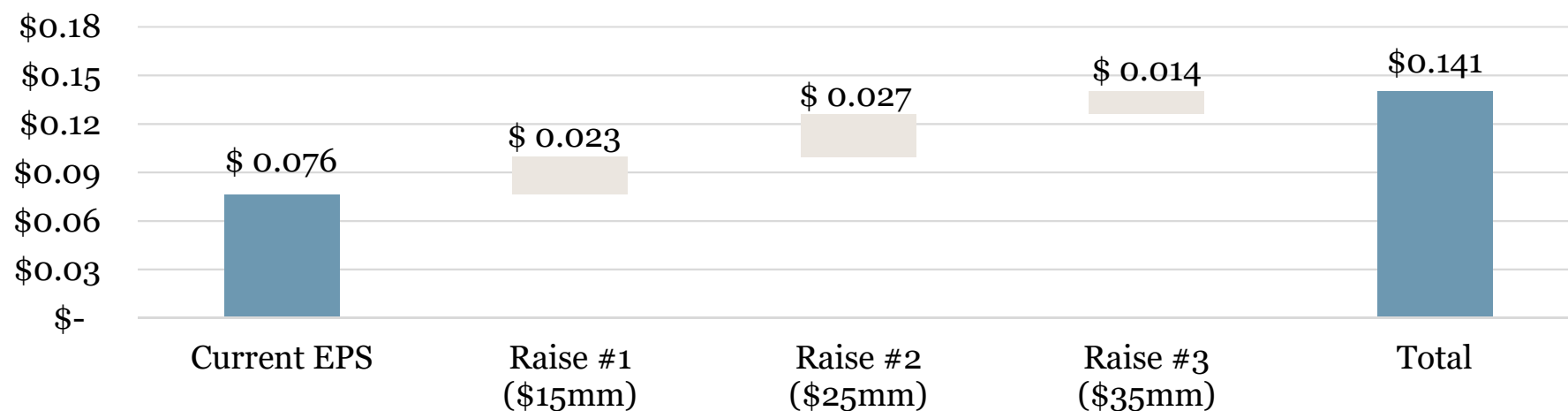


Illustrative EPS Impact at \$100mm Mkt Cap



- Proceeds will be used to further invest in high quality Western Canadian businesses with strong cash flow and growth prospects. Post financing WIC will have a:
 - Diversified portfolio in **3-4 core sectors with 10-15 portfolio investments by 2019**
 - 2018E PE ratio once cash is fully deployed and excludes one-time acquisition costs:
 - **7.4x for Raise #1 at \$0.75/share**
 - **7.9x for Raise #2 at \$1.00/share**
 - **8.5x for Raise #3 at \$1.20/share**

2018E EPS Impact – Post Equity Financings



Conclusions



- The acquisitions in 2017 validates Western's strategy:
 - ✓ **Management philosophy resonates with entrepreneurs - provides the opportunity to de-risk but maintain control of the company**
 - ✓ **Board at Western provides a key differentiator for targeted companies**
 - ✓ **Successful in finding and executing acquisitions in the marketplace**
 - **Four transactions in the last 18months**

Western Contact Information



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Appendix A: Management Team and Board of Directors





Scott Tannas

Chief Executive Officer,
President, Secretary
and Director



- Scott Tannas is the Founder of Western Financial Group (“Western”), having served as its CEO from 1996 to 2014. Western was founded as a Junior Capital Pool in 1996. From its headquarters in High River, Alberta, Mr. Tannas oversaw the building of Western through more than one hundred acquisitions, and a number of strategic initiatives.
- Today, Western is a diversified financial services organization with more than \$1 Billion in annual sales. 1800+ employees provide nearly 1 million customers with insurance and investment products and services. The company’s network of more than 160 offices stretches across the West from Winnipeg to the Pacific coast.
- On April 15, 2011, after 15 years as a publicly traded company, Western was acquired by Quebec based Desjardins Group, in a \$440 million transaction. In the time between the IPO in 1996, and Western’s exit from the public market in 2011, the company’s stock price rose 1038%.
- Scott is a director of Western and its federally regulated subsidiary Western Life Assurance Company. He is also the Lead Director of Rocky Mountain Dealerships Inc. (RME:TSX).
- In addition to his business activities, Scott is active in public service. In a Province-wide election on April 23, 2012, Albertans elected Scott as a “Senator in Waiting”, and on March 25, 2013 Prime Minister Harper appointed him to the Senate of Canada.



Shafeen Mawani

Chief Operating Officer



- Shafeen served as a strategic advisor to Western's Board of Directors since July 2016. He subsequently was appointed Chief Operating Officer in April 2017.
- He has over ten years of experience advising clients in a variety of sectors including energy, infrastructure, power and utilities and P3 projects. Shafeen started his investment banking career in Toronto as an associate at CIBC World Markets and in Calgary at UBS Securities Canada as Director. In total, Shafeen has advised on over \$3.5 billion in acquisitions and executed over \$4 billion in debt and equity offerings in the Canadian and U.S. marketplace.
- Shafeen completed his MBA from the Ivey School of Business at the University of Western Ontario and a Bachelors in Actuarial Science from Simon Fraser University. He is a Chartered Financial Analyst Charterholder and an Associate from the Society of Actuaries.



Stacey Cross

Controller



- Stacey is a Chartered Professional Accountant with extensive experience in financial accounting and reporting, tax, auditing and management reporting. Prior to joining Western, Stacey worked in a number of financial accounting lead roles, including most recently with Western's first equity investment, GlassMasters Autoglass, guiding them through the acquisition phase of the business.
- Stacey obtained her CA designation at a national CA firm working in wide range of industries performing both financial and tax advisory work. Since that time, she has worked in various controller roles and at an business advisory firm where she prided herself in working with business owners helping them achieve their business goals.



James F. Dinning

Chairman of the Board



- Jim Dinning is a corporate director. In addition to chairing the board of Western Investment Company he chairs Russel Metals Inc as well as serving on various other boards of private companies, foundations and trusts. He was chair of Western Financial Group Inc. from 2005 to 2017 when the company was acquired by Wawanesa. He is the past chair of Liquor Stores North America Ltd and Export Development Canada and a former director of Parkland Fuel Corp, Finning International Inc and Shaw Communications Inc. From 1997 to 2004, Mr. Dinning was a senior executive of TransAlta Corporation.
- Until 1997, Mr. Dinning held several key positions during his 11 years as a Member of the Legislative Assembly in Alberta, including Provincial Treasurer from 1992 to 1997.
- Mr. Dinning is a Member of the Order of Canada and a Fellow of the Institute of Corporate Directors. He is Chancellor Emeritus of the University of Calgary following his tenure as Chancellor from 2010 to 2014.



Willard Yuill

Director



- Willard Yuill is the Chairman and CEO of The Monarch Corporation, a Canadian private equity company and is a recent inductee into the 2017 Calgary Business Hall of Fame. He was previously Chairman and CEO of Monarch Communications Inc., the parent Company of Monarch Broadcasting Ltd. and Monarch Cablesystems Ltd.
- Mr. Yuill is currently a Director of Shaw Communications Inc. (October 1999) and is Chairman of their Human Resources and Compensation Committee. He is a Trustee of the St. Andrew's College Foundation (2001) and a Governor of the Western Hockey League (1989). He served as a Director of the Western Financial Group from 2004 to 2011.
- Mr. Yuill is Chairman of the Yuill Family Foundation, a past member of the Alberta Economic Development Authority, a past Director of the Medicine Hat Exhibition and Stampede and a past Chairman of the Medicine Hat College Foundation.
- Mr. Yuill received the Milner Fenerty Pinnacle Award in 1995, the Queen Elizabeth II Golden Jubilee Medal in 2003, Queen Elizabeth Diamond Jubilee Medal 2013. In 2006 he received an Honourary Doctor of Laws from the University of Lethbridge and the Alberta Order of Excellence Award in 2016.



Robert Espey

Director



- Robert Espey is the President and Chief Executive Officer of Parkland Fuel Corporation ("Parkland"), joined Parkland in November, 2008 as Vice President Retail Markets. Throughout his career, Mr. Espey has held a variety of senior management roles across a diverse group of industry sectors including manufacturing, international consulting, and the Canadian military.
- Prior to joining Parkland, Mr. Espey spent three years with FisherCast Global Corporation where he was the Executive Vice President in charge of worldwide sales and marketing and operations, and was ultimately promoted to President and Chief Executive Officer. Mr. Espey was also Vice President of Algonquin Automotive, spent a total of six years in London, England primarily with Computer Sciences Corporation, was a partner with What If Impact, a London based innovation consultancy, and spent four years in the Canadian Navy as a commissioned officer.
- Mr. Espey holds a Bachelor of Engineering (Mechanical) from Royal Military College and his Masters in Business Administration from the University of Western Ontario.



Dr. Kabir Jivraj

Director



- Dr. Kabir Jivraj serves as the Managing Director at AgeCare Ltd. and is instrumental in its success. Dr. Jivraj has acute understanding of health care and the seniors market and extensive business acumen and experience. He served as Senior Vice-President and Chief Medical Officer at Alberta Health Services - Calgary Health Region from 1999 to 2002. He also served as the Vice Dean of the University of Calgary, Faculty of Medicine from 2000 to 2002.
- Dr. Jivraj has been a Clinical Professor at the University of Calgary, Faculty of Medicine since 2001. He has taught undergraduate and graduate students since 1988. He received the Associations Medal of Distinguished Service in May 2000. He was honoured in 2005 as one of the 100 Alberta Physicians of the Century by the Alberta Medical Association and the College of Physicians and Surgeons of Alberta. He is a Fellow of the Royal College of Physicians of Canada from the Royal Course of Physicians & Surgeons of Canada completed in 1985 and Institute of Corporate Directors with the ICD.D Corporate Governance College completed in 2006. Dr. Jivraj obtained his Bachelor of Medical and Surgery degree from the London University, UK, in 1981.