



NORDHAVEN QUARTERLY SOFTWARE REPORT

Q2 2020

Sharp “V”



KEY OBSERVATIONS Q2 2020

- Nordhaven has identified 24 software transactions for Q2 2020, which is 12 less than the record volume in Q2 2019. Almost half (11 of 24) of the identified transactions were announced in June.
- The market during Q2 is described as a sharp “V” as prices and volume took a dip but rebounded quickly, particularly evident for software during the COVID-19 lockdown.
- We see strong activity into Q3 for the sector; more companies seeking IPO to trade sale, specialist software investors keep emerging, establishment of Nordic consolidation platforms for add-on acquisitions and generalist PEs have increased appetite for the recurring nature of software and tech enabled service revenues.
- Two key take-aways for sellers: (1) smaller and smaller assets attract investor interest (2) competent sell-side advise in navigating this market more important than ever.

24
transactions
in Q2 2020

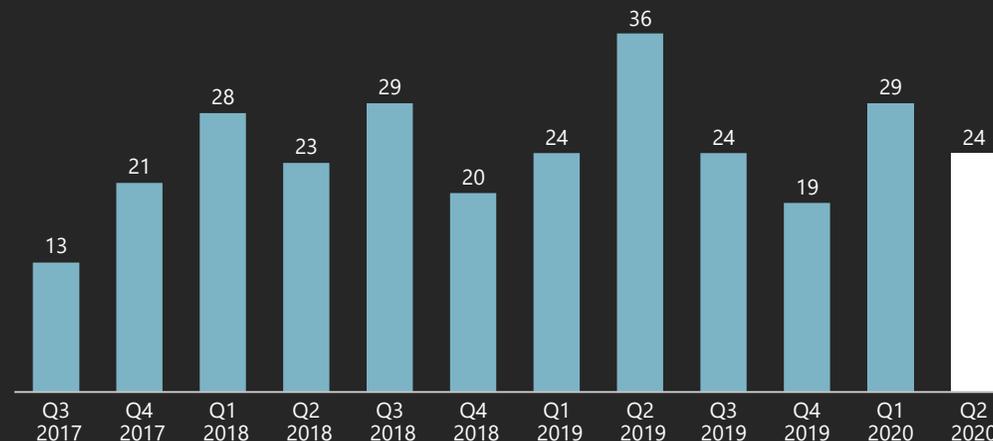
6.4x
EV / SALES¹

INCLUSION CRITERIA

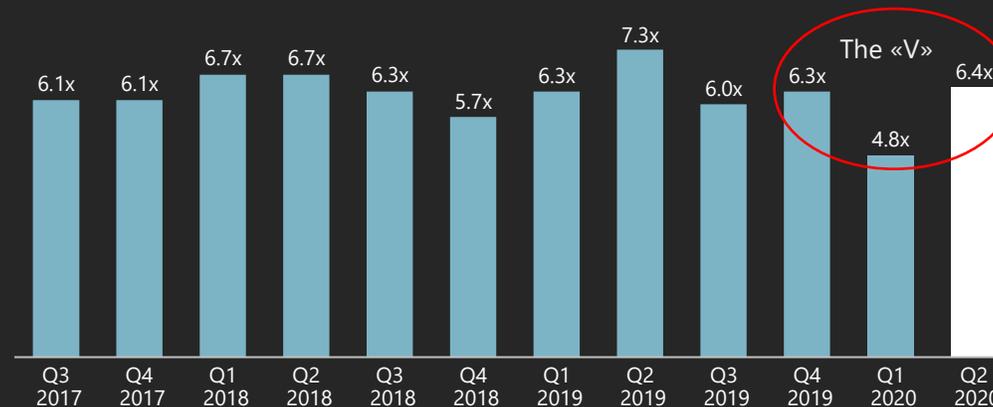
Announced transactions where a Norwegian, Swedish, Finnish, Icelandic or Danish-based software company has been sold during the quarter. The company sold must have the majority of its operations in either of these countries. Consultancy and IT-services (no software) transactions are not included. Minority transactions or transactions that does not create a "change-of-control" situation have also been excluded. Mergermarket is our primary source for identifying eligible transactions. Transactions below 5 MUSD have not been included.

Q3 2017 – Q2 2020

IDENTIFIED # OF NORDIC SOFTWARE TRANSACTIONS



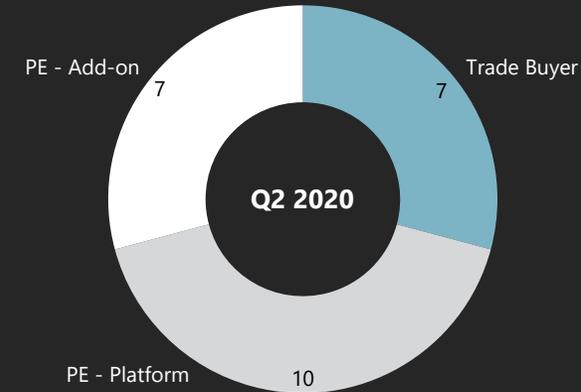
EV / SALES INTERNATIONAL LISTED SOFTWARE COMPANIES¹



24 TRANSACTIONS IDENTIFIED IN THE NORDIC SOFTWARE SPACE IN Q2 2020

- PE as acquirors dominate Q2 as more than 70% of the acquisitions are backed by PE, either as platform or as add-on. This number would be even higher if we classify Visma (backed by HG) and TSS (backed by listed Constellation) as PE. Only Mapillary/Facebook, Vizendo/Siemens, Kaiku/Elekta and Obi Medical/Roche would we view as pure synergetic trade sales.
- Norway had the highest number of targets and continues to be overrepresented in number of transactions relative to country size. Denmark only accounted for 17% of the transaction volume.
- Somewhat lower interest from US this quarter compared to previous quarters. However, the breakdown is sensitive to how you define geography. Multiple PE add-ons in the Nordics are executed by portfolio companies to European and North American PE investors.

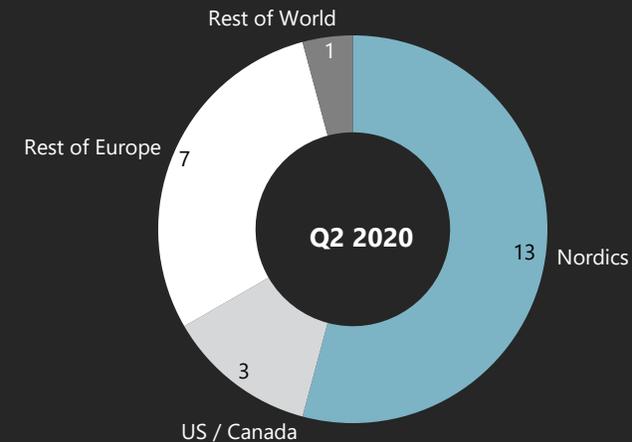
DEALS BY ACQUISITION TYPE



DEALS BY TARGET'S COUNTRY



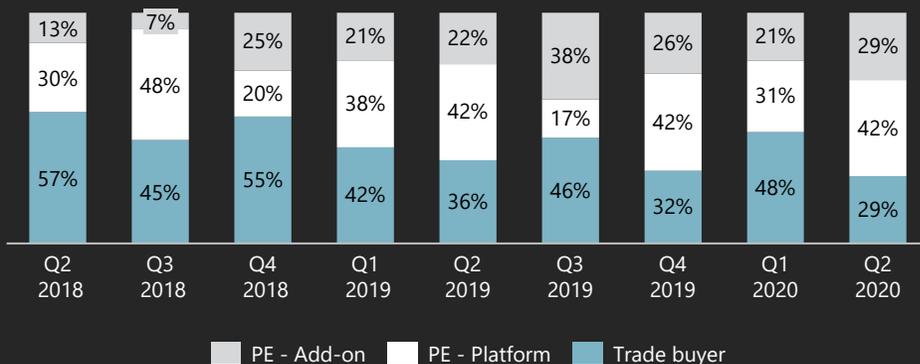
DEALS BY ACQUIROR'S REGION



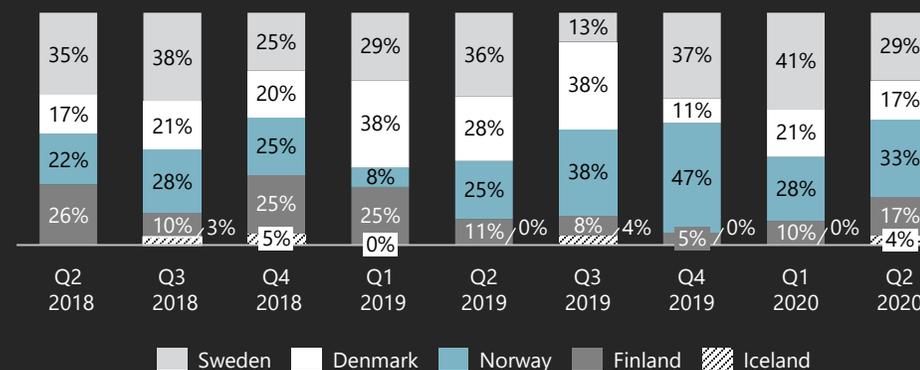
NORDIC SOFTWARE TRANSACTIONS

Quarter-by-Quarter development Q2 2018 - Q2 2020

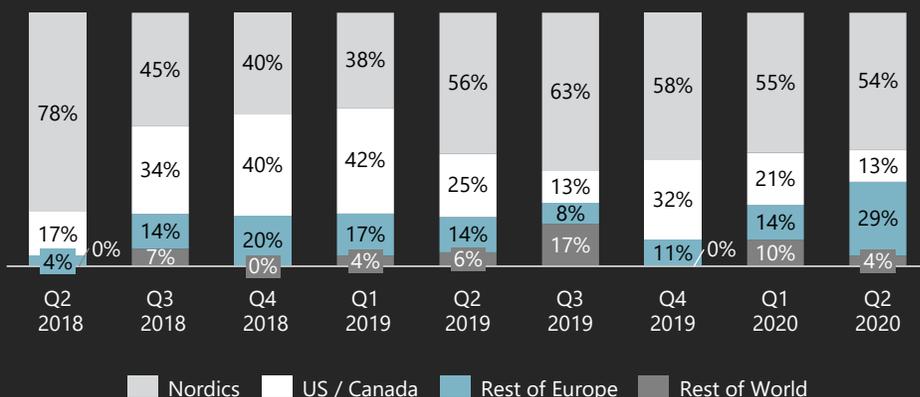
BREAKDOWN OF DEALS BY EXIT TYPE



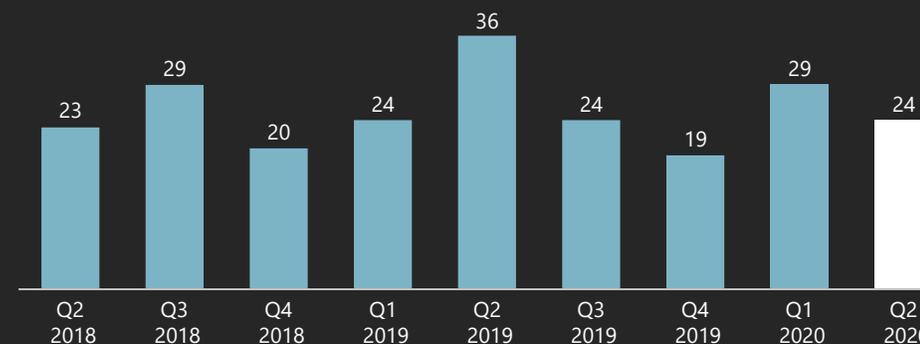
BREAKDOWN OF DEALS BY TARGET'S COUNTRY



BREAKDOWN OF DEALS BY ACQUIROR'S REGION



QUARTERLY NUMBER OF TRANSACTIONS



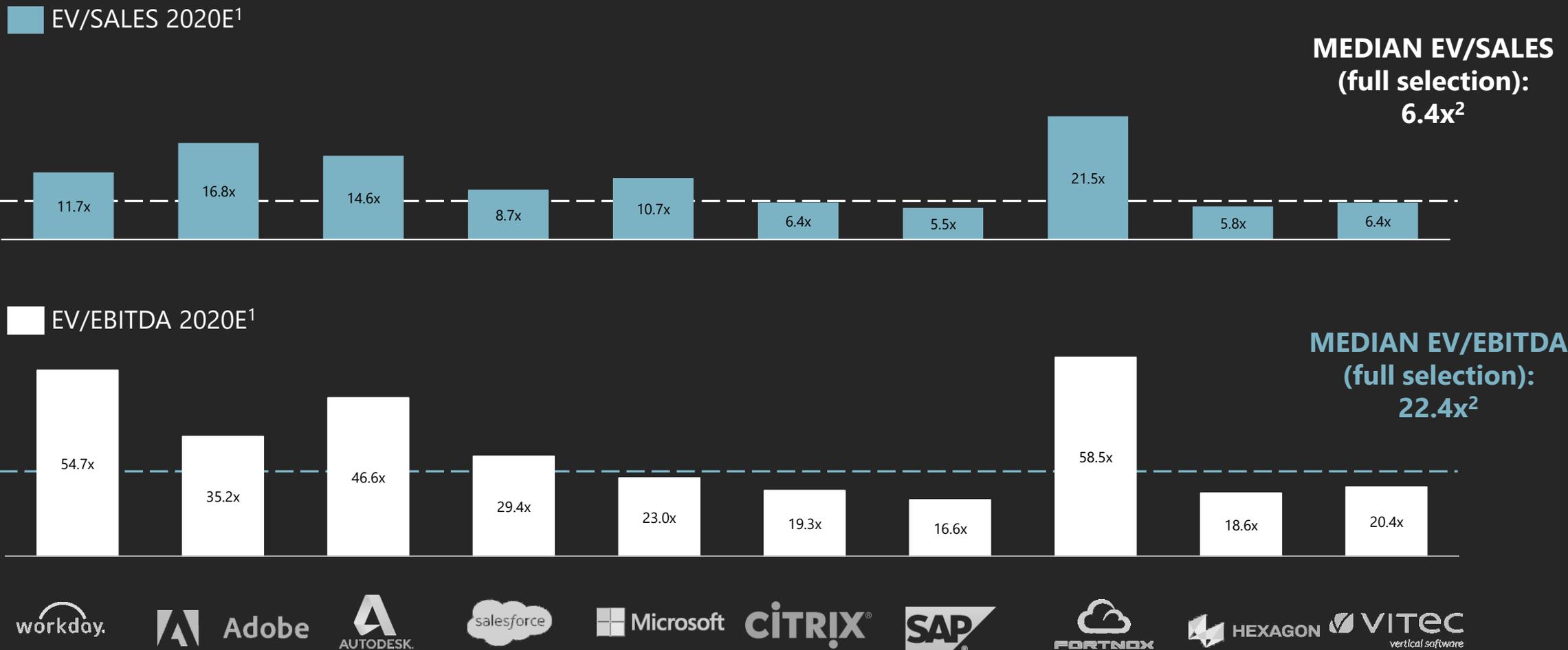
SELECTED TRANSACTIONS DURING Q2 2020

TARGET	REVENUE 2019 (MEUR) ¹	SELLER	ACQUIROR
 <p>Norway-based developer of customer relationship management systems for small to medium sized business.</p> 	42	Private & 	 
 <p>Norway-based developer of delivery-management software platforms that connect carriers with shippers</p> 	18	Private	 
 <p>Norway-based developer of speech recognition software for various businesses, including hospitals</p> 	12	Private	  
 <p>Sweden-based company engaged in providing data protecting activities solutions / providing digital compliance solutions</p> 	9	Private	 
 <p>Sweden-based e-sign software provider</p> 	8	Private & 	 
 <p>Sweden-based provider of a software as a solution for the financial sector to prevent financial crimes and to assure regulatory compliance</p> 	5	Private	 
 <p>Sweden-based company engaged in providing crowd sourcing map photos</p> 	Not available	Multiple PE / VC investors	 

SELECTED NORDIC SOFTWARE TRANSACTION MULTIPLES – LAST 12 MONTHS

	EXIT MULTIPLE (EV/SALES) ¹	TARGET	ACQUIROR
Q4 2019	6.5x	  <p>Finland-based company specializing in providing solutions for digital advertising platform</p>	  
Q1 2020	5.7x	  <p>Sweden-based provider of a software as a solution for the financial sector to prevent financial crimes and to assure regulatory compliance</p>	  
Q3 2019	4.0x	  <p>Finland-based publisher of mobile games</p>	  
Q1 2020	3.1x	  <p>Finland-based company that develops and provides cost accounting and production management software</p>	  
Q4 2019	2.6x	  <p>Company providing education and training in the fields of payroll, accounting, HR and Personnel management and safety</p>	  
Q3 2019	1.5x ²	  <p>Norway-based company that develops, operates, sells and licenses software solutions</p>	  
Q3 2019	0.7x	  <p>Iceland-based provider of customizable enterprise reporting planning (ERP) and business management software and related services</p>	  

TRADING MULTIPLES FOR SELECTED INTERNATIONAL AND NORDIC SOFTWARE COMPANIES¹



LIST OF IDENTIFIED NORDIC SOFTWARE TRANSACTIONS Q2 2020

#	TARGET	TARGET COUNTRY	BIDDER	SPONSOR	BIDDER GEOGRAPHY	MONTH ¹	TYPE
1	FotoWare AS	Norway	Viking Venture		Nordics	June	PE - Platform
2	Tricom ApS	Denmark	Merzell	Viking Venture	Nordics	June	PE - Add-on
3	Empower IM Oy	Finland	KLAR Partners Limited		Rest of Europe	June	PE - Platform
4	Mapillary AB	Sweden	Facebook, Inc.		US / Canada	June	Trade Buyer
5	Joliv AB	Sweden	Alfa eCare AB	Main Capital	Nordics	June	PE - Add-on
6	Consignor Group AS	Norway	Francisco Partners		US / Canada	June	PE - Platform
7	Scrive AB	Sweden	Vitruvian Partners LLP		Rest of Europe	June	PE - Platform
8	Vizendo AB	Sweden	Siemens AG		Rest of Europe	June	Trade Buyer
9	Algorithmica Research AB	Sweden	FCG Holding Sverige AB	Bridgepoint	Nordics	June	PE - Add-on
10	Trapets AB (70% Stake)	Sweden	Monterro Software Investment AB		Nordics	June	PE - Platform
11	Hano AS	Norway	EG A/S	Francisco Partners	Nordics	June	PE - Add-on
12	Exebenus AS	Norway	Sumitomo		Rest of World	May	Trade Buyer
13	Podimo Aps	Denmark	e.ventures; Heartcore Capital; 83North Ltd		Rest of Europe	May	PE - Platform
14	Kaiku Health Oy	Finland	Elekta AB		Nordics	May	Trade Buyer
15	PixEdit AS	Norway	Sikri AS	Karbon Invest	Nordics	May	PE - Add-on
16	Napp A/S	Denmark	Templafy ApS	Dawn Capital, Insight Partners, Seed Capital Denmark	Nordics	May	PE - Add-on
17	Obi Medical Aps	Denmark	Roche Holding AG		Rest of Europe	May	Trade Buyer
18	Wolt Enterprises Oy	Finland	EQT Partners AB; Goldman Sachs (private equity operations); ICONIQ Capital, LLC; Highland Europe (UK) LLP; 83North Ltd		Rest of Europe	May	PE - Platform
19	Synergy Sky AS (33.33% Stake)	Norway	RoosGruppen AB	Håkan Roos	Nordics	May	PE - Platform
20	Max Manus AS	Norway	Verdane Capital Advisors AS; Conscriptor AB;		Nordics	April	PE - Platform
21	Kortathjonustan hf	Iceland	Rapyd Financial Networks Ltd.	Durable Capital Partners, OAK HC, General Catalyst, Stripe	Rest of Europe	April	PE - Add-on
22	SuperOffice AS	Norway	Axcel Management A/S		Nordics	April	PE - Platform
23	Futunio Oy	Finland	Total Specific Solutions B.V.	Constellation Software	US / Canada	April	Trade Buyer
24	Draftit Privacy AB; Draftit AB	Sweden	Visma AS	HG Capital (majority)	Nordics	April	Trade Buyer

NORDHAVEN IS THE LEADING INDEPENDENT M&A SPECIALIST IN THE NORDIC

NORDHAVEN IN SHORT



Nordhaven service offering

We operate as a strategic financial advisor and partner to owners, board members and management throughout the business life cycles.

- MERGERS & ACQUISITIONS
- DEBT & CAPITAL ADVISORY
- INCENTIVE ADVISORY

Partnership with **Capillar Advisory** (former UB Capital) and **Nordic M&A** through Clairfield International.

What we believe in

- M&A is a particular craftmanship we only will be good at if we stay focused, are well prepared and strive to stay ahead of the pack
- We love technology and we admire founders – that is also our own heritage
- We seek added value for our clients through identifying and arguing for strong business logic and strategic rationale in the deals that we advise

CORE SECTOR EXPERTISE



LEADING INDEPENDENT ADVISOR IN THE NORDIC SOFTWARE SECTOR

NORDIC SOFTWARE FINANCIAL ADVISORS BY VOLUME

Deloitte.	10
	9
	8
 NORDHAVEN CORPORATE FINANCE	7
	7
	5
ALPHA	5
RAYMOND JAMES®	4
STELLA EOC	4



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RECENT NORDHAVEN 'TMT' DEALS



Sold to



Advisor to Max Manus

2020



Sold to



Advisor to Holte

2020



Sold to



Advisor to Point Group

2020



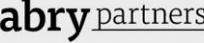
Sold to



Advisor to Asolvi

2019

Advisor to
to Confirma Software backed by



on the acquisition of



2019

Advisor to



In connection with its
private placement.

2019



Sold to



Advisor to Tuxera

2019

Advisor to
to Confirma Software backed by



on the acquisition of



2019

ONE VOICE

Sold to

F24

Advisor to One Voice

2019

PARTNER OF CLAIRFIELD INTERNATIONAL

ONE OF THE LEADING INDEPENDENT M&A ADVISORY FIRMS IN THE MID- MARKET SEGMENT

142

Transactions
closed in 2019

320

Professionals

€20bn

Cumulative value of
transactions closed
last 5 years

Western Europe

Belgium
France
Germany
Italy
The Netherlands
Spain
Switzerland
United Kingdom

Northern Europe

Denmark
Finland
Norway
Sweden

Central & Eastern Europe

Austria
Hungary
Poland
Russia

The Americas

Brazil
Canada
Chile
Mexico
USA

Middle East

Israel
Turkey

Asia-Pacific

Australia
China



We have been exclusive
Nordic partner of Clairfield
International since 2012,
and we have local partners
in over 20 countries

Through the Clairfield 320
professionals we have
global connectivity, and
local access to counterpart

High ranking in the league
tables:
15 worldwide
9 in EMEA
#1 in EMEA Technology
sector

TOP NORDIC SOFTWARE ADVISOR WITH OUR CLAIRFIELD PARTNERS

NORDIC SOFTWARE FINANCIAL ADVISORS BY VOLUME

CLAIRFIELD INTERNATIONAL	10
Deloitte.	10
 pwc	9
 EY	8
 ABG SUNDAL COLLIER	7
 Carnegie	5
ALPHA	5
RAYMOND JAMES®	4
STELLA EOC	4



NORDIC M&A



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Capillar

APPENDIX 1: SELECTED INTERNATIONAL LISTED SOFTWARE COMPANIES

#	TICKER FACTSET	COMPANY NAME	EV/SALES 2020E	EV/EBITDA 2020E	ESTIMATE DATE
1	WDAY	Workday	11.7x	54.7x	Estimate Jan 2021
2	ADBE	Adobe Systems	16.8x	35.2x	Estimate Nov 2020
3	ADSK	Autodesk	14.6x	46.6x	Estimate Jan 2021
4	NOW	ServiceNow	19.7x	65.2x	Estimate Dec 2020
5	CRM	Salesforce	8.7x	29.4x	Estimate Jan 2021
6	DSY-FR	Dassault Systems	9.5x	27.3x	Estimate Dec 2020
7	INTU	Intuit Inc	10.4x	29.3x	Estimate Jul 2020
8	ULTI	Ultimate Software	Delisted	Delisted	
9	DATA-US	Tableau Software	Acquired by Salesforce	Acquired by Salesforce	
10	CHKP	Check Point Software	6.8x	13.8x	Estimate Dec 2020
11	RHT	Red Hat	Acquired by IBM	Acquired by IBM	
12	MSFT	Microsoft	10.7x	23.0x	Estimate Jun 2020
13	VMW	Vmware	5.9x	16.9x	Estimate Jan 2021
14	EGAN-US	eGain Corporation	4.2x	39.6x	Estimate Jun 2020
15	CSOD-US	Cornerstone Ondemand	3.5x	13.6x	Estimate Dec 2020
16	ENGH-CA	Enghouse Systems	7.4x	22.9x	Estimate Oct 2020
17	CTXS-US	Citrix	6.4x	19.3x	Estimate Dec 2020
18	CSU-CA	Constellation Software	6.0x	22.4x	Estimate Dec 2020
19	SAP-DE	SAP	5.5x	16.6x	Estimate Dec 2020
20	ORCL	Oracle	5.4x	11.0x	Estimate May 2021
21	CERN-US	Cerner	4.0x	13.1x	Estimate Dec 2020
22	SGE-GB	Sage Group	4.2x	16.6x	Estimate Sep 2020
23	NUAN-US	Nuance Communications	6.1x	24.4x	Estimate Sep 2020
24	NLOK	NortonLifeLock	5.7x	11.4x	Estimate Mar 2021
25	PRGS	Progress Software	4.2x	10.1x	Estimate Nov 2020
26	FNOX-SE	Fortnox	21.5x	58.5x	Estimate Dec 2020
27	HEXA.B-SE	Hexagon	5.8x	18.6x	Estimate Dec 2020
28	VIT.B-SE	Vitec	6.4x	20.4x	Estimate Dec 2020



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FINLAND

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