

NORDHAVEN QUARTERLY SOFTWARE REPORT

Q4 2019



KEY OBSERVATIONS Q4 2019

- Nordhaven has identified 19 software transactions for Q4, bringing the total volume of the year up to 103, marginally beating the 2018 volume of 100 transactions, the highest level since we started our reporting in 2014.
- Pricing remains strong. Although the high # of PE transactions leads to low price discovery, price rumours confirm the trend we see among listed peers and transactions with announced valuation.
- However, both Q3 and Q4 indicated a somewhat less heated market, after the record Q2 with a total of 36 transactions.
- The trend is also in line with our own market intelligence, suggesting increased broken deal situations. Also, investors indicate fewer and farther between quality assets. This may indicate many sellers are exploiting a strong-multiple environment.

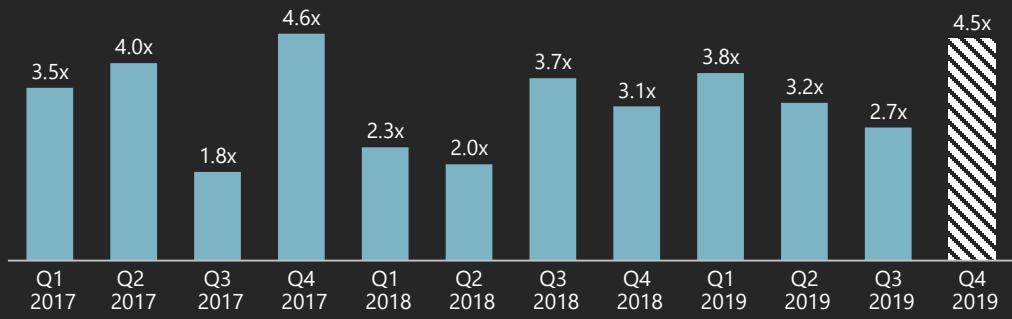
19
transactions
in Q4 2019

6.3x
EV / SALES²

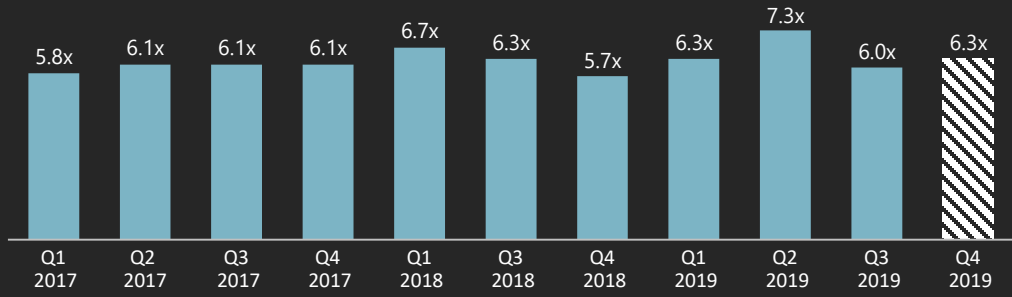
INCLUSION CRITERIA

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-service (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 MEUR have not been included.

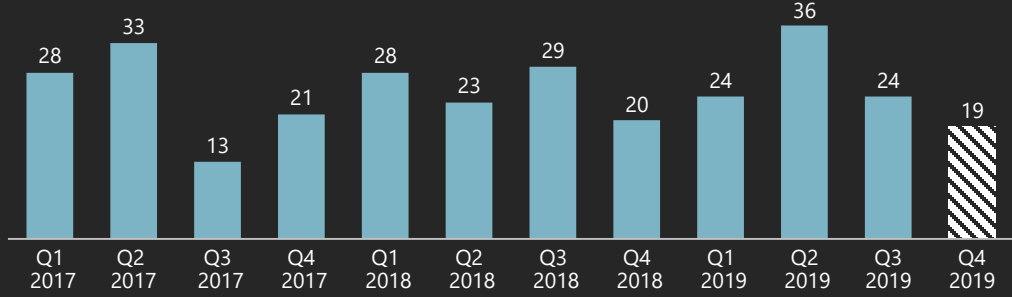
Q1 2017 – Q4 2019
MEDIAN EV / SALES FOR SELECTED NORDIC TRANSACTIONS¹



EV / SALES INTERNATIONAL SOFTWARE COMPANIES²



IDENTIFIED # OF NORDIC SOFTWARE TRANSACTIONS

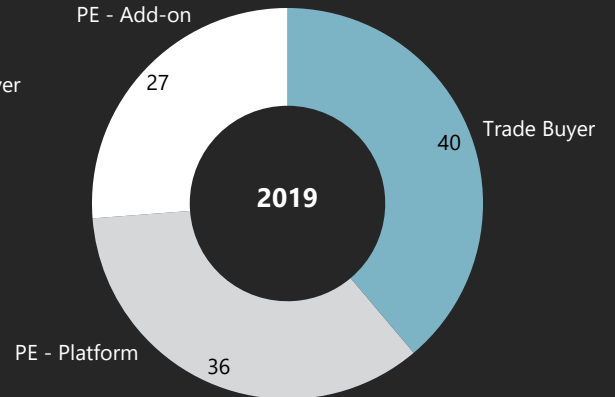
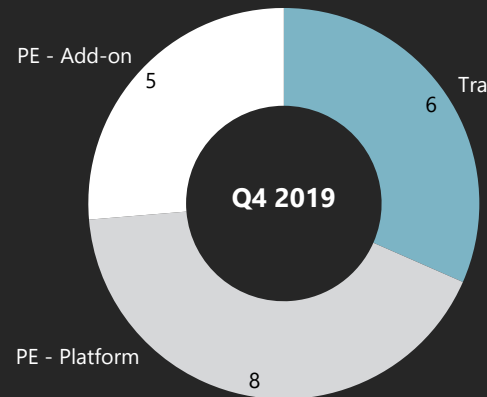


1) Median for 3 selected transaction per quarter, extreme "outliers" excluded. Backward looking multiples.
 2) Median based on revised selection of international software companies (appendix 1). Source: Mergermarket, FactSet and Nordhaven analysis.

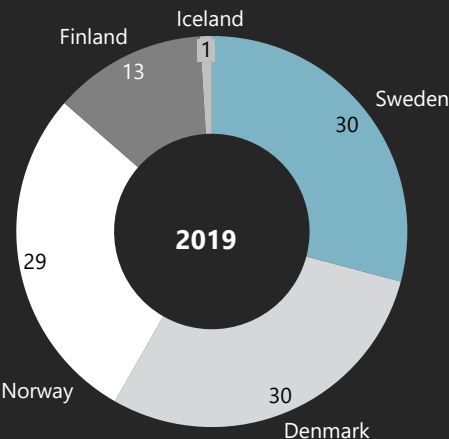
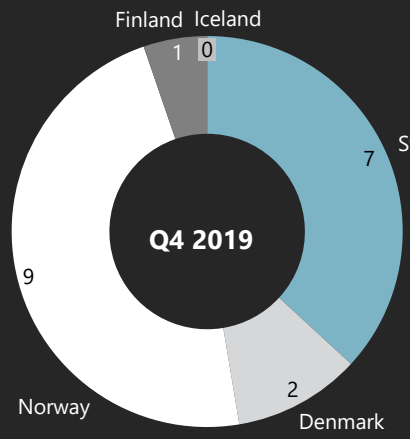
19 TRANSACTIONS IDENTIFIED IN THE NORDIC SOFTWARE SPACE IN Q4 2019, WITH A TOTAL OF 103 TRANSACTIONS IN 2019

- Nordhaven has identified 19 Nordic software transactions in Q4 2019, which represents 18% of all transactions identified in 2019.
- PEs¹ remain particularly active in this space with 68% of the transaction volume. If we also view Visma's 2 acquisitions as PE add-on, this percentage exceeded 78% of the volume in Q4.
- Norway accounts for almost half of the Nordic transactions during Q4, representing the highest quarterly Norwegian share observed during the past years.
- Both US PE and trade buyers remain active in the Nordic market representing 32% of the volume in Q4 vs. 24% for the whole year.

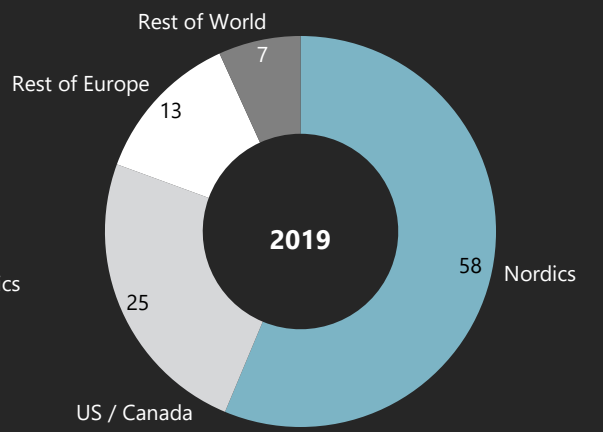
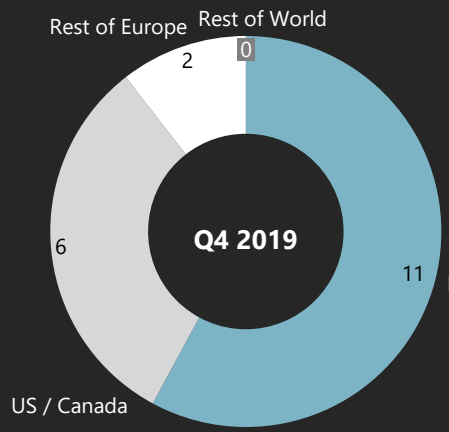
DEALS BY ACQUISITION TYPE



DEALS BY TARGET'S COUNTRY



DEALS BY ACQUIRER'S REGION

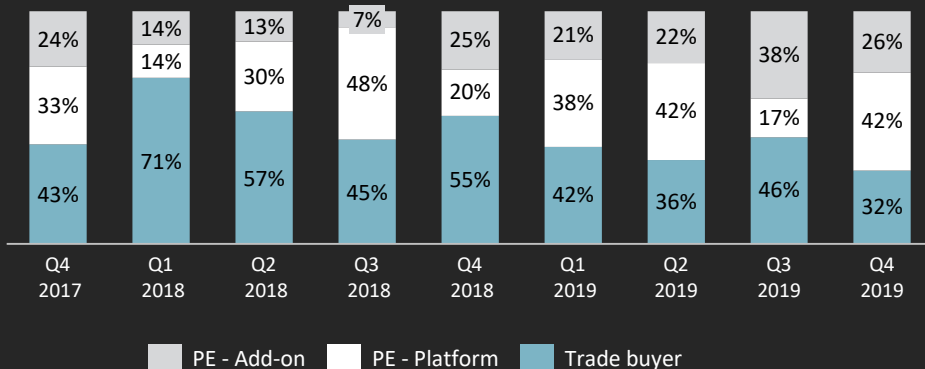


1) PE in this context includes players such as Ferd and Viking Venture, none operating out of a closed fund but the capital are managed professionally with PE like criteria. Source: Mergermarket and Nordhaven analysis.

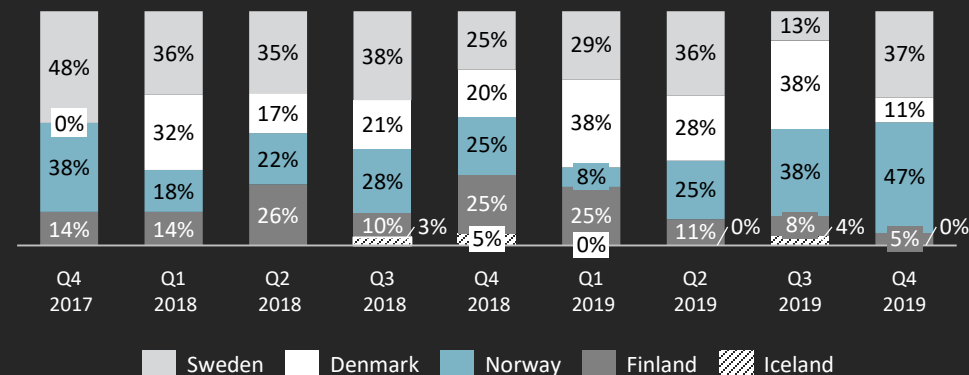
NORDIC SOFTWARE TRANSACTIONS

QUARTER-BY-QUARTER DEVELOPMENT Q4 2017 - Q4 2019

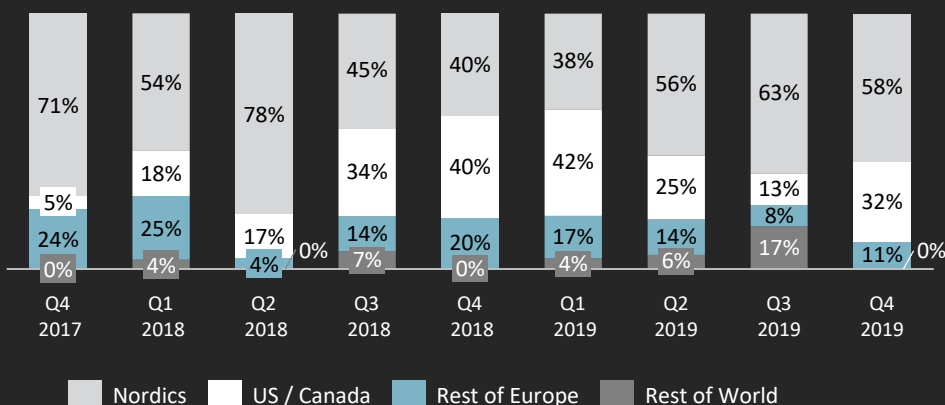
BREAKDOWN OF DEALS BY EXIT TYPE



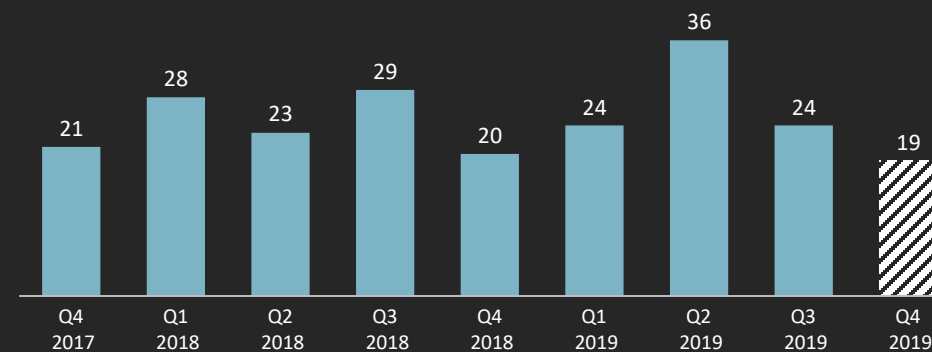
BREAKDOWN OF DEALS BY TARGET'S COUNTRY



BREAKDOWN OF DEALS BY ACQUIROR'S REGION



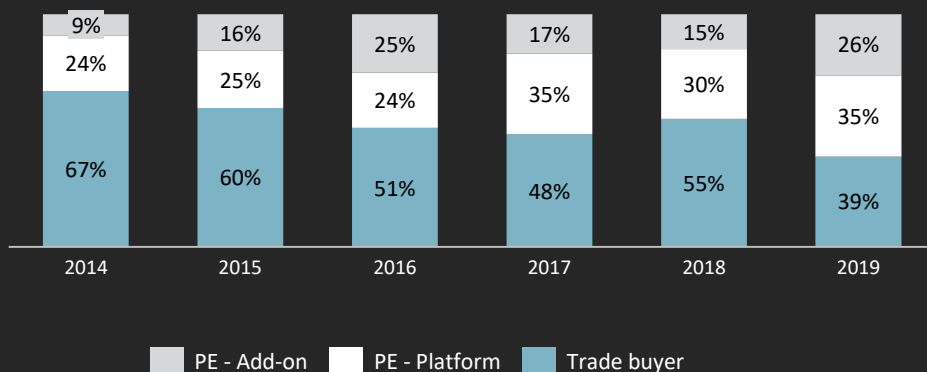
NUMBER OF TRANSACTIONS



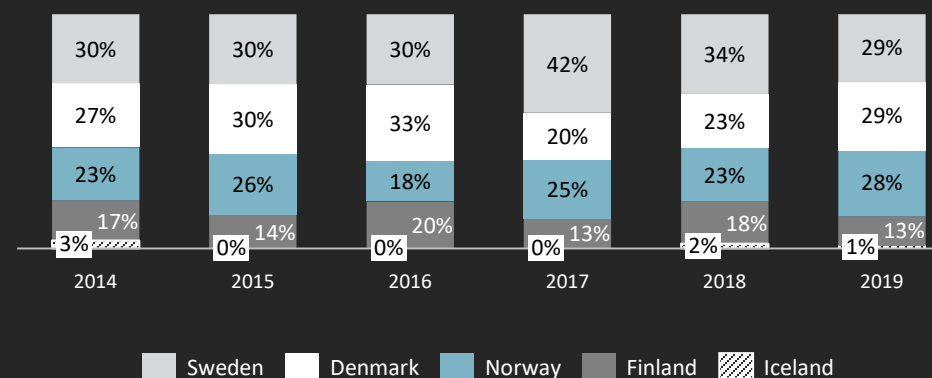
NORDIC SOFTWARE TRANSACTIONS

YEAR-BY-YEAR DEVELOPMENT 2014 - 2019

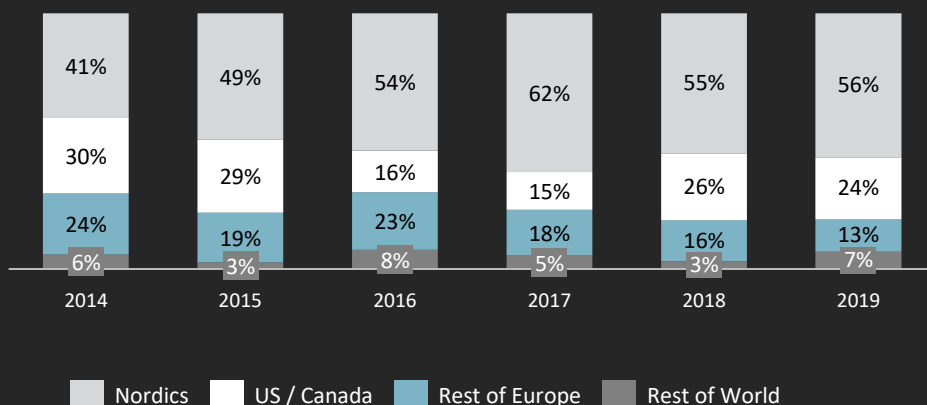
BREAKDOWN OF DEALS BY EXIT TYPE



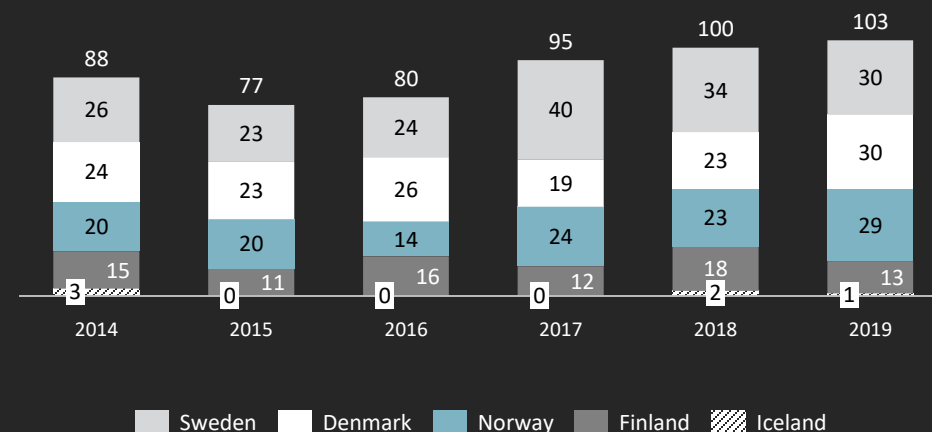
BREAKDOWN OF DEALS BY TARGET'S COUNTRY











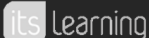



















BREAKDOWN OF DEALS BY ACQUIROR'S REGION



















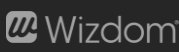



















NUMBER OF TRANSACTIONS



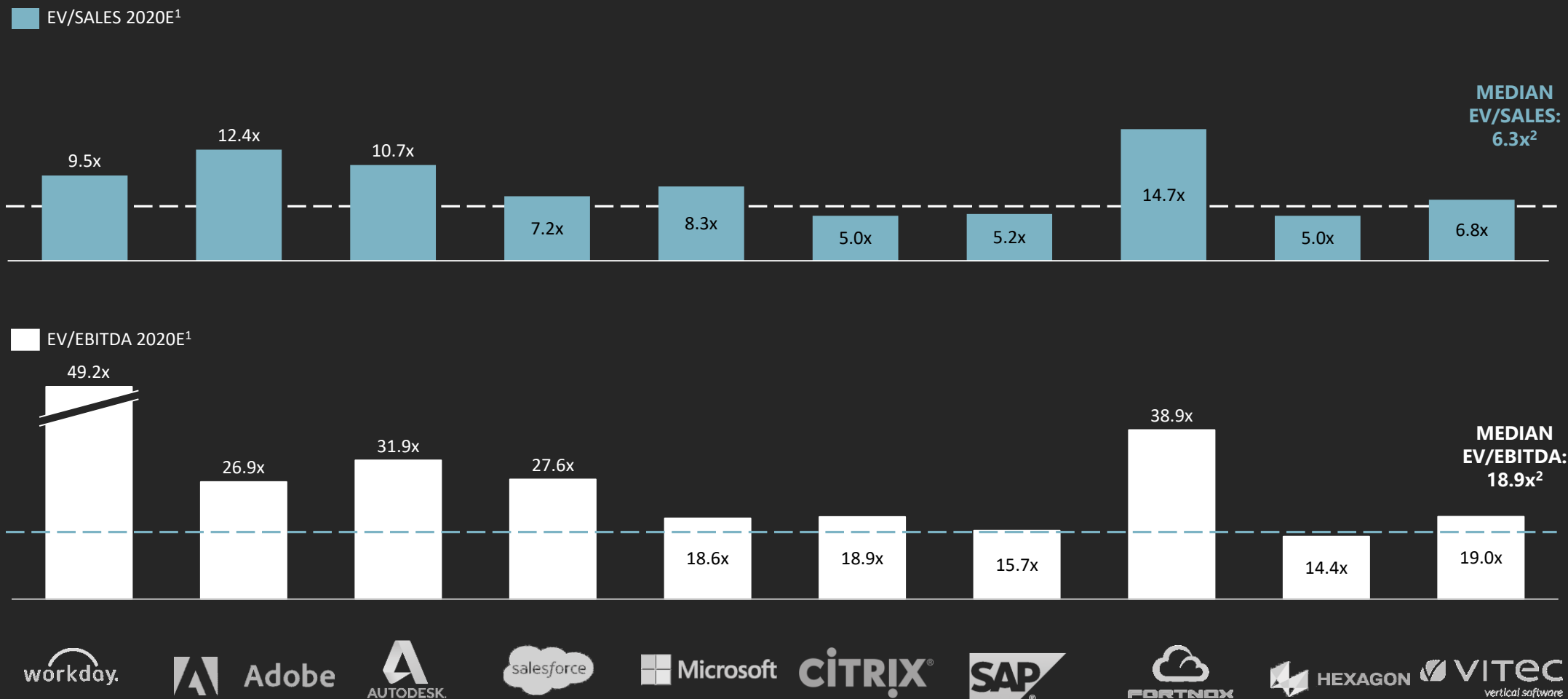
NOTABLE TRANSACTIONS DURING Q4 2019

TARGET	REVENUE 2018 (MEUR)	SELLER	ACQUIROR
 <p>Software as a service provider (SaaS) of web-based services for information and analysis of commercial real estate</p> 	82	STRONGHOLD	 
 <p>Company providing education and training in the fields of payroll, accounting, HR and Personnel management and safety</p> 	39	Private (70%)	 
 <p>Company engaged in developing, deploying, supporting and hosting learning platforms and educational software for the education sector</p> 	30	IEQT	 
 <p>Company that provides financial management software and information technology solutions to agricultural and forestry industries</p> 	19	PROCURITAS	 
 <p>Technology company that provides IT solutions within public transport</p> 	16	Private	 
 <p>Provider of modern cloud-based accounting systems, primarily for small and medium-sized businesses</p> 	9	Private	 
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SELECTED SOFTWARE TRANSACTIONS MULTIPLES – LAST 12 MONTHS

	EXIT MULTIPLE (EV/SALES) ¹	TARGET	ACQUIROR
Q4 2019	6.5x	 SMARTLY.IO  Finland-based company specializing in providing solutions for digital advertising platform	➔  PROVIDENCEEQUITY 
Q1 2019	4.7x	 FALCON.IO  Provider of a SaaS platform that allows marketing departments to create, launch and measure social media campaigns in real time	➔  CISION 
Q2 2019	4.0x	 ReachMee  Sweden-based provider of cloud-based recruitment solutions	➔  verdane capital HR Nordic Holding 
Q3 2019	4.0x	 Seriously  Finland-based publisher of mobile games	➔  Playtika 
Q1 2019	3.8x	 Wizdom  Workplace software developer	➔  LiveTiles 
Q2 2019	3.0x	 EIG  Denmark-based provider of proprietary software solutions	➔  FP FRANCISCO PARTNERS 
Q4 2019	2.6x	 Info tjenester  Company providing education and training in the fields of payroll, accounting, HR and Personnel management and safety	➔  FERD 
Q3 2019	1.5x ²	 CXENSE  Norway-based company that develops, operates, sells and licenses software solutions	➔  piano 
Q3 2019	0.7x	 WISE  Iceland-based provider of customizable enterprise reporting planning (ERP) and business management software and related services	➔  CENTARA INTELLIGENT RETAIL 

TRADING MULTIPLES FOR SELECTED INTERNATIONAL AND NORDIC SOFTWARE COMPANIES¹



LIST OF IDENTIFIED NORDIC SOFTWARE TRANSACTIONS Q4 2019

#	TARGET	TARGET COUNTRY	BIDDER	BIDDER COUNTRY	DATE	TYPE
1	Infotjenester AS (70% Stake)	Norway	Ferd	Norway	December	PE - Platform
2	Unomaly AB	Sweden	LogicMonitor Inc.	USA	December	PE - Add-on
3	Sye AB	Sweden	Amazon	USA	December	Trade Buyer
4	Smartly.io Solutions Oy	Finland	Providence Equity Partners L.L.C.	USA	December	PE - Platform
5	PowerOffice AS	Norway	Visma AS	Norway	December	Trade buyer
6	Duett AS	Norway	Accel-KKR LLC	USA	December	PE - Platform
7	Datscha AB	Sweden	Real Capital Analytics, Inc.	USA	December	PE - Add-on
8	itslearning AS	Norway	Sanoma Oyj	Finland	December	Trade Buyer
9	Tamigo ApS (33.1% Stake)	Denmark	Viking Venture Management AS	Norway	December	PE - Platform
10	FARA AS	Norway	Corvia Limited	United Kingdom	December	PE - Add-on
11	EVERY (Case management / SIKRI AS)	Norway	Karbon Invest	Norway	December	PE - Platform
12	Cegal AS	Norway	DWS Group GmbH & Co. KGaA; Argentum Fondsinvesteringer AS	Norway;Germany	November	PE - Platform
13	Marine Benchmark Gothenburg AB (49% Stake)	Sweden	Simpson Spence Young Limited	United Kingdom	November	Trade Buyer
14	OneStop Reporting AS	Norway	Visma AS	Norway	November	Trade Buyer
15	Quixel AB	Sweden	Epic Games, Inc.	USA	November	PE - Add-on
16	PCG Solutions AB	Sweden	Monterro Software Investment AB	Sweden	November	PE - Platform
17	Nutid AB	Sweden	Small Cap Partners	Sweden	October	PE - Platform
18	4Subsea AS	Norway	Subsea 7 Inc.	United Kingdom,Norway	October	Trade Buyer
19	Calwin A/S	Denmark	EG A/S	Denmark	October	PE - Add-on

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



TECHNOLOGY






INDUSTRIALS

CONSUMER

SERVICES

LEADING INDEPENDENT ADVISOR IN THE NORDIC SOFTWARE SECTOR

TOP NORDIC SOFTWARE FINANCIAL ADVISORS BY VOLUME

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

RECENT NORDHAVEN TMT DEALS

Asolvi

Sold to

VOLPi
CAPITAL

Advisor to Asolvi

2019

Advisor to
to Confirma Software backed by

abry partners

on the acquisition of

_compilo

2019

Advisor to

motimate

In connection with its
private placement.

2019



Sold to

TUXERA

Advisor to Tuxera

2019

Advisor to
to Confirma Software backed by

abry partners

on the acquisition of



2019

Advisor to
to Confirma Software backed by

abry partners

on the acquisition of



2019

ONE VOICE

Sold to


F24

Advisor to One Voice

2019


elisa

Call center BPO sold to



Advisor to Elisa

2018



Sold to

VISMA

Advisor to Triangel AS

2018

PARTNER OF CLAIRFIELD INTERNATIONAL

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

130

Transactions
closed in 2018

300

Professionals

€3.3bn

Cumulative value of
transactions closed
in 2018



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 250+ professionals we have global connectivity, and local access to counterparts.

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

APPENDIX 1: SELECTED NORDIC AND INTERNATIONAL LISTED SOFTWARE COMPANIES

#	TICKER FACTSET	COMPANY NAME	EV/SALES 2020E	EV/EBITDA 2020E
1	WDAY	Workday	9.5x	49.2x
2	ADBE	Adobe Systems	12.4x	26.9x
3	ADSK	Autodesk	10.7x	31.9x
4	NOW	ServiceNow	13.3x	46.7x
5	CRM	Salesforce	7.2x	27.6x
6	DSY-FR	Dassault Systems	7.5x	21.5x
7	INTU	Intuit Inc	9.1x	25.2x
8	ULTI	Ultimate Software	Delisted	Delisted
9	DATA-US	Tableau Software	Acquired by Salesforce	Acquired by Salesforce
10	CHKP	Check Point Software	7.6x	14.8x
11	RHT	Red Hat	Acquired by IBM	Acquired by IBM
12	MSFT	Microsoft	8.3x	18.6x
13	VMW	Vmware	6.1x	16.7x
14	EGAN-US	eGain Corporation	3.1x	79.0x
15	CSOD-US	Cornerstone Ondemand	6.3x	25.2x
16	ENGH-CA	Enghouse Systems	5.6x	18.0x
17	CTXS-US	Citrix	5.0x	18.9x
18	CSU-CA	Constellation Software	5.2x	19.0x
19	SAP-DE	SAP	5.2x	15.7x
20	ORCL	Oracle	5.2x	10.9x
21	CERN-US	Cerner	4.1x	12.8x
22	SGE-GB	Sage Group	4.4x	17.5x
23	NUAN-US	Nuance Communications	4.3x	17.6x
24	NLOK	Symantec Corporation	8.0x	18.0x
25	PRGS	Progress Software	4.8x	12.4x
26	FNOX-SE	Fortnox	14.7x	38.9x
27	HEXA.B-SE	Hexagon	5.0x	14.4x
28	VIT.B-SE	Vitec	6.8x	19.0x



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NORDHAVEN

CORPORATE FINANCE

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