

# NORDHAVEN QUARTERLY SOFTWARE REPORT

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Q4 2020

“Covid? – What Covid?”



# KEY OBSERVATIONS Q4 2020

- Nordhaven has identified 37 software transactions in Q4 2020 and 111 for the whole year. That is a new record year measured in deal volume in the Nordic software space since we started counting. The surge of IPOs underlines this. In Q4, 9 software IPOs were conducted successfully on Euronext Growth Oslo alone.
- While most of the financial markets have recovered from the Covid-pandemic, the SW sector has proven to be not only resilient but outperformed more or less all other sectors in the industry.
- We expect the strong interest in the recurring nature of software and tech enabled services revenues to continue, and also expect high M&A activity going forward. Not only from investors hunting the unicorn, but also due to various subsectors experience increased in-market consolidation as no-one wants to be the platform left behind when the train has left the station.

**37**  
transactions  
in Q4 2020

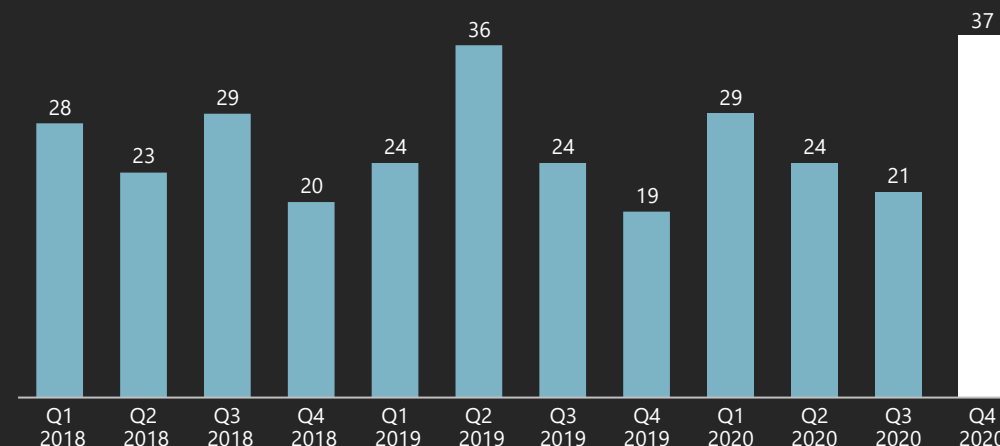
**7.2x**  
EV / SALES<sup>1</sup>

## INCLUSION CRITERIA

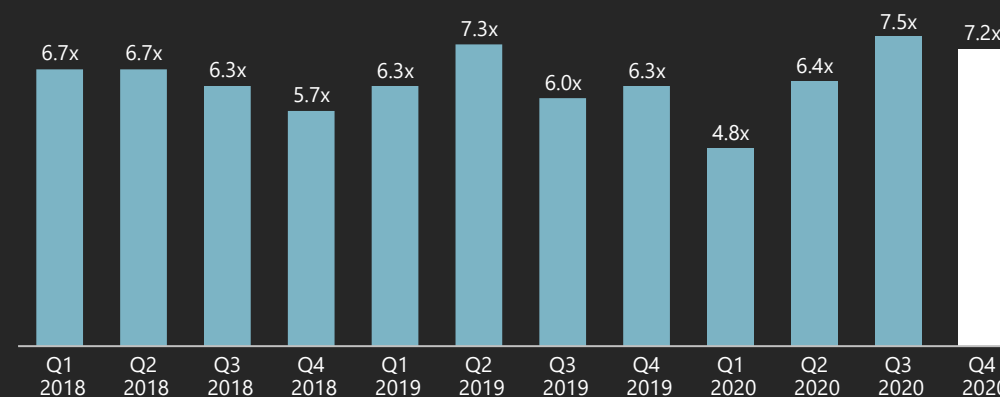
Announced transactions where a Norwegian, Swedish, Finnish, Icelandic or Danish-based software company has been sold during the quarter. The company sold must have the majority of its operations in either of these countries. Consultancies, IT-services and resellers are not included. Neither are media and gaming software with significant content creation. 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.

## Q1 2018 – Q4 2020

### IDENTIFIED # OF NORDIC SOFTWARE TRANSACTIONS



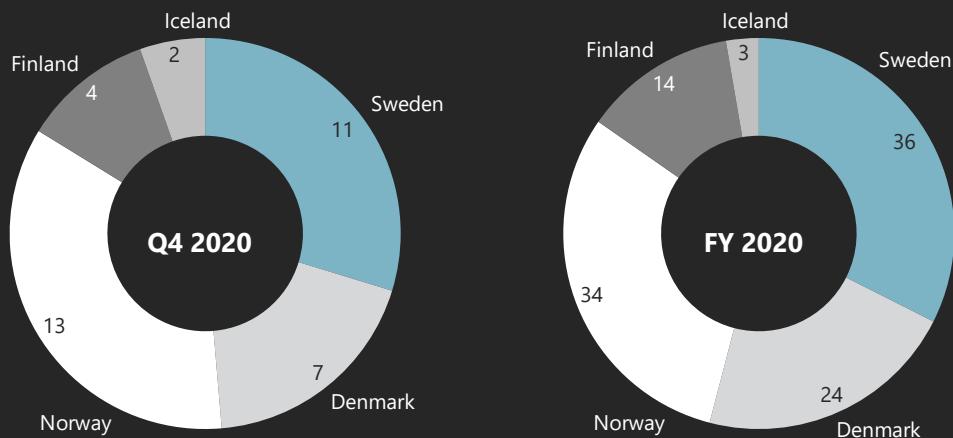
### EV / SALES INTERNATIONAL LISTED SOFTWARE COMPANIES<sup>1</sup>



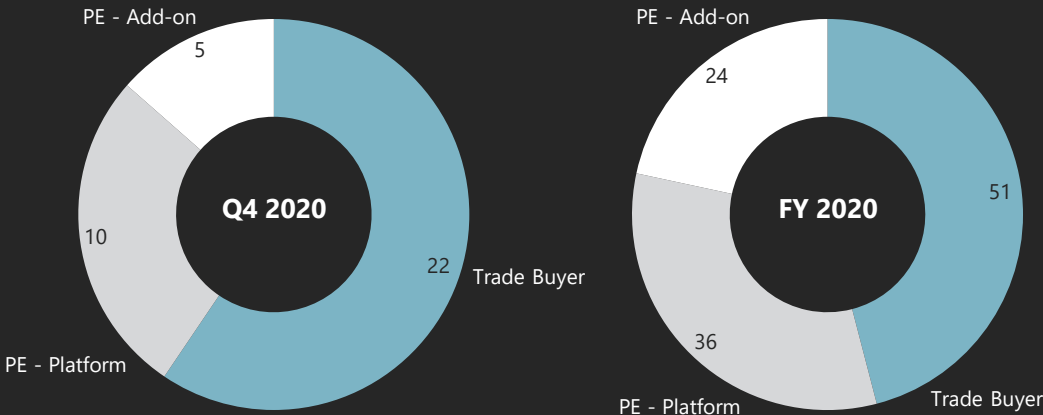
# 37 TRANSACTIONS IDENTIFIED IN THE NORDIC SOFTWARE SPACE IN Q4 2020, WITH A TOTAL OF 111 TRANSACTIONS IN 2020

- Nordhaven has identified 37 Nordic software transactions in Q4 2020, which represents 33% of all transactions identified in 2020.
- PEs remain particularly active in this space with 54% of the transaction volume in 2020. If we also view Visma's 7 acquisitions as PE add-on, this percentage is 60% of the volume in 2020.
- Norway accounts for 31% of the Nordic transactions in 2020, representing the highest annual Norwegian share observed in the period 2014-2020. Swedish targets accounted for 32% of the volume, that's in line with the average Swedish share in the same period.
- Both US PE and trade buyers remain active in the Nordic market representing 16% of the volume in Q4 vs. 19% for the whole year, down from 27% in 2019. We believe lock-down periods in Q2 and Q4 explains the lower US activity in 2020.

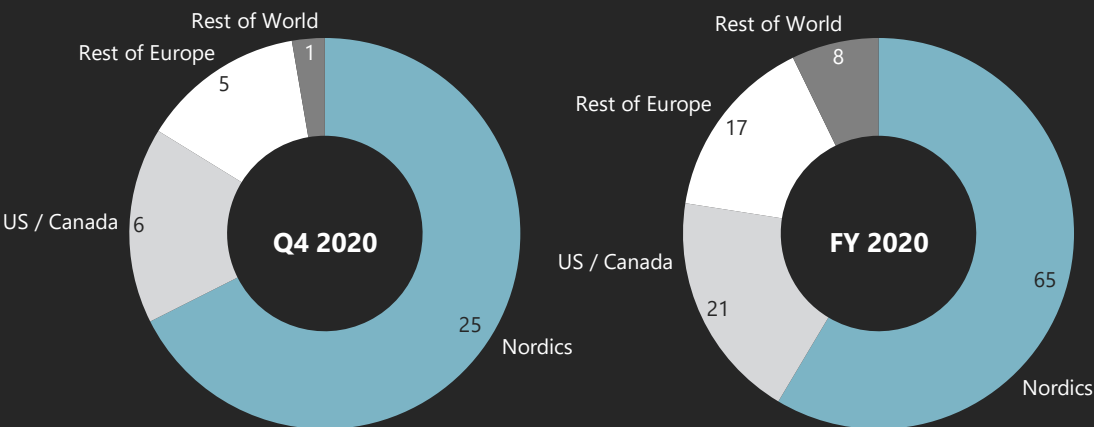
## DEALS BY TARGET'S COUNTRY



## DEALS BY ACQUISITION TYPE



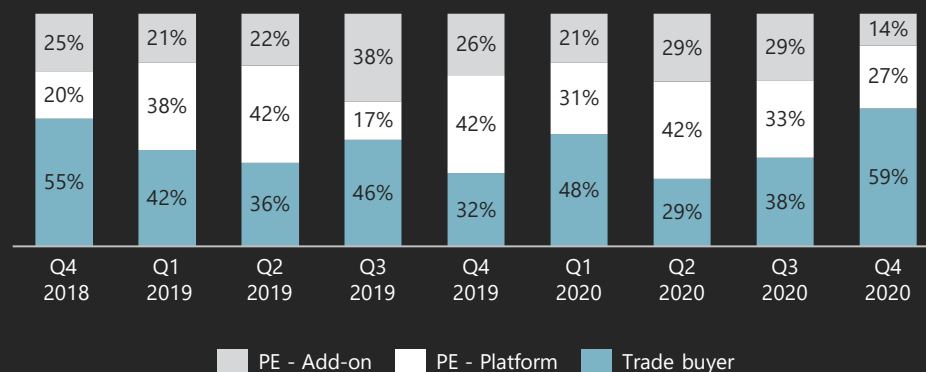
## DEALS BY ACQUIRER'S REGION



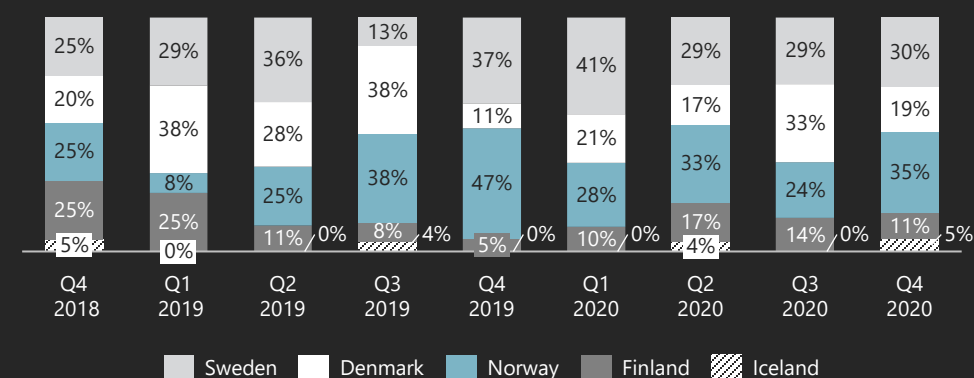
# NORDIC SOFTWARE TRANSACTIONS

Quarter-by-Quarter development Q4 2018 - Q4 2020

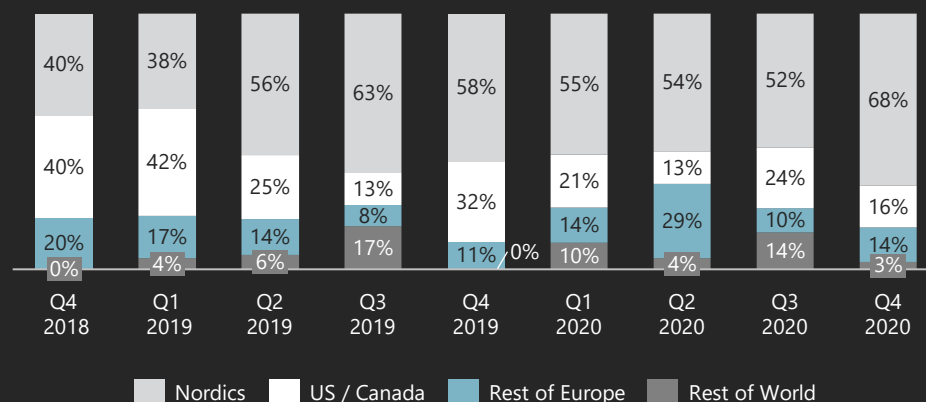
## BREAKDOWN OF DEALS BY EXIT TYPE



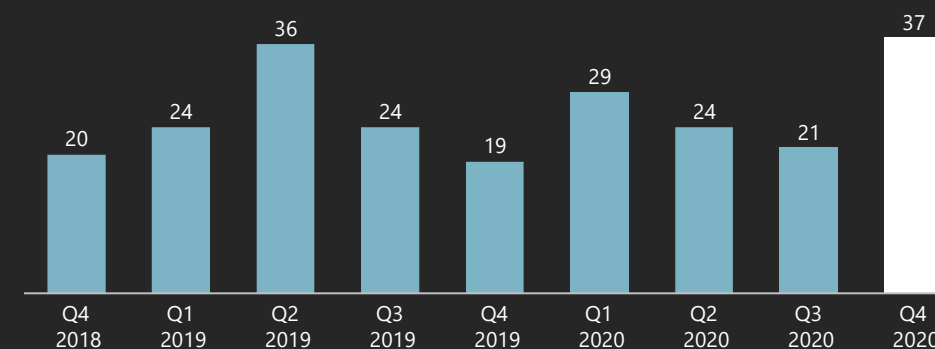
## BREAKDOWN OF DEALS BY TARGET'S COUNTRY



## BREAKDOWN OF DEALS BY ACQUIROR'S REGION



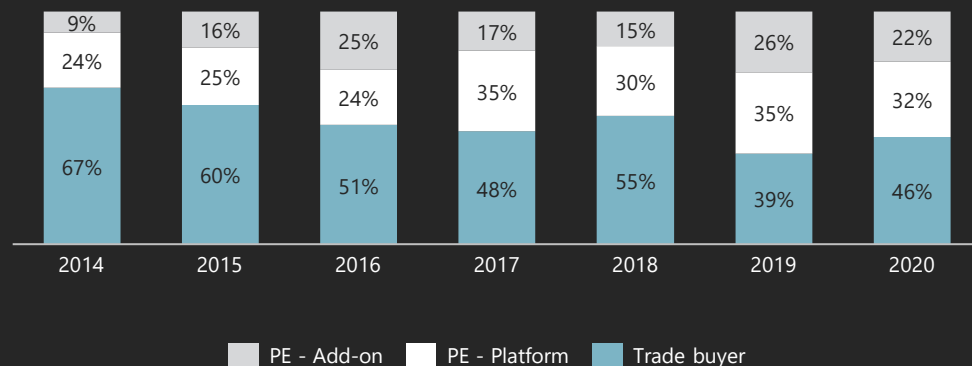
## QUARTERLY NUMBER OF TRANSACTIONS



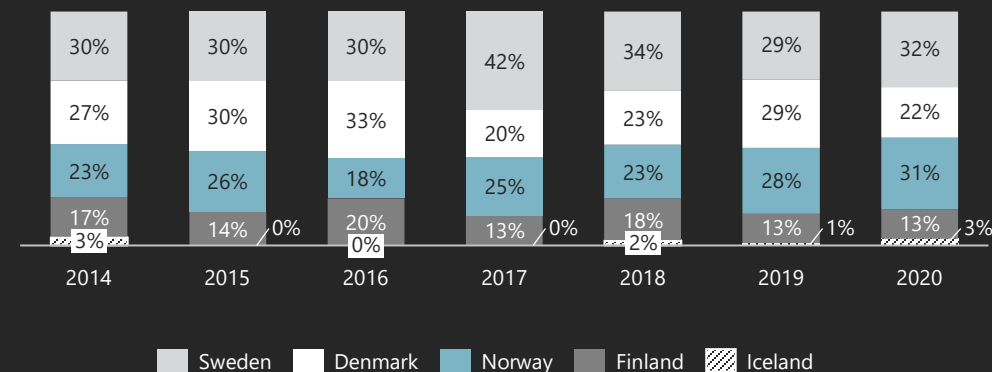
# NORDIC SOFTWARE TRANSACTIONS

Year-by-Year development 2014 - 2020

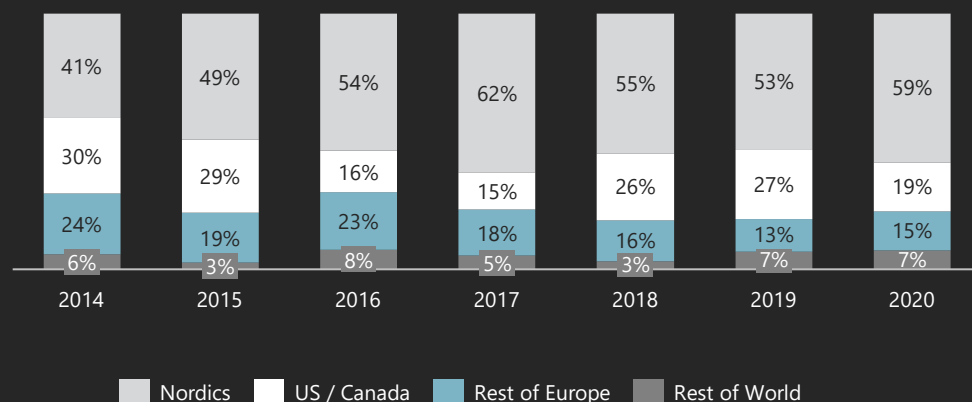
## BREAKDOWN OF DEALS BY EXIT TYPE



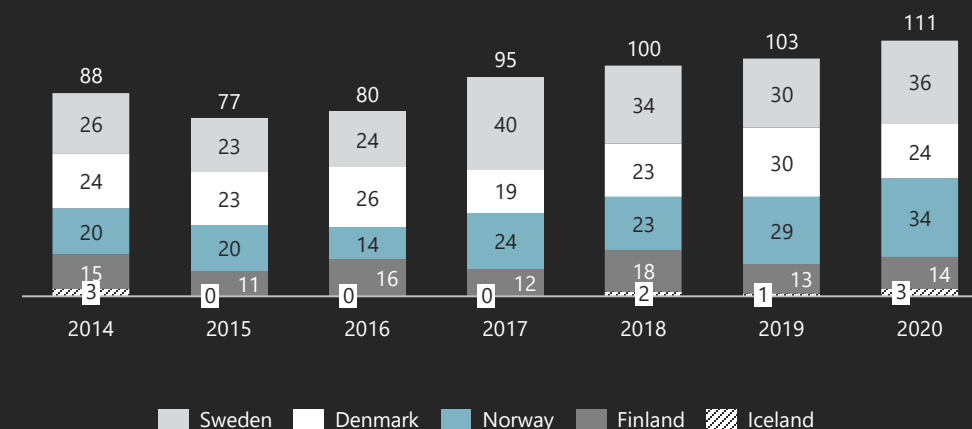
## BREAKDOWN OF DEALS BY TARGET'S COUNTRY



## BREAKDOWN OF DEALS BY ACQUIROR'S REGION



























## NUMBER OF TRANSACTIONS









# SELECTED TRANSACTIONS DURING Q4 2020

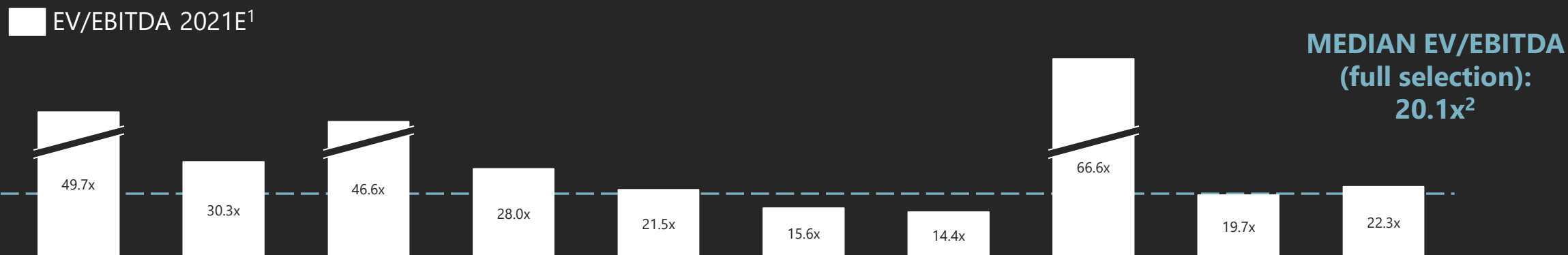
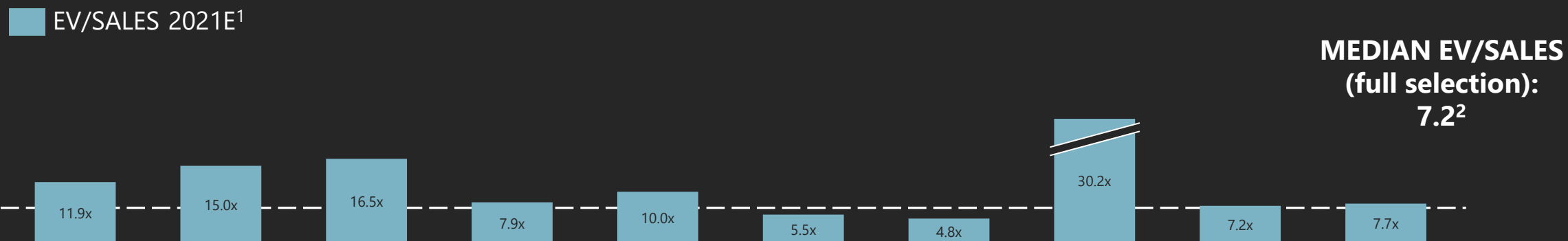
– See appendix 1 for full selection

TARGET			REVENUE 2019 (mEUR)	SELLER	ACQUIROR
	Denmark-based provider of software solutions for property & casualty insurers as well as Life and Pension, Health, and several innovative extension modules		26	IEQT	SAPIENS 
 COMPELLO	Norway-based IT company offering cloud-based solutions		10	Private	 VISMA 
 an Enea company	Sweden-based developer of software that supports the client's wifi network and other IOT services		9	Norvestor	ENEAA 
infodoc	Norway-based e-health company engaged in developing of cloud-based electronic patient record systems (EPR) for general practitioners, specialists and public health centres		5	Private	 PatientSky 
TimeEdit	Sweden-based SaaS company that develops and markets a cloud-based academic scheduling and planning tool		4	Private	 MONTERRO 
 SPACEMAKER	Norway-based developer of AI-assisted design and construction simulation software for the property development sector		N/A	Northzone atomico° & others	 AUTODESK 
	Norway- and Sweden-based provider of public procurement information and monitoring software		N/A	 VISMA	MerCell 

# SELECTED NORDIC SOFTWARE TRANSACTION MULTIPLES – LTM

EXIT MULTIPLE (EV/SALES) <sup>1</sup>	TARGET	ACQUIROR
Q3 2020 6.8x	  <p>Norway-based company engaged in providing software solutions and services</p>	   <p>(majority/lead)</p>
Q2 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>	  
Q4 2020 5.2x	  <p>Norway-based e-health company engaged in developing of cloud-based electronic patient record systems (EPR) for general practitioners, specialists and public health centres</p>	  
Q3 2020 4.3x	  <p>Sweden-based company engaged in the development and delivering of business software</p>	  
Q1 2020 3.1x	  <p>Finland-based company that develops and provides cost accounting and production management software</p>	  
Q4 2020 2.3x	  <p>Sweden-based B2B provider of contact centre, telemarketing and workforce management software</p>	  

# TRADING MULTIPLES FOR SELECTED INTERNATIONAL AND NORDIC SOFTWARE COMPANIES<sup>1</sup>



workday.

Adobe

AUTODESK.

salesforce

Microsoft

CITRIX®

SAP®

FORTNOX

HEXAGON

VITEC  
vertical software



# LEADING INDEPENDENT M&A SPECIALIST IN THE NORDICS

30

Professionals

+300

Transactions advised

+20

Years market presence

## 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

## WHAT WE BELIEVE IN

- M&A is a particular craftsmanship 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

Oslo

Helsinki

Sweden: Partnership with **Capillar Advisory**  
Denmark: Partnership with **Nordic M&A**  
Partners of **Clairfield International**

## CORE SECTOR EXPERTISE



TMT



Consumer



Industrials



Business services



# LEADING ADVISOR IN THE NORDIC SOFTWARE SECTOR

## NORDIC SOFTWARE FINANCIAL ADVISORS BY VOLUME 2020

<b>ABG</b> SUNDAL COLLIER	9
 <b>NORDHAVEN</b> CORPORATE FINANCE	7
<b>DNB</b> MARKETS	7
<b>EY</b>	6
<b>pwc</b>	6
Armapartners	6
<i>Carnegie</i>	6
<b>Deloitte.</b>	5
<b>Goldman Sachs</b>	4

Source: Mergermarket; Nordic (target geography) financial advisor (Industry sector; "computer software") transactions deal volume league table Q1-Q4 2020 (announcement date).

## RECENT NORDHAVEN TECH DEALS

<p>Advisor to</p> <p><b>xHg</b></p> <p>In the acquisition of</p> <p><b>Geomatikk</b></p> <p>2020</p>	<p>Sold to</p> <p><b>EKSTRALYS</b></p> <p><b>RÖKO</b></p> <p>Advisor to Ekstralys</p> <p>2020</p>	<p>Advisor to</p> <p><b>bitpro</b></p> <p>backed by</p> <p><b>KISTEFOS</b></p> <p>In the acquisition Keynet</p> <p>2020</p>
<p>Advisor to</p> <p><b>ALMA</b></p> <p>In the acquisition of</p> <p><b>DIAS</b></p> <p>2020</p>	<p>Advisor to</p> <p>Confirma Software</p> <p>backed by</p> <p><b>abry partners</b></p> <p>In the acquisition Skj Systems Oy</p> <p>2020</p>	<p>Advisor to</p> <p><b>TECHSTEP</b></p> <p>In the acquisition of</p> <p><b>optidev</b> TrueMobile Solutions</p> <p>2020</p>
<p>Sold to</p> <p><b>max manus</b></p> <p><b>Conscriptor</b></p> <p>Advisor to Max Manus</p> <p>2020</p>	<p>Sold to</p> <p><b>h holte</b></p> <p><b>EG</b></p> <p>Advisor to Holte</p> <p>2020</p>	<p>Sold to</p> <p><b>syscom</b></p> <p><b>DXC.technology</b></p> <p>Advisor to Syscom</p> <p>2019</p>

# 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  
Czech Republic

### The Americas

Brazil  
Canada  
Mexico  
USA

### Middle East

Israel  
Turkey

### Asia-Pacific

Australia  
China  
Japan



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

# APPENDIX 1: LIST OF IDENTIFIED NORDIC SOFTWARE TRANSACTIONS Q4 2020

#	TARGET	TARGET COUNTRY	BIDDER	SPONSOR	BIDDER GEOGRAPHY	MONTH <sup>1</sup>	TYPE
1	Checkd	Norway	Next One Technology AB	Monterro	Nordics	December	PE - Add-on
2	Valamis Group Oy	Finland	Adelis Equity Partners AB		Nordics	December	PE - Platform
3	Compello AS	Norway	Visma AS	Hg (lead)	Nordics	December	Trade Buyer
4	Simplifai AS	Norway	Elop AS		Nordics	December	Trade Buyer
5	MainManager ehf.	Iceland	View Software AS	Viking Venture	Nordics	December	PE - Add-on
6	&frankly	Sweden	Simploer	Ferd	Nordics	December	PE - Add-on
7	Avans Soma AS	Norway	Carasent ASA		Nordics	December	Trade Buyer
8	Arsredovisning Online Sverige AB	Sweden	Visma AS	Hg (lead)	Nordics	December	Trade Buyer
9	C-MAP Commercial	Norway	Lloyd's Register Group Limited		Rest of Europe	December	Trade Buyer
10	dk Hugbunaour ehf	Iceland	Total Specific Solutions (TSS) B.V.	Constellation Software	US / Canada	December	Trade Buyer
11	Profit Software Ltd	Finland	Volpi Capital LLP		Rest of Europe	December	PE - Platform
12	Matter	Denmark	Nasdaq Technology AB		US / Canada	December	Trade Buyer
13	Cercare Medical ApS	Denmark	Canica AS; Smedvig Capital Limited; Quantass ApS; MK Holding af 2013 ApS		Nordics	November	PE - Platform
14	TimeEdit	Sweden	Monterro Software Investment AB		Nordics	November	PE - Platform
15	LoxySoft AB	Sweden	LeadDesk Oy		Nordics	November	Trade Buyer
16	Got Ethics A/S	Denmark	EQS Group AG		Rest of Europe	November	Trade Buyer
17	Visma Commerce AB; Visma Commerce AS	Norway	Mercell Holding AS		Nordics	November	Trade Buyer
18	Uni Micro AS (67% Stake)	Norway	DNB ASA; SpareBank 1 Nord-Norge		Nordics	November	Trade Buyer
19	Filemail AS	Norway	Jotta AS		Nordics	November	Trade Buyer
20	Spacemaker AS	Norway	Autodesk, Inc.		US / Canada	November	Trade Buyer
21	Camo Analytics AS	Norway	Aspen Technology Inc.		US / Canada	November	Trade Buyer
22	KlarPris A/S	Denmark	Adelis Equity Partners AB		Nordics	November	PE - Platform
23	TimeLog A/S	Denmark	Viking Venture Management AS		Nordics	November	PE - Platform
24	Pointsharp AB (60% Stake)	Sweden	Main Capital Partners B.V.		Rest of Europe	November	PE - Platform
25	eSmiley A/S	Denmark	VIA Equity A/S		Nordics	November	PE - Platform
26	Infodoc AS	Norway	PatientSky Group AS		Nordics	November	Trade Buyer
27	Tia Technology A/S (95% Stake)	Denmark	Sapiens International Corporation		Rest of World	November	Trade Buyer
28	Edgware AB	Sweden	Agile Content, S.A.		Rest of Europe	October	Trade Buyer
29	Aize AS	Norway	Aker ASA		Nordics	October	Trade Buyer
30	MaintMaster Systems AB	Sweden	Monterro Software Investment AB		Nordics	October	PE - Platform
31	Woila AB	Sweden	Klarna Bank AB (publ)		Nordics	October	Trade Buyer
32	Ceetron AS	Norway	Tech Soft 3D, Inc.	Battery Ventures	US / Canada	October	PE - Add-on
33	ComAround Scandinavia AB	Sweden	BMC Software, Inc.	KKR	US / Canada	October	PE - Add-on
34	Invian Oy	Finland	Visma AS	Hg (lead)	Nordics	October	Trade Buyer
35	COS Systems AB	Sweden	Pivot Partners AB		Nordics	October	PE - Platform
36	Paybyway Oy	Finland	Visma AS	Hg (lead)	Nordics	October	Trade Buyer
37	Aptilo Networks AB	Sweden	Enea AB		Nordics	October	Trade Buyer

# APPENDIX 2

#	TICKER FACTSET	COMPANY NAME	EV/SALES 2021E	EV/EBITDA 2021E	ESTIMATE DATE
1	WDAY	Workday	11.9x	49.7x	Estimate Jan 2022
2	ADBE	Adobe Systems	15.0x	30.3x	Estimate Nov 2021
3	ADSK	Autodesk	16.5x	46.6x	Estimate Jan 2022
4	NOW	ServiceNow	19.0x	61.7x	Estimate Dec 2021
5	CRM	Salesforce	7.9x	28.0x	Estimate Jan 2022
6	DSY-FR	Dassault Systems	9.5x	27.0x	Estimate Dec 2021
7	INTU	Intuit Inc	11.1x	30.5x	Estimate Jul 2021
8	ULTI	Ultimate Software	Delisted	Delisted	
9	DATA-US	Tableau Software	Acquired by Salesforce	Acquired by Salesforce	
10	CHKP	Check Point Software	8.1x	16.0x	Estimate Dec 2021
11	RHT	Red Hat	Acquired by IBM	Acquired by IBM	
12	MSFT	Microsoft	10.0x	21.5x	Estimate Jun 2021
13	VMW	Vmware	4.7x	13.4x	Estimate Jan 2022
14	EGAN-US	eGain Corporation	4.4x	77.6x	Estimate Jun 2021
15	CSOD-US	Cornerstone Ondemand	4.9x	14.7x	Estimate Dec 2021
16	ENGH-CA	Enghouse Systems	6.2x	18.5x	Estimate Oct 2021
17	CTXS-US	Citrix	5.5x	15.6x	Estimate Dec 2021
18	CSU-CA	Constellation Software	5.7x	20.1x	Estimate Dec 2021
19	SAP-DE	SAP	4.8x	14.4x	Estimate Dec 2021
20	ORCL	Oracle	5.7x	11.2x	Estimate May 2021
21	CERN-US	Cerner	4.5x	14.0x	Estimate Dec 2021
22	SGE-GB	Sage Group	3.4x	15.0x	Estimate Sep 2021
23	NUAN-US	Nuance Communications	12.6x	58.9x	Estimate Sep 2021
24	NLOK	NortonLifeLock	6.0x	10.8x	Estimate Mar 2021
25	PRGS	Progress Software	4.4x	11.2x	Estimate Nov 2021
26	FNOX-SE	Fortnox	30.2x	66.6x	Estimate Dec 2021
27	HEXA-B-SE	Hexagon	7.2x	19.7x	Estimate Dec 2021
28	VIT.B-SE	Vitec	7.7x	22.3x	Estimate Dec 2021



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