



NORDHAVEN
CORPORATE FINANCE

Quarterly Software Report

Q2 2018



EXECUTIVE SUMMARY

- There were 23 transactions in the software space in the Nordics in Q2/18 vs. 28 in the previous quarter.
- The performance of the Nordic Technology EUR GI index was very strong in Q2/18 with an increase of 15.5% for the second quarter.
- The largest deal activity within Nordic software could be found in Sweden, with 8 identified deals, followed by Finland (6 deals), (Norway (5 deals) and Denmark (4 deals).
- Strategic buyers were again the leading buyer group, completing 13 of the 23 deals, while private equity buyers completed 10.
- Nordic buyers continued to dominate in Q2 with 18 (78.3%) of the 23 deals, while US and Canadian buyers were the second most active with 4 deals.
- The Nordic discount gap has widened to 50.7% compared with international software companies, based on EV / SALES 2018E multiples.

23
transactions
in Q2/18

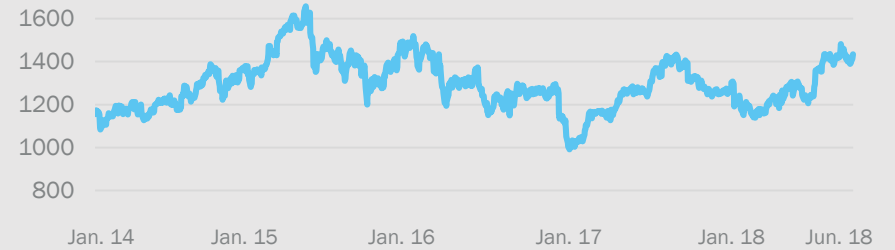
6.7x
EV/ sales
international
software
companies

Inclusion criteria

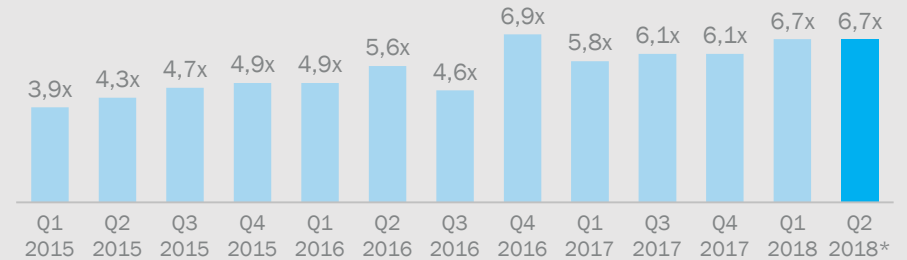
Announced transactions where a Norwegian, Swedish, Finnish or Danish-based software company has been sold during the quarter. The company sold must have the majority of its operations in either of these countries. Consultancy and IT-service (no software) transactions are not included. Minority transactions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

NORDIC TECHNOLOGY EUR GI

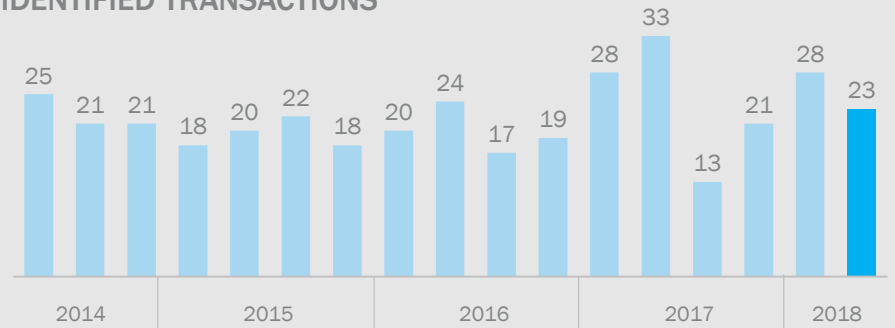
Jan 14 – Jul 18



EV / SALES INTERNATIONAL SOFTWARE COMPANIES



IDENTIFIED TRANSACTIONS



* Median based on revised selection of international software companies (appendix 1)

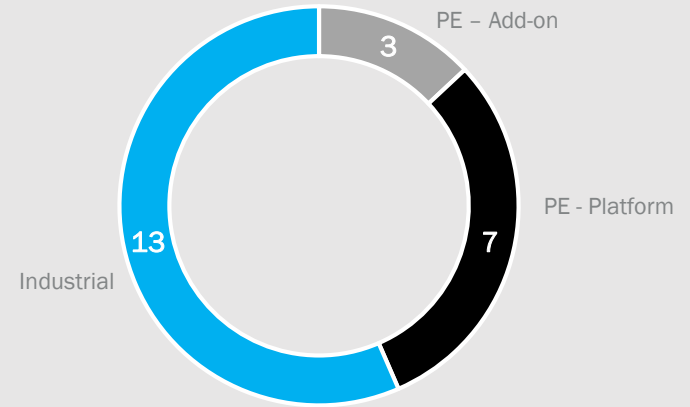
Source: Merger Market, Thomson Reuters and Factset

NORDIC SOFTWARE TRANSACTIONS OVERVIEW OF Q2 2018

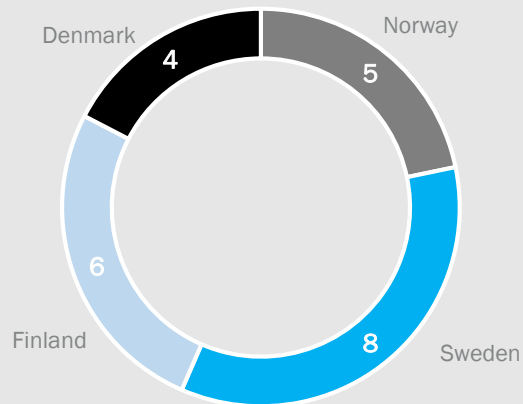
COMMENTS

- Nordhaven has identified 23 Nordic software transactions in Q2 2018.
- 57.0% of the companies were acquired by industrials, which is in line with the historical average.
- Of the equity-backed deals, 7 were platform and 3 were add-on investments.
- Sweden completed 8 deals, representing 34.7% of the total deal activity for the period.
- 78.3% of the companies were sold to entities in the Nordics, followed by 17.4% of acquirers in the US and Canada.

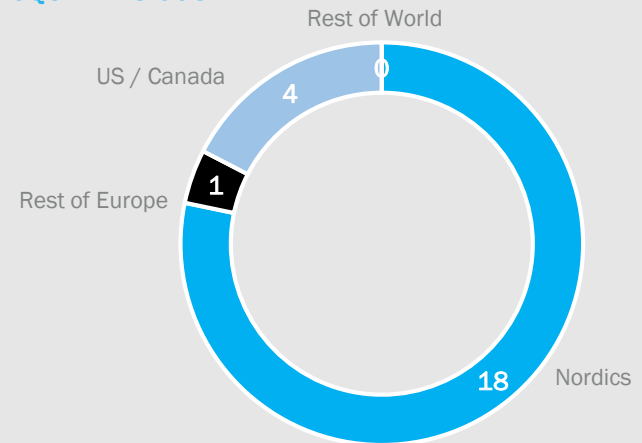
DEALS BY EXIT TYPE



DEALS BY TARGET'S COUNTRY

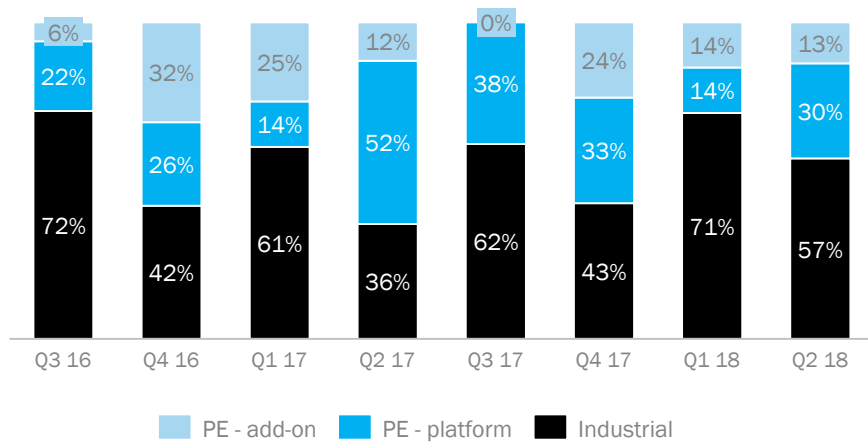


DEALS BY ACQUIRER'S COUNTRY

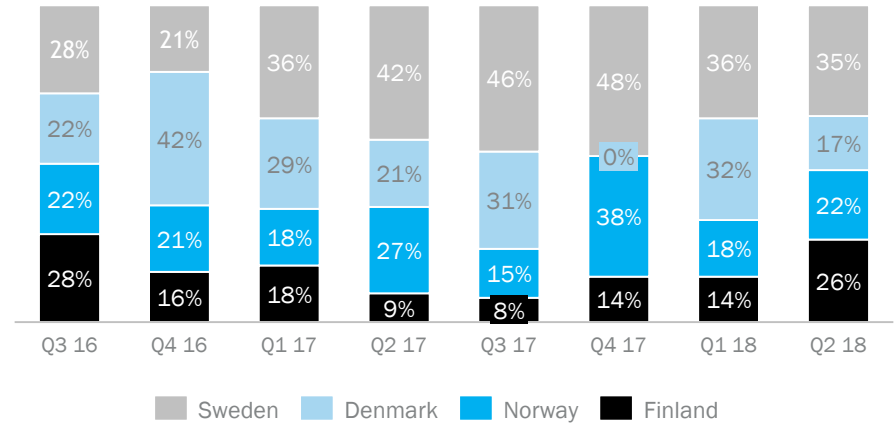


NORDIC SOFTWARE TRANSACTIONS QUARTER-BY-QUARTER DEVELOPMENT

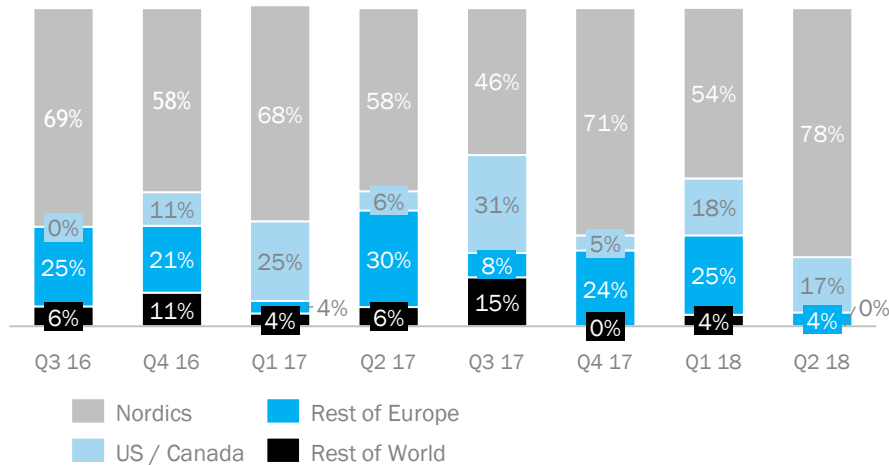
BREAKDOWN OF DEALS BY EXIT TYPE



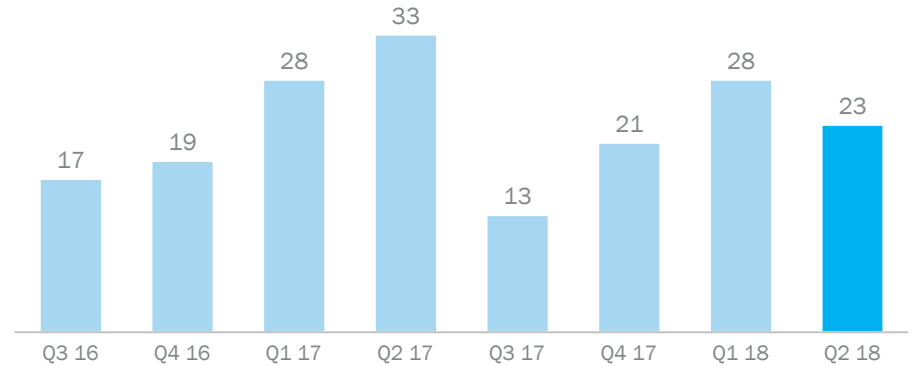
BREAKDOWN OF DEALS BY TARGET'S COUNTRY












































BREAKDOWN OF DEALS BY ACQUIROR'S REGION



NUMBER OF TRANSACTIONS



NOTABLE TRANSACTIONS DURING Q2 2018

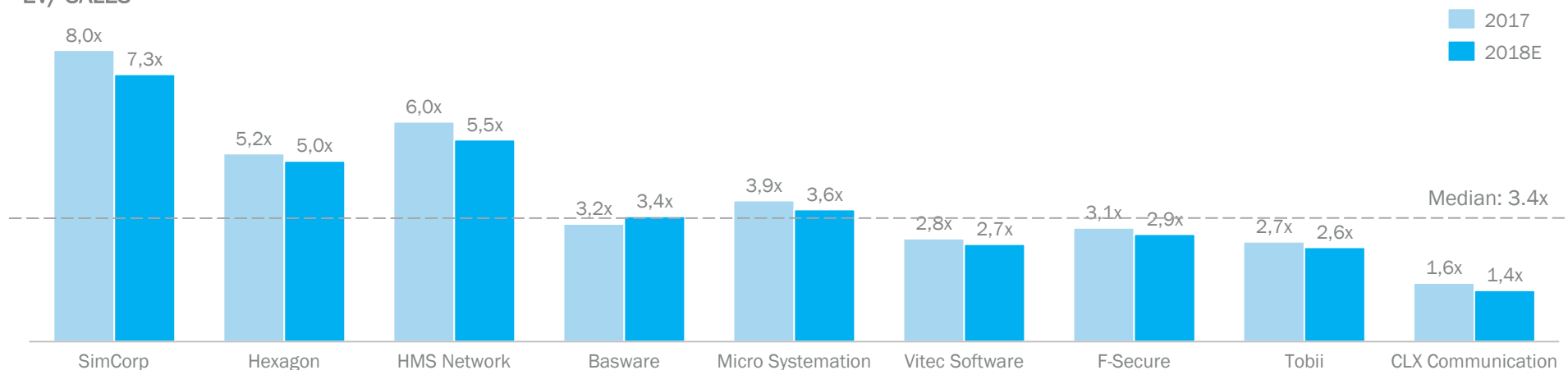
| TARGET | | ACQUIROR | | REVENUE 2017 (MEUR) | SELLER |
|---|--|--|---|--|---|
|  agrando | Develops and delivers software solutions |   |  |  2,1 | Founders |
|  EVIMERIA <small>WE CARE</small> | Cloud-based medical record company |   |  |  2,6 | Founders |
|  Neptune Software | Low-code development platform publisher |   |  |  3,1 | Founders |
|  SmartDok | Cloud-based software solutions for the construction industry |   |  |  3,6 | Hagberg Holding AS |
|  trustweaver | Global signing solutions and cloud compliance provider |   |  |  4,7 | Founders |
|  Hantverksdata | Administrative software for various craft industries. |   |  |  11,4 | Founders |
|  ROIIMA | Manufacturing operations and warehouse management software |   |  |  17,7 |  |
|  DIPS | Supplier of eHealth systems to Norwegian hospitals |   |  |  37,1 | Founders |

SELECTED SOFTWARE TRANSACTION MULTIPLES (EV / SALES) – LAST 12 MONTHS

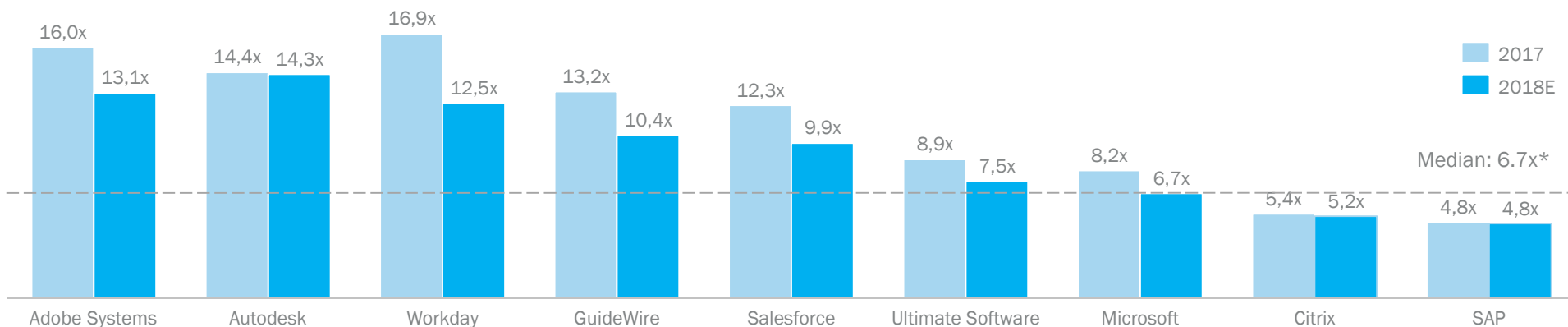
| | | | | | | | |
|---------|-------|-----------------|--|---|---------------------|---|--|
| Q2 2018 | 18,6x | iZettle |  | → | PayPal |  | Mobile payment solutions |
| Q2 2017 | 5,7x | TradeExtensions |  | → | coupa |  | Software for strategic sourcing |
| Q4 2017 | 4,6x | admincontrol |  | → | VISMA |  | Software for document sharing |
| Q4 2017 | 4,0x | emma |  | → | VIND |  | Software for customs clearance and freight forw. |
| Q2 2017 | 4,0x | ATTENSI |  | → | VIKING VENTURE |  | Software for 3D simulation and training |
| Q3 2017 | 3,8x | ECC ONLINE |  | → | SUMMA EQUITY |  | Software for documentation of chemicals |
| Q2 2017 | 3,6x | ABAX |  | → | INVESTCORP |  | Software for vehicle trip logs / fleet mgmt. |
| Q1 2017 | 3,5x | comptel |  | → | NOKIA |  | Telecom software provider |
| Q4 2017 | 3,1x | odin |  | → | melin medical |  | Software for payment solutions |
| Q3 2017 | 1,8x | ENORO |  | → | HANSEN TECHNOLOGIES |  | Software for smart grid / customer interaction |
| Q3 2017 | 1,2x | wunderkraut |  | → | Digitalist |  | Open-source software for web design |

TRADING MULTIPLES OF SELECTED NORDIC AND INTERNATIONAL SOFTWARE COMPANIES

NORDIC EV/ SALES



INTERNATIONAL EV/ SALES



LIST OF IDENTIFIED NORDIC SOFTWARE TRANSACTIONS IN Q2 2018

| # | TARGET | TARGET COUNTRY | BIDDER | BIDDER COUNTRY | DATE | EXIT TYPE |
|----|--------------------------|----------------|-------------------------------------|----------------|-------|---------------|
| 1 | Virtusize AB | Sweden | Almi Invest AB | Sweden | June | PE - Platform |
| 2 | Neptune Software AS | Norway | Standout Capital | Sweden | June | PE - Platform |
| 3 | Smartdok AS | Norway | Visma AS | Norway | June | Industrial |
| 4 | Cito IT A/S | Denmark | Vitec Software Group AB | Sweden | May | Industrial |
| 5 | ITaito Oy | Finland | Dustin Group AB | Sweden | May | Industrial |
| 6 | Hantverksdata Sverige AB | Sweden | Adelis Equity Partners AB | Sweden | May | PE - Platform |
| 7 | Miradore Oy | Finland | Standout Capital | Sweden | May | PE - Platform |
| 8 | iZettle AB | Sweden | PayPal Holdings, Inc. | USA | May | Industrial |
| 9 | Eatech Oy | Finland | Etteplan Oyj | Finland | May | Industrial |
| 10 | Hove Medical Systems AS | Norway | PasientSky AS | Norway | May | Industrial |
| 11 | Introduce.se | Sweden | ABG Sundal Collier Holding ASA | Norway | May | Industrial |
| 12 | Oscar Software Oy | Finland | Panostaja Oyj | Finland | May | PE - Platform |
| 13 | SmartWeb ApS | Denmark | Combelle NV | Belgium | May | PE - Add-on |
| 14 | Trustweaver AB | Sweden | Sovos Compliance, LLC | USA | May | Industrial |
| 15 | Findify AB | Sweden | Namaste Technologies Inc. | Canada | May | Industrial |
| 16 | Spiir A/S | Denmark | Danske Bank | Denmark | May | Industrial |
| 17 | Centsoft AB | Sweden | Palette Software AB | Sweden | May | Industrial |
| 18 | Roima Intelligence Oy | Finland | Intera Partners Oy | Finland | April | PE - Platform |
| 19 | Agrando AS (97.2% Stake) | Norway | Vitec Software Group AB | Sweden | April | Industrial |
| 20 | Evimeria EMR AB | Sweden | Apptix ASA | Norway | April | Industrial |
| 21 | Dips AS (65% Stake) | Norway | Awilhelmsen AS | Norway | April | PE - Platform |
| 22 | Kide Clinical Systems Oy | Finland | Topcon Healthcare Solutions, Inc. | USA | April | Industrial |
| 23 | Continia A/S | Denmark | VIA Equity A/S and Private Investor | Denmark | April | PE - Platform |

NORDHAVEN IS THE LEADING INDEPENDENT M&A FINANCE ADVISOR IN THE NORDIC MARKET

NORDHAVEN IN SHORT

+20

Professionals

+400

Years experience

+300

Transactions advised

MEUR
10-100

Sweet spot deal value



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

Planning and execution of mergers and acquisitions, divestments and other corporate finance transactions are our core expertise.

DEBT & CAPITAL ADVISORY

We give advice on our clients' debt and capital structures, negotiate and execute fundraising for companies executing their M&A transactions as well as for organic growth plans. We provide advice also at the time of distress.

INCENTIVE ADVISORY

We advise in the design and implementation of tailored, equity-based long-term incentive plans that are linked to strategy execution and total returns to shareholders.

CORE SECTOR EXPERTISE

TMT

SERVICES

INDUSTRIALS

CONSUMER

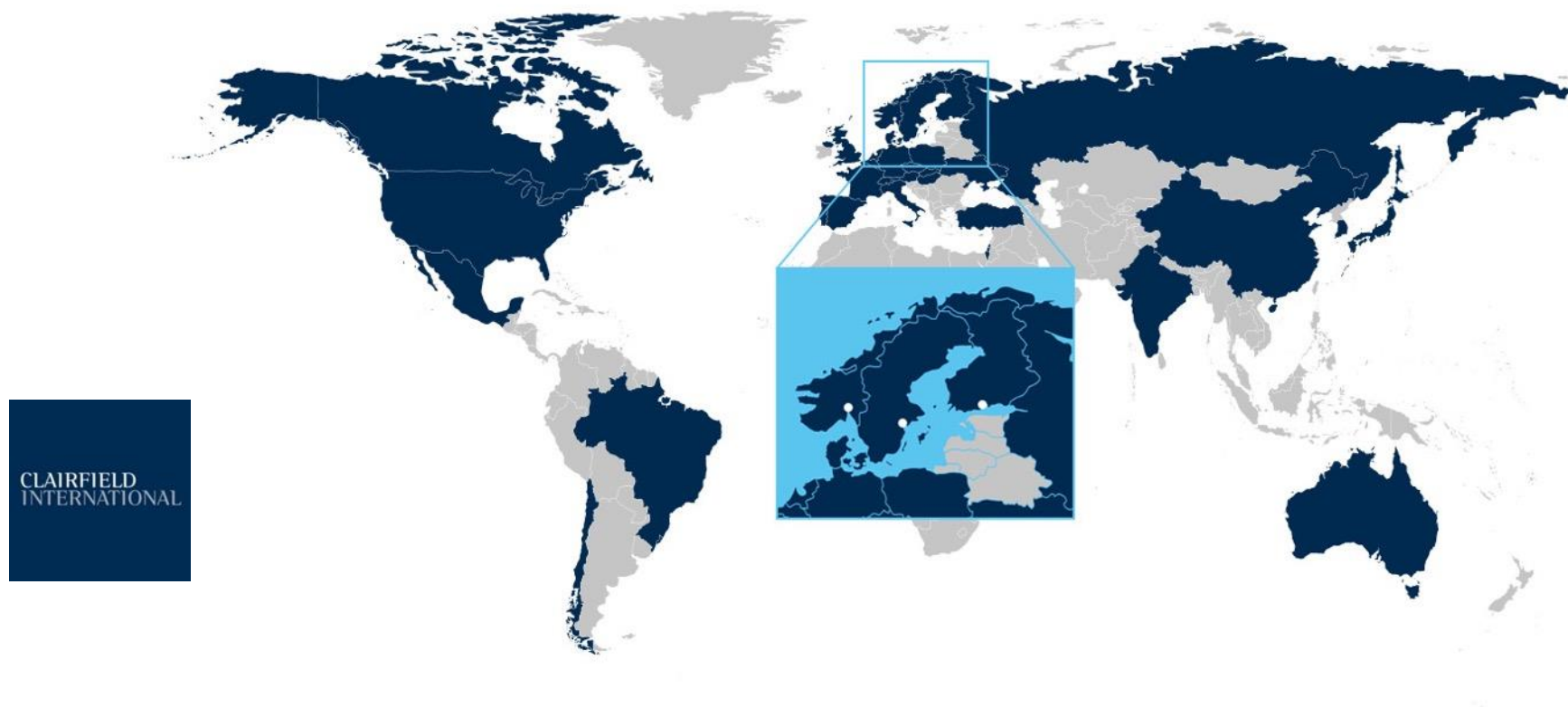
HEALTHCARE

FAR-REACHING INTERNATIONAL NETWORK WITH 34 PARTNER OFFICES WORLD WIDE

Nordhaven has been the exclusive partner of Clairfield International in Finland, Sweden and Norway since 2012. Clairfield International have local partners in over 20 countries.

Through Clairfield International we have global connectivity, and foreign markets are our home markets.

Together we are stronger.





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CORPORATE FINANCE

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APPENDIX 1: FULL SELECTION OF INTERNATIONAL SOFTWARE COMPANIES

EV/ SALES

Revised selection of international companies due to recent stock listings and developments in the software market

| | 2017 | 2018E |
|------------------------|-------------|-------------|
| Workday | 16,9x | 12,5x |
| Adobe Systems | 16,0x | 13,1x |
| Autodesk | 14,4x | 14,3x |
| ServiceNow | 11,3x | 12,2x |
| GuideWire | 13,2x | 10,4x |
| Salesforce | 12,3x | 9,9x |
| Dessault Systems | 10,1x | 9,5x |
| Intuit Inc | 7,3x | 8,4x |
| Ultimate Software | 8,9x | 7,5x |
| Tableau Software | 8,3x | 7,4x |
| Check Point Software | 7,1x | 7,4x |
| Red Hat | 8,1x | 6,9x |
| Microsoft | 8,2x | 6,7x |
| Vmware | 6,5x | 6,7x |
| eGain Corporation | 6,7x | 6,4x |
| Cornerstone Ondemand | 6,4x | 5,9x |
| Enghouse Systems | 4,6x | 5,4x |
| Citrix | 5,4x | 5,2x |
| Constellation Software | 5,1x | 4,9x |
| SAP | 4,8x | 4,8x |
| Oracle | 4,8x | 4,6x |
| Cerner | 4,1x | 3,9x |
| Sage Group | 5,3x | 3,9x |
| Nuance Communications | 3,3x | 3,2x |
| Symantec Corporation | 4,3x | 3,0x |
| Progress Software | 1,6x | 1,3x |
| Median | 6,9x | 6,7x |