



NORDHAVEN QUARTERLY SOFTWARE REPORT

Q3 2020

“Prices soar”



KEY OBSERVATIONS Q3 2020

- Nordhaven has identified 21 software transactions for Q3 2020, which is 3 less than Q3 2019.
- The market during Q2 2020 was described as a sharp “V” as prices and volume took a dip but rebounded quickly, particularly evident for software during the COVID-19 lockdown. The re-bounce has continued during Q3 2020 and we observe higher software multiples than any other quarter the last three years.
- Strong pricing, record low interest rates and equity seeking investments shielded from negative COVID-19 impact has led to a sharp increase in IPOs in the sector that might have absorbed some of the deal activity from the Nordic M&A software space.
- We see continued strong interest for recurring nature of software and tech enabled services revenues. We expect high M&A activity in this space going forward, particularly as smaller assets now attract investor interest.

21
transactions
in Q3 2020

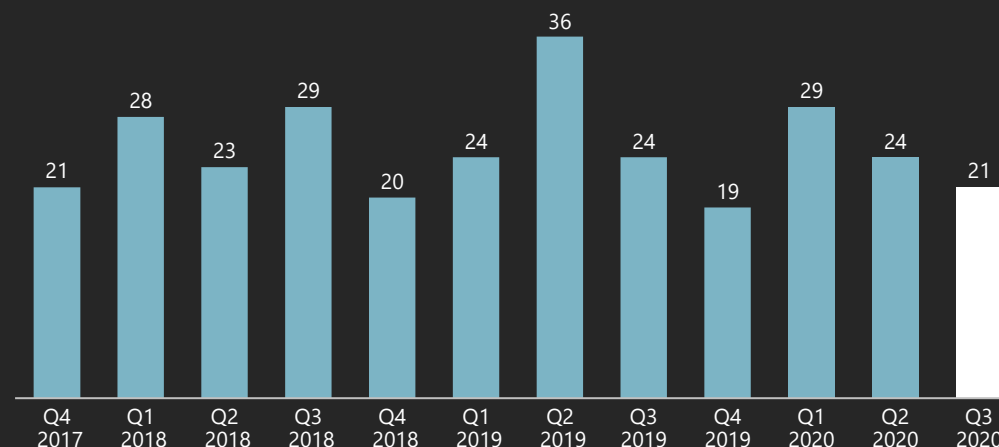
7.5x
EV / SALES¹

INCLUSION CRITERIA

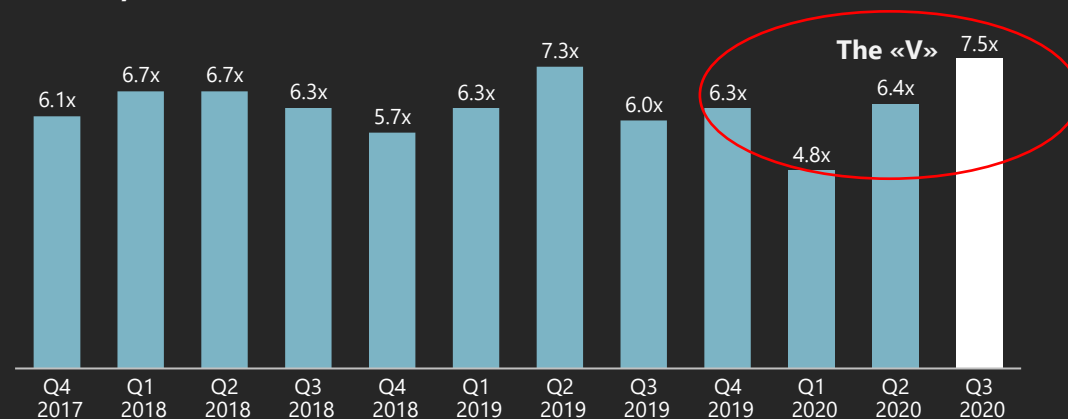
Announced transactions where a Norwegian, Swedish, Finnish, Icelandic or Danish-based software company has been sold during the quarter. The company sold must have the majority of its operations in either of these countries. Consultancy and IT-services (no software) transactions are not included. Minority 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.

Q4 2017 – Q3 2020

IDENTIFIED # OF NORDIC SOFTWARE TRANSACTIONS



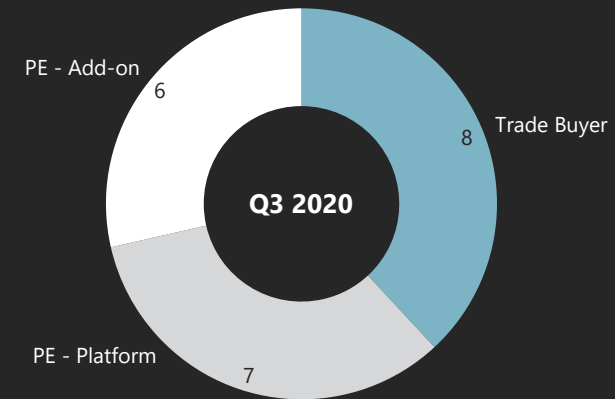
EV / SALES INTERNATIONAL LISTED SOFTWARE COMPANIES¹



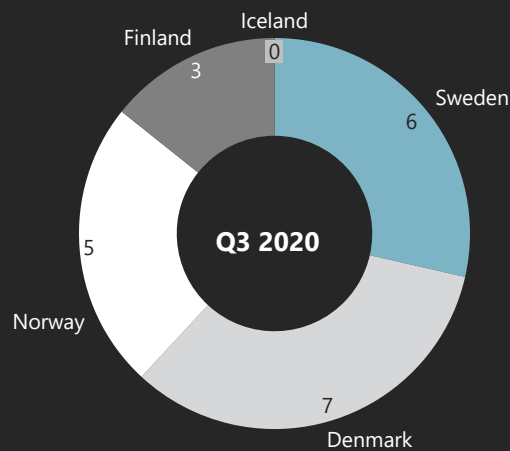
21 TRANSACTIONS IDENTIFIED IN THE NORDIC SOFTWARE SPACE IN Q3 2020

- PE as acquirors dominate Q3 2020 with more than 60% of the transactions being backed by PE, either as platform or as add-on.
- Denmark had the highest number of targets with 33% of the identified transactions, up from 17% in Q2. Denmark also represented a relatively high share of the Nordic transactions in Q3 2019.
- Somewhat higher interest from US this quarter compared to Q2 2020. 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.

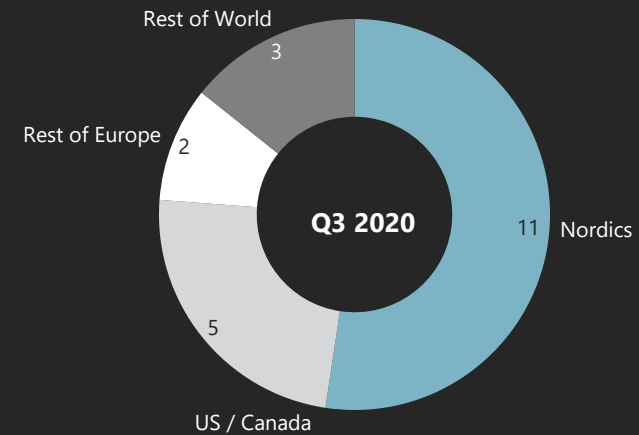
DEALS BY ACQUISITION TYPE



DEALS BY TARGET'S COUNTRY



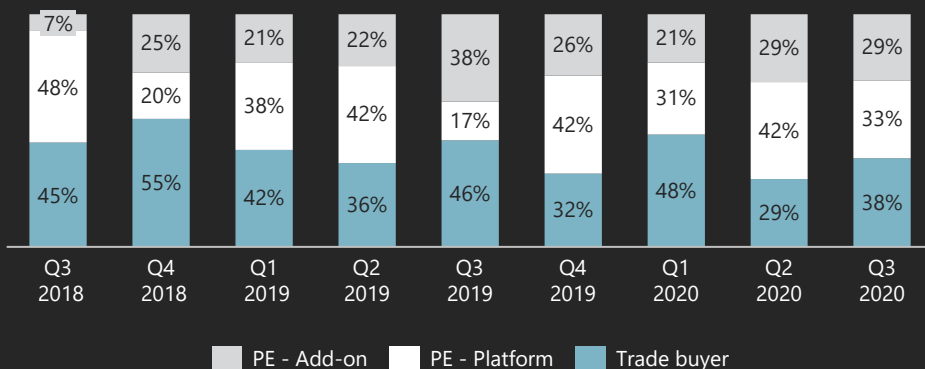
DEALS BY ACQUIROR'S REGION



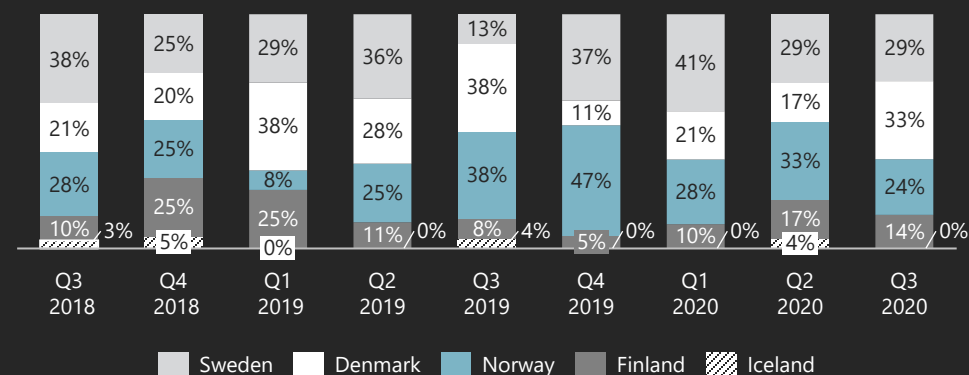
NORDIC SOFTWARE TRANSACTIONS

Quarter-by-Quarter development Q3 2018 - Q3 2020

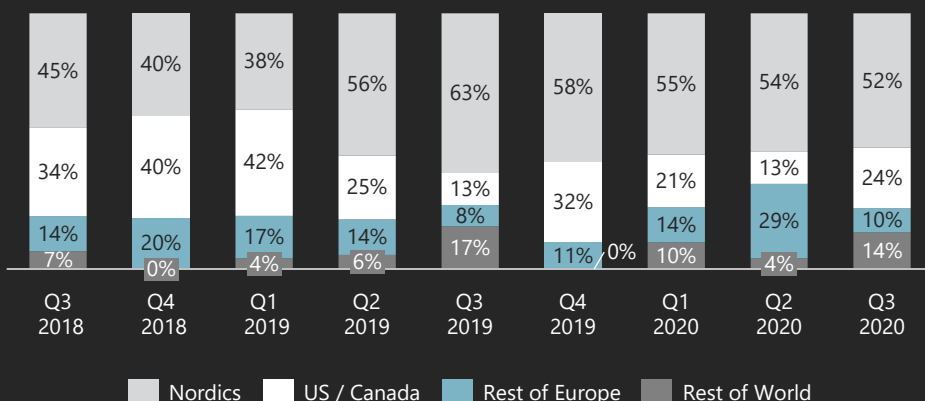
BREAKDOWN OF DEALS BY EXIT TYPE



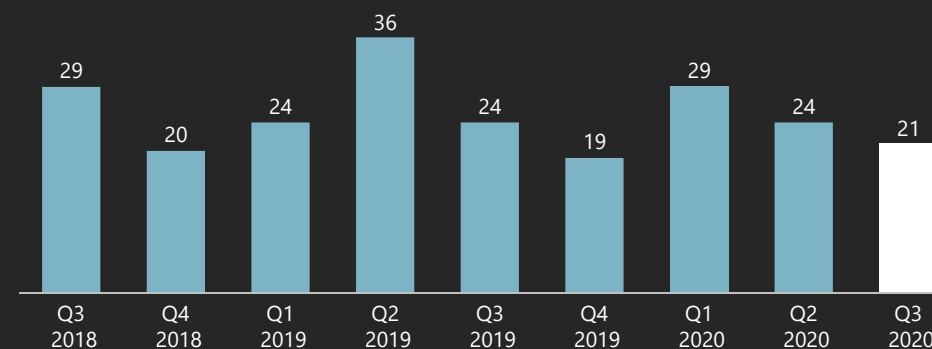
BREAKDOWN OF DEALS BY TARGET'S COUNTRY
















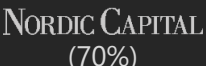




















BREAKDOWN OF DEALS BY ACQUIROR'S REGION



QUARTERLY NUMBER OF TRANSACTIONS



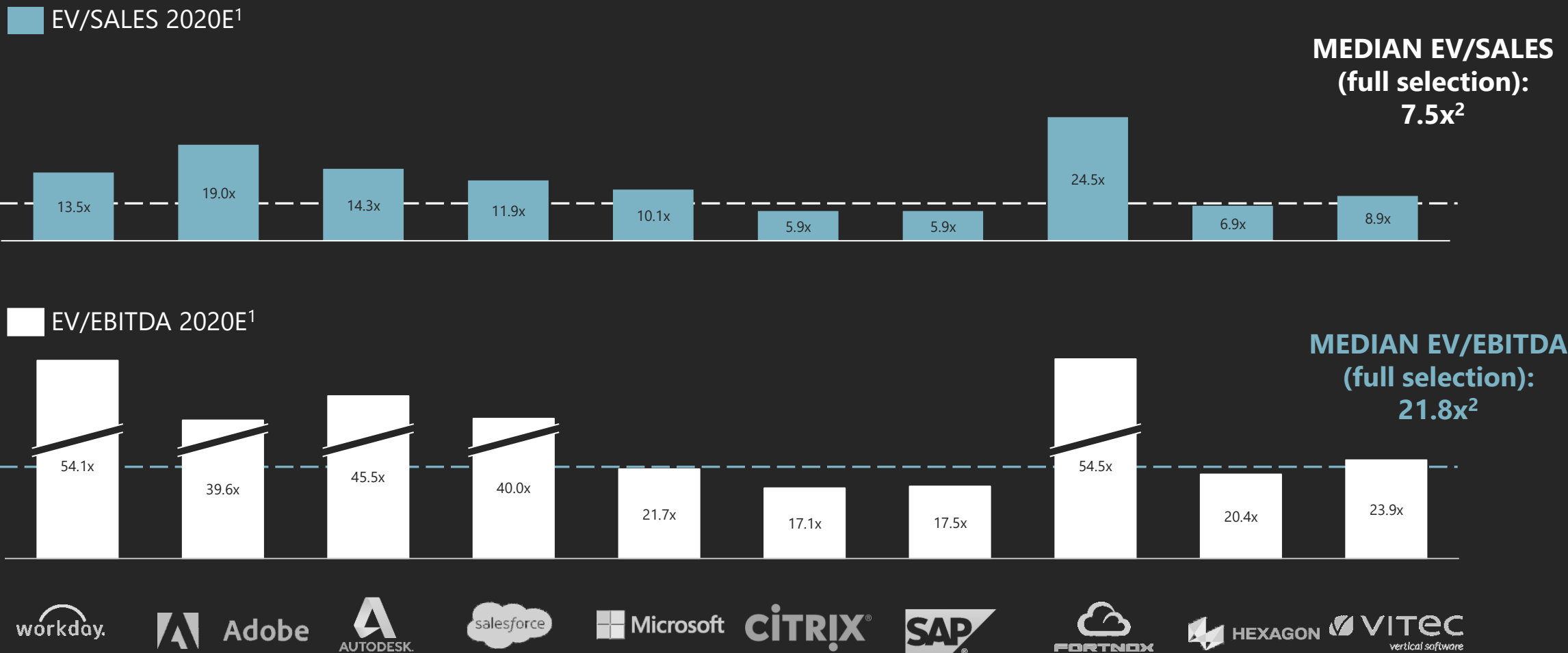
SELECTED TRANSACTIONS DURING Q3 2020

TARGET			REVENUE 2019 (MEUR)	SELLER	ACQUIROR
	Norway-based company engaged in providing software solutions and services		1,528		 (majority/lead) 
	Sweden-based company engaged in the development and delivering of business software		696		 
	Denmark-based provider of web governance software		65		 (70%) 
	Sweden-based cloud delivery orchestration platform		31		 
	Norway-based navigational software provider for maritime industry		29		 
	Finland-based software company specialising in HR and other applications		10	n/a	 
	Denmark-based developer of employee engagement platform		3	 & others	 

SELECTED NORDIC SOFTWARE TRANSACTION MULTIPLES – LAST 12 MONTHS

EXIT MULTIPLE (EV/SALES) ¹	TARGET	ACQUIROR
Q3 2020 6.8x	  Norway-based company engaged in providing software solutions and services	→   (majority/lead)
Q4 2019 6.5x	  Finland-based company specializing in providing solutions for digital advertising platform	→  
Q2 2020 5.7x	  Sweden-based provider of a software as a solution for the financial sector to prevent financial crimes and to assure regulatory compliance	→  
Q3 2020 4.3x	  Sweden-based company engaged in the development and delivering of business software	→  
Q1 2020 3.1x	  Finland-based company that develops and provides cost accounting and production management software	→  
Q4 2019 2.6x	  Company providing education and training in the fields of payroll, accounting, HR and Personnel management and safety	→  

TRADING MULTIPLES FOR SELECTED INTERNATIONAL AND NORDIC SOFTWARE COMPANIES¹



LIST OF IDENTIFIED NORDIC SOFTWARE TRANSACTIONS Q3 2020

#	TARGET	TARGET COUNTRY	BIDDER	SPONSOR	BIDDER GEOGRAPHY	MONTH ¹	TYPE
1	Actimo ApS	Denmark	Kahoot! AS		Nordics	September	Trade Buyer
2	SKJ Systems Oy Ltd	Finland	Confirma Software	Abry Partners	Nordics	September	PE - Add-on
3	Comcare A/S	Denmark	Mercell Holding AS		Nordics	September	Trade Buyer
4	HeroBase A/S	Denmark	Enreach	Waterland Private Equity	Rest of Europe	September	PE - Add-on
5	Siteimprove A/S (70% Stake)	Denmark	Nordic Capital		Nordics	September	PE - Platform
6	Optidev AB	Sweden	Techstep ASA		Nordics	September	Trade Buyer
7	Earth Science Analytics AS (40.53% Stake)	Norway	Sumitomo Corporation; Wintershall Dea Technology Ventures GmbH; Equinor Ventures		Rest of World	September	Trade Buyer
8	Visiopharm A/S	Denmark	BankInvest Group; ATP Group; Northcap Partners; Vaekstfonden; C.L. David Foundation and Collection		Nordics	September	PE - Platform
9	TrademarkNow Oy	Finland	Corsearch, Inc.	Audax Private Equity	US / Canada	August	PE - Add-on
10	NAVTOR AS	Norway	Accel-KKR LLC		US / Canada	August	PE - Platform
11	Sympa Oy	Finland	Providence Strategic Growth Capital Partners LLC		US / Canada	August	PE - Platform
12	Visma AS	Norway	Hg; TPG Capital LP; Warburg Pincus LLC; General Atlantic Service Company, L.P. ; GIC Private Limited; Canada Pension Plan Investment Board		Rest of Europe	August	PE - Platform
13	Concent AS	Norway	KMD A/S		Nordics	August	Trade Buyer
14	DinERP AS	Norway	House of Control AS	Viking Venture	Nordics	August	PE - Add-on
15	Unifaun AB	Sweden	Marlin Equity Partners, LLC		US / Canada	August	PE - Platform
16	Modcam AB	Sweden	Cisco Systems, Inc.		US / Canada	July	Trade Buyer
17	Mindville AB	Sweden	Atlassian Corporation Plc		Rest of World	July	Trade Buyer
18	Industrial & Financial Systems AB	Sweden	EQT Partners AB; TA Associates Management, LP.		Nordics	July	PE - Platform
19	Sport Solution A/S	Denmark	BRP Systems AB	Valdeo Partnes	Nordics	July	PE - Add-on
20	A-Data A / S	Denmark	EG A/S	Francisco Partners	Nordics	July	PE - Add-on
21	Zenuity AB (50% Stake)	Sweden	Volvo Car Corporation Ltd.		Rest of World	July	Trade Buyer

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

NORDHAVEN IN SHORT



CORE SECTOR EXPERTISE



Logos include: TMT, motimate, phonero, Triangel, TEK.NO, feelgood, pronea, Santa Monica Networks, DALDATA, HOUSE OF CONTROL, MONSTER, tripletex, VIANOVA Systems, ONE VOICE, ABAX, Asolvi, 188T, Point Group, compilo, ECC ONLINE, LOS, PRO XIMO, LEBARA, Dolphin, PARTNERA, max FRANKLIN, Song Networks, syscom, WEBCRUITER, and aspiro.

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.



Logos include: ScanPole, PKC GROUP, NORMEK, JOTUL, SmartMotor, ubq, NORSEK JERNBANEDRIFT, VIGOR Kristiansund AS, Terrafame, FURNES, polimoon, TAMTRON, Profita Group, TOMWIL, and GAS & DIESEL POWER.



Logos include: skihallen, BALMUIR, BEIA, HONG KONG, ENERGIJA, FLOW FESTIVAL, FISCHER, FLISEKOMPANET, Godtlevort, INGMAN, BIOMEGA, jordboer, DELI LUCA, Boty Partner, BARNAS, HNS, INSULA, DERMAGRUPPEN, rush, RAISIO, and ONEPIECE.

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



Logos include: N-CLEAN, NORDIC LIVE, invoicia, VERNE, ETERNI, evo, reaktor skolen, elisa, otera, AUTOKLINIKKA, VIKING, Flytteportalen.no, CURA CONSULTING, RASKONE, Crayon, TrafikkDirigering, and bRest.

LEADING ADVISOR IN THE NORDIC SOFTWARE SECTOR







NORDIC SOFTWARE FINANCIAL ADVISORS BY VOLUME

	9
	6
	5
	5
Armapartners	5
	5
Deloitte.	5
	4
	4



NORDHAVEN
CORPORATE FINANCE

RECENT NORDHAVEN TMT DEALS

<p>Advisor to to Confirma Software backed by</p> <p>abrypartners</p> <p>On the acquisition of</p> <p></p> <p>2020</p>	<p>Advisor to</p> <p>TECHSTEP</p> <p>On the acquisition of</p> <p></p> <p>2020</p>	<p></p> <p>Sold to</p> <p>Conscriptor</p> <p>Advisor to Max Manus</p> <p>2020</p>
<p></p> <p>Sold to</p> <p></p> <p>Advisor to Holte</p> <p>2020</p>	<p></p> <p>Sold to</p> <p>Groupe Monnoyeur</p> <p>Advisor to Point Group</p> <p>2020</p>	<p>Asolvi</p> <p>Sold to</p> <p>VOLPi CAPITAL</p> <p>Advisor to Asolvi</p> <p>2019</p>
<p>Advisor to to Confirma Software backed by</p> <p>abrypartners</p> <p>On the acquisition of</p> <p>_compilo</p> <p>2019</p>	<p>Advisor to</p> <p>motimate</p> <p>In connection with its private placement.</p> <p>2019</p>	<p>ONE VOICE</p> <p>Sold to</p> <p>F24</p> <p>Advisor to One Voice</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

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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CORPORATE FINANCE

Capillar

APPENDIX 1: SELECTED INTERNATIONAL LISTED SOFTWARE COMPANIES

#	TICKER FACTSET	COMPANY NAME	EV/SALES 2020E	EV/EBITDA 2020E	ESTIMATE DATE
1	WDAY	Workday	13.5x	54.1x	Estimate Jan 2021
2	ADBE	Adobe Systems	19.0x	39.6x	Estimate Nov 2020
3	ADSK	Autodesk	14.3x	45.5x	Estimate Jan 2021
4	NOW	ServiceNow	23.8x	75.5x	Estimate Dec 2020
5	CRM	Salesforce	11.9x	40.0x	Estimate Jan 2021
6	DSY-FR	Dassault Systems	9.9x	29.0x	Estimate Dec 2020
7	INTU	Intuit Inc	10.7x	28.0x	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	8.0x	15.9x	Estimate Dec 2020
11	RHT	Red Hat	Acquired by IBM	Acquired by IBM	
12	MSFT	Microsoft	10.1x	21.7x	Estimate Jun 2021
13	VMW	Vmware	5.9x	15.7x	Estimate Jan 2021
14	EGAN-US	eGain Corporation	6.4x	59.0x	Estimate Jun 2021
15	CSOD-US	Cornerstone Ondemand	5.3x	17.4x	Estimate Dec 2020
16	ENGH-CA	Enghouse Systems	7.5x	22.4x	Estimate Oct 2020
17	CTXS-US	Citrix	5.9x	17.1x	Estimate Dec 2020
18	CSU-CA	Constellation Software	6.3x	21.8x	Estimate Dec 2020
19	SAP-DE	SAP	5.9x	17.5x	Estimate Dec 2020
20	ORCL	Oracle	5.7x	11.5x	Estimate May 2021
21	CERN-US	Cerner	4.3x	13.8x	Estimate Dec 2020
22	SGE-GB	Sage Group	4.4x	17.2x	Estimate Sep 2020
23	NUAN-US	Nuance Communications	8.1x	32.5x	Estimate Sep 2020
24	NLOK	NortonLifeLock	6.0x	11.2x	Estimate Mar 2021
25	PRGS	Progress Software	4.2x	10.3x	Estimate Nov 2020
26	FNOX-SE	Fortnox	24.5x	54.5x	Estimate Dec 2020
27	HEXA.B-SE	Hexagon	6.9x	20.4x	Estimate Dec 2020
28	VIT.B-SE	Vitec	8.9x	23.9x	Estimate Dec 2020



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Eteläranta 12

Helsinki