

Q2 2024

Nordic Tech M&A Outlook

Software and IT Services
& Consulting Market

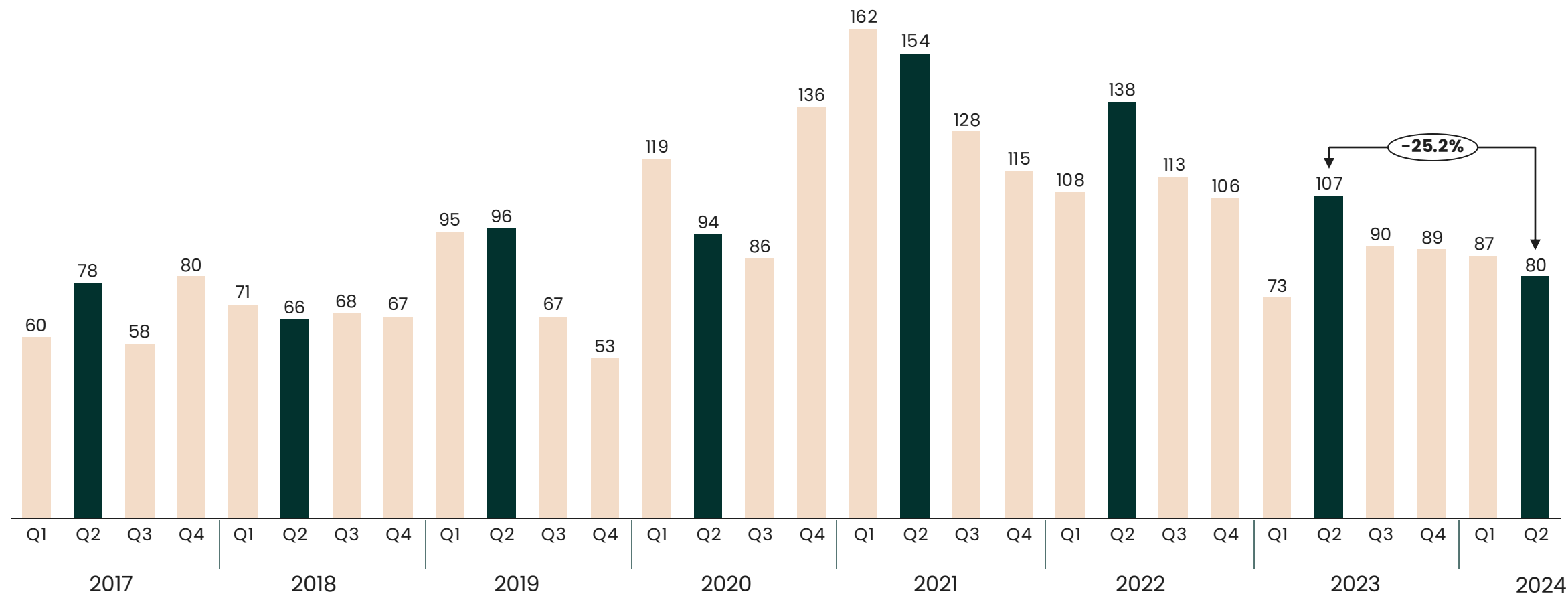
Key highlights from Q2

- In Q2 2024, the tech sector recorded 80 transactions, a slight decrease from the previous three quarters. Predominantly, these transactions involved targets within SaaS (Software-as-a-Service).
- Software companies have traded around 4.0x EV/Sales during the last 6 months. Public IT-consulting SMEs in Q2 traded at median 9.7x EV/EBITDA.
- 49 transactions were recorded in the SaaS sector in the second quarter, making a minor dip from Q1, but on par with the transaction count of preceding quarters. IT services and Consulting have maintained transaction volumes consistent with the first quarter of 2024 and pre-covid levels, despite a downturn from preceding periods.
- Vertical SaaS dominates Nordic M&A software volume, with eHealth, eLearning and PropTech being some of the most attractive sectors. Their specialized solutions create competitive advantages and high switching costs, ensuring stable revenue and customer loyalty.



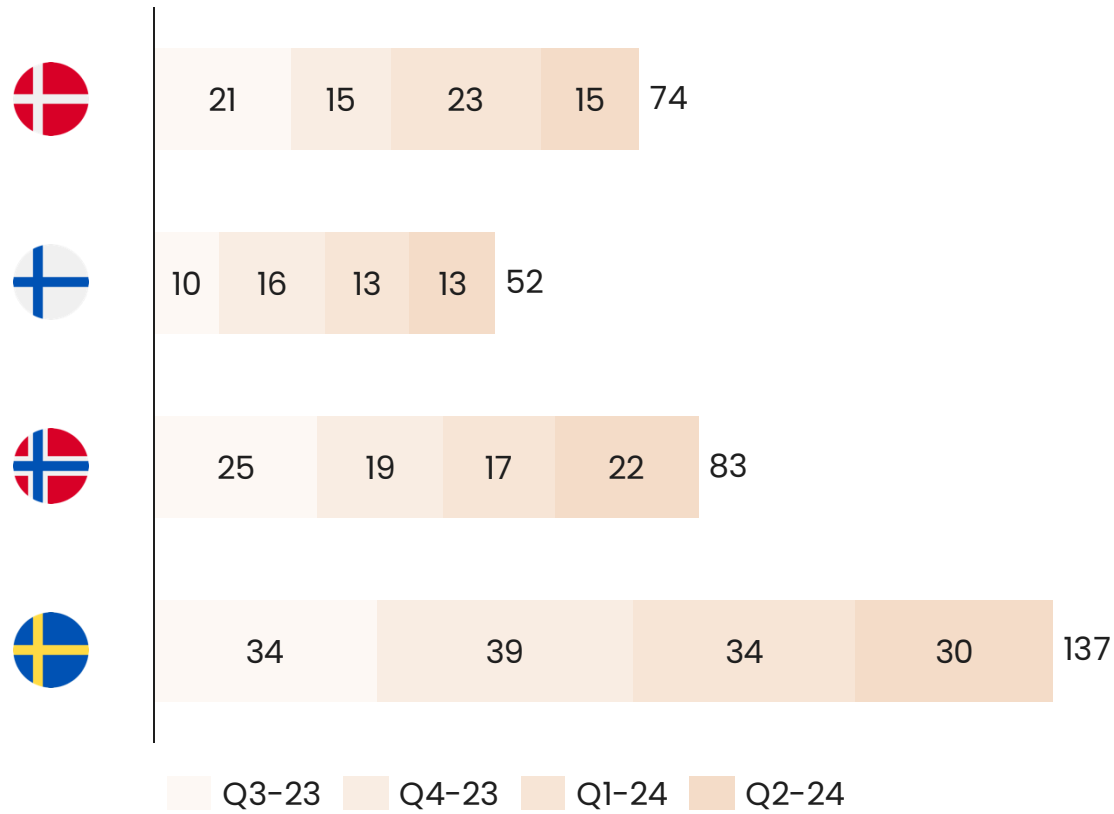
Slight decline in Q2 2024 vs. previous three quarters

M&A transactions Nordic tech targets

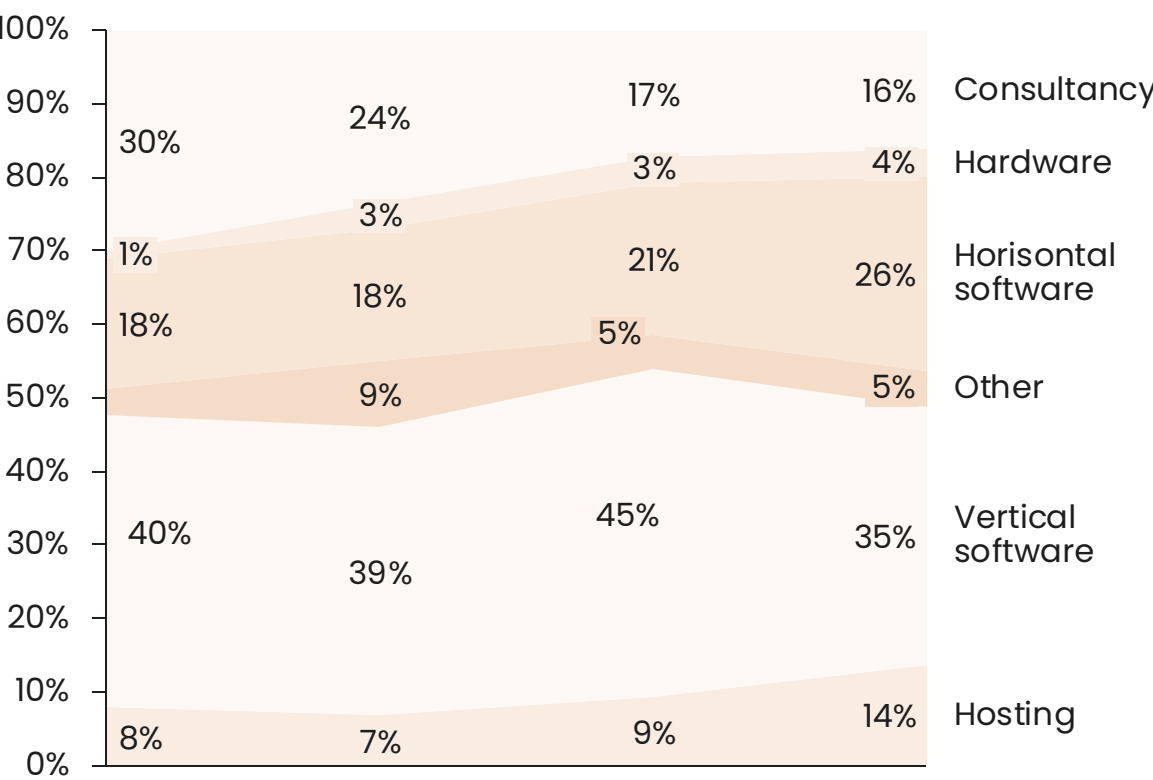


SaaS dominates Nordic tech transactions

Nordic transactions by target country

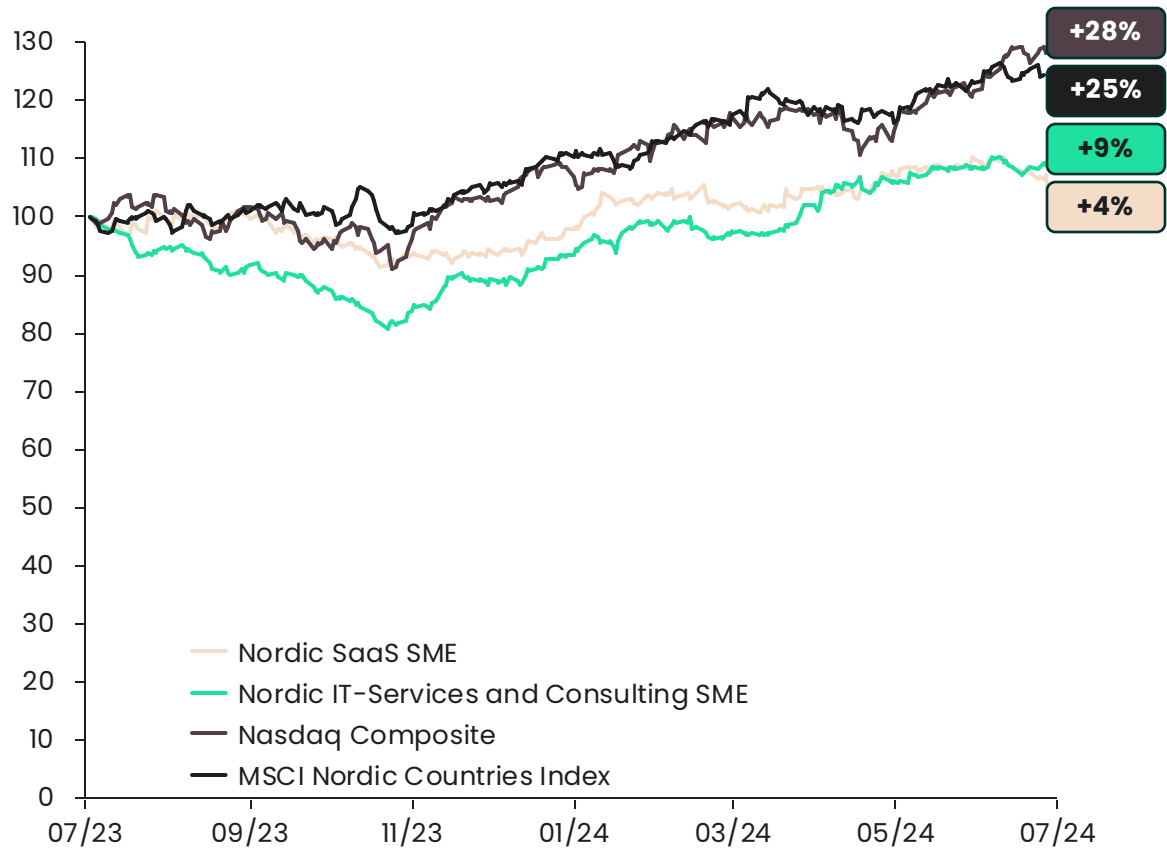


Transactions by target company niche

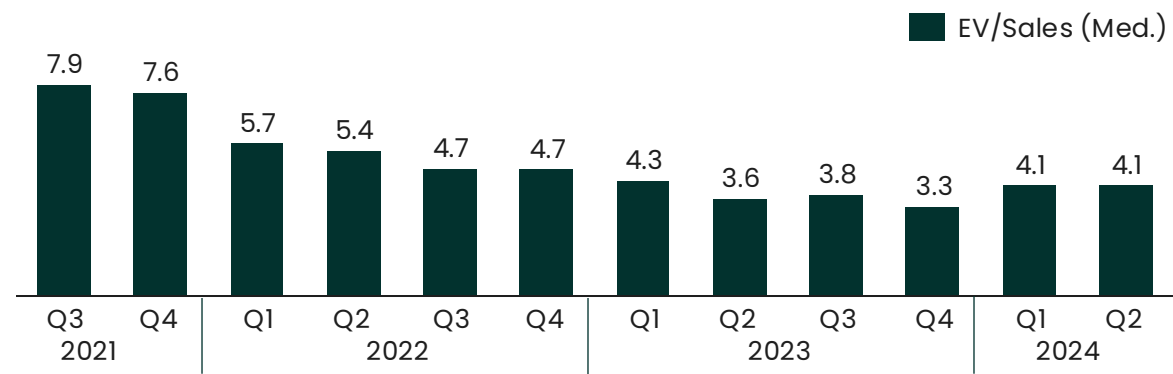


Development in Nordic public tech¹

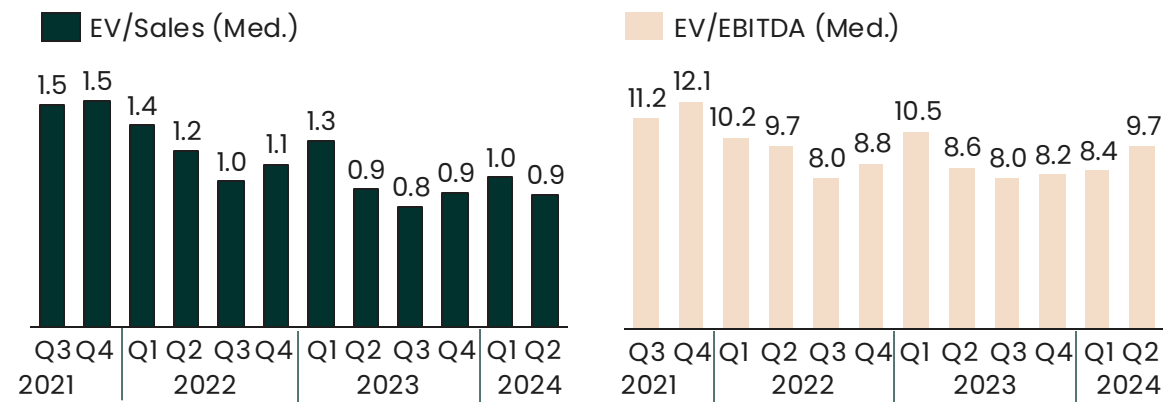
Indexes²



SME Nordic Public SaaS multiples³



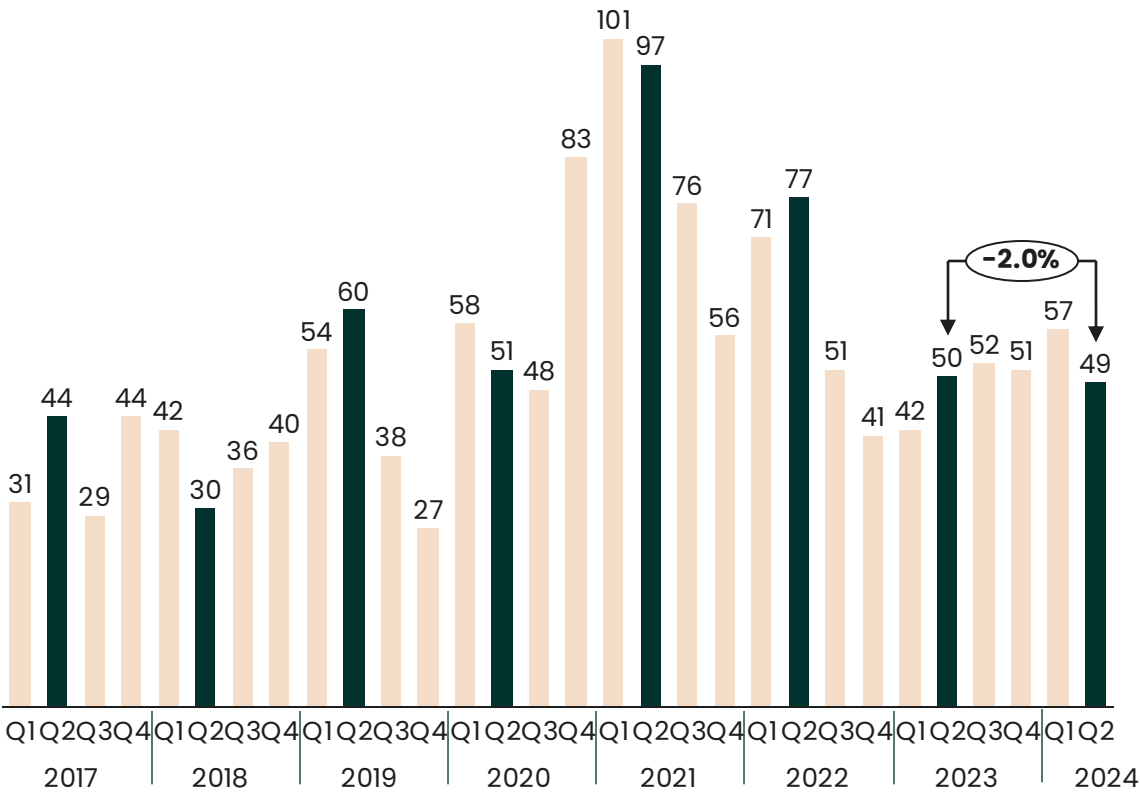
SME Nordic Public IT-Services and Consulting multiples³



Note 1) Both Nordic IT-Consulting and Nordic SaaS are equally-weighted indexes created by Stratema.
Note 2) Nordic SaaS SME Index consists of 32 Nordic SaaS companies with market cap 100 – 5 000 MSEK. Nordic IT-Services and consulting SME Index consists of 39 companies
Note 3) Multiples are compiled from public third-party sources.

Slight decline from Q1, but on par with Q2 2023

M&A transactions Nordic software targets

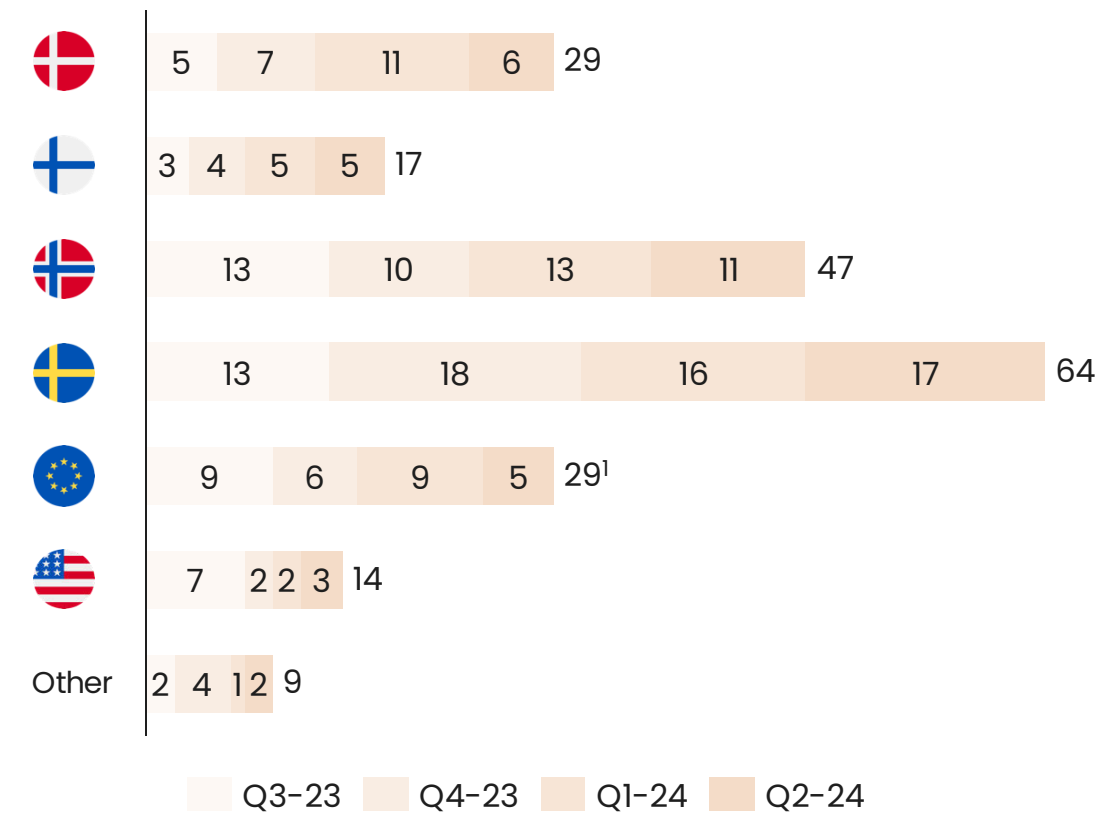


Key transactions this quarter

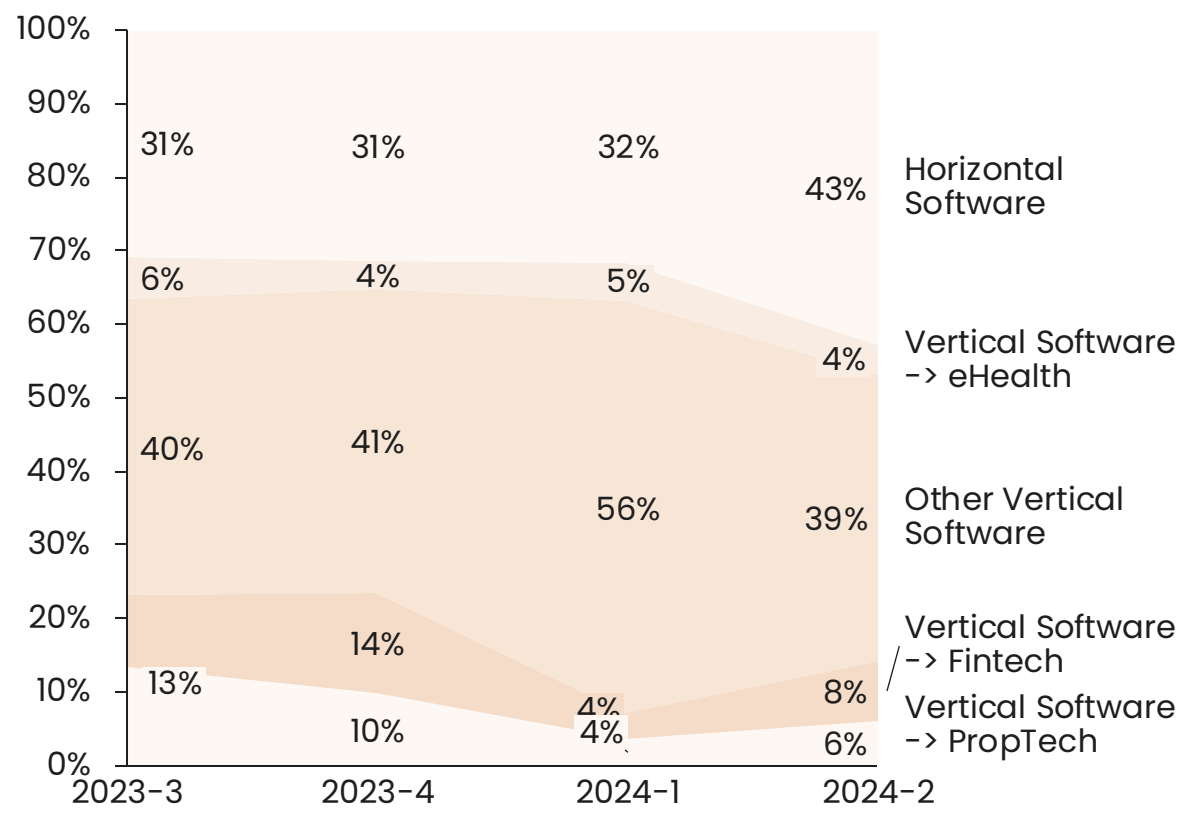
| Target | Description | Buyer | Sales (MEUR) | Type |
|--------------|--|--------------------------|--------------|-----------------|
| Mentimeter | Audience engagement platform (AEP) | BURE | 43.0 | PE ¹ |
| DigitalRoute | SaaS for subscription services | GRO CAPITAL | 34.6 | PE |
| buypass | Offers digital lottery, trust, and ID services | total specific solutions | 33.5 | PE-owned |
| efecte | IT Service management/ Configuration management software | MATRIX42 | 24.7 | PE-owned |
| BRP SYSTEMS | ERP system for fitness and leisure industry | NORDIC CAPITAL | 17.1 | PE |

Vertical software shaping SaaS landscape

Nationality of buyers of Nordic targets LTM

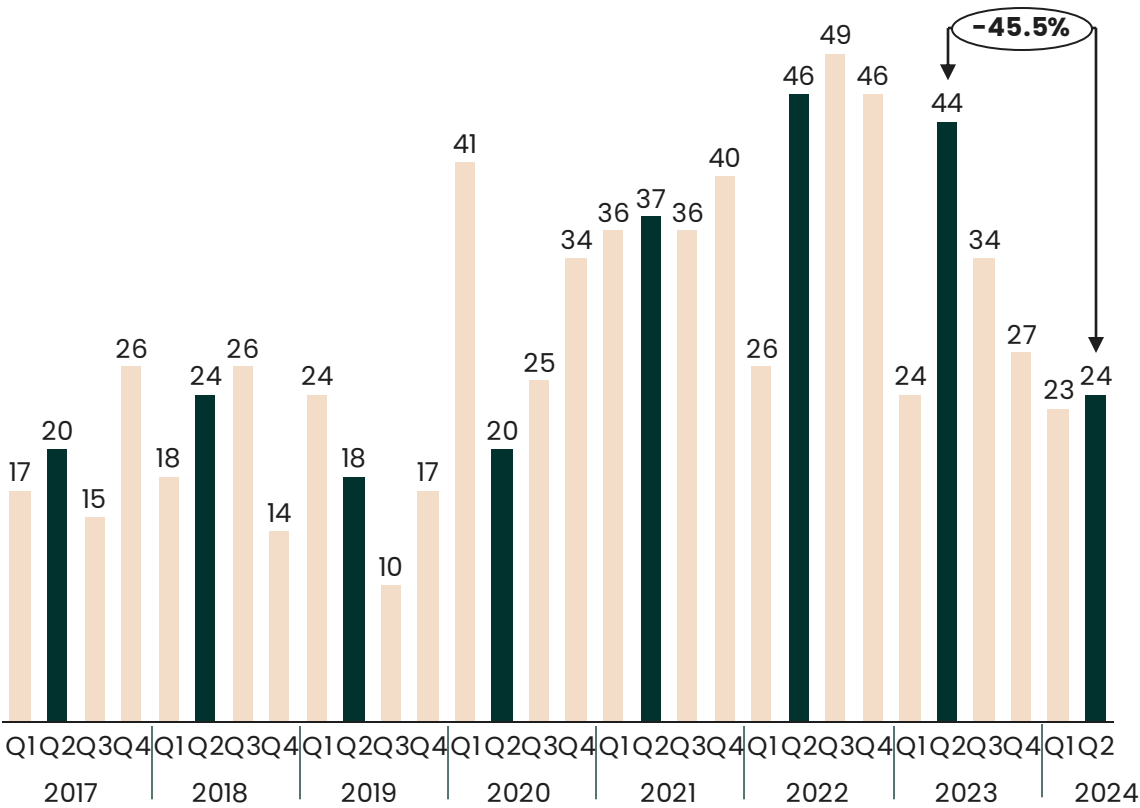


Transactions by target company niche



















Slightly below LTM average

M&A transactions Nordic software targets



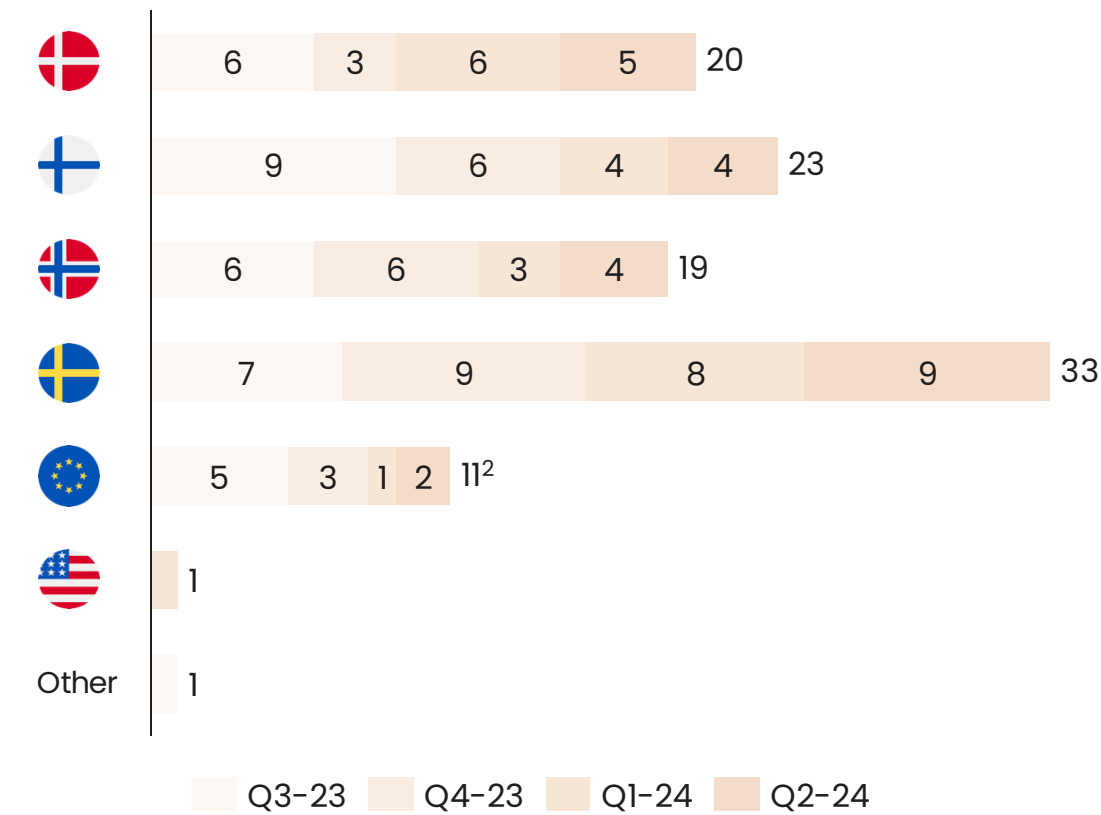
stratema.

Key transactions this quarter

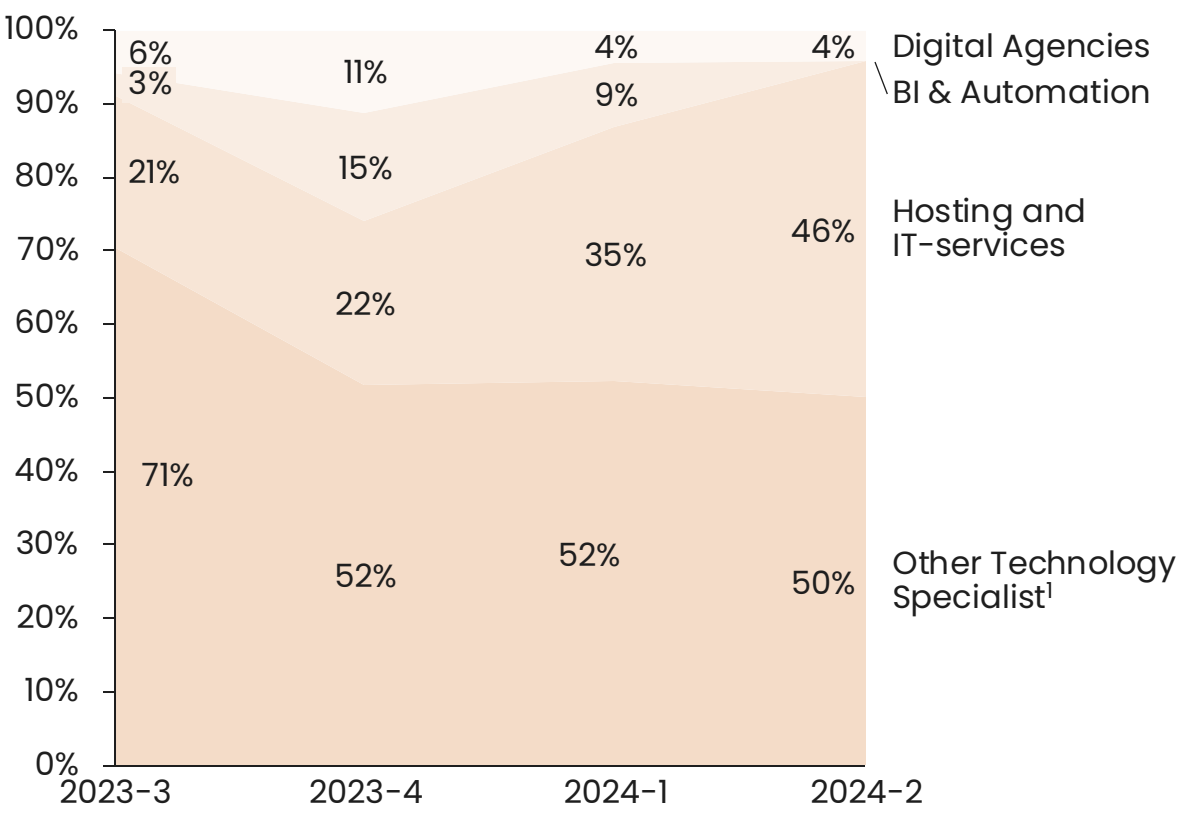
| Target | Description | Buyer | Sales (MEUR) | Type |
|--|---|--|--------------|--------|
|  Eniro Group  | Digital marketing service |  azerion  | 90.5 | Add-on |
|  onsagers  | IP consulting firm |  LONGSHIP  | 24.8 | PE |
|  DIGIFLO  | IT hosting and Microsoft 365 specialist |  HAWK  | 23.0 | PE |
|  inspirit  | Microsoft ERP and CRM specialists |  Standout Capital  | 22.3 | PE |
|  NEOMORE  | SAP specialists |  MB FUNDS  | 10.2 | PE |

Nordic buyers dominate target acquisitions

Nationality of buyers of Nordic targets LTM



















Transactions by target company niche



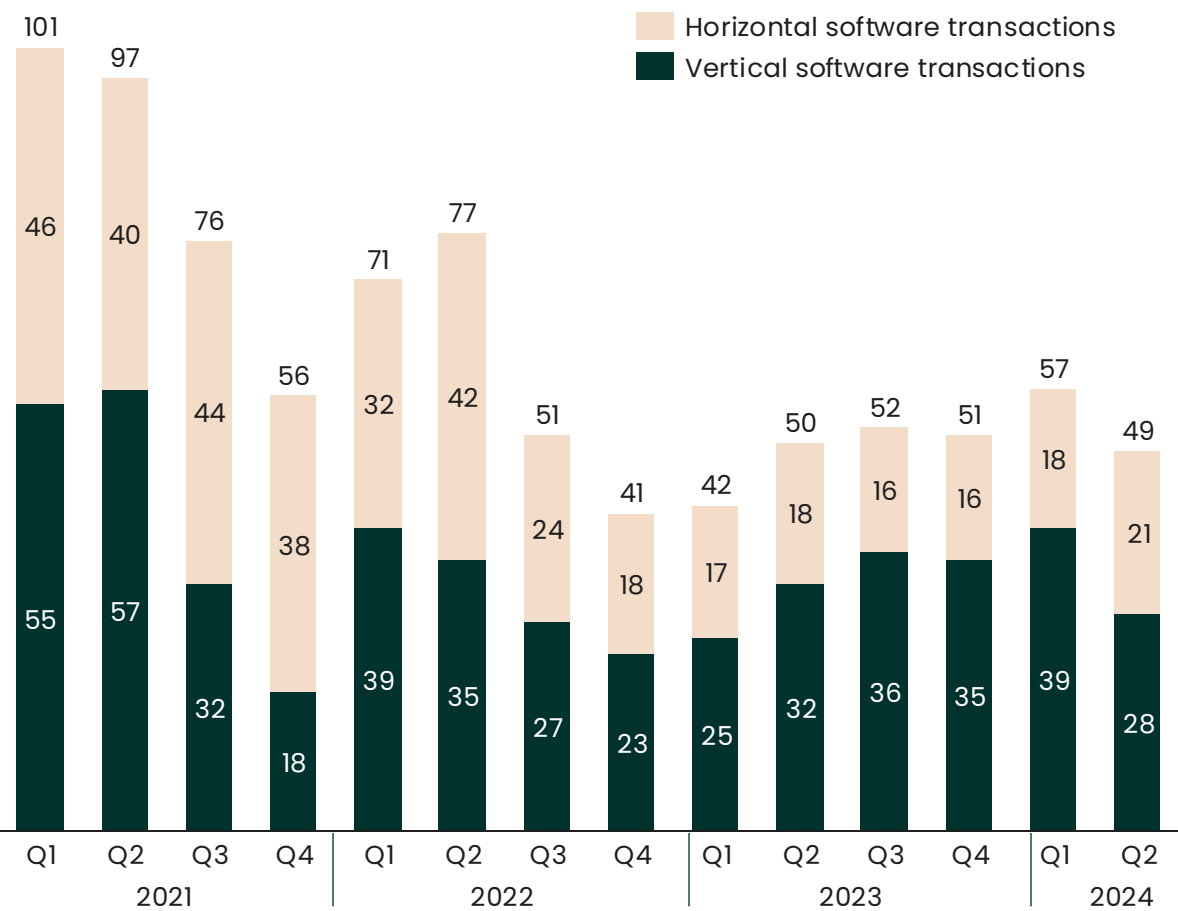
Nordic vertical SaaS experiencing significant demand

- During the last few years, vertical software transactions have accounted for 60–70% of all Nordic M&A SaaS transactions, with some of the most attractive niches include eHealth, eLearning and property & construction tech. Recent years have also seen a significant interest from private equity, including non-Nordic based funds.
- Acquiring vertical SaaS companies is attractive due to their market leadership and high customer retention. Their specialized solutions create strong competitive positions and high switching costs, ensuring stable revenue streams and long-term customer loyalty.

Notable vertical software transactions Q2 2024

| Target | | Sales (MEUR) | Buyer | |
|--|---|--------------|--|---|
|  DIGIZUITE <small>We make digital collaboration easy</small> |  | 12.3 |  |  |
|  bid theatre |  | 10.8 |  VITEC <small>vertical software</small> |  |
|  LOGIS SOLUTIONS |  | 8.7 |  |  |
|  Schultz |  | 7.9 |  |  |

M&A transactions for Nordic SaaS targets



Appendix

Tech transaction database

Stratema's M&A transaction database is a result of years of extensive research, focusing on the Nordic technology market.

Continuous updates are made using various external resources, proprietary research as well as from communication with market participants.

- Database inception: 2015
- 8000+ M&A transactions
- 4000+ Nordic (targets) M&A transactions
- Nordic target focus





About Nordic Tech M&A Outlook

Stratema's quarterly M&A outlook covers the Nordic SME technology private market, with a focus on software, IT services and hosting, as well as tech consulting.

All data from private M&A transactions are sourced from Stratema's proprietary transaction database.

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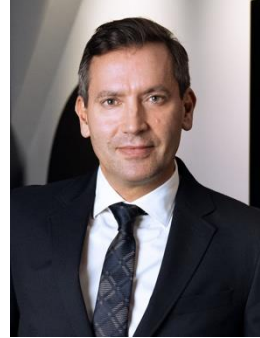
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