

Q2 2023

Nordic Tech M&A Outlook

Software and IT Services
& Consulting Market

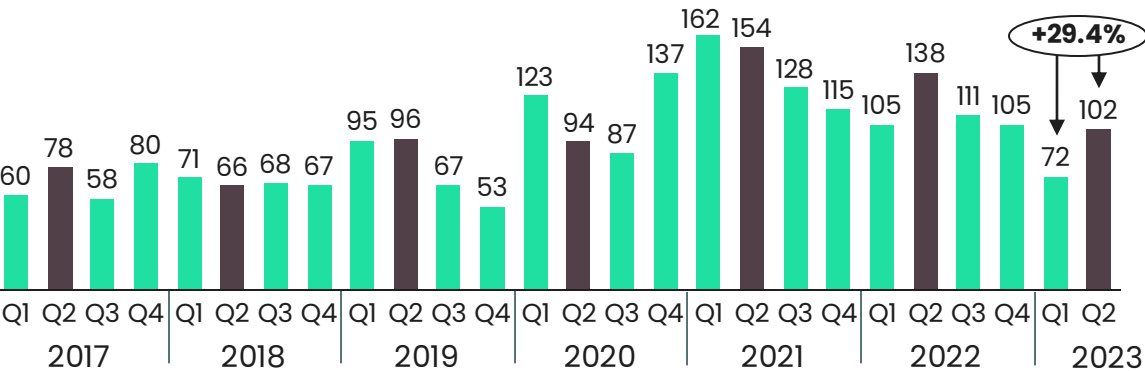


Key highlights from Q2

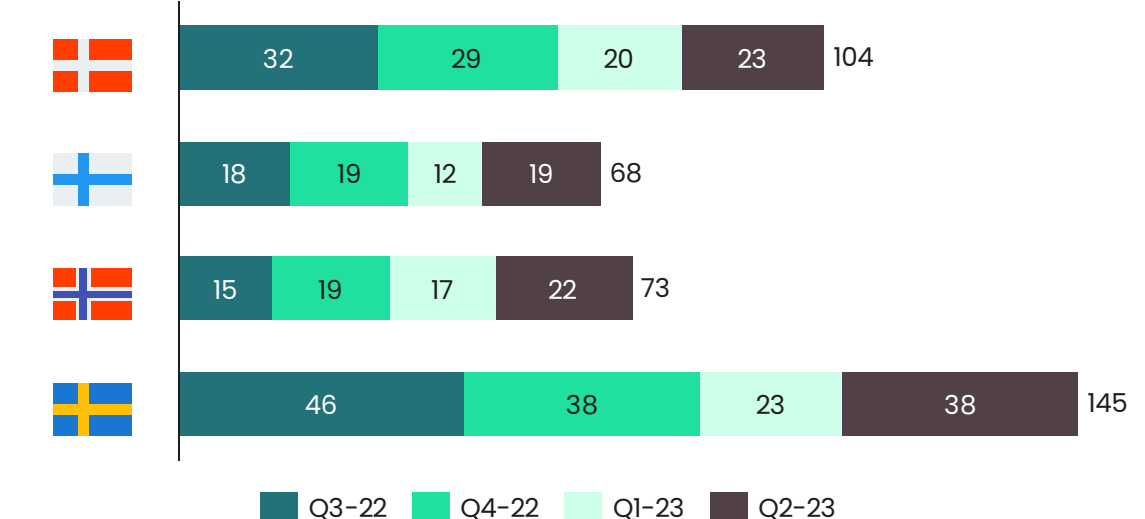
- **102 transactions** within tech were executed in Q2 2023, which is a **significant increase compared to Q1** and on par with Q4 2022.
- **Public Micro Cap IT-consulting companies** have seen a **recovery** since the Russia-Ukraine war outbreak, while Public Micro Cap SaaS companies are still struggling as investors remain risk averse in terms of growth investments
- **Stable activity in the software market**, with Q2 2023 slightly above LTM level. A total of 48 transactions executed in the period.
- After a slow start to the year, **IT Services and Consulting bounced back to 2022 levels**. M&A **volume increased with 65% compared to Q1 2023**.
- **Strong competition in the Nordic vertical software market**, with vertical software accounting for a large share of total M&A software transactions.

Improved activity level compared to Q1

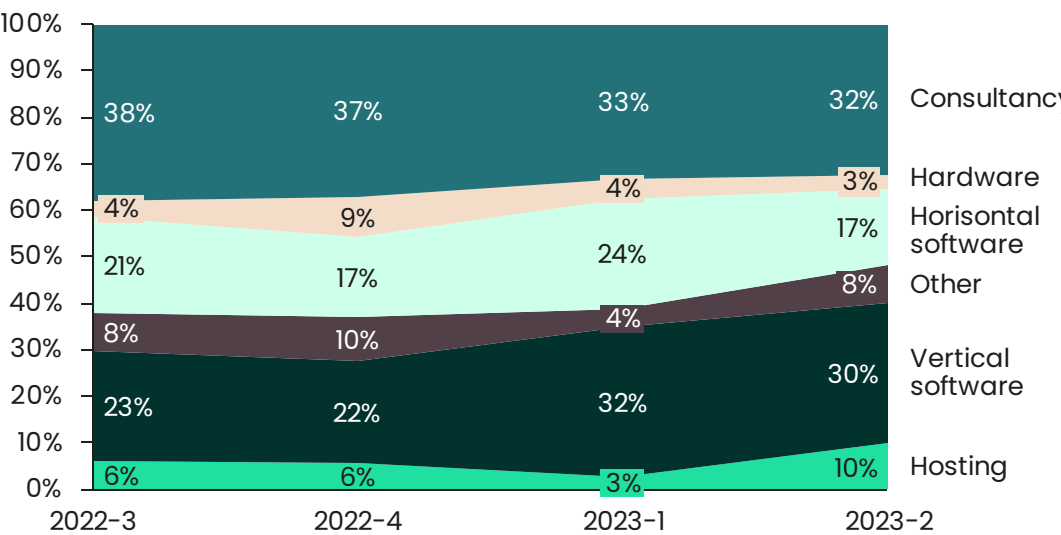
M&A transactions Nordic tech targets



Nordic transactions by target country



LTM development transactions by Stratema-class

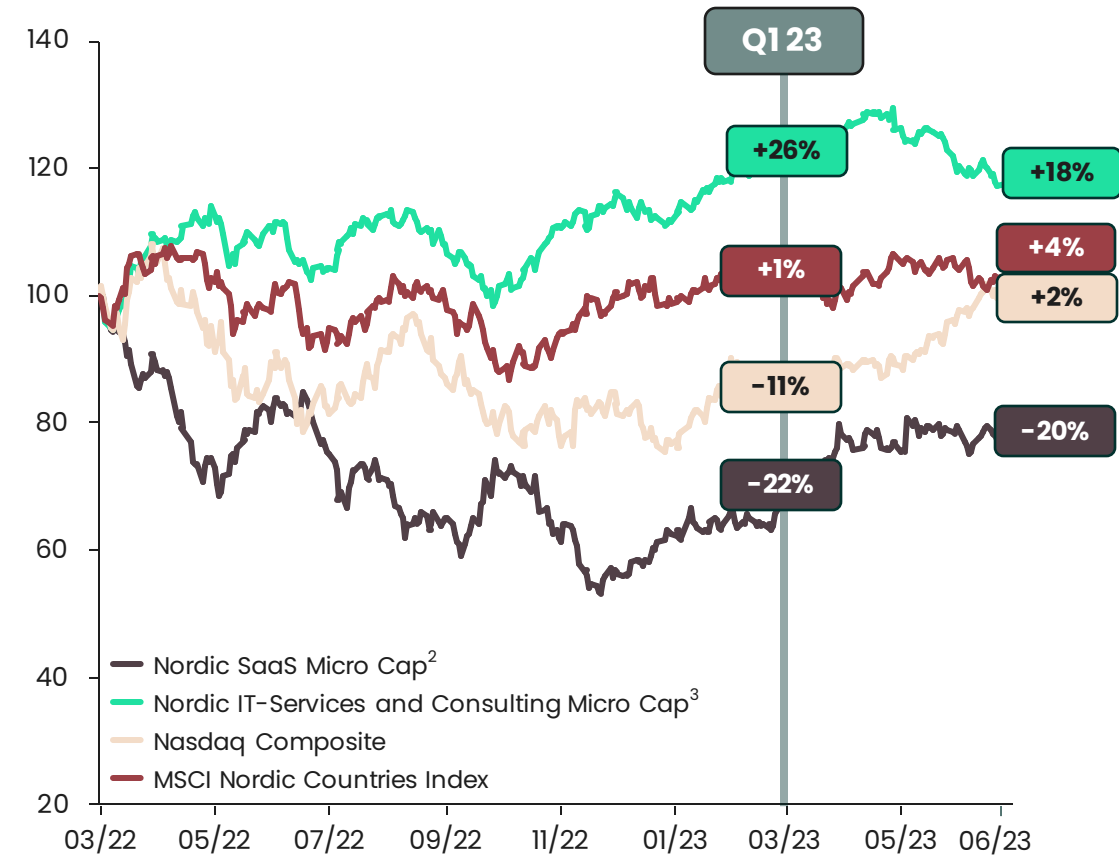


Nordic Private tech M&A multiples LTM¹

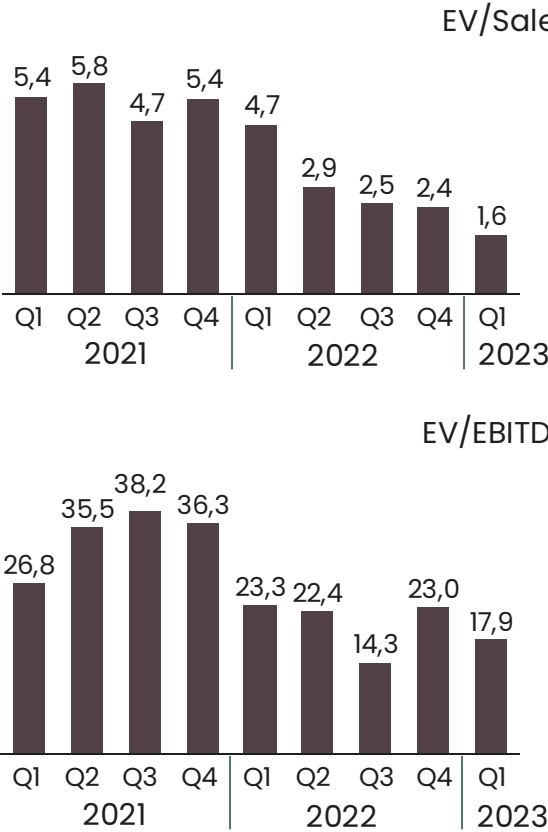
	SaaS	IT-consulting
Med. EV/Sales	3.1x	1.1x
Med. EV/EBITDA	14.5x	9.6x

Development in Nordic public tech¹

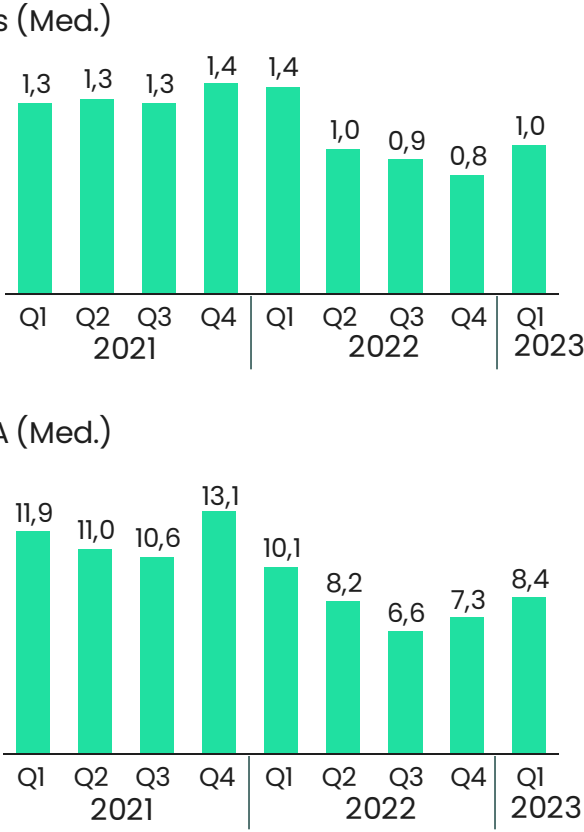
Indexes



Nordic SaaS Micro Cap multiples



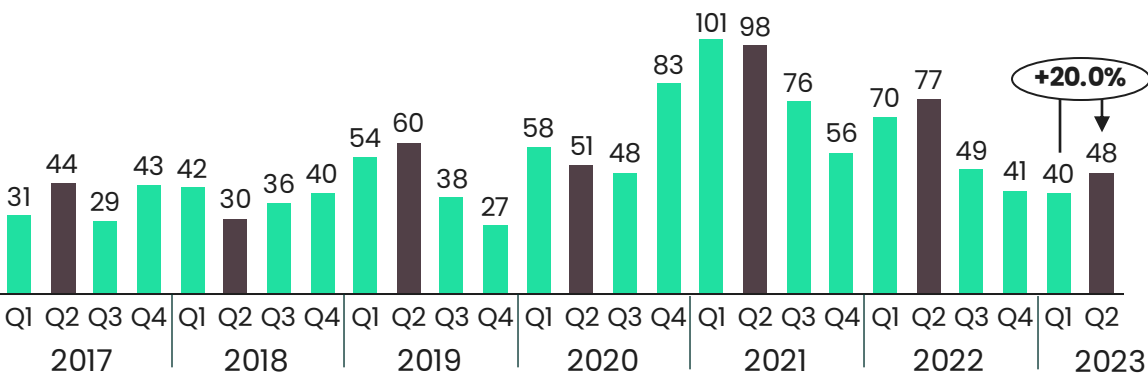
Nordic IT-Services and Consulting Micro Cap multiples



Note 1) Both Nordic IT-Consulting and Nordic SaaS are capitalization-weighted indexes created by Stratema.
Note 2) Nordic SaaS index consists of 25 Nordic SaaS companies with market cap 10-150 MEUR. Nordic IT-consulting index consists of 23 companies with market cap 7.5-150 MEUR.
Note 3) Multiples are compiled from publicly third-party sources

Strongest transaction quarter since Q3 2022

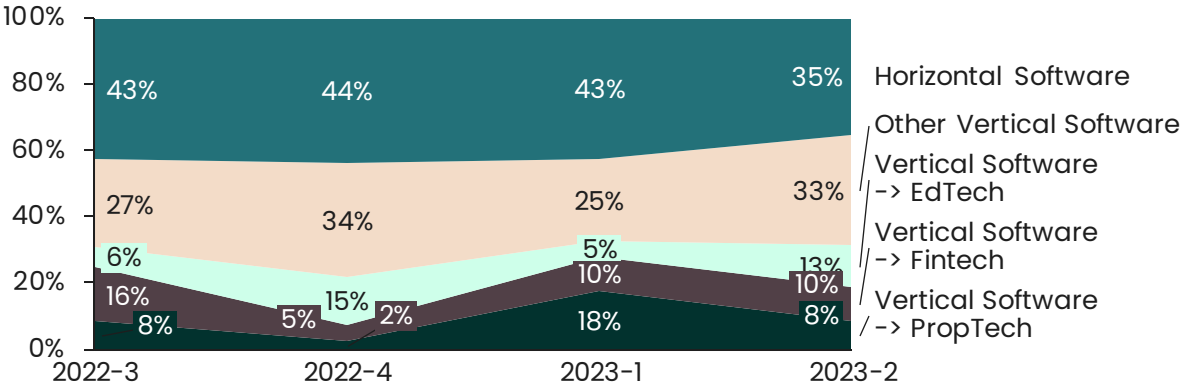
M&A transactions Nordic software targets



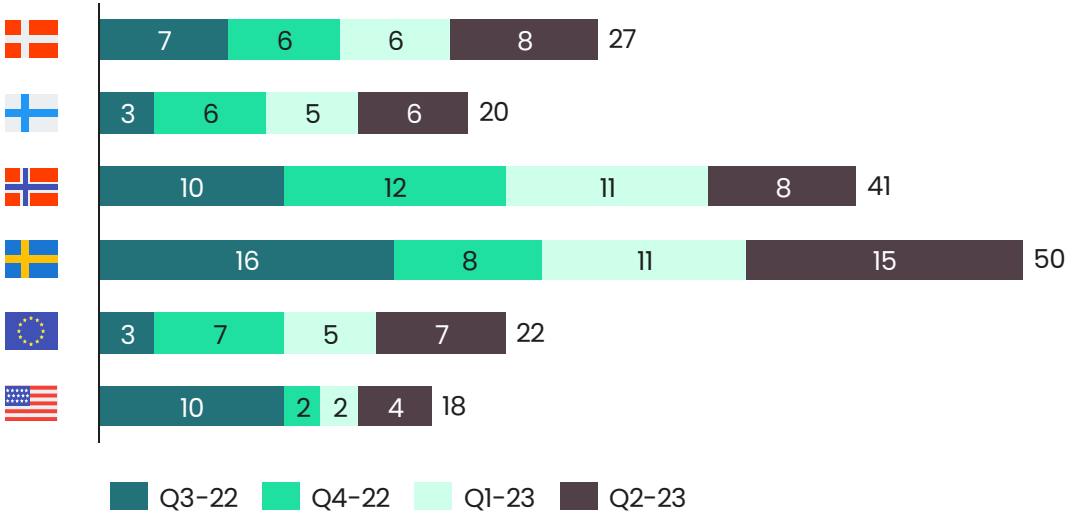
Key transactions this quarter

Target	Description	Buyer	Sales (MEUR)	Type
SimCorp	Asset management platform	Deutsche Börse	561.0	Add-on
infobric	Construction software	STIRLING SQUARE CAPITAL PARTNERS	70.0	PE
PROGRITS	SaaS for transport and logistics	AXCEL	28.6	PE
Kabal	SaaS within energy industry	INSIGHT PARTNERS	18.0	PE
Verified	AML and KYC Software	verdane	7.6	PE

Transactions by Stratema-class

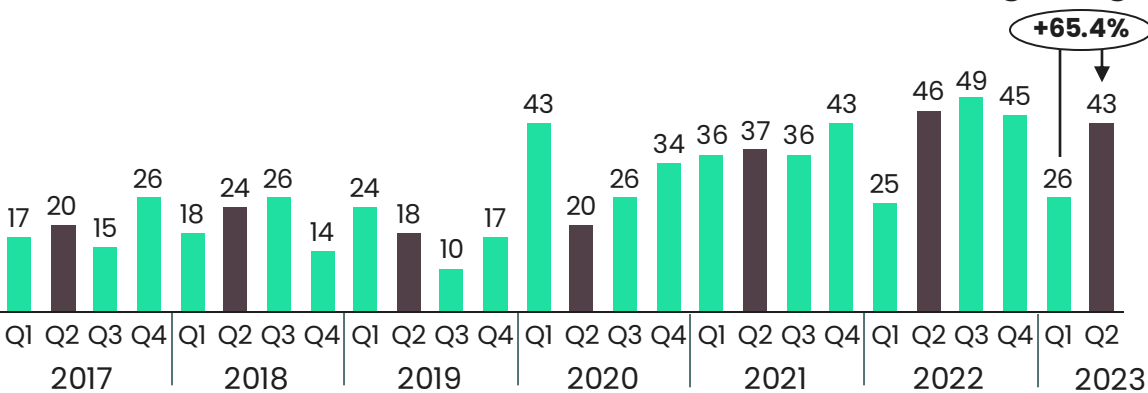


Nationality of buyers of Nordic targets LTM

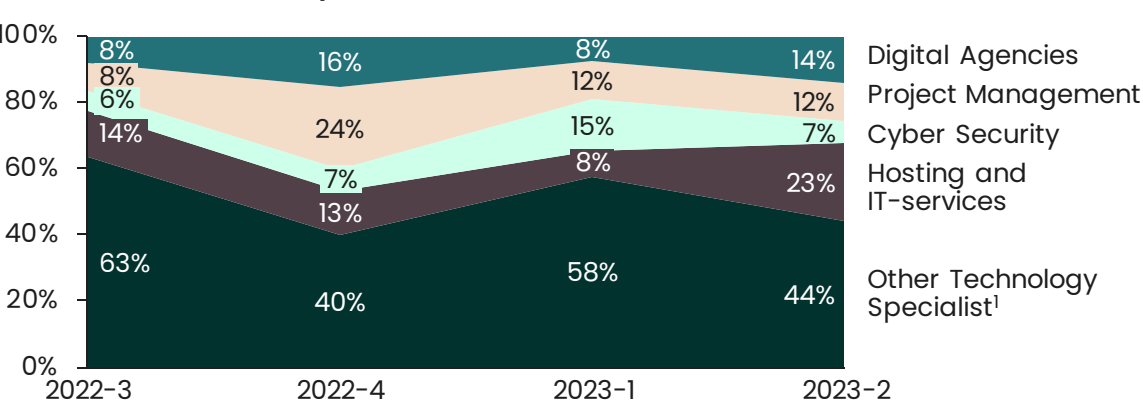


On par with Q2 2022, with boosted activity for IT hosting

M&A transactions Nordic IT services & consulting targets



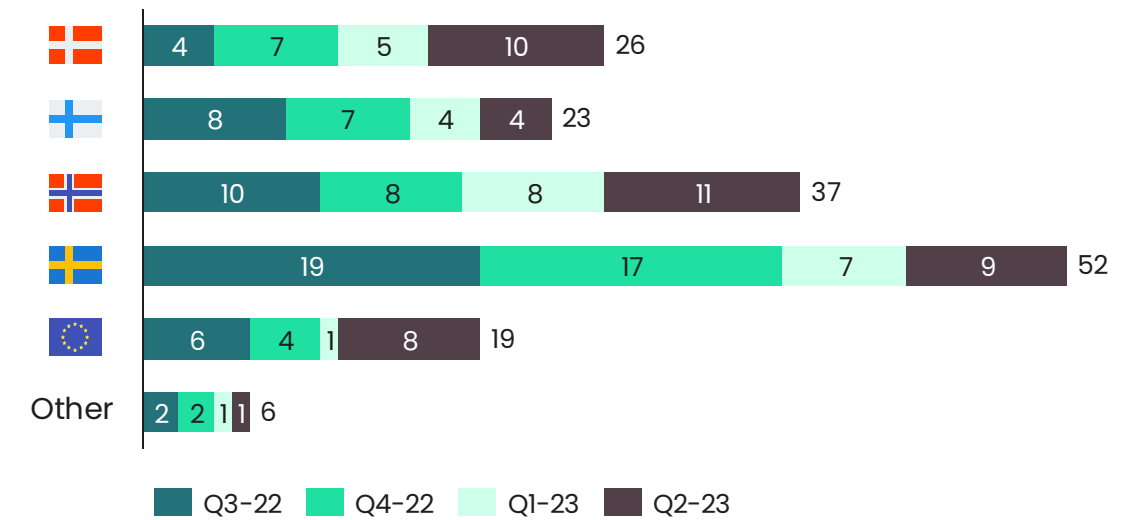
Transactions by Stratema-class



Key transactions this quarter

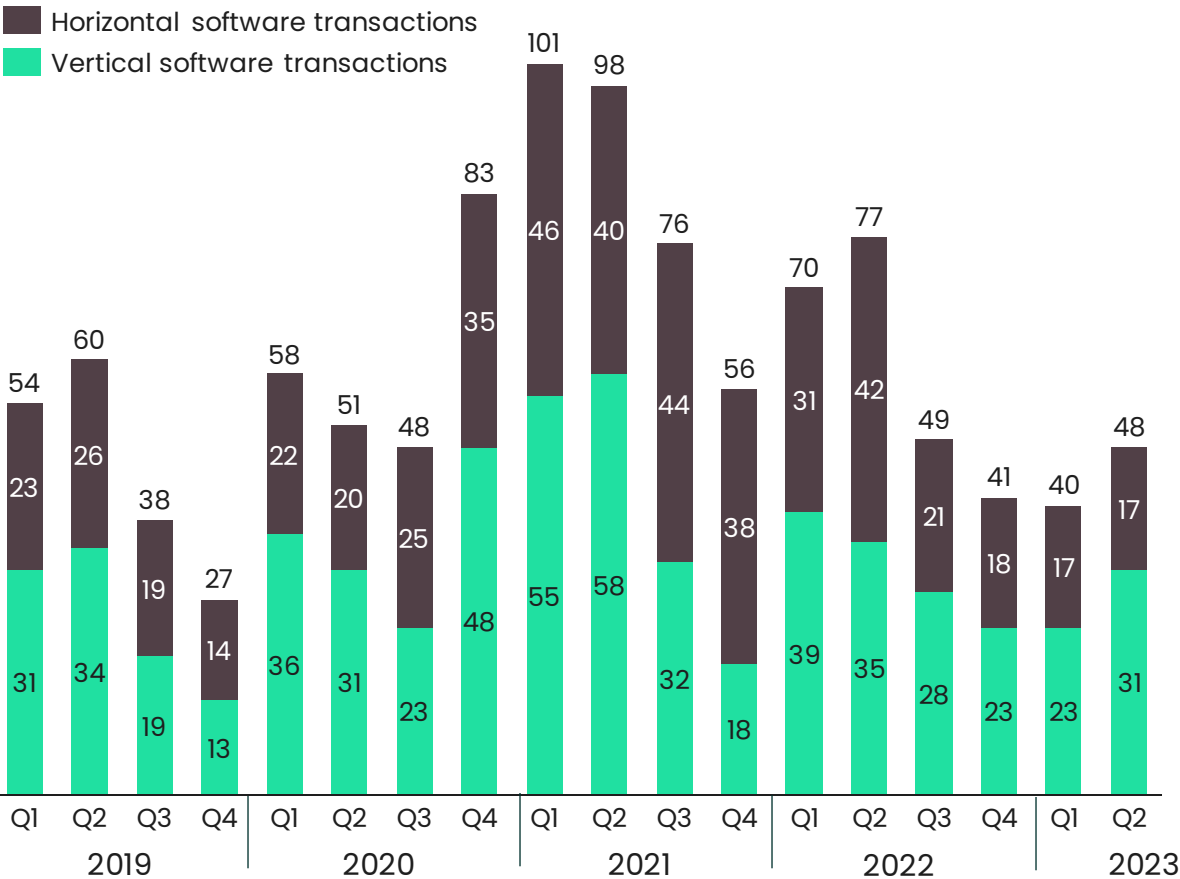
Target	Description	Buyer	Sales (MEUR)	Type
ROVIO	Game development	SEGASammy	317.7	Add-on
Foxway	IT services and hardware recycling	NORDIC CAPITAL	97.8	PE
FFW	Tech specialist	JAKALA	78.9	Add-on
bontouch	App development specialist	WATERLAND PRIVATE EQUITY INVESTMENTS	26.9	PE
MPY	Automation, cloud and cyber specialist	TIETOKESKUS	25.2	PE-backed

Nationality of buyers of Nordic targets LTM















Significant demand for Nordic vertical SaaS

M&A transactions for Nordic SaaS targets



- Vertical software transactions account for a large share software M&A transactions in the Nordics and have over the years experienced high levels of activity and account for a significant share of all software transactions. In particular, areas such as Proptech, Edtech and Ehealth have received notable attention.
- Historically, consolidators such as Visma, E/G, TSS and Vitec have had a constant presence in the Nordic vertical market. However, recent years have also seen a significant interest from private equity, including non-Nordic based funds.

Notable vertical software transactions Q2 2023

Target	Sales (MEUR)	Buyer
<div>Hostaway</div> <div></div>	7.2	<div>PSG</div> <div></div>
<div> UNIwise</div> <div></div>	5.2	<div> MONTERRO</div> <div></div>
<div>NEAGEN</div> <div></div>	5.0	<div> VITEC vertical software</div> <div></div>
<div>onix</div> <div></div>	2.7	<div> VIKING VENTURE THE NORDIC SOFTWARE INVESTOR</div> <div></div>

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 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. For any inquiries regarding the quarterly report, please reach out to:

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