

Nordic Application Software Benchmark Report – Q2 2021

*A review of key company valuation metrics in the
Nordic, UK, European and US Application Software
sectors from 2015 to Q2 2021*

⋮ Paddy MccGwire
⋮ t: +44 (0) 20 7659 0310
⋮ e: pm@silverpeakib.com

silverpeakib.com

⋮ Bjørnar Reitan
⋮ t: +47 926 48 666
⋮ e: bjornar.reitan@impello.no

impello.no



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Development in revenue and EBITDA multiples

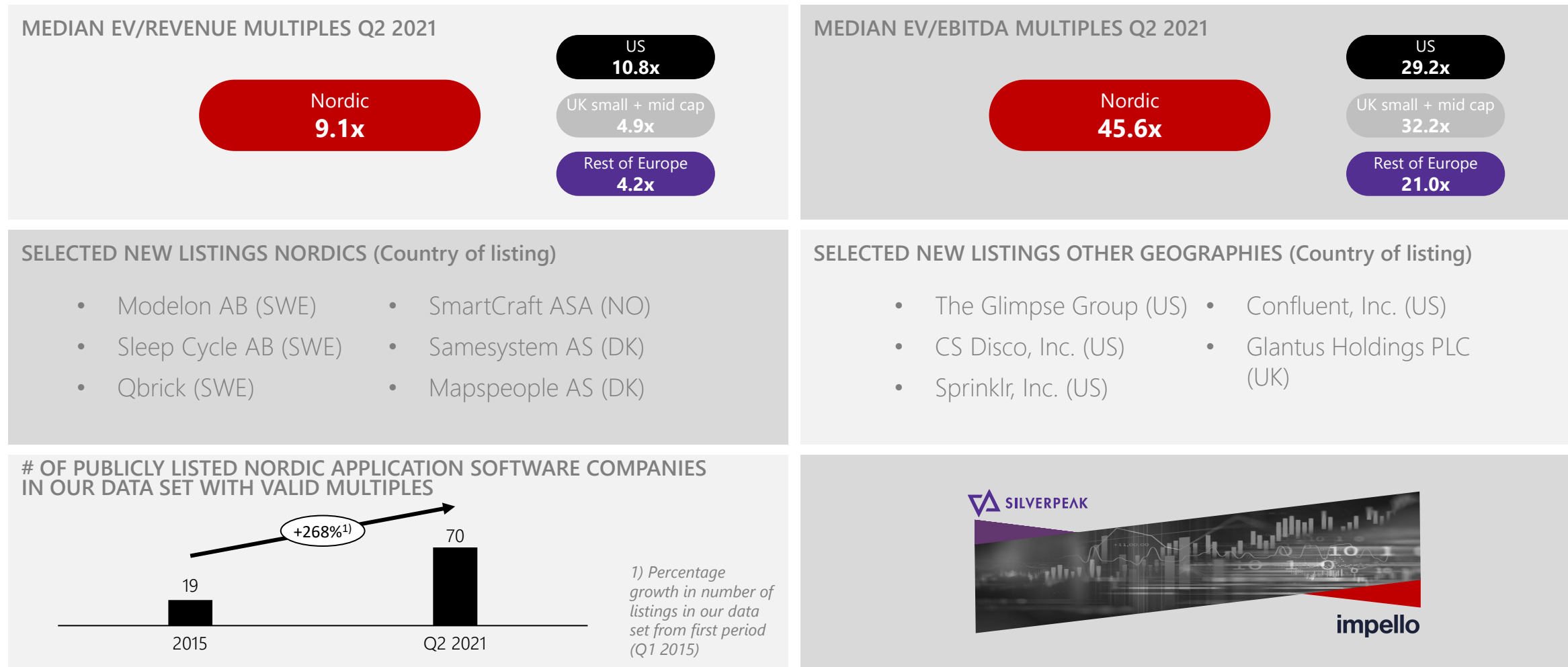
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Development in Nordic public listings

04

Selected listing

Key facts – Q2 2021 analysis



Source: Capital IQ, Silverpeak, Impello

Key findings – Q2 2021 analysis

Pricing development (revenue and EBITDA):

- Nordic EV/revenue multiples show the weakest growth in Q2, but the US and Nordic maintain significantly higher revenue multiples than UK and Rest of Europe. The UK and Rest of Europe grew more than the US and Nordic multiples, but the gap is still significant.
- All regional EV/EBITDA multiples increased in Q2 2021, and the Nordic multiples show a particularly strong growth after a negative correction in Q1 and is close to the all-time high. Also the UK multiples continue to grow and have exceeded the US multiples for the first time in many years.
- The Nordic region shows the strongest EBITDA multiples and perform significantly higher than the other regions.

Development in public listings:

- The number of Nordic publicly listed application software companies in our dataset has more than tripled since the first recorded period in 2015. From the end of 2020 to the end of Q2 2021, the number of Nordic listings in our dataset increased by 12 from 58 to 70.
- The total number of listings in the dataset was 345 at the end of Q2 2021, a strong increase from 316 listings in the end of Q1 2021. All regions show a healthy increase in the number of public listed SW companies, where the Nordic show the strongest growth.
- We have observed 10 IPOs of Nordic application software companies in Q2 2021, of which only one was Norwegian.

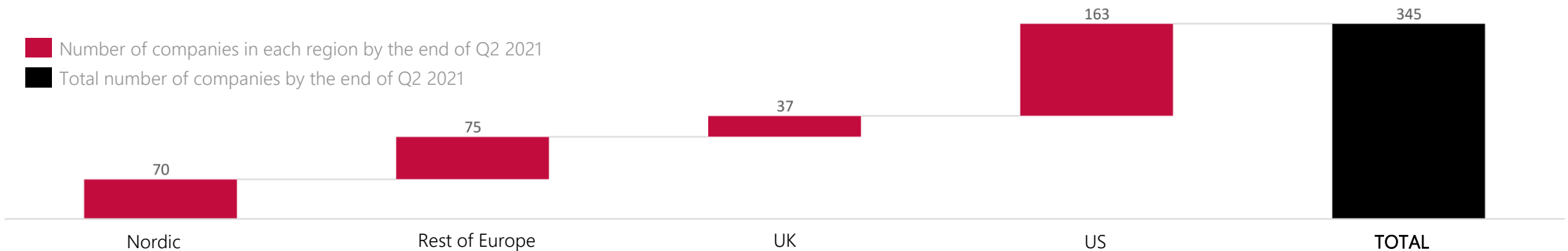
Source: Capital IQ, Silverpeak, Impello

Introduction and overview of data

Data

- The dataset consists of 345 Nordic, UK, European and US publicly listed application software companies at the end of Q2 2021.
- All companies are listed on a regulated marketplace. E.g. in Norway, these markets are Euronext Oslo, Euronext Growth and Euronext Expand Oslo.
- The region of a company is defined based on its country of listing, not country of HQ.
- Only companies with available multiples are counted. Reported new IPOs are not necessarily included with multiples in the dataset.

Number of companies in dataset per market



Source: Capital IQ, Silverpeak, Impello

Note: Eight of the Nordic companies are Norwegian

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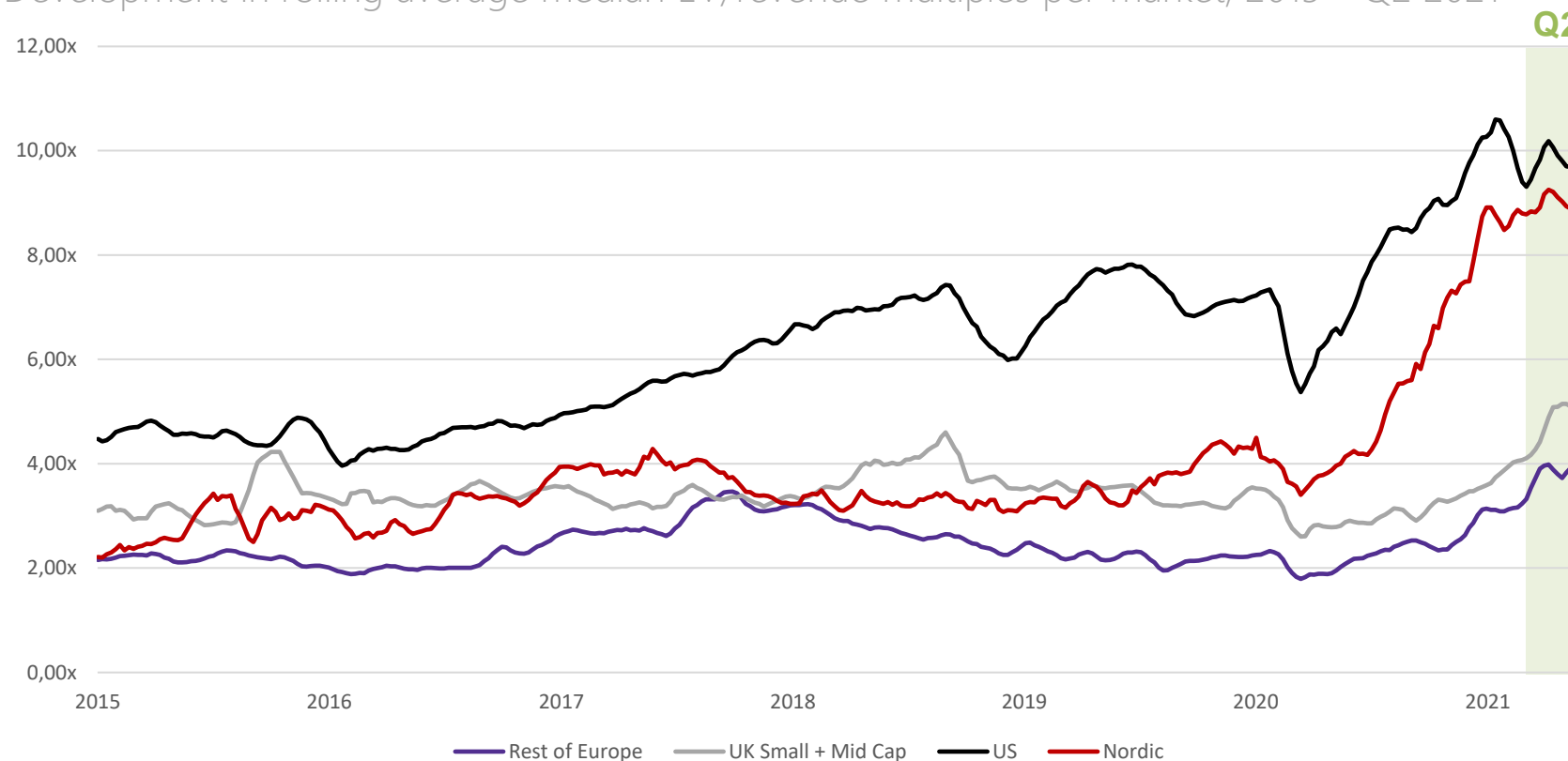
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Nordic EV Revenue multiples show the weakest growth in Q2 – the US and Nordic maintain significantly higher revenue multiples than UK and Rest of Europe.

Development in rolling average median EV/revenue multiples per market, 2015 – Q2 2021



MEDIAN REVENUE MULTIPLES Q2 2021 (Δ Q1 2021)*

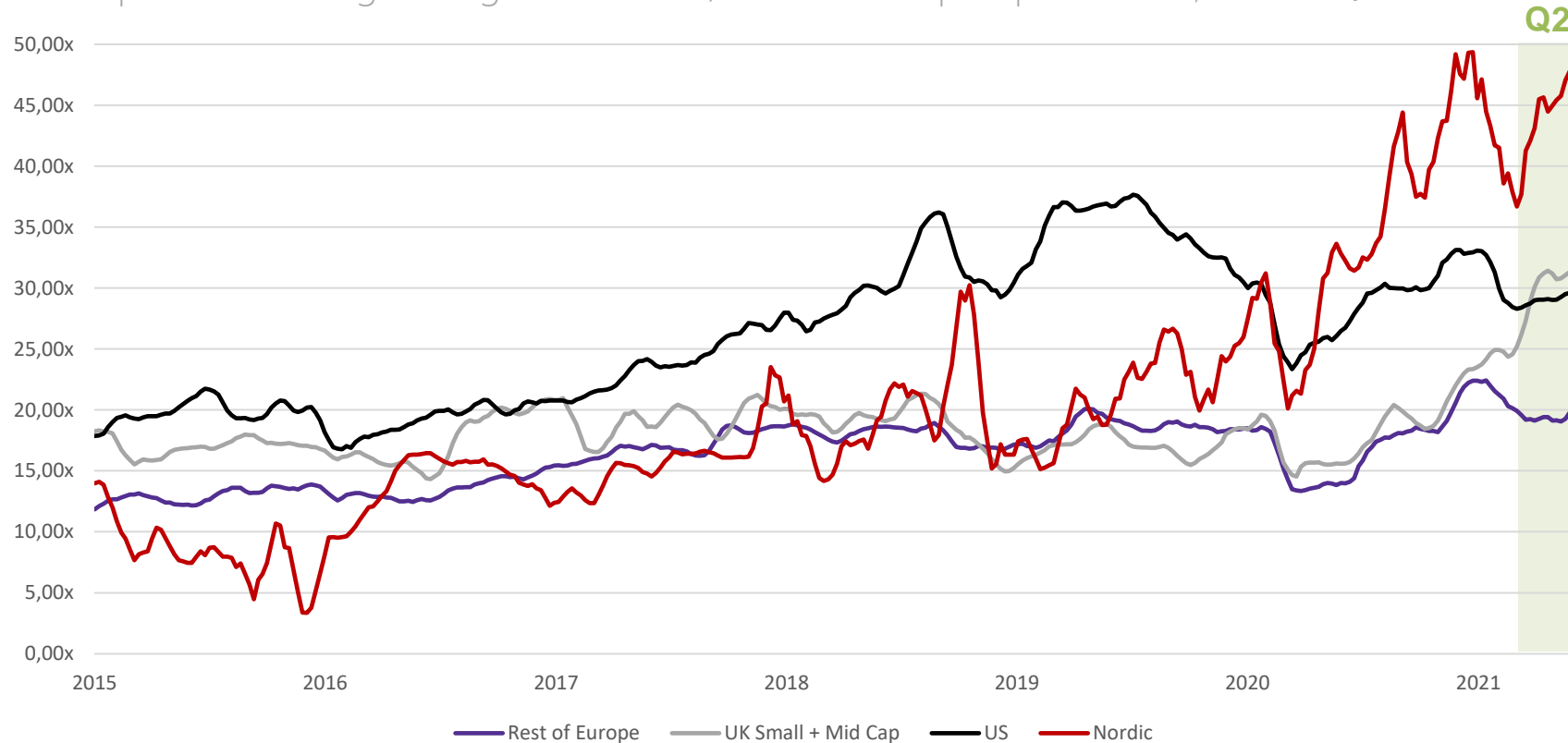
- US**
10.8x (+15%)
- Nordic**
9.1x (+4%)
- UK small + mid cap**
4.9x (+18%)
- Rest of Europe**
4.2x (+18%)

Source: Capital IQ, Silverpeak, Impello

* Median multiples per quarter end date

Nordic EBITDA multiples show a strong return in Q2 after a correction in Q1 and continue to perform highest of the regions. UK multiples exceeded US multiples for the first time in years.

Development in rolling average median EV/EBITDA multiples per market, 2015 – Q2 2021



MEDIAN EBITDA MULTIPLES Q2 2021 (Δ Q1 2021)*

- Nordic**
45.6x (+34%)
- UK small + mid cap**
32.2x (+17%)
- US**
29.2x (+3%)
- Rest of Europe**
21.0x (+9%)

Source: Capital IQ, Silverpeak, Impello

* Median multiples per quarter end date

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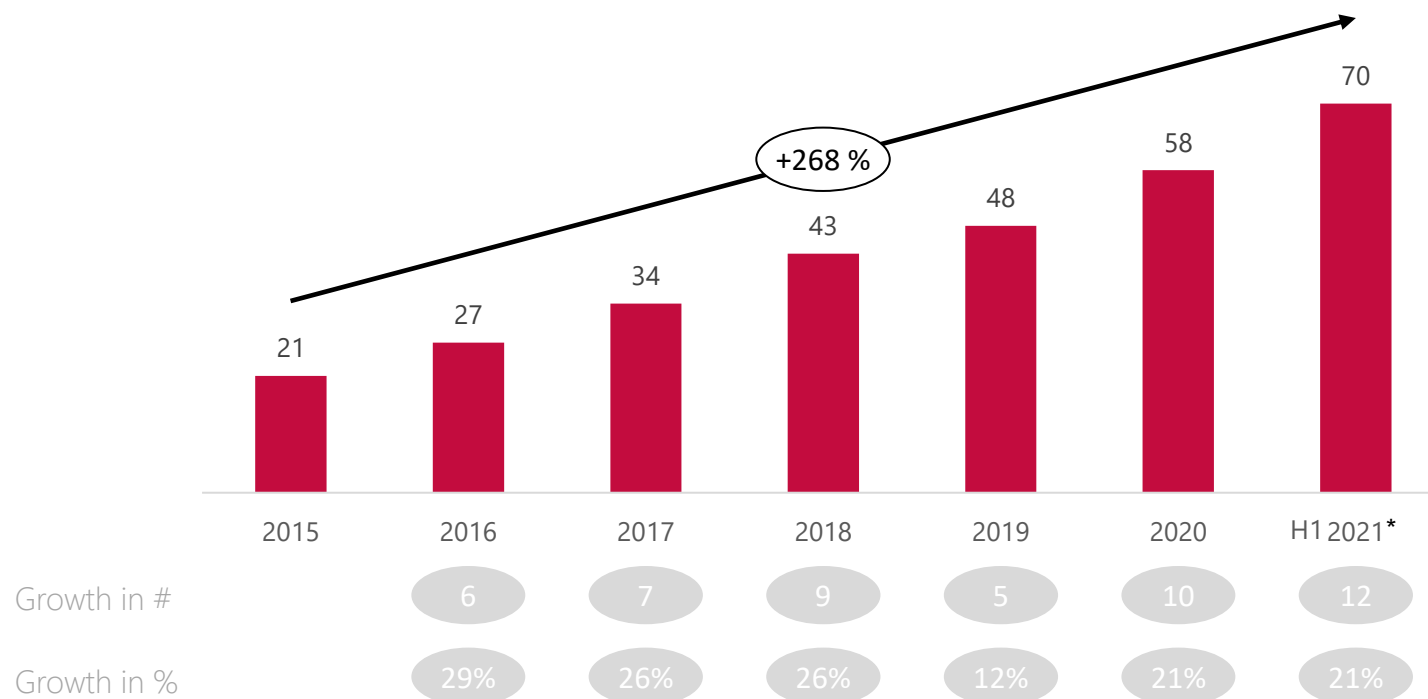
Development in Nordic public listings

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There were 10 new Nordic public listings in Q2 2021. The number of Nordic public companies with available multiples in our dataset have more than tripled since 2015.

Companies with valid multiples in our dataset at the end of each year.



* 2021 numbers are per 30/06/21

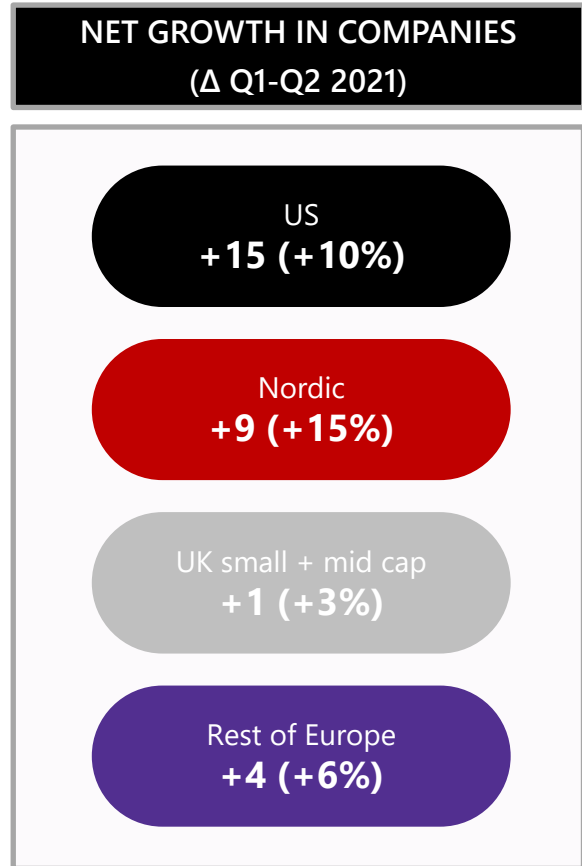
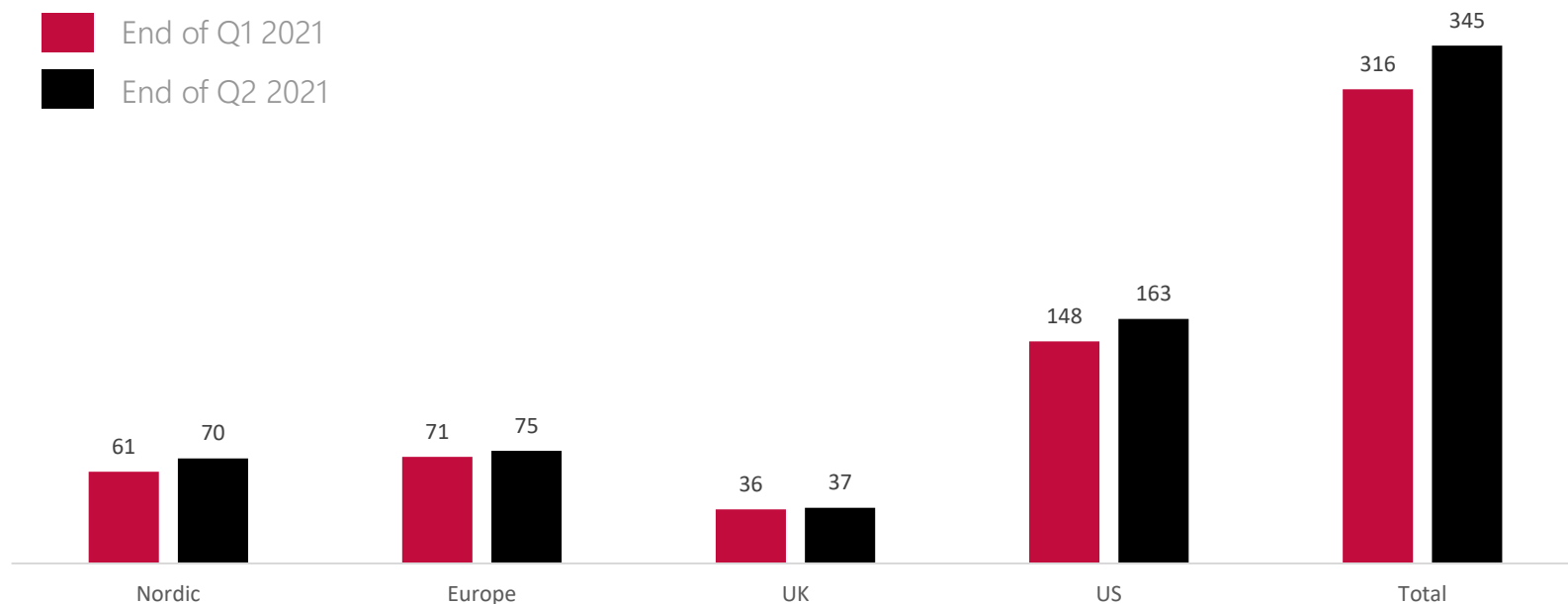
Source: Capital IQ, Silverpeak, Impello

Note: Figures shows net growth in number of listings with valid data. The number of companies in our dataset each year is therefore somewhat lower than the number of IPOs.

**SELECTED NEW NORDIC PUBLIC LISTINGS
- Q2 2021**

All regions show a healthy increase in the number of publicly listed SW companies in Q2 2021. The Nordic region has the strongest growth.

Development in number of companies with valid multiples in our dataset from Q1 2021 to Q2 2021



Source: Capital IQ, Silverpeak, Impello

Note: Figures shows net growth in number of listings with valid data per quarter end date.

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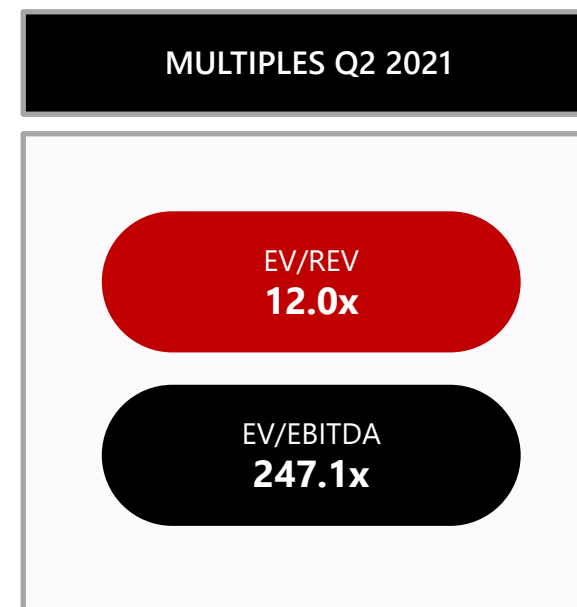
Selected listing: Mercell Holding (NORWAY)

Company information:

- Mercell was uplisted from the Euronext Growth trading platform to the main list on the Oslo Stock Exchange (OSE) from July 9th 2021.
- The company has become one of the largest B2B SaaS companies in the Nordic region and have established a solid foothold in Continental Europe.
- Mercell is the Nordic market leader in digital public tendering and serves approximately 30,000 customers.
- During the past couple of years, Mercell has conducted 12 acquisitions, of companies like Visma Commerce, Tricom, TrueLink AS, Tendsign, EU Supply and lately Ibistic and CTM Solutions in May 2021. The ambition is to become the preferred e-tendering and procurement platform in Europe.

ACQUISITION	COUNTRY	CONSOLIDATE MARKET POSITION	TECHNOLOGY
Cloudia	Finland	Customer base	
Visma Commerce	Sweden	Customer base, products, markets	
Tricom	Denmark	Customer base	User interface and functionality

Source: Oslo Børs Newsweb, Silverpeak, Impello, Mercell Website



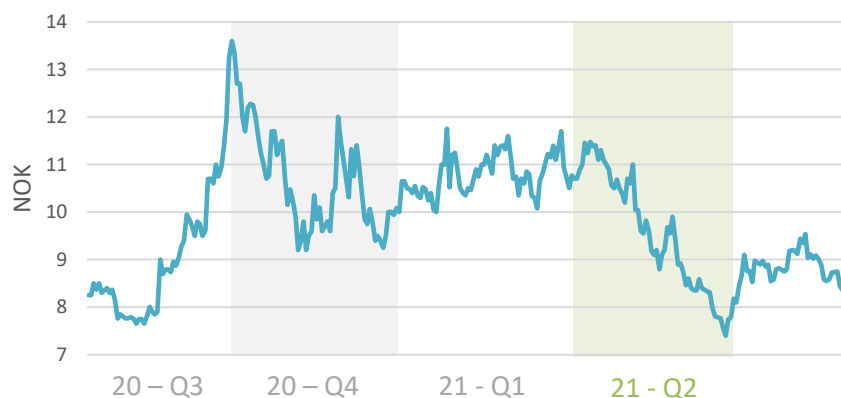
Note: Q2 2021 multiples are per 30/06/21

Selected listing: Mercell Holding (NORWAY)

Q2 figures and growth

- ARR of NOK 770 million, up 158% year-on-year with 21% organic growth
- Q2 revenue of NOK 170, up 149% million year-on-year
- Revenue growth (CAGR 2015-2020): 32 %
- Market value (per 26.08): 4,198 Bn.
- Three subsidiaries: Mercell Product & Technology AS, Mercell Midco AS, Safe Tag group AS

Mercell Holding stock price (Euronext growth)

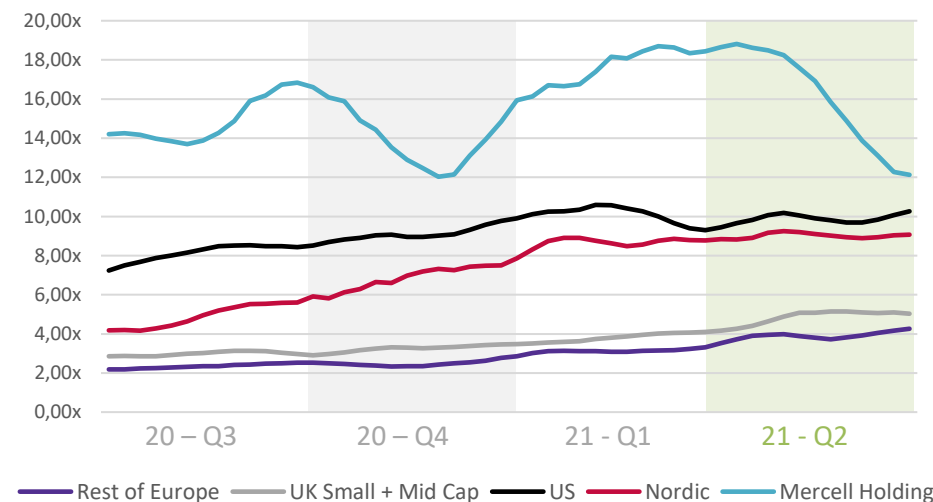


AVERAGE 52W
NOK 9.85

MARKET VALUE*
4.198 Bn.

*Per 25/08/21

Mercell EV/revenue multiples outperform both Nordic and other regional multiples



NOK 1000	2019	2020	Q2 2020	Q2 2021
Total revenue	154 251	311 906	68 471	170 300
Operating cost	-143 419	-247 297	-49 335	-122 597
M&A cost and special items	-30 230	-88 332	10 153	-49 848
EBITDA	-19 397	-23 723	8 982	-2 145
EBITDA-margin	-13 %	-8 %	13 %	-1 %
Adjusted EBITDA	10 833	64 609	19 135	47 703
Adj. EBITDA-margin	7 %	21 %	28 %	28 %
EBIT	-45 847	-75 735	-1 728	-60 645

Source: Oslo Børs Newsweb, Euronext live markets, Silverpeak, Impello, Mercell Website and quarterly report

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