



JANUARY 2022


Quarterly Tech M&A Update

Q4 2021

AGENDA

Tech sector Q4 2021 – Key takeaways

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Software companies offering artificial intelligence and 3D solutions have been attractive takeover candidates in the fourth quarter showing the increasing focus on innovative Tech solution offerings. Next to that, companies focusing on mobility and delivery services raised significant amounts of additional capital during fundraising rounds signaling strong future growth potentials.
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M&A activity in the German Tech sector slightly decreased from 100 completed transactions in Q3 2021 to 76 transactions in Q4 2021. The majority of transactions in 2021 takes place on a cross-border basis (66%).
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After the first half of the year saw a continuous improvement in all valuation metrics for the Tech sector, we observe a decline in the valuation level of single subsectors in addition to an increased volatility in the fourth quarter.
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We continue to observe the most transactions and the highest valuation multiples in the application software segment. Only in our public peer group the Systems Software subgroup is at the same valuation level by the end of the year.

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EDITOR'S TOP TECH DEAL PICKS

| Date | Deal type | Target | Deal description & Investor rationale | Acquirer/investor |
|----------|-------------|---|---|--|
| DEC 2021 | Fundraising |   | MODIFI B.V., a global fintech company that helps SME to finance and manage their international trade , has raised USD 145m in debt financing from Silicon Valley Bank and Solarisbank AG. Modifi intends to use the funds for future growth plans. |     |
| DEC 2021 | M&A |   | Init AG is a software company active in the area of telematics and electronic fare collection systems for public transport and was acquired by Gilde Buy Out Partners B.V. , a Netherlands-based private equity firm that invests in mid-cap companies. |   |
| DEC 2021 | Fundraising |   | Tennis and paddle booking app provider Playtomic raised EUR 56m in a recent series C funding round. The round was led by GP Bullhound, the co-founder, U.K's Claret Capita Partners and Sweden's Optimizer Invest . The company intends to use the funds to grow their technology and product development team and to expand in Europe. |       |
| DEC 2021 | M&A |   | BenevolentAI Limited is a pharmaceutical company that uses artificial intelligence to develop new medicines for hard-to-treat diseases. The company was acquired by Odyssey Acquisition S.A, a SPAC promoted by Zaoi & Co. |   |
| NOV 2021 | M&A |   | Tenado, a company developing computer-aided design software for 2D and 3D technical drawing , was acquired by Revalize , a US-based provider of sector-specific software solutions. |   |
| NOV 2021 | M&A |   | Blue Prism Group Plc is a company supplying a virtual workforce powered by software robots trained to automate routine back-office clerical tasks. Blue Prism was acquired by SS&C Technologies Holdings , engaged in providing software products and software enabled services to the financial sector. |   |
| NOV 2021 | M&A |   | Motion Metrics Ltd., a company focused on ski instructor wearables was acquired by The Weir Group Plc , a provider of specialized mechanical engineering solutions. |   |
| OCT 2021 | M&A |   | Yokoy Group AG a Switzerland-based firm that makes use of AI for helping take care of travel expenses was acquired by Balderton and Left Lane , two venture capital firms investing in the tickets between USD 1m and USD 20m. |     |
| OCT 2021 | Fundraising |   | Tier Mobility AG is an operator of e-scooter fleets. The company raised EUR 171m in a Series D funding round led by SoftBank Vision Fund and seven further investors to support its growth plans. |       <i>amongst others</i> |
| OCT 2021 | Fundraising |   | Gorillas secures close to USD 1bn in Series C funding , raising the largest European round in its sector to date. The funding round was led by Delivery Hero and included twelve other investors. |     <i>amongst others</i> |

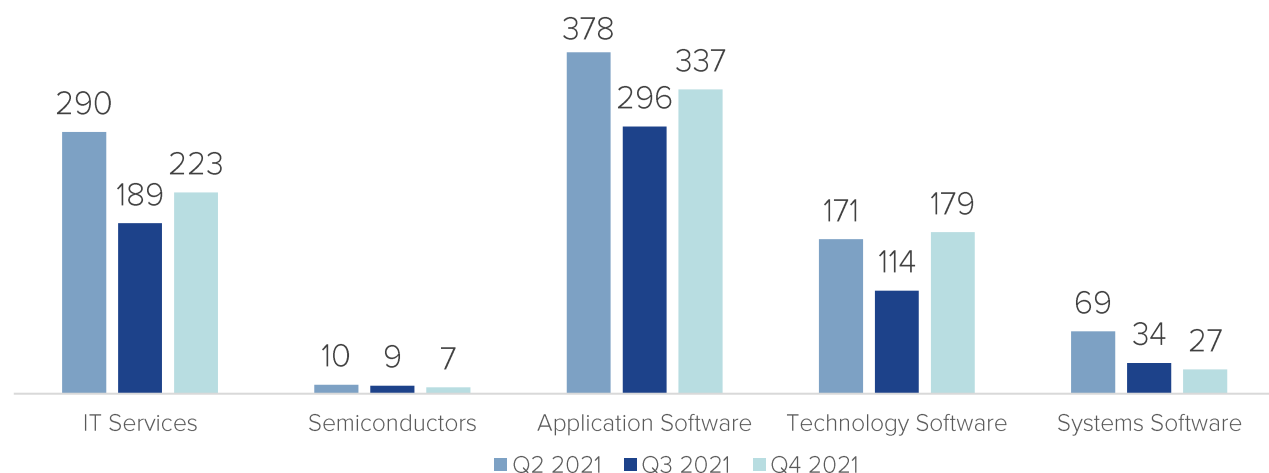
Source: Capital IQ, Mergermarket and Oaklins research as of 12/31/2021

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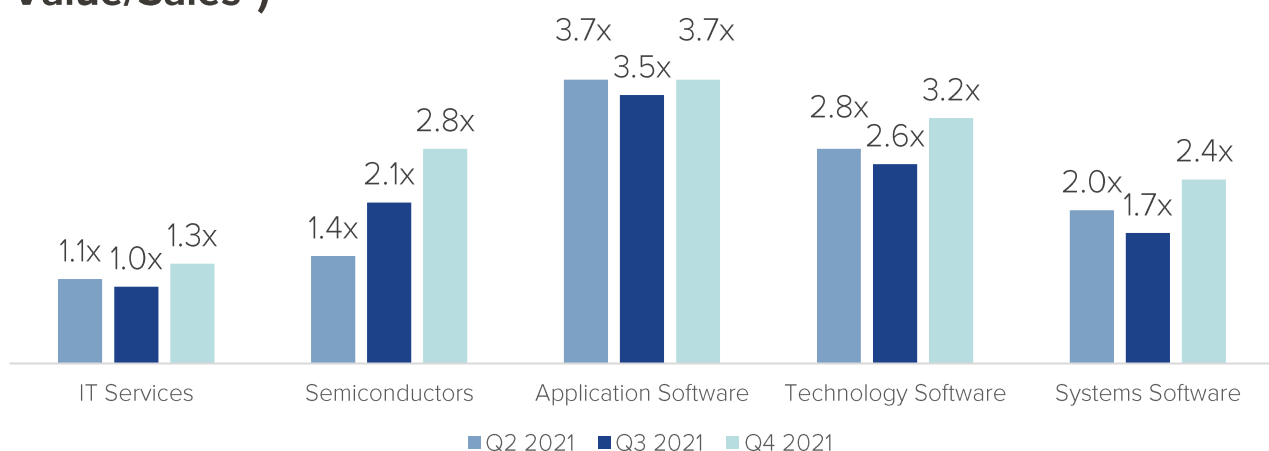
TECH SECTOR M&A TRANSACTION OVERVIEW

Number of M&A transactions in Europe between Q2 and Q4 2021



The European Tech market finishes with a strong European M&A activity and an increasing transaction volume in Q4 2021. The market dynamic shows the importance of digitalization trends and the shift towards digitalized business models, and hence, is of interest for strategic buyers and financial investors.

M&A transaction multiples¹ between Q2 and Q4 2021 (Enterprise Value/Sales²)



The 'hot' Tech market valuation are also present in Q4 2021 and show a continuing high market valuation. EV/Sales multiples have increased over the last two quarters showing a strong momentum and a high market attractiveness. The semiconductor market and systems software market show especially significant increases over the last two quarters.

Source: Capital IQ as of 12/31/2021

Notes: 1) Retrieved from Capital IQ excluding deals with revenue multiples >30.0x

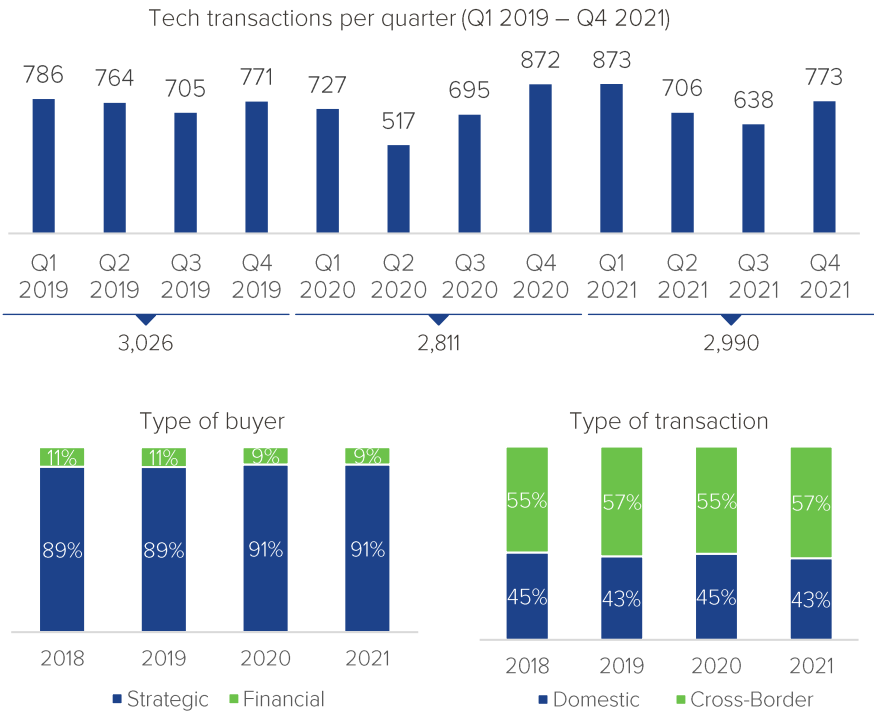
2) Reported as LTM figures

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M&A TECH TRANSACTION ACTIVITY

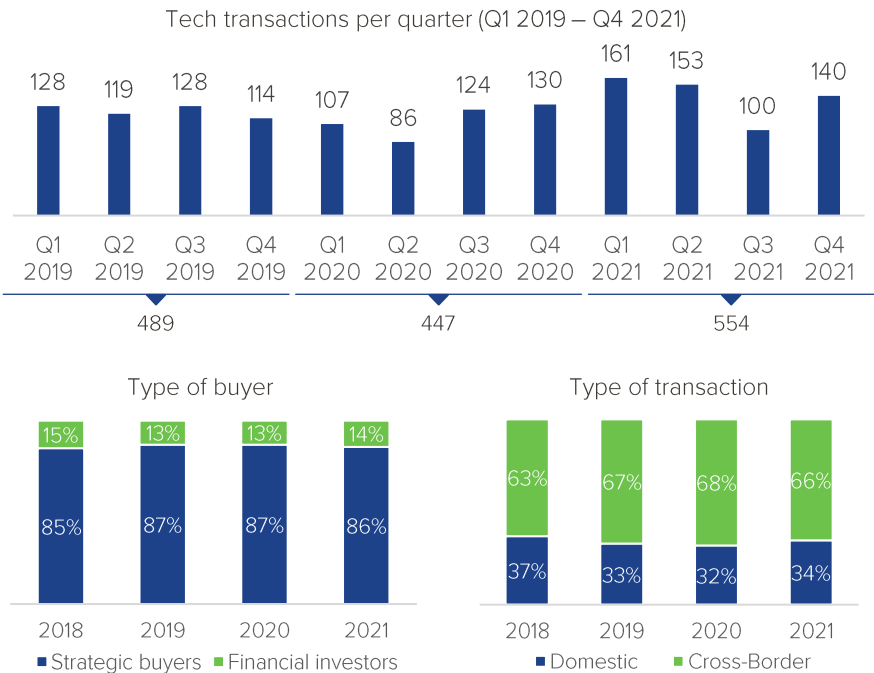
Transaction overview in Europe



Tech transactions in Q4 2021 showed an increase in count compared to the previous two quarters. After a significant increase of transactions in Q4 2020 and Q1 2021 the market has again gained momentum in Q4 2021.

The Tech sector is dominated by strategic buyers acquiring additional know-how, expanding geographically and adding new products and services to their existing portfolios.

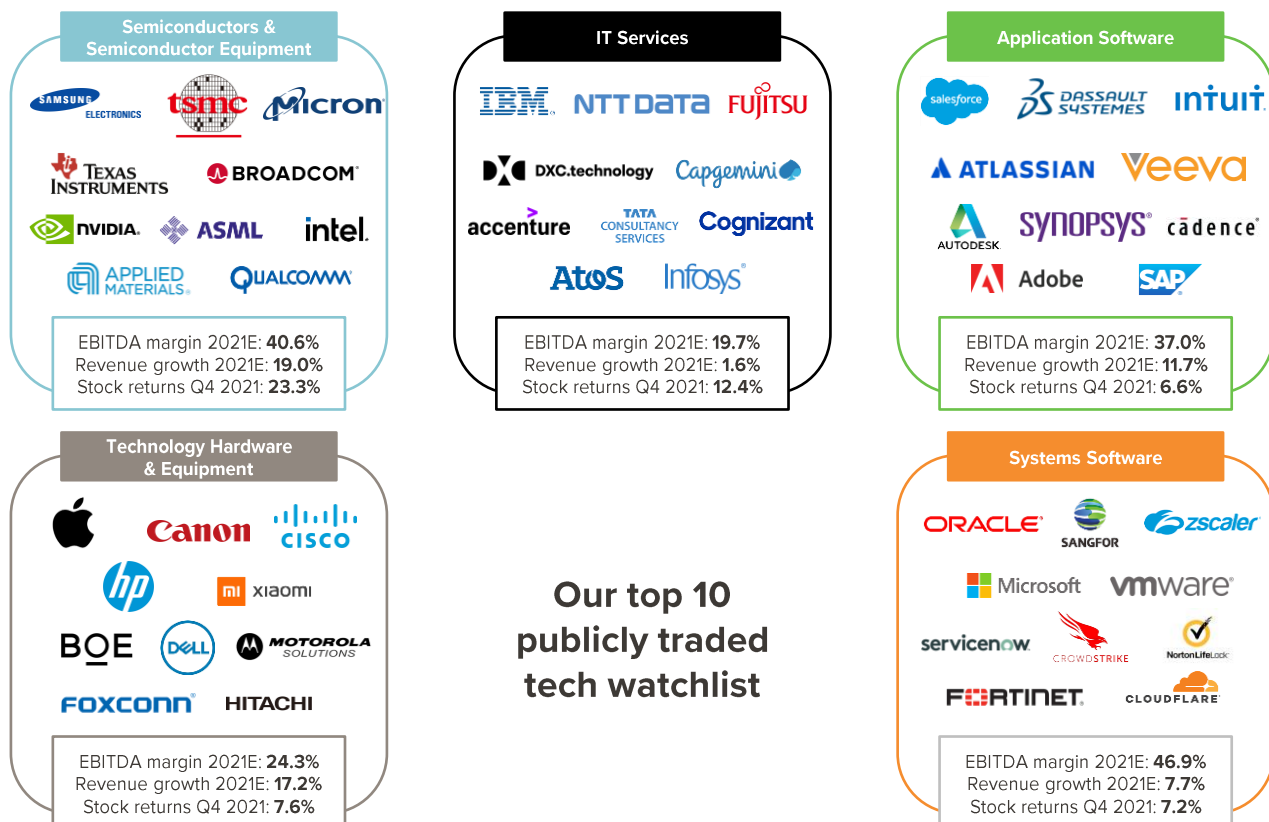
Transaction overview in Germany



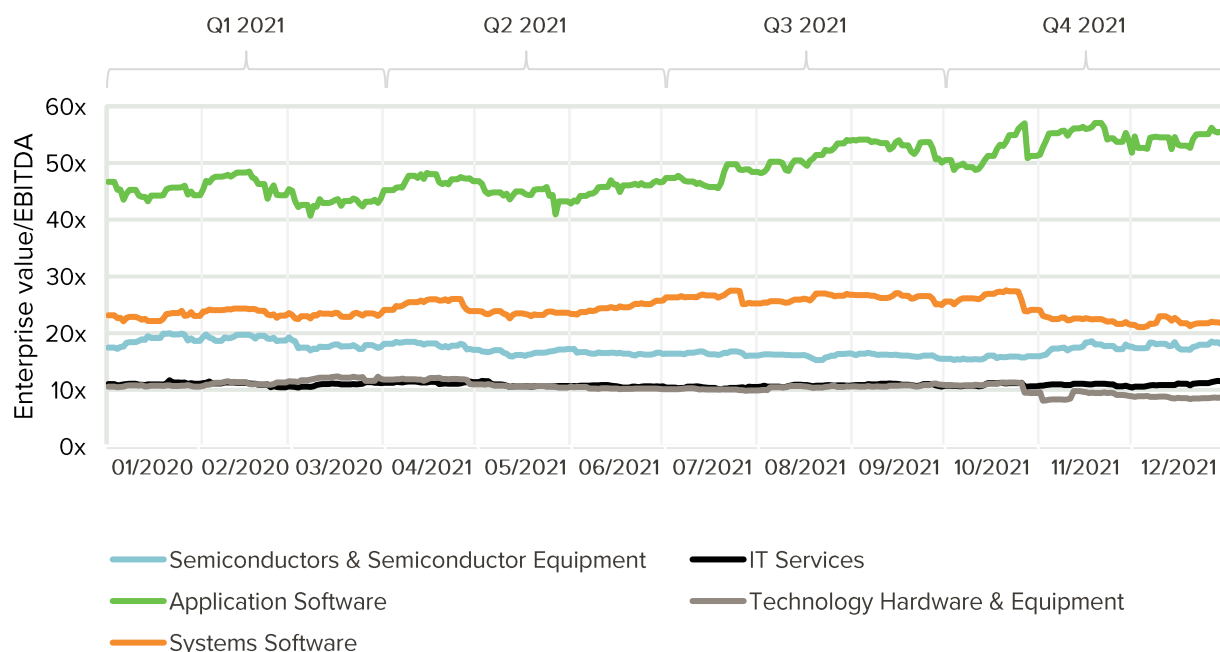
Deal count in the German Tech market continued its trend of the second half of 2021 and showed a strong performance in Q4 2021.

Strategic buyers are still dominating Tech M&A activity in Germany in 2021. Most of the deals are cross-border acquisitions.

TECH SECTOR VALUATION (PUBLIC COMPANIES)



EV/EBITDA¹ Multiples Tech Subsectors



Sources: Capital IQ and Mergermarket as of 12/31/2021

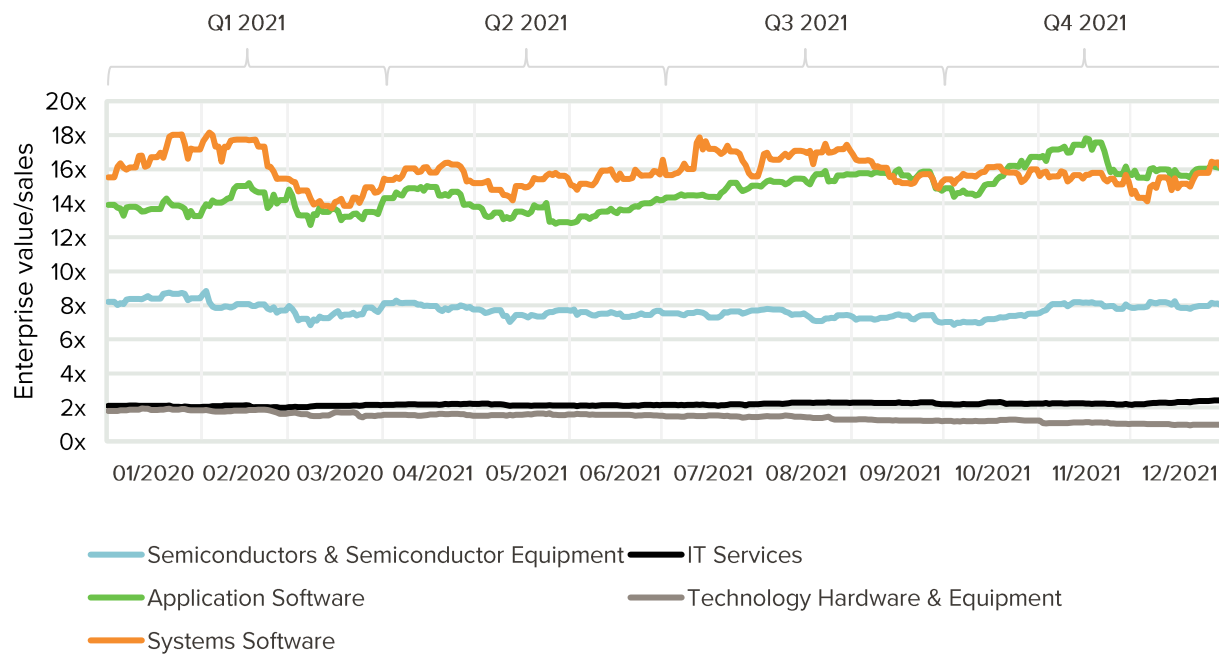
Notes: 1) Daily total EV divided by lease and affiliate income adj. LTM EBITDA as of 12/31/2021 (Capital IQ)

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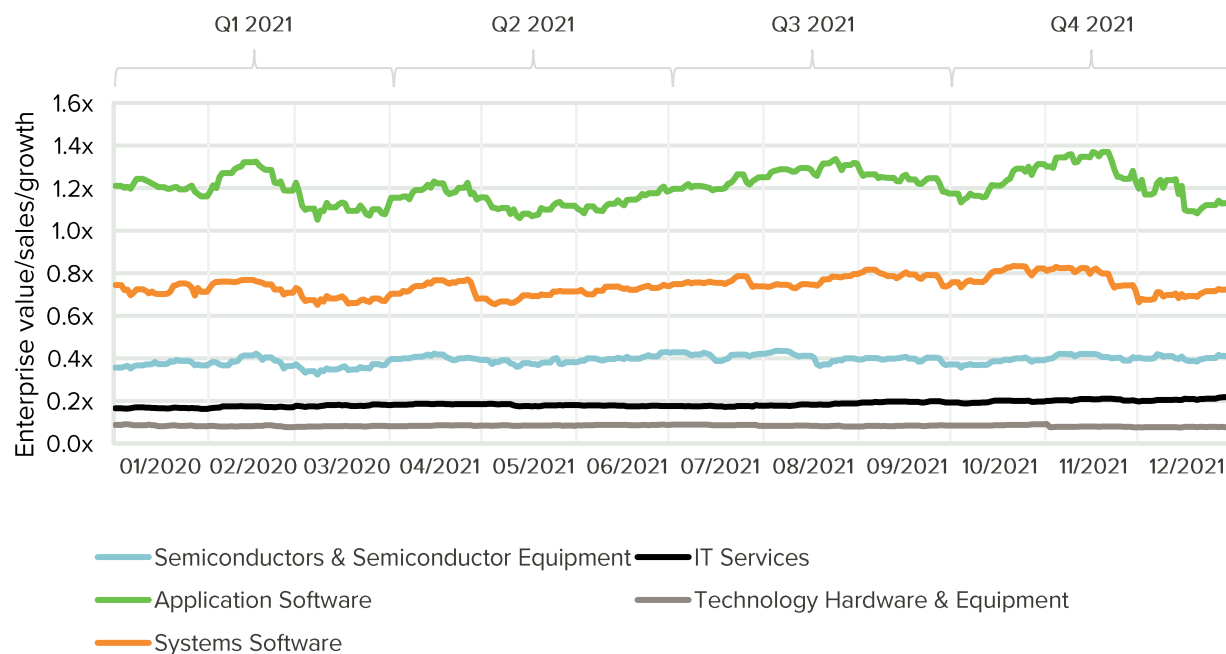
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TECH SECTOR VALUATION (PUBLIC COMPANIES)

EV/Sales Multiples¹ Tech Subsectors



EV/Sales/Growth² Multiples Tech Subsectors



Sources: Capital IQ and Mergermarket as of 12/31/2021

Notes: 1) Daily total EV divided by total LTM revenues as of 12/31/2021 (Capital IQ)

2) Daily EV/Sales multiple divided by 1-year annual revenue growth consensus estimate as of 12/31/2021 (Capital IQ)

OAKLINS' TECH DEAL OF THE QUARTER



October 2021

Garz & Fricke has been acquired by SECO S.p.A.

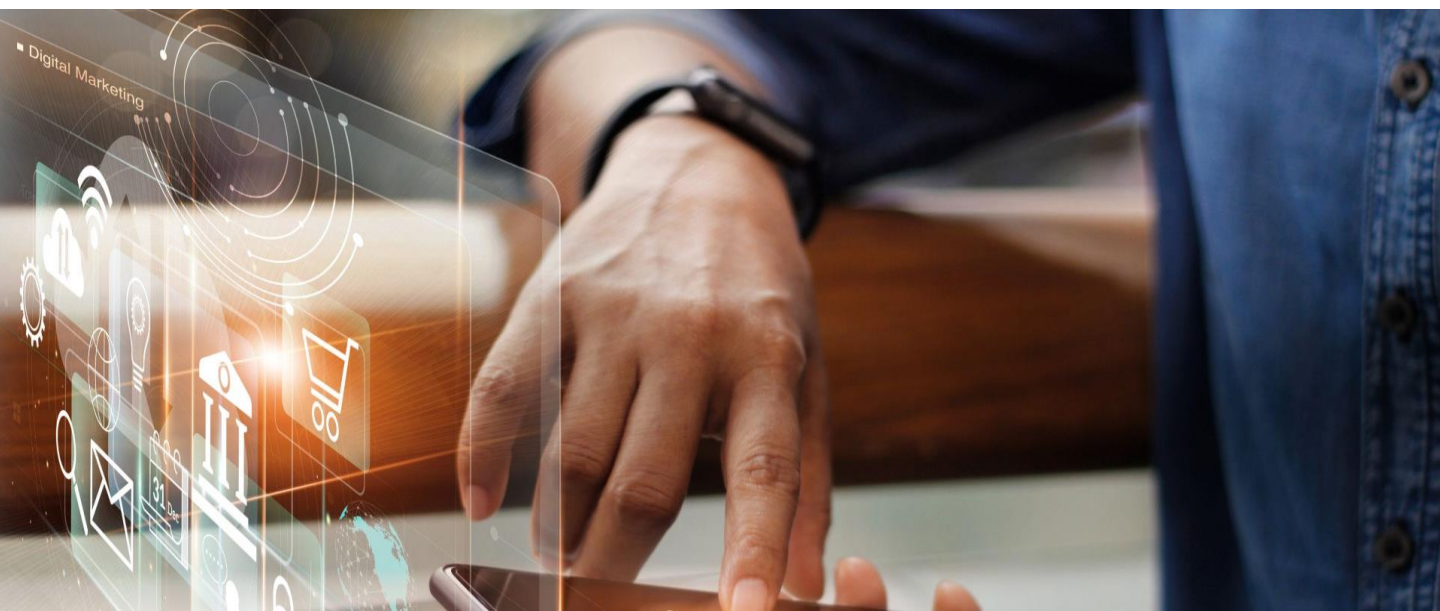
Garz & Fricke (G&F) is a leading supplier of standard and custom edge HMI solutions, building blocks and a tailored IoT, software and payment solutions ecosystem. The company has been acquired in an Oaklins-led transaction by the financial investor Afinum in 2017 and has expanded its operations with two add-on acquisitions.

SECO S.p.A. is a listed Italian company operating in the high-tech market for over 40 years, designing, developing and manufacturing cutting-edge proprietary technological solutions. SECO strengthens its position in the HMI segment, increases its customer base and extends its existing product offering.


Oaklins Germany acted as an advisor to the majority owner Afinum and multiple minority shareholders. The team's knowledge of the company and personal relationship from the previous buyout process in 2017 enabled a successful transaction in a short timeframe.

"This combination is an ideal strategic fit and will allow our customers to benefit from the development of a wider product offering and improved operations, by integrating the existing G&F solutions into SECO's technological and operational platform."


- Stefan Heczco, CEO of Garz & Fricke Holding GmbH -




OAKLINS' TECH SECTOR TRANSACTIONS Q4 2021



has been acquired by



A portfolio company of



M&A SELL-SIDE
TMT

November 2021



TRANSFORMACIÓN EFICIENTE

has acquired



INTELIGENCIA EN EL PROCESO

M&A BUY-SIDE
Business Support Services/TMT

November 2021



Next Generation Voice and Data


has been acquired by



Payment Solutions

M&A SELL-SIDE
TMT


November 2021



has completed a valuation for a planned squeeze-out of minority shareholders

VALUATION
Financial Services

November 2021




Expertise that delivers

has been acquired by


Bakhchysarai (Ireland) Limited

M&A SELL-SIDE
TMT

October 2021




has been acquired by




M&A SELL-SIDE
TMT

October 2021



education on demand

has been acquired by



M&A SELL-SIDE
TMT

October 2021



has been acquired by



M&A SELL-SIDE
Private Equity/TMT

October 2021



has been acquired by



M&A SELL-SIDE
TMT

October 2021

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OAKLINS GERMANY TECH SECTOR TEAM

Our industry expertise

Oaklins is a global advisory firm specialized in M&A, corporate finance, valuation, due diligence and fundraising. With more than 850 dedicated professionals in over 45 countries, we leverage our local presence in order to provide the best possible service on the ground.

Each year Oaklins completes more than 50 transactions within the global tech sector. Our German tech sector team brings decades of combined industry experience and has closed a variety of transactions with most of them requiring a cross-border approach.

The tech sector team maintains close contact with decision-makers, industry shifters & movers from the German tech industry.

Tech transactions advised by Oaklins (2017-2021)

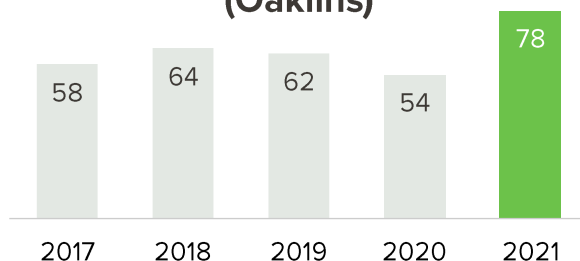
313

Transactions
closed

39%

Cross-border
transactions

No. of Tech transactions per year (Oaklins)



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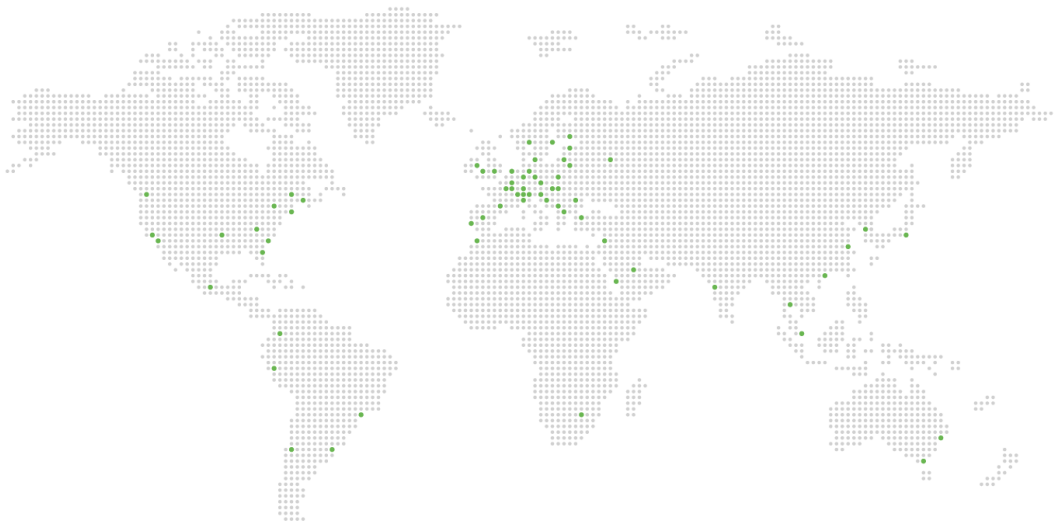
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