THE EUROPEAN SOFTWARE INDUSTRY 2016

M&A & GROWTH EQUITY REPORT

SILVERPEAK

technology
investment banking

DISCLAIMER

The information contained in this document has been compiled by Silverpeak LLP trading as 'Silverpeak technology investment banking' ("Silverpeak") and has been produced from sources believed to be reliable; however, we do not guarantee its accuracy or completeness and this document is not a solicitation, offer or inducement to invest, buy, sell or hold any security and does not constitute investment advice. This document is for distribution to professional clients on as per the FCA handbook definition COBS 3.5.1R and is not for distribution to retail clients as per the FCA handbook definition COBS 3.4.1R. This document is not for distribution in any jurisdiction where such distribution would be unlawful which includes but is not limited to the United States. If in doubt of your client categorisation or the suitability of investment opportunities, you should seek independent financial advice from a suitably qualified financial advisor. Reliance should not be placed on the information contained herein and you should satisfy yourselves that the opportunities presented meet your requirements. Past performance is not an indication of future performance, investments may fall as well as rise and you may lose some, part or all of the original capital invested. References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that similar results will be achieved.

This document has been issued by Silverpeak LLP, a limited liability partnership registered in England & Wales at 10 Wellington Street, Cambridge, CB1 1HW with number OC 398623 and an authorised representative of Silverpeak Capital Ltd which is authorised and regulated by the Financial conduct authority FRN 446270.

Silverpeak

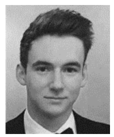
Paddy McCGwire
Managing Partner
Tel.: +44 (0)20 7659 0310
E-Mail: pm@silverpeakib.com

Pietro Strada
Managing Partner
Tel.: +44 (0)20 7529 5402
E-Mail: ps@silverpeakib.com

Jean-Michel Deligny
Managing Partner
Tel.: +44 (0)20 7529 5404
E-Mail: jmd@silverpeakib.com

Kieran Hall
Associate
Tel.: +44 (0)20 7529 5409
E-Mail: kh@silverpeakib.com

Miguel Indekeu
Analyst
Tel.: +44 (0)20 3693 5330
E-Mail: mi@silverpeakib.com



Jake Goodchild
Intern
Tel.: +44 (0)20 3705 8504
E-Mail: jg@silverpeakib.com

CatCap Corporate Finance (co-author)

Michael Moritz
Managing Partner
Tel.: +49 (0)40 300 836 - 13
E-Mail: michael.moritz@catcap.de

Mark Miller
Managing Partner
Tel.: +49 (0)40 300 836 - 11
E-Mail: mark.miller@catcap.de

Daniel Garlipp
Partner
Tel.: +49 (0)40 300 836 - 19
E-Mail: Daniel.garlipp@catcap.de

Marc Tympner
Project Manager
Tel.: +49 (0)40 300 836 - 18
E-Mail: marc.tympner@catcap.de

Gerrit Zwarg
Analyst
Tel.: +49 (0)40 300 836 - 28
E-Mail: gerrit.zwarg@catcap.de

Moritz Stolp
Analyst
Tel.: +49 (0)40 300 836 - 25
E-Mail: moritz.stolp@catcap.de

Recent Headline Deals

Germany / China
hetras
Hotel management SaaS
has been sold to
Shiji Network 石基信息
AUGUST 2016

Germany / Germany
MHP Solution Group
Shipping logistic & foreign trade software solutions
has been sold to
Elvaston
JULY 2016

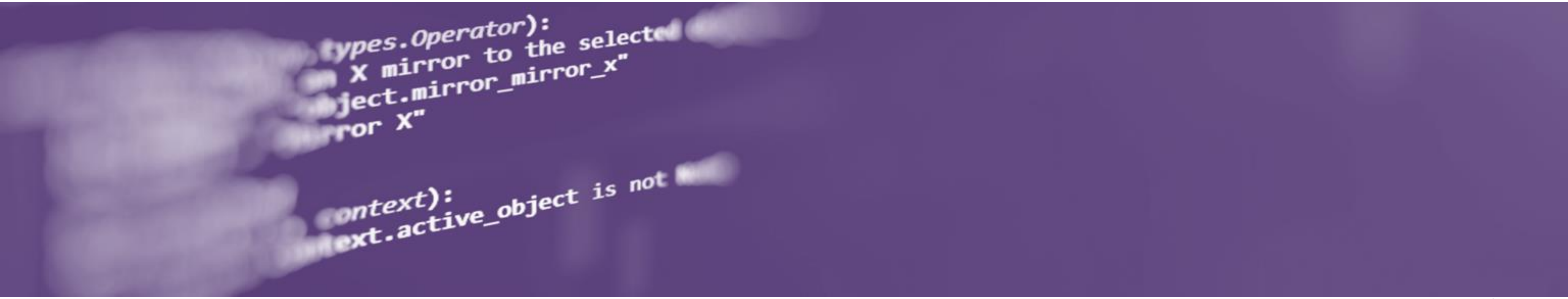
Germany / US
[buw]
Customer care services
has been sold to
Convergys
JULY 2016

Germany / US
airpas aviation ag
Airline cost management and profitability solution
has been sold to
Sabre
APRIL 2016

Germany / Netherlands
GENEVA-ID
Insurance software
has been sold to
Keylane insurance & pension software
DECEMBER 2015

CONTENTS

Executive summary



THE EUROPEAN SOFTWARE INDUSTRY – AN OVERVIEW

EXECUTIVE SUMMARY

1 ***Higher deal volumes in total***

The overall volume of reported transactions has increased by 47% to EUR 9.4bn, within which 3 transactions valued over EUR 1bn

2 ***High Valuations in all sub-sectors***

High valuations (double digit EBITDA multiples) in all sub-sectors, with Business Process software companies leading the way based on Sales and EBITDA multiples

3 ***Increasing Private Equity Activity***

'SaaSification' is the ongoing trend of software business models moving away from on-premise deployments towards cloud based solutions, which is leading more private equity investors to engage in the sector

4 ***US buyers still dominant globally***

US players remain dominant in terms of acquisitions for UK and France based targets, while the overall share of US buyers remains constant in 2016

5 ***GSA remains the strongest region, after the UK***

The GSA (Germany, Austria and Switzerland) accounted for 79 transactions and has remained the second strongest region after the UK, with a total of 107 transactions

6 ***Strategic buyers drive large cap transactions***

The main drivers behind large cap transactions have been strategic buyers, in order to extend their product portfolio or strengthen their competitiveness and technology base

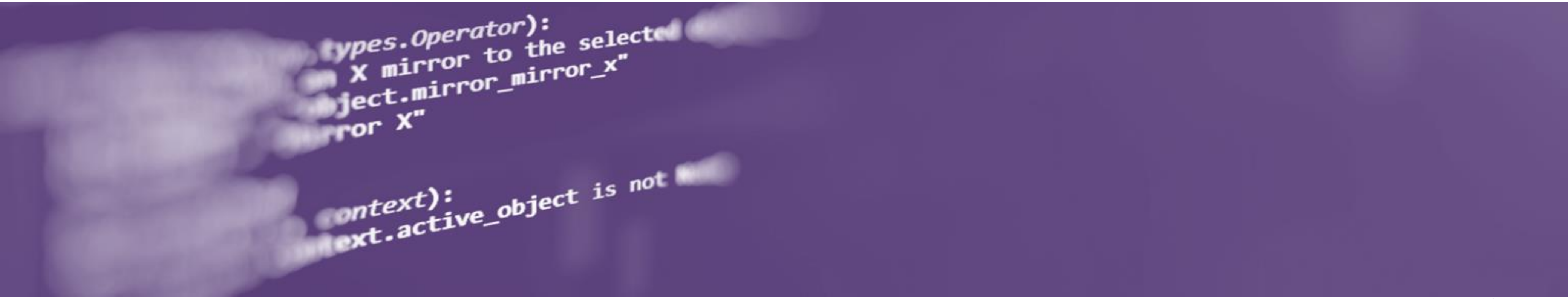
7 ***Venture Capital investment hit a record high***

Average deal values have reached a record high and the Software & Internet Software sectors especially remain a major focus for venture and growth capital in Europe, accounting for approx. 30% of all investments

8 ***SaaS Valuations back on track***

After a decline at the beginning of the year, SaaS valuations have recovered rapidly, returning to familiar territory of double digit multiples on an EBITDA basis

Methodology



CLASSIFICATION OF THE EUROPEAN SOFTWARE MARKET

SECTORS OF THE EUROPEAN SOFTWARE MARKET

	Sectors	Sub-sectors[1]				Examples
B2B Software	Business Process	ERP/CRM/ SCM/HCM	eProcurement	Business Analytics	Big Data	SAP, splunk, tableau, salesforce, sage, talend, Microsoft, ORACLE, Adobe
B2B Software	Systems & Security	Data Protection	Network Performance Management	Network Security	Firewall Systems	ca technologies, MICRO FOCUS, CISCO, Symantec, gemalto, SOPHOS, GBG, intercede, ENEA
B2B Software	Vertical Software Solutions	CAD/PLM	Engineering Software	Financial Services Software	Traffic Management Software	DASSAULT SYSTEMES, Fleetmatics, AUTODESK, NEMETSCHEK, RIB, CITRIX, HEXAGON, vmware, ANSYS
	IT Services and Software Development	IT Consulting	Software Development	API Programming	System Integration	Atos, ALLGEIER, Cognizant, accenture, epam, CSC, BECHTLE, CGI, csg INTERNATIONAL

1) Segmentation is not exhaustive

SILVERPEAK

LONDON | PARIS | HAMBURG | MUNICH

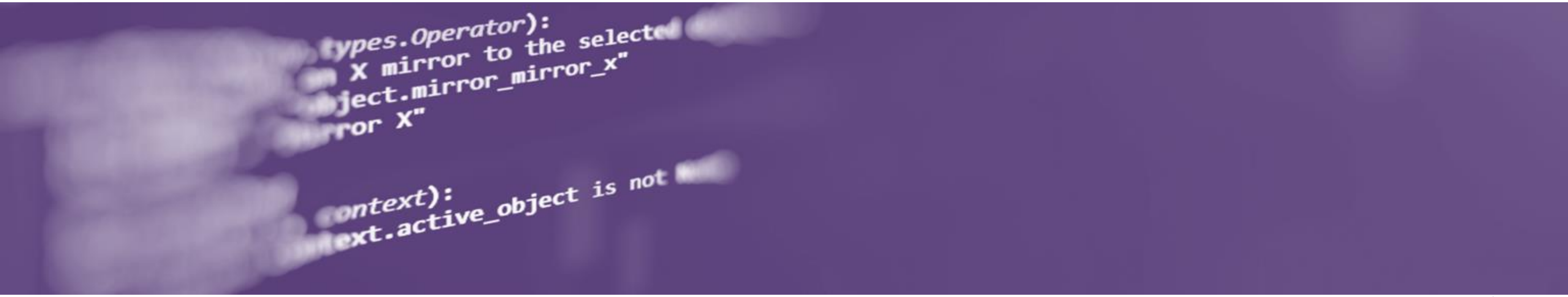
METHODOLOGY OF THIS STUDY

Scope of Report

- Silverpeak has analysed M&A market activity in the Software Industry
- The regional scope of the report is Europe[1]
- The report distinguishes between software for B2B and B2C businesses; its contents focus solely on B2B software
- This study has grouped B2B software businesses into three subsectors:
  - Business Process Software
  - Systems and Security Software
  - Vertical Software Solutions
- The report is divided into 6 sections with particular focus on:
  - Software M&A Activity in Europe
  - Spotlight on "SaaSification"
  - Software as a Service Valuations and Metrics
  - Valuations by Software Sector
- S&P Capital IQ and Mergermarket are the main sources of this report, in addition to Silverpeak and Globalscope's market knowledge
- The report is updated annually based on completed transactions. Silverpeak publishes similar reports on other technology sectors:
  - M&A Report: The European Internet Industry 2016

1) Albania, Andorra, Austria, Belarus, Belgium, Bosnia, Bulgaria, Channel Islands, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Greenland, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, UK

Market drivers, PE activity and IT spending forecast

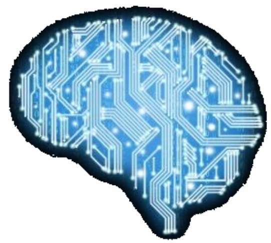


MARKET DRIVERS ARE THE "IOT", "AI" AND DIGITAL TRANSFORMATION IN THE AUTOMOTIVE SECTOR AND ROBOTIC PROCESS AUTOMATION

KEY UNDERLYING THEMES DRIVING M&A

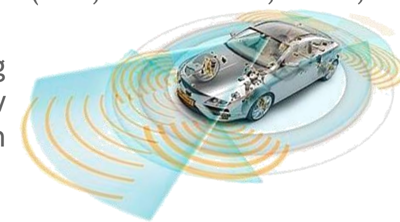
ARTIFICIAL INTELLIGENCE (AI)

- The increase in processing power from adoption of Cloud infrastructure has made data analytics more readily available
- AI-driven query engines make complex applications and databases accessible to any employee, decreasing costs
- The market is currently supporting two approaches: sector agnostic big data platforms (e.g. SAP's acquisition of Altiscale) as well as targeted vertical-specific tools (e.g. Pandora's acquisition of Next Big Sound)



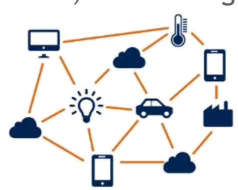
AUTOMOTIVE

- Major new end-market for software, as it will be integral to next generation vehicles, with traditional manufacturers investing heavily (e.g. GM's acquisition of Cruise)
- Demand will drive sales of in-vehicle software, as well as other segments within the supply chain (EDA, embedded, PLM, connectivity management etc.)
- Software will become the defining competitive factor and many new players are entering the market, such as Drive.ai or Zoox Labs



INTERNET OF THINGS (IOT)

- Software is perceived as the more attractive part of the IoT value proposition, as it offers a recurring revenue stream, and consequently commands the highest valuations (e.g. Cisco's acquisition of Jasper Technologies for $1.4bn)
- Software products are targeting the following segments, with the most sophisticated covering all 3: (i) connectivity and data extraction (ii) analytics (iii) remote management, monitoring and administration
- Security software, both embedded and remote, will be a critical area of investment for device manufacturers



ROBOTIC PROCESS AUTOMATION

- Increasing convergence between BPM tools / workflow software and RPA, where traditional vendors see the potential to extend RPA to their existing tools (e.g. Pegasystems acquisition of OpenSpan)
- Simultaneously reducing cost of business operations and increasing productivity via automation, with vendors such as Thoughtonomy covering processes at all levels of the stack (business, applications, infrastructure)
- Providing compatibility with existing software tools will be critical to widespread market adoption

Source: Capital IQ; Silverpeak Research

PRIVATE EQUITY ACTIVITY HEATS UP: NEXT TO SAAS TRANSFORMATION, PLATFORM BUILDING AND ZOOM-IN ON THE CYBER-SECURITY SECTOR

CYBER-SECURITY SOFTWARE IS A VERY ACTIVE SECTOR FOR PRIVATE EQUITY INVESTORS

Market commentary

- Enterprise software companies continue to attract the attention of private equity funds, who see the value creation opportunity presented by ‘SaaSification’ (transitioning revenue profiles from lumpy perpetual licenses to stable recurring monthly subscriptions) and building platforms (through buy and build strategies)
- The short-term cash trough incurred through ‘SaaSification’ has deterred traditional sources of capital (e.g. Banks)
- Consolidation opportunities have stimulated private-equity deal-making, with the highly-fragmented cyber security sector proving particularly fertile territory for ‘platform’ plays, as seen by the volume of exits and new investments throughout 2016
- The IT security market is driven by a number of trends that are supportive of continued PE and M&A activity during the next few years:
  - IT budgets continue to grow, with over $1tn expected to be spent on security between 2017 and 2021
  - Enterprises are shifting focus to begin proactively monitoring major sources of malware, such as the Dark Web
  - Digital transformation strategies continue to bring sensitive customer and operational data online that needs to be secured

Notable PE cyber-security software exits in 2016

Date	Seller	Asset	Buyer	Software Sub-Sector	Deal Value (EURm)	Sales Multiple
Jun 16	BainCapital	BLUE COAT	Symantec	Network Security	4,183	7,9x
Dec 16	LYCEUM CAPITAL	clearswift	RUAG	Data Loss Prevention	92	4,2x
Jul 16	TA ASSOCIATES	AVG	avast!	Anti-virus	1,322	3,4x

Notable PE cyber-security software investments in 2016

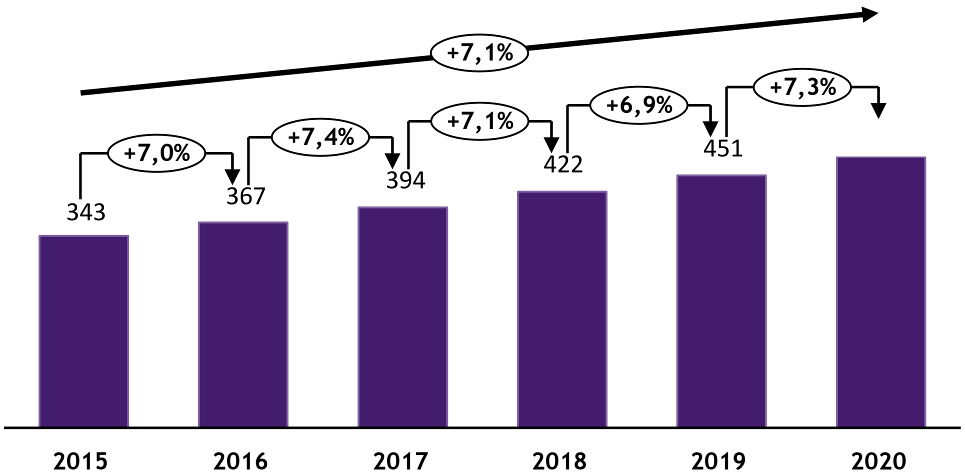
Date	Target	Software Sub-Sector	Buyer	Deal Value (EURm)	Sales Multiple
Dec 16	DARKTRACE	Network Security	KKR	62	Undisc.
Sep 16	McAfee	Endpoint Security	TPG	5,407	Undisc.
Jun 16	PingIdentity	Identity & Access Management	Vista Equity Partners	570	Undisc.

Source: [1]Gartner

GLOBAL ENTERPRISE SOFTWARE SPENDING IS EXPECTED TO GROW TO $484BN BY 2020, WITH A CAGR OF +7.1%

IT AND SOFTWARE SPENDING FORECAST

Enterprise software spending, worldwide ($bn)



Analyst forecast 2017

- Despite potential macroeconomic headwinds, such as BREXIT and the US election, digital transformation of enterprises and the journey to the cloud are expected to continue unabated
- Enterprise Software spending in most regions is not expected to be significantly impacted by BREXIT
- Recent forecasts suggest the consensus among analysts is that IT spending will continue to grow at a steady rate
- According to Gartner, Western Europe will increase its IT spending significantly by 1.6% in 2017. The main driver will be software spending

Western Europe IT spending forecast ($m)

$m	Spending 2016	Growth 2016	Spending 2017	Growth 2017
Data Centre Systems	42,274	1.8%	42,679	1.0%
Software	91,952	5.3%	97,641	6.2%
Devices	113,701	-5.5%	110,899	-2.5%
IT Services	292,265	3.8%	304,281	4.1%
Communication Services	250,521	-3.1%	248,021	-1.0%
Overall IT	**790,712**	**0.2%**	**803,521**	**1.6%**

Key findings

According to Gartner, Software spending will grow by 6.2% in Western Europe in 2017

Enterprise Software spending is not expected to be significantly impacted by BREXIT

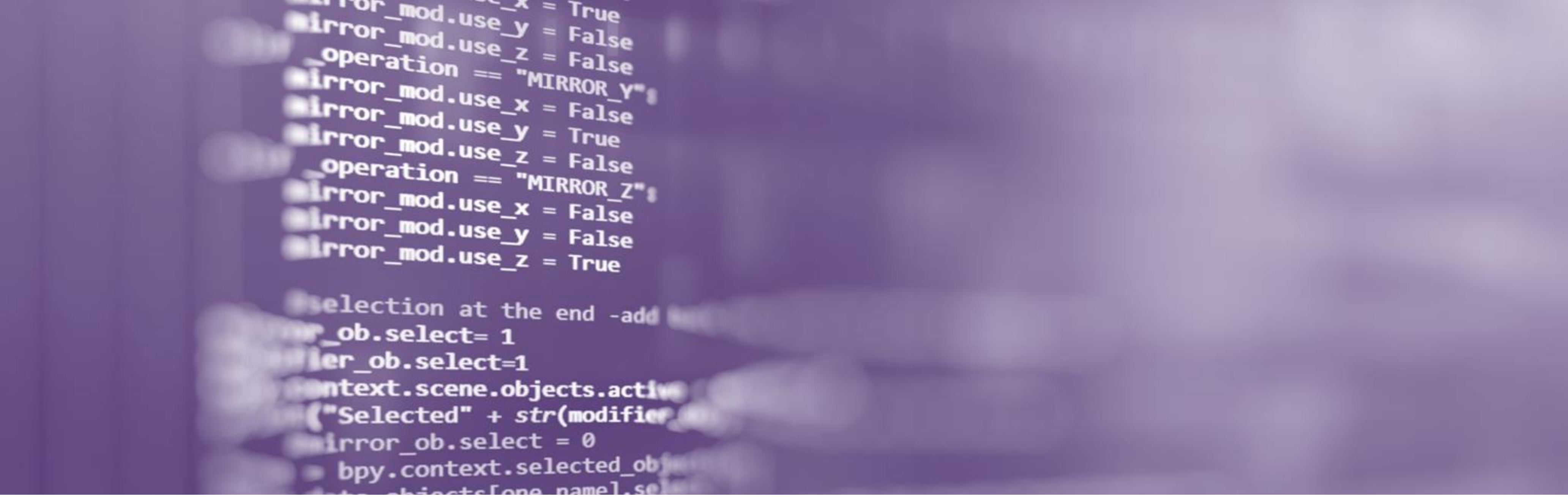
Fast growth of Cloud Computing leads to a decrease of CAPEX in IT

Continued growth in 2017, especially in the following sub segments: Data & Analytics, Mobile IT and Cloud Computing

IT Spending in 2017 in the US will be dampened due to the presidential election

Hardware remains a shrinking segment, while software purchases are driving the expansion of CIO budgets

Source: Gartner; Forrester Research; IDC; CIO

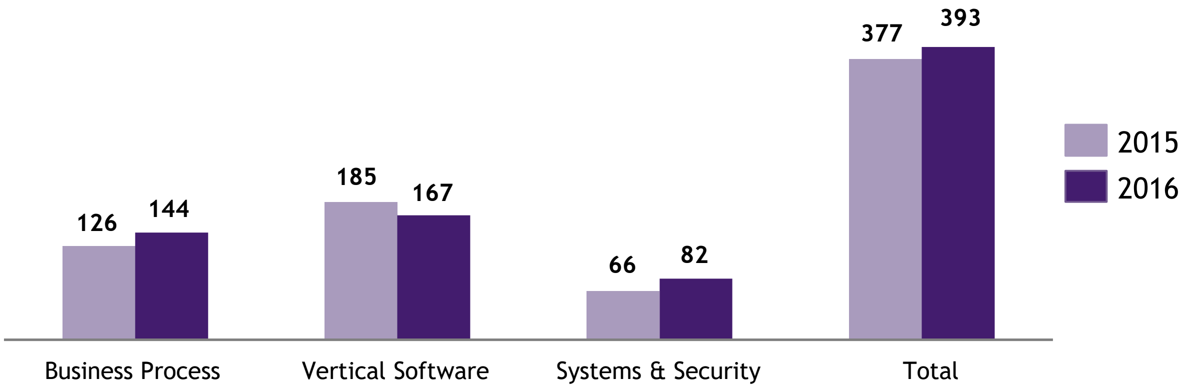


The European software industry 2016: M&A review

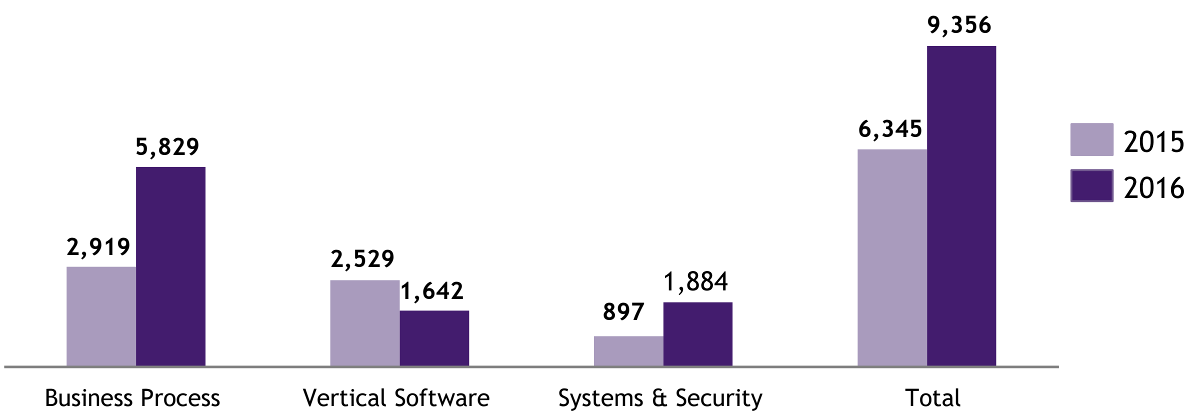
OVERALL VALUE OF REPORTED TRANSACTIONS GREW BY 46% TO EUR 9.3BN

EUROPEAN M&A ACTIVITY (1/3)

M&A activity 2015/2016 by sector - # of transactions



Reported transaction volume 2015/2016 by sector in EURm

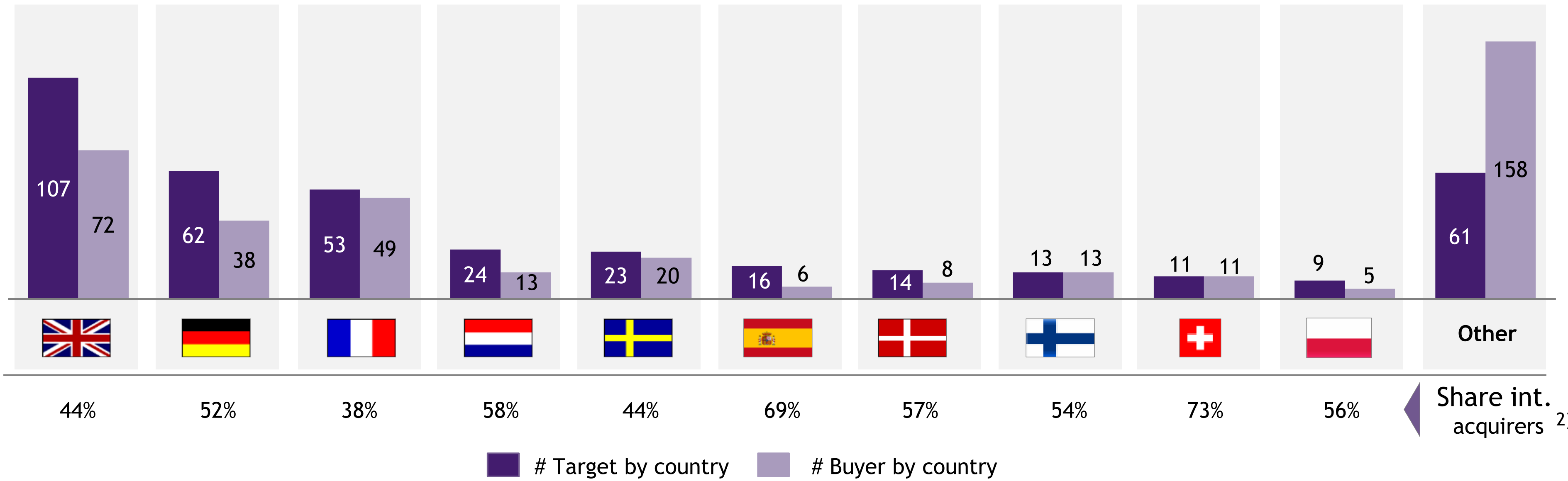


Comments

- In 2016 we recorded a total number of 393 transactions within the European Software Sector, compared to a total of 377 in 2015
- The growing number of transactions in the fields of Business Process and Systems & Security Software was slightly offset by a decrease in the field of Vertical Software Solutions
- In terms of deal volumes, 2016 has seen an increase of 47% in total reported volume, with 3 transaction valued above EUR 1bn
- The Business Process Sector especially has seen sizeable transactions, with the 2 largest transactions accounting for approx. EUR 5bn
- It has to be noted, that only officially reported deal values are taken into account and reported deal values are largely driven by the disclosure of large transactions

WITH MORE THAN 50% OF ALL TRANSACTIONS, UK, GERMANY, AND FRANCE REMAIN THE MOST IMPORTANT SOFTWARE M&A MARKETS IN EUROPE

EUROPEAN M&A ACTIVITY (2/3) - TOP 10 EUROPEAN DEAL DISTRIBUTION 2016[1]



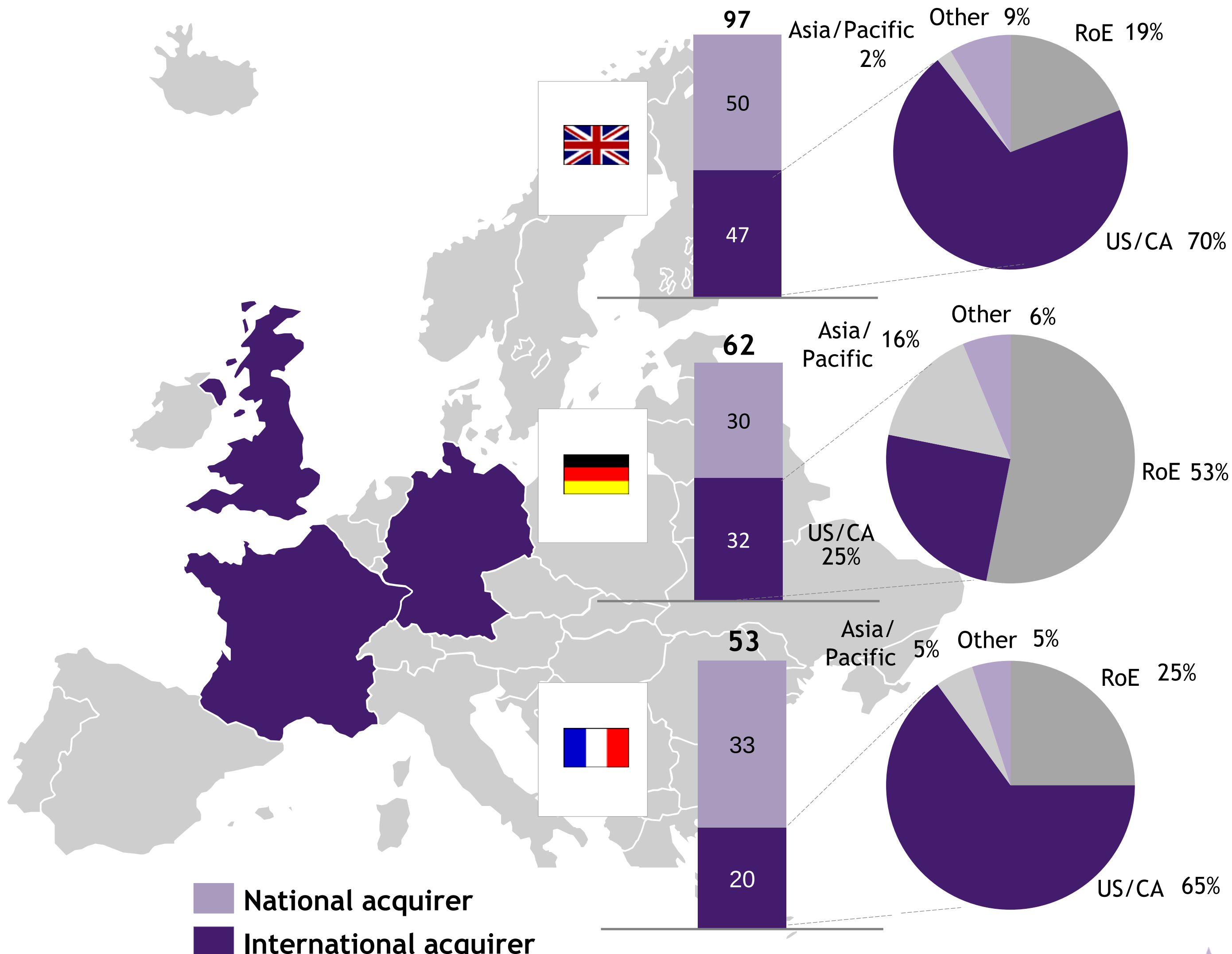
- The UK, Germany and France still dominate in terms of European M&A activity, accounting for approx. 56% of all European Software M&A deals, but countries like the Netherlands and Sweden are catching up
- The Nordics (Sweden, Denmark, Norway and Finland) accounted for 57 transactions and therefore became the strongest region after the UK and the GSA region with a total of 107 and 79 transactions, respectively. Within the Nordics, Sweden remains the strongest country with 23 transactions

1) Ranked by # of transaction with target in respective country
2) Buyers include European, non-European, and undisclosed

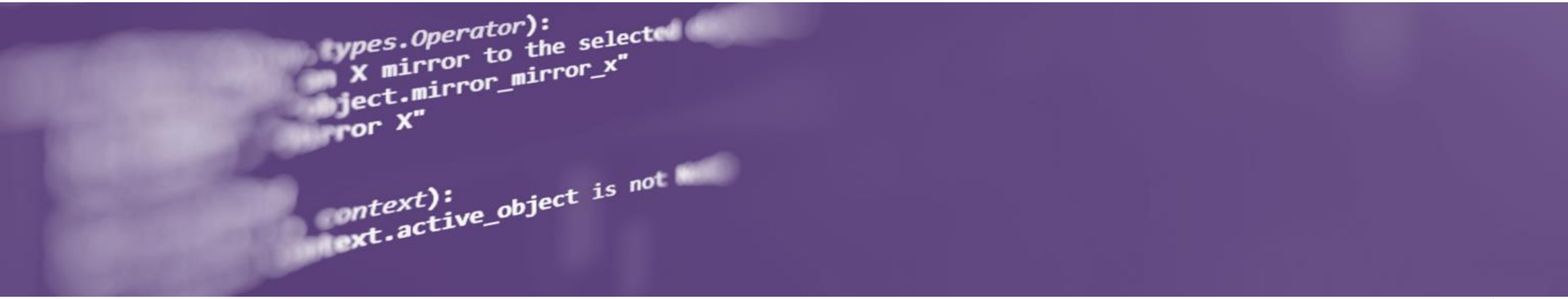
US BUYERS INVEST HEAVILY IN THE UK AND FRANCE, WHILE ASIAN INVESTORS ARE ON THE RISE IN GERMANY

EUROPEAN M&A ACTIVITY (3/3) - TOP 3 COUNTRIES

- Despite ongoing concerns regarding BREXIT, M&A activity in the UK remained strong, with a total of 107 transactions. The share of cross border deals slightly declined from 54% in 2015 to 44% in 2016
- With a share of 48% of transactions being cross border deals, Germany remains attractive for international buyers. The interest of Asian buyers increased significantly over the year, while investor activity from the US declined by 30% in 2016
- M&A activity in France is mainly driven by domestic buyers. With regard to cross border deals, US companies have been the largest buyers of French software companies



Top European M&A deals 2016



LARGE-CAP TRANSACTIONS ARE DRIVEN BY STRATEGIC BUYERS ENHANCING THEIR PRODUCT PORTFOLIO, AS WELL AS GLOBAL BUYOUT FUNDS

TOP EUROPEAN SOFTWARE M&A DEALS 2016 (1/2)

Date	Target	Description	Buyer/Investor	Transaction Value EUR	EV/ Sales	EV/ EBITDA	Countries
Nov 16	DEMATIC	The KION GROUP AG ("KION Group"), already one of the two largest suppliers of forklift trucks, warehouse equipment and related services, will become one of the leading global providers of intelligent intralogistics solutions by acquiring Dematic, an automation and SCM solutions provider	KION GROUP	2,885	1.8x	16.2x	
Nov 16	Fleetmatics	Verizon has been pursuing new sources of growth like mobile advertising, video streaming and the so-called Internet of Things. In acquiring Fleetmatics, Verizon will build on a small but growing presence in the commercial fleet management segment to offer services such as route and fuel optimization	verizon	2,112	7.0x	33.9x	
Oct16	AVG	In acquiring AVG, Avast is pursuing this acquisition to gain scale, technological depth and geographical breadth so that the new organization is in a position to take advantage of emerging growth opportunities in Internet Security as well as organisational efficiencies.	avast!	1,410	3.4x	11.7x	
Jun 16	AUTOFORM Forming Reality	Astorg has acquired Autoform, which was founded as a spin-off from the Swiss Federal Institute of Technology in 1995. Autoform is a leading provider of PLM software that helps carmakers to fashion sheet metal into new vehicles	Astorg Partners	650	12,9x	24,0x.	
May 16	ion	ION Trading, is an Ireland-based company engaged in providing solutions for electronic trading, position management, pricing, risk management, and downstream processing. The Carlyle Group acquired a 10% stake in ION from TA Associates Management, L.P for EUR 359m.	THE CARLYLE GROUP	359	5.9x	10.7x	

Source: Capital IQ; MergerMarket; Silverpeak Research

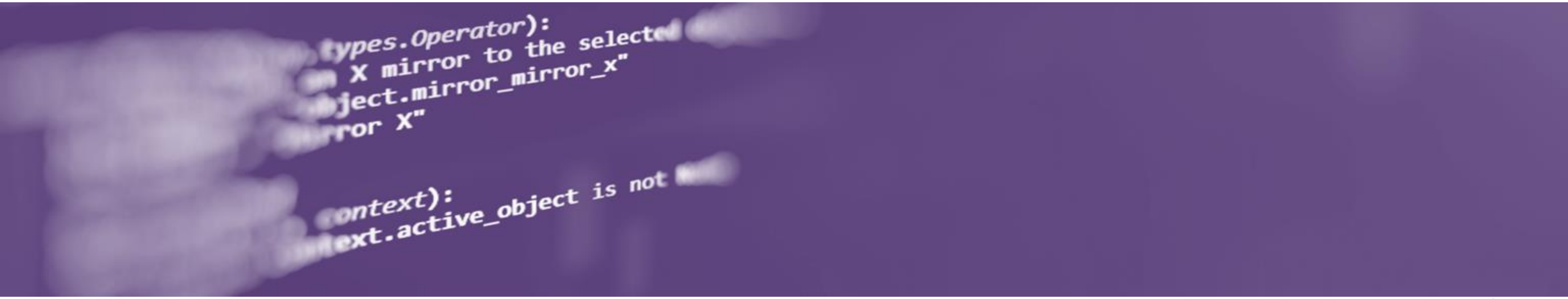
LARGE-CAP TRANSACTIONS ARE DRIVEN BY STRATEGIC BUYERS ENHANCING THEIR PRODUCT PORTFOLIO, AS WELL AS GLOBAL BUYOUT FUNDS

Top European software M&A deals 2016 (2/2)

Date	Target	Description	Buyer/Investor	Transaction Value EUR	EV/ Sales	EV/ EBITDA	Countries
Apr 16	InfoVista	Apax Partners completed the acquisition of InfoVista from private equity firm Thoma Bravo. InfoVista is a leading worldwide provider of network performance software solutions and services for communications service providers, mobile operators, IT-intensive enterprises and government organizations.	Apax Partners	300	3.1x	n.a.	France / France
Jul 16	enablon	Wolters Kluwer has acquired environment, health and safety software provider Enablon. Enablon will be able to leverage Wolters Kluwer's extensive market reach to expand its Legal & Regulatory division offerings globally. The acquisition is one of the largest European venture capital exits this year.	Wolters Kluwer	250	5.6x	n.a.	France / USA
Oct 16	CST	Dassault Systemes acquired CST-AG, the technology leader in electromagnetic and electronics simulation. With the acquisition of CST, Dassault Systemes will complement its tools for realistic multiphysics simulation, with software to assist in the development of smart and connected products, as well as IoT devices.	Dassault Systemes	220	4.7x	n.a.	Germany / France
Sep 16	IFS	After the acquisition of a majority stake in IFS in 2015, Private Equity firm EQT increased its holding to 97% in 2016. IFS is a globally recognized leader in developing and delivering enterprise software for enterprise resource planning (ERP), enterprise asset management (EAM) and enterprise service management (ESM).	EQT	170	2.7x	23.0x	Sweden / Sweden
Aug 16	ByBox	LDC has backed the EUR 124m management buyout of ByBox. The company's proprietary software, Thinventory, connects ByBox's network of smart boxes in nearly 900 locations with its hub in Coventry and nine distribution centres across the UK, providing visibility to clients.	LDC	124	1,4x	n.a.	UK / UK

Source: Capital IQ; MergerMarket; Silverpeak Research

Top 10 European VC deals



THE UK AND NORDICS REMAIN HIGHLY ACTIVE MARKETS FOR LEADING INTERNATIONAL VENTURE CAPITAL FIRMS

TOP EUROPEAN SOFTWARE PRIVATE PLACEMENTS 2016 (1/2)

Date	Target	Origin of Target	Description	Investor	Transaction Value EUR
Jul 16	DARKTRACE		Darktrace Limited, a cyber security company, offers AI-driven, behavioral security software. The company provides a linearly-scalable platform in several forms, including software-only, appliance, or as a service. Its platform monitors network, host, and mobile device activities across the enterprise through its real-time adaptive behavioral engine. The company was incorporated in 2013 and is based in Cambridge, United Kingdom.	KKR, SoftBank, indosat, Summit Partners, Ten Eleven Ventures	58.6
Nov 16	sonarsource		SonarSource SA provides applications for code quality management in various languages for companies worldwide. The company offers SonarQube, a platform to support the practice, such as a Quality Gate, leak management, governance features, a short feedback loop, and more for teams and organizations. The company was founded in 2008 and is based in Geneva, Switzerland.	Insight Venture Partners	42.4
Nov 16	neo4j		Neo Technology AB develops and sells databases. It provides an integrated storage system and network-oriented database. This is an embedded, disk-based and transactional Java persistence engine that stores data structured in networks consisting of nodes, relationships, and properties rather than in rigid tables, rows, and columns. Neo Technology AB was founded in 2007 and is based in Malmo, Sweden.	Eight Roads, Greenbridge, Creandum, Sunstone Capital	32.4
Mar 16	M-Files		M-Files Corporation develops document management software and provides cloud-based document management services. M-Files Corporation was formerly known as Motive Systems Oy. M-Files Corporation was incorporated in 1987 and is based in Tampere, Finland.	Partech International, draper esprit, Industry Investment	31.8
Jan 16	NEWVOICEMEDIA		NewVoiceMedia Limited develops and delivers cloud-based contact center solutions for customers in the United Kingdom and internationally. The company was incorporated in 1998 and is based in Basingstoke, United Kingdom with additional offices in London, New York and Dallas. In addition to that it has regional headquarters in Sydney, Australia and San Francisco.	Bessemer Venture Partners, bgf Business Growth Fund, eden ventures, TCV, salesforce ventures, Highland Capital Partners	27.6

Source: Capital IQ; PitchBook; Silverpeak Research

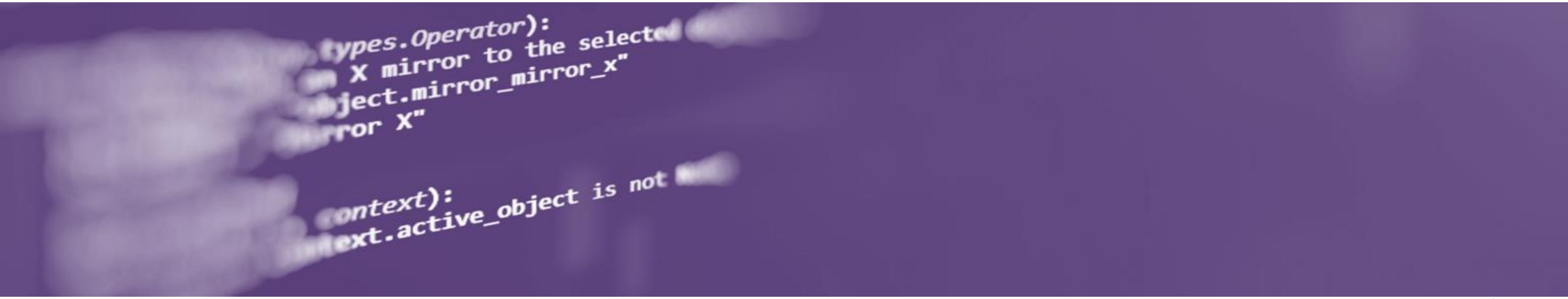
GERMAN AND FRENCH SOFTWARE COMPANIES ARE INCREASINGLY GAINING RECOGNITION FROM LEADING VENTURE CAPITAL FIRMS

TOP EUROPEAN SOFTWARE PRIVATE PLACEMENTS 2016 (2/2)

Date	Target	Origin of Target	Description	Investor	Transaction Value EUR
Sep 16	nuxeo	France	Nuxeo SAS provides an enterprise content management platform that enables architects and developers to build content-centric business applications in the cloud or on premise. Its platform can be used for building document, digital asset, and case management applications. The company was founded in 2000 and is headquartered in Paris, France.	Kennet; Goldman Sachs	26.6
Jun 16	celonis	Germany	Celonis GmbH provides enterprise-ready process mining/automated business process discovery solutions for analyzing and visualizing business processes worldwide. The company was founded in 2011 and is based in Munich, Germany with additional offices in the Netherlands and the United States.	ACCEL PARTNERS; 83NORTH	24.3
Oct 16	iThings4U	Germany	iThings4U GmbH offers a platform that provides application developers with tools to create applications and services connected to the Internet of Things. The company offers its product WunderBar to device makers and manufacturers, application developers, and software companies to enable them to create useful applications to connect smart devices by using various beacons. iThings4U GmbH is based in Berlin, Germany.	**Undisclosed**	21.0
Jul 16	DEPOSIT SOLUTIONS	Germany	Deposit Solutions GmbH develops application platforms for the real estate and financial services industry. Deposit Solutions allows European banks to gather retail deposits from across Europe onto their own home balance sheet without requiring their own retail infrastructure. The company was founded in 2011 and is based in Hamburg, Germany.	e.ventures; FIN LAB; GREYCROFT; VALAR	15.0
Oct 16	dataiku	France	DATAIKU SAS provides a software platform for data applications. It offers Data Science Studio, a software platform that aggregates all the steps and big data tools necessary to get from raw data to production ready applications. The company's Data Science Studio enables companies to build their data lab and start extracting value from their data. Its application is accessible to data scientists and business analysts. DATAIKU SAS was incorporated in 2013 and is based in Paris, France.	FIRSTMARK CAPITAL; serena CAPITAL; Alven capital	12.9

Source: Capital IQ; PitchBook; Silverpeak Research

Spotlight: 'SaaSification'



'SAASIFICATION' IS A HIGHLY ATTRACTIVE INVESTMENT CASE FOR PRIVATE EQUITY (1/2)

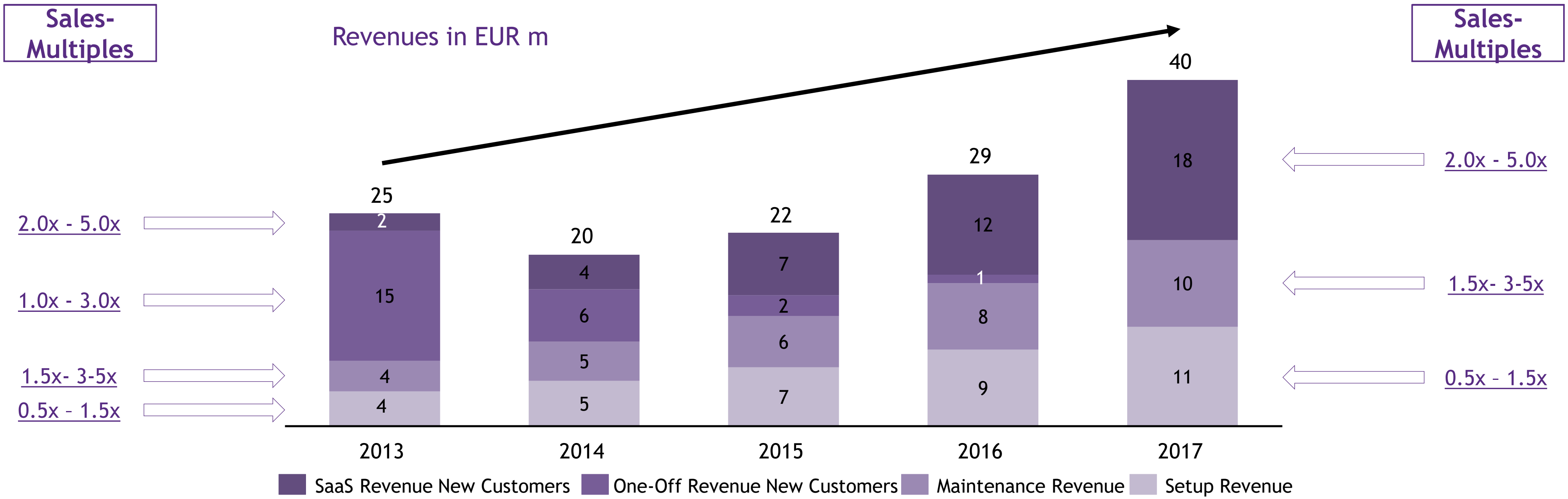
PRIVATE EQUITY POURS INTO THE EUROPEAN SOFTWARE MARKET

SaaSification

1. Changing customer needs increasingly drive companies to offer their products as cloud based solutions – a format commonly known as **'Software as a Service' (SaaS)**
2. This change requires a significant understanding of the effects of the change on the cash flow of the company in the short term, which is why most banks refuse to finance the change
3. Private equity has identified this need in the last few years and in many cases has acted as a strong entrepreneurial partner to help companies reorient their business model to more flexible, customer oriented, cloud based solutions
4. In November 2013, Dutch listed Unit4 was acquired by Advent International Corporation, a leading global private equity firm based in Boston, MA and subsequently delisted from the Dutch stock exchange
5. The transition year 2014 was used to transform the business model from one-off licenses, with supplementary maintenance revenues towards a SaaS based revenue stream
6. Before the transaction, Unit4 realized more than 80% of its revenues in license based fees, but by 2014 SaaS based revenues had overtaken license revenues
7. The advantages related to SaaS based business models are: robust and higher multiples, less friction in the sales cycles, fewer issues related to customers' IT departments, more potential revenue models (freemium, ad-supported, value-based and others) and strong growth projections in the long term
8. On average, industry experts estimate the transition phase to be around 2-4 years, depending on the size of the company and customer needs

'SAASIFICATION' IS A HIGHLY ATTRACTIVE INVESTMENT CASE FOR PRIVATE EQUITY - ANONYMOUS CASE STUDY (2/2)

REORIENTATION OF THE REVENUE MODEL TO SAAS LEADS TO SIGNIFICANTLY HIGHER VALUATION



Value 2013:
∑ EUR 27-75 m

Exemplified Valuation Range

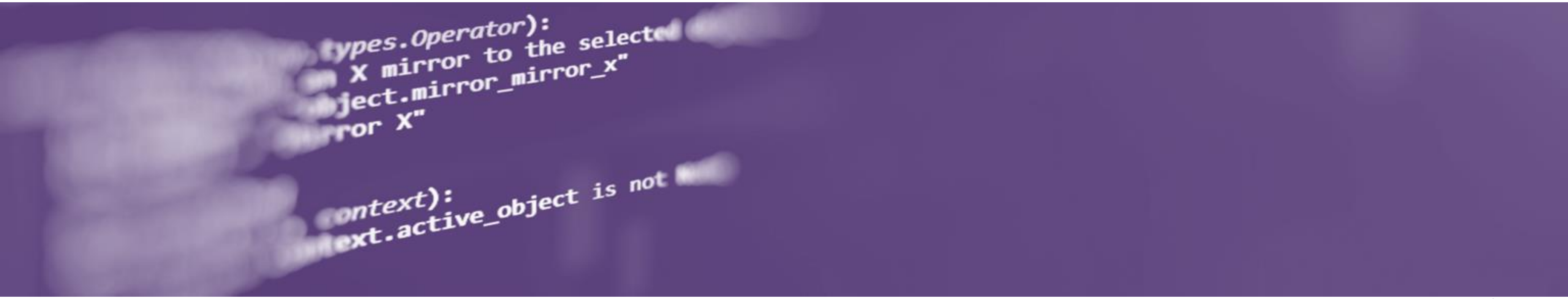
Value 2017:
∑ EUR 56 - 140 m

1. SaaS revenues – transaction/license/average shopping basket based – are valued higher by the market, because they represent continuous streams of income and stable cash flow
2. As the transition period might be accompanied by short-term decreases in revenue, banks often refuse to finance these one-off pivots
3. Besides valuation gains, software providers establish a more secure revenue stream and diversify their product offering

SILVERPEAK

LONDON | PARIS | HAMBURG | MUNICH

Investor activity

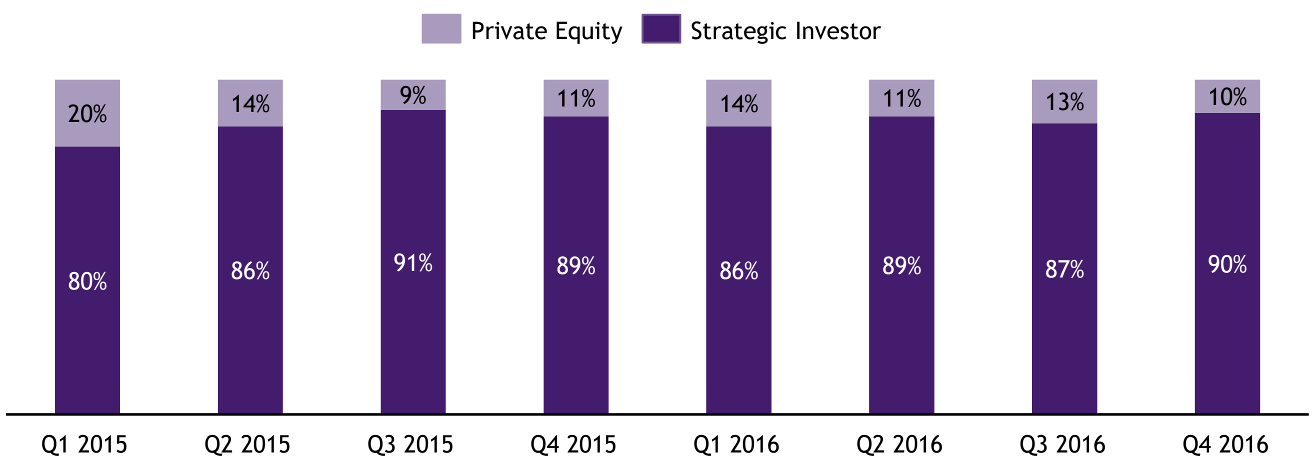


STRATEGIC INVESTORS DOMINATE THE BUYER LANDSCAPE IN THE EUROPEAN SOFTWARE MARKET

Overview of buyers of European software companies

M&A activity 2016 by buyer type

Quarterly development of M&A activity by buyer type (excl. Undisclosed investors)



Comments

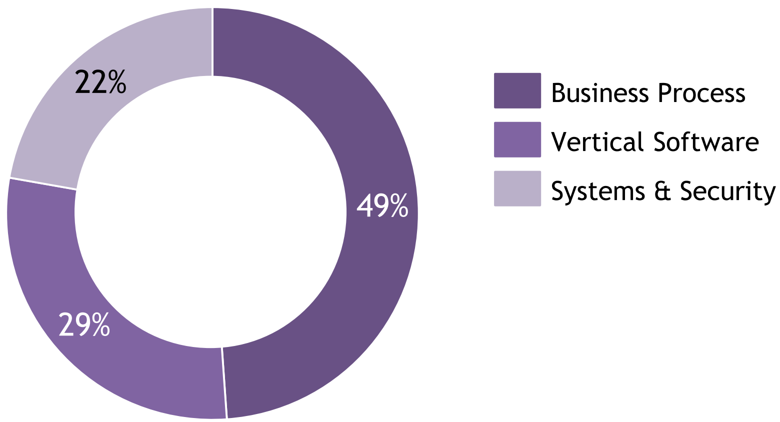
- Strategic buyers remain the major buyer group for European Software companies, accounting for approx. 83% of all transactions
- With regards to reported deal values, Private Equity investors accounted for 17% of the total reported deal volume in 2016, having fallen from approx. 50% in 2015
- A closer look at the quarterly M&A activity shows that investments from Private Equity firms have remained stable, at just over 10% of all transactions within each quarter during the last 24 months

Source: S&P Capital IQ

THE LARGEST PRIVATE EQUITY TRANSACTIONS HAVE TAKEN PLACE IN THE VERTICAL INDUSTRY SOFTWARE SECTOR

PRIVATE EQUITY ACTIVITY WITHIN THE EUROPEAN SOFTWARE SECTOR

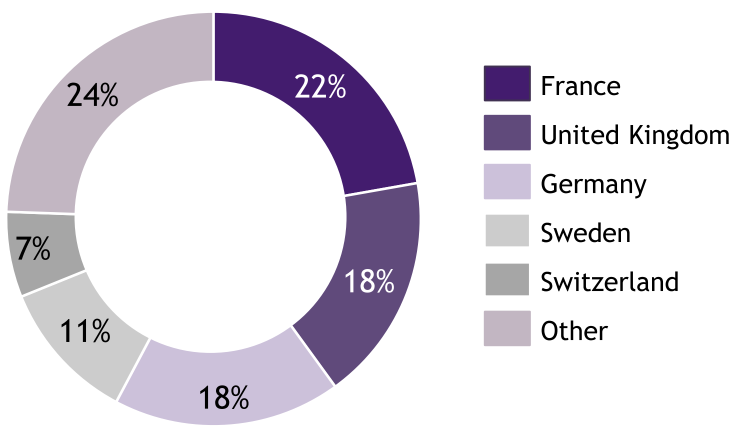
PE activity 2016 by software sector



Comments

- Business Process software remains the dominant software sector for Private Equity investors, accounting for approx. 50% of all investments
- In terms of number of targets, France, Germany and the UK accounted for more than 50% of all PE transactions in 2016
- From a deal size perspective, Astorg's EUR 650m acquisition of Autoform, a global provider of software products for the die making and sheet metal forming industry, was the most notable European PE transaction in 2016

PE activity 2016 by country of target



Top 5 PE transactions 2016

Date	Target	Software Sub-Sector	Buyer	Deal Value (EURm)	Sales Multiple
Jun 16	AutoForm Forming Reality	Automotive Industry	Astorg Partners	650	12,9x
May 16	ion	Financial Services	The Carlyle Group Global Alternative Asset Management	359	5.9x
Apr 16	InfoVista	Network Performance	Apax Partners	300	3.1x
Sep 16	IFS	ERP/CRM	EQT	170	2.7x
Aug 16	ByBox	SCM	LDC	124	1.4x

Source: S&P Capital IQ

THE TOP 10 SOFTWARE COMPANY BUYERS ARE EVENLY SPLIT BETWEEN PRIVATE EQUITY AND STRATEGIC INVESTORS

TOP 10 GLOBAL BUYERS OF APPLICATION & SYSTEMS SOFTWARE COMPANIES (WORLDWIDE)

Company	Number of Transactions	Deal Value (EURm)	Buyer Description	Origin of Buyer	Target Companies
The Carlyle Group – Global Alternative Asset Management	5	6,781	The Carlyle Group is an American multinational private equity, alternative asset management and financial services corporation, with a focus on corporate private equity, real assets and global market strategies.		TestPlant, ion, NetMotion Wireless, Veritas, WingArc 1st
Broadridge	4	58	Broadridge Financial Solutions, Inc. is a US servicing company for the financial industry. The main fields of work are in securities processing, clearing and investor communication.		M&O Systems, Anetics, Dojima, 4Sight Financial Software
EQT	3	214	EQT Partners is a Swedish private equity firm with a focus in industrials, consumer goods, technology, media and telecommunications, health care and services.		XP Solutions, sitecore, IFS
SAP	3	n.a.	SAP provides application and analytics software and software related services for enterprises worldwide		Plat.One Enterprise Grade IoT, Roambi, Fedem Technology
Vista Equity Partners	3	7,320	Vista Equity Partners is an American private equity and venture capital firm focused on software and technology-enabled businesses.		telarix, Solera, Infoblox
salesforce	3	42	salesforce.com, inc. provides enterprise cloud computing solutions, with a focus on customer relationship management to various businesses and industries worldwide.		ez·source, Sanovi, IRIS
IBM	3	n.a.	IBM manufactures and markets computer hardware, middleware and software, and offers hosting and consulting services in areas ranging from mainframe computers to nanotechnology.		Beyond Core, MetaMind, tapping stone
Synopsys	3	n.a.	Synopsys, Inc. provides electronic design automation (EDA) software products used to design and test integrated circuits worldwide.		GSS Gold Standard Simulations, simpleware, WinterLogic
total specific solutions – vertical market software	3	n.a.	Total Specific Solutions (TSS) B.V. develops vertical market software solutions for healthcare, central and local government, financial and legal service and business engineering clients in the Netherlands.		ITRIS, NCCW, VICREA
Elvaston	3	n.a.	Elvaston Capital Management GmbH is a private equity firm specializing in buyouts, industry consolidations, PIPES, and growth capital investments.		MHP Solution Group, GUS Group, HABEL

Source: S&P Capital IQ

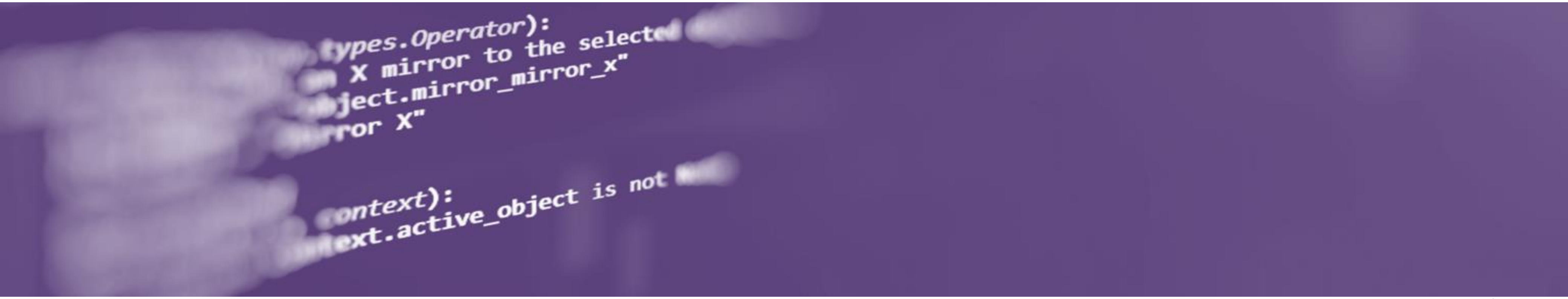
M&A ACTIVITIES OF LEADING TECHNOLOGY PLAYERS REMAINS HIGH WITH ACQUISITIONS SKEWED TOWARDS INTERNET CENTERED TARGETS

ACQUISITIONS OF LEADING SOFTWARE AND TECHNOLOGY COMPANIES

Company	Number of Transactions	Reported Deal Values (EURm)	Internet SW & Services	Application Software	Systems Software	Others	Selected Targets
Google	13	558.9	9	2	0	2	qwik, apigee, Cluster, Orbitera, Eyefluence, Circus Ponies, api.ai, urban engines, Anvato, FortyTwo
salesforce	12	3,113.4	6	1	2	3	HeyWire, Steel Brick, Beyond Core, demandware, tapping stone, Your SL, Coolan, implisit
IBM	9	2,062.8	4	2	1	2	Promontory, ez-source, Optevia, Ustream, The Weather Company, Sanovi, Resilient, Iris
Microsoft	8	226.2	4	2	1	1	Beam, Event Zero, solair, Xamarin, Wand, TeacherGaming
Cisco	6	156.3	5	0	0	1	WorkLife Solutions, Jasper, leaba, container X, Synata, 1MS 1 Mainstream
facebook	4	n.a.	1	2	0	1	FacioMetrics, Masquerade, crowdtangle, nascent
Apple	5	180.5	3	1	0	1	turi, flyby, LearnSprout, Emotient, Gliimpse
Oracle	5	7,512.2	3	1	1	0	NetSuite, Opower, Textura, crosswise, ravello systems
SAP	4	n.a.	1	3	0	0	Plat.One, Fedem Technology, altiscale, Roambi
Adobe	1	41.9	1	0	0	0	comScore

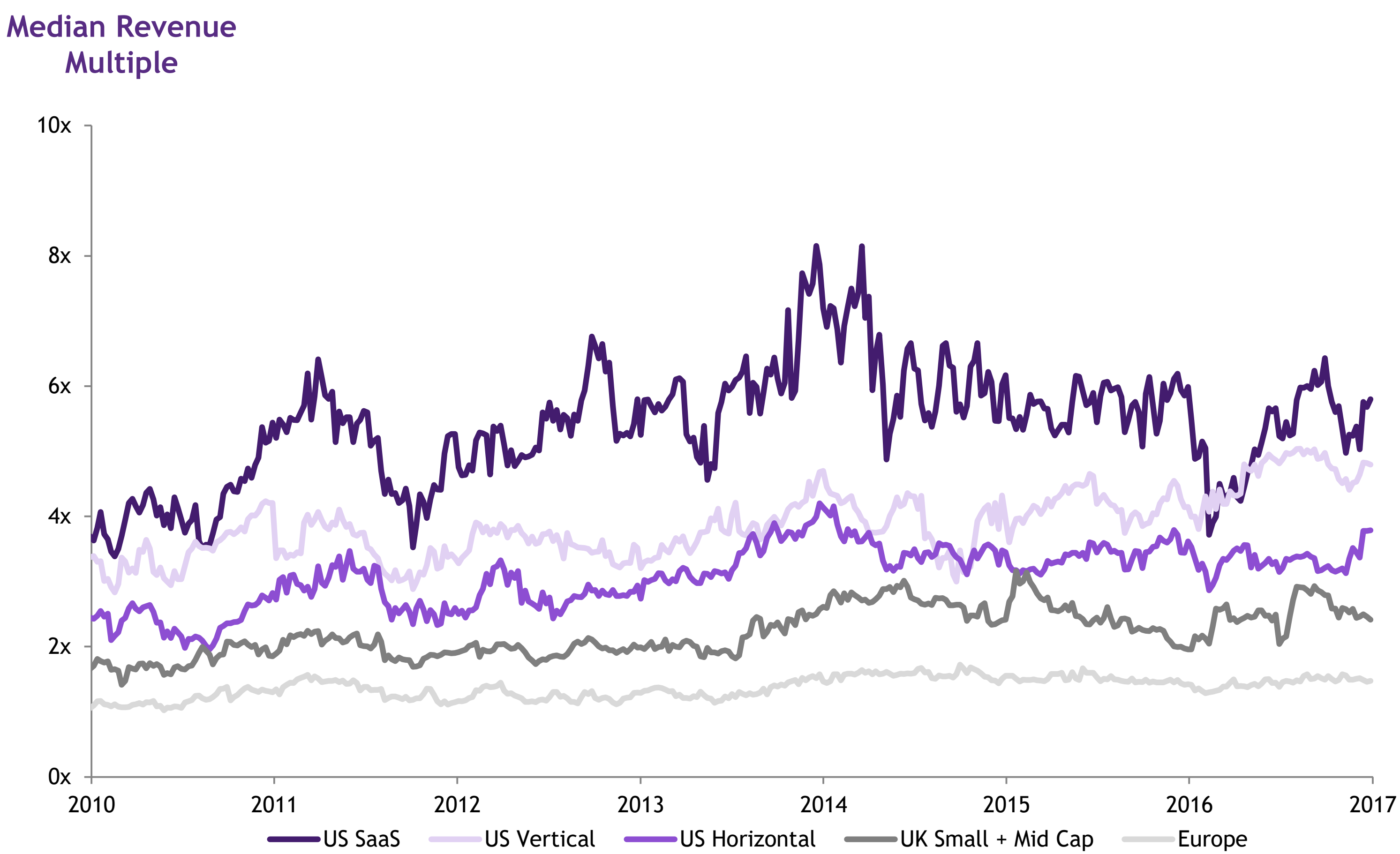
Source: S&P Capital IQ

Software industry valuations



MEDIAN SAAS COMPANY REVENUE VALUATION MULTIPLES SIGNIFICANTLY NORMALISED, NOW TRADING AT LEVEL OF US VERTICALS

VALUATION METRICS AND COMPARISONS: SAAS AND OTHER SOFTWARE DELIVERY MODELS



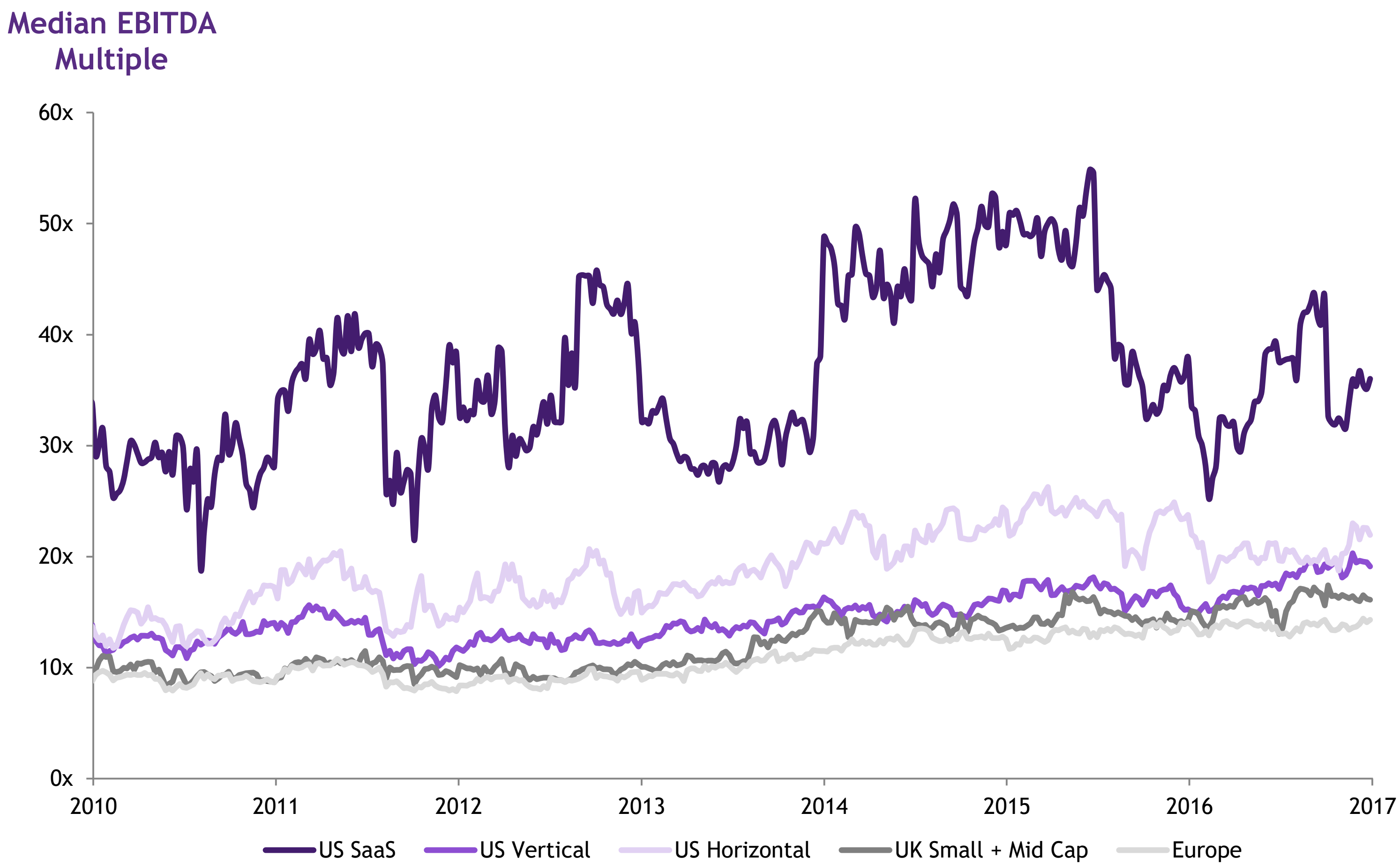
Median revenue multiples[1]:

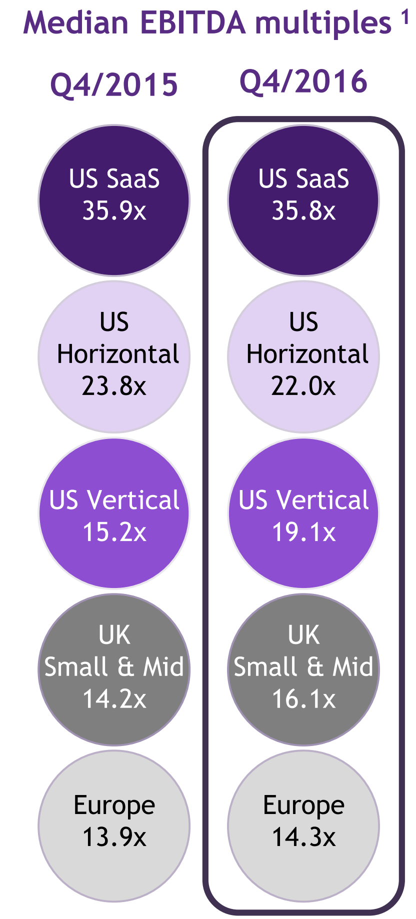
	Q4/2015	Q4/2016
US SaaS	6.0x	5.8x
US Vertical	4.2x	4.8x
US Horizontal	3.6x	3.8x
UK Small & Mid	1.9x	2.6x
Europe	1.5x	1.5x

Source: Silverpeak / S&P Capital IQ
1. Q4 as of 31st December, 2015 | CURRENT as of 31st December 2016

SAAS COMPANIES ARE RELATIVELY EARLY IN THEIR CORPORATE EVOLUTION; THEIR EBITDA VALUATION MULTIPLES ARE HIGHLY VOLATILE

VALUATION METRICS AND COMPARISONS: SAAS AND OTHER SOFTWARE DELIVERY MODELS



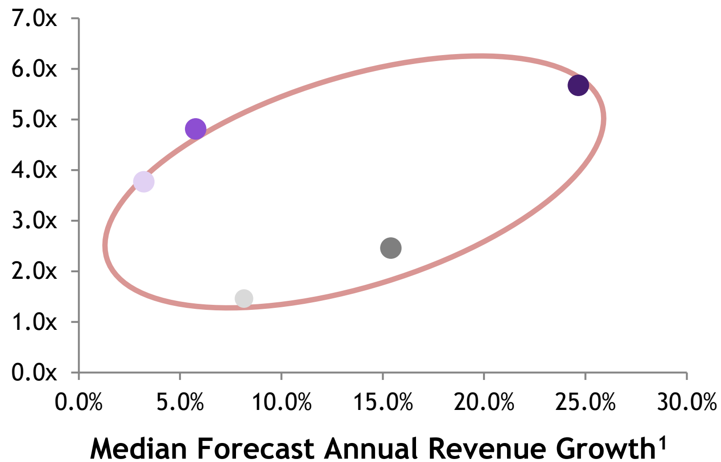


Source: Silverpeak / S&P Capital IQ
1. Q4 as of 31st December, 2015 | CURRENT as of 31st December 2016

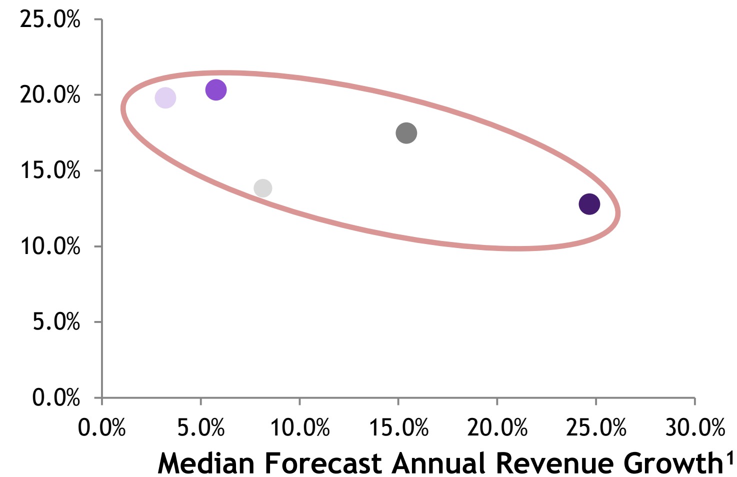
WITH HIGHER GROWTH EXPECTATIONS, SAAS COMPANIES ARE VALUED AT A PREMIUM TO THE REST OF THE MARKET

VALUATION METRICS AND COMPARISONS: SAAS AND OTHER SOFTWARE DELIVERY MODELS

Median Revenue Multiple[1]



Median EBITDA Margin[1]



● **US SaaS** ● **UK Small + Mid Cap** ● **US Horizontal** ● **US Vertical** ● **Europe**

With higher growth expectations, SaaS companies are valued at a premium to the rest of the market. Conversely, with lower growth expectations, European companies are valued at a discount

Higher growth companies are trading off short term profitability for growth

For comparison purposes, we have grouped companies into one of four categories:

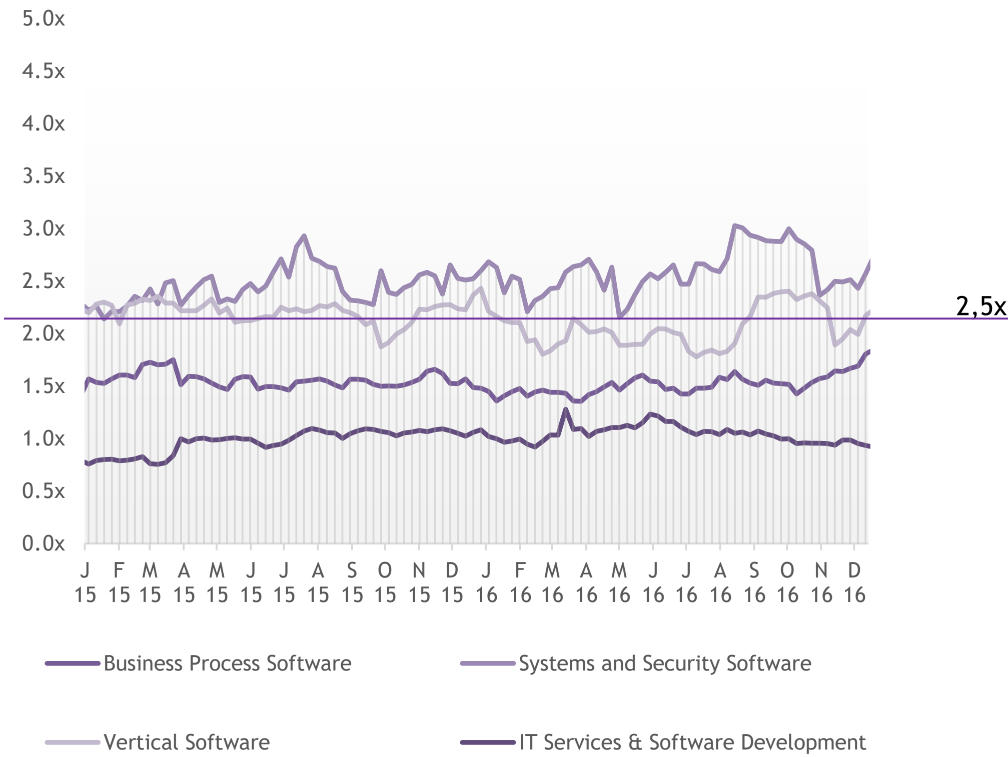
- **US SaaS:** US publicly quoted application software companies operating a pure Software as a Service model
- **US Vertical:** US publicly quoted application software companies with a strong focus on one (or a small number of) vertical market(s) e.g. healthcare, financial services etc.
- **US Horizontal:** US publicly quoted application software companies selling solutions across a wide range of verticals
- **UK Small + Mid:** Small and medium sized (by market capitalisation) UK publicly quoted application software companies
- **Europe:** Listed application software companies

Source: Silverpeak/S&P Capital IQ

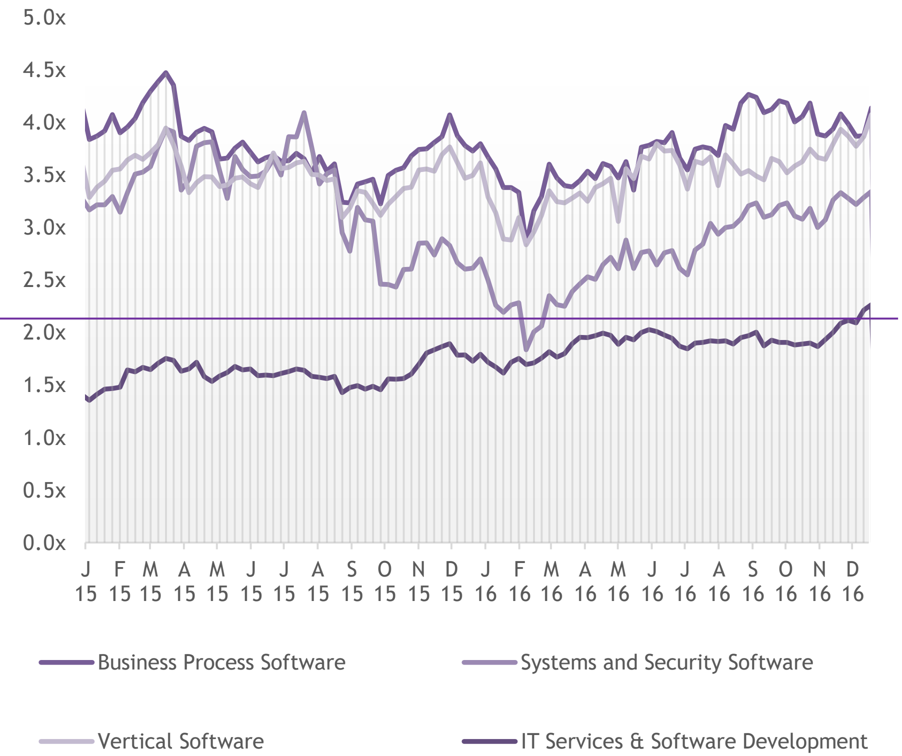
IN EUROPE, SYSTEMS AND SECURITY SOFTWARE COMMAND THE HIGHEST VALUATIONS – US MARKETS ARE MORE VOLATILE

SALES MULTIPLES FOR LISTED COMPANIES – LAST TWO YEARS

Europe



USA & Canada



Year end 2016 (Europe)

- Business Process: 1,8x
- Systems & Security: 2,7x
- Vertical Software: 2,2x
- IT Services: 0,9x

Year end 2016 (USA & Canada)

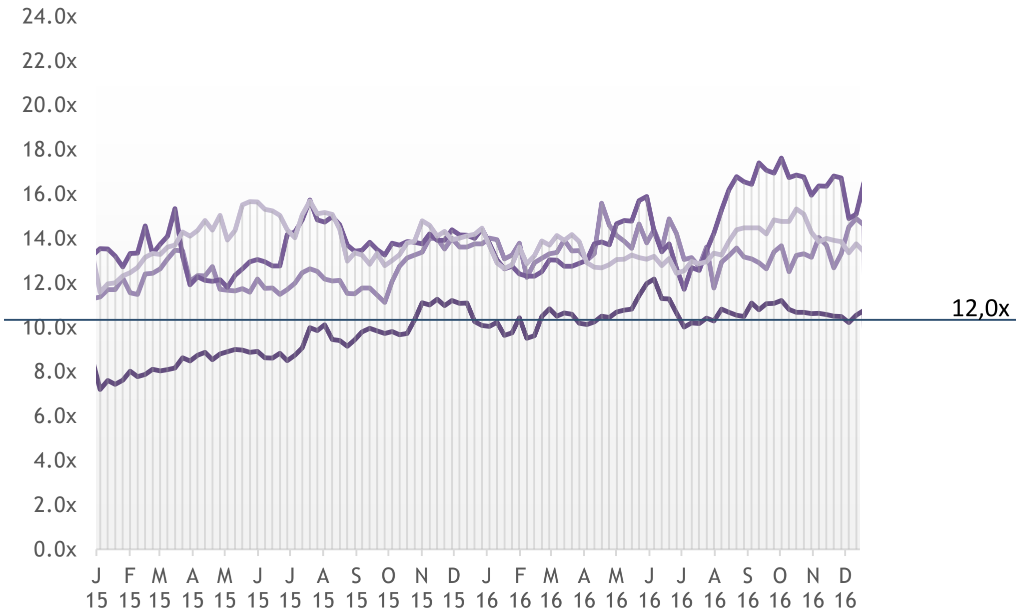
- Business Process: 4,1x
- Systems & Security: 3,3x
- Vertical Software: 4,1x
- IT Services: 2,3x

Source: Silverpeak/S&P Capital IQ

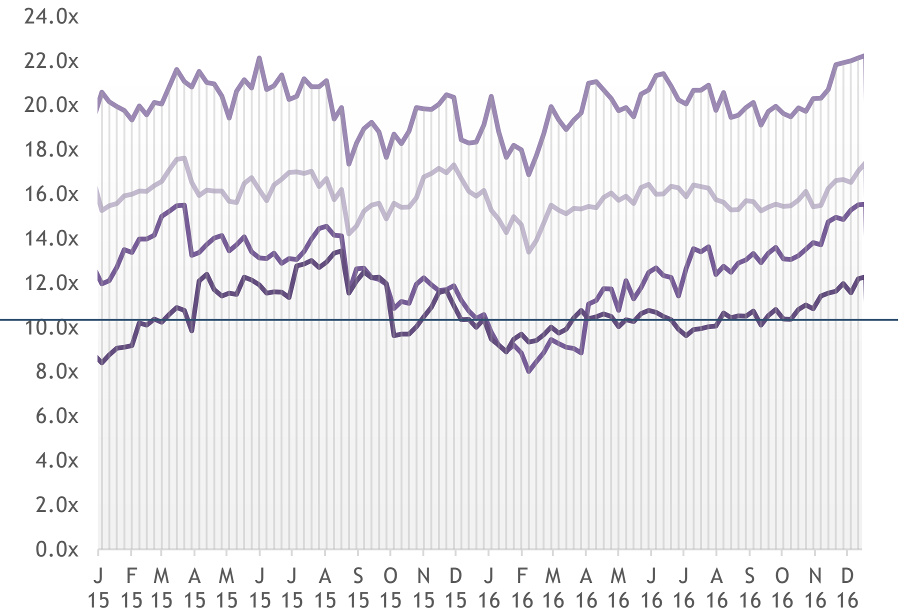
DOUBLE DIGIT EBITDA MULTIPLES EXIST OVER ALL SUBSECTORS, WITH US BUSINESS PROCESS SOFTWARE COMPANIES LEADING THE PACK

EBITDA MULTIPLES FOR LISTED COMPANIES– LAST TWO YEARS

Europe



USA & Canada



Year end 2016 (Europe)

Business Process: 14,6x	Systems & Security: 16,5x
Vertical Software: 13,4x	IT Services: 10,8x

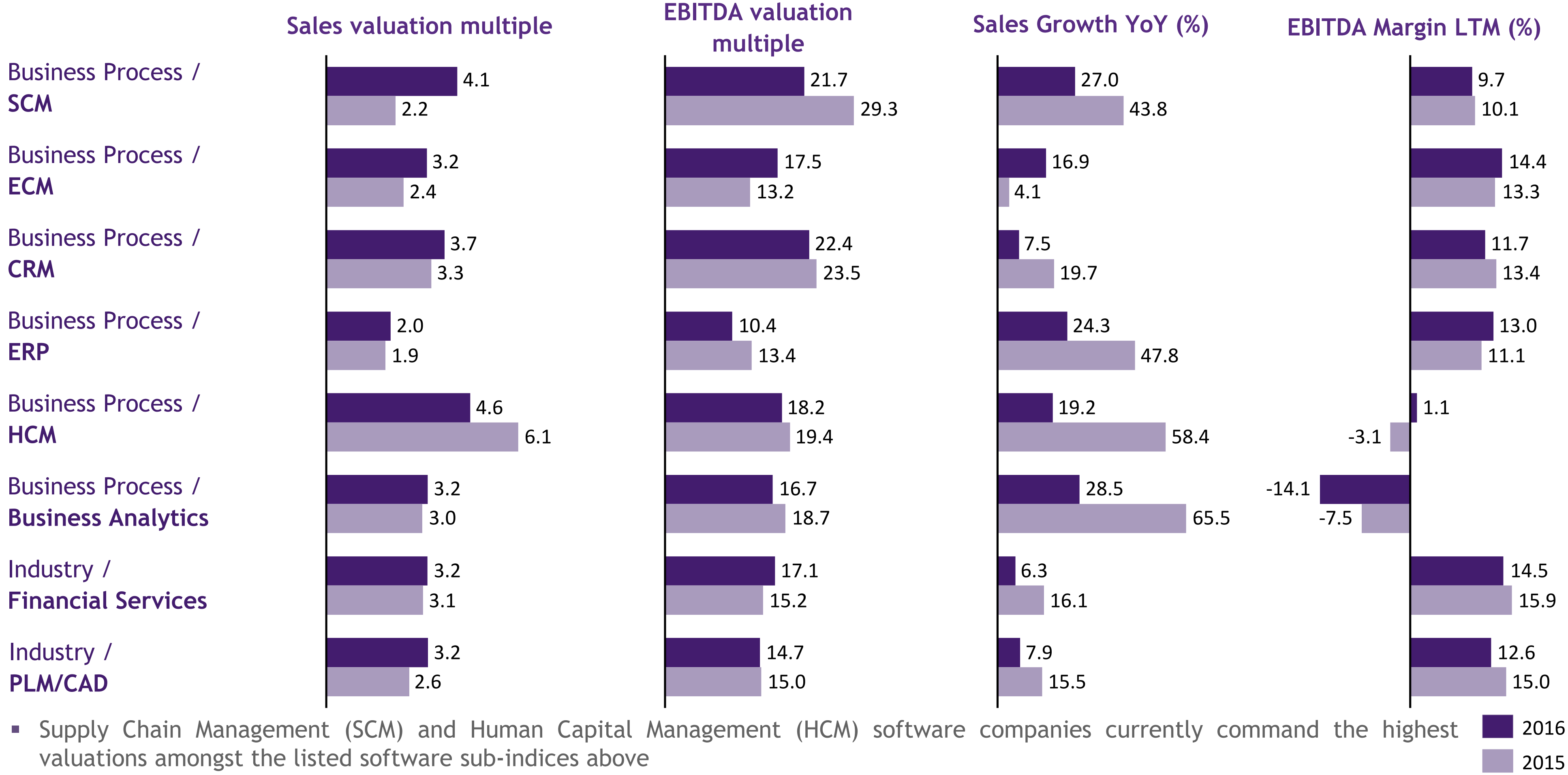
Year end 2016 (USA & Canada)

Business Process: 22,2x	Systems & Security: 15,5x
Vertical Software: 17,4x	IT Services: 12,3x

Source: Silverpeak/S&P Capital IQ

SECTORS WITH HIGH GROWTH EXPERIENCE HIGH VALUATIONS, DESPITE LOW/NEGATIVE MARGINS (HCM, BUSINESS ANALYTICS)

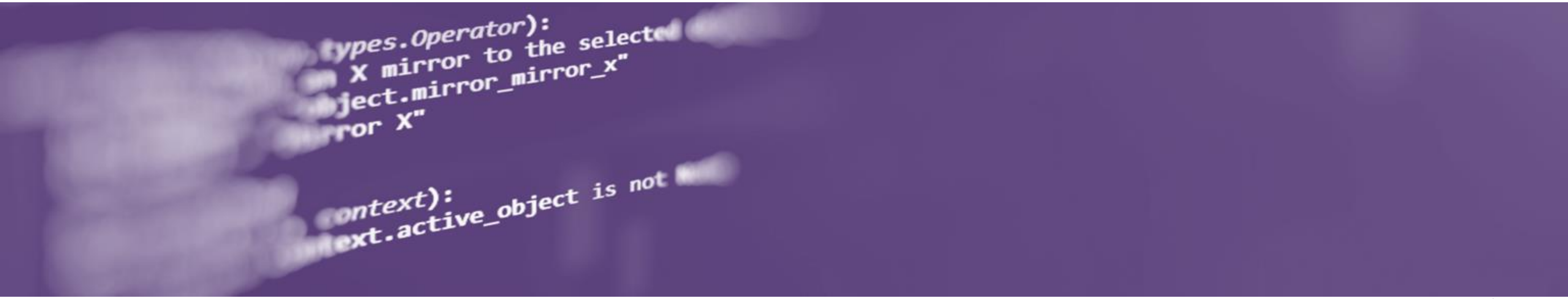
GLOBAL SOFTWARE SUB-SEGMENTS



- Supply Chain Management (SCM) and Human Capital Management (HCM) software companies currently command the highest valuations amongst the listed software sub-indices above
- However, despite high valuations, HCM and Business Analytics Software companies have seen a strong decrease in YoY growth and Business Analytics especially has seen a strong decline in profitability

Source: Silverpeak / S&P Capital IQ / Data as of 31st of December of respective year

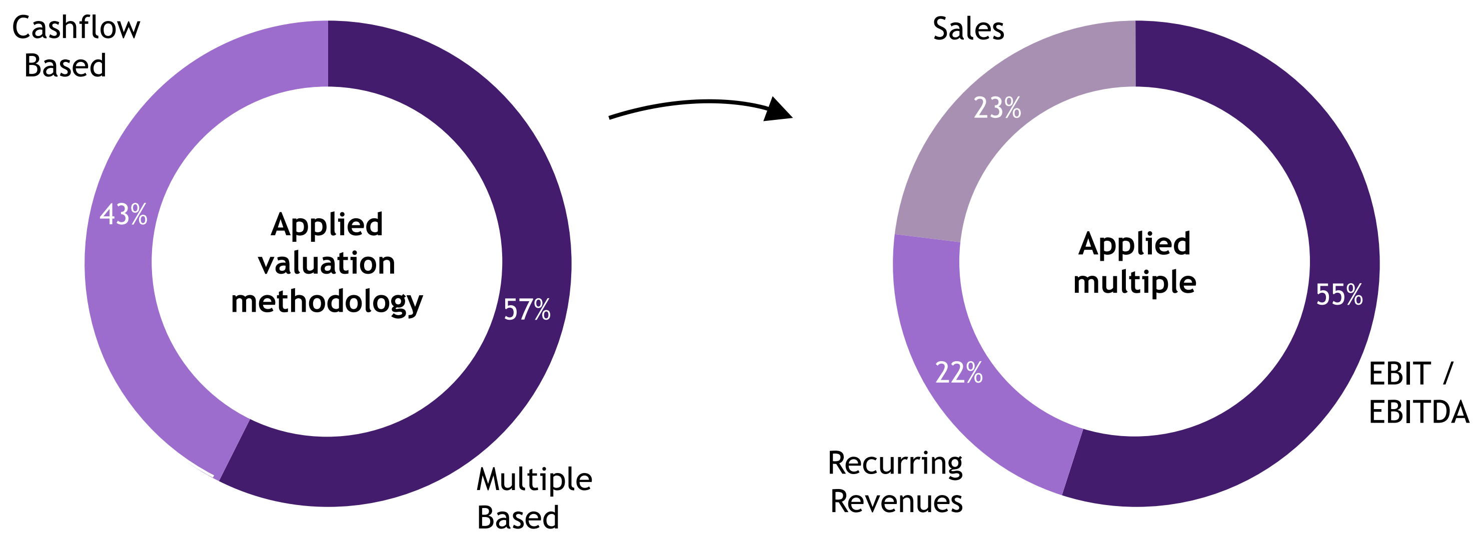
Valuation poll results



SILVERPEAK

APPLIED VALUATION TECHNIQUES OF LEADING GERMAN SOFTWARE COMPANIES

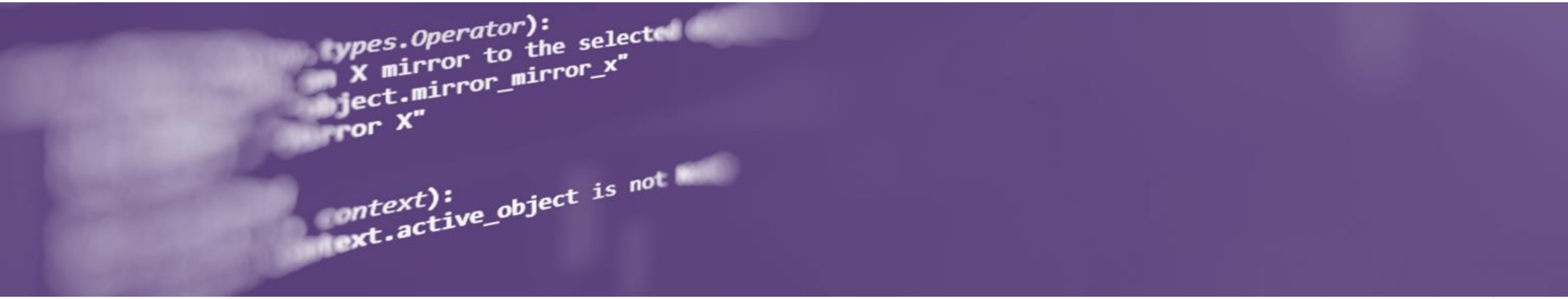
Silverpeak survey regarding the primary valuation techniques applied by large cap German software companies



- Multiple-based valuation techniques are the most common methodology for strategic investors
- Multiple valuations are predominantly based on the achieved EBIT or EBITDA
- In light of the ongoing shift towards SaaS driven business models, valuations based on multiples of recurring revenues (esp. SaaS) have been established as an alternative approach to value software companies

Source: CatCap survey of Top 20 software companies in Germany by revenues

About Silverpeak / Globalscope partnership



SILVERPEAK ADVISES INNOVATIVE, FAST-GROWING TECHNOLOGY COMPANIES ON M&A AND FINANCING TRANSACTIONS

SNAPSHOT

- *9 partners with close to 150 years of experience in tech investment banking*
- *300+ deals and assignments completed*
- *45+ strong team*
- *Regulated by the Financial Conduct Authority*
- *Sponsor of Go4Venture's Monthly Bulletin*

Blue-chip investment banking service to emerging growth companies, their investors & buyers

Global reach: offices in London, Hamburg, Munich, Paris

Where we are different:

- Technology sector specialist
- M&A + larger financings
- Truly international DNA and global relationships
- Seniority of partners

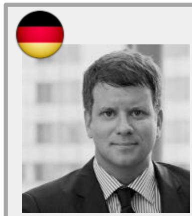
THE SILVERPEAK SENIOR TEAM

Our team has experience at globally recognised investment banks, advising on over 150 deals

Jean-Michel Deligny
Managing Partner
- UBS
- Broadview
- MBA (Essec, Paris)

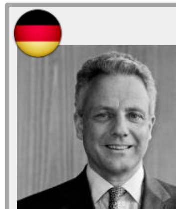
Paddy MccGwire
Managing Partner
- Cobalt
- 3i
- Worksmart

Pietro Strada
Managing Partner
- Broadview
- Bain & Co.
- MBA (INSEAD)



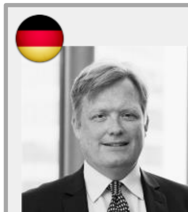
Mark Miller
Associate Partner
- CatCap
- Bertelsmann AG
- Deutsche Bank

Michael Moritz
Associate Partner
- CatCap
- Treuhandanstalt
- Doeternbach & Co

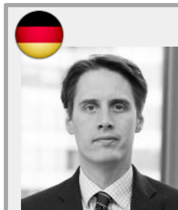


Caspar Stauffenberg
Associate Partner
- CatCap
- Medizin-Technologie
- ResMed

Manfred Drax
Associate Partner
- CatCap
- Dornier Medizintechnik
- WaveLight AG



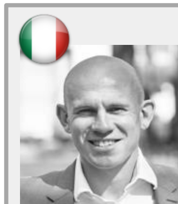
Daniel Dies
Associate Partner
- CatCap
- MCF Corporate Finance
- Conergy AG



Daniel Garlipp
Associate Partner
- CatCap
- KPMG
- Roland Berger Strategy

David Bell
Director
- Goldman Sachs
- Evercore
- Linklaters

Alexandre de Gandt
Director
- Duff & Phelps
- KPMG
- MBA (INSEAD)



Matteo Pozzi
Director
- STAR Capital Partners
- Goldman Sachs
- MEng (Turin)

OUR PRESENCE IN THE TECHNOLOGY SECTOR

SILVERPEAK HAS DEEP SECTOR KNOWLEDGE AND EXTENSIVE EXECUTION EXPERIENCE IN TECHNOLOGY

INTERNET & DIGITAL MEDIA	ENTERPRISE SOFTWARE	ENABLING TECHNOLOGIES	BUSINESS SERVICES	HEALTHTECH

SUB-SECTOR SPECIFIC EXPERTISE

INTERNET & DIGITAL MEDIA
- eCommerce
- Marketplaces
- Digital Entertainment
- Internet Infrastructure
- Adtech

ENTERPRISE SOFTWARE
- Fintech
- ERP / CRM / HRM
- Security
- Databases & Content Management

ENABLING TECHNOLOGIES
- Semiconductors
- Networking software and hardware
- Electronics
- Materials

BUSINESS SERVICES
- IT Services
- Telecom Services
- Data Centre Services
- Outsourcing

HEALTHTECH
- Medical Devices
- M-Health
- Genomics
- Diagnostics / Imaging
- Digital Health

RECENT TRANSACTION EXPERIENCE

INTERNET & DIGITAL MEDIA
- Magic Pony Technology has been acquired by twitter — June 2016
- adQuota has been acquired by Opera Mediaworks — October 2015
- seatwave has been acquired by Live Nation / ticketmaster — November 2014
- Brandtone $19m Series C — Unilever Ventures Limited, Verlinvest, syngenta — January 2014

ENTERPRISE SOFTWARE
- hetras has been acquired by Shiji — August 2016
- ACT has been sold to Fujitsu — August 2015
- digitata has acquired control of Rorotika — July 2015
- artesian $8m Series B — Kreos Capital, octopus — May 2015

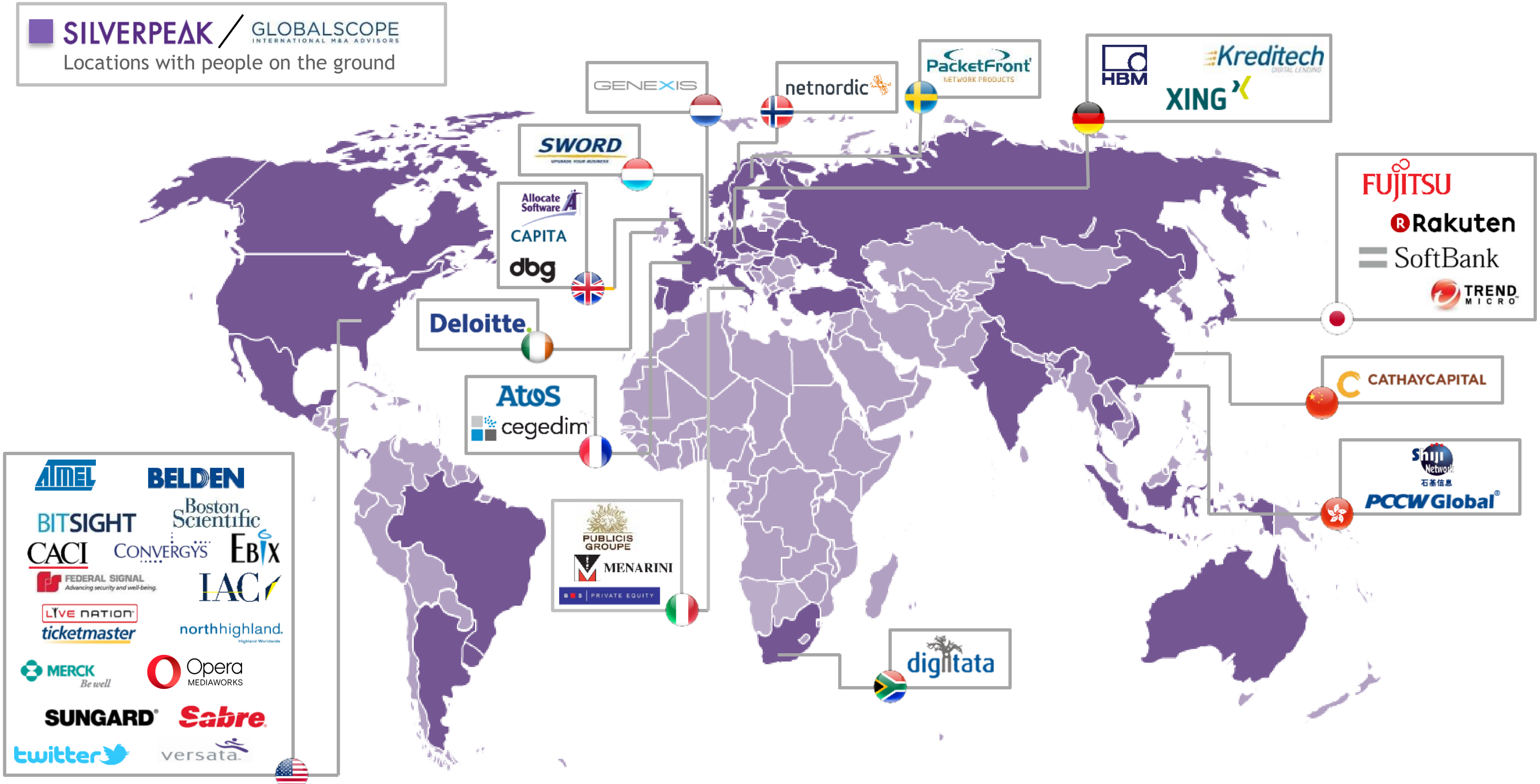
ENABLING TECHNOLOGIES
- m2fx has been acquired by Belden — January 2016
- nTwine, voxdever has been acquired by PCCW Global — June 2015
- FiberSensing has been acquired by HBM — October 2014
- Kalray $8m Series C — cea investissement — February 2014

BUSINESS SERVICES
- system dynamics has been acquired by Deloitte. — July 2015
- tomorrow communications has been acquired by CACI — February 2012
- oevo has been acquired by Siti — January 2012
- qedis has been acquired by northhighland — February 2009

HEALTHTECH
- Activus has been acquired by cegedim — July 2015
- silicon biosystems has been acquired by Menarini — September 2013
- EryDel €15m Series B — Genextra — July 2013
- Amplitude $42m Growth Equity and Recapitalisation — Cathay Capital — January 2012

PROVEN ABILITY TO REACH A GLOBAL AUDIENCE OF STRATEGIC BUYERS

Worldwide reach both directly and through our international partner network Globalscope



RECENTLY COMPLETED MANDATES (SELECTED 1/2)

Germany / US

MyHammer

Operates Internet portals for tradesman and service search

has been sold to

HomeAdvisor

an IAC company

OCTOBER 2016

Germany / China

.hetras

SaaS hotel management software

has been sold to

Shiji Network 石基信息

AUGUST 2016

Germany / US

[buw]

Customer care services

has been sold to

Convergys

€120,000,000

JULY 2016

UK / US

MAGIC PONY TECHNOLOGY

Machine learning for video processing

has been sold to

twitter

Advisor to Octopus
$150,000,000

JUNE 2016

Germany / US

airpas aviation ag

Cost management and route profitability software for airlines

has been sold to

Sabre

APRIL 2016

France / France

KALRAY

Fabless semiconductors (manycore processors)

€5m: Jan-16 MBDA MISSILE SYSTEMS

€7.2m: Feb-14 ACE MANAGEMENT, cea investissement, EurékaP!

JANUARY 2016

UK / US

m2fx miniflex

Optical fiber protection solutions for FTTx and industrial applications

has been sold to

BELDEN

JANUARY 2016

Denmark / US & Norway

adQuota mobile advertising

Mobile advertising network and supply side platform (SSP)

has been sold to

Opera MEDIAWORKS

OCTOBER 2015

UK / Japan

ACT

Electronic ticketing software for transit, tourism and loyalty schemes

has been sold to

FUJITSU

AUGUST 2015

UK / France

ACTIVUS

Health and personal protection insurance software

has been acquired by

cegedim

JULY 2015

RECENTLY COMPLETED MANDATES (SELECTED 2/2)

Estonia & UK / Japan

Fits.me

Virtual fitting rooms for clothing e-commerce websites

has been acquired by

Rakuten

JULY 2015

UK / UK

artesian

Workflow software for B2B sales persons

Venture debt and equity financing

Kreos Capital

octopus ventures

$8,000,000

JUNE 2015

France / Germany

AKOM360 MULTI CHANNEL MARKETING

Offers marketing services

has been sold to

Starcom MediaVest Group / PUBLICIS GROUPE

FEBRUARY 2015

Germany / Germany

JOBBÖRSE·COM BEFLÜGEL DEINE KARRIERE

Operates a job search engine in German speaking countries

has been sold to

XING

JANUARY 2015

UK / US

seatwave your ticket to a great time

Online marketplace: secondary ticketing platform

has been acquired by

LIVE NATION ticketmaster

NOVEMBER 2014

Germany / Germany

immosolve

Designs and develops CRM software

has been sold to

immonet.de Wir sind Immobilien / axel springer

JUNE 2014

US & France / Finland & France

commerce guys

Open source e-commerce software

Series-B Financing

isai

Hi Inov Dentressangle Initiatives

Open Ocean

Alven capital

$7,300,000

JUNE 2014

Netherlands / UK

ticketscript sell more

Cloud-based event ticketing and management software

Growth Equity Financing

FPE CAPITAL

$11,800,000

MAY 2014

Germany / US

starmedtec

Development of laser systems for medical applications

has been sold to

Boston Scientific

FEBRUARY 2014

Ireland / UK, Switzerland & Belgium

Brandtone

Mobile engagement for consumer-facing companies

Growth Equity Financing

Unilever Ventures Limited

verlinvest

syngenta

$19,000,000

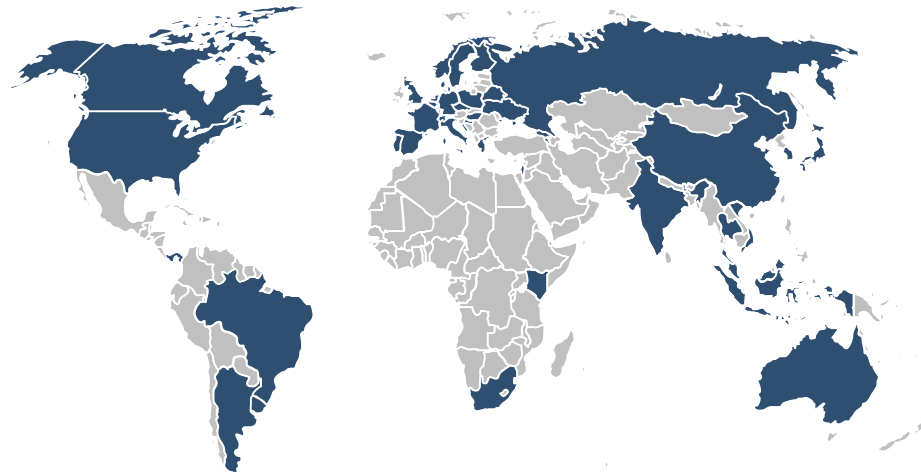
JANUARY 2014

SILVERPEAK IS ACTIVE INTENATIONALLY VIA THE GLOBALSCOPE PARTNERSHIP

INTERNATIONAL MEMBERS WORK TOGETHER ON CROSS-BORDER TRANSACTIONS

- Globalscope is an international network of international mid market M&A boutiques lead by entrepreneurs
- Globalscope was founded in 1987 and has today 51 members from 41 countries on all 5 continents with more than 500 advisors
- 175 transactions (LTM)
- Globalscope has a very high level of sector expertise in the following sectors:

Building & Construction • Business Services • Chemicals
Consumer • Energy & Renewables • Engineering / Industrials
Financial Services & Insurance • Food & Agribusiness
Healthcare / Pharmaceuticals / Medtech / Life Siences
Leisure & Retail • Oil & Gas • Real Estate
Technology Media & Telcoms (TMT) • Transport
Logistics & Distribution



GLOBALSCOPE
INTERNATIONAL M&A ADVISORS

Our Vision

Globalscope is a professional, effective and quick-reacting M&A network. Globalscope increases cross-border transaction volumes and values for their members. We are active in any country with a demand for cross-border transactions.

Global Partnerships

SILVERPEAK

LONDON | PARIS | HAMBURG | MUNICH

Thank you.

Silverpeak LLP

23 Hanover Square
London W1S 1JB
United Kingdom
www.silverpeakib.com