

SOFTWARE & TECHNOLOGY M&A PULSE

FIRST QUARTER 2021



Q1'21

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PMCF Technology Coverage Team

ABOUT PMCF

P&M Corporate Finance ("PMCF"), a U.S. registered broker/dealer, is an investment bank focused exclusively on middle market transactions with professionals in Chicago, Detroit, Denver, and across the globe through Corporate Finance International partners. Offering a depth of advisory services, PMCF helps clients worldwide meet their sale, acquisition, financing, and strategic growth objectives. Additional information on PMCF can be found by visiting our website, pmcf.com.

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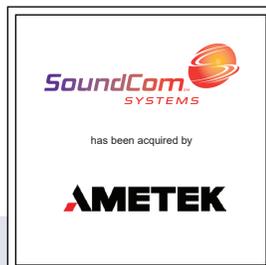


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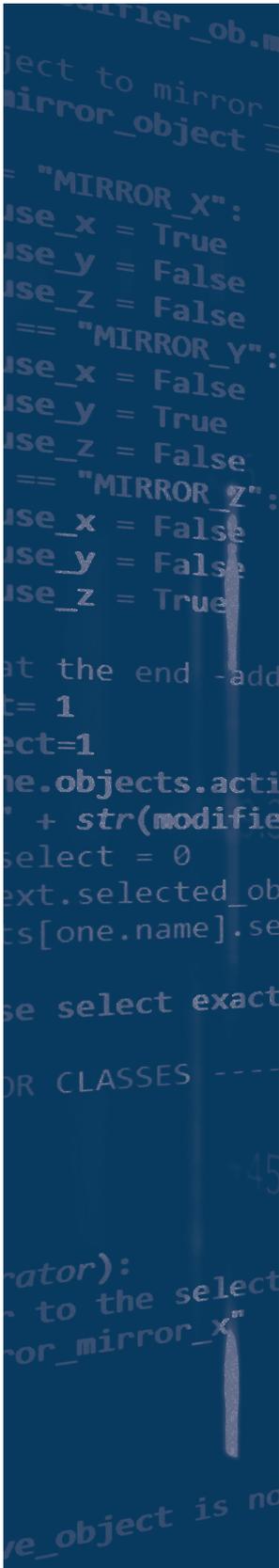


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SELECT PMCF TECHNOLOGY TRANSACTIONS



What We're Discussing with Clients



POTENTIAL TAX REGIME CHANGE

With the Executive and Legislative party control shift to the Democrats in Congress, there is increasing probability that tax policy changes may negatively impact the M&A markets. While not enacted today, President Biden's proposed tax plan could raise the corporate tax rate from 21% to 28%, which would likely make M&A deals more expensive. Biden also voices support for an increase in capital gains taxes, which could impact M&A activity. The consensus suggests these changes will occur in 2022. The capital gains tax hike could be retroactive to the "date of announcement," making it more difficult for investors to prepare.

SUPPLY CHAIN AUTOMATION

COVID-19 halted and disrupted supply chains globally. Companies are turning to big data, cloud computing, Internet-of-Things, and blockchain to build robust supply chain management systems. Simultaneous with this trend is the rising need for automated systems, automated vendor verification solutions, drones, and integrated sensors to replace monotonous tasks and drive greater monitoring efficiencies.

SEMICONDUCTOR SHORTAGE

Global lockdowns, factory closures, order cancellations, and restricted transportation hampered semiconductor production and shipping in 2020, causing bottlenecks in the supply chain throughout tech, automotive, and healthcare end-markets. Semiconductor manufacturers responded by ramping up production where possible to keep up with increased demand. Still, with chips taking more than three months to produce, capacity remains constrained, continuing the congestion and delays globally. According to Gartner, Inc., a leading research and advisory company, the worldwide semiconductor shortage will persist through 2021 and expects to recover by the second quarter of 2022.

SUPPLY IMBALANCE OF ACQUISITION TARGETS

While there remains a supply imbalance of companies in the market, prime companies garner more attention than less desirable opportunities. Companies with minimal economic impacts from COVID-19, consistent revenue and/or EBITDA growth, strong management teams, diversified end-markets and customer bases, large total addressable markets, and well-justified projections better position themselves to receive a premium when entering the M&A market. Multiples will likely expand in 2021 as the competition for prime targets puts added pressure on buyers when bidding on targets. According to a survey conducted by S&P 451 Research, nearly four in ten firms surveyed expect Private Equity firms to pay higher valuations in the next 12 months, compared to 28% anticipating a drop.

Q1 2021 Market Summary & Outlook

M&A MARKET DYNAMICS – SOFTWARE & TECHNOLOGY

- Software and Technology M&A spending continued its unprecedented rebound as global tech M&A activity registered its highest aggregate deal value, rising 6.7% from the prior quarter to \$303B with 871 deals announced in the first quarter 2021.
- Financial Services, Real Estate, Education, and Healthcare were the most active verticals for Software M&A activity during the first three months of 2021
- Financial buyers are making the most from receding risk and uncertainty levels as distress levels in capital markets continue to subside by acquiring tech targets at a pace that puts them on track to match record deal-making witnessed in 2020.

GLOBAL SOFTWARE & TECHNOLOGY M&A VOLUME

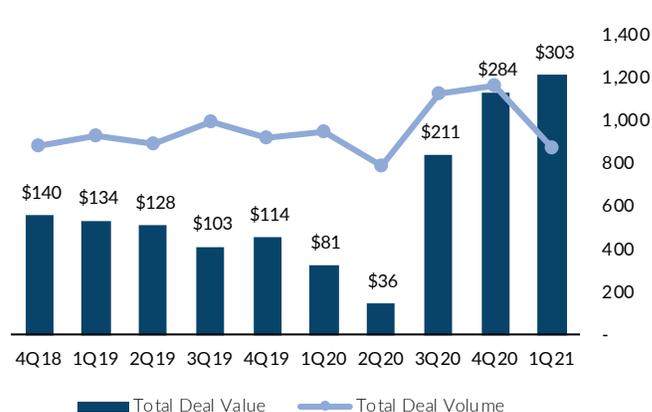
(\$ in Billions)



Source: 451 Research

GLOBAL SOFTWARE & TECHNOLOGY M&A VOLUME

(\$ in Billions)



Source: 451 Research

SECTOR SPOTLIGHT: WORKPLACE PRODUCTIVITY

A lesson learned from the COVID-19 pandemic is the effectiveness and ability to work remotely. As companies prepare to partially or fully return to offices, they face many unknowns; however, data startups emerged to tackle that uncertainty.

Startups developing workplace management tools have been scaling their offerings to prepare for the hyper-managed office of the future. Employee data is being collected directly from mobile apps that survey their health, allow them to manage desk and room reservations, and help companies limit capacity. Startups also collect real-time data from badge swipes and in-office sensors that give a detailed view of how space is used over time.

The expansion of data will let companies manage space in previously unthinkable ways and help reduce their real estate footprint.

TECHNOLOGY COMPANY SPOTLIGHT: VergeSense



Ownership: Founders and a group of angle/venture funds and growth investors
 Headquarters: San Francisco, CA
 Operations: Global

Business Description:

- Developer of a workplace analytics platform designed to offer utilization solutions to tackle facility management. The company's platform specializes in detecting events and objects through its machine-learning module, facilitates data collection, space-planning, people counting, measuring rooms and desk utilization rates, enabling companies to operate their buildings more efficiently and recognize human movement flow.
- Currently optimizes 40 million square feet of office space in 29 different countries

Macroeconomic Trends & Signals

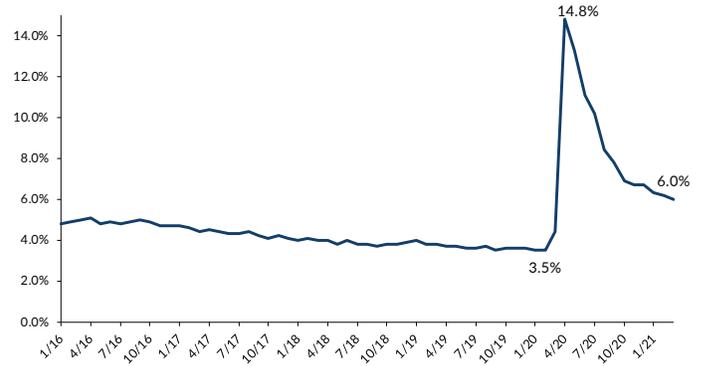
CONSUMER CONFIDENCE INDEX (CCI)



Source: Federal Reserve of St. Louis

The CCI plunged in 2020 as the Coronavirus shut down economic activity but has rebounded since its trough in April 2020

U.S. UNEMPLOYMENT RATE



Source: Federal Reserve Bank of St. Louis

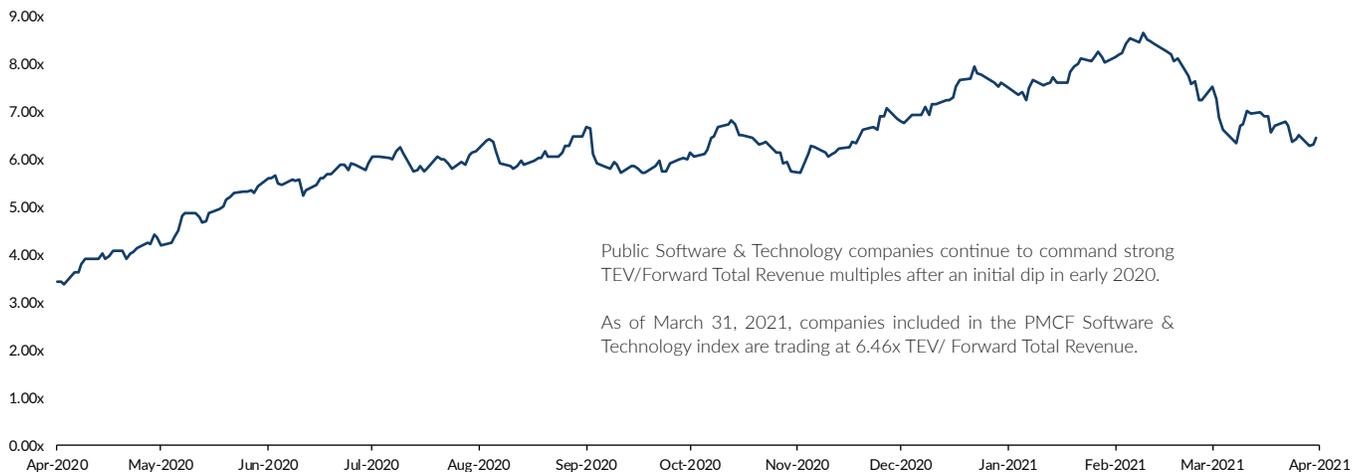
The U.S. unemployment rate peaked at 14.7% in April 2020 amid job loss driven by pandemic-related shutdowns, but has declined each month since.

PMCF SOFTWARE & TECHNOLOGY INDEX - MARKET VALUATION



Source: Capital IQ

PMCF SOFTWARE & TECHNOLOGY INDEX - TEV/FORWARD TOTAL REVENUE



Source: Capital IQ

Software & Technology M&A Activity

Strategic Acquisition

UiPath acquires
Cloud Elements

Cloud elements, a Denver based developer of an API integration platform intended to integrate and manage digital products and applications, was acquired by UiPath, a developer of robotic process automation software and technology, for an undisclosed sum. The acquisition will help UiPath to deliver expanded API-Based automation capabilities. Terms of the transaction were not disclosed.

Platform Acquisition

Omnigo acquires Rhodium

Omnigo, a developer of public safety, incident and security management software, announced its acquisition of Rhodium Incident Management, a Denver based developer of cloud-based incident management software designed to enhance situational awareness in crisis. Omnigo is backed by The Riverside Company, a New York based private equity firm. This is Riverside's fifth add-on for Omnigo's platform.

Strategic Acquisition

Atlantic Pacific acquires Conformance

Atlantic Pacific Processing systems, an integrated global payments solutions provider, announced its acquisition of Conformance, a Nevada based developer of software to assess and monitor risk and compliance for small and midsize businesses. This was Atlantic Pacific's second acquisition of the quarter after it acquired Paynomix, a provider of cloud-based software focused on simplifying, digitizing and automating back-office financial processes.

Platform Acquisition

NYDIG acquires Digital Assets Data

NYDIG, an alternative asset management firm, announced its acquisition of Digital Assets Data, a Denver based developer of a crypto asset knowledge software designed to bring data, information and transparency to crypto assets. NYDIG provides custody, execution, and financing solutions to help investors, banks, and fintech companies realize the full potential of Bitcoin. Terms of the transaction were not disclosed.

Sources: Company Press Releases, CapIQ, Pitchbook

Software & Technology M&A Activity (Cont.)

Strategic Acquisition

Learning Technologies acquires getBridge

Learning Technologies Group (LTG), a provider of services and technologies for digital learning and talent management, acquired Utah based getBridge, a developer of Learning Management System. The acquisition enables LTG to provide a holistic learning and talent development offering to meet the needs of small, midsize and large enterprises. Total consideration for the transaction was \$50 million (2.4x Revenues).

Platform Acquisition

FlashParking acquires Arrive

Arrive, a developer of an online booking platform, was acquired by FlashParking, a developer of a cloud-based system designed to perfect the parking experience. FlashParking is backed by L Catterton, a Connecticut based private equity firm. This is the fifth add-on to the FlashParking platform and the second of the quarter after the acquisition of Automated Parking Technologies. Terms of both transactions were not disclosed.

Strategic Acquisition

Straker Translations acquires Lingotek

Lingotek, a Utah based developer of a cloud-based translation management software designed to offer professional linguistic services, was acquired by Straker Translations, a cloud-enabled translations services company. Total consideration for the transaction was \$10 million (1.2x Revenues).

Strategic Acquisition

Hitachi acquires GlobalLogic

In one of the largest tech transactions of the first quarter, Hitachi, a global leader in IT services, entered into an agreement to acquire GlobalLogic, a provider of full-lifecycle product development services, for \$9.5 billion (12.3x Revenues). Through the acquisition, Hitachi expects the addition of GlobalLogic's advanced digital engineering capabilities to strengthen the digital portfolio of Hitachi's advanced digital solutions and services.

Software & Technology M&A Activity

SELECT SOFTWARE & TECHNOLOGY TRANSACTIONS

\$ in Millions

Announced Date	Target	Buyer	Implied EV	EV/TTM Revenue
Mar-21	BankCard USA Merchant Services Inc.	Qusitive Technology Solutions, Inc.	\$185	6.4x
Mar-21	Redwire	Genesis Park Acquisition Corp.	675	5.2x
Mar-21	Airspan Networks	New Beginnings Acquisition Corp.	896	4.7x
Mar-21	MazikGlobal Technologies	Qusitive Technology Solutions, Inc.	23	2.2x
Mar-21	ScheduALL Software	Xytech Systems	13	1.8x
Mar-21	Municipal Accounting Systems, Inc.	Sylogist USA Inc.	30	5.1x
Mar-21	Optiva Inc.	EdgePoint Investment Group Inc.	236	3.1x
Mar-21	Dealer-FX	Snap-on Group	200	5.4x
Mar-21	2nd.MD	Accolade	460	13.1x
Mar-21	PersistIQ	Wishpond Technologies	3	2.7x
Mar-21	StarBlue Inc.	Sangoma Technologies Corporation	470	5.9x
Feb-21	Aegion	New Mountain Capital	796	2.3x
Feb-21	Future State	Accenture	45	2.3x
Feb-21	getBridge LLC	Learning Technologies Group plc	50	2.4x
Feb-21	Synacor, Inc.	Centre Lane Partners, LLC	91	1.1x
Feb-21	Reflektive	Learning Technologies Group plc	14	1.0x
Feb-21	CRA Health	Volpara Health Technologies	18	40.0x
Feb-21	BPLI Holdings Inc.	Name 3 Capital Inc.	18	0.9x
Feb-21	ShowingTime	Zillow Group	500	20.0x
Feb-21	Lingotek, Inc.	Straker Translations Limited	10	1.2x
Jan-21	PGS Inc.	Happiest Minds Technologies Limited	13	1.3x
Jan-21	Capsule Technologies, Inc.	Koninklijke Philips N.V.	635	6.4x
Jan-21	Mimic Technologies	Surgical Science Sweden	34	16.0x
Jan-21	Invigo Media	Wishpond Technologies	2	1.2x
Jan-21	1901 Group	Leidos	215	2.4x
Jan-21	3D Hubs, Inc.	Proto Labs, Inc.	344	13.7x
Jan-21	StreamYard, Inc.	Hopin Ltd.	250	8.3x
Dec-20	CarpeDatum Consulting, Inc.	Converge Technology Solutions Corp.	5	1.0x
Dec-20	RigNet, Inc.	Viasat, Inc.	222	1.5x
Dec-20	NameSilo, LLC	Roland Vos Beheer BV	30	1.2x
Dec-20	e-MDs, Inc.	CompuGROUP Holding USA, Inc.	240	2.7x
Dec-20	Telenav, Inc.	Digital Mobile Venture Ltd.	134	0.6x
Dec-20	Porch.com	PropTech Acquisition Corporation	523	9.2x
Nov-20	Carta Worldwide Inc.	Mogo Inc.	45	2.8x
Nov-20	HGS Digital LLC, USA	Hinduja Global Solutions UK limited	22	1.2x
Nov-20	Open LMS business of Blackboard Inc	Learning Technologies Group plc	32	2.0x
Oct-20	Simplus	Infosys Limited	200	3.0x
Sep-20	Incentive Technology Group, LLC	ICF Incorporated, L.L.C.	255	2.8x
Sep-20	XMedius Solutions Inc.	Open Text Corporation	73	1.8x
Aug-20	CounterPath Corporation	Alianza, Inc.	26	1.9x
Aug-20	Benchmark Systems, Inc.	CloudMD Holdings Corporation (Delaware) Inc.	5	1.0x
Jul-20	Chef, Inc.	Progress Software Corporation	220	3.1x
Jun-20	HGS Digital LLC, USA	Hinduja Global Solutions UK limited	22	1.2x
Jun-20	Retention Science Inc.	Endurance International Group Holdings, Inc.	35	4.4x
May-20	Seal Software	Docusign	188	5.9x
Apr-20	Optiva Inc.	ESW Capital, LLC	348	4.8x
Median			\$82.4	2.7x
Mean			\$192.5	5.0x

Source: Capital IQ, company websites and PMCF proprietary research

Public Equity Market Valuations

PUBLIC COMPARABLES

\$ in Millions

Company Name	Primary Industry	Market Cap.	Enterprise Value	TTM Revenue	TTM Gross Margin	TTM EBITDA Margin	Net Debt/ EBITDA	EV / TTM Revenue
Fastly, Inc.	Internet Services and Infrastructure	\$7,712	\$7,588	313	58.4%	(31.0%)	1.1x	26.1x
Nutanix, Inc.	Application Software	5,426	5,298	1,305	78.7%	(50.5%)	0.2x	4.1x
Qualys, Inc.	Systems Software	4,108	3,711	373	77.9%	28.8%	(3.7x)	10.2x
Q2 Holdings, Inc.	Application Software	5,571	5,635	427	44.3%	(10.0%)	(1.9x)	14.0x
BlackLine, Inc.	Application Software	6,291	6,180	368	79.7%	(0.7%)	32.2x	17.6x
Medallia, Inc.	Application Software	4,336	4,170	477	64.2%	(20.2%)	1.7x	8.7x
New Relic, Inc.	Application Software	3,877	3,605	668	72.8%	(20.0%)	2.2x	5.5x
Appian Corporation	Systems Software	9,399	9,235	315	72.0%	(10.9%)	5.1x	30.3x
Kinaxis Inc.	Application Software	3,158	2,959	229	67.4%	9.7%	(9.6x)	13.0x
Cloudera, Inc.	Application Software	3,546	3,456	869	78.2%	(3.6%)	2.9x	4.0x
ACI Worldwide, Inc.	Application Software	4,457	5,515	1,288	52.5%	20.1%	3.9x	4.3x
Box, Inc.	Application Software	3,670	3,725	771	70.8%	3.7%	1.9x	4.8x
SVMK Inc.	Application Software	2,643	2,715	390	78.3%	(16.6%)	(0.8x)	7.2x
Mimecast Limited	Application Software	2,589	2,576	501	75.7%	14.5%	(0.6x)	5.3x
Bandwidth Inc.	Alternative Carriers	3,168	3,361	388	45.9%	5.9%	6.8x	9.8x
Cornerstone OnDemand, Inc.	Application Software	2,837	3,948	800	69.3%	18.9%	6.9x	5.3x
LivePerson, Inc.	Application Software	3,575	3,482	396	70.5%	(1.8%)	14.0x	9.5x
SPS Commerce, Inc.	Application Software	3,534	3,371	329	67.7%	21.9%	(2.6x)	10.8x
Bottomline Technologies (de), Inc.	Application Software	2,037	2,058	460	58.1%	8.9%	0.7x	4.6x
2U, Inc.	Education Services	2,829	2,695	832	70.0%	(6.6%)	2.1x	3.5x
Pruksa Holding Public Company Limited	Real Estate Development	897	1,698	936	30.4%	13.2%	5.9x	1.8x
Workiva Inc.	Application Software	4,378	4,173	370	75.3%	(5.7%)	10.0x	11.9x
Cardlytics, Inc.	Application Software	3,483	3,378	195	34.7%	(24.2%)	9.0x	18.1x
Yext, Inc.	Application Software	1,807	1,715	355	75.6%	(24.3%)	1.1x	4.8x
PROS Holdings, Inc.	Application Software	1,880	1,819	247	58.6%	(23.7%)	(0.2x)	7.2x
Zuora, Inc.	Systems Software	1,791	1,674	305	57.2%	(18.1%)	2.1x	5.5x
Upland Software, Inc.	Application Software	1,415	1,728	298	66.2%	14.6%	8.3x	5.9x
Domo, Inc.	Application Software	1,686	1,700	210	73.0%	(33.8%)	(0.2x)	8.1x
HealthStream, Inc.	Health Care Technology	704	689	247	64.8%	14.7%	(0.8x)	2.8x
Benefitfocus, Inc.	Application Software	449	612	267	53.8%	11.7%	2.7x	2.3x
ChannelAdvisor Corporation	Application Software	700	638	152	79.2%	17.5%	(2.7x)	4.4x
Zix Corporation	Application Software	415	737	226	47.0%	17.2%	5.2x	3.4x
Brightcove Inc.	Internet Services and Infrastructure	807	779	206	62.7%	7.3%	(1.8x)	3.9x
Synchronoss Technologies, Inc.	Application Software	152	433	280	58.9%	(0.5%)	(24.2x)	1.5x
CareCloud, Inc.	Health Care Technology	120	110	113	38.7%	4.6%	(2.2x)	1.0x
Median					69.7%	(4.6%)	2.0x	7.2x
Mean					64.8%	(4.7%)	3.5x	9.5x

Market capitalizations and total enterprise values as of March 31, 2021; income statement and balance sheet data as of last period reported

(1) Multiple of EBITDA based on EBITDA inclusive of equity income from affiliates

Currency conversions assume historical rate

Source: Capital IQ



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MANUFACTURING DEAL OF THE YEAR

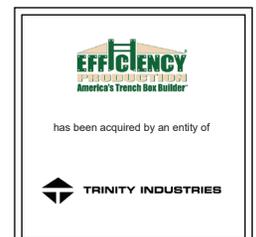


2019 M&A ADVISORS AWARD FINALIST
BOUTIQUE INVESTMENT BANK OF THE YEAR

PMCF | INVESTMENT BANKING



2017 M&A ATLAS AWARD WINNER
CORPORATE DEAL OF THE YEAR



2017 M&A ADVISORS AWARD WINNER
INDUSTRIALS DEAL OF THE YEAR



THE M&A ADVISOR INTERNATIONAL M&A AWARDS
CROSS-BORDER M&A DEAL OF THE YEAR
(\$50MM - \$100MM)

AND

CROSS-BORDER CORPORATE AND STRATEGIC
ACQUISITION DEAL OF THE YEAR
(\$10MM - \$25MM)



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