Pinsent Masons

Tech M&A in Europe

Insights • Analyses • Trends

Report 2020

CONTENTS

Tech M&A – Before, within and past the Corona Crisis

"The economic effect of the COVID-19 pandemic will differ from industry to industry"

The global Tech M&A market certainly was very lively in 2019. Notable Tech M&A transactions included Google buying Fitbit, Salesforce acquiring Tableau and ClickSoftware as well as PayPal absorbing Honey for USD 4 billion making it PayPal´s largest acquisition in its company history. Many Tech M&A market observers, commentators and players naturally thought 2020 will become a big year for Tech M&A. And the deal flow of the first months of CY 2020 supported such sentiment. This feels very long ago. Because then, then came the COVID-19 pandemic! And for a few weeks in March and April 2020 the industrialized world held its breath more or less completely, not knowing what to expect and how to deal with the many new challenges.

Once the first shock waves of this truly historic event have been digested, it will turn out that the economic effect will differ substantially from industry to industry. Software, e-industries (e-commerce, e-pay, e-learning, e-gaming or e-health) as well as data rich industries (data centres, data and cyber security, virtual conferences, data analytics and logistics) will all see a boost in activity. New approaches and actions adopted within and post the global pandemic will accelerate such markets and consequently result in more Tech M&A transactions. This will hold true for the global Tech M&A market.

This will notably hold true as well for the European Tech M&A market which is gaining more and more significance. Our study – conducted by an independent market research institute – provides insight on developments and standards in the European Tech M&A market. It also indicates differences in trends and legal environments in the various geographical Tech M&A markets in Europe. We have consolidated these differences in ten theses and asked market specialists to comment on them. We have also talked to 45 leading individuals in the Tech M&A space in France, Germany, Ireland, Spain, The Netherlands and the UK in person and by telephone. And we compared the results of these interviews with the results from our previous studies.

All in all, we very much hope that our survey has produced valuable knowledge about the Tech M&A market in Europe. We extend special thanks to those surveyed, who took the time to answer the rather extensive questionnaire with an honesty that contributes substantially to the quality of the results. Some of the significant statements made in response to the survey are quoted in this Report.

I hope that readers interested in the European Tech M&A market find this report stimulating and useful.

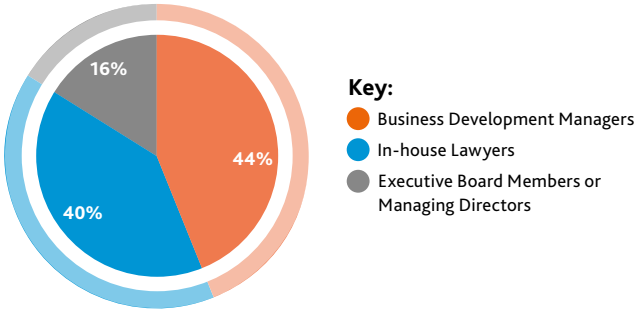
Rainer Kreifels
Partner
Head of Germany and
Member of the Board for
Pinsent Masons

The Tech M&A market will remain vibrant. Some industry segments – for examples Data Centres - will even see a boom they have never experienced before.

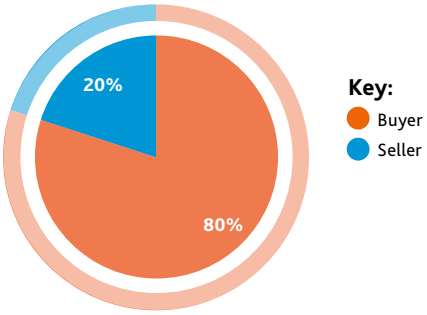
How the survey was conducted

- Interviews were conducted with leading business development managers and in-house lawyers from European technology companies who have been substantially involved in a Tech M&A deal within the past two years.
- In some cases, survey questions were passed on to members of the respective company's executive board, and the interviews were conducted with these individuals.
- The interviews were conducted by SMF Schleus Marktforschung, a research company with strong technical and methodological competence, and had an average duration of 42 minutes (the shortest interview was 26 minutes, the longest 58 minutes).
- The interviews were based on a structured questionnaire prepared by Pinsent Masons.
- The interviews were recorded and processed in accordance with provisions of data protection laws.
- The software SPSS (quantitative evaluation) was used to collect and analyse the interviews and individual questions were analysed with f4 (transcription of open-end responses) and MAXQDA (qualitative analysis).
- The analysis conducted by SMF Schleus Marktforschung included in particular univariate and bivariate analyses and coding and analysis of open-end responses. On the basis of this data, Pinsent Masons drew more extensive conclusions.

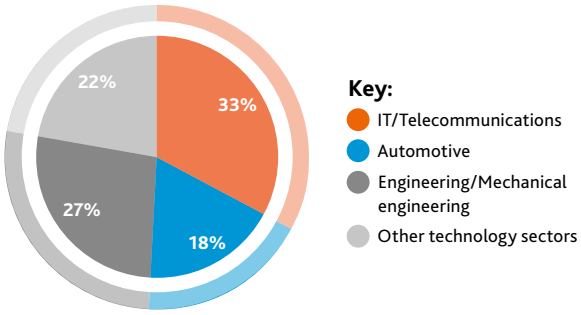
Positions of the individuals surveyed



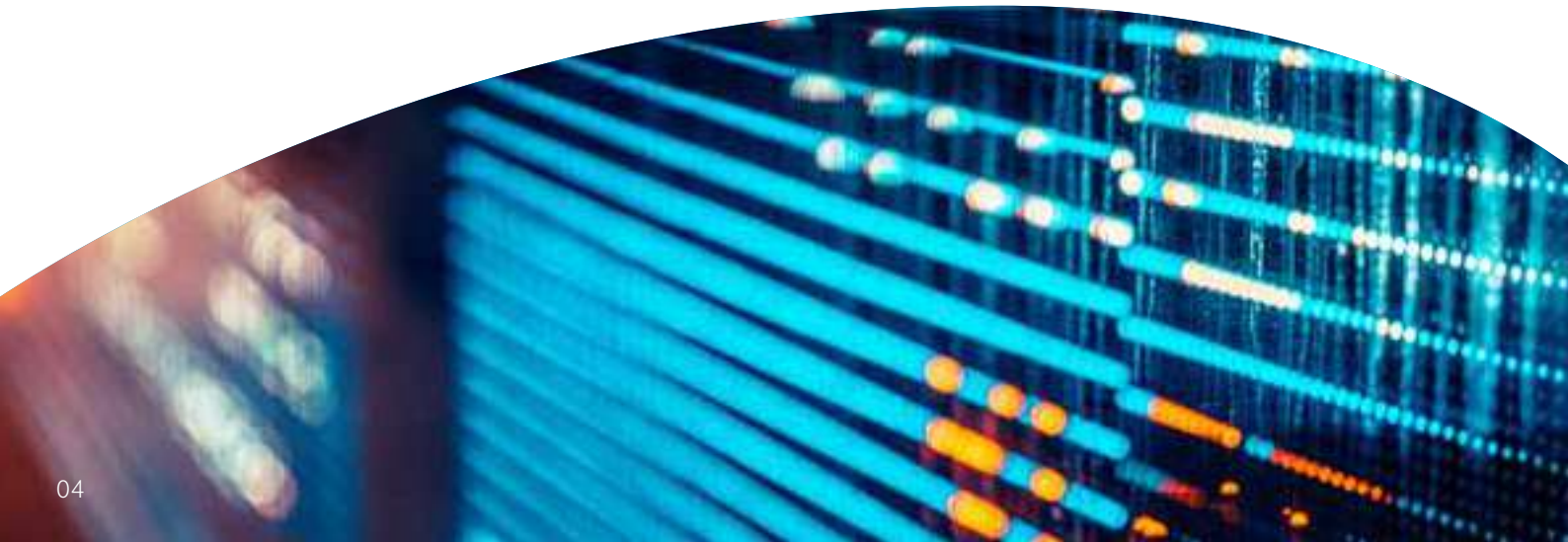
Role of the company



Sector



71% of participants stated that Tech M&A projects were either important or very important in the context of company strategy.



The ten theses and main results

One of the results of our survey was the articulation of ten theses for Tech M&A transactions in Europe. We presented these theses to market experts in those countries and asked for their comments. Read the ten theses and what our experts had to say to them:

1. The use of clean teams in due diligence is relatively frequent in French transactions, in Irish transactions rather the exception. (page 9)
2. Transactions in Spain and Germany tend to be notarised more frequently than in France and the Netherlands. (page 16)
3. Locked box clauses tend to be applied more frequently in the Netherlands and Ireland than in Germany and Spain. (page 18)
4. Maximum liability limits are more standard in Germany and Spain than in France and the Netherlands. (page 25)
5. "De minimis" clauses are particularly widespread in the Netherlands and the United Kingdom, but comparatively rare in France and Spain. (page 26)
6. "Basket" rules tend to be applied more frequently in the Netherlands and the United Kingdom than in Spain and France. (page 28)
7. Post-contractual non-compete clauses are in particular frequently agreed in the United Kingdom. (page 39)
8. In UK transactions, national courts in the United Kingdom are first choice for general disputes. (page 40)
9. In French and UK transactions, arbitration is extremely rare. (page 40)
10. Involvement of financial due diligence consultants in UK transactions is extremely rare. (page 43)

The following pages of this report will provide you with the study results in more detail.

The main results of our survey can be summarised as follows:

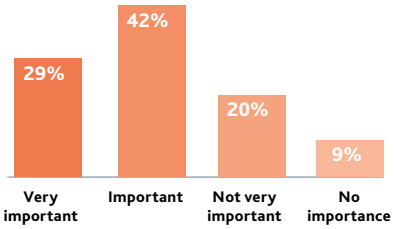
- European Tech M&A transactions follow similar legal processes and standards irrespective of their origin.
- Geographical differences in transaction mechanics and customs are a reflection of different legal environments and market conditions.
- There are some indications which currently seem to show a particularly seller-friendly Tech M&A market in Spain and some buyer-friendly tendencies in the Tech M&A markets in Germany, France and the UK.

Study results

Importance of Tech M&A projects

71% of participants stated that M&A projects were either important or very important in the context of company strategy. Consequently, Tech M&A projects will probably grow in importance rather than decline.

What is the current role of Tech M&A projects in your company's strategic planning

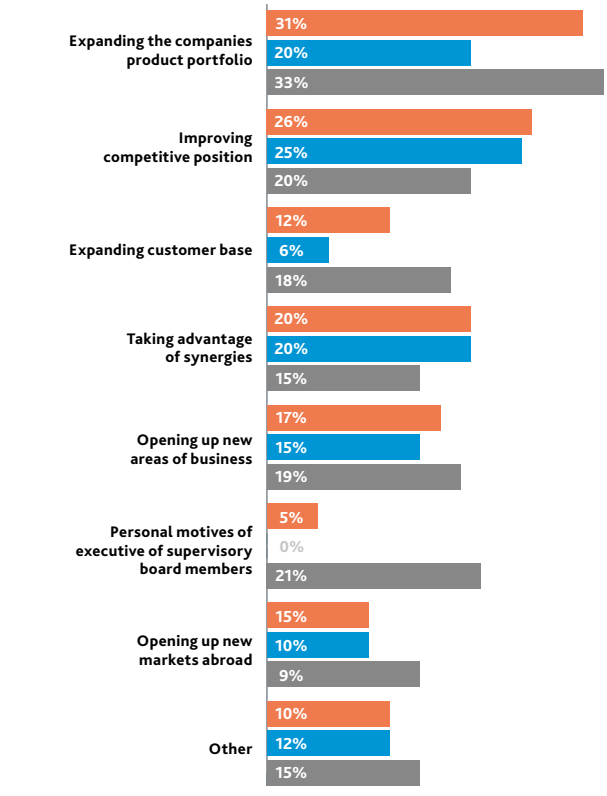


Transaction motives

As in our previous studies, the following transaction motives received high response numbers:

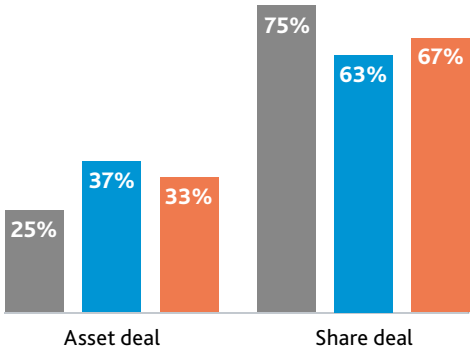
- Expanding the company's product portfolio
- Improving competitive position
- Taking advantage of synergies

Motives for Tech M&A-Deals (unprompted)

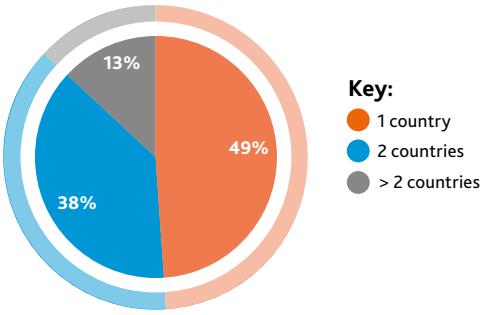


Transaction structure

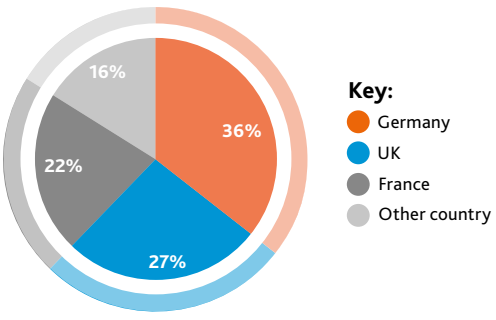
The share deal structure, that is, a transaction under which the seller sells shares in the target company (rather than assets) to the buyer, is the predominant type of structuring used in Tech M&A transactions in Europe. Most of the surveyed transactions are purely domestic with buyer and seller originating in the same country. Over a third of the surveyed transactions are cross border involving two countries. And only a little more than a tenth of the transactions are multi-national with links to more than two countries. Targets for Tech M&A seem particularly attractive in Germany, UK and France.



Countries involved in the transaction



Country of target company



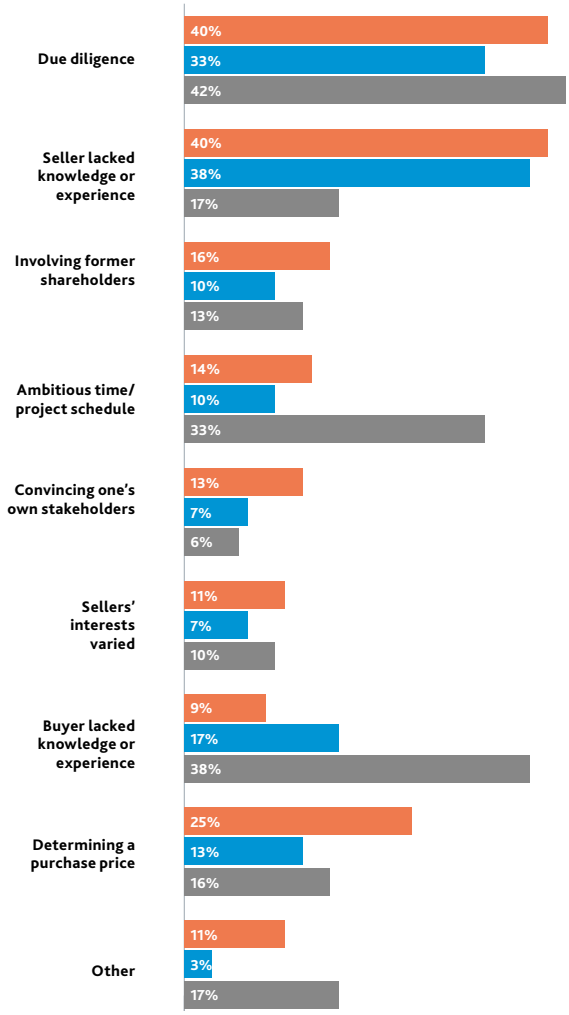
*Multiple answers possible

Transactional challenges

In our previous studies, 42% (2015) and 33% (2017) of those surveyed stated that they found due diligence to be the biggest challenge in conducting Tech M&A transactions. In this year's survey, this percentage increased slightly to 40%. It is possible that on a European level, due diligence is more challenging.

Among other challenges, the "seller lacked knowledge or experience" category is awarded quite high numbers. "Determining a purchase price" also seems difficult in a quarter of the surveyed European transactions.

Biggest challenges*



IT-due diligence conducted under enormous time pressure

I am tempted to call nearly all points you have mentioned a challenge (...). However, a particularly big challenge was that our target was operating in an extremely innovative, agile segment, which meant that the technical requirements for IT due diligence were particularly high. In addition, there was immense time pressure, which was intensified by the decision-makers not being available for interviews and important explanations during the course of the due diligence.

Head of Strategic Projects, Germany

Underestimated importance of former shareholders

An issue we had not properly addressed before was whether and how we should involve the former shareholders. It turned out that personal relations between shareholders and management (...) were more essential than expected for several key accounts. The wrong decisions would have challenged important business relationships, with the corresponding negative effects on the target company's attractiveness.

Head of Corporate Strategy/M&A, Germany

Increasing legal requirements

My first transaction is now about fifteen years ago (...). In my view, today's requirements of the entire M&A process, especially legal requirements, have changed enormously (...). For example, we only dealt with compliance issues very vaguely back in 2003 (...). Compliance issues do concern us as well as the target in particular: Which compliance standards do you have? Do they have any guidelines at all? And if so, are these being followed?

Head of Business Development, The Netherlands

Prevention of data protection violations

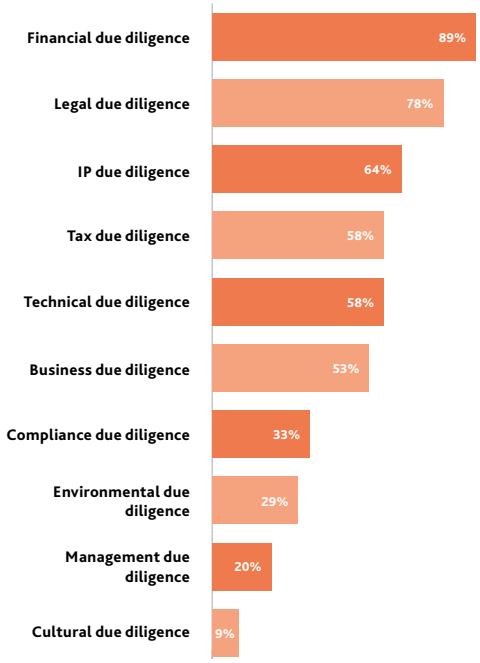
Certainly one of the biggest challenges was to make all data protection issues compliant with GDPR. For example, we have completely revised our internal policies on data transmission (...). Since we approached the transaction together with lawyers, M&A advisors etc., we clearly outlined GDPR obligations for all parties involved to ensure compliance. Considering that such a deal is not part of our day-to-day business, this was a very complex process in itself.

Head of Legal, Germany

Due diligence

There are some surprising outcomes when we look at the types of due diligence exercises conducted in the surveyed European Tech M&A transactions: IP due diligence was performed in "only" two thirds of the transactions. And "only" a third of the transactions saw a compliance due diligence. A cultural due diligence was conducted in 9% of the transactions only. In times of "MeToo" and comparable movements, this appears to be an unexpectedly low number.

Forms of the Due Diligence*

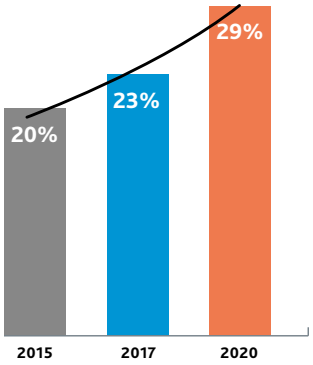


We haven't yet seen the use of clean teams in the Irish market. We do frequently see a layered approach in Ireland to due diligence with more sensitive information withheld to where there is only one bidder and then being provided in a drip drip fashion as the transaction proceeds with occasionally the most sensitive information only being provided to limited senior buyer personnel very close to signing.

Dennis Agnew, Pinsent Masons, Ireland

Clean team

The replies indicated that there was a solid number of Tech M&A transactions in which a clean team was used in due diligence. This instrument was used in a little more than every forth transaction. It can be assumed that this is more likely for large volume transactions.



Thesis 1

The use of clean teams in due diligence is relatively frequent in French transactions, in Irish transactions rather the exception.

A clean team is a group of limited persons taking part of due diligence process who can access sensitive commercial data of the target. Commercial data and pricing information are highly sensitive matters that French investors are used to protecting in each and every transaction in the context of which bidding entities can be identified as existing or potential competitors. In addition, the French Antitrust Authority (Autorité de la Concurrence) is a proactive administration and is regularly enquiring on circumstances where sensitive information may have been exchanged. For these two reasons (protection of sensitive data and risk management of enquiry from the French antitrust authority), sellers tend to adopt a conservative approach in due diligence process and require the setting up of clean teams.

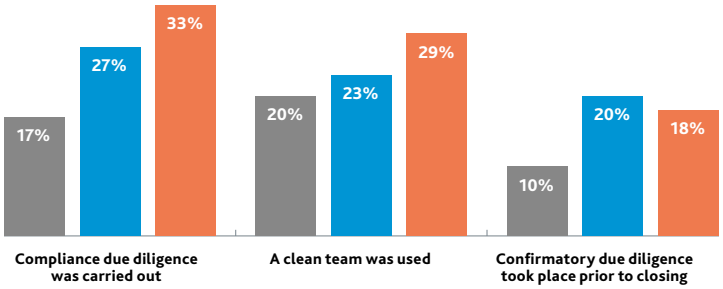
Pierre Francois, Pinsent Masons, France

Key:
2015 2017 2020

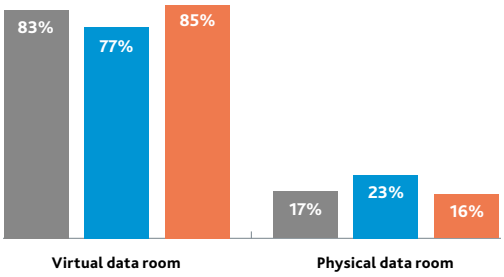
Risks identified in legal due diligence

In two-thirds of the transactions, due diligence revealed generic risks. In approximately half of the transactions, due diligence identified technology-related risks. Addressing technology-specific risks identified in due diligence by respective provisions in the acquisition agreement is still not a high priority. In any case, only 42% of the interviewees reported that after discovering technology-specific risks, corresponding provisions were added to the acquisition agreement. It seems that the interface between due diligence participants and the project teams responsible for drafting the acquisition agreements has become a bit better, but is not yet optimal.

Legal due diligence*

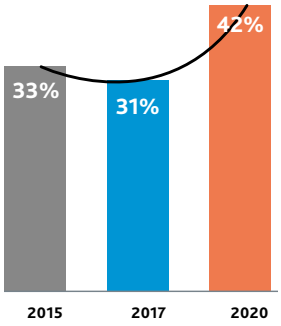


Data rooms

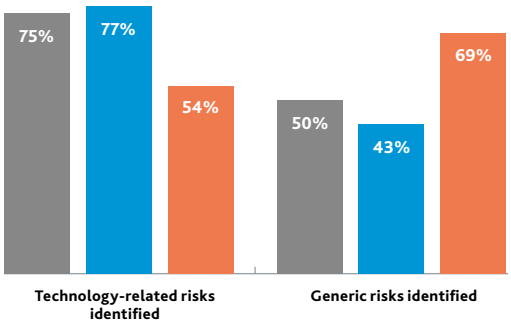


*Multiple answers possible

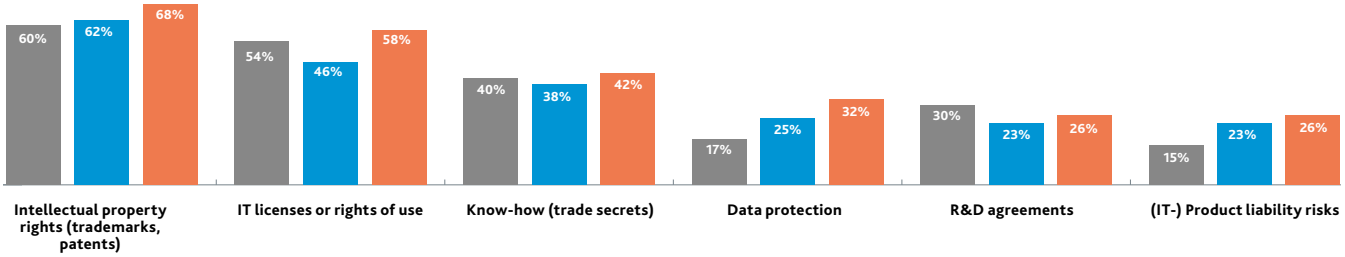
Technology-specific risks were reflected in provisions of the acquisition agreement



Risks revealed by legal due diligence*



Any technical risks revealed were related to*



In two-thirds of the transactions, **due diligence revealed generic risks. In approximately half of the transactions**, due diligence identified technology-related risks.

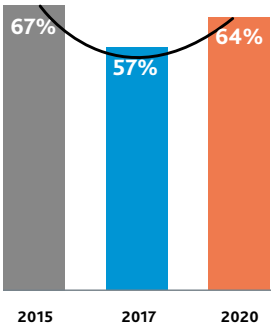
Key:
2015 2017 2020

IP due diligence

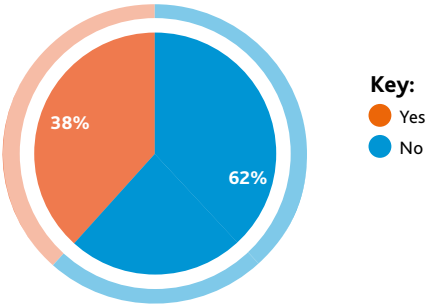
64% of the companies interviewed reported that IP-specific due diligence was performed for the transactions in which they were involved. This percentage is still relatively low. And it is surprising that in 36% of the cases no IP due diligence was conducted. From the quotes below it becomes very apparent, that IP due diligence in Tech M&A is a must, especially if the transaction is multi-jurisdictional.

In 38% of transactions the buyer initially received limited or no access to technology-related information, which only changed later in a more advanced stage of the Tech M&A process.

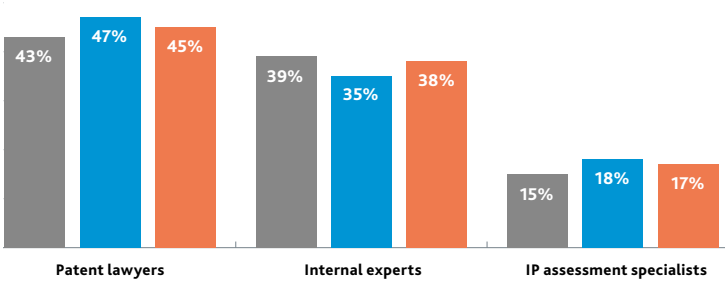
IP Due diligence



Phases of different scope of disclosure



IP due diligence was conducted by



Complex analysis of IP portfolio

It was absolutely necessary for us to carry out IP due diligence. In the case of a transaction with more than 250 patents, the analysis is quite complex, but also essential. Ultimately, we wanted to know and understand in detail what we are buying. Only in this way have we also been able to identify and assess potential risks.

Senior Project Manager M&A, France

Expert know-how important for cross-border transactions

As already stated earlier, we (…) acquired a German target (...). The IP due diligence here proved rather surprising. In short: with one important patent it was not, as assumed, our target that was the holder, but a private individual. It was therefore important for us to know the impact of German employee invention act (…). We now know that the regulations on this, and also the risks that can emerge as a result, differ greatly from country to country (…). For this we absolutely need experts with specialist knowledge.

Head of Corporate Strategy / M&A, United Kingdom

Challenges due to incomplete inventory and unclear IP rights

Our patent attorneys and we were very surprised to find that our target had a very patchy list of relevant patents and trademarks (...). Collecting the necessary information and documents was extremely challenging and a time consuming task. In addition, not all rights were held by the target itself, but partly by several subsidiaries. In an earlier transaction, we had agreed to a warranty from the seller that he was the owner of all rights. Today we know that this was not the appropriate and best solution for us.

Chief Legal Officer M&A, Germany

Challenging IP documents in the data room

I would like to add that we always carry out a careful IP due diligence and also take the time to do so. But it seems, that this is probably not common practice everywhere. My impression is that time pressure often beats accuracy (...). We never regard the documents in the data room (...) as complete from the outset and always conduct our own research together with our lawyers and advisors to secure and enhance the information available to us.

Head of Legal, Germany

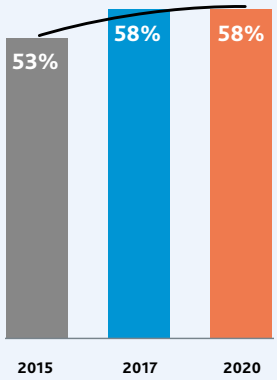
Technical due diligence

As in previous years, specific technical due diligence was performed in 58% of the transactions. This is still a rather low result for Tech M&A transactions.

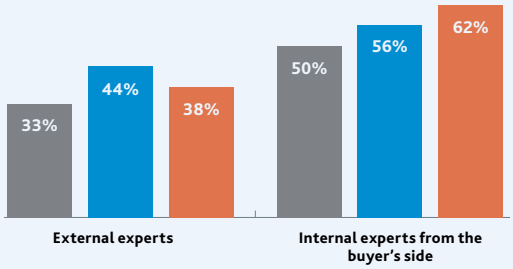
The reluctance to conduct a technical due diligence could indicate that in some jurisdictions the Tech M&A market is still a strong seller market and that buyers may not want to endanger the transaction process with due diligence demands that sellers may consider exaggerated. Our own market sentiments indicate that this may be the case in particular for Spain.

It seems also quite surprising that in more than half of the transactions the findings from technical due diligence did not find their way into the acquisition agreement. More communication among the relevant departments of the buyer seems critical.

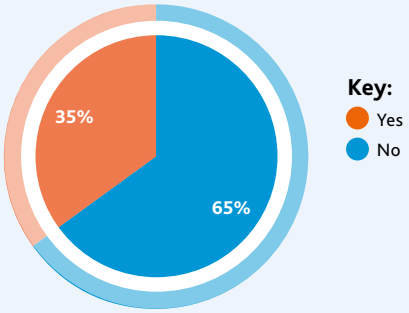
Technical due diligence was conducted



Conducted by



Reflecting technical due diligence findings through specific language in the acquisition agreement



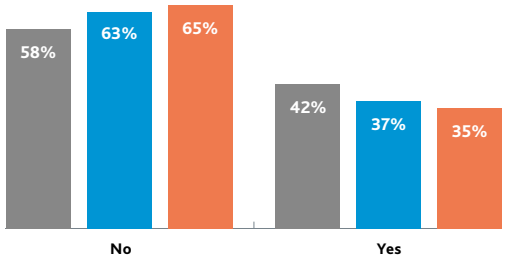
Key:
2015 2017 2020

Governing law clauses

In the majority of cases reported, acquisition agreements did not contain a governing law clause. The legal uncertainty resulting from the lack of a governing law clause is not insignificant for the parties.

For Germany, this may be explained by the additional fees for notarisation which can be substantial. Parties to Germany-centred transactions will therefore tend to avoid a choice of laws provision.

Was there a governing law clause in the transaction document?



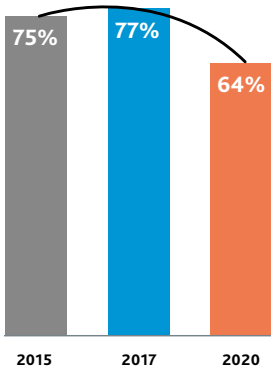
In the majority of cases reported, **acquisition agreements did not contain a governing law clause.**

Recording of the transaction by a notary public

In Europe, Tech M&A transactions need to be notarised in some jurisdictions under certain circumstances, in others not. The reasons that trigger an obligation to notarise differ from jurisdiction to jurisdiction.

In Germany, for example, it is mandatory to notarise the transaction, (i) if the transaction is structured as a share deal and the target is a German limited liability company, (ii) if the transaction is structured as an asset deal for a German business and the business sold makes up all or most of the business of the selling entity, or (iii) if the transaction is structured as an asset deal for a German business and owned real estate, which is situated in Germany, is part the business sold. While for a lot of international investors from countries outside of Europe German notarisation requirements are something they expect or, at least, have heard of, similar requirements in other European jurisdictions as to the formalities of M&A agreements appear to be lesser known.

The transaction was recorded by a notary



Thesis 2

Transactions in Spain and Germany tend to be notarised more frequently than in France and the Netherlands.

> Notarisation of a share transfer is legally required in case of "private limited liability" companies ("Sociedad Limitada" or "SL", which capital is represented by "participaciones"). These transfers must therefore be recorded before a notary public. In case of shares transfers of "public limited liability" companies ("Sociedad Anónima" or "SA", which capital is represented by "acciones") this requirement is not legally mandatory (exception made for certain specific/ regulated sectors). Nevertheless, even not mandatorily required, it is advisable and frequent to also record the shares transfers of SAs in a public deed/document.

Antonio Sánchez Montero, Pinsent Masons, Spain

> Over two thirds of the companies we surveyed stated that their Tech M&A transactions were recorded by a German notary. This is not surprising as a notarisation of the transaction is mandatory under Germany law, if the target is a German limited liability company with its shares to sell.

Rainer Kreifels, Pinsent Masons, Germany

> Except in the area of real estate transactions, notarisation is not required by French law and the transactional documentation (either share purchase agreement or business transfer agreement) can be signed in English without notarisation. When real estate assets are at stake, notarisation is always required in the context of asset deals and may be required in some cases in the context of share deals over French companies the purpose of which is to hold and run real estate assets. When notarisation is required, the legal documentation shall be drafted in French.

Pierre Francois, Pinsent Masons, France

> Shares in a Dutch company need to be transferred by means of execution of a deed of transfer to be executed by notary. In such event a notary needs to be involved and the powers of attorney to execute the deed of transfer may need to be notarised. The SPA and other transaction documentation are usually not notarised.

Meltem Koning - Gungormez, Kennedy van der Laan, The Netherlands

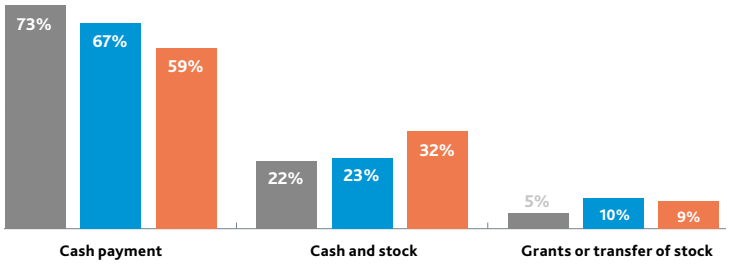
Structuring the purchase price

This year again, pure cash deals were by far the most common in terms of purchase price structure. However, as in previous years, a significant number of cash/stock deals indicates a persistent presence of American investors interested in the European Tech M&A market. American buyers are particularly fond of cash/stock deals, especially when share prices in the USA are rising.

There has been an uptick in locked-box transactions, a mechanism that fixes a purchase price on the basis of a historical balance sheet without subsequent validation or adjustment. After the reference date, the seller essentially manages the target company at the risk or reward of the buyer, and no benefits or liabilities accrue to the seller after this time.

On the other hand, the agreed purchase price is secure, and can no longer be negatively influenced. Closing accounts transactions, using a mechanism that allows for adjustment of the purchase price on the basis of a balance sheet to be prepared at a future date, decreased in number.

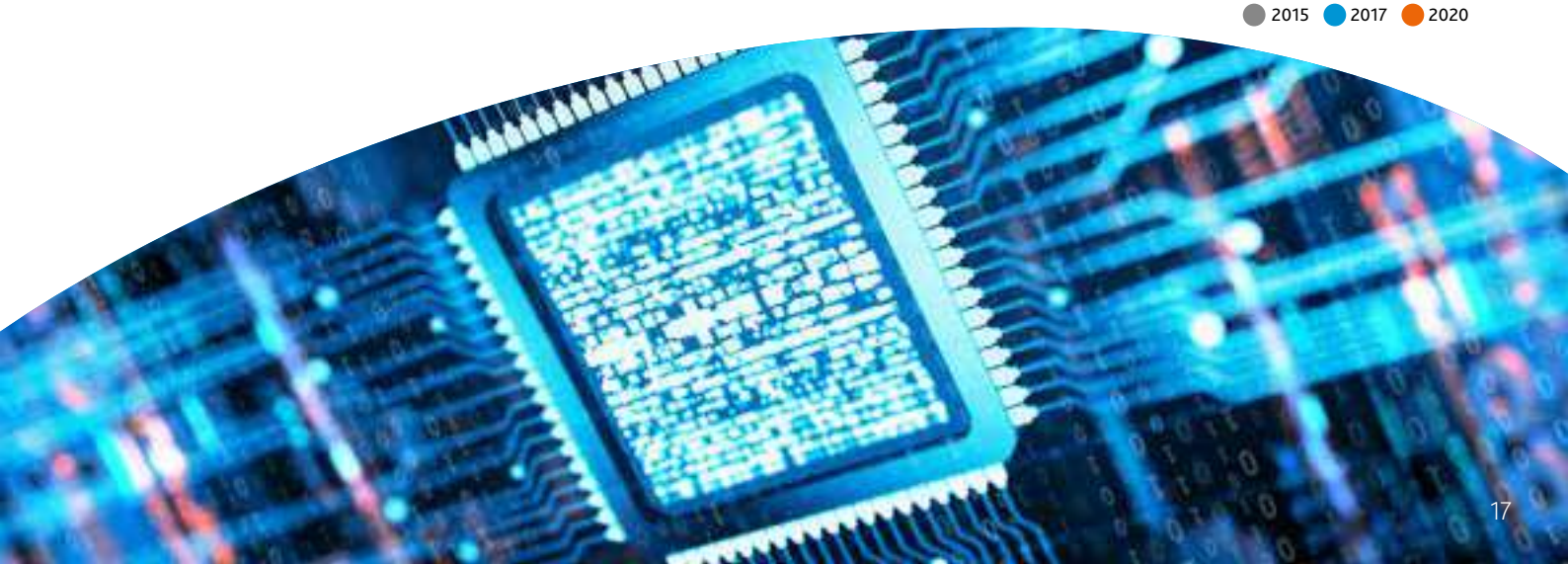
Purchase price payment



Purchase price mechanisms

> This year again, **pure cash deals were by far the most common** in terms of purchase price structure.

Key:
2015 2017 2020



Thesis 3
Locked box clauses tend to be applied more frequently in the Netherlands and Ireland than in Germany and Spain.

Locked boxing mechanism is not always easiest

Although I also just told you that we applied the locked box concept to determine the purchase price, I still continue to be surprised that this approach (…) is often presented, in a very generalised way, as being a simpler one. Is it not the case that the assessment processes are largely the same? And surely no buyer will want to do without the preparation of a closing balance? The question of what mechanism takes effect ought surely, for example, to rather be made dependent on the relationship between working capital and profitability (…). This at least was the basis for our choice.

Head of the Corporate Law Department, Spain

As shown in the survey, there is not any clear trend or any prevailing option in regards to the calculation of the purchase price. Locked box and completion accounts are both standard formulas customarily used depending on the bargaining power of the parties and the significance of the various circumstances involved: degree of certainty of the acquisition price, the scope and depth of the due diligence, the time between the reference accounts used to determine the price and the completion date, etc. It is not rare to find schemes combining both formulas in case audited accounts are not available.

Antonio Sánchez Montero, Pinsent Masons, Spain

In my personal experience locked box mechanisms are – contrary to the findings of our research – more frequent than not in the current market situation in Germany. Meanwhile the parties are fairly used to the clauses which are necessary to protect the locked box and negotiations on the subject matter have become substantially less tedious. Nowadays, often the discussions centre around the commercial realities rather than fictitious risks which one or the other party fears.

Eike Fietz, Pinsent Masons, Germany

Completion accounts and locked box mechanisms are both common on Irish deals. A locked box mechanism is considered to be more seller friendly and so is more commonly used in circumstances where the seller has the stronger negotiation position such as an auction process. Closing accounts naturally continue to be strongly resisted by sellers while earn outs are more likely to be used where the target has significant growth potential.

Dennis Agnew, Pinsent Masons, Ireland

Locked box clauses are indeed a quite common purchase price mechanism in Dutch transactions. Locked box is used in situation where audited accounts are available in relation to the period up to the effective date and the period between the effective date and the completion date is not too long.

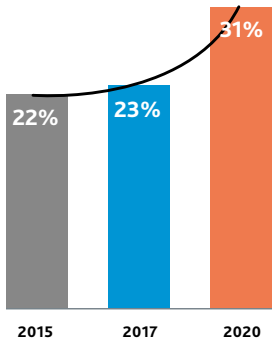
Meltem Koning - Gungormez, Kennedy van der Laan, The Netherlands

Earn-out

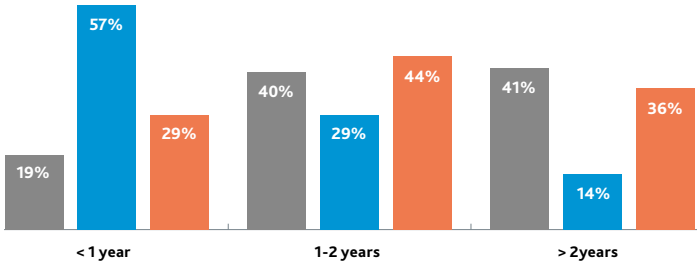
The performance of the target company in the time periods following the acquisition can be taken into consideration when determining the purchase price by using an earn-out clause. This helps aligning the interests of both parties. Without an earn-out, the purchase price – regardless of the valuation method – is based exclusively on past numbers, yet the buyer's only real interest is in future performance. However, according to our survey, earn-out clauses were by no means the rule, and as in past years, earn-out mechanisms were generally not used. If there was an earn-out, purely financial metrics such as EBIT or EBITDA were usually agreed on, as shown in previous surveys. Technical milestones played only a minor role, at 29% of the cases, which is fairly surprising, given the fact that these are Tech M&A transactions.

Shorter earn-out periods enhance transaction security - an aspect that, as a rule, is important to both buyer and seller, yet is often determined by the sellers. The longer an earn-out period becomes, the higher the risk of disputes and litigation failure. An earn-out period between 12 and 24 months seems to be most frequent.

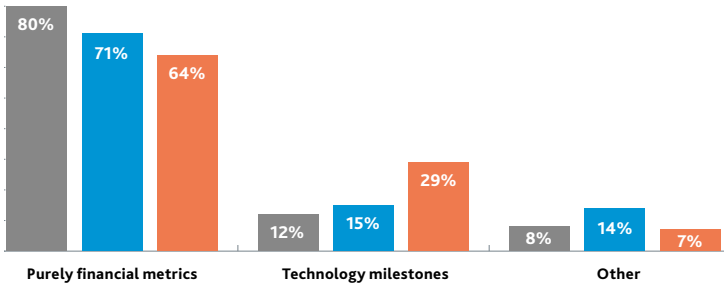
Earn-out provision agreed



Earn-out period



Calculation criteria



Key:
2015 2017 2020

Earn-out calculation difficult in unpredictable economic times

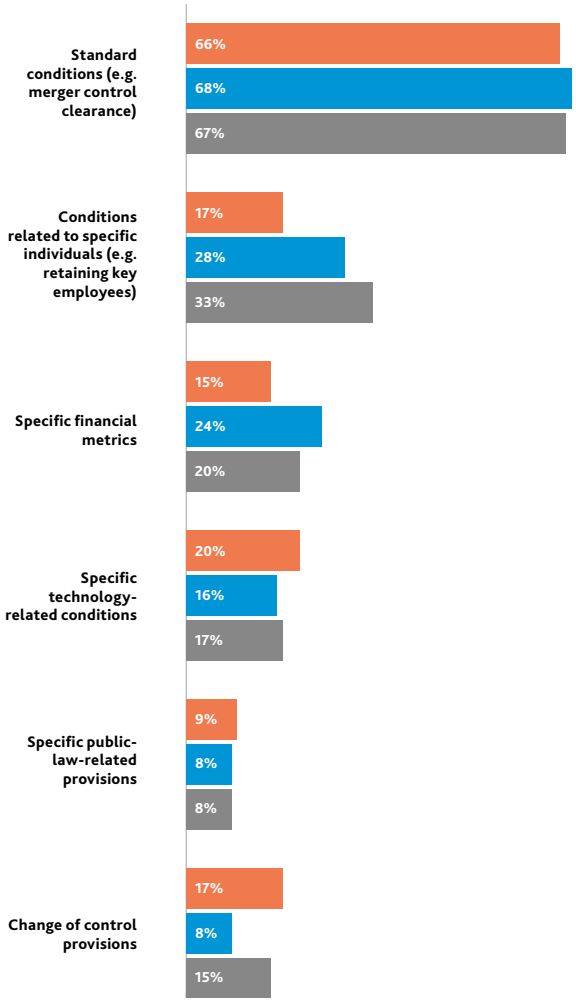
Looking at how China and the US are tightening their grip on digital technologies, and the uncertainties that remain over Brexit, it quickly becomes clear that making reliable business plans for the next two or three years is a real challenge. I think that in this context we will see more revenue-based earn-outs and longer maturities in the future.

Head of Legal, Germany

Conditions precedent to closing

In European Tech M&A transactions it is standard practice to differentiate between signing and closing (completion) of the transaction and to make closing dependent on certain conditions precedent. Such conditions precedent typically contain standard terms such as merger control clearance, and quite commonly, specific conditions applicable to the transaction. Technology-related conditions precedent were agreed in 20% of the cases – a surprisingly low number for Tech M&A transactions. This may be attributable to the fact that the parties usually resolve technology-related issues prior to signing, such as questions regarding ownership of software rights.

Conditions precedent to closing agreed*



Key:
2015 2017 2020

Representations and warranties

It is absolutely standard practice for the parties to agree on independent representations and warranties. However, taking a closer look, the situation is not that clear-cut. The negotiators always keep an eye on market trends.

Accounting warranties were included in more than half of the cases. Nearly two-thirds of the sellers agreed only to a subjective warranty regarding the financial statements of the company, and were successful in rejecting requests for an objective warranty regarding the financial position.

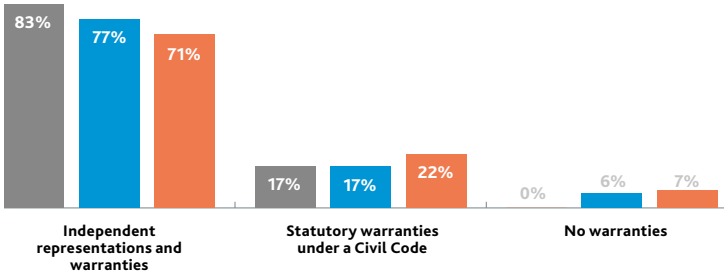
Another consistent result was that more than two-thirds of the sellers were required to make representations to the buyers regarding the correctness of the information made available during due diligence.

In three-fourths of the cases, any knowledge of the buyer or knowledge it "ought to have had" at the time of signing of facts that could give rise to liability was justification for excluding any seller liability. The most common case (70%) was exclusion of liability if the buyer had knowledge of, or was grossly negligent in its ignorance of facts. Often, however, sellers could negotiate terms that exclude liability on the grounds of the buyer's mere negligent ignorance. In 27% of the cases, however, only the knowledge of the buyer was s sufficient to exclude liability. Circumstances commonly considered in contract language to be known to the buyer were those that the seller had disclosed in a certain form – regardless of whether the seller could actually prove that the buyer had actual knowledge of these circumstances. Disclosure in the data room is frequently considered sufficient. Almost as frequently, on the other hand, merely including information in the data room is not sufficient to exclude liability, but the information must have been disclosed in the acquisition agreement and its annexes.

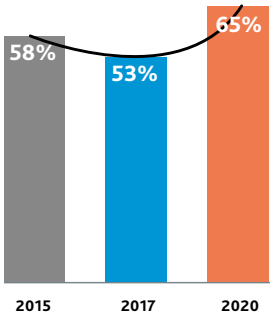
Overall, to the extent warranties are concerned, the results of this year's survey of European companies diverge in only minor aspects from prior year's results. This is a sign that certain standards have been established for warranties in Tech M&A transactions, regardless of the parties or countries involved.

*Multiple answers possible

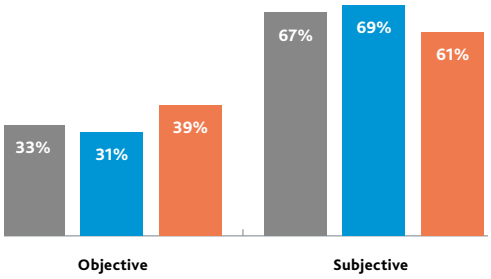
Representations and warranties



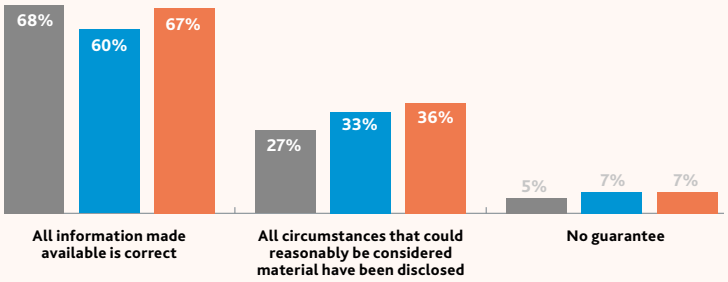
Warranty regarding financial statements was granted



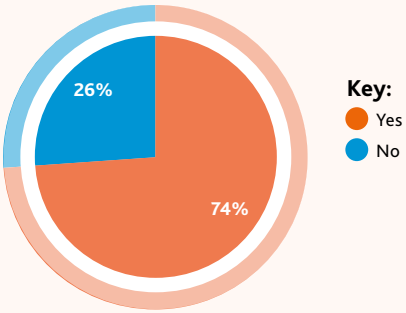
Type of financial warranty



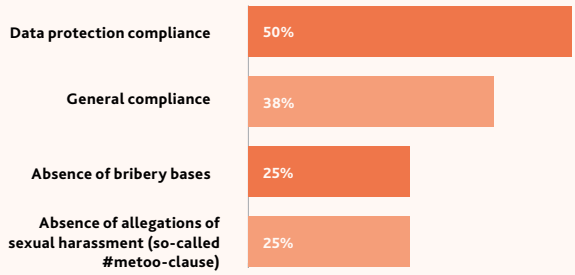
General disclosure guarantees*



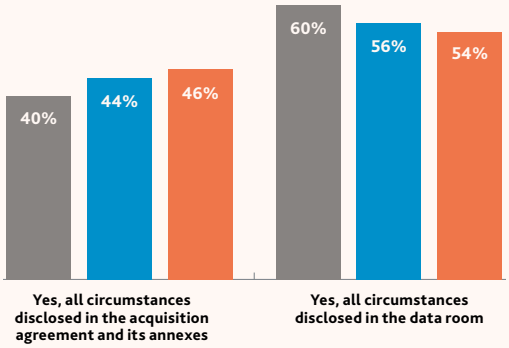
Compliance-related guarantees were issued



Compliance-related guarantees



Were circumstances deemed acknowledged if disclosed in a certain form?

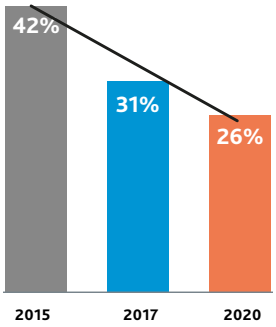


Key:
2015 2017 2020

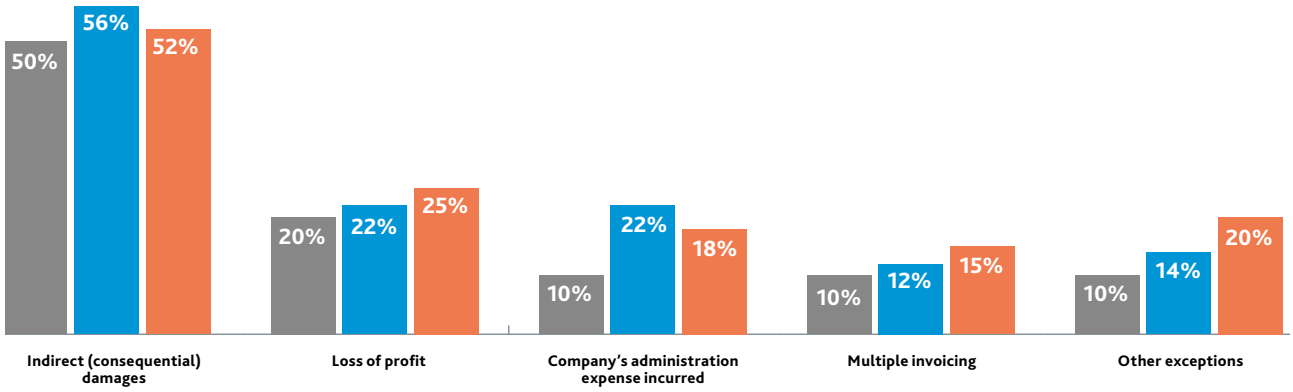
*Multiple answers possible

In about a quarter of the transactions, certain damages were excluded from the warranty, most often indirect damages and consequential damages.

Damages were excluded

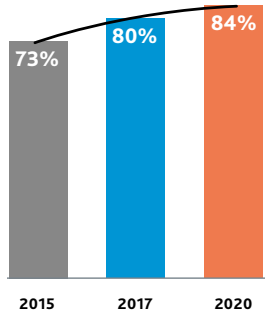


Excluded damages



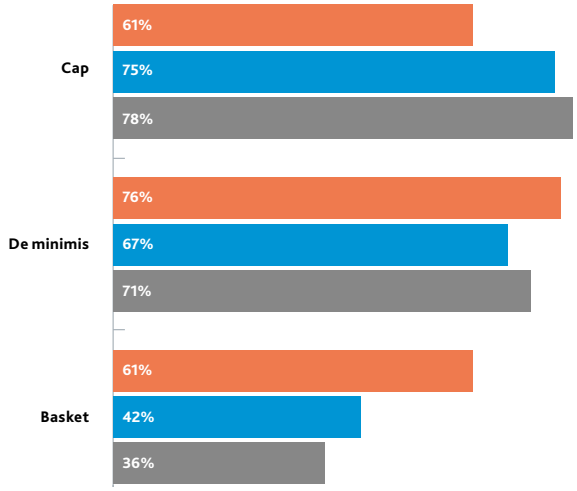
Liability caps for the seller were very common (84%) and can be seen as standard. The average liability cap was at 42% of the purchase price. The average materiality threshold in the sense of a limitation amount or threshold ("basket") was 1.0% of the purchase price.

There was a limitation of amount of liability



Average amount of liability limit (measured by purchase price)

Type of limitation*



Key:
2015 2017 2020

*Multiple answers possible

Thesis 4
Maximum liability limits are more standard in Germany and Spain than in France and the Netherlands.

Alongside other non-quantitative limitations (scope of damages, buyer's knowledge, temporary thresholds, buyer's mitigation duty, no double recovery et al.), maximum liability limits are frequently applied. The relevant threshold will be very much influenced by the depth, scope and outcome of the due diligence, and the significance of the relevant findings. These thresholds range from the total consideration paid by the buyer (increasingly rare) to much lower percentages (e.g. 10/15%). Typically, these limits do not apply in regards to specific indemnities intended to shield particular issues.

Antonio Sánchez Montero, Pinsent Masons, Spain

Provisions limiting the maximum amount of sellers' liability for warranties (caps) are very frequent in German Tech M&A transactions. Scope and amount of the caps strongly depend on the negotiation power of the parties. While liability for fundamental warranties is nearly always capped at 100% of the purchase price, the caps for "operative" or "business" warranties, generally speaking, differ substantially: In seller-friendly scenarios limits are often well below 50% of the purchase price whereas in buyer-friendly situations limits are frequently around 50% or even in a few rare cases up to the purchase price.

Eike Fietz, Pinsent Masons, Germany

Warranty financial limitations are common practice if not systematic on the French market. The set of limitations is usually made of a cap, a "de minimis", a threshold operating either as a simple threshold (full liability if threshold is exceeded) or as a deductible (liability if threshold is exceeded is limited to the excess of the threshold).

The warranty cap is common practice and is usually based on the value of the equity ranges from 5% to 30% as the equity price decreases. Liability in respect of fundamental representations (ownership, absence of encumbrance over the shares, capacity of sellers, target group structure) are commonly capped to the equity value and can be uncapped in some cases.

Pierre Francois, Pinsent Masons, France

Maximum liability provisions are actually very standard in the Netherlands, at least for business warranties. In some cases, there is an unlimited liability for fundamental warranties.

Meltem Koning - Gungormez, Kennedy van der Laan, The Netherlands

Thesis 5
"De minimis" clauses are particularly widespread in the Netherlands and the United Kingdom, but comparatively rare in France and Spain.

In the UK, so-called "de minimis" clauses are an accepted method for sellers to avoid having to concern themselves with post-closing warranty claims that are immaterial in the context of the transaction. Buyers are usually prepared to absorb smaller claims on the basis that the management and legal effort of bringing "de minimis" claims can be disproportionate to the recoverable amounts.

Thilo Schneider, Pinsent Masons, UK

Correct, a "de minimis" applies in almost all situations.

Meltem Koning - Gungormez, Kennedy van der Laan, The Netherlands

Alongside other non-quantitative limitations (mentioned above) "de minimis" formulas are common in order to avoid an inefficient or unproductive burden in relation to minor, non-material damages. As with maximum liability limits, materiality constraints are highly dependent upon the size of the target (particularities of the business are not so determinant). Nevertheless it is also frequent to address in a different way those damages which, although minor separately or individually, may occur recurrently and finally involve a much higher harm on a global basis. While the survey shows a low percentage of transactions where this scheme is used, this might be a mere reflection of the average dimension of the M&A transactions in Spain. The market is mainly driven by small/mid size operations, which somehow has an influence in the number of deals where "de minimis" schemes are thus applied.

Antonio Sánchez Montero, Pinsent Masons, Spain

"De minimis" threshold is market practice. Such "de minimis" applies to each individual claim so that non material claim cannot entail the enforcement of the warranty against the sellers. Please note that series of claims grounded on the same misrepresentation but the amount of which falls below "de minimis" are usually considered for their aggregate amount so that the warranty can be enforced despite the lack of materiality of each individual claim.

Quantification of "de minimis" is somehow a guess exercise and does not abide by any specific French market standard.

Pierre Francois, Pinsent Masons, France

Thesis 6

"Basket" rules tend to be applied more frequently in the Netherlands and the United Kingdom than in Spain and France.

Similar to the concept of claims which are "de minimis", UK transactions usually allow the seller to escape liability where the "basket" amount does not exceed the agreed threshold. Negotiations between the parties usually centre around the amounts of the "de minimis"/"basket" by reference to the purchase price (and in recent years there we have seen increasing percentages as a trend in M&A transactions).

Thilo Schneider, Pinsent Masons, UK

"Basket" rules indeed apply in almost all transactions in the Netherlands.

Meltem Koning - Gungormez, Kennedy van der Laan, The Netherlands

> The survey might not reflect the reality of the Spanish market, where "basket" schemes are also a regular solution; especially if a "de minimis" provision is also included. Albeit "de minimis" and "basket" schemes are not necessarily interrelated, it is conventional to find both limits as part of the seller's liability structure (which brings a further routine discussion: if the claims below "de minimis" must be taken into account for the "basket"). Finally, there is not any special trend relative to whether the "basket" must be an exempted amount for all purposes or not (that is, whether once exceeded the "basket" the buyer is entitled to claim the exceeding damages or all damages, including those arisen before, from the first euro).

Antonio Sánchez Montero, Pinsent Masons, Spain

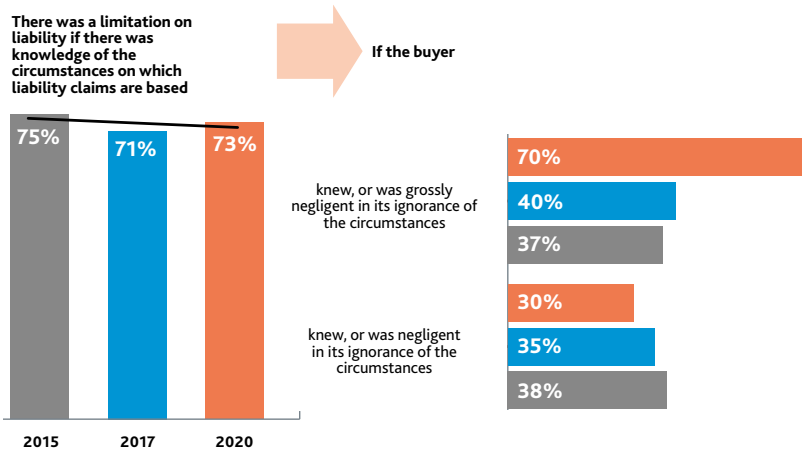
> Threshold is market practice. While buyers usual request that threshold operates as a simple threshold whereby the sellers are fully liable for the aggregate amount of claims raised once such amount exceeds the threshold, sellers tend to negotiate threshold operating as a deductible. In this case, the sellers incur liability only to the extend the aggregate amount of claims raised exceed the threshold, such liability being limited in amount to the excess of the aggregate value of claims above the threshold. No French market standard here, just bargain.

Pierre Francois, Pinsent Masons, France

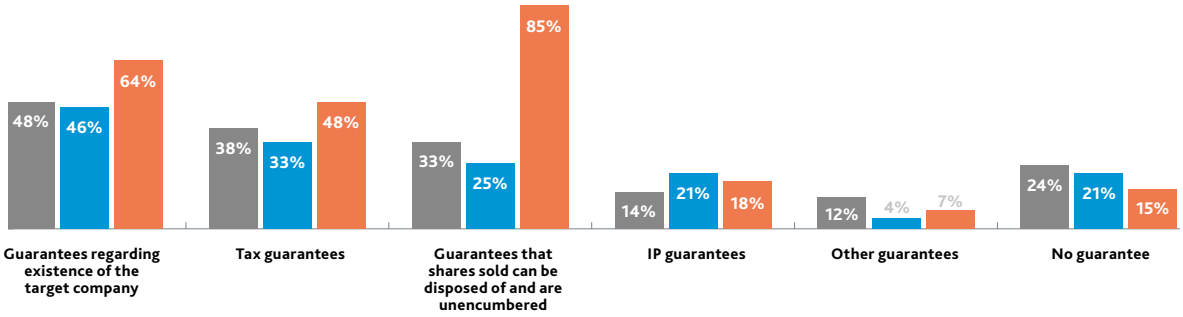
> Similar to the concept of claims which are "de minimis", UK and Irish transactions usually allow the seller to escape liability where the "basket" amount does not exceed the agreed threshold. Negotiations between the parties usually centre around the amounts of the "de minimis"/basket by reference to the purchase price (and in recent years we have seen increasing percentages as a trend in M&A transactions).

Dennis Agnew, Pinsent Masons, Ireland

The parties to the transactions frequently agreed on stricter liability of the seller in the form of a reverse exception to liability limitations, namely in about one-half of the cases for existence guarantees, and nearly half of the cases for tax guarantees. Yet it is hard to understand that these Tech M&A transactions see only few buyers succeeding at or at least trying to include increased liability for IP, although there is an indication of growing interest in such provisions.



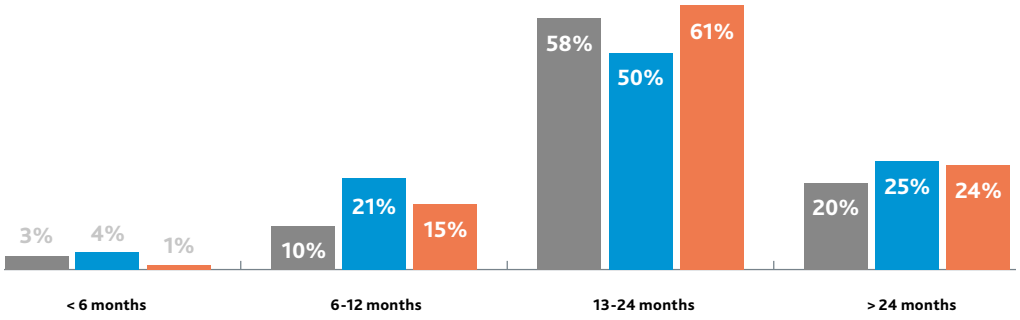
Reverse exception to liability exclusion (stricter liability)*



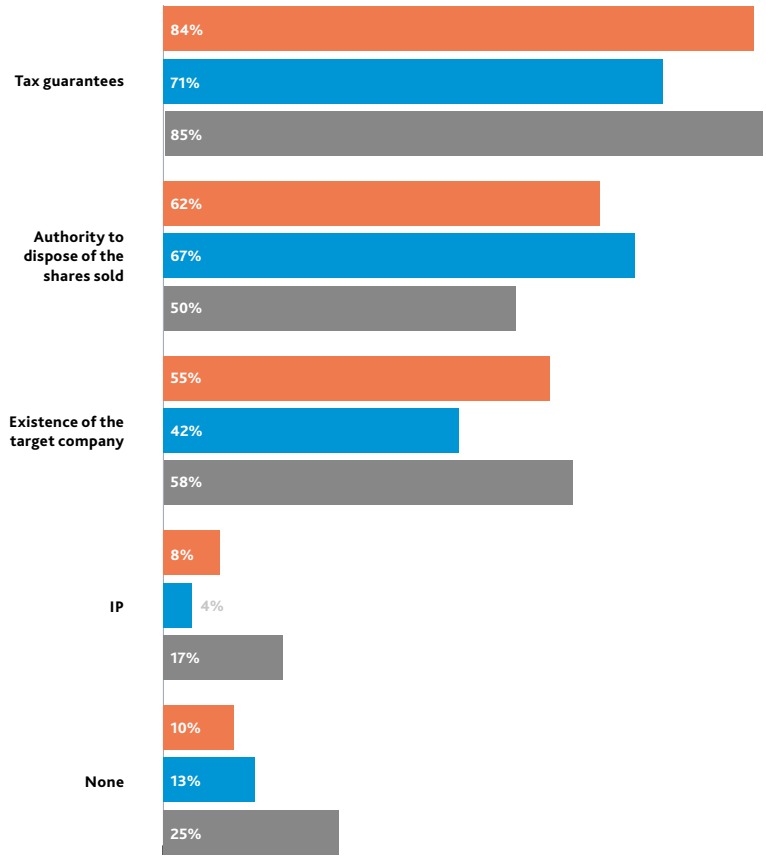
*Multiple answers possible

A limitation period of between 13 and 24 months seems to be common at present. Periods longer than the standard limitation period are usually agreed for representations regarding the title, authority and tax warranties. However, extensive limitation periods for IP guarantees are still an exception (8%). Nevertheless, this should not lead to hasty conclusions, because the issue of IP related risks is increasingly being addressed with IP-related indemnities.

Standard limitation period for guarantee claims



Guarantees with longer periods of limitation*



Key:
2015 2017 2020

*Multiple answers possible

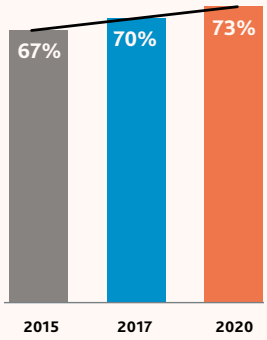
Indemnities

The majority of the acquisition agreements in the survey contained indemnity clauses stipulating that risks related to certain aspects were to remain entirely with the seller up to the date of transfer. This typically includes taxes obligations.

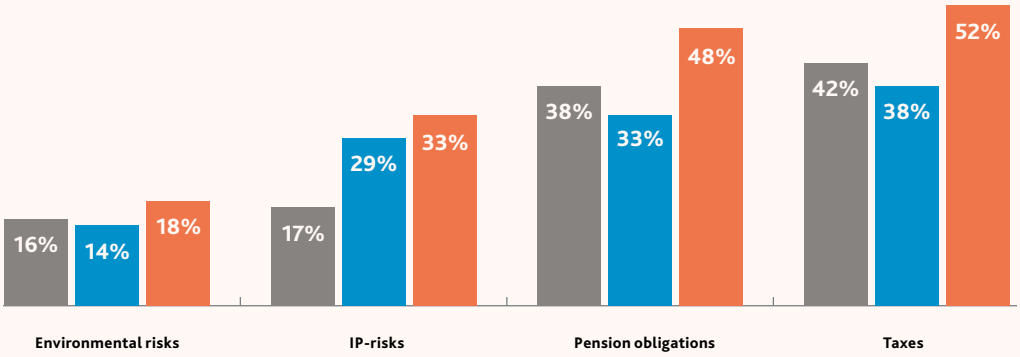
The results show that IP was addressed in one-third of the cases. In the present market situation, the great majority of sellers are apparently still in a position to shift most of their IP risk to the buyer. However, there has been an increase since our last study. At the same time, there is a perceptible rise in provisions for stricter liability for IP risks (33%). Overall, in approximately 50% of the cases the parties agreed on indemnification for IP risks with high limits on liability. In summary, it seems that in some geographical markets, the climate becomes a bit more buyer friendly. According to our own market sentiments, this holds true for France, Germany and the UK.

Overall, in 51% of the cases the parties agreed on protections for IP risks with high limits on liability (indemnifications 33% and warranties with reverse exemptions 18%).

Indemnification of the buyer and/or the target company



Indemnification for*

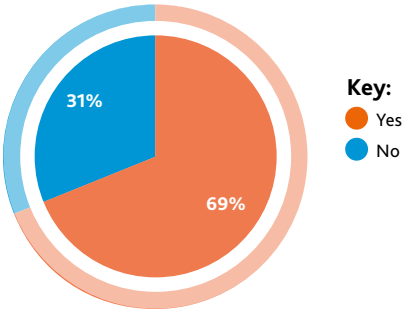


> The majority of the acquisition agreements in the survey contained indemnity clauses stipulating that **risks related to certain aspects were to remain entirely with the seller up to the date of transfer.**

Key:
2015 2017 2020

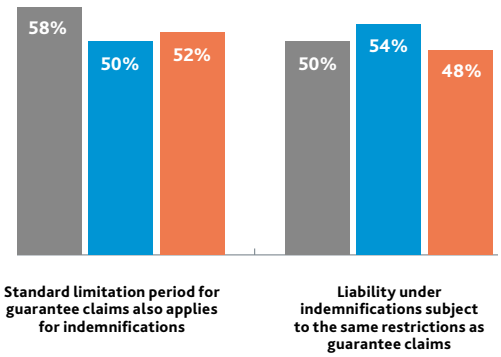
*Multiple answers possible

If tax indemnity: Subject to the liability limitations which are applicable to warranties



Agreed provisions

Liability and limitation periods



Security

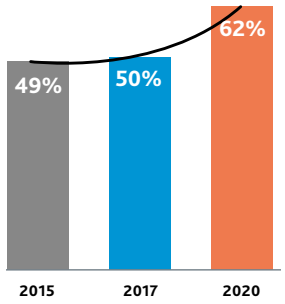
A consistently stable practice over the years has been to secure any guarantee and indemnification claims with specific means of security. Such security was provided in about two thirds of the cases. Partial retention of the purchase price and partial payment to an escrow account are the most common methods chosen. Bank guarantees and insurance solutions are used less frequently, probably because they are perceived to be too complicated and expensive. Overall, increasing percentages in those areas indicate a shift to a more buyer-friendly environment.

More and more insurance providers are offering W&I insurance products to major market participants. It is likely that insurance policies will find increasing acceptance and will be used in more and more transactions.

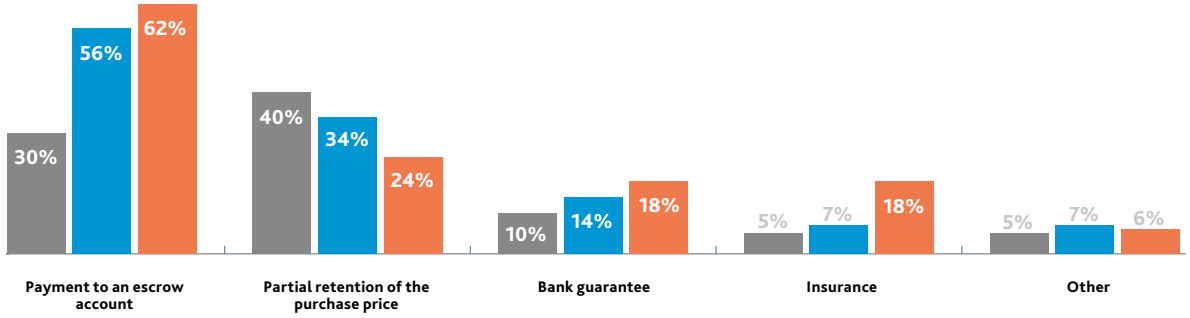
It is remarkable that there has been a further increase in escrow agreements compared with the previous study. This is presumably due to the fact that companies have a greater need for security in multi-national transactions.

The amount of security most commonly agreed on is an amount of between 10% and 20% of the purchase price.

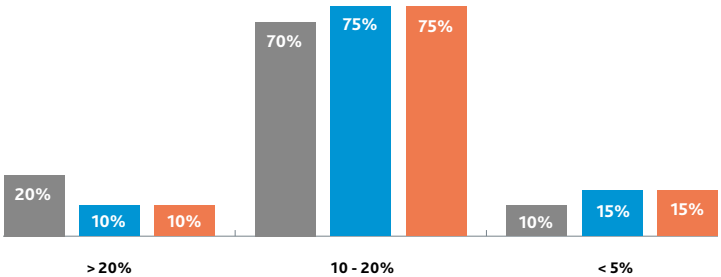
Particular rules established to safeguard warranties / indemnity obligations



Specific type of security*



Amount of security as % of the purchase price



Key:

2015 2017 2020

*Multiple answers possible

Material adverse change (MAC)

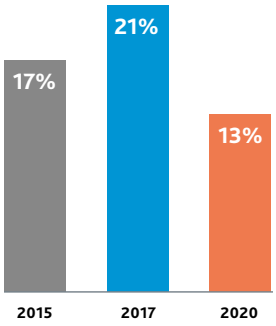
MAC clauses are provisions designed to protect the buyer from major changes in the period between signing and closing, which would make the target less attractive. Such clauses were still clearly in the minority. In a seller-friendly Tech M&A market, transaction security at closing is apparently still more important than achieving an absolutely equal distribution of risks.

75% of those surveyed perceived MAC clauses to be protection against material deterioration of the general business performance of the target company. Linking MAC clauses to technology-specific risks usually plays a much smaller role.

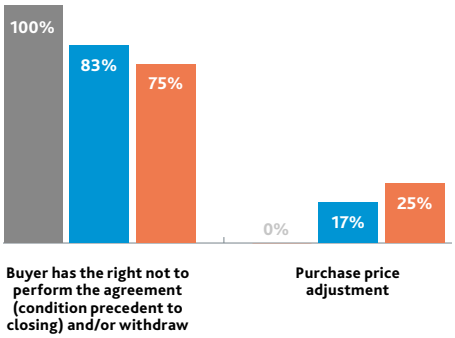
In 75% of the cases in which a MAC clause was agreed, the parties agreed that, should conditions for a material adverse change be fulfilled, the buyer could consider the deal to have failed, and withdraw from the agreement. The more moderate approach of simply adjusting the purchase price was agreed in 25% of the cases.

All in all, the survey shows, that the hurdles for defining a material adverse change continued to be very high.

The agreement includes a MAC clause



Remedies in case of material adverse change



Brexit

Brexit (the United Kingdom's withdrawal from the European Union) has been one of the dominating topics in European politics and business. Naturally, all Tech M&A transactions in Europe with an UK angle led to substantial discussions around the consequences of Brexit for the target business and its integration into the buyer group. Our survey shows, that in 21% of the cases special provisions for Brexit found its way into the transaction documents.

It is undoubtedly the case that the process of Brexit has dampened Tech M&A activities in the UK market since 2016. The uncertainty as to the date and manner of the UK's exit from the EU has depressed valuations and trade buyers in particular have been cautious in their approach to buying UK assets. However, classifying Brexit as a "material adverse change" event has not been a common feature in Tech M&A transactions – presumably because buyers already price the risk of Brexit into the purchase price and because of the difficulty of defining what Brexit means and its real impact on the target business. On the other hand, parties have had to ensure that the transaction documents cater specifically for a "no deal" Brexit so that legal processes continue to apply in case the framework of EU law and institutions falls away without substitution or an adequate transition.

Thilo Schneider, Pinsent Masons, UK

Brexit as a challenge for due diligence

Naturally we can guard against the Brexit risk by means of individual provisions – I had already just mentioned two of these (…). But I think that the issue should be given much more consideration within the scope of due diligence. Here we had a number of questions to clarify: Could our target's long-term, lucrative contracts be extraordinarily terminated by contractual partners in the course of Brexit? What is the situation regarding protection of trademarks and patents? And what is the situation with employees who take up work both in Britain and in Spain and France, i.e. in the EU (…)? Those are the risks we have been concerned about.

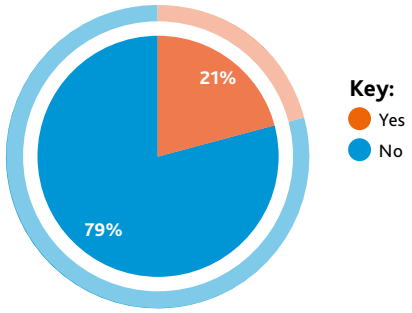
Senior Legal Counsel Corporate/M&A, Ireland

Brexit not only risk, but also chance

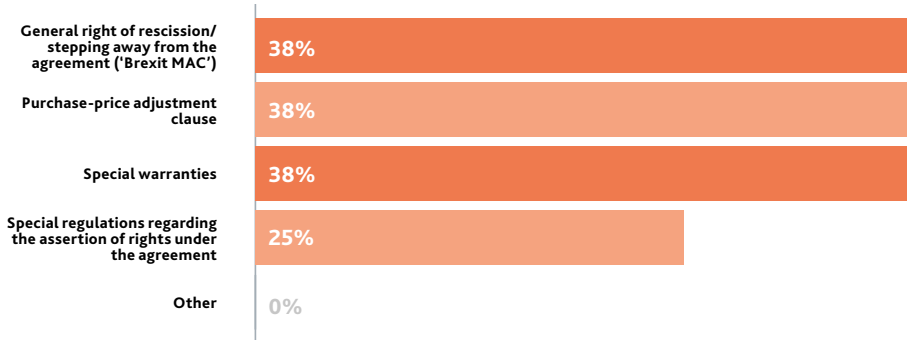
Your question implies Brexit is to be seen as a risk only. I disagree with that (...). We have had acquisitions of British companies on our strategic agenda for several years. And currently, as with our last deal, I see the advantage of pricing in the (...) effects of Brexit in purchase price negotiations. Accordingly, we are therefore dealing with very attractively valued target companies (...). In addition, this will also improve our access to the British market after Brexit.

Project Manager M&A, Germany

Special provisions for risks relating to the discussions on Great Britain's withdrawal from the European Union ('Brexit')



Agreed provision*



*Multiple answers possible

COVID-19 effects on Tech M&A transactions

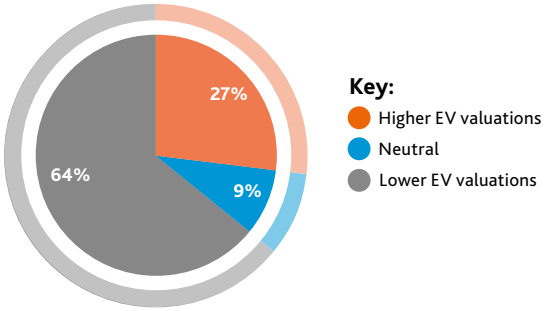
The economic effects of the Corona crisis will differ substantially from industry to industry. Software, e-industries (e-commerce, e-pay, e-learning, e-gaming or e-health) as well as data rich industries (data centres, data and cyber security, virtual conferences, data analytics and logistics) will all see a boost of activity. New approaches and actions adopted within and post the global pandemic will accelerate such markets. Sellers of well run targets in such buoyant markets will benefit from higher valuations. On the flip side, as in many crises there will be elements of consolidation. And distressed Tech M&A will see more transactions. Lower stock market prices will also drive the number of hostile take over attempts in public Tech M&A. Investors from geographies which come early and fast out of the crisis will try to pursue bargain Tech M&A opportunities in geographies which are slow in their recovery.

It is easy to see that terms and conditions in Tech M&A transactions most affected will include MAC clauses as well as representation and warranties catalogues. Certainly, there will also be more negotiations around back stop dates, purchase price adjustments and earn out mechanisms.

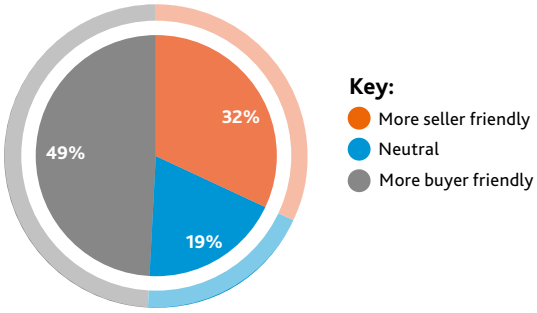
And on top of all the above we will see some very practical implications how Tech M&A transactions will be planned, signed and closed. Timelines of how to prepare and pursue due diligence will be affected. Virtual elements will not only be routine in due diligence but become even much more prominent in all steps of the way. Virtual meetings to negotiate, sign and close Tech M&A transactions will become more the rule than the exception. Safety concepts for the encryption of documents and electronic signatures will be more important than ever before. As a result of increased scrutiny of foreign investments, there should be an increasing number of Tech M&A transactions with split signing and closing as transactions will have to be cleared by foreign investment control authorities.

It would not be overly surprising if the increased complexity of Tech M&A transactions will result in more post Tech M&A disputes.

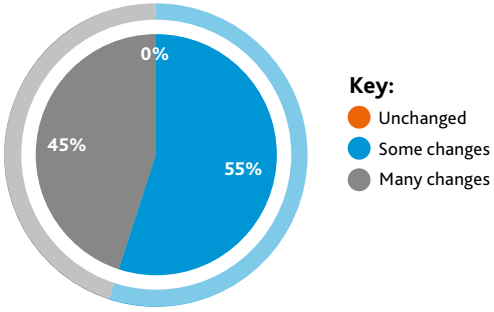
Valuation



Deals Terms



Transaction Mechanics



The Corona crisis also has a number of implications from a practical standpoint when it comes to Tech M&A transactions: In the UK there is no need for share transfers to be certified before a notary public but Stock Transfer Forms have traditionally been sent to HM Revenue & Customs in physical form for taxation purposes. This has now been replaced with an email system for the time being. Lawyers and clients have also had to come to grips with the electronic signatures and adapt their approach to verifying the identity of individuals for KYC purposes.

Thilo Schneider, Pinsent Masons, UK

The uncertainty generated by the COVID-19 pandemic on the ability of targets to deliver the business plans on the basis of which valuation used to be made by sellers will significantly impact the market and give some grounds to buyers to take more conservative approach of valuation. As the completion to get identified high growth businesses will remain intensive, prices will not necessarily get down but MAC clauses and earn out will probably become new market standards in Tech M&A.

Pierre Francois, Pinsent Masons, France

With Ireland being one of the world's most open economies, we have seen M&A deals either delayed or terminated as buyers, in particular, decide to follow a different strategic approach due to the impact of Covid19. However, where the medium to long-term fundamentals remain strong, we have seen a number of deals continue to completion without price adjustments. Private equity led M&A is not yet as entrenched here as it is in other markets and the early indicators are that we will see greater activity from private equity firms as they seek to take advantage of the opportunities in Ireland. There is likely to be a downward pressure on up front price perhaps compensated somewhat by more sophisticated earn-out models. In terms of MAC clauses, they are not common on Tech M&A deals in Ireland and that horse has probably bolted in respect of pandemics.

Dennis Agnew, Pinsent Masons, Ireland

While M&A transactions have been severely affected by the COVID-19, we believe new opportunities will arise as a result of changing dynamics. Companies providing tech solutions, services not requiring social interaction and therefore less exposed to the current worldwide restrictions might take center stage. We all are experiencing how administrative procedures, based on massive paperwork submitted over the counter are commonly, and naturally replaced by online services, where IT security, data protection, user-friendly software and alike will be at the core of the business. It is a one way street.

Antonio Sánchez Montero, Pinsent Masons, Spain

As a result of the Corona crisis I expect in Germany further regulatory restrictions for foreign direct investments (FDI) to come into effect and ministerial practice to be tightened considerably. It is also very likely that there will be a push to tighten FDI regulation within the EU generally, with the aim to make the EU as a whole more resilient and more self-sustained.

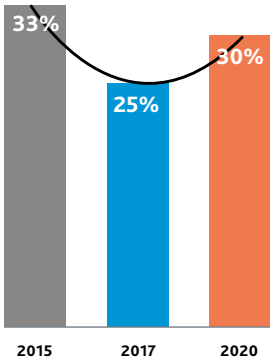
Eike Fietz, Pinsent Masons, Germany

Provision of services after a transaction closes

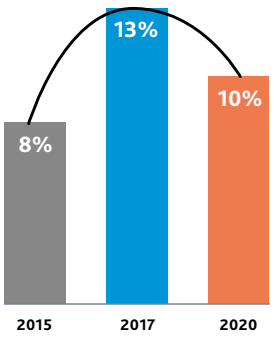
In many Tech M&A transactions, essential provisions are included in the agreement regarding services to be provided after closing. Negotiations in this regard are often intense and commercially significant. Especially changing suppliers or spinning off a business activity that is no longer part of the core business usually requires a certain transition period. Often, a transition services agreement (TSA) is made between the seller and the buyer, as well as with the target companies. This applies to almost a third of the cases described in our survey. These transition services often comprise continued (for a limited period of time) performance of services provided to a division as group or corporate services prior to the closing of the transaction.

The reverse case, in which the seller continues to use the services of the target company even after its sale, is still more or less the exception. The sellers apparent aim, as a rule, to make a clear break with the activity of the target company when they sell it.

There was a TSA



Deliveries and services of the target company was agreed for the period after closing



Non-compete clause

Typically, the buyer will pay the full value of the target company only if the transfer is contingent upon a non-compete clause applicable to the sellers (unless the acquisition is limited to tangible assets, such as real property). The majority of the transactions in the study included a non-compete clause. According to the results of this year's survey, the term of the non-compete clause is usually between 13 and 24 months. The shortest period was 6 months, and the longest 48 months. The most common period of the non-compete was 24 months. It may be expected that in a more buyer-friendly environment non-compete clauses will become even more popular.

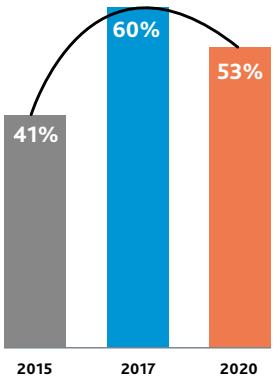
Thesis 7

Post-contractual non-compete clauses are in particular frequently agreed in the United Kingdom.

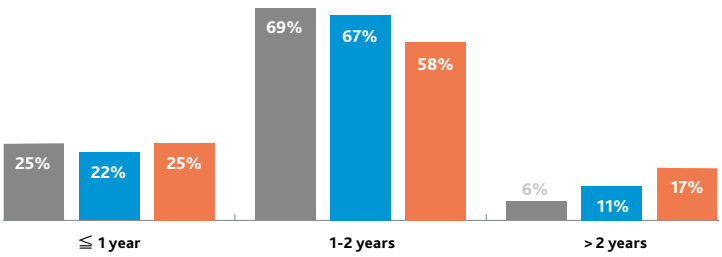
UK buyers usually argue that the purchase price for the business of the target includes its goodwill and an appropriate restriction on the sellers from competing post-completion. Such restrictions are enforceable provided they are reasonable in substance, duration and geographic application.

Thilo Schneider, Pinsent Masons, UK

Non-compete clause was agreed



Period of non-compete



Key:
2015 2017 2020

Dispute resolution

A specific dispute resolution mechanism in relation to purchase price disputes is included in almost a third of the cases. Typically, the Big Four or other large international accounting firms were designated as experts to resolve purchase price-related disputes.

Among general dispute resolution mechanisms, ordinary courts and arbitral tribunals were almost equally popular. The quotations below that speak favourably of arbitration are very specific. The ICC arbitration rules were named most frequently. Arbitration procedures are considered by many survey participants to be more suitable in situations where international aspects play a rule in the dispute.

The costs of arbitration are widely perceived as fairly high. According to our survey, mediation clauses are used – though seldom. Other alternative dispute resolution mechanisms were not named.

Thesis 8
In UK transactions, national courts in the United Kingdom are first choice for general disputes.

Thesis 9
In French and UK transactions, arbitration is extremely rare.

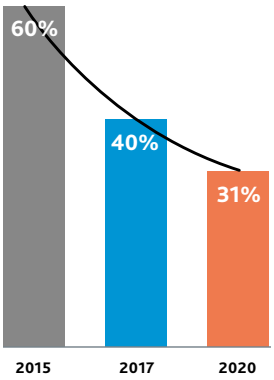
> The High Court of England and Wales and the Court of Session in Scotland are qualified to hear and adjudicate most M&A disputes. The courts encourage litigants to settle their claims and the costs of bringing claims in the ordinary are by and large comparable to the costs involved in other dispute-resolution mechanisms. As a result, other than where confidentiality of the disagreement is a key concern, parties in UK transactions tend to elect for national courts to have jurisdiction over post-completion disputes. However, there can be advantages to choosing alternative dispute mechanisms and we would always advise clients to consider whether arbitration would not be a preferable dispute-resolution mechanism: It is easier to enforce the arbitration award in some foreign jurisdictions (including the US) and also the parties will have the ability to select an arbitrator who is an expert in the matter in dispute. This can be particularly important in transactions where technology is at the heart of the matter.

Thilo Schneider, Pinsent Masons, UK

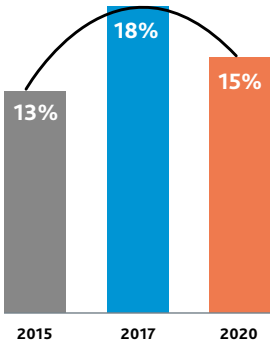
> Arbitration to settle disputes between buyer and seller is not frequent in the context of French domestic transactions. In the context of cross border transactions, it is not uncommon that foreign investors seek for dispute settlement before arbitration courts as arbitrators are seen as closer to the business and arbitration proceedings as providing more comfort in terms of confidentiality and litigation management process. In most cases, sellers push back successfully on arbitration as the preference of buyers for arbitration is seen as an attempt to prevent sellers from litigating as arbitration costs are much higher than French courts proceedings.

Pierre Francois, Pinsent Masons, France

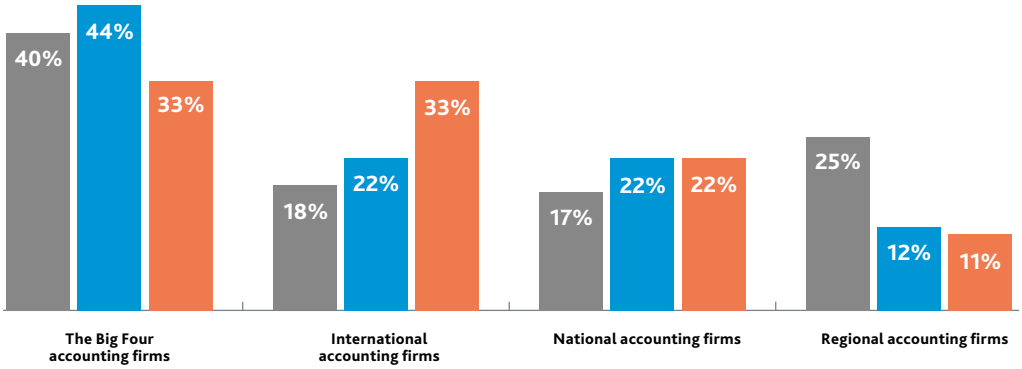
A dispute resolution mechanism was agreed for disputes regarding the purchase price



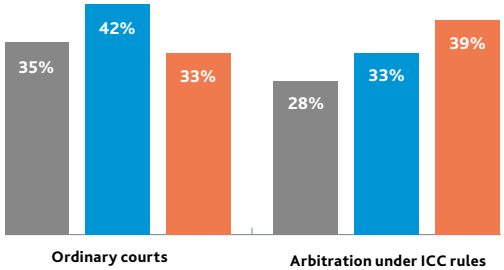
A mediation clause was agreed



Experts for purchase price disputes



Dispute resolution mechanism*



Key:
2015 2017 2020

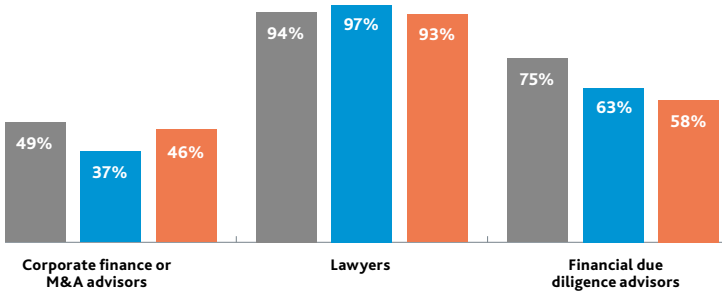
*Multiple answers possible

Advisors

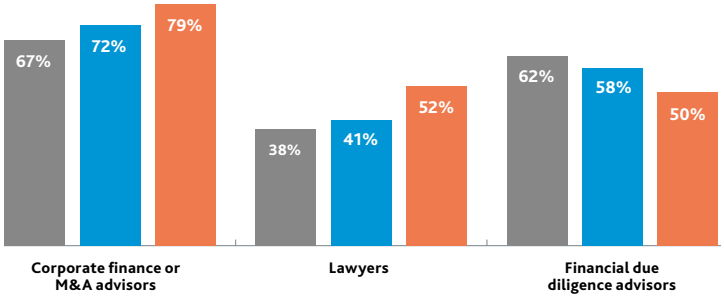
Using lawyers in Tech M&A transactions is standard practice in Europe. Involving special advisors for financial due diligence is also very prevalent in some countries, but not all in others (see below for the UK). Corporate finance advisors were used in nearly half of the transactions. In choosing the particular advisor, industry expertise shown by corporate finance advisors is the most important factor, followed by expertise of financial due diligence advisors.

Lawyers trail behind, but catch up. In this context, specific knowledge of the industry continues to be a decisive criterion for choosing a lawyer, now in half of the cases.

Type of advisors



Advisors chosen for their specific expertise in the industry



Key:
2015 2017 2020

Thesis 10
Involvement of financial due diligence consultants in UK transactions is extremely rare.

UK clients, advised by their accountants, usually consider financial due diligence to be part of their core competency and will usually not involve other specialist consultants to advise in this area.

Thilo Schneider, Pinsent Masons, UK

Business models needs to be well understood

Industry expertise and understanding of technology are ultimately important for all the consultants you have just mentioned. In the past, I have been involved in transactions in less complex service businesses. Each deal was more or less carried out according to the same principles (...). Nowadays, you are not getting very far with such standardised procedures. Our consultants have to understand our business model, our thinking; they have to keep an eye on the legal conditions. And we expect the consultants to show that they want to put themselves and our goals into the perspective, and of course to be able to do so; that is key.

Head of Corporate Strategy, Germany

Need specialists among the specialists

In my opinion, far too many consultants today are light-hearted about holding themselves out as specialists. For our international transactions, we need experts who know in detail their way around special topics such as artificial intelligence or cybersecurity. If you like, we need the specialists among the specialists for our projects.

Co-Head M&A Projects Europe, Germany

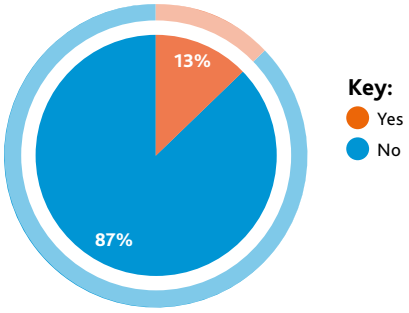
Legal Tech

Legal Tech seems to be high on the agenda of panel discussions, in the media and in board rooms of law firms and advisors. However, the use of Legal Tech instruments in a European Tech M&A transaction still seems to be more sporadic than the rule. Our research found, however, that many experts think that the use of such instruments will become much more frequent in the near term.

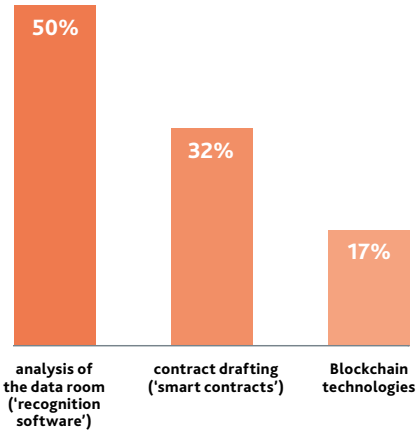
> While use cases for legal tech tools in M&A are fairly easy to think of, their practical use is currently fairly limited, as these solutions rely heavily on proprietary content owned by individual law firms or the use of artificial intelligence. For the former, e.g. document automation, white label solutions are thinkable and firms just need to make the investment. The latter, however, is tricky: Client confidentiality and European data protection rules are an obstacle to sharing the vast pools of data which are necessary to train AI. I believe that law firms, investment banks and data room providers will need to find a joint approach quickly, if they don't want to wake up one day and find that either one of the Big Four or Google has developed AI solutions for M&A and are getting ready to take over their markets.

Eike Fietz, Pinsent Masons, Germany

Legal Tech used as part of the transaction



Legal Tech used for



Legal Tech seems to be high on the agenda of panel discussions, in the media and in board rooms of law firms and advisors. However, the use of Legal Tech instruments in a European Tech M&A transaction still seems to be more sporadic than the rule.

About our survey

This report describes the results of a market research study conducted by SMF Schleus Marktforschung on our behalf. SMF Schleus Marktforschung conducted interviews with 45 decision-makers, business development managers and in-house legal counsels at well-known technology companies, who have been involved in numerous Tech M&A transactions in Europe.

The quotations were taken from interviews conducted for the study.

Market research institute

SMF Schleus Marktforschung is specialised on market research in the German legal, tax and financial market. They have access to more than 5,800 national and international institutional experts and decision-makers. With an innovative approach and with proven methods SMF Schleus Marktforschung provides knowledge relevant to competition to international professional service companies.

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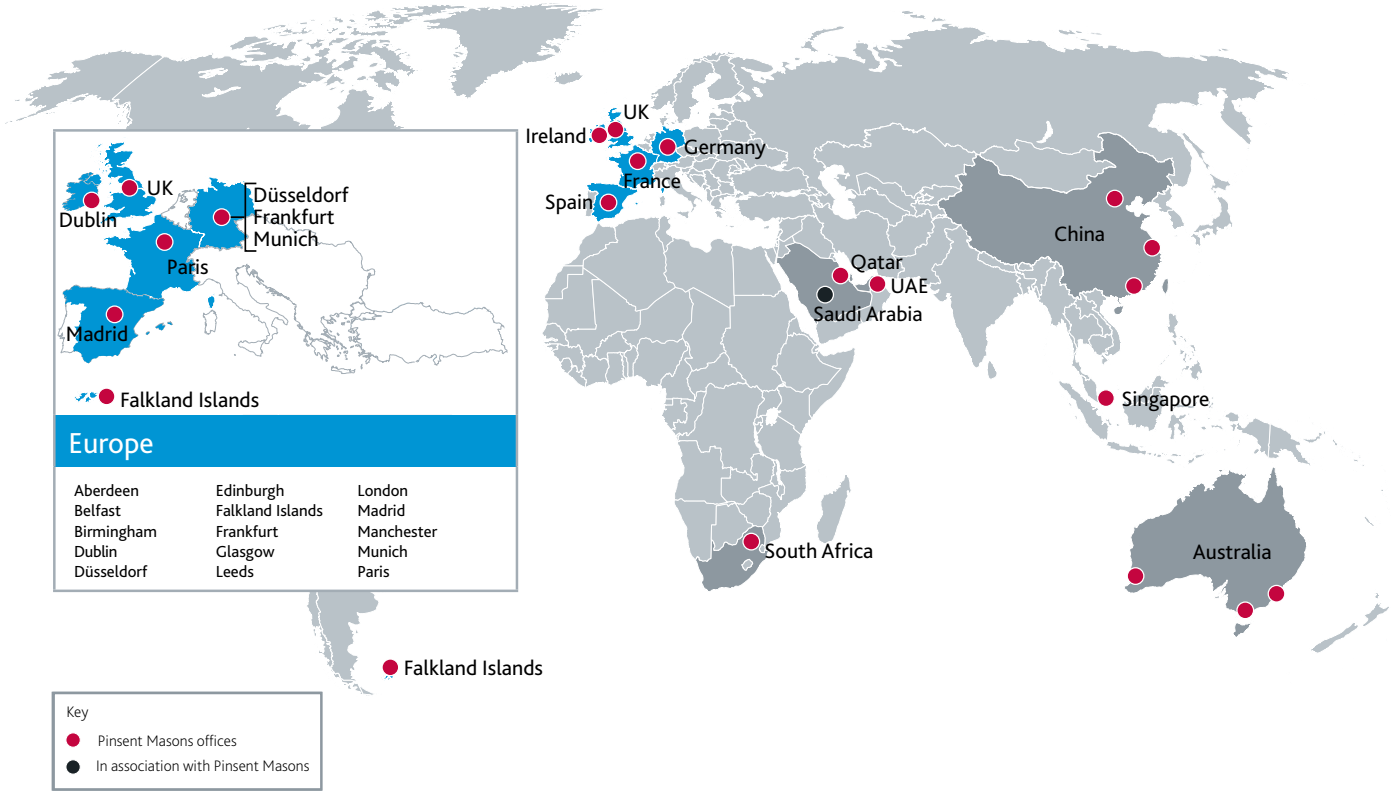
2,000 lawyers operating out of offices across Europe, the Middle East, Asia Pacific, Australia and South Africa. Combining sector experience and legal expertise ensures our clients receive cutting-edge legal services. Tech M&A is one of our preeminent fields of expertise.

Pinsent Masons Offices



Corporate tech highlights 2019

We are proud to have supported our clients in 2019 on a number of exciting Tech M&A transactions and investments in technology companies. Our highlights below underline the quality of our experience, international reach and deep engagement in the sector.

M&A

Advised CSI Group in relation to the acquisition of the entire issued share capital of Tectrade International Holdings Limited from its shareholders

Advised Beeks Financial Cloud Group pie on its acquisition of the business of Commercial Network Services, a US cloud computing company

Advised Juniper Education Holdings Limited {formerly EES for Schools), on its first bolt on acquisition following its MBO from Essex County Council

Advised Northgate Public Services on the acquisition of Medical Imaging (UK) Limited, Digital Healthcare Limited and MIDRSS Limited from EMIS Group and the acquisition of i2n

Advised the management sellers and the institutional sellers on the sale of Lanner Group Limited to Haskon ingdhv UK Holdings Limited

Advised Horizon Capital on the M BO of the business trading as EES for Schools (which operates software for schools) from Essex County Council

Advised Horizon Capital of the MBO of Bonamy Finch and ResearchBods to create Strat7

Acted for the shareholders of Kirona Solutions in relation to the sale of the group to Advanced Business Software and Solutions Limited

Advised Partner One Acquisitions Inc, a Montreal based investor on the acquisition from Assima pie of various subsidiaries in foreign jurisdictions

Advised management on the sale of Retail Insight (RI) from Navis Capital Partners to Ventiga Capital Partners

Advised Socotec UK Limited on the purchase of the entire issued share capital of Butler & Young Holdings Limited

Advised Syn ova Capital and fellow shareholders on the secondary buyout of Mandata by LDC

Advised GES EG on the acquisition of Order Systems G mbH

Advised Canon Deutschland GmbH on the sale of its printing services subsidiaries CBS Group to ASC Investment S.a r.l

Advised ldera, Inc. on the acquisition of software provider Travis Cl GmbH

Advised Palatine Private Equity on the sale of WHP Telecoms to Equistone Partners

Advised Huizhou Desay SV Automotive Co, Ltd. on the acquisition of Antennentechnik ABB Bad Blankenburg GmbH

Advised the Japanese conglomerate Nidec on the acquisition of 70% of the Desch Group

Advising Sabio on its acquisition of FlexAnswer Solutions, a leading Singapore-based provider of innovative Virtual Assistant solutions

Advised Sabio Limited on the acquisition of Callware Voice Technologies, Callware Comunicaciones and TwoPro (IT)

Advised Idox in relation to its £7m acquisition of Tascomi and related £7m placing

Advised Goldman Sachs on the sale of Northgate Information Solutions Limited to Tempo Prospero UK Bidco Limited, a subsidiary of Alight Solutions Inc

Advised management on the sale of Retail Insight (RI), a UK-based retail-analytics software and information services company, from Navis Capital Partners to Ventiga Capital Partners

Acting for LDC on the buyout of Commsworld Holdings Limited

Fundraisings and investments

Advised Cloudpoint Limited (the holding company of the Altius Group) on a minority investment by MML Capital Partners into the Altius Group

Advised AB Dynamics plc on an approximately £45.1 million placing and up to approximately £5.0 million open offer

Advised CANCOM SE on its €17 4.2 million capital increase

Advised Cyan Digital on a €2Sm capital increase

Advised Stride Gaming on its recommended £115m cash offer by The Rank Group

Advised Canaccord Genuity in relation to a £12.Sm placing and open offer by Cloudcall

Advised Stifel Nicolaus Europe on a £4.8m secondary fundraising by Osirium Technologies

Advised Stemmer imaging on its listing transfer to the regulated market (Prime Standard) of Frankfurt Stock Exchange

Advised Capita Scaling Partners on its follow-on investment in Munnypot, the online robo-advice savings and investment platform

Advising Sage, the multinational enterprise software company, on its strategic partnership with ZCloudnine, a payroll and billing software

Advised Tesco on a $5million investment in and commercial contract with Trigo Vision.

Our awards & rankings

Firm with highest number of Tier 1 rankings

and more rankings overall than any other firm (Legal 500, 2020)

#1 law firm by number of AIM clients

Adviser Rankings 2019

#1 law firm by number of Technology clients

Adviser Rankings 2019

Ranked among the five most innovative law firms in Europe.

FT Innovative Lawyers Europe 2019

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Notes