



SOFTWARE – M&A AND DUE DILIGENCE INSIGHTS

APRIL 2025



YOUR DEDICATED DEALS TEAM

- One integrated National CP Deals team of over 60 people covering Corporate Finance, Transaction Services, Transaction Tax and Law. A focus on deals typically in EV range of £5 - £200m. Strong sector focus on technology, business services, healthcare and automotive. Located across 4 hubs – Midlands, London, Manchester and Thames Valley
- Our highly experienced Corporate Finance team advise privately owned businesses and private equity houses with a dedicated Origination team creating opportunities in our key sectors. Part of the REACH international network (24 M&A firms) with presence across 30 key deal making countries.
- Our 20-strong national Transaction Services team completed 60 deals worth £640m+ in the last two years across owner managed businesses, PE backed businesses and directly with PE firms & funders. Working on both buy side and sell side due diligence (VDD and vendor assist).
- Our specialist Transaction Tax team brings extensive experience, advising both on acquisition diligence/structuring and as seller advisory allowing them to bring valuable tax insights to transactions.
- CP Law delivers clear, commercial solutions, ensuring clients are informed, prepared and equipped to make the best decisions during every stage of a transaction.
- Benefitting from the huge depth of expertise across Cooper Parry (audit and specialist tax teams, wealth and CP Digital). On a rapid growth journey ourselves, backed by Lee Equity (previously Waterland) completing 12 acquisitions in the past two years. In the Times Top 100 Best Companies to Work For listing for 7 years running and # No 1 Accountancy Firm to work for in the UK. B Corp Certified.
- Experian Top 10 Financial Advisor in 2024 (5th in Midlands and 7th in South East).



REACH



WHAT OUR CLIENTS HAVE TO SAY

"It was a pleasure to work again with the CP team. Their responsiveness and quality was exactly what I'd expect from a top-tier firm, and they are a joy to work with"

Richard Bolton,
Principal – Octopus
Ventures

"The CP Deals team worked tirelessly to deliver an excellent transaction for us and our management team. Their Partner-led approach and automotive sector knowledge were invaluable. We wouldn't hesitate to recommend them to others"

Mark Cooper, MD –
Dragon2000

"Working with CP Deals was a game-changer. They were quick to respond, proactive, and when due diligence got intense, their insights and negotiation support were invaluable. If you want a team that truly adds value, CP is the one to call"

Nick Lally, CFO –
Ravelin Technology

"I wanted to take this opportunity to send you my deepest thanks and appreciation for the roles you have played on this transaction. In this market to get the multiple you achieved is some achievement and testimony to your efforts and capabilities."

Tim Barnett, CEO –
Credas Technologies

SOME RECENT CREDENTIALS

CP DEALS – TECHNOLOGY SECTOR EXPERIENCE

Our team has a successful track record of supporting clients in the **software & wider technology sector**, combining senior deal experience, a hands-on partner-led approach and outstanding transaction capability.

Transaction Services & Transaction Tax

Software / Technology deals

2025

 Communicate


Acquired

 **BLAZE**
NETWORKS

Technology

FDD & TDD

2025

 worldpay

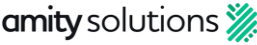
Acquired

 Ravelin


Fraud Detection Software

Vendor Due Diligence

2024

 amity solutions

Acquired

 tollring

Technology

FDD

2024

 TSG

Acquired

 DAYTA

Technology

FDD & TDD

2024

 octopus ventures

Invested in

 switchee

Social Housing Technology

FDD & TDD

2024

 WATERLAND
PRIVATE EQUITY INVESTMENTS

Acquired

 cloud orca

IT Services

FDD & TDD

2024

 WATERLAND
PRIVATE EQUITY INVESTMENTS

Acquired

 MACROFIN

SaaS

FDD & TDD

Corporate Finance

Software / Technology deals

2025

 The Citation Group


Acquired

 TRUST ID


RegTech

Lead Advisory

2025

 Lloyd's List Intelligence

Acquired

 InfoSpectrum

Marine intelligence Software

Lead Advisory

2024

 Dragon2000

Acquired

Portal

Auto Tech

Lead Advisory

2023

 Dye & Durham

Acquired

 CREDas

RegTech

Lead Advisory

2023

 iti
Group
Acquired


 Saker Solutions

Part of the ITI Group


Software

Lead Advisory

2022

 Livingbridge

Acquired

 nourish

Software

Lead Advisory

2022

 AUGUST
equity

Acquired

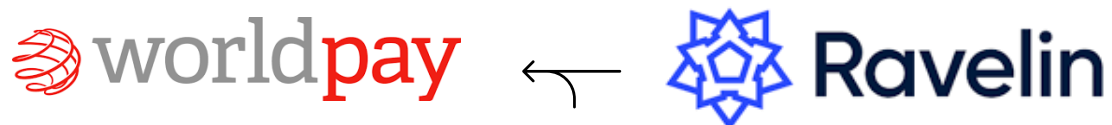
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HealthTech

Lead Advisory

CASE STUDY – VENDOR DUE DILIGENCE

ACQUISITION OF RAVELIN BY WORLDPAY



Background

- CP Deals provided **financial and tax vendor due diligence (VDD)** in **Worldpay's acquisition of Ravelin Technology**, a leading AI-native fraud prevention platform.
- Ravelin has developed **fraud prevention** solutions, leveraging AI to protect e-commerce merchants from payment fraud, account takeovers, refund abuse, and more. This acquisition **aligns with Worldpay's strategy** to enhance its value-added solutions and empower merchants with **cutting-edge fraud detection technology**.
- The **Transaction services team**, led by **Simon Nichols (Partner)** and **Hien Vo (Director)** worked closely with the team at Ravelin and their financial advisors, KeyBanc, to deliver **technology sector insight** into **key value drivers** as well as providing bidder meeting support.
- Our **Transaction Tax team**, led by **Sara Thompson (Director)** provided tax support across **corporation tax, VAT, employment taxes and employment related securities**.

Client feedback:

“Working with Cooper Parry Deals was a game-changer for us. Their team was incredibly knowledgeable, making the whole process smoother and allowing us to stay focused on running the business. They were quick to respond, proactive in tackling challenges, and when due diligence got intense, their insights and negotiation support were invaluable. If you want a team that truly adds value, Cooper Parry is the one to call.”

Nick Lally, Ravelin CFO

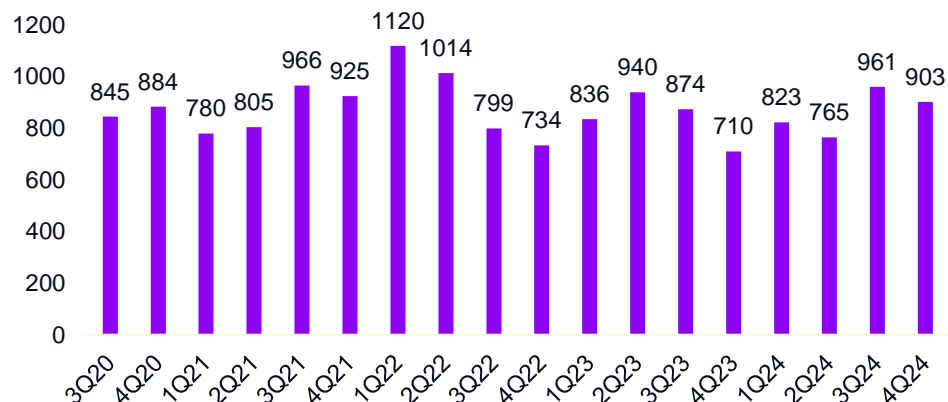
DD Highlights and Value add

- **ARR** (annual recurring analysis): The TS team applied their software sector expertise to assess the forward-looking ARR, incorporating known contract wins, cross-sell initiatives, contractual uplifts, and expected churn to support the 'secured' / 'contracted' ARR. This area is a key focus for both buyer and seller, given the valuation is linked to a revenue multiple.
- Analysis of **Customer Acquisition Cost (CAC)** and **Customer Lifetime Value (LTV)** provides insight into the cost of acquiring a customer relative to the revenue generated over the customer relationship, supporting the assessment of customer value and optimisation of growth strategies.
- **Equity story:** The TS team held constructive discussions with Management to understand the Company's strategy and growth plans, helping to articulate the equity story and independently substantiate key focus areas for the buyer.
- A **credible path to profitability** has been assessed through a quality of earnings analysis, normalising reported EBITDA for the impact of COVID-19, customer-specific items, and other relevant pro forma adjustments, to present a more accurate reflection of sustainable earnings within the context of the software industry.
- Management valued our **real-time identification and resolution of key issues** throughout the FDD and Tax DD process, which also ultimately supported their preparation for bidder Q&A in a collaborative manner and helped build buyer confidence in the quality of financial information and robustness of responses.

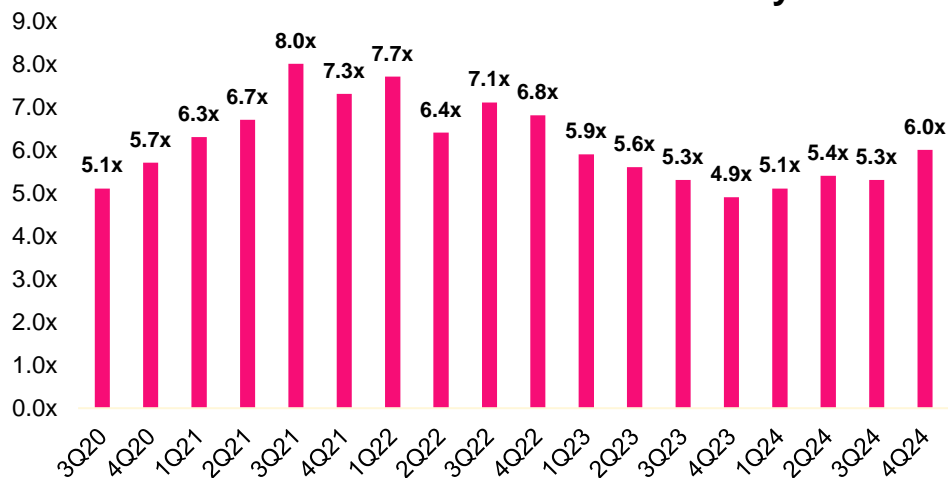
RECENT DEALS / MARKET ACTIVITIES

PRIVATE COMPANY M&A – SaaS METRICS

M&A Deal Volume - Quarterly



Median EV/TTM Revenue - Quarterly



Source: Annual SaaS Report 2025 SEG Software Equity Group

Software – key trends

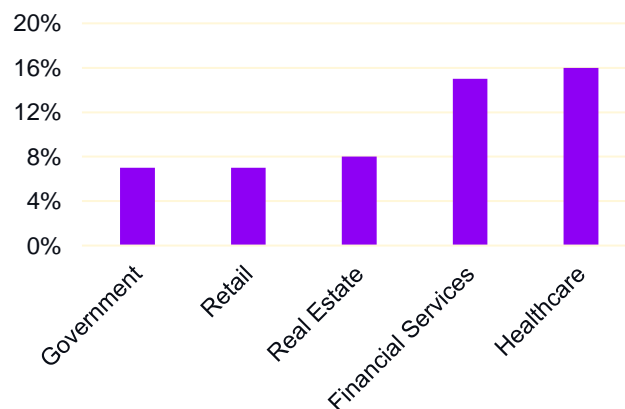
Software M&A deal volume has remained stable but there are indicators of growth in M&A volume, largely driven by SaaS transactions, of which there were 2,107 in 2024. In 2024, 3,452 total software deals were recorded, up 3% versus 2023 and 13% from pre-covid levels. However, 4Q24 displays growth of 27% over 4Q23.

Aggregate software M&A deals are becoming secondary to the more popular SaaS model. Software companies are quickly transitioning to **cloud-based and SaaS subscription pricing models**. This is supported by the 61% increase in SaaS transactions since 2020 and an uptick in deal volume expected in 2025.

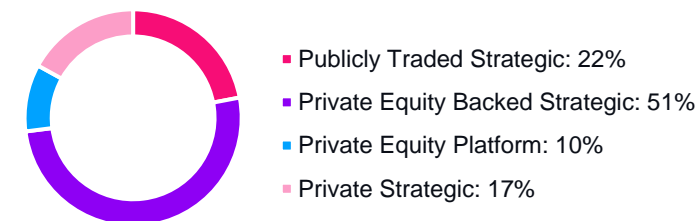
Average annual EV trended upwards between 2018 to 2021. Following the highs of 2021, driven by macroeconomic conditions and inflationary pressures caused by geopolitical instability and recovery from Covid-19, increased interest rates suppressed deal activity and contributed to a reduction in average annual multiples. However, 2024 has shown marginal improvement, especially in the fourth quarter which averages 6.0x.

Analytics & Data Management and **Content & Workflow Management** are the most significant deal categories, evidencing interest in AI-related deals, with 100 deals completed in each area in 4Q24. **Healthcare and Financial Services** continue to pave the way as the most popular deal verticals.

Top 5 M&A Verticals



2024 SaaS M&A Activity by Buyer Type



Private equity was involved in 61% of SaaS deals in 2024. This trend is continuing into 2025 as interest rates become less volatile and rate cuts are expected across all major economies, dry powder is plentiful, and deal volumes rise.

SECTOR INSIGHTS

CP VERTICAL – FINTECH & REGTECH

The UK FinTech and RegTech landscape is marked by stringent oversight from the PRA and FCA to ensure financial stability and consumer protection. Projects such as the FCA's Innovate programme support the development of new financial products and services, helping FinTech companies bring innovative solutions to market and enhancing competition in the industry. Development is crucial in a regulatory environment which increasingly needs to meet the demands posed by advancements in technology, and CP Deals have worked with several clients who continue to drive development and innovation in this core sector.

UK FinTech revenues		
Item	Revenue	Market Share
Payments and digital banking	£8.2bn	25.4%
Investment platforms and management	£6.4bn	19.7%
Credit and lending	£5.6bn	17.4%
RegTech	£2.6bn	8%
Distributed ledger technology	£2.4bn	7.3%
Other	£7.2bn	22.2%

VALUE DRIVERS



Highly recurring revenues



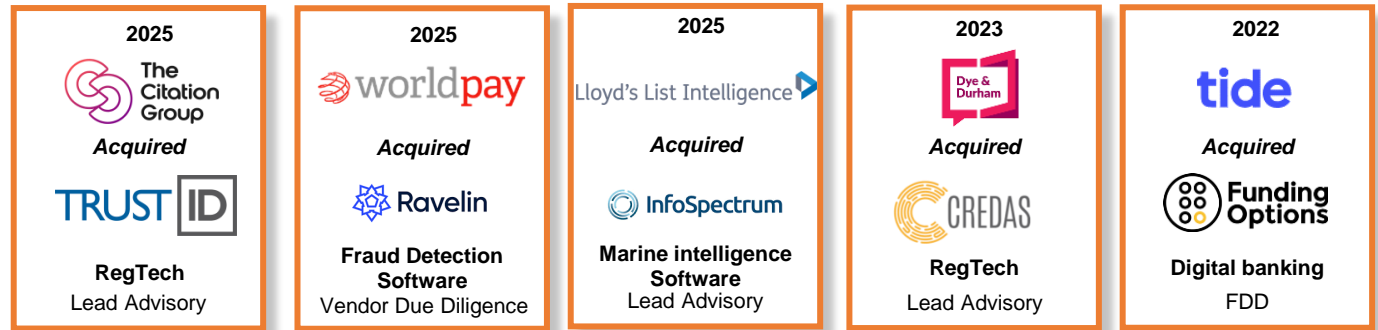
Diversified customer base



Integrated & embedded product



Value added insights



SECTOR DRIVERS

Complex Regulatory Landscape: Financial institutions navigate an increasingly intricate web of regulations, prompting the need for advanced regulatory technology solutions.

Cost of Compliance: The high cost of complying with regulatory requirements drives the demand for efficient and cost-effective RegTech solutions.

Technological Advancements: Innovations in AI, machine learning, blockchain, and big data analytics enhance the effectiveness of compliance processes.

Data Management: RegTech solutions offer advanced data analytics capabilities, improving risk assessment and detection of financial crimes.

SOFTWARE

KEY FOCUS AREAS FOR FINANCIAL DUE DILIGENCE

We focus our work on **key value drivers** to help **maximise deal value** for our clients and **accelerate** the due diligence process

Analyse Annual Recurring Revenue (ARR) / revenue roll-forward to evaluate the business's underlying growth trajectory

Proven track record of winning and expanding customer base with an effective go-to-market strategy

High level of customer retention / low churn. Discuss any significant historical customer churn

High-quality, diversified customer base, with strong ongoing relationships supporting revenue growth and a demonstrated ability to upsell and cross-sell products / services

Assess the definition of gross margin, including the allocation of costs between cost of sales and overheads. Evaluate margin trends to support long-term profitability

New hires / employee churn and consideration of staff costs to support business growth. Assess if any internal labour costs have been capitalised

Effectiveness of the R&D spend / function to support the growth of the business. The level of capitalised R&D costs if applicable.

Quality of earnings adjustments to exclude the impact of exceptional or non-trading items, to present a representative view of underlying EBITDA

Visibility of the current year outturn from (a) contracted revenue/backlog; (b) recently signed contracts yet to go live; and (c) pipeline coverage. Analysis of historical conversion rates to evaluate outturn achievability

Robust and defensible assumptions underpinning the business plan. Potential upsides and risks against key forecast assumptions

Analysis of operating cash flow conversion and potential presentation of Cash EBITDA

Robust financial control environment with accurate revenue recognition policy, providing good basis for investor's valuation of the business

SOFTWARE

KEY FOCUS AREAS FOR FINANCIAL DUE DILIGENCE

Indicative analysis of annual recurring revenue (ARR)

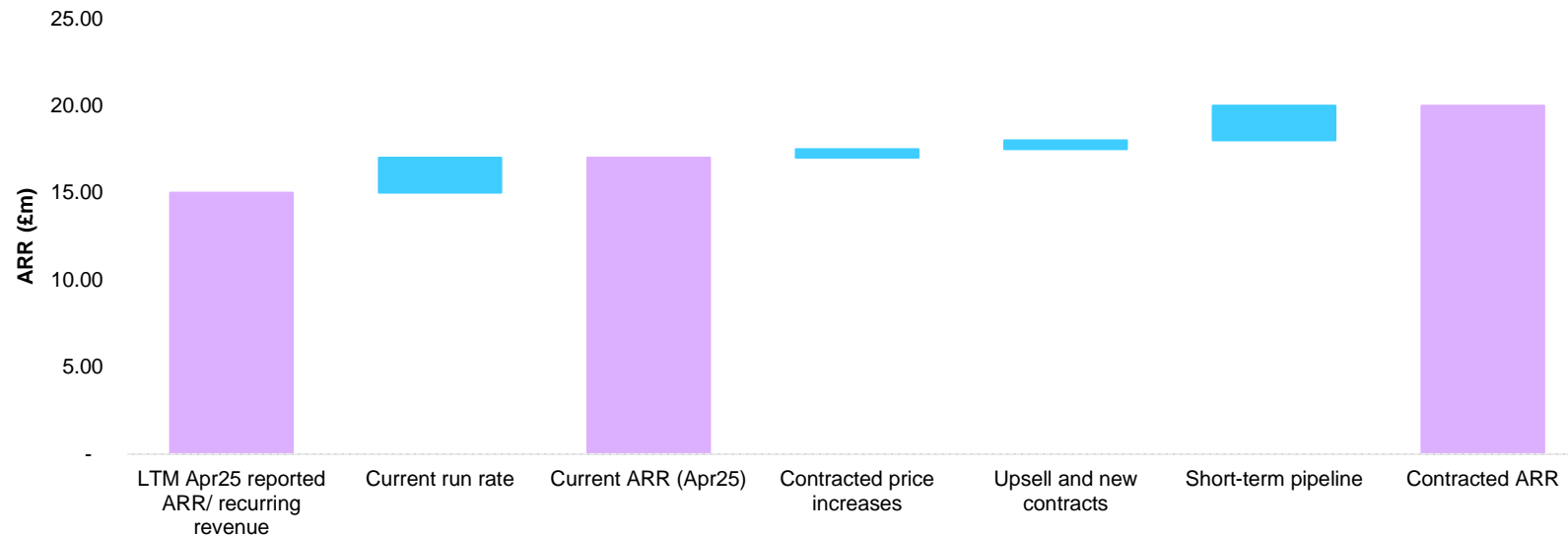
A key area of focus during the due diligence will be understanding the:

- Current **run-rate** of the Target business and future pipeline
- Known **customer wins**
- Contracted **price increases**
- **Short-term pipeline**

We have illustrated in the chart below the types of adjustments we would seek to include as part of the bridge between Reported ARR and Contracted ARR. These adjustments are typical of SaaS transactions and will form a significant part of a prospective acquirer's due diligence exercise.

Based on our experience of working on other transactions, clearly presenting these adjustments (supported by confirmed orders / contracts) will be a **key value driver and** ultimately impact the multiple that prospective acquirers are prepared to place on historical revenue (& EBITDA).

Contracted ARR bridge (£m) – for illustrative purposes only



TAX DUE DILIGENCE

TAX CONSIDERATIONS FOR A SOFTWARE / SAAS COMPANY

In addition to standard considerations around **corporation tax, VAT, and employment-related taxes**, the potential for significant overseas sales highlights the importance of assessing **UK and international tax compliance** to mitigate cross-border tax risks



If a company sells to the US, they may be obliged to register for US sales tax under US sales tax nexus rules or at least need to have considered whether exemptions apply. These could be customer specific or because the states in question do not tax software or SaaS.



Companies may sell electronically supplied services overseas and treat the supply as outside the scope of VAT. However, if they fail to have appropriate KYC DD procedures to ensure that the customer does not actually use the software in the UK (e.g. due to having a UK branch or employees in the UK) the company would be back into the scope of UK VAT.



Software companies often grow quickly which can result in employment taxes or employment related securities issues as they outsource workforce and / or look to better incentivise staff via EMI schemes, other share options or share participation or enter funding rounds which may provide a market for shares.

CORE TEAM

CORPORATE FINANCE



NIALL CHANTRILL
Partner | Corporate Finance
+44 (0) 7931599271
niallc@cooperparry.com

Niall has been with Cooper Parry for over 10 years and has spent all of that time working with privately owned companies and Private Equity clients operating across the mid-market.

Niall has a strong focus on working with businesses and entrepreneurs in the technologies and B2B software space.

Notable deals include:

- Sale of TrustID (IDSP covering Right-to-Work and candidate/customer onboarding) to Citation
- Sale of Credas Technologies (KYC/AML software) to Canada-listed Dye & Durham
- Sale of Nourish Care Systems (digital care planning software) to Livingbridge
- Buy-side advice to QPE on the acquisition of MediMatch (digital dental laboratory)
- Sale of MEATER (wireless meat thermometers) to Traeger
- Buy-side advice to Livingbridge on the acquisition of Simply Conveyancing (tech-enabled conveyancing)



PETER WILIAMS
Partner | Corporate Finance
+44 (0) 7765743127
peter.williams@cooperparry.com

Peter enjoys advising business owners on a broad spectrum of advisory services, primarily assisting clients on transactional requirements such as business disposals, acquisitions, MBOs/MBIs, fundraising and private equity related deals.

Peter has extensive experience of advising clients on transactions in a variety of sectors such as TMT, manufacturing, infrastructure and logistics and takes pride in delivering a hands-on, commercial and pragmatic service, meeting and often exceeding clients' aspirations. He is a qualified Chartered Accountant and has previous experience at a 'Big 4' firm and other regional 'Top 10' firms.

Notable deals include:

- Disposal of Dragon 2000 to Carlyle backed Lacour Group
- Disposal of Creditas Financial Solutions to Carlyle backed Evolution Funding
- Disposal of We Are Access to The Sideshow Group
- Disposal of World Options Holdings to MBE Europe
- Acquisition of MBE UK Limited by MBE Europe
- MBO of SIID by World Options Holdings
- Disposal of Colour Anodising to Metropolis Group
- Disposal of Sandcastle Care to Waterland
- Disposal of Priory Home Care

CORE TEAM

FINANCIAL DUE DILIGENCE



SIMON NICHOLS
Partner | Transaction Service
+44 (0) 7802309016
simon.nichols@cooperparry.com

Simon leads the Cooper Parry Transaction Services team in London. He was previously a Partner at both Azets and KPMG. He has 25 years of experience in leading multi-disciplinary teams on global and domestic acquisitions, demergers, disposals and capital markets transactions.

Simon has significant software and wider technology deal experience and provide a 'hands on' Partner led approach to our work.

His relevant deal experience includes:

- Vendor due diligence on Ravelin Technology, a fraud detection software provider, in connection with its acquisition by Worldpay
- Financial due diligence on Blaze Networks (a security-focused managed service provider with deep expertise in SD-WAN) for Rockpool / Communicate Technology
- Financial due diligence on Dayta Limited (a Sage business partner) for Technology Services Group (portfolio company of Pictet PE)
- Sell side support for an IT Managed Services provider based in London (confidential live transaction)
- Due diligence on Octopus Venture's recent investment into Switchee (a SaaS business)
- Due diligence on Thincats investment into Flight Story (digital marketing & comms agency);
- Vendor Due Diligence on the \$205m disposal of the WiMax operations of Alem Communications to TeliaSonera



HIEN VO
Director | Transaction Services
+44 (0) 7933514038
hien.vo@cooperparry.com

Hien joined Cooper Parry in February 2024 with over 14 years of Deals experience in practice, including at EY, A&M and KPMG.

He has led buy-side and sell-side due diligence on a wide range of corporate and PE clients based in the UK and overseas. His sector experience covers Technology, Software and IT managed services.

His relevant deal experience includes:

- Vendor due diligence on Ravelin Technology, a fraud detection software provider, in connection with its acquisition by Worldpay
- Financial due diligence of Cloud Orca (IT services, Salesforce CRM consultancy)
- Financial due diligence on Blaze Networks (a security-focused managed service provider with deep expertise in SD-WAN) for Rockpool / Communicate Technology
- Financial due diligence in relation to the investment in Instem Plc (software provider for the Life Science sector) by Archimed SAS (a French PE house);
- Financial due diligence on Dayta Limited (a Sage business partner) for Technology Services Group (portfolio company of Pictet PE)
- Vendor due diligence for BigHand (dictation and speech recognition software provider);
- Financial due diligence on Version 1 (software development & IT managed services provider) for Partners Group.

CORE TEAM

TAX DUE DILIGENCE



SARA THOMPSON
Director | Transaction Tax
+44 (0) 7500974559
sarat@cooperparry.com

Sara has over 25 years of experience working in Tax, 15 of those with a Big 4 Transaction Tax team before joining CP in 2021. Leads the CP Transaction Tax team and has advised a range of buy-side and sell-side clients from mid market PEs, corporates and individuals to large listed and international entities on a range of restructurings, tax efficient acquisition/disposals, IPOs and tax due diligences and can therefore understand and anticipate the tax implications for all parties to a transaction.

Her relevant deal experience includes:

Vendor due diligence for Ravelin Technology culminating in acquisition by WorldPay

Buyside diligence and tax structuring advice for Waterland on the acquisition of Cloud Orca by Cooper Parry Digital and subsequent acquisition of Macrofin

Buyside diligence for Microlise Group on various SaaS acquisitions including Vita software and Enterprise Software Systems Buyside diligence for LDC on bolt-on acquisitions of various trustee services firms

Sale of healthcare SaaS business Nourish Care Systems to Livingbridge

Sale of Serif Group to Canva

Sale of Bulbshare to Service Management Group



LOUISE MELDRUM
Senior Manager | Transaction Tax
+44 (0) 7989241672
louisem@cooperparry.com

Louise has over 14 years of experience in tax at CP and is a qualified Chartered Accountant and Chartered Tax Advisor.

As a Senior Manager in our specialist Transaction Tax team, Louise spends her time advising on deals, both buy and sell-side, focussing on the entrepreneurial mid-market / SME space.

Her relevant deal experience includes:

- Buyside diligence for CAE Technology Services Limited on the acquisition of Novus Group
- Buyside diligence for Microlise Group on the acquisitions of Vita Software and Enterprise Software Systems
- Buyside diligence and structuring for Waterland Private Equity for the bolt on acquisition of Cloud Orca by Cooper Parry Digital
- Sale of healthcare SaaS business Nourish Care Systems to Livingbridge
- Sale of Serif Group to Canva
- Sale of Bulbshare to Service Management Group
- Sale of Ravelin Technology to Worldpay
- Sale of Meddbase to Cority



EMMA AISH-LYONS
Director | Tax, Tech & High Growth
+44 (0) 7720089744
emmaa@cooperparry.com

Emma has considerable deal experience and enjoys diving in the deep end with her clients to support them through a transaction and beyond a specialist in the technology sector, she understands the value of delivering pragmatic advice on a "solutions first" basis, identifying key areas of risk and ensuring appropriate, commercial advice is offered to mitigate to an appropriate level, based on the size & scale of the business. Emma joined CP from Grant Thornton and prior to that BDO.

Her deal experience includes:

- VDD on a transformative technology company
- VDD on a video games company as part of series C fundraise
- Live Vendor assist for managed IT services company (confidential)
- Tax DD for Tide on acquisition of Funding Options
- Sell side support for the acquisition of Superawesome by Epic Games and then management buyout of Superawesome from Epic Games
- VDD on a transformative technology company
- VDD on a video games company as part of their series C fundraise
- Tax DD for Tide on acquisition of Funding Options

CORE TEAM

LEGAL DUE DILIGENCE



EMILY WATERHOUSE
Head of Law | CP Law
+44 (0) 7955057846
emily.waterhouse@cooperparry.com

Emily has an extensive track record in the legal profession spanning over 15 years where she has worked in-house for several large investment companies and later moved into private practice.

Emily provides astute corporate and commercial advice for her clients which is noticeable through her leading on multiple acquisitions both on the transactional and due diligence sides of a deal.

Emily leads our legal due diligence assignments, collaborating seamlessly with the tax and financial teams in Cooper Parry, to ensure a comprehensive due diligence report and 'one stop shop'.

Notable recent deals providing legal advice on the following:

- Advising on sale of a remote gaming and cloud software provider and legal due diligence on sale side
- Advising provider of financial risk assessment software on private equity investment and legal due diligence on target side



SOPHIE LANG
Corporate Associate Partner
+44 (0) 2071237388
sophie.lang@cooperparry.com

Sophie has over 8 years of Corporate legal experience, having trained and qualified at top 40 law firm, before moving to a City legal practice and specialising in Corporate law.

Sophie has experience working on private and public company transactions including on guiding clients through the transactional and due diligence aspects of buyer side of mergers and acquisitions, together with seller side legal due diligence, private company reorganisations and restructurings, investments and shareholder matters across a range of industries.

Her relevant deal experience includes:

- Advising provider of financial risk assessment software on private equity investment and legal due diligence on target side
- Buyside legal due diligence on acquisition by leading gaming and betting software technology provider



NOORDIN MUSHETET
Director | CP Law
+44 (0) 7712670354
noordin.mushetet@cooperparry.com

Noordin leads the Real Estate team at Cooper Parry Law. Before joining Cooper Parry, Noordin gained extensive experience at leading law firms, specialising in Real Estate law.

He is an expert in managing buyer-side and seller-side due diligence projects for large multinational deals, both in stand-alone Real Estate transactions and as part of broader M&A deals.

Notable deals where Noordin provided legal advice include:

- Providing buy-side Real Estate corporate support on a multi-million-pound M&A deal involving a large cloud provider
- Advising on the purchase of a portfolio of Real Estate assets for the creation of server infrastructure
- Handling complex wayleave negotiations between large institutional builders and an internet service provider



CP

THANK YOU



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