Ørn Software Holding AS (ORN) - Ørn acquires Landax, adding NOK 21 million of ARR and 540 new customers

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Trondheim, May 21 2021 - Ørn Software has signed an agreement to acquire the Norwegian Quality Management Software-as-a-Service (SaaS) company Landax, thus gaining a strong portfolio of new customers in new and existing sectors.

"Through the acquisition of Landax, Ørn Software continues to execute on its communicated growth plan. Landax has a unique position within the Quality Management space, and its platform offers and impressive width in functionality that perfectly complements our existing portfolio perfectly. Landax represents an offering that is highly attractive for Ørn's existing customers, and vice versa," says Ørn Software's CEO Sten-Roger Karlsen.

The acquisition adds 540 new customers to Ørn Software's portfolio, including a range of large companies within Norwegian retail, logistics and industry. The acquisition also provides Ørn with 11 highly skilled employees in Norway, and a development team in Poland.

At the end of 2020, Landax had an annual recurring revenue (ARR) of NOK 18.9 million. 2020 revenue was NOK 30.8 million. This represented an organic growth in ARR of 29% compared to 2019. During the first four months of 2021, Landax has increased its ARR with 14% to NOK 21.2 million. The 2020 EBITDA was NOK 10.1 million (NOK 6.0 million in 2019). The acquisition increases Ørn Software's ARR with 18%. Ørn's proforma ARR at the end of 2020 was NOK 107 million, after having grown 73% annually in the period 2017-2020.

The transaction is based on an enterprise value of NOK 95 million and implies a multiple of 4.5x on ARR. The transaction will be settled with 80% cash at closing and 20% in Ørn Software shares, issued in line with board authorization. The transaction is expected to close in June 2021.

"Today, companies need to continuously increase their efficiency and quality to stay competitive and relevant. Implementing digital management tools is an important part of meeting this need. Mega-trends like the Digitalization wave, Smart buildings/cities and Industry 4.0 are pushing the technological development, enabling even more value to be created from our software solutions," Karlsen says.

"Maintenance Management and Quality Control is a very good match, and our customers need both to gain full control over the entire value chain, to optimize efficiency, quality, and to increase sustainability," says Karlsen.

"We have offered this combination to the Aquaculture industry since acquiring Pixelwerk in January 2020. With Landax, we can provide the same broad range of services to other sectors as well," says Karlsen.

"The shareholders of Landax are very pleased to become a part of Ørn Software. Over time, Ørn has proven to be a solid, flexible, and rapidly growing player in the software industry. The company has a strong market position within industrial maintenance, aquaculture, and real estate. Correspondingly, Landax has become a dominant supplier of management solutions for quality control, HR, HSE and project management. Together, the combined entity will represent a major market power in the Nordic region," says Torleif Bratlie, CEO of Landax.

"Although Landax' main market is Norway, its platform supports multiple languages and is ready to be introduced outside the country," says Karlsen.

Ørn Software has ambitions for further acquisitions.

"We see that there are very good opportunities for value creation by continuing our aggressive acquisition strategy. Landax is the sixth company we have acquired in the past 18 months. In addition, we also have significant organic growth, and our target is to organically grow our ARR to NOK 300 million and reach 40 percent EBITDA margin by 2025.

Disclosure regulation
This information is such that Ørn Software Holding AS is required to disclose in accordance with the EU Market Abuse Regulation.

This information was submitted for publication by the Company's CFO, Vidar Andre Løken.

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About Ørn Software Holding AS

Ørn Software is a Nordic provider of SaaS solutions enabling efficient operations and maintenance across a wide range of asset-heavy industries, including real estate, manufacturing, food & beverages, and aquaculture.

The Group's software provides customers with improved insight through data-driven operations and contributes to increased efficiency and reduced costs through digitalization of rental processes, data-driven maintenance scheduling and energy optimization. All of the above contribute to the lengthening of property and equipment lifespan, a key component of Ørn Software's value proposition. Furthermore, the Group's offering enables customers to reduce their environmental footprint and provides digital tools to meet reporting and regulatory requirements.

Attachments

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