



## Ørn Software Holding AS (ORN) - Ørn acquires Rapal to become market leader in Finland, increasing ARR by NOK 62 million

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Trondheim, June 25 2021 - Ørn Software has signed an agreement to acquire the Finnish Real Estate Software-as-a-Service (SaaS) company Rapal, thus expanding into Finland. Ørn increases ARR by 43 percent.

“Through the acquisition of Rapal, Ørn Software continues to execute on its geographical expansion and growth plan. Rapal’s offering is highly complementary to Ørn’s real estate platform, with best-in-class solutions for lease, space, and workplace management. Rapal’s Smart office solution meets the post-Covid demands perfectly, empowering companies to ensure a safe return to a more dynamic and flexible workplace,” says Ørn Software’s CEO Sten-Roger Karlsen.

The acquisition adds 250 new customers to Ørn Software’s portfolio, including not only real estate companies, but also real estate tenants and architectural offices. The acquisition also provides Ørn with 70 highly skilled employees in Espoo, Finland, and a subsidiary in San Francisco. The US business is primarily focused on workplace analytics and smart office solutions, giving consultants and architects access to tools used in the design phase of building projects to optimize space utilization.

At the end of 2020, Rapal had an annual recurring revenue (ARR) of NOK 59 million. 2020 revenue was NOK 85 million. During the first five months of 2021, Rapal has increased its ARR with 7% to NOK 62 million. The 2020 EBITDA was NOK 18 million (NOK 14 million in 2019). The acquisition increases Ørn Software’s ARR with 43%. 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 374 million. The transaction will be settled with a combination of cash, Ørn Software shares (accounting for approximately 20% of the purchase price payable) and a deferred earn-out payment (accounting for approximately 7% of the purchase price) payable if the conditions for the earn-out payment are satisfied. The Ørn Software shares will be issued pursuant to a Board authorization. Ørn will also be liable to pay Finnish transfer tax upon closing of the transaction. The transaction is expected to close in July 2021.

“We believe Covid-19 has permanently changed the way most companies look at their office space. The use of hybrid solutions, including the possibility of seamlessly working remotely, is becoming the new normal. At the same time, climate friendly and sustainable solutions are essential both for companies and employees, which means that specialized tools for smart offices and space management becomes highly important,” Karlsen says.

The acquisition of Rapal represents Ørn Software’s first step into Finland.

“Finland is an important part of our expansion strategy. After the acquisition of Rapal, we will be represented in all Nordic countries, with huge cross-selling opportunities in each geography and across borders. This is a major milestone on our growth path and a significant step towards achieving our strategic goals for 2025,” says Karlsen.

“I am excited to start working with Ørn. It was obvious from the very beginning that there is no overlap in our offering neither geographically nor in terms of content, even though the customer segments are the same. This offers great possibility to provide our new and existing customers a unique and versatile product portfolio that covers the whole spectrum of built environment’s owners’ and users’ needs. As the CEO and main owner of Rapal for over thirty years, I am particularly happy to join the Ørn family, which I find very professionally managed and share same vision as we do; to be a recognized and leading SaaS-provider in the fragmented space and occupancy management markets in Europe,” says Tuomas Kaarlehto, CEO of Rapal.

Active M&A driven growth is a pillar of Ørn Software’s strategy, and Rapal is Ørn’s seventh acquisition during the last 18 months.

“We have thoroughly developed a solid process for successful M&A activity and integration step by step. A genuine desire to invest in the acquired technology and talent is at the core of our thinking. Building personal relations and trust on both sides is key to our success in the M&A game,” says Karlsen.

Ørn Software has ambitions for further acquisitions and significant organic growth.

“Our target is to organically grow our ARR to NOK 300 million and reach 40 percent EBITDA margin by 2025. On top of this comes additional acquisitions,” Karlsen says.

## **Facts about Rapal**

Rapal is the Finnish market leader with SaaS solutions for workplace management, lease management and infrastructure cost management. The headquarters are in Espoo, Finland, with a subsidiary in San Francisco. Rapal has 70 employees and approximately 250 customers.

## **Disclosure regulation**

This announcement contains information which is considered to be inside information pursuant to the EU Market Abuse Regulation.

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

## **Contacts**

- Sten-Roger Karlsen, CEO Ørn Software, +47 922 62 321, [srk@ornsoftware.com](mailto:srk@ornsoftware.com)

## **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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