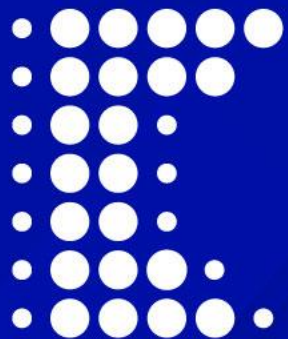




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2020
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WORLDWIDE
DEAL
OF THE
YEAR



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Please give a short description of the buyer and the seller involved in the transaction?

- The sellers of Interneto vizija (webhosting) and RackRay (datacenter), which we were advising, are the founder of both companies as well as management team of the subsidiary company. The client is the market leader with ~60% of the market.
- We've been working with the client over 5 years and during this period the companies had to implement a number of changes in order to be well prepared for the sale (e.g. change of accounting policy, good quality management reports, key staff and other employee motivation scheme, financing structure etc.).
- The buyer is international fast-growth web hosting business, Miss Group, headquartered in Stockholm, Sweden and has offices in the UK, Spain, Finland, Bulgaria, USA, Canada, Mexico & India.

Who were the other M&A Worldwide Advisors involved in the transaction and what was their role?

There were no other members involved, the buyers had their own financial advisors.

Which parties were involved in the deal team; who advised (buyer and seller) in the areas:

The sellers of “Interneto vizija” and “Rakrėjus” were supported on this transaction by:

- Financial advisor - CONFIDENTUS UAB
- Legal and Tax advisor - WALLESS

Miss Group was supported on this transaction by:

- Corporate advisory - Anecta
- Legal advice - Squire Patton Boggs UK and Eversheds in Lithuania
- Financial and tax due diligence - EY UK and Lithuania
- IT due diligence - Digital Pathfinders

Give an impression of the deal complexity, i.e. hurdles, unexpected events, and the way these were taken care of, solved or renegotiated?

VIRTUAL DEAL. The main challenge was that the whole process started in spring and was finished in autumn during the lockdowns, when there were no any ways to arrange visits and physical meetings, while the buyer's team was located in 3 different countries (Spain, UK and Sweden) and the company was in Lithuania. However, we managed to sign the LOI just using Zoom/Teams meetings. The first and actually the only meeting with the buyer took place only in mid-summer, when the due diligence was already going on. And it was still not an easy thing to arrange, as the part of team had to travel to Spain from different countries, then they took a private jet to get to Vilnius and so on. The rest of the process also took place only virtually. For VDR we used Imprima (which is really a good solution) and all the DD teams were working from home offices. Just IT due diligence was arranged physically at the end of summer, as the data center had to be visited physically. The negotiations, signing, closing and the deal registering all took place virtually, so this was literally no physical contact deal. The sad part of this is that so far we haven't had a chance to have a good party – a physical one – but we are working on that ;)

To what extent was the deal structure creative or were the solutions creative/ unordinary?

The structure was indeed not an ordinary one. It involved the sale of shares, the sale of options and even the sale of promised options to employees. It also had some tax related issues to be solved, so there our legal/tax advisors did a really great job in finding ways how to solve these. The transaction also included warranty & indemnity (W&I) insurance, which had to be negotiated between the parties and insurance company.

Can you say something about the level of the transaction costs?

Our success fee was 1.5%, lawyers not included. Miss Group in its today's interview to the leading Lithuanian business newspaper has indicated that for this kind of leading business it's worth paying 10x EBITDA. The Target's FY2020 sales are EUR 15.5M and EBITDA's margin is over 50%.

How did the cooperation between M&A Worldwide lead to a better result for the seller/buyer?

The project was shared with MAWW, however, this time other members were not involved. It's worth mentioning that we took a chance to use a VDR provider Imprima, which was introduced by MAWW to all members at a very attractive pricing level. It's a really good tool for M&A.

How did you use your deal for marketing, pitchbooks or acquisition?

The transaction is quite fresh so far, as it has been closed just this week. Both sides of the transaction had the joint press release, which was published in LinkedIn, Facebook, own websites by all the parties involved in the transaction, also published in the leading business portal & newspaper. So the reach was quite high and the market response was also very good. As a positive outcome of it, together with congratulations we have already received the invitation from one of the PE funds to take care of the sale of one of their portfolio companies.