

Contains business secrets

The Norwegian Competition Authority (Konkurransetilsynet)
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Filed electronically to post@kt.no

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Oslo, 11 August 2021

**SIMPLIFIED NOTIFICATION OF COMPANY CONCENTRATION – JOINT
CONTROL BY ACCEL-KKR HOLDINGS GP, LLC AND FRANCISCO PARTNERS
MANAGEMENT, LP OF VENDAVO HOLDINGS, INC.**

1 INTRODUCTION AND SUMMARY

We hereby provide the Norwegian Competition Authority ("**NCA**") with a simplified merger notification in accordance with Section 18 of the Norwegian Competition Act (LOV-2004-03-05-12), and Section 3 of the Regulation on the notification of concentrations (11 December 2013 no. 1466) ("**Regulation**").

By virtue of the notified concentration, funds ultimately controlled by Accel-KKR Holdings GP, LLC ("**AKKR**") will acquire joint control of Vendavo Holdings, Inc. ("**Vendavo**" or "**Target**") ("**Transaction**") together with funds advised by Francisco Partners Management, LP ("**Francisco Partners**"). Funds advised by Francisco Partners currently solely control Vendavo.

The Transaction will be effected pursuant to the terms of a merger agreement dated 29 July 2021, and a limited partnership agreement and limited company agreement to be entered into by affiliates of AKKR and Francisco Partners in due course. As explained in more detail in Section 3 below, each of AKKR and Francisco Partners will acquire indirect joint control of Vendavo by virtue of their respective shareholding, and the related governance arrangements.

The Parties plan to complete the Transaction as soon as possible after competition clearances are obtained and other customary conditions to closing are satisfied.

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As Target has no business in Norway, the Transaction will not have any impact on any Norwegian markets. Moreover, none of AKKR or Francisco Partners' respective controlled portfolio companies have any activities which directly overlap with or are vertically-related to those of Vendavo.

2 CONTACT INFORMATION

2.1 Notifying parties

2.1.1 Notifying party

Name: Accel-KKR Holdings GP, LLC
 Company reg no.: 1405
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 Menlo Park, CA 94025

Contact person: Dean Jacobson

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 Heidi Jorkjend and Karin Johanne Nordby

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 E-mail address: hjo@thommessen.no / kjn@thommessen.no

2.1.2 Notifying party

Name: Francisco Partners Management, LP
 Company reg no.: 3089254
 Address: One Letterman Drive
 Building C - Suite 410
 San Francisco, California 94129, United States

Contact person: Steve Eisner

Telephone: +1 415 418 2997
 E-mail address: eisner@franciscopartner.com

2.2 Target

Name: Vendavo Holdings, Inc.
 Company reg no.: 47-1848575
 Address: 1401 17th Street #800,
 Denver, Colorado, United States

Contact person: Jeff Allen

Telephone: +1 720 382 4873
 E-mail address: jallen@vendavo.com

3 THE TYPE OF CONCENTRATION OF UNDERTAKINGS

Vendavo is currently solely controlled by funds advised by Francisco Partners.

In order to consummate the Transaction, funds affiliated with AKKR and funds affiliated with Francisco Partners will invest in Vendavo indirectly via a newly-formed special purpose acquisition vehicle, incorporated in Delaware, United States, Project Victory Merger Sub, Inc. ("**Merger Sub**"). Merger Sub will merge with and into Vendavo Holdings, Inc. (being the parent company of the Vendavo group), with Vendavo Holdings, Inc. surviving. As a result, at the closing of the Transaction, each of AKKR and Francisco Partners will indirectly hold approximately 50% of the shares in Vendavo.¹ Further, pursuant to a limited partnership agreement and limited company agreement to be entered into by affiliates of AKKR and Francisco Partners in due course, they will each be able to:

- appoint three managers to the board controlling Vendavo (which comprises seven members in total, the seventh member being the CEO of Vendavo); and
- block key strategic decisions of Vendavo, such as the adoption of its annual business plan and budget.

Accordingly, each of AKKR and Francisco Partners will acquire indirect joint control of Vendavo by virtue of their respective shareholding, and the related governance arrangements.

The Transaction represents an investment opportunity for AKKR consistent with its investment strategy in partnering with and growing technology companies. Upon the successful completion of the Transaction, Vendavo will become a portfolio company controlled by AKKR, jointly with affiliates of Francisco Partners.

The Proposed Transaction is subject to merger notification pursuant to Section 18, cf. Section 17 of the Norwegian Competition Act as both AKKR and Francisco Partners have achieved turnover exceeding NOK 100 million and a combined turnover exceeding NOK 1 billion in Norway in the last completed financial year.

The Transaction is also notified to the competition agencies in Cyprus and the United States.

4 THE CONDITIONS FOR SUBMITTING SIMPLIFIED NOTIFICATION ARE SATISFIED

This notification is filed to the Norwegian Competition Authority pursuant to Section 18 cf. Section 18a fourth paragraph of the Norwegian Competition Act, cf. the Regulation on the Notification of Concentrations Section 3 second paragraph.

Vendavo does not operate in Norway and is not expected to do so. Consequently, the Transaction qualifies for a simplified notification in accordance with Section 3 first paragraph item 1, letter a of the Regulation on the Notification of Concentrations.

¹ The remaining shares will be held by individuals within the management of Vendavo.

5 THE STRUCTURE AND BUSINESS AREAS OF THE UNDERTAKINGS

5.1 Accel-KKR Capital Partners

5.1.1 Legal and organizational structure

AKKR is a technology-focused investment firm headquartered in California with offices in Atlanta, Mexico City and London. AKKR focuses on middle-market software and IT-enabled companies and provides capital solutions including buyout capital, minority-growth investments, and credit alternatives. There are approximately 80 investment and consulting professionals associated with AKKR worldwide.

AKKR generates its Norwegian revenue via the following portfolio companies: [REDACTED]

More information and an overview of AKKR's portfolio can be found on <https://www.accel-kr.com/>

5.2 Francisco Partners Management, LP

5.2.1 Legal and organizational structure

Francisco Partners is a private equity firm exclusively focused on investments in technology and technology-enabled businesses. Francisco Partners is based in San Francisco with offices in London and New York. Francisco Partners also has more than 50 associated investment professionals worldwide.

Francisco Partners generates its Norwegian revenue via the following portfolio companies: [REDACTED]

More information and a complete overview of Francisco Partners' portfolio can be found on <https://www.franciscopartners.com/>.

5.3 Vendavo Holdings, Inc

5.3.1 Legal and organizational structure

Vendavo is a holding company registered in Delaware, United States, which provides its services through subsidiaries registered in the United States, the United Kingdom, Sweden, Czech Republic and Germany. Vendavo is not active in Norway.

An overview of Vendavo's legal structure is enclosed as Appendix 1.

Appendix 1: Vendavo's organizational chart

5.3.2 Areas of business

Vendavo is a provider of business-to-business price optimization and management software which enable businesses to optimise pricing and sales to achieve predictable, profitable outcomes. Vendavo's solutions use analytics to help customers in a variety of industries to optimize and manage complex pricing and deal terms.

More information can be found on www.vendavo.com.

6 TURNOVER IN NORWAY FOR THE LAST FISCAL YEAR (2020)

Name	Turnover
AKKR	[REDACTED]
Francisco Partners	[REDACTED]
Vendavo	N/A

7 NO AFFECTED MARKETS

The EU Commission ("**Commission**") has previously defined a separate product market for Customer Relationship Management ("**CRM**") software, which is software that provides functionality to companies in sales, marketing, customer service and digital commerce. In its practice, the Commission has considered whether CRM services should be further segmented according to specific functions or industry sector,⁴ and whether the geographic scope is EEA-wide or worldwide.⁵ The delineations of both markets were ultimately left open.⁶ The Parties are not aware that the NCA has considered a market for CRM software.

The notifying parties submit that the exact delineation of the relevant product market and geographical market can be left open. None of AKKR or Francisco Partners' respective controlled portfolio companies have any activities which directly overlap with or are vertically-related to those of Vendavo, which provides business-to-business price optimization and price management software (although certain of their portfolio companies have activities in the broader CRM segment).

However, for completeness, the Parties would like to inform the NCA that certain of AKKR's portfolio companies are active in the broader segment of CRM service. These companies are:

- **Cendyn:** Cendyn is a cloud-based software and services provider that develops integrated technology platforms for driving sales and marketing performance in the travel and hospitality industry. Its solutions include an integrated CRM and Data-Driven Digital Marketing platform for hotels and resorts as well as an integrated Meetings and Events Management Platform which is revolutionizing the way clients plan, source, manage and measure events worldwide.
- **ClickDimensions:** ClickDimensions is a provider of online marketing automation solutions that include e-mail marketing, web intelligence, lead scoring, campaign management, web forms/surveys, social discovery, relationship management and more.
- **FastSpring:** FastSpring is cloud-based eCommerce and subscription billing platform connecting buyers and sellers across the globe. The company's core products enable businesses to sell globally and offers digital payment processing,

² [REDACTED]

³ [REDACTED]

⁴ Case No COMP/M.7337 - *IMS Health/Cegedim Business*.

⁵ Case No COMP/M.3978 - *Oracle/Siebel* and Case No. COMP/M.7337 - *IMS Health/Cegedim Business*.

⁶ Case No COMP/M.8061 - *IMS Health/Quintiles*, para. 61-62.

recurring billing and other modules to manage their online stores and provide a more efficient and localized customer experience.

- **Ontraport:** Ontraport is a CRM and automation platform designed to support businesses in starting, systemizing and scaling. The all-in-one platform gives customers all the essential tools for marketing, sales and customer relationship management.
- **Recurly:** Recurly's subscription management and billing platform manages billions of dollars in subscription revenues for companies in digital media, streaming, publishing, SaaS, consumer goods, and professional services industries.
- **SugarCRM:** SugarCRM is a provider of customer experience software solutions which enable businesses to create profitable customer relationships by delivering relevant, personalized experiences throughout the customer journey.

Other than Vendavo, none of Francisco Partners' controlled portfolio companies are active in the broader segment of CRM. For the sake of completeness, the Parties specify that Francisco Partners has some portfolio companies active within IT software. Some of them can be active on the CRM sub-segment as part of their overall business (e.g., BluJay, Dynamo, EG, Optanix, Perform, PlexSystems), but not as a specific service. Francisco Partners estimates that the CRM turnover of these companies would be below EUR 50 million. In any case, any potential relationship between these portfolio companies and Vendavo would not be merger specific, as Vendavo is already part of Francisco Partners' portfolio.

The Parties estimate that in a hypothetical worldwide market for CRM software, their combined share on any such basis would be less than 5%.⁷

Based on Vendavo's focus within business-to-business price optimization and price management, the parties submit that supply-side and demand-side considerations distinguish it from certain other forms of CRM services. Hence, the parties do not have any overlap in a relevant market, even though certain of their portfolio companies have other activities that may be considered within CRM services.

In conclusion, no affected markets within the meaning of the Norwegian Competition Act exist. Against this background, no further information regarding the respective markets on which the Parties operate is provided. As the Parties to the Transaction do not have any controlling portfolio companies with directly overlapping activities in any Norwegian markets, information on the Parties' most important customers, competitors and suppliers, is not required, cf. Regulation Section 3 (2) lit. d.

8 ANNUAL REPORTS

Neither AKKR nor Francisco Partners produce consolidated financial statements for their respective funds. Annual reports and financial statements for the respective portfolio companies are usually publicly available in the countries of registration.

⁷ In 2018, the research and advisory company Gartner, Inc estimated that the total size of a worldwide hypothetical market for CRM software was USD 48 billion: <https://www.gartner.com/en/newsroom/press-releases/2019-06-17-gartner-says-worldwide-customer-experience-and-relati>. Based on these figures, the Parties estimate that their combined share on any such basis would be less than 5%.

Appendix 2: Vendavo Annual Report and Financial Statement

9 DISCLOSURE/PUBLIC ACCESS

This notification contains business secrets, cf. Section 18 b of the Competition Act. All business secrets are highlighted in yellow in appendix 3. The notification also includes confidential appendices. Justification for business secrets is set out in a separate appendix. That explanatory document is also considered as confidential information in its entirety.


Appendix 3: Confidential version

Appendix 4: Justification of business secrets

We kindly ask to be notified should the Competition Authority receive any requests for access to this notification or other documents in the case.

Best regards

Advokatfirmaet Thommessen AS



Heidi Jorkjend
Advokat