

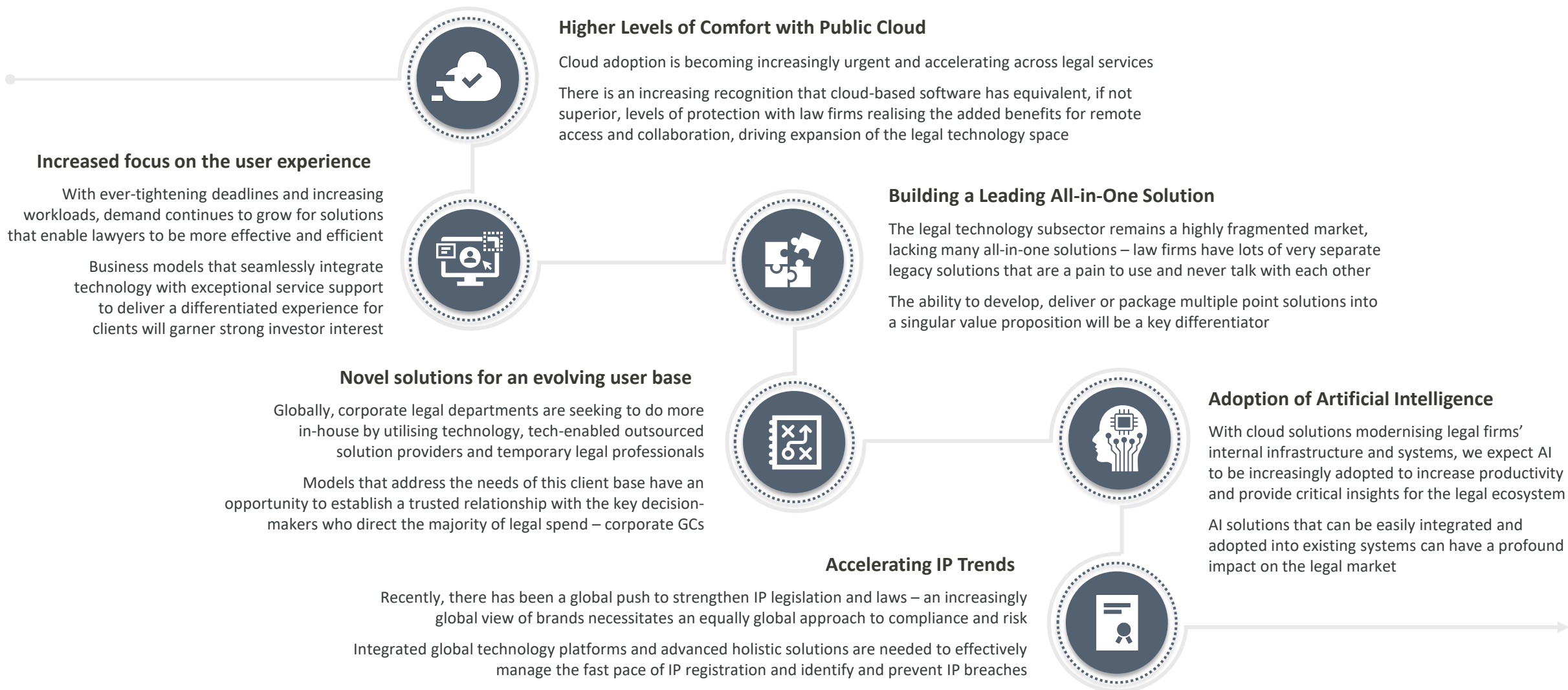


Legal Technology Update

Harris Williams | Q1 2023

Legal Technology Sector Observations and Key Trends

Robust market tailwinds and pandemic-induced pressures have led to an increasingly competitive and digitised legal environment



Perspectives on the Legal Technology Sector

Law Firms



Case Management

Practice Management

Search, Analytics, and Reporting

Select Market Participants

Aderant

advanced

Clio

Chambers AND PARTNERS

everlaw

LexisNexis

OPUS2

SurePoint

Key Trends

- Law firms seeking to increase own efficiencies through legal tech products, ideally all from one service provider
- Increasing public cloud adoption among law firms
- Lawyers gaining comfort with and seeking improvements to non-legal-specific technology, including document automation and reporting tools

Corporates



Global Legal Compliance

AI and Advanced Analytics

E-discovery

Select Market Participants

CIVICA

CLOUD9

epiq

exterro

KIDiscovery

LexisNexis


MITRATECH

Relativity

Key Trends

- Corporates increasingly seeking automation of basic administrative work
- Increased legal, regulatory, and cybersecurity risks following the pandemic
- Strong focus on communication and improving client experience, particularly in hybrid and remote working environments

SMEs



Workflow and Automation

Contract Life Cycle Management

Collaboration Tools

Select Market Participants

BigHand

Citation

metricstream

netdocuments

onfido

PHISHLABS


ROCKETLAWYER

sage

Key Trends

- Difficulties in managing compliance and legal costs
- Increasing number of legal tech products available with integrated payment tools
- Increasing focus on mobile-friendly functionality for legal tech

Intellectual Property



Select Market Participants

AppColl

ANAQUA

CORSEARCH

Clarivate

Dennemeyer The IP Group

OpSec

Questel

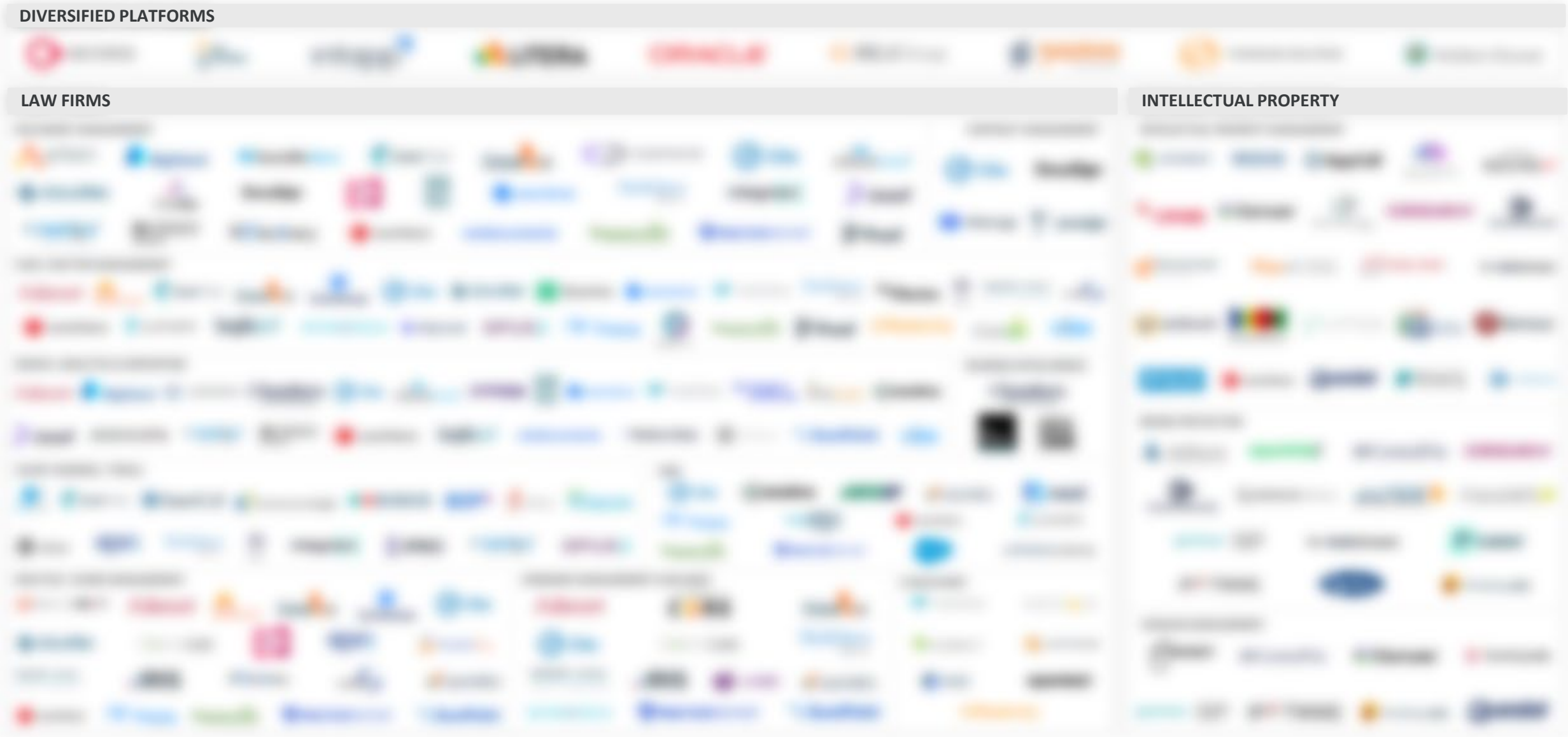
RWS

Key Trends

- Focus on protection against COVID-related counterfeit goods, including vaccines and PPE
- Increased use of AI for IP searches, including by USPTO and EPO
- IP-based regulatory product focus in light of newer IP-based hurdles, such as live selling and influencer marketing

Legal Technology Market Landscape

To view full market map, please contact technologyinsights@harriswilliams.com



Legal Technology Market Landscape

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What We're Reading

Ambitious legal innovators help companies work faster and smarter

Financial Times

In-house lawyers' experience of dealing with complex problems and multiple processes should put them at the heart of new efforts to speed up business outcomes. Yet that happens all too rarely in practice – if anything, the legal department can become often an obstacle instead of smoothing the way

Read the full article [here](#).

How Will Big Tech's Implosion Impact Legal Tech?

Law.com

As Big Tech is battling with massive lay-offs and having a “midlife crisis,” legal tech is unlikely to face the same fate, and companies that strategically chart a steady course will weather the coming economic storm

Read the full article [here](#).

In Law Firms, Lag in Legal Tech Awareness Grows Larger

Bloomberg Law

Although modern lawyers have greater access to legal technology than their predecessors, unfamiliarity with available legal tech among law firm lawyers appears to be growing

Read the full article [here](#).

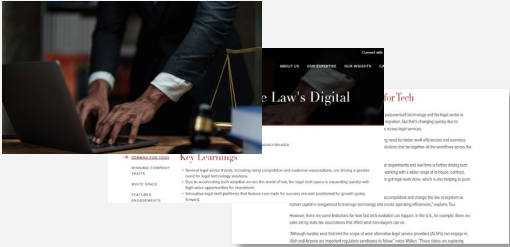
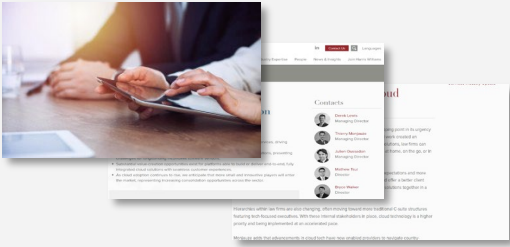
Legal Tech Predictions For 2023

Law.com

UK law firms face a series of challenges on legal tech, from cybersecurity to legal data. What else is on the horizon for 2023?

Read the full article [here](#).

Select Recent HW Industry Updates

- Legal Technology: Inside Law's Digital Revolution**

[Link to Read](#)
- Legal Technology: Cloud Adoption Driving M&A Opportunities**

[Link to Read](#)

Access All Harris Williams Insights Here

Select Q4 2022 and Recent Legal Technology Transactions

Wolters Kluwer acquisition of Della AI



Target



Wolters Kluwer

Acquirer

Dec, 2022

- Della is a contract analysis software designed to democratise the use of artificial intelligence for negotiating and managing contracts
- Della AI will become part of the Legal Software unit of Wolters Kluwer Legal & Regulatory, which will further enhance Wolters Kluwer's leading position in the corporate legal market

Questel acquisition of Equinox



Target



Acquirer

Dec, 2022

- Equinox is an IP management software designed to optimise admin processes for efficient case management
- The Equinox IPMS solution will bolster Questel's already well-established position in the IPMS market by adding a dedicated solution for law firm clients

ERM acquisition of Libryo



Target



Investor

Dec, 2022

- Libryo is an automated and cloud-based platform intended to help compliance professionals and in-house lawyers alleviate their legal research work
- Libryo's team of technology and regulatory experts will work alongside ERM's global sustainability advisory teams to offer clients a comprehensive solution to their compliance requirements

SirionLabs acquisition of Zendoc



Targets



Investor

Nov, 2022

- Zendoc is an AI-powered contract automation platform designed to manage contracts efficiently
- This expansion further deepens Sirion's leadership and commitment to the applications of AI in enhancing CLM as a category

LexisNexis acquisition of IPlytics



Targets



LexisNexis / RELX

Acquirer

Nov, 2022

- IPlytics is a market intelligence tool designed to search and analyse technology and market landscapes, providing companies with actionable and trustworthy insights on relevant IP assets
- The acquisition extends the scope of LexisNexis' Intellectual Property Solutions to help companies worldwide to be more effective at bringing meaningful innovations into the world

LegalZoom acquisition of Revv



Target



Acquirer

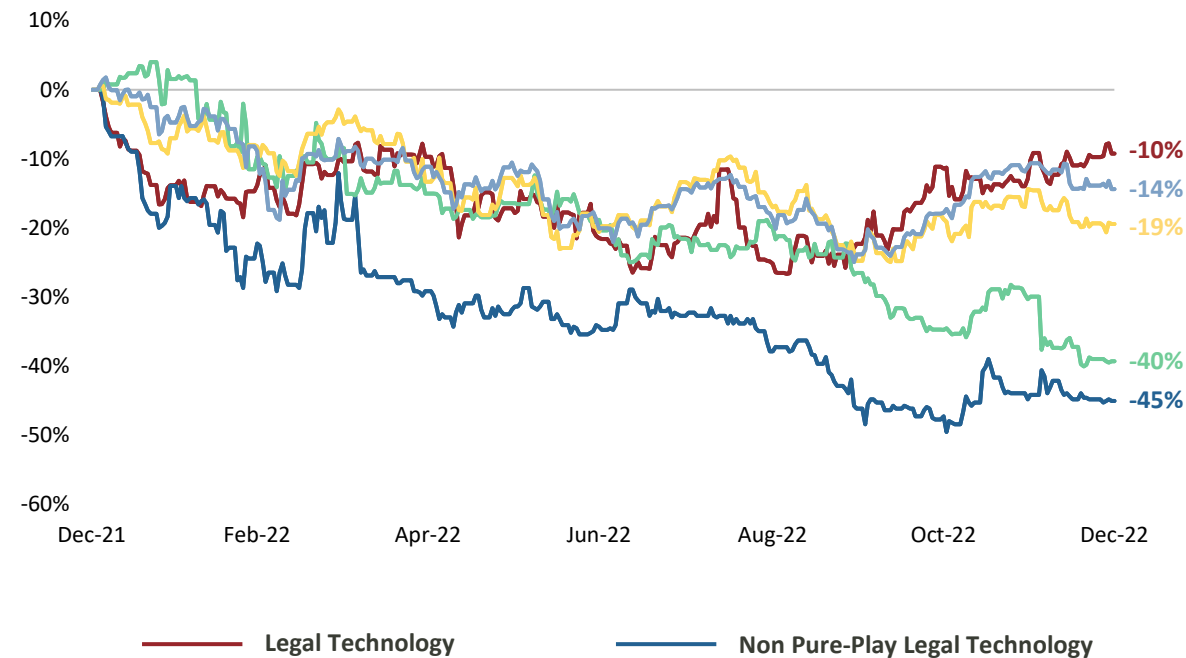
Oct, 2022

- Revv is a document management system designed to import data and meet the everyday demands of business documentation
- The India-based Revv was acquired to join LegalZoom's product and engineering organisation, using its proprietary technology to develop modern productivity tools and services for small businesses

Legal Technology Public Company Trended Stock Performance

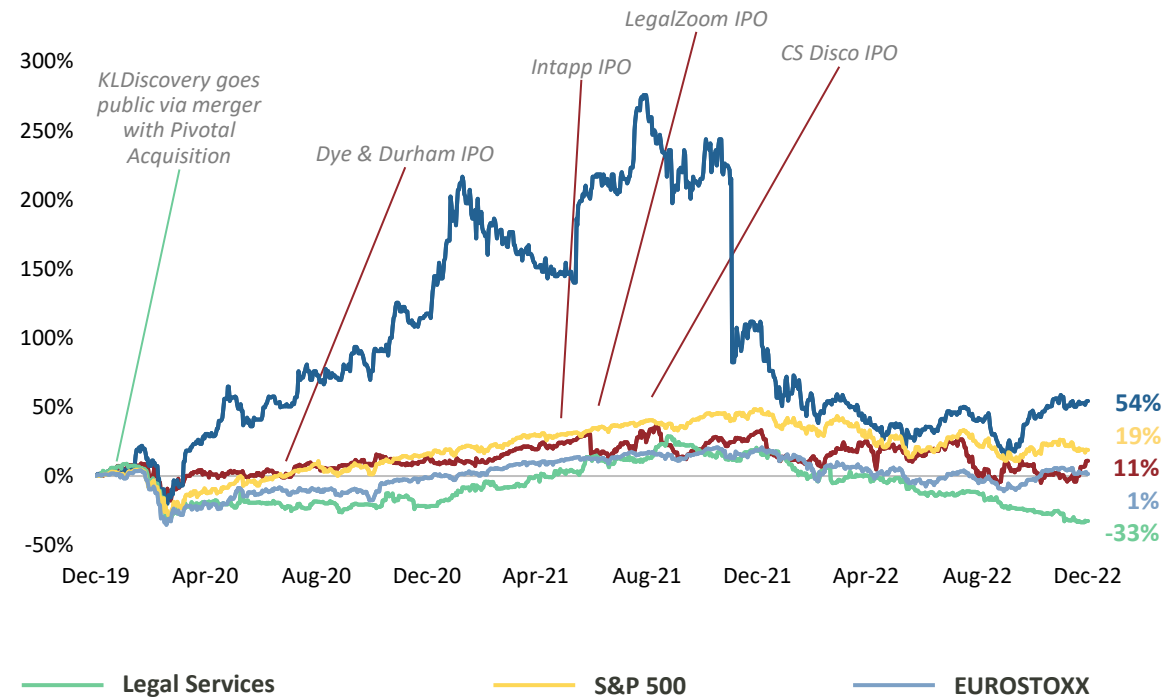
Public Company Stock Performance – Last 12 Months

Indexed stock price performance for the period December 2021 – December 2022



Public Company Stock Performance – Last 3 Years

Indexed stock price performance for the period December 2019 – December 2022



Legal Technology

Clarivate™ DISCO Dye & Durham intapp. KARNOV GROUP

LEGALZOOM RELX RWS THOMSON REUTERS Wolters Kluwer

Non Pure-Play Legal Technology

DocuSign™ EQS GROUP opentext™

ORACLE™ VERITONE.

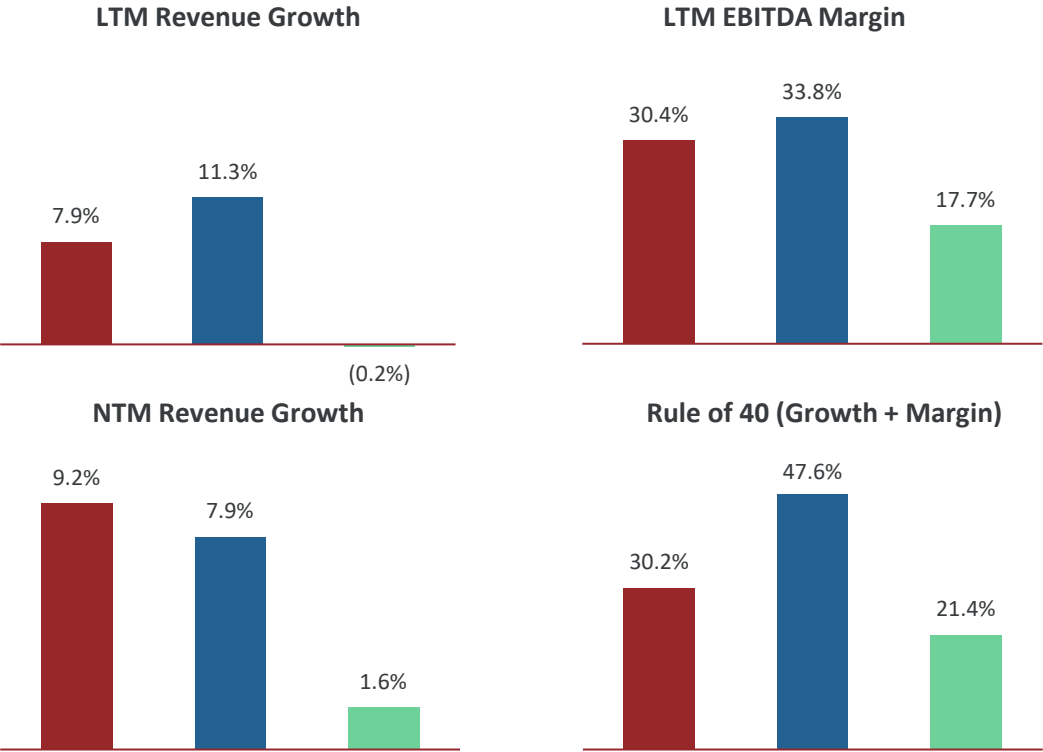
Legal Services

Anexo dwf Gateley / KEYSTONE LAW

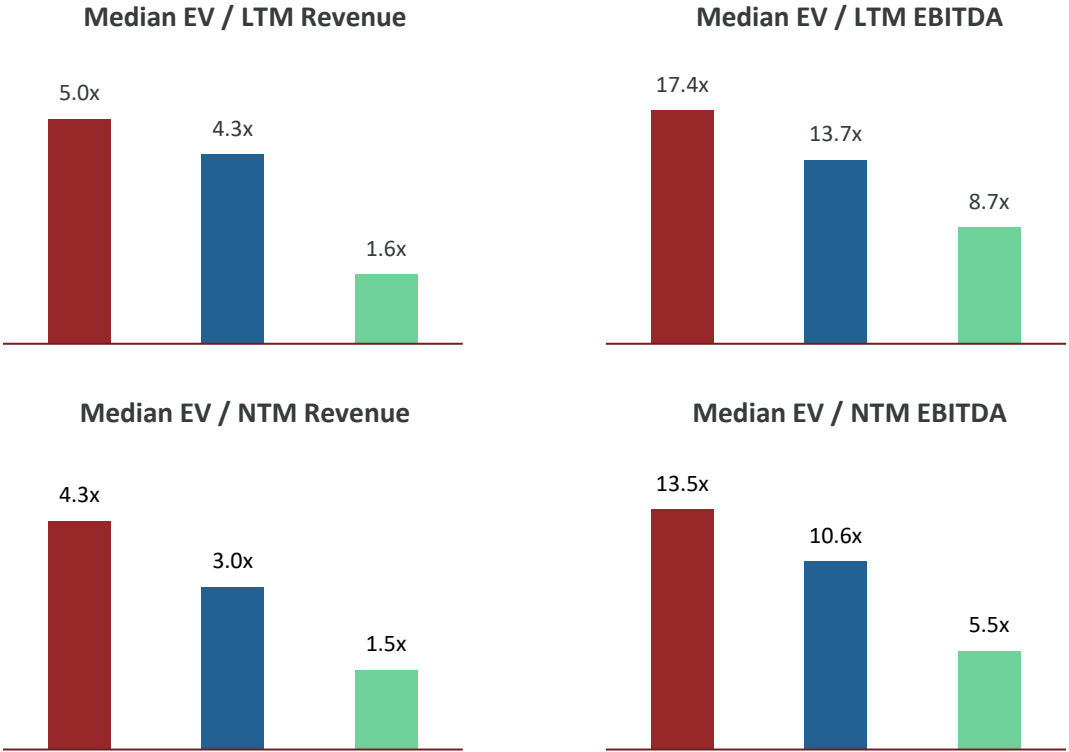
Knights plc KLDISCOVERY RBG Holdings plc SHINE JUSTICE

Legal Technology Public Company Operating and Valuation Metrics

Public Company – Operating Metrics¹



Public Company – Valuation Metrics¹



Legal Technology

Clarivate™ DISCO Dye & Durham intapp. KARNOV GROUP

LEGALZOOM RELX RWS THOMSON REUTERS Wolters Kluwer

Non Pure-Play Legal Technology

DocuSign™ EQS GROUP opentext™

ORACLE™ VERITONE.

Legal Services

Anexo dwf Gateley / KEYSTONE LAW

Knights plc KIDiscovery RBG Holdings plc SHINE JUSTICE

Harris Williams Legal Sector Experience

Selected Legal Sector Transaction Experience



has been acquired by





a portfolio company of




has received a significant investment from





a portfolio company of




has been acquired by





has been acquired by





has been acquired by






a division of




has been acquired by





has received an investment from





has been acquired by





has been acquired by





has been acquired by





has been acquired by



and merged with





has been acquired by



Harris Williams Transaction Spotlight



has been acquired by



Company Background


Magna is a leading provider of litigation support services to law firms, insurance companies, and corporations, offering a complementary suite of technology-enabled deposition services, record retrieval, and litigation consulting to support clients through each phase of the litigation process.

Successful Outcome


The acquisition delivered a successful outcome for CIVC Partners and the company. Following this investment by Odyssey, Magna Legal will leverage Odyssey’s deep expertise and resources to continue to accelerate growth in the legal services market.

Harris Williams served as exclusive financial advisor to Magna Legal Services, a portfolio company of CIVC Partners, in this transaction.

Harris Williams Transaction Spotlight



has been acquired by



Company Background

Opus2 is a leading provider of integrated software and services for the legal disputes market, serving a global blue-chip customer base. The company hosts a cloud-based collaboration software designed for case preparation and multiparty hearings, as well as providing technology-enabled services.

Successful Outcome

The acquisition delivered a successful outcome for Five Arrows and the company. Following this investment by Astorq, Opus2 will continue deploying a strategy to further develop in the UK market and expand internationally in litigation, arbitration, and other legal practice areas.

Harris Williams served as exclusive financial advisor to Opus2, a portfolio company of Five Arrows, in this transaction.

COLLABORATIVE EFFORTS TO ADVISE LEGAL TECH COMPANIES

Technology

- › Architecture, Engineering & Construction
- › Compliance
- › eCommerce & Retail
- › Education
- › Government & Public Sector
- › Healthcare
- › Human Capital Management
- › Industrial
- › Legal
- › Office-of-the-CFO
- › Pharma
- › Real Estate & Property
- › Supply Chain & Logistics

Business Services

- › Business Process Outsourcing
- › Consulting
- › Education & Training
- › Engineering
- › Financial Services
- › GRC
- › Human Capital Management
- › Information Technology
- › Insurance & Risk Management
- › Legal Services
- › Marketing & Information
- › Workforce Solutions

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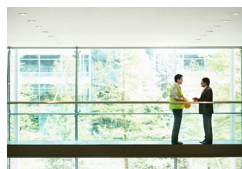
Harris Williams / GLOBAL M&A ADVISOR

Harris Williams is a global investment bank specializing in M&A advisory services. Clients worldwide rely on us to help unlock value in their business and turn ambitious goals into reality. We approach every engagement with boundless collaboration, pooling expertise and relationships across industries and geographies to uncover the unique story of each company.

Our Technology Group and Business Services Group collaborate to advise leading Legal Tech companies worldwide.



Aerospace, Defense
& Government Services



Business
Services



Consumer



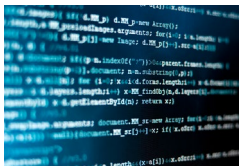
Energy, Power
& Infrastructure



Healthcare &
Life Sciences



Industrials



Technology



Transportation
& Logistics

70% Revenue from
repeat clients

83% Managing directors
promoted from
within the firm

30+ Year
history



Sources and Disclosures

Sources

1. S&P Capital IQ
2. Mergermarket

Disclosures and Disclaimers

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Appendix

Legal Technology Market Landscape

PAGE 4

DIVERSIFIED PLATFORMS		
Large, established, well-diversified platforms offering a range of different legal solutions and tools across the legal tech universe		
LAW FIRMS		INTELLECTUAL PROPERTY
DOCUMENT MANAGEMENT Software that allows users to store, find, share, automate, and collaborate on documents	E-DISCOVERY Software that facilitates the identification, collection, review, and analysis of electronically stored data for use as evidence in a civil or criminal case	INTELLECTUAL PROPERTY MANAGEMENT Software tools that assist in the tracking and management of trademarks, copyrights, patents, and other intellectual property
CASE / MATTER MANAGEMENT Software that allows users to manage all legal cases and clients through a digital platform	CONTRACT MANAGEMENT Software that supports the management of contracts through each stage of a contract life cycle	BRAND PROTECTION Software risk management tools that allow companies to protect their IP and brand against infringements
SEARCH, ANALYTICS & REPORTING Software that enables the process of identifying and retrieving information necessary to support legal decision-making	SPENDING MANAGEMENT & BILLINGS Software that automates the process of reviewing, tracking, analysing, and reporting on legal costs	DOMAIN MANAGEMENT Software that offers digital risk protection and management of domain names and platforms
COURT HEARING / TRIALS Software that facilitates the digitalisation of any aspect of a court trial	CRM Client relationship management (CRM) solutions to manage contacts and provides software to help law firms track leads, prospects, and clients efficiently	
PRACTICE / WORK MANAGEMENT Solutions to help law firms manage back-office services, including billing, time, and contract-management tools	BUSINESS INTELLIGENCE Software used to collect, processes and analyse vast amounts of data, generate insights from the data to support business decision making	

PAGE 5

CORPORATES		SME	
DOCUMENT MANAGEMENT Software that allows users to store, find, share, automate, and collaborate on documents	CASE / MATTER MANAGEMENT Software that allows users to manage all legal cases and clients through a digital platform	DOCUMENT MANAGEMENT Software that allows users to store, find, share, automate, and collaborate on documents	WORKFLOW & AUTOMATION Software that allows work to be automatically routed to the appropriate team in a company and monitored through to completion
GLOBAL LEGAL COMPLIANCE Software tools used by multinational companies to monitor internal systems and controls, to comply with required standards and regulations	ENTERPRISE LEGAL MANAGEMENT Software tools that allows corporate enterprises to run their legal operations and integrate legal operations with the wider business	COLLABORATION TOOLS Software tools that allow legal teams to work more effectively together	COMPLIANCE Software tools used to monitor internal systems and controls, to ensure compliance with required standards and regulations
AI & ADVANCED ANALYTICS Advanced technological solutions to support legal operations and provide deeper insights	CONTRACT MANAGEMENT Software that supports the management of contracts through each stage of a contract life cycle	CONTRACT MANAGEMENT Software that supports the management of contracts through each stage of a contract life cycle	SPEND MANAGEMENT Software that automates the process of reviewing, tracking, analysing, and reporting on legal costs
E-DISCOVERY Software that facilitates the identification, collection, review, and analysis of electronically stored data for use as evidence in a civil or criminal case	AML / KYC Analytical software tools that evaluate and mitigate strategic business risks	eSIGNATURE Software that enables the electronic signature of documents	
SPEND MANAGEMENT Software that automates the process of reviewing, tracking, analysing, and reporting on legal costs	eSIGNATURE Software that enables the electronic signature of documents		
VERTICAL SPECIALIST SOLUTIONS Software solutions focused on providing deep insights and intelligence into a particular vertical end-market			

Public Market Operational and Valuation Metrics¹

As of December 31, 2022

\$ in Thousands

Company	Market Capitalization	Enterprise Value	% of 52-Week High	LTM Gross Margin	LTM EBITDA Margin	LTM Revenue	NTM Revenue	Enterprise Value/ LTM EBITDA	NTM EBITDA
Legal Technology									
Thomson Reuters Corporation	54,881,911	58,173,911	96.6%	36.6%	27.0%	8.9x	8.5x	32.8x	22.4x
RELX PLC	52,532,091	60,776,820	92.5%	64.3%	31.2%	6.4x	5.6x	20.5x	14.8x
Wolters Kluwer N.V.	25,945,829	28,262,366	87.8%	71.2%	30.4%	5.3x	4.7x	17.4x	14.6x
Clarivate Plc	5,623,285	12,148,285	33.6%	64.5%	42.0%	4.8x	4.7x	11.4x	11.4x
RWS Holdings plc	1,762,435	1,734,355	56.5%	46.7%	20.4%	2.1x	1.8x	10.2x	8.1x
Intapp, Inc.	1,571,298	1,547,378	89.2%	64.7%	NM	5.3x	4.5x	NM	NM
LegalZoom.com, Inc.	1,491,105	1,290,915	44.6%	65.6%	NM	2.1x	2.0x	NM	14.7x
Dye & Durham Limited	680,195	1,358,669	35.8%	88.4%	37.5%	3.9x	3.8x	10.3x	6.5x
Karnov Group AB (publ)	604,203	638,647	83.4%	52.5%	27.5%	7.3x	4.1x	26.6x	12.4x
CS Disco, Inc.	373,119	171,055	15.5%	74.4%	NM	1.3x	1.2x	NM	NM
Median	\$1,666,867	\$1,640,867	70.0%	64.6%	30.4%	5.0x	4.3x	17.4x	13.5x
Non Pure-Play Legal Technology									
Oracle Corporation	220,391,720	304,430,720	91.2%	76.1%	39.9%	6.6x	5.9x	16.6x	13.0x
DocuSign, Inc.	11,143,529	11,005,911	35.2%	78.4%	NM	4.5x	4.2x	NM	NM
Open Text Corporation	7,903,483	10,673,454	61.2%	75.1%	27.8%	3.0x	2.9x	10.9x	8.1x
EQS Group AG	262,182	259,861	54.9%	25.4%	NM	4.3x	3.0x	NM	NM
Veritone, Inc.	192,335	196,299	22.9%	83.2%	NM	1.2x	1.3x	NM	NM
Median	\$7,903,483	\$10,673,454	54.9%	76.1%	33.8%	4.3x	3.0x	13.7x	10.6x
Legal Services									
DWF Group plc	307,606	491,035	61.5%	58.6%	9.7%	1.0x	NM	10.5x	5.5x
Gateley (Holdings) Plc	264,125	301,057	76.1%	38.1%	17.5%	1.7x	1.5x	9.9x	7.8x
Keystone Law Group plc	166,288	158,284	48.4%	26.4%	12.1%	1.8x	1.8x	14.8x	14.0x
Anexo Group Plc	149,985	240,121	65.9%	76.7%	24.4%	1.4x	1.5x	5.8x	4.6x
Shine Justice Ltd	113,062	140,706	67.1%	48.1%	23.7%	1.0x	0.9x	4.0x	2.8x
Knights Group Holdings plc	110,633	206,347	24.7%	40.1%	17.8%	1.3x	1.1x	7.3x	5.1x
KLDiscovery Inc.	90,132	577,353	25.9%	46.6%	12.7%	1.8x	NA	14.5x	NA
RBG Holdings plc	73,513	114,435	46.4%	41.1%	22.7%	1.7x	1.9x	7.5x	8.9x
Median	\$131,523	\$223,234	54.9%	43.9%	17.7%	1.6x	1.5x	8.7x	5.5x
Total Comp Set Median	\$604,203	\$638,647	56.5%	64.3%	24.4%	2.1x	2.9x	10.9x	8.9x

Recent Sector Transactions Detail

Closed Date	Target	Headquarters	Buyer (s)	Transaction Type	Description
12/30/2022	Della	London, United Kingdom	Wolters Kluwer	Merger/Acquisition	Della is a contract analysis software designed to democratise the use of artificial intelligence for negotiating and managing contracts
12/19/2022	CSI Helsinki	Helsinki, Finland	Saarni Cloud	Merger/Acquisition	CSI Helsinki is a legal software solution catering to legal firms, offering KYC service, a document management system and a time tracking application
12/08/2022	TLIP	Cambridge, United Kingdom	Murgitroyd Group (Sovereign Capital Partners)	Buyout/LBO, Add-on	TLIP is a provider of IP services intended to offer patent-related advice
12/06/2022	Caseload	Ontario, Canada	Volaris Group	Merger/Acquisition	Caseload is a software intended to serve the needs of government Boards, Tribunals, and Commissions, specialising in the creation of fully configured workflow, advanced reporting, intake wizards, scheduling, calendaring and document generation
12/02/2022	Libryo	London, United Kingdom	ERM Group (KKR & Corpoacion Financier Alba)	Buyout/LBO	Libryo is an automated and cloud-based platform intended to help compliance professionals and in-house lawyers alleviate their legal research work
12/01/2022	Equinox	Leeds, United Kingdom	Questel	Buyout/LBO, Add-on	Equinox is an IP management software designed to optimise admin processes for efficient case management
11/28/2022	BookBoon	London, United Kingdom	The Access Group	Buyout/LBO, Add-on	BookBoon is an online publishing platform designed to supply books and educational materials for readers
11/22/2022	Zendoc	Seattle, WA	SirionLabs	Merger/Acquisition	Zendoc is an AI-Powered contract automation platform designed to manage contracts efficiently
11/09/2022	IPlytics	Berlin, Germany	LexisNexis	Merger/Acquisition	IPlytics is a market intelligence tool designed to search and analyse technology and market landscapes, providing companies with actionable and trustworthy insights on relevant IP assets
10/25/2022	Firmaprofesional	Barcelona, Spain	Logalty (Ardian Growth and MCH Private Equity)	Buyout/LBO, Add-on	Firmaprofesional is a technology and certification service offering tools to facilitate the biometric signature and electronic notifications
10/14/2022	Revv	Bangalore, India	LegalZoom	Merger/Acquisition	Revv is a document management system designed to import data and meet the everyday demands of business documentation
10/11/2022	Rummel Software	Lauf ad Pegnitz, Germany	STP Information Technology (Bregal Unternehmerkaptal and Maguar Capital Management)	Buyout/LBO	Rummel Software is a legal tech and insolvency software intended to serve lawyers, notaries and insolvency administrators, simplifying the day-to-day work of all law firms
10/07/2022	LawStar	Vienna, Austria	Jentzsch Holding and Linde Verlag	Merger/Acquisition	LawStar is a provider of learning services intended to support law students and lawyers to prepare for the exams at the law faculties, the bar exam and the tax consultant exam