

Appendixes

Exhibit 1 – Background of the entrepreneurs

António Silva finished his Bachelors degree in Electronics by Instituto de Engenharia do Porto in 1998, being immediately employed by Efacec, a Portuguese multinational company operating in the sectors of electronics, engineering and energy, among others. At Efacec, Antonio worked as a software engineer, developing IP networking firmware and integration solutions, having met **Leonel Domingues** and **Rui Castro**, co-workers and team members in several common projects. António remained in the company for two years, taking at the same time a post-graduation in Telecommunications and Networking Systems by Faculdade de Engenharia do Porto. In 2000, António accepted an offer from Windriver Systems, an American company specialized in the development of industry-specific software solutions, and moved to the UK, to develop network solutions for major clients in Europe. He kept the position for two years, having moved in 2002 to LSI Logic, another American company with offices in the UK and dedicated to design and conceive networking software. At LSI, António was responsible for the designing and development of software for a specific solution of the company, position that he occupied until becoming Nonius CEO. His academic background and professional experiences have been fundamental to develop the necessary technical skill and market knowledge to make Nonius thrive.

Leonel Domingues graduated in Industrial Electronics in 1994 by Universidade do Minho and completed a Master degree in Electronics in 1996, in the same University, where he was also Teaching Assistant and Research Assistant. In 1994, Leonel started his professional career as software and hardware developer, function that he performed for the following 14 years in different companies, such as Efacec. In 2015, at the moment of Nonius foundation, Leonel had already been software architect and R&D team leader at Lucent Technologies for five years, position that conferred him product development know-how and team management skills to become CTO at Nonius.

Rui Castro graduated in Electrical and Computers Engineering by Universidade do Porto in 1996 and completed a Masters in Telecommunications by Chalmers University of Technology in 1998. In 1997, Rui started his career as R&D engineer for Ericsson, which was followed by positions as software engineer and telecommunications researcher in companies such as Efacec and Novabase. In 2005, he became Nonius COO, a role in which his professional experience has been fundamental to confer him skills to administrate the company's operations and team.

Exhibit 2 – The WirelessGestServer (example of WGHOTel, specific for Hotels)

The WGHOTel creates a network for public Internet access in the hotel, separating it from the hotel's internal network. The solution is prepared to integrate the Internet billing with the hotel's billing system, by interfacing with the hotel's front-office system. When a room is checked-in, the information is sent to the WGSHotel that automatically generates a username and a password for that room. The login data can then be sent to a ticket printer, located at the hotel's reception and this ticket may be attached to the room's key card. The WGHOTel also sets the charging tariff by usage time or volume, allowing to differentiate prices according to guest categories, and monitors the bandwidth usage, allowing to set a maximum bandwidth available per user.

WGHOTel may also provide 100% security to the hotel's clients when they connect to the public network. With the WG3PSW (WirelessGEST 3rd-Party Switch) module the room's Ethernet plug may be enabled at check-in and disabled at check-out, prohibiting its usage when the room is not checked-in. WG3PSW may also configure one VLAN per room, preventing communication between different rooms in the same LAN.

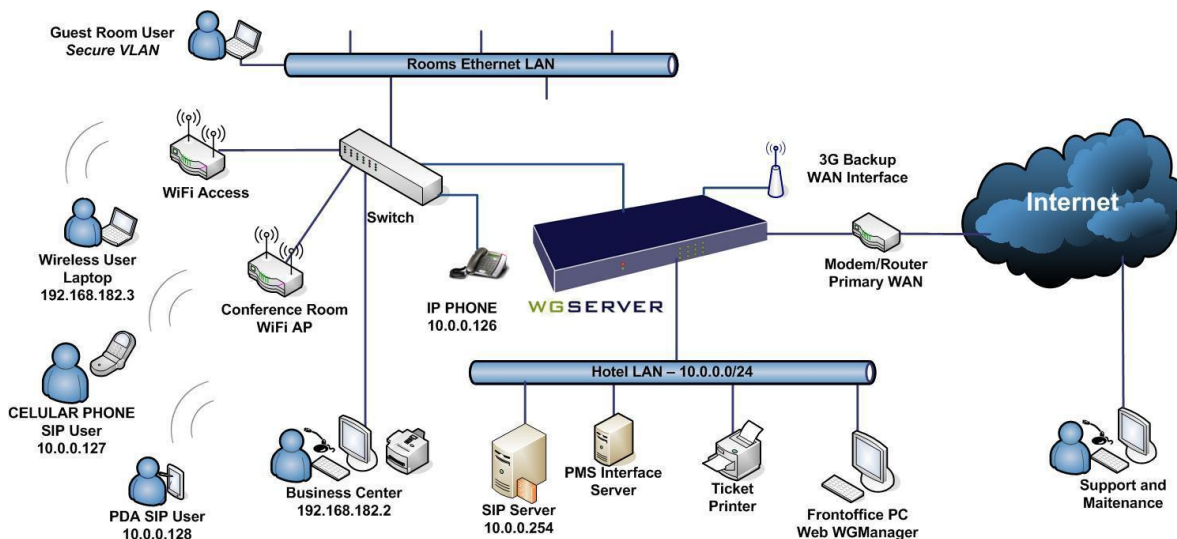


Figure 1: WGServer network

Source: Nonius WGServer manual

Exhibit 3 – The WGStargate

Launched in 2008, the WGS was a system designed to provide internet connection to river and sea cruise ships and tourist boats. While sailing, ships often had access to no other internet signal than the one provided by satellites, receiving signal from other data communication technologies only sporadically, mostly when approaching the shore or riverbanks. These satellite connections were extremely costly, being important to optimize the way they were used. The WGS brought a solution to the problem, enabling the automatic selection of the least expensive technology available in a given moment, without reducing the intensity or quality of the signal. It allowed cruise ship operators to provide high speed internet connection to passengers while moving or passing through remote locations, and, at the same time, guarantee the necessary bandwidth for internal and business communications through a dedicated mechanism developed by Nonius. Hence, the WGS provided cost reduction with communications and maximization of benefits and services.

To develop the project, Nonius applied to a startup-directed initiative created by the European Space Agency (ESA). The project has been one of a total of 7 projects approved in a contest, being therefore technically and financially supported by ESA. *Nonius* counted also on *Douro Azul*, a Portuguese company dedicated to touristic trips on the Douro River, as product development partner, keeping the policy of partnering up with potential clients.

Besides the niche market of cruise ships providing tourist trips in rivers and seas, the platform targeted also the areas of defense and civil protection, since it allowed the quick placement and operation of an emergency communication services in the event of a disaster or calamity.

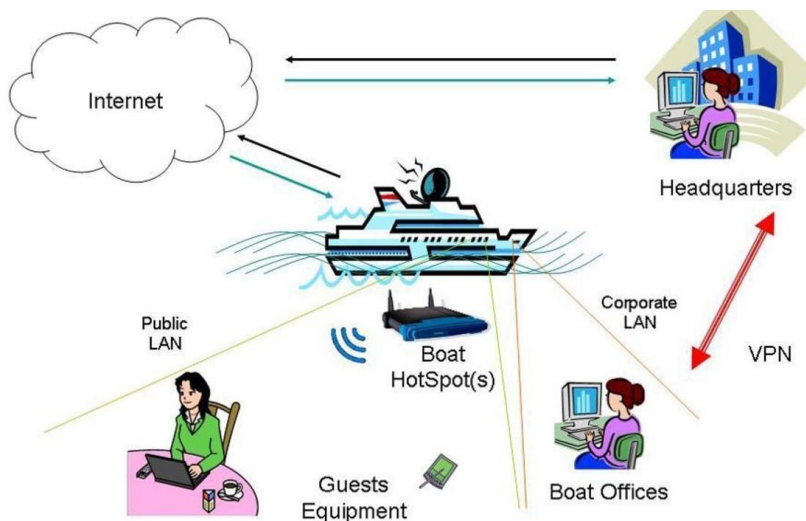


Figure 2: WGStargate network

Source: Nonius application document to ESA's contest

Exhibit 4 – The WGPositionSystem

Launched in 2009, the WG-WPS was a solution designed to locate people and objects using a laptop or smartphone and a location tag connected to a wireless network. Location tags could be transported by people or attached to objects, sending notifications in certain situations, such as the loss of signal or the entrance of people in non-authorized places. The platform was primarily designed to be used in hospitals, to locate doctors, patients or medical equipment, but it ended up being also introduced in the hospitality business, mainly with the function of locating children within a hotel or resort and track them down through the television in the room or a smartphone.

The WG-WPS was developed in partnership with several entities, which supported the project both financially and technically. Concerning technical support, Nonius partnered up with Hospital Joaquim Urbano, in Porto, where implementation trials have been conducted, and with ISEP, an engineering university, which provided technical aid. Regarding financial support, Nonius entered into a financing agreement with Crivo Ventures, to cover development expenses and reduce the development risk.

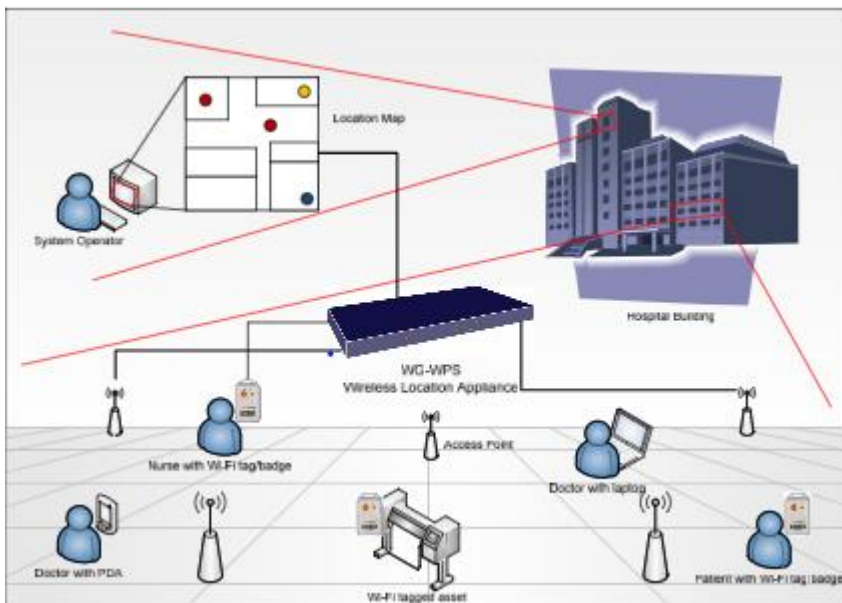


Figure 3: WGPositionSystem network
Source: Nonius' WG-WPS presentation

Exhibit 5 – NiVo

“In the past, the hospitality industry was able to offer in-room services and contents that did not exist at the guest’s home. Nowadays, the industry is falling behind in that chapter. Hotels are not being able to offer more up-to-date and technologically evolved solutions than the ones that the guest can obtain at home... NiVo represents Nonius’ solution to this challenge, for a highly competitive price when compared to the investment required for having an analogic TV solution.” António Silva

NiVo - an advanced entertainment system that transforms the hotel TV experience.

Functionalities/ services:

- . Television - IPTV (Digital TV over IP);
- . Movies - Video On Demand;
- . Radio Channels - SAT/Internet Radios;
- . Hotel Corporate Channel;
- . Complementary Services (e.g. SPAs, Tours, Rent-a-Car, etc.);
- . Information Services (e.g. Weather, Flights, RSS News);
- . Internet on the TV - full featured browser;
- . Wireless Hotspot - AP included on the NiVo Set-top Box;
- . Games on TV (e.g. Mahjong, Tetris, Pac-man, etc.);
- . Location Services with CCTV Integration (children location on Resorts).



NONIUS

COMMUNICATION SYSTEMS MATCHING YOUR NEEDS

Hospitality and Healthcare

NiVo integrates multiple services in a 100% IP Network providing flexibility and scalability to the system, adding the return of investment of existing IP infrastructure. NiVo is an advanced entertainment and multimedia solution for a distinctive high-end Hotel or Hospital, with superior user interface, 100% fanless Set-top Boxes and ability to play high definition contents, adding superb quality to the TV channels distribution and Video On Demand service.

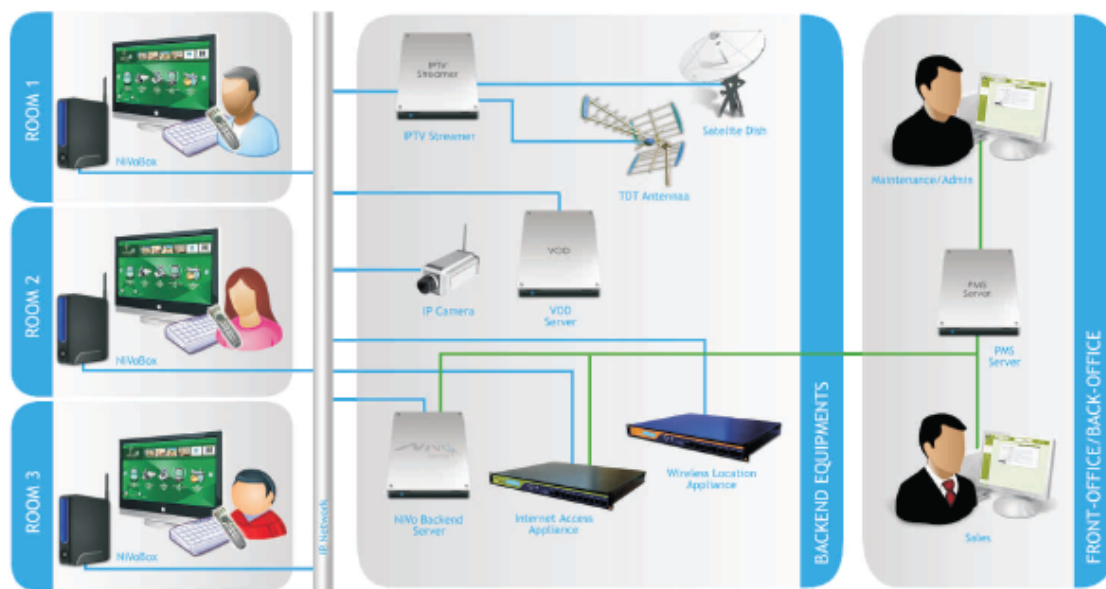
The customer is able to access the services in an intuitive and friendly TV interface that allows to watch TV, book a SPA, check flight schedules, browse the Internet, listen to a radio station or play a video game, by just using the TV remote control.

One of the biggest features of this system is the ability to be customized according to the corporate image of the Hotel or Hospital. NiVo offers a full customization of the TV graphical interface, corporate channel, etc., through the NiVo Manager Web interface. It's also possible to add customized applications due to the open architecture of Set-top Boxes.

The system uses a single management and billing interface for the multiple services to minimize investment and, when combined with 100% plug&play Set-top Boxes, to drop operational and maintenance running costs.

NiVo transform the Hotel/Hospital TV experience at a realistic cost of investment.

NiVo provides an easy-to-setup, flexible and cost-effective means of deploying an advanced entertainment system in a resort or in a hotel.



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Figure 4: NiVo's main features

Source: Nonius presentation of NiVo

Exhibit 6 – Nonius product portfolio

NONIUS.HSIA



- > Internet management for guests
- > Easy to use (zero configuration for the guest and conference attendee)
- > Global support lines, 24/7/365, available in three languages
- > Hotel branded login portal, featuring ads
- > Wi-Fi Internet coverage for any mobile device

NONIUS.TV



- > High Definition TV, Films, Games
- > Internet / Widgets on TV
- > Digital Guest Directory / Services for paper free room
- > PMS Integration / Express Checkout / Guest Survey
- > Optional Set-top Box with embedded room Wi-Fi AP

NONIUS.SIGNAGE



- > Digital Signage for public areas
- > Corporate Channel – Advertises the Hotel and its services
- > Digital Concierge – Information on events, services, attractions
- > Airport Info - Real time flights schedules
- > Meeting Room – Signage for management of conference rooms

NONIUS.VOIP



- > IP Telephony solution for hospitality
- > Integration with the major PMS systems
- > Voice Mail, Wakeup call, Room Maintenance, Call Block, Billing
- > Dedicated telephones for hospitality
- > Costs optimization – VOIP, Skype and GSM

NONIUS.APPS



- > Apps for guest's mobile devices
- > Apps for in-room TV remote control
- > Apps for room control: lighting, HVAC, blinds and other services
- > Apps customized for Hotels needs
- > Apps with the Hotel brand

Source: Nonius website

Exhibit 7 – Tech2H post-acquisition performance

| Currency: € 000 | 2012 | 2013 | 2014 |
|-------------------------------|-------------|-------------|-------------|
| Sales and services rendered | 87 | 241 | 941 |
| Other operating income | 0 | 0 | - |
| Operating costs | (95) | (150) | (399) |
| EBITDA | (7) | 92 | 542 |
| Depreciation and amortization | - | (6) | (132) |
| EBIT | (7) | 86 | 410 |
| Financial result | - | (2) | (94) |
| EBT | (7) | 84 | 316 |
| Income tax | - | (22) | (104) |
| Net profit | (7) | 62 | 212 |
| <i>Sales growth rate (%)</i> | - | 177% | 290% |
| <i>EBITDA growth rate (%)</i> | - | 1161% | 491% |
| <i>EBITDA margin (%)</i> | -8% | 38% | 58% |

Table 1: Tech2H profit & loss statement

Source: Annual financial reports

Exhibit 8 – Impresa DGSM's acquisition and performance

In May 2012, Nonius acquired Impresa DGSM. The transaction has been evaluated in €1.5m but no cash has been involved. Instead, Nonius acquired 100% of Impresa DGSM and its sole owner, Impresa S.A., the largest private media group in Portugal, became shareholder of Nonius, receiving company shares representing 15% of its share capital.

“We believe that this operation brings several benefits for our partners, namely by offering more and better products, solutions and contents for the hospitality and hospital markets; by bringing a better geographical coverage with the delegations in Porto (headquarters), Lisbon and São Paulo; by improving efficiency and responsiveness to every client; and by conveying a stronger shareholder structure, able of supporting current and future projects at a national and international level” said Antonio Silva about the acquisition of Impresa DGSM.

| Currency: € 000 | 2012 | 2013 |
|-------------------------------|-------------|-------------|
| Sales and services rendered | 716 | 283 |
| Other operating income | 13 | 4 |
| Operating costs | (497) | (152) |
| EBITDA | 233 | 136 |
| Depreciation and amortization | (218) | (128) |
| EBIT | 15 | 8 |
| Financial costs | (5) | - |
| EBT | 10 | 8 |

Table 2: Impresa DGSM profit & loss statement

Source: Annual financial reports

Note: In 2014, DGSM was totally integrated in Nonius Software

Exhibit 9 – TendiQ’s acquisition and performance

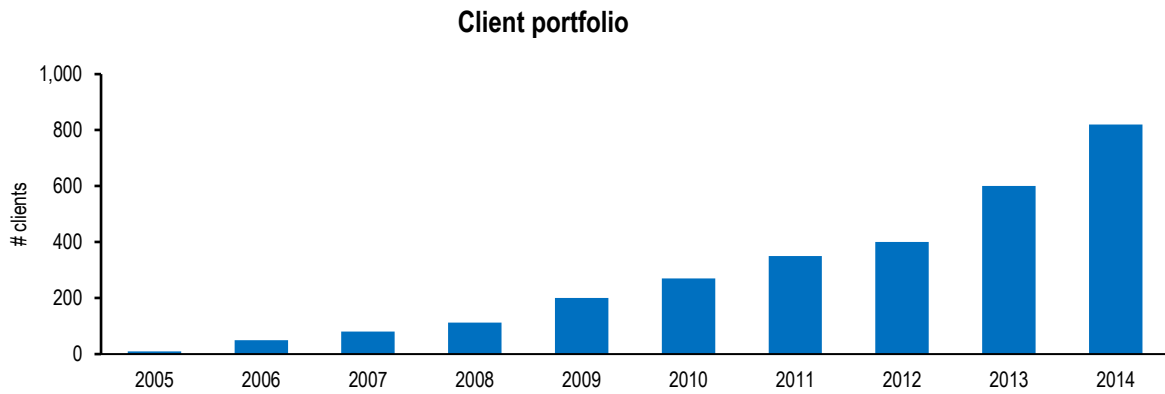
In May 2014, Nonius acquired TendiQ, an investment amounting to a global sum of €260k. Nonius paid €80k to TendiQ’s shareholders and distributed 36,000 shares of capital among the shareholders and management employees, representing 1.2% of its equity.

| Currency: € 000 | May - Dec | 2014 |
|-------------------------------|------------------|-------------|
| Sales and services rendered | 526 | 828 |
| Operating costs | (526) | (802) |
| EBITDA | (0) | 26 |
| Depreciation and amortization | (2) | (7) |
| EBIT | (2) | 19 |
| Financial result | - | (2) |
| EBT | (2) | 17 |
| Income tax | - | (4) |
| Net Income | (2) | 13 |

Table 3: TendiQ profit & loss statement

Source: Annual financial reports

Exhibit 10 – Number of clients, relevant customers and international presence



Graph 1: Evolution in the number of clients

Source: Annual financial reports

Relevant customers



International presence

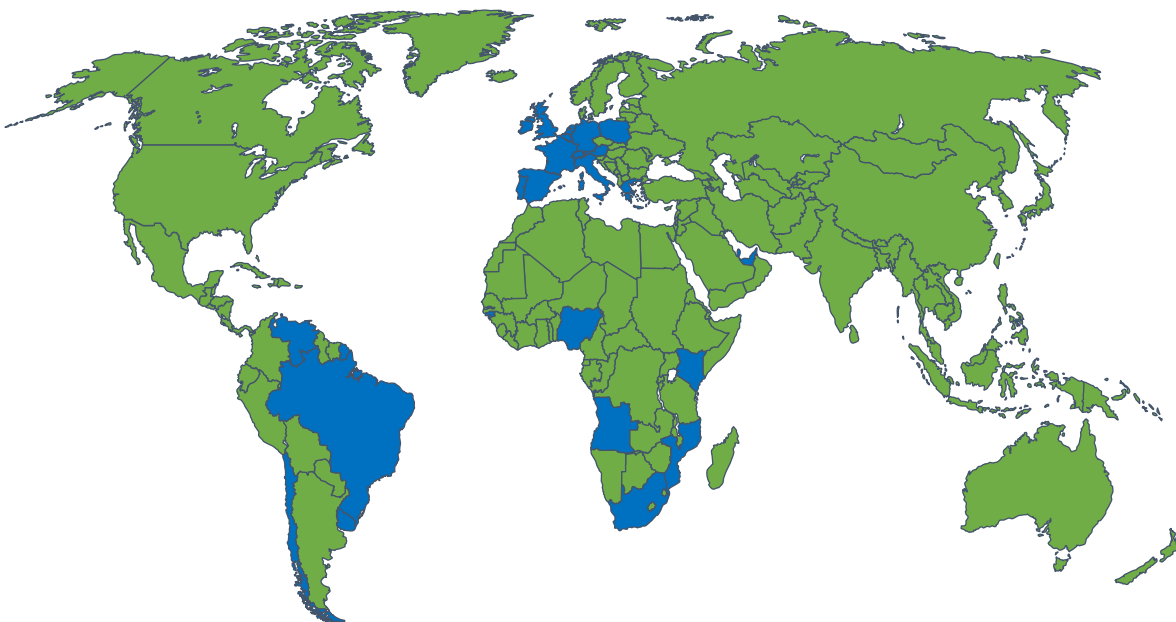


Figure 5: Geographies where Nonius operated in 2014

Source: Annual financial report 2014

Exhibit 11 – Nonius financial and operational performance

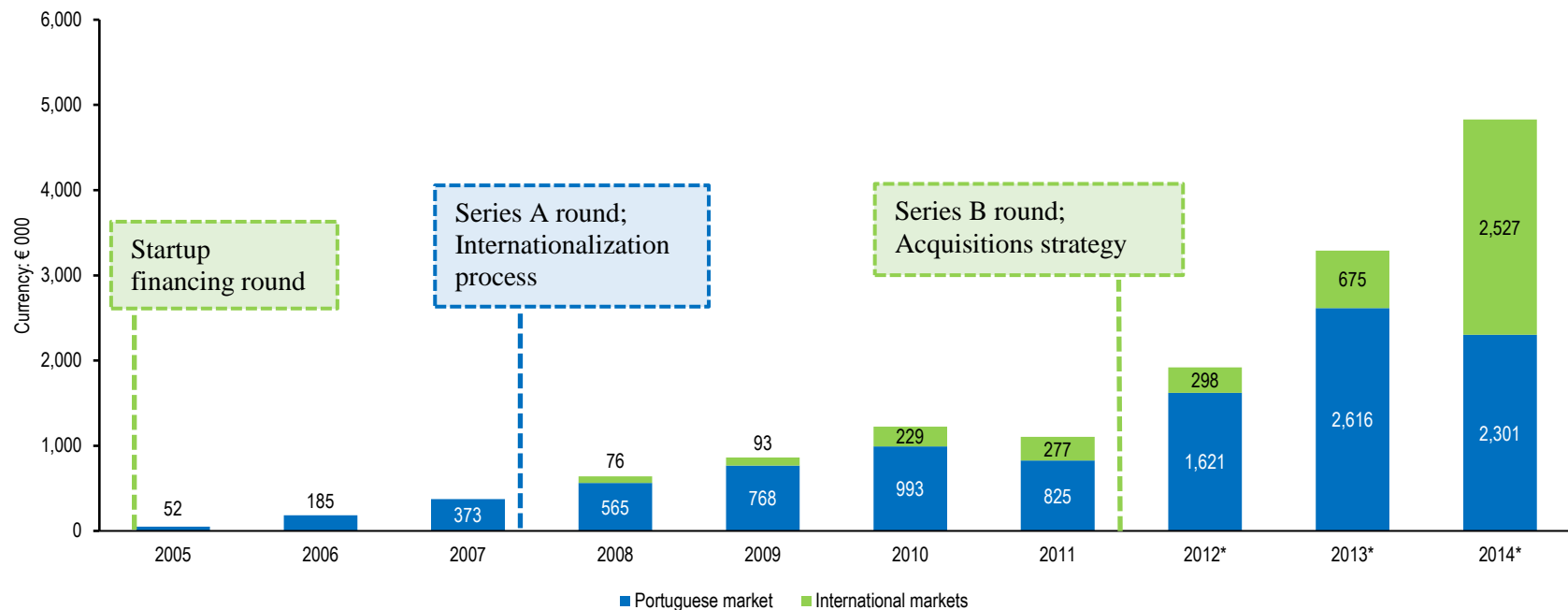
Revenues

| Currency: € 000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012* | 2013* | 2014* |
|---|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Portuguese market | 52 | 185 | 373 | 565 | 768 | 993 | 825 | 1,621 | 2,616 | 2,301 |
| International markets | - | - | - | 76 | 93 | 229 | 277 | 298 | 675 | 2,527 |
| Sales and services | 52 | 185 | 373 | 641 | 861 | 1,222 | 1,103 | 1,919 | 3,291 | 4,827 |
| <i>Sales annual growth rate</i> | - | 259% | 102% | 72% | 34% | 42% | -10% | 74% | 72% | 47% |
| <i>International sales (in % of total)</i> | - | - | - | 12% | 11% | 19% | 25% | 16% | 21% | 52% |
| <i>Portuguese market annual growth rate</i> | - | 259% | 102% | 51% | 36% | 29% | -17% | 96% | 61% | -12% |
| <i>International markets annual growth rate</i> | - | - | - | - | 22% | 146% | 21% | 7% | 127% | 274% |

Table 4: Evolution of Nonius revenues

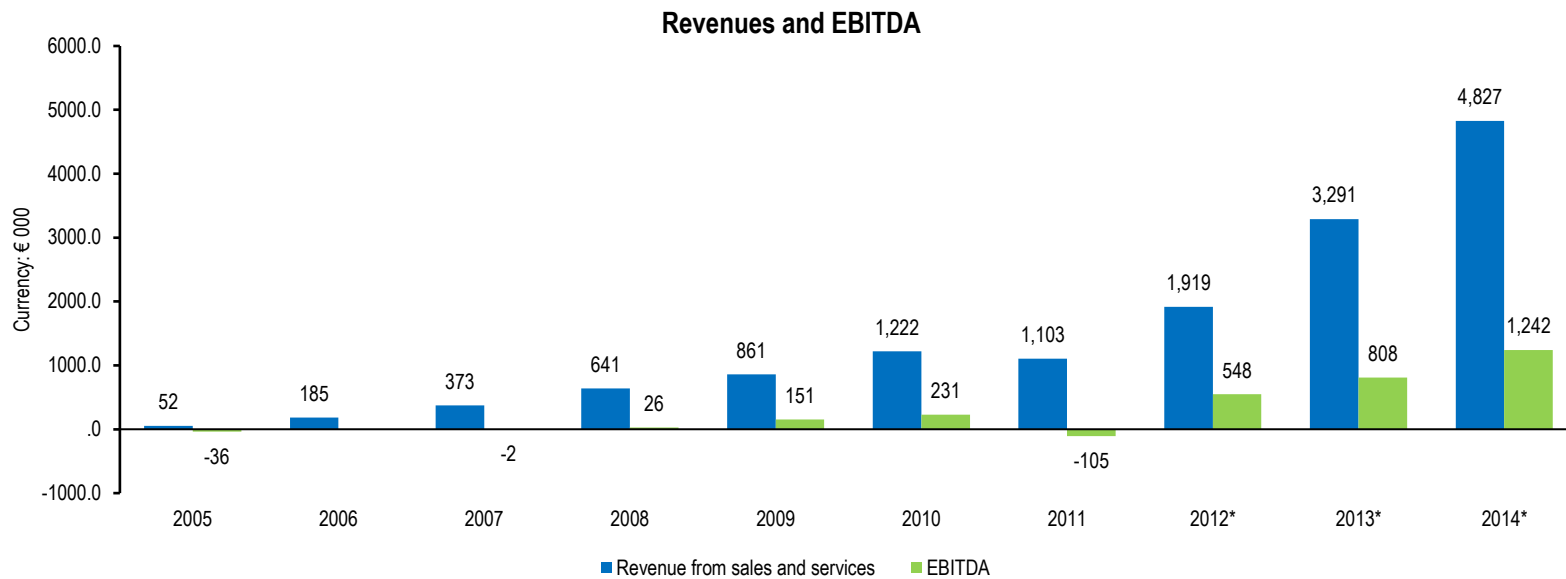
Source: Annual financial reports

*Revenues for 2012, 2013 and 2014 were generated by the entire group, comprised by Nonius Software, Nonius Europe and Nonius Brasil.



Graph 2: Evolution and segmentation of Nonius revenues

Source: Annual financial reports



Graph 3: Evolution of Nonius revenue and EBITDA

Source: Annual financial reports

*EBITDA for 2012, 2013 and 2014 was generated by the entire group, comprised by Nonius Software, Nonius Europe and Nonius Brasil

Team

| Departments | 2011 | 2012 | 2013 | 2014 |
|--------------------------|-----------|-----------|-----------|-----------|
| Executive team | 2 | 2 | 2 | 3 |
| Finance & Administrative | 2 | 3 | 5 | 6 |
| Sales & Marketing | 6 | 8 | 8 | 10 |
| R&D | 17 | 14 | 13 | 15 |
| Operations | 6 | 8 | 16 | 25 |
| Total | 33 | 35 | 44 | 59 |

Table 5: Nonius team members by department

Source: Annual financial reports

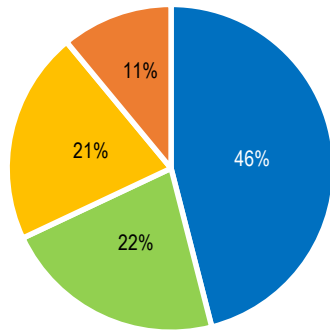
| Year | # members | Growth (%) |
|------|-----------|------------|
| 2006 | 8 | - |
| 2007 | 17 | 113% |
| 2008 | 21 | 24% |
| 2009 | 26 | 24% |
| 2010 | 35 | 35% |
| 2011 | 33 | -6% |
| 2012 | 35 | 6% |
| 2013 | 44 | 26% |
| 2014 | 59 | 34% |

Table 6: Evolution of Nonius team

Source: Annual financial reports

Business volume segmentation in 2014

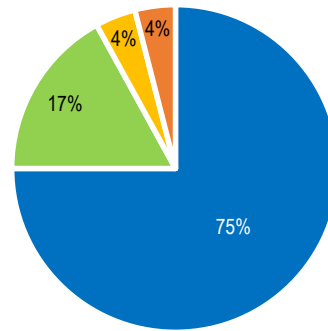
Geographical segmentation



■ Iberia ■ Rest of Europe ■ Latin America ■ Africa & Middle East

Graph 4: Revenue by geography
Source: Annual financial report 2014

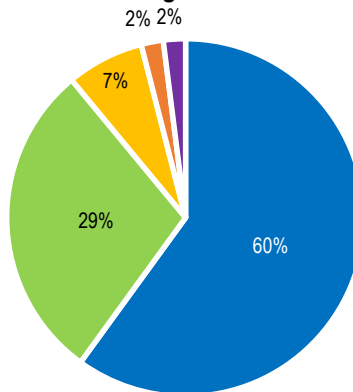
Market segmentation



■ Hotel ■ Cruise ships ■ Hospital ■ Other

Graph 5: Revenue by market
Source: Annual financial report 2014

Product segmentation



■ Nonius.TV ■ Nonius.HSIA ■ Nonius.Apps ■ Nonius.Signage ■ Nonius.VoIP

Graph 6: Revenue by product
Source: Annual financial report 2014

Exhibit 12 – Main clauses from startup financing round

- Veto power: Any decision on the following topics can only be taken with the previous agreement of Beta Capital: management remuneration, profit distribution, capital injections, issue of preferred or ordinary shares, election of social bodies, among others.
- Redemption: Beta Capital has the right to sell its shares and the founders have the obligation of acquiring them, in case the venture capitalist veto power is not respected on the previous topics or any founder decides to sell his shares, among other situations. The price to pay by the founders corresponds to 4x the investment performed by Beta Capital at Nonius.
- Pre-emption: In case any shareholder wishes to sell his shares of Nonius' capital, the remaining shareholders may choose to acquire those shares, under the terms defined by the seller, having priority over any party which do not own company shares.
- Tag-along: In case any founder decides to sell his shares to a third party, Beta Capital may require that the buyer also purchases its shares, in the same proportion and under the same terms defined to the acquisition of the founder's shares.
- Drag-along: From 2013 onwards, if Beta Capital finds a buyer for its shares and intends to accept an acquisition proposal for them, the founders are compelled to sell their shares, jointly and pro rata, to the proposed buyer, under the same terms defined to the acquisition of Beta Capital's shares. In alternative, the founders may opt for acquiring Beta Capital shares, as long as they offer the same conditions than the proposed buyer.

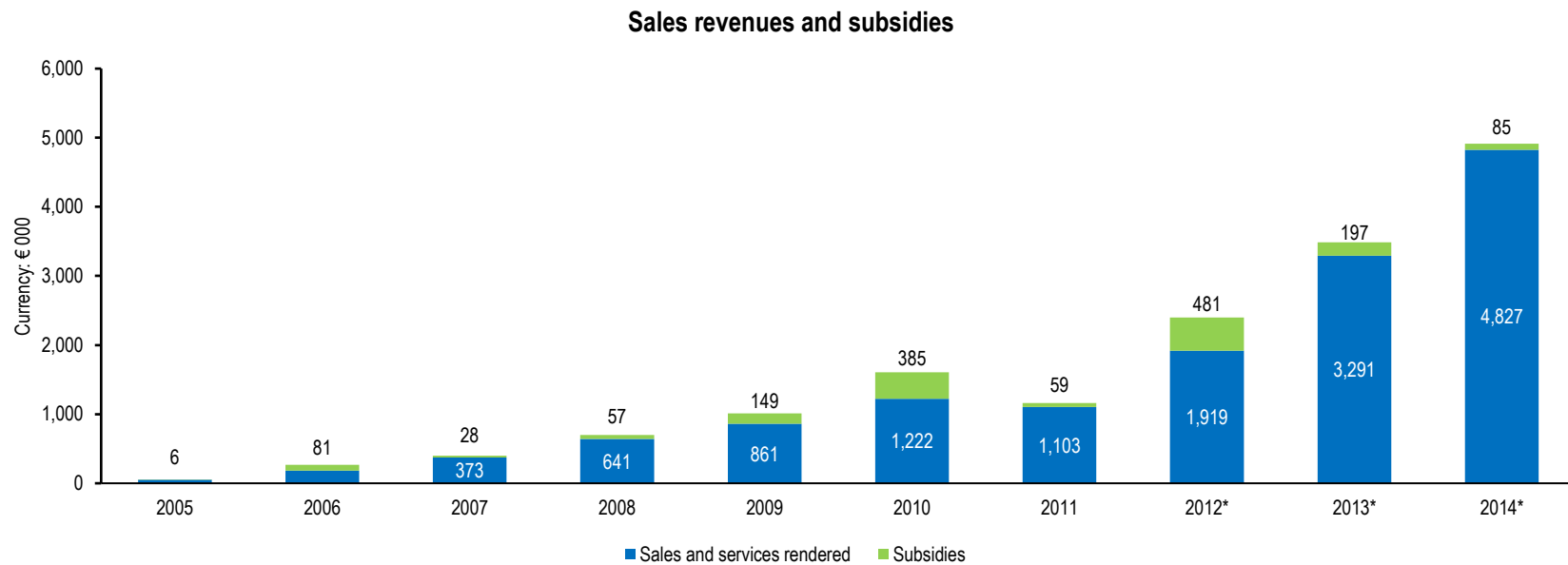
Exhibit 13 – Subsidies

| Currency: € 000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012* | 2013* | 2014* |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Sales and services rendered | 52 | 185 | 373 | 641 | 861 | 1,222 | 1,103 | 1,919 | 3,291 | 4,827 |
| Subsidies | 6 | 81 | 28 | 57 | 149 | 385 | 59 | 481 | 197 | 85 |
| <i>Subsidies annual growth rate</i> | - | 1247% | -65% | 104% | 160% | 158% | -85% | 715% | -59% | -57% |
| <i>Subsidies (in % of sales)</i> | 12% | 44% | 8% | 9% | 17% | 31% | 5% | 25% | 6% | 2% |

Table 7: Nonius sales' revenues and subsidies

Source: Annual financial reports

*: Revenues for 2012, 2013 and 2014 were generated by the entire group, comprised by Nonius Software, Nonius Europe and Nonius Brasil



Graph 7: Nonius sales' revenues and subsidies

Source: Annual financial reports

*: Revenues for 2012, 2013 and 2014 were generated by the entire group, comprised by Nonius Software, Nonius Europe and Nonius Brasil

Exhibit 14 – Main clauses from Series A financing round

- Qualified majority: Any decision on the following topics can only be taken with the agreement of the holders of at least 2/3 of Nonius share capital: management remuneration, profit distribution, capital injections, issue of preferred or ordinary shares, election of social bodies, among others.
- Redemption: Beta Capital and FSCR have the right to sell their shares and the founders have the obligation of acquiring them, in case the previous voting rule is not respected on the said topics or the founders disrespect any clause established by Series A investments. The price to pay by the founders corresponds to 4x the investment performed by Beta Capital or FSCR at Nonius.
- Pre-emption: In case any shareholder wishes to sell his shares of Nonius' capital, the remaining shareholders may choose to acquire those shares, under the terms defined by the seller and having priority over any party which do not own company shares.
- Tag-along: In case any shareholder decides to sell his shares to a third party, any remaining shareholder may require that the buyer also purchases his shares, in the same proportion and under the same terms defined to the acquisition of the selling shareholder's shares.
- Drag-along: From 2013 onwards, if either Beta Capital or FSCR find a buyer for their respective shares and intend to accept an acquisition proposal for them, the founders are compelled to sell their shares, jointly and pro rata, to the proposed buyer, under the same terms defined to the acquisition of the seller's shares. In alternative, the founders may opt for acquiring those shares, as long as they offer the same conditions than the proposed buyer.
- Stock warrants: The management team and other key employees are entitled to acquire a total of 22,500 shares of Nonius, at the par value of €10. Each individual is limited to a maximum number of shares, according to his function and previous performance. Until June 2011, 50% of the maximum number of shares per individual must have been purchased, with the remaining 50% expiring on June 2012.

Exhibit 15 – Main clauses from Series B financing round

- **Investment staging:** Caixa Capital invested an overall amount of €1m at Nonius. This investment comprised €120k in share capital and €880k in shareholder loans. From these loans €380k were delivered at the date of the contract and €500k were dependent on milestones, such as the sale of NiVo platforms to 25 clients, its installation in 3,000 rooms or the signing of at least one distribution agreement at Brazil and Spain.
- **Shareholder loans conversion:** The shareholder loans may be fully converted into share capital, if the following “trigger events” take place: i) new financing round, comprising the entry of a new shareholder and making available at least 15% of Nonius share capital; ii) trade sale or IPO in which the transaction price implies a pre-money valuation greater than the par value of Nonius shares. In case a trigger event takes place and Caixa Capital opts for not converting the loans, they become remunerated at Euribor 6m plus 7,5% spread and should be repaid in 3 years.
- **Board:** The executive board was enlarged to 4 members, comprising 2 founders and 2 members appointed by Beta Capital and Caixa capital, one by each.
- **Qualified majority:** Any decision on the following topics can only be taken with the agreement of the holders of at least 2/3 of Nonius share capital: management remuneration, profit distribution, capital injections, issue of preferred or ordinary shares, election of social bodies, among others.
- **Redemption:** Beta Capital, FSCR and Caixa Capital have the right to sell their shares and the founders the obligation of acquiring them, in case the previous voting rule is not respected on the those topics or the founders disrespect any clause established by Series B investments. The price to pay by the founders corresponds to 4x the investment performed by Beta Capital, FSCR or Caixa Capital at Nonius.
- **Pre-emption:** In case any shareholder wishes to sell his shares of Nonius’ capital, the remaining shareholders may choose to acquire those shares, under the terms defined by the seller and having priority over any party which do not own company shares.
- **Tag-along:** In case any shareholder decides to sell his shares to a third party, any remaining shareholder may require that the buyer also purchases his shares, in the same proportion and under the same terms defined to the acquisition of the selling shareholder’s shares.
- **Drag-along:** From 2015 onwards, any shareholder may present an offer to sell all his shares to other shareholders of Nonius. If none of them shows interest in the acquisition of those shares, the selling shareholder is entitled to attribute to an investment bank or M&A adviser an irrevocable mandate to sell the entire share capital of the company, in order for that entity to diligently find a buyer in the shortest time possible and at the best

market conditions. In alternative, the selling shareholder may also find a third-party acquirer which accepts to buy the entire share capital of Nonius at the same or higher price than the one proposed initially to other shareholders.

- Anti-dilution: In any new issue of share capital, the current shareholders benefit from pre-emption rights, being entitled to participate in the same proportion of the investment performed at Nonius, both in share capital and shareholder loans.
- Liquidation: If Nonius equity value presents an annual reduction of more than half in a given year, the company may be liquidated. In the event of liquidation, Caixa Capital benefits from priority to get repaid, of both share capital and shareholder loans.
- Lock-up period: During the following 3 years, Nonius founders are not allowed to sell their shares to anyone.

Exhibit 16 – Nonius shareholder structure

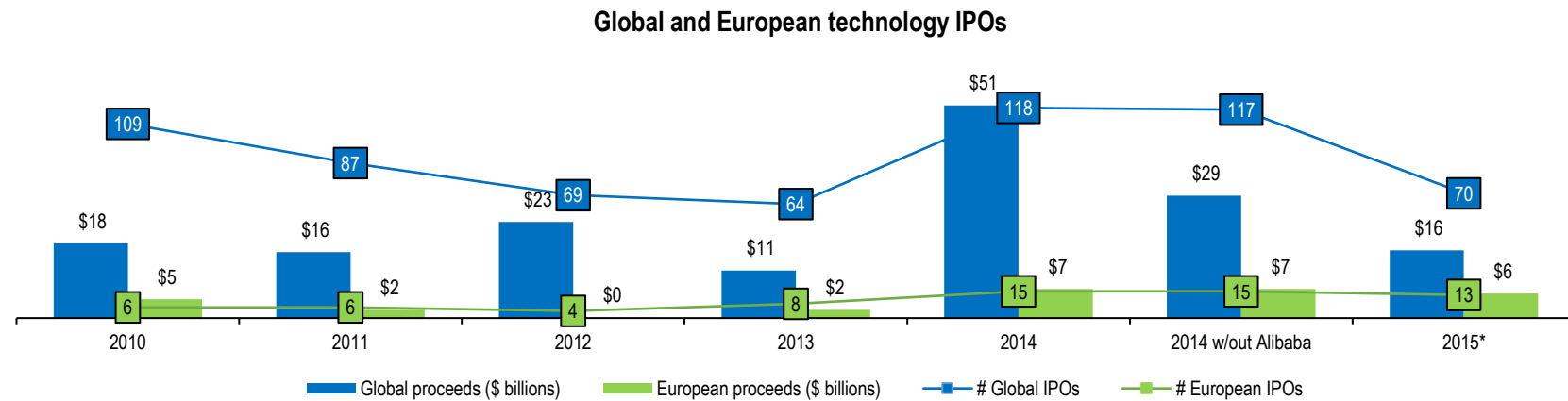
| | 2005 - 2006 | | 2007 - 2009 | | 2010 | | 2011 | | 2012 -2013 | | 2014 | |
|--------------------------------------|-------------|-------------|-------------|-------------|------------|-------------|------------|-------------|------------|---------------|--------------|-------------|
| | # | % | # | % | # | % | # | % | # | % | # | % |
| Shares: 000 | | | | | | | | | | | | |
| António Silva (Founder) | 14 | 22.2% | 26 | 17.1% | 102 | 16.8% | 116 | 16.2% | 116 | 15.0% | 439 | 14.6% |
| Leonel Domingues (Founder) | 14 | 22.2% | 26 | 17.1% | 102 | 16.8% | 116 | 16.2% | 116 | 15.0% | 439 | 14.6% |
| Rui Castro (Founder) | 14 | 22.2% | 24 | 16.3% | 98 | 16.8% | - | - | - | - | - | - |
| Beta Capital | 20 | 33.3% | 54 | 35.9% | 215 | 35.9% | 215 | 29.9% | 215 | 27.7% | 812 | 27.1% |
| PME Investimentos - FSCR-IAPMEI | - | - | 21 | 13.7% | 82 | 13.7% | 82 | 11.4% | 82 | 10.6% | 309 | 10.3% |
| Nonius | - | - | - | - | - | - | 60 | 8.3% | - | - | 36 | 1.2% |
| Caixa Capital - EmpreenderMais | - | - | - | - | - | - | 120 | 16.7% | 120 | 15.4% | 452 | 15.1% |
| Employees | - | - | - | - | - | - | 10 | 1.4% | 10 | 1.3% | 39 | 1.3% |
| Impresa | - | - | - | - | - | - | - | - | 117 | 15.0% | 440 | 14.7% |
| TendiQ's shareholders and management | - | - | - | - | - | - | - | - | - | - | 36 | 1.2% |
| Total | 61 | 100% | 150 | 100% | 600 | 100% | 720 | 100% | 777 | 100,0% | 3.000 | 100% |

Table 8: Evolution of Nonius shareholder structure

Source: Nonius' annual management report from 2014

Note: In March 2011, the founder Rui Castro left the company, with Nonius acquiring his shares. In June, part of the shares were distributed among the other two founders and some strategic employees, remaining 60,000 shares owned by Nonius.

Exhibit 17 – Global IPO market for technology companies



Graph 8: Worldwide and European number of IPOs and respective proceeds between 2010 and 2015

Source: PWC's report - *Global Technology IPO Review*

*The number of IPOs and proceeds for 2015 comprise only information up to 3Q 2015.

Enterprise value (EV) multiples for technology companies on IPOs

| | 4Q 2014 | 1Q 2015 | 2Q 2015 | 3Q 2015 | LTM |
|------------------|---------|---------|---------|---------|-------|
| EV / LTM Revenue | 3.7x | 3.7x | 5.5x | 3.0x | 4.2x |
| EV / LTM EBITDA | 43.1x | 26.2x | 48.8x | 20.6x | 39.0x |
| # IPOs | 34 | 23 | 36 | 11 | 104 |

Table 9: Enterprise value multiples on global IPOs of technology companies

Source: PWC's report - *Global Technology IPO Review*

Note: LTM – Last Twelve Months

Enterprise value (EV) multiples for software companies on IPOs

| | 4Q 2014 | 1Q 2015 | 2Q 2015 | 3Q 2015 | LTM |
|------------------|---------|---------|---------|---------|-------|
| EV / LTM Revenue | 3.4x | 10.6x | 8.2x | 5.5x | 5.5x |
| EV / LTM EBITDA | 35.8x | 54.4x | 30.2x | -21.3x | 26.8x |
| # IPOs | 13 | 2 | 6 | 4 | 25 |

Table 10: Enterprise value multiples on global IPOs of software companies (being software a sub-industry of the technology industry)

Source: PWC's report - *Global Technology IPO Review*

Note: LTM – Last Twelve Months

Exhibit 18 – Implied valuation of technology and software companies in the M&A market**Enterprise value (EV) multiples for technology companies on trade sales in Europe**

| | 4Q 2014 | 1Q 2015 | 2Q 2015 | 3Q 2015 | LTM |
|----------------------|---------|---------|---------|---------|-------|
| Implied EV / Revenue | 2.6x | 3.24x | 4.72x | 1.8x | 3.0x |
| Implied EV / EBITDA | 33.7x | 14.77x | 12.52x | 18.19x | 19.9x |
| # Trade sales | 49 | 44 | 49 | 57 | 199 |

Table 11: Enterprise value multiples on trade sales of technology companies from European developed markets (Available data)

Source: Capital IQ data

Note: LTM – Last Twelve Months

Enterprise value (EV) multiples for software companies on trade sales in Europe

| | 4Q 2014 | 1Q 2015 | 2Q 2015 | 3Q 2015 | LTM |
|----------------------|---------|---------|---------|---------|-------|
| Implied EV / Revenue | 2.3x | 2.6x | 1.8x | 2.2x | 2.3x |
| Implied EV / EBITDA | 23.2x | 19.5x | 5.89x | 17.5x | 18.5x |
| # Trade sales | 15 | 13 | 5 | 18 | 51 |

Table 12: Enterprise value multiples on trade sales of software companies from European developed markets (being software a sub-industry of the technology industry) (Available data)

Source: Capital IQ data

Note: LTM – Last Twelve Months

Appendixes to Teaching Note

Exhibit TN1 – Explanation of success variables

1. Capital: Businesses that start undercapitalized have a greater chance of failure than firms that start with adequate capital.
2. Record keeping and financial control: Businesses that do not keep updated and accurate records and do not use adequate financial controls have a greater chance of failure than firms that do.
3. Industry experience: Businesses managed by people without prior industry experience have a greater chance of failure than firms managed by people with prior industry experience.
4. Management Experience: Businesses managed by people without prior management experience have a greater chance of failure than firms that are managed by people with prior management experience.
5. Planning: Businesses that do not develop specific business plans have a greater chance of failure than firms that do.
6. Professional Advisors: Businesses that do not use professional advisors have a greater chance of failure than firms using professional advisors.
7. Education: People without any college education who start a business have a greater chance of failure than people with one or more years of college education.
8. Staffing: Businesses that cannot attract and retain quality employees have a greater chance of failure than firms that can.
9. Product/Service Timing: Businesses that select products/services that are too new or too old have a greater chance of failure than firms that select products/services that are in the growth stage.
10. Economic Timing: Businesses that start during a recession have a greater chance of failure than firms that start during expansion periods.
11. Age: Younger people who start a business have a greater chance of failure than older people starting a business.
12. Partners: A business started by one person has a greater chance of failure than a firm started by more than one person.
13. Parents: Business owners whose parents did not own a business have a greater chance of failure than owners whose parents did own a business.
14. Minority: Minorities have a greater chance of failure than non-minorities.
15. Marketing: Business owners without marketing skills have a greater chance of failure than owners with marketing skills.

Source: Lussier, R. (1995). A nonfinancial business success versus failure prediction model for young firms. *Journal of Small Business Management*, 33(1), 8-20

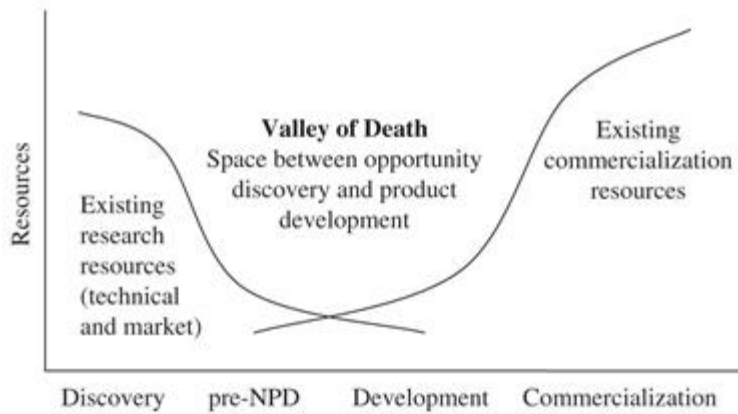
Exhibit TN2 – Valley of death

Figure 6: Valley of Death description

Source: Markham, S., Ward, S., & Kingon, A. (2010). The Valley of Death as Context for Role Theory in Product Innovation. *Journal of Product Innovation Management*, 27(3), 402-417

Exhibit TN3 – Market entry modes according to entrant’s control level

Entry Mode Classified by the Entrant’s Level of Control

High-Control Modes: Dominant Equity Interests

Wholly-owned subsidiary
 Dominant shareholder (many partners)
 Dominant shareholder (few partners)
 Dominant shareholder (one partner)

Medium-Control Modes: Balanced Interests

Plurality shareholder (many partners)
 Plurality shareholder (few partners)
 Equal partner (50/50)
 Contractual joint venture
 Contract management
 Restrictive exclusive contract
 (e.g., distribution agreement, license)
 Franchise
 Nonexclusive restrictive contract
 Exclusive nonrestrictive contract

Low-Control Modes: Diffused Interests

Nonexclusive, nonrestrictive contracts
 (e.g., intensive distribution, some licenses)
 Small shareholder (many partners)
 Small shareholder (few partners)
 Small shareholder (one partner)

Figure 7: Categorization of entry modes regarding control level

Source: Anderson, E., & Gatignon, H. (1986). Modes of Foreign Entry: A Transaction Cost Analysis and Propositions. *Journal of International Business Studies*, 17(3), 1-26

Exhibit TN4 – Pros and cons of financing alternatives

Bootstrapping

| Advantages | Disadvantages |
|--|--|
| <ul style="list-style-type: none"> ▪ Full control over business decisions ▪ No pressure from external investors ▪ No ownership dilution | <ul style="list-style-type: none"> ▪ Unnecessary financial risk borne by the founders ▪ May not be enough to fund growth ▪ Loss of advice from professional investors |

Government R&D subsidies

| Advantages | Disadvantages |
|---|--|
| <ul style="list-style-type: none"> ▪ No repayment ▪ Provides funding for innovation and risky research projects | <ul style="list-style-type: none"> ▪ Insufficient to fund company growth ▪ Provides no technical assistance ▪ Funding is staged and subject to compliance with development milestones |

Bank debt

| Advantages | Disadvantages |
|--|---|
| <ul style="list-style-type: none"> ▪ No ownership stake required ▪ Tax shield effect of debt | <ul style="list-style-type: none"> ▪ Periodic repayments ▪ Tough covenants ▪ High interest rates for growing companies ▪ Demands collateral |

Business angels

| Advantages | Disadvantages |
|---|--|
| <ul style="list-style-type: none"> ▪ Favorable and informal investment terms ▪ Industry and entrepreneurial advice ▪ Wide network of business industry relations | <ul style="list-style-type: none"> ▪ Little follow-on money ▪ Demands equity stake at the company ▪ Less structural support ▪ Seeks decision power on business strategy matters ▪ Hard to find a suitable one |

Venture capital investors

| Advantages | Disadvantages |
|---|--|
| <ul style="list-style-type: none"> ▪ Business and managerial advice ▪ Wide network of business connections ▪ Larger investment amounts ▪ Enhance ventures' growth potential | <ul style="list-style-type: none"> ▪ Demands decision power over major financial and operational issues ▪ Demands large equity stakes ▪ Tough and complex investment terms ▪ Long due diligence ▪ High pressure to obtain profitable exit |

Source: Casewriter

