



Welsh, Carson, Anderson & Stowe to Acquire Absorb Software from Silversmith Capital Partners

April 20, 2021

CALGARY, AB and NEW YORK -- Welsh, Carson, Anderson & Stowe ("WCAS") has entered into a definitive agreement to acquire Absorb Software ("Absorb"), recognized globally as one of the fastest growing, industry-leading providers of cloud-based learning and performance management software to businesses, higher education, government and non-profit agencies around the world. The investment achieves a greater than US\$500 million valuation for the Calgary-based software company. Mike Owens, Founder and Chief Executive Officer of Absorb, along with other members of management will remain substantial shareholders in the Company.

Absorb is a rapidly growing provider of cloud-based Learning Management System ("LMS") software serving over 23 million users across more than 1,400 global clients in 34 countries. Absorb's platform is designed to set new standards in both eLearning software and support. By empowering amazing learning experiences, Absorb LMS engages learners, fuels content retention, and helps organizations better train, retain, and manage both internal employees and external stakeholders such as customers, channel partners, franchisees, and membership associations. WCAS's acquisition of Absorb aligns well with the firm's long history of investing in market-leading technology and growth-oriented companies, given Absorb has won several industry awards and consistently achieved >30% bookings growth.

WCAS is excited to partner with management to pursue a strategy of accelerating organic growth, investing in product innovation and strategically pursuing M&A. This strategy builds on Absorb's market leadership and outstanding history of innovative product expansion, including the 2019 release of Absorb Infuse, delivering contextual learning experience in the flow of work, the 2020 release of Absorb Create, an intuitive course authoring tool and the 2021 release of Absorb Intelligence, a suite of artificial intelligence tools to enrich and simplify the learner experience.

Mike Owens, Absorb's Chief Executive Officer, said "The current market demand and long-term outlook for best-of-breed eLearning solutions is extraordinary, and Absorb is proud to be leading the pack. This new investment speaks volumes to the increasing value of Absorb's platform. I'm thrilled about the momentum we established with our initial investment from Silversmith, and this new partnership with WCAS will accelerate our growth and fuel innovation as we invest heavily in our product and drive expansion throughout the entire organization."

"Absorb is led by a strong management team with a highly differentiated LMS platform that has been changing the way organizations deploy training and engagement with both internal and external stakeholders," said Ryan Harper, General Partner of WCAS. "We believe the Company is uniquely positioned to continue its rapid market share capture and product leadership to establish Absorb as the clear next generation leader in LMS."

"Silversmith has had a great partnership with Absorb since serving as the company's first institutional investor in 2017," said Jim Quagliaroli, Managing Partner of Silversmith Capital Partners. "It was gratifying to see the significant investments made in sales and marketing result in accelerated organic growth, and we applaud the company's ability to successfully integrate four accretive acquisitions. We congratulate Mike and the Absorb team, and wish them continued success in their next stage of growth."

The transaction is expected to close in the second quarter, after customary regulatory reviews.

Advisors

WCAS was advised by Kirkland & Ellis LLP. Absorb and Silversmith were advised by Shea & Company and Choate Hall & Stewart LLP.

About Welsh, Carson, Anderson & Stowe

WCAS is a leading U.S. private equity firm focused on two target industries: technology and healthcare. Since its founding in 1979, the firm's strategy has been to partner with outstanding management teams and build value for its investors through a combination of operational improvements, growth initiatives and strategic acquisitions. WCAS has deep experience in acquiring founder-led businesses and corporate carve-outs. The firm has raised and managed funds totaling over \$27 billion of committed capital. For more information, please visit www.wcas.com.

About Absorb Software

Absorb Software is a learning technology company based in Calgary, Alberta, Canada, with global offices in London, Dublin, Shanghai, Sydney, Boston, and Tampa. Absorb LMS, the company's flagship product, is an industry-leading and award-winning Learning Management System trusted by businesses, governments, healthcare providers, educators and non-profit organizations around the world. The company's line of results-driven eLearning products also includes Absorb Infuse, the first true in-the-flow learning experience, and Absorb Create, a cloud-based course builder offered as both a standalone product and a seamless Absorb LMS integration. For more information, please visit www.absorblms.com.

About Silversmith Capital Partners

Founded in 2015, Silversmith Capital Partners is a Boston-based growth equity firm with \$2.0 billion of capital under management. Silversmith's mission is to partner with and support the best entrepreneurs in growing, profitable technology and healthcare companies. Representative investments include ActiveCampaign, Appfire, Centauri Health Solutions, DistroKid, Impact, Iodine Software, LifeStance Health, MediQuant, Panalgo, Unily, Validity, and Webflow. The partners have over 75 years of collective investing experience and have served on the boards of numerous successful growth companies including ABILITY Network, Archer Technologies, Dealer.com, Liazon, Liberty Dialysis, MedHOK, Passport Health, SurveyMonkey, and Wrike. For more information about Silversmith, please visit www.silversmith.com.

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