

**Hg invests in Prophix
to continue to scale the business and invest further in product and technology**

Mississauga, ONTARIO; New York, USA and London, UK: 6th January 2021 – Prophix, a global leader in Corporate Performance Management (CPM) software, today announces an investment from Hg, a leading global software investor. Hg’s investment is expected to further accelerate and scale Prophix’s growth, fund further development of its product capabilities.

This deal will result in Prophix employees and management participating to acquire the company alongside Hg, who will hold the majority investment. This will allow staff to benefit more directly from the organization’s ongoing growth.

Founded in 1987 and based in Ontario, Canada, Prophix is a leading provider of CPM software serving mid-market companies across multiple industries worldwide, providing planning, budgeting and financial reporting software into the ‘office of the CFO’. Prophix’s software allows organizations to improve their financial reporting capabilities, while also standardizing and streamlining the budgeting process to generate significant ROI through a faster time to close, reduction in budgeting errors and an ability to reforecast in a more agile way. Prophix is a leader in its segment with over 1,600 customers, industry-leading retention rates and best-in-class customer NPS.

Alok Ajmera, Chief Executive Officer of Prophix Software, said: “Our journey so far has shown us that there is still so much to play for in our industry. We have significant ambitions for the business and Hg’s investment and operational experience in software will help us reach these goals. We will look to serve our customers better than ever before, as we invest further in our sales and marketing functions, further our R&D capabilities, accelerate our transition to the cloud and look to scale our business across several regions, including in Europe. Hg has successfully helped businesses to accomplish these goals many times over and we’re excited to tap into some of this experience to unlock our full potential.”

Paul Barber, Founder and Executive Chairman, said: “This is a really momentous announcement for the team at Prophix and we warmly welcome Hg as a key strategic partner today. It has been an incredible journey to date, and I am so grateful to the enormous talent that has seen us get to this stage. Together with Hg we will move forward with an unstoppable team and a very bright future for the business.”

This partnership with Prophix reinforces Hg’s focus on mission critical B2B software sitting at the intersection of Hg’s experience in ERP and Tax & Accounting. This transaction represents Hg’s seventeenth investment in this space in the last 16 years, with total invested capital of over \$3.5 billion. Prophix is also the fourth software business based in Canada that Hg has invested in over the last 12 months.

Jonathan Boyes, Partner at Hg, said: “Prophix sits right at the heart of a universe that we have been investing in for almost two decades. This means that we recognise high-quality when we see it and Prophix falls firmly into this category. Prophix is a great business run by an impressive team. They have created a best-in-class product that serves a very satisfied customer base, with huge runway for further growth. We’re really excited about joining the team.”

Ben Meyer, Partner and co-lead of Hg’s New York team, said: “We see significant growth opportunity from the continued adoption of CPM software by mid-market organizations, as the need for real-time financial information and the ability to budget & reforecast in a more agile way becomes increasingly important. Prophix is positioned incredibly well to benefit from this trend, which is a testament to the successful efforts of Paul, Alok and the rest of the Prophix team. We look forward to partnering with Alok and his team to help the company continue to realise its future growth potential.”

The terms of the transaction were not disclosed. Advising Prophix on the transaction were Shea & Company as financial advisor and Osler, Hoskin & Harcourt LLP as legal advisor. Advising Hg was Stifel (M&A), Skadden (legal), Kirkland & Ellis (financing), Deloitte (accounting and tax), EY (commercial and technology).

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About Hg

Hg is a leading European investor in software and services, focused on backing businesses that change how we all do business. Deep technology expertise, complemented by vertical application specialisation and dedicated operational support, provides a compelling proposition to management teams looking to scale their businesses. Hg has funds under management of over \$30 billion, with an investment team of over 140 professionals, plus a portfolio team of more than 30 operators, providing practical support to help our businesses to realise their growth ambitions. Based in London, Munich and New York, Hg has a portfolio of over 30 software and technology businesses, worth over \$50 billion aggregate enterprise value, with over 35,000 employees globally. For further details, please visit the Hg website: <https://hgcapital.com/>.

About Prophix

Your business is evolving. And the way you plan and report on your business should evolve too. Prophix helps midmarket companies achieve their goals more successfully with its innovative Corporate Performance Management (CPM) software. With Prophix, finance leaders improve profitability and minimize risk by automating budgeting, planning and reporting, and puts the focus back on what matters most – uncovering business opportunities and driving competitive advantage. Whether in the cloud or on-premise, Prophix supports your future with a platform that flexes to suit your strategic realities, today and tomorrow. <https://www.prophix.com/>