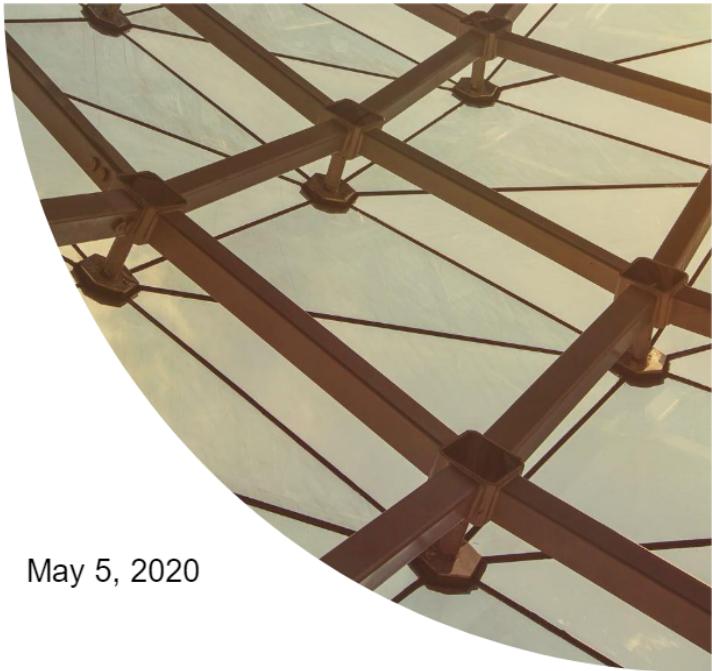
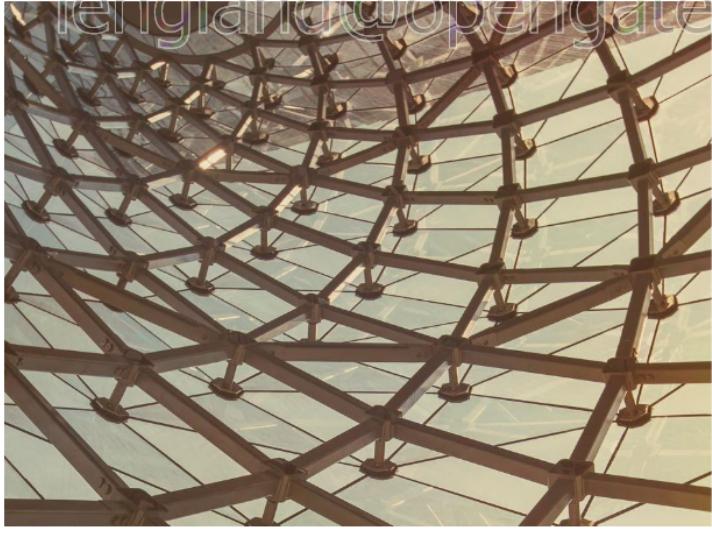




Fair Value Analysis of InRule Technology, Inc.

Valuation as of
March 31, 2020

May 5, 2020



This report ("Report") has been prepared by Lincoln Partners Advisors LLC ("Lincoln" or "we") from materials and information supplied (whether orally or in writing) by or on behalf of OpenGate Capital (collectively with its subsidiaries and affiliates, "OGC") as well as publicly available data and information. This Report is delivered subject to the conditions, scope of engagement, limitations and understandings set forth herein and in our engagement letter dated November 17, 2016. The valuations herein shall represent the findings of Lincoln based solely upon the information furnished by or on behalf of OGC, and other publicly accessible sources, and shall be considered advisory in nature only.

In arriving at the valuations herein, Lincoln has relied upon and assumed the accuracy and completeness of the financial information supplied to us and considered in our analysis, and we do not assume any responsibility for independent verification of such information. The valuations herein assume that information and representations made by management regarding the portfolio companies are accurate in all material respects. For those cases in which information was not available as of the valuation date, Lincoln assumed that there was no material change between the date of the most current information provided to us and the valuation date.

Our valuations herein are based on a limited scope analysis, primarily based on information provided by OGC and discussions with the management of OGC. Lincoln has not made any independent valuation or appraisal of the assets and liabilities of any portfolio company, has not visited or made any physical inspection of the portfolio companies and has not interviewed the management of the portfolio companies.

Our analysis and the valuations herein are necessarily based on general economic, financial, market, operating and other conditions as they exist and can be evaluated by us as of the valuation date and must be considered in that context. Unanticipated events and circumstances may occur and actual results may vary from those assumed. The variations may be material. Lincoln makes no warranty and is not responsible for losses or damages arising out of errors, omissions or changes in market factors, or any conditions and circumstances beyond its control. Except where otherwise indicated, the analysis in this Report speaks as of the valuation date. Under no circumstances should the delivery of this Report imply that the analysis would be the same if made as of any other date.

In arriving at the valuations herein, Lincoln has relied upon certain statements, estimates and projections provided by OGC with respect to the historical and anticipated future performance of each portfolio company. Such statements, estimates and projections contain or are based on significant assumptions and subjective judgments made by management of OGC. These assumptions and judgments may or may not be correct, and there can be no assurance that any projected results are attainable or will be realized. Lincoln was not requested to and has not attempted to independently verify any such statements, estimates and projections, and as such, Lincoln makes no representation or warranty as to, and assumes no responsibility for, their accuracy or completeness and for the effect which any such inaccuracy or incompleteness may have on the results or judgments contained in this Report.

THIS REPORT AND THE VALUATIONS PROVIDED HEREIN ARE FOR THE INFORMATION AND ASSISTANCE OF, AND INTENDED FOR USE BY, THE MANAGEMENT OF OGC ONLY. THIS REPORT IS NOT INTENDED TO BE USED, OR RELIED UPON, AND MAY NOT BE USED OR RELIED UPON, BY ANY OTHER PERSON. THIS REPORT IS CONFIDENTIAL AND SHOULD NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF LINCOLN, BE COPIED, SUMMARIZED, QUOTED, REFERRED TO, DISTRIBUTED OR OTHERWISE MADE AVAILABLE TO ANY PERSON OTHER THAN THE MEMBERS OF THE MANAGEMENT OF OGC. LINCOLN SHALL NOT HAVE LIABILITY, WHETHER DIRECT OR INDIRECT, IN CONTRACT OR TORT OR OTHERWISE, TO ANY PERSON IN CONNECTION WITH THIS REPORT.

We have acted as an independent financial advisor to the management of OGC and will receive a customary fee from OGC for our services. Our fees are not contingent upon the valuations provided herein, and neither Lincoln nor any of its employees have a present or intended financial interest in OGC or the portfolio companies unless otherwise disclosed to OGC. We may have rendered in the past or may render in the future certain financial advisory services to the portfolio companies or parties involved in transactions with the portfolio companies.

We have not been engaged to identify prospective purchasers or to ascertain the actual prices at which and terms on which each of the portfolio companies could currently be sold. No opinion, counsel or interpretation is intended for use in matters that require legal, accounting, tax or other professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources.

Table of Contents

Section 1	Executive Summary	5
Section 2	InRule Technology, Inc.	8
Appendix A	Summary of Valuation Methodologies	29
Appendix B	Certifications	32

Executive Summary

Section 1



Executive Summary

Terms of Engagement

- Lincoln Partners Advisors LLC (“Lincoln”) has been retained by OpenGate Capital (“OGC”) as an independent financial advisor for the purpose of providing written valuations (each, a “Valuation”) as of March 31, 2020 (the “Valuation Date”) of certain control, affiliate and non-control/non-affiliate investments of preferred stock, common stock, membership interests and warrants (individually, the “Investment”; collectively, the “Investments”). The portfolio company in which OGC owns an Investment is herein referred to as the “Portfolio Company.” The Valuation will be used by OGC to assist with its determination of the fair value of the Investment in accordance with the fair measurement principles of Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosure (ASC 820), issued by the Financial Accounting Standards Board (FASB).

Scope of Analysis

- In connection with Lincoln’s activities on behalf of OGC and the performance of its services hereunder, we have, among other things:
- Reviewed credit agreements and amendments for debt when available;
- Reviewed audited and/or unaudited financial statements when available, as well as internal financial statements as provided by OGC, for the most current period prior to the close of the quarter;
- Reviewed certain business, financial and other information relating to the Portfolio Company, including financial budgets or forecasts prepared by management of the Portfolio Company;
- Reviewed investment report memoranda prepared on the Investment by OGC;
- Discussed with OGC the investment thesis and business, financial outlook and prospects of the Portfolio Company;
- Reviewed certain financial and other information for the Portfolio Company and compared that data and information with certain stock trading and corresponding data and information for companies with publicly traded securities that we deemed relevant; and
- Considered such other information, financial studies, analyses and investigations and financial, economic and market criteria that we deemed relevant.

	Notes	Weighting	Fair Value		
			Low	Mid	High
Enterprise Value Indications:					
Market Approach:					
Selected Public Companies Analysis		25.0%	21,116	22,121	23,127
Precedent Transactions Analysis		25.0%	24,132	25,138	26,143
Income Approach:					
Discounted Cash Flow Analysis		50.0%	21,519	24,228	27,086
Indicated Enterprise Value			22,071	23,966	25,860
Add: Excess Cash	(1)		-	-	-
Less: Total Debt	(2)		(9,000)	(9,000)	(9,000)
Indicated Total Equity Value			13,071	14,966	16,860

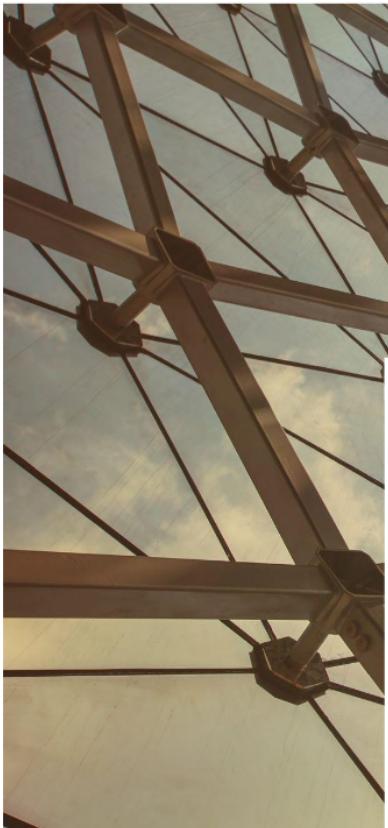
Security	Mar 31, 20 Cost Basis	Fair Value			Fair Value as % Cost		
		Low	Mid	High	Low	Mid	High
OGC Share of Common (3)	13,920	TBD	TBD	TBD	TBD	TBD	TBD

Footnotes:

- (1) No excess cash included in analysis given planned reinvestment in the business.
- (2) Total debt provided by InRule management as of March 31, 2020.
- (3) Final capitalization table was not available as of the Valuation Date.

InRule Technology, Inc.

Section 2



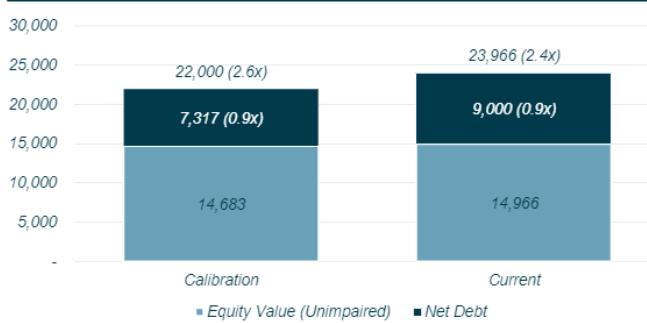
Business Description

InRule is a Business Process Management Software-as-a-Service company that empowers customers to automate business processes simply with fewer technical resources.

Lincoln Valuation History (Midpoint of Concluded Range)

	Aug 19, 19	Mar 31, 20	Change vs. Calibration
Indicated Total Equity Value	14,683	14,966	282

Indicated Total Equity Value increased since close given expansion of Annual Recurring Revenue and higher projected performance offset by a decline in observed public company enterprise value multiples over the same time period.

Enterprise Value (Multiples of Recurring Revenue)**Financial Statistics**

	Calibration	Current	Change (%)
ARR	8,535	10,055	17.81%
LTM Revenue	10,000	10,688	6.88%
LTM EBITDA	(200)	562	(381.06%)
% Margin	(2.00%)	5.26%	
NCY ARR	9,859	10,403	5.51%
NCY Revenue	13,434	11,307	(15.83%)
NCY EBITDA	38	(1,638)	NA
% Margin	0.28%	(14.49%)	

■ Equity Value (Unimpaired) ■ Net Debt

Lincoln Valuation Assumptions**Selected Valuation Technique(s)****Indicated Total Equity Value**

Calibration (Aug 19, 19)	Current Valuation Period (Mar 31, 20)	Change vs. Calibration
CVM (100%)	CVM (100%)	No Change

Lincoln Fair Value Conclusion**Enterprise Value**

Selected Public Companies Analysis	21,116	22,121	23,127	NA	NA	NA
Precedent Transactions Analysis	24,132	25,138	26,143	NA	NA	NA
Discounted Cash Flow Analysis	21,519	24,228	27,086	NA	NA	NA

Indicated Enterprise Value

22,000	22,071	23,966	25,860	71	1,966	3,860
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EV / Annual Recurring Revenue

2.58x	2.20x	2.38x	2.57x	(0.38x)	(0.19x)	(0.01x)
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EV / NCY Annual Recurring Revenue

2.23x	2.12x	2.30x	2.49x	(0.11x)	0.07x	0.25x
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Indicated Total Equity Value

% of Agg. Equity at Close	14,683	13,071	14,966	16,860	(1,612)	282	2,177
		89.02%	101.92%	114.83%	(10.98%)	1.92%	14.83%

Commentary:

- InRule is expecting minimal impact to its operating business as a result of the on-going COVID-19 crisis given the high quality nature of its predominately insurance customer base coupled with the company's employees being able to work from home during shelter in place orders.
- As a precautionary step, the company has drawn down its \$500 thousand Revolver during the current period and has implemented cost cutting measures including freezing noncritical hiring, travel, and marketing spend. The company has also considered furloughs of up to 25% of its employees were revenue to decline significantly (not base case assumption) as well as deferring payroll tax payments.
- In Q1 2020, the company generated positive operating cash flow and is not expecting liquidity issues. As of April 10, 2020, the company had \$4.7 million in cash and is projecting \$3.8 million of cash by the end of the 13-week cash flow projection period.
- Revenue multiples of the selected public companies declined from close as a result of the continuing uncertainty stemming from the COVID-19 crisis. As a result, Lincoln decreased the selected ARR multiple under the Selected Public Company methodology and the exit ARR multiple under the Income Approach to reflect this observed decline in trading multiples. The high end of selected ARR multiple range approximates the acquisition ARR multiple of InRule under the Precedent Transaction Analysis.

Common

Initial Investment - OpenGate	13,920
Initial Cost Basis - OpenGate	13,920
Initial Investment Date	Aug 19, 19

Footnotes:

- (1) Source: IC Memo & Final S&U Funds Flow (Output)
(2) Note: Final capitalization table was not available as of the Valuation Date.

USD in 000s

	Actual Dec 31, 18	Actual Dec 31, 19	Revised Dec 31, 20	Revised Dec 31, 21	Revised Dec 31, 22	Revised Dec 31, 23
Annual Recurring Revenue						
Underwriting Projections	8,438	9,859	12,140	14,436	16,756	19,161
March 2020 Projections (2)	8,438	9,342	10,403	13,631	16,907	20,821
Actual Results / Revised Forecast	8,438	9,342	10,403	13,631	16,907	20,821
Over (Under) Underwriting Projections	-	(517)	(1,737)	(805)	151	1,660
Revenue						
Underwriting Projections	9,336	11,143	13,434	15,644	17,959	20,393
March 2020 Projections	9,336	10,464	11,307	14,816	18,377	22,631
Actual Results / Revised Forecast	9,336	10,464	11,307	14,816	18,377	22,631
Over (Under) Underwriting Projections	-	(679)	(2,127)	(828)	418	2,238
Adjusted EBITDA						
Underwriting Projections	(1,032)	(410)	38	1,089	1,906	3,021
March 2020 Projections	(1,073)	734	(1,638)	11	1,072	2,996
Actual Results / Revised Forecast	(1,073)	734	(1,638)	11	1,072	2,996
Over (Under) Underwriting Projections	(41)	1,144	(1,676)	(1,078)	(834)	(25)
	4.0%	NMF	NMF	(99.0%)	(43.8%)	(0.8%)

Footnotes:

(1) Sources: Project Intuition_IC Discussion Materials_6.12.19_vF, LT Projections 2020-2023, Core Collection Template Version 2_InRule Technology_Dec 2019_Sent_1

(2) Calculated based on average of ARR as a percentage of total revenue from IC Memo.

Source: Period: End Date:	Internal			Internal		Calculated LTM Mar 31, 20	Management		Management		Management	
	FYE Dec 31, 17	FYE Dec 31, 18	FYE Dec 31, 19	YTD Mar 31, 19	YTD Mar 31, 20		NCY Dec 31, 20	NCY+1 Dec 31, 21	NCY+2 Dec 31, 22	NCY+3 Dec 31, 23		
Annual Recurring Revenue (2)	6,591	8,438	9,342	8,502	10,055	10,055	10,403	13,631	16,907	20,821		
Revenue % Growth	8,733	9,336	10,464	2,773	2,997	10,688	11,307	14,816	18,377	22,631		
Gross Profit % Margin	7,083	7,595	8,710	2,332	2,516	8,894	9,335	12,687	16,052	20,037		
EBITDA % Margin	(762)	(1,134)	66	343	78	(199)	(2,198)	11	1,072	2,996		
Adjustments	82	61	668	30	123	762	560	-	-	-		
Adjusted EBITDA	(680)	(1,073)	734	372	201	562	(1,638)	11	1,072	2,996		
% Margin	(7.79%)	(11.49%)	7.01%	13.43%	6.70%	5.26%	(14.49%)	0.07%	5.83%	13.24%		
% Growth	(57.79%)	(57.79%)	168.40%		(46.12%)	NA	(323.18%)	100.67%	9,686.68%	179.46%		
CapEx	144	119	267	-	-	267	-	75	-	-		
CapEx (% of Revenue)	1.65%	1.27%	2.55%	0.00%	0.00%	2.50%	0.00%	0.51%	0.00%	0.00%		
Adjusted EBITDA-CapEx	(824)	(1,192)	467	NA	NA	295	NA	(64)	NA	NA		
Adjustments												
QoE Adjustments	82	-	-	-	-	-	-	-	-	-		
Diligence Cost Adjustment	-	61	-	-	-	-	-	-	-	-		
EBITDA Addbacks	-	-	668	30	123	762	560	-	-	-		
Total Adjustments	82	61	668	30	123	762	560	-	-	-		

Footnotes:

(1) Sources utilized: Revenue _ARR, IC Discussion Materials 6.12.19, Copy of InRule Core Model - Mar 2020 send, LT Projections 2020-2023, Core Collection Template Version 2_InRule Technology_Dec 2019_Sent_1

(2) Calculated based on average of ARR as a percentage of total revenue from IC Memo.

Source:	Internal		Internal
	Period:	FYE	
		Dec 31, 19	Mar 31, 19
Cash	3,793	1,480	4,499
Accounts Receivable	2,481	2,095	1,962
Other Current Assets	149	158	191
Total Current Assets	6,423	3,733	6,652
Net Property, Plant & Equipment	187	235	175
Deferred Tax Assets	-	469	-
Goodwill and Intangibles	28,232	-	27,422
Other Assets	-	125	-
Total Other Assets	28,419	828	27,596
Total Assets	34,842	4,562	34,249
Accounts Payable	227	177	315
Accrued Expenses	545	362	545
Other ST Liabilities (excl Debt)	6,635	5,541	6,389
Total Non-Debt Current Liabilities	7,407	6,081	7,249
Revolver	-	-	500
Term Loan	8,500	-	8,500
Total Debt	8,500	-	9,000
Deferred Tax Liabilities	2,059	-	2,059
Other Long-term Liabilities	1,890	-	1,890
Total Liabilities	19,856	6,081	20,198
Total Equity	14,986	(1,519)	14,051
Total Liabilities & Equity	34,842	4,562	34,249
Net Working Capital	(4,777)	(3,828)	(5,095)
Net Working Capital / Revenues	(45.65%)		(47.68%)
Days Sales Outstanding	87		67
Days Payable Outstanding	47		64
Asset Turnover	0.30x		0.31x
Fixed Asset Turnover	56.08x		61.23x
Current Ratio	0.9	0.6	0.9

Footnotes:

- (1) Sources utilized: Revenue _ARR, IC Discussion Materials 6.12.19, Copy of InRule Core Model - Mar 2020 send, LT Projections 2020-2023, Core Collection Template Version 2_InRule Technology_Dec 2019_Sent_1
- (2) Goodwill is assumed to be related to the August 2019 acquisition.

Notes	Initial Investment			Current Valuation Period		
	Aug 19, 19 Amount	Net Leverage	% of EV	Mar 31, 20 Amount	Net Leverage	% of EV
Excess Cash	1,183			-		
Revolver	-	(0.14x)	(5.38%)	500	0.05x	2.09%
Term Loan	8,500	0.86x	33.26%	8,500	0.90x	37.55%
Total Debt	8,500	0.86x	33.26%	9,000	0.90x	37.55%
Net Debt	7,317			9,000		
Total Equity	14,683		66.74%	14,966		62.45%
Enterprise Value	(1) 22,000	2.58x	100.00%	23,966	2.38x	100.00%
Reference Financial Statistic	8,535			10,055		
Financial Statistic Description	Annual Recurring Revenue as of Mar 31, 19			Annual Recurring Revenue as of Mar 31, 20		

Transaction Overview:

- In August 2019, OpenGate acquired InRule for \$22.0 million (net of fees) funded with an \$8.5 million Term Loan, a \$500 thousand Revolver (unfunded at close), \$13.9 million of sponsor equity, and the remaining capital being contributed by management via rollover equity.

Recent Developments:

- In Q1 2020, InRule drew down its \$500 thousand Revolver as a precautionary measure given the on-going COVID-19 crisis.
- Excess cash was removed in the current period given the planned reinvestment in the company to fund the projected growth of InRule.

Footnotes:

(1) Initial enterprise value implied based on invested capital amounts as of the close of the initial acquisition. Subsequent enterprise valuations reflect Lincoln's estimates.

Valuation Multiple	Selected Multiples		Financial Statistic	Enterprise Value			
	Low	High		Low	Mid	High	
EV / Annual Recurring Revenue	2.10x	-	2.30x	10,055	21,116	22,121	23,127
Indicated Enterprise Value				21,116	22,121	23,127	

Commentary:

- In concluding on its valuation multiple range, Lincoln considered the following:
 - Lincoln selected public companies in the business process management software industry who serve comparable end markets and experience similar supply and demand economics as InRule. The selected companies provide a general proxy for market movements and represent industry multiples as a whole. Lincoln valued InRule using Annual Recurring Revenue multiples as some industry participants reported negative EBITDA and recurring revenue serves as a good proxy given the subscription based revenue model.
 - Lincoln established its Annual Recurring Revenue multiple range with consideration to OGC's initial acquisition multiple of 2.58x in August 2019. Given the decline in LTM Revenue multiples of the selected public companies, Lincoln decreased the selected EV / ARR multiple range 0.38x at the midpoint from close. The selected multiple implies a 33.9% discount to the Adjusted Mean LTM Revenue multiples of the selected public companies in line with the 35.5% discount observed at close. InRule's significantly smaller size as compared to the selected public companies supports the discount in the current period.

Company Name	Stock Price	% of 52 Week High	Market Capitalization	Enterprise Value	Net Debt / EBITDA	LTM Financial Statistics		LTM Margins	2-Yr. Historical CAGR (2)		1-Yr. Projected Growth (3)	
						Revenue	EBITDA	EBITDA	Revenue	EBITDA	Revenue	EBITDA
Pegasystems Inc.	71.23	69.07%	5,674	5,674	NMF	911	(113)	(12.45%)	1.28%	NMF	19.59%	NMF
Sapiens International Corporation N.V.	19.02	70.82%	952	983	0.55x	326	57	17.50%	9.99%	62.85%	14.54%	11.75%
Newgen Software Technologies Limited	1.36	27.67%	93	69	NMF	95	17	18.11%	16.58%	29.07%	4.89%	6.17%
Progress Software Corporation	32.00	60.95%	1,433	1,576	1.01x	433	142	32.82%	3.06%	0.74%	4.99%	59.02%
Mean	30.90	57.13%	2,038	2,076	0.78x	441	26	14.00%	7.73%	30.88%	11.00%	25.65%
Adjusted Mean	25.51	65.01%	1,192	1,280	NA	380	37	17.81%	6.52%	29.07%	9.77%	11.75%
Median	25.51	65.01%	1,192	1,280	0.78x	380	37	17.81%	6.52%	29.07%	9.77%	11.75%
InRule Technology, Inc.					16.01x	11	1	5.26%	9.46%	NMF	8.06%	NMF

Footnotes:

(1) Source: S&P Capital IQ and company filings.

(2) CAGR calculated based on LFY vs. LFY-2.

(3) Forward growth calculated based on NFY vs. LFY.

USD in millions

Company Name	EV / LTM Revenue		EV / NCY Revenue	
	Aug 19, 19	Mar 31, 20	Aug 19, 19	Mar 31, 20
Pegasystems Inc.	6.3x	6.2x	5.9x	5.2x
Sapiens International Corporation N.V.	3.2x	3.0x	3.0x	2.6x
Newgen Software Technologies Limited	2.8x	0.7x	2.7x	0.7x
Progress Software Corporation	4.8x	3.6x	4.5x	3.6x
Mean	4.3x	3.4x	4.0x	3.0x
Adjusted Mean	4.0x	3.3x	3.7x	3.1x
Median	4.0x	3.3x	3.7x	3.1x

Footnotes:

(1) Source: S&P Capital IQ and company filings.

USD in millions

Company Name	Raw Multiples as of the Val. Date (1)		Size Adjusted Multiples (2)	
	EV / LTM	EV / NCY	EV / LTM	EV / NCY
	Revenue	Revenue	Revenue	Revenue
Pegasystems Inc.	6.2x	5.2x	5.1x	4.4x
Sapiens International Corporation N.V.	3.0x	2.6x	2.8x	2.5x
Newgen Software Technologies Limited	0.7x	0.7x	0.7x	0.7x
Progress Software Corporation	3.6x	3.6x	3.2x	3.2x
Mean	3.4x	3.0x	3.0x	2.7x
Adjusted Mean	3.3x	3.1x	3.0x	2.8x
Median	3.3x	3.1x	3.0x	2.8x

Footnotes:

- (1) Source: S&P Capital IQ and company filings.
- (2) Size adjustments based on comparative risk premium for companies of varying sizes as measured based on seven statistics as per the C Exhibits within the 2020 Valuation Handbook. Size adjustments apply to all multiples.

Company Name	Ticker	Business Description
Pegasystems Inc.	PEGA	Pegasystems Inc. develops, markets, licenses, and supports enterprise software applications in the United States, rest of the Americas, the United Kingdom, rest of Europe, the Middle East, Africa, and the Asia-Pacific. It provides Pega Platform, an application development product for clients; and Pega Infinity, a software platform that unifies customer engagement and digital process automation. The company offers customer engagement applications, including Pega Marketing that enable enterprises to enhance customer acquisition and experiences across inbound, outbound, and paid media channels; Pega Sales Automation to automate and manage the sales process; and Pega Customer Service to anticipate customer needs, connect customers to people and systems, and automate customer interactions to evolve the customer service experience, as well as to allow enterprises to deliver interactions across channels and enhance employee productivity. It also provides digital process automation software; Pega Cloud that allows clients to develop, test, and deploy applications and the Pega Platform using an Internet-based infrastructure; and guidance and implementation, technical support, and instructor-led and online training services. It primarily markets its software and services to financial services, healthcare, manufacturing and high tech, communications and media, insurance, government, consumer services, and life sciences markets through a direct sales force, as well as partnerships with technology providers and application developers. Pegasystems Inc. was founded in 1983 and is headquartered in Cambridge, Massachusetts.
Sapiens International Corporation N.V.	SPNS	Sapiens International Corporation N.V. provides software solutions for the insurance and financial services industries in North America, Europe, the Asia Pacific, and South Africa. The company offers Sapiens CoreSuite and Sapiens IDITSuite for personal, commercial, and specialty lines, as well as reinsurance and workers' compensation; and Sapiens CoreSuite, Sapiens UnderwritingPro, Sapiens ApplicationPro, Sapiens IllustrationPro, and Sapiens ConsolidationMaster for life, pension, and annuities. It also provides Sapiens DigitalSuite for insurance customers, agents, brokers, risk managers, customer groups and third-party service providers; Sapiens AgentConnect and Sapiens CustomerConnect portals; Sapiens Intelligence, an analytics platform; Sapiens IntelligencePro, a comprehensive BI solution with pre-configured reports, dashboards, and scorecards; and Sapiens Advanced Analytics, which uses AI and Machine Learning to generate actionable insights based on different models across the insurance value chain. In addition, the company offers Sapiens ReinsuranceMaster, Sapiens ReinsurancePro, and Sapiens Reinsurance GO reinsurance solutions; and Sapiens Platform, Sapiens CoreSuite, Sapiens PolicyPro, and Sapiens ClaimsPro, as well as Sapiens PolicyGo, Sapiens ClaimsGo, and Sapiens Connect for workers' compensation. Further, it provides financial and compliance solutions, which comprise Sapiens FinancialPro, Sapiens Financial GO, Sapiens StatementPro, Sapiens CheckPro, and Sapiens Reporting Tools; and Sapiens Decision, an enterprise-scale platform that enables institutions to centrally author, store, and manage various organizational business logics. Additionally, the company offers tailor-made solutions based on its Sapiens eMerge platform, and program delivery, business, and managed services. It markets and sells its products and services through direct and partner sales. The company was founded in 1982 and is headquartered in Holon, Israel.
Newgen Software Technologies Limited	BSE:540900	Newgen Software Technologies Limited provides software products and solutions in India, Europe, the Middle East, Africa, the Asia Pacific, and the United States. It offers enterprise content management suite, which enables end-to-end management of enterprise content, from capture to disposition; business process management suite that provides a platform for business stakeholders to drive enterprise-wide digital transformation; customer communication management suite, a communication platform that enables to share of customers' wallet by tapping various cross-sell/ up-sell opportunities across touch points, such as email, SMS, Web, and print, document management system, and workflow and process automation software. It serves banks, insurance firms, BPO's, healthcare organizations, government, telecom companies, and shared service centers. The company was founded in 1992 and is based in New Delhi, India.
Progress Software Corporation	PRGS	Progress Software Corporation develops business applications. The company operates through three segments: OpenEdge, Data Connectivity and Integration, and Application Development and Deployment. The OpenEdge segment offers Progress OpenEdge, a development software, which builds multi-language applications for secure deployment across various platforms and devices, as well as cloud; Progress Corticon, a business rules management system that enables applications with decision automation and change process, and decision-related insight capabilities; Progress Kinvey, a platform for building enterprise applications; MOVEit that provides secure collaboration and automated file transfers of critical business information; WhatsUp Gold, a network monitoring solution; and DataRPM, a cognitive predictive maintenance solution for industrial IoT. The Data Connectivity and Integration segment provides Progress DataDirect Connect software, which offers data connectivity using industry-standard interfaces to connect applications running on various platforms; and Progress DataDirect Hybrid Data Pipeline, a data access service that provides cloud and on-premises data sources for hybrid cloud applications, such as CRM, data management platforms, and hosted analytics. The Application Development and Deployment segment offers Developer Tools, a set of components for user interface development, and Sitefinity, a Web content management and customer analytics platform. The company also provides project management, implementation, custom development, programming, and other services, as well as services to Web-enable applications; and training services. It sells its products to end users, application partners, original equipment manufacturers, and system integrators. The company has operations in North America, Latin America, Europe, the Middle East, Africa, and the Asia Pacific. Progress Software Corporation was founded in 1981 and is headquartered in Bedford, Massachusetts.

Footnotes:

(1) Source: S&P Capital IQ.

Valuation Multiple	Selected Multiples		Financial Statistic	Enterprise Value			
	Low	High		Low	Mid	High	
EV / Annual Recurring Revenue	2.40x	-	2.60x	10,055	24,132	25,138	26,143
Indicated Enterprise Value				24,132	25,138	26,143	

Commentary:

- The selected multiple range considered the following:
 - Lincoln referenced the implied ARR multiple at close of the August 2019 transaction and the identified transactions in the business process management SaaS industry.
 - Lincoln identified M&A transactions with publicly disclosed deal metrics. The identified transactions have a mean LTM revenue multiple of 2.6x. Lincoln's concluded range approximates the mean on the high end with the midpoint at a discount to the mean comparable transactions due to InRule's smaller size.
 - Additionally, Lincoln viewed statistics from GF Data, which aggregates closed deal information for middle market companies, from the Software Publishers industry; GF Data presented an average LTM revenue multiple of 2.6x.

Closed Date	Target	Acquirer	Target Description	Enterprise Value	Enterprise Value / LTM		EBITDA Margin
					Revenue	EBITDA	
Feb-19	MicroPact Inc.	Tyler Technologies, Inc.	MicroPact Inc. develops and provides case management and business process management software solutions to customers in government, commercial, and education sectors.	204	2.9x	NA	NA
Jul-17	Kofax Limited	Thoma Bravo, LLC	Kofax Limited provides capture and business process management (BPM) software and related maintenance and professional services.	1,350	2.4x	NA	NA
Oct-11	Corticon Technologies, Inc.	Progress Software Corporation	As of May 1, 2017, Corticon Technologies, Inc. was acquired by Persistence Software Inc. Corticon Technologies, Inc. develops business rules management software solutions for companies to automate decision-making processes.	23	NA	NA	NA
Mean				526	2.6x	NA	NA
Adjusted Mean				204	NA	NA	NA
Median				204	2.6x	NA	NA
Aug-19	InRule Technology, OpenGate Inc.			22	2.2x	NMF	NA

Footnotes:

(1) Source: S&P Capital IQ and company filings.

USD in millions

GF Data Aggregate Transaction Statistics (1)

EV Range	Average	Enterprise Value / LTM		EBITDA
	EV	Revenue	EBITDA	Margin
Software Publishers				
10-25 million	15	1.8x	7.0x	28.1%
25-50 million	35	3.3x	8.9x	37.7%
50-100 million	60	2.4x	7.6x	30.2%
100-250 million	152	3.2x	10.8x	31.3%
Total (2)	46	2.6x	8.3x	32.5%

Footnotes:

(1) Source: GF Data

(2) Represents 46 transactions

	Notes	Projected Year Ending				Projected CAGR (1)
		Dec 31, 20	Dec 31, 21	Dec 31, 22	Dec 31, 23	
Annual Recurring Revenue	(2)	10,403	13,631	16,907	20,821	
Revenue		11,307	14,816	18,377	22,631	26.02%
% Growth		31.03%	24.03%	23.15%		
EBITDA		(1,638)	11	1,072	2,996	(222.30%)
% Margin		(14.49%)	0.07%	5.83%	13.24%	
EBIT		(4,925)	(3,276)	(2,215)	(292)	(61.03%)
Less: Income Taxes at 25.00%		-	-	-	-	
NOPAT		(4,925)	(3,276)	(2,215)	(292)	
Plus: Depreciation & Amortization	(3)	3,287	3,287	3,287	3,287	
Less: CapEx		-	(75)	-	-	
Plus: Increase in Deferred Revenue		1,536	2,057	2,408	3,023	
Less: Increase in Net Working Capital		354	(464)	(506)	(601)	
Unlevered Free Cash Flow		252	1,530	2,974	5,418	
Partial Period Factor		0.75	1.00	1.00	1.00	
Discount Period		0.38	1.25	2.25	3.25	
Discount Factor	27.00%	0.9143	0.7417	0.5840	0.4599	
PV of Unlevered Free Cash Flow		173	1,135	1,737	2,492	
Present Value of Discrete Cash Flows		5,536		Terminal Annual Recurring Revenue	20,821	
Present Value of Terminal Value		18,692		Exit Multiple	2.20x	
Indicated Enterprise Value		24,228		Terminal Value	45,806	
				Discount Factor	0.4081	
				PV of Terminal Value	18,692	
				Implied Perpetual Growth Rate	13.57%	

Enterprise Value Sensitivity Analysis

Terminal	ARR	Multiple	Discount Rate		
			28.00%	27.00%	26.00%
1.95x			21,519	22,104	22,710
2.20x			23,582	24,228	24,898
2.45x			25,644	26,352	27,086

Footnotes:

(1) CAGR calculations from FY 2020 to FY 2023.

(2) Calculated based on average of ARR as a percentage of total revenue from IC Memo.

(3) Provided by OpenGate.

Company Name	Total Debt	Preferred Equity	Market Capitalization	Total Capital	Debt to Equity	Debt to Total Capital (Wd)	Effective Income Tax Rate (1)	2-Yr Weekly Levered Beta (2)	2-Yr Weekly Unlevered Beta (Bu)
Pegasystems Inc.	68	-	5,674	5,742	1.21%	1.19%	25.00%	1.11	1.10
Sapiens International Corporation N.V.	120	-	952	1,072	12.65%	11.23%	24.53%	1.13	1.03
Newgen Software Technologies Limited	14	-	93	107	15.00%	13.04%	22.56%	NMF	NMF
Progress Software Corporation	321	-	1,433	1,753	22.38%	18.29%	10.12%	0.86	0.71
Mean	131	-	2,038	2,169	12.81%	10.94%	20.55%	1.03	0.95
Adjusted Mean	94	NA	1,192	1,413	13.83%	12.14%	23.54%	1.11	1.03
Median	94	-	1,192	1,413	13.83%	12.14%	23.54%	1.11	1.03
Selected as Most Comparable to InRule						11.11%	10.00%	25.00%	1.05
Cost of Equity					Notes				
Risk-Free Rate (Rf)				1.15%	<i>Long-term (20-year) U.S. government debt yield</i>				
Equity Risk Premium (ERP)				6.17%	<i>2020 Valuation Handbook: Long-horizon expected equity risk premium (supply-side)</i>				
Relevered Equity Beta (Bl)				1.14	$Bl = Bu \times [1 + (Wd / We) \times (1 - T)]$				
Industry Adjusted Equity Risk Premium				7.02%	$Bl \times ERP$				
Size Premium (SP)				4.99%	<i>2020 Valuation Handbook: CRSP Decile 10</i>				
Company Risk Premium (CRP) (3)				16.00%	<i>Based on Lincoln estimate at close</i>				
Cost of Equity (COE)				29.16%	$COE = Rf + (Bl \times ERP) + SP + CRP$				
Cost of Debt					<i>Based on the Lincoln's observed cost of debt capital rates for similar sized companies</i>				
Pre-Tax Cost of Debt				9.61%	<i>COD = Pre-Tax Cost of Debt x (1-T)</i>				
Estimated Tax Rate				25.00%					
After-Tax Cost of Debt (COD)				7.21%					
Weighted Average Cost of Capital (WACC)									
Debt % of Capital (Wd)				10.00%					
Cost of Debt (COD)				7.21%					
Weighted Cost of Debt				0.72%	$Wd \times COD$				
Equity % of Capital (We)				90.00%					
Cost of Equity (COE)				29.16%					
Weighted Cost of Equity				26.24%	$We \times COE$				
WACC (Rounded)				27.00%					

Footnotes:

(1) Effective income tax rates greater than 45.0% or less than 10.0% have been normalized at 25.0%

(2) Source: S&P Capital IQ

(3) CRP calculated by backtesting to Enterprise Value at transaction close using projections at close.

Stage of Development	Startup (9)		First Stage or "Early Development" (10)		Second Stage or "Expansion" (11)		Bridge/Initial Public Offering (IPO) (12)					
Plummer (1)	50.00%	-	70.00%	40.00%	-	60.00%	35.00%	-	50.00%	25.00%	-	35.00%
Scherlis and Sahlman (2)	50.00%	-	70.00%	40.00%	-	60.00%	30.00%	-	50.00%	20.00%	-	35.00%
Sahlman, Stevenson, and Bhide (3)	50.00%	-	100.00%	40.00%	-	60.00%	30.00%	-	40.00%	20.00%	-	30.00%
Pepperdine Private Capital Markets Report (4),(5)	28.00%	-	43.00%	24.00%	-	41.00%	23.00%	-	33.00%	20.00%	-	33.00%
Finn, Liang, and Prowse (6)	35.00%	-	70.00%	35.00%	-	70.00%	25.00%	-	40.00%	25.00%	-	40.00%
Bygrave and Timmons (7)	50.00%	-	100.00%	40.00%	-	60.00%	30.00%	-	40.00%	20.00%	-	30.00%
Seward and Logue (8)	50.00%	-	100.00%	40.00%	-	60.00%	25.00%	-	50.00%	20.00%	-	40.00%

Estimated Rate of Return for Subject Asset

27.00%**Commentary:**

- Lincoln determined the selected WACC in the current period to be reasonable given the current stage of the company (inclusive of earnings still being at break-even levels) and continued high growth projections going forward.

Footnotes:

Source: AICPA Practice Guide, "Valuation of Privately Held Company Equity Securities Issued As Compensation", Appendix B.

(1) James L. Plummer, *QED Report on Venture Capital Financial Analysis* (Palo Alto: QED Research, Inc., 1987).

(2) Daniel R. Scherlis and William A. Sahlman, "A Method for Valuing High-Risk, Long Term, Investments: The Venture Capital Method," *Harvard Business School Teaching Note 9-2 99-006* (Boston: Harvard Business School Publishing, 1989).

(3) William A. Sahlman, Howard H. Stevenson, Amar V. Bhide, et al., "Financing Entrepreneurial Ventures," *Business Fundamental Series* (Boston: Harvard Business School Publishing, 1998).

(4) Everett, Craig R., "2019 Private Capital Markets Report" (2019). Pepperdine Graziadio Business school

(5) Range is based on 1st quartile at the low-end and 3rd quartile at the high-end

(6) George W. Fenn; J. Nellie Liang and Stephen D. Prowse, (1995), *The economics of the private equity market*, No 168, Staff Studies, Board of Governors of the Federal Reserve System (U.S.)

(7) Bygrave, W.D., & Timmons, J.A. (1992). *Venture capital at the crossroads*. Boston, Mass: Harvard Business School Press.

(8) *Handbook of Modern Finance*, edited by James Seward and Dennis Logue. New York: Warren, Gorham & Lamont, 2004.

(9) As described in the publications referenced in this table, startup-stage investments typically are made in enterprises that are less than a year old. The venture funding is to be used substantially for product development, prototype testing, and test marketing.

(10) As described in the publications referenced in this table, early development-stage investments are made in enterprises that have developed prototypes that appear viable and for which further technical risk is deemed minimal, although commercial risk may be significant.

(11) As described in the publications referenced in this table, enterprises in the expansion stage usually have shipped some product to consumers (including beta versions).

(12) As described in the publications referenced in this table, bridge/IPO-stage financing covers such activities as pilot plant construction, production design, and production testing, as well as bridge financing in anticipation of a later IPO.

	Notes	Indicated Range			Selected Weight
		Low	Mid	High	
Enterprise Value Indications:					
Market Approach: Selected Public Companies Analysis		21,116	22,121	23,127	25.00%
Market Approach: Precedent Transactions Analysis		24,132	25,138	26,143	25.00%
Income Approach: Discounted Cash Flow Analysis		21,519	24,228	27,086	50.00%
Indicated Enterprise Value		22,071	23,966	25,860	
Plus: Excess Cash	(1)	-	-	-	
Market Value of Invested Capital		22,071	23,966	25,860	
Less: Revolver, Term Loan		(9,000)	(9,000)	(9,000)	
Indicated Total Equity Value		13,071	14,966	16,860	

Footnotes:

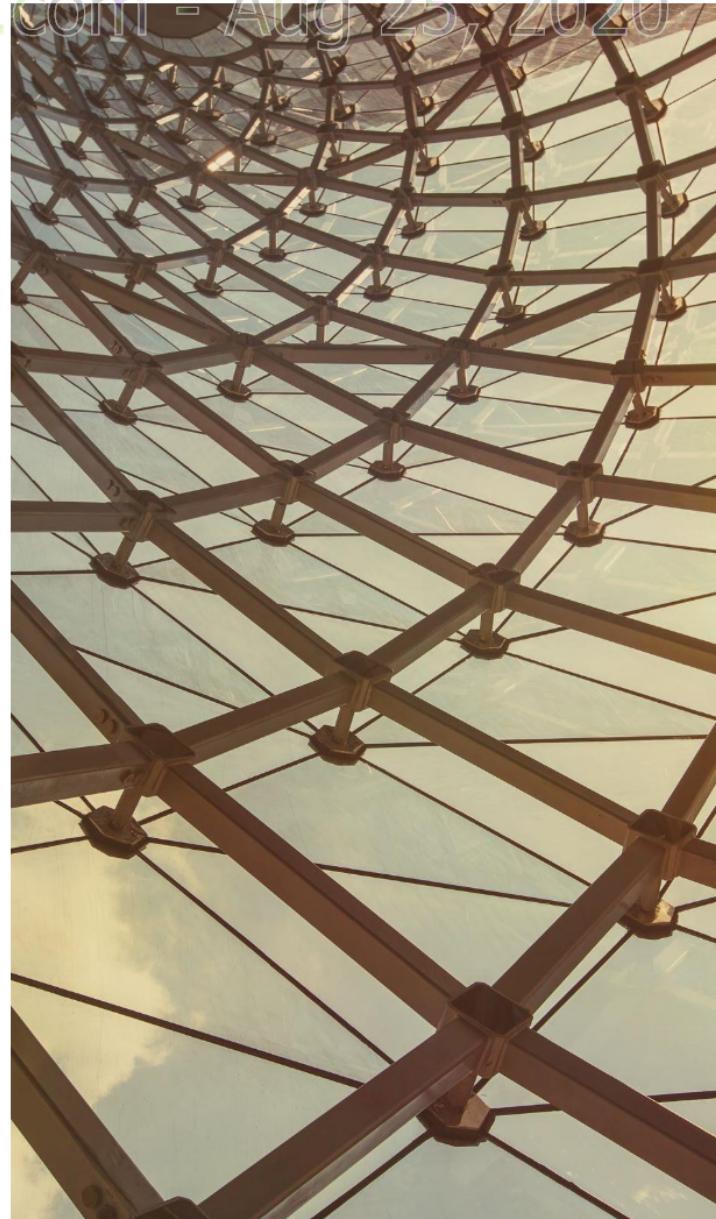
(1) No excess cash included in analysis given planned reinvestment in the business.

USD in 000s, except share count and per share amounts

Security	Fair Value			% of Indicated Total Equity at Close		
	Low	Mid	High	Low	Mid	High
Indicated Total Equity Value	13,071	14,966	16,860	89.02%	101.92%	114.83%

Summary of Valuation Methodologies

Appendix A



Valuation Methodology and Key Assumptions

Overview

- Lincoln utilizes several methodologies to estimate the fair value of the Investments. Lincoln's fair value estimates are generally expressed as a range and are considered by the Client in its determination of a single estimate of fair value for each individual security.

Definition of Fair Value

- The valuations presented herein reflect the ASC-820-20 definition of "fair value" defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."
- The valuation method for each Portfolio Company varies depending upon industry and company specific considerations. We generally perform a fundamental analysis to establish a risk profile for each company in addition to the application of one or more of the following: (i) market method; (ii) income method; and (iii) enterprise valuation waterfall method.

Fundamental Analysis

- A fundamental analysis of each Portfolio Company considers such factors as major developments affecting the business, financial outlook, industry dynamics, overall risk profile and other qualitative factors impacting valuation. These considerations are discussed throughout the Report.

Valuation Methodology and Key Assumptions

Market Method

- The market method values the enterprise value of each Portfolio Company based on the observable prices of similar companies. We consider comparable public companies and precedent M&A transactions for both public and private companies, if available. Lincoln also draws on its institutional knowledge of private middle-market M&A valuations.
- The Market Method involves the determination of representative levels of earnings or other operating metrics, such as operating income (EBIT) and earnings, before interest, taxes, depreciation and amortization (EBITDA). Normalizing adjustments may be made based upon the facts and circumstances such as add-backs to EBITDA for non-recurring items. Lincoln selects an appropriate range of market multiples based on analysis of comparable public companies and/or M&A transactions as of the measurement date. We then apply the selected market multiples to the Portfolio Company to determine its enterprise value.
- Because many of the Portfolio Companies are often smaller than larger, publicly-traded companies, the private company M&A metrics may be used.

Income Method

- The discounted cash flow method (DCF) estimates the present value of the projected cash flows to be generated by the subject company. In the DCF approach, a discount rate is applied to the projected future cash flows to arrive at its present value. The discount rate is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected cash flows.
- Generally, multi-year forecasts for the Portfolio Companies are not available and, as such, the Income Method is used infrequently as a primary method to determine enterprise value. Lincoln may, however, corroborate the reasonableness of its determined multiples derived under the Market Method using the Income Method, based on various estimates and assumptions.
- Lincoln may also utilize a leverage buy-out (LBO) analysis to determine the enterprise value based on a third-party investor's required rate of return over a typical hold period.

Certifications

Appendix B



Certifications

Background of Patricia J. Luscombe, CFA

Patricia is currently a Managing Director and Co-Head of the Valuations & Opinions Group at Lincoln. Ms. Luscombe joined Lincoln in August 2007. She has more than 20 years experience in financial advisory and valuation services. She has delivered a broad range of corporate finance advice that resulted in the successful completion of corporate transactions and valuation and fairness opinions. Ms. Luscombe has advised portfolio companies of private equity firms and provided them with fairness opinions for transactions, including divestitures and recapitalizations, intra-fund transfer, and fair value accounting. Ms. Luscombe has also advised Boards of Directors of public companies and rendered fairness opinions in mergers and acquisitions and going private transactions. In addition, she has worked with the valuation of many closely held businesses for corporate transactions including acquisitions and divestitures, leveraged buyouts and restructuring/recapitalizations, ESOPs, and related party transactions, for general tax, accounting, litigation and regulatory purposes.

Previously, she spent 16 years at Duff & Phelps Corporation as a Managing Director in the firm's valuation and financial advisory business. Ms. Luscombe was a founding member and Managing Director at Duff & Phelps in a management led buyout which occurred in 1995. Prior to joining Duff & Phelps, Ms. Luscombe was an associate at Smith Barney, a division of Citigroup Global Markets, Inc. where she managed a variety of financial transactions, including mergers and acquisitions, leveraged buyouts and equity and debt financings.

Ms. Luscombe is a member of the Chicago Chapter of the Association for Corporate Growth, the Chartered Financial Analyst Society of Chicago and a former president of the Chicago Finance Exchange.

Ms. Luscombe holds a Bachelor of Arts degree in economics from Stanford University, a Master's Degree in economics from the University of Chicago and a Master of Business Administration degree from the University of Chicago, Booth School of Business.

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.

Patricia J. Luscombe, CFA

Background of Michael R. Fisch, CPA

Michael is a Managing Director of Lincoln's Valuations & Opinions Group where he manages or participates in valuation assignments and markets the firm's services.

Prior to Lincoln International, Michael worked in the M&A department at RBC Capital Markets and spent five years at Ernst & Young LLP, primarily in the Transaction Services Group, providing due diligence and tax structuring services to private equity groups, and restructuring and bankruptcy advice to a variety of corporate clients.

Michael received a Masters of Business Administration degree with concentrations in Finance and Strategic Management from the University of Chicago, Booth School of Business, a Master of Business Taxation degree from the University of Southern California and Bachelor's Degree in Business Administration from California Polytechnic State University. Michael is also a Certified Public Accountant.

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.



Michael R. Fisch, CPA

Background of Larry Levine, CPA/ABV, ASA

Larry is a Managing Director of Lincoln's Valuations & Opinions Group where he manages or participates in valuation assignments and markets the firm's services. Prior to joining Lincoln International, Larry was a Partner in McGladrey LLP's Financial Advisory Services Group – Valuations and Corporate Finance Department.

Larry received a Masters of Business Administration degree with concentrations in Finance and Strategic Planning from the Wharton Graduate School of Business, University of Pennsylvania and a Bachelor's Degree in Accounting and Economics from the University of Albany. Larry is an accredited appraiser from both the American Society of Appraisers and American Institute of Certified Public Accountants, a Certified Public Accountant, on the National Roster of Commercial Arbitrators from the American Arbitration Association, including serving on their Alternative and Complex Investments Committee Advisory Group on Alternative and Complex Investments, and a Certified Licensing Professional from the Licensing Executives Society. He currently serves on committees for the American Society of Appraisers and International Valuation Standards Council.

He has been published or quoted in the following periodicals: Journal of Applied Finance, CNBC, The Washington Post, The New York Times, The Wall Street Journal, Bloomberg, The Deal, Fiduciary and Investment Risk Management Association magazine, Accountancy Age, Journal of Alternative Investments, Mergers & Acquisitions magazine, Valuation Strategies, CFO magazine and CFO.com. He has published three peer reviewed papers on the attributes of securities trading on the over-the-counter bulletin board stock market as well as a paper quantifying illiquidity discounts for stock options.

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.



Larry Levine