

August 23, 2020



# Fair Value Analysis of InRule Technology, Inc.

Confidential. Intended for Identified Client Only

**Valuation as of  
June 30, 2020**

# Disclaimer and Confidentiality Statement

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.

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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.

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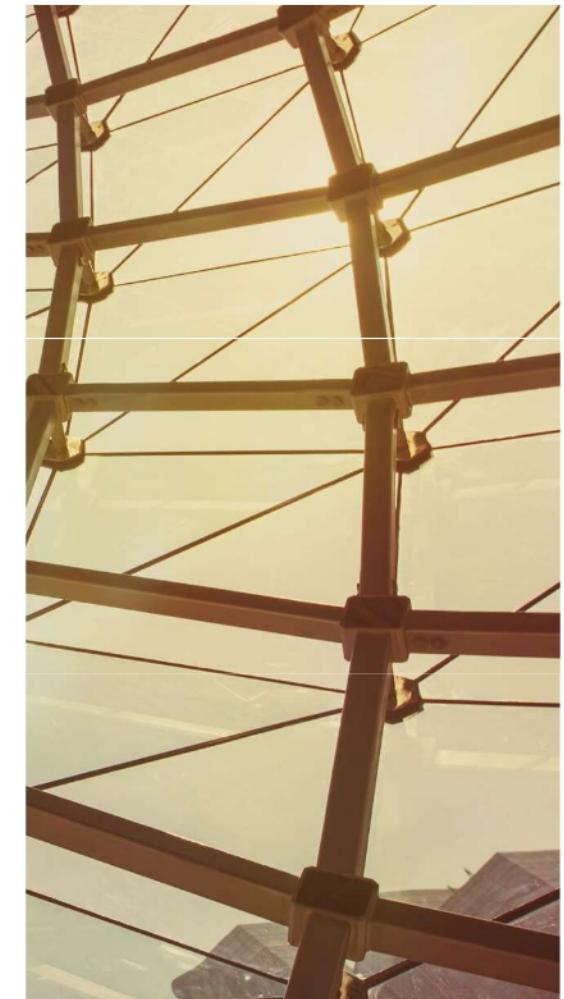
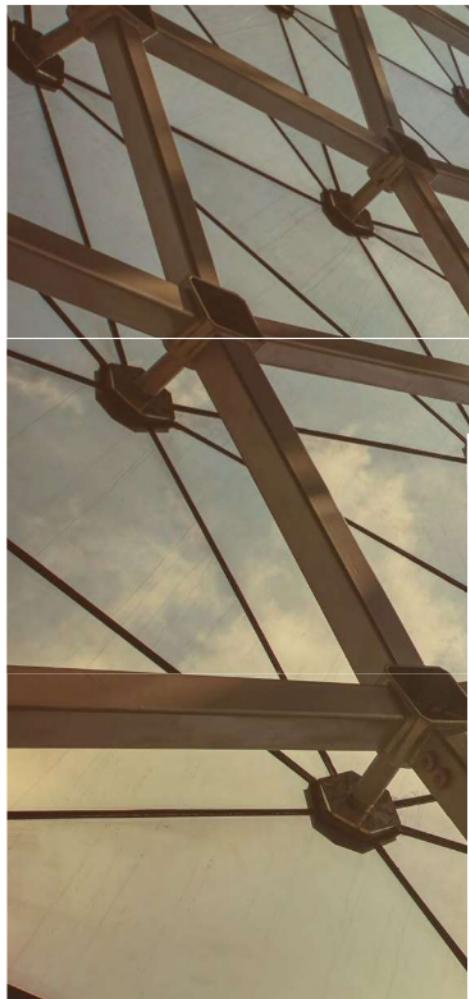
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# Executive Summary

## 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 June 30, 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
<b>Enterprise Value Indications:</b>					
<b>Market Approach:</b>					
Selected Public Companies Analysis		50.0%	25,763	26,883	28,003
<b>Income Approach:</b>					
Discounted Cash Flow Analysis		50.0%	24,617	27,470	30,471
<b>Indicated Enterprise Value</b>			<b>25,190</b>	<b>27,213</b>	<b>29,237</b>
Add: Excess Cash	(1)		-	-	-
Less: Total Debt			(8,500)	(8,500)	(8,500)
<b>Indicated Total Equity Value</b>			<b>16,690</b>	<b>18,713</b>	<b>20,737</b>

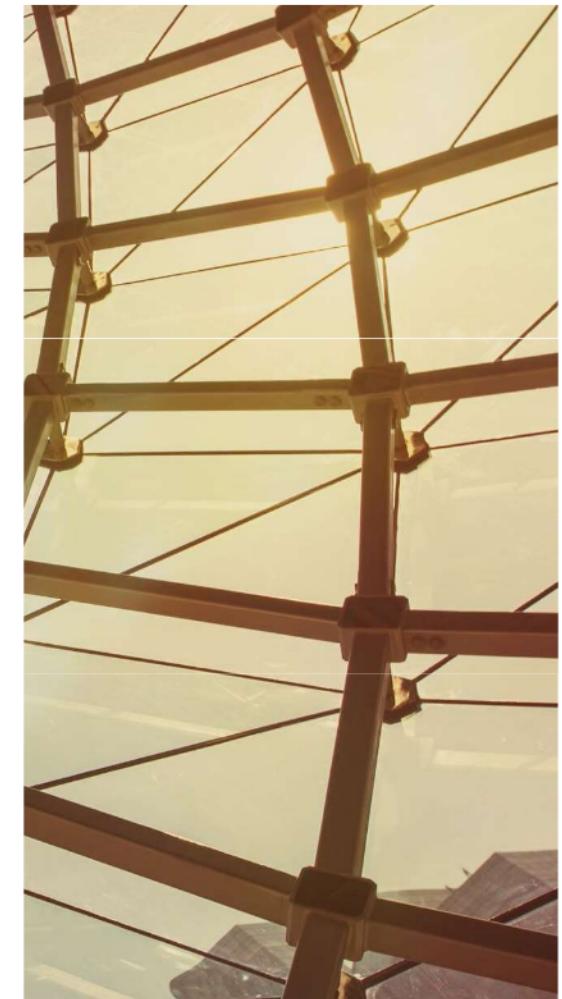
Security	Jun 30, 20 Cost Basis	Fair Value			Fair Value as % Cost		
		Low	Mid	High	Low	Mid	High
OGC Class A Preferred Units	14,012	12,677	14,214	14,982	90.5%	101.4%	106.9%
Management Class A Preferred Units	4,436	4,013	4,499	4,742	90.5%	101.4%	106.9%
OGC Class A Common Units	NA	-	-	717	NA	NA	NA
Management Class A Common	NA	-	-	227	NA	NA	NA
Series B	NA	-	-	7	NA	NA	NA
Management Series	NA	-	-	61	NA	NA	NA
		<b>16,690</b>	<b>18,713</b>	<b>20,737</b>			

**Footnotes:**

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

# 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 16, 19 (1)	Mar 31, 20	Jun 30, 20	Change vs. Prior Valuation Period
Indicated Total Equity Value	14,683	14,965.92	18,713.38	3,747.47

Indicated Total Equity Value increased from the prior period given expansion of Annual Recurring Revenue and higher projected ARR for FY 2020 and FY 2021.

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

	Calibration	Prior	Current	Change (%)
ARR	8,535	10,055	11,201	11.40%
LTM Revenue	10,000	10,688	11,508	7.68%
LTM EBITDA	(200)	562	935	66.37%
% Margin	(2.00%)	5.26%	8.13%	
NCY ARR	9,859	10,403	11,558	11.11%
NCY Revenue	13,434	11,307	11,758	3.99%
NCY EBITDA	38	(1,638)	(526)	NA
% Margin	0.28%	(14.49%)	(4.47%)	

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

	Calibration (Aug 16, 19) (1)	Prior Valuation Period (Mar 31, 20)	Current Valuation Period (Jun 30, 20)	Change vs. Prior Valuation Period
Indicated Total Equity Value	CVM (100%)	CVM (100%)	CVM (100%)	No Change

**Lincoln Fair Value Conclusion**

		Balance	Low	High	Low	Mid	High	Balance	Low	High
<b>Enterprise Value</b>										
Selected Public Companies Analysis		21,116	22,121	23,127	25,763	26,883	28,003	4,647	4,762	4,877
Discounted Cash Flow Analysis		21,519	24,228	27,086	24,617	27,470	30,471	3,098	3,242	3,384
<b>Indicated Enterprise Value</b>	<b>22,000</b>	<b>22,071</b>	<b>23,966</b>	<b>25,860</b>	<b>25,190</b>	<b>27,213</b>	<b>29,237</b>	<b>3,119</b>	<b>3,247</b>	<b>3,376</b>
EV / Annual Recurring Revenue	2.58x	2.20x	2.38x	2.57x	2.25x	2.43x	2.61x	0.05x	0.05x	0.04x
EV / NCY Annual Recurring Revenue	2.23x		2.12x	2.30x	2.49x	2.18x	2.35x	0.06x	0.05x	0.04x
<b>Indicated Total Equity Value</b>	<b>14,683</b>	<b>13,071</b>	<b>14,966</b>	<b>16,860</b>	<b>16,690</b>	<b>18,713</b>	<b>20,737</b>	<b>3,619</b>	<b>3,747</b>	<b>3,876</b>

**Footnotes:**

(1) Per the original IC Memo. Uses and Sources of Funds and PF cap table was not provided at calibration. Thus, Equity Value would not tie with cost basis presented on the Summary Conclusions page.

**Commentary:**

- InRule has experienced minimal impact from COVID-19 and is continuing to expect minimal impact to its operating business 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 drew down its \$500 thousand Revolver in the prior period and has repaid the Revolver in the current period. The company has also 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.
- As of June 2020, the company generated positive operating cash flow for FY 2020 and is not expecting liquidity issues. Also, as of the same date, the company had \$4.0 million in cash and is projecting \$2.9 million of cash as of the end of FY 2020.
- Lincoln increased the selected ARR multiple under the Selected Public Company methodology with consideration to the 2.58x multiple at close and the increase in the revenue multiples of the selected public companies from the prior period.
- Additionally, Lincoln reviewed both private and public transactions in concluding its market approach; however, given the unprecedented market volatility with respect to COVID-19 and lack of transactions that have closed since that time, Lincoln considered, but did not directly rely on, the selected private and public precedent transactions.
- Discounted cash flow analysis company risk premium calculated based on enterprise value at close. Weighted average cost of capital maintained from the prior period given consistent long term forecasts and market inputs.

<b>Preferred (2)</b>	
Initial Investment - OpenGate	14,012
Initial Cost Basis - OpenGate	14,012
Initial Investment Date	Aug 16, 19

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**Footnotes:**

(1) Source: NA\_PortCo\_Equity Waterfalls\_(7.5.20)

(2) Note: The company funded additional Preferred Equity on February 28 ,2020.

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	Actual Dec 31, 18	Actual Dec 31, 19	Revised Dec 31, 20	Revised Dec 31, 21	Revised Dec 31, 22	Revised Dec 31, 23
<b>Annual Recurring Revenue</b>						
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
<b>Actual Results / Revised Forecast (3)</b>	<b>8,438</b>	<b>9,342</b>	<b>11,558</b>	<b>12,832</b>	<b>16,907</b>	<b>20,821</b>
Over (Under) Underwriting Projections	-	(517)	(582)	(1,604)	151	1,660
<b>Revenue</b>						
Underwriting Projections	9,336	11,143	13,434	15,644	17,959	20,393
March 2020 Projections (2)	9,336	10,464	11,307	14,816	18,377	22,631
<b>Actual Results / Revised Forecast (3)</b>	<b>9,336</b>	<b>10,464</b>	<b>11,758</b>	<b>13,565</b>	<b>18,377</b>	<b>22,631</b>
Over (Under) Underwriting Projections	-	(679)	(1,676)	(2,079)	418	2,238
<b>Adjusted EBITDA</b>						
Underwriting Projections	(1,032)	(410)	38	1,089	1,906	3,021
March 2020 Projections (2)	(1,073)	734	(1,638)	11	1,072	2,996
<b>Actual Results / Revised Forecast (3)</b>	<b>(1,073)</b>	<b>734</b>	<b>(526)</b>	<b>(310)</b>	<b>1,072</b>	<b>2,996</b>
Over (Under) Underwriting Projections	(41)	1,144	(564)	(1,399)	(834)	(25)
	4.0%	NMF	NMF	(128.5%)	(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, QOR - June 2020 - FINAL

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

(3) FY 2020 &amp; FY 2021 provided by management, whereas FY 2022 &amp; FY 2023 calculated based on average of ARR as a percentage of total revenue from IC Memo.

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Source:	Internal		Internal		Internal		Calculated	Management		Management	
	FYE	FYE	FYE	FYE	YTD	YTD		NCY	NCY+1	NCY+2	NCY+3
Period:	Dec 31, 17	Dec 31, 18	Dec 31, 19	Jun 30, 19	Jun 30, 20	Jun 30, 20		Dec 31, 20	Dec 31, 21	Dec 31, 22	Dec 31, 23
End Date:											
Annual Recurring Revenue (2)	6,591	8,438	9,342	9,062	11,201	11,201		11,558	12,832	16,907	20,821
Revenue % Growth	8,733	9,336	10,464	5,075	5,439	11,508		11,758	13,565	18,377	22,631
Gross Profit % Margin	7,083	7,595	8,710	4,572	4,843	10,382		10,607	12,470	16,052	20,037
EBITDA % Margin	(762)	(1,134)	66	182	(404)	144		(985)	(370)	1,072	2,996
Adjustments	82	61	668	30	239	792		459	60	-	-
<b>Adjusted EBITDA</b>	<b>(680)</b>	<b>(1,073)</b>	<b>734</b>	<b>213</b>	<b>(164)</b>	<b>935</b>		<b>(526)</b>	<b>(310)</b>	<b>1,072</b>	<b>2,996</b>
% Margin	(7.79%)	(11.49%)	7.01%	4.19%	(3.02%)	8.13%		(4.47%)	(2.29%)	5.83%	13.24%
% Growth	(57.79%)	(57.79%)	168.40%		(177.29%)	66.37%		(171.67%)	41.06%	445.81%	179.46%
CapEx	144	119	267	-	-	267		-	75	-	-
CapEx (% of Revenue)	1.65%	1.27%	2.55%	0.00%	0.00%	2.32%		0.00%	0.55%	0.00%	0.00%
Adjusted EBITDA-CapEx	(824)	(1,192)	467	NA	NA	668		NA	(385)	NA	NA
<b>Adjustments</b>											
QoE Adjustments	82	-	-	-	-	-		-	-	-	-
Diligence Cost Adjustment	-	61	-	-	-	-		-	-	-	-
EBITDA Addbacks	-	-	668	30	239	792		459	60	-	-
Total Adjustments	<b>82</b>	<b>61</b>	<b>668</b>	<b>30</b>	<b>239</b>	<b>792</b>		<b>459</b>	<b>60</b>	<b>-</b>	<b>-</b>

**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 June 30, 2020 YTD Income Statement, QOR - June 2020 - FINAL
- (2) FY 2020 & FY 2021 provided by management, where as FY 2022 & FY 2023 calculated based on average of ARR as a percentage of total revenue from IC Memo.

Source:	Internal		Management	
	FYE	YTD	YTD	NCY
Period:	Dec 31, 19	Jun 30, 19	Jun 30, 20	Dec 31, 20
End Date:				
Cash	3,793	2,032	3,992	2,941
Accounts Receivable	2,481	2,244	2,191	2,914
Other Current Assets	149	81	162	128
Total Current Assets	6,423	4,357	6,345	5,982
Net Property, Plant & Equipment	187	235	163	139
Deferred Tax Assets	-	469	-	-
Goodwill and Intangibles	28,232	-	25,297	23,749
Other Assets	-	125	-	-
Total Other Assets	28,419	828	25,459	23,888
<b>Total Assets</b>	<b>34,842</b>	<b>5,185</b>	<b>31,804</b>	<b>29,870</b>
Accounts Payable	227	163	173	241
Accrued Expenses	545	272	419	732
Other ST Liabilities (excl Debt)	6,635	4,084	4,660	4,641
Total Non-Debt Current Liabilities	7,407	4,518	5,251	5,614
Revolver	-	-	-	-
Term Loan	8,500	-	8,500	8,500
Total Debt	8,500	-	8,500	8,500
Deferred Tax Liabilities	2,059	-	2,368	2,059
Other Long-term Liabilities	1,890	268	2,106	1,890
Total Liabilities	19,856	4,786	18,225	18,063
Total Equity	14,986	399	13,579	11,806
<b>Total Liabilities &amp; Equity</b>	<b>34,842</b>	<b>5,185</b>	<b>31,804</b>	<b>29,870</b>
Net Working Capital	(4,777)	(2,193)	(2,898)	(2,573)
Net Working Capital / Revenues	(45.65%)		(25.18%)	(21.88%)
Days Sales Outstanding	87		70	91
Days Payable Outstanding	47		56	78
Asset Turnover	0.30x		0.36x	0.39x
Fixed Asset Turnover	56.08x		70.81x	84.59x
Current Ratio	0.9	1.0	1.2	1.1

**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 June 30, 2020 YTD Income Statement, QOR - June 2020 - FINAL

(2) Goodwill is assumed to be related to the August 2019 acquisition.

Notes	Initial Investment			Prior Valuation Period			Current Valuation Period		
	Aug 16, 19 Amount	Net Leverage	% of EV	Mar 31, 20 Amount	Net Leverage	% of EV	Jun 30, 20 Amount	Net Leverage	% of EV
Excess Cash	1,183			-			-		
Revolver	-	(0.14x)	(5.38%)	500	0.05x	2.09%	-	0.00x	0.00%
Term Loan	8,500	0.86x	33.26%	8,500	0.90x	37.55%	8,500	0.76x	31.23%
Total Debt	8,500	0.86x	33.26%	9,000	0.90x	37.55%	8,500	0.76x	31.23%
Net Debt	7,317			9,000			8,500		
Total Equity	(1) 14,683		66.74%	14,966		62.45%	18,713		68.77%
<b>Enterprise Value</b>	<b>(2) 22,000</b>	<b>2.58x</b>	<b>100.00%</b>	<b>23,966</b>	<b>2.38x</b>	<b>100.00%</b>	<b>27,213</b>	<b>2.43x</b>	<b>100.00%</b>
<b>Reference Financial Statistic</b>	<b>8,535</b>			<b>10,055</b>			<b>11,201</b>		
<b>Financial Statistic Description</b>	Annual Recurring Revenue as of Mar 31, 19			Annual Recurring Revenue as of Mar 31, 20			Annual Recurring Revenue as of Jun 30, 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 Q2 2020, InRule paid down the \$500 thousand Revolver draw that was 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) Per the original IC Memo. Uses and Sources of Funds and PF cap table was not provided at calibration. Thus, Equity Value would not tie with cost basis presented on the Summary Conclusions page.  
(2) Initial enterprise value implied based on invested capital amounts as of the close of the initial acquisition. Subsequent enterprise valuations reflect Lincoln's estimates.

<b>Valuation Multiple</b>	<b>Selected Multiples</b>		<b>Financial Statistic</b>	<b>Enterprise Value</b>			
	<b>Low</b>	<b>High</b>		<b>Low</b>	<b>Mid</b>	<b>High</b>	
EV / Annual Recurring Revenue	2.30x	-	2.50x	11,201	25,763	26,883	28,003
<b>Indicated Enterprise Value</b>				<b>25,763</b>	<b>26,883</b>	<b>28,003</b>	

**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 increase in LTM Revenue multiples of the selected public companies, Lincoln increased the selected EV / ARR multiple range 0.20x at the midpoint from the prior period. The selected multiple implies a 43.8% discount to the Adjusted Mean LTM Revenue multiples of the selected public companies, which increased from 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	% of 52	Market	Enterprise	Net Debt /	LTM Financial Statistics		LTM Margins	2-Yr. Historical CAGR (2)		1-Yr. Projected Growth (3)	
	Price	Week High	Capitalization	Value	EBITDA	Revenue	EBITDA	EBITDA	Revenue	EBITDA	Revenue	EBITDA
Pegasystems Inc.	101.17	98.10%	8,103	8,133	NMF	964	(106)	(10.95%)	1.28%	NMF	16.87%	NMF
Sapiens International Corporation N.V.	27.98	94.11%	1,405	1,454	0.89x	339	54	15.91%	9.99%	95.76%	14.58%	27.70%
Newgen Software Technologies Limited	1.97	47.98%	136	107	NMF	88	14	15.83%	5.56%	(3.65%)	(5.30%)	26.17%
Progress Software Corporation	38.75	73.81%	1,736	1,850	0.79x	434	144	33.28%	3.06%	0.74%	6.80%	38.61%
<b>Mean</b>	<b>42.47</b>	<b>78.50%</b>	<b>2,845</b>	<b>2,886</b>	<b>0.84x</b>	<b>456</b>	<b>27</b>	<b>13.52%</b>	<b>4.97%</b>	<b>30.95%</b>	<b>8.24%</b>	<b>30.83%</b>
<b>Adjusted Mean</b>	<b>33.37</b>	<b>83.96%</b>	<b>1,570</b>	<b>1,652</b>	<b>NA</b>	<b>387</b>	<b>34</b>	<b>15.87%</b>	<b>4.31%</b>	<b>0.74%</b>	<b>10.69%</b>	<b>27.70%</b>
<b>Median</b>	<b>33.37</b>	<b>83.96%</b>	<b>1,570</b>	<b>1,652</b>	<b>0.84x</b>	<b>387</b>	<b>34</b>	<b>15.87%</b>	<b>4.31%</b>	<b>0.74%</b>	<b>10.69%</b>	<b>27.70%</b>
<b>InRule Technology, Inc.</b>					<b>9.09x</b>	<b>12</b>	<b>1</b>	<b>8.13%</b>	<b>9.46%</b>	<b>NMF</b>	<b>12.37%</b>	<b>NMF</b>

**Footnotes:**

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

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

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

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Company Name	EV / LTM Revenue			EV / NCY Revenue		
	Aug 16, 19	Mar 31, 20	Jun 30, 20	Aug 16, 19	Mar 31, 20	Jun 30, 20
Pegasystems Inc.	6.2x	6.2x	8.4x	5.9x	5.2x	7.6x
Sapiens International Corporation N.V.	3.2x	3.0x	4.3x	3.0x	2.6x	3.9x
Newgen Software Technologies Limited	2.9x	0.7x	1.2x	2.7x	0.7x	1.3x
Progress Software Corporation	4.7x	3.6x	4.3x	4.4x	3.6x	4.2x
<b>Mean</b>	<b>4.2x</b>	<b>3.4x</b>	<b>4.6x</b>	<b>4.0x</b>	<b>3.0x</b>	<b>4.2x</b>
<b>Adjusted Mean</b>	<b>4.0x</b>	<b>3.3x</b>	<b>4.3x</b>	<b>3.7x</b>	<b>3.1x</b>	<b>4.0x</b>
<b>Median</b>	<b>4.0x</b>	<b>3.3x</b>	<b>4.3x</b>	<b>3.7x</b>	<b>3.1x</b>	<b>4.0x</b>

**Footnotes:**

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

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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.	8.4x	7.6x	6.3x	5.8x
Sapiens International Corporation N.V.	4.3x	3.9x	3.8x	3.5x
Newgen Software Technologies Limited	1.2x	1.3x	1.2x	1.2x
Progress Software Corporation	4.3x	4.2x	3.7x	3.6x
<b>Mean</b>	<b>4.6x</b>	<b>4.2x</b>	<b>3.8x</b>	<b>3.6x</b>
<b>Adjusted Mean</b>	<b>4.3x</b>	<b>4.0x</b>	<b>3.8x</b>	<b>3.6x</b>
<b>Median</b>	<b>4.3x</b>	<b>4.0x</b>	<b>3.8x</b>	<b>3.6x</b>

**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, Australia, Europe, the Middle East, Africa, the Asia Pacific, and the United States. The company 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 to drive enterprise-wide digital transformation; and customer communication management suite, a communication platform, which enables to share of customers' wallet by tapping various cross-sell/up-sell opportunities across touch points, such as email, SMS, Web, and print. It serves various industries, which include banking and financial services, insurance, healthcare, government, shared services, utilities, pharmaceuticals, cross, and legal. 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&amp;P Capital IQ.

	Notes	Projected Year Ending				Projected CAGR (1)
		Dec 31, 20	Dec 31, 21	Dec 31, 22	Dec 31, 23	
Annual Recurring Revenue	(2)	11,558	12,832	16,907	20,821	
Revenue		11,758	13,565	18,377	22,631	24.39%
% Growth		15.37%	15.47%	23.15%		
EBITDA		(526)	(310)	1,072	2,996	(278.58%)
% Margin		(4.47%)	(2.29%)	5.83%	13.24%	
EBIT		(3,670)	(3,597)	(2,215)	(292)	(57.01%)
Less: Income Taxes at 25.00%						
NOPAT		(3,670)	(3,597)	(2,215)	(292)	
Plus: Depreciation & Amortization	(3)	3,144	3,287	3,287	3,287	
Less: CapEx		-	(75)	-	-	
Plus: Increase in Deferred Revenue		(2,010)	5,920	2,408	3,023	
Less: Increase in Net Working Capital		(194)	83	(506)	(601)	
Unlevered Free Cash Flow		(2,730)	5,619	2,974	5,418	
Partial Period Factor		0.50	1.00	1.00	1.00	
Discount Period		0.25	1.00	2.00	3.00	
Discount Factor	27.00%	0.9420	0.7874	0.6200	0.4882	
<b>PV of Unlevered Free Cash Flow</b>		<b>(1,286)</b>	<b>4,424</b>	<b>1,844</b>	<b>2,645</b>	

Present Value of Discrete Cash Flows  
Present Value of Terminal Value  
**Indicated Enterprise Value**

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7,627  
19,843  
**27,470**

Terminal Annual Recurring Revenue	20,821
Exit Multiple	2.20x
Terminal Value	45,806
Discount Factor	0.4332
<b>PV of Terminal Value</b>	<b>19,843</b>

Implied Perpetual Growth Rate 13.57%

Enterprise Value Sensitivity Analysis						
		Discount Rate				
		28.00%	27.00%	26.00%		
Terminal ARR	1.95x	<b>24,617</b>	25,215	25,834		
	2.20x	26,811	<b>27,470</b>	28,152		
	2.45x	29,005	29,725	<b>30,471</b>		

#### Footnotes:

- (1) CAGR calculations from FY 2020 to FY 2023.
- (2) FY 2020 & FY 2021 provided by management, whereas FY 2022 & FY 2023 calculated based on average of ARR as a percentage of total revenue from IC Memo.
- (3) Provided by OpenGate.

USD in millions

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.	568	-	8,103	8,671	7.02%	6.56%	25.00%	1.27	1.20
Sapiens International Corporation N.V.	128	-	1,405	1,533	9.09%	8.33%	23.50%	1.08	1.01
Newgen Software Technologies Limited	15	-	136	150	10.86%	9.80%	23.23%	NA	NA
Progress Software Corporation	318	-	1,736	2,053	18.31%	15.48%	10.57%	0.90	0.77
<b>Mean</b>	<b>257</b>	-	<b>2,845</b>	<b>3,102</b>	<b>11.32%</b>	<b>10.04%</b>	<b>20.57%</b>	<b>1.08</b>	<b>0.99</b>
<b>Adjusted Mean</b>	<b>223</b>	<b>NA</b>	<b>1,570</b>	<b>1,793</b>	<b>9.97%</b>	<b>9.06%</b>	<b>23.36%</b>	<b>1.08</b>	<b>1.01</b>
<b>Median</b>	<b>223</b>	-	<b>1,570</b>	<b>1,793</b>	<b>9.97%</b>	<b>9.06%</b>	<b>23.36%</b>	<b>1.08</b>	<b>1.01</b>
<b>Selected as Most Comparable to InRule</b>						<b>11.11%</b>	<b>10.00%</b>	<b>25.00%</b>	<b>1.00</b>
<b>Cost of Equity</b>	<b>Prior</b>	<b>Current</b>	<b>Notes</b>						
Risk-Free Rate (Rf)	1.15%	1.18%	Long-term (20-year) U.S. government debt yield						
Equity Risk Premium (ERP)	6.17%	6.17%	2020 Valuation Handbook: Long-horizon expected equity risk premium (supply-side)						
Relevered Equity Beta (BI)	1.14	1.08	BI = Bu x [1 + (Wd / We) x (1 - T)]						
Industry Adjusted Equity Risk Premium	7.02%	6.68%	BI x ERP						
Size Premium (SP)	4.99%	4.99%	2020 Valuation Handbook: CRSP Decile 10						
Company Risk Premium (CRP) (3)	16.00%	16.00%	Based on Lincoln estimate at close						
Cost of Equity (COE)	29.16%	28.85%	COE = Rf + (BI x ERP) + SP + CRP						
<b>Cost of Debt</b>									
Pre-Tax Cost of Debt	9.61%	9.60%	Based on the Lincoln's observed cost of debt capital rates for similar sized companies						
Estimated Tax Rate	25.00%	25.00%	COD = Pre-Tax Cost of Debt x (1-T)						
After-Tax Cost of Debt (COD)	7.21%	7.20%							
<b>Weighted Average Cost of Capital (WACC)</b>									
Debt % of Capital (Wd)	10.00%	10.00%							
Cost of Debt (COD)	7.21%	7.20%	Wd x COD						
Weighted Cost of Debt	0.72%	0.72%							
Equity % of Capital (We)	90.00%	90.00%							
Cost of Equity (COE)	29.16%	28.85%	We x COE						
Weighted Cost of Equity	26.24%	25.97%							
<b>WACC (Rounded)</b>	<b>27.00%</b>	<b>27.00%</b>							

**Footnotes:**

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

(2) Source: S&amp;P Capital IQ

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

USD in 000s

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 Bhade (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. Bhade, 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	
<b>Enterprise Value Indications:</b>					
Market Approach: Selected Public Companies Analysis		25,763	26,883	28,003	50.00%
Income Approach: Discounted Cash Flow Analysis		24,617	27,470	30,471	50.00%
<b>Indicated Enterprise Value</b>		<b>25,190</b>	<b>27,213</b>	<b>29,237</b>	
Plus: Excess Cash	(1)	-	-	-	
<b>Market Value of Invested Capital</b>		<b>25,190</b>	<b>27,213</b>	<b>29,237</b>	
Less: Revolver, Term Loan		(8,500)	(8,500)	(8,500)	
<b>Indicated Total Equity Value</b>		<b>16,690</b>	<b>18,713</b>	<b>20,737</b>	

**Footnotes:**

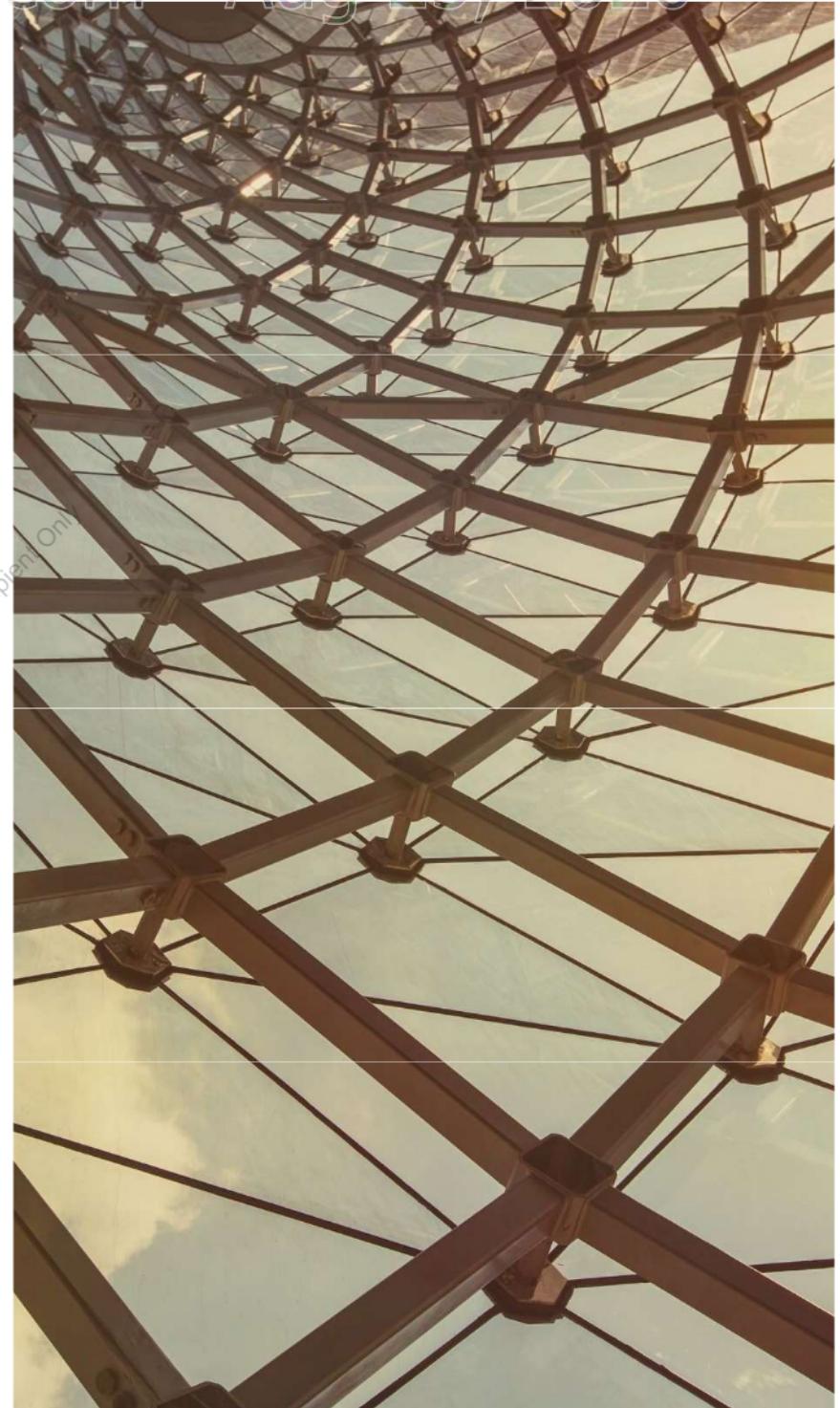
(1) No excess cash included in analysis given planned reinvestment in the business.

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# Summary of Valuation Methodologies

## Appendix A

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# 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.

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# 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

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# 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

## Certifications (continued)

### 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.

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Michael R. Fisch, CPA

## Certifications (continued)

### 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