

INSIGHTS

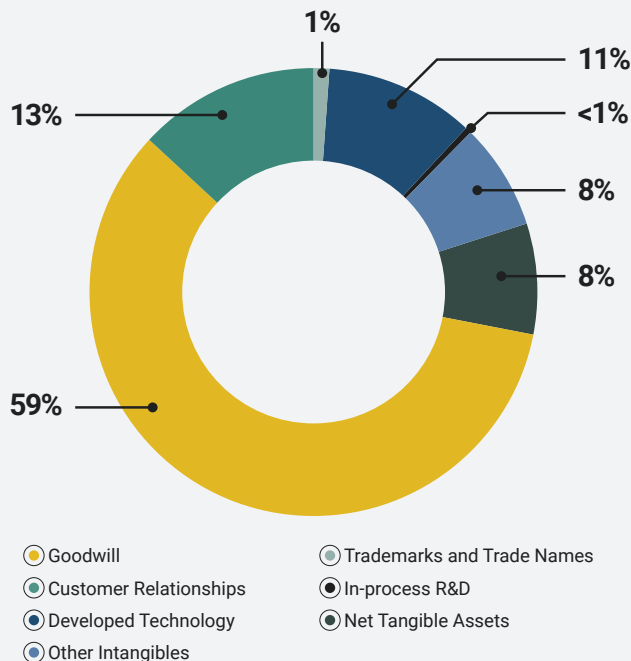
Data Study: Purchase Price Allocations of Software Companies

Ankura is pleased to present the findings of our analysis of the allocation of the purchase price for transactions involving software and IT services companies during 2020 by U.S.-based acquirers. Key takeaways are as follows:

| | | | |
|-----------------------|--|---|--|
| TRANSACTIONS ANALYZED | AVERAGE PURCHASE PRICE ALLOCATED TO GOODWILL WAS | CUSTOMER RELATIONSHIP INTANGIBLES HAD HIGHER ALLOCATION PERCENTAGES THAN DEVELOPED TECHNOLOGY | DEVELOPED TECHNOLOGY HAD A SHORTER LIFE THAN CUSTOMER RELATIONSHIP INTANGIBLES |
| 74 | 59% | 13% vs 11% | 5 vs 7 YEARS |

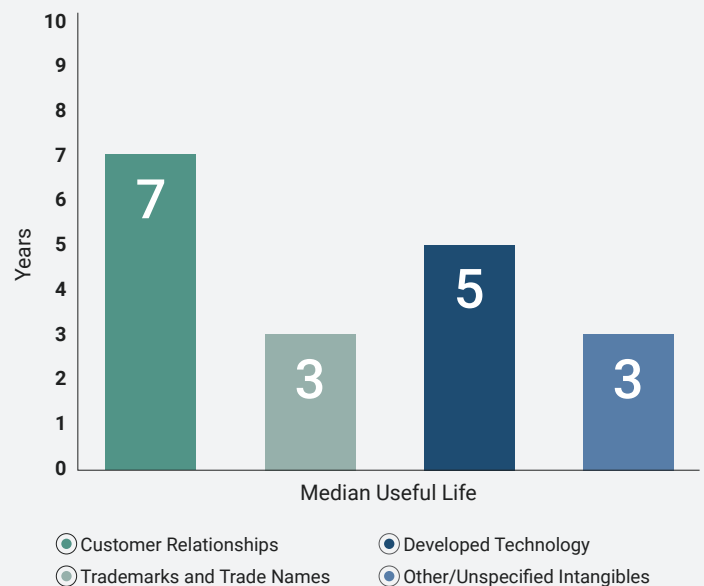
Total Industry Purchase Price Allocations:

Proportion of Total Purchase Price



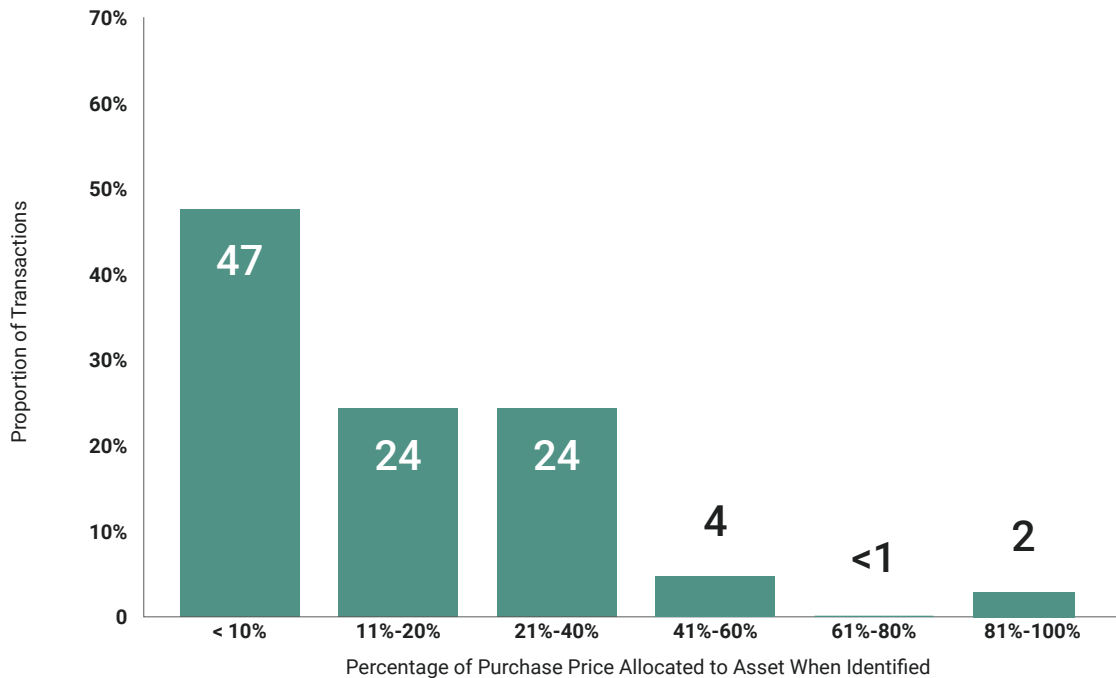
Range of Useful Life of Intangible Assets:

Median Useful Lives of Intangible Assets

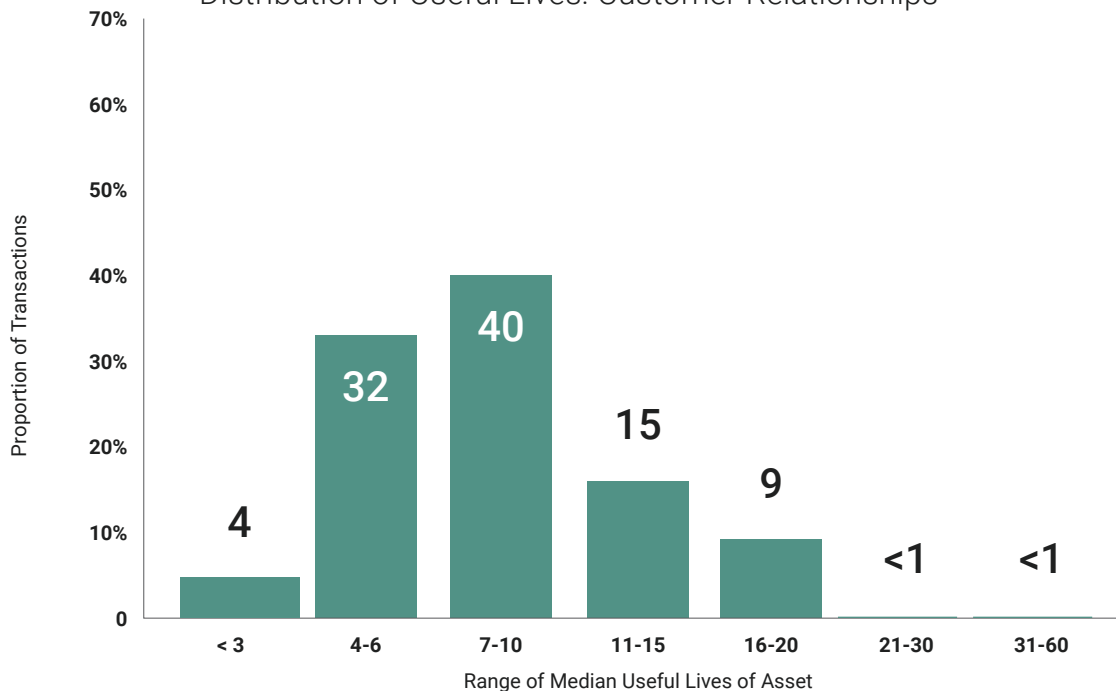


As noted below, almost half of 2020 transactions allocated less than 10% of the purchase price to Customer Relationships. Conversely, it was rare that more than 40% of the purchase price was allocated to Customer Relationships. Further, while most Customer Relationship lives fell between 4 - 10 years, the longer-lived Customer Relationships represented transactions where a higher portion of the purchase price was allocated to Customer Relationships.

Distribution of Allocations to Customer Relationships:

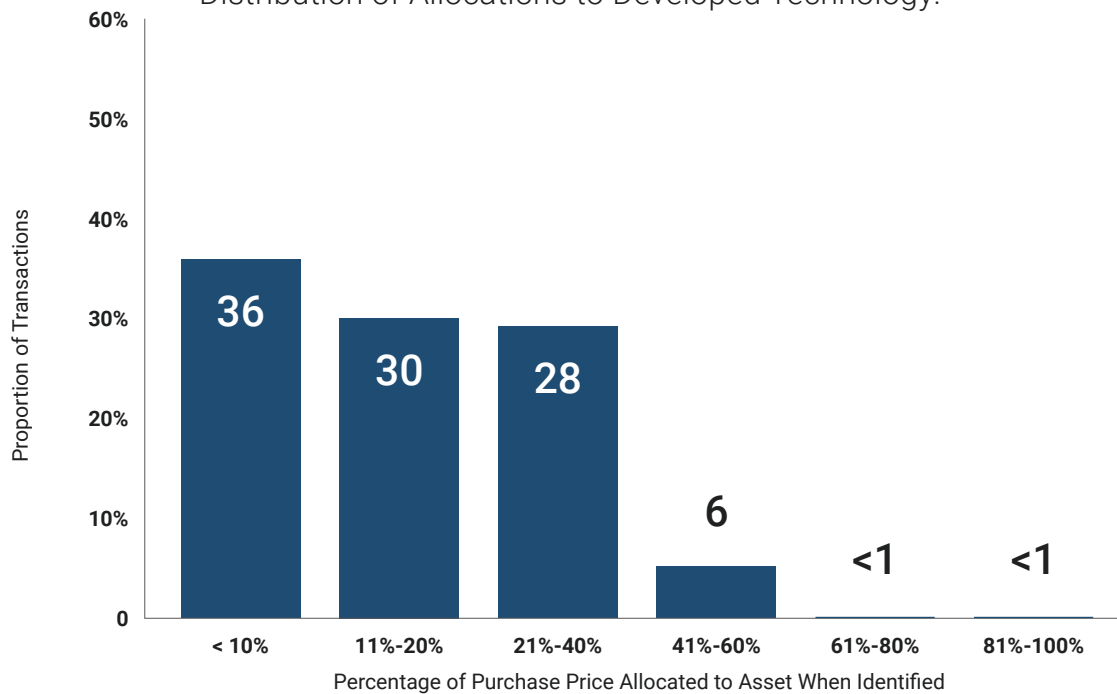


Distribution of Useful Lives: Customer Relationships

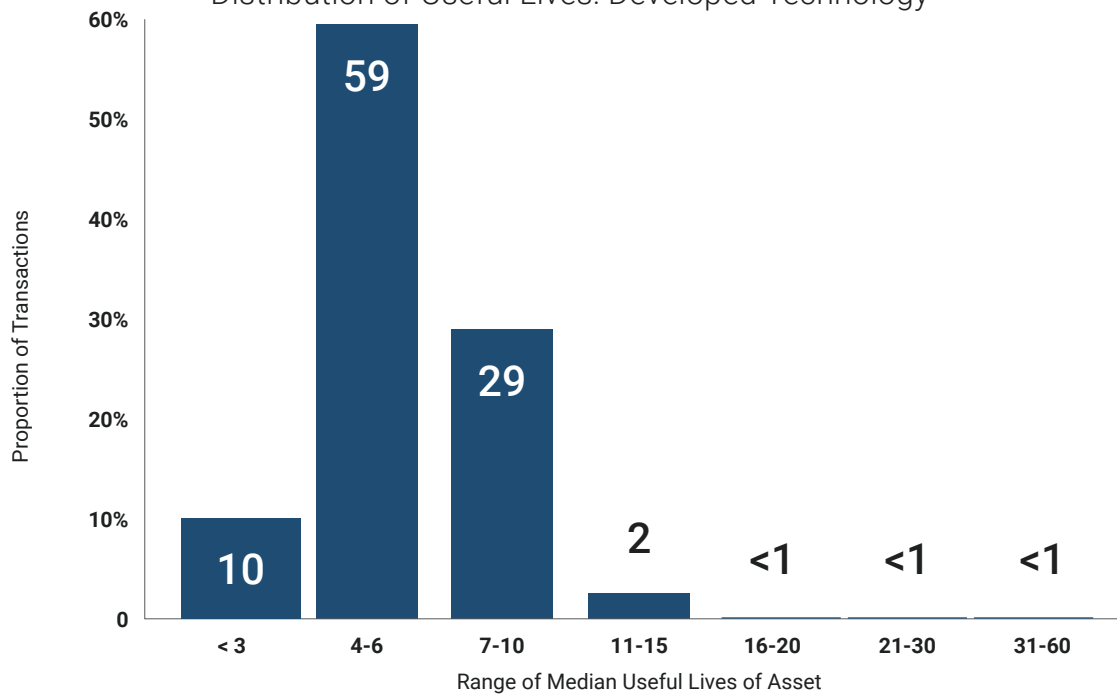


As noted below, similar to Customer Relationships, over one-third of 2020 transactions allocated less than 10% of the purchase price to Developed Technology. It was also rare that more than 40% of the purchase price was allocated to Developed Technology. While useful lives ranged between 2 - 13 years, most fell between 5 - 7 years.

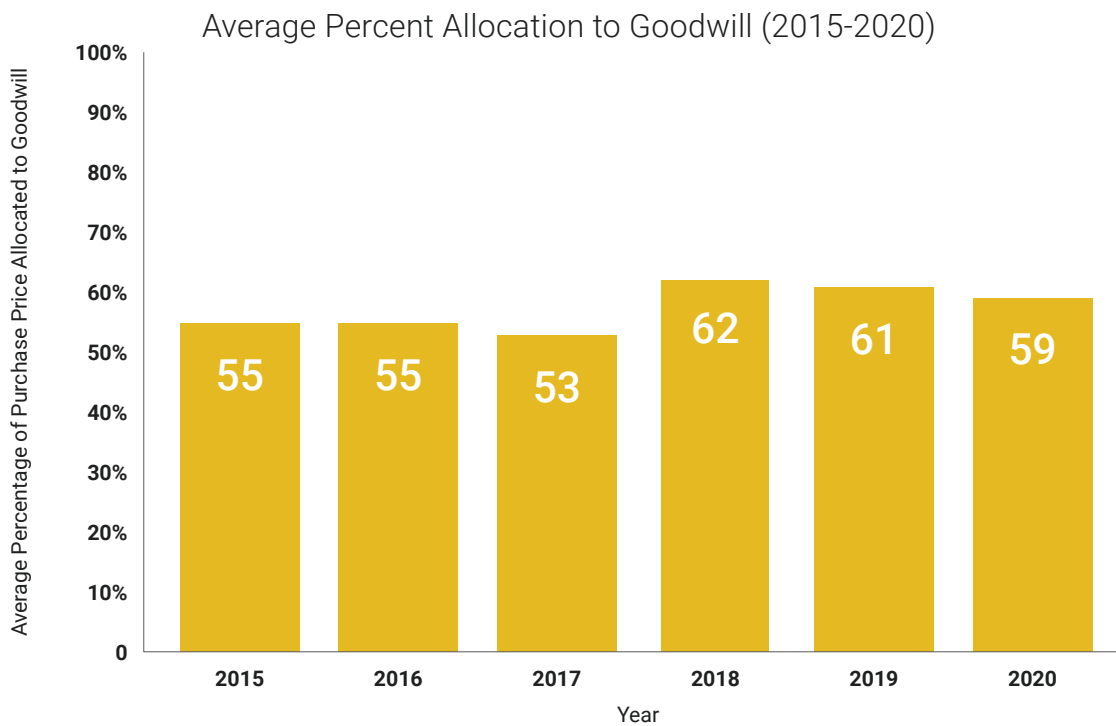
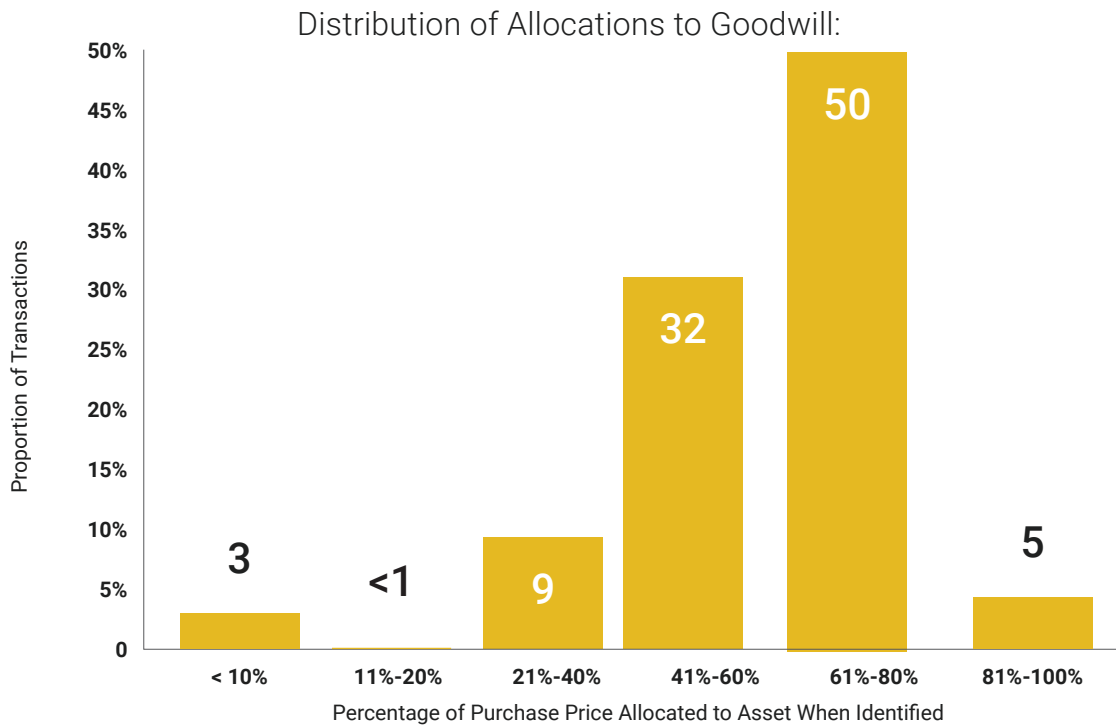
Distribution of Allocations to Developed Technology:



Distribution of Useful Lives: Developed Technology

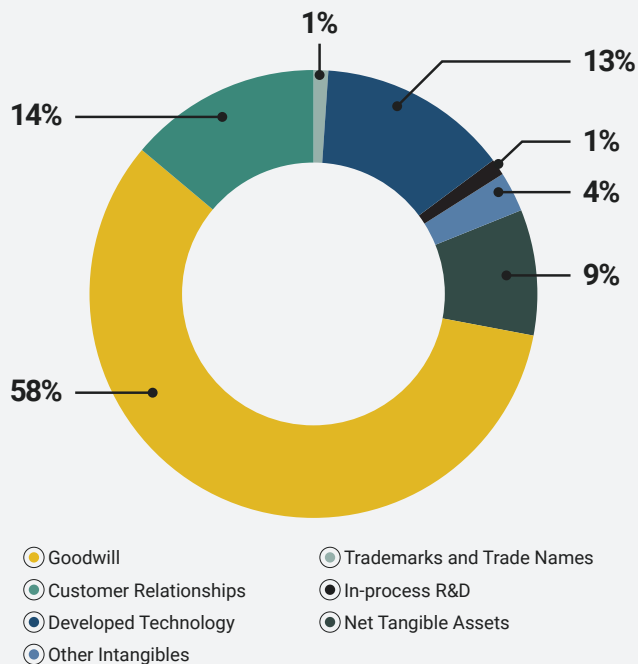


For 2020, half of the transactions analyzed allocated between 61% - 80% of the purchase price to Goodwill. This outcome is consistent with prior years; since 2015, the average allocation to Goodwill has ranged from 53% to 62% annually.

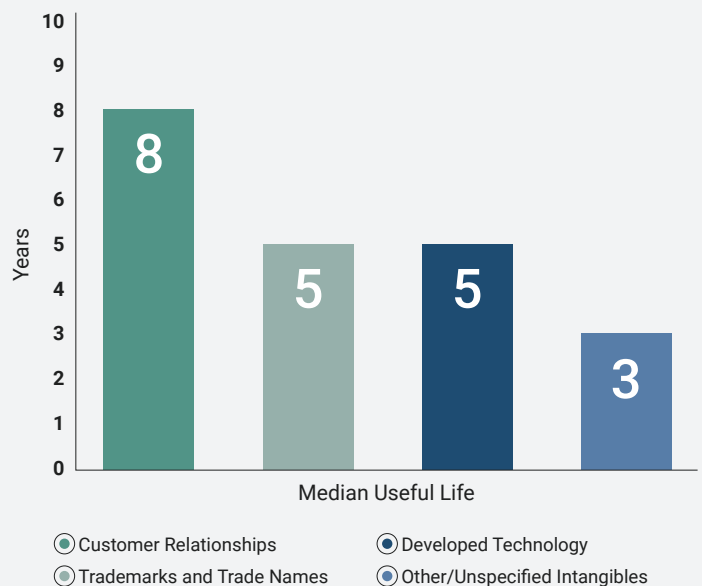


Ankura also reviewed 362 transactions during 2015 through 2020 and observed results similar to 2020. The average purchase price allocated to Goodwill was 58% and the average allocation to both Customer Relationships and Developed Technology was 14% and 13%, respectively. The median useful life for Developed Technology, Customer Relationships, and Trademarks over the period from 2015 to 2020 was 5 years, 8 years, and 5 years, respectively.

Total Industry Purchase Price Allocations (2015-2020):
Proportion of Total Purchase Price



Range of Useful Life of Intangible Assets (2015-2020):
Median Useful Lives of Intangible Assets



ABOUT ANKURA

Ankura Consulting Group, LLC is an independent global expert services and advisory firm that delivers services and end-to-end solutions to help clients at critical inflection points related to change, risk, disputes, finance, performance, distress, and transformation. The Ankura team consists of more than 1,500 professionals in more than 30 offices globally who are leaders in their respective fields and areas of expertise. Collaborative lateral thinking, hard-earned experience, expertise, and multidisciplinary capabilities drive results and Ankura is unrivaled in its ability to assist clients to **Protect, Create, and Recover Value**. For more information, please visit: www.ankura.com