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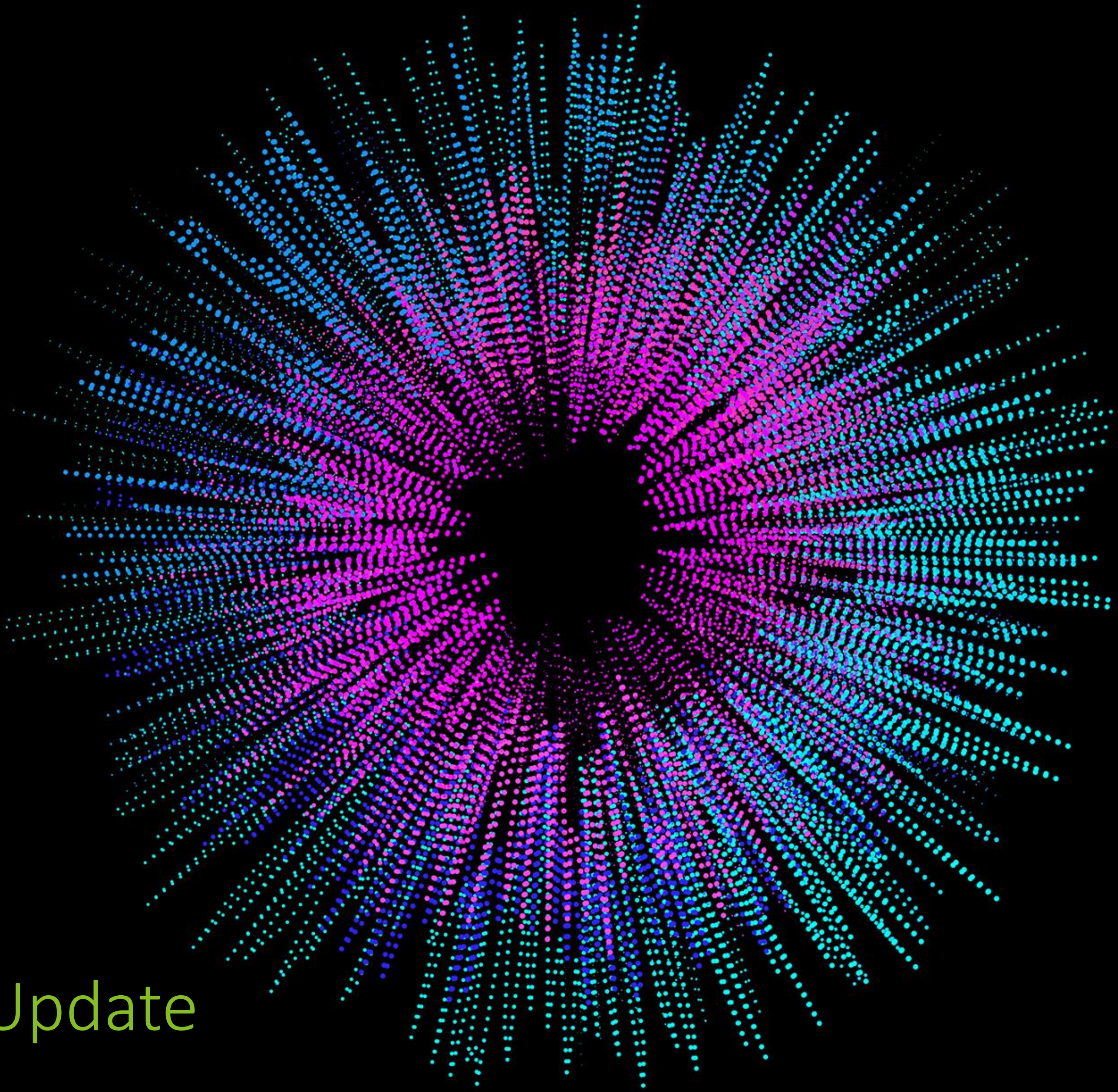

TMT Quarterly Update

Q3 2022

MAKING AN IMPACT THAT MATTERS since 1845

DCF’s TMT Practice

Deloitte Corporate Finance LLC (DCF) is a leading global middle-market M&A adviser. Our professionals have extensive knowledge in the TMT space and use their experience to help clients enhance value.

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Firm Overview

#2 2021 Global M&A Advisor by deals completed.[1]

662 Completed deals in the last 12 months.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has **2,400 Corporate Finance professionals** throughout the Deloitte Touche Tohmatsu Limited network of member firms in 60 countries that complement the North American team.
- **A top global middle-market financial advisor** in 2021 according to Mergermarket.[1]

Sector Focus

- Application Software / Software as a Service (SaaS)
- Cloud & Infrastructure Software / Services
- Data Analytics and Business Intelligence (BI)
- Diversified Information Technology (IT) Services
- Hardware
- Horizontal & Enterprise Resource Planning (ERP) Software
- Information Technology (IT) Security
- Internet & Digital Media
- Technology (Tech) Enabled Services
- Telecommunications
- Traditional Media

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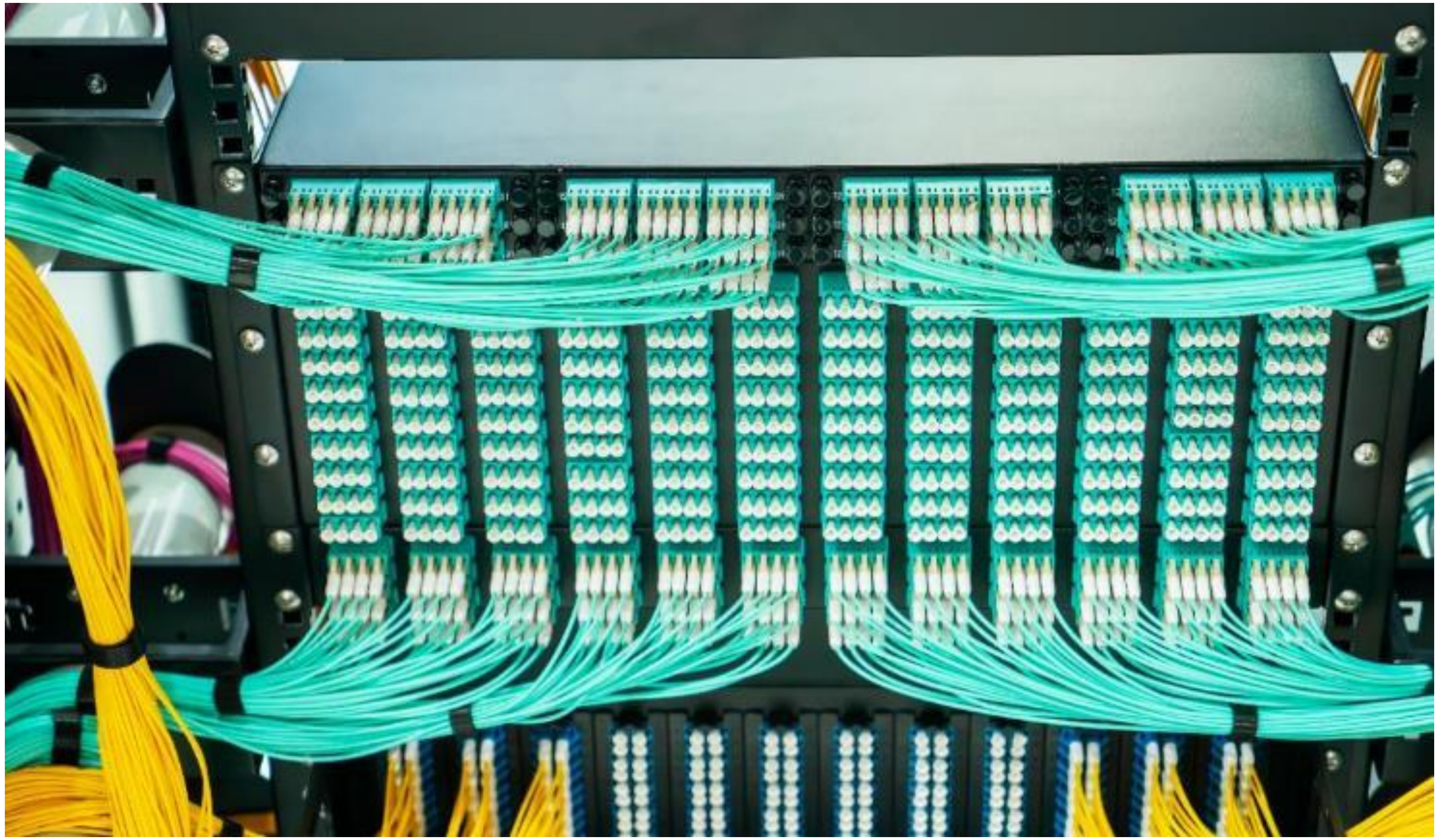


Case study

ATI Studios A.P.P.S. (d/b/a Mondly)

Deal Contacts Kevan Flanigan, Byron Nelson, Max Wilhelm

mondly

ATI Studios A.P.P.S. SRL (d/b/a Mondly)

has been acquired by

Pearson

Pearson plc

The undersigned acted as exclusive financial advisor to Mondly

Deloitte.

Deloitte Corporate Finance LLC

Client Overview

- Founded in 2013, ATI Studios A.P.P.S. SRL (d/b/a Mondly) (Mondly or the Company) is one of the world's leading digital language learning companies, offering consumers immersive and high-quality learning experiences in 40+ languages via its app, website, virtual reality and augmented reality products. Since inception, the Company's applications have been downloaded by 100M+ users across 70+ countries.
- Mondly delivers digital language courses for both personal and professional learning in a combination of more than 1,300 language pairs and has been frequently ranked as one of the highest rated educational language apps in the Apple and Google Play app stores. The Company also offers enterprise solutions featuring its own proprietary learning management software through MondlyWORKS and has built an app that helps children learn languages – MondlyKIDS.

Situation Overview

- Mondly engaged Deloitte Corporate Finance LLC (DCF) to explore strategic alternatives including a potential sale of the Company. Ultimately, Pearson plc (Pearson), a leading global provider of educational materials and learning technologies, emerged as the ideal acquiror for the business. The acquisition helps enables Pearson to offer fully integrated language learning solutions and provides synergies and cross-selling opportunities across its portfolio, such as the opportunity to bundle language learning with upskilling and reskilling products. DCF added significant value by:
  - Created detailed marking materials and positioned the Company based on its differentiated, proprietary technology and continuous innovation, exceptional financial profile, strong brand with high visibility on key distribution platforms, and portfolio of language combinations.
  - Led a broad marketing process, including both strategics and financial sponsors across multiple geographical markets, to create a competitive dynamic for the sale of the business.
  - Provided guidance on the benefits and considerations associated with partnering with each of the various interested parties, including in-depth analyses of the economic and non-economic implications of each offer, to help Mondly shareholders select the ideal partner.

Prior engagement performance is no guarantee of future performance and may not be representative of the experience of other clients. This communication is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security.

Case study

US Digital Designs, Inc.

Deal Contacts	Phil Colaco, Byron Nelson, Max Wilhelm, Connor Lovelace

US Digital Designs, Inc.

has been acquired by the Building Technologies division of a publicly traded Industrial Conglomerate

The undersigned is acting as financial advisor to US Digital Designs, Inc.

Deloitte.

Deloitte Corporate Finance LLC

Client Overview

- US Digital Designs, Inc. (USDD or the Company) is a provider of dispatch center and fire station alerting systems that help enable fire departments to reduce response times, loss of property, and loss of life.
- The Company provides public safety communications technology solutions and was a first mover in addressing the communication automation needs of dispatchers and first responders.
- Through integrations with computer-aided dispatch software providers, the Company offers a suite of connected hardware and software solutions, including web-based dashboards and interfaces, illuminated speakers, message signs, and mobile monitoring and alerting tools to over 2,000 fire stations.

Situation Overview

- The Company engaged Deloitte Corporate Finance, LLC (DCF) to run a broad sell-side marketing process, including both strategic and financial sponsors, to create a competitive dynamic for the sale of the business.
- Through a carefully engineered process, the Company received over 20 initial bids, which helped enable DCF to leverage competitive tension throughout Letter of Intent (LOI) negotiations. DCF added significant value to the process by:
  - Guiding the Company through a sell-side quality of earnings, including cash to accrual translation of historical financial statements.
  - Effectively highlighting USDD’s differentiated product offerings and market leading position within the public safety communications technology sector.
  - Driving strategic negotiation of key economic and legal terms among multiple LOIs to help enable the shareholders to meet their post-close objectives and meet valuation expectations.

Case study

Exigo, LLC

Deal Contacts Tom Spivey, Byron Nelson, Max Wilhelm

Exigo, LLC

Has completed a growth recapitalization

The undersigned acted as exclusive financial advisor to Exigo, LLC

Deloitte Corporate Finance LLC

Client Overview

- Exigo, LLC (Exigo or the Company) is the direct selling industry's premier platform-as-a-service (PaaS) provider, providing an end-to-end, customizable platform supporting order fulfillment, payments, commissions, and customer relationship management (CRM) solutions among other functions. Exigo's solutions help enable companies in a variety of consumer end-markets to access their data in real-time with extensive flexibility in application development via Exigo's fully-documented application programming interfaces (APIs).
- Exigo also offers a professional services team to implement custom front- and back-end solutions that address client's technical and system requirements, along with data center and colocation services to certify uninterrupted connectivity and access to client's first-party datasets.

Situation Overview

- The Company engaged Deloitte Corporate Finance, LLC (DCF) to provide consultation with closing negotiations and coordinate confirmatory diligence processes. DCF added significant value by:
  - Leading a complex due diligence process across multiple entities and jurisdictions, which included detailed financial, legal, human resources, and tax inquires.
  - Providing guidance in negotiating critical financial and legal terms to decrease potential tax implications in conjunction with an asset sale.
  - Providing advice and consultation to shareholders, leveraging DCF's understanding of Exigo's addressable market and future growth potential. DCF worked with the Company's shareholders and management team to create materials that effectively highlighted Exigo's customer market penetration, product advantages, and international growth opportunities, mitigating buyer concerns and avoiding a material re-trade.
  - Achieving a transaction close on an accelerated timeline that allowed shareholders to meet timing priorities while preserving the competitive tension entailed from the threat of entering into a broader process.

Prior engagement performance is no guarantee of future performance and may not be representative of the experience of other clients. This communication is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security.

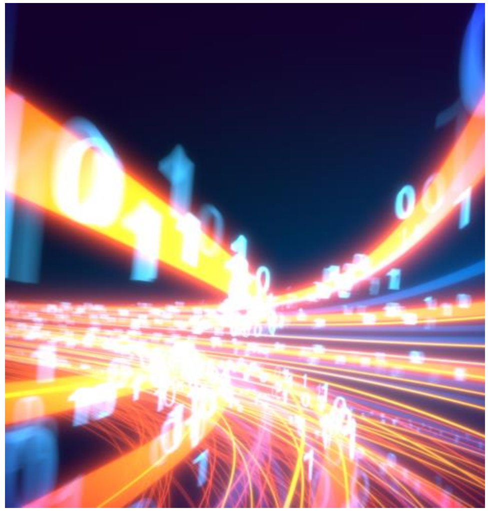
Notable recent M&A transactions (1)

Sector	Transaction	Metrics
Application Software / SaaS	**Voya Financial, Inc.'s acquisition of Benefitfocus, Inc.** • Benefitfocus is a provider of cloud-based benefits software solutions for consumers, employers, insurance carriers and brokers delivered under a SaaS model. • Voya plans to realize material synergies through the acquisition by enabling Benefitfocus to expand its technology resources and digital capabilities while providing operational expertise.	**Close Date:** Pending **EV:** $648.9 MM **Rev:** $254.9 MM **EV/Rev:** 2.5x **EV/EBITDA:** 66.9x
Internet & Digital Media	**eBay Inc.'s acquisition of Ascension Gaming Network Inc (TCGplayer)** • Ascension Gaming Network Inc is a US-based provider of online platform and software business serving buyers and sellers of collectible items. • The deal expands eBay's offerings in the collectibles industry and brings more selection to enthusiasts; TCGplayer will continue to operate autonomously as one of the largest online marketplaces for trading card games.	**Close Date:** Pending **EV:** $295.0 MM **Rev:** N/A **EV/Rev:** N/A **EV/EBITDA:** N/A
Diversified IT Services	**Wesco International's acquisition of Rahi Systems** • Rahi Systems is a global systems integrator and provider of cloud computing services, data center solutions, and managed services. • Wesco plans to leverage the transaction and combine Rahi with its Communication and Security Solutions (CSS) strategic business unit to expand on IT services offerings.	**Close Date:** Pending **EV:** $217.0 MM **Rev:** N/A **EV/Rev:** N/A **EV/EBITDA:** 7.5x
Hardware	**Nordson Corporation's acquisition of CyberOptics** • CyberOptics is a global developer and manufacturer of high-precision 3D optical sensing solutions. • The transaction enhances Nordson's test and inspection platform, providing them with differentiated technology that expands their semiconductor and electronics product offerings.	**Close Date:** Pending **EV:** $418.2 MM **Rev:** $101.6 MM **EV/Rev:** 3.9x **EV/EBITDA:** 22.4x
Traditional Media	**Francisco Partners' acquisition of a majority stake in Kobalt Music Group** • Kobalt Music Group helps artist publish, protect, and place their music into advertisements, video games, and movies. • The deal demonstrates the importance of platforms that provide services allowing creators and artists to directly monetize their work.	**Close Date:** September 7, 2022 **EV:** ~ $750.0 MM **Rev:** N/A **EV/Rev:** N/A **EV/EBITDA:** N/A
Telecom	**Colt's acquisition of Lumen's EMEA business** • Lumen is a provider of enterprise cloud and network services, controlling critical network infrastructure assets such as transatlantic cable lines and data centers. • Colt services the same end markets as Lumen and purchased the company's EMEA business and the deal aims to help the companies to share networks to better serve existing customers.	**Close Date:** Pending **EV:** $1,800.0 MM **Rev:** N/A **EV/Rev:** N/A **EV/EBITDA:** 11.0x

Application Software / SaaS

Sector trends

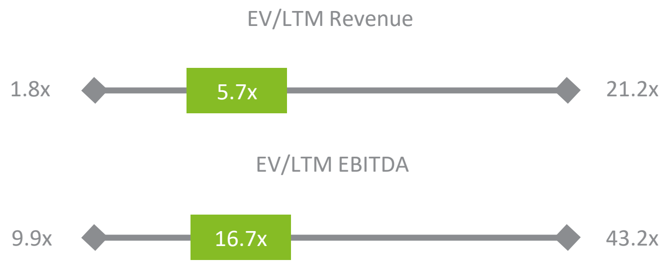
- Despite broader economic headwinds, increased demand for custom apps is driving growth within the application development software industry, particularly for low-code and no-code app development platforms. The global low-code development platform market size was $16.3 billion in 2021 and is estimated to reach $148.5 billion by 2030, growing at a compound annual growth rate (CAGR) of 27.8%.[1]
- Since the start of the pandemic, the SaaS market has been led by demand for collaboration software as the total number of people primarily working from home tripled between 2019-2021.[2] This demand is expected to continue as 80% of employees expect to work from home at least 3 days per week after COVID-19 guidelines are fully lifted and businesses completely reopen.[3]



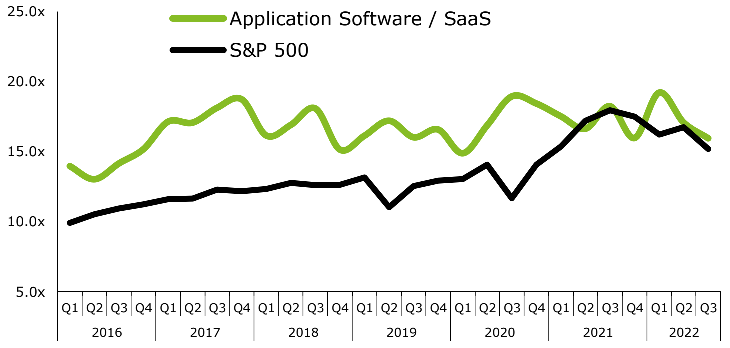
Select public comparables [4]

Company Name	Enterprise Value (MM)
Microsoft Corporation	$1,706,835.3
Oracle Corporation	$245,011.9
Adobe Inc.	$126,817.5
Intuit Inc.	$113,432.8
ServiceNow	$72,783.5

Trading metrics [5]



Historical EV/EBITDA multiples [5]



Internet & Digital Media

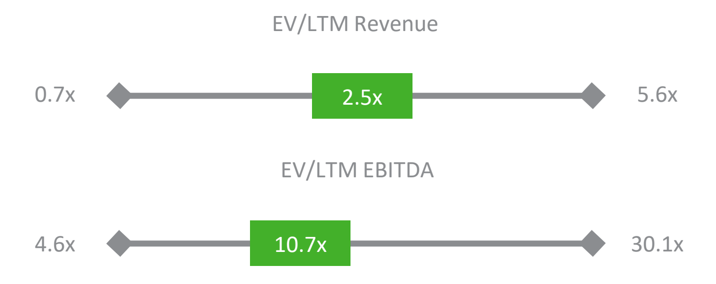
Sector trends

- The adoption of social media as the primary medium of mass communication is likely to continue for the foreseeable future, with the number of worldwide social media users expected to grow from 4.6B in 2022 to nearly 6.0B in 2027. [(1)] As this momentum accumulates, digital media and advertising companies with strong social media capabilities are in pole position to capitalize on consumer spending.
- Short-form content is at the forefront of social media and continues to dominate the landscape due to its accessibility, digestibility, and ability to quickly adapt to new social trends. Adoption of short-form content is anticipated to accelerate as social media content creators continue to produce more tailored content for individual audiences.

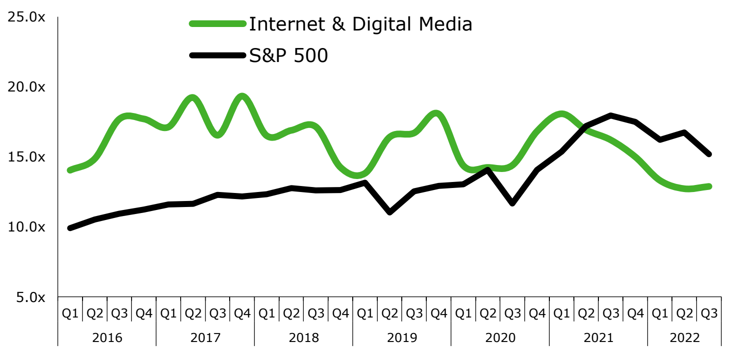
Select public comparables [(2)]

Company Name	Enterprise Value (MM)
Alphabet Inc.	$1,160,735.6
Amazon.com, Inc.	$1,256,865.7
Meta Platforms, Inc.	$349,351.6
Netflix, Inc.	$115,019.9
eBay Inc.	$28,416.6
Snap, Inc.	$15,947.1

Trading metrics [(3)]



Historical EV/EBITDA multiples [(3)]



Diversified IT Services

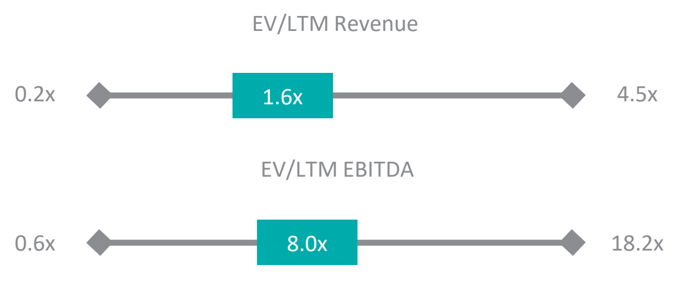
Sector trends

- Organizations now require more sophisticated platforms and digital technologies to facilitate a remote workforce and successfully operate their businesses. This transition has forced companies to rapidly embrace digital technologies, sparking an increase in the demand for digital transformation services. As a result, the digital transformation market is expected to grow from $737.7B in 2020 to $3.5T in 2028.[1]
- Mobile platforms and remote work rely on access to digitally shared data platforms, creating heightened vulnerability to cyberattacks. In order to protect their data while maintaining cloud accessibility, enterprises are increasingly adopting hybrid and multi-cloud infrastructures that combine on-premise data centers with public cloud technologies. Hybrid cloud computing solutions will continue to play an important role in the IT Services industry as organizations are placing greater emphasis on implementing secure data platforms. [2]

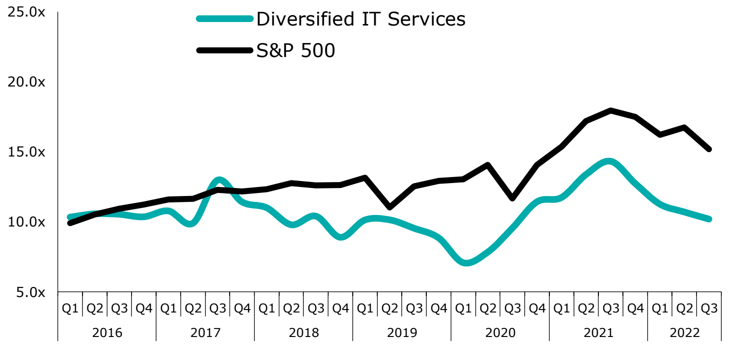
Select public comparables [3]

Company Name	Enterprise Value (MM)
Accenture plc	$154,921.4
Capgemini SE	$33,507.3
HCL Technologies Limited	$29,920.5
Cognizant Technology Solutions	$28,530.6
Wipro	$24,630.0

Trading metrics [4]



Historical EV/EBITDA multiples [4]



Hardware

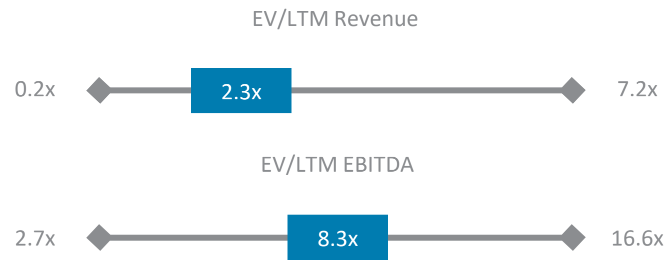
Sector trends

- Specialized Edge AI hardware allows for the deployment of AI applications in physical devices by processing and analyzing data on local networks, removing the need for internet or cloud connection. Edge AI hardware is critical in developing new technologies for robotics, autonomous driving, and renewable energy grids, and is expected to grow at a 19% CAGR until 2030.[(1)]
- Over the last five years, developments in AR/VR hardware has resulted in headsets that offer users an enhanced experience with seamless cloud integration. The technology is beginning to provide meaningful consumer and commercial use cases, with the list of applications growing at a fast rate. [(2)]

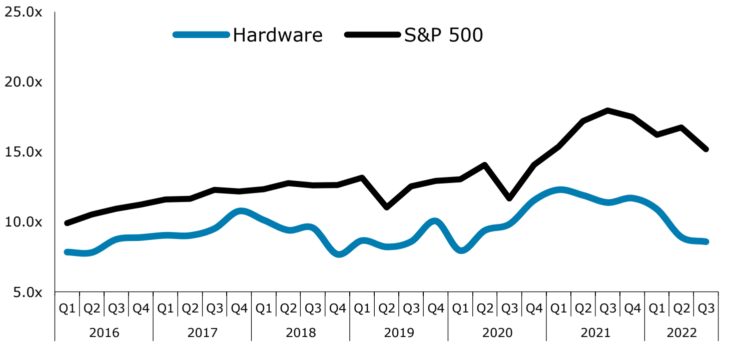
Select public comparables [(3)]

Company Name	Enterprise Value (MM)
Apple, Inc.	$2,184,348.9
Samsung Electronics Co., Ltd.	$170,148.2
International Business Machines	$151,563.9
Intel Corporation	$112,741.6
Applied Materials, Inc.	$72,793.1

Trading metrics [(4)]



Historical EV/EBITDA multiples [(4)]



Traditional Media

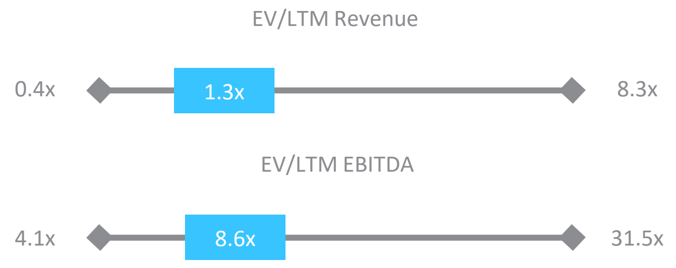
Sector trends

- With large audiences shifting their media consumption to streaming platforms, traditional cable companies have struggled to maintain subscribers. In order to retain subscribers, they plan to prioritize their selection of live sports broadcasts. Despite this, traditional cable subscriptions are expected to decrease 7.2% this year to 66.4M households, while the streaming market is expected to grow at a CAGR of 12% from 2022 to 2025. [1][2]
- Top streaming companies disrupted the film industry by implementing AI to produce recommendations to its users. With AI producing 40% more accurate recommendations, traditional movie studios have followed suit, and moving forward, AI will become an important component of the film industry.

Select public comparables [4]

Company Name	Enterprise Value (MM)
Thomson Reuters Corporation	$53,548.0
Fox Corporation	$19,531.1
Omnicom Group, Inc.	$16,008.1
News Corporation	$11,030.1
The New York Times Company	$4,311.1

Trading metrics [5]



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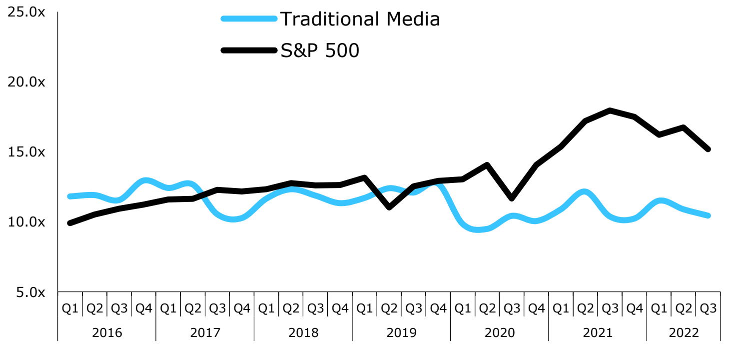


Telecommunications

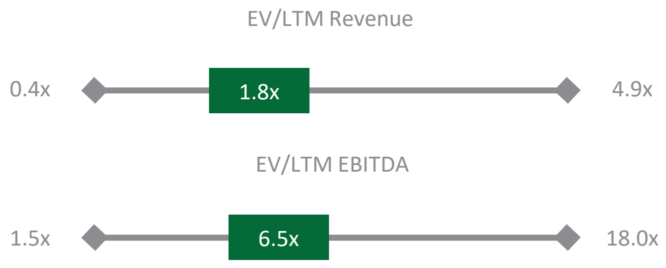
Sector trends

- The USDA (US Department of Agriculture) will be spending $759M to sponsor broadband access in rural areas under the Broadband Reconnect Program. The majority of funds will flow to smaller regional carriers. (1) These smaller carriers may prove to be attractive acquisitions of larger national providers, as consolidation continues in the space.
- Many ISP (Internet Service Providers) are facing costs on rural internet projects that have far outpaced inflation at nearly two times their original budget. (2) These costs were driven by higher wage and materials costs. More funding to rural development of fiber and broadband may be necessary to meet planned milestones.
- Telecom companies have been looking to cost management rather than increasing prices to fight inflation. Providers will have to balance managing costs while not failing behind on the deployment of 5G infrastructure. (3)

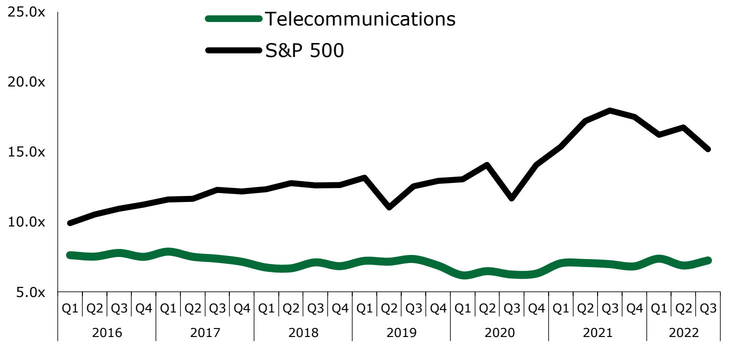
Select public comparables (4)

Company Name	Enterprise Value (MM)
Verizon Communications Inc.	$335,955.2
AT&T Inc.	$259,380.5
Comcast Corporation	$221,368.3
Softbank Group Corp.	$79,826.5
América Móvil, S.A.B. de C.V.	$79,652.2

Trading metrics (5)



Historical EV/EBITDA multiples (5)



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Deloitte.

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