CALABASAS CAPITAL

ACG® 101 Corridor

Association for Corporate Growth

SaaS Industry Panel

How AI and ML will Power Next Generation SaaS

September 20, 2023

- **Focused on Entrepreneur / Family controlled growth companies with $10M+ Revenue / $2M - $8M EBITDA in sectors we know well**
- **Senior team with strong experience in M&A and private placements and operating roles in PE and VC backed companies**
- **Expertise in target sectors and connectivity with management of established and emerging market leaders and their financial sponsors**
- **Roll-up our sleeves partners in the process with proven ability to maximize value and terms and close the transaction**

Mergers & Acquisitions

- Sell-side M&A
- Buy-side M&A
- Divestitures

Capital Raising

- Private Equity
- Senior
- Subordinated Debt
- Venture Capital

Industry Focus and Expertise

Consumer
- Retail/Restaurants
- Food & Beverage
- E-Commerce
- CPG

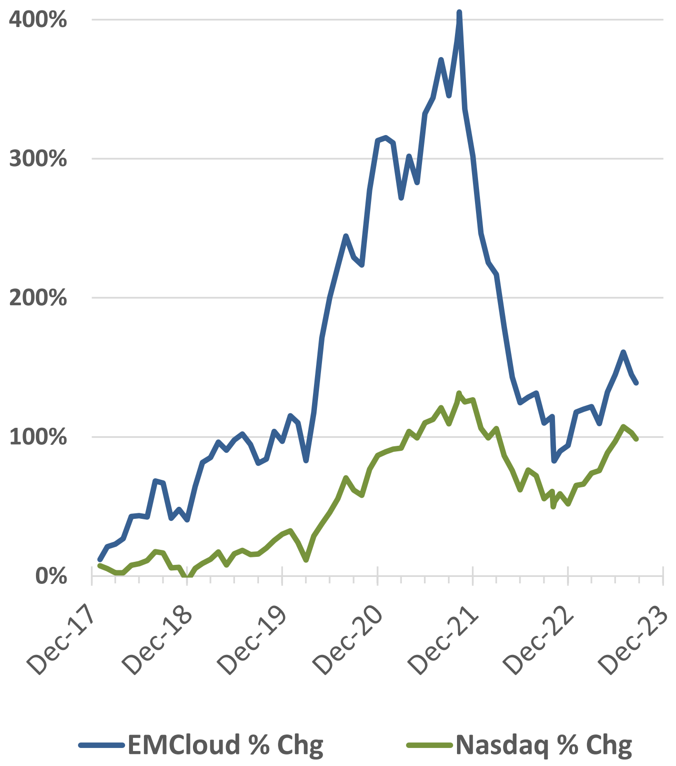
Industrial / Bus. Services
- Manufacturing
- Packaging
- Business Services
- Marketing/Media

SaaS / Technology
- SaaS/Software
- Cybersecurity
- IT Enabled Services
- Industrial Tech

A&D / Government
- Parts & Components
- Defense / Space Tech
- MRO & Logistics
- Govt. / IT Services

Dawn of a New Day

2022 "SaaSacre"

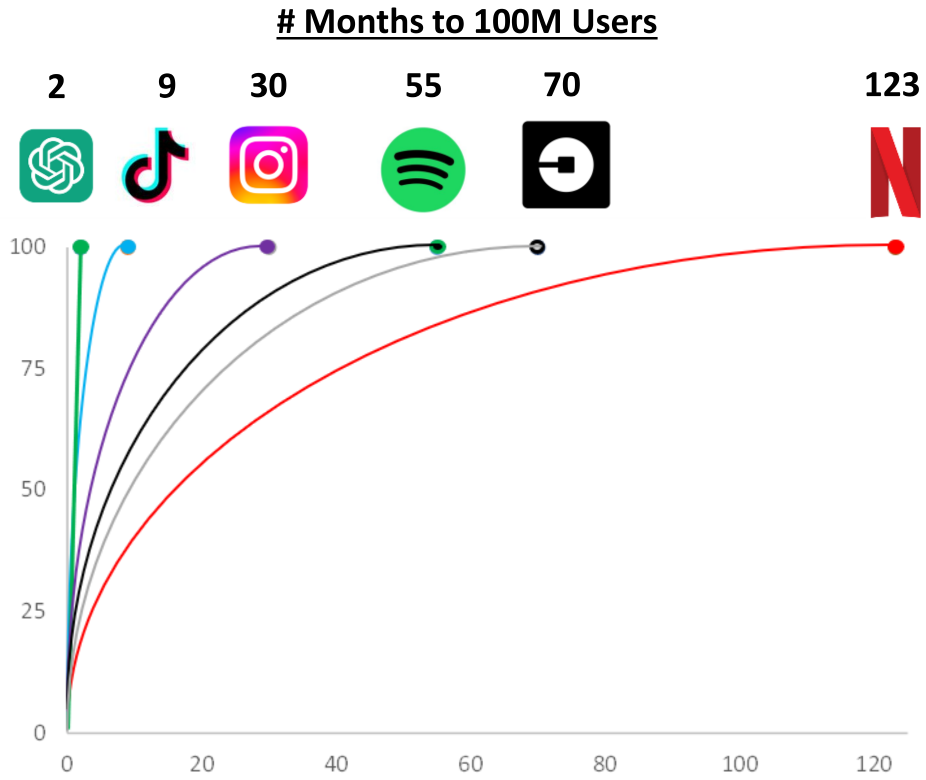


EMCloud Peak to Trough -64%

Recovery:
EMCloud ≈ 31%
Nasdaq ≈ 32%

2023 Fastest Ever App to 100M Users

ChatGPT



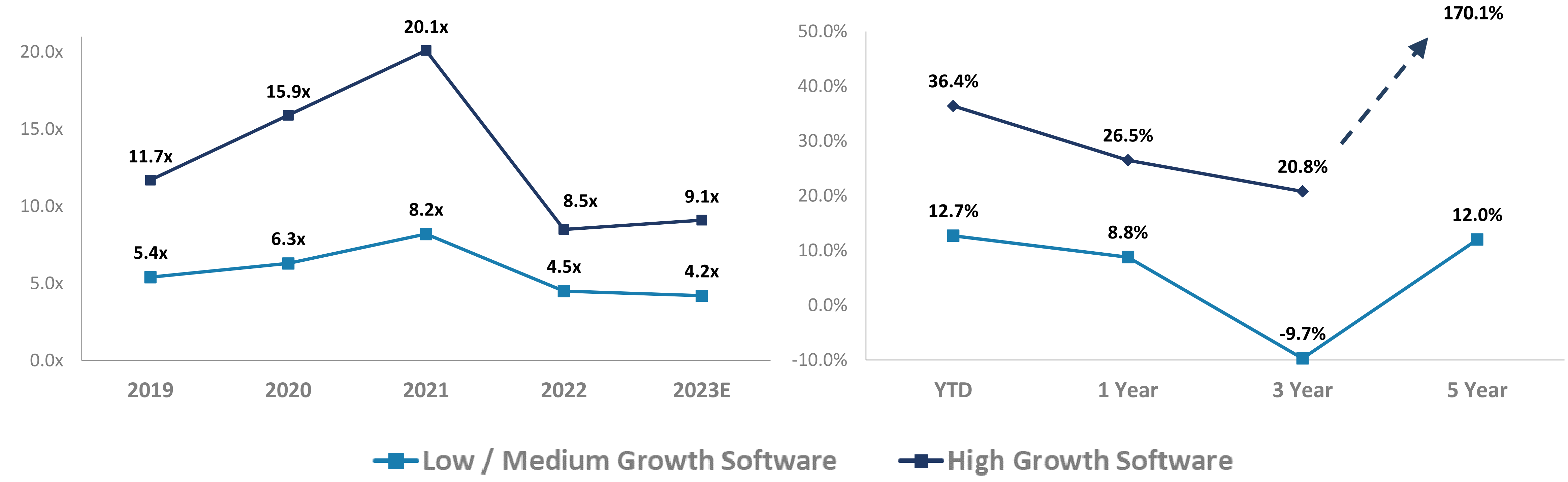
Source: BVP Nasdaq Emerging Cloud Index [EMCLOUD] tracking emerging public companies primarily involved in providing cloud software, Bessemer VP as of 8/18/2023.

Public Software Co. Valuations – Efficient Growth Drives Value

- 2021 an anomaly | 2022 multiples corrected | 2023 rewards growth and profitability

Median EV / Revenue by Growth

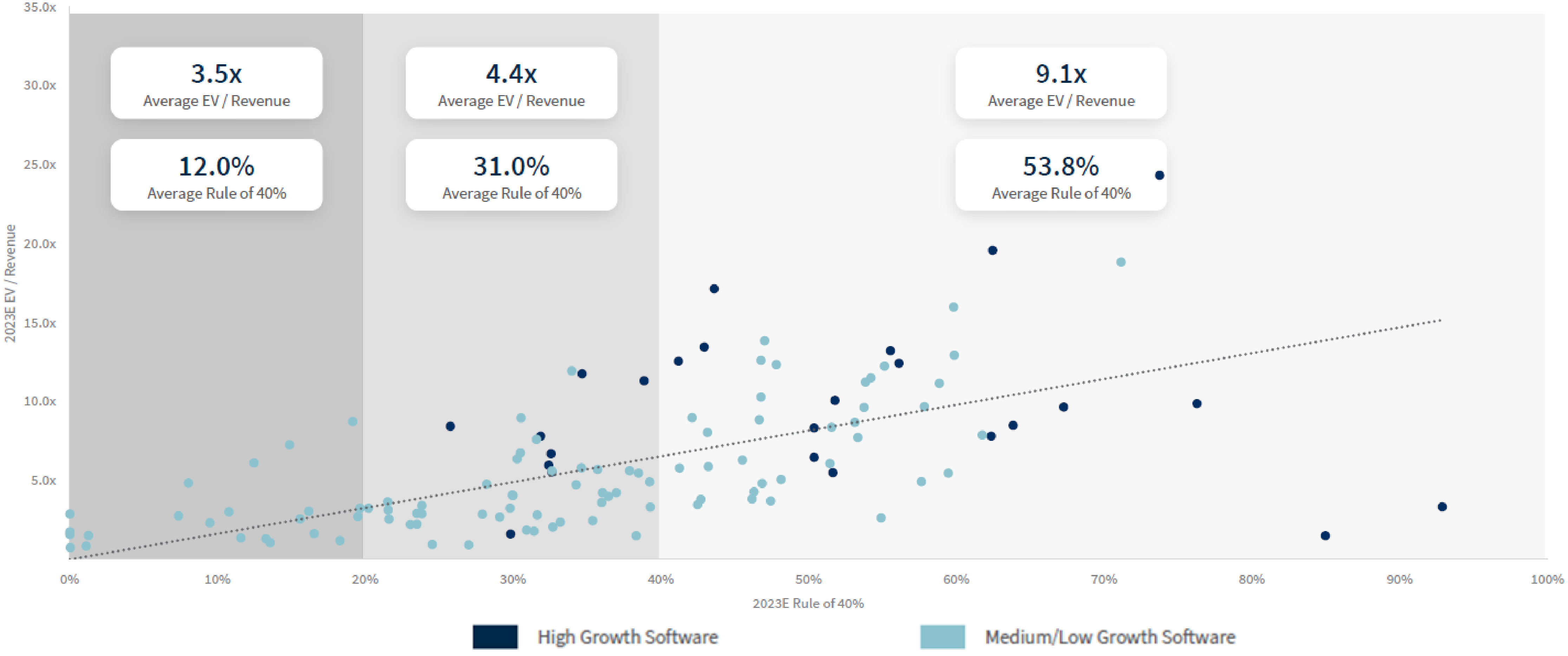
Relative Stock Performance



Source: Raymond James, Capital IQ as of market close on August 31, 2023, data represents median performance

Growth AND Profitability Drives Higher (> Double) Valuation

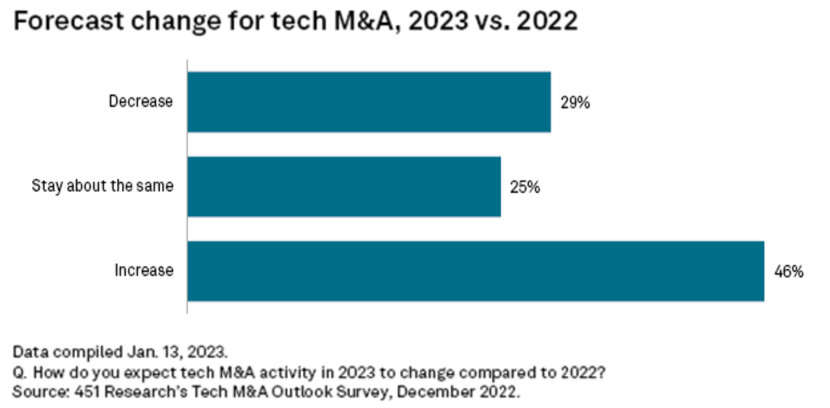
Valuation Framework: The Rule of 40%

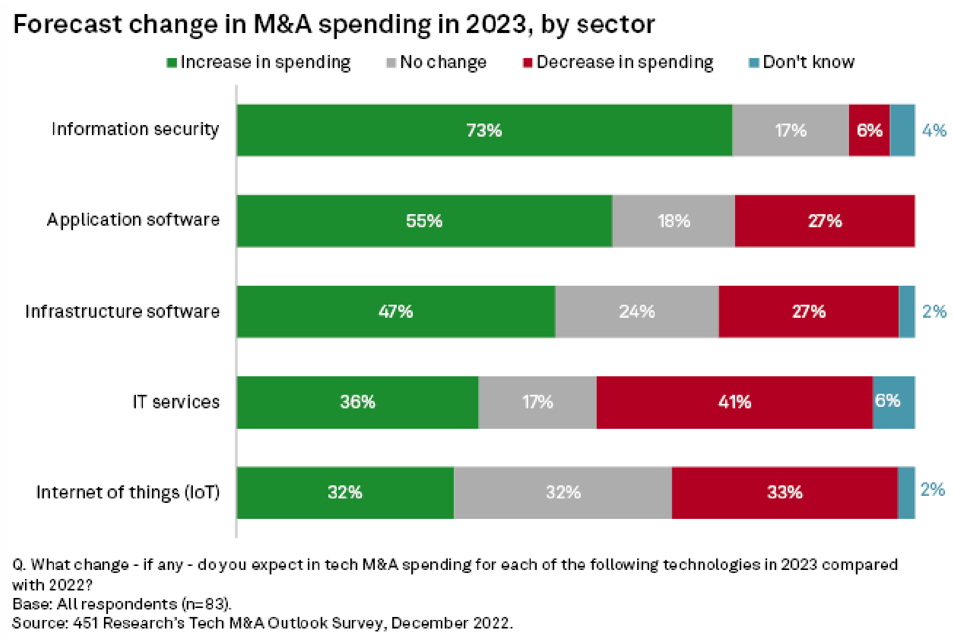


Source: Raymond James, Capital IQ as of market close on August 31, 2023. Rule of 40% calculated as revenue growth + EBITDA margin.

Software M&A Outlook Continues to be Positive

- While Tech M&A dropped sharply in late 2022, dealmakers believed business would pick back up in 2023, according to 451 Research's annual M&A Outlook Survey
- Software and Security expected to receive largest increase in M&A spending in 2023

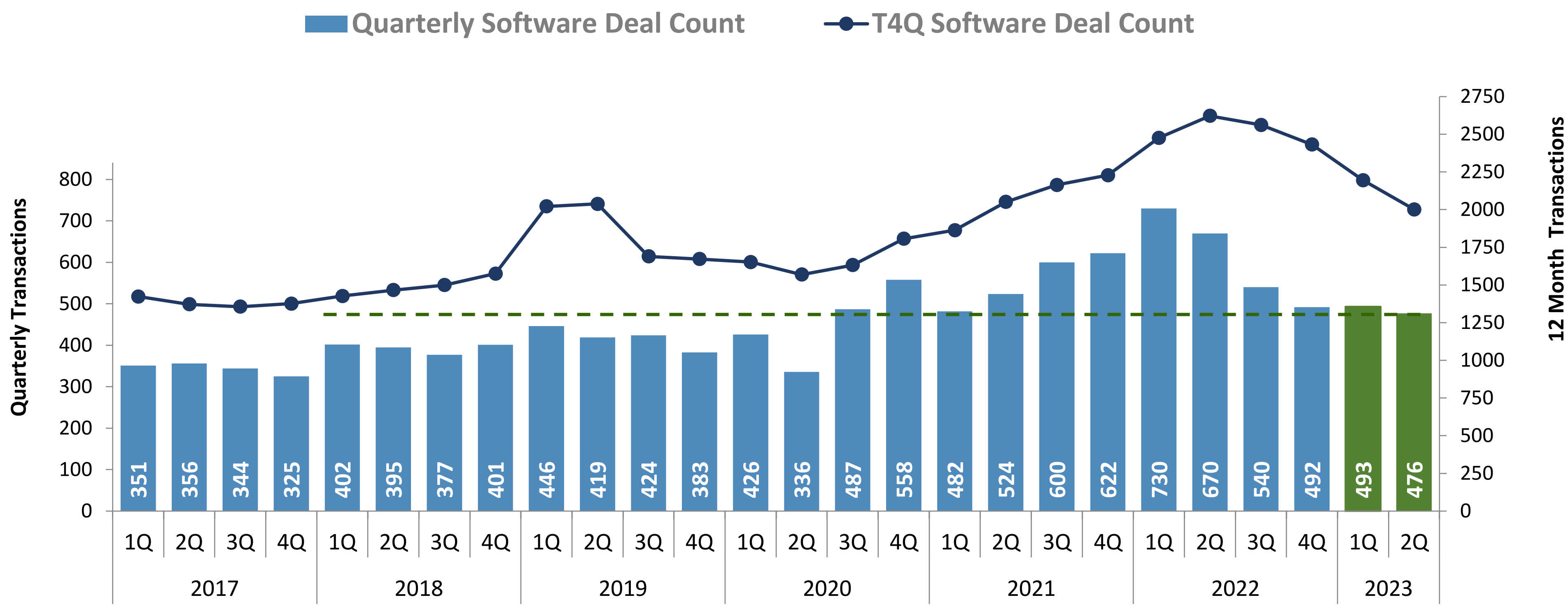




Source: S&P Global Market Intelligence (February 1, 2023)

Global Software M&A – Q Deal Count "Normalizing"

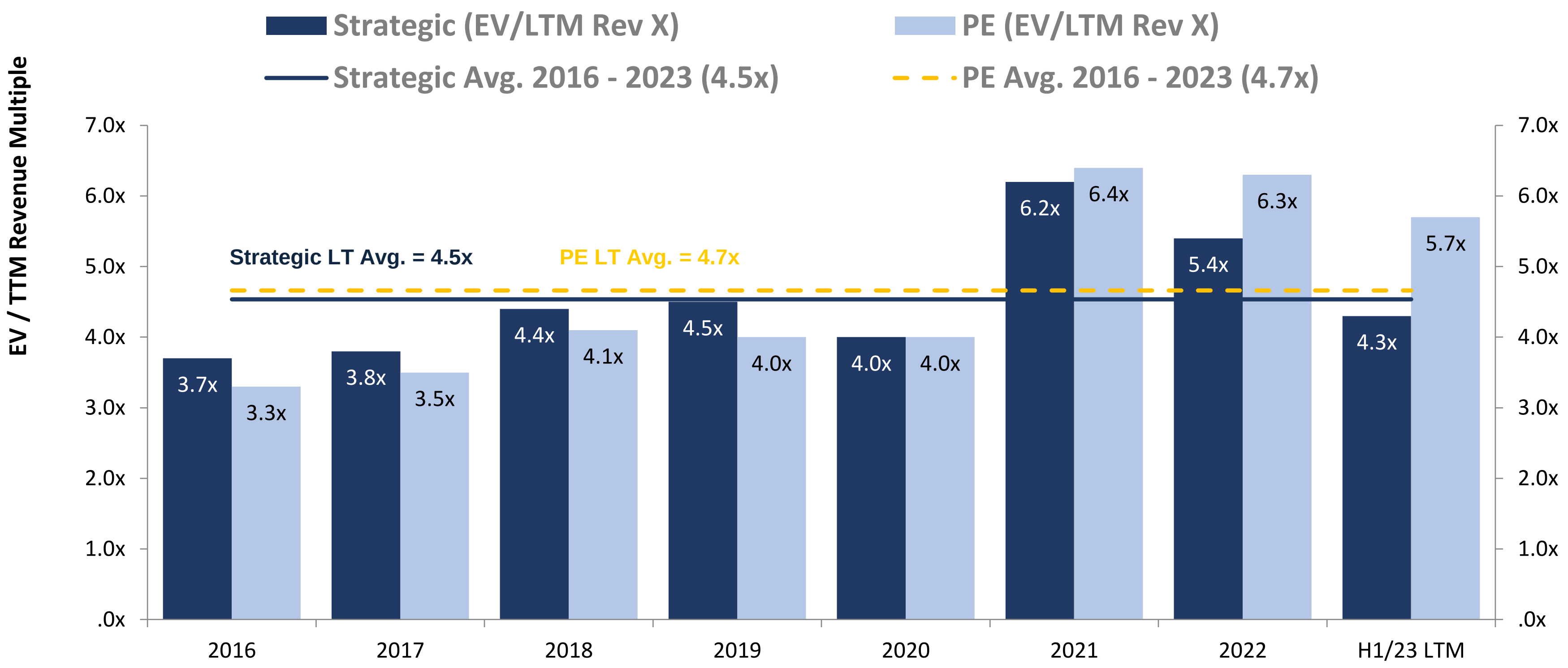
- Q2 2023 deal count was 29% lower than Q2 2022 however, just 2% below 2018-Q2 2023 Avg. (486) and 5% below LTM Avg. (500)



Source: 451 Research as of June 30, 2023.

Global Software M&A Multiples

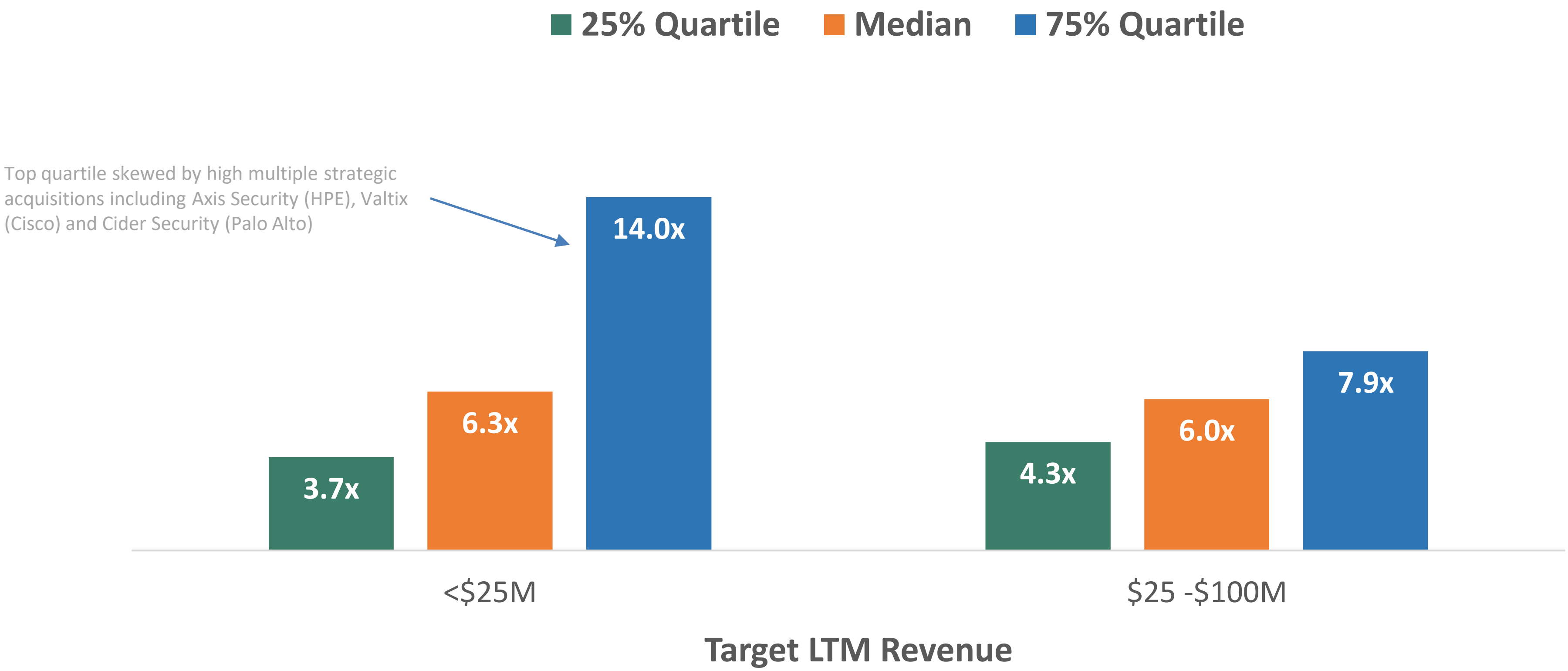
- PE platform buyers and increase in take-private drive PE deal X to exceed public strategics
- Strategics typically more selective on higher deal X assets – back to long-term averages



Source: 451 Research as of June 30, 2023. Annual Median Revenue Multiples. EV = Market Capitalization + Total Debt - Cash; LTM = Last 12 Months PE deals include acquisitions made by PE-backed strategics.

SaaS M&A Multiples Show High Std. Dev.

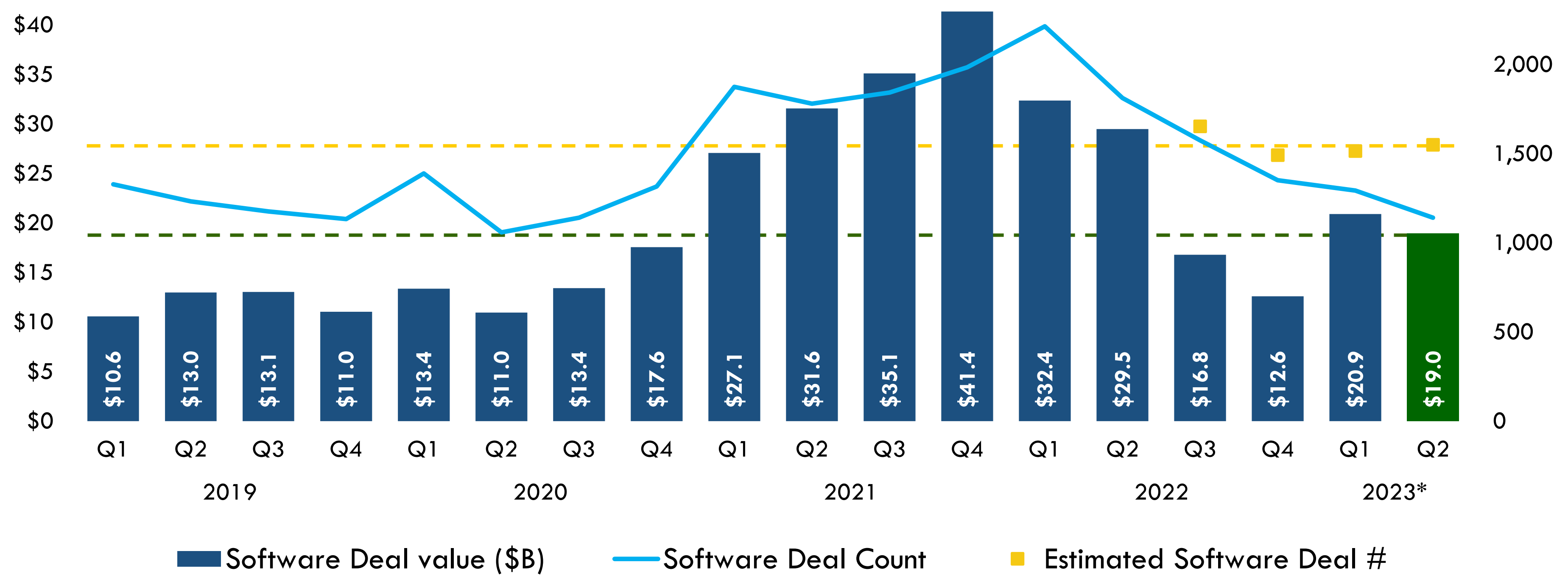
- 75% quartile revenue X’s are approx. double or more 25% quartile X’s



Source: 451 Research as of June 30, 2023. Selected transactions based on i) target company with SaaS business model; ii) transaction announced between 6/3021 and 6/30/23; iii) disclosed EV/LTM Revenue; and iv) excluding SPAC transactions

Q2 Software Financing – Historically Very Solid

- Q2 investment of $19B and 1,550 est. deals only exceeded by 2021 and H1 2022

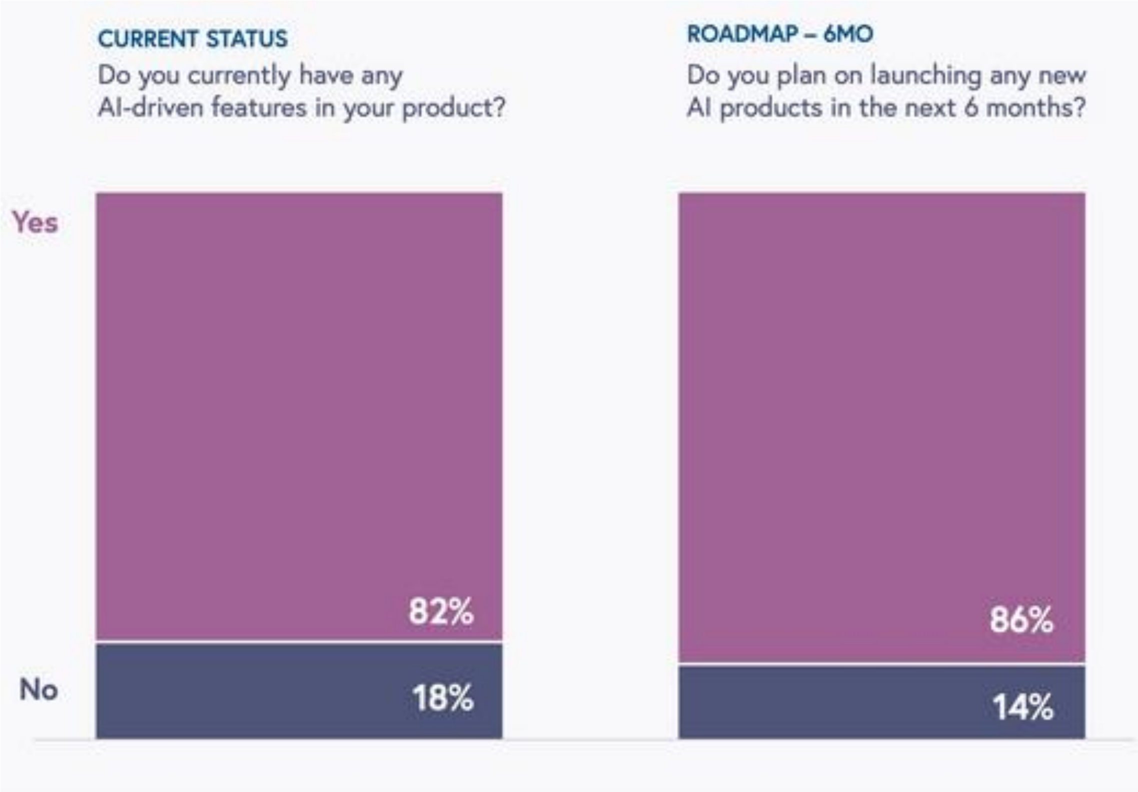


Source: PitchBook as of June 30, 2023

AI is Already Reshaping the Majority of SaaS Products

Q. AI Features by the End of 2023?

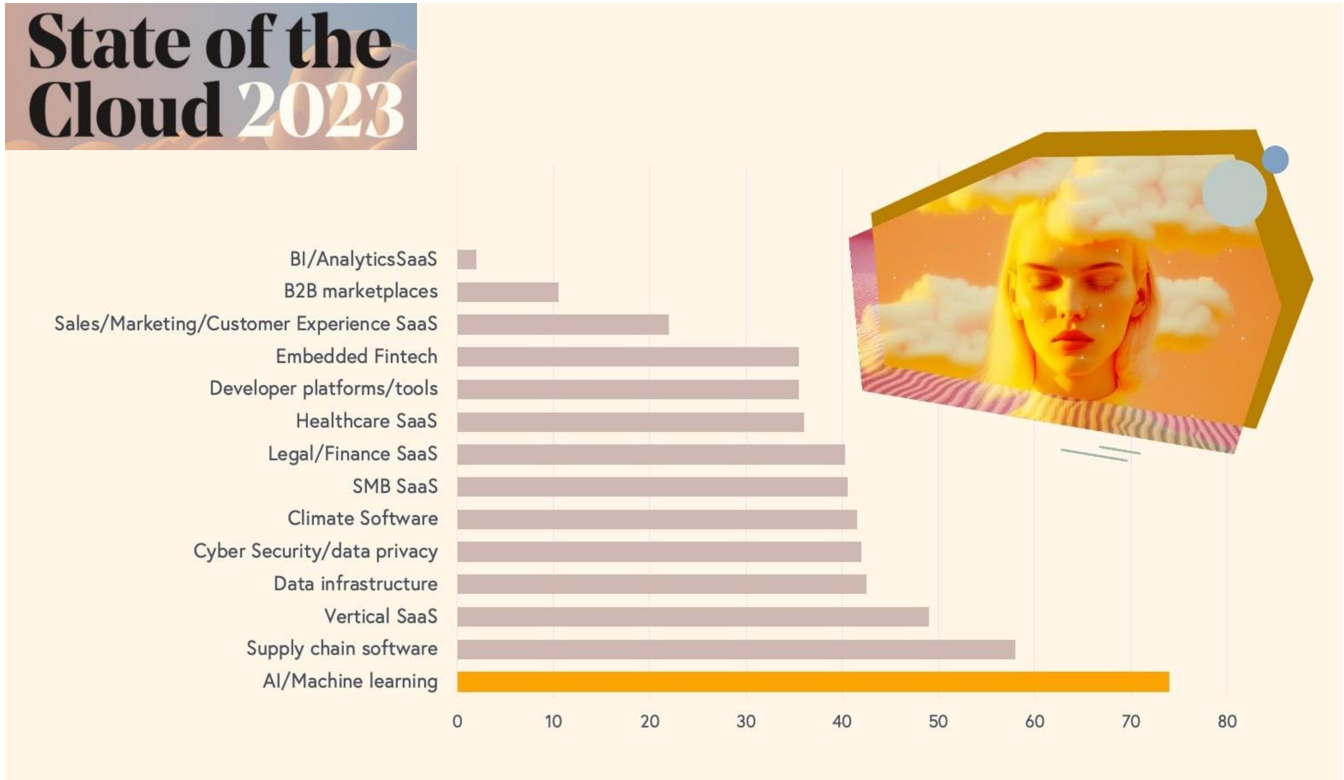
- **A1 - Leading Private SaaS Co. = 86%**
- **A2 - Leading Private Enterprise SaaS Co. = 100%**



Source: Bessemer VP Visualizing the Private Cloud Market in 2023 (8/6/2023), a survey of 405 cloud companies.

Cloud Economy and SaaS Investor Trends

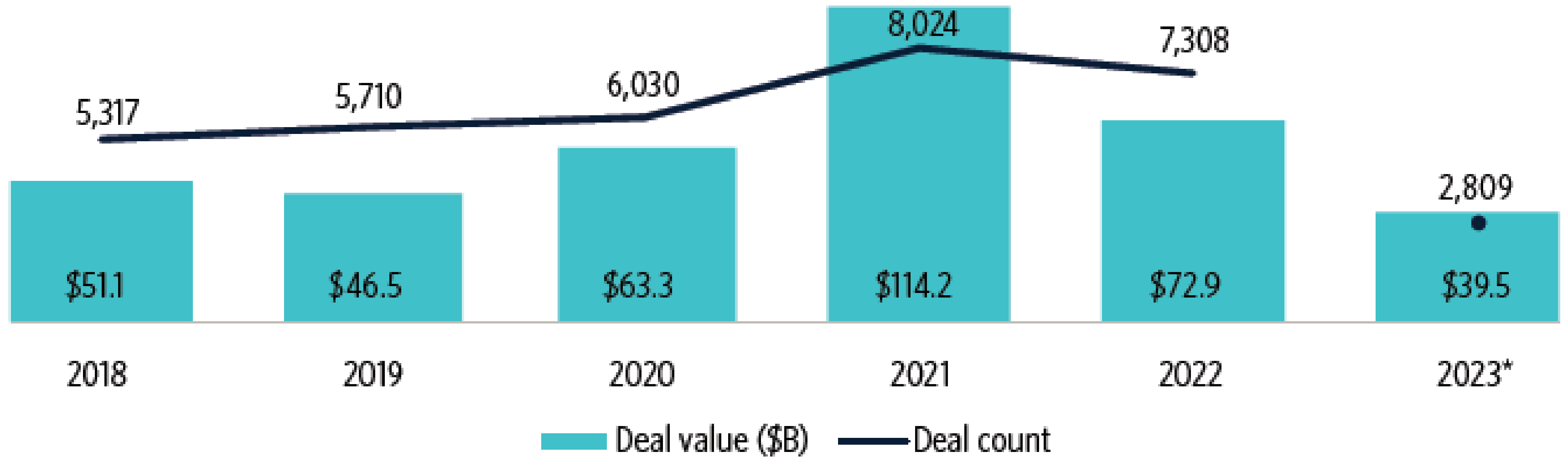
SaaS Investor Sentiment: Most enthusiastic about AI/ML for both AI native businesses and SaaS Applications



Source: Bessemer Venture Partners, State of the Cloud 2023 (April 2023). Bessemer's Sentiment Score measures investor enthusiasm across the cloud ecosystem.

AI & ML Global VC Deal Activity

- Deal value rebounded in Q2 with $19.4B after Q1 low (excluding OpenAI's $10B)
- Deal count down 5% in Q2 with1,365 transactions
- Median pre-money valuations in H1 2023 were up (8% - 30%) over 2022

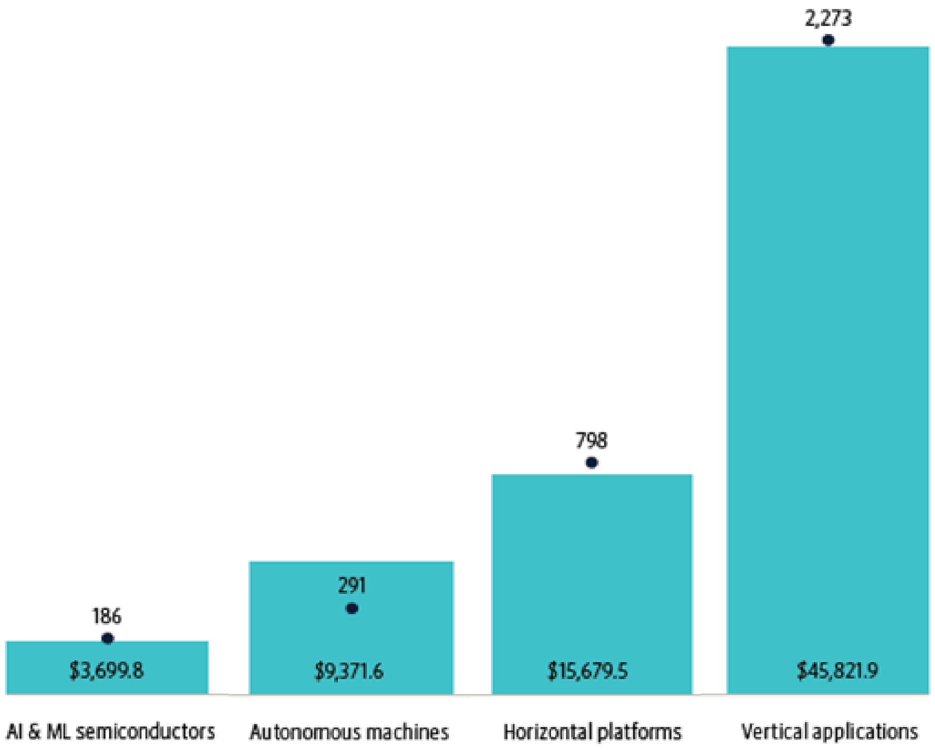


Source: PitchBook, Q2, 2023 Artificial Intelligence & Machine Learning, Geography: Global, as of June 30, 2023

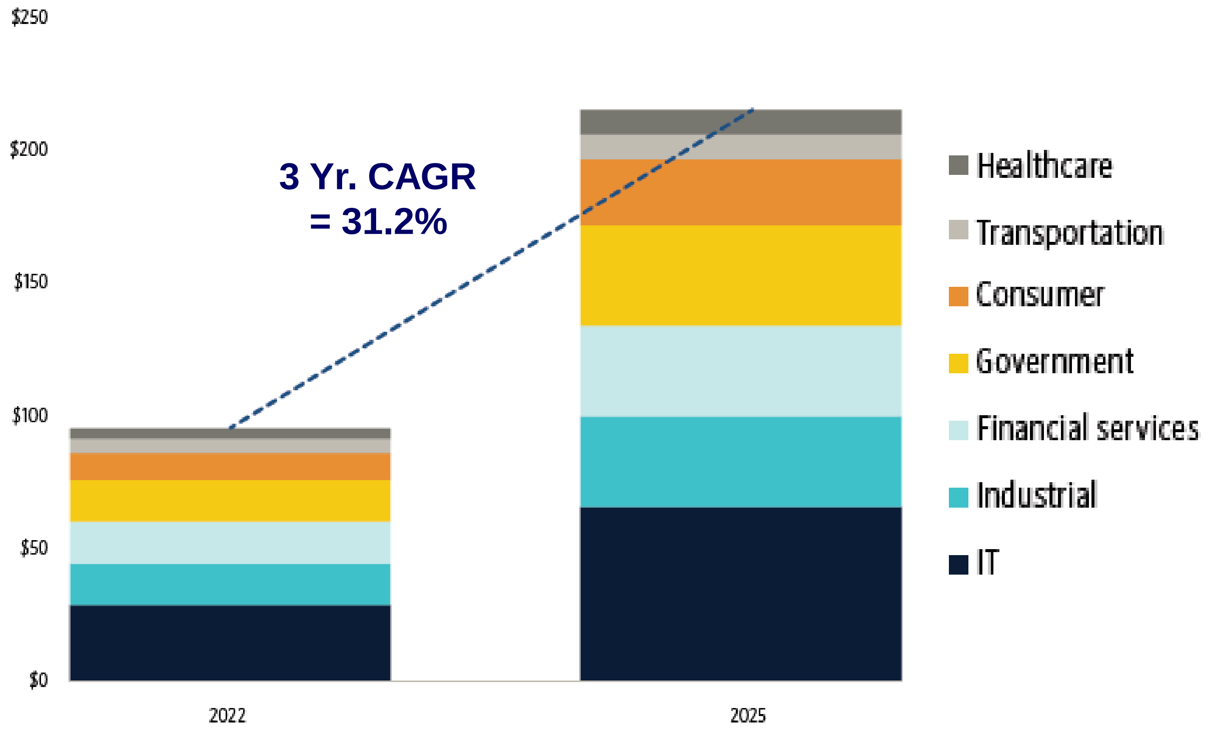
Vertical Applications in AI / ML = $212B Mkt Opportunity

- AI/ML VC in 2022 - 31% of deal count and 63% of deal value ($45.8B) pursuing Vertical Applications

AI / ML VC Deal Activity by Segment



Vertical Applications Market Size Est. ($B)

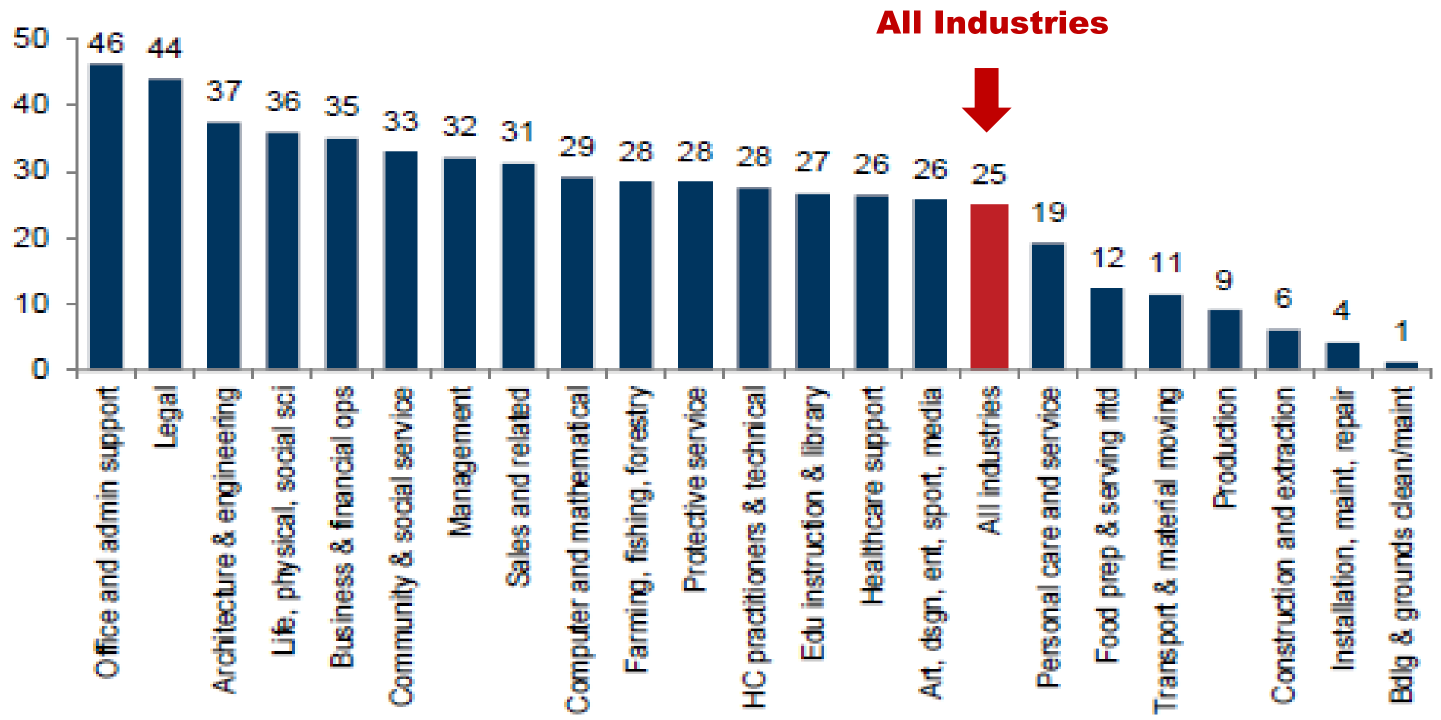


Source: PitchBook, Artificial Intelligence & Machine Learning Overview, Geography: Global, April 10,2023

AI’s potentially Large Economic Impact

- 25% of all Work Tasks in the US could be automated by AI (Office 46% / Legal 44% / Financial 35%)

Share of Industry Employment Exposed to Automation by AI in the US (%)



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Source: Goldman Sachs Global Investment Research (Issue 120 July 5, 2023) GENERATIVE AI: HYPE, OR TRULY TRANSFORMATIVE.

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