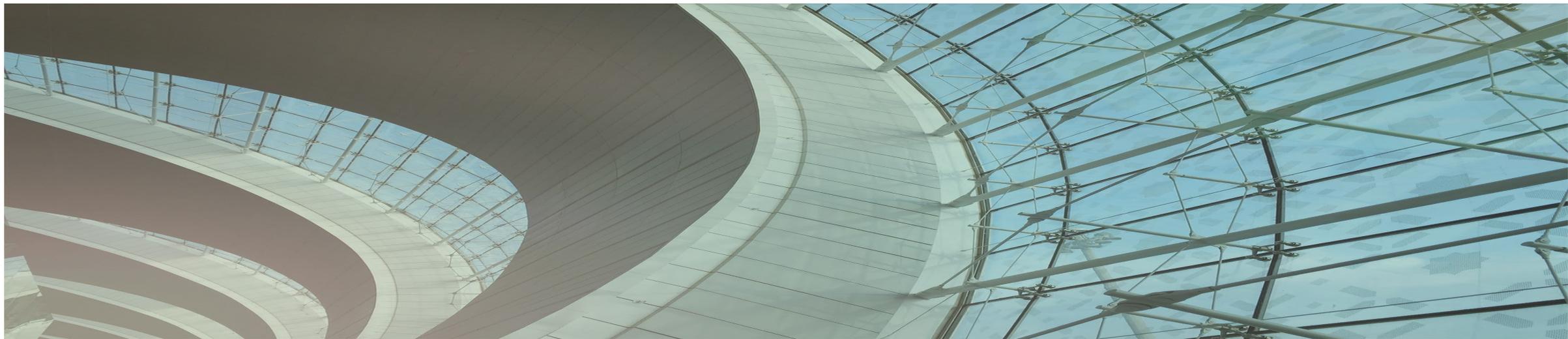


Software and the Rise of ARR-based Financings - Webinar

April 5, 2022



Meet The Panellists



Chris Brooks
Managing Director
London



Scott Twibell
Managing Director
New York



Justin May
Managing Director
Chicago



Xenia Sarri
Managing Director
London



Richard Olson
Managing Director
London

Transaction structures & case studies

Xenia Sarri & Justin May



Transaction structures and fund types

Evolution of recurring revenue financings

- Diversification and innovation in the mid-market
- Growth in TMT, software in particular
- High growth, cashflow negative borrowers with subscription models are attractive to lenders

Criteria and structuring considerations

- What criteria do lenders focus on?
- What considerations are there for structuring these transactions?

Key development in terms

- Acquisition flexibility & ARR adjustments
- Covenant flip
- Transaction sizes

Recent transaction experience

Goal: *Share real-time trends from Lincoln's active and recently closed capital raise transactions in the broader TMT space*

View on Current Terms for ARR Financings and Recent Trends

- Impact of macro and global events
- Trends in ARR leverage and the impact of EV
- Growth vs. churn vs. margin
- Determining ARR (contractual / invoiced)
- Developments with covenant packages and “flipping” to EBITDA
- Other observations and takeaways from recent experience

Comparisons to Traditional EBITDA Deals

- Pricing
- ARR vs. EBITDA leverage
- Hold sizes

Q&A and close

Recent Lincoln TMT financing transactions

verdane

has acquired

papirfly.

Acquisition Financing



vertexone™

a portfolio company of

DFW CAPITAL PARTNERS

has acquired

ec **infosystems.**

Acquisition Financing



VANTAGE
DATA CENTERS

has raised pre-development financing for multiple new sites across Europe

Capital Raise



SFW
CAPITAL PARTNERS

has acquired

captify.

Acquisition Financing



TURN/RIVER

has made a strategic investment in

REDWOOD

Acquisition Financing



REVINATE

a portfolio company of

Serent
CAPITAL

has acquired

NAVIS

Senior Credit Facilities



Lincoln has a dynamic, global technology team that is experiencing significant, sustained growth

95+
TMT M&A transactions globally in 2021

14
TMT financing transactions globally in 2021

125+
Global TMT bankers