

THE NEW NORMAL IN M&A TRANSACTIONS IN THE POST-PANDEMIC WORLD

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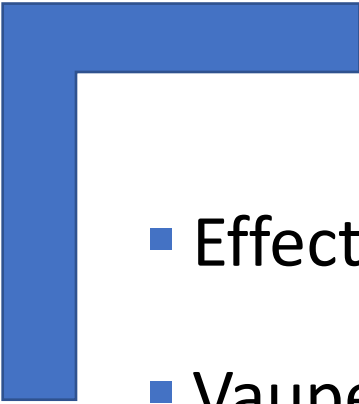



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**Update
on
M&A Market and
Covid-19 Impact**

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- Effect of Covid crisis on the M&A Deal Process
 - Vaupen Financial Advisors created a survey to poll over 300 institutional debt & private equity capital sources on how it has affected them
 - Survey consisted of 9 simple questions
 - Responses adequately covered what these sources have experienced and project will occur in 2H / 2020 and 2021
 - Findings and conclusion follow
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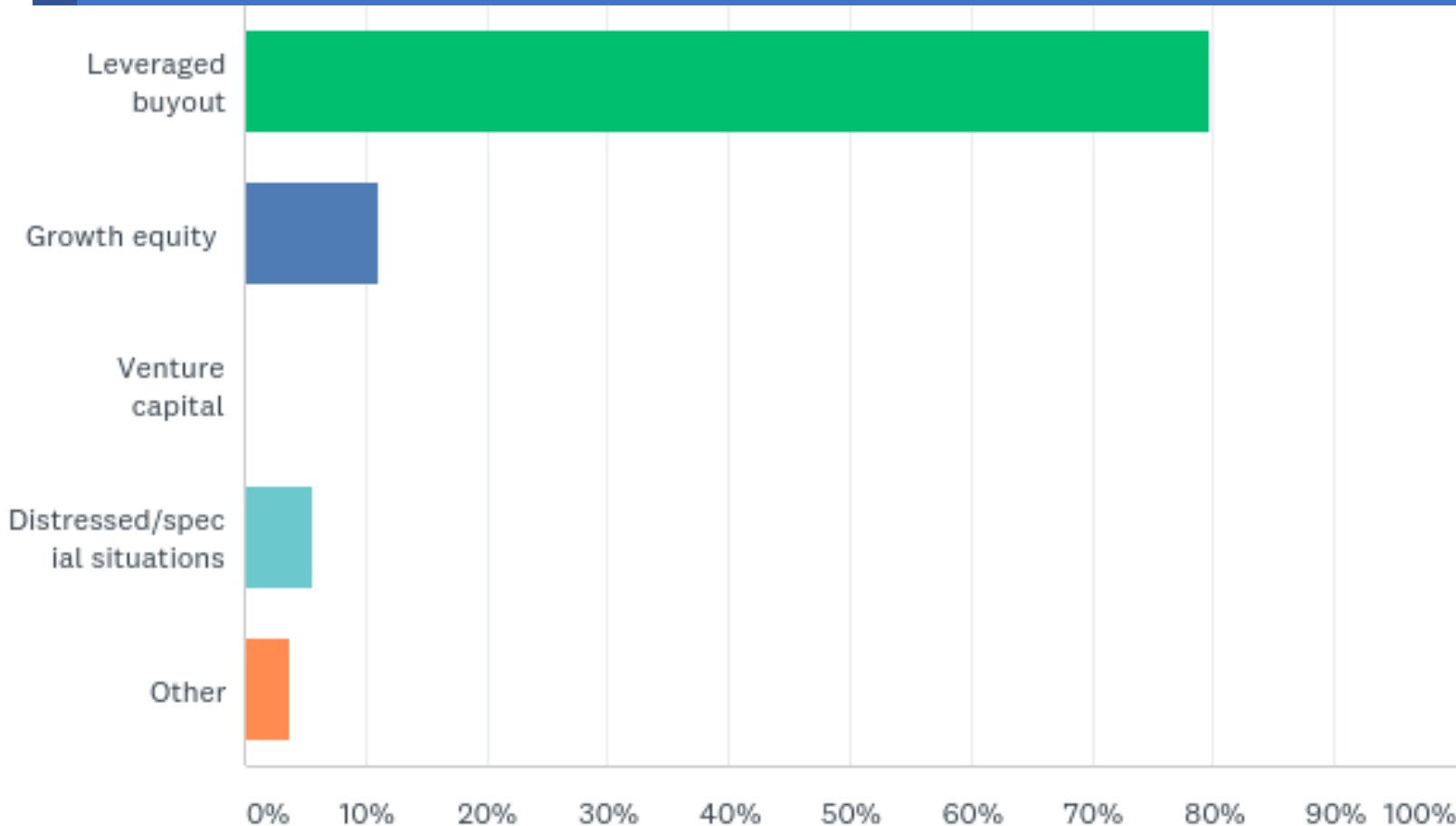


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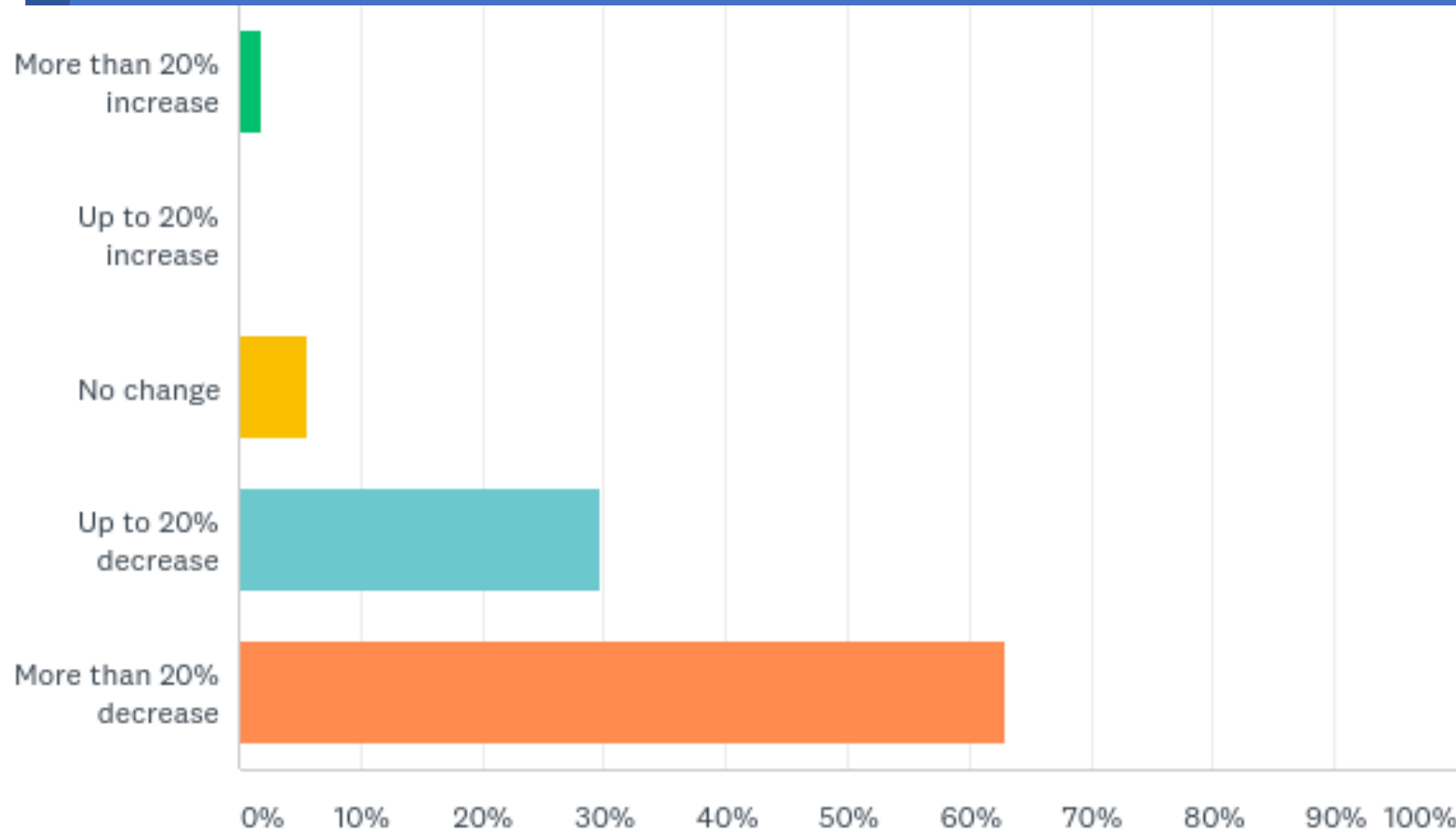
What is your primary investment strategy?



June 22-July 3 survey results

ANSWER CHOICES	RESPONSES
Leveraged buyout	79.63%
Growth equity	11.11%
Venture capital	0.00%
Distressed/special situations	5.56%
Other	3.70%

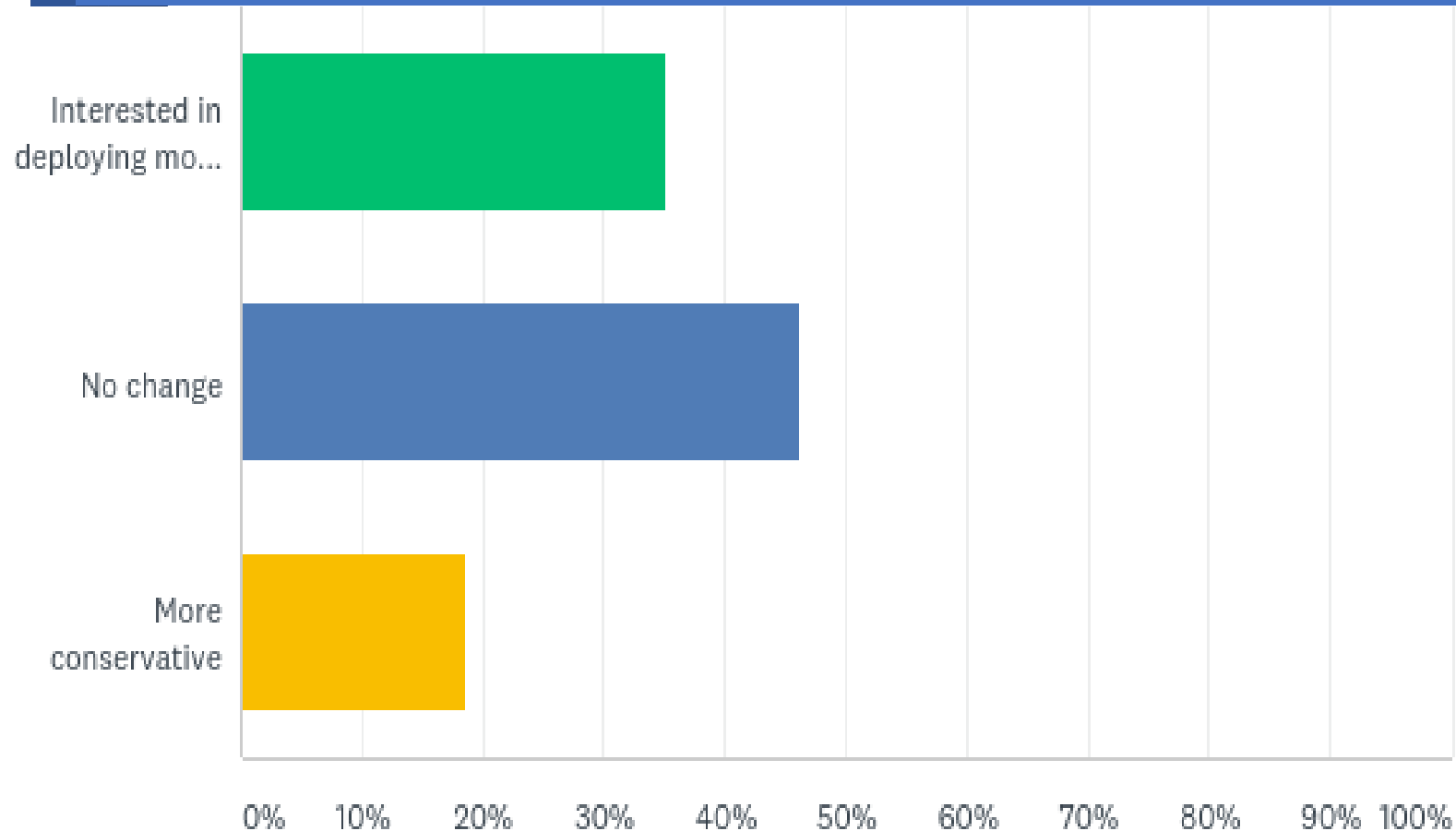
Has the Covid crisis caused a change in the amount of deal flow your fund is seeing?



June 22-July 3 survey results

ANSWER CHOICES	RESPONSES
More than 20% increase	1.85%
Up to 20% increase	0.00%
No change	5.56%
Up to 20% decrease	29.63%
More than 20% decrease	62.96%

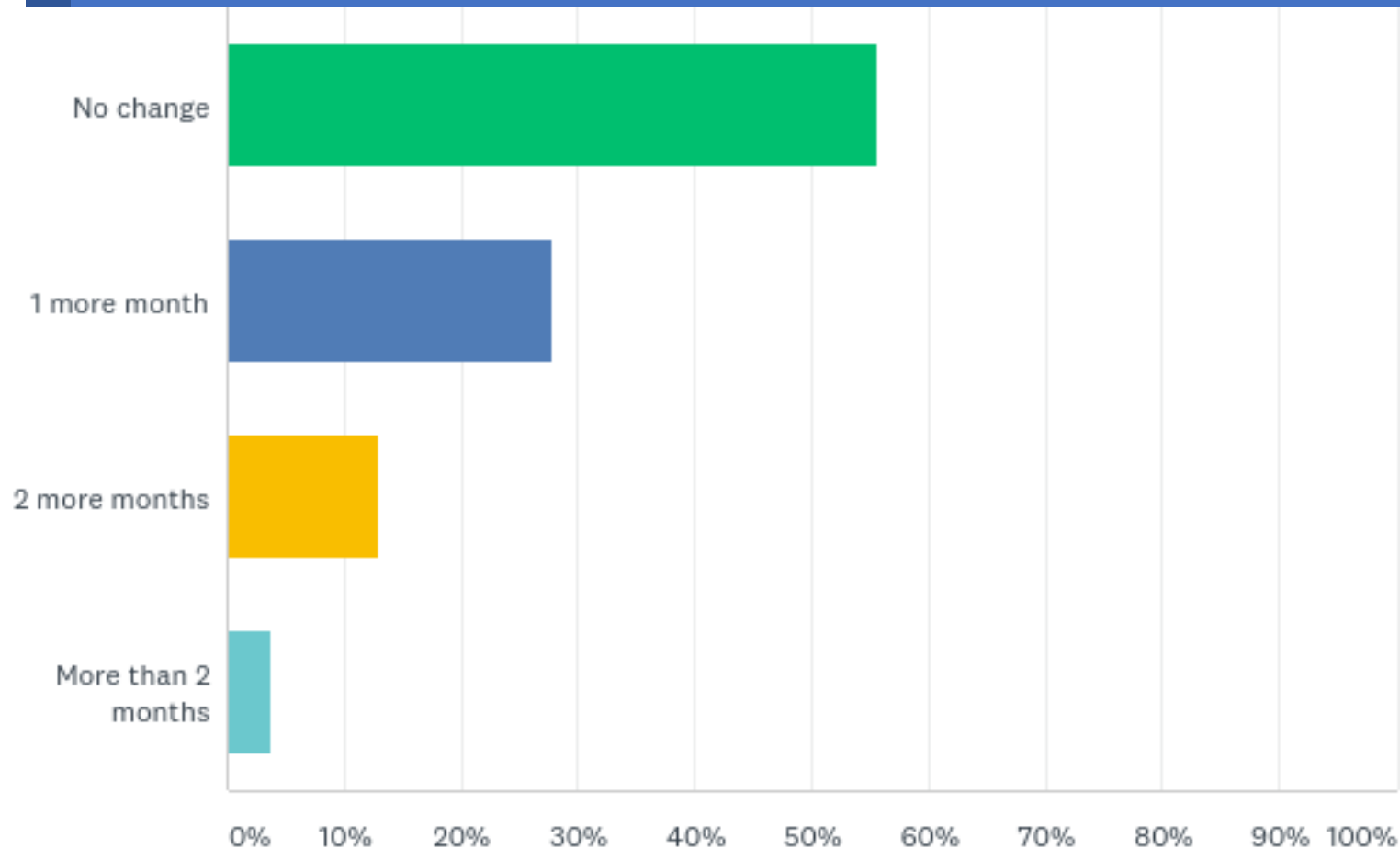
Has your fund changed their risk appetite on your investments as a result of the Covid crisis?



June 22-July 3 survey results

ANSWER CHOICES	RESPONSES
Interested in deploying more capital now	35.19%
No change	46.30%
More conservative	18.52%

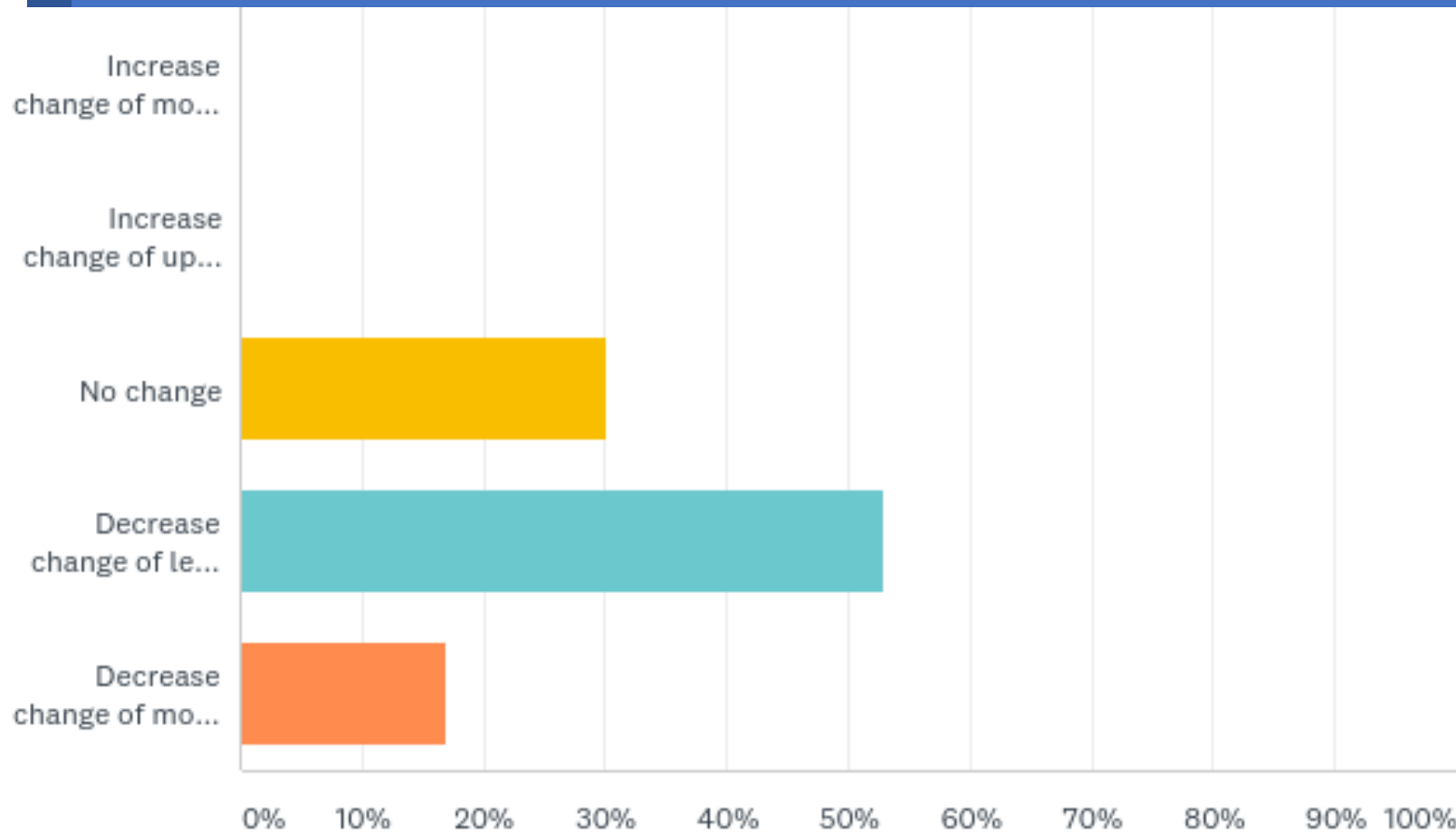
Has your fund changed the length of underwriting & diligence process as a result of the Covid crisis?



June 22-July 3 survey results

ANSWER CHOICES	RESPONSES
No change	55.56%
1 more month	27.78%
2 more months	12.96%
More than 2 months	3.70%

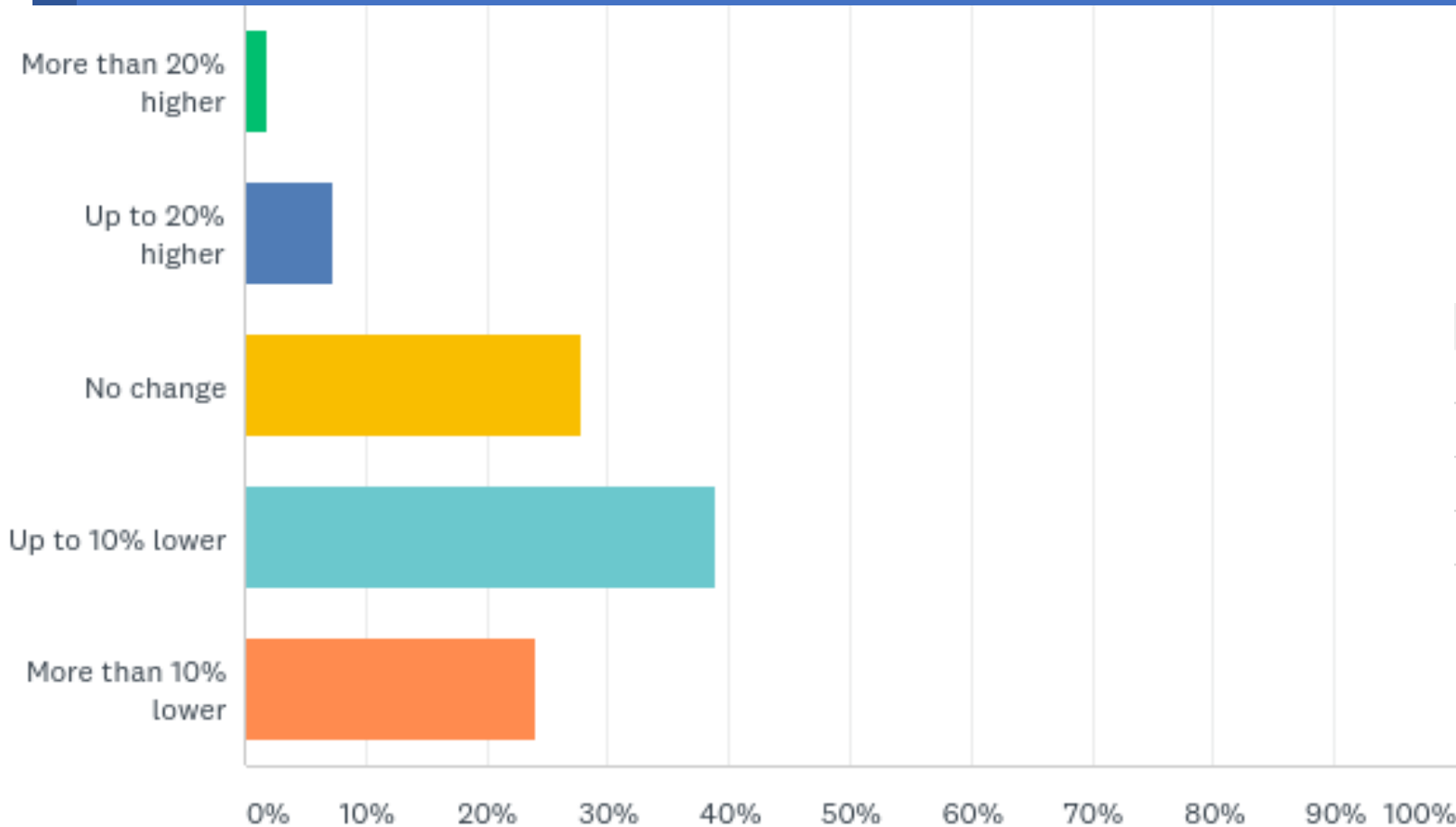
Based on deals that are currently in process, how have valuation expectations and multiples changed compared to pre-crisis levels?



June 22-July 3 survey results

ANSWER CHOICES	RESPONSES
Increase change of more than 10%	0.00%
Increase change of up to 10%	0.00%
No change	30.19%
Decrease change of less than 20%	52.83%
Decrease change of more than 20%	16.98%

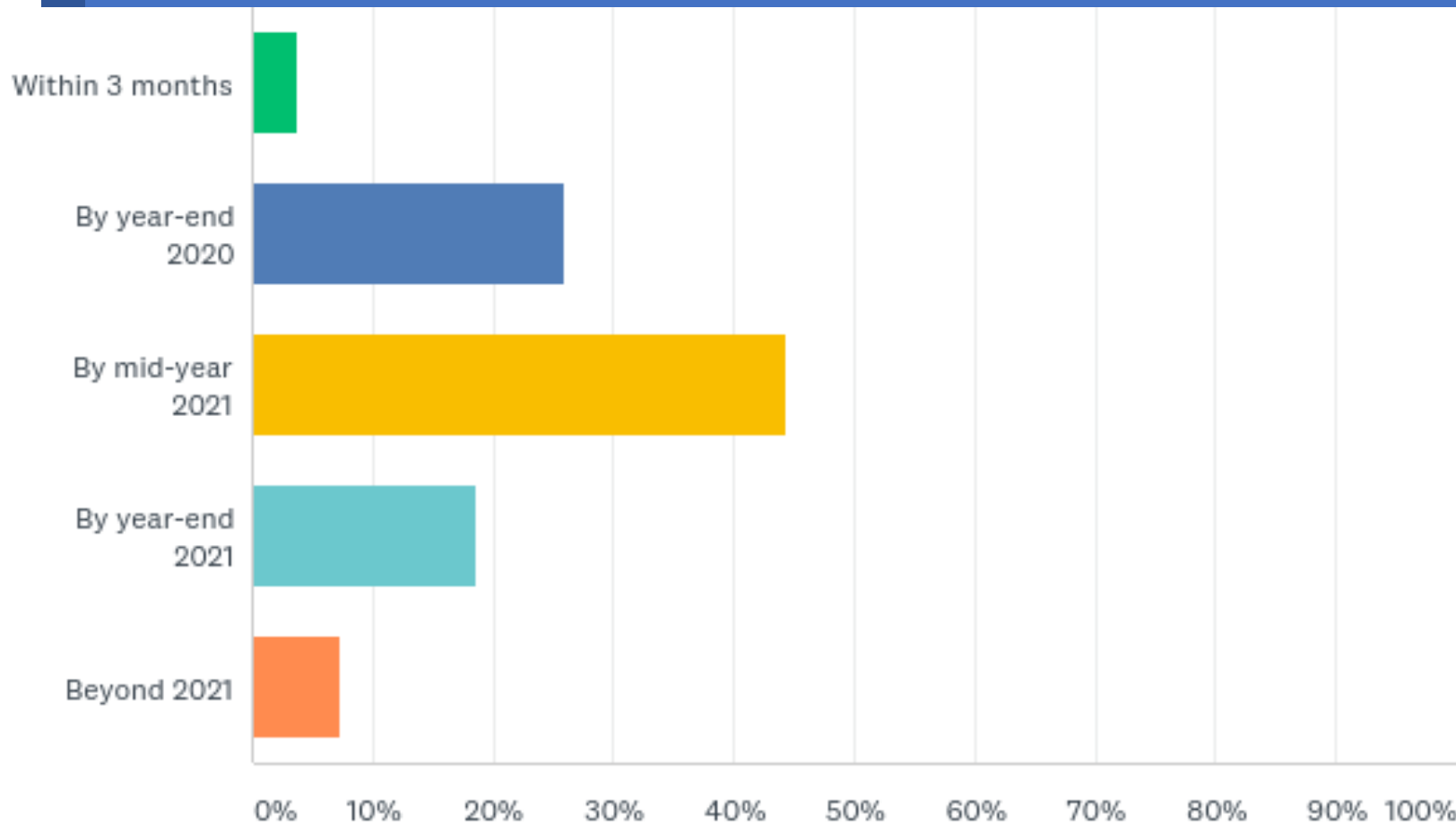
What are the fund's expectations for valuations and multiples in 2021 compared to where we are now?



June 22-July 3 survey results

ANSWER CHOICES	RESPONSES
More than 20% higher	1.85%
Up to 20% higher	7.41%
No change	27.78%
Up to 10% lower	38.89%
More than 10% lower	24.07%

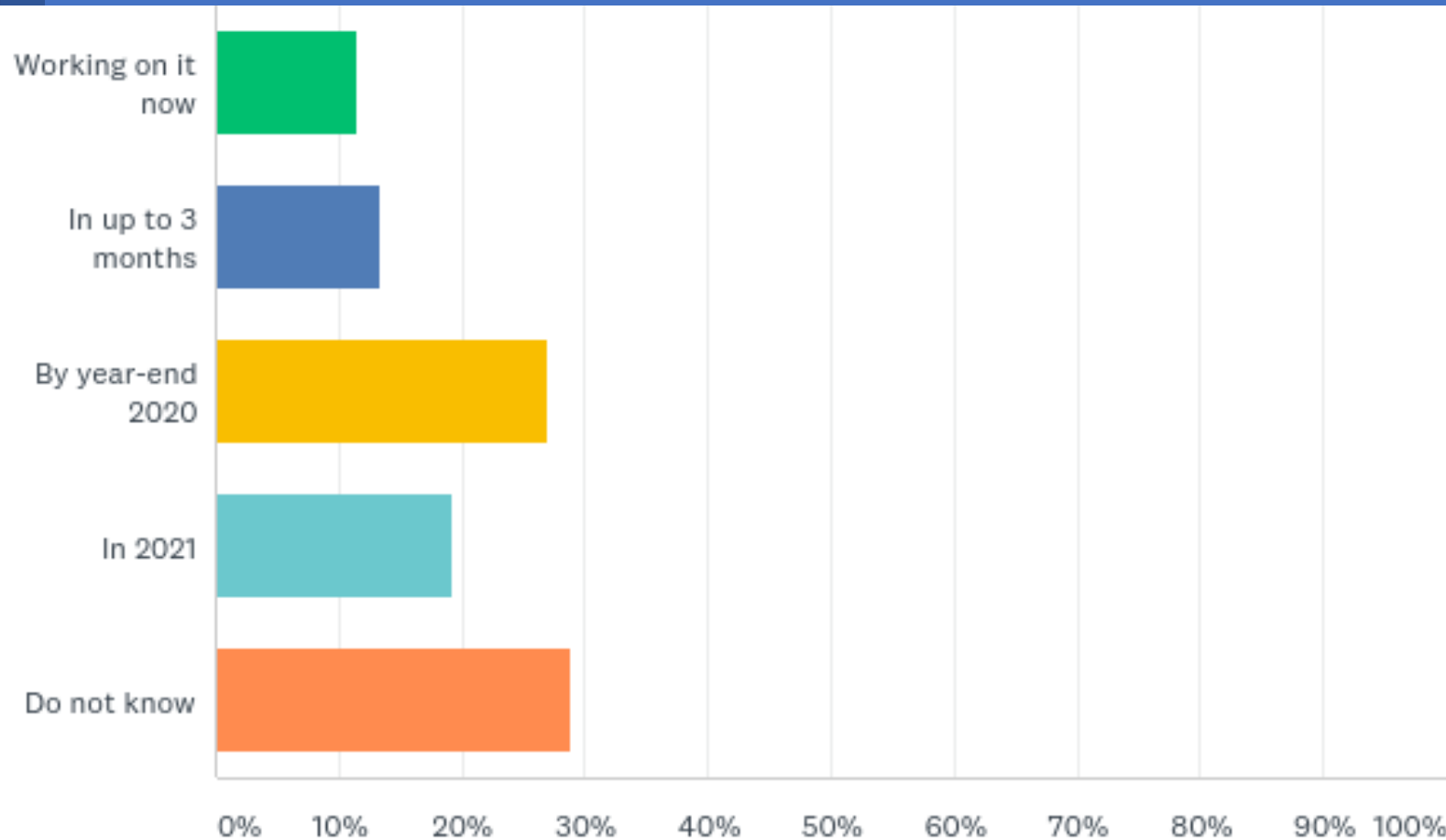
How long does your fund estimate it will take to see a transitional return to pre-Covid level of deal sourcing and investment opportunities?



June 22-July 3 survey results

ANSWER CHOICES	RESPONSES
Within 3 months	3.70%
By year-end 2020	25.93%
By mid-year 2021	44.44%
By year-end 2021	18.52%
Beyond 2021	7.41%

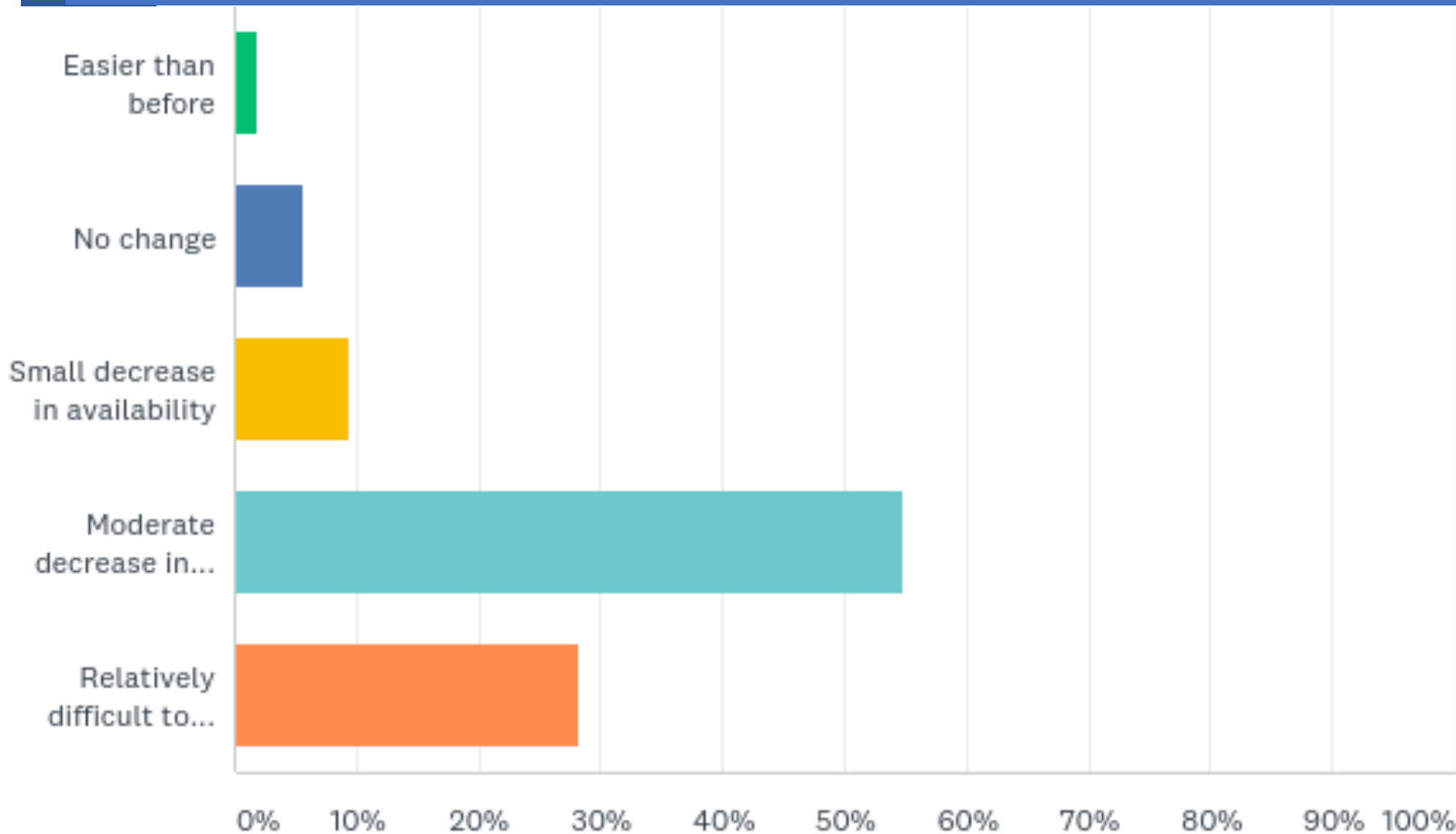
For anyone that was in the process of selling a business or was previously planning to sell a business in 1H20, when do you expect to restart a sale process?



June 22-July 3 survey results

ANSWER CHOICES	RESPONSES
Working on it now	11.54%
In up to 3 months	13.46%
By year-end 2020	26.92%
In 2021	19.23%
Do not know	28.85%

What impact have you seen regarding financing availability for leverage desired on transactions?



June 22-July 3 survey results

ANSWER CHOICES	RESPONSES
Easier than before	1.89%
No change	5.66%
Small decrease in availability	9.43%
Moderate decrease in availability	54.72%
Relatively difficult to secure financing now	28.30%

Summary

- Recap - update on Covid impact on M&A market, process and valuations
- Transition timeline to *normalization* for the M&A market
- Distressed / Special Situation Opportunities
- Should I sell my company now?