

Q1: Quarterly Industry Update

AS OF March 31, 2024



Artificial Intelligence Industry Summary

COGENT VALUATION identified publicly traded companies, IPOs, and recent M&A transactions within the Artificial Intelligence industry¹, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since March 31, 2023, the median 52-week share price return of the Artificial Intelligence industry increased from 10.3% to 28.4%, and the median YTD return was 28.4%. Between March 31, 2023 and March 31, 2024, the median EV/Revenue multiple increased from 5.32 to 7.2 and the median EV/EBITDA multiple increased from 8.24 to 14.32. The median Price/Earnings multiple increased from 5.31 to 8.52 and the median EV/Gross Profit multiple increased from 8.31 to 12.12 over the same period. The median MVIC/Earnings increased from 12.4 to 13.27. The median Price/Revenue multiple increased from 7.28 to 11.9 over the same period. ¹[Click here for a discussion and primer on AI.](#)

Public Company Key Statistics

| | | | |
|--------------------------------|---------------------------------|-------------------------------|-------------------------------|
| Median 52-Week Return | Median YTD Return | Median EV/Revenue Multiple | Median EV/EBITDA Multiple |
| 28.4% | 28.4% | 7.2x | 14.32x |
| Median Price/Earnings Multiple | Median EV/Gross Profit Multiple | Median MVIC/Earnings Multiple | Median Price/Revenue Multiple |
| 8.52x | 12.12x | 13.27x | 11.9x |

Public Company Median Multiples by Quarter

| | 3/31/24 | 12/31/23 | 9/30/23 | 6/30/23 | 3/31/23 | 12/31/22 | 9/30/22 | 6/30/22 |
|--|---------|----------|---------|---------|---------|----------|---------|---------|
| Median EV/Revenue Multiple | 7.2x | 3.2x | 3.4x | 2.7x | 5.32x | 3.2x | 2.9x | 3.0x |
| Median MVIC/Earnings Multiple | 13.27x | 11.6x | 12.7x | 13.7x | 12.4x | 12.5x | 12.2x | 13.2x |
| Median Price/ Revenue Multiple | 11.9x | 11.9x | 8.15x | 5.10x | 7.67x | 10.95x | 14.23x | 11.20x |
| Median EV/Gross Profit Multiple | 12.12x | 14.4x | 5.81x | 5.82x | 8.31x | 12.25x | 12.19x | 12.12x |
| Median Price/Earnings Multiple | 8.52x | 8.47x | 3.76x | -5.55x | 5.31 | -13.30x | -5.88x | -12.45x |
| Median EV/EBITDA Multiple | 14.32x | 12.47x | 8.27x | 3.84x | 7.34x | 11.05x | 14.30x | 11.23x |

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Price Returns as of March 31, 2024

| Company Name | Q1 2024 | 12-months 2023 | Two Year ¹ | Revenues | Gross Profit | Net Income | GP Margin |
|--|---------------|----------------|-----------------------|-----------------|-----------------|------------------|--------------|
| Endava Plc | 19.2% | -16.3% | -14.2% | \$217.75 | \$85.48 | \$49.24 | 39.3% |
| C3.ai, Inc. | 8.5% | 224.3% | -23.7% | \$266.80 | \$180.46 | (\$268.84) | 67.6% |
| Cerence Inc. | 4.1% | 65.2% | -47.7% | \$299.24 | \$199.82 | (\$357.64) | 66.8% |
| Darktrace plc | 22.9% | 23.5% | -21.4% | \$483.87 | \$433.04 | (\$2.11) | 89.5% |
| Exscientia plc | 11.7% | 21.0% | 12.0% | \$32.18 | (\$12.52) | (\$174.29) | -38.9% |
| Innodata Inc. | 32.7% | 289.0% | 27.2% | \$76.65 | \$27.40 | (\$11.24) | 35.8% |
| Informatica Inc. | -11.2% | 9.6% | N/A | \$1,933 | \$953.00 | (\$101.00) | 49.3% |
| NVIDIA Corporation | 52.3% | 175.3% | 45.4% | \$25,878 | \$14,573.00 | \$4,793.00 | 56.3% |
| SentinelOne, Inc. | -7.7% | 31.2% | -40.4% | \$477.32 | \$317.70 | (\$395.71) | 66.6% |
| Symbotic Inc. | 87.4% | 258.5% | 107.5% | \$893.13 | \$151.55 | (\$39.35) | 17.0% |
| Genesys Cloud Services | 12.9% | 11.4% | -54.1% | \$9.56 | (\$9.39) | (\$449.15) | -98.2% |
| Xiao-I Corporation | -23.1% | 25.6% | 14.3% | \$48.18 | \$30.81 | (\$5.90) | 63.9% |
| Median of Industry Public Companies | 12.30% | 28.4% | -14.2% | \$283.02 | \$166.01 | (\$70.18) | 52.8% |

[1] Calculated as the average annual return.

Industry Initial Public Offerings – Artificial Intelligence (dollars in millions, except share prices)

| Effective Date | Company Name | Offer Price | Shares Offered | Amount Raised | Total Assets ¹ | Debt ¹ | LTM Revenue ¹ | LTM EBITDA ¹ | LTM Net Income ¹ | LTM Cash Flows ¹ |
|----------------|--|-------------|----------------|---------------|---------------------------|-------------------|--------------------------|-------------------------|-----------------------------|-----------------------------|
| 2/13/24 | nCino, Inc. | \$7.35 | 63.66 | \$67.43 | \$8.47 | \$33.04 | \$93.30 | \$31.47 | \$32.04 | \$75.00 |
| 1/9/24 | iSoftStone Information Technology Co., Ltd. | \$14.55 | 49.00 | \$644.00 | \$66.6 | \$588 | \$134 | \$232.45 | \$11.39 | \$42.21 |
| 11/2/23 | Aidemy Inc. | \$9.76 | 0.45 | \$3.31 | \$4.25 | \$0.7 | \$8.99 | \$0.0 | (\$0.06) | (\$0.06) |
| 9/19/23 | OBZEN Inc. | \$0.08 | 0.23 | \$11.29 | \$0.01 | \$0.0 | N/A | \$8.4 | N/A | N/A |
| 2/28/23 | Kitalive Inc. | \$19.25 | 0.31 | \$3.06 | \$7.2 | \$0.1 | \$5.01 | \$2.1 | \$0.67 | \$0.67 |
| 9/2/22 | Scope Carbon Corp. | \$16.54 | 10.50 | \$0.80 | \$186.8 | \$0.01 | \$65.4 | \$4.5 | \$11.8 | \$1.1 |
| 7/7/22 | Konan Technology Inc. | \$19.25 | 0.30 | \$23.10 | \$3.91 | \$4.8 | \$0.0 | \$883.0 | \$7.5 | \$8.7 |
| 3/3/22 | Moadata Co., Ltd. | \$16.54 | 0.60 | \$13.23 | \$10.87 | \$350.8 | \$24.2 | \$15.4 | (\$0.2) | \$2.3 |
| 2/17/22 | EDGE Technology Inc. | \$3.04 | 2.71 | \$8.25 | \$4.42 | \$0.99 | \$13.41 | \$45.4 | \$7.8 | \$0.21 |
| 12/9/21 | Aiforia Technologies | \$5.65 | 5.39 | \$30.49 | N/A | \$1.8 | N/A | \$290.7 | \$62.1 | N/A |
| 12/3/21 | Datrix S.p.A. | \$4.63 | 3.66 | \$16.93 | \$15.80 | \$3.04 | \$13.30 | (\$1.47) | \$2.4 | (\$2.00) |

[1] As of the effective date of the IPO

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Industry Initial Public Offerings – Artificial Intelligence

(dollars in millions, except share prices)

| Effective Date | Company Name | Offer Price | Shares Offered | Amount Raised | Total Assets ¹ | Debt ¹ | LTM Revenue ¹ | LTM EBITDA ¹ | LTM Net Income ¹ | LTM Cash Flows ¹ |
|----------------|-----------------------------|-------------|----------------|---------------|---------------------------|-------------------|--------------------------|-------------------------|-----------------------------|-----------------------------|
| 10/26/21 | Coveo Solutions Inc. | \$11.84 | 12.72 | \$169.80 | \$176.49 | \$216.50 | \$71.93 | (\$24.26) | (\$475.24) | (\$471.32) |
| 10/26/21 | Informatica Inc. | \$29.00 | 6.3 | \$128.0 | \$354.8 | \$0.0 | \$0.0 | (\$42.5) | (\$7.0) | (\$10.2) |
| 10/26/21 | Almawave | \$5.05 | 6.42 | \$32.45 | \$53.24 | \$18.29 | \$30.25 | \$7.98 | \$2.11 | \$2.18 |
| 10/19/21 | CINC Corp. | \$26.96 | 0.83 | \$22.44 | \$7.22 | \$0.3 | \$24.2 | \$2.1 | (\$0.2) | \$2.3 |
| 7/20/21 | Cyngn Inc. | \$7.50 | 3.50 | \$26.25 | \$4.03 | \$1.60 | \$0.00 | (\$7.50) | (\$7.67) | (\$7.51) |
| 6/10/21 | CS Disco, Inc. | \$32.00 | 7.00 | \$224.00 | \$76.19 | \$1.84 | \$73.91 | (\$11.99) | (\$14.57) | (\$12.90) |
| 6/8/21 | TaskUs, Inc. | \$23.00 | 13.20 | \$303.60 | \$731.65 | \$243.55 | \$528.49 | \$129.04 | \$49.53 | \$71.18 |
| 5/3/21 | NetraMark Holdings | \$0.74 | 8.89 | \$6.62 | \$1.66 | \$39.4 | N/A | N/A | (\$0.99) | (\$0.99) |
| 4/20/21 | Alfi, Inc. | \$4.15 | 3.73 | \$15.49 | \$7.45 | \$5.56 | N/A | (\$3.18) | (\$3.56) | (\$3.54) |
| 3/30/21 | UiPath Inc. | \$56.00 | 23.89 | \$1,337.88 | \$866.46 | \$20.08 | \$607.64 | (\$99.33) | (\$92.39) | (\$84.01) |
| 3/9/21 | Appier Group, Inc. | \$14.51 | 18.63 | \$270.37 | \$120.08 | \$24.66 | \$86.91 | N/A | (\$14.08) | (\$14.08) |

[1] As of the effective date of the IPO

(Continued on next page)

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|----------------|------------------------------|---------------|----------------|---------------|---------------------------|-------------------|--------------------------|-------------------------|-----------------------------|-----------------------------|
| 3/2/21 | Harmonychain | \$0.21 | 61.00 | \$12.91 | \$36.0 | \$9.6 | \$53.7 | (\$8.8) | (\$11.0) | (\$7.8) |
| 2/19/21 | Wacul.Inc | \$9.95 | 0.70 | \$6.95 | \$4.65 | \$1.38 | \$4.48 | N/A | (\$1.31) | (\$1.31) |
| 12/15/20 | Alchera Inc. | \$9.15 | 2.00 | \$18.29 | \$9.36 | \$0.09 | \$2.81 | (\$3.09) | (\$4.82) | (\$4.47) |
| 12/8/20 | C3.ai, Inc. | \$42.00 | 15.50 | \$651.00 | \$355.60 | \$0.00 | \$164.73 | (\$55.46) | (\$55.02) | (\$51.99) |
| 10/22/20 | VAIV Company Inc. | \$24.66 | 0.65 | \$16.03 | \$42.5 | \$3.0 | \$72.0 | (\$10.1) | (\$11.8) | (\$8.6) |
| 10/16/20 | Elliptic Laboratories | \$16.03 | 0.83 | \$13.36 | \$12.76 | \$4.92 | \$2.92 | (\$2.37) | (\$2.13) | (\$1.93) |
| 9/24/20 | Amesite Inc. | \$5.00 | 3.00 | \$15.00 | \$5.70 | \$2.03 | \$0.06 | (\$4.04) | (\$4.17) | (\$4.13) |
| 11/20/18 | Median of all IPOs | \$8.56 | 0.53 | \$6.81 | \$4.25 | \$0.09 | \$7.00 | (\$3.09) | \$0.07 | \$0.07 |

[1] As of the effective date of the IPO

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Revenues ¹ | EV/ Revenues ¹ |
|------------------|------------------------------------|--|------------------|----------|---------------------------|---------------------------|
| 3/12/24 | Drift.com, Inc. | Salesloft, Inc. | \$198.50 | 100% | \$167.30 | 22.3x |
| 1/1/24 | Data Society LLC | TDL Group | \$74.77 | 100% | \$262.00 | 9.2x |
| 11/30/23 | Waymark Tech Ltd | Ascent Technologies | \$316.10 | 100% | \$1.9 | .1x |
| 6/16/23 | Aspen Technology | Emerson Electric Co. | \$6,339.12 | 55.00% | \$730.43 | 15.08x |
| 5/31/22 | Umanis SA | CGI France SAS | \$316.10 | 70.60% | \$269.27 | 1.43x |
| 4/13/22 | The Data Appeal Company | Almawave | \$16.45 | 100.00% | \$1.71 | 9.64x |
| 3/4/22 | Nuance Communications | Microsoft Corporation | \$19,796.03 | 100.00% | \$1,494.20 | 12.97x |
| 12/16/21 | Clairvoyant AI, Inc. | ExlService.com, LLC | \$100.10 | 100.00% | \$37.90 | 2.64x |
| 11/15/21 | Mirametrix Inc. | Lattice Semiconductor Corporation | \$68.50 | 100.00% | \$9.00 | 7.61x |
| 11/12/21 | Scryer, Inc. | ARGUS Software, Inc. | \$198.50 | 100.00% | \$18.30 | 10.85x |
| 10/1/21 | LPA Software Solutions, LLC | Converge Technology Solutions Corp. | \$12.05 | 100.00% | \$13.51 | 0.89x |

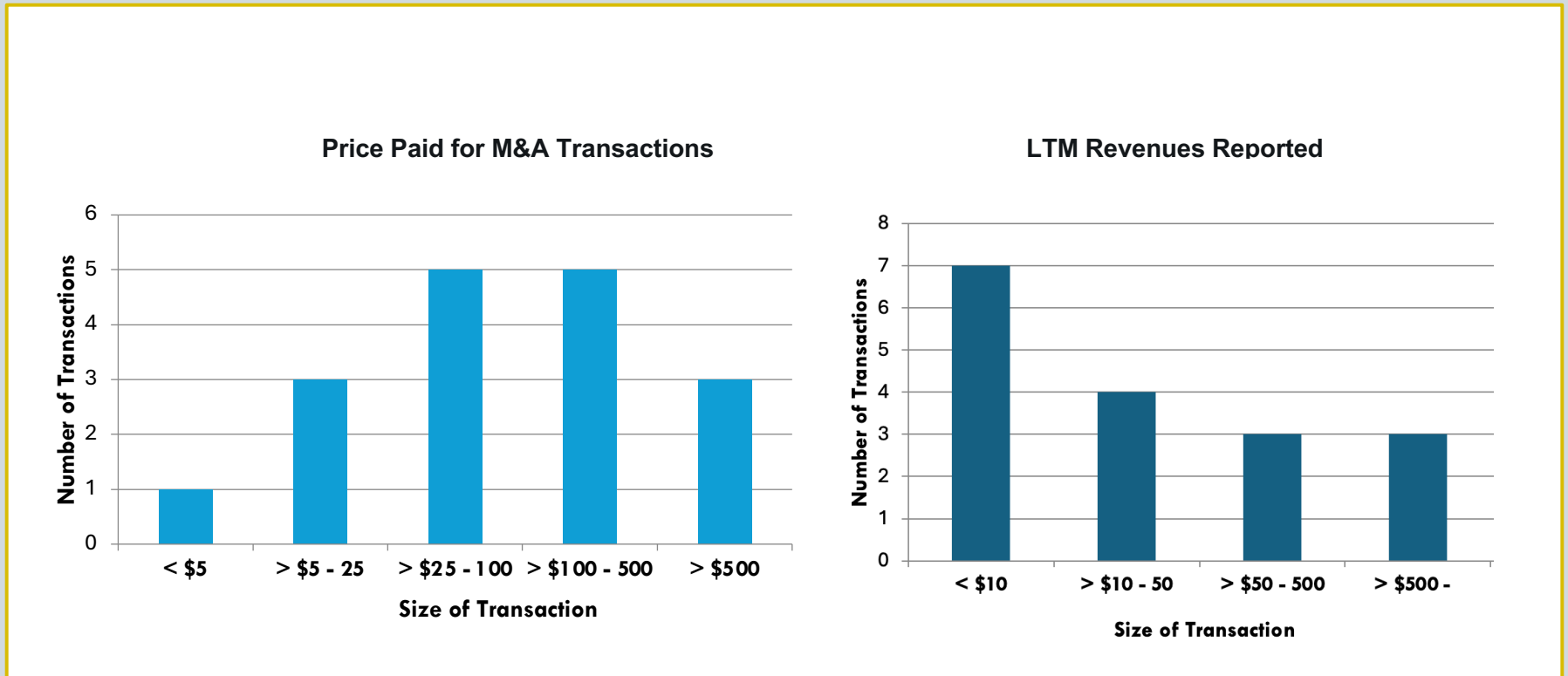
[1] As of the close of the Transaction

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Revenues ¹ | EV/ Revenues ¹ |
|------------------|--|-------------------------------|------------------|---------------|---------------------------|---------------------------|
| 6/23/21 | Affectiva, Inc. | Smart Eye | \$74.77 | 100.00% | \$5.00 | 14.95x |
| 6/4/21 | HoloBuilder Inc. | FARO Technologies, Inc. | \$33.91 | 100.00% | \$4.00 | 8.48x |
| 5/7/21 | RIAKTR | Seamless Distribution Systems | \$12.38 | 100.00% | \$5.83 | 2.12x |
| 5/5/21 | Linkfluence | Meltwater B.V. | \$59.45 | 100.00% | \$20.21 | 2.94x |
| 2/11/21 | Virtusa Corporation | Baring Private Equity Asia | \$2,464.48 | 100.00% | \$1,294.32 | 1.68x |
| 10/13/20 | Oakwood Technologies | Netcall plc | \$3.52 | 100.00% | \$0.18 | 20.00x |
| | Median of the M&A Transaction Targets | | \$74.77 | 100.0% | \$18.30 | 8.48x |

[1] As of the close of the Transaction

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of March 31, 2024



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

Market Value of Invested Capital (MVIC): Market Value of Equity + Market Value of Debt

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