Grant Thornton

Consolidated Financial Statements and Report of Independent Certified Public Accountants

ASG Technologies Group, Inc. and Subsidiaries

December 31, 2020 and 2019

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
ASG Technologies Group, Inc.

We have audited the accompanying consolidated financial statements of ASG Technologies Group, Inc. (a Delaware corporation) and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ASG Technologies Group, Inc. and subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Fort Lauderdale, Florida
April 29, 2021

ASG Technologies Group, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
As of December 31, 2020 and 2019
(dollars in thousands, except par value)

ASSETS

	December 31, 2020	December 31, 2019
Current assets:		
Cash and cash equivalents	$ 106,009	$ 74,110
Accounts receivable, net of allowances of $835 and $950	46,858	43,711
Current portion of installment contracts receivable	10,522	10,102
Current portion of deferred revenue costs	3,119	3,153
Prepaid expenses and other current assets	8,958	12,813
Total current assets	175,466	143,889
Installment contracts receivable, excluding current installments	7,935	9,354
Deferred revenue costs, excluding current portion	3,130	2,667
Property and equipment, net	7,794	9,322
Goodwill	371,701	371,701
Intangible assets, net	92,180	118,934
Other assets	4,396	2,881
Total assets	$ 662,602	$ 658,748

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31, 2020	December 31, 2019
Current liabilities:		
Accounts payable	$ 3,059	$ 2,439
Royalties and commissions payable	6,952	4,461
Accrued expenses and other current liabilities	22,065	10,410
Current installments of long-term debt	38,388	16,427
Current portion of deferred revenue	64,772	66,899
Total current liabilities	135,236	100,636
Long-term debt, excluding current installments	258,280	271,820
Deferred tax and other long term liabilities	28,205	35,607
Deferred revenue, excluding current portion	15,043	15,361
Total liabilities	436,764	423,424
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Common stock, $0.01 par; 1,000 authorized and 100 issued	—	—
Additional paid in capital	209,756	208,659
Retained earnings	16,082	26,665
Total stockholders' equity	225,838	235,324
Total liabilities and stockholders' equity	$ 662,602	$ 658,748

The accompanying notes are an integral part of these consolidated financial statements.

ASG Technologies Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2020 and 2019
(dollars in thousands)

	December 31, 2020	December 31, 2019
Revenues:		
License	$ 93,681	$ 97,871
Software as a service	385	2,418
Maintenance	108,114	114,015
Professional services	5,581	7,522
Total revenues	207,761	221,826
Cost of revenues	36,392	38,644
Gross margin	171,369	183,182
Operating expenses:		
General and administrative	48,445	41,164
Research and development	44,323	47,319
Sales and marketing	66,083	69,507
Depreciation and amortization	9,973	10,282
Restructuring and other charges	5,365	—
Total operating expenses	174,189	168,272
Gain on sale of divested product (Note 9)	—	1,604
Operating (expense) income	(2,820)	16,514
Other income (expense):		
Interest expense	(16,509)	(19,912)
Interest income	1,518	1,055
Gain (loss) on foreign currency transactions	887	(2,064)
Other income	210	98
	(13,894)	(20,823)
Loss before income taxes	(16,714)	(4,309)
Income tax benefit	(6,131)	(1,866)
Net loss	$ (10,583)	$ (2,443)

The accompanying notes are an integral part of these consolidated financial statements.

ASG Technologies Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31, 2020 and 2019
(dollars in thousands)

	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Total
Balances at December 31, 2018	100	$ —	206,577	$ 29,108	$ 235,685
Net loss	—	—	—	(2,443)	(2,443)
Stock-based compensation	—	—	2,082	—	2,082
Balances at December 31, 2019	100	$ —	208,659	$ 26,665	$ 235,324
Net loss	—	—	—	(10,583)	(10,583)
Stock-based compensation	—	—	1,097	—	1,097
Balances at December 31, 2020	100	$ —	209,756	$ 16,082	$ 225,838

The accompanying notes are an integral part of these consolidated financial statements.

ASG Technologies Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019
(dollars in thousands)

		2020		2019
Cash flows from operating activities:				
Net loss	$	(10,583)	$	(2,443)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization		29,385		29,694
Stock-based compensation expense		1,097		2,082
Gain on sale of divested product		—		(1,604)
Recovery of (provision for) doubtful accounts		159		(648)
Deferred income taxes		(7,379)		(8,563)
Loss on disposal of fixed assets		128		9
Amortization of deferred financing costs and debt issuance costs		1,049		1,004
Amortization of hedge premium		15		—
Change in fair value of derivative instrument		(311)		2,018
Changes in assets and liabilities, net of effects of acquisitions:				
Receivables		(2,307)		12,508
Deferred revenue costs		(429)		(207)
Prepaid expenses and other current assets		3,855		(2,109)
Other assets		(1,283)		270
Accounts payable		619		(482)
Accrued interest		(10)		(6)
Accrued expenses and other liabilities		14,444		(13,398)
Deferred revenue		(2,445)		3,429
Net cash provided by operating activities		26,004		21,554
Cash flows from investing activities:				
Purchase of property and equipment		(1,231)		(1,629)
Sale of divested product		—		1,290
Payment of hedge premium		(260)		—
Net cash used in investing activities		(1,491)		(339)
Cash flows from financing activities:				
Borrowings under revolving loan		24,500		—
Repayments of term loan and revolving loan		(17,114)		(2,992)
Net cash provided by (used in) financing activities		7,386		(2,992)
Net increase in cash and cash equivalents		31,899		18,223
Cash and cash equivalents, beginning of year		74,110		55,887
Cash and cash equivalents, end of year	$	106,009	$	74,110
Supplemental disclosures of cash flow information:				
Cash paid for interest	$	13,470	$	17,265
Cash paid for income taxes	$	771	$	9,417

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(a) Description of Business and Basis of Presentation

ASG Technologies Group, Inc. and subsidiaries ("ASG" or the "Company") is a computer software company that acquires, develops, and markets its software products in the enterprise and infrastructure management marketplace. The Company markets its software products primarily in the United States of America, Western Europe, and Asia. The Company is a wholly-owned subsidiary of ASG Technologies Holdings, Inc. ASG Technologies Holdings, Inc. is a wholly-owned subsidiary of ASG Everglades Holdings, Inc. (the "Parent").

These consolidated financial statements include the financial results of the Company and its wholly-owned subsidiaries, ASG Federal, LLC, Viasoft International LLC, Viasoft International GmbH, Viasoft Software Development Geschaftsfuhrungs GmbH, ASG GmbH & Co. KG, Visionapp GmbH, ASG do Brasil Tecnologia da Informação Ltda, ASG Software (Beijing) Limited (WOFE), ASG Canada ULC, and ASG Worldwide Private Limited. All significant intercompany transactions and balances have been eliminated in consolidation. Additionally, since there are no differences between net income and comprehensive income, all references to comprehensive income have been excluded from the accompanying unaudited condensed consolidated financial statements.

(b) Cash and Cash Equivalents

The Company considers all highly liquid investments, purchased with an original maturity of three months or less, to be cash equivalents. The Company had $90.6 million and $57.3 million of cash in accounts in excess of U.S. federally insured limits and $15.1 million and $16.5 million of cash in accounts located in foreign jurisdictions at December 31, 2020 and 2019, respectively.

(c) Accounts Receivable and Installment Contracts Receivable

All accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing receivables. The Company determines the allowance based on historical write-off experience. The Company reviews its allowance for doubtful accounts quarterly. Past due balances over 90 days and other specified amounts are reviewed individually for collectability. All other balances are reviewed on a pooled basis. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Installment contracts receivable represent the present value of future payments under non-cancelable license arrangements due from customers for which the performance obligation has been satisfied. The present value of these receivables has been determined using a blended discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception. The difference between the discounted value and the amount invoiced is recognized as interest income on a monthly basis over the term of the installment contract. Installment contracts receivable are subject to the Company's review in determining its allowance for doubtful accounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES - Continued

(d) Property and Equipment, net

Property and equipment is recorded at cost, less accumulated depreciation and amortization. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives of property and equipment are generally as follows:

Computer equipment and software	2-5 years
Office equipment	7 years
Furniture and fixtures	10 years
Vehicles	5 years
Leasehold improvements (1)	10 -15 years

(1) Leasehold improvements are amortized using the straight-line method over the lesser of the remaining lease term or the estimated useful life.

(e) Goodwill and Intangible Assets

Goodwill represents the excess of costs over the fair value of net assets acquired in a business combination. Goodwill is not amortized but instead is tested for impairment at least annually.

The Company evaluates goodwill on an annual basis in the fourth quarter or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If management concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, management conducts a two-step quantitative goodwill impairment test.

The first step of the impairment test involves comparing the fair value of the applicable reporting unit with its carrying value. The Company estimates the fair values of its reporting units using a combination of the income or discounted cash flow approach and the market approach which utilizes comparable companies' data. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, management performs the second step of the goodwill impairment test.

The second step of the goodwill impairment test involves comparing the implied fair value of the affected reporting unit's goodwill with the carrying value of that goodwill. The amount, by which the carrying value of the goodwill exceeds its implied fair value, if any, is recognized as an impairment loss.

There was no goodwill impairment during the year ended December 31, 2020 and 2019.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES - Continued

(e) Goodwill and Intangible Assets - Continued

Intangible assets include software, customer relationships, and tradenames. Intangible assets are amortized using the straight-line method over the respective estimated useful lives of the assets, generally five to twenty years.

(f) Impairment of Long-Lived Assets

The Company assesses the carrying value of all long-lived assets, including property and equipment and intangible assets subject to amortization, whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. There were no impairment charges relating to long-lived assets recorded during 2020 and 2019.

(g) Research and Development Costs

Software development costs are expensed as incurred until technological feasibility has been established, at which time such costs are capitalized until the product is available for general release to customers. To date, the establishment of technological feasibility of the Company's products and general release of such software has substantially coincided. As a result, software development costs qualifying for capitalization have been insignificant and therefore, have been expensed as incurred as part of research and development expense on the accompanying consolidated statements of operations. Acquired software costs are capitalized and amortized over their estimated useful lives.

(h) Foreign Currency Translation and Transactions

Realized and unrealized gains or losses resulting from foreign currency transactions are recorded in the consolidated statements of operations. Foreign currency transactions are transactions denominated in a currency other than the entity's functional currency. The functional currency of the Company's foreign subsidiaries is the U.S. dollar.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES - Continued

(i) Revenue Recognition

The Company's revenue is derived primarily from: (i) licensing its software products, (ii) software as a service ("SaaS"), (iii) providing support and maintenance for its software products, and (iv) providing professional services, primarily implementation, installation, consulting and education services. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company enters into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of allowances for returns and any taxes collected from customers, which are subsequently remitted to governmental authorities.

Customers use the Company's licensed software on-premises which provides functional intellectual property. Customers may purchase perpetual or term licenses or subscribe to licenses, which provide customers with the same functionality and differ mainly in the duration over which the customer benefits from the software. Revenue from distinct on-premises licenses is recognized upfront at the point in time when the software is made available to the customer. Certain of the Company's software license sales contain a significant financing element which is considered part of the transaction price.

SaaS, sometimes referred to as "on-demand software," is a software delivery model in which software and its associated data are hosted centrally (typically remotely in the cloud) and are typically accessed by users using a thin client, normally using a web browser over the Internet. SaaS is provided on a subscription basis and is recognized ratably over the contractual period that the services are delivered, beginning on the date the Company service is made available to customers. The Company recognizes revenue ratably over time because the customer receives and consumes the benefits of the SaaS throughout the contract period. Revenues from SaaS provided on a consumption basis are recognized as the services are consumed by the customer and such amounts reflect the fees to which the Company expects to be entitled to for providing access to the software for that period.

In addition, the Company generates revenue from professional service fees for implementation, installation, and education/training related to the use of the Company's proprietary software products. These services are not essential to the functionality of the Company's software. Generally, these services are provided on a time and materials basis. Revenues from professional services contracts provided on a time and materials basis are recognized when the Company has the right to invoice under the practical expedient as amounts correspond directly with the value of the services rendered to date.

The Company also provides maintenance and support for its software under maintenance agreements. These agreements provide unspecified software upgrades and technical support over a specified term, which is typically twelve months and renewable on an annual basis. Maintenance agreements are typically paid in advance, and revenues from these contracts are deferred and recognized ratably over the term of the contract as customers simultaneously consume and receive benefits.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES - Continued

(i) Revenue Recognition - Continued

Many of the Company's contracts include multiple performance obligations. Judgment is required in determining whether each performance obligation is distinct. The Company's products and services generally do not require a significant amount of integration or interdependency; therefore, the Company's products and services are generally not combined. The Company allocates the transaction price for each contract to each performance obligation based on the relative standalone selling price ("SSP") for each performance obligation within each contract. The Company typically establishes an SSP range for its products and services which is reassessed on a periodic basis or when facts and circumstances change. The Company is unable to establish the SSP for its on-premise licenses based on observable prices given the same products are sold for a broad range of amounts (that is, the selling price is highly variable) and a representative SSP is not discernible from past transactions or other observable evidence. As a result, the SSP for an on-premise license included in a contract with multiple performance obligations is determined by applying a residual approach whereby all other performance obligations within a contract are first allocated a portion of the transaction price based upon their respective SSPs, with any residual amount of transaction price allocated to on-premise license revenues. On-premises licenses are considered distinct performance obligations when sold with maintenance support. Revenue allocated to maintenance is generally recognized ratably over the contract period as customers simultaneously consume and receive benefits, given that maintenance support comprises distinct performance obligations that are satisfied over time.

Cost of revenues consists primarily of royalties, distributor fees, amortization of intangible assets and costs to deliver maintenance and professional services.

(j) Deferred Revenue and Deferred Revenue Costs

Deferred revenue primarily represents amounts billed or payments received for maintenance services in advance of the services to be rendered over a future period. Such amounts are recognized ratably over the service term. Deferred revenue costs consist of prepaid royalties, distributor fees, and commissions. Such expenses are typically paid in advance, deferred and recognized on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates. For contracts that contain multiple performance obligations, the deferred revenue costs are attributed to the various performance obligations. The Company recognizes deferred commissions over a term, which includes anticipated renewal periods where renewal commissions are not commensurate with commissions paid on the initial arrangement. Under the standard terms of the commissions and distributor agreements, the Company has the right to recover a portion of the prepaid amounts in the event the contract is subsequently terminated.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES - Continued

(k) Income Taxes

The Company is subject to Federal and state tax income tax in the U.S. and in numerous foreign jurisdictions where the Company operates. The majority of the Company's foreign operations are either branches of the Company, or entities that have elected to be treated as branches and are included in taxable income reported in the U.S. on a current basis. The Company is also subject to various foreign withholding taxes on certain remittances from both related and unrelated entities.

The Company accounts for certain items of income and expense in different periods for financial reporting and income tax reporting purposes. Provisions for deferred income taxes are made in recognition of such temporary differences, where applicable. A valuation allowance is established against deferred tax assets, if any, unless the Company believes it is more likely than not that the benefit will be realized. Deferred income tax assets and liabilities are netted by taxing jurisdiction and classified as long-term assets or liabilities.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company classifies penalties and interest as income tax expense.

(l) Advertising Expense

Costs incurred for advertising and promotions are expensed as incurred. Advertising expense for the years ended December 31, 2020 and 2019 was approximately $2.4 million and $3.6 million, respectively, and is included in sales and marketing expenses in the accompanying consolidated statements of operations.

(m) Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of trade accounts receivable. Collateral is generally not required. For the years ended December 31, 2020 and December 31, 2019, no single customer accounted for more than 10% of revenue. As of December 31, 2020, one customer accounted for 20.0% or $9.9 million of accounts receivable. As of December 31, 2019, no single customer accounted for more than 10% of accounts receivable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES - Continued

(n) Deferred Financing Costs and Debt Issuance Costs

Debt issuance costs are presented in the consolidated balance sheets as a direct deduction from the carrying value of the associated debt obligation, consistent with the presentation of a debt discount. Debt issuance costs are amortized over the expected term of the debt using the effective interest method and included in interest expense in the accompanying consolidated statements of operations. At December 31, 2020 and 2019, unamortized debt issuance costs of $4.0 million and $5.0 million, respectively, were presented as a reduction of the carrying value of the debt obligations.

Debt issuance costs related to a revolving loan arrangement are presented as an asset and are amortized ratably over the term of such arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. Deferred financing costs related to the Company's revolving loan are amortized as a component of interest expense over the term of the related debt using the effective interest method.

Deferred financing costs, net of accumulated amortization, related to the Company's line-of-credit totaled approximately $50,000 and $64,000 as of December 31, 2020 and 2019, respectively, and are included in other assets on the consolidated balance sheets. Amortization expense related to deferred financing costs and debt issuance cost were approximately $1.0 million for the years ended December 31, 2020 and 2019.

(o) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used by management in the preparation of the Company's consolidated financial statements include estimates related to revenue recognition, valuation allowances related to receivables and deferred income taxes, useful lives of property and equipment and intangible assets, recoverability of long-lived assets, goodwill and indefinite lived assets, contingency and litigation reserves. Actual results could differ from these estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES – Continued

(p) Fair Value Measurement

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expands disclosure requirements about fair value measurements.

ASC Topic 820 defines three categories for the classification and measurement of assets and liabilities carried at fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or observable inputs that are corroborated by market data.

Level 3: Unobservable inputs reflecting the reporting entity's own assumptions.

The fair value of financial instruments is generally estimated through the use of public market prices, quotes from financial institutions and other available information. Judgment is required in interpreting data to develop estimates of market value and, accordingly, amounts are not necessarily indicative of the amounts that could be realized in a current market exchange.

There were no material assets or liabilities measured at fair value on a recurring or nonrecurring basis in the Company's consolidated financial statements as of December 31, 2020 and 2019.

NOTE 2 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net of accumulated depreciation and amortization, consists of the following at December 31:

(in thousands)	2020	2019
Computer equipment and software	$ 11,080	$ 10,169
Office equipment	696	986
Furniture and fixtures	1,994	2,183
Leasehold improvements	4,466	4,646
	18,236	17,984
Less accumulated depreciation and amortization	(10,442)	(8,662)
	$ 7,794	$ 9,322

Depreciation and amortization expense related to property and equipment was approximately $2.6 million and $2.9 million for the year ended December 31, 2020 and 2019, respectively. During the year ended December 31, 2020 and 2019, the Company disposed of certain property and equipment, which reduced accumulated depreciation by $1.0 million and $0.6 million, respectively.

NOTE 3 - INTANGIBLE ASSETS, NET

Intangible assets, net of accumulated amortization, consist of the following as of December 31:

		2020			2019		
(in thousands)	Weighted Average Useful Life	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Software	8	$ 153,557	$ 107,538	$ 46,019	$ 153,557	$ 88,125	$ 65,432
Customer relationships	11	72,199	37,193	35,006	72,199	30,630	41,569
Tradenames	20	15,565	4,410	11,155	15,565	3,632	11,933
		$ 241,321	$ 149,141	$ 92,180	$ 241,321	$ 122,387	$ 118,934

Amortization expense for the years ended December 31, 2020 and 2019 was approximately $26.7 million and $26.8 million, respectively. Of this amount, approximately $19.3 million and $19.4 million is included in cost of revenues and approximately $7.4 million and $7.4 million is included as a part of depreciation and amortization expense in the accompanying consolidated statements of operations for the years ended December 31, 2020 and 2019, respectively.

NOTE 3 - INTANGIBLE ASSETS, NET - Continued

Amortization expense for the next five years on the existing intangible assets and thereafter is as follows (in thousands):

2021	26,754
2022	26,754
2023	14,392
2024	7,487
2025	7,342
thereafter	9,451
	$ 92,180

NOTE 4 - DEBT OBLIGATIONS

Debt obligations consist of the following as of December 31:

(in thousands)	2020	2019
Term loans	$ 277,151	$ 293,265
Revolving loans	23,500	—
Debt issuance costs	(3,983)	(5,018)
Total debt	296,668	288,247
Less current portion	(38,388)	(16,427)
Long-term debt, excluding current portion	$ 258,280	$ 271,820

On July 31, 2017, the Company and the ASG Technologies Holdings, Inc. entered into a Senior Secured Credit Agreement (the "Credit Agreement") with Credit Suisse AG as Administrative Agent and Collateral Agent and the lender parties thereto. This financing replaced all existing loan facilities of the Company at that time. The Credit Agreement provided for a $300,000,000 term loan which was fully drawn at closing, and revolving loans not to exceed $25,000,000, of which up to $7,000,000 can be used in the form of letters of credit (together, the "Facility"). The Credit Agreement matures on the seventh anniversary of closing date. Interest on the term loan and revolving loans accrued at 4.75% plus the applicable LIBOR rate for the period (with a LIBOR floor of 1.0%), with step-downs based on leverage. In February 2018, the Facility was refinanced as discussed below and the credit spread was reduced to 3.50%. The cash interest rate on the term loan at December 31, 2020 was 4.5%. The cash interest is payable on the last day of each interest period or the last day of each calendar quarter in the case of interest periods in excess of three months and upon maturity of the underlying LIBOR contracts of such term loan. The Credit Agreement, as amended, is secured by assets of the Company.

In addition to other affirmative and negative covenants, the Credit Agreement contains financial covenants under which the Company must maintain the Senior Secured Net Leverage Ratio (as defined in the Credit Agreement) from September 31, 2017 to maturity. The Senior Secured Net Leverage Ratio steps down through the range of 5.90 to 1.00 as of June 30, 2018 to 5.15 to 1.00 as of December 31, 2020 and thereafter.

NOTE 4 - DEBT OBLIGATIONS - Continued

On February 1, 2018, the Company entered into the First Amendment to the Credit Agreement (the "First Amendment") with Credit Suisse AG remaining as Administrative Agent and Collateral Agent and the lender parties thereto. The amendment refinanced the existing term loan with a principal balance of $299,250,000 outstanding on the amendment date. In addition, the amendment reduced the interest rate applicable to the replacement term loan and revolving loan. Interest on the replacement term loan and revolving loan now accrues at 3.50% plus the applicable LIBOR rate for the period (with a LIBOR floor of 1.0%), with a step-down to 3.25% when Senior Secured Net Leverage Ratio is below 2.70 to 1.00. The cash interest rate on the term loan was 5.07% at time of closing and 4.5% at December 31, 2020. The Company expensed approximately $1.0 million of costs associated with the new amendment.

The First Amendment also amended certain other provisions of the Credit Agreement, including requiring equal quarterly principal payments totaling 1% per annum of original principal on the term loan beginning March 31, 2018 or $748,125 per quarter. Additionally, beginning with the 2018 calendar year, the Credit Agreement requires that the Company make an annual prepayment against the principal amount of the term loan outstanding in an amount equal to 0% to 50% of the Excess Cash Flow (as defined in the Credit Agreement) generated by the Company during such year, based on the Senior Secured Net Leverage Ratio, subject to certain limitations. As a result of the Excess Cash Flow calculation for the year ended December 31, 2020 and 2019, the Company was required to make an additional loan repayment amount of approximately $11.9 million and $13.1 million, respectively. These amounts are reflected as current installments of long-term debt in the accompanying balance sheets as of December 31, 2020 and 2019. The additional loan repayment for 2020 is due in May 2021.

The Company had letters of credit outstanding in the aggregate amount of approximately $0.7 million and $0.5 million at December 31, 2020 and 2019, respectively. The Company's remaining borrowing capacity under its revolving loan was $0.7 million at December 31, 2020.

In order to hedge a portion of interest on the Company's floating rate debt, the Company entered into two interest rate swaps on October 31, 2017 in contractual notional amounts of $75 million each with two separate financial institutions. The Company executed these interest rates swaps whereby the Company will pay a fixed rate of 1.886% and will receive interest based on the one-month LIBOR rate until October 31, 2020. On December 31, 2019, the one-month LIBOR interest rate the Company was receiving was 1.7994%. The Company recorded a liability of approximately $0.3 million, included in other long-term liabilities, as of December 31, 2019 related to the fair value of this interest rate swap instrument. The change in the fair value of the interest rate swap during 2020 and 2019 resulted in a gain of $0.3 million and a loss of $2.0 million, respectively, and is recorded in interest expense. The fair value of the Company's derivative financial instruments is derived using a discounted cash flow model using Level 2 inputs which are observable forecasted LIBOR rates that are commonly quoted at intervals for the full term of the swaps. The interest rate swaps expired on October 31, 2020.

NOTE 4 - DEBT OBLIGATIONS - Continued

On October 30, 2020 the Company entered into an interest rate cap agreement whereby the counterparty will pay the Company on the last day of each month commencing November 2020 the excess of the one-month LIBOR rate over 1% (the LIBOR floor of the Company's term loan). The notional value of the interest rate cap is $200 million. The Company paid a premium of $0.3 million for the interest rate cap that is being amortized into interest expense over the three-year term of the agreement. At December 31, 2020, the one-month LIBOR rate was 0.15%. The Company received no payments under the interest rate cap in 2020.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. The spread of COVID-19 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Company is unable to determine if it will have a material impact to its operations. On March 20, 2020, as a result of this uncertainty and out of an abundance of caution, the Company borrowed $24.5 million on its revolving loan in order to enhance its liquidity position. The outstanding balance of the revolving loans was $23.5 million at December 31, 2020. The revolving loan was repaid in full in January 2021.

NOTE 5 - LEASES

The Company has several non-cancelable operating leases for office space and equipment. The leases expire over the next ten years and contain provisions for certain annual rental escalations at stipulated rates.

Future minimum lease payments under non-cancelable operating leases as of December 31, 2020 are:

		Total
Year ending December 31(in thousands):		
2021		5,720
2022		4,676
2023		4,052
2024		2,416
2025		1,997
Thereafter		2,134
Total minimum lease payments	$	20,995

Rent expense for operating leases was approximately $5.4 million and $5.9 million during the years ended December 31, 2020 and 2019, respectively, and is included in general and administrative expenses in the accompanying consolidated statements of operations.

NOTE 6 - EMPLOYEE BENEFIT PLANS

The Company offers a defined contribution savings plan (the "401(k) Plan") under Section 401(k) of the Internal Revenue Code for all eligible employees. The 401(k) Plan allows employees under 50 years of age to defer up to $19,500 and employees over 50 years of age to defer up to $26,000 of their gross earnings on a pre-tax basis through contributions to the 401(k) Plan. In accordance with the provisions of the 401(k) Plan, the Company has the option to match a discretionary percentage of the employee contributions up to the first 4% of the employees' gross pay. For the years ended December 31, 2020 and 2019, the Company expensed matching contributions totaling approximately $1.0 million and $1.0 million, respectively.

The Company also makes required contributions to various retirement benefit plans for some of its international employees. The Company made contributions to these retirement benefit plans of $0.6 million and $0.7 million for the years ended December 31, 2020 and 2019, respectively.

NOTE 7 - STOCK-BASED COMPENSATION

The Parent's 2017 Stock Incentive Plan (the "Incentive Plan"), which was approved by the Board of Directors of the Parent, permits the grant of options for up to 906,181 shares of Parent common stock ("Parent Common Stock") and the grant of up to 671,174 shares of Parent class A common stock ("Parent Class A Common Stock") and up to 134,234 shares of Parent class B common stock ("Parent Class B Common Stock") to employees, directors and consultants of the Company. Each grant under the Incentive Plan is required to be approved by the Board of Directors, or, if applicable, the Compensation Committee of the Board of Directors, of the Parent. The Incentive Plan authorizes the use of incentive stock options, other stock options, or stock appreciation rights for the shares of Parent Common Stock.

Stock Options

Stock options for Parent Common Stock have been granted with an exercise price equal to the fair market value of the common stock on the date of grants and have a 10-year contractual term. The stock options vest ratably over a 4-year period. Compensation cost is recognized on a straight-line basis over the requisite service period, which is typically the vesting period.

The fair market value of stock options is estimated using the Black-Scholes-Merton valuation model ("Black-Scholes Model"). The Black-Scholes Model requires the use of a number of assumptions including volatility of the stock price, the risk-free interest rate, and the expected life of the stock options. The assumptions used in the Black-Scholes Model for options granted during the years ended December 31, 2020 and 2019 are set forth in the table below.

NOTE 7 - STOCK-BASED COMPENSATION – Continued

Stock Options - Continued

	December 31, 2020	December 31, 2019
Risk-free interest rate	0.32%	1.69%
Volatility	23.99%	21.29%
Expected term (in years)	7	7
Dividend yield	0.0%	0.0%

The risk-free interest rate assumption is based upon observed interest rates on zero coupon U.S. Treasury bonds whose maturity period is appropriate for the expected term. Estimated volatility is a measure of the amount by which the price of the stock is expected to fluctuate during the term of an award. The estimated volatility is an average of the historical volatility of the stock prices of peer entities whose stock prices were publicly available. The calculation of estimated volatility is based on historical stock prices over a period equal to the expected term of the awards. The Company and Parent used the historical volatility of peer entities due to the lack of sufficient historical data on the stock price of the Company or the Parent. The average expected term is based on the contractual terms of the stock option using the simplified method.

Stock option transactions under the Incentive Plan for the years ended December 31, 2020 and 2019 are summarized as follows:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term
Outstanding at December 31, 2018	802,981	$22.90	6.5
Granted	34,900	$32.42	—
Exercised	—	—	—
Forfeited	—	—	—
Outstanding at December 31, 2019	837,881	$23.30	6.5
Granted	68,300	$27.40	—
Exercised	—	—	—
Forfeited	—	—	—
Outstanding at December 31, 2020	906,181	$23.61	5.8
Exercisable at December 31, 2020	806,156	$23.00	5.3

NOTE 7 - STOCK-BASED COMPENSATION – Continued

Stock Options - Continued

A summary of the status of the non-vested stock options as of December 31, 2020 and 2019, and changes during the years ended December 31, 2020 and 2019 is presented below:

	Options	Weighted-Average Grant-Date Fair Value
Non-vested at December 31, 2018	301,331	$8.01
Granted	34,900	$8.80
Exercised	—	—
Forfeited	—	—
Vested	(200,745)	$8.45
Non-vested at December 31, 2019	135,486	$7.55
Granted	68,300	$7.21
Exercised	—	—
Forfeited	—	—
Vested	(103,760)	$7.28
Non-vested at December 31, 2020	100,026	$7.60

The Company estimates forfeitures at the time of grant and revises the forfeiture rate in subsequent periods if actual forfeitures differ from the estimates. At December 31, 2020, total unrecognized estimated compensation expense related to non-vested options was approximately $0.6 million, which may be adjusted for future changes in forfeitures. This cost is expected to be recognized over a weighted-average remaining period of 3.2 years.

Restricted Stock Awards

As of December 31, 2020, 671,174 shares of Parent Class A Common Stock and 134,234 shares of Parent Class B Common Stock had been granted and were outstanding pursuant to the Incentive Plan and Restricted Stock Agreements approved by the Board of Directors.

The Parent Class A Common Stock and Parent Class B Common Stock have been granted at a purchase price of $0 per share. The Parent Class A Common Stock vests ratably over a 5-year period from the grant date and the Parent Class B Common Stock vests 10% on the first anniversary of the grant date, 10% on the second anniversary, 20% on the third anniversary, 20% on the fourth anniversary and 40% on the fifth anniversary of the grant date. Compensation cost related to the restricted awards is recognized over the vesting period.

NOTE 7 - STOCK-BASED COMPENSATION – Continued

Restricted Stock Awards - Continued

Restricted stock activity during the years ended December 31, 2020 and 2019 is as follows:

	Year Ended December 31, 2020				Year Ended December 31, 2019			
	Parent Class A Common Stock		Parent Class B Common Stock		Parent Class A Common Stock		Parent Class B Common Stock	
	Number of Shares	Weighted-Average Grant-Date Fair Value per Share	Number of Shares	Weighted-Average Grant-Date Fair Value per Share	Number of Shares	Weighted-Average Grant-Date Fair Value per Share	Number of Shares	Weighted-Average Grant-Date Fair Value per Share
Non-vested, beginning of period	138,262	$3.48	55,036	$3.71	272,497	$3.48	81,884	$3.71
Granted	—	—	—	—	—	—	—	—
Vested	134,235	$3.48	52,352	$3.71	134,235	$3.48	26,848	$3.71
Cancelled and forfeited	—	—	—	—	—	—	—	—
Non-vested, end of period	4,027	$3.48	2,684	$3.71	138,262	$3.48	55,036	$3.71

At December 31, 2020, total unrecognized estimated compensation expense related to non-vested Parent Class A Common Stock and Parent Class B Common Stock was approximately $11,000, which may be adjusted for future changes in forfeitures. This cost is expected to be recognized over a weighted-average period of 0.8 years.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Employment Agreements

The Company has entered into employment agreements with certain of its executives that provide for compensation and certain other benefits. Under certain circumstances, including a change in control, some of these agreements provide for severance or other payments, if those circumstances occur during the term of the employment agreement.

Litigation

The Company is involved in various claims and legal actions arising in the ordinary course of business, including various claims and legal actions related to employment matters.

These litigation matters are in various stages of development and based on management's estimates, may expose the Company to expenses in excess of amounts already accrued at December 31, 2020. The Company believes in the merits of its positions on these employment matters and intends to defend its rights vigorously. In the opinion of management, the ultimate outcome of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

License Agreements

The Company licenses the use of several third party software technologies which are incorporated into certain of the Company's products. These licenses require royalty payments to third parties which are formula driven primarily based on a percentage of sales of the software technologies or the Company's products into which they are incorporated. There are no minimum royalty guarantees under these agreements due at certain fixed dates. The Company recognized approximately $1.6 million and $1.2 million of royalty expense for the years ended December 31, 2020 and 2019, respectively.

Product Liability

If the Company determines that it is probable that a product liability loss has been incurred, any such estimable loss would be recognized. The majority of the Company's software license agreements indemnify licensees of the Company's software from damages and costs resulting from claims alleging that the Company's software infringes the intellectual property rights of a third party. The Company has historically not received any requests for payment under these provisions and has not been required to make payments pursuant to these provisions. The Company has not identified any losses that are probable under these provisions and, accordingly, the Company has not recorded a liability related to these indemnification provisions.

NOTE 9 - SALE OF ITASM

ITASM is an IT asset management product that was deemed to be non-strategic. As a result, on December 9, 2019, the Company sold all of the assets (including the software, customer contracts, fixed assets, and intangible assets) and transferred all of the liabilities (including the employees, office lease, and obligations under the customer contracts) primarily utilized by the ITASM business. The Company received approximately $1.3 million for the assets, of which 50% was paid at closing and 50% was deposited in escrow with the Paris Bar Association which was released to the Company in June 2020. The Company recognized a gain on sale of the ITASM business of $1.6 million, which is recorded in gain on sale of divested product in the accompanying consolidated statements of operations.

NOTE 10 - INCOME TAXES

The United States and foreign components of income (loss) before income taxes are as follows (in thousands):

	Year Ended December 31, 2020	Year Ended December 31, 2019
United States	$ (17,809)	$ (3,927)
Foreign	1,095	(382)
	$ (16,714)	$ (4,309)

For the years ended December 31, 2020 and 2019 the effective rate differed from the U.S. statutory rate of 21% primarily due to the U.S. benefits of the deduction for foreign derived intangible income, deduction of foreign branch losses and U.S. research and development credits.

The income tax expense (benefit) consists of the following (in thousands):

	Year Ended December 31, 2020	Year Ended December 31, 2019
Current:		
Federal	$ (524)	$ 4,400
State	115	583
Foreign	1,657	1,714
	1,248	6,697
Deferred:		
Federal	(4,149)	(5,889)
State	(807)	(1,146)
Foreign	(2,423)	(1,528)
	(7,379)	(8,563)
Total income tax expense (benefit)	$ (6,131)	$ (1,866)

NOTE 10 - INCOME TAXES - Continued

Deferred tax assets and liabilities consist of the following (in thousands):

	December 31, 2020	December 31, 2019
Deferred tax assets (liabilities):		
Net operating loss carryforwards	$ 4,018	$ 2,812
Tax credit carryovers	2,334	831
Deferred revenue	1,967	1,874
Accrued Expenses	3,633	3,031
Allowance for doubtful accounts	201	229
Valuation allowances	(2,564)	(1,384)
Intangibles	(25,793)	(30,601)
Prepaid expenses	(1,660)	(1,575)
Financing expenses	(823)	(1,035)
Fixed assets	(531)	(565)
Stock-based compensation	1,655	1,397
Other, net	(300)	(256)
Net deferred tax liabilities	$ (17,863)	$ (25,242)

The balance sheet classifications consist of the following (in thousands):

	December 31, 2020	December 31, 2019
Other assets	$ 1,406	$ 1,100
Deferred tax and other long term liabilities	(19,269)	(26,342)
Net deferred tax liabilities	$ (17,863)	$ (25,242)

The 2017 Tax Act significantly impacted how U.S. global corporations are taxed. Significant guidance has been issued with the intention of clarifying the new tax provisions. To date, some of the regulations have been finalized and clarified but a considerable amount of this guidance is still in the form of proposed regulations. Due to the volume and complexity of both the final and proposed regulations, we continue to evaluate any development and impact of the 2017 Tax Act that could have an impact on our tax expense and cash flow. In addition to the 2017 Tax Act, other foreign countries and international organizations, such as Organization for Economic Co-operation and Development ("OECD"), may have law changes and issue new international tax standards that may also impact our taxes.

The CARES Act, enacted on March 27, 2020, included tax provisions designed to provide tax relief to US corporations. The CARES Act increased the Company's 2019 deductible interest expense, accelerating the tax benefit of certain deferred tax assets in 2019, thereby eliminating the carryover of any non-deductible interest expense. Since the CARES Act was enacted in 2020, the benefit of the CARES Act of $0.6 million was recorded as a current tax benefit in 2020. In addition, regulations issued on July 23, 2020 related to the 2017 Tax Act resulted in a 2018 tax benefit of approximately $0.2 million which is recorded as a current tax benefit in 2020.

NOTE 10 - INCOME TAXES - Continued

The CARES Act also allows employers to defer the deposit and payment of the employer's share of Social Security taxes. The deferral applies to deposits and payments of the employer's share of Social Security tax that would otherwise be required to be made during the period beginning on March 27, 2020 and ending on December 31, 2020. The deferred amounts are due to be paid in two equal installments on December 31, 2021 and December 31, 2022. As a result of the CARES Act, the Company has deferred the payment of approximately $2.0 million related to these payroll taxes as of December 31, 2020, half of which is included in accrued expenses and other liabilities and half of which is included in other non-current liabilities in the accompanying consolidated balance sheets.

The Company provided tax on $4.0 million of foreign earnings which it has determined are not indefinitely reinvested.

The Company has foreign tax net operating loss carryforwards of approximately $15.5 million and $11.1 million at December 31, 2020 and 2019, respectively, which are included in deferred tax assets. The Company has valuation allowances on most of the foreign tax net operating losses since it is more likely than not that the foreign tax net operating losses will not be utilized before they expire.

The following is a tabular reconciliation of the total amount of unrecognized tax benefits (in thousands):

	December 31, 2020	December 31, 2019
Balance at beginning of the period	$ 8,068	$ 7,375
Additions for tax positions of prior years	38	788
Reductions for tax positions of prior years	(290)	-
Settlements and lapse of statute of limitations	(79)	(95)
Balance at end of the period	$ 7,737	$ 8,068

The 2020 reductions for tax positions of prior years includes the recognition of tax benefits related to the impact of final regulations issued in 2020 related to provisions of the 2017 Tax Act. Included in the balance at December 31, 2020 and 2019 are $7.7 million and $8.1 million, respectively, of unrecognized tax benefits that would impact the Company's effective tax rate if recognized. Accrued penalties and interest at December 31, 2020 and 2019 are $1.2 million and $0.9 million, respectively. Unrecognized tax benefits are included in deferred tax and other long-term liabilities in the accompanying balance sheets. Unrecognized tax benefits as of December 31, 2020 may be reduced significantly in the next year.

In 2018, the Company was notified of a U.S. Federal examination related to the Company's income tax returns for the years ended December 31, 2015 and December 31, 2016. The examination was not complete at December 31, 2020. The U.S. Federal examination was concluded in 2021 with no material impact on the Company's consolidated financial statements. The Company is no longer subject to tax examinations by tax authorities for the years before 2012.

The Company had a current income tax receivable included in prepaid expenses and other current assets of $1.4 million and $2.2 million at December 31, 2020 and 2019, respectively.

NOTE 11 - RELATED PARTY TRANSACTIONS

The Company has loans outstanding with certain employees in conjunction with equity awards. The loans accrue interest at the minimum applicable Federal rate compounded semi-annually. Pursuant to the terms of the loan agreements, the principal of the loan and any accrued interest is forgiven in equal amounts on the first five anniversaries of the loan agreements. In certain circumstances, including if the employee resigns without good reason, the employee would be liable to repay the amount of the loan not forgiven, and any accrued interest, to the Company. The outstanding balance related to these loans was approximately $0 and $0.3 million as of December 31, 2020 and 2019, respectively.

On April 30, 2015, the Company issued warrants to the former sole stockholder to purchase 1,208,113 shares of the Common Stock of the Company at the exercise prices set forth in the warrant agreement. The warrants expired on April 30, 2019.

NOTE 12 - GEOGRAPHIC INFORMATION

The following summary discloses total revenues and long-lived assets which includes property and equipment, goodwill and intangible assets according to geographic region (in thousands):

	Domestic	EMEA	Other Regions	Consolidated
Year ended December 31, 2020				
Total revenue	$ 159,356	$ 35,768	$ 12,638	$ 207,762
Long-lived assets	385,106	84,135	2,435	471,676
Year ended December 31, 2019				
Total revenue	$ 163,357	$ 40,173	$ 18,295	$ 221,825
Long-lived assets	412,208	84,845	2,904	499,957

Revenues are classified by the major geographic areas in which the Company's customers are located. Long-lived assets are classified by the location of the controlling statutory subsidiary. The Domestic region consists of the United States and Canada. The EMEA region includes operations in Europe, the Middle East and Africa. The other regions include all other foreign countries, generally comprising Latin America and the Asia Pacific region.

No foreign country represented more than 10% of total revenue in 2020 or 2019. The following summary discloses the percentage of total and consolidated assets greater than 10% by foreign country:

	Germany
Year ended December 31, 2020	
% of Assets	14.9%
Year ended December 31, 2019	
% of Assets	14.1%

NOTE 13 - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after December 31, 2020 through April 29, 2021, the date the consolidated financial statements were available to be issued.

On April 5, 2021, the Parent entered into an Agreement and Plan of Merger by and among the Parent, Rocket Software, Inc., Avengers Merger Sub, Inc. ("Merger Sub"), and Elliott Associates, L.P., as the Security Representative thereto (the "Merger Agreement"). The Board of Directors and the shareholders of the Parent unanimously approved the execution of, entering into, and transactions contemplated by, the Merger Agreement. Upon the closing of the merger contemplated in the Merger Agreement, (i) Merger Sub will merge with and into the Company, (ii) the certificate of incorporation of Merger Sub shall be the certificate incorporation of the Parent, (iii) the directors of Merger Sub will be the directors of the Parent, (iv) the officers of the Parent will remain the officers of the Parent, (v) all issued and outstanding shares of capital stock of the Parent will be cancelled and converted into the right to receive a portion of the merger consideration, and (vi) the Parent will be a wholly-owned subsidiary of Rocket Software, Inc. Additionally, at such closing, payment is to be made to fully discharge and terminate all obligations and liabilities of the Company under the Credit Agreement.