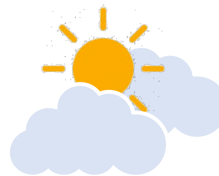
Intrepid
Software & Services

Software & Services M&A Market Monthly
September 2026

- Technology and AI are driving Q3 M&A activity, **representing ~31% of 457 global transactions** tracked from late July through late August, demonstrating sustained strategic demand for AI and technology capabilities.
- Enterprise AI investment continues to shift toward measurable returns, **with 76% of senior leaders reporting business value from AI in Q2 2026, up 12% from Q1.** Visibility into AI costs is associated with stronger ROI, supporting demand for governance and cost management tools.
- **Enterprise software demand increased in Q3 2026, with worldwide software spending now projected to reach ~$1.5T in 2026, up 15.5% YoY,** as businesses continue investing in AI enabled applications and cloud platforms.

S&S M&A Weather Report

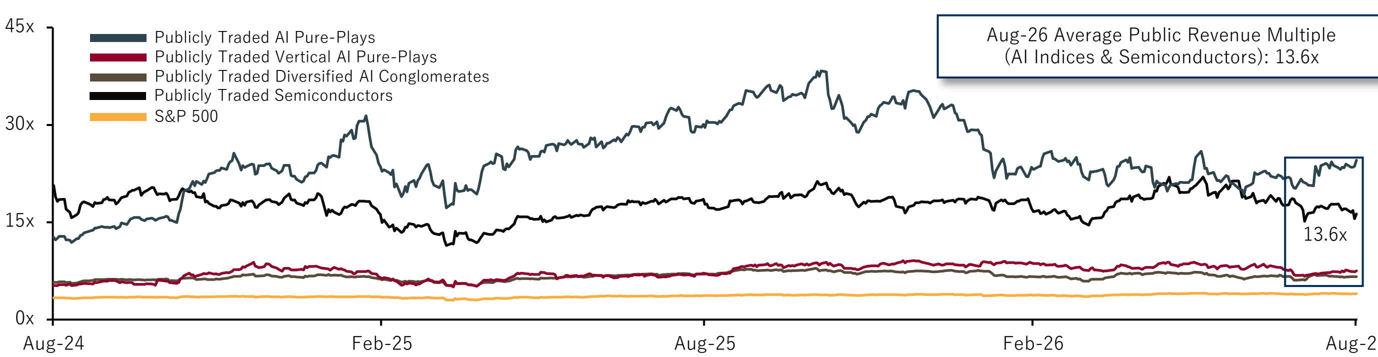


Partially Sunny

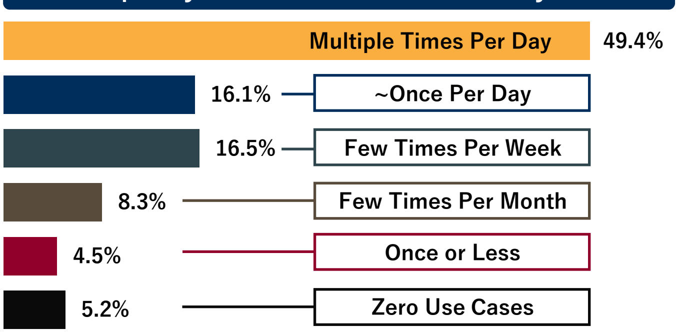
Software M&A activity remains healthy, reinforced by median software transaction multiples increasing to 7.1x EV/LTM Revenue during Aug-26. Buyers continue to favor differentiated assets with defensible moats, mission-critical workflows, and proprietary data, supporting premium valuations and sustained deal activity through Q3 2026.

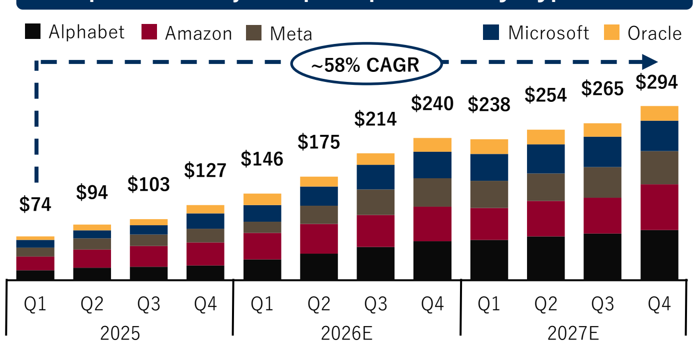
Software Trends We Are Tracking

Publicly Traded AI Pure-Plays Still Command Premium Revenue Multiples[1]

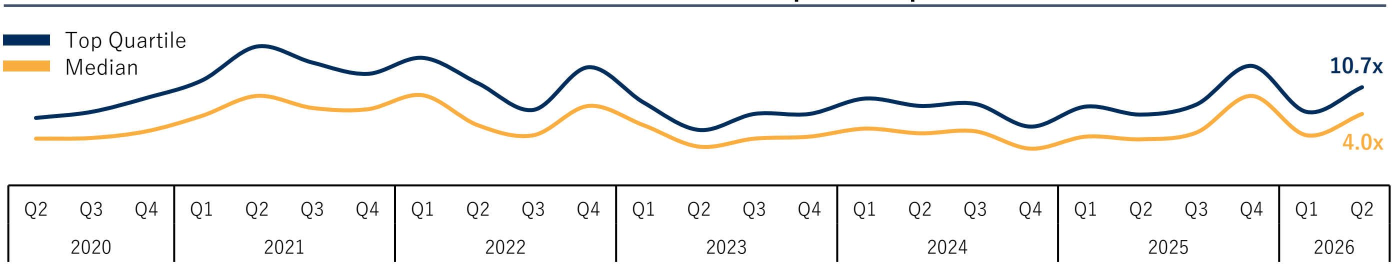


AI Adoption and Investment Continue to Scale





Software Transaction Revenue Multiples Jump in Q2 2026



Notes: (1) Weighted by market capitalization; (2) Reflects a sample of ~540 workforce members polled.
Sources: CapitalIQ; PitchBook; The M&A Advisor.

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Insights from Black Hat 2026

AI-Native Security Takes Center Stage

Market Drivers

- ✓ **AI is now the conference's central axis, not a track -** ~29% of briefings tied to AI security, red-teaming, or LLM-assisted offense; "AI-native" is now table stakes and buyers underwrite defensibility, not the buzzword
- ✓ **Non-human identity & agent governance became a budgeted line item -** "governing the agents already running in your environment" is a fundable new sub-category, likely to consolidate into IAM / CNAPP platforms
- ✓ **Reactive patching is breaking ("vulnpocalypse") -** AI makes exploit discovery cheap and fast, forcing a durability-first shift to memory-safe languages (Rust) and AI-assisted remediation
- ✓ **Autonomous AI crossed into novel attack generation -** AI systems generated genuinely novel attack techniques on stage, shifting the debate from what it might someday do to what it demonstrably did
- ✓ **AI is the newest software supply-chain vector -** trojanized AI "skills" and 54% of AI-generated patches failing reframe value toward supply-chain security and AI patch validation

Key Conference Themes

- ✓ Agentic AI Security & Red-Teaming
- ✓ Non-Human Identity & Agent Governance
- ✓ Exposure Management & Validation
- ✓ AI Software Supply-Chain Security
- ✓ Operational Technology / Critical Infrastructure Security

Cybersecurity Fits Firmly in Intrepid's and MUFG's Software Expertise

XYPRO has been acquired by PartnerOne

RAPID7 — $200M Credit Facility JBR & JLA

eSENTIRE — TL, Revolver & DDTL Admin Agent

Intrepid's Software & Services Coverage

- Compliance Technology
- Cybersecurity
- Data & Analytics
- Energy & Industrials Tech
- GovTech
- Healthcare IT
- Human Capital Management
- PropTech
- SalesTech
- Supply Chain & Logistics Technology
- Tech-Enabled Services
- Vertical Software + AI

White Glove Touch of a Boutique Investment Bank

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