Private Market Perspectives: U.S. Edition

Covering Data as of the First Quarter 2026

Valuations & Opinions Group

May 2026

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Portfolio Valuations per Quarter	Portfolio Valuations Monthly, Weekly, or Daily	Alternative Asset Manager Client	Of all US PE Backed Companies Valued	Asset Backed Finance Valuations per Quarter	Provider of Private Debt Valuations Globally to BDCs(1)
Senior Attention, Institutional Focus and Experienced Execution Team	Investment Banking Service and Delivery Model with Superior Execution	Transaction Experience and Real Time Knowledge of Capital Markets	Technical Expertise Valuing Private, Illiquid and Complex Investments and Structures	Significant Experience Communicating with all Stakeholders	Differentiated Service Model and Private Market Insights Driven by Best-In-Class Technology Platform

…providing a comprehensive range of Valuations and Opinions services

Portfolio Valuations

- Provided daily, weekly, monthly, quarterly, semiannually, and/or annually
- Offers positive assurance, range of values, and point estimates
- Flexible deliverable, including both short and standard-form reporting
- Consult on internally prepared valuations
- Review of valuation policies and procedures
- Data analytics and benchmarking analyses

Asset Backed Finance (ABF)

- Pool and / or loan level valuations
- CECL advisory services
- Litigation / expert testimony
- Loss modeling services
- Model review and advisory
- Portfolio analytics and stress-testing
- Pre-acquisition portfolio analysis
- Risk retention valuation services
- Underwriting due diligence services

Transaction Opinions & Board Advisory

- Buy- or sell-side M&A going-private transactions
- Cross-fund / related party transactions
- Recapitalizations (majority / minority)
- Special situations (i.e., debt exchanges)
- Bond indenture affiliate party covenants
- Stock buyback / redemption transactions
- Spin-offs / split-off

Disputes / Valuation Advisory

Disputes

- Working Capital Consulting – Post-acquisition dispute resolution
- Earnout Consulting – Post-acquisition dispute resolution
- Neutral arbitration services – Working Capital and Earnout
- Representations and warranties claim support
- Litigation and expert testimony – accounting / valuation
- Forensic accounting

Valuation Advisory

- Asset and portfolio stress-testing
- Strategic Planning
- Stock compensation
- Business combinations
- Tax planning
- Debt capacity analysis

(1) Source: DLA LLC

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A **comprehensive client portal** designed to help valuation, investor relations and investment professionals move faster, operate smarter, and stay ahead of the market

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Real-time visibility into key valuation inputs and outcomes, giving you the tools needed to support discussions with valuation stakeholders

Portfolio & Market Insights

Portfolio level insights coupled with Lincoln's proprietary private market data, covering thousands of transactions and companies to drive benchmarking and actionable analytics

Workflow & Collaboration

One secure hub for valuation results, project status visibility, and communication to accelerate, scale and streamline your engagement

Built alongside clients, Lincoln Lens is ***designed to evolve with you as your needs change***

Why Lens?

At Lincoln, we're continually assessing how to **better meet the needs** of our clients

We know that **evolving dynamics within the private markets** means clients are asking for:

- **Greater scale**
- **More frequent insights**
- **Deeper transparency**

Lincoln Lens is our **commitment to meeting these needs** and **to continue building collaborative & strategic relationships** with our clients

S&P Dow Jones Indices and Lincoln Launch S&P Lincoln Senior Debt Index Series

- Lincoln International and S&P Dow Jones Indices (S&P DJI) have launched the **U.S. and Europe S&P Lincoln Senior Debt Indices**—the first transparent, independently calculated benchmarks for evaluating private credit investment performance.
- The indices combine Lincoln's private market insights with S&P DJI's expertise in index design, administration, and governance.
- Reporting will expand from quarterly to monthly by end of 2026, addressing a critical need of private markets participants: transparent, independently calculated benchmarks that can be used to evaluate performance of private credit investments.
- Lincoln will continue to publish the Lincoln Private Market Index and quarterly private markets insights.

S&P Dow Jones Indices

A Division of S&P Global

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Private Market Trends for Q1 2026

Lincoln's Proprietary Private Market Index

- The **Lincoln Private Market Index ("LPMI")** decreased by 2.2% during the first quarter of 2026. This decline was primarily driven by an 8.8% decrease for software companies.
- The S&P 500 exhibited similar trends, with enterprise values decreasing 3.5% since Q4, primarily due to a pullback in public software valuations. Notably, however, excluding the Magnificent 7, S&P 500 enterprise values grew by 0.7%, highlighting the resilience of less AI-impacted companies given the significant AI exposure of the Magnificent 7.
- *Lincoln's Indices can be found on pages 12 to 14.*

New Buyouts

- M&A activity rebounded selectively in 2025, with the average deal size for new third-party buyouts exceeding $1.0 billion. Total transaction volume declined; however, new deals have been completed at higher enterprise values.
- Flight to quality continues across the leveraged buyout market, with higher-quality transactions yielding TEV / LTM EBITDA multiples above the historical average.
- *New Buyouts can be found on pages 15 to 16.*

Company Performance

- Most private companies performed well in Q1. Lincoln observed an increase in the number of companies growing both revenue (69.8% vs. 68.6% in Q4) and EBITDA (62.6% vs. 61.7% in Q4) while also observing an increase in the magnitude of year-over-year growth in revenue (6.6% vs. 5.9% in Q4) and EBITDA (4.6% vs. 4.4 % in Q4) in Q1 2026.
- *Company Performance can be found on pages 17 to 19.*

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Private Market Trends for Q1 2026 (continued)

Software Overview

- Looking at software companies' performance specifically, trends were also positive as 74.9% of software companies grew revenue and 67.0% grew EBITDA, while the magnitude of year-over-year growth was 6.6% for both revenue and EBITDA.
- 20% of the outstanding principal of loans consisted of software companies, and the loan-to-value ("LTV") of Q1 2026 software deals ranged from 20.0% - 40.0%.
- Vertically integrated software multiples declined to 15.0x (from 15.7x in Q4 2025) and horizontally integrated multiples declined to 13.4x (from 14.4x in Q4 2025) demonstrating meaningfully higher degradation of enterprise value and for horizontally integrated software businesses given greater vulnerability to replacement by general purpose AI solutions.
- The average fair value of loans to software businesses valued by Lincoln declined by 1.9% of par. Notably, however, loans with greater LTV experienced greater value declines.
- *Software Overview can be found on pages 23 to 31.*

Private Credit Trends

- **Private Market Spreads**: Spreads for deals between $40 - $100 million LTM Adjusted EBITDA average S+4.75% to S+5.50%, and recent deals have been underwritten to 4.75x – 6.25x leverage.
- **Software Spreads:** While underwriting standards have tightened meaningfully, recent activity indicates continued appetite for high-quality software assets inclusive of observed spread widening (25 – 100 bps). Deals that closed in January and February were predominantly concentrated at closing leverage multiples between 5.00x and 6.00x.
- *Private Credit Spreads can be found on pages 21 and 22.*

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Private Market Trends for Q1 2026 (continued)

Private Credit Trends (cont'd)

- **Covenant Defaults and Amendment Activity**: While the covenant default rate decreased to 3.1%, amendment activity increased 8% quarter-over-quarter.
- **PIK Utilization:** Lincoln determined that 11% of loans valued by Lincoln paid PIK interest in 2025, which increased from 7% in 2021. Of the 11% of loans with PIK interest, Lincoln determined that 56% of those companies had "bad PIK" interest, meaning these companies did not pay any PIK interest at initial transaction close (including loans that had a PIK toggle that was not utilized at inception), but now had some component of PIK interest, up ~20% since Q4 2021
- **Lender Take-Overs**: Lincoln observed a meaningful increase in lender take-overs, with $39.4 billion of debt foreclosed in 2025 and 2026, relative to just $13.6 billion in total in the preceding 3 years. Of those change of control transactions, nearly 75% related to 2021 and 2022 vintage deals.
- *Private Credit Trends can be found on pages 32 to 39.*

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Proprietary Private Company Data Composition

Section 1

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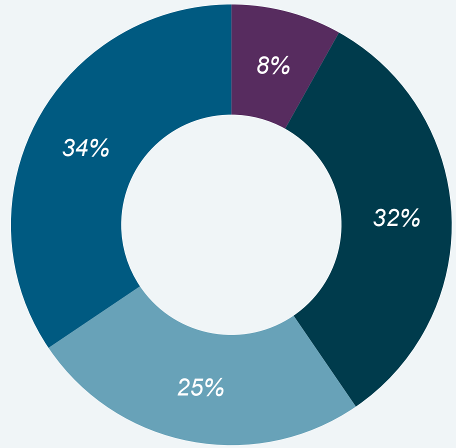
Proprietary Private Company Data — As of March 31, 2026

Database Statistics

- Dataset: Approximately 7,100 U.S. operating portfolio company valuations, with data collected since 2011.
  - Representing $250+ billion of total privately held principal and invested capital by Lincoln's lender and sponsor clients in Q1 2026
- Company Ownership:
  - Private: 98.4% (primarily held by PE sponsors)
  - Public: 1.6%
- Median Company Size (LTM Adjusted EBITDA): $60.6 million
- EV / LTM Adjusted EBITDA Average: 11.7x
- Debt / LTM Adjusted EBITDA Average: 5.1x
- "EBITDA" represents LTM earnings before interest, taxes, depreciation and amortization, inclusive of all agreed upon addbacks as defined by lenders in the respective credit agreement
- A "default" is defined as a covenant default and not solely a monetary default

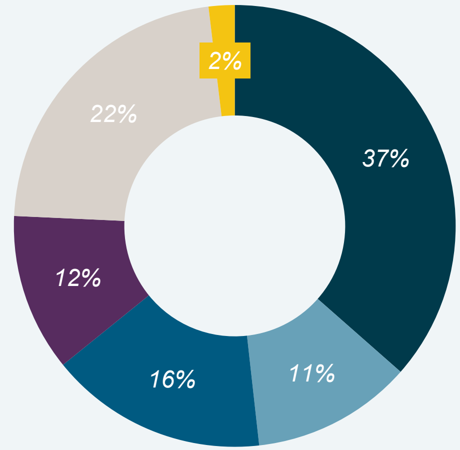
Portfolio Companies by

LTM Adjusted EBITDA



- < $10.0 million
- $10.0 - $50.0 million
- $50.0 - $100.0 million
- > $100.0 million

Industry



- Business Services
- Consumer
- Healthcare
- Industrials
- Technology
- Energy & Power

Industries Encompassed in Database

BUSINESS SERVICES

CONSUMER

ENERGY, POWER & INFRASTRUCTURE

HEALTHCARE

INDUSTRIALS

TECHNOLOGY

Source: Lincoln Lens - Private Market Intelligence

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Lincoln's Proprietary Private Market Index

Section 2

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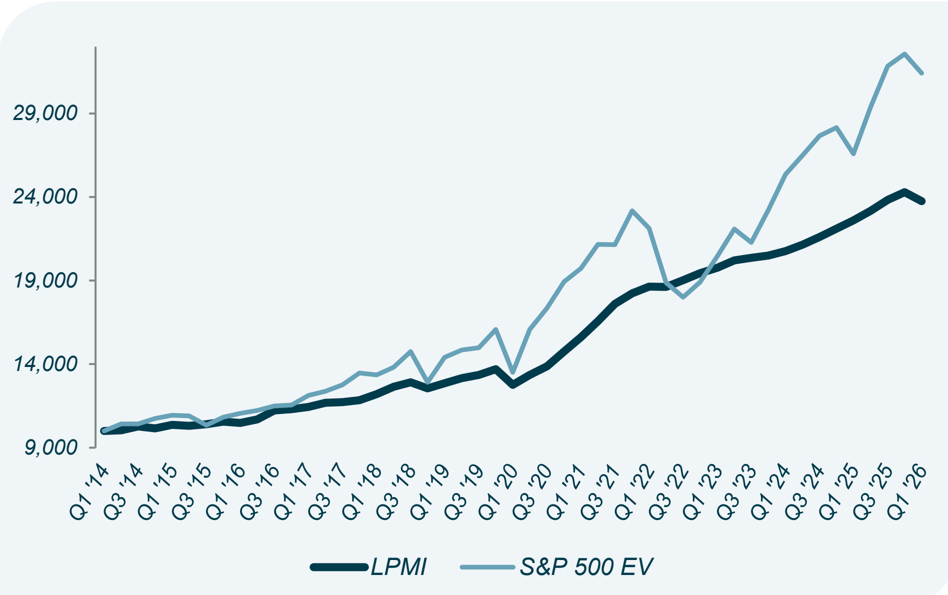
Lincoln Private Market Index™

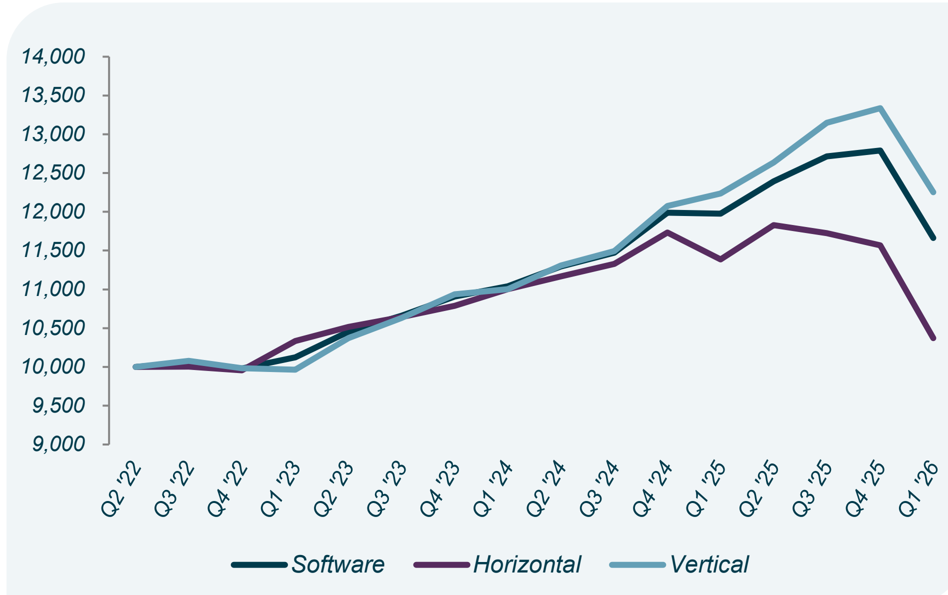
INDEX VS. S&P 500 ENTERPRISE VALUES

The LPMI decreased by 2.2% during the first quarter of 2026, driven by lower enterprise value multiples, led by the Software sector. Software enterprise values fell 8.8% YTD with horizontally integrated businesses decreasing 2.2% more than vertically integrated businesses.

Lincoln Private Market Index – Entire Portfolio



Lincoln Private Market Index – Software Focus



	Entire Portfolio		Software	Horizontal	Vertical
	March YTD	March LTM	March YTD	March YTD	March YTD
LPMI	-2.2%	5.1%	-8.8%	-10.3%	-8.1%
S&P 500 EV	-3.5%	18.2%			

Source: Lincoln Lens - Private Market Intelligence

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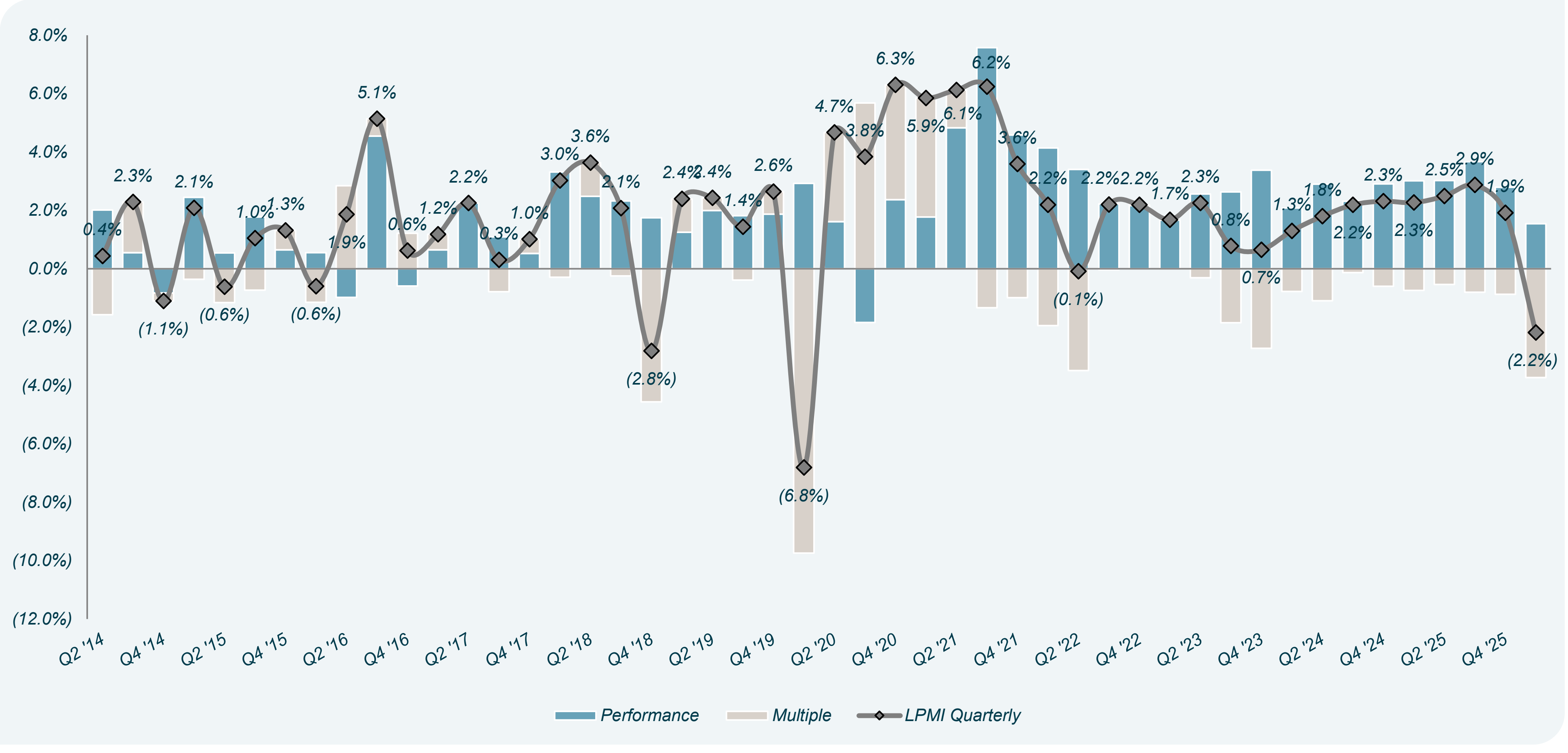
Lincoln Private Market Index™

INDEX DRIVERS: MULTIPLES VS. EARNINGS

Multiple contraction led to enterprise value declines in Q1 2026.



Source: Lincoln Lens - Private Market Intelligence

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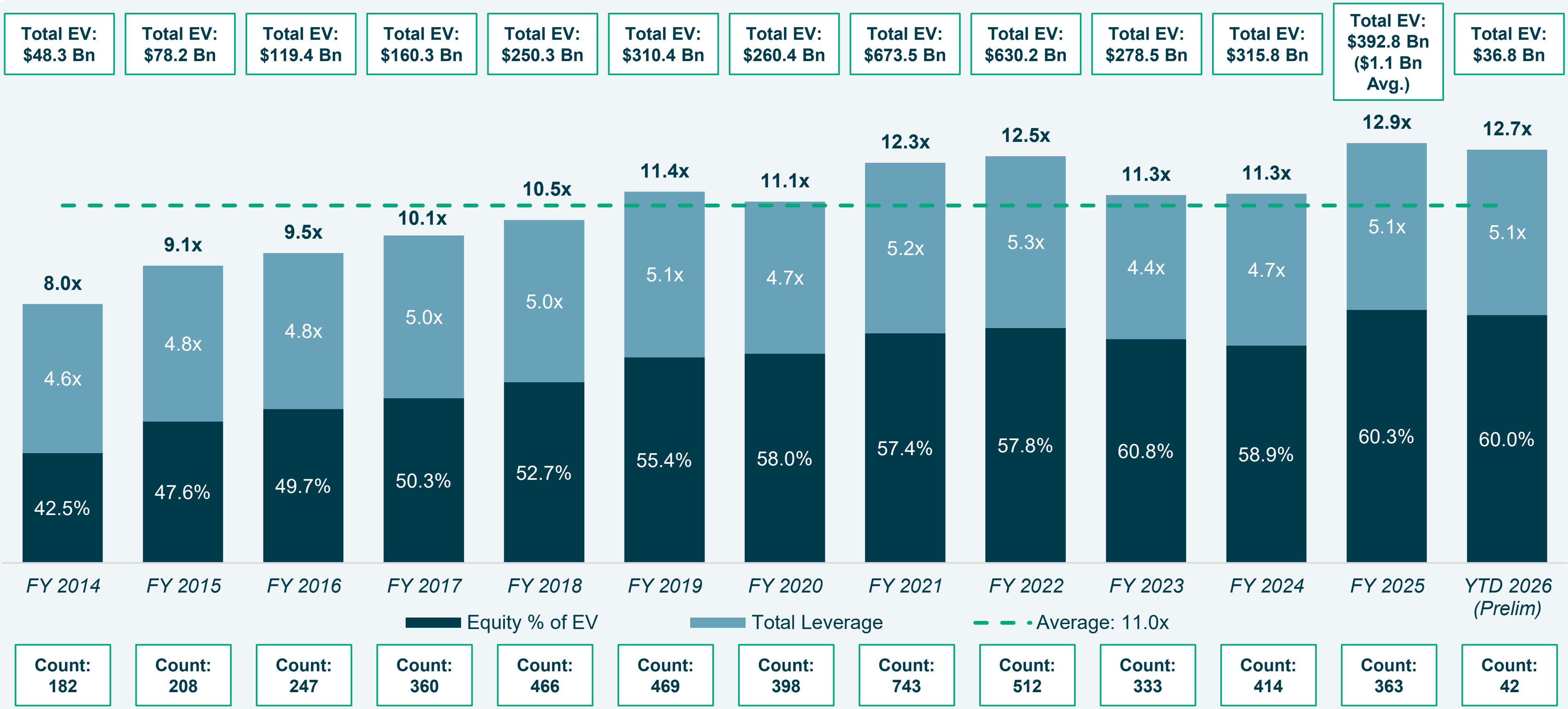
Third-Party New M&A Transactions

Section 3

Lincoln Observed New Third-Party M&A Platform Buyouts

Flight to quality continues across the leveraged buyout market, with higher-quality transactions yielding TEV / LTM EBITDA multiples above the historical average.

EV / EBITDA Transaction Multiples



Note: YTD 2026 represents data collected as of March 31, 2026 valuation date.

Source: Lincoln Lens - Private Market Intelligence

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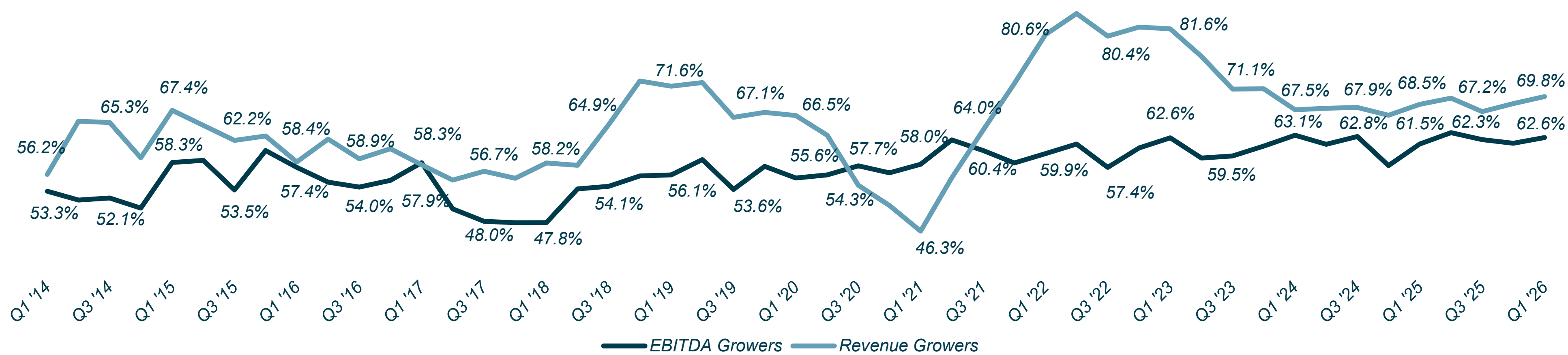
Company Performance Trends

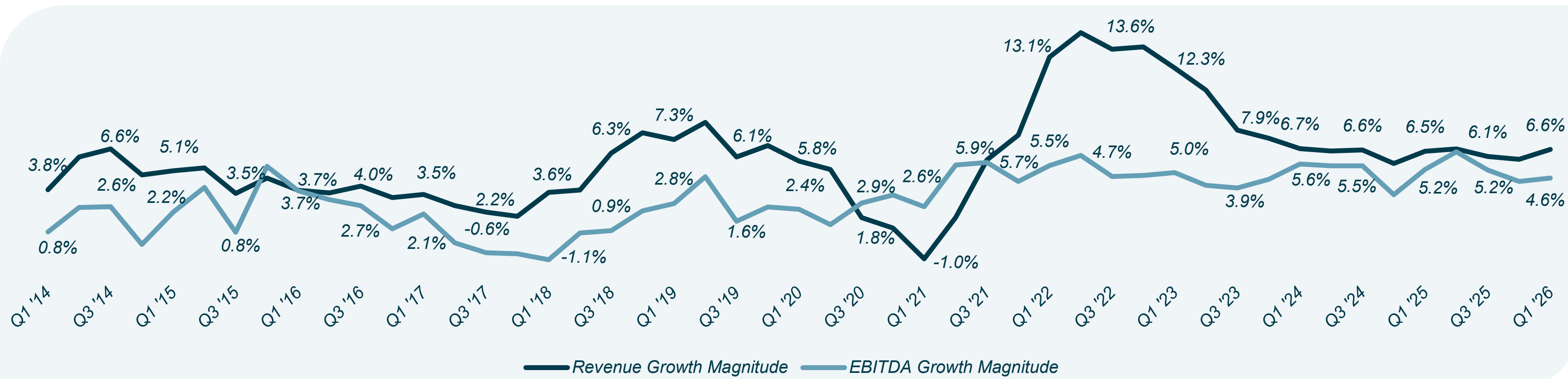
Section 4

Portfolio Company Fundamental Performance

Percentage of Companies Reporting YoY LTM Revenue and Adjusted EBITDA Growth



YoY LTM Revenue and Adjusted EBITDA Growth



Source: Lincoln Lens - Private Market Intelligence

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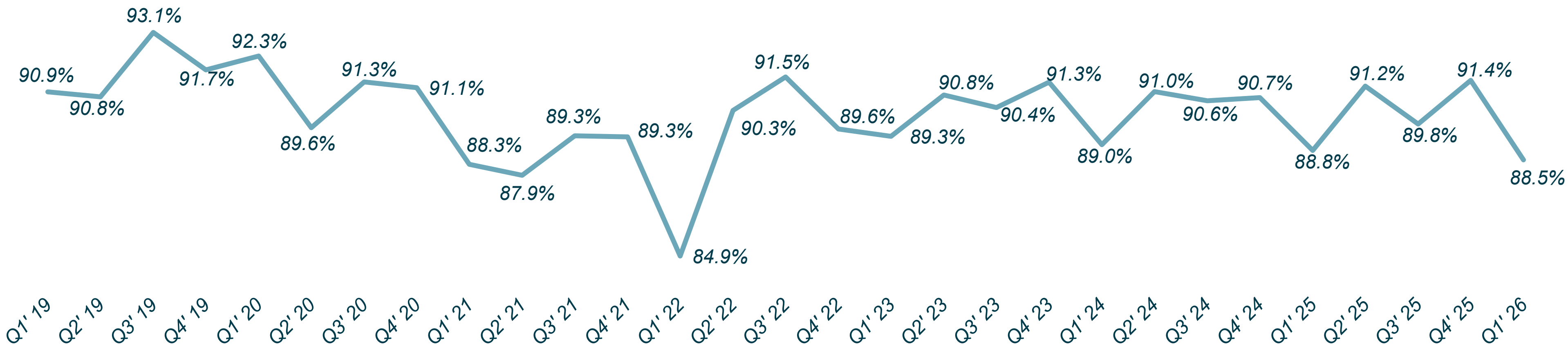
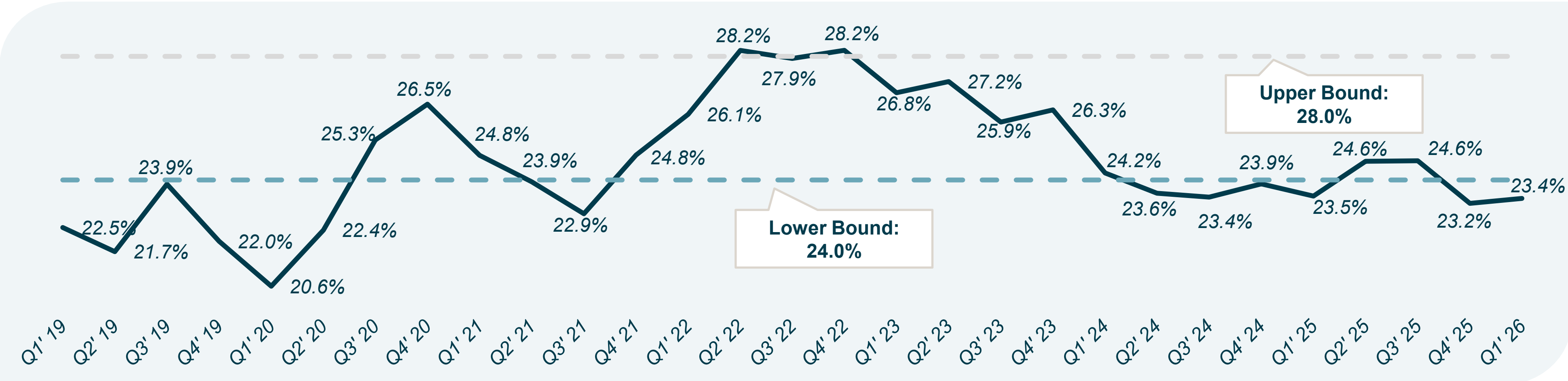
LTM EBITDA Adjustments

Percentage of Companies Reporting LTM EBITDA Adjustments



Magnitude of LTM EBITDA Adjustments as a % of LTM Adjusted EBITDA



Source: Lincoln Lens - Private Market Intelligence

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Private Credit Market Spreads

Section 5

Adapting to Shifts in Private Credit Financing Environments

($40 million - $100 million Adjusted EBITDA Businesses)

Q1 2024	Q4 2025	April 2026
550 to 625 bps Pricing Spread	**450 to 550 bps** Pricing Spread	**475 to 550 bps** Pricing Spread
10.80% - 11.55% All-in Pricing (assumes SOFR of 5.30%)	**8.20% - 9.20%** All-in Pricing (assumes SOFR of 3.70%)	**8.45% - 9.20%** All-in Pricing (assumes SOFR of 3.70%)
5.00x – 6.00x Leverage	**5.00x – 6.50x** Leverage	**4.75x – 6.25x** Leverage
100 - 200 bps OID	**100 bps** OID	**100 bps** OID
45%+ Equity Cushion Inclusive of All-PIK Preferred	**45%+** Equity Cushion Inclusive of All-PIK Preferred	**45%+** Equity Cushion Inclusive of All-PIK Preferred

Since Q4 2025, spreads have widened by approximately 25 bps. Spreads for software businesses have widened between 25 – 100 bps.

Note: Data representative of a $40 - $100 million EBITDA business

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Lincoln's Private Credit Snapshot

Private Credit Snapshot as of May 1, 2026, and published on LevFin Insights *(Fitch affiliate)*

EBITDA	<$15mm of EBITDA		$15mm to $40mm of EBITDA		$40-100mm of EBITDA		>$100mm of EBITDA	
Security Type	**Pricing**	**EBITDA Multiples**	**Pricing**	**EBITDA Multiples**	**Pricing**	**EBITDA Multiples**	**Pricing**	**EBITDA Multiples**
Asset Based Senior	S + 200 - 300 bps	N / A	S + 150 - 250 bps	N / A	S + 150 - 250 bps	N / A	S + 150 - 250 bps	N / A
Cash Flow Senior	S + 400 - 500 bps	2.50x - 4.00x	S + 400 - 500 bps	2.50x - 4.00x	S + 400 - 500 bps	2.75x - 4.25x	S + 350 - 450 bps	3.00x - 4.50x
Senior Stretch	S + 450 - 525 bps	3.00x - 4.50x	S + 450 - 525 bps	3.50x - 5.00x	S + 425 - 525 bps	3.75x - 5.25x	S + 400 - 500 bps	4.00x - 5.50x
Unitranche	S + 475 - 550 bps	4.00x - 5.50x	S + 475 - 550 bps	4.50x - 6.00x	S + 475 - 550 bps	4.75x - 6.25x	S + 450 - 550 bps	5.00x - 6.50x
2nd Lien Loans	N / A	N / A	S + 725 - 825 bps	5.00x - 6.00x	S + 725 - 800 bps	5.25x - 6.25x	S + 700 - 800 bps	5.50x - 6.50x
Sub Debt	Cash: 10.5% - 12.0% PIK: 1.0% - 2.0% All-in: 11.5% - 14.0%	4.50x - 5.50x	Cash: 10.0% - 11.5% PIK: 1.0% - 2.0% All-in: 11.0% - 13.5%	5.00x - 6.00x	Cash: 10.0% - 11.5% PIK: 1.0% - 2.0% All-in: 11.0% - 13.5%	5.25x - 6.25x	Cash: 10.0% - 11.0% PIK: 1.0% - 2.0% All-in: 11.0% - 13.0%	5.50x - 6.50x
Preferred	All-in: 17.0% - 20.0%	~15%+ of Total Capitalization	All-in: 16.0% - 19.0%	~15%+ of Total Capitalization	All-in: 13.5% - 16.5%	~15%+ of Total Capitalization	All-in: 13.0% - 16.0%	~15%+ of Total Capitalization
Equity Cushion		*Minimum 50%+ (incl. Preferred)*		*Minimum 45%+ (incl. Preferred)*		*Minimum 45%+ (incl. Preferred)*		*Minimum 45%+ (incl. Preferred)*

Note: Latest Private Credit Snapshot as of May 1st, 2026. The values presented above are based on prevailing metrics observed by Lincoln International in recent months; however, leverage multiples and pricing are highly dependent on a borrower's credit profile and may be higher or lower than those shown above for certain companies. SOFR floors, when included, are generally ~100 bps.

The above spreads exclude any impact from OID

Private Market: An Overview of the State of Software

Section 6

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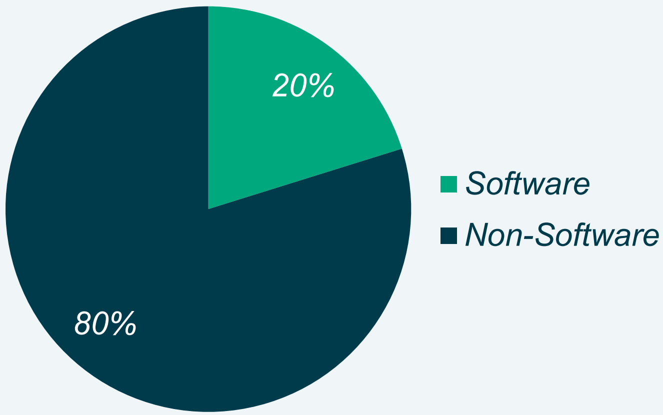
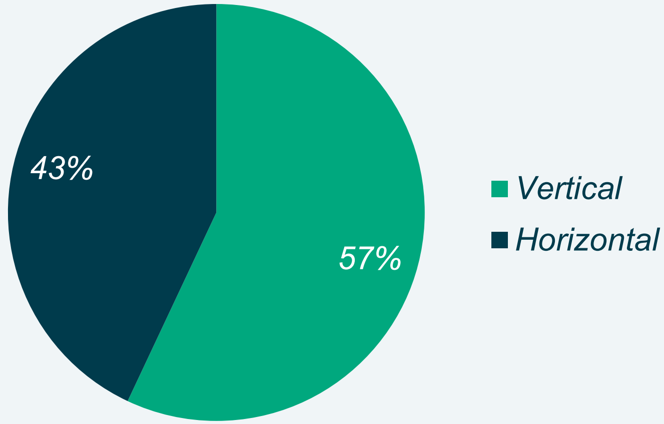
Private Software Business Landscape

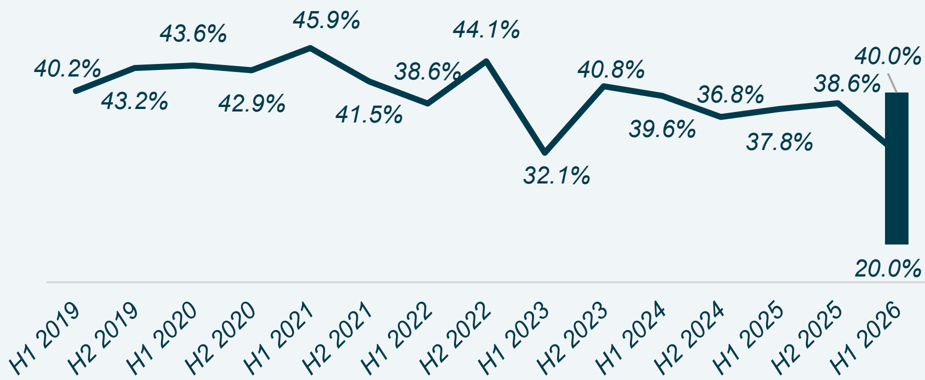
Outstanding Principal Balance as of Q1 2026 – Software vs Non-Software



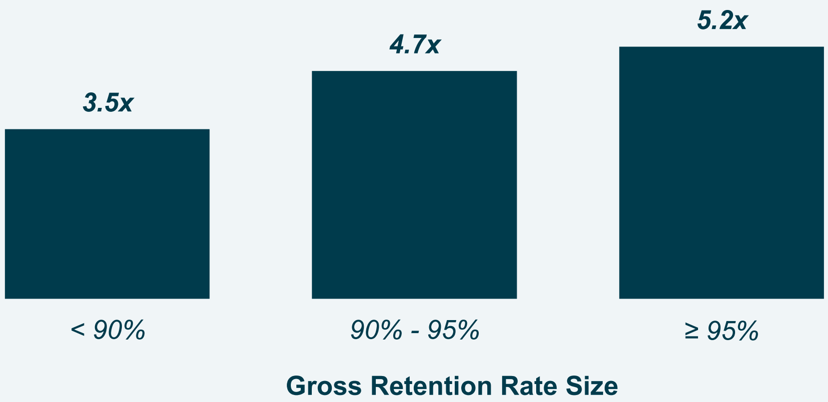
Outstanding Principal Balance as of Q1 2026 – Vertically vs Horizontally Integrated Software Businesses



Software Company LTVs at Transaction Close



Leverage by Gross Retention Rate at Transaction Close (2019 – 2025)



Source: Lincoln Lens - Private Market Intelligence

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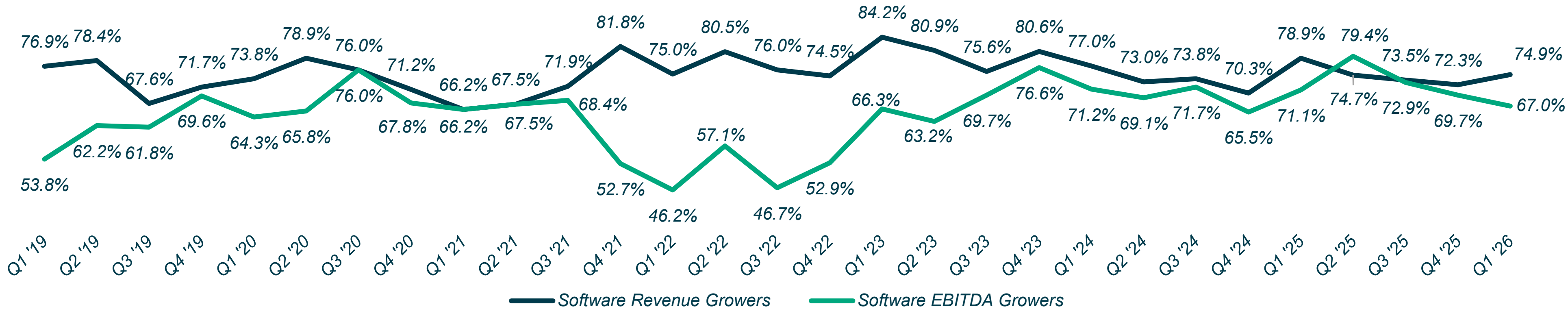
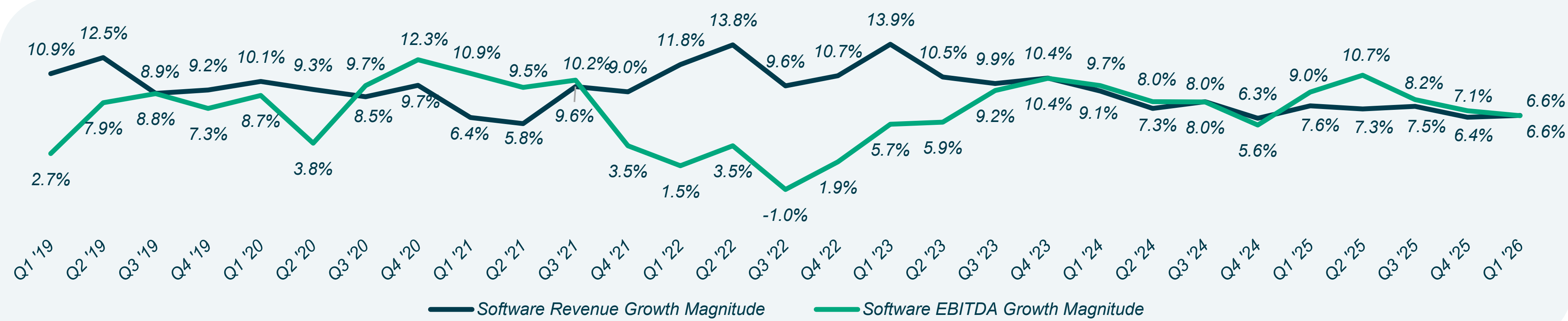
Portfolio Company Fundamental Performance - Software

Percentage of Companies Reporting YoY LTM Revenue and Adjusted EBITDA Growth - Software



YoY LTM Revenue and Adjusted EBITDA Growth - Software



Compared with the total population, software companies demonstrated a higher share of businesses reporting growth, along with stronger revenue and EBITDA growth magnitude.

Source: Lincoln Lens - Private Market Intelligence

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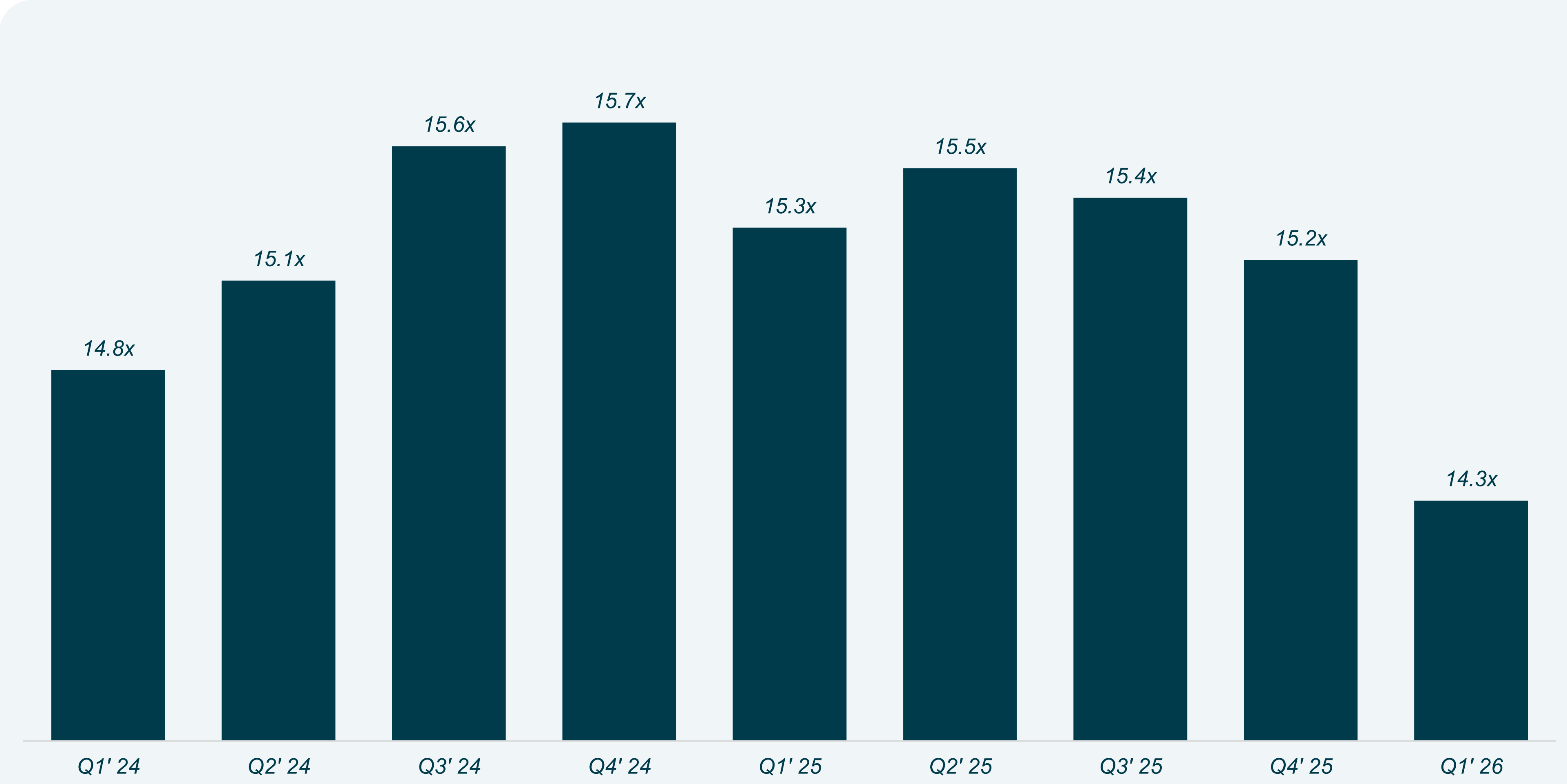
Software Valuation Multiples Over Time – Lincoln Estimates

Of all valuations performed by Lincoln of software businesses EV / LTM Adjusted EBITDA multiples decreased ~1.0x from Q4 2025 to Q1 2026

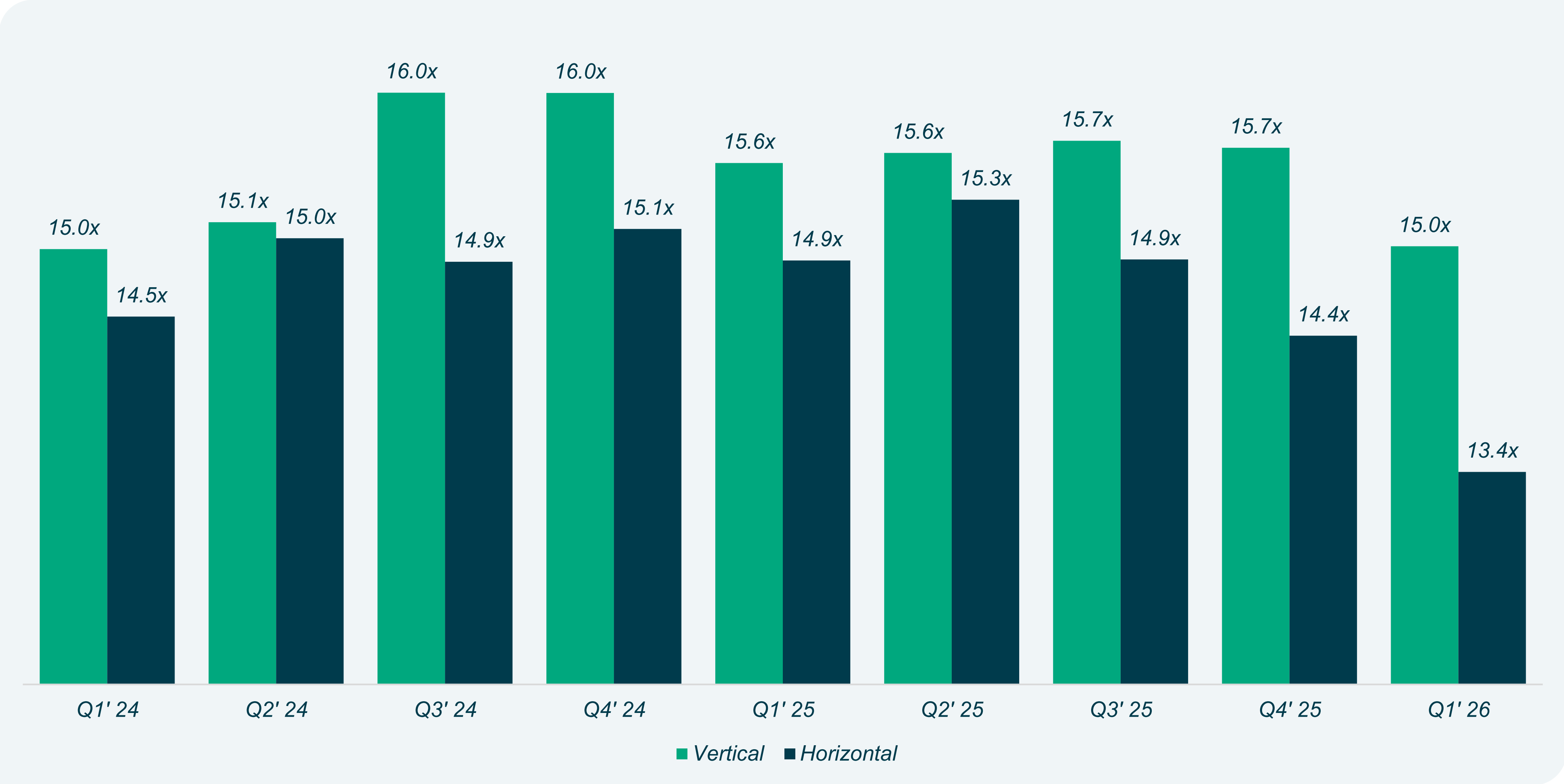


Multiples above reflect Lincoln estimates as of the given valuation period (x-axis).

Source: Lincoln Lens - Private Market Intelligence

Software Valuation Multiples Over Time… Continued

Historically, vertically integrated software businesses have been valued at a premium to horizontally focused businesses. That valuation gap has widened to almost **2.0x** in Q1 2026

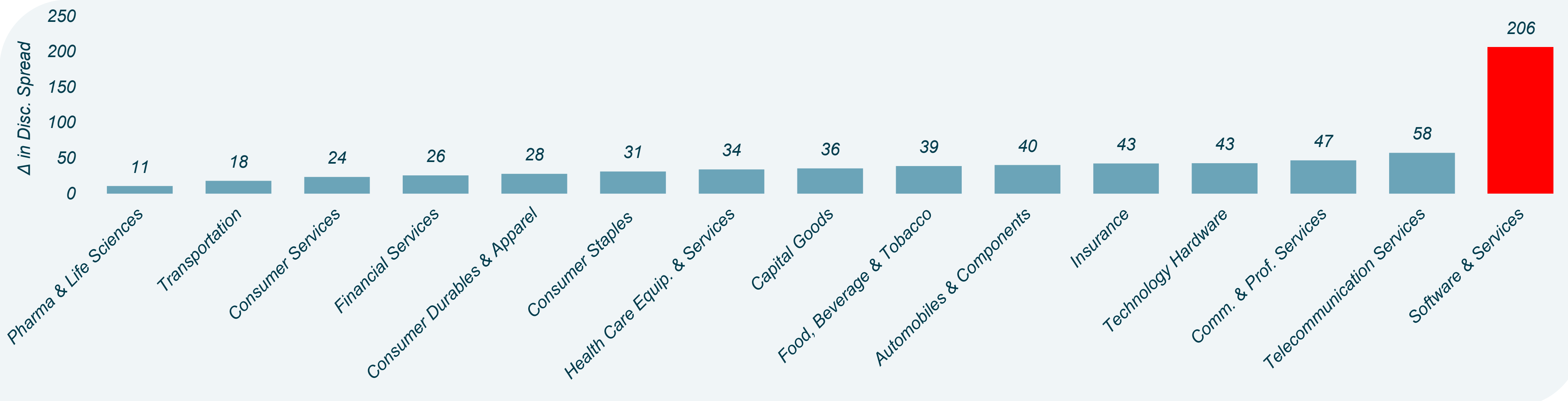


Industry classifications as well as vertically and horizontally integrated software business distinctions based on Lincoln International estimates. Multiples above reflect Lincoln estimates as of the given valuation period (x-axis).

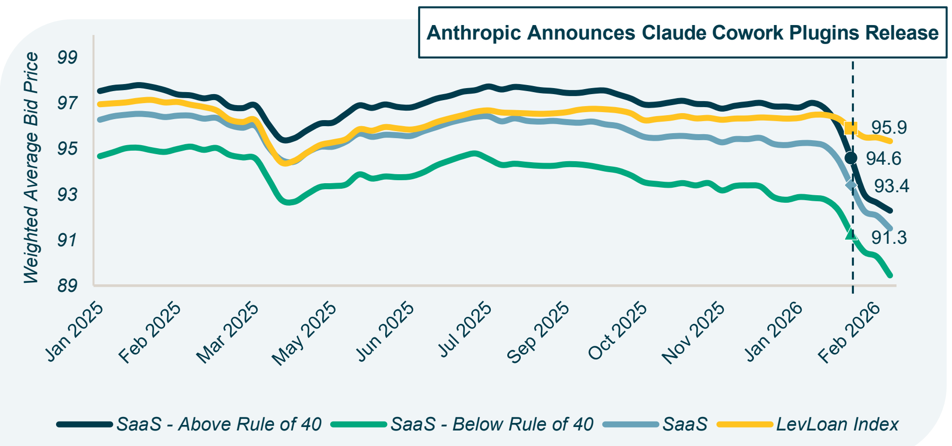
Source: Lincoln Lens - Private Market Intelligence

A Look at YTD BSL Activity with a Focus on Software

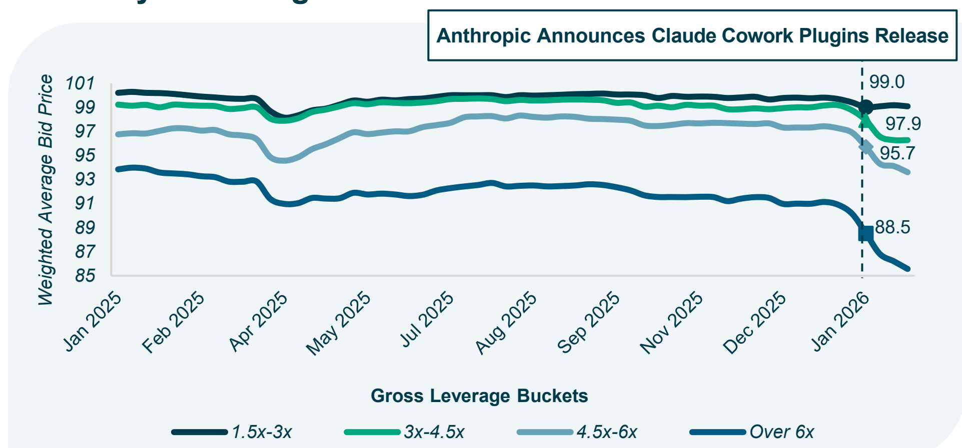
YTD 2026 Change in Discounted Spread by Sector (All BSL Ratings)



Software Loan Bids Fell Uniformly Regardless of Rule of 40



Bids Declined by Very Disparate Amounts Based on the Security's Leverage



Source: Octus, IHS Markit report, February 26, 2026

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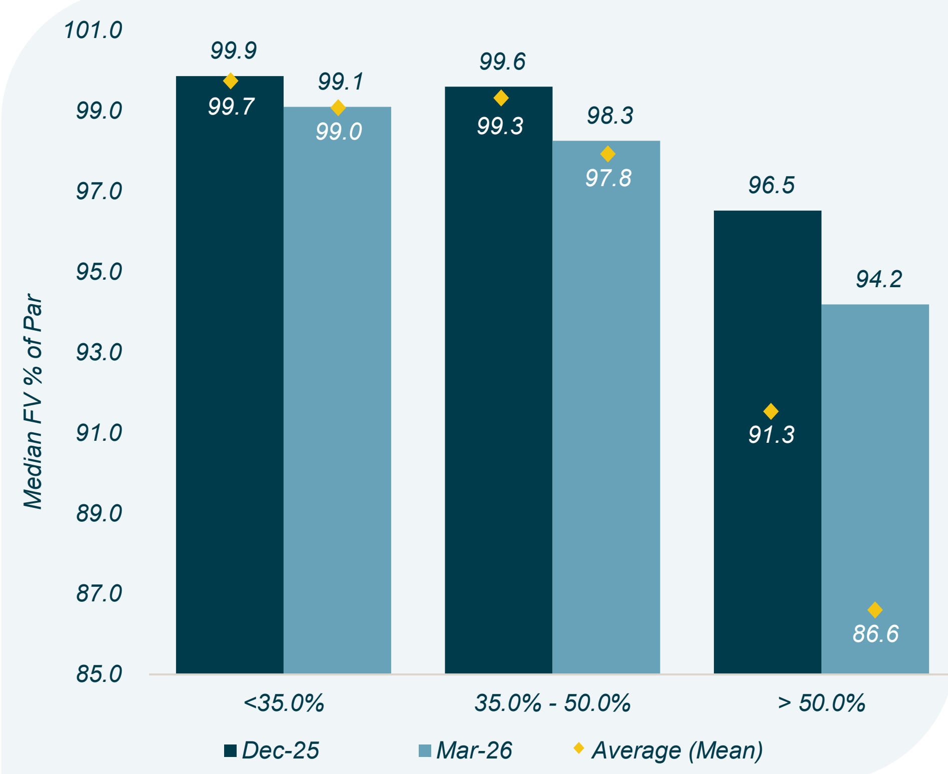
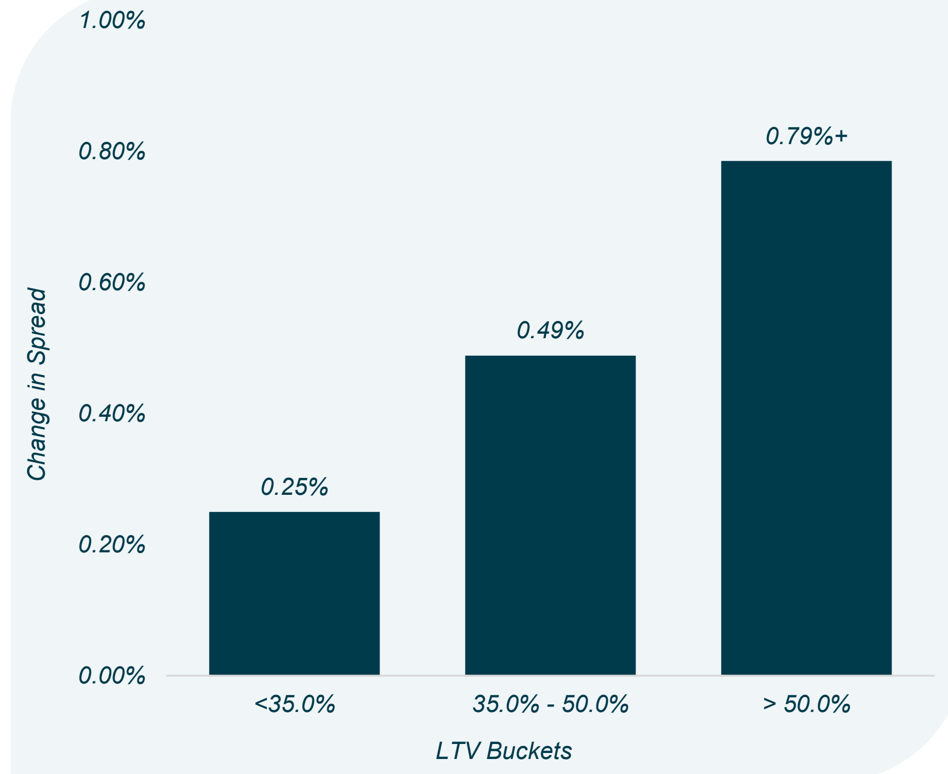
Lincoln Fair Value Trends across Direct Lending Loans within Software

Lincoln Estimated Fair Value for Software Loan QoQ by LTV



Lincoln Estimated Change in Spread for Software Loan QoQ by LTV



Across Software loans valued by Lincoln in Q1 2026, the average fair value declined by 1.9% of par while more highly levered and higher LTV securities experienced the greatest spread widening.

Data reflects only First Lien debt valued by Lincoln International.
Source: Lincoln Lens - Private Market Intelligence

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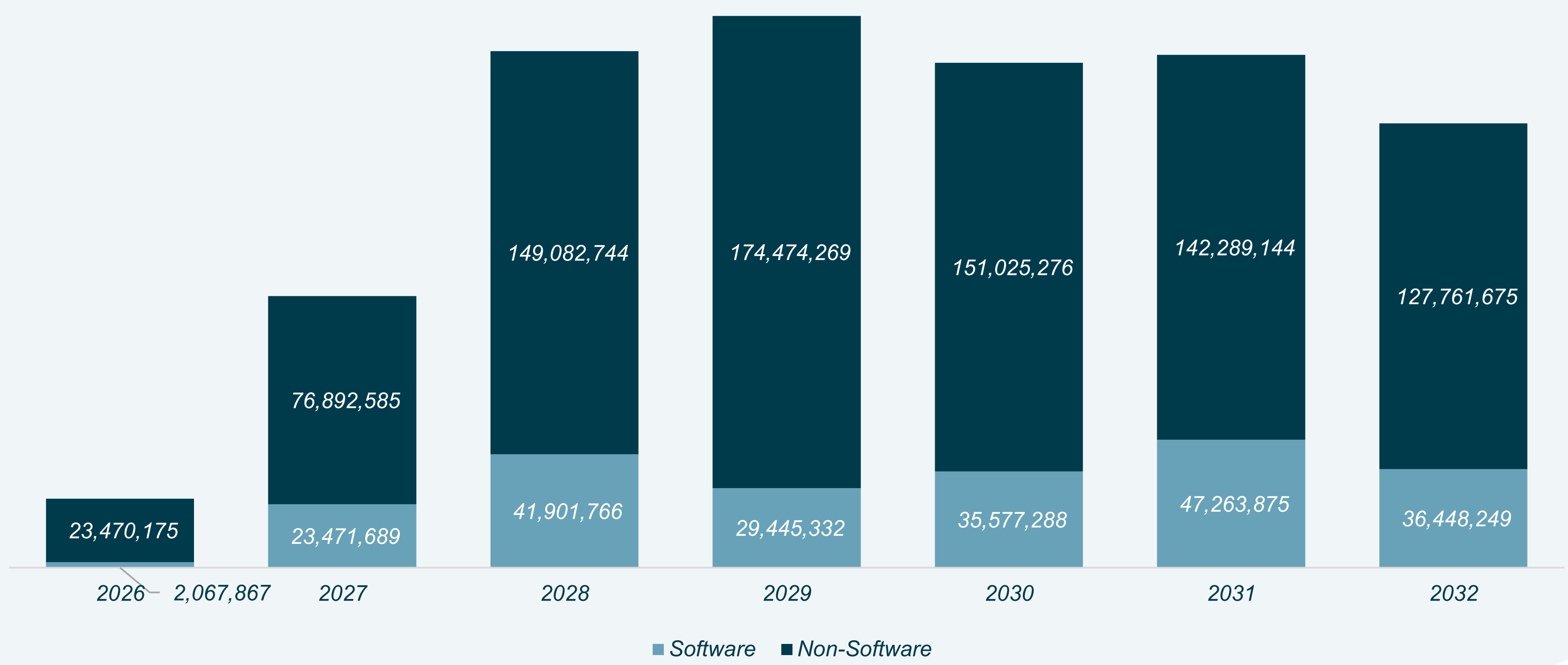
Looking Ahead… Size Weighted Maturity Wall

Size Weighted Maturity Wall ($ in thousands, reflects outstanding principal)



Size Weighted Maturity Wall (% of total principal outstanding) Outstanding principal balances reflect total outstanding debt as of Q1 2026.
Source: Lincoln Lens - Private Market Intelligence

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Recent Third-Party Transactions - Software

Recent Market Activity for Companies with $100+ million EBITDA

4 Software Deals
Between **Jan. and Feb. 2026**

4 Software Deals
Between **March and April 2026**

All Unitranche
Financings

	Average	Median	Range
Leverage Multiple	*6.2x*	*5.7x*	*4.0x - 7.0x*
LTV	*~30%*	*~30%*	*20% - 40%*
Cash Spread	*5.00%*	*4.75%*	*4.50% - 6.00%*

While underwriting standards have tightened meaningfully, recent activity indicates continued appetite for high-quality software assets inclusive of observed spread widening (25 – 100 bps). Deals that closed in January and February were predominantly concentrated at closing leverage multiples between 5.00x and 6.00x.

Note: Includes 6 buyouts and 2 refinancings
Source: Lincoln Lens - Private Market Intelligence

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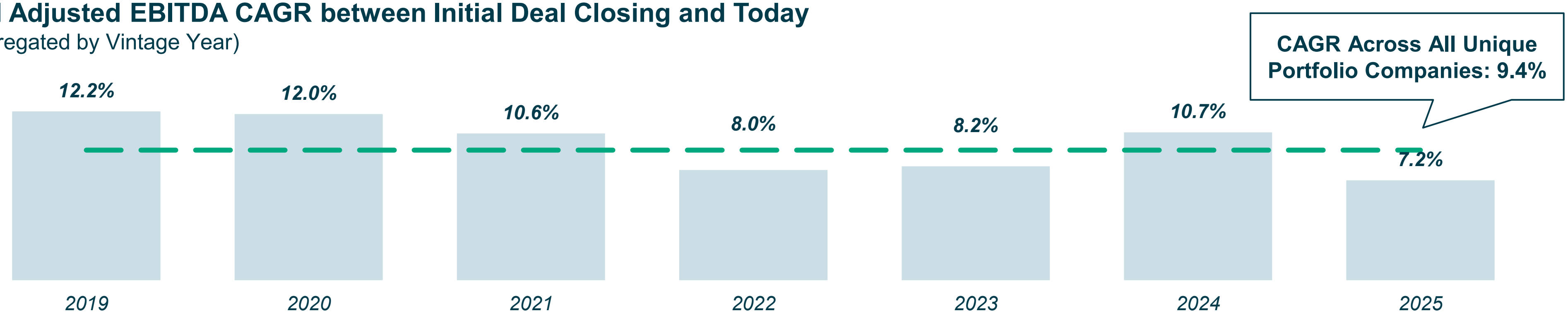
Vintage, Amendments, PIK, and Lender Foreclosures

Section 7

Evaluating the Past: How Vintage Performance Reflects Shifts in Private Credit

LTM Adjusted EBITDA CAGR between Initial Deal Closing and Today

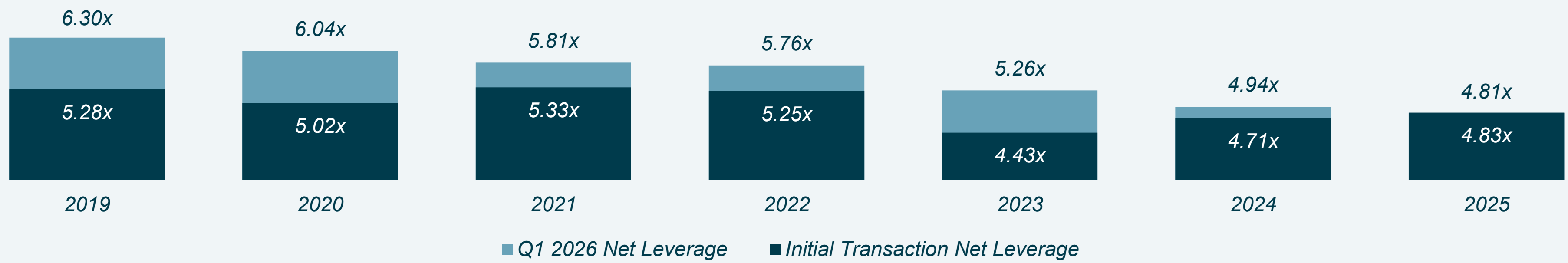
(Aggregated by Vintage Year)



Avg. EBITDA at Close: $60.9 million	Avg. EBITDA at Close: $55.3 million	Avg. EBITDA at Close: $60.6 million	Avg. EBITDA at Close: $74.8 million	Avg. EBITDA at Close: $143.3 million	Avg. EBITDA at Close: $87.9 million	Avg. EBITDA at Close: $85.6 million

Change in Net Leverage Multiple between Initial Deal Closing and Today

(Aggregated by Vintage Year)



Note: Adjusted EBITDA includes all Adjustments as defined by the Credit Agreement. Adjusted EBITDA also is representative of organic and inorganic growth (i.e. it includes acquisitions). Analysis also may be influenced by survivorship bias.

Source: Lincoln Lens - Private Market Intelligence

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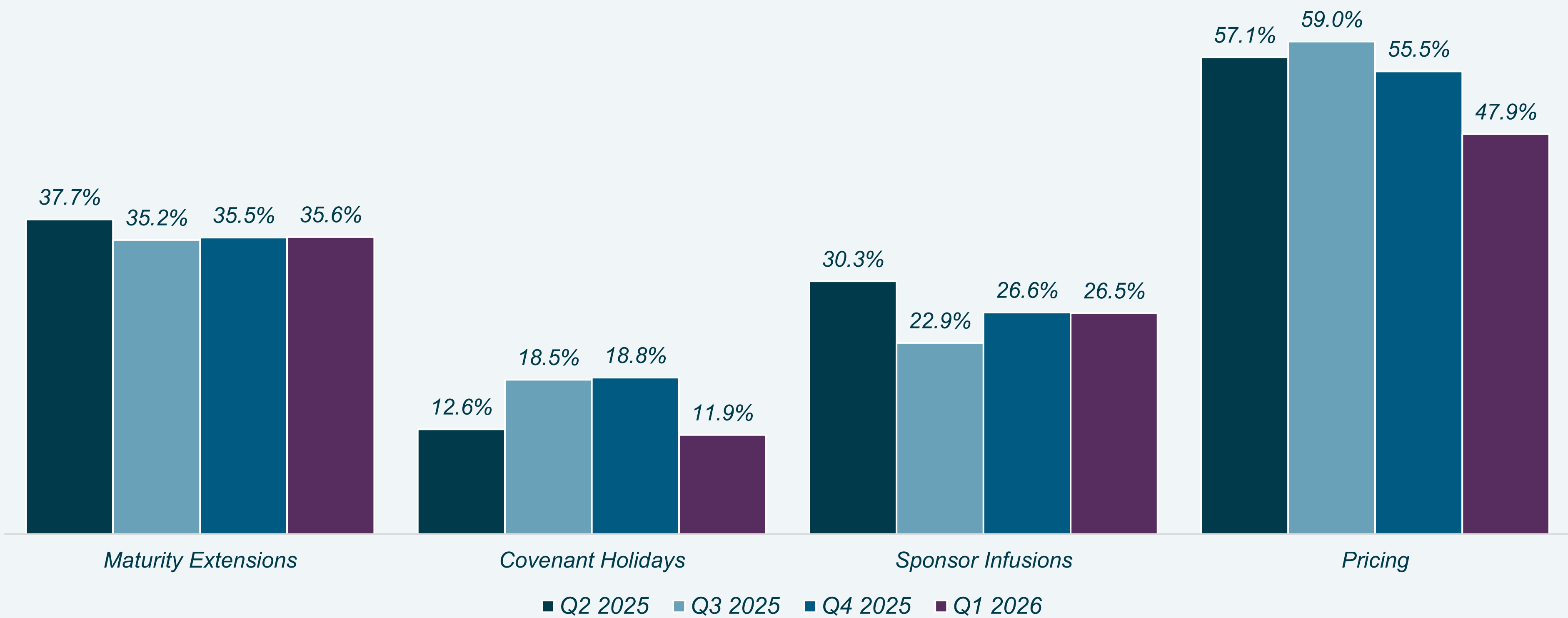
Private Credit Markets - Amendments

Amendment Allocation



Amendment activity increased by ~8% with over 875 amendments executed over the last 12 months.

Source: Lincoln Lens - Private Market Intelligence

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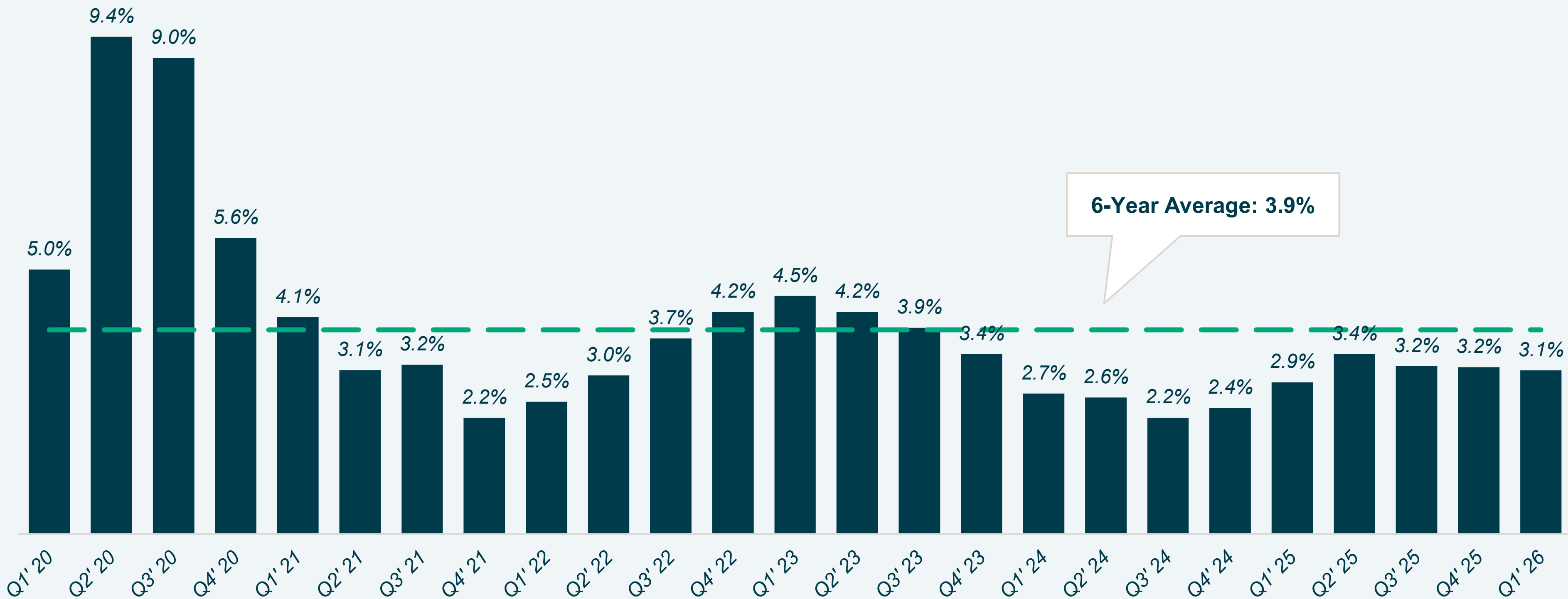
From Performance to Pressure: Covenant Default Rate

Size-weighted Covenant Defaults



Note: A default is defined as a covenant default and not necessarily a monetary default.
The analysis was performed based on a size-weighted approach, which considered the total net debt balance for each of the portfolio companies that had a defaulting security in the respective quarter.

The covenant default rate remained stable at 3.1%, in line with the prior quarter. Defaults have stabilized in years following COVID-19 when quarterly defaults exceeded 9.0%.

Source: Lincoln Lens - Private Market Intelligence

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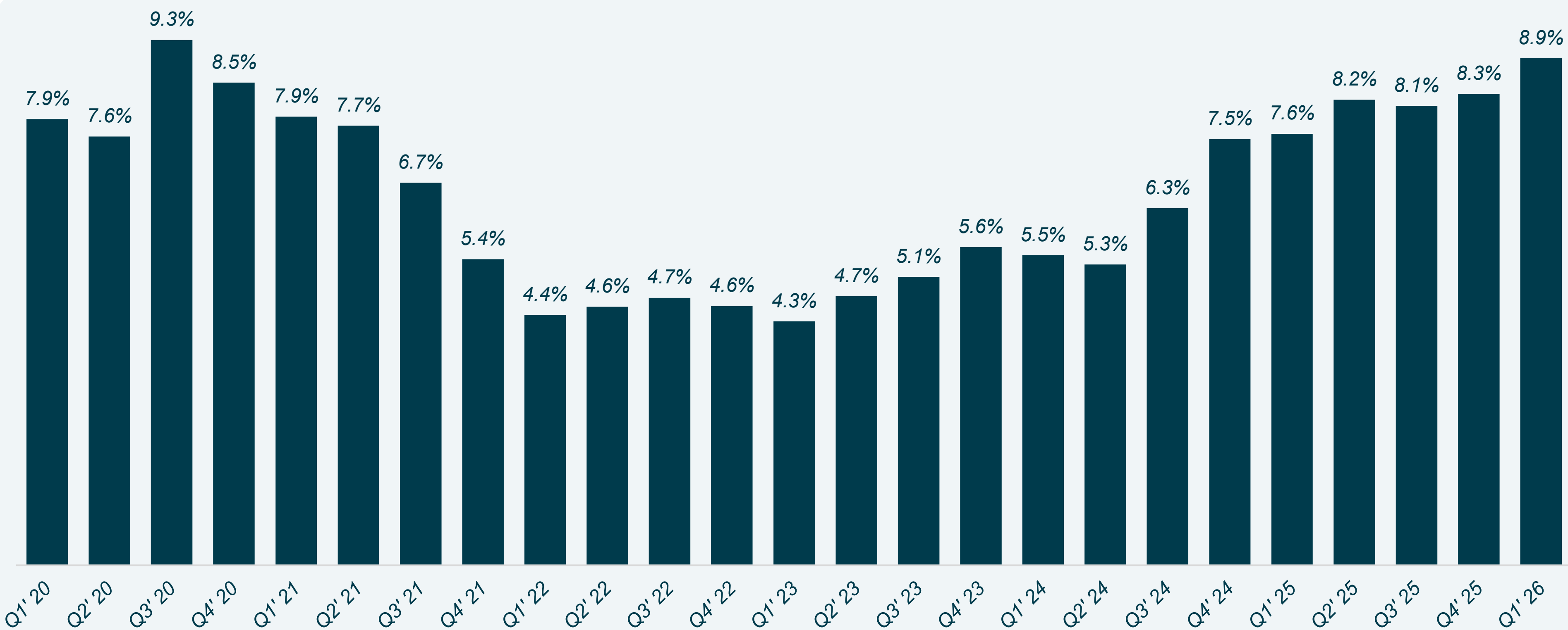
Evaluating Payment in Kind ("PIK") Interest Income

PIK Interest as a % of Total Interest Income



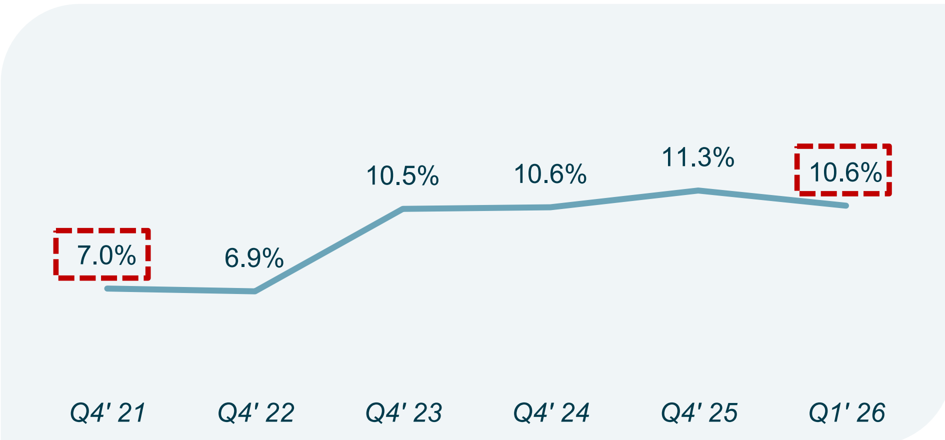
Note: Calculations are based on dollar amount of interest paid (not based on the number of investments that have a PIK component).
For example, for every $100 of interest income in Q1 2026, $8.90 of interest was PIK interest and the remaining $91.10 of interest was cash interest.

The chart above represents the percentage of interest being paid as PIK interest on a quarterly basis. PIK usage, which surged during the COVID pandemic (2020 – 2021), has trended upward since its trough in 2022. The increase from Q4 2025 to Q1 2026 was partially attributed to lower cash spreads, which reduced cash interest income and increased PIK interest as a percentage of total interest income.

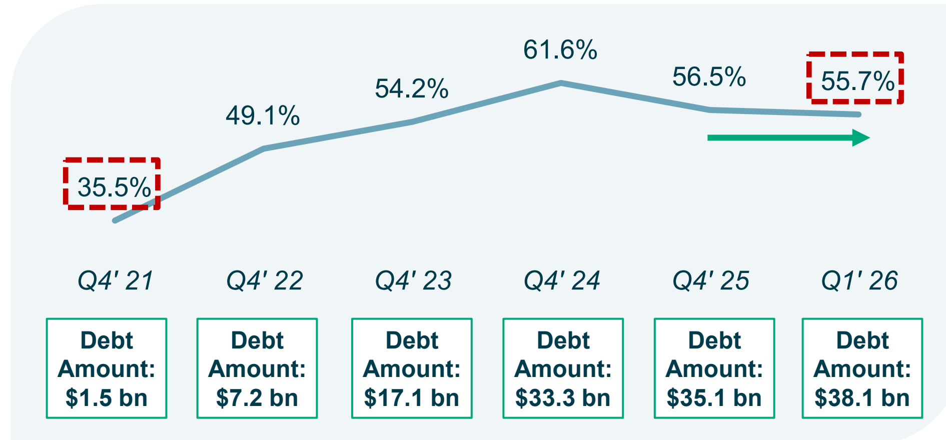
Source: Lincoln Lens - Private Market Intelligence

Exploring PIK Interest Trends by Investment

% of Investments with PIK



Investments without PIK at Close but Have PIK Now (Bad PIK)



Digging Into the Bad PIK

33.5%

Increase in LTV since initial close
from 42.7% as of Q1 2025 to 76.0% as of Q1 2026

Period	Calculation	Shadow Default
Q4 2021	*(7.0% * 35.5%)*	**~2.5%**
Q4 2024	*(10.6 * 61.6%)*	**~6.5%**
Q4 2025	*(11.3% * 56.5%)*	**~6.4%**
Q1 2026	*(10.6% * 55.7%)*	**~5.9%**

Note: Calculations are equal weighted and inclusive of First Lien / Unitranche loans only.
Bad PIK is defined as an instance where a security was paying only cash interest at close, even if a PIK toggle was present, but has implemented any level of PIK interest as of each respective quarter-end period noted above.
LTV Ratio includes loans that are greater than 100.0% LTV.

Source: Lincoln Lens - Private Market Intelligence

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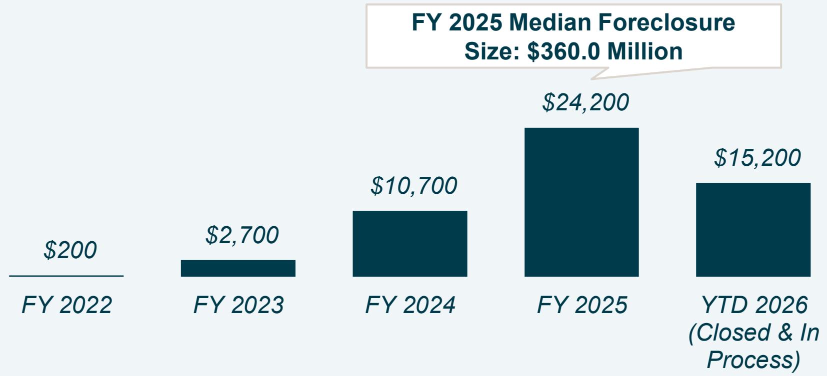
The Culmination of Credit Risk Concern: Understanding Lender Foreclosures

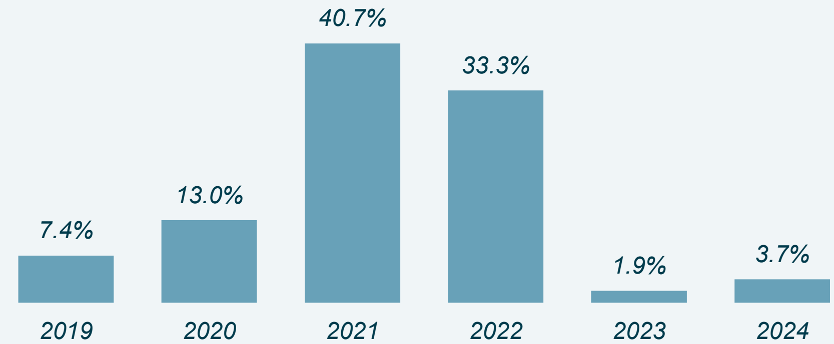
Lincoln examined companies in which lenders had either taken control or were imminently expecting to take control from the sponsor. Of this population…

Total Debt Foreclosed ($ millions)

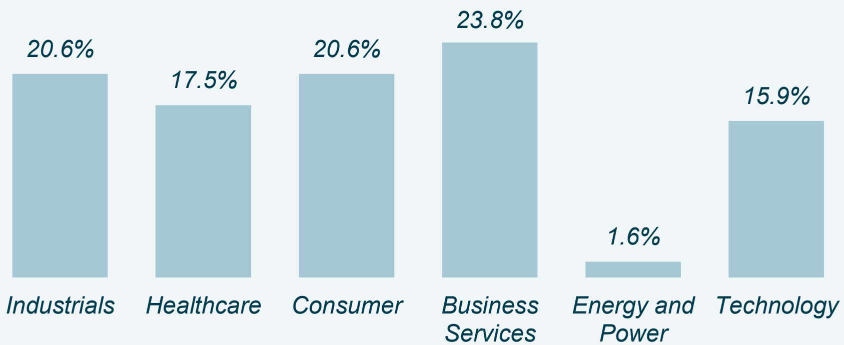


Note: $10.6 billion represents a minimum figure for recently closed and in process restructurings in 2026.

Percent of Debt Foreclosed in 2025 and 2026 by Vintage



Percent of Debt Foreclosed in 2025 by Industry



37.5%

Of companies with lender control transactions in 2025 & 2026 also had **sponsor infusions** in 2025 & 2026

~$15.0M

Median Sponsor Infusion Amount

Source: Lincoln Lens - Private Market Intelligence

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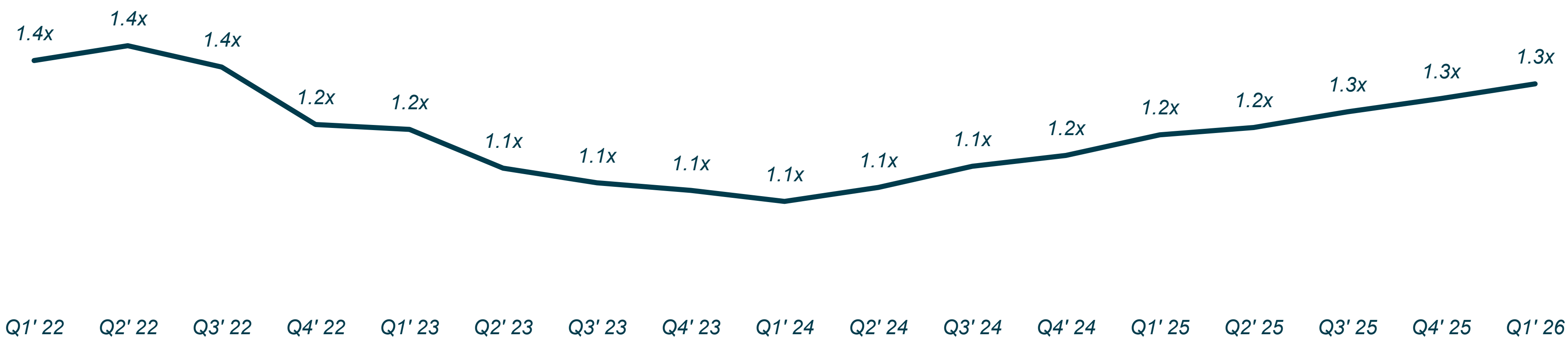
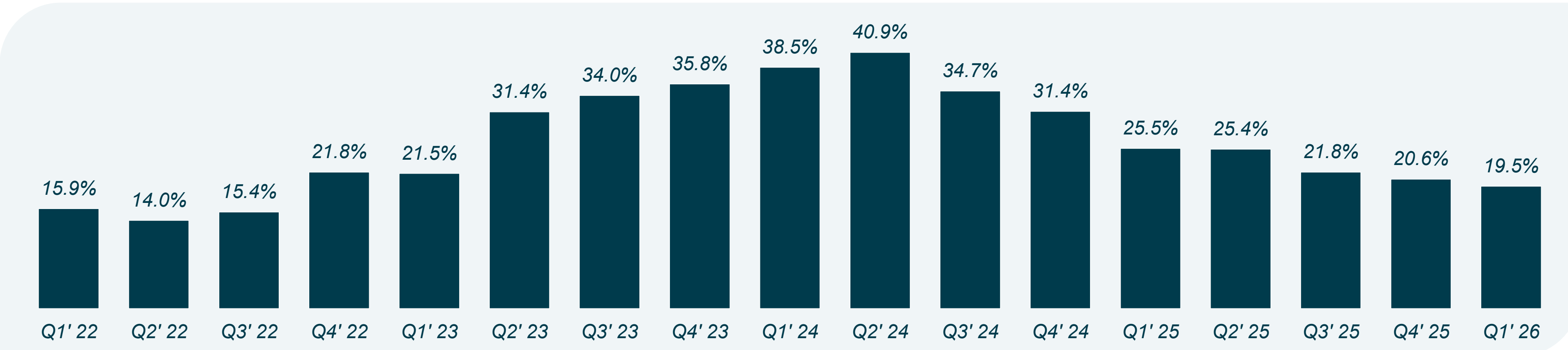
Fixed Charge Coverage Ratios

SIZE-WEIGHTED ACTUAL SOFR

Size-Weighted Fixed Charge Coverage Ratio



Fixed Charge Coverage Ratio < 1.0x (Weighted Average)



*Calculations: Interest Coverage = LTM EBITDA / Interest; Fixed Charge Coverage = (LTM EBITDA – Taxes - Capex) / (Interest Expense + (1% * Total Debt))*
Capital Expenditures ("Capex") utilizes LTM Capex by default. If LTM Capex is not available, NFY Capex is utilized, and LFY Capex if both LTM Capex and NFY Capex are unavailable.

Source: Lincoln Lens - Private Market Intelligence

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