General Information and Considerations

Acquirer Name	Microsoft Corporation
Target Name	Nuance Communications, Inc.
Target CIQ Identifier	IQ346200
CIQ Transaction ID	IQTR711087647
Target Description	Nuance Communications, Inc. develops conversational and cognitive artificial intelligence (AI) innovations that bring intelligence to everyday work and life.
Target GICS Code	45103020
Target Primary Industry	Systems Software
Transaction Date	04-03-2022
Transaction Rationale	Nuance is a cloud and artificial intelligence ("AI") software provider with healthcare and enterprise AI experience, and the acquisition will build on Microsoft's industry-specific cloud offerings.
Currency of Disclosures	USD
Acquirer Financial Reporting Standard (e.g. GAAP, IFRS)	GAAP
Filing Date of Filing Reviewed	28-07-2022
Filing or Report Type	Annual
Filing Fiscal Period End Date	30-06-2022
Preliminary or Final Values	Preliminary
Audited or Unaudited Financials	Audited
Taxable or Non-Taxable Transaction	n/a
Goodwill Description (If Available in Filing)	Increased synergies that are expected to be achieved from the integration of Nuance.
Goodwill Not Present? (Bargain Purchase, Immediate Impairment, Asset Acquisition, Other (Please Describe in Note)	
General Notes for Project Team	
Values From Direct Disclosure or Manually Calculated?	Manually Calculated

	Fair Value (Input in Thousands)	
Fair Value of Total Assets	2,07,32,000	A
Less: Assumed Liabilities	19,71,000	
Less: Non-Controlling Interest		
Fair Value of Equity Consideration (Including Cash)	1,87,61,000	
Acquired Cash (See User Note)		
Fair Value of Equity Consideration (Excluding Cash)	1,87,61,000	
Right of Use Asset (if Seperately Reported)		
Contingent Consideration (if Separately Reported)		
Intangibles	43,65,000	
Goodwill	1,63,08,000	
Total Intangibles & Goodwill	2,06,73,000	B
Overall Transaction IRR/WACC % (If Reported in Filing)		

By Category	Industry Sub-Category	Direct Description of Asset from Filing	Discount Rate Related to Asset	Estimated Useful Life (in Years) Point Estimate	Estimated Useful Life (in Years) Range - Low	Estimated Useful Life (in Years) Range - High	Fair Value	% of A	% of B
Customer Related Intangibles	Customer Contracts and Related Customer Relationships	Customer-related		9			26,10,000	12.6%	12.6%
Technology	Technology	Technology-related		5			15,40,000	7.4%	7.4%
Trademarks and Trade Names Finite Lived	Other	Marketing-related		4			2,15,000	1.0%	1.0%
								0.0%	0.0%
								0.0%	0.0%
								0.0%	0.0%
								0.0%	0.0%
								0.0%	0.0%
								0.0%	0.0%
								0.0%	0.0%
								0.0%	0.0%
								0.0%	0.0%
								0.0%	0.0%
								0.0%	0.0%
								0.0%	0.0%
Total Intangibles							43,65,000	21.1%	21.1%
Goodwill							1,63,08,000	78.7%	78.9%
Total Intangibles & Goodwill							2,06,73,000	99.7%	100.0%

Major Category Summary	Discount Rate Related to Asset	Estimated Useful Life (in Years) Point Estimate	Estimated Useful Life (in Years) Range - Low	Estimated Useful Life (in Years) Range - High	Fair Value	% of A	% of B
Customer Related Intangibles	n/a	9	n/a	n/a	2610000	12.6%	12.6%
Backlog	n/a	n/a	n/a	n/a	0	0.0%	0.0%
Trademarks and Trade Names Finite Lived	n/a	4	n/a	n/a	215000	1.0%	1.0%
Trademarks and Trade Names Indefinite Lived	n/a	n/a	n/a	n/a	0	0.0%	0.0%
Technology	n/a	5	n/a	n/a	1540000	7.4%	7.4%
In Process Research and Development	n/a	n/a	n/a	n/a	0	0.0%	0.0%
Other Contractual Intangible Assets	n/a	n/a	n/a	n/a	0	0.0%	0.0%
Favorable and Unfavorable Contract Terms	n/a	n/a	n/a	n/a	0	0.0%	0.0%
Noncompetition Agreements	n/a	n/a	n/a	n/a	0	0.0%	0.0%
Licenses and Operating Rights	n/a	n/a	n/a	n/a	0	0.0%	0.0%
Currently Marketed Products	n/a	n/a	n/a	n/a	0	0.0%	0.0%
Artistic Related Intangibles	n/a	n/a	n/a	n/a	0	0.0%	0.0%
Other	n/a	n/a	n/a	n/a	0	0.0%	0.0%