Who is Altosoft?

Founded in 2001, Altosoft was a privately held company and has approximately 43 employees and contractors. Its headquarters are in Media, Pennsylvania, USA and it has product development facilities in St. Petersburg, Russia and other locations. Altosoft takes business intelligence (BI) and analytics to a higher level, delivering advanced functionality while making BI easier, faster and more cost effective.

STRATEGIC FIT

What are Altosoft solutions?

Altosoft Onsite and Altosoft Cloud are process-aware solutions that eliminate the cost and complexity of conventional BI while delivering advanced functionality for operational performance improvement. Altosoft's 100% codeless approach features ultra low-latency data monitoring and analysis across operational databases, warehouses, and other data sources. It integrates real-time event monitoring and business process optimization. It also enables dashboard development in minutes with a unique browser-based, drag-and-drop interface.

Altosoft Healthcare, Altosoft Financial and Altosoft Infinity are solutions that address industry specific BI needs.

Altosoft has a significant presence in the healthcare industry, and was noted in Gartner's 2012 Magic Quadrant for Business Intelligence Platforms as follows:

U.S.-based Altosoft offers a BI platform designed to provide rapid, code-free development for reporting, ad hoc analysis, interactive visualization and dashboard applications with high performance through the use of a data integration and analytics engine (MetricsMart) that utilizes server-side distributed in-memory and incremental preprocessing techniques. The majority of Altosoft's growing set of 500+ customers, particularly those in healthcare and financial services, select the platform because it offers a combination of traditional BI platform and data discovery as well as

business process intelligence (discovery and analysis) features, although it also competes primarily in those same markets to address traditional BI requirements. It also competes by promoting its other operational intelligence functions, such as data mapping, real-time metrics, outlier identification, user-defined alerts, and incident management features. Shipping product since 2006, Altosoft has developed a number of key OEM partnerships, including OpenText, NTTDATA (healthcare), and Albridge (mutual fund). Altosoft's solution also offers both traditional on-premises and a SaaS-based option, which can be deployed in a hybrid configuration to allow data to be collected and pre-filtered behind a customer's firewall, then use MetricsMart with dashboards/reports in the cloud. References indicate that they select Altosoft for its product functionality, developer ease of use, along with its data integration capabilities.

Altosoft customers include industry leaders such as: Bank of America, Cleveland Clinic, Geisinger, Memorial Sloane Kettering Cancer Center, NTTDATA, Yale and others.

Visit the Altosoft web site for more information.

Why did Kofax acquire Altosoft?

This acquisition is consistent with our stated acquisition strategy and in an adjacent market segment that we've been talking about for some time now. It allows us to provide more actionable information to our customers sooner than would otherwise be possible.

Altosoft technology gives Kofax near real time, extremely low latency process and data analytics, visualization and ETL (extract, transform, load) capabilities for data and process analytics. The data and process information may be stored in Kofax software or other applications and repositories, and leveraging it will drive improved decision making. The near real time capabilities are accomplished via the use of Altosoft's innovative in-memory techniques. Altosoft technology is an ideal complement to Kofax's existing and future product offerings.

KOFAX

Analytics is one of the five major components of Forrester's smart process applications (SPA) definition. With this acquisition, Kofax now has all of the core capabilities necessary to provide market leading SPAs.

The Altosoft technology provides Kofax with a distinct competitive advantage over pure-play Capture or BPM providers by offering advanced BI across both of these environments. In addition, Altosoft offers a competitive edge over infrastructure providers like IBM and EMC by offering a lighter weight, more flexible BI solution which can reduce implementation time and cost, while delivering analytics based on real time capture and process information for better decision making. It allows business analysts to build dashboards, removing IT as a bottleneck and without building a data warehouse.

Will new Altosoft product releases be delivered on schedule?

Yes. There will be no disruptions to the Altosoft product roadmap, only additions and additional development resources.

How does Altosoft benefit from the acquisition?

The acquisition provides significant value to Altosoft:

- It provides Altosoft new growth opportunities within Kofax's larger direct and indirect sales channels and installed base of over 20,000 end user customers.
- It allows Altosoft to significantly increase its international presence.
- It provides Altosoft with additional product development resources.
- It brings Altosoft solutions to the mobile intensive world.

How will Altosoft products and technology be integrated within Kofax solutions?

We will combine Altosoft's BI and analytics into our existing product portfolio and emerging First Mile™ solutions. We envision many integration possibilities with existing products and planned offerings to allow us to provide a more complete solution that will position us as the leader in the rapidly growing SPA market.

How will the Altosoft acquisition impact the analytics in Kofax TotalAgility?

Today, TotalAgility™ analytics provide excellent insight on internal process oriented data, providing excellent monitoring and reporting of process activity. Altosoft provides a general purpose BI and analytics capability to access process, content and operational data from various sources. Over the next 18 months, in a phased approach, we will extend the analytics in TotalAgility by integrating these capabilities allowing us to leverage the best of both worlds.

OPERATIONS AND SALES

What does the acquisition mean for Altosoft customers?

Altosoft will continue to operate as it has to date with no changes. The acquisition will benefit Altosoft customers by

enabling Altosoft to leverage greater resources to enhance its existing products, as well as develop innovative new products for improving BI.

How does Altosoft fit into the Kofax organization?

Altosoft will remain as an independent business unit. Founders Scott Optiz and Alex Elkin will remain as employees reporting into Kofax's Executive Management Team. Its employees and contractors will remain under the management of Altosoft. Altosoft will retain its name but be referred to as Altosoft, a Kofax Company.

Altosoft will support Kofax's strategic interests while at the same time continuing to grow revenues and profits.

How will the Altosoft products be sold and supported?

Altosoft software is available for both traditional on-premise deployments and as a hosted SaaS subscription offering with multi-tenant capabilities. It will be sold and supported by its sales and support staff. Plans to enable Kofax customers to purchase the Altosoft products will be announced shortly.

Kofax sales employees with opportunities for the Altosoft products should refer these opportunities to altosoftsales@kofax.com. There will be an incentive program for the Kofax sales force to identify opportunities and refer them to Altosoft which will be announced shortly

Will Altosoft remain located in Media, Pennsylvania, St. Petersburg, Russia and its other locations?

Yes. There are plans to move the Altosoft St. Petersburg staff into Kofax's existing facilities for its employees in St. Petersburg as soon as practical.

FINANCIAL

How much did Kofax pay for Altosoft?

Kofax purchased all of Altosoft's stock for $13.5M in cash. Additional payments may be made subject to the achievement of specific annual revenue growth rates and EBITDA levels during calendar years 2013, 2014 and 2015 and certain management employment conditions.

How will this acquisition impact Kofax's revenues?

During calendar year 2012 Altosoft generated approximately $3.5 million in revenues and a profitable level of operations. Kofax expects it to be EBITDA neutral during calendar year 2013 and accretive in subsequent periods.

If you have additional questions, please contact Karl Doyle, senior vice president of corporate development, at: karl.doyle@kofax.com.

www.kofax.com

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