

Debt Advisory

Market Update



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Debt Advisory Practice

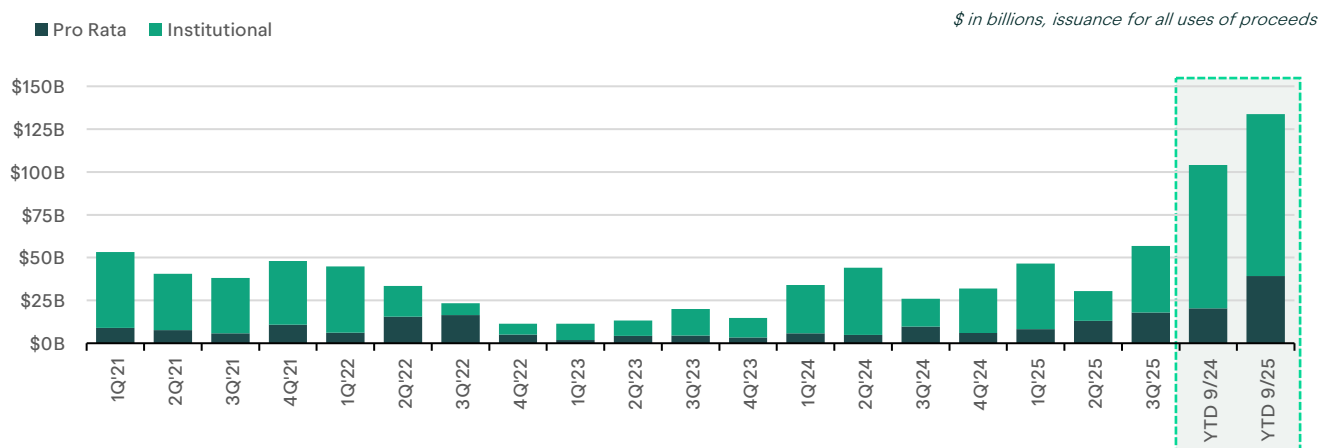


01 Market Overview

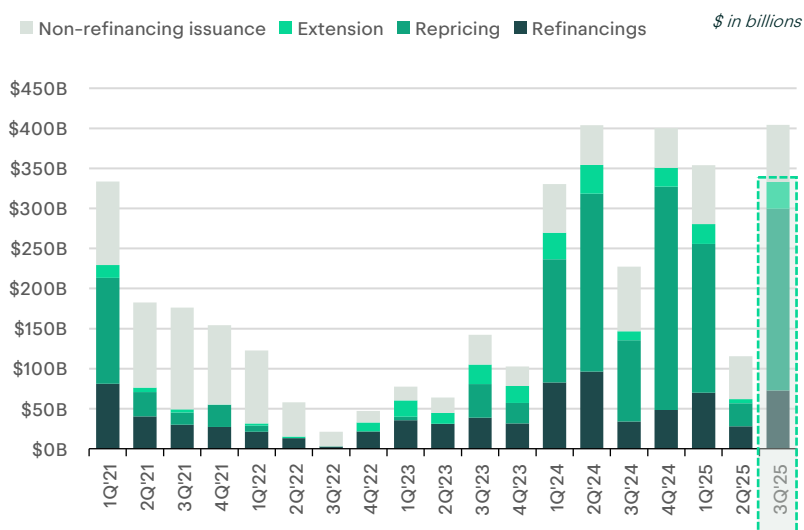
Leveraged Loan Markets Continue Momentum through 3Q25

The leveraged credit markets remained resilient and demonstrated robust activity in 3Q25, a continuation of a trend that began in the latter half of 2Q25 following a brief period of volatility as lenders evaluated the potential macro factors including uncertainty on tariff regime and interest rate expectations. With an increasing amount of private credit funds seeking to deploy capital in a market with relatively low net new issuance, borrowers and sponsors are exploiting the opportunity to lower the cost of existing facilities, return capital to shareholders via dividend recapitalizations, and, to a lesser extent, utilize leverage in M&A transactions.

U.S. TMT Related Leveraged Loan Issuance Volume ¹



Repricings and Refinancings Lead U.S. Institutional Loan Activity ¹



- As evidenced in the chart (left), the primary driver of debt transactions continues to be borrowers seeking to take advantage of supply-demand dynamics to effectuate refinancings of existing loan facilities.
- These refinancings have enabled borrowers to extend their facilities while locking in comparatively low pricing and/or less conservative covenant packages.

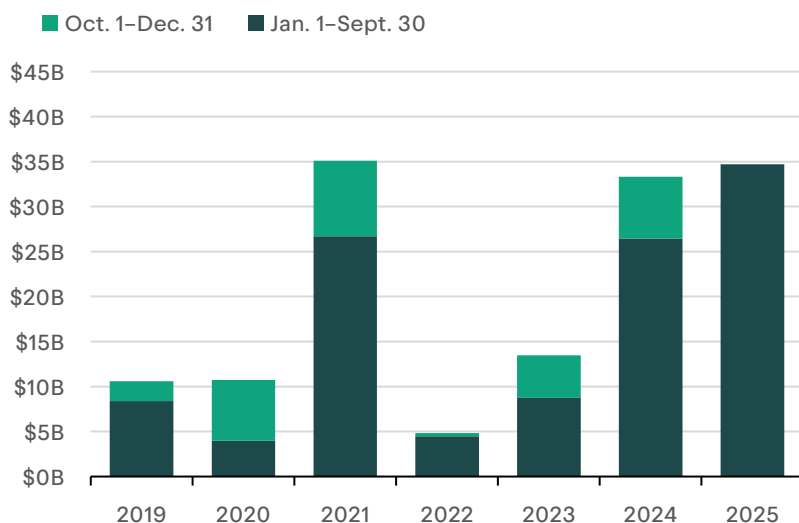
01 Market Overview (cont'd)

Robust Credit Conditions Enable Refinancings and Recaps

New Issue Metrics for Private Credit Loan Based on Borrower Size ¹

EBITDA:	< \$20 Million EBITDA				\$20 Million to \$100 Million EBITDA			
Security Type:	Pricing	OID	Leverage	LTV	Pricing	OID	Leverage	LTV
First Lien Loan	S+475-525 bps	98.0-99.0	3.25x-4.25x	40%	S+425-500 bps	98.5-99.0	3.75x-4.75x	40%
Unitranche Loan	S+500-550 bps	98.0-99.0	4.25x-5.25x	50%	S+450-525 bps	98.5-99.0	5.25x-6.25x	50%
Second Lien Loan	N/A	N/A	N/A	N/A	S+650-750 bps	97.0-98.0	5.25x-6.25x	50%
Sub Debt	All-In: 13.0%-15.0%	97.0-98.0	5.25x-6.25x	60%	All-In: 12.0%-14.0%	97.0-98.0	6.25x-7.25x	60%
Preferred	All-In: 15.0%-19.0%	N/A	N/A	N/A	All-In: 14.0%-18.0%	N/A	N/A	N/A

Dividend Recapitalizations ²



- Private equity sponsors pressured to produce liquidity for LPs are utilizing accommodating credit conditions to seeking dividend recaps for their portfolio companies.
- The amount of dividend recaps for YTD 2025 has already exceeded that of FY 2024 and market appetite would indicate that there will not be a pullback in the near term.

(1) Houlihan Lokey
(2) PitchBook



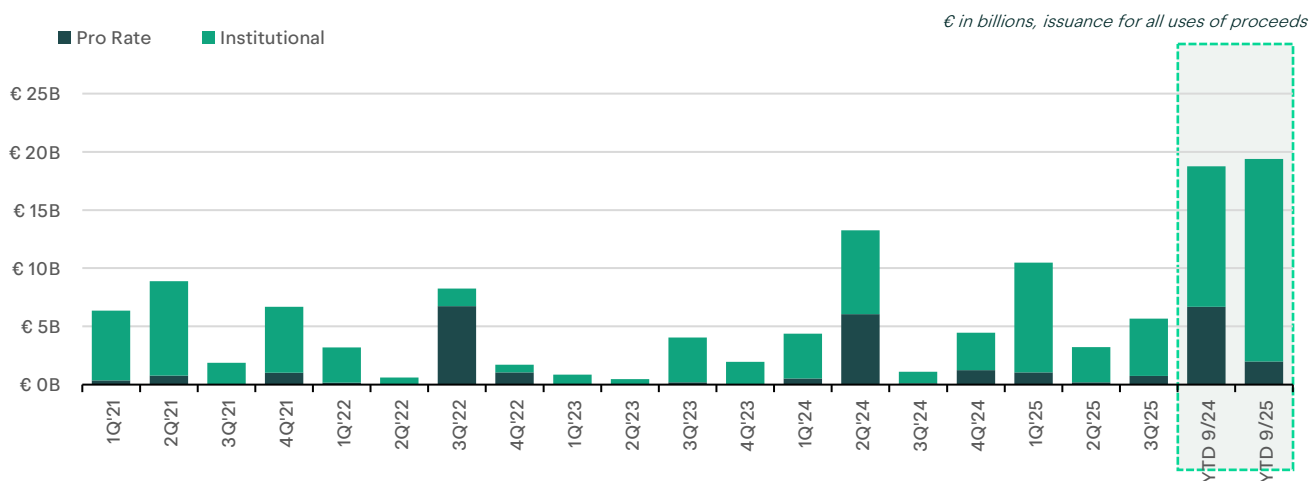
01 Market Overview (cont'd)

Europe Credit Strengthens on M&A and Demand Imbalance

In Q3 2025, the European leveraged loan market was supported by a pickup in M&A volumes. New-issue volumes continued to rebound from 2024 levels, driven largely by refinancings, maturity extensions, and opportunistic repricings, though sponsor-backed M&A made visible progress as confidence improved in the rate environment. Margins tightened modestly as demand consistently outpaced supply. Structurally, lenders remained disciplined on documentation – particularly around EBITDA adjustments – yet increased competition allowed top-tier credits to reclaim some pre-2022 flexibility.

Private credit activity continued to accelerate, with Europe tracking a record year for direct lending, buoyed by robust fundraising and a steady flow of sponsor-led deals. Unitranche financing remained the solution of choice for complex and/or time-sensitive transactions, while clubbed facilities gained traction for upper-mid-market buyouts. Pricing in private credit compressed slightly but held a premium to syndicated markets, typically landing in the E/SOFR+550-650 bps range depending on leverage and sector resilience. Overall, Q3 pricing across both syndicated loans and private credit reflected a market that is competitive and steadily normalizing, with ample dry powder and strong investor demand continuing to anchor spreads.

European TMT Related Leveraged Loan Issuance Volume ¹



(1) PitchBook



02 Industry Spotlight

Recent Debt Transactions

Date	Borrower	Sponsor(s)	Region	Sector	Solution	Uses
Jul-25	 convergent	 ARES  LGP  HP		Managed Services	BSL	Refinancing
July-25	 tierpoint	 ARGO INFRASTRUCTURE PARTNERS		Managed Services	Private Credit	Growth CapEx
July-25	 AHEAD	 Berkshire Partners		Managed Services	BSL	Repricing
Jul-25	 infobip	 OneEquity		Cloud Comms	Private Credit	Refinancing
Jul-25	 TIMETOACT GROUP	 HILG CAPITAL		Managed Services	BSL	LBO Financing
Jul-25	 Rocket software	 BainCapital		Managed Services	BSL	Repricing
Jul-25	 World Wide Technology	n.a.		Managed Services	BSL	Repricing
Aug-25	 GENESYS	 H&F PERMIRA		Cloud Comms	BSL	Dividend Recap
Aug-25	 slipstream	 GREYLION  DENALI GROWTH PARTNERS		Managed Services	Private Credit	LBO Financing
Sep-25	 COO	 RCG		Managed Services	Private Credit	LBO Financing
Sep-25	 Liquid Web™	 OneEquity		Managed Services	Private Credit	Growth CapEx
Sep-25	 Level(3)	n.a.		Cloud Comms	BSL	Repricing
Sep-25	 ankura	 MDP		Managed Services	BSL	Repricing
Sep-25	 windstream.	n.a.		Cloud Comms	BSL	Refinancing
Sep-25	 altafiber	 MACQUARIE		Digital Infra	BSL	Repricing
Sep-25	 SAIC	n.a.		Managed Services	BSL	Refinancing
Sep-25	 infoblox.	 VISTA EQUITY PARTNERS  WARBURG PINCUS		Managed Services	BSL	Dividend Recap

03 Featured Case Study

DATAMOB Debt Financing

Company Overview

DATAMOB is a leading partner for global enterprise customers specializing in the procurement, installation, custom design, and management of IT solutions, leveraging a deep bench of suppliers.

Unique combination of mission-critical service expertise, established vendor relationships, and tech-enabled automation well suited for complex multi-national enterprise customers.

Leverage internally developed contract and product lifecycle management platform purpose-built to manage global enterprise technology contracts.

DATAMOB at a glance

- **Founded in 2013:** Co-founded by Brian Clark and Sloan Moore to leverage experience with assisting enterprises in complex global network builds
- **Core Focus Areas:** Network Infrastructure, Data Centers & Colocation, Cloud Platforms, Communications Services, Security Solutions (250+ best-of-breed vendors)
- **High Growth Target Market:** Global enterprise clients across industries such as Gaming, Technology, Media, and Logistics and with highly complex networking needs

The Situation

After receiving significant inbound interest over the past few years, the three principals of DATAMOB decided to engage Q Advisors to evaluate strategic alternatives.

The Q team worked with DATAMOB to compare strategic exit, equity recapitalization, and debt financing structures, while supporting the business strategically during a period of exceptional growth. In mid-2025, the teams collectively decided that bringing in an experienced partner—providing capital without equity dilution—was the best path to support future growth initiatives, while also providing shareholder liquidity.

The Result

Q Advisors assessed multiple options and identified Stonepeak Credit, formerly Boundary Street Capital, as the ideal partner for DATAMOB in this phase of significant growth. Stonepeak's outstanding reputation and specialized expertise in the Trusted Advisor space translates into access to considerable financial resources and a multi-dimensional, strategic partnership. With its initial debt proceeds, DATAMOB was able to optimize capital and cost structures, invest in people, processes, and platform initiatives, and better position the organization for the future.



“From evaluating strategic alternatives through execution, Q Advisors was an outstanding partner. Their deep understanding of the technology services ecosystem and disciplined approach to structuring the transaction were instrumental in securing financing that supports our business and long-term vision.”

*Brian Clark, Co-Founder
DATAMOB*

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Q

04 Q Advisors Profile

Global Boutique Investment Bank Focused on TMT

- Founded in 2001 as a Partner-owned and operated boutique investment bank that combines a sector focused approach with depth in experience. We're not just bankers by training, we're also operators, lawyers, and consultants.
- Proven capabilities in structuring and negotiating M&A and financing transactions for private and public company expertise

Facts & Figures

500+

Closed approx. 500+ transactions since inception with value over \$24B

30

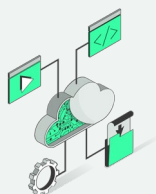
Team of approx. 30 professionals with offices in Denver and Munich

20 - 25

Approx. 20 - 25 transactions closed per year

Sector Expertise

IT & Managed Services



Cloud Communications & Collaboration



Digital Infrastructure



Software & Technology



Service Offering

M&A Advisory

- Sell and Buy-Side M&A
- Divestitures
- Carve-Outs

Private Placements

- Equity and Debt Financings
- Recapitalizations
- Minority Position Fundraising

Strategic Financial Advisory

- Valuation Analysis
- Strategic Competitive Analysis
- Fairness Opinions

Financial Restructuring

- Balance Sheet Re-organization
- Corporate and Operational Analysis

04 Q Advisors Profile (cont'd)

Dedicated Specialists Across the US and Europe

Debt Advisory Team & Sector Specialists



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Firm Transaction Experience (Select Recent Transactions)

Excl. Financial Advisor

debt financing by

Excl. Financial Advisor

debt financing by

Placement Advisor

debt financing by

Placement Advisor

debt financing by

left lead arranger, sole bookrunner & administrative agent

Placement Advisor

debt financing by

Placement Advisor

debt financing by

Placement Advisor

debt financing by

Excl. Financial Advisor

debt & equity financing by