



IT & Managed Services

Quarterly Report

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01 Perspectives

Broadcom VMware Cloud Service Provider Overview

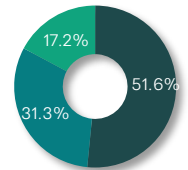
Broadcom VMware Cloud Service Provider ("VCSP") Background

When Broadcom finalized its \$69 billion acquisition of VMware in 2023, it quickly deployed the same playbook used in prior software deals like CA Technologies and Symantec, aggressively simplifying the portfolio, prioritizing high-margin enterprise customers, and eliminating programs that do not scale efficiently.

The VMware Cloud Service Provider (VCSP) program was an immediate target. Originally designed to expand VMware's reach across the cloud and managed services ecosystem, the program enabled thousands of MSPs, hosting providers, and regional data center providers to license VMware technologies on a flexible, consumption-based model. While this structure drove broad adoption and supported hybrid cloud and DRaaS use cases, it also created a long tail of low-revenue partners that required disproportionate administrative and support resources. After multiple modifications to VMware structures over the last three years, Broadcom's most impactful changes were announced in mid-2025. Our annual Private Equity Survey, sent shortly thereafter, shows that most active investors are still evaluating the impacts of these changes and need to learn more.

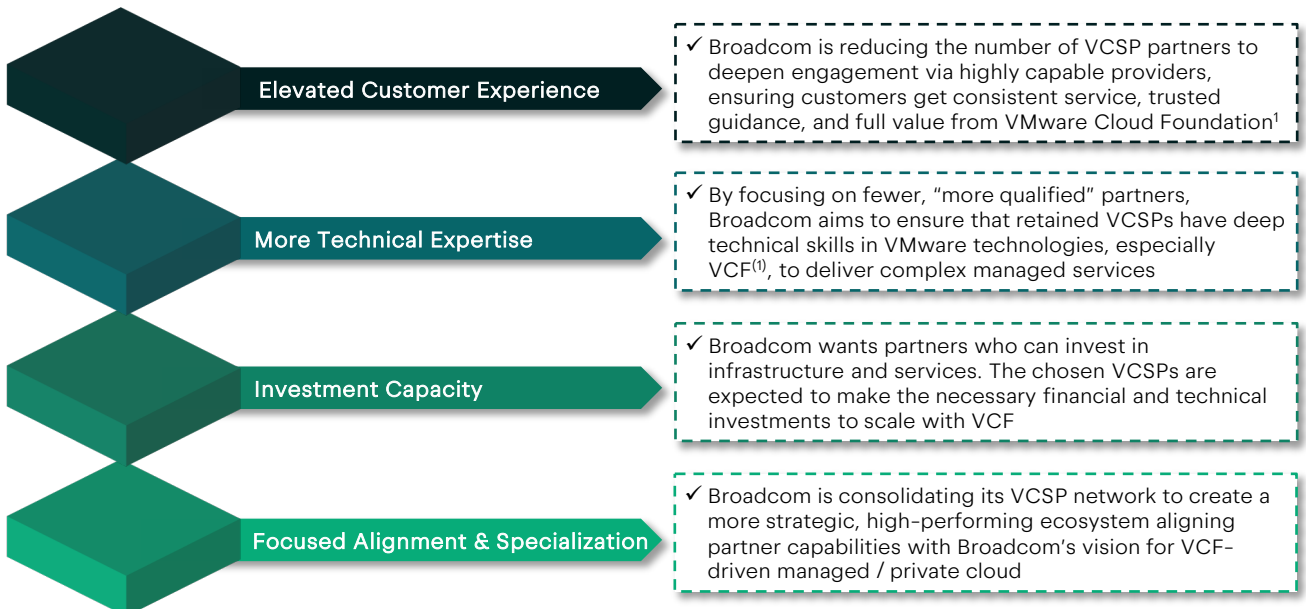
Are you tracking the Broadcom VMware Cloud Service Provider ("VCSP") partner program cuts, and do Broadcom's recent announcements temper your interest in MSPs with Private Cloud Revenue?

- N/A – I need to learn more
- No
- Yes



Q Advisors Q3 2025 PE Survey

Broadcom Strategic Rationale for Cutting the VCSP Program



(1) VMware Cloud Foundation – Now Version 9.0 Modern Private Cloud



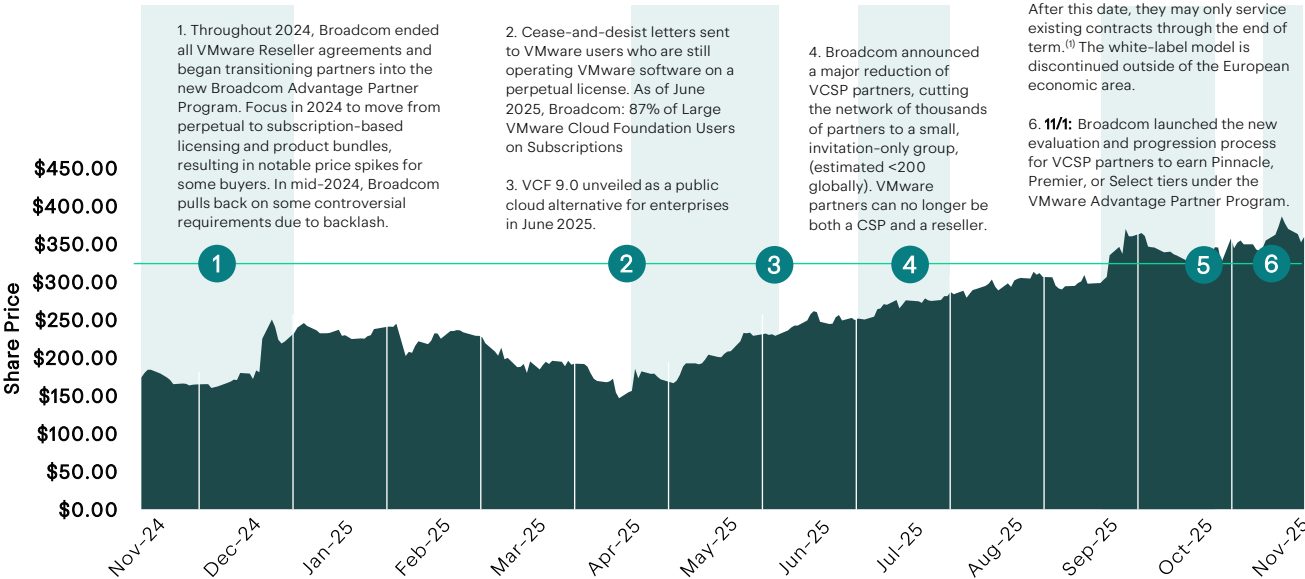
01 Perspectives

Timeline & Optionality for Affected Partners

Timeline of VCSP Program Cuts

Broadcom's changes restrict non-invited partners from onboarding new customers and will phase out VCF licensing as existing contracts expire. Despite the controversy, AVGO shares have continued to outperform the market, suggesting strong investor confidence in Broadcom's partner optimization strategy.

Broadcom LTM Stock Price Chart – (NAS:AVGO)



Strategic Options for MSPs Impacted by Broadcom VCSP Program Cuts

STRATEGIC OPTIONS	RATIONALE	SELECT PROVIDERS
✓ Migrate to an Alternative Hypervisor / Platform	<div>→ Shift workloads to Hyper-V, Nutanix, Proxmox, or other non-VMware stacks to regain licensing stability and reduce dependency</div> <div>→ Often dedicated and internal private clouds</div>	<div>Microsoft Hyper-V</div> <div>NUTANIX</div> <div>PROXMOX</div> <div>HPE HPE Morpheus VM Essentials</div>
✓ Partner with an invited VMware provider	<div>→ Maintain VMware-based services by aligning with a remaining VCSP invited group party</div> <div>→ Often true replication business</div>	<div>vmware by Broadcom</div> <div>BROADCOM Pinnacle Partner VMware Cloud Service Provider (VCSP)</div>
✓ Transition Infrastructure from CapEx to OpEx Model	<div>→ Sell VMware cores and adopt a consumption-based infrastructure model, reducing capital strain and need for data center spend</div>	<div></div>
✓ Expand Public Cloud and Hybrid Cloud Offerings	<div>→ Leverage AWS, Azure, GCP or other public clouds to diversify infrastructure options and broaden managed services beyond VMware</div> <div>→ Some limitation due to customer preferences</div>	<div>Azure</div> <div>aws</div> <div>Google Cloud</div>
✓ Pursue M&A, Consolidation, or Exit	<div>→ Explore strategic M&A, Private Equity partnerships, or exit VMware-dependent operations</div>	<div>Q Advisors</div>

(1) Most partners have the ability to continue as a VCSP through existing contract dates if later than October 31st
Source: Pitchbook



02 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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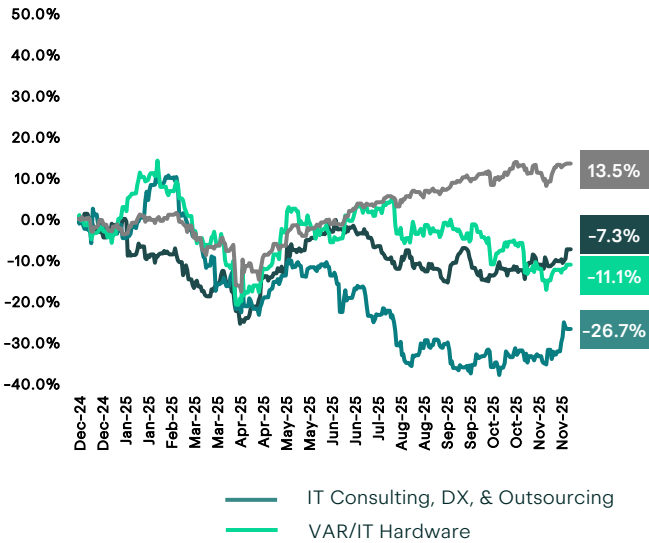
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03 Industry Spotlight

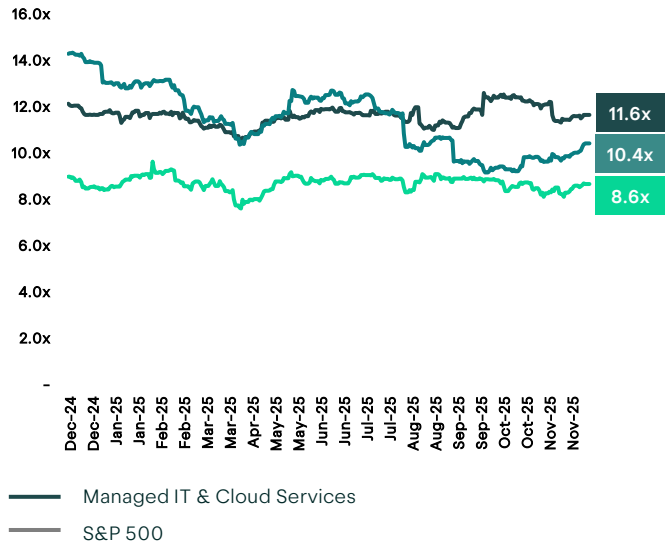
Managed IT & Cloud Services M&A & Valuation Trends

Managed IT & Cloud Services: Public Market Data⁽¹⁾

→ PUBLIC MANAGED IT & CLOUD SERVICES Share Price Relative Performance⁽²⁾



→ PUBLIC MANAGED IT & CLOUD SERVICES TEV / TTM EBITDA



Recent Transaction Activity (Buyer / Target)



Managed Cloud Solutions



IT Security & Managed Services



MSSP Cybersecurity Services



Managed IT Services



Legal IT Services



Healthcare IT Solutions



Cloud & IT Services⁽³⁾



IT & Cybersecurity Solutions



IT Managed Services & Cybersecurity

(1) Select key public companies in each segment as of December 2025

(2) Market Cap weighted cumulative returns

(3) Sale of US Managed IT Services Business to Netrix Global

Source: Pitchbook



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 companies

Facts & Figures

500+

Closed approx. 500+ transactions since inception with value over \$25B

30

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

20+

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 Interest

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

IT & Managed Services Sector Team



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Firm Transaction Experience (Select Recent Transactions)

Financial Advisor  

DATAMOB

debt financing by



Sell-Side Advisor  



acquired by



Financial Advisor  



acquired by






Buy-Side Advisor  




acquired



Sell-Side Advisor  



acquired by



a company of



ASSA ABLOY


Sell-Side Advisor  

NETRIO
we've got this.


acquired by






Financial Advisor  




debt financing by




Sell-Side Advisor  






acquired by



a portfolio company of




Sell-Side Advisor  






a portfolio company of

CLAIRVEST

acquired by



Financial Advisor  



equity recapitalization by

