

CONFIDENTIAL

Technology-Enabled Business Services

Quarterly Update – 2017 Q2



TEBS Overview

Cherry Tree has been tracking trends and activity in the Technology Enabled Business Services (TEBS) space for more than 15 years, including the TEBS 100 index

TEBS companies are defined as those that:

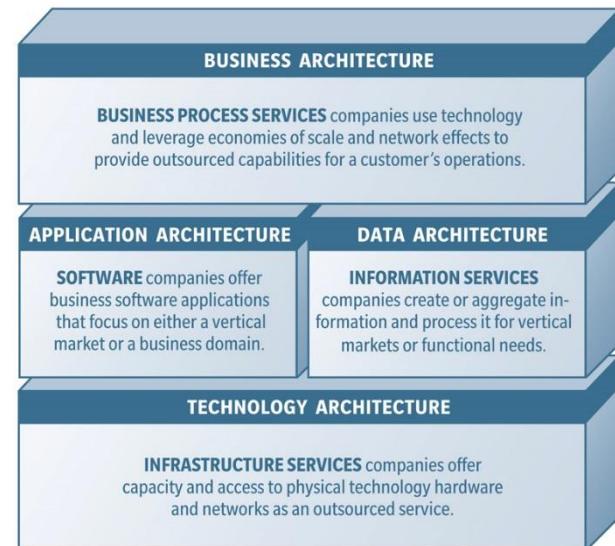
- *Offer a solution, product or service that is delivered or enhanced via technology*
- *Generate revenue primarily from other businesses ("B2B")*
- *Use their own intellectual property to differentiate their solution*

The TEBS 100 is a broad index of 100 publicly-traded companies. The four segments of the TEBS 100 align with the open architecture framework:

- *Business Process Services*
- *Software*
- *Information Services*
- *Infrastructure Services*

TEBS companies are consistently valued at a premium to the overall market due to fundamental business advantages

- *Recurring Revenue*
- *Operating Leverage*
- *High Switching Costs*



Cherry Tree Research, The Open Group

Valuation Multiples – 6/30/2017		
TEBS Segment	EV/Revenue	EV/EBITDA
Software	5.6x	21.9x
Information Services	5.8x	16.2x
Business Process Services	2.6x	15.0x
Infrastructure Services	2.8x	16.1x
S&P 500	2.4x	12.2x

Source: Cherry Tree Research, Capital IQ: 6/30/2017

TEBS 100

An index of 100 publicly-traded Technology Enabled Business Services companies

TEBS 100 Index Performance

- The TEBS 100 continues to outperform the overall market over a three-year period (39% return over three years vs. 24% return)
- While the TEBS 100 has outperformed the S&P 500 in each of the last three years, much of the total outperformance has occurred during the last six months
- The long-term outperformance is most likely due to superior revenue growth from the TEBS 100

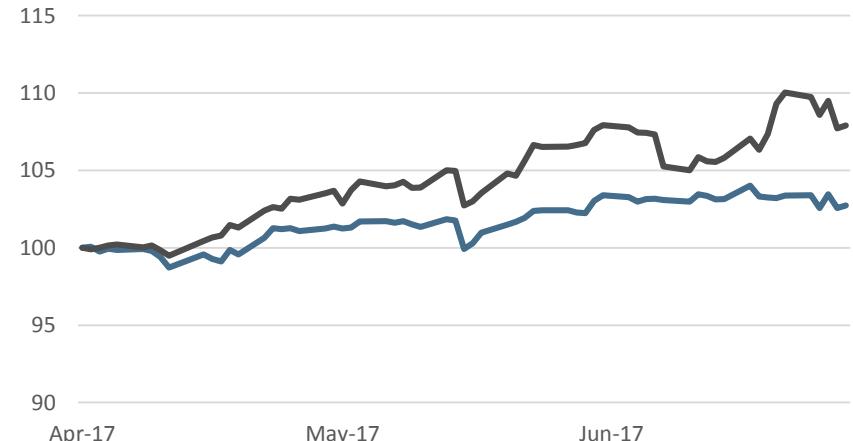
1-Year TEBS 100 Performance vs. S&P 500



3-Year TEBS 100 Performance vs. S&P 500



3-Month TEBS 100 Performance vs. S&P 500



TEBS 100 Segment Operating Metrics

- The revenue growth of the TEBS 100 index and all its segments continue to significantly outperform the S&P 500
- Gross margins for the TEBS 100 are nearly twice as high as the median S&P 500 company, allowing for greater operating leverage and potential for higher overall profitability
- However, EBITDA margins continue to lag the S&P 500, likely due to reinvestment of profits to drive revenue growth

Gross Margin			
	6/30/2015	6/29/2016	6/30/2017
Software	66.2%	66.0%	68.3%
Information Services	61.4%	64.4%	63.9%
Business Process Services	42.9%	43.0%	43.5%
Infrastructure Services	57.3%	57.0%	57.8%
TEBS 100	61.1%	62.6%	62.5%
S&P 500	32.5%	33.5%	32.3%

	Revenue Growth		
	6/30/2015	6/29/2016	6/30/2017
Software	22.2%	20.6%	17.8%
Information Services	8.2%	8.6%	8.7%
Business Process Services	5.9%	6.3%	6.5%
Infrastructure Services	15.5%	18.4%	27.0%
TEBS 100	13.2%	14.1%	13.5%
S&P 500	2.5%	(2.2%)	3.9%

EBITDA Margin			
	6/30/2015	6/30/2016	6/30/2017
Software	10.4%	10.4%	10.1%
Information Services	27.3%	27.4%	27.3%
Business Process Services	16.7%	19.4%	18.3%
Infrastructure Services	16.0%	20.1%	20.3%
TEBS 100	16.1%	15.7%	16.4%
S&P 500	19.5%	19.2%	19.4%

TEBS 100 SEGMENT PERFORMANCE

Software

Information Services

Business Process Services

Infrastructure Services

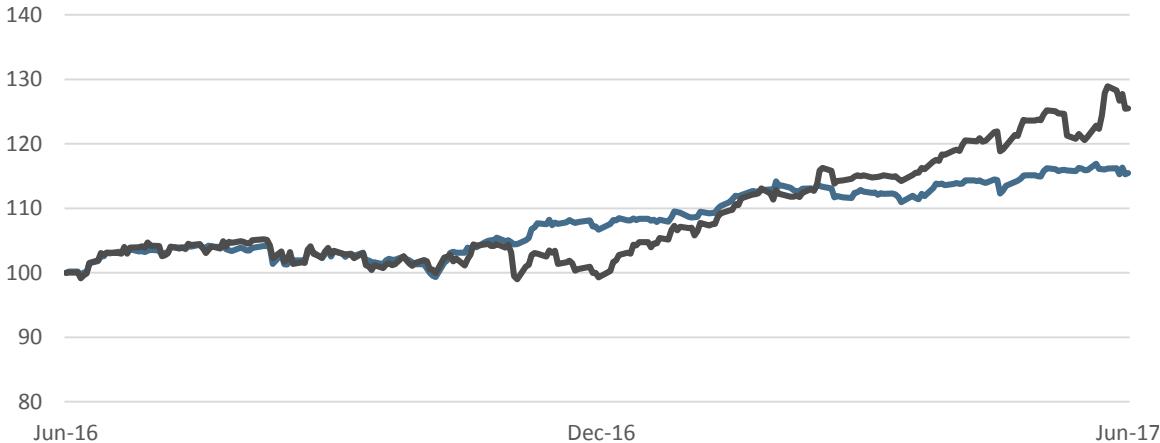
TEBS 100 Companies – Software

Company	Enterprise Value	LTM Revenue	Gross Margin	EBITDA Margin	EV/Revenue		Revenue Growth
					Revenue	EBITDA	
8x8, Inc.	\$1,158	\$253	75.5%	1.3%	4.6x	n/m	21.0%
ACI Worldwide, Inc.	\$3,243	\$1,011	57.0%	13.6%	3.2x	23.6x	(2.7%)
Adobe Systems Incorporated	\$66,744	\$6,526	86.3%	32.8%	10.2x	31.2x	23.0%
Allscripts Healthcare Solutions, Inc.	\$3,979	\$1,618	49.2%	9.5%	2.5x	25.9x	15.8%
Amber Road, Inc.	\$240	\$75	51.7%	(15.6%)	3.2x	n/m	8.5%
American Software, Inc.	\$218	\$106	51.9%	13.6%	2.1x	15.1x	(6.7%)
athenahealth, Inc.	\$5,784	\$1,112	51.0%	10.1%	5.2x	n/m	14.1%
Atlassian Corporation Plc	\$7,429	\$573	81.9%	(1.6%)	13.0x	n/m	36.1%
Benefitfocus, Inc.	\$1,179	\$243	49.3%	(5.4%)	4.9x	n/m	23.0%
Blackbaud, Inc.	\$4,368	\$745	53.9%	17.0%	5.9x	34.5x	12.9%
Bottomline Technologies, Inc.	\$1,080	\$344	54.8%	8.5%	3.1x	36.9x	1.0%
BroadSoft, Inc.	\$1,227	\$347	72.5%	7.5%	3.5x	n/m	17.3%
CA, Inc.	\$14,676	\$4,036	85.8%	31.2%	3.6x	11.7x	0.3%
Callidus Software Inc.	\$1,387	\$216	61.7%	(3.5%)	6.4x	n/m	19.1%
Citrix Systems, Inc.	\$12,072	\$3,422	85.3%	29.6%	3.5x	11.9x	7.8%
Commvault Systems, Inc.	\$2,087	\$651	86.9%	1.6%	3.2x	n/m	9.3%
Cornerstone OnDemand, Inc.	\$1,982	\$435	68.3%	(9.6%)	4.6x	n/m	19.3%
Ellie Mae, Inc.	\$3,351	\$380	66.2%	20.4%	8.8x	n/m	38.9%
Enghouse Systems Limited	\$1,331	\$229	68.6%	25.4%	4.5x	17.6x	4.3%
FireEye, Inc.	\$2,589	\$720	63.2%	(30.5%)	3.6x	n/m	8.2%
Fiserv, Inc.	\$30,312	\$5,568	46.5%	31.3%	5.4x	17.4x	4.9%
Five9, Inc.	\$1,161	\$171	58.9%	1.7%	6.8x	n/m	25.2%
Fortinet, Inc.	\$5,382	\$1,331	73.7%	8.1%	4.0x	n/m	23.2%
HubSpot, Inc.	\$2,282	\$294	77.9%	(12.2%)	7.8x	n/m	45.1%
Intuit Inc.	\$32,935	\$5,089	84.6%	31.0%	6.5x	20.8x	9.8%
Jack Henry & Associates, Inc.	\$8,073	\$1,414	43.1%	35.7%	5.7x	16.0x	7.0%
Manhattan Associates, Inc.	\$3,236	\$598	58.8%	33.8%	5.4x	16.0x	4.4%
Medidata Solutions, Inc.	\$4,457	\$486	75.6%	14.9%	9.2x	n/m	20.2%
Mimecast Limited	\$1,400	\$187	73.0%	1.2%	7.5x	n/m	31.5%

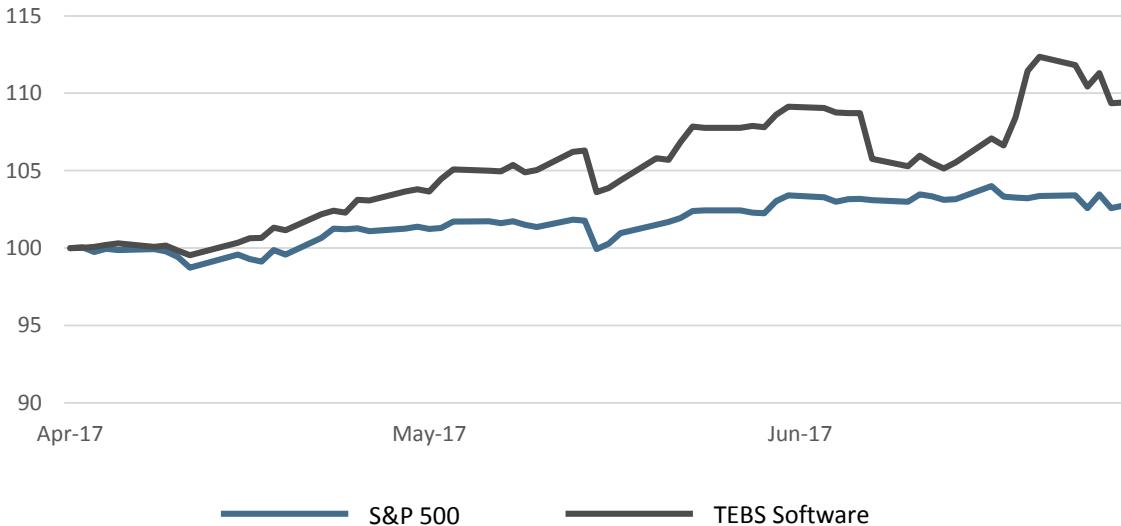
Company	Enterprise Value	LTM Revenue	Gross Margin	EBITDA Margin	EV/Revenue		Revenue Growth
					Revenue	EBITDA	
MINDBODY, Inc.	\$1,116	\$149	69.8%	(7.7%)	7.5x	n/m	34.3%
NIC Inc.	\$1,131	\$323	41.1%	26.0%	3.5x	13.5x	7.4%
Oracle Corporation	\$199,630	\$37,728	58.5%	38.9%	5.3x	13.6x	1.8%
Paycom Software, Inc.	\$4,004	\$359	85.3%	22.1%	11.2x	n/m	38.1%
Pegasystems, Inc.	\$4,353	\$795	68.4%	10.2%	5.5x	n/m	12.3%
Proofpoint, Inc.	\$3,755	\$410	71.7%	(8.2%)	9.2x	n/m	42.9%
PROS Holdings, Inc.	\$867	\$155	58.7%	(36.0%)	5.6x	n/m	(4.3%)
Q2 Holdings, Inc.	\$1,431	\$161	48.8%	(11.6%)	8.9x	n/m	35.9%
QAD Inc.	\$454	\$284	53.0%	3.6%	1.6x	n/m	3.6%
Quality Systems, Inc.	\$1,057	\$510	56.2%	11.5%	2.1x	18.0x	3.5%
RealPage, Inc.	\$3,034	\$593	57.7%	15.0%	5.1x	34.2x	21.8%
Red Hat, Inc.	\$16,110	\$2,521	85.3%	17.2%	6.4x	37.2x	17.8%
Salesforce.com, inc.	\$60,918	\$8,863	73.1%	5.1%	6.9x	n/m	25.3%
ServiceNow, Inc.	\$17,548	\$1,501	72.0%	(3.3%)	11.7x	n/m	36.6%
Shopify Inc.	\$8,097	\$444	54.4%	(6.7%)	18.2x	n/m	84.5%
Splunk Inc.	\$6,869	\$1,006	79.2%	(28.7%)	6.8x	n/m	38.1%
SPS Commerce, Inc.	\$942	\$200	66.5%	10.5%	4.7x	n/m	19.4%
Symantec Corporation	\$21,113	\$4,019	79.4%	18.1%	5.3x	29.0x	11.6%
Tableau Software, Inc.	\$3,824	\$855	87.9%	(11.4%)	4.5x	n/m	23.0%
The Descartes Systems Group	\$2,322	\$209	72.9%	33.5%	8.5x	25.5x	10.5%
The Ultimate Software Group	\$6,168	\$823	61.4%	7.6%	7.5x	n/m	24.6%
Tyler Technologies, Inc.	\$6,431	\$776	47.4%	21.7%	8.3x	38.2x	22.2%
Upland Software, Inc.	\$484	\$78	64.4%	11.0%	6.2x	n/m	11.4%
Veeva Systems Inc.	\$7,904	\$582	68.8%	24.3%	13.6x	n/m	32.6%
VMware, Inc.	\$28,595	\$7,093	85.2%	26.1%	4.0x	15.5x	6.7%
Workday, Inc.	\$18,505	\$1,702	69.9%	(14.2%)	10.9x	n/m	35.1%
25th Percentile	\$1,279	\$269	55.5%	(3.4%)	4.0x	15.6x	7.6%
Median	\$3,755	\$582	68.3%	10.1%	5.5x	19.4x	17.8%
75th Percentile	\$7,989	\$1,373	75.5%	21.9%	7.6x	32.7x	25.3%

Segment Performance – Software

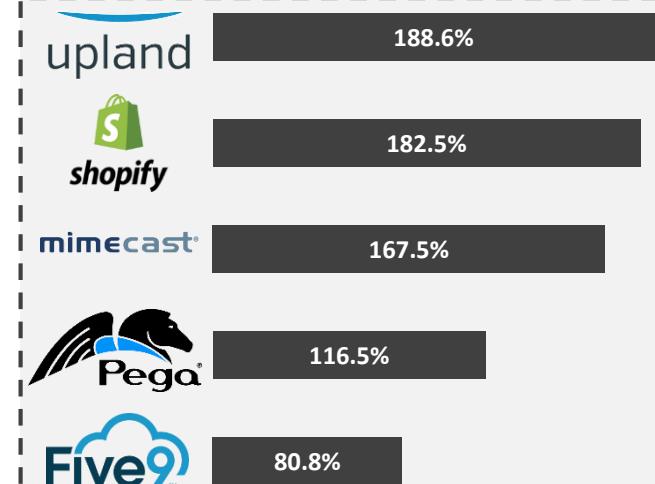
1-Year Stock Performance vs. S&P 500



3-Month Stock Performance vs. S&P 500



Top Performers (1-Yr)



(4.6%) BENEFITFOCUS®

(6.1%) cornerstone realize your potential.

(7.7%) FireEye

(13.6%) NIC the people behind eGovernment™

(25.1%) Manhattan Associates

Bottom Performers (1-Yr)

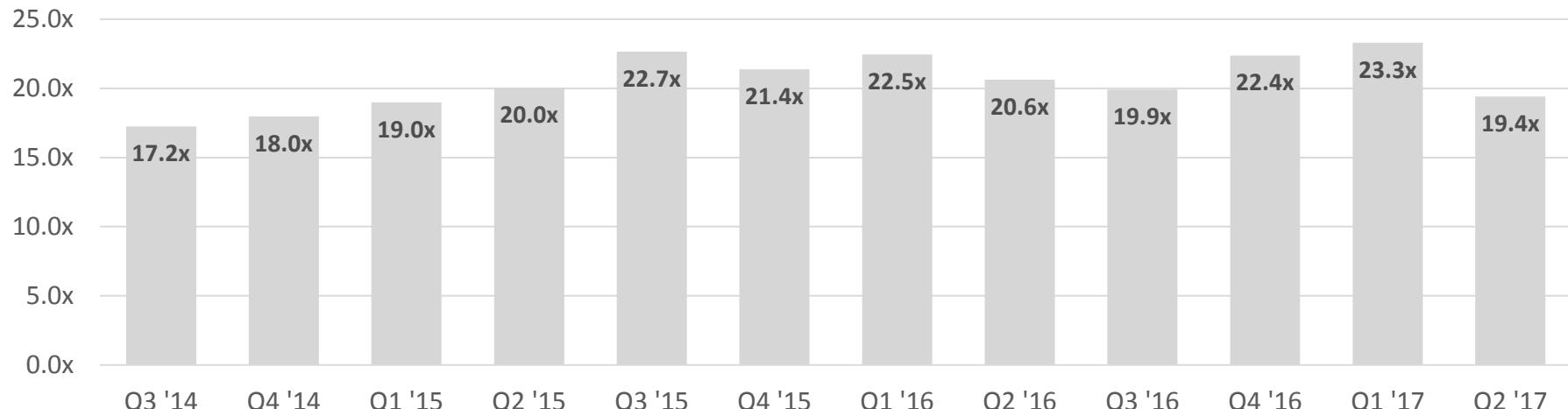
Source: Cherry Tree Research, Capital IQ: 6/30/2017

Segment Valuation – Software

Enterprise Value/Revenue



Enterprise Value/EBITDA

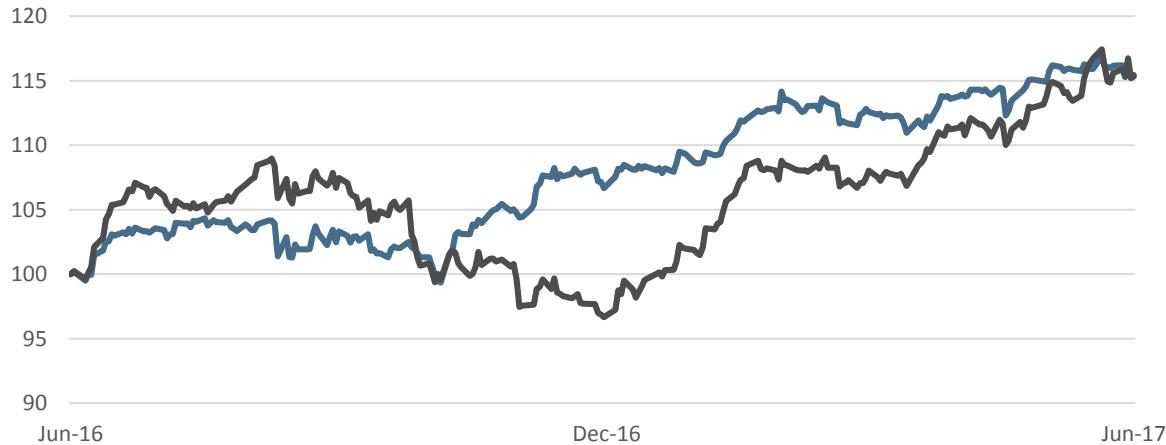


TEBS 100 Companies – Information Services

Company	Enterprise	LTM	Gross	EBITDA	EV/		Revenue
	Value	Revenue	Margin	Margin	Revenue	EBITDA	Growth
CoreLogic, Inc.	\$5,156	\$1,939	45.8%	20.7%	2.7x	12.9x	19.9%
CoStar Group, Inc.	\$8,364	\$864	78.9%	25.7%	9.7x	37.6x	14.9%
Equifax Inc.	\$19,129	\$3,249	64.3%	36.3%	5.9x	16.2x	18.6%
FactSet Research Systems Inc.	\$6,938	\$1,182	55.5%	34.8%	5.9x	16.9x	7.3%
Fair Isaac Corporation	\$4,827	\$923	69.3%	22.8%	5.2x	23.0x	8.7%
Forrester Research, Inc.	\$560	\$326	60.6%	12.1%	1.7x	14.2x	3.1%
Gartner, Inc.	\$11,576	\$2,512	61.3%	15.8%	4.6x	29.2x	11.7%
IHS Markit Ltd.	\$21,378	\$3,349	61.5%	29.1%	6.4x	22.0x	48.8%
Moody's Corporation	\$25,294	\$3,763	72.0%	47.4%	6.7x	14.2x	9.6%
Morningstar, Inc.	\$3,281	\$816	56.4%	27.3%	4.0x	14.7x	3.1%
Nielsen Holdings plc	\$21,974	\$6,348	58.6%	25.6%	3.5x	13.5x	2.4%
S&P Global Inc.	\$39,925	\$5,773	70.1%	45.2%	6.9x	15.3x	7.3%
The Dun & Bradstreet Corporation	\$5,338	\$1,710	67.8%	25.5%	3.1x	12.2x	3.3%
TransUnion	\$10,182	\$1,754	66.9%	34.2%	5.8x	17.0x	12.5%
Verisk Analytics, Inc.	\$16,079	\$2,005	63.9%	46.6%	8.0x	17.2x	7.3%
25th Percentile	\$5,247	\$1,052	59.6%	24.1%	3.7x	14.2x	3.3%
Median	\$10,182	\$1,939	63.9%	27.3%	5.8x	16.2x	8.7%
75th Percentile	\$20,254	\$3,299	68.6%	35.5%	6.6x	19.6x	14.9%

Segment Performance – Information Services

1-Year Stock Performance vs. S&P 500



3-Month Stock Performance vs. S&P 500



Top Performers (1-Yr)

S&P Global 36.1%

Moody's 29.8%

TransUnionTM 29.5%

Gartner 26.8%

FICO 23.4%

Verisk Analytics 4.1%

FACTSET 2.9%

(4.2%) **MORNINGSTAR[®]**

(11.2%) **dun&bradstreet**
GROWING RELATIONSHIPS THROUGH DATA

(25.6%) **nielsen**

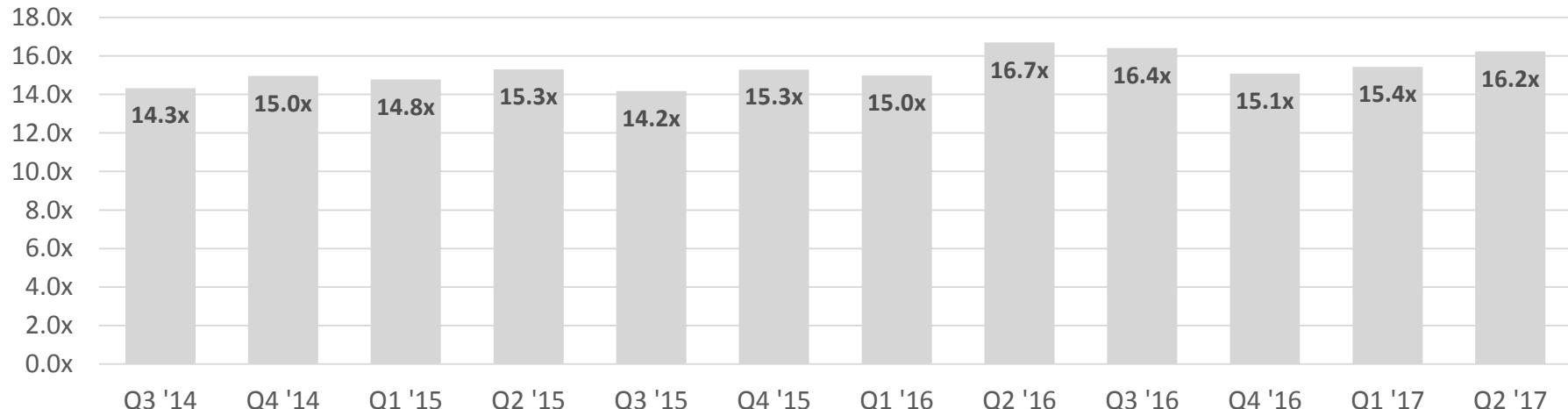
Bottom Performers (1-Yr)

Segment Valuation – Information Services

Enterprise Value/Revenue



Enterprise Value/EBITDA

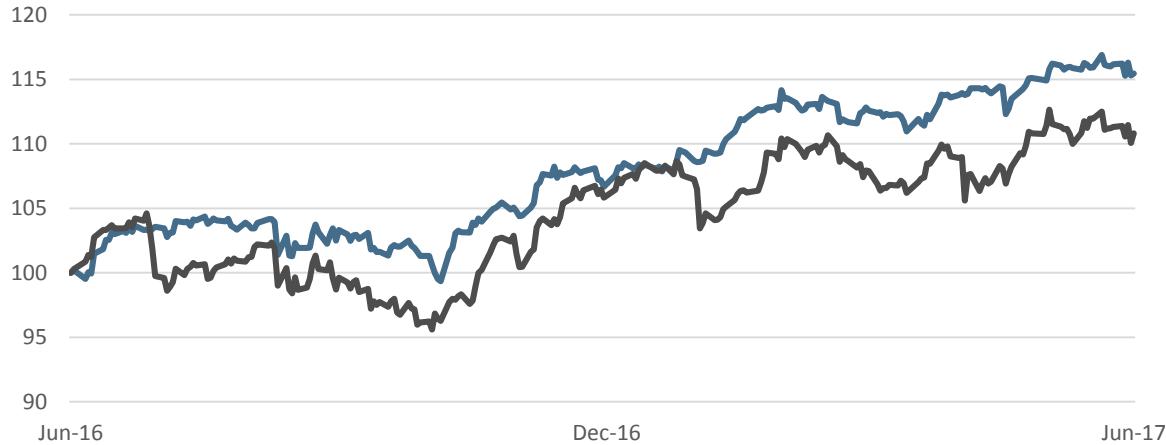


TEBS 100 Companies – Business Process Services

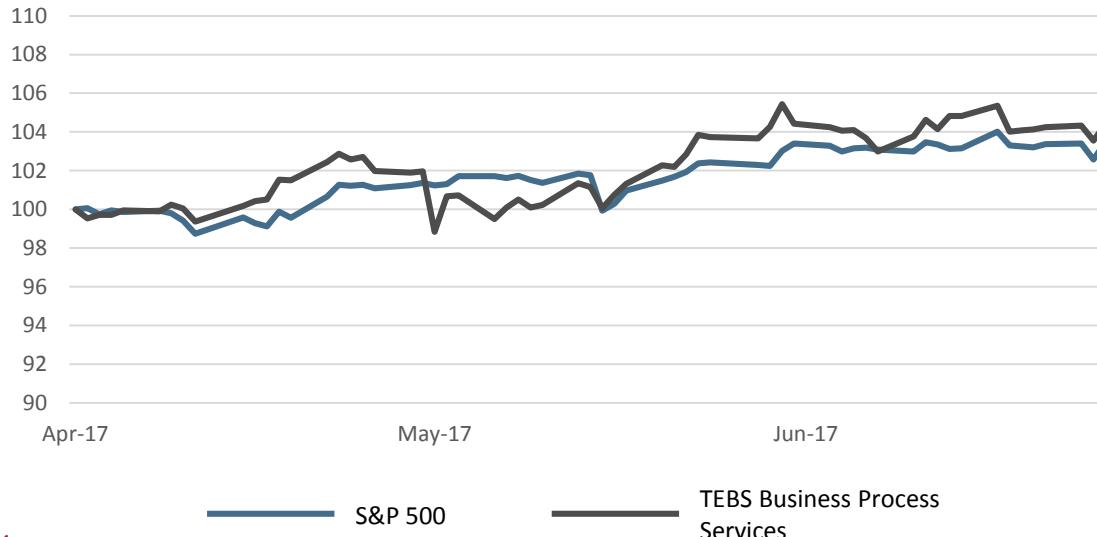
Company	Enterprise	LTM	Gross	EBITDA	EV/		Revenue
	Value	Revenue	Margin	Margin	Revenue	EBITDA	Growth
Amdocs Limited	\$8,491	\$3,792	35.3%	18.9%	2.2x	11.9x	3.0%
Automatic Data Processing, Inc.	\$44,845	\$12,213	43.5%	22.7%	3.7x	16.2x	6.5%
Broadridge Financial Solutions, Inc.	\$9,881	\$3,771	26.1%	17.5%	2.6x	15.0x	32.2%
Cimpres N.V.	\$3,996	\$2,050	51.9%	8.4%	1.9x	23.1x	21.4%
CSG Systems International, Inc.	\$1,473	\$767	50.0%	19.9%	1.9x	9.7x	1.9%
DST Systems, Inc.	\$4,281	\$1,582	22.7%	21.2%	2.7x	12.8x	5.5%
Global Payments Inc.	\$17,335	\$4,070	48.8%	26.9%	4.3x	15.8x	0.0%
InnerWorkings, Inc.	\$700	\$1,087	24.5%	4.1%	0.6x	15.6x	2.7%
Liquidity Services, Inc.	\$84	\$307	24.4%	(5.1%)	0.3x	n/m	(4.6%)
Paychex, Inc.	\$20,141	\$3,151	70.8%	43.4%	6.4x	14.7x	6.8%
PFSweb, Inc.	\$193	\$281	26.4%	5.8%	0.7x	11.9x	12.0%
Teladoc, Inc.	\$1,766	\$139	74.0%	(31.0%)	12.7x	n/m	58.5%
TeleTech Holdings, Inc.	\$1,984	\$1,301	25.9%	12.6%	1.5x	12.1x	2.2%
Vantiv, Inc.	\$13,634	\$3,689	52.7%	23.3%	3.7x	15.8x	12.7%
WageWorks, Inc.	\$2,294	\$403	63.7%	18.3%	5.7x	31.2x	19.8%
25th Percentile	\$1,619	\$585	26.0%	7.1%	1.7x	12.1x	2.2%
Median	\$3,996	\$1,582	43.5%	18.3%	2.6x	15.0x	6.5%
75th Percentile	\$11,757	\$3,730	52.3%	22.0%	4.0x	15.8x	19.8%

Segment Performance – Business Process Services

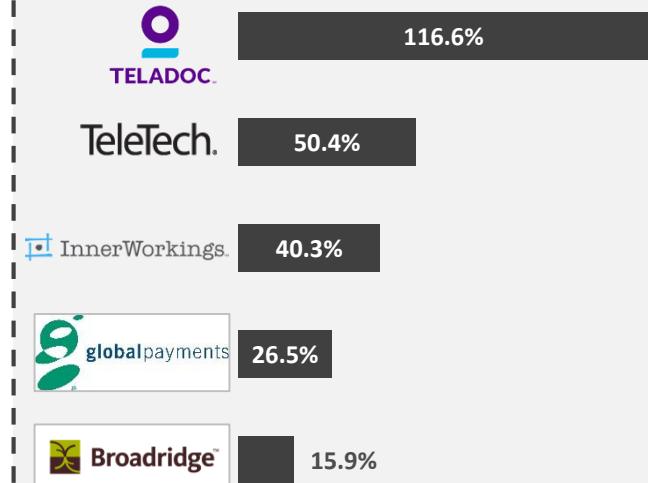
1-Year Stock Performance vs. S&P 500



3-Month Stock Performance vs. S&P 500



Top Performers (1-Yr)



 2.2%

 0.7%

(4.3%) 

(13.1%) 

(19.0%) 

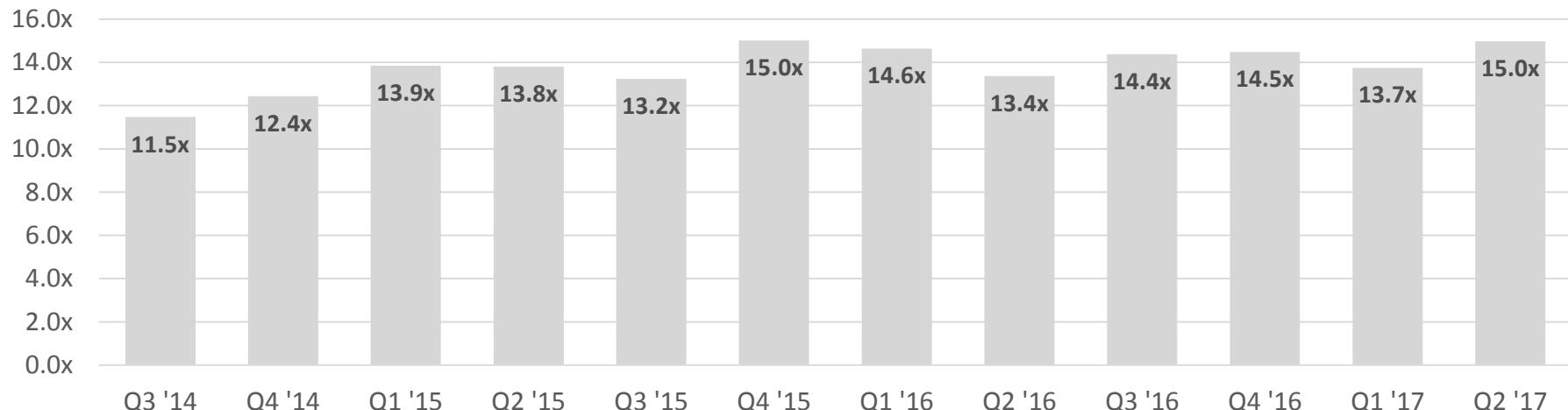
Bottom Performers (1-Yr)

Segment Valuation – Business Process Services

Enterprise Value/Revenue



Enterprise Value/EBITDA

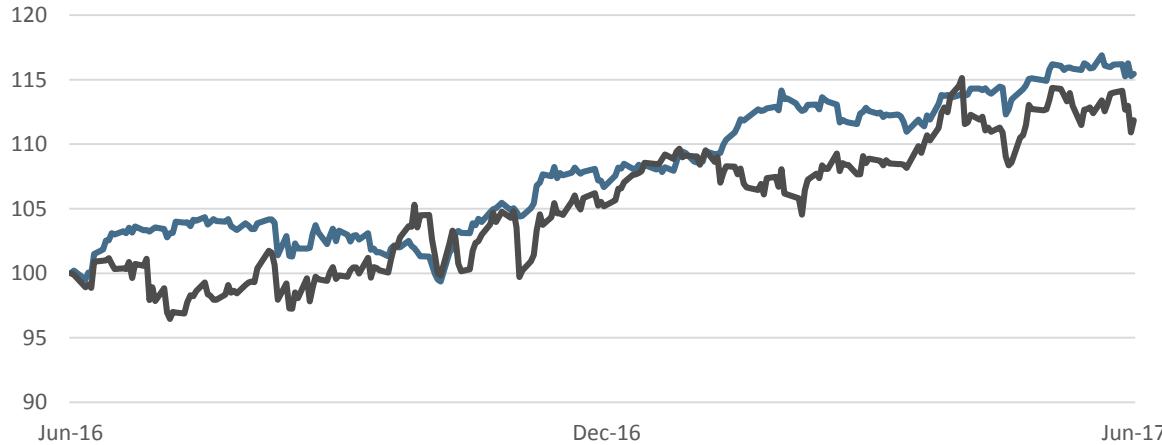


TEBS 100 Companies – Infrastructure Services

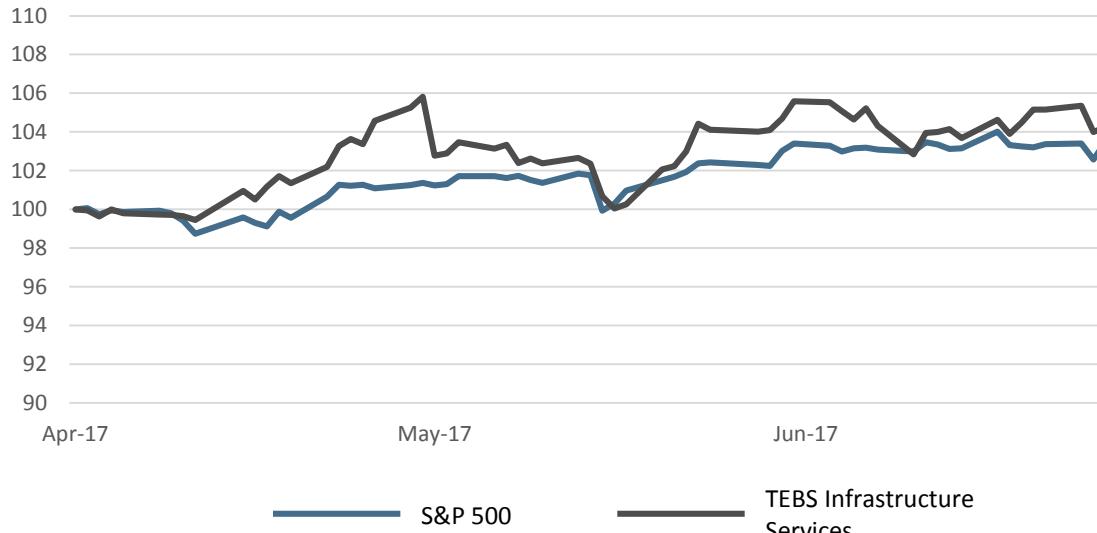
Company	Enterprise	LTM	Gross	EBITDA	EV/		Revenue
	Value	Revenue	Margin	Margin	Revenue	EBITDA	Growth
Akamai Technologies, Inc.	\$8,411	\$2,382	65.6%	29.7%	3.5x	11.9x	6.4%
Boingo Wireless, Inc.	\$585	\$169	30.9%	20.3%	3.5x	17.0x	16.9%
Box, Inc.	\$2,362	\$426	72.5%	(27.4%)	5.5x	n/m	30.1%
Carbonite, Inc.	\$597	\$216	70.6%	5.3%	2.8x	n/m	42.4%
Cogent Communications Holdings, Inc.	\$2,233	\$447	57.8%	31.1%	5.0x	16.1x	8.5%
Endurance International Group Holdings, Inc.	\$3,129	\$1,169	49.5%	23.5%	2.7x	11.4x	45.9%
Equinix, Inc.	\$37,695	\$3,717	49.9%	41.5%	10.1x	24.4x	27.0%
GoDaddy Inc.	\$4,404	\$1,904	64.3%	10.9%	2.3x	21.2x	14.4%
Gogo Inc.	\$1,438	\$620	54.4%	12.7%	2.3x	18.2x	17.7%
GTT Communications, Inc.	\$2,234	\$580	48.4%	22.1%	3.9x	17.4x	34.4%
Internap Corporation	\$614	\$295	48.1%	22.2%	2.1x	9.4x	(6.0%)
Limelight Networks, Inc.	\$251	\$172	54.7%	3.1%	1.5x	n/m	0.9%
Pure Storage, Inc.	\$2,138	\$771	65.1%	(20.8%)	2.8x	n/m	52.2%
Web.com Group, Inc.	\$1,819	\$751	68.8%	18.7%	2.4x	12.9x	35.1%
Zayo Group Holdings, Inc.	\$13,004	\$2,069	64.7%	45.2%	6.3x	13.9x	31.3%
25th Percentile	\$1,026	\$360	49.7%	8.1%	2.4x	12.4x	8.5%
Median	\$2,233	\$620	57.8%	20.3%	2.8x	16.1x	27.0%
75th Percentile	\$3,767	\$1,537	65.3%	26.6%	4.4x	17.8x	35.1%

Segment Performance – Infrastructure Services

1-Year Stock Performance vs. S&P 500



3-Month Stock Performance vs. S&P 500



Top Performers (1-Yr)

CARBONITE  124.0%

Limelight  NETWORKS 94.0%

INAP  COLO CLOUD NETWORK 78.2%

box 76.4%

gtt 71.3%

EQUINIX 10.7%

zayo GROUP 10.6%

cogent 0.1%

(7.1%)  **ENDURANCE** International Group

(10.9%)  **Akamai**

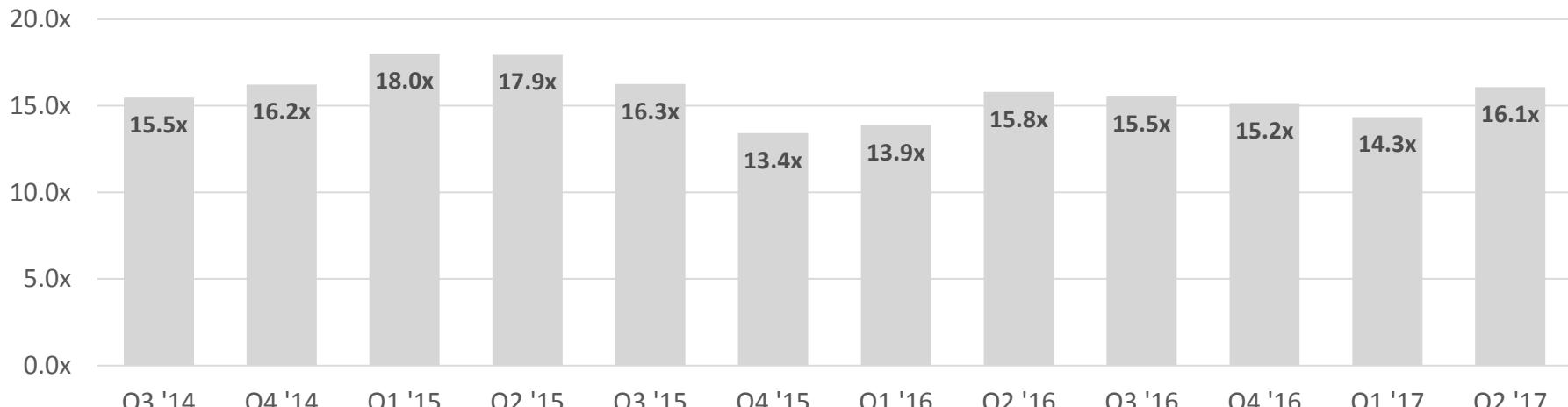
Bottom Performers (1-Yr)

Segment Valuation – Infrastructure Services

Enterprise Value/Revenue



Enterprise Value/EBITDA



M&A ACTIVITY

Select M&A Transactions

Date	Target	Acquirer	Enterprise Value	EV/Revenue		EBITDA Margin		Segment
				Revenue	EBITDA	Revenue	EBITDA	
4/4/2017	Connexions	TeleTech	\$80.0					BPS
4/4/2017	Global HR Research	Renovo Capital	\$30.0					BPS
4/10/2017	RetailMeNot	Harland Clarke	\$455.1	1.5x	14.8x	\$295.4	\$30.7	10.4% BPS
4/28/2017	Tangoe	Asentinel	\$269.9					Software
5/1/2017	Jive Software	Wave Systems	\$343.5	1.7x	69.1x	\$203.5	\$5.0	2.4% Software
5/1/2017	Angie's List	HomeAdvisor	\$574.4	1.8x	51.6x	\$312.6	\$11.1	3.6% Info Services
5/1/2017	Cambridge Global Payments	FleetCor Technologies	\$675.0					BPS
5/1/2017	Viptela	Cisco Systems	\$610.0					Infra Services
5/2/2017	Crisp Media	Quotient Technology	\$57.2					BPS
5/2/2017	Verizon, Cloud and Hosting Business	IBM						Infra Services
5/4/2017	SixSigma Networks Data Centers	Zayo Group	\$12.0					Infra Services
5/9/2017	West Corporation	Apollo Global Management	\$4,950.0	2.2x	7.6x	\$2,293.7	\$651.2	28.4% Infra Services
5/26/2017	iSystems	Asure Software	\$76.5	5.9x	96.8x	\$12.9	\$0.8	6.1% Software
5/29/2017	CardConnect Corp.	First Data Corporation	\$716.3	1.2x	26.5x	\$616.0	\$27.0	4.4% BPS
5/30/2017	Xactly Corporation	Vista Equity Partners	\$532.7	5.5x	NM	\$96.8	(\$12.2)	NM Software
5/31/2017	HelloWallet	KeyBank National Association						Info Services
6/5/2017	Covisint Corporation	Open Text Corporation	\$69.2	1.0x	NM	\$70.2	(\$9.8)	NM Software
6/9/2017	DuPont Fabros Technology	Digital Realty Trust	\$7,487.8	14.1x	23.2x	\$530.0	\$322.7	60.9% Infra Services
6/13/2017	Monitise	Fiserv	\$52.3	0.7x	NM	\$77.0	(\$24.8)	NM Software
6/13/2017	ViaWest	Peak 10	\$1,675.0					Infra Services
6/14/2017	Rightside Group	Donuts	\$134.6	2.2x	NM	\$59.9	(\$12.4)	NM Infra Services
6/19/2017	CareerBuilder	Apollo Global Management; Ontario Teachers' Pension Plan Board	\$627.5	0.9x		\$714.0		BPS
6/20/2017	Certify	K1 Investment Management	\$100.0					Software
6/20/2017	Perseus	GTT Communications	\$40.5					Infra Services
6/21/2017	ARI Network Services	True Wind Capital	\$138.2	2.7x	21.2x	\$51.2	\$6.5	12.8% Software
6/21/2017	iWave Information Systems	Sverica Capital Management						Software
6/21/2017	Giglinc Global	GTT Communications	\$21.0					Infra Services
6/22/2017	EnerNOC	Enel Green Power	\$293.6	0.7x	NM	\$398.7	(\$0.2)	NM Software
6/23/2017	Synchronoss Technologies	Siris Capital Group	\$986.2	2.1x	18.2x	\$476.8	\$54.3	11.4% Software
6/26/2017	Giving.com	Blackbaud	\$120.9					Software
6/27/2017	Sandvine Corporation	Francisco Partners Management	\$298.3	2.5x	14.2x	\$119.9	\$21.0	17.5% Infra Services
6/29/2017	Visma, Minority Stake	HGCapital; GIC; Montagu; ICG	\$5,452.7	5.8x	24.0x	\$942.2	\$227.1	24.1% Software

ABOUT CHERRY TREE & ASSOCIATES

Cherry Tree & Associates Overview

Cherry Tree & Associates provides a broad array of M&A advisory services to owner-operators, private equity firms, corporations, management teams and public companies.

M&A Services

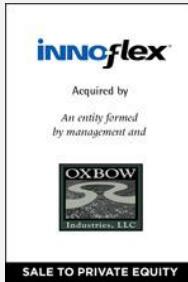
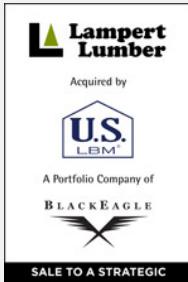
- Sell-side Advisory
- Recapitalizations
- Non-core Divestitures
- Management-led Buyouts
- Buy-side Advisory

Highlights

- Based on over 30 years of growing and advising hundreds of entrepreneurial companies
- Been advisor or principal in more than 300 transactions
- Completed over \$3 billion in transactions in the past 10 years
- Expertise in multiple industries
- Experience completing transactions globally
- Cherry Tree professionals have closed deals with leading private equity and venture capital firms
- 13 M&A professionals

RECENT M&A ENGAGEMENTS

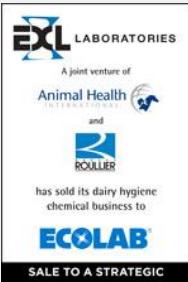
Sell-side Advisory



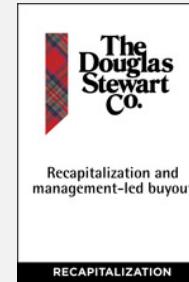
Recapitalizations



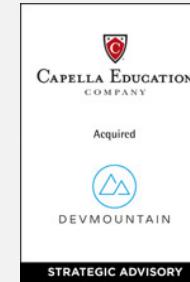
Non-core Divestitures



Management-led Buyouts



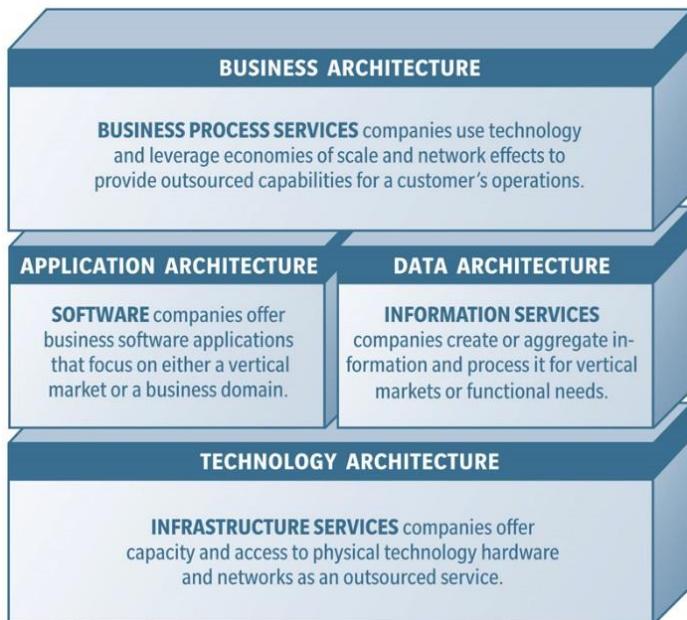
Buy-side Advisory



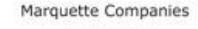
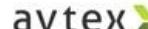
TEBS Expertise

Cherry Tree has been tracking trends and activity in the Technology Enabled Business Services (TEBS) space for more than 15 years. TEBS companies are defined as those that:

- Offer a solution, product or service that is delivered or enhanced via technology
- Generate revenue primarily from other businesses ("B2B")
- Use their own intellectual property to differentiate their solution



SELECT TRANSACTIONS

 Acquired  STRATEGIC ADVISORY	 Has Partnered With  Norwest Equity Partners PRIVATE EQUITY TRANSACTION	 (OTC:CTIG) Acquired by  Enghouse Systems Software engineered for results SALE TO A STRATEGIC
 Welcomes as an Equity Partner  SALE TO PRIVATE EQUITY	 Acquired  STRATEGIC ADVISORY	 CAPPELLA EDUCATION COMPANY Acquired  STRATEGIC ADVISORY
  Acquired by  SALE TO A STRATEGIC	 The operating group of  Has completed the sale of  to  SALE TO PRIVATE EQUITY	 Acquired  STRATEGIC ADVISORY

Cherry Tree TEBS Team

Each of our senior investment bankers has many years of transaction experience as either an operating executive or private equity professional, in addition to deep investment banking experience.



Mik Gusenius
Director

- Joined Cherry Tree & Associates in 2007
- Over 10 years of middle market investment banking experience
- Completed more than 30 M&A transactions totaling more than \$1 billion of transaction value
- B.A., Economics, Gustavus Adolphus College
- M.B.A., University of Minnesota – Carlson School of Management



Elmer Baldwin
Managing Director

- Joined Cherry Tree & Associates in 2015
- Previously the President and CEO of five information technology companies (20 years)
- Strategic advisor and consultant to over 100 companies over last 30+ years
- Experience working with publicly-traded companies, private-equity syndicates, and owner-operator situations
- B.B.A., Finance, Loyola Marymount University



Dave Latzke
Managing Director

- Joined Cherry Tree & Associates in 2007
- Previously the CFO for two publicly-traded enterprise software companies (13 years)
- Previously with Arthur Andersen (11 years)
- B.A., Accounting, University of Northern Iowa
- Certified Public Accountant (inactive)



Matt Otto
Senior Associate

- Joined Cherry Tree & Associates in 2010
- Over six years of middle market investment banking experience
- Completed 20 M&A transactions
- Member of equity research team that won the Minnesota CFA Global Investment Research Challenge
- B.S., Finance, University of Minnesota – Carlson School of Management



Ben Ikeda
Senior Associate

- Joined Cherry Tree & Associates in 2012
- Completed 18 M&A transactions
- Previously with Sterling Partners' Education Opportunity Fund, UnitedHealth Group and Mayo Clinic Ventures
- B.A., Economics, *magna cum laude* and *Phi Beta Kappa*, Gustavus Adolphus College
- M.B.A. Candidate, University of Chicago Booth School of Business

Important Disclosures

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