



ETA |

**EMERGING
TECHNOLOGY
ADVISORS**



CLOUDREACH

FAQ

For ETA's Customers & Partners
August 2017

FAQ

This document answers frequently asked questions by the ETA Team about our merger with Cloudreach.

1. What is being announced?

ETA is merging with Cloudreach, a global leader in enterprise cloud adoption and digital transformation.

Cloudreach have acquired a majority share in ETA, in a deal financed by Blackstone (NYSE: BX). The exact terms of the transaction are commercially sensitive and will not be made public.

Together, Cloudreach & ETA will have the unique ability to provide a comprehensive set of capabilities - to build or migrate, optimize, modernize, and maintain enterprise applications in the Cloud for our clients.

2. Why did ETA make this decision?

The opportunity to join Cloudreach presents a unique opportunity to advance the development of our team and vision. This merger will combine Cloudreach's leadership in enterprise cloud adoption and optimization, with ETA's expertise in modernization efforts, ranging from architecture to applications.

The combination of Cloudreach and ETA presents team members on both sides with growth opportunities and new, challenging engagements, tied to the Cloudreach focus upon Application Centric Cloud Adoption.

One of the earliest integration focus areas will be the alignment of our respective offerings. With the addition of software architectural advisory and application modernization / development, Cloudreach will become a true end-to-end cloud services organization, able to assist our clients throughout their modernization efforts. Our commercial teams will have more comprehensive offerings, and our engagement teams will have the opportunity to provide new solutions.

3. Is this a merger or an acquisition? Is it effective immediately?

ETA is now part of the Cloudreach family. 100% of ETA's shares were purchased via this acquisition, but ETA's leadership remains in key strategic positions to help ensure consistency through growth. ETA employees are now Cloudreach employees.

Yes, but both teams greatly value the relationships they've built with their customers, and recognize the importance of moving slowly.

4. What happens to the founders roles' (Chris, Glynn, & Ken) in the business?

The ultimate goal of the merger is to grow the combined team in a manner that affords a larger offering of services, spans a larger client base, and ultimately provides new and exciting opportunities for everyone involved. ETA's co-founders are being put in strategic positions to help Cloudreach's leadership meet/exceed that goal.

5. Is Cloudreach/Blackstone the only company ETA considered?

ETA has been approached a couple times over the history of the company, but none of those opportunities aligned to ETA's culture and core principles as well as this one.

6. Will the company name change? Will we still be known as ETA?

Yes the company name will change, but we'll always remember the history of ETA. The positive impact from ETA on Cloudreach will be felt for years to come e.g. our move towards App Dev, your corporate innovation thought leadership etc.

7. How does this affect ETA?

The best analogy is that this will be like adding fuel to the fire. Merging with the Cloudreach team will enable us to leverage shared services like marketing, sales, and operations, so that we can focus on what we truly do best. Additionally, ETA's goal has always been to grow the company. But as a small company, we've been constrained in how quickly we could grow. As a combined team, we'll have the resources and support to focus on that growth, and the many opportunities that come along with it.

8. How will ETA be integrated with Cloudreach? Will there be any integration at all?

ETA employees will become Cloudreach employees on Day 1, and will continue to work from the ETA Virginia offices. An integration plan has been drafted which outlines the functional areas in the business where synergies are planned to be achieved. Both ETA and Cloudreach operational teams will be working closely to make any transitional activities go smoothly.

9. Has the direction of the company changed as a result of the merger?

Nope. Our family and capabilities have gotten a whole lot bigger and stronger though! That's one of the most exciting elements of this merger.

About Cloudreach

10. Who are Cloudreach?

[Cloudreach](#) is the only cloud-native enablement firm with significant presence in both Europe and North America. Its agile approach to business transformation is underpinned by deep expertise and experience. They help some of the world's largest organizations, including BP, Volkswagen Financial Services and Hearst intelligently adopt hyper-scale cloud platforms. Cloudreach was recently named a leader in the [2017 Gartner Magic Quadrant](#) for Public Cloud Infrastructure Managed Service Providers.

Cloudreach's mission is to enable this outcome through intelligent and innovative cloud adoption by providing capabilities to enable, integrate and operate cloud platforms. Their primary partners are AWS, Microsoft and Google, whose cloud platforms underpin everything they do and have done since they started the business in 2009.

Cloudreach is part of Blackstone's portfolio of companies

11. What is the financial stability of Cloudreach?

Cloudreach is financially stable, their growth over the last few years has been impressive. Their revenues were £40.2M last year (compared to £24.7M the year before) and they expect to increase their turnover to £xx this year. Cloudreach Holdings revenue growth in 2016 is 75%. Cloudreach are trusted by some of the major organisations around Europe and North America, including BP, TimeInc, Volkswagen, to name a few.

12. How can I learn more about the Cloudreach, how they do business, and their other portfolios?

There's plethora of information on their website: <https://www.cloudreach.com/>. Beyond that, it's as simple as asking! Let Ken, Glynn, or Chris know if you have a question, and we'll put you in touch with the right Cloudreacher.

About Blackstone

13. Who are Blackstone?

[Blackstone](#) are one of the world's leading investment firms with \$371Bn under management through their portfolio companies. They are the world's third largest private equity house by value of portfolio companies. The Blackstone portfolio consists of over 100 companies with an aggregate revenue of \$64Bn and 511,000 employees worldwide.

Blackstone are still a young company at 32 years old. They are still growing and learning and seek out the best talent in each area of their business to help create value for their investors and portfolio companies.

14. Who else does Blackstone work with?

Blackstone have an extensive portfolio of companies they work with. The company is structured in different divisions depending on type of investment. Cloudreach belongs to the [Tactical Opportunities](#) team which, despite its name, invests several billion USD across different opportunities.

Products & Services

15. Will any of the ETA products or services be discontinued as a result of this transaction?

Initially we'll continue to operate as we always have, and of course honor all existing agreements and pricing. Over the coming months we'll be working to combine forces with the Cloudreach team, and hope to provide exciting new services and capabilities to our customers.

16. What will happen to the pricing of ETA products and services?

Initially we'll continue to operate as we always have. In the coming 90 days we'll be taking a look at the various services that ETA has traditionally offered and determine whether there's an opportunity to make adjustments and/or align to a service within Cloudreach.

Customers

17. What will this mean to ETA customers?

The merger with Cloudreach will provide access to additional world-class strategists, developers, and leaders, which will ultimately increase the availability and capacity of ETA & ETA-like talent.

18. How will this affect the customer's company/processes/business relationship with ETA?

Simple answer - We don't expect there to be an impact to current agreements. As we grow together as a team, there will most likely be a focus on optimizing many processes within the company, which may translate to changes to how we create agreements, SOWs, and other contractual agreements.

The merger with Cloudreach will not impact any active agreements. It will however provide access to additional world-class strategists, developers, and leaders, which will ultimately increase the availability and capacity of ETA.

19. Will the quote ETA gave customers (for open opportunities) still be honoured?

The short answer is yes! ETA's quotes have a default 30 day validity, and we'll absolutely honor anything written prior to the merger.

20. Will there be any staffing changes that might affect the customer?

In the short-term both companies will be continuing to leverage their current team structures to deliver excellence to their clients. Over the next 90 days we'll be working together to define the details of combining the team, and as a result, current ETA customers may have the opportunity to work with Cloudreach team members.

21. Will Cloudreach have any direct communications with the ETA customers?

Absolutely! Over time the goal is for the ETA and Cloudreach to be operating as one cohesive team.

22. Will ETA be sharing any customer information with Blackstone as a result of this merger?

Any information shared will be done so with contractual protection and with the intent to better understand contractual obligations only.

23. Will there be any changes to the Account Managers or contacts who customers work with now?

Our Sales team will continue to operate as normal for now.

24. Who can the customer call if they have a question about this news?

Ken Henderson or Glynn LoPresti will be available to chat with anyone who has questions or concerns about the news.

Partners

25. What does this mean for the partners?

With ETA joining the Cloudreach family, we will be broadening our range of services to specifically include Application Refactoring (software architecture, audit, re-write) and net new Application builds. Furthermore the integration will also give us the ability to run bespoke corporate innovation events, which help our customers understand the potential value from moving to the Cloud.

For our partners both these two key investments will help to broaden our appeal and keep us at the forefront of the partner ecosystem.

26. How will this affect the partner's company/processes/business relationship with ETA?

Operating under the banner of a phenomenal company like Cloudreach will only strengthen these relationships, as it will translate to a higher volume of opportunities to interact with our partners.

In immediate practical terms, there are no changes to our partnership agreements as a result of this change in ownership. All contracts remain the same.

For now, all delivery and commercial teams will continue to operate with no disruption. We will continue to work on current and future opportunities as we have so far.

27. Will Cloudreach continue to support and broaden relationships with ETA partners?

Both ETA and Cloudreach have cultivated deep relationships with their partners, due in large part to successful and continued delivery by project teams. Combining (and therefore extending) the current partnerships offers benefits to both companies customer base.

28. Is there a chance that we will terminate any existing partnerships as a result of new partners which will be formed in the future?

Nope. ETA has always believed in the "Right tool for the task" mentality, and doesn't anticipate that changing as a function of the merger. If anything, we believe that partnerships will strengthen as the combined team will translate to a higher volume of work with our partners.

29. Who can partners contact if they have a question about this news?

Ken Henderson or Glynn LoPresti will be available to chat with anyone who has questions or concerns about the news.

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