TECHNOLOGY CAPITAL PARTNERS

An Independent Private Equity Sponsor

Technology Capital Partners, LLC (or "TCP" or "the Partnership") is an independent private equity sponsor organized to pursue technology-driven growth acquisitions.

Differentiated Investment Strategy

Technology Capital Partners believes that under certain circumstances **technology itself is a form of capital** that can be leveraged to strategic advantage in the pursuit of acquisitions. Technology is capital, hence the firm's name.

TCP transactions entail the acquisition of one, or more, sub-$150 million revenue operating companies competing in fragmented markets against companies with undifferentiated products or services. An attractive acquisition, by TCP standards, is one whose revenue and cash flow can be rapidly increased via the infusion of an immediately-deployable technology that enables the acquired company to provide a differentiated, and markedly superior, product or service. Thus, TCP utilizes technology to acquire operating companies that can be "immediately unfairly-advantaged" by the infusion of market-ready technological innovation.

More specifically, a TCP deal entails the merger and integration of two entities forming "NewCo:"

i) a lower middle-market (revenues: ~$50-$150 million) operating company ("OpCo") whose product or service is undifferentiated, and a
ii) disruptive, immediately-deployable but underutilized, dormant, languishing, or even abandoned technology ("Tech").

Depending on the interests and motivations of the owners of OpCo and Tech, it is TCP's expectation that some, if not all, will retain a minority interest in Newco, with investors and lenders ("capital partners") providing the balance of the necessary capital. Thus, NewCo is not an "exit" for either party in and of itself but rather a partial liquidity event which will result in "a second bite at the apple" when NewCo is ultimately acquired by a third party, strategic or financial, acquirer.

TCP seeks to infuse a "*proprietary technological advantage"* into its acquisitions' product or service that will enable near-immediate market share expansion <u>and</u> premium pricing resulting in rapid revenue and cash flow growth accruing to the benefit of all parties involved (the technology owner(s), the acquired operating company and its management/shareholders, TCP's funding partner(s), and TCP).

"Immediately-deployable" means different things to different people. To TCP, ***immediately-deployable*** means that the technology requires no further time, money, regulatory approval, or market validation in order to be successfully deployed. In other words, TCP seeks technology devoid of developmental risk. Technologies that fit the TCP model have been described in numerous ways including: *market-ready, turn-key, plug-and-play, fully-baked, TRL 8-9, etc*. ***The key is that the development, regulatory and market risks have been eliminated.***

Having differentiated and rapidly grown the revenue and cash flow of its portfolio companies, acquired at attractive multiples, TCP exits its investments at premium/specialty multiples in relatively short holding periods (averaging +/- five years). TCP believes that this unique approach to growth acquisitions, driven by the infusion of disruptive, proprietary, and immediately-deployable technological innovation into industries with undifferentiated, low-margin competitors results in attractive, not auctioned, investment opportunities and, thus, outsized risk-adjusted returns for TCP's funding partners.

TCP Professionals, Advisory Board, and Technology Scout Interns

The Partnership is singularly poised to execute this growth buyout strategy due to its principals having done so before combined with their knowledge of, and access to, technology sources, acquisition opportunities, and funding relationships. Prior to forming TCP, the Partnership's professionals collectively spent many decades at the crossroads of technology commercialization, operations, corporate and venture development, mergers and acquisitions, venture capital and leveraged buyouts.

Michael Faught (former Lehman Brothers investment banker and Technology Management & Funding, L.P. Managing Director) and his Wharton classmate, **Don Perkins** (former McKinsey, GE General Manager, and venture capitalist) co-founded TCP in its current iteration in 2019. **Dene Rogers** (former CEO of Target Australia and SVP, Business Development of GE Capital) joined TCP as a Partner in 2022. **Daniel Wong** joined TCP in 2019 with investment banking (Joh Berenberg Gossler & Co KG), private equity (UHNW multi-family office), and international corporate finance experience. Mr. Wong has since been promoted to Principal.

TCP's Advisors include two highly experienced and respected investment professionals.

- **Steve Hutchinson**, spent 17 years with The Hillman Company (leading early LP investments into Kohlberg, Kravis & Roberts and Kleiner Perkins, among many other such names) following which he was Managing Partner and Co-Head of Weiss, Peck & Greer Private Equity. WP&G was subsequently acquired and its venture arm was relaunched as Lightspeed Ventures.
- **Jeff Coats**, formerly Managing Director and West Coast Head of GE Capital, Managing Director and founder of TH Lee Putnam's Private Equity Internet Fund, and CEO of Autobytel, a public company.

In order to supplement TCP's technology sourcing and research capabilities, TCP has an intern program populated with graduate (Associate Interns) and undergraduate (Analyst Interns) business and technical degree candidates. The primary responsibility of our interns, both Associates and Analysts, is to function as "technology scouts" from within their respective research universities and beyond. Today we have interns at the University of Southern California, University of Utah, and BYU. In the past we have also had MBA, Finance Masters and PhD candidates at UCIrvine.

Immediate Deal Flow

Since its re-launch, TCP has been referred in excess of 400 technologies from which summary evaluations were conducted before more deeply researching over 100 and fully evaluating ~20. Of those, TCP has signed three technologies, is in active discussions with six more such opportunities, and is actively pursuing one transaction in the industrial cleaning space driven by an environmentally-friendly industrial cleaning technology, which is today generating ~$2MM ARR. In each case, the transaction is premised upon a recognized strategic fit between an existing operating company, or companies, and a technology to quickly achieve dramatically greater revenue growth and profitability improvement than either could achieve alone.

Applicable Technology

The depth and breadth of technologies that can benefit from our TCP model is staggering…essentially, limitless.

TCP has signed technologies in multiple fields including nanomaterials, event sponsorship software, and environmentally-friendly industrial cleaning technology. In the industrial cleaning case, TCP is currently pursuing acquisitions of specialty chemicals company(s) (among other industries) where the harsh environmentally-hazardous chemicals and solvents currently being used (NMP, Acetone, DMSO, etc.) can be displaced by "green" sustainable cleaning solutions. Besides specialty chemicals, this technology has disruptive potential in oil & gas services, institutional cleaning, and microelectronics.

Some other examples of technologies TCP has zeroed in on include a patented photopolymer-gel applied to blood collection tubes eliminating the challenges of sample contamination and instrument interference, an environmental sampling and digital chain of custody software enabling increased efficiency and productivity of sampling process and digital generation of sampling reports, and a new patented formulation of biodiesel fuel enabling significant production cost savings while also being more environmentally friendly and generating less wear-and-tear on legacy diesel engines.

Methodology

TCP believes that under certain circumstances, it can be ***faster and less risky*** to commercialize technology by acquiring infrastructure of an existing, well-functioning but undifferentiated operating company through which to do so rather than attempting to raise venture capital with which to then build the requisite infrastructure from scratch.

In its first iteration, TCP originally anticipated that its strategy would be most applicable in more industrial and manufacturing technology contexts rather than the "higher-tech" opportunities so aggressively sought after by the venture capital and angel investment communities. While this is still likely true, TCP's proof-of-principle transaction (which exited at 7x invested equity) was in software and digital switching in the 911-space.

Since then, TCP has explored opportunities in numerous technology fields including bio-tech, renewable energy, clean-tech, nanotech, software, fuel, sensors, etc. TCP remains industry agnostic as it believes its strategy is applicable across a wide breadth of technology and fields-of-use but also recognizing that certain industries have unique challenges in adopting technological innovation. Thus, TCP deliberately chooses not to pursue certain, particularly highly-regulated, industry spaces.

Tech-disruption NOT tech-enablement

As previously stated, Technology Capital Partners capitalizes upon technological innovation faster, and with less risk, while controlling the process by acquiring control of operating infrastructure through which to do so rather than seeking to out-license technology or build infrastructure from scratch. Like growth investors, TCP seeks to acquire and improve underperforming operating companies. However, unlike many PE/buyout investors often seeking to create value through cost reduction and incremental efficiency improvements but without altering the company's value proposition to its customers, TCP invests the technological advantage into its acquisitions enabling explosive revenue and cash flow growth through premium pricing and market share expansion. Being focused on revenue growth and margin expansion, TCP's strategy has the added economic development benefits of increasing jobs/employment and keeping businesses local.

TCP reduces investment risk by virtue of its ability to evaluate and acquire existing businesses which already possess all the attributes for success, such as seasoned management and marketing expertise, suppliers and customers, production and distribution capability, positive cash flow, etc. as opposed to something that entrepreneurs claim they will build from scratch given enough time and capital.

Contrary to conventional methods of technology commercialization, it is not TCP's strategy to acquire, or invest in, technologies absent operating platform acquisitions. TCP instead collaborates with immediately-deployable technologies in pursuit of acquisitions. ***We are investors OF technology, not investors IN technology.***

Global Scope

Although our initial efforts were focused on the United States, TCP is also well positioned to source technologies and platform acquisitions internationally, as demonstrated by its current industrial cleaning opportunity and the aforementioned 911 deal. Long-standing relationships with laboratories and technology repositories, foreign corporations, and foreign divisions of domestic companies, as well as investment and development banks around the world, provide TCP the means to source deal flow globally. The Partnership also has extensive experience doing business in the international arena, bringing both a multicultural perspective and a multilingual capability to structuring global deals.

Immediate Financing Requirement

Having demonstrated the validity and compelling nature of its strategy and the capability of its team to successfully execute transactions, TCP intends to raise a ~$400 million private equity fund. In the meantime, TCP is aggressively pursuing immediate deal opportunities.

The Partnership is currently funded personally by its partners and, as a result, is limited in its ability to aggressively pursue all the transactions at its disposal. The TCP transaction pipeline is already congested by opportunities being referred that it does not currently have the resources to pursue.

Therefore, TCP is seeking $10.0 million to finance its immediate deal execution costs (including industry-expert consultants, accountants, attorneys, etc.) and operating overhead (research, travel, salaries, etc.) over the twenty-four months from the close of the funding.

TCP desires to obtain this funding immediately and with a minimum of distraction from the pursuit of transactions. Should the reader have interest in participating in this regard, please contact Michael F. Faught, Managing Partner, at 213-238-2865.