US $60M early stage technology venture fund + LP co-investment fund

**Target Sectors/Segments**
- Enterprise software: includes security, fin-tech, analytics, machine learning/AI, mobile and infrastructure
- Med-tech: *only* diagnostics/imaging, HIT and drug delivery, no biotech

**Team Track Record**
- Top Quartile, Top Quintile for LP co-investments

**Stage**
- **Entry:** Seed and Series A  
  **Follow-on:** all rounds

**Investment Strategy**
- **Opportunity:** consider western tech centers + Bay Area
- **Start Early:** valuation critical, ownership positions (15-30%)
- **Active Involvement:** assist and guide
- **LP co-investment:** carve-out for LP participation in the top performers
WE ARE POISED FOR CONTINUED SUCCESS

**The right people**
- Leveraging decades of hands-on experience

**The right technologies**
- 20 years investing in enterprise software & med-tech

**The right value stage**
- Seed and Series A entry points, less-competitive rounds

**The right locations**
- Bay Area + other tech. centers in western North America

**The right opportunities**
- Facilitating co-investment in later rounds for LP’s

**The right track record**
- Exceeding benchmark results

© 2016 Shoreline Venture Partners | www.ShorelineVentures.com
Team

Very Experienced with Deep Bench
# EXPERIENCED MANAGEMENT: 40+ DEALS

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Experience and Education</th>
</tr>
</thead>
</table>
| **PETER CRADDOCK**    | Managing Director            | • 15 years at DLJ, Kidder Peabody: >$1 billion in deal origination in software and med-tech  
                              • 20 years early stage software and med-tech venture investment experience  
                              • BA Economics, Denison University |
| **BOB SPEARS**        | Managing Director            | • 20 years RAM Group, General Mills, Clorox: senior marketing, product development positions  
                              • 20 years venture, private investment and buyout experience  
                              • BA Stanford University, MBA Tuck Business School |
| **MARIA PACELLA**     | Venture Partner              | • IT investments at GrowthWorks Capital, one of Canada’s largest VC firms, finance and operations at Terramera, M&A at Deutsche Bank  
                              • 16 years early stage software and med-tech venture investment experience, 12+ boards  
                              • BBA Simon Fraser University, CFA Charterholder |
| **ROB TAYLOR**        | Venture Partner              | • Venture investment at Orange Ventures, developer management at Nokia, business development at Amex and, currently, Apigee (acquired by Google, 2016)  
                              • 15 years venture and operations experience  
                              • BA UC Berkeley, MBA Harvard Business School |
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Location</th>
<th>Backgrounds</th>
</tr>
</thead>
</table>
| **COLIN HARRIS**     | Venture Partner        | Vancouver| • Currently on advisory board of the Design for E-Beam (DFEB) initiative, director of Redlen Technologies, a medical imaging company  
• Co-founder/COO PMC-Sierra  
• BS Engineering Physics, University of British Columbia; holder of 5 patents relating to semiconductors                                                                 |
| **ROBERT W. LANGE**  | Venture Partner        | Los Angeles| • Chairman and CEO of Total Home Health since 2013  
• Long time venture capital and private equity investor; lengthy track record of C-level leadership roles and Board of Director appointments across multiple industries including software, medical devices, publishing and travel  
• Successfully lead multiple M&A transactions  
• BS, Business Administration, California Polytechnic State University; concentration in Management Information Systems |
| **BARRY “X” LYNN**   | Venture Partner        | Bay Area | • Former CIO, Wells Fargo; President, Wells Fargo Technology Services  
• President, BeXel Management, accelerator of early stage technology companies  
• Current board seats at Datagrid Systems, Alacritech, Blab, Zafin, ustyme and Better Mobile |
# DEEP BENCH WITH OPERATIONAL BACKGROUNDS

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Experience</th>
</tr>
</thead>
</table>
| RICH MILLER   | Venture Partner        | • Co-founder & CTO/COO/CEO Infomedia Corp, Rapport Communications, Univa, Virtual Vehicle, Founder, Telematica  
                | Bay Area                | • VP, Strategic Planning at General Magic                                                             
                |                        | • BA/BS, Stanford University                                                                          |
| DOUG RAINBOLT | Venture Partner        | • CMO of Chief Outsiders which helps growth and mid-sized companies grow by providing fractional or part-time highly experienced marketing executives  
                | Portland, OR            | • Launched marketing career at Tektronix followed by marketing leadership roles with Exabyte, Brocade, Alacritech, and SGI  
                |                        | • BS, Business Administration (Accounting), Portland State University; MBA, University of Portland |
| MIKE TAYLOR   | Venture Partner        | • Currently CFO of GitHub; former head of Capital Markets & New Ventures, Telsa Motors                  
                | Bay Area                | • Prior roles: CFO, Tropos Networks; CFO Benchmark Capital; VP, Corporate Finance, Micromuse          
                |                        | • BA, Berkley, Law & MBA, Stanford University                                                        |
**ADVISORY BOARD WITH TECHNICAL EXPERTISE**

<table>
<thead>
<tr>
<th>Name</th>
<th>Background</th>
</tr>
</thead>
</table>
| **TOUFIC BOUBEZ**     | • VP Engineering, Machine Learning, Splunk  
                          • Serial entrepreneur (Metafor Software, Layer 7 Tech, Saffron Tech)  
                          • Chief Architect for SOA & web services - IBM  
                          • MSEE, McGill University; PhD Biomedical Eng., Rutgers Univ. |
| **HUY DO, MD**        | • Professor of Diagnostic Radiology and Neurosurgery  
                          Stanford University Medical Center  
                          • MD, Brown University |
| **PERRY FREDERICK**   | • Regional Research Manager (Western U.S.)  
                          GE Medical Imaging  
                          • MSEE, Marquette University |
| **DAVE SWENSON**      | • Vice President Clinical Strategy, Medication Management Solutions Becton Dickinson  
                          • BS Pharmacy, University of Washington |
Team Results

Top Returns
<table>
<thead>
<tr>
<th>SAMPLE INVESTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>blab™</td>
</tr>
<tr>
<td>CoinFlip Solutions</td>
</tr>
<tr>
<td>Health Hero® NETWORK</td>
</tr>
<tr>
<td>LAYER 7 TECHNOLOGIES</td>
</tr>
<tr>
<td>speedchain</td>
</tr>
<tr>
<td>Zomanex™</td>
</tr>
<tr>
<td>BOREAL GENOMICS</td>
</tr>
<tr>
<td>BuildDirect</td>
</tr>
<tr>
<td>copperleaf</td>
</tr>
<tr>
<td>GenoLogics</td>
</tr>
<tr>
<td>orange™</td>
</tr>
<tr>
<td>Bitfone</td>
</tr>
<tr>
<td>DANGER</td>
</tr>
<tr>
<td>OPENET</td>
</tr>
<tr>
<td>byte® mobile®</td>
</tr>
<tr>
<td>NETÉZZA</td>
</tr>
</tbody>
</table>
EXCELLENT PERFORMANCE: EOY ‘16

- SVP I (1998): Cambridge Pooled 11.2%, Cambridge Upper Quartile 15.2%, Attributable Net IRR 16.5%
- SVP II (2001): Cambridge Pooled 2.8%, Cambridge Upper Quartile 7.8%, Attributable Net IRR 22.3%
- Orange - Taylor (2003): Cambridge Pooled 9.3%, Cambridge Upper Quartile 8.0%, Attributable Net IRR 26.4%
- GW - Pacella (2003): Cambridge Pooled 9.3%, Cambridge Upper Quartile 8.0%, Attributable Net IRR 15.2%
IMPORTANT METRICS

MANAGED & INVESTED
42 Companies > $130 MILLION
22 Exits

CASH RETURNED
to funds > $200 MILLION

EST RETAINED VALUE
12 Companies > $150 MILLION

© 2016 Shoreline Venture Partners | www.ShorelineVentures.com
### SVP I 1998

**$1.7M Partner Commitments**
- Gross IRR: 24.6%
- Net IRR: 16.5%
- DPI: 2.0x
- TVPI: 2.0x

**Orange 2003**

- $225M Total fund size
- $40M Taylor co-managed
- $1.5M Taylor attributable

- Gross IRR: 27.8%
- Net IRR: 26.4%
- DPI: 2.6x
- TVPI: 2.6x

### SVP II + Co-invest 2001-03

**$14.5M LP Commitments**
- Gross IRR: 8.3%
- Net IRR: 6.7%
- DPI: 1.1x
- TVPI: 2.3x

### GW 2003

**C$388M Total fund size**
- C$75M Pacella co-managed
- C$24M Pacella attributable

- Gross IRR: 17.7%
- Net IRR: 15.2%
- DPI: 2.1x
- TVPI: 3.2x
SVP II REMAINING PORTFOLIO: GOOD EXITS ON TAP

• **Alacritech**: significant dividends expected in ’18/’19
  Software licensing model for network acceleration, data storage
  60+ patents
  Founder of Adaptec and Auspex

• **PatientSafe Solutions**: exit expected in ‘17
  Hospital safety and care coordination solutions
  M&A process underway

• **Zomanex**: financing expected in ’17
  Technology for conversion of drugs from IV to oral delivery
  Ex-founder CV Therapeutics ($1.4 billion exit)
SVP III Deals Completed
First Closing
## SVP III INVESTMENTS ON FIRST CLOSING OF $7 MILLION

<table>
<thead>
<tr>
<th>SVP III Primary Fund</th>
<th>SVP III Co-invest Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blab</td>
<td>Blab</td>
</tr>
<tr>
<td>$345,000</td>
<td>$590,000</td>
</tr>
<tr>
<td>CoinFlip</td>
<td>CoinFlip</td>
</tr>
<tr>
<td>$634,000</td>
<td>$1,715,000</td>
</tr>
<tr>
<td>Microdermics</td>
<td>Microdermics</td>
</tr>
<tr>
<td>$100,000</td>
<td>$44,000</td>
</tr>
<tr>
<td>Zomanex Canada</td>
<td>Zomanex Canada</td>
</tr>
<tr>
<td>$37,500</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>$1,116,500</strong></td>
<td><strong>$2,349,000</strong></td>
</tr>
</tbody>
</table>

### Blab (Seattle) Series B Co-lead

- Predictive Social Intelligence platform for advertisers and publishers looking to drive engagement by better understanding the trends across news, blogs and social and to drive campaign engagement on search, programmatic and paid social.

### CoinFlip (Oakland) Series Seed Lead

- Proprietary, rules-based platform technology for loyalty programs that converts miles and points into a common currency for economic value at checkout. Accrued loyalty program miles and points total close to $1 trillion of liabilities on corporate balance sheets today. Growing very quickly and expected to be CFBE in Q2, ’17.

### Microdermics (Vancouver) Series Seed Co-Investor

- Novel drug and vaccine delivery method. Disrupting the global medical device industry by revolutionizing how biologics and vaccines are delivered via injection.

### Zomanex Canada (Vancouver) Feasibility Funding Lead

- Patented method for converting certain FDA approved IV drugs to oral delivery. This represents a major problem in pharma development as oral is the preferred route of administration. ZC is licensee from US company for paclitaxel (breast, lung and ovarian cancer) and has option for other molecules.
SVP III PIPELINE: PARTIAL LIST

• Bay Area/NYC: Series A - mobile app security

• Bay Area: Series Seed - enterprise software “container” security

• Bay Area: Series A - diagnostic imaging agent for early detection of neurodegenerative disease (Alzheimer's)

• Vancouver: Series Seed - enterprise software focused on the “self scheduling” market in healthcare
Investment Strategy

Leveraging the Advantages of a Nimble Fund
UNIQUE COMPANIES AT COMPELLING VALUATIONS

1. STAGE

INVEST EARLY & ENGAGE
Seed & A Round

2. GEOGRAPHY

3. CO-INVESTMENT
1. STAGE: WE INVEST EARLY AT REASONABLE VALUATIONS

- Attractive valuations
- Less competition

- Highly competitive
- Valuation a problem
OTHER WESTERN TECH CENTERS + BAY AREA

1. STAGE
INVEST EARLY & ENGAGE
Seed & A Round

2. GEOGRAPHY
STAY OFF BEATEN PATH
Vancouver to San Diego

3. CO-INVESTMENT
BAY AREA IS OVER CAPITALIZED....

Invested Capital, $M, 2015 Source: Pitchbook, CVCA
... AND IN NUMBER OF DEALS COMPLETED

# of Deals, 2015  Source: Pitchbook, CVCA
THE CANADIAN OPPORTUNITY IS COMPELLING!

• Increasingly driven and creative technology entrepreneurs - the Start-Up Visa program has helped grow this

• An experienced pool of talent - second, third generation talent now available, 30-40% lower cost than the Silicon valley

• An increased venture capital and governmental funding focus - additional funds available for new funds and granting programs

• Cost effective R&D spending - tax credits result in up to 66% of R&D spendback in cash each year

• Reasonable valuations - On average, lower than U.S.
UNDER INVESTED

Completed VC deals and $ by province:

Total $2.3B in venture capital was invested in Canadian companies.

Total # 536 deals.

Source: CVCA
LP’S LEVERAGE OUR CO-INVESTMENT ADVANTAGE

1. STAGE

INVEST EARLY & ENGAGE
Seed & A Round

2. GEOGRAPHY

STAY OFF BEATEN PATH
Vancouver to San Diego

3. CO-INVESTMENT

FOSTER PARTICIPATION
Directed or Managed
CO-INVESTMENT CAN SIGNIFICANTLY BOOST NET RETURNS

- Increase positions in portfolio winners
- Shorten duration
- Improve net IRR potential

- Pre-exit capital concentration opportunity
- No management fee
- No carried interest
Co-investment can make a big difference: SVP II example

• Co-investment added $6.9 million to SVP II LPs on invested capital of $2.6 million!

• Net IRR of 22.3% was achieved over the period 2003 to Q4 2016

• LP net co-investment return has added 40% to the net IRR of the blended SVP II primary fund + co-invest combined return

*Net returns are net of all expenses, management fees and incentive allocation. Past performance is not indicative of future results.
STRAIGHTFORWARD AND TRANSPARENT PROCESS

- **Fund initial commitments (Seed or A)**
- **Inform LPs**

**Go/No-Go**
- **If GO, invite LPs to co-invest in growth round**

**Co-Invest**
- **LPs can opt in on deal-by-deal basis**

**Exit**
- **$150M - $1B exit values**

© 2016 Shoreline Venture Partners | www.ShorelineVentures.com
Case Studies
Successful Implementations of Our Strategies
## CO-INVESTMENT CASE STUDIES: SVP II AND SVP III

<table>
<thead>
<tr>
<th>Stage @ 1st Invest</th>
<th>Location</th>
<th>Co-Invest?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Layer 7 API management</td>
<td>A, SVP II</td>
<td>Vancouver</td>
</tr>
<tr>
<td>CoinFlip Corp. loyalty points conversion engine</td>
<td>Seed, SVP III</td>
<td>Seattle, Texas and Oakland</td>
</tr>
</tbody>
</table>
CASE STUDY 1: SVP II

SERIES A
SVP II Primary Fund
+ Vancouver-based VCs
• Developed commercial offering

SERIES B
SVP II Primary Fund
+ small LP co-invest
• Secured initial customers
• Received positive Gartner report

SERIES C
LP Co-Investment
100% allocated pro rata
• Cash flow positive
• 60% YOY growth
• Established as a category thought-leader

ACQUISITION
Computer Associates
Superior Returns
• 5x: Primary Fund (9 years)
• 4x: LP Co-Investment (4 years)

2004 2006 2009 2013

© 2016 Shoreline Venture Partners | www.ShorelineVentures.com
CASE STUDY 2: SVP III

SEED (actual)

SVP III Primary Fund + LP co-invest (50/50)

• Strategic partners: Blackhawk Network, AARP, Crossmark
• Proven founding team: Amazon, InComm, Crossmark
• Completed platform

SERIES A (projected)

SVP III Primary Fund + LP co-invest

• Blackhawk, AARP & Crossmark implemented
• Integrated system with Kroger, Safeway, & Ahold stores
• $30 million in revenue
• Cash Flow breakeven

SERIES B/C (projected)

SVP III Primary Fund + LP co-invest allocated pro rata

• Revenue projected to be $100+ million
• Profitable

EXIT

TBD

• Revenues 50+% CAGR

© 2016 Shoreline Venture Partners | www.ShorelineVentures.com

2015-2016 2017 2019 2021 →
Shoreline Value-Add

WHAT OUR CEO’S HAVE TO SAY
RANDY BROWNING, CEO - BLAB PREDICTS

• “Shoreline has a real instinct for identifying disruptive technology and fueling market adoption.”

• “Our space and technology is quite complex and most VCs struggle to comprehend it all, so it’s refreshing to partner with one that not only gets it but adds value week in and week out.”

• “Shoreline led our latest round with strong success. I’ve been especially impressed with their experience, which has helped us navigate raising money in a tightening market to hit our investment goals.”
ED HOEHN, CEO - COIN FLIP SOLUTIONS

• “The Shoreline team has been an important part of the CoinFlip story, not just as investors providing the capital needed, but trusted advisors with a strong network of individuals to help understand and grow the business.”

• “Shoreline has provided us with the right mix of guidance, involvement and space to run and innovate.”

• “The entire team is an impressive group of smart, connectors who we are proud to call our partners.”
• “The Shoreline team served as a great bridge ... at our earliest stages.”

• “Many of Shoreline’s contacts and partners contributed greatly to ... our growth and ... successful outcome.”

• “Shoreline worked hard to understand the value of being a Canadian company...”

• “Shoreline had the right balance of a willingness to help and a willingness to support...”
• "Shoreline were patient and value added investors and board members."

• “The Shoreline team was very supportive and made many useful introductions for us."
LARRY BOUCHER: FOUNDER, CEO - ALACRITECH

• “Shoreline Venture Management has been an investor in Alacritech for many years and during that time has gone above and beyond to support us. It would be hard to find a better partner.”
ANDY SALENTINE, CO-FOUNDER - SPEED CHAIN NETWORK

• "We were a very early stage company but they understood what we were doing and the potential market. The funding process was seamless.

• “The Shoreline team provided great support and contacts which ultimately culminated in a successful exit for our company and shareholders.”

• “I continue to work with Peter and his team on deals."
• “Shoreline provided not just investment dollars but experienced insight into corporate management.”

• “The Shoreline team was a key help as a sounding board for evaluating strategic options and potential corporate partnerships to a small growing technology company in the rapidly evolving US healthcare market.”

• “Shoreline’s ability to add value beyond just investment made them a key partner in the company’s success.”
• “We presented our ideas to Peter and the Shoreline team early on - just when we were getting started with intelliDOT / Patient Safe Solutions. They quickly understood the concept and potential, and became a big supporter.”

• “In addition to providing initial financing, the Shoreline team was always there for us with helpful coaching and advice.”

• “They assisted with strategy, formulating our value proposition and market approach.”

• “We were fortunate to have Shoreline as an early partner!”
Terms
BALANCED APPROACH = LP FRIENDLY TERMS

• **Primary Funds**
  - 2.5% management fee
  - 20% carry

• **LP Co-Investment Fund**
  - 2% one-time admin fee
  - No management fee
  - No carried interest

1.25% blended fee

10% blended carry

© 2016 Shoreline Venture Partners | www.ShorelineVentures.com
# SVP III TERMS - DETAILED

<table>
<thead>
<tr>
<th>Fund structure</th>
<th>US$60M, with $100M cap + up to $100M co-invest fund; structured to accommodate US and Canadian investors</th>
</tr>
</thead>
</table>
| Minimum        | High net worth: $500k*  
                          | Family office: $2M*  
                          | Institutional: $5M*  
                          | *subject to GP discretion |
| Term           | 10 years with two one-year extensions |
| Commitments to-date | $7M 1st close + ~$30 million in circles for 2nd close in Q2 '17 |
| Investment Period | 6 years |
| GP Capital Commit | 2% total: 1% note + 1% cash |
| Concentration Limits | Max 8% committed capital in any one portfolio company |
| Economics       | Blended management fee: 1.25% (equal weight)  
                          | ▪ Primary Fund: 2.5% management fee, 20% carry  
                          | ▪ LP Co-Investment: 2% one-time admin. fee, 0% carry/mgt. |
| Legal representation | Crowell & Moring LLP: San Francisco, Washington, DC  
                                      | Fasken Martineau: Vancouver, Toronto |
We Look Forward to Continuing the Discussion

SHORELINE VENTURE PARTNERS III