

April 2022

Atlanta's Technology Executives Roundtable

**Why & How to Grow your Tech Business
INTERNATIONALLY – in the New European World**

*Please hold until
the session begins*

TEER | Technology Executives Roundtable

QUESTION OF THE DAY

How has COVID and the war in Ukraine impacted your plans for growing your tech business in Europe and other parts of the world?

TEER

Technology
Executives
Roundtable



David Brinkman

President 2022

Technology Executives Roundtable

Founder & CEO, CAMDA Investments

Strategic Advisor, Nintex

Your Forum

Candid discussion

CEOs, CFOs & Investors

Subject Matter Experts

Complex leadership issues

Share, challenge & test ideas

ZOOM Etiquette

- “Pin” the TER video box on your Zoom feed
- Please mute audio/video during presentations.
- Chat if you want to ask a question.
- We are recording for educational purposes; this is not specific legal, accounting or tax advice; consult your advisor

Thank you to our generous ATL sponsors

- Arketi Group: Digital Marketing for B2B tech companies
- CLRE Advisors: Real estate specialists for high growth companies
- Dualboot Partners: Business and software development
- Frazier & Deeter: Accounting & Advisory
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McCarthy
Capital

April 2022

McCarthy Capital Overview

McCarthy Capital Overview



McCarthy Capital has a long and established track record of partnering with management teams

- **Firm Overview**

- **Long History:** founded in 1986, McCarthy Capital is headquartered in Omaha, NE and is led by experienced investment professionals dedicated to a consistent strategy
- **Partnership Focus:** unwavering mission of growing businesses in partnership with founders and management teams, with a commitment to achieving the best long-term outcomes
- **Stewardship:** proven record as a minority, non-control investor, adding long-term value through experiences, resources and relationships while preserving the culture and legacy of the founders
- **Investor Base:** diverse and long-tenured limited partner base of institutions and families that have entrusted us with increasing levels of capital
- **Alignment:** our team is a large investor in every fund, creating alignment with our management partners and investors in the success of each investment

- **Investment Focus**

- **Partnership with Management:** develop deep partnerships with growth-oriented management teams who have material capital at risk – serve as a supportive, value-added partner to management, irrespective of our percentage ownership
- **Economic Alignment:** seek to partner and align interests with founders and management by not charging fees and holding the same security, pari passu common equity, whether we are in a control or minority ownership position
- **Long-Term Outlook:** approach each opportunity with a long-term philosophy that allows for a level of patient and prudent decision making that is not influenced by a drive to achieve short-term goals and instead focuses on building sustainable value
- **Conservative Capital Structures:** limited use of financial leverage has enabled the firm's portfolio companies to pursue more operating and growth initiatives, resulting in sustainable cash-flow growth
- **Middle Market:** focus solely on middle market companies where our experience and focus on strategic growth initiatives helps these businesses scale

Investment Criteria – Core Fund



McCarthy Capital's flagship investments are guided by long-standing investment criteria focused on established businesses with growth-oriented leadership operating in markets with favorable prospects



People

- Management teams with a demonstrated track record of growth and profitability
- Management teams with a significant ownership position in the company
- Management teams and employees who share our values and have a similar culture



Companies

- Predictable revenue streams with greater than \$15M in annual sales
- Proven business models with an established customer base
- Identifiable value creation initiatives



Products & Services

- Products and/or services that add value or are differentiated/ proprietary
- Products and/or services that generate consistent margins



Markets

- Markets with favorable growth prospects – either through participation in growing industries, market share expansion, industry consolidation or innovative business strategies

Investment Criteria – Emerging Growth Fund



McCarthy Capital's emerging growth investments are guided by long-standing investment criteria focused on established businesses with growth-oriented leadership operating in markets with favorable prospects

Company Characteristics

- Annual revenue of at least \$3 million or at least \$2 million of ARR
- Revenue growth of at least 15% annually; gross margins of at least 40%
- Software, technology enabled business services, and consumable consumer products companies
- Established management teams with a track record for growth
- Scalable businesses with a preference for recurring revenue, either via contract or purchasing frequency
- Proven business models, an established customer base and traction in the market
- Products and/or services that are branded or differentiated
- Markets with sufficient size and favorable growth prospects
- Clear path to profitability










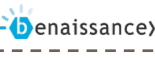
Investment Characteristics

- Investments of \$5 million – \$10 million
- >50% primary capital
- Founders/managers maintaining significant ownership
- Ability to form a strong partnership with management
- Preference for minority ownership position
- Not necessary to be first or only institutional capital or to be lead investor

Select McCarthy Capital Portfolio Companies



Select Investments

	Status	Description
	Current Investment	Provider of services and software for enterprise document management
	Current Investment	Provider of a software-as-a-service learning management system and virtual events platform to associations and life sciences companies
	Current Investment	Provider of cloud-based digital signage solutions and workplace experience tools that streamline customer and employee communication
	Current Investment	Offers an innovative, patented software platform that provides a cost-saving solution for purchasing prescription drugs
	Current Investment	Developer of software-as-a-service and hardware for self-guided touring and smart home hubs for the rental housing market
	Current Investment	Delivers a suite of software, hardware, and payments solutions to the self-checkout market
	Current Investment	Leading provider of product and supply chain management software solutions to the retail industry
	Realized Investment	Provider of employee engagement software that makes managers the central drivers of workplace culture
	Realized Investment	Healthcare software solution to the home care industry
	Realized Investment	Health insurance premium billing and payment collection software platform

*Indicates minority investment

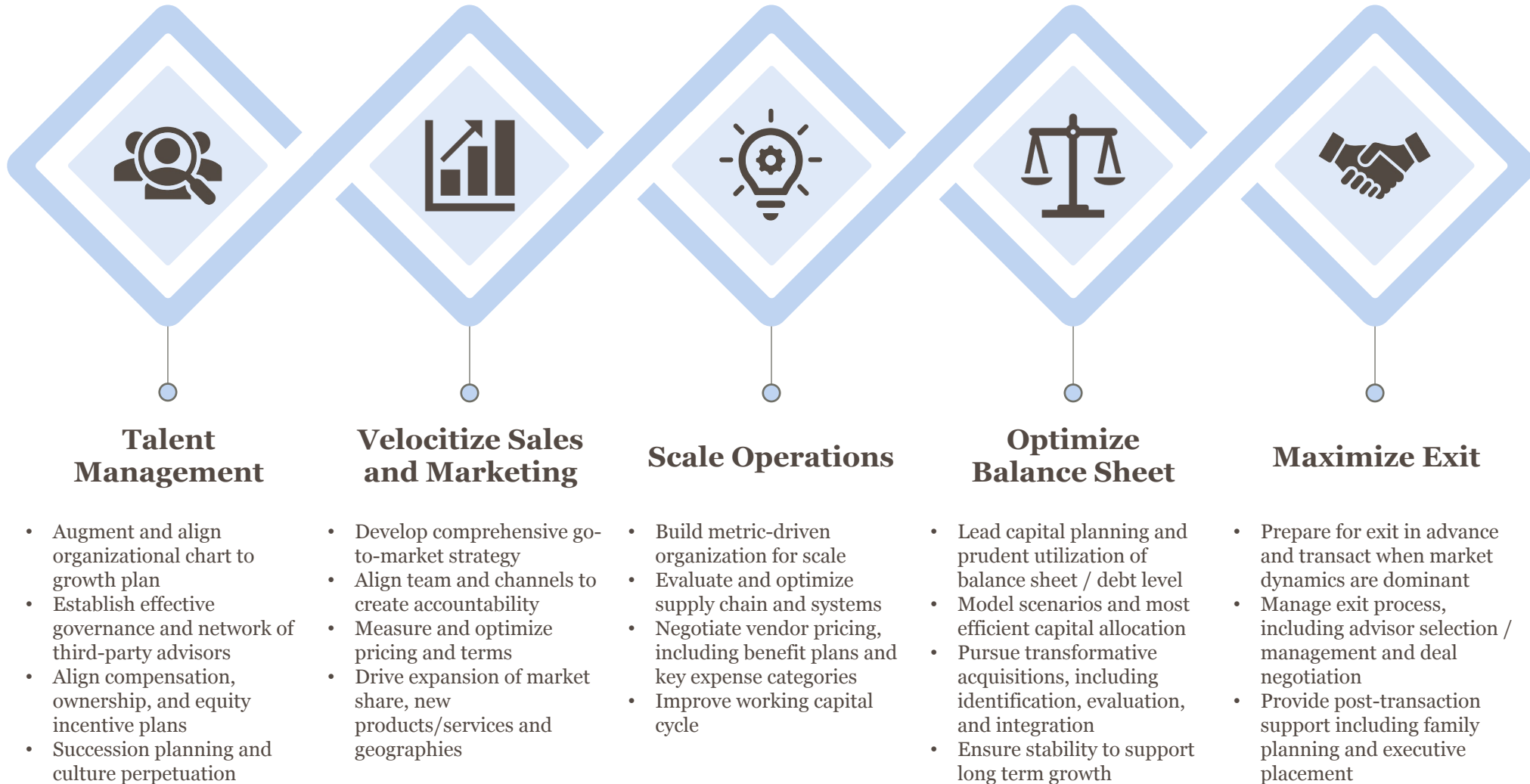
Track record of growing businesses in partnership with management teams

- Extensive experience with growth stage software companies
- Majority of experience involves investing in founder-owned businesses and building value over long periods of time while respecting the culture

McCarthy Capital Value Creation Plan



McCarthy Capital works with management teams to implement a plan for value enhancement based upon prior experiences with similar operating company characteristics





Empowering Utilities for the Future





► Software as a Service (SaaS) provider focused on:



Customer
Engagement



Customer
Satisfaction



Energy Savings &
Program
Participation

► Best Data Analytics, Engineering Predictive Modeling

► Providing Consistency, Building Customer Trust



Who We Are

Leading the market in customer
engagement

In our **29th** year

Serving
HUNDREDS
of utilities, reaching
MILLIONS
of customers



Serving Leading Utility Customers

IOUs

Logos of IOU utility companies including Nextera Energy, Southern Company, Xcel Energy, ComEd, FirstEnergy, ONE Gas, CenterPoint Energy, PECO, NiSource, Peoples Natural Gas, Avista Corp., DLC, delmarva power, Columbia Gas of Ohio, Central Hudson, Orange & Rockland, Exelon, TECO, Eversource, New Jersey Natural Gas, BGE, Liberty Utilities, TEP, and Electric Company.

Public Power

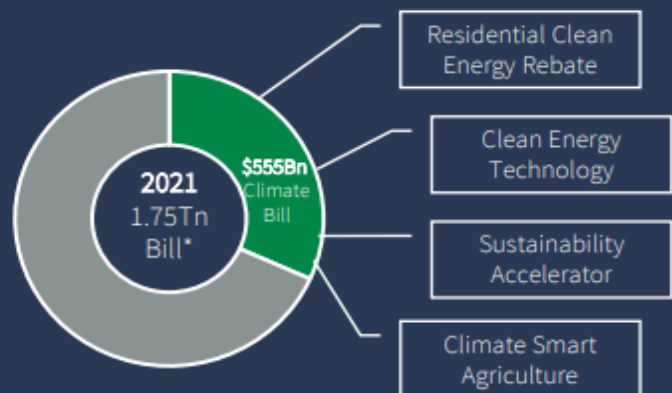
Logos of Public Power utility companies including LA DWP, SCPPA, Lakeland Electric, Clark Public Utilities, Nebraska Public Power District, NCEC, Marietta Power Water, Tacoma Public Utilities, ECG, Brownsville Public Utilities Board, Electric Cities, GRU, NES, Alameda Municipal Power, SaskPower, OMPA, Lansing BWL, and eph.

Co-ops

Logos of Co-op utility companies including EnergyUnited, ODEC, LCEC, Cloverland Electric Cooperative, East Kentucky Power Cooperative, Union Power Cooperative, EMPIRE, JOEMC, Buckeye REC, North Cross Energy, Piedmont Electric Cooperative, Black River Electric Cooperative, Jackson, Oglethorpe Power, Lumbee River EMC, PowerSouth Energy Cooperative, Oklahoma's Electric Cooperatives, Horry Electric Cooperative, Inc., Fairfield Electric Cooperative, Inc., Pedernales Electric Cooperative, Inc., and CoServ.

Rapidly Shifting Environmental, Social, and Political Landscape

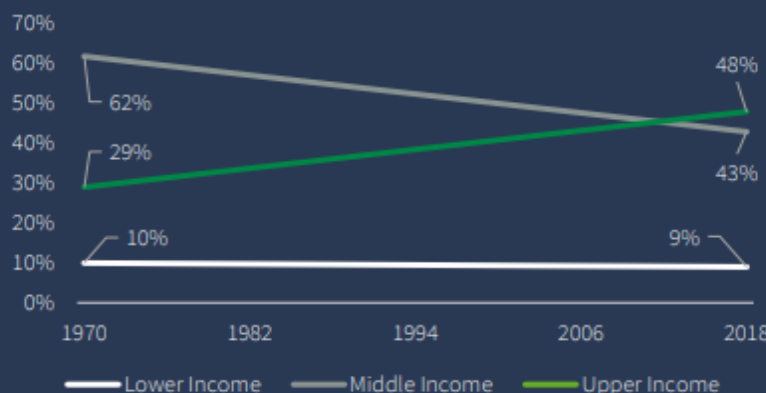
Government Action Driving Climate Policy



*Build Back Better Framework – Created to meet US climate and economic initiatives

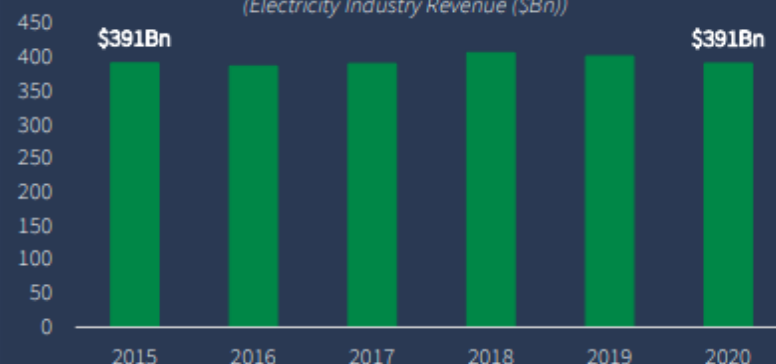
Declining US Middle Class

(Share of US Aggregate Income)

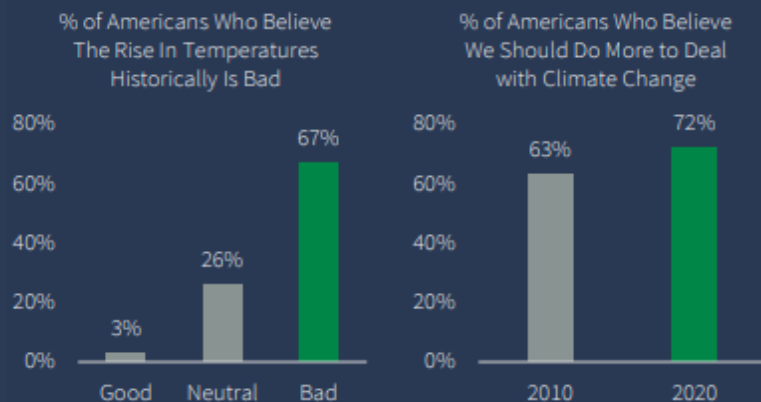


Stagnating Utilities Revenue Growth

(Electricity Industry Revenue (\$Bn))

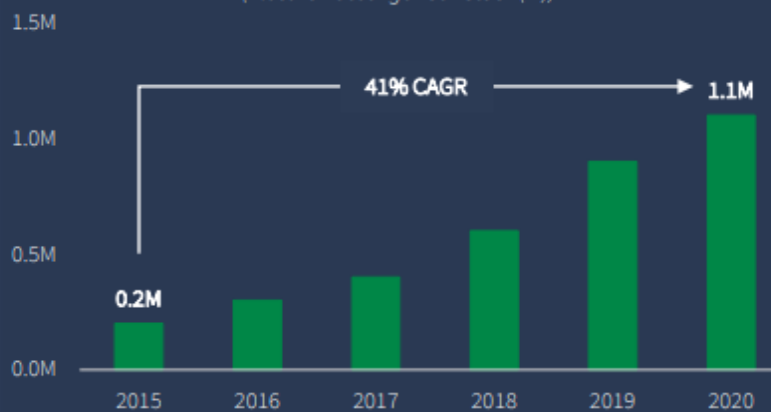


Growing Public Awareness of Climate Change



Growing Demand For US Electric Vehicles

(Electric Passenger Car Stock (M))



Key Takeaways

1. Rising **global temperatures** and the growing public awareness of **climate change** is **driving significant social and political actions**
2. Corporations are looking to **rapidly decarbonize** while consumers are adopting new sources of energy consumption – **solar and EV** – driving **fundamental shifts in supply, demand, and pricing of energy**
3. Declining middle class is creating a **wealth gap** in the U.S. with a larger percentage of Americans **struggling to afford essential goods and services**
4. As more consumers look to alternative energy sources while others struggle to pay for their energy, **utilities have struggled to grow revenues over the last several years**

Sources: International Energy Agency, Pew Research, Resources For The Future, White House, and Statista

Customer Engagement Platform Overview



Outcomes for Utilities



Increased Customer Satisfaction



Reduced Costs and Time to Market



Increased Customer Engagement



Better Peak Load Management



Targeted Energy Efficiency Programs

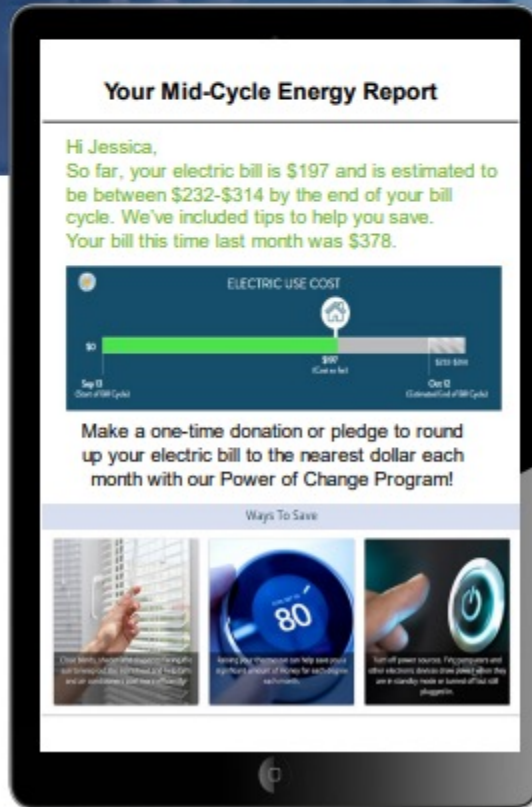


Decarbonization Benefits

Envoy: Proactive Outbound Communication Solution

Envoy

Turnkey customer engagement platform that utilizes Apogee's proprietary engine, using artificial intelligence to match programs to customer's needs and deliver impactful, relevant messaging



Automated Marketing Campaign

Apogee's turnkey solution makes it easy to manage and promote programs using all channels and marketing outlets

Energy Summary Videos

Like a credit card annual summary report, these videos walk the customer through a breakdown of where their dollars were spent

Personalized Video Messaging

Expand engagement through personalized videos that are impactful, easy to understand, and appreciated by consumers

Alerts & Forecasts

Give customers control of their bills by forecasting what the final bill could be while there is still time to change behavior

Energy Advisor: Cost Effective Solution for Enterprises And Residents

Energy Advisor

Empowers customers to self-educate and understand their energy use with Energy Advisor customers can assess their energy consumption quickly and easily, immediately discovering specific ways to reduce household energy



Customized Recommendations



Carbon Footprint Explanation



Solar and Electric Vehicle Calculations



Integrated Special-purpose Calculators / Rebates



Energy Forecast Feature



Residential Comparison Tool



Public Service Announcements



Interactive Thermostat With Dollarized Degrees



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apogee.net



Thank You!

Panelists



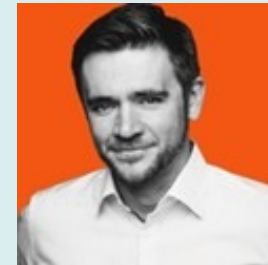
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PLEASE
STAY AFTER FOR

Q&A
with today's panelists

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Please join our
May Meeting
(in-person or virtual)

2022 Executive Compensation Survey

May 17, 2022

TER

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