

SEED FUND III PORTFOLIO PERFORMANCE REPORT (*CONFIDENTIAL*)

May 2022

The following document outlines the portfolio composition of Seed Fund III and the status of investments made to-date. Seed III varies from previous North Coast Ventures funds in that investments are more focused on Business-to-Business (B2B), Software-as-a-Service (SaaS) ventures and an emphasis has been placed on capital efficiency. With this approach, the fund is more likely to take “market risk” (as opposed to regulatory or reimbursement risks). In addition, investments are better aligned with the type of value NCV investors bring, including domain and functional expertise, as well as key industry relationships.

Initial investments from Seed Fund III have been made in 16 companies. Approximately \$300K remains available for follow-on investments for the most promising ventures (\$200K approved for ReadySet Surgical and \$100K approved for TPA Stream). Although the average portfolio company is less than four years post-investment, and follow-on investments continue to be made, Seed III is positioned to be the strongest performer of NCV’s seed funds. The fund has already achieved two successful exits - Wisr, which returned a 3.3x cash-on-cash return and Able, which returned a 3x cash-on-cash return. Of the fund’s remaining 14 companies, nine are well-positioned for a successful outcome, which you can see in greater detail on the following page in the portfolio performance snapshot, as well as in the individual company summaries. The changes in valuation characterized in the report are driven by subsequent financings and the related new share prices.

	Investment	Initial Investment Date	Total Investment	Gross Realized Return of Capital	Unrealized FMV	Gross Realized and Unrealized FMV	Net Realized and Unrealized Return (%)	2019 Revenue	2020 Revenue	2021 Revenue
Exited	Wisr	11/1/2016	350,000	1,115,720	75,000	1,190,720	240.2%	\$470K	\$1.3M	<i>exited</i>
	ABLE (Employstream)	6/29/2017	780,000	2,271,902	117,538	2,389,440	206.3%	\$1.7M	\$3M	\$4.5M
Strong Potential	Remesh	4/6/2017	949,979		4,146,819	4,146,819	336.5%	\$6.5M	\$11.1M	\$16M
	Navistone	9/22/2016	810,000		1,017,776	1,017,776	25.7%	\$5.6M	\$5.8M	\$6.9M
	Standard Bariatrics	4/16/2018	775,143		903,865	903,865	16.6%	\$1M	\$983K	\$2.9M
	Axuall	9/14/2019	349,997		583,601	583,601	66.7%	NA	NA	\$437K
	Ready Set Surgical	11/13/2019	450,000		455,321	455,321	1.2%	\$1.2M	\$1.4M	\$2.1M
	TPA Stream	12/3/2018	350,000		408,930	408,930	16.8%	\$709K	\$1.1M	\$1.6M
	Alviere (Mezu)	3/20/2018	350,000		516,536	516,536	47.6%	\$37K	\$94.9K	\$966K
Good Potential	Healthy Roster	12/30/2016	400,000		413,709	413,709	3.4%	\$800K	\$1.7M	\$2M
	S4 (Sotera)	12/26/2017	350,000		753,875	753,875	115.4%	NA	NA	NA
Moderate Potential	Bezlio (Saberlogic)	8/6/2018	250,002		250,002	250,002	0.0%	\$848K	\$939K	\$914K
Limited Potential	Vlipsy	8/28/2017	450,000		450,000	450,000	0.0%	NA	NA	\$165K
Write-Offs	FeNix	9/29/2017	150,000	4,296	0	4,296	-97.1%	NA	NA	NA
	Proteosense	12/1/2015	146,250		0	0	-100.0%	NA	NA	NA
	Convey	3/7/2018	250,000		0	0	-100.0%	NA	NA	NA
TOTAL			\$7,161,371	\$3,391,919	\$10,092,971	\$13,484,890	88.3%			



Wisr is a student engagement software that helps institutions build stronger connections and meet the digital needs of the next generation. The company more than doubled sales in 2020 and closed an all-cash sale to EAB, an ed-tech company funded by Vista Equity, in March 2021. The transaction yielded a 3.3x cash-on-cash return and 36% IRR for Seed Fund III. NCV is proud to have led the first round of funding for Wisr and to welcome all three co-founders as new investors in NCV Seed Fund IV.



Able is a SaaS platform that focuses primarily on onboarding for staffing companies. The company was acquired by Bullhorn, the global leader in software for the staffing industry, in January 2022. North Coast Ventures first invested in Able during a Seed round in 2017. Since then, NCV made two follow-on investments, for a total investment amount of \$780K. The exit came 4.5 years after NCV's initial investment in the company, yielding a 3+x return at 40% IRR. NCV is proud to welcome the CEO, Gerald Hetrick, as a new investor in NCV's Syndication Fund.



Remesh is a software solution for market researchers that uses machine learning and natural language processing to understand groups of people engaged in real-time moderated discussion. Current customers include P&G, J&J, Progressive, McKinsey, Accenture and Deloitte. Remesh recently launched an asynchronous capability which compliments their "live" responses, thereby increasing the range of potential use cases. Remesh ended 2021 with revenue of \$16M and gross margins at 60%. Q1 2022 revenue was \$4.6M with gross margins at 61% and bookings of \$4.5M.



NaviStone is a software solution to identify and engage unique direct mail prospects via website visitor and behavior tracking technology. NaviStone achieved 2021 revenue and sales goals of \$6.96M and 42 new logos. The positive cash flow provides growth resources to fuel the hiring of 30 new team members in 2022 (15 hires in Q1), with the Sales/Marketing and Product/Engineering hires focusing on a 2023 revenue goal of \$28M. Product and Engineering highlights included refactoring self-serve API and adding a second data provider. The increasing data has enabled the company to offer "lookalike" populations, which allow for a higher level of potential targets. All previous legal issues have resulted in judgements in favor of the company.



Standard Bariatrics provides surgical instruments for sleeve gastrectomy procedures. SB's Titan Stapler is a first-of-its-kind, FDA cleared device that delivers the industry's longest continuous staple cutline of 23 centimeters. In February, SB successfully concluded the Tranche II closing of an additional \$9M to complete the \$35M Series B raise (led by USVP and RiverCities). With COVID-19 headwinds reversing, they saw an uplift in their ability to proctor and onboard new accounts, and overall case volumes in key geographies. March was their first \$1M month in Gross Shipments. The current focus is on hiring new sales reps and creating 14 new sales territories.



The Axuall platform automatically aggregates and verifies credentials that can be shared instantly between clinicians and their organizations. Axuall closed their \$10.M Series A equity financing led by Flare Capital Partners in June 2021 resulting in an 86% increase in the value of NCV's investment. Subscription revenue over the first quarter of 2022 was just over \$302K. The company is now up and operational in their new office, and focused on adding key team members as they project to grow from 25 to 57 this year. Engineering represents 41% of the total headcount growth.



ReadySet Surgical provides cloud-based solutions for hospital and surgery center supply chain and surgical staff. Their suite of products creates workflow efficiencies while reducing surgical operating costs. Late last year, RSS named Kevin von Keyserling (NCV member investor) as the company's new CEO. Kevin (former founder and CEO of Keyfactor Inc) has extensive experience leading high-growth technology startups from early-stage through exit. RSS currently has 28 customers with two 'marquee' customers Kaiser Permanente and Bon Secours Mercy Health. Kaiser started with five facilities and has aggressive plans to implement across all 137 facilities. RSS is raising a \$12M Series B financing led by Plymouth Growth Partners and will expand from 18 to 41 team members this year. ARR as of March was \$2.4M at strong 70-80% gross margins.



TPA Stream has developed a web-based software for third-party administrators to streamline claims harvesting, employee enrollment and vendor integrations. Last year, TPA Stream added Bill Fisher (SVP at Oswald Companies) as their Independent Board Member, which brought tremendous validation for the opportunity to grow in the employee benefits market. In the first quarter of this year, TPA Stream introduced their new digital brokerage platform (which leverages the TPA solution infrastructure) for employers and employees to buy and manage all employee benefits. Initial broker interest has been encouraging, with over 50 brokers enrolling for the initial launch. The company recently held a first close on a \$4M Seed Plus round led by Queen City Angels. MRR as of March 2022 was \$126K.



Alviere

Alviere is a Banking-as-a-Service platform that enables businesses to provide financial services, such as mobile payments, card issuance and payment processing, to their customers. The company closed \$70M of new financing in 2021 with the participation of multiple strategic investors. The global team crossed 100 employees and their largest customer, Boost Mobile, went live this quarter. This rollout of Boost's new brand, OmniMoney, is the largest deployment of Alviere's solution to-date. They closed a deal with one of Mexico's largest department stores this quarter, as well. Alviere continues to build a robust pipeline of prospective customers targeting companies with a loyal customer base across the hospitality, retail, transportation, communication, education, automotive, gaming and marketplace industries. Alviere has secured contracts with a potential 3 year TCV of over \$100M with a goal of \$400M for 2022.



HR HEALTHY ROSTER

Healthy Roster is an outreach EMR and engagement platform that helps sports athletic trainers and medicine directors improve communication and injury documentation for teams. HR also helps safety, human resources, operations and financial leaders prevent workplace injuries. The sports market continues to offer growth opportunities as the company has begun selling the solution to occupational service providers. At the end of 2021, the company raised a \$3M round to fuel growth in this new vertical. HR has established partnerships with two large nationwide occupational service providers that represent significant revenue potential opportunities. Through mid-March, HR added \$37K new sports medicine ARR, \$20K new workplace provider ARR and \$2K new workplace direct employer ARR. They closed Q1 2022 with \$554K in revenue with ARR consistent around \$2M.



S4 MEDICAL

S4 is a novel, proprietary, esophageal protective device called ProtectE to prevent injury when patients undergo surgical cardiac ablation. S4 has received FDA approval to begin its 16 site clinical trial. To date, 66 of the study's 120 patients have been enrolled at nine clinical sites. Full enrollment is expected by summer of 2022, with an interim analysis to follow. A partner in Argentina has agreed to participate in the study and the FDA has approved an export license. The company closed a \$2.9M funding round in 2021 which included a blue chip strategic investor.



The Bezlio solution helps shop floor employees record manufacturing transactions into their ERP software. Bezlio focuses on pre-configured integrations for make-to-order manufacturing companies with \$50-500M in annual revenue that use the Epicor ERP, one of the leading ERPs for mid-market manufacturing companies. Bezlio currently has 72 customers with 2,000 users in the US and Europe. ARR is \$772K and the company is realizing 84% gross profit margins. Bezlio is currently raising a \$500K convertible note bridge round.



Vlipsy developed a novel platform to offer users short, conversational video clips from their favorite internet videos to share in their online communication. The company established impressive initial user traction (over 1M unique monthly users), but was unable to maintain enough scale to effectively monetize or attract a Series A round. Vlipsy leveraged its core technology to introduce ClipBox, a video tool for active content creators. The company has seen subscription revenue exceed \$100K and is evaluating further options for growth.

Write-Offs:

FeNix Magnetics sought to develop a super-magnet technology targeted to deliver 3+ times the magnetic energy density of today's best super magnets for the commercial refrigeration and HVAC market. Although the Fenix team made initial progress demonstrating a prototype, the company was not able to secure a subsequent funding round to advance the development and commercialization process..

Proteosense sought to commercialize a diagnostic testing system for the food supply chain to allow foods to be tested for pathogens in the field, facility or lab with immediate results. The company demonstrated initial progress against developmental milestones but was not able to transition its technology beyond the bench, and was unable to raise a subsequent round of funding to advance the development and commercialization process.

Convey developed an app that sought to replace traditional business cards by helping people share and manage multiple identities digitally. The company was not able to gain enough user growth to generate significant revenue or secure a subsequent funding round.