CLINTON

CAPITAL PARTNERS

2017 END OF YEAR COMMUNICATION

FOR INVESTORS AND SUPPORTERS

Clinton Capital Partners – December 2017

Dear investors and supporters,

It has been 3 years since the genesis of Clinton Capital Partners. In those years, we have seen thousands of exciting businesses and interesting people come through our doors.

Each year, we see upwards of 600 companies approach us from both Australia and all around the globe - Silicon Valley, Asia, India, New Zealand, Europe and Africa.

Every company has their own unique story, and is often driven by a founder who believes his or her idea is unique and, one that will transform a sector, country, or even the world.

The diversity of companies has been extraordinary. We have met with futurists, neurological specialists, movie producers, military experts, IoT technologists, and everyone in between.

CCP sees its role to look beyond the sales pitch and possible initial excitement of the delivery, and instead to focus on: will this opportunity survive, can it be scaled, and ultimately - is there an investment return within a defined period for our investors.

Declining opportunities has proven to be a difficult but important part of our business. Our selection process is extremely rigorous, and has to satisfy every one of our specific qualitative and quantitative criteria.

"We look to partner with companies, rather than only transact for them"

Our model is very much one of partnership - with both companies and the investors.

We have concluded 23 capital raisings and for the majority, CCP has purchased equity exposure to that company.

We feel strongly that success is driven by alignment and there is no better way to align company, investor & adviser than by all holding the same underlying security.

In fact, we have had several companies use CCP for their follow-on raises which illustrates the importance of our partnership model.

We are grateful to the investors that have trusted CCP and supported our opportunities. Our supporters range from; ex-founders, family offices, boutique funds, VCs, institutions, listed corporates and sovereign wealth funds.

We are also grateful to the companies that have seen the value in partnering with CCP.

Our company motto "Yesterdays Principles for Tomorrows Companies" has formed our investment thesis. Integrity in the way we operate with companies and investors is absolutely the most important thing to us. We pride ourselves on the quality of companies we work with, the quality of our investor community, and ultimately, our investment performance.

For every $1 invested into our companies that have "marked", you will have returned 93%

While CCP does not run a fund, we feel it is crucial that we act as if we do, as ultimately, we are the custodians of your investment dollars.

We closely track the performance of all of our portfolio companies.

To date, we have had 12 up-rounds, 1 down-round, and 10 companies that have not needed any additional capital yet and therefore, have not had a follow-on. That said, we are very confident that in these instances, the majority of these companies have experienced a healthy valuation uplift.

Portfolio performance

In the unlisted equity market, various methods are used to estimate current value of a portfolio. We will not attempt to accurately do this here, but instead give a partial insight into our returns, using instances where companies have had a follow-on round and has 'marked' a new valuation.

If you had invested $1 in each of the 13 companies that have marked (total outlay $13), your portfolio would be worth $25.13 - a 93% return.

We believe that our total performance (including the 10 companies that have not marked) will result in a higher return.

While we are proud of our portfolio performance to date, we acknowledge that we are not a pre-IPO group, and focus on the early stage sector which has both a higher reward and risk profile.

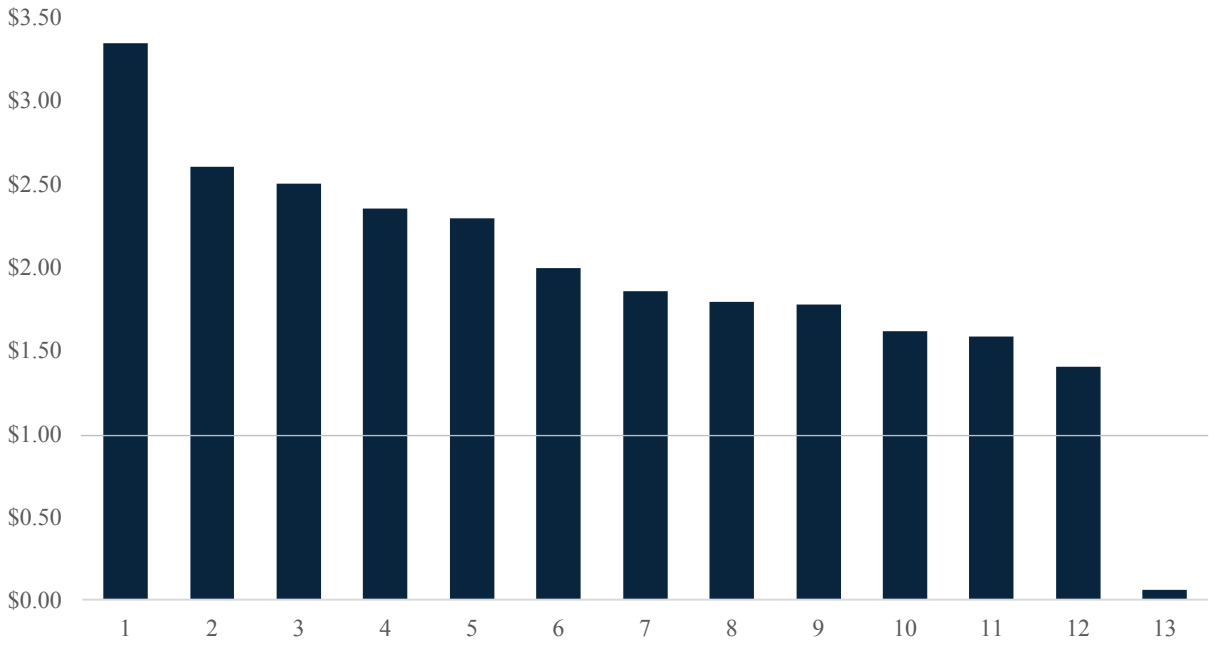
The year ahead

We know 2018 will be a year of transformation, both for CCP and the market.

We enter the year with extended valuations in the listed markets (although we are still rigorous on early stage valuations), we are seeing huge inflows to the VC arena and, we are starting to see the early stages of M&A creep into the sector. This all poses continued significant opportunities for companies and investors.

CCP will be exploring setting up a side-car or investment fund to invest alongside our opportunities.

Graph 1: Company performance – marked returns only (13 out of 23 companies)



In closing

CCP prides itself on its foundation principles.

We set out to see as many opportunities as possible, to maintain a rigorous screening process and to partner with the few that we felt could deliver significant investment returns.

We have partnered with some talented companies and supportive investors.

In 2018, we look to build on these partnerships.

On behalf of Clinton Capital Partners, we wish to thank those that have been part of our journey to date.

The Clinton Capital Partners wish you and your family season greetings and hope that 2018 will deliver health, happiness and returns.

FUSION SD

Definium Technologies

MY EMERGENCY DR

WITHYOU WITHME

DEMENTIA CARING Home Care & Specialist Therapies

AR ADVISER RATINGS

fulcrum

SPARKKE

Edstart

Loc8

Leezair®

TRIBE

CancerAid

AgriWebb

rezdy

sine

GOCATCH

"Thanks to Randolf, Brett and James at CCP for making our investment round painless, rapid and well beyond our expectations! You shepherded us through the whole process very professionally and did a terrific job. The round was closed in 24 hours. My team and I have no hesitation in recommending you to other startups."
- Justin Bowra, CEO & Founder - MyEmergencyDr

"For the second time you and the CCP team have advised, guided and managed our capital raising process bringing new strategic investment partners into our business and deepening the relationship with our existing investor community. It's great to have you supporting our journey."
- David Hodges, CEO and Founder - Loc8

"We would like to thank CCP for completing our round. Your ability to understand our business and deliver the perfect strategic partners was invaluable"
- Kevin Arnold, CEO and Founder - Fusion Software Development

"We're really pleased to have successfully closed out our funding round. The team at Clinton have been great to work with, getting us in front of the right investors and managing the whole process."
- Tom Moore, CEO and Founder - WithYouWithMe

"We would like to thank CCP for the way you managed our transaction, the connections you made and the quality of strategic investors you delivered. We look forward to working with you along our journey."
- Simon Pomeroy, CEO - Fulcrum

"A huge thank you to the team at CCP.
That you closed (and actually oversubscribed) our capital raise in just 3 days genuinely exceeded our expectations. On top of that, the strategic investors you introduced and the level of guidance you offered, was the most professional we have experienced, and created a foundation of respect that we really value.
We truly look forward to partnering with CCP in the future."
- **Rose Kentish & Anouk Darling, Directors - Sparkke Change Brewing Company**

"We would like to thank CCP for the simplicity in raising capital. Their ability to understand our business, connect us with strategic investors, speed in raising capital was incredibly beneficial. CCP really allowed us to get on and grow our business."
- Angus Woods, CEO and Founder - Adviser Ratings

"Thank you to the team at CCP. Your access to influential money, ability to simplify our transaction and the doors you opened for us were by far the best we have seen in the market place. We look forward to working with you in the future."
- Jon Konotopos, CEO and Founder - Dementia Caring

"Clinton Capital Partners have been brilliant to deal with and have made our capital raising significantly more successful. Their network and experience has served us well and opened numerous doors in Australia and beyond."
- Anthony Svirskis, CEO - TRIBE Group

CLINTON
CAPITAL PARTNERS