

# TANDEM

EXPANSION FUND

## *Overview of Growth Equity*

November 1, 2013



# Tandem Expansion Overview

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## Capital Under Management

- \$300 Million (Fund I)

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## Investment Profile

- Fast-growing Canadian technology companies with experienced management teams
- Later Stage: \$5 Million – \$100 Million in revenues with proven technology, products and a variety of referenceable customers
- Use of proceeds: Organic growth, acquisition capital or secondary

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## Investment Size

- \$10 Million – \$30 Million

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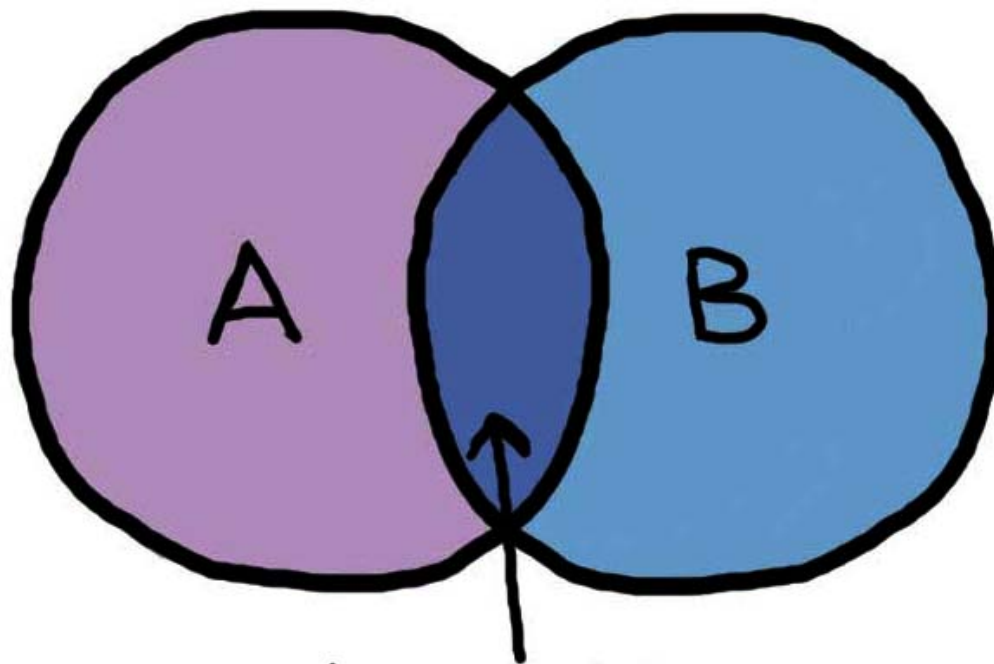
## Offices

- Toronto
  - Montreal
  - Vancouver
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# Somewhere between Venture and LBO Funds

## – Investment Profile

- Technology
- High-risk
- Often burning cash
- Minority investments
- Investment structures

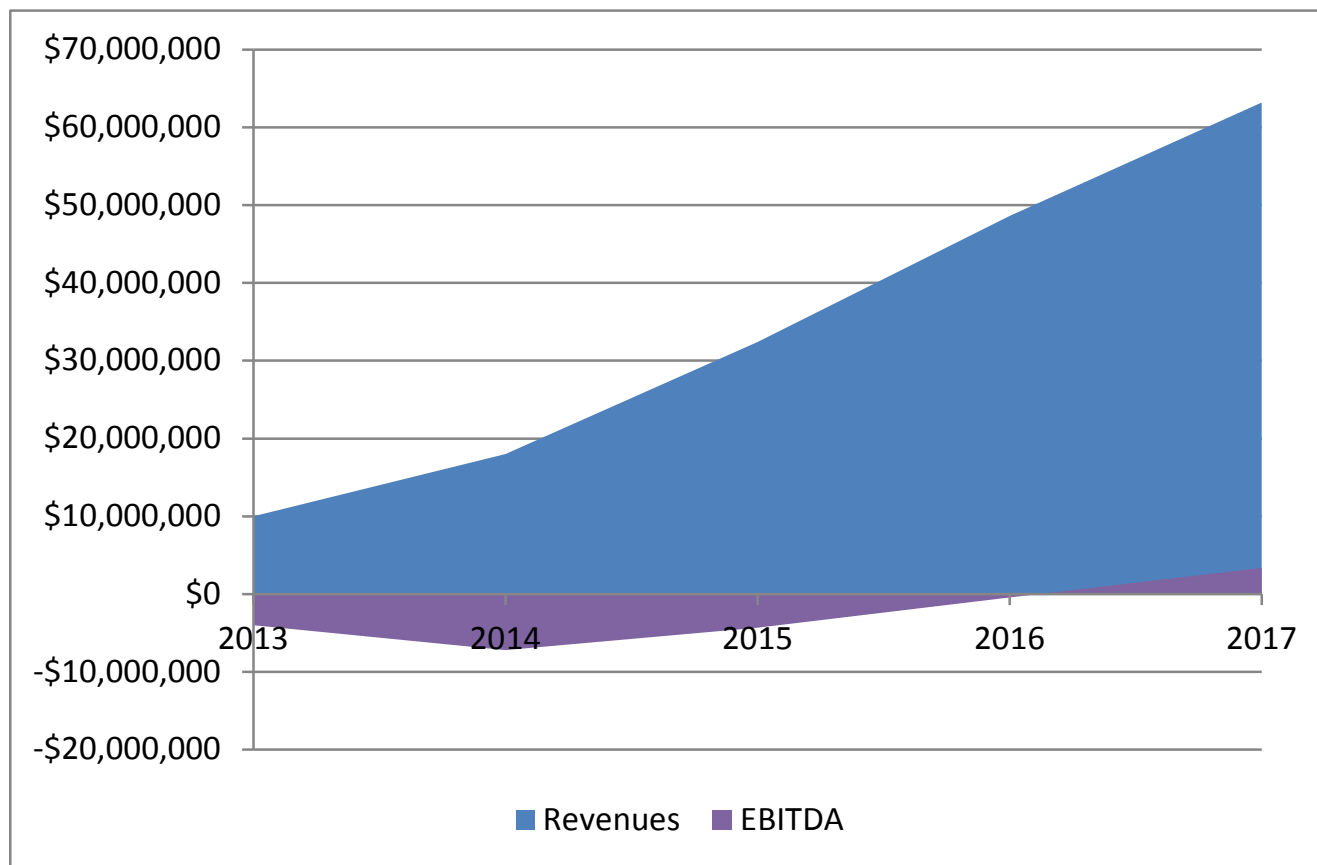


- Experienced management team
- Established customers
- Effective control
- Sometimes profitable
- Growth by M&A

**both A & B = Growth Equity**

# Typical Financial Profiles – Hyper Growth

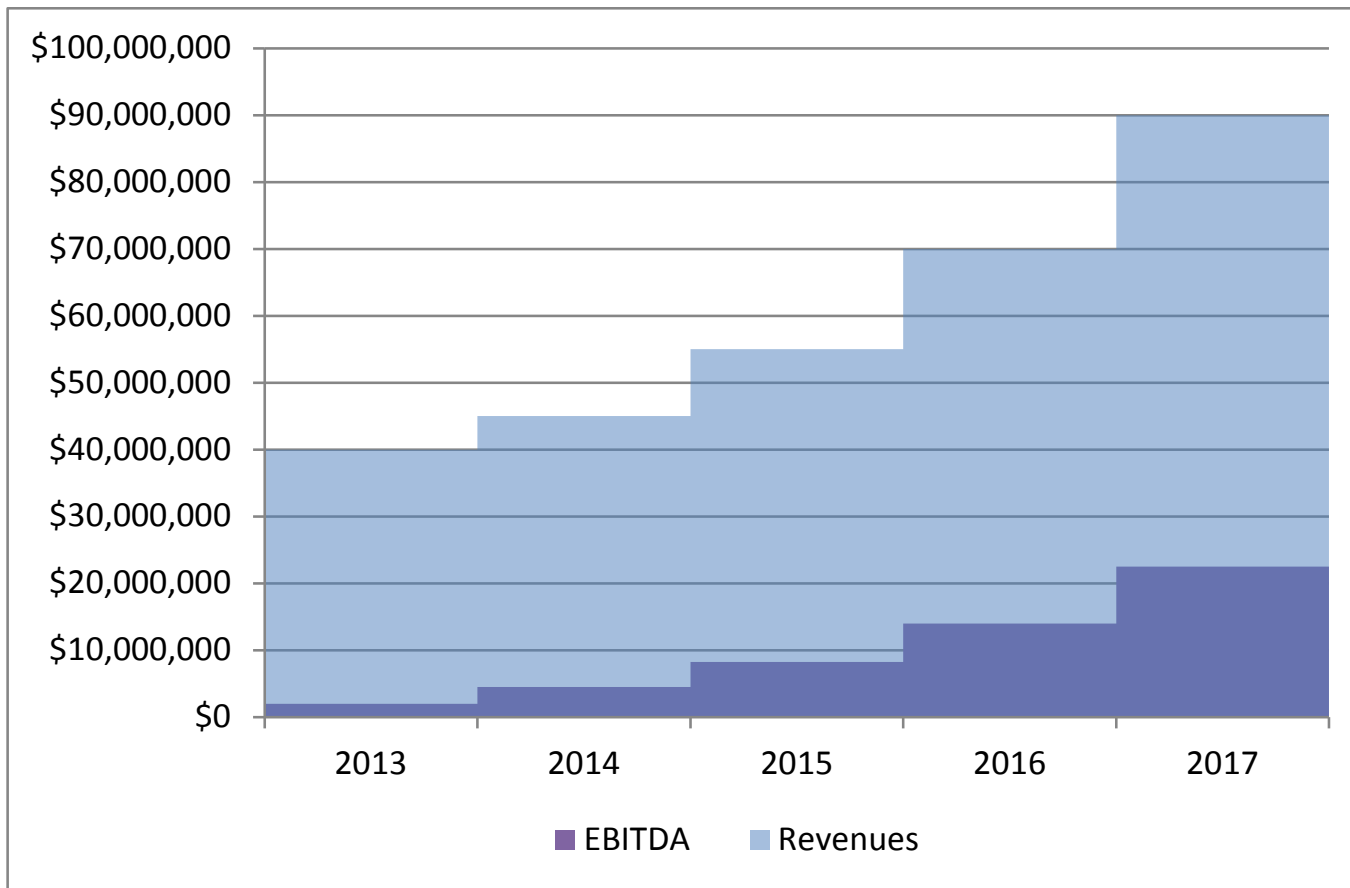
- 80% gross margin growing at 80% per year



**Exit to Strategic acquirer or IPO**

# Typical Financial Profiles – Roll-up Strategy

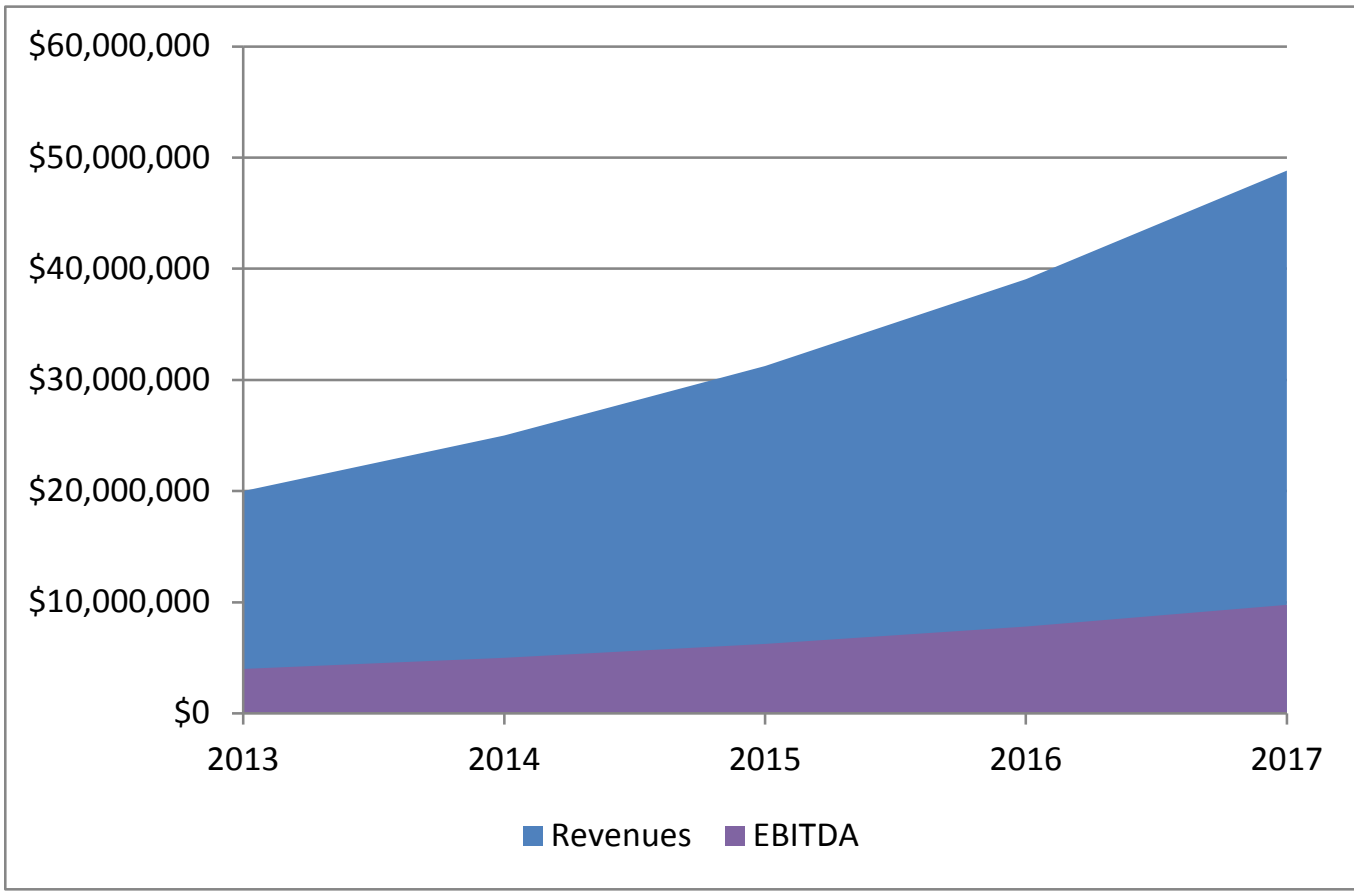
- Purchase 1 to 2 companies per year to scale revenues and EBITDA



**Exit to LBO fund or IPO**













# Typical Financial Profiles – Secondary

- Offering liquidity to founders / tired investors in profitable companies growing at 25%



**Exit to Strategic, LBO fund, Recap or IPO**

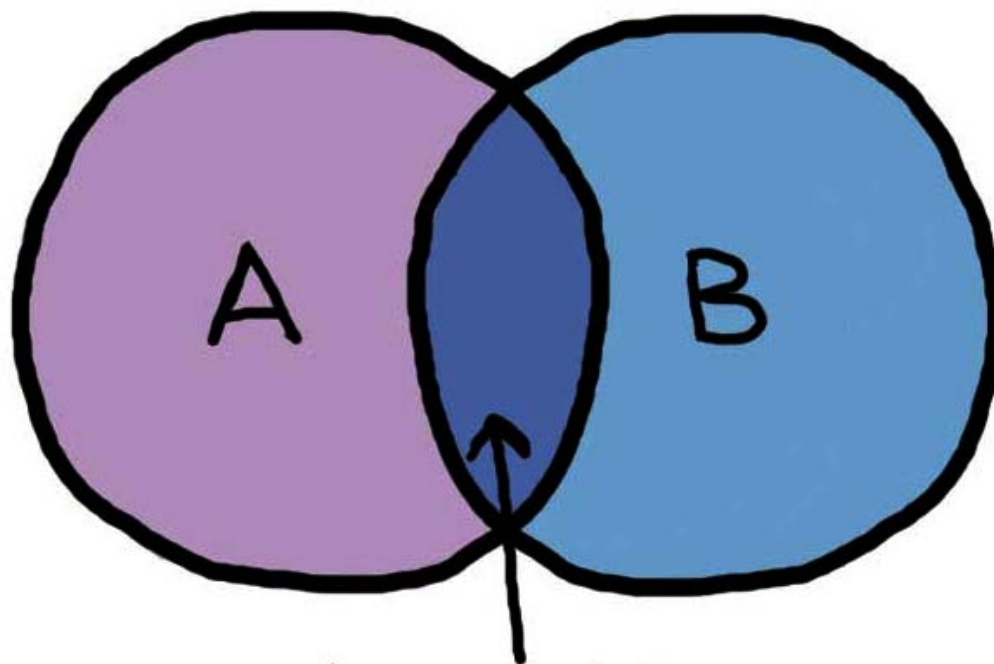
# Tandem Portfolio Overview: 12 Investments

Company Name	What?	Why Unique?	Location
<b>Big Data</b>			
 <b>ACQUISIO</b>	Performance Media Platform	Leading digital advertising campaign management tool	Montreal
 <b>CIRBA</b>	Data Centre Optimization	Leading analytics to optimize virtual infrastructure	Toronto
 <b>COVEO</b>	Enterprise Search	Offers more actionable insights from Big Data	Quebec City
 <b>SOLACE SYSTEMS</b>	Messaging Middleware	Leading appliance-based low latency and high throughput	Ottawa
<b>Internet &amp; Software</b>			
 <b>Beyond the Rack</b>	E-commerce	Canada's largest online flash sales company	Montreal
 <b>BLUEPRINT</b>	Application Lifecycle Mgmt.	Requirements definition tool for business analysts	Toronto
 <b>nGRAIN</b>	3D Animation Software	Software that enables 3D animations for training	Vancouver
 <b>CLICKFREE</b> <small>Automatic Backup</small>	Data Replication	One-touch backup software for PCs	Toronto
<b>Industrial Technology</b>			
 <b>DELTA-Q</b> <small>TECHNOLOGIES</small>	Energy Storage	Provider of chargers in low power electric vehicles	Vancouver
 <b>NEXTERRA</b>	Biomass Gasification	One of few commercially proven biomass gas systems	Vancouver
 <b>HPC</b> <small>ENERGY SERVICES</small>	Horizontal Drilling Products	Technologically differentiated horizontal drilling products	Calgary
 <b>ANAERGIA</b>	Anaerobic Digestion	Produces clean energy, fertilizer and recycled water from organic waste streams	Burlington

# Somewhere between Venture and LBO Funds

## – Job Description

- Attending SXSW
- Sometimes wearing jeans to work
- Reading Tech Crunch & caring what Jeff Bezos thinks
- Looking at trends instead of fundamentals
- Operational consulting



- Attending Genuity conferences
- Sometimes wearing suit and ties to work
- Reading Bloomberg and Reuters
- Heavy financial modelling
- Detailed due diligence

**both A & B = Growth Equity**



# ...backed it with a strong and experienced team...



**David Bookbinder**  
*Managing Partner*

- 25 years of buyout / growth experience
- Co-Founder of Pinova Holdings, Marsulex, Chemtrade Logistics Income Trust, and SPI Polyols



**Andre Gauthier**  
*Managing Partner*

- EVP and CFO Telesysteme International Wireless
- 25 years experience in financial and operating roles in public and private companies



**Alex Moorhead**  
*Managing Partner*

- Co-Founder and CEO of LMG Holdings (Nectar)
- Chief Commercial Officer AIMIA
- B of A Securities and UBS
- 9<sup>th</sup> employee, LMG Canada (Air Miles)



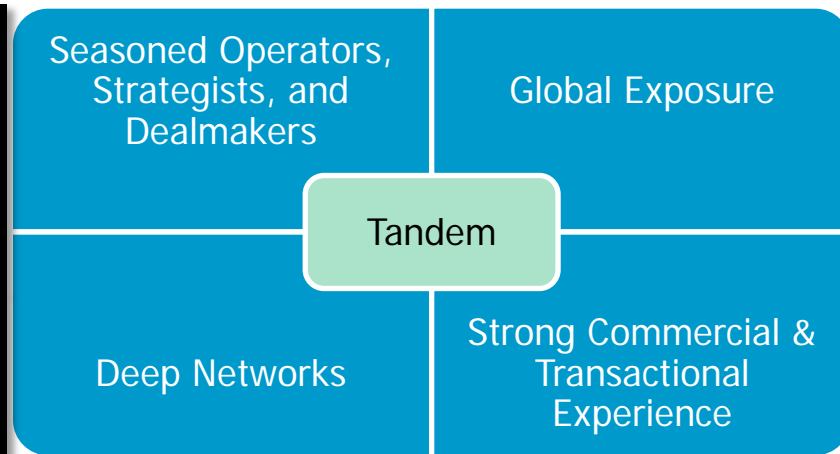
**Antoine Michaud**  
*Principal*

- 15 years operating experience
- ED Sales for Crowcon
- LBS MBA



**Gina Piccolo**  
*Vice President*

- 17 years experience in finance and accounting roles



**Sandy Scott**  
*Partner*

- 13 years operating and investing
- Startup VP Marketing
- Vector Capital and CSFB Tech Group
- HBS MBA



**Marc Weiner**  
*Principal*

- 9 years Operating, Consulting, and Investing experience
- HBS MBA



**Christophe Bourque**  
*Vice President*

- 7 years finance experience
- BMO and Genuity Capital Markets



**Nicholas Vitiello**  
*Analyst*

- 1 year finance experience
- HEC Paris Masters International Business
- Ivey HBA



**Alexandre Buisières**  
*Analyst*

- 1 year finance experience
- HEC Montreal BBA

# Founders & Advisors



*Charles Sirois  
Founding Partner*

- 25 years entrepreneurial experience
- Chairman and CEO of Telesystem
- Invested more than \$1BN in venture at all stages
- Chairman of the Board, CIBC, Enablis



*Brent Belzberg  
Founding Partner*

- 30 years executive management experience
- Senior Managing Partner, Torquest (\$1.2BN+ private equity fund)
- Director, CIBC

*Erik Berke  
Advisor*

- Managing Partner, Torquest
- President & CEO Gustin Kramer
- Chairman, Firstonsite Restoration

*Daniel Cyr  
Advisor*

- 25 years financial and operating experience
- Managing Partner and CFO of Telesystem
- Director, Zone3, Ecomedia, Metafoam, Microsigns, Woozworld

*Michael Hannon  
Advisor*

- 20 years of private equity experience across venture, growth, and buyout
- Senior Advisor, Highbridge Principal Strategies

*Guthrie Stuart  
Advisor*

- 25 years operating and investing experience
- Former Partner, Edgestone Capital
- Faculty Advisory Board and Adjunct Professor, McGill Faculty of Management

*Louis Tetu  
Advisor*

- 20 years operating experience
- Chairman and CEO of Coveo
- Founder and CEO, Taleo (sold to Oracle for \$1.6BN)

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