

TENEX

CAPITAL MANAGEMENT

INVESTOR PRESENTATION – RHODE ISLAND

Q3-2023

PREPARED IN RESPONSE TO RHODE ISLAND DILIGENCE REQUEST

Operations-Led Private Equity Firm

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Disclaimer (continued)

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strategies discussed herein. It should not be assumed that future investments made by any Fund will be comparable in quality or performance to the investments described herein.

Tenex maintains a group of independent, third-party contractors (“Operating Advisors”) who work as operating advisors for select Tenex Funds and Portfolio Companies. These operating advisors generally contract directly with, and are compensated directly by, the Portfolio Companies with which they work. In some instances, an operating advisor’s compensation may be supplemented by a Fund. Operating Advisors are not employees of Tenex, and the compensation and reimbursements received by Operating Advisors from a Fund or Portfolio Company will not reduce or offset the management fees payable by a Fund. Tenex Operating Advisors do not perform any investment advisory services for Tenex.

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Underlying supporting detail for all information herein can be provided upon request.

The “Tenex Effect”

WHY DID WE NAME OUR FIRM TENEX?



Drawing inspiration from Andy Grove, former CEO of Intel, defines the “Tenex Effect” as:

Operational change that fundamentally alters the trajectory of a business

Tenex believes operating leverage is a safer tool than simply financial leverage, to generate company performance and investment results.

Tenex at a Glance: Operationally Led to Deliver Value

1

Commercially Relevant,
Operationally Deficient
Companies

- Tenex established in 2009 with the aim to acquire fundamentally sound but operationally deficient businesses
- Focus on three verticals: *Diversified Industrials, Business & Tech Services and Healthcare*
- Businesses operate in desirable end-markets with strong products

2

Family / Mgmt.
Owned Businesses with
Significant Equity
Roll-Over

- Source businesses through long-tail of brokers & boutique investment banks
- Buy majority equity from families & non-institutional owners where businesses are run for cash, limiting the growth and productivity potential
- Require sellers to have significant equity roll-over and maintain a role in the business post-sale

3

Productivity
Enhancements via
Dedicated Operating
Advisor Team

- Focus on 'Operating Leverage' via Hybrid Tenex team and 22-person Fund Operating Advisor team – dedicated to Tenex Portfolio Companies
- Deploy Operational Rhythms and on-the-ground support to empower the Portfolio Company from the workshop floor upwards
- Augment management, apply data analytics and add-on acquisitions to drive value

4

Drive Long-term
Sustainable Value to
Stakeholders

- Ongoing desire to deliver a culture of continual improvement
- "We run each of our companies as if we will own it forever"

Tenex Team: Hybrid Model Drives Operational Change

OPERATING & INVESTING



MIKE GREEN
CEO & MD
JOINED 2009



VARUN BEDI
MD
JOINED 2009



JOE COTTONE
MD
JOINED 2009



RON LEIMAN
MD
JOINED 2013¹



PERRIN MONROE
MD
JOINED 2013



GABE WOOD
MD
JOINED 2012



RYAN MACINTYRE
MD
JOINED 2016



TAYLOR CHRISTMAS
VICE PRESIDENT
JOINED 2015



KEVIN BROWN
VICE PRESIDENT
JOINED 2022



MEREDITH CREIGHTON
VICE PRESIDENT
JOINED 2023



DUNCAN MCKINNEY
VICE PRESIDENT
JOINED 2016



KIT YORK
VICE PRESIDENT
JOINED 2016



HARIS VUKOTIC
VICE PRESIDENT
JOINED 2018



TED CARUSO
SR. ASSOCIATE
JOINED 2020



JOHNNY MAIER
SR. ASSOCIATE
JOINED 2021



CHIARA MARZI
SR. ASSOCIATE
JOINED 2021



NOAH LEIMAN
ASSOCIATE
JOINED 2023



JONATHAN MATTOS
ASSOCIATE
JOINED 2022



AK SCHIPPER
ASSOCIATE
JOINED 2022



BEN SCHMIDT
ASSOCIATE
JOINED 2023



JEEIN SHIM
ANALYST
JOINED 2023



YARON BRENNER
INTERN
JOINED 2022

PROFESSIONAL



BEN KRAMER
CFO & COO
JOINED 2013



STEPHENS JOHNSON
MD, BD & IR
JOINED 2015



HELEN WRAY
PRINCIPAL, IR
JOINED 2022



KEVIN DOYLE
DIRECTOR, BD
JOINED 2018



SAMANTHA ACR
VICE PRESIDENT
JOINED 2017



DANIEL SCHWERD
CONTROLLER
JOINED 2023



ALESSANDRA CATALANO
HR MANAGER
JOINED 2014



CHARLOTTE YU
SR. ASSOCIATE
JOINED 2021



DAVID FUSILLO
ASSOCIATE
JOINED 2023




JENNIFER MCGRAIL
OFFICE MANAGER
JOINED 2023


¹ Ron joined in 2013 as an Operating Advisor, he then moved across to the Management Company in 2016. The information above is subject to change without notice.


Tenex Funds and Portfolio Companies Supported by Operating Advisors – a Valuable and Differentiated Asset to Tenex


1


GENERAL LEADERSHIP



David Brooks



Bob Dibetta



Igor Azevedo



Bruce Cornell



Anton Danenkov



Lev Davidson


Larry Davis


Laurent Kratz


Greg Schuh


Nick Spaeth


Matt Wheeler


Team of 11 individuals


- General Operations Leadership
- Support FP&A amongst other initiatives


2


SUBJECT MATTER EXPERTS


Digital Transformation & Cyber



Micah Wood


Isaac Axelrod



Mark Kramer



Martin Moore



Greg Tabak


Ben Whiteker


Lean & Process Improvement


Alex Avila



Russell Bammerlin


Vishal Madan

Talent



Maria Scharper


Healthcare



Chris Clark


3


BOLD ASSOCIATES


Micah Abramson


Anurag Gillella


Anjali Patel


Ryan Wilson


Bill Zinnershine

Additional OA's Seconded to Portfolio Companies

Please Note: Operating Advisors & BOLD Associates are NOT Affiliates of Tenex. They are retained as Fund and portfolio company resources. All compensation of such individuals as well as expenses reimbursed will generally be borne by the relevant Fund or portfolio company with respect to which such advisor provides consulting services, and such, compensation as well as any fees or reimbursements received from portfolio companies, will not offset or reduce the management fees payable by the Limited Partners of the applicable Fund. Tenex Operating Advisors do not perform any investment advisory services on behalf of the Funds. This page does not include OAs who have been seconded into portfolio companies on a full-time basis and may re-join the Tenex Operating Advisor pool at a later date. The information above is subject to change without notice.

Performance (Q3-23), Terms & ESG Efforts at Tenex¹

Terms	Fund IV
Fund size	Fund size:
- Target	- \$1.6bn
- Hardcap	- \$1.8bn
GP commitment	3% minimum
Management fee	2%
Carried interest	2/20
Hurdle	8%
Investment / Commitment Period	5 / 10 years
Term	10 years

PERFORMANCE (as of Q3-23) ²			
Fund	Net MOIC	Net Levered IRR	Net Unlevered IRR
Fund I	1.7x	14.0%	14.0%
Fund II	2.2x	24.7%	24.3%
Fund III	1.8x	244.2%	86.2%

¹ Past performance is not necessarily indicative of future results and there can be no assurance that the Fund will achieve comparable results or be able to achieve its investment objectives.

² Please refer to the Endnotes on slide 10 for further information and disclosure regarding net performance data.

³ This information is for illustrative purposes only. Tenex does not actively pursue an ESG strategy, and there can be no assurance that any Portfolio Company will purpose or successfully implement any ESG best practices and may not extend to all Tenex controlled Portfolio Companies.

ESG Efforts at Tenex³



Use of ESG DCI to provide framework for six ESG categories and metrics to be tracked
 Data captured on an annual basis with 2022 being the first year for data capture
 Fund III companies only



ESG Data Convergence Initiative integrated into Novata platform

- Includes the six ESG categories in ESG DCI
- Provides calculation guidance, methodology and calculators where needed

Case Study > AquaCentral – Fund III

BUSINESS AND MARKET OVERVIEW



- Two companies combined to become the #2 distributor & supplier of pool equipment in U.S.
- Diversified footprint across the Sunbelt region
- Sold to maintenance providers, pool builders, retail locations, and through E-commerce
- Top products included pumps, filters, heaters, chemicals, controls, lighting, plumbing
- ~\$5 billion industry with expected growth of 5%
- Pool Corp owned ~50% market share with other half consisting of fragmented founder owned players

SOURCING & SITUATION OVERVIEW



- ✓ Family/Mgmt. owned business
 - Two busted auctions: Florida Water Products (FWP) & Pool & Electrical Products (PEP)
- ✓ “Long-tail” broker
 - FWP: sold by a long tail bank that Tenex had built a relationship with over years and PEP: positioned as the preferred buyer, they were compelled to merge with FWP
- ✓ Stagnant historical financial performance
 - Underperforming margin profile compared to Pool Corp given focus on revenue growth
- ✓ Sold to SRS Distribution with roll over equity

Representative Products

Maintenance



Equipment



Commercial Parts



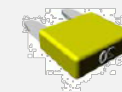
Plumbing



Water Solutions / Chemicals



Replacement Parts



PRODUCTIVITY OPPORTUNITIES

- ✓ Improved EBITDA margins
- ✓ Meaningful variable cost productivity achieved through pricing optimization, supply chain efficiency and reduced product costs and optimized rebate plan

AUGMENT MGMT. / OA'S DEPLOYED

- ✓ Greg Schuh (OA) deployed as VP of Supply Chain; Alex Avila (OA) involved in warehouse upgrades & greenfield rollouts, & Mark Kramer (OA) supported IT function
- ✓ Professionalized the finance function

ANALYTICS & AUTOMATION

- ✓ Analytics on greenfield and pricing front allowed quick action to capitalize on market opportunity
- ✓ Tableau dashboards created for better and more real-time branch reporting

GROWTH OPPORTUNITIES

- ✓ Four greenfields opened in record time frames to capture market share during demand surge
- ✓ Five add-on acquisitions resulted in 14 locations acquired

Complete In progress

End Notes

Some performance results shown have been compiled by the Manager from actual realized and unrealized investments that were not collectively part of an actual portfolio. In calculating the net performance figures for modeled and composite track record information included herein, Tenex applied estimated fees and expenses to all such investments meant to mirror that borne by the highest fee-paying investor participating in the Fund investment included in the modeled and composite track record, which equates to a 2% management fee, 20% carried interest, and estimated ordinary course Fund Expenses based on historical Fund experience. This estimate equates to a 15% fee burden on each Portfolio Investment in the Fund and across Funds if relevant. This 15% fee burden is intended to represent the entire fee and expense burden throughout the entire term/life of each Fund. This includes individual deal presented net IRR and net MOIC performance figures and total Fund level unlevered net metrics. Net IRR metrics assume Fund Expenses were called and carried interest reduced proceeds to the Fund LPs in a manner that may differ from the actual timing of contributions of capital for Fund Expenses and the actual earning and timing of remittance of carried interest to the GP. Actual, total Fund net levered returns for each Fund include the impact of a Fund subscription facility which can increase the net IRR due to the leverage and timing impact of such borrowings. However, for modeled, individual investment, composite investment performance and total unlevered net metrics, Tenex did not assume the use of a Fund level subscription facility (or delayed call from LPs) when calculating the net hypothetical, composite and modeled returns, and as such actual incurred borrowing expenses associated have been excluded accordingly. However, it is important to note, the 15% fee burden is still believed to be a reasonable proxy for all of the Fund Expenses of the fund, including borrowing related interest and expenses. Tenex believes this modeled, total fund net IRR differs immaterially from the actual, incurred, net IRR of the fund. Additionally excluded from all modeled performance is transaction fees, taxes and any other transactional related downstream expense that are borne by the Fund or allocated to an individual investment. Tenex presents the gross and net unlevered individual portfolio investment IRR, composite IRR and aggregate fund IRR using identical time periods for the cash flows.

Modeled net IRR metrics ("unlevered") assume the timing of the cash flows are congruent with the cash flows used for the gross IRR calculation (actual cash movement to/from the Fund to/from its Portfolio Companies) and are considered unlevered. To arrive at net cash flows, the gross cash flows are modeled / augmented to be isolated to LP-only cash flows, and as such are reduced to exclude the GP's portion of the Investment's cost and proceeds at the Fund. These modeled LP cash flows include the burden of allocated Fund Expenses as well as the burden of accrued and paid carried interest to the Fund GP, however the timing of these cash flows differs from the actual timing of carried interest paid and expenses called. As aforementioned above, modeled net cash flows use the same timing as the actual, gross cash flows, and do not assume any subscription facility borrowings are being used to delay LP cash flow timing.

Please note, the above is applicable to all information and metrics contained herein unless otherwise stated. ONLY the complete Fund, actual, net MOIC and net IRR (presented typically as "Net Levered IRR") herein, demonstrate the actual net performance of the aggregate, composite and combined Fund LP net metrics, which are based on historical and actual net cash flows to and from the Fund and its LPs and include all actual incurred and accrued expenses as of the period end date. All other gross and net performance information should be considered modeled and/or composite and read in conjunction with the information above.

Additional Notes

The information found herein should be considered Fund disclosure for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase an interest in any current or future Tenex Fund.

If you have questions or comments or general feedback, please do not hesitate to contact Ben Kramer, Tenex's Chief Financial and Compliance Officer at (212) 457-1139 or email bkramer@tenexcm.com.

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