
LEVEL EQUITY

Lower Middle
Market Growth Equity

Mission & Tactics

Generate superior returns with a low loss ratio, operate transparently and ethically, and create an exceptional culture

For our investors	For our investments	For ourselves
<ul style="list-style-type: none"> • Deliver strong absolute and relative returns • Set the bar for ease of interface and transparency 	<ul style="list-style-type: none"> • Enhance ability to grow, accelerating enterprise value-creation • Provide leverage in hiring, business development and sales • Establish high quality boards and governance practices • Achieve great exit outcomes 	<ul style="list-style-type: none"> • Create a culture we are proud to be a part of and that attracts and retains talent • Create wealth and career advancement opportunities • Innovate in all aspects of our business

Firm Overview

Level has established a strong franchise in lower middle market growth equity investing

Debut fund raised in 2011 by experienced growth investors who have worked together since 2003.

26 investment and operational team members with prior experience at firms including Insight Venture Partners, Summit Partners, Technology Crossover Ventures, Vista Equity, and Thiel Capital.

Senior team have backed over 70 private growth businesses, 45 of which have achieved liquidity.

\$970+ million raised to-date across 5 funds, SPVs & co-investment vehicles

- Level Equity Growth Partners I (2011)
 - Level Equity Growth Partners II (2013)
 - Level Equity Opportunities Fund 2015
 - Level Equity Growth Partners III (2016)
 - Level Structured Capital I (2017)
- **39 investments**; 18 liquidity events across 14 businesses
 - **24 active companies**
 - **30,000+ companies** screened by Level's outbound team; sourced 36 of 38 investments

Investment Strategy

Level invests in rapidly growing, privately held, capital efficient, technology businesses that we identify proactively:

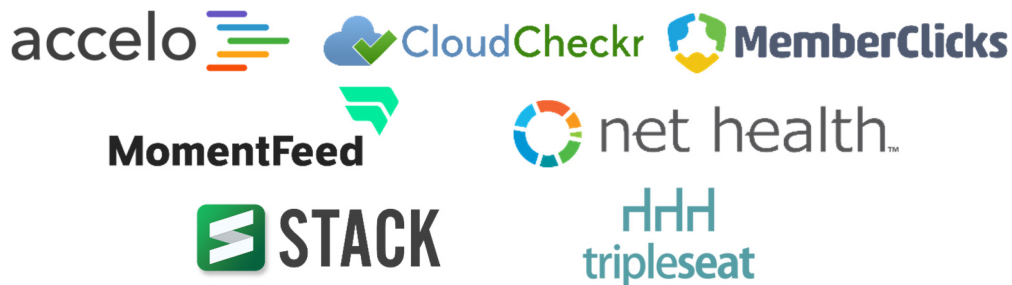
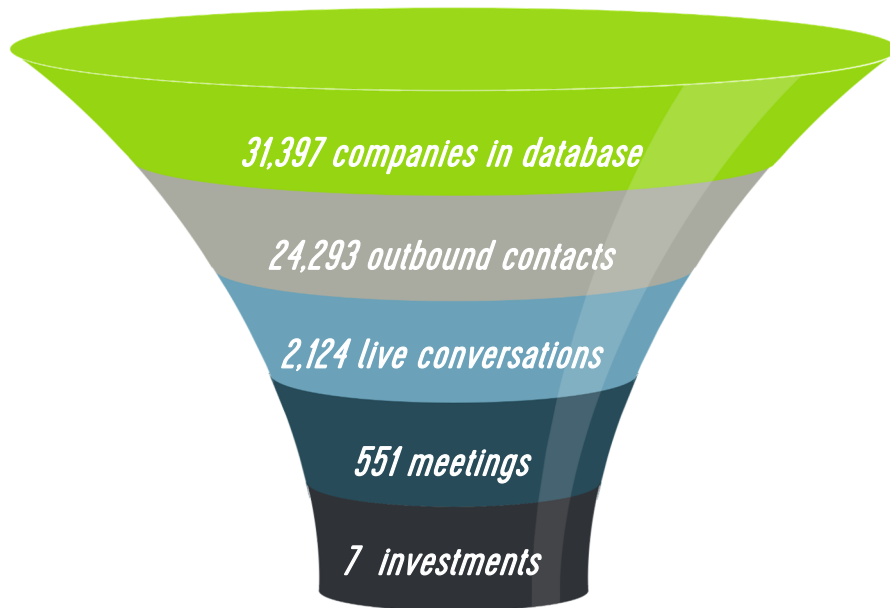
Critical elements of our strategy:

- Direct outreach to prospects to create proprietary investment opportunities
- Purchase senior securities with enhanced return features that provide strong downside protection
- Develop management teams, financial sophistication and exit readiness of portfolio investments
- Generate profitable, consistent liquidity in reasonably priced, commonly occurring trade sales

Deal Sourcing

2017 Activity

- 7 new growth equity investments



Direct Sourcing Provides

- Proprietary Deal Flow
 - 37 of 39 investments directly sourced
 - Avoid marketed and agented transactions
- Deep Market Knowledge
 - Thousands of live conversations with target companies each year
 - Over 500 in person meetings
 - Unique perspective on market growth rates and asset prices
- Attractive Pricing and Structures
 - Non-competitive situations
 - Preferred stock
 - Return enhancing features

Level Equity Team

SENIOR INVESTMENT TEAM



Benjamin Levin (46)

- Founder (2009)
- Insight Venture Partners; Mentmore Holdings; Salomon Brothers
- AB, Harvard College



George McCulloch (41)

- Founder (2009)
- Insight Venture Partners; Summit Partners
- AB, Stanford University



Sarah Sommer (34)

- Founder (2009)
- Insight Venture Partners
- BS, Wharton School



Barry Osherow (45)

- Level since 2016
- Enhanced Capital Partners; TICC Capital; Wit Capital
- BS, Babson College



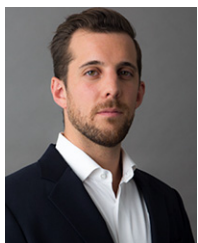
Charles Chen (35)

- Level since 2013
- Technology Crossover Ventures; Morgan Stanley's Technology Investment Banking Group; Facebook
- MBA, Wharton School; BS, UC, Berkeley



Gautam Gupta (33)

- Level since 2015
- Vista Equity Partners; Merrill Lynch's Technology M&A team
- MBA, Wharton School; BS, University of Chicago



Nick Berardo (31)

- Level since 2016
- Summit Partners; Barclays Investment Banking
- MBA, Stanford University; BS, Boston College



Chris Isaac (29)

- Level since 2011
- Udata Partners
- BS, Stern School of Business, NYU



Michael Bauer (29)

- Level since 2018
- OFS Capital; Berkery, Noyes; KPMG
- BS, University of Delaware

OPERATIONS TEAM



Nathan Linn (47)

- Level since 2013
- Thiel Capital; eBay; PayPal; Wilson Sonsini
- JD, Northwestern University; BA, Stanford University



Jake Foster (45)

- Level since 2016
- Cleverbox; PipelineRx, Mirixa; Rackwise
- Berklee College of Music



Ari Herman, CPA (34)

- Level since 2016
- Solera Capital; Black Diamond Capital Management; PricewaterhouseCoopers
- BA, Queens College, City University of New York

ADDITIONAL TEAM MEMBERS

10 Associates
4 Administrative

5 - 7 new hires in 2019

Fund Summary

<i>(As of June 30, 2018)</i>	Level Equity Growth Partners I	Level Equity Growth Partners II	Level Equity Opportunities Fund 2015	Level Equity Growth Partners III	Level Structured Capital I
Fund Size	\$130,000,000	\$255,000,000	\$66,350,000	\$357,000,000	\$91,800,000
Inception Date	2011	2013	2015	2016	2017
Investments In Fund	17	15	5	12	0
Distributed to Paid-in	1.21x	0.46x	0.43x	0.00x	0.00x
Gross Return Multiple	2.57x	1.83x	1.96x	1.20x	n/a
Gross IRR	29.9%	36.5%	41.9%	23.8%	n/a
Net Return Multiple	2.26x	1.48x	1.80x	1.06x	n/a
Net IRR	21.3%	22.3%	34.9%	6.7%	n/a



BoardEffect provides a subscription based online software platform and mobile application to manage board member interaction and corporate governance.

Headquarters: Philadelphia, PA and Washington, DC

Website: www.boardeffect.com

Investment Overview		Exit Overview	
Dates	August 9, 2013; August 8, 2014; December 9, 2014; July 20, 2015	Date	November 2, 2016
Ownership	65.3%	Acquirer	Diligent Corporation
Board	Directors (Levin and Sommer)	Gross Return	4.0x / 65% IRR
Source	Direct outreach		

Investment Opportunity

At investment, BoardEffect was a rapidly growing, highly profitable and bootstrapped provider of board governance software to the large, fragmented, and underpenetrated non-profit market. We acquired a majority of the business from a founder seeking retirement.

- Invoiced sales growth and EBITDA margin of 170% and 62% in 2012 and 86% and 65% in the first half of 2013 prior to acquisition
- Large and fragmented end market with large greenfield opportunity in the non-profit vertical and adoption driven by the increased use of tablets
- Interconnectedness of non-profit boards driving a viral spread of awareness, inbound inquiries, and low customer acquisition cost
- Strong product-market fit lead to 97% annual revenue retention rate on recurring revenue
- Founded in 2009 and bootstrapped by its founder prior to Level Equity's investment in August 2013

Developments / LE Impact

Our focus at BoardEffect was to build a management team and company infrastructure that could support the business as it scaled.

- Built full senior management team: hired a CEO, SVP of Finance, VP of Sales, VP of Client Services, VP of Channels, and VP of Marketing
- Grew team from 10 to 43 FTEs and established a Washington, DC office
- Enhanced financial reporting infrastructure
- Rebuilt core technology platform
- Revenue grew 2.9x over Level's investment



Wombat provides cloud-based cybersecurity awareness training tools designed to improve enterprise IT security through employee behavior.

Headquarters: Pittsburgh, PA

Website: www.wombatsecurity.com

Investment Overview		Exit Overview	
Dates	July 8, 2014, October 9, 2015	Date	February 28, 2018
Ownership	23.0%	Acquirer	Proofpoint Inc.
Board	Director (Sommer), Observer (Levin)	Gross Return	7.0x / 77% IRR
Source	Direct outreach		

Investment Opportunity

Wombat was an opportunity to invest in a very high growth software business in the emerging cybersecurity awareness training market. We provided growth capital in order to accelerate growth and capture market share in this growing space.

- Rapidly growing (65% growth at entry) software business with high gross margins and improving retention
- Early player in the emerging market for cybersecurity awareness software
- Market drivers include increasing external threats to enterprise security through phishing attacks as well as increasing enterprise spend on security solutions
- Capital efficient growth since founding in 2008 as a spinout of a research project conducted by Carnegie Mellon University (<\$2M seed investment)

Developments / LE Impact

At Wombat, we focused on building out the executive team, investing in revenue growth and guiding the business towards a successful exit.

- Increased depth of its executive team: hired CFO
- Accelerated growth to an 85% CAGR from our investment through exit
- Company turned cash flow positive with \$15M of cash EBITDA in 2017
- Level sourced, financed and helped structure the acquisition of ThreatSim, a complementary training provider growing >100%
- Acquired by Proofpoint (NASDAQ: PFPT) for \$225M



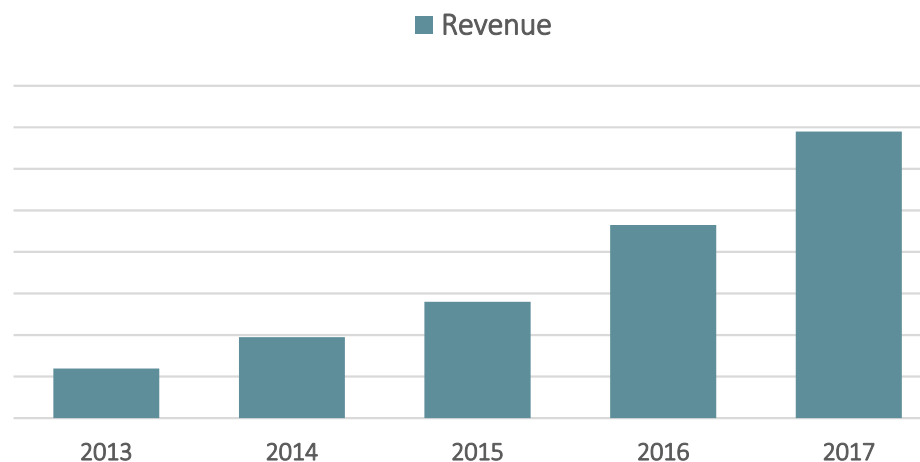
Fusion Risk Management provides business continuity management (BCM) solutions through a web-based software platform built on the Salesforce Force.com platform.

Headquarters: Rolling Meadows, IL

Website: www.fusionrm.com

Investment Overview

Dates	December 8, 2014; June 22, 2017
Ownership	26.4%
Board	Director (Levin); Observer (Chen)
Source	Direct outreach



Investment Opportunity

At investment, Fusion was a fast growing and capital efficient software and consulting business focused on business continuity solutions for enterprises. Led by domain experts and thought leaders in the risk space, the management team had successfully productized their consulting practice into a web-based software solution built on the Salesforce Force.com platform. We provided growth capital to continue investment in customer acquisition and product development in addition to some liquidity for early angel investors.

- Positive market dynamics: the increase of natural disasters, potential outbreaks of pandemic diseases, cyber security breaches, and various acts of terror provide a natural tailwind / need for business continuity solutions
- Fusion was led by a strong executive team that is highly regarded in the risk management space and whose core executives have been working together since 1987
- Company had built a book of business consisting of blue-chip enterprise customers that typically have 1,000+ employees with strong unit economics

Developments / LE Impact

Our focus at Fusion has been building and upgrading the senior management team, capitalizing the business to finance growth, and improving internal financial infrastructure/governance.

- Expanded senior management team: Hired VP of Sales
- Completed first two audits
- Opened the company's second office in downtown Chicago
- Continued revenue growth at scale with strong gross margins and unit economics
- Revenue grew 49% YoY in 2017
- Completed a majority recapitalization in May 2017
- 2.0x invested capital (5.9x gross return on sold shares) in LEGP I and II realized to date

MADE.COM

Made.com is an online retailer that offers its own line of branded, designer furniture and homeware. Made.com contracts directly with manufacturers and sells exclusively online, enabling the company to offer high-quality, design-forward products at accessible prices.

Headquarters: United Kingdom

Website: www.made.com

Investment Overview

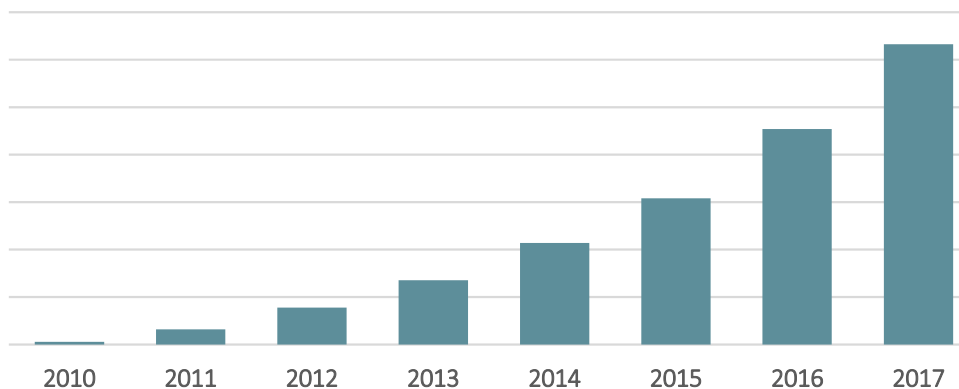
Dates December 15, 2011; October 28, 2013, June 29, 2015; August 3, 2015; February 21, 2017; May 10, 2018

Ownership 22.4%

Board Director (McCulloch)

Source Direct outreach

Revenue



Investment Opportunity

At investment, Made.com was a rapidly-growing, capital efficient business and an early entrant in the European online furniture market. We provided growth capital to finance continued investment in customer acquisition and international expansion.

- Attractive financial profile as the company was growing from £1.2M in sales to £7.1M in sales at the time of our initial investment, while incurring limited losses due to negative net working capital
- Large and growing market opportunity of over £120B in Europe, representing the third largest consumer spending category
- First mover advantage in a highly fragmented market that was early in the transition from brick-and-mortar to online sales and demographic shift as millennials started buying homes
- Initially invested behind founder and CEO Ning Li, who had previously founded MyFab

Developments / LE Impact

Our focus at Made.com has been upgrading the senior management team and Board, as well as capitalizing the company to fuel continued international expansion and investment in customer acquisition.

- Significant enhancement to senior management team including CEO, CFO, CTO, and Chairman of the Board
- Rapid sales growth at scale from £7.1M in 2011 to £146.0M in 2017
- Investment in international expansion; launched France and Italy in 2013, the Benelux region in 2014, Germany in 2015, and Switzerland in 2017. Sales from outside the UK have grown from 23% in 2014 to 40% in 2017
- Business model maturation: company reached profitability in the UK, new geographies showing similar growth and profitability trajectory
- Investment in product breadth: has grown SKUs from 269 to 3,500
- Raised £83M of follow-on financing from Partech Growth, 8 Roads (formerly Fidelity Europe), and a crossover investment from a global public market investor. Most recent financing at 7.6x LEGP I's investment price.



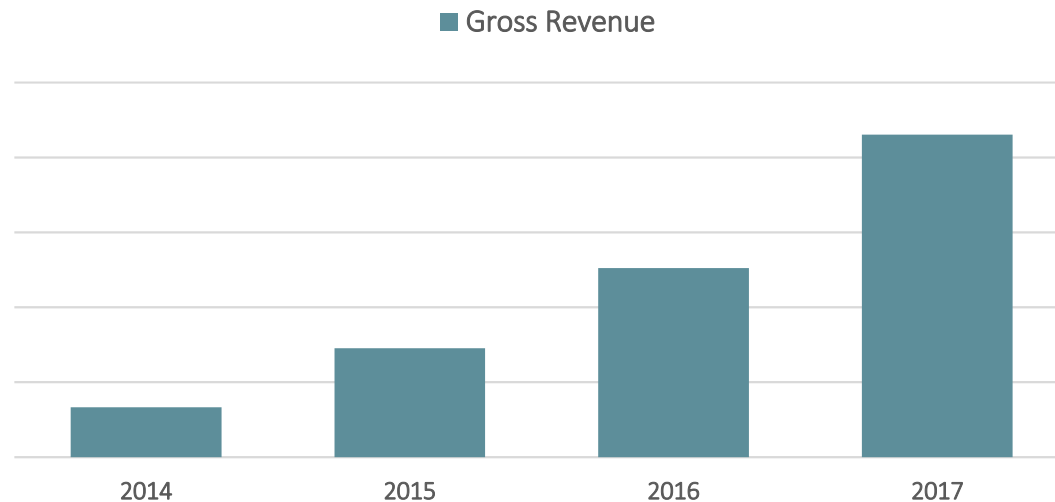
Vacasa LLC operates a proprietary technology platform, online listing site, and a payments and property servicing organization that provides vacation homeowners with a simple solution to realize income from their real estate assets.

Headquarters: Portland, OR

Website: www.vacasa.com

Investment Overview

Dates	December 31, 2015, July 20, 2017, October 6, 2017
Ownership	13.5%
Board	Director (Levin); Observer (Chen)
Source	Direct outreach and senior team relationship



Investment Opportunity

At investment, Vacasa was a rapidly growing, bootstrapped business in the large and fragmented vacation property rental market, a \$100B annual market opportunity. We provided growth capital to continue investment in customer acquisition and acquisitions of offline property management firms.

- \$100B global / \$29B US market opportunity (~3.3M homes)
- Market drivers include increasing awareness and adoption of home rentals as an alternative to hotels, growth in online booking, and adoption of technology to manage rental properties
- Organic growth via direct marketing to property owners
- Inorganic growth via acquiring contracts from local offline rental management businesses and converting them onto Vacasa's technology
- Founded in 2009 and bootstrapped by its founder prior to Level Equity's initial equity investment in December 2015

Developments / LE Impact

Our focus at Vacasa has been building and upgrading the senior management team, improving financial infrastructure, and capitalizing the business to finance growth.

- Significantly expanded senior management team: hired a CFO, CTO, SVP of Growth, and Chief Legal Officer
- Raised \$103M follow-on growth financing
- Improved unit economics across multiple categories including overall TTM gross margins (44% vs. 39%), contribution margin per unit (23% vs. 18%), and monthly unit churn (2% vs. 5%)
- Accelerated acquisition strategy by completing several scale acquisitions including properties in Moab, Hilton Head, Kannapali, and Key West
- Gross revenue has grown from \$3M in 2012 to over \$275M in LTM

Fund Terms

The following information is presented as a general summary of certain key terms of the Level Equity Growth Partners IV, L.P. and Level Equity Opportunities Fund 2018, L.P. (the "Funds") and is qualified in its entirety by the limited partnership agreements (the "LPAs") of the Funds.

	Level Equity Growth Partners IV	Level Equity Opportunities Fund 2018
Investment Strategy	Growth equity investments in rapidly growing, capital efficient businesses	Investing in portfolio companies of funds managed by Level Equity (including through simultaneous co-investments)
Committed Capital	\$400 million	\$100 million
Sponsor Commitment	2% of limited partner commitments	2% of limited partner commitments
Investment Period	Six years	Six years
Term	Ten years with three one-year extensions	Ten years with three one-year extensions
Management Fee	2.5% of committed capital; 2.0% of invested capital following the earlier of end of the investment period or commencement of investing on behalf of a successor fund	1.0% of invested capital
Preferred Return	8%	8%
Carried Interest	20%	15%; 20% if a return hurdle of an aggregate net 20% IRR to investors is achieved
Fee Offset	100%	100%

Disclaimer

This document is being furnished to you to provide summary information regarding funds or vehicles managed by Level Equity Management, LLC (“Level Equity”) and their underlying investments.

The document has not been reviewed by, or received regulatory consent, approval or disapproval from, the U.S. Securities and Exchange Commission or any other U.S. or non-U.S. regulatory body. No representation, warranty or undertaking, express or implied, contractual or legal is given as to the accuracy or completeness of the information or opinions contained in this document, and no liability is accepted by any person delivering it for the accuracy or completeness of any such information or opinions.

This document may contain forward-looking statements, including projections about the future financial performance of companies that funds or vehicles managed by Level Equity have invested in or may invest in and the potential return outcomes of those investments. These projections are by nature speculative. They provide no guarantee of investment performance, and actual returns may vary materially from these projections. All forward-looking statements in this document speak only as of the date hereof, and Level Equity assumes no obligation to update these statements as a result of new information, future events, or otherwise.

Financial performance data for funds, investment vehicles, and portfolio companies should be assumed to be unaudited unless specifically identified as audited.

Financial performance data for non-U.S. based portfolio companies assumes a constant currency.

Return metrics specifically identified as relating to partially-realized investments relate only to the portion of such investment that has been realized. Returns on such investments when fully realized is likely to vary materially from the partial realization return metrics contained herein. Return metrics on fully-realized investments reflect actual proceeds received and a discounted current valuation of any escrow, earnout, or other future contingent amounts.

This document does not constitute investment advice or an offer to sell or a solicitation of an offer to buy any securities, which may only be made pursuant to definitive subscription and/or limited partnership agreements.