venturelytic

4th of April 2024

Venturelytic version: 1.37

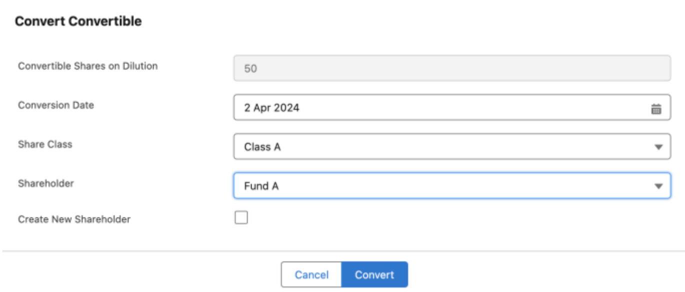
From this release users can now convert convertibles within the platform and evaluate them with the new Convertible Valuation method. The addition of a new Investment Meeting object helps to manage investor specific meetings, while improvements to debt and SAFE layouts enhance usability by improving the overview and clarity.

1. New Features

1.1 Convert Convertibles

From this release convertibles can be converted within Venturelytic. Instead of manually closing the convertible and creating a share activity, the system offers a new functionality that helps you with this action. This functionality can be accessed from a convertible by quick action or from the convertibles tab on the cap table.

To start the conversion process, make sure to populate the 'PPS Calculator' & 'Conversion Calculator', so that the 'convertible shares on dilution' can be calculated. The conversion date is pre-populated with the current date but can be adjusted by the user. Both the Share Class & Shareholder fields show a picklist with the existing records related to the venture account. If the shareholder is not added yet to the cap table, you can check the 'Create New Shareholder' checkbox and Venturelytic will automatically create a shareholder based on the convertible record.



When converting a convertible, the convertible record is being edited. On the convertible record the status will be changed to 'Converted' and the conversion data will be stored under the section 'Conversion Info'. This section will always show how the record was converted unlike the 'PPS Calculator' and 'Conversion Calculator' which might change based on changes made on the cap table.

Next to changes on the convertible record, a share activity is made after converting. The share activity is added to the company and can be found by accessing the cap table & in the 'Conversion Info' section mentioned in the previous section.

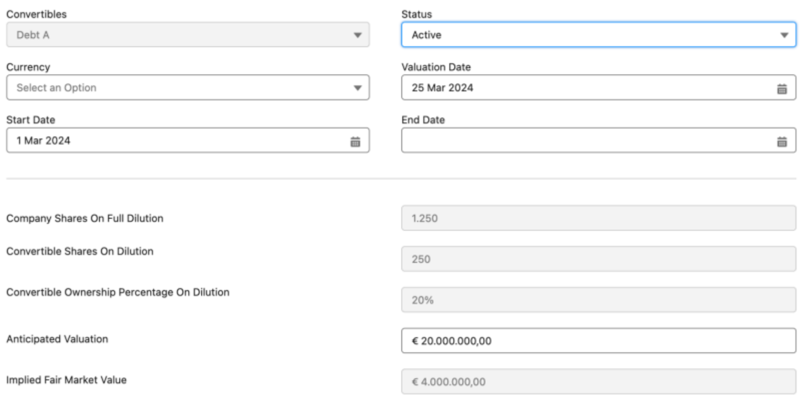
When a convertible has an open valuation, on conversion Venturelytic will ask to close the valuation as well. By closing the valuation of the convertible, Venturelytic expects that from that date an equity valuation will be created including the shares received from the conversion to add as unrealized proceeds to the portfolio overview.

1.2 Convertible Valuation

The fourth and final valuation method has been added in this release. The convertible valuation can be used for debt records that are marked as convertible and for Alternative funding records with the type SAFE. The convertible valuation is an additional valuation method that can be used next to the debt & alternative valuation. The convertible valuation can be created from either a convertible (Debt/Alternative Funding) or from the investment monitoring/opportunity.

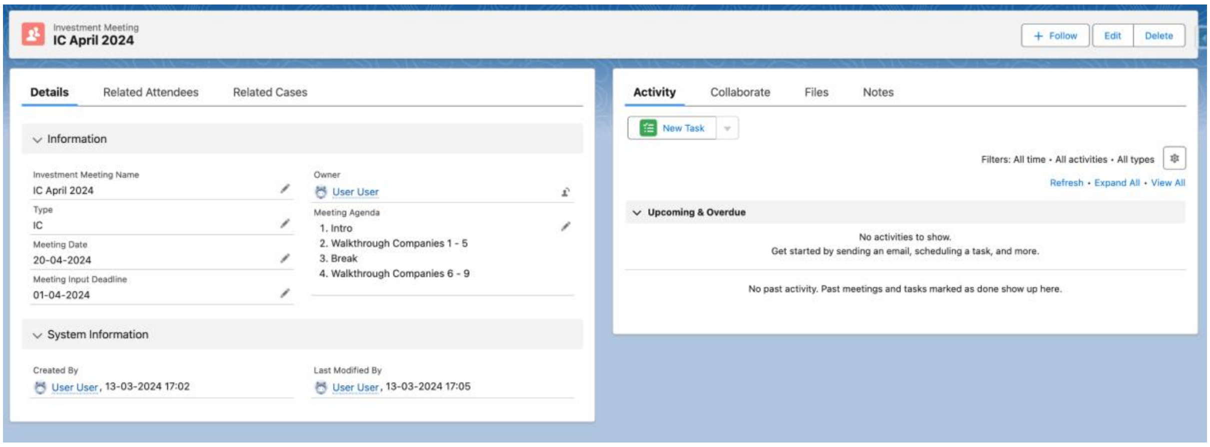
The convertible valuation has the same basic fields as the other valuation methods (Status, Currency, Valuation Date, Start Date, End Date). Additional specific fields are:

- **Company Shares On Full Dilution:** This field is pre-filled with the total amount of shares in the fully diluted cap table of the company. This is based on the filled in cap table and included convertible instruments.
- Convertible Shares On Dilution: This field is pre-filled based on the calculation in the dilution calculator on the convertible. It tells how many shares the convertible would generate if converted.
- Convertible Ownership Percentage On Dilution: Based on the two previous fields this field calculates how much ownership of the entire company the convertible would result in.
- Anticipated Valuation: This is the only field that can be filled in directly by the user. This field should get the value of the company you would like to use to calculate the value of the convertible.
- Implied Fair Market Value: Based on the 'Convertible Ownership Percentage On Dilution' and the 'Anticipated Valuation' the fair market value is calculated.



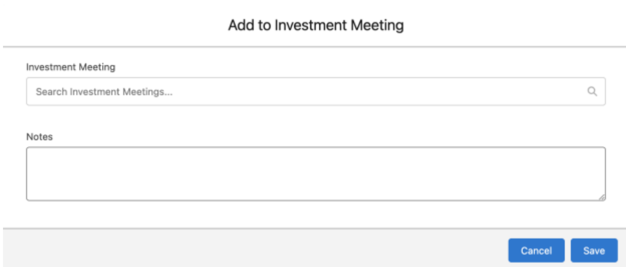
1.3 Investment Meeting

We have also added new functionality to help prepare for internal and external investment related meetings. To support this, we created a new object named ‘Investment Meeting’. A record can be created for every meeting. The object has a basic set of data points that can be filled: Investment Meeting Name, Type (Type of meeting), Meeting Date, Meeting Input Deadline & Meeting Agenda. Next to these data points, you have the possibility to add meeting attendees & meeting cases to the investment meeting. Meeting attendees can be users or contacts in Venturelytic. Meeting cases can be investment opportunities or investment monitoring records that need to be discussed during the meeting. Furthermore, you have access to the usual functionalities: add tasks, use chatter, attach files and add notes.



The investment meeting object can be used to plan the meeting, but we also added the possibility to add a case from an investment opportunity or investment monitoring. To do this, from the Investment Opportunity or Investment Monitoring record you can use the quick action ‘Add to Investment Meeting’ in which you can fill two fields:

- **Investment Meeting**: To select a meeting in which it needs to be discussed. You can only select meetings where the deadline hasn’t passed yet.
- **Notes:** Add notes about why it needs to be discussed



2. Improvements

2.1 Debt & SAFE Layouts

We have spent some time making some adjustments to the Venturelytic Debt layout & Safe layout (Alternative funding).

2.1.1 Debt Changes

The following changes have been made to the Debt layout:

- We've added fields to the highlight panel for a quick overview of the most important information of the record.
- The status field is now read-only and to change the status you can use different quick actions. A status change will now require some information to make sure the right information is filled in to regenerate the correct portfolio overviews.
- Some statuses received a specific field section showing fields that are only relevant in that status (E.g., In the rejected status, the field rejection date becomes visible).
- The Loan Provider fields (Fund/Account/Contact) are not on the layout anymore. Instead, they can be changed by using a quick action 'Change Loan Provider', which shows the three fields. The currently selected loan provider can also be found in the highlight panel.
- The fields on the layout have been cleaned up.

2.1.1 SAFE (Alternative Funding) Changes

The following changes have been made to the SAFE layout:

- We've added the most important fields to the highlight panel for a quick overview of high-level information of the record.
- A status change will now require some additional data to make sure the right information is filled in to regenerate the correct portfolio overviews.
- Some statuses received a specific field section showing fields that are only relevant in that status (E.g., In the rejected status, the field rejection date becomes visible).
- The Funding Provider fields (Fund/Account/Contact) are not in the layout anymore. Instead, they can be changed by using a quick action 'Change Funding Provider', which shows the three fields. The currently selected funding provider can also be found in the highlight panel.
- The fields on the layout have been cleaned up.

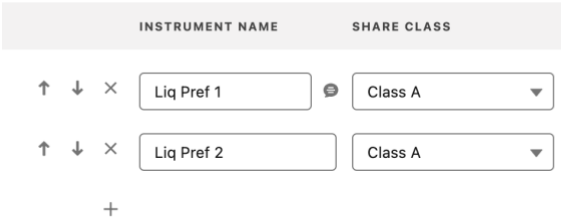
2.2 Cap Table Actions

We have added some actions to the equity related transactions & convertibles on the manage cap table. The equity related transactions now have the option to navigate directly to the record & navigate to the convertible (if resulted from a conversion).

From the convertibles you can navigate to the convertible record and start the conversion process.

2.3 Preference Description

When creating an equity valuation, we added the possibility to add a description to every preference. To do this, select the instrument name field and an icon will appear. When clicking on this icon a pop-up will show, which allows you to add a description.

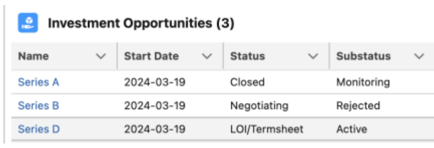


2.4 Equity Valuation Restriction

In the previous release, we added two new fields on the shareholder named 'Shareholder Onboarding Date' and 'Shareholder Exit Date'. These fields are filled in automatically based on the cap table. Now the valuation module will use this information to restrict the date range you can use on equity valuations. This means that you can't enter a valuation for a shareholder before the 'Shareholder Onboarding Date' or after the 'Shareholder Exit Date'. Also, if the shareholder has an exit date, the valuation end date can't be left open. In this case Venturelytic will request to set the end date with the exit date of the shareholder.

2.5 Other Changes

1. We've added the 'Substatus' field to the default setup of the Investment Opportunities & Monitoring related list on an account level.



2. A new reference to the venture account is now available on the transaction comparisons. This makes it easier on a portfolio overview comparison level to see to which portfolio company an added/changed/removed/unchanged transaction belongs.

3. Bug Fixes

- We have resolved the loading issues on the Investment Opportunities & Monitoring related list on a venture account. Previously the component occasionally loaded with only the name, now we made sure it's always loaded with the configured details.
- We have fixed the issues that blocked some users from downloading the 'Import Cap Table' template and fixed our standard Venturelytic permission sets to grant complete access to this functionality.
- Some users with certain locale settings had issues with changing the ownership percentage within the valuation module. We've addressed these issues, and the ownership percentage can be edited without any issues saving the correct value.

4. Installation steps

We will push this release automatically and no extra configuration is required. Reach out to our support If you have questions by emailing to support@venturelytic.com