CONFIDENTIAL · FOR PROSPECTIVE LIMITED PARTNERS

Tidewell

VENTURES

Fund III

Software for the operations economy.

SEED AND SERIES A, LEADING · HEALTH SOFTWARE · CLIMATE · INDUSTRIAL SOFTWARE · BOSTON

Generalists see three sectors. We see one.

Hospital billing. Cold storage. Port scheduling. Heat pump installs. Home dialysis.

Five companies, three sectors, one pattern: software going to work inside a physical operation, sold to the person who gets the call when it breaks.

We call it **the operations economy.** It rewards knowing the operation more than knowing software. Our partners have run hospital operations, run industrial software businesses, engineered climate systems, and founded and sold two companies. That is the edge, and it is hard to copy, because it was earned before anyone here wrote a check.

The operations economy has four tells.

1

The work has a body.

A patient, a pallet, a vessel, a house. The software is only right if the physical thing goes right.

2

Failure is physical, and someone pays for it.

A denied claim. A spoiled load. A missed berth. A cold house in January. A missed treatment.

3

The buyer is an operator.

Adoption is slow until it works, then very hard to rip out, because the operation has been rebuilt around it.

4

Software got cheap to write. The operation did not get easier to understand.

The scarce input is knowing which workflow to fix and how it fails.

Why generalists misprice it.

They measure it like pure software. Early growth looks slow, sales cycles look long, and services look like a flaw. **We read the same signals as switching costs being built.**

We lead seed and Series A rounds.

Nothing earlier, nothing later.

WHERE WE WRITE THE FIRST CHECK



STAGE	**Seed and Series A, as lead investor.** Leading means we set the terms and we do the work. Following would mean trusting someone else's read of an operation we know better.
SECTORS	**Health software, climate, industrial software.** Three markets on the page, one pattern underneath.
CHECK	**Fund III first checks of $2M–$4M,** with half the fund reserved to follow on in the companies that earn it.
BASE	**Boston.**

Three tests before a first check.

TEST 1

The body test.

Is there a physical operation that breaks without this software? If the product could live in any industry, it isn't ours.

TEST 2

The blame test.

Is the buyer the person who gets the call at 2 a.m. when it fails? That buyer is slow to say yes and slower to leave.

TEST 3 · ONLY WE CAN RUN IT

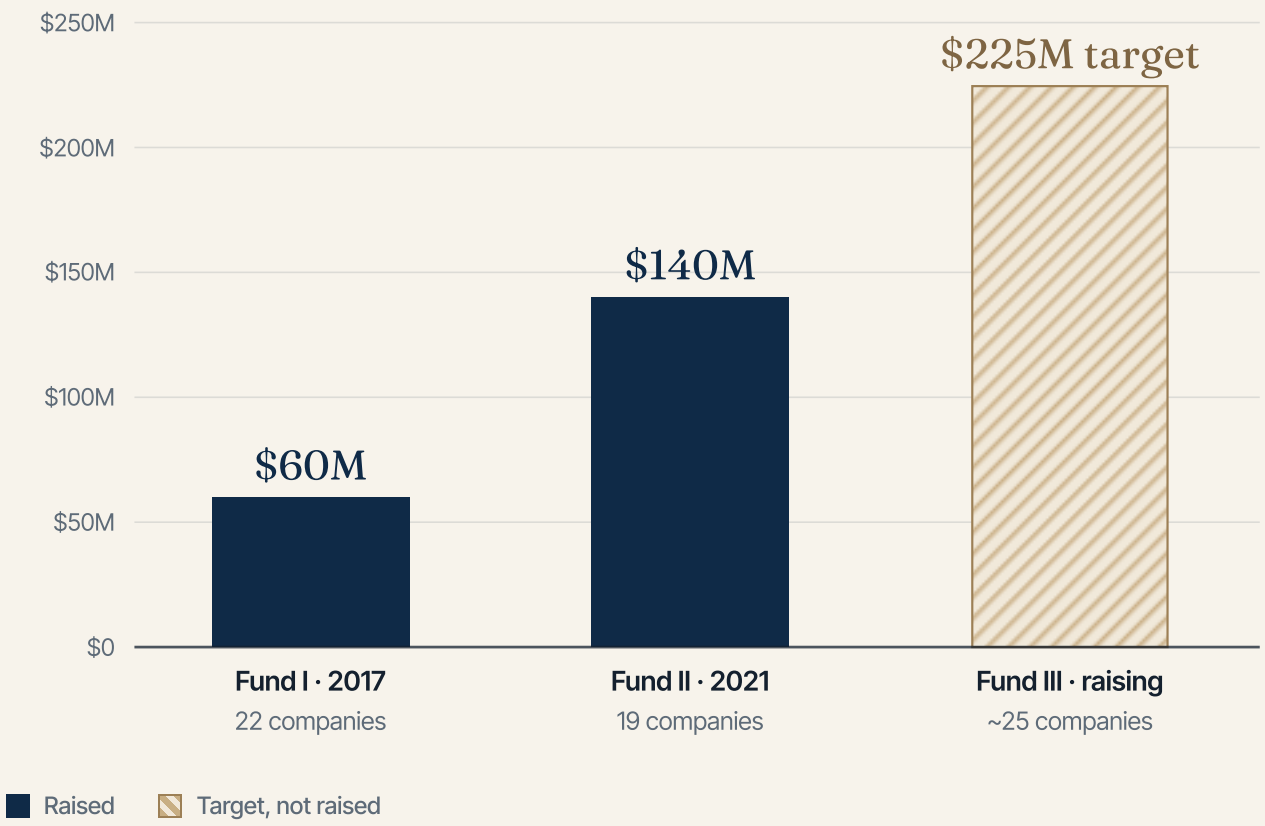
The buyer test.

Would one of us have bought this when we ran the place? Our partners have sat on the customer's side of the table. We ask the question honestly and we pass when the answer is no.



Two funds. 41 companies. One pattern held.

FUND SIZE · RAISED AND TARGET



	FUND I	FUND II	FUND III
Vintage	2017	2021	Raising 2027
Size	$60M	$140M	$225M target
Companies	22	19	~25
Net on paper	3.1x	1.6x	
Returned in cash	1.2x		

Fund I proved the pattern pays, in cash. Fund II carries it at more than twice the size. **Fund III is sized to do both jobs the pattern needs: lead the first round and stay for the next.**

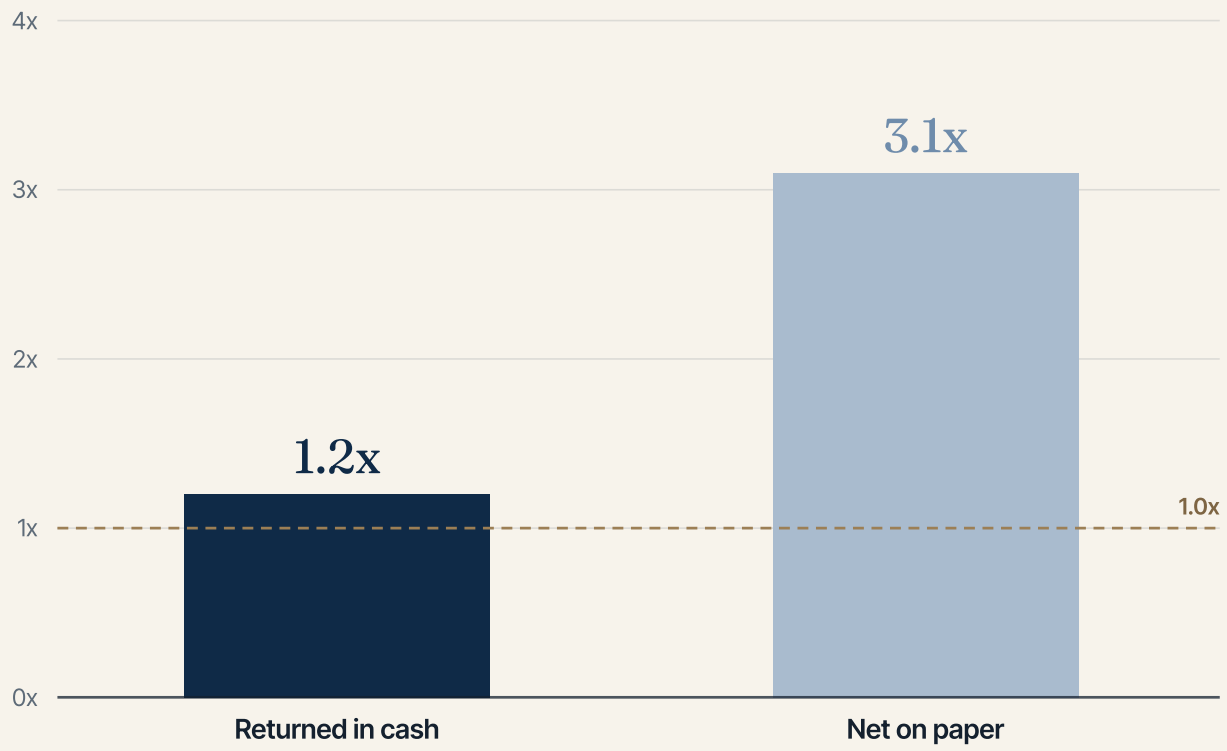
Fund I is already a cash story.

1.2x

RETURNED IN CASH

3.1x NET ON PAPER

2017 · $60M · 22 COMPANIES



We lead with the cash because it is **the number that cannot be re-marked.** Two of the 22 companies have been sold, both to buyers inside the industry their software served. The rest of the paper value is still at work.

Fund II: larger, younger, same discipline.

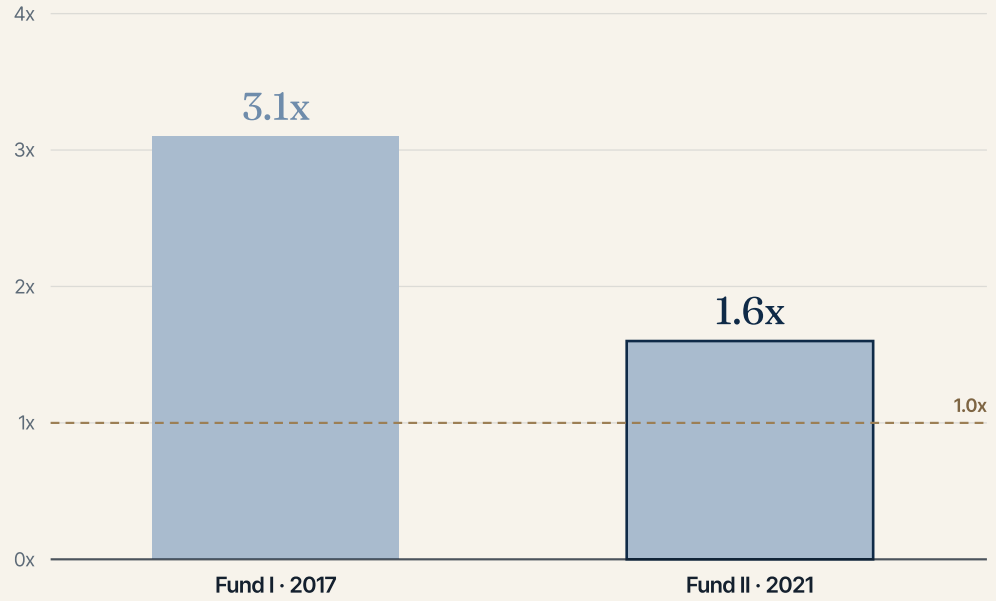
1.6x

NET ON PAPER

2021 · $140M · 19 COMPANIES

Fund II is more than twice Fund I's size and backs fewer companies, so more capital stands behind each one. It is a 2021 vintage, still young, and **we show its marks for what they are: paper.** The habits that built Fund I's cash, leading early and following the companies that earn it, are what Fund III writes into its construction.

NET ON PAPER, BY FUND



Different vintages; not like-for-like. Fund I is a 2017 fund, Fund II a 2021 fund.

Both exits went to the operator's own industry.

EXIT · FUND I

HOSPITAL BILLING

Ledgerlight

→ Sold to a hospital software company.

EXIT · FUND I

COLD STORAGE SENSORS

Coldline Sensors

→ Sold to an industrial controls maker.

Software that lives inside an operation gets bought by the companies that already sell to that operation. That is the ending we look for at the first check: a buyer who needs what the company learned on the floor.

Acquirer names and terms available on request.

Four partners. Every company gets two kinds of experience.

	HEALTH SOFTWARE	CLIMATE	INDUSTRIAL SOFTWARE
The operator has done the customer's job	**Anika Rao** Former hospital operator	**Grace Liu** Climate engineer	**Samuel Okoye** Industrial software operator
The builder has done the founder's job	**Tom Brennan** Two companies founded and sold	ACROSS ALL THREE SECTORS	

Each company gets a partner who has done the job its customer does, and a partner who has done the job its founder does.

HEALTH SOFTWARE



Anika Rao

Former hospital operator.

She knows where a hospital loses money, who signs the purchase order, and what has to be true on the floor before a new system survives its first month. She covers health software and runs the buyer test for every company that sells into care delivery.

ACROSS ALL THREE SECTORS



Tom Brennan

Founded two companies and sold both.

He has done the founder's job twice, start to sale. He works with every founder in the portfolio on the parts of company building that don't change by sector: the first hires, the first board, and the sale, when it comes.

CLIMATE



Grace Liu

Climate engineer.

She diligences the physics, not the pitch. In climate, a company can have real demand and still fail on the install, the sizing or the field performance. She asks those questions before the first check and works on the answers after it.

INDUSTRIAL SOFTWARE



Samuel Okoye

Industrial software operator.

He has run software in facilities that do not stop. He covers industrial software and works with companies on the stretch where most of them stall: from a successful pilot to a fleet that stays up.

Five companies. Three habits.

HABIT 1

See the operation.

We find markets from the inside, where a generalist sees a mature category and an operator sees a leak.

Ledgerlight
Quillon Health

HABIT 2

Pick the operator.

In markets where several parties share one schedule, the founder's ability to bring them to the table is the company.

Harbormind

HABIT 3

Work the floor.

After the check, our help is operational: installs, uptime, crews, field reliability. Introductions are the easy part.

Coldline Sensors
Fernwork

The next five slides are not a logo wall. Each company is evidence for one of these habits.

Ledgerlight

HOSPITAL BILLING

Fund I · Exited

THE OPERATION

- Care delivered
- Care documented
- **Claim submitted**
  Denied, coded wrong, or lost between departments
- Hospital paid

The money a hospital earns and never collects.

A hospital can deliver the care, document it, and still not get paid. Claims get denied, coded wrong, or lost between departments that don't share a system. From outside, hospital billing looks like a settled back-office category. From inside a hospital, it is where margin quietly leaks.

Ledgerlight put software on that leak. We saw the market because one of our partners had run hospital operations and knew where the money went missing.

OUTCOME Sold to a hospital software company.

WHAT IT SHOWS

The best markets in health software look boring from outside. The edge is having stood inside.

Coldline Sensors

COLD STORAGE SENSORS

Fund I · Exited

A sensor company is a reliability company.

In a cold room, a failure costs the inventory. A sensor that drops readings is worse than no sensor, because people trust it. So the hard part was never the sensor. It was installing in facilities that run around the clock, keeping a fleet reporting, and supporting customers whose losses are measured in spoiled goods.

That is the kind of operating work our industrial partner has done for a living.

OUTCOME

Sold to an industrial controls maker, **the company already responsible for keeping those rooms running.**

THE OPERATION

- The sensor
  Never the hard part
- **Install in rooms that run around the clock**
- **Keep the fleet reporting**
- **Support customers whose losses are spoiled goods**

WHAT IT SHOWS

In hardware-plus-software, the floor is where companies win or stall. We work there.

Harbormind

PORT SCHEDULING

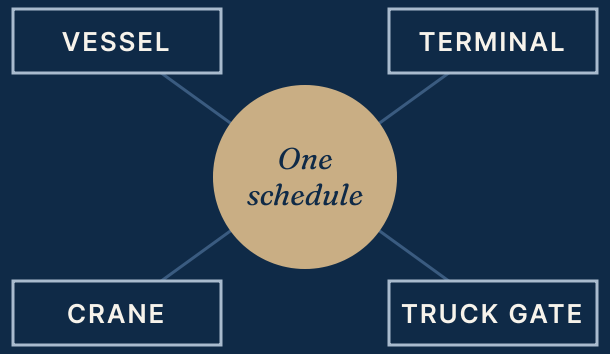
Portfolio company

Nobody owns the schedule at a port.

A vessel's arrival, a berth window, a crane shift, a line of trucks waiting at the gate. Every party at a port runs its own calendar, and most of them compete with each other. Port scheduling is a coordination problem before it is a software problem.

So the founder test is specific: **can this team get operators who don't trust each other to work from one schedule?** We backed Harbormind on that test.

THE OPERATION



WHAT IT SHOWS

In multi-party operations, the founder is the product's first feature. We pick for the person who can bring the table together.

Fernwork

HOME HEAT PUMP INSTALLS

Portfolio company

THE OPERATION

- Site survey
- Load calculation
- Permits
- **Crew scheduled, house installed**
- Callbacks

The crew comes back when it isn't right

Demand for heat pumps is not the constraint. Installs are.

A heat pump only performs if it is sized right for the house, installed right, and the crew comes back when it isn't. Site surveys, load calculations, permits, scheduling crews, callbacks: the bottleneck in home electrification sits in the install, and Fernwork is software inside an installation business.

A generalist asks whether it is really a software company. **We ask whether it can install the hundredth house as well as the tenth.** That is the question our climate engineer asks.

WHAT IT SHOWS

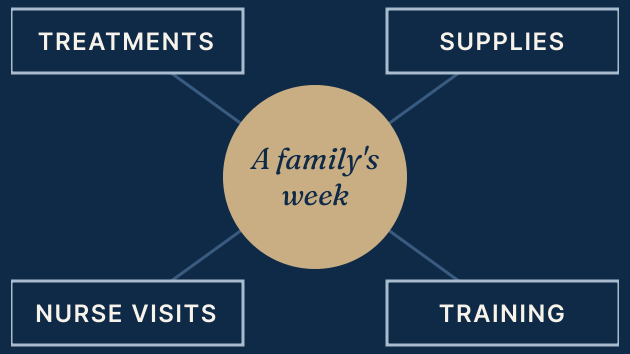
In climate, engineering judgment is operating help. Ours is on the job, not on the cap table.

Quillon Health

HOME DIALYSIS SCHEDULING

Portfolio company

THE OPERATION



When dialysis moves home, the schedule becomes the clinic.

Home dialysis moves treatment out of a clinic and into a patient's home. Everything the clinic used to coordinate, treatment times, supply deliveries, nurse visits, patient training, now has to happen on a schedule that runs through a family's week.

We have seen this pattern before. **Ledgerlight was a hospital workflow that software could fix from the inside. Quillon is a hospital workflow that has left the building.**

WHAT IT SHOWS

Sector insight compounds. What we learn backing one operation tells us where the next one is.

Software just got cheap. Knowing the operation didn't.

1	Code is no longer the scarce input.	Writing software is cheaper and faster than it has ever been. In the operations economy, the scarce input is knowing which workflow to fix and exactly how it fails.
2	The operations are under strain.	Hospitals run on thin margins. Electrification is moving from policy into basements. Ports and cold chains are asked for a reliability they were never built for. Each of these pressures lands on a schedule, a sensor or a claim.
3	The rounds are under-led.	Generalist capital clusters around the categories it can read quickly. Operations-heavy companies at seed and Series A need a lead who can read the operation.

That is the seat we take. → FUND III

Fund III: $225M to lead about 25 companies, and stay with them.

$225M	~25	$2M–$4M	Half
TARGET	COMPANIES	FIRST CHECKS	OF THE FUND RESERVED FOR FOLLOW-ONS



FIRST CHECK RANGE



INTO ABOUT 25 COMPANIES



Half the fund goes into first checks. Half waits for the companies that earn more. **That ratio is the strategy in arithmetic:** we lead early, and we keep enough to stay when a company's operation starts to scale.

SEED AND SERIES A, AS LEAD · HEALTH SOFTWARE · CLIMATE · INDUSTRIAL SOFTWARE

Terms summary

TIDEWELL VENTURES FUND III

THE FUND	
TARGET SIZE	$225M
PORTFOLIO	About 25 companies
STAGE	Seed and Series A, as lead investor
SECTORS	Health software · Climate · Industrial software
FIRST CHECKS	$2M–$4M
RESERVES	Half of the fund reserved for follow-ons
RAISE OPENS	March 2027

ECONOMICS AND TERM	
MANAGEMENT FEE	2.0% of committed capital during the investment period, stepping down thereafter
CARRIED INTEREST	20%
PREFERRED RETURN	8% hurdle, with GP catch-up
GP COMMITMENT	2% of fund size
INVESTMENT PERIOD	5 years
FUND TERM	10 years, plus two one-year extensions at GP discretion

Illustrative market-standard terms; final terms per the Fund III LPA.

Tidewell
VENTURES

Generalists see three sectors. We see one.

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OFFICE
Boston

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