Overview

Q2 2012
<table>
<thead>
<tr>
<th><strong>Fund</strong></th>
<th>Alta Ventures Mexico Fund I L.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital</strong></td>
<td>$70 Million Dollar Fund</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>First year Performance 62.5% Net IRR as of Dec. 31&lt;sup&gt;st&lt;/sup&gt; 2011</td>
</tr>
<tr>
<td><strong>Deal Profile:</strong></td>
<td>$1-3MM entry point, up to $7MM over life of deal ($250-500k seed deals) 20+ deals, Board Seat on venture deals</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>Mexico Focused Mixed Stage — Seed, Venture and Growth</td>
</tr>
<tr>
<td><strong>Sector Focus</strong></td>
<td>Education, Security, IT, Non-Banking Finance, Healthcare, Consumer and Clean Tech</td>
</tr>
<tr>
<td><strong>Team</strong></td>
<td>Investment team located in Monterrey and Mexico City, Mexico; US Based Back Office</td>
</tr>
<tr>
<td><strong>LP Base</strong></td>
<td>Alta’s investor base is composed of more than 20 of Mexico’s leading family offices as well as prestigious institutional investors including IFC, Mexican Fund of Funds, and MIF (Inter American Development Bank)</td>
</tr>
</tbody>
</table>
Funding Continuum – Filling the gap in MX

ANGELS, FOUNDERS & SEED FUNDS

VENTURE CAPITAL – GROWTH EQUITY

PE - PUBLIC MARKETS

OPPORTUNITY DEVELOPMENT

SEED/START-UP FUNDING

DEVELOPMENT FUNDING

EXPANSION FUNDING

CONTINUED GROWTH

Sweat $50K-500K $500K-5M $5M-20M $>20M

MENTORING NEEDS DECREASE

VALUATIONS INCREASE

BUSINESS RISKS DECREASE

MENTORING NEEDS DECREASE

VALUATIONS INCREASE

BUSINESS RISKS DECREASE

ANGELS, FOUNDERS & SEED FUNDS

VENTURE CAPITAL – GROWTH EQUITY

PE - PUBLIC MARKETS

OPPORTUNITY DEVELOPMENT

SEED/START-UP FUNDING

DEVELOPMENT FUNDING

EXPANSION FUNDING

CONTINUED GROWTH

Sweat $50K-500K $500K-5M $5M-20M $>20M
Alta’s Target Investment Region: Mexico
Offices in Mexico City and Monterrey

Alta Growth Capital
• Headquartered in Mexico City
• Regional Office in Monterrey
• Support for Alta Ventures Mexico

Alta Ventures Mexico Fund I
• Headquartered in Monterrey
• Regional Office Mexico City

Kickstart Seed Program
• Headquartered in Monterrey
Disposable Income: The amount of money that households have available for spending and saving after income taxes have been accounted for
Source: Frontier Strategy Group, 2010 figures
Alta Ventures Focus Areas

Technology

Clean/Energy

Rising generation

Security

Gray Hair
What do we look for in an investment?

1. **Management**
   - Looking for a great partner.

2. **Market**
   - Size, growth, environment, market pain

3. **Technology (Product)**
   - Breakthrough Innovation (Have they nailed it?)

4. **Deal Structure**

5. **Momentum**
The IP Problem – Most IP wasted

- $195 billion of annual research in Top 150 US universities
- 180,000 new patents annually
- 70% of patents go unlicensed
- Trillions of value just sitting on the shelves
- Technology Push is inefficient
Increase Successful Innovation by bringing together market Insight and Invention
Nail It Then Scale It

The Entrepreneur’s Guide to Creating and Managing Breakthrough Innovation

Nathan Furr and Paul Avizienis
Process driven innovation is changing the startup landscape.
Entrepreneurs are doing good things, but not doing them in the right order. More than 80% of the time entrepreneurs are ignoring customer demand the right product mix until after they have started to scale their business.

* Harvard Business Review: Beating the Odds When you Launch a New Venture by Clark G. Gilbert and Matthew J. Eyring
Q: How to Fix a Broken Model?
A: Put the customer up front in the process

Entrepreneur has a idea
Identify Monetizeable Customer Pain
Identify Minimum Feature Set (of the customer)
Nail the Product...

Begin with the Customer! (customer centric approach)

Deliver breakthrough customer centric innovation.
Pain Pays: Monetizeable Pain

“Any big problem is a big opportunity… No one will pay you to solve a non-problem.”

– Vinod Khosla (Kleiner Perkins)

Shark Bite VS. Mosquito Bite
Why Start With Pain?

- As a startup you have...
  - No reputation
  - No brand
  - No track record
  - No money

- Building your business on a monetizable pain will exponentially increase your odds of success
The Entrepreneur’s & Customer’s Role

- Entrepreneurs innovate
- Customers validate
Recent Investments
Rhomobile (Sold to Motorola July 2011)
Smartphone apps made easy

Deal Highlights

• **Deal Source:** U.S. GP Network
• **Investment Thesis:** This mobile app development platform could become the preferred solution for enterprises to create and manage their apps in the red-hot mobile app market. Developer partnerships in Mexico are standardizing on Rho to expand mobile app development for Latin America.

• **Strategic Fit**
  – **Region:** Global
  – **Deal Terms:** $1.5 MM
  – **Stage:** Venture
  – **Sector:** Mobile device apps

• **Highlights**
  – Developers can write code once in HTML/Ruby and have it translated into native code for every major smartphone and tablet OS
  – Fastest and cheapest data sync in the world
  – Web 2.0 Launch Pad winner, Fukuoka Ruby Award, Interop Best Startup 2009
  – Mobile app market is expected to grow at 60% for next 4 years
  – Enterprise mobile app market to be $15Bn in 2015
Rhomobile (Sold to Motorola July 2011)
Smartphone apps made easy

**Rhomobile's Historical Performance**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011E</td>
<td>628%</td>
<td></td>
</tr>
</tbody>
</table>

Revenue CAGR ('09-'11): 628%

- **Segment:** Mobile
- **Strategy:** Venture
- **AVM Commitment:** Up to US $3 million
- **AVM Investment:** US$1.5 million
- **Investment date:** March 2011
- **Investment Exit:** July 2011
- **Exit IRR:** 1,900%
- **Exit type:** Sold to Motorola Solutions
Rhomobile is a mobile infrastructure company that provides a development framework that allows you to write a mobile app once and deploy it on all devices.

- At the end of July 2011, Rhomobile sold to Motorola.
- While Rhomobile is based in the heart of Silicon Valley, the CEO made the E100 in Monterrey and Alta was assisting Rhomobile in their entrance to Latin America.
Deal Highlights

- **Deal Source:** MX GP Network

- **Investment Thesis:** Small and medium sized import/export businesses in Mexico have very limited financing options and the approval process is slow, bureaucratic and inflexible. MFM has pioneered an innovative financing alternative that has generated strong early traction and is poised to dominate a growing finance segment in Mexico.

- **Strategic Fit**
  - **Region:** Mexico
  - **Stage:** Seed
  - **Sector:** Financial

- **Highlights**
  - Company achieved profitability 8 months after inception.
  - CEO with more than 15 years of expertise in the industry.

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**Mexico Exports to the US in 2010**

**Mexico Imports from the US in 2010**

- Electric Machinery
- Machinery
- Vehicles and Automotive Parts
- Minerals and Fuels
- Optical Equipment
- Plastics
**MFM (Closed ‘11)**

Short-term foreign exchange loans without interest rate

- Operated only November and December in 2010
- Profitable before the first year of operations
- EBITDA Increase ‘11 to ‘12: 291%

**MFM's Historical Performance**

- **EBITDA CAGR (‘12-'16): 55%**
- **Expected Multiple: 14.8x**
- **Expected IRR: 108%**

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<table>
<thead>
<tr>
<th>Segment:</th>
<th>Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy:</td>
<td>Venture</td>
</tr>
<tr>
<td>Investment date:</td>
<td>December 2011</td>
</tr>
<tr>
<td>Exit type:</td>
<td>Strategic M&amp;A, IPO</td>
</tr>
</tbody>
</table>

* Does not take into account the converting debt, given that round price is not defined yet
**Deal Highlights**

- **Deal Source:** E|100
- **Investment Thesis:** A SaaS platform to service clients of any size, Diverza is positioned as a market leader in electronic invoicing in Mexico. Current climate represents a land-grab to become the trusted provider of SaaS solutions to millions of companies.

- **Strategic Fit**
  - **Region:** Mexico
  - **Stage:** Venture
  - **Sector:** IT, SaaS

- **Highlights**
  - Transactional business model with more than 180K transactions per day (on avg.)
  - New companies registered in SAT will have to adopt the new system.
  - By 2013, Mexican companies will have electronic invoicing requirements, representing a demand for billions of invoices and associated services.
Diverza (Closed ‘11)

Driving transparency while revolutionizing Mexico’s tax collection system

EBITDA CAGR (‘09–’12): 363%
‘11–’12 YoY growth = 88%
Expected Return: 10.1 x
Expected IRR: 77%

Segment: IT
Strategy: Venture
Investment date: September 2011
Exit type: Strategic M&A
Fricaeco (Closed ‘11)
Hot Water for the masses. Benefits of solar energy in MX

<table>
<thead>
<tr>
<th>Segment</th>
<th>Clean Tech</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>Venture</td>
</tr>
<tr>
<td>Investment date</td>
<td>May 2011</td>
</tr>
</tbody>
</table>

Global irradiance worldwide

Yearly sum in kWh/m²:
- 2500
- 2000
- 1500
- 1000
- 500

Solar radiation map is based on values of Meteonorm (www.meteonorm.com). All information is subject to change.
Fricaeco (Closed ‘11)
Hot Water for the masses. Benefits of solar energy in MX

- Fricaeco develops patent protected technology to make renewable energy available to mass markets.
- Mexico’s high solar radiation is the perfect springboard to launch the product and take it to other similar markets.
- Using strategic alliances with providers, manufacturers, distributors, Fricaeco license the technology and continues the development of other lines of product.

Expected Return: 8.8x
Expected IRR: 91%

Fricaeco's Projected Performance

Revenue CAGR (’12-’15): 87%
Deal Highlights

• **Deal Source:** U.S. GP Network

• **Investment Thesis:** uniquely positioned to seize the opportunity with its current strategy and an existing user base of more than 30 Million. By leveraging the feedback and “viral launch pad” of this existing installed base, the Company will release three innovative social games with this financing. If the company is successful creating significant traction around one of these new games, it will be an attractive acquisition target.

• **Strategic Fit**
  – **Region:** Global
  – **Stage:** Seed
  – **Sector:** Social Gaming

• **Highlights**
  • Yearbook installed user base +30 MM
  • First company ever to receive fb Fund grant
  • Creates meaningful emotional and social interactions
  • Over 50% Facebook logins are to play games.
  • Facebook has +800 MM users.
Juxta Labs (Closed ‘11)

Cutting edge intensely social apps

Segment: Social Gaming
Strategy: Venture
Investment date: November 2011

Expected Return: 19.7x
Revenues growth (‘11-‘12): 2.9x
EBITDA growth (‘11-”12): 23x

Portfolio 2011 vs 2012

Portfolio Projected Performance

Venture Portfolio co. Excludes seed and exited
SUMMARY OUTPUTS

<table>
<thead>
<tr>
<th></th>
<th>Pessimistic</th>
<th>Expected</th>
<th>Optimistic</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net IRR*</td>
<td>19.9%</td>
<td>29.2%</td>
<td>38.1%</td>
<td>62.5% **</td>
</tr>
</tbody>
</table>

* Net IRR for LPs
** Up to December 31, 2011
Alta Investment Model

Collaborative & Transparent Investment Committee

Guidance
Mentoring

CrowdSourced Deals
Innovative Practices

NISI Process
Funding

Governance
Background Checks

Deal Structuring
Due Diligence
Trusted informal networks drive positive outcomes

1. iTUESDAY www.ituesday.mx
2. E|100 www.mvcc.mx/e100
3. 2010 MVCC – Monterrey Venture Capital Conference www.mvcc.mx
4. Endeavour and Enlace Mentor Networks www.enlacee.org
   www.endeavor.org.mx
5. MX Kickstart Seed Program
6. NISI - MX Tech Univ (240 Universities, 350k engineering students)
7. Redspan (CONACYT, IMPI and Universities) www.redspan.net
8. Mexican Family Offices & Strategic Partnerships
10. Strategic Corporate Partnerships: Spin-Ins/Spin-Outs
E|100 Deal Flow Process

1. Request for Nomination
   Sent to 15,000 Individuals

2. Nomination Submission
   815 Entrepreneurs Identified

3. Peer Voting
   >2,000 Votes Cast
   350 Unique Companies

4. Winner Responses
   100 Total Members

“Alta Top 100 Entrepreneurs”
E|100 – Successful Launch May 20, 2010!

April 20\textsuperscript{th}, 2010
Quinta Real Hotel
Deal Flow Systems

Strategy filter

400+
Transparent Systems and Processes that Drive Positive Outcomes

Gust.com
100+
Applications Qtr

New
45
Screening
14
Show & Tell
11
Gutcheck
6
Term Sheet
4
Due Diligence
2

* 10 deals on Hold
** Rounded Numbers
Alta Ventures Mexico Investment Team

Paul Ahlstrom, Partner
- Co-Founder vSpring Capital, Alta Growth Capital and Kickstart Seed Fund
- Business Dev. Director Lexis-Nexis, Reed Elsevier, Folio Corporation
- Founder/CEO of Knowlix sold to Peregrine Systems (now HP NYSE: HPQ)
- Other Exits include: MyFamily.com sold for $400 million to a private equity firm, GlobalSim www.globalsim.com sold to Kongsberg Maritime (KOG - Oslo Stock Exchg), Senforce sold to Novell (NASDAQ: NOVL) and Altiris IPO (NASDAQ:ATRS) then sold to Symantec for $880 million (NASDAQ: SYMC) Rhomobile sold to Motorola
- Advisory boards: Univ of Utah Tech Commercialization, Motorola VRB
- BA, Brigham Young University

Rogelio de los Santos Calderon, Partner
- Founder and CEO of Xtreme Cinemas, sold to Cinepolis
- Co-founder and CEO of Generacion Empresarial Mexicana
- Babson College Global Advisory Board member
- Monterrey Tec (ITESM) Board member
- Enlace E+E and Endeavor Mexico Board member
- MBL, DUXX Graduate School of Business Leadership
- BS, Instituto Tecnologico y de Estudios Superiores de Monterrey
- Directorships: Energryn, Diverza, MFM, Juxta Labs
The Alta Group

Current:
- Alta Growth Capital I $75M
- Alta Growth Capital II $150M*
- Alta Ventures Mexico $70M*

AUM Total Current $295M

Previous Experience
- Kickstart Seed Fund I $10M
- vSpring Capital Funds I, II, III $405M
- South America Private Equity Growth Fund $180M
- Baring Mexico Private $60M
- AIG Capital Partners GEM Fund $945M
- AIG-GE Capital LA Infrast. Fund $748M

* Target Close June 2012
<table>
<thead>
<tr>
<th>Investment Team</th>
<th>Experience</th>
<th>Work Experience Includes</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Ahlstrom</td>
<td>22 years</td>
<td>• Investment Committee Member</td>
<td>B.A. Communications, Brigham Young University</td>
</tr>
<tr>
<td>Alta Ventures &amp; Alta Growth</td>
<td>Joined 2006</td>
<td>• Co-founder, Alta Growth Capital</td>
<td></td>
</tr>
<tr>
<td>Managing Director</td>
<td></td>
<td>• Co-founder, Managing Director, Alta Ventures Mexico</td>
<td></td>
</tr>
<tr>
<td>President Alta Group Americas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rogelio de los Santos</td>
<td>18 years</td>
<td>• Co-founder, Alta Group</td>
<td>MBL, DUXX Graduate School of Business Leadership</td>
</tr>
<tr>
<td>Alta Ventures Managing Director</td>
<td>Joined 2008</td>
<td>• Co-founder, Alta Ventures Mexico</td>
<td>BS, Instituto Tecnologico y de Estudios Superiores de Monterrey</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• CEO Extreme Cinemas</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Serial Entrepreneur</td>
<td></td>
</tr>
<tr>
<td>Erik Carlberg</td>
<td>32 years</td>
<td>• Investment Committee Member</td>
<td>M.B.A., B.A. University of Western Ontario</td>
</tr>
<tr>
<td>Alta Growth Capital Managing Director</td>
<td>Joined 2006</td>
<td>• Co-founder, Alta Growth Capital</td>
<td>IEP International Institute for Management Development (IMD)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Baring Latin America Partner</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Banco Mexicano, Bank of Montreal</td>
<td></td>
</tr>
<tr>
<td>Rafael Payro</td>
<td>25 years</td>
<td>• Investment Committee Member</td>
<td>M.B.A., Georgetown University</td>
</tr>
<tr>
<td>Alta Growth Capital Managing Director</td>
<td>Joined 2006</td>
<td>• Co-founder, Alta Growth Capital</td>
<td>B.S. Chemical Engineering, Universidad La Salle</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Baring Latin American Partners</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• AIG Capital Partners, Santander Investments</td>
<td></td>
</tr>
<tr>
<td>Scott McDonough</td>
<td>15 years</td>
<td>• Investment Committee Member</td>
<td>J.D., Georgetown University Law Center</td>
</tr>
<tr>
<td>Alta Growth Capital Managing Director</td>
<td>Joined 2006</td>
<td>• Co-founder, Alta Growth Capital</td>
<td>B.S., Political Science, B.A., Spanish, University of Utah</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Principal, vSpring</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• LoveSac, Fenwick &amp; West</td>
<td></td>
</tr>
<tr>
<td>Joel Dehlin</td>
<td>22 years</td>
<td>• U.S. General Partner, Alta Ventures Mexico</td>
<td>B.S. Accountancy Brigham Young University</td>
</tr>
<tr>
<td>Alta Group Americas</td>
<td>Joined 2009</td>
<td>• CIO, Church of Jesus Christ of Latter-day Saints</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td></td>
<td>• Brosterco, LOXpress, Microsoft</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Rob McMillen</td>
<td>8 years</td>
<td>• Investment Committee Member</td>
<td>J.D./M.B.A. Brigham Young University</td>
</tr>
<tr>
<td>Alta Group Americas</td>
<td>Joined 2007</td>
<td>• VP Sales Rhomobile</td>
<td>B.A. Liberal Arts &amp; Sciences Utah State University</td>
</tr>
<tr>
<td>Partner</td>
<td></td>
<td>• Associate, vSpring</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spencer Patterson</td>
<td>7 years</td>
<td>• Serial Entrepreneur</td>
<td>M.A. Organizational Communication, Idaho State University</td>
</tr>
<tr>
<td>Entrepreneur in Residence</td>
<td>Joined 2012</td>
<td>• Healthcare IT Consultant</td>
<td>Ph.D. Candidate - Health Communication, Ohio University</td>
</tr>
</tbody>
</table>
Venture Industry Disruption
NISI Fundamentals

1. Get into the Field
2. Change or Fail Fast
3. Brutal Intellectual Honesty
4. Keep it Simple
5. Start Small

November 4, 2011
Everyone Wants to Be Silicon Valley
Tech Com 1.0: Silicon Valley
Everyone Wants to be Silicon Valley

Silicon Alley – New York, England
Silicon Sloboda - Moscow
Silicon Gulf – Davao Philippines
Silicon Slopes, Utah
Silicon Oasis- Dubai
Silicon Wadi – Israel
Silicon Beach – Australia, Brighton England
Silicon Glen – Scottland
Silicon Forrest – Portland Oregon
Silicon Prairie – Illinois, Dallas
Silicon Sandbar – Cape Cod
Silicon etc…. 

Is Silicon Valley’s Success Repeatable?
Key Drivers of Silicon Valley

Critical Mass of Innovation, Entrepreneurs and Investment

- Innovation Capacity
- Investment Capacity
- Entrepreneurial Activity
Entrepreneurial Ecosystem Development