

2019

The Mirador View

Perspectives on the Tri-Valley:
The Intersection of Talent & Technology

Mirador Capital Partners, LP

6700 Koll Center Parkway, Suite 230
Pleasanton, CA 94566
925-621-1000

80 E Sir Francis Drake Blvd, Suite 4H
Larkspur, CA 94939
415-291-2916

Visit our website at miradorcp.com

This special report was developed by employees of Mirador Capital Partners. The contributors may be reached at their email addresses below.

Don Garman

Founder & Chief Investment Officer
don.garman@miradorcp.com

Lauren Moone

Executive Vice President
lauren.moone@miradorcp.com

Jonathan Ting

Co-Portfolio Manager
jonathan.ting@miradorcp.com

Daniel Potts

Marketing Associate
daniel.potts@miradorcp.com

Sean Cook

Associate
sean.cook@miradorcp.com

© 2019 Mirador Capital Partners, LP

About the 2019 Mirador View

The Tri-Valley's growth has reached new heights. Now in the fourth year of research for this publication, we've seen each year build upon the last. We've witnessed the creation of the region's first dedicated venture capital fund, skyrocketing public company performance and startup companies achieve unicorn status.

The most notable theme of 2018 was the repeated emphasis on the quality of people living in the Tri-Valley. We were fortunate to interview several founders, CEOs and CFOs of a number of successful companies headquartered in the Tri-Valley. We met with one of the hottest new startups in the country, Lambda School, and learned how they're disrupting the future of college education. We had a fascinating conversation with Tim Prendergast, founder of Evident.io, about the importance of providing a high quality of life for his employees. We dug deeper into the growth story of Veeva and also heard from the latest public company to move their headquarters here: TriNet.

In each conversation, founders and executives credited the exceptional talent they found in the Tri-Valley and the wonderful quality of life which attracts them, with enabling their companies to grow and thrive.

Another notable theme which emerged from our research was the diversity and resilience of the Tri-Valley economy. In a year where public equity markets struggled and San Francisco and Silicon Valley experienced net negative migration, Tri-Valley public companies excelled and the population continued to grow. We believe the fundamental qualities that are driving this region's growth will also build resilience in our local economy even in times of broader market volatility.

We're excited to share the development and progress of the region's economic drivers, additions to the innovative ecosystem, groundbreaking technologies and the continued success of public and private companies headquartered here. Companies are starting, growing and succeeding at remarkable rates and we are excited to present these success stories and explore their drivers within the pages of this report.

We hope you enjoy this update.

- Mirador Capital Partners

Acknowledgements

This report was prepared by Mirador Capital Partners using research supported in part by several Tri-Valley leaders who graciously provided their time and insight on economic activity in the region. We would like to thank the following individuals in particular for their valuable input:

Stephanie Beasley

Economic Development Officer
Sandia National Laboratories

Tim Cabral

CFO
Veeva Systems

Brandon Cardwell

Executive Director
i-GATE Innovation Hub

Jeff Dodd

Senior Vice President, Retail
Sunset Development Company

Burton Goldfield

CEO
TriNet Group

Gregory Hitchan

Co-Founder and Managing Partner
Tri-Valley Ventures

Josh Hitchcock

Senior Vice President, Director of Leasing
Sunset Development Company

Stevan Jovanovich

Founder
S2 Genomics

Boris Kobrin

Founder
Innovasonic

Lynn Naylor

CEO
Innovation Tri-Valley

Ben Nelson

Co-Founder
Lambda School

Pamela Ott

Economic Development Director
City of Pleasanton

James Paxson

General Manager
Hacienda Business Park

Tim Prendergast

CCO - Palo Alto Networks
Founder - Evident.io

Richard Rankin

Director Industrial Partnerships Office
Lawrence Livermore National Laboratory

Les Schmidt

Founder & Executive Director
BRIIA

Dan Watson

Managing Director
Newmark Cornish & Carey

Hazel Wetherford

Economic Development Director
City of Dublin

Adam Van de Water

Director
Livermore Office of Innovation & Economic
Development

Pete Yozzo

Founder
ThinkHR

Table of Contents

Introduction	1
The Tri-Valley: Intersection of Talent & Technology.....	2
Tri-Valley Growth Reaches New Heights.....	3
Access Drives Growth.....	4
The Tri-Valley Has a Unique Geographic Advantage	4
Access to a Local Talent Pool Drawn to Quality of Life	5
Access to Real Estate	6
Relatively Affordable Real Estate	6
Our Tri-Valley Cities.....	8
Access to an Innovative Ecosystem	10
Tri-Valley Public Companies.....	13
MTVX Spotlight: Veeva Systems (NYSE: VEEV).....	15
MTVX Spotlight: TriNet Relocates Headquarters	17
MTVX Companies are Increasingly Targets for M&A	18
Venture Capital in the Tri-Valley	21
Thriving Sectors: Life Sciences.....	23
Spotlight: 10x Genomics - The Tri-Valley's Newest Unicorn	24
Spotlight: S2 Genomics	25
Thriving Sectors: SaaS.....	26
Spotlight: Lambda School Puts Students First.....	27
Software Spotlight: Evident.io	28
Thriving Sectors: High Tech Science and Engineering	30
Science & Technology Spotlight: Boris Kobrin.....	31
Conclusion.....	32
Important Disclosures.....	33
Endnotes.....	34

Introduction

At Mirador, our interest in investing in the Tri-Valley began more than a decade ago as we witnessed companies located in our backyard repeatedly experience remarkable success without garnering much attention from Wall Street. In 2015, we formed an index comprised of public companies headquartered in the Tri-Valley to quantify our theory and found that it would have more than doubled the performance of the S&P 500 annually over prior ten years.¹ This exceptional growth has only accelerated since the Mirador Tri-Valley Index (MTVX) was formed, with Tri-Valley public company growth tripling the S&P 500 annually since 2015.

2018 was an exceptional year for the Tri-Valley. The region's population grew by 2.2% from 2017-2018,² more than doubling the growth of Silicon Valley, San Francisco and the Bay Area as a whole. Public Companies headquartered in the Tri-Valley grew by 20% in 2018,³ outpacing the S&P 500 by more than 25%. Venture Capital investment in the Tri-Valley exceeded \$590 million in 2018, an increase of more than 30% from 2017.⁴

To examine the underlying drivers of this performance, we connected with private and public company executives, local economic development departments and technology experts across several Tri-Valley cities to hear their observations on the area's evolution.

These leaders each told a similar story: that people and companies alike are drawn to the positive business environment and high quality of life offered within the Tri-Valley. These factors have created an epicenter of innovation and productivity from which exciting businesses are growing and thriving.

In this report we build on our previous research, sharing noteworthy developments from 2018 and early 2019. We begin by taking a look at the record levels of growth and the critical drivers that attract and retain the high quality businesses and talent the region is known for. We'll highlight the record levels of public and private company performance and present several notable success stories. Finally, we'll close with a discussion of the thriving economic sectors of the Tri-Valley that will position the region well for the foreseeable future.

2.2%	Population Growth from 2017-2018 Doubling the growth of Silicon Valley
+20%	Public Company Stock Performance Outpaced the S&P 500 by more than 25%
More Than \$590M	Venture Capital Invested in 2018 Up more than 30% from 2017

The Tri-Valley: Intersection of Talent & Technology

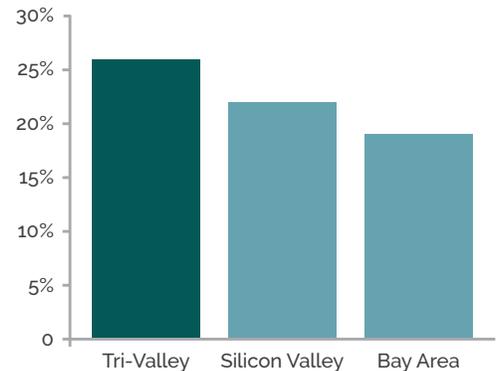
PLEASANTON · LIVERMORE · DUBLIN · SAN RAMON · DANVILLE

A Unique Geographic Advantage



A Growing, Highly Educated Population

PERCENTAGE OF ADULT POPULATION WITH A MASTER'S DEGREE OR HIGHER



Note: 2000, 2012 Data Source: Tri-Valley Rising, Silicon Valley Index 2018

The Tri-Valley's fundamental advantage in education, access to technology and relatively affordable real estate attracts a highly talented workforce and cutting-edge technology companies. Proximity to two National Laboratories and sources of investment capital foster a thriving entrepreneurial ecosystem primed for decades of continued growth.

POPULATION GROWTH (2010-2018)

16%



Attractive Real Estate



RESIDENTIAL REAL ESTATE COSTS

40%
LESS THAN
SAN FRANCISCO

COMMERCIAL RENTS

Location	Office Rent
Tri-Valley	\$2.66
San Francisco	\$7.66
San Jose/Silicon Valley	\$4.40

...All Drive a Thriving Ecosystem

MIRADOR TRI-VALLEY INDEX (MTVX) IN 2018:

+20%
MTVX

VS.

-6%
S&P 500

VENTURE CAPITAL INVESTED:

\$590
MILLION IN 2018

\$1.8
BILLION SINCE 2015

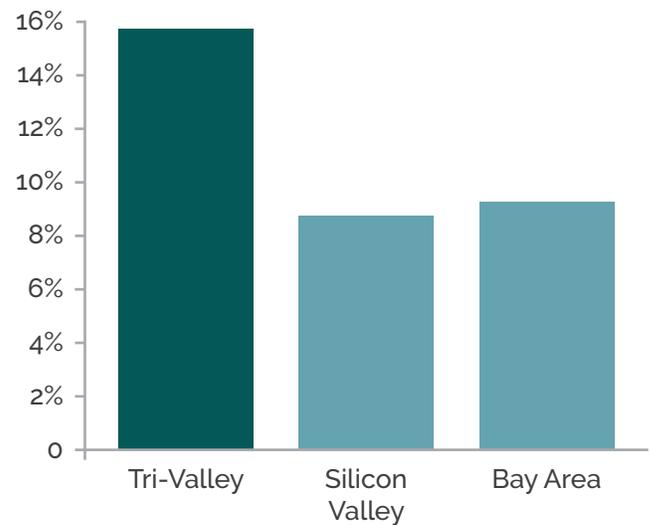
Tri-Valley Growth Reaches New Heights

The Tri-Valley population grew by 2.2% from 2017-2018, more than doubling the growth of Silicon Valley, San Francisco and the Bay Area as a whole. Public companies headquartered in the Tri-Valley grew by 20% in 2018, outpacing the S&P 500 by more than 25%. Venture capital investment in the Tri-Valley exceeded \$590 million in 2018, up more than 30% from 2017.

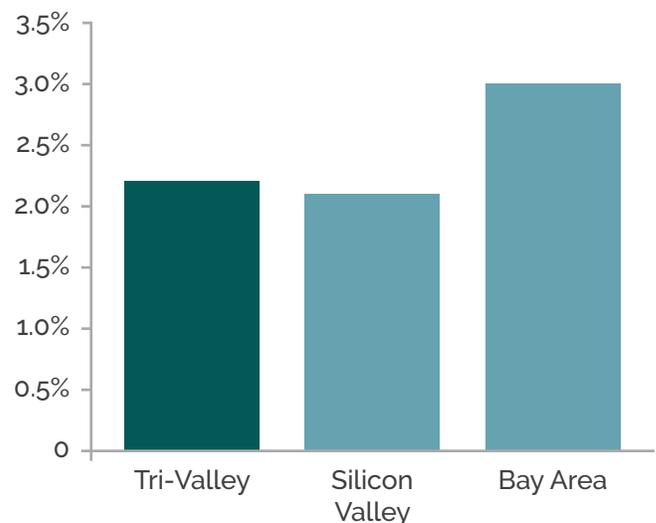
Between 2000 and 2018, the Tri-Valley population grew by 43%, tripling the Bay Area's 14% growth.⁵ During this period, the Tri-Valley created approximately 40,000 new jobs, increasing employment by 24% versus overall Bay Area job growth of 2.2%. This job growth has also led to the Tri-Valley boasting one of the lowest unemployment rates in the region, 2.4% in 2018 compared to 3% for the Bay Area overall.

Job growth has led to the Tri-Valley boasting one of the lowest unemployment rates in the region.

Population Growth
(2010-2018)



Unemployment Rate
(2018)



Access Drives Growth

We believe this growth is driven by unique access to four key elements:

- Geographic advantage
- Local talent pool
- Relatively affordable real estate
- Innovative ecosystem

The Tri-Valley Has a Unique Geographic Advantage

The Tri-Valley's position relative to the Bay Area presents a unique competitive advantage that directly drives the success of local companies. Proximity to investors on Sand Hill Road, two National Laboratories, top tech talent from around the Bay Area and a skilled workforce in the Central Valley are all assets leveraged by Tri-Valley companies.

Proximity to Sand Hill Road benefits startup companies seeking venture capital funding. Over the last three years, Tri-Valley companies have attracted over \$1.4 billion in investments from more than 220 investment groups. With the formation of Tri-Valley Ventures in 2018, the region now has a dedicated venture fund providing early stage companies with access to local capital.

Positioned along the 580 and 680 corridors, and with two BART stations near major office parks, high tech workers from around the Bay Area benefit from a reverse commute heading to the Tri-Valley. Several CEOs we interviewed credited this advantage for enabling them to attract and retain top talent. Evident.io CEO Tim Prendergast said he was able to attract his executive team from the Peninsula because “no

matter where they were located, the Tri-Valley was easier to get to than where they'd been commuting to before.” Unchained Labs CEO Tim Harkness came to the same conclusion, noting those that lived further away generally benefited from the reverse commute. “When people do the math and look at it,” Tim says, “it's very easy to get them to come over here.”

Proximity to the Central Valley is vital to life science and high tech companies with advanced manufacturing requirements. These businesses have a significant leg up on competitors in the inner Bay Area when it comes to attracting skilled labor, simply because they are closer to the workforce.

The development of Valley Link will form a rail line from the Lathrop area through Tracy and over the Altamont Pass where it will connect to BART. This will further improve the workforce's accessibility to the Tri-Valley.

\$1.4B Venture Capital
Raised Since 2016

Access to Local Talent Pool Drawn to Quality of Life

The Tri-Valley's most valuable asset is its people. A highly educated workforce is drawn here for a number of reasons, including quality schools, more affordable real estate, vibrant downtowns, world-class wineries, contemporary breweries and generous open space.

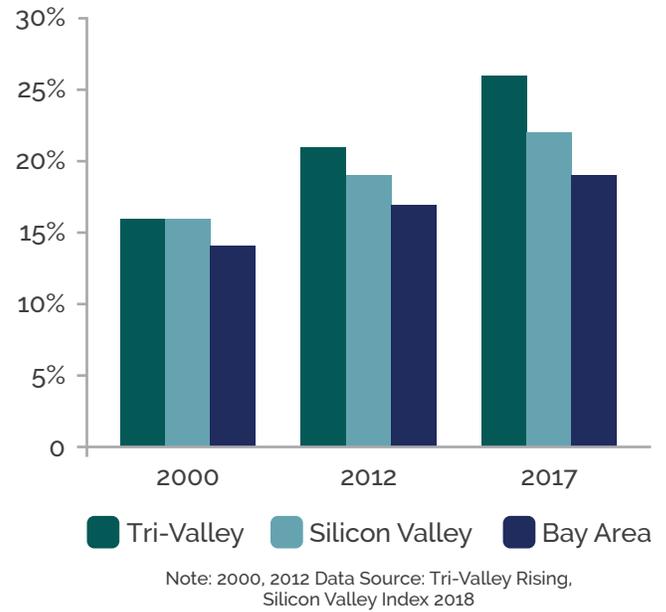
Tri-Valley cities regularly receive national recognition for being among the best places to raise a family and for having the highest quality of life. According to a WalletHub study in 2018, Tri-Valley cities topped the charts as the "Best Cities in California to Find a Job." San Ramon ranked #1, Danville came in at #3 and Pleasanton, Livermore and Dublin took the #6, #8 and #14 spots, respectively. Criteria included median starting salary, employment growth and housing costs.⁷

The STEM nature of Tri-Valley companies and the presence of the National Labs creates a demand for individuals with advanced degrees, attracting foreign-born science and engineering professionals into the region. "The Labs are a talent magnet," according to Brandon Cardwell, Executive Director of i-GATE Innovation Hub in Livermore.

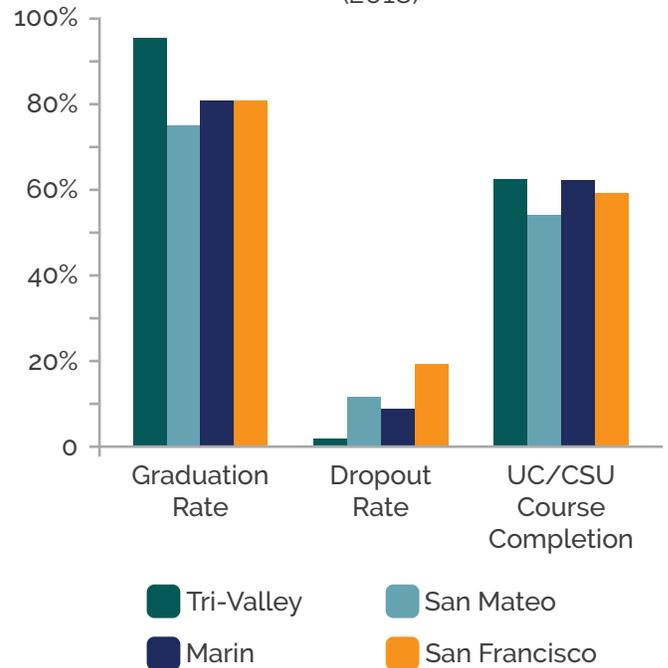
Award-winning public schools continue to be a significant draw. Tri-Valley high schools hold higher graduation rates, lower dropout rates and higher percentage of UC/CSU courses completed than the rest of the Bay Area. 7 of the top 10 public elementary schools in the Bay Area are located in the Tri-Valley, according to the San Francisco Business Times.

The Labs are a talent magnet.

Percentage of Adult Population with a Master's Degree or Higher



High School Graduation, Dropout and UC/CSU Prep Course Completion Rates (2018)



Access to Real Estate

People and businesses are increasingly moving to the Tri-Valley and away from skyrocketing real estate prices in San Francisco and Silicon Valley. Silicon Valley and San Francisco both have experienced net negative migration over the last three years.⁸

Relatively Affordable Real Estate

Residential

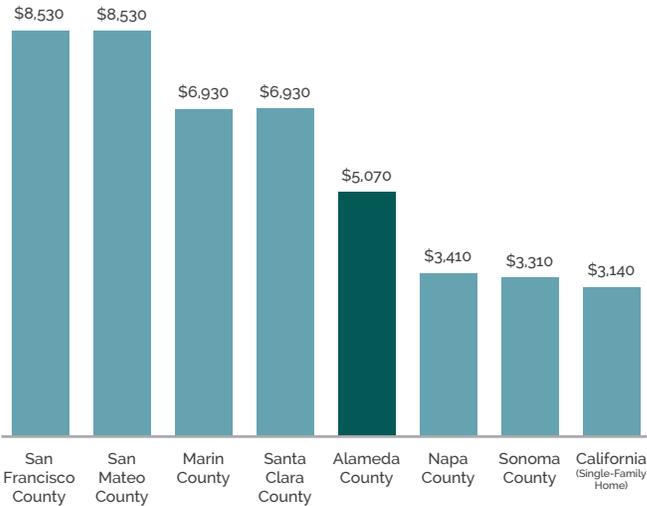
While the cost of housing continued to increase in 2018, residential rents and median home values in the Tri-Valley remained significantly lower than those in other parts of the Bay Area. By the end of 2018, the average asking rent in San Francisco reached upwards of \$3,695, a 55% premium over Alameda and Contra Costa Counties.⁹ For homeowners, monthly housing costs at median house prices were approximately 42% higher in San Francisco and San Mateo Counties than in Alameda County.¹⁰

“Pleasanton is the sweet spot where you get the talent from all across the Bay Area and rents aren’t quite as expensive as San Francisco.”¹¹

Serge Saxonov
 CEO and Co-Founder
 10 Genomics

Monthly Housing Costs at Median House Price

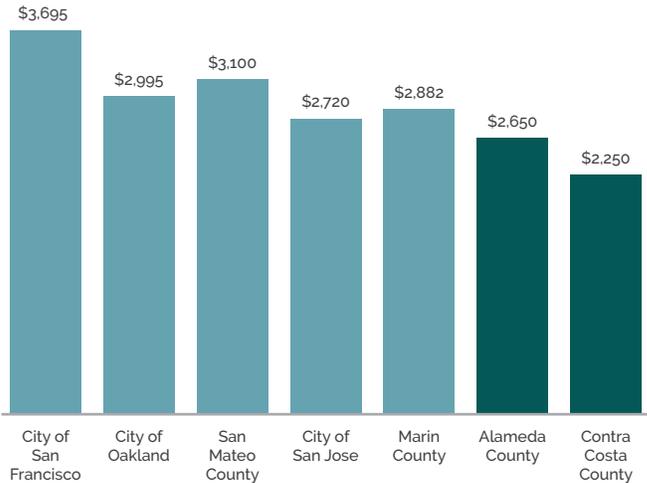
Principal, Interest, Tax, Insurance by County, Q4 2018



Source: California Association of Realtors

Bay Area Residential Rental Rates

Average Asking Rent, Q4 2018



Source: Zillow

Commercial

The relative affordability of commercial real estate is even more dramatic. In 2018, Tri-Valley commercial rents experienced a decrease while all other Bay Area markets increased. San Francisco real estate is, on average, more than 2.5x the price of Tri-Valley real estate.¹² Additionally, San Francisco rates can rise into the \$9-11 per square foot range due to the widely used NNN, or 'triple-net', rental model, making tenants liable for property taxes, insurance premiums and maintenance/repair costs on top of the base rental price. Offices in the Tri-Valley, in contrast, are generally priced as FS, or 'full-service,' making the base price all-inclusive and more business friendly. This results in a potential 400% cost differential between offices in the Tri-Valley and San Francisco.

Commercial Rents by Location

Location	Office Rent	Vacancy Rate
Tri-Valley	\$2.66	10.60%
San Francisco	\$7.66	5.80%
Peninsula	\$5.60	4.30%
San Jose/Silicon Valley	\$4.40	5.10%

San Francisco real estate is, on average, more than **2.5x** the price of Tri-Valley real estate.

2018 Developments

The most notable themes of 2018 in the commercial real estate market was not only the continuation of companies expanding their footprint, but also the acceleration of maturing businesses transitioning from renters to owners through significant real estate purchases. In doing so, Pleasanton Economic Development Director Pam Ott points out that these companies are "making the ultimate financial commitment by buying property in the Tri-Valley."

Purchased Space

Company	Square Feet	City
Patelco	212,000	Dublin
BioRad	101,000	Pleasanton
ZEISS*	11 acres	Dublin

* 430,000 square feet expected on this site.

Leased Space

Company	Square Feet	City
10x Genomics	149,000	Pleasanton
TriNet	110,000	Dublin
Valent USA	96,000	San Ramon
Teleflex/NeoTract	76,500	Pleasanton
Franklin Templeton	54,000	San Ramon
Cooper Companies	50,000	San Ramon
Crown and Castle	37,000	Dublin

Our Tri-Valley Cities

Pleasanton

Pleasanton, with optimal space for technology companies, is home to numerous growing life science companies attracted to the ability to have both administrative and office space next to scientific lab and manufacturing space. High tech and software companies are drawn to the office space and transportation connectivity as well. Workday is near completion of its remarkable 410,000 square foot building, and life science unicorn 10x Genomics is moving from its current 40,000 square foot Koll Center location to 149,000 square feet in Stoneridge. In Hacienda Business Park, Hercules-based life sciences company BioRad shelled out nearly \$25 million to acquire two buildings totalling 101,000 square feet.

Livermore

Livermore is unique in its availability of flex space that is essential for R&D. It draws industry-leading precision manufacturers like Topcon Positioning Systems and Lam Research. With over 17 million square feet of flexible industrial space, Livermore real estate is ideal for companies who want to have their operations and warehouses located near their headquarters. Oaks Logistics Center is home to the largest Bay Area lease with Tesla and several other advanced manufacturing businesses. The Livermore Valley Open Campus, which occupies 110 acres practically on-site at the Laboratories, offers space for companies who are interested in collaborating with Sandia and LLNL.

Dublin

Dublin attracted a number of companies in 2018 seeking Class A office space. In one of the most notable moves of 2018, TriNet Group (NYSE: TNET) moved its headquarters from San Leandro to Dublin, and has already expanded its lease space to over 100,000 square feet.



After nearly a decade, Patelco Credit Union will soon move from Pleasanton to a Dublin property that is over three times the size. The company purchased the \$55 million, 210,000 square foot building at Three Park Place last year. Nearby medical device company Carl Zeiss currently rents their Dublin offices, but has purchased land just down the street and broken ground on the 433,000 square foot Zeiss Innovation Center. This facility is expected to house 1,500 employees and will act as R&D space for the medical device giant.

San Ramon

San Ramon's commercial real estate is almost exclusive to Bishop Ranch Office Park, which is home to more than 500 companies and over nine million square feet of office space across 30 buildings on 585 acres. Significant tenants including GE Capital, Rodan + Fields and SAP. Cooper Companies recently signed a lease in Bishop Ranch and will be moving its headquarters from Pleasanton to the 50,000 square foot space.

We spoke with Josh Hitchcock, SVP and Director of Leasing at Sunset Development Company to learn what is attracting companies to Bishop Ranch: "The Tri-Valley continues to build on its legacy of being a central market and a workforce hub supported by one of the most well-educated and experienced labor pools in the Bay Area," said Josh. "Companies are also starting to think more about where the next generation of employees are going to live and work. As millennials grow older and start families, they want to live in a place that supports and complements their active lifestyle. The Tri-Valley is at the top of the list in terms of overall quality of life, top-ranked school districts, low crime rate and cost of living. And at Bishop Ranch, we continue to grow our amenity base, adding an extra layer of desired services and convenience, which means access to great dining options, fitness facilities,

childcare and medical providers, meeting space and efficient, reliable transportation."

In 2018, City Center Bishop Ranch opened, providing a communal space featuring high-end shopping, dining and entertainment aiming to fill the need of a downtown, which San Ramon had been without since its incorporation in 1983.

"The Tri-Valley continues to build on its legacy of being a central market and a workforce hub supported by one of the most well-educated and experienced labor pools in the Bay Area"

Josh Hitchcock
SVP, Sunset Development Company



Bishop Ranch - San Ramon

Access to an Innovative Ecosystem

Companies in the Tri-Valley benefit from an experienced entrepreneurial community with a history of developing world-changing technologies anchored by two National Laboratories.

The Tri-Valley is home to two world-class National Research Laboratories - Lawrence Livermore National Laboratory (LLNL) and Sandia Laboratory, collectively known as "the Labs." The Labs attract a highly educated demographic to the region and provide an economic benefit as well. Studies by IMPLAN (Impact Analysis for Planning) estimate that every \$1 million in scientific R&D investment yields nearly \$1.9 million in economic output, \$850,000 in labor income and 10 full-time equivalent jobs.¹³ With an annual budget of \$3 billion and over 8,000 employees, the Labs' regional presence is of enormous value to the Tri-Valley.

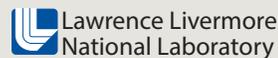
The Labs have made a dramatic transition from "closed doors" to actively pursuing commercial partnerships and technology transfers. Companies from all over the world now partner with LLNL to apply high performance computing to business problems to obtain insight, improve products and increase the effectiveness of operational processes.

LLNL and Sandia have collaborated on a number of initiatives to encourage technology transfer and entrepreneurial innovation. The jointly-run Livermore Valley Open Campus (LVOC) is a research and development area encouraging collaboration between the Labs, large companies and startups.

LLNL and Sandia co-sponsor both the National Laboratory Entrepreneur Academy (NLEA) and a program called LabCorps to give

innovators and entrepreneurs a boot-camp like experience in transferring ideas into application culminating with presentations to investors.

With an annual budget of \$3 billion and over 8,000 employees, the Labs' regional presence is of enormous value to the Tri-Valley.



- 2018 Economic Contribution from Licenses: \$176 million
- License Income: \$5.1 million
- Annual Budget: \$2.1 billion
- Number of employees: 6800, 1300 phds, 2700 scientists engineers
- \$88.7 million in procurement awards to companies in Contra Costa and Alameda counties
- 106 companies with active commercial licenses
- Over \$1.4 billion of products with "LLNL Inside" sold in the past 5 years



- 1428 employees
- 595 commercial licenses
- Annual Budget: \$720 million
- Advanced Degrees: 84% of employees

Inspired by technology coming out of the Labs and the entrepreneurial culture of the Tri-Valley, several groups have formed in the last decade to encourage ongoing collaboration and innovation within the community.



Tri-Valley Ventures (TVV) is the region's first and only dedicated venture capital fund, and provides an organized vehicle for local individuals to invest in, and benefit from, the success of privately-held Tri-Valley companies. Managed by a group of local investors and experienced entrepreneurs, TVV leverages its well-connected network to find the most promising early-stage companies in the Tri-Valley, and fund them early, with the ultimate goal of supporting the Tri-Valley business ecosystem and channelling the proceeds back to the local community.



BRIIA is run by serial entrepreneur Les Schmidt and provides an accelerator program aimed at companies in the artificial intelligence and machine learning space. Since launching in 2017, BRIIA has completed three cohorts of startups and is attracting applications from around the globe. Over half of the companies that graduated from the first cohort have raised more than \$500,000. Companies who join BRIIA receive experienced business mentorship, capital raising guidance, and a feel of natural entrepreneurial collaboration that builds during the program.



i-GATE, is a non-profit innovation hub focused on building a thriving startup community in the Tri-Valley. i-GATE operates the Switch, a regional startup incubator located in downtown Livermore, and organizes events and networking opportunities for local entrepreneurs to connect with resources and each other. Alumni companies out of i-GATE have collectively raised over \$60 million in capital and currently employ over 200 people across the region. In 2017, the Switch added 9,000 square feet of industrial lab space, dubbed Switch Labs, which provides valuable resources to early stage life sciences and hardware tech companies. i-GATE also hosts the NextTech Speaker Series and Startup Tri-Valley groups for entrepreneur mentoring.



Coworking at The Switch

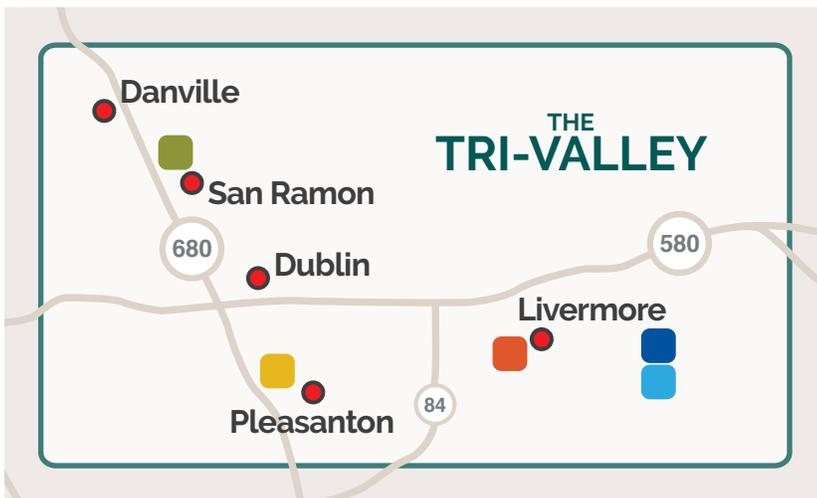


With over 60 partner organizations, 25 board members and 90 committee members, ITV brings together both local community and business leaders to “advance our unique Tri-Valley ecology of innovation and empathy.” CEO Lynn Naylor describes the group’s formation as a result of a collaborative effort between the Labs and businesses, with the goal of creating an “ecosystem of inclusivity.” ITV actively encourages businesses to come to the region, grow here and benefit from the Labs’ research and the region’s high quality of life. ITV leads a host of initiatives to build the region including affordable housing advocacy, STEM education, business-friendly policy initiatives, and organizes annual events showcasing the Tri-Valley’s most innovative companies and organizations.



The Launching Pad is the region’s newest incubator located in San Ramon. They operate 20,000 square feet of office space, available to local startups developing solutions in cleantech, artificial intelligence and healthcare tech. The Launching Pad is backed by a group of China-based companies and investors. Their mission is to create a channel for technology and investment partnerships between groups in China and companies in the Bay Area.

The Local Landscape



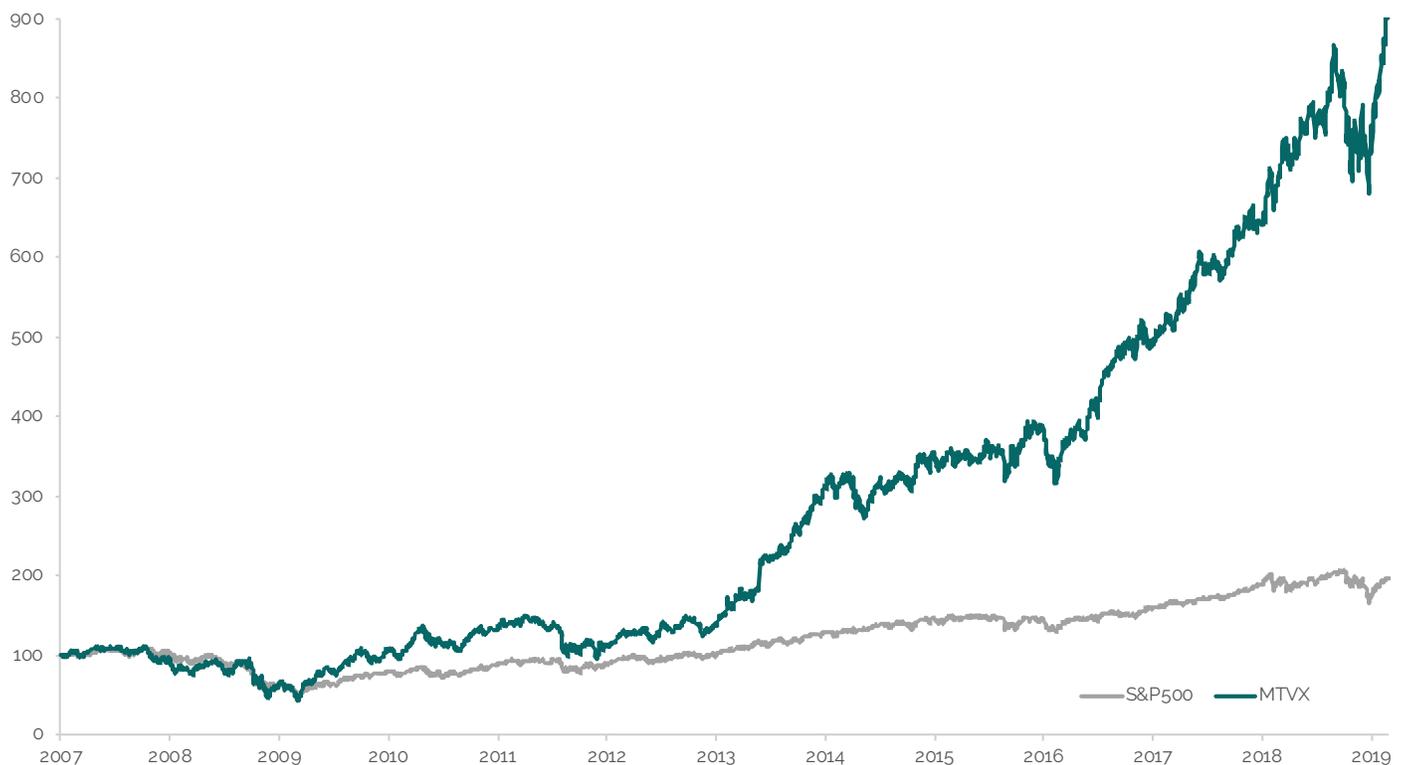
	 Lawrence Livermore National Laboratory	Cutting edge technology transfer
	 TRI-VALLEY VENTURES	Locally sourced venture funding for companies
	 THE SWITCH INNOVATION STARTS HERE Powered by GATE	Collaborative workspace for startups
	 Sandia National Laboratories	Cutting edge technology transfer
	 BRIA	Incubator for AI and Blockchain companies

Tri-Valley Public Companies

Public companies in the Tri-Valley have experienced astonishing levels of success in recent years. Mirador tracks the Tri-Valley's publicly-traded companies through a rules-based index, the Mirador Tri-Valley Index (MTVX). In our analysis, we found that an index of Tri-Valley companies would have, on an annualized basis, outperformed the S&P

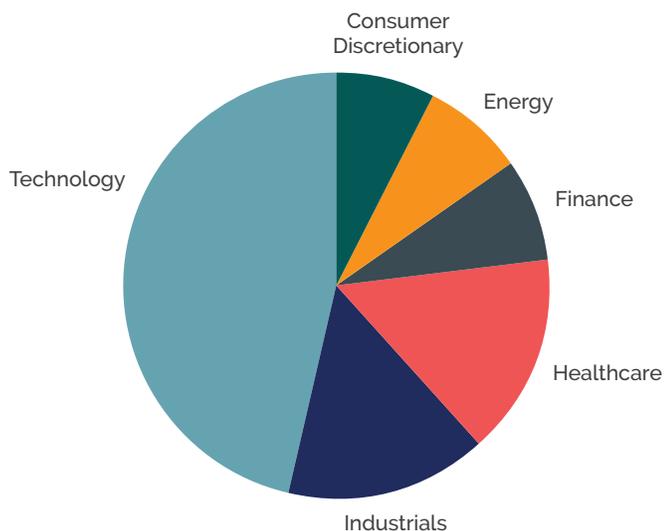
500 by 19% over the last 10 years. This trend continued in 2018, with MTVX exceeding the S&P 500 by 26%. Driving this growth, companies in the index grew top-line sales at an average compounded annual growth rate of over 14%, nearly 9% higher than the S&P 500, and in the process created over \$89 billion in market cap value for shareholders.

Mirador Tri-Valley Index (MTVX) vs. S&P 500



MTVX is comprised of a diverse set of companies, with a concentration in cloud computing but also notable representation of life sciences, energy, retail and advanced manufacturing companies. Performance in recent years has been largely driven by the significant growth of companies in cloud computing and life sciences. Additionally, a record level of merger and acquisition (M&A) activity in 2018 resulted in the acquisition of three MTVX companies and boosted index performance as companies around the world sought to gain strategic advantages from technologies developed in our community.

MTVX Sectors



MTVX Highlights

	2018	Last 3 Years*	Last 5 Years*	Last 10 Years*
MTVX	20%	34%	24%	25%
S&P 500	-6%	15%	9%	7%

*as of 3/31/19

Largest Increase in Market Value 2016-2018

Ross Stores (Nasdaq: ROST)	\$37.0B
Workday (Nasdaq: WDAY)	\$24.1B
Chevron (NYSE: CVX)	\$20.8B

Largest Increase in Share Price 2016-2018

Fiveg (Nasdaq: FIVN)	402.5%
Veeva (NYSE: VEEV)	209.6%
McGrath Rent Corp (Nasdaq: MGRC)	104.4%

MTVX companies have been recognized not only by large acquirers but also media outlets and leading industry consultants. Most notably...

- Workday was ranked #7 Best Company to Work For (Fortune 100, 2018) & #2 Most Innovative Company of 2018 (Forbes, 2018)
- Veeva was ranked 2nd Fastest Growing Enterprise Software Company (Fortune 100, 2018)
- Cooper Companies was ranked #8 Best Small Business Workplace in the Bay Area (Bay Area News Group, 2018)
- Fiveg was identified as a Market Leader for Contact Center as a Service (Gartner Magic Quadrant, 2018)

MTVX Spotlight: Veeva Systems (NYSE: VEEV)

For many early stage cloud companies the go to market approach is focused on gaining market share at any cost, driving the need for material capital infusions from investors and with little regard to profitability or an operating model that mimics a stable business. This wasn't the approach Peter Gasner took when he started Veeva. Founded in 2007 off of a small amount of angel funding, Veeva's only VC investment was a \$4 million Seed round in 2008. Today, Veeva has a \$17 billion market cap, generates \$860 million in annual revenue, employs over 2,500 workers and was recently ranked the 2nd Fastest Growing Enterprise Software Company of 2018 by Fortune Magazine. By many metrics Veeva is the top technology platform provider for the life science industry.

For Veeva, the goal was always to build a sustainable company for the long haul and capital efficiency became a core business value. We spoke with CFO Tim Cabral about what that really meant:



Tim Cabral
CFO

Veeva's only VC investment was a \$4 million Seed round in 2008. Today, Veeva has a \$17 billion market cap.

Q: Veeva is a high flying technology company, and at the same time extremely profitable even from the very beginning. What's the secret?

1) Product Excellence and Pricing Discipline: "One of our primary values we manage the company by is customer success. We felt like the best way to optimize around customer success was to build the best product in the market and continue to innovate over time – always striving for product excellence. With that approach, we're very disciplined on pricing. We think about the different customer segments in our market and are disciplined to have consistent peer pricing. For companies that are less disciplined, I think there is a potential impact to their operating model over time."

2) Discipline in Professional Services: "We built our professional services team with the intent of it being a standalone business that needed to drive an appropriate level of margin. For many software companies, services are a loss leader, or breakeven at best, because they may give it away just to help with the software deal. We think about customer success and understand that both our products and people are important to our customers. Therefore, we

are able to maintain a 20-30% gross margin on the services we deliver went a long way in terms of capital efficiency in our early stage."

3) Targeted Go-to-Market Approach: "We focus on a single industry and that has afforded us the opportunity to be very capital efficient especially in our sales & marketing approach. For example when we launch a new product, we focus our efforts on a few early adopters. If we do well with our early adopters and can enable their success, they will tell the rest of their industry which will in turn drive our success. We aren't out trying to maximize the number of new logos in the early adopter stage, we focus on early customer success."

Q: Why the Tri-Valley?

To Veeva, the Tri-Valley has been a vital component of their success. "Pleasanton has definitely been a great place for Veeva. Since the beginning, the Tri-Valley has been our home. We've been able to grow the company after buying the building for our corporate headquarters which has enabled us to proliferate a very strong and evident culture at Veeva. There's a great talent pool here and because of our location we face a little less competition than I imagine our competitors in San Francisco or the Peninsula do.

Veeva Systems (NYSE:VEEV) is one of the companies held in the Mirador Tri-Valley Index (MTVX). Stock price is up 72% over the last twelve months and 268% over a two year period. For Q4 2018, top-line revenue was \$232 million which generated \$67 million of EBITDA, representing 26% and 73% year-on-year growth, respectively. The company recently noted that it would be reaching the \$1 billion annual revenue mark ahead of schedule.

"We've been able to grow the company after buying the building for our corporate headquarters which has enabled us to proliferate a very strong and evident culture at Veeva."

Tim Cabral, CFO

Spotlight: TriNet Relocates Headquarters to the Tri-Valley

TriNet, which was founded in 1988, went through private equity ownership by General Atlantic and completed eight acquisitions before going public in 2014 at a \$1 billion valuation. It has more than tripled in size over the last five years with a current market capitalization of \$3.5 billion. CEO Burton Goldfield attributes the company's success to two key factors: "the large addressable market, where 27 million people go to work every day in our SMB target market and a radically different [go-to-market] approach compared to our competitors." TriNet tailors its platform to various industry verticals. The company was initially focused on software tech companies, but has since branched out with vertical platforms for the financial services, non-profit, life science and other industries. "We believe that understanding the industries we serve is necessary to provide tailored HR services for our customers and we've been highly successful and grown over time because of the value of our offerings."



Burton Goldfield
CEO

TriNet's move to the Tri-Valley was driven by access to talent and intentional focus on enhancing corporate culture.

Mirador: What drove you to move your headquarters to the Tri-Valley?

Burton: It is all about our people and having access to great talent. TriNet is a \$3.5 billion publicly traded company that provides extraordinary HR expertise tailored to thousands of SMBs throughout a wide range of industries across the US. As we continue to grow we need access to top talent. We also have an opportunity to present a more balanced lifestyle for our employees and prospective employees. We saw a unique opportunity moving to Dublin, with great access to public transportation, retail and recreation. Additionally, we have a strong company culture that is at the heart of everything we do. We consolidated multiple locations and brought them together under one roof in our new Dublin headquarters.

Mirador: Have you noticed any competitive advantages since the move?

Burton: I am pleased with the talent we have attracted in the Tri-Valley area and believe there is potential for additional talent as we continue to grow. I look at the thousands of people that stand on the Dublin BART platform every day, headed to San Francisco, and see an opportunity for them to work locally without ever leaving their hometown.

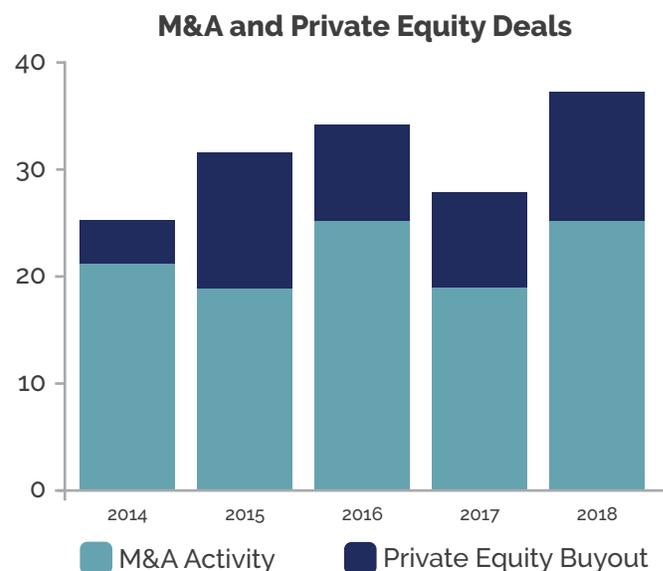
2019 year-to-date, shares of TriNet are up roughly 45%, and the company is well positioned for growth. "The opportunity to give SMBs additional technology, great service and benefits will only grow over the next 10 years."

MTVX Companies are Increasingly Targets for M&A

Since the beginning of 2018, three MTVX companies have been acquired at share prices near or above their all-time highs. Despite a turbulent year for stocks, these companies managed to retain their value in the eyes of acquirers. The composition of buyers also tells an interesting story - Silver Lake and Thoma Bravo are both world-renowned private equity groups, and SAP is a global powerhouse in the enterprise software industry. These are highly experienced buyers and their willingness to make purchases at significant price premiums speaks volumes to the quality of the companies in the Tri-Valley.

Merger and acquisition (M&A) activity is on the rise. Since the beginning of 2018 there have been 43 change-of-control transactions. Over the past several years, most M&A activity has been driven by corporate strategics with only 25% of acquisitions completed by private equity firms, although half of the deals in 2019 to date have been private equity buyouts. The constant interest from both groups says a lot about the quality of companies in the region -the technologies and products developed are valuable and have potential for additional growth.

In 2018, three public Tri-Valley companies were acquired at significant premiums.



Notable MTVX M&A

Date	MTVX Company	Implied Valuation	Buyer	Acquisition Share Price	Premium to Share Price		Implied EV/ Revenue
					1-day Prior	Average 30-Day Prior	
Jan. 2018	Blackhawk Network (Nasdaq: HAWK)	\$3.5B	Silver Lake Management	\$45.25	24%	29.30%	1.4x
Jan. 2018	Callidus Cloud (Nasdaq: CALD)	\$2.4B	SAP SE	\$36.00	10.10%	20.30%	8.9x
Feb. 2019	Ellie Mae (NYSE: ELLI)	\$3.7B	Thoma Bravo	\$99.00	20.80%	37.20%	7.8x

A Sizable Advanced Manufacturing Deal Slips by Unnoticed



Deals involving publicly-traded companies tend to receive the most media attention. One significant private transaction that didn't garner the attention it deserved was the purchase of Boyd Corporation by Goldman Sachs. Boyd Corp is a Pleasanton-based company founded in 1928 that has since grown to become a world-leading provider of thermal management and environmental sealing advanced manufacturing solutions, with 28 locations worldwide. 2018 revenue is estimated to be north of \$1 billion. Boyd Corp was acquired by Goldman Sachs Merchant Banking from its previous private equity owner, Genstar Capital, in July 2018.

Other Notable M&A Activity

Year	Company	Deal Size	Private Equity Buyer	City	Industry
2018	Gatan International	\$935M	Thermo Fisher Scientific (NYSE: TMO)	Pleasanton	Life Sciences
2018	Covance Food Solutions	\$670M	Eurofins Scientific (EPA: ERF)	Livermore	Laboratory Services
2018	Evident.IO	\$300M	Palo Alto Networks (NYSE: PANW)	Pleasanton	Software Services
2018	SteadyMed Therapeutics	\$216M	United Therapeutics (NAS: UTHR)	San Ramon	Pharma/Therapeutics
2018	HealthTell	-	China Bride Capital	San Ramon	Life Sciences
2018	BOYD Corporation	-	Goldman Sachs Merchant Banking	Pleasanton	Advanced Manufacturing
2018	HA Logistics	-	Comvest Partners	Pleasanton	Shipping & Logistics
2018	ServiceMax	-	Silver Lake Management	Pleasanton	Software
2018	Security Alarm Financing Corporation	-	AAA Northern California	San Ramon	Security Systems & Services
2017	Consolidated Engineering Labs	-	Bernhard Capital Partners	San Ramon	Engineering Services
2016	Aero Precision Industries	\$117M	Odyssey Investment Partners	Livermore	Advanced Manufacturing

Silver Lake Takes Two Bites in the Tri-Valley - Public Companies in the Making?

Silver Lake Management, one of the largest technology investors in the world, has been especially active in the Tri-Valley, acquiring both ServiceMax and Blackhawk Network Holdings in 2018. Based on the size and stage of these companies, combined with Silver Lake's long track record of successful public outcomes (Broadcom, NXP, Dell, SolarWinds), we would not be surprised to see both ServiceMax and Blackhawk make an appearance in public markets over the next few years.



Blackhawk Network Holdings was originally formed as a subsidiary under Safeway in 2001 as a channel to sell gift cards in its grocery stores. In 2013, the subsidiary reached nearly \$1 billion in revenue and held an IPO. Shortly after, Safeway released all ownership and Blackhawk Network became an independent entity. Today the company is one of the top gift card processors in the world, operating in over 240,000 retail and online locations. Silver Lake acquired the business in January 2018 for \$45/share, a 29% premium over the previous 90-day average share price, implying a \$3.5 billion valuation.



ServiceMax provides cloud-based field-service management software for enterprises to better manage their off-site technicians and service repair schedules. The company was founded in 2007 and by 2016 had raised \$200 million in funding from firms like Kleiner Perkins, Mayfield Fund and Salesforce. We estimate the annual revenue at that time to be around \$60 million. GE Digital quickly acquired the business for \$915 million in January 2016. At the time, GE was in the midst of a massive digital transformation and saw ServiceMax as the key service component to its vision for an 'Industrial Internet.' Unfortunately, that vision never reached fruition and a year later GE was forced to divest many of its assets. In December 2018, ServiceMax was carved-out by Silver Lake for an undisclosed amount, with GE retaining 10% minority ownership.

On February 26, 2019, less than 80 days after the carve-out, ServiceMax announced their acquisition of Zinc, a field service mobile communications platform built on Salesforce. Interestingly Stacey Epstein, CEO of Zinc, was also the former CMO of ServiceMax from 2009 to 2014, and the two companies have had a long history of business partnerships. It is clear, Silver Lake is not wasting any time taking ServiceMax to the next level.

Venture Capital in the Tri-Valley

The venture investment environment in the Tri-Valley is the strongest it has ever been. With over 270 venture-backed companies and \$1.8 billion in venture capital invested over the last five years, there is tangible transformation of ideas and new technology into valuable products and services. Since 2016, more than 220 investment groups have invested a combined \$1.4 billion into Tri-Valley companies. In 2018, Tri-Valley companies raised a record \$589 million, a 30% increase from 2017 and nearly a 70% increase from 2016. The growth in 2018 was largely due to a spike in early-stage investments. Early-stage companies raised \$250 million in 2018, more than double the amount raised in 2017. Median deal size has grown in the Tri-Valley over the last five years, increasing from \$2.1 million in 2013 to \$6.9 million in 2018.

Venture deals in the Tri-Valley are consistently distributed across earliest stages of funding and follow-on rounds, indicating that companies starting here are successfully growing, staying here and receiving increasing levels of investments.

Recently, investment capital has been heavily centered around life science and technology companies. Since 2016, software technology companies raised a total of \$587 million, laboratory devices companies - \$230 million, and medical device companies - \$238 million.

2018 Capital Raised:

\$589 million
across **31** companies

2018 Median deal Size:

\$6.9 million

In the past two years:

220 investment
groups have invested
more than **\$1.4**
billion in Tri-Valley
companies

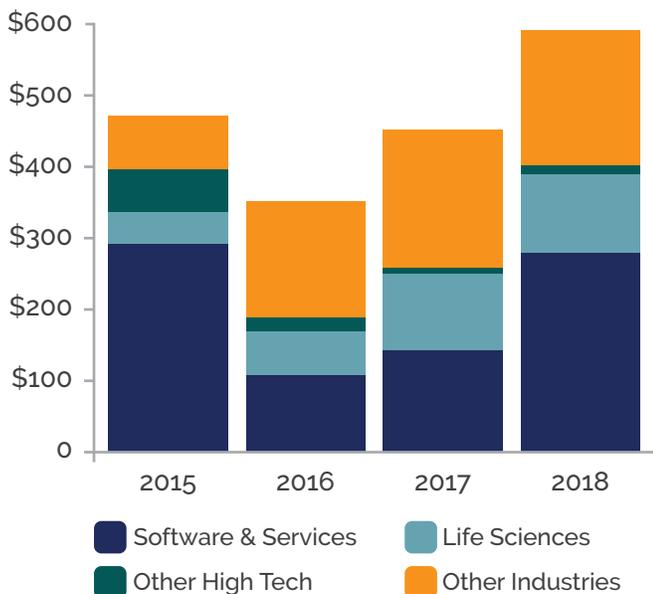
Tri-Valley startups have raised capital from prominent venture groups like Kleiner Perkins, SoftBank and Venrock, corporate strategics like Aptiv (NYSE: APTV), Stripe and Guidewire (NYSE: GWRE), corporate venture groups like Google Ventures, Intel Capital and Airbus Ventures, as well as international groups from Canada, China and the Middle East. The most active investment group was Pleasanton-based Tri-Valley Ventures who made investments into eight early-stage companies.

Tri-Valley Ventures' Managing Partner, Greg Hitchan, believes that the record investment activity of 2018 will only continue to grow. "There are a lot early and mid-stage startups that are on track to either raise a meaningfully large round or even reach a successful exit within the next couple years. We saw a few already like 10x [Genomics] and AEye, but

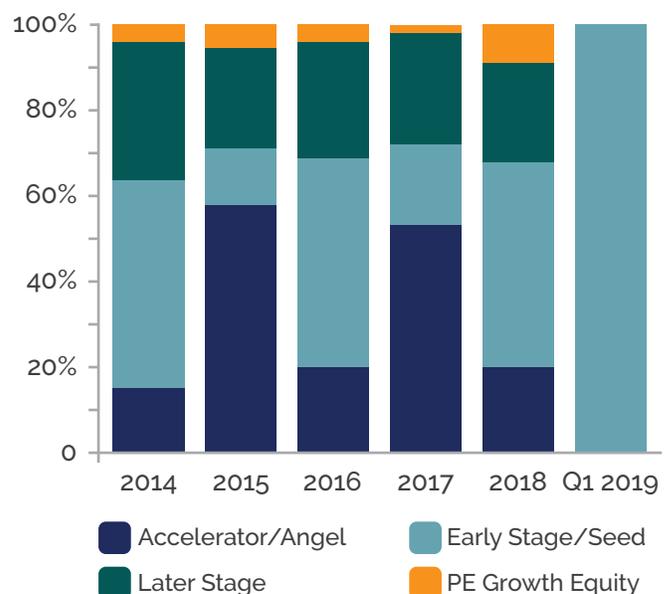
there's definitely more in the pipeline. At the early stage where we mostly play, when we talk with entrepreneurs, I see first-hand that more and more of them are choosing to start their business in the Tri-Valley. It's not having to commute two hours each way, the cheaper rent, the availability of senior-level talent around the area. It's starting to make a real difference."

More companies in the region means more investments being made. Tri-Valley Ventures recently announced that they'll be raising their second fund to continue investing in Tri-Valley companies. "There is no shortage of promising companies in this area and I think that's pretty clear from how quickly and successfully we were able to deploy our first fund. We've invested in some, want to continue investing in a lot of them, and we know there's many more out there that could use our help. "

Private Investments by Sector
(\$M)

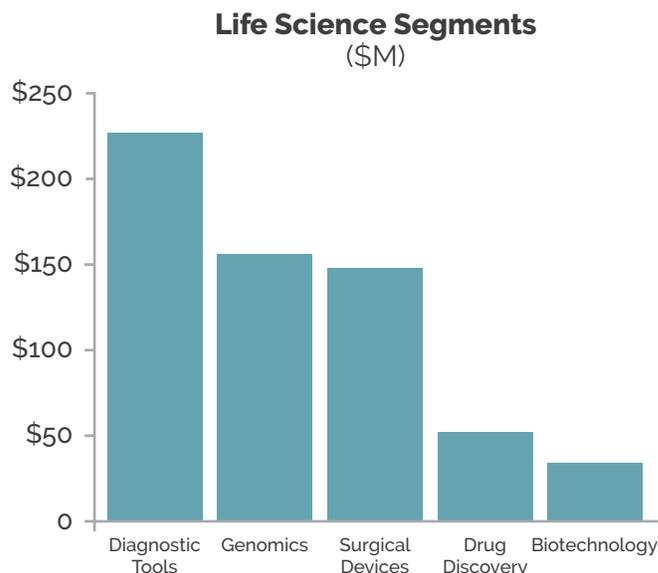


Venture Deals by Stage



Thriving Sectors: Life Sciences

Life science and cloud software companies have consistently attracted the majority of venture capital investments in the last ten years and continued to do so in 2018. Over 30% of capital raised since 2016 has gone to life science companies, with over 20 companies raising more than \$555 million. The majority of this capital was devoted to a few later-staged companies, although many earlier staged companies received funding as well, with 22 deals rounds of funding raised in amounts less than \$25 million. Within Life Sciences, the Tri-Valley fosters exceptional companies in the device space, benefiting from accommodative real estate and a diverse talent pool required as they grow. 98% of life science deals in 2018 were in the medical device space.



Notable Life Science Investments

Year	Tri-Valley Company	Deal Size	Stage	Brief	City
2018	10x Genomics	\$50M+Debt	Series D	Genomics platform	Pleasanton
2018	BioClin (Rainier Therapeutics)	\$50M	Series B	Drug discover	San Ramon
2018	Providence Medical Tech	\$25M	Late Stage	Cervical spine surgical device	Pleasanton
2018	Unchained Labs	\$17M	Series D	Laboratory instruments	Pleasanton
2018	SafeTraces	\$10M	Series A	Edible barcode technology	Pleasanton
2017	Ankon Medical Tech	\$100M	Late Stage	Gastric diagnostic device	Pleasanton
2017	Purigen Biosystems	\$21M	Series A	DNA sample prep	Pleasanton
2017	POC Medical Systems	\$21M	Series A	Point-of-care cancer diagnostics	Livermore
2016	HealthTell	\$26M	Series B	Immune profiling	San Ramon
2016	Spirosure	\$18M	Series C	Breath-analysis disease diagnostics	Pleasanton

Spotlight: 10x Genomics - The Tri-Valley's Newest Unicorn

One of the of the highest profile life science deals of 2018 was made in a Tri-Valley company. In October 2018, 10x Genomics raised a \$125 million Series D round at a \$1.3 billion valuation with investments from Meritech Capital Partners, Wells Fargo, SoftBank and others. The company generates over \$100 million in annual revenue developing both software and hardware tools for single-cell genomics researchers. Its product suite includes laboratory tools for gene expression, immune profiling, clonal evolution, genome sequencing, exome sequencing, diploid genome assembly and more. "As a company, we've seen tremendous growth and expansion in the last year," said Serge Saxonov, CEO and Co-Founder. "We've released new products, announced new facilities, and welcomed two incredible companies to the 10x team. Today's funding announcement will allow us to continue with this momentum into 2019 as we scale 10x to become a company that impacts billions of lives around the world."

For 10x Genomics, being in the Tri-Valley works. "Pleasanton is the sweet spot where you get the talent from all across the Bay Area and rents aren't quite as expensive as San Francisco." The company is currently expanding from a 40,000 square foot facility to one with over 150,000 square feet, and plans to hire 200 additional employees over the upcoming months. With valuations more than tripling over the past three years and revenue accelerating, it's possible that we could see the company go public later in 2019.



Serge Saxonov
Co-Founder
& CEO

10x Genomics Capital History

Date	Funding	Type
Oct. 2012	\$4.7M	Seed
May 2013	\$1.4M	Debt
Oct. 2013	\$22.4M	Series A
Dec. 2014	\$55.5M	Series B
Mar. 2016	\$75M	Series C
Oct. 2018	\$35M	Series D1
Jan. 2019	\$125M	Series D

Spotlight: S2 Genomics

S2 Genomics Paves the Way for Future Single Cell Genomics Research - A Brief with Stevan Jovanovich, Founder & CEO

S2 Genomics has developed a tissue sample preparation system to process solid tissues into single cells and nuclei for Next Generation Sequencing. S2 simplifies the complexities of preparing single cell and single nuclei suspensions. The system uses tissue-specific protocols and reagent sets for generating single cells and a universal protocol and reagent set for generating single nuclei. This effectively lays the foundation for standardized research around single cell genomics. S2 currently has early prototype systems and is installing them at some of the top genomics research centers across the world.

Stevan Jovanovich, Ph.D. founded this company in 2016. His previous company, IntegenX, was acquired by Thermo Fisher (NYSE: TMO) in 2018. "Single cell genomics is the equivalent of getting down to the atomic level. It's growing very rapidly now but is hampered by sample preparation issues. We have a system, it works, it's sequence verified, and so it's an exciting time for S2 Genomics."

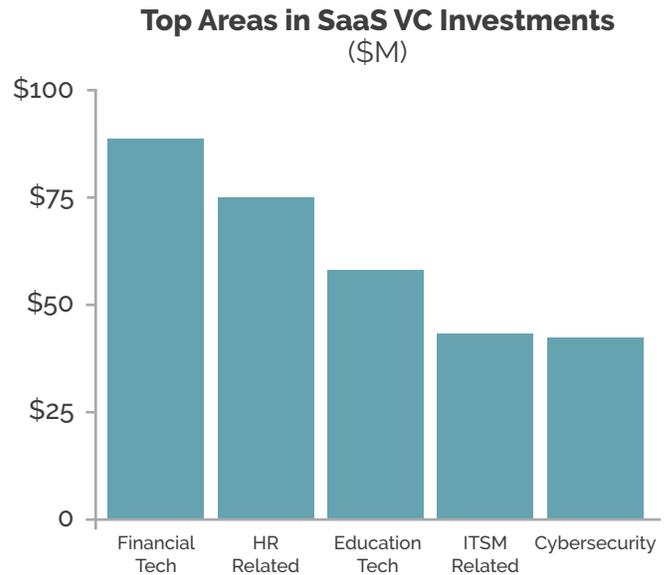
Being in the Tri-Valley - "We actually started IntegenX in Fremont but moved to Dublin after a year since several of us live in the Tri-Valley. So naturally, that's where we started S2. At one point [IntegenX] had over 175 employees. With the two National Labs right here, and being in good commuting distance from the Central Valley and Bay Area, it was pretty easy to hire the right people, many of whom live the Tri-Valley and were thrilled to eliminate the long commute down to Silicon Valley."

"With the two National Labs right here, and being in good commuting distance from the Central Valley and Bay Area, it was pretty easy to hire the right people"

Stevan Jovanovich, Founder & CEO

Thriving Sectors: SaaS

Another dominant Tri-Valley sector, Cloud or Software as a Service (SaaS) companies have raised over \$518 million since 2016. Growth-equity and private equity groups were highly active in 2018 and were responsible for the majority of large investment deals. Guidepost Growth Equity invested \$68 million into HR training provider ThinkHR, FTV Capital invested \$63 million into salon/ spa software provider Vagaro and Goldman Sachs invested \$40 million into enterprise incident response platform provider xMatters.



Notable SaaS Investments

Year	Tri-Valley Company	Deal Size (\$M)	Stage	Brief	City
2018	ThinkHR	\$68M	PE Growth	HR and compliance software platform	Pleasanton
2018	Vagaro	\$63M	PE Growth	Salon & spa business management platform	Dublin
2018	xMatters	\$40M	PE Growth	Enterprise incident response platform	San Ramon
2018	Lambda School	\$30M	Series B	Computer science training	San Ramon
2018	Tekion	\$22M	Series A	Automotive retail platform	San Ramon
2017	Trōv	\$45M	Series D	On-demand insurance platform	Danville
2017	rfXcel	\$30M	PE Growth	Supply chain tracking services	San Ramon
2017	Evident.IO	\$22M	Series C	Public cloud cybersecurity	Pleasanton
2016	IronPlanet	\$18M	Series E	Heavy equipment e-commerce	Pleasanton

Spotlight: Lambda School Puts Students First

A Brief with Ben Nelson Co-Founder & CTO



Lambda School is disrupting the way in which people learn and pay for their education. Students looking to start careers into the software industry attend a nine month, full-time course taught through live, online classes. Rather than pay for the course upfront, students pay a capped percentage of their salary from the next software-related job they land. "We wanted to create an environment where if you are competent, disciplined and committed, you could succeed regardless of your financial background," explained Ben. The company is headquartered in Pleasanton and has over 1,000 currently active students on its platform.



Ben Nelson
CTO

The company was a graduate out of Y Combinator in 2017, and has since raised over \$40 million from formidable investors including Google Ventures, Stripe and Bedrock. Unlike other 'coding bootcamps' that are saturating the market, Lambda School's success is aligned with the students. "The single most important metric for us is not the grade nor the graduation, it's making sure [the student] gets a job. Our model makes us super aligned. The last month of our course is actually a structured job search and we keep helping them even after the program until they get one."

Lambda School will be expanding its platform to support 3,000 concurrent students over the next few months. The end goal is to modernize traditional education. "We think we can perfect the online delivery of education. Once we can do that, we can start looking at other topics outside of just IT."

Quick Facts

Program Length: 9 months

Students: 1,000+

Funding: Over \$40M

HQ: Pleasanton

Lambda School Capital History

Date	Funding	Type
Aug. 2017	\$120k	Incubator
Oct. 2017	\$4M	Seed
Oct. 2018	\$14M	Series A
Dec. 2018	\$30M	Series B

Software Spotlight: Evident.IO

Evident.IO Exits for \$300 million Just 5 Years After Inception - A Brief with Tim Prendergast, Founder



Evident.IO provided public cloud infrastructure security tools for Amazon Web Services (AWS) and had over 200 clients including Adobe, Airbnb, Capital One, Starbucks and SONY at the time it was acquired by Palo Alto Networks (NYSE: PANW) for \$300 million in 2017. Starting with a \$1.5 million Seed investment from True Ventures, they grew quickly and within four years had raised over \$49 million from top tech investors like Google Ventures, Venrock and Bain Capital. As part of their Series C, they also raised money from In-Q-Tel, the official VC arm of the Central Intelligence Agency (CIA). We spoke with Tim Prendergast, the Founder of Evident.IO and current Chief Cloud Officer at Palo Alto Networks, about building his company in the Tri-Valley:

Tim isn't the typical Stanford graduate, Silicon Valley tech entrepreneur you would normally meet. "I was raised in a town in Arizona so small that the sheriff was the butcher. Literally. Technology wasn't a thing where I grew up." One day his father bought him an Apple II computer "because naturally you can't have a red head running around under the sun all day," and it changed his life. He started off teaching himself basic lines of code but quickly graduated to hacking. "I always liked figuring out how things worked and pushing the boundaries a bit." Two years into pursuing a degree in Microbiology at ASU he dropped out to pursue his love for coding and a career in Silicon Valley. Over the next 10 years, Tim worked at multiple cybersecurity companies,

learning what he could from one and moving on to the next, and in 2011 found himself as the lead Architect for Adobe's cloud platform. "That was really the beginning of the cloud. Before then no one had even heard of AWS, but I knew that it was the future. In the past, everyone had disparate systems and security really needed to be tailored. I realized very quickly that the cloud was an equalizer. If everyone moved to the cloud, then everyone's system was going to be the same and everyone would be facing the same problems. There needed to be a security platform that could monitor the cloud and, most importantly, do it in real-time." When Tim left Adobe to start Evident.IO in

Quick Facts

Clients: Airbnb, Capital One, Starbucks, Sony

Acquired for: \$300M

Tri-Valley Appeal: Low Rents

Tim Prendergast
Founder



2013, he insisted that the company be located in Dublin. "I actually had to fight my board who wanted it in San Francisco or the South Bay. They didn't think it was possible to build a business here, but I really wanted to create an opportunity for people to have a fulfilling job close to home." We asked Tim the benefits to building a business in the Tri-Valley. For him, it boiled down to one thing - improving the quality of life for his employees. "No matter where you live in the Bay Area, you can get to the Tri-Valley in less time than wherever else you were commuting to."

"Our secret sauce was a life beyond just work. We hired a lot of people who were at big tech companies [in Silicon Valley] and just living an empty shell of a life. They leave home before their kids get up and get back only to kiss them goodnight, largely because they're stuck in traffic all day. We told them, 'You can make the same amount of money and get three hours back in your day.' To them the added work-life balance was like a 20% bonus. It was such an easy sell and after a while of working with us, you could just see the life come back into their eyes." Tim also believes that the better work-life balance made his employees more engaged on the job. "There is no defensible asset in technology, it's all just code. So the most important thing for any software company is the people. Being able to give your employees that work-life balance, they come to work passionate and energized every day."

More affordable office space was a significant benefit as well. "We had taken up a 9,000 square foot office in Dublin and I was paying a ridiculously low amount compared to Silicon Valley standards. I remember the first time I showed my board how low our monthly rent was. They were shocked, they thought it was weekly rate."

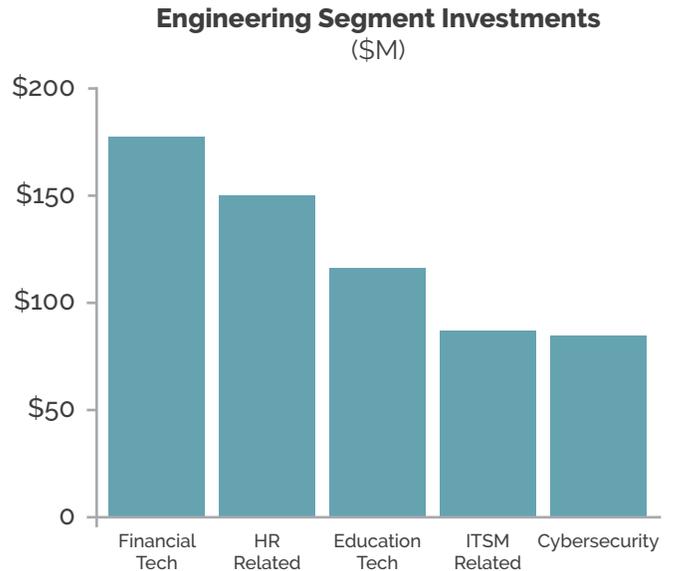
On March 14, 2018, Evident.IO announced their sale to the cybersecurity powerhouse Palo Alto Networks (NYSE: PANW) for \$300 million in cash. Tim negotiated the deal himself.

Evident.IO Capital History

Date	Funding	Type
Sep. 2013	\$1.5M	Seed
Nov. 2014	\$9.85M	Series A
Apr. 2016	\$15.7M	Series B
Feb. 2017	\$22M	Series C
Mar. 2018	\$300M	Acquisition

Thriving Sectors: High Tech Science and Engineering

The Tri-Valley is home to a host of high tech science and engineering companies outside of life science and cloud sectors. Since 2016, these high tech companies have raised more than \$287 million in private capital. As these companies grow, we expect the investments in this segment to follow.



Notable Sciences Investments

Year	Tri-Valley Company	Deal Size	Stage	Brief	City
2018	AEye	\$40M	Series B	LiDAR autonomous vehicle platform	Pleasanton
2018	PowerSphyr	\$15M	Series A	Wireless power charging	Danville
2017	Fulcrum BioEnergy	\$51M	Late Stage	Solid waste to fuel conversion	Pleasanton
2017	Nautilus Data Technologies	\$26M	Series C	Water-cooled data centers	Pleasanton
2017	Reterro	\$8M	Series B	Green soil remediation	Livermore
2017	Deep Sentinel	\$7M	Series A	AI-enabled home security system	Pleasanton

Science & Technology Spotlight: Boris Kobrin

Boris Kobrin Starts His 2nd Tri-Valley Company to Reinvent Glass

We spoke with multi-time founder Boris Kobrin, Ph.D. about why he chose the Tri-Valley as home to two of his businesses. Boris founded his first company Applied Microstructures in 2003 and headquartered it in San Jose. The company pioneered Molecular Vapor Deposition, a process in which ultra-thin films are layered to provide a protective layer for MEMS devices. His other two co-founders were from Silicon Valley so he felt he had no choice at the time. "I commuted 45 minutes in the morning and sometimes 1.5 hours at night for years. It was a horrible feeling." The company was sold to SPTS Technologies in 2016.

In 2008, he started his second company, Rolith, which developed proprietary nanolithography technology, and headquartered it in Pleasanton. "The second time I did it locally and I've managed to cut my commute down to seven minutes each way." The reverse commute allowed him to hire a number of senior technologists who lived in Silicon Valley. "We hired a number of people from Berkeley, Palo Alto even Texas. After a while many of them even ended up relocating [to the Tri-Valley]." The company raised \$5 million from overseas partners and VCs and later sold to Metamaterial Technologies in 2016.

After the sale Boris, along with his previous co-founder Julian Zegelman, immediately started his third company Innovasonic, again in the Tri-Valley. This time, Boris is developing next-generation ultrasonic glass technology to enable point-based self-cleaning glass. He believes this technology could have disruptive applications across the solar, autonomous vehicle and haptic display industries. "We're developing a technology that will enable many of the smart materials and smart devices of the future whether that be solar panels that can clean themselves, electronic displays that you can actually feel, smart windows. You are going to see this technology everywhere."

Innovasonic is currently fundraising for series Seed capital. The company has secured a significant portion from strategic investors and is in partnership talks with leading glass manufacturers.

Boris Kobrin
Ph.D.



Conclusion



At Mirador Capital Partners, we believe that the Tri-Valley is a region primed for decades of continued growth and sustainable success. With the fundamental advantages the area has in education, access to technology and relative affordability for a uniquely talented workforce, the Tri-Valley will continue to nurture innovative companies, particularly in the SaaS and Life Sciences sectors.

The experiences of Lambda, 10x Genomics, Veeva, Evident.io and the many others we've discussed are only a small sampling of the successful businesses thriving in our own backyard. For those of us that live here, we have front row seats to what happens when you mix top talent, cutting-edge technologies and new sources of capital.

We are proud to be a part of this incredible ecosystem and we value the opportunity to research and invest in its growth.

Important Disclosures

The analyses and conclusions of Mirador Capital Partners, LP ("Mirador") contained in this presentation are based on publicly available information. Mirador recognizes that there may be nonpublic information in the possession of the companies discussed in this presentation that could lead these companies and others to disagree with Mirador's analyses, conclusions and opinions. This presentation and the information contained herein is not investment advice or a recommendation or solicitation to buy or sell any securities. All investments involve risk, including the loss of principal. The analyses provided may include certain forward-looking statements, estimates and projections prepared with respect to, among other things, the historical and anticipated operating performance of the companies discussed in this presentation, access to capital markets, market conditions and the values of assets and liabilities. Such statements, estimates, and projections reflect various assumptions by Mirador concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and contingencies and have been included solely for illustrative purposes. No representations, express or implied, are made as to the accuracy or completeness of such statements, estimates or projections or with respect to any other materials herein and Mirador disclaims any liability with respect thereto.

Actual results may vary materially from the estimates and projected results contained herein. The information contained in this presentation may not contain all of the information required in order to evaluate the value of the companies discussed in this presentation. The opinions, analyses, conclusions and proposals presented herein represent the views of Mirador and not those of any third party. It is possible that there will be developments in the future that cause Mirador to change its position regarding these companies. Mirador hereby disclaims any duty to provide any updates or changes to the analyses contained here including, without limitation, the manner or type of any Mirador investment.

Mirador Capital Partners, LP is an SEC-registered Investment Adviser. This presentation is solely for informational purposes. Advisory services are only offered to clients or prospective clients where Mirador and its representatives are properly licensed or exempt from licensure. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Mirador unless a client service agreement is in place.

Endnotes

1. As of 12/31/18. Index of Tri-Valley companies as tracked through the Mirador Tri-Valley Index (MTVX) compared to S&P 500 index. Returns are price returns. Not all companies in index would have outperformed on standalone basis. Past performance is not an indicator of future success.
2. State of California Department of Finance. E-1 Population Estimates for Cities, Counties, and the State - January 1, 2017 and 2017, May 2018.
3. As measured by the Mirador Tri-Valley Index as of 12/31/18. Public company performance data sourced from FactSet.
4. Venture Capital figures in this report are sourced from PitchBook.com
5. State of California Department of Finance. E-1 Population Estimates for Cities, Counties, and the State - January 1, 2017 and 2018, May 2018.
6. State of California Employment Development Department, "LMI Resource and Data," Available at: <http://labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html>.
7. Adam McCann, WalletHub, "Best & Worst California Cities for Finding a Job," December 6, 2018. Available at: <https://wallethub.com/edu/best-worst-cities-for-jobs-in-california/16337/>.
8. "The 2018 Silicon Valley Index." Available at: <https://jointventure.org/publications/silicon-valley-index>.
9. Average asking rent for multifamily units as of Q4 0218. Source: Zillow.
10. Average of Alameda and Contra Costa counties. Source: California Association of Realtors 2018 Q4 Housing Affordability.
11. Keown, Alex. "10x Genomics Prepares to Hire 200 New Employees, Move into Larger Facility," BioSpace.com. Available at: <https://www.biospace.com/article/10x-genomics-prepares-to-hire-200-new-employees-as-it-plans-to-move-into-larger-facility/>
12. Colliers International, "Pleasanton/Tri-Valley Office Market Report Q4 2018," March 2019.
13. Bay Area Council Economic Institute, "Tri-Valley Rising: Its Vital Role in the Bay Area Economy" Available at: http://www.bayeconfor.org/media/files/pdf/BACEI_Tri_Valley_report.pdf.



Mirador Capital Partners, LP

6700 Koll Center Parkway, Suite 230
Pleasanton, CA 94566
925-621-1000

80 E Sir Francis Drake Blvd, Suite 4H
Larkspur, CA 94939
415-291-2916

Visit our website at miradorcp.com