



RENN CAPITAL GROUP, INC.

"FINDING VALUE, ADDING VALUE, REALIZING VALUE"

WHO ARE WE?

RENN Capital Group, Inc. is a Dallas, Texas, based investment management firm that is a registered investment adviser. Since 1973, RENN has been engaged in the management of a series of public and private investment partnerships and funds. Currently, RENN Capital serves as investment adviser to three publicly traded closed-end funds and one open-end fund. One of the funds trades in the US and the other three funds trade in Great Britain. The US fund is a business development company under the Investment Company Act of 1940. The combined assets of these four entities are in excess of \$350,000,000.

WHAT IS OUR INVESTMENT STYLE?

RENN Capital concentrates on small and micro-cap emerging growth companies. The RENN Funds have a strong emphasis on privately placed convertible debentures, but also invest in publicly traded equities and convertible debentures.

The firm seeks to invest in publicly traded growth companies that have an established business process, profitable earnings, positive cash flow, attractive valuation and a quality management team with a major stake in the business. We are growth investors who seek to add value to our investment partners. We are active long-term investors and extensive due diligence is part of our investment process.

WHAT AMOUNTS DO WE INVEST?

We concentrate our investments between \$1 and \$5 million, but can take part in much larger placements. We are usually the lead investor, but also participate in larger syndicates.

WHAT IS A SUMMARY OF OUR CRITERIA?

- Profitable operations
- CEO and management team with proven track record
- CEO and management have a major stake in the business
- Reasonable valuation
- Above average growth prospects

WHAT ARE OUR PRIVATE PLACEMENT TERMS?

RENN's private placements are often in the format of convertible securities, usually debentures. Broadly, debenture terms include:

- Seven year term, no amortization for three years
- Call price at a multiple of our conversion price
- Reasonable interest rate
- Conversion price at or near the market

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