



■ Catalyst Romania Fund II
Timisoara, 5 Apr 2022

Target Investee Profile

Stage

- Early expansion, early growth (typically A-round VC funding).
- Companies have products on the market, paying clients and generate annual revenues typically above €500k.
- Operating history of typically 2-4 years.
- Strong growth (often more than 40% p.a.).
- Lead by serial entrepreneurs and/or experienced management teams.
- The Fund will typically be the first institutional fund investor in companies initially funded by the founders or business angels.

Type

- **Global Challengers**; disruptive business models with true world-class innovation; international client base; global ambition; higher return expectations (3.5-5x) with homerun potential.
- **Local Leaders**; proven business models using established technologies; local client base; Romanian or regional expansion plans; solid return expectations (>2.5x) with limited downside risk.

The Fund will largely continue the investment activity of Catalyst Romania Fund I.

Target Industry Sectors

- **Technology companies operating primarily within the ICT space or offering Technology Enabled Services (TES). Innovative technologies or digital disruption businesses.**

- **Main target sectors and subsectors include:**













- Enterprise IT Applications, Services and Infrastructure
- Vertical Business Applications
- E-commerce and Consumer Marketplaces
- Platform Businesses
- Media and Communications

Current investment themes and topics include:

| | |
|-------------------------|--|
| Mobility | Media Disruption Ed |
| FinTech Digital | Tech |
| Health | Artificial Intelligence and Machine Learning |
| Data & Analytics | Virtual and Augmented Reality |
| IoT | Prop Tech |
| Industrial Applications | Robotics and Drones |
| HR Tech | IT Security |

- **Opportunities in other verticals are not excluded and may be pursued in exceptional cases.**

Catalyst Romania Fund II Team

| | | | | | | | | |
|----------------------------------|--|--|---|--|--|---|--|--|
| Catalyst Romania Fund II Team | Marius Ghenea  Managing Partner IC Member | Alin Stanciu  Partner IC Member | Jozsef Köver  Partner IC Member | Alina Georgescu  Investment Manager | Antonela Dragomir  Investment Manager | Monica Potlog  Office Manager | | |
| | Extended 3TS Support | Pekka Mäki  3TS Managing Partner IC Observer | Sever Totia  3TS Partner | Katarina Hudakova  3TS Financial Manager | Andreas Huber  3TS COO | | | |
| | | Administrator |  | | Auditor |  | | |

Geographical Scope of Investment

- **The geographical scope of investments for the Fund will be Eastern Europe**, with a focus on Romania and with possible investments in other countries, especially if the investee companies have or can develop some substance in Romania.



Fund I Portfolio - Investment Strategy



Value Creation

We provide added value to portfolio companies, starting from the investment process, then during holding and finally, towards the exit:

1. Adding value before and during the investment process:

- Educating the entrepreneurs, other shareholders and the management about the benefits of the transaction and investment structuring.
- Help entrepreneurs deal with the conditions precedent to the transaction, thus adding sometimes significant value even in the investment process (e.g., help them solve historical IP issues or employee relationships).

2. Value-added during the holding period

- A 100DayPlan is the first document agreed with the founders upon investment, this will guide the Company during the first three months from the closing of the initial investment which sets the pace of the Company for the longer term
- Working closely with management teams to create value in the investments.
- Support the investees in the development of strategy, financial structuring and operational improvements.
- Support in preparing follow-on investment rounds, if the case, planned ahead of time and by finding, when needed, the best co-investors for that investee company.
- Increase the governance and transparency of the investees.
- Multiple tranches of investments in a target to improve value creation process: investments with multiple closings or with escrow related to reaching pre-agreed targets, and follow-ons.

3. Value-added towards the exit and when finalizing the exit

- Catalyst Romania Fund II will add significant value to any exit process, having the experience and track record within the Catalyst Team.
- Support the companies to hire the most capable and effective advisers, consultants, due-diligence providers, etc.
- Check for clauses or covenants in the transaction which could negatively influence the final value of the transaction.

Global Scaling Assistance

Expertise and network to expand across Europe and into the US, partly through the support of 3TS Capital Partners team:

- Company scaling experience from \$5 million - \$150 million + in revenue.
- Access to experienced executive talent.
- Know-how to scale sales and marketing.
- Product development leadership.
- SaaS business model best-practices.
- Potential Acquisitions.

Access to Channel Partners:



Access to Potential Acquirers:

- Strategic: ORACLE, NETSUITE, Adobe, hp, orange, NASPERS, Symantec, VISMA, CISCO, intuit, TERADATA, MINICLIP
- Financial: FP FRANCISCO PARTNERS, draper esprit, JMI EQUITY, ADVENT CAPITAL MANAGEMENT, LLC, BainCapital, Index Ventures, Accel, TCV, SILVERLAKE

Relevant Investment Bankers:



3TS Capital Partners - Support to Catalyst Romania Fund II

3TS Capital Partners is a leading Central and Eastern European technology focused private equity and venture capital firm established in 1998.

3TS fund management experience includes the following funds:

- TCEE Fund I - €66 million TMT Venture Capital Fund
- TCEE Fund II - €40 million TMT Venture Capital Fund
- TCEE Fund III - €108 million TMT Growth Fund
- TCEE Fund IV - €150m target size TMT Growth Fund (first closing in 6/2021)
- Catalyst Romania Fund I - €15 million early-stage Venture Capital Fund

The Catalyst Romania Fund II team has been working with 3TS for several years and 3TS will provide continued support to the team to ensure effective and professional management of Catalyst Romania Fund II.

Exit Strategy

- Exit strategy, including target timing and the most likely exit route or exit routes is agreed with management and co-shareholders at the time of the initial investment.
- Full alignment for exit of all stakeholders is maintained throughout the lifetime of the investment.

Below is a sample of prior exits and exit-routes in some of the Romanian investments of Catalyst Romania Team and/or 3TS:

| | | | |
|------------------------------|---|---|---|
| <p>■ Trade sale</p> |  | <p>U.S. / Global Local / Regional</p> | <p>Prior investments sample</p> <p>FitBit </p> <p>Visma  smartbill</p> <p>Miniclip/Tencent </p> <p>Francisco Partners </p> <p>Advent International </p> <p>NASDAQ </p> <p>Sofia SE </p> |
| <p>■ Financial investors</p> |  | <p>U.S. / Global Local / Regional</p> | |
| <p>■ IPO</p> |  | <p>U.S. / Global Local / Regional</p> | |

Testimonials, Catalyst Romania Investors

Catalyst Romania has secured significant financial support from EIF and more than 30 private investors, including seasoned local entrepreneurs and senior executives from various industries.

The JEREMIE initiative enters a new phase. While reusing financial resources that return from previous instruments implemented in Romania, it continues to help forge an ecosystem of equity investments, pooling both public, institutional and private investors. It is JEREMIE's best asset, apart from directing financing and investments into Romanian SMEs, in helping companies grow, develop and create jobs. I wish the experienced Catalyst Romania team the very best! - **Pablo Millan, Head of Mandate Management – Equity with the EIF**



Catalyst Romania team, congratulations for the past, best wishes for the future! Long term relationships and attractive returns are cherished by everyone, fortunately both expectations have been fulfilled by this dynamic and professionally involved team. After our first successful investment, the present new journey is a natural step forward. **Aurel Bernat CEO BT Asset Management SAI**



Articles, Catalyst Romania Fund II Launch



<https://www.zf.ro/zf-it-generation/zf-it-generation-marius-ghenea-managing-partner-fondul-catalyst-19892686>



Profit.ro

Fondul de investiții Catalyst România, susținut de 3TS Capital Partners, lansează cel de-al doilea fond al său, destinat finanțării companiilor din tehnologie, media și telecom, după finalizarea primei runde de capitalizare.

<https://www.profit.ro/povesti-cu-profit/it-c/catalyst-romania-lanseaza-un-nou-fond-de-venture-capital-care-va-investi- peste-40-milioane-euro-in-firme-de-tehnologie-19636636>



Catalyst Romania launches new EUR 40-50 mln fund for TMT projects

<https://www.romania-insider.com/catalyst-fund-ro-tmt-dec-2020>



CATALYST ROMANIA

Thank You!

The Growth
Capital Investor
for Romania