



**RSG**  
CAPITAL

Upravljanje tveganega kapitala / Venture capital management

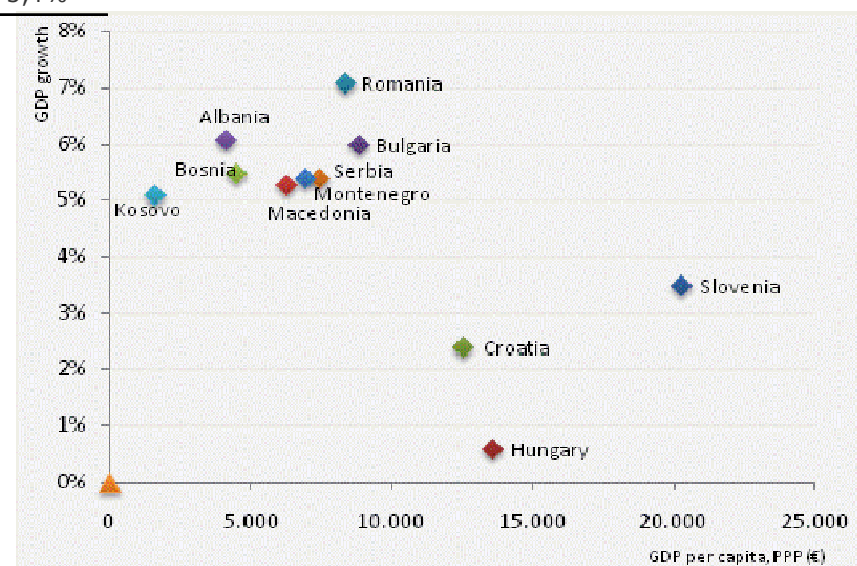
## Central and South Eastern Europe



## The CEE region

	Population (million)	GDP (€; PPP)	GDP/capita (€; PPP)	GDP growth (real)	Inflation (CPI)
Slovenia	2,006	40,554	20.229	3,5%	5,7%
Croatia	4,489	56,306	12.506	2,4%	6,1%
Serbia	7,379	54,905	7.381	5,4%	6,8%
Bosnia and Herzegovina	4,613	20,297	4.442	5,5%	7,3%
Hungary	9,906	134,358	13.532	0,6%	6,1%
Romania	22,215	185,477	8.338	7,1%	7,8%
Bulgaria	7,205	64,070	8.816	6,0%	12,3%
Macedonia	2,067	12,834	6.219	5,3%	8,3%
Montenegro	0,672	4,658	6.902	7,5%	3,4%
Kosovo	1,805	3,417	1.572	5,1%	5,3%
Albania	3,639	14,905	4.100	6,1%	3,4%

Source: CIA - World Factbook, 2008 estimates; except Kosovo - 2007



## PE/VC in the region

Type of investor	Slovenia	Croatia	Serbia	Hungary	Romania	Bulgaria
<b>Regional PE/VC</b>	<b>Weak</b> - small market	<b>Weak</b> - small market	<b>Medium</b> - large enough to attract attention	<b>Strong</b> - buyouts predominately	<b>Strong</b> - large market; mainly PE, few VCs	<b>Strong</b> - large enough market
<b>Local PE/VC</b>	<b>Medium</b> - a few active local funds, mainly PE; VC weak	<b>Weak</b> - only one active local fund	<b>Weak</b> - local markets not yet developed	<b>Weak</b> - very few local funds; government incentives for VC development	<b>Weak</b> - no funds with Romanian capital; no VC	<b>Weak</b> - local funds not yet developed
<b>Corporate</b>	<b>Strong</b> - corporates investing directly in related business	<b>Medium</b> - some direct investments	<b>Weak</b> - local corporates focusing on restructuring	<b>Strong</b> - a number of direct investments	<b>Medium</b> - corporates attracted by the market size	<b>Medium to weak</b>
<b>Angel</b>	<b>Medium</b> - a few wealthy individuals, angel network	<b>Medium</b> - angel network (CRANE), limited investment activity of wealthy individuals	<b>Weak</b> - very little activity of this type	<b>Medium</b> - a few wealthy individuals	<b>Strong</b> - wealthy individuals looking to invest	<b>Medium</b> - nation wide angel network
<b>Banks</b>	<b>Medium</b> - lending to companies, but not very competitive market	<b>Medium</b> - strong competition; financing available to prospective companies	<b>Weak</b> - capital still expensive; banks not chasing SME's	<b>Medium</b> - limited financing of SME's	<b>Medium to strong</b>	<b>Medium to strong</b>

## Opportunities in CEE

- **Growing economies**
- **Population of 66 million altogether**
- **Underdeveloped VC industry:**
  - Total of EUR 2.5 bn raised in 2008, or 3% of total funds raised in Europe
  - Mainly buyout funds; only EUR 217 mn in 4 VC funds
  - Investment activity represented 4,7% of total investments in Europe; out of which VC investments only 8%
  - Highly concentrated investment activity - 86% of investment value in 5 largest countries: Poland, Hungary, Czech Republic, Ukraine and Romania
  - PE investments in 2008 0.209% of GDP in CEE, compared to 0.404% in Europe
  - VC investments accounted for 2.7% of total European VC investments
  - Growing number of start-ups financed; up 19% YoY

## RSG Capital, Venture capital management

**By investing capital in promising early and growth stage companies RSG Capital encourages entrepreneurial initiative and supports creation of valuable, globally successful companies in Central and South-Eastern Europe.**

Our team, together with an extensive partners' network, helps companies to cope with the challenges they face during the critical stages of company development.

We help them to create high value added and provide above-average returns also to our investors; we help our stakeholders not only to meet, but to exceed their goals.

## Creating environment

Apart from being a VC management company, RSG Capital together with its partners supports creation, identification and development of globally successful companies.

### Partners' network

- Support institutions (R&D institutes, universities, incubators, technology parks...)
- Established companies
- Investors: recognized, globally oriented companies with their own networks, expertise and competencies
- Financial institutions
- International connections
- Extensive network of experts and partners in different technology areas

## Background

### **2006:**

- Established as a spin-off of Slovenian Chamber of Commerce and Industry (CCI)

### **2007:**

- Advisory and project financing in early development stage
  - Convertible loans
  - Bridge financing
  - Advisory, fundraising and partner search

### **2008:**

- Starts to operate as a venture capital management company
- Establishment of VC fund Prvi sklad and first closing
- First investment

### **2009:**

- Two new investments
- Second closing



# The Team

## **Jure Mikuž, Managing director and partner**



- Acts as a managing director of RSG Capital since 2007
- MBA in management
- Experience in asset and investment portfolio management
- Prior positions: Deputy head of Asset management at KD BPD, Deputy head of investment department at KD Investments, Head of brokerage department at Poteza BPH
- Active member of various business associations
- Author of a number of articles about capital markets and venture capital practice

## **Tatjana Zbasu, MSc, Investment director and partner**



- Investment director at RSG Capital since 2007
- MSc in Management and organization
- Experience in corporate finance and entrepreneurship promotion
- Prior positions: Senior Associate in Corporate finance department of Deloitte Slovenija, Head of the Office of the Minister of Economy, COO at Research centre of the Faculty of Economics in Ljubljana

## **Mateja Mešl, MSc, Adviser and partner**



- Initiated the foundation of RSG Capital as a Vice –president of Chamber of Commerce and Industry
- MSc in sociology and planning
- Professional expertise in strategic planning, project management and organization
- Prior positions: Vice-president of the CCI, State Secretary for entrepreneurship and competitiveness, manager of her own company NOV'NA d.o.o., founder of regional SME support agency A.L.P. d.o.o. and training institution Gea College

# Investment Committee

## Voting members

**Jure Božič**, Founder and managing director of Our Space, specializing in restructuring business processes and IT reform implementation; Co-founder of a few ICT and technology companies

**Boštjan Bregar**, CEO of software developer MARG d.o.o.; IT expert with strong management capabilities, focusing on strategy, marketing and sales

**Miomir Knežević, PhD**, Head of Unit for collection and processing of hematopoietic stem cells at Transfusion centre Ljubljana; Cofounder of several biotech companies and national expert in directorate Health, DG Research, European Commission, Brussels

**Uroš Marter, MSc**, Cofounder and managing director of Arkas Boutique Investment Banking, investment professional gaining experience at AF Partners, London and Merrill Lynch, New York

## Non-voting members

**Andra Dodič, MSc**, Head of new products program at Kolektor Sikom, global strategic supplier of commutators; experience in electric machinery construction and project management

**Tomaž Karčnik, PhD**, Head of development at Instrumentation Technologies, producer of beam stabilization instruments for particle accelerators; previously researcher in biomedical engineering at Tohoku University, Japan and at Technion in Haifa

**Blaž Nardin, PhD**, CEO of Gorenje Orodjarna; expert in operations in manufacturing; actively promoting cooperation of science and business

**Emil Vizovišek**, Management board member in Sava d.d., in charge of development and technology; specializes in quality and continuous improvement systems, project design and management, strategic investment and product development

## Deal sourcing

- **Established position and extensive network in Slovenia**
  - Chamber of Commerce and Industry: Industrial associations
  - Technology platforms and clusters
  - Centers of Excellence
  - Technology parks, business incubators
- **Network of partners (agents and institutions) in the region:**
  - Deal sourcing through Center for Executive Development (CEED) in Slovenia, Croatia, Serbia, Macedonia, Romania and Bulgaria
  - Partner (Agent) in Croatia
  - Partner (Agent/Investment manager) in Serbia
  - Co-operation with USAID in Macedonia
  - SEAF South Balkan Fund B.V. – covering Serbia, Montenegro, Macedonia
  - Potential co-operation with Hungarian boutique advisory firm focusing on CEE, serving as an affiliate of a regional merchant bank

# Investment criteria and decision-making process

## **Investment characteristics**

- Investments in early and growth stage high-tech companies
- Characteristics sought:
  - A cost-effective solution to a significant problem
  - A new, broad and enabling technology
  - A focused development approach with realistic, clearly-defined milestones
  - A strong competitive position
  - Targeting global market
  - Business model: Strategies for commercialization and profitability
  - A superior management team
- Exit possibilities identified

## **Decision-making process:**

- Investment opportunities evaluated by RSG Capital's team
- Expert opinions on technology when needed
- Proposal discussed and approved/rejected by Investment committee

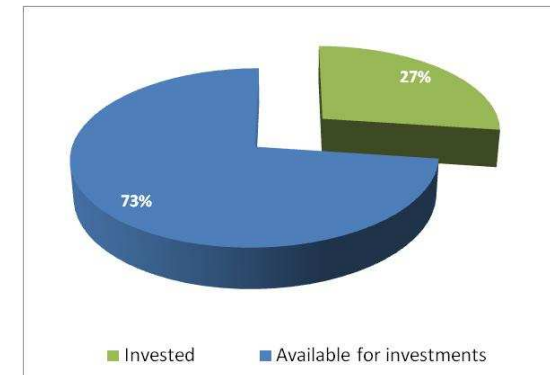
## **Investment committee:**

- 5 members with voting privilege (RSG Capital managing director and 4 independent experts)
- 4 non-voting representatives of investors

## VC FUND: Prvi sklad



- **Vintage year:** 2008
- **Assets under management:** EUR 10 million
- **Investment size:** Up to EUR 1.5 million
- **Investment period:** 3 – 5 years
- **Investment focus:**
  - SMEs in early and growth development stages
  - No industry specialization
  - Central and South-Eastern Europe



- Typically initial investment at early stage, seeking to participate in all stages of venture financing
- Typically lead investor, but will also consider co-investing with other VCs or strategic partners

## Investors in Prvi sklad

Our investors are recognized, globally oriented companies with their own networks, expertise and competencies, including:



**Slovenian Chamber of Commerce and Industry (CCI)**, the main business association in Slovenia with over 30.000 members



**Kolektor Group**, global producer of commutators, with over 3000 employees in Europe, US and Asia



**FMR d.d.**, a holding company providing financial management and IT services, primarily SAP based solutions



**Sava Group**, initially rubber and tire producer, diversifying its operations to tourism and investment finance, with nearly 3000 employees



**Gorenje Group**, producer of large household appliances with 65 companies worldwide and nearly 12.000 employees altogether



**Instrumentation Technologies**, leading provider of beam stabilization instruments for particle accelerators in the world

## Investee company:



Novitim d.o.o. | Trstenjakova ulica 14 | 1000 Ljubljana

Web: [www.novitim.si](http://www.novitim.si)

Product: **Web 2.0 Online music studio WASAPA**

Industry: **Digital and print media, mobile**

Team: **Boštjan Jevšek, Urška Ambrož Kajfež**

Company:

Novitim is a company that innovatively combines modern and traditional media, through which it extends content and services to target groups. Their first product is online music studio named Wasapa ([www.wasapa.com](http://www.wasapa.com)), which enables users to record, upload and sell their own music. Besides, Novitim acts as a mobile content provider in Vietnam, offering ringtones and desktop images for mobile phones. Their first printed media was licensed magazine JOY.

## Investee company:



Web: [www.celtra.com](http://www.celtra.com)

Product: **Software platform for mobile marketing agencies**

Industry: **Software, mobile**

Team: **Miha Mikek, Maja Drolec, Matevž Klanjšek**

Company:

Celtra's service is a comprehensive mobile marketing solution suite connected to a carrier grade infrastructure and ad-networks. It is an on-demand, single access point solution for campaign deployment, management and tracking. Celtra enables integrated and multi-channel mobile marketing campaigns and offers P2P personalized calls, SMS and voice alerts, voice comments, content downloads, trivia games and mobile couponing.



## Investee company:



Web: [www.tab-systems.com](http://www.tab-systems.com)

Product: **Applications for access control and personal identification**

Industry: **Biometric devices**

Team: **Tomaž Bergant**

Company:

TAB Systems develops and manufactures a complete access control and time & attendance solution, based on multimodal biometrics using facial and voice recognition, called smarti<sup>®</sup>. Currently smarti<sup>®</sup> is sold in more than 20 countries around the globe and the system is translated into thirteen languages: English, German, French, Slovenian, Croatian, Dutch, Italian, Spanish, Polish, Russian, Swedish, Turkish and Arabic.

## Investee company:



Web: [www.biaseparations.com](http://www.biaseparations.com)

Product: **Monolithic Columns for purification of large biomolecules**

Industry: **Biotech**

Team: **Aleš Štrancar**

Company:

BIA Separations manufactures and sells monolithic chromatographic columns based on CIM - Convective Interaction Media<sup>®</sup> Technology. CIM<sup>®</sup> Monolithic Columns are primarily suitable for purification of large biomolecules such as viruses (viral vectors and vaccines), DNA (plasmid DNA) and larger proteins (Immunoglobulins G and M, pegylated proteins). Products are used in research, laboratory, pilot and industrial production stages.



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