

CVCA ANNUAL MEMBERSHIP MEETING

27. 3. 2019

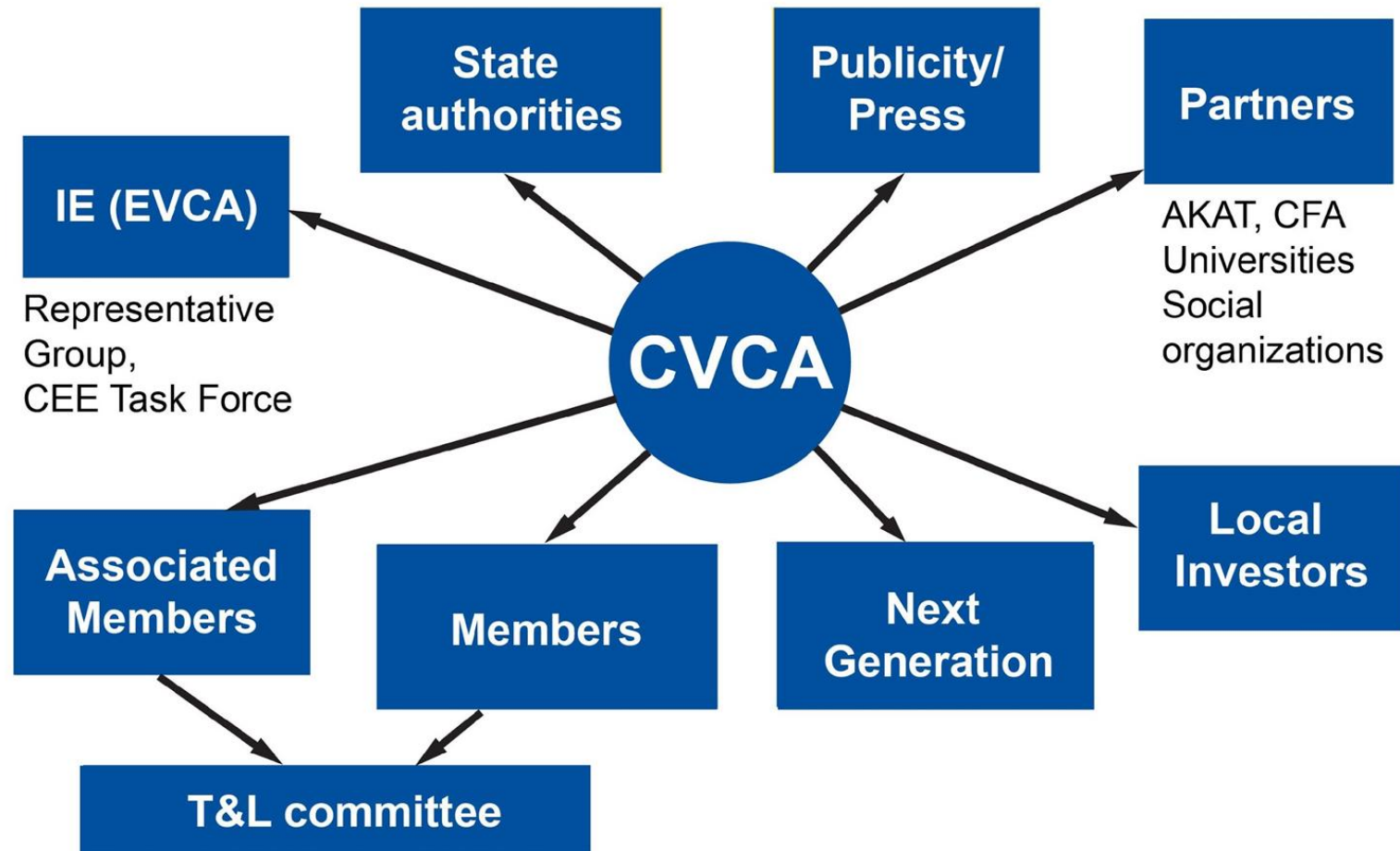
Agenda

1. Report about the Association's activities since the last Membership Meeting, 2018 accounts
2. Tax & Legal Committee's Activities Report
3. Proposal of the Plan of activities for 2019 and the budget for 2019
4. Discussion
5. Approval of the Report about the Association's activities, the 2018 accounts and the budget for 2019
6. Change of the CVCA statutes – change in number of Board of Directors' Members from 6 to 7
7. Change in the Association's Board of Directors - Election of new members of the Association's Board of Directors
8. Closing

Report about CVCA Activities (March 2018- March 2019)

Zuzana Picková, CEO

CVCA Activities: Overview



VC/PE panel discussions/mixers and other evening events

- March 2018: **Annual meeting**, PE/VC Mixer (in cooperation with ASB Group and Schöenherr) – Altány Kampa
- June 2018: **Mezzanine financing in theory and practice** (in cooperation with Dentons)
- October 2018: **How to find, motivate, and keep good managers at the time of prosperity** (in cooperation with Havel & Partners)
- November 2018: **Private equity vs. Family offices** (in cooperation with ASB Group and REDSIDE) - The Grand Mark Prague
- December 2018: **Christmas Celebration** (sponsored by JŠK) - Altány Kampa
- February 2019: **The Czech Venture Capital and Private Equity 2018 highlights** (in cooperation with Deloitte) – Hotel Grandior

Panel discussion: “Private equity vs. Family offices” - 7 Nov 2018



Current status

- **Newsletters:** Information about events, deals, CVCA activities in relation to public authorities, Invest Europe activities, news from members, news from PE/VC sector, interviews with GPs managers
- **Web site:** Current news about CVCA events, information from our members, newsletters, market surveys, statistics, videos
- 1:1 meetings with potential/new members and with full/associated members on selected issues

Planned activities

- **Newsletters:** Keep the current format of the Newsletter four times per year
- **New web site:** Redesign and more content (incl. Information from European market), works already started
- **LinkedIn:** A must have
- Continue 1:1 meetings with potential/new members and with full/associated members on selected issues

Key development: Establishment of partnership with Deloitte which includes dedicated NextGen team and sponsorship of events

Events

Next Generation members attended the following events

- 1) **Quiz night**, The Globe
- 2) **Private equity due diligence case studies**, KPMG
- 3) **How to find and motivate good managers**, Havel & Partners
- 4) **Legal, tax and financial aspects of M&A transactions**, Deloitte

Cooperation with "Investors' Club" (Klub investorů - KI)

- Serie of 3 seminars organized by CVCA in cooperation with KPMG for KI members
- Financial Due Diligence by Jaroslav Mydlo (KPMG)
- Tax and Legal Due Diligence by Radim Kotlaba and Jan Kiss (KPMG)
- Case Studies - presentation by Tomáš Lánský (ARX Equity Partners) and Radan Hanzl (Genesis Capital)

2019 Activity Plans

- Next Generation members already attended the following events
 - **1) Quiz night**, The Globe
 - **2) Curling**, Curling Arena, Roztyly
 - **3) Panel discussion on IPOs**, Deloitte
- Three more events planned in Q2 2019 (bowling, billiard, panel on start-ups)
- Objective is to organize one event per month

Next Generation- cooperation with Deloitte



LET'S BREAK THE ICE TOGETHER

NEXTGEN
CV CA | Czech Private Equity & Venture Capital Association

! Please bring your own clean shoes (will be checked before stepping out onto the ice). Each person taking part can get a special sleeve for one shoe, which allows them to "slide" over the ice.

The curling equipment (sliders, stones, brushes), specialist explanation and supervision will be provided by an instructor from the ranks of extra league and premier league players ©

❄ The temperature in the hall ranges from 6C to 9C, so warm, loose sports clothing are appropriate.

🕒 Estimated time of the game is 2 hours. After party will take a place in pub located in curling Arena.

📅 February 26, 2019, 19:00

📍 Curling Arena, Komárkova 12, 148 00 Praha 11 - Rožtyly



NEXTGEN
CV CA | Czech Private Equity & Venture Capital Association

KICKOFF

We are happy to invite you to the next social event where we will present the next NextGen events and can enjoy friendly conversations over a glass of wine or beer.

🗣 Welcome speech by Diana Rádl Ragerová, Deloitte and Radil Stelovsky, ARX

📅 February 13, 19:00

📍 Studentický klub, Celetná, Celetná 20, Praha 1

- 1. Investor regulation**
- 2. Central European Fund of Funds, National Innovation Fund**
- 3. Invest Europe**
- 4. Other activities (TLC)**

- National Strategy for the Development of the Capital Market in the Czech Republic 2019 – 2023 (*Koncepce rozvoje kapitálového trhu ČR 2019-2023*): meetings with representatives of MF, AKAT, Burza Cenných Papírů,
- Continuous activity focused on ways to facilitate the PE as an asset class of allowed assets for Czech pension funds, discussions on this topic with MF representatives
- Proposal of CVCA for increasing attractiveness of so-called third pillar by including PE as an asset class into the allowed assets for certain categories of pension funds

Public Affairs: Central European Fund of Funds

- CVCA strongly **supported the EIF initiative of a Central Europe Fund of Funds (CEFoF) initiated and co-financed by the EIF**; CVCA has been in close cooperation with CMZRB who is responsible for the fund operation on the Czech level
- Agreements entered into force beginning of 2018
- CVCA President had a speech at the presentation (Road Show) of the CEFoF to the public in late March 2018 together with EIF and Czech Ministry of Industry representatives
- CEFoF targeting up to 8 later stage VC and growth capital funds in Austria, Czech Republic, Slovakia and Slovenia (Hungary should join CEFoF later), total capacity of the CEFoF is EUR 97 mio, investment period until end of 2021
- Minimum of EUR 25 mio should be allocated for the support of Czech enterprises
- Enern Tech III and Espira have been already allocated with the CEFoF funds, further funds currently being negotiated with EIF

Public Affairs: National Innovation Fund (NIF)

- In 2018, after lengthy discussions the project was stopped by the Government
 - CVCA met with representatives of CMZRB, which took over the project
 - CVCA has been approached by MPO to bring ideas how to distribute effectively the funds allocated by EU for the NIF project
 - CVCA has been strongly supporting CEFoF, with respect to the NIF, CVCA's position was hesitant with respect to direct investments
- Current status: CMZRB allocated with EUR 13 mio for start up projects, business models are currently being prepared by the team of CMZRB, CVCA asked to participate in preparatory works

- **BREXIT:** impact on PE industry
- **AIFMD:**
Review (impact assessment); IE gathered feedback from national associations on different issues (e.g.: remuneration, fees and charges...)
- **European Supervisory Authorities (ESAs) review**

Other currently discussed issues with no relevance for the Czech market

- **Study by World Bank on Business Angels in the Czech Republic**

Communication with WB experts, discussions on final recommendation of the WB with Ministry of Finance

Many thanks to the T&L committee

Tax & Legal Committee Report

- **Members of TLC**
- **Activities of TLC 2018**
- **Priorities of TLC for the near future**

Chairman:

Tomáš Doležil (JŠK)

Members:

Jan Juroška (Kinstellar)

Jan Topinka (Havel & Partners)

Jan Procházka (Dentons)

Jan Fischer (PwC)

Jan Stejskal (White & Case)

Aleš Zídek (R2G)

TLC Activities 2017/2018

- Ministry of Finance - regular updates
- Invest Europe - monitoring
- Supporting the Board/CEO with Tax & Legal matters
- Regular contact/networking with the authorities and market players

- **National Strategy for the Development of the Capital Market**
 - TLC commented on the draft National Strategy
 - Ongoing communication with the policy-makers
 - Attending events by the TLC members
 - National Strategy approved by the Government on 4 March 2019

Press conference of MF 14 March 2019



- Reflection of conclusions from the Market Capital Assessment but taxation not subject of the National Strategy
- Key relevant proposals:
 - Private equity funds as an asset class for pension funds
 - Greater flexibility regarding sub-funds
 - Keeping minimum holding period for transfers between sub-funds of SICAV
 - Simplified joint-stock company
 - Stock Exchange (IPO)

- Implementation of the National Strategy
 - Plan for the implementation
 - Public Consultation expected in April 2019
 - First legislative proposals expected by September 2019
 - Draft legislation submitted to Government by December 2019
- TLC will monitor and actively comment on the draft laws and communicate with the MF and other relevant authorities

- Extensive communication with journalists of economic media (incl. E15, Hospodářské noviny, idnes, Ekonom, Mergermarket) on PE / VC related topics
- Articles mentioning CVCA in **Investujeme.cz** (Invest Europe: Investice do private equity a venture kapitálu v CEE dosáhly v roce 2017 rekordních 3,5 mld. EUR. V meziročním srovnání jde o nárůst o 113 %) and **E15**: Rodinné firmy táhnou růst soukromých investic

Deloitte.



CVCA Private Equity Report Summary of deal activity in 2017

CVCA Private Equity Report
Reflecting on 2017
June 2018

Conference presentations

- Polish & CEE Private Equity Conference 22/2/2018
- 0100 PE & VC conference Praha 23/11/2018
- 0100 PE & VC conference Bratislava 20/6/2018
- CEE M&A and Private Equity Forum on 3rd and 4th October 2018
- Slovca – Build locally, sell globally, 13/11/2018
- Polish & CEE Private Equity Conference 17/01/2019

Media / Conference partnerships

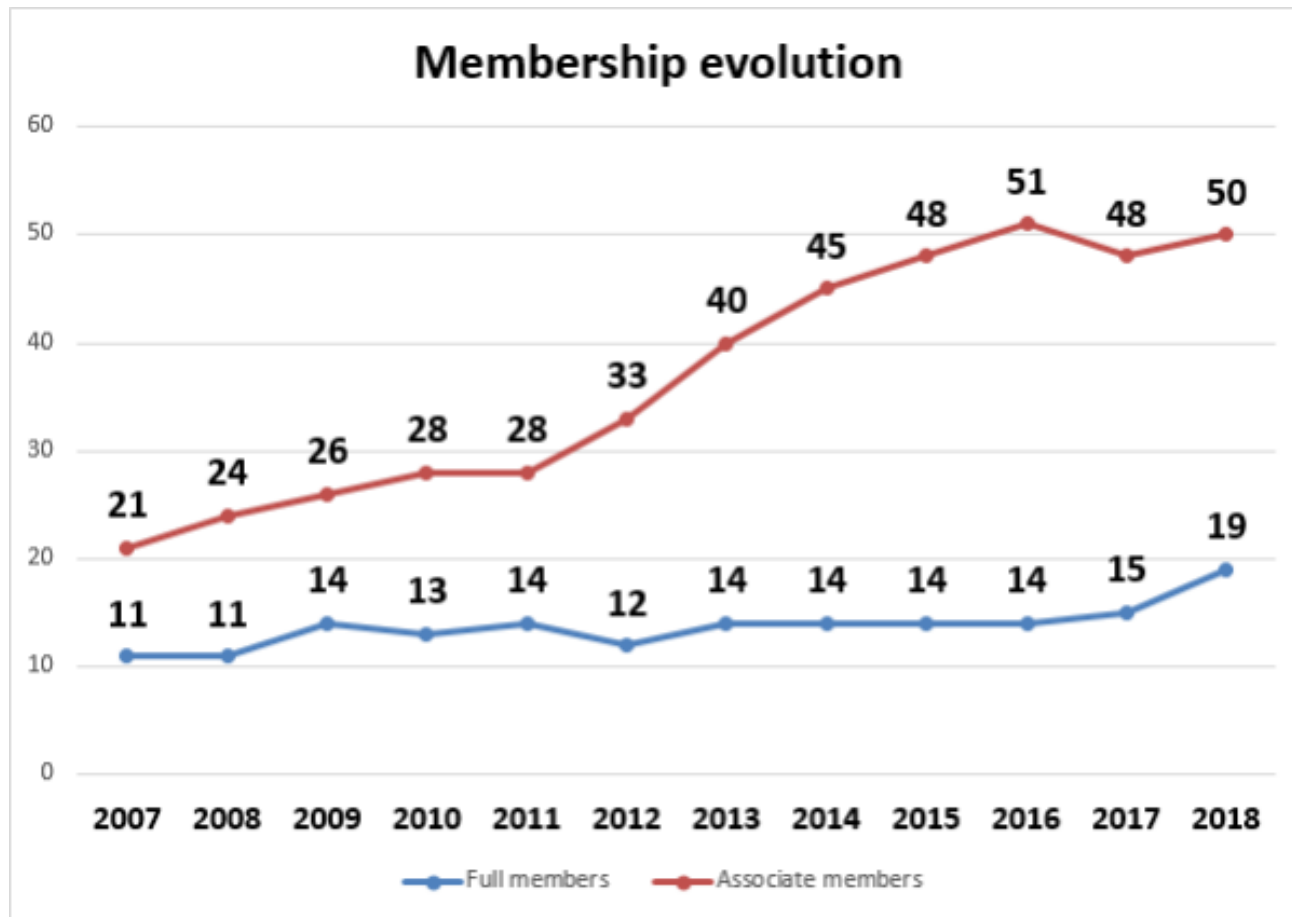
- Polish & CEE Private Equity Conference - Warsaw
- 0100 Conferences 2018 – Bratislava, Prague
- CEE Private Equity Conference - C5 – London

PEREP

- Close cooperation with PEREP Analysts and IE Head of Research
- Cooperation on CEE Statistics publication
- Data collection from January to March 2019, currently almost completed
- Survey to be published in May 2019

- **AKAT** (consultations on policy issues)
- **CFA** (joint workshops/seminars)
- **Investors' Club**

Membership base



New members since the last Membership Meeting

- **Full:** Enern Investments, CEE Equity Partners, SkyLimit Investments, Espira Investments, Jet Investment
- **Associate:** DLA Piper, Schönherr, Vilímková, Dudák & Partners
- **Membership end of 2018: 69 members** (19 full, 50 associate)

CVCA Financials 2018

CVCA Financials 2018 pro-forma with sponsorship

CVCA Actuals 2018/Budget 2018 (in CZK k)			
		ACTUALS 2018	BUDGET 2018
INCOME		1.868	1.835
	Membership fees	1.409	1.435
	Sponsorship, other	459	400
EXPENSES		1.806	1.887
	Office/administration	222	224
	IT-Web redesign, provider, computer	69	100
	Personal costs	887	881
	Board/CEO	17	50
	CVCA events	564	500
	NVCA meetings	10	30
	Conferences	9	30
	Marketing	6	50
	Memberships	22	22
RESULT		62	-52

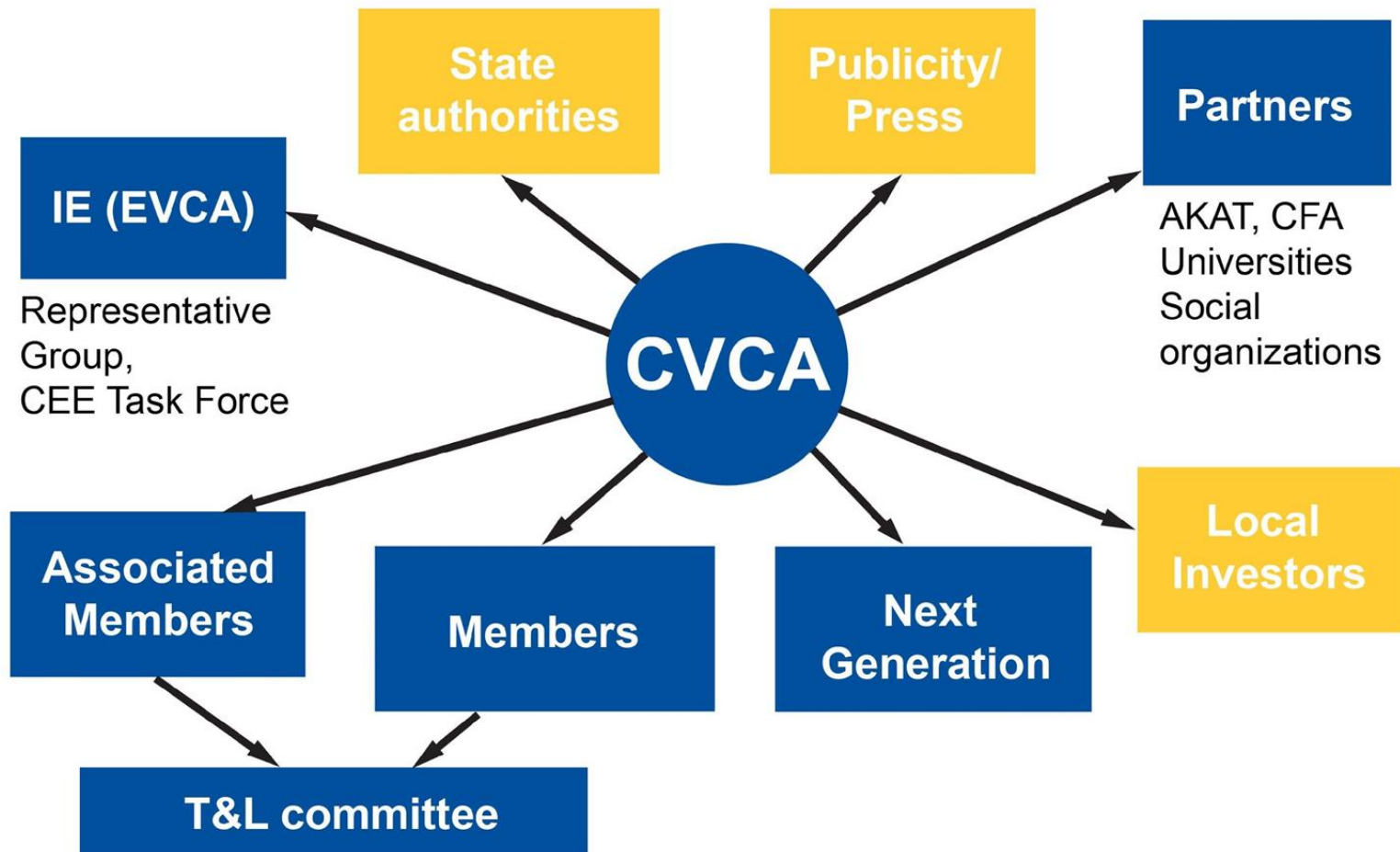
CVCA Financials 2018

CVCA Actuals 2018/Budget 2018 (in CZK k)

		ACTUALS 2018	BUDGET 2018
INCOME		1.455	1.835
	Membership fees	1.409	1.435
	Sponsorship, other	46	400
EXPENSES		1.353	1.887
	Office/administration	222	224
	IT-Web redesign, provider, computer	69	100
	Personal costs	847	881
	Board/CEO	17	50
	CVCA events	151	500
	NVCA meetings	10	30
	Conferences	9	30
	Marketing	6	50
	Memberships	22	22
RESULT		102	-52

Jiří Beneš President CVCA

Priorities 2019



March – CVCA Annual Membership Meeting

May 15 – panel discussion in cooperation with JŠK and Renomia on
Reps&Warranties Insurance

September – smaller event on more technical topic (negotiations with Burza
Cenných Papírů)

October – main CVCA event, topic TBC

December – CVCA Christmas Celebration

January - The Czech Venture Capital and Private Equity 2019 highlights –
(in cooperation with Deloitte)

CVCA Budget 2019

CVCA Budget 2019

CVCA Actuals 2018/Budget 2019 (in CZK k)			
		ACTUALS 2018	BUDGET 2019
INCOME		1.868	2.130
	Membership fees	1.409	1.880
	Sponsorship	459	250
EXPENSES		1.806	1.925
	Office/administration	222	165
	IT-Web redesign, provider, computer	69	70
	Personal costs	887	878
	Board/CEO	17	50
	CVCA events	564	650
	NVCA meetings	10	30
	Conferences	9	30
	Marketing	6	30
	Memberships	22	22
RESULT		62	205

Discussion

Changes of CVCA Statutes

- Based on increase of CVCA members, the aim is to involve more CVCA members' representatives to the activities of the Association, decision making and planning
- Currently six members (1 member is always Head of TLC)
- The proposal is to increase the number to seven members (this can be changed at any time by Membership General Meeting)

Changes in the Board of Directors/ Election and re-election of Members

Election

Jaroslav Sopuch (SkyLimit Investments)

Vladislav Jež (Credo Ventures)

Re-election

Jiří Beneš (Genesis Capital)

Michal Aron (ARX Equity Partners)

Luděk Palata (BHS)

Tomáš Doležil (JŠK)

THANK YOU FOR YOUR ATTENTION