

ARMADA

ARMADA CAPITAL

By entrepreneurs for entrepreneurs

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Background

- ▶ In 2015, the nine founders of ARMADA came together through establishing [Endeavor Bulgaria](#) which is part of the [Endeavor Network](#).

Endeavor Network

Endeavor is a global organization which leads the high-impact entrepreneurship movement. It operates in 25 countries with the support of 4,000+ mentors. Endeavor supports entrepreneurs whose businesses turn into key drivers for long-term economic growth, job creation and innovation. In 2015, Endeavor entrepreneurs generated revenues of \$8.2bn and accounted for 600,000+ jobs. As of May 2016, Endeavor had selected 1,200+ entrepreneurs globally.

- ▶ Having identified access to capital as a major obstacle for Bulgarian companies to scale up, the partners founded [ARMADA](#) in 2016 as a fund by entrepreneurs for entrepreneurs.
- ▶ The partners have deep expertise across different industries, including but not limited to:

- Agriculture
- Architecture and engineering
- Facility management and security services
- Financial services
- Food and beverage
- Information technologies and telecommunications
- Insurance
- Legal, tax and accounting services
- Manufacturing
- Outsourced services
- Real estate development and brokerage
- Software

Criteria	ARMADA's position
Investment focus	<ul style="list-style-type: none">▶ Sector agnostic investments through equity and quasi-equity instruments.▶ Focus on established companies with growth and consolidation potential, high-potential start-ups and real estate projects with a clear path to monetization.▶ Preference for minority positions in enterprises with strong management teams. Capacity to take majority positions.▶ Preference for investments in Endeavor entrepreneurs who already have global access to markets, capital and talent.
Investment sizes/structures	<ul style="list-style-type: none">▶ Typical investments range from €1m to €3m. Ticket sizes could be lower (e.g., high-potential start-up companies) or higher (e.g., greenfield real estate development).▶ Preference for investments to be structured as capital increases. Readiness to engage in share purchases.
Geographic focus	<ul style="list-style-type: none">▶ Focus on Bulgarian companies with regional and global aspirations.▶ Willingness to invest opportunistically across CSE and MENA regions.

Criteria	ARMADA's position
<p>Added value</p>	<ul style="list-style-type: none"> ▶ Entrepreneur-friendly approach and deep investment and industry expertise unrivalled across the CSE. ▶ Advisory committees offering dedicated guidance on various strategic, operational and financial aspects. ▶ Active leverage of the partners' own enterprises and sharing of institutionalized know-how, market insights and contact networks. ▶ Assistance with debt and equity capital raising, M&A mandates and joint-venture/partnership initiatives.
<p>Exit strategy</p>	<ul style="list-style-type: none"> ▶ Strong track record related to successful exits (e.g., exists to financial and strategic investors, IPOs, etc.), including: <ul style="list-style-type: none"> ▪ 2015: Sale of KAI Group to Mohawk Industries for €195m ▪ 2015: Sale of Telerik to Progress Software for \$262m ▪ 2014: Sale of Sofica to TeleTech ▪ 2013: Sale of Ceres to Rompharm Company ▶ Extensive experience with management of all aspects of M&A and capital raising processes across different industries and phases of development. ▶ Preference for exiting investments within 3 to 5 years.

Investment Process



- ▶ Proactive screening and review of referrals
- ▶ Initial meetings and discussions with potential portfolio companies
- ▶ Accumulation of information related to addressable market, competitors, customers, business model, traction and growth potential, as well as management team potential
- ▶ Financial modeling and valuation
- ▶ Performance of initial due diligence
- ▶ Submission of initial term sheet and initial negotiation of deal structuring
- ▶ Presentation of the investment opportunity to ARMADA's Investment Committee
- ▶ Submission of final term sheet and draft deal documentation
- ▶ Structure optimization from legal, tax, operations and financing perspective
- ▶ Final negotiations of deal documentation and deal closing
- ▶ Active business development support through providing access to markets, capital and talent
- ▶ Performance monitoring
- ▶ Exit preparations
- ▶ Active involvement in the exit process aimed at maximizing outcome for all shareholders
- ▶ Exit from the investment

The Partners



Andon Tushev
TAL Engineering
EOOD,
Owner and CEO



Atanas Simeonov
S Group Bulgaria,
Managing Director



Christo Iliev
AG Capital,
Chairman of the Board



Ivo Evgeniev
Rosslyn Capital
Partners, Co-founder



Kiril Boshov
EuroHold Group,
Chairman of the
Managing Board



Lyubomir Minchev
TeleLink,
CEO



Nedelcho Spasov
Easy Asset Management,
General Manager



Stefan Gugushev
Gugushev & Partners,
Managing Partner



Vassil Terziev
Progress Software,
Chief Innovation
Officer

Appendix: Partners' biographies

Andon Tushev



- ▶ Andon Tushev is the founder and CEO of TAL Engineering EOOD, a company focused on facade constructions.
- ▶ TAL Engineering has been shaping up the contemporary Bulgarian environment since 1998 by developing modern solutions for customized building structures and building shells.

Company



Highlights

- ▶ TAL Engineering offers in-house services, including consulting & planning, technical research & development, design & engineering, project management, performance testing, aluminum, PVC and steel production, logistics, installation and after-sales services.
- ▶ Working along renowned architects and international investors, TAL Engineering have introduced the new architectural landmarks in Bulgaria – the most advanced sport facilities (e.g., Arena Armeec and the stadiums of the leading football clubs), the biggest golf and country clubs, the major shopping malls and business centers, office buildings (e.g., the EU and European Commission House), major stores and showrooms of leading international retailers, etc.
- ▶ Since 2006, TAL Engineering has been gradually expanding into Europe, Asia and North America.
- ▶ TAL Engineering employs 250 highly skilled professionals.

Atanas Simeonov



- ▶ Atanas Simeonov is the owner and CEO of S Group which invests in leading companies on the Bulgarian market that operate across different sectors, including security, technology, engineering and real estate.

Company	Highlights
	<ul style="list-style-type: none"> ▶ VIP Security is one of S Group's portfolio companies. ▶ Founded in 1999, the company employs 4,500+ people and is widely considered to be the leading security services provider on the Bulgarian market. ▶ In 2007, the company acquired Optima Financial Services, a wholly subsidiary of UniCredit Bulbank and later acquired 3S SOT AD. ▶ VIP Security has been chosen as a Business Superbrand in Bulgaria in 2007 and 2008. ▶ VIP Security is exclusive representative of the International Bodyguard Association for Bulgaria. ▶ Key clients of VIP Security include UniCredit Bulbank, MKB Unionbank, UBB, Asarel-Medet, French Cultural Institute, as well as celebrities such as Scarlett Johansson and Hilary Swank.

Christo Iliev



- ▶ Christo Iliev is the founder and Chairman of the Board of Directors at AG Capital, a company investing in real estate and offering various related services.
- ▶ The holding structure is active in Bulgaria as well as in Germany, UK, Russia, Serbia, Macedonia and employs more than 1,700 employees.
- ▶ AG Capital has developed strong partnerships with reputable institutions across Europe and beyond (e.g., EBRD, Cushman & Wakefield, Axxess Capital, Christie's Great Estates).

Company	Highlights
	▶ BLD Plc initiated its first fund on the London AIM, raising £40m. BLD Assets has more than €85m in real estate assets under management.
	▶ Forton is a Cushman & Wakefield Alliance Partner for Bulgaria and Macedonia, offering integrated commercial real estate advisory services with investment transactions closed exceeding €220m.
	▶ Advance is a leading asset valuation company which is a strategic long-term partner to 20 banks in Bulgaria. It has nationwide coverage through its 6 regional offices and performs 6,000+ property valuations per year.
	▶ Address is the largest Bulgarian residential real estate agency, operating nationwide with over 400 professional consultants in 54 offices and completing 6,000+ transaction annually.
	▶ Frontex offers integrated receivables management and collection services using soft, field and legal collection methods. The EBRD is a debt provider, as well as a shareholder in the company. In June 2014, Axxess Capital invested EUR 6.5m of equity in the company.
	▶ Unique Estates is the leading luxury real estate consultancy company in Bulgaria. The company is a partner of Christie's Great Estates with c.1,000 luxury property listings in prestigious neighborhoods.

Ivo Evgeniev



- ▶ Ivo Evgeniev is an experienced investor and entrepreneur who has led successful investments in various sectors, including telecom, IT services, construction materials, real estate property, renewable energy and agriculture.
- ▶ Ivo Evgeniev is co-founder of Rosslyn Capital Partners, a leading private equity and investment management firm based in Sofia. Successful exits of Rosslyn Capital include Ceres, Sofica and KAI Group.

Company	Highlights
	<p>▶ The company is specialized in agriculture and food production and operates in Northwest and North Central Bulgaria. It operates 135,000 hectares of rented land and produces 60,000+ tons of cereal, vegetable oil, seasonal vegetables and herbs per year which are sold nationally and internationally.</p>
	<p>▶ Bessa Valley is a boutique winery situated near the city of Pazardjik in Southern Bulgaria. The winery estate includes 266 hectares of land and a state-of-the-art facility for wine making and bottling. Bessa Valley has two brands of wine - Enira, awarded with the Golden Rhyton Prize, and Enira Reserva.</p>
	<p>▶ Kunino Energy JSC is a hydropower production company which has designed, built and currently operates Small Hydro Power Plant (SHPP) "Kunino".</p>
	<p>▶ Melissa Climate is an IoT company which produces a device and a dedicated app used for smart control of air conditioners, thus enabling users to enjoy the perfect home temperature.</p>
	<p>▶ TaxiMe connects customers with the best taxi drivers in the city in a fast and convenient manner. Customers order a car through the free mobile app designed for iOS and Android and the system dispatches the nearest and highest ranked driver to the client.</p>

Kiril Boshov



- ▶ Kiril Boshov is a Co-founder and the Chairman of the Managing Board at EuroHold Group. The company is one of the leading public companies in Bulgaria, listed at the premium market of Bulgarian Stock Exchange – Sofia (4EH) and on the Warsaw Stock exchange (EHG).

Company	Highlights
	<ul style="list-style-type: none">▶ The portfolio of EuroHold Group contains subsidiaries operating in four complementary businesses – insurance, asset management, leasing and car sales.▶ EuroHold Group, established in 1995, has expanded to become one the largest independent financial services groups in the CSE region.▶ Its operations span across Bulgaria, Romania, Macedonia, Serbia, Ukraine, Greece, Czech Republic, Poland and Slovakia.▶ In 2006, Euroins, a subsidiary of EuroHold Group, was awarded “Company with the best corporate governance” by the Association of Investors in Bulgaria. Euroins was awarded “The most dynamic developing insurance company”.

Lyubomir Minchev



- ▶ Lyubomir Minchev is the Founder and CEO of Group Telelink Holdings B.V.
- ▶ Telelink is a leading system integrator in the SEE region with considerable expertise in the development of wireless networks, system integration, security, automation systems and intelligent transportation systems.

Company	Highlights
	<ul style="list-style-type: none">▶ Telelink was founded in 2001 and was commissioned as a subcontractor for the rollout of Globul (later acquired by Telenor) in Bulgaria.▶ The company has three main business lines, including network infrastructure, system integration and security & automation.▶ Telelink has more than 500 employees and a wide network of subcontractors.▶ The company is present in 8 European countries, including Germany, Bulgaria, Romania, Macedonia, Serbia, Montenegro, Bosnia and Herzegovina, and Ukraine.

Nedelcho Spasov



- ▶ Nedelcho Spasov is the founder and the General Manager of Easy Asset Management.
- ▶ The company is a non-banking financial institution which serves customers who do not have access to banking services.

Company	Highlights
	<ul style="list-style-type: none"> ▶ Easy Asset Management has more than 3,000 credit consultants spread over 130 offices across Bulgaria. ▶ The company also operates in Ukraine with over 1,200 credit consultants and 80 offices, in Romania with over 460 credit consultants and 35 offices and has recently opened offices in Poland and the Czech Republic. ▶ The company has distributed over 1 million credits to 500,000 clients since 2005.

Stefan Gugushev



- ▶ Stefan Gugushev is the founder and Managing Partner of Gugushev & Partners Law Office, a leading Bulgarian law firm.
- ▶ He has also been serving as an Arbitration Judge in the International Court of Arbitration since January 2015.

Company



Highlights

- ▶ Gugushev & Partners is a law office, established in 2006. The company's 40+ people team is comprised of lawyers with extensive experience from leading legal practices in Bulgaria and the USA.
- ▶ The company's areas of expertise include Mergers and acquisitions, Administrative and Public Law, Banking and Finance, Business Advisory, Capital markets, Consumer Law, Competition Law, Corporate and Commercial Law, Insolvency Law, Employment and Social Security Law, Privatization and many more.

Vassil Terziev



- ▶ Vassil Terziev is the Chief Innovation Officer at Progress Software where he is responsible for the long-term growth strategy of the company, the identification of new markets and the development of innovations.
- ▶ He is a Co-founder and served as CEO of Telerik where he played a key role for the successful growth of the company from a start-up in 2002 to a leading global provider of enterprise software solutions. In 2014, Telerik was acquired by Progress Software for \$262m.

Company	Highlights
	<ul style="list-style-type: none"> ▶ Telerik, part of Progress Software, is a global company with 9 offices on 4 continents and in 7 countries. ▶ Telerik had over 130,000 business clients, including 450 out of „Fortune 500®“ companies, at the time of its acquisition. ▶ Telerik’s products are used by 1M+ developers at 100K+ ISVs, corporations and educational, governmental and non-profit organizations in 94 countries.