



 POLLUX
VENTURES

Pitch – Q1 2023



WHAT WE DO

Digital Transformation is a future existential threat

- Any company, in any sector, that does not digitally transform into a tech-enabled Company in the next decade, will no longer be a competitive organization
- Companies that do this first, and do it right, will have a competitive advantage
- This creates opportunities through market disruption in the traditional sectors of the economy

WHAT WE DO

Succession is the current existential threat

- The majority of companies with established brands in the traditional sectors started as family businesses over 40 years ago
- With the second and third-generation of family ownership, management and governance problems often appear
- A corporate sale or partial exit is becoming the optimal scenario for shareholders

WHAT WE DO

We invest in **overlooked and underperforming companies** within traditional sectors, that often suffer from **succession issues**.

We turn them into **tech-enabled market leaders** through **digital transformation**.



HOW WE DO IT

We acquire majority stakes in SMEs operating in the private sector

Why Private Markets?

- Offer **higher risk-adjusted returns** that help to increase overall performance across a portfolio. Institutional funds allocate 20% of their portfolio to private markets
- Private markets have an **information advantage** that allows top asset managers to achieve significantly better returns compared to public markets
- The **long-term orientation** of private equity funds allows skilled fund managers to deploy capital flexibly in times of distress, enabling portfolio companies to recover quicker from crises

We operate in South-East Europe, with initial focus in Greece and Cyprus

Why South-East Europe?

- **Minimal competition:** no other investment firm currently pursuing similar strategy
- **Succession Issues:** given current market characteristics, a significant portion of companies operating in the traditional sector, are now facing succession problems, leading to management discontent looking for an exit
- **Deal Flow:** we have identified channels that will give us quality deal flow
- **Digital Transformation is still in its infancy** in the region, leaving a lot of potential for growth and value creation

Digital Transformation is at the center of our Post-Investment Strategy

Why Digital Transformation?

- **Super Returns:** We believe that digital transformation will allow us to surpass the historical average private equity returns
- **Europe's Invisible Gap:** The EU is deploying significant funds to bridge the gap in digital transformation between South-East Europe and North-West Europe
- **Look to the Future:** It is a matter of time for all sectors to be digitally transformed. We want to make sure that our portfolio companies are the first ones there

WHO WE ARE



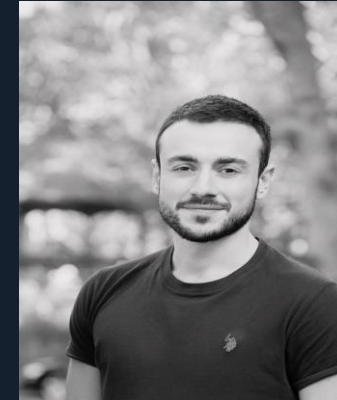
STEFANOS KOUTSAKOS
Partner

- **Fitzroy Capital:** Led acquisition of Green Energy Group in Cyprus
- **Red Carpet Capital:** Aviation and Technology investments (London)
- **EH Global Capital:** Advised on the sale of TIP Trailer Services for more than €1bn (Amsterdam)
- **IHS Markit:** Built proprietary valuation models for private equity (London)
- ACA qualified with **Deloitte London**
- BSc Economics at the University of Warwick



AFXENTIS AFXENTIOU
Advisor

- **Cypriot Family Office:** Leading investment team covering Real Estate, Fintech and various strategic initiatives
- **Moelis & Company:** VP in Restructuring division; complex corporate restructuring processes (London)
- **Lazard:** Associate in Restructuring division, covering Shipping, Oil & Gas and Retail markets (London)
- **Deloitte:** Transaction Services (London) and ACA qualified
- BA and Meng Chemical Engineering at Cambridge University



ALEX MICHAEL
Advisor

- Advises startups on technology operations
- **Plum:** Co-Founder and CTO of AI-powered money management app, growing the team to 40 employees and ranked as #1 fastest growing Fintech in Europe
- **Tictail:** Millions of transactions processed each month, growing the company to 60 people. Acquired by **Shopify**
- **Software Engineer** in large-scale retail data analytics
- Imperial College London, First Class Honours



INVESTMENT CRITERIA

Sectors



Energy



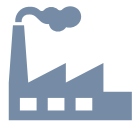
Education



Logistics



Automotive



Manufacturing



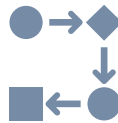
FMCG



Aviation



Food &
Agriculture



Business
Processes



Medical Supplies

Business Characteristics

Minimum recurring
annual revenue €1m



Growing
Market



Not digitally
disrupted yet



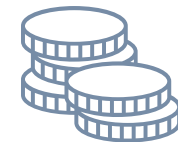
Management
ready to exit



International
Presence



Revenue Quality

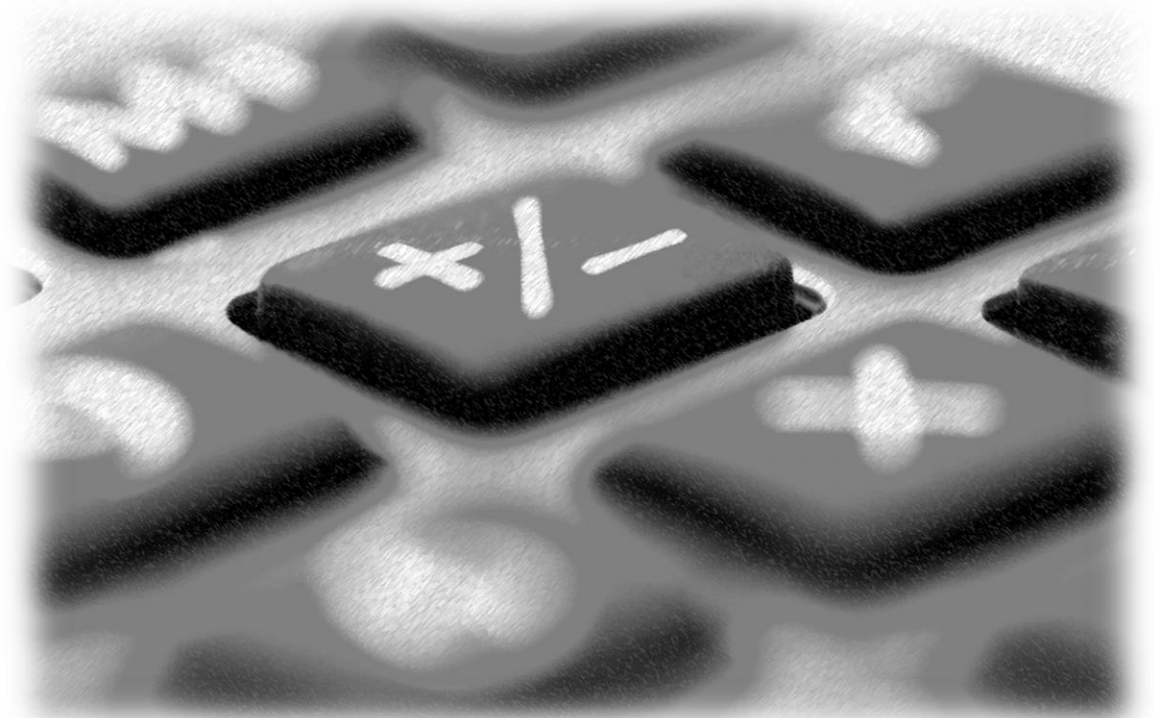


POST-INVESTMENT STRATEGY

FINANCIAL RESTRUCTURING

The financial restructuring plan is based on the following pillars:

- ✓ **Sustainable balance sheet and leverage position**
- ✓ **Monetise unutilised balance sheet assets**
- ✓ **Strengthen working capital position**
- ✓ **Cash flow positive**
- ✓ **EU subsidies and funding schemes**





POST-INVESTMENT STRATEGY

OPERATIONAL RESTRUCTURING



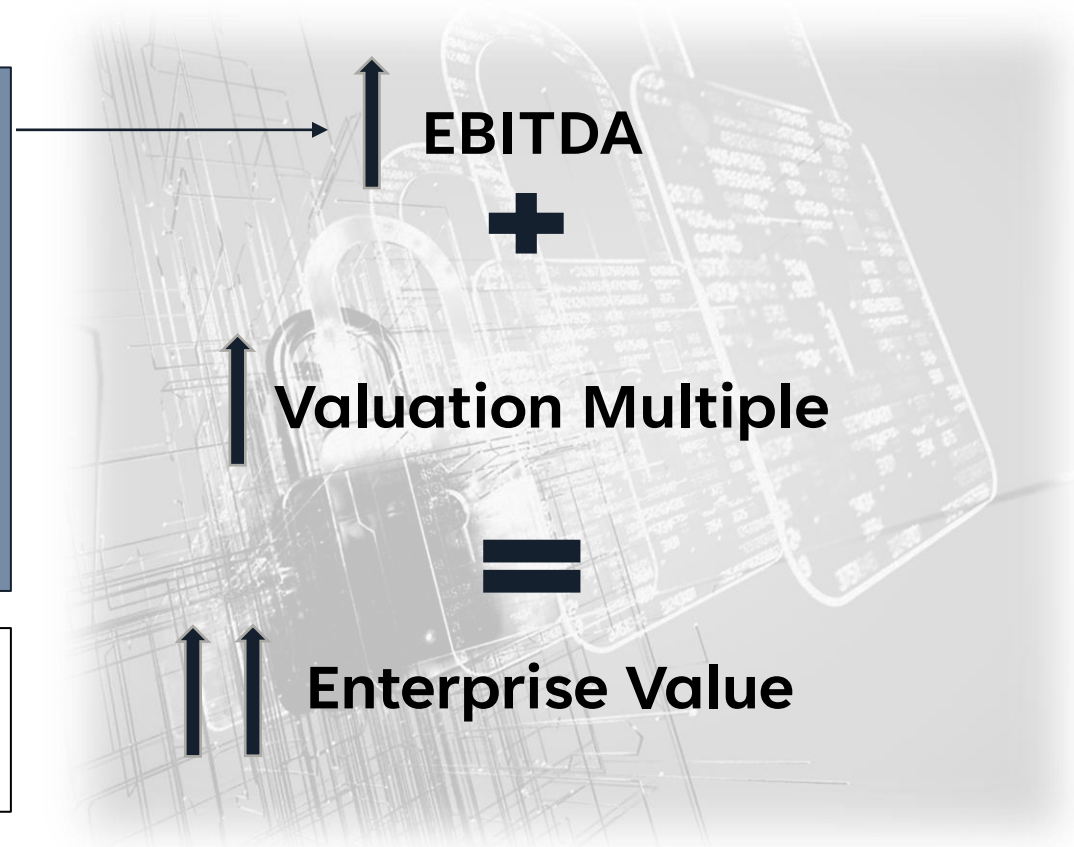
POST-INVESTMENT STRATEGY

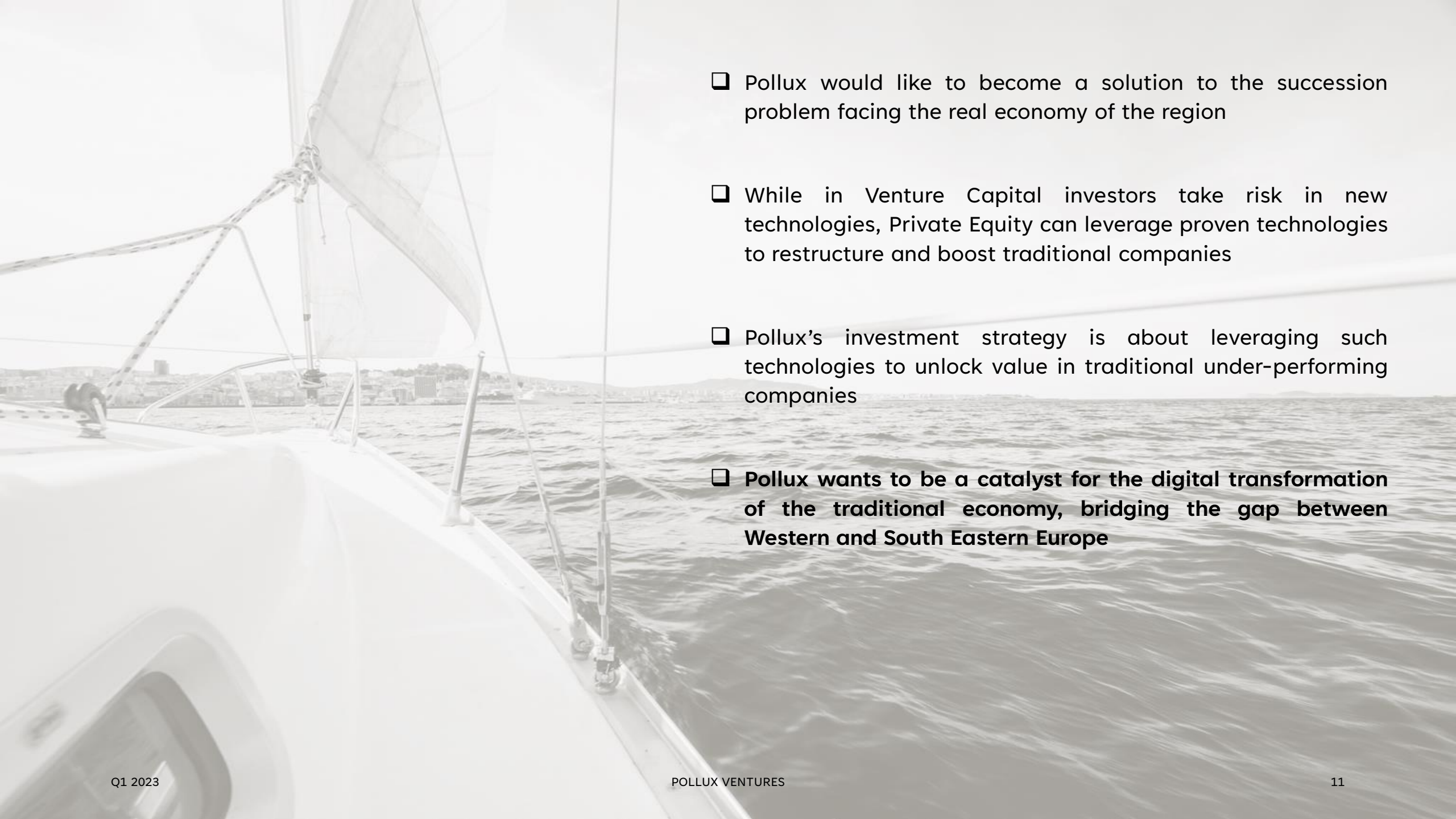
DIGITAL TRANSFORMATION

Transforming a traditional company to a tech-enabled company unlocks significant enterprise value. Some examples of these initiatives include:

- ✓ **Increase revenue** through tailored and state of the art CRM system, improving customer service and product quality
- ✓ **Increase revenue** through targeted digital marketing, enabling data gathering to invent new products
- ✓ **Reduce COGS and OPEX** through automation, better asset utilisation and impose data-driven decision making

- ✓ **Increase valuation multiple** as cash flow is de-risked by creating a well-run data centric company, opening more opportunities for growth





- ❑ Pollux would like to become a solution to the succession problem facing the real economy of the region
- ❑ While in Venture Capital investors take risk in new technologies, Private Equity can leverage proven technologies to restructure and boost traditional companies
- ❑ Pollux's investment strategy is about leveraging such technologies to unlock value in traditional under-performing companies
- ❑ **Pollux wants to be a catalyst for the digital transformation of the traditional economy, bridging the gap between Western and South Eastern Europe**



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