



INVESTOR PRESENTATION



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The VC Fund at a Glance

- EUR 38.5 million to be invested in the equity (or equivalents) of start-up companies.
 - Public funds of EUR 33.3 million provided by Fund Manager of Financial Instruments in Bulgaria (Fund of funds) under the operational programme „Innovation and Competitiveness“ co-financed by the European Structural and Investment Funds during the 2014-2020 programming period
 - Another EUR 6 million to be invested by co-investors at company level.
- Taking a minority stake in 25 to 30 investments in total.
- The fund will be established in Bulgaria and denominated in BGN (Bulgarian Lev).
- First investments completed in June 2020.
- Fund life is 10 years, can be extended twice by a year; investment period is limited to the first 5 years, ending in 2023.
 - Typical investment holding period of 5-10 years; exit opportunities will be evaluated ad hoc.
- Investing in securities affected by a small number of factors
 - Likelihood of success decreases when there are too many variables affecting an investment
 - Looking for investment factors which can be measured, quantified and monitored



Investment Criteria

- The strategy is sector agnostic with a focus on companies that satisfy at least one of the following conditions:
 - The company generates at least 50% of its revenue in Bulgaria;
 - At least 50% of the company's staff is based in Bulgaria;
 - At least 50% of the company's assets are held in a Bulgarian subsidiary;
- Morningside Hill seeks to invest in startups with the following characteristics:
 - The startup is in an early stage of development (post-seed);
 - The company should at minimum have created a viable product or service that has achieved an adequate level of market validation;
 - The company has already generated its first revenues or is on the verge of doing so.
- Investing in securities affected by a small number of factors.
 - Likelihood of success decreases when there are too many variables affecting an investment.
 - Looking for investment factors which can be measured, quantified and monitored.

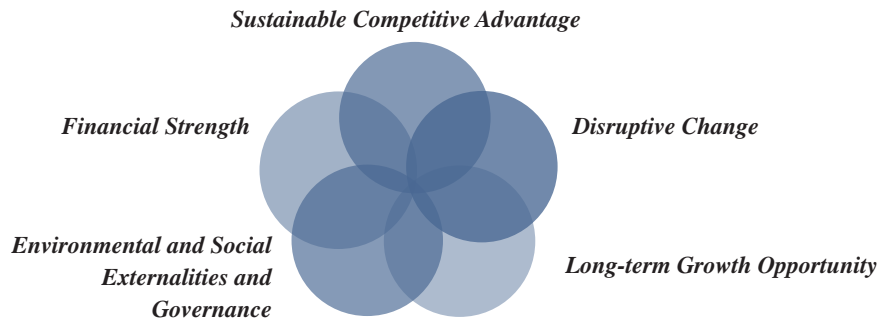


Investment Criteria (Continued)

- Morningside Hill is looking for investment opportunities that exhibit the following characteristics:
 - An exceptional management team with an idea that addresses specific market needs;
 - A product or service with a significant total addressable market;
 - An internationally competitive product or service or one that showcases a defensible local advantage;
 - Realistic growth runway and expansion potential;
 - A measurable moat or competitive advantage;
 - Solid cost control and manageable cash burn rate;
 - An innovative or industry disruptive approach;
 - Transparency in operations, financials and reporting;
 - A viable exit strategy;
 - An adequate valuation.

Our Core Investment Principles

- We are bottom-up, research driven, utilizing time tested fundamental criteria:
 - We invest in high-growth companies that drive or benefit from disruptive change across the consumer spectrum.
 - We seek young businesses with bold visions for emerging categories that are at an inflection point of growth, through a sector agnostic lens.
 - We partner with exceptional management teams and bold entrepreneurs, with outstanding track records and strong commitment.
 - We back founders of companies that have developed internationally competitive products or services with a significant total addressable market, showcasing a defensible long-term advantage.
 - We incorporate sustainability principles with respect to disruptive change and financial strength, that have a positive lasting impact on all stakeholders. We believe these principles are key for a company to sustain its competitive advantages in the long run and have
 - We seek attractively valued companies with distinct financial strength manifested via high margins and low leverage, with clear exit opportunities.





The Investment Process

- Our rigorous in-house research and due diligence are key components of our **investment process**:
 - We analyze financial information, including income and cash flow statements, balance sheet, turnover, ROE metrics, unit economics, key revenue growth drivers, cost structure, profitability, capital structure, cost controls, cash burn rate, and other company-specific data.
 - We evaluate the company's business opportunity, growth prospect, and product uniqueness.
 - We perform multiple channel checks across vendors and customers.
 - We conduct multiple long-form interviews with management to assess character, vision, competence, business practices, commitment.
 - We seek maximum transparency in operations, financials and reporting.
 - We perform regular site visits and facility inspections.
 - We rely on a trusted and experienced legal consultant for the analysis of applicable legal and regulatory factors, as well as specific documentation review.
 - Our research is further enhanced by the knowledge and insights of our extensive proprietary network of partners including management teams, industry specialists, fellow investors, and others who may offer insights into a given business.



Leveraging Our Experience in Private & Public Markets

- **Our prior experience spans across Europe, U.S., and Africa**
 - 10+ years experience with private equity investing and fundraising, including investments in the global unicorns of the past decade.
 - 10+ years experience in public equity investing in top-tier, multibillion AUM funds in world's biggest financial centers.
- **Total funds raised under our brand: ~EUR 65M, including public and private sources.**
- **Current portfolio and pipeline:**
 - Focus: companies that are building the future through technological innovation;
 - Industry diversity: fintech, agritech, health tech, e-commerce, application software; environmental technologies.



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