



VX Associates

VX Associates

ESG Advisory Services

PRIVATE EQUITY | VENTURE CAPITAL | MARKET RESEARCH | FINANCIAL ADVISORY
SUSTAINABILITY FINANCING | ESG RATING ADVISORY

Who We Are?

VX Associates

- **VX Associates is a diversified financial advisory company engaged in growth strategy and financing solutions, private equity & venture capital advisory, sustainability advisory, and market research activities**
- We offer deep financial expertise, strong local market knowledge, and broad advisory capabilities to companies in all business stages operating in **CEE region**
- We guide companies, along with their owners, through their most critical strategic opportunities and challenges. As experts in mergers & acquisitions, our goal is to deliver world class advice and flawless execution whether we are representing a strategic acquirer or seller
- We strive to deliver excellence to our clients by identifying and capturing opportunities in a rapidly changing world where sustainability has become a business imperative

VX Associates, an independent financial advisory company, was founded in 2020 to address the need for expertise and advice in financial industry

Our Mission

Our mission is to provide clients with expert perspectives to help them make important strategic decisions with confidence. We take a multi-dimensional approach to problem-solving and formulate effective solutions to address your needs, while helping you create value

What Can You Expect From Us?

When partnering with VX Associates you can expect:

- Outstanding commitment from veteran dealmakers;
- First-class transaction execution;
- The highest standard of integrity, confidentiality and discretion;
- Putting your interests first;
- Acting with conviction informed by deep structural research and analysis;
- Embracing innovative solutions in solving various challenges;
- Unbiased help and advice in every step of your way

VX Associates helps its clients in achieving superior results by producing introspective, thoughtful advice while having honesty and integrity at the core of our values



In VX Associates we gather multi-functional teams to yield specific tailored advice on each task, while leveraging our extensive global network to deliver the best solutions



In VX Associates we truly believe that our people are our greatest asset, so we bring together the brightest and most talented individuals to deliver exceptional service to all of our clients

How Can We Assist You in the Sustainability Space?

III) Sustainability Advisory & Financing Solutions

- Already before COVID-19, ESG awareness has reached the next level with unprecedented investment growth in ESG funds and sustainable businesses. We believe that unprecedented disruption being wrought by this pandemic will accelerate the adoption of ESG objectives not only by large companies but also SMEs. We can advise clients in devising the ESG strategy and communicating it to various stakeholders. ESG strategy is not a stand-alone issue, but should be integrated into the overall company's strategy, operating environment, and business model.
- **Our services** include ESG due diligence, gathering sustainability and ESG key performance indicators (KPIs), industry benchmarking, identifying risks, proposing action plans, monitoring and reporting on performance. We can also assist in defining the communication strategy with various stakeholders, including investor engagement and preparing sustainability / ESG report. The transition toward sustainable solutions often requires investments, and we can identify appropriate financial resources, including EU funds to provide financing in embracing sustainability practices. In addition to in-house resources, we can rely on our network of industry specialists and service providers to support complex and highly technical products.
- **Mirna Marovic**, CEO at VX Associates, is a holder of EFFAS Certified ESG Analyst (CESGA®) diploma and has obtained sustainability qualifications from Harvard Business School, London Business School, the London School of Economics and Political Science (Climate Change: Economics and Governance), Climate Bond Initiative (Green Bond Placement), and GRI Academy (GRI Reporting and Sustainability Standards)

VX Associates ESG Advisory Services



ESG Verified

Third party ESG risk evaluation, due diligence, data verification and report assurance to achieve high quality and assured results with external expertise and verification.



ESG Optimized

Advisory services for improved ESG disclosures or processes, management and performance with clear action plan solutions leading to ESG practice optimization.

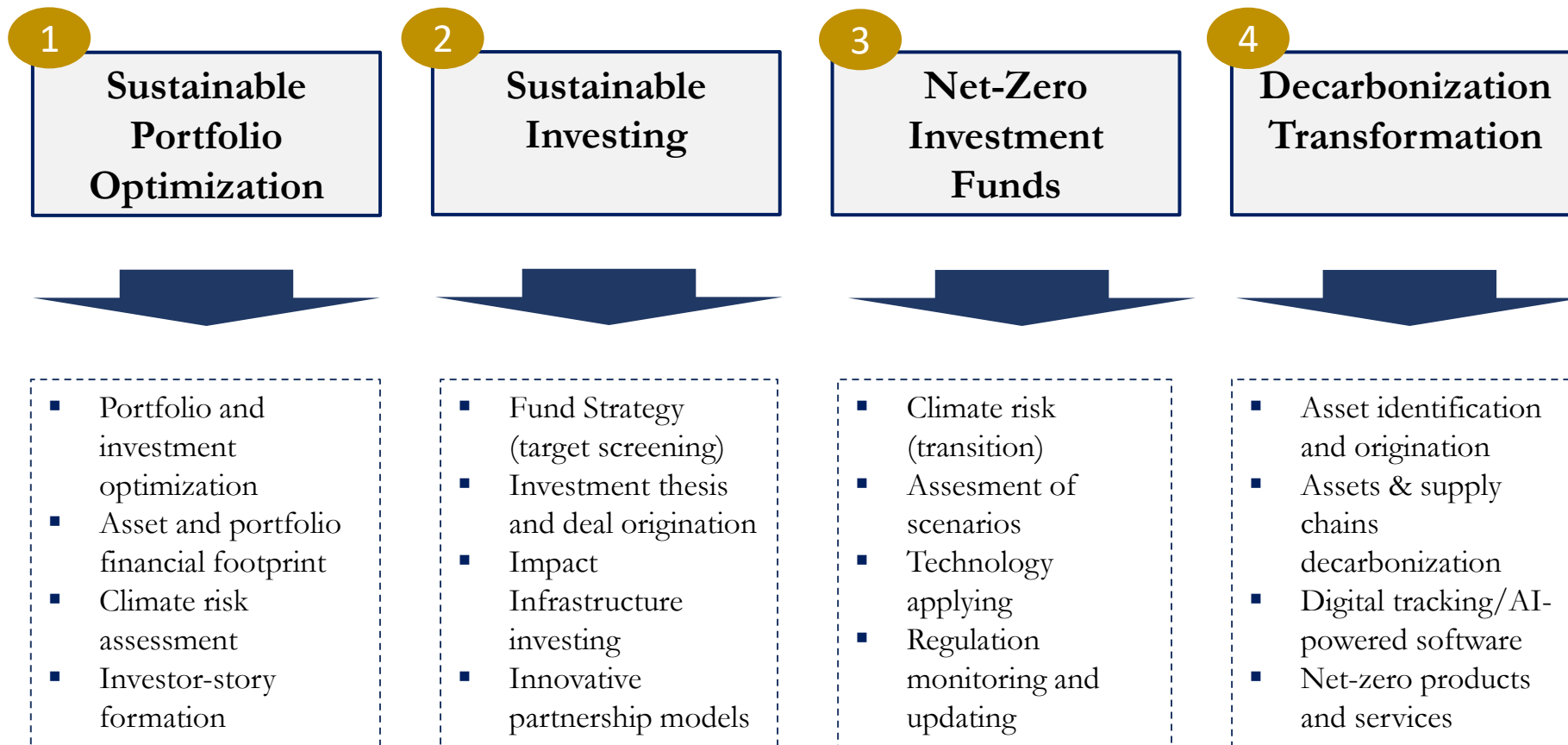


ESG Certified

Performance evaluation based on decided criteria and certifications under environmental, social and governance categories, leading to the issuance of an ESG certificate.

- Our end-to-end solutions help customers solve a combination of risks and needs across their value chain, to redefine their journey to sustainability
- Our solutions are founded on the need to drive better and safer business practices across 3 pillars. Each pillar contains services that aim to solve an issue or need within that value chain level, depending on the organization's maturity level

Our 4 Side Approach to ESG Advisory



Our pragmatic business approach will help you to respond to the physical risks of climate change, as well as to operate in new markets and regulatory environments related to carbon and renewable energy

Objectives Of Working with VX Associates



Satisfy legal, regulatory and compliance requirements
(minimum requirement)



Integrate ESG / Sustainable Financing Strategy in the overall Investment Strategy as a risk management tool



Leverage on the successful implementation of ESG / Sustainable Financing Strategy to enhance returns



Integrate ESG / Sustainable Strategy in the Remuneration Strategy



Integrate ESG / Sustainable Strategy in the overall portfolio monitoring and reporting solution



Use ESG / Sustainable Financing Strategy as a mean of promoting the fund and raising the fund profile with all stakeholders

How Can we Help?

VX Associates ESG due diligence professionals go much further than traditional environmental, health & safety assessments

- VX specialists look at a wide range of potential liabilities, compliance issues and hidden risks that could reduce the deal price or opportunities that could increase it
- Therefore VX Associates also search for value creation opportunities that might improve the divestment valuation of the business
- As an integrated part of VX Associates Deal Advisory team, our ESG due diligence professionals know how to keep deals on track in time-sensitive situations
- And, with experts across our network, we have local expertise ready to support multinational deals wherever the company's operations are located
- VX Associates will help clients to improve business practices and meet customer, investor and stakeholder demands
- Since ESG impacts all stakeholders in the corporate and investment sectors, our portfolio of ESG services aims to meet the needs of a variety of organizations, whatever their level of maturity, industry focus or need. VX Associates ESG Advisory Solutions provide a unique set of competencies that help our clients achieve specific targets and goals

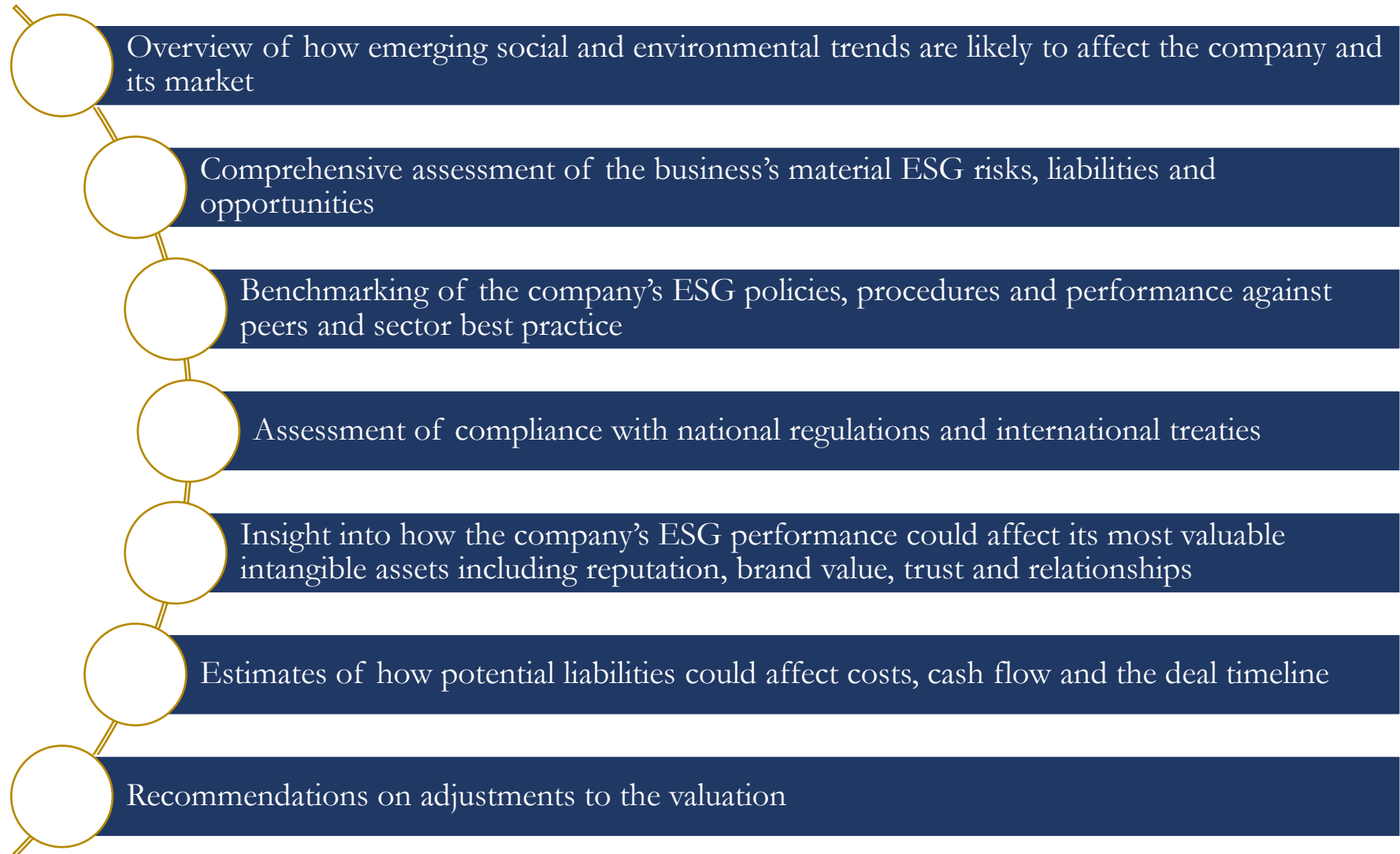
VX Associates's Wide Approach to ESG Due Dilligence

VX Associates ESG due diligence approach covers a wide range of performance, risk and compliance issues. They include, but are not limited to:



- | | | | |
|---|---|---|---|
| <ul style="list-style-type: none">- Pollution of air, buildings, land and water- Impacts on ecosystems and biodiversity (e.g. deforestation and the use of pesticides)- Exposure to extreme weather- Energy efficiency strategy and carbon management- Use of scarce resources- Sourcing practices such as the use of responsibly sourced materials- Management of waste and recycling- Use of water, especially in water scarce regions- Readiness to respond to changing regulations on environmental performance | <ul style="list-style-type: none">- Level of customer satisfaction- Protection of customers' data and compliance with privacy laws- Approach to human rights risks such as labor standards- Strength of relationships with workers and communities- Worker safety- Supply chain risks, such as standards of working conditions in the supply chain- Approach to diversity and equal opportunities- Employee attraction and retention record- Product safety | <ul style="list-style-type: none">- Compliance with accounting standards- Examples of anti-competitive behavior- Audit Committee and Board structure- Bribery, corruption and responsible tax record- Executive remuneration- Succession planning- Robustness of ESG risk management processes- Presence of appropriate whistleblower and grievance mechanisms | <ul style="list-style-type: none">- Readiness for transition to a low-carbon economy- Resilience of the business model and strategy to social and environmental megatrends- Strength of relationships with regulators and investors around ESG issues |
|---|---|---|---|

VX Associates ESG Due Dilligence Services Include:



We Are Here To Support Your Responsible Investing

Institutional investors are concerned about the sustainability of their investments and portfolios. ESG matters are now a key component of the process of investment decision-making and portfolio management.

- Better environmental, social and governance (ESG) management provides an opportunity for institutional investors to generate greater value for their portfolio companies, their investors, and society at large
- We at VX Associates believe that not only are there clear benefits of better ESG management, but that it is possible for this value to be quantified and communicated to investors, acquiring parties, and other stakeholders
- When buying companies, many investors check that there are no environmental show stoppers (e.g. contaminated land), no social red flags (e.g. human rights issues) and no governance problems (e.g. bribery and corruption). No investor wants to be caught out and face bad press, heavy fines or see the value of an acquisition drop
- We provide a tailored approach to each ESG due diligence assessment depending on the risks identified in your screening assessment, the depth of detail required for the overall due diligence, the time and budget available, and the access to management
- The scope of our ESG due diligence work will be tailored to reflect the material ESG issues inherent to the specific target company, but will likely focus on many of the ESG risks

Path To Improved ESG Practices

1

Identify

Identify material ESG risks by evaluating sector, regional, internal and external information. Leveraging professional experience and software tools to screen for potential ESG risk exposure via two pathways: industrial sector and geographical region.

2

Analyze

Conduct analysis against a set of criteria, identifying potential gaps across all ESG areas. Provide competitive, data driven benchmarking across these areas. Applying our extensive due diligence experience and the subject matter expertise of colleagues when identified risks require deeper analysis

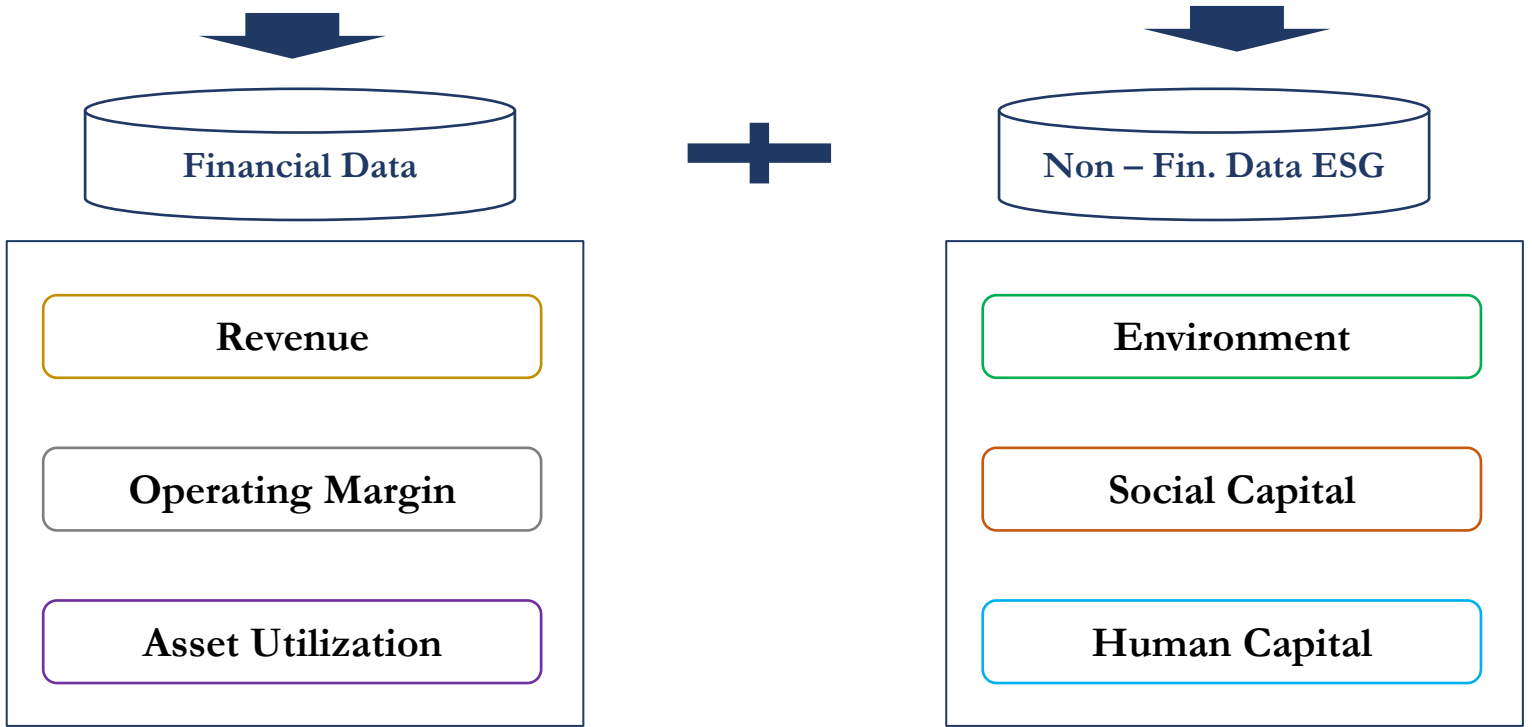
3

Output

Providing specific advice on how to improve ESG rating scores. Holding workshops with management teams to build trust and seek to set out improvement strategies that reduce risk and enhance value. Mapping actions to the Sustainable Development Goals (SDGs)

Process + Data + Technology

Business Processes



Increasing Shareholder & Stakeholder Value

Overview of the EU Mandatory Regulation



Non-Financial Reporting Directive (NFRD)

EU corporates to disclose ESG data relating to business operations; more detailed ESG disclosures being considered



Taxonomy Regulation

Investments to be assessed according to strict criteria before being labeled environmentally sustainable



Sustainable Finance Disclosure Regulation (SFDR)

Investment firms to undertake ESG risk analysis and publish product- and firm-level ESG disclosures



EU EcoLabel

Proposals to extend EcoLabel to financial services firms



Climate Benchmark Regulation (CBR)

New ESG disclosures for all benchmarks bar FX and rates indices. Creation of two new climate benchmarks



EU Green Bond Standard

Proposals for minimum underlying requirements for marketing bonds as green



Second Shareholder Rights Directive (SRD II)

Buy-side to integrate ESG and long-term sustainable interests of clients into investment strategies and engagement activities



Prudential Legislative Texts

Integration of ESG risks into broader EU prudential risk framework

Timeline for implementation is 2017 – 2022
+ Future initiatives to support the European Green Deal, ESG and sustainability

SFDR - A Brief Overview

1 type of manager

Any financial market participant

3 types of funds

Conventional AIFs

E&S promoting funds

Sustainable finance funds

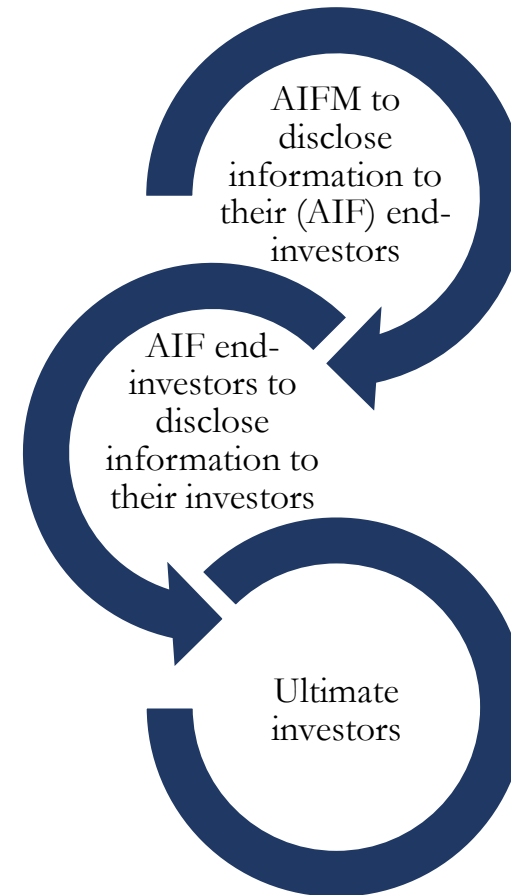
3 levels of requirements

Public (website) disclosure

Pre-contractual disclosure

Periodic disclosure (annual report)

Application date: 10th March 2021



Objective: transparency, uniformity and to prevent “greenwashing”

Article 4 “Transparency of **adverse sustainability impacts** at entity level”

Article 6 “Transparency of the integration of sustainability risks”

Article 7 “Transparency of **adverse sustainability impacts** at financial product level”

Article 8 “Transparency of **the promotion of environmental or social characteristics** in pre-contractual disclosures”

Article 9 “Transparency of **sustainable investments** in pre-contractual disclosures”

Article 10 “Transparency of the promotion of environmental or social characteristics and of sustainable investments on **websites**”

Our Team – VX Associates



MIRNA MAROVIC
CEO & Founder



ANTE KRISTO
M&A Advisor



KARLO JURIC
Associate

-
- Over 25 years of investment banking and private equity experience
 - Former Structured Finance Executive at Bank of America Merrill Lynch
 - Former Corporate Finance Officer at BNP Paribas and Credit Agricole Indosuez
 - Former Assistant Minister of Foreign Affairs and European Integration in Croatia
 - INSEAD MBA, London School of Economics BSc (Econ), postgraduate education at London Business School and Harvard Business School, PhD in Progress
- 2 years of experience in M&A
 - M&A at Deutsche Telekom Group (HT)
 - Former Deloitte Associate
 - University of Zagreb, best in class (GPA 5) Masters in Finance Graduate
- Former Investment Banking Intern at Privredna banka Zagreb (Intesa Sanpaolo)
 - Former EY Advisory Intern
 - Former World Bank Consulting Intern
 - University of Zagreb Graduate

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