

Catalyst Venture Partners: Investor Director Programme

Catalyst provides Investor Directors (ID's) to early stage companies. Currently the Catalyst database has over 3000 individuals with industry experience ranging from medical devices to the Oil industry. These ID's are highly qualified and willing to invest in fast growth early stage companies. Typically ID's are successful business people who want to diversify their own investment portfolio and are seeking opportunities to work with early stage companies where they can use their expertise, have some influence on the strategy and operation of the company and generally make a difference.

The origins of the programme lie in Catalyst's experience of building early stage companies. We recognised that the right Chairman/Non Executive Directors can have a transformative effect on early stage companies: they can open up opportunities, prevent obvious strategic and operational errors, and catalyse change. The programme can also provide considerable benefit to financial investors.

Benefits to the Company:

- Provides highly qualified and sector experienced individuals who are able to help steer and develop companies
- Can be a key enabler to realise the company/founder ambitions
- Provides a mentor and sounding board for the CEO
- Unlike with "Angel Investors" Candidates/Investor selection is under the control of the company
- ID's are frequently well connected in the funding community and can facilitate further fund raising
- Will typically have the experience to prepare the business for eventual exit

Benefits to financial Investors:

- Provides comfort that highly experienced/knowledgeable individuals are willing to invest so supporting the due diligence process
- Adds to the Investor's knowledge of the industry sector
- Supplements scarce investable funds
- Strengthens corporate governance
- Strengthens management
- Can be used in a turnaround situation to protect investment

Case Studies

Over 30 companies have benefitted from the ID programme. This is a selection of case studies.

Vykson

Vykson has created the world's first Waste Fuel Turbine Engine purpose designed and built for green power generation. We specialise in generating power from low quality fuels that other engines cannot achieve. We presently operate from high quality gas down to 10% methane with no pilot fuel. We provided a Chairman who is an experienced project manager and leader in the engineering and construction industry having held Director level positions with Ahlstrom and Babcock and Brown. The Chairman invested £100,000. This company is now seeking further funding and/or a trade sale.

TBSC

TBSC enables software companies to deliver software as SAAS solution using cloud computing. TBSC was part of the Catalyst Accelerator Programme. We provided an Investor Chairman and an Investor Director. The Chairman has more than twenty years' senior management experience at CEO level with information technology companies. He was CEO or MD of ICTV, DST Innovis and Cable data in the US and Gandalf International, Infortron International, Tech-Nel, Hugin-Sweda and Litton Business Systems in the UK. The ID has more than thirty years experience as a senior international banker. He has a track record of leading growth strategies, improving profit performance and managing change across frontiers and cultures. Between them these ID's have invested over £180,000.

EVO Electric

EVO Electric develops and manufactures advanced electric motors, generators and integrated systems based on proprietary axial flux technology. We provided an Investor Director who is the Senior Independent Director of Hutchison China Meditech Limited and a non-executive director of NTR plc. He was most recently CEO of AIM listed company Hydrodec Group plc. He has had a 25 year business career during which he was Senior Vice President and Group Head of Strategy and Corporate Finance at Global Crossing Ltd. In the mid 1990's he was Group Head of Corporate Finance at Cable and Wireless plc, and before that a Director of North West Water International Ltd.

Classwatch

Classwatch delivers a teacher-centric solution allowing teachers to capture, archive, and share and learn from the positive and negative activities within their classroom. Classwatch was part of the Catalyst Accelerator Programme. Under this programme we provided a Chairman and an Investor Director. The Chairman was previously a banker and senior politician. The ID is a marketing and sales led Managing Director with a strong background in business development and operations. Prior to joining and investing in Classwatch, he was CEO at MultiMedia Television PLC, which was an IT solution start up in the Digital TV, media sector. He floated the company on AIM in 2004.

Liberty Cars

Pioneer of the automotive industry, the UK-based re-engineering company has developed, tested and proven world-beating electric engine technology that is set to revolutionise the automotive market. Liberty Electric Cars has entered into an agreement with a Chinese Government agency to provide the technology for a pure electric bus platform to be built in China. The first order is for 10,000 units and this is expected to rise to 30,000. We provided three NED's which included the former CEO of Marshall Motor Holdings. These ID's have collectively invested over £270,000.

Which companies qualify for the Programme?

The ID programme currently has a 100% success rate in providing ID's because only qualifying companies are accepted. To qualify companies must have:

- an addressable worldwide market in excess of \$1 billion per annum and/or an addressable UK market in excess of £100 million per annum
- a scalable business model
- a core management team with an entrepreneurial driver
- a defensible competitive advantage
- ambitions to achieve revenues in excess of £5 million per annum at the end of a four year plan
- proof of customer acceptance
- willingness to accept change

Getting an ID – The Process

We have a three step process:

Step 1 – We review the company's business plan and work with them to ensure that they meet the qualifications and are communicating the message appropriately. With the management team we identify the ideal profile of individuals required. This may be a Chairman with a good industry contact list, sales and marketing specialist, technical/operational expert; or a financial director.

Step 2 – We solicit interest from members of the programme by circulating an anonymous profile of the company. Interested members are then contacted to ensure that they meet the profile and then an executive summary is sent to them to allow them to better gauge their interest. Selected individuals are then sent a copy of the business plan under an NDA. Meetings are then arranged with the company and offers are invited from both sides to establish an agreement in principle.

Step 3 – Having established a heads of agreement we then help to close the deal. This can involve a range of tasks from providing guidance on suitable tax and legal advisers to appropriate service agreements.

If you would like to know more about the programme please contact us: 00 44 1225 331498

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