

The  story

iEUROPE
CAPITAL

22 April 2010

Historical background

- Founding
 - In 2000-ben, by Panos Gomopolous and eVision
 - Further investor eQuest (VC fund) – US\$2 million
- Origin of the Vatera brand name
 - A beach on the island of Lesbos
- Operations in 5 countries
 - Poland, Czech Republic, Hungary, Greece, Turkey

The investment

- iEurope acquires majority stake from shareholders
 - Esther Dyson as co-investor
 - Some key managers (CZ and HU) receive shares
- Transfer of assets and some liabilities, creation of new holding structure
- Reorganisation of operations
 - Focus needed: only HU and CZ remain

Period of slow growth

- Low internet penetration
- iEurope's unrelenting belief in the viability of the business model
 - Online marketplaces are a success globally
- Wait and see, survival techniques
 - Resale of impounded leased cars
 - Stock clearances
- Bringing in experts to promote growth under the circumstances

Reorganisation of management, growth picks up

- Finally internet usage has started to grow in Hungary too
 - Shift in approach needed
- Build on proven members of the old management
 - Director of operations
 - Head of customer services
 - Lead developer
- Team additions
 - New managing director

Milestones

**Finance/
MIS**

Initial capital increase

2nd round financing

Positive EBITDA

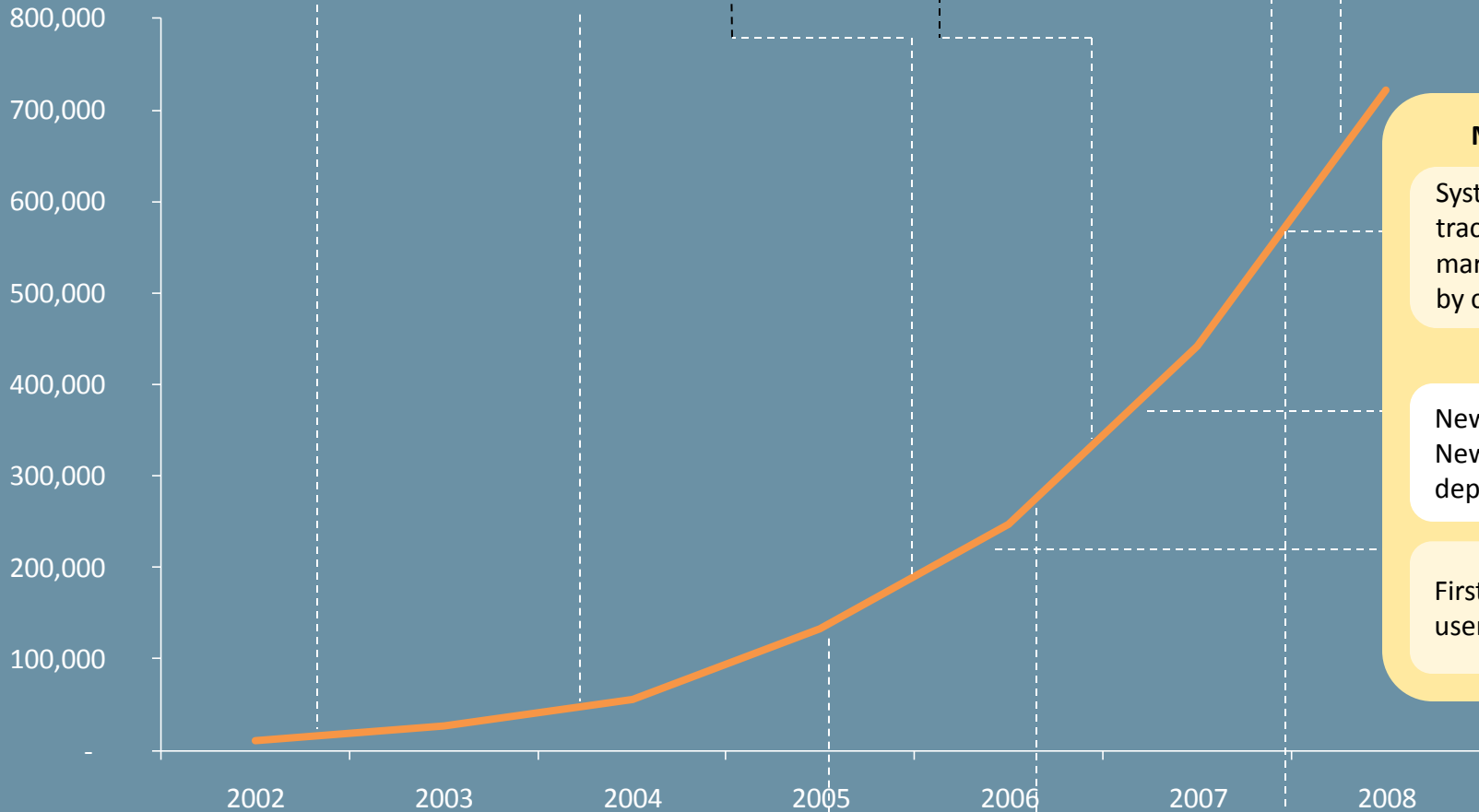
MIS upgrade

Revenue above €1m, New CFO

Sale to



No. of users



Marketing

Systematic tracking of marketing spend by channel

NewCMO
New marketing department

First detailed user study

**Operations/
IT**

New CEO
New incentive scheme

CTO

Expansion into Slovakia

Focus on marketing...

- First detailed user study prepared in 2006 (by NRC)
- Applying offline marketing experience online
 - FMCG brand manager (Nestlé, Coca Cola)
 - Concentrating on analysing user activity
- Creating a buzz
 - Widespread use of the coined phrase “Vaterázz”
 - Auctions starting from HUF1
 - Items used by celebrities
 - Charity auctions

... as well as IT, finance and MIS

- IT upgrade
- CFO with experience as an auditor and head of controlling at a multinational
- Upgrade of information tracking system (MIS), for
 - Data mining/analysis
 - Monthly reports (financial and operational)
 - Frequent reviews with the management

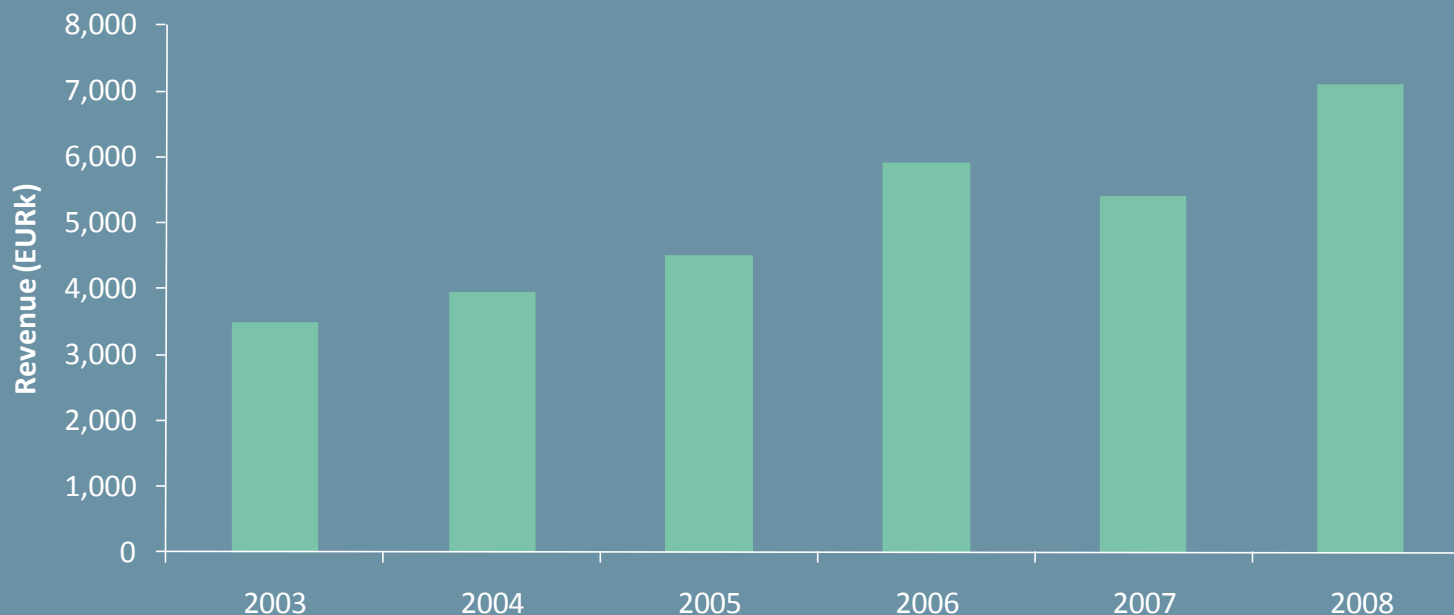
Regional expansion: Slovakia

- Preparation for almost one year
 - Detailed strategic, marketing and financial plan
- Finding the country manager of key importance
 - Took longer than expected
- Filling up the shelves after launch

The exit

- Appointment of well-known experts
 - Financial advisers: Concorde and Aelios Finance
 - Legal adviser: White & Case
- Maintained alternative route of raising new capital through private placement
 - Created a 5-year growth plan
- Conventional and unorthodox steps during due diligence and pricing
- IRR 59%, COC 13.x5

Atech (Slovenia) case study



Investment

New
incentive
scheme

New MIS

New key
personnel
- CFO
- CTO
- Sales

New head of
productions

Marketing
and Sales
separated

Marketing
study:
new product
launch

Exit

23
employees



105
employees

New iEurope fund, new targets

- Looking for new investments
 - Clean Technology and Green Energy
 - Consumer Products and Services
 - Infotech and Media
 - Medical Devices
 - Specialised Industrial Technology
 - Technology-enabled Business Services

Contact

Email: laszlo@ieurope.com

Telefon: (36) 1 200 4015