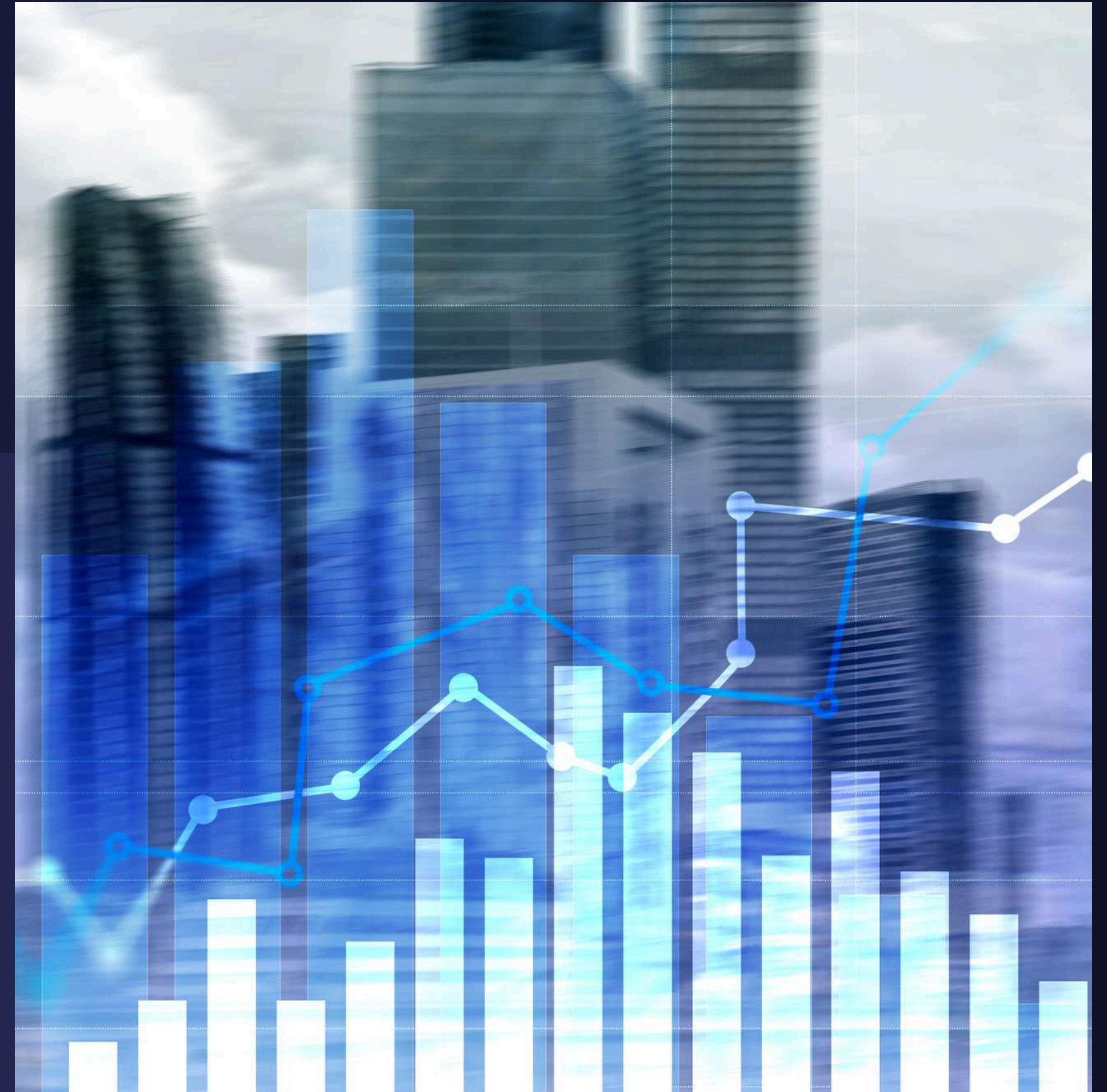




# ARCHCREST INVESTMENT STRATEGY

# THE STRATEGY

The ARCHCREST investment strategy, developed by ARCHCREST Capital Advisory, targets direct and indirect investments in private equity, venture capital, private investment in public equity (PIPE), and bridge financing. With the aim of achieving higher returns, the strategy primarily focuses on sectors with robust underlying fundamentals and growth potential in the medium term. Key investment areas include late-stage venture capital and pre-IPO companies aiming for listings on regulated markets, as well as publicly listed companies and private companies undergoing significant financial operations.



# THE TACTICS

The ARCHCREST Strategy actively seeks out emerging growth companies, both publicly and privately held, on a global basis. It focuses on investing in U.S. public companies listed on major exchanges such as NYSE, NASDAQ, and CBOE through structured equity investments, including convertible debt and convertible preferred equity. These instruments are chosen to mitigate the straightforward risk-reward dynamics of traditional investments by offering downside protection with variable price conversions, pricing resets, and ratchets, without stifling the potential for significant gains. The strategy will utilize a diverse mix of investment vehicles such as PIPE, bridge financing, common and preferred equity, debt, and warrants. Engaging with leading underwriters and guided by historical transaction volumes, the strategy is designed to rotate capital approximately twice per year, ensuring sufficient liquidity for strategic redeployments and investor redemptions.



# THE TARGETS

The ARCHCREST investment strategy considers situations with potential for strong value enhancement including:

- Targets with high-growth potential or those that demonstrate high growth;
- Target Companies offering shares at price below the expected IPO price;
- Already Public Companies offering shares at price below current stock price;
- Companies in need of bridge financing due to extraordinary financial operations;
- Target Companies without a structured governance in need to be institutionalized before the listing;
- Companies that have already raised capital from private investors and have a proven business model with strong fundamentals;
- Rapidly growing mid-sized Target Companies.



# THE EXECUTION

The investment horizon for each target within the ARCHCREST Strategy typically spans three to six months. This approach involves simultaneously engaging in multiple transactions to effectively diversify risk and optimize returns. This methodical deployment of capital across various opportunities allows for a balanced risk-return profile, aiming to maximize investor gains while mitigating potential losses.



# PRE-IPO INVESTMENT



## WHAT IS PRE-IPO INVESTING?

Pre-IPO investing involves acquiring equity in companies just before their public debut through an IPO. This strategy targets firms with robust business models, purchasing shares at a discount to capitalize on potential post-IPO value appreciation.

Companies may offer shares at a discount in the pre-IPO stage for several reasons:

1. **Capital Needs:** To fund growth or operational improvements pre-IPO.
2. **Risk Mitigation:** To lessen financial and operational risks associated with going public.
3. **Valuation Insight:** To test market valuation and investor interest, aiding in IPO pricing.

## STRATEGIC OUTCOMES

Investing in the Pre-IPO stage allows ARCHCREST Strategy to position its portfolio for substantial growth. This strategic investment approach aims to capitalize on the transition from a private to a public entity, seeking to leverage the uplift in valuation that typically accompanies an IPO.

Pre-IPO investing requires a nuanced understanding of market trends, regulatory environments, and the specific growth trajectories of target companies. For this reason ARCHCREST Strategy it is based on the implementation of comprehensive due diligence to assess the viability and potential of the investment, considering factors such as the company's financial health, competitive positioning, and the strength of its management team.

# PRE-IPO INVESTMENT



## ARCHCREST'S APPROACH

- **Target Selection:** Focus on late-stage companies poised for public listing, with robust growth potential and sound fundamentals.
- **Investment Instruments:** Diversified investment in equity and semi-equity instruments such as shares, warrants, and convertible securities.
- **Valuation Advantage:** Capitalize on opportunities where shares are available at prices below anticipated public offering values.

## INVESTMENT BENEFITS

- **High Growth Potential:** Access to high-growth companies at a pivotal stage before market valuation potentially increases upon IPO.
- **Price Advantage:** Investors can enter at a lower valuation, providing an opportunity for significant returns as the company matures into public trading.
- **Diversification:** Incorporation of various financial instruments mitigates risk while maintaining the potential for high returns.

# PIPE INVESTMENT



## WHAT IS PIPE INVESTING?

Private Investment in Public Equity (PIPE) involves acquiring equity securities directly from publicly traded companies at a negotiated price through private placement. This typically includes shares, warrants, and convertible instruments.

Why Companies Opt for PIPE:

1. **Immediate Capital Access:** Provides quick financing without the complexities of a public offering.
2. **Strategic Flexibility:** Helps manage cash flows, fund expansions, or deleverage without market disruption.
3. **Enhanced Terms:** Allows companies to set favorable terms with committed investors, stabilizing their financial base.

## STRATEGIC OUTCOMES

Investing through PIPE allows ARCHCREST Strategy to capitalize on market inefficiencies and provide crucial support to companies undergoing significant strategic transitions.

PIPE investing necessitates an in-depth analysis of market trends, regulatory frameworks, and the particular financial circumstances of the targeted companies. The ARCHCREST Strategy relies on conducting thorough due diligence to evaluate the feasibility and potential of each investment. This process includes analyzing the company's financial stability, its position within the competitive landscape, and the effectiveness of its management team.

# PIPE INVESTMENT



## ARCHCREST'S APPROACH

- **Investment Focus:** Targets public companies offering shares at prices below current market rates.
- **Instruments:** Invests in equity and semi-equity instruments, capitalizing on opportunities in undervalued public entities.
- **Negotiated Transactions:** Engages directly with target companies to negotiate investment terms that offer potential for significant value appreciation.

## INVESTMENT BENEFITS

- **Discounted Entry:** Access to shares below market price offers a higher potential return.
- **Market Position:** Opportunity to invest in companies with solid fundamentals at a significant discount.
- **Quick Execution:** Faster transaction closures compared to public market offerings.

# BRIDGE FINANCING



## WHAT IS BRIDGE FINANCING?

Bridge financing is a short-term funding option used by companies to stabilize their finances until longer-term financing can be arranged. It typically covers immediate capital needs to maintain business continuity during critical transition phases.

Why Companies Opt for Bridge Financing:

1. **Immediate Financial Needs:** Companies facing short-term liquidity issues or undergoing significant transitions like acquisitions, expansions, or restructuring may require immediate financial support.
2. **Gap Financing:** Serves as a stop-gap to ensure continued operations and financial health while awaiting more permanent funding solutions.
3. **Strategic Timing:** Allows companies to capitalize on timely business opportunities.

## STRATEGIC OUTCOMES

By investing in bridge financing, ARCHCREST Strategy aims to support companies in crucial transition phases while capturing high yield opportunities. This strategy not only facilitates the financial stability of target companies but also maximizes return on investment through structured, secured lending practices.

Bridge financing requires a comprehensive understanding of market dynamics, regulatory conditions, and the specific financial needs of the targeted companies. The ARCHCREST Strategy emphasizes extensive due diligence to assess the viability and prospects of each financing opportunity. This includes examining the company's immediate financial requirements, its strategic positioning in the market, and the capability of its management to navigate transitional periods effectively.

# BRIDGE FINANCING



## ARCHCREST'S APPROACH

- **Investment Focus:** Targets companies undergoing extraordinary financial operations that require immediate short-term funding.
- **Instruments:** Invests in convertible instruments, debt securities, and other tailored financial instruments that provide flexibility and strategic leverage.
- **Strategic Implementation:** Engages directly with target companies to structure bridge financing solutions that align with the companies' long-term financing goals and operational needs.

## INVESTMENT BENEFITS

- **High Return Potential:** Bridge financing often carries higher interest rates or favorable conversion terms, offering attractive returns to investors.
- **Security:** Typically secured against company assets or accompanied by stringent terms to protect the investment.
- **Short Investment Horizon:** Allows for quicker capital turnover and the potential for reinvestment, aligning with dynamic market conditions.

# THANK YOU

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**ARCHCREST** Capital Advisory

7 Bell Yard

London WC2A 2JR

England, UK

