

From Opportunity to Impact

NECA's Track Record in Corporate Finance



Our Story

World-class advisory in southeast Europe

NECA's founding partner Ken Lefkowitz, a US-trained economist, moved to Sofia in 1995 to participate firsthand in southeast Europe's transition to a market economy. It was a unique opportunity to participate in the market orientation of a whole region and to shape the development of key industries.

We now leverage these 20+ years of experience with foreign investors, local entrepreneurs, and project developers to offer informed, effective financial and strategic advice on M&A, capital-raising, project development, and restructuring.

We work to a global standard of service and compliance, but navigate effectively the region's many operational hurdles. Our sector focus is on the network industries and infrastructure: technology, media, & telecommunications as well as energy, utilities, and transport & logistics.

NECA leverages additional expertise and contacts through its participation in the network of [EPIC](#), a Vienna-based merchant banking house. In Romania, we cooperate actively with our network member [Bucharest Partners](#).



20+ years engagement in restructuring eastern Europe's economy



Senior Team



KEN LEFKOWITZ, MANAGING PARTNER

Ken is a business developer and seasoned transaction advisor, with 25 years of experience in Southeast Europe spanning dozens of transactions. He joined EPIC Bulgaria (now NECA) in 1997, having previously managed a boutique investment research firm. From 2000 to 2003 he served as Director of Nadejda Privatization Fund.

Ken has been working in Bulgaria since 1995, and covers also Romania, Albania, Macedonia and Kosovo. He is a past President of the American Chamber of Commerce in Bulgaria and currently serves on the Advisory Board of Bulgaria's Institute for Market Economics.



IVAN CHORBADJIEV, PARTNER

Ivan is Partner and senior consultant on project development at NECA, with a focus on industrial development, energy, and infrastructure. Prior to joining NECA, he served as head of RWE's representative office in Sofia, with extensive involvement in the fields of energy, water, environment and construction. His career includes also a number of senior management positions in Bulgarian enterprises, including Technica and Isotimpex. Ivan has advised the Bulgarian government in the field of foreign investments and for total 10 years served as trade representative of the Republic of Bulgaria to Japan and Germany.



MIHAI MINCU, PARTNER ROMANIA

Mihai has more than 18 years of experience in financial advisory. In parallel with his role in NECA, he is co-founder of Bucharest Partners, an independent advisory specialized in structured finance for large infrastructure projects. Between 2008 and 2011, Mihai was Head of Business Development at East European Activity Fund (EEAF), an industrial holding controlling one of the largest copper mines and copper products manufacturer in the CEE, with consolidated revenues approximately USD 400m per year.

Before joining EEAF, Mihai worked at EPIC as Senior Associate and Director in Bucharest office. From 2007 to 2008, Mihai was Board of Directors member of a regional construction materials holding and Supervisory Board member of the largest CATV and telecom operator in SEE region, RCS-RDS. Mihai is a 1997 graduate in Business Administration of the Bucharest Academy of Economic Studies.



Mergers & Acquisitions

- Target/buyer identification and selection
- Sell-side documentation and process management
- Financial modeling and valuation
- Due diligence support and counterparty integrity/background checks
- Strategic advice and negotiation support

Management Consulting

- Turnaround and restructuring
- Interim management
- Startups and industrial project development

Finance-raising

- Private equity, VC, debt
- Strategic partner selection
- Strategy articulation and business plan development
- Identification of potential investors and pre-marketing
- Transaction structuring and documentation
- Investor due diligence facilitation
- Negotiation support and closing

Regulatory Advisory

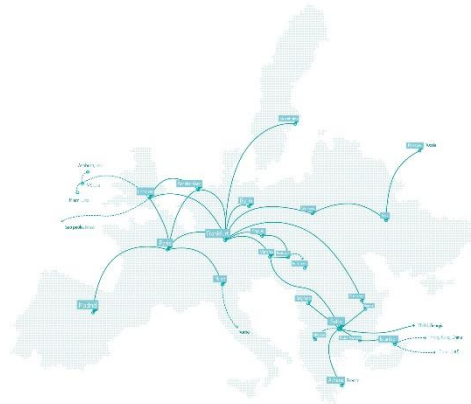
- Analysis of economic regulation and likely future regulatory developments
- Regulatory financial modelling
- Economic analysis for competition approval of transactions



Case Studies



Case Study: NETIX



NECA advised **NetIX Communications**, a startup European Internet exchange, on its strategy and business plan for international expansion. Key aspects of the assignment included a market study and go-to-market strategy, business planning and modeling, and interim management focused on building an international sales team and funnel.

Market Study

- Market definition and segmentation
- Bottom-up TAM/SAM/SOM analysis
- Top-down analysis based on 3rd-party growth projections

Business Plan

- Key topics:
 - Unit economics, notably customer acquisition cost and customer lifetime value
 - Structure and incentives for international B2B sales team
- Developed assumptions for post-incubation, stand-alone company

Financial Model

- Designed to support valuation for Series A investor round
- Converted client's static model to dynamic, with aggregation of results from points of presence in 40 markets
- Ran multiple scenarios for investment in global roll-out

Go-to-market

- NECA Managing Partner Ken Lefkowitz stepped in as Interim CEO
- Recruited international sales team from scratch
- Built sales funnel and achieved first revenues within 6 months

221,167	221,955	281,952	364,247
221,074	221,861	276,987	359,282
93	93	4,964	4,964
155,951	107,935	126,600	180,432
25,218	5,076	8,099	7,744
130,733	102,859	118,501	172,688
29%	51%	55%	50%
815,656	530,972	530,963	534,772
272,248	200,063	200,055	203,863
543,408	330,908	330,908	330,908
107,918	37,839	37,831	41,639
92,618	22,539	22,531	26,339
15,300	15,300	15,300	15,300
307,195	307,195	307,195	307,195
121,147	121,147	121,147	121,147
186,048	186,048	186,048	186,048



Case Study: Bulgarian Gas Utilities



Jointly with EPIC and AT Kearney, NECA advised European utilities **Enel**, **EVN**, and **AMGA Udine** in tenders for greenfield gas distribution & supply licenses in Bulgaria. Key aspects of these assignments included market studies and demand forecasts, business planning and modelling, advice on bidding strategy, and support in bid preparation.

Market Study

- Bottom-up estimates of industrial and public-sector demand, incl. interviews with key potential consumers
- Survey-based estimates of household demand and penetration
- Economic analysis of competitiveness and fuel switching costs

Business Plan

- Network rollout plans
- Estimated unit costs of construction and total investment cost
- Pricing and positioning
- Penetration rates
- Consumption forecast

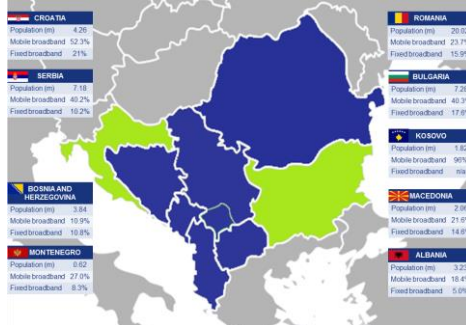
Financial Model

- Revenue-cap regulatory pricing model
- ROI optimization of network rollout plans
- Models were part of the tender submissions



Case Study: 4G Mobile Startup

Jointly with EPIC, NECA advised a startup 4G mobile data provider on its rollout and license acquisition strategy and business plan. Key aspects of the assignment included review of the client's market study, preparing a bottom-up business plan for 9 markets in southeast Europe jointly with the client and developing a detailed financial model based on the plan.



Market Study

- Review and fine-tuning of data gathered by client
- Consistency check
- Licensing requirements in target markets

Business Plan

- In-depth review of pricing and positioning in 9 markets
- Prioritization of markets in rollout plan
- Detailed review of opex and capex assumptions
- MVNO vs. MNO scenarios in EU markets

Financial Model

- Dynamic integration of projections from 9 markets
- Iterative sculpting of capex and optimization of rollout plan to match cash flow projections
- DCF, netback, and multiples-based valuation

Go-to-market

- Identification of local partner for MVNO in priority target market



Case Study: PTK Privatization



Jointly with EPIC, NECA advised a **private equity consortium** in a bid for the privatization of 75% of Posts and Telecommunication of Kosovo (**PTK**). The consortium attempted to structure Kosovo's first-ever leveraged buyout. Key aspects of the assignment included sourcing input for the market study, validation of business plan assumptions, and valuation.

Market Study	<ul style="list-style-type: none"> ▪ Sourcing input in a market with limited transparency ▪ Reality check on published figures ▪ Advice on segmentation
Business Plan	<ul style="list-style-type: none"> ▪ Contracted PTK alumnus to review key commercial and operational issues and their EBITDA/balance-sheet impact ▪ Detailed macro study of Kosovo ▪ Wrote equity case for consortium's investment committees
Financial Model	<ul style="list-style-type: none"> ▪ Detailed multiples-based valuation <ul style="list-style-type: none"> – Traded comparables & comparable transactions – By geography & type of operator ▪ WACC determination
Go-to-market	<ul style="list-style-type: none"> ▪ Application for advocacy support to US Department of Commerce ▪ Presented the consortium to political decision-makers and, in cooperation with AmCham Kosovo, to the business community

Multiples						
LTM TEV/Rev	LTM TEV/EBITDA	LTM TEV/EBITDA-Capex	LTM TEV/EBIT	3Y normalized FCF Yield	NTM TEV/Rev	NTM TEV/EBITDA
1.7x	5.0x	7.9x	n/m	9.6%	n/a	n/a
1.8x	3.7x	4.3x	5.7x	4.2%	1.8x	4.9x
1.6x	11.3x	25.1x	40.8x	28.5%	n/a	n/a
1.3x	3.2x	4.7x	5.7x	12.1%	1.3x	6.0x
0.6x	2.0x	2.9x	7.3x	13.4%	0.7x	2.7x
2.4x	5.8x	11.9x	8.5x	2.7%	2.2x	11.7x
2.1x	6.9x	14.7x	14.6x	-0.4%	1.9x	12.9x
1.7x	5.4x	10.2x	13.8x	10.0%	1.6x	7.6x
1.7x	5.0x	7.9x	7.9x	9.6%	1.8x	6.0x



NECA's Track Record



Success Stories – Restructuring


ACQUISITION OF BULGARIAN PRODUCTION FACILITIES

OF

Kodak

Kodak Graphic Communications EAD

BY




Demax Holograms AD

February 2013

Strategic and financial advisor to Demax Holograms AD:

Legal advisor to Kodak Graphic Communications EAD:



WOLF THEISS

A member of the **EPIC** network



Success Stories – Energy (1/2)

Sale of 100% equity interest in
E.ON Bulgaria

BY



TO



June 2012

Strategic and financial advisors to E.ON AG:



SALE AND CONSTRUCTION OF 9 MW WIND
POWER PROJECT AT PROLEZ, BULGARIA

Developer:



Investor:



August 2010

Financial advisor to
Varna Green Energy:

Legal counsel
to Unit Group:

Project finance
bank:



SPASOV & BRATANOV





Success Stories – Energy (2/2)

AMGA (Azienda Multiservizi S.p.A Udine)



won a tender for a 35-year gas distribution license for the Dobrudja region in Bulgaria




February 2004


Transaction advised by



AMGA (Azienda Multiservizi S.p.A Udine)





won a tender for a 35-year gas distribution license for the Moesia region in Bulgaria



February 2004

Transaction advised by





Success Stories – FIs

This announcement appears as a matter of record only

Acquisition of 90% equity interest in

**İnter Sigorta A.Ş.,
Turkey**

by



January 2009

Financial Advisors to EuroIns Insurance Group



A member of the **EPIC** network

EPIC

This announcement appears as a matter of record only

Acquisition of 75% equity interest in



Asitrans Asigurări S.A., Romania

by



for a total consideration of €12.5 million

July 2007

Strategic and Financial Advisors to Eurohold Bulgaria AD




A member of the **EPIC** network


EPIC



M&A and Finance Raising (1/2)


2017-2022 NECA is advising a Bulgarian wind farm developer on structuring offtake and raising **project finance and equity** for an **80 MW wind farm**. **CONFIDENTIAL**

2021 NECA advised software-defined networking startup **neutrality.one** on a **post-seed round**. 

2019 NECA advised electronics manufacturer **GMI** successfully on securing an additional **senior term loan**. 

2019 NECA advised **Kharrouba Copper Company, Inc.**, an operational **Moroccan copper mine**, on securing **expansion financing**. 

2018-2019 NECA advised Bulsatcom founder **Plamen Genchev** on the **restructuring of Bulsatcom's €85 million senior debt**. Bulsatcom is Bulgaria's #1 pay-TV operator. 

2018-2019 NECA advised electronics manufacturer **GMI** on a **successful refinancing of its bank loans**. GMI increased its credit lines on improved terms. 



M&A and Finance Raising (2/2)

2018

Jointly with EPIC, NECA advised a **management buy-in team** on acquisition financing for **North Sea producing oil assets** divested by an Eastern European operator

CONFIDENTIAL

2018-
2019

NECA supported EPIC in an **investor search** on behalf of the developer of a **38 MW hydropower cascade in Albania**.

CONFIDENTIAL

2018

Enterprise appraisal of GMI, a US-Bulgarian electronics manufacturer



2018

Jointly with Bucharest Partners, NECA advised a **Moldovan telecoms infrastructure developer** on a **strategic partner search**

CONFIDENTIAL

2017

NECA and EPIC **secured a strategic partner for Axis 7's** bid for the Bulgarian assets of CEZ a.s.



2017

NECA and EPIC advised the Axis 7-India Power Corporation Ltd. consortium on its bid for CEZ a.s. assets in Bulgaria





Due Diligence and KYC (1/2)

- 2022** Investigation into the Bulgarian exposure of a Monaco-based investment group
- 2022** Reputational due diligence regarding a Bulgarian power plant
- 2022** KYC check on a Bulgarian mining group
- 2021** Reputational due diligence regarding a Bulgarian financial-industrial group
- 2021** Forensic due diligence concerning competition-related litigation in the Bulgarian telecoms sector
- 2021** Reputational due diligence regarding a Bulgarian Internet group
- 2021** Reputational due diligence regarding a Romanian energy utility
- 2021** KYC check on a Bulgarian defense group
- 2021** Forensic due diligence regarding a Bulgarian bank
- 2015, 2018, 2021** Reputational due diligence on energy holding group in Southeast Europe
- 2018, 2021** Due diligence and background check on a Macedonian mining company
- 2021** Reputational due diligence regarding a Bulgarian media entrepreneur
- 2020** Forensic due diligence in support of litigation regarding a Bulgarian fintech group



Due Diligence and KYC (2/2)

- 2020** Due diligence support regarding an international power trader
- 2020** Reputational due diligence regarding a Bulgarian payments processor and its shareholders
- 2019** Due diligence regarding tobacco excise tax rate-setting
- 2018-2019** Reputational due diligence on Bulgarian fintech entrepreneur
- 2018** KYC check on a Bulgarian media and telecoms entrepreneur
- 2018** Reputational due diligence on a Bulgarian financial services group
- 2018** Counterparty due diligence on a regional health care fund for Southeast Europe
- 2018** KYC check on a Bulgarian financial-industrial group
- 2018** Due diligence support on the Bulgarian subsidiary of an international banking group
- 2018** Counterparty due diligence on Bulgarian-German trading firm in the defense sector
- 2018** Due diligence and background check on Bulgarian operations of CEE energy holding group
- 2018** Due diligence and background check on Bulgarian broadcasting company
- 2018** KYC check on SEE financial advisory group



Selected Market Studies



Utilities

Prepared market studies for selected **shared services – data centers, call centers, and collections** – for CEZ Bulgaria. Surveyed players and estimated market sizes and growth trends.

Participated in World Bank-funded study for Bulgaria's energy regulator on the **potential for regional gas distribution licenses**. Focused on defining regions and assessing investor appetite.

Advised E.ON AG on the **economic potential of seven Bulgarian electricity distribution regions**. Sourced GDP figures and other regional statistics and researched key industries in each region.



Power generation

Surveyed the **Bulgarian biomass energy market** with regard to resource sustainability on behalf of the REKK Foundation for Regional Policy Co-operation in Energy and Infrastructure

Advised Enel on the **Bulgarian and Black Sea coal market**, esp. Ukrainian T-type coal.

Performed a **site selection study for a CCGT power plant** in Bulgaria for E.ON Energie AG.

Reported on the **Bulgarian renewable power market**, incl. price forecast and overview of current/expected regulatory framework for EdF EN.



Industrial

Surveyed potential consumers in Macedonia and its neighbors to establish **feasibility of a greenfield lime kiln** for aggregates producer Makalb. Prepared bottom-up and top-down demand projections.





Planning, Modeling & Structuring

Project finance structuring

Modeled a **54MW merchant wind farm** for Varna Green Energy, focused on defining the **optimal financial structure** in a challenging market. Considered multiple financing and EPC cases.



Structuring & optimization

Performed thorough **financial and organizational due diligence** on the State Enterprise for Military Construction. Recommended immediate measures for liquidity improvement and long term **measures for financial and operational turnaround**.



Jointly with EPIC, advised the Enel-Sencap Consortium on **physical and financial hedging options** for the proposed Kosovo C Power Plant.



Advised the Maritsa East 2 power plant on selection of the best offer for a **rolling f/x hedge for its Japanese yen-denominated debt**.



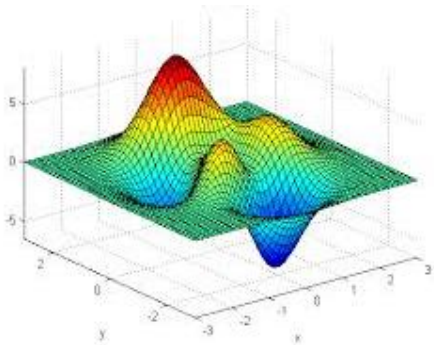
Advised Wind Power Investment AD on transitioning from a **contract for differences to merchant power sales**.

Regulatory & financial modeling

Prepared a detailed **financial model** for Bulgaria's Dobrich Water utility aimed at assessing potential debt restructuring and financing CAPEX. Prepared **regulatory/tariff model for 5-year business plan**.



In cooperation with Novell Consult Law Firm, advised the Bulgarian Ministry of Regional Development on **structuring the business plans of five water utilities**.





Contacts

NECA

New Europe Corporate Advisory Ltd.

www.necadvisory.com

Ken Lefkowitz

Managing Partner

+359 888 637-053

ken.lefkowitz@necadvisory.com

Ivan Chorbadjiev

Partner

+359 888 457-036

ivan.chorbadjiev@necadvisory.com

Mihai Mincu

Partner Romania

+40 722 896-153

mihai.mincu@necadvisory.com