



Holistic Investor Engagement Unlocking Potential with Strategic Corporate Access

27 October, 2024

MEIRA Chapter Meeting, Al Khobar, Saudi Arabia

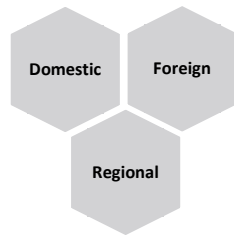
Andreas Posavac, MBA. BA. (CESGA, CSE) – Managing Partner and Founder

Importance of Holistic Investor Engagement

Stakeholders

1

Regional Ownership



2

Investor Types



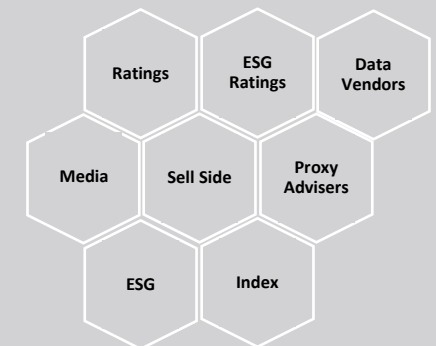
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Investor Personas



4

Investor Ecosystem



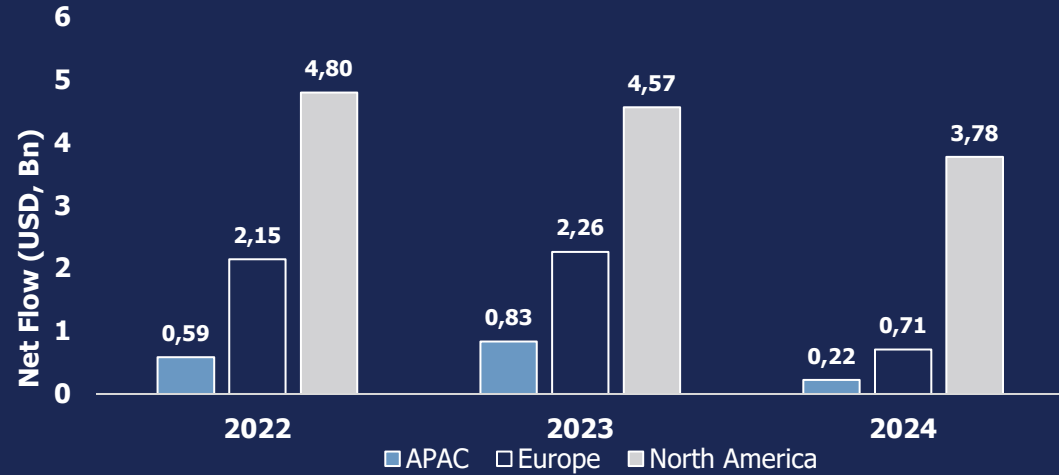
Identify, assess and understand current and potential investors

Tailor your investment story bespoke to each investor based on its decision making and investment process

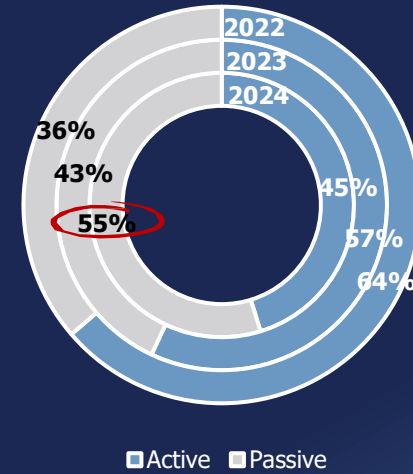
← Identify, track and monitor risk and opportunity of each engagement →

Shifting Dynamics Create Untapped Potential

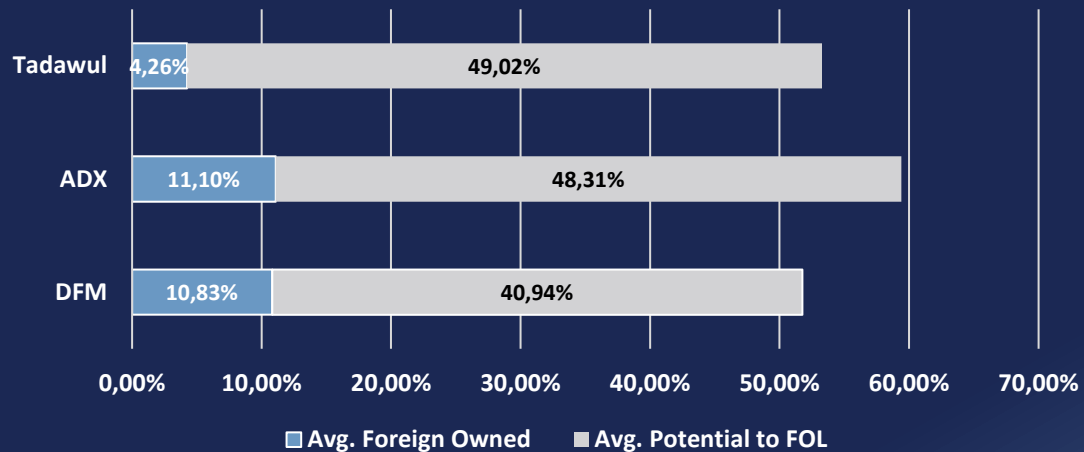
Regional Foreign Fund Flows to Saudi



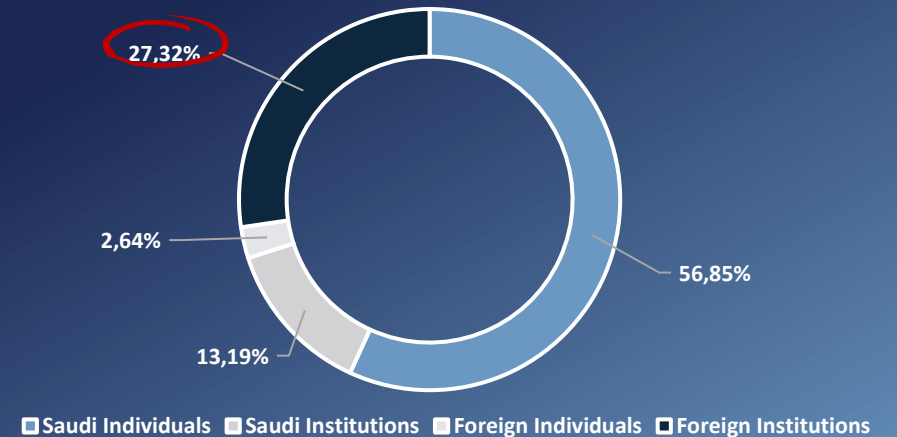
Active / Passive Flow Ratio



Foreign Ownership Potential



Active Trading Personas



Key Risks and Challenges to be Addressed

ESG-related

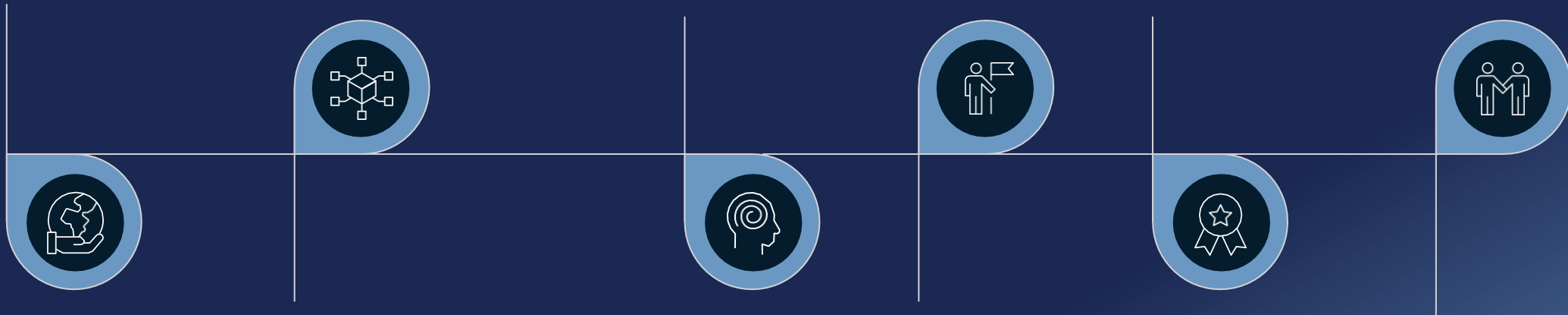
- ✓ Climate Risk as Investment Risk
- ✓ Physical, Transitional, Regulatory Risk
- ✓ Cybersecurity, Data, Privacy etc.
- ✓ Governance & Leadership-related Concerns

Reputation

- ✓ Message-gaps
- ✓ Guidance/Expectations

Corporate Access

- ✓ Right Corporate Access and Engagement Partners
- ✓ Identifying the key stakeholders and relevant risk
- ✓ Multi-channel Engagement program



Fundamental

- ✓ Valuation
- ✓ Strategy
- ✓ Liquidity

Stakeholders & Supply Chain

- ✓ Stakeholder Relations
- ✓ Customers
- ✓ Supply Chain
- ✓ Operational, Brand & Product

Unbiased Ecosystem

- ✓ Independent intel on investors
- ✓ MiFid/Regulatory independence
- ✓ Client-value focused
- ✓ Fact-based

Strategies to Optimize Investor Engagement

- Qualitative assessment on investor perspective
- Sentiment analytics from public and proprietary sources
- Enhance risk and opportunity heatmap for key stakeholders

- Adjust and finalise investment story based on input
- Develop communications material & pitch deck
- Decide on channels and engagement partners for each group
- Align timeline with financial calendar, events and externalities

- Ongoing tracking, monitoring and measurement
- Quantitative and qualitative metrics and KPIs
- Quarterly ROI review and strategy adjustments



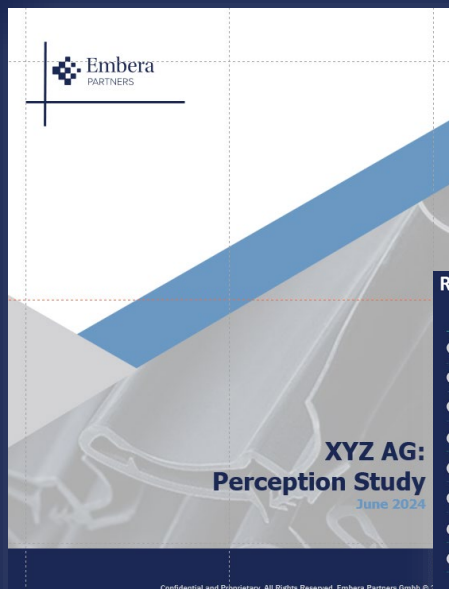
- Detailed assessment of investors
- Bespoke analysis of relevant capital markets ecosystem
- What are the client-specific key stakeholders
- Quantitative analysis of risks and opportunities

- Client specific fundamental fit analysis base on equity story
- Non-financial intelligence overlay to identify risks and opportunities in current owners and non-owners

- Start implementing on engagement plan
- Execute based on available resources and priorities
- Involve different internal stakeholders based on investor needs

Case Studies

Case Study: Valuation, Liquidity, Market Cap



Project

- June 2024
- German XYZ AG
- Investor Relations Team, Board

Initiative	Who	Recommendations, main activities, timeline
1. Midterm guidance and increase of granularity	IR, CEO, CFO	<ul style="list-style-type: none"> To be presented with H1 2024 figures and beyond Including main assumptions, increase information behind headline figure
2. Adaptation of investor presentation	IR	<ul style="list-style-type: none"> Implementation of recommendations Starting with H1 2024 presentation and going forward
3. Increase of regular ESG information / update	IR, Sustainability	<ul style="list-style-type: none"> Capacity expansion of hydraulic hose production with first CO2-neutral hose production Review of the relevant ESG data points with relevant ESG data vendors Forward looking valuation impact, quantification of risk / opportunities on ESG
4. Continuation of proactive dialogue	CFO, IR, Board	<ul style="list-style-type: none"> Continuation of regular talks, conference attendance, 1:1 to build trust, including regular updates on major internal projects (e.g. Rico, DH-5)
5. Information Day CMD	IR, CEO, CFO	<ul style="list-style-type: none"> Provide additional information on Rico via "Capital Markets Day" in Ithheim Access to entire ecosystem incl. retail investors, also offering to analysts/institutional investors, private banks, family offices
6. Increase of sell-side coverage	IR	<ul style="list-style-type: none"> Addition of 2-3 sell-side partners (paid and/or unpaid) Offering access to non-deal roadshows and conferences
7. Corporate access and investor engagement campaign	IR, CEO, CFO, Board	<ul style="list-style-type: none"> Stable, independent investor engagement campaign collaborating with entire ecosystem Strategic rebuild of liquidity cap table Active, passive, sustainability targets
8. Distribution policy	CFO	<ul style="list-style-type: none"> Refocus on sustainable distribution policy based on Free Cash Flow, share buyback

Client Profile

- Region & Sector: Europe, Industrials
- Market Cap: Small-Cap
- Project Period: 2 Months
- Persona: IR, Communications Management, Board
- Services Included:
 - Perception Analysis, Investor Intelligence, Corporate Access Execution
 - IR, Executive, Board Briefing & Recommendations

Context

We were commissions after our client's **valuation** bottomed post a recent transaction and earnings release. Market participants and media were critical on Client's strategy and communication efforts, with a shareholder dispute looming in the background, with recent shareholder dissent also been voiced at Clients AGM.

Approach

Our project featured a multi-levels approach:

- ✓ Assessing the **status quo** by conducting internal research
- ✓ Developing a **bespoke questionnaire** to uncover feedback on strategy, communication, governance, capital allocation and inquire on critical factors for all stakeholders to bring the client back on the investment radar
- ✓ **Anonymous** perception interviews to +25 market participants
- ✓ Summary and presentation to executives, board and IR teams featuring **actionable recommendations** based on outcome

Impact

Our project resulted/is expected to result in:

- ✓ A **clear understanding of the independent market sentiment** with specific recommendations to improve governance structure, investment case and communications incl. ESG disclosure
- ✓ Quick-win-adjustments on subsequent earnings presentation and improved disclosure or required (available) material
- ✓ **Adjusted investor engagement and communications approach** including governance roadshows involving the supervisory board and independent roadshows to gather interest of small-cap investors
- ✓ Holistic investor engagement using the company's existing banking partners

Case Study: Tapping into Retail, Passive & ESG Opportunity

Context

- Our Swiss client commissioned a bespoke shareholder audit to assess the current investors, but specifically focus on the active/passive split, index and ESG dependencies to independently develop a strategy to tap into new capital pools

Approach

- Via an investor audit, our cross-team expert team identified more than 98% of free float and analyzed the true ownership make-up on a beneficial owner level. Based on fund level intelligence, the report and analysis was built, split in sections as institutional investors, retail-drill down, passive (index) and ESG-sections as well as global investor targeting, all with actionable recommendations

Impact

Our bottom-up analysis yielded interesting, and surprising, results:

- ✓ A staggering **44%** of identified institutional investments were actually made through **passive** vehicles, minimizing the traditional active IR opportunity
- ✓ Domestic and foreign **retail** was identified as **over proportional**, around **31%** of outstanding shares, with our **demographic-analysis** with regards to gender, age and region was helpful to generate an **activation-strategy** on how to communicate and engage with this group
- ✓ The impact of **ESG ratings and ESG data** on the passive investments, through index- and investment integration, was identified as significant. We developed a **guidance and briefing** around impact of ESG ratings, data vendors, index benchmarks, thematic screens on investors on investors to prepare client for proactive approach, in order to address this ecosystem and increase inclusion
- ✓ More than **200 high-conviction**, client-bespoke targets were identified, currently in execution

Services

- Equity & Debt Ownership Audit, Investor Targeting, Sustainability Assessment, Corporate Access



Case Study: Building Foreign-Ownership

Context

We were commissioned by a MENA issuer to help with their cap-table development to build their foreign ownership and help attract new investors to their story. The IR and executive team was interested in a data-driven approach that allowed measuring progress and success

Approach

Our project features a multi-levels approach:

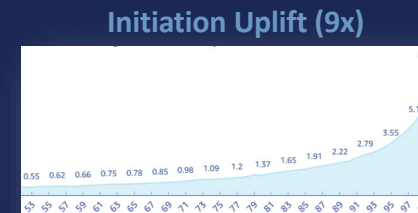
- ✓ Investor audit using available information on ownership incl. an ID
- ✓ Data-driven **targeting, pre-qualification** of investors and investor **profiling** including a focus on **E,S,G parameters** which might impact capital allocation and investment initiations for active & passive investors
- ✓ Qualitative sentiment analysis added to quantitative analysis
- ✓ Development of a holistic, global engagement program, incl. executive briefings and advisory, incl. meeting and culture-prep.

Impact

The project resulted/is expected to result in:

- ✓ A clear understanding of current owners and non-owner targets
- ✓ Tailored, independent engagement program covering all relevant stakeholders (active/passive, ESG, Gov, Index, Ecosystem) using their existing broker relationships as well as **independent execution**
- ✓ Efficiency improvements through bespoke focus on client
- ✓ Measurably higher initiation rates, impacting liquidity & valuation
- ✓ Market leader through reputational risk reduction and improved sentiment and credibility of IR and management team

Data-Driven Investor & Fund Qualification



Date	Initiative	Who	Key Targets
16. Sep. 24	Alliance Bernstein EMEA ESG Conference London, UK	CFO, IR, ESG	<ul style="list-style-type: none"> Robeco, APG UBS AM Schroders, Vanguard
23. Sep. 24	Baader / Berenberg Octoberfest Conference Munich, GER	CEO, CFO, IR	<ul style="list-style-type: none"> AGI DEKA Capital Group
1. Oct. 24	SGSS International Investor Summit Paris, FRA	IR-only	<ul style="list-style-type: none"> Amundi (PM, ESG) AXA IM Tocqueville, CPR
17. Oct. 24	Independent NDR, Embera London, UK	IR, ESG-only	<ul style="list-style-type: none"> NinetyOne Impax, Polar Capital Blackrock (active & CG)

Case Study: Engaging on Climate Risk & ESG Opportunity

Context

- We were approached by a client to independently assess the respective climate risk vs. a peer group, quantifying the risk and opportunity to understand value-at-risk for financials (CF, revenue, share price) and value creation opportunities through climate change to develop a holistic engagement plan

Approach

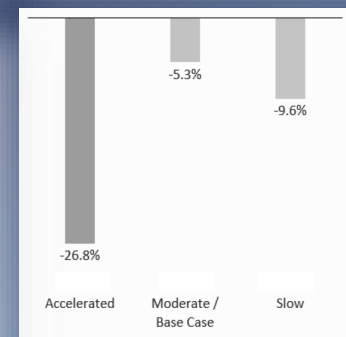
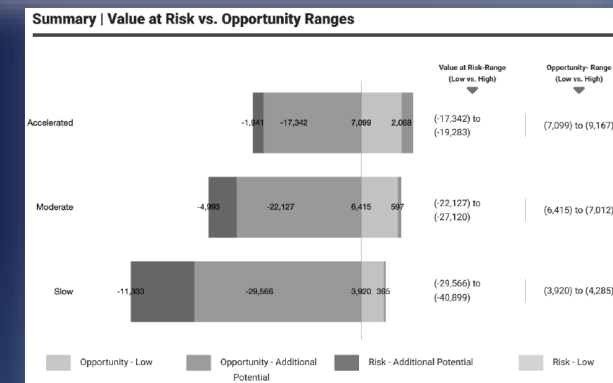
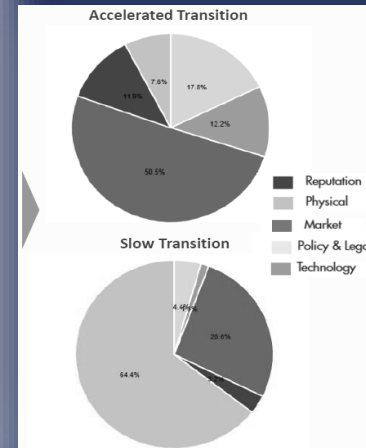
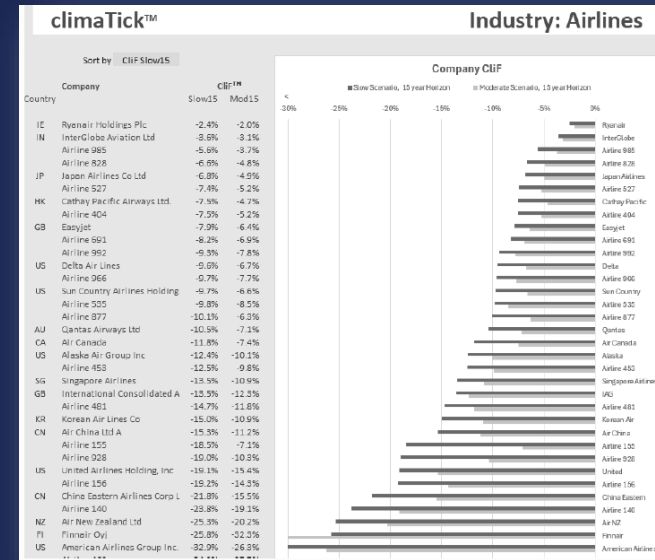
- Our team partnered with Vyzrd, a leading expert on climate impairment to company valuation, who ran their proprietary models including three scenarios to quantify the 1-15 year impact using a multilayered composite benchmark that allows to quantify risk and return characteristics linked to physical risk, transition risk and opportunities.
- Our team complemented the results with capital markets and portfolio benchmarking, as well as an outside-in assessment of the client and peers
- The results fed into an investor assessment as a base for their engagement

Impact

- Results demonstrated the quantitative implications of climate change at company level, making this tangible for financial professionals
- Provided a clear list of action items, on how to mitigate risks (internal) and also tap into some of the opportunities (disclosure, data, strategy)
- Guidance on impact of climate change of cash flows and helping client understand the climate risk drivers linked to IFRS and how to adjust communications material and equity story
- Developed net-zero transition plan incl. KPIS to be monitored and presented to investors aligned with Net Zero Asset Manager/Owner Alliances
- Board and executive briefing and preparation before meeting with capital markets stakeholders, which included different personas in buy and sell side, as well as the ecosystem (rating, scores, data)

Services

- ESG and Governance Assessment, Climate / Portfolio Level Climate Risk analysis and idiosyncratic profiling, investor analytics, engagement plan



Case Study: Value Creation with Depository Receipts

Context

- We were commissioned by a North Asian DR-issuer to evaluate, review and support their IR and management team to extract more value from their DR-programme. The ask was an assessment of their current programme and support in the RFP-process for a new/subsequent programme

Approach

- Independently assessed their DR-programme from various perspectives, analyzing current support from DR-bank (incl. IR and corporate access) as well as drill-down and comparing financial structure of program with peers, region and industry
- DR-advisory support and RFP-management
- Advised on key-areas for improvement to generate more value out of DR-program, focused on liquidity improvements, a balanced contribution to their IR-budget and refocused support of the DR-banking partner on corporate access and IR support

Impact

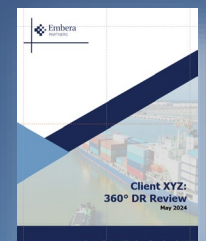
Design and evolution of carbon pricing structure for the country, including:

- ✓ Removed additional workload from management and IR teams via RFP-management and independently advising client on DR-mechanism, value-creation potential and best-fit based on different banks and approaches, unique to corporate issuer
- ✓ Reviewed DR-programme to align and support IR-goals including corporate access and investor targeting, while focusing on financial benefits for client (anticipated +\$50k / annum)
- ✓ Developed strategy to leverage SMA's a unique DR pool of capital and funds that use DR's to invest overseas. Strategic input on how to use DR's as acquisition currency
- ✓ DR-benchmarking analysis to evaluate different banks, based on IR-goals, providing independent comparison and recommendation
- ✓ Detailed, renewed DR-strategy implementation to increase visibility and liquidity of DR-programme, including refocus on issuer- support of banking partners

Assessment Framework

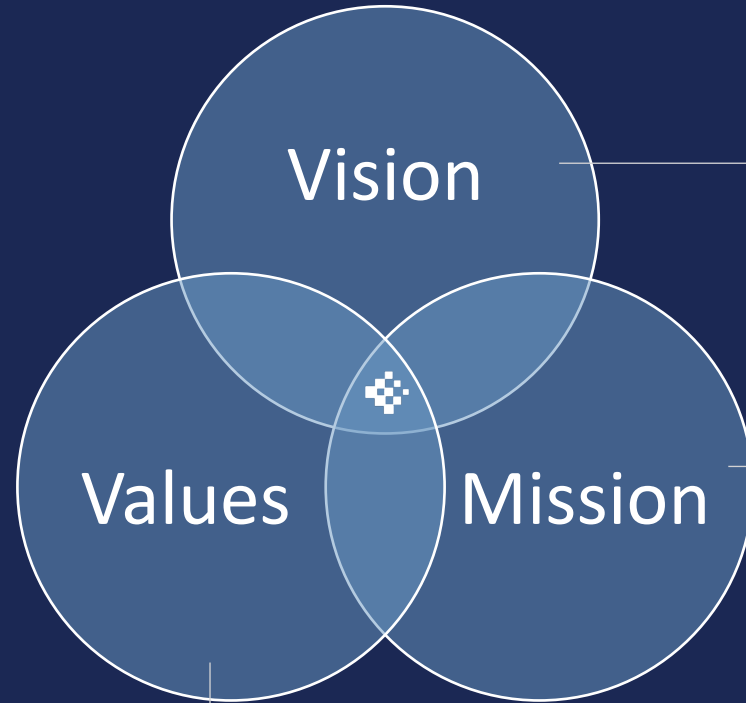


DR-Bank Evaluation



About Embera Partners

Our approach to success



We are a specialized independent advisory boutique in Europe with a leading role in the business of advising investors as well as executives and boards of corporations in Europe, the UK and MENA when it comes to capital markets, investor relations as well as corporate governance, ESG and IPOs.

We demystify capital markets challenges through a bespoke, hands-on, fact-based approach that is data driven, ultimately creating value and trust. Our ambition is to become the trusted partner across the value chain by taking an entrepreneurial, pragmatic and independent approach.

Independence

We are unaffiliated, independent and seek to give unbiased advice for all of our clients.

Entrepreneurial

We are passionately entrepreneurial with a high-touch, pragmatic approach that is solutions-oriented.

Trust

Integrity and accountability are key values in our commitment ultimately being the baseline for the highest value: trust.

Diversity





















We strive for diversity, respect and humbleness in our team, with our clients and international partners.

Respect

Our employees are our biggest asset. We treat all fairly, equally and incentivize in line with our values and goals.

A Unique Value Proposition

Non-exhaustive overview

Verticals	Solutions	How we add value to our clients
1 Financial Advisory	 Equity Story Uplift  IPO Readiness and RFP-Management  Corporate Finance Advisory  IPO Allocation Support  Executive and Board Training and Capital Markets Briefing	<ul style="list-style-type: none"> ✓ Entrepreneurial solutions-oriented approach to strategic value creation ✓ 100% independent, conflict-free and confidential in the interest of our clients ✓ Senior experts with a proven track record who will stay on the project team from start to finish, unlike for some of the large bulge bracket advisers and banks ✓ Unique network and partner-network which can be tapped
2 Investor Relations	 Investor & DR Intelligence  Corporate Access  Corporate Governance  ESG & Sustainability  M&A & Activism  Outsourced Investor Relations	<ul style="list-style-type: none"> ✓ Demystify institutional investors behavior in standard or critical situations ✓ Holistic understanding on capital markets ecosystem and influence factors ✓ Senior practitioners who have successfully dealt with similar challenges first hand ✓ Data-driven and fact-based solutions underpinning senior expert advice
3 Financial Communications	 Financial & Corporate Communications  Transaction & IPO Communications  Crisis & Reputation Management  Research & Insights  Litigation Support and Public Affairs	<ul style="list-style-type: none"> ✓ Structure and process management as well as execution support ✓ We develop and help clients tell a compelling story in almost any situation ✓ Developing strategies and narratives which enhance, safeguard and (re)-build clients reputation based on their needs ✓ Active navigation of complex regulatory, capital market and political environment
4 Capital Access & Funding	 Fundraising Preparation  Capital Access  Financial Advisory  Briefing and Preparation	<ul style="list-style-type: none"> ✓ Access to an established network of investors for start-ups, scale-ups and established companies in public and private markets ✓ Input on business plan and financing requirements/structures ✓ Founder and executive preparation for fundraising or capital markets engagement



>10

More than 10 regional representations globally with a focus on Europe and CEEMEA



>500

Client projects across different business verticals in last 5 years*



>20

Senior experts and practitioners dedicated to client work globally

The Embera Partners Team*



Executives

Non-Exhaustive Team Overview*



Andreas Posavac, MBA. BA. (CESGA, CSE)
Managing Partner & Founder

+20 years in capital markets, M&A, Governance, ESG and IR advisory

- Background: S&P Global, IHSMarkit, Ipreo, CapitalBridge, Citigate
- Certified Supervisory Board Expert and ESG-Analyst
- University of Washington and Vienna



Peter Gotke
Partner, Business Development & Partnerships

+20 years in banking, investor relations, advisory and depository receipts

- Background: S&P Global, IHSMarkit, BNY Mellon, Deutsche Bank, Thomson
- IR, Advisory and Depository Receipts Market Leader
- London Metropolitan University
- Board Member MEIRA



Alexander Kalinin, MBA
Commercial Director, CEEMEA

+15 years of experience in PR, investor relations, investment banking and depository receipts

- Background: S&P, Deutsche Bank, VTB Capital plc
- Held senior roles in IR, Depository Receipts and Sustainability
- Warwick Business School

Directors & Senior Consultants



Michael Oplustil
Investor Relations, Capital Markets

+20 years in Investor Relations and Capital Markets

- Background: Uniqa Versicherung, Erste Bank, Mondi, Deutsche Bank. Michael led Uniqa's IR team and ran the Re-IPO process and capital markets strategy
- M&A and Corporate Finance Experience
- University of Vienna



George Carswell
Corporate Access

+20 years in corporate access and advisory

- Background: Goldman Sachs, J.P. Morgan and Barclays, where he was head of EMEA equity marketing and corporate access
- PE/LP investment experience
- Durham University



Richard O'Connor
Investor Relations, Capital Markets

+40 years experience in IR, capital markets and access

- Background: HSBC, Natwest, RBC, CME
- Most Senior IR and Capital Markets Person in London
- Experience in IR, ESG, Activism, IPO/ReIPO, strategic advisory and repositioning with buy-sell side network globally
- University of London



Jason Engelberts, CFA
Research Lead, Data, AI and Intelligence

+5 years of experience in capital markets, data and investor intelligence

- Background: S&P Global, IHSMarkit
- Senior Consultant and Research Lead with focus on market and investor intelligence, capital markets & M&A advisory
- Data and platform expert, creating bespoke deliverables for client
- University of Stellenbosch

Advisory Council & Consultants



Cary Krosinsky
Sustainability, IR and Academia

- +30 years of sustainability, ESG and climate experience
- Background: Yale, Harvard, Trucost, UNGC, CapBridge, Generation Investment Management
- Leading lecturer, educator and adviser in the field of sustainability strategy and ESG integration
- Harvard and NYU Stern University



Brendan Fitzpatrick CFA
Targeting, Data, Analytics

, + 30 years in data and analytics, focus on targeting

- Background: Fitz, S&P Global, IHSMarkit, Ipreo
- Founder of Fitz and BuySideIQ
- Investor Targeting and Engagement Specialist
- NY University



Dr. Markus Kaum
Capital Markets Law

+30 years experience in capital markets, law and IR

- Background: Munich RE, Siemens, Infineon, Pure, Mariacher Legal
- Supervisory board chair at Pure Holding
- University Munich



Mark Wilson
Investor Engagement, IR, Corporate Access

+30 years of experience in investor engagement, corporate access and IR

- Background: BNY Mellon, Taylor Rafferty, Thomson Reuters
- Senior investor relations and corporate advisory expert with focus on investor engagement, market research and sentiment
- Roadshow Access, Meeting Preparation, Market Perception
- University of London

Local Expertise – Global Coverage

3

Main Offices
at launch in 2024

10

Country Representations
through extended team

+20

Partnerships
trusted, global experts who extend
the value chain for our clients





Alexander Kalinin

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