



Investment Process

STANDARD OPERATING PROCEDURES

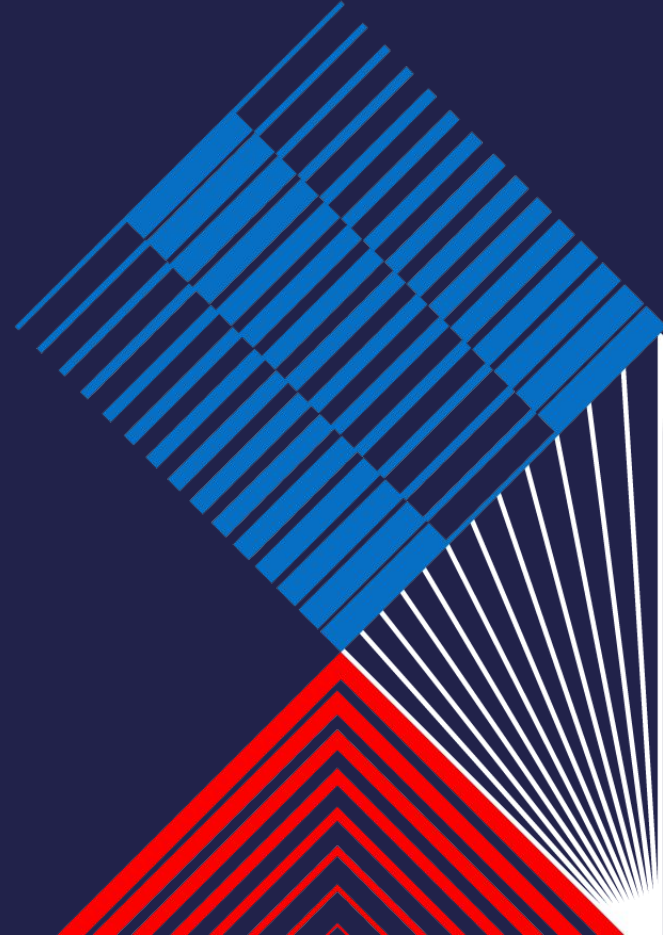


Outline Presentation

- ☐ 01 Investment Framework Overview
- ☐ 02 Thesis Building Framework
- ☐ 03 Portfolio Monitoring
- ☐ 04 Divestment/Cut Loss Process & Framework
- ☐ 05 Follow On/Top Up Investment Process



Investment Framework Overview

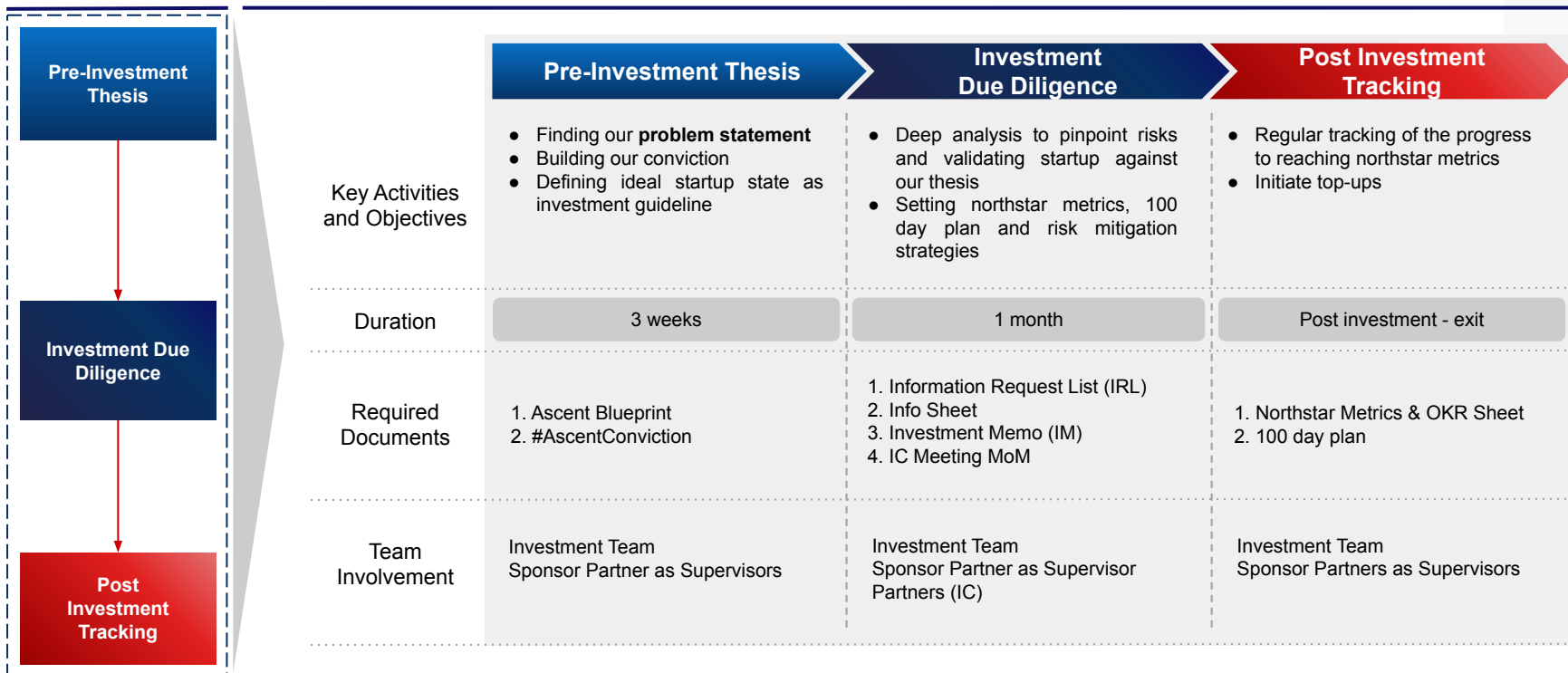


Main Framework



3 key steps in our end-to-end investment process

3 Key Steps

Framework Details



Investment Process Overview

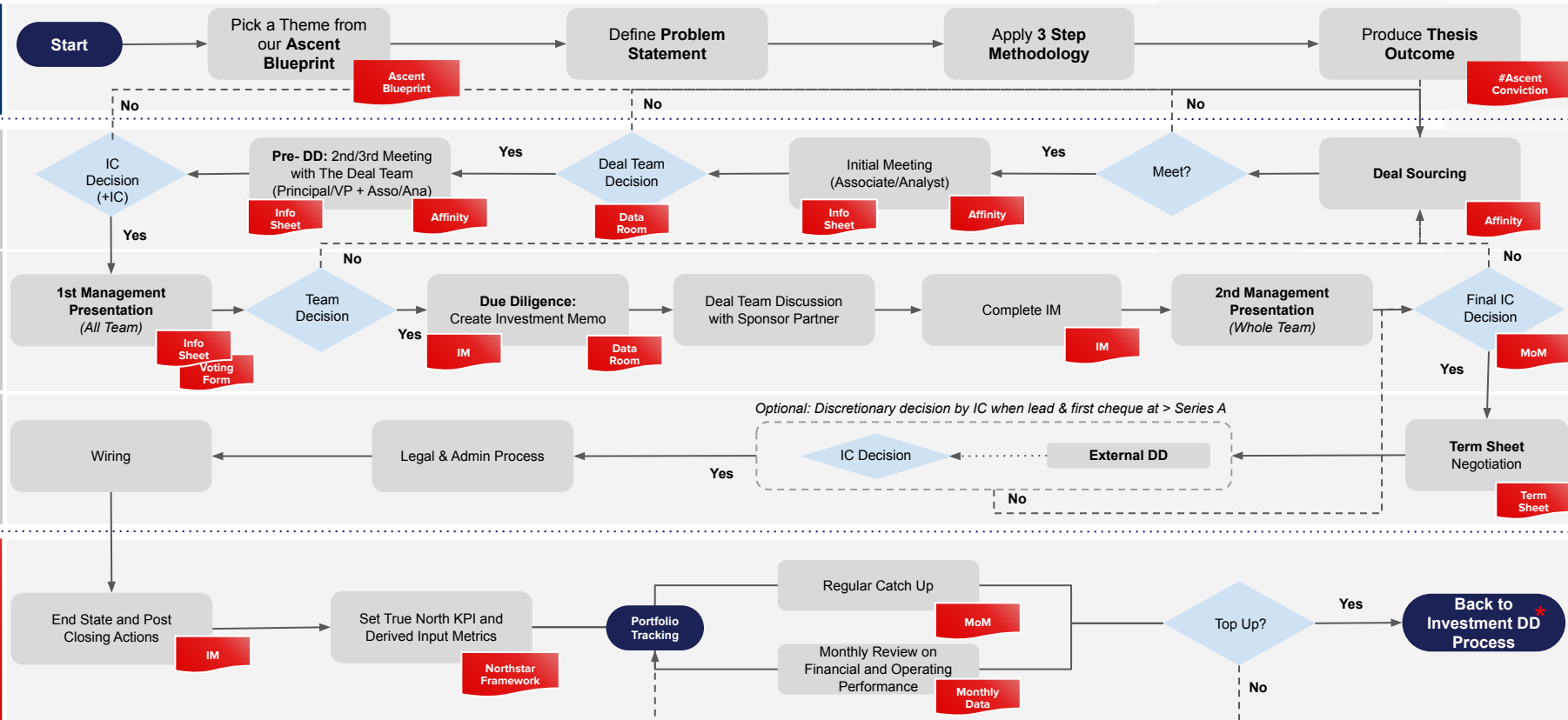
 Document to be Submitted
 Decision Making Point

*Note: If we decide to drop a deal after a decision making point, please record on Affinity

Pre-Investment Thesis

Investment Due Diligence

Post-Investment



Investment Documentations

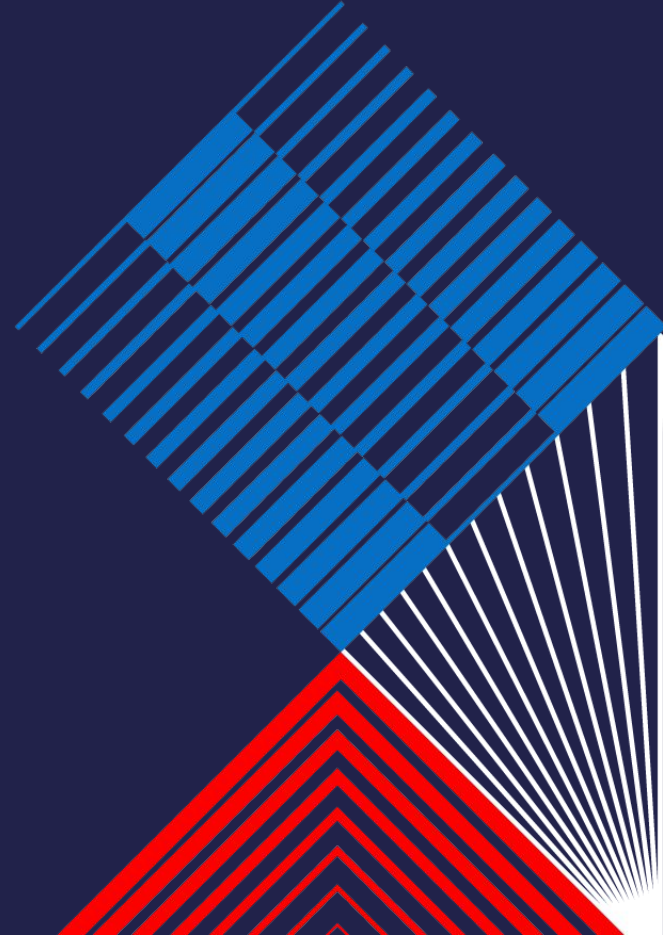
	Document Name	Document Type	Document Details
Thesis Building	1 Ascent Blueprint	PPT (Google Slides)	A blueprint of our investment areas
	2 #AscentConviction	Word (Google Docs)	Our Investment Thesis – why we chose the topic and the underlying reasons
Investment Due Diligence	3 Information Request List (Pre-Q Sheet)	Excel (Google Sheets)	2 sheets consisting of the list of documents needed, and list of questions the Ascent team has along the way
	4 Info Sheet	Excel (Google Sheets)	Call notes - template of startups aspects (e.g. sector, market size, traction, revenue, founders, etc) to be filled in during calls with startups, and then distributed to the whole team
	5 Investment Memorandum (IM)	Word (Google Docs)	Official documentation for due diligence process - will be used as investment justification as well
	6 Minutes of Meeting (MoM)	Word (Google Docs)	Recording of key points discussed, participants involved, resolution arrived, etc.
Post-Investment	7 Northstar Framework	Word (Google Docs) Or Excel?	Defining the northstar goal, OKR and initiatives
	8 MoM	Word (Google Docs)	Recording of key points discussed, participants involved, resolution arrived, etc. for every regular update
	9 Monthly Data	Google Drive	Financial Statements and Management Reports from Portcos
	10 Weekly Documentational Review	Excel / Affinity / GDrive	Tracking of all pipeline and portfolio companies

Meetings

Day	Meeting Title	Discussion Points
Tuesday (13:00)	General Meeting (Pipelines, Portfolios, etc) 1.5hrs	Updates on pipeline (go through each pipeline on affinity, 1 min), portfolio management (update on portfolio company, 1 min), thesis building, general discussions + Once a month we also have review of the financials of the portfolio companies (mid-month, 1hr)
Friday (14:00)	IC Meeting 1hr	Deal discussion
Tuesday (15:00)	Partner Meeting	Fundraising, other higher level discussions



Thesis Building Framework



Ascent Blueprint

Defining our core focus

ASCENT THEMES

Embedded Finance

NeoConsumer

MSME Enabler

DEFINING THE THEMES

Frameworks to look for and define the sub-verticals of each of the themes

1000 Unicorn Playbook

This framework involves exploring the top 1000 unicorns industries, business models, and growth history and trajectory to figure out feasible business models and new startup solutions for our next venture and/or investment.

This approach encourage us to explore CoComs (Comparable Companies) that we can refer to as a predecessor to an existing startup, or our future venture.

Things People Overlook

This is an approach where we become contrarians, we lean into our cognitive dissonance to find our own conviction of a problem.

In this framework, we defy logic, stereotype and trend, and instead question “realities” to find our thesis theme.

Key Catalysts

Identifying key catalysts that might stimulate or risk market growth (regulatory changes, macro trends, etc.)

Top 100 Companies in Public Market

This approach leads us to analyze the top 100 companies in the market (that are usually more traditional).

From there, we analyze potential problems, and find out how tech can potentially play a role in solving these problems.

The industry (or a subvertical within the industry) can be included in our Ascent Blueprint

#AscentConviction

A deep dive into the problem statement

Applying the 3 Steps of Thesis Building

Top-Down Approach

Finding out whether this is a possible statement

1. Root Cause Analysis

2. Current State Gap: Analyzing the current state gap to come up with a problem statement definition

3. Key Catalyst: stimulus that might influence the market - identifying tailwinds and headwinds

Define UVP & Capability Building: How can the company create a moat? How can the UVP be built without the tech?

E.g. difference between hospitals are BPI, branding and margin - none of the factors are tech based

4. Business Model Identification: Who are the stakeholders? How are you going to serve the stakeholders?

I. Ex. Ikea vs Informa "Business Model"
Ikea has losing categories, selling through experience, unlike Informa that is purely selling furnitures in a brick and mortar stores

5. Market Size: TAM SAM SOM - conviction has to include all the way to SOM

Bottom-Up Approach

Finding out whether this is a plausible statement

1. Comparable Transaction (Cotrans), preferably public company

2. Comparing its metrics (e.g. EV/EBITDA)

3. Margin structure, cost structure

4. Comparing the Key Ratios relevant to each business model

5. Applying Bottom Up Analysis strategies to CoComs outside of Indonesia to validate the business model feasibility in Indonesia

Outside-In Approach

Finding out whether this is a probable statement

1. Sentiment check with:

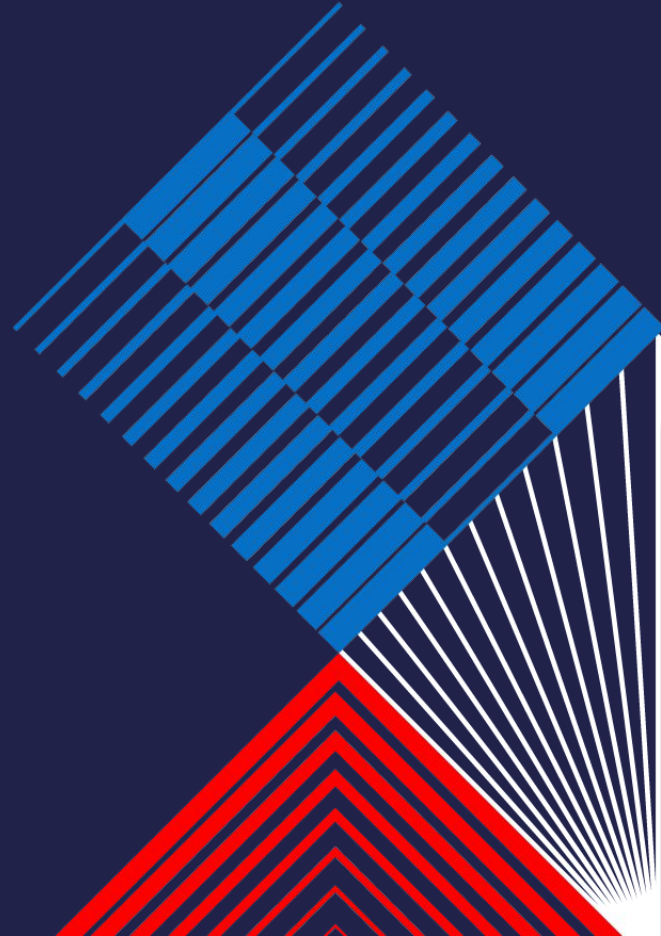
- SMEs, growth fund and other VCs
- Public Community (by issuing public posts / gaining insights from community in e.g. discord groups)
- Similar growth companies
- Other startups (through regular deal sourcing to increase our vocabulary)

#AscentConviction

While applying First Principles Thinking



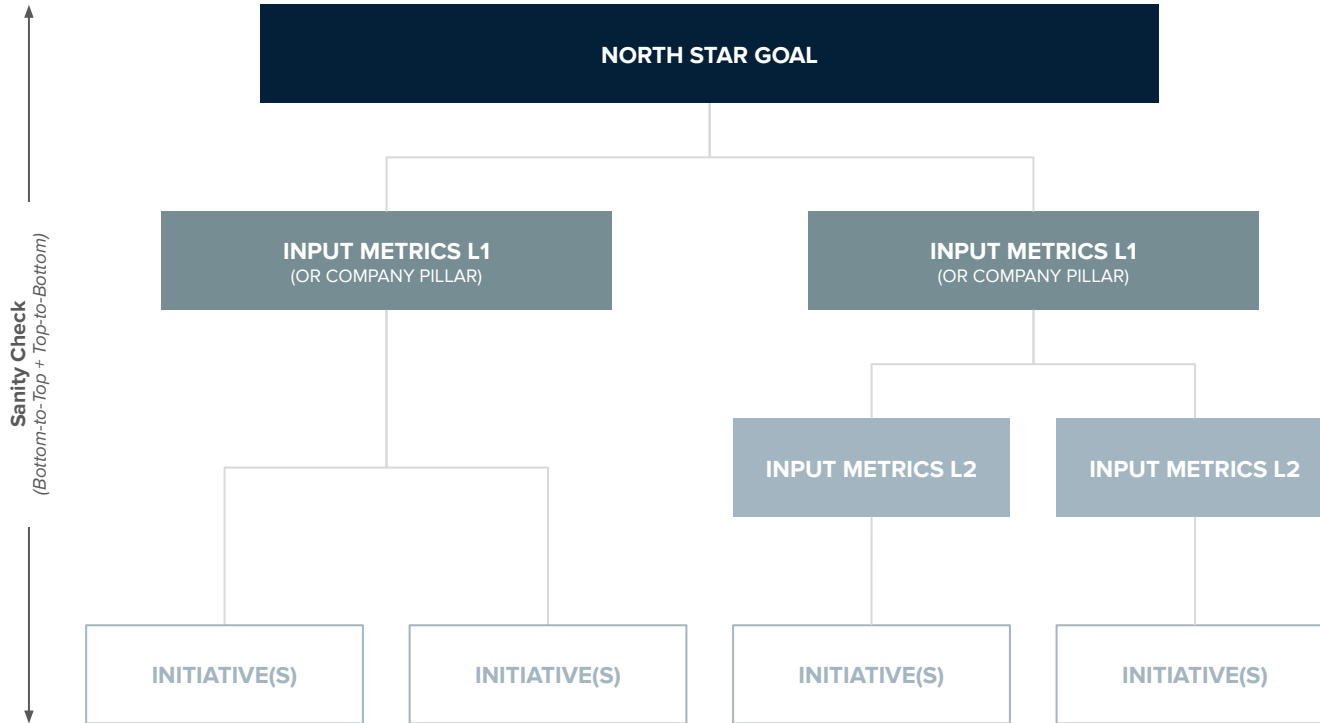
Portfolio Monitoring



Goal of Portfolio Management

- Value Creation: Like the name suggest, creating value for the startup.
 - 100 day plan,
 - go-to-market,
 - building strategic partnership
- Operational Excellence: A mindset, methodology for striving for efficacy throughout an organisation's processes by having a culture that empowers people to make changes
 - For our portfolio companies, to see and learn what are the best practices and sharing to them
 - As Ascent team, to continuously refine the way we do things, not be afraid to voice out and have discussions
- Troubleshooting: To support portfolio companies for expected and unexpected issues that might appear
- Fundraising: Support in following on rounds, helping to set the terms, reaching out to our network, proactively forecasting the fundraising
- Exits: M&As, IPO, trade sale

North Star Goal Framework



North Star Goal

- What do you envision the Company will be in the next 3 to 5 years or its end state?

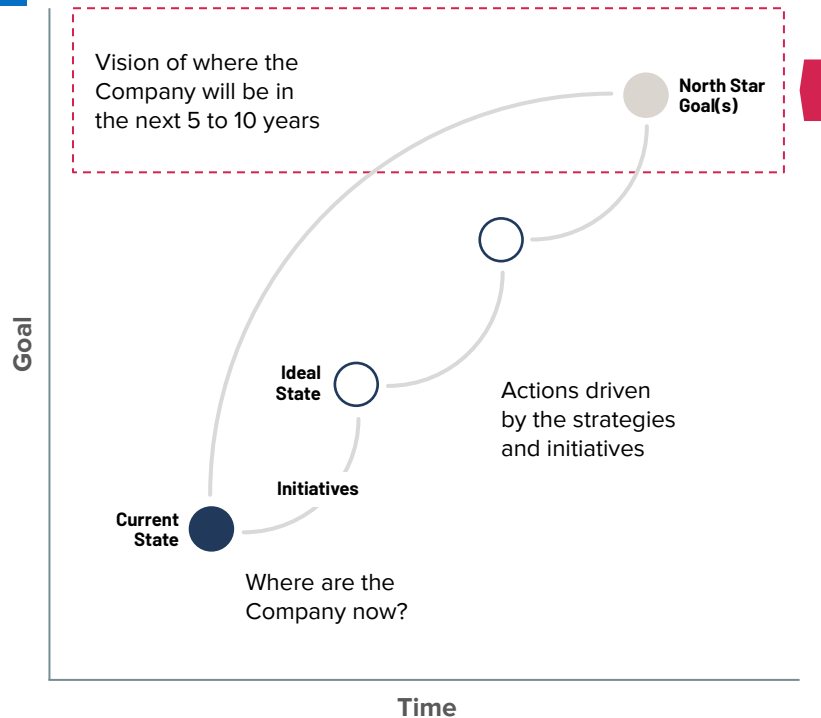
Input Metrics

- What business outcomes must the Company reached to achieve the North Star Goal?
- What does success look like?

Initiative(s)

- What initiatives do the Company believe will generates the outcomes?
- What is the shortest and lowest cost route to execute those initiatives?

Overview: North Star Goal



North Star Goal Checklists

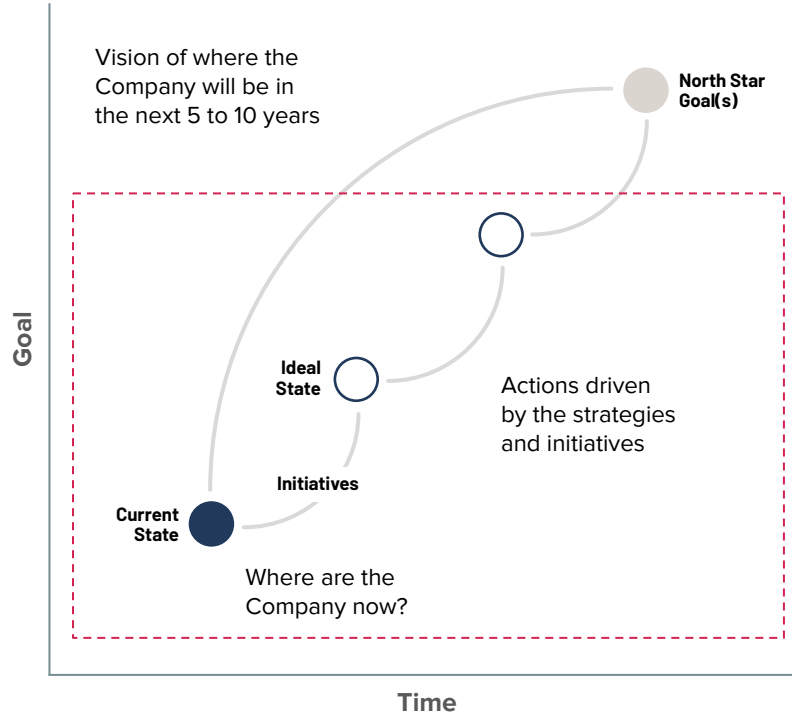
- It expresses **value**, so the Company can see why it matters to the consumers
- It represents **vision and strategy**. The Company's product and business strategy are reflected in it.
- It's a **leading indicator** of success. It predicts future results, rather than reflecting past results.
- It's **single, specific, and measurable**, so that it acts as the 'single source of truth' that can be tracked in a near real-time basis.
- It's **bold** and **aspirational** yet **achievable**. It presents challenges and discomfort to the Company, but it is still attainable.
- It's **time-bound**. This creates urgency whilst also recognising that times change.

Typical Broad North Star Categories

Amplitude has identified **three possible games** Companies have been playing. **Understanding which types of games** your Company fit on can **help you identify your North Star Goal**.

Categories	Definition	Examples
Attention	How much time are your customers willing to spend in your product?	Facebook; Spotify; Snapchat; Netflix;
Transaction	How many transaction does your customers make in your product?	Amazon; Walmart; Airbnb
Productivity	How efficiently and effectively can someone get their work done?	Salesforce; Adobe; Slack; Oracle; Zoom

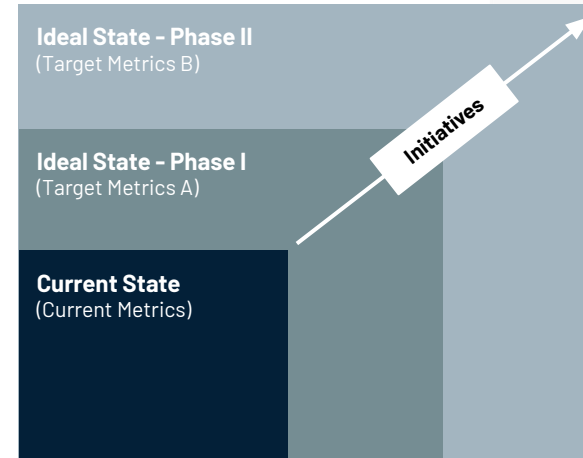
Overview: Input Metrics and Initiatives



Input Metrics Definition

- Input metrics should directly **contribute to the North Star Goal** and **act as a milestones / checkpoints** for the Company.
- Input metrics can be **optionally added into multiple layers of metrics**. However, while it's possible to keep adding the layers, please do ensure that the layers doesn't create any confusion among the Company's team.

Correlation of Input Metrics and Initiatives



To ensure the success rate of attaining the North Star Goal, the Company must **first recognize the reality of current state** (represented by current metrics) **and envision the ideal short-term state** (represented by target metrics). After then, the Company can plan and execute initiatives that may be able to close the gap at shortest & lowest cost route possible while trying to refine those initiatives accordingly.

Portfolio Reporting Formats and Treatment by Profiles

Outline	Information Details
Company's End-State	<ul style="list-style-type: none">End-state business plan with details on the short-term, mid-term, and long-term goals. Please also include what's the current state of the Company looking like (refer to Slide 10).
Financial and Operational Performance Summary	<ul style="list-style-type: none">Monthly leading indicators over the past 6 to 12 months. Leading indicators typically include certain operating metrics such as (i.e., # Clients on Pipeline, Net Promoter Score / Customer Feedbacks, Service-Level Agreements, etc.)Monthly lagging indicators over the past 6 to 12 months. Lagging indicators consists of financial figures (i.e., Revenue, Gross Profit Margin, EBITDA Margin, Cash Conversion Cycle, etc.) and specific operational metrics (i.e., # Clients and Manufacturers Onboarded, Production Volume, etc.).Timeline of implemented initiatives during that past 6 to 12 months.
North Star Goal Tree	<ul style="list-style-type: none">North Star Goal along with the derived input metrics that are both 'leading indicators' and quantifiable (refer to Slide 3).
Input Metrics and Initiatives	<ul style="list-style-type: none">Comprehensive elaboration on each of the input metrics, with following details on: (1) current and ideal state of the input metric; and (2) planned / implemented initiatives to influence the input metrics; (3) a set of initiatives ranked based on priorities; and (4) expected time frame to achieve the input metricsIdeally one slide is allocated for one input metric.
Organization Development	<ul style="list-style-type: none">Potential candidates for hiring OR key personnel hiring from the previous discussion. Please also include brief description for each of their roles and ensure that the hiring is aligned to achieve the input metrics.
Outstanding Issues and Supports Needed	<ul style="list-style-type: none">Current issues faced by the Company along with the potential solution to resolve.Types of supports the Company required from the Arise Team.
Fundraising	<ul style="list-style-type: none">Fundraising status at the moment OR potential investors looking to participate in the next round.

Portfolio Profile	Frequency	Focus Area
First Investment	<ul style="list-style-type: none">Every 2 weeks	<ul style="list-style-type: none">Reach product market fitFuture tech foundationBuild initial organization structure and key mid level hires
Raised 1 round	<ul style="list-style-type: none">Every 1 month	<ul style="list-style-type: none">Reach business model fit (CM 2 positive)Initial value creation on tech (better metrics then its peers in small scale)Scale initial organization and hire key top level hires
Raised 2 rounds	<ul style="list-style-type: none">Every 3 months.	<ul style="list-style-type: none">Reach business model fit (CM 3 positive)Validate value creation on tech (better metrics then its peers in large scale)Expand into new business to improve margin and reach profitability

Portfolio Management Schedule

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
100 Day Plan	x							
Operational Excellence	x	x	x					
Value Creation	x	x	x					
Troubleshooting	x	x	x	x	x	x	x	x
Regular check-ins	x	x	x	x	x	x	x	x
Fundraising			x		x			x
Exits					x			x

The table above represents a conservative timeline of each activities (i.e. fundraising every 2-3 years, exit window in year 5 and 8, etc). The actual timeline may occur much earlier or later, depending on the necessity of each companies

Portfolio Management Playbook

Value Creation, GTM and Scaling Revenues

- First 100 days: Fix key gaps, esp. in management
- Post 100 days help create focus on key value drivers using Finch Capital Value Creation team and network of experts and advisors

Strategic Relationships

- Partnerships with conglomerates, Financial Institutions
- Sales implementation scale up

Regular Health checks on Agreed KPIs

Finance & Governance



Debt & Equity



Hiring & HR



Regulatory Issues



Marketing & Sales



M&A



Product & Tech



International Expansion



Year 2

Year 3

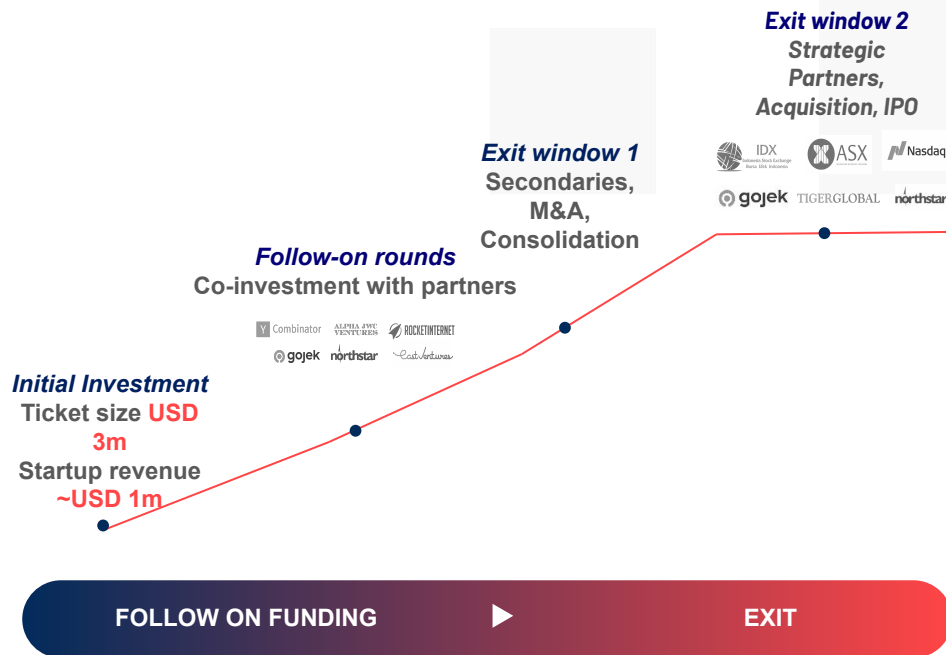
Year 4

Year 5

Year 6

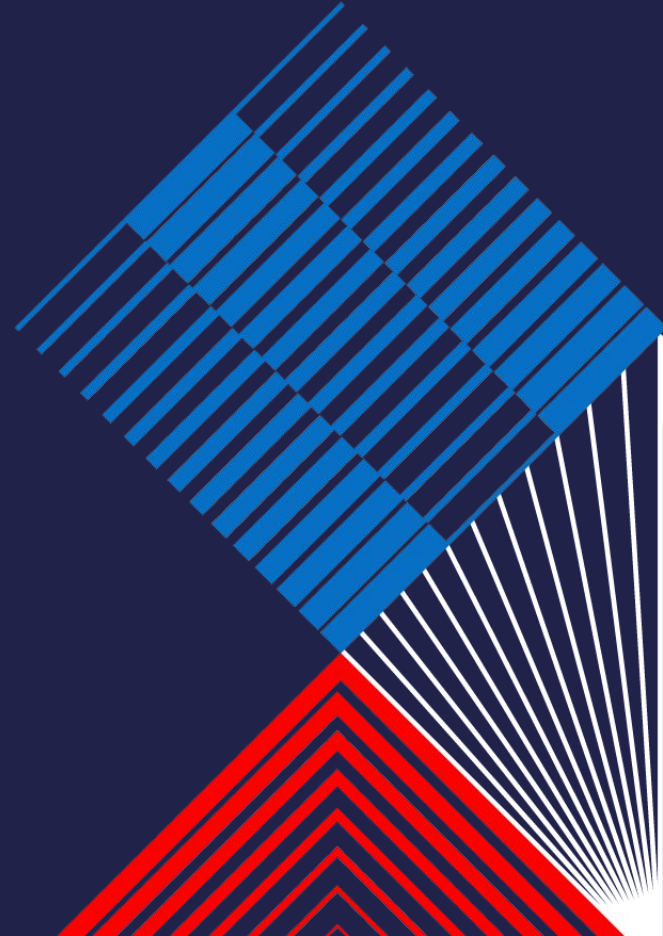
Year 7

Year 8



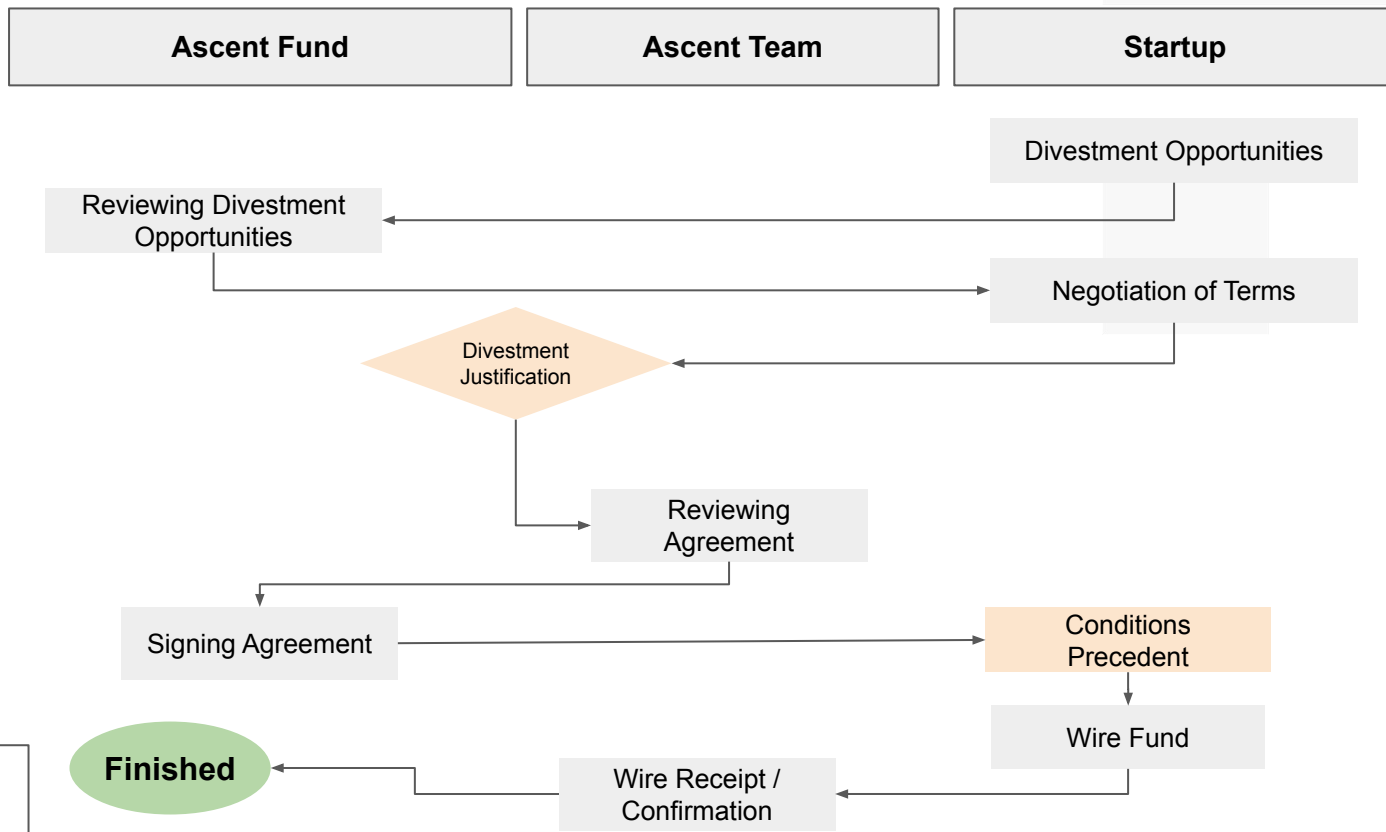


Divestment/Cut-Loss Process and Framework



Ascent Divestment Process

Swift yet robust divestment process to accommodate market and deal dynamics



Investment Divestment Criteria

Knowing that divestment for private investment will highly opportunistic given the illiquid nature of the asset and the dynamic of the market, we are trying to keep the divestment criteria quite broad based on the 4 key main exit opportunities:

1. Secondary transaction
2. M&A
3. IPO (before or after the portfolio going public)
4. Fund buy-out with secondaries fund

Having said that, below are the criterias that allow allow the IC to “Review Divestment Opportunities” both in the form of “Pull Offer” (re: Ascent Team receive offer for the 4 key main exit opportunities) or “Push Offer” (re: Ascent Team proactively work with potential buyer to get offer for the 4 key main exit opportunities) and make discretionary decision:

1. Target IRR Fund Model
2. Fund Harvesting Period
3. Companies within “Cut-Loss Framework” Monitoring

Investment Cut-Loss Framework

Investment Cut-Loss Mechanism will start to occur during our regular portfolio tracking when the company shows potential downfall (i.e. declining financial performance, significant change in market conditions/catalyst, fraud risk, etc) we will implement a series of risk mitigation strategies as follows:

Reassess Valuation and Runway

Update Portfolio Valuation based on latest CoCos and Fundraising as per Auditor method, and review Portfolio Runway to survive Winter

- Portfolio Valuation are based on **updated revenue and valuation multiple** based on Public Comparable Companies share price,
- **Company that successfully fundraise** uses last transacted value.
- Mentor Portfolio to navigate through the bear market by revising business plan **to survive for 24mth.**

Review Divestment plan

Portfolio companies that has a promising future will be held unless there are opportunities that allow Ascent to sell at a reasonable price.

- The current bear market significantly undervalued investments, any secondary **exits will be at discount.**
- Thus to **preserve gains** Ascent will hold its divestment if necessary, and only sell if there are a reasonable offer.

Progressive Investments

The public bear market provides opportunities for Ascent to offer investments at a lower valuation.

- Bear market, lower competition, and cash crunch provide **opportunities for VC to make investments at lower valuation.**
- Ascent strict **investment guidelines and due diligence** ensures that investments are made prudently with enough runway to last beyond winter.

Key Strategies Before Executing Cut-Loss to Any Portfolio Companies

1

Identify root cause problems and viable solutions

(I.e. business pivot, change management, cut initiatives w/ limited tractions, etc)

2

Revise budget, prolong runway

(improve cash spending and collection, cutting non prioritize spending, tightening AR terms, let go irrelevant teams, etc.)

3

Raise new external capital

4

initiate active roadshow to look for strategic buyer/merger

(If point 1 - 3 not successful and the company runway left with < 6 months)

5

Implement cut Loss companies who will not survive

(If point 1 - 4 not successful)

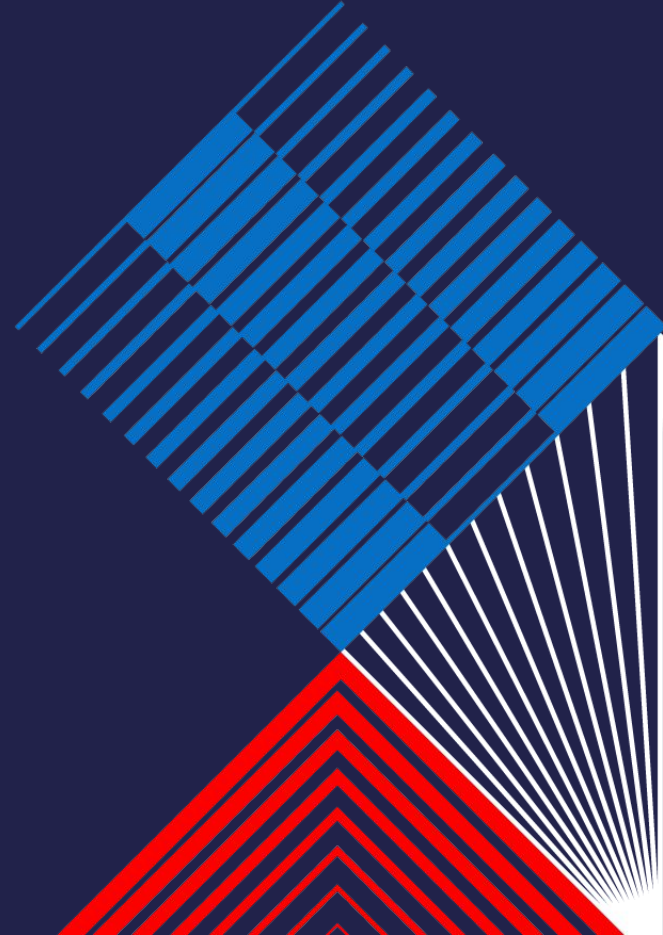
Ensure Ascent's most valuable portfolio company to survive during the bear market and thrive upon market rebound.

Ascent's portfolio value will be preserved because the companies are still successfully growing, with sufficient cash reserve, current bear-market valuation loss is not realized yet until actual Exit.

Investment in lower valuation allow Ascent to maximize returns in the longer run.



Follow On / Top Up Investment Process



Top up investment criteria

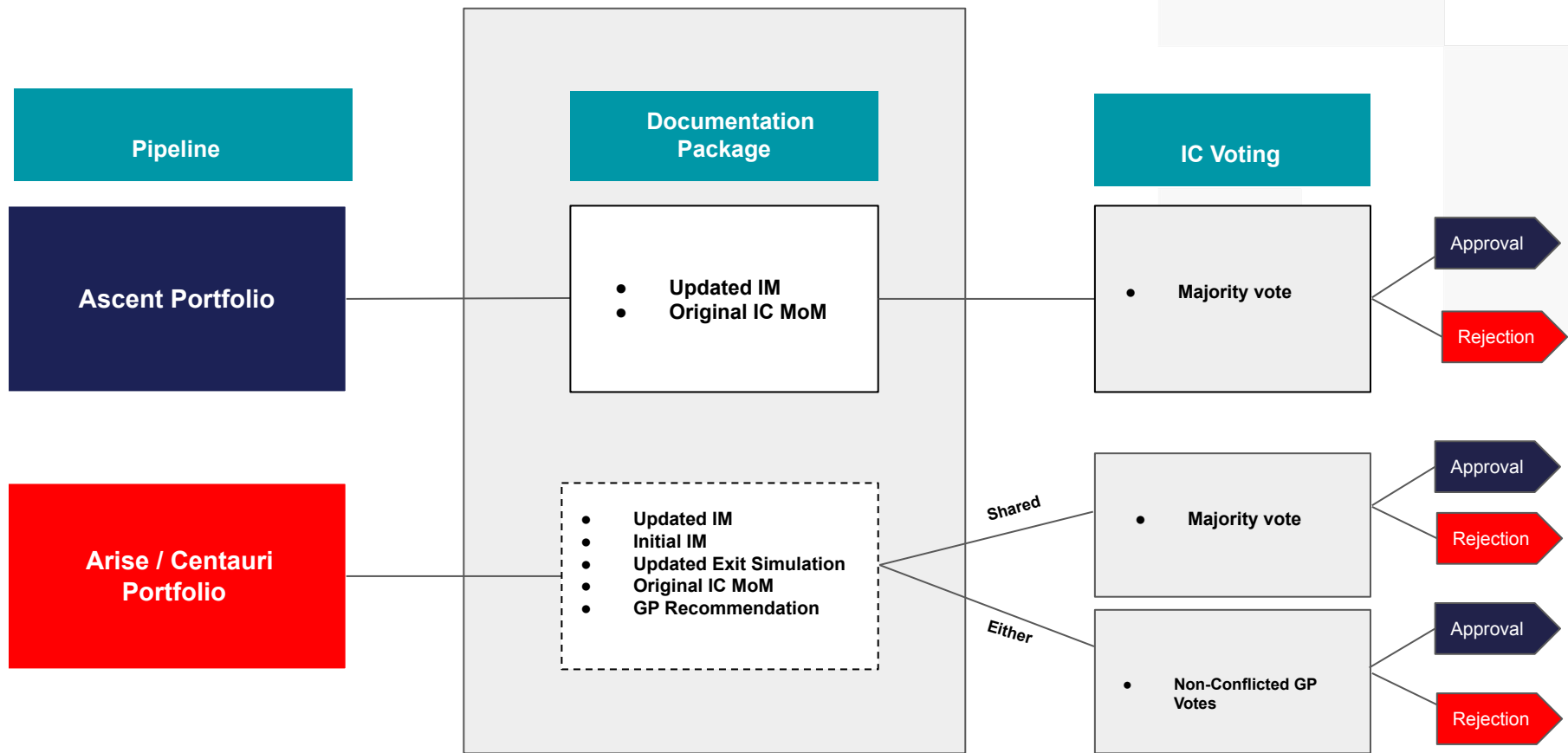
Decision making based on either or all criteria below:

- The company agreed to raise a new round
- The company received investment offering from other investors
- Company performance during portfolio tracking signal key milestone achievements based on the latest IM and Northstar Goal Framework
- Valuation analysis suggest the new round valuation is justified to reach our expected returns fund modeling

For top up investment, Due Diligence process will be conducted with goals to act as an update from previous IM documents of the previous round

External Due Diligence by third parties may or may not being requested/implemented based on discretionary decision of the IC, if Ascent is leading the new round of funding.

Follow On Investment Process Framework



Investment Documentations

	Document Name	Document Type	Document Details
1	Updated Investment Memorandum (IM)	Word (Google Docs)	Official documentation for due diligence process - will be used as investment justification as well
2	Initial Investment Memorandum (IM)	Word (Google Docs)	Official documentation for due diligence process - will be used as investment justification as well
3	IC Minutes of Meeting (MoM)	Word (Google Docs)	Recording of key points discussed, participants involved, resolution arrived, etc.
4	Exit Simulation	Excel	Defining the northstar goal, OKR and initiatives
5	GP Recommendation	Word (Google Docs)	Recording of key points discussed, participants involved, resolution arrived, etc. for every regular update
6	Monthly Data	Google Drive	Financial Statements and Management Reports from Portcos
7	Weekly Documentational Review	Excel / Affinity / GDrive	Tracking of all pipeline and portfolio companies



Thank you.