

BRV Lotus II Annual Information Meeting

November 2017



Fund II Overview

Key Parameters	Sept 2017
Fund Size (excluding \$120 million co-investment vehicle)	\$379.55M
Capital Called	39%
Total Capital Invested	\$103.87M
Total Value of Investments (Realized and Unrealized)	\$105.77M
Total Investment Value over Invested Capital	1.02x
Active Companies	8 portfolio companies (5 Korea, 2 Japan, 1 China)

1. Korea Market Landscape



General Korea Investment / Exit Landscape

Corporate restructurings and FI-backed assets sales continue to play a vital role in the Korean investment / exit landscape through the M&A market

Target	Target Industry	Acquirer	Seller	Stake	Deal value	Description
2017						
Carver Korea	Industrial	Unilever	Goldman Sachs PIA, Bain Capital	95.4%	US\$ 1.5bn	Unilever has agreed to acquire a 95.39% stake in Carver Korea from SangRok Lee and a consortium led by Bain Capital and Goldman Sachs
Lotte Shopping, Investment business	Consumer & Retail	Lotte Confectionery	Lotte Shopping	100%	US\$ 2.8bn	Lotte confectionery has agreed to acquire investment business of Lotte Shopping via share swap merger.
Hyundai Heavy Industries	Engineering & Construction	Hyundai Robotics	-	14.5%	US\$ 1.3bn	Hyundai Robotics, a company engaging in manufacturing robots, announced a partial share exchange offer for Hyundai Heavy Industries, a company engaging in shipbuilding business
Hugel (IP ²)	Pharma	Bain Capital	Hugel	45.3%	US\$ 0.8bn	In May 2017, Bain Capital has announced to acquire Hugel and Tongyang HC, Hugel's largest shareholder.
LG Siltron	TMT	SK	LG	100%	US\$ 1.0bn	In May 2017, SK Holdings has signed MOU to acquire remaining 49% from creditors, to fully own LG Siltron
DS Power (IP ²)	Industrial	IMM Investment	Daesung Industrial Group	100%	US\$ 0.6bn	In April 2017, IMM Investment has agreed to acquire DS Power from investment group led by Daesung Industrial
Harman	Auto	Samsung Electronics	-	100%	US\$ 8.7bn	In March 2017, Samsung Electronics acquired 100% stake of U.S. Auto parts supplier Harman
Daesung Industrial Gases	Oil & Gas	MBK Partners	Goldman Sachs, Daesung Group	100%	US\$ 1.5bn	In March 2017, MBK Partners acquired 100% stake of Daesung Industrial Gases
Kabam Games	Entertainment	Netmarble Games	Kabam	100%	US\$ 0.8bn	In February 2017, Netmarble Games acquired 100% stake of U.S. games studio, Kabam
Kyungnam Energy	Oil & Gas	Prostar Capital	Sangwon Comtru, Anchor Equity Partners	97%	US\$ 0.4bn	Prostar Capital has agreed to acquire a 97.08% stake of Kyungnam Energy
Hyundai Card (IP ²)	FIG	Multiple Bidders	GE Capital	43%	US\$ 0.6bn	Hundai Commercial and a consortium led by Affinity Equity Partners have agreed to acquire 43% stake of Hyundai Card in February 2017
Kumho Tire (IP ²)	Auto	Doublestar	Creditors	42.1%	US\$ 1.0bn	Selected Chinese tire maker, Double Star, as preferred bidder on January 18 th , 2017
Hyundai Cement	Industrial	Hanil Cement, LK Investment Partners	Creditors	84.6%	US\$ 0.6bn	A consortium of LK Investment partners and Hanil Cement were selected as preferred bidders in February 2017

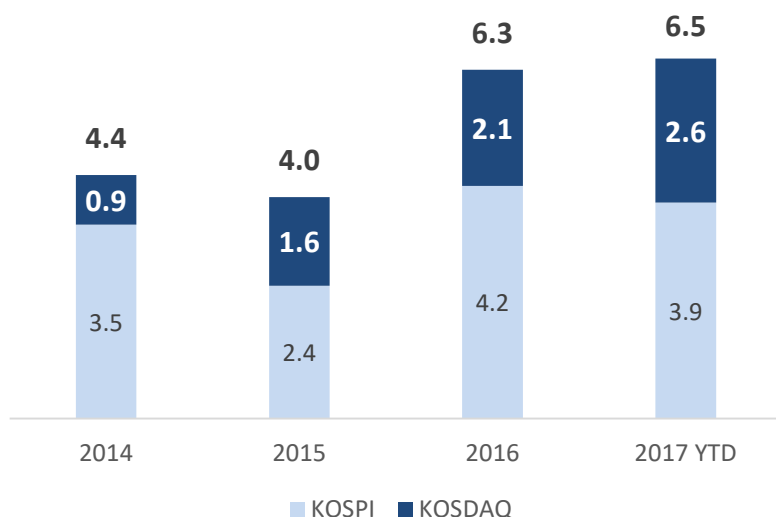
Source: Bloomberg, Equity Research

Note: 1. Selected completed deals; 2. In progress

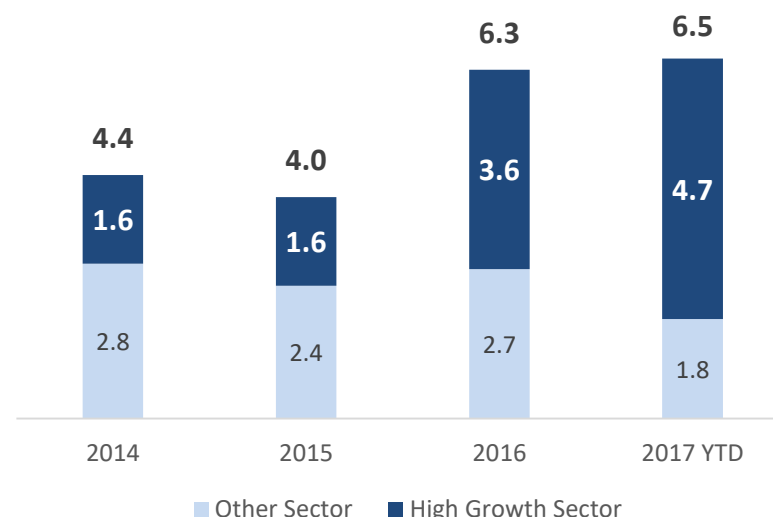
General Korea Investment / Exit Landscape

Korea IPO market continues to be an attractive exit venue for BRV investments as the IPO market sentiment moves towards focus on high growth sector

IPO Market (KRW trn)



High Growth Sector IPO (KRW trn)



Source: KRX

Korea IPO market is continuing growth which makes it attractive exit venue for BRV investments

- Korea IPO market is continues to grow at 14% CAGR
- KOSDAQ IPO market is increasing as the IPO market sentiment is moving towards focus on high growth sector
- BRV investments' focus on high growth sector is in line with the Korean IPO market trend



Source: KRX

High growth sector is increasingly sought after in the Korean IPO market

- High growth sector including IT (HW & SW), healthcare / biomedical, premium consumer (i.e. cosmetics), and electric vehicle is generating high demand in the IPO market
- Total IPO amount focused on high growth sector more than doubled in 2016 since 2014
- Over 70 % of total IPO amount is focused on high growth sector in 2017YTD

2. Sector Studies (Cosmetics & Electric Vehicles)



Cosmetics (1/2)

Korea cosmetics industry before China overhang

- Demonstrated increasing sophistication in terms of product development and marketing in China
 - Korean cosmetics are renowned for innovative product, such as Air cushion foundation, color correcting cream (CC cream) and snail essence face packs, etc.
 - Korean cosmetics companies promote their products and brands by leveraging K-pop culture and famous artists
- Significant investments in China in order to expedite penetration in China
 - Brand companies have established subsidiaries in China and spent enormous marketing expenses to accelerate their entry into China
 - ODM / OEMs companies are making aggressive investments to establish factories in China
- Highly dependent on China because of the increase in exports to China and the continued growth of inbound travelers from China
- High China exposure became key driver of exponential growth and stock price premium (Average trading PE multiple: over 30x)

Changes in circumstances after China overhang

- Damaged by direct and indirect retaliation against Korea
 - Boycott for Korean products, driven by atmosphere for anti-Korea through media
 - Sanitary approval and import customs clearance delay for Korean cosmetics
 - Discontinuation of travel to Korea
- Collapse of investment sentiment for cosmetics sector
 - AmorePacific's share price, the largest cosmetics company in Korea, dropped approximately 40% from US\$ 400 to US\$ 240
 - Investment sentiment for small- to mid-sized cosmetics companies was even worse, on average, stock prices also dropped by more than 50%
 - After China overhang, cosmetics companies that are highly dependent on China proceeded IPO with deep discounted IPO valuation
- Start to establish a strategy to lower reliance on China
 - Korean cosmetics companies target Southeast Asia and North America for alternative

BRV's view on Korean cosmetics sector after China overhang

- In case where sales dependence is high on a single market or a single product accounts for a large portion of sales, there is limitation on continuous long-term growth
- Collaboration with global cosmetics companies will ensure opportunities for constant growth and free from geopolitical risk

Cosmetics (2/2)

Global cosmetics market trend

- Increasing SKUs(stock keeping unit) and brands, the global cosmetics companies manage
 - Global cosmetics companies with multi brands are constantly buying new brands to boost their stalled organic growth
 - L'Oreal, Estee lauder, Unilever, etc. recently have acquired new brands such as IT Cosmetics, Two Faced Cosmetics, Hourglass, Carver Korea, etc

- Launch of own private labeled brands by beauty distributors and online e-commerce
 - Sephora sells its in-house brand, and Memebox launched its own brand called I'M MEME

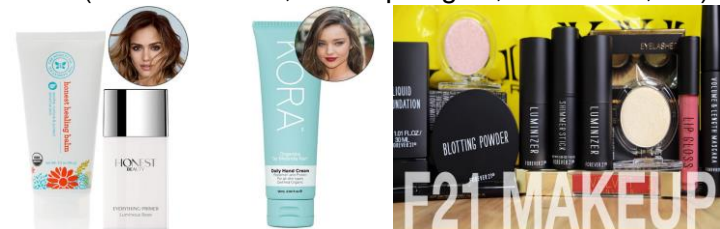


<Notable cosmetics mergers in recent years>



<Source: Forbes>

- Entrance of cosmetics business by celebrities(Jessica Alba, Rihanna, Miranda Kerr, etc) and traditional fashion retailers (Urban Outfitter, Anthropologies, Forever21, etc)



BRV's view on global cosmetics market trend

- As global cosmetics companies acquire many brands, for efficient management and constant growth, they focus on brand identity management and marketing, and outsource product development, production, and quality control
- As beauty distributors, online e-commerce, celebrities, and traditional fashion retailers launch its own brands, there is an increasing demand for outsourcing due to their limited resources (human, capacity, etc) and know-how for product development and production

CTK Cosmetics



Strategy	Minority	Initial Investment Date	May 2017
Cost of Investment	\$12.0 million	Unrealized Value	\$11.7 million
Expected Return	2.2 – 5.5x	Near Term Exit Potential	IPO expected Dec. 2017

Investment Thesis

- CTK Cosmetics is equipped with competitive one stop solution service and capability accredited by global clients (L'Oreal, Sephora, Estee Lauder, etc.), thus CTK Cosmetics fulfills a growing outsourcing needs in global cosmetic industry
- By handling both the formula and packaging companies, CTK Cosmetics' one stop solution benefits global cosmetics clients to manage the whole process (product development, production and quality control, etc.) easier and more effectively
- Unlike other ODM/OEM cosmetics company, CTK Cosmetics has a light business structure as a fables manufacturer that enables the Company to create higher margin compared to Korean peers (CTK: over 20% OPM vs. Other ODMs: 8-10% OPM)
- Due to business relationship with various global cosmetics companies and diversified product line-ups, CTK Cosmetics is free from geopolitical risk and single client dependency risk

BRV Value Creation

- BRV supports Asia market (especially Japan and China) penetration through the collaboration with BRV-verified Asian on/off-line distributors
- BRV introduces CTK Cosmetics and its one stop solution service to potential customers

Current Status

- CTK Cosmetics filed IPO and received approval from Korea Stock Exchange ("KRX"); CTK Cosmetics is expected to be listed on December.

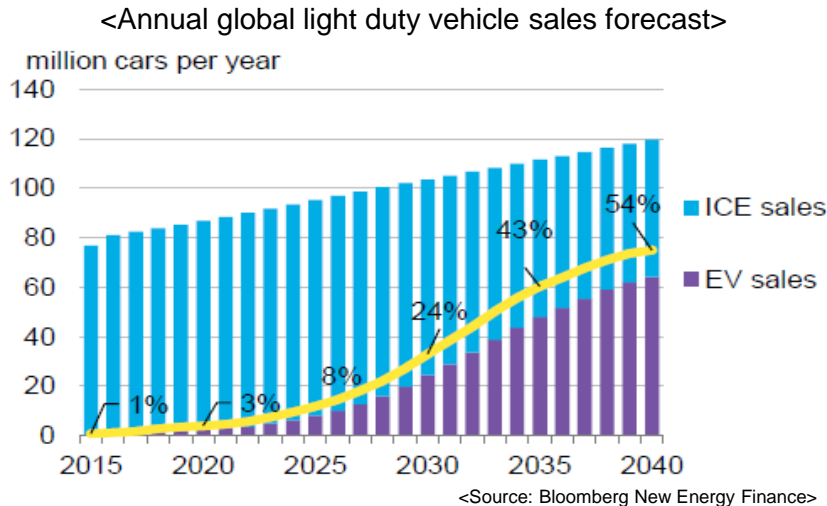
Exit Potential

- BRV is expecting liquidity event in December 2017 and targets full divestment in 2Q 2019 with expected multiple 2.2 – 5.5x

Financials					
Revenue	Earnings	Revenue	Earnings	Revenue	Earnings
2016	2016	2017E	2017E	2018E	2018E
133.89	23.33	153.03	23.17	205.00	30.72

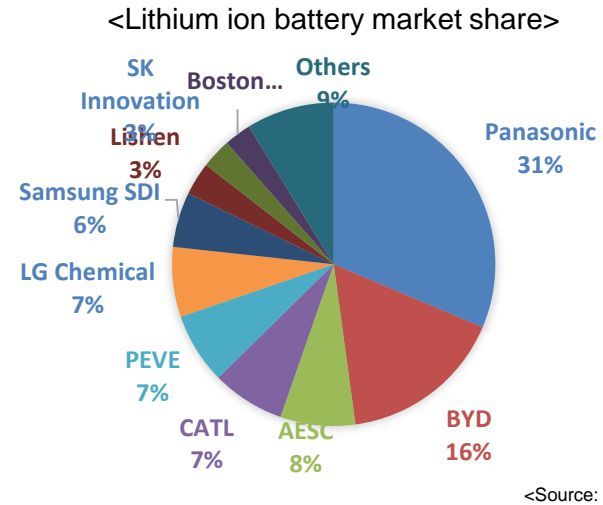
Electric Vehicle (xEV)

xEV market growth and penetration



- According to Bloomberg New Energy Finance, 54% of approximately 120 mm new car sales will be electric by 2040
 - price-competitive electric vehicles driven by falling battery prices
 - Strong regulatory support and subsidies for xEV
 - Increase of the traveling distance per charge
- China, the U.S. and Europe make up over 60% (approximately 72 mm) of the global EV market in 2040

xEV lithium ion battery market

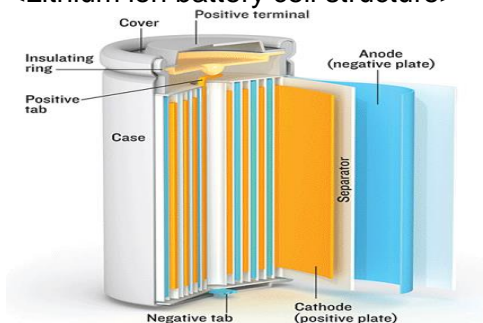


- Chinese battery makers (BYD, AESC, CATL, Lishen) collaborating mainly with local Chinese automobile companies and Japanese makers (Panasonic, PEVE) highly dependent on a single customer
- While, Korean makers (LG Chemical, Samsung SDI, and SK Innovation) collaborating with both global and Chinese automobile companies
- Difficult for new companies to enter the battery market due to large-scale investment, mass production know-how and capability, and trust with automobile makers
- Battery makers working closely with key material suppliers from the development stage to fulfill the performance and price that automobile makers request

Electric Vehicle (xEV)

Core materials of lithium ion battery cell

<Lithium ion battery cell structure>



<Source: IT Direction>

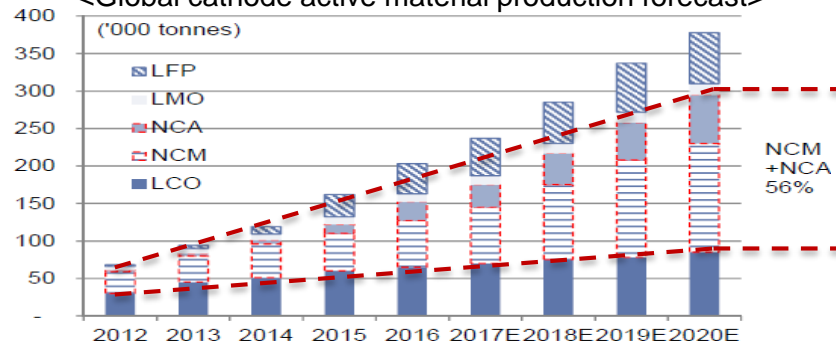
- Material cost accounting 50-60% of total manufacturing cost of battery cell, and cathode active material accounting approximately 40% of total material cost
- Among 4 major key materials (Cathode, Anode, Separator, and Electrolyte), cathode active material deciding battery performance (i.e. energy capacity, density and lifecycle)
- Precursor, a key part of cathode active material, determining the performance and quality of the cathode active material
 - In order to increase the energy capacity of the battery, it is necessary to increase the nickel content. The higher the nickel content, the more advanced precursor synthesis technology is required

BRV's view on xEV and lithium ion battery

- xEV market and lithium ion battery market will grow together; In the midst of these trends, material companies that collaborate with global automakers and cell makers are expected to be key beneficiaries of growth
- Considering the characteristics of the automobile and the battery industry, material companies that have built up trust are expected to continue to grow through long-term business relationships

Mainstream of cathode active material

<Global cathode active material production forecast>



<Source: B3, Goldman Sachs Equity Research>

- According to B3, the global cathode active material demand growing from 200k tonnes in 2016 to 380k tonnes in 2020E, (CAGR of 17%)
 - Ternary based material (NCM+NCA) will capture 56% market share in 2020, vs. 43% in 2016
- Ternary, namely Nickel Cobalt Manganese (NCM) and Nickel Cobalt Aluminum (NCA), cathode active material and precursors becoming the mainstream due to higher energy density and capacity potential, life cycle, cost, and safety compared to other type of cathode active material and precursors (LFP, LMO, and LCO)

Ecopro GEM

Ecopro GEM

Strategy	Significant Minority	Initial Investment Date	Exp. November 2017
Cost of Investment	\$20.0 million	Unrealized Value	\$20.0 million
Expected Return	2.5 – 5.2x	Near Term Exit Potential	IPO (1Q 2022)

Company Background

- In order to fulfill growing demand for precursors of cathode active material, Ecopro, #2 NCA player with 31% of global market share, established precursor specialized entity Ecopro GEM to expand its precursor business

Investment Thesis

- Ecopro GEM is a beneficiary of promising industry growth of lithium ion battery and increasing demand in high nickel cathode active material and precursor for xEV
- Ecopro GEM will secure cost competitiveness, manufacturing know-how & capability, and advanced precursor technology, accredited by global top tier battery makers (Samsung SDI, Sony, BASF Toda, SK Innovation, Boston Power, etc)

BRV Value Creation

- BRV supports to diversify customer base to global top tier lithium ion battery manufacturer (LG Chemical, Panasonic, etc)
- BRV assists the Company to reinforce sales force and technology development capability by introducing competent industry experts

Current Status

- Ecopro GEM secured about 80,000 square meters of site and is establishing production facilities with monthly capacity of 500 MT, which will be expanded to 3,500 MT by 2022
- The facilities is expected to be completed in early December, and the Company will operate test run and apply for 4M (Man, Machine, Material, and Management) approval from its customers (Samsung SDI, Sony, BASF Toda, SK Innovation, etc)
- Mass-production will be initiated from 1Q17

Exit Potential

- BRV targets exit in 1Q 2022 with expected multiple 2.5 – 5.2x

Financials									
Revenue	Earnings	Revenue	Earnings	Revenue	Earnings	Revenue	Earnings	Revenue	Earnings
2018E	2018E	2019E	2019E	2020E	2020E	2021E	2021E	2022E	2022E
39.10	(1.89)	150.11	3.15	324.24	9.09	514.65	17.04	639.31	23.17

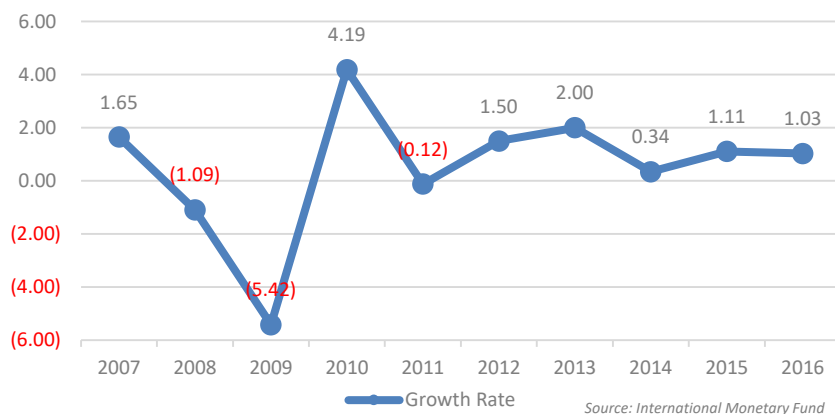
3. Japan Market Overview



Japan Overview

Economic growth driven by Abenomics

■ Trend of real GDP growth rate



■ Three arrows of Abenomics to be continued as Mr. Shizo Abe was re-elected in the Japanese parliament in October 2017.

— Monetary Policy

- Quantitative easing (e.g. weakening JPY)

— Fiscal Policy

- Corporate tax-cut (effective tax rate 34.62% in 2014 -> 29.74% in 2018)

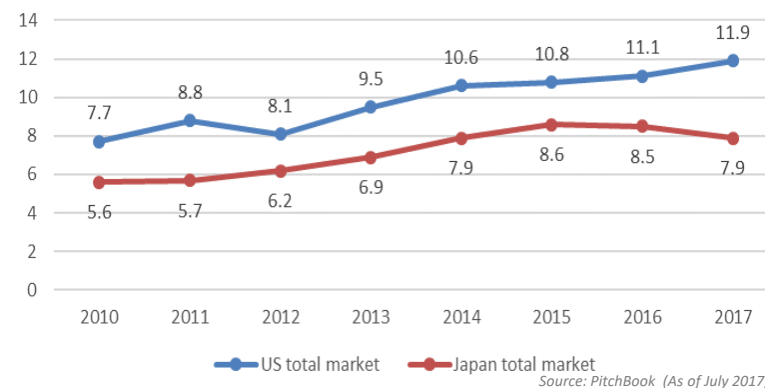
— Structural reform

- Deregulation on IPO conditions (e.g. Minimum number of BOD)

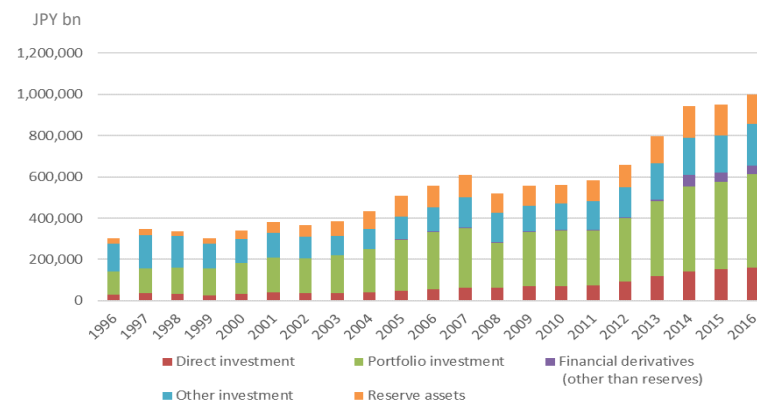
Undervalued Japanese market

■ Public company median EV/EBITDA (TTM) multiples

— Public company median EV/EBITDA multiple in Japan is 7.9x at the end of July, which seems attractive compared to near 12x for US

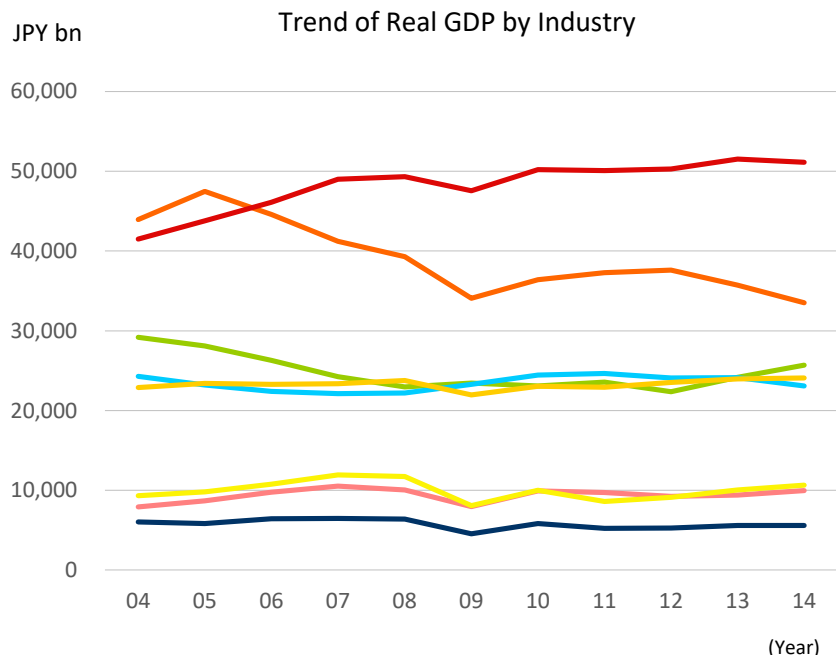


■ International investment position of Japan (FDI towards Japan)



Growth by Industry

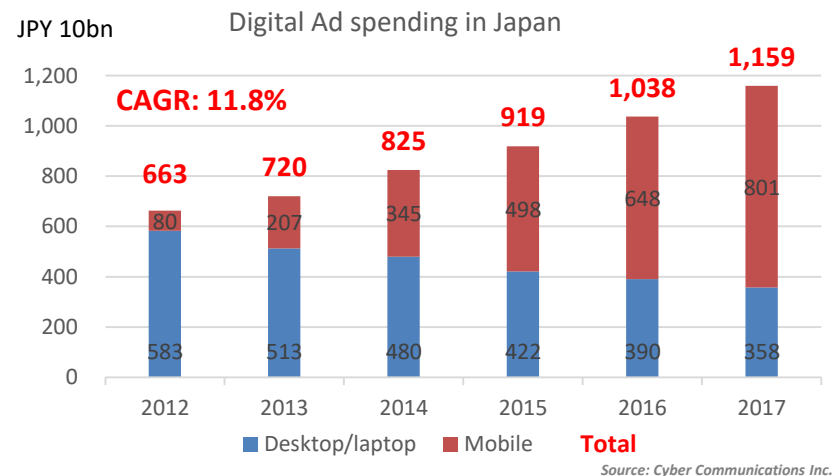
Growth trend by industry



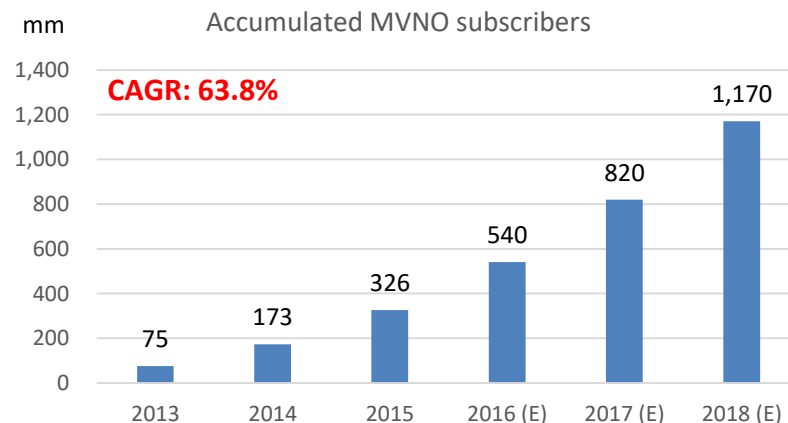
Source: Ministry of Internal Affairs and Communications

■ Major industries show stagnation besides Information Communications market.

Market expansion of digital marketing



Market expansion of MVNO



Geniee



Strategy	Minority	Initial Investment Date	July 2016
Cost of Investment	\$4.4 million	Unrealized Value	\$4.01 million
Expected Return	1.8 – 3.0+ x	Near Term Exit Potential	IPO (4Q 2017)

Investment Strategy

- Founded in 2010, Geniee has been leading the market with its integrated and advanced technology by delivering services for both publishers and advertisers, and became one of three Google Certified Publishing Partners in Japan
- Geniee's immediate aim is to expand into the Asian web advertisement markets by localizing its technology. It has developed business in Vietnam, Indonesia and Thailand, and has an office in Singapore having the aim to spread into other South East Asian countries where the use of web media is increasing.

BRV Value Creation

- New sales channel expansion using BRV's regional networks and portfolio networks for overseas operations including China and Korea.
- Establishing global business strategies in South East Asian countries driven by BRV's deep connections and market segment knowledge

Current Status

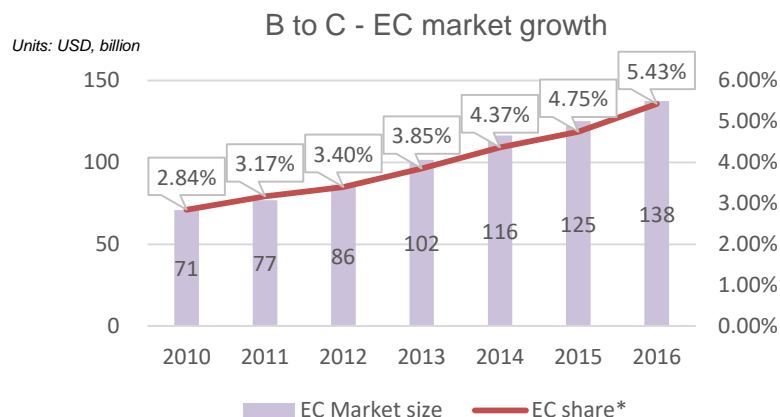
- Geniee is on track to file IPO on TSE Mothers in December 2017

Exit Potential

- In preparation stage of TSE Mothers IPO (Q4'17)
- Expected Divest Timing: 1H 2018
- Expected Return: 1.8x – 3.0+ x within 24 months after investment

Japan e-Commerce Market

Japan e-commerce market and growth



Source: Ministry of Economy, Trade and Industry
* EC share to total commerce market

- Japan is the world's third largest, and one of the fastest growing e-commerce markets in the world.
- Japan's developed economy, one of the densely populated city, and well developed distribution infrastructure make the market more attractive to online retailers.
- Japan is the second biggest foreign market for Amazon following Germany

- The 3 major players of e-commerce market in Japan accounts for 50% of market share; Amazon (20%, BtoC), Rakuten (20%, CtoC), and Yahoo (9%, CtoC).
- According to the Ecommerce Foundation's Japan 2016 report, e-commerce accounted for 2.8% of the total GDP of USD 4,123 billion, with more than 90% of population using internet.
- The growth rate is stable over the past few years with CAGR estimated at 11.7% in 2016, market totaled USD 138 billion
- Cross-border e-commerce market (China, Japan, and US)
 - Japan consumers purchase from China and US markets: USD 2.2 billion (7.5% ↑ YoY)
 - US consumers purchase from Japan and China markets: USD 9.1 billion (15.2% ↑ YoY)
 - China consumers purchase from Japan and US markets: USD 20.0 billion (32.6% ↑ YoY)

(JPYMN)	2014	2015	2016	Growth Rate to previous year
	EC Market Size	EC Market Size	EC Market Size	
Cosmetics and medical	4,415	4,699	5,268	12.11%
Book, Picture music software	8,969	9,544	10,690	12.01%
Miscellaneous goods & Furniture	11,590	12,120	13,500	11.39%
Clothes	12,822	13,839	15,297	10.54%
Food, Drink and alcoholic	11,915	13,162	14,503	10.19%
Consumer electronics, AV Systems	12,706	13,103	14,278	8.97%

Source: Ministry of Economy, Trade and Industry

BRV's view on Japan e-commerce sector

- As both domestic e-commerce market and cross-border market grow, they need to improve payment methods, digital marketing, shipping logistics, and language support
- Collaboration with specific local popular brands who don't have overseas networks will attract cross-border consumers

Potential e-Commerce Deal in Japan

Current Japan Pipeline: Project Ice

Investment opportunity

- Founded in 1990s, the company is the biggest consumer-centric e-commerce platform specialized in cosmetics and beauties in Japan.
- Strong recognition and networks with top global beauty brands generating 12 million visitors per month and more than 250,000 products registered.
- The huge number of female customers using these sites is massively appealing to advertisers who want to run effective marketing campaigns by targeting female consumers.

BRV Value Creation

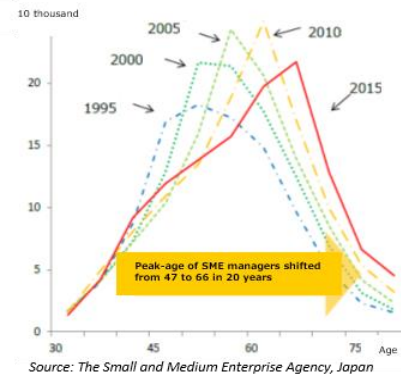
- Support collaborations with famous Korean cosmetics brands to attract more customers in Asia region
- Redeveloping and restructuring business strategies for optimizing overseas business, and assisting the company with introducing the right strategic partners in each region to expand sales channels.

Business Succession in Japan

Key trends in the succession of Japanese SMEs

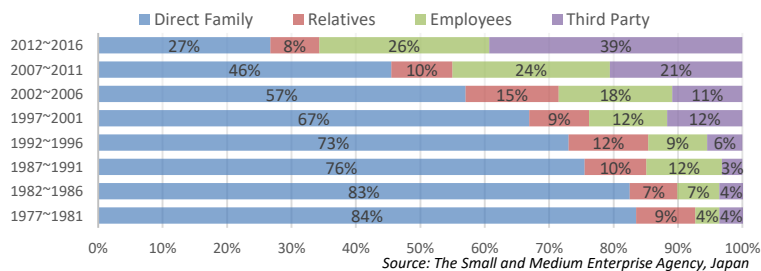
Ageing small and midsize enterprises (SME) without successors

- In terms of age distribution, the largest portion of SME CEOs shifted from 47 in 1995 to 66 in 2015. In 2025, more than 60% of SME CEOs will be at 70, the average retirement age.
- As of 2015, 1.27 million of heirless SMEs face the risk of closure due to a lack of successors.



Changes in the relationship between predecessors and their successors

- The share of family-related succession has dramatically decreased from 93% in the late 1970's to 35% for the recent 5 years.



Major practices of business succession

Family succession

- Traditional way of business succession, but it has become less popular than before as SMEs have difficulties in finding a successor from their family members in addition to tax burdens.
- Capability of successors as an entrepreneur and provision of education are critical factors for a successful business succession.

Management buy-out / employee buy-out (MBO/EBO)

- Advantageous in that it is possible to screen and select a competent manager who deeply understands the business in various aspects.
- The key is whether the successor can acquire the share of the company belonging to owner-family.
- More and more funds and venture capitals have shown interests in investment through MBO/EBO scheme.

M&A

- Succession to the third party via M&A scheme has rapidly increased. However, the recent survey shows that roughly a half of SME CEOs still have antipathy to the scheme.
- According to Refco, a Japanese consultancy firm, the number of M&A deals for business succession was 294 in 2016, increased by 2.2 times since 2011. Yet, it is expected that the total number of deals, including transaction between unlisted companies, is more than 1,000 in 2016.

BRV's view and investment opportunity in relation with business succession in Japan

- As the trend of ageing SMEs will escalate, the greater number of companies that have potential for further growth will be in need of strategic or financial support in their process of business succession.
- Leveraging BRV's global track-records and strong network to top talents, BRV has particularly targeted SMEs that have core-competency but lack in management capability due to an inexperienced successor and companies in need of capital investment for MBO/EBO.

Potential Business Succession Deal in Japan

Current Japan Pipeline: Project Munich

Investment opportunity

- Founded in 1950s, the company has market proven painting and coating technology focusing on plastic, and strong clients network established globally
- The unique investment opportunity of family business successions. Successor has inherited the business, and asked us to recapitalize the company for further growth
- The company is currently having difficulties in corporate governance, KPI based management, overseas expansion, and the successor doesn't have much experiences of expanding their business in new and creative ways.

BRV Value Creation

- Support to develop the inefficiencies, such as inadequate use of IT, accounting system, decentralized sales, and corporate governance
- Assist the company with introducing new overseas customers in targeted end-markets including mobile phones (global no.1 mobile OS “reference mobile phone” manufacturer, Japan’s mobile manufacturer (BRV portfolio)), toys (*Transformer*-branded toy manufacturer in China), baby care products (top brand cosmetics manufacturer in Korea), and automotive parts (top Korean automotive parts manufacturer in Korea)

4. Portfolio Company Review



ST Pharm



Strategy	Minority	Initial Investment Date	December 2015
Cost of Investment	\$12.1 million	Unrealized Value	\$27.5 million
Expected Return	2.7 - 5.0x	Near Term Exit Potential	Full exit by 4Q 2018

Company Overview

- Founded in 1983, ST Pharm ("STP"), is an Active Pharmaceutical Ingredient ("API") manufacturer and provider owned by the leading pharmaceutical companies in Korea
- Company's solid bluechip customer base (mostly global tier one pharma companies) and strong financial performance of its flagship API product Sovaldi, Gilead's blockbuster drug for treating hepatitis type-c, support stable growth of STP's baseline

2017 Overview

- Company initiated building an oligonucleotide plant in Banwol, Korea anticipated completion in 2019 to boost capacity of oligonucleotide production. The new plant will have oligonucleotide and monomer capacity worth up to ~\$150 m revenue

Business Plan

- Company is building up generic API pipeline to increase revenue as well as become strategic partner with global pharmaceuticals
- Company is developing fine chemical products which is raw material for engineered plastic and battery electrolyte
- Company is world's only CMO with vertical integration of oligo API and dimer synthesis technology. STP is expecting revenue boost from oligonucleotide API CMO which is expected to be commercialized around 2019

Exit Potential

- STP is listed on KOSDAQ at June 2016 with market capitalization \$760 m
- BRV expects to exit remaining shares by end of 2018 as Company is expanding further revenue pipeline from global pharmaceuticals

Financials			
Revenue	Earnings	Revenue	Earnings
2016	2016	LTM (2Q)	LTM (2Q)
200.36	61.43	204.25	57.39

Daesung Celtic EnerSYS



Strategy	Significant Minority	Initial Investment Date	August 2016
Cost of Investment	\$11.6 million	Unrealized Value	\$10.4 million
Expected Return	1.9 – 3.2x	Near Term Exit Potential	IPO (2Q 2020)

Company Overview

- Celtic is a leading condensing gas boiler manufacturer in Korea as the first mass-producer of condensing boiler with its well known "S-Line" brand

2017 Overview

- Korea business: Company is focusing on surpassing \$100 m revenue mark in 2017 and managing its solid base line in the domestic gas boiler market while exploring SKU expansion into energy equipment / smart home equipment sector
- US business: Company is focusing on successful new product launching and making healthy progress in building sales representative and distributor network, obtaining required/recommended product licenses, and recruiting technical support team to educate and assist distributors
- IPO preparation: IPO Steering Committee has been established in order to monitor (1) IPO execution roadmap, (2) IPO valuation maximization strategy, and (3) new growth initiatives including business diversification opportunities organically and inorganically

2018 Initiatives

- Korea business: Manage its solid base line in the domestic gas boiler market and expand SKU portfolios
- US business: Achieve sales milestones required for IPO valuation maximization
- IPO preparation: Three business diversification opportunities under active review

Exit Potential

- KOSDAQ IPO in 2Q 2020
- Expected return of 1.9 – 3.2x

Financials					
Revenue	Earnings	Revenue	Earnings	Revenue	Earnings
2016	2016	2017E	2017E	2018E	2018E
101.05	3.77	109.49	3.54	124.15	4.44

Suntel



Strategy	Majority	Initial Investment Date	December 2015
Cost of Investment	\$22.0 million	Unrealized Value	\$13.8 million
Expected Return	3.4 – 5.9x	Near Term Exit Potential	IPO (4Q 2019)

Company Overview and Strategy

- Suntel is a FPM(finger print module) and Bluetooth headset with substantial growth opportunities validated by a top tier handset manufacturer in Korea.
- FPM business will be expanded due to the spread of FPM from existing high-end to mid- to low-end smartphones and diversification of application from smartphones to laptop
- In addition to its existing businesses, Suntel plans to initiate battery packaging business with global top tier battery cell company and IAQ (Indoor Air Quality) business with carrier company
- In order to secure cost competitiveness, Suntel transferred its production facility from Korea to Vietnam and is finalizing the establishment of local supply chain management (SCM)

BRV Value Creation

- By arranging potential business opportunities with strategic partners, BRV assists to expand its business
- BRV introduces competent industry experts or key man who can establish and execute strategic business plan

Exit Potential

- KOSDAQ IPO in 4Q 2019
- Expected return of 3.4 – 5.9x

Financials							
Revenue	Earnings	Revenue	Earnings	Revenue	Earnings	Revenue	Earnings
2016	2016	2017E	2017E	2018E	2018E	2019E	2019E
65.38	(23.70)	70.98	(10.02)	150.97	8.59	200.24	13.56

Note: Financials in KRW bn

Daor E&C



Strategy	Significant Minority	Initial Investment Date	May 2016
Cost of Investment	\$22.1 million	Unrealized Value	\$17.0 million
Expected Return	2.4 – 2.8x	Near Term Exit Potential	IPO (4Q 2020)

Company Overview

- VSL Korea ("VSL" or the "Company") is professional bridge design and construction company that was founded in 1981. Over 30 years, leader of the Korean long span bridge market (estimated market share: +50%) especially PSC structure using PTS. The company has many reputable experiences in the field of concrete structures such as PSC (pre-stressed concrete) bridges, tanks (LNG, LPG, & nuclear power plant), buildings, geotechnical systems, heavy-lifting structures and etc., since its introduction of post-tensioning technologies

2017 Overview

- Company expected obtain up to ~\$110 m and expected backlog up to ~\$130 m by end of the year
- Korea business: Company is focusing on profitability and with its own design and engineering capability, the company could secure more order with profitability
- Overseas business: Company expand its business in Indonesia with local partner and working with bridge design company to win order in Myanmar

2018 Initiatives

- Company targets to obtain new order up to ~\$100 m
- Korea business: Company pursues revenue expansion enlarged backlog and profitability with early engagement from design process
- Overseas business: Company seeking new contract on Indonesia, Myanmar, and India

Exit Potential

- KOSDAQ IPO in 4Q 2020
- Expected return of 2.4 – 2.8x

Financials					
Revenue	Earnings	Revenue	Earnings	Revenue	Earnings
2016	2016	2017E	2017E	2018E	2018E
108.11	(12.75)	92.02	0.76	105.02	4.15

Freetel



Strategy	Minority	Initial Investment Date	July 2016
Cost of Investment	\$9.6 million	Unrealized Value	\$ 10.7 million
Expected Return	1.0 – 3.0x	Near Term Exit Potential	2020

Investment Strategy

- FREETEL is the only MVNO in Japan which has a vertical integrated business model handling 1) Low Cost Handsets 2) SIM Cards and 3) Applications. It enables the company to provide various services to consumers at a low price.
- The MVNO market is growing rapidly in Japan, due to the easing of regulations which reduces costs for telecommunications and more users are seeking for low costs. Currently, the market share of MVNO is approximately 20-30% in many advanced countries where Japan is only 2% less, and the market is expected to expand further.

BRV Value Creation

- Supporting Freetel using BRV's regional networks to export mobile phones to China and Korea to increase their overseas revenues.
- Supporting Freetel to establish the right direction of future business plan to be profitable in a competitive market.

Current Status

- Revision of corporate strategy: Focus on profitable business (mobile manufacture), and plan to liquidate unprofitable business (MVNO) due to low margin and severe market competition derived from changes of government policy
- Discussions with other MVNOs to sell their SIM cards in Freetel shop with Freetel mobile phone as a package (coexisting strategy)
- Negotiating with R mobile (Rakuten Mobile) to sell Freetel mobile phones in R mobile shops
- Start Manufacturing customized phones for Japanese corporates such as Tokyo Gas who has the biggest number of customers among Gas companies in Japan
- Nominated as Google Tier 1 partner for Android GO platform

Exit Potential

- Expected Divest Timing: 1H 2020
- Expected Return: 1.0 – 3.0x



Guolele

Strategy	Significant Minority	Initial Investment Date	March 2016
Cost of Investment	\$10 million	Unrealized Value	\$10 million
Expected Return	4.1 – 7.9x	Near Term Exit Potential	IPO / M&A (2020)

Investment Thesis

- Guolele is a leading online wholesale market place for fruits. The Company aims to purchase fruits from original place directly and increase the penetration of direct procurement from its total sales / GMV. Because the gross margin of direct procurement is much better than that of procurement from existing wholesale markets, it will help to improve gross margin of Guolele in the near future and turn profitable.
- While Guolele continues to utilize its strong supply chain capability to enhance profit margin, it also hopes to bring in more local partners into its ecosystem. The Company will also collaborate with more local government agencies and partners to expand its retail channels.

BRV Value Creation

- Advised on fund raising strategy and introduced potential investors

Current Status

- Guolele has been focused on opening community grocery stores, leveraging its offline B2B supply chain resources and online traffic and sales advantages. Currently, the Company focuses on stores in suburb, Beijing.

Exit Potential

- Company targets to IPO/M&A in 2020

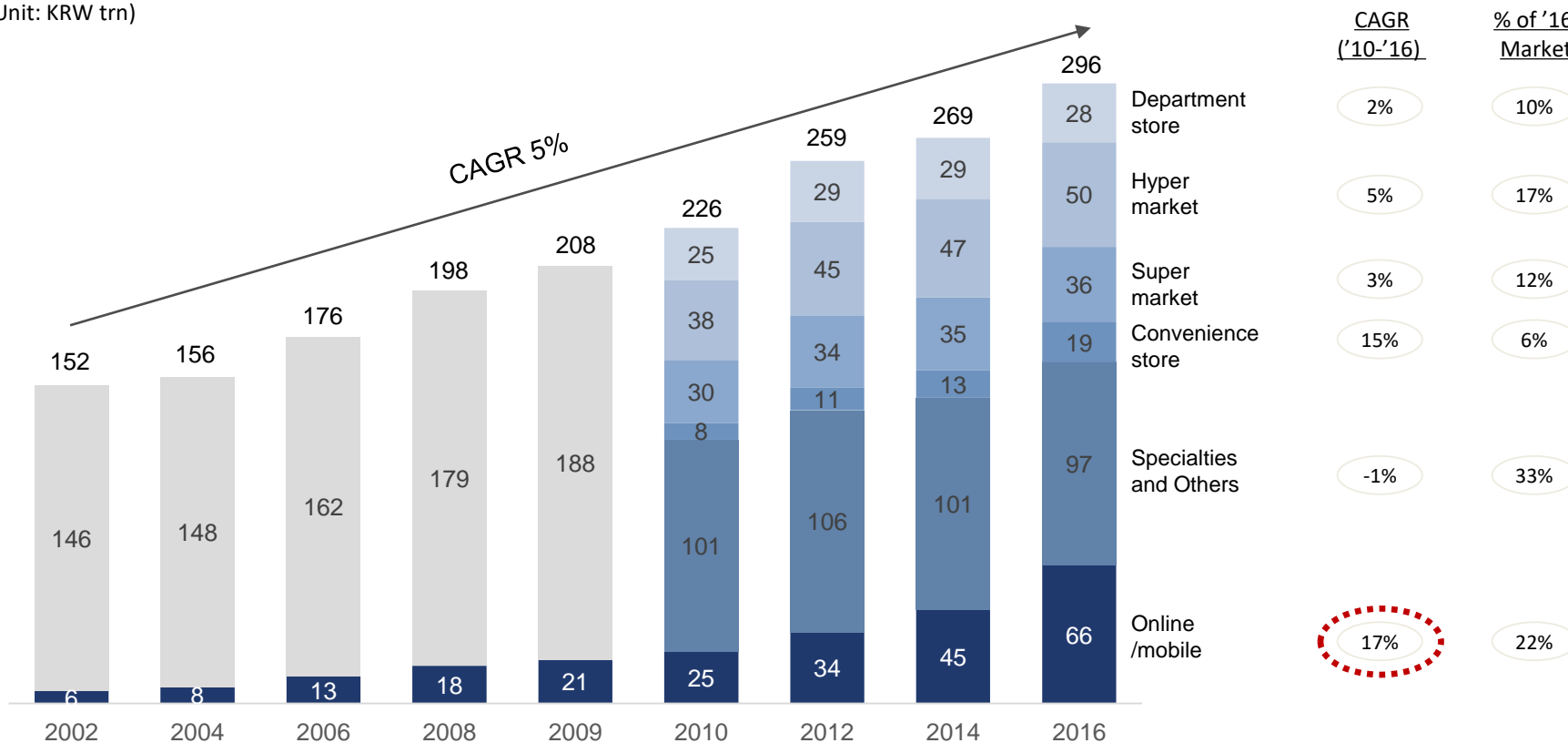
5. Pipeline Overview



Korea Retail Industry - Overview

Korea Retail Market: Breakdown by Channel ('02-'16)

(Unit: KRW trn)



■ Korean retail market has grown at 5% p.a. since 2002, reaching **296 trn in terms of GMV** in 2016

■ **Online/Mobile is the fastest growing channel**, followed by Convenience Store

Korea Retail Industry: E-commerce

A

Continued Online Penetration

Description

- Overall online penetration rate **increased from 11% in 2010 to 22% in 2016**, signaling favorable structural backdrop
- Book, Home appliance, Non-brand fashion, Cosmetics were the high-growth verticals in the early stage(~10)
- Going forward, we anticipate sizable upside potential in **Fresh food, Brand fashion, and Services categories**
 - E-Grocery/Fresh food category is considered **as one of the most promising traffic generator as well as loyalty builder** due to its unique features such as 1)necessity, 2)buying frequency, and 3)increased concern over product quality

B

Converging Battle Ground

- Disruption between online and offline players
 - Offline retailers are aggressively expanding their e-commerce business, while online players are opening offline stores to better serve their customers
- Blurring boundaries between marketplace and online retailers
 - MP players are increasingly focusing on direct purchasing in order to enhance profitability, while online retailers are adopting marketplace model to expand assortment

C

Prolonged Competition

- Most of the domestic e-commerce players are still recording negative earnings due to prolonged competition
 - Sheer GMV growth without clear path to profitability no longer commands value in the market

Core Winning Traits



“Clear leadership in high growth verticals”



“Strong infrastructure in both online and offline retailing”



“Rigorous P&L management based on in-depth retail expertise”

Korea Retail Industry: Pipeline Candidate

Investment Opportunity Summary

	Summary
Strategy	Spin-off / Growth Equity
Sector	Retail (e-commerce)
Deal Size	US\$ [1] bn
Co-Invest	Yes (~US\$[*] mn)
Phase	Due diligence
Timing	Upon final close
Target	One of the largest domestic offline retailer's e-commerce business division (Carve-out)
Baseline	Solid baseline from core vertical
Exit	KOSPI IPO at [2023] Maximize equity value via transforming bricks and mortar business into a leading e-commerce player

BRV Value Creation Levers

Preliminary



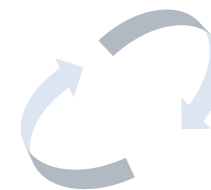
■ Vertical Expansion

- Strengthen verticals with high frequency & engagement level
- Actively leverage existing traffic by executing cross-selling strategies



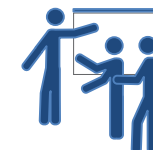
■ Logistics Optimization

- Explore various ways to increase unit basket size and reduce unit logistics cost



■ Managed Marketplace

- Secure GMV scalability by enabling rapid SKU expansion via managed marketplace



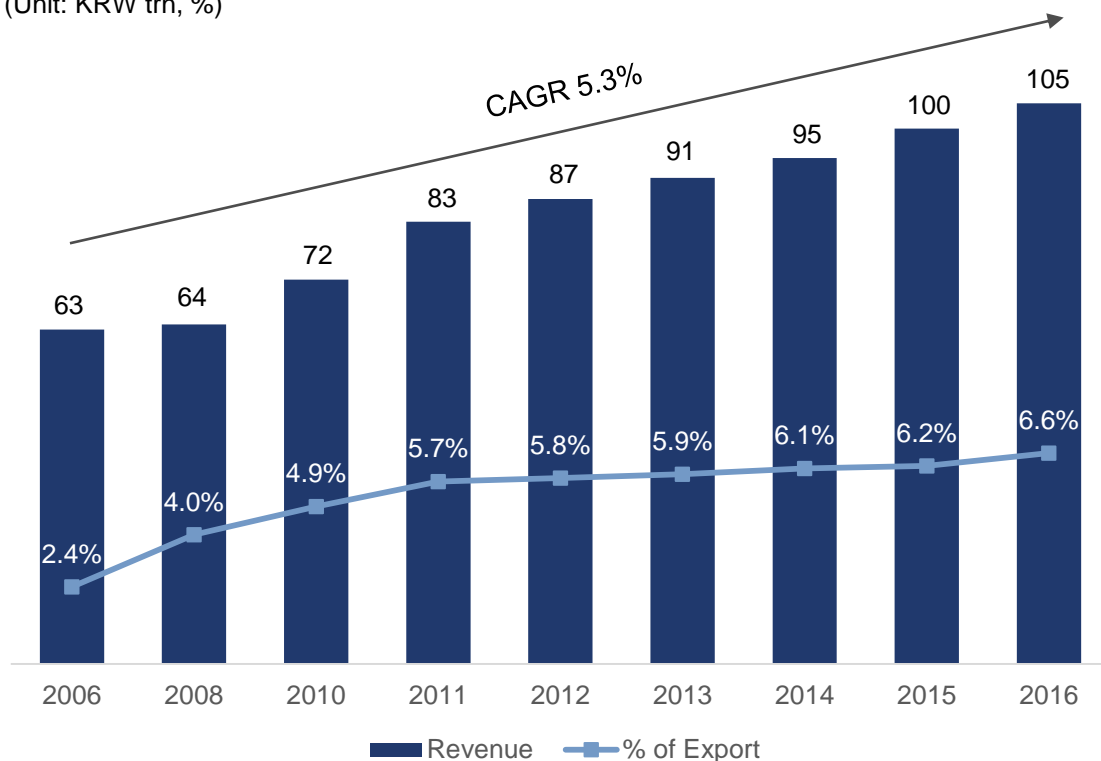
■ Change Management

- Ingrain meritocratic & winning culture that is tailored to the nature of business
- Develop data-driven decision making process

Korea Contents Industry - Overview

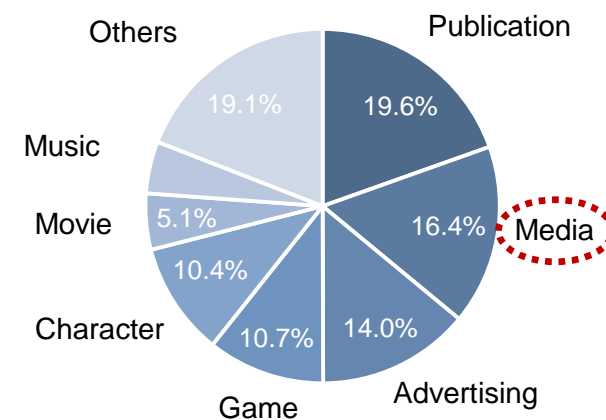
Korea Contents Market

(Unit: KRW trn, %)



Breakdown by Revenue: 2016

(Unit: %)



- Korea Contents market has been growing steadily at a CAGR of 5.3% for the last decade
 - Publication, Media, Advertising account for almost half of the market, followed by Game and Character
- Content export continues to grow rapidly at a CAGR of 16.5% since 2006, accounting for 6.6% of the total contents market in 2016

Korea Contents Industry: Korea Media

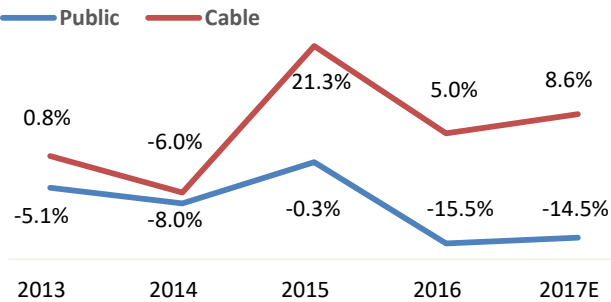
Key Trends

A

Public
vs.
Cable

- Cable channels (e.g. CJ E&M, JTBC) has been outperforming public channels (e.g. SBS, KBS, MBC)

- Public vs Cable: Advertising Revenue Growth (YoY %)



B

Old
vs.
New

- Rapid migration from traditional media (e.g. news paper, TV) to new media (e.g. digital, mobile) have resulted in **the rise of new channels/formats**



afreecaTV



Pikicast

C

Internalization

- Leading media players have **been internalizing contents creation capability** by establishing dedicated production subsidiaries

JTBC Content Hub



MONSTER UNION CREATES WONDER

SBS The Story works

Case Study: Studio Dragon



- Studio Dragon (the "Company") is a contents production company with a main focus on script dramas
- Established in May 2016 through carve-out of CJ E&M's drama division
- The Company became the dominant player by securing top-tier script writers via three consecutive acquisitions
 - Hwadam & Pictures (Jun 17), Moonhwachanggo (Jun 17), KPJ (Sep 17)
- According to IPO registration filings, the Company achieved revenue of KRW154 bn (FY16), KRW137 bn(1H17) and EBITDA of KRW39 bn (FY16), KRW44 bn(1H17)
- The Company is scheduled to be listed in KOSDAQ in November 2017
 - Post-IPO market cap of around KRW1 trn expected
 - Applied 15x~18x EBITDA multiple / Peer: Huace(China), J contentree (Korea)
- Successful projects include "Dokkaebi", "Legend of the blue sea", "Miseng"
 - "Dokkaebi" reached over 20.5% viewer ratings which is historical high for entire CJ E&M channels



Korea Contents Industry: Pipeline Candidate

Investment Opportunity Summary

Situation Overview

- The Target is a contents production company whose main contents include script drama, non-script shows, etc.
- Major shareholder of the Target is a direct family member of one of the largest media group in Korea
- Due to external factors (e.g. THAAD), the Target's financial position has been weakened, resulting in a window of opportunity for investors

	Summary
Strategy	Restructuring/Growth Equity
Sector	Media (Contents Production & Distribution)
Deal Size	US\$ [15-20] mn
Co-Invest	Yes (~US\$[*] mn)
Phase	Term Negotiation
Timing	Upon final close
Exit	KOSDAQ IPO at [2023]

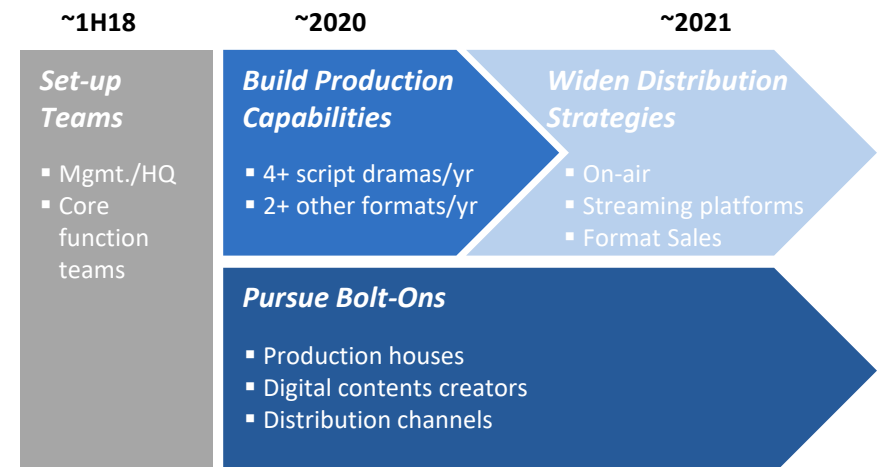
Investment Highlights

- Rapid topline growth is expected during the next 4-5 years
 - The authorities have instructed the media group to spend at the minimum of KRW [*] bn per annum for the next [*] years on contents production as a prerequisite for the further extension of its cable license; the media group is planning to fully utilize the Target during the process
- Favorable investment structure with strong downside protection
 - Guaranteed MOIC 1.5x~2x, IRR 10%~15% (currently under negotiation)

BRV Value Creation Levers

Preliminary

- Transform the Target into a Tier-1 contents production & distribution company



BRV Lotus II 2018 Initiatives

Growth Equity	Expected Deployment Amount (Timing)
GEM	\$20 million (4Q2017)
Project Munich	\$20 million (4Q2018)
Project Tahiti	\$30 million (1Q2018)

Consolidation / Spin-Off	Expected Deployment Amount (Timing)
Project Seattle	\$50 million (2Q2018)
Project TCI	\$20 million (1Q2018)
Project Jets	\$30 million (4Q2018)

Deployment Schedule for 2018

- **Additional expected cash deployment by end of 2018** :\$170 million
- **Drawdown:** More than 2/3 of the capital drawn expected by 4Q2018