



Enterprise Investors

Industry experience drives strong investment pace

Following a year of robust capital deployment and attractive deals, we are proud of our accomplishments and look ahead with optimism to our continued investment activity across the CEE region.

During 2018 we acquired Studenac, a leading chain of neighborhood grocery stores in Croatia. Our aim is to accelerate the chain's rollout across the country by building on sector experience from our highly successful investments in Dino, Profi and Artima. Likewise, our new investments in Poland – Unilink, the largest insurance multiagency and Anwim, a dynamically growing chain of petrol stations – will benefit from our team's considerable experience in the financial services and retail sectors.

In addition to closing an investment in another grocery retail chain, CBA Slovakia, and acquiring a majority stake in Croatian bakery producer and retailer PAN-PEK, last year we provided follow-on financing to Nu-Med Grupa, which delivers oncology care to a growing number of patients in its four clinics in Poland. Cumulatively, 2018 was among the best years in EI's history in terms of the value of investments made, with EUR 167 million invested and committed across two funds.

Last year we also kept up our solid track record in portfolio exits via public and private market transactions. Our partial exit from Novaturas was through an IPO with a dual listing on the Warsaw Stock Exchange (WSE) and Nasdaq Vilnius. We made successful use of the capital markets for our final divestment from Czechia-based beverage producer Kofola ČeskoSlovensko. And we sold our stakes in J.S. Hamilton Poland and intive to a private equity fund.

We invite you to read the following summary of our achievements in 2018.

Investments

In January 2018, Polish Enterprise Fund VII (PEF VII) completed an acquisition of 100% of shares in **CBA Slovakia**, one of the country's top independent food retailers with over 300 convenience stores and proximity supermarkets. The transaction was negotiated and signed in November 2017. As part of the deal, EI committed EUR 16 million of additional equity funding to deleverage the business and finance expansion.

At the end of March, PEF VII signed an agreement to acquire 65% of shares in **PAN-PEK**, a leading bakery producer and retailer in Croatia with over 50 outlets. The transaction was concluded in May for an undisclosed sum. We teamed up with the company's co-founder Mr. Ivan Parać, an exceptionally experienced and skilled entrepreneur. Croatia's bake-off market is set to develop on the back of continuous growth of the modern food retail channel. We believe that the market trends and the company's operational excellence will enable PAN-PEK to strengthen its prime position in the Adriatic region.

In early June Polish Enterprise Fund VIII (PEF VIII) signed an agreement to acquire a 100% stake in **Studenac**, a network of almost 400 neighborhood grocery stores operating in Croatia's southernmost region, Dalmatia. This was the first investment from our most recent fund, which we closed in September 2017. The transaction was concluded in August for an undisclosed sum. We are convinced that Studenac will benefit from the favorable macroeconomics, strong tourist industry and consumers' preference for shopping close to work or home. During our investment horizon we plan to accelerate the chain's development, participate in market consolidation and enhance the existing stores' performance.

In July, PEF VIII partnered with **Unilink's** managers and signed an agreement to acquire a 38% stake in Poland's number one insurance multiagency. The transaction, which consisted of a capital increase and a partial buyout, was completed in October for an undisclosed sum. Unilink works with 10,500 insurance agents, helping them sell insurance products of all the major insurance companies operating nationwide. The company outdoes all its peers in terms of growth, size, operational performance, organizational development and strategic vision. As domestic market leader and consolidator in the largest distribution channel of the retail insurance market, Unilink benefits from the ongoing consolidation and professionalization of Poland's insurance distribution.

November was marked by our investment in **Anwim**, the largest independent fuel station operator in Poland, which trades under the MOYA brand and has a chain of close to 200 fuel stations. PEF VIII acquired a significant minority stake in the company in a EUR 23.3 million transaction. Thanks to EI's financial backing, Anwim is poised for dynamic growth over the next five years, its target being to at least double the size of the chain.

In addition to these four new acquisitions, in 2018 PEF VII made a follow-on investment in **Nu-Med Grupa**, a network of radiotherapy clinics, increasing its total investment in the company to EUR 45.2 million.

<p>Polish Enterprise Fund VII</p> <p>CBA Slovakia Supermarket chain</p> <p>Undisclosed value Buyout and growth financing January 2018</p>	<p>Polish Enterprise Fund VII</p> <p>PAN-PEK Bakery producer and retailer</p> <p>Undisclosed value Leveraged buyout May 2018</p>	<p>Polish Enterprise Fund VII</p> <p>Nu-Med Grupa Radiotherapy clinics</p> <p>EUR 3 million Follow-on financing May/August 2018</p>
<p>Polish Enterprise Fund VIII</p> <p>Studenac Supermarket chain</p> <p>Undisclosed value Leveraged buyout August 2018</p>	<p>Polish Enterprise Fund VIII</p> <p>Unilink Insurance multiagency</p> <p>Undisclosed value Buyout and expansion financing October 2018</p>	<p>Polish Enterprise Fund VIII</p> <p>Anwim Operator of fuel stations</p> <p>EUR 23.3 million Buyout and expansion financing November 2018</p>

The total equity value of the transactions completed by our funds last year is EUR 167 million.

Exits

In March, Polish Enterprise Fund VI (PEF VI) partially exited **Novaturas**, the foremost tour operator in the Baltic region, through an IPO on the WSE and on Nasdaq Vilnius. The transaction generated gross proceeds of EUR 17.8 million. PEF VI sold 22% of Novaturas and retained a 49% stake in the company. This was the 35th IPO from EI's portfolio and our first flotation in Vilnius.

Two months later we sold **J.S. Hamilton Poland** to a buyout fund. Enterprise Venture Fund I (EVF) signed an agreement to divest its entire stake in this major provider of independent inspection and analytical services. The value of the transaction concluded in August has not been disclosed.

PEF VI sold its remaining stake in **Kofola ČeskoSlovensko**, one of the largest producers of branded non-alcoholic beverages in Central and Eastern Europe, through a secondary transaction in September on the Prague Stock Exchange.

In December, EVF and PEF VII signed an agreement to sell **intive**, a global digital product development company. A buyout investor active in CEE will pay EUR 100 million for a 100% stake. The transaction is conditional upon obtaining antimonopoly approval and is expected to close in the first quarter of 2019.

Total gross proceeds, including dividends, from exits signed or completed in the past year by EI-managed funds amount to EUR 191 million.

Other initiatives and events

Similarly to previous years, in 2018 we took part in many initiatives set up for entrepreneurs and managers, such as rankings of the most dynamically developing companies in Hungary (Pegazus Díj), Romania (Campioni în Business) and Slovakia (Diamanty Slovenského Biznisu). These annual events recognize and award the growth leaders in their respective geographical markets.

Summary of investments

Since its founding in 1990, Enterprise Investors has raised nine funds with total capital exceeding EUR 2.5 billion. Until the end of 2018, the funds managed by Enterprise Investors invested EUR 1.9 billion in 143 companies across a range of industries. This figure includes EUR 1.2 billion invested in 119 companies in Poland and EUR 0.7 billion in 24 companies in the CEE region. The funds managed by Enterprise Investors have exited 129 companies, achieving total gross proceeds of EUR 3.8 billion, of which EUR 1.6 billion has been generated by investments outside of Poland. EI funds currently hold shares in 14 companies.

We thank you for your support and wish you every success in 2019.

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