



2019

Responsible investing and solid returns

Socially responsible investment practices have always been a part of Enterprise Investors' DNA. Building on a legacy of a US government-funded development organization aimed at supporting the growth of the Polish economy, we have consistently striven to deliver a positive impact on the markets and societies we interact with. Reflecting on 29 years of investment activity in the CEE region, we can be proud of our achievements to date. Nonetheless, we remain committed to continually raising our responsible investing standards. In this spirit, in 2019 we adopted a set of revised ESG Due Diligence and Monitoring Guidelines that recommend even more stringent implementation of responsible investing principles at all stages of our deal-making process. ESG Coordinators have been appointed at EI's investee companies to help us propagate these standards across the portfolio. Our past track record confirms that responsible business practices go hand in hand with strong investment activity and solid returns, and 2019 was no different in this regard. We deployed over EUR 28 million of equity to new and follow-on investments. We also realized more than EUR 171 million in proceeds from full and partial exits. In parallel we worked alongside our portfolio companies' managements on value creation to boost realizations in 2020 and beyond.

We encourage you to read the following summary of our achievements and of developments at our firm in 2019.

Investments

In September, Polish Enterprise Fund VIII (PEF VIII) signed an agreement to finance the development and growth of **Vehis**, an innovative financing and sales platform for the automotive market. EI teamed up with very experienced industry experts who have an excellent understanding of the market and an impressive track record in setting up and running car financing operations. The total commitment of PEF VIII is up to EUR 24.2 million.

In addition, in 2019 Polish Enterprise Fund VII (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 47 million. To save jobs and maintain **CBA Slovakia**'s financial liquidity, the fund provided the company with EUR 6 million of additional funds on top of the EUR 16 million invested in 2018. Unfortunately, a number of internal and external factors contributed to CBA's demise. The company filed for bankruptcy in August.

The total equity value of investments and commitments made by our funds last year is EUR 28.1 million.

Exits

At the end of 2018, Enterprise Venture Fund (EVF) and PEF VII signed an agreement to sell **intive**, a global digital product development company. A buyout investor active in CEE paid EUR 100 million for a 100% stake. The transaction was concluded in February.

In June, PEF VII announced that it had signed an agreement to sell **3S**, a provider of fiber-optic and data center services for B2B clients. The enterprise value of the transaction, closed in August, was EUR 96 million. 3S was acquired by P4, one of the leading telecom operators in Poland.

Last year we also partially exited **Novaturas**, the largest tour operator in the Baltic States. In November, Polish Enterprise Fund VI sold 13% of the company through a secondary transaction on Nasdaq in Vilnius. EI still holds a 34.4% stake in Novaturas. The transaction generated gross proceeds of EUR 4 million.

Total gross proceeds, including dividends, from exits signed or completed in the past year by EI-managed funds amount to EUR 171.5 million.

Other initiatives and events

Similarly to previous years, in 2019 we took part in many initiatives set up for entrepreneurs and managers, such as rankings of the most dynamically developing companies in the Czech Republic (Diamanty českého byznysu), 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 2019, the funds managed by Enterprise Investors invested almost EUR 2 billion in 144 companies across a range of industries. This figure includes EUR 1.3 billion invested in 120 companies in Poland and EUR 0.7 billion in 24 companies in the CEE region. The funds managed by Enterprise Investors have exited 131 companies, achieving total gross proceeds of EUR 3.9 billion, of which EUR 1.6 billion has been generated by investments outside of Poland. EI funds currently hold stakes in 13 companies.

We would like to thank you for your support and we wish you every success in 2020.

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