



Enterprise
Investors

Warsaw, January 2022

2021 was a very good year

All Enterprise Investors portfolio companies delivered record sales in 2021, in many cases exceeding the results of the last pre-covid year (2019) by a considerable margin. Importantly, despite pandemic-related challenges throughout the year, we saw rapid recovery of the top line at all our retail companies. They boosted e-commerce sales, upgraded omnichannel distribution models or leveraged the market turmoil to accelerate expansion through acquisitions.

On the investment front, our local presence and strong ties with the business community translated to a sizable deal flow. In 2021 we closed six transactions, all proprietary. Five of them were in the broadly defined technology sector (two fintechs, two e-commerce businesses and a software house), while one was in the very promising non-residential temporary modular construction segment. To speed up growth and finance bolt-on acquisitions, we also approved a significant follow-on investment in one of our portfolio companies. On the exit front, we sold a leading Polish renewable energy player specializing in photovoltaic projects to a global investor.

We encourage you to read the following summary of developments at our firm in 2021.

Investments

In February Polish Enterprise Fund VIII (PEF VIII) acquired 79.02% of votes at the general shareholders' meeting of **PragmaGO**, a provider of financial services to the SME sector, in a tender offer announced the previous year. The company was successfully delisted from the Warsaw Stock Exchange in September following an EUR 9.8 million transaction. In addition, the fund committed EUR 14.4 million of expansion financing. As a result, EI holds an 89% stake in PragmaGO.

In April we concluded the acquisition of a 50.2% stake in **Software Mind**, a Polish provider of software development outsourcing services. The EUR 24.3 million deal consisted of a buyout and growth capital.

July was marked by PEF VIII signing an agreement to acquire a 36.3% stake in **Modular System**. This company is Poland's undisputed market leader in the production of multi-function turnkey containers and modular construction systems based on steel frame technology – the winning solution for temporary non-residential structures such as office buildings, portable staff facilities and military containers. The transaction was completed in September for an undisclosed amount.

In August PEF VIII announced another acquisition, which was also completed in September. This time we invested in a distributor of mountaineering and climbing equipment. The fund acquired an 80%

stake in **Snap Outdoor**, the owner and operator of **8a.pl**, Poland’s leading e-store dedicated to active tourism and mountain sports. The company founders, Mr. and Mrs. Piotr and Elżbieta Czmoch – who still hold a minority stake – teamed up with EI to bring about dynamic growth of the business. The value of the transaction is confidential.

October proved an eventful month. First, PEF VIII agreed to acquire a 60% stake in **Focus Garden**, owner of one of Poland’s most popular e-stores offering garden furniture and accessories. The deal was closed in November for an undisclosed amount. Mr. Sławomir Czajkowski, the company founder, remained a shareholder and became chairman of the supervisory board.

In October we also committed an additional EUR 13 million to **Studenac**, the fastest-growing convenience store chain in Croatia. The money will finance the acquisition of two other Croatian players. These transactions will add almost 350 locations to Studenac’s chain and give the company countrywide coverage.

Later that month, PEF VIII became a 40.6% shareholder in **FinGO**, Slovakia’s most dynamically expanding financial services institution. The company is an innovative financial services intermediary with a multi-channel distribution platform. The fund invested and committed EUR 19.1 million in the business and teamed up with its founder, Mr. Lukáš Novák, to boost FinGO’s dynamic growth in Slovakia and the Czech Republic.

<p>Polish Enterprise Fund VIII</p> <p>PragmaGO Financial services provider</p> <p>EUR 25.1 million Buyout and expansion financing</p> <p>February 2021</p>	<p>Polish Enterprise Fund VIII</p> <p>Software Mind Software house</p> <p>EUR 24.3 million Buyout and expansion financing</p> <p>April 2021</p>	<p>Polish Enterprise Fund VIII</p> <p>Modular System Manufacturer of modular construction systems</p> <p>Undisclosed value Buyout and expansion financing</p> <p>September 2021</p>	<p>Polish Enterprise Fund VIII</p> <p>Snap Outdoor Owner of 8a.pl e-store</p> <p>Undisclosed value Buyout</p> <p>September 2021</p>
<p>Polish Enterprise Fund VIII</p> <p>FinGO Financial intermediary</p> <p>EUR 19.1 million Buyout and expansion financing</p> <p>October 2021</p>	<p>Polish Enterprise Fund VIII</p> <p>Studenac Supermarket chain</p> <p>EUR 13 million Follow-on financing</p> <p>October 2021</p>	<p>Polish Enterprise Fund VIII</p> <p>Focus Garden E-store</p> <p>Undisclosed value Buyout</p> <p>November 2021</p>	

The total equity value of investments made and committed by our funds last year is

EUR 198 million

Exits

In May Polish Enterprise Fund VI sold Wento, a leading Polish renewable energy company specializing in photovoltaic projects. The buyer, Equinor, is a broad energy company active in oil, gas, offshore wind and solar energy in more than 30 countries worldwide. The value of the transaction was EUR 100 million and the investment generated total gross proceeds of EUR 139 million.

Total gross proceeds, including dividends, from exits completed in the past year by EI-managed funds amount to

EUR 100 million

People

In July **Bartosz Kwiatkowski** was promoted to partner after more than nine years at EI, including three as a VP. Bartosz worked on the investments in Studenac, Snap Outdoor and Focus Garden, as well as on our successful exit from Wento. Before joining EI he was at A.T. Kearney.

The same month, **Tomislav Tomljenović** was promoted to regional director with responsibility for the Adria region. Tomislav joined EI over three years ago and has been involved in closing and monitoring our investments in the region.

Other initiatives and events

Due to the pandemic, we could not meet with entrepreneurs and managers in the usual way in 2021. Still, we managed to stay involved with the business community all over CEE and took part in online and hybrid events such as Diamanty českého byznysu in the Czech Republic, Diamanty slovenského biznisu in Slovakia and the Ventura Awards Gala in Poland, to name a few.

Summary of investments

Since its founding in 1990, Enterprise Investors has raised nine funds with total capital exceeding EUR 2.5 billion. Up to the end of 2021, the funds managed by Enterprise Investors invested **EUR 2.1 billion** in **150 companies** across a range of industries. This figure includes EUR 1.4 billion invested in 125 companies in Poland and EUR 0.7 billion in 25 companies in the CEE region. The funds managed by Enterprise Investors have exited **135 companies**, achieving total gross

proceeds of **EUR 4.2 billion**, of which EUR 1.6 billion has been generated by investments outside of Poland. EI funds currently hold stakes in 15 companies.

We thank you for your support and wish you a healthy and successful 2022

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Enterprise Investors
Emilii Plater 53, 00-113 Warsaw, Poland
tel. +48 22 458 85 00 fax +48 22 458 85 55

590 Madison Avenue,
21st floor, New York, NY 10022, USA
fax: +1 7 325 728 980



**Enterprise
Investors**

www.ei.com.pl/en