



THE EIF PRIVATE EQUITY AND VENTURE CAPITAL WORKSHOP

FRANKFURT

29 NOV 2022



Today's discussion

The European Investment Fund



The Asset Management Umbrella Fund



The Sustainable Development Umbrella Fund



- 1 Opening and welcome
 - 2 We're the European Investment Fund
 - 3 Panel: State of European Private Equity and Venture
 - 4 European Technology Venture Capital
- Break
- 5 European GreenTech
 - 6 How to measure Impact
 - 7 European Private Equity – Lower Mid Market
 - 8 European Secondaries – Focus on GP led transactions

Closing Remarks & Networking

We're the European Investment Fund

Access value creation in European private markets

*Joanna Kennila,
EIF, Institutional Client Relationships – DACH & Nordics*

The EIF is a unique investor

It offers experience, stability and transparency as a result of EIF's unique role as an EU body



THE GLOBAL BUSINESS CERTIFICATION STANDARD FOR GENDER EQUALITY

History & role



Public-private partnership



■ EIB 59.4% ■ EC 30% ■ F.I. 10.6%

Own resources & AAA credit rating***



Total equity commitments



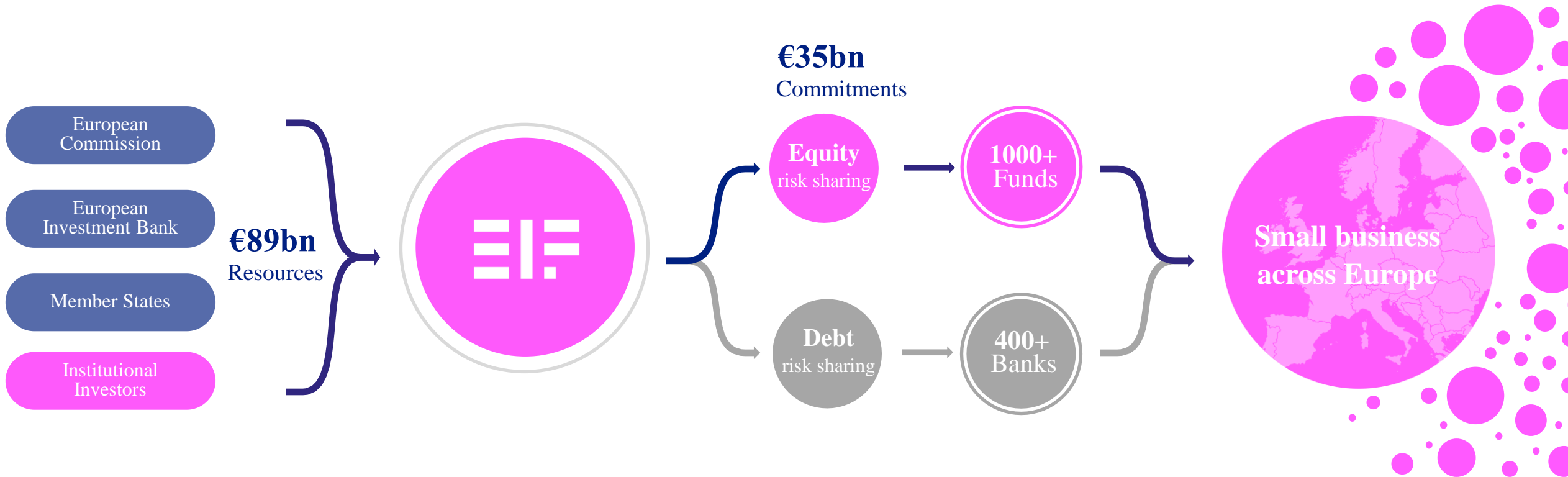
*Total authorised capital (20% paid-in), equal to 7,370 shares with a nominal share value of EUR 1m each.

**On the basis of 6,204 shares subscribed out of the overall authorised capital. [Shareholders \(eif.org\)](http://Shareholders EIF.org)

***AAA-rated by three major rating agencies. EIF has a preferred creditor status. ("Multilateral Development Bank") allowing a 0% risk weighting to assets guaranteed by EIF.

The EIF is a large, reputable investor in European private equity

With more than 35bn in private equity and venture capital commitments



Our equity financing role & solutions

We adopt our approach based on the specific market failure to unlock institutional-grade opportunities

The EIF's aim:

Building the ecosystem and diversifying the investor base

The EIF's role:

Market developer

Taking a large stake in the funds acting as the cornerstone investor

Market catalyst

Catalysing private investors by taking a nominal stake in the fund and providing a seal of approval

Market access

Benefiting the long-standing relationships with managers and extensive deal visibility

Investing in:

New teams, markets, segments

Funds with unrealized track records

Funds with proven track-records

Benefits:

- Investments in untapped opportunities
- First mover in emerging markets and sectors
- Structuring input and best practice
- Providing a quality seal

- Attracting private investor capital
- Crowd in additional capital

- Long-standing relationships with managers
- Extensive deal visibility
- Providing access for institutional investors to value creation on European private markets via Asset Management Umbrella Fund (AMUF) and Sustainable Development Umbrella Fund (SDUF)

Higher risk funds Institutional grade funds

Offering for institutional investors

Two multi-compartment Umbrellas

Investors



Advised by




AIFM

Managed by alterDomus*


Governance: AMUF GP (Luxembourg) Board of Managers

Governance: SDUF GP (Luxembourg) Board of Managers



AMU
Asset Management
Umbrella Fund

*Maximise return:
Achieve high financial return by investing
in the very best funds in Europe*



SDU
Sustainable Development
Umbrella Fund

*Combine financial
return and impact:
Achieve attractive financial return
and sustainable development*

<p>European Private Equity II Launch: 2022 EUR 550m*</p>	<p>European Technology VC II Launch: 2022 EUR 300m*</p>	<p>European Life Sciences VC II Launch: 2022 EUR 150m*</p>
<p>European Secondaries Launch: 2021 EUR 200m*</p>		

<p>Health Launch: 2020 EUR 200m*</p>	<p>Social Impact Launch: 2021 EUR 150m*</p>	<p>GreenTech Launch: 2022 EUR 250m*</p>
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Separate Managed Accounts are also available

* Expected target size

Panel discussion:

The State of European Private Equity and Venture Capital

Bjorn Tremmerie, EIF, Head of Technology Investments

Patric Gresko, EIF, Head of Life Sciences and Impact Investing

Sarah Stein EIF, Head of DACH – Lower Mid-Market Investments

Moderator: Joanna Kennila, EIF Institutional Client Relationships – DACH & Nordics

The State of *European Venture Capital*

*Bjorn Tremmerie,
EIF, Head of Technology Investments*



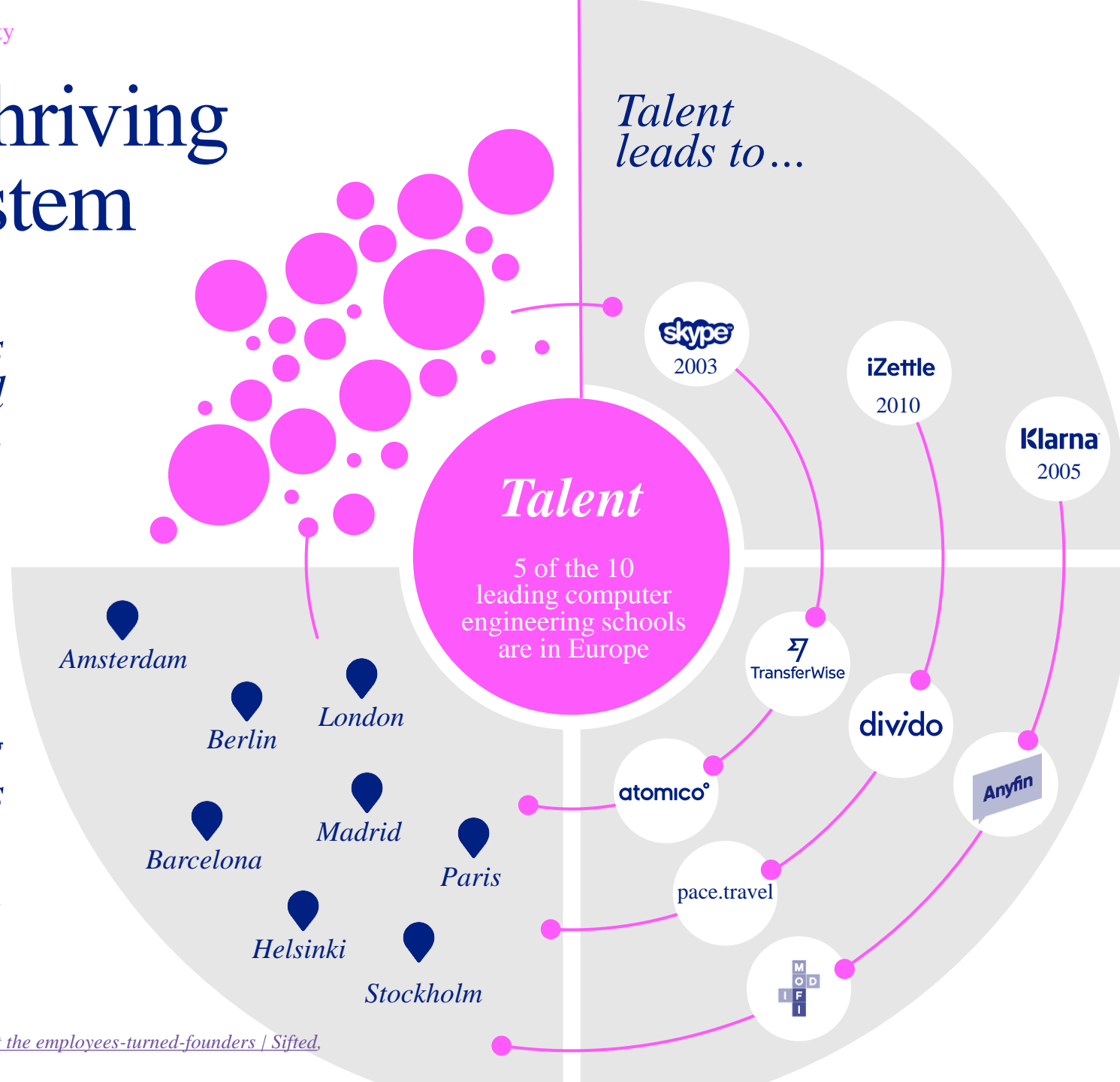
Europe's thriving VC ecosystem

All good ideas get financed
Entrepreneurship is a viable career path

Talent leads to...

Success stories
Unicorns and exits

Serial entrepreneurs
and former employees turned founders



Talent
5 of the 10 leading computer engineering schools are in Europe

skype
2003

iZettle
2010

Klarna
2005

TransferWise

dividio

Anyfin

atomico

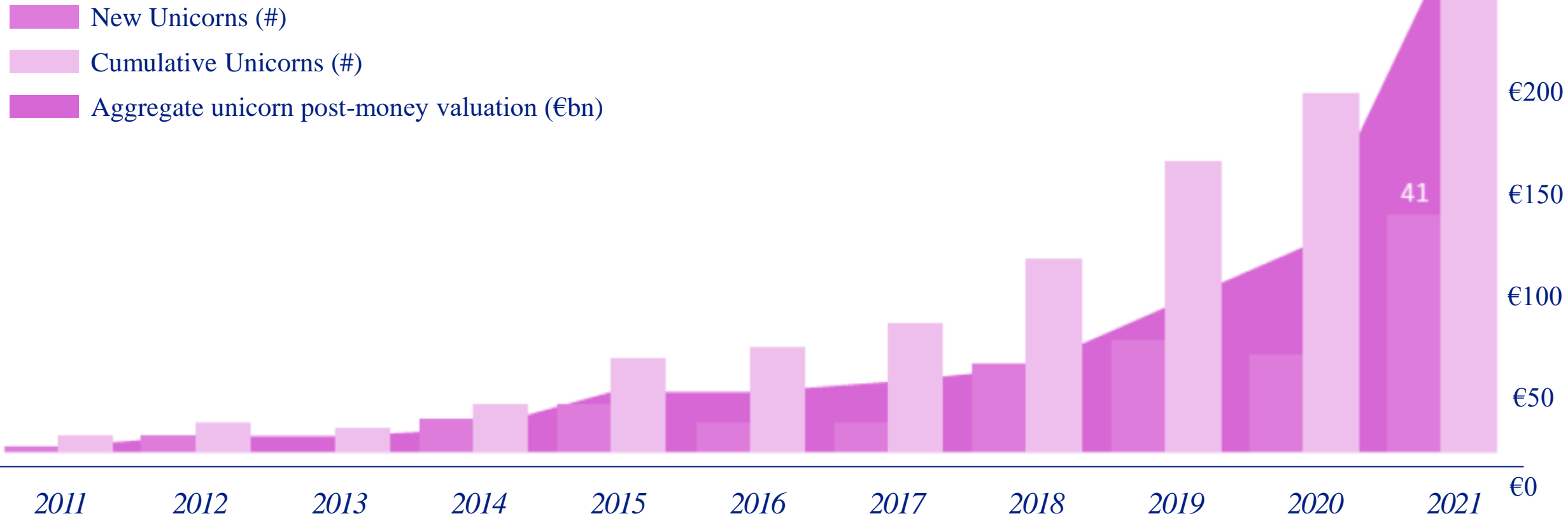
pace.travel

MOD
EIF

- Amsterdam
- Berlin
- London
- Barcelona
- Madrid
- Paris
- Helsinki
- Stockholm

Thriving VC hubs
attracting more funding from investors in Europe and abroad

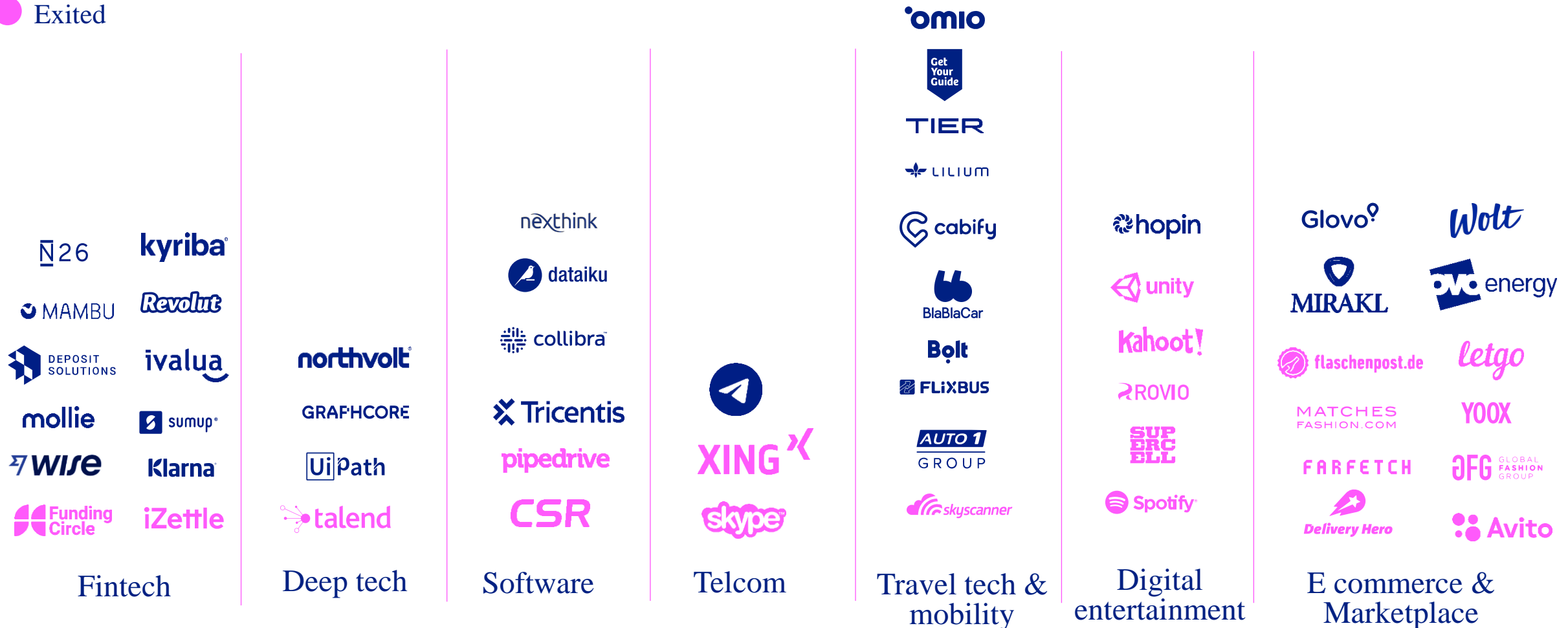
A 6x increase in value of European unicorns since 2018



Source: Pitchbook - Unicorns Defining the New Norm, September 2021 – Data as of June 20, 2021

EIF backed European unicorns are diversified across multiple sectors

● Exited



Source: Dealroom. A selection of European unicorns backed by the EIF

European companies thinking big

Marked increase in mega rounds (€100m+)



2016



2017



2018



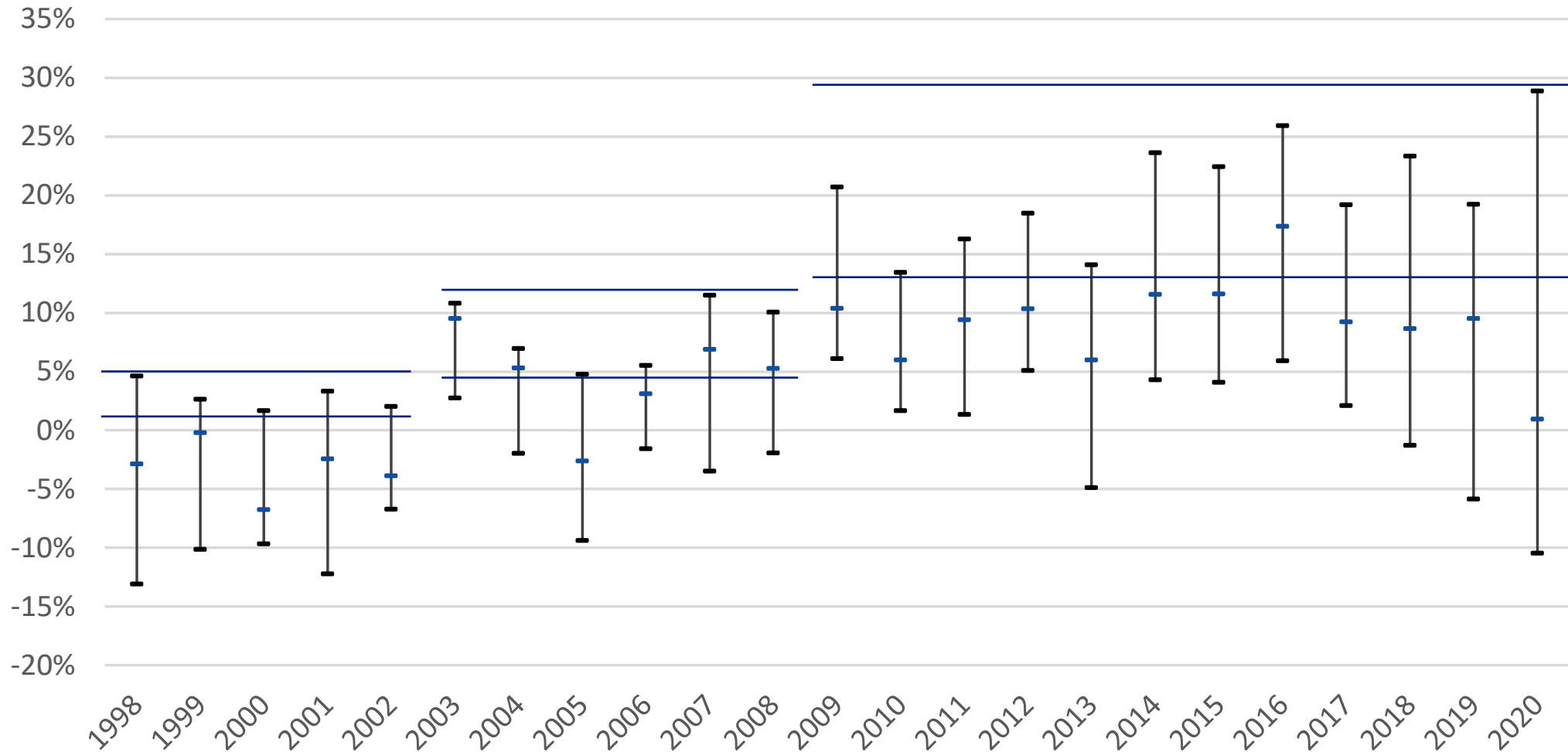
2019



2020

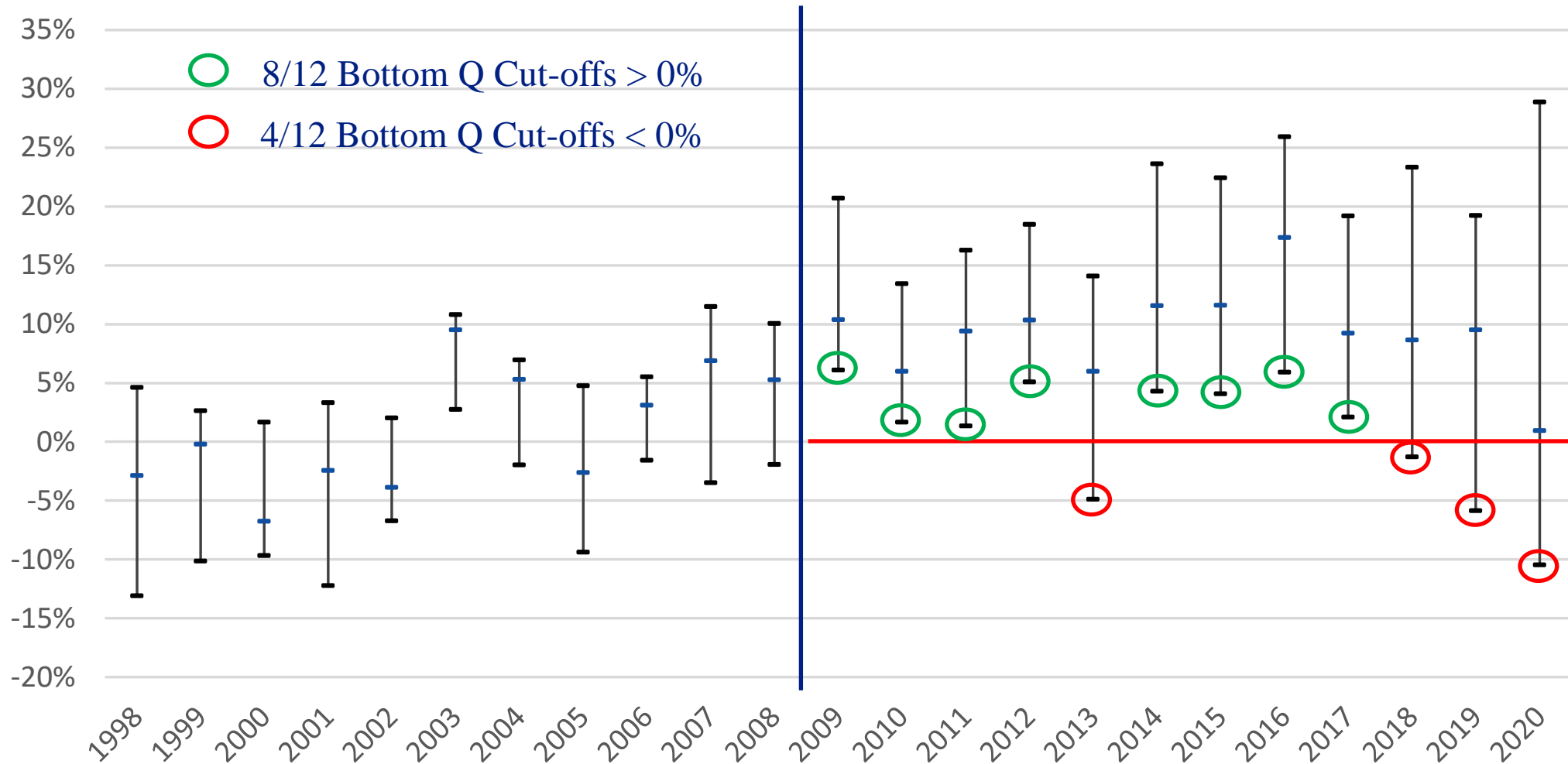
European VC performance – Net IRR

Quartile cut-offs (Q1, Median, Q3) per vintage year



European VC performance – Net IRR

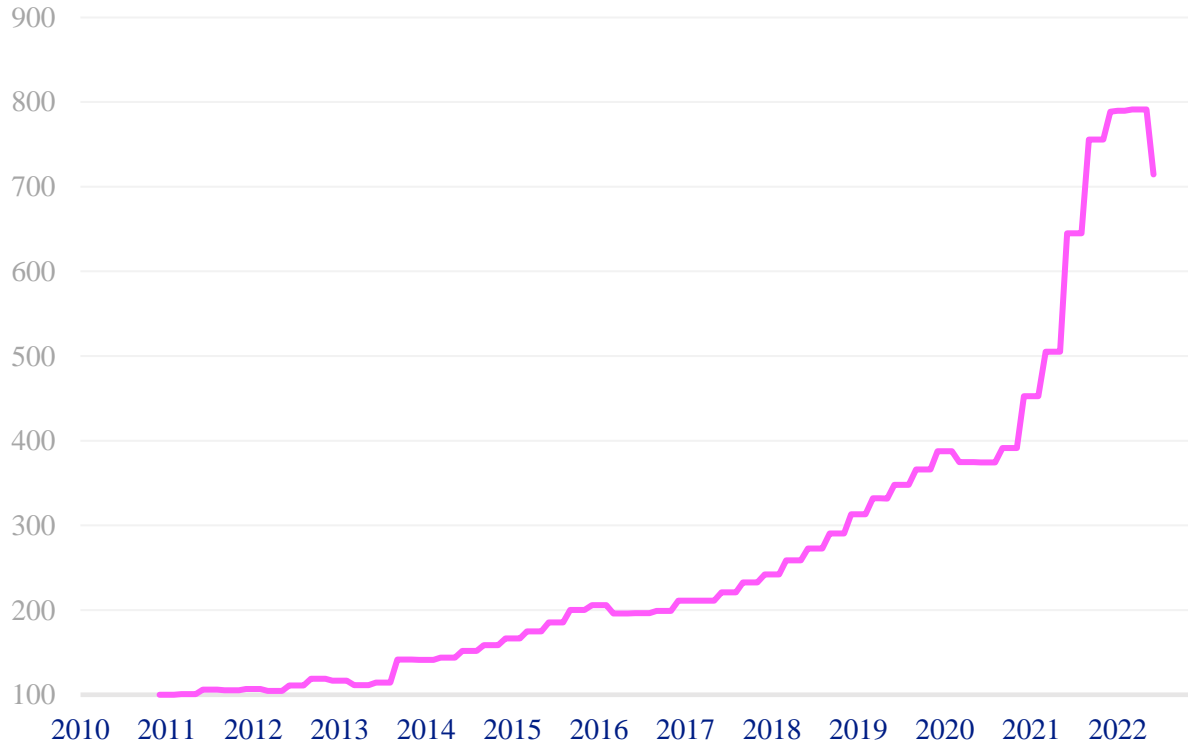
Quartile cut-offs (Q1, Median, Q3) per vintage year



European technology VC delivers superior returns

EIF's track record over the past decade

11yr growth in NAV - EIF's select TVC track record (VY 2006-16)*



*This track record is selected using the ex-ante investment criteria that will be applied to AMUF TVC II and includes all EIF A-graded Tech VC funds (ex-ante) with a vintage year 2006-2016. Rebased to 100 as at 31/12/2010 to show the past 11 years of performance. Shown net of underlying fund fees, gross of AMUF fees. Future performance of TVC II cannot be predicted based on past performance of EIF's own track record. Data as at 30/06/2022.



3yr **28.75%**
 5yr **27.61%**
 10yr **22.61%**


 MoC >50x | Scottish Equity Partners


 MoC >40x | Wellington Partners

Revolut
 MoC >120x | Balderton Capital

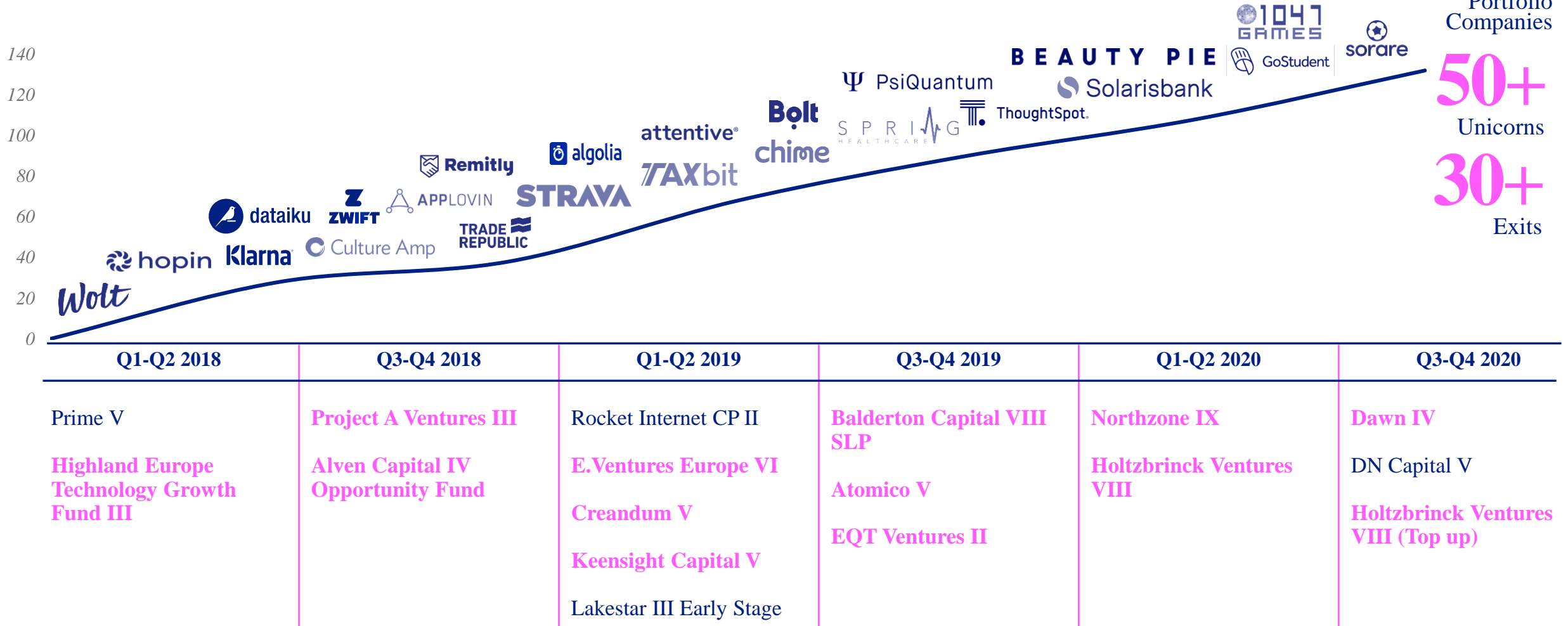

 MoC >25x | Wellington Partners


 MoC >10x | HV Holtzbrinck Ventures

28 funds
 2006-16' vintage year period
 364 exits
 947 portfolio companies
 5.24 years average holding period

AMUF European Technology VC I

Deployment



Oversubscribed funds

Company logos of selected unicorns within portfolio

16 Fund Investments

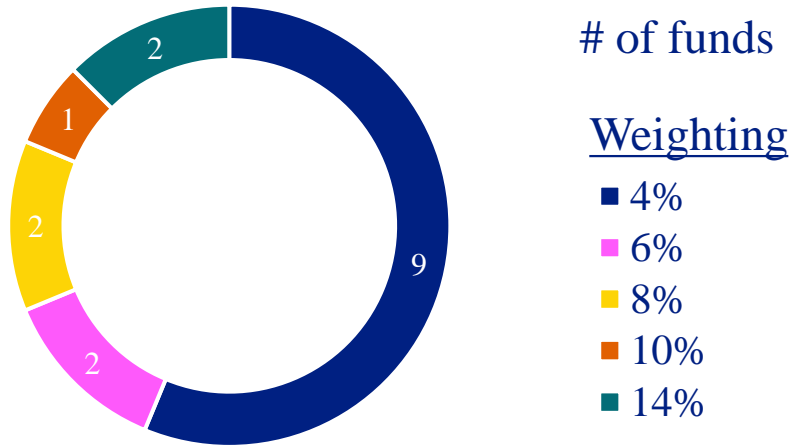
132m Total Committed

AMUF TVC II has a similar investment policy and a similar risks and rewards profile as AMUF VC I. However, future performance of TVC II cannot be predicted based on past performance of other compartments of AMUF.

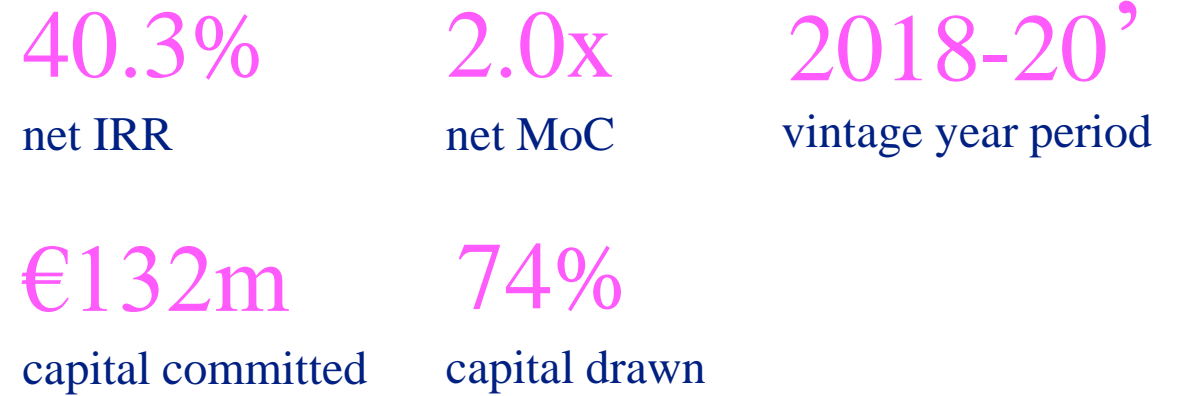
AMUF European Technology VC I

Portfolio composition

Fund diversification**



Interim highlights



Geographical focus*



Other: 3% Singapore 2% Sweden 2% Netherlands
 3% India 2% Canada 1% Australia

Stage**



Data as at 30/06/2022. * Portfolio company level. ** Fund level

AMUF TVC II has a similar investment policy and a similar risks and rewards profile as AMUF TVC I. However, future performance of TVC II cannot be predicted based on past performance of other compartments of AMUF.

AMUF – European Technology VC II

A proposition to access Europe's leading technology VC managers

2nd
generation fund

The investment period of the European Technology VC I compartment concluded Dec 2020, with a portfolio of 16 funds (12 oversubscribed). The compartment is already out of the j-curve with 50+ unicorns and 20+ exits.

expected to invest in
15-20*
proven fund managers

A geographically diverse portfolio based on the EIF's strict return seeking criteria and access to over subscribed VC managers.

expected portfolio of
400+*
companies

Leading innovators across multiple sectors including fintech, deep tech (AI, space), software, travel and mobility.

>16%**
track record IRR

The EIF's track record shows the potential of technology venture capital with proven managers, many of whom bring serial entrepreneur experience to their portfolio companies.

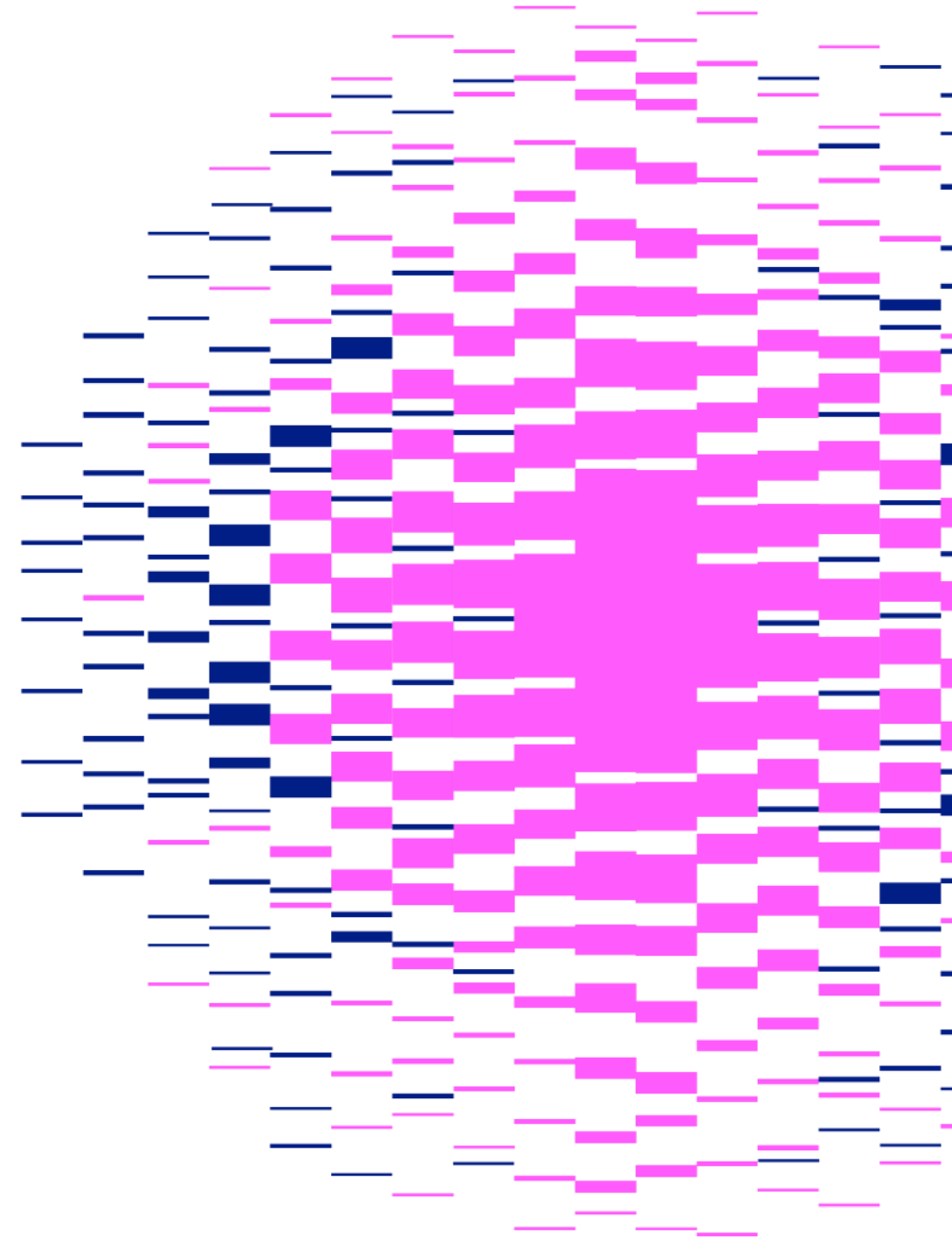


Advised
by *the EIF*

European *GreenTech*

*Climate and Environmental Impact
focused Venture Capital and
Private Equity*

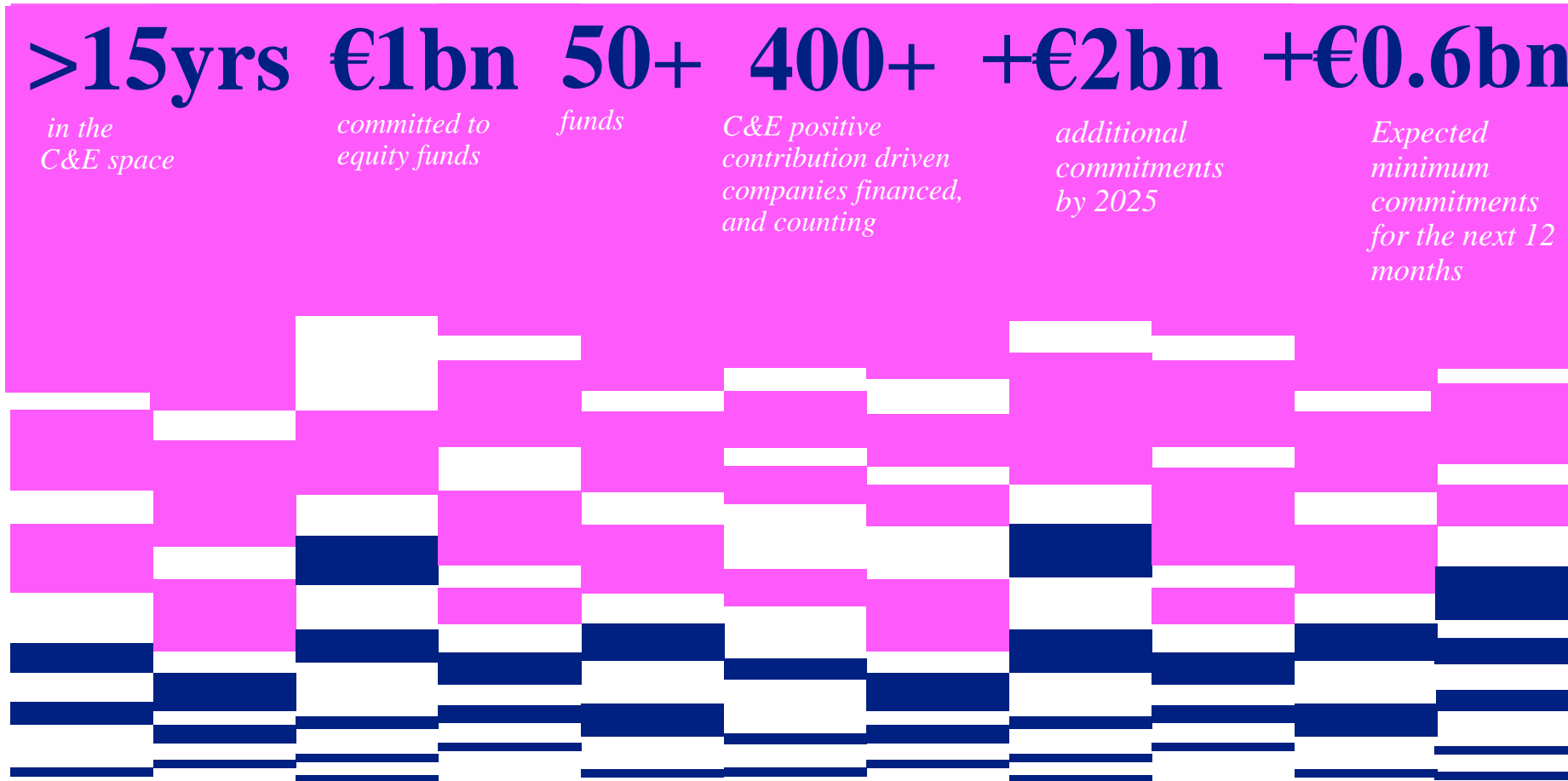
*Patric Gresko,
EIF, Head of Life Sciences and Impact Investing*



*The EIF's
sustainable
climate &
environmental
expertise*

With more than 15 years of continuous investing experience in European climate and environment focused PE & VC, the EIF has an enviable understanding and coverage of the breadth and depth the market.

The EIF's experience in the C&E investing space



“Europe’s largest and most active LP of the decade in cleantech VC”

Cleantech Group award

Enviably outreach to the breadth and depth of Europe’s climate and environment VC and PE market

Pioneering climate policy and investments

The EIB Group, of which the EIF is part, has been at the forefront of climate efforts in Europe

Design and implementation of climate policies

Key role in the design of EU regulations concerning investments in climate and sustainable infrastructure

Contribution to the design of the EU Taxonomy, while adopting the regulation to its investment activities

The EIF is a core partner in the investment pillar of the European Green Deal, and an Implementing Partner of the InvestEU programme

United Nations Principles of Responsible Investments

UNPRI

Environmental reporting

CDP

Climate-related Financial Disclosure

TCFD



EIB Group



EIB Group Climate Bank Roadmap

All EIB Group financing activities are Paris aligned and orientated towards low-carbon and climate-resilient development

EIB Group is committed to dedicating **50% of financing to climate action**

The EIB Group Climate Bank Roadmap is available [here](#)

The climate & environment investment opportunity

With the impending climate emergency, the need for risk capital to support new technological breakthroughs and the growth and deployment of existing solutions is vital.

Europe is a key force in the worldwide effort to promote ambitious climate actions via green technology.

A fundamental shift and urgency to prioritize

Risk capital is critical for new technological innovation and the scaling and deployment of existing solutions

Key global challenges

Climate & Environmental

- Industrialization and extended use of fossil fuels have led to the **global warming**
- Negative externalities of human activities pose an **existential threat**

Social

- Growing global population
- Rising **social and health challenges**
- **Food insecurity** and unequal distribution

Economic

- **Globalization** reveals vulnerabilities of current economic model and supply chain
- **Depletion of traditional energy sources and natural capital** is a global challenge to sustained growth
- Economic **sustainability and viability at risk**

Key drivers

Government regulation

- Take **stronger actions and address targets** fixed by the United Nations
- 90% of world GDP has **net zero commitments**

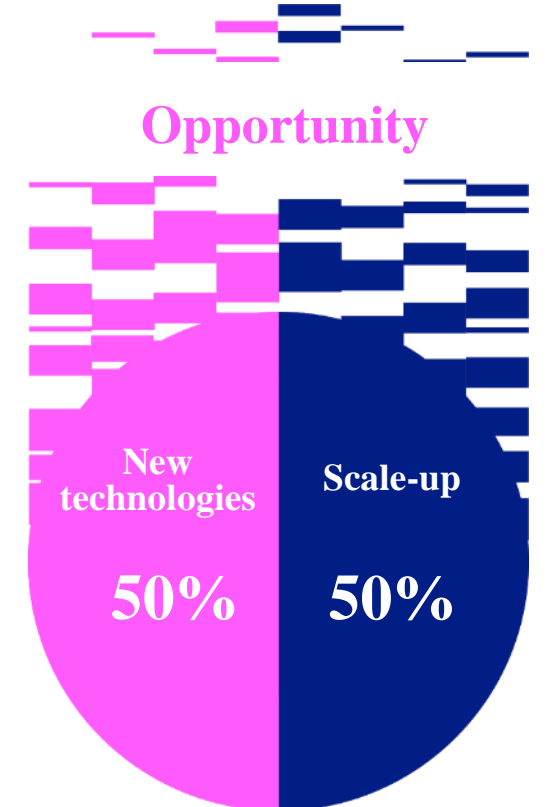
Corporate and public awareness

- Public opinion is more aware and vocal about global challenges and consumer habits are changing
- Corporations under increased pressure to commit to ambitious sustainable goals and actively invest in the green transition

Capital

- Climate finance **\$632 billion in 2020**
- **25% of EU expenditures** will contribute to climate action during 2021-27

Opportunity



of emissions reductions may come from **technologies that are not on the market yet**

of remaining emissions reductions will come from the **scale-up and mass adoption of existing technologies**

The role of green technology and solutions

From disruptive innovation to deployment of existing solutions

~50% of required reduction in greenhouse emissions via

~50% of required reduction in greenhouse emissions via

Breakthrough innovations
























Scale-up of existing solutions

 sonnen  KEMWATT Your energy bank Solar energy storage	 Bolt  TIER Sustainable mobility	 NOTPLA Biodegradable plastic	 Ynsect Alternative protein	 greenyellow Energy optimization / PV rooftop	 amarenco Solar PV investment	 EUROGROUP LAMINATIONS Rotors for electric motors	 IPC Cleaning equipment	
 GoodFuels Sustainable marine fuels	 Sencrop Real time farm monitoring	 limejump Renewable energy management platform	 northvolt Green battery developer and manufacturer	 Enpal. Affordable solar panels	 VALGO Remediation polluted sites	 Omnisyst Waste management software house	 CROWLEY CARBON COOLING THE PLANET Energy reduction solutions	 energywave LED manufacturer
 deepsea Reduced fuel consumption	 biotallys Unique protein based agriculture biocontrol solution	 Solynta hybrid potato breeding Developer of hybrid potato seeds	 GreenFlux Smart charging Smart electric vehicle charging platform and SW	 enso Biomass integrated platform	 pibiplast group  ECOPOL BIODEGRADABLE HYDROSOLUBLE POLYMERS Sustainable / biodegradable packaging	 CETIH Building envelope products / Energy efficiency		

Venture Capital

Private Equity

Key sectors

Sector	Selected investment themes	SDGs	Indicator examples
<p><i>Energy</i></p> 	<ul style="list-style-type: none"> • Renewable energy • Storage & battery systems • Energy management & distribution tech 	  	<ul style="list-style-type: none"> • CO2 reduced and/or avoided • Clean energy generated, conserved • Increase system power density (W/m2)
<p><i>Blue economy & Water</i></p> 	<ul style="list-style-type: none"> • Aquaculture technologies • Maritime biotechnology, transport • Preservation of biodiversity 	 	<ul style="list-style-type: none"> • # of species automatically detectable • Water not polluted • # of climate signals for yield and natural capital - generated per year (millions)
<p><i>AgriFoodTech</i></p> 	<ul style="list-style-type: none"> • Regenerative agriculture • Farm management technologies • Innovative food 	   	<ul style="list-style-type: none"> • Hectolitres of water saved • Amount of pesticides reduced • Cell/ml (millions) of lab grown meat
<p><i>Industrial Biotech & Green Chemistry</i></p> 	<ul style="list-style-type: none"> • Pollution prevention technologies • Green industrial biotech & safe chemicals • Bio & alternative materials 	  	<ul style="list-style-type: none"> • Next gen bio-fuels created (tons biofuels) • Tons of plastic saved • Tons of non-prime steel transacted
<p><i>Circular economy & Waste</i></p> 	<ul style="list-style-type: none"> • Waste to energy or resource • Recycling, reuse, repair, repurposing • Water treatment and efficiency • Waste data analytics 	  	<ul style="list-style-type: none"> • Waste reduced, re-used • Kg of renewed apparel sold • Area of land sustainability managed
<p><i>Mobility, Transport, Smart Cities</i></p> 	<ul style="list-style-type: none"> • Alternative vehicles & city infrastructure • Smart sensors & metering • Energy and resource efficient buildings 	 	<ul style="list-style-type: none"> • Number of buildings insulated • CO2 reduced and/or avoided • Electric km's driven

GreenTech: An industry transformation

Why the market is now better positioned?

	Then	Now
	<p>Nascent</p> <p><i>Opportunistic innovation</i></p>	<p>Growing Development and Maturity</p> <p><i>Well-established market mechanisms; climate integrating into regular finance</i></p>
Governments, public institutions & Corporations	Lack of regulation from policy makers • limited public R&D funding • general lack of corporate interest (business development and M&A)	(Inter)national climate policies in place to redirect funding towards C&E innovation • national policies and industry-level standards emerging globally • net-zero commitments for large corporates • increasing carbonization commitments and M&A activity
Investors	Emerging unknown sector • lacklustre returns (risk/return imbalance)	Investors` awareness of their role in driving and implementing change • tech and generalist investors gravitating to the green tech market
GPs	Initial fallout amongst first generation • immaturity of market ill-fitted for the VC/PE model (required significant capital, long development timelines)	Established tech funds shifting towards green tech • increased maturity of C&E solutions • new teams entering market • strong added value spinning out of tech VC firms, partnering with industry experts with the focus on sustainability and positive climate impact

CleanTech company performance statics
Cambridge Analytics
 IRR since inception by years of initial investment

2005-2009
 -0.2%

2010-2014
 9.6%

2015-2019
 22.1%

8.5% - average IRR 2000-2019

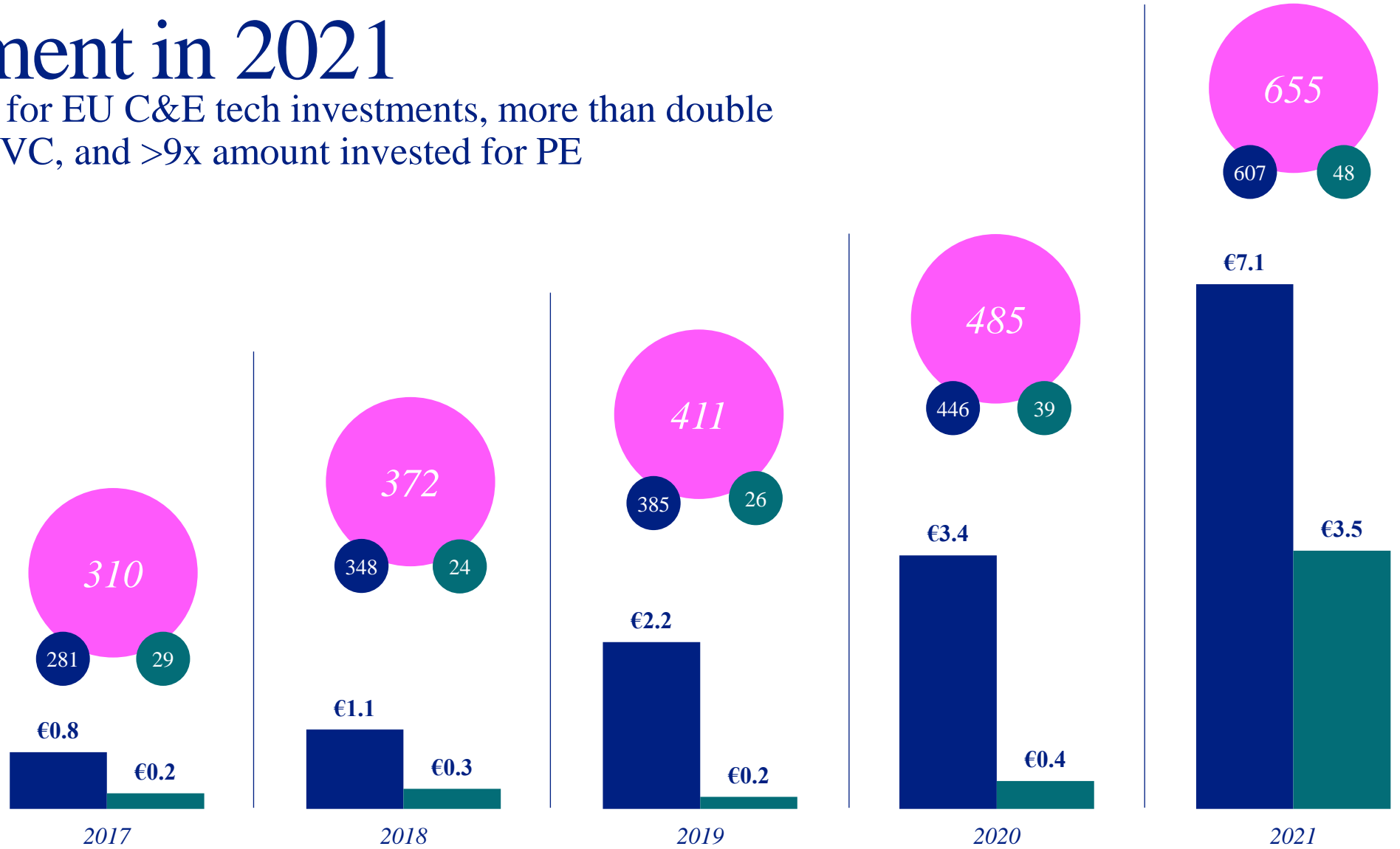
Source: 2021 Cambridge Associates Private Investments Database. Cambridge Associates LLC. Performance includes 1,656 investments in 1,038 companies from 649 funds and reflects gross deal level returns from 2000 to 2019

The momentum in climate & environment in 2021

2021 was a record year for EU C&E tech investments, more than double the previous record for VC, and >9x amount invested for PE

EU amount invested by VC & PE in € billion and deal count

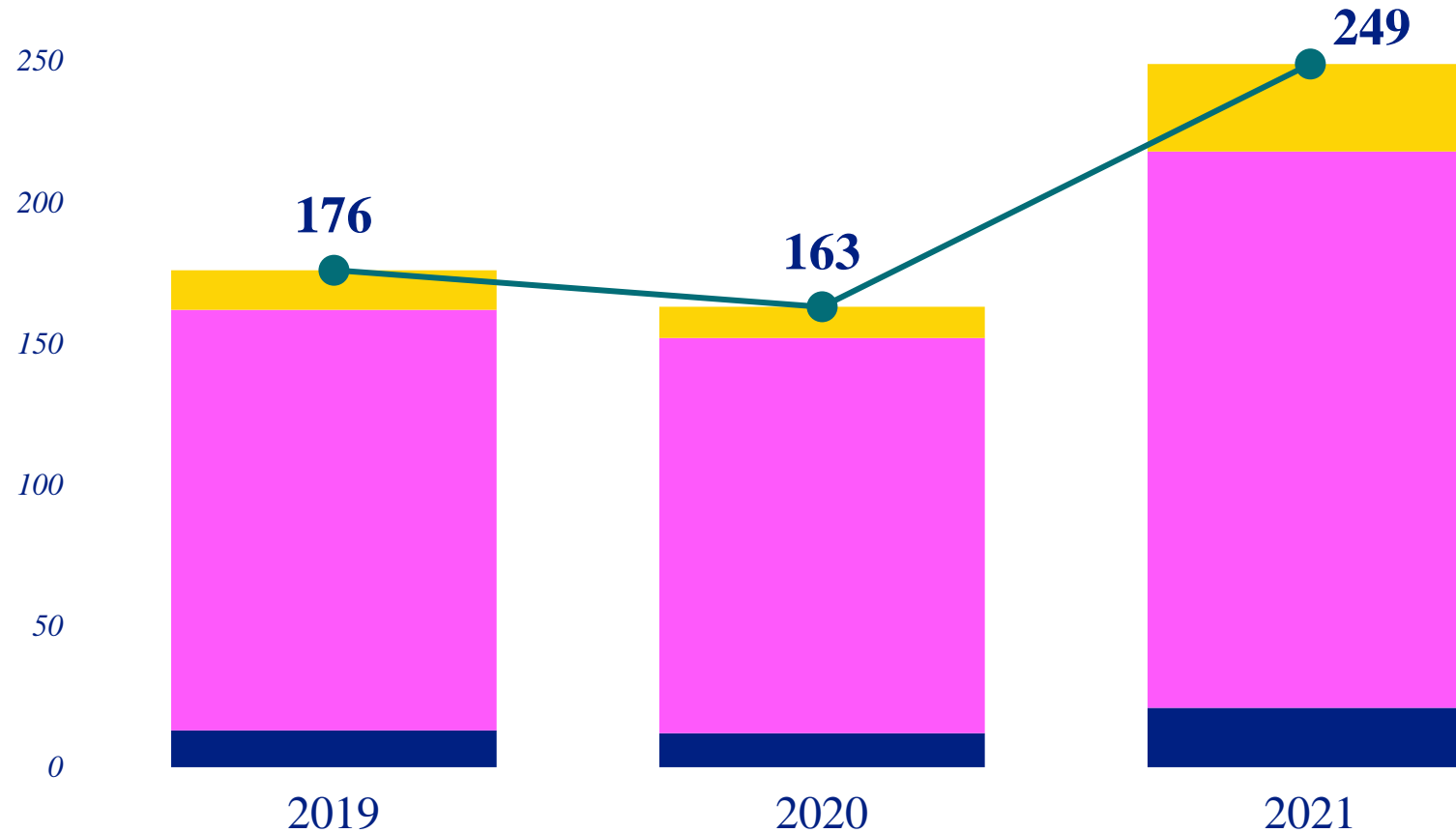
- VC (all stages)
- PE (scale-up/ expansion)
- Aggregated deal count
- Deal count by market



Source: Pitchbook Data (selected verticals: CleanTech, ClimateTech, AgTech combined)

Up-tick in green tech exit activity in 2021

Nearly two-thirds (56%) of CEOs in the Eurozone are expecting their companies to pursue ESG focused acquisitions in the next 12 months















2021 exits

- 21% IPO
- 69% M&A
- 10% Buyout

■ AgTech ■ CleanTech ■ ClimateTech ● All

Source: Pitchbook Data; EY, Feb 2022 - The CEO Imperative: Why Eurozone CEOs are prioritizing ESG investments

The European exit market in action

Company	Founding	Sector	Description	Exit	Exit year	Valuation
 gridX	Germany, 2016	Energy	Grid management applications	 e-on	2021	Undisclosed
RENEWCELL	Sweden, 2021	Circular Economy	Textiles recycling technology	IPO	2020	Mcap at IPO: \$270m
 HOFFMANN GREEN CEMENT	France, 2015	Industrial BioTech & Green Chemistry	Low carbon cement	IPO	2019	Mcap at IPO: \$264m
 DE VEGETARISCHE SLAGER	Netherlands, 2010	AgriFoodTech	Vegetarian meat – Alternative proteins	 Unilever	2018	Est. \$100m
 Synergetik	France, 2007	Energy	Renewable generation planning	 amarengo	2020	Undisclosed
 Ecoppia Empowering Solar	Israel, 2013	Energy	Solar panel cleaning robots	IPO	2020	Mcap at IPO: \$300m
 THE ORIGINAL OATLY!	Sweden, 1997	AgriFoodTech	Oat-based beverages & foods	IPO	2021	Mcap at IPO: \$10b
 sonnen	Germany, 2010	Energy	Solar-integrated power storage systems	 Shell	2019	Est. \$500m
 limejump	United Kingdom, 2013	Energy	Virtual power plants aggregation	 Shell	2019	Undisclosed

The SDUF GreenTech compartment

*A new EIF initiative for
climate and environmental
impact*

SDUF Greentech Value proposition

A new fund of fund initiative providing private institutional investors with **access to European GreenTech VC and PE fund managers** delivering both a positive contribution to the climate & environment and attractive financial returns

Opportunity

VC and PE investment is vital to finance the **breakthrough technologies and existing solutions required in the fight against climate change**. This market has matured immensely over the past 15yrs and is now seeing stable, **exciting exit valuations and record fundraising**.

Pipeline over next
12-18 months:

€ > 1bn

Expertise

The EIF is a European **thought leader** in the climate and environmental sustainable investing space since 2006. The EIF has a **dedicated team of C&E* focused investment professionals** with an enviable outreach to the breadth and depth of the market.

A pioneering and continuous investor in European climate and environment focused VC & PE

Access

Gain access to Europe's climate and environmental VC & PE ecosystem, delivering both a **positive contribution to C&E and an attractive financial return** based on the EIF's investment advice, impact performance methodology** and knowledge-sharing approach.

Target Fund
Size:

250m

Expected
portfolio:

10-15
funds

+150
companies

*C&E – Climate and Environment

**The Impact performance methodology is a proprietary methodology developed by EIF that does not measure sustainable investments as defined in SFDR Article 2(17)

Investment strategy

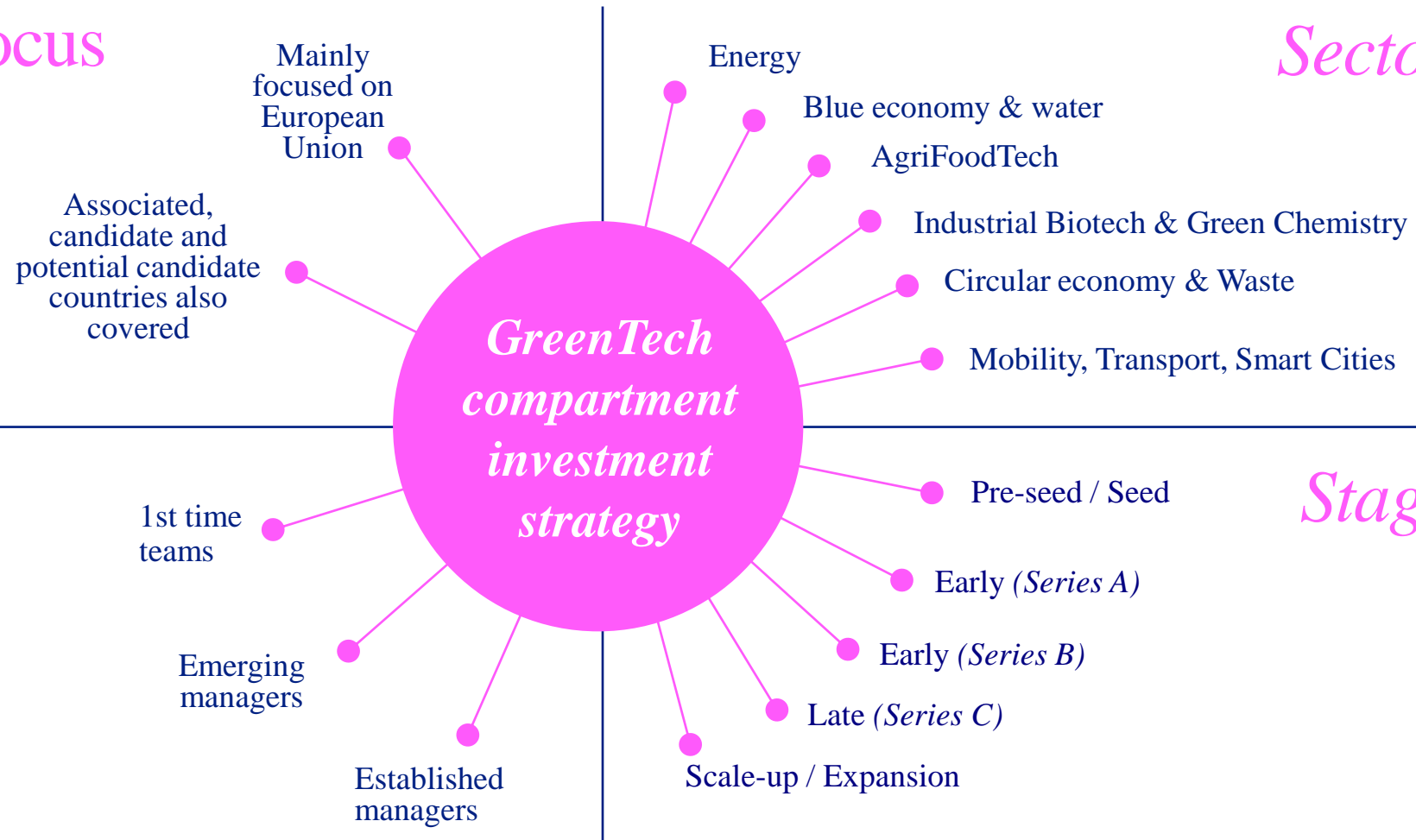
Providing investors with access to Europe’s climate and environmental VC & PE fund managers capable of delivering both a positive C&E contribution and financial return

Geographical focus

Sector focus

Fund manager experience

Stage focus



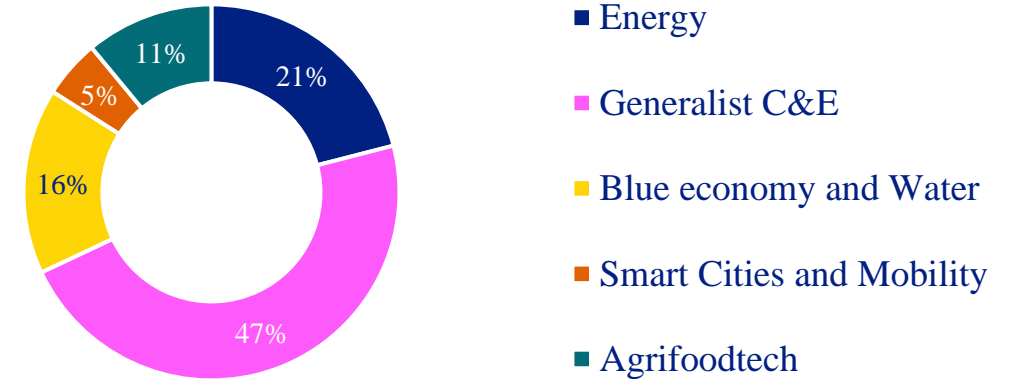
A robust & diverse VC & PE pipeline for innovation and scale-up

Fund location*



Other: 10% Benelux
5% CEE
5% Portugal

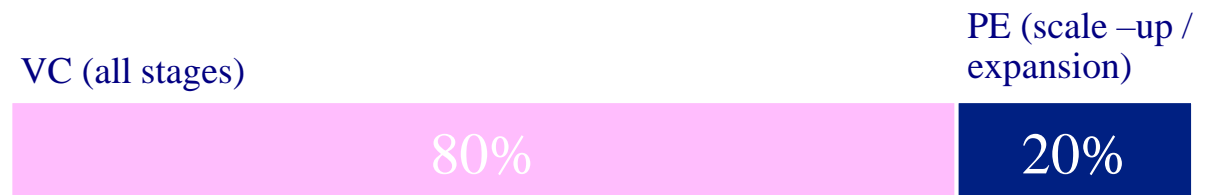
Sector split*



Fund manager experience*



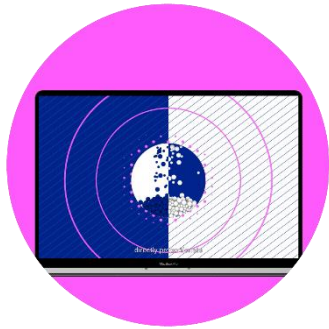
Expected investment stage



*Pipeline data may be subject to change at any time

Key GreenTech compartment features

Advised by 



Impact Performance methodology*

Positive correlation between financial value and C&E impact



EIF's CA&ES "green criteria"

Based on EU Taxonomy principles

[Read here](#)



ESG Reporting

EIF's ESG Principles

[Read here](#)



SFDR Article 8

100% underlying funds classified as Article 8 and/or 9

SDU=
GreenTech
compartment

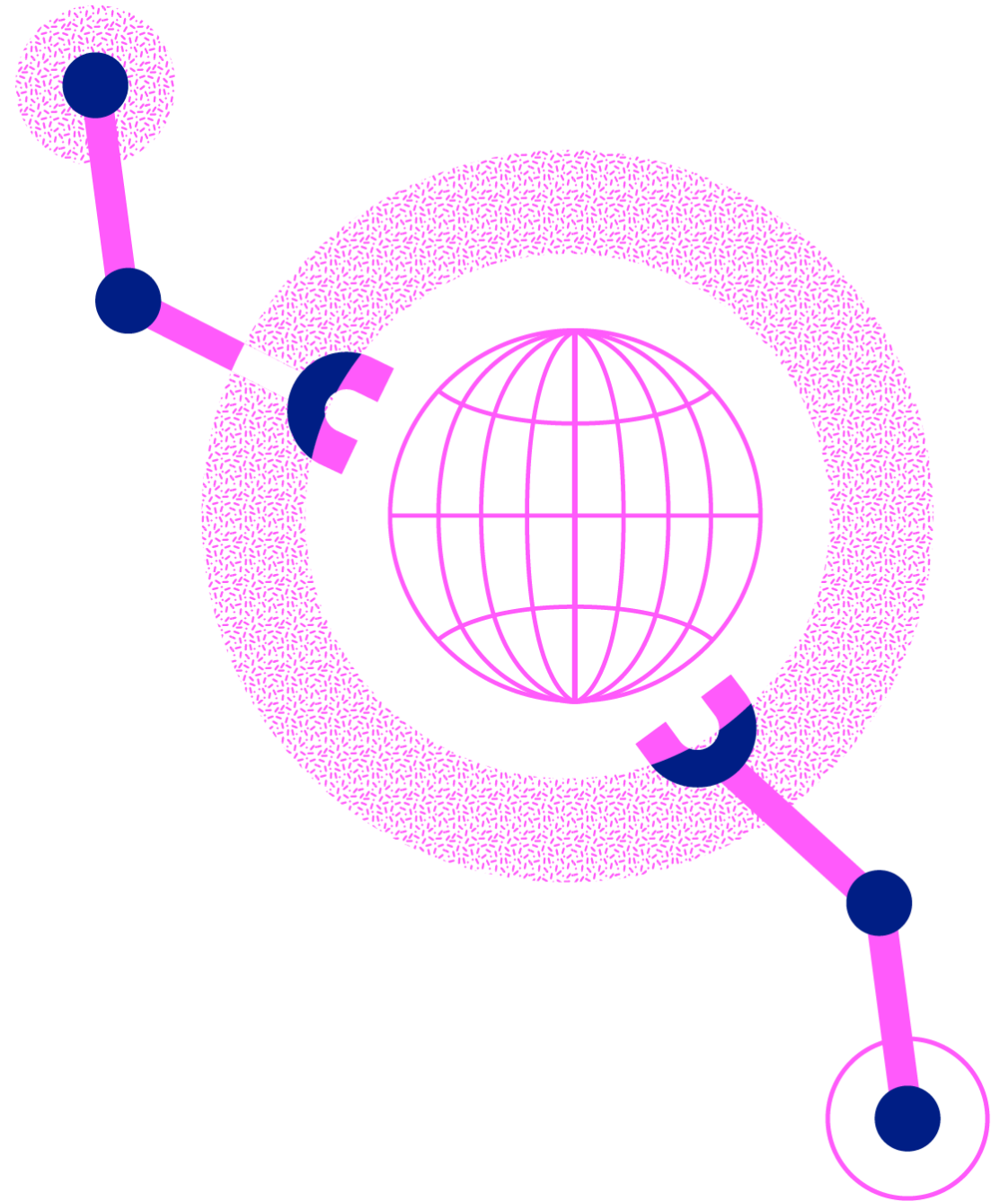
EUR 250m

Max (350m)

* The Impact performance methodology is a proprietary methodology developed by EIF that does not measure sustainable investments as defined in SFDR Article 2(17)

EIF Impact *Measurement* Framework

*Patric Gresko,
EIF, Head of Life Sciences and Impact Investing*



*The EIF's
unique
impact
performance
methodology*

The EIF's success in deploying its existing impact investment programs rests partially on a methodology which it pioneered.

It is only by incentivising impact at the GP and SME level, that real, tangible and sustainable impact can be ensured.

What is a impact-driven enterprise?

At the EIF, these three values must all be present

Intentionality

The enterprise must have a *clear purpose* in providing entrepreneurial solutions to societal problems and must also state this purpose transparently in their *business strategy*

Profitability

The enterprise must seek impact in a *commercially sustainable* manner – meaning that there needs to be a clear *positive correlation* between the *impact* they pursue and their *economic value creation*

Scalability

The enterprise must in addition display a *clear commitment* to financial sustainability and be able to *manage growth* – in a way which still holds true to its impact business model

The difference between ESG and Impact Investing...

ESG

ESG refers to considerations that measure the sustainability and impact of any investment.

Non-compliance with ESG standards can represent significant operational and reputational risks and be costly.

Impact Investing

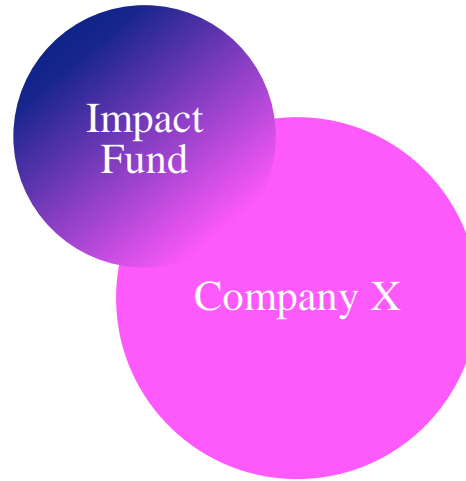
Impact Investing is a return seeking activity that puts social / environmental impact objectives at par with financial return objectives.

- Profit Orientation
- Correlation between Impact and Financial Return
- Intentional Impact
- Measurable Impact
- Positive Effect on Society

EIF's impact performance methodology

3 steps to track the positive correlation between financial value and impact, overseen by an Advisory Committee

Step 3
Monitor progress and share the impact multiples achieved at company and portfolio level



Step 1
Define 1 to 5 impact indicators per portfolio company



Step 2
Set a quantifiable target on each impact indicator, at the moment of the investment as well as a weighting

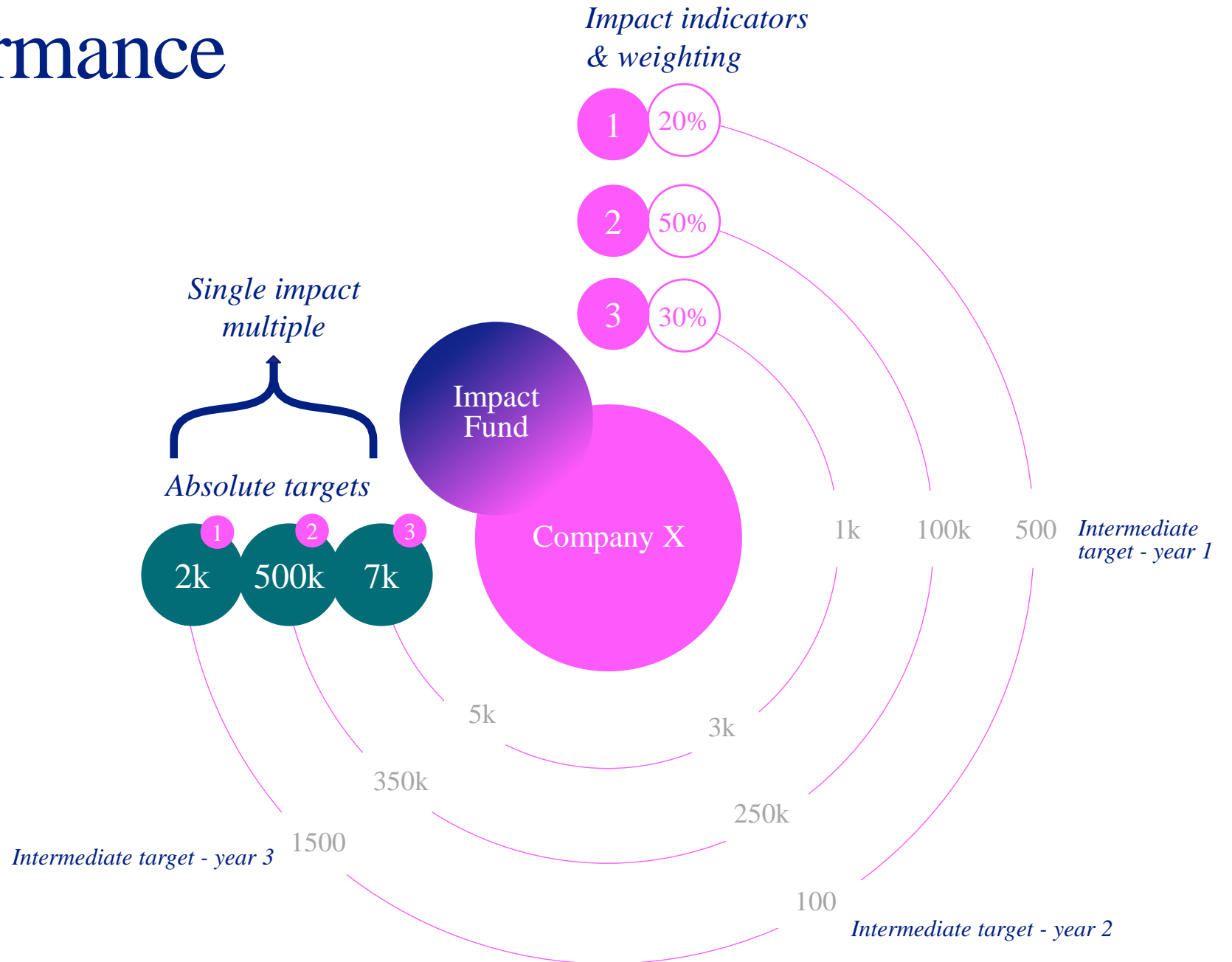
EIF impact performance methodology

An example

Company X

A food sharing app that helps neighborhoods cut down on waste and create a sense of community

- 1 Tons of food saved
- 2 Number of active app users
- 3 Number of food sharing interactions



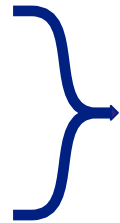
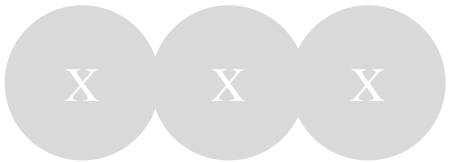
EIF impact performance methodology

Assessing the impact & determining the carry

At company level

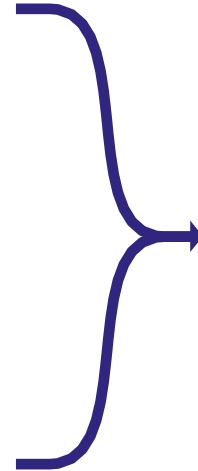
The company hits its exact absolute targets

Achieved targets



1.0
Single impact multiple

Single impact multiple



At fund level

A Fund's impact multiple is then determined at portfolio level

Aggregate portfolio multiple

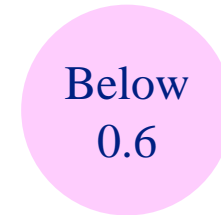
Weighted by size of investment



100% of the impact carry is distributed to the predefined carry recipients.



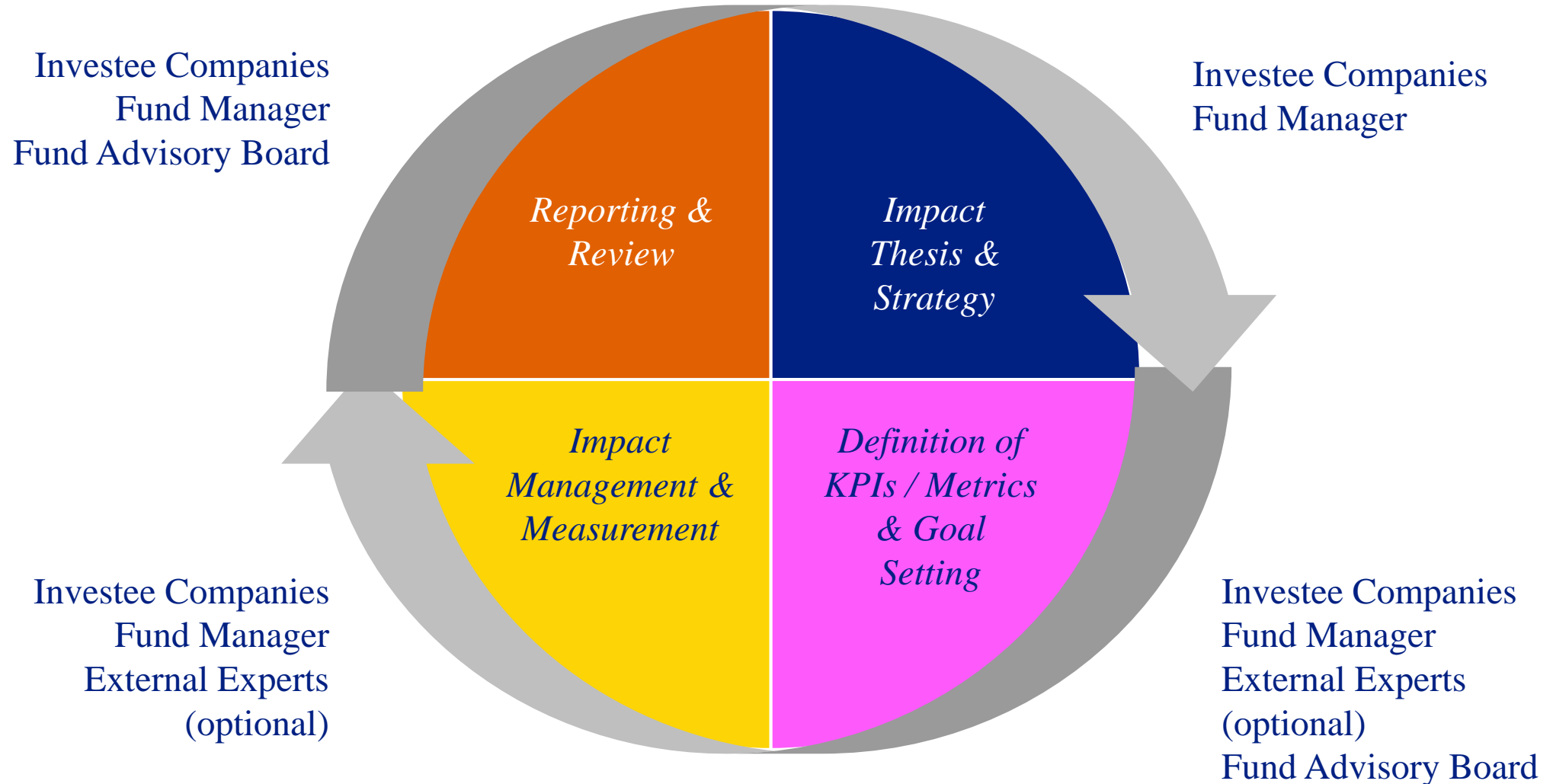
Between 50% and 100% of the impact carry is distributed to the predefined carry recipients.



No impact carry is distributed to the predefined carry recipients.

EIF was the first DFI and institutional investor in the market to require impact-based carry schemes for its impact fund investments

Implementation in Investment Process



What's in it for...

GPs and LPs

Substantiate an investment strategy that *positively correlates* financial value and positive impact.

Provides for a mechanism which *aligns interests of LPs and Fund Managers (GPs)* beyond the objective of profit maximization.

Requires that Fund Managers to *define, manage and communicate Intentional and Measurable Impact*.

Portfolio companies

Clear articulation of impact thesis and value proposition for clients and stakeholders

Obtain a *KPI toolkit* that allows them to manage the climate, environmental and/or social impact of their business model

Impact metrics become part of the investor's dashboard, leading to an *alignment of interest* across the value chain, from founders to GPs and LPs.

A clearly defined methodology that relies on *dialogue* while also providing for a rigorous *monitoring and management* of the impact achieved.

Access value creation via European private equity

Sarah Stein

EIF, Head of DACH – Lower Mid-Market Investments

The EIF's small-mid cap strategy

The EIF's approach to small-mid cap investing centres on selecting top tier proven managers whose primary focus is growth, whether this be buy and build or buy-out strategies and is often linked to internationalisation or significant growth in company market share. The EIF uses its proven due diligence to identify the best return seeking managers with a high degree of selectivity.

Scale & experience in European private equity

Double digit aggregate commitments

20+

*years
investing in the
target market*

€16bn

*aggregated
commitments* in the
target market*

€1.8bn

*run rate annual
commitments** in
the target market*

33

*investment
professionals†*

500+

*active
portfolio funds**

350+

*fund managers**

210+

*deals screened
yearly***

AMUF's focus on the European small mid-cap private equity market

Investing in companies with high growth potential

Key characteristics

- The largest target market for private equity in Europe
- Several value-creation opportunities through professionalisation, digitalisation, operational efficiency and internationaliation
- Expansion potential to transform local leaders in global competitors
- Skilled and experienced GPs providing attractive returns through proven investment models

25 million*
European small and mid-cap companies

<3000

Employees

<€250m

Enterprise value

Fragmented market

Providing diverse investment opportunities

Nordics

Notable sector trends in the recent years can be observed in **fin tech, consumer brands, health care**

UK & Ireland

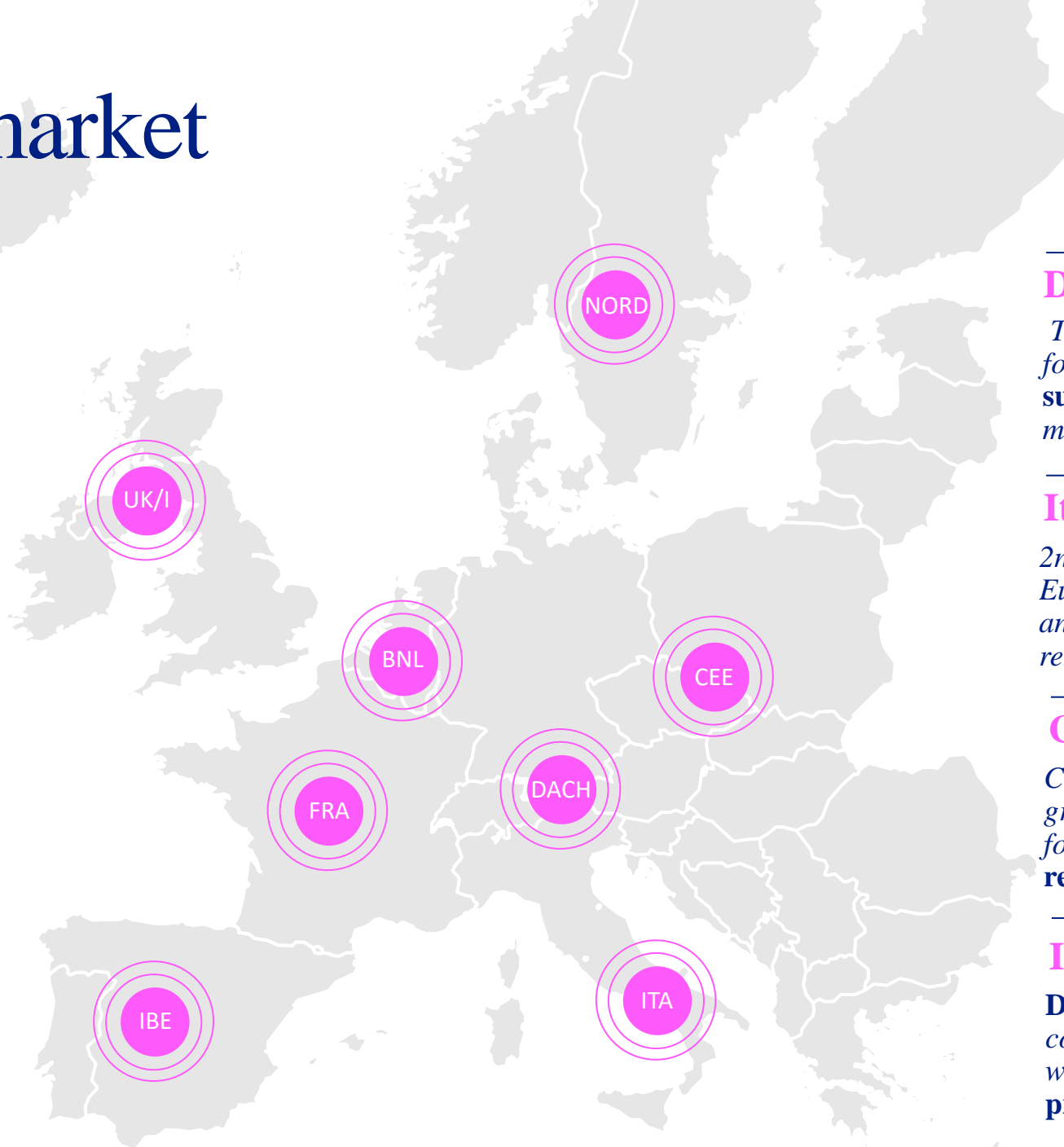
Growth investments represent nearly a half of all PE and VC. **Premium valuations** compared to other EU geographies

Benelux

Large number of **family-owned businesses** looking for succession / growth partners

France

Robust PE investment activity, generating high level of competition with a focus on **consumer goods, healthcare, service business, financial services**



DACH

The PE industry is growing with a focus on German Mittelstand **succession and digitalization** of manufacturing businesses

Italy

2nd largest manufacturing economy in Europe with **attractive entry valuations** and increasing appetite of trade buyers result in promising exit scenarios

CEE

Converging economies with higher growth than EU-average. Opportunity for **national champions to become regional players (Buy & Build)**

Iberia

Dominated by SMEs (c. 85% of the corporate landscape), which is still widely **underserved by capital providers**

Unparalleled outreach

Providing access to the breadth and depth of Europe's fragmented private equity market

▲ No. of funds followed ● No. of active relationships

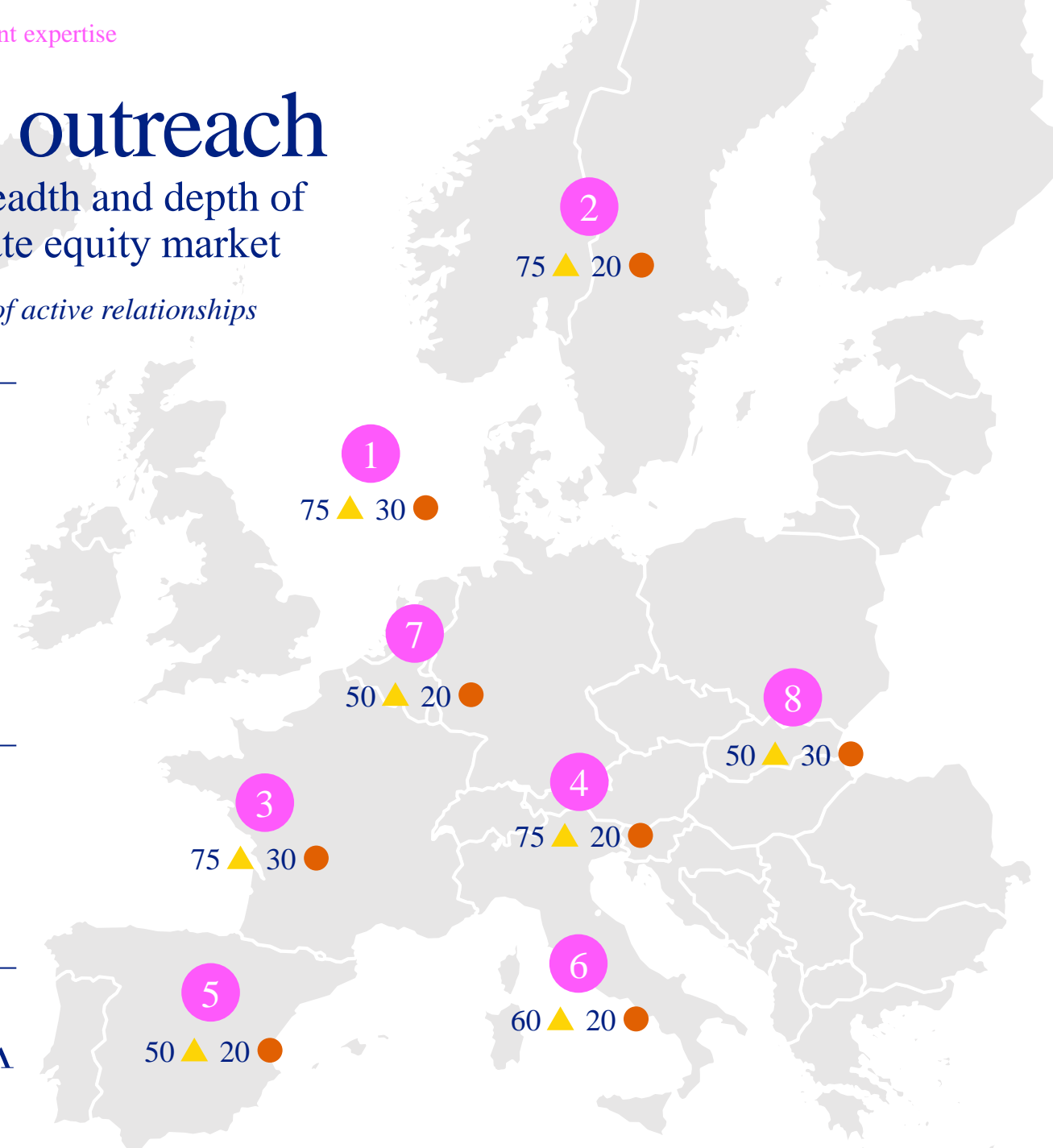
1 Pan-EU



2 Nordics



3 France



4 DACH



5 Iberia



6 Italy



7 Benelux

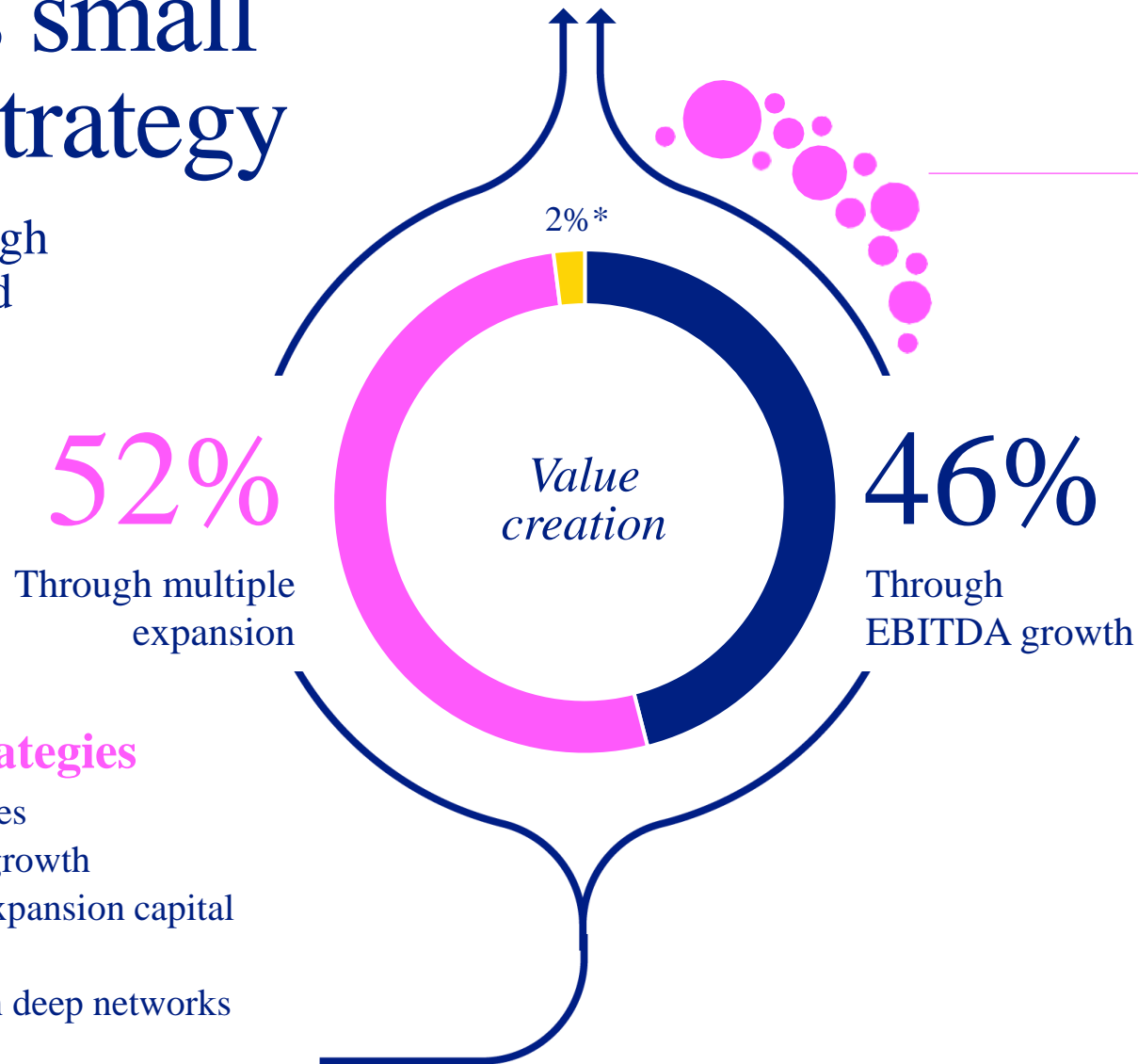


8 CEE



The EIF's small mid-cap strategy

Value creation through EBITDA growth and multiple expansion



Investing in companies with high growth potential



Family businesses, entrepreneurs or corporates with enterprise values of EUR 10-250m

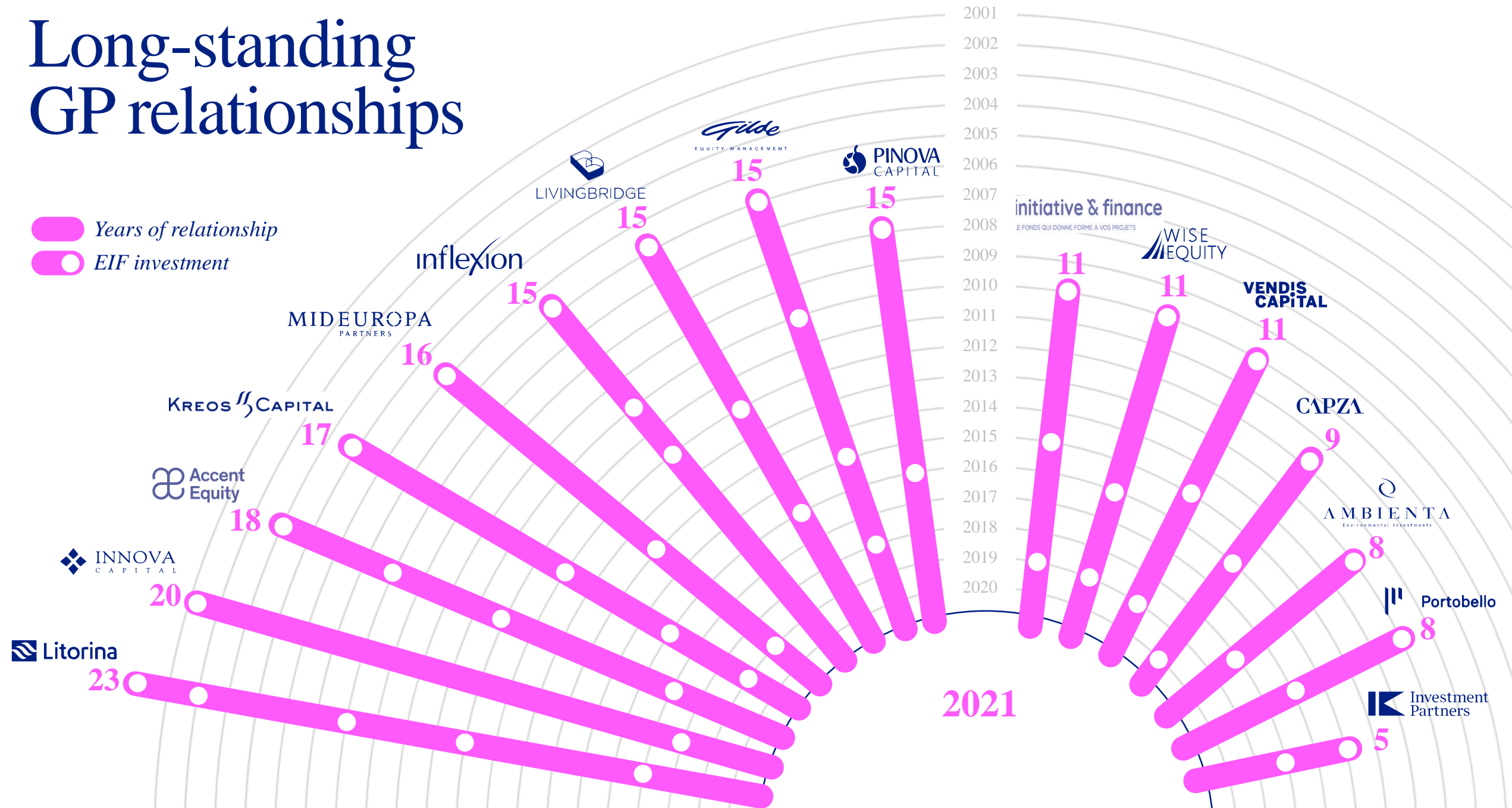
- Proven business models
- Focus on defensive industries
- Significant EBITDA uplift potential
- Leading market positioning
- Growing domestic markets
- Internationalization opportunity
- Add-on acquisitions
- Global niche leader potential

Fund manager strategies

- Buy and build strategies
- Buy-outs for organic growth
- Minority equity and expansion capital
- Hybrid debt-equity
- Often local teams with deep networks

Long-standing GP relationships

 Years of relationship
 EIF investment



Achieving compelling returns in European small mid cap PE

The EIF's European private equity track record

Vintage	Commitment (EUR m)	TVPI	DPI	IRR
2015-2016	505	1.81x	0.77x	18.2%
2012-2014	346	1.78x	1.32x	17.4%
2009-2011	267	1.93x	1.68x	18.7%
2006-2008	258	1.65x	1.62x	11.5%
2003-2005	149	1.75x	1.75x	17.3%

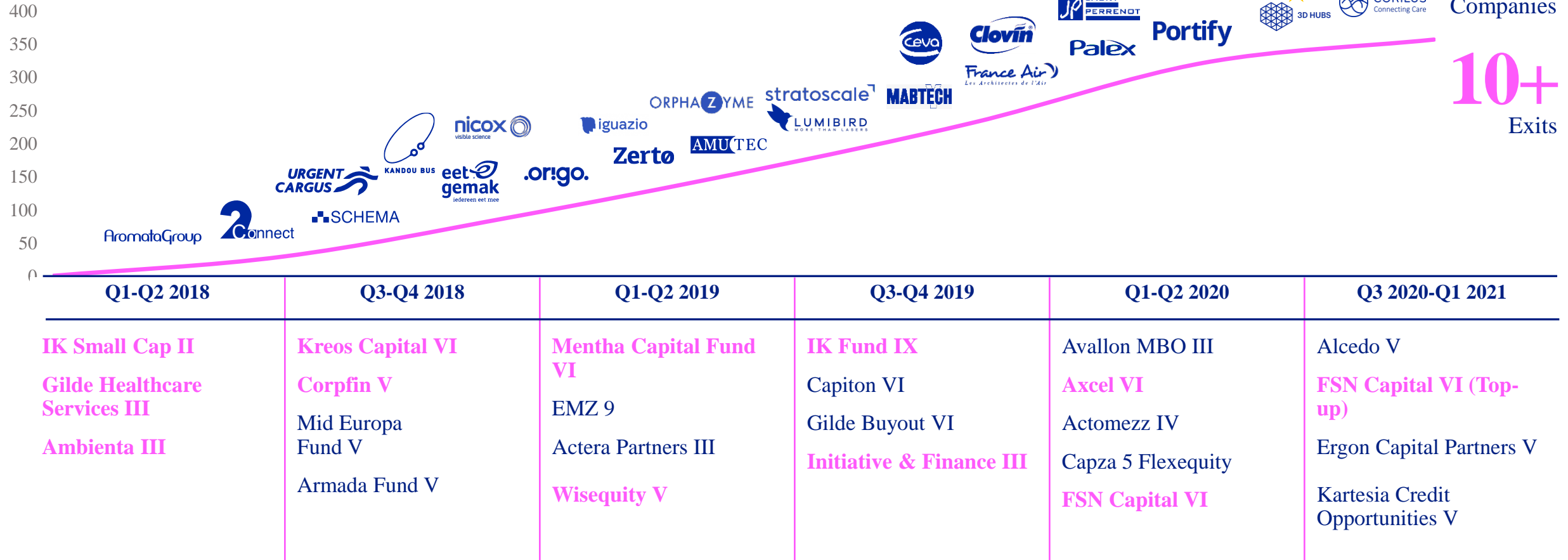
Source:

Figures shown are EIF data as of 30/06/2022 and are net of underlying fund fees, expenses and performance fees and gross of AMUF's fund fees, expenses and performance fees, as calculated in €. Past performance is not a guide to future results.

The EIF total track record is large and contains more than 1000 funds, many of which are not relevant to the strategy of AMUF. The above synthetic fund track records represents those funds that would have qualified for AMUF based on our Deal Allocation Methodology, and is for illustrative purposes only. For further explanation please contact AMUF relationship managers. The analysis has been performed on the basis of equal weight commitment to each fund. This assessment was based on ex ante criteria at the time of the initial investment.

AMUF European Private Equity I*

Deployment



Oversubscribed funds

★ Exit

* 1st generation fund called European Growth Capital
 AMUF EPE II has a similar investment policy and a similar risks and rewards profile as AMUF GC. However, future performance of EPE II cannot be predicted based on past performance of other compartments of AMUF.

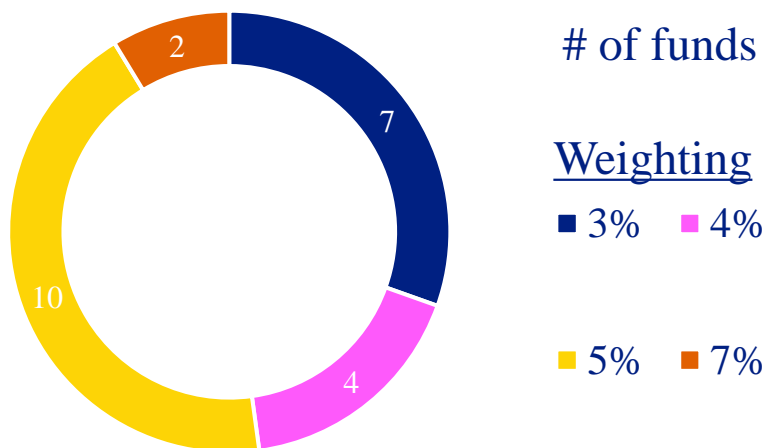
23 Fund Investments

377m Total Committed

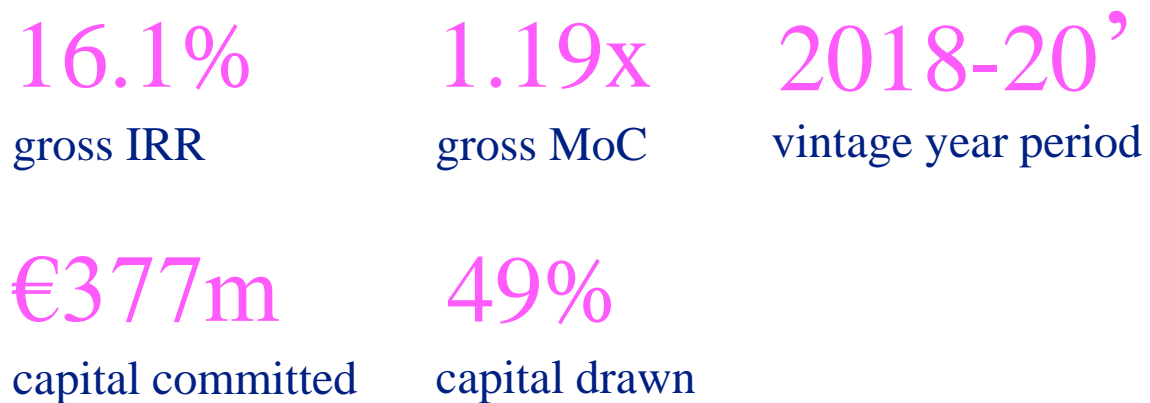
AMUF European Private Equity I*

Portfolio composition

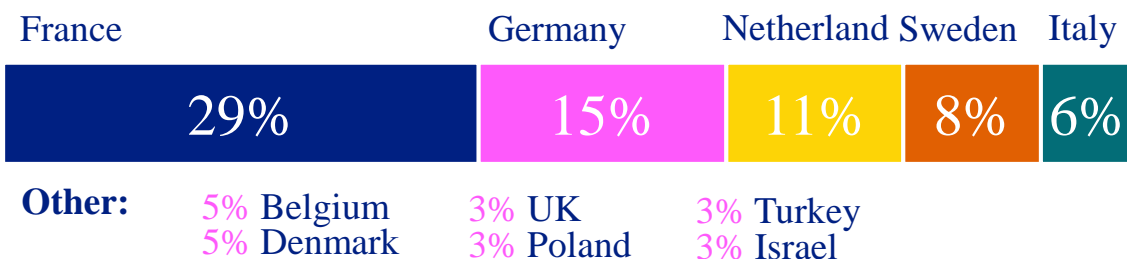
Fund diversification**



Interim highlights



Geographical focus***



Vintage year diversification**



* 1st generation fund called European Growth Capital. Data as at 30.06.2022. ** Fund level **** Portfolio company level

AMUF EPE II has a similar investment policy and a similar risks and rewards profile as AMUF GC. However, future performance of EPE II cannot be predicted based on past performance of other compartments of AMUF.

AMUF – European Private Equity II

Access Europe's leading small mid-cap PE managers

2nd
generation fund

The investment period of the European PE I* compartment concluded in Mar 2020, deploying €377m across a portfolio of 23 funds (10 oversubscribed).

expected to invest in
20-25**
proven fund managers

A geographically diverse portfolio based on the EIF's strict return seeking criteria and unrivalled access to oversubscribed small mid-cap managers and top-performing niche players.

expected portfolio of
200+**
portfolio companies

Typically family run businesses with enterprise valuations from EUR10-250m presenting high growth potential through M&A, internationalisation, digitalisation opportunities.

Track record IRR of
15%***
across multiple vintages

The EIF's track record shows the potential of the small-mid cap market and proven managers able to grow businesses and deliver compelling returns.

1st generation fund called European Growth Capital **These are assumed values based on EIF's historical observations. Actual portfolio composition may differ * Based on proxy historical returns of AMUF EPE qualifying funds (Vintage year 2003-2016) . AMUF EPE II has a similar investment policy and a similar risks and rewards profile as AMUF GC . However, future performance of EPE II cannot be predicted based on past performance of other compartments of AMUF*

European *Secondaries* Market

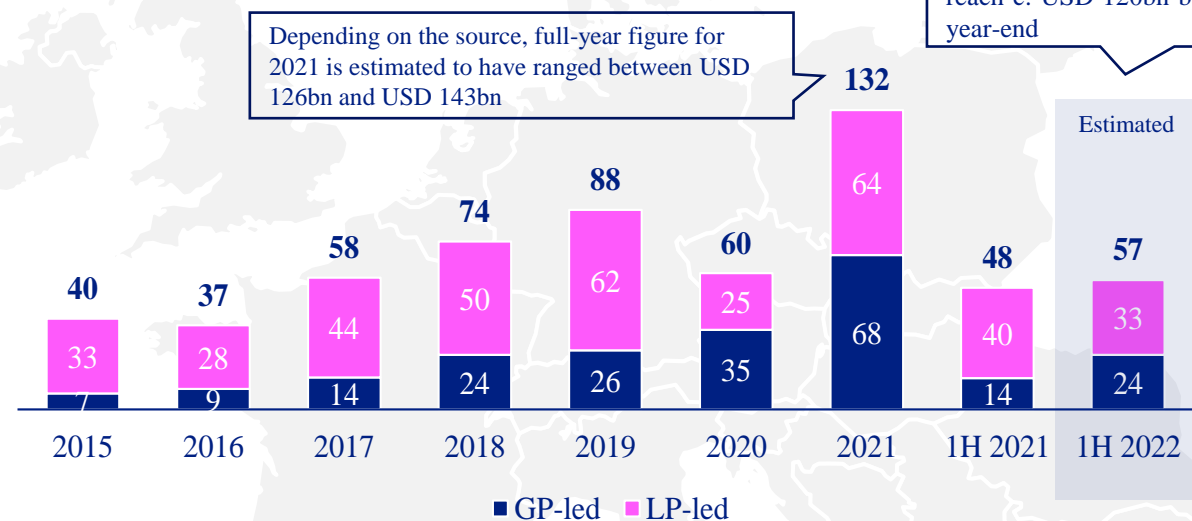
*Joaquin Ruiz Tarre,
EIF, Head of Secondaries*

The Secondaries Market

A growing market: from LP-leds to GP-led solutions

- **The secondaries market emerged nearly 25 years ago as a liquidity solution for distressed or price-taking sellers in an illiquid Private Equity asset class, but has since evolved into a ~USD 130bn+ industry, yet representing only 2-3% in volume transacted when compared to total Private Equity & Private Debt assets globally, thus leaving high potential for further expansion.**
- **Secondary market transactions were generally driven by the need to wind down aging investment vehicles (e.g. through the acquisition of fund interests from other limited partners, referred to as LP-leds), which are in many cases past their original fund lives, coupled with the desire to return (and/or recycle) capital.**
- **Yet, the market has rapidly evolved into a (relatively) new type of transaction referred to as GP-leds or continuation funds (approximately 40 to 50% of the market is currently active in that space). Through these, GPs are able to continue supporting their existing portfolio companies, while, at the same time, provide follow-on financing to allow them grow further.**

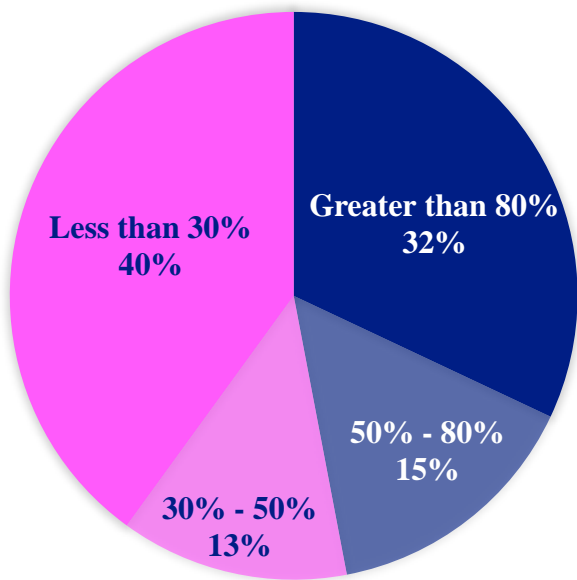
Secondary market volume (Bn USD)



Secondaries Market Update – Pricing

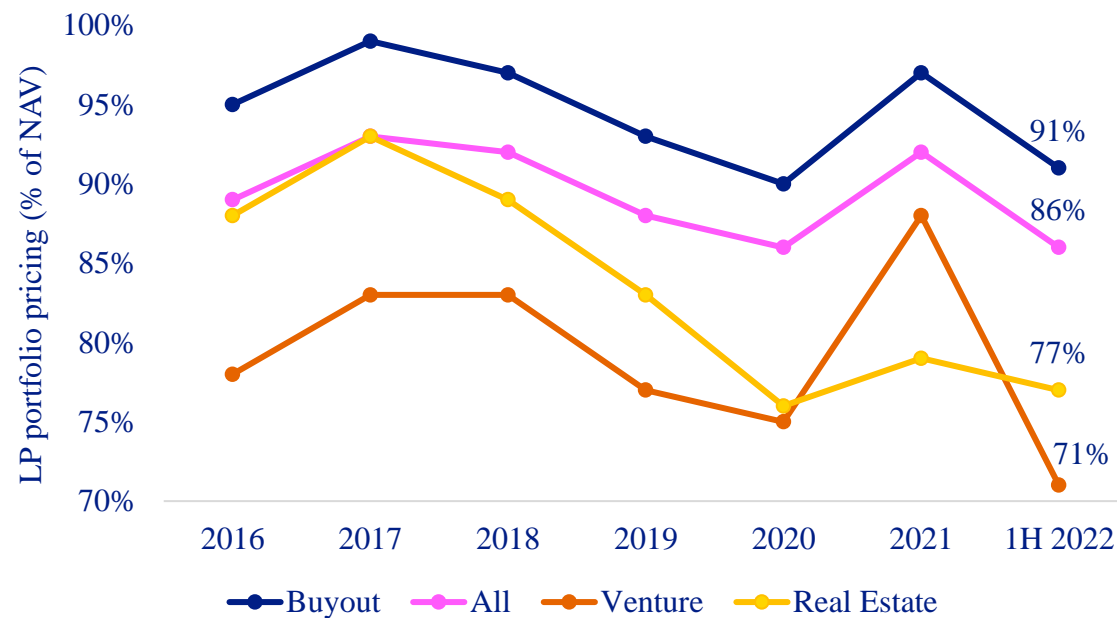
Nearly half of buyers deployed over fifty percent of their GP-led capital at or above NAV during H1 2022
 Market Volatility weights on NAV but Top Tier, recent vintage buyout continues to be priced at 95%+ of NAV

Transactions completing at/ above NAV as well as below



47% of respondents deployed > 50% of GP-led capital at/above NAV

Pricing drops due to Market Volatility and Valuation Concerns

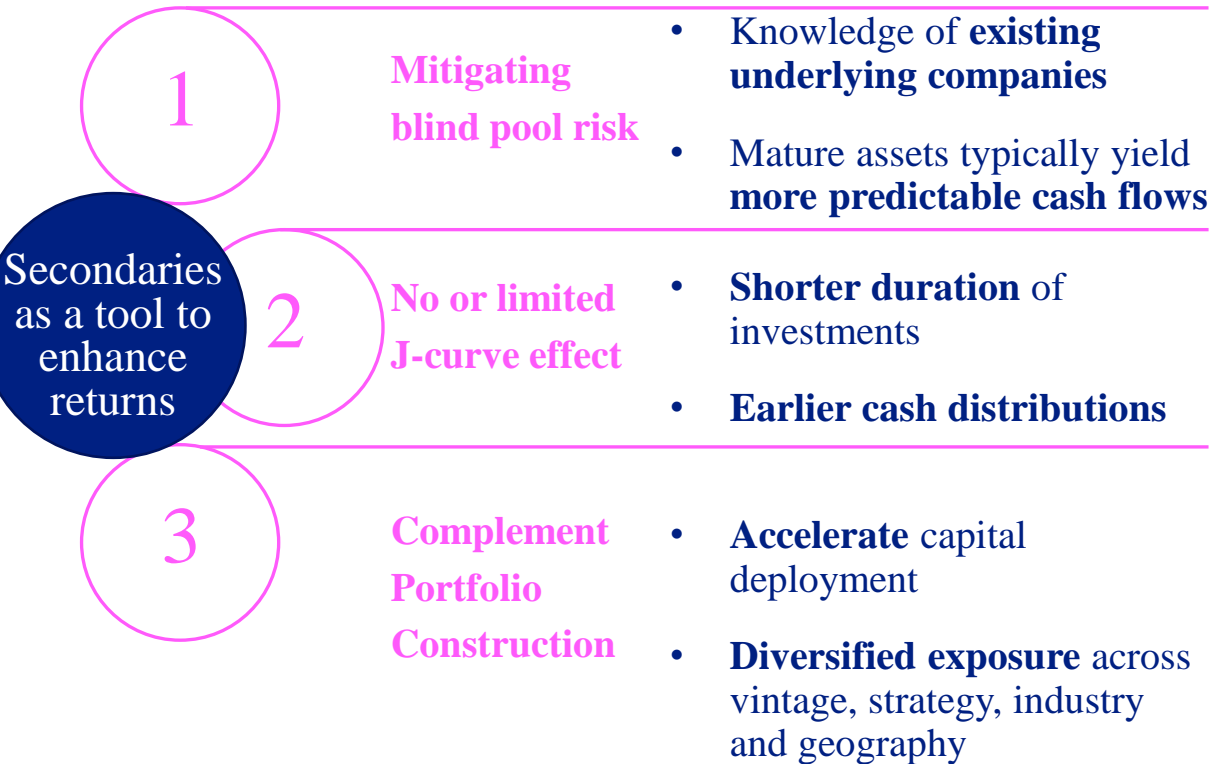


Pricing decreased across strategies; in Buyout, pricing decreased 600bp from 2021 to 91% of NAV. Buyers continued to show a strong preference for North American buyout exposure; however, persistent public market declines and slowing distribution activity weighted on the pricing. **Top-tier, recent vintage buyout exposure continued to price at 95%+ of NAV.**

Secondaries Market Update – Motivations

Motivations for secondary buyers and sellers – Evolution

Buyer motivations



Seller motivations

	Portfolio rebalancing	Distress/ liquidity needs	Regulatory pressures	GP-led transactions
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				

Secondaries Market Update – Outlook

GP led secondary transactions remain the bedrock of the alternative liquidity toolkit...

Amid a tight exit environment in 2023..., GPs will need to carefully consider the full spectrum of alternative liquidity solutions and GP-led’s appear as one of the preferred solutions

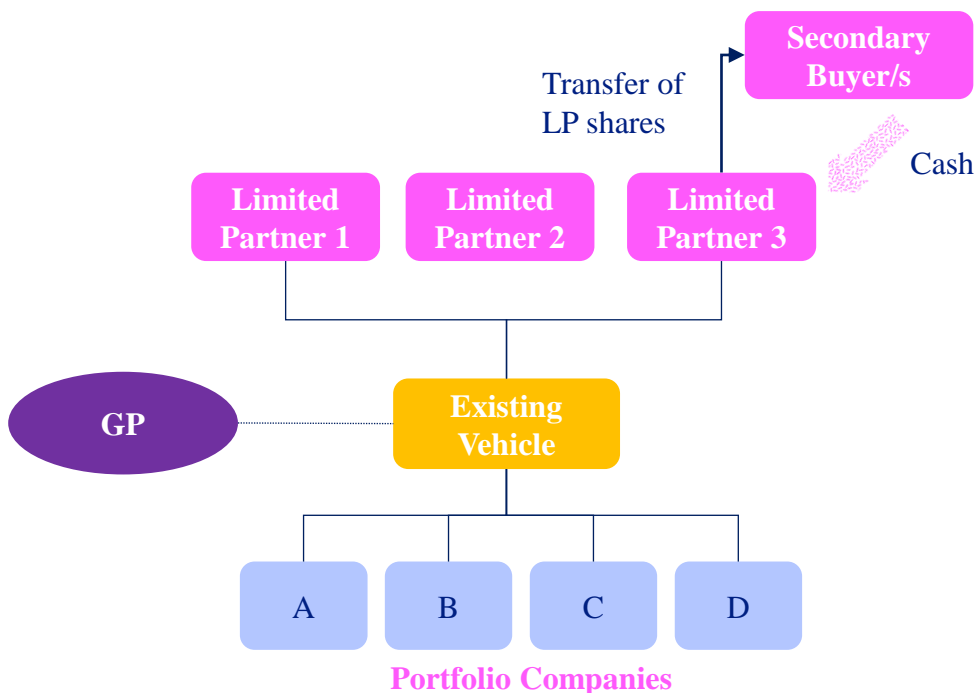
GP Solutions

	NAV funding line	Preferred equity	Fund extension	Annex fund	Strip sale	Tender offer / Bridge fund	Cross-fund trade	Continuation fund
Objectives to Solve	Further Capital (Follow-ons...)	✓	✓		✓	✓		✓
	Accelerated Fund Liquidity	✓	✓			✓		✓
	Additional Time			✓			✓	✓
	Exit Alternative						✓	✓
	Liquidity Option for LPs						✓	✓
	Stapled Primary Capital						✓	

AMUF – European Secondaries

Deal Types (1/2)

1 LP-led Secondaries *(simplified structure)*



LP-leds consist of the acquisition of an interest in a Existing Vehicle that holds Portfolio Companies

The ESC targets such opportunities when the Existing Vehicle is either fully invested, or significantly invested

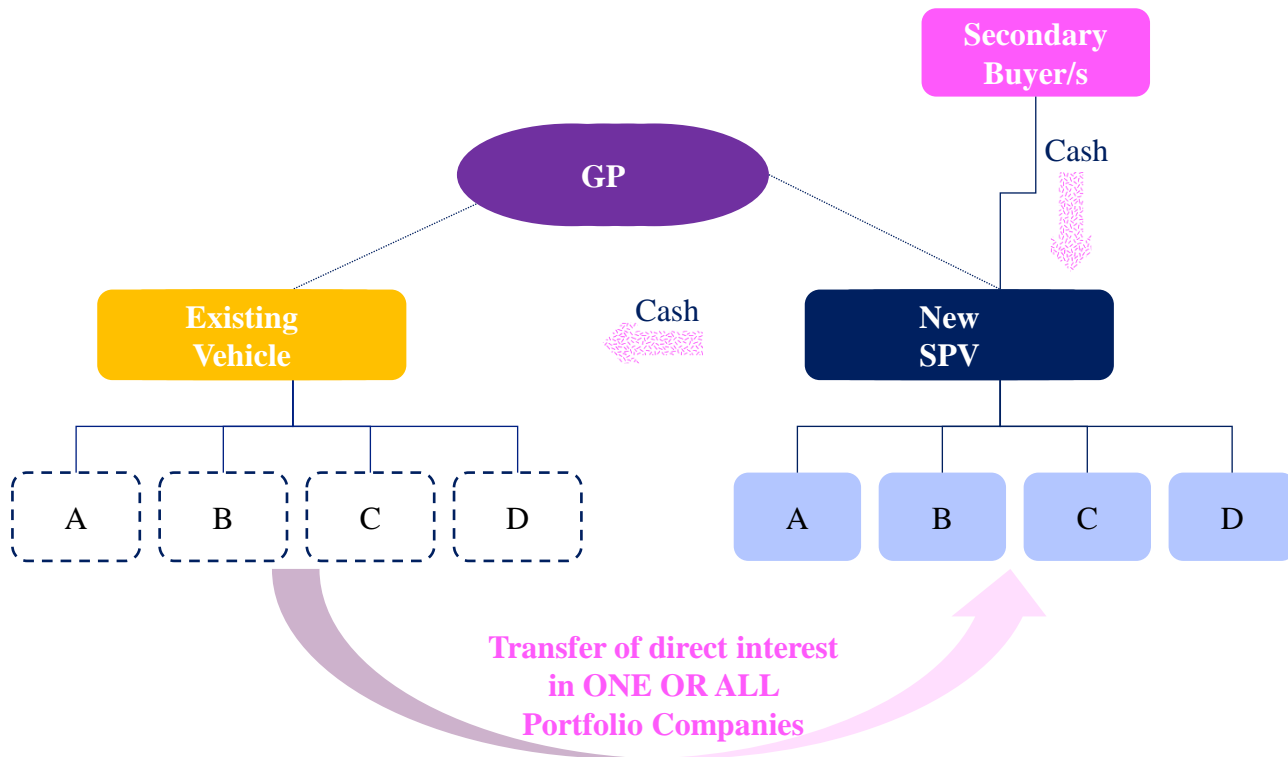
The preferred entry time is ± around the end of the investment period. At that moment, the Secondary Buyer/s have full visibility on the underlying assets

Note: when compared to fund of funds, the amount of fees that remain to be paid through a secondary transaction is much lower as at the point of entry fees are computed on invested capital (prior fees have been paid by the seller up until the transfer date).

AMUF – European Secondaries

Deal Types (2/2)

2 GP-led Secondaries: Portfolio Deals (simplified structure)



GP-leds consist of the acquisition of direct portfolios of companies from an Existing Vehicle

The underlying Portfolio Company/ies is/are then transferred to a New SPV

The New SPV is generally managed by the incumbent GP

Secondary Buyer/s set the price / valuation of the transaction

Note: when compared to fund of funds, secondaries through GP-leds have favorable economics, i.e. lower fees, tiered carried interest mechanisms to strongly incentivize GPs to outperform, and shorter expected holding periods (4-5 years).

Value proposition

*The EIF's unparalleled funds
portfolio:*

*1,200+ funds and 550+ GP
relationships in the lower end of
the market*

*Access off-market GP-led & LP-
led secondaries*

Targets:

~1.6x DPI

~15% net to investors

AMUF – European Secondaries Compartment

Value creation through European secondaries

2nd

generation program

expected to invest in

12-15

transactions

that are

~90%

proprietary/off-market

targets a net IRR of

~15%^{**}

to limited partners

The EIF's 1st secondaries program was invested between July 2016 and Dec 2019 combining portfolio acquisitions through LP-led and GP-led secondary transactions.

A geographically diverse portfolio focused on GP-led solutions and combined with LP-led transactions accessing different vintages, strategies, industries and GPs within the lower mid- and mid-market.

The access to EIF's primary investments portfolio (1,200+ funds universe) results in a strong competitive advantage for building an attractive secondaries portfolio.

The EIF's prior track record shows the potential of secondaries as an efficient tool to rapidly put cash to work and generate earlier distributions with no J-curve effect.

* 1st generation program invested as part of the EIF Treasury Management Program.

** Based on proxy historical and projected returns of EIF's prior secondaries program track record (Vintage year 2016-2019).

The EIF's secondaries strategy

Building on the EIF's portfolio & market coverage

- 12-15 transactions
- EUR 5-20m tickets
- Quick cash deployment



- Mainly funds in EIF portfolio
- Pro-active sourcing approach
- Regular GP engagement

- Bottom-up assessment of portfolio companies
- GPs / funds well known to EIF
- Buyout, Growth and Hybrid in the small-cap segment

± 1.6x TVPI
 ± 15% IRR
 No transaction leverage

Deal types

- GP-led solutions
- LP-led acquisitions
- co-investments (selectively)

Selective niche approach

- avoid 'busy' auctions
- avoid large transactions
- lower mid-market focused

Entry point

- with room for value creation
- look for inflexion assets
- growth vs pure discount play

The ESC

In market since Q4 2021 and actively investing

First two transactions closed:

- i) five French growth tech companies acquired to support them grow further*
- ii) six mid-market companies acquired (four in Spain and two in Italy) to support their local and international development*

ESC 1st investment: GP-Led (Project Starq)

Acquisition of a lower mid-market tech growth portfolio (off-market)

Key facts

Fund Vintage	2011-2018
Investment Date	2021
Stage	Growth
Commitment	EUR 5m
Deal Type	GP-led
Geography	France
Focus	Clean-tech/ ICT
Cash @ work at closing	~90%

Highlights

Sourcing: transaction originated through the EIF primary sourcing platform / network.

Counterpart: growth team part of a leading mid-market GP in France.

Portfolio: portfolio of five companies with two strong value drivers in the portfolio, both cleantech companies focused on renewables. The remaining companies are active in internet and direct marketing retail, application software and communications equipment industries.

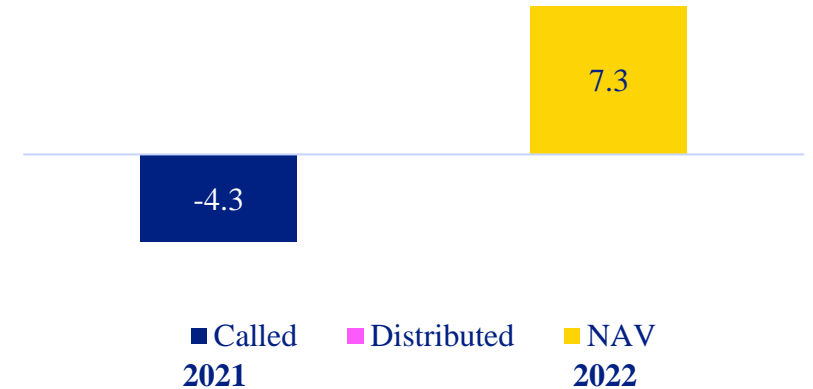
Structuring: EIF invested in a continuation-fund that acquired the five companies.

Cash @ work: ~ 90% at closing.

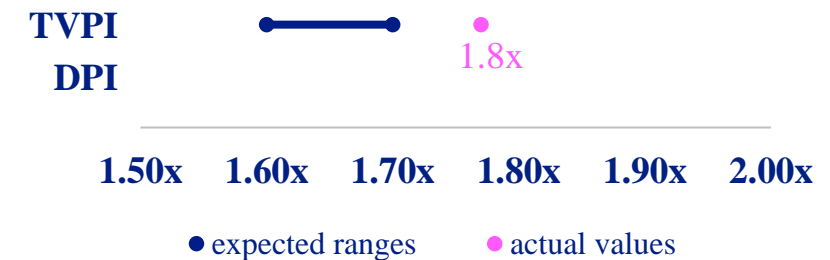
Exit: first exit of the underlying portfolio through a recent successful IPO at the Euronext Paris of the largest value driver.

Returns: strong performance achieved to date posting an interim TVPI of ~1.8x and interim net IRR of ~180% (only six months in the deal).

Performance*



Actual and expected performance*



* Performance metrics shown are from the underlying investments to EIF / Information as of 30 June 2022.

ESC – Interim Performance

Gross & net returns as of Q2 2022

Compartment (Target Size)	Invest. Period (Envisaged)	Term Years (Envisaged)	Closing Date (Final)	Fee Rate (Average)	TVPI (Net)	IRR (Net)
EUR 100m	3	10	Q2 2023	0.74%	1.60x	>100%

*The ESC is off to
a Great Start
And with no J-
Curve effect*

Portfolio

Gross
TVPI

1.62x

1.68x

1.62x

Q4 21

Q1 22

Q2 22

Q3 22

Q4 22

Q1 23

Q2 23

Q3 23

Q4 23

Q1 24

Q2 24

Q3 24

Deals

1

1

2

Current Investments (As of 30/06/2022)	Committed (EURm)	Drawn (EURm)	Distributed (EURm)	Fair Value (EURm)	TVPI (Gross)	IRR (Gross)
Project Starq (Q4 21)	5.00	4.13	0.07	7.33	1.77x	179.8%
Project Porto (Q2 22)	5.00 (+5.00)*	2.89	0.00	3.97	1.39x	1,144.9%
Total	10.00	7.02	0.07	11.29	1.62x	226.8%

*2 transactions
already closed*

*11 companies in
portfolio*

1st exit

* EUR 5m co-investment with another client / mandate.

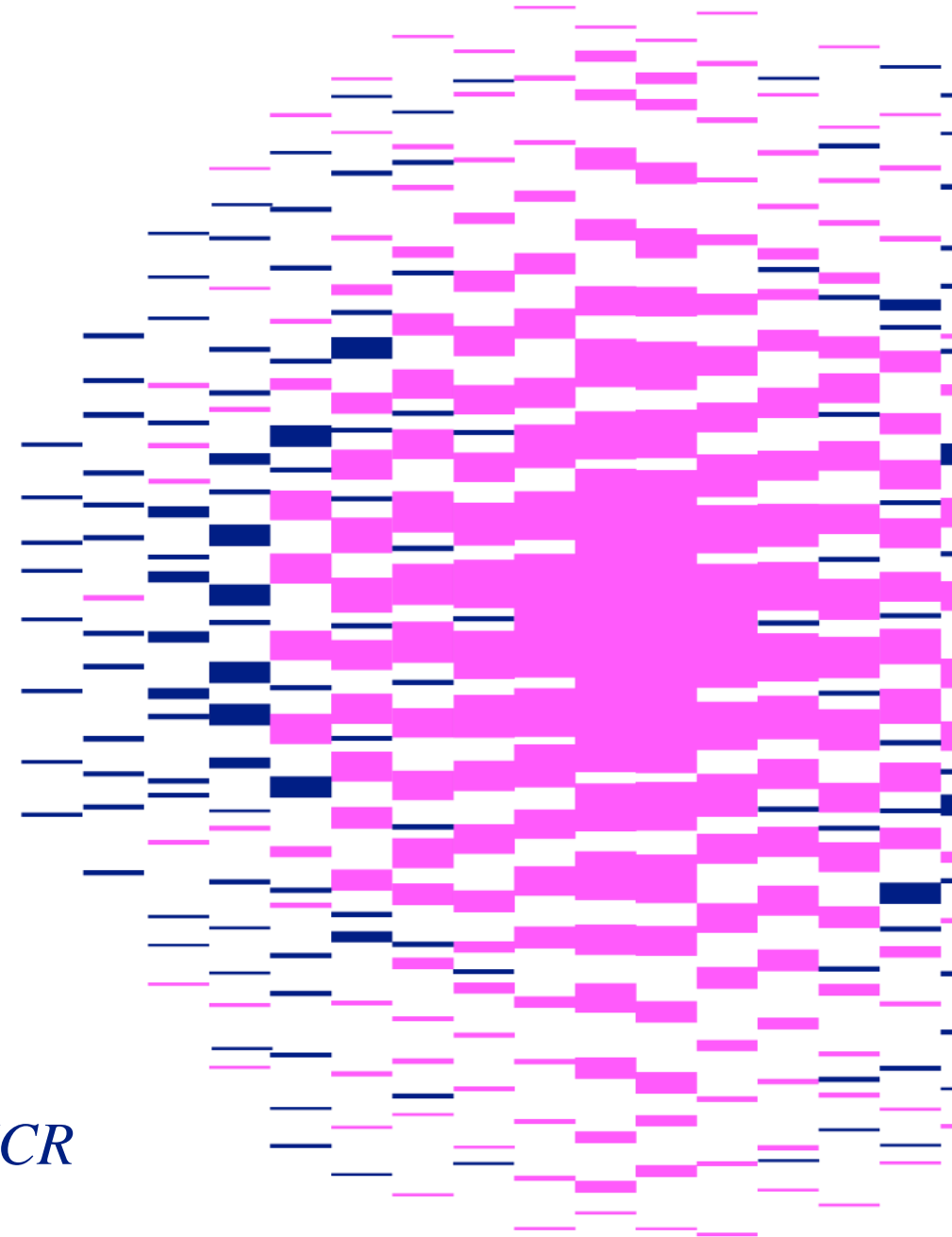
Q & A

Closing remarks

Networking

Rémi Charrier,

EIF, Head of Institutional Client Relationships / ICR





THE EIF PRIVATE EQUITY AND VENTURE CAPITAL WORKSHOP

SEE YOU IN MUNICH
8-MARCH-2023

Follow our stories and work on social media & Contact details



Joanna Kennila

Institutional Relationship
Manager - Nordics & DACH

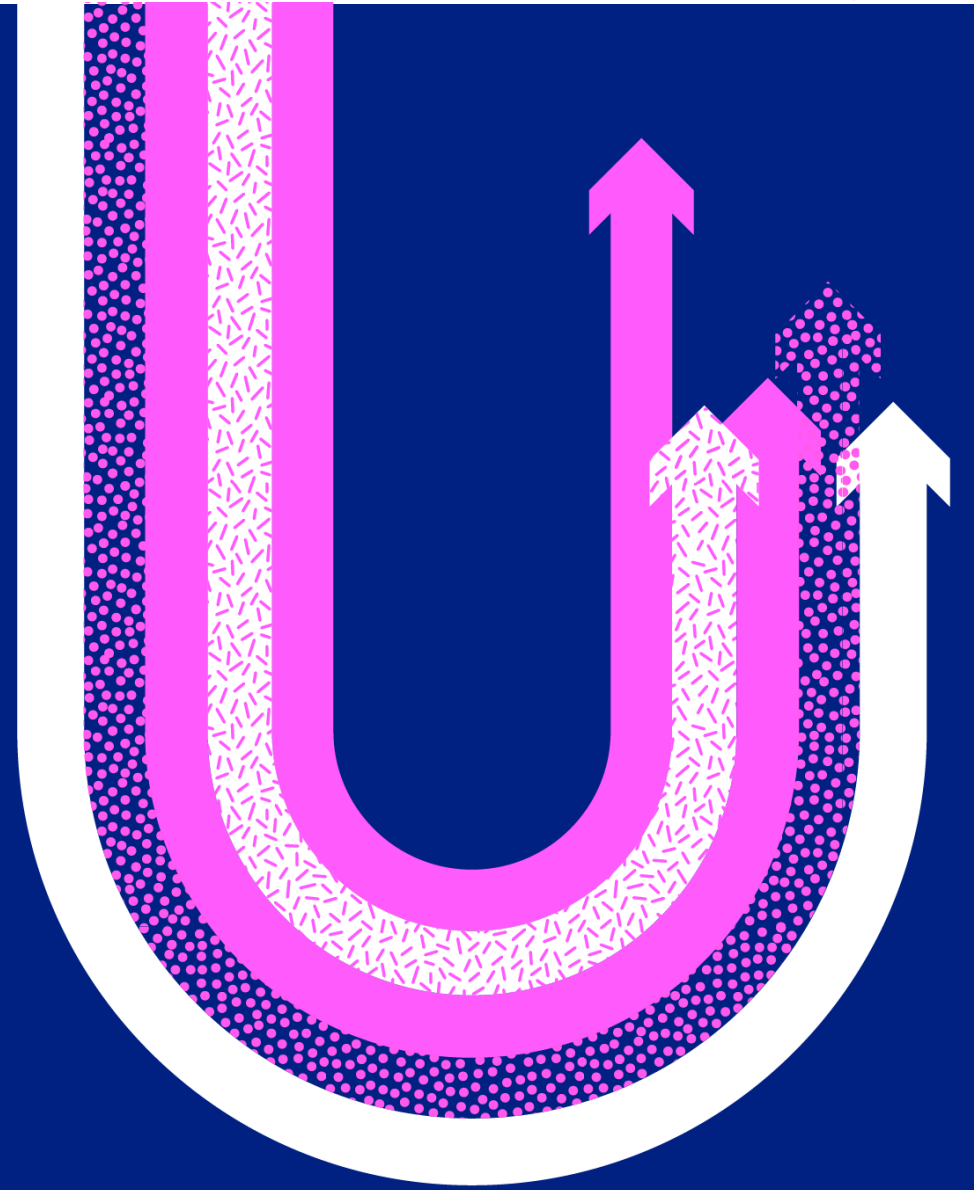
Email: j.kennila@eif.org

To find out more please visit us at:
www.eif.org

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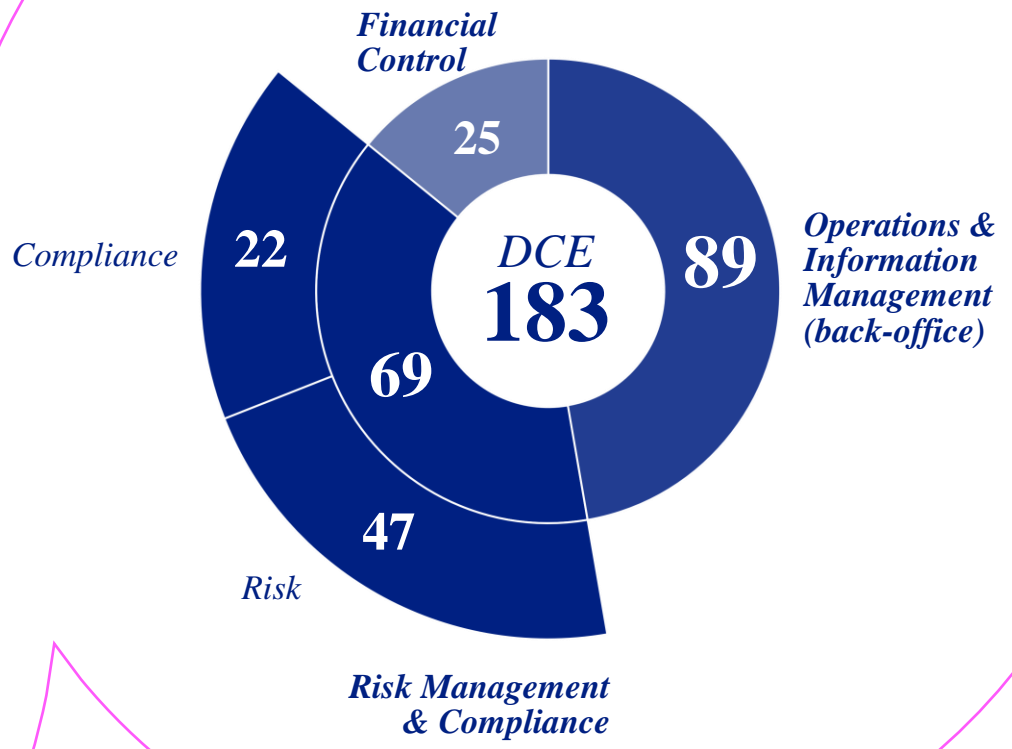
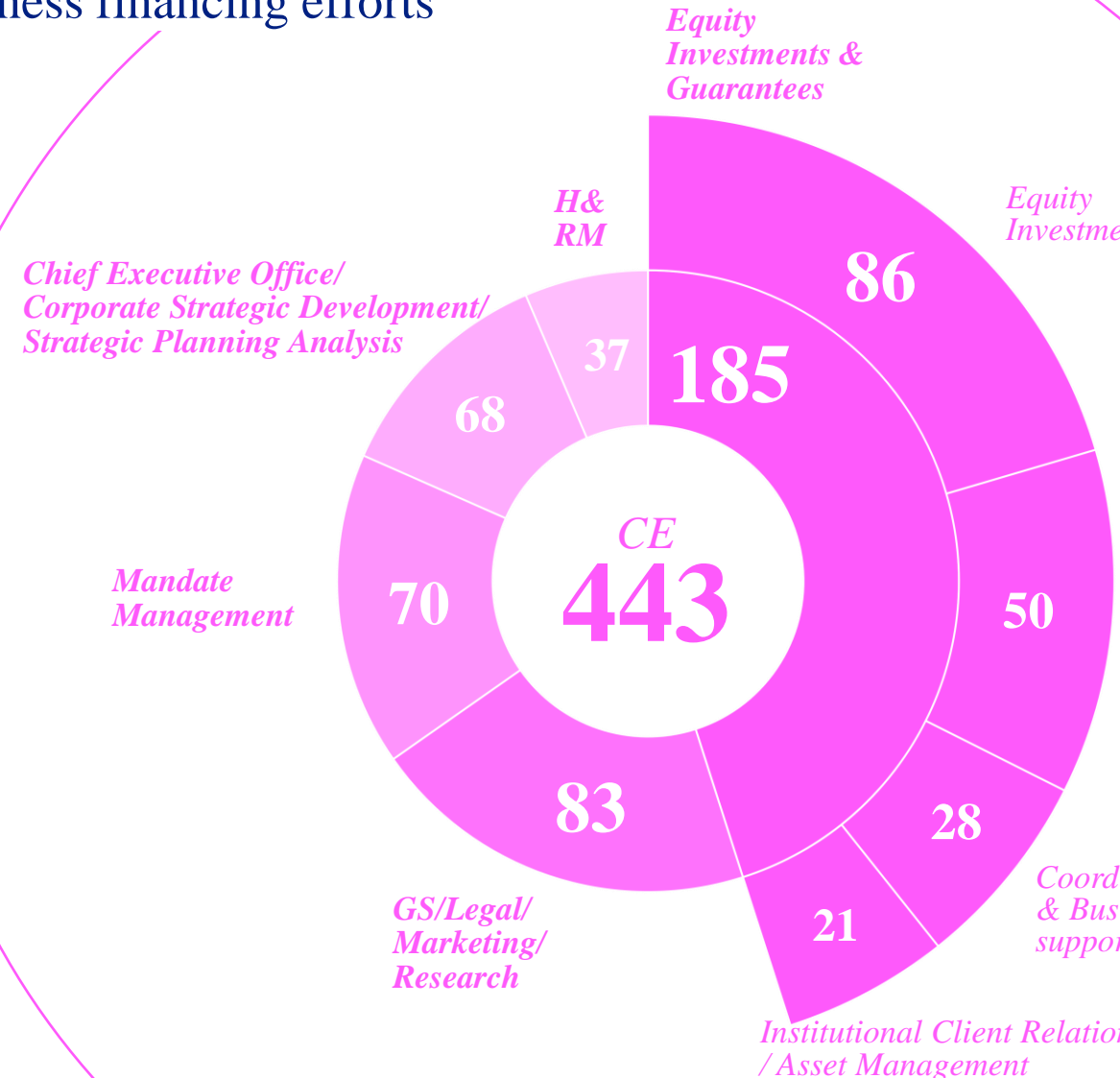
Annex



EIF structure

Overseeing our small business financing efforts

626
Dedicated staff



An unmatched deal sourcing...

... together with market standard setting Sure Diligence process

A discerning process, developed over decades, ensures real alignment of interest

Deal sourcing	Hundreds of deals are sourced and screened every year, leading to internal discussions among EIF experts
<i>Investment proposals</i>	
Deal screening	After the initial sourcing phase, meetings are planned with some of the GPs to further assess those deals which passed the first filter
<i>Meeting with managers</i>	
Meets EIF criteria	Formal due diligence begins, with <i>in situ</i> visit
<i>Due diligence</i>	
Meets mandate criteria	EIF stakeholders provide their individual assessments
<i>Global assessment</i>	
Investment	Deal negotiating and closing
<i>Commitment</i>	

Selecting only the best investments

Selecting top-performing managers

Track record

- expected to achieve *top quartile performance*
- *proven above average track record* in prior funds



Team & Structure

- *established* team
- *existing* relationship with EIF
- top EIF *risk rating*: best in class governance, team stability, market terms and conditions

Contribution to AMUF portfolio

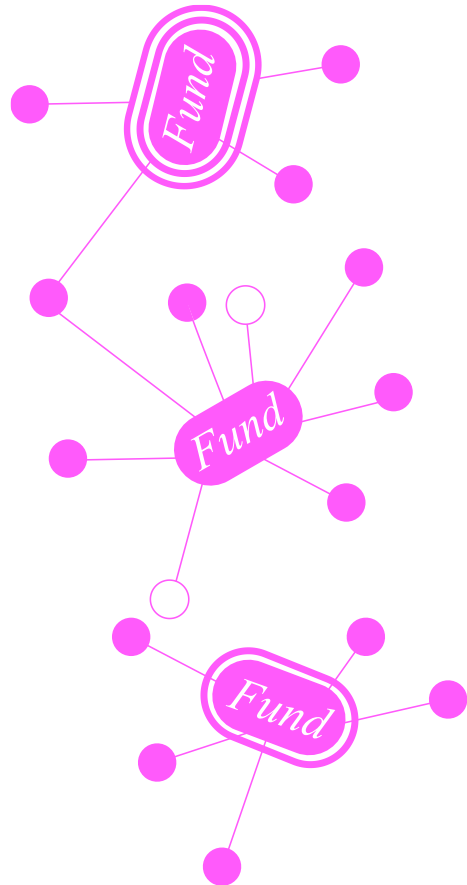
- *high accretion* value
- *risk diversification*

Our ESG assessment

As part of the due diligence process, these funds are asked to fill in an ESG questionnaire that focuses on a three pillar assessment, each with equal weighting



Based on how the funds score, they are then categorized into one of four grading levels



Pillar 1
ESG policies and processes

1/3
weighting

Pillar 2:
ESG monitoring & reporting

1/3
weighting

Pillar 3:
integration into investment decisions

1/3
weighting

Level 1 *Ambitions, resources, and ESG integration in business value proposition and team*

Level 2 *Ambitions and resources but ESG not fully implemented*

Level 3 *Ambitions but no resources fully or partially allocated to ESG integration*

Level 4 *ESG limited to current EIF's Exclusion Policies/ limited ESG implementation/ no answers provided*

Disclaimer

The European Investment Fund (EIF) was established in 1994 and has become a leading provider of risk financing for SMEs and mid cap companies across Europe.

It carries out its activities using either its own resources or those provided by the European Investment Bank, the European Commission, by EU Member States or other third parties. When operating within the EU Member States, EIF is not subject to supervision by any national regulator or supervisory authority and is governed by its own Statutes. Accordingly, rules and regulations of the EU or of EU Member States typically applicable to commercial entities may not encompass the EIF within their scope of mandatory application. Under article 2 of EIF's Statutes, EIF's activities shall be based on sound banking principles and other sound commercial principles and practices as applicable.

It enhances SME access to finance by developing and offering targeted financial products to intermediaries, such as banks, guarantee and leasing companies, micro-credit providers and private equity funds. In doing so it supports the implementation of European Union policies, notably in the field of entrepreneurship, technology, innovation and regional development.

For further information please visit www.eif.org

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