

INVEST
EUROPE

2019

Central and Eastern Europe

Private Equity Statistics

June 2020

In partnership with

GIDE

GIDE LOYRETTE NOUËL

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- > Our members take a long-term approach to investing in privately-held companies, from start-ups to established firms. They inject not only capital but dynamism, innovation and expertise. This commitment helps deliver strong and sustainable growth, resulting in healthy returns for Europe's leading pension funds and insurers, to the benefit of the millions of European citizens who depend on them.
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- > Invest Europe is a non-profit organisation with 25 employees in Brussels, Belgium.
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About this report

This report was compiled with the help of Invest Europe's Central and Eastern Europe Task Force. It provides annual activity statistics for the private equity and venture capital markets of Central and Eastern Europe (CEE) in 2019 and prior years.

The statistics contained herein are based solely on the “market approach”, wherein information is compiled to show activity in a particular country, regardless of the origin or location of private equity fund managers. This contrasts with the “industry approach” that shows the activity of fund managers based in a particular country, and which is not applied in this paper. Invest Europe believes using the market approach gives a more accurate picture of the overall investment trends and activities in the markets of CEE due to the significant activity of regional funds and fund managers.

For the purposes of this publication, CEE comprises the countries of Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine. These countries had a total population of about 161 million and registered a total GDP of €1.7 trillion in 2019.

We refer readers to the methodology and definitions sections at the back of this document to aid in understanding the data and terminology used throughout the text.

- > The European Data Cooperative (EDC) is a joint initiative developed by Invest Europe and its national association partners to collect Europe-wide industry activity on fundraising, investments and divestments.
- > The EDC platform is jointly owned and operated by the private equity and venture capital associations across Europe. Using one platform with a standardised methodology allows us to have consistent, robust pan-European statistics that are comparable across the region. As a result, we produce the most comprehensive overview of Europe's private equity and venture capital markets available, allowing us to better inform fund managers, investors, policymakers, regulators and other stakeholders. These efforts enhance Invest Europe's goal to be the most trusted and comprehensive source of European private equity and venture capital market data.
- > The EDC replaces Invest Europe's previous database PEREP_Analytics. All relevant

historic data was migrated to the EDC system.

- > All data since 2007 was restated and complemented with additional information. The compilation of the data is conducted in close coordination with data contributors and partnering national associations to ensure the best coverage and consistent application of methodology and definitions.
- > Invest Europe processes all available information at the time of the data collection cut-off to produce its annual statistics. Any differences between Invest Europe's statistics and those of other associations partnering in the EDC may be related to different reporting approaches, their own restatements and different timing of data collection cut-offs.

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Contents

Foreword	6	3. DIVESTMENTS		5. BUYOUT AND GROWTH	
Executive Summary	7	Summary	22	Summary	33
1. FUNDRAISING		Annual divestment values	23	By stage	34
Summary	8	By country	24	By sector	37
Fundraising for CEE	9	By exit route	26	By exit route	38
Sources of capital	10	By sector	27		
Geographic sources	11	4. VENTURE CAPITAL		6. APPENDIX	
By stage	12	Summary	28	Amendments of prior years' statistics	39
Fund stage focus	13	By stage	29	Methodology	40
2. INVESTMENTS		By sector	31	Definitions Fundraising	41
Summary	14	By exit route	32	Definitions Investments	42
Annual investment values	15			Definitions Divestments	43
By country	16				
By sector	18				
As percentage of GDP	19				
Types of investment	20				

Foreword



Eric de Montgolfier
CEO, Invest Europe



Robert Manz
Chairman, Invest Europe CEE Task Force

In 2019, Central and Eastern Europe (CEE) marked the thirtieth anniversary of the fall of the Berlin Wall and the beginning of the region's re-integration into the core of Europe. Over the last 30 years, progress has been remarkable and represents one of the few global examples of a peaceful and successful economic and political transition.

Private equity has played its part in the transformation. The industry has not only provided capital to create and develop the private sector businesses that have helped push the region to the forefront of European economic growth rates, but has also aided CEE's integration into the global economy, bringing skills, management, expertise and innovation to the convergence process. Many of the companies that private equity backed became success stories and the inspiration for ongoing development.

This year's CEE statistics report, the 16th annual publication by Invest Europe to highlight private equity's role in the region's unique transformation story, paints a picture of a mature private equity ecosystem that still has plenty of room to grow.

Notably, in 2019, private equity set new records for the number of private equity investments in

CEE companies thanks to the largest ever number of companies supported by venture capital, a significant milestone in the development of this part of the industry. With 2019 seeing the second largest amount ever raised for CEE VC funds, even more capital is poised to support the growth of the region's innovative and creative enterprises. All segments of private equity industry activity performed strongly last year, as divestments continued apace and fundraising sources diversified.

With three decades of successful growth and development behind it, CEE continues to look forward. As the region has matured, so have its fund managers. Through them, CEE's dynamic evolution continues to offer opportunities for investment across an increasingly diversified range of companies, stages and industries. We hope this report gives you a glimpse of the region's potential.

Eric de Montgolfier
CEO,
Invest Europe

Robert Manz
Chairman,
Invest Europe CEE
Task Force

Executive Summary

Fundraising activity

Total fundraising in Central and Eastern Europe (CEE) reached €1.4 billion in 2019, close to the previous five-year average, although a 47% decrease from the strong 2018 result. Meanwhile, fundraising across all of Europe increased 6% to €109 billion, resulting in CEE's share decreasing from 2.6% in 2018 to 1.3% in 2019. Government agencies were the largest source of capital for CEE in 2019, accounting for 38% of all funds raised, similar to 2018. This was followed by corporate investors (20% of the total), private individuals (12%) and banks (10%).

CEE-based investors were the leading geographic source of funds in 2019 and accounted for an unusually high 73% of the total capital raised. Among the funding raised from domestic CEE LPs, 47% was dedicated to CEE venture capital funds. Non-CEE European investors comprised 22% of total fundraising while non-European investors comprised only 4% of the total funds raised in 2019.

CEE venture capital funds raised the most funding in 2019 with €631 million, comprising 45% of the total capital raised. It is the second highest value ever for VC fundraising in CEE. The vast majority of this (i.e. 84%) went to VC fund managers based in Hungary and Poland. CEE buyout funds raised €570 million in 2019, just a third of the 2018 level, accounting for 40% of the total capital raised. Growth capital fundraising almost doubled in 2019 to €215 million, 15% of the CEE total.

Investment activity

Total private equity and venture capital investment in the CEE region reached its second highest annual result to date in value terms at €2.95 billion in 2019, funding an all-time record 464 companies. The value and number of companies were 7% and 10% above the previous year, respectively, and well above the previous five-year average. The growth in the number of companies was driven by a significant increase in venture capital investments. By comparison, the Europe-wide investment value increased 10% year-on-year to €94 billion in 2019, its highest ever level, with investment activity in CEE representing 3.1% of the European total, similar to 3.2% in 2018.

As in prior years, CEE investment activity in 2019 was concentrated in a few countries. Notably, Estonia was the leading destination with 23% of the region's total, followed by Poland (20%), Romania (19%), Serbia (14%) and Lithuania (11%). Hungary again saw the largest number of companies receiving private equity investment in 2019 at 198, or 43% of the CEE total.

CEE buyout investments amounted to €2 billion in 2019, similar to the 2018 level. Growth capital continued to be CEE's second most important investment type at €572 million, although 9% below the 2018 level. Venture capital investment reached an all-time record at €338 million, doubling year-on-year, in a record 369 companies.

Divestment activity

Private equity exits across CEE in 2019 totalled €946 million, measured at historical investment cost, about 20% below 2018. A total of 104 companies were divested in CEE in 2019, representing a 29% decrease year-on-year, mainly driven by a drop in the number of venture-backed companies and buyouts exited.

By comparison, divestment values declined in Europe as a whole by 16% in 2019 to €31 billion at cost. CEE divestments comprised 3.0% of total exit value in Europe in 2019, similar to 3.2% in 2018.

Trade sale was the most common CEE exit route in 2019 with €391 million at cost, or 41% of the regional total. At the same time, trade sale was the most utilised exit route by number of companies at 35, comprising 34% of the total. Sale to another private equity house was second with €323 million at cost, or 34% of total divestment value. Divestment by public offering ranked third with €80 million at cost, or 8% of the regional total.

Serbia accounted for the largest value of exits among the CEE countries in 2019 with €357 million of divestments at investment cost - 38% of the CEE total, driven mainly by hosting the CEE region's two largest exits that year. Poland was close behind, comprising 37% of the regional total value with €349 million.

Fundraising Summary

Total fundraising in CEE reached €1.4 billion in 2019, in line with the previous five-year average, although a 47% decrease from the strong result in 2018. By comparison, fundraising across all of Europe increased 6% to €109 billion, the highest level of the past decade. As a result, CEE's share of total European fundraising decreased from 2.6% in 2018 to 1.3% in 2019.

Government agencies, including multilateral organisations, the leading source of funding in CEE during the prior ten years, were again the largest source of capital in 2019, accounting for 38% of all capital raised in 2019. In absolute terms, funding from government agencies amounted to €543 million. Corporate investors followed with 20% of total funds raised, up from 4% in 2018. Private individuals grew in importance in 2019 and accounted for 12% of the total CEE fundraising, compared to 8% in 2018. Banks followed with 10% of CEE funds raised, similar to 9% in 2018. Notably, funds of funds decreased to 8% of total capital raised from 14% in the prior year.

From a geographic perspective, funding from CEE-based investors was the leading source of funds in 2019. CEE-located LPs invested €1 billion in 2019, accounting for 73% of the

total capital raised. This high proportion of funding from within CEE, not seen since 2015, was driven by local government agency-led initiatives in Hungary and to a lesser extent in Poland, as well as by local private Baltic investors. Contributing to this was also the fact that fundraising in CEE in 2019 was more VC-oriented, with few pan-regional buyout fund managers in the market following successful raisings in 2018. Fundraising sources from within CEE continued to be largely directed (i.e. 47%) towards venture capital funds. European investors from outside the CEE region accounted for 22% of total CEE fundraising in 2019, similar to 2018. Funding from non-European investors significantly decreased to 4%, the lowest proportion since 2015.

CEE venture capital funds raised €631 million, 45% of all CEE funds raised in 2019. Although just slightly below the record level achieved in 2018, the level of VC funds raised in 2019 is twice the average of the previous five years. The strong result is mainly due to government-led initiatives supporting VC funds in Hungary and Poland. This upward trend in VC fundraising led to enhanced venture capital investment activity in the

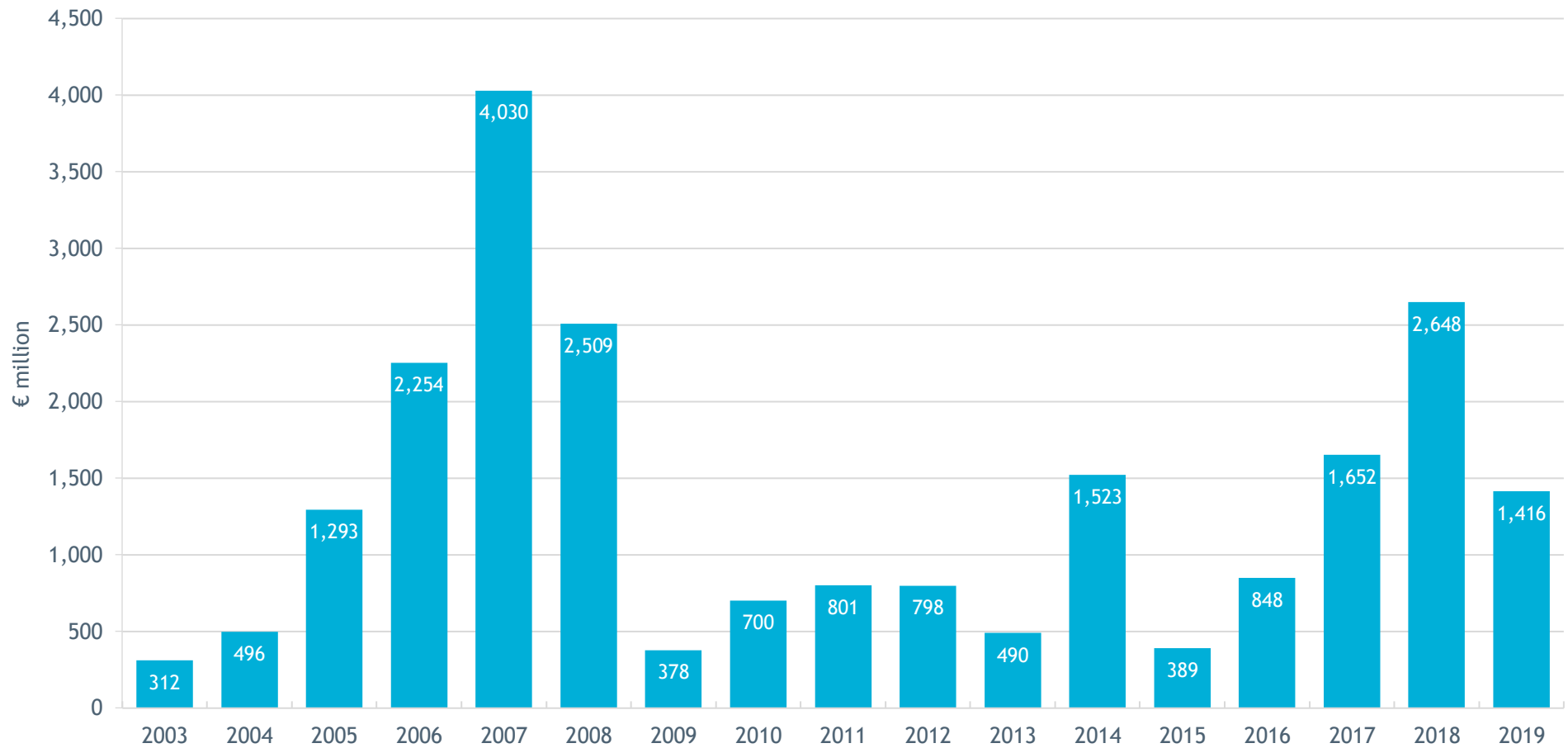
region in the 2018 - 2019 period, a trend anticipated to continue over the coming years.

CEE buyout funds raised €570 million, accounting for 40% of the total capital raised for the region in 2019. This amount is far below the 2018 result due to many CEE buyout funds having recorded their fundraisings in 2018. Growth capital fundraising almost doubled in 2019 to €215 million and comprised 15% of total CEE fundraising.

Please note that the fundraising figures in this section only cover private equity funds that are dedicated to the CEE region plus pan-European or global funds that report a clearly defined CEE investment allocation. The universe of funds active in CEE is wider, as other pan-European and global managers have deployed capital in CEE. Their activity is covered by the investment and divestment sections of this report.

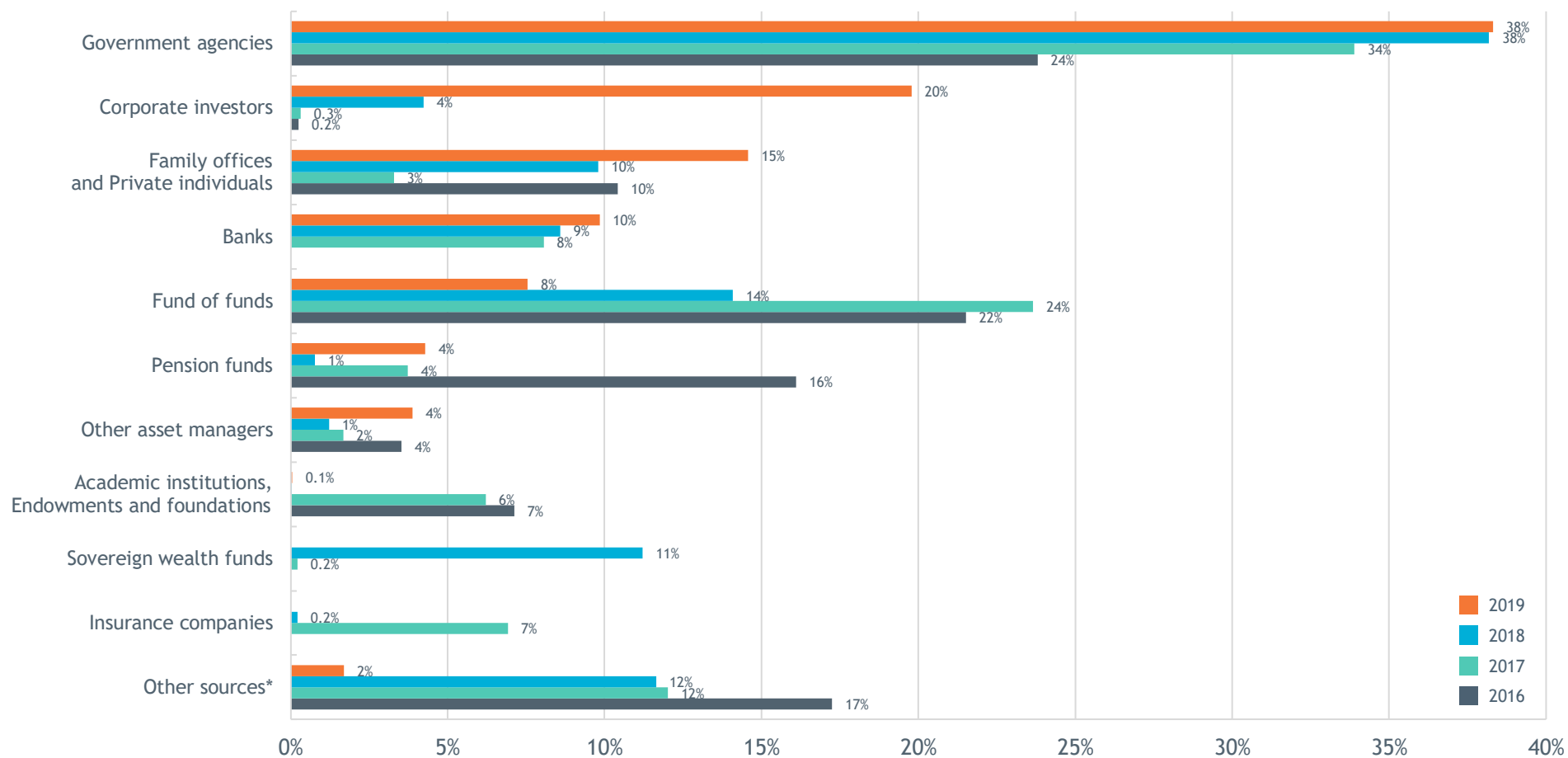
Fundraising Summary

Figure 1: Fundraising for CEE private equity, 2003-2019



Fundraising

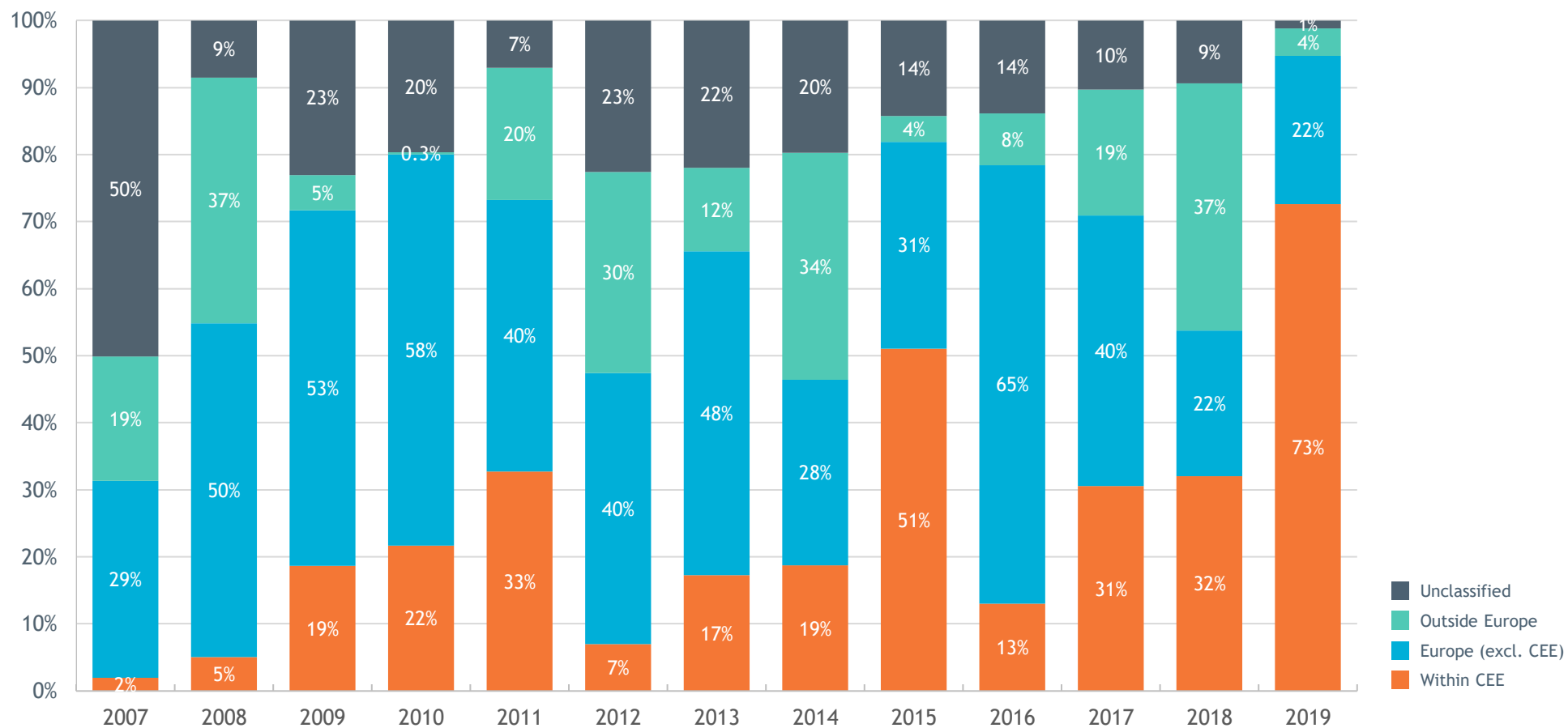
Figure 2: Sources of capital raised for CEE private equity in 2016-2019 (% of total)



*Other sources contain: Capital markets and Unclassified.

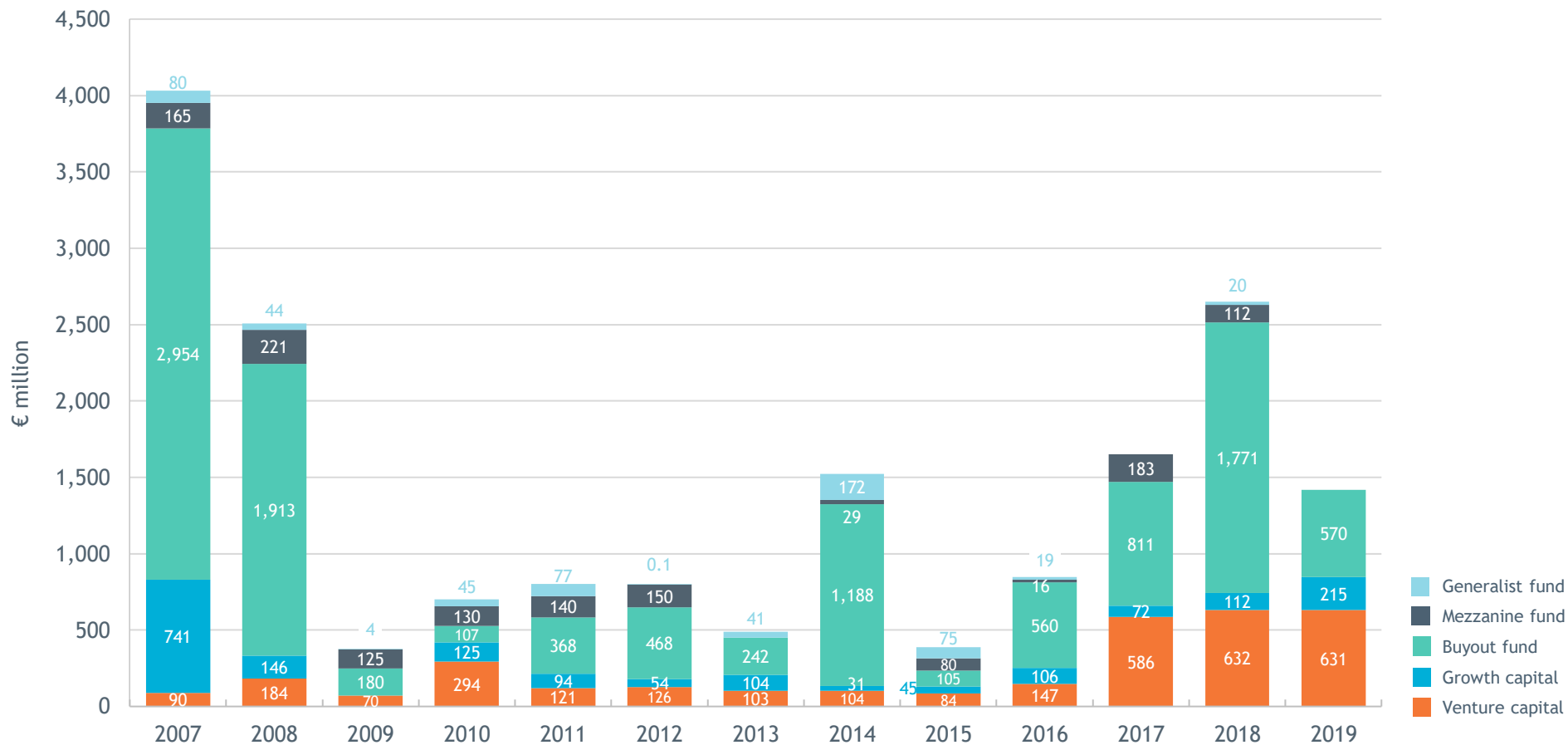
Fundraising

Figure 3: Geographic sources of funds raised for CEE private equity, 2007-2019



Fundraising

Figure 4: Fundraising by stage - incremental closings, 2007-2019



Fundraising

Table 1: CEE funds raised

Incremental closings during the year (in € thousands)

Fund stage focus	2018		2019	
	Amount	%	Amount	%
Early stage	441,269	16.7	225,680	15.9
Later stage venture	0	0.0	300,737	21.2
Venture (all stages)	190,683	7.2	104,544	7.4
Total venture	631,952	23.9	630,961	44.6
Growth capital	112,480	4.2	215,342	15.2
Buyout	1,771,234	66.9	569,975	40.2
Mezzanine	112,245	4.2	0	0.0
Generalist	20,391	0.8	0	0.0
Total funds raised for CEE	2,648,303	100.0	1,416,278	100.0
Total funds raised in Europe	102,911,504		109,345,120	

Table 2: CEE funds raised

Final closings during the year, cumulative amount raised since inception (in € thousands)

Fund stage focus	2018		2019	
	Amount	Number of funds	Amount	Number of funds
Early stage	350,305	14	245,069	9
Later stage venture	0	0	300,737	4
Venture (all stages)	151,425	4	113,338	3
Total venture	501,730	18	659,143	16
Growth capital	37,518	1	138,992	2
Buyout	527,274	5	578,386	5
Mezzanine	264,106	1	0	0
Generalist	20,391	1	0	0
Cumulative funds raised for CEE at final closings	1,351,019	26	1,376,521	23

Investments Summary

In 2019, private equity investment in the CEE region reached its second highest annual result in value terms at €2.95 billion, funding an all-time record 464 companies. The value and number of companies were 7% and 10% above the previous year, respectively. The growth in number of companies was driven by a significant increase in the number of companies receiving venture capital funding - a trend already started in 2018. By comparison, Europe-wide investments increased 10% year-on-year to €94 billion in 2019, the highest level ever recorded, with the CEE region representing 3.1% of the European total, similar to 3.2% in 2018.

CEE private equity investment measured as a percentage of the region's GDP again reached 0.175% in 2019. This remains just a third of the European average of 0.533%, in line with the previous year. Large transactions generated notable exceptions: Estonia and Serbia ranked first and second on this metric across all Europe reaching 2.462% and 0.905%, respectively. Lithuania achieved the eighth best country result in Europe with 0.683%, while Romania was also above the CEE regional total at 0.253%.

As in prior years, CEE private equity investment activity in 2019 was concentrated in a few countries. Notably, Estonia was the leading destination country by value with 23% of the region's total investment. But this only accounted for 7% of the total number of CEE companies receiving funding. In terms of value, it was followed by Poland with 20% of total CEE investments, Romania (19%), Serbia (14%) and Lithuania (11%). These five countries combined comprised 87% of the total CEE investment by value

and 39% of the total companies receiving private equity investment in 2019. Again this year, Hungary saw the largest number of companies receiving private equity investment at a record level for that market of 198, comprising 43% of the CEE total and driven primarily by VC investments.

The annual investment results in the region and in individual countries can be influenced by a single large investment. In 2019, the four largest investments accounted for 50% of the total amount invested in the region. These large transactions took place in Estonia, Serbia, Romania and Lithuania. By comparison, in 2018, the five largest transactions accounted for 53% of the total investment amount for the region and took place in the Czech Republic, Hungary, Romania, Poland and Estonia.

In terms of sectors, information and communication technology (ICT) received €1.3 billion of investment into 206 companies, the largest sector at 44% of total value and number of companies in 2019. This was driven by two large investments that accounted for 52% of the sector total by value. The strong performance of ICT in terms of number of companies receiving investment was due largely to venture capital activity. The financial and insurance sector ranked second with €661 million, 22% of the total CEE investment value, invested into 23 companies. Consumer goods and services, traditionally important in the region, ranked third with €452 million, or 15% of the CEE total, invested into 83 companies. Both sectors had a single large transaction that drove value. Business products and services saw €331 million invested, 11% of the total, into 79 companies.

Together the four sectors noted above comprised 93% of the total CEE investment value in 2019.

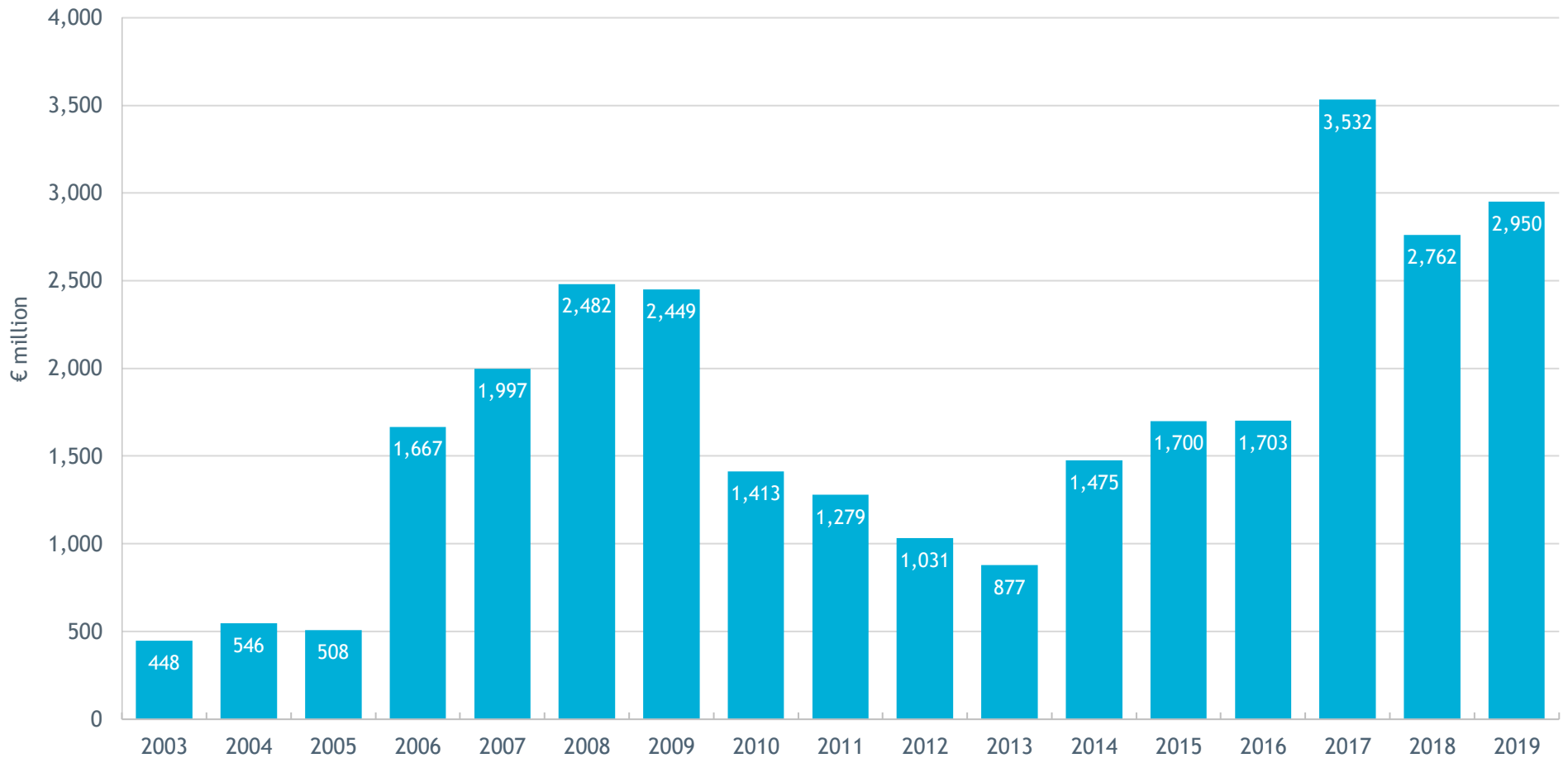
CEE buyout investments accounted for €2 billion in 2019, similar to 2018. Meanwhile, buyouts across all of Europe increased 8% year-on-year in 2019 to €65 billion - the highest level since 2007. Buyouts comprised 69% of total CEE investments by value, similar to the average across all of Europe. In 2019, 45 CEE companies received buyout financing, similar to 48 financed in 2018.

Growth capital funding continued to be CEE's second most important type of investment in 2019. At €572 million, a 9% decrease year-on-year, it comprised 19% of the region's total. The number of CEE companies backed by growth funding was 48 compared to 53 in 2018.

CEE venture capital investment reached a record annual value of €338 million in 2019, a two-times increase year-on-year, invested in a record 369 companies. The continued strong VC activity in CEE reflects new investments being made after three strong years of VC fundraising in the CEE region.

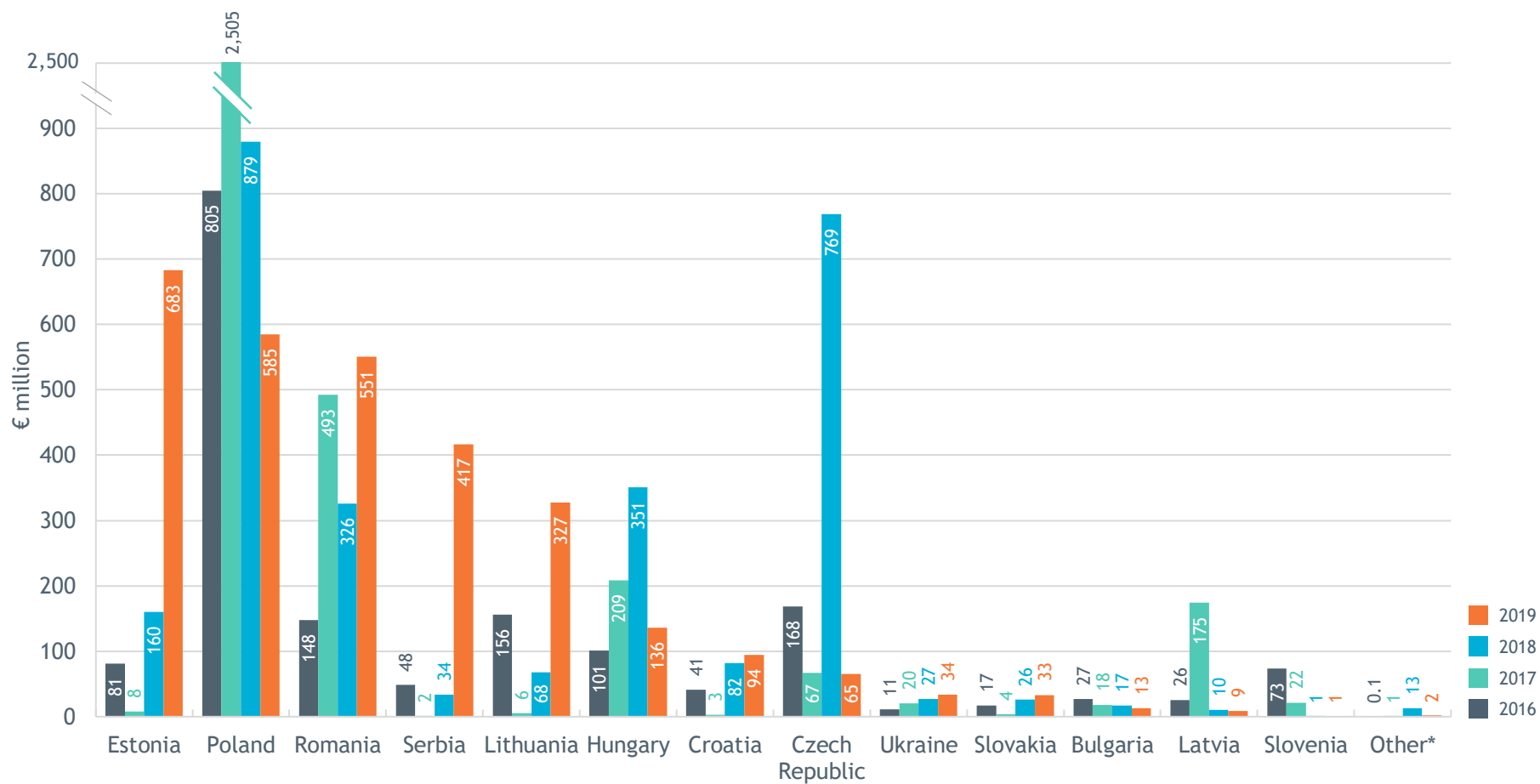
Investments Summary

Figure 5: Annual investment value in the CEE region, 2003-2019



Investments

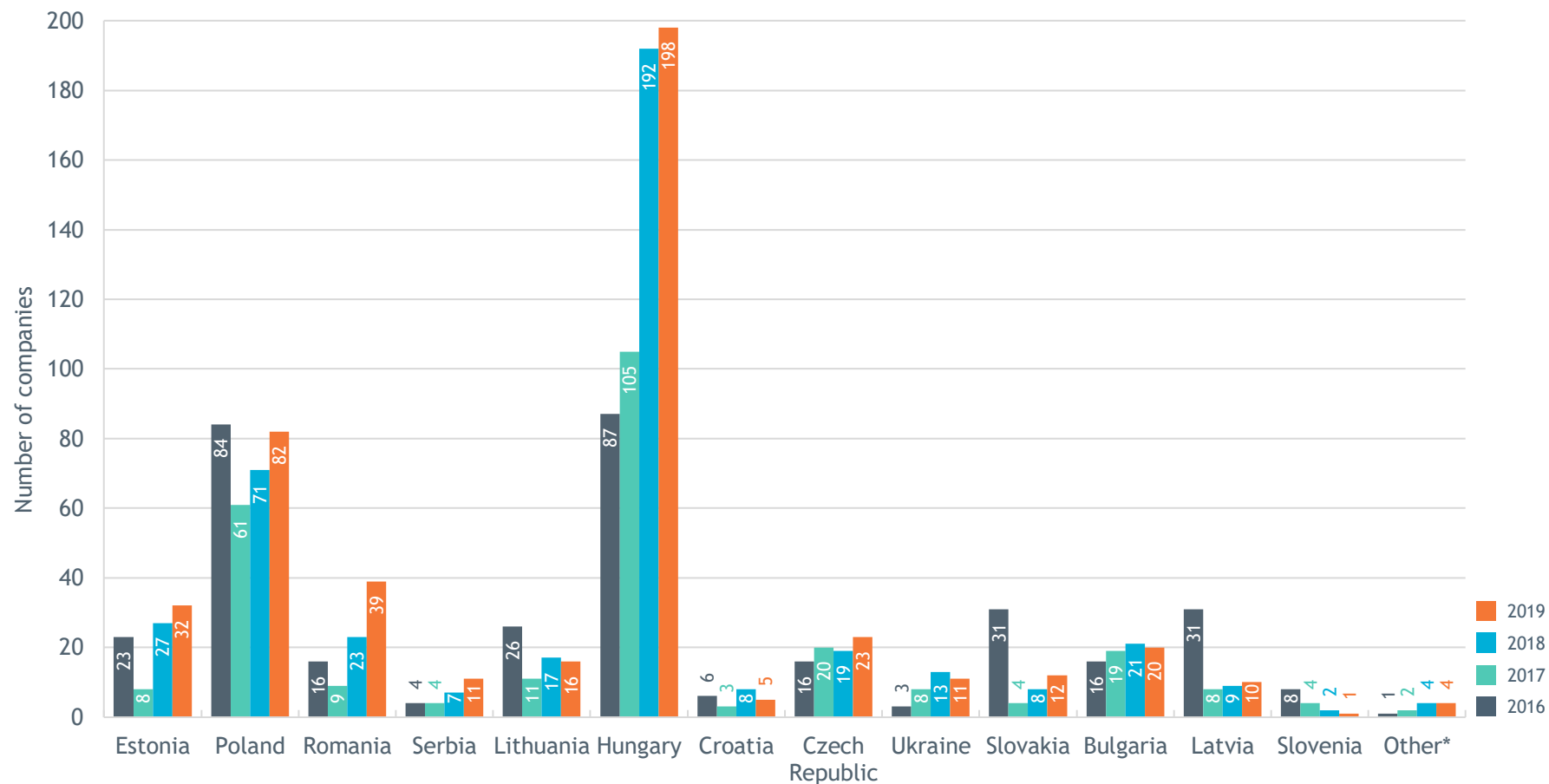
Figure 6: Annual investment value in CEE, 2016-2019



*Other consists of Bosnia & Herzegovina, Moldova, Montenegro and North Macedonia.

Investments

Figure 7: Annual investment in CEE, 2016-2019 (number of companies)



*Other consists of Bosnia & Herzegovina, Moldova, Montenegro and North Macedonia.

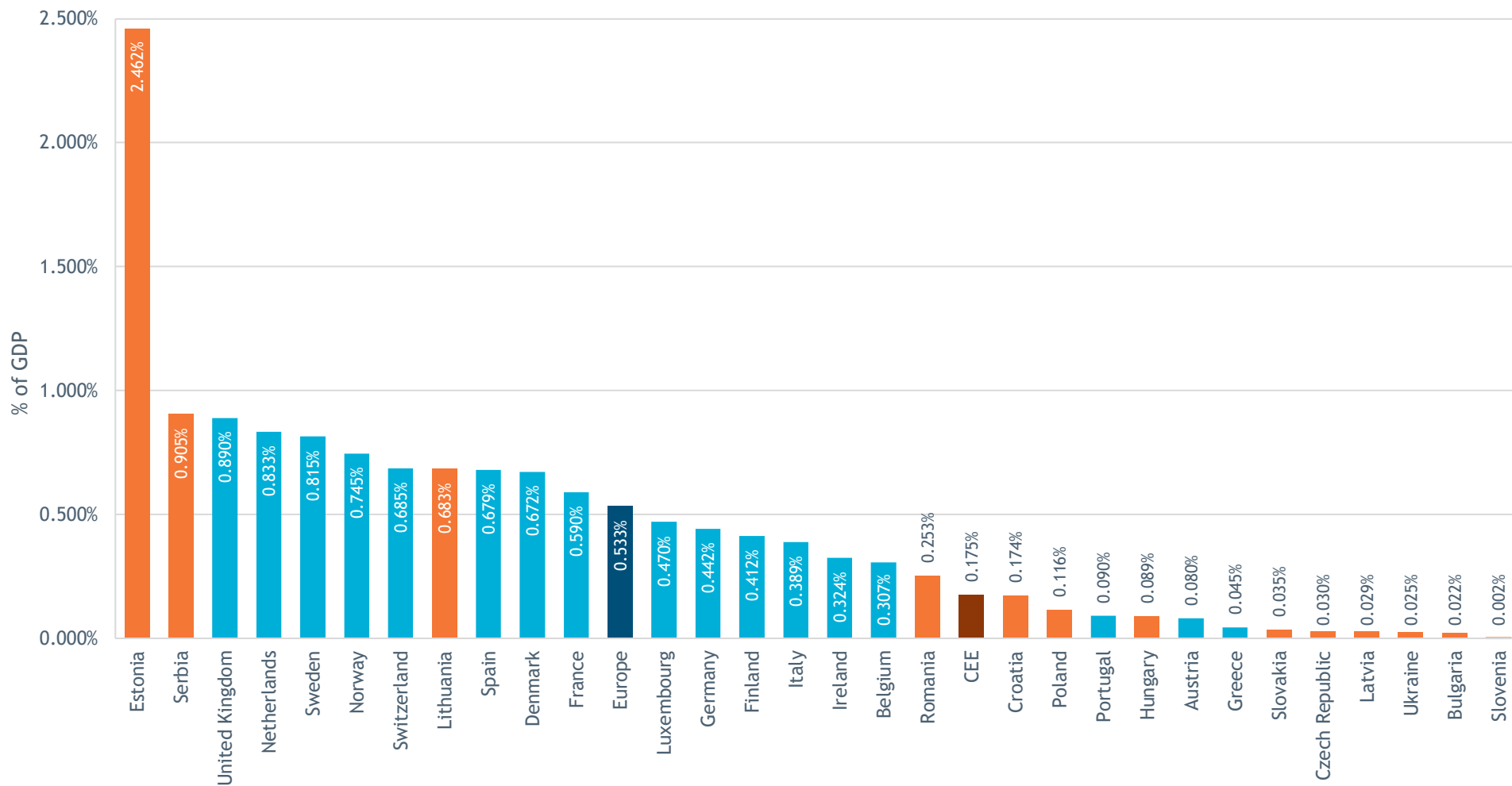
Investments

Table 3: Investment by sector, 2018-2019 (€ thousands)

	2018				2019			
	Amount	%	Number of companies	%	Amount	%	Number of companies	%
Agriculture	25,240	0.9	4	1.0	2,397	0.1	2	0.4
Biotech and healthcare	854,068	30.9	42	10.0	142,725	4.8	36	7.8
Business products and services	314,539	11.4	58	13.8	330,777	11.2	79	17.0
Chemicals and materials	4,331	0.2	3	0.7	22,913	0.8	4	0.9
Construction	20,125	0.7	5	1.2	2,185	0.1	3	0.6
Consumer goods and services	736,748	26.7	84	20.0	452,211	15.3	83	17.9
Energy and environment	39,269	1.4	15	3.6	24,685	0.8	15	3.2
Financial and insurance activities	173,186	6.3	18	4.3	661,421	22.4	23	5.0
ICT (Information and communication technology)	429,134	15.5	169	40.1	1,287,035	43.6	206	44.4
Real estate	1,018	0.0	2	0.5	3,156	0.1	3	0.6
Transportation	131,439	4.8	18	4.3	20,750	0.7	10	2.2
Other	33,095	1.2	3	0.7	0	0.0	0	0.0
Total investment	2,762,191	100.0	421	100.0	2,950,254	100.0	464	100.0

Investments

Figure 8: Private equity investments as a percentage of GDP, 2019 (by country of destination of investment)



Investments

Table 4: Type of investment in CEE vs. Europe, 2019 (in € thousands)

	2019			
	Total CEE	% of total	Total Europe	% of total
Seed	53,807	1.8	864,407	0.9
Start-up	184,925	6.3	5,968,548	6.4
Later stage venture	99,570	3.4	3,771,613	4.0
Total venture	338,302	11.5	10,604,568	11.3
Growth	572,069	19.4	16,117,155	17.2
Rescue/Turnaround	2,393	0.1	196,107	0.2
Replacement capital	12,195	0.4	2,032,848	2.2
Buyout	2,025,296	68.6	64,921,513	69.2
Total	2,950,254	100.0	93,872,191	100.0

Table 5: Type of investment in CEE, 2018-2019 (in € thousands)

	2018		2019	
	Amount	Number of companies	Amount	Number of companies
Seed	42,088	206	53,807	202
Start-up	106,009	109	184,925	151
Later stage venture	23,900	10	99,570	27
Total venture	171,997	319	338,302	369
Growth	628,656	53	572,069	48
Rescue/Turnaround	0	0	2,393	2
Replacement capital	24,625	7	12,195	3
Buyout	1,936,914	48	2,025,296	45
Total	2,762,191	421	2,950,254	464

Investments

Table 6: Type of investments by CEE country, 2018-2019 (in € thousands)

2019

Stage focus	Bulgaria	Croatia	Czech Rep.	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Serbia	Slovakia	Slovenia	Ukraine	Other*
Seed	2,804	0	870	5,885	36,275	185	1,721	4,388	0	750	0	0	400	530
Start-up	1,450	450	19,128	12,625	51,947	3,492	2,392	54,905	13,931	2,271	13,998	0	7,005	1,332
Later stage venture	0	650	3,567	16,974	32,592	0	0	40,262	3,500	500	1,525	0	0	0
Total venture	4,254	1,100	23,565	35,484	120,814	3,677	4,113	99,554	17,431	3,521	15,523	0	7,405	1,862
Growth	7,218	18,151	324	8,573	14,971	3,745	114,780	90,705	276,445	0	9,756	780	26,621	0
Rescue/Turnaround	0	0	0	0	393	0	0	0	0	0	2,000	0	0	0
Replacement capital	0	0	0	0	0	0	350	11,845	0	0	0	0	0	0
Buyout	1,680	75,000	41,350	638,559	54	1,645	208,138	382,990	256,780	413,100	6,000	0	0	0
Total	13,152	94,251	65,239	682,616	136,231	9,067	327,381	585,093	550,655	416,621	33,279	780	34,026	1,862

2018

Stage focus	Bulgaria	Croatia	Czech Rep.	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Serbia	Slovakia	Slovenia	Ukraine	Other*
Seed	3,921	300	1,150	4,204	23,496	500	1,438	4,744	0	400	0	0	1,935	0
Start-up	820	1,520	14,062	956	42,942	2,616	1,388	28,579	3,031	3,465	3,790	0	893	1,946
Later stage venture	2,261	0	0	10,000	7,208	0	0	3,780	0	0	350	300	0	0
Total venture	7,002	1,820	15,212	15,160	73,647	3,116	2,826	37,103	3,031	3,865	4,140	300	2,828	1,946
Growth	3,877	7,612	3,510	5,459	21,591	360	51,960	313,307	197,978	0	1,500	1,150	19,797	556
Rescue/Turnaround	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement capital	6,200	0	0	400	0	500	10,169	7,356	0	0	0	0	0	0
Buyout	0	72,225	749,975	138,868	255,996	6,231	2,600	521,242	124,584	30,000	20,511	0	4,109	10,573
Total	17,079	81,657	768,697	159,888	351,233	10,207	67,555	879,008	325,592	33,865	26,151	1,450	26,733	13,075

*Other consists of Bosnia & Herzegovina, Moldova, Montenegro and North Macedonia.

Divestments Summary

Private equity exits across CEE in 2019 reached €946 million, measured at historical investment cost, about 20% below the 2018 level. By comparison, divestment values declined in Europe as a whole by 16% in 2019 to €31 billion at cost. CEE divestments comprised 3.0% of the total exit value in Europe in 2019, similar to 3.2% in 2018. A total of 104 companies were divested in CEE in 2019, representing a 29% decrease year-on-year, mainly driven by a drop in the number of venture-backed companies and buyouts exited.

Hosting CEE's two largest divestments in 2019, Serbia accounted for the largest value of exits among the CEE countries in 2019 with €357 million measured at investment cost - 38% of the CEE total. Poland was close behind with €349 million at cost, or 37% of the regional total. At the same time, Poland saw the largest number of companies divested in 2019 at 37, or 36% of the total. In value terms, the Czech Republic ranked third, accounting for €80 million of exits at investment cost, or 9% of the total. Romania was in fourth place in value of exits with €53 million (6% of the total). The four countries mentioned above accounted for 89% of the total CEE divestment value and 50% of the total number of companies exited in 2019.

It should be noted that CEE exit values can be affected by a limited number of large deals. In 2019, the two largest exits, both taking place in

Serbia, accounted for 37% of the CEE's overall exit value at cost. For comparison, in 2018, the five largest transactions accounted for 44% of the region's total.

Trade sale was the most common CEE exit route in 2019 with €391 million at cost, or 41% of the regional total. It was also the most popular by number of companies with 35 companies exited (34% of the total).

Sale to another private equity house - the secondary market - the most prominent exit route in CEE for the three previous years, was the second most accessed exit method in 2019. With €323 million at historical cost, this channel accounted for 34% of the regional exit total by value. The number of companies exited via the secondary market decreased from 23 in 2018 to 10 to account for 10% of total CEE companies sold in 2019.

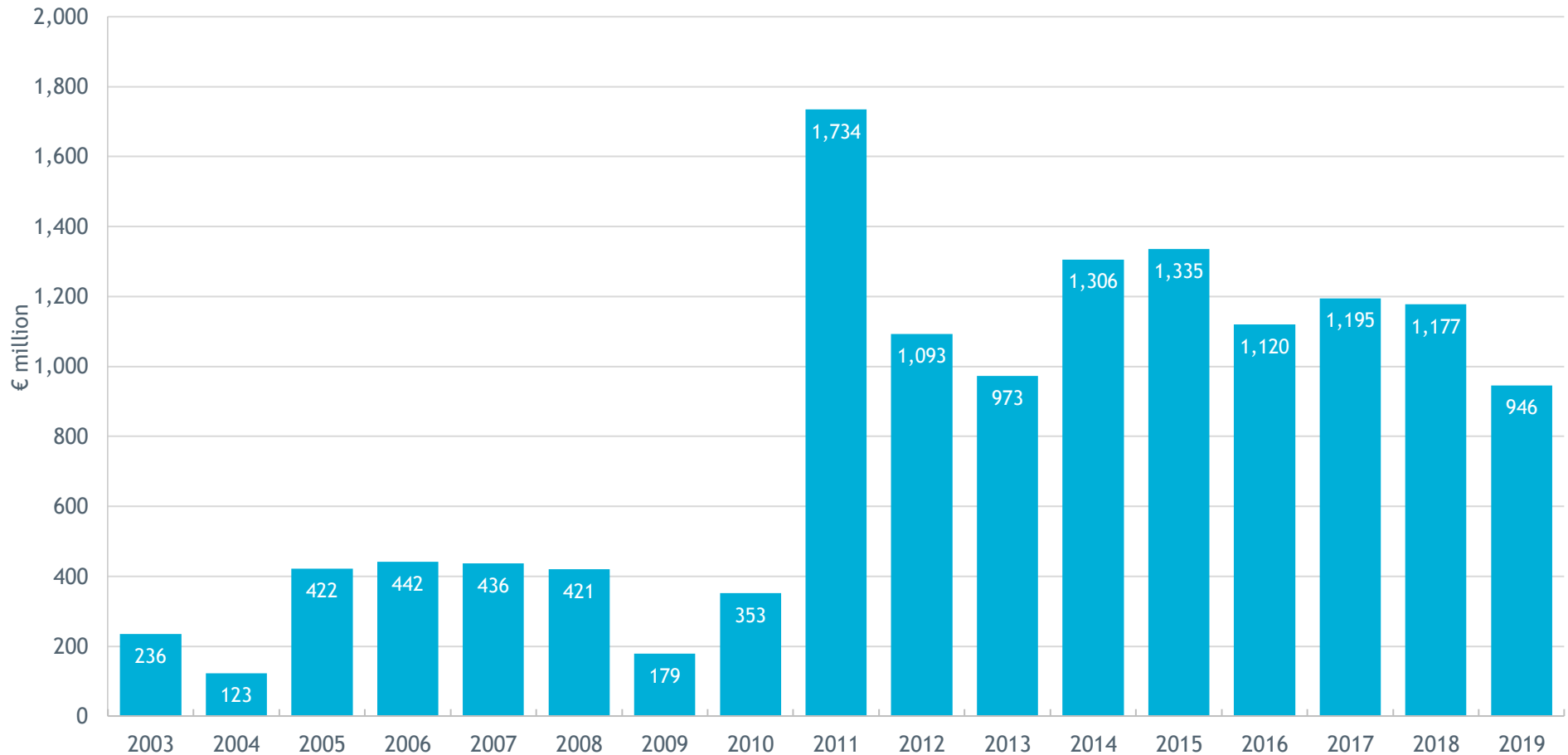
Divestment by public offering was the third most accessed exit route in 2019, accounting for €80 million at cost and comprising six companies. Write-offs remained at a low level, which is typical for the CEE region, accounting for 4% of the total CEE exit value at cost and comprising seven companies.

Information and communication technology (ICT) was the most important sector for exits in value terms in 2019 with €325 million divested at

historical cost - 34% of the region's total value - comprising 31 companies exited or 30% of the total number. Notably, this sector includes the region's largest exit transaction in 2019, which accounted for two-thirds of the sector's total exit value. The second largest divested sector by value was consumer goods and services with €246 million at historical cost - 26% of the CEE total by value - with the highest number of companies exited at 32, representing 31% of the total. It is worth noting that the second largest exit transaction in the region in 2019 was recorded in this sector, accounting for over half of the sector's total exit value. Business products and services was the third most exited sector, with €148 million divested at cost, or 16% of the CEE total by value, among 19 companies (18% of the CEE total).

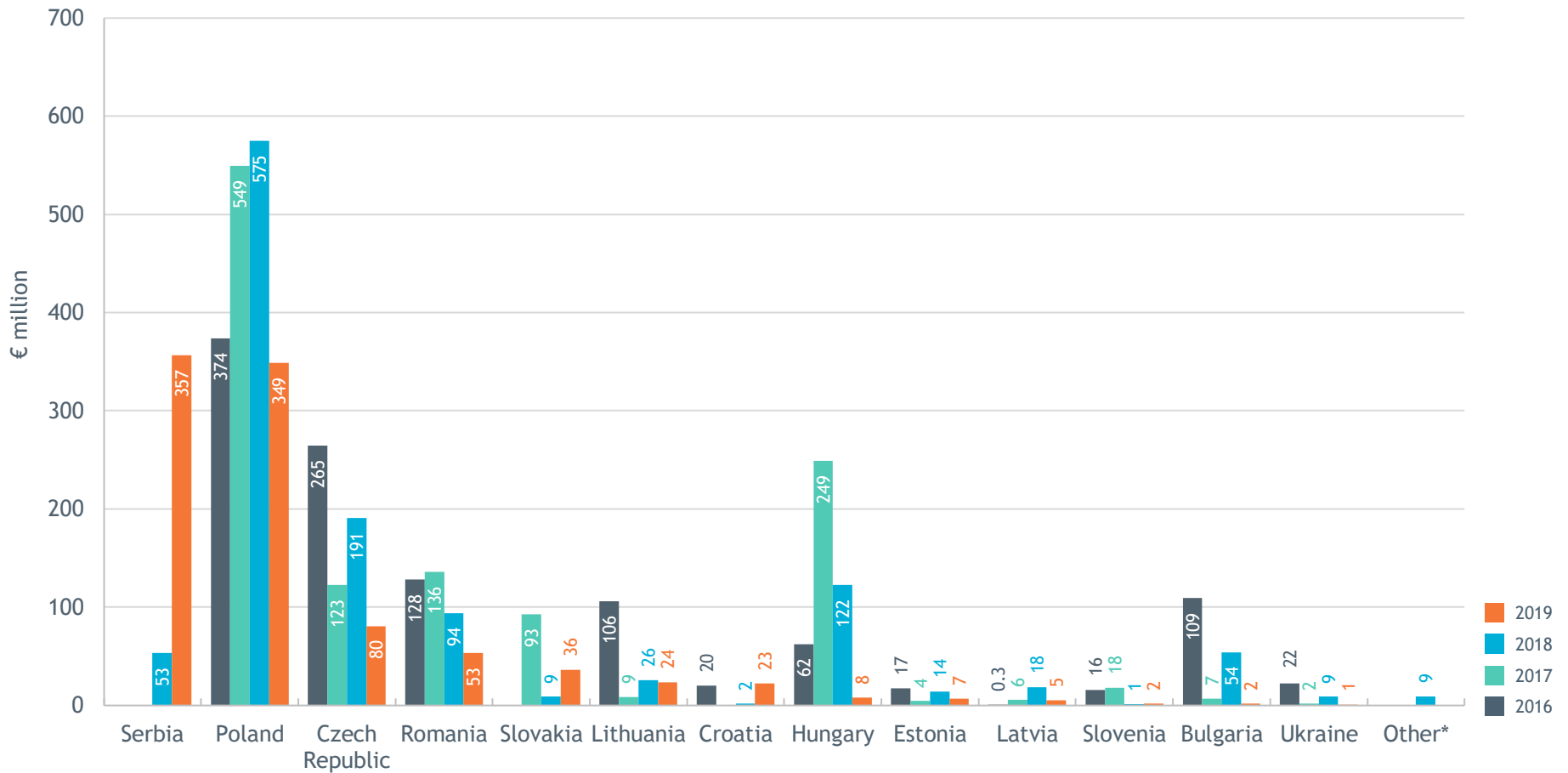
Divestments Summary

Figure 9: Divestment value in CEE, 2003-2019 (value at historical investment cost)



Divestments

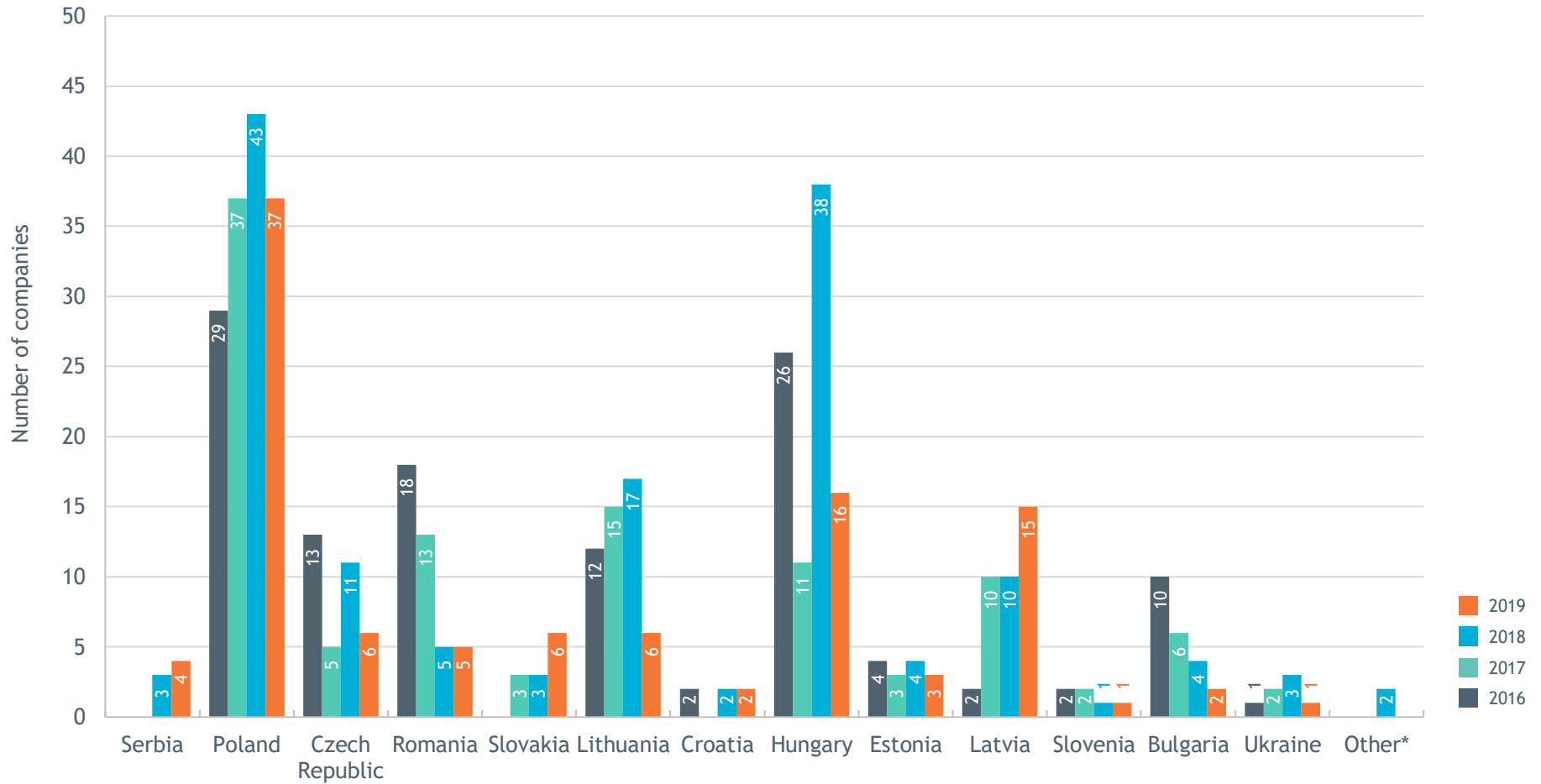
Figure 10: Divestment value by CEE country, 2016-2019 (value at historical investment cost)



*Other consists of Bosnia & Herzegovina, Moldova, Montenegro and North Macedonia.

Divestments

Figure 11: Divestments by CEE country, 2016-2019 (number of companies)



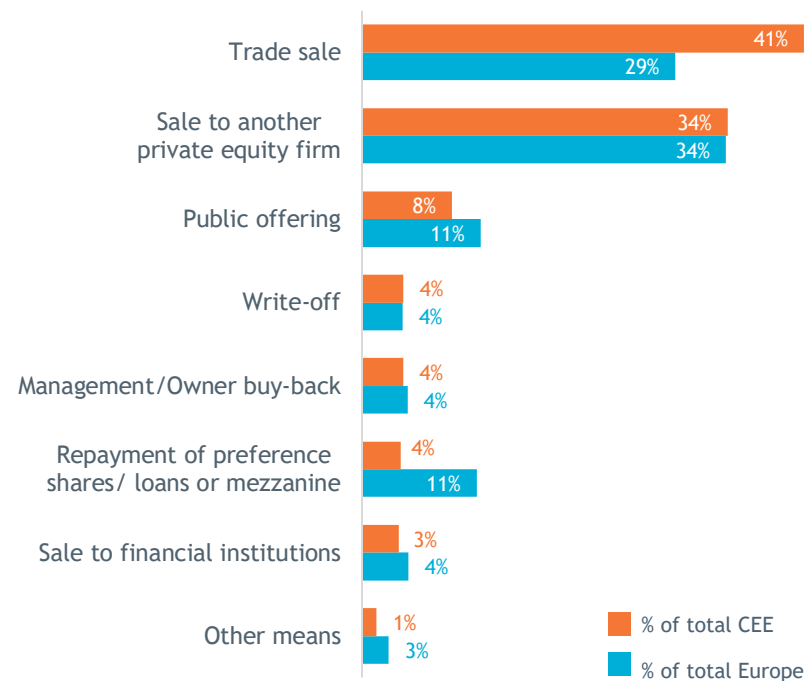
*Other consists of Bosnia & Herzegovina, Moldova, Montenegro and North Macedonia.

Divestments

Table 7: Divestments by exit route in CEE, 2018-2019
(value at historical investment cost in € thousands)

	2018		2019	
	Amount at cost	Number of companies	Amount at cost	Number of companies
Trade sale	230,511	39	390,600	35
Sale to another private equity firm	404,578	23	323,035	10
Public offering	173,357	7	79,566	6
Write-off	13,761	15	36,658	7
Management/Owner buy-back	41,487	29	36,334	16
Repayment of preference shares/loans or mezzanine	32,180	15	34,003	16
Sale to financial institutions	272,451	6	32,460	5
Other means	8,979	13	12,887	10
Total divestment	1,177,304	146	945,543	104

Figure 12: Exit routes in CEE vs. total Europe, 2019
(% of value at historical investment cost)



Divestments

Table 8: CEE divestments by sector, 2018-2019 (value at historical investment cost, in € thousands)

	2018				2019			
	Amount at cost	%	Number of companies	%	Amount at cost	%	Number of companies	%
Agriculture	2,031	0.2	3	2.1	0	0.0	0	0.0
Biotech and healthcare	156,516	13.3	13	8.9	77,105	8.2	8	7.7
Business products and services	61,866	5.3	29	19.9	147,780	15.6	19	18.3
Chemicals and materials	32,773	2.8	5	3.4	0	0.0	0	0.0
Construction	41,533	3.5	7	4.8	31,254	3.3	2	1.9
Consumer goods and services	440,036	37.4	30	20.5	245,859	26.0	32	30.8
Energy and environment	63,598	5.4	6	4.1	70,578	7.5	4	3.8
Financial and insurance activities	33,734	2.9	5	3.4	36,885	3.9	2	1.9
ICT (Information and communication technology)	286,271	24.3	40	27.4	324,726	34.3	31	29.8
Real estate	1,565	0.1	1	0.7	0	0.0	0	0.0
Transportation	50,863	4.3	4	2.7	11,096	1.2	5	4.8
Other	6,517	0.6	3	2.1	262	0.0	1	1.0
Total divestment	1,177,304	100.0	146	100.0	945,543	100.0	104	100.0

The CEE venture capital market

Venture capital investment in CEE doubled in 2019 to hit a record of €338 million, invested into a record 369 companies. VC investments comprised a more substantial 11% of the region's total private equity investments by value, up from 6% in 2018. The number of CEE companies receiving VC backing was up 16% year-on-year. VC-backed companies represented 80% of the total number of all CEE private equity financed companies in 2019. The trend of growing VC investments in CEE is expected to continue going forward due to the record level of VC fundraising observed over the last three years.

Central and Eastern Europe represented 3.2% of the total European venture capital investment value in 2019, while the region accounted for 7.9% of the European companies receiving venture capital funding. The average VC investment per company in CEE significantly increased from €0.5 million in 2018 to €0.9 million in 2019, but remained far below the European level of €2.3 million.

Start-up stage investment rose by 74% year-on-year to a record €185 million in 2019 and again was the largest category of the VC market in CEE, accounting for 55% of the region's total VC investment value in 2019. The number of CEE start-up companies receiving VC funding increased from 109 to 151, comprising 41% of the total VC-backed companies in 2019. Later stage venture investment increased over four times in value terms, reaching €100 million in 2019. The number of later stage companies receiving VC funding increased from 10 in 2018 to 27 in 2019.

Seed investments increased in value by 28% to €54 million, invested into 202 companies, comprising 55% of the total VC-backed companies in 2019.

Hungary was again the leading destination for venture capital investment in CEE in 2019 with €121 million, an all-time high for the country, accounting for 36% of the regional VC sector annual total. The country also retained the lead in terms of number of companies, with an all-time high of 192 companies receiving VC funding in 2019, representing 52% of the total number of VC-backed companies in CEE that year. Poland followed with a record €100 million of VC investment, representing nearly a three-fold increase compared with 2018 and 29% of the regional total in 2019. This was invested into 58 companies, or 16% of the CEE VC total. Together, these two countries accounted for 65% of CEE total venture capital investments by amount and 68% by number of companies in 2019.

Information and communication technology (ICT) companies in CEE continued to receive the most VC funding, with an 82% year-on-year value increase to €180 million, invested into 184 companies. ICT accounted for 53% of the region's total venture investment by value and 50% by number of companies. Business products and services was second, growing over five times in value to €64 million, invested into 51 companies. This sector accounted for 19% of the region's total VC investment by value and 14% by number of companies. These two sectors together accounted

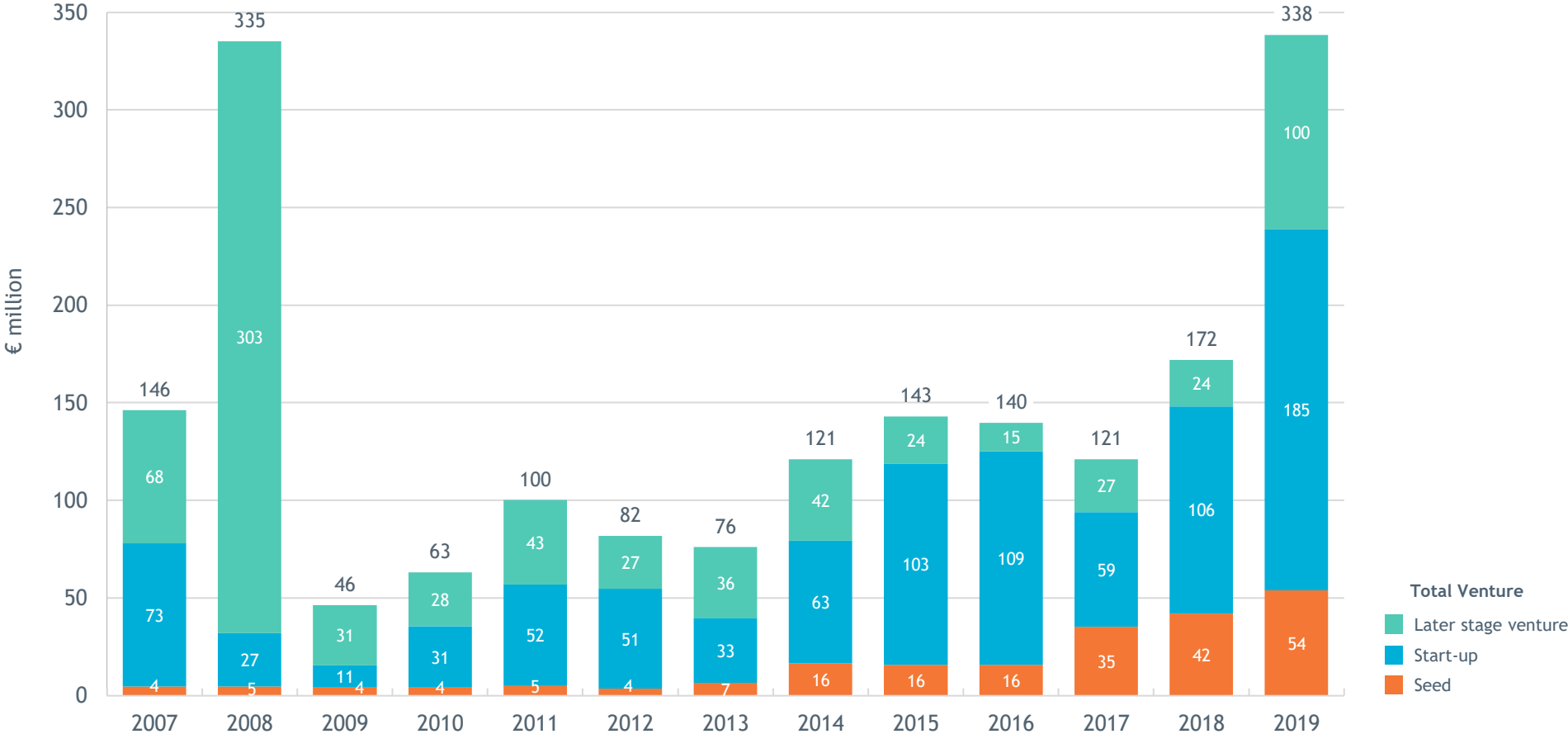
for 72% of the total venture investments in CEE in 2019 by value and 64% by number of companies. Consumer goods and services followed with €38 million of investment into 63 companies, while financial and insurance activities received €23 million invested into 18 companies.

Divestment values in CEE venture capital in 2019 totalled €48 million, measured at historical investment cost, down 9% year-on-year. The total number of venture-backed companies exited decreased by 39% year-on-year to 46 in 2019. Management/Owner buy-back was again the most prominent exit route, accounting for €24 million at cost and 12 companies, comprising 50% of the region's total VC exit value at cost and 26% by number of companies. It was followed by trade sale with €9 million at historical cost and 11 companies exited, making up 20% of total VC divestments in CEE by value and 24% by number of companies exited in 2019.

The consumer goods and services sector was the leading sector for venture capital divestments, comprising 66% of the total value at historical investment cost and 22% of VC-backed companies exited. This was followed by the ICT sector, with 24% of the total divested value and the largest number of VC-backed companies exited at 23, accounting for 50% of the total.

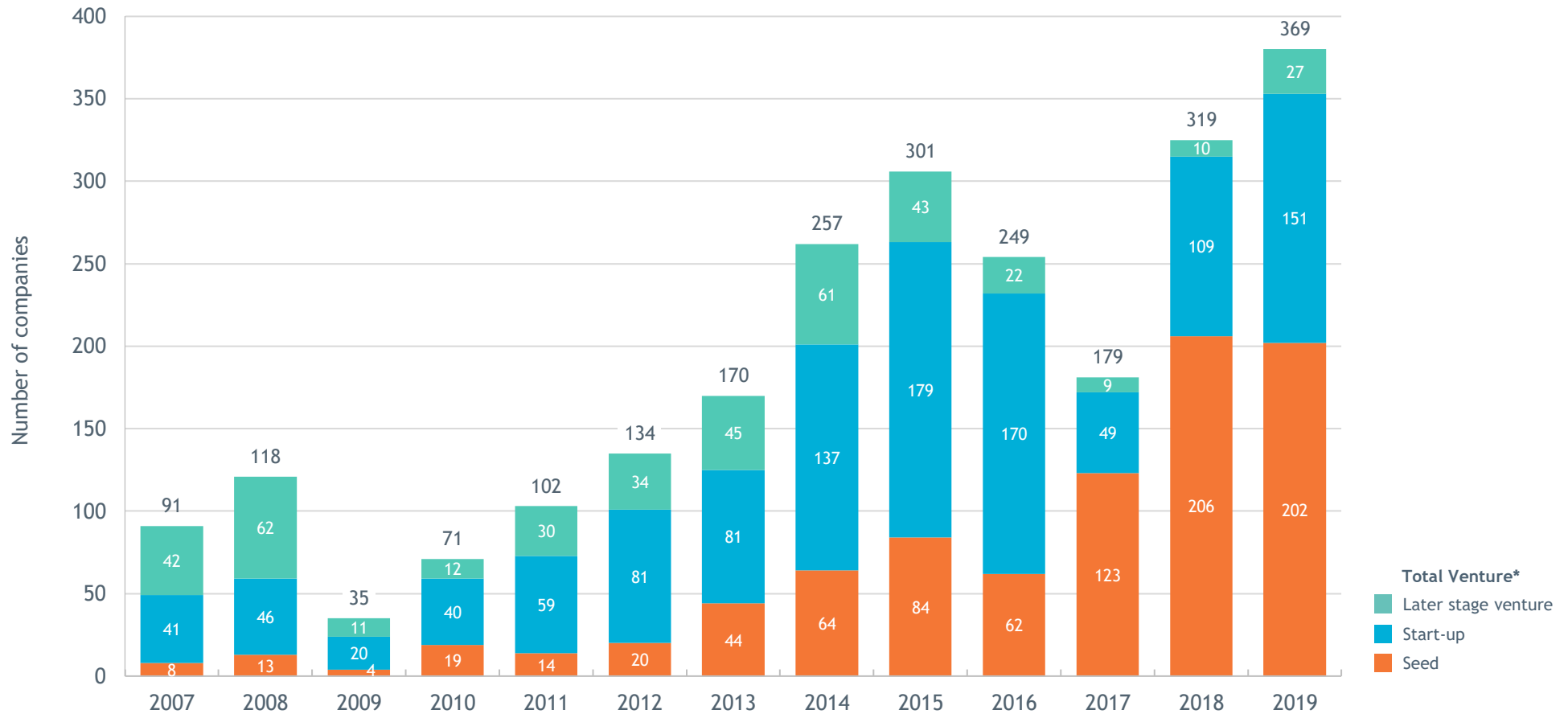
The CEE venture capital market

Figure 13: CEE venture capital investments by stage, 2007-2019 (in € million)



The CEE venture capital market

Figure 14: CEE venture capital investments by stage, 2007-2019 (number of companies)



* Total number of companies:

Each company is only taken into account once, irrespective of how many stages of investments it received during the year. The methodology section provides further information.

The CEE venture capital market

Table 9: CEE venture capital investments by sector, 2018-2019 (in € thousands)

	2018				2019			
	Amount	%	Number of companies	%	Amount	%	Number of companies	%
Agriculture	0	0.0	0	0.0	997	0.3	1	0.3
Biotech and healthcare	9,913	5.8	35	11.0	9,071	2.7	27	7.3
Business products and services	12,018	7.0	42	13.2	63,700	18.8	51	13.8
Chemicals and materials	1,377	0.8	2	0.6	233	0.1	1	0.3
Construction	30	0.0	1	0.3	2,185	0.6	3	0.8
Consumer goods and services	25,091	14.6	54	16.9	37,795	11.2	63	17.1
Energy and environment	3,705	2.2	10	3.1	7,338	2.2	11	3.0
Financial and insurance activities	7,818	4.5	12	3.8	23,008	6.8	18	4.9
ICT (Information and communication technology)	99,256	57.7	150	47.0	180,245	53.3	184	49.9
Real estate	0	0.0	0	0.0	30	0.0	1	0.3
Transportation	12,323	7.2	12	3.8	13,700	4.0	9	2.4
Other	466	0.3	1	0.3	0	0.0	0	0.0
Total investment	171,997	100.0	319	100.0	338,302	100.0	369	100.0

The CEE venture capital market

Table 10: CEE venture capital divestments by exit route, 2018-2019
(value at historical investment cost, in € thousands)

	2018				2019			
	Amount at cost	%	Number of companies	%	Amount at cost	%	Number of companies	%
Management/Owner buy-back	17,032	32.5	21	28.0	23,881	50.1	12	26.1
Trade sale	14,515	27.7	15	20.0	9,497	19.9	11	23.9
Public offering	0	0.0	0	0.0	1,809	3.8	3	6.5
Repayment of preference shares/loans or mezzanine	4,237	8.1	7	9.3	1,368	2.9	5	10.9
Sale to another private equity firm	4,798	9.2	8	10.7	897	1.9	4	8.7
Sale to financial institutions	4,270	8.2	1	1.3	641	1.3	1	2.2
Write-off	3,503	6.7	12	16.0	274	0.6	4	8.7
Other means	3,979	7.6	12	16.0	9,254	19.4	7	15.2
Total divestment	52,334	100.0	75	100.0	47,622	100.0	46	100.0

The CEE buyout and growth market

Total buyout and growth investment in CEE reached €2.6 billion in 2019, the second highest level ever and similar to 2018. This capital was invested into 97 companies, an 8% decrease from 2018. Buyout and growth investments comprised the vast majority of the year's total CEE private equity investment by value at 89% compared to a 94% share in 2018. By number of companies funded, the market segment's share decreased from 25% in 2018 to 21% in 2019, due to the impressive growth of VC activity. CEE's share of the overall European buyout and growth segment was stable in 2019 at 3% in value terms but rose to 4% by number of companies from 3% in the previous year.

Delving into sub-segments, buyout again dominated, reaching €2 billion in 2019. This was the second highest ever annual buyout value in the CEE region, rising 5% year-on-year. Meanwhile, buyout investments across all of Europe increased 8% year-on-year to €65 billion, the highest level since 2007. In 2019, 45 companies received buyout funding in CEE compared to 48 in 2018.

The concentration of CEE buyouts in larger transactions was similar to 2018. In 2019, the two largest investments, in Estonia and Serbia, accounted for 51% of the total buyout amount, while in 2018 the two largest transactions, in the Czech Republic and Hungary, also comprised 51% of the total.

Looking at the size of buyout transactions in 2019, two were in the large and mega buyout category (i.e. over €500 million in total transaction size) and accounted for an aggregated €1 billion of equity

invested, similar to the €985 million of equity invested into two companies in 2018. Meanwhile, mid-market transactions (i.e. deals between €50 million and €500 million in total transaction size), increased 30% year-on-year to €763 million of equity invested, targeting 11 companies. Small buyouts (total transaction size of less than €50 million) decreased 36% year-on-year in value to €232 million of equity invested into 32 companies in 2019.

The growth capital sub-segment reached €572 million, a 9% decrease year-on-year, and continued to be the region's second most important investment type in 2019. The number of CEE companies backed by growth funding was 48 compared to 53 in 2018.

For the first time, Estonia took the top spot in CEE's buyout and growth market in 2019 with €647 million invested into 12 companies, accounting for 25% of the segment's annual value in the region and driven strongly by a single large transaction. Romania followed with €533 million, comprising 20% of the region's total, invested into 12 companies. The next most active countries were Poland (€486 million) and Serbia (€413 million), the latter was primarily the result of one large transaction. Notably, Lithuania saw €323 million of buyout and growth investments in 2019, the country's largest recorded amount, largely driven by one large transaction. These five countries combined accounted for 92% of the 2019 CEE buyout and growth segment by value and 61% by number of companies.

ICT was the most targeted sector for CEE buyout and growth investors in 2019, attracting €1.1 billion or

42% of the segment's total value, mainly driven by two large transactions. This was followed by the financial and insurance sector at €638 million (24% of the total) - a result driven by a single large transaction - consumer goods and services at €414 million (16%), and business products and services at €267 million (10%).

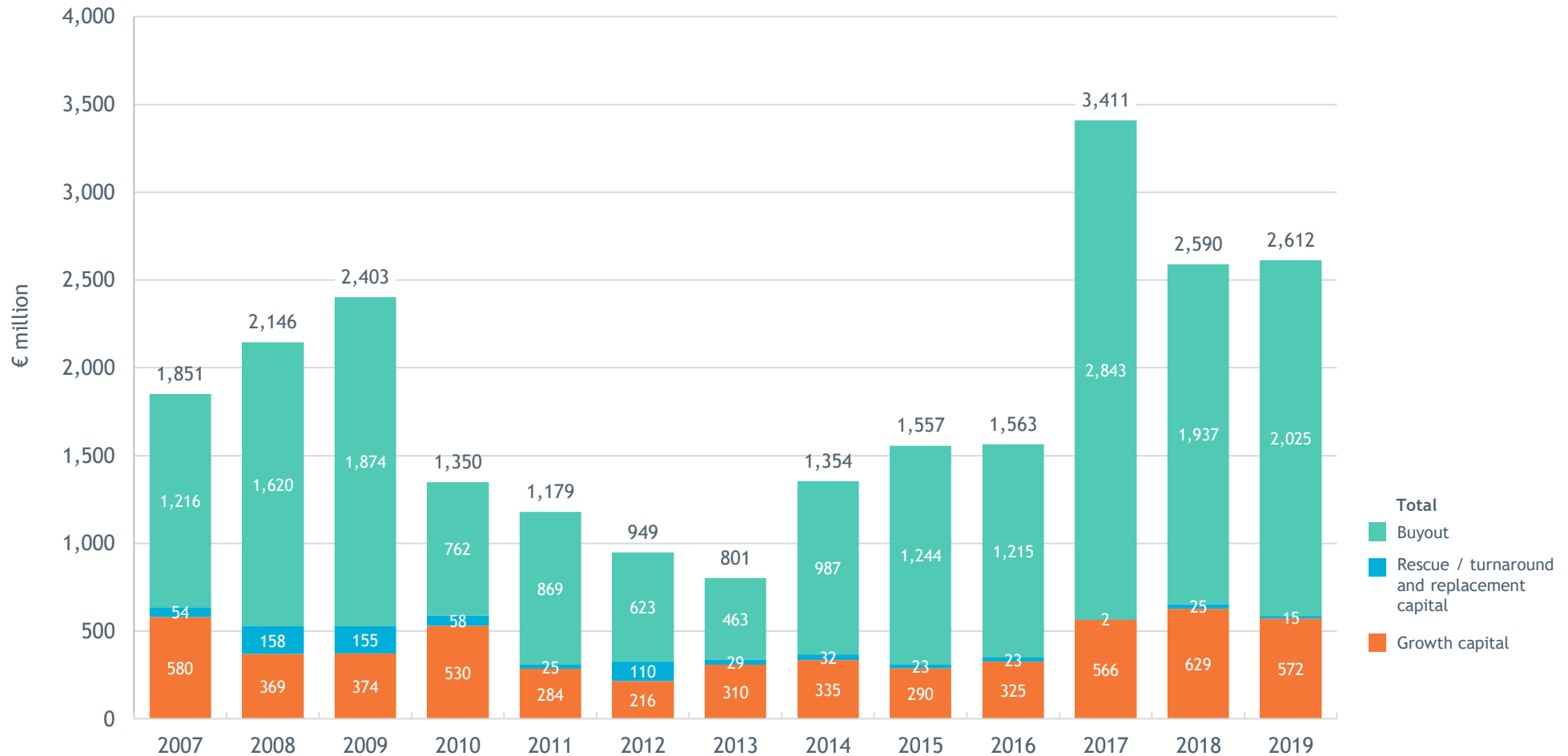
Exits in the CEE buyout and growth segment in 2019 totalled €898 million, measured at historical investment cost, down 20% year-on-year. At the same time, the number of companies exited decreased from 71 in 2018 to 58 in 2019, driven mainly by a drop in buyout-backed companies. Two larger exits, both taking place in Serbia, accounted for 39% of the CEE's overall buyout and growth exit value at cost. For comparison, in 2018, the five largest transactions accounted for 44% of the region's buyout and growth total.

Trade sale was the most utilised exit route in 2019 with 42% of the total segment's exit value at cost. It was followed by sale to another private equity firm with 36% of the total exit value at cost.

The most exited sectors in the buyout and growth segment were ICT with €313 million or 35% of total value at historical cost, consumer goods and services with €215 million (24% of total), and business products and services with €145 million (16%). Together these three sectors accounted for 75% of buyout and growth exits by value at historical cost.

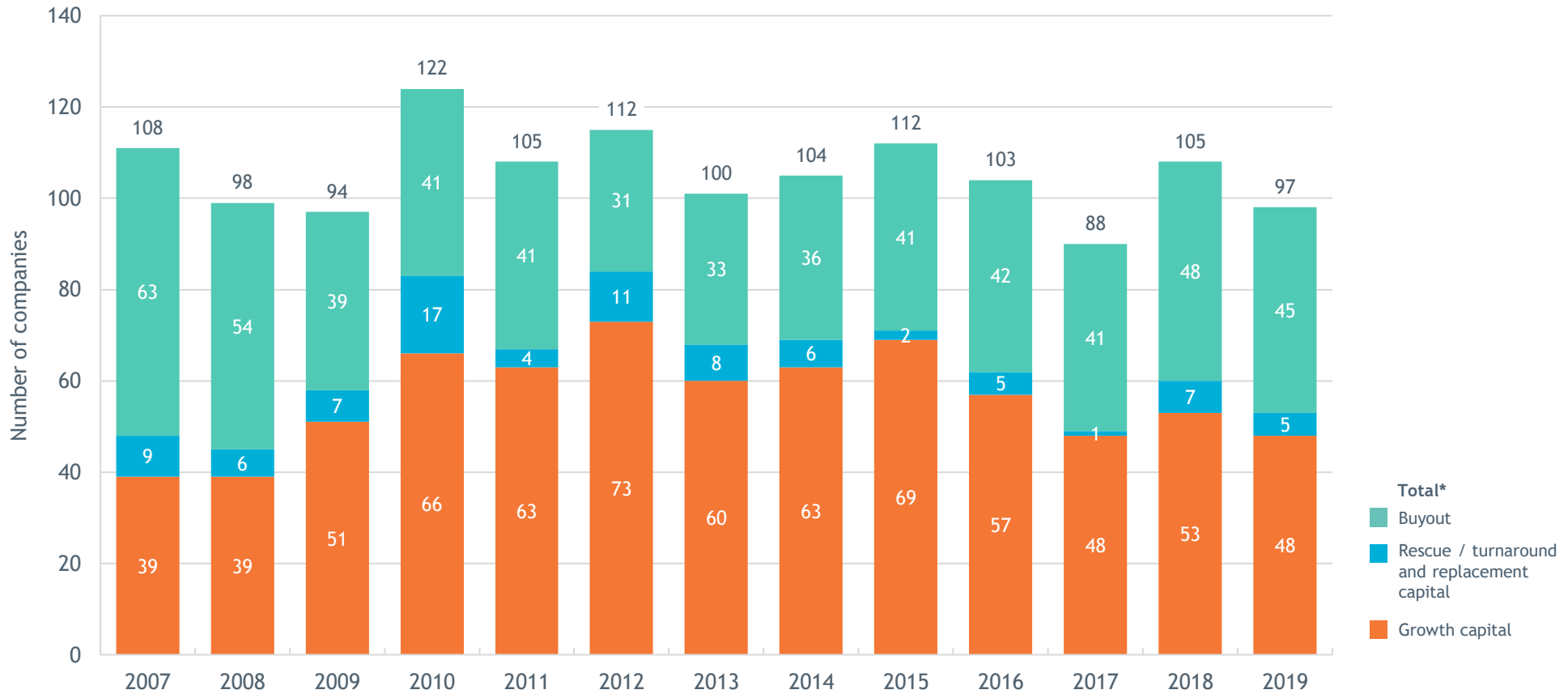
The CEE buyout and growth market

Figure 15: CEE buyout & growth investments by stage, 2007-2019 (in € million)



The CEE buyout and growth market

Figure 16: CEE buyout & growth investments by stage, 2007-2019 (number of companies)



* Total number of companies:
Each company is only taken into account once, irrespective of how many stages of investments it received during the year. The methodology section provides further information.

The CEE buyout and growth market

Table 11: Equity and transaction value by type of buyout, 2018-2019 (in € thousands)

2019

	Amount (equity value)	%	Number of companies	%	Transaction value	%	Equity contribution of PE firms (in %)
Small	232,424	11.5	32	71.1	353,196	7.0	65.8
Mid-market	763,087	37.7	11	24.4	1,088,248	21.5	70.1
Large and mega	1,029,786	50.8	2	4.4	3,624,799	71.5	28.4
Total buyout*	2,025,296	100.0	45	100.0	5,066,243	100.0	

2018

	Amount (equity value)	%	Number of companies	%	Transaction value	%	Equity contribution of PE firms (in %)
Small	363,041	18.7	36	75.0	580,983	13.2	62.5
Mid-market	589,154	30.4	10	20.8	1,383,865	31.4	42.6
Large and mega	984,719	50.8	2	4.2	2,443,820	55.4	40.3
Total buyout*	1,936,914	100.0	48	100.0	4,408,668	100.0	

Type of Transaction:

Transaction Value (€): Small <50m, Mid-market 50m<x<500m, Large 500m<x<1,000m, Mega x>1,000m

* Total number of companies:

Each company is only taken into account once, irrespective of how many stages of investments it received during the year. The methodology section provides further information.

The CEE buyout and growth market

Table 12: CEE buyout & growth investments by sector, 2018-2019 (in € thousands)

	2018				2019			
	Amount	%	Number of companies	%	Amount	%	Number of companies	%
Agriculture	25,240	1.0	4	3.8	1,400	0.1	1	1.0
Biotech and healthcare	844,155	32.6	7	6.7	133,654	5.1	9	9.3
Business products and services	302,521	11.7	16	15.2	267,077	10.2	28	28.9
Chemicals and materials	2,954	0.1	1	1.0	22,680	0.9	3	3.1
Construction	20,095	0.8	4	3.8	0	0.0	0	0.0
Consumer goods and services	711,657	27.5	30	28.6	414,415	15.9	20	20.6
Energy and environment	35,564	1.4	5	4.8	17,347	0.7	4	4.1
Financial and insurance activities	165,368	6.4	6	5.7	638,413	24.4	6	6.2
ICT (Information and communication technology)	329,878	12.7	22	21.0	1,106,790	42.4	23	23.7
Real estate	1,018	0.0	2	1.9	3,126	0.1	2	2.1
Transportation	119,116	4.6	6	5.7	7,050	0.3	1	1.0
Other	32,629	1.3	2	1.9	0	0.0	0	0.0
Total investment	2,590,194	100.0	105	100.0	2,611,952	100.0	97	100.0

The CEE buyout and growth market

Table 13: CEE buyout & growth divestments by exit route, 2018-2019
(value at historical investment cost, in € thousands)

	2018				2019			
	Amount at cost	%	Number of companies	%	Amount at cost	%	Number of companies	%
Trade sale	215,996	19.2	24	33.8	381,103	42.4	24	41.4
Sale to another private equity firm	399,780	35.5	15	21.1	322,138	35.9	6	10.3
Public offering	173,357	15.4	7	9.9	77,757	8.7	3	5.2
Write-off	10,258	0.9	3	4.2	36,383	4.1	3	5.2
Repayment of preference shares/loans or mezzanine	27,943	2.5	8	11.3	32,634	3.6	11	19.0
Sale to financial institutions	268,181	23.8	5	7.0	31,819	3.5	4	6.9
Management/Owner buy-back	24,455	2.2	8	11.3	12,453	1.4	4	6.9
Other means	5,000	0.4	1	1.4	3,633	0.4	3	5.2
Total divestment	1,124,970	100.0	71	100.0	897,921	100.0	58	100.0

Appendix - Amendments of prior years' statistics

All data from 2007 to 2019 reported in this publication is based on the European Data Cooperative (EDC), which replaced Invest Europe's previous database from PEREP_Analytics. All relevant historic data was migrated to the EDC system in 2016. All data since 2007 has been restated and additional information was gathered during the transition and verification process. The EDC system, like its predecessor, is continually updated as new information is obtained to achieve the highest level of accuracy. However, the results depend on the timely, complete and accurate submissions of information from private equity fund managers.

Changes in amounts of funds raised, investments and divestments in certain years

- > To ensure the best coverage, the European Data Cooperative offers private equity firms the possibility to submit surveys, audit historical data and validate previously gathered data captured from public sources. In addition, more information on the CEE market has become available. This has enriched the dataset, as a substantial number of new private equity

firms have submitted data on their activity in the CEE region to the new EDC system. In addition, if fund managers corrected previous years' data, this was amended in the dataset and may include changes to the values and timing of fundraisings, investments and exits, as well as re-classifications of transactions by type.

- > In this 2019 edition, all changes made to prior year's results only impact 2018. The most material amendment is an increase of CEE fundraising in 2018 by €829 million from prior published figures. This includes new information on a pan-European fund manager with a CEE investment allocation as well as new reporting by fund managers from Hungary, Ukraine and the Czech Republic that impact 2018 fundraising figures.

Reclassified sector methodology

- > The historical CEE data has been restated to match the new European sector classification profile. From 2016, certain industry sectors that historically were presented separately are now combined into one category. This refers to "ICT",

which replaces communications plus computer and consumer electronics; "business and industrial products and services", which combines two previous categories; and "consumer goods and services", which also combines two prior categories.

Invest Europe strongly recommends that readers use the most recent CEE statistics publication when analysing historical data to ensure the highest level of accuracy.

Appendix - Methodology

Investment

All amounts displayed in the investment section are equity values (if not mentioned otherwise).

Fundraising

The vast majority of private equity funds raised for CEE to date were for the region as a whole rather than for any specific country. Therefore, fundraising is presented in this paper as a total pool of capital raised for the region. Moreover, fundraising is limited to capital raised by funds that have declared CEE to be their target region. The data does not include those funds that may allocate a portion of their capital to the CEE region but whose primary focus is elsewhere.

The funds included in the statistics are:

- > private equity funds making direct private equity investments
- > mezzanine private equity funds
- > direct co-investment funds
- > rescue/turnaround funds

The following funds are excluded from the statistics:

- > infrastructure funds
- > real estate funds
- > distressed debt funds
- > primary funds-of-funds
- > secondary funds-of-funds

Geographical sources of funds

Capital raised from an LP located in the same country as the fund it commits to is usually considered to be domestically raised according to the Invest Europe classification. However, the CEE fundraising data includes private equity funds located outside of CEE but fully dedicated to the CEE region (e.g. a UK-based fund focused on the CEE region).

For the purposes of this report, domestic fundraising ('Within CEE' category) only includes capital raised from CEE-based LPs, regardless of the location of the private equity fund itself. We believe this gives the most accurate picture of actual commitments made by CEE-based LPs to CEE-focused funds.

Industry statistics are an aggregation of figures according to the country of the private equity firm's office in charge of the investment or divestment. At the European level, this relates to investments or divestments made by European private equity firms regardless of the location of the portfolio company.

Market statistics are an aggregation of figures according to the location of the portfolio company. At the European level, this relates to investments or divestments in European companies regardless of the location of the private equity firm.

Equity value is the amount of capital invested by the private equity fund to acquire shares in an enterprise. The equity value includes equity, quasi-equity, mezzanine, unsecured debt and secured debt provided by the private equity firm. No co-investments by LPs are included.

Divestment amounts (including write-offs) are recorded at cost (i.e. the total amount divested is equal to the total amount invested earlier).

Appendix - Definitions Fundraising

Fund stage focus

Buyout fund: Funds acquiring companies by purchasing majority or controlling stakes, funding the transaction through a mix of equity and debt.

Generalist fund: Funds investing in all stages of private equity.

Growth fund: Funds that make private equity investments (often minority investments) in relatively mature companies that are looking for primary capital to expand and improve operations or enter new markets to accelerate the growth of the business.

Mezzanine fund: Funds using a hybrid of debt and equity funding, comprising equity-based options (such as warrants) and lower-priority (subordinated) debt.

Venture Capital

- > Early stage fund: Venture capital funds focused on investing in companies in the early stages of their lives.
- > Later stage fund: Venture capital funds providing capital for an operating company which may or may not be profitable. Typically in C or D rounds.
- > Venture fund (all stages): Venture capital funds focused on both early and later stage investments.

Types of investors

Corporate investor: Corporations manufacturing products or delivering non-financial services.

Endowment: An investment fund established by a foundation, university or cultural institution providing capital donations for specific needs or to further a company's operating process. They are generally structured so that the principal amount invested remains intact (for perpetuity, for a defined period of time or until sufficient assets have been accumulated to achieve a designated purpose).

Family office: An entity that provides services to one or more affluent families, including investment management and other services (accounting, tax, financial and legal advice etc.).

Foundations: A non-profit organisation through which private wealth is distributed for the public good. It can either donate funds and support other organisations, or provide the sole source of funding for their own charitable activities.

Fund-of-funds: A private equity fund that primarily takes equity positions in other funds.

Government agencies: Country, regional, governmental and European agencies or institutions for innovation and development.

Other asset manager: A financial institution (other than a bank, endowment, family office, foundation, insurance company or pension fund) managing a pool of capital by investing it across different asset classes with the purpose of generating financial returns. It may include private equity direct funds that occasionally do indirect investments, but excludes funds-of-funds that are a standalone option.

Pension funds: A pension fund that is regulated under private or public sector law.

Sovereign wealth funds: State-owned investment funds investing in foreign direct private equity funds to diversify their portfolio.

Independent and captive funds

Captive funds: Funds that are 100% owned by the parent organisation.

Independent funds: Semi-captive funds (those in which the parent owns less than 100%) as well as wholly independent funds.

Appendix - Definitions Investments

All amounts displayed in the investment section are equity values (if not mentioned otherwise).

Equity value: The amount of capital invested by the private equity fund to acquire shares in an enterprise. The equity value includes equity, quasi-equity, mezzanine, unsecured debt and secured debt provided by the private equity firm. No co-investments by LPs are included.

Venture capital

Seed: Funding provided before the investee company has started mass production/distribution with the aim to complete research, product definition or product design, also including market tests and creating prototypes. This funding will not be used to start mass production/distribution.

Start-up: Funding provided to companies, once the product or service is fully developed, to start mass production/distribution and to cover initial marketing. Companies may be in the process of being set up or may have been in business for a shorter time, but have not sold their product commercially yet. The destination of the capital would be mostly to cover capital expenditures and initial working capital.

Later stage funding: Funding provided for an operating company, which may or may not be profitable. Late stage venture tends to be funding companies already backed by VCs. Typically in C or D rounds.

Growth capital

A type of private equity investment (often a minority investment) in relatively mature companies that are looking for primary capital to expand and improve operations or enter new markets to accelerate the growth of the business.

Buyout

Funding provided to acquire a company. It may use a significant amount of borrowed capital to meet the cost of acquisition. Typically by purchasing majority or controlling stakes.

Rescue / Turnaround

Funding made available to an existing business, which has experienced financial distress, with a view to re-establishing prosperity.

Replacement capital

Minority stake purchase from another private equity investment organisation or from another shareholder or shareholders.

Note: Total number of companies

The number of companies represents a distinct list of entities receiving investments throughout the reporting year. If a company receives two investments during the year, the number of companies will equal one, but the number of investments will equal two.

Appendix - Definitions Divestments

Management/Owner buy-back: The buyer of the company is its management team.

Public offering:

- > First divestment following flotation (IPO): The sale or distribution of a private company's shares to the public for the first time by listing the company on the stock exchange.
- > Sale of quoted equity post flotation: It includes sale of quoted shares only if connected to a former private equity investment, e.g. sale of quoted shares after a lock-up period.

Repayment of preference shares/loans or mezzanine: If the private equity firm provided loans or bought preference shares in the company at the time of investment, then their repayment according to the amortisation schedule represents a decrease of the financial claim of the firm into the company, and hence a divestment.

Sale to another private equity firm: The buyer of the portfolio company is a private equity firm.

Sale to financial institution: A financial institution is an entity that provides financial services for its clients:

- > Depository institutions: deposit-taking institutions that accept and manage deposits and make loans, including banks, building societies, credit unions, trust companies, and mortgage loan companies.
- > Contractual institutions: insurance companies and pension funds.
- > Investment institutions other than direct private equity firms.

Trade sale: The sale of a company's shares to industrial investors.

Write-off: The value of the investment is eliminated and the return to investors is zero or negative.

Note: Total number of companies

The number of companies represents a distinct list of entities subject to divestments throughout the reporting year. If a company recorded two divestments during the year, the number of companies will equal one, but the number of divestments will equal two.

About Gide Loyrette Nouel

Founded in Paris in 1920, Gide law firm operates today from 12 offices on four continents: Europe, with a focus on Central and Eastern Europe, as well as Asia, North America and Africa. With its over 25 years of experience in Central and Eastern Europe, Gide is well-established as a law firm in this area, known for advising on all aspects of business and finance law.

Gide has marked its presence throughout Central and Eastern Europe, with offices in Warsaw (since 1991) and Istanbul (since 1997). Our local teams can also call upon our Central and Eastern Europe Desk, as well as a network of local partner firms.

Central and Eastern Europe, although perceived by investors as one market, comprises many different jurisdictions. Therefore, setting up and doing business in this region requires an in-depth knowledge of local regulations and specific market conditions. The organisation of Gide's business in this region allows it to perfectly meet the needs and expectations of institutions, investors and other companies operating on the CEE market.

Private Equity

Gide has an extensive private equity practice and is one of the leading legal teams advising on all forms of private equity transactions. The Private Equity Group's expertise covers increasingly complex corporate, financial, regulatory, tax and contractual legal issues that affect private equity funds, their sponsors and investors. We have experience in all types of private equity investment vehicles, including leveraged buyout funds, venture capital funds and real estate funds, and we advise numerous international and local investors, sponsors, management teams and industrial players on all forms of transactions involving private equity and real estate funds, from the provision of capital to start-up businesses and early-stage financing or the acquisition of properties to the largest pan-European LBOs.

We also offer full assistance in the context of recapitalisation transactions, build-ups and exits. The Private Equity Group has a recognised expertise in assisting numerous investment bankers, senior, mezzanine and "bridge" lenders with arranging complex bank financing projects for LBOs and real estate transactions.

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