

The logo for Invest Europe, featuring the words "INVEST" and "EUROPE" stacked vertically in white, bold, sans-serif capital letters on a blue square background.

INVEST
EUROPE

In partnership with

The logo for GIDE, featuring the word "GIDE" in large, bold, blue, sans-serif capital letters, with "GIDE LOYRETTE NOUËL" in smaller, blue, sans-serif capital letters below it.

GIDE
GIDE LOYRETTE NOUËL

2018

Central and Eastern Europe

Private Equity Statistics

June 2019



Disclaimer

The information contained in this report has been produced by Invest Europe, based on data collected as part of the European Data Cooperative (EDC) and other third party information. While Invest Europe has made every effort to ensure the reliability of the data included in this report, Invest Europe cannot guarantee the accuracy of the information collected and presented. Therefore, Invest Europe cannot accept responsibility for any decision made or action taken based upon this report or the information provided herein.

This presentation is for the exclusive use of the persons to whom it is addressed and is intended for general information purposes only. It is not intended to constitute legal or other professional advice and should not be treated as such. Appropriate legal advice must be sought before making any decision, taking any action or refraining from taking any action in reliance on the information contained in this presentation. Invest Europe does not assume any responsibility for any person's reliance upon the information contained herein.

In furnishing this presentation, Invest Europe undertakes no obligation to provide any additional information or to update this presentation or any additional information or to correct any inaccuracies which may become apparent.

Unless otherwise specified, this presentation is confidential and may not be distributed, published, reproduced or disclosed to any other person or used for any other purpose, without the written permission of Invest Europe.

Copyright information

No part of this publication may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968. Copyright enquiries should be directed to Invest Europe. Tel: + 32 2 715 00 20.

© Copyright Invest Europe June 2019

Version

Presentation as of 30/06/2019

Invest Europe

Invest Europe is the **voice of investors** in privately-held companies in Europe.

- > Invest Europe is the association representing Europe's private equity, venture capital and infrastructure sectors, as well as their investors.
- > 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.
- > Invest Europe aims to make a constructive contribution to policy affecting private capital investment in Europe. We provide information to the public on our members' role in the economy. Our research provides the most authoritative source of data on trends and developments in our industry.
- > Invest Europe is the guardian of the industry's professional standards, demanding accountability, good governance and transparency from our members.
- > Invest Europe is a non-profit organisation with 25 employees in Brussels, Belgium.
- > For more information please visit www.investeurope.eu

About this report

- > This report was compiled with the help of Invest Europe’s Central & Eastern Europe Task Force. It provides annual activity statistics for the private equity and venture capital markets of Central and Eastern Europe in 2018 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 Central & Eastern Europe (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, North Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine. These countries had a total population of about 161 million and registered a total GDP of €1.6 trillion in 2018.
 - > 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. All audit efforts are 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.
 - > For further information and more comprehensive data, please contact Invest Europe Research (research@investeurope.eu) or visit www.investeurope.eu/research
-

Contents

Executive Summary	6
-------------------	---

1. FUNDRAISING

Summary	7
Fundraising for CEE	8
Sources of capital	9
Geographic sources	10
By stage	11
Fund stage focus	12

2. INVESTMENTS

Summary	13
Annual investment values	14
By country	15
By sector	17
As percentage of GDP	18
Types of investment	19

3. DIVESTMENTS

Summary	21
Annual divestment values	22
By country	23
By exit route	25
By sector	26

4. VENTURE CAPITAL

Summary	27
By stage	28
By sector	30
By exit route	31

5. BUYOUT AND GROWTH

Summary	32
By stage	33
By sector	36
By exit route	37

6. APPENDIX

Amendments of prior years' statistics	38
Methodology	39
Definitions Fundraising	40
Definitions Investments	41
Definitions Divestments	42

Executive Summary

Fundraising

In 2018, total fundraising in Central and Eastern Europe (CEE) reached €1.82 billion, the strongest result in ten years and a 10% increase compared with 2017. Meanwhile, fundraising across all of Europe remained stable at €97 billion. CEE's share of total European fundraising rose slightly from 1.7% in 2017 to 1.9% in 2018.

Government agencies were the largest source of capital, accounting for 42% of the CEE region's capital raised in 2018, up from 34% in 2017. This was followed by funds-of-funds (16% of the total), banks (11%) and private individuals (9%).

From a geographic perspective, investors from outside of Europe and funding from CEE-based investors were the two leading sources of funds in 2018, each accounting for 38% of the total capital raised. Among the funding raised from domestic CEE LPs, 54% was dedicated to CEE venture capital funds. European investors from outside of the CEE region comprised a relatively low 13% of the total fundraising.

CEE buyout funds raised €1.1 billion in 2018, 38% more than in 2017, and accounted for 61% of the total capital raised for the region. CEE venture capital funds raised €521 million, comprising 29% of the total capital raised. It is the second highest ever recorded level of VC fundraising in CEE in absolute terms, following on the heels of the record level achieved in 2017. Over 60% of CEE VC fundraising was attracted by fund managers based in Hungary and Poland.

Investment activity

Private equity investment in the CEE region reached €2.7 billion in 2018, the region's second highest annual result to date, following a 24% decrease from the previous year's record result. The total number of CEE companies receiving private equity funding in 2018 increased year-on-year by 50% to 398, the second highest level ever recorded for CEE, driven by a significant increase in the number of companies receiving venture capital funding. By comparison, Europe-wide investment increased by 7% year-on-year in 2018 to €80.6 billion. Investment activity in the CEE region represented 3% of the total European investment value in 2018, down from 5% in 2017.

As in prior years, CEE private equity investment activity in 2018 was concentrated in a few countries. Poland remained the leading destination with 32% of the region's total investment value, followed by the Czech Republic (29%), Hungary (13%) and Romania (12%). Hungary again saw the largest number of companies receiving private equity investment in 2018 at 191, or 48% of the CEE total.

CEE buyout investments accounted for €1.9 billion in 2018, the second highest level ever for the region, although down 34% from the record level in 2017. Growth capital funding continued to be CEE's second most important investment type at €615 million, up 9% year-on-year. Venture capital investment rose strongly year-on-year by 32% to €160 million.

Divestment activity

Private equity exits across CEE in 2018 totalled €1.1 billion, measured at historical investment cost, some 7% below 2017. The total number of companies divested in CEE during 2018 increased by 20% to an all-time high of 128, mainly driven by an increase in the number of exited venture capital-backed companies.

By comparison, divestment values declined 28% in Europe as a whole in 2018 to €31.9 billion at investment cost. CEE divestments comprised 3.5% of the total exit value in Europe in 2018, compared with 2.7% in 2017.

Sale to another private equity firm was again CEE's most popular exit route in 2018 by value, accounting for €360 million at historical cost, or 32% of the total regional divestment value. Sale to financial institutions was second with €272 million at cost or 25% of the total divestment value. Trade sale was the third most common exit route in 2018 with €215 million at cost, or 19% of the regional total, and was the most utilised exit route by number of companies at 35, comprising 27% of all companies exited.

Poland was again the region's largest market for exits in 2018, accounting for 52% of the total value of divestment at historical cost with €575 million. The Czech Republic had the second highest level of exit activity, comprising 16% of the regional total value with €182 million.

Fundraising Summary

Total CEE fundraising reached €1.82 billion in 2018, the strongest result in ten years, following a 10% increase from 2017. By comparison, fundraising across all of Europe remained stable at €97 billion. CEE's share of total European fundraising rose slightly from 1.7% in 2017 to 1.9% in 2018.

Government agencies - the leading source of funding in CEE during the previous nine years - were again the largest source of capital in 2018. They accounted for 42% of the CEE region's total funds raised, up from 34% in 2017. Funds-of-funds followed with 16% of CEE funds raised in 2018, albeit down from the 24% level achieved in 2017. Banks contributed a more substantial 11% of the total CEE fundraising in 2018, compared to 8% in 2017. Private individuals grew in importance in 2018 to 9% of all funds raised, up from 3% in 2017.

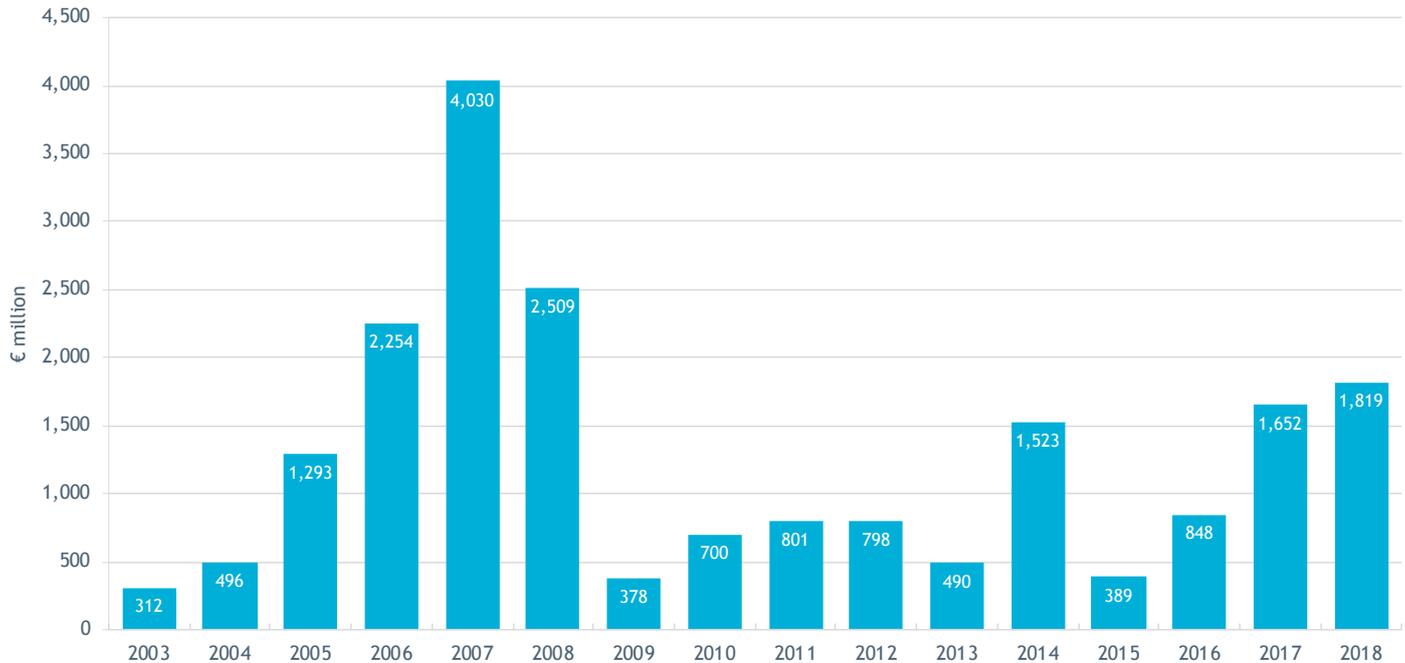
From a geographic perspective, investors from outside of Europe and funding from CEE-based investors were the two leading sources of funds in 2018. They each accounted for 38% of the total capital raised. In absolute terms, funding from non-European investors more than doubled compared with the prior year and amounted to €698 million, driven mainly by investors from China. Domestic investors from within the CEE region invested €692 million, 37% more than in 2017. This untypically high proportion of funding from within CEE was directed mostly (i.e. 54%) towards venture capital funds, particularly in Hungary and Poland. European investors from outside the CEE region accounted for only 13% of the total CEE fundraising in 2018, a significant decrease compared with 40% in 2017 and the lowest proportion in the past ten years.

CEE buyout funds raised €1.1 billion in 2018, 61% of the total capital raised for the region and 38% more than in 2017. Meanwhile, CEE venture capital funds raised €521 million, the region's second highest recorded level of VC fundraising in absolute terms. While 11% below 2017's record level, it nearly tripled the average level of the previous ten years and comprised 29% of all funds raised in 2018. The sizeable share of venture capital funding is partially a result of government-led initiatives to support VC funds across various CEE countries, mainly in Hungary and Poland. This pick-up in VC fundraising is likely to continue the enhanced venture capital investment activity in the region already seen in 2018 and into the coming years. Mezzanine funds raised €112 million, representing 6% of the total capital raised for the CEE region in 2018.

It's worth noting that the fundraising figures in this section only cover private equity funds that are dedicated to the CEE region and pan-European or global funds that have 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.

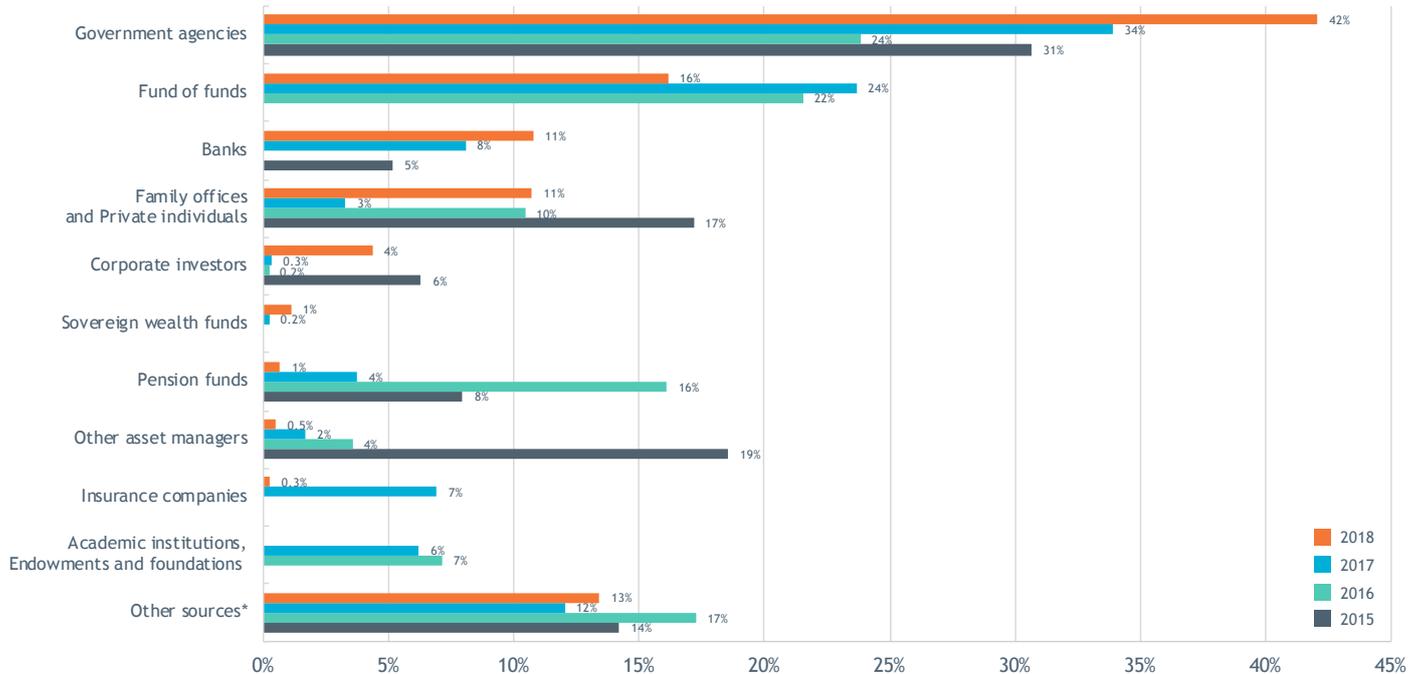
Fundraising Summary

Figure 1: Fundraising for CEE private equity, 2003-2018



Fundraising

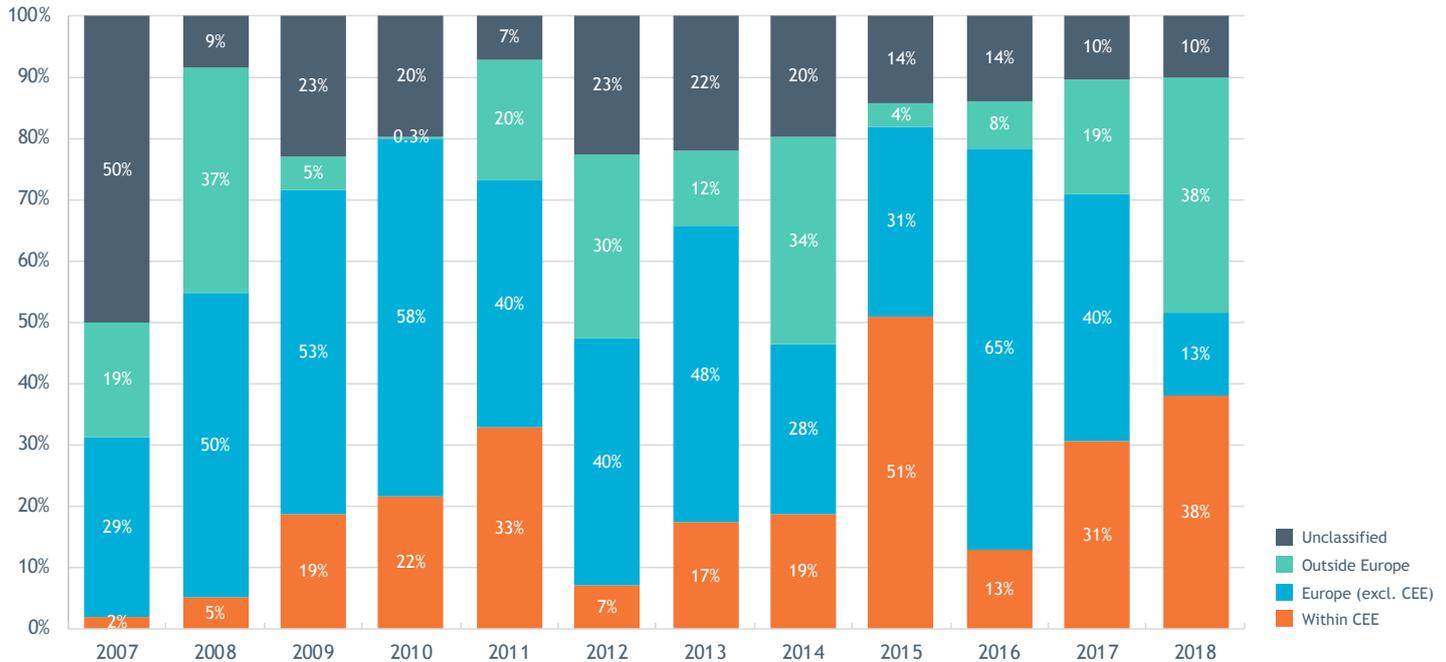
Figure 2: Sources of capital raised for CEE private equity in 2015-2018 (% of total)



*Other sources contain: Capital markets and Unclassified.

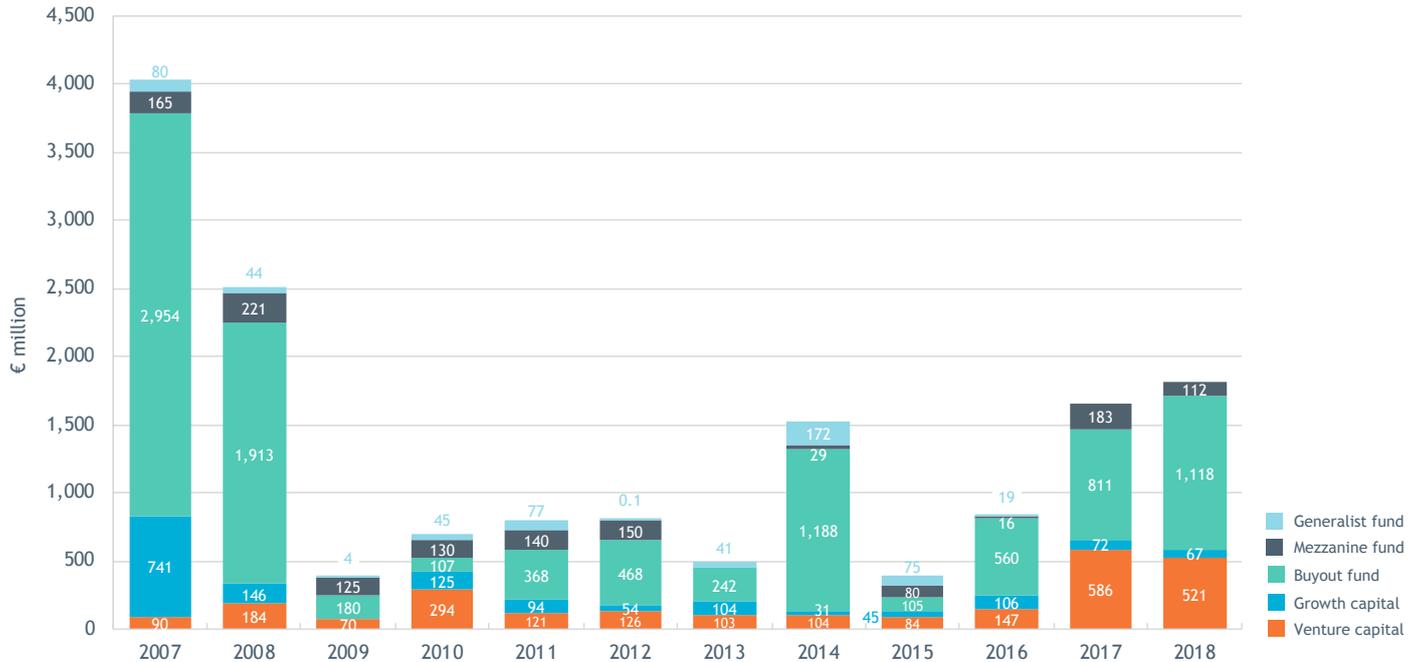
Fundraising

Figure 3: Geographic sources of funds raised for CEE private equity, 2007-2018



Fundraising

Figure 4: Fundraising by stage - incremental closings, 2007-2018



Fundraising

Table 1: CEE funds raised

Incremental closings during the year (in € thousands)

Fund stage focus	2017		2018	
	Amount	%	Amount	%
Early stage	166,382	10.1	349,669	19.2
Later stage venture	0	0.0	0	0.0
Venture (all stages)	419,812	25.4	170,971	9.4
Total venture	586,194	35.5	520,640	28.6
Growth capital	72,400	4.4	67,480	3.7
Buyout	810,508	49.1	1,118,285	61.5
Mezzanine	182,804	11.1	112,245	6.2
Generalist	0	0.0	0	0.0
Total funds raised for CEE	1,651,907	100.0	1,818,650	100.0
Total funds raised in Europe	96,627,414		97,319,716	

Table 2: CEE funds raised

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

Fund stage focus	2017		2018	
	Amount	Number of funds	Amount	Number of funds
Early stage	45,200	2	266,505	11
Later stage venture	0	0	0	0
Venture (all stages)	47,619	1	131,713	4
Total venture	92,819	3	398,218	15
Growth capital	0	0	37,518	1
Buyout	999,602	2	255,872	3
Mezzanine	0	0	264,106	1
Generalist	0	0	0	0
Cumulative funds raised for CEE at final closings	1,092,421	5	955,714	20

Investments Summary

Private equity investment in CEE reached €2.7 billion in 2018, the region's second highest annual result to date, following a 24% decrease from the previous year's record result. The number of CEE companies receiving private equity funding in 2018 increased year-on-year by 50% to 398, the second highest level ever recorded, driven by a significant increase in venture capital-backed companies. By comparison, Europe-wide investment increased 7% year-on-year in 2018 to €80.6 billion. Investment activity in the CEE region represented 3% of the total European investment value in 2018, down from 5% in 2017.

CEE private equity investment measured as a percentage of the region's GDP decreased from 0.241% in 2017 to 0.171% in 2018. The region continues to lag behind Europe as a whole, where the average was almost three times higher at 0.472%. A notable exception is Estonia at 0.620%, the sixth best country result in Europe (mostly due to one large transaction). Meanwhile, the Czech Republic and Hungary also showed results above the CEE regional average, in each case driven mainly by a large transaction.

As in prior years, CEE private equity investment activity in 2018 was concentrated in a few countries. Poland remained the leading destination with 32% of the region's total investment value and home to almost one fifth of the companies that received funding. The Czech Republic received 29% of CEE's total investment value, followed by Hungary (13%) and Romania (12%). Notably, Hungary again saw the largest number of companies receiving private equity investment in 2018 with 191, amounting to 48% of the CEE total. These four countries combined comprised 85% of the total CEE investment by value and 72% by number of companies.

The annual investment results in the region and in individual countries can be influenced by large single investments in particular markets. In 2018, the five largest investments accounted for 54% of the total regional amount invested and took place in the Czech Republic, Hungary, Romania, Poland and Estonia. By comparison, in 2017 just the two largest transactions (both in Poland) accounted for 57% of the total investment amount.

Biotech and healthcare was the most targeted sector for CEE private equity investment in 2018, with €854 million invested into 41 companies, comprising 32% of the total investment value. This was driven by one large investment that accounted for a large majority of the investment value in that sector. Consumer goods and services, traditionally one of the region's leading sectors, was close behind with €731 million - a 27% share of the total - invested into 84 companies. Information and communication technology (ICT) remained the strongest performing sector by number of companies, with 150 receiving investment in 2018, or 38% of the CEE total. This was driven largely by venture capital activity. By investment value, ICT ranked third with €407 million, a 15% share of the total amount. Together these three sectors comprised 74% of the total CEE investment in 2018, compared with 2017 when 74% of capital invested was deployed into just one sector - consumer goods and services.

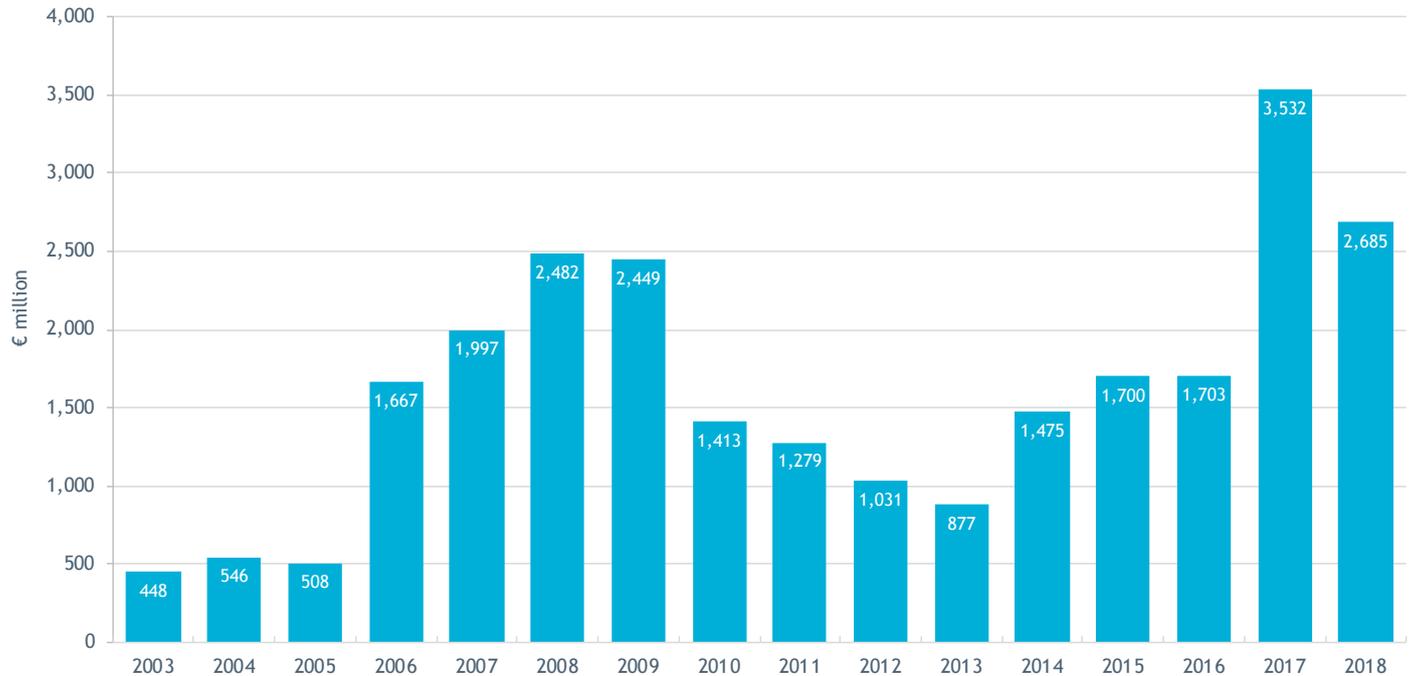
CEE buyout investments accounted for €1.9 billion in 2018, the region's second highest ever level, down 34% from 2017's record result. Meanwhile, buyouts across all of Europe increased 10% year-on-year in 2018 to €58.8 billion - the highest level since 2008. Buyouts comprised 70% of CEE's total investments by value in 2018, similar to the 73% level seen across all of Europe. The number of CEE companies receiving buyout funding increased from 41 in 2017 to 45 in 2018.

Growth capital funding continued to be CEE's second most important type of private equity investment in 2018. At €615 million, up 9% year-on-year, it comprised 23% of the region's total investment value. The number of CEE companies backed by growth funding increased year-on-year from 48 in 2017 to 52 in 2018.

Venture capital investment rose year-on-year by 32% to €160 million. By number of companies backed in 2018, venture capital registered its second best year on record, with 300 companies funded, just under the all-time high of 301 achieved in 2015. This reflects increased investment activity following two very strong years of VC fundraising in the CEE region.

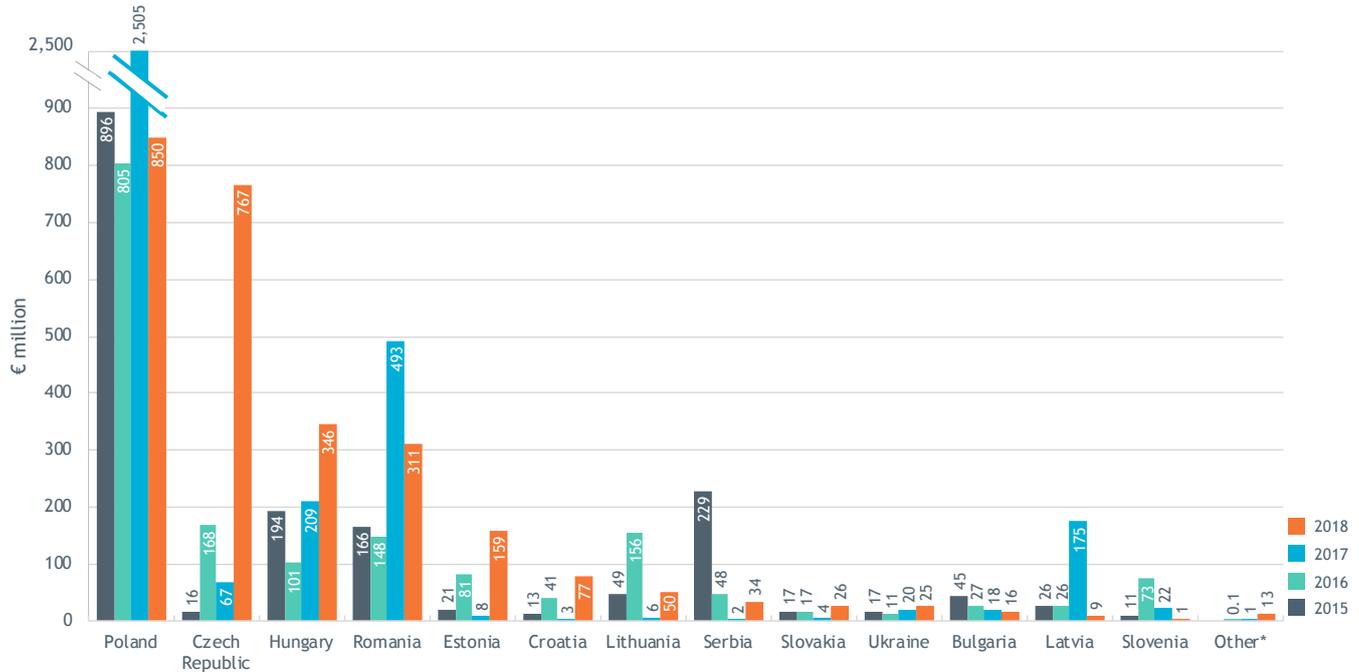
Investments Summary

Figure 5: Annual investment value in the CEE region, 2003-2018



Investments

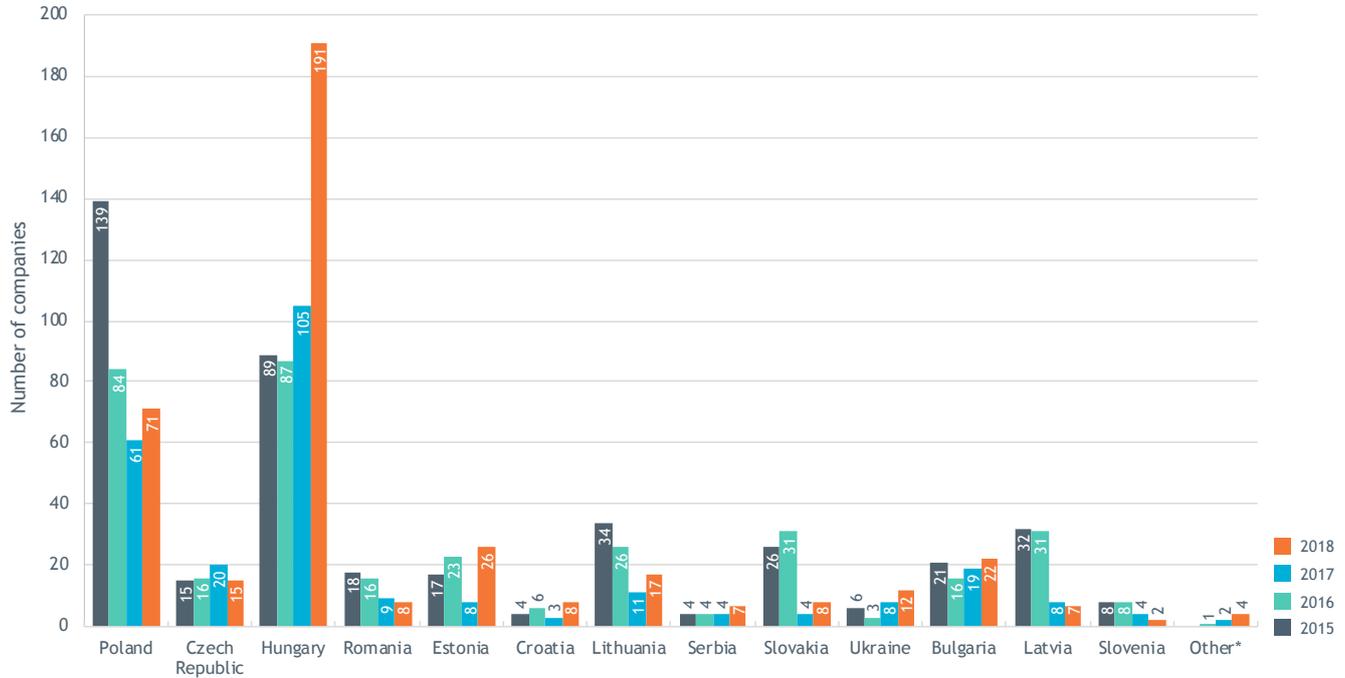
Figure 6: Annual investment value in CEE, 2015-2018



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

Investments

Figure 7: Annual investment in CEE, 2015-2018 (number of companies)



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

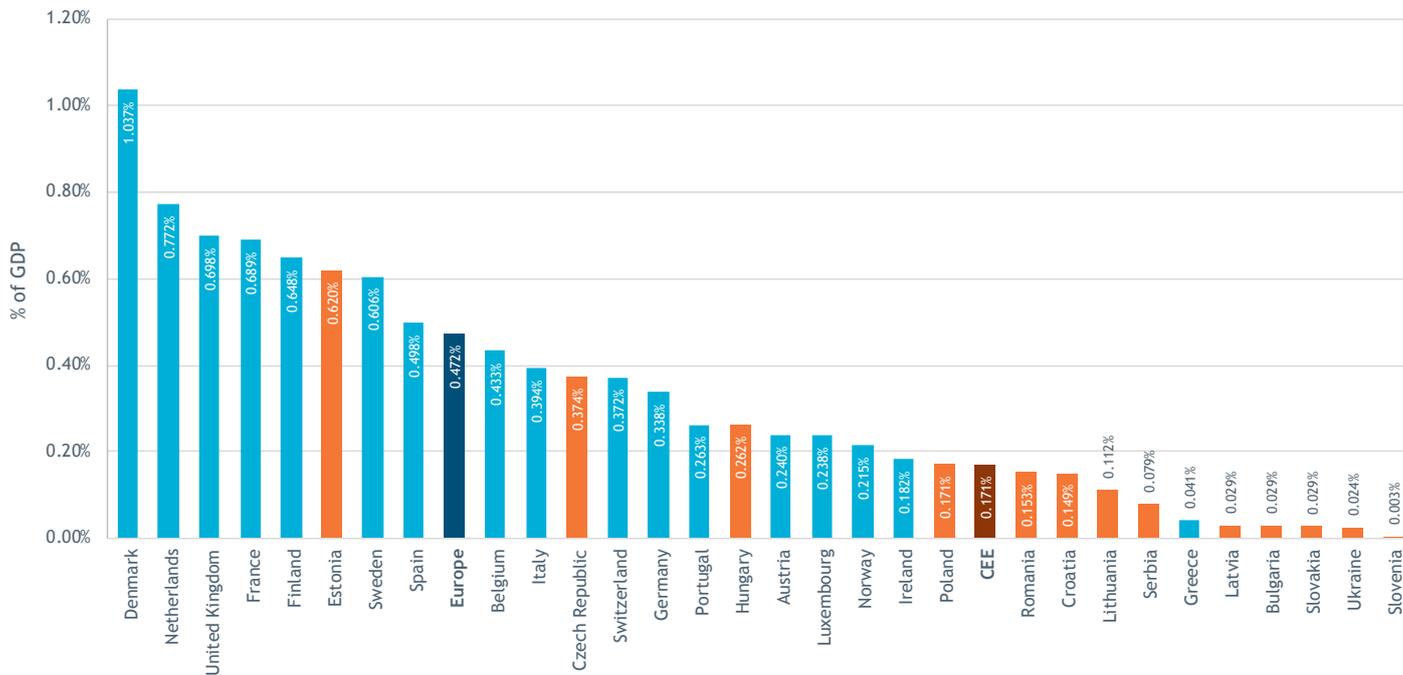
Investments

Table 3: Investment by sector, 2017-2018 (€ thousands)

	2017				2018			
	Amount	%	Number of companies	%	Amount	%	Number of companies	%
Agriculture	500	0.0	2	0.8	25,240	0.9	4	1.0
Biotech and healthcare	40,345	1.1	27	10.2	854,068	31.8	41	10.3
Business products and services	316,382	9.0	51	19.2	312,212	11.6	57	14.3
Chemicals and materials	292	0.0	3	1.1	1,999	0.1	3	0.8
Construction	6,432	0.2	2	0.8	20,125	0.7	5	1.3
Consumer goods and services	2,618,482	74.1	51	19.2	731,408	27.2	84	21.1
Energy and environment	79,605	2.3	16	6.0	32,669	1.2	14	3.5
Financial and insurance activities	48,756	1.4	11	4.1	154,712	5.8	17	4.3
ICT (Information and communication technology)	396,503	11.2	94	35.3	407,321	15.2	150	37.7
Real estate	1,750	0.0	1	0.4	1,018	0.0	2	0.5
Transportation	22,971	0.7	8	3.0	101,437	3.8	16	4.0
Other	0	0.0	0	0.0	42,735	1.6	5	1.3
Total investment in year	3,532,018	100.0	266	100.0	2,684,943	100.0	398	100.0

Investments

Figure 8: Private equity investments as a percentage of GDP, 2018 (by country of destination of investment)



Investments

Table 4: Type of investment in CEE vs. Europe, 2018 (in € thousands)

	2018		2017	
	Total CEE	% of total	Total Europe	% of total
Seed	38,097	1.4	721,445	0.9
Start-up	97,786	3.6	4,887,307	6.1
Later stage venture	23,900	0.9	2,567,580	3.2
Total venture	159,783	6.0	8,176,332	10.1
Growth	614,563	22.9	11,913,898	14.8
Rescue/Turnaround	0	0.0	254,799	0.3
Replacement capital	24,625	0.9	1,422,016	1.8
Buyout	1,885,972	70.2	58,814,426	73.0
Total 2018	2,684,943	100.0	80,581,471	100.0
Total 2017	3,532,018		75,324,705	

Table 5: Type of investment in CEE, 2017-2018 (in € thousands)

	2017		2018	
	Amount	Number of companies	Amount	Number of companies
Seed	35,116	123	38,097	203
Start-up	58,823	49	97,786	90
Later stage venture	27,203	9	23,900	10
Total venture	121,142	179	159,783	300
Growth	565,929	48	614,563	52
Rescue/Turnaround	1,663	1	0	0
Replacement capital	0	0	24,625	7
Buyout	2,843,285	41	1,885,972	45
Total	3,532,018	266	2,684,943	398

Investments

Table 6: Type of investments by CEE country, 2017-2018 (in € thousands)

2018

Stage focus	Bulgaria	Croatia	Czech Rep.	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Serbia	Slovakia	Slovenia	Ukraine	Other*
Seed	3,921	375	0	3,435	23,350	0	1,438	4,744	0	400	0	0	435	0
Start-up	820	1,520	13,895	956	40,065	1,617	869	27,199	750	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	1,895	13,895	14,391	70,623	1,617	2,307	35,723	750	3,865	4,140	300	1,328	1,946
Growth	2,877	7,612	3,510	5,459	19,259	360	35,320	313,307	203,857	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	67,225	749,281	138,868	255,996	6,231	2,600	493,969	106,609	30,000	20,511	0	4,109	10,573
Total	16,079	76,732	766,686	159,118	345,878	8,708	50,396	850,355	311,216	33,865	26,151	1,450	25,233	13,075

2017

Stage focus	Bulgaria	Croatia	Czech Rep.	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Serbia	Slovakia	Slovenia	Ukraine	Other*
Seed	3,883	0	3,415	900	21,908	606	43	2,191	0	300	0	428	1,337	105
Start-up	529	2,627	2,600	650	15,790	500	3,555	22,193	5,605	1,200	1,991	354	100	1,130
Later stage venture	0	0	0	0	139	250	50	24,538	0	0	725	1,500	0	0
Total venture	4,412	2,627	6,015	1,550	37,837	1,356	3,648	48,922	5,605	1,500	2,716	2,282	1,437	1,235
Growth	13,580	0	10,291	0	42,531	160,454	961	146,914	170,713	0	1,500	0	18,985	0
Rescue/Turnaround	0	0	0	0	0	0	0	1,663	0	0	0	0	0	0
Replacement capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buyout	250	0	50,937	6,254	128,549	12,850	1,020	2,307,543	316,463	0	0	19,419	0	0
Total	18,242	2,627	67,243	7,804	208,917	174,660	5,629	2,505,042	492,781	1,500	4,216	21,701	20,422	1,235

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

Divestments Summary

Private equity exits across CEE in 2018 reached €1.1 billion, measured at historical investment cost, some 7% below 2017. The total number of companies divested in CEE during 2018 increased by 20% year-on-year to an all-time high of 128, mainly driven by a growing number of exited venture-backed companies. By comparison, divestment values declined 28% at cost in Europe as a whole in 2018 to €31.9 billion. CEE divestments comprised 3.5% of the total exit value in Europe, up from 2.7% in 2017.

Poland was again the region's largest market for exits in 2018 with €575 million of divestments at cost - 52% of the CEE total - and the highest number of companies exited at 43, or 34% of the total. The Czech Republic was the second most active country by value of exits, with €182 million at cost, or 16% of the regional total. Hungary ranked third, accounting for €116 million of exits at investment cost, or 11% of the total. The results in both the Czech Republic and Hungary were mainly driven by one large transaction in each market. Hungary ranked second in number of companies exited with 29, or 23% of the regional total. Romania was in fourth place in value of exits with €90 million (8% of total). The four countries mentioned above accounted for 87% of the total CEE divestment value at cost and 67% of the total number of companies exited in 2018.

It should be noted that annual CEE exit values can be affected by a limited number of large deals. In 2018, the five largest transactions accounted for 44% of the region's overall exit value at cost. These transactions took place in Poland, Hungary and the Czech Republic. The previous year's concentration was similar, with the five largest transactions accounting for 49% of the region's total exit value at cost.

Sale to another private equity firm was again CEE's most popular exit route in 2018 by value, accounting for €360 million at historical cost, or 32% of the total regional divestment value. The number of companies exited via this method more than doubled year-on-year from 9 to 22, comprising 17% of total CEE companies sold in 2018.

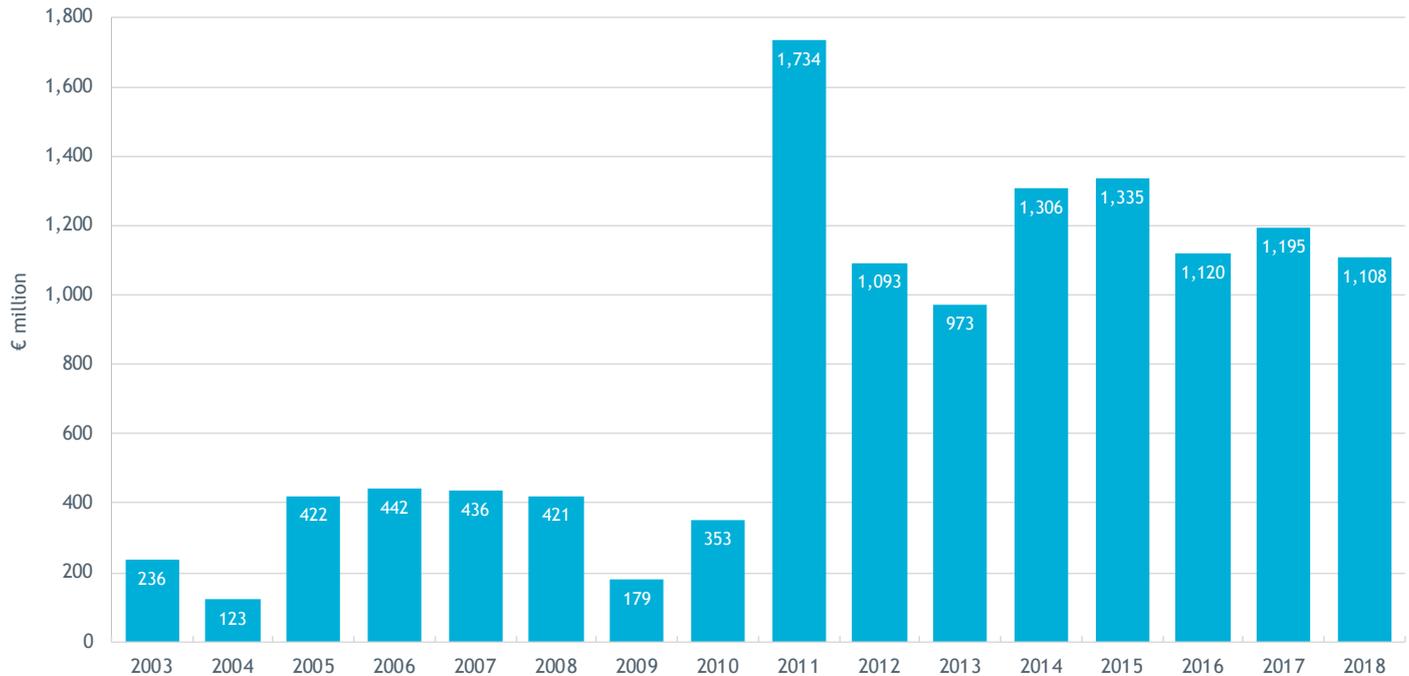
Sale to financial institutions was the second most accessed route by value in 2018 with €272 million at cost or 25% of the total, over five times the level seen in 2017. However, just six companies fell into this category in 2018, accounting for 5% of the total number of companies exited in 2018.

Trade sale - historically CEE's most prominent exit route - ranked third by value in 2018 with €215 million at cost, or 19% of the regional total. However, with 35 companies (27% of total) exited, trade sale was the most popular exit route by number of companies. Write-offs remained at a minimal level, which is typical for the CEE region, accounting for just 1% of the total CEE exit value at cost and comprising 13 companies.

Consumer goods and services remained the most important sector for exits by value in 2018 with €437 million divested at historical cost - 39% of the region's total value - and 27 companies exited or 21% of the total. Notably, the sector includes three of the year's six largest exit transactions in CEE, which accounted for 58% of the sector's total exit value. The second largest divested sector by value was information and communication technology (ICT) with €286 million at historical cost - 26% of the CEE total by value - and the highest number of companies exited at 35, representing 27% of the total number. Two of the year's six largest exit transactions were recorded in the ICT sector and together accounted for 62% of that sector's total exit value. Biotech and healthcare was the third most exited sector, with €157 million divested at cost, or 14% of the CEE total by value, among 13 companies (10% of the CEE total). This sector was helped by having CEE's largest exit of 2018 by investment at cost among its divested companies.

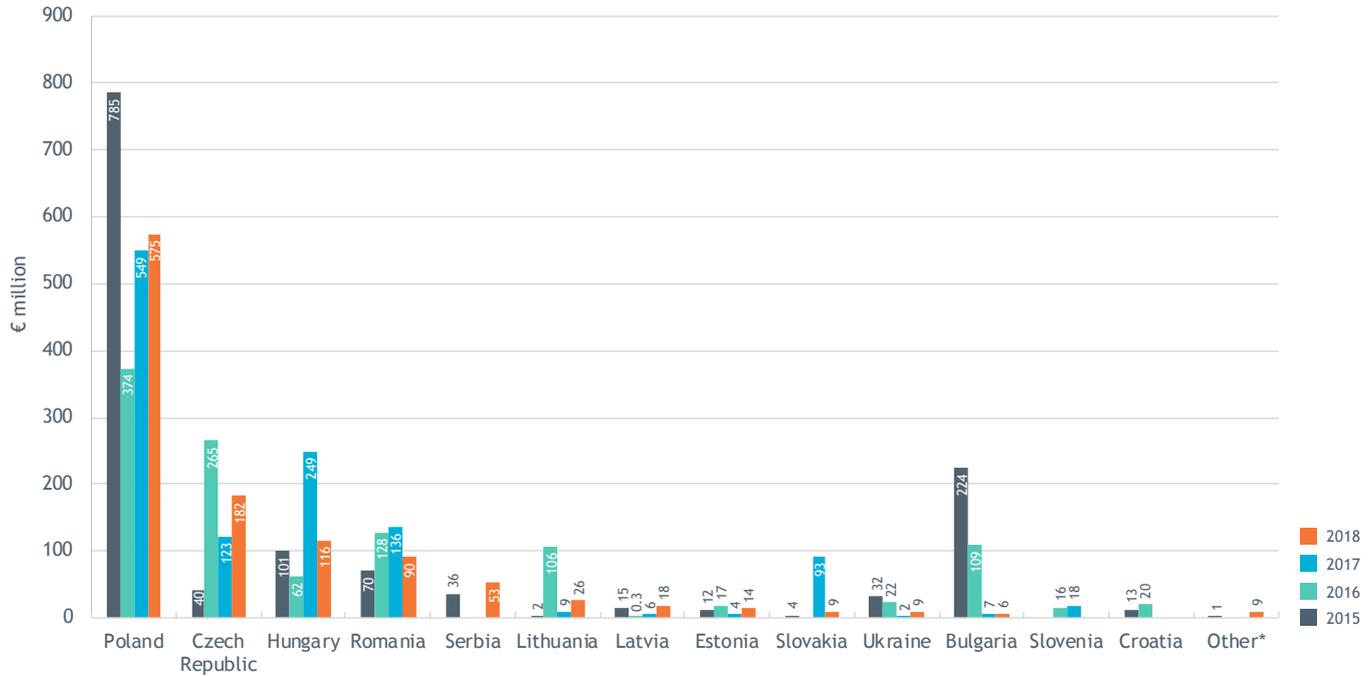
Divestments Summary

Figure 9: Divestment value in CEE, 2003-2018 (exit value at historical investment cost)



Divestments

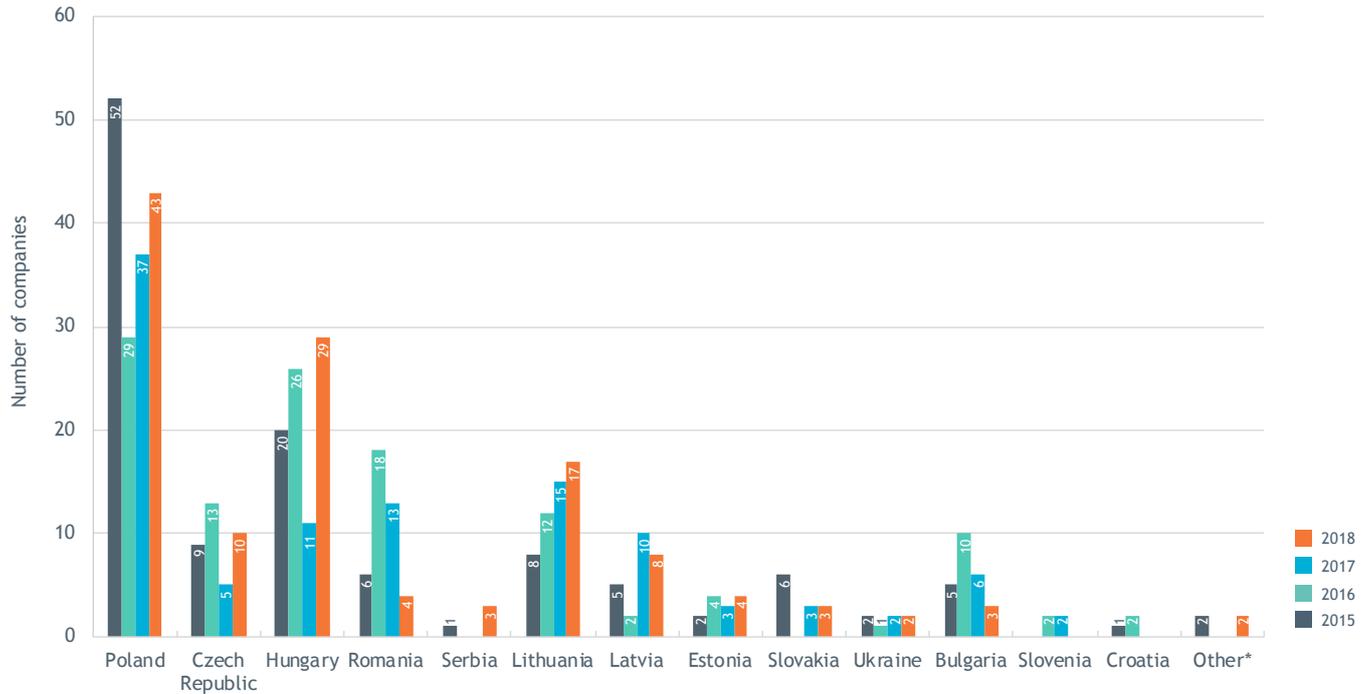
Figure 10: Divestments value by CEE country, 2015-2018 (exit value at historical investment cost)



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

Divestments

Figure 11: Divestments by CEE country, 2015-2018 (number of companies)



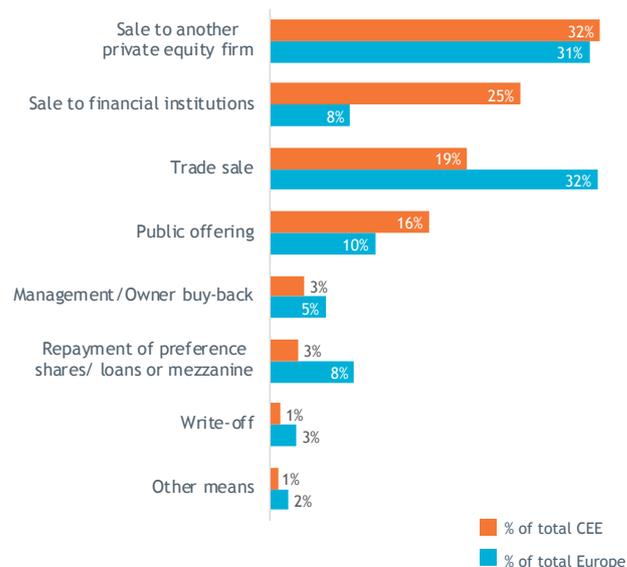
*Other consists of Bosnia & Herzegovina, North Macedonia, Moldova and Montenegro.

Divestments

Table 7: Divestments by exit route in CEE, 2017-2018
(exit value at historical investment cost in € thousands)

	2017		2018	
	Amount at cost	Number of companies	Amount at cost	Number of companies
Sale to another private equity firm	479,269	9	359,705	22
Sale to financial institutions	50,345	4	272,451	6
Trade sale	396,458	28	214,839	35
Public offering	159,062	7	173,357	8
Management/Owner buy-back	20,067	14	36,913	25
Repayment of preference shares/loans or mezzanine	65,466	31	30,089	11
Write-off	3,051	7	11,962	13
Other means	20,998	10	8,287	9
Total divestment in year	1,194,716	107	1,107,603	128

Figure 12: Exit routes in CEE vs. total Europe, 2018
(% of exit value at historical investment cost)



Divestments

Table 8: CEE divestments by sector, 2017-2018 (exit value at historical investment cost, in € thousands)

	2017				2018			
	Amount at cost	%	Number of companies	%	Amount at cost	%	Number of companies	%
Agriculture	2,601	0.2	2	1.9	1,023	0.1	2	1.6
Biotech and healthcare	131,893	11.0	8	7.5	156,516	14.1	13	10.2
Business products and services	157,576	13.2	27	25.2	51,704	4.7	24	18.8
Chemicals and materials	13,285	1.1	2	1.9	32,402	2.9	4	3.1
Construction	11,896	1.0	3	2.8	41,301	3.7	6	4.7
Consumer goods and services	459,517	38.5	24	22.4	436,999	39.5	27	21.1
Energy and environment	50,241	4.2	3	2.8	15,045	1.4	4	3.1
Financial and insurance activities	55,252	4.6	8	7.5	27,273	2.5	5	3.9
ICT (Information and communication technology)	272,564	22.8	26	24.3	286,395	25.9	35	27.3
Real estate	0	0.0	0	0.0	1,565	0.1	1	0.8
Transportation	34,040	2.8	3	2.8	50,863	4.6	4	3.1
Other	5,850	0.5	1	0.9	6,517	0.6	3	2.3
Total divestment in year	1,194,716	100.0	107	100.0	1,107,603	100.0	128	100.0

The CEE venture capital market

In 2018, €160 million of venture capital (VC) funding was invested into the CEE region, 32% more than in 2017. VC investments comprised 6% of the region's total private equity investments by value, up from a 3% level in 2017, driven by both an increase in VC investments and a decrease in the buyout segment. The number of CEE companies that received VC backing increased by 68% to 300 in 2018, the second best year on record and just under the all-time high of 301 achieved in 2015. VC-backed companies represented 75% of the total number of all CEE private equity-funded companies in 2018. The trend of increasing VC investments is expected to continue in CEE going forward due to record levels of VC fundraising in 2017 and 2018.

Central and Eastern Europe represented 2% of the total European venture capital investment value in 2018, while the region accounted for 7% of the number of European companies receiving venture capital funding. The average venture capital investment per company in CEE was €0.53 million in 2018, declining year-on-year by 21% and representing less than a third of the European average of €1.8 million.

Start-up stage investments rose by 66% year-on-year to €98 million in 2018 and continued to make up the largest category of the VC market in CEE, accounting for 61% of the region's total VC investment value. The number of CEE start-ups receiving VC funding increased by a significant 84% year-on-year to 90, comprising 30% of the total VC-backed companies in 2018. Meanwhile, seed investments increased in value by 8% to a record €38 million invested into an all-time high of 203 companies, which accounted for 67% of the year's total. Later stage VC investments declined by 12% to €24 million, backing just 10 companies.

Hungary was the leading destination for venture capital investment in CEE in 2018 with €71 million, an all-time high for the country, accounting for 44% of the regional VC segment total. The country also took the lead in terms of

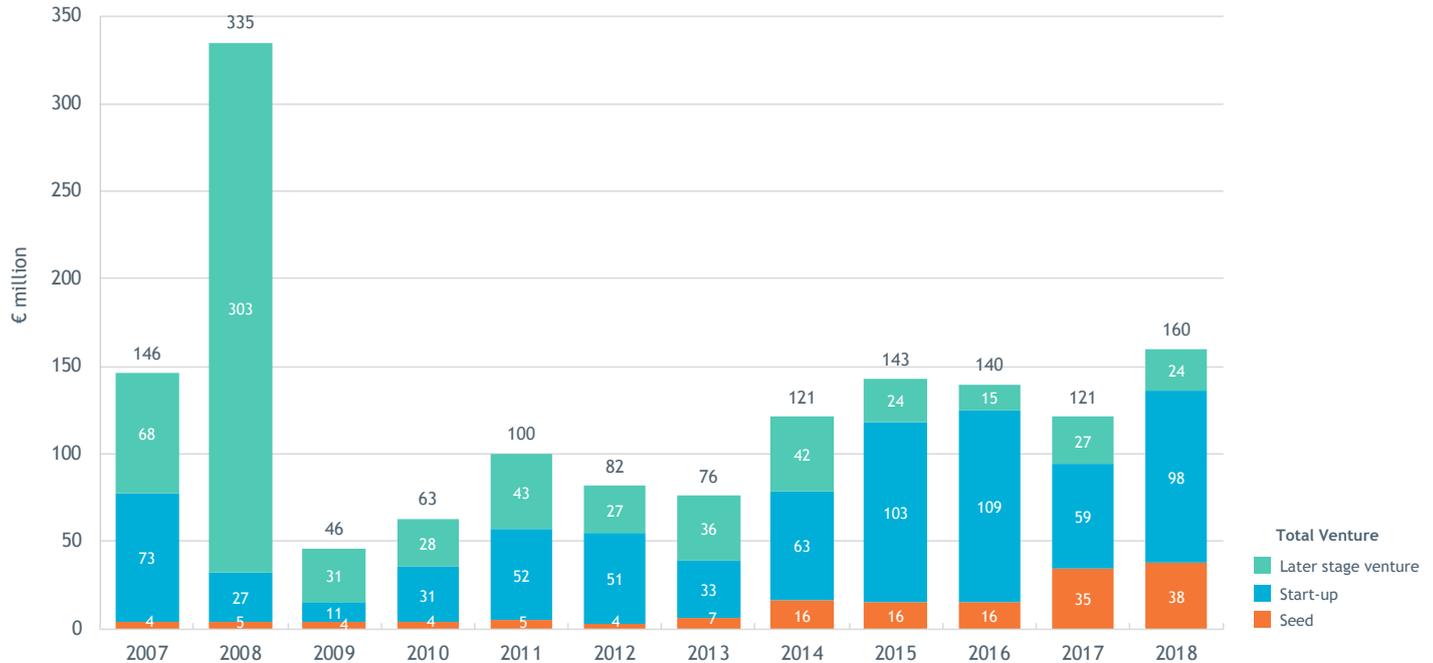
number of companies, with a record 183 companies receiving VC funding, representing 61% of the total number of all CEE VC-backed companies. Poland followed with €36 million, or 22% of the regional total, invested into 35 companies, representing 12% of the CEE total. Together, these two countries accounted for 67% of the CEE region's total venture capital investment by amount and 73% by number of companies.

Information and communication technology (ICT) companies in CEE continued to receive the most VC funding, with a 19% year-on-year increase to €89 million invested into 131 companies. ICT accounted for 56% of the region's total venture investment by value and 44% by number of companies. Consumer goods and services was second, tripling in value to €25 million, invested into 55 companies. It accounted for 15% of the region's total VC investment by value and 18% by number of companies. These two sectors together accounted for 71% of the total venture investments in CEE in 2018 by value and 62% by number of companies. Following these sectors, transportation recorded €12 million of investment into 12 companies, while business products and services saw €10 million invested into 42 companies.

Divestment values in CEE venture capital remained fairly stable at €48 million measured at historical investment cost, just 2% below the 2017 level. The number of venture-backed companies exited rose by 45% year-on-year to a record 61 in 2018. Management/owner buy-back was the most prominent exit route, accounting for €15 million at cost and 19 companies, comprising 31% of the CEE venture total on both counts. Trade sale was not far off, making up 30% of total VC divestments by value in 2018 with €14 million at historical cost, among 14 companies. The ICT sector was the leading area for venture capital divestments, comprising 44% of the total value at historical investment cost and the largest number of VC-backed companies exited at 28, or 46% of the total. This was followed by business products and services, with 17% of the total divested venture value and 18% of companies exited.

The CEE venture capital market

Figure 13: CEE venture capital investments by stage, 2007-2018 (in € million)



The CEE venture capital market

Figure 14: CEE venture capital investments by stage, 2007-2018 (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, 2017-2018 (in € thousands)

	2017				2018			
	Amount	%	Number of companies	%	Amount	%	Number of companies	%
Agriculture	0	0.0	0	0.0	0	0.0	0	0.0
Biotech and healthcare	16,571	13.7	21	11.7	9,913	6.2	35	11.7
Business products and services	8,317	6.9	32	17.9	10,386	6.5	42	14.0
Chemicals and materials	12	0.0	1	0.6	1,377	0.9	2	0.7
Construction	0	0.0	0	0.0	30	0.0	1	0.3
Consumer goods and services	8,175	6.7	24	13.4	24,751	15.5	55	18.3
Energy and environment	6,893	5.7	9	5.0	3,705	2.3	10	3.3
Financial and insurance activities	5,249	4.3	8	4.5	7,318	4.6	11	3.7
ICT (Information and communication technology)	75,137	62.0	78	43.6	89,204	55.8	131	43.7
Real estate	0	0.0	0	0.0	0	0.0	0	0.0
Transportation	789	0.7	6	3.4	12,323	7.7	12	4.0
Other	0	0.0	0	0.0	776	0.5	1	0.3
Total investment	121,142	100.0	179	100.0	159,783	100.0	300	100.0

The CEE venture capital market

Table 10: CEE venture capital divestments by exit route, 2017-2018
(exit value at historical investment cost, in € thousands)

	2017				2018			
	Amount at cost	%	Number of companies	%	Amount at cost	%	Number of companies	%
Management/Owner buy-back	3,098	6.4	8	18.6	14,666	30.7	19	30.6
Trade sale	38,368	78.7	8	18.6	14,199	29.7	14	22.6
Sale to another private equity firm	1,057	2.2	2	4.7	7,902	16.5	8	12.9
Sale to financial institutions	376	0.8	1	2.3	4,270	8.9	1	1.6
Write-off	3,051	6.3	7	16.3	1,962	4.1	11	17.7
Repayment of preference shares/loans or mezzanine	1,215	2.5	10	23.3	1,646	3.4	2	3.2
Public offering	0	0.0	0	0.0	0	0.0	0	0.0
Other means	1,580	3.2	7	16.3	3,147	6.6	7	11.3
Total divestment in year	48,746	100.0	42	100.0	47,792	100.0	61	100.0

The CEE buyout and growth market

Total buyout and growth investment in CEE reached €2.5 billion in 2018, the second highest level ever for the region, following a 26% decline from 2017's record level. This capital was invested into 101 companies, a 15% increase compared to 2017. This segment comprised the vast majority of the year's total CEE private equity investment by value at 94%. By number of companies funded, the market segment's share decreased from 33% in 2017 to 25% in 2018, due to the impressive growth of the number of VC-backed companies in 2018. CEE's share of the overall European buyout and growth segment decreased from 5% in 2017 to 3% in 2018 in terms of value and represented 3% by number of companies in both years.

Delving into sub-segments, buyout investments continued to dominate, reaching €1.9 billion in 2018. This was the second highest ever level of annual buyout value in the CEE region, following a 34% decrease from 2017's record result. Meanwhile, buyout investments across all of Europe increased 10% year-on-year to €58.8 billion, the highest level since 2008. The number of companies receiving buyout funding in CEE was 45 in 2018, up from 41 in 2017.

The concentration of CEE buyouts among larger transactions was not as pronounced as in the previous year. In 2018, the two largest investments, in the Czech Republic and Hungary, accounted for 52% of the total buyout amount, while in 2017 the two largest transactions (both in Poland) comprised 70% of the total.

Looking at the size of buyout transactions in 2018, two of them were within the large and mega buyout category (i.e. over €500 million in total transaction size) and accounted for €1 billion of equity invested, compared to €2 billion of equity invested into two companies in 2017. Meanwhile, mid-market transactions (i.e. between €50 million and €500 million in total transaction size), rose to nine in 2018 from four in 2017, while the amount deployed remained stable at €566 million of equity invested versus €561 million in 2017. Small buyouts (total transaction size of less than €50 million) decreased slightly to 34 companies in 2018, but grew 18% year-on-year in value to €335 million of equity invested.

The growth capital sub-segment rose by 9% in value year-on-year to reach €615 million and remained the region's second most important investment segment in 2018. The number of CEE companies backed by growth funding increased year-on-year from 48 to 52.

Poland was again CEE's most active buyout and growth market in 2018 with €815 million invested into 37 companies, accounting for 32% of the segment's annual value in the region. The Czech Republic followed with €753 million, comprising 30% of the region's total, invested among seven companies and driven by one large transaction. The next most active countries were Romania (€310 million) and Hungary (€275 million), where the results were also driven by a large transaction in each country. Notably, Estonia saw €145 million of buyout and growth investments in 2018, the country's largest recorded amount, also driven by a single large transaction. These five countries combined accounted for 91% of the 2018 CEE buyout and growth segment by value and 68% by number of companies.

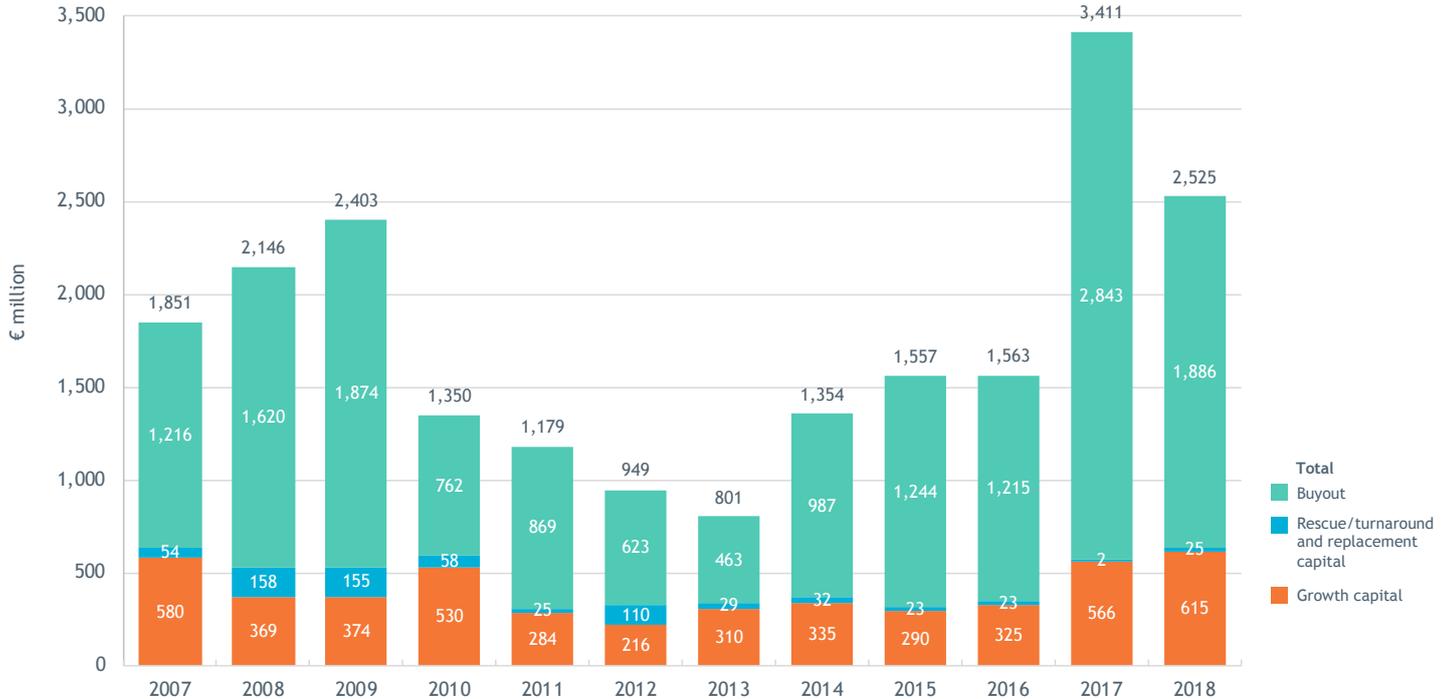
The biotech and healthcare sector in CEE received the most buyout and growth investment in 2018, attracting €844 million or 33% of the segment's total value, mainly driven by one single transaction. This was followed by consumer goods and services at €707 million (28% of the total), ICT at €318 million (13%), and business products and services at €302 million (12%).

Exits in the CEE buyout and growth segment in 2018 totalled €1.1 billion, measured at historical investment cost, down 7% year-on-year. At the same time, the number of companies exited increased to 67 in 2018 from 64 in 2017. Sale to another private equity firm remained the most utilised exit route in 2018 with 33% of the total segment's exit value at cost. It was followed by sale to financial institutions, which rose over six-fold year-on-year to 25% of the total exit value at cost.

The most exited sectors in the buyout and growth segment were consumer goods and services with €435 million or 41% of total value at historical cost, ICT with €265 million (25% of the total), and biotech and healthcare with €150 million (14%). Together these three sectors accounted for 80% of buyout and growth exits by value at historical cost.

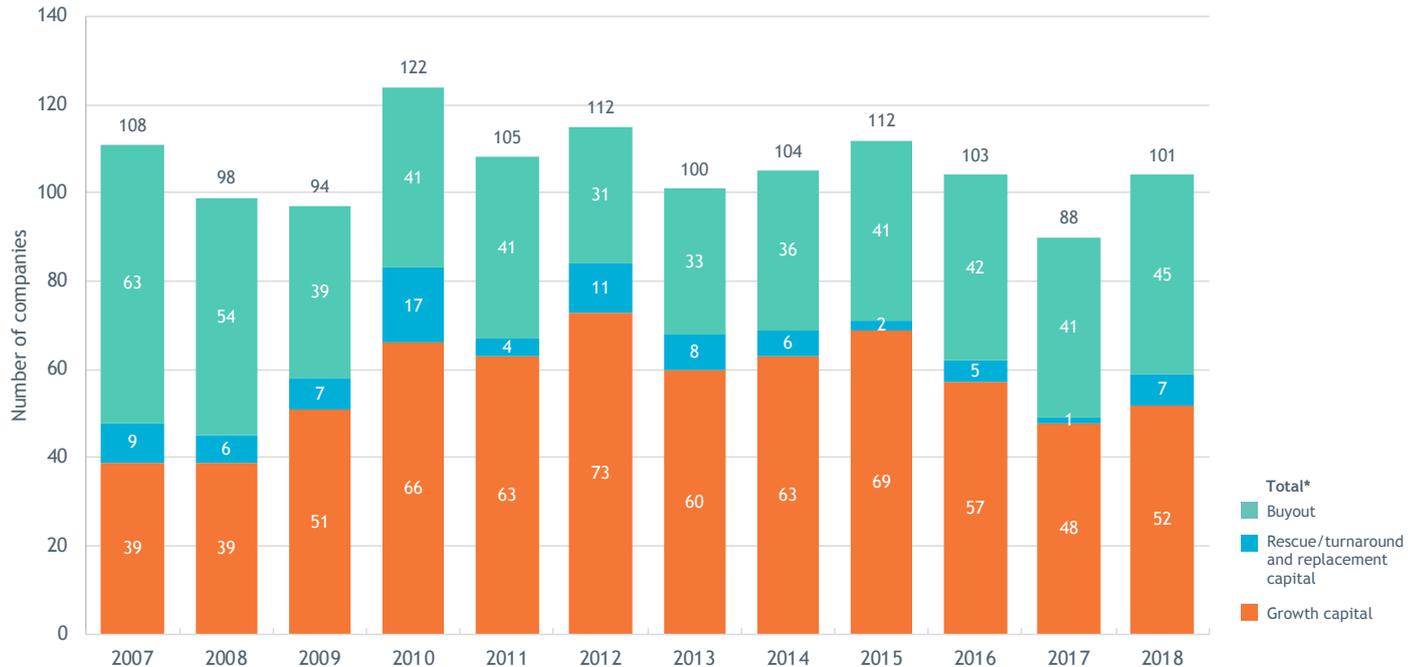
The CEE buyout and growth market

Figure 15: CEE buyout & growth investments by stage, 2007-2018 (in € million)



The CEE buyout and growth market

Figure 16: CEE buyout & growth investments by stage, 2007-2018 (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, 2017-2018 (in € thousands)

2018							
	Amount (equity value)	%	Number of companies	%	Transaction value	%	Equity contribution of PE firms (in %)
Small	335,073	17.8	34	75.6	543,878	12.8	61.6
Mid-market	566,180	30.0	9	20.0	1,256,713	29.6	45.1
Large and mega	984,719	52.2	2	4.4	2,443,820	57.6	40.3
Total buyout*	1,885,972	100.0	45	100.0	4,244,411	100.0	

2017							
	Amount (equity value)	%	Number of companies	%	Transaction value	%	Equity contribution of PE firms (in %)
Small	284,118	10.0	35	85.4	478,397	8.5	59.4
Mid-market	560,965	19.7	4	9.8	895,783	15.9	62.6
Large and mega	1,998,202	70.3	2	4.9	4,274,395	75.7	46.7
Total buyout*	2,843,285	100.0	41	100.0	5,648,575	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, 2017-2018 (in € thousands)

	2017				2018			
	Amount	%	Number of companies	%	Amount	%	Number of companies	%
Agriculture	500	0.0	2	2.3	25,240	1.0	4	4.0
Biotech and healthcare	23,774	0.7	7	8.0	844,155	33.4	7	6.9
Business products and services	308,065	9.0	19	21.6	301,826	12.0	15	14.9
Chemicals and materials	280	0.0	2	2.3	622	0.0	1	1.0
Construction	6,432	0.2	2	2.3	20,095	0.8	4	4.0
Consumer goods and services	2,610,307	76.5	27	30.7	706,657	28.0	29	28.7
Energy and environment	72,712	2.1	7	8.0	28,964	1.1	4	4.0
Financial and insurance activities	43,507	1.3	3	3.4	147,394	5.8	6	5.9
ICT (Information and communication technology)	321,366	9.4	16	18.2	318,117	12.6	21	20.8
Real estate	1,750	0.1	1	1.1	1,018	0.0	2	2.0
Transportation	22,182	0.7	2	2.3	89,114	3.5	4	4.0
Other	0	0.0	0	0.0	41,958	1.7	4	4.0
Total investment	3,410,876	100.0	88	100.0	2,525,160	100.0	101	100.0

The CEE buyout and growth market

Table 13: CEE buyout & growth divestments by exit route, 2017-2018
(exit value at historical investment cost, in € thousands)

	2017				2018			
	Amount at cost	%	Number of companies	%	Amount at cost	%	Number of companies	%
Sale to another private equity firm	478,211	42.1	7	10.6	351,803	33.2	14	20.9
Sale to financial institutions	40,796	3.6	2	3.0	268,181	25.3	5	7.5
Trade sale	358,090	31.5	20	30.3	200,641	18.9	21	31.3
Public offering	159,062	14.0	7	10.6	173,357	16.4	8	11.9
Repayment of preference shares/loans or mezzanine	64,251	5.7	21	31.8	28,443	2.7	9	13.4
Management/Owner buy-back	16,969	1.5	6	9.1	22,247	2.1	6	9.0
Write-off	0	0.0	0	0.0	10,000	0.9	2	3.0
Other means	19,418	1.7	3	4.5	5,140	0.5	2	3.0
Total divestment in year	1,136,798	100.0	64	100.0	1,059,811	100.0	67	100.0

Appendix - Amendments of prior years' statistics

- > All data from 2007 to 2018 reported in this publication is based on the European Database 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 Database 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 reclassifications of transactions by type.
- > 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 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 amount 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

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.

Contact details

Warsaw (Poland)



Dariusz Tokarczuk
Partner
tokarczuk@gide.com



Paweł Grześkowiak
Partner
grzeskowiak@gide.com

CEE Desk (France)



Stanislas Dwernicki
Partner
dwernicki@gide.com



Hugues Moreau
Partner
moreau@gide.com

Brussels (Belgium)



Benoît Le Bret
Partner
lebret@gide.com

Istanbul (Turkey)



Bulent Ozdirekcan
Partner
ozdirekcan@gide.com



Arpat Senocak
Partner
senocak@gide.com



Central and Eastern European
Private Equity Statistics 2018

Our partner: Gide

Invest Europe
Bastion Tower
Place du Champ de Mars 5
B-1050 Brussels, Belgium

T +32 2 715 00 20
F +32 2 725 07 04
info@investeurope.eu
www.investeurope.eu