**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 businesses. 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 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 24 employees based in Brussels, Belgium.

For more information please visit [www.investeurope.eu](http://www.investeurope.eu)
“Invest Europe helps members navigate an increasingly complex environment in the EU and internationally, so they can continue to operate effectively across borders.”

Michael Collins  Chief Executive Officer
Read Michael’s report on page 05

HIGHLIGHTS

New ESG guide: How to Invest Responsibly

Positive Solvency II proposals to encourage investing in private equity

Launching the economic impact data collection project

Successful European Commission partnership on Invest Week
SECTION 1

OVERVIEW
Chair’s overview

Year of the Dragon

Private equity and venture capital in Europe is enjoying a golden age. Record levels of fundraising, highly experienced fund managers and supportive public policy are all contributing to increased investments in Europe's dynamic companies across a broad range of sectors.

It has been a pleasure to work with Michael Collins and the team over the past year as Invest Europe's Chair. I have seen firsthand how the association works on behalf of all of its members, achieving numerous successes over the course of the year.

In this report, you will read about the European Commission's proposals that will encourage insurers investing into private equity under the Solvency II regulation. You'll also learn about our ground-breaking cooperation with the European Commission on Invest Week and how we are further developing the European Data Cooperative to produce essential industry data. Invest Europe's work benefits all our members, from private equity to venture capital fund managers, limited partners and service providers.

As a long-time venture capitalist and representative of Invest Europe’s Venture Capital (VC) Platform, the success of the European venture scene is especially pleasing. 2018 was a record year – I call it the year of the dragon – with over €11.4 billion raised from investors for VC funds and €8.2 billion invested. What's more, public offerings achieved a 22% share of divestment amount, a ten-year high, as Europe-grown start-ups achieved successful stock market listings. The Swedish music streaming service Spotify, Dutch payments processor Adyen, Swiss life sciences company Crispr Therapeutics and the online fashion retailer Farfetch, which was created by a Portuguese entrepreneur, are just a few examples.

Since the success of Skype back in 2005, as European VC's first 'unicorn', the market growth has been phenomenal. Today, some estimates count over 60 European unicorns - start-ups valued at over $1 billion. Companies such as these are crucial to creating attractive returns for investors, which in turn draw more commitments into venture funds.

But what Europe really needs are more dragons. Dragons are an altogether rarer beast.

A 'dragon' is a start-up that returns the entire committed capital of the VC fund that backed them. As well as Spotify, Adyen and Farfetch, this includes the Dutch biopharmaceutical company Acerta Pharma, the German online car marketplace Auto 1 and France’s personalised advertising creator Criteo, to name just a few. With all these examples, we can say that it has really been the year of the dragon.

Europe has all the ingredients to create these companies and critically it also has momentum, as we are seeing positive changes at the EU policy level too. VentureEU, the public-private pan-European VC fund-of-funds initiative proposed by Invest Europe and launched last year by the European Commission and the European Investment Fund (EIF), is now bearing fruit. Institutional investors are contributing to the large fund-of-funds vehicles, backed by EU capital, for investment in VC funds across the continent. There is still plenty to do and Invest Europe continues to work on initiatives to ensure promising European companies can keep accessing funding as they grow.

The political changes we are seeing could have implications for the industry and Invest Europe’s work over the coming months. The outcome of the Brexit negotiations could impact cross-border fundraising, investing, and the ability to hire and retain talent. The new make-up of the European Parliament could influence decision-making, while the incoming European Commission will lay out a brand new set of priorities. Invest Europe will need to work hard to inform these new policymakers about the importance of private equity and venture capital to the European economy and the potential impact of regulatory changes.

Invest Europe strongly supports the growth of European venture capital, alongside its important work for limited partners, large buyouts and mid-market private equity.

“I invest Europe strongly supports the growth of European venture capital, alongside its important work for limited partners, large buyouts and mid-market private equity.”

Nenad Marovac, DN Capital Chair

Private equity and venture capital in Europe is enjoying a golden age. Record levels of fundraising, highly experienced fund managers and supportive public policy are all contributing to increased investments in Europe's dynamic companies across a broad range of sectors.
Chief Executive’s report

Preparing for change

The last year has been dominated by political developments, including the UK’s negotiations to exit the European Union, and the culmination of the current European Commission and European Parliament’s mandate.

Despite the European economy growing at a more moderate pace and concern about a potential market correction, Europe remains a highly attractive place to invest, according to our recent survey of global investors. Notably, private equity and venture capital is thriving, raising €97 billion for Europe in 2018.

Invest Europe helps members navigate this increasingly complex environment in the EU and internationally, so they can continue to operate effectively across borders, benefitting investors, portfolio companies and their employees – whatever the future holds.

The fallout from the UK’s decision to leave the EU raises many questions for investors and private equity managers, about fundraising, fund management and investing across borders. There have been twists and turns on the path to Brexit and more to come. Invest Europe’s expertise and access to decision makers in Brussels and across Europe allows us to keep our members informed about the developments, the potential impact on private equity and how to stay prepared.

We recently updated our Brexit Q&A publication and provided additional guidance on the transitional arrangements for each EU member state in the event of a no-deal Brexit. Meanwhile, Invest Europe continues to assist our members with the business-as-usual regulatory and tax agenda, which does not lose its importance, despite the Brexit debate.

Elections to the European Parliament in May have resulted in a new set of policymakers with different perspectives, backgrounds and understanding of our industry. A new European Commission will be appointed in the autumn. Over the coming months we will learn their intentions and priorities for the five-year term.

Invest Europe is producing an updated statement of our priorities to inform the incoming team about the private equity industry’s vital role in delivering long-term capital to European businesses. To support our messaging about jobs and growth, our research team is piloting a year-long project to collect data on how many employees work for private equity-backed portfolio companies across the continent.

Investing in these new policymaker relationships is vital, as these MEPs and Commissioners will be responsible for renegotiating the Alternative Investment Fund Managers Directive (AIFMD) next year. Invest Europe’s preparations for AIFMD II are well underway. We are monitoring the direction of the discussion so we can effectively contribute to consultations on behalf of our members.

Policymakers are just one of our target audiences. Our communications work influences and informs global institutional investors, business leaders, entrepreneurs, employees, journalists and the general public. Not to mention our fund manager, investor and service provider members across Europe. This year, we will update our digital platform, enabling everyone with an interest in the industry to easily find compelling information about private equity’s positive impact.

Invest Europe will continue to organise our must-attend conferences and exclusive networking events for our members in locations across Europe.

European private equity is a leader in industry best practice and our initiatives help fund managers and investors, large and small, to stay at the forefront of global standards. Earlier this year, Invest Europe launched a detailed ESG due diligence guide on how to invest responsibly. It is designed to help general partners identify ESG risks and opportunities at current and potential portfolio companies. Over the coming year, we will launch a climate risk guide and start work on the next edition of our Professional Standards Handbook.

On behalf of Invest Europe, I would like to thank DN Capital’s Nenad Marovac for all his efforts on behalf of members as Chair over the past 12 months. I am delighted to welcome Thierry Baudon from Mid Europa Partners as our incoming Chair, representing the mid-market, and I know he will provide valuable input over the coming year. As always, we are grateful to the members of Invest Europe’s board, committees and roundtables who give their time and energy to the association.

All our initiatives, and all our achievements, are only possible with the backing of our members. Thank you for your continued support.
SECTION 2

HOW WE OPERATE
Invest Europe is the voice of investors in privately-held companies in Europe. The industry that we represent includes private equity, venture capital and infrastructure as well as long-term investors such as pension funds and insurance companies.

Invest Europe is committed to representing the interests of each segment of our membership fully and fairly. To achieve this, members are organised into four Platforms dedicated to supporting a specific member group – Limited Partners, Venture Capital, Mid-market and Large Buyout.

The Platforms are led by a Council composed of industry practitioners, elected by the membership. The Platform Chair is elected from members of the Council and is ultimately responsible for ensuring that the Platform best represents its sector and membership. Each Platform also puts forward a representative to the Public Affairs Executive.

The Platforms are overseen by the Invest Europe Board of Directors. All segments of our membership are equally represented on the Board of Directors.

In addition, Invest Europe’s Platforms steer a number of Platform Groups, also composed of industry practitioners and reporting to the Platforms and Board of Directors.

Finally, there are several Roundtables representing certain sub-segments of one or more platforms.
## BOARD OF DIRECTORS 2018/2019

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Company</th>
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<tr>
<td>Chair</td>
<td>Nenad Marovac</td>
<td>DN Capital</td>
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<tr>
<td>Chair-elect</td>
<td>Thierry Baudon</td>
<td>Mid Europa Partners</td>
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<tr>
<td>Treasurer</td>
<td>Max Römer</td>
<td>Quadriga Capital</td>
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<td>Vice-Chairs</td>
<td>Thierry Baudon</td>
<td>Mid Europa Partners (as above)</td>
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<td>Rory Macmillan</td>
<td>The Carlyle Group</td>
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<td>Ekaterina Smirnyagina</td>
<td>Capricorn Venture Partners</td>
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<td>Members</td>
<td>Geoffrey Bailhache</td>
<td>Blackstone</td>
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<td>Jean Bourcereau</td>
<td>Ventecl</td>
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<td>Anne Fossemalle</td>
<td>European Bank for Reconstruction and Development (EBRD)</td>
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<td>Elias Korosis</td>
<td>Hermes GPE</td>
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<td>Michael Lee</td>
<td>Syngenta Ventures</td>
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<td>Vanessa Maydon</td>
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<td>Christina Pamberg</td>
<td>Alcyon Holding</td>
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<td>Fabien Prévest</td>
<td>Omnes Capital</td>
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### Notes
1. Composition as at 31 March 2019
2. The Chair-elect is the Chair for the following year and is chosen amongst the members of the Board of Directors
### Governance structure continued

#### Four platform groups
Members are organised into four Platforms dedicated to supporting a specific member group - Limited Partners, Venture Capital, Mid-market and Large Buyout.

<table>
<thead>
<tr>
<th>Platform Council</th>
<th>Vice-Chair</th>
<th>Members</th>
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</thead>
</table>
| **Limited Partners Platform Council**<sup>1</sup> | To be appointed | Jean-Philippe Burcklen (European Investment Fund)  
Jesse de Klerk (Robeco Institutional Asset Management)  
Louis Flamand (MetLife Investments)  
Anne Fossemalle (European Bank for Reconstruction and Development (EBRD))  
Rune Jepsen (GIC)  
Elias Korosis (Hermes GPE)  
Merrick McKay (Aberdeen Standard Investments)  
Mauro Pfister (Capital Dynamics)  
Marc Roijakkers (Blue Sky Group)  
Robert Schlaechter (LGT Capital Partners)  
Stephen Ziff (Coller Capital) |
| **Mid-Market Platform Council**<sup>1</sup> | Thierry Baudon (Mid Europa Partners) | Rikkert Beerekamp (Avedon Capital Partners)  
Catherine Brossard (Cerberus Capital Management)  
Eric de Montgolfier (Gimv)  
Dörte Höppner (Riverside Europe Partners)  
Henry Jackson (OpCapita)  
Martin Köder (BalCap)  
Robert Manz (Enterprise Investors)  
Juhu Peltola (Vaaka Partners)  
Fabien Prévost (Omnés Capital)  
Max Römer (Quadriga Capital)  
Michele Semenzato (Wise Equity)  
George Swirski (Abris Capital Partners)  
Frans Tieleman (Eurazeo)  
Nino Tronchetti Provera (Ambienta) |
| **Venture Capital Platform Council**<sup>1</sup> | Ekaterina Smirnyagina (Capricorn Venture Partners) | Max Bautin (IQ Capital Partners)  
Jean Bourcereau (Ventech)  
Dina Chaya (NeoMed)  
Anna Daviau (Nauta Capital)  
Christian Ehrenborg (Ingka GreenTech)  
Hakan Goker (M Ventures)  
Christoph Jung (H Ventures (HV Holtzbrinck Ventures Adviser))  
Michael Lee (Syngenta Ventures)  
Nenad Marovac (DN Capital)  
Jari Mieskonen (Conor Venture Partners)  
Pauline Roux (Elia Partners)  
Karlheinz Schmelig (Creathor Ventures)  
Rainer Strohmenger (Wellington Partners)  
Annette Wilson (Finch Capital) |
| **European Private Equity Roundtable / Large Buyout Platform Council**<sup>1</sup> | Rory Macmillan (The Carlyle Group) | Jonas Aagesand (Warburg Pincus)  
Tom Allen (Advent International)  
Geoffrey Bailhache (Blackstone)  
Ludo Bammens (Kohlberg Kravis Roberts & Co.)  
Christopher Crozier (Permia Advisers)  
Thérèse Lennegha (EOT Partners)  
Vanessa Maydon (Cinven)  
Klas Tikkkanen (Nordic Capital) |

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**Notes**

1. Composition as at 31 March 2019
GOVERNANCE STRUCTURE

ROUNDABLES

- Represent members of certain sub-segments of one or more Platforms.
- Invest Europe’s Roundtables are cross-Platform initiatives which are open to members from all segments.

Single Family Office (SFO) Roundtable
The SFO Roundtable represents the interests of the SFO community within Invest Europe. It works to attract new SFO members and provides networking opportunities.
Chair Christina Pamberg Alcyon Holding

Corporate Venture Capital (CVC) Roundtable
The CVC Roundtable gives a voice to the increasingly influential corporate venture capital community. Its membership includes leading companies who are active in Europe and it has strong ties with similar networks in other countries.
Chair Jan Westerhues Robert Bosch Venture Capital

Growth Capital Roundtable
The Growth Capital Roundtable provides a platform for Invest Europe members that are growth capital investors. The Roundtable facilitates the discussion and sharing of best practices among its members and seeks to promote growth capital as an asset class to institutional investors.
Chair Christian Strain Summit Partners

Infrastructure Roundtable
The Infrastructure Roundtable provides a forum for our infrastructure members to address the policy issues affecting their operations and to collect data on their investment activities to inform future communications.
Chair Alain Rauscher Antin Infrastructure Partners

Turnaround & Operational Improvement Roundtable
The Turnaround Roundtable aims to raise awareness of the role of these specialised investors and promote the asset class to institutional investors.
Co-Chair Henry Jackson OpCapita
Co-Chair Catherine Brossard Cerberus Capital Management

PLATFORM WORKING GROUPS

- Platform working groups are ad-hoc groups set up to manage special projects for the Platforms and are coordinated by the association.
- Platform Councils may set up working groups at any time.
- Each Platform is supported by sub-groups which deal with specific industry sectors.

MID-MARKET PLATFORM GROUP

Central and Eastern European Taskforce
This taskforce undertakes initiatives specifically aimed at the development and promotion of private equity and venture capital in the Central and Eastern Europe (CEE) region. Among its accomplishments is its annual Central and Eastern Europe private equity statistics report.
Chair Robert Manz Enterprise Investors

CROSS-PLATFORM GROUPS

- The PSC ensures that Invest Europe is at the forefront of creating and maintaining strong professional conduct guidelines and working practices for the industry in Europe. The Committee makes direct recommendations to the Invest Europe Board about the strategy, policy and practicalities relating to professional standards, responsible investment and investor reporting. The PSC relies on the input and expertise of its two sub-committees: the Invest Europe Responsible Investment Roundtable and the Invest Europe Working Group on Accounting Standards, Valuation and Reporting.

Chair Simon Powell Advent International
Vice-Chair John Renkema APG Asset Management

Members Daniel Gregor Allianz Capital Partners
Neil Harding 3i
Martin Kődár BaltCap
Erwann Le Ligné Eurazeo PME
Jonathan M. Martin KPMG
Marc Roljakkers Blue Sky Group
Karen Sands Hermes GPE
Maaike van der Schoot AlpInvest Partners
Sabine Vermassen Capricorn Venture Partners
Simon Witney Debevoise & Plimpton

Notes
1. Composition as at 31 March 2019
Governance structure continued

**PUBLIC AFFAIRS EXECUTIVE (PAE)**

The PAE is the leading decision-making body for Invest Europe's political advocacy work on those EU files that have a direct impact on all market segments of the European private equity industry.

**Chair**

Nenad Marovac
DN Capital
Invest Europe Chair

**Members**

Anne Glover
Amadeus Capital Partners
Representing the Invest Europe Venture Capital Platform

Caroline Crowley
OpCapita
Representing the Invest Europe Mid-Market Platform

Rory Macmillan
The Carlyle Group
Representing the Invest Europe Large Buyout Platform

Sebastian Ippisch
Allianz Capital Partners
Representing the Invest Europe Limited Partners Platform

Michael Collins
Representing Invest Europe

Tim Hames
Representing the BVCA
(British Private Equity & Venture Capital Association)

Ulrike Hinrichs
Representing the BVK
(German Private Equity and Venture Capital Association)

France Vassaux
Representing France Invest

Gilles Dusemon
Arendt & Medernach
Representing the Invest Europe Legal and Regulatory Committee

Marco de Lignie
Loyens & Loeff
Representing the Invest Europe Tax Committee

**Guests**

Thierry Baudon
Mid Europa Partners
Invest Europe Chair-elect

Patricia Volhard
Debevoise & Plimpton
Representing the Invest Europe Financial Services and Regulatory Working Group

Phil Bartram
Travers Smith
Representing the Invest Europe Financial Services and Regulatory Working Group

**REPRESENTATIVE GROUP**

The Representative Group consists of members of all of Europe's national associations. It discusses industry issues at both national and European level.

**Evgeny Angelov**
Bulgarian Private Equity and Venture Capital Association (BVCA)

**Irina Anghel-Enescu**
South Eastern Europe's Private Equity Association (SEEPEA)

**Skaiste Budbergyte-Zabielaite**
Lithuanian Private Equity and Venture Capital Association (LT VCA)

**Paulo Caetano**
Associação Portuguesa de Capital de Risco e Desenvolvimento (APCRI)

**Michael Collins**
Invest Europe

**Isabella de Feudis**
Swedish Private Equity & Venture Capital Association (SVCA)

**Pierre Demaerel**
Belgian Venture Capital & Private Equity Association (BVA)

**Rikke Eckhoff Høvding**
Norwegian Venture Capital & Private Equity Association (NVCA)

**Kristina Koort**
Estonian Private Equity and Venture Capital Association (EstVCA)

**George Kourtis**
Hellenic Venture Capital Association

**Ján Kutan**
Slovak Venture Capital and Private Equity Association (SLOVCA)

**Sarah-Jane Larkin**
Irish Venture Capital Association (IVCA)

**Mirna Marovic**
Croatian Private Equity and Venture Capital Association (CVCA)

**Anita Matisone**
Latvian Private Equity and Venture Capital Association (LVCA)

**Tjarda Molenaar**
Nederlandse Vereniging van Participatiemaatschappijen (NVP)

**Thierry Baudon**
Mid Europa Partners
Invest Europe Chair-elect

Barbara Nowakowska
Polish Private Equity and Venture Capital Association (PSIK)

**Maurice Pedergnana**
Swiss Private Equity & Corporate Finance Association (SECA)

**Zuzana Picková**
Czech Private Equity and Venture Capital Association (CVCA)

**Ibolya Pintér**
Hungarian Venture Capital and Private Equity Association (HVCA)

**France Vassaux**
France Invest

José Zudaire
Asociación Española de Capital, Crecimiento e Inversión (ASCRI)

**Notes**

1. Composition as at 31 March 2019
**LEGAL AND REGULATORY COMMITTEE**
The Legal and Regulatory Committee deals with legal and regulatory matters affecting European private equity, venture capital and infrastructure. Cooperating closely with the national associations, the Committee provides expert advice, legal argumentation and concrete evidence to Invest Europe and its members, and advises Invest Europe’s wider public and regulatory affairs activities by supporting the PAE.

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
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<tr>
<td>Chair</td>
<td>Gilles Dusemon</td>
<td>Arendt &amp; Medernach</td>
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<td>Vice-Chair</td>
<td>Ed Hall</td>
<td>Goodwin Procter</td>
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<td>Platform Reps</td>
<td>Lionel Bergeron</td>
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<td>Simon Powell</td>
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<td>Benedikt Sudbrock</td>
<td>Acton Capital Partners</td>
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<td>David Thompson</td>
<td>Aberdeen Standard Investments</td>
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<td>Regional Reps</td>
<td>Ana Sofia Batista</td>
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<td>Schnittker Möllmann Partners</td>
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<td>Charles-Antoine Leunen</td>
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<td>Jakob Mosegaard Larsen</td>
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<td>Isabel Rodriguez</td>
<td>King &amp; Wood Mallesons</td>
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<td>Jyrki Tähtinen</td>
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<td>Patricia Volhard</td>
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<td>Marc Wicki</td>
<td>Formerly Partners Group</td>
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<td>Carl Johan Zimdahl</td>
<td>Mannheimer Swartling</td>
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<td>Guests</td>
<td>Phil Bartram</td>
<td>Travers Smith (Immediate Past Chair)</td>
</tr>
<tr>
<td></td>
<td>Ashkan Karimi</td>
<td>Antin Infrastructure Partners</td>
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</table>

**TAX COMMITTEE**
The Tax Committee deals with tax matters affecting European private equity, venture capital and infrastructure. Cooperating closely with the national associations, the Committee provides information, expert evidence and advice to Invest Europe and its members, and advises Invest Europe’s wider public affairs activities by supporting the PAE.

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
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<tbody>
<tr>
<td>Chair</td>
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<td>Loyens &amp; Loeff</td>
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<td>Edouard Chapellier</td>
<td>Linklaters</td>
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<td>Platform Reps</td>
<td>Andrew Collier</td>
<td>Advent International</td>
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<td>Clare Copeland</td>
<td>The Carlyle Group</td>
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<td>Richard Thomson</td>
<td>PwC</td>
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<td>European Investment Fund</td>
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<td>Regional Reps</td>
<td>Mikko Alakare</td>
<td>Castrén &amp; Snellman Attorneys</td>
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<td>Angelo Bonisoni</td>
<td>CBA Studio Legale e Tributario</td>
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<td>Alexandra Courela</td>
<td>Abreu Advogados</td>
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<td>Ewa Grzejszczyk</td>
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<td>Per Stenbeck</td>
<td>EY</td>
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<td>Nick Van Gils</td>
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<td>Dieter Wirth</td>
<td>PwC</td>
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**Notes**
1. Composition as at 31 March 2019
SECTION 3

WHAT WE DO

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<tr>
<td>Conferences &amp; events</td>
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<tr>
<td>Finance &amp; administration</td>
<td>26</td>
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</tbody>
</table>
Invest Europe is the guardian of the European private equity industry’s professional standards. We encourage our members to work at the cutting edge of operational best practice in such fields as fund management, transparency and ESG.

To spread adoption of the highest ethical and working standards, Invest Europe offers a wide range of training courses. These help private equity professionals at every level to hone their skills, improve their knowledge and make new contacts in the industry.

For almost three decades, Invest Europe has developed and promoted the highest professional standards in private equity. This remit increasingly encompasses sharing best practice in assessing environmental, social and governance (ESG) criteria. Our Global Investment Decision Makers Survey in autumn 2018 revealed that sustainability is an important consideration for 80% of international investors. Europe is a clear leader in this field, underpinning its attractiveness to investors.

At the same time as investors are focusing on ESG issues, EU policymakers are implementing an ambitious action plan to finance sustainable growth in Europe. Not only does this include new legislation on sustainability-related disclosures for private equity and venture capital fund managers, among others, but also the preparation of targeted amendments to the AIFMD’s Delegated Acts to integrate sustainability risks. In parallel, the international commitments outlined in the UN’s Paris Agreement on climate change are scheduled to start next year.

Against this background, it is inevitable that our professional standards work is becoming increasingly aligned and intertwined with our political advocacy activities. Our industry guidance has started to play an important role in our engagement with policymakers and helps to demonstrate the progress the industry has made already. In parallel, our professional standards can often help members to structure their approach towards complying with new legislative requirements.

In light of the changes in the responsible investment landscape, we are keen to offer practical tools that help our members manage ESG in an increasingly sophisticated and nuanced way. Earlier this year, Invest Europe launched *How to Invest Responsibly* - *A Guide to ESG Due Diligence for Private Equity GPs and their Portfolio Companies*. This successor to the 2016 GP ESG Due Diligence Questionnaire outlines best practice steps to help fund managers screen, identify and address ESG risks and opportunities at portfolio companies during both pre-investment due diligence and ownership. In addition, this three-section guide lays out a comprehensive questionnaire covering a wide range of ESG themes so private equity managers can ask the right questions when addressing ESG risks and opportunities throughout the investment process.
Training
Bringing the industry up to date with regulation and best practice through tailored training programmes is central to Invest Europe’s industry excellence commitment. Our professional standards underpin all of the material that we share with course participants.

In February, we introduced a new training course, Fund Secondary Transactions, which took place in Frankfurt. Our first edition saw such high demand that we have scheduled a second edition in London this September. It increases the number of foundation and specialised courses we offer to 12, and demonstrates our commitment to expand our training programme to reflect members’ needs.

In addition, we are increasingly travelling around Europe to deliver training direct to our members, improving our service to them.

In our quest to deliver new training initiatives, Invest Europe is developing e-learning modules. These five modules, based on our private equity foundation courses, are being crafted and approved by leading industry practitioners. We hope to launch the initiative in autumn 2019.

2018/19 HIGHLIGHTS
Published an updated and extended ESG due diligence guide. Over 700 copies of the new guide were downloaded in the first month.
Extended range of foundation and specialised training courses to 12 with addition of Fund Secondaries Transactions course.

2019/20 PRIORITIES
Launch a climate change guide for members, including case studies and an extensive bibliography.
Update Professional Standards Handbook to provide new, tailored and expanded guidance for different member segments.
Update Investor Reporting Guidelines to address the latest market practices.

While intended as a useful resource for everyone in the industry, it is particularly targeted at those managers looking for the latest guidance on how to improve their responsible investment practices, whether they are experienced in this area or just starting to navigate the ESG arena.

Looking ahead, Invest Europe is working on a new initiative for members on climate change – a systemic risk that is increasingly recognised as important for company performance and equity valuation. We are producing an extensive guide to help both GPs and LPs in their climate risk assessment and management activities. In addition to a high-level framework to scope, identify, assess, manage and monitor climate-related risks and opportunities, this web-based publication will illustrate how the guidance can be applied through case studies of companies held by European GPs. It will also include a bibliography of resources for assessing climate change-related issues.

Maintaining Invest Europe’s high industry standards requires constant effort. We have already started work on the 2020 revision of our Professional Standards Handbook and Investor Reporting Guidelines, so we can keep providing our members with the most up-to-date, comprehensive and tailored guidance.
“Over the last five years we have been busy ensuring that our industry is seen as part of the solution to the lack of long-term finance in Europe. While significant progress has been made, the EU elections and the appointment of a new European Commission will require renewed effort.”

Anna Lekston
Public Affairs Director

Every five years, there are European Parliament elections and a new European Commission. Each time, there is a great deal of work to be finalised before the handover. In that respect, the last 12 months have been no different from other periods before European elections, as policymakers have been seeking to close as many files as possible and have spent recent months in intense negotiations on the remaining aspects of the Capital Markets Union (CMU).

Among the Commission’s major recently-concluded initiatives with direct implications for our industry is new legislation on the cross-border distribution of investment funds. This impacted the pre-marketing rules in the Alternative Investment Fund Managers Directive (AIFMD) and the European Venture Capital Fund (EuVECA) Regulation. We were particularly concerned by the European Commission’s initial proposals as they had the potential to curtail private equity fundraising. Ultimately, Invest Europe succeeded in improving the legal text which should now help – rather than hinder – fund managers.

We also engaged with EU policymakers on other legislative initiatives such as the review of the European Supervisory Authorities (ESAs), the Insolvency Directive and the review of the Solvency II Delegated Acts. In all of these cases, and others, we were able to achieve positive results for Invest Europe members, from a reduced risk-weight for long-term investments under Solvency II to ensuring that managers’ ability to delegate or outsource was not stifled by excessive EU-level supervision.

Other initiatives on which we have worked this year will take more time to reach a conclusion, notably the Commission’s sustainable finance plan and the VentureEU public-private VC fund-of-funds initiative. On the latter, fund managers selected to receive some of the €400m of new EU money have already been out fundraising and are ready to deploy capital. On the ongoing sustainability debate, Invest Europe has been taking a pragmatic approach to balancing private equity’s support for the EU’s leadership role to increase transparency on ESG with a sensitivity to the realities of day-to-day operations for funds of different sizes and capabilities.

We convinced European policymakers to take a high-level, non-prescriptive approach to the new sustainability rules they recently adopted. We will continue to strike this balance as this agenda develops further. It is crucial that any new legal requirements reflect the breadth and diversity of the industry and the different levels of ESG monitoring capacity.

Where the last 12 months have diverged from past election years is in the noise and uncertainty created by Brexit, as well as the rise of populist politics. To help our members navigate this changing landscape, we have produced regular updates to our Brexit Q&A, held policy calls on the latest Brexit developments and produced a guide to transitional arrangements in Member States in the event of a no-deal Brexit.

While Invest Europe’s attention has been primarily focused on securing a positive outcome on the final elements of the CMU project and guiding our members through Brexit implications, we have also started preparing for the institutional changeover. The new Members of the European Parliament will take their seats just before the summer, with the new Commission appointed in the autumn. Over the last few months, we have been working on briefing materials to share with them upon their arrival. This will combine our specific political advocacy messaging with industry data and insight into the invaluable contribution of private equity to the European economy.
LOOKING AHEAD
During the next five years, we expect a number of important reviews, for example of the Solvency II Directive and the ELTIF Regulation. We envisage the new Commission will carry on working on the CMU project, although it remains to be seen how ambitious it will be and where private equity will sit in its thinking. Most importantly, there will be a review of the AIFMD, for which we have stepped up preparations over the last year. While we are hoping that this will involve only limited, targeted revisions rather than wholesale changes to the Directive, there is no doubt that any kind of review, regardless of its scope, is likely to have a significant impact on the industry. In addition, we anticipate that sustainable finance will remain high on the agenda for both the incoming European Commission and the new European Parliament, implying the continued rollout of the current Commission’s Action Plan.

SOLVENCY II
In March 2019, the European Commission proposed amendments to Solvency II rules to make it less costly for insurers to invest in private equity. If formally approved, Europe’s largest institutional investor group, with around €10 trillion of assets, will soon be able to invest in private equity through a newly-created category for long-term equity investments, set at a lower risk-weight of 22%. This means insurers will have to set aside less capital against their commitments to invest in our asset class. This change is another positive achievement for Invest Europe, following the successful reduction in the Solvency II risk-weight for investments in private equity from 49% to 39% and the creation of lower risk-weights for infrastructure investments in previous years. While these are welcome developments, we will use the forthcoming review of Solvency II in 2020 to further minimise the existing mismatch in the approach to identifying, and subsequently to measuring, risk in private equity between the regulators and what is normal for investors in private equity.

2018/19 HIGHLIGHTS
Positively influenced the definition of pre-marketing in the new omnibus legislation on cross-border distribution of funds, ensuring a closer alignment with industry practice
 Successfully advocated changes to Solvency II to encourage more investment in private equity funds through new long-term equity category with a reduced risk-weight of 22%
 Long-standing lobbying efforts delivered concrete results as some private managers of the Commission’s VentureEU funds-of-funds initiative began raising funds and deploying their capital
 Ensured a number of positive changes in the review of the Directive on Business Insolvency
 Convinced policymakers to adopt a high-level, non-prescriptive approach on new sustainability rules, to reflect the diversity across financial services sectors
 Provided members with technical, legal and political insights into the ramifications of Brexit, as well as practical advice on pertinent issues, including regular updates to the Brexit Q&A
 Produced briefing material to inform new policymakers in Brussels of private equity’s positive impact on growth, jobs and the real economy
 Produced a number of member guides and publications, including the Tax Benchmark Study that provides a detailed overview of tax structures across Europe and beyond

2019/20 PRIORITIES
Continue shaping the European Commission’s and other stakeholders’ thinking as part of preparatory work for the upcoming AIFMD review
 Engage with incoming MEPs, new Commissioners and other Commission officials to promote understanding of private equity
 Prepare for the upcoming review of the Solvency II Directive
 Influence the continued implementation of the European Commission’s sustainable finance plan to ensure proportionality and flexibility
 Continue protecting private equity investors against double-taxation and engage with the OECD on BEPS Action Point 6 transposition concerns
 Monitor and influence EU and international work on financial stability

32 meetings with policymakers, including key EU officials
12 consultations contributed to and position papers prepared
6 member guides and Q&A documents produced
One of Invest Europe’s key roles is to improve policymakers’ understanding of private equity and venture capital. This work combines our efforts in communications with Invest Europe’s other functions, including public affairs, data & research, events and industry excellence to create a strategy that presents the industry’s true value and contribution to the economy.

In a period of political change, like this year, this activity is of paramount importance. Over the past 12 months, we have been working closely with our colleagues in public affairs to prepare for the election of a new European Parliament and the selection of a new European Commission. Our wide-ranging campaign plan incorporates digital and print initiatives, including case studies, social media, and a publication, which clearly explains the value of private equity to investors, companies, workers and the broader European economy. It will be ready in the autumn when policymakers begin work for the next parliamentary term.

Engagement does not begin and end with the new political cycle, however. It is a multi-year strategy that defines how Invest Europe will communicate long term in order to strengthen our voice and maximise the impact of private equity’s positive message. In a rapidly evolving and increasingly connected world, we have put in place a strategy that incorporates media relations, digital communications, events, publishing and member communications.

We cannot wait for stakeholders to come to us for information, we must take our message to them - using all the channels at our disposal. To this end, as part of our digital strategy, we have begun work on a revamped Invest Europe website that will provide facts about private equity, as well as context on investment, and take a campaigning approach to the promotion of our industry. Now that the Invest Europe brand has built recognition and respect, we are taking it to the next level. Private equity has continued to attract investor capital, and its investments have performed strongly throughout recent market volatility and political uncertainty across Europe. However, Invest Europe needs to prepare for more complex - and tougher - times ahead. We are working on a communications plan that can position private equity strongly in the event of a market downturn and counter potentially negative narratives. This will include resources for our members to enable them to communicate the right messages about their activities.

Moreover, while the Brexit deadline has been extended and much remains uncertain, we have been preparing for changes that reflect the loss of UK influence in Brussels. We are increasingly working with more national media outlets across Europe, and talking to press and stakeholders in more countries around the continent. One practical measure has been to issue press releases in French, as well as English.

**“Invest Europe has defined a long-term communications strategy that will add power to our voice far into the future.”**

Lynn Nicholson
Communications Director

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**MEDIA RELATIONS**

1,500+ interactions with media

450+ pieces of global scale media coverage

**PUBLISHING**

14 publications aimed at our range of stakeholders

**MEMBER COMMUNICATIONS**

Daily media newsletters

90+ emails to members

**DIGITAL COMMUNICATIONS**

51,000 website visitors per month

+32% Twitter followers

27,600 (2017) vs 36,457 (2018)

+19% Linkedin followers

7,947 (2017) vs 9,419 (2018)
**2019/20 PRIORITIES**
- Relaunch Invest Europe website as part of renewed long-term digital strategy
- Finalise messaging and communications programme for engagement with new European Parliament and Commission
- Prepare ‘crisis’ readiness strategy and toolkit for members to adopt in case of market downturn
- Continue to liaise with European Commission on ownership and long-term direction of Invest Week programme of events

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**INVEST WEEK**
2019 marked the third edition of Invest Week and a transition year for our high-profile programme of events. The aim of Invest Week was to fully embed the Invest Europe brand with policymakers in Brussels, and we have more than achieved our goal, with numerous accomplishments testimony to our success.

Invest Europe won the Best Association Networking or Awards Event at the European Association Awards in Brussels. But more important than the accolade is the positive impact on our relationship with the European Commission.

In 2019, Invest Europe worked directly with the Commission on key events within the programme – the first time the Commission has partnered with a private sector body such as ours. The collaboration enabled Invest Europe to share a platform with European Commissioners, as well as high-ranking representatives of international bodies including The World Bank.

We have made a proposal to the Commission that would enable it to take ownership and organisation of Invest Week, while enabling Invest Europe to continue to participate in the planning and running of the programme. This move would enable Invest Europe to benefit from the promotional platform Invest Week creates, while maximising value and resources for our members.

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**2018/19 HIGHLIGHTS**
- Reached a potential audience of several hundred million with Invest Europe’s positive private equity narrative through national and international media
- Leveraged publications, including 2018 European Private Equity Activity report and Global Investment Decision Makers Survey, to communicate positive message of private equity and maximise impact
- Ranked in the top 1% of European Trade and Professional Associations for social media activity (Source: Cambre Associates)
- Won two awards including Best Association Networking or Awards Event for Invest Week at the European Association Awards in Brussels
- Collaborated closely with European Commission on third edition of Invest Week, strengthening ties with key policymakers
- Adapted communications strategy to reflect change in UK and EU influence in European financial services affairs

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**INVEST WEEK**
- 35 Organisations participated
- 21 Events
- 2,600 Delegates
- 193 European Commission attendees
- 53 European Parliament attendees
- 22 Members of the press attending
Invest Europe’s data collection and analysis initiatives go far beyond tracking private equity and venture capital activity in Europe. We are increasingly looking for ways to measure the industry’s broader impact, and digging through the numbers to find patterns and trends that can help our members to manage their businesses better and prepare for potential uncertainty.

The European Data Cooperative (EDC), the pan-European data initiative we lead with national private equity associations, is in its third year of collecting statistics on fundraising, investment and divestment across Europe. The EDC is larger than ever, with well over 1,000 fund managers contributing to the database in 2018. Data we collected was exclusively shared with members at the Investors’ Forum at the end of March, ahead of the publication of the official activity report in May.

We continue to expand the EDC’s capabilities and last year collected and officially released first-half activity data for the first time. The findings were presented at the Venture Capital Forum back in October, as we continued to integrate our high-quality data into our events programme to ensure that Invest Europe members get the full and timely benefit of this valuable resource that they contribute to creating.

Invest Europe data serves our members in many ways: we respond to about 30 member requests for data every month; we contribute statistics to high-profile external publications, such as the OECD’s Entrepreneurship at a Glance publication; and we present our figures at global conferences and events to promote the industry around the world.

Importantly, data also forms the backbone of our engagement with policymakers in Europe. For instance, our data enabled policymakers in Brussels to understand the size and shape of the European industry as they developed new initiatives to support venture capital and prepared changes to the Solvency II regulation. Invest Europe’s research and public affairs teams work together closely to present data that will help shape the discussion around the Alternative Investment Fund Managers Directive (AIFMD) II, and will enable incoming policymakers in the European Parliament and the Commission to learn the true facts about the industry.

“Invest Europe provides stakeholders with critical data on private equity in Europe, as well as the insight and understanding to interpret that data in support of better decisions.”

Cornelius Mueller
Research Director

1,000+
fund managers used EDC to input activity data

255,000
transactions since 2007 registered in the database
MEASURING ECONOMIC IMPACT

Since the launch of the European Data Cooperative in 2016, we have focused on expanding the number of fund managers contributing their data to it, and on expanding coverage to include half-yearly reports. Invest Europe now has a database that is uniquely robust and produces consistent high-quality data.

This year, in addition to our plans to reach ever more fund managers, we intend to expand the EDC with new modules to measure the economic impact of private equity. To this end, we will begin tracking employment levels at companies backed by our members across Europe. Our aim is to get an accurate picture of the number of people employed in private equity-backed companies and demonstrate how employment levels develop during the ownership period.

With some 15,000 companies in our members’ portfolios, this is no small effort. We intend to start collecting data on employment from June, with preliminary figures available in early 2020.

USING DATA TO NAVIGATE UNCERTAINTY

Producing detailed and robust data on private equity in Europe enables Invest Europe not only to monitor trends, but also interpret those trends through a lens of industry and regulatory understanding. For instance, we have examined fundraising through UK-managed funds to assess fundraising patterns, the impact of Brexit uncertainty so far, and what the future impact could be.

Private equity is an inherently international business, raising and investing capital across borders, but must navigate a rising tide of economic nationalism and protectionism – not only in Europe, but also globally. Invest Europe data demonstrates the level of international capital flows in the industry. Through our analysis, we are able to assess how the political and regulatory environment could affect those flows. This insight is another example of how Invest Europe can leverage its data and research expertise to help members manage their operations more effectively and prepare for the future.

2018/19 HIGHLIGHTS

Increased number of fund managers contributing to EDC to over 1,000

Published 2018 Private Equity Activity Report based on EDC data

Produced data to inform incoming MEPs and European Commission officials following European elections

Serviced over 30 bespoke requests per month for data from Invest Europe members

Collaborated with events team to present Invest Europe data at Investors’ Forum and other conferences

2019/20 PRIORITIES

Further increase fund manager adoption of EDC

Implement employment and economic data collection modules via EDC

Continue to seek ways to support Invest Europe policy and promotional efforts through data collection and presentation initiatives

89% of industry’s €688bn of capital under management covered by 2018 European Private Equity Activity report

1,200+ downloads per month of Annual Private Equity Activity reports and data
Invest Europe’s forums and events are unmatched in the world of private equity industry gatherings. The hallmark is top-notch content and high-quality networking, creating the ideal environment for private equity and venture capital fund investors and managers to meet, discuss the issues of the day and forge business relationships.

Investors’ Forum in Geneva this March was a highly successful, full-capacity event. It is difficult to understate the importance of the balanced ratio of limited partners and general partners that only this conference delivers; it provides a truly engaged, collaborative atmosphere. By creating more closed-door sessions on subjects including capital calls, valuation, ESG and value creation, as well as a topical Town Hall meeting, we facilitated more constructive debate among GPs and LPs. These roundtable formats with 30 to 40 attendees encouraged participants to air their views openly and honestly, and were well received by delegates. We plan to extend their use at future Investors’ Forums. In addition, our informal meeting areas were fully occupied with LPs and GPs discussing business, while the rotating networking dinner enjoyed a full house.

Content is an essential element of our events. At the main conference this year, all our panels and sessions opened with insightful industry data. We also reinforced our commitment to diversity with female industry leaders participating in every panel.

Our Single Family Office day, held the day before Investors’ Forum, focused on the rise of European venture capital. The Venture Capital Forum in October celebrated the achievements and growth of the European VC industry, while also shining a spotlight on innovation. The CFO Forum in Valencia this June will discuss the evolving role of CFOs and COOs in private equity firms, covering topics including valuations and reporting. Our events will continue to deliver valuable information and guidance, especially in this year of change in Brussels and across Europe.

The high quality of our events enables us to attract outstanding keynote speakers. The Carlyle Group’s Co-Founder and Co-Executive Chairman David Rubenstein enthralled the audience at Investors’ Forum. Our Venture Capital Forum in Paris had a roster of high-calibre speakers including lastminute.com’s Brent Hoberman, as well as Nicolas Dufourq, CEO of Bpifrance, and Frédéric Mazzella, Founder of Blablacar and Vice President of France Digitale. This year’s CFO Forum promises another top-class keynote intervention from political commentator and broadcaster Nina Schick.

Finally, our annual Investors’ Seminar in Tokyo and Seoul attracted over 100 Asian LPs, with many returning investors alongside representatives of new institutions. The success of the event underlines the attractiveness of Europe, and European private equity and venture capital in particular.

**NETWORKING EVENTS FOR MEMBERS ACROSS EUROPE**

As the world’s largest private equity association, Invest Europe has many members in all parts of Europe. Our programme of local member events draws on the association’s scale and reach to deliver first-class networking opportunities. Crucially, we travel to where our members are around the continent to help them make useful connections, camaraderie and a collaborative spirit.

Invest Europe’s Chair’s Dinners provide an opportunity for senior private equity executives to meet with peers at exclusive events. While the setting is formal, these popular events in the calendar help create connections, camaraderie and a collaborative spirit.

Over the coming year, and beyond, we will expand the reach of Invest Europe’s events. Our focus is to engage with members so a greater number can benefit from the high-quality services that we provide, wherever they are based. Importantly, we will continue to deliver the exceptional networking opportunities for which Invest Europe is known.
2018/19 HIGHLIGHTS

Highest attendance in recent years at Investors’ Forum, with increased number of participants for LP/GP Rotating Dinner

Relevant industry data introduced at all Investors’ Forum sessions

Delivered on commitment to diversity with senior female participants on panels

Secured high-profile keynote speakers at all major conferences

Engaged over 100 local LPs at Investors’ Seminar in Seoul and Tokyo

Increased number of member networking events, including successful Chair’s Dinner format

2019/20 PRIORITIES

Continue to create event programmes that deliver critical industry insights and analysis

Include robust industry data and analysis at all conferences

Improve engagement with more opportunities for LPs and GPs to meet and discuss industry issues

Reinforce commitment to diversity for all event panels and sessions

Ensure balanced ratio of high-quality delegates across all forums

Expand targeted events programme across Europe to deliver top-quality networking opportunities for members

KEY EVENTS

CFO Forum
2019 Valencia: 150 delegates expected

Investors’ Forum
2019 Geneva: 409 delegates

VC Forum
2018 Paris: 242 delegates

Chair’s Dinners

Investors’ Seminar Asia
2018 Tokyo & Seoul: 100 local investors
Invest Europe is committed to delivering a top-class service to its members. To achieve that, we need best-in-class systems and processes, as well as top professional talent to ensure that we deliver the services that members expect and need, in a way that meets both their expectations and ours.

Over the past year, we strengthened our member-facing team with three new hires, including a new Director of Membership, Events & Training in January 2019. This renewed team focuses not only on producing Invest Europe’s key conferences, networking events, and training courses, but also improving members’ interactions with the association. To that end, Invest Europe has enhanced the team with a new member of staff to oversee registration for our conferences and events, providing a human point of contact for our members.

Our decision to reinforce the membership team reflects the expanding focus of our events and training personnel. We are adding the resources needed to enable us to put on more training courses and events around Europe, delivering our services directly to our members where they are.

During the course of the year, we also recruited a new senior public affairs officer with expertise on tax issues. The appointment brings our political advocacy team back to full strength and underpins our recent decision to form separate member-led committees for tax and legal and regulatory topics.

Associations like Invest Europe - just like our members’ businesses - face an ever increasing compliance burden. Following the implementation of General Data Protection Regulation in 2018, we have prepared for Ultimate Beneficial Owner registration to ensure we meet new standards as they impact not-for-profit organisations.

2018/19 HIGHLIGHTS

- Strengthened member-facing team with three new hires, including Director of Membership, Training & Events
- Prepared for new compliance regime under Ultimate Beneficial Owner rules

BEST-IN-CLASS HUMAN RESOURCES

While a relatively small organisation, Invest Europe nevertheless invests time and resources in systems and initiatives that can improve operations and create greater value for members. One such area of focus is our human resources management.

As the leading private equity association globally, we spend a great deal of time researching and defining private equity best practice for our members. So, it is only natural that we apply the same discipline to our operations, to deliver an association that is world class at every level.
KEY FIGURES

€5.5m membership revenues in 2018

€1.7m events and sponsorship revenues in 2018

10 nationalities in Invest Europe

24 full time equivalents

13 languages spoken

IT accounting and HR fully dematerialized

67% female

33% male

10

24

13

IT

67%

33%

nationalities

languages

female

male
SECTION 4

FINANCIALS

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<td>Auditor's report</td>
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Profit and Loss
Operating expenses were €6,082,581 in 2018, 4% less than 2017’s total of €6,332,261.

Operating revenues increased by 4% to reach €7,293,130 in 2018, compared to €7,025,139 in 2017.

The 2018 net operating profit before exceptional results was €1,210,549. This was mainly due to the fact that the contingency for membership fees cancellation of €460,000 was not used, and that a senior vacancy in the Member Services department was not filled until January 2019.

Projects initiated in 2017 were finalised in 2018 for a total cost of €68,785, below the 2018 budget level.

The 2018 net accounting profit was €1,045,217.

Balance Sheet
The balance sheet total was €6,502,952 as at December 31, 2018.

The cash position was €5,803,170 as at December 31, 2018, compared to €4,653,720 as at December 31, 2017.

Reserves increased from €4,223,198 to €5,278,415 due to net accounting profit.

Budget 2019
For 2019, Invest Europe proposes a balanced budget before exceptional projects.

A contingency of €260,000 has been set aside in case political and market conditions - including those stemming from the UK’s decision to leave the EU - lead to a fall in membership or other revenues.

As in previous years, the Board will closely monitor Invest Europe’s financial situation throughout the year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fixed assets
Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of assets using the straight line method.

Cash or cash equivalent
Cash and cash equivalent are carried at nominal value.

Receivables
Receivables are carried at nominal value. Provisions are made for all receivables during the year if no explicit confirmation or certainty about payment is available.

Provisions
Provisions are recognised for probable obligations when a reliable estimate of the amount can be made.

Liabilities
Trade payables and payroll liabilities are carried at nominal value.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. With respect to the rendering of services, revenue is recognised by reference to the stage of completion.
# Financial statements

## PROFIT AND LOSS (€)

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<th>ACTUAL 2018</th>
<th>BUDGET 2018</th>
<th>ACTUAL 2017</th>
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<td>301,000</td>
<td>265,000</td>
<td>337,000</td>
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<tr>
<td>Service fees</td>
<td>60,000</td>
<td>60,000</td>
<td>60,000</td>
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<td>Bank interest and miscellaneous</td>
<td>6,145</td>
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<tr>
<td>Other revenue</td>
<td>46,015</td>
<td>34,000</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>7,293,130</strong></td>
<td><strong>6,426,747</strong></td>
<td><strong>7,025,139</strong></td>
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<td>Travel and representation</td>
<td>328,534</td>
<td>406,274</td>
<td>360,344</td>
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<tr>
<td>Communications</td>
<td>54,214</td>
<td>42,120</td>
<td>56,298</td>
</tr>
<tr>
<td>Printing and audio-visuals</td>
<td>160,685</td>
<td>151,600</td>
<td>148,946</td>
</tr>
<tr>
<td>Various office costs</td>
<td>336,212</td>
<td>356,081</td>
<td>369,746</td>
</tr>
<tr>
<td>Finance costs</td>
<td>38,735</td>
<td>22,500</td>
<td>27,990</td>
</tr>
<tr>
<td>Provision for doubtful debtors</td>
<td>101,811</td>
<td>155,000</td>
<td>100,313</td>
</tr>
<tr>
<td>Provisions/other costs</td>
<td>91,919</td>
<td>102,100</td>
<td>81,314</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>6,082,581</strong></td>
<td><strong>6,426,747</strong></td>
<td><strong>6,332,261</strong></td>
</tr>
<tr>
<td><strong>NET OPERATING RESULTS</strong></td>
<td><strong>1,210,549</strong></td>
<td><strong>0</strong></td>
<td><strong>692,877</strong></td>
</tr>
<tr>
<td>Projects from previous year completed in current year</td>
<td>68,785</td>
<td>90,000</td>
<td>111,434</td>
</tr>
<tr>
<td>Project funded by Invest Europe General Reserves</td>
<td>96,547</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total exceptional expenses</strong></td>
<td><strong>165,332</strong></td>
<td><strong>90,000</strong></td>
<td><strong>111,434</strong></td>
</tr>
<tr>
<td><strong>NET RESULT</strong></td>
<td><strong>1,045,217</strong></td>
<td><strong>-90,000</strong></td>
<td><strong>581,443</strong></td>
</tr>
</tbody>
</table>

**Notes**

1. Contingency of 0.5m€ for UK membership fees cancellation as a consequence of Brexit, not used in 2018
2. Senior vacancy in the Member Services department
3. Lower travel & representation than budgeted partially explained by vacancy in the Member Services department
4. Market mapping exercise and subsequent search costs for the Member Services department vacancy funded by the Invest Europe General Reserves
## Financial statements continued

### PROFIT AND LOSS (€)

<table>
<thead>
<tr>
<th></th>
<th>BUDGET 2019</th>
<th>ACTUAL 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>5,374,000</td>
<td>5,497,968</td>
</tr>
<tr>
<td>Events</td>
<td>1,221,208</td>
<td>1,382,002</td>
</tr>
<tr>
<td>Sponsoring</td>
<td>295,000</td>
<td>301,000</td>
</tr>
<tr>
<td>Service fees</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Bank interest and miscellaneous</td>
<td>3,000</td>
<td>6,145</td>
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<tr>
<td>Other revenue</td>
<td>34,000</td>
<td>46,015</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>6,987,208</strong></td>
<td><strong>7,293,130</strong></td>
</tr>
<tr>
<td>Personnel costs</td>
<td>2,785,403</td>
<td>2,785,403</td>
</tr>
<tr>
<td>Professional services</td>
<td>1,569,236</td>
<td>1,569,236</td>
</tr>
<tr>
<td>Housing costs</td>
<td>272,769</td>
<td>272,769</td>
</tr>
<tr>
<td>Accommodation events</td>
<td>336,061</td>
<td>343,061</td>
</tr>
<tr>
<td>Travel and representation</td>
<td>328,534</td>
<td>328,534</td>
</tr>
<tr>
<td>Communications</td>
<td>54,214</td>
<td>54,214</td>
</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
<td>Finance costs</td>
<td>38,735</td>
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</tr>
<tr>
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<td>101,811</td>
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</tr>
<tr>
<td>Provisions/other costs</td>
<td>91,919</td>
<td>91,919</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>6,987,208</strong></td>
<td><strong>6,082,581</strong></td>
</tr>
<tr>
<td><strong>NET OPERATING RESULTS</strong></td>
<td>0</td>
<td>1,210,549</td>
</tr>
<tr>
<td>Projects from previous year completed in current year</td>
<td>125,000</td>
<td>68,785</td>
</tr>
<tr>
<td>Project funded by Invest Europe General Reserves</td>
<td>280,000</td>
<td>96,547</td>
</tr>
<tr>
<td><strong>Total Exceptional Expenses</strong></td>
<td><strong>405,000</strong></td>
<td><strong>165,332</strong></td>
</tr>
<tr>
<td><strong>NET RESULT</strong></td>
<td><strong>-405,000</strong></td>
<td><strong>1,045,217</strong></td>
</tr>
</tbody>
</table>

**Notes**
1. Contingency of 0,3m€ for UK membership fees cancellation as a consequence of Brexit
2. Recruitment of Senior position in the Member Services department
3. Specific budget for the development of new marketing capacity and support to EU institutional changes
4. Employment Data Collection and HR Strategy projects to be funded by the Invest Europe General Reserves
## Assets (€)

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2017</th>
<th>31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost, less depreciation</td>
<td>26,392</td>
<td>7,887</td>
</tr>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares in EDC GmbH (33%)</td>
<td>8,329</td>
<td>8,329</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>53,917</td>
<td>116,065</td>
</tr>
<tr>
<td>Deposits and prepayments</td>
<td>8,277</td>
<td>70,810</td>
</tr>
<tr>
<td>VAT</td>
<td>24,206</td>
<td>36,320</td>
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<tr>
<td>Deferred charges</td>
<td>1</td>
<td>513,661</td>
</tr>
<tr>
<td>Accrued income</td>
<td>1,700</td>
<td>4,961</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>2</td>
<td>4,653,720</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>5,255,481</td>
<td>6,486,735</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>5,290,202</td>
<td>6,502,952</td>
</tr>
</tbody>
</table>

## Liabilities (€)

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2017</th>
<th>31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>3,651,754</td>
<td>4,233,198</td>
</tr>
<tr>
<td>Attribution of profit (+)/loss (-)</td>
<td>581,443</td>
<td>1,045,217</td>
</tr>
<tr>
<td>Closing balance</td>
<td>4,233,198</td>
<td>5,278,415</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td>7,992</td>
<td>9,948</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>259,689</td>
<td>299,932</td>
</tr>
<tr>
<td>VAT</td>
<td>18,492</td>
<td>16,232</td>
</tr>
<tr>
<td>Payroll accruals</td>
<td>601,424</td>
<td>567,974</td>
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<tr>
<td>Deferred income</td>
<td>3</td>
<td>157,407</td>
</tr>
<tr>
<td>Capital contribution to leasehold improvement</td>
<td>4</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>1,049,012</td>
<td>1,214,589</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>5,290,202</td>
<td>6,502,952</td>
</tr>
</tbody>
</table>

### Notes
1. 2019 and 2020 events accommodation deposits and deferred charges
2. Cash balance as of 31 December 2018 higher explained by current year profit
3. Deferred income includes services (Investors’ Forum) invoiced in 2017/2018 to be delivered in 2018/2019
4. Landlord capital contribution for the amount of 36K€ related to the office move and amortised on the period of the lease (9 years) since 2012
Auditor’s report

Invest Europe AISBL/IVZW | 31 December 2018

Statutory auditor’s report to the general meeting of members of Invest Europe AISBL/IVZW for the year ended 31 December 2018 - Annual accounts

In the context of the statutory audit of the annual accounts of Invest Europe AISBL/IVZW (the “association”), we hereby submit our statutory audit report. This report includes our report on the annual accounts and the other legal and regulatory requirements. These parts should be considered as integral to this report.

We were appointed in our capacity as statutory auditor by the general meeting of members of 21 July 2016, in accordance with the proposal of the board of directors. Our mandate will expire on the date of the general meeting of members deliberating on the annual accounts for the year ending 31 December 2018. We have performed the statutory audit of the annual accounts of Invest Europe AISBL/IVZW for 6 consecutive periods.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the association, which comprises the balance sheet as at 31 December 2018 and the income statement for the year then ended, as well as the explanatory notes. The annual accounts show total assets of €503 (000) EUR and the income statement shows a positive result for the year ended of €1,045 (000) EUR.

In our opinion, the annual accounts give a true and fair view of the association’s net equity and financial position as of 31 December 2018 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the “Responsibilities of the statutory auditor for the audit of the annual accounts” section of our report. We have complied with all ethical requirements relevant to the statutory audit of the annual accounts in Belgium, including those regarding independence.

We have obtained from the board of directors and the association’s officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the board of directors for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the financial reporting framework applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the association’s ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.
During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of annual accounts in Belgium.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor’s report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor’s report. However, future events or conditions may cause the association to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Other legal and regulatory requirements**

**Responsibilities of the board of directors**

The board of directors is responsible for maintaining the association’s accounting records in compliance with the legal and regulatory requirements applicable in Belgium, as well as for the association’s compliance with the law of 27 June 1921 on non-profit organisations, foundations and European political parties and foundations and the association’s articles of association.

**Responsibilities of the statutory auditor**

As part of our mandate and in accordance with the Belgian standard complementary (revised in 2018) to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain obligations referred to in the law of 27 June 1921 on non-profit organisations, foundations and European political parties and foundations and the articles of association, as well as to report on these matters.

**Statements regarding independence**

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the association during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the annual accounts, as defined in article 17 of the law of 27 June 1921 on non-profit organisations, foundations and European political parties and foundations referring to article 134 of the Companies Code, have been properly disclosed and disaggregated in the notes to the annual accounts.
Auditor’s report continued

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- We do not have to report any transactions undertaken or decisions taken which may be in violation of the association’s articles of association or the law of 27 June 1921 on non-profit organisations, foundations and European political parties and foundations.

Zaventem, 30 April 2019
The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d’Entreprises CVBA/SCRL
Represented by Pierre-Hugues Bonnefoy

Deloitte