



# Riverside Europe Fund Update

Riverside Europe Fund ("REF") is a strategy of The Riverside Company ("Riverside") investing in the international growth of European lower mid-market companies

REF OVERVIEW			REF V <sup>(1)</sup>	REF VI <sup>(1)</sup>
<b>Founded</b>	1997	<b>Vintage</b>	2015	2019
<b>Managing Partner</b>	Mr. Karsten Langer	<b>Fund Size</b>	€340 million	€465 million
<b>Target Investments</b>	Control buyouts of growing European companies in targeted industries with less than €30 million in LTM EBITDA	<b>LTM Sales Growth</b>	+13%	+7%
<b>Geography</b>	Pan-European	<b>LTM EBITDA Growth</b>	+36%	+12%
<b>Team</b>	19 investment professionals, seven originators and eight operating professionals <sup>(4)</sup> across five offices	<b>Gross CoC<sup>(2)</sup></b>	2.3x	1.9x
<b>AUM<sup>(5)</sup></b>	€1.8 billion	<b>Gross IRR<sup>(2)</sup></b>	22%	38%
		<b>Net CoC<sup>(3)</sup></b>	1.7x	1.5x
		<b>Net IRR<sup>(3)</sup></b>	15%	21%
		<b>DPI<sup>(6)</sup></b>	123%	23%

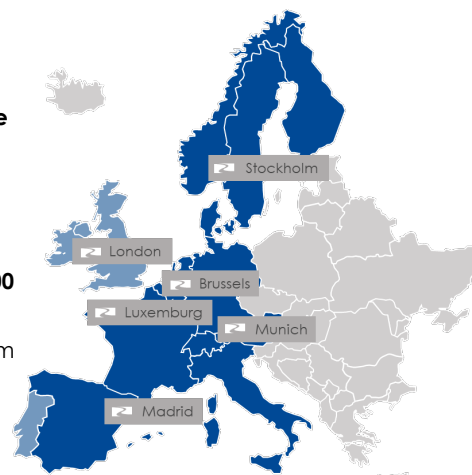
## REF VII and VI PLATFORM INVESTMENTS

<b>SOFTWARE &amp; TECHNOLOGY</b> 	<b>Dec 2024</b> Producer and seller of fragrances included in everyday products like candles, sprays, detergents, shampoos or perfumes	<b>Sept 2024</b> Provider of an end-to-end software solution for workforce management	<b>May 2022</b> Producer of authentic Italian specialties
	<b>May 2023</b> Provider of third-party branded and proprietary garments and consumables for cleanrooms across Europe	<b>Feb 2023</b> SaaS provider of workforce management software solutions for small and medium-sized businesses operating in shift-based industries	<b>Nov 2019</b> E-commerce specialist selling bicycle components and equipment online across Europe
	<b>Mar 2023</b> Contract development and manufacturing organization for food supplements, medical devices and cosmetics	<b>Sep 2022</b> A leading provider of energy & electricity market information for European energy producers, industrial consumers, trading firms and financial institutions	<b>Sep 2019</b> Leading European online provider of professional tents and spare parts via a B2C/B2B model
	<b>Dec 2019</b> Manufacturer of active pharmaceutical ingredients and ingredients for human and animal nutrition products	<b>Jun 2021</b> Provider of patented, encryption solutions for institutions and organizations with the highest cybersecurity needs	

\*Shaded blue outline denotes REF VII investments.

## REF TEAM / PERFORMANCE

- Experienced senior team** has invested together since 2012
- Twelve fully realized investments and one partially realized investment made since 2012** in total have generated a **3.4x gross cash-on-cash return (2.7x net)** and **36% gross IRR (27% net)<sup>(2)(3)(7)(8)(9)</sup>**
- Eight experienced operators** specializing in specific sectors with dedicated functional expertise, allocated to specific companies based on needs
- European origination team employs a regional approach which **generates over 800 leads per year on average<sup>(10)</sup>**
- REF is the **first institutional owner in over 83%** of its investments, REF buys directly from founders or families and in some instances has invested in corporate spin-outs.
- REF leverages Riverside's **industry specialization teams and network of senior industry advisors** across the platform to gain investment insights
- Responsible Investing and digitalization** are integral parts of the value creation approach<sup>(11)</sup>



Footnotes are listed at the end of the document. Past performance is not necessarily indicative of future results. Please refer to the Important Information and corresponding footnotes for details on the hypothetical performance calculation, and information about its risks and limitations. A full REF and Riverside track record is available upon request.



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## FOOTNOTES

As of December 31, 2024, unless stated otherwise.

- (1) Past performance is not necessarily indicative of future results. Please see Important Information below for additional information.
- (2) Gross IRRs on a fund and deal level are before management fees, partnership expenses, commitment offset and carried interest, as applicable, using daily cash flows. The gross deal and fund level IRRs are based on the dates that capital was due from and distributed to investors. Gross Cash-on-Cash is calculated by Total Value divided by Fund Cost. The fund's credit facility may have been utilized to fund company acquisitions which would have the impact of increasing the gross IRRs shown.
- (3) Net IRRs on a fund level are after management fees, partnership expenses, commitment offset, and carried interest, as applicable, using daily cash flows. The net fund level IRRs are based on the dates that capital was due from and distributed to investors. The fund's subscription facility may have been utilized to fund company acquisition(s) which would have the impact of increasing the net IRR shown. Net Cash-on-Cash on a fund level is calculated by using the net to Limited Partner value of investment after management fees, partnership expenses, commitment offset and carried interest, as applicable, divided by net to Limited Partner capital called for investments, management fees and partnership expenses.  
  
Net IRRs on a deal level and for a subset of deals, are an estimate based on a Gross-to-Net Discount Factor of 94.02%, determined based on an analysis of Riverside private equity funds' historical fund-level gross-to-net spreads as of September 30, 2022 and are calculated using the following formula:  $94.02\% \times (\text{Gross Deal Level IRR} + 1) - 1$ . Net Cash-on-Cash on a deal level and for subsets of deals, is calculated by multiplying the Gross Cash-on-Cash by a Gross-to-Net Discount Factor of 78.51%, determined based on an analysis of Riverside private equity funds' historical fund-level gross-to-net spreads as of September 30, 2022. Such returns are not actual investor returns as net returns for a single investment or a group of investments of a private equity fund are difficult to calculate due to fund level expenses and cash flows.
- (4) Includes third-party contractors who work as operating professionals for select REF portfolio companies.
- (5) Includes undrawn commitments, the value of the current portfolio and available credit facilities for all Riverside Europe funds. Please refer to Important Information for additional details.
- (6) DPI is calculated by dividing net realized proceeds by all capital called.
- (7) USD converted to EUR as of the date of the cash flows. As of December 31, 2024, the returns for all unrealized REF deals acquired since 2012 are: 1.4x gross cash-on-cash (1.1x net cash-on-cash) and 12% gross IRR (5% net IRR). Please see notes 2 and 3 for information on the calculation of gross and net returns, respectively.
- (8) Hypothetical performance is for illustrative purposes only and does not reflect the actual returns of any Riverside investor or any investment portfolio. Please refer to Important Information for details on the hypothetical performance calculation and information about its risks and limitations. Please refer to Important Information below for additional information. The returns presented above aggregate data across multiple investment vehicles which may have different fund economics, amongst other factors. A full REF and Riverside track record is available upon request.
- (9) The information represents investments acquired from January 2012, which is when the current REF leadership team was established. Also includes deals led and managed by the REF team and funded by RCAF (Mintra, Brookson, Bike24 and MEC3).
- (10) Based on average deals sourced by Riverside Europe during the period 2019-2023.
- (11) Responsible Investing measures were developed and implemented by REF beginning in 2019 for REF VI and successor funds and are subject to change. The above shows the status of REF's practices as of December 31, 2024. They do not reflect the practices of any other Riverside fund. Investors should not have the expectation that other Riverside funds are implementing similar Responsible Investing processes. Responsible Investing process is subject to change.

## IMPORTANT INFORMATION

The information in this document is highly confidential and is being provided for your confidential use with the express understanding that, without Riverside's prior written permission, you will not release or re-publish this document, discuss the information contained herein, make any reproduction of, or use any material contained herein for any purpose other than a preliminary evaluation of this information.

The information presented in this document is not provided with a view to providing investment advice with respect to any security, or making any claim as to the past, current or future performance thereof, and Riverside expressly disclaims the use of this document for such purposes. The information contained in this document has been prepared from original sources and information Riverside believes to be reliable, but Riverside makes no representations or warranties as to its accuracy or completeness. This document has been prepared for the sole and exclusive purpose of providing general and background information concerning various private equity funds (each, a "Fund") sponsored by Riverside.

The rates of return and other financial information set forth herein should be read in conjunction with the entire offering material package pertaining to a Fund, including the footnotes, track records and other appendices included therein. Gross investment rates of return do not reflect investment management fees, carried interest or applicable expenses charged by Riverside unless so indicated. Net investment returns reflect reduction for investment management fees, carried interest and other expenses charged by the investment manager of a Fund, which vary across Funds and are detailed in the relevant Fund's offering material package, copies of which are available upon request. An individual limited partner's net returns may vary based on the timing of capital contributions and distributions. The investment returns in this document will be affected by the relevant Fund's valuation policies, which include, among other factors, the values ascribed to unrealized investments which may vary significantly from the values actually realized for such investments. Nothing contained herein is, or should be relied on as any indication as to the future performance of any Fund.

This document is qualified in its entirety by a Fund's final offering material package, which is available upon request and will contain, among other things, a description of the risks of an investment in such Fund. In making a decision to invest in a Fund, investors must rely solely on their own examination of such Fund and the terms of its offering materials, including the merits and risks involved, and not on any information or representation made or alleged to have been made in this document or otherwise. Capitalized terms used in this document without definition are defined in a Fund's offering material package.

Past performance is not necessarily indicative of future results. There can be no assurance that any Fund will achieve its investment objectives or that Fund investors will be able to avoid losses of their invested capital. Accordingly, prior to investing, you should read and consider all of the risk factors contained in the relevant Fund's offering material package.

The materials contained herein are for informational purposes only and do not constitute an offer to sell or a solicitation of an offer to purchase any interest in any Fund. Such offer or solicitation shall be made only pursuant to the relevant Fund's offering memorandum, which qualifies in its entirety the information set forth herein and contains a description of the risks of investing. These materials are also qualified by reference to the limited partnership agreement and the subscription agreement relating to a Fund (collectively, the "agreements"). The offering materials and forms of the agreements relating to a Fund should be reviewed carefully prior to an investment in such Fund.

Historical returns shown aggregate data from one or more investment vehicles, and include unrealized valuations of portfolio companies in accordance with Riverside's valuation policy, and not the proceeds of any disposition. The actual realized return of such unrealized investments may differ materially from the returns indicated herein. No investor has received the stated aggregate returns. Contact Riverside for a complete list of portfolio company historical valuations and performance.



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## IMPORTANT INFORMATION (CONTINUED)

The information contained herein relates to investments that involve a high degree of risk, and does not purport to be complete. This document speaks as of the date hereof or as of the specific date(s) noted herein, as applicable, and Riverside undertakes no obligation to update any of the information contained herein. Forward-looking statements may express Riverside's expectations for future events, but cannot constitute a guarantee.

The contents herein are not to be construed as legal, business or tax advice, and each recipient should consult its own attorney, business advisor and tax advisor as to legal, business and tax advice.

**Potential Future Returns.** In the case of estimated unrealized value of investments, the value estimates are based on internal analyses by Riverside generally based on financial information provided by the management of the underlying portfolio company (e.g. EBITDA and net funded debt). Using its judgment based on its knowledge of the portfolio companies, the applicable industries and the market therefore, Riverside has created valuation estimates based on such information. Actual realized returns on a Fund's unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in the performance data contained herein are based. Accordingly, the actual realized return of these unrealized investments may differ materially from the returns indicated herein.

**Hypothetical Performance.** Hypothetical performance results have inherent limitations and no representation is being made that any Riverside investor, Fund, or investment portfolio will or is likely to achieve profits or losses similar to those shown. There will be differences between hypothetical performance and actual results achieved. Hypothetical performance is for illustrative purposes only and does not reflect the actual returns of any Riverside investor, Fund, or investment portfolio. The hypothetical performance as presented is from more than one fund and may not be a meaningful comparison for a single investment fund due to a variety of reasons including vehicle specific investment criteria, diversification, investment allocation, risk, time horizon, leverage, market conditions, and potentially approvals. The performance information is for illustrative purposes only and may not be a meaningful indicator of a Fund's performance.

- The REF hypothetical performance represents investments led and managed by REF funded by REF and RCAF (Mintra, Brookson, Bike24 and MEC3).

**Risk of Loss. Past Performance is Not a Guarantee:** Prospective investors must be aware that investments in private equity funds such as the Funds are speculative and involve substantial risk of loss. No assurance can be given that any Fund will achieve its investment objectives or avoid substantial losses. Information about any Fund and investments made by such Fund, including past performance of such Funds and investments, is provided solely to illustrate Riverside's investment experience, and processes and strategies used by Riverside in the past with respect to such Funds. The performance information relating to Riverside's previous investments is not intended to be indicative of any Fund's future results. Past performance is not necessarily indicative, or a guarantee, of future results. There can be no assurance that any Fund will achieve comparable results as those presented or that investors in a Fund will not lose any of their invested capital.

**No Investment Advice.** References to the portfolio companies of the Funds should not be considered a recommendation or solicitation for the portfolio company mentioned, nor should individual portfolio company performance be considered representative of all portfolio companies held by the Funds.

**Highly Illiquid.** The Interests have not been registered under the Securities Act of 1933, or the securities laws of any state, country or other jurisdiction. The Interests are not transferable except with the prior consent of the General Partner, which may be granted, rejected or conditioned. Withdrawals of Interests are not permitted, except as set forth in the Partnership Agreement in extraordinary circumstances when necessary in connection with laws or regulations applicable to a Limited Partner. Almost all of the Fund's investments will be highly illiquid, and there can be no assurances that the Fund will be able to realize a positive return on such investments.

**Long-Term Nature of Investment; No Assurance of Investment Return.** The Fund's task of identifying and negotiating investment opportunities, managing such investments and realizing a return is typically a long, time-consuming process with no certainty of return on investment. There will likely be little if any near-term cash flow available to the Limited Partners, and there is no assurance that the Fund will be able to invest its capital on attractive terms, generate returns for its investors or return the capital contributed by them.

**Leverage.** The Fund will generally use leverage when making investments. In addition, the Fund may increase the leverage of a portfolio company. Although the use of leverage may enhance returns and increase the number of investments that Fund can make, it may also substantially increase the risk of loss.

**Conflicts of Interest.** There will likely be potential or actual conflicts of interest involving the General Partner and its affiliates (including portfolio companies of other investment funds managed by affiliates of the General Partner), on the one hand, and the Fund and its portfolio companies, on the other hand. As a general matter, Riverside will determine all matters relating to conflicts of interest using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to required approvals by the advisory committees of the Fund and subject to the Fund's governing documents.

## CONTACTS

### Dörte Höppner

Chief Sustainability Officer

Managing Director, Fundraising & Investor Relations

dhoepner@riversidecompany.com

+352 28 488 427

### Allison Cole

Managing Director, Global Head, Fundraising &

Investor Relations

acole@riversidecompany.com

+1 917 262 2081