



BUILDING MARKET LEADERS

For Immediate Release

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V4C ACQUIRES POLISH WASTE MANAGEMENT COMPANY

First deal for the V4C Poland Plus Fund; European Investment Bank Group and Alpha Associates co-invest

Value4Capital, the lower mid-market Polish and central European buy-out manager, announced the acquisition of Kom-Eko S.A (Kom-Eko) by its V4C Poland Plus Fund (the Fund). Kom-Eko is the leading waste management company in the Lublin area of Poland, with activities including municipal and commercial waste collection, sorting and processing centres and landfills in Lublin and Krasnik (www.kom-eko.pl). Royalton Partners' Royalton Capital Investors II was the seller, fully exiting the investment after 7 years of stewardship.

V4C is supported in the acquisition by co-investments from some of the Fund's investors, including the European Investment Bank Group (EIB Group). Alpha Associates has also committed to the transaction through its fund-of-funds Alpha CEE Opportunity IV, LP. mBank S.A. has provided an acquisition facility to complement the equity commitments. Transaction terms have not been disclosed.

EIB Group's financing will, inter alia, support Kom-Eko's investments into new waste sorting technology in order to increase the dry waste recycling levels as required by the municipalities in order to fulfil higher required recycling ratios set by the EU regulators. EIB Group's co-investment, as well as the investment in the Fund by its sister institution, the European Investment Fund, benefits from financial backing from the European Union under the European Fund for Strategic Investments (EFSI), further to an agreement on the management of the EFSI and on the EU guarantee to be provided by the European Union entered into on 22 July 2015 by the EIB and the European Union.

Piotr Misztal, partner at V4C and transaction leader, commented: "Kom-Eko is a perfect match to the Fund's strategy: a service business holding a leadership position in their region, where we can team up with management to take the business to the next level. We will actively look at consolidation opportunities to strengthen the footprint of the business in Poland while seeking to enhance current operations. We expect Kom-Eko to continue to focus on increasing the amount of waste it is able to sort and recycle, reducing landfilling and helping its clients meet their objectives of better management and valorisation of waste."

The Fund held its latest closing earlier this year at Euro 80 million of commitments. V4C expects to complete fundraising in the coming months. Mr. Misztal noted: "The deal pipeline in the lower mid-market is currently very strong. We are actively advancing on other transactions where we have been able to identify companies with strong growth potential and acceptable pricing. Our ability to assemble a portfolio with this combination is proving of interest to global investors looking for differentiation in their private equity investments away from the large buy-out segment."

V4C focuses on buy-outs, often in owner succession situations, where its pro-active involvement can accelerate the growth of the business. The firm specialises in service businesses, looking for opportunities where the service has a strong local delivery component. It focuses on Poland, but selectively invests in Romania, the Baltics and the other EU member states of central Europe.

The V4C deal team included Rafał Ałasa and Bill Watson. They were advised on legal aspects of the transaction by CMS in Warsaw and Luxembourg. Financial due diligence was undertaken by EY Warsaw. Royalton's team was led by Ivan Vohlmuth with Rothschild providing transaction advice and Allen & Overy Warsaw providing legal advice.

About Value4Capital

V4C is a private equity firm focused on investments in mid-market Polish and Central European companies. We target investments in established small and mid-cap companies to build market leaders through consolidation and growth. Our main focus is service businesses. We became independent as V4C in late 2011, when we spun-out of Amundi Private Equity Funds (formerly SGAM). V4C is now owned by its three partners, who have worked together since 2007. Each of them brings over 25 years of experience in the region gained working with international firms. Our prior fund, V4C Eastern Europe was raised in 2006 / 2007 with Euro 156m of committed capital and is largely divested. Our new fund, the V4C Poland Plus Fund, held its first closings at the end of 2017 and currently has EUR 80 million of committed capital. See more about our team and strategy at www.value4capital.com.

About the European Investment Bank Group

About the European Investment Fund

The European Investment Fund (EIF) is part of the European Investment Bank Group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments, which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. More information: www.eif.org.

About the European Investment Bank

The European Investment Bank (EIB) is the EU's long-term lending institution and is owned by the EU Member States. It makes long-term finance available for sound investment, contributing to growth, jobs, regional convergence and climate action in Europe and beyond. To maximise growth and job creation, the EIB targets four priority areas: innovation and skills, SMEs, climate action and strategic infrastructure across the EU. More information: www.eib.org.

About Alpha Associates

Alpha Associates is an independent private equity, private debt and infrastructure manager and advisor based in Zurich, Switzerland. The firm is regulated by the Swiss Financial Market Authority and manages private equity, private debt and infrastructure funds and customised accounts for institutional and private clients worldwide. Alpha Associates is the leading private equity fund of funds manager for Central and Eastern Europe, including Russia, and specialises in secondary transactions and direct co-investments in the region. More information: www.alpha-associates.ch.

About Royalton Partners

Royalton Partners is an authorized AIFM headquartered in Luxembourg. Royalton Partner's management team has been investing together for almost 30 years and is focused on the management of illiquid assets held in closed-ended fund structures, including private equity, real estate, infrastructure and fund of funds. To date, the Royalton Partners team has deployed over USD 370 million of capital in the CEE region. Royalton Partners as well manages a number of funds under the Royalton Third Party AIFM Service with combined commitments of around EUR 2 billion investing across the Globe. See more about our private equity management and third party AIFM services and at www.royalton-partners.com.

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