

Ufenau German Asset Light

At Eye Level with Entrepreneurs



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About This Report

We are delighted to present the **Ufenau 2021 ESG Report**. 2020 was dominated by the Covid-19 pandemic. In particular, the safety of our portfolio company teams, and our employees and their families was and is our top priority.

But aside of this extraordinary situation, we at Ufenau, are in general mindful of the responsibility we have towards our investors, our portfolio companies, the management teams and their employees as well as all employees at Ufenau and its stakeholders. Our awareness of the potential impacts of our investments drives our everyday actions and decision-making. Our objective is to positively impact the ecosystem we are active in, including all our share- and stakeholders.

For 10 years, Ufenau is focusing on “Asset Light” service companies. Hence, people are and have always been the most important success factor of our investments and our company. Ufenau’s core segment and geographical reach is dominated by high ESG standards, compared to other regions around the globe. While “Asset Light” service companies typically have less critical ESG topics (e.g. emissions), in addition our geographical focus on German speaking Europe and Benelux is also characterized by a very high ESG level.

With our focus on growth and in particular Buy-&-Build, we are forming groups that due to size are better prepared for a sustainable future. Further we are constantly trying to improve the business models of our portfolio companies to achieve benefits for all share- and stakeholders.

Ufenau has four active closed-end German Asset Light funds all based in the European Union and setup under the AFIMD regime. All funds are managed by an individual General Partner. The advisory company of the General Partners is Ufenau Capital Partners AG, based in Switzerland which is regulated by the Swiss financial authority FINMA. Hereinafter all entities are collectively named “Ufenau”.

For 2021 our strategy remains unchanged, and we strongly focus on finding and developing attractive investments!



Ralf Flore
Managing Partner



Dieter Scheiff
Managing Partner



Marinus Schmitt
Partner

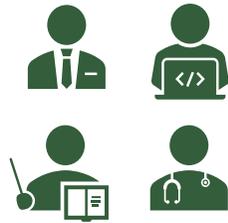


Andreas Joehle
Partner

Investment Focus and Strategy

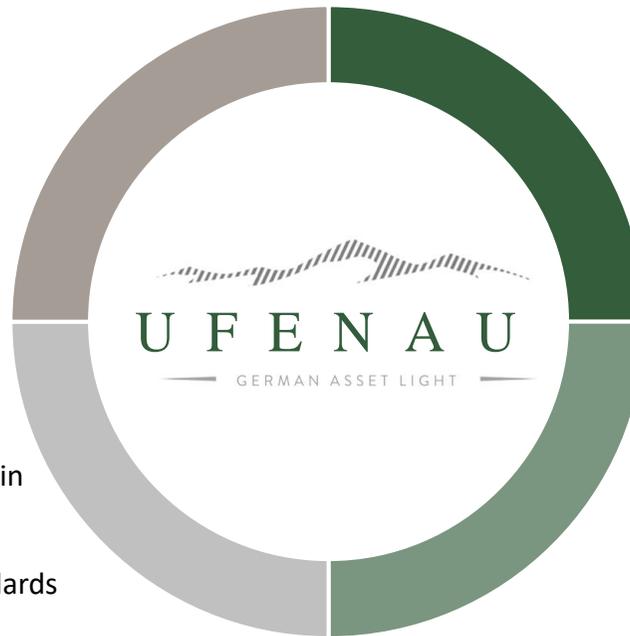
Asset Light

- Acquisitions of majority stakes in service companies within fragmented industries
- Focus on Business Services, Education & Lifestyle, Healthcare and Financial Services



D/A/CH, Benelux and Spain

- Germany, Austria, Switzerland, Benelux, Spain
- Europe's strongest economic region
- In general markets with advanced ESG standards



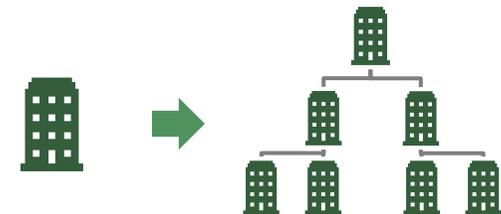
Small to Medium Sized Companies

- Target sales of EUR 10-150 million for an initial platform investment
- Add-ons from EUR 1-100 million sales
- Profitable & cash-flow positive



Buy-&-Build

- Strategic add-on acquisitions supporting organic growth
- Professionalization of SME's



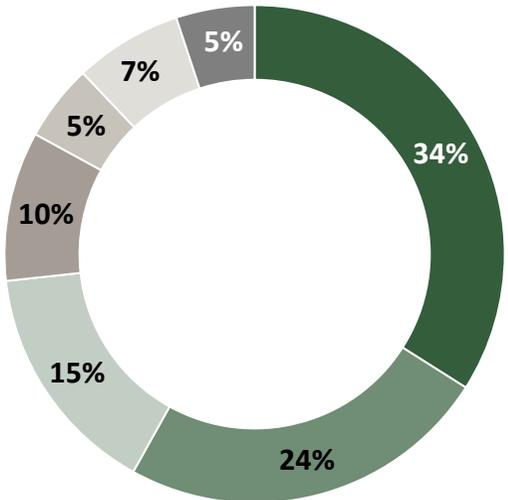
Assets Under Management

Ufenau currently comprises of 3 active main funds (Ufenau IV, V, VI) and 1 active co-investment fund.

AuM by Investor Category

in % of committed capital

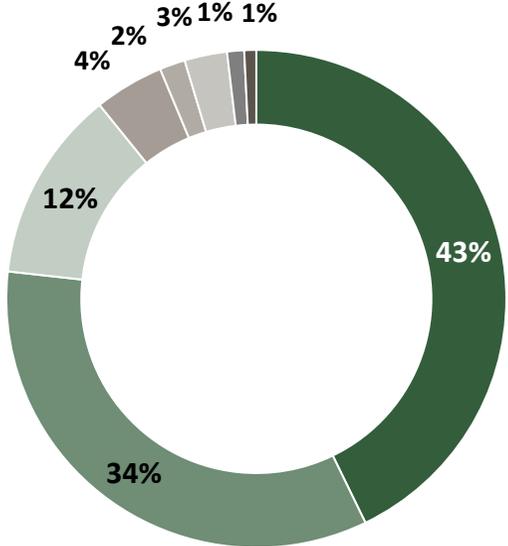
- Pension Funds
- Fund of Funds
- Family Offices
- Sovereign Funds
- Universities
- Industry Partner
- General Partner



AuM by Region

in % of committed capital

- United States
- D/A/CH
- France
- United Kingdom
- Canada
- Scandinavia
- Asia
- Spain



Ufenau's Responsible Investment Policy

In developing Ufenau's ESG policy, we considered the United Nations Principles for Responsible Investments as well as our specific investment focus, strategy and geographical reach. Ufenau will, in accordance with our fiduciary responsibility to our share-and stakeholders:

- | | | | |
|---|---|---|--|
| 1 | Identify ESG issues throughout the due diligence process related to potential investments and refuse to invest in any business that willfully exploits people and/or creates damage to society. | 4 | Respect human rights of those affected by our investment activities and seek to confirm that our investments do not support companies that utilize child or forced labor or maintain discriminatory policies. |
| 2 | Adhere to the highest standards of conduct to avoid even the appearance of negligent, unfair, or improper practices. Proactively comply with applicable national, state, and local labor laws in the countries in which Ufenau invests; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and consistent with applicable law, respect the rights of employees to decide whether or not to join a union and engage in collective bargaining. | 5 | Ensure all Ufenau Capital Partners employees are aware of the firm's culture of social responsibility dating back to its inception and encourage them to strengthen that culture. Encourage all firm professionals to engage in nonprofit giving and socially responsible volunteer activities. |
| 3 | Seek to grow and improve portfolio companies while benefiting multiple stakeholders. Ufenau will work with portfolio companies with the goal of improving performance and minimizing adverse impacts. | 6 | Encourage dialogue with LPS and stakeholders on how ESG issues can be managed in a way that is consistent with their initiatives. Work with our Limited Partners to foster transparency with regard to the ESG performance. |
| | | 7 | Have the resources to achieve implementation of the firm's ESG initiatives including. |

As Signatory Ufenau adheres to the UN PRI

The Principles for Responsible Investment is a United Nations' initiative launched in 2006 by Kofi Annan. It encourages its signatories in the finance sector (asset owners, investment managers and service providers) to respect its core principles.

Ufenau Capital Partners AG became a signatory to the United Nations-backed Principles for Responsible Investment (PRI) in 2019.

Signatory of:



THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

1

We will incorporate ESG issues into investment analysis and decision-making processes.

2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4

We will promote acceptance and implementation of the Principles within the investment industry.

5

We will work together to enhance our effectiveness in implementing the Principles.

6

We will each report on our activities and progress.

Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) were adopted by more than 150 world leaders at the United Nations Sustainable Development Summit in September 2015. The 17 goals articulate the shared aspirations of governments, investors, non-governmental organizations, and businesses to end poverty, protect the planet, and seek to ensure prosperity for all. The SDGs emphasize the role of the private sector in addressing challenges such as climate change, economic inequality, innovation, and sustainable consumption among other priorities. We believe that the SDGs articulate some of society's most pressing challenges and thus have become core to how we select impact investments.



SDGs related to the Ufenau Investment Strategy

As growth investor, Ufenau focusses on majority investments in profitable “Asset Light” service companies which are mainly active in Germany, Austria and Switzerland (D/A/CH Region).

Considering the Ufenau Investment Focus and Strategy, the following 7 SDGs are the most relevant to focus on in the portfolio:

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



6 CLEAN WATER AND SANITATION



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



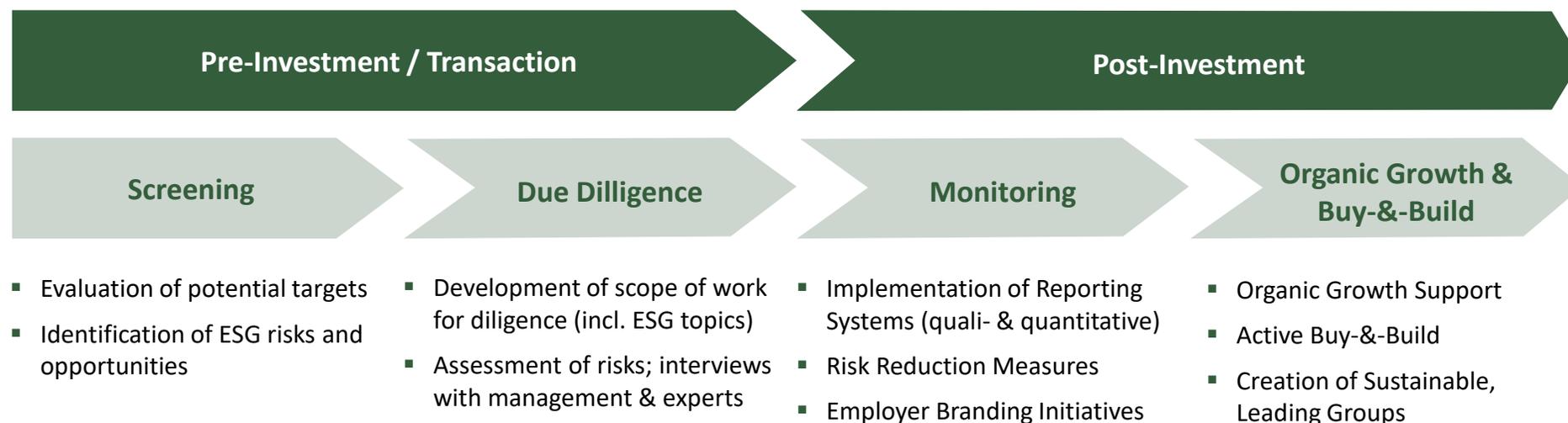
Western-Europe in general but the jurisdictions Germany, Switzerland and Austria in particular, are very advanced in their ESG efforts and standards. Nevertheless, Ufenau and the Private Equity industry in general has an important role in supporting change in scale and pace as each country continues its journey towards the SDGS.

ESG Country Rating 2019		Ufenau Exposure	Ranking Score
1	Denmark	✓	92 / 100
2	Sweden	✓	90 / 100
3	Switzerland	✓	88 / 100
4	Norway		87 / 100
5	Netherlands	✓	86 / 100
6	Germany	✓	85 / 100
7	Austria	✓	84 / 100
8	Luxembourg	✓	83 / 100
9	Finland		83 / 100
10	Iceland		81 / 100

Source: Top 10 of inrate.com ESG Country Rating 2019

ESG in the Ufenau Investment Process

Ufenau’s Sustainability and Environmental, Social, and Governance (“ESG”) considerations are reflected throughout the whole investment process starting with the screening process. When Ufenau is sourcing new opportunities, ESG matters are always considered. Clearly defined exclusion criteria together with Ufenau values, guide deal teams as to which deals not to pursue, and to which deals that will fit into the Ufenau portfolio. In addition to the above, placing our trust in the management, board and owners and their set of values are fundamental to move forward on a potential deal. The scope of the due-diligence depends on the respective jurisdictions, industry, company specifics and general risk exposure, but always include an assessment of the integrity of the management teams in multiple dialogues. During the internal and external investment assessment meetings, relevant ESG topics are challenged by the Investment Team. To the extent relevant, investment materials will also include plans for the improvement of any of the identified ESG issues.



COVID-19: How we handle the situation

Since beginning of the Covid-19 outbreak in Q1 2020, Ufenau's daily operations have been aligned with the recommended measures by the Swiss health authority. The safety of our portfolio company teams, and our employees and their families was and is our top priority.

After the full lock-down in the first half of 2020, Ufenau established a shift working model which allowed to separate our team in 2-4 shifts, thereby minimizing the infection risk of the whole team. Office attendance was and is not obligatory since the first lock-down and our staff can choose their preferences. Masks are mandatory if a team members visits the office. Ufenau has further upgraded its IT systems to ensure a high level of security also from the home office (VPN connections for working stations and mobile devices).

Ufenau monitored the Covid-19 procedures of its portfolio very closely since beginning of the crisis. Since Q1 2020 it was our objective to provide our investors with a high level of transparency. Therefore, between Q1 und Q3 2020, we shared weekly and then followed by bi-weekly Covid-19 status updates. These updates contained the health / infection situation of the portfolio companies' staff as well as a financial impact analysis.

Since end of 2020 home office is mandatory in whole Switzerland. Onsite meetings are only allowed to be held for crucial situations. Ufenau will stick to these official rules until the situation changes.

SDGs in Ufenau's Portfolio

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



6 CLEAN WATER AND SANITATION



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



	3	4	6	8	12	15	17
R&M	✓			✓	✓		✓
MAC IT	✓			✓			✓
Matrix	✓			✓			✓
IKOR	✓			✓			✓
MYTY	✓	✓		✓			✓
GarLa Gruppe	✓		✓	✓		✓	✓
IRS Group	✓	✓		✓	✓		✓
HPS	✓	✓		✓			✓
European AV Group	✓			✓			✓
Lavatio	✓		✓	✓	✓		✓
Swiss IT Security	✓	✓		✓			✓
Altano	✓	✓		✓		✓	✓
Kanalservice Holding	✓	✓	✓	✓			✓
Corius	✓	✓		✓			✓
Doktorhuus	✓	✓		✓			✓
Fair Damage Control	✓	✓		✓			✓
Trans Europa Express	✓	✓		✓			✓

ESG Case Studies

1



2



3



4



5



6



7



8



9



Company & Deal Parameter	
Company:	Altano Gruppe GmbH
Sector:	Veterinary Healthcare
Geography:	Germany & Netherlands
CEO:	Dr. Victor Baltus
# Locations:	23
# Employees:	> 680
Sales:	EUR 56m in 2020
Sales Growth:	CAGR 77% since entry
Entry Date:	June 2017
Ownership:	UCP 73% / Mgmt 27%
Deal Type:	Owner Buyout
Strategy:	Buy-&-Build
# Add-Ons:	21



The investment idea of Altano was to form a group of equine clinics by providing numerous veterinarians an attractive succession solution. Today, Altano is the leading veterinary clinic group in Germany focusing on equine healthcare. The group provides the full scope of veterinary services including surgery and internal medicine treatments to a diversified base of >80'000 clients with >100'000 animals treated per year. The group provides centralized services such as bookkeeping, HR support, marketing, insurance, etc. to the clinics.

Sustainable Development Topics

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



Ref. ESG Actions

- 03** Focus on animal welfare / successful implementation of flexible working time models
- 04** Establishment of group wide trainings / valuable cooperation with universities
- 08** 20 clinics acquired to form group and de-risk numerous key men situations
- 15** Sustainable treatment of estates also used as living space for horses
- 17** Management participation of 27% (veterinarians)

Company & Deal Parameter	
Company:	Corius AG
Sector:	Dermatology
Geography:	Germany & Switzerland
CEO:	Heidi Niemöller
# Locations:	22
# Employees:	> 350
Sales:	CHF 46.5m in 2020
Sales Growth:	CAGR 85% since entry
Entry Date:	January 2017
Ownership:	UCP 88% / Mgmt 12%
Deal Type:	Owner Buyout
Strategy:	Buy-&-Build
# Add-Ons:	15



Corius AG comprises the roll-out of a dermatological practice chain in the D/CH region. The idea was/is to provide typically elderly practice owners an attractive succession solution. The group offers a brought range of dermatological service including out- and inpatient dermatology, derma-oncology as well as beauty and aesthetic treatments. The group provides centralized services such as bookkeeping, HR support, marketing, education, etc. to the practices.

Sustainable Development Topics

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



Ref. ESG Actions

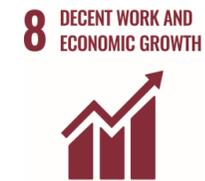
- 03** Focus on human welfare / group practices with flexible working times models
- 04** Establishment of group wide employee trainings
- 08** 15 practices acquired to form group and solve succession situations
- 17** Management participation of 12%

Company & Deal Parameter	
Company:	Kanalservice Holding AG
Sector:	Sewer Cleaning Services
Geography:	Switzerland & Germany
CEO:	Petra Reinholz
# Locations:	11
# Employees:	> 450
Sales:	CHF 81m in 2020
Sales Growth:	CAGR 26% since entry
Entry Date:	March 2017
Ownership:	UCP 80% / Mgmt 20%
Deal Type:	Owner Buyout
Strategy:	Buy-&-Build
# Add-Ons:	7



Founded 1958, Kanalservice Holding AG is the leading service provider for sewer cleaning, inspection and renovation with seven sites in Switzerland and Germany. The company operates as a one stop shop for a broad customer base including cantons, cities, municipalities, real estate administrations, construction companies, facility services, engineers, architects and private individuals in Switzerland and Germany.

Sustainable Development Topics



Ref. ESG Actions

- 03** Active prevention of minimum wages / reduction of travel times
- 04** Establishment of shared garage and specific know-how transfer across the group
- 06** Business model is focused on optimization of sewer systems
- 08** 7 add-ons acquired to form group / numerous succession situations solved
- 17** Management participation of 20%

Company & Deal Parameter	
Company:	Intelligent Repair Solutions GmbH
Sector:	SMART Repair Services
Geography:	Germany, Denmark, Sweden, Belgium
Interim CEO:	Dirk Wischnewski
# Locations:	151
# Employees:	> 2'200
Sales:	EUR 192m in 2020
Sales Growth:	CAGR 36% since entry
<hr/>	
Entry Date:	June 2014
Ownership:	UCP 84% / Mgmt 16%
Deal Type:	Owner Buyout
Strategy:	Buy-&-Build
# Add-Ons:	54



Intelligent Repair Solutions is the market leader in SMART ("small to medium area repair techniques") Repair and body repair & paint services for passenger car damages in Germany, Denmark, Sweden and Belgium. The service offering comprises in particular paint-free dent removal, spot colour repair, body repair and paint, cosmetic wheel repair, vehicle reconditioning services as well as varnishing services. The company focuses on B2B customers.

Sustainable Development Topics

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS



Ref. ESG Actions

- 03** Flexible working time models introduced
- 04** IRS academy installed to provide state-of-the-art trainings
- 08** 53 add-ons acquired to form group and numerous succession situations solved
- 12** Pilot project to reduce paint consumption implemented (Moonwalk system)
- 17** Management participation of 16%

Company & Deal Parameter	
Company:	Doktorhuus Gruppe AG
Sector:	General Medicine
Geography:	Switzerland
CEO:	Cornelia Raif
# Locations:	14
# Employees:	> 140
Sales:	CHF 28m in 2020
Sales Growth:	CAGR 20% since entry
Entry Date:	June 2016
Ownership:	UCP 93% / Mgmt 7%
Deal Type:	Owner Buyout
Strategy:	Buy-&-Build
# Add-Ons:	7



Doktorhuus comprises of a roll-up of medical practices, specialized in general medicine, gastroenterology and radiology. The group today is a regional champion in the outpatient healthcare market in the German speaking region of Switzerland. The objective of Ufenau and the Management was/is to form a group by acquiring practices from succession seeking owners, find successor doctors and to provide shared services from the group to increase attractiveness in particular for the majority of female doctors.

Sustainable Development Topics

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



Ref. ESG Actions

- 03** Focus on human welfare / group practices with flexible working times

- 04** Establishment of group wide trainings to ensure high quality treatments

- 08** 7 practices acquired to form group and numerous succession situations solved

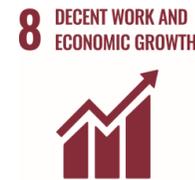
- 17** Management participation of 7%

Company & Deal Parameter	
Company:	Swiss IT Security AG
Sector:	IT Security Services
Geography:	Switzerland & Germany
CEO:	Philipp Stebler
# Locations:	18
# Employees:	> 600
Sales Growth:	CAGR 91% since entry
Entry Date:	November 2017
Ownership:	UCP 67% / Mgmt 33%
Deal Type:	Owner Buyout
Strategy:	Buy-&-Build
# Add-Ons:	15



Swiss IT Security AG is a leading group of specialized IT cybersecurity solutions in Switzerland and Germany. The service offering comprises IT security infrastructure, managed services, IT security architecture for high security clients, network security as well as specialized cloud security solutions. SITS focusses on B2B clients reaching from renowned mid-sized companies, public authorities to global enterprises.

Sustainable Development Topics



Ref. ESG Actions

- 03** Harmonized working contracts across the group / flexible working models installed
- 04** Establishment of group wide trainings and workshops for know-how transfer
- 08** 15 add-ons acquired to form group and de-risk of numerous key men situations
- 17** Management participation of 33%

Company & Deal Parameter	
Company:	Lavatio
Sector:	Textile and Laundry Services
Geography:	Germany
CEO:	Lars Blechschmidt
# Locations:	11
# Employees:	> 800
Sales:	EUR 43m in 2020
Sales Growth:	CAGR 30% since entry
Entry Date:	June 2018
Ownership:	UCP 79% / Mgmt 21%
Deal Type:	Owner Buyout
Strategy:	Buy-&-Build
# Add-Ons:	6



Lavatio Group is a leading laundry group in the German-speaking area. As a full-service provider, the group rents and washes a wide variety of textiles. These include bed, towel and table linen for the hotel, restaurant and catering sector, workwear for the industry and businesses as well as individual resident linen for care and health facilities.

Sustainable Development Topics

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



6 CLEAN WATER AND SANITATION



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ref. ESG Actions

- 03** Harmonized working contracts across the group / flexible working models installed
- 06** Modern dosing systems for laundry detergents and own water recycling plants
- 08** 6 add-ons acquired to form group and de-risk of numerous key men situations
- 12** Efficient logistics systems with the newest truck fleet that emits less CO2

Company & Deal Parameter	
Company:	TEX
Sector:	Train Operating Services
Geography:	D/A/CH & Netherlands
CEO:	Bernhard Heizmann
# Locations:	15
# Employees:	> 1100
Sales:	CHF 104m in 2020
Sales Growth:	CAGR 5% since entry
Entry Date:	March 2015
Ownership:	UCP 67% / Mgmt 33%
Deal Type:	Owner Buyout
Strategy:	Buy-&-Build
# Add-Ons:	5



The TEX Group is a leading provider of train operating services, training and infrastructure services in the railway sector in the DACH/NL region. It was founded in 1997 and has held its different companies under one roof as TEX Holding AG since 2015. The TEX Group focuses on the development of railway transport and with it the connected disposition and shunting services. It also runs the leading train driver academy in the DACH/NL region, offering specialised rail operation training.

Sustainable Development Topics

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



Ref. ESG Actions

- 03** Harmonized working contracts across the group / flexible working models installed
- 04** Establishment of group wide trainings and workshops for know-how transfer
- 08** 5 add-ons acquired to form group and de-risk of numerous key men situations
- 17** Management participation of 33%

Company & Deal Parameter	
Company:	GarLa
Sector:	Gardening and Landscaping
Geography:	Switzerland
CEO:	Christian Erni
# Locations:	2
# Employees:	> 50
Sales:	CHF 10m in 2020
Sales Growth:	CAGR 0.3% since entry
Entry Date:	July 2019
Ownership:	UCP 87.5% / Mgmt 12.5%
Deal Type:	Owner Buyout
Strategy:	Buy-&-Build
# Add-Ons:	1 under exclusivity



The GarLa Group offers its customers high-quality gardening and landscaping services. The company also has proven expertise in natural pool facilities and swimming ponds. Today, the company has a leading regional market position in German-speaking Switzerland with an excellent reputation. The customer base mainly consists of private customers as well as corporate clients and public institutions, who count on the reliability and experience the firm brings to its projects.

Sustainable Development Topics

3 GOOD HEALTH
AND WELL-BEING



6 CLEAN WATER
AND SANITATION



8 DECENT WORK AND
ECONOMIC GROWTH



15 LIFE
ON LAND



17 PARTNERSHIPS
FOR THE GOALS



Ref. ESG Actions

- 03** Focus on human welfare with relaxation oases
- 06** Expert in environmentally friendly natural pools
- 08** Resolution of succession situations
- 15** Planting trees against climate change
- 17** Management participation of 12.5%

Disclaimer

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An investment in private equity is speculative and involves a high degree of risk, including risk of loss of the entire investment and is suitable only for sophisticated investors. Certain significant risks include, but are not limited to, lack of liquidity for an indefinite period of time and uncertain economic conditions (including the effect of bankruptcy). A prospective investor in Ufenau Fund should carefully review the confidential subscription documentation in respect of the Fund and the constitutional documents of the Fund, understand the risks and conflicts of interest set forth therein, and should consult with its legal and tax advisors.

Ufenau German Asset Light At Eye Level with Entrepreneurs

www.ucp.ch