



# H.I.G. Europe Capital Partners II, L.P.

## Investor Report September 30, 2021

(Unaudited)

### Commonwealth of Pennsylvania State Employees' Retirement System

Investor Commitment: €21,000,000

Company	Acquisition Date	Invested Amount (1)	Cash Realized (2)	Unrealized Value (2)	Total Value	Multiple on Invested Capital (2)
Weru GmbH	January 2014	€ 93,813	€ 192,770	€ 25,281	€ 218,051	2.3x
Kondor Limited	March 2014	78,938	29,275	-	29,275	0.4x
KidsFoundation	July 2014	175,575	1,015,247	-	1,015,247	5.8x
Compañía del Trópico	August 2014	42,445	-	-	-	- x
Aviapartner	December 2014	4,877	33,336	-	33,336	6.8x
Adelie Foods Group Limited	March 2015	1,320,336	153,811	-	153,811	0.1x
Cabonline Group	April 2015	881,306	49,064	851,055	900,119	1.0x
Centros Único	August 2015	209,886	-	162,871	162,871	0.8x
ExteriorPlus	December 2015	365,231	-	436,921	436,921	1.2x
Texbond S.p.A.	July 2016	252,700	-	759,611	759,611	3.0x
HCS Group, GmbH	November 2016	1,480,190	-	758,447	758,447	0.5x
Royo Group	December 2016	363,152	1,157,162	-	1,157,162	3.2x
Xtera	February 2017	208,430	840	527,354	528,194	2.5x
Lionbridge Technologies, Inc.	February 2017	274,030	1,012,271	444,063	1,456,334	5.3x
Infinigate Group	March 2017	502,751	3,912,434	-	3,912,434	7.8x
Ecore B.V.	April 2017	729,325	2,007,418	1,815,290	3,822,708	5.2x
Deenova	June 2017	289,251	-	1,030,594	1,030,594	3.6x
CONET	September 2017	588,654	211,179	5,555,942	5,767,121	9.8x
Beinbauer	January 2018	541,619	-	842,330	842,330	1.6x
Puerto de Indias	February 2018	786,859	3,906	932,121	936,027	1.2x
Corona Corporate Solutions	July 2018	506,069	138,940	697,666	836,606	1.7x
Cadica	April 2019	489,184	-	1,431,844	1,431,844	2.9x
Metalprint	June 2019	430,382	-	1,040,990	1,040,990	2.4x
PLIXXENT Holdings GmbH	October 2019	628,311	-	2,068,810	2,068,810	3.3x
Meyra Mobility Group	December 2019	748,968	-	808,236	808,236	1.1x
Vernacare	February 2020	645,330	3,276	1,450,004	1,453,280	2.3x
SPORTFIVE	April 2020	237,278	224,214	743,814	968,028	4.1x
Informatica S.r.l.	July 2020	271,998	-	467,765	467,765	1.7x
DGS S.p.A.	August 2020	390,662	-	579,702	579,702	1.5x
Total Investments		€ 13,537,550	€ 10,145,143	€ 23,430,711	€ 33,575,854	2.5x
Cash and Other Net Assets (3), (4)					(4,114,456)	
Account Total					€ 29,461,398	
Unfunded Commitment (5)					€ 4,574,293	

(1) Financed by capital calls from investors and / or borrowings from the Fund's credit facility.

(2) Gross of fees, expenses, and carried interest and includes gain / loss on foreign exchange derivatives, if applicable.

(3) Net of fees, expenses, and carried interest. (4) Excludes undistributed cash, if any, shown in the cash realized column above.

(5) Amount may not include certain distributions of capital that are callable in accordance with the Fund's Limited Partnership Agreement.

NOTE: Unrealized valuations are based on General Partner's reasonable estimates. Actual results may vary substantially from estimates shown above.



**H.I.G. Europe Capital Partners II, L.P.**  
**Statement of Changes in Partner's Capital**  
**Nine Months Ended September 30, 2021**  
**(Unaudited)**

**Commonwealth of Pennsylvania State Employees' Retirement System**

**Fund Commitment: €826,000,000**

**Investor Commitment: €21,000,000**

Partner's capital, January 1, 2021	€	19,184,754
Capital contributions		2,084,746
Capital distributions*		(4,601,579)
Interest income		70,024
Management fees		(299,793)
Professional fees and other expenses		(75,849)
Interest expense		(17,150)
Net realized gain on investments		4,419,785
Net realized loss on derivatives		(107,663)
Net change in unrealized value of investments		1,318,251
Net change in unrealized value of derivatives		40,779
Carried interest reallocation		(1,436,163)
Partner's capital, September 30, 2021	€	<u><u>20,580,142</u></u>

\*Includes carried interest paid of €1,215,457.

**H.I.G. Europe Capital Partners II, L.P.**  
**Statement of Assets, Liabilities and Partners' Capital**  
**September 30, 2021**  
**(Unaudited)**

**ASSETS**

Investments, at fair value (cost €374,688,303)	€ 890,513,805
Cash and cash equivalents	8,537,929
Receivable from sale of investments	31,150,882
Due from related parties	23,899,888
Interest receivable	240,981
Other assets	19,217,103
<b>Total assets</b>	<b>€ 973,560,588</b>

**LIABILITIES AND PARTNERS' CAPITAL**

**Liabilities**

Due to related parties	€ 509,111
Distributions payable	1,373,218
Credit facility	9,999,999
Unrealized loss on derivatives	34,202
<b>Total liabilities</b>	<b>11,916,530</b>

<b>Partners' capital</b>	<b>961,644,058</b>
<b>Total liabilities and partners' capital</b>	<b>€ 973,560,588</b>



**H.I.G. Europe Capital Partners II, L.P.**  
**Schedule of Investments**  
**September 30, 2021**  
**(Unaudited)**

	<u>Type of Investment</u>	<u>Cost</u>	<u>Fair Value</u>
<b>France - 10.47%*</b>			
<u>Administrative and Support and Waste Management and Remediation Services</u>			
Ecore B.V.	Equity	€ - €	71,401,394
<u>Other Services</u>			
SPORTFIVE	Equity	513,832	29,256,698
Total France		513,832	100,658,092
<b>Germany - 41.04%*</b>			
<u>Health Care and Social Assistance</u>			
Meyra Mobility Group	Equity	29,459,393	31,790,616
<u>Manufacturing</u>			
Beinbauer	Equity	4,748,029	7,251,433
	Debt	25,880,230	25,880,230
		30,628,259	33,131,663
HCS Group, GmbH	Equity	58,965,040	29,832,262
PLIXXENT Holdings GmbH	Equity	24,713,553	81,373,179
<u>Professional, Scientific, and Technical Services</u>			
CONET	Equity	14,847,351	218,533,718
Total Germany		158,613,596	394,661,438

\*Fair value as a percentage of partners' capital



**H.I.G. Europe Capital Partners II, L.P.**  
**Schedule of Investments (Continued)**  
**September 30, 2021**  
**(Unaudited)**

	<u>Type of Investment</u>	<u>Cost</u>	<u>Fair Value</u>
<b>Italy - 18.61%*</b>			
<u>Manufacturing</u>			
Cadica	Equity	€ 19,241,250	€ 56,319,190
Metalprint	Equity	16,928,364	40,945,597
<u>Other Services</u>			
DGS S.p.A.	Equity	15,366,027	22,801,594
Informatica S.r.l.	Equity	10,698,572	18,398,770
<u>Wholesale Trade</u>			
Deenova	Equity	11,377,189	40,536,692
Total Italy		73,611,402	179,001,843
<b>Spain - 6.27%*</b>			
<u>Manufacturing</u>			
Puerto de Indias	Equity	30,796,153	36,663,433
<u>Other Services</u>			
Centros Único	Equity	8,255,510	6,406,268
<u>Professional, Scientific, and Technical Services</u>			
ExteriorPlus	Equity	14,365,760	17,185,544
Total Spain		53,417,423	60,255,245

\*Fair value as a percentage of partners' capital



**H.I.G. Europe Capital Partners II, L.P.**  
**Schedule of Investments (Continued)**  
**September 30, 2021**  
**(Unaudited)**

	<u>Type of Investment</u>	<u>Cost</u>	<u>Fair Value</u>
<b>Sweden - 3.49%*</b>			
<u>Transportation and Warehousing</u>			
Cabonline Group	Equity	€ 34,664,712	€ 33,522,476
Total Sweden		<u>34,664,712</u>	<u>33,522,476</u>
<b>United Kingdom - 10.94%*</b>			
<u>Health Care and Social Assistance</u>			
Vernacare	Equity	25,382,965	56,938,738
<u>Information</u>			
Corona Corporate Solutions	Equity	6,081,380	16,278,185
	Debt	10,783,190	11,104,905
		<u>16,864,570</u>	<u>27,383,090</u>
<u>Manufacturing</u>			
Xtera	Equity	8,198,230	20,856,855
Total United Kingdom		<u>50,445,765</u>	<u>105,178,683</u>
<b>United States of America - 1.79%*</b>			
<u>Professional, Scientific, and Technical Services</u>			
Lionbridge Technologies, Inc.	Equity	3,421,573	17,236,028
Total United States of America		<u>3,421,573</u>	<u>17,236,028</u>
<b>TOTAL INVESTMENTS</b>		<u><u>€ 374,688,303</u></u>	<u><u>€ 890,513,805</u></u>

\*Fair value as a percentage of partners' capital



**H.I.G. Europe Capital Partners II, L.P.**  
**Schedule of Investments (Continued)**  
**September 30, 2021**  
**(Unaudited)**

<b>Total by Industry</b>	<b><u>Cost</u></b>	<b><u>Fair Value</u></b>
Administrative and Support and Waste Management and Remediation Services - 7.42%*	€ -	€ 71,401,394
Health Care and Social Assistance - 9.23%*	54,842,358	88,729,354
Information - 2.85%*	16,864,570	27,383,090
Manufacturing - 31.11%*	189,470,849	299,122,179
Other Services - 7.99%*	34,833,941	76,863,330
Professional, Scientific, and Technical Services - 26.30%*	32,634,684	252,955,290
Transportation and Warehousing - 3.49%*	34,664,712	33,522,476
Wholesale Trade - 4.22%*	11,377,189	40,536,692
	<u>€ 374,688,303</u>	<u>€ 890,513,805</u>
<b>Total by Type of Investment</b>		
Debt Investments - 3.85%*	€ 36,663,420	€ 36,985,135
Equity Investments - 88.76%*	338,024,883	853,528,670
	<u>€ 374,688,303</u>	<u>€ 890,513,805</u>

\*Fair value as a percentage of partners' capital



**H.I.G. Europe Capital Partners II, L.P.**  
**Statement of Operations**  
**Nine Months Ended September 30, 2021**  
**(Unaudited)**

**INVESTMENT INCOME**

Interest income	€ 3,032,310
<b>Total investment income</b>	<u>3,032,310</u>

**EXPENSES**

Management fees	11,778,289
Professional fees and other expenses	2,983,443
Interest expense	674,569
<b>Total expenses</b>	<u>15,436,301</u>

<b>Net investment loss</b>	(12,403,991)
<b>Net realized gain on investments</b>	173,868,639
<b>Net realized loss on derivatives</b>	(4,234,738)
<b>Net change in unrealized value of investments</b>	51,851,199
<b>Net change in unrealized value of derivatives</b>	1,603,981
<b>NET INCREASE IN PARTNERS' CAPITAL FROM OPERATIONS</b>	<u><u>€ 210,685,090</u></u>



**H.I.G. Europe Capital Partners II, L.P.**  
**Statement of Changes in Partners' Capital**  
**Nine Months Ended September 30, 2021**  
**(Unaudited)**

	<b>General Partner</b>	<b>Special Allocation / PPS Party</b>	<b>Limited Partners</b>	<b>Total</b>
<b>Investor Commitment:</b>	<b>€ 950,000</b>	<b>€ 50,000</b>	<b>€ 825,000,000</b>	<b>€ 826,000,000</b>
Partners' capital, January 1, 2021	€ 146,802,536	€ 5,206,666	€ 753,686,856	€ 905,696,058
Capital contributions	94,310	6,477	81,849,999	81,950,786
Capital distributions	(55,622,577)	(288,988)	(180,776,311)	(236,687,876)
Interest income	3,168	278,199	2,750,943	3,032,310
Management fees	-	(714)	(11,777,575)	(11,778,289)
Professional fees and other expenses	(3,431)	(180)	(2,979,832)	(2,983,443)
Interest expense	(776)	(41)	(673,752)	(674,569)
Net realized gain on investments	223,701	10,524	173,634,414	173,868,639
Net realized loss on derivatives	(4,870)	(257)	(4,229,611)	(4,234,738)
Net change in unrealized value of investments	59,635	3,139	51,788,425	51,851,199
Net change in unrealized value of derivatives	1,845	97	1,602,039	1,603,981
Carried interest reallocation	56,424,118	(3,420)	(56,420,698)	-
Partners' capital, September 30, 2021	<b>€ 147,977,659</b>	<b>€ 5,211,502</b>	<b>€ 808,454,897</b>	<b>€ 961,644,058</b>

**H.I.G. Europe Capital Partners II, L.P.**  
**Statement of Cash Flows**  
**Nine Months Ended September 30, 2021**  
**(Unaudited)**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net increase in partners' capital from operations	€ 210,685,090
Adjustments to reconcile net increase in partners' capital from operations to net cash provided by operating activities:	
Net realized gain on investments	(173,868,639)
Net realized loss on derivatives	4,234,738
Net change in unrealized value of investments	(51,851,199)
Net change in unrealized value of derivatives	(1,603,981)
Non-cash interest income	(2,741,123)
Purchase of investments	(11,020,277)
Proceeds from investments	219,016,075
Payments on derivatives	(4,234,737)
Changes in assets and liabilities:	
Receivable from sale of investments	(30,095,893)
Due from related parties	39,833,556
Interest receivable	(13,156)
Other assets	14,110,624
Due to related parties	473,323
Net cash provided by operating activities	<u>212,924,401</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Credit facility	(56,100,000)
Capital contributions	81,950,786
Capital distributions, net of change in distributions payable	(235,534,597)
Net cash used in financing activities	<u>(209,683,811)</u>

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 3,240,590

**CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD** 5,297,339

**CASH AND CASH EQUIVALENTS, END OF PERIOD** € 8,537,929

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid during the period for interest € 674,569

**SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS**

Conversion of bridge financing to investments € 66,077  
Capital distributions accrued € 1,373,217



# H.I.G. Europe Capital Partners II, L.P.

## Investor Report

September 30, 2021

(Unaudited)

**Investor Commitment: €826,000,000**

Company	Acquisition Date	Invested Amount (1)	Cash Realized (2)	Unrealized Value (2)	Total Value	Multiple on Invested Capital (2)	IRR (2)
Weru GmbH	January 2014	€ 3,689,970	€ 7,582,288	€ 994,401	€ 8,576,689	2.3x	12%
Kondor Limited	March 2014	3,104,891	1,151,465	-	1,151,465	0.4x	-19%
KidsFoundation	July 2014	6,905,964	39,933,030	-	39,933,030	5.8x	131%
Compañía del Trópico	August 2014	1,669,490	-	-	-	- x	NM
Aviapartner	December 2014	191,846	1,311,197	-	1,311,197	6.8x	41%
Adelie Foods Group Limited	March 2015	51,933,207	6,049,918	-	6,049,918	0.1x	NM
Cabonline Group	April 2015	34,664,712	1,929,865	33,474,837	35,404,702	1.0x	0%
Centros Único	August 2015	8,255,510	-	6,406,268	6,406,268	0.8x	-4%
ExteriorPlus	December 2015	14,365,760	-	17,185,544	17,185,544	1.2x	3%
Texbond S.p.A.	July 2016	9,939,541	-	29,878,032	29,878,032	3.0x	24%
HCS Group, GmbH	November 2016	58,220,794	-	29,832,262	29,832,262	0.5x	-13%
Royo Group	December 2016	14,283,971	45,515,023	-	45,515,023	3.2x	33%
Xtera	February 2017	8,198,230	33,032	20,742,599	20,775,631	2.5x	23%
Lionbridge Technologies, Inc.	February 2017	10,778,532	39,816,004	17,466,467	57,282,471	5.3x	52%
Infinigate Group	March 2017	19,774,864	153,889,089	-	153,889,089	7.8x	76%
Ecore B.V.	April 2017	28,686,797	78,958,454	71,401,394	150,359,848	5.2x	93%
Deenova	June 2017	11,377,189	-	40,536,692	40,536,692	3.6x	35%
CONET	September 2017	23,153,711	8,306,360	218,533,718	226,840,078	9.8x	83%
Beinbauer	January 2018	21,303,678	-	33,131,664	33,131,664	1.6x	13%
Puerto de Indias	February 2018	30,949,770	153,617	36,663,433	36,817,050	1.2x	5%
Corona Corporate Solutions	July 2018	19,905,381	5,464,976	27,441,548	32,906,524	1.7x	25%
Cadica	April 2019	19,241,250	-	56,319,190	56,319,190	2.9x	70%
Metalprint	June 2019	16,928,364	-	40,945,597	40,945,597	2.4x	48%
PLIXXENT Holdings GmbH	October 2019	24,713,553	-	81,373,179	81,373,179	3.3x	86%
Meyra Mobility Group	December 2019	29,459,393	-	31,790,616	31,790,616	1.1x	5%
Vernacare	February 2020	25,382,965	128,848	57,033,482	57,162,330	2.3x	71%
SPORTFIVE	April 2020	9,332,915	8,819,083	29,256,698	38,075,781	4.1x	177%
Informatica S.r.l.	July 2020	10,698,572	-	18,398,770	18,398,770	1.7x	59%
DGS S.p.A.	August 2020	15,366,027	-	22,801,594	22,801,594	1.5x	43%
<b>Total Investments</b>		<b>€ 532,476,847</b>	<b>€ 399,042,249</b>	<b>€ 921,607,985</b>	<b>€ 1,320,650,234</b>	<b>2.5x</b>	<b>27%</b>
Cash and Other Net Assets (3), (4)					38,509,235		
Account Total					€ 1,359,159,469		
Unfunded Commitment (5)					€ 179,972,422		

(1) Financed by capital calls from investors and / or borrowings from the Fund's credit facility.

(2) Gross of fees, expenses, and carried interest and includes gain / loss on foreign exchange derivatives, if applicable. The internal rate of return (the "IRR"), since inception, is calculated based on the Fund's monthly cash outflows and cash inflows related to investments (beginning of the month convention is used) and the value of investment assets and any related liabilities at the end of the period. The IRR is calculated for the Fund as a whole and is not specific to Limited Partners. The IRR is presented as "NM" (not meaningful) if it is equal to or exceeds 1,000/(1,000)%, or if it cannot be calculated.

(3) Net of fees, expenses, and carried interest. (4) Excludes undistributed cash, if any, shown in the cash realized column above.

(5) Amount may not include certain distributions of capital that are recallable in accordance with the Fund's Limited Partnership Agreement.

**NOTE: Unrealized valuations are based on General Partner's reasonable estimates. Actual results may vary substantially from estimates shown above.**



## H.I.G. Europe Capital Partners II, L.P.

### Net LP IRR

September 30, 2021

(Unaudited)

LP Net Contributions/Distributions	€	(417,250,378)
LP Net Assets		808,454,897
<b>Net LP IRR<sup>(1)</sup></b>		<b>15.8%</b>

(1) The Limited Partners' internal rate of return (the "LP IRR") is calculated for all Limited Partners taken as a whole. The LP IRR, since inception, is calculated based on the Limited Partners' cash outflows and cash inflows (contributions and distributions) utilizing the actual dates and amounts when capital calls were due and distributions were declared, and the value of the Limited Partners' capital accounts at the end of the period. The LP IRR is presented as "NM" (not meaningful) during the first year of the Fund's operations, or in cases when the percentage is equal to or exceeds 1,000/(1,000)%, or cannot be calculated. The LP IRR is net of fees, expenses and carried interest.