

Ireland Strategic Investment Fund

H1 2020 Update

Including Economic Impact Report FY 2019

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Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

Ciste Infheistíochta Straitéisí d'Éirinn
Ireland Strategic Investment Fund

Executive Summary



The Covid-19 pandemic has created significant challenges for Irish businesses with unemployment, global disruption and uncertainty. In response to this *ISIF established a €2 billion Pandemic Stabilisation and Recovery Fund (PSRF) to invest in Irish businesses impacted by Covid-19*



Performance

- **2020 has been a challenging period** with overall performance for H1 2020 of -3.0%
 - ISIF booked an unrealised loss to the fair value of the Irish Portfolio which was calculated using the best information available* resulting in H1 2020 performance on the Irish Portfolio of -2.3%
 - Global Portfolio performance for H1 2020 of -3.5%, reflecting challenging market conditions
- ISIF is a long term investor and performance needs to be considered over time:
 - Performance since inception of the overall ISIF Portfolio is +1.7% p.a.
 - This comprises Irish Portfolio +5.6% p.a. and Global Portfolio +0.9% p.a.



Economic Impact data for FY 2019 experienced solid annual improvements across all metrics - specifically employment supported (+22%), GVA (+43%) and exports (+72%)

* Level 3 inputs; until a detailed valuation exercise is carried out for year-end 2020

Note: All financials as at 30 June 2020 are preliminary and unaudited.



01 | H1 2020 ISIF Performance Update

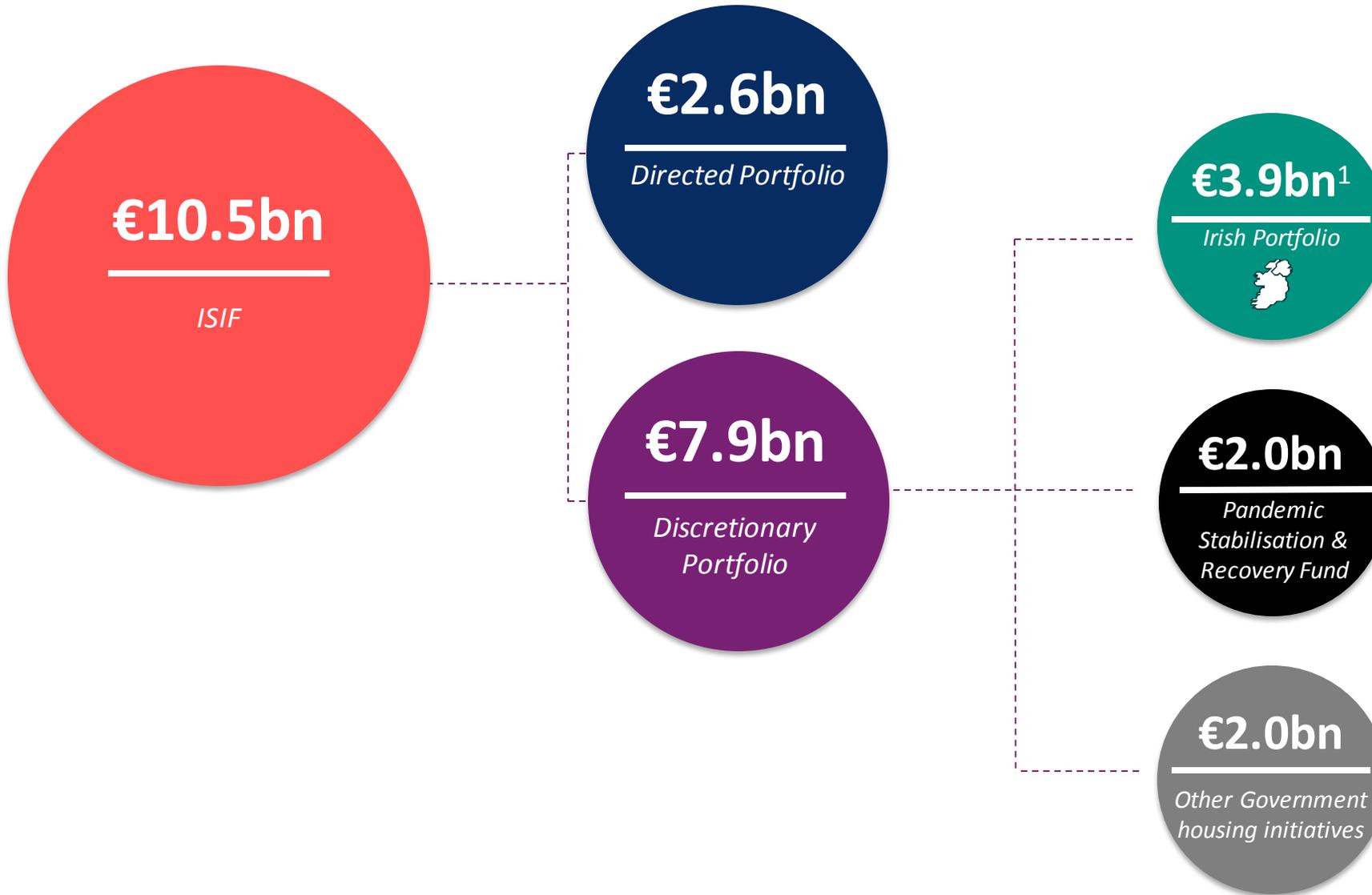


02 | FY 2019 Economic Impact Results



03 | Additional Information

Overview of ISIF at end-June 2020



■ Directed Portfolio (investments in AIB & Bank of Ireland, commitment to SBCI, loan to HBFI)
■ ISIF (i.e. investing for commercial return + economic impact)

**Performance since inception:
+5.6% p.a.**

¹ Market value of Irish Portfolio €2.7bn with uncalled commitments of €1.2bn
Note: All financials are preliminary and unaudited. Inception date of ISIF was December 2014

ISIF performance overview at 30 June 2020



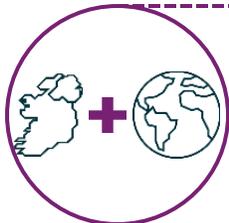
Irish Portfolio **€466 million** of value added
since December 2014

-2.3% H1 2020, **+5.6% p.a. since inception**



Global Portfolio **€327 million** of value added
since December 2014

-3.5% H1 2020, **+0.9% p.a. since inception**



ISIF Portfolio over **€792 million** of value added
since December 2014

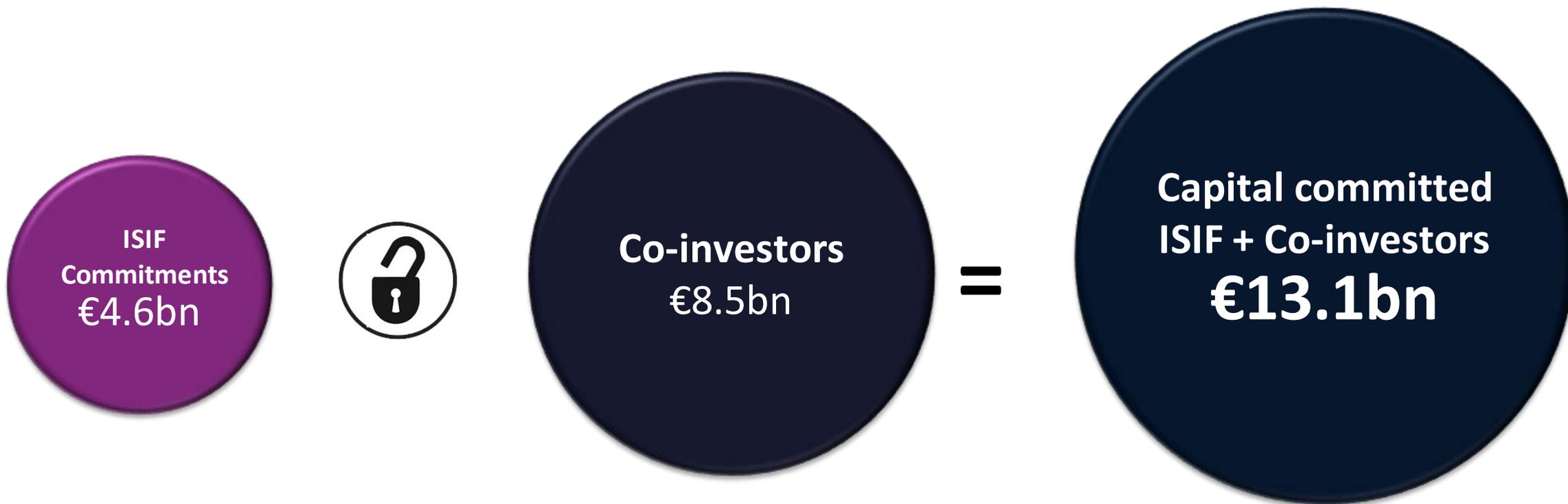
-3.0% H1 2020, **+1.7% p.a. since inception**



ISIF capital unlocks **€8.5 billion** of
co-investment commitments since inception

ISIF capital unlocks a further €8.5bn of co-investment capital commitments

Leveraging capital for maximum Economic Impact from ISIF resources





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FY 2019 Economic Impact Metrics

Reflects detailed survey data for FY 2019. Given the quantum of surveys of investees and underlying investees of indirect investments and the comprehensive analysis completed, finalisation and publication of this economic impact data lags 6 months behind.



Jobs Supported by ISIF capital: 38,967
YoY: + 6,899 jobs



Employment by Region:
46% Dublin/ 54% ex-Dublin
YoY: Geographically balanced



Gross Value Add (GVA)¹ : €1.6 billion
YoY: +€467 million



Wage Bill: €1.2 billion
YoY: + €259 million



Turnover: €3.0 billion
YoY: +€828 million

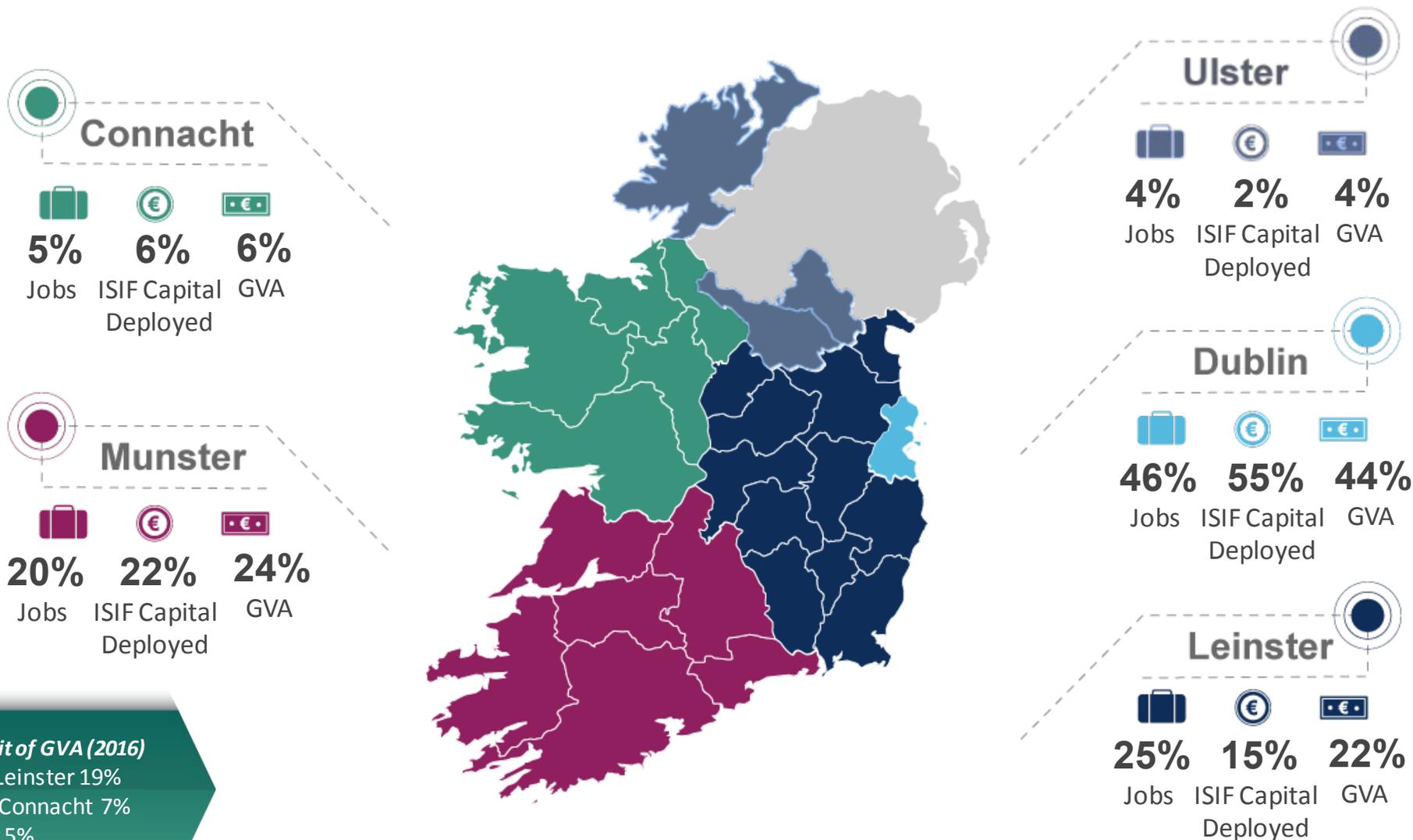


Exports: €834 million
YoY: +€350 million

¹ Gross Value Added (GVA) is the enterprise or sector level measure of goods or services produced which, when aggregated across all enterprises and adjusted for taxes and subsidies, equals Gross Domestic Product (GDP)

Regional economic impact of investments

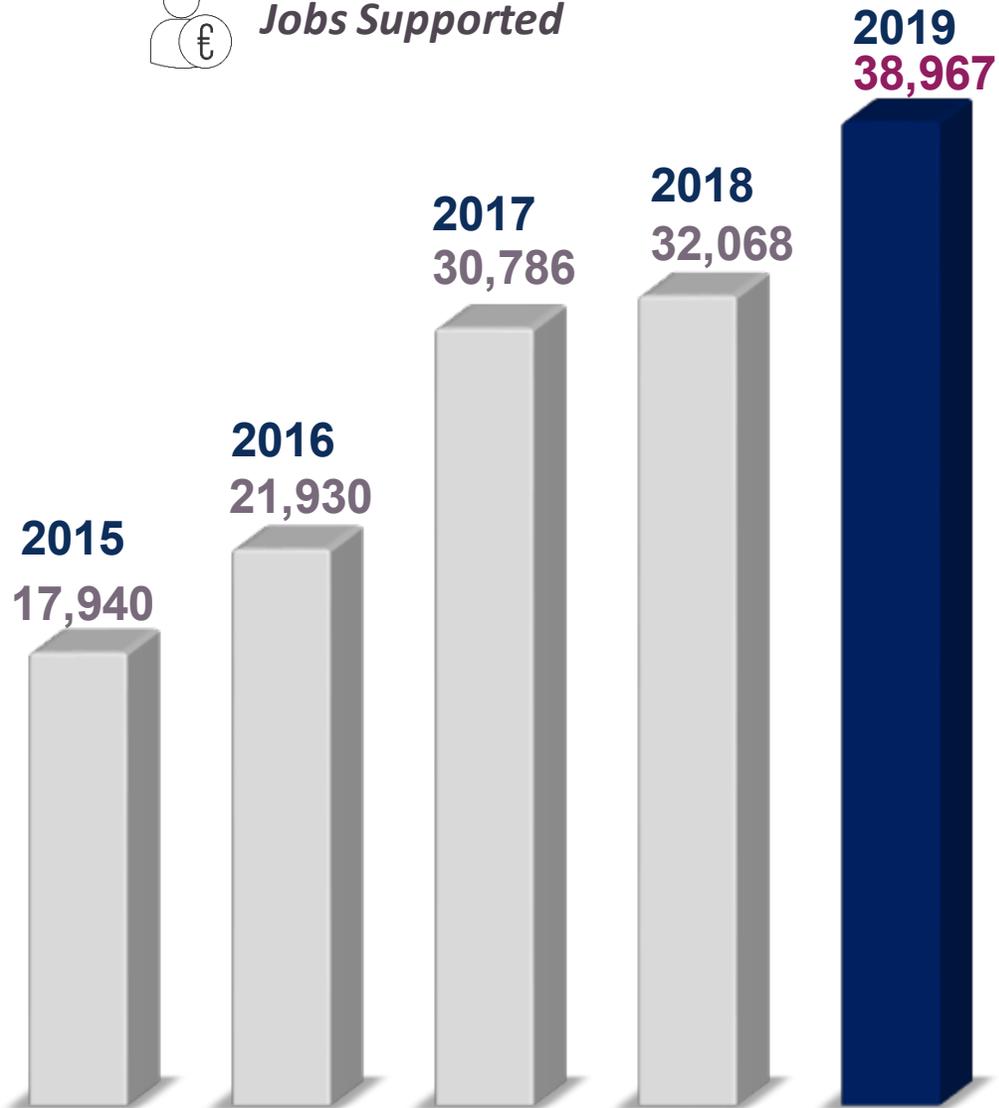
Geographically balanced, broadly in line with regional economic activity*



Employment supported by ISIF increased across the portfolio since inception



Jobs Supported



Employment within the ISIF portfolio likely peaked in 2019, we expect some reduction in this employment number due to some material scheduled loan repayments and the impact of Covid-19 across the portfolio

Appendix 1 – Assumptions, Methodology and Disclaimer

The NTMA adopts a **conservative approach** to all data and in many cases excludes data where ISIF does have an impact but it is difficult to quantify.

Assumptions and Methodology

1. The NTMA collected data on underlying investees. While economic impact data is somewhat complicated, the NTMA has adopted a structured approach to the collection and analysis of the data.
2. Underlying investees are either direct or indirect (i.e. through Funds), the economic impact data is gathered through a semi-annual survey process of the direct and indirect underlying investees. The economic impact of an underlying investee is only included once i.e. where the ISIF has more than one indirect investment in an underlying investee the duplicate economic impact is removed from the analysis.
3. In cases where ISIF finances a specific project in a large entity, the NTMA only captures the economic impact for the project and not any benefits it may bring to the wider corporate entity.
4. The Fund does not capture the economic impact from investments the ISIF has exited which could be significant.
5. There is some time lag between the achievement of economic impact and the commitment to a investment. Typically, economic impact is generated when there is a draw down on committed capital and this can be months/years after a commitment to an investment.
6. The NTMA completes a check of all survey data for reasonableness. However, the NTMA is reliant on the underlying investees to provide accurate data and is not in a position to verify the data submitted.
7. Surveys provided in USD were converted to EUR, income statement metrics were converted to EUR using a 12 month average FX rate sourced from Bloomberg.
8. The regional distribution of capital invested is weighted based on the capital invested as at 31 December 2019 and based on the underlying investees detailing the location/regional activities of the underlying investee/project. Where underlying investees operate on a nationwide basis, the capital invested is weighted by population, this population data is sourced from the Central Statistics Office.
9. The regional distribution of underlying investees employment and gross value added is based on data provided by the underlying investees detailing the number of jobs and earnings generated regionally. Where underlying investees operate on a nationwide basis and a reliable regional employment split is unavailable, the total jobs and gross value added is weighted by population.
10. The majority of underlying investees provided the relevant data as at 31 December 2019 directly. There are some exceptional cases where data was unavailable the following assumptions were applied:
 - i. In a very small number of construction projects a Construction Industry Federation multiplier was applied to the capital expenditure to estimate the number of employees.
 - ii. In the case of projects and businesses where third party/contracted headcount was provided but a wage bill was not available, an average wage based on CSO average earnings was applied to the third party/contracted headcount.
 - iii. In a very small number of cases we based the assumptions on relevant industry data such as Teagasc, IWEA and Bord Bia.
11. In line with industry standards, a conservative indirect employment multiplier is applied to direct jobs. The NTMA calculation of employment multipliers is based on CSO methodology and verified by CSO.
12. Exports for some investees are based on an estimate percentage of turnover which would reasonably be expected to be exported based on underlying business activity.
13. Level 3 input may include the company's own data, adjusted for other reasonably available information. These inputs reflect the assumptions that would be used by market participants to formulate prices, including assumptions about risk. These inputs are considered to supply the most subjective information.

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Appendix 2 - ISIF H1 2020 Investments

ISIF committed €31 million in H1 2020, unlocking total projects in Ireland of €68m including third party capital.

Investment	Description of Investment	Amount €m	Transaction Closed
Greystones Media Campus	Initial investment into the development of a new film and tv media campus on a 44 acre site in Greystones, Co Wicklow.	7	Q1 2020
Xant* (previously InsideSales)	SaaS business selling sales acceleration technology specialising in data science and analytics.	2	Q1 2020
Swrve*	Funding to support a software company founded in Dublin.	2	Q1 2020
Frontline EMEA Expansion Fund*	Expansion stage venture capital fund that will invest in highly rated North American software companies that are at the point of entering the EMEA	4	Q1 2020
Insight Fund XI	\$10 million commitment to Insight Venture Partners new Fund XI in exchange for an Irish investment commitment that focuses exclusively on growth stage software companies for investment	9	Q1 2020
FIRE1 <i>*Follow-on investment</i>	Equity investment in an early-stage, indigenous medical device company developing a novel remote monitoring solution for Heart Failure.	8	Q2 2020
<i>*May not sum due to rounding</i>		Total: 31*	

Appendix 3 – Summary of Underlying Irish Based Investments at 31 December 2019 (1/6)

Fund/Company/Project	Company/Project	Principal Product/Service
ACT	AQ Metrics	Provider of software as a service solutions to the global financial services industry
	Channelsight	Ecommerce platform providing Where to Buy technology
	Cityswifter	Business intelligence platform for urban business networks
	Cubic	Connectivity/software company
	Decawave	Ultra-wideband wireless transceiver integrated circuits and related products
	Deciphex	Development of applications for clinical and veterinary pathology that improve productivity
	EdgeTier	Intelligent software for customer contact centres
	Iheed	Medical eLearning
	Internet Corp	Online backup/ disaster recovery / infrastructure as a service
	mADme	Mobile engagement and advertising platform for mobile operators
	OralEye	World's largest teledental network
	RecommenderX	Enterprise decision support systems
	Scurri	Cloud based platform that provides services to making shipping simple for e-commerce
	Servisbot	Artificial intelligence chatbot orchestration platform for business
	SilverCloud Health	Online health and eTherapy platform provider
	Swrve	Mobile marketing monetisation platform
Tandem HR	HR software as a service	
Umba	Microlending platform	
VideoElephant	Online video syndicator	
Worldnet	Development and provision of an online payment solution	
Activate	Active on 28 residential sites across Ireland	Stretch senior debt platform of residential development / site acquisition
AMCS	AMCS	Designs, develops, implements and supports environmental software and solutions for the recycling and waste management industry
Aquacomms	Aquacomms	Specialist sub-sea cable connecting New York and Ireland with onward connections to London
Arch VIII	Carrick Therapeutics Genuity Science Ireland	Developer of drugs targeting cancer resistance Company leading a large-scale genomics research study across Ireland
Ardstone	Active on 18 residential sites across Ireland	Fund targeting residential development in Ireland, with a clear focus on house-building in Dublin's commuter belt
ATA Tools	ATA Tools	Leading global manufacturer of precision engineering products and solutions
Atlantic Bridge Fund II	Fieldaware	Mobile field service management
	Swrve	Mobile marketing monetisation platform
Atlantic Bridge Fund III	Andapt	Power management solutions
	Decawave	Ultra-wideband wireless transceiver integrated circuits and related products
	Vectra	Applies AI to detect and respond to cyberattacks

Appendix 3 – Summary of Underlying Irish Based Investments at 31 December 2019 (2/6)

Fund/Company/Project	Company/Project	Principal Product/Service
Beach Point Capital	Accuflow	Technology and cloud services to power smarter homes and businesses through interactive smart security, energy management, video monitoring and automation
	Adtower	Out of home advertising
	Akari	Software development and installation
	Alison	Online education platform
	Anam	A2P revenue protection for mobile network operators
	Business Post	Sunday newspaper distributed nationally
	Glantus	Developer and supplier of software solutions
	Irish Medical Systems	Healthcare software company providing electronic patient records
	Irish Studio Media Publishing	Print and digital media company
	Kubicle	Online software training
	Maximum Media	Digital publishing company
	Novelplast	Plastic manufacturing
	Obelisk	Professional engineering services
	Platform Capital	Wholesale financial services
	Shaw Educational	Provision of online education to a global market
	SME Finance and Leasing Solutions	Provider of leasing finance
	Tasnua	Data software project specialists
Urban Volt	Light as a service	
VisibleThread	Software product company focused on sales proposal automation software	
VoiceSage	Business SMS, voice and multichannel communication solutions.	
XS Direct	Car Insurance	
Business Growth Fund	Brindley Healthcare	Nursing homes
	Team Accessories	Maintenance, repair and overhaul of aircraft engine components
	Winterbrook	Family-run property developer
Causeway Capital	BBs	Chain of coffee and muffin retail stores across the UK and Ireland
	Bizimply	Cloud based employee scheduling system
	GTI	Provider of technology, data and media solutions to the graduate recruitment market in the UK and Ireland
	Celtic Linen	Commercial laundry provider
	Turmec	Specialising in the design, manufacture and installation of recycling plants and equipment

Appendix 3 – Summary of Underlying Irish Based Investments at 31 December 2019 (3/6)

Fund/Company/Project	Company/Project	Principal Product/Service
Carlyle Cardinal	AA Ireland	Roadside assistance and insurance brokerage
	Carroll Cuisine	Specialising in the design, manufacture and installation of Recycling Plants and equipment
	Citybin	Waste collection
	Millicent	Manufacturer and seller of women's health pharmaceutical products in the US market
	Sam McCauley	Retail pharmacy group
	Sports Clinic Ireland	Sports surgery clinic
China Ireland Technology Growth Fund	Decawave	Ultra-wideband wireless transceiver integrated circuits and related products
	Fieldaware	Mobile field service management
	Novaerus	Manufacturer of wall mounted airborne pathogen control devices
	Swrve	Mobile marketing automation software platform
China Ireland Technology Growth Fund II	Atlantic Therapeutics	Manufacture of Devices for treatment on Incontinence
Dublin Waste to Energy	Dublin Waste to Energy Ltd	Waste treatment, power and heat production
Cubic	Cubic	Connectivity/software company
daa	daa	Commercial semi-state airport company
Dasos	Dasos	Invests directly in forestry plantations diversified across Ireland
DCU Student Accommodation	DCU Student Accommodation	Investment in university student accommodation
Delta III	Betapond Limited	Marketing app provider for social networks
	Cleverbug	Personalised greeting cards and gifts
	Corrata (Zapa)	Telecom expense and value management
	Davra Networks	Management system for Internet of Things devices for Cisco distributed networks
	Digit Game Studios	Online multiplayer multiplatform games
	Homestay	Accommodation portal
	Luzern Solutions	Online retailer and online store provider for new and refurbished goods
	mADme	Mobile advertising solutions
	Mobacar	Online car rental software platform
	Sim Local	Local sims for international travellers
What Clinic	Medical treatment search portal	
Draper Esprit	CurrencyFair Ltd	P2P Currency Exchange
DunPort	Abrakebabra Investments Limited	Fast food franchise owner and operator
	BBs	Chain of coffee and muffin retail stores across the UK and Ireland
	Big Red Cloud	Accounting and payroll software

Appendix 3 – Summary of Underlying Irish Based Investments at 31 December 2019 (4/6)

Fund/Company/Project	Company/Project	Principal Product/Service
Dunport	Cara Pharmacy	Pharmacy and retail products
	Extraspace Solutions	Sale and hire of fast track building solutions
	Kinsale Hotel	Hotel accommodation
	mADme	Mobile engagement and advertising platform for mobile operators
	Magnet	Broadband and phone services
	Openmind	Consolidated messaging platform for mobile operators
	Pinewood	Manufacture of liquids, creams, ointments and powders for the pharmaceutical industry
	Rye River	Irish Craft Beer brewer and agent distributor
	Tiger	Early years and afterschool childcare
	Walsh Whiskey	Premium Irish whiskey
	Weston Office Solution	Flexible workspace provider
Finance Ireland	Over 2,000 companies supported through Finance Ireland financing	
Finistere	ApisProtect	Beehive monitoring solution
Fine Grain	Number of active sites / income producing assets across Ireland	Commercial real estate finance
Forestry	1st Forestry Fund	Invests directly in forestry plantations diversified across Ireland
Fountain I	Mainstay Medical	Manufacturer of medical device for treatment of chronic lower back pain
	Vivasure Medical	Medical vascular closure device
Fountain II	Inflazome	Inhibitors of the NLRP3 inflammasome
	Inflection Biosciences	Developing small molecule therapeutics for the treatment of cancer.
	Neurent Medical	Medical devices
	Neuromod Devices Limited	Medical devices
Fountain III	Mainstay Medical	Manufacturer of medical device for treatment of chronic lower back pain
Frontline I	AQ Metrics	Risk/Compliance technology
	Boxever Ltd	SaaS customer intelligence platform for airline and travel industry
	CurrencyFair Ltd	P2P Currency Exchange
	Drop	Connected kitchen products
	Linked Finance	P2P SME lending marketplace
	Qstream	Mobile sales enabling service
	Roomex	Hotel Booking Platform
Frontline II	Bright flag	Business intelligence for legal spend management
	Payslip	Global Payroll Management Platform
	Rosebud IOT	Tech support software for management of IOT
	Siren	Business intelligence

Appendix 3 – Summary of Underlying Irish Based Investments at 31 December 2019 (5/6)

Fund/Company/Project	Company/Project	Principal Product/Service
Genesis Aircraft Services	Genesis Aircraft Services	Aircraft leasing
Genuity Science Ireland	Genuity Science Ireland	Company leading a large-scale genomics research study across Ireland
Green Isle	Green Isle	Frozen food
Greencoat	Greencoat	Irish renewable energy infrastructure company
Highland Europe	AMCS	Software solutions for the waste management industry
	Malwarebytes	Anti-malware software
ILIM	ILIM	Private rental sector fund
InsideSales	InsideSales	Sales acceleration software
Investec	Betapond Limited	Marketing app provider for social networks
	Davra Networks	Management system for Internet of Things devices for Cisco distributed networks
	Diona Technologies	Diona is addressing the demand for mobile solutions in the HHS market
	Mick's Garage	The company sells car parts and is Ireland's leading on-line car-parts retailer
	Rainmaker Business Technologies	Provider of business intelligence and performance software to the airline sector
	SilverCloud Health	SilverCloud Health Limited provides online therapeutic solutions via tailored clinical programs
	Terminal Four Solutions	Developer of enterprise web content management software for the higher education market globally
Irish Infrastructure Fund	Vearsa	Helps traditional publishers distribute electronic copies of their books ("eBooks")
	Convention Centre Ireland	Ireland's only purpose built convention centre positioned on the banks of the River Liffey in the centre of Dublin
	Enet	Managed bandwidth and infrastructure access telecom services
	Towercom Limited	Largest independent telecom tower / mast owner in the Republic of Ireland and owns/controls 406 telecom tower/mast sites
Irish Water	Valley Healthcare	Primary care centres
	Irish Water	National service provider of water and treatment of wastewater
Irish Whiskey Growth Fund	Glendalough Irish Whiskey	Branded spirits company
	West Cork Distillers	Alcoholic beverage production
Kaseya	Kaseya	IT solutions to support the IT industry
Kilkenny Regeneration	Kilkenny Regeneration	Urban regeneration project
Lightstone Ventures	Alexo Therapeutics	Developer of novel biologics with goal of discovering new drugs to help the human immune system to eradicate cancer
	Carrick Therapeutics Limited	R&D Oncology
	FIRE1	Developing a novel, therapeutic medical device for a major unmet medical need
Lightstone Ventures II	Alexo Therapeutics	Developer of novel biologics with goal of discovering new drugs to help the human immune system to eradicate cancer
Mainstay Medical	Mainstay Medical	Manufacturer of medical device for treatment of chronic lower back pain
Malin	3D4Medical	Develops medical, educational and health fitness apps
	AN2H Discovery	Designs novel small molecule therapeutics
	NeuVT Limited	Develops vascular devices

Appendix 3 – Summary of Underlying Irish Based Investments at 31 December 2019 (6/6)

Fund/Company/Project	Company/Project	Principal Product/Service
Man Aalto	Number of residential active sites across Ireland	Real estate investor targeting smaller property developers with less access to debt financing
MilkFlex	MilkFlex	Innovative loan product that helps protect farm incomes from the impact of dairy market volatility, seasonality and disease outbreak.
Motive	GlobalShares	Provider of equity compensation management solutions
Nautilus	Nautilus	Water-cooled data centres
NTR Small Wind	Number of projects across Ireland and UK	Wind Energy
Panelto	Panelto	Manufacturer of high quality, high volume artisan style breads for the larger retailers in UK and Ireland
Polaris VI	Boxever Ltd	SaaS customer intelligence platform for airline and travel industry
	InsideSales	Sales acceleration software
	Genuity Science Ireland	Company leading a large-scale genomics research study across Ireland
Polaris VII	InsideSales	Sales acceleration software
	Novaerus	Manufacturer of wall mounted airborne pathogen control devices
	Genuity Science Ireland	Company leading a large-scale genomics research study across Ireland
Polaris VIII	Qstream	Mobile Sales enabling service
Port of Cork	Port of Cork	Main port serving south of Ireland
Quadrant I	Number of active CRE / Residential sites in Dublin	Mezzanine lender for CRE / Residential
Quadrant II	Number of active CRE / Residential sites in Cork	Mezzanine lender for CRE / Residential
RFPF	RFPF	Pilot receivables purchase facility with Dairygold
Scottish Equity Partners	Immedis	Global payroll provider
Shannon Airport Authority	Shannon Airport Authority	Long term debt facility to support the upgrade of the existing runway
Seroba III	Atlantic Therapeutics	Manufacture of Devices for treatment on Incontinence
SVB	Venture Debt	9 unique underlying companies – bank confidentiality precludes disclosure of borrowers names
Swrve	Swrve	Mobile marketing automation software platform
Temporis	Temporis Aurora	Fund developing pre-construction renewable energy projects
Urbeo	Urbeo	Private rental sector fund
Vectra	Vectra	Applies AI to detect and respond to cyberattacks
WLR Cardinal	Number of active sites / income producing assets across Ireland	Mezzanine / flexible capital provider to residential and CRE development

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