

Ireland Strategic Investment Fund

2022

Mid-Year Update

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Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

Ciste Infheistíochta Straitéisí d'Éirinn
Ireland Strategic Investment Fund

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DIRECTOR'S REPORT



Despite market volatility in H1 2022, ISIF invested over €396M in high-quality Irish businesses and projects and built up a strong pipeline for deploying additional capital in H2 and beyond.

We are continuing to support the wider economy by deploying significant capital and attracting co-investment in innovative and exciting ways that match our double bottom line mandate of generating a commercial return and supporting economic activity and employment.

We've made good progress in our €1BN programme of targeting climate action investments, approving €285M already.

We are pushing ahead with our €500M investment programme in Ireland's 5 regional cities with an encouraging pipeline.

We've a lot more work to do and the current economic climate creates real uncertainty, but we remain committed to deploying capital effectively and successfully across our core themes: Climate; Housing and enabling infrastructure; Scaling Businesses; and Food and Agriculture.

Nick Ashmore

Director - Ireland Strategic Investment Fund

IRELAND STRATEGIC INVESTMENT FUND

The National Treasury Management Agency (NTMA) controls and manages the Ireland Strategic Investment Fund (ISIF), which has a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in the State.

H1 2022 UPDATE

Investments



€ 396M
across 9 investments

Investment Gains



€ 2.1 BN
since inception
(Dec 2014)

Jobs Supported



39,686
jobs
(as at FY 2021)

Strong start to €1bn 5 year climate action investment programme



€285M
approved to climate-
related investments
since Sept 2021

H1 2022 - INVESTMENTS

€396M Transactions Closed H1 2022



SOLAS CAPITAL

€20M

€20m commitment to a fund focusing on energy efficiency in commercial buildings and homes.



€6M

€6m investment to support connectivity between Ireland and the UK and between regional Irish airports and Dublin.



€15M

€15m commitment to a venture debt fund that provides debt to high growth scaling tech and life sciences businesses.



€200M

€200m debt facility to support connectivity and recovery.

**GREYSTONES
MEDIA CAMPUS**

€24M

€24m follow-on investment to part finance the development of a film studio campus in Greystones.



€50M

€50m commitment to a fund to address liquidity and investment capital requirements due to Covid-19 across Irish hotel sector.



€20M

€20m investment to a venture capital fund investing in early-stage life science companies looking to scale and grow.



€52M

€52m follow-on investment to an existing investee to support Company's strategic acquisition.

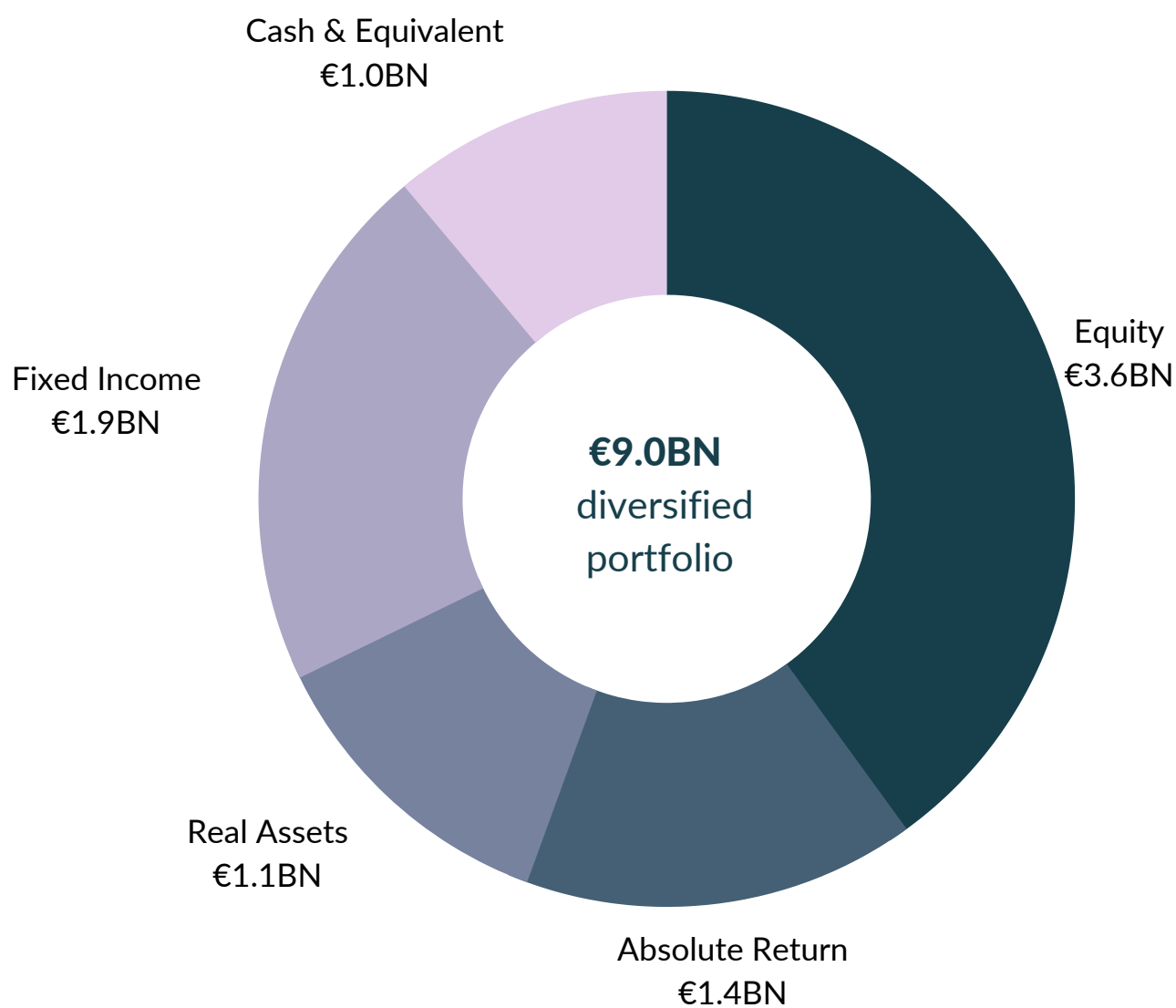
**BEACH POINT
CAPITAL MANAGEMENT**

€10M

€10m follow-on commitment to fund that provides debt to high growth Irish SMEs.

ASSET ALLOCATION

At End H1 2022



Note: All financials as at 30 June 2022 are preliminary and unaudited

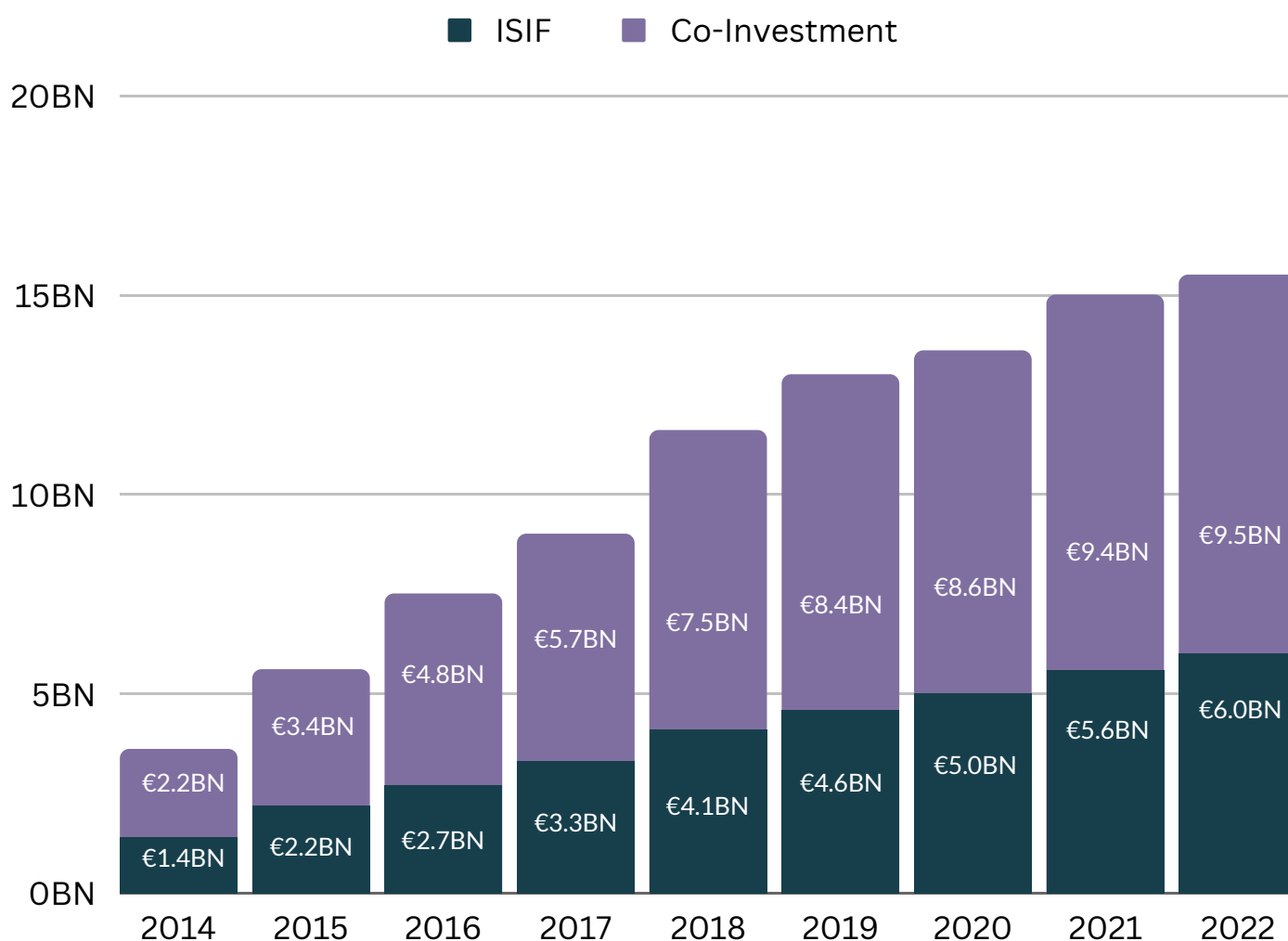
Note: Figures may not total due to rounding

LEVERAGING ISIF'S IMPACT

At End H1 2022

H1 2022

Total Investment Committed in Ireland €BN



Note: All financials as at 30 June 2022 are preliminary and unaudited

Note: Figures may not total due to rounding

LOOKING FORWARD

The ISIF portfolio remains well diversified.

Market conditions have been very challenging in 2022 due to the impact of higher inflation and interest rates, geopolitical events and central bank actions. While a return of -5.8% reflects a difficult first half of the year, continued market turmoil will mean that some private investments are likely to be marked lower in H2.

So far in 2022, ISIF has closed a further €396M commitment and has approved a further €477M in investments.

ISIF continues to prioritise the use of its capital and resources through the cycle to address strategic challenges and focus its efforts on making transformational investments across its four impact themes of

- Climate,
- Housing and Enabling Investments,
- Indigenous Businesses, and
- Food and Agriculture.

ISIF will invest in driving the sustainable development of the Irish economy, focusing on transformative impact in executing on its impact strategy. The Fund will retain the flexibility to address any stabilisation investments that arise that are clear and national priorities.

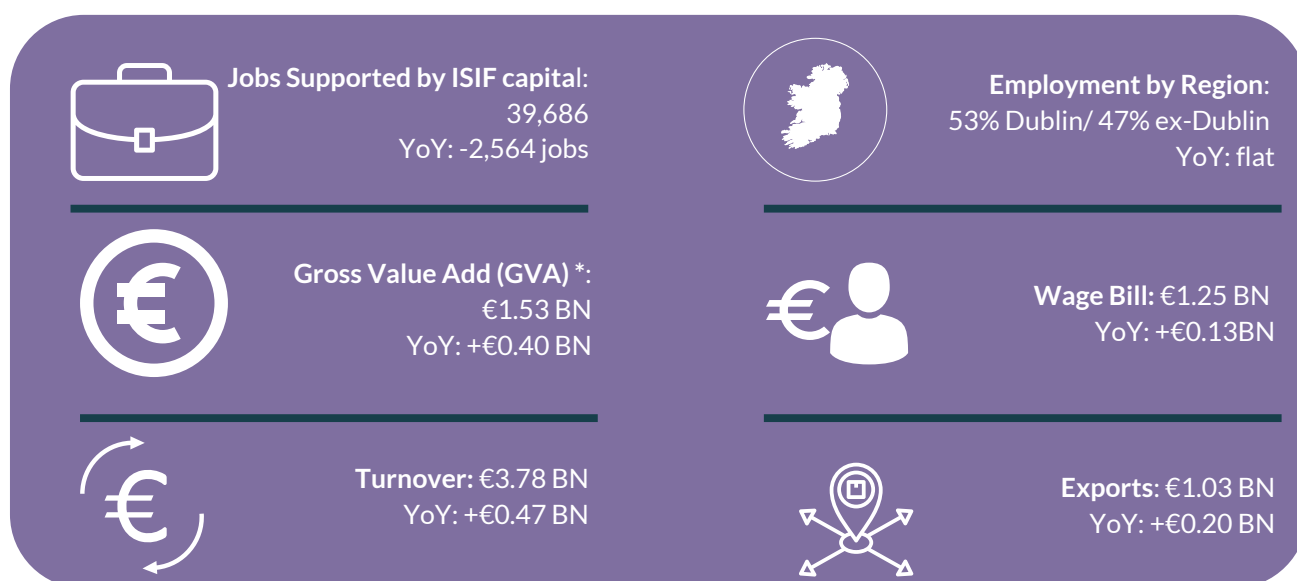
ISIF seeks to act as a catalyst for co-investment from specialist international capital providers and operators, securing commitments from them to Ireland.

ECONOMIC IMPACT - FY 2021

ISIF seeks to maximise the economic impact of investments while also ensuring that all investments satisfy its commercial return objectives.

The economic impact and employment supported by ISIF investment differ from traditional Government expenditure. With Government expenditure, public financial resources are depleted as a result of the spending, whereas, with commercial investment, public resources are expected to be returned with a gain at the end of the investment period.

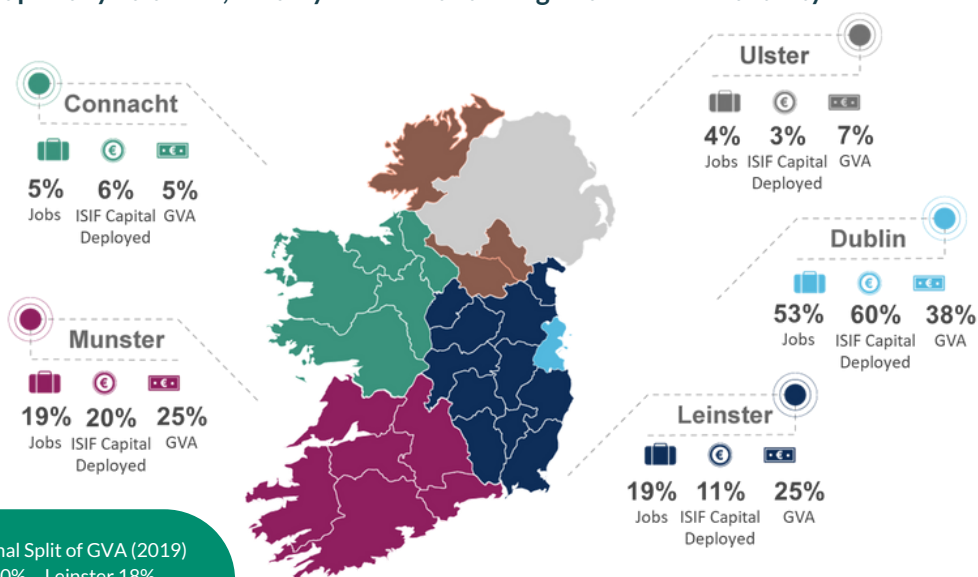
The below data reflects detailed survey data for FY 2021. Given the quantum of surveys of investees, underlying investees of indirect investments, and the comprehensive analysis completed, finalisation and publication of this economic impact data lags 6+ months.



* 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 the regional economic activity*



*CSO Regional Split of GVA (2019)
 Dublin 40% Leinster 18%
 Munster 35% Connacht 4%
 Ulster 3%

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 where it is difficult to quantify.

Assumptions and Methodology

- The NTMA relies on the data collected from investees. While economic impact data is somewhat complicated, the NTMA has adopted a structured approach to the collection and analysis of the data.
- Underlying investees are either direct or indirect (i.e., through funds). The economic impact data is gathered through an annual survey of the direct and indirect underlying investees. The economic impact of an underlying investee is only included once – i.e., where ISIF has more than one indirect investment in an underlying investee, the duplicate economic impact is removed from the analysis.
- 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.
- The Fund does not include the economic impact from investments ISIF has exited. In addition, the Fund does not include any investments which have no economic impact in Ireland.
- There is some time lag between the commitment to an investment and the achievement of economic impact. Typically, economic impact is generated when there is a draw-down on committed capital and this can be some time after a commitment to an investment.
- The NTMA completes a sense check of all survey data; however, the NTMA is reliant on the underlying investees to provide accurate data and is not in a position to verify the data submitted.
- Survey data provided in USD or GBP has been converted to EUR using a 12-month average FX rate sourced from Central Bank of Ireland.
- The regional distribution of capital invested is weighted based on the capital invested as at 31 December 2021 and based on the underlying investees detailing the location/regional activities of the underlying investee/project.
- 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.
- The majority of underlying investees provided the relevant data as at 31 December 2021 directly. There are some exceptional cases where data was unavailable so the following assumptions were applied:
 - In a very small number of cases, assumptions were based on relevant industry data such as Teagasc.
- 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.

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