Backing Europe, Building Tomorrow: Eurazeo's Commitment

This is a new era. Sharper power rivalry, policy shifts, growing fragmentation and technological disruption: the rules-based international order is giving way to a more contested system. For investors, the question is no longer whether this shift matters, but how quickly portfolios, governance frameworks and risk assumptions must adapt and how to seize new opportunities.

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Europe is in a singular position. It must reassert its energy, defence and digital independence. It still needs to strengthen its foundations of a large and integrated single market. Yet Europe possesses deep pools of domestic savings, worldclass industrial and technological ecosystems, and resilient social, legal and institutional models grounded in the rule of law.

We are past calls for a "strategic awakening": no longer content to be a bystander, Europe is seizing the opportunity and building its autonomy. Policymakers, central bankers and long-term investors now acknowledge that the old order is over. Europe's response will not only influence its own trajectory, but also the allocation of global capital.

Over the past years, Europe has begun to adjust. It is rethinking its energy mix, rebuilding defence capacities and strengthening the links between industrial policy, technological sovereignty and capital markets. Europe is not yet a fully-fledged geopolitical power, but it is rapidly learning to use its scale, regulatory capacity and financial depth to defend its interests and values.

With around 20% of global gross domestic product, a market of around 520 million people, political stability and democratic foundations, Europe - UK included - has the means to become a credible counterweight in the new global equilibrium. Longterm investors know that Europe will matter – the real question is how to position themselves as this transformation unfolds.

INVESTING IN EUROPE AND CONNECTING THE CONTINENT TO THE WORLD, BY DESIGN

Eurazeo is unabashedly European, not as a slogan but as a strategy. When our clients invest with Eurazeo, they gain access to the depth of Europe's real economy and to the companies quietly and consistently building its future. They know they find in us multicultural teams with deep cross-European roots, able to navigate through Europe's cultural and business specificities while being proudly connected to the world.

Our belief in Europe is neither recent nor abstract. Eurazeo has been inherently European since its creation. In 2023, we cemented Europe at the cornerstone of our strategy, placing it at the centre of our Capital Markets Day and reaffirming our mission: building European champions with global ambitions. This conviction, long held and increasingly validated, continues to guide our capital allocation and daily investment decisions.

We do not just believe in Europe – we help build it and connect it to the world. We support entrepreneurs shaping the continent's economic, technological and industrial future, through a portfolio of more than 600 companies, nearly

90% of which are based in Europe. From healthcare and life science brands such as Aroma-Zone, to cybersecurity leaders like I-TRACING or Filigran, from AI, data and robotics with Dexory, to critical infrastructure in water management with Water Direct, and electric mobility with Electra. These are tangible European success stories – rooted locally and scaling globally.

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Many of these companies operate in the midmarket – the backbone of the European real economy – where value is created through long-term vision, operational excellence and strong local ecosystems. This segment is resilient, trustworthy and essential. It is also where long-term investors can find robust business models, tangible value creation levers and disciplined governance.

Our commitment to Europe is pragmatic, not ideological or naïve. It is reflected in how we originate and deploy capital, how we partner with management teams, and how we help transform national leaders into European and global platforms while remaining anchored in their home markets.

The European growth model we invest in is long-term and sustainable: grounded in democratic stability and the rule of law, supportive of innovation, social cohesion and quality employment, and reliant on cooperation between public and private actors. Taken together, these characteristics represent a lasting competitive advantage.

For our clients, this strategy means access to Europe’s real economy growth engines – in sectors where long-term structural trends, supportive public policies and tangible value creation levers are increasingly aligned. It is a way to put their capital to work in the transformation of Europe, while aiming to deliver resilient, long-term, risk adjusted returns.

FROM STRENGTHS TO SCALE

Beyond identifying its strengths, Europe now faces the task of mobilising them at scale. A message that was already central in our September 2025 white paper, *Investing in Europe: a fresh look at untapped strengths*: Europe does not lack capital, talent or innovation – it must connect these assets more effectively and deploy them with greater speed.

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One of Europe’s most powerful yet underused strength is its savings base. European households hold close to €35 trillion in savings – a formidable reservoir of long-term capital. The challenge is not to create new resources, but to channel this existing capital more effectively towards productive investment in the real economy, innovation and strategic sectors.

The European Union's ability to deliver depends not only on the strategic direction set in Brussels, but above all on the capacity of Member States to act, implement and align. While the overall direction is increasingly clear at EU level, the pace and effectiveness of reform will be determined by national decisions – on permitting, taxation, energy policy, bankruptcy rules, financial regulation and market practices. Europe's challenge is not one of vision, but of execution.

Momentum is building. Proposals to advance the Capital Markets Union, simplify regulatory frameworks and foster a stronger equity culture are back on the agenda. Initiatives such as the Scaleup Europe Fund reflect a growing consensus that Europe must not only generate innovation but also provide the conditions for its companies to scale and remain anchored on the continent.

EUROPE'S CRITICAL DECISIONS

Delivering on Europe's potential now requires concrete choices, not new diagnoses. Three priorities stand out.

First, channelling a larger share of the continent's €35 trillion in household savings into productive investment – through ambitious pension schemes or pan-European vehicles that guarantee tax neutrality across borders ensuring capital towards equity, private markets and long-term real economy assets.

Second, accelerating the emergence of a genuine risk culture, by widening access to equity and private markets for individuals and by making it simpler for companies to raise capital across borders.

Third, deepening the single market by cutting "invisible barriers" – from divergent listing and product rules to frictions that still fragment capital, talent and technology flow.

Announcements by the European Commission in December 2025, together with the recent European leaders' summit on competitiveness, confirm that these priorities are at the top of the political agenda. We welcome these signals and remain confident in Europe's capacity to translate ambition into reform. Europe will ultimately be judged not on its diagnosis, but on its willingness to act, and on the speed and determination with which it now delivers these decisions, as Mario Draghi recently flagged. In this context, speed matters. The forthcoming European Council meeting on 19-20 March will be decisive in translating these intentions into tangible progress.

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EURAZEO ACTS

Our investment focus is anchored in five growth sectors: climate, technology, financial services, healthcare and security. These are not marketing labels, but the domains in which Europe's future will largely be written.

Our ambition, however, goes further. Eurazeo has set a clear and measurable objective for 2028: to help build five European champions in these strategic sectors for Europe's sovereignty. Europe has no shortage of talent, knowhow and business models capable of competing with global giants. Through our patient capital, sector expertise and multilocal presence, we are committed to turning these five champions into global leaders – serving a stronger, more innovative and more sovereign Europe.

These industries are deeply interconnected. Nowhere is this clearer than in the global race for artificial intelligence. Beyond a competition for talent or capital, the AI race is fundamentally a race for energy capacity. Advanced AI models and data-intensive applications require vast amounts of affordable, reliable and lowcarbon electricity. Without sufficient energy supply and trusted data infrastructure, no amount of capital or innovation policy will allow European AI champions to scale.

Eurazeo's focus is on the next stage of this race: the applications of AI. We invest primarily in data-driven business models and AI enabled services – where productivity gains, new products and defensible moats are created across industries. This is where Europe can build lasting advantages, by embedding AI into real-world use cases in manufacturing, services, mobility, healthcare and beyond.

European AI leadership also depends on secure and sovereign data environments, even when infrastructure is provided by global platforms. This is why Eurazeo backs companies that help enterprises manage, protect and govern their data in ways that are compliant, trusted and futureproof.

All of this underscores the need for coherence across strategic agendas. Industrial policy, digital ambition, climate transition and energy infrastructure can no longer be addressed in silos. Permitting, grid development and access to power must be treated as competitiveness and security issues – and so must the question of where data is stored, processed and governed.

As a midmarket investor, Eurazeo's role is to consolidate fragmented industries, support buy-and-build strategies and help companies scale internationally. This is how Europe's dense fabric of midsized companies can become a true engine of scale, productivity and competitiveness – and how national leaders can become European and global platforms.

PRIVATE CAPITAL IS A CATALYST

Public funding and policy reform alone will not be sufficient to deliver Europe's transformation. Mobilising private capital at scale is essential – across energy, technology, defence, infrastructure and critical services.

The year 2025 also marked a turning point in another respect: the democratisation of investing in private markets. For decades, financing Europe's real economy – especially through private equity, private credit and real assets – was largely the preserve of institutional investors. That is beginning to change.

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> **By designing vehicles and solutions adapted to different types of investors, we aim to broaden participation in Europe's growth and make the benefits of long-term private market investing more widely accessible."**

Eurazeo has been one of the pioneers in opening access to European private markets beyond traditional institutions. We are convinced that financing Europe's real economy should not be reserved to a small circle of large allocators. By designing vehicles and solutions adapted to different types of investors, we aim to broaden participation in Europe's growth and make the benefits of long-term private market investing more widely accessible.

If mobilised collectively and aligned with national execution, private capital can accelerate Europe's transition from potential to leadership – anchoring innovation, industry and growth firmly on European soil, while delivering attractive long-term, risk-adjusted returns to savers and beneficiaries.

Eurazeo is committed to playing its part and calls on the broader European private capital ecosystem to do the same.

For our clients, this commitment is not abstract. It means that their capital is deployed at the heart of Europe's real economy and strategic sectors, alongside entrepreneurs and companies that are shaping the continent's future. It is an opportunity to participate in Europe's transformation while aiming for resilient, long-term, risk-adjusted returns in a world that is becoming more uncertain, but also richer in opportunities for patient investors.

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