



Bombyx Growth Fund II

PRESENTATION for Siro Zanovello_OpenFunds Investment Services AG

May 2024

Disclaimer

Additional information concerning the offering of partnership interests in Switzerland

Partnership Interests in the Fund (the “Interests” and the “Fund”) can be offered in Switzerland exclusively to Qualified Investors as defined by Article 10 § 3 of the Collective Investment Scheme Act (CISA) and Article 4 and 5 of the Financial Services Act (FinSA). The Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). This Offering Memorandum and/or any other offering materials relating to the Interests in the Fund may be made available in Switzerland solely to Qualified Investors.

Information for Swiss based Qualified Investors

- The domicile of the Fund is Luxembourg
- The Representative of the Fund in Switzerland is: OpenFunds Investment Services AG Seefeldstrasse 35, CH-8008 Zurich Tel +41 44 500 3108, www.open-funds.ch

The statutory documents of the Fund such as the prospectus, the key investor information document (if any), the memorandum and articles of association, the annual and semi-annual reports and/or any other legal documents as defined in Article 15 CISA in conjunction with Article 13a Collective Investment Scheme Ordinance (CISO) may be obtained free of charge from the Representative.

The place of performance and jurisdiction for Interests of the Fund offered or distributed in or from Switzerland are the registered office of the Representative.

- The Paying Agent in Switzerland is: Società Bancaria Ticinese SA Piazza Collegiata 3, 6501 Bellinzona Tel +41 91 821 51 21, Fax. + 41 91 825 66 18, www.bancaria.ch

Subscriptions and redemptions of Interests of the Fund as well as distributions may be made through the Paying Agent. A handling commission of CHF 150 per transaction will be charged by the Paying Agent and deducted from the subscription or redemption amount paid or received. If a subscription or redemption is made through the Paying Agent, instructions and money must be received by the Paying Agent at least 72 hours before the appropriate dealing cut-off time.

- Publications to Swiss investors in respect of the Interests in the Fund are effected by the Representative.

Remuneration of distributors, retrocessions and rebates

Payment of retrocessions and rebates

(i) Retrocessions

The Fund and its agents may pay retrocessions as remuneration for distribution activity in respect of Interests in Switzerland. Retrocessions are deemed to be payments paid by the Fund and its agents to eligible third parties for distribution activities in respect of Interests in Switzerland. This remuneration may be deemed payment for the following services in particular:

Sales promotions and introductions with potential clients, the organization of road shows and/or fund fairs, assistance in making applications, forwarding of subscription, conversion and redemption orders, providing investors with the Fund’s documents, verification of identification documents and the performance of due diligence tasks as well as keeping documentary records.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

Information on the receipt of retrocessions is governed by the relevant provisions of the FinSA. If these provisions are applicable, the recipients of the retrocessions must ensure transparent disclosure and expressly inform investors in advance, namely before the provision of the financial service or the conclusion of the contract, unsolicited and free of charge, about the type and scope of the compensation they may receive for distribution, so that investors can relinquish such compensation. If the amount cannot be determined in advance, the recipients of the retrocessions shall inform investors of the calculation parameters and the ranges.

On request, the recipients of retrocessions must disclose the amounts they effectively received.

The law of the domicile of the Fund does not provide for additional rules which are stricter than the Swiss rules concerning retrocessions.

(ii) Rebates

In respect of distribution in Switzerland the Fund and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charges to the Fund.

Mentioning of other funds in the Offering Memorandum

OpenFunds Investment Services AG acts as Representative only to Bombyx Growth Fund SCSp. In case there is any reference made in the Offering Memorandum to any other fund, that fund is not legally represented in Switzerland by OpenFunds Investment Services AG.

Generations of the Gherzi family have been active in the textile & fashion industry

1800

1900

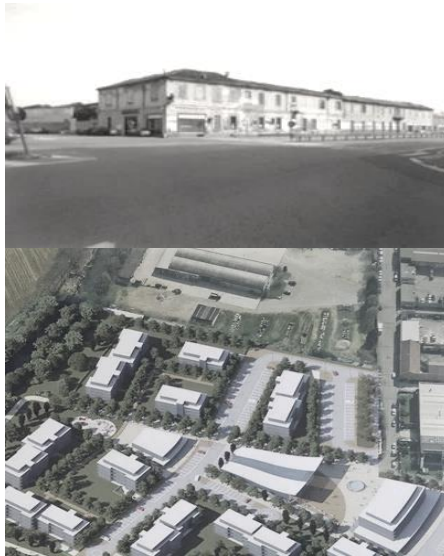
2000

1929

2019

*Tessitura G Lino*¹

candeggio, tintura e finissaggio del lino.



Producing

 GHERZI²



Consulting

 **BOMBYX**
Capital Partners AG.



Investing

1) Tessitura Achille Garbagnati, Monza, Italy: bleaching, dyeing, finishing of linen. Operations closed. Garbagnati Family related to Gherzi family through marriage.
2) GHERZI Textil Organisation, founded by Giuseppe L. Gherzi in 1929 in Zürich, Switzerland. www.gherzi.com

Fashion & textile industry moves towards sustainability & circularity

Bombyx: capital for textile & fashion innovators

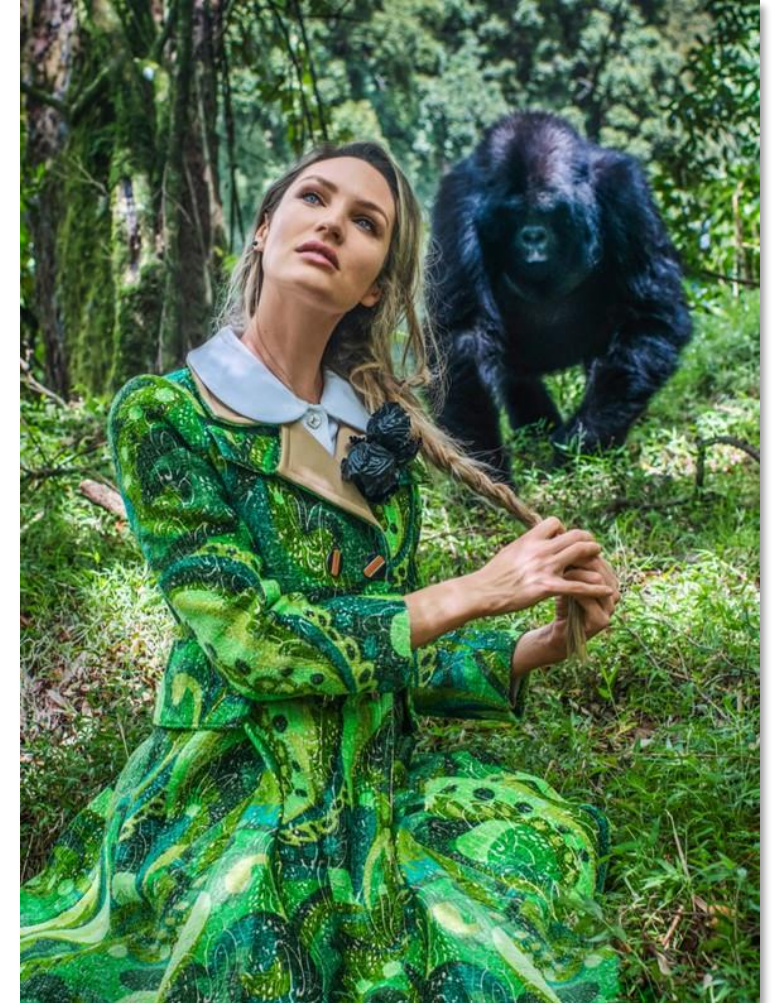
The Fashion & Textile industry is facing a turning point towards a sustainability era.

The world has reached a crossroad, where industrial leaders, brands and consumers are sincerely looking at developing and implementing solutions and products that can change their businesses and the way they design products to be fit for the circular economy.

This creates the next generations of great founders and companies focusing on new materials, carbon awareness, water usage and waste reduction & recycling to maintain our planet for future generations.

To successfully address these fundamental changes, these innovators need more growth capital.

Bombyx is partnering with and investing along winning next generation entrepreneurs.



Picture: courtesy of David Yarrow

Fashion & textile industry moves towards sustainability & circularity

H&M Group About us Brands Join us Sustainability Investors Corporate

Climate

- 2030: Reduce absolute scope 1, 2 and 3 CO₂e emissions by 56% against a 2019 baseline
Progress 2022: 8 % reduction in scope 1 and 2 emissions and 7% reduction in scope 3 emissions
- 2040: Become net-zero.*

* Both goals have been verified by the [Science Based Targets Initiative](#).

Circular Design



adidas

PRODUCT

<p>1 WE VALUE WATER Water is essential for life. It is also a key resource for our industry. In order to tackle the ever-growing issue of water scarcity and achieve water stewardship¹, we have developed an approach addressing water efficiency, quality and accessibility.</p> <p>2020 TARGETS</p> <ul style="list-style-type: none"> • 20% water savings at our strategic suppliers² • 35% water savings at our apparel material suppliers³ • 35% water savings per employee at our own sites⁴ • Further expand the use of waterless technologies for our products 	<p>2 WE INNOVATE MATERIALS & PROCESSES We create the best for the athlete, while optimizing our environmental impact. We are committed to steadily increasing the use of more sustainable materials in our production, products and stores. At the same time, we are driving towards closed-loop solutions.</p> <p>2020 TARGETS</p> <ul style="list-style-type: none"> • 20% waste reduction at our strategic suppliers⁵ • 50% waste diversion for owned operations to minimize landfill⁶ • 75% paper reduction per employee at our own sites⁷ • Replacing conventional cotton, with the aim of achieving 100% recycled cotton by 2025 	<p>3 WE CONSERVE ENERGY Energy is the fuel of the body. The responsible use of energy is also critical for our planet to mitigate climate change, we are committed to reducing our absolute energy consumption and transitioning to clean energy and looking for new harvesting opportunities.</p> <p>2020 TARGETS</p> <ul style="list-style-type: none"> • 20% energy savings at our strategic suppliers⁸ • 3% absolute annual reduction in Scope 1 & 2 CO₂ emissions at our own sites¹⁰ • Further expansion of IMS to key sites and operations • LEED certification for new construction
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Giorgio Armani to reduce GHG emissions 50% by 2030


TOM BOTTOMLEY
22 JULY 2021

f t in w

Giorgio Armani Group has announced its aim to reduce greenhouse gas (GHG) emissions by 50% by 2030, as verified by the Science Based Targets initiative (SBTi) in Milan.

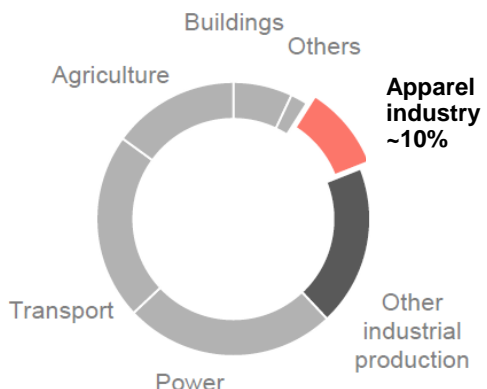
The problem: high environmental risks by the textile & fashion industry

CO₂ emissions




10% of global CO₂ emissions¹

- Apparel and textile industries account for multiple gigatons of CO₂eq



H₂O pollution



20% of global clean water pollution²

- More than 100 liters water per kg of fabric produced is highly polluted by hazardous chemicals

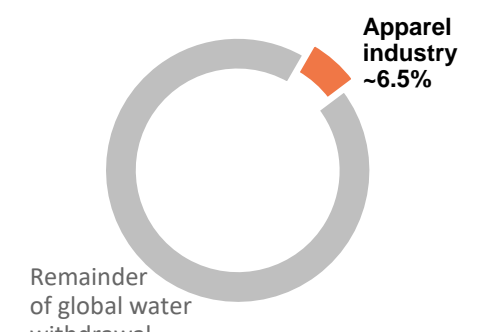


H₂O consumption



66 trillion liters of water used³

- Freshwater withdrawal in excess of 2,600L per kg
- Concentrated in Asia (e.g. India, Bangladesh and Vietnam)



Waste



100mmT waste⁴, with <3% being recycled⁵

- At end of life, >70% of textiles directly end up in landfills or are incinerated
- Increasing awareness of rampant microfiber issues



500K TONNES OF MICROFIBERS RELEASED INTO THE OCEAN P.A.

Sources: 1) European Parliament, *The impact of textile production and waste on the environment*, 2022 (<https://www.eumonitor.eu/9353000/1/j9vvik7m1c3gyxp/vlf0bgvqy6vx?ctx=vjxzjv7ta8z1>), 2) European Parliament 2020-2023, 3) Based on 2022 HIGG data and *Textile Exchange 2021*, 4) *Textile Exchange 2021*, 5) Ellen McArthur Foundation, *Fashion Portal*, 2023

The opportunity: categorizing disruptive, sustainable textile technologies

✈️ Mobility

⊕ Health

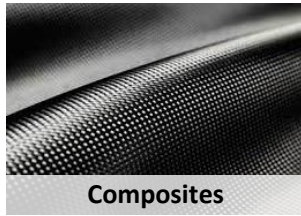
🛒 Fashion

🛡️ Security

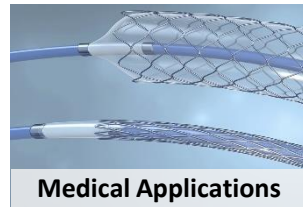
🏠 Urban/Rural

🌿 Cleantech

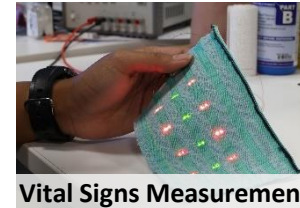
Advanced materials & biotech



Advanced manufacturing



Digitization, Blockchain, AI, IoT



BGF I investments (★)

We asked ChatGPT3.5: How will AI shape the fashion and textile industry?

ChatGPT

Artificial Intelligence (AI) is significantly transforming the fashion and textile industry in various ways:

1. **Design and Trend Forecasting:** AI analyzes trends and consumer preferences to assist designers in creating resonant and innovative designs.
2. **Customization and Personalization:** AI enables personalized shopping experiences and bespoke garment designs tailored to individual customer preferences and measurements.
3. **Supply Chain Optimization:** AI streamlines supply chains, reducing waste and costs by optimizing material use and delivery routes.
4. **Manufacturing Automation:** AI-driven automation in manufacturing leads to faster production times and higher quality products by automating tasks like fabric cutting and sewing.
5. **Quality Control:** AI systems enhance product quality by accurately inspecting textiles and garments for defects.
6. **Sustainable Practices:** AI contributes to sustainability by improving demand forecasting and developing sustainable materials, thereby reducing overproduction and waste.
7. **Virtual Try-Ons and AR:** AI and Augmented Reality (AR) technologies allow for virtual try-ons, improving the shopping experience and reducing returns.
8. **Customer Service:** AI-powered chatbots enhance customer service by providing personalized shopping advice and handling queries round the clock.

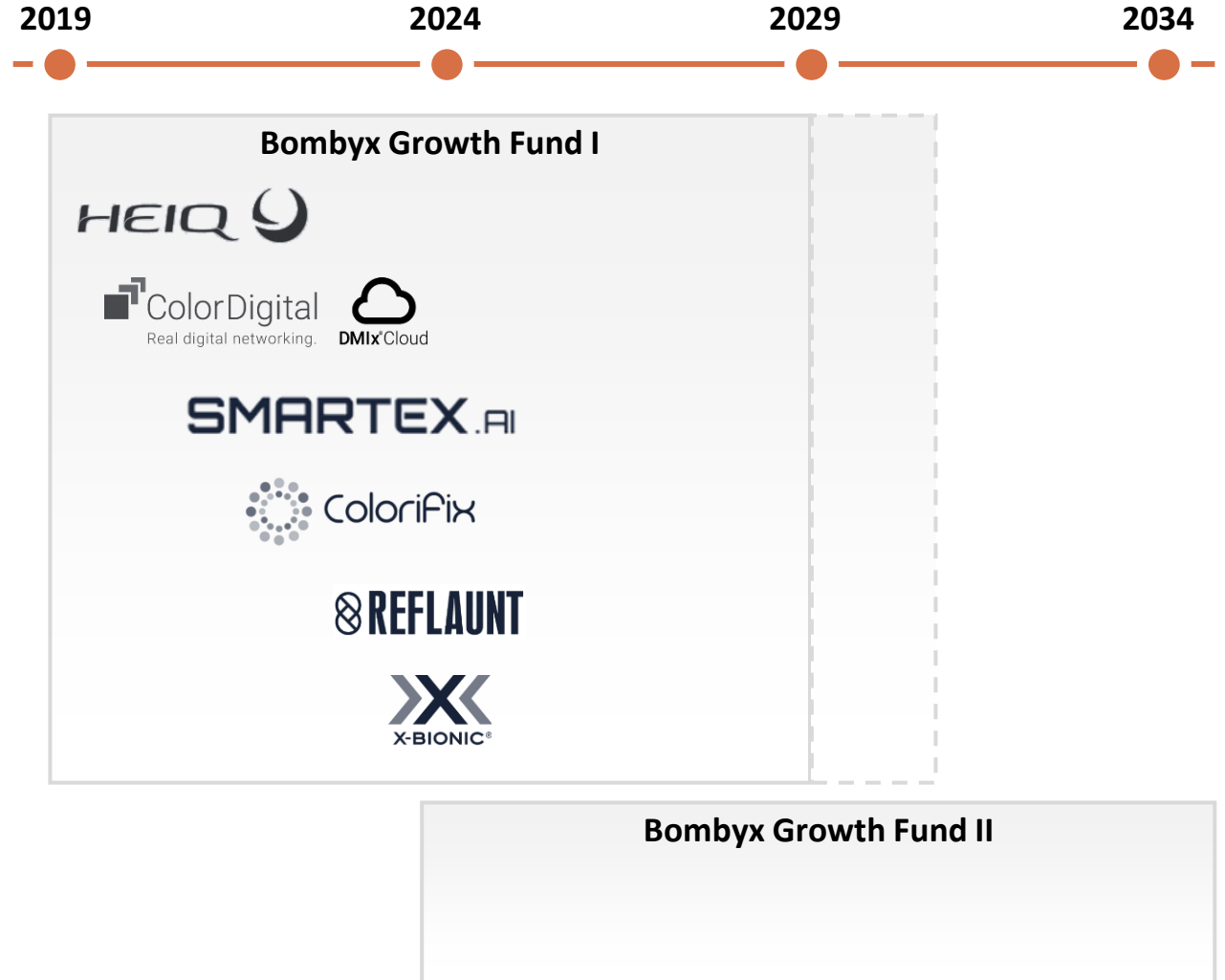
AI's impact on the fashion industry spans from creative design processes to customer engagement, driving efficiency, sustainability, and personalization.




In 2019 Bombyx launched the €20m BGF I

Bombyx Growth Fund I:

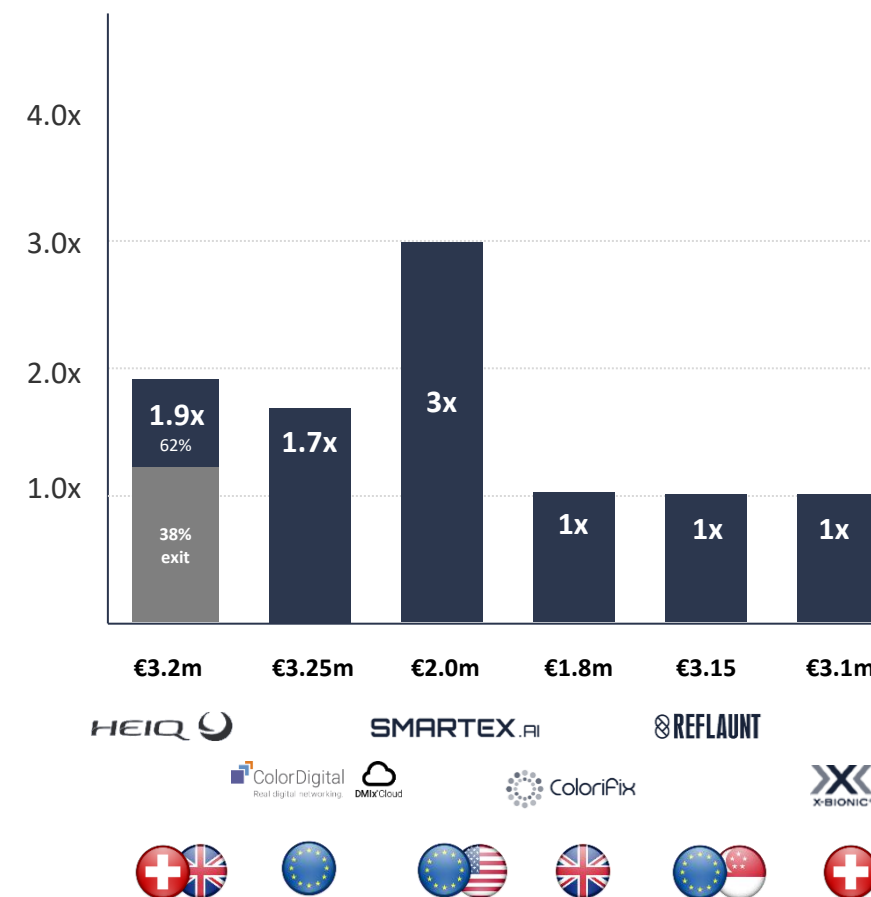
- Invested in 6 game changing companies
- Growth capital (no seed or VC)
- EU focus, Luxembourg structure
- Fund duration: 10 years plus 2
- Investment period: 5 years
- FY19-24: >€16.6m invested (year-to-date)
- bordier** | ¹⁸⁴⁴ as anchor investor
<https://www.bordier.com/>



Bombyx Growth Fund I shows significant promise

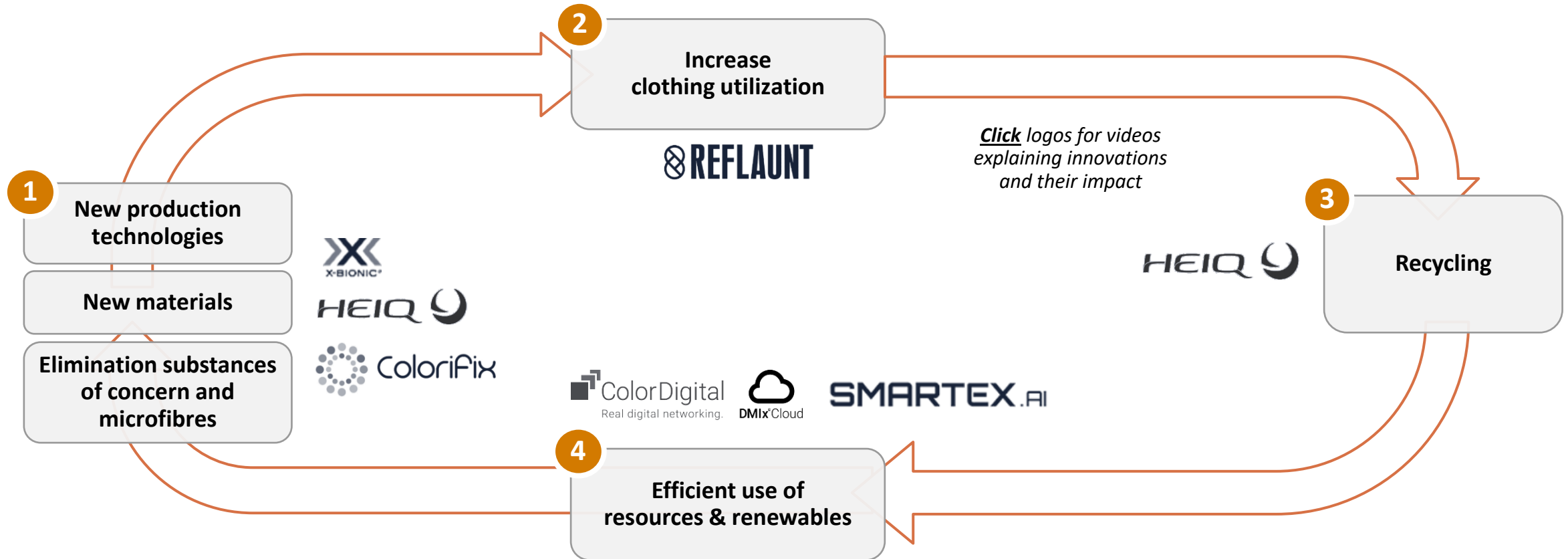
Company	Investment	Description
	€3.2m	Swiss IP creator in materials and textile innovation.
	€3.25m	Pioneer in accurate, standardized digital color and surface exchange for designers, product developers and manufacturers.
	€2.0m	Makes supply chains more transparent, reduces waste & increases quality.
	€1.8m	First company to use a biological process to produce, deposit and fix pigments onto textiles.
	€3.25m	Leverages booming circular market to grow loyalty for fashion brands.
	€3.1m	Designs, produces and sells proprietary high-tech performance wear.

Actual Gross Multiples ^{1,2}



1) Unaudited, per Q4'FY23, 2) Kept at cost, during the first 24 months after investment: Colorifix, Reflaunt, X-Technology,

Bombyx Growth Fund I impacts all four circularity criteria¹



Enabling technologies: AI, digitalization, machine learning, biotech, material science, blockchain

SMARTEX.AI – case study 1: AI, oversubscribed by Silicon Valley investors

Solving one of the main problems in the textile industry:
the lack of quality control, and the production of defects

Bombyx value add:
Growth & internationalization



Gilberto Lourerio
Founder & CEO

«Francesco and his team bring valuable synergies with their network and other Bombyx investment»



[Case study click here](#)



REFLAUNT – case study 2: strongest growth in circularity

Provides fashion brands and retailers the platform to allow their customers to resell their *pre-loved* products

Bombyx value add:
Board seat, coaching, growth & internationalization

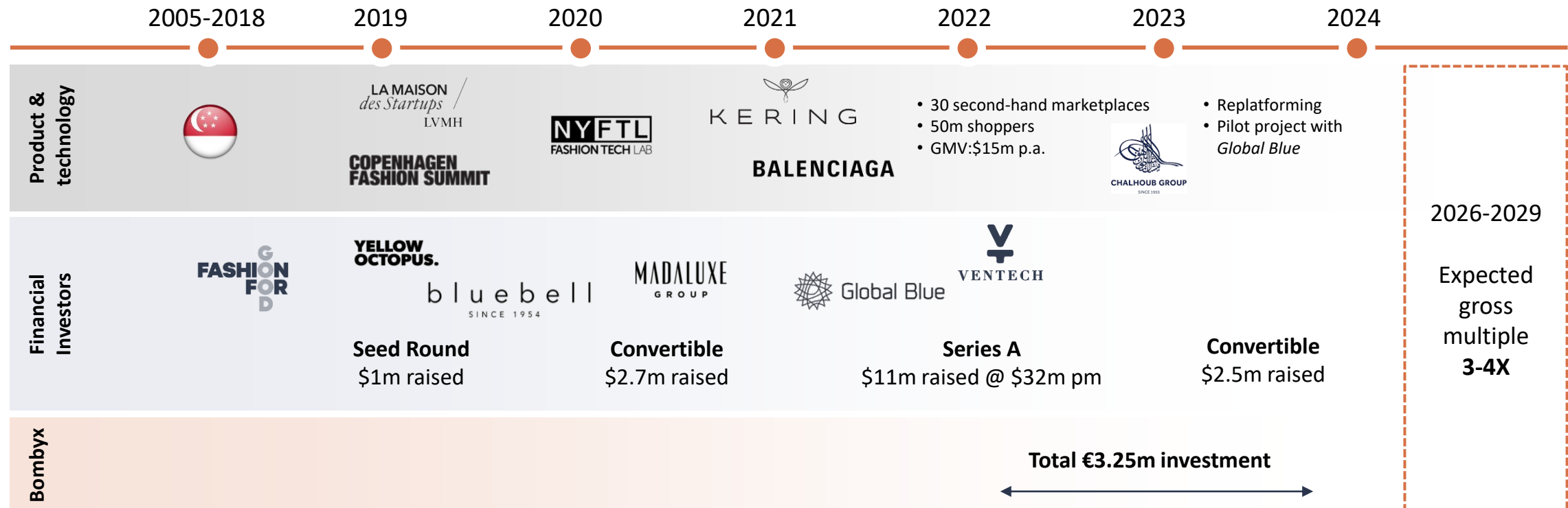


Stéphanie Crespin
CEO

« Francesco is a very active board member, advising us based on his deep industrial experience »



[Case study click here](#)



The first company to use a biological process to produce, deposit and fix pigments onto textiles

Bombyx value add:
Two advisory seats, growth & internationalization

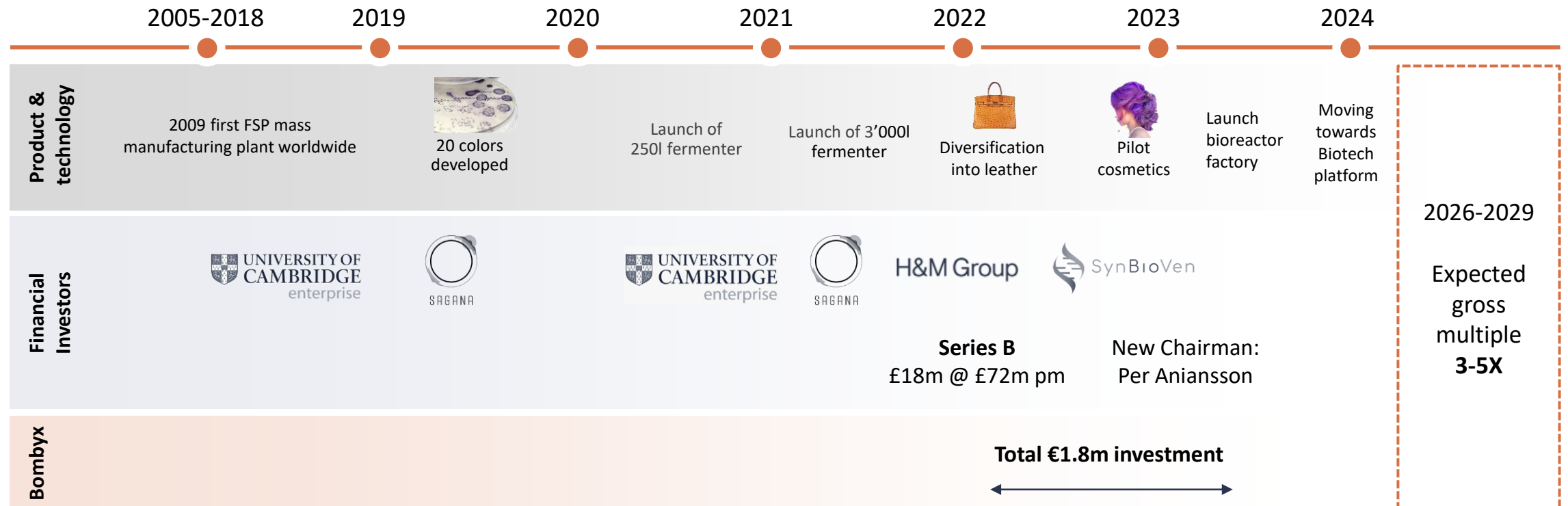


Orr Yarkoni
Founder & CEO

«Bombyx is a strong supporter and motivator of Colorifix; they are industry insiders»



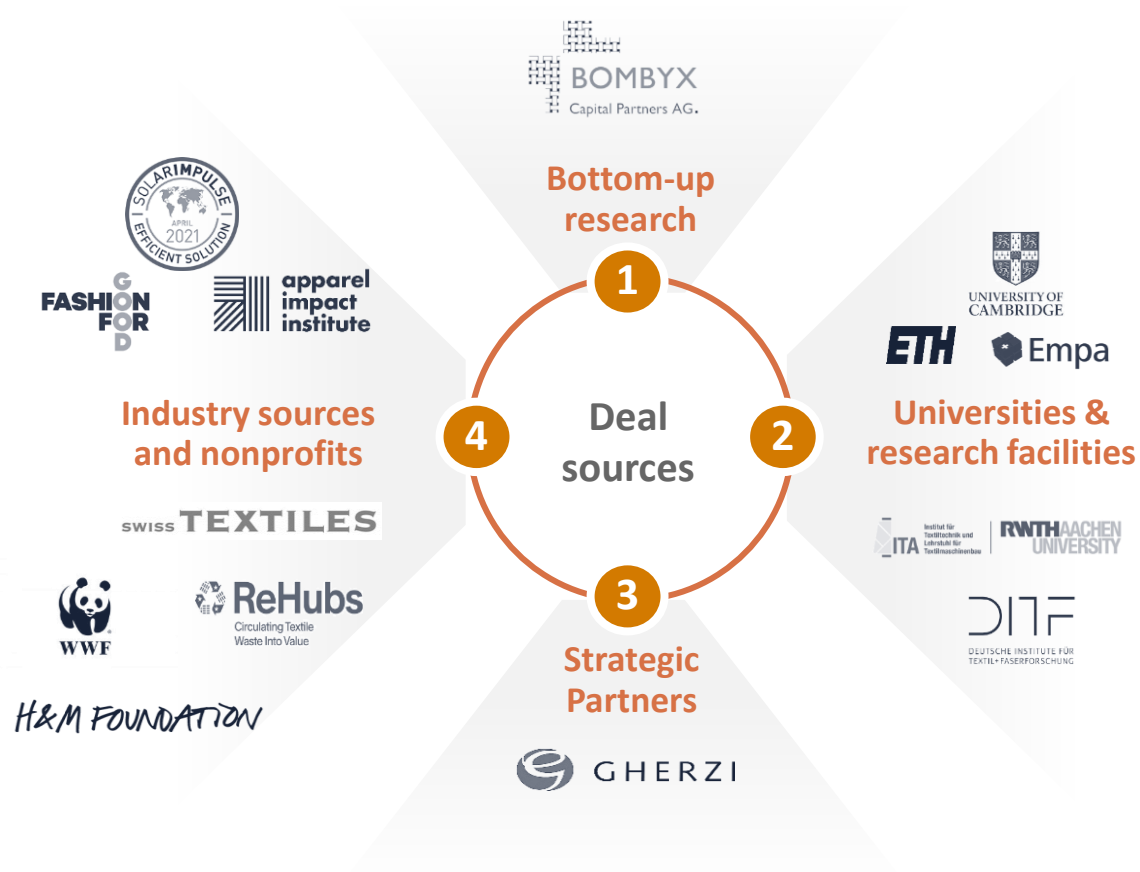
[Case study click here](#)



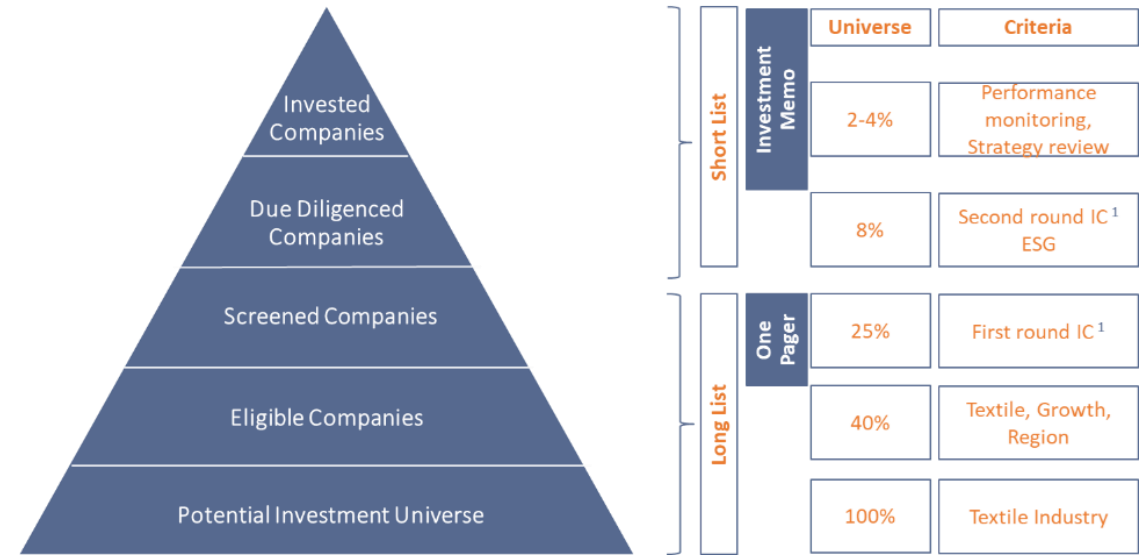
2026-2029
Expected gross multiple **3-5X**

Bombyx has built unique, proprietary deal flow

Deal sourcing



Selection process

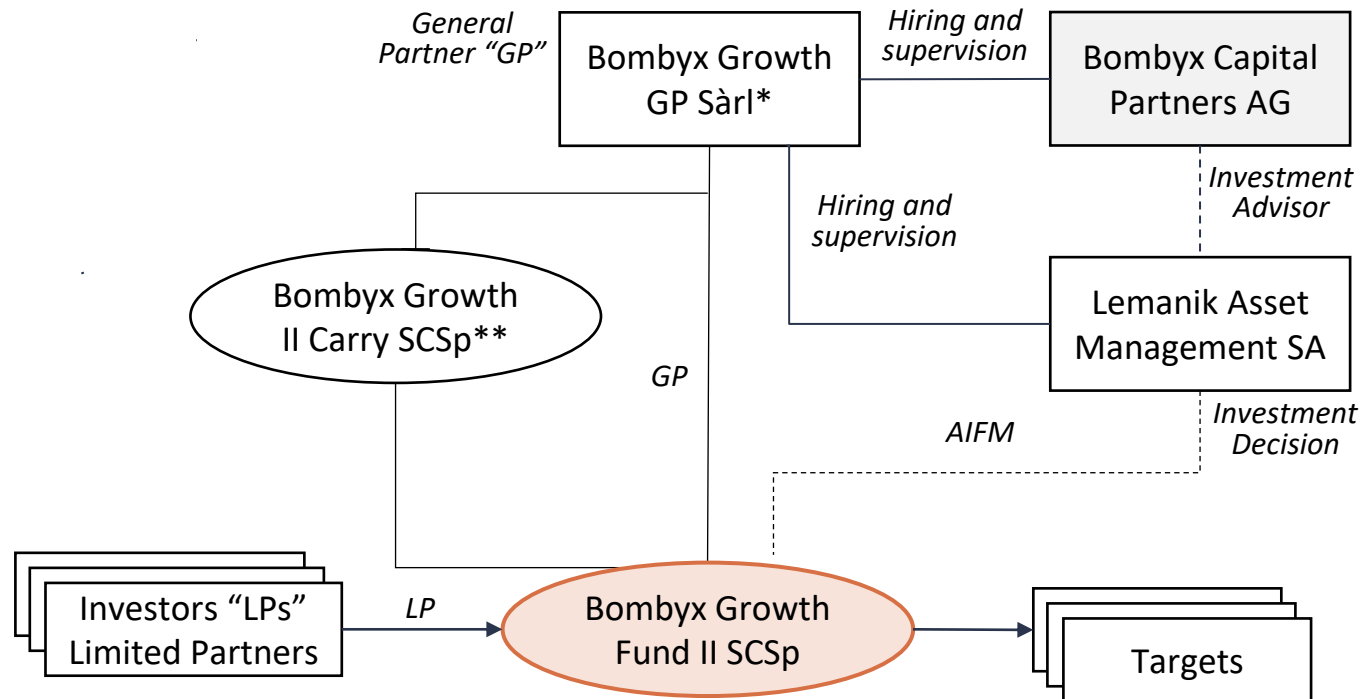


Key criteria and DD items: Founders & management, Segments, Technology, Growth Potential, Region, Performance, Strategy, Traction, Impact, Interviews

Proven and efficient legal structure and advisors

BGF II Structure

External partners



CITCO

LEMANIK

APEX | EDB

DLA PIPER

ALLEN & OVERY

pwc

* in foundation

** transparent tax vehicle which is used for distribution of carry

Proven and efficient external parties

CITCO

Administrator

One stop-shop solution with best-in-class industry awards and survey for alternative investment vehicles

- Accounting
- Waterfall calculations
- Tax preparation & reporting
- Financial reporting

LEMANIK

AIFM

ManCo with AIFM and UCITS license EUR 30 bn AuM and fully independent from any banks

- **Distribution:** Registration/notification in all distribution markets
- **Portfolio Mgmt.:** Ongoing DD on Investment Advisor / Overseeing the Investment/Divestment process / Monitoring the valuation process
- **Risk management:** Investment compliance monitoring and escalation of breaches
- **Compliance:** regulatory requirements
- **Reporting:** AIFMD

APEX

Depository

EUR 17 bn assets under custody

- **Depository service:** Safekeeping of assets and for other assets – ownership verification and record keeping
- **Cash flow monitoring**
- **Depository oversight duties:** Subscriptions and redemptions, AIF compliance with laws, regulations and AIF income distribution

APEX EDB

Cash Account

European Depository Bank SA is part of the Apex Group.

- Digital banking platform and bank account

Bombyx Growth Fund II: Management Team



Francesco Gherzi
Managing Partner

- Founder and Managing Partner of Bombyx Growth Fund I
- Former co-leader of Gherzi Textile Organization



Rogier van Mazijk
Partner

- 5 years of investing in sustainable textile innovation
- 15 years of VC and M&A experience



André Flicker
Head Operations

- Oversees operations and compliance at Bombyx
- 25yrs in the financial industry (HSBC Guyerzeller, Julius Bär, Credit Suisse, PwC)



Lindsay Tulloch
Legal Counsel

- 30+ years as a PE lawyer
- Specialized in multiple jurisdictions



Urs Ehrismann
Venture Partner

- 25+ years in PE/VC
- Proven track record in software investments



Lulu Leanza
Finance & HR

- 15+ years as a chartered accountant
- Responsible for middle and back office



Analysts & Associates

- in Zürich, Chemnitz, and Mumbai



Partners & Advisors

- Gherzi Partners
- Industrial & Financial Advisors
- Scientific Advisors



Bombyx Growth Fund II: investment pipeline extract of over €40m

#	Tech. segment	Region	Stage	Deal size	Status
A	DWOR	confidential	confidential	confidential	confidential
B	Spray dyeing				
C	Transparency				
D	Impact tracking				
E	Technical Textiles				
F	Fitting tech				
G	Digitalization				
H	Spinning Innovation				
I	Chemical recycling				
J	Smart Textiles				
K	Sorting Technology				
L	Circular Business Models				
M	DWOR				
N	Technical Textiles				

Bombyx Growth Fund II: investment case target J

Swiss tech platform marketing a specialized health wearable, focused on breathing as a key element for stress management, sleep improvement, and performance optimization

- Offers instant biofeedback and immersive breathing exercises for targeted wellness solutions.
- Rapid market adoption, including partnerships with top healthcare clinics, a government entity for preventive care, and major corporations for meditation and performance.
- Positioned as a disruptive entrant in the wearable health tech market due to its unique focus and early success.

B2B traction



Various
Stress
Clinics

Breathing training and instant biofeedback



Breathing training for stress and sleep management

Instant biofeedback (<200ms)

Monitoring analysis of the respiratory and cardiac systems, stress and sleep

Comfortable daytime belt + nightwear garment



Bombyx Growth Fund II: Fact Sheet

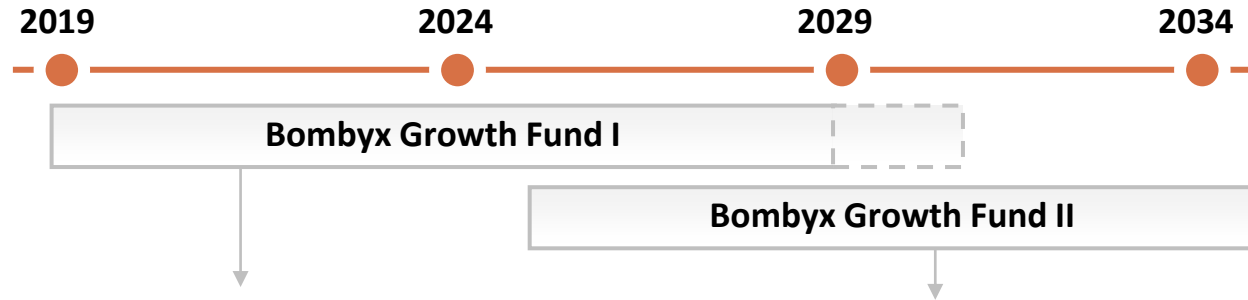
Fund Specification

Stage	Early Expansion <20% and Growth Capital >80%
Geographic Focus	Western Europe: >60% RoW (mainly USA, India): <40%
Investment Target	Founder-led, bootstrapped growth companies with revenues of €1m to €50m and solid financials or clear path to profitability in the foreseeable future
Investment Style	Equity
Role	Minority and/or majority investor
Transaction Type	Primary and/or secondary transactions
Number of Investments	Eight to fifteen portfolio companies, max. 15% of fund per portfolio company
Average Deal Size	€1m to €10m over the lifetime of an investment
Target Return	15-20% Gross IRR

Summary of Key Terms & Conditions

Fund Structure	Luxembourg limited partnership
Fund Size	€100,000,000
First Closing	€20,000,000 or higher
Fund Term	10 years; options for two one-year extensions
Investment Period	4 years from the date of first closing
Carried Interest	20% after 6% annual compound hurdle rate with catch-up
Management Fee	2% p.a. on committed capital during the investment period, thereafter 2% p.a. on cost minus exit and write-offs
Establishment Costs	€300,000
General Partner	Bombyx Growth GP S.à r.l., Luxembourg
Investment Advisor	Bombyx Capital Partners AG, Zurich, Switzerland
Investment of Principals/Executives	>€1,000,000

Comparison BGF I vs BGF II



Duration	10y + 2y	10y + 2y
Fund size	€20m	€100m (cap)
Domicile	Lux	Lux
Geographical focus	EU	EU, USA, RoW
Stage of targets	Early Growth	Early Growth & Early Expansion
No. investments	Six	Eight to Fifteen
Hurdle rate	5%	6%
Anchor investor	bordier ¹⁸⁴⁴	bordier ¹⁸⁴⁴

Main differences between BGF I and BGF II:

- Fund Size
- Number of investments
- Geographical Focus
- Stage of targets - partially
- BGF II: article 8
- BGF II: Investment period 4y

Sector Focus remains:

- Advanced textile; related technologies & products
- AI, digitalization, machine learning, biotech functionality
- Impact investing; circularity

Bombyx Growth Fund II: Highlights



- 1 Targeting **\$3trl textile industry**, ready for disruption
- 2 Bombyx is the **only textile-focused fund with proven** track record
- 3 **Proprietary** pipeline through **BOMBYX & GHERZI**
- 4 **3,000+ innovators** in Bombyx database
- 5 **Anti-cyclical** investing



BOMBYX

Growth Fund



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SWITZERLAND

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Certain statements contained in this Information Pack are forward-looking statements that involve known and unknown risks, uncertainties, and other factors.

Picture: courtesy of David Yarrow