

## Conclusions

### Green Generation Fund

INVEU-ICR-0025-2022 – RID & SME window

#### Short description of the financing or investment operation and its objectives

Name of the promoter or financial intermediary	Green Generation Fund GmbH & Co. KG
Countr(ies) of implementation	Germany
Implementing partner	EIF

The Fund is focused on sustainable food and household products, two fundamental consumption sectors, both targeting a green transition. Their shift towards sustainability is mainly driven by rising food demand and household consumption due to demographic transitions. The Fund will invest primarily into European companies whose technologies are at early stages of commercialisation.

The operation is in line with the InvestEU objective of environment and resources, and financial support to entities employing up to 499 employees with a particular focus on SMEs, and small mid-cap companies. Moreover, the operation contributes to sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider sustainable bioeconomy.

#### Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the EU guarantee on 12 May 2022 for the above-mentioned operation.

The operation addresses the market failure of exposure to higher levels of risks in certain sectors beyond levels that private financial actors are able or willing to accept, including where the investment would not have been undertaken or would not have been undertaken to the same extent because of its novelty or because of risks associated with innovation or unproven technology.

The operator will be addressing in particular sustainable food and household products. The recent shift of their production has towards sustainability has remain nascent from a venture capital perspective. It therefore remains severely underserved by private investments. These sectors are yet to provide a critical mass of success cases when compared to those that are more mature, which, in addition to the fund's focus in early-stage disruptive companies, further increases the level of risk incurred. Consequently, the operator will be exposed to higher levels of risk when compared to more mature sectors and later stages of development.

The investment will provide additionality by providing support in the form of equity, which in turn will allow the Fund to promote equity and quasi-equity investments at the level of each underlying company, therefore investing in new companies and start-ups in a sector that so far has been characterised by a fragmented and sparse investor landscape. Although investment activities in the sustainable and food-tech sectors are on the rise, this market segment is still mostly supported by corporates, and the investor landscape in venture capital,

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and particularly in Europe, remains sparse with very few specialised and independent investors.

The support of the InvestEU Fund will create a signalling effect, catalysing additional private financing. The implementing partner's support will be instrumental to diversifying and enlarging Fund's investor base with new investors for this market sector and geography. The implementing partner's commitment will help this first time team to set up and launch its first institutional fund, a major stepping stone on its path to become a seasoned specialised investor.

The Investment Committee recognised that the Fund complies with the InvestEU Gender Criteria as the two founding partners are female and its senior investment team is composed of more than 40% of women.