

InvestEU Scoreboard¹

Presentation of the financing or investment operation:

Implementing Partner: European Investment Fund (EIF)

Name of the Operation: Innova/7 (“Innova/7” or the “Fund”)

Type of approval: Individual financing or investment operation

Name of the financial intermediary (for intermediated operations): Innova/7

Country(-ies) of implementation: Central: Eastern Europe.

Short description of the financing or investment operation:

The Fund will target investments in lower to mid-market companies active in CEE countries across many sectors.

Innova will base its value creation strategy on the following levers: (i) upgrading operations, introducing new management when necessary, (ii) performing add-on acquisitions, (iii) internationalization of its portfolio, (iv) digitalization of the portfolio and (ii) full integration of ESG criteria.

Public Statement

Eligible area for the operation in accordance with Annex II to the InvestEU Regulation:

Item 6 of Annex II of the InvestEU Regulation:

the development, deployment and scaling-up of digital technologies and services, especially digital technologies and services, including media, online service platforms and secure digital communication, that contribute to the objectives of the Digital Europe Programme

Item 7 of Annex II of the InvestEU Regulation:

financial support to entities employing up to 499 employees, with a particular focus on SMEs, and small mid-cap companies

The investment will be 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, promoting digitalization of companies in Poland and in the broader CEE with a strong development potential.

The Fund will target the CEE private equity market, which is still underdeveloped compared to EU average.

The Fund will pursue investments in countries classified as MEICs, where the supply of capital for companies with high grow potential has been traditionally scarce.

In this context, the Fund aims at increasing alternative source of financing for promising companies active in CEE.

¹ This Scoreboard of indicators reflects the information presented to the InvestEU Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

The scale of financing expected to be made available by the financial intermediary to final recipients (i.e. leverage) is estimated in the range of c. 10-11x factor, in accordance with the “InvestEU Leverage and Multiplier Effect Calculation Methodology” as approved by the InvestEU Steering Board.

With respect to the benefits generated by the operation for the final recipients, it is worth highlighting in particular the following key features: (i) the provision of equity financing; (ii) the longer holding period (within up to 12 years term of the fund); (iii) contribution to the diversification of funding sources for final recipients; (iv) the financing in local currencies, and (v) the transfer of experience, know-how and network by the financial intermediary to portfolio companies, therefore helping their internal & external growth, internationalization, digitalization and access to bank financing.

In relation to the impact of the operation on the ecosystem, an EIF’s commitment to the Fund will enable the support of an emerging team with a proven investment strategy towards CEE companies. EIF will be important for first closing to materialise (and consequently for having financing available for CEE companies).

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (**Excellent**)

Pillar 4 - Financial and technical contribution by the Implementing Partner (**Excellent**)

Pillar 5 - Impact of the financing or investment operation (**Excellent**)

Pillar 7 - Complementary indicators²

Operation-specific indicators, estimated on the “InvestEU Leverage and Multiplier Effect Calculation Methodology” as approved by the InvestEU Steering Board

- (a.1) Leverage effect: Indicatively 10-11x
- (a.2) Multiplier effect: Indicatively 27x

² The InvestEU methodology is used in order to calculate figures presented in this document. The financial intermediary’s estimates may differ.