

Conclusions

Pureterra Ventures I

INVEU-ICR-0024-2022 – RID & SME window

Short description of the financing or investment operation and its objectives

Name of the promoter or financial intermediary	PureTerra Ventures I Coöperatief U.A
Countr(ies) of implementation	EU-27 with main focus on Western Europe (notably the Netherlands, Germany and France) and opportunistically other EU countries, UK and North America
Implementing partner	EIF

The Fund targets to invest in companies developing disruptive technologies aimed at improving water usage, treatment, recycling, collection and conservation. The Fund will invest primarily into European companies whose technologies are at early stages of commercialisation. The Fund will address three types of usage of water (industrial, agriculture, residential and municipal water) focusing on technologies/business models in i) sensors & digital solutions, and ii) physical water treatment technologies.

The project 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.

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, countries or regions 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. Due to a growing population, climate change, pollution and markets failures, access to clean water is becoming one of the most pressing societal and environmental issues globally. Reducing the vulnerability of water resource systems, improving their resilience and adapting capacity are global challenges that will only be fulfilled with a significant financial support to early stage technology companies, a segment that remains significantly underserved by private investors.

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 has attracted a very limited venture capital to date. The implementing partner's commitment in the Fund contributes to the emergence of one of the very few specialised pure players in the European venture capital community focus on the water sector.

Conclusions

The implementing partner's support catalyses additional private or public financing that is complementary to other private and commercial sources, as a result of the signalling effect of the support from the InvestEU Fund. The implementing partner's commitment is crucial to reach a minimum viable fund size and execute the planned strategy.

The Investment Committee recognised that the Fund will be amongst the first pure-players addressing Sustainable Development Goal 6 "clean water availability", with amongst other objectives, the intention to improve the efficiency of water treatment processes in terms of energy and resource savings.