

InvestEU Scoreboard¹

Presentation of the financing or investment operation:

Implementing Partner: European Investment Fund (EIF)

Name of the Operation: PureTerra Ventures I ("PureTerra" or the "Fund")

Type of approval: Individual financing or investment operation

Name of the financial intermediary (for intermediated operations): PureTerra Ventures I

Country(-ies) of implementation: The Fund will target investments in EU-27, with main focus on Western Europe (notably The Netherlands, Germany and France).

Short description of the financing or investment operation:

The Fund targets to invest in companies developing disruptive technologies aimed at improving water usage, treatment, recycling, collection and conservation.

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 Fund will invest primarily into European companies whose technologies are at early stages of commercialisation.

The Fund will be amongst the first pure-players addressing SDG 6 "clean water availability".

Public Statement

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

Item 3 of Annex II of the InvestEU Regulation:

environment and resources

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

In particular, it is expected that the investment strategy of the Fund will focus predominantly on the following Target Areas:

- **Energy & built environment**, with particular focus on sustainable ICT technologies, solutions for grid management, smart sensors or resource-efficient equipment.
- **Industrial decarbonisation & environmental sustainability**, in particular with respect to technologies minimising impacts to water pollution and making the most efficient and optimal use of water through transformative circularity and industrial solutions.
- **Agriculture, Food, natural capital preservation and use of land resources**, in particular with respect to activities aimed at preserving, protecting and restoring ecosystems and biodiversity, including through nature-based solutions, supporting innovative approaches to conservation, restoration, enhancement and sustainable management of natural capital and ecosystems, either terrestrial, freshwater or marine.

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 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, therefore investing in new companies and start-ups in a sector that has attracted very limited venture capital to date.

The Fund has already reached a first closing. An EIF commitment is important to allow the Fund to execute on the planned strategy. Thanks to the prospective participation of the EIF, the Fund has already catalysed additional soft commitments and a formal commitment would trigger additional third party investments into the Fund.

Due to a growing population, climate change, pollution and market failures, access to clean water is becoming one of the most pressing societal and environmental issue globally. One in three people worldwide have no or limited access to safe drinking and over 700m people could be displaced by intense water scarcity by 2030. 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 scale of financing expected to be made available by the financial intermediary to final recipients (i.e. leverage) is estimated to be around 5.4x, 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; and (iv) 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, due to a growing population, climate change, pollution and market failures, access to clean water is becoming one of the most pressing societal and environmental issue globally. These macro-economic growth drivers require significant additional capital requirements and represent a massive opportunity for early stage investors. PureTerra Venture I will be amongst the first water-focused funds in the European eco-system.

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 (Very Good)

Pillar 5 - Impact of the financing or investment operation (Very Good)

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 5.4x
- (a.2) Multiplier effect: Indicatively 13.5x

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