

InvestEU Scoreboard¹

Presentation of the financing or investment operation:

Implementing Partner: European Investment Fund (EIF)

Name of the Operation: Growth Blue Fund I (“Growth Blue” or the “Fund”)

Type of approval: Individual financing or investment operation

Name of the financial intermediary (for intermediated operations): Growth Blue Fund I

Country(-ies) of implementation of the operation:

The Fund is expected to target primarily Portugal.

Short description of the financing or investment operation:

The Fund will invest most substantially in Portuguese companies across all sectors of the blue economy particularly relevant for the Portuguese ecosystem. In this regard, the Fund will focus around the value chains of the following preferred areas of investment:

- Aquaculture, given the centrality of the sector for the Portuguese economy;
- Blue bioeconomy, where start-ups are initiating the same path that tech start-ups entered into 10 years ago;
- Offshore energy, for example in the equipment building industry for wind energy floating technology or other sources of energy such as waves, tide or algae.
- Technologies that currently offers solutions applied to different sectors of the blue economy and that are accelerating the efficiency and competitiveness of such companies.

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

Item 11 of Annex II of the InvestEU Regulation:

sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider sustainable bioeconomy

Item 15 of Annex II of the InvestEU Regulation:

seas and oceans, through the development of projects and enterprises in the area of the blue economy, and the Sustainable Blue Economy Finance Principles, in particular through maritime entrepreneurship and industry, renewable marine energy and circular economy

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.

In particular, it is expected that the investment strategy of the Fund will focus predominantly on the Target Areas of **Blue Economy**.

The private equity market addressing EU Blue Economy, is still in its infancy, with very few sparse specialised private equity funds tapping into this market segment.

Thanks to a commitment under InvestEU, EIF will support one of the emerging players in Europe in general and in Portugal in particular, with a priority policy focus for the EU.

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 companies and start-ups with significant innovation and growth potential addressing this market gap.

EIF's commitment to the Fund will enable its launch and will contribute to catalyse private investors to the Fund who also look to contribute particularly to the development of a sustainable blue economy in Portugal. Further to EIF's due diligence, the manager was able to raise interest from other financial institutions.

Via an investment in the Fund, the EIF will contribute to the further development of the private equity market in Portugal, which is still underdeveloped compared to other European Member States. In addition, the private equity landscape in Portugal is mostly composed of players dedicating to late-stage or mezzanine investments, with currently no players acting in the blue economy in the country.

The Blue Economy, a vital sector of the economy which is critical for global livelihoods and the climate, but that is at risk due to the degradation of ocean ecosystems, and has hitherto been largely neglected by the venture capital and private equity community. The supply of financing and capital for the innovation and development of ocean and maritime technologies is indeed greatly limited and is characterised by a sparse investor landscape that lacks the depth and breadth of more established sectors. Similarly, and to ensure the viability of the blue economy over the long term, it is critical that the climate and environmental issues affecting its sustainability be resolved, both through innovation and the transition of existing maritime activities. The Fund will seek to address these market needs.

The scale of financing expected to be made available by the financial intermediary to final recipients (i.e. leverage) is estimated at c. 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 10 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 and internationalization.

The Portuguese PE ecosystem is still underdeveloped, which is reflected in the fact that two thirds of the balance sheet of Portuguese SMEs are composed by debt and just one third by equity capital. Such a deficit does not help in supporting viable companies with their growth plans, in increasing their exports or in their restructuring efforts. In addition, there are currently no other players in Portugal or Spain focusing exclusively on growth investments in the blue economy.

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 5.4x
- (a.2) Multiplier effect: Indicatively 13.4x
- (d) Investment supporting climate objectives: yes

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