

Conclusions

Shift4Good Fund I

INVEU-ICR-0023-2022 – RID & SME window

Short description of the financing or investment operation and its objectives

Name of the promoter or financial intermediary	Shift4Good Fund 1 SLP
Countr(ies) of implementation	France
Implementing partner	EIF

The Fund is a first time fund launched by a team of experienced professionals who bring significant operational, strategic and direct investment experience and have been deeply involved in the mobility sector for the last 15 years. The Fund will be amongst the few specialised European venture capital funds solely dedicated to backing mobility-related companies in their expansion phase.

The Fund is focused on smart and sustainable mobility and transport and circular economy mainly targeting B2B businesses. The team will seek for innovations addressing the large transport medium from cars to air transportation and the maritime sectors. Relevant sub-sectors include Smart energy systems (electric, hydrogen, wind), last mile mobility, sustainable logistics, industrial automation, recycling & upcycling, battery second life, remanufacturing etc. The Fund will have a clear sustainability and impact focus and will be registered under SFDR as an Article 9 impact fund.

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. The private capital available to support mobility start-ups in their expansion phase is largely insufficient and the existing investor ecosystem very thin.

The Fund will provide additionality by promoting further equity and quasi-equity investments by its own equity contributions for the benefitting companies. By investing in new companies and start-ups the Fund creates a specialised investor ecosystem that contributes expertise in addition to capital. It helps to respond to the growing demand for smart mobility to reduce the sector's high share of GHG emissions. By 2027 the global worth of the smart mobility market will be USD 70.5bn (with a compound annual growth rate of approximately 20.5%).

The implementing partner's commitment as an anchor investor to the Fund is viewed as fundamental to reach the minimum fund size and execute the planned strategy. It also enables

Conclusions

it to get closer to the target and catalyse 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 Investment Committee noted the InvestEU Fund investment's strong added value of supporting a promising first-time team in a societally important sector, creating a foundation for the team's acceptance among other institutional investors, and potentially significantly easier fundraising with the team's next funds. The Investment Committee recognised the good previous track record of the first-time team and welcomed the Fund's specific focus on smart mobility and transport.