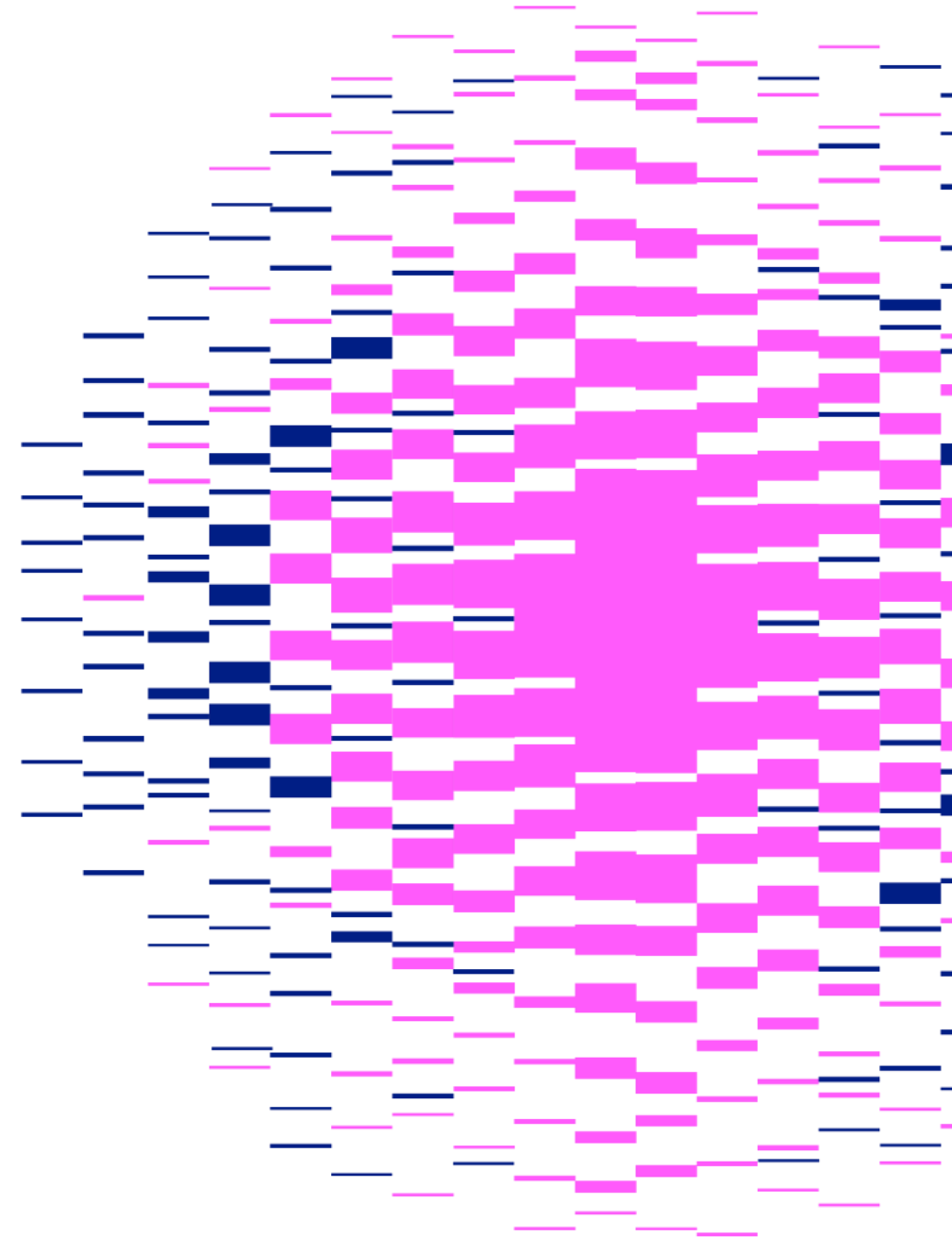


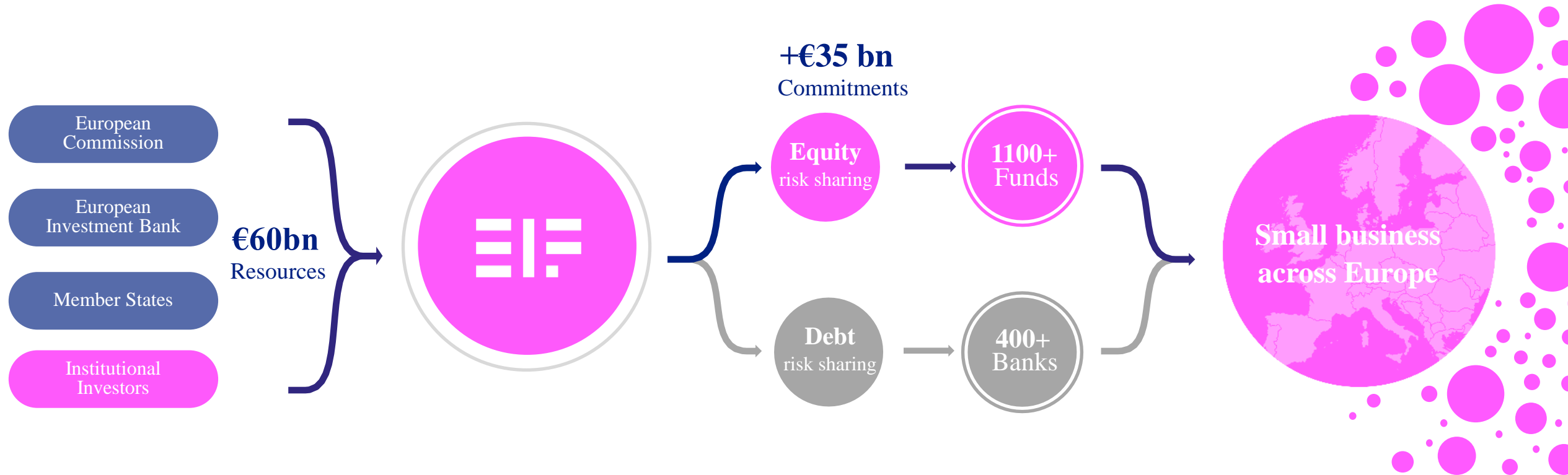
*EIF in Climate and
Environment*

Smart Energy Summit
19 April 2023



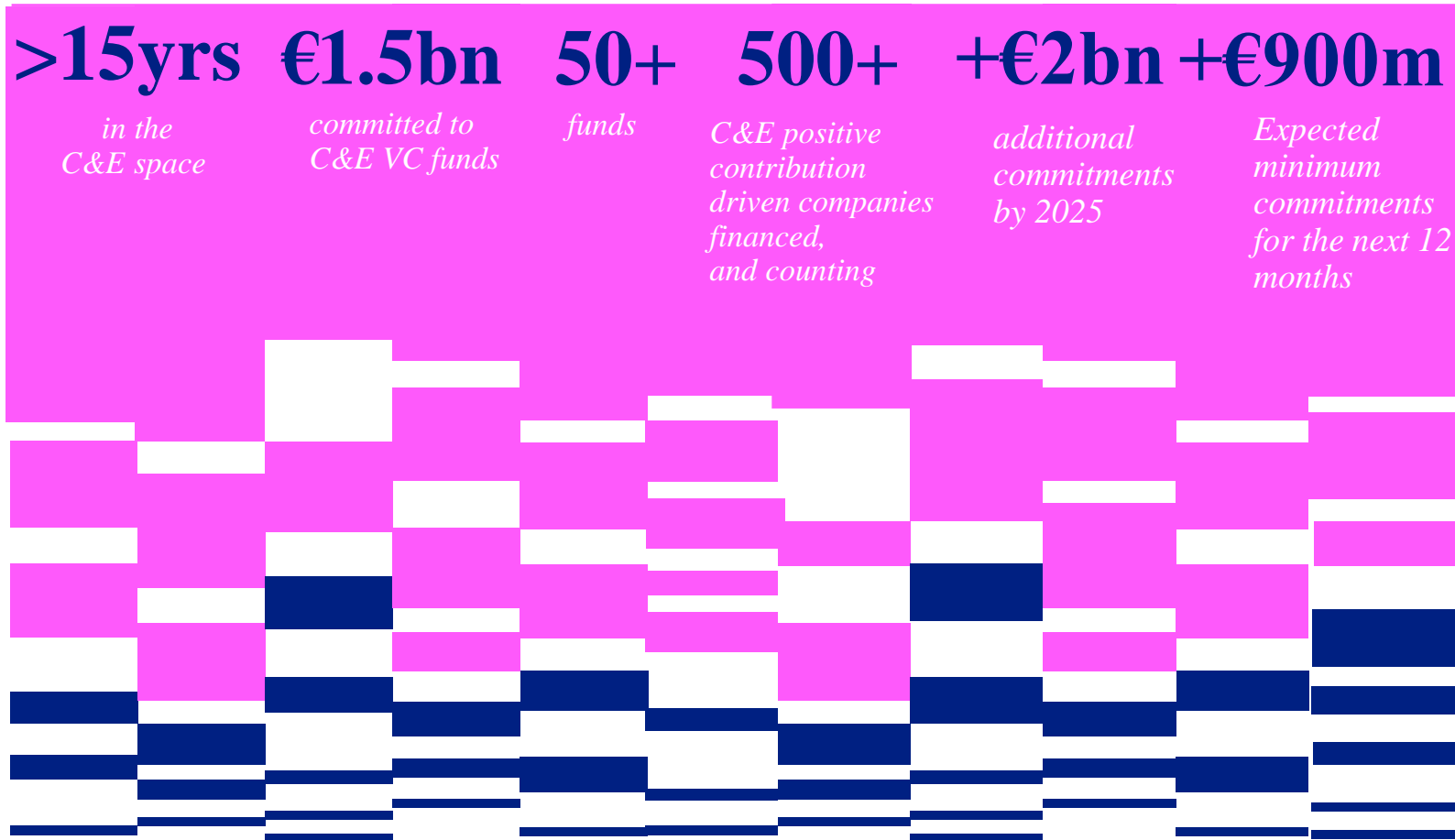
The EIF is a large, reputable provider of SME risk financing

With more than €35bn in private equity and venture capital commitments



EIF in Climate and Environmental focused equity funds

A longstanding, active and committed investor



Pioneer investor with long experience
Early investor in European Climate and Environmental Tech. Investing consistently since 2006.

‘Europe’s largest and most active LP of the decade in cleantech VC’ (Cleantech group)
Over 1.5 bn Euros in fund commitments signed and growing

EIF in Climate and Environmental focused equity funds

Broad and extensive outreach

Broad, diversified and deep coverage

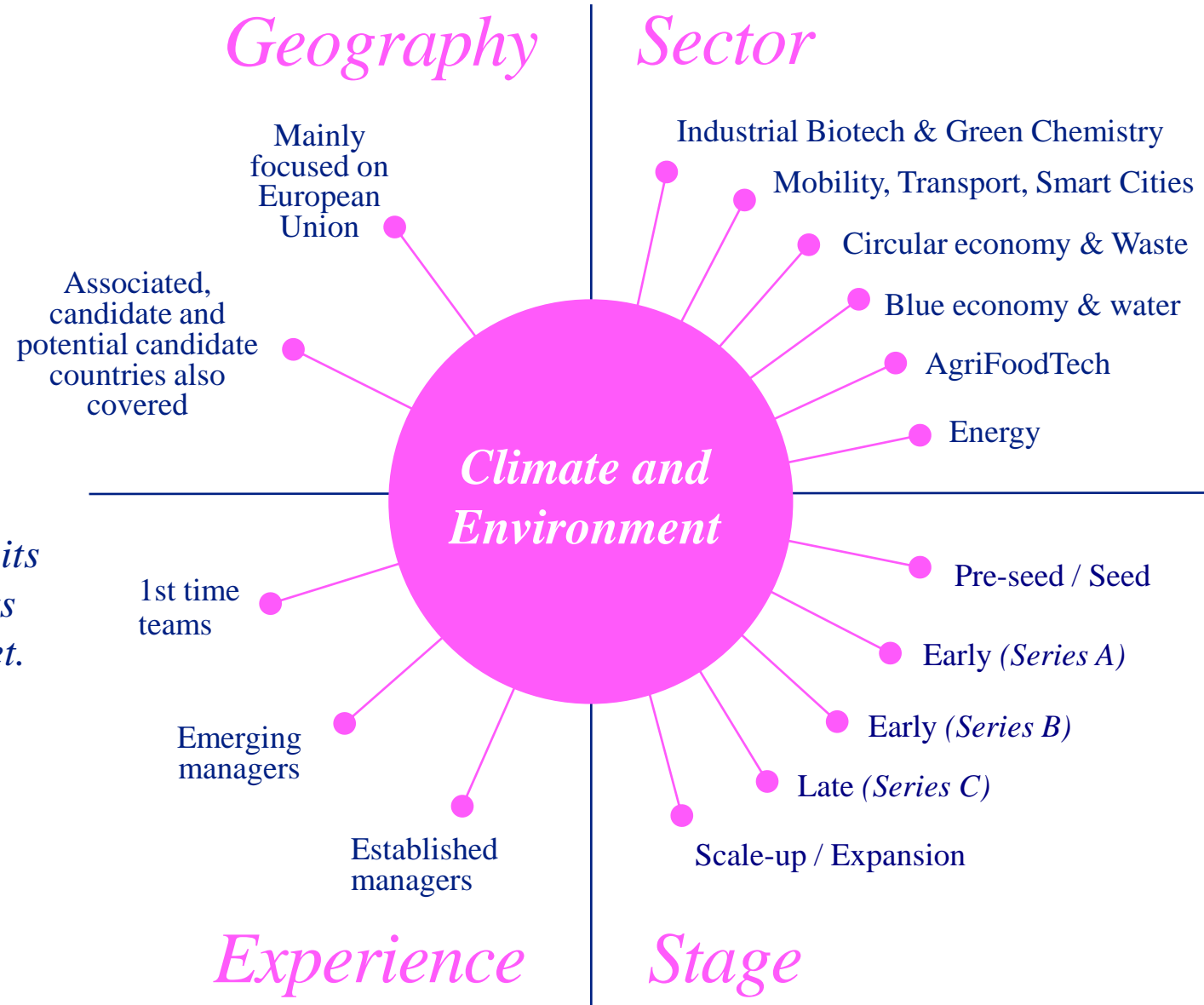
Investing across sectors, stages and geographies. Focus on Europe > 75%, balanced across early and growth stage, diversified across sectors and investment themes.

Engaged and steady market participant

Long term anchor investor committed to the market and its development. On average 25% of total fund commitments helping to catalyse 3 - 4x additional capital to the market. Championing new and emerging teams and investment themes.

Forerunner in Impact Measurement

Design and systematic application of own impact measurement methodology.



The European Climate and Clean Tech market

An industry transformation

	<i>Then</i>	<i>Now</i>
	<p>Nascent</p> <p><i>Overlooked and underserved</i></p>	<p>Developing and Growing</p> <p><i>Long term fundamental drivers with climate integrating into mainstream finance</i></p>
Governments, public institutions & Corporates	Limited regulation from policy makers • Incipient public R&D funding • Lack of corporate interest (business development and M&A)	(Inter)national climate policies in place to redirect funding towards C&E innovation • national policies and industry-level standards emerging globally • increasing decarbonization and net-zero commitments from corporates • growing M&A activity
GPs	Initial fallout amongst first generation • immaturity of market ill-fitted for the VC/PE model (high technology risk, significant capital, long development timelines)	Increased innovation, investment readiness and maturity of technologies/solutions • huge European talent and innovation pool • growing valuations and exit/IPO market • established tech funds shifting towards climate tech • new teams entering market with industry expertise • focus on sustainability and positive climate impact • strong value add
LPs	Emerging unknown sector • lacklustre early returns (risk/return imbalance)	Investors` awareness of role in driving and implementing change • tech and generalist investors gravitating to the climate tech market

CleanTech company performance statics
Cambridge Analytics
 IRR since inception by years of initial investment

2005-2009

0.4%

2010-2014

9.4%

2015-2020

21.8%

State of the European Energy VC/PE Fund Industry

Highlights

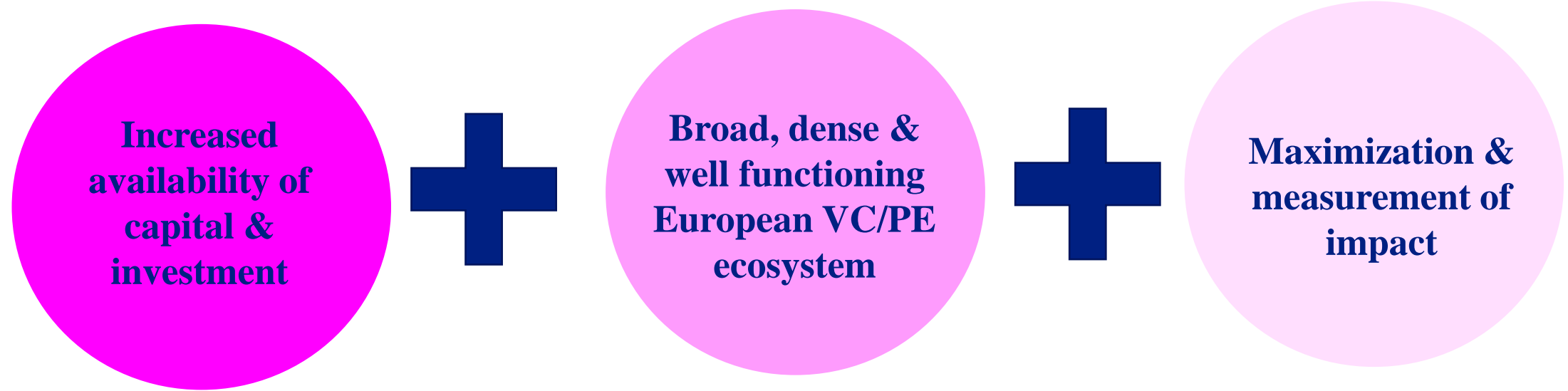
The Positives

- One of the **most dynamic sectors under climate and environment**
- **Transversal theme** cutting across the entire economy and fund strategies
- **Increasing** number of **specialized energy tech funds**
- **Growing LP and investor interest**
- **Strong corporate VC and M&A activity**

The Negatives

- **Still limited investor ecosystem** in relation to market need and magnitude of opportunity
- **Funding shortage** prevalent across **all developmental stages** and encompassing **whole value chain**
- **Bias towards asset light / digital** technologies versus deep or infra tech.
- **Constrained or suboptimal VC fund sizes** limiting investment capacity

EIF Goals and Objectives



- *Ramp-up and acceleration of investment.*
- *New mandates and investment programs (RepowerEU, InvestEU, national mandates ERP, GFF, DFF,...)*
- *Enhanced role of EIF as anchor investor and market builder*

REpowerEU => EUR 2bn

- *Support of qualified new and emerging VC/PE teams and funds with specialized energy strategies*
- *Buildup and reinforcement of the VC/PE ecosystem across the financing continuum*
- *Structuring input and instilling of best market practices*

> 50 new VC/PE energy funds within 5 years

- *Sector wide adoption of impact measurement frameworks and incentive mechanisms*
- *Active tracking and reporting of investments and climate and environmental impact*

High Climate Impact

Thank you

Adelaide Cracco

*Head of Climate and Environmental Impact
Investments*

a.cracco@eif.org

