

Inven Capital is changing its legal form to meet the EIB's condition for EUR 100 million co-investment

Inven Capital, the investment fund of the CEZ Group, has changed its legal form from a closed-end investment fund to a variable-capital joint-stock company (SICAV). With this step, the company fulfills the condition of the European Investment Bank for creation of a joint investment initiative to support the growth of small and medium-sized enterprises in the clean energy and smart technologies sectors. The agreement on co-financing was signed by both parties in mid-December in Prague. The joint investments shall amount to EUR 100 million.

Over almost **three years of investing in energy startups**, Inven Capital, a dedicated investment fund of the CEZ Group, has gained the reputation of a qualified and skilled market player. So far, the fund **has invested in six innovative technology companies**. The high-quality management team of Inven Capital, its investment portfolio, fund performance and the successful due diligence process supported the **decision of the European Investment Bank (EIB) to create a common investment structure**, which will receive EUR 50 million from each of the partners and whose funds will be invested and managed by Inven Capital. One of the visible signs of partnership with the EIB is the **change of the legal form of Inven Capital from a closed-end investment fund to a variable-capital joint-stock company (so-called SICAV), as required by the legislation**. In this structure, two sub-funds will be operated. The first one will be fully owned by the CEZ Group and will include the existing investments and other shares acquired in the future exclusively by the CEZ Group. The second sub-fund will finance projects acquired over the next four years through joint investment activities with the EIB. Based on the requirements of the Investment Companies and Investment Funds Act, the existing equity capital of the fund will be transformed into equity capital and fund capital in equal parts. Together with the capital initially provided by CEZ and additional finances of EIB, **Inven Capital will have capital up to a total of up to EUR 240 million**. The investment period of Inven Capital will be aligned with the investment period of the EIB sub-fund (until 2021). The CEZ Group shall retain full control over the management of the fund.

“So far, Inven Capital’s activities have been contributing to the fulfillment of one of the main pillars of the strategy of the CEZ Group—to develop our activities in the field of decentralized energy and renewable energy sources. Thanks to our partnership with the EIB, we gain access to additional capital. Its confidence is proof for us that our investments in innovative enterprises are the right way to proceed,” says Tomáš Pleskač, Vice-Chairman of the Board of Directors and head of the New Energy and Distribution division of CEZ.

“The individual sub-funds will remain separate from the viewpoint of both accounting and finances, each with its own status and investment strategy,” explains Petr Míkovec, Inven Capital’s Chief Executive Officer.

So far, Inven Capital has realized six investments in the smart energy market. The first of them was carried out in 2015 by investing in **sonnen**, a Bavarian company that is the world's leader in the production of smart battery systems for household energy storage. 2016 saw the acquisition of shares in German companies **Sunfire** (which develops and introduces the most advanced energy technologies contributing to reduction in CO2 emissions and the development of decentralized sources) and **tado°**, the European leader in smart thermostats. Last year, investments were made into **Cloud & Heat Technologies**, a German company involved in energy utilization of heat from corporate datacenters, and the French **Vulog** platform. The company is a major global player in the field of green car sharing. **Part of the production of these companies has been already included in the product portfolio offered to customers of the CEZ Group companies.** Another investment is the indirect investment in the **Environmental Technologies Fund** from London, one of the first European funds focusing on smart energy.

Martin Schreier, ČEZ Spokesman

Inven Capital is a venture capital fund of the CEZ Group. Its strategy is to look for investment opportunities into smaller, innovative and growing smart energy companies in Europe. It focuses primarily on growth investment opportunities in later-stage growth with a sound business model proven by realized revenue and with a long-term growth potential. The goal of Inven Capital is to produce long-term values by actively collaborating with the management of the businesses it invests in and actively supporting organic or acquisition-based growth. Companies in the portfolio of Inven Capital have the opportunity to take advantage of CEZ Group's deep expert knowledge of the energy sector, client base, and technology synergies for their further development. The Fund is a full member of Invest Europe (<https://www.investeurope.eu>—European Private Equity and Venture Capital Association) and CVCA (<http://www.cvca.cz>—Czech Private Equity and Venture Capital Association)