



AZORA LAUNCHES EUROPEAN GROWTH EQUITY STRATEGY TO INVEST IN LOWER MID MARKET COMPANIES THAT ADDRESS DECARBONISATION OF REAL ASSETS

- **Azora has recently filed for the registration of a new private equity fund *Azora European Climate Solutions Fund, FCR* with the Spanish Securities Exchange Commission (CNMV) to invest €250 million of growth equity in European companies that provide solutions for the decarbonization of real assets**
- **The fund, which will be registered under Article 9 according to the SFDR classification, intends to leverage Azora's broader real asset footprint to identify companies and accelerate their growth within Azora's portfolio. CBRE is serving as the strategic advisor to Azora and will assist in the identification of opportunities and value creation strategies by leveraging its European platform of assets**
- **The strategy will be focused on targeting lower mid-market businesses (up to €10 million in annual EBITDA) across three key themes: urban solutions, energy solutions, and sustainable agriculture**

Madrid, 4 May 2023 – Azora has recently submitted a request for the registration of its new private equity vehicle *Azora European Climate Solutions Fund, FCR*, to the Spanish regulator (CNMV). The fund will take a pan-European approach in providing growth capital to lower mid-market businesses (defined as companies generating up to €10 million in EBITDA) that are based in Europe and provide decarbonization solutions for the real economy. The strategy is centered around three key themes: urban solutions, energy solutions and sustainable agriculture. Azora is targeting €250 million of capital commitments to be invested across 10-12 portfolio companies, with average ticket sizes ranging between €10-40 million.

Azora expects it will be able to leverage its €6.5bn platform to identify businesses in a proprietary way and accelerate their growth within the broader Azora portfolio. In addition, Azora will also leverage the services of CBRE's European platform to further expand its pipeline identification and value creation capabilities.

Azora European Climate Solutions Fund is labelled as an Article 9 fund under the SFDR classification and will therefore have specific decarbonization targets and reporting obligations. The fund will target strategic minority or majority stakes in businesses that have proven business models in mitigating the effects of climate change and which need capital to scale.

Azora has already made two investments under this strategy: the acquisition of a strategic stake in ISFA, a Spanish company that has developed a sustainable almond farming practice; and the most recent investment in Abatable, a London-based carbon procurement and market intelligence technology company that helps businesses connect and transact with carbon project developers to offset their carbon emissions.



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The need to address climate change has created an unprecedented investment opportunity across the lower middle market in Europe, which is where most of the innovation is taking place given the supportive regulatory environment. The built world is responsible for over 40% of global CO2 emissions, so the commitment of the Real Estate industry towards Net Zero is paramount and can offer new growth avenues for companies that provide innovative solutions for these objectives to be met.

Azora will leverage its long-standing experience of over 20 years investing and managing real estate assets in Europe along with its technical expertise in renewable energy, to identify companies that address climate change and provide solutions towards the decarbonization of the economy. Azora will provide capital and offer portfolio companies the ability to serve as preferred suppliers to its own and CBRE's European portfolio.

Santiago Olivares, Managing Partner of Azora's Energy, Infrastructure and Sustainability practice, commented: *"The fight against climate change has created a historic investment opportunity to provide capital for companies that provide a solution towards decarbonizing the real economy. With the launch of this strategy, we want to provide our investors with the opportunity to benefit from a strong and secular tailwind and believe our strategy offers a compelling proposition given our intention is to boost the growth of these businesses through both Azora's and CBRE's portfolio."*

Concha Osácar, Founding Partner of Azora, added: *"Azora has been a pioneer in developing scalable investment platforms on the back of durable megatrends and has extensive experience investing in and managing real assets, identifying attractive and sustainable investment opportunities and providing institutional capital where it is most needed. Our European Climate Solutions strategy is another step that demonstrates our commitment with sustainability, reaffirming Azora's position as a value-add partner for investors and businesses which have specific sustainability objectives."*

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About Azora

Founded in 2003, Azora Capital is a leading international alternative investment management platform with over €6.5 billion in assets under management. A pioneer in building scalable platforms on the back of megatrends, Azora Capital has a long-standing tradition investing in real assets, a proven ability to identify untapped investment themes, uncover attractive opportunities and deploy institutional capital where it is most needed. Azora's European Climate Solutions private equity strategy will leverage its expertise in real estate and energy to identify, support and provide growth capital to companies that promote decarbonisation solutions for the real economy.