Hatch Blue is thrilled to announce the first close of the Blue Revolution Fund

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Hatch Blue's second fund, The Blue Revolution Fund has closed its first funding round and hopes to bring third-party verified impact investing to the aquaculture sector.

The current aquaculture market is valued at over $200 billion. Large multinationals entered the space in the mid-2010s and professionalised its upstream industries. Those feed, pharma and equipment companies depend on inorganic growth to maintain their competitive advantage. The Blue Revolution Fund will support the growing demand for innovation in the aquaculture sector while actively working to develop more sustainable and regenerative industry practices. The fund has sector-specific knowledge and focus, which includes an industry-experienced fund management team along with a unique and high-quality dealflow.

As a result of the first closing, Hatch Blue is ready to make investments - typically with an initial ticket of €500,000 to €5,000,000 depending on the company's needs. Investments will be sourced globally and made in the form of equity or equity-like instruments.

The fund focuses on investing in impactful sectors, such as next-generation farming systems, regenerative farms, alternative seafood, aquaculture ingredients, nutrition, farm software/hardware, health and genetics.

"We are looking for novel feed ingredients that are significantly more sustainable but cost-competitive when compared to existing ingredients. In the regenerative farming sections, we are searching for companies that align well with venture-type returns. An area of 'next-generation' farming systems we are especially keen to explore are high-value species that typically have a challenging environmental footprint when farmed conventionally. Technologies, health or genetic solutions that improve feed conversion ratios or survival rates are also of high interest to us given the current rise of input costs and the close alignment with reduction in Scope 3 emissions," says Georg Baunach, Managing Partner and Co-founder of Hatch Blue.

Novel approach to global aquaculture impact investing

The Blue Revolution Fund set fund-level targets that were defined before knowing the portfolio composition. This provides investors with confidence that the team is selecting companies that can positively impact the aquaculture industry. To verify the impact, the fund is working with an independent third-party to assess the investment before financing is approved and will continue to monitor and report on the investment's progress. This is, to our knowledge, a first in the industry for a global fund like ours.

The fund has set 10-year targets for and measures the following impact metrics:

- Portions of sustainable seafood produced
- Tonnes of carbon sequestered or CO? equivalent avoided
- Hectares of habitat-forming area
- Hectares of coastal area impacted by existing farms with a focus on improved environmental outcomes?
- Tonnes of nitrogen removed from coastal waterways
- New jobs created in coastal communities

"Even though I have full trust in our own motivations to positively impact food systems, ocean health and coastal communities, best-practice should be to have a third-party watchdog and involve them in a meaningful way," says Georg Baunach.

Media:

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Related Keywords:

Aquaculture :: Sustainable Seafood :: Farming Systems :: Regenerative Farms :: Alternative Seafood :: Aquaculture Ingredients :: Nutrition :: Farm Software/Hardware ::

Scan Me:

Company Contact:

Hatch Blue

T. 5415149050
E. sarid@hatch.blue
W. https://www.hatch.blue

Additional Contact(s):
Sarid Ditton, Marketing Lead Executive/Communications Director

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