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Impact Expansion announces a second closing above €100m for Impact Expansion Fund I, with the objective of reaching €120-150m by Q1 2024.

Targeting the environment, skilling & education, and healthcare sectors, the Fund aims to support profitable SMEs looking for €5 to €20 million of capital to accelerate their development and increase their impact. The particularity of this team is the complementarity between its four partners, two of whom, François de Borchgrave and Charles-Antoine Janssen, have over 10 years of experience in impact investing as founders and partners of KOIS, a pioneer of impact investing in Europe, having invested in Gojob in France and Belgian Eco Energy in Belgium, with a track record comparable to Tier-1 private equity funds. Before joining the team in 2021, the other two partners, Erick Rinner and Jérôme Fournier Le Ray, have worked together for nearly 20 years at Milestone, a traditional private equity investor with a long solid track-record, and have supported SMEs in their development via MBIs and MBOs, and made more than 40 acquisitions, deploying over €300m in Western Europe. The Fund has already invested in three companies - Potential Project, SomniPlanet and MonKitSolaire - which are providing solutions to burnout in large organisations, sleep apnea treatment and renewable energy accessibility respectively.

Certified "Article 9" of the European SFDR regulation, the Fund has already received the support of the European Investment Fund (EIF) and SFPI (Belgian Sovereign Wealth Fund) as well as other institutional investors, family offices and entrepreneurs, allowing it to reach over €100m for its second closing. The aim is to get to a fund size between the objective of €120m and the hard cap of €150m. *"Despite the current challenging fundraising environment, we are confident we will reach at least our objective of €120m, which is a great testament to the team and to our investment strategy. We are in discussions with many institutional investors throughout Europe willing to invest in the areas of climate & nature, skilling & education, and health, says François de Borchgrave. For over 10 years, we have been supporting SMEs whose main objectives are to address these growing societal and environmental needs, so it is now very pleasing to receive such support from investors"*.

The three sectors targeted by Impact Expansion are in urgent need of solutions. For instance, greenhouse gases must fall by 8% p.a. to reach the Paris agreement target¹ while they have increased by 1% in 2022². Additionally, substantial investments should be made in the skilling & education sector, as 11.3% of the younger population, aged between 15 and 29 years, was

¹ United Nations Environment Programme (2019). Emissions Gap Report 2019. UNEP, Nairobi.

² Artés, T., Oom, D., De Rigo, D., Durrant, T.H., Maianti, P., Libertà, G. and San-Miguel-Ayanz, J. A global wildfire dataset for the analysis of fire regimes and fire behaviour. Scientific data, 6(1), 1-11 (2019).



unemployed in 2022 in the EU, compared to an average EU total unemployment rate of 6.2%³. And finally, Impact Expansion targets the healthcare sector, where public spending has been continuously increasing to represent close to 8.1% % of EU GDP in 2021⁴, remaining a serious burden for pan-European governments.

To measure its impact, the Fund uses the internationally recognised COMPASS methodology, developed by the GIIN (Global Impact Investing Network), which covers the three main pillars of impact: (i) intentionality, (ii) additionality and (iii) measurability. Impact KPIs are negotiated with the companies' management teams prior to each investment, validated by an independent impact committee, and monitored throughout the investment period until exit. 50% of the investment team's carried interest is linked to the achievement of those impact KPIs.

Already three investments in the Fund

Impact Expansion is registered in Luxembourg, supervised by the CSSF, with teams based in Brussels and Paris. The Fund's objective is to invest between €5 and €20 million per company, through majority or minority stakes, which differentiates it from many impact funds that generally only take minority stakes. *"Our deal flow is of very good quality, says Charles-Antoine Janssen, one of the Fund's Partners. Our dual impact and private equity profile is very relevant in the eyes of entrepreneurs, who are increasingly selective. It has enabled us to sign the Fund's first three investments: Potential Project in Denmark, which provides professional trainings in mental health, SomniPlanet in France, which treats patients suffering from sleep apnea, and MonKitSolaire which assembles and distributes affordable solar energy solutions to consumers. It means that prospect investors have now a good view on a quarter of the portfolio we are looking to build"*. The Fund, which invests in Benelux, France, and Western Europe, aims to take participations in a dozen companies, and receives the support of Operating Partners specialised in specific sectors or areas of expertise. *"For example, Philippe Croppi, operating partner with a 30-year M&A experience, is working with us to support certain investments in their buy-and-build strategies, SomniPlanet for instance as well as other on-going projects"*, adds Jérôme Fournier Le Ray, partner in the Fund.

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Custodian bank: Banque Internationale à Luxembourg

³ European Commission. (2023). Unemployment statistics and beyond. Eurostat.

⁴ European Commission . (2023). Government expenditure on health. Eurostat.