

SWEN Capital Partners announces the launch of SWEN Mezz Flex 3, the third generation of its dedicated mezzanine debt fund range

SWEN Capital Partners, a leading provider of sustainable private equity, is strengthening its mezzanine debt activity with the launch of SWEN Mezz Flex 3, following a first closing of €53 million. On this occasion, the fund's management team announces a first transaction to support Sparring Capital in the financing of Afitexinov. The FPCI [*Fonds professionnel de Capital Investissement*], classified as an Article 8 fund under the SFDR regulations, is targeting professional investors with a minimum subscription commitment of €1 million.

With over a hundred professional clients and a unique ecosystem, SWEN Capital Partners is launching the third generation of its mezzanine debt fund, SWEN Mezz Flex 3, to support the growth of French and European SMEs. Its flexible approach (mezzanine + equity) offers management a financing structure adapted to the needs of companies, in a macroeconomic context of tightening interest rates and senior financing conditions by traditional banks. This is a favourable situation for debt providers in their search for the best financing opportunities to create sustainable value over time.

With more than €130 million invested in 36 transactions over the past 10 years, SWEN Capital Partners has a solid track record in the mezzanine market. With a dedicated investment team of 4 people, the management team aims to raise €150 million by the end of the year in order to pursue its investments in France (>50%) and the rest of Europe.

The fund will invest directly in three growth sectors: production and services for tomorrow, wellness and health, and tech (data/software). The target companies are small caps with a value of between €10 and €100 million. The management team expects between 15 and 20 deals over the life of the fund for tickets between €3 and €10 million.

"We are delighted with the launch of the third vintage of SWEN Mezz Flex. The success of the first closing of the Mezz Flex 3 fund is the combination of the support of our investors and the expertise of SWEN Capital Partners' mezzanine and ESG teams who have co-constructed this third generation with strong markers. Indeed, while ESG remains at the heart of Mezz Flex 3's strategy, the human resources, data and tools such as NEC are unparalleled. We are therefore confident about the fund raising, especially as it is positioned in the European small cap segment and has a strong European deal flow", says Jérôme Delmas, Managing Director at SWEN Capital Partners.

ESG as a common thread

Classified as an Article 8 fund under the SFDR regulation, this fund, like all its marketed products, benefits from SWEN Capital Partners' robust expertise in ESG analysis, developed over the past 10 years. The ESG team, composed of 9 employees and led by Isabelle Combarel - Deputy Managing Director in charge of development and ESG - will support the mezzanine debt team in assessing the maturity of assets in relation to key sustainability issues, in identifying areas of improvement and in supporting them on specific performance indicators. The fund also has a minimum sustainable investment target¹ of 10% and will adhere to strict criteria for financing activities with a positive

¹ According to article 2.17 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 and as specified by SWEN CP and available on its website: <https://www.swen->

environmental impact as measured by the Net Environmental Contribution (NEC) score of each of its investments (minimum investment threshold of 10% NEC score).

Several ESG tools have been put in place, veritable compasses of responsible investment that have been at the heart of every decision for over ten years.

A first operation in line with the fund's objectives

The fund announces today its first transaction in the context of a majority stake acquired by Sparring Capital in Afitexinov. Created in 2019 from the merger between Afitex and Texinov, Afitexinov is one of the French leaders in the geosynthetics market, textile products made from polymer materials for the purpose of separating, protecting, filtering, reinforcing or draining soil and surfaces. Its solutions respond to concrete environmental problems related to soil protection.

The group, which has a solid innovation capacity (current portfolio of 23 international patents), thanks in particular to an internal R&D team, has a strong international presence with production sites in France, the United States and Algeria. In a fast-growing global market (around 10% per year), and thanks to its innovative product positioning, the company has experienced sustained growth in recent years with more than 150 employees worldwide.

This investment should enable Afitexinov to accelerate its development in the coming years, both by continuing to extend its geographical coverage and by carrying out targeted external growth operations. Its development will also be driven by the dynamism of the underlying industries and the increasing use of geosynthetics in line with current environmental concerns. Indeed, thanks to their technical properties of filtration, waterproofing, separation or drainage, these products make it possible to preserve water and soil, and to extend the life of infrastructures and roads.

"With its innovative products that address real issues, Afitexinov is perfectly aligned with our strategy to invest in companies dedicated to environmental protection. We are also delighted to collaborate with Sparring Capital, with whom we share the ambition of supporting the growth of companies with quality management," says Diego Felipe Aponte, Head of Debt Management at SWEN Capital Partners.

Arnaud Leclercq, CEO of Sparring Capital, adds: *"The Afitexinov group, which operates in a fast-growing market, quickly attracted our attention due to its innovative positioning on high value-added products. Indeed, the environmental dimension of the proposed solutions, which contribute to the protection of soils and natural resources, constitutes a very attractive growth vector. We are therefore enthusiastic about the idea of accompanying the group in its future development, both in France and internationally."*

Sébastien Mathiot, future President of Afitexinov, said: *"We are delighted to continue this adventure alongside renowned investors such as SWEN Capital Partners and Sparring Capital. This transaction will allow Afitexinov to strengthen its development in the elaboration of innovative products and to further expand internationally."*

About SWEN Capital Partners

SWEN Capital Partners is a leading player in sustainable private equity investment with over €7.5 billion* of assets under management and/or advisory in Europe and a team of over 80 employees. The management company, owned by the Ofi Invest group (whose main shareholders are entities of the Aéma group: Macif, Abeille Assurances holding, Aésio Mutuelle) and Crédit Mutuel Arkéa, as well as its team, has always placed the ESG & impact approach at the heart of its approach and offers its clients innovative and sustainable investment solutions.

SWEN CP supports entrepreneurs and its partners in addressing social, societal and/or environmental issues and creating sustainable value, which it believes is essential for useful financing. For more information, please visit <https://www.swen-cp.fr/>.

** Calculated as the amount of accumulated liabilities*

About SWEN MEZZ FLEX 3

SWEN Mezz Flex 3 is a professional private equity fund (FPCI) which has not been submitted to the AMF for approval. The Fund may therefore adopt specific management rules which are not applicable to authorised funds. The attention of potential investors is drawn to the fact that the subscription, acquisition, sale or transfer of Units, directly or through an intermediary, is reserved for informed investors listed in Article 423-49 of the AMF's General Regulations and who do not possess the experience, knowledge and competence necessary to make their own investment decisions and correctly assess the risks involved.

Before investing in this Fund, you should understand how it will be managed and the particular risks involved in its management. In particular, you should be aware of the specific terms and conditions of operation and management of this Fund as set out in the Fund Rules, as well as the conditions under which the Fund Rules may be amended.

Press contacts

SHAN

Alexandre Daudin - alexandre.daudin@shan.fr / 06.34.92.46.15

Lola Gozlan - lola.gozlan@shan.fr / 06.24.76.83.40

Hugo Vanier - hugo.vanier@shan.fr / 07.64.86.27.40

SWEN CP

Lola Fornari - fornari@swen-cp.fr / 06.49.87.28.35