



Case Study Updated
April 2025

REV3 Capital Hauts-de-France

France





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Table of contents

1 Executive summary	4
2 Design and set-up of the 2014-2020 financial instrument	6
2.1 Introduction	6
2.2 Design and set up	6
3 Implementation	9
3.1 Invested amount and prominent sectors	9
3.2 Technical assistance	9
3.3 Examples of companies benefitting from the REV3	10
3.4 Divestments	11
3.5 Recent developments	11
4 Conclusion	12



Executive summary

CAP Troisième Révolution Industrielle (CAP TRI), was the first financial instrument which combined resources from European Structural and Investment Funds (ESIF), with European Investment Bank (EIB) funding guaranteed by the European Fund for Strategic Investments (EFSI). The financial instrument was subsequently renamed REV3 Capital and was originally described in a fi-compass case study published in December 2016¹.

This update aims to revisit the financial instrument, to explore its development and implementation progress since the initial case study was completed.

¹ <https://www.fi-compass.eu/library/case-studies/cap-troisieme-revolution-industrielle-nord-pas-de-calais-france>.



REV3 Capital Hauts-de-France (REV3)

THE FINANCIAL INSTRUMENT

Funding source and financial size

EUR 39.4 million total resources comprising: EUR 16.5 million - ERDF; EUR 12.6 million - EIB investment guaranteed by the EFSI; EUR 6.3 million - Crédit Agricole Nord de France; Groupama - EUR 3.9 million; Nord Capital Partenaires – EUR 0.1 million.

Type of financial products

Equity and quasi-equity combined with grants for technical assistance in a single operation.

Thematic focus

Low carbon economy (Thematic Objective 4).

Timing

2015-2031

First investment period: eight years (2016-2023), subsequently extended to 31/12/2024.

Life-time of the financial instrument: open end, with possible exit after 15 years.

Partners involved

Managing authority

Hauts-de-France. This is the region's new name following the merger of Nord-Pas-de-Calais and Picardie regions.

Fund manager

Nord Capital Partenaires SAS in partnership with Finorpa.

Investment fund

REV3

Private co-investors

Crédit Agricole Nord de France

Groupama

EIB

ACHIEVEMENTS

Absorption rate

From the initial EUR 100 million planned, EUR 39.4 million have been finally mobilised. Regarding the EUR 2.5 million planned for technical assistance, EUR 0.240 million have been mobilised.

Co-financing

Part Crédit Agricole Nord de France, pari passu with ERDF in the capital of the fund, and part private investors at project level (for at least 50% of each project amount).

Expected return

An estimated 6% Internal rate of return (after fees) over 15 years following the launch of the fund. The currently realised three full exits and two partial exits achieved a weighted average of 1.4x.

Re-investment

The fund realized three full exits and two partial exits amounting to EUR 10 million in cash, the fund reuses the cash received to invest in other opportunities.

Main results

REV3 has invested EUR 30 million in 18 companies with an average investment of EUR 1.7 million.

02

Design and set-up of the 2014-2020 financial instrument

2.1 Introduction

By way of recap, the financial instrument aimed to support the Nord-Pas-de-Calais region become the first carbon-neutral French region by 2050. Funded by EUR 16.5 million ERDF during the 2014-2020 programming period, the financial instrument provided equity and quasi-equity mainly into small and medium-sized enterprises (SMEs), as well as mid-caps and/or Special Purpose Vehicles (SPVs). REV3 supports the following investment priorities: circular economy, energy efficiency, renewable energy, network and storage and smart mobility. In line with the recommendations of the ex-ante assessment, part of the ERDF funding was also dedicated for technical support (combined in a single operation).

2.2 Design and set up

The managing authority selected the fund manager Holdco, which is a partnership of Nord Capital Partenaires and Finorpa to manage the financial instrument. Nord Capital Partenaires is a local fund manager which was created in 2010, with EUR 300 million of assets under management as of December 2024. The main owner (66%) of Nord Capital Partenaires is Turenne Capital, (a fund manager) and Credit Agricole Nord de France owns the remaining 34%. Turenne Capital and Nord Capital Partenaires share the same back office to capture synergies and efficiencies in managing financial instruments.

The fund manager has a team of ten professionals, including two investment managers fully dedicated to the Holdco from the start, one of which had previous experience in the region in similar investment activities. There is a supervisory board and an investment advisory committee to oversee operations.

In terms of remuneration, Nord Capital Partners receives a fixed annual fee, a percentage on equity disbursed and a percentage on investments (at cost).

Holdco had initially planned to raise EUR 100 million in two stages as described overleaf.



Co-investors	Type	Stage 1 (end of 2015) (in EUR million)	Stage 2 (2017-2018) (in EUR million)	Total (in EUR million)	Actual Figures as of 31/12/2023 (in EUR million)
Nord-Pas-de-Calais region (ESIF)	Equity	15	-	15	16.5****
Picardie region (ESIF)*	Equity	-	15	15	-
CDC (French NPB)**	Equity	15	5	20	-
EIB***	Mezzanine debt	15	5	20	12.6
Private investors	Equity	5	25	30	10.3
Total (EUR m)	-	50	50	100	39.4

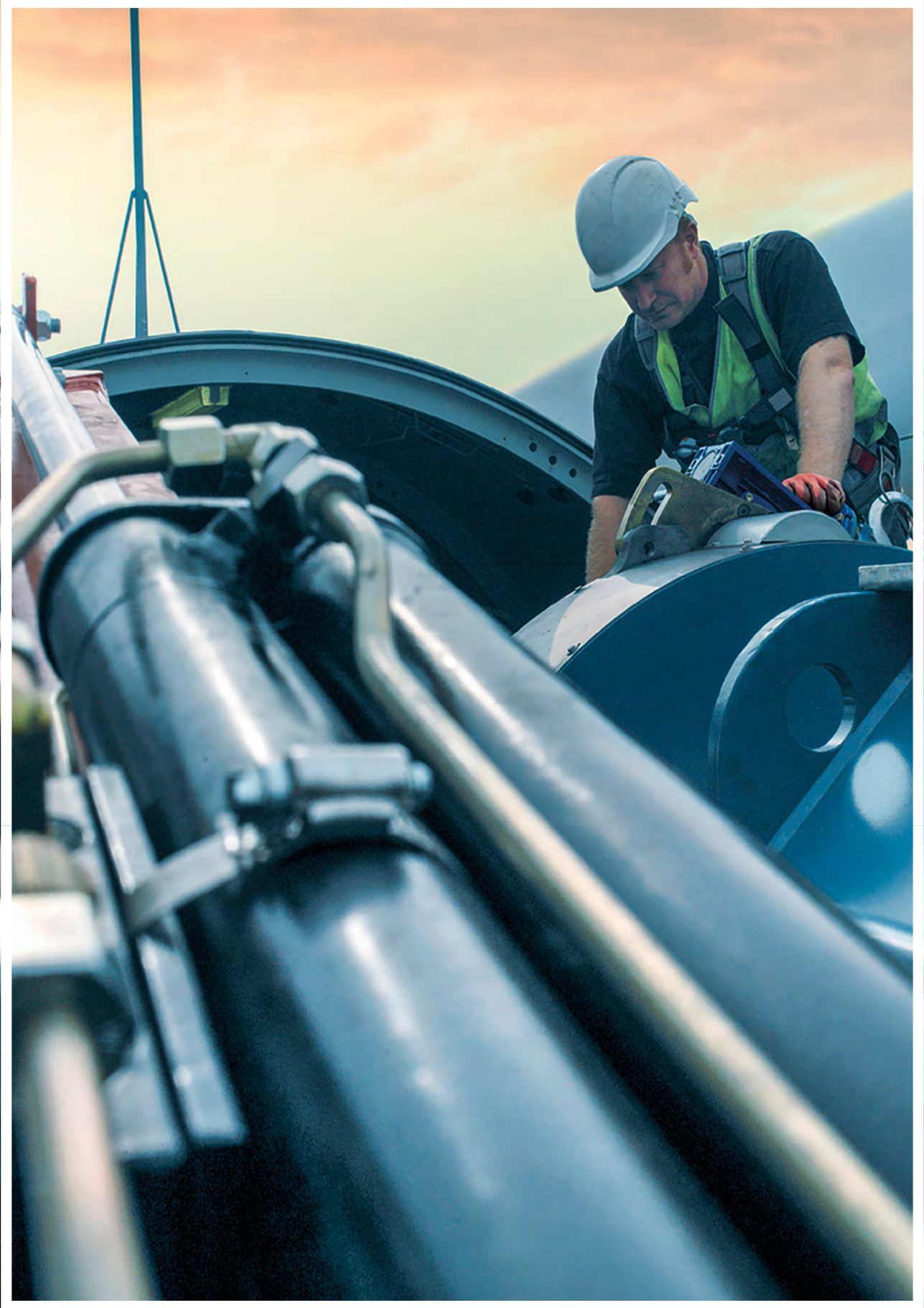
* Picardie region merged with Nord-Pas-de-Calais in January 2016 but still had a separate ESIF operational programme (now Hauts-de-France since the merge).

** La Caisse des Dépôts (CDC) withdrew from the project before signed. Groupama committed EUR 3.9 million in 2016.

*** EIB loan cannot exceed 47% of the equity of the fund.

**** Participation as Hauts-de-France.

As is demonstrated in the table above, the actual investment mobilised was lower than the original projections. As a result, Hauts-de-France region, provided less than out the initial EUR 30 million planned, i.e. the combined planned contribution of former regions Nord-Pas-de-Calais and Picardie. More specifically, the region provided EUR 16.5 million (instead of EUR 30 million as originally committed), while CDC withdrew from the project, and was only partially replaced by Groupama, i.e. EUR 3.9 million instead of EUR 20 million, Credit Agricole EUR 6.3 million and Nord Capital Partners 0.1 million. The reason for the lower amounts was, as explained by the fund manager, that the regional deal flow was narrower than initially envisaged, hence the recalibration of the final amounts. In addition, CDC eventually decided to invest directly to individual entities instead of participating as an equity investor in the fund. These changes delayed the launch of the fund, while the lower level of participation of private investors made the full utilisation of the EIB loan impossible.



03 Implementation

3.1 Invested amount and prominent sectors

Initially, the financial instrument intended to invest only in entities based in Nord-Pas-de-Calais, however, after the finalisation of the merger between Nord-Pas-de-Calais and Picardie, REV3 extended its geographical coverage to the merged larger region called Hauts-de-France. The necessary change of statutes to enable this amendment was approved by all participants, the managing authority and the EIB.

REV3 invested EUR 30 million from 2016 to 31/12/2023, in eighteen different companies with equity or quasi-equity investments. The average investment size was EUR 1.7 million. The most prominent sector is renewable energy with investments in eight companies, followed by smart mobility (three companies), circular economy (two companies), waste management (two companies), energy efficiency (two companies) and network and storage (one company).

The table below shows the activity of REV3 since its inception.

Year	Invested Amount (in EUR million)	Operations
2016	1.5	1
2017	4.0	3
2018	5.2	3 (1 reinvestment)
2019	5.2	3
2020	3.7	4 (1 reinvestment)
2021	1.0	2(1 reinvestment)
2022	3.0	1
2023	6.3	5 (1 reinvestment)
Total	29.9	22 (4 reinvestments)

3.2 Technical assistance

The financial instrument provided support to potential beneficiaries in preparing their project, technically, financially, and legally with the aim to help beneficiaries submitting more complete files to the fund manager with a cap of EUR 100 000 per beneficiary. However, the utilisation of the technical assistance envelope of EUR 2.5 million was lower than expected at only EUR 240 000. The underlying reason for the low utilisation of this envelope was that the technical assistance needs of potential beneficiaries were much more limited than initially envisaged and estimated in the ex-ante assessment and subsequently there was low demand for it as confirmed by the fund manager.



3.3 Examples of companies benefitting from the REV3

DREKAN GROUP

A world dedicated to **servicing energy**

The DREKAN group, located in Beautor, a commune in the department of Aisne in Hauts-de-France, specializes in the industrial maintenance of rotating machines (from the electric motor of a concrete mixer to the turbine of a nuclear power plant and the generator of a wind turbine). Under its circular economy investment priority, REV3 intervened with an equity investment of EUR 1.5 million in 23/12/2016 and accelerated the development of the group and the launch of a subsidiary dedicated to the reconditioning of wind turbines. During the summer of 2023, the fund accepted a proposal to exit Drekan Group. However, the exit has not yet been finalised.

AIRFLUX

EXPERTISE & SERVICE
DANS L'AIR COMPRIMÉ

The company, based in Lille, offers compressors, vacuum pumps and generators along with after-sales, rental, maintenance, reparation and other additional services that are focused on areas including compressed air, medical vacuum, on-site production of nitrogen and ice water and energy management, thereby enabling clients to enhance their industrial productivity. After an initial investment of EUR 1.0 million in 01/06/2017, under its energy efficiency investment priority, REV3 invested an additional EUR 1.0 million in 01/05/2018. Both investments were in convertible shares maturing in 31/08/2026.

LMK Energy

LMK Energy, located in Mazingarbe, a commune in the Pas-de-Calais department, is a regional player in the wood energy sector focussing on traditional wood trading and the production of densified wood. The investment by REV3 (EUR 1.2 m in shares) in 17/07/2019 part of a capital increase of EUR 3.8 million, facilitated investments in new technology. REV3 currently holds 11.1% of the total capital and for the time being there are no exit discussions.

TIAMAT

TIAMAT, based in Amiens the historical capital of the former Picardie region, is a pioneering start-up in the development of sodium-ion batteries. The company aims to build its own gigafactory, located in Boves near Amiens (Picardy). Stellantis² invested an undisclosed amount in Tiamat's capital in 2023 to facilitate the development of the company. REV3 invested EUR 0.5 million in 23/12/2020 and EUR 0.5 million in 12/12/2023 in the company and currently holds 4.9% of the total capital and for the time being there are no exit discussions.

Everydens

This company, based in Lille, is a software developer specialized in the optimization of rail and multimodal flows. It combines 3 processes - planning, steering and analysing - in a single solution to digitalise all industrial rail freight operations. Rail is a strategic priority for the Hauts-de-France region, and the company has all the potential to become one of Europe's leading platforms for digitalising rail flows, with a significant impact in terms of decarbonisation. REV3 invested EUR 1 million in the company, in 20/04/2023 and currently holds 5.3% of the total capital and for the time being there are no exit discussions.

² Stellantis N.V. is a multinational automotive manufacturing company formed from the merger in 2021 of the Italian-American conglomerate Fiat Chrysler Automobiles (FCA) and the French PSA Group.



3.4 Divestments

Indicatively, in the first quarter of 2023 the disinvestment from GAZONOR's was completed, a company specialised in the management and operation of coal gas evacuation following the shutdown of mining work. The transaction resulted in a capital gain of EUR 2.5 million, i.e. an IRR³ of 14%. Another divestment transaction was carried out in the fourth quarter of 2023 from CIEL & TERRE, a company specialised in floating photovoltaic, resulting in a capital gain of EUR 563,000, i.e. an IRR of 8%.

3.5 Recent developments

The investment period of the fund was initially until 31/12/2023 in the fund management mandate, however it was extended up to 31/12/2024, with a view to allow the fund to deploy some EUR 5-7 million in further investments for which it has already signed Letters of Intent. Moreover, the maximum amount per investment was amended on 14/12/2020 so that it should not exceed more than 10% of the total amount of the fund (an increase from the currently fixed maximum amount of EUR 3.03 million).

As of 31/03/2024, REV3 had EUR 15 million cash available. The remaining available amount of the EIB loan (EURO 7.4 million) was cancelled and no further drawdowns are possible.

In October 2024, it was decided to increase the fund's size by EUR 12.4 million with no further ERDF contribution. The capital increase was subscribed by the existing shareholders while a new investor, Nord Est Expansion, a holding company based in Reims, participated also in the capital increase by EUR 0.8 million.

Co-investors	Type	Actual Figures as of 31/12/2023 (in EUR million)	Figures after the proposed capital increase (in EUR million)
Hauts-de-France	Equity	16.5	24.5
EIB	Mezzanine debt	12.6	12.6
Private investors (Groupama, Credit Agricole Nord de France, Nord Est Expansion, Nord Capital Partners)	Equity	10.3	14.7
Total (EUR m)	-	39.4	51.8

The goal would be to continue its finance strategy on the Hauts-de-France region while widening the scope to industrial start-ups, as it aligns with the current investment priorities of the Region, while also the fund manager expects an increased deal flow from the change. Therefore, the fund is planning to:

- widen the scope of eligible investments;
- extend the investment period by 5 years until the 31st of December 2028;
- amend the remuneration of the fund manager.

3 Internal rate of return.

04 Conclusion

This was the first financial instrument in France to combine ESIF with funds from private investors and EIB in a sector-focused financing vehicle investing in the low carbon economy. Moreover, as the EIB loan supported the development of SMEs and mid-caps by improving their access to finance and their competitiveness, it benefited from the EU Guarantee in accordance with the then existing EFSI Regulation, therefore providing funding to the fund at very competitive terms and conditions.

This was an innovative structure for the French market, leveraging on regional public funds in a cohesion priority region, in line with the regional and national strategy for low carbon investments. The fund has eventually attracted lower private funds than originally planned while also the level of investment was lower than expected. Nevertheless, there are some mitigating factors for this as well as some specific lessons to be learned.

On the one hand, the delay in the launch due to the change of equity investors reduced the initial investment window. On the other hand, the regional and sectorial focus of the fund, and despite the enlargement of the targeted area due to the merge of the Picardie region with Nord-Pas de Calais in January 2016, (now Hauts-de-France since the merge), shows that often a narrow geographical and sectorial focus can restrict the potential pipeline of deals. In this context the fund aims to increase the sectoral focus, as highlighted above, aiming at a higher level of activity that otherwise seems possible.

Despite the above explained difficulties and limitations, this financial instrument is targeting decarbonisation through a holistic approach as it has been evident from the fund's investment strategy, the availability of technical assistance, the way green objectives are reflected in the assessment of applicants, the realised investments and the results achieved.

Although as illustrated, the operational difficulties encountered have slightly slowed down the deployment and expansion of the financial instrument, the innovative character of the financial instrument should not be overlooked, backed by an ongoing solid political commitment.

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