VAN LANSCHOT KEMPEN

INVESTMENT MANAGEMENT

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For Professional Investors only

From pilot to progress

The missing link between proven innovation and real-world impact

The societal value of innovation lies not only in the idea itself, but above all in the extent to which that idea is put to work. Technology can help address social and environmental challenges, but measurable impact only really emerges once adoption becomes broad-based. At that point, scale becomes a powerful accelerator of impact. Companies that have moved beyond the pilot phase and are ready for their next stage of growth can play an important role in turning innovation into broader impact.

Growth beyond the pilot phase

Companies in the growth and late-stage venture phase are ready to scale. At this stage, they have typically reduced much of the technological risk: their products have been tested in real-world settings and early commercial traction is visible. In other words, the company has shown that its solution can be rolled out more widely, and that customers are prepared to pay for it.

The next step beyond the pilot phase, however, is often capital-intensive. Companies may need to expand production capacity, strengthen their organisation and enter new markets. At this point, investor capital can play an important role.

Growth capital therefore typically targets companies that:

- have proven technology;
- show commercial traction through revenues and customers;
- have a business model with clear scaling potential;
- are looking to enter new international markets and have already laid the foundations to do so.

Examples from the portfolio on page 3

> By providing carefully selected companies at this stage with capital, investors can help proven technologies find their way into existing markets and value chains. These investments therefore support the transition from a working solution to broad commercial application.

Impact at scale

When scaling succeeds, impact can gather momentum. Where the positive impact of a solution is directly linked to how widely it is used, growth can translate into a meaningful increase in impact. Take, for example, packaging technology that reduces material use and helps avoid unnecessary energy and resource consumption. Or a healthcare company that can reach more customers with better care.

In well-selected impact investments, financial and societal value creation should reinforce each other. Scale should therefore lead not only to higher revenues, but also to greater impact — provided the impact per product, customer or application remains clear and demonstrable as the company grows.

This transition from proven solution to broad commercial application also highlights an important distinction between growth-stage companies and, for example, buyout investments. Buyout companies can also offer highly impactful technologies, but further expansion is often more about operational improvement, market consolidation and professionalisation. That may create value, but it does not necessarily multiply impact. The move from pilot to broad adoption is different: here, the impact can be transformational.

Experienced partners add value and bring a systemic perspective

Moving into the next phase requires more than capital alone. As companies scale, the focus shifts from technology development to execution: expanding production capacity, entering new markets, and strengthening governance and operational processes. At this stage, a specialised and experienced investor can add value not only as a source of capital, but also as a strategic partner.

That is why Private Global Impact Solution (PGIS) works with specialised partners that have a proven track record. Through robust governance, strategic support and international networks, these partners can help companies manage risk and navigate growth. We also expect the fund managers we work with to back technologies with the potential for systemic impact: solutions that, once more widely adopted, can contribute to the sustainable transformation of markets, value chains and sectors.

> At the inflection point between proven technology and large-scale application, growth and late-stage venture companies can play an important role. By helping them take that next step, investors can support the move from a promising solution to broader adoption — and contribute to changes that set markets and sectors in motion. In this way, scale becomes a powerful driver of impact.

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Innovation in the scaling phase: Examples from the Private Global Impact Solution (PGIS) portfolio

Open Cosmos

Earth observation as a scalable climate solution

Open Cosmos develops compact, modular satellite platforms that can be deployed faster and at lower cost than traditional space missions.

Its technology is already being used by governments and companies that need reliable, up-to-date Earth observation data — for example to monitor deforestation, assess climate-related damage and natural hazards, or track compliance with environmental regulation.

Through its space-as-a-service model, customers can access data rather than using own satellites, opening the door to wider adoption. As the solution is rolled out across more countries, its commercial relevance and societal value can grow in tandem. In this case, scale is not about a single mission, but about repeatable international application.

Tropic Biosciences

Reducing food waste, lowering emissions

Tropic Biosciences develops crop varieties with a longer shelf life and stronger disease resistance.

In doing so, it tackles a major source of food waste: spoilage between farm and consumer. Less waste means less production and transport — and therefore lower CO_2 emissions.

The company recently developed a banana variety that is resistant to the notorious TR4 disease and stays fresh for longer during transport, storage and sale. That can reduce pressure on farmland and resources, while also helping to lower emissions.

Tropic is now at a commercial inflection point: the technology has been validated, demand from major players in the food value chain is clear, and the business model is scalable. As commercial rollout gathers pace, impact and value creation can move forward together.

Battery Smart

Scaling through convenience and smart distribution

India's Battery Smart enables drivers of electric rickshaws and scooters to swap an empty battery for a charged one in just a few minutes.

Battery swapping is faster than charging, and drivers do not need to buy an expensive battery themselves.

In a country where motorised two-wheelers are essential to economic life, this can help accelerate large-scale electrification. Battery Smart also stands out for its simple distribution model: it works with thousands of local shopkeepers and entrepreneurs who host its battery-swapping stations. This allows the network to expand quickly. Here, the innovation lies not only in the technology itself, but in the scalable system built around it.

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The value of your investment may fluctuate. Past performance is no guarantee of future results. Potential investors should be aware that the underlying investment funds often pursue a more alternative investment policy than traditional investment funds. Some investments, particularly private, non-listed investment strategies, may involve assets that are illiquid, difficult to value and/or exposed to high market, credit and liquidity risk, including the risk of insolvency or default. In such circumstances, an investor's ability to reduce their interest in the strategy will be limited by a lack of available liquidity.

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