

#Believe
InSmall

Growing *positive*
social impact



What is a impact-driven enterprise?

At the EIF, these three values must all be present

Intentionality

The enterprise must have a *clear purpose* in providing entrepreneurial solutions to societal problems and must also state this purpose transparently in their *business strategy*

Profitability

The enterprise must seek impact in a *commercially profitable* manner – meaning that there needs to be a clear *positive correlation* between the *impact* they pursue and their *economic value creation*

Scalability

The enterprise must in addition display a clear *commercial drive* to seek financial sustainability and be able to *manage growth* in time – in a way which still holds true to its social impact business model

The rise of social impact investing

The world is changing

In order to foster a sustainable future in line with the United Nations SDGs; *sustainable investment* is also on the increase

“Doing good” is also a commercial opportunity

Social enterprises are breaking free of their exclusive associations with charitable or philanthropic entities. The truth is that the *majority of social impact investors seek competitive, market-rate returns*

New investors are moving in

As a result, the social impact space is drawing *new and diversified investor* attention. In a still quite nascent sector, these investors will shape the ecosystem

The future of investing

Bust the myth of impact without profit

Shape the social impact landscape

A selection of EIF VC-backed impact-driven enterprises

Impact is a *strategy* that is achieved through technology-enabled companies active in all verticals.



media4care



OPENCLASSROOMS



Clever Connect



Education

Healthcare

Employment

Food & agriculture

Circular economy

Inclusion & Civictech

The EIF's experience in the social impact space

Over
10
Years in the social space

€2.4bn
Of current available resources

€958m
Deployed so far

...and specifically in the social impact venture capital space...

€505m
Committed to equity funds

37
Managers

600+
Impact-driven companies financed, and counting

The EIF's approach to developing equity ecosystems

The aim:

Building the ecosystem and diversifying investor base

The role:

Market developer

Market catalyst

Market access

Investing in:

New teams, markets, segments

Funds with unrealized track records

Funds with proven track-records

Benefits:

- Investments in untapped opportunities
- First mover in emerging markets and sectors
- Structuring input and best practice
- Providing a quality seal

- Long-standing relationships with managers
- Extensive deal visibility
- Envious access to oversubscribed funds

Higher risk funds

Institutional grade funds

Inside EIF's impact portfolio

Social Venture Fund II: German Ananda's second impact fund



ANANDA
Impact Ventures

Key facts

Founded
2010

Fund Size
Social Venture Fund II: EUR 22m
Ananda Impact Fund III: EUR 50.4m

EIF investment
In SVFII: EUR 10m
IN AIF III: EUR 15.2m

Investment stage focus
Seed, early stage venture

Location
Munich, Germany
London, UK

Strategy & USPs

- Founded by Florian Erber and Johannes Weber, VC investors and serial entrepreneurs *dedicated to solving environmental and societal problems*
- Investing in a companies at an *early stage* (Seed / Pre Series A / Series A) & looking for *mission-driven entrepreneurs* who want to build outstanding impact companies.
- Overall, Ananda currently holds a portfolio of *27 companies*
- Investment range: *€2m – €7m*
- Ananda is also able to offer *syndicated rounds* of up to *€ 20m* thanks to its *networks of international partners*

Some portfolio highlights



60,000 successful
mental health
treatments



76,000+ pupils taught



250,000+ seniors
reached

Find out more about Ananda's latest market insights [here](#)

Inside EIF's impact portfolio

Citizen Capital: a leading impact-driven private equity fund in France



Key facts

Founded
2008

Fund size
Citizen II: EUR 42.9m
Citizen III: EUR 72.9m (and raising)

EIF investment
Citizen II: EUR 15m
Citizen III: EUR 30m

Investment stage focus
Early stage to growth

Location
Paris, France

Strategy & USPs

- Laurence Mehaignerie and Pierre-Olivier Barennes, the co-founders of Citizen Capital are *strong advocates of social impact*
- Investing over a broad range of themes including *life essentials* (health, aging,...) *human empowerment* (Education, Employment, Civic tech...) and *environmental transition* (circular economy, low carbon models...)
- Citizen Capital offers a combination of *strategic, financial, operational guidance* to the companies in which they invest
- Currently holds a portfolio of *15 companies*
- DPI: *0.97x (Q3 2022)*
- Investment range: *€400k – €5m*

Some portfolio highlights

lalilo 650,000 apprentice readers

Clever Connect 7 million registered users

OPENCLASSROOMS 2 million monthly users

NASKEO 60,000+ green gas heated homes in 2020

Find out more about Citizen Capital's latest market insights [here](#)

SIA's impact performance

Although many of SIA's funds are still deploying their money, looking at thematic impact multiples, we see some already promising impact data

Looking at SIA portfolio companies active in the sector of

These companies are collectively achieving an impact target of

One example SIA portfolio company is

Education

0.96



This means that these companies have so far achieved 96% of their set targets

Helping over 1,800 schools collaborate & share information

SIA's impact performance

Although many of SIA's funds are still deploying their money, looking at thematic impact multiples, we see some already promising impact data

Healthcare



Example **media4care**

Digital care services used by over **250,000 seniors** across Germany

Employment



Example **Clever Connect**

Helping over **2,000** companies across France acquire talent in a digitalised way

Food & agriculture



Example  **Meatable**

Researching porcine & bovine induced pluripotent stem cells – with **go-to-market scheduled for 2025**

Environment



Example  **OLIO**
SHARE MORE • WASTE LESS

Over **21 thousand portions of food saved** from being wasted via a food sharing app

Social inclusion



Example  **LiTA.CO**

Over **11 thousand jobs** created or secured

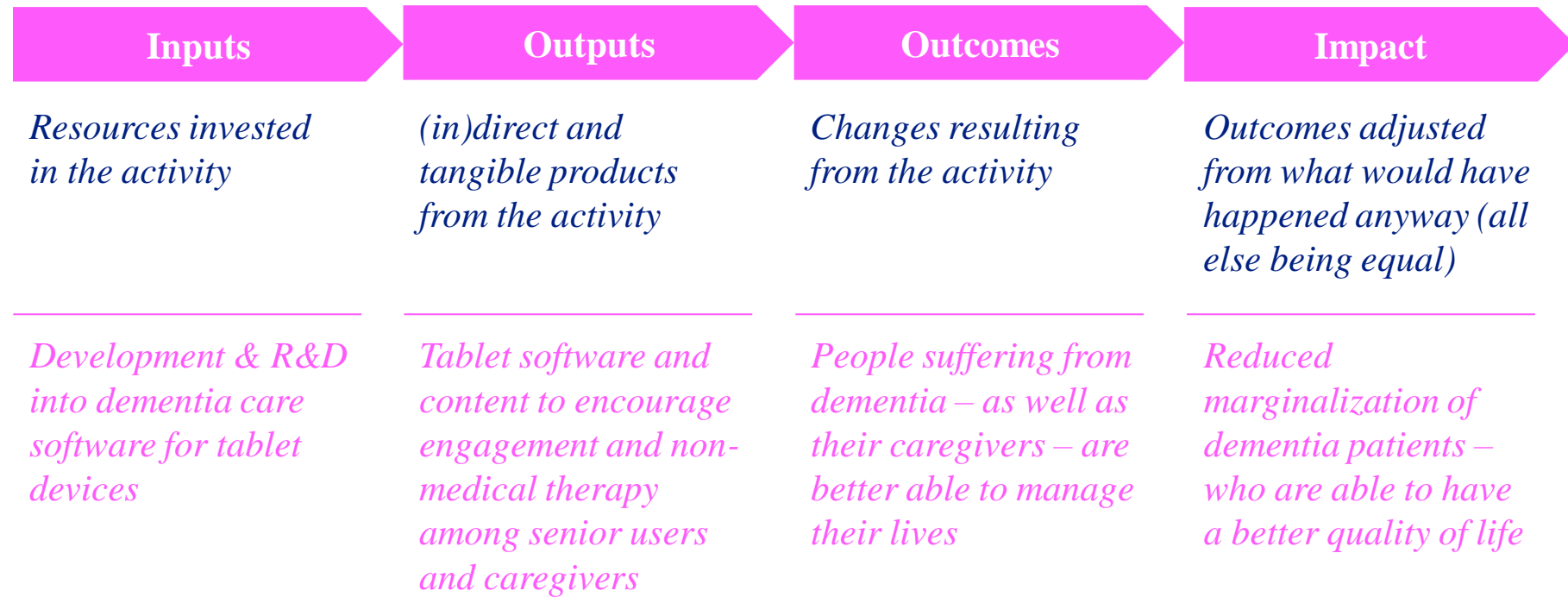
What is impact of an impact-driven enterprise?

Using the theory of change to define a measurable impact

An example

media4care

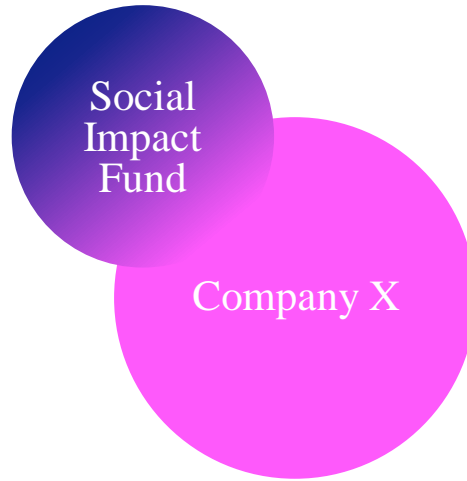
A Germany based developer of innovative tablet software as well as a range of special media to improve the wellbeing and individual care of senior people, especially with dementia.



EIF impact performance methodology

3 steps to track the positive correlation between financial value and social impact, overseen by an Advisory Committee

Step 3
Monitor progress and share the impact multiples achieved at company and portfolio level



Step 1
Define 1 to 5 impact indicators per portfolio company



Step 2
Set a quantifiable target on each impact indicator, at the moment of the investment as well as a weighting

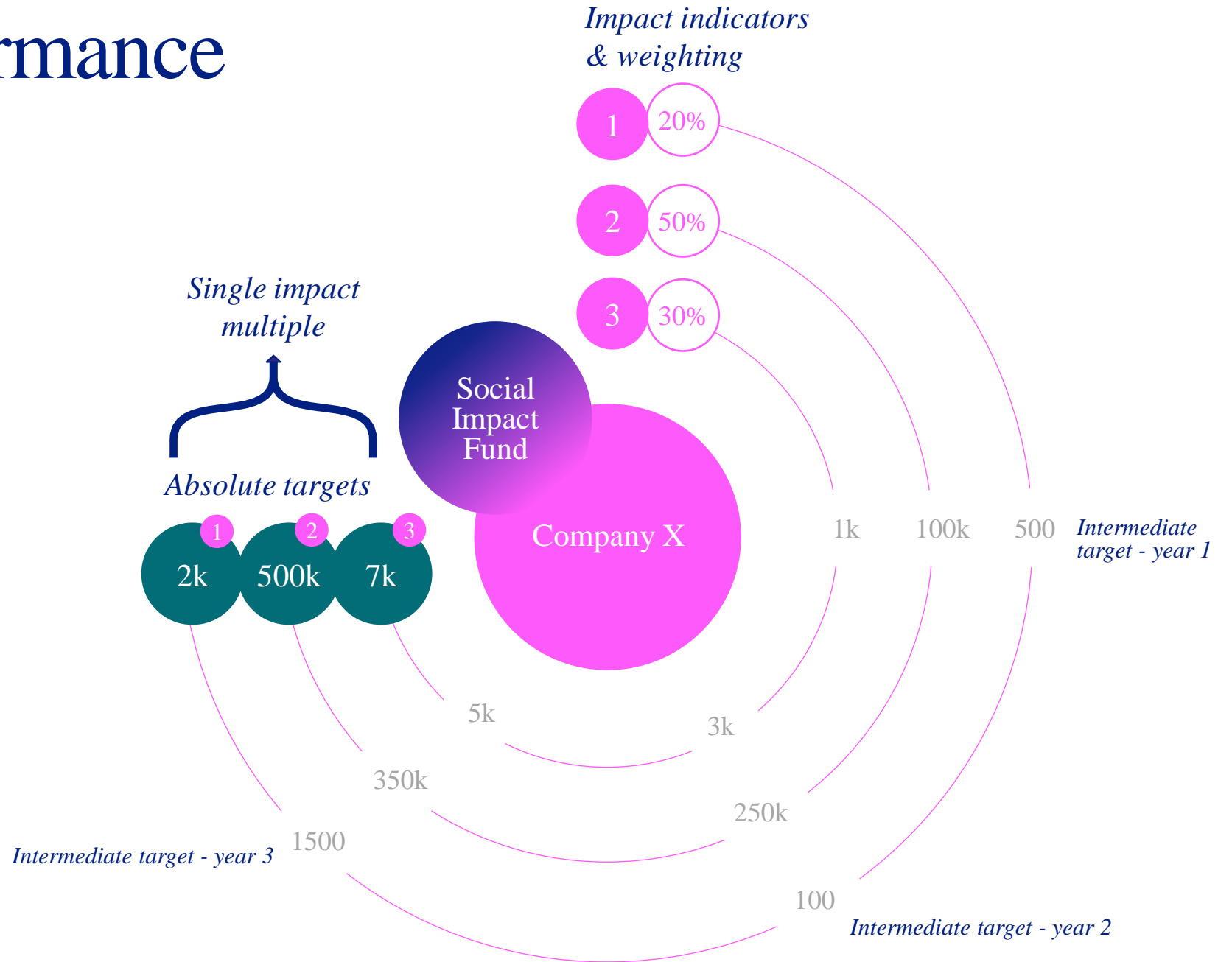
EIF impact performance methodology

An example

Company X

A food sharing app that helps neighbourhoods cut down on waste and create a sense of community

- 1 Tonnes of food saved
- 2 Number of active app users
- 3 Number of food sharing interactions



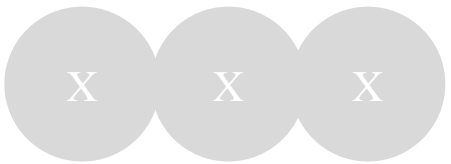
EIF impact performance methodology

Assessing the impact & determining the carry

At company level

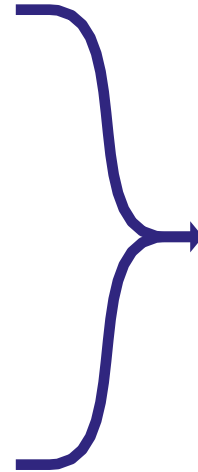
The company hits its exact absolute targets

Achieved targets



1.0
Single impact multiple

Single impact multiple



At fund level

A Fund's impact multiple is then determined at portfolio level

Aggregate portfolio multiple

Weighted by size of investment



100% of the carry is distributed to the predefined carry recipients.



Between 50% and 100% of the carry is distributed to the predefined carry recipients.



No carry is distributed to the predefined carry recipients.

What's in it for...

The GPs

Sell and deliver an investment strategy that *positively correlates* financial value and positive impact.

To count among the *few GPs worldwide* to sign in for such an impact-based incentive scheme.

EIF was the first DFI in the market to systematically require impact-based carry schemes for its impact portfolio.

The portfolio companies

Impact metrics become part of the investor's dashboard, leading to an *alignment of interest* across the value chain.

A clearly defined methodology building *flexibility* for the founder and the investor's dialogue while also providing for a rigorous *monitoring* of the impact achieved.

Annex : Calculating an impact portfolio multiple

Typical fund Impact measurement in Year 4					
Company	Indicator multiple	Weighting	Company Impact multiple	Amount invested (in EUR)	Portfolio Impact multiple
Company 1	0.2	1/3	0.23	500,000	0.37
	0.3	1/3			
	0.2	1/3			
Company 2	0.3	50%	0.30	750,000	
	0.3	50%			
Company 3	0.15	75%	0.14	650,000	
	0.1	25%			
Company 4	0.5	40%	0.66	1,250,000	
	0.75	40%			
	0.8	20%			
Company 5	0.25	33%	0.31	1,000,000	
	0.3	33%			
	0.4	33%			
Company 6	0.2	40%	0.35	450,000	
	0.4	30%			
	0.3	10%			
	0.5	10%			
Company 7	0.7	10%	0.23	400,000	
	0.1	25%			
	0.2	25%			
Company 8	0.3	50%	0.33	800,000	
	0.4	1/3			
	0.4	1/3			
Company 9	0.2	1/3	0.52	750,000	
	0.5	40%			
	0.6	40%			
Company 10	0.4	20%	0.33	1,000,000	
	0.25	50%			
Company 11	0.4	50%	0.45	600,000	
Company 12	0.45	100%	0.34	900,000	
	0.15	50%			
	0.4	20%			
	0.65	20%			
	0.5	10%			