

Impact Report 2023



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Our impact in 2023 at a glance

The Social Entrepreneurship Fund achieved 94% of its 2023 impact target, and so far, 32% of its overall impact target over the fund life cycle (2027).

In 2023 investees of the Social Entrepreneurship Fund (SEF) managed to save CO₂ emissions, impact the lives of their beneficiaries and employ inclusively:



CO₂ emissions

82,825 tons
of CO₂ emissions
were saved



Lives

+10mn lives touched
+355k lives improved
400 lives changed



Employees

Gave work to 111 employees
of which 72 are disadvantaged
in the labour market

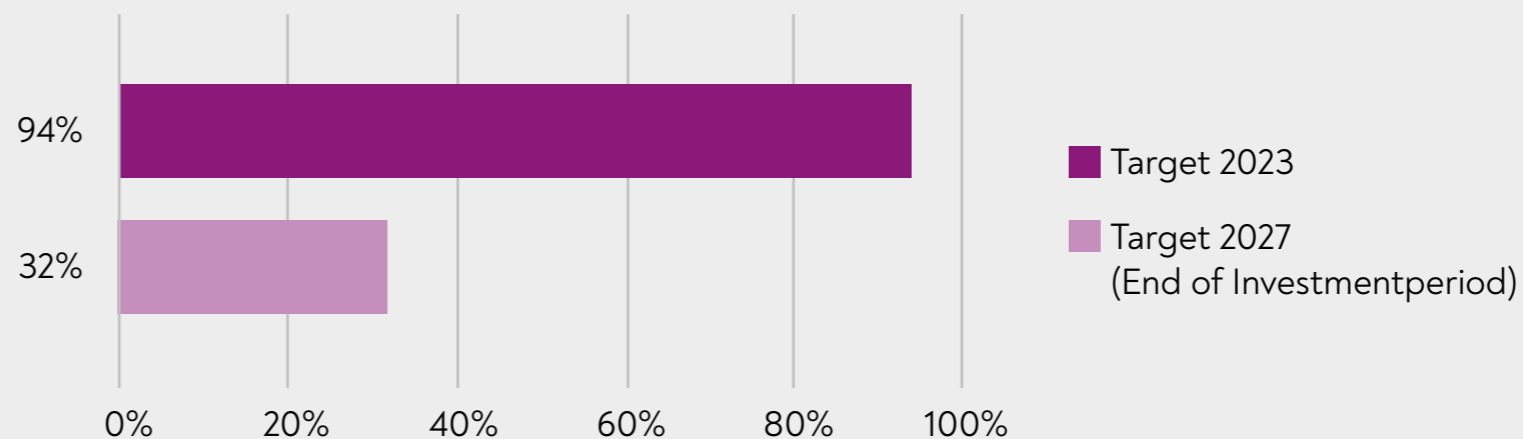


The portfolio: 12 investees in 2023

Venture	Sector	SDG
Nut und Feder GmbH	Manufacturing	Decent Work and Economic Growth
Tec-Innovation GmbH	ICT	Good Health and Well-being
Helioz Research & Development GmbH	WASH	Good Health and Well-being
CFS Consulting, Franchise & Sales GmbH	ICT	Reduced Inequality
R.U.S.Z. Franchising GmbH	Manufacturing	Responsible Consumption and Production
Memocorby Systems GmbH	Healthcare	Good Health and Well-being
tech2people GmbH	Healthcare	Good Health and Well-being
Brainhero GmbH	Healthcare	Good Health and Well-being
Sign Time GmbH	ICT	Reduced Inequality
Saphenus Medical Technology GmbH	Healthcare	Good Health and Well-being
equalizent Social Franchise GmbH	Education	Quality Education
Hut & Stiel GmbH	Food	Responsible Consumption and Production

In 2023, the fund made its final investment in Hut & Stiel GmbH. This marks the end of the fund's investment phase. The fund is now entering its divestment phase, in which the focus is on increasing the value of the investments and maximizing the social and environmental impact. For details on Hut & Stiel and portfolio insolvencies, please refer to later sections of the report.

Portfolio social impact multiple



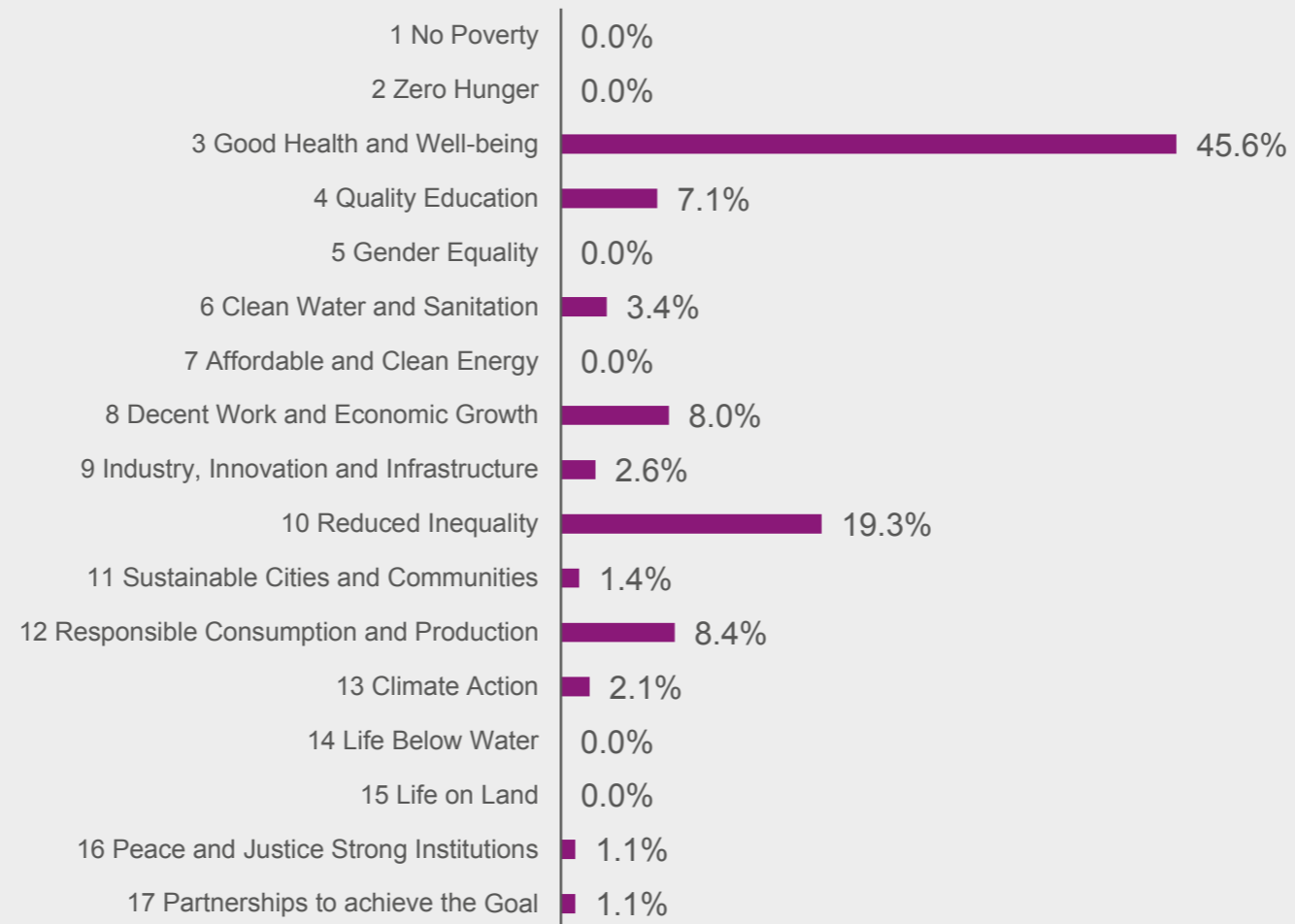
The Portfolio Social Impact Multiple is calculated based on impact targets of each portfolio company set at the date of investment for the full planned investment period (see Annex for details on the calculation method). Every year, the extent to which the impact target for the respective year and since the date of investment has

been achieved is measured. Due to the premature withdrawal of some companies from the portfolio, the impact measurement methodology of “SIA – method for measuring social impact” of the European Investment Fund provides for an early stop of impact measurement (see Annex for details on the calculation method inclu-

ding “Early-exit scenario”). In 2023, 94% of the fund’s impact target was achieved. 32% of the impact targets over the lifetime of the fund have been achieved until 2023. How each portfolio company contributed to the Portfolio Social Impact Multiple can be found in the portfolio chapter.

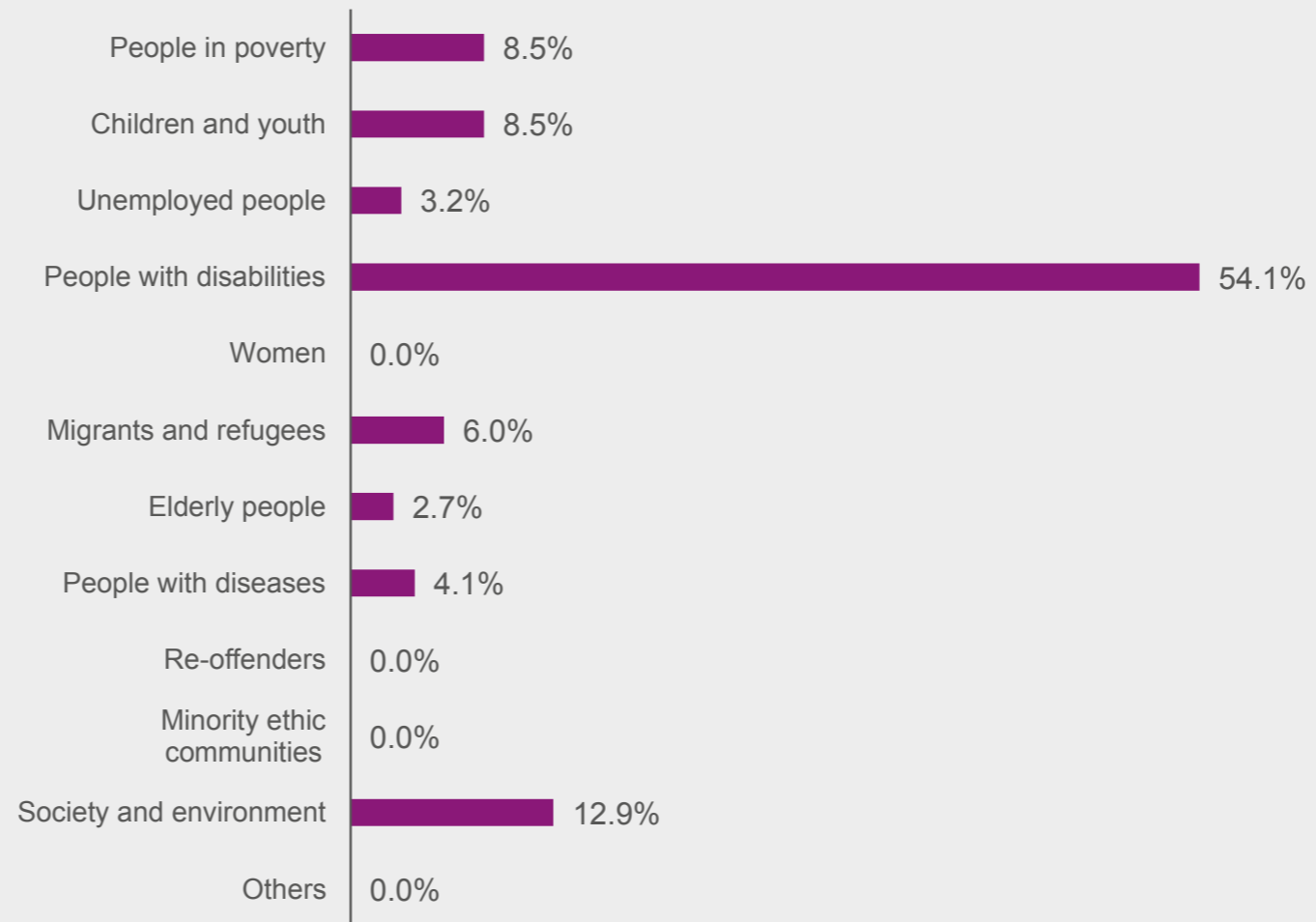
Sustainable Development Goals (SDGs)

Share of the investment volume according to SDGs in the total investment volume of the fund (sum = 100%);
the investment volume per investment is distributed among up to 5 SDGs according to the estimated share of sales per SDG



Beneficiaries reached

Share of the investment volume by beneficiaries in the total investment volume of the fund (sum = 100%); classification of beneficiaries according to EVPA (European Venture Philanthropy Association)



Impact KPIs measured per year



Year	CO ₂ emissions (tons)	Saved CO ₂ emissions (tons)	Lives changed	Beneficiaries Lives improved	Lives touched	Employees (total)	Employees (disadvantaged)
2020	70	10,691	0	53,658	8,553,658	61	47
2021	88	12,769	100	104,920	9,105,015	96	53
2022	161	59,346	151	362,123	10,362,314	154	79
2023	172	20	400	355	10,026,566	111	72
Total	491	82,825	651	521,095	38,047,553	111	72

Due to the exits of portfolio companies that made a particularly large contribution to certain impact KPIs, we are seeing a significant decline in some of the values this year.

Impact KPIs explained

CO₂ emissions

Tons of CO₂ emitted by the investees or saved by their business models:

CO₂ emissions:

All portfolio companies measure their carbon footprint using common carbon footprint calculators.

Saved CO₂ emissions:

company's business model aims to reduce CO₂ emissions or CO₂ equivalents, these CO₂ savings are determined. The calculation should include a transparent presentation and explanation of the underlying assumptions. In best case, it is carried out by independent experts or is certified by a verification body.

Beneficiaries

Number of people (beneficiaries) who are reached by the company's products or services and whose situation is to be improved by these services:

Lives changed:

Number of lives significantly positively influenced by the products or services offered, especially a significant change of health or inclusion conditions or targeting individuals at the bottom of the pyramid.

Lives improved:

Number of lives substantially positively influenced by the products or services offered, especially a substantial change of health or inclusion conditions or targeting individuals in the lower area of the pyramid.

Lives touched:

Number of lives moderately positively influenced by the products or services offered, especially a moderate change of health or inclusion conditions or targeting more privileged individuals.

Employees

Full-time equivalent (FTE) of jobs created:

Employees total:

of the company including management and non-employees, provided that the employment relationship is similar to an employment relationship.

Employees disadvantaged:

provided to persons disadvantaged in the labour market, such as older people, long-term unemployed, hard-to-place person, people with disabilities, migrants, people with a lack of education, or people who are disadvantaged in terms of gender, sexual orientation, status or ethnic origin.

Theory of Change



Improve the world with impactful and innovative investments

The social mission of Sinnova / fair-finance is summarized in the group's Theory of Change, which consists of three channels:

Choice

(Portfolio allocation)

Investments – positive criteria, best in class, fair-finance ESG Rating

Divestments – negative criteria, worst in class, exclusion criteria

Selection – partner, service providers

Voice

(Dialogue)

Voting (exercise of voting rights) as a shareholder and participation in advisory boards

Engagement – constructive and open dialogue with the ventures.

Noise

(Societal impact)

Raising public/market awareness – being a pioneer as an impact fund in Austria and lobbying for legal, ethical and reporting standards.

Transparency and information for all stakeholders and the public.

¹Own illustration based on Wilkens M., Jacob S., Rohleder M., Zink J.: The Impact of Sustainable Investment Funds – Impact Channels, Status Quo of Literature and Practical Applications (White Paper), 2022

Pioneering impact investing in Austria

The Social Entrepreneurship Fund details its theory of change through four channels of impact:

Impact channels	Activities Activities to achieve impact targets	Output Target groups are reached	Outcome Target groups change their behaviour	Impact Change in society
Capital for impact ventures (Choice)	Financing of impact ventures in the form of private equity and private debt	Impact ventures achieve impact targets (asset impact) enabled by the invested impact capital (investor impact)	Positive impact on target groups and contribution of impact capital is proven by impact ventures or third parties (verification)	Impact investing enables the scaling of social enterprises
Support for impact ventures (Voice)	Active support of founders and management teams of impact ventures	Measures for corporate governance based on economic and sustainability criteria have been implemented	Measures enable improved corporate governance based on economic and sustainability criteria	Impact management leads to the establishment of social entrepreneurship and corporate governance according to sustainability criteria
Investments (Choice)	Structuring and management of investments according to impact investing criteria	Investments achieve market returns and impact targets (dual return)	Investors receive evidence of the dual materiality of impact investing and increase their impact investing allocation	Increase in impact investing volume in the target region
PR/Networking for ecosystem (Noise)	Information and promotion of ventures, investors, and stakeholders on impact investing	Ventures, investors, and stakeholders are addressed through different channels on the topic of impact investing	Ventures, investors, and stakeholders change their view on impact investing for the better	All investments should be assessed according to impact investing criteria

The context of impact investing in Austria

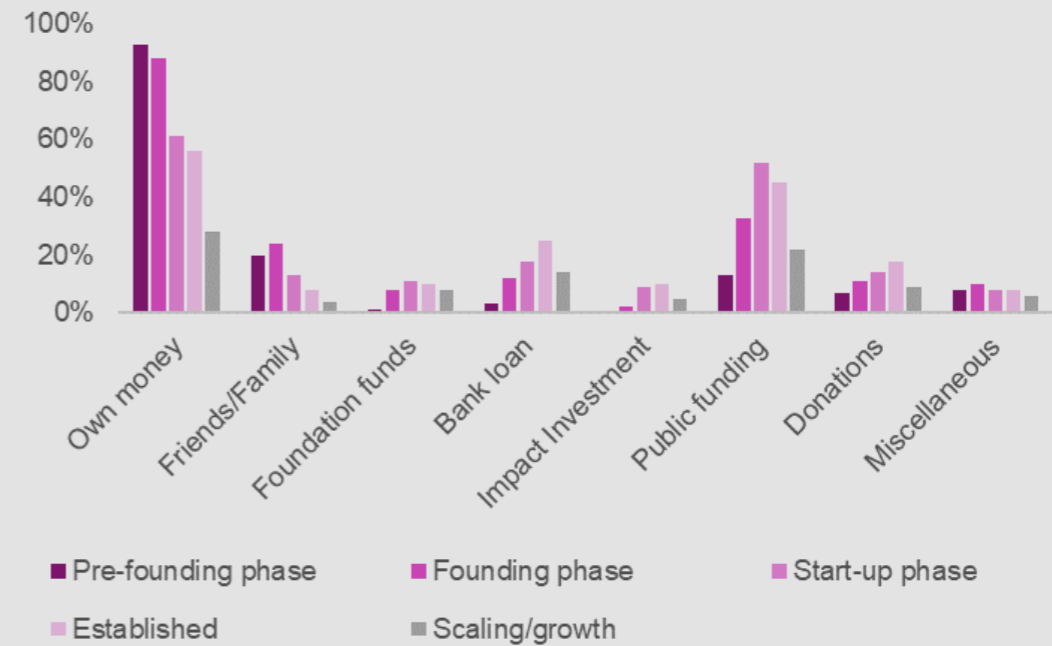
Financing is the greatest challenge for social enterprises in Austria

Impact investing still plays a minor role in the financing of social enterprises

Challenges for Social Enterprises



Financing of Social Enterprises



The potential of impact investing in Austria

2.087

active organizations based in Austria are defined as social enterprises*

60%

of these organizations are in the seed, startup or growth phase

18.640

people (FTEs) are employed by the 258 organizations participating in the underlying survey

3

impact-oriented incubators and networks are active in Austria: Impact Hub Vienna, Impact Hub Tirol and Social Business Hub Styria

2

specific grant programs for impact ventures in Austria: FFG Impact Innovation, aws preseed/seed innovative solutions

*Austrian Social Enterprise Monitor 2021/22, Vienna University of Business and Economics

Social enterprises are organizations whose primary objective is to create social or environmental value, and which use entrepreneurial means to do so. A key characteristic is the generation of market revenues instead of financing through donations and grants.

Portfolio companies



CFS Consulting, Franchise & Sales GmbH

capito.ai



Company description

CFS Consulting, best known for its product capito, is a Graz-based company founded in 2001 that specializes in simplifying complex information and translating technical jargon into easily understandable language. The company recognizes that understanding is key to finding solutions, and a lack of understanding can lead to problems, frustration, and increased costs for companies, customers, citizens, and public institutions. capito's mission is to make complex texts and information accessible to everyone.

To achieve this goal, capito develops new digital media channels and utilizes artificial intelligence (AI) for maximum impact. By leveraging technology, they aim to enhance the accessibility and comprehension of information across various platforms. Furthermore, capito creates employment opportunities for individuals with learning difficulties and disabilities, empowering

them to earn a living and live more independently. The company envisions an inclusive world where everyone can understand everything.

By making information more accessible and creating job opportunities for individuals with disabilities, capito contributes to reducing inequalities in society. Additionally, their work promotes transparency, accountability, and effective institutions while fostering partnerships for shared goals.

capito's dedication to simplifying information and promoting inclusivity showcases the SEF's commitment to supporting social enterprises that prioritize accessibility and equal opportunities. Through their innovative approaches, capito helps bridge the gap between complex information and its comprehension, ultimately fostering a more inclusive and understanding society.

Impact metrics

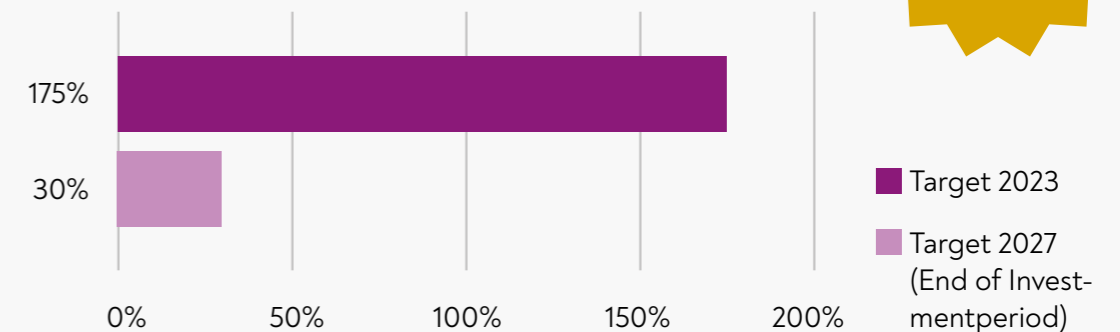
Impact targets

- Cumulative document calls in the capito app
- Cumulative number of digitally processed characters
- Number of assistance hours provided per year

SDGs



Social impact multiple



R.U.S.Z. Franchising GmbH

rusz.at/franchise-zentrale



Company description

R.U.S.Z (Reparatur- und Service-Zentrum) is a company that specializes in repairing household appliances and electronics, both on-site and in dedicated repair centers. The company also provides equipment services, equipment rentals, and spare parts. R.U.S.Z' main objective is to combat disposable culture and planned obsolescence, which refers to the intentional design of products with a limited lifespan.

In November 2020, Sepp Eisenriegler and Harald Reichl established R.U.S.Z Franchising GmbH with the support of SEF, to offer these services in form of a franchise system. This social franchising concept allows independent partner

companies to implement the best practices developed by R.U.S.Z at various locations. Franchise partners have the opportunity to benefit from R.U.S.Z' extensive experience and expertise in repair and re-use, enabling them to replicate its social, ecological, and economic business model.

R.U.S.Z's social franchising model and commitment to sustainable practices demonstrate the company's dedication to fostering a circular economy, reducing waste, and promoting social and environmental well-being.

Impact metrics

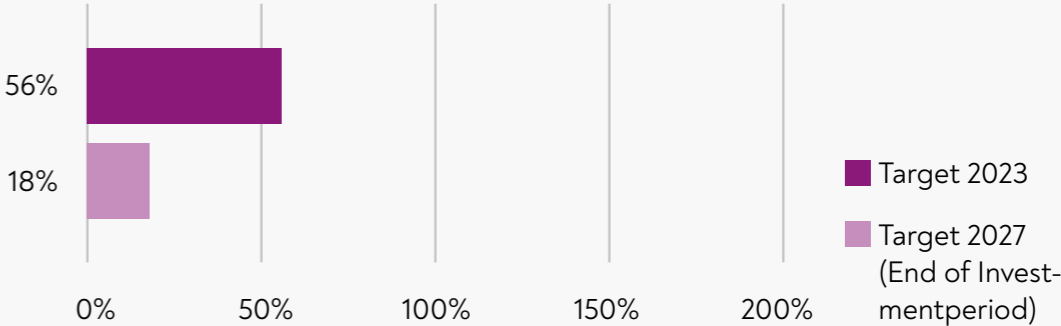
Impact targets

- Employees disadvantaged in the labour market
- CO₂ emissions saved by reduction of electronic waste

SDGs



Social impact multiple



tech2people GmbH

tech2people.at



Company description

tech2people focuses on leveraging robotics and data analytics to enhance therapy approaches, particularly for individuals with neurological diseases. The company was founded in 2018 by Gregor Demblin, Michael Seitlinger, and Dennis Veit, with the goal of providing innovative solutions for rehabilitation and therapy.

One of the notable achievements of tech2people is the introduction of outpatient exoskeletal gait therapy in Austria. By utilizing exoskeleton technology, individuals with mobility impairments, such as paraplegia, can experience walking again. This therapy program was initially launched at the Döbling ordination center in Vienna and has garnered positive feedback from partners, physicians, and patients.

tech2people has also recognized the potential of robotics and data analytics in improving the efficiency of traditional therapy approaches. By integrating these technologies, they aim to enhance the effectiveness of therapy for neurological diseases. In pursuit of this mission, tech2people is currently constructing a large robotic therapy center in Vienna, which will elevate outpatient therapy in Austria to a new level. This center will be equipped with state-of-the-art robotic therapy devices, offering physiotherapy services at affordable prices.

tech2people's initiative showcases the transformative potential of robotics and data analytics in the field of therapy, empowering individuals with neurological diseases to regain mobility and improve their overall well-being.

Impact metrics

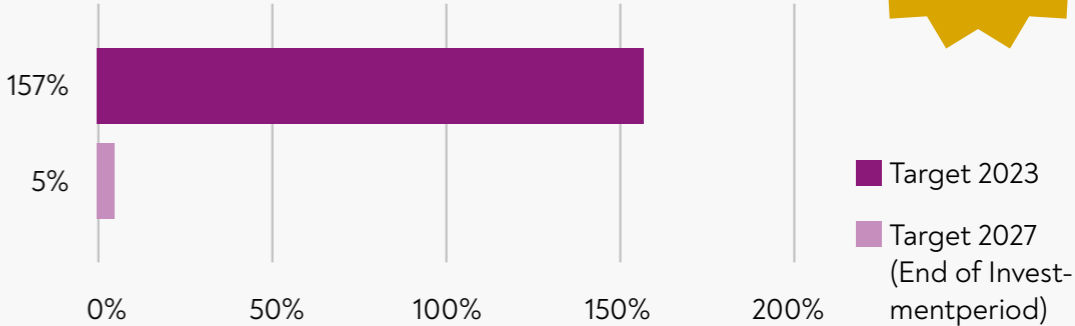
Impact targets

- Applications in use
- New jobs created

SDGs

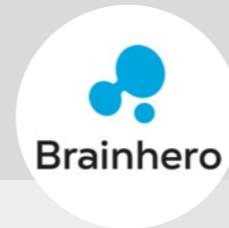


Social impact multiple



Brainhero GmbH

brainhero.eu



Company description

Brainhero is a company that offers a EEG biofeedback therapy platform designed to target brain anomalies and improve symptomology associated with underlying neurological issues. This platform can be used for DIY or by therapists. The primary focus of Brainhero's therapy platform is on children with Autism Spectrum Disorder (ASD) or Attention Deficit Hyperactivity Disorder (ADHD), although it can also be used by adults.

The goal of Brainhero is to address neurological issues that receive less attention and have limited treatment options within the current healthcare system. By utilizing EEG-based biofeedback therapy, which is also known as neurofeedback, Brainhero aims to identify and treat neurological

issues by targeting specific brain patterns. This approach involves providing therapies that help individuals with neurological disorders regulate their brain activity and improve their symptoms.

Brainhero offers a range of technologies and services to support the identification and treatment of neurological issues. The company prioritizes conditions such as ASD and ADHD but acknowledge that its system can be applied to other neurological conditions as well. By leveraging EEG biofeedback, a personalized and targeted approach to therapy is provided, aiming to improve the lives of individuals with neurological disorders.

Impact metrics

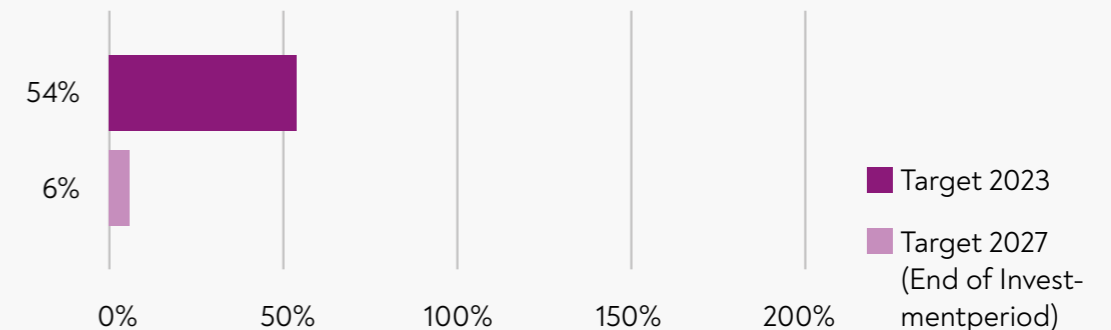
Impact targets

- Patients in clinical trial
- Patients in therapy
- Patients who completed therapy
- Employees with disabilities

SDGs



Social impact multiple



Sign Time GmbH

signtime.media



Company description

Sign Time offers SiMAX, a software designed for translation of text into 3D animated sign language. The software utilizes a learning database and sign language professionals to generate high-quality translations presented through a digital avatar. SiMAX proposes translation suggestions by leveraging its learning database, which stores previous translations. These proposals undergo careful review and modification by human deaf translators to ensure accuracy and quality. The final translation is then available as a video clip that can be embedded in other videos or presented as a standalone video created by a post-production team according to specific requirements.

One of the notable advantages of SiMAX is its ability to streamline the translation process, reducing the need for a film studio or sophisticated video technology. By utilizing a gesture database, translations can be executed quickly and cost-effectively. The social mission of the company is to enhance accessibility for deaf people in everyday life situations.

Impact metrics

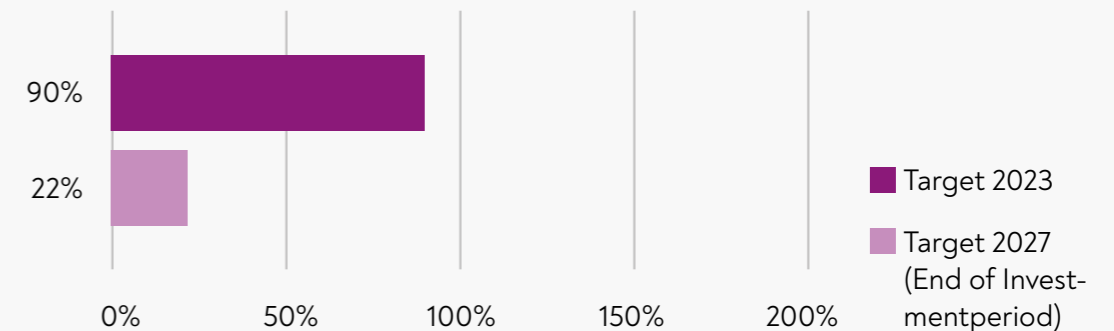
Impact targets

- Jobs created for deaf people
- Translated disruption messages for local public transport
- Promoting the use and visibility of sign language

SDGs



Social impact multiple



Saphenus Medical Technology GmbH

saphenus-med.com

Company description



Saphenus is a company dedicated to groundbreaking research and development in the field of prosthetics. With collaboration from leading scientists, Saphenus has been focused on creating the world's first sentient prosthesis. The objective of this development is to provide individuals with foot/leg prostheses the ability to experience sensations similarly to those of a healthy foot. Rather than a complete prosthesis, Saphenus has developed a patented high-tech add-on called "Suralis" that can be integrated with conventional prostheses to transform them into sentient prostheses. Suralis has received multiple grants and awards and is an approved medical device.

In 2021, the first user was fitted with the sentient prosthesis, marking a significant

milestone in Saphenus' journey. To ensure that prostheses remain affordable for individuals with limb loss, Saphenus has established a partnership with the Papillon International association. Through their joint "second leg" project, Saphenus and Papillon International work together to make accessible prosthetic solutions available to those in need.

Saphenus' groundbreaking work in the field of prosthetics demonstrates their dedication to advancing medical technology and improving the lives of individuals with limb loss. The development of the sentient prosthesis has the potential to significantly enhance mobility, functionality, and overall well-being for prosthetic users.

Impact metrics

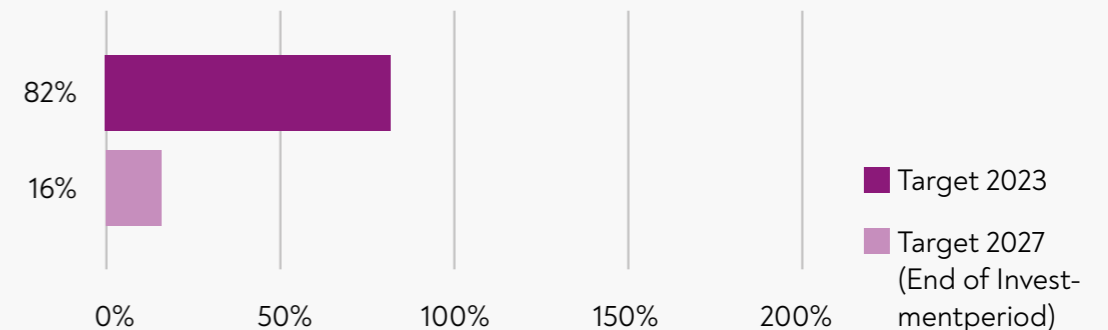
Impact targets

- Helping countries gain access to prosthetic care
- Supporting companies with a sustainability strategy

SDGs



Social impact multiple



equalizent Social Franchise GmbH

equalizent.eu



Company description

equalizent Social Franchise GmbH offers a social franchise system for vocational training specifically designed for deaf individuals. The training courses provided by equalizent are carefully tailored to meet the needs of the labour market, ensuring that deaf individuals receive relevant skills and knowledge that align with industry requirements. The learning materials used in these training programs are specifically developed to cater to the visual learning needs of deaf people, enhancing their educational experience.

Currently, equalizent offers its social franchise system in Germany, where it focuses on providing vocational training opportunities for the deaf

community. However, there are plans to expand to other countries starting from 2024, provided that the business develops positively. In Austria, the SF partner equalizent Schulungs- und Beratungs GmbH is responsible for exploiting the local market.

equalizent's commitment to providing vocational training opportunities for deaf individuals demonstrates their dedication to promoting equal access to education and employment. By tailoring their programs to the needs of the deaf community, they contribute to reducing inequalities and fostering inclusive economic growth.

Impact metrics

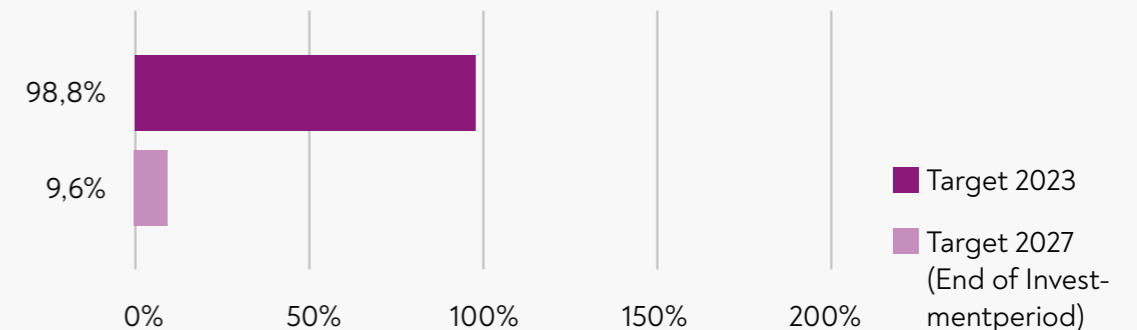
Impact targets

- Jobs created for deaf people
- Training places for deaf people
- Job placements for deaf people

SDGs



Social impact multiple



Hut & Stiel

hutundstiel.at

Company description



Healthy, resource-saving, urban, social and with lots of enjoyment and creativity, Hut & Stiel wants to help shape the future of our menus. With mushrooms!

Hut & Stiel has been cultivating edible mushrooms in an urban environment since 2015 and is trying to establish itself as a producer of regional meat substitute products on the Austrian

market. The company uses various sales channels to distribute fresh mushrooms and processed mushroom products. Healthy products from urban, resource-saving production distinguish the company in the market.

Impact metrics

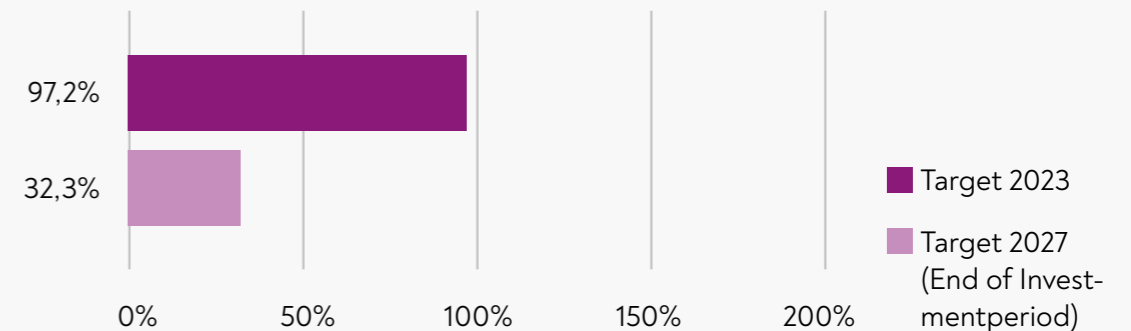
Impact targets

- CO₂ reduction – through meat substitutes sold
- Workshops held to educate people about sustainable food
- Jobs for people who are disadvantaged against on the labour market

SDGs



Social impact multiple



CFS Consulting, Franchise & Sales GmbH

Making funding texts easier to understand for people living in poverty!

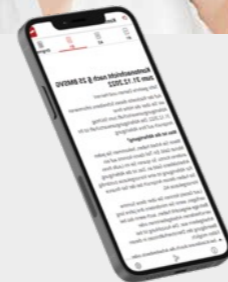
Impact Story



The problem: There is a lot of financial support for people living in poverty or at risk of poverty in Austria. However, the information on what financial support is available or how to access it, is often not easy enough to understand. Texts from public authorities are often written at language levels C1 and C2, while more than 54% of adults read at language levels A1, A2 and B1.

The solution: capito is part of atempo's "Empowerment against poverty" project. In this project, capito has translated selected texts from funding opportunities into easy-to-understand language. The easy-to-understand version is available free of charge in the capito app.

Impact measurement: The project was accompanied by an impact analysis. Verena Kofler, Head of Impact Management at atempo, was responsible for this.



QR code to the capito app with the texts in easy-to-understand language.



The impact: The results clearly show that the text translated into easy-to-understand language is easier to understand than the original text:

- The texts translated into easy language by capito are significantly easier to understand than the original texts in the self-assessment "How well were you able to understand the text?" on a scale of 0 to 10.
- The people who have read the text in easy language find the text significantly less difficult to understand than the people who have read the original text.
- People at risk of poverty or affected by poverty who have read the text translated by capito understand the text significantly better: they give the correct answers to the comprehension questions more often than people who have read the original text.

People at risk of poverty or affected by poverty are given access to information prepared in a way that is appropriate for the target group through easily understandable language. This enables them to independently obtain an overview of suitable support services.

tech2people GmbH

A year in Seestadt – How a neurorehabilitation centre changes lives

Impact Story



Almost a year ago, tech2people opened their outpatient neurorehabilitation centre in Seestadt, a place that has since become a symbol of hope and a new beginning for many people. They have created 700 square metres of feel-good space with lots of wood and bright, light-flooded rooms.

With a team of nine highly qualified physiotherapists and occupational therapists as well as almost 30 innovative therapy devices, tech2people helps its patients regain their quality of life after severe strokes of fate. Many of them suffer from diseases such as multiple sclerosis, stroke, traumatic brain injury, paraplegia, Parkinson's disease or infantile cerebral palsy. For them, therapy with tech2people often makes the decisive difference on the way to greater independence in everyday life. Last year, the company was able to care for patients in over 2,400 therapy sessions and work with them on getting up again, walking, grasping and holding things and much more.

The use of their specially developed abilitate app was and is also crucial in the treatment of the patients.



tech2people's tech team is currently working on the development of an app that will revolutionise therapy planning and documentation for people worldwide.

The team of dedicated therapists and software developers have created an innovative app that digitises and optimises the documentation of therapy progress and success.

Abilitate was specifically developed to meet the needs of healthcare providers in the field of physiotherapy and occupational therapy. It enables efficient and precise progress tracking and provides transparent monitoring of the treatment process. As a result, not only patient care is improved, it also offers the opportunity to analyse and optimise therapy results and strengthen confidence in therapy work.

tech2people's aim is to simplify the work of physiotherapists and increase the quality of physiotherapy care through intelligent documentation.

Hut & Stiel

Mushroom cultivation as a social business

Impact
Story



The excessive consumption of animal products and the associated environmental and health damage is one of the biggest problems of our time. Hut & Stiel puts mushrooms on people's plates and creates healthy, sustainable and ethical alternatives to meat.

Promoting sustainable production and consumer behavior

To achieve the goal of SDG 12 (sustainable consumption & production), Hut & Stiel makes efficient use of existing resources. Mushroom cultivation is based on organic straw and organic coffee grounds. By producing edible mushrooms in urban environments and delivering them directly to Vienna and the surrounding area, long transport routes are avoided, and quality is optimized.

Cooperation with social organizations

Hut & Stiel focuses on eco-social production by involving people with integration difficulties and/or disabilities in mushroom cultivation. Collaborations with organizations such as Jugend am Werk, IFit Schule and Phoenix Projekt enable these people to enter working life and integrate



into society. Three people from these initiatives are already permanently integrated into the Hut & Stiel team. An individual fate? A total of about 90,000 deaf people live in Austria and Germany. Around 75% of these people finish school as functionally illiterate and remain so throughout their lives. They are unemployed or work in low-skilled jobs.

The local production and sale of oyster mushrooms and vegan products made from them enables a healthy and environmentally friendly diet. By employing people with integration difficulties and/or disabilities, Hut & Stiel supports equal opportunities and is committed to greater fairness in the economy. Regional partnerships with local players such as Viennese sausage stands, the Erste Bank and various restaurants enable Hut & Stiel products to be widely distributed. The popular mushroom workshops and interactive guided tours as part of "Schule am Bauernhof" (School on the Farm) impart knowledge about mushrooms and cultivation to interested parties and raise awareness of environmentally friendly nutrition and regionality.

Lessons learned by the portfolio companies that have been exited in 2023

2023 was characterized by difficult market and funding environment for early stage and growth startups.

In this market situation four portfolio companies (Tec-Innovation GmbH, Memocorby Systems GmbH, Helioz Research & Development GmbH, and Nut und Feder GmbH) were not able to close planned financing rounds and had to file for insolvency.

From 2023 going forward these companies are excluded from the Impact Report. Their contribution to the fund's impact target is changed according to the SIA method for measuring social impact (see chapter "Impact Measurement and Management" for details).



Portfolio companies that have been exited in 2023



Company description

Nut & Feder GmbH

The innovative carpentry Nut und Feder was a spin-out of the Ute Bock association, which supports individuals with a refugee or migrations background. Since its establishment in 2017, the company has employed refugees and migrants what gave them access to the Austrian job market.

Nut und Feder specialized in eco-social furniture production with a wide range of products, including custom-made furniture and assembly services. The company's dedication to empowering disadvantaged individuals and local

production aligned with the SEF's investment criteria.

Nut and Feder was the first investment of the Social Entrepreneurship Fund. As over time it became clear that the company's business model is not scalable beyond the Vienna region, the investment was therefore sold at the beginning of January 2023. The company filed for bankruptcy subsequently.



Company description

Tec-Innovation GmbH

Tec-Innovation developed the InnoMake, a high-tech shoe extension designed to enhance the safety and mobility of visually impaired and blind people. This high-tech product used intelligent 3D obstacle detection technology to improve the mobility of its users.

Tec-Innovation had a strong commitment to European sourcing and purchasing from local suppliers. The assembly of electronic components took place in Austria. The company's inclusion technology which improved

the life of its users was in line with the Social Entrepreneurship Fund's impact strategy.

The investment in Tec-Innovation of the Social Entrepreneurship Fund exemplifies the commitment to support technology solutions which create positive social impact. However, the company could not gain enough market traction to become self-sustaining and after a fundraising round failed in spring 2023, Tec-Innovation had to file for insolvency.

Portfolio companies that have been exited in 2023



Company description

Helioz Research & Development GmbH

Helioz specialized in carbon offsetting and Corporate Social Responsibility (CSR) initiatives by offering CO₂ certificates sourced from the company's WASH (Water, Sanitation, & Hygiene) projects in India, Bangladesh and Uganda. With WADI, a compact tool that visualizes the solar water disinfection (SODIS) process, it is possible to accurately determine when contaminated water becomes safe for consumption after being exposed to the sun.

The reduction in CO₂ emissions results from the substitution of alternative means to traditional water purification methods, mainly boiling water with firewood. The company's innovative approach to water

disinfection and carbon offsetting aligned with SEF's impact criteria.

As Helioz had to cope with long sales cycles between financing WASH projects and generating income from the sales of CO₂ certificates, the company had a significant working capital need. When the financing environment in 2023 became increasingly difficult, especially after some scandals in the market for CO₂ certificates, the company was not able to raise the necessary working capital for its going concern and had to file for bankruptcy. The management team continued its work on the existing projects voluntarily to ensure their continuation.



Company description

Memocorby Systems GmbH

Memocorby developed a multi-sensory therapy tool aimed at facilitating sustainable and effective speech therapy. The Memocorby cubes, utilize simultaneous visual, auditory, and haptic stimuli to enhance speech therapy and improve various cognitive and physical abilities. It has applications in preventing dementia, supporting dementia patients and other forms of neurologic indications.

The Memocorby cubes offer a range of benefits, including improved pronunciation, concentration, memory, and the mobility of fingers and hands through haptic feedback. The multi-sensory approach creates an emotional connection and

positive stimulation for patients, which encourages their continued engagement with the therapy.

The positive effect of Memocorby's therapy on dementia patients had great potential for social impact and thus justified the SEF investment.

Due to the restrictions imposed by the Covid 19 crisis, it has been extremely difficult to reach Memocorby's target group which usually are in nursing homes. Hence, the company got into financial distress which resulted in the filing for insolvency proceedings in June 2023.

Methodology



A key differentiator: Impact measurement and management

The Social Entrepreneurship Fund (SEF) recognizes the importance of impact measurement and management as a central criterion for impact investing. SEF's approach to impact measurement and management is aligned with international best practices and aims to provide a uniform approach for the entire portfolio, while allowing each company to present its impact individually.

Theory of Change:

SEF requires each portfolio company to develop a Theory of Change, which outlines the long-term goals of the company's social mission and identifies the necessary conditions for the desired social change. This Theory of Change helps establish a logical relation between the company's activities and the social impact it aims to achieve.

Impact targets:

Based on the Theory of Change, each company defines concrete and quantifiable impact goals or indicators. These impact indicators are regularly monitored, compared with the impact targets, and reported in both absolute and relative terms. The adjustment of impact indicators and assumptions is done when necessary to ensure accurate reporting of social impact. This approach applies the European Investment Fund's (EIF) "SIA method for measuring social impact".

Impact management:

In addition to impact measurement, SEF recognizes the importance of impact management, which focuses on managing portfolio companies in a socially and environmentally sustainable manner. SEF encourages companies to integrate sustainability and good governance principles into their overall management practices. The insights gained from impact management not only contribute to the social and environmental sustainability of the companies but also aim to provide a more stable economic environment.

Operating principles for impact management:

In accordance with the IFC's Operating Principles for Impact Management, SEF manages impact over the full investment cycle, from selection to the exit of investments.

Impact topics:

SEF emphasizes the collection of key figures on specific impact topics, which are regularly reported by each portfolio company. These impact topics include metrics such as the number of people reached, jobs created, carbon footprint, and CO2 emissions saved. By tracking these indicators, SEF aims to illustrate the overall impact of the fund at the portfolio level.

Impact report/reporting:

SEF requires each investee to prepare an annual impact report that highlights the current social and environmental impacts, as well as progress towards achieving the social mission outlined in the Theory of Change. The impact report should include impact stories and goals, impact topics and targets and any additional activities undertaken to further the social mission. SEF recommends publishing the impact report to enhance transparency and accountability to stakeholders and the public.

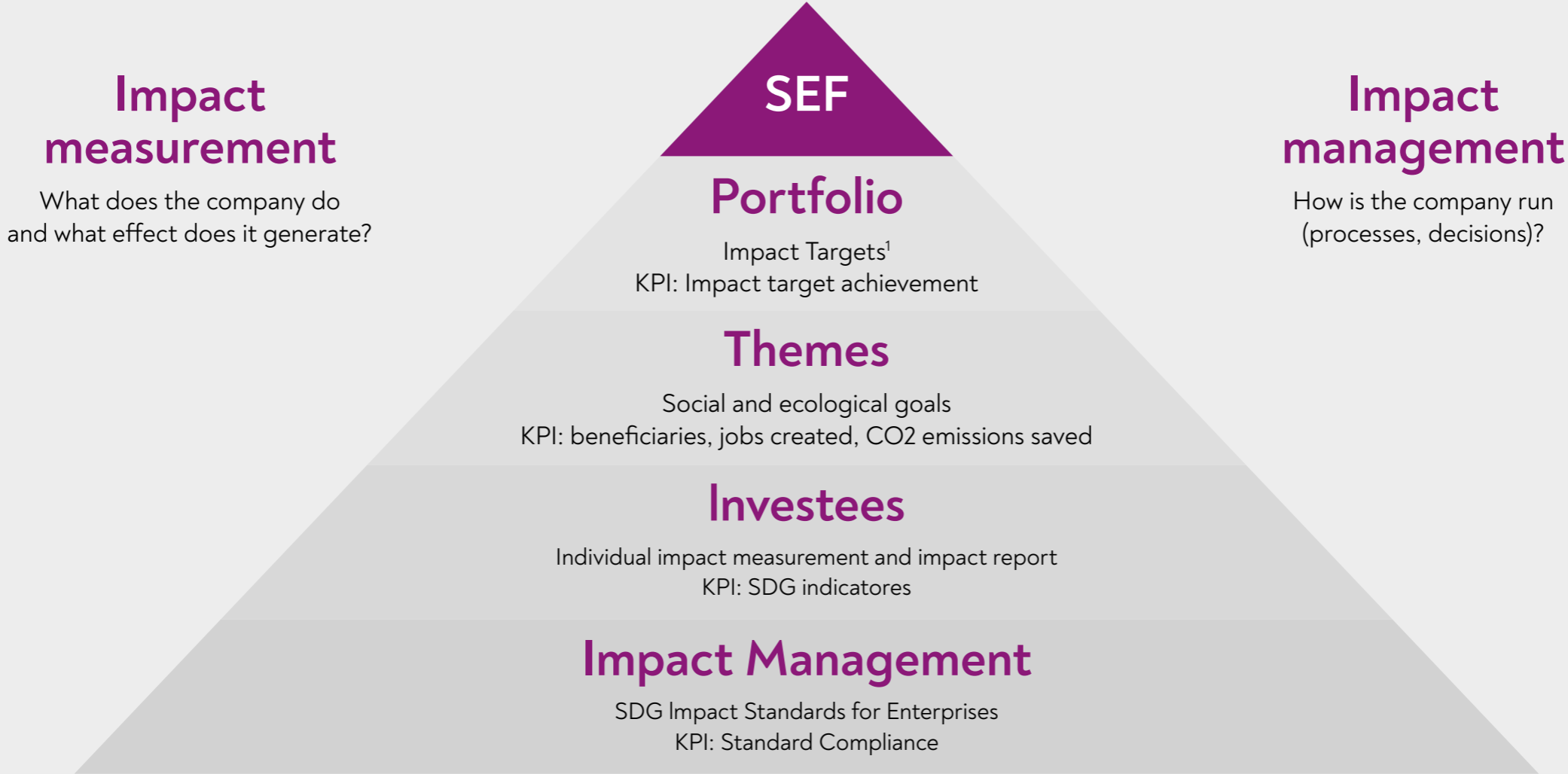
Alignment with SDGs:

SEF's approach to impact measurement and management is fundamentally based on the United Nations' Sustainable Development Goals (SDGs). Each investment company is required to address and report on the relevant SDGs in their impact report. SEF recommends defining the applicable SDGs, their sub-goals, and indicators, and allocating SDG-relevant turnover based on assumed weightings.

It is an evolving process:

As impact investing continues to evolve, SEF acknowledges the ongoing development and standardization of impact measurement and management practices. SEF remains committed to staying updated with international standards and market developments to ensure the effectiveness and accuracy of its impact reporting.

Impact measurement and management in a nutshell



¹Based on the European Investment Fund's (EIF) "SIA method for measuring social impact"

How to measure the impact of a fund portfolio

Based on the European Investment Fund's "SIA method for measuring social impact"

The Social Impact Accelerator (SIA) related impact measurement methodology consists of defining one to five social impact indicators ("Social KPI") per portfolio company. Social KPIs are to be designed interactively between the fund manager and the entrepreneur(s) at the time of investment due diligence and should seek to consist of a range of outputs, outcome and impact indicators where possible. They are meant to express the "theory of change" pursued by the social enterprise and by the fund with its investment & consider both the depth and breadth of impact generated.

The impact objective pursued against each of these Social KPIs is to be expressed in quantified targets on each Social KPIs. These are to be defined and set by the fund manager and the entrepreneur according to the base case business model and presented to the fund's Impact Advisory Board for consideration before an investment is approved.

Additionally, if more than one Social KPI per investment is defined then these individual Social Impact Multiples are aggregated to the impact indicator at portfolio company level by determining the average of all Social Impact Multiple

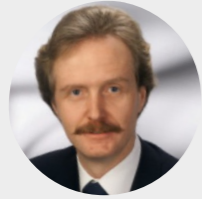
defined per investment, resulting in the overall multiple for a portfolio company ("Company Social Impact Multiple"). It is admissible to assign different weights to individual Social Impact Multiples reflecting the importance or the priority of individual indicators. In such cases the Company Social Impact Multiple will be the weighted average of all Social Impact Multiples per investment taking into account the weighting assigned to each of these Social Impact Multiple.

At fund level, a **Portfolio Social Impact Multiple** is calculated by determining the average of all Company Social Impact

Multiples, weighted by the amount invested by the fund into each company. As a result, the Portfolio Social Impact Multiple illustrates the fund's social impact performance.

Should an investment be sold or otherwise exited prior to the expiry of the first four years of holding period, then the sub-target values per KPI inductively forecasted for the years 1, 2, 3 or 4 ("Early-exit scenario") will be applied as the reference value to set the Target for calculating an individual Social KPI Social Impact Multiple as well as the Company Social Impact Multiple.

We thank our Impact Advisory Board for supporting our selection process



Günter Bergauer



Lisa Brandstetter



Jakob Detering



Klaus Gabriel



Christian Hennefeind



Fritz Lietsch



Waltraud Martius



Reinhard Millner



Judith Pühringer



Hermann Rauter



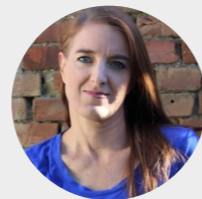
Katharina Scheidl



Markus Schlagnitweit



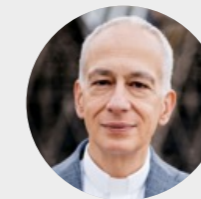
Georg Schön



Constanze Stockhammer



Agnes Streissler-Führer



Michael Landau



Martin Rohla

The Impact Advisory Board depicted above decided in the investment period of 2020 – 2023
whether investment candidates have a social or environmental impact.

Fund overview

fair-finance SEVECA 1 GmbH & Co KG (AIF), qualifying venture capital fund pursuant to Regulation (EU) No 345/2013 on European Venture Capital Funds (EuVECA Regulation)

Fund (AIF)	fair-finance SEVECA 1 GmbH & Co KG (also “Social Entrepreneurship Fonds”, “SE-Fonds”, or “SEF”)
Registered Office	Alser Straße 21, 1080 Vienna, Austria
Company Register	FN 552279 a
Directors	Werner Krendl, Johannes Pühr
Country of Incorporation	Austria
Legal Form	GmbH & Co KG
General Partner	fair-finance Impact GmbH Alser Straße 21, 1080 Vienna, Austria
Fund Manager (AIFM)	fair-finance Asset Management Ltd Company Registration Number: C 82093 Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema SLM 1607, Malta
Depository	Gassauer-Fleissner Rechtsanwälte GmbH Wollzeile 3/Lugeck 6, 1010 Vienna, Austria
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Wagramer Straße 19, IZD-Tower, 1220 Vienna, Austria
Legal Adviser	Dr. Keyvan Rastegar (RPCK Kanzlei Rastegar) Börsegasse 11/49-54, 1010 Vienna, Austria

Fund Volume	€ 7 million
Date of Registration	07.10.2021
Fund Term	31.12.2029 ²
Investments	Qualified investments in the form of equity or quasi-equity instruments
Return Target	Realization of a net positive return as well as a positive social and/or ecological impact
Portfolio Companies	Social Enterprises
Investment Strategy	The fund finances social enterprises that are dedicated to solving a social problem, are financially self-sufficient and mostly generate market income. Target companies develop innovative and scalable solutions creating a significant positive impact on the society or the environment.
Investment Phase	Early stage and growth phase
Exclusion Criteria	Compliance with „Nachhaltige Veranlagungsrichtlinie“ of fair-finance Vorsorgekasse
Target Region	Austria and DACH
Accounting Principles	Austrian Commercial Code (UGB)
Reporting Guidelines	Invest Europe Investor Reporting Guidelines
Valuation Policy	International Private Equity & Venture Capital Valuation (IPEV) Guidelines
Fund Manager (AIFM)	fair-finance Asset Management Limited (AIFM), Malta
General Partner	fair-finance Impact GmbH
Impact Board	Advisory Board to the fund which gives recommendations on the social and ecological impact of companies applying for investment

Editors:
Jonathan Zeilinger
Lena Gansterer
Werner Krendl

Contact

Please send messages and inquiries to:

fair-finance Impact GmbH
Alser Straße 21, 1080 Vienna
+43 1 405 71 71-0
office@se-fonds.at

Disclaimer:

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