Impact Investing: Mainstream Activity at EIF

Social Impact Accelerator (SIA) €243m

Payment-by-Results investment schemes

EFSI Social Impact window min. €150m

SME Development Stages

PRE-SEED PHASE  SEED PHASE  START-UP PHASE  EMERGING GROWTH  DEVELOPMENT

HIGHER RISK  LOWER RISK
Social Impact Accelerator (SIA) – Structure

Investors

EIB/EIF

Public-Private Partnership

Fund-of-funds

Social Impact Accelerator

EUR 243m Investment Capacity

Investment Targets

Social Impact Venture Capital Fund

Social Impact Venture Capital Fund

Social Impact Venture Capital Fund

Across the EU, Candidate Countries and Potential Candidate Countries

Final beneficiaries

Social SME

Social SME

Social SME

Social SME

Social SME

Social SME

Social Impact
Europe’s leading social impact fund investor

Since 2014:
10 fund investments
€104.6m* (43%) committed
38 final beneficiaries

** Funds: Impact Partenaires III & Impact Creation 1
## New tools for impact investing: EFSI Equity Instrument

<table>
<thead>
<tr>
<th>Investments in/alongside intermediaries linked to incubators/accelerators targeting social enterprises</th>
<th>Investments in business angels funds or co-investments alongside business angels targeting social enterprises</th>
<th>Payment by Results investment schemes targeting social sector organizations at large</th>
</tr>
</thead>
</table>
EFSI Investment Criteria(*)

Independent Management team

EIF ranks (at least) pari passu

Max commitment: € 50m

7.5% ≤ ticket size ≤ 50% (typically)

2X – 2/3 rule
Eligible beneficiaries: SMEs, Small mid-caps, SocEnt

15 years +3

(*) non-exhaustive list
Investment in/alongside Financial Intermediaries linked to incubators/accelerators

IFI as (co-)investor

Private/Institutional Investors

Min: 7.5%
Max: typically up to 50%
Max: EUR 50m

Financial Intermediary
(Typically venture capital funds)

Services

Equity/Preferred Equity/
Hybrid Debt-Equity/
Other mezzanine financing

Portfolio of Social Enterprises (and other eligible beneficiaries)
established or operating within the EU ranging from pre-commercial stage up to early growth

New instruments for impact investing

IFI as (co-)investor
Co-investment with Business Angels

ELF as (co-)investor

Min: 7.5%
Max: typically up to 50%
Max: EUR 50m

Business Angels/Business Angels Funds

Co-investment vehicle/agreement with Business Angels

Equity/Preferred Equity/Hybrid Debt-Equity/Other mezzanine financing

Portfolio of Social Enterprises (and other eligible beneficiaries) established or operating within the EU ranging from early stage to growth stage
Payment-by-Results

EIF as (co-)investor

Min: 7.5%
Max: typically up to 50%
Max: EUR 50m

Financial Intermediary
(Typically through special purpose vehicles)

Equity/Preferred Equity/
Hybrid Debt-Equity/
Other mezzanine financing/
Debt

Private/ Institutional Investors/
PbR Manager

Max:

Social Enterprises/Social Sector Organisations
established or operating within the EU

Min: 7.5%
Max: typically up to 50%
Max: EUR 50m

Equity/Preferred Equity/
Hybrid Debt-Equity/
Other mezzanine financing/
Debt
Impact measurement

1. Identification of social issue
2. Elaboration of change theory
3. Stakeholder mapping
4. Stakeholder selection
5. Analysis of stakeholder expectations
6. Definition of stakeholder-specific objectives
7. Definition of stakeholder-specific metrics
8. Measurement/reporting of social impact performance

SOCIAL OBJECTIVE

STAKEHOLDER ANALYSIS

IMPACT

2-3 Impact KPI’s per investee (except for PbRs, where impact-reward link is captured in the tool’s structure)

Intermediary’s financial reward is linked to the achievement of social impact across the portfolio
Social Enterprise Business Models

Business Models

- Social Business Models
- Traditional Business Models Run in a Social Way
- Geographically-Focused Business Models
What do we look for?

Team or BA

Market opportunity or need

Impact Thesis, Theory of Change

Investment Strategy

Downside Protection

Active pipeline

Vehicle structure and size

Relevant dealflow

Terms & Conditions

Alignment of interest
Cyril Gouiffès
Investment Manager
Impact Investments
Technology & Innovation

Email: c.gouiffes@eif.org
Web: www.eif.org

For further information on SIA, EaSI and EFSI Equity for social impact please visit:

http://www.eif.org/what_we_do/equity/sia/index.htm
http://www.eif.org/what_we_do/efsi/equity/index.htm
Disclaimer

- This document is for information purposes only and is intended to provide an outline of the main terms for the products described therein, which are indicative, non-exhaustive and subject to change.

- This document does not constitute a recommendation, a solicitation, an offer or a binding commitment – either implicit or explicit – on the part of the EIF.

- This document and any information contained therein may not be circulated and/or reproduced in part or in full without the prior written consent of EIF.