



Financing Agency for Social Entrepreneurship

Impact report 2022

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Introduction

Geopolitical tensions are increasing the imperative for impact investing.

Civilization faces massive social and ecological challenges:

Climate change, transgression of planetary boundaries, and social inequalities call for decisive action. Increasing geopolitical tensions such as the war in Ukraine are just one of the negative consequences of the multi-crisis we are facing today. To create effective solutions, changes in the real economy are essential and financial markets have a key role to play. This is why the European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, published a paper in which Sustainable Finance takes centre stage in the EU's strategy and future activities (2023-2028).¹

The EU has devised a package of laws and measures with important implications for the financial markets and investment sectors. In particular, the package supports the flow of capital towards positive solutions by enabling investors to expand their commitments to sustainable companies and technologies. In

this context, the EU taxonomy, a classification system for ecologically sustainable economic activities, was introduced. Another central legislative act was a new regulation on the disclosure of information about sustainable financial products (Sustainable Finance Disclosure Regulation, [SFDR](#))

At FASE, our main concern in 2022 continued to be for our clients, the impact ventures and funds that we support with our advisory services. How would they cope with this increased level of uncertainty, we asked ourselves. And what could we do to better help them in raising growth capital in these challenging times? Another big question mark was how investors would react and view new opportunities in times of crisis and strong economic setbacks.

As it turned out, [several investors voiced](#) that despite the gloomy outlook, they saw the impact space as "less susceptible to crisis, especially when investing in companies that are profitable and stable".

¹ Bundesinitiative Impact Investing (BIII) (2022): "Impact Investing in Germany 2022 – A Dynamic

Growth Market" -> [Available here](#).

“2022 the year from Covid to Ukraine crisis”: Key results from German market surveys

1. The FNG Market Report 2022 outlines that impact investments in mutual funds, mandates and special funds in Germany represents a volume of 29.9 billion EUR and in Austria of 6.4 billion EUR²
2. Based on the BIII market study 2022, environment, energy and health are core themes for investors: Of the 17 United Nations Sustainable Development Goals (SDGs), the survey participants consider that SDG 7 - Clean Energy (51.3%), SDG 13 – Climate Action (51.3%), and SDG 3 – Good Health and Well-being (50%) are the main investment topics.
3. Private equity is one of the key asset classes and is assumed to continue being particularly dynamic in the future.
4. A large majority of German impact investors do not want to sacrifice returns. 65 percent of the respondents aim to generate market returns with their impact investments, 19 percent strive for above-market returns, and 16 percent are satisfied with below-market returns. 70 percent of respondents indicate that both the impact performance and the financial performance of their impact portfolios are in line with their expectations (impact performance 76%, financial performance 73%).

In summary, the pandemic didn't leave us unaffected - neither our team nor our customers. However, it would have been less difficult for most of the impact ventures and funds if the Ukraine crisis wouldn't have come on top. This created a very difficult environment to tackle business and we have seen the negative effects everywhere.

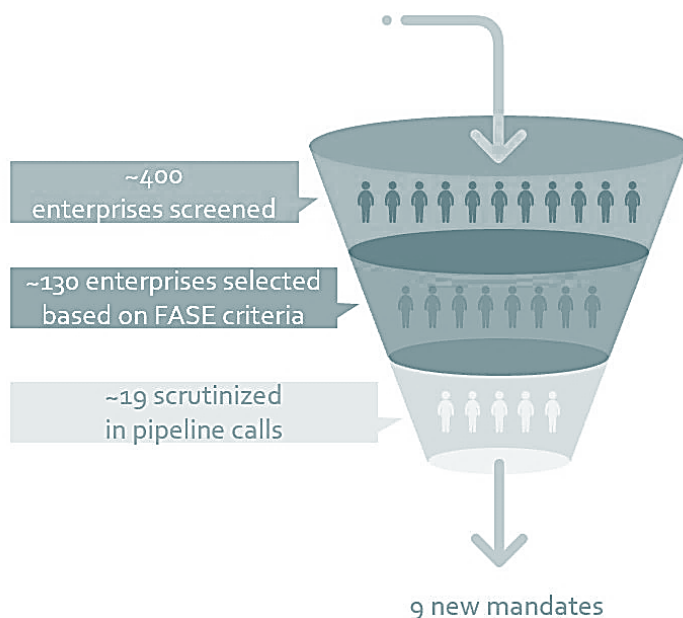
Due to a change in our team, we didn't achieve to repeat our barometer survey in 2022. The full impact investing barometer for 2021 is available [here](#).

² Forum Nachhaltige Geldanlagen (2022): „Marktbericht Nachhaltige Geldanlagen 2022 - Deutschland, Österreich und die Schweiz“

Our outputs in 2022

FASE focuses on identifying impact ventures and funds in need of growth capital to scale and supports them in finding appropriate investors. During this process, more than 400 social enterprises were screened in 2022. Out of these, **approximately 130 were selected based on our criteria** and 19 were scrutinized more deeply in our pipeline calls. Finally, **9 social enterprises were selected** and transformed into a mandate. The mandates in 2022 represent a total transaction volume of EUR ~11 million.

Additionally, FASE ramped up its network of impact investors across Europe. Today's community of around 1,930 potential investors and multipliers includes private and institutional funders from all different "financing planets".



High net-worth individuals, business angels and family offices continue to be the first movers and represent the majority of investors in our network. Besides, several investments into FASE's clients come from (ethical) banks, investment funds, and other institutional (social) investors. Most of these are impact actors who initially pioneered the market and continue to be a vital part of today's European social finance scene.

Crowdfunding platforms are relatively new to the market but already present an important partner for financing early-stage companies. Another potential source of funding is foundations. While there are a handful of catalytic pioneers in the market, most foundations are only beginning to tap into the possibility of doing impact investments. Many foundations have difficulties with embracing the idea of a "mission-related investment" philosophy: Such a strategy would involve pursuing social impact not only by making grants and donations out of program budgets but by additionally investing (part of) the capital stock into projects that are close to the foundation's mission.



+2,000

ventures
considered

+ €55m

investment
volume

+67

transactions
closed

Our main outputs since 2013

€12.4m

Final closing of the
European Social
Innovation and
Impact Fund
(ESIIF)

+1,930

investors and
multipliers in the
network

Intended results on our target groups

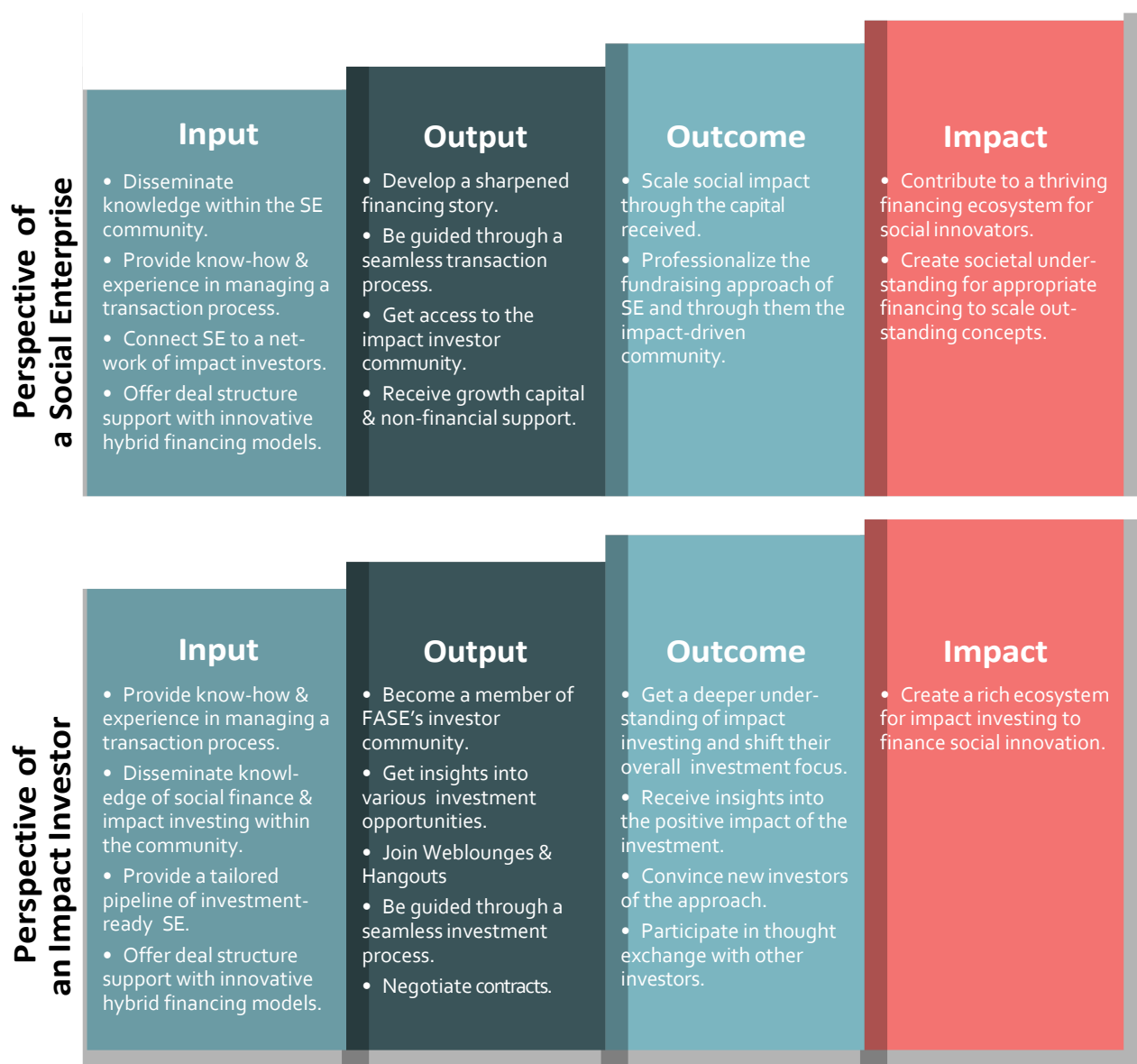
The impact logic

For both target groups - social enterprises (SE) and investors -, FASE has developed criteria to measure outputs, outcomes, and impact. In general, outputs are described as all activities performed by an organization that directly address the target group.

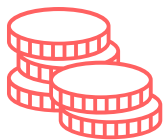
The outcomes are changes in the target group's behaviour. Impact, on the other hand, is a long-term systemic change.

The following graphic illustrates this I-O-O-I logframe for both target groups as described in this chapter.

Our impact chain (I-O-O-I logframe)

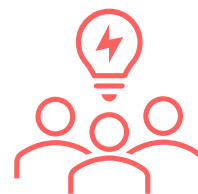


Highlights & outputs in 2022



€ 12.4m

closing volume of the
European Social Innovation
and Impact Fund



9

new mandates



8

deals closed



~280

new passionate
investors & multipliers



€ 9.1m

invested in the sector

European Social Innovation and Impact Fund

FASE is proud to have conceptualized, designed, and set up the **European Social Innovation and Impact Fund (ESIIF)** – an impact mezzanine fund focusing on early-stage social enterprises in Europe.

The fundraising process already started in 2020, with a first closing of EUR 4.5 million in October 2020, and a third closing in October 2021 with 10,5 Mio. With a total amount of EUR 12.4 million after the final closing in 2022, the fund aims to invest in around 40 social enterprises based in Europe. The ESIIF is exclusively reserved for FASE clients: all ESIIF investees are identified from the pipeline of FASE social enterprise mandates and can apply for corresponding matching funding from the ESIIF once they secured direct investors. With the ESIIF, FASE is implementing an innovative vehicle to channel more growth capital to early-stage social enterprises in Europe. The ESIIF is also the first European impact mezzanine fund to have received the so-called EaSI Guarantee provided by the European Investment Fund (more details below).

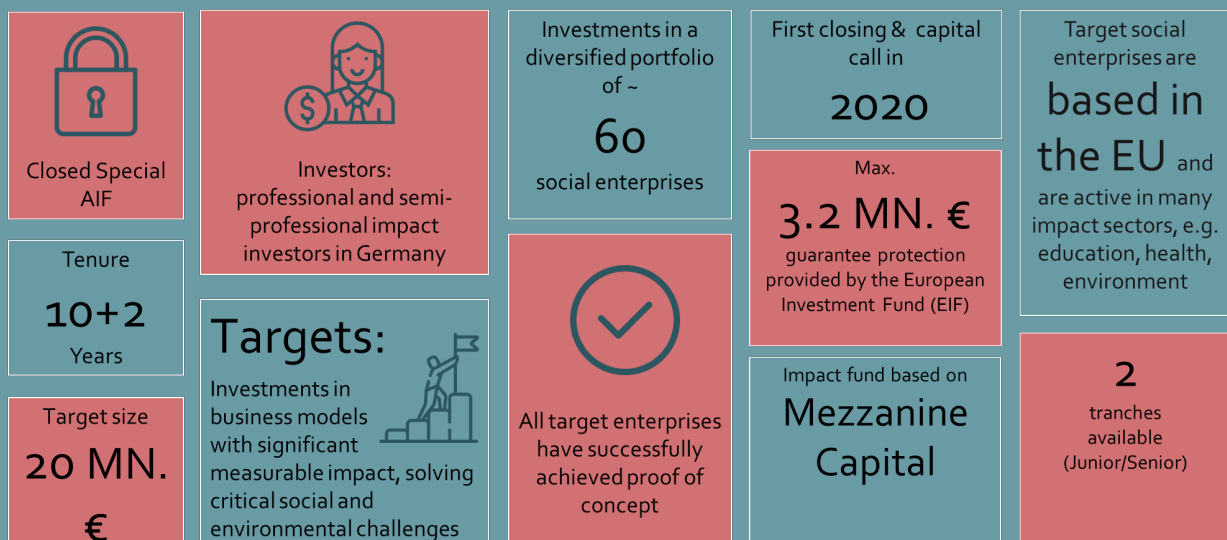


Image source: [official ESIIF page](#) (in German)

The ESIIF is a first-time fund model to address a systematic gap in social enterprise finance in Europe: it will finance a pipeline of early-stage social enterprises and will help them to bridge the early-stage financing gap and scale their impact after initial proof of concept. Designed as a passively managed matching fund, it aims to provide vital funding with mezzanine capital to early-stage social enterprises located in countries within the European Union.

On the capital supply side, the fund aims to achieve an attractive internal rate of return for (semi-) professional German investors, who can choose between a senior and a junior tranche with different risk-return profiles. On the capital demand side, the fund's mission is to provide social enterprises with risk capital that they would otherwise have difficulties

obtaining. By applying a layered structure with junior and senior tranches, the fund overcomes barriers for a substantial number of (would-be) impact investors who, as compared to a direct investment, seek a more balanced and broadly diversified portfolio and need specific risk-return profiles to become engaged in early-stage social enterprise finance. Against this background, it is an essential ingredient of the fund that it was the first vehicle in the German market to secure the EaSI Social Entrepreneurship Guarantee: this enables the necessary fund economics as well as reasonable financing conditions for investors and social enterprises.

"Due to matching the financing amounts that we raised from direct investors 1:1, the ESIIF brought us one big step closer to our vision to place the topic of food saving right into the heart of society and give people a simple tool to become part of the solution by buying food from our online shop. For impact startups such as us, the ESIIF is an important component to scale innovations and enable a functioning ecosystem for social finance." - Raphael Fellmer / SIRPLUS

> Do you want to take a closer look at the ESIIF? Here is the [link](#) to the website!

Extension of investor network

By the end of 2022, the FASE community grew to **around 1,930 individual and institutional investors** across Europe. Over the course of the year, we added around 280 new contacts. More important than the quantitative growth of our network, our biggest concern was to convince investors to invest more capital into impact-oriented projects. Therefore, an important output and outcome indicator is the **investors' activity level** since it shows how much and how often investors engage in our social enterprise mandates.



Lifecycle of an investor

1. Initially interested investor, who has not invested in social enterprises, but is generally interested in the topic and joining FASE's events.

2. Validated investor, who has invested in social enterprises, but not with FASE. Is also joining FASE's events.

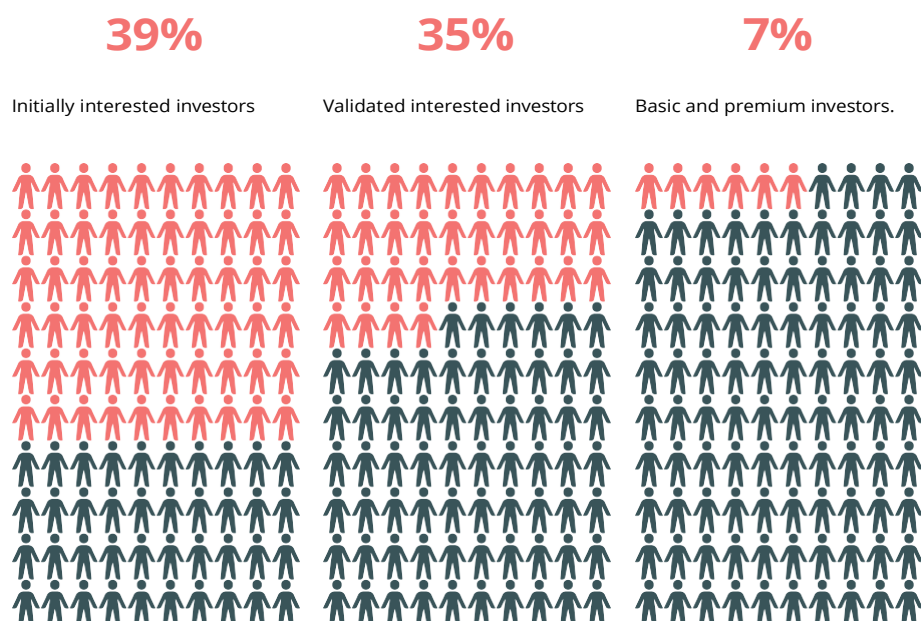
3. Basic investor, who has invested in social enterprises at least once.

4. Premium investor, who is experienced in impact investing, and has invested in social enterprises multiple times.

The majority of FASE's investor network are **"initially interested investors"**, who haven't invested in social enterprises yet but are generally interested in the topic. This group encompasses individual investors and multipliers, with whom the team sets up an initial call to investigate current investment activities and interests. **"Validated interested investors"** are more familiar with social entrepreneurship and closely interested in social finance. These investors haven't invested through FASE yet but joined management presentations and had a closer look at some of our mandates (they might have invested in social enterprises without FASE). **"Basic investors"** have done at least one investment through FASE. **"Premium investors"** have committed more than EUR 500k or have at least invested twice within the past 3 years. Typically, the investors enter the FASE "life cycle" as interested investors and become basic or premium investors after their first investments.

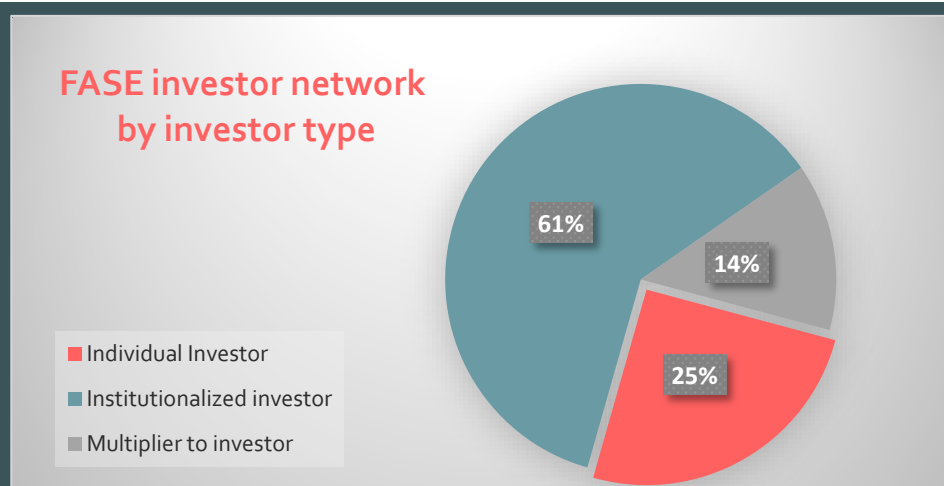
Our investor relations team regularly informs potential investors about new investment opportunities and shares invitations to our monthly virtual hangout events within the wider community. Most of these individual investors are private investors and business angels. Institutional investors and multipliers mainly came from foundations, banks, (social) venture funds and family offices.

The activity level of investors

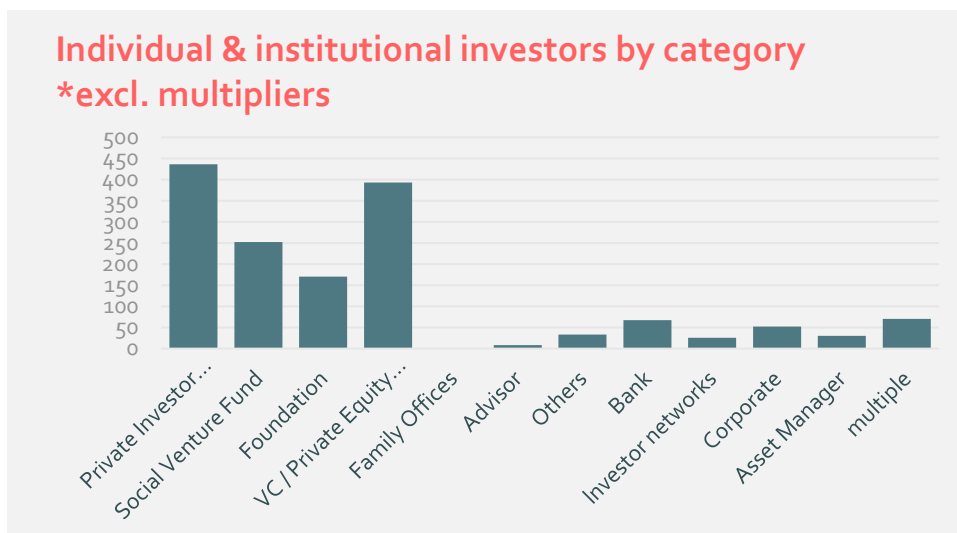


In 2022, we conducted 149 management presentations with different investors. 79 of these investors attended for the first time a management presentation organized by us. Also, 13 out of the 24 investors signing an investment contract in 2022 were first-time commitments through FASE.

Partially, this is due to the ongoing fundraising for the ESIIIF: Some of these investors are not investing directly in social enterprises but via the ESIIIF. The fund allows them to engage in a broadly diversified portfolio of social enterprise financings and makes them part of FASE's community. The number of investors having joined management presentations and invested (for the first time) is a reliable mirror of the activity level of the FASE investor community. Still, out of the huge network, it's a relatively small number of investors who finally decide to transform interest into investment. The following charts illustrate **FASE's impact investor network**, clustered by investor type.



The vast majority of FASE's investors are individual or institutional investors. Multipliers are not investing by themselves, but are well-connected intermediaries, who support us with their network. Institutional investors are mainly social venture funds, foundations, VC / private equity funds, and family offices. Individual investors are business angels and private investors.



Social finance & pitching events

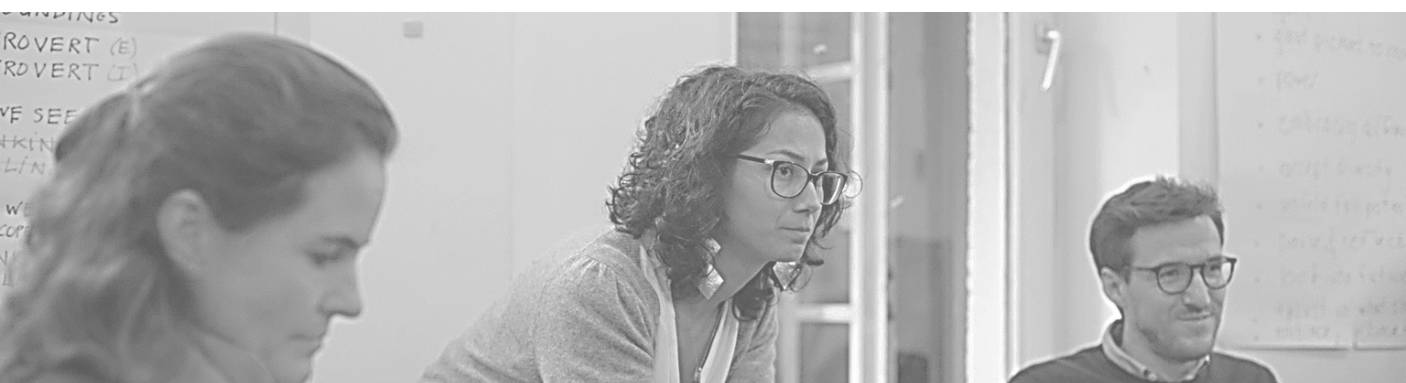
FASE's investor relations efforts were strengthened in 2022 due to the following activities:

We implement **regular virtual pitching opportunities** called "*WebLounges*" for all our social enterprise clients. Impact investors can meet the enterprises online and experience a short pitch, combined with a Q+A part thereafter. Some benefits we observed:

- They are less time-consuming for investors and social enterprises to attend and therefore present a popular alternative to our more formal and in-person social finance events.
- They proved to be very useful in reducing the entry barriers for potential impact investors and is regularly scheduled for a FASE social enterprise client as part of the transaction process.

We organize **virtual investor "more impact for lunch" sessions (3 in total)** to discuss concrete trends and developments in the sector on a monthly basis. The value adds are:

- They present an opportunity for experienced impact investors to share their learnings while being a great option for impact investing newcomers to get connected and learn more about the challenges and opportunities.
- What we took away from our annual calls with investors is that this format and the sharing of experiences and lessons learned are great tools to support the overall development of the sector and increase awareness of the possibilities of impact investing.



Pipeline

FASE's regular pipeline efforts were strengthened in 2022 due to the following activities:

- As part of the **National Competence Center for Social Innovation**, FASE is shaping the ecosystem of social entrepreneurship and receives vital insights into the startup scene.
- Online workshops were held for several social entrepreneurship programs such as the Social Innovation Competition of the European Investment Bank Institute or those of several coworking spaces, e.g. the Impact Factory in Duisburg and the Impact Hub Berlin.
- An informal collaboration with the **Social Entrepreneurship Netzwerk Deutschland (SEND)** took shape to support their members in their search for growth capital.

The entire pipeline management included:

- selecting and meeting potential pipeline candidates
- reviewing their business and impact models
- providing initial feedback on their levels of investment readiness.

To identify a suitable deal flow for our customized deal-by-deal support, we...

... leveraged the global network of Ashoka, actively **screened** social enterprises from partner organizations and **asked for referrals** from later-stage investors.

... established an **online questionnaire** on our homepage to receive initial information from potential social enterprise mandates.

... **attended** multiple **sector conferences** with social enterprise pitching sessions, held various online webinars with partner organizations and spoke at many sector conferences to actively create appetite among social enterprises to seek growth capital to scale.

... **formalized our partnership** with different pan-European partner organizations to ensure more permanent, structural access to a broader pipeline of investment-ready social enterprises.

Knowledge dissemination

In addition to our core activities, the FASE team has been involved in several training and knowledge dissemination activities for broader audiences, such as:

- Efiko Academy: a targeted online learning opportunity on [innovative impact deal structuring](#) with Markus Freiburg & Laura Catana.
- Social finance module for the Social Impact Academy of Ashoka Romania.
- Workshops delivered for the EU EaSI technical assistance platform.
- Regular 3-day courses for University Witten Herdecke in Germany.

Transactions and impact-oriented projects

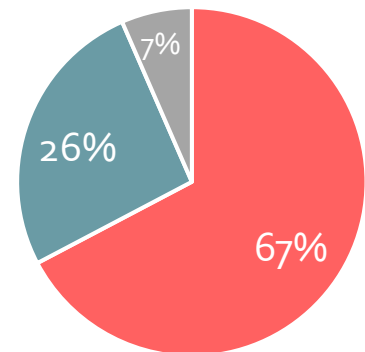
Since FASE's inception in 2013, we supported 114 financing rounds with 104 different social enterprises.

With some social enterprises, we even worked twice or three times over the past 10 years, which indicates mutual trust and successful collaboration. In those financing rounds, 67 successfully secured growth capital. 29 transactions had to be discontinued for a variety of reasons e.g., personal issues of the founders, insolvency, adverse market conditions, or similar. As of the end of 2022 seven transactions are still ongoing and expected to be closed in 2023.

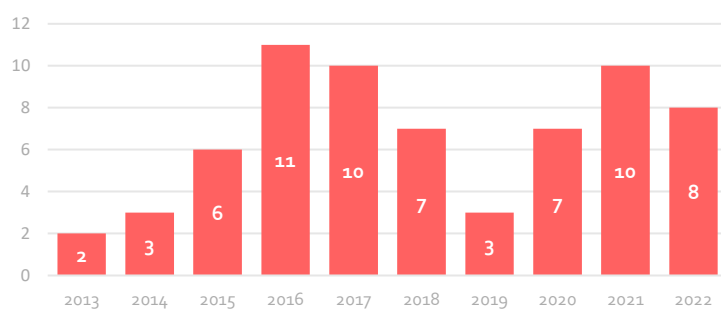
Transactions 2013-2022*

*(as per 31.12.2022)

- transaction successfully closed (with/ without the contribution of FASE)
- transaction early terminated



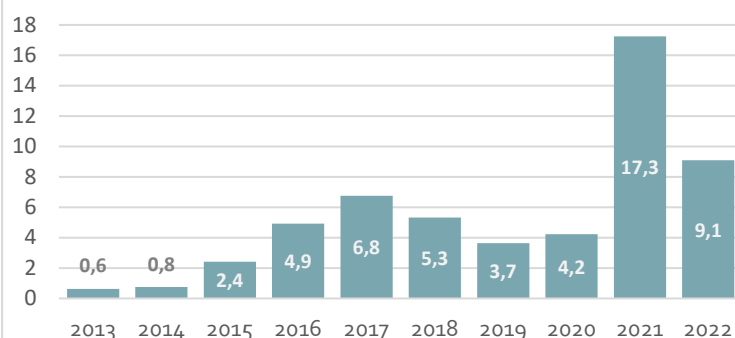
Number of successful closings per year



The graphs on the left illustrate the annual number of successfully closed transactions as well as the total capital mobilized for the social finance market by calendar year.

Please note that the year of mandate signature is not necessarily identical to the year of transaction closing due to the necessary time to bring a transaction to a successful signing (typically around 9 months).

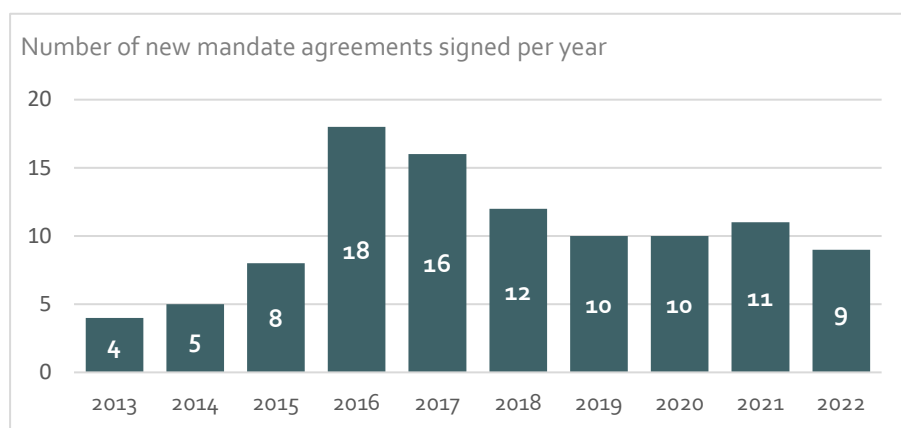
Volume of capital raised in Mio. Euro



With the support of FASE, almost EUR 55 million in growth capital was mobilized for the benefit of the sector.

FASE's closed rounds had a size of less than EUR 500k. On the one hand, this can be explained by the early-stage nature of most of the social enterprises that we supported (as described in the preceding chapter). On the other hand, larger financing rounds tend to often be split into two sub-rounds within our consulting phase. The decision to split a round mainly depends on the required investment sum and the specific business model.

Over the last few years, we have also seen an increase in total deal volumes and ticket sizes.



Social enterprises supported by FASE & successfully closed in 2022



Enabling improved working conditions for more resilient global supply chains

Global supply chain incidents and scandals are the order of the day in several sectors. Increased reputational risks and new laws progressively compel brands to ensure that working conditions along their supply chains are responsible and sustainable. Yet very few companies have systems for identifying, addressing, and managing risks relating to poor working conditions along their supply chain. &Wider developed a comprehensive monitoring system to provide up-to-date insights into working conditions and workers' well-being in any sector or geography. Using mobile technology, data is collected directly and anonymously from the workforce. Brands and suppliers are provided with real-time data and support to manage and monitor high volumes of sites, spot risks, and make and measure improvements. Moreover, extensive datasets permit the development of benchmarks showing the risks and progress of sectors worldwide. This allows both clients and other ecosystem players to gain fundamental insights into their sectors and geographies and work towards more resilient supply chains. To date, &Wider offers data and support to over 50 clients with 400+ sites, impacting the lives of just over 80,000 workers. The enterprise has a healthy pipeline and is ready to build further on a solid foundation of vast data science proficiency, proven monitoring methods and surveys, and 30+ channel partners providing multi-year sales streams. With support from FASE, &Wider has raised growth capital to scale their activities and impact in Europe, Africa, Asia, the Gulf, and the Americas.



Reducing plastic waste and CO₂ emissions through refillable household and personal care products

Blaue Helden, founded in 2020, has the vision to become the leading sustainable omnichannel company for household and personal care products. These products are typically sold in plastic bottles, which generate high amounts of single-use plastic waste as well as CO₂ emissions during transport. Blaue Helden introduced sustainable alternatives by selling their products in tab and powder form, ready to be mixed with tap water at home, thus reducing plastic waste and CO₂ footprint by a factor of up to 25 as compared to traditional products. Since its launch, Blaue Helden has been listed in major retail chains in the DACH region (e.g., dm, Edeka, Migros, Rewe) and e-commerce platforms (e.g., Amazon, Rossmann). In addition, their products are being sold via a proprietary online shop. By tapping into the fast-growing market of eco-friendly products, Blaue Helden is well-positioned for further growth and plans to expand offerings with new categories, retailers, and geographies. To achieve this, the company raised growth capital with support from FASE.



CHANCEN eG

Financing education opportunities to enable a fair, self-determined development for young students

CHANCEN eG strives to create equal, fair and self-determined opportunities for young students to access education and professional development. The German social enterprise offers a well-established financing model called "reverse generation agreement" (German: „Umgekehrter Generationenvertrag“) to cover private education costs. The model builds on an income-based, delayed repayment of university tuition or education expenses and has been successfully implemented for more than 25 years at the University of Witten/Herdecke with the "StudierendenGesellschaft (SG)". CHANCEN eG was founded in 2016 by two former executives of the SG in order to offer the next level of the reverse generation agreement to other universities and educational institutions. Since its inception, the enterprise has been able to win 41 universities with around 100 different study courses and financed 1,100 students to date. After having attracted more than EUR 25 Mn in capital over the past few years, CHANCEN eG has successfully raised additional financing with support from FASE in early 2023.



Germany's first telemedicine platform for women's hormonal health

FEMNA is Germany's first telemedicine platform focused on women's needs for natural, hormone-free healthcare. FEMNA enables timely and convenient access to medical doctors and naturopaths for detailed advice and therapeutic recommendations on all topics related to women's health, from menstrual disorders to family planning and menopausal concerns. After completing a home-based test, women receive their diagnosis during virtual consultation sessions with certified healthcare experts (depending on the test, either naturopaths or doctors). FEMNA serves women aged between 25 and 45 and is based in Germany and Austria. Most health concerns are related to menstrual disorders, acne, or PMS, which OB-GYN doctors superficially treat with birth control pills. Medical visits with OB-GYNs are short and do not accommodate consultation on alternative, natural treatments for women's concerns. Women feel rushed to accept the birth control pill as a treatment although they increasingly prefer hormone-free, holistic therapeutic solutions, such as nutritional supplements or lifestyle changes. FEMNA served 14,000 women since its inception in 2016. The social enterprise successfully raised growth capital with support from FASE to further scale in its core markets.



The 1st digital media for the disconnected providing high-impact educational and informational content to BoP with little or no internet access

As education and sharing of knowledge are absolute priorities to build more inclusive and resilient societies, access to reliable internet is becoming more and more essential. Yet, 50% of the world's population has little or no access to the internet. With over 14 years of experience in offline internet technologies, the non-profit Libraries Without Borders (LWB) has created Kajou, a social business providing high-impact educational, health and informative content without requiring any internet connection or use of data. Kajou allows users to switch between online and offline via a unique combination of content loaded on SD cards (to be inserted into smartphones) and the Kajou app. Within 5 years, Kajou aims at giving 3 million people in West Africa the means to inform and educate themselves and to develop their professional activity. Kajou reaches its users B2B/B2G with tailor-made content provided by partners (institutions, NGOs, corporates) and sells directly to the users (B2C) off-the-shelf SD cards drawing from a vast catalogue of more than 35k content in 25 languages.



Eliminating waste across the food industry to fight climate change

One-third of all food produced is wasted. This is a global issue for the environment, the economy and society at large. Across Central Europe, food waste is also causing annual losses of up to 2 billion EUR to businesses. Munch is eliminating waste across the Hungarian food industry through an online marketplace, starting with restaurants, bakeries and supermarkets. Munch offers a platform for food service providers to sell their surplus food at a discount, thereby creating a win-win-win situation for the seller, the buyer and the environment. To date, Munch has saved 100K+ portions of food from waste, reducing CO₂ emissions by 300+ tonnes and involving 400+ partners and 20K+ paying customers in fighting food waste and climate change. With a solid professional team and a user-friendly platform in place, Munch is ready to expand into other markets in the CEE region.



Protecting online communities against violence with an autonomous AI guardian

Despite new regulations and solutions, users on the internet are still not protected from online violence before it happens. This problem stems from low-precision market solutions with too many false alarms and the resulting necessity of humans in the workflow to oversee AI decisions, which makes it impossible to scale. Anti-virus software was crucial to safe browsing in the early wave of the Internet; now cyber safety software is essential to the future of social collaboration. Samurai Labs has developed the market's first, real-time, autonomous Artificial Intelligence guardian offered to online communities, gaming spaces and distance learning (made in Poland). Samurai Labs is developing lighthouse accounts to use as pathways to robust growth and market leadership, having already signed its first account, Khoros, for online community management. To date, Samurai has already protected over 2 million online users.

Impact investment funds supported by FASE & successfully closed in 2022



Planet A Ventures is an impact investment fund that supports European startups that are making a measurable, positive impact on our planet while building profitable, scalable businesses. They want to contribute to an economy that operates within planetary boundaries and are raising the BELOW ONE FUND I to invest in innovative early-stage companies that are part of the solution.



Achieved outcomes in 2022

Knowledge Dissemination

FASE IMPACT FIRE TALKS AND EFIKO COURSE

With the intention to shape the ecosystem for impact investing and social innovation across Europe, FASE has continued to communicate its experiences and expertise more broadly. As a partner of the [National Competence Center for Social Innovation](#), FASE was able to increase its impact on the impact finance knowledge side. In addition, we were successful in building a strong brand with our [Impact Fire Talks](#), a series of expert talks professionally organized by Laura Catana and Andrea Radulescu. The expert rounds were highly interactive and circled around provocative and thought-leading topics in the impact investing space and also highlighted new trends and refreshing perspectives.

Furthermore, Dr. Markus Freiburg & Laura Catana shaped the rollout of our Efiko course on how to use innovative approaches to finance impact ventures, for example with the help of tailored instruments and catalytic capital. The aim of this course is to level up the investment structuring skills of investors and funders and learn from practice through case studies and insights from leading entrepreneurs and investors. This course is currently available as a self-learner course as well as in a hybrid format:

<https://efiko.academy/innovative-impact-deal-structuring/>



Provisions taken for the accompanying evaluation & quality assurance

To ensure a high professional consultancy, FASE implemented standardized processes in advertising and assisting their target groups. During the whole process, the transaction team works in sets of two to ensure quality and objectivity. Additionally, the investor relations teams support the transaction manager during the whole process regarding all questions of investor relations.

The supervising transaction managers are permanently in contact with the investors and the social enterprises. Additionally, various meetings are set up once a week to discuss ongoing transactions, open questions, and pipeline candidates within the team.

Once the mandate is terminated, an evaluation interview with the social entrepreneur helps the team to improve its work and to adjust the processes to the needs of their clients.

The investor relations teams schedule annual update calls with investors to ensure that we are best informed about their investment focus and internal developments and above all to maintain a good relationship with the investor. Part of these conversations is also the gathering of feedback on the formats of the FASE.

Even before the mandate is concluded, the team ensures maximum transparency through an internal participatory approach. In the internal team meetings, the team discusses potential clients and decides collectively on the further course of action.

„The first financing round with support from FASE was a very exciting experience for us since it has created a great foundation for the following round. Without it, we wouldn't have been able to learn important aspects such as driving our business plan forward or gathering practical experience from a professionally managed transaction process. I haven't received a lot of great advice in my life, but the feedback from FASE and the insights I gained in the mindsets of investors were extremely valuable to me. “

- Christoph Schmitz / Ackerdemia & AckerCompany

Geopolitical turmoil meets climate crisis

With the effects of the Ukraine war hitting Europe in March 2022, the mindsets of investors have been impacted by the geopolitical turbulences and the increasing call-to-action concerning climate change.

A 2022 market study shows that in these difficult times, impact investing is gaining importance in Germany. While investors confirm that their main motives are to solve pressing global problems (83 % of respondents), personal values and ethical convictions play an important role in their decision-making (82 %). The study was run by the German [Bundesinitiative Impact Investing](#) (BIII) and is based on the evaluation of an online survey of 225 investors and intermediaries, including fund managers, foundations, and banks. At almost 39 billion euros, the 2022 volume of impact assets declared by the participants is significantly higher than self-reported in the first edition of the study in 2020.

The study indicates, however, that in terms of financial return expectations, the market hasn't substantially changed: 65 % of the participants still want their impact investments to achieve market-rate financial returns, and 19 % even aim higher. Only 16 % of study respondents said that they are satisfied with below-market-rate financial returns.

80 % of those who have been active in the impact investing market for two years stated that the volume of impact investments has grown in the last two years. The average growth here was 35 %. 18 % of the participants reported that their volumes have remained the same. More than 80 % of the participants believe that private equity, the most popular asset class in impact investing, will continue to grow the fastest in the future. Environment, energy, and health are the most important topics to which investments are dedicated.

Overall, the study participants stated that both the impact performance and the financial performance of their impact portfolios met their expectations (impact: 76%, financial: 73%).



Current trends in the impact investing market

Following published reports from BIII and GIIN, **we see a shift from the increasingly outdated perception of an inherent trade-off between impact and financial performance.** As reported by the GIIN⁶, investors find the financial attractiveness of impact investing relative to other investment strategies at least important.

Also, the majority of investors met or exceeded their financial expectations and sought risk-adjusted, market-rate returns for their assets. Moreover, recent studies illustrate that impact investors prefer impact-fund investments to single direct investments.

Therefore, the European Social Innovation and Impact Fund (ESIIF) offers a great chance to serve these preferences and to reach not only direct investors but also such investors through the fund.

The FASE network has also grown steadily in recent years. The FASE investor community showed a high level of interest in impact investing across all types of investors and continues to do so.

At the same time, only a few investors to date have transformed this level of interest into concrete investments. This seems to be a fact that is rather independent of FASE's strong reputation as a trusted advisor that we have been able to build in recent years. Within our growing network of investors and multipliers, some have invested in social enterprises via FASE already several times.

⁶ *Global Impact Investing Network (2020): Annual impact investing survey 2020. Available [here](#)*

Planning and forecast

> Further investments with the European Social Innovation and Impact Fund (ESIIF)

The final closing of the ESIIF End of April with 12,5 Mio Euro was successfully reached. With the Ukraine crisis starting in March 2022 the fundraising in the end was rather tedious.

> Strengthening the investor community

The investor relations team of FASE is planning to extend the proven formats to open up conversations with investors. This is why FASE has held the first **“FASE Impact Fire Talks”** in Spring 2022- an investor-only virtual five-day event. Together with experts and experienced investors, we are talking about the hottest trends in impact investing.

> Professionalization of pipeline activities

A pipeline of investment-ready social enterprises is essential for FASE's daily work. For better management of this process, a pipeline tool helps monitor and make the process transparent for all pipeline cases.



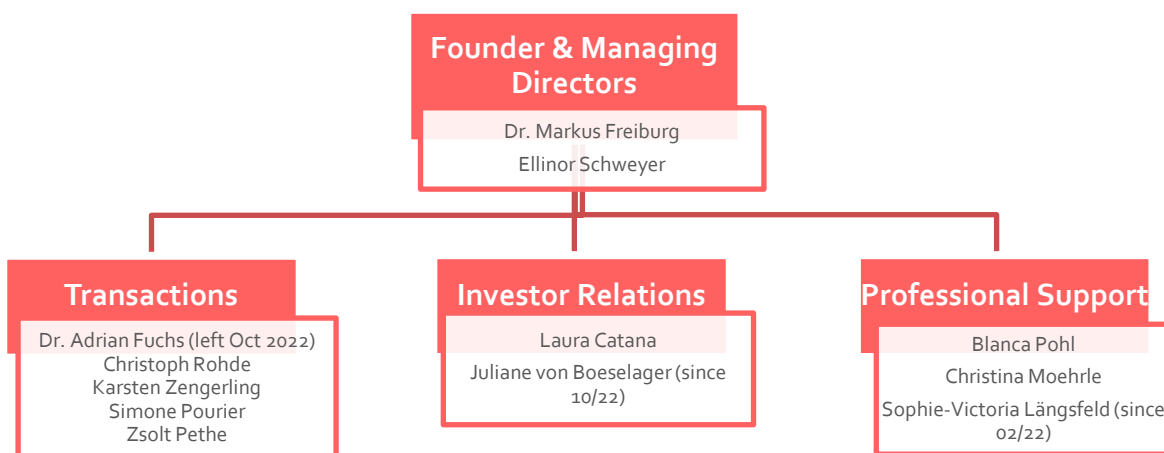
Organizational structure, finance & team

Ownership structure

FASE started its activities in 2013. Initially, FASE was active within the legal entity of the non-profit organization Ashoka Deutschland gGmbH. In November 2013, the Financing Agency for Social Entrepreneurship GmbH (FASE GmbH) was founded to spin off these activities into a separate legal entity. Since 2017, the ownership structure of FASE is unchanged and divided between Ashoka Deutschland gGmbH (60%) and the founders Markus Freiburg, Ellinor Schweyer and Björn Strüwer (40%).

FASE works closely with its core partners and is well-connected to important players in the impact investing market. As part of the European Venture Philanthropy Association (EVPA), a lively community of organizations creating positive societal impact through venture philanthropy, we are network partners with many important, inspiring, and thought-leading foundations and impact funds across Europe.

Since 2013, FASE has been led by Dr. Markus Freiburg and Ellinor Schweyer as the Managing Directors. The core team of FASE is supported by a strong team of senior advisors. Consequently, the administrative structure of FASE is very lean.



Our team: passion for impact meets strong sector expertise



Founders & Managing Directors:
Dr. Markus Freiburg & Ellinor Schweyer



Team Germany:
Christoph Rohde & Karsten Zengerling



Investor Relations:
Juliane von Boeselager & Laura Catana



Communications, Accounting & Assistant:
Christina Moehrle, Blanca Pohl & Sophie-Victoria Längsfeld



Team Austria, CEE & Benelux:
Dr. Alexandra Nitzlader & Zsolt Pethe



FINANZIERUNGSAGENTUR FÜR *Social* ENTREPRENEURSHIP

The FASE team

The FASE team works remotely from different locations throughout Europe. Due to the restrictions imposed by COVID-19, the team mainly had a chance to meet virtually in 2021 for regular team meetings. With Magdalena Keus leaving the team after 5 years in December 2021, Sophie Längsfeld joined the team in February 2022 with 15h/week. Laura Catana left after 3.5 years in January 2022, a new IR colleague joined in March 2022: Juliane von Boeselager, based in Frankfurt, was previously at an agency for impact measurement and partly doing freelancing work for the BIII in Frankfurt. She started at a 90% position, then went to 100% in October 2022.

Curious about our team? [Here are the details and bios](#)

Finance

In 2022 FASE generated a total income of EUR 672,522 (2021: EUR 856,218) for their activities of which EUR 336,987 were transaction fees from social enterprises and consulting revenues (2021: EUR 588,708) as well as EUR 186,682 from the set-up of the European Social Impact and Innovation Funds ESIIF (2021: EUR 130,540).

EUR 148.853 came from infrastructure, project-related funding as well as the release of accruals (2021: EUR 136,970).





Financing Agency for Social Entrepreneurship

Contact

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