

Changing *the horizon of* entrepreneurship

From Biscay
to the world,
promoting impact
entrepreneurship



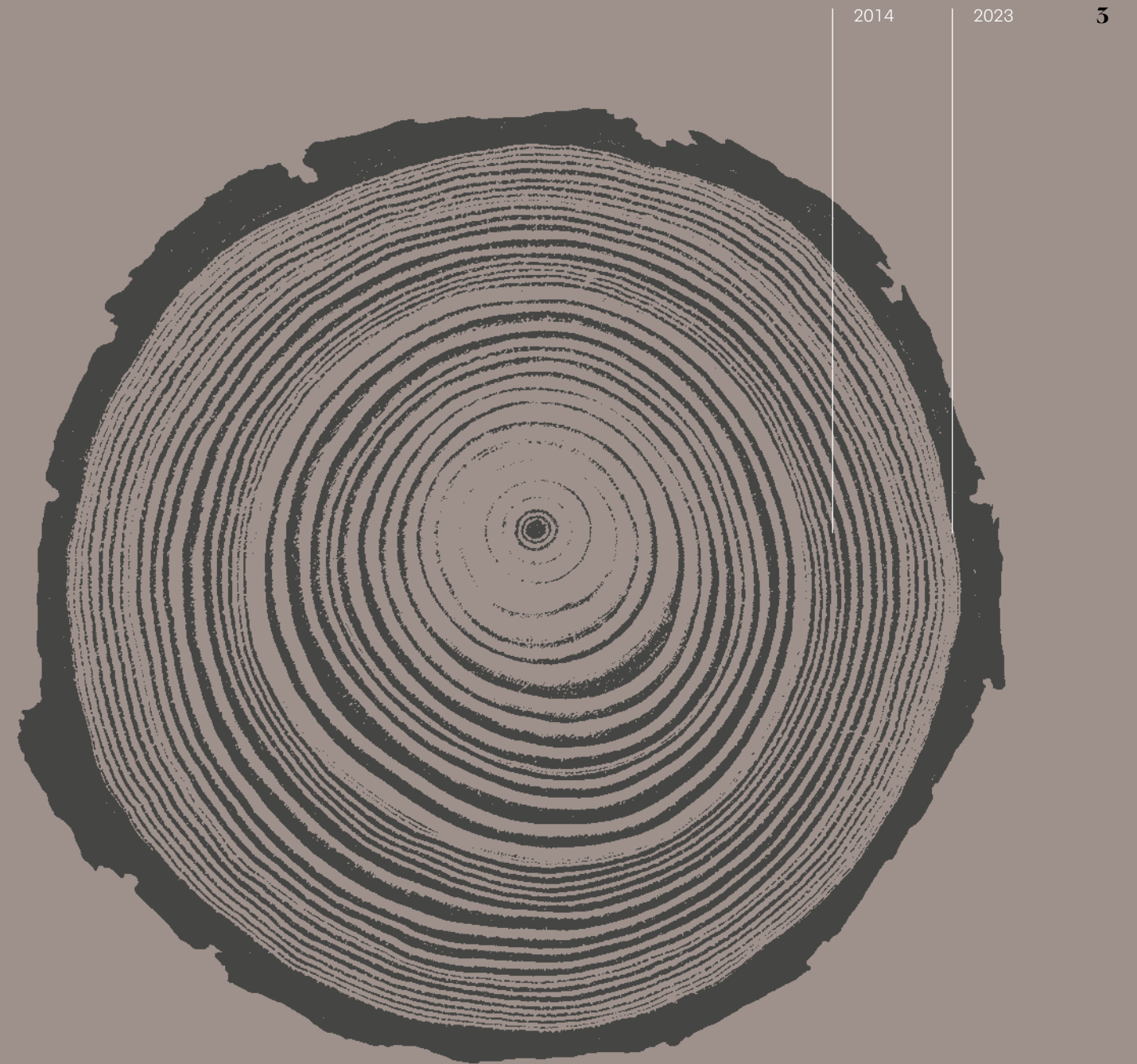
Impact Report
2023

FEIS FONDO DE EMPRENDIMIENTO
E IMPACTO SOCIAL

 **Bizkaia**
seed capital

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"A public administration very close to society and people"

Oscar Ugarte

Managing Director
Seed Capital Bizkaia



What motivated the creation of the FEIS? What is the Fund's philosophy?

Seed Capital Bizkaia, a public company founded in 1989 and attached to the Department of Economic Promotion of the Provincial Council of Biscay, has been supporting the promotion and consolidation of companies and generating employment and wealth in the territory for almost 35 years.

It is known as an innovator in the creation of financial instruments to support companies and has always had the support of a public administration that is close to society and people.

The motivation for creating the Entrepreneurship and Social Impact Fund (FEIS) arose from the identified need to create new support tools for social impact companies. The third sector experienced a period of expansive growth during the years prior to the outbreak of the 2008 economic crisis. The crisis impacted the sector while it was in the process of developing and transforming to meet a growing demand and in an expansionary cycle, which came to a standstill after this moment. It was then that discussions began about new forms of financial support, to



In 2014, the first ever impact fund created by a public administration was established in the Spanish territory.

create new financial instruments to support the social sector.

Seed Capital Bizkaia discussed the possibility of creating a social impact fund to promote the development of social entrepreneurship in the territory and, in 2014, the first ever impact fund created by a public administration was established in the Spanish territory.

The aim of the Entrepreneurship and Social Impact Fund (FEIS) is to promote and consolidate business initiatives with social impact.

How has the FEIS evolved since then?

Since its creation, Seed Capital Bizkaia has invested in 15 social companies who, as well as being profitable, also want to have a positive impact in society and on people.

During this time it positioned Biscay as a key region in the development and implementation of social finance in southern Europe. This gave it access to different platforms and European networks such as IMPACT EUROPE (formerly EVPA, European Venture Philanthropy Association) and the European Federation of Ethical and Alternative Banks and Financiers (FEBEA).

With the desire to continue to boost the impact investment ecosystem, Seed Capital Bizkaia has been implementing new financing instruments in the area of microfinance and has created a crowdfunding platform and a new fund for financing cooperatives.

Seed Capital Bizkaia's FEIS Fund has been pivotal for energising the business and social fabric of Biscay, contributing significantly to the overall development of the territory and to improving sustainability and social cohesion.

What were the Fund's main milestones prior to 2023?

A major milestone was in 2016, when the very first investment materialised. After a period of analysis and negotiations with different funds at international level, we managed to close a round with our first social impact investee company: Koiki Home SL, a sustainable, last-mile delivery company that provides employment to vulnerable collectives.

Another key moment for the Fund was in 2021, with the incorporation of three new private partners: Fiare Banca Ética, the San Prudencio Foundation and the Anesvad Foundation.



The aim of the Entrepreneurship and Social Impact Fund (FEIS) is to promote and consolidate business initiatives with social impact.

The incorporation of these three new partners gave our commitment to impact investment in Biscay a major boost. The Fund has been undeniably strengthened with the addition of these highly experienced leaders in the social arena.

I'd also mention that the commitment of these entities goes beyond contributing capital to the Fund, since they play an important role in defining the investment strategy and in making investment decisions through their participation in the Investment Committee. This participation is a clear example of public-private collaboration.

And the main milestones for Seed Capital Bizkaia in 2023?

I would say our main achievements in 2023 were:

1. We continued to grow and to boost the social impact ecosystem, investing in two new social impact companies and funding new financial needs of the investee companies in the portfolio.
2. We submitted our candidacy to Impact Europe and were selected to host Impact Week 2024 in Bilbao. This international event brings together the main European

economic actors dedicated to mobilising capital for a sustainable economy.

3. We also created new financial instruments, as part of our commitment to continuing to energise the territory. Specifically, in 2023 we created a new cooperative fund –Konfekoop Seed Bizkaia FCR-Pyme– which will be a financial vehicle for financing cooperatives in Biscay. ■

Seed Capital Bizkaia's history in the impact ecosystem (2016-2023)

2016

▶ First investment

2021

▶ Incorporation of

- Fiare Banca Ética
- Anesvad Foundation
- San Prudencio Labour Foundation

2023

▶ New fund Konfekoop

▶ Impact Week 2024

01

First steps to *making a mark*

ABOUT SEED CAPITAL BIZKAIA AND THE FEIS

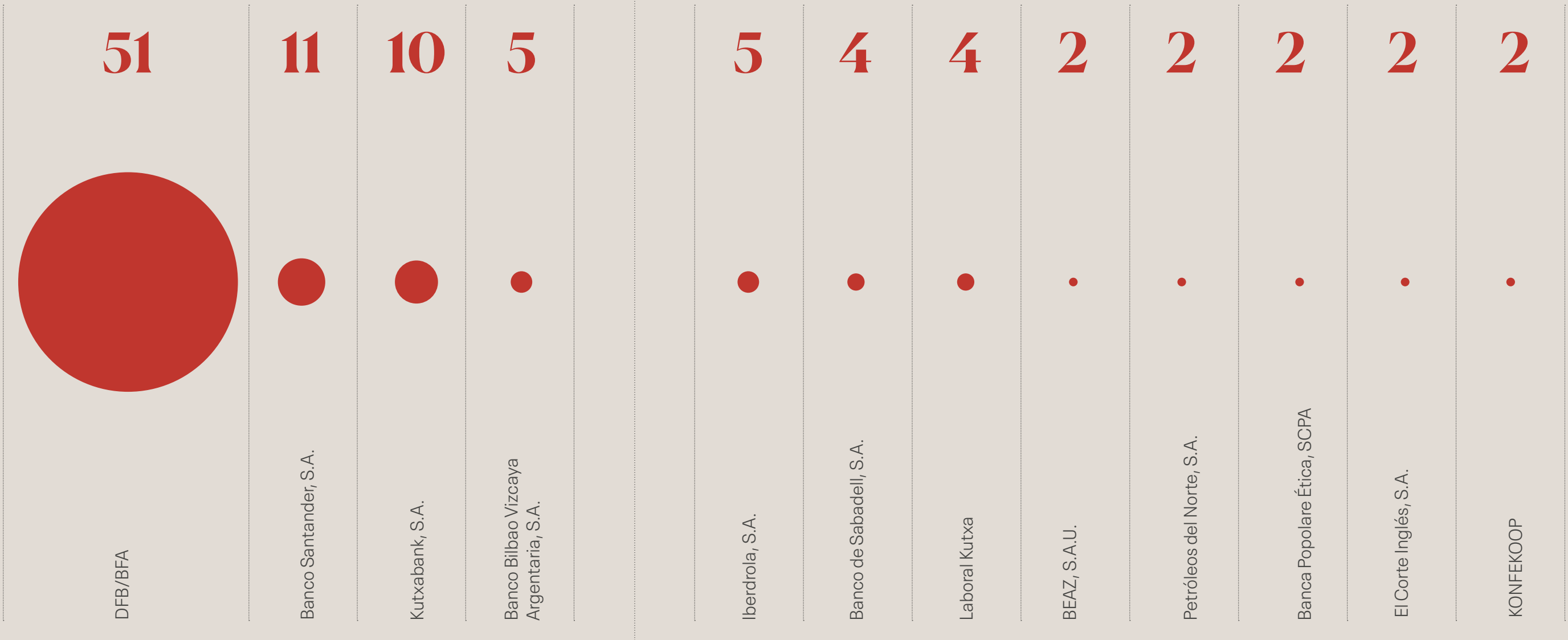
Shareholder composition of Seed Capital Bizkaia (%)



Context

Seed Capital de Bizkaia, Sociedad Gestora de Entidades de Inversión de Tipo Cerrado, S.A. is a provincial public company attached to the Department of Economic Development of the Provincial Council of Biscay, that manages different financial tools.

We are a key mechanism for financing innovation and a tool for the economic development and regeneration of the business fabric of the Historical Territory of Biscay.

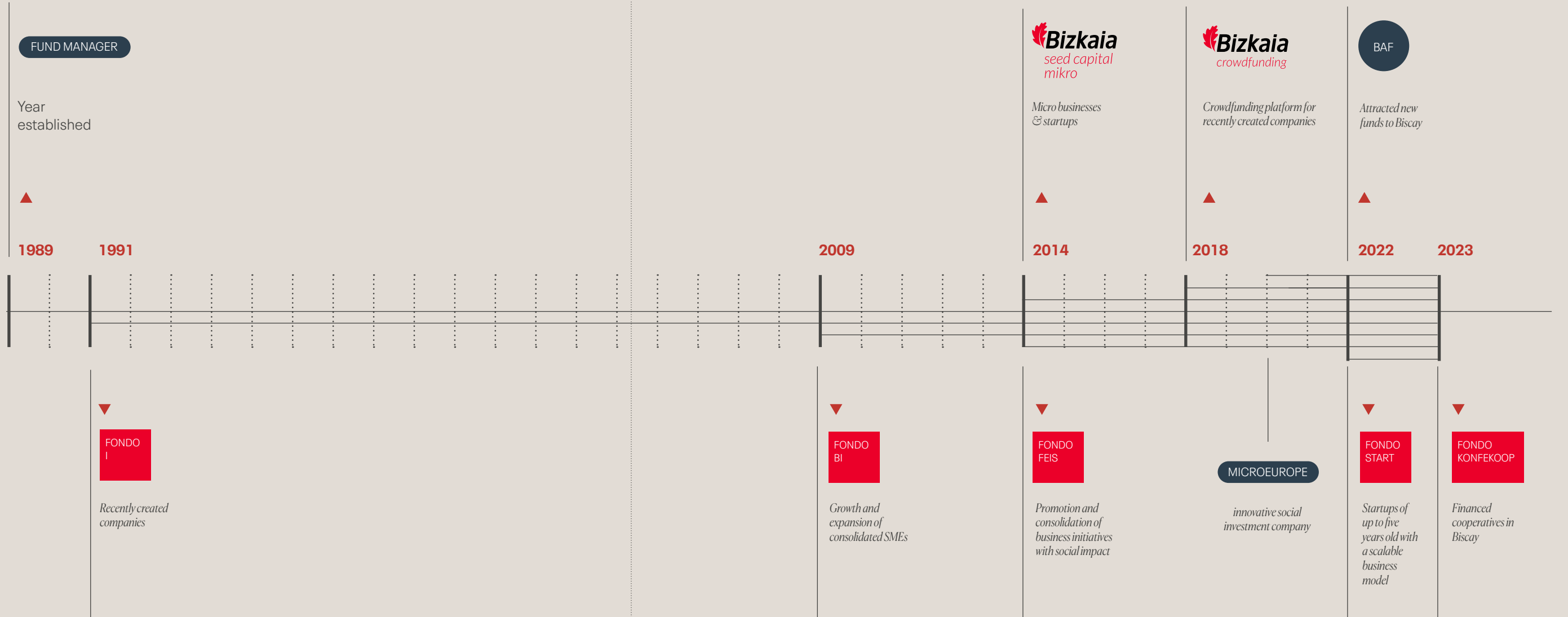


Historical journey of Seed Capital Bizkaia



Context

From its foundation in 1989 to the present day, the fund manager has created various financing instruments to support the promotion and consolidation of companies.

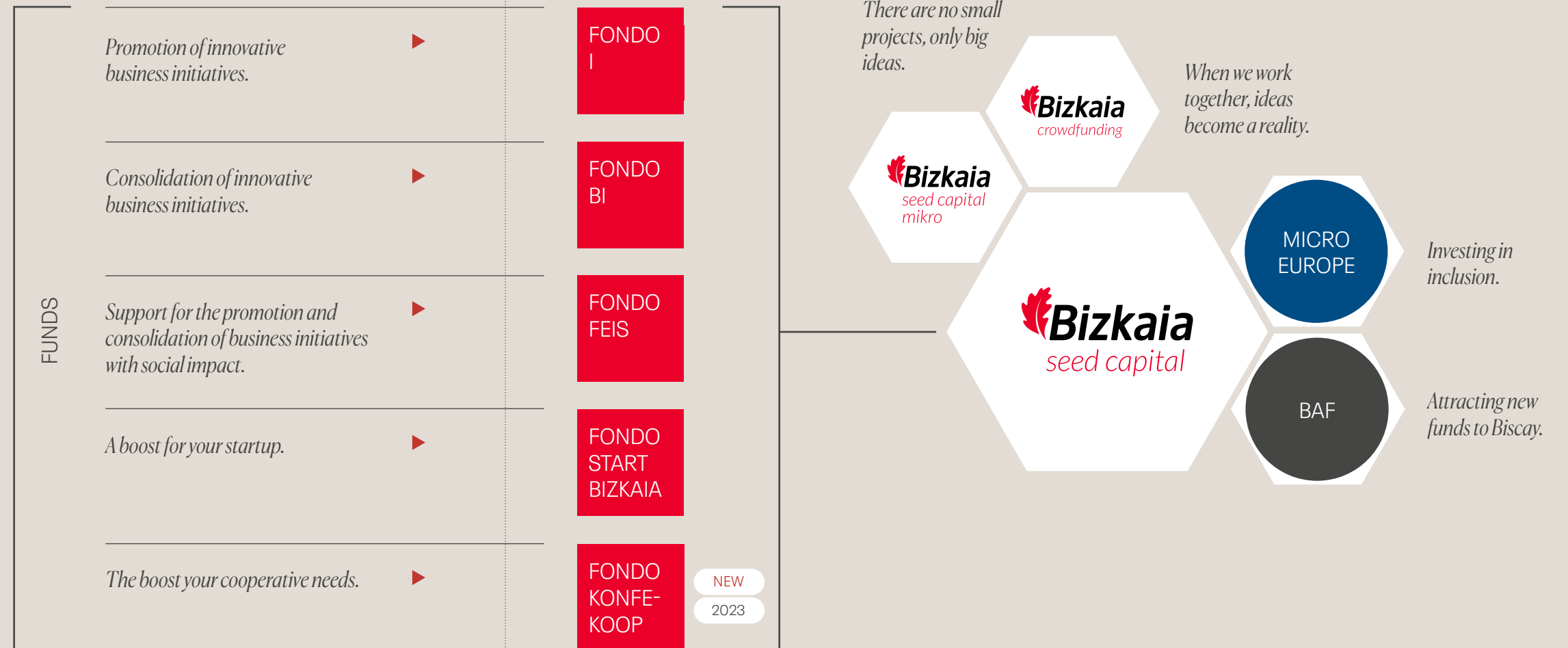


Financial instruments



Context

In 2023, Seed Capital Bizkaia managed six capital risk funds, two microfinance entities and a crowdfunding platform.

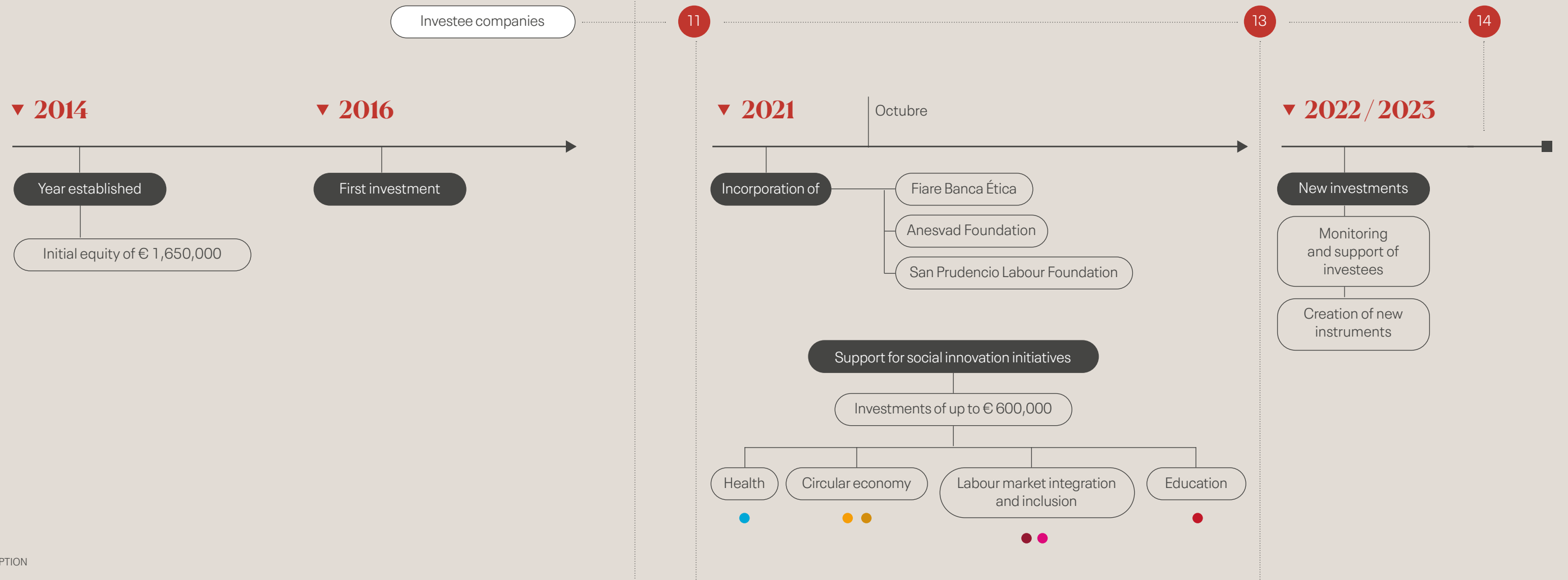


Historical journey of the FEIS



Context

In 2023, Seed Capital Bizkaia managed six capital risk funds, two microfinance entities and a crowdfunding platform.



- ODS 3 | GOOD HEALTH & WELL-BEING
- ODS 4 | QUALITY EDUCATION
- ODS 8 | DECENT WORK & ECONOMIC GROWTH
- ODS 10 | REDUCED INEQUALITIES
- ODS 11 | SUSTAINABLE CITIES & COMMUNITIES
- ODS 12 | RESPONSIBLE PRODUCTION & CONSUMPTION

02


FEIS

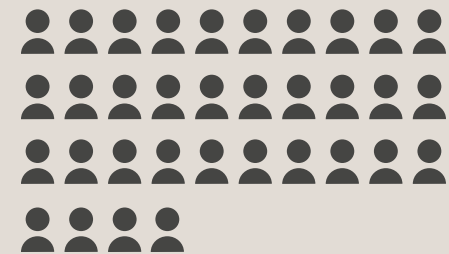
KEY DATA 2023



Key Data 2023

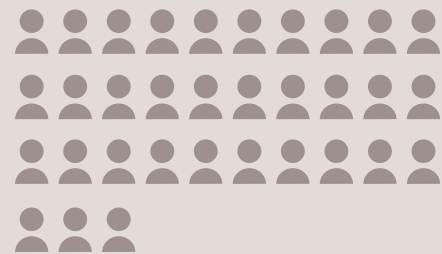
Direct impact on people

 = 10 PEOPLE



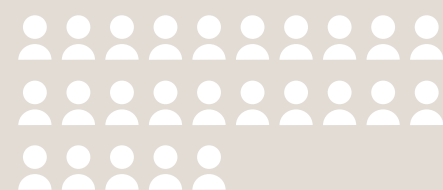
337

Direct and indirect jobs for people with disabilities.



332

People employed in the startups.



246

In Biscay.

Investees in portfolio



14

investees

SALES PORTFOLIO OF COMPANIES 2023

€ 19,465,062

Investments made

TOTAL UP TO 2023

€ 2,412,360

INVESTMENT IN 2023

€ 250,000

INVESTMENT APPROVED IN 2023 & MATERIALISED IN 2024

€ 200,000

FEIS investment by SDG

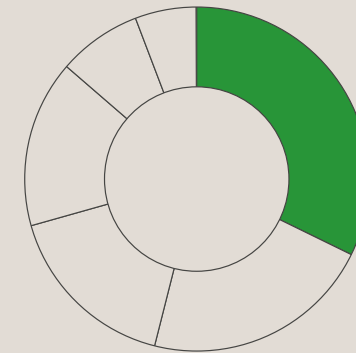
SDG / Investees



3 GOOD HEALTH AND WELL-BEING

€775,000

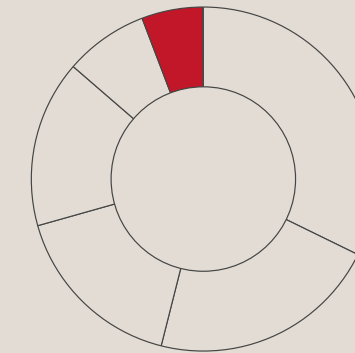
- Evolv
- Insulcloud
- Ubicare
- Impulso Cognitivo



4 QUALITY EDUCATION

€137,500

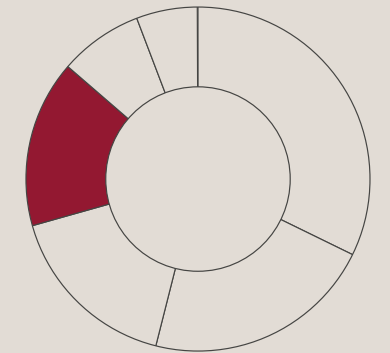
- Kunsthal



8 DECENT WORK AND ECONOMIC GROWTH

€376,667

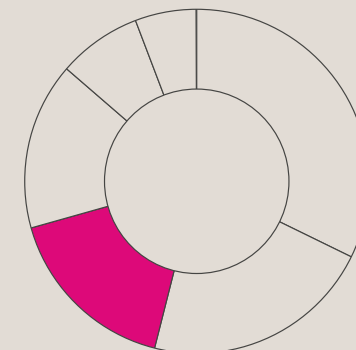
- Urbegi Inserción
- Urbegi IPM
- Koiki
- Itsaslur
- Aparka



10 REDUCED INEQUALITIES

€401,667

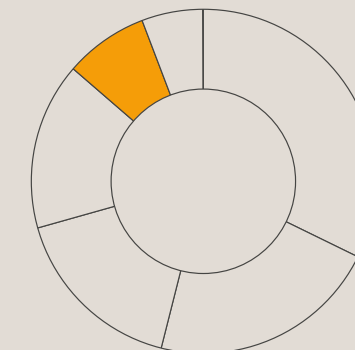
- Koiki
- Urbegi Inserción
- Urbegi IPM
- Itsaslur
- Impulso Cognitivo
- Aparka



11 SUSTAINABLE CITIES AND COMMUNITIES

€206,667

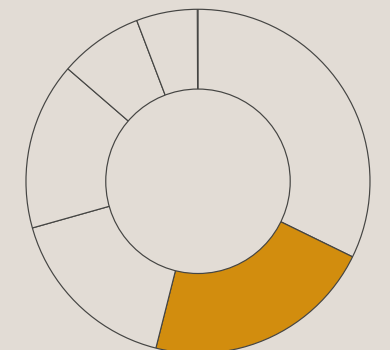
- Koiki
- Aparka



12 RESPONSIBLE PRODUCTION AND CONSUMPTION

€484,860

- Delikatetxe
- Axalko
- Basq
- A planet
- Itsaslur

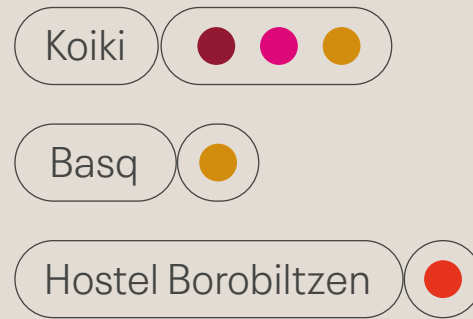


Life of the Fund in 2023

Investments 2023

In 2023, the FEIS approved investments of €450,000 in three companies. A total of €250,000 was disbursed during the year and €200,000 is pending disbursement in 2024.

Investments new investees and the SDGs



- SDG 5 | GENDER EQUALITY
- SDG 8 | DECENT WORK AND ECONOMIC GROWTH
- SDG 10 | REDUCED INEQUALITIES
- SDG 12 | RESPONSIBLE PRODUCTION AND CONSUMPTION

Investments in figures

TOTAL INVESTMENTS APPROVED

€450,000

TOTAL INVESTMENTS DISBURSED

€250,000

INVESTMENTS PENDING DISBURSEMENT IN 2024

€200,000

Investments approved and disbursed

The approved and disbursed investments were made in KOIKI HOME SL, a company that Seed Capital has invested in since 2016. During the 2023 financial year, a capital increase round was closed as part of a new phase of growth and consolidation. Investments were also approved and disbursed in BASQ SNEAKERS SL., a recently-created sustainable fashion company that manufactures footwear that respects the planet.

These investments were mainly focused on social and occupational inclusion (SDG 8 and SDG 10) and the environment (SDG 11 and SDG 12).

Approved investment pending disbursement in 2024

The approved investment pending disbursement in 2024 (materialised in March 2024) was made in HOSTEL BOROBLTZEN, SLU, a company dedicated to developing, operating and managing accommodation and hospitality resources that support aid programmes for people experiencing social exclusion, mainly women. The company focuses on empowering women at risk of exclusion (SDG 5).

Life of the Fund in 2023

Investments 2023

COMPANY

Koiki
Home S.L.

● | SDG 8
DECENT WORK AND ECONOMIC
GROWTH

● | SDG 10
REDUCED INEQUALITIES

● | SDG 12
RESPONSIBLE PRODUCTION AND
CONSUMPTION



ACTIVITY

Socially sustainable home delivery service, creating jobs for vulnerable collectives.

SEED CAPITAL CONTRIBUTION

€150,000

CAPITAL

EMPLOYMENT

30

Investments 2023

COMPANY

basq
Sneakers, S. L.

● | SDG 12
RESPONSIBLE PRODUCTION AND
CONSUMPTION



ACTIVIDAD

Design, manufacturing and sale of sport shoes made entirely from recycled materials: plastic bottles, organic cotton waste and discarded tyres.

They consider fashion as a tool for caring for the planet.

Their commitment to the environment is present in all their business decisions.

SEED CAPITAL CONTRIBUTION

€100,000

LOAN

EMPLOYMENT

7

Life of the Fund in 2023

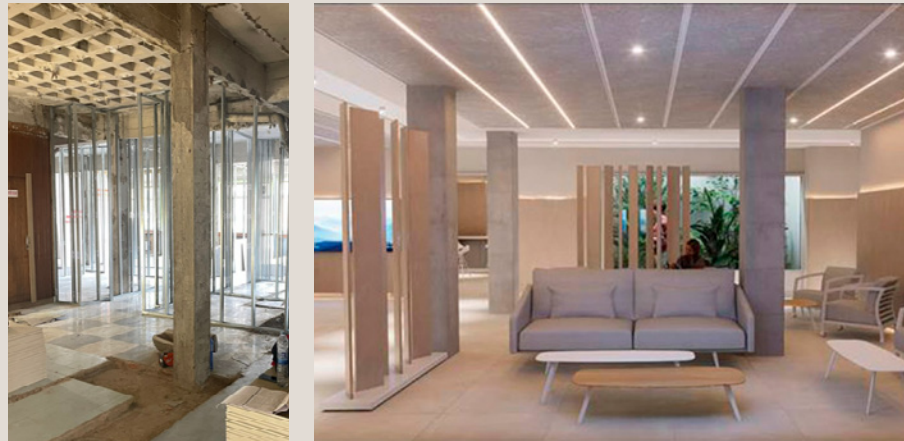
Investments 2023

COMPANY

Hostel Borobiltzen S.L.

● | SDG 5
GENDER EQUALITY

INVESTMENT
PENDING
DISBURSEMENT IN
2024



▲ Construction image and photomontage with the final finishes.

ACTIVITY

Developing and operating accommodation and hospitality resources that support aid programmes for people experiencing social exclusion, mainly women.

SEED CAPITAL CONTRIBUTION

€200,000

LOAN

SCB participation in events in 2023

We participated in 21 events in 2023, with the aim of disseminating the work of Seed Capital Bizkaia, to forge new networks and to grow our network of contacts. In short, to strengthen the entrepreneurship ecosystem and investment impact.

Participating in these events helps Seed Capital to strengthen alliances for sustainable development, to exchange knowledge and experience and to achieve the impact sought by the FEIS with regard to SDG 17.

- SPAINSIF
- SPAIN NAB - GSG Madrid
- Banco Santander
- FEBEA Workshop
- EUROPEAN MICROFINANCE NETWORK
- MICROFINANCE CENTRE
- EVPA - Impact Week Turín
- GSG Málaga
- SOCIAL ECONOMY
- B-VENTURE 2023
- EASI TECHNICAL ASSISTANCE
- UNIVERSIDAD INTERNACIONAL MENÉNDEZ PELAYO
- FUNDACIÓN FINANZAS ÉTICAS
- PARQUE TECNOLÓGICO BIZKAIA
- EIT - INNOVENT BILBAO
- EVENTOS CROWDFUNDING
- FORO DE INVERSIÓN BAT (3rd edition)
- MONDRAGÓN UNIBERSITATEA
- UNIVERSIDAD DE CANTABRIA
- ENKARTERRI GROUP (talk)

03

Entrepreneurship for the betterment of *society*

IMPACT OF INVESTEE COMPANIES



Good health and well-being

SDG



- EVOLV
- INSULCLOUD
- UBICARE
- IMPULSO COGNITIVO

Seed Capital Bizkaia has focused most of its investments on health. Its health-related projects represent almost a third in terms of the Fund's investees and the investments made.

The supported ventures seek to improve disease prevention, detection and monitoring systems: Insulcloud empowers patients to better manage their diabetes; Impulso Cognitivo improves the cognitive evaluation of people with disabilities and provides exercise guidelines for improving their cognitive state; Ubikare promotes an online, holistic health management system; and Evolv develops rehabilitation solutions.

The aim is to help reduce premature mortality caused by

non-communicable diseases (SDG target 3.4) and to improve access to health (SDG target 3.8).

Objectives

To help reduce premature mortality caused by non-communicable diseases



Key data

as at December 2023

€ 775,000

Invested by Seed Capital Bizkaia

€ 4,215,347

Billed

4

Companies

4,849

Beneficiaries (+21% on 2022)



The first software for the healthcare sector that is comprehensive, patient-centred and holistic throughout the entire healthcare process.



Vanesa Rodriguez

Head of the Finance Department
Ubikare

Your social company is dedicated to health. What motivated its creation and what impact does it seek to generate?

Ubikare was established in 2016 with the aim of democratising health. We are a technology company and have developed the NAIHA software: 'Natural & Artificial Intelligence Health Assistant', the first software for the healthcare sector that is comprehensive, patient-centred and holistic throughout the entire healthcare process. It uses clinical data processing as a tool and its decision-making is based on evidence. It is the first software that can prescribe like a healthcare professional, allowing care to be democratised for non-professional carers and family members. It also provides immediate access to health advice and to the best practical guidelines for treatment.

Why is your company operating in Biscay?

Ubikare is based in Biscay but we serve customers all over Spain and have plans to go global.

When did Seed Capital Bizkaia offer you support, why did they do so, and what did it mean for you?

The software took years to develop and required a sizeable capital investment. The support offered by Seed Capital Bizkaia was key. It helped us to pay wages and salaries, social security, etc. Seed Capital Bizkaia also monitors our progress,

carrying out regular interviews. We felt well looked after.

What other goals do you hope to achieve in 2024?

In June 2023 we sold the social and health care division of our company to an Andalusian group. It's an important change that allows us to focus on the commercial expansion of the software, which is the core of our business. This year, as a result of our sales to social and health care companies, we expect to have between 8,000 and 10,000 users at least. We also have the possibility of expanding sales from the health and social care sector (which currently represents 90% of our sales) to the health and medical sector. ■



It is the first software that can prescribe like a healthcare professional, allowing care to be democratised for non-professional carers and family members.

Key data
as at December 2023

5
Spanish health and social care groups use the service.

2.134
Patients assisted using the NAIHA software.

30%
Of older persons would have had to go into a care home if Ubikare didn't exist.

20
Full-time employees, all based in Biscay.

€ 858,400
Billed.

Quality education

SDG



Investee companies

IED-Kunsthal

While education represents a relatively small percentage of the FEIS portfolio (one investee and 6% of investment), it has a significant impact in terms of the number of beneficiaries in Biscay. Almost 300 students undertake higher arts education at Kunsthal (now IED), 58% of whom are young people from Biscay. Without this education being available to them in the territory, they would have had to study elsewhere. This availability therefore facilitates the retention of talent in Biscay.

Furthermore, the courses offered by IED Kunsthal allow students from other Spanish regions (16%) and the rest of the world (12%) to reside in the territory. And thanks to a work methodology that fosters connections with local companies, the students have access to local jobs, which in

turn boosts the economic and artistic development of the territory.



Objectives

To foster connections with local companies and facilitate access to local jobs, which in turn boosts the economic and artistic development of the territory.



Key data

as at December 2023

€ 137,500

Invested by Seed Capital Bizkaia

€ 2,033,142

Billed

259

Beneficiaries
(+40% compared to the 2021-2022 academic year)

Decent Work and Economic Growth, Reduced Inequalities

SDG



Investee companies

- KOIKI
- URBEGI INSERCIÓN
- URBEGI IPM
- ITSASLUR
- APARKA
- IMPULSO COGNITIVO

Facilitating the integration of people with the most difficulty incorporating themselves into the labour market is one of the Fund's main focuses, given that it represents almost a third of the portfolio in terms of investment and almost half the number of investees. The level of unemployment among people with disabilities in Spain remains overwhelming, with some 72% without a job, according to 2022 data.

Companies such as Koiki, Urbegi Inserción, Urbegi IPM and Itsaslur want to change this reality. Together they contribute to SDG target 8.5, which is aimed at achieving decent work for all.

In 2023, the companies supported 337 people at risk of exclusion, most of whom have disabilities. This is a slight

decrease compared to 2022, mainly due to a change in the working model at Koiki, which operated with fewer, but larger, centres.

These companies also contribute to reducing inequalities (SDG 10), an objective they share with Impulso Cognitivo, who aims to improve the cognitive profile and level of autonomy of people with disabilities, as is the case with the entrepreneur's daughter, who has Dravet syndrome.

Objectives

To reduce inequalities by improving the level of autonomy of people with disabilities.



Key data

as at December 2023

€ 778,333

Invested by Seed Capital Bizkaia

6

Companies

€ 12,079,480

Billed

437

Beneficiaries

W
We work with local producers to avoid the lack of generational change in the agricultural sector.



Marivi.
Sales Manager
Itsaslur

Your social company is dedicated to agri-food. What motivated its creation and what impact does it seek to generate?

Itsaslur Centro de Innovación Agroalimentaria is a social entrepreneurship and innovation project promoted initially by the Integrated Iron and Steel Workers Foundation (FTSI) and Muskiz Town Council, who were joined in 2017 by the BBK Foundation, Kutxabank's Social Project, and Petronor, Repsol's refinery. Our main business activity is agri-food: we handle and process fruit and vegetables. We have already built a food processing plant and will soon have our own agricultural production with soil-grown crops and hydroponic greenhouses. We are a labour force integration company qualified by the Basque Government. In 2023, we employed seven people at risk of exclusion; mainly aged between 40 and 50, long-term unemployed, women, and immigrants. They receive training and social accompaniment during the time they are working at our plant.

Why is your company operating in Biscay?

The company has strong roots in the territory. In fact it takes its name, Itsaslur, from a greenway in the region, a Special Area of Conservation with vestiges of its industrial mining and military past.

We work with local producers and hope to help address the lack of generational change in the agricultural sector. We

make vegetable soup and 'gazpacho' with their products and also repurpose food to avoid waste.

When did the relationship with Seed Capital Bizkaia begin? What was the reason for it and how did it benefit you?

We presented the project to Seed Capital in 2022. Because they were so global, circular and sustainable (socially, culturally, environmentally and economically) it was an instant match. We used part of the loan to create business lines. Seed Capital has also helped us with impact measurement.

Do you think the Seed Capital brand has helped put you in front of other potential financiers or made it easier to attract them?

Definitely! With Seed Capital's support you already have a stamp of quality, your reputation as a project grows exponentially, and all of this helps in the search for funding. And they can also put us in contact with other investment funds, with conditions you won't find anywhere else.

In terms of impact on people, what changes have you seen in the people at risk of exclusion that you have employed?

We have seen an impressive change in almost all of them. Even the way they speak has changed. They are very committed to the food business, always striving to make the company a success. It's amazing! We know that if

they leave, it means success, because they've found a job and emerged from their initial situation of exclusion. And this would allow Itsaslur to help more people at risk of exclusion.

Looking forward, what are the next steps?

We're currently in a process of strategic reflection, assessing new business lines with a view to expanding our range of products and market channels. We have also started to offer white-label services to third parties. ■

Key data
as at December 2023

100 %

Women in management.

10

People employed by the company, all based in Biscay.

3

Small local producers with whom we have signed product purchase and sale agreements.

23

Products marketed under the Itsaslur brand.

7

People at risk of exclusion employed.

€58,000

Billed.

Sustainable cities and communities, Responsible production and consumption

SDG



Investee companies

- KOIKI
- ITSASLUR
- BASQ
- AXALCO
- DELIKATETXE
- APLANET
- APARKA

A total of 86% of the European population still live in areas with CO2 levels that exceed the World Health Organization's recommended annual levels, mainly as a result of traffic. Spain ranks 95th out of 134 countries in terms of air quality and, according to the WHO, air pollution is the cause of around 10,000 deaths in the country each year. There is still much improvement to be made in this area.

Last-mile traffic is a significant contributor to air pollution in Spanish cities and has been increasing alarmingly due to the exponential growth of online trade. It is therefore more urgent than ever to find sustainable last-mile solutions, with cleaner vehicles, optimisation of routes and the implementation of strict emission-reduction policies.

A total of 86% of the European population still live in areas that exceed the World Health Organization's recommended annual levels of CO₂.

Koiki offers an attractive solution: It does the last mile on foot, by bike or with an electric vehicle, which saves 0.29 kg of CO₂ per km travelled, freeing the city of pollution, congestion and noise. In 2023, Koiki made it possible to avoid the emission of 436 Tn of CO₂ into the atmosphere, 25% more than the previous year, and they do this by employing 180 people at risk of social exclusion in 22 Spanish provinces.

Companies like **Itsaslur**, which shares with Koiki the double social objective (social and occupational integration and environment), also promote sustainable development through the processing and sale of local agri-food products, thus helping to reduce the sector's carbon footprint.

Objetives

To find sustainable last-mile solutions, using cleaner vehicles.

▶ Itsaslur



▶ koiki



**Sustainable cities and communities,
Responsible production and consumption**

SDG



Investee companies

- KOIKI
- ITSASLUR
- BASQ
- AXALKO
- DELIKATETXE
- APLANET
- APARKA

It is also urgent to find less polluting forms of production, especially in the fashion industry. For this reason, the FEIS has invested in sustainable fashion and, more specifically, in sustainable footwear.

The average carbon footprint of a pair of shoes in the European Union is approximately 10.6 kg of CO₂. On a global level, it is estimated that the footwear industry produced around 700 million metric tonnes of CO₂ emissions in 2023.

Basq, a Biscay company, manufactures shoes using recycled products, reducing its carbon footprint by 70% compared to traditional shoes. It uses between 70 and 90% recycled products in its shoes, which consisted of 2.8 Tn of recycled raw material in 2023, thus contributing to the collective recycling effort in Spain.

Axalko has a similar objective, although in another sector, reflecting the innovation drive in the sustainability sector. It manufactures wooden frames for bicycles and also carries out research into hundreds of new biomaterials applicable to all types of sectors.

Axalko, who collaborates with Cáritas Gipuzkoa towards the labour market integration of collectives at risk of social exclusion, seeks to expand their collaboration by opening a bicycle reconditioning centre to promote the reuse of products, thus prolonging their useful life.

In addition to recycling and reuse, it is also important to reduce, in order to minimise the amount of waste we generate. The agriculture sector generates a lot of waste, which is why **Delikatetxe** focuses on SDG target 12.3, aimed at reducing food loss along production and

Objetives

To find less polluting forms of production, especially in the fashion industry.



▲
Basq



▲
Axalko

supply chains. It not only helps reduce the food sector's CO₂ emissions, by working only with local, organic-certified producers, but also seeks to reduce the quantity of 'ugly' vegetables that are discarded because producers can't sell them.

Finally, companies such as **A Planet** help companies to better understand and manage their social and environmental impact, thus contributing to sustainability in a cross-cutting manner.

Key data
as at December 2023

€ 691,527
Invested by Seed Capital Bizkaia.

7
Companies.

€ 3,622,299
Billed.

Improved air quality
436 Tn
Of CO₂ avoided (Koiki).

2,8 Tn
Manufacturing using recycled material (Basq).

04

Being close, *to better understand*

IMPACT IN THE BASQUE COUNTRY



impact in the Basque Country

Seed Capital Bizkaia's FEIS Fund has been fundamental in energising the business and social fabric of Biscay.



Its focus on the generation of employment, social and sustainable innovation and the strengthening of local talent, have contributed significantly to the overall development of the territory.

Local Investment and Employment

The FEIS has directly supported local companies, with a focus on generating employment and boosting economic development in Biscay. Of the 14 companies it had in its portfolio in 2023, 74% of the employment generated was in Biscay. Itsaslur is an example of this: an agri-food innovation project that not only employs people at risk of exclusion, but also works with local producers, helping to preserve the agricultural economy and creating sustainable products in Biscay.

Education and Local Talent

Kunsthall IED is an educational institution that is key to retaining talent in Biscay. Its training in artistic

The investment has not only improved the economic and social infrastructure, but also brought about greater social cohesion and sustainability in the territory.

design and its connections with local companies helps graduates integrate into the labour market, fostering a creative and economic ecosystem in the territory.

Labour market integration

Companies such as Urbegi, Koiki and Itsaslur are focused on the integration of people with disabilities and at risk of exclusion, offering them jobs in Biscay and helping to reduce inequalities.

Sustainability

Projects like those of Basq, who work with recycled materials, and Itsaslur's focus on sustainable agri-food, are clear examples of how the

FEIS promotes sustainable practices and the circular economy in Biscay.

Technological innovation for health

Impulso Cognitivo and Evolv are innovating in the area of health through technological solutions that improve the quality of life and the skills of people with disabilities, thus providing added value to the local community. Impulso Cognitivo collaborated with the municipality of Ermua in Biscay, carrying out cognitive tests on over 3,000 school-age children.

Thus, the Fund's strategy has been crucial for energising the local economy, creating employment and fostering social inclusion, thereby demonstrating their commitment to the sustainable development and the wellbeing of the territory.

impact in the Basque Country
INTERVIEW



SCB gave us the confidence to move from a scientific profile to a business profile.

Dr. Luis Miguel Aras Portilla
Co-founder and Chief Scientific Officer
Impulso Cognitivo

Your social company is dedicated to health. What motivated its creation and what impact does it seek to generate?

The idea for the company came from its two promoters, a neuroscientist and me, a doctor. I have a daughter who has a disease called Dravet syndrome, a severe form of epilepsy. We started collaborating because we hope that this solution will improve her condition and autonomy. The cognitive assessment tests are difficult to carry out on people with this disease. If you ask my daughter Nora to draw a square, and she doesn't know what a square is or can't write because her hand shakes, how can she draw it for you? This is why we devised a simpler test, but without sacrificing scientific rigour. It is scalable to other pathologies and different disabilities. We are also collaborating in training programmes integrated into daily life, with global leader CogniFit.

When did the support from Seed Capital Bizkaia arrive? And what did this support mean for your company?

We felt the need to move from scientific development to becoming a company with a business model that allows society to benefit from these developments. And this is what Seed Capital's investment enabled. More importantly than the money, what Seed Capital Bizkaia does is give us the confidence to move from a scientific profile to a more business profile.

Seed Capital Bizkaia believes it is important to support companies that can contribute to socio-economic development in Biscay. How have you participated in the development of the territory?

We are based in Ermua, a town in Biscay. We participate in an entrepreneurship support programme run by Ermua Town Council, and our clients currently come from our immediate environment: Jon in Madrid, and me here in Biscay. Ermua is a town of 4,000 inhabitants and is the first municipality in the world to have cognitively assessed and trained its school population using the previous version of our tool: some 3,000 pupils between the ages of 8 and 16. We have also worked with the Town Council to benefit older people.

What are the most important perspectives for 2024 for your business?

We have ensured liquidity for the near future. Now we're going to build our sales team and start getting clients and recurring sales. Our goal is to achieve a minimum of €300,000 in sales. We also want to obtain further external validation of the scientific evidence and impacts of our solution, to grow in the area of industrial property protection, to hire more people and to bring in more shareholders. ■



Our goal is to achieve a minimum of €300,000 in sales.

We also want to obtain further external validation of the scientific evidence and impacts of our solution.

Key data
as at December 2023

870
Tests carried out using Impulso Cognitivo.

430
Beneficiaries 77% young people of school age, 23% people with disabilities.

80 %
Users completed the test.

1.5
Full-time employees, all based in Biscay.

€28,434
Billed.



05

What we have
learned

LESSONS AND PERSPECTIVES

Lessons

Slowly is the fastest way to get there

During the 10 years the FEIS has been in operation, we have seen that it is possible to scale up social companies with patient capital and a solid team.



As well as providing funding, it is often necessary to support and be close to the companies.

01

In order to do this, we believe that as well as providing the funding they need, it is often necessary to support and be close to the companies.

02

With some of the FEIS's investees, we even connect the companies with people with recognised professional experience (our Social Angels) to support them and even to participate in decision-making bodies.

03

We also see that having a network of impact funds with similar objectives is very important, allowing co-investment in projects that require this patient capital in successive rounds.

04

In addition to the above, Seed Capital Bizkaia also considers it important to help the investee companies to measure and manage their impact.

05

We work with **Stone Soup Consulting**, a consultancy specialised in measuring and managing social impact, which advises investees on the importance of defining their theories of change and custom KPIs for each project, which will enable them to monitor their real impact.

Perspectives

Impact week 2024

Our efforts and commitment to social impact investment are currently focused on holding a unique Impact Week 2024 in Bilbao, from 25 to 29 November.



▲ Poster announcing the next edition of Impact Week in Bilbao



FOR MORE INFORMATION, SCAN THE QR CODE

BILBAO

25 → **29**

NOVEMBER

Impact Week 2024 will make Bizkaia as European reference in investments with social and environmental impact.

The conference will be an international meeting point, with more than 1,000 attendees.

It will bring together the main European stakeholders dedicated to mobilising capital for the development of a sustainable economy, which will help us create collaboration networks with new actors in the ecosystem.

By promoting and participating in this event we will also be contributing to SDG 17, a key impact undertaken by the Fund and reflected in the definition of their own Theory of Change.

Bizkaia was pioneer in investing in social transformation, and this conference strengthens its position as a pioneer territory in investing in social impact.

Impact Europe What is it?

Impact Europe is a unique network of capital impact providers along the full continuum of capital (foundations, impact funds, banks and financial institutions, corporate impact actors and public funders).

It brings together

+300

Organisations, including foundations, social organisations, impact funds, financial institutions, universities, incubators and accelerators.

35

Countries.

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Entrepreneurship
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Appendix I

Metodology

Metodology

Invest with impact Operating principles for impact management

Seed Capital Bizkaia seeks to invest in impact following the best practices defined by the operating principles for impact management (see diagram*), recognising that it is still at the beginning of its impact management journey.

To date, it has developed its strategic objectives with the definition of its Theory of Change (objective 1), it assesses the impact of each investment and monitors the progress of each one

(objectives 4 and 6), taking into account the investment contribution (objective 3).

Specifically, Seed Capital helps investee companies to define their theories of change and to identify key impact indicators, correlating them with the United Nations Sustainable Development Goals. On the basis of this process, investee companies report on the evolution of their impacts and on any difficulties, obstacles or unexpected achievements. These conversations form the basis of the Fund's impact management.

Seed Capital Bizkaia takes a modest stance with regard to contribution to the impact. This report gives an account of the progress of the investees but does not correlate this progress with the specific investment of the Fund. The contribution

assessment process the was qualitatively determined via the interviews conducted with three of the investee companies.

* On 12 April 2019, a total of 60 global investors came together to adopt and launch the Operating Principles for Impact Management, a market standard for impact investment with which the investors seek to generate a positive impact for society, together with financial returns, in a disciplined and transparent manner. This standard is now commonly used by the vast majority of impact funds.

Strategic intent

1 Define strategic impact objective(s) consistent with the investment strategy.

2 Manage strategic impact of the entire portfolio.

Origination and structuring

3 Establish the manager's contribution to the achievement of impact.

4 Assess the expected impact of each investment, based on a systematic approach.

5 Assess, address, monitor and manage potential negative impacts of each investment.

Portfolio management

6 Monitor the progress of each investment in achieving impact and expectations and respond appropriately.

Impact at exit

7 Conduct exits considering the effect on sustained impact.

8 Review, document and improve decisions and processes based on the achievement of impact and lessons learned.

Independent verification

9 Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

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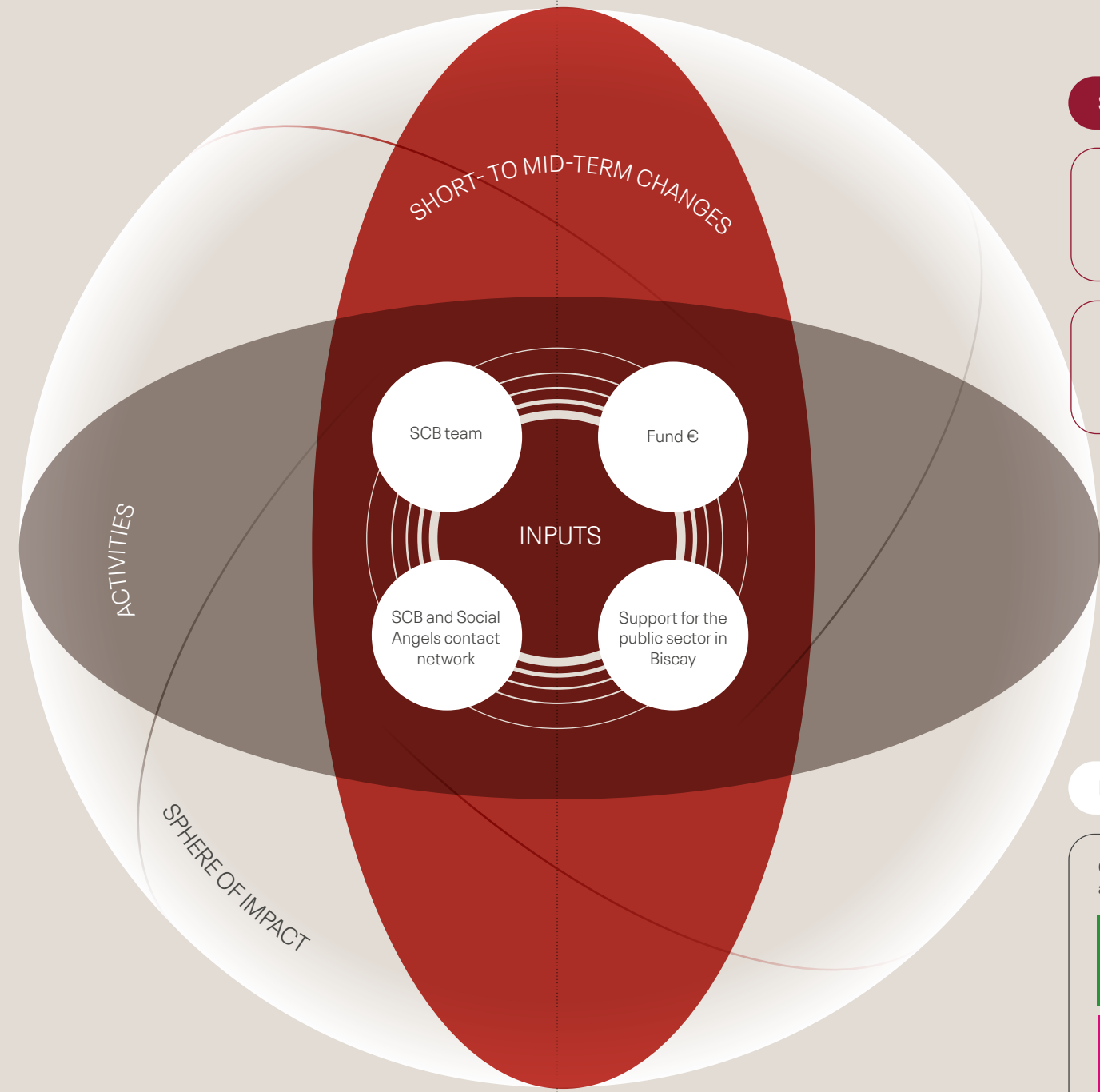
Appendix II

The Fund's Theory of Change

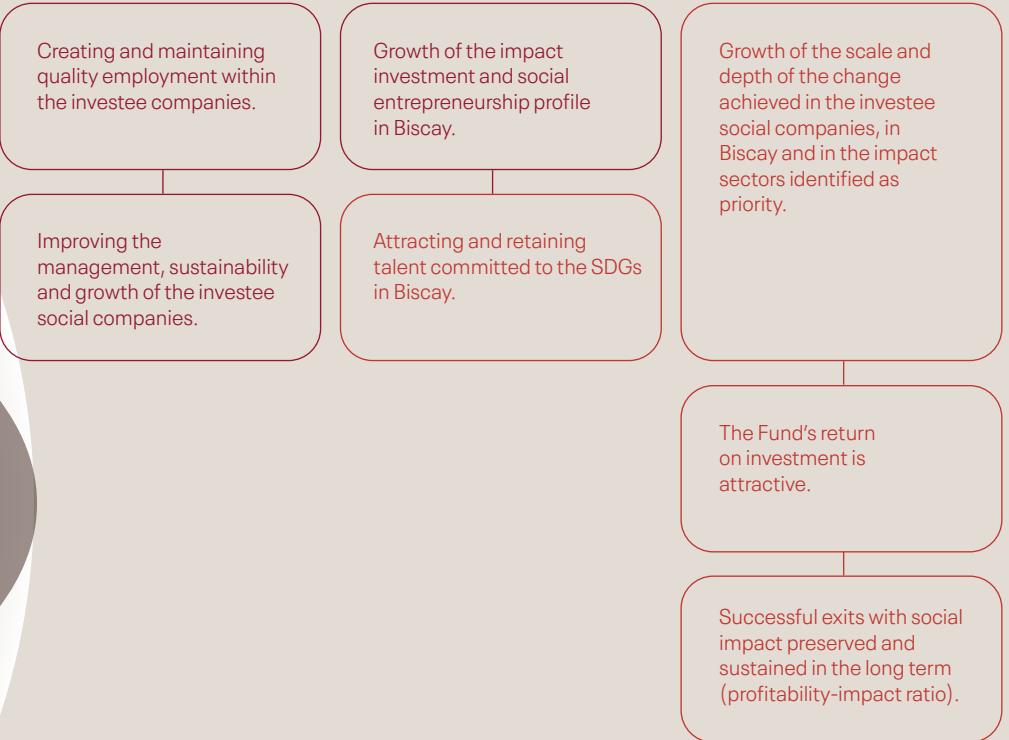
The Fund's Theory of Change

With the FEIS, Seed Capital seeks to generate greater value in Biscay for people and the environment, with a particular focus on inclusive growth and also on increasing the visibility and development of the impact ecosystem.

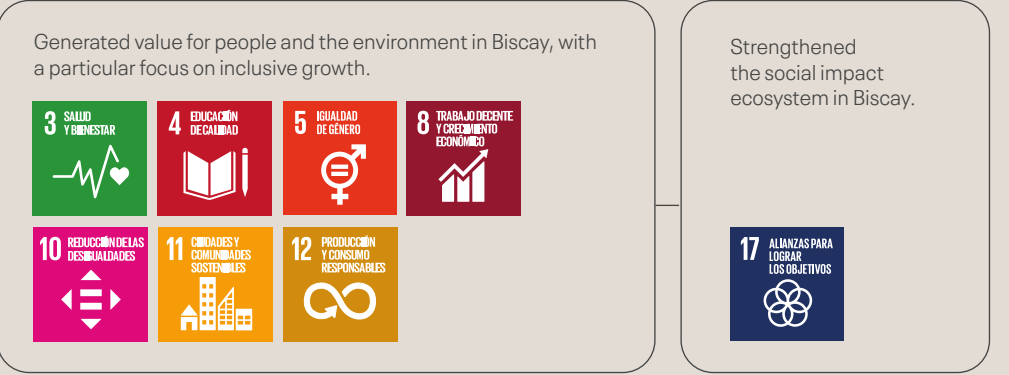
It does this through the Fund's investment strategy and also by participating in and promoting key events in the social impact sector in Europe.



SHORT- TO MID-TERM CHANGES



IMPACTS



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