

ImpactEnterpriseFund

ākina

NewGroundCapital


ImpactVentures

IMPACT REPORT 2022



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Nau mai, Haere mai

E ngā maunga, e ngā pataka o nga tāonga tuku iho, tēnā ra koutou.

Tēnā ra ano i runga i o tātou tini aitua kua wheturangitia.

E mihi atu ana, e tangi atu ana.

Rātou te hunga mate ki a rātou. Tātou te hunga ora ki a tātou.

Ki a tātou e noho nei i te ao hurihuri.

When we started the Impact Enterprise Fund (IEF) in 2018 our goal was to identify a number of ambitious teams, with great products, that scale their positive societal or environmental impact with each additional unit sold.

Now five years in, with a portfolio of nine companies, we are starting to see the effects of compounding success – both in terms of commercial results, but equally importantly the impact outcomes.

We have ended up investing in a broad range of sectors, from packaging, to education, marine transport, and back to agricultural and food systems. Each company has a unique impact model and set of outcomes that they measure and track. Including reducing waste, improving wellbeing and education outcomes, improving soil and water quality, and encouraging more native plants.



Our annual impact report is a chance to celebrate these successes and acknowledge that a diverse set of positive outcomes is required to tackle some of the biggest challenges we are facing with people and planet.

We hope you enjoy our third annual impact report. Please contact anyone in the team if you want to discuss any of our learnings, portfolio companies or impact investing more broadly.

*Nāku iti nei
nā*

Paul Majurey
*Chair
Impact Enterprise Fund*

Impact Highlights

Since Inception 2018 - 2022



Sustainable Development Goals



2,682

Smart building sensors installed

8,134

New patients in emotional wellbeing programmes



8,707

Qualifications completed



11

Kgs of zinc waste avoided from landfill

56

Million single use plastic items replaced



1,640

Hectares under management

180,000

Tonnes carbon sequestered in next cycle (forecast)



7,984

Litres toxic fungicide reduction

112

Metric tonnes waste diverted

35

Electric jet systems sold

To report responsibly, the IEF has prioritised not overclaiming, aligned with the Social Value principles, despite our portfolio businesses having potentially greater impact.

There's plenty more we can do together to maximise impact

An impactful year

We're delighted to share with you the IEF's third annual impact report, which summarises the meaningful and measurable impact our portfolio is delivering.

Impact is the positive social and environmental change that occurs due to the activity of our portfolio businesses.

Despite a challenging economic environment, half of our ten portfolio companies raised subsequent rounds due to the IEF's investment expertise and networks.

Putting impact at the heart of investment

The time left to solve some of the most pressing problems facing people and the planet is reducing, while the social

and environmental challenges continue to increase.

Putting impact at the heart of investments is part of the solution, nationally and globally.

The IEF is committed to continuing our contribution to the development of the Aotearoa New Zealand impact investing market, from an emerging to a mature market.

A mature market means more investors understand that maximising financial returns and positive impact are complementary, not contradictory.

It means more impact-led businesses entering the market to raise impact investments, to scale their business models and impact.

A larger and more mature impact investment market must be achieved alongside maintaining impact integrity.

Impact measurement can meet the increasing demand for investment transparency by customers, businesses, investors and regulators.

Measuring impact can be challenging, but the IEF and each of our portfolio businesses are committed to continual impact management, to achieve the intended positive difference on people and the planet.

A special thanks to our investors for helping the IEF and portfolio businesses achieve their impact.

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Impact Management Alignment With IMP

The IEF uses the globally leading impact investing framework, the Impact Management Project (IMP), as the basis of our impact management process.

This framework covers both the investors and businesses intended impact. The diagram below defines these different categories and indicates where the IEF's portfolio businesses falls within these categories.



Act to Avoid Harm

The enterprise prevents or reduces significant effects on important negative outcomes for people and planet.



Benefit Stakeholders

The enterprise not only acts to avoid harm, but also generates various effects on positive outcomes for people and planet.



Contribute to Solutions

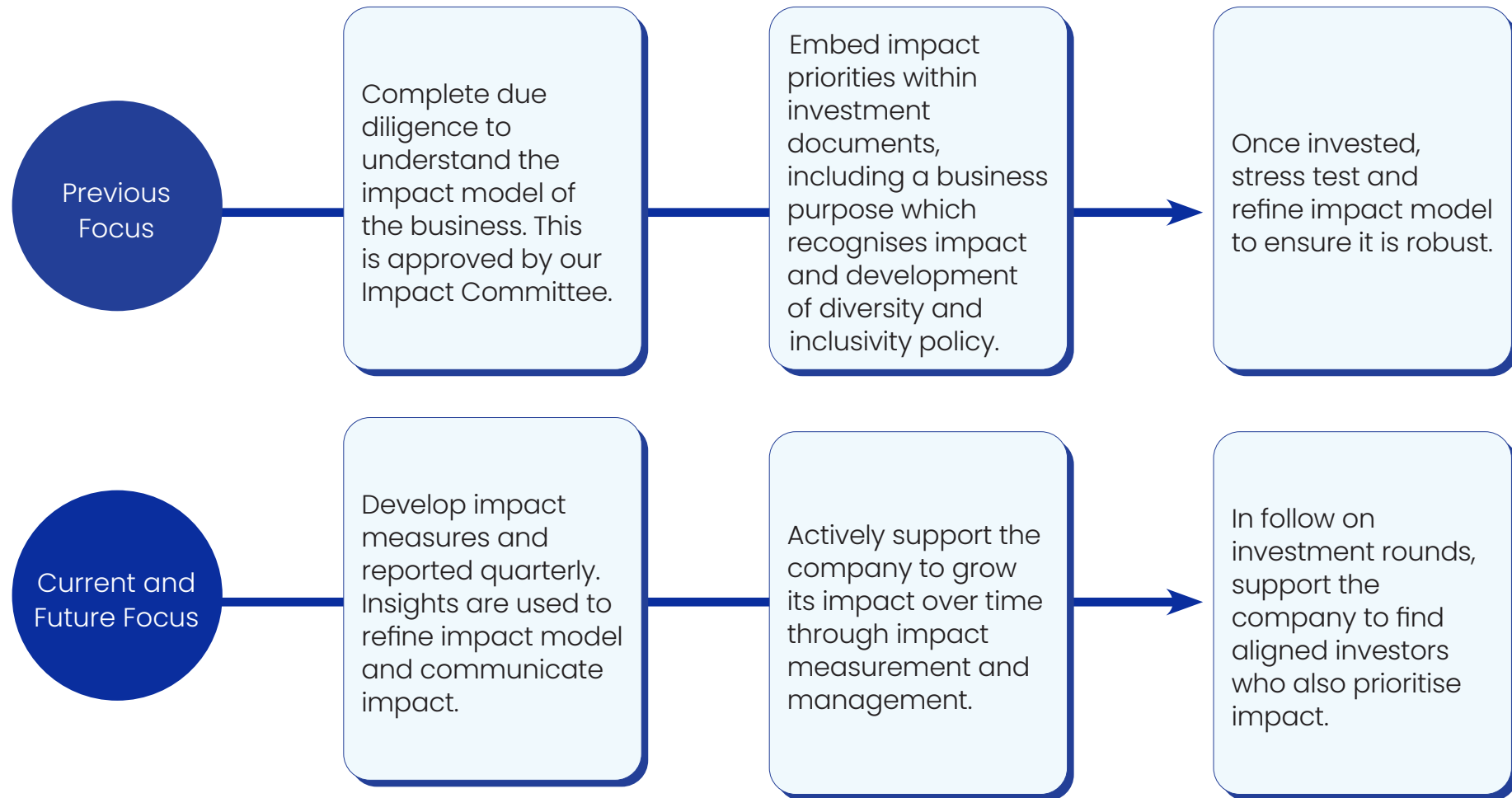
The enterprise not only acts to avoid harm, but also generates one or more significant effect(s) on positive outcomes for otherwise underserved people and planet.



Note: Over time, as the portfolio's impact management capacity increases as the businesses mature, we expect to see an increasing proportion of the portfolio in the 'C' column.

Maximising Portfolio Impact

To maximise the impact of our portfolio, we actively work with them to ensure their impact grows just as quickly as other parts of their business. The below diagram summarises how we do this.



Impact Focus Environment and Water

To maximise the impact of our portfolio, we actively work with them to ensure their impact grows just as quickly as other parts of their business. The below diagram summarises how we do this.



Waikaitu

Waikaitu harvests invasive seaweed to produce a range of certified organic plant nutrition and crop protection products.



The intended outcomes are to improve plant and soil health through reduced toxins and synthetic fertilisers. Over time, the positive change would see reduced native marine stressor and water quality.

Impact measure	Total since investment	Annual Change (2021 vs 2022)
Litres of toxic fungicide reduction (improving plant and soil health)	7,984	-400
Tonnes products sold (improving plant and soil health)	1,343	+224



ZeroJet

ZeroJet makes electric jet propulsion systems for small boats and tenders. Traditional boat engines produce almost 40x as many greenhouse gases as cars.



With very combustion engine replaced, ZeroJet reduces harmful emissions, which increases water biodiversity and reduces negative effects on human health.

Impact measure	Total since investment	Annual Change (2021 vs 2022)
# of partnerships with boat builders	3	0
# of electric jet systems sold	35	+14

Impact Focus

Environment and Health

CertusBio™ **CertusBio**



CertusBio provides a technological solution for optimising industrial processing through easy access to real-time data so that food processors can now mitigate losses and wastewater quality issues at the source.

The impact is primarily focused on cleaner run-off from dairy processing, resulting in improved quality of waterways. CertusBio helps industrial food processors transition to a more sustainable model of production.

The secondary impact is from improved efficiencies through reduced transport, import and processing required of raw materials.

Impact measure	Total since investment	Annual Change (2021 vs 2022)
Metric tonnes waste diverted	112.4	+112.4
Number of continuous monitoring devices installed	9	3

tether™ **Tether**



Tether is focuses on solving building performance problems. 1 in 3 homes in New Zealand are unhealthy and while regulatory changes are helping there is a lack of performance and validation as to whether the desired outcomes are truly achieved.

Tether measures and monitors air quality, energy usage and carbon emissions. Their goal is to impact as many lives as possible by empowering smart decisions and highlighting risks that could save lives and protect valuable assets.

Impact measure	Total since investment	Annual Change (2021 vs 2022)
Number of Tether Sensors Installed	2,682	+1,328
Number of Tether Ticks (confirming healthy home)	4,909	-945

Impact Focus

Environment and Waste

GROUNDDED
GROUNDDEDPACKAGING.CO



Grounded Packaging

Grounded Packaging source and distribute globally leading sustainable packaging solutions, primarily focused on food and e-commerce sectors.

Their products replace single use plastics, and in doing so reduce the amount of waste that enters our landfills and oceans.

Indicator	Total since investment	Annual Change (2021 vs 2022)
Million single use plastic items replaced	56.7	+12.4
Unique custom orders	246	New measure in 2022



Zinccovery

Zinccovery has developed innovative electrochemical technologies for the efficient and sustainable recycling of zinc.

Zinccovery's method uses 70% lower emissions than incumbent zinc recycling processes, creating the world's first sustainable method to recycle zinc.

Indicator	Total since investment	Annual Change (2021 vs 2022)
Kgs of waste avoided from landfill	11.0kg	+7.2kg
Kgs of zinc recovered	7.0kg	+2.0kg

Impact Focus

Education and Wellbeing



LearnCoach

LearnCoach’s purpose is to reduce inequality and improve education outcomes by providing easy-access education at low cost.



Students can study at their own pace, completing tutorials and practice questions for their secondary and tertiary subjects, and sit government approved exams online.

Indicator	Total since investment	Annual Change (2021 vs 2022)
Learning sections completed (million)	33.9	+20.2
Qualifications completed	8,707	+5,800



Melon Health

Melon Health delivers evidence-based digital therapeutics in the form of online programmes to support people struggling with their emotional and physical health.



Their programmes are prescribed by health providers, alleviating some of the burden from primary and secondary care and helping patients help themselves.

Melon is no longer a portfolio company since March 2023. However, we note the impact through the 2022 calendar year and are very pleased that Melon’s impact will continue under its new ownership.

Indicator	Total since investment	Annual Change (2021 vs 2022)
New enrolments across programmes	18,697	-1,475
New patients in emotional wellbeing programmes	8,134	838

Impact Focus

Climate Action



Cropsy

Cropsy's mission is to maximise efficiencies for horticulturalists in a scalable way.

This reduces the harmful use of pesticides and insecticides, increases land use efficiency and reduces overall environmental harm.



Indicator	Total since investment	Annual Change (2021 vs 2022)
Hectares under management	1,640	Joined IEF in 2022



CarbonCrop

CarbonCrop has developed artificial intelligence-based technology that enables efficient mapping of forests to quantify carbon sequestration.

That carbon can then be sold as carbon credits, encouraging more native forests to be planted.



Indicator	Total since investment	Annual Change (2021 vs 2022)
Hectares of native forest under contract (Emissions Trading Scheme only)	11,700	Joined IEF in 2022
Tonnes carbon sequestered in next cycle (forecast)	180,000	Joined IEF in 2022

Case Study Waikaitu

The world population is expected to be more than 9.5 billion people by 2050. Finding smarter ways to ensure we meet the food demands of this growth that does not increase the pressures on the natural ecosystems and compromising its resilience, health and biodiversity has become not only important but necessary.

Enter Waikaitu, which harvests invasive seaweed to create organic plant nutrition and crop protection products to improve plant and soil health that leads to superior yields of crops and pasture.

Using their organic products has a positive impact on the land and helps the native marine biodiversity with the reduction of an invasive seaweed species.

A business that helps growers to transition towards more sustainable farming practices that leads to more resilient ecosystems with healthy plants and crops – a goal we are excited to invest in!

Find out how Waikaitu aims to achieve its impact goals on the next page.



An impact narrative brings Waikaitu's impact model together into a clear and concise impact story.

Because

The environment is degrading due to the overuse of synthetic products that harm native seaweed and soil health.

We do these things

Harvest invasive seaweed to provide organic plant nutrition and crop protection products as a substitute for synthetic products.

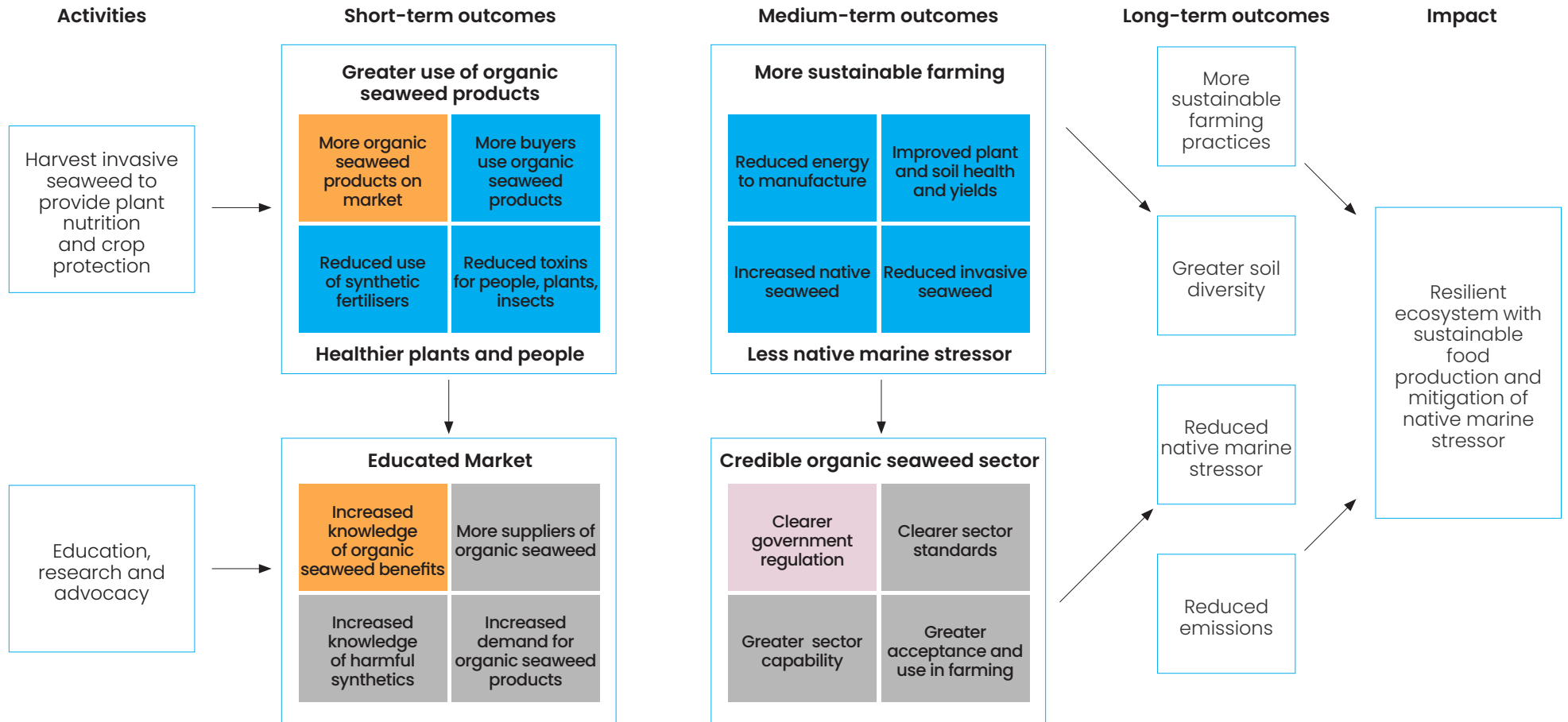
Which leads to

A transition to more sustainable farming practices and a credible organic seaweed sector in Aotearoa New Zealand.

And results in

Resilient ecosystem with sustainable food production and mitigation of native marine stressor.

Waikaitu Impact Model



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Contact us

For more information on the Impact Enterprise Fund,
our portfolio, and impact investing, please contact
info@iefund.co.nz.

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