InvestCEC

Report on a model for initiation and implementation of circular economy projects – Final version

VENIONAIRE CAPITAL AG

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DEM	Demonstrator, pilot, prototype
DEC	Websites, patent fillings, videos etc.
OTHER	

Dissemination level	
PU	**Public**
SEN	Sensitive, limited under the conditions of the Grant Agreement

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	2025-10-20 – 2025-10-28	Jorge Calvo Presa (CARTIF), Yannick Lingers (STW-AG), Uffe Bundgaard-Jørgensen (G2G), Andrea Motola and Abi Glaser (Enspire Science)	Comments and input received
2.0	2025-10-29	Paul Stern, Berthold Baurek-Karlic, Denis Voldman	Final Version

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List of Acronyms

Acronym	Full name
AIF	Alternative Investment Fund
AG	Aktiengesellschaft (public limited company under Austrian law)
CE	Circular Economy
CCRI	Circular Cities and Regions Initiative
CFE	Call for Entrepreneurs
CVF	Carinthian Venture Fund
DACH	Germany (D) – Austria (A) – Switzerland (CH) region
DoA	Description of Action
DSO	Distribution System Operator
EEN/NCP	Enterprise Europe Network / National Contact Point(s)
ESG	Environmental, Social and Governance
EU	European Union
FoF	Fund of Fund
G2G	Gate2Growth
G!E	Greenovate! Europe
IC	Investment Committee
IP	Intellectual Property
IR	Investment Readiness
KPI	Key Performance Indicator(s)
LP	Limited Partner
MoU	Memorandum of Understanding
M	Month (project month)
NGO	Non-Governmental Organization
PoC	Proof of Concept
PPP	Public-Private Partnership
STW-AG	Stadtwerke Klagenfurt AG
VC	Venture Capital
VENCAP	Venionaire Capital AG
WP	Work Package

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1. Executive Summary

D2.5 Report on a model for initiation and implementation of circular economy projects – Final version concludes Work Package 2 (WP2) by showing how the InvestCEC model progressed from a concept to a functioning demonstration in Klagenfurt. Building on the model, the consortium translated the city's needs into a transparent sourcing and selection funnel, delivered hands-on investment-readiness support, and set up a financing architecture that lets promising solutions to move from pilot to proof and toward scale.

Operationally, the demonstration was anchored by two milestones: the biogas feasibility package (concept, process, economics, funding options) approved in late 2023, and the Circular Economy Day 2024 with on-site pitching and mixed public–investor jury feedback. Two Calls for Entrepreneurs (2024 and 2024/25) plus Venionaire Capital AG (VENCAP)'s ongoing deal flow produced a solid deal flow. All candidates were assessed with consistent rubric (idea value, team/value chain, market opportunity) and hard filters for utility integration and circularity/Environmental, Social and Governance (ESG).

On financing, VENCAP designed the InvestCEC Fund (EuVECA/AIF; €20m target) and, in parallel, activated a venture-partnership "virtual fund" with Una Terra and Universe Partners—supplemented by strategic co-investors—to co-review and co-invest in utility-ready cases now, while fundraising continues. This dual-rail approach keeps momentum in a tougher market, aligns investor requirements with municipal deployment realities, and builds a ready pipeline for first close.

The result is a practical public-private partnership (PPP) between Stadtwerke Klagenfurt (STW) and VENCAP that converts city priorities into bankable projects with repeatable artefacts: needs-to-pilot workflows, a published selection logic, founder templates for Investment Readiness (IR), and a financing path that operates today and scales tomorrow. These elements underpin replication beyond Klagenfurt, providing other cities with a standardised, lower-friction way to attract solutions, validate pilots, and mobilise capital.

2. Introduction

InvestCEC has, over the course of WP2, progressed from model development to demonstration in the pilot city of Klagenfurt (Austria). Building on Task 2.1 (model and tools), Task 2.2 (stakeholder platform), and Task 2.3 (demonstration), this deliverable (D2.5 – Final version) consolidates and updates the content reported in D2.3 (Initial demonstration report) and the refined model and tools in D2.4, providing the end-of-project account of how the model functioned in practice, what results were achieved, and which lessons are ready for replication.

The purpose of D2.5 is twofold:

(1) To document the demonstration progress and outcomes—including timing vs. plan, materials produced and used, challenges encountered and solutions applied, and the final consequences and next steps; and (2) To summarise the financial, technological, and strategic support measures that InvestCEC provided to make selected projects investment-ready (e.g., investment-readiness coaching, fund setup work, investor outreach, and monitoring/feedback loops). This scope follows the Description of Action (DoA) and the WP2 deliverable chain culminating in D2.5.

Continuity with D2.3/D2.4:

D2.3 described the initiation of the demonstration and framed the report around four elements—Timing, Demonstration Activities, Challenges, and Next Steps — while D2.4 delivered the updated final model and tools based on project experience. D2.5 preserves this logic but shifts the emphasis from process to results, adding quantified outcomes, stakeholder feedback evidence, and replication-oriented learnings that inform WP3 materials.

Position in the Work Plan:

In line with the DoA, WP2 develops the model (incl. tools and the stakeholder platform), demonstrates it in Klagenfurt, and feeds validated practices into replication. This introduction therefore also clarifies cross-links to the replication plan and materials (WP3), as well as to the mapping of funding and investor typologies compiled during the project to support investment readiness at scale.

Key Elements of the Demonstration Report:

- Timing & Progress: what was planned, what happened in 36 months, why adjustments were needed, and how the schedule converged to deliver the demonstration.
- Demonstration Activities: what was executed in Klagenfurt (e.g., feasibility work, entrepreneur engagement, investment-readiness actions, events) and with which outputs and Key Performance Indicators (KPIs) relative to the model's stages.
- Challenges & Solutions: Practical hurdles (administrative, financial, technological, market) and the mitigations adopted; derived lessons learned for replication and scaling.
- Support Measures & Outcomes: financial (investment programme design, investor outreach), technological (solution scoping and feasibility), and strategic (PPP set-up, stakeholder alignment) measures provided by InvestCEC—and their effect on investment readiness and stakeholder confidence.
- Next Steps & Replication: How validated elements of the model and tools transition into replication materials and activities beyond the pilot, including investor education and funding-access guidance.

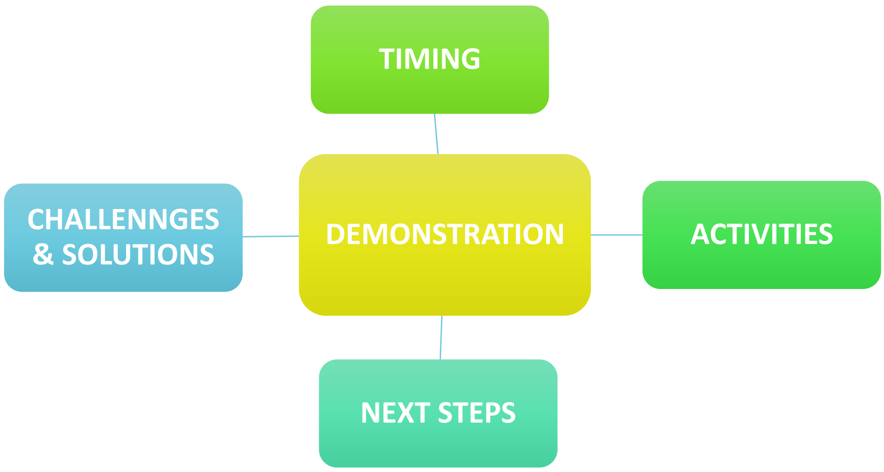

Figure 1: Key elements of the Demonstration report

3. Work Package 2

The demonstration was planned to start in April 2023 in line with the overall roadmap. In practice, initiation was later than planned, due to the higher-than-expected complexity of stakeholder coordination, selection logistics, and preparation of materials.

Across 2023–2025, timing converged as WP2 prerequisites were completed and key milestones were delivered: the biogas feasibility study (concept, process flows, profitability, funding options) approved in November 2023, and the Circular Economy Day 2024 in Klagenfurt with on-site pitching and stakeholder engagement in April 2024. These anchors structured the demonstration's cadence and informed subsequent support actions and monitoring. A second Call for Entrepreneurs (Dec 2024–Feb 2025) broadened both reach and solution maturity, bringing the cumulative pipeline to 59 applications. In parallel, VENCAP sustained fundraising across Europe with outreach to 600+ investors and multiple active limited partner (LP) dialogues. While securing a cornerstone remained challenging, the investment programme was operationalised via a venture-partnership ("virtual fund") approach, enabling co-investment pathways alongside the pending Alternative Investment Fund (AIF) first close. Post-project, targets remain unchanged—€20m fund size—yet the validated model is already actionable, and the expanded stakeholder/partner base unlocks greater capacity for major scale-ups. These outcomes and lessons were consolidated and disseminated through VENCAP's and the project's social media channels, supported by videos, posts, and coverage in outlets such as Forbes, as well as at the InvestCEC Final Event (14 Oct 2025) to support replication and further amplifying the visibility and impact of the investment programme.

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3.1. Timing of WP2

Within WP2, T2.1 (model development) and T2.2 (stakeholder platform) progressed in parallel as pre-conditions for T2.3 (demonstration). Only after core tools, documentation, and the engagement set-up were in place did the demonstration activities proceed in Klagenfurt. This sequencing reflects D2.3's description of WP2's chronology and the requirement to complete model and platform elements before launching full demonstration work.

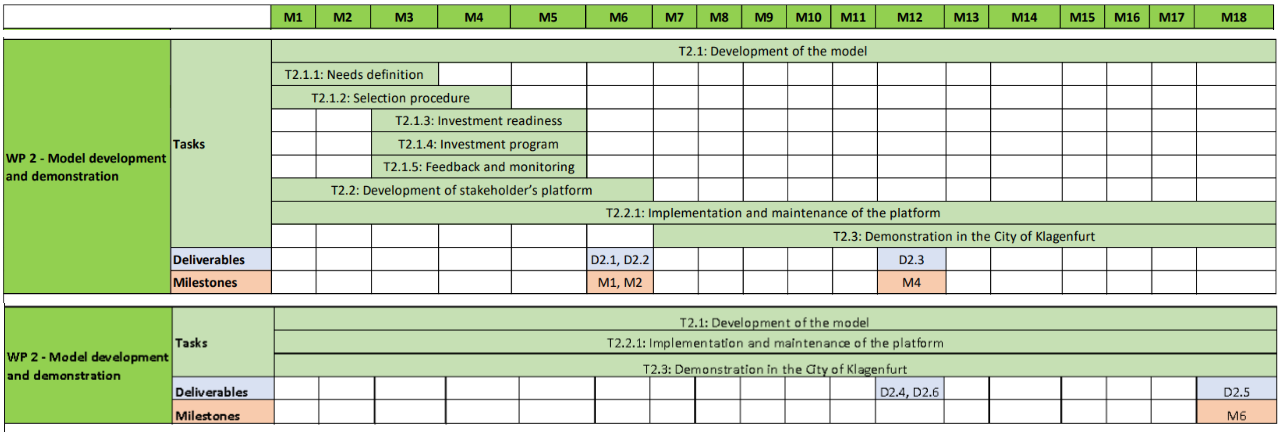

Figure 2: Timing of WP2

3.2. Work Package 2 - Progress

The success of the model demonstration depended on the coordinated delivery of all WP2 tasks and the close collaboration between STW-AG as municipal partner and VENCAP as financial and investment expert. Together they developed, tested, and refined a PPP model for advancing circular-economy projects in mid-sized European cities. The partnership combined STW's operational and technical competence with VENCAP's venture-fund expertise, enabling a holistic approach that links local circular-economy implementation with private-capital mobilisation.

A comprehensive set of supporting materials—including templates, guidelines, feasibility studies, and investment documentation—was finalised during the project and is available on project website and open-access InvestCEC Zenodo community as well as communicated and disseminated to CCRI CSO Office. These resources ensure the demonstration is replicable beyond Klagenfurt and form the foundation for the replication materials in WP3.

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3.2.1. NEEDS' DEFINITION

Purpose and method:

Following the kick-off (November 2022), STW-AG and VENCAP conducted a structured needs-definition workshop (5–6 December 2022) to translate Klagenfurt's climate and infrastructure objectives into bankable circular-economy use cases. The workshop produced four foundational artefacts: a city needs catalogue, a communication & stakeholder-engagement plan, a data & research model, and a stakeholder map. These became the operating blueprint for the demonstration and were iteratively refined as evidence accumulated.

Priority needs and outcomes:

The city's most material challenges were consolidated into problem statements and target outcomes:

- ***Waste valorisation & cost stability*** *— reduce landfill and external disposal costs by converting biogenic and plastic residuals into energy/materials; stabilise energy inputs for municipal services.*
- ***Water & wastewater efficiency*** *— improve sludge handling and treatment performance; capture energy and material value where feasible; ensure grid/plant compatibility.*
- ***Energy security & decarbonisation*** *— increase local renewable generation (e.g., biomethane) and integrate with existing STW-AG infrastructure to hedge market volatility.*
- ***Operational data use*** *— embed data-driven decision rules for selecting pilots, allocating CapEx/OpEx, and tracking circular/ESG impact to inform public communication and investor diligence.*

Functional requirements:

Across use cases, solutions had to demonstrate:

- Municipal integrability (technical fit with *STW-AG* assets, clear interfaces, maintenance model) and permitting readiness (anticipated approvals, timelines).
- Bankability evidence (unit economics, sensitivity to tariffs/subsidies, realistic ramp-up) tied to municipal operating realities.
- Measurable impact aligned to a lean ESG/circularity lens to speed investor comparisons and public accountability.

Communication & stakeholder engagement:

A participatory plan set roles and messages for municipal departments, political decision-makers, citizens, innovators, and investors. Channels included Austrian media and European Union (EU) Circular Economy (CE) platforms (e.g., Circular Cities and Regions Initiative (CCRI), Circle Economy Knowledge Hub), complemented by on-site formats such as the Circular Economy Day to collect feedback and reduce adoption risk before capital deployment.

Stakeholder and PPP governance:

Discussions clarified decision-rights and incentives across STW-AG (lead operator/off-taker), the City/administration (policy and permits), innovators (solution providers), investors (angels/Venture Capitals/corporates), and citizen groups (acceptance). This supported a PPP operating model in which STW-AG anchors technical feasibility and off-take while VENCAP structures investment readiness and financing pathways—ensuring municipal priorities and bankability advance in lockstep.

Bridge to the investment thesis:

These city-level needs directly inform the InvestCEC investment thesis from VENCAP and define the fund's focus sectors used in the market: **Waste Management, Smart City Logistics, GreenTech & Sustainability,** and **Renewable Energy.** The demonstration aligned sourcing, evaluation, and coaching to these four corridors so that municipal demand, technical feasibility, and investor criteria reinforce each other within the investment programme.

3.2.2. SELECTION PROCESS

Objective: translate the city's needs into a transparent, replicable sourcing and screening mechanism that identifies solutions which are both municipally deployable and investable. The process combines a public-sector lens (utility fit, permitting, integration) with VENCAP's investor lens (team, market, product/technology, scalability, KPIs). G2G supports the Call for Entrepreneurs with their perspective and experience.

Selection & evaluation framework

VENCAP's key drivers used throughout screening and pitching:

- Team quality (track record, complementarity, governance),
- Market potential (size, timing, competitive edge, traction),
- Product & business-model strength (unit economics, repeatability),
- Technology maturity (Intellectual Property (IP), readiness, risks),
- Scalability & KPIs (growth path, milestones, evidence).

These are augmented for InvestCEC with two application-specific dimensions: practical deployability/utility fit (integration with STW-AG and city strategies and processes) and level of circularity/ESG.

To ensure comparability, the calls applied a three-pillar scoring:

- Idea Value & Creation – 50% (clarity of solution & value for stakeholders, traction/proof of concept, level of circularity),
- Team & Value Chain – 30% (management team, position in circular value chain, relevant experience),
- Market Opportunity – 20% (timing, market size, scalability & KPIs).

Final score = 0.5×Idea + 0.3×Team + 0.2×Market.

Two Calls for Entrepreneurs (CFE):

Call 1 (pilot of the format): the first open call tested the funnel mechanics. It attracted 16 applications across diverse solution types; six were invited to an online pitch round in April 2024 and three progressed to coaching or follow-up with STW-AG, VENCAP and G2G—validating the gates and revealing where messaging and channels needed sharpening.

Call 2 (scale-up & refinement). Building on lessons, during the second call G2G, VENCAP, G!E and Enspire broadened dissemination (EU platforms, DACH-region media, partner networks, Enterprise Europe Network, European Innovation Council National Contact Point (EIC NCP), universities, science parks, social media) and simplified Step-1 applications to lower barriers. It yielded applications with wide geographic spread (incl. non-EU) and surfaced solutions not previously on the city's radar—an intended effect of the open-innovation approach. After staged screening, 14 were invited; 12 accepted; 9 ultimately pitched due to scheduling constraints; 5 received tailored coaching; and 3 advanced to direct STW-AG discussion. Cumulatively across both calls the funnel reached 59 applications.

Dissemination channels:

Calls were promoted via OTS (Austrian media), CCRI and Circle Economy Knowledge Hub, EIC NCP, InvestCEC website/LinkedIn, and partner mailings/events—maximising visibility and transparency toward the demo and the fund pipeline.

Process & gates (replicable "deal-funnel"):

The Guidelines on deal-funnel procedures codify a two-stage selection:

- Step 1 — Relevance screen: G2G ran an initial application review; STW and VENCAP added a joint "potential-of-interest" filter focused on fit to STW needs and baseline investor relevance. ~40% of entries were out of scope and received fast feedback; the remainder were invited to 30-min clarification calls and asked for more detailed materials where needed.

- Step 2 — Quality screen: shortlisted cases were scored on the three pillars above and invited to Pitch + Q&A with a mixed jury (STW-AG, VENCAP, G2G; with City representatives and University of Klagenfurt experts on circular economy as needed).

Incentives & touchpoints: to increase response and value, finalists were offered individual coaching. Investor exposure, and discounted booths at CIRPLEX and feedback from utility and investor stakeholders.

Evaluation and pitching (how decisions were made):

Shortlisted companies presented online. The jury combined public-sector criteria (municipal fit, integration feasibility, permitting) with investment criteria (team, market, product/tech, scalability/KPIs). The structured rubric and weights above ensured consistent, auditable decisions and created a clear path into Investment Readiness (3.2.3).

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Outcomes and lessons:

- The two calls broadened the funnel and surfaced high-potential solutions outside initial need frames—valuable for both the city (innovation options) and the fund (future pipeline).
- A low-barrier Step 1 plus a rigorous Step 2 produced a fair, cost-efficient process with quick feedback to applicants—important for startup responsiveness.

3.2.3. INVESTMENT READINESS

Objective & set up: IR turns the outputs of the two Calls for Entrepreneurs into bankable, pilot-ready propositions that meet (i) municipal deployment requirements (utility fit, permitting, off-take logic) and (ii) investor requirements (team quality, market potential, product & business-model strength, technology maturity, scalability and KPIs). The programme was designed by VENCAP with support from G2G and coordinated closely with STW-AG so that technical validation and investment preparation proceed in lockstep. Shortlisted companies from the calls entered IR as cohorts.

Process and cohort intake: candidates progressed through a structured funnel: application screening → interviews → pitch + Q&A with a mixed jury (STW-AG, VENCAP, G2G and representatives from the City and University of Klagenfurt. From the 2024–2025 cycle, 12 were invited to pitch (9 could attend); five companies were offered up to 12 hours of individual coaching; three cases proceeded to direct follow-ups with STW/City. These steps and thresholds are documented in the “deal funnel” guidelines and the demonstration records.

What the IR coaching delivered (focused, non-overlapping with sourcing/fund setup):

- Business & financial readiness: 1:1 work on business-model refinement, unit-economics, go-to-market, and budget/forecast quality; preparation of investor materials.
- Municipal deployment fit: mapping of interfaces with STW-AG (operations, data, permitting), procurement pathway options, and pilot scoping so investor milestones align with real-world deployment gates.
- Pitching & feedback loops: structured pitch sessions produced written feedback and next actions (e.g., additional traction/KPI evidence, regulatory clarity, or partner Memorandum of Understandings (MoUs)) to reach “investable + deployable” status.

IR toolset provided to founders: Replication | InvestCEC

- Fundraising Guidebook: A practical playbook covering how much to raise, valuation, investor expectations, negotiating terms, and CE-specific implications (ESG criteria; direct vs. enabling circularity; handling KPI trade-offs). This gave teams a common standard for materials and metrics used in IR.

- Monitoring Investment Opportunities: a landscape note explaining typical funding gaps for circular ventures (e.g., “valley of death”), why misalignment—not capital scarcity—often blocks deals, and how to respond (hybrid financing, risk-sharing, crisper articulation of money flows alongside material flows). We used these recommendations to set IR priorities and founder homework.

- Deal-funnel & business-plan guidance: templates and evaluation logic that anchor the IR checkpoints (readiness gates, pitch criteria, and coaching scope).

By standardising investor-grade materials and aligning them with concrete municipal deployment paths, IR bridged the gap between “promising demo” and “financeable, operable pilot”, which creates a repeatable IR stack that future cohorts (and replication cities) can reuse.

3.2.4. INVESTMENT PROGRAM

The investment program is the financing backbone of InvestCEC. It converts municipal needs and demonstration outputs into investable opportunities along two synchronized rails: a dedicated EuVECA/AIF venture fund and a venture-partnership (“virtual fund”) that enables co-investment with aligned managers before and alongside first close. This ensures bankable projects can progress even in challenging fundraising cycles, while the long-term vehicle is capitalized.

Guidance, documents, and pre-sales

To professionalize setup and decisions, a complete toolkit was produced, and pre-sales fundraising by VENCAP is in continuous progress.

- Guidelines to define the Investment Focus and an Investment Focus & Fund Facts summary.
- Full fund documentation (legal/regulatory governance, compliance, conflicts, reporting).
- LP/Subscription Questionnaire, Fund Pitch Deck, and Two-Pager for investors.
- ESG/impact scorecard fields to standardize circularity evidence across deals.
- MoU with Una Terra and Universe Partners to formalize the venture-partnership coalition. In parallel, VENCAP activated its network of business angels, VCs, and corporate venture arms and prepared crowd co-investment rails so deal sharing, and follow-ons can start immediately after registration.

Fund vehicle

- Vehicle & economics: EuVECA/AIF, 8+2 years; €20m target size; ≥€4m first-close target; €100k–€1m tickets (incl. follow-ons)
- Focus & pipeline: utility-ready circular solutions that can pilot with city utilities (starting in Klagenfurt) and replicate across peer cities. Focus sectors derive from the demonstration: Waste Management, Smart City Logistics, Renewable Energy, GreenTech & Sustainability.
- Selection discipline: VENCAP's key drivers—team quality, market potential, product & business-model strength, technology maturity, scalability/KPIs—augmented by practical utility fit and level of circularity/ESG. For comparability, the call rubric is retained: Idea Value & Creation (50%), Team & Value Chain (30%), Market Opportunity (20%).

Registration pathway

All materials for EuVECA/AIF registration are prepared; filing is gated by the cornerstone. With the dossier ready, administrative steps can proceed quickly post-cornerstone. Upon registration, the co-investment and crowd syndication rails go live to complement the fund with deal-by-deal and follow-on capacity.

Fundraising progress and market reality

VENCAP approached 600+ investors across Europe and opened 20+ active LP dialogues, including industrial strategics. A cornerstone remains the catalytic step; a fund-of-funds route with a large German manager is being advanced in parallel. Timelines reflect market conditions: first-time/thematic funds often need 24–36 months; macro uncertainty has reduced risk appetite; parts of the market still view circular-economy funds as primarily public-sector; industrial LPs face precedent and internal-process hurdles. The response has been to continue beyond the project end with the registration file hot, communicate PPP de-risking (offtake/pilots, targeted instruments), and deploy now via the venture-partnership rail.

Venture-Partnership model ("virtual fund")

A working coalition co-invests, co-leads, and shares pipeline tied to utility pilots, locking a strong pipeline for first close and financing worthy cases today.

Main Partner: Una Terra

An early-growth impact fund and venture studio focused on packaging & waste, biomaterials, apparel, food systems, and marine pollution. Recognized internationally (B-Corp; UN-PRI; highlighted by the World Economic Forum), Una Terra couples capital with hands-on studio support—ideal for turning municipal pilots into repeatable operations. It directly strengthens InvestCEC's Waste Management and GreenTech & Sustainability corridors.

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Main partner: Universe Partners

The first dedicated Resilience Tech investment house across infrastructure, smart-city, and greentech, with strong co-lead/follow-on capacity and a global network of senior backers. Universe Partners extends coverage into Smart City Logistics and Renewable Energy, reinforcing the path from pilot to multi-city scale-up.

Potential strategic co-investors

A major European electricity provider & venture arm (grid/infrastructure depth; Fund of Fund (FoF) capability and the Carinthian Venture Fund (CVF) for regional origination and potential co-investment) are positioned to reinforce energy-system and regional deployments.

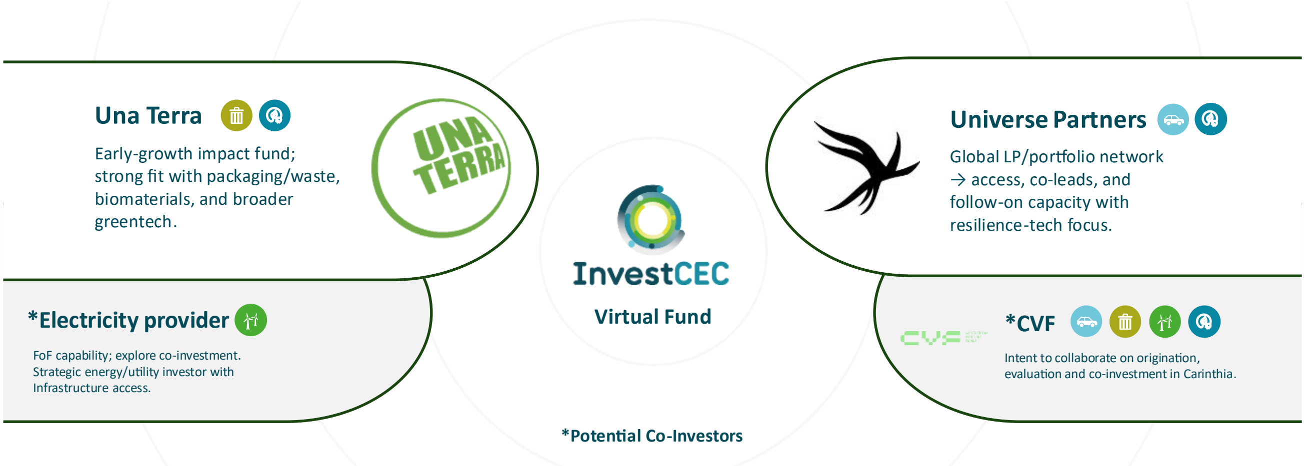

Figure 3: The InvestCEC Venture Partnership Model

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How the coalition operates (step-by-step)

Opportunities sourced from the two Calls and VENCAP's pan-European inflow are mapped to the four sectors, then tested with STW-AG for utility fit and pilot options (interfaces, permitting, offtake signals). Aligned cases are presented to Una Terra/Universe Partners; if there is a fit, the parties move into joint diligence and co-investment. The loop "needs → pilot design → partner review → diligence → deployment" is now standardized and replicable.

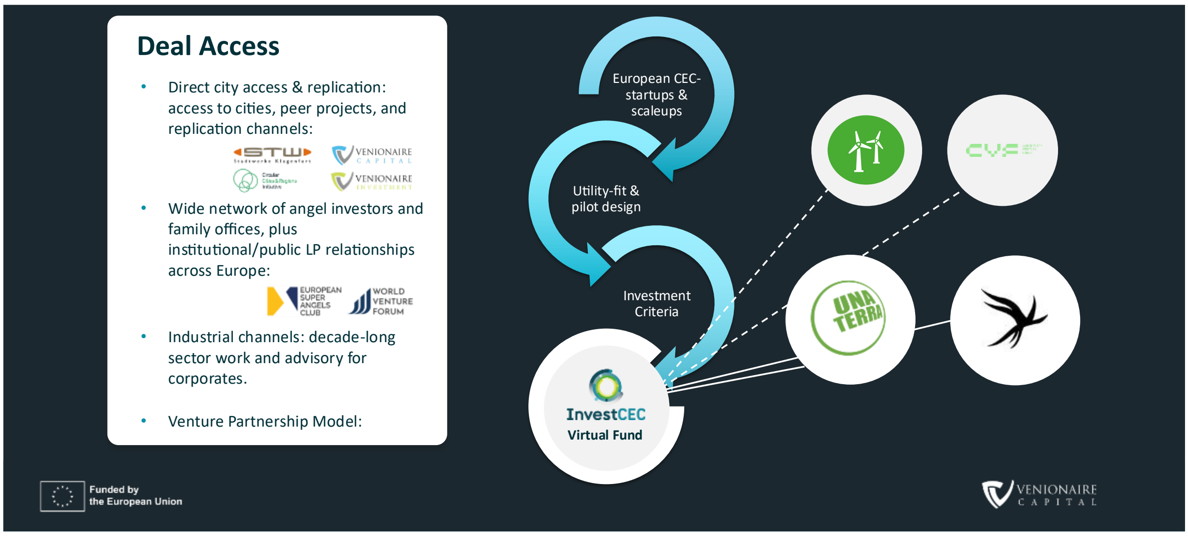

Figure 4: Deal Access & Investment Process

Why this configuration matters for replication

The fund blueprint sets the medium-term engine for scale, the venture-partnership rail makes the model actionable now, and the main partner (Una Terra and Universe Partners) bring sector depth and follow-on capacity. With the city utility as an anchor offtaker and a transparent selection discipline that puts utility fit and circularity front and center, the program converts demonstration outcomes into bankable, repeatable city projects—supporting major scale-ups as market conditions didn't unlock the cornerstone and the €20m vehicle yet.

3.2.5. FEEDBACK AND MONITORING

The establishment of a rigorous feedback and monitoring mechanism will stand as an imperative facet within our EU project's operational framework. This system encompasses regular stakeholder consultations, systematic progress evaluations, and iterative feedback loops that are being discussed within internal follow-up bi-weekly consortium meetings and include feedback that emanates from the events held with different stakeholder groups as part of dissemination and communication activities. The consortium of InvestCEC is actively engaging with targeted stakeholders, which encompasses a diverse array of groups including investors (VENCAP through fundraising, networking), infrastructure (STW-AG itself including their cooperations with other municipals), political entities (STW-AG's engagement with local political entities), and citizens (STW, VENCAP through local events), G2G with solutions providers, G!E and Enspire with EU-level stakeholders (CCRI, EC's DGs, EIC NCPs). The interactions with these stakeholders inform the assessment process, ensuring that all input received is reported and integrated into the project accordingly. The main objective is to actively engage with project participants, ensuring their nuanced perspectives are integrated into project dynamics at pivotal intervals.

What VENCAP heard from potential investors (and how we used it)

Across outreach to 600+ potential LPs and repeated discussions with strategic corporates, family offices and funds, three messages were strikingly consistent. First, **PPP is the practical way to close circular loops**: investors and public stakeholders align on this, but **private capital scales only when public commitment is visible**—ideally with utility **off-take/pilot signals**, co-investment, or **targeted guarantees** that improve bankability for first-time/thematic vehicles. Where such signals were clear, interest rose; where they were absent, risk perceptions dominated.

Second, **standardisation accelerates replication**. LPs and co-investors valued our common **needs definitions**, transparent **scoring** (Idea 50% / Team 30% / Market 20%), and reusable **templates** because they cut transaction costs and make cases comparable across cities. This standardised stack (funnel guidance, scoring rubric, IR templates) reduced back-and-forth in diligence and helped non-specialist investment committees read circular opportunities faster.

Third, **bankability hinges on "money-flows" as much as material flows**. Many LPs stressed that CE cases too often narrate environmental benefit without crisp revenue logic, unit economics, and risk-sharing—especially in pre-commercial phases. They asked for tighter articulation of **financial value, risk mitigation, and scalability**, and pointed to the persistent **"valley of death"** for CE ventures. Our Monitoring brief distils this: the problem is often **misalignment**, not absolute capital scarcity; the remedy is **hybrid finance** (grants + commercial + equity/mezzanine) and trusted intermediaries who can structure risk.

This feedback fed directly into the program design. We made **utility commitment** a hard input to selection and IR; we published the **scoring and funnel**; and we equipped founders and investors with the **Fundraising Guidebook** (what investors look for, KPIs/traction, terms) to raise the quality of decks, models and data rooms.

How we collected and looped feedback

Investor input was gathered through **one-to-one LP conversations**, partner roundtables and **public fora** and channelled into the consortium via **regular follow-ups**. In parallel, we used dissemination channels (website/LinkedIn, factsheets, webinars) to test and refine messaging (e.g., “what investors look for”, risk factors, solution areas) and to broadcast updates back to stakeholders.

On the **project side**, the mixed jury in the Calls for Entrepreneurs, STW’s integration checks, and the coaching sessions created **short feedback cycles** with startups. The **deal-funnel guideline** codified the two-gate selection (relevance → quality), ensuring consistent documentation of decisions and “why/why not” notes that could be re-used in IR and investor dialogues.

What we learned

- **PPP by default.** Pair utility pilots/offtake with investment to share regulatory/technology/market risk and move cases to bankability faster. Targeted **public instruments** (guarantees, co-investment) **crowd-in private money**.
- **Standardisation speeds replication.** Common needs definitions, pitch templates and **transparent scoring** compress procurement and due-diligence timelines across locations.
- **Pilot → prove → scale.** Phased city pilots generate operating data and political buy-in, which LPs read as leading indicators for follow-on capital.
- **Make it easy to act.** Streamlined green-procurement pathways and a **shared stakeholder platform** keep feedback flowing and lower the barrier to first engagements and repeatability.

Challenges and mitigations (investor-driven)

- **Cornerstone scarcity & perception risk.** Industrial LPs often lack precedent to anchor micro-funds and sometimes see CE as a **public-domain** remit; Austria-specific headwinds (e.g., a major prospective anchor stepping back) compounded this. **Mitigation:** pursue **blended finance** and guarantees, pre-structure **off-take-backed pilots** with STW, and **deploy via the virtual-fund coalition** (Una Terra, Universe Partners; with energy utility VC and **CVF** as add-ons) to show traction and returns **ahead of first close**.
- **Cycle length & macro headwinds.** New/thematic funds in Europe typically require **24–36 months**, inflation and geopolitics lower risk appetite. **Mitigation:** keep a **dual track** (cornerstone + FoF), maintain the **registration file hot-ready**, and use partner co-investments to avoid pipeline stall.

- **Impact diligence fragmentation.** Heterogeneous metrics slow LP decision process. **Mitigation:** standardise **ESG/impact snapshots** (CARTIF-aligned scorecard) and **checklists** so every case enters diligence with comparable data.

Public procurement

Across two Calls for Entrepreneurs, 59 business cases were reviewed, covering both traditional linear and clearly circular models. While fundamentals such as technology, team and market were often comparable, circular cases more frequently faced interdependency risks due to thinner supply and value chains, which can increase supply and revenue uncertainty. This reinforces the value of public actors and large industrial partners to stabilise adoption and operations.

Public procurement emerged as a central adoption barrier for SMEs in domains like waste, water, energy and city logistics: procedures are complex, timelines are long, eligibility and bonding requirements are demanding, and contracting authorities tend to favour incumbent, proven solutions. Circular features add measurement and verification complexity. Practical mitigations within EU rules include using procedures suited to innovation (e.g., competitive dialogue or innovation partnerships), drafting outcome-based specifications, weighting quality and circularity alongside price, and building capacity on both sides—contracting authorities and SMEs. On the financing side, standardised impact/ESG snapshots, concise risk-mitigation notes, and early clarification of offtake or service agreements allow investors to assess cases more quickly. Where cities act as customers or conveners and industrial partners participate alongside investors, circular supply-chain risk can be reduced; where that is not feasible, non-dilutive instruments such as grants or guarantees can improve bankability.

Status at project end (and what monitoring says next)

By the final event, the **fund thesis, structure and documents** were complete; **600+ LPs** approached with **20+ active dialogues**; cornerstone and FoF tracks remained active; the **venture-partnership** was operating; and **co-investment rails** were ready pending registration. Monitoring confirms the priority is not “more decks”, but **more visible public commitment** and **risk-sharing instruments** to unlock a cornerstone; the operational answer we adopted is to **keep fundraising beyond the project end** while **financing qualified PPP pilots now** through partner co-investments—so evidence accumulates, and replication accelerates from **pilot → proof → scale**.

4. Demonstration activities

The substantive core of this report intricately unfolds during the project's showcase and demonstration phase, colloquially known as the "project show-and-tell". The demonstration phase is a deep dive into the nuts and bolts of creating a versatile model. In the ensuing sections, we will delve into the demonstration activities undertaken throughout the inaugural year of the project. This exploration provides an in-depth examination of the practical facets of our endeavor, highlighting the various initiatives and actions that have unfolded during this initial phase.

- ***Feasibility study — Biogas production from biomass/organic waste — Jun 2023**: Concept, process workflows, profitability calculation, funding options — Economic & technical experts (STW, advisors).*
- ***Conference — World Venture Forum "Circular Economy Chalet" — Jul 2023**: Investor forum with CE focus; positioning InvestCEC model — Investors, corporates, LPs.*
- ***Conference — Inter-municipal cooperation (Austria) — Nov 2023**: Keynote on bio-waste/biogas project; peer-city knowledge exchange — Austrian League of Cities, city reps, experts.*
- ***Conference — 11th Public Utilities Day (VKÖ) — 23 Nov 2023**: Public infrastructure as driver for green future; utility perspective — CEOs of utilities, EIB, stakeholders.*
- ***Fair — ECOMONDO (Rimini) — Nov 2023**: CE technologies and markets; networking for pipeline — Startups, utilities, investors.*
- ***Conference — 1st CCRI General Conference — 8 Nov 2023**: Clustering with EU peers; replication dialogue — Cities, regions, CE projects.*
- ***InvestCEC Event — Circular Economy Day 2024 (Klagenfurt) — 18 Apr 2024**: On-site pitching & networking; mixed public–investor jury — CE startups, City of Klagenfurt, STW, investors, citizens.*
- ***Conference — World Circular Economy Forum (WCEF) 2024 — 15–16 Apr 2024**: Global CE policy/industry exchange — Policy makers, industry, financiers.*
- ***EU event — EU Green Week 2024 — 29–30 May 2024**: Policy signals, replication contacts — EU institutions, cities, non-governmental organisations (NGOs).*
- ***Conference — World Venture Forum 2024 — 1–6 Jul 2024**: Investor engagement; venture-partnership messaging — Investors, corporates.*
- ***Networking — Alpen-Adria Businessclub (Klagenfurt) — 17 Sep 2024**: Regional stakeholder outreach — Regional investors, businesses, policy.*
- ***Summit — Climate Week NYC 2024/CGI/Future of Climate — 19–24 Sep 2024**: International investor & climate networks — Global investors, foundations, corporates.*
- ***EU event — European Week of Regions & Cities — 7–10 Oct 2024**: Replication with cities/regions — City officials, EU bodies.*
- ***Conference — DECISO Project Conference — 9 Oct 2024**: Financing & replication exchanges — EU projects, cities.*

- ***Workshop — 3rd CCRI Coordination & Support — 13 Nov 2024**: Knowledge sharing, pipeline alignment — CCRI projects, cities.*
- ***Event — CCRI Circular Investing: Pitching Investment Opportunities — 20 Mar 2025**: Investor matching for CE ventures — Investors, CE startups, cities.*
- ***Summit — CIRPLEX (Klagenfurt) — 13–15 May 2025**: CE summit with pitches, panels, PPP focus — Cities, utilities, investors, startups.*
- ***Fund Keynote — Green Tech seePORT (Pörtschach) — 23 May 2025**: Regional innovation & investor outreach — Startups, investors, policy.*
- ***EU event — EU Green Week 2025 — 3–5 Jun 2025**: Policy/practice bridge; replication updates — EU institutions, cities.*
- ***Workshop — 4th CCRI Coordination & Support — 6 Jun 2025**: Cross-project learning; pipeline handshakes — CCRI projects.*
- ***Conference — World Venture Forum 2025 (Impact Alm) — 30 Jun–6 Jul 2025**: Impact & CE investing, partner activation — Investors, corporates.*
- ***Summit — Climate Week NYC 2025/CGI — 20–25 Sep 2025**: Scaling finance for CE; partner engagement — Global investors, corporates, foundations.*
- ***City event — Stadtwerke Klagenfurt Day — 27 Sep 2025**: Utility-led showcase, stakeholder updates — Citizens, local stakeholders, investors.*
- ***Final InvestCEC Event – 14 Oct 2025 – European Parliament:** Building on the pilot in Klagenfurt, Austria, the InvestCEC project presented its key achievements to help cities and regions launch successful circular economy initiatives.*

4.1. Description of demonstration activities

BIOGAS – PRODUCTION FROM BIOMASS/ORGANIC WASTE – FEASIBILITY STUDY

Description of the activities: the feasibility study was ordered by STW-AG in the framework of InvestCEC to examine the potential of producing biogas from residual materials, converting it into biomethane, and integrating it into the existing natural gas grid of STW-AG. Its objectives include identifying and analyzing residual materials, determining their biogas production potential, designing a fermentation plant with a downstream composting facility, estimating overall system costs, and assessing profitability.

Objective for the activity: the objectives of the feasibility study are to identify and analyze the residual materials available for biogas production, including their biomethane potential. Additionally, the study aims to determine the type and quantity of residual materials suitable for biogas production, as well as their energy potential. Furthermore, it seeks to design a fermentation plant along with a downstream composting facility. Lastly, the study intends to estimate the overall system costs and conduct a profitability analysis, while compiling a list of available subsidies. Besides grants, subsidies, or public budgets, investments could be also an option but further needs to be discussed with STW-AG and VENCAP.

Outcome: the feasibility study was completed by technical and economic experts and approved by the Supervisory Board of Stadtwerke Klagenfurt AG in November 2023. The total investment costs, including subsidies, amount to €10.2 million, with an amortization period of 6.5 years.

Circular economy day 2024

Description of the activities: The Circular Economy Day 2024, held on April 18, 2024 was organized by STW-AG and VENCAP as part of InvestCEC and gathered over 30 participants at the Lakeside Science & Technology Park. After the selection process with support from G2G, startups were invited to the Circular Economy Day 2024 to present their solutions involved an analysis conducted beforehand, wherein specific criteria were carefully evaluated. These criteria encompassed various aspects such as team, market, product, value proposition, scalability, and alignment with the CE principles . Following this initial screening, a shortlist of promising candidates was compiled, based on their alignment with the criteria and their potential to contribute meaningfully to the CE landscape. Two top startups from this pre-screening were given the opportunity to qualify for a live pitch session in front of the jury. AES Autonomous Energy Systems (DE) and Sustario (AT) had the chance to present their innovative ideas to Erwin Smole and Nadja Sussitz (both from STW-AG), Berthold Baurek-Karlic (VENCAPl), Alexander Mann (StartupCarinthia), and Gernot Bogensberger (Magistrat Klagenfurt), with the aim of receiving valuable feedback. In the end, Marco Karber and Andres Sheldrick from AES Autonomous Energy Systems GmbH in Germany won, with their method that turns leftover plastic into useful oil.

Objective for the activity: the primary objective of Circular Economy Day 2024 was to foster collaboration and innovation in the field of sustainable practices. By providing a platform for startups to present their ideas and receive feedback from industry experts, the event aimed to encourage the development of innovative solutions that promote circular economy.

Outcome: tthe event successfully highlighted the importance of collaboration between various stakeholders in advancing sustainable practices. It showed innovative solutions from startups like AES Autonomous Energy Systems, demonstrating the potential for transformative change in addressing environmental challenges. Additionally, the recognition of innovative ideas and the engagement of industry experts underscored the commitment to driving sustainable development forward. Overall, the event served as a catalyst for further collaboration and investment opportunities, paving the way for impactful solutions to address environmental challenges.

Dissemination and Communication Activities linked to demonstration

This section highlights the dissemination of project information to a broader audience. It delves into the diverse approaches we employed to keep others informed about our project's progress in its initial year. This examination will provide a comprehensive understanding of how we effectively communicated and raised awareness about InvestCEC.

4.2. Description of dissemination & communication activities

CIRCULAR ECONOMY CHALET

Description of the activity: On Thursday, July 6 2023, the Circular Economy Chalet (within the WVF) was held and kicked off with a warm welcome to all participants upon their arrival, setting the tone for a collaborative and inspiring experience. The heart of the Circular Economy Chalet was undoubtedly a series of keynote presentations delivered by five distinguished experts in the field. Among them were Günther Dobrauz-Saldapenna, Partner at exelixis capital AG, Georgi Lossmann-Illiev, Head of magdas Recycling & Head of magdas Services, Erwin Smole, Board Member of Stadtwerke Klagenfurt, Kambis Kohansal Vajargah, WKÖ Head of Startup-Services, and Cyril Klepek, Founder and CEO at Cyrkl. Their insights not only illuminated the challenges we face but also highlighted innovative solutions and promising pathways towards a more sustainable future. The attendance of the entire consortium of InvestCEC added a valuable layer to the discussions. The convergence of minds and the sharing of experiences among consortium members further emphasized the importance of collaboration on a broader scale to address the complexities of CE implementation.

Objective for the activity: the primary objective of the Circular Economy Chalet held during the World Venture Forum was to create a collaborative platform for experts in the fields of CE. Specifically, the Circular Economy Chalet aimed to foster meaningful discussions, and presentations about the ongoing project. By bringing together professionals and leaders from diverse backgrounds, the event sought to provide a comprehensive overview of the latest trends and developments in the CE sector.

Outcome: the Circular Economy Chalet yielded substantial outcomes specifically for InvestCEC. The keynote presentations delivered by experts such as Günther Dobrauz-Saldapenna, Georgi Lossmann-Illiev, Erwin Smole, Kambis Kohansal Vajargah, and Cyril Kripek offered invaluable insights. These insights not only illuminated the challenges inherent in the circular economy but also presented innovative solutions and promising pathways toward sustainability. Moreover, the event served as a networking opportunity, facilitating connections among participants.

INTER-MUNICIPAL COOPERATION

Description of the activities: On November 22nd, 2023, a waste management Fachausschuss (professional committee) took place in Graz as part of the Austrian League of Cities. During this committee, Gernot Bogensberger, head of the waste disposal department of the city of Klagenfurt, and Markus Scheriau, responsible for the gas segment within "Stadtwerke Klagenfurt AG," engaged in an open exchange centered on renewable energy sources, which is an integral part of InvestCEC.

Objective for the activity: the intention behind fostering a deeper level of collaboration and facilitating knowledge-sharing among municipalities during the committee was to harness the collective strengths and capabilities of each participating city. This collaboration is pivotal for InvestCEC as it allows for the pooling of resources and knowledge. Moreover, by exchanging best practices and lessons learned, municipalities can optimize their efforts and accelerate progress towards achieving common sustainability objectives.

Outcome: the establishment of a new collaboration between the cities of Leoben and Klagenfurt marks a significant advancement in inter-municipal cooperation. This collaboration signifies a proactive effort towards sharing resources, expertise, and ideas to address common challenges and pursue shared goals related to the implementation of circular economy projects.

11th PUBLIC UTILITY DAY

Description of the activity: on November 23rd, 2023, the 11th Public Utility Day was held in Vienna in collaboration with the Association of Austrian Municipal Enterprises in Austria. The central theme of this year's event revolved around the significance of public infrastructure as a catalyst for a sustainable future. Attended by CEOs of public utilities, political stakeholders, and investors, this annual gathering serves as a platform for discussing pertinent issues within the public utility sector. Erwin Smole, Board Director of STW, attended the event and acted as a speaker on the panel “The key role of distribution network operators in Europe”. Erwin Smole shortly presented InvestCEC within the panel.

Objective for the activity: the main objective of this event was to facilitate open communication and dialogue among diverse stakeholders regarding the CE. By bringing together CEOs of public utilities, political figures, and investors, the aim was to encourage collaborative discussions and promote sustainable practices within the sector.

Outcome: during the event, it was agreed with Heidrun Maier-de Kruijff, managing director of the association, that InvestCEC will be featured in the 12th Public Utility Day, scheduled for November 2024. This decision signifies the recognition and endorsement of our project within the public utility sector, providing an invaluable opportunity to showcase our initiatives and engage with key stakeholders on a broader scale.

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CIRCULAR ECONOMY CHALET (WORLD VENTURE FORUM), 6 JULY 2023

Description: CE track at WVF with keynotes (Dobrauz-Saldapenna, Lossmann-Illiev, Smole, Kohansal Vajargah, Klepek) and full InvestCEC consortium presence.
Objective: position PPP-first approach and surface investor interest for utility-pilotable CE solutions.
Outcome: new investor contacts; validation of the pilot → proof → scale narrative.

INTER-MUNICIPAL COOPERATION (AUSTRIAN LEAGUE OF CITIES), 22 NOVEMBER 2023

Description: technical committee in Graz; Klagenfurt waste/gas units exchanged on renewables and CE pilots.
Objective: share practices and align city resources for CE deployment.
Outcome: working link established between Leoben and Klagenfurt on waste/biogas topics.

11TH PUBLIC UTILITY DAY (VKÖ), 23 NOVEMBER 2023

Description: utility leadership forum in Vienna; STW-AG board director on Distribution System Operator (DSO) panel; InvestCEC referenced.
Objective: engage CEOs, policymakers, and investors on utility-led circular projects.
Outcome: agreement to feature InvestCEC at the 12th VKÖ Day (2024).

CIRCULAR ECONOMY DAY 2024 (KLAGENFURT), 18 APRIL 2024

Description: on-site pitching and networking at Lakeside Science & Technology Park; mixed public–investor jury.
Objective: tst selection criteria live; match pilots with STW-AG.
Outcome: finalists moved to targeted follow-ups; faster hand-offs to IR.

WORLD VENTURE FORUM 2024 & 2025 (IMPACT ALM)

Description: investor convenings with CE focus; repeated briefings on fund blueprint and venture-partnership model.
Objective: maintain LP dialogues and co-investment interest.
Outcome: added industrial strategics to active pipeline; partner alignment on specific cases.

EU GREEN WEEK 2024 & 2025

Description: policy-to-practice sessions highlighting PPP de-risking and standardisation.
Objective: surface policy levers (off-take, guarantees) and recruit replication cities.
Outcome: new city leads; clearer messaging on bankability instruments.

CCRI ECOSYSTEM (GENERAL CONFERENCE, COORDINATION WORKSHOPS, CIRCULAR INVESTING PITCH)

Description: peer exchanges and investor-pitching under CCRI.
Objective: share templates (needs, scoring, IR) and match solutions to municipal demand.
Outcome: increased quality and volume for the second Call for Entrepreneurs.

ECOMONDO (RIMINI), NOVEMBER 2023

Description: EU CE fair for technology and supplier scouting.
Objective: identify deployable solutions aligned with STW-AG needs and present the project at fair.
Outcome: candidates earmarked for technical/financial diligence.

CIRPLEX SUMMIT (KLAGENFURT), 13–15 MAY 2025

Description: InvestCEC project stand and fund presentation by VENCAP and STW-AG, and a startup showcase aligned to city needs.
Objective: Present the fund and venture-partnership coalition; generate pilot opportunities; give shortlisted teams buyer/investor exposure.
Outcome: New municipal and investor leads, follow-up meetings on pilot scoping; startups received targeted utility/investor feedback.

STADTWERKE KLAGENFURT DAY (KLAGENFURT), 27 SEPTEMBER 2025

Description: Utility-led showcase featuring updates from Stadtwerke Klagenfurt, including a dedicated InvestCEC project stand and presentation. The event engaged citizens, local stakeholders, investors, and city representatives from nearby municipalities, highlighting innovative solutions and raising awareness of circular economy principles.
Objective. Inform and engage key audiences on Stadtwerke Klagenfurt’s activities and circular economy initiatives; showcase pilot projects and the InvestCEC project; foster dialogue with citizens, stakeholders, investors, and regional city representatives.
Outcome. Increased awareness of circular economy concepts, strengthened stakeholder relationships, new collaboration leads, and targeted feedback for ongoing and future projects.

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Our dissemination & communication work was designed to (i) attract qualified deal flow into the Klagenfurt demonstration, (ii) keep municipal, investor and citizen stakeholders engaged, and (iii) prepare replication by publishing reusable materials and maintaining high-visibility channels. The summary below aligns with the final Communication & Dissemination Impact Report and focuses on items that directly supported WP2.

CORE CHANNELS AND ASSETS SUPPORTING WP2

Project website (InvestCEC): primary hub for public deliverables, guides, and replication material; maintained until Oct 2030. By Aug 2025 the site logged ~8.4k visits, with top pages Home (3.9k), About (765), and News & Events (712). A dedicated Marketplace page showcases companies aligned with InvestCEC (including CFE applicants) and was promoted to CCRI/Hubs4Circularity as a replication case.

Social media (InvestCEC project: Posts | LinkedIn): following a strategic pivot away from Platform X, LinkedIn served as the main outreach channel to founders, cities, and investors, growing to ~485–488 followers by Aug 2025. Campaigns covered the fund narrative, “meet the selected companies,” webinar series, and the policy workshop; a LinkedIn discussion forum linked website traffic with CCRI peers and entrepreneurs.

Videos: project videos (for example: InvestCEC , Fund Interview, CIRPLEX - Interviews with STW & AES) were produced and embedded across channels and used at events to support the demonstration storyline.

Newsletters: six issues (Sep 2023–Apr 2025) reached ~230–231 subscribers by Aug 2025; the final wrap-up issue (Sep 2025) drove registrations for the Final Event and consolidated outcomes for replication.

Print & factsheets: EN/DE flyer and five factsheets (circular investment in cities/regions; risk factors; solution areas; what investors look for; Kalundborg symbiosis) distributed at events and online, timed with the Final Conference.

DEMONSTRATION-LINKED OUTREACH (CALLS, PIPELINE, EVENT CADENCE)

Two waves, one funnel. We ran two Calls for Entrepreneurs to source utility-ready circular solutions for Klagenfurt and feed the demonstration pipeline. Call #1 (Q1–Q2 2024; online pitch Apr 2024) generated 16 applications; 6 pitched; 3 were selected for investment-readiness coaching and direct follow-ups. Call #2 (Dec 2024–Feb 2025) broadened dissemination (added EEN/NCP, universities, science parks) and yielded ~41 applications; 14 were invited, 12 accepted, 9 pitched (scheduling); 5 received targeted 1:1 coaching; 3 moved into direct STW/City discussions. Across both calls, the pipeline reached 59 applications, all processed through the same transparent gates (relevance → quality) and weighted scoring (Idea 50% / Team 30% / Market 20%) with utility fit and circularity/ESG as hard filters.

Circular Economy Day 2024 (Klagenfurt, 18 Apr 2024). On-site pitching at Lakeside STP with a mixed public–investor jury (STW, Venionaire Capital, City, ecosystem partners) validated the dual evaluation lens—utility integration fit + investability—and fed directly into WP2 coaching and follow-ups.

POLICY, REPLICATION AND CLUSTERING (AMPLIFYING THE DEMO)

Webinar series (2024–2025): four thematic webinars with CCRI peers (DEFINITE-CCRI, DECISO, BioBoost, HOOP/CircularInvest) translated investor and policy lessons into practical guidance for founders and cities; total 257 attendees.

InvestCEC/RESOURCE Policy Workshop (3 Apr 2025): 65 participants prioritised policy levers (e.g., guarantees, offtake), rated barriers, and co-created recommendations—inputs used to refine replication guidance and a joint policy brief (Sep/Oct 2025). Speakers included DG RTD, EIB, Climate-KIC, EEB; moderation by Gate2Growth.

External presence (selection): targeted appearances at WVF (2023/2024/2025), ECOMONDO, CCRI events, EU Green Week, CIRPLEX, and VKÖ Public Utilities Day ensured that the WP2 demonstration narrative reached city utilities and investors in the right fora.

KPIS LINKED TO THE DEMONSTRATION

Webinars: 4 (target 4), 257 attendees (target 200) → exceeded. Media hits: 58 (target 20) → exceeded. External events with project presence: >20 (target 5 presentations) → exceeded. Website visits: 8.4–8.5k (target 30k) → below target; mitigation: extended pre-Final-Event campaign and site maintained to 2030 for long-tail replication.

KEY LESSONS FOR REPLICATION (FROM THE DEMO LENS)

Dual narrative converts best. Pair municipal integration stories (offtake, permitting, grid fit) with investor language (unit economics, readiness gates); this improved the second CFE quality and engagement at Klagenfurt demo events. Platforms matter. CCRI, Circle Economy Knowledge Hub and partner networks outperformed generic channels for qualified deal flow; LinkedIn proved the most efficient social channel for our audience mix. Anchor events compress cycles. On-site demo days with mixed juries shorten time from needs → pitch → coaching, improving time-to-readiness for pilots and financing.

HIGHLIGHT — EXTERNAL RECOGNITION (Is Klagenfurt, Austria, A Model For The Circular Economy?)

Forbes profiled VENCAP’s investment-program approach behind InvestCEC, underscoring the PPP logic, standardised selection, and venture-partnership pathway as a replicable route from pilot → proof → scale for European cities—an external validation of the D&C strategy’s focus on the right audiences and messages.

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5. Conclusion and next steps

InvestCEC has shown that a practical PPP between STW-AG and VENCAP can turn clearly defined municipal needs into investable, deployable circular solutions. The model is now fully operative end-to-end: a standardised intake and scoring logic, targeted investment-readiness support aligned with utility integration gates, and a dual-rail financing setup that couples a ready EuVECA/AIF fund with an active venture-partnership ("virtual fund") for co-investments tied to pilots. This configuration compresses the path from needs to pilot to proof, while leaving behind reusable artefacts—rubrics, founder templates, PPP governance and offtake readiness—that other cities can adopt with minimal friction.

Next steps — practical PPP, capital, and deployment:

STW-AG and VENCAP will continue to drive the partnership operationally: progressing shortlisted solutions through utility interfaces, permitting and offtake logic; formalising pilot MoUs with clear KPIs; and documenting results in lean technical, financial and impact snapshots. In parallel, VENCAP continues to raise the InvestCEC Fund and, at the same time, uses the venture-partnership rail to bring in aligned co-investors (anchor funds and strategic partners) so validated cases receive capital without waiting for the fund's first close. This ensures current deal flow is acted upon, builds evidence for investors, and creates a live pipeline for the fund to scale.

The method will be shared as a "plug-in" for peer cities: needs-definition kit, transparent selection rubric, investment-readiness starter stack, PPP governance and offtake templates, and a lean circularity/ESG scorecard. Combined with targeted outreach to utilities and policy actors, this enables cities to run their own calls, coach finalists to investor-grade quality, and structure bankable pilots with clear procurement pathways.

By keeping PPP execution in lockstep with capital mobilisation, InvestCEC aligns municipal mandates with private investment and entrepreneurial delivery. The virtual-fund coalition finances what is ready now; the dedicated fund scales what proves out. This is the program's lasting value: a working method, an investable pipeline, and a finance-ready coalition capable of delivering circular infrastructure with cities—replicable across Europe.

6. Appendix

I. InvestCEC Memorandum of Understanding - Una Terra

II. InvestCEC Memorandum of Understanding - Universe Partners

III. InvestCEC Final Event VENCAP Investment Program + Replication Presentation

Memorandum of Understanding

Una Terra Venture Capital GP S.á r.l. ("Una Terra") expresses its intent to collaborate with Venionaire Capital AG ("Venionaire") on the **origination, evaluation, and potential financing** of high-impact circular-economy opportunities across Europe. As an established Zurich-based early-growth impact fund complemented by a venture-studio capability, Una Terra supports Europe's most promising circular scale-ups—particularly in packaging & waste, biomaterials, apparel/food systems, greentech and consumer goods —and brings a network and hands-on approach suited to moving city projects from pilot to scale.

This collaboration is aligned with the thesis of the envisaged **Invest CEC 1 EuVECA GmbH & Co KG** (the "Company" or the "Fund"), which **is not yet established**. **Venionaire Capital AG** (FN 385799 b), as initiator and founding limited partner, together with **Venionaire Investment GmbH** (FN 423477 k), as general partner and fund manager, **intend to establish** the Company in Vienna as a **European Venture Capital Fund** within the meaning of **Regulation (EU) No 345/2013** on European venture capital funds, as amended by **Regulation (EU) 2017/1991** and related legislation (including Regulation (EU) No 346/2013 on European social entrepreneurship funds). The investment focus targets **circular-economy opportunities in the D-A-C-H region**, supporting Klagenfurt's vision as a **climate-model city** through priority areas such as **Greentech & Sustainability, Renewable Energy, Smart City Logistics, and Waste Management**.

As long as the establishment of the Fund is pending, Una Terra intends to review and assess the **curated pipeline** that Venionaire provides in its capacity as **Deal Origination Partner and Strategic Venture Partner**. Drawing on Venionaire's **13 years of venture-capital experience** and relationships with utilities, cities, entrepreneurs, and co-investors, opportunities mapped to utility **needs definitions** and prepared for structured due diligence will be presented for Una Terra's independent evaluation under its investment policies and governance. Where appropriate, the parties will coordinate with municipal and utility stakeholders to craft blended-finance and **public–private partnership** constructs that align incentives, share risk, and accelerate replication from pilot to procurement and city-to-city scale.

This Letter of Intent is **non-exclusive** and does **not** create any obligation for either party to consummate a transaction. Any potential investment remains subject to customary information sharing, due diligence, internal approvals, and definitive documentation. Should Venionaire establish the Fund, the parties' intention is to **continue the collaboration seamlessly** and, where mutually beneficial, to pursue **co-investments** alongside the Fund. This Memorandum of Understanding may be reviewed, amended, or supplemented at any time as deemed beneficial and mutually agreed upon by the Parties in writing.

The practical arrangements, economics, confidentiality, and related terms are governed by a separate **Partnership/Cooperation Agreement** between Una Terra Venture Capital GP S.á r.l. and Venionaire Capital AG.

Howald, on ______________

Luca Zerbini

Luca Zerbini

____

Signature

Luca Zerbini, Una Terra Venture Capital GP S.á r.l.

Acknowledged and accepted:

Vienna, on ______________

Berthold Baurek-Karlic

____

Signature

Berthold Baurek-Karlic, CEO Venionaire Capital AG

Name of the Signatory

Memorandum of Understanding

Shani Zanescu Ltd ("Universe Partners") expresses its intent to collaborate with Venionaire Capital AG ("Venionaire") on the **origination, evaluation, and potential financing** of high-impact circular-economy opportunities across Europe. As **the first Resilience Tech investment house**, Universe Partners turns today's economic, technological, societal, geopolitical, and climate disruptions into a multi-trillion-dollar opportunity and defines resilience tech as a new asset class. Backed by senior leaders from Google, BlackRock, Microsoft, Walmart, the World Economic Forum, and public service in the U.S. and Europe, Universe Partners is led by Founder & General Partner Shani Zanescu, a former foreign-policy professional turned venture capitalist with $100M+ AUM and $400M AUM experience; she has backed dozens of early-stage startups and funds and was recognized by *Forbes* 30 Under 30 and Tech12's 12 Most Influential in Israeli Tech.

This collaboration is aligned with the thesis of the envisaged **Invest CEC 1 EuVECA GmbH & Co KG** (the "Company" or the "Fund"), which **is not yet established**. **Venionaire Capital AG** (FN 385799 b), as initiator and founding limited partner, together with **Venionaire Investment GmbH** (FN 423477 k), as general partner and fund manager, intend to establish the Company in Vienna as a **European Venture Capital Fund** within the meaning of **Regulation (EU) No 345/2013** on European venture capital funds, as amended by **Regulation (EU) 2017/1991** and related legislation (including **Regulation (EU) No 346/2013**). The investment focus targets **circular-economy opportunities in the D-A-C-H region**, supporting Klagenfurt's vision as a **climate-model city** through priority areas such as **Greentech & Sustainability, Renewable Energy, Smart City Logistics, and Waste Management**.

As long as the establishment of the Fund is pending, Universe Partners intends to review and assess the **curated pipeline** that Venionaire provides in its capacity as **Deal Origination Partner and Strategic Venture Partner**. Drawing on Venionaire's **13 years of venture-capital experience** and relationships with utilities, cities, entrepreneurs, and co-investors, opportunities mapped to utility **needs definitions** and prepared for structured due diligence will be presented for Universe Partners' independent evaluation under its investment policies and governance. Where appropriate, the parties will coordinate with municipal and utility stakeholders to craft blended-finance and **public–private partnership** constructs that align incentives, share risk, and accelerate replication from pilot to procurement and city-to-city scale.

This Letter of Intent is **non-exclusive** and does **not** create any obligation for either party to consummate a transaction. Any potential investment remains subject to customary information sharing, due diligence, internal approvals, and definitive documentation. Should Venionaire establish the Fund, the parties' intention is to **continue the collaboration seamlessly** and, where mutually beneficial, to pursue **co-investments** alongside the Fund.

The practical arrangements, economics, confidentiality, and related terms are governed by a separate **Partnership/Cooperation Agreement** between Shani Zanescu Ltd (Universe Partners) and Venionaire Capital AG.

Tel Aviv, on 20.10.2025

Signature

Shani Zanescu, Founder & General Partner, Shani Zanescu Ltd (Universe Partners).
Name of the Signatory

Acknowledged and accepted:

Vienna, on 20.10.2025

Signature

Berthold Baurek-Karlic, CEO Venionaire Capital AG
Name of the Signatory

Fund & Replication

Investing in Tomorrow's Circular Innovations Today

Paul Stern
Venionaire Capital AG

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Key Learnings

Public–private partnerships

with city utilities are the practical way to close supply-chain loops. Investors and public players align—but private capital scales when public commitment is visible (incl. co-investment).

Public money crowds in private money

Targeted incentives and guarantees would improve bankability for first-time thematic funds and crowd in private capital.

Investor partnerships unlock opportunities

Pilot → prove → scale

Standardization speeds replication

Common needs-definition and company-pitch templates with transparent scoring cut transaction costs and accelerate municipal procurement and investor due diligence across locations.

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Our Mission

We catalyse transformative change towards a more sustainable and circular future.

- The InvestCEC fund project serves as a cornerstone for innovation, collaboration, and investment that drive circularity across European regions with a special focus on city utilities.
- No single actor can deliver the circular transition alone. That's why public–private partnerships and investor collaboration are central.

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Fund Thesis

Fund Origin

Originated through the EU-funded InvestCEC project, we are advancing the circular economy and fostering collaboration between the private and public sectors across Europe. Venionaire Capital will leverage its expertise to drive innovation while working closely with Stadtwerke Klagenfurt as a key partner.

USP

A strong **Public-Private Partnerships** with the pilot city utility in Klagenfurt: In addition to financing, we offer start-ups a strong client relationship via Stadtwerke Klagenfurt.

Fund's Size & Duration

The target fund has a volume of EUR 20m, with the first closing amounting to at least EUR 4m. The fund will have a term of 8 + 2 years, with an investment period of max 5 years.

Investment Thesis

The InvestCEC Fund will invest in circular economy solutions for Stadtwerke Klagenfurt and the Carinthian region, positioning Klagenfurt as a pioneering city in circularity to enhance sustainable resource efficiency and to roll out this replicable approach across Europe.

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Status Quo

Approach

600+ investors approached across Europe; **20+ active LP dialogues**, incl. industrial strategics.

Cornerstone

Cornerstone investor proposals are under review;
FoF alternative progressing.

Leverage

Leverage outreach via **Partner & cluster alliances:** Invest Klagenfurt, Green Tech Valley, BABEG, PDIE, and others.

Events

CIRPLEX; Start(up) Friday Pörtschach; World Venture Forum; Climate Week NYC; Clinton Global Initiative and others.

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Fundraising Challenges

Market Reality

- Fundraising cycles in Europe for new funds usually **24–36 months**.
- **Macro uncertainty** (inflation, geopolitics) has reduced risk appetite.
- CE funds still perceived as **“new / public-sector remit”.**
- Many industrial players face **internal constraints or lack precedent** in taking LP roles in micro-funds.

Our Response

- **Continue beyond project end** to secure cornerstone → all registration and setup preparation done.
- **Use replication** + blended finance to reduce perceived risk and accelerate deployment.
- **Activate partner funds now**. Work with our active partner funds to tap dealflow and start deploying PPP-driven circular innovations—through pilots, co-investments, and utility-backed use-cases.

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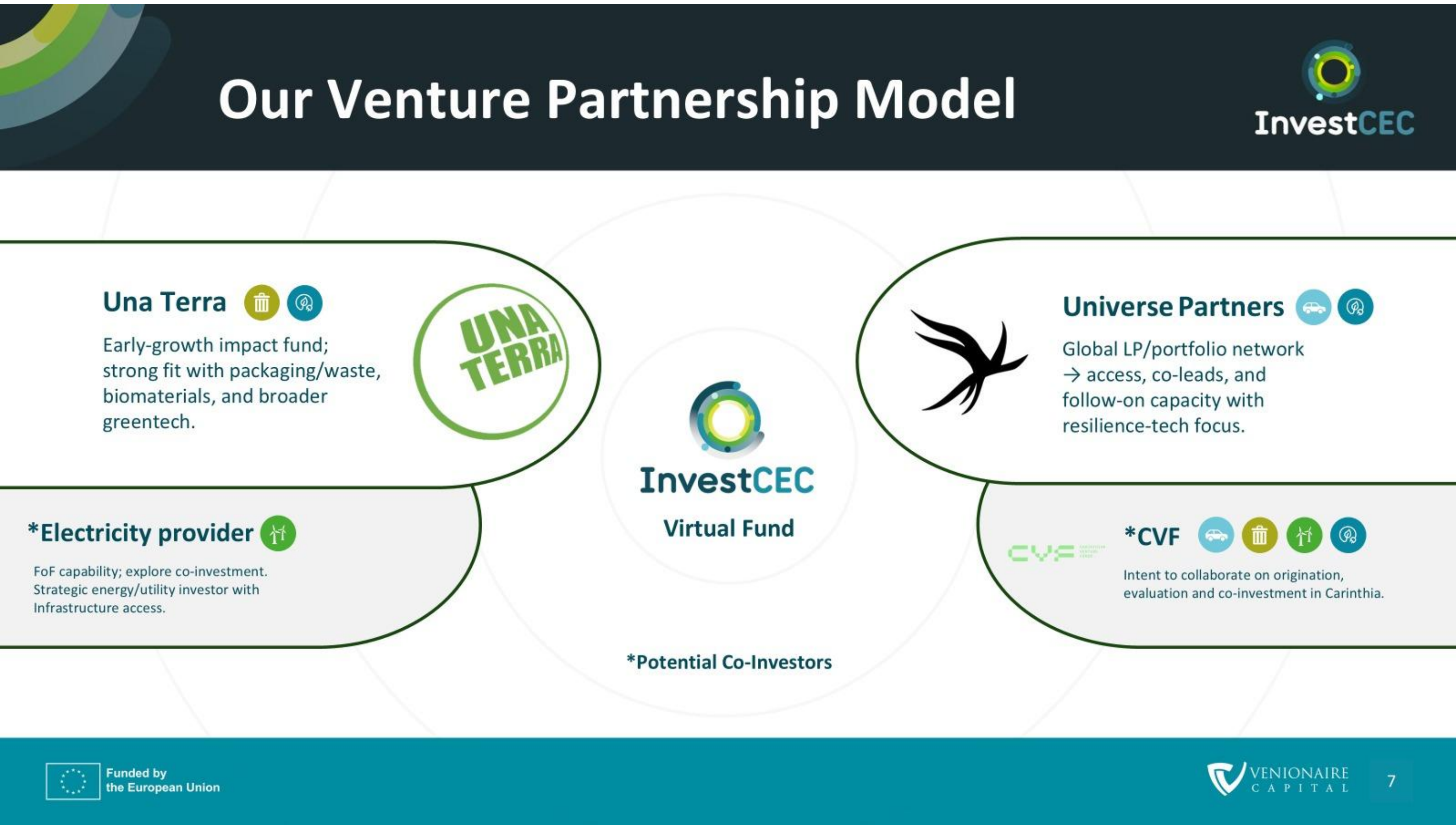
Our Venture Partnership Model
InvestCEC
Una Terra
Early-growth impact fund; strong fit with packaging/waste, biomaterials, and broader greentech.
UNA TERRA
Universe Partners
Global LP/portfolio network → access, co-leads, and follow-on capacity with resilience-tech focus.
InvestCEC
Virtual Fund
*Electricity provider
FoF capability; explore co-investment. Strategic energy/utility investor with Infrastructure access.
*CVF
Intent to collaborate on origination, evaluation and co-investment in Carinthia.
*Potential Co-Investors
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From Needs to Opportunities
InvestCEC
Focus Sectors & Needs
for the City of Klagenfurt.
Waste Management
End-to-end systems that collect, transport, process, and recycle or safely dispose of waste to protect resources and reduce environmental impact.
Smart City Logistics
Data- and tech-enabled movement of goods and people in cities to cut emissions, costs, and congestion while improving reliability.
GreenTech & Sustainability
Technologies and practices that meet today's needs without compromising tomorrow—balancing growth, environmental stewardship, and social well-being.
Renewable Energy
Power from naturally replenished sources (e.g., sun, wind, hydro, geothermal) that displaces fossil fuels and strengthens energy resilience.
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From Needs to Opportunities

InvestCEC

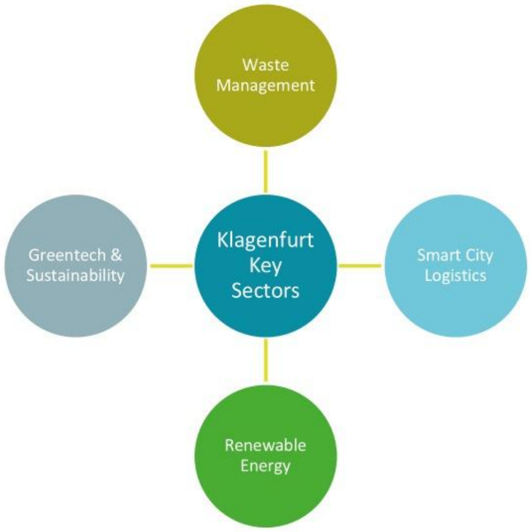
Europe's circular economy could deliver **EUR 1.8 trillion in annual net economic benefit by 2030.**

With **75%** of the EU's citizens living in urban areas, the potential for circular economy projects is immense.

Deal Flow

Call for Entrepreneurs: Entrepreneurs and SMEs across Europe are encouraged to submit proposals for business cases for the pilot city of Klagenfurt.

Venionaire Capital receives more than 2,500 startup applications annually.



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VENIONAIRE CAPITAL 9

Market Perspective

InvestCEC

WASTE MANAGEMENT

In Europe estimated **market size** of **EUR 381 bn** (2024).
From 2024 to 2030 expected **CAGR** is **5.6%.**

CLIC RECYCLE · AMCS · bintel (No time to waste) · RECYCLEYE · RECICLA · AES

SMART CITY LOGISTICS

In Europe estimated **market size** of **EUR 240 bn** (2024).
From 2024 to 2030 expected **CAGR** is **22.7%**

easily · wastics · kudoti (VALUE IN WASTE) · Concular · SORTED

RENEWABLE ENERGY

In Europe estimated **market size** of **EUR 223 bn** (2024).
From 2025 to 2033 expected **CAGR** is **7.0%.**

GFL Zero Carbon (Part of gfl) · Enpal. · PYROWAVE · laska · agilyx

GREENTECH & SUSTAINABILITY

In Europe estimated **market size** value of **EUR 7.2 bn** (2024).
From 2024 to 2030 expected **CAGR** is **23.4%.**

EKOTEKT · CIRCULARISE · Circulor · vcg.ai · ISTYA · TOTALCTRL

Most of these promising solutions were selected from the 2nd Call for Entrepreneurs.

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VENIONAIRE CAPITAL 10

Investment Strategy & Selection

Our investment focus

Investment Stages

Focus:
Seed, Series A and later

Geography of Focus

European, utility-ready solutions that can pilot with city utilities in Klagenfurt and scale deployments across Europe

Ticket Range

EUR 100k – EUR 1m

Idea Value & Creation

- Clarity of pitched solution and value creation for stakeholders
- Traction: PoC, Interest, Sales, **Level of Circularity**
- **Weight: 50%**

Team & Value Chain

- Management Team
- Circular Value Chain
- Experience in Value Chain
- **Weight: 30%**

Market Opportunity

- Timing of Solution
- Size of Market
- Scalability & KPIs
- **Weight: 20%**

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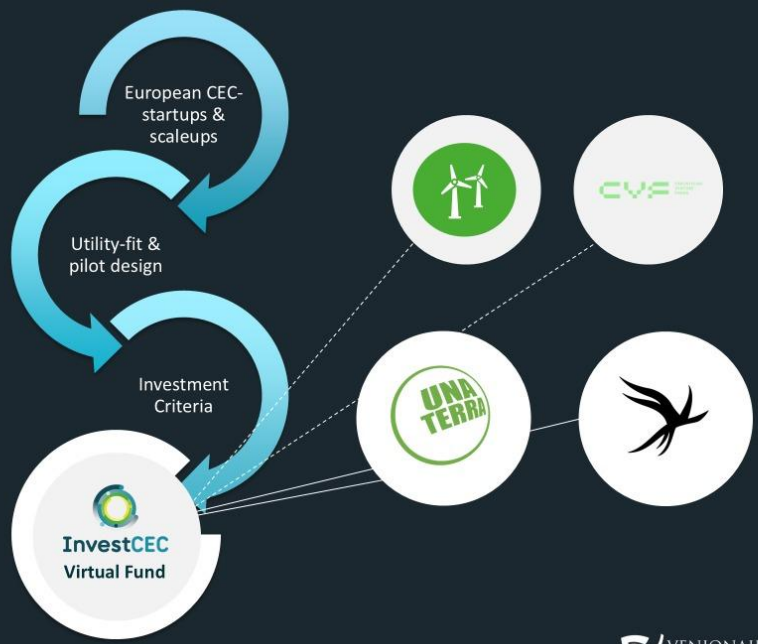
VENIONAIRE CAPITAL 11

Deal Access & Investment Process

Deal Access

- Direct city access & replication: access to cities, peer projects, and replication channels:
- Wide network of angel investors and family offices, plus institutional/public LP relationships across Europe:
- Industrial channels: decade-long sector work and advisory for corporates.
- Venture Partnership Model:



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VENIONAIRE CAPITAL 12

Replication

A circular economy isn't built alone — it's created together.

PPPs with utilities + LPs + co-investors share risk and accelerate bankability.

Playbook

- **Fit first:** choose cities with CE potential, enabling policy, committed stakeholders, and basic replication readiness.
- **Toolkit:** guidebooks, **needs-assessment templates**, solution/entrepreneur profiles, transparent **scoring/KPIs**, and a European replication manual.
- **Engagement pathway:** stakeholder mapping → workshops/roundtables → online community & working groups → **site visits/demos**.
- **Tailored execution:** adapt business models, funding instruments, and procurement to local regulation & market context with city partners.
- **Capacity & feedback:** national helpdesk (Klagenfurt), EU-level webinars (CCRI), multi-language materials; measure KPIs, share lessons, refine, repeat.

Replication

- **Awareness → replication.** The more stakeholders know the model, the faster it scales.
- **Beyond events:** ongoing **PR** for our investment program + partnership approach (Press, LinkedIn, Website).
- **Media highlight (from Monday):** Forbes US feature showcasing our European approach.

Forbes

Is Klagenfurt, Austria, A Model For The Circular Economy?

In Klagenfurt, Austria, a new EU-backed pilot project proves that circular economy initiatives can attract investors — turning waste into opportunities for cities.

forbes.com