

Deetken Impact



10 YEARS

OF CATALYZING IMPACT

2022 Impact Report

Table of Contents

1

Introduction

[Foreword from the Managing Partners](#)

[Impact at a Glance](#)

[A Decade of Deetken Impact](#)

2

Our Impact

[Our Funds](#)

[Impact by Sector](#)

[Impact in Practice](#)

3

Beyond Financing

[Investing in Gender Equality](#)

[Technical Assistance Impact](#)

4

Looking Ahead

[Looking Ahead](#)

[Get Involved](#)

Foreword from the Managing Partners

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This report celebrates the truly remarkable tenacity and achievements of our 58 investees in 18 countries, and recognizes the crucial and valued support of our investors.

Alexa & Magali

When we started this business ten years ago, “impact investing” was a newly coined term. As founders, we had a shared investment philosophy that we could earn good returns for our investors while helping to build a more sustainable and just world. With roots in Latin America, it was natural for us to focus on investing in this region. Today, we reinforce our initial commitment to investing in projects and businesses that are making a positive impact in their community and the environment, that are growing sustainably, and that have a proven business model and a track record of success. We prioritize strong, lasting relationships with the companies and communities in which we invest, as well as with our investors.

We are delighted to share Deetken Impact’s inaugural Impact Report with you all, demonstrating our commitment to rigorous and transparent impact management practices, a robust gender lens investing and measurement framework, and engagements with investees that are fundamental to deepening positive impacts in communities of influence and industry-wide.

But this report isn’t about us. This report celebrates the truly remarkable tenacity and achievements of our **58 investees** in **18 countries**, and recognizes the crucial and valued support of our investors, from individual investors making their first impact investment to leading global development finance institutions.

There is so much work to be done. It’s been estimated that over **\$7 trillion** of investment is needed to achieve the Sustainable Development Goals, and **\$35 trillion** to finance the transition to a clean energy economy. It’s easy to feel overwhelmed, given that more people today live in poverty than prior to the COVID-19 pandemic, but at Deetken Impact, we rise to the challenge by scaling our efforts and by continuing to support businesses that are part of the solution. And perhaps ten years from now, we will no longer be talking about impact investing - it will just be investing.



Impact at a Glance

\$145 MM
Assets Under Management

\$111 MM
Capital Disbursed

58
Investees

18
Countries



8352
people employed



50% Women



882K
clients



29% rural



70% women



86.7MW
installed renewable
energy capacity



69K
tons of CO2
avoided

A Decade of Deetken Impact

This year, we celebrate a decade since our founding in 2012, when Deetken Impact was born with the goal of creating a vehicle by which Canadians and other investors around the globe could invest in impact enterprises.

As a registered Canadian Investment Fund Manager, we manage diversified portfolios of investments that generate long-term returns while driving sustainable growth and prosperity. By mobilizing and investing gender-smart capital in impact businesses, we strive to improve the quality of life for millions of people in underserved communities across Latin America & the Caribbean and preserve the planet by revitalizing economies, empowering women, and strengthening climate resilience.

Our tremendous growth over the last decade can largely be attributed to the aligned partners we've been fortunate to identify along the way, who share our vision, motivation, and investment thesis. Through these alliances, we've brought together 5 funds, 25 professionals, and \$145MM in assets under management.

As we look ahead with our joint venture partners, we carry with us all of the shared learnings from our 10+ year track record. Together with an integrated and motivated international team, we are inspired by the many opportunities on the horizon.

Our Team

Women 60%

Hispanic or Latino 68%

Reside in Latin America 76%

2012

Deetken Impact
Established

2016

Deetken Impact Fund
Launched

2019

Deetken Impact Sustainable
Energy is born in partnership with
Fernando Alvarado for joint
management of H-REFF & CABEF
funds

2019

In alliance with Pro Mujer, the
Deetken Impact Fund is relaunched
as the Ilu Women's Empowerment
Fund

2021

Deetken Impact Alternative
Finance is created from a
partnership with Adobe Capital
for joint management of 2 funds

Our Funds

Deetken Impact Alternative Finance (DIAF)

Deetken Impact Alternative Finance (DIAF) provides a suite of flexible financing solutions that catalyze long-term growth and sustainability. We invest in growth-stage small and medium-sized enterprises with proven profitable and scalable impact models that address our most pressing social and environmental challenges and advance gender equality.

We invest in:



Healthcare



Affordable Housing



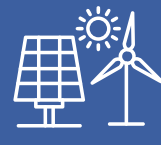
Sustainable Mobility



Education



Circular Economy



Renewable Energy



Financial Inclusion

DIAF I: Adobe Social Mezzanine Fund I

Mexico's first triple bottom line impact investment fund offering equity to country's most innovative startups offering market-based solutions to the region's social and environmental problems.

- AUM: \$20MM
- Investments: 8
- Region: Mexico

DIAF II: Adobe Mezzanine Fund II

Latin America's first fund to offer revenue-based financing solutions that support the long-term, sustainable growth of companies that are addressing unmet needs of underserved populations.

- AUM: \$30MM
- Investments: 7
- Region: Latin America

DIAF III: Ilu Women's Empowerment Fund

A pioneering Gender Lens Investing fund in partnership with Pro Mujer investing in companies committed to advancing gender equality within their operations and communities of influence.

- AUM: \$35MM
- Investments: 30
- Region: Latin America and the Caribbean



Since we started investing more than a decade ago, we've seen that tailored and flexible financing can be truly catalytic for impact enterprises operating in underserved markets through niche business models. Our on-the-ground investing experience developed over the last decade ideally positions us to assist impact enterprises in achieving their long-term growth objectives.

Erik



Our Funds

Deetken Impact Alternative Finance (DIAF)

DIAF Portfolio Company Feature: Puntored

Fintech - Colombia

Only one in four small businesses in Latin America accepts digital payments, resulting in business informality, high transaction costs, and exclusion from the formal banking system. Puntored emerged as an early pioneer in the Colombian fintech market with an innovative online platform for prepaid services such as cellular data, microinsurance, and solar energy.



Puntored then launched bank correspondent solutions, a system that quickly became the pillar of financial inclusion in the country with 85% of banking correspondents nationwide using platforms such as Puntored's. DIAF's investments were critical to expand its offering for digital payment solutions and instant working capital supplier credits that increase merchant revenues by 20% on average.

Puntored's responsible and inclusive financial services bridge digital service providers with underbanked communities, expanding access to the global digital economy and improving economic livelihoods nationwide.

What is Revenue-Based Financing?

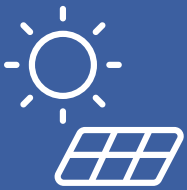
DIAF II offers revenue-based financing (RBF) solutions, a founder-friendly instrument that serves as a flexible alternative to traditional debt and equity. Because the loan is repaid over time as a percentage of monthly sales, RBF is highly suited for growth-stage enterprises by ensuring that repayment is aligned with business performance.

Our Funds

Deetken Impact Sustainable Energy (DISE)

DISE funds are accelerating the transition to a green and sustainable energy future while strengthening climate resilience, economic growth, and inclusion in communities across Latin America and the Caribbean. These two sustainable energy funds co-invest in a broad set of sustainable energy and energy efficiency projects offering tailored mezzanine solutions across Latin America and the Caribbean.

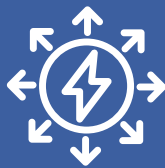
We invest in:



Solar



Hydroelectric



Distributed Generation



Energy Efficiency



Storage



Biomass

DISE I: Honduras Renewable Energy Financing Facility

- AUM: \$33MM
- Investments: 15
- Region: Central America

DISE II: Caribbean Basin Sustainable Energy Fund

- AUM: \$27MM
- Investments: 15
- Region: Caribbean

These two sustainable energy funds co-invest in sustainable energy and energy efficiency projects offering tailored mezzanine solutions across Latin America & the Caribbean.



Over the last six years, our investments have proven that our thesis of investing in sustainable energy and energy efficiency projects by bridging the equity and mezzanine gap in small countries in Central America & the Caribbean is the correct one. As we approach the end of the investment period of DISE I & II, we recognize both the great need and opportunity for more sustainable energy investment in LAC.

Fernando



DISE Portfolio Company Feature: Soléco Energy

Solar PV Distributed Generation - Jamaica



Under the leadership of Angella Rainford, Soléco Energy stands out in the renewable energy sector as an innovative woman-led business driving the clean energy transition in the Caribbean. Soléco Energy develops and finances solar PV distributed generation projects for commercial and industrial clients using long-term solar lease agreements.

Through its technical assistance program, the DISE team provided hands-on support to achieve ambitious interest rate-linked gender milestones set by a co-investor, the Inter-American Development Bank. We addressed gender gaps in the energy sector by designing a sexual harassment policy, community engagement strategy, and women's employment initiatives. Notably, we supported the design and execution of a three-day "Women in Solar" program in which local women received training on solar panel assembly and installation. Building on these achievements, Soléco Energy will continue to lead the transition to a cleaner and more equitable energy sector in the region.

Impact by Sector



\$978MM
total loan portfolio

847K
clients



989K
education & health
services provided

33% rural

74% women



86.7MW
installed renewable
energy capacity



68.4K
tons of CO2 avoided +
317 over the DISE
funds' lifetime



117 GwH
renewable energy
generated + 428.16
GwH over the DISE
funds' lifetime



286
units sold

35%
identify as
women

38%
income
below
poverty line

Impact by Sector



Circular Economy

5.6K

refurbished products sold



368

tons of CO2 avoided



Education

6.8K

students served



39%

identify as women



Healthcare

24.7K

clients provided with affordable services



Mobility



215

tons of CO2 avoided

Impact Investing in Practice

SDGs

Our rigorous and hands-on approach to impact investing is strictly aligned with the Sustainable Development Goals and incorporates impact measurement and monitoring throughout the investment lifecycle.

Gender Lens

Gender considerations and metrics are incorporated at every step of the investment process, including milestones to advance gender business practices over the investment period



ESG

We follow the International Finance Corporation (IFC) Performance Standards to identify and manage environmental, social, and governance risks

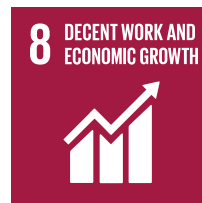
Environmental & Social Impact

Impact generation must be core to investees' business models, and is assessed through a set of proprietary impact frameworks based on industry guidelines. Impact is then monitored on a periodic basis using a comprehensive set of impact metrics aligned with IRIS+.



**SUSTAINABLE
DEVELOPMENT
GOALS**

Deetken Impact invests in companies that meaningfully contribute to the United Nations' Sustainable Development Goals, recognizing SDG 5, Gender Equality, as key to achieving all 17, and advancing environmental and social impact.



Our Impact Measurement frameworks align with globally recognized standards including:



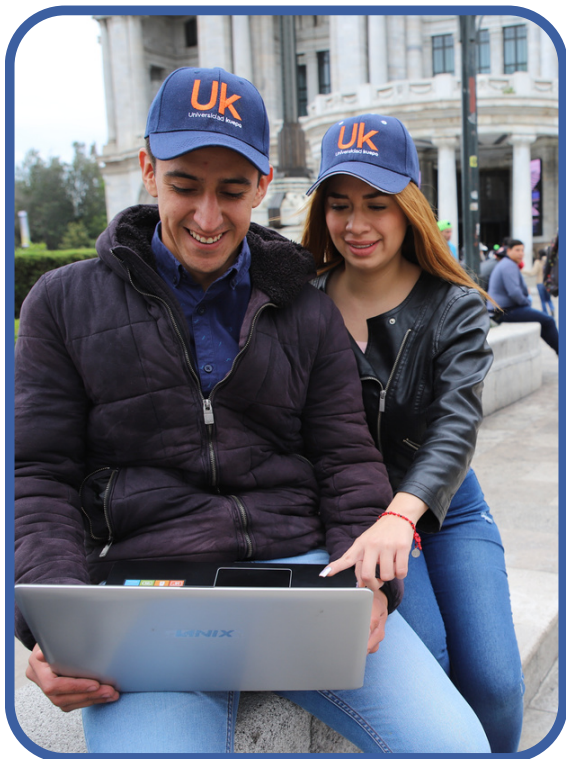
**IMPACT
MANAGEMENT
PROJECT**



Impact Investing in Practice

DIAF Portfolio Company Feature: Universidad Kuepa (Uk)

Higher Education - Mexico



Universidad Kuepa (Uk) offers innovative and flexible online learning solutions for Bachelor's and Master's degrees to adults throughout Latin America. Over the life of the investment, the DIAF team played an active role in supporting Uk's growth. As the team navigated a number of challenges resulting from the COVID-19 pandemic, Uk transitioned from a blended model combining in-person and virtual learning to a 100% online education experience. This pivot expedited the growth of degree programs offered from one to 15, and accelerated its geographic expansion to eight countries in the Americas. In 2021, Uk celebrated the graduation of its first college cohort, composed of 53% women of which 68% were identified as single mothers. Moreover, a staggering 87% were the first member of their family to complete a Bachelor's degree.



Uk fills a critical need in the region for accessible and quality higher education programs that enable low and middle-income adults to join the higher skilled workforce, improve household income and thus accelerate the region's economic growth.

Impact Investing in Practice

DISE Portfolio Company Feature: Rio Betulia

Hydroelectric Power Plant - Honduras

With a total installed capacity of 7.5 MW, this grid-connected run-of-river power plant generates 23,000 MWh of renewable energy each year – the average consumption of 38,000 individuals annually.

The plant is owned and operated by General Equipment Supply S.A. (GESSA), a company in which DISE holds 90% ownership and that has taken an active role in the communities of influence in rural Northwestern Honduras. Notably, with the support of DISE's technical assistance program, GESSA leads a community cacao project providing training and technical support to 24 local farmers. These agroforestry systems not only improve farmer's livelihoods, but also protect the river basin by contributing to biodiversity conservation, carbon sequestration, and improved soil quality. GESSA also built and installed a local microturbine system that provides clean energy to more than 200 people in the local community, replacing wood for fuel in the face of limited access to reliable alternatives.



At Deetken Impact, we believe that renewable energy projects have a responsibility to expand project benefits to the communities in which they operate, and the Rio Betulia Hydroelectric Power Plant provides the sector with an example of how to drive a truly inclusive clean energy transition.

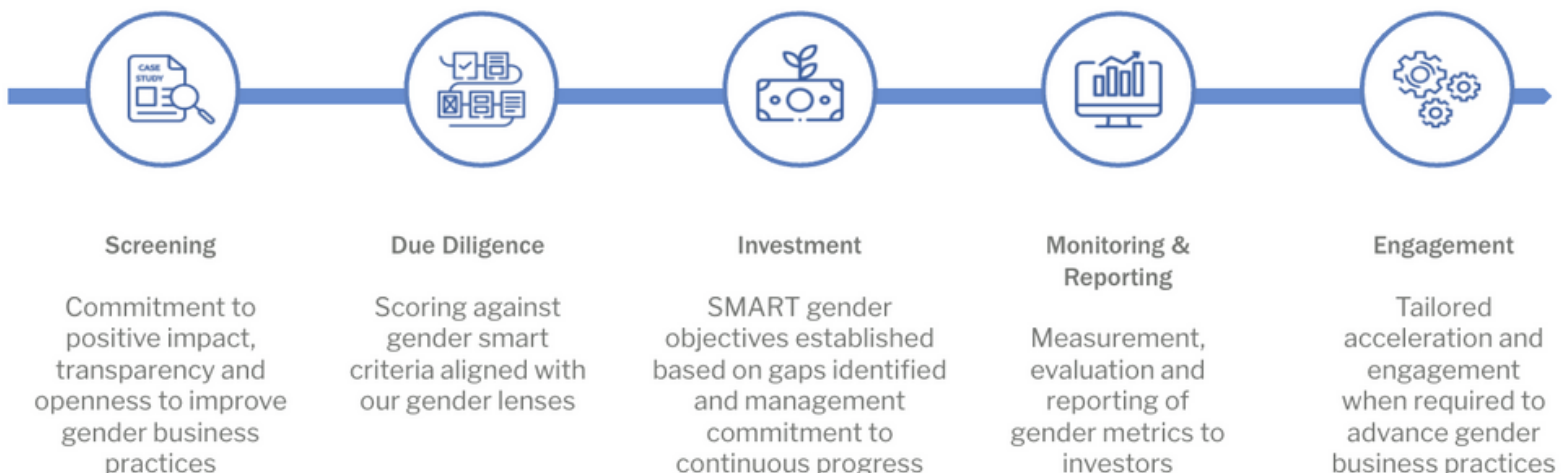
Investing in Gender Equality

We know that gender equality is not just critical but rather essential to achieving a better future for all, including an improved quality of life in underserved communities and climate resilience. We also know that companies with strong gender business practices experience improved business performance and investability.

As investors, we are strategically positioned to advance gender equality within investee companies and the communities in which they operate. That's why Deetken Impact is committed to supporting gender equity across all business activities and to implementing investment management practices that empower women.

As such, we:

- Launched the first Gender Lens Investment (GLI) Fund dedicated to Latin America & the Caribbean: The Ilu Women's Empowerment Fund.
- Identify, invest in, and engage with companies that are committed to gender equality and empowering women across our five gender lenses
- Incorporate gender considerations and metrics at every step of the investment process to assess, monitor, and advance companies' gender business practices.



Investing in Gender Equality

We believe that change starts from within. That's why we are committed to building gender awareness within our team and ensuring diversity at all levels.

60%
team
members
identify as
women

Directors identify as
women

By applying gender-smart investment management practices, portfolio companies are providing essential services to women and girls throughout the region.

50%
employees
identify as
women

70%
Clients
identify as
women

DIAF Portfolio Company Feature: Fundación Espoir

Financial Inclusion - Ecuador



As a pioneer of the group lending methodology in Latin America, Fundación Espoir serves unbanked and low-income microentrepreneurs in Ecuador with 70% of clients identifying as women. ESPOIR offers inclusive financial services designed to meet the evolving needs of underserved populations, such as a new product launched in 2022 to promote access to clean water and sanitation. Clients also have access to digital and in-person financial education programs, life insurance, and medical assistance.

Through the Ilu Women's Empowerment Technical Assistance Program, Deetken Impact accompanied the ESPOIR team to bring a gender lens product and service design. The project had ripple effects across the institution, leading the team to implement a variety of initiatives to advance gender equity in the workplace such as policies and protocols to eliminate workplace discrimination and harassment and a mental health program for employees. Today, ESPOIR has received international recognition for its contribution to reducing the gender gap in Ecuador, such as the highest distinction as a company free of gender-based violence awarded by Ecuador's Chamber of Industry and Production, and the certification of "Great Place to Work" for women in Ecuador.

Technical Assistance

Accompanying investees where they need it most

As impact investors, we recognize that businesses and projects often need more than just capital to grow sustainably. Beyond financing, we provide direct support to companies in which we invest through customized, hands-on engagement. Our programs are designed to improve business and impact performance across the areas of:

- Gender business practices
- Environmental and social impact management (ESMS) systems
- Capital mobilization
- Financial and technical analysis and strategy



To date, projects have generated the following impacts:



33
Companies



36
Projects



1150
Participants

77%
identify as
women



The Investment, Enterprise & Sustainability (INES) Program

With the support of USAID, the INES Program seeks to mobilize private sector investment, support job creation and address some of the root causes driving irregular migration in El Salvador. Deetken Impact and partner [CPCS](#) are supporting 10 companies and projects in a variety of sectors such as renewable energy, financial inclusion, and sustainable infrastructure to raise a target of \$20MM of private sector capital through tailored capital mobilization and acceleration support.

Technical Assistance

Accompanying investees where they need it most

The Ilu Women's Empowerment Program

In partnership with Pro Mujer and with the support of the USAID Gender Equality & Women's Empowerment Hub, the Ilu Women's Empowerment Program is the largest and most comprehensive initiative of its kind in the region. The program addressed key obstacles to the adoption of gender-smart investing and business practices through a three-pronged approach of incremental capital, engagements with portfolio companies, and knowledge dissemination and advocacy such as developing an open-source [toolbox](#), regional workshops, and investor education, directly impacting more than 1000 participants.

Read more about the Program and access technical assistance case studies [here](#).



pro mujer



USAID
FROM THE AMERICAN PEOPLE

DIAF Portfolio Company Feature: Avanza Sólido

Financial Inclusion - Mexico

Founded in 2011 and headquartered in the Southern state of Chiapas in Mexico, Avanza Sólido is a fast-growing company that offers innovative financial products and social services to underserved populations, with a focus on women in rural areas. The institution offers group, individual, and SME credits alongside thoughtfully designed health services and programs focused on financial literacy, women's empowerment, and marketing.

The team participated in the Ilu Women's Empowerment Technical Assistance Program in a project focused on fostering women's leadership through inclusive leadership training, women's mentorship, and equitable talent management processes. Following that project and accelerated by a strong commitment from leadership to improve gender business practices, the institution doubled the share of women in middle management and added two women to the Board of Directors.



Partners & Affiliations

A thriving impact investing ecosystem is critical to fostering partnership, best practice exchange, and business support services. Over the years, our team members have developed important and meaningful relationships with a number of entities, associations and networks of which we feel proud building, such as:



Looking Ahead

Despite progress, we continue to find ourselves in a world of great need. The planetary crisis is increasingly urgent with a small window to course correct and preserve the place that we call home with all its diversity. The COVID-19 pandemic revealed the fragility of our economic, health, and education systems, and billions of people still lack access to basic necessities in the face of systemic inequality.

Capital that is thoughtfully deployed in equitable businesses driving meaningful change in underserved communities is needed today more than ever. We are working hard to raise and close gender-inclusive Deetken Impact Alternative Finance Fund IV while expanding the Ilu Women's Empowerment Fund to continue supporting impact enterprises that are tackling Latin America's pressing social and environmental problems. At the same time, we are expanding our technical assistance capabilities to provide holistic solutions to our clients. We welcome new partnerships and deeper collaboration to drive change together.

The time to invest is now.

”

“As we plan for the next decade of growth at Deetken Impact, our motivation remains strong: to deliver outstanding social, environmental, and financial results that get us closer to justice and equality in communities throughout the Americas. Our team is excited to explore and invest in new impact verticals, such as gender smart affordable housing, technology-driven education solutions and SME lending, and business models that support climate adaptation.”

Jose



There has never been a better time to get involved



Deetken Impact has offices in San Jose, Costa Rica, and Vancouver, Canada. Additionally, we have team members based in Mexico, Guatemala, and Honduras.

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