

# CAPITAL FOR SUSTAINABLE INVESTMENTS

IFU – a global impact investor and fund manager with unique expertise

IFU is a Danish impact investor contributing to green, just and inclusive societies as well as supporting the Sustainable Development Goals.

We supply private-sector companies in developing countries and emerging markets with risk capital, a dedicated long-term active ownership and a strong focus on creating impact and return. Engaging with us you get a devoted and agile partner with extensive experience and the ability to find tailor-made solutions for your business to grow.

## IMPACT-DRIVEN INVESTMENTS IN FOUR FOCUS SECTORS

IFU's investments are focused on four sectors, which we believe can support the green transition and improve sustainable living conditions for people in developing countries and emerging markets.

### IFU'S FOUR SECTORS

#### Green energy & infrastructure



*Investments in increasing access to renewable energy, water, waste, management and other circular models*

#### Financial services



*Investments in increasing access to finance with particular focus on SME banking and microfinance to underserved communities*

#### Healthcare



*Investments in increasing access to healthcare in support of national health development plans*

#### Sustainable food systems



*Investments in increasing access to affordable, healthy and sustainable foods*

Potential new investments are assessed on their potential to support our impact priorities. Consequently, we prioritize investments that can, e.g.:

- support the green transition by mitigating or adapting to climate change, changing production and consumption patterns, or providing other environmental services and benefits
- promote just and inclusive societies by creating decent jobs and providing access to essential services, goods and solutions, including to underserved groups like women, youth and smallholders

Moreover, IFU has a strong focus on issues such as human rights, gender and the development of skills in all investments.

IFU can invest in over 140 countries. Cross-sector attention is on most countries in Africa and selected countries in Latin America, South Asia and Europe. In other countries, IFU only engages in green projects, for example.

### RISK CAPITAL ON COMMERCIAL TERMS

IFU provides risk capital on commercial terms in the form of equity and debt. We are a minority investor and have a preferred ticket size between EUR 7m and EUR 47m in single investments. IFU can do smaller investments if they involve Danish SMEs.

**IFU'S  
TOOLS AND  
APPROACH**

	Equity investments	Debt investments
<b>Approach</b>	Direct investments in project companies or platforms	Direct financing in project companies or platforms
<b>Instrument</b>	Equity and quasi-equity	Debt (senior, unsecured or subordinated)
<b>Ticket size</b>	EUR 13m - EUR 47m.	EUR 7m - EUR 16m.
<b>Return</b>	Risk-adjusted on commercial terms	Risk-adjusted on commercial terms
<b>Stake</b>	Preferably minority	Minority
<b>Commitment</b>	5 - 7 years on average Well-defined exit strategy	5 - 7 years on average Tenure can be up to 10 years for climate investments
<b>Board</b>	IFU typically requires board positions	IFU typically takes an observer role on the board

### ACTIVE OWNERSHIP WITH A CLEAR BUSINESS AND IMPACT STRATEGY

IFU is a long-term investor, and we believe that strong partnerships are important to succeed. In every investment IFU exercises active ownership based on clear value and impact creation plans developed with management and co-investors. The purpose is to grow the business and improve its impact to the benefit of investors, customers, supply chain, staff and societies.

- Sales growth
- Cost optimization
- Working capital rationalisation
- Operating efficiencies
- Risk management
- Corporate governance

**Value creation**



**Impact creation**

- Green transition
- Reduced inequality
- Decent jobs
- Inclusive economic growth
- Skills development
- Women's empowerment

### UNIQUE EXPERIENCE FROM MORE THAN 1,300 INVESTMENTS

IFU is the Danish Development Finance Institution owned by the Danish state. Moreover, IFU acts as fund manager for several public-private investment funds, including the Danish SDG Investment Fund, which is backed by large Danish pension funds and private investors.

IFU has unique experience from co-investments in over 1,300 companies in more than 100 developing countries and emerging markets. Contracted investments total EUR 31 billion, of which IFU has contributed EUR 3.4 billion. Capital under management is EUR 1.7 billion.

### GLOBAL OUTLOOK AND LOCAL INSIGHT

IFU has 100 employees managing close to 200 active investment and is making new and follow-on investments at around EUR 260m annually. IFU is headquartered in Copenhagen, Denmark, and has local staff across eight countries in Africa, Asia, Latin America and Europe.

**GET IN TOUCH**

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