

OPT
IMI
ZER
FOUNDATION

IMPACT REPORT 2020

Investing in health, education and youth employment

May 2021

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ABOUT

Founded in 2017, Optimizer Foundation is an **impact investing organization**, headquartered out of Sweden, and with a presence in Nairobi and London. We are a non-profit organisation leveraging philanthropic capital to make commercial investments into social enterprises. This means that we invest in companies that are, or have the potential to be, financially viable whilst maximizing benefits for the society and the environment. Returns on investments get channelled back into our organisation to benefit future social enterprises.



Our geographical focus is primarily on East Africa, although we have recently broadened our geographies to incorporate South Africa and parts of West Africa. Our previous investment strategy before 2018 included India, hence we have portfolio organisations in the region.

Optimizer Foundation is driven by the mission to improve youths' access to health, education and employment opportunities. In 2020, we expanded our scope to include the areas of climate change and the environment. We are currently exploring opportunities in the sector. ■

LETTER FROM THE CHAIR



There are many things that could be said about 2020. Things about isolation and mental health. About heroic healthcare and other essential workers. About a new way of working together, but from home. About regular health check-ups and surgeries that never happened. About an over-night market change for most companies. About losing small and big things you've been taken for granted your whole life. About lockdowns and school closures. About the increasingly acute climate situation and the need for action and innovation. About how much the world has recessed in comparison with the last 25 years of social progress. I could address the global research collaboration unlike any other in history. I could address not being able to give a friend or a grandmother a hug. I could talk about the overwhelming pain of losing a loved one. I could, with great difficulty, write about the cruelty of anyone having to die alone.

Because all of this, and so much more, was part of 2020. It is simply not possible to write a Letter from the Chair about the past year. We will need to speak about it for decades to come, to write books, movies, songs. We will curse it and we will learn from it. We will develop ways to try and stop it from happening again. We will see the pain and the silver linings. This global experience that we now share with everyone on Earth will have affected each and every one of us in a unique way. At the same time, we are all part of the same story, a global story that has transformed us. So, what will our future global story be? I'm hoping for an innovative and green story, based on collaboration and justice. I am hoping for the kind of story that we can be proud of and share with the next generation. I know that many will work hard and be the pioneers that this story needs in order to become a reality. Optimizer Foundation certainly will.

A handwritten signature in blue ink that reads "Helena Riese Harstad". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Helena Riese Harstad
Chairman of the Board

LOOKING BACK AT 2020

2020 will always be remembered as the year the Covid-19 pandemic changed our lives and societies to an extent most of us could never have imagined. Needless to say - the pandemic has had a massive impact on the markets in which Optimizer Foundation operates, as well as on our specific portfolio companies.

The **socio-economic consequences** of the pandemic in Africa are significant. **Growth** in Sub-Saharan Africa contracted 2.1% in 2020, pushing the region into its **first recession in 25 years**. The pandemic could also drive up to 39 million people into extreme poverty in Africa in 2020, erasing at least five years of progress in fighting poverty.¹ The International Monetary Fund (IMF) forecasts that Africa will be slowest growing region globally in 2021. In many countries it will take several years for GDP per person to get back to where it was before covid-19.²

The **education sector** has been highly impacted, with longstanding **school closures** across the continent. For example, Kenya introduced one of the longest school closures globally, when interrupting learning for over 17 million students, who missed more than eight months of formal education. The **longer children are out of school**, the **greater the risk that the poorest among them will never return**. They also face increased risks of violence, child labor, and harm to their mental wellbeing. Schools are a vital safety net for the most vulnerable children, protecting them from these risks.³ As children across the continent are resuming their education, there will be a need for additional interventions to bridge the learning gaps suffered by children across all ages.

As countries across the continent battle with Covid-19, core parts of the **health delivery services are suffering**. Preliminary analysis by the World Health Organization (WHO) of five **essential**



health service indicators, including skilled birth attendance, treatment of malaria, and vaccinations in 14 countries finds a **sharp decline** in 2020 compared with the two previous years. For example, an estimated 1.37 million children missed the vaccine against Tuberculosis (TB), and immunization campaigns have been postponed in at least 15 African countries this year.⁴ With a critical need to strengthen health systems, there is an opportunity to **drive health innovation** and fast forward new models to cost-effectively deliver health services at scale.

BRING FOUR NEW INVESTMENTS ON-BOARD

In this challenging context, Optimizer Foundation's work is more important than ever. In 2020, investments into African tech start-ups dropped to \$1.4 billion from \$2 billion recorded in 2019.⁵ Hence it has been critical to continue to deploy capital into markets where most investors have slowed down, and much needed innovations have struggled to reach the market due to financing constraints.

In 2020, we closed a record number of investments. In the spring we invested in **Penda Health** - the leading primary health care chain in Kenya. We believe they will continue to play an instrumental role in the health sector in Kenya. Similarly, we supported **Access Afya** - a chain of 12 health clinics providing affordable healthcare to low-income populations in Nairobi's slum areas.



We also closed an investment into the South African teacher training school **Instill Education**, which works to improve educational outcomes by building the next generation of teachers. Finally, we invested in the Kenyan company **Zumi**, which offers cost saving supply chain services to micro-and small businesses. Over the next pages we will provide more detail on these investments.

OPTIMIZER FOUNDATION'S PORTFOLIO COMPANIES

2020 has also been heavily focused on supporting our portfolio companies in adapting to a new context. Many of them have struggled with market closures, due to pandemic restrictions affecting revenue targets, challenges in raising new capital and heavy cost cutting. Many have also had to fundamentally adapt their business models and operations. At Optimizer Foundation, we have been deeply impressed by how our portfolio companies have weathered this stormy year, and proud to witness many of them playing a critical role in addressing the consequences of the pandemic. As an example, **Numida** - the Uganda based digital SME lender - offered 'subsistence' loans to their clients, during the lockdown period in Uganda. In a country where safety nets are absent, the loans helped cover essentials like food, utilities and medicine, to provide a lifeline to the vast pool of micro and small businesses struggling to make ends meet. Similarly, **Kasha** - the e-commerce platform for women's health products - has ensured much needed delivery of health products including hand sanitizers, soaps, masks, and other Covid 19-protection products across Kenya and Rwanda. *(For further information on how our companies have played a critical role in the pandemic - see page 12 Portfolio - Our Impact)*

Whilst the coming years will continue to be heavily influenced by the pandemic and its socio-economic consequences across the continent, we remain encouraged by the resilience we have witnessed in the ecosystem in which we operate. We look forward to continuing to explore and support new business models that could play a vital role in improving health, education and youth employment across Africa. ■

OUR APPROACH

TACKLING EDUCATION AND HEALTH CHALLENGES

Optimizer Foundation is founded on the belief that **access to health and education is critical to drive social and economic development across the world.** Data shows that health and education outcomes explain as much as 30% of the variance in per capita GDP between countries. According to the Gates Foundation, improvements in health and education outcomes for young Africans could increase the size of the continent's economy by nearly 90% by 2050. In Africa, the important advancements in these areas will be driven by a range of public and private sector interventions, alongside development assistance.



Impact investing plays a critical role in supporting emerging markets-based solutions to solve health and education challenges.

Africa faces a “severe learning crisis” that undermines economic growth and the well-being of its citizens, according to a World Bank study. Most of Africa's education and training programs suffer from low-quality teaching and learning, as well as inequalities at all levels. Whilst the region has been making progress in boosting primary and lower secondary school enrolment in the last few decades, about **100 million children remain out of school.** The **past year's temporary school closures** across Sub Saharan Africa have **driven this figure to a total of 250 million students.**⁷ UNICEF predicts that millions of these children will never return to school. Research by Human Rights Watch in 2020 showed that school closures caused by the pandemic exacerbated previously existing education inequalities: children who were most at risk of being excluded from a quality education have been most affected.⁸

Access to high quality and affordable healthcare is a huge challenge for a large proportion of the population across the continent. Healthcare systems remain weak, with a shortage of healthcare workers. As an example, Kenya has 0,16 physicians per 1,000 people, compared to a rate of 3.7/1,000 in the EU. The **pandemic has put further pressure on the systems.** At the beginning of the pandemic, Kenya hosted an estimated 130 intensive care beds for a population of 50 million, less than the average American hospital, according to the Economist.¹⁰

Access to high quality education is critical to address poverty. For every additional year of schooling an individual's income is boosted by 8-10%.

Source: World Bank

Limited access to affordable healthcare is a **major contributor to poverty.** This is partly due to the high costs of seeking care, coupled with loss of income as a result of illness. For example, **38% of Africans delay or forgo healthcare due to high costs.**¹¹ Further, in heavily affected countries, billions of dollars of economic activity are lost each year as a result of illness and death from HIV, Tuberculosis and malaria. The World Health Organisation estimates that the annual economic loss due to disease is 2.4 trillion dollars.¹² **Improved health is critical to battle poverty** and drive **socio-economic development.** The impact investing sector plays an important role in supporting emerging innovative solutions to make high quality healthcare more accessible and affordable.

DRIVING YOUTH EMPLOYMENT

Africa is the **youngest and fastest-growing continent in the world.** By 2030, the number of young people in the African **labour force** will increase to **375 million.**

According to the International Monetary Fund, population growth on the continent means that by 2035, there will be more young Africans entering the workforce each year

than in the rest of the world combined. The **past year** has **exacerbated the existing vulnerabilities of youth in relation to work** by disrupting education systems and delayed their transition into the labour market.

“By 2035, there will be more young Africans entering the workforce each year than in the rest of the world combined.”

Whilst data is scarce, an estimated 93% of youth in Africa are working in the informal economy (i.e. without social protection). Lockdown restrictions and recessions have severely impacted their livelihoods. Research shows that the first month of the pandemic triggered an income drop of 81% amongst informal workers in Africa. It can be assumed that African youth are and will continue to be among the hardest hit by the economic consequences of Covid-19.¹⁵



At Optimizer Foundation, we believe that the coming decades will be critical to **support labour intensive sectors** that have the potentials to provide decent **job opportunities for youth**. Similarly, supporting **job matching interventions**, as well as education and training to better equip youth to find job opportunities or start their own business, will be critical.

ADDRESSING CLIMATE CHANGE

Climate change poses one of the biggest threats to human health and wellbeing. Global efforts to address the consequences of climate change will be critical to ensure the health and safety of future generations. The **African nations are amongst the most vulnerable to, and the least prepared for climate change**, despite contributing the least to global warming. The changing weather conditions will further impact food insecurity, stress on water resources, and drive population displacement. 2019 was among the three warmest years on record for the continent, and that trend is expected to continue.¹⁶

At Optimizer Foundation, we added climate change to our focus in 2020, and we have since then analysed the sector to identify emerging business models and solutions that would fit our investment strategy. In 2021 we aim to close our first investment in the sector.

ALLOCATING CAPITAL TO “SEED STAGE” ENTERPRISES

For a young social enterprise looking to prove a business model, so called **“seed stage” funding is hard to come by** across the African continent. Conventional debt lending is typically unavailable, “angel investors” (i.e. high net-worth individuals) are scarce, family / friends investors not as common, and venture capital is limited. Thus, **many promising start-ups fail to access adequate**



capital to take them off the ground and hence are **forced to close down**.

Further, impactful companies that might not be exponentially scalable, or take a comparatively long time to prove a business model, can struggle to secure traditional venture capital. Impact capital allocated to these young enterprises therefore plays a critical role. In contrast to traditional venture capital investors, **we can afford to be more ‘patient’** due to **longer time horizons** and a **higher risk tolerance**. At Optimizer Foundation, we invest in a variety of early-stage companies that will scale at a pace set not only by financial target, but also to create deep and meaningful impact. ■

INVESTMENT STRATEGY

At Optimizer Foundation, we are striving to find entrepreneurs that share our vision of a future where youth across the continent have access to affordable and high-quality health and education, as well as job opportunities. We search for dedicated and impact-oriented founders and leadership teams, who have a financially sustainable plan to provide products or services that create a positive social impact.

Specifically, the social enterprises we consider meet the following investment criteria:

- ▶ **SECTOR:** Education, Health, Youth Employment, Climate Change
- ▶ **GEOGRAPHY:** Primarily East Africa (Kenya, Uganda, Rwanda), South Africa, and parts of West Africa
- ▶ **INVESTMENT SIZE:** \$50,000 – 150,000 (follow-on rounds of similar size up to a maximum of \$300,000 per investee)
- ▶ **INVESTMENT TYPE:** Equity, debt and hybrid (such as Convertible Debt)
- ▶ **INVESTMENT STAGE:** Seed (Early-Stage) Ventures
- ▶ **IMPACT:** Core product or service has a positive social impact on the end-customer
- ▶ **CUSTOMER SEGMENT:** Focus on underserved customers, who would not otherwise have access to similar affordable and high-quality products or services
- ▶ **SCALABILITY:** Scalability or replication potential for regional/international expansion
- ▶ **TEAM:** Fulltime team in place with strong leadership skills, business acumen, and a clear orientation to drive impact
- ▶ **FINANCIAL SUSTAINABILITY:** Generates revenue with long-term financial sustainability

“Optimizer Foundation has been our go to resource for learning about the impact space. They’ve introduced us to organizations that fit our mission, and they’ve guided us in designing our metrics and data collection methods that will carry forward our impact story for years to come.”

Sabrina, Co-Founder, Zumi

“OF has embodied what it means to be a patient, social impact investor with their engagement with Instill. They were the first ones to commit to our vision, had the patience to stick with us as we struggled through our fundraising efforts, supported us in closing the rounds, and have been since then the most supportive, and helpful thought partners after the investment was made. I also feel that they genuinely care about us as individuals; being there for us as we painstakingly build the best teacher training institution on the continent.”

Alim Ladha, Founder and CEO, Instill

PROVIDING BUSINESS ADVISORY

At Optimizer Foundation, we work closely with our portfolio companies offering advisory, across several areas including strategy, impact, legal, technology/product, and fundraising. We leverage our team’s skill sets, as well as our network of advisors and industry experts, to provide the support that each individual company needs. We also leverage our networks of peer investors to support in capital raising.

We typically work most closely with the earliest stage investments of our portfolio companies’ journey. As these companies mature, and build up their internal capacities, resources and attract larger investors, our role becomes less hands on. ■

HOW WE WORK ON IMPACT

Optimizer Foundation is driven by the firm belief that providing underserved populations with access to high quality health, education and employment opportunities, will help improve their quality of life. This remains the overarching impact thesis that guides our work.

OUR IMPACT FRAMEWORK

With regards to measuring and managing the impact of our portfolio, we have **aligned our impact framework** with the **globally applied [Impact Management Project](#)**. The Impact Management Project (IMP) provides a forum for building global consensus on how to measure, manage and report impact on sustainability. We believe that IMP provides the most suitable framework for impact measurement for our organisation, and also represent globally leading best practice in the area.

In line with IMP, we aim to assess impact across the following areas pre - and post investment:

- ▶ **What?** What outcomes people and the planet experience and how important those outcomes are to those experiencing them
- ▶ **Who?** Who experiences the outcomes and how underserved were they prior to accessing the relevant product or service
- ▶ **How much?**
 - ▶ Scale: How many stakeholders experience the outcome?
 - ▶ Depth: What degree of change do they experience?
- ▶ **The contribution?** The contribution that enterprises and investors make to the outcomes, relative to what would likely occur otherwise
- ▶ **The risk?** The risk that the impact will be different than expected. We assess risks according to type of impact risk, and level or degree of impact risk (i.e. severity). We also assess the monitoring and mitigation strategy in place to manage any risk

PRE - AND POST INVESTMENT

When investing in early-stage companies, with market traction ranging typically from a few months up to 2 years, these ventures tend to be at the beginning of their journey in understanding and measuring their impact. As such, in the pre-investment stage in which we analyse the company, assessment of above dimensions (IMP framework) is typically based on hypothesis/assumptions, given limited evidence base. Our work in

the post-investment phase, supporting the companies in understanding and measuring their impact, and build a deeper understanding of the scale and depth of it, is a critical area of our portfolio support. It is a process that develop and mature over time as the company grows.

Specifically, in the **pre-investment phase** (due diligence of the company) we map out the **impact 'pathway'** – i.e. the various impact areas of the company. We also identify the underlying assumptions which these impact areas are based on. As an example, a

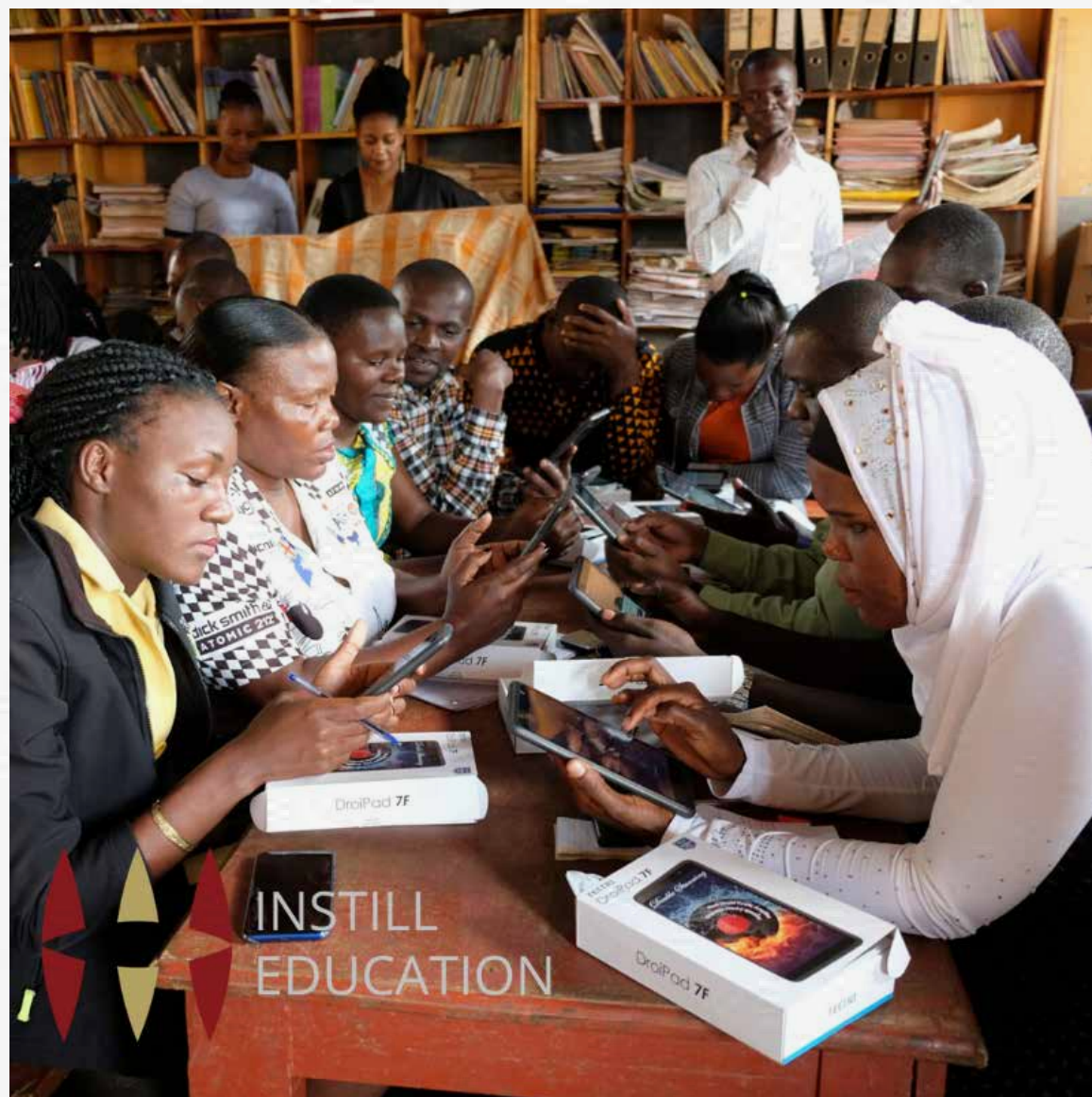


company's thesis might be based on the assumption that low-income populations do not have access to a certain health product. By making it available, people would be willing to buy the product, and as a result improve their health. In such a scenario, we typically assess such assumptions by conducting surveys, in depth interviews or focus groups amongst current or potential customers; or leverage any existing market research in the area. In addition to market research to test impact assumptions, we often consult experts on the topic.

Further, in the pre-investment phase (due diligence) we typically **map and analyse any risks of negative impact** related to the product or service. The scale and severity of the potential risks are assessed, alongside the company's ability to monitor and manage these risks. Finally, part of our due diligence involves identifying, together with the company, areas of continued support with regards to impact, which will provide the basis for our post-investment support.

In the **post-investment phase** we support the company in refining its impact pathway (i.e. the company's path to create impact), help identifying metrics to track, and put in place monitoring and evaluation (M&E) processes. These processes could involve customer surveys, focus groups, or in-depth interviews where relevant, to further build the evidence base of the expected impact. As a part of our impact framework, we continue to monitor any potential impact risks identified.

Finally, similarly to all our business advisory support, we tend to work most actively on impact advisory with our earliest stage companies. When these companies build up their own internal impact capacity, our role becomes less active. ■



Picture: United Nation's Sustainable Development Goals. Optimizer Foundation addresses 6 out of 17 of the Sustainable Development Goals (full circle). Several of our portfolio companies have positive spill-over effects on an additional 3 goals (dashed circle).



PORTFOLIO: OUR IMPACT

Since the end of 2017, we have grown our portfolio to include 10 organisations. Their business models and the impact they create are profiled on the following pages. These organizations have already generated a significant impact in their markets. However, as mentioned above we do expect their impact data to mature over time, as these young businesses continue to refine business models and develop internal capabilities to measure and monitor their impact.





‘Improving educational outcomes by training teachers and school leaders’

Investment type: **Equity**

Location: **South Africa**

Year Founded: **2016**

Founders: **Alim Ladha, Tom Parry, Evan Hendon**

Sector: **Education**

Website: **www.instill.education**

THE NEED

Across Sub-Saharan Africa the quality of teaching remains poor, contributing to weak educational outcomes. The World Bank estimates that less than 7% of late primary school children in Africa show proficiency in reading, and less than 14% show proficiency in mathematics. Whilst teacher absenteeism, low teacher/learner ratio and poor curriculum are part of the problem, underqualified teachers remain a key challenge.

“The UN Sustainable Development Goals on education call for a “substantial increase in the supply of qualified teachers, through international cooperation for teacher training [..]”

Existing teacher training programs tend to be overly theoretical with little focus on practice. As a result, teachers are underprepared for the classroom, and unable to deliver the high-quality learning experiences required to improve outcomes. Once in the job, teachers receive little support or coaching to grow in their roles to meet the needs of learners.

THE SOLUTION

Instill Education is launching training programs to aspiring teachers and school leaders accredited by the South African Government. The program will incorporate innovative models of blended learning – including online, peer-to-peer, workshop and simulation exercises both at Instill’s campus, and through distance learning programmes. The goal is to graduate 800 new teachers per year through the campus and many thousands more online. In addition, Instill works with existing school chains across the continent, to upskill their current pool of teachers to improve their instructional practice, and as a result students’ learning outcomes.



CUSTOMER FEEDBACK

“Instill Education is a pioneering organisation who care deeply about empowering teachers to deliver a truly life-changing education. Their practice-based approach to teacher training, and the continuously evolving world class content that is being adapted to the South African context, offers great potential for the future teachers and leaders of South African education.”

**Jonathan Molver, Education Director,
Ark EPG South Africa**

“Instill have been a key part of our teacher professional development over the past two years. They have really helped to build the core foundational skills of our teachers. The approach is intense, but we’ve seen that without this investment of time and energy that improvements in teacher performance don’t take place”

**Melanie Smuts, Founder,
Streetlight Schools**

THE IMPACT

Worked with **94** school partners

2,333
teachers trained



PENDA HEALTH

‘Offering affordable and high-quality healthcare in Kenya’

Investment type: **Convertible Debt**

Location: **Kenya**

Year Founded: **2011**

Founders: **Nicholas Sowden; Stephanie Koczela**

Sector: **Health**

Website: **www.pendahealth.com**

THE PENDA SOLUTION

Penda Health has been building a base of loyal patients by offering affordable and high-quality healthcare. It currently has a network of 18 primary care medical centres for lower-and-middle income patients, which offer comprehensive outpatient services, including general and specialist consultations, lab services, pharmacy services, antenatal care, vaccinations etc. During the Covid-19 crisis, Penda has kicked off its blended healthcare model by rolling out telehealth services, as well as medicine delivery to respond to emerging patient needs. Since launching the telehealth service in March 2020, Penda has recorded close to 40,000 telehealth interactions during the year.

THE IMPACT

232,515

patient visits in 2020

478

full-time staff, of which **68%** are women

THE NEED

Across Africa, only the richest 5% can afford high quality healthcare. The healthcare options for the majority of the population face significant challenges related to shortage of healthcare professionals, quality of service as well as equipment and drugs etc.



ZUMI^o

‘Offering supply chain services supporting micro-businesses in the apparel sector’

Investment type: **Convertible Debt**

Location: **Kenya**

Year Founded: **2019**

Founders: **William McCarren, Sabrina Dorman**

Sector: **Youth Employment**

Website: **www.zumi.africa**

THE NEED

Across most African countries second-hand clothing, sold in markets, remains the key source for affordable clothing for a large part of the population. Second-hand clothing represents a \$230 million annual market in East Africa, employing 355,000 people, and supporting the livelihoods of 1.4 million people. About 70% of those employed in this segment are female heads of household with an estimated average household income of \$560 a month. However, the supply chain for second-hand clothing is highly fragmented, with many layers of middlemen and brokers, and high delivery costs.

“Since discovering ZUMI, I’ve stopped having to hustle to get my stock. I just sit and make a call to ZUMI and I know I’ll get my bale. It saves me time and money and gives me peace of mind.”

Emily, Toi Market

THE ZUMI SOLUTION

ZUMI, a supply chain company, aggregates the orders of small, second-hand clothing retailers to ensure better prices from suppliers, and reduce the cost of same-day delivery. As a result, their clients – retailers in the market – enjoy discounted merchandise, free delivery, and save approximately 1 day per week normally spent in transit to and from supply markets.

THE IMPACT

Initial research shows that by offering lower prices and logistics costs, ZUMI can increase retailers’ monthly net income by 28%.

Total number of retailers served

≈ **1,500**

Gender (retailers) **75%** women

ZUMI also contributes to the circular economy. Increasing garment lifetimes is one of the most effective means of reducing their environmental footprint. Extending the life of clothing by an extra nine months could reduce carbon, waste and water footprints by around 20–30% each





‘Delivering women’s health and personal care products across urban and rural East Africa’

Investment type: **Equity**
Location: **Rwanda, Kenya**
Year Founded: **2016**
Founders: **Joanna Bischel, Amanda Arch**
Sector: **Health**
Website: **www.kasha.rw, www.kasha.co.ke**

THE NEED

Many women in emerging markets lack access to safe, high-quality, and affordable health and personal care products as well as information surrounding these products. Availability of such products is often challenged by limited stock, and counterfeit products are common. Further, social stigma in purchasing certain products related to sexual and reproductive health is common. This has far-reaching negative impact: for example, one



out of ten girls across Africa drop out of school due to inadequate menstrual care, and young women across the continent are the single largest demographic of HIV-infected people globally. 225 million women in the world have unmet contraceptive needs (i.e. lack access to adequate contraception). If they were given access to family planning products, unsafe abortions would be reduced by 74%.

THE KASHA SOLUTION

Founded in 2016, Kasha makes it easy for women to receive the health and personal care products that they need, especially in low-income and rural areas of Africa. Kasha does this by selling products through its offline and online e-commerce platform, accessible through basic phones (USSD), smartphone applications, and a website. Kasha then delivers these critical products to last mile customers, in urban and rural areas, through a combination of delivery options such as direct delivery and an agent network. Through its agent network, Kasha empowers over 300 local women to enter hard to reach communities to provide information and assist customers in purchasing products.

THE IMPACT

Kasha’s impact is also visible at a macro level in their markets, where they work closely with the Government in promoting and raising awareness of women’s reproductive and sexual health. For example, Kasha led a petition to enable youth to buy contraceptives in Rwanda without parental consent. Kasha is now working with the Government of Rwanda to draft a new policy to this effect. Further, in collaboration with the Rwandan Government, Kasha has launched an ARV drugs (antiretroviral drugs are used to treat HIV) disbursement pilot for 500 patients. Standard practice in Rwanda is an individual must visit a designated HIV clinic which can be embarrassing (everyone knows you have HIV) and therefore individuals with HIV oftentimes do not go to seek treatment. Through

In December 2020, **Kasha closed their Series A fundraise**, led by Swedfund International (Swedish Government fund) and Finnfund (Finish Government fund), followed by American DFC and Mastercard. The capital will enable Kasha to accelerate growth and impact across Kenya and Rwanda, improve its platform and support its expansion into other African countries.

Kasha, these patients receive their ARVs discretely through direct delivery.

Kasha worked with the Rwandan Food and Drugs Authority to create regulations governing online pharmacies and the sale of pharmaceutical products online. This request came about due to Covid-19 in which many pharmacies started to go online to sell products. Kasha became the first company in history to be approved for the Online Pharmacy license in Rwanda.

Finally, Kasha has also played an important role in the Covid-19 pandemic across Kenya and Rwanda, by delivering 36,552 units of Covid-protection products in 2020, representing 25% of products sold.

THE IMPACT

129,918
total customers served

63%
are low income customers

44,956
total customers of health products (including family planning, menstrual care & vitamins)



‘Taking quality education to scale through a new kind of platform’

Investment type: **Convertible Debt**
Location: **Kenya**
Year Founded: **2013**
Founders: **Craig Heintzman, Marisa Conway**
Sector: **Education**
Website: **www.arifu.com**

THE NEED

In developing markets such as Kenya, low income populations struggle to access the relevant and affordable information that improves their quality of life. Internet connectivity is unavailable to 3.5 billion people globally, and for those that can access it, just 500MB of data costs about 15% of average incomes or more than school fees for their children.¹⁸ Moreover, the information is rarely packaged effectively, and less than a third of training programs improve earnings or employment.¹⁹

THE ARIFU SOLUTION

Founded in 2013, Arifu’s platform delivers leading-edge technology over the most widely accessible mobile channels to better distribute training, information, and educative content. Corporations and international organizations (for ex. World Bank; UN) in any sector can use Arifu’s platform to provide training and information through SMS to anyone with a basic phone. Arifu is also accessible via What’s up and Facebook Messenger. For example, corporations can train their suppliers (such as farmers) to improve their efficiency or quality of their outputs, and development organisations can train or educate a target population on a particular topic. Arifu designs personalized, effective, and conversational

THE IMPACT

1,418,738

total “learners” on the platform (i.e. customers)

≈80%

are low income, such as smallholder farmers

learning on their digital platform, and measures interactions and outcomes.

THE IMPACT

Since the beginning of the pandemic, Arifu has created and deployed content on Covid-19 to help its learners learn more about the virus and respond appropriately. For example, Arifu’s ‘Covid-19 Starter Pack’ consists of tips and content on virus prevention and patient care, children education, business digitization, and financial management. Also, Arifu created content to help small businesses survive Covid-19. This content provides tips on financial resiliency and business survival.

A 2020 survey of farmers using Arifu showed that 96% of them saw an increase in production, and 96% of them reported quality of life improvement after engaging with Arifu. The surveys also showed that Arifu has been successful in improving farm production levels by changing practices and spending patterns of the farmers.

CUSTOMER FEEDBACK

A woman from Uasin Gishu County who engages with Arifu’s agricultural content:

“Before engaging with Arifu, I was experiencing a lot of challenges and my chickens kept dying. After engaging with Arifu, I now ensure that I follow the instructions given by Arifu on maintaining hygiene, vaccination and feeding. My chickens don’t die anymore. They also lay eggs within a shorter period of 4 months and not 6 months like before. I now have a flock of 18 chicken and they are all healthy. I am expecting higher production and income from my poultry farming which will translate to self-employment.”





‘Growing African small businesses through access to digital and unsecured working capital’

Investment type: **Equity**
Location: **Uganda**
Year Founded: **2016**
Founders: **Mina Shahid, Catherine Denis, Benjamin Best**
Sector: **Youth Employment**
Website: **www.numida.co**

THE NEED

In Uganda, there are about 450,000 ‘micro/small and medium-sized enterprises’ (MSMEs). Collectively they generate about 90% of the private sector production and constitute the key engine of job creation – accounting for 80% of the economy’s jobs. When these businesses thrive, the local economy flourishes and the standard of living improves.

However, 3 out of 4 of these enterprises identify access to capital as their greatest growth constraint. Banks struggle to serve the MSME segment for a number of reasons, including weak credit information, lack of collateral, and low levels of financial literacy. The lack of access to credit hampers the businesses’ ability to increase inventory, manage working capital, and consequently grow.

THE NUMIDA SOLUTION

The Ugandan company Numida offers a mobile application, through which small business owners can apply for unsecured short-term business loans, by digitally submitting evidence of business ownership and business activity. The loan is disbursed digitally via mobile money. Numida borrowers then begin reporting their daily

financials (sales, expenses, stock purchases) while paying off their loan and tracking their next loan limit.

CUSTOMER FEEDBACK

Ashaba Doreen, Numida client since 2019, runs a retail shop for cosmetics in Mutungo, outside of Kampala. She also owns livestock back in her hometown Bushenyi in Western Uganda.

“When I first tried Numida I wasn’t sure that it was going to work, but I was surprised to see that I received a business loan without collateral or someone coming to visit my shop to evaluate my application. I’ve also used Numida loans to invest more in my upcountry livestock business and now it brings in more returns than it used to. What makes me happy is that now I can support my husband in growing and developing our family. Now he involves me in every decision that he makes because I earn good money through my hard work with Numida’s help.”

THE IMPACT

Numida’s clients have, within 6 months of becoming a client, witnessed significant increases in monthly revenues (anecdotal data showing median revenue increase of 100%), allowing many businesses to double the number of employees.

2,355

small businesses served

8,621

loans disbursed

\$1.3 million

of unsecured credit disbursed

33%

of female clients





‘Supporting entrepreneurs through access to business training, markets and capital’

Investment type: **Debt**

Location: **Kenya**

Year Founded: **2017**

Founders: **Amelia Hopkins Phillips, George Rzepecki**

Sector: **Youth Employment**

Website: **www.somoafrica.org**

THE NEED

In Nairobi there are about 2.5 million slum residents, representing 60% of the urban population. These slums have limited existing infrastructure and social services, creating space for local entrepreneurs to build impactful and profitable companies. However, these entrepreneurs lack access to the relevant training and capital needed to grow their businesses and drive change in these communities.

THE SOMO SOLUTION

Founded in 2016, Somo identifies high-potential entrepreneurs to take part in an accelerator program. This accelerator offers business training, coaching, access to markets, and loans, helping the micro-enterprises to grow. The various micro-enterprises supported by Somo include food producers, children day care services, sanitation products, small restaurants, and clothing shops.

At Optimizer Foundation, we strongly believe in driving positive social change by supporting micro-businesses in their own low-income urban communities. We saw a unique opportunity to work closely with Somo to identify and provide affordable growth and working capital loans to their entrepreneurs and help them change their communities from within.

THE IMPACT

After only a year, the vast majority of the young entrepreneurs participating in the Somo programme are able to support themselves and many of them are thriving.

On average, within one year in the accelerator, the Somo entrepreneurs make 2x annual revenue compared to the average person in the community where Somo works, and 3.5x after two years. Further, 98% of the Somo businesses are cash-flow positive within eight months of joining the incubator.

CUSTOMER PROFILE

Margaret is the founder of Maples Oven, a restaurant and catering business that focuses on creating employment for low-income youth. Currently Margaret employs four people and has created jobs for 23 additional youth through the culinary training she provides. The loan she received from Optimizer Foundation allowed her to expand her restaurant seating area, catering for more people safely during Covid-19. It also helped her increase her sales through food delivery by investing more in packaging material.

In the future, Margaret wants to expand her physical location even more, making room for both culinary training for youth and for serving customers. Further, she wants to invest in catering equipment to grow that business line, and also expand her delivery services.



THE IMPACT

115

businesses launched in the Somo accelerator

1,889

jobs created

(of which 432 are direct jobs and 1,457 indirect)

401

social entrepreneurs trained

186,219

customers reached by Somo's businesses

57%

of businesses are female-led





‘Providing affordable healthcare in Nairobi’s informal settlements’

Location: Kenya
Year Founded: 2012
Founder: Melissa Menke
Sector: Health
Website: www.accessafya.com

THE NEED

While the Covid-19 crisis is affecting all Kenyans, it is disproportionately affecting the vulnerable and poor. About 60% of Nairobi’s residents live in informal settlements, where traditional prevention methods like social distancing and handwashing are difficult, due to the density in population and lack of sanitation infrastructure. These residents are also the most economically vulnerable and are less likely to have access to nearby and affordable healthcare.

THE ACCESS AFYA SOLUTION

Set up in 2012, Access Afya is a chain of clinics providing affordable healthcare in Nairobi’s informal settlements (i.e. slum areas). As of 2020, they have 13 clinics, 2 pharmacies and 1 diagnostic centre.

Access Afya is offering ongoing healthcare, including treatment of chronic conditions, medical emergencies, and triaging and referring patients with Covid-19 symptoms. In parallel, Access Afya is offering telemedicine for remote consulting of patients, helping direct them to the right place of care, and minimizing overcrowding of hospitals and further infection. Through their online learning platform Access Afya offers training to health workers in the communities, to provide ongoing guidelines and Covid-19 information and updates. Finally, the organisation is rolling out a remote chronic condition platform, supporting high risk patients from their homes to treat chronic conditions such as hyper-tension and diabetes.

CUSTOMER FEEDBACK

“I was feeling unwell, and my friend convinced me to go to Access Afya for a check-up. At the reception they checked my blood pressure - it showed 144/98. At first, I was shocked, I didn’t know I was hypertensive. The clinician advised me to start on treatment and assured me that the condition can be managed if I follow up on treatment, and that is why I keep coming to the facility for check-ups. I’m so happy I’m better, and Access Afya has really changed my health”

James Ndegwa, 40 years old, Sinai clinic

THE IMPACT

251,908

patient visits since inception (96,164 in 2020 alone)

“One thing I love about Access Afya is being called for review. I have not seen a hospital which follows-up with its patients. Access Afya is a family and everyone is a friend. The way a patient is received is what they remember when they walk out.”

Jackson Nandwa





‘Advancing maternal and newborn health through digital education’

Location: **India**
Year Founded: **2013**
Founder: **Dr. Aparna Hedge**
Sector: **Health**
Website: **www.armman.org**

THE NEED

Pregnant women in India do not have the necessary information to have a healthy pregnancy and delivery, and to care for their children in the first year of life. This results in high maternal and infant mortality: every 10 minutes a mother dies in childbirth in India, and over 2.1 million Indian children under 5 pass away each year. Many of these deaths would be preventable, if mothers and families had access to relevant information during pregnancy and early childhood development.

THE ARMMAN SOLUTION

ARMMAN is a non-profit organization that provides pregnant women with the necessary information to facilitate a healthy pregnancy, delivery, and first year of infant life. ARMMAN provides a digital platform that calls pregnant women semi-weekly and covers critical information such as the necessity of iron folic acid and the early warning signs of preeclampsia. Post-birth, ARMMAN provides advice on topics such as vaccinations, family planning, and health on a regular basis. This education is critical to supporting pregnant mothers and new-borns and reduces mortality.

THE IMPACT

In 2019 ARMMAN began implementing the Ministry of Health and Family Welfare’s Kilkari and Mobile Academy program - the largest maternal health programs in the world. This allowed ARMMAN to massively grow their total reach from 1.9 million women in 2018 to 23.5 million in 2020.

In 2020 ARMMAN was granted the prestigious global Skoll Award for Social Entrepreneurship, recognizing the exceptional work in the maternal and child health space. Every year the Skoll Awards select organizations with the ability to drive sustained change on the world’s most pressing problems. ARMMAN received USD 1.5 million, coupled with other support.





‘Changing the way the world tackles poverty’

Location: **India, Pakistan**
Year Founded: **2016 - 2020**
Sector: **Education**
Investments: **Ignis Careers, EduBridge, Vikalp India, Nasra Public Schools, LabourNet India, Kashf School Sarmaya, and others**
Website: www.acumen.org

THE NEED

Many regions in the world still lack access to affordable and high-quality education. Overall school enrolment has increased in every region of the world, especially in India where primary school enrolment increased from 80% in 2000 to 97% in 2018. However, studies show that only a quarter of third graders in India can read and understand a short story, or subtract one two-digit number from another. Thus, there is a desperate need for high-quality instruction, in addition to affordable and accessible education.



THE ACUMEN SOLUTION

Acumen’s Education Fund invests in enterprises in the education sector and aims to impact 5 million students in India and Pakistan by 2020. They hope to ensure that low-income students have access to every aspect of the education system, from basic schooling to job placement, providing paths out of poverty and creating lifelong learning opportunities. They are focused on low-cost schools, student support services, education technology and vocational trainings. Thus far, they have 11 investments in India and Pakistan, and are currently focusing on increasing investments in Latin America and East Africa.

THE IMPACT²⁰

11

investees

61%

of Individuals reached living on <\$6/day
(reported by 5 of the portfolio companies)

6,047,500

lives in total impacted in the portfolio companies

Acumen is also in the process of completing impact studies across their portfolio companies. Below are highlights from the company Ignis, providing English-learning curriculum and teacher training for low-cost private schools in India:

300+

schools have adopted the Ignis curriculum

1,057,500

individuals have been reached

1,700+

teachers have been trained

95%

of parents reported an improvement in the child’s
quality of life

BOARD, ADVISORS & PEOPLE



Helena Riese Harstad
Chairman & Co-Founder

Helena is the Co-Founder and working Chairman of Optimizer Foundation. She leads the overall strategic direction of the foundation, including assessment of investment opportunities, and manages donor engagement. In addition, she provides legal, commercial and strategic support to portfolio companies. Helena is a trained lawyer and has a background in M&A and Banking and Financing.



Anne Stubert Partridge
Chief Operating Officer

Anne is the COO of Optimizer Foundation. She leads the investment strategy and manages the portfolio. She is a former strategy consultant with specific focus on social impact. She has 14 years of experience in advising private, public and non-profit organizations across emerging markets as well as in Europe. Previously, Anne worked for the strategy consulting firm Dalberg, based out of West Africa. She has also worked in sustainability consulting, and held positions at the Swedish Foreign Office, and the UN in East Africa.



Marcus Watson
Senior Advisor

Marcus is a Senior Advisor to Optimizer Foundation and provides support across the portfolio. He is currently a partner and director at KawiSafi Ventures where he leads investments, operations, and portfolio management. He has extensive experience in climate-focused investing in Africa, having for the past decade advised governments, regulators, corporations, and funds on investments into energy, food, and consumer-focused industries.



Carl-Johan (CJ) Hedström
Senior Tech Advisor

Carl-Johan provides technological advisory across portfolio companies and supports in assessing tech-enabled investment opportunities. He has vast experience in the IT/Telecom space in emerging markets, and in health-focused solutions such as mobile-delivered micro-insurance and tele-doctor services, most recently as a CTO at BIMA, and at Soundtrack Your Brand.



Abdourahmane Diop
Financial Advisor

Abdourahmane provides advisory focused on our investment strategy and financial analysis of investment cases. Abdourahmane is an Investment Manager at VOLTA Capital (previously D. Capital Partners), a leading impact investing advisory firm, with a deep expertise of the impact investing landscape across Sub Saharan Africa.



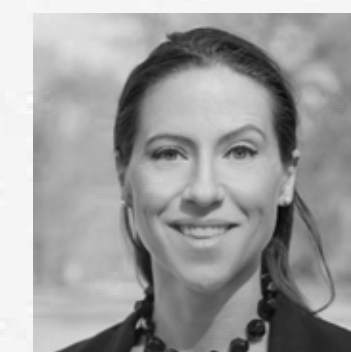
Peter F. Hinton
Advisor

Peter provides advisory support on the education sector, impact and strategy. He is an Associate Fellow of Saïd Business School at Oxford University with a focus on impact investing, SMEs sectors, and education in Africa. He has over 25 years of commercial experience in the UK and has worked for Enterprise Banking Group, CDC, Africa Trading, BhS plc and Mazars.



Alexandra Rosberg Hinxman
Board Member

Alexandra works as a governmental advisor specialising in international relations and intra-governmental coordination. Her work has been centred on supporting the Swedish government in its decision-making and developing its foreign and security policies with a focus on conflict and post-conflict areas in the Indian sub-continent and Africa among other places.



Catharina Belfrage Sahlstrand
Board Member

Catharina is a former lawyer and heads the Sustainable Finance team at Debt Capital Markets at Svenska Handelsbanken (a leading Nordic Bank). Prior to that, Catharina headed the legal team at Debt Capital Markets and before that worked at Swedish law firm Mannheimer Swartling, primarily with syndicated and bilateral lending deals.

PARTNERSHIPS & ASSOCIATIONS



CATALYST FUND

Catalyst Fund first launched as a global accelerator for inclusive fintech start-ups in 2015, with the support of the Bill & Melinda Gates Foundation and JPMorgan Chase & Co., and fiscal sponsorship from Rockefeller Philanthropy Advisors. It was created to support start-ups who are building affordable, accessible and appropriate digital financial solutions that improve the financial health of underserved communities in emerging markets.



ANDE

The Aspen Network of Development Entrepreneurs (ANDE) is a global membership network of organizations that propel entrepreneurship in emerging markets. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs will create jobs, stimulate long-term economic growth and produce environmental and social benefits.



ACUMEN

In April 2017, we became a partner of Acumen. Acumen makes patient long term debt or equity investments in early-stage companies in the education and health sectors, amongst others. The capital is accompanied by business advisory.



INTELLECTAP

Intellectap is a pioneer in providing innovative business solutions that help build and scale profitable and sustainable enterprises dedicated to social and environmental change. Intellectap takes an ecosystem approach to amplify the impact that businesses can achieve and shape development outcomes in the process.



I3N

Intellectap Impact Investment Network (I3N) is a global network of impact investors focused on India and East Africa. Their aim is to address the funding gap that early stage enterprises face by mobilizing domestic capital and connecting international investors to domestic investors.

ACKNOWLEDGEMENTS & DONATIONS

We were founded and originally funded by **Optimizer Invest** - investing in, and supporting, online and consumer-driven businesses. They have embarked with us on this journey and are continuing to support us with capital and advisory. Their constant support is invaluable, and their confidence in Optimizer Foundation has played a vital role in our growth.

We have also received **generous donations from companies and individuals**. To all of you, the Optimizer Foundation team would like to extend a profound thank you for generous donations.

If you are interested in supporting our work, contributions to Optimizer Foundation Insamlingsstiftelse can be made to its bank account in Handelsbanken:

Bank transfers

ACCOUNT NUMBER: 462 953 351

IBAN: SE68 6000 0000 0004 6295 3351

BIC: HANDSESS

BANK ADDRESS: Norrmalmstorg 12, 103 91 Stockholm

Swish (payment channel for Swedish citizens)

We now also support donations via Swish!

SWISH NUMBER: 1234425120

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