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FOUNDATION

IMPACT REPORT 2018

Investing in bold social enterprises that provide essential health
and education improvements to underserved youth



January 2019

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LETTER FROM THE CHAIRMAN

2018 was an exciting year for Optimizer Foundation! We opened our new Nairobi office and strengthened our presence in East Africa. We invested in women’s health and entered into follow-on rounds for our investments in high-quality educational content to low-income populations. We met with and evaluated more than 30 exciting new companies and actively partnered with the existing East African impact investing eco-system.’

By collaborating with investors, accelerators, entrepreneurs, support organizations, consulting firms and other experts, we have deepened our understanding of the East African markets. We also identified some of the critical gaps yet to be filled, with the goal of better contributing to the impact investing sector in mind. I would like to mention a couple of the most important gaps out there that are relevant to Optimizer Foundation as an investor.

Early stage funding is hard to come by in East Africa. Despite effort by accelerators and hubs, there are too few angel and family / friends investors able to invest, so we need to find additional ways to offer early stage funding, long-term partnerships and support. Put another way: If we don’t find a way to support the pre-seed stage and seed stage, there will be no later stage investment rounds to invest in. To be fair, most investors are too limited by their stakeholders, set return on investment (ROI) goals, minimum investment amounts and risk profiles to be able to fund and support early stage companies. The higher risk also demands deeper knowledge of the relevant sector, local conditions and the market, so the investor benefits from local presence. On top of all of this, early-stage social entrepreneurs often need advice on areas outside their own expertise to grow, such as support on legal and compliance matters, preparation for additional funding rounds, technology, impact measurement and building essential business plans.

This means that a suitable early-stage investor ideally has to be able to absorb a higher risk, expect a lower ROI and investment amount, have deep sector knowledge and ideally local presence, provide “patient” funding, and be an active and complementing investor. This is a big ask of any investor, which is probably the reason why the early stage funding climate is currently being referred to as the “valley of death”. But even if it is hard, there are no shortcuts. Without pre-seed and seed funding, not enough impactful companies will make it to the other side of the valley where bigger, later-stage investors hopefully await with open arms.

Another critical gap is finding solutions to challenges in

the sectors of **education and health**. As you will soon read in this Impact Report, it is more important than ever to support brave entrepreneurs that have innovative solutions to challenges in education and health in sub-Saharan Africa. Or, as Bill and Melinda Gates put it:

“The conclusion is clear: To continue improving the human condition, our task now is to help create opportunities in Africa’s fastest-growing, poorest countries. This means investing in young people. Specifically, it means investing in their health and education” – Goalkeeper 2018, Bill and Melinda Gates Foundation



Access to quality health and education lifts people out of poverty, whilst a lack thereof can easily throw them back. You will find some facts in this Impact Report that make it clear that education and health issues in Africa need to be addressed immediately. Facts are sometimes discouraging, but are ever so important in order for us to face the current challenges and put our efforts and funding where they are most needed. Equally important is hope. For us, hope is neither blind nor naïve; hope is believing that change is realistically possible. If the

facts are too daunting, and the solutions are insufficient, we lose hope. When we can show that there is a walkable way forward and achievable goals, we create hope. I’m hopeful that the impact community and all the innovative entrepreneurs who we invest in will prove that we can solve pressing challenges in education and health, and create hope for the next generation.

We find ourselves fortunate and excited to be in the position to fill these two critical gaps in the funding needs of this region. Not all investors can support the early, underfunded and crucial seed stage, but Optimizer Foundation can. Not all investors can focus on education and health, but we do. We are making it our mission to be a long-term partner to the bold entrepreneurs who are willing to walk through the valley of death and help them prepare for entry into the traditional funding mechanisms. Because one thing we can be very sure of: without early-stage funding, there will be no later-stage funding. Without solutions to education and health problems, we fail the next generation.

A handwritten signature in blue ink, reading "Helena Riese Harstad".

Helena Riese Harstad
Chairman of the Board

ACKNOWLEDGEMENTS

Optimizer Foundation is founded on the belief that the challenge of extreme poverty must be solved through critical improvements in health and education services. While the necessary advancements will be driven by a range of public and private programs, our organizational purpose is to support and accelerate innovative solutions developed by early-stage market-based enterprises. Our ability to be bold helps us to drive unique impact across the ecosystem, and is only possible because of our supporters.

Since we were founded, we have received **generous donations from companies and individuals**. To all of you, on behalf of the Optimizer Foundation team, we would again like to extend a profound thank you for your most generous donations! We would like to think of you not only as donors, but also as partners in our quest to change pre-set conditions and improve the lives of children and youth by way of impact investing.

We were founded and originally funded by **Optimizer Invest**, an investment company investing in, and supporting, early-stage companies. They have embarked with us on this journey, and are continuing to support us with donations, time and excellent people.

The past year, we have also strengthened our accomplished advisory board. Our advisors have been a great support in the work of building our pipeline, evaluating possible investees, understanding the East African market, identifying the challenges to education and health, and widening our network of important and experienced organizations and individuals in the world of impact investing. We would like to sincerely thank our advisors for their time and efforts the past year. We look forward to working together in the coming year:



Abdourahmane Diop

Abdourahmane provides advisory focused on our investment strategy and financial analysis of investment cases. Abdourahmane is an Investment Manager at a leading investment advisory firm in impact investing, with a deep understanding of financial transactions across African markets.



Carl-Johan Hedström

Carl-Johan (CJ) provides technological advisory to both us and our investees. 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.



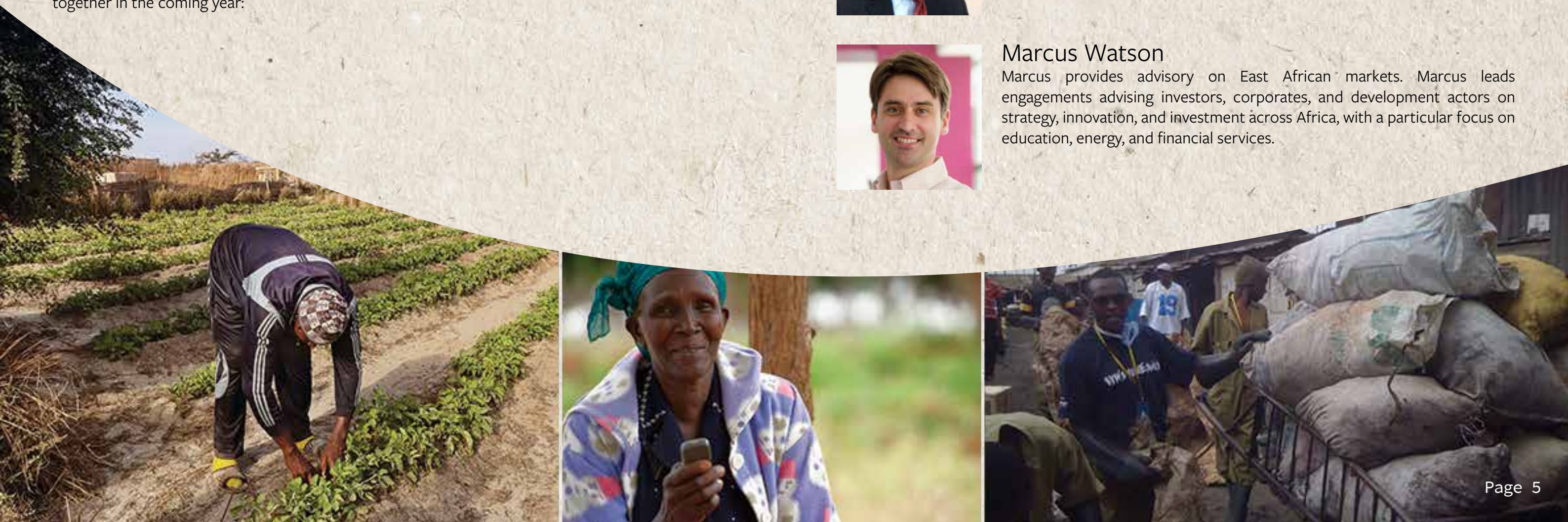
Peter F. Hinton

Peter provides senior advisory support on sector views and insights on education and health, and provides general advice on impact and strategy. Peter is an Associate Fellow of Saïd Business School and his research focuses on impact investing, African development, small and medium sized enterprises (SMEs) and low-cost education in Africa.



Marcus Watson

Marcus provides advisory on East African markets. Marcus leads engagements advising investors, corporates, and development actors on strategy, innovation, and investment across Africa, with a particular focus on education, energy, and financial services.



OUR PURPOSE: IMPROVING THE LIVES OF FUTURE GENERATIONS

We are living longer, healthier, safer and happier lives now than at any other point in human history. We have fewer conflicts, more democracies, higher literacy rates, safer infrastructures, and more digital connections than ever before.² Most staggeringly, since 2000, more than a billion people have lifted themselves out of extreme poverty. However, as young populations boom in regions like Africa where they are least likely to lead a healthy and productive life, improvements in global extreme poverty may stall, or even start to reverse.³ Optimizer Foundation is committed to investing in education and health solutions towards a more equitable, sustainable, and prosperous world.

Optimizer Foundation's Vision: we are investing in bold social enterprises that provide essential health and education improvements to underserved youth in Africa, reducing extreme poverty and improving human flourishing.

Our purpose is built on three cornerstones, explained below. These foundational priorities are the intersection of our internal values and capabilities, and the most critical needs of the market.

1 WE IMPROVE HEALTH AND EDUCATION OUTCOMES FOR UNDERSERVED YOUNG POPULATIONS IN AFRICA.

To drive improved quality of life, we must create opportunities for young people in Africa through health and education initiatives. Africa is the youngest continent in the world, with a median age of 18, compared to an average age of 43 in the EU, or 47 in Japan. By 2050, the youth population in Africa is projected to upsurge 51% to 945 million, while the youth population of every other region in the world shrinks.⁴ These African children are the next generation of thinkers, activists, leaders. They will drive rapid economic growth, develop transformative innovations, and lead new waves of thinking across the continent and the world. However, due to complex and deeply rooted issues of exploitation and instability, children in Africa currently have the shortest lives, the least access to education and healthcare, and the lowest standard of living.⁵

By 2050, 86% of the world's extreme poor are projected to live in Africa.⁶

This result isn't inevitable, but it does require urgent action focused on health and education improvements. Data shows that health and education outcomes explain as much as 30% of the variance in per capita GDP between countries.⁷ For example, every additional year of schooling boosts a person's income by 8%, and every additional centimeter of height, a proxy for improved health, boosts income by 3.4%.⁸ Optimizer Foundation is poised to tackle this challenge head-on, and improve health and education levels for underserved African youth in order to increase quality of life.

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 2050.⁹

2 WE INVEST IN INNOVATIVE MARKET-BASED SOLUTIONS THAT TACKLE THE CHALLENGES TRAPPING AFRICAN YOUTH INTO CYCLES OF EXTREME POVERTY.

Improving health and education outcomes in Africa requires audacious solutions, including innovative social enterprises. Health and education outcomes are notoriously difficult to shift, because the health and education sectors are both expansive and expensive systems, with a multiplicity of stakeholders, and evolving root causes and challenges.

Health and education solutions also require creativity, since conventional systems will not be sufficient in Africa. African countries must find lighter-touch and preventative health care methods, since the continent carries 24% of the global disease burden, but has only 3% of the global health workforce.¹⁰ Similarly, recent pushes to expand access to primary education to 90 million more African children hasn't yielded the expected results in child literacy rates, and numeracy rates have even dropped in some countries.¹¹ Of course, access to this large-scale, traditional infrastructure is critical, but it must be complimented with creative solutions focused on affordability, quality, and efficiency in health and education systems.

At Optimizer Foundation, we believe that many of the most innovative and sustainable solutions to health and education challenges are those developed by social enterprises. Social enterprises provide products and services that both drive revenue and financial sustainability, and improve the lives and opportunities of their customers. They either invent new solutions, or develop unique configurations of products, services, geographies and distribution methods. Social enterprises then scale - either organically, through partnerships with larger public and private stakeholders, or through replication by other companies and organizations - bringing innovative

solutions to large swaths of the population and supporting the more traditional efforts in health and education.

To support these audacious innovations, Optimizer Foundation invests in social entrepreneurs, who we believe may transform health and education systems, and improve millions of lives.

3 WE FILL CRITICAL GAPS IN THE ENTREPRENEURIAL ECOSYSTEM BY INVESTING IN A VARIETY OF EARLY-STAGE ENTERPRISES.

To paraphrase Voltaire, Churchill, and Spiderman's Uncle Ben: "With great power comes great responsibility." At Optimizer Foundation, with our slightly more modest power, we enact that by putting our money and energy where it is most desperately needed. We know that we have a rare ability to be truly impact-first, because we are a non-profit foundation and long-term investor without financial targets from our stakeholders. Instead, we can focus on the investments and activities that are most needed by the ecosystem, and which we have the capabilities to fill. Specifically, there are two main financing gaps in health and education that we're hoping to tackle.

Optimizer Foundation has a unique ability to fill gaps within the social entrepreneurship systems, and we have shouldered the responsibility by investing in a range of early-stage health and education companies.

First, pre-seed stage companies in Africa raising early rounds have severely limited funding options. Both debt markets and angel networks are underdeveloped in most African countries, so entrepreneurs are dependent on grants, competitions, accelerators, donations of friends and family, and personal savings. This funding burden falls most heavily on local African entrepreneurs, whose networks might have more limited family savings. Thus, many great ideas in health and education peter out in the early-stage funding "valley of death." At Optimizer Foundation, we can and must support these entrepreneurs.

Second, impactful companies that are not exponentially scalable are often ignored and underfunded. There are many health and education companies in Africa that will experience linear growth, will seek scale through replication by governments and other larger companies, or will open the door to funding for other enterprises. These companies may not see aggressive financial returns, but have historically had vast impact in sectors like renewable energy. Thus, at Optimizer Foundation, we will invest in a variety of early-stage companies that will scale or replicate at a pace set not only by a demand for financial returns, but also to create deep and meaningful impact.

OUR APPROACH: INVESTING IN BOLD IDEAS

1 WE FIND THE SOCIAL ENTREPRENEURS CHANGING THE HEALTH & EDUCATION SYSTEMS.

At Optimizer Foundation, we are tirelessly searching for entrepreneurs that share our vision of a future where all youth in Africa have access to affordable and high-quality health and education. We start by building deep expertise on the opportunities and challenges in health and education programs, to best identify and support social entrepreneurs. We then search for dedicated and impact-oriented founders and leadership teams, who have a financially sustainable plan to provide services to large populations that are underserved by current health and education programs. We currently focus on East African enterprises based in Rwanda, Kenya and Uganda, and also support ventures in India.

2 WE INVEST CAPITAL AND EXPERTISE INTO THEIR BUSINESSES.

Optimizer Foundation is a comprehensive impact investor, providing not only capital, but also advisory and support to social entrepreneurs. First, as an impact investor, we invest capital, usually in the form of equity or convertible debt, into for-profit social enterprises. Our investments range from \$50,000-150,000, with the potential of a similarly-sized follow-on investment.

Second, we provide hands-on support to our investees. We mobilize both our own skill sets, and our network of advisors and industry experts, to provide the types of advice and support that each individual company needs. Thus far, we have provided advisory in legal requirements, impact measurement, human capital, financial modeling, business development, investment-readiness, leadership skills, and technological development.

3 WE PARTNER WITH THE BROADER ECOSYSTEM.

To build true and lasting value in health and education, Optimizer Foundation needs to not only invest capital and expertise, but also support the broader system of entrepreneurs, investors, accelerators, regulators, private corporations, consultants, and other stakeholders. Over the past few months, these efforts have centered on sharing insights and ideas on gaps in the social enterprise ecosystem, and building a strategy that bridges those challenges. We have also pursued feedback from both investors and entrepreneurs to advance our pipeline-building and due diligence processes to create more efficient and equitable mechanisms for finding and investing in bold entrepreneurs.

In the coming year, Optimizer Foundation plans to crystallize those into learnings and share them broadly, through platforms like conference panels, blog posts, lectures at universities, office hours with entrepreneurs, and in this annual Impact Report. Moreover, we plan to continue talking about the unexpected, the undesirable, and the thorny problems, with all stakeholders, and identify methods where we can best fill gaps and create new value for all.

IN SHORT, WE INVEST WITH THE FOLLOWING INVESTMENT CRITERIA:

SECTOR: Education and Health

GEOGRAPHY: East Africa (Kenya, Uganda, Rwanda) and India

INVESTMENT SIZE: 50,000 – 150,000 USD

INVESTMENT TYPE: Equity, debt & hybrids

INVESTMENT STAGE: Seed and Early-Stage Ventures

IMPACT: Core product or service improves health or education outcomes for end-customers or users

CUSTOMER SEGMENT: Focus on underserved customers, who wouldn't otherwise have access to affordable and high-quality products or services

SCALABILITY: Scalability or replication potential for regional, national, international expansion

TEAM: Full-time team in pace with strong leadership skills, business acumen, and a clear orientation to drive impact

FINANCIAL SUSTAINABILITY: Generates revenue with long-term financial sustainability

INNOVATION: Develops new combinations of products and services, or applies existing solutions to new markets or segments.

OTHER: Whilst not an exclusive criterium, we are interested in technology-drive products and solutions

“We are very excited to be working with Optimizer Foundation as an investor in Kasha as they bring more to the table than just capital in a very practical way. Optimizer Foundation has strong connections in the ecommerce investment space in developed markets, so they can connect us to a lot of expertise related to ecommerce and tech. As part of the due diligence process, we had a very deep technical deep-dive led by Optimizer Foundation, where they brought on their CTO for us to have a great review and discussion with. Their CTO continues to support us with advisory on the tech side as needed. We've also received some legal advisory from them since operating in multiple countries can get complicated quickly. They've also been helpful on M&E and Impact analysis. Optimizer Foundation has a very strong focus on impact and balances that well with an understanding of what it takes to be a sustainable enterprise. We are very proud to have Optimizer Foundation as one of our investors.”

Joanna Bichel, Co-Founder of Kasha

“In 2018, Optimizer Foundation doubled their investment in Arifu through follow-on participation in our second seed round. This played an important role both in directly funding the placement of a full leadership team and in catalyzing investment of over \$1,000,000 USD from 5 new investors to close out an over-subscribed convertible debt round. Together with ongoing technical assistance, this funding has enabled Arifu to efficiently address critical areas of risk and pursue a more aggressive growth strategy in 2019 that will see our team double in size to 40 people by Q2. These hires are already well underway increasing the reach and effectiveness of our digital learning across Africa.”

Craig Heintzman, Founder of Arifu

OUR JOURNEY: WE'VE COME A LONG WAY AND WE'RE JUST GETTING STARTED

2017

FUNDED 3 IMPACTFUL INITIATIVES by investing in Arifu, and supporting 2 other impactful organizations, described in more detail later in the report.

FINALIZED OUR INITIAL INVESTMENT STRATEGY and investment criteria based on extensive market research.

MAPPED THE HEALTH AND EDUCATION SECTORS across Rwanda, Uganda and Kenya, identifying challenges and opportunities.

DEVELOPED A STRONG PIPELINE of impactful investment opportunities.

FOSTERED RELATIONSHIPS with other actors in the entrepreneurial ecosystems in East Africa.

BUILT A STRONG CORE TEAM based in Europe, with deep experience in investments, international development, and social entrepreneurship.

ASSEMBLED AN EXPERIENCED ADVISORY BOARD to support our strategic decisions.

2018

FUNDED 4 IMPACTFUL INITIATIVES by finalizing 2 investments: a follow-on investment in Arifu, and a new investment in Kasha. We also completed follow-on support to Acumen and Armman, all described below in more detail.

LAUNCHED A NAIROBI OFFICE and deepened our expertise and understanding of the East African region.

HIRED TWO MORE STAFF MEMBERS, increasing our internal expertise in start-ups and local health and education dynamics.

EXPANDED OUR ADVISORY BOARD to include deep technical and sectoral expertise.

PROVIDED CRITICAL SUPPORT to our investees through advisory on legal, impact, technology, human capital, and business development challenges.

INCREASED OUR NETWORKS and profile across East Africa, in order to understand and support the larger ecosystem.

UPDATED OUR INVESTMENT STRATEGY to best fill the gaps in the market, presented above.

OUR FUTURE: **LOOKING FORWARD**

Optimizer Foundation is committed to tackling extreme poverty by investing in the complex, but critical, challenges of health and education for youth in Africa. In 2019, we're looking forward to furthering our vision by opening an office in London, investing capital in additional innovative social enterprises, deepening our sectoral relationships and expertise, and supporting our investees as they change the world.

OUR IMPACT: INVESTING IN CHANGE

Our Overall Impact

Optimizer Foundation aims to strengthen early-stage innovative health and education social enterprises. We help them access critical sources of capital and mentorship, and thus scale and iterate on their solutions to support underserved populations. This, in turn, improves long-term quality of life and economic prosperity outcomes for youth in Africa. We do this both by facilitating the sharing of networks and learnings in the ecosystem overall, and by filling a system gap through providing capital and advisory to a range of early-stage social enterprises in health and education. Ultimately, we hope to add value to the customers of our investees, to the entrepreneurs and teams that we invest in, and to the broader ecosystem, in order to best improve overall health and education outcomes.

We have already created substantial value and impact in health and education in Africa. Our last two investees, Kasha and Arifu, have had meaningful impact on thousands of lives; we have provided hours of support to investees and leads alike; and we have worked closely with the ecosystem to develop a new investment strategy and share learnings. These achievements are summarized below.

With that said, we do invest in early-stage companies who are still building the capabilities to measure their impact. Thus, over time, we expect to have increasingly mature and detailed impact measurements. We look forward to sharing those metrics with you in the coming years.



For the 3 Direct Investments:

\$400,000 Invested

75% Investments in Female Entrepreneurs

2,756,488 Total Customers

1,767,768 Low-Income Customers (<\$5/day)

240 Total Jobs Created

KASHA: CASE STUDY



LOCATION: Rwanda, Kenya

YEAR FOUNDED: 2016

FOUNDER: Joanna Bischel, Amanda Arch

SECTOR: Health

INVESTMENT: \$150,000 (November 2018)

TYPE: Convertible Note

WEBSITE: kasha.rw

THE NEED

African women struggle to access high-quality beauty and sexual health products, resulting in lower health and education outcomes. Despite being the largest and most influential demographic for health products on the continent, African women encounter a lack of variety and volume, unaffordable products, stock-outs, a prevalence of counterfeit products, and social stigma when purchasing health products such as contraceptives and pregnancy tests. This has far-reaching negative impact; for example, 30% of girls drop out of school due to lack of menstrual care, and young women in Africa are the single largest demographic of HIV-infected people in the world. As of 2017, if the 215 million women in developing regions who lacked access to desired contraceptives were able to access them, unintended pregnancies would be reduced by 75% and unsafe abortions 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 health and beauty 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 through a



combination of delivery options such as direct delivery and an agent network. Kasha started in Rwanda, has now expanded to Kenya, and has an impressive number of low-income customers buying sexual and reproductive health products.

THE INVESTMENT RATIONALE

We immediately saw the potential of Kasha because of their impact-driven team, impressive partnerships, and adaptable business model. The Kasha founders and leadership have a remarkable range of technical, contextual, strategic, and leadership skills to develop a successful and impactful business. They have also developed critical partnerships with health & beauty powerhouses like Johnson & Johnson

and Unilever, creating mutual learning and value. Finally, they have developed a business that truly meets customers where they are – using a variety of technical solutions and delivery methods to provide value for each and every customer. We're excited about their recent expansion to

Nairobi, and are thrilled to support them in the future, in areas such as technological advice and impact measurement.

JULIENNE, A KASHA CUSTOMER

Julienne lives close to a Kasha agent, and she used to see a Kasha bike driver deliver packages to her daily. She was curious about the mysterious packages that the agent received and delivered regularly. She therefore asked the agent to explain to her what Kasha stood for. The agent explained how Kasha works and told her about the various products on our platform. She also gave Julienne a soap available on Kasha's platform to try out. Julienne really liked the soap and started placing orders through the agent. Today, she particularly likes ordering sanitary pads on the platform. Before learning about Kasha, she would often make multiple trips to her community kiosk when she needed pads. She wanted to buy them when there was no one present and would keep coming back until the setting was ideal.

With Kasha, she does not have to worry anymore: she is able to get pads confidentially and they are delivered to her. She is more at ease and is no longer stressed about going to the kiosk to get pads.

THE IMPACT

30,488

Total Customers

15,591

Total customers of Health Products
(including family planning, menstrual care
and vitamins)

23,868

Total Low-Income Customers

110

Total Jobs Created

ARIFU: CASE STUDY



LOCATION: Kenya, Tanzania and Rwanda

YEAR FOUNDED: 2013

FOUNDER: Craig Heintzman

SECTOR: Education

INVESTMENT: \$100,000 (September 2017),
\$100,000 (August 2018)

TYPE: Convertible Note

WEBSITE: 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,¹² and for those that can access it, just 500MB of data costs about 15% of average incomes, more than school fees for their children.¹³ Moreover, the information is rarely packaged effectively, and less than a third of training programs improve earnings or employment.¹⁴

THE ARIFU SOLUTION

Founded in 2013, Arifu's platform delivers leading-edge technology over the most widely accessible mobile channels to better distribute trainings and information. Multinational organizations in any sector can use Arifu's platform to provide training and information through SMS to anyone with a basic phone, in order to upskill low-income populations and informal businesses across their value chains. Arifu designs interactive educational content, publishes this content on their digital platform, and measures interactions and outcomes. In the

future, Arifu aims to leverage artificial intelligence in order to provide speedy and tailored answers to the customers' questions, ranging from health advice to recommendations on how to maximize their agricultural yield.

THE INVESTMENT RATIONALE

Arifu is one of the few platforms that is truly reaching rural populations and informal businesses, through both their accessible platform and their compelling content. Arifu's platform integrates the basic technology accessible to low-income populations with advanced personalization of content. Moreover, Arifu has been one of the pioneers in the application of behavioral science to mobile learning, and continues to run AB tests on effective narratives and content. Finally, Arifu's impact-focused, technically-experienced leadership has built a strong team and effective partnerships, scaling the business across multiple sectors and countries. After making two investments in Arifu, we're excited about their journey thus far, and are equally enthusiastic to continue to them in applying human empathy to a powerful technological platform, and creating lasting change.



GLADYS, AN ARIFU POWER LEARNER

Gladys heard an ad about Arifu's free training on



financial management and agronomy, offered as part of KCB MobiGrow. This seemed relevant: she is a mother, farmer, and entrepreneur who grows and sells fruits and vegetables in Baringo County, Kenya. However, she's struggled to afford the fertilizer that improves soil and plant health, limiting her harvest and constraining her business.

Gladys registered for MobiGrow, and received unlimited training with Arifu on her basic phone. She then started to further explore the platform, accessing interactive educational content from

KCB and Heifer International. In 2 months, she pulled 437 messages through SMS-based chat from Arifu's platform.

Gladys now uses low-cost techniques to improve her yield, based on the farming training with Heifer International. She has also gone through financial training, and is confident borrowing to grow her business.

"I am impressed by how my vegetables are flourishing... Because of Arifu, I am no longer scared of loans."

THE IMPACT

826,000

Total Customers

660,900

Total Smallholder Farmers

20

messages on average per client

32

Fulltime Team Members

For clients of certain partners, engagement with Arifu's Platform correlated with increased financial knowledge and well-being, higher ability to take up loans, better record-keeping, planning and overall business practices, and self-reported quality of life.

Farmers who used select Arifu services witnessed an increased yield of ~55%, representing ~190 USD in increased income / hectare

OUR IMPACT: SUPPORTING IMPORTANT ORGANIZATIONS

As we developed our investment strategy in 2017, we also supported two other impactful organizations which are changing lives and removing barriers to prosperity.

ARMMAN

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.¹⁵

THE ARMMAN SOLUTION

ARMMAN is a secular non-profit that provides pregnant women with the adequate information to facilitate a health pregnancy, delivery, and first year of infant life.

ARMANN provides a digital platform that calls pregnant women semi-weekly, and covers critical information such as the necessity of



LOCATION: India
YEAR FOUNDED: 2013
FOUNDER: Dr. Aparna Hedge
SECTOR: Health
COMMITTED FUNDS: \$50,000 over 3 years (April 2017)
WEBSITE: armman.org

iron folic acid and the early warning signs of preeclampsia. Post-birth, ARMAAN provides advice on topics such as vaccinations, family planning, and health on a regular basis. This education is critical to supporting pregnant mothers and newborns, and reducing mortality.

THE IMPACT

1.9 million

women reached by mMitra, with

~250,000

women enrolled in 2018

57%

are women living on <\$4.75 per day

37

Auxiliary Nurse Midwives trained and supported by pilot program

98

Fulltime Team Members

ACUMEN

THE NEED

Vast swaths of the world still lack access to affordable and high-quality education. Overall school enrollment has increased in every region of the world, especially in India where primary school enrollment increased from 80% to 97%. 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.¹⁶

THE ACUMEN SOLUTION

Acumen's Education Fund invests in education social enterprises, and aims to impact 5 million students in India & 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.



LOCATION: India, Pakistan
TIMELINE: 2016 - 2020
SECTOR: Education
INVESTMENTS: Ignis Careers, SEED Schools, EduBridge, Vikalp India, Nasra Public Schools, LabourNet India
COMMITTED FUNDS: \$100 over 3 years (April 2017)
WEBSITE: acumen.org

They are focused on low-cost schools, student support services, education technology and vocational trainings. Thus far, they have 7 investments in India and Pakistan, and are currently focusing on increasing investments in Latin America and East Africa.¹⁷

THE IMPACT

7

Investees

61%

of Individuals reached living on <\$6/day (reported by 5 of 7 portfolio companies)

1.5 million

lives in total impacted in the portfolio companies

~964,000

children impacted by portfolio companies

Acumen is also in the process of completing Lean Data studies for portfolio companies. For example, for Edubridge, Acumen found that:

68% of graduates saw their incomes increase by at least **50%**

92% of graduates felt that their quality of life had improved

60% of graduates believed that they now had access to better jobs

70% of graduates found direct application of the training in their jobs

BOARD AND PEOPLE AT OPTIMIZER FOUNDATION



Helena Riese Harstad
Chairman & Co-Founder

Helena Riese Harstad 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.



Anne Stubert Partridge
Chief Operating Officer

Anne Partridge is the COO of Optimizer Foundation. She is responsible for developing and implementing the strategy of the foundation, identifying and evaluating investment opportunities, and managing the portfolio.



Emily Durfee
Investment Manager

Emily Durfee is Optimizer Foundation's Investment Manager, based out of Nairobi, Kenya. She is establishing Optimizer's East African operations, and managing the local investment pipeline, due diligence processes, portfolio advisory, and ecosystem relationships.



Alexandra Rosberg Hinxman
Board Member

Alexandra Rosberg Hinxman is a board member of Optimizer Foundation. She works as governmental advisor specialising in international relations.



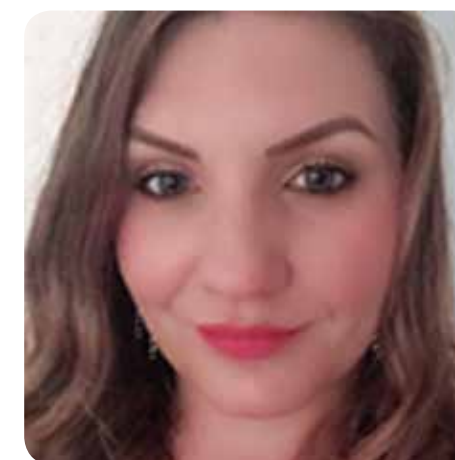
Catharina Belfrage Sahlstrand
Board Member

Catharina is a board member of Optimizer Foundation. She is a lawyer and heads the legal team at Debt Capital Markets at one of the major Nordic banks Handelsbanken.



Dorcas Wangari
Consultant

Dorcas Wangari is a consultant at Optimizer Foundation, based in Nairobi, Kenya. She is building Optimizer's product-market insights capability, unlocking the Foundation's ability to understand true market value and customer segmentation of new products or services.



Bianca J. Samuelsson
Project Coordinator

With a background in Business and Tourism, and many years of experience in business and office management, Bianca brings an unprecedented level of organisation and structure to our daily operations.

MEMBERSHIPS & PARTNERS



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 providing reliable and affordable access to quality education, healthcare services, formal housing, and safe drinking water to low-income customers. The patient capital Acumen provides is accompanied by a wide range of support services to support organisational scale up. Its aim in investing patient capital is not to seek high returns, but rather to jump-start the creation of enterprises, and subsequently improve the lives of the poor. We look forward to working closely.



INTELLECAP

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



I³N

Intellect Impact Investment Network (I³N or I-cube-N) is a global network of impact investors, both individuals and institutions who come together to co-invest in impact enterprises across India and East Africa. Their aim is to plug the pre-VC funding gap early stage enterprises face by mobilizing domestic capital and connecting international investors to domestic investors. Their investors come together to support brilliant and passionate entrepreneurs who are dedicated to solving difficult problems at the bottom of the pyramid. I³N has over 120 members across its 2 chapters in India and East Africa, with investing interests in 5 countries namely India, Kenya, Rwanda, Tanzania and Uganda.



DASRA

Dasra is India's leading strategic philanthropy foundation focused on creating large-scale social change toward a transformed India where a billion thrive with dignity and equity. Founded in 1999, Dasra accelerates social change by driving collaborative action and powerful partnerships with funders, social enterprises and other key stakeholders. Dasra works on a range of challenges in India including empowering adolescents, sanitation and governance. We are excited to work with Dasra over the coming years to support the organisation ARMMAN's scale up and continue the important mission of reducing maternal and child mortality in India.



METTA

Metta is a member's club for the entrepreneurial community to connect, share knowledge and bring ideas to life. Metta gathers a community of entrepreneurs, investors, consultants, and other actors in Nairobi. They enable introductions, collaborations, and a strong community, so that members meet related actors, learn from each other, and together build a better future. We have been a member since December 2018.



NAIROBI GARAGE

Nairobi Garage is a new way of working, that allows members to co-work, network, and share innovative ideas. Nairobi Garage has two locations in Nairobi, and brings together a unique community of entrepreneurs, investors, creators, and consultants. We have been a member since January 2018.

DONATIONS

Our ability to make bold investments in health and education is enabled by our many donors, who invest money and expertise into our vision. If you're interested in supporting our work, contributions to Optimizer Foundation Insamlingsstiftelse can be made to its bank account in Handelsbanken:

Account Number: 462 953 351

IBAN: SE68 6000 0000 0004 6295 3351

BIC: HANDSESS

Bank Address: Norrmalmstorg 12, 103 91 Stockholm

SWISH

We now also support donations via Swish!

Swish number: 1234425120

REFERENCES

- 1 We sometime refer to “the Ecosystem” of the impact investing world. The definitions are many, but would perhaps at least include funds, foundations, family offices, investor networks, angel investors, government, intermediaries, incubators and accelerators, grant makers, more or less anyone invested and contribution to the impact investing community.
- 2 singularityhub.com/2018/07/01/new-evidence-that-the-world-really-is-getting-better/
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