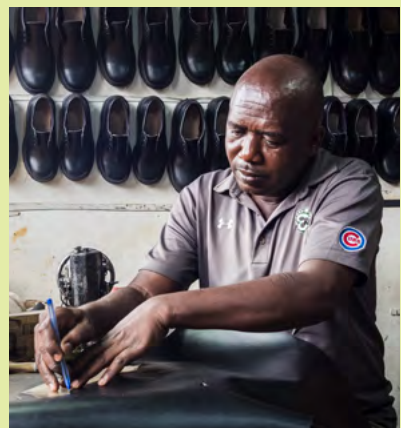




IMPACT REPORT 2021



TEAM'S LETTER

At the core of our investment thesis is improving the quality of lives of youth populations in Africa. Since our founding in 2017, we have focused on the essential pillars of human development by investing in business models that focus on education, healthcare and employment.

In addition to the existing investment criteria, we have developed our investment strategy to address some of the disparities in the start up ecosystem across our markets. These disparities include the skewed allocation of capital. While 44% of the total number of deals in Africa in 2021 were closed by local founders, these deals accounted for only 28% of the total deal value. In Kenya, for example, only 16% of the total amount was raised by local founders, an improvement from 6% in 2019. At Optimizer Foundation, we sought to tackle this disparity by prioritizing local founders or co-founders in our sourcing in the past year and going forward. We believe that homegrown entrepreneurs have a long-term commitment in their execution, deep understanding of local market context, as well as wide networks within their markets of operation. We also aim to plug into the first stage/early-stage funding gap that a lot of local founders grapple with.

In 2021, less than 7% of start-up funding in Africa was raised by female CEOs. In addition, less than 1% of funding was raised by single female founders and female-only teams. While the proportion of female entrepreneurs in Sub-Saharan Africa ("SSA") is the highest globally, there has been an emphasis on mentorship and capacity building that has failed to translate into funding opportunities. Further, a 2018 study by IFC indicated that failure to access first-stage funding as well as a lack of female decision-makers in Venture Capital contributed to the underfunding of women. Women-led businesses are likely

to build more diverse organisations that are inclusive of women, and hence better suited to develop products and services tailored to meet women's needs. Further, research shows that women in emerging markets reinvest 90% of their income into their families, through education, health and nutrition, which transforms communities in the long run. Consequently, there is not only a moral but an economic imperative to invest in women-led businesses with the funding shortfall undermining the economic growth potential across Africa. At Optimizer Foundation, 50% of our current portfolio companies have at least one female co-founder. In 2022, we would like to further develop our commitment to gender lens investing as we continue breaking the bias in our sourcing of investment opportunities.

The World Bank estimates that, by 2050, half of the population in Africa will be under 25 years. As an investor with a focus on the youth and their future, it is increasingly crucial that we integrate climate mitigation and adaptation in our investment thesis. To this end, we will be incorporating climate action in our sector focus. This will entail investing in business models that build climate resilience in Africa particularly for vulnerable populations.

Finally, looking into 2022 and beyond we intend to continue collaborating across the ecosystem with investors, experts, entrepreneurs, and communities as we endeavour to bridge the gap by funding and supporting impactful, sustainable businesses in Africa in the years to come.

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About Optimizer Foundation

At Optimizer Foundation, we work with entrepreneurs that share our vision of a future where youth across the African continent have access to affordable and high quality health and education, as well as gainful employment. We support innovative, dedicated and impact-oriented founders and leadership teams with financially sustainable business models to provide products or services that solve important problems and create a positive social impact.

Funding gap

Early stage, social enterprises in Africa

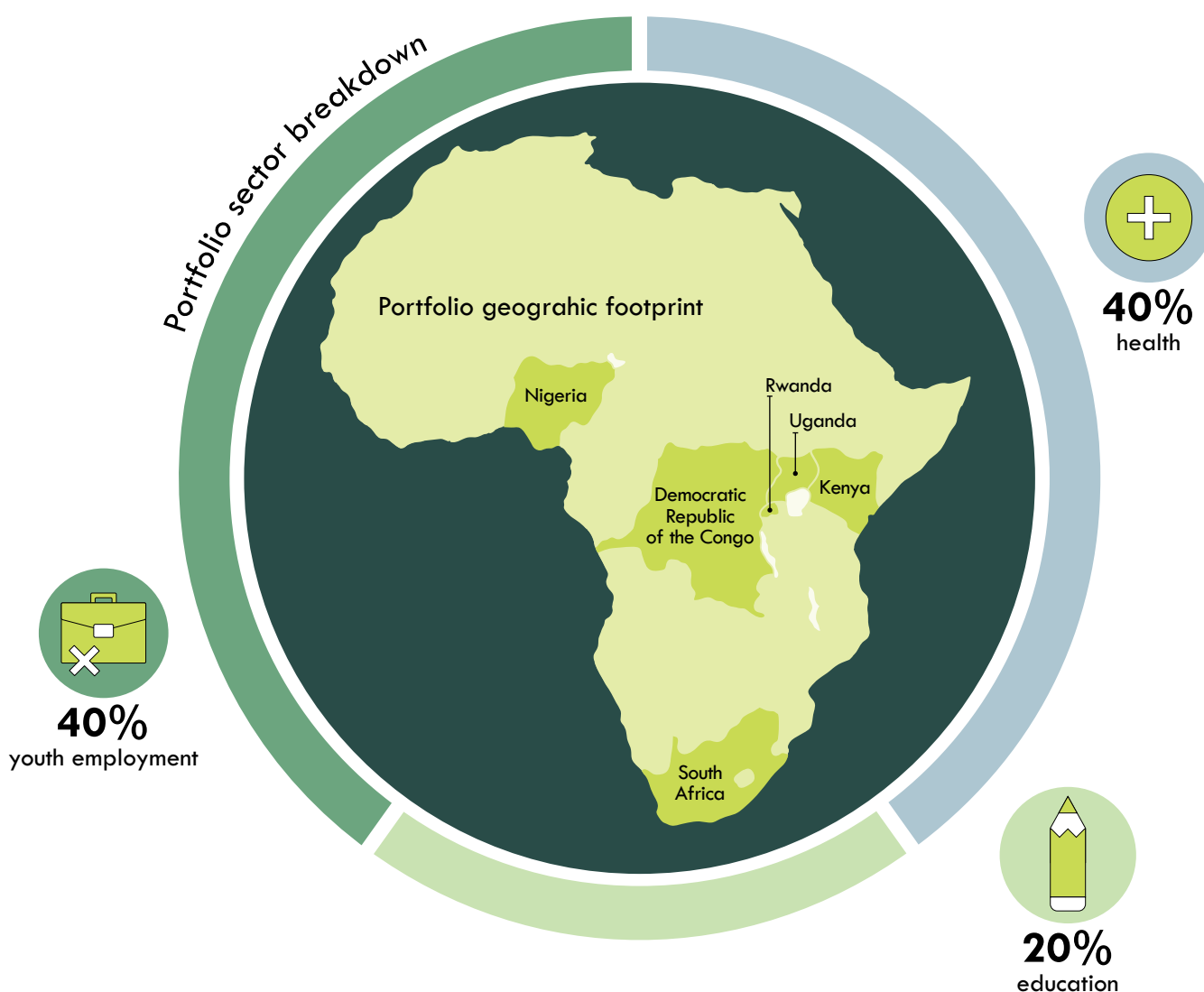
operate in nascent ecosystems. Access to funding is a challenge for early stage ("pre-seed") businesses. Capital from friends & family, and "angel investors" is scarce, and commercial debt can usually only be accessed at a much later stage. Whilst traditional Venture Capital ("VC") funding in Africa is growing, it is still limited relative to developed markets globally.

Optimizer Foundation plugs the funding gap by providing patient, catalytic capital without the typical exit timeline. We invest in a variety of companies whose pace of scale up

is set not only by financial targets but also their ability to create sustainable impact.

Value addition

We work closely with our portfolio companies, offering important non-capital support across several areas including: strategy; technology/product; team development; legal guidance; and impact thesis and assessment. The support is provided through our team as well as our network of advisors and industry experts. We also leverage our networks of peer investors to support in capital raising.



Investment criteria



SDG contribution

Through our investments, we contribute to the realization of a number of Sustainable Development Goals (SDGs) either directly or through positive spill-over effects. These include:

Direct impact ▶



Through spill-over effects ▶



Key highlights

Key investment buckets



Education



Youth
employment



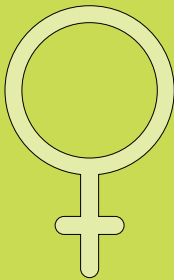
Health



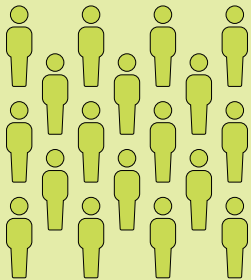
Climate
action



10
portfolio companies



50%
of women led companies



1,346,843
patients served



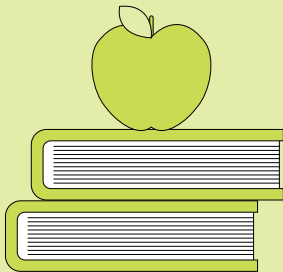
10,235
independent workers financed



1,531,575
individuals accessing
educational content



11,232
businesses funded



3,083
teachers trained

All impact figures summarize impact data since the companies' inception up until end 2021 unless otherwise stated.



Looking back at 2021

In 2021, the second year of the COVID-19 pandemic, social distancing, lockdowns and mask mandates continued to be commonplace. However, since the onset of the lockdowns in 2020, there has been some adjustment into a new normal in 2021, both in our daily lives and also observed amongst Optimizer Foundation's portfolio companies. This adjustment was also evident in Venture Capital ("VC") investment in Africa with a record US\$5.2bn deal value in 2021 according to Partech. This record was in part informed by a revival in economic activity and the pandemic driven shift towards tech-enabled services including online service delivery, telehealth, e-learning and e-commerce. Following the recession in 2020 that led to a global GDP decline of 3.3%, 2021 was the year of recovery. For example, Kenya's GDP grew by 10.1% in the second quarter relative to a contraction of 2.1% over the same period in 2020¹.

While in 2020 the focus was on the spread of COVID-19 across the globe, 2021 focused on speedy vaccine distribution to curb the spread. As early as January 2021, various

COVID vaccine producers began distribution efforts. As at the end of 2021, an estimated 3.8 billion people worldwide were fully vaccinated i.e. 49.9% of the global population. However, inequities in vaccine access came into focus with the distribution of vaccines skewed towards wealthier nations. According to the Africa CDC², as of early January 2022, only 11.3% of the African population was fully vaccinated.

The COVID-19 pandemic continued to unmask the limits of the resilience of health systems. In Sub-Saharan Africa ("SSA"), focus on COVID-19 partly undermined progress made on Malaria, Tuberculosis ("TB") and HIV which are among the main causes of death. SSA accounts for 94% of global malaria deaths³. The good news is that upon a 2-year successful pilot in 3 SSA countries, WHO recommended a malaria vaccine for use among children in SSA and other regions with moderate to high malaria transmission⁴. Africa's brain drain is particularly pervasive in the health sector with 20% of African-born physicians working in high-income countries. The pandemic ►



10.1%

growth in Kenyan GDP in the second quarter relative to a contraction of 2.1% over the same period in 2020



3.8 billion

people worldwide were fully vaccinated at the end of 2021 (estimated) i.e. 49.9% of the global population, only 11.3% of the African population was fully vaccinated

Looking back at 2021 (cont.)



exacerbated this challenge with several Western countries issuing calls for foreign medical professionals with some of them specifically targeting Africans⁵.

If the future of jobs arrived in 2020, it unpacked its bags in 2021. The pandemic continued to induce job disruptions and volatility in labour markets. According to the International Labour Organization ("ILO"), the pandemic pushed approximately 5 million workers and their families in SSA into extreme poverty⁶. In parallel, the "gig economy"⁷ in Africa is expanding with the growing digitization of services and the job losses emanating from the pandemic-induced recession. In the context of East Africa, the gig economy provides a buffer against unemployment and facilitates youth participation in economic opportunities⁸.

The disruption in labour markets, resulting from the pandemic, drove demand for professional development and upskilling particularly in developed markets. This informed the 3x growth in education technology ("Ed-Tech") investments globally from pre-pandemic levels. Despite the growing digitization in Africa, EdTech investments in Africa make up only 1% of the continent's total VC deal value. This highlights the need for infrastructure development to facilitate cheaper, ubiquitous internet connectivity and technology literacy to support the future of jobs.

US\$5.2bn

is the record amount of Venture Capital (VC) investment in Africa, with a revival in economic activity and pandemic-driven shift towards tech-enabled services including online service delivery, telehealth, e-learning and e-commerce.



Investment highlights

VC funding in Africa grew by 3x in 2021 to reach a record high US\$5.2bn. This growth is largely attributed to investments in digitized financial services ("fintech"). At Optimizer Foundation, we made investments in companies that are building resilience and improving income generation through financial inclusion and the optimization of health systems:



1 **ImaliPay** is a financial services company targeting gig workers in Africa. The company partners with gig platforms (in food delivery, taxi services etc.) to extend financial services to their workers through a model known as embedded finance.



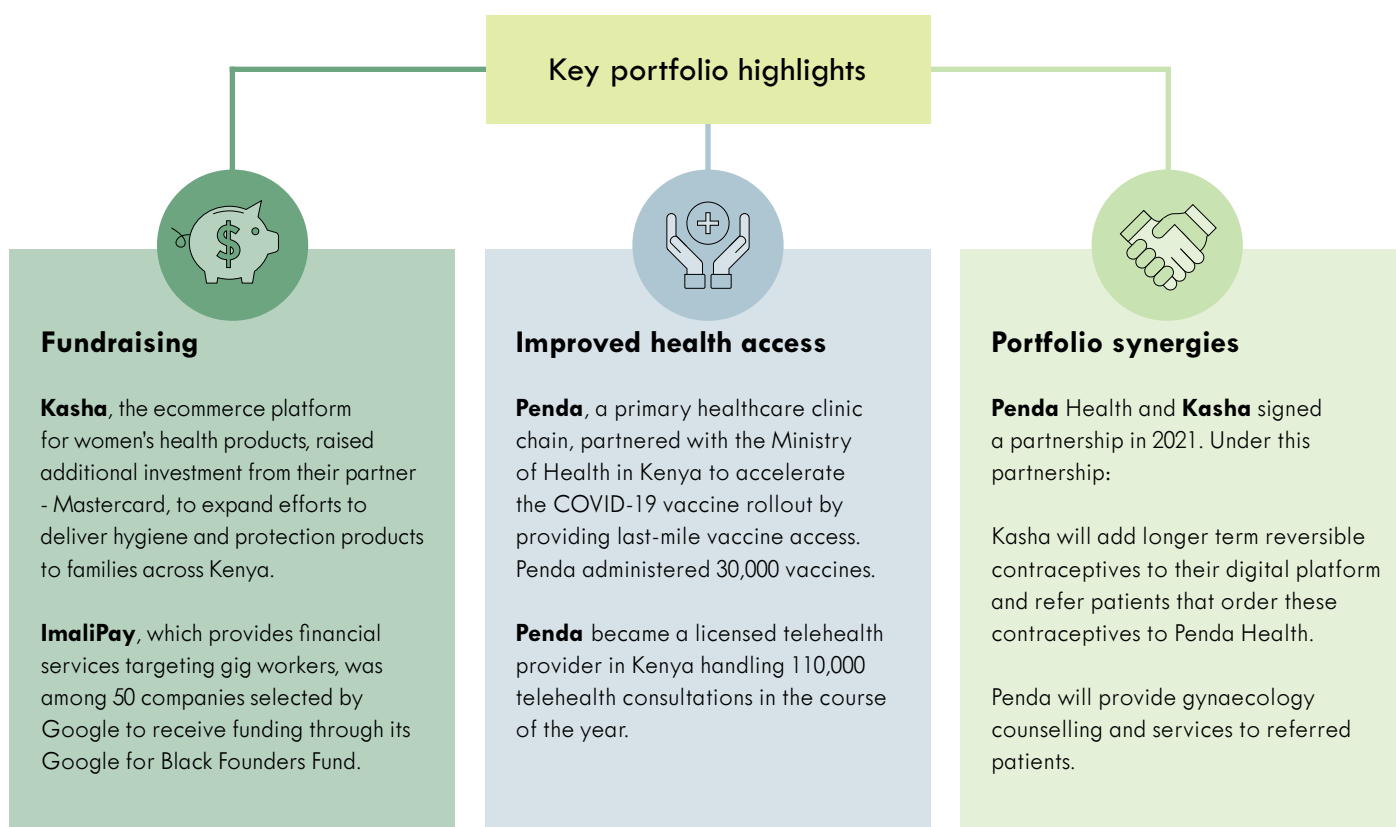
2 **Viebeg** is a healthtech company that provides high-quality medical supplies and equipment (consumables, laboratory equipment etc.) across East and Central Africa through an innovative, data-driven procurement platform. Through their platform, Viebeg provides an automated and transparent sourcing process and an inventory management system that enables healthcare providers to avoid stockouts and expired stock.



3 **ZUMI** is a fast-growing company seeking to digitize the fragmented secondhand clothing sector through their marketplace which aims to improve incomes for women. During the year, we invested additional capital following our first investment in 2020.

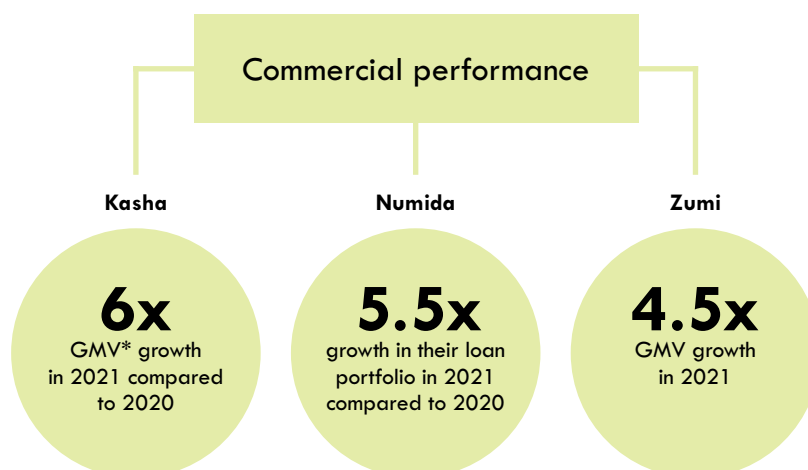
Portfolio spotlight

In 2021, our portfolio companies remained resilient as they continued to navigate the challenges emanating from the pandemic. With the lifting of lockdown restrictions and subsequent revival of economic activity, our portfolio companies were able to raise funding as well as expand their operations and partnerships. They also continued to play a critical role in enhancing resilience within the communities they serve through 1) Financial inclusion to minimize economic shocks, 2) Training of entrepreneurs and smallholder farmers, and 3) Last-mile delivery and administration of vaccines.



Y-combinator highlight

Numida, the digital micro-business lender provides, was selected as one of 10 African start-ups by Y-combinator - the leading technology start-up incubator.



*Gross Merchandise Value ("GMV") - total value of sales



PORTFOLIO IMPACT

Healthcare

The gap

Access to quality and affordable healthcare is essential for human development. In Africa, this access remains elusive for a significant proportion of the population. This is demonstrated by the low life expectancy rate at 61 years against a global average of 72 years. Further, the physician per 1,000⁹ people ratio in SSA is at 0.2/1000 compared to the EU's 4.9/1000.

In the absence of effective universal health coverage, high cost of healthcare in Kenya¹⁰, for example, remains a key impediment to access, as well as a source of impoverishment. The Kenyan government budget allocation to health is at 4.8% for the FY2019/20 budget against a target of 15%.¹¹ The pandemic-in-

duced economic downturn resulted in loss of job opportunities and decline in incomes. This pushed more households into poverty in Kenya and amplified the need for affordable, quality, healthcare to avoid catastrophic health expenditures.

The solution

To alleviate some of the access and affordability hurdles, Optimizer Foundation invests in various business models in the health sector including, but not limited to, those that 1) Provide primary healthcare to underserved populations in middle and lower income areas, 2) Leverage technology to democratize access to healthcare products and services, and 3) Drive awareness and education around various aspects of health.

Active investments



SDG impacted



61 years is the life expectancy in Africa, contrasting with the global average of 72 years



0.2 physicians per 1000 people in SSA, compared to the EU's 4.9/1000

HEALTHCARE: SECTOR INSIGHTS

Medical products supply chain



Scan the QR code with your phone camera to visit Viebeg's website, who are tackling this issue.

1

Fragmented supply chain

In Africa, most medical products are imported from abroad and sold via several layers of brokers and middlemen.

This supply chain fragmentation results in:

1. Lack of price transparency
2. Varying quality and availability of products
3. Significant price mark-ups at each stage that affect affordability to the customers.

Digitization of the supply chain through the creation of an online marketplace would alleviate this lack of transparency, minimize the layers of middlemen and solve for quality and availability by providing several supplier options in one platform.



2

Optimizing inventory management

Manual (paper & pen) tracking of inventory is still prevalent among healthcare providers. Due to the admin-heavy nature of the process, there are often inefficiencies that lead to either stockouts or stock expirations of critical products to deliver care.



A marketplace that connects medical suppliers to healthcare providers and embedded with inventory management capabilities would solve for stock issues for healthcare providers. In addition, it would strengthen predictive analytics therefore enhancing logistics planning as well as affordability and availability for the end customer (patient).



Impact highlights



Offering high-quality and affordable healthcare

Investment type Convertible Debt

Location Kenya

Year founded 2011

Founders Stephanie Koczela;
Nicholas Sowden

Sector Health

pendahealth.com

The need

Middle- and lower-income Kenyan populations struggle to access high-quality and affordable healthcare, because of poor-quality public clinics and few profitable and scalable private clinic solutions. The public health sector is constrained in terms of budget, number of healthcare professionals as well as equipment and drugs. This results in long wait times, varying quality of healthcare provision, and generally poor customer experience.

The solution

Penda Health provides high quality, accessible and affordable healthcare to the mass market. The company is currently operating a network of 21 medical centres that are conveniently located in major hubs targeting lower- and middle-income patients. Penda offers comprehensive out-patient services, including general and specialist consultations, lab services, pharmacy services, antenatal care, vaccinations etc. In 2021, the company continued to expand their service delivery channels by becoming a licensed telehealth provider. Penda recorded a total of 110,000 telehealth consultations during the year.



Impact metrics



21
medical centres



303,020
patient visits in 2021 alone



1 millionth
patient served in 2021



110,000
telehealth consultations*



US\$12
per consultation



30,000

COVID-19 vaccines delivered
after collaboration with
the Ministry of Health to
expand vaccine distribution in
lower income areas

Vaccination access

"Optimizer is the kind of investor that entrepreneurs dream about - they have strong relationships in the sector and smart leadership on the ground locally. They really walk the journey with their portfolio companies - digging in on strategy, providing connections, and providing moral support along the way. I'm delighted to have them as part of our investor group."

Stephanie Koczela,
CEO & Co-founder, Penda Health.

*Since inception



Improving women's access to health and hygiene products through e-commerce

Investment type Equity

Location Rwanda, Kenya

Year founded 2016

Founders Joanna Bischel,
Amanda Arch

Sector Health

kasha.rw, kasha.co.ke

The need

Women in emerging markets struggle to access high-quality menstrual and sexual health products. They often encounter social stigma, stockouts, and counterfeit products — especially related to sexual and reproductive health products. 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. In addition, in SSA, 25% (highest proportion globally) of women of reproductive age have unmet need for contraception.¹²

The solution

Kasha is an e-commerce platform improving women's access to health, hygiene, and self-care products in East Africa. The company sells a range of menstrual care products, contraceptives, pharmaceuticals, and beauty products via its own platform. Kasha aims to act as a trusted source of information around women's products and operates in close co-operation with selected health partners.

Kasha's products and services are accessible through the web platform, as well as with a basic phone, and via an agent network to serve women in rural areas. The agent network has played a key role as an education channel providing information on menstrual health, contraception and personal care to the communities they serve.



Impact metrics



403,786
unique consumers served*



9 million
product units sold*



50%
of customers are low income



624
monthly active Kasha agents



51%
of women in the agent network



Awareness initiatives

- In 2021, Kasha ran a number of educational sessions (online and physical events) to drive awareness around topics such as breast cancer, mental health, and infant mortality.



Partnerships

- Kasha has partnered with Penda Health to increase their contraceptive offering
- Kasha has also partnered with Byon8, a telehealth company, to provide convenient access to medical care for patients from the comfort of their homes.

*Since inception



Optimizing the supply chain for medical equipment and supplies

Investment type SAFE Note
Location Rwanda, DRC, Kenya
Year founded 2018
Founders Tobias Reiter,
 Alex Musyoka
Sector Health
viebeg.com

The need

In most African markets, supply chains for procurement of medical equipment and supplies are highly fragmented. This results into several layers of brokers and middlemen and subsequently significant price mark-ups that affect affordability to hospitals and ultimately to the end customer (patient). This fragmentation also results in varied quality and availability. Stockouts and expirations are rampant given that manual inventory management is prevalent across most healthcare providers.

The solution

Viebeg de-risks and optimizes medical equipment and supplies by digitizing the medical equipment supply chain. Viebeg helps healthcare providers to procure automatically, transparently and efficiently via its digital marketplace for medical equipment/supplies. Some of the products they provide include consumables, dental and diagnostic equipment.

The company also provides a digital inventory management system – VieProcure - to healthcare providers to facilitate tracking, predict demand and avoid stockouts and expirations.



Impact metrics



383
healthcare providers served



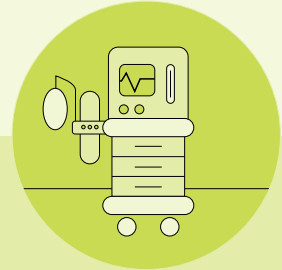
61
partnerships with suppliers of healthcare equipment



120,000
est. products sold

"Optimizer Foundation is a very active, hands-on investor with a strong focus on impact creation. The team has a deep understanding of the local market and the industries they invest in and is providing us with valuable strategic support and an extensive impact-driven investor network."

Tobias Rieter,
CEO & Co-founder, Viebeg.



Ejo Heza

Surgical centre in Rwanda

The surgical centre urgently needed a new Anaesthesia machine since their old one broke down, but struggled with capital to purchase a new one. Through Viebeg, they could procure the machine at flexible payment terms within only a couple of weeks, allowing the centre to continue to operate and save lives.

Viebeg's team of experienced biomedical engineers continue to provide after-sales support to the surgical centre, maintaining and servicing the new machine. Owing to their new long-term partnership with Viebeg, Ejo Heza is now procuring their medical supplies and equipment through Viebeg's inventory management platform "VieProcure" resulting in a reduction of their procurement costs and stockouts of medical supplies.



Providing affordable healthcare in Nairobi's informal settlements

Location Kenya
Year founded 2012
Founder Melissa Menke
Sector Health
accessafya.com

The need

About 60% of Nairobi's population resides in informal settlements. Residents in these lower income settlements are often more vulnerable to economic shocks and are less likely to have access to nearby quality and affordable healthcare.

The solution

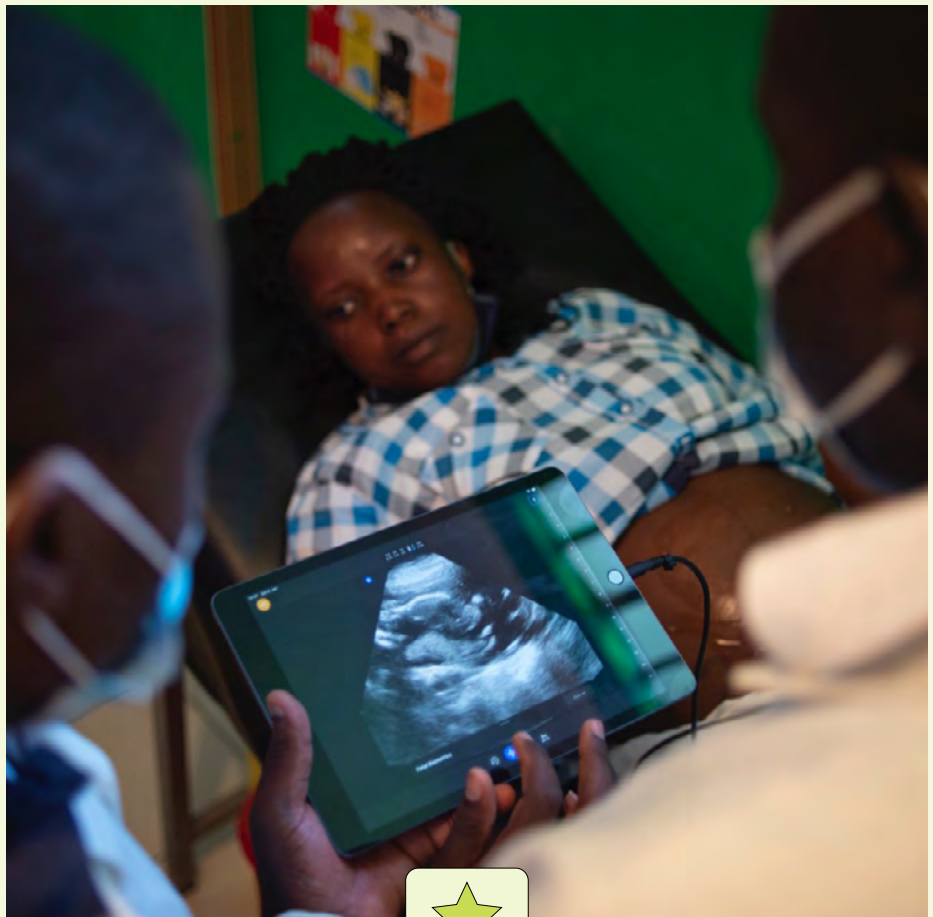
Access Afya is a primary healthcare provider with a chain of micro-clinics providing affordable healthcare in Nairobi's informal settlements (slum areas). The company improves access to affordable healthcare through physical clinics complimented by their telehealth offering for remote consulting which decongests hospitals and consequently prevents further infection. The company offers ongoing healthcare, including treatment of chronic conditions and medical emergencies. Through their online learning platform, Access Afya offers training to health workers in the communities therefore further enhancing quality of healthcare.

Impact Metric



346,843
 patients served*

*Since inception



Client testimonial

Jackline Mijide has a family of five, and they are regular clients of Access Afya Kisii Clinic.

“I like Access Afya because they have quality services. Before I gave birth, I came here for ultrasound scan, and I was able to check the health of my baby, get the accurate date of delivery and the sex of my child. This helped to put my mind at ease and prepare for the birth of my child.”

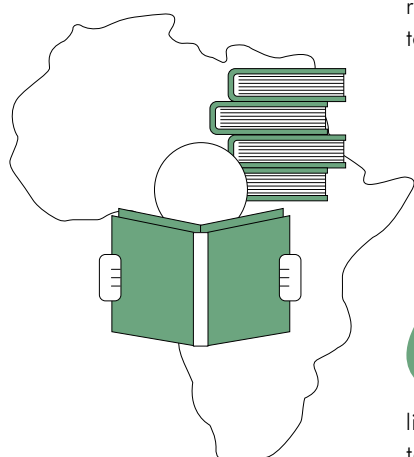


PORTFOLIO IMPACT

Education

The gap

With a literacy rate of 65% against a global average of 86%, Africa continues to lag globally in education. This is informed by a variety of factors such as financial constraints to pay for schooling, insufficient number of qualified teachers, obsolete teacher training approaches and insufficient or poor implementation of curriculum reforms.¹³ These challenges, and the resultant limited access to employment opportunities, perpetuates a vicious cycle of poverty by impeding economic mobility.



The solution

Optimizer Foundation seeks to tackle some of these constraints and enhance quality education access. We invest in a variety of business models in the education sector including, but not limited to, those that 1) Leverage technology to improve education access and outcomes for learners, 2) Provide education financing to overcome the affordability hurdle, 3) Provide modernized teacher training programmes and professional development in line with curriculum reforms and technological advancement, and 4) Digitize school management systems to reduce the administrative burden and increase teacher-student engagement.

65%

literacy rate in SSA compared to a global average of 86%

Active investments



SDG impacted



Impact highlights



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
arifu.com

The need

Access to relevant information has been democratized in the internet age. In the wake of the pandemic, the role of technology in both formal and informal education is growing significantly. In 2021, EdTech investments grew by 3x globally relative to pre-pandemic levels. However, Africa bucked this trend with one of the main hindrances being internet connectivity. Only 18% of Africa's population has access to internet¹⁴. For those that can access it, just 500MB of data can cost up to 15% of average monthly incomes or more than school fees for their children.¹⁵ Moreover, the information is rarely packaged effectively, and less than a third of training programs (i.e. business training, financial training etc.) improve earnings or employment.

The solution

Arifu provides a platform that delivers leading-edge technology over the most widely accessible mobile channels, to better distribute training, information and educative content. Corporations and international organizations (i.e. World Bank, UN) in any sector can use Arifu's platform to provide training and information through SMS to anyone with a basic phone. For example, companies 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.



Impact metrics



1,531,575
 "learners" reached*



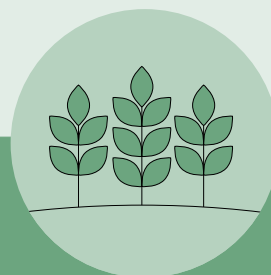
80%
 of individuals reached
 are smallholder farmers



Arifu learner testimonial

Female, 50 years, Nakuru.

"I and my family consume organic foods and live healthy. The savings from not using artificial fertilizers and pesticides has translated to higher profits and this means I can now afford a better life. Consuming organic foods means less diseases associated with foods and this means healthy living."



Financial education in Tanzania

Arifu partnered with Vodacom and Commercial Bank of Africa to provide financial education to rural farmers in Tanzania. Results from the impact analysis showed:

8x

increase in savings value
 at 4x higher frequency

9x

increase in loan payment frequency

Impact of organic farming training

Arifu provided training on organic farming in Kenya. An assessment of the program showed that Arifu's training has driven better farming practices (% of customers below):

90%

improvement in their
 organic farming yield

69%

increase in their farm income

76%

an overall improvement in their
 quality of life due to better yields

*Since inception



Re-imagining teaching and learning in Africa

Investment type Equity
Location South Africa
Year founded 2016
Founders Alim Ladha, Tom Parry,
 Evan Hendon
Sector Education
instill.education

The need

Traditional teacher training across the continent is heavily focused on theory with limited practical training. The lack of structured post-qualification professional development remains a hindrance to quality education and consequently learning outcomes for students in SSA. 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. A recent study conducted in South Africa across 3 universities reported that final year Education students (teacher trainees) scored 54% on a primary school maths test. The report called for an audit on the university teacher training programs.¹⁶

The solution

Instill Education is launching training programs to aspiring teachers and educators. 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.



Impact metrics



94
school partners



3,083
teachers trained
since inception



PORTFOLIO IMPACT

Youth employment

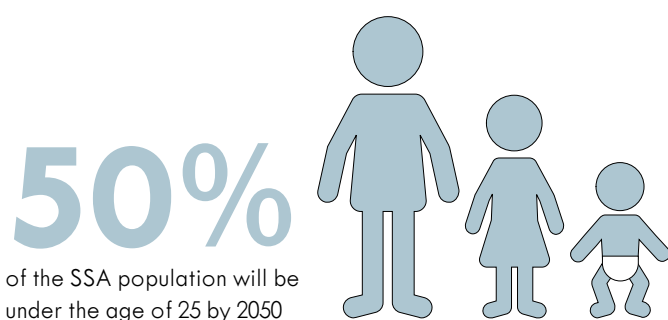
The gap

By 2050, the World Bank estimates that in SSA, half of the population will be under the age of 25.¹⁷ About 10 to 12 million youth enter the workforce each year with only 3.1 million jobs created¹⁸. Most of the youth are therefore absorbed into the informal sector. However, with the pervasive low wages in the informal sector and lack of social safety nets, the youth are often trapped in the cycle of poverty. This fuels migration out of Africa and contributes to conflict within the continent. Studies have shown that massive inequality accompanied by the intersection of unemployment and collective identities (e.g. ethnicity or religion) are relevant to conflict¹⁹. The growing youth population and the adverse, far-reaching effects of

youth unemployment underscores the urgent need to create employment opportunities to translate the demographic dividend into an economic one.

The solution

At Optimizer Foundation, the youth is at the core of our impact mandate. Our objective is to invest in companies that directly or indirectly impact youth employment by creating new jobs at scale, driving income generation, and making youth more resilient to economic shocks. We invest in companies that 1) Provide financial services to micro and small businesses, and independent workers, 2) Create job opportunities at scale, and 3) Upskill youth through training and professional development.



Active investments



SDG impacted



Impact highlights



NUMIDA

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

numida.co

Impact metrics



10,981
small businesses served



43,262
loans disbursed



\$7,034,108
unsecured credit disbursed



43%
female customers

The need

Uganda has a substantial micro and small enterprises (MSMEs) sector with over 820,000 enterprises which account for 75% of the GDP²⁰. The sector is also amongst the largest employers in the country providing jobs to over 3 million people. Financial constraints inhibit the growth and sustainability of MSMEs with approximately 70% of them indicating they have unfulfilled capital needs. These constraints result from a myriad of factors, including: lengthy and inefficient loan applications; stringent collateral requirements; lack of credit history; and low levels of financial literacy amongst the business owners.

The solution

Numida, based in Uganda, offers a mobile application, through which small business owners can apply for unsecured short-term business loans ranging from US\$25 to US\$1,500, for a tenor of one to three months. Numida has a quicker and more efficient process than traditional financial institutions by digitizing the loan application, credit scoring, disbursement and repayment. The Numida application also facilitates reporting of daily financials (sales, expenses, stock purchases) and tracking of the next loan limit.

Client story

Nantume Loy has been a Numida client since August 2020. She owns a men's wear store called "The Wardrobe" located in Entebbe, Uganda. Prior to joining Numida, Loy used to borrow capital from other formal institutions. She now prefers Numida because there are no processing fees, and the loan disbursement is instant.



Numida provides me with efficient and timely loans. The pandemic has had a major impact on my business by reducing the sales, but Numida has helped through this period. Once I apply for a loan, I can get the money in the evening and purchase stock in 2 - 3 business days



Growth journey

Client name Nantume Loy

Business ventures The Wardrobe (men's wear store)

Client since August 2020

UGX 48,559,700

Invested to Date (US \$13,537.69)

15

Loans approved

UGX 550,000

First Loan (US \$153.33)

UGX 5,762,400

Last loan (US \$1,606.46)



Financial services targeting Africa's growing 'gig economy'

Investment type SAFE Note

Location Kenya, Nigeria, South Africa

Year founded 2020

Founders Tatenda Furusa,
Oluwasanmi Akinmusire

Sector Youth Employment

imalipay.com

The need

The informal sector in Africa is the main source of income accounting for 70% of employment²¹. In East Africa, 90% of new jobs created in 2018 were in the informal sector²². This underscores the importance of the "gig economy" as a source of employment for the youth. The sector involves conducting freelance work sourced from digital platforms, including "ride-hailing" (Uber, Bolt), delivery companies (Glovo), and more upskilled professional digitalwork (Andela). On the flip side, gig workers are vulnerable to economic shocks due to job instability. Financial inclusion is therefore imperative to providing a buffer for these shocks.

The solution

ImaliPay partners with large gig platforms to extend a suite of financial services to gig workers. ImaliPay offers loans and savings to gig workers in Kenya, Nigeria and South Africa. The company provides product loans (for phones, laptops, fuel, spare parts to cars and motorbikes) through a Buy Now Pay Later (BNPL) model. ImaliPay helps workers to reduce their downtime, and consequently increase income generation. From a few months' pilot with the motorbike ride-hailing company, Safeboda, results showed that with access to ImaliPay's loans, drivers can work an extra 36 days/year (reducing approximately 3-5 days/monthly downtime).

Impact metrics



10,235

ride-hailing workers (drivers, motorcycle riders) have transacted credit and savings



10

Platform (gig economy) partners



7

transactions per customer / month

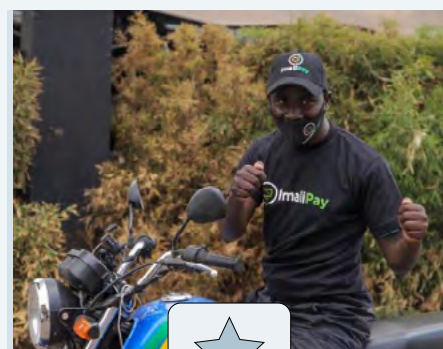


43%

of female customers

"Optimizer Foundation epitomises true social impact investors, who are driven towards backing entrepreneurs who are solving real world problems but in a sustainable manner. We've enjoyed working with Anne and the team, and their support is wide reaching in terms of their network in and out of Africa"

Tatenda Furusa,
CEO & Co-founder, ImaliPay



Client testimonial

“Before ImaliPay, I would only take small amounts of fuel, and I was always afraid of taking trips that were far away because my fuel would run out. Now with ImaliPay, I am able to take fuel of KES 500 and I earn KES 2,500/3,000 a day. I am able to pay back my fuel credit and have money in my pocket.”

Frederick,
Boda boda rider (Uber, Bolt)

ZUMI^o

Revolutionizing apparel retail in Africa

Investment type Convertible Debt

Location Kenya

Year founded 2019

Founders William McCarren,
Sabrina Dorman

Sector Youth Employment

zumi.africa

The gap

Driven by affordability, imports of second-hand clothing in East Africa became prevalent in the 1980s. East Africa currently accounts for 12.5% of all second-hand clothes imports globally²³. Second-hand clothing represents a US\$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 sector are female heads of households with an estimated average household income of US\$560 a month. However, the supply chain for second-hand clothing is highly fragmented, with many layers of middlemen and brokers driving up costs and inefficiencies.

The solution

ZUMI, a supply chain company, aggregates the orders of small, second-hand clothing retailers to ensure better prices from suppliers, and reduces 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. In 2021, ZUMI conducted a pilot to extend credit to 244 of their top performing clients, allowing them to grow their sales.



Client testimonials

Joyce sells secondhand baby clothes. She has made 37 orders from ZUMI with 5 orders monthly at an average basket size of US\$355. **"I grew from one to 3 stores with ZUMI's credit, allowing me to employ two more people."**

Grace sells women's clothes. She has made 44 orders from ZUMI with 8 orders monthly at an average basket size of US\$127. **"Quick delivery I can always count on."**

Impact metrics



5,000
clients served since inception



86%
of female clients



2x
increase in order value
with access to financing

In 2021, ZUMI conducted an impact survey partly funded by Optimizer Foundation. The main findings were:



84%
of clients experienced
increase in revenue



89%
of clients experienced
improvement in quality of life



An accelerator supporting entrepreneurs in low-income communities

Investment type Debt

Location Kenya

Year founded 2017

Founders Amelia Hopkins Phillips,
George Rzepecki

Sector Youth Employment

somoafrica.org

The need

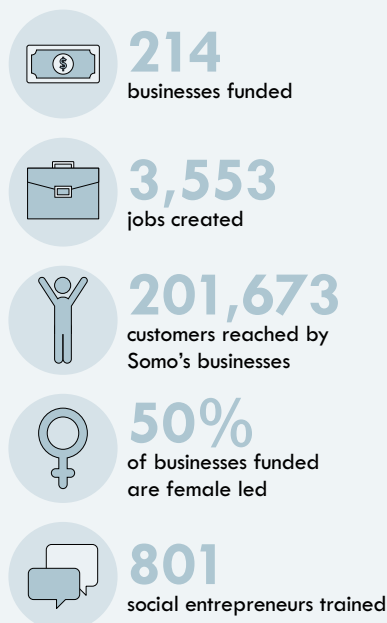
In Nairobi there are about 2.5 million slum residents, representing 60% of the urban population. These slums have limited existing infrastructure and social services, creating space for local entrepreneurs to build impactful and profitable companies. However, these entrepreneurs lack access to the relevant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

The solution

Somo identifies high-potential entrepreneurs to take part in an accelerator program. The selected entrepreneurs are offered business training, support on market access for their products, and funding in the form of loans. This support enables the enterprises to operate sustainably and grow their business. The various enterprises supported by Somo include food producers, children day-care services, sanitation products, small restaurants, and clothing shops.

Optimizer Foundation provided debt to a number of Somo's entrepreneurs to grow their businesses.

Impact metrics



Business testimonials

Maples Oven: With Optimizer Foundation's loan Margaret, founder of Maples, a restaurant and catering business, was able to grow her kitchen and outdoor seating area.

"The loan allowed us to serve a greater number of clients in our space as well as tap into online marketplaces like Bolt, Glovo and Jumia foods." Maples has now served over 2,000 clients.

Moya Shoes: With Optimizer Foundation's loan Shadrack, founder of Moya, a shoe business using waste materials to make fashionable footwear, was able to invest in raw materials needed to develop partnerships with 3 schools to produce their uniform shoes.

"These contracts have allowed us to directly employ 6 people and sell over 3,000 pairs of shoes."



Climate action

Climate change is one of the biggest challenges yet faced by humankind with global consequences necessitating collective action. Whilst Africa accounts for only 3.8% of global emissions, the continent will be amongst the hardest hit by the effects of our changing climate. This is coupled with lower resilience and inadequate funding for mitigation and adaptation. As an impact investor, focusing on the future and prosperity of young people, we have expanded our sector focus to include business models that address mitigation of and adaptation to climate change. We are yet to close any investments within this sector but continue to learn and shape our investment thesis as we source for innovative businesses in the space. Some insights on the sector:

1. Africa financing gap

At the 2009 UN Climate Summit in Copenhagen, rich countries pledged to provide developing countries with US\$100bn annually to facilitate the implementation of mitigation and adaptation efforts. This funding was in recognition of inequalities in emissions contribution. As of 2019, the funding continues to fall short, and Africa has received only 26% of the intended funding²⁴. Further, about 75% of the international public finance has been in the form of non-concessional loans and other non-grant instruments increasing the debt burden in African countries.

2. Mitigation-adaptation disparity

SSA is the region most vulnerable to climate change, with an annual economic damage of US\$520mn since the turn of the century. SSA accounts for a third of the droughts and has the fastest growing frequency of storms and floods²⁵. According to the UN Environment Program ("UNEP"²⁶), Africa requires

approximately US\$35bn per year leading to 2050 to maintain the warming limit at less than 2°C above pre-industrial temperatures.

In Kenya, the economic cost of climate change is estimated at 2%-2.8% of GDP annually. In line with regional trends, adaptation measures in Kenya only received 11.7% of climate finance highlighting the funding gap between mitigation and adaptation²⁷. Further, within the mitigation sector, Kenya's climate financing has been disproportionately channelled to renewable energy projects (99.7% of total foreign private sector funding). This has resulted in the underfunding of other key sectors including water and waste management, transport, forestry, land use and disaster risk management. The funding gap in adaptation efforts persists with limited private sector investment. Some of the reasons behind this include difficulties in monetizing such business models, high capital expenditure requirements and lack of climate risk awareness. ►



US\$520mn

annual cost of economic damage from climate change since the turn of the century in SSA



2%-2.8%

proportion of Kenya's GDP that equates to the country's annual economic cost of climate change



Climate action (cont.)

3. Impact investment focus

This funding gap provides an opportunity for impact investors to plug into business models that build climate resilience among poor and vulnerable communities across Africa. Impact investors can provide patient, catalytic capital to adaptation and mitigation efforts, including businesses in the following sectors:

Food sustainability

This involves solutions that reduce food loss and climate footprint as well as providing nutritionally diverse foods at an affordable price. This also captures sustainable farming practices including precision agriculture and low carbon alternatives to animal proteins.

Clean mobility

With transport accounting for 11% of emissions in Kenya, for example, electric mobility particularly targeting motorbikes (commonly known as boda bodas) and minibuses (commonly known as matatus) will be transformative in reducing emissions.

Circular economy

The circular economy is a model of production and consumption that facilitates sustainability by stretching the timeline of a product through reusing, repairing, recycling and upcycling. This model also focuses on leasing as opposed to ownership of products. Some examples of business models in the circular economy include waste to value, apparel reuse, alternative packaging etc.

Financial inclusion

One of the most impactful ways to build resilience for households is to provide a buffer against economic shocks occasioned by climate change. In a region where agriculture is a main source of income for a large proportion of the population, many will suffer financially due to droughts and flooding affecting agricultural yields. Solutions such as digital lending models as well as crop insurance targeting farmers will play a critical role in building climate resilience.

**3.8%**

Africa's proportion of
global emissions



Impact approach





How we work on impact

“Providing underserved populations with access to high quality health, education and employment opportunities, will help improve their quality of life.”

Optimizer Foundation impact thesis

Our impact framework

Our impact framework is aligned with the global Impact Management Project (IMP) which provides a forum for building global consensus on how to measure, manage and report on impact.

	 What?	 Who?	 How much?	 The risk?
In line with the Impact Management Project (IMP), we aim to assess impact across the following areas pre - and post investment:	What are the outcomes / "effects" for the people and the planet?	Who experiences these outcomes and were they previously underserved?	Scale How many stakeholders experience the outcome? Depth What degree of change do they experience?	What is the risk that the impact will be different than expected?
Example of application of IMP: A maternity healthcare clinic in Uganda targeting women in urban areas.	The outcome metrics would seek to measure (reduction in) neonatal mortality, stillbirth, preterm birth, birth injury on mother and child, amongst other metrics. Performance would be compared to national data on such metrics	Low and middle income women	Scale Number of women accessing care at the clinic Depth Assessment of health-related quality of life such as mental health, mother-infant bonding, success with breastfeeding, satisfaction with care and birth experience etc.	Risk of quality of care delivered (i.e. adequate healthcare professionals and medical equipment and supplies); risk of affordability (i.e. the care is affordable to the target customer segment)

Impact approach (cont.)



Pre - and post investment

Pre-investment

Prior to making an investment, we assess the company's impact as follows:

- Apply IMP framework based on hypothesis/assumptions around impact (ideation stage companies²⁸)
- Map out company's impact pathway (i.e. the company's path to create positive impact)
- Test underlying impact assumptions through surveys, interviews or focus groups with current or potential customers; and/or consult experts and leverage existing market research in the area
- Map and assess any risks of negative impact. This includes the scale and severity of any potential risks, and the company's ability to monitor and manage them
- Work with the company to identify areas of continued impact support to provide a basis for post-investment support

Post investment

Once on board as an investor, we will continue to monitor and support the company from an impact angle in the following ways:

- Support the company in defining and refining its impact pathway
- Support in identification of impact metrics to track, and associated monitoring and evaluation (M&E) processes (relevant to where the company is on its journey)
- Advise on impact assessment activities such as customer surveys, focus groups or interviews
- Monitor and - where relevant - mitigate, any potential impact risks identified

Team



Helena Riese Harstad

Chairman
& Co-Founder

Helena leads the overall strategic direction of the foundation and manages donor engagement. She is a trained lawyer and has a long background in Banking and Financing. She is an experienced board member of foundations and a professional angel Investor in companies addressing climate change. Helena is based in London.



Anne Stubert Partridge

Chief Operating Officer

Anne leads the investment strategy and manages the portfolio companies. As a former strategy consultant, she has 15 years of experience in advising private, public and non-profit organizations across emerging markets and Europe. Previously, Anne worked for the strategy consulting firm Dalberg in West Africa, and held positions at the Swedish Foreign Office, and the UN in East Africa.



Ruth Wairimu

Investment Associate

Ruth leads deal origination, screening, and diligencing investment opportunities and providing post-investment support to portfolio companies. She has experience investing in Africa with a focus on early-stage companies offering decentralized renewable energy solutions off-grid utilities. Previously, Ruth worked for the energy-focused venture fund Energy Access Ventures (EAV).



Marcus Watson

Senior Advisor

Marcus provides advisory support on investment opportunities and across the portfolio. He is currently a Partner and Director at KawiSafi Ventures — a Kenya based climate focused fund. Prior to KawiSafi, he was a Partner in Dalberg Advisors' Nairobi office where he advised on \$500 million in transactions and fund formations across the continent. Marcus is based in Nairobi.



Carl-Johan (CJ) Hedström

Senior Tech Advisor

Carl Johan provides support on product and technology across their portfolio. He is currently the Chief Product Officer at AxPay, and serves as an advisor, board member and investor to a handful of tech startups. He has over 15 years of experience in IT/Telecoms space. Previously, he was CTO for BIMA (within Kinnevik Group), a fintech/insurtech company focused on emerging markets.



Abdourahmane Diop

Financial Advisor

Abdourahmane provides support on investment strategy and investment opportunities. Previously, he was an Investment Manager at VOLTA Capital, a leading advisory firm in impact investing. Abdourahmane is based in Dakar, Senegal.



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.



Russell Haresign

Board Member

Russell is currently Chief Production Officer for Instabox, the last-mile delivery company, and an operations leader with 15 years' experience. Previously, Russell led the Ghana operations for the insurtech company BIMA where he grew their insurance business to cover 10% of the Ghanaian population. He has a BA in Economics from Cambridge and MIT, and previously worked at McKinsey.



Alexandra Rosberg Hinxman

Board Member

Alexandra works as governmental advisor specialising in international relations and intra-governmental coordination. She has an academic background in political science focused on international relations and politics of the Islamic world. Alexandra is based in Stockholm.

Partnerships and 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.



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.

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