

OPT
IMI
ZER
FOUNDATION



IMPACT REPORT 2022

TEAM'S LETTER

In spite of the tentative recovery in 2021, global events continued to shape realities in our daily lives and amongst our portfolio companies in 2022. Communities across the globe were affected by the cost-of-living crisis occasioned by the spike in food, fuel, and energy costs. This was aggravated by the Russia-Ukraine war that has disrupted global supply chains and subsequently heightened food and fuel insecurity in Africa. For example, in Kenya, the petroleum price per litre increased by 40% between January 2022 and September 2022. This increase has been reflected in the inflation rate with a spike from 5.7% in December 2021, to 9% in December 2022. Certain basic household goods have even doubled in price.¹

In addition, there have been extreme climate change events in the form of unprecedented heat waves across the globe and drought in the Horn of Africa that placed 22 million people at risk of starvation according to the UN.² The World Food Programme is targeting 8.5 million people in the Horn of Africa including Kenya, Somalia, and Ethiopia for food relief assistance. This entails a 35% increase from the number of people targeted in 2021. With these and other climate change emergencies observed in 2022, climate change mitigation and adaptation efforts are increasingly urgent. At Optimizer Foundation, we continued to identify strong businesses with innovative, scalable, and sustainable climate action solutions. We remain committed to funding and supporting these teams in line with our investment thesis with the objective of mitigation and building greater resilience to climate change.

At a portfolio level, the global economic downturn affected our companies with the decline in purchasing power amongst customers and an adverse fundraising market. Unfortunately, the challenging fundraising climate led to a portfolio loss. Zumi had to close down

in Q1 2023. Whilst the business performance was very strong, showing impressive growth and a successful transition to a digital marketplace model, it was simply too hard to get a sufficient funding to take the business to profitability. Whilst the situation is very disappointing, we are deeply aware that losing companies is a reality in early stage investing. We remain very proud of the impact Zumi has had over the years of operations, enabling commerce and credit to 5,000+ women in Kenya.

Our other portfolio companies navigated these challenges by focusing on customer retention and cutting costs. Our companies within the financial services segment have prioritized boosting portfolio health as opposed to portfolio growth. We also observed a shift to focus on cash sales and tighten credit processes in line with increased default risks on loans. With regards to fundraising, we observed deal restructures across the board to accommodate the declining investor appetite vs urgent funding needs. On the flip side, there were some wins in the first half of 2022. We observed some growth including market and product expansion as well as successful pivots in business models, strengthening our companies' ability to weather the economic downturn.

Beyond 2022, the core of our investment thesis remains improving the quality of lives of youth populations in Africa. This will become increasingly critical with quality of life expected to diminish with potential austerity measures undertaken to tackle inflation. These measures could take the form of budget cuts to minimize government spending and increase in interest rates. The escalation of extreme climate change events is also likely to test economic resilience. We intend to continue collaborating across the ecosystem with investors, experts, entrepreneurs, and communities while supporting impactful, sustainable businesses in Africa.

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Our Approach

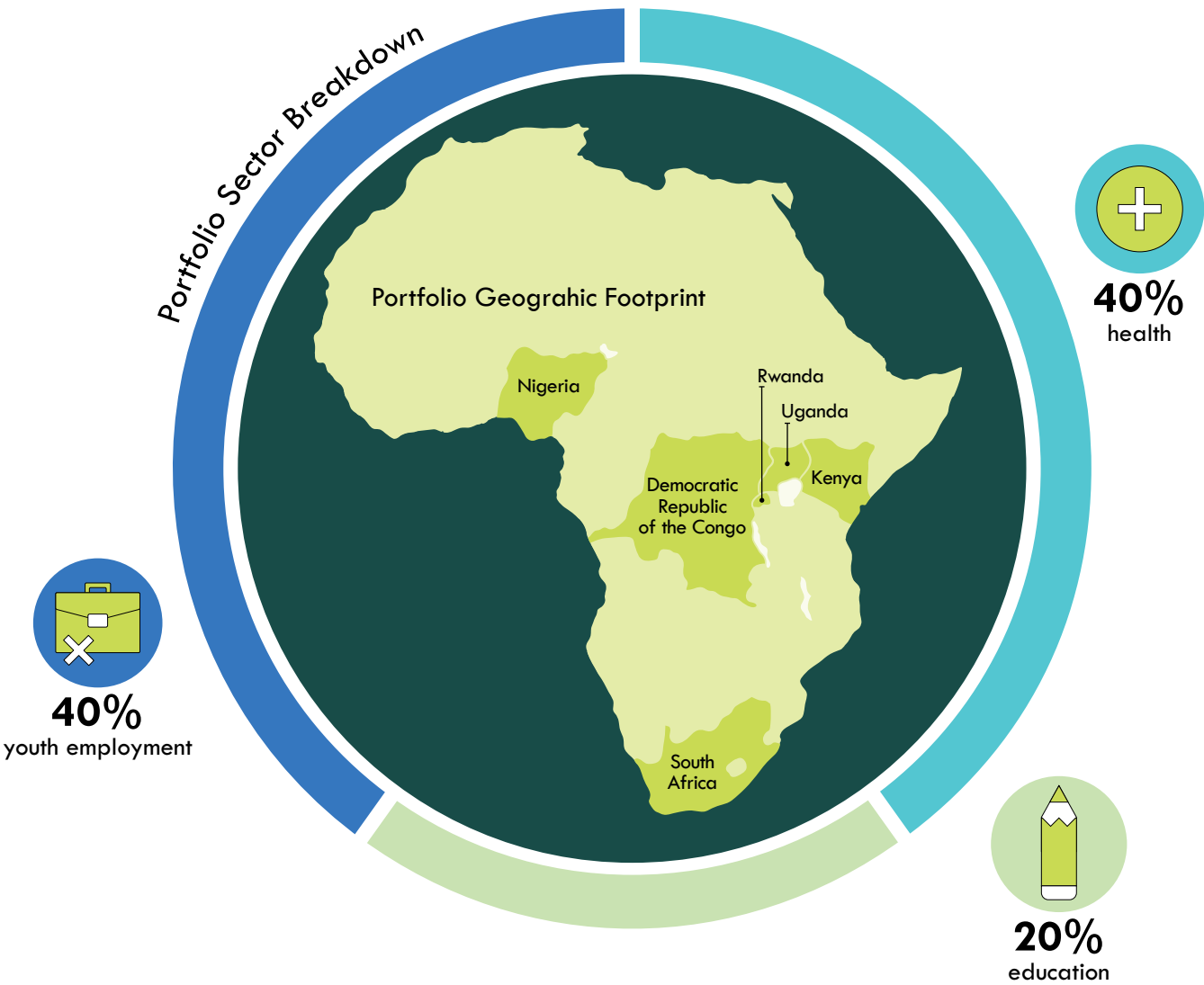
- 30 Gender Lens Investing

About Optimizer Foundation

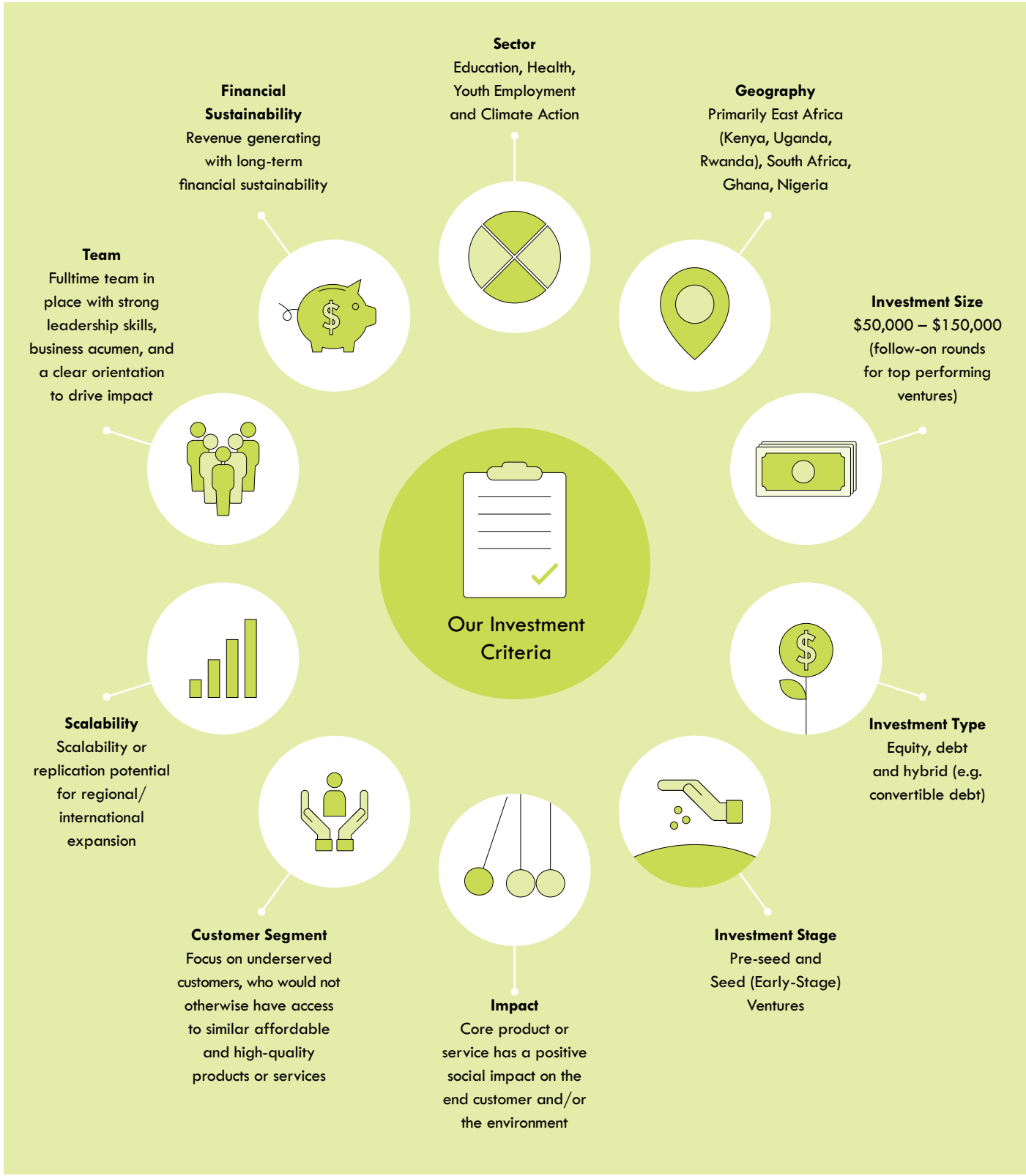
At Optimizer Foundation, we work with entrepreneurs that share our vision of a future where youth across the African continent have access to affordable and high quality health and education, gainful employment and resilience against climate change. We support innovative, dedicated and impact-oriented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

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 strategy 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.

“We support innovative, dedicated and impact-oriented founders”



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

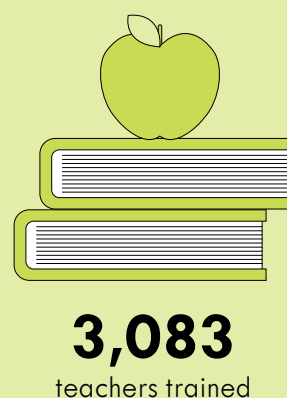
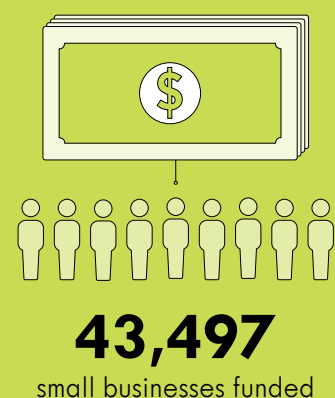
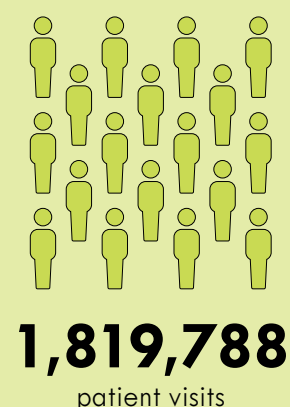
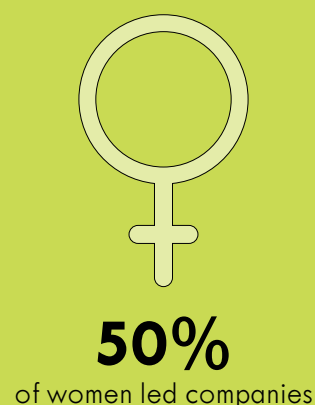
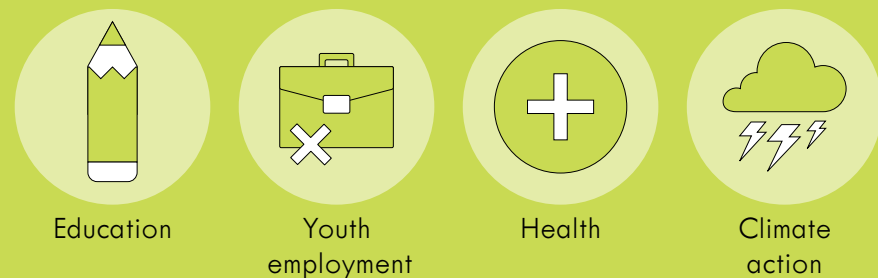
- 3 GOOD HEALTH AND WELL-BEING**
- 4 QUALITY EDUCATION**
- 8 DECENT WORK AND ECONOMIC GROWTH**
- 13 CLIMATE ACTION**

Through Spill-over Effects

- 1 NO POVERTY**
- 2 ZERO HUNGER**
- 5 GENDER EQUALITY**
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
- 10 REDUCED INEQUALITIES**
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

Key Highlights

Key Investment Buckets



Looking Back At 2022

2022 has been the year of unrealized recovery. Increasing food and energy costs globally have interrupted the momentum gained in 2021. The Russia-Ukraine war and downturn in China have aggravated the global economic decline through reduced output, supply chain disruptions, and a humanitarian crisis in Ukraine. Russia is the largest fertilizer exporter worldwide. As such, sanctions imposed on Russia have led to a spike in fertilizer prices subsequently affecting agricultural production and the resultant food prices and overall food security across the African continent.³ Kenya for example, is now looking to source fertilizers from Morocco at a subsidized rate.

The global economy grew 3.4% in 2022 down from 6.1% in 2021 (IMF data). In Africa, GDP growth declined to 3.6% from 4.1% in 2021 (World Bank data). The average annual inflation in Sub-Saharan Africa in 2022, was at 14.5% (year on year on aggregate) - estimated to have been higher than any other region in the world except the Middle East and North Africa.⁴ Inefficient supply chains and limitations with regards to physical infrastructure network leads to a 40% to 60% surcharge on goods leading to high food prices in Africa. Subsequently, 40% of consumer

spending is allocated to food with the rising inflation likely to heighten food insecurity particularly amongst the urban poor in Africa.

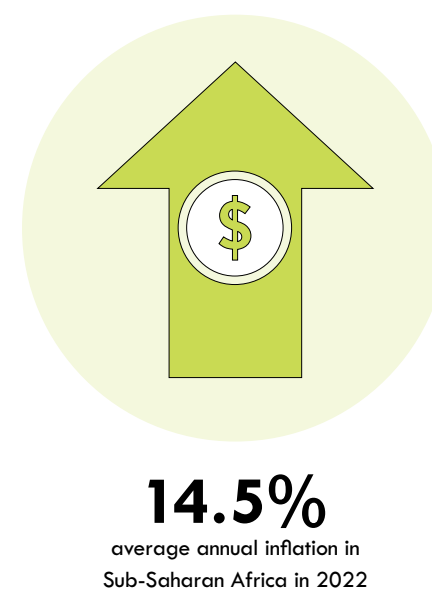
Regionally, the Democratic Republic of Congo (DRC) joined the East African Community (EAC) bringing the total members of the bloc to 7 including Burundi, Rwanda, Kenya, Uganda, Tanzania, and South Sudan. This was in spite of historical tensions with Rwanda. The EAC is currently a custom's union allowing for duty free trade for certain goods among member states and free movement of goods, people, labour, services, and capital between member states. With DRC's entry into the EAC, we expect improved security, trade, and further political integration with other member states.

The rising cost of living has affected demand and subsequently commercial performance and investor appetite. This is reflected in the consistent quarter on quarter decline in funding raised by start-ups in Africa. As of June 30th, 2022, US\$3.1bn had been raised by start-ups in Africa since the beginning of the year.⁵ Despite the strong performance in H1 2022, there was a significant slowdown in Q3 and Q4. Fintech continued to lead as the most funded sector accounting for 36% of the over

US\$1m Pre-seed and Seed deals in Africa.

On global health, COVID-19 infections reduced with a worldwide vaccination rate of 63% up from 50% at the end of 2021. There were reported outbreaks of Monkeypox and Polio, but infections and fatalities remained minimal relative to COVID-19. Within the healthtech sector, there have been significant adoption of telehealth⁶ solutions in Africa particularly during the pandemic. However, rapid growth and investor interest were most evident in platforms that digitize the health care supply chain. These platforms serve businesses by connecting large importers/suppliers with local pharmacies, hospitals, and clinics.⁷ Telehealth solutions on the other hand have mostly focused on middle-income households in urban centres. We expect that increasing digitization of healthcare will further democratize access for previously underserved populations.

In the short to medium term, we expect the compounded effects of the pandemic and the Russia-Ukraine war to linger in the markets that we focus on. This underscores the need for Optimizer Foundation to continue to identify, fund and support solutions with sustainable impact geared towards underserved communities.



Portfolio Highlights

In 2022, our portfolio companies navigated challenges arising from the compounding effects of the pandemic and the Russia-Ukraine War. The impediments they faced included an unfavourable fundraising climate as well as a decline in purchasing power. The portfolio companies overcame these difficulties by cutting costs, restructuring deals to attract investors, and - for our financial services companies - focusing on portfolio health over portfolio growth and tightening credit controls to reduce credit exposure. Despite these hurdles, there were some wins as follows:



Fundraising

Numida

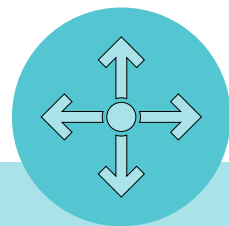
Raised a US\$12.3m Pre-Series A round led by Serena Ventures. Other investors on the round include 4Di Capital, Y-Combinator and Launch Africa

Penda

Raised \$2.6m in convertibles and debt

ImaliPay

Closed a US\$3m Seed round in debt and equity from both existing and new investors



Pivots & Expansion

Viebeg

Expanded their business into Kenya and DRC. Both countries present significant market opportunities. Viebeg has the capacity to drive impact particularly in DRC where there is a significant untapped market. Given the vastness and underdeveloped infrastructure, there are challenges of accessibility and affordability of quality health care equipment in the market

Instill Education

The company introduced Upskill, a professional development platform for teacher training that provides self-paced modules. By year end, Upskill had reached 51,500 users - the majority in Ghana. In Ghana Instill partnered with the National Teachers Commission and Ghana Education Services (under the Ministry of Education)

Numida

Officially entered its second market - Kenya.



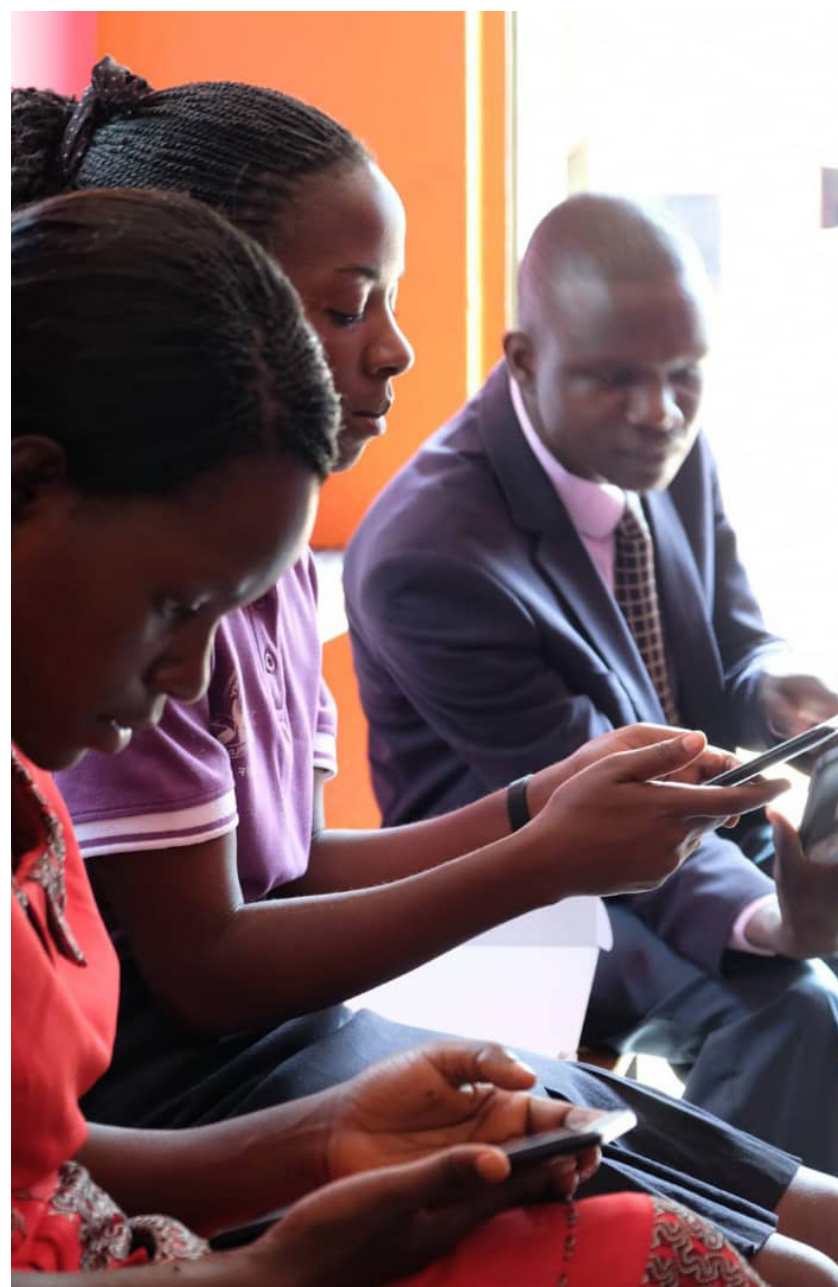
Commercial Performance

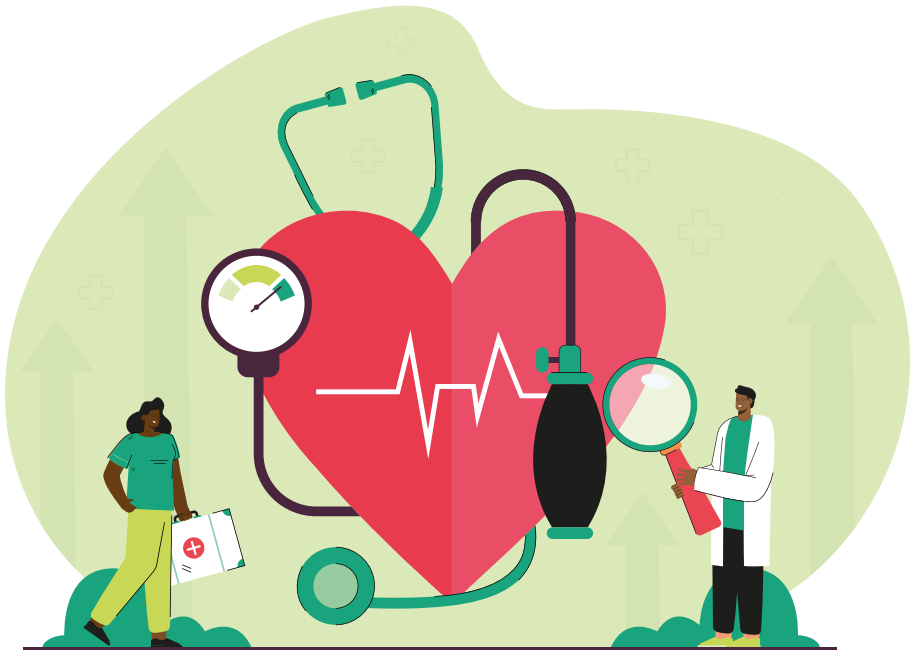
Kasha

4x revenue growth in 2022 compared to 2021

Numida

4x growth in number of businesses served, 4.2x growth in income; and 2.5x growth in their loan portfolio in 2022 compared to 2021





PORTFOLIO IMPACT: ONGOING UPDATES

Healthcare

The Gap

With 24% of the global disease burden and only 3% of the global health workforce, access to affordable, quality, healthcare remains elusive in Sub-Saharan Africa ("SSA"). Further, the physician per 1,000⁹ people ratio in SSA is at 0.2/1000 compared to the EU's 4.9/1000. This translates to only 34.6% of the required healthcare workforce.⁹ In addition, the absence of universal health coverage coupled with high cost of healthcare, continues to impede access. Households in SSA predominantly pay out of pocket for healthcare. This has been a source of impoverishment through catastrophic health expenditure.¹⁰

The Solution

At Optimizer Foundation, part of our investment thesis is to alleviate access, quality and affordability hurdles that impede healthcare within our focus markets. To this end, we invest in a variety of healthcare-focused business models including 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, 3) Drive awareness and education around various aspects of health and, 4) Provide high quality healthcare equipment and pharmaceuticals.

Active Investments



SDG Impacted



HEALTHCARE: SECTOR INSIGHTS¹¹

Telehealth Space

Telehealth¹² services have been growing in the past decade. The pandemic and the lockdowns that ensued have accelerated this trend. In Africa, many countries have insufficient and fragmented health care systems. Telehealth services makes health care more accessible through convenience and efficiency for both providers and patients. We have observed primary healthcare providers within our portfolio introduce and expand their telehealth services.



Impact highlights



Offering high-quality and affordable healthcare

Location Kenya
Year founded 2011
Founders Stephanie Koczela;
Nicholas Sowden
Sector Health
pendahealth.com

Middle- and lower-income Kenyan populations struggle to access high-quality and affordable healthcare, because of poor-quality public clinics. 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.

Penda Health provides high quality, accessible and affordable healthcare to the mass market. The company is currently operating a network of 19 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 in-person and telehealth consultations, lab services, pharmacy services, antenatal care and vaccinations.

"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.

Impact Metrics

19

medical centres

302,896

patient visits in 2022

7,281

telehealth consultations in 2022

Impact Evidence

In March, Penda received a medical emergency of 6 children (aged 3 - 8) driven by a taxi driver who had been involved in a car accident. One of the children had difficulty in breathing and was put under oxygen while the others were given first aid, painkillers, injections and wound dressing. Once the parents arrived they appreciated the whole Penda team for the great, speedy services and care delivered. All the children are currently doing well.



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

Location Rwanda, Kenya
Year founded 2016
Founders Joanna Bischel
Sector Health
kasha.rw, kasha.co.ke

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.

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'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

SINCE INCEPTION

780,122

consumers/beneficiaries served

30 million

products sold

41,089

participants at health trainings/events

IN 2022

345

active Kasha agents in 2022

70%

of women that makes up the agent network

52%

low-income customers

PRODUCT DATA

48%

of all unique customers served have purchased health products

30%

purchased menstrual care products

18%

have purchased family planning products





Optimizing the supply chain for medical equipment and supplies

Location

Rwanda, DRC, Kenya

Year founded

2018

Founders

Tobias Reiter,
Alex Musyoka

Sector

Health

viebeg.com

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 of products and equipment. Stockouts and expirations are rampant given that manual (paper and pen) as opposed to digital inventory management is prevalent across most healthcare providers.

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 care and diagnostic (lab) equipment. Viebeg provides access to a wide variety of high-quality healthcare equipment in hard-to-reach areas across the markets they serve. The company also provides a digital inventory management system – Vie-Procure - to healthcare providers to facilitate tracking, predict demand and avoid stockouts and expirations of medical supplies.

Impact Metrics

SINCE INCEPTION

662

healthcare providers served

362,000

est. products sold

IN 2022

65

partnerships with suppliers of healthcare equipment

165,000

patients (est.) served monthly with Viebeg's equipment

11%

of clinics served are rural

43%

women of total workforce



Impact metrics are cumulative, since the company's inception



The modern healthcare operating system for emerging economies

Location

Kenya

Year founded

2012

Founder

Melissa Menke

Sector

Health

accessafya.com

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. The company is also growing their network of clinics through a franchise model. They provide the physical set-up within the franchisee's premises. They also provide technology, processes, and training to maintain quality.

Impact Metrics

108,286

unique patients served*

479,788

patient visits*

12,860

telehealth interactions since introducing telehealth in 2020

Client Testimonial

Faith Wavinya was recommended Access Afya during her pregnancy. At the Kisii Clinic "the sonographer, answered all my questions about the health of my baby. I am glad I chose Access Afya, they are affordable and have quality service".



*Since inception



PORTFOLIO IMPACT

Education

The Gap

Africa is lagging behind in literacy rates at 66% against a global average of 86%. Financial constraints, insufficient number of qualified teachers, obsolete teacher training approaches and insufficient or poor implementation of curriculum reforms¹³ are some of the challenges affecting literacy rates in Africa. These challenges, and the resultant limited access to employment opportunities, perpetuates a vicious cycle of poverty by impeding economic mobility for many in Africa.

The Solution

To solve for these constraints and enhance quality education access, Optimizer Foun-

dation invests in a variety of business models in the education sector including 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, 4) Digitize school management systems to reduce the administrative burden and increase teacher-student engagement, and 5) Provide tech-enabled, future-oriented, vocational training and apprenticeship programmes.



Active Investments



SDG Impacted



Impact Highlights




Taking quality education to scale through a new kind of platform

Location Kenya
Year founded 2013
Founders Craig Heintzman, Marisa Conway
Sector Education
arifu.com


Access to relevant information has been democratized in the internet age. The role of technology in education is growing significantly. However, in Africa where only 22% of the population has access to internet,¹⁴ education technology “edtech” uptake remains a challenge. Moreover, the information/content is rarely packaged effectively nor tailored to specific categories of learners.

Arifu designs personalized, effective, and conversational learning on their digital platform, and measures interactions and outcomes. 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



1,642,051
“learners” reached*



80%
of individuals reached are smallholder farmers

* 2021 figures, since inception



Re-imagining teaching and learning in Africa


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

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 study conducted in South Africa across three 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.¹⁵


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. In 2022, Instill launched Upskill, a digital professional development platform that offers self-paced, bite-sized online modules for teachers.

*Since inception


Impact Metrics



51,500
Upskill users



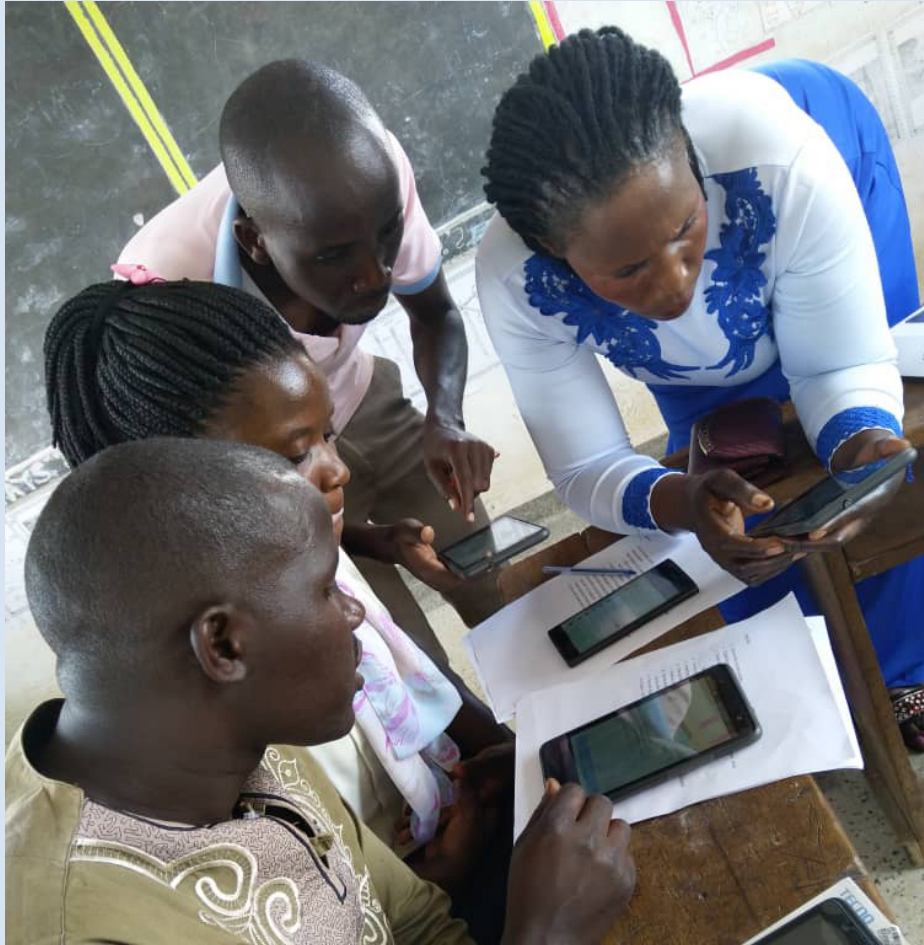
94
school partners*

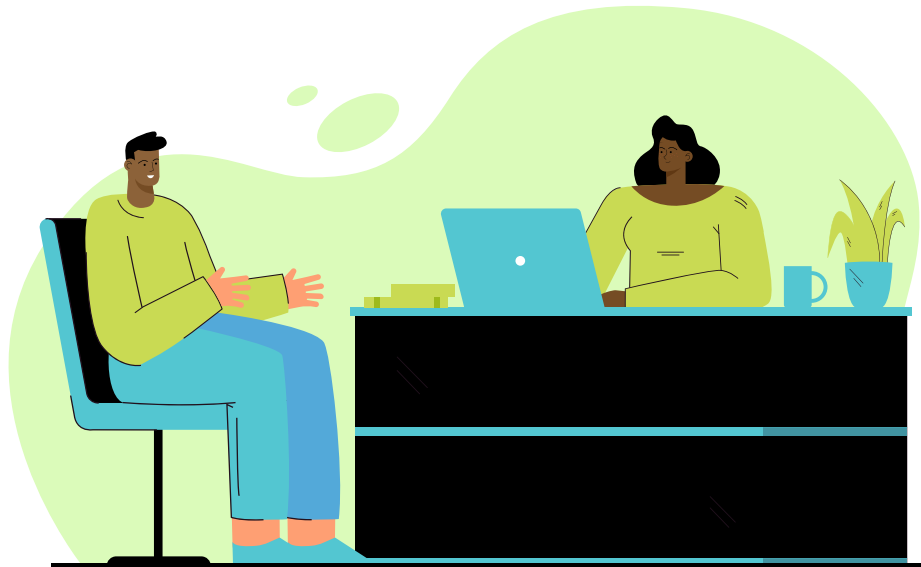


3,083
teachers trained*

“OF has embodied what it means to be a patient, social impact investor with their engagement with Instill. Since investing in us, they have been the most supportive and helpful thought partners. I also feel that they genuinely care about us as individuals; being there for us as we painstakingly build the best teacher training institution on the continent.”

Alim Ladha, Founder Instill Education





PORTFOLIO IMPACT

Youth Employment

The Gap

With youth unemployment in Africa estimated at 60%,¹⁶ the informal economy is crucial to job creation. About 83%¹⁷ of the employment in Africa is informal absorbing a lot of the youth population. However, due to the pervasive low wages and limited social safety nets, the youth are often trapped in the cycle of poverty. Growing youth unemployment considering the current economic downturn underscores the urgent need to create employment opportunities to translate the demographic dividend into an economic one.

The Solution

At Optimizer Foundation, our objective is to invest in companies that positively impact youth employment. This can take the form of creating new jobs at scale, driving income generation, or equipping the youth with a skillset that increases employability or fuels entrepreneurship. 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



NUMIDA



ImaliPay



ZUMI°



SDG Impacted



1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES

A photograph of a young woman with dark hair, smiling and working at a cash register. She is wearing a red t-shirt and a grey apron. The background is a blurred indoor setting with warm lighting.

An infographic with two overlapping teal circles. The top circle contains the text "60%" and "youth unemployment rate in Africa". The bottom circle contains the text "83%" and "of employment in Africa is informal".

24

Impact Highlights



NUMIDA

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

Location Uganda
Year founded 2016
Founders Mina Shahid, Catherine Denis, Benjamin Best
Sector Youth Employment
numida.co

Small businesses in Africa contribute up to a third of the continent's GDP.¹⁸ In addition, they provide an estimated 80% of jobs in Africa and are therefore a major driver for economic growth.¹⁹ Despite their significance in employment and poverty eradication, small businesses continually face credit constraints because of their size and informality.

Numida, based in Uganda, offers a mobile application, through which small business owners can apply for unsecured short-term business loans ranging from \$25 to \$3,500, 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.

Impact Metrics

SINCE INCEPTION



IN 2022



Impact metrics are cumulative, since the company's inception



Fintech as a service to gig economy platforms and marketplaces in Africa

Location Kenya, Nigeria, South Africa
Year founded 2020
Founders Tatenda Furusa, Oluwasanmi Akinmusire
Sector Youth Employment
imalipay.com

The informal sector in Africa is the main source of income accounting for 70% of employment.²⁰ This underscores the importance of the "gig economy"²¹ as a source of employment for the youth. 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. Since such products are critical for the workers to stay productive and continue earning income, ImaliPay helps workers to reduce their downtime, and consequently increase income generation. Some customer surveys showed that with access to ImaliPay's loans, motorbike drivers were able to work an extra 36 days/year (reducing approximately 3-5 days/monthly downtime).



Impact Metrics

SINCE INCEPTION



IN 2022



ZUMI°

Digital marketplace that connects second-hand apparel retailers to importers and suppliers

Location Kenya

Year founded 2019

Founders William McCarren, Sabrina Dorman

Sector Youth Employment

zumi.africa

In Africa, about 83% of the employment is informal.²² Part of the informal economy in Africa is the second-hand clothing market. Kenya is one of the largest importers of second-hand clothing in Africa. The Institute of Economic Affairs estimates that the second-hand clothing and footwear trade employs about 2 million people in Kenya.²³ Despite its significance in the informal economy, the supply chain for second-hand clothing is highly fragmented, with many layers of middlemen and brokers driving up costs and inefficiencies.

ZUMI, is a marketplace that connects second-hand clothing retailers to importers and suppliers. Zumi also provides "Buy Now Pay Later" services on their platform through third party financiers. Their marketplace digitizes the informal markets supply chain by providing delivery, financing, and supply options for retailers as well as market access for suppliers. Through their marketplace and financing options, Zumi increases retailers' income generation and subsequently improves quality of life. From a client survey conducted in 2021, 84% of the respondents indicated that Zumi increased their revenues while 86% indicated that Zumi improved their quality of life.

Zumi closing down in 2023
Whilst Zumi was performing really well throughout 2022, transitioning into a leaner digital marketplace model, the company was unable to raise enough capital to take them to profitability. In March 2023 Zumi had to close down its operations. Whilst this was a very disappointing turn of events due to the current fundraising climate, we remain very impressed by what the Zumi founders managed to build. The company achieved over \$20m in sales (GMV), and facilitated commerce and credit for its loyal customer base of ~5,000, of which 86% were women.



Impact Metrics

5,000

clients served*

86%

of female clients

Impact Evidence
Zumi piloted a waste collection and recycling project alongside Taka Taka, a Kenyan waste management company. Under this partnership, Zumi collected polyester fiber deadstock from its customers which Taka Taka recycled to be used as filling in furniture and car seats.



A business accelerator supporting entrepreneurs in low-income communities

Location Kenya

Year founded 2017

Founders Amelia Hopkins Phillips, George Rzepecki

Sector Youth Employment

somoafrica.org

There are over 100 informal settlements (slum areas) in Nairobi with over 4 million residents, representing 65% of the urban population. These slum areas have an infrastructure and social services gap that is partially filled by innovative local entrepreneurs that build impactful companies. However, these entrepreneurs lack access to the relevant training and capital needed to grow their businesses and drive change in these communities.

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 has provided debt to a number of Somo's entrepreneurs over the years to grow their businesses. In 2022, we extended our loan to Somo to finance entrepreneurs implementing green as well as a circular business models.



Impact Metrics

332

businesses funded*

7,161

jobs created*

50%

of businesses funded are female led

262,356

customers reached by Somo's businesses*

8

businesses funded by the Optimizer Foundation loan, of which 5 are female led

Spotlight on Maples Oven
Maples Oven sells affordable and healthy meals in the community and also offers training programs to young mothers and widows on healthy cooking techniques. To reach their target audience, Maples Oven partners with online platforms like Glovo, Uber Eats, Bolt, and Jumia Food.

With the loan from Optimizer Foundation, the company procured kitchen equipment and stock, expanded the restaurant area, and ventured into online sales. These strategic investments resulted in a 429% growth in average monthly revenue.

*Since inception

The Business Case for Investing in Women

At Optimizer Foundation, we are cognisant of the pervasive gender inequality globally. More specifically, the gender disparity in accessing start-up finance in Africa is glaring. With women making up half of the productive population in Africa, and driving 70% of the consumer spend, rectifying the skewed capital allocation is not only moral but economically sound. In 2021, less than 7% of start-up funding was raised by female CEOs in Africa.

Better returns observed in female founded/co-founded businesses over time

A BCG study revealed that female founded/co-founded start-ups performed better over time generating 10% more in cumulative revenue over a five-year period.

Create employment opportunities for more women and develop diverse teams

In SSA, female entrepreneurs make up 26%

of the female adult population. Further, female entrepreneurs are twice as likely to employ women and four times as likely to employ female managers.

Women are more likely to create solutions tailored to women's needs

Female entrepreneurs are more likely to provide solutions tailored to meet women's needs e.g., healthcare, education, childcare and retail services. These solutions tap into the often-overlooked purchasing power of women as key decision makers in their households.

Long term economic dividends

Research shows that women spend almost 90% of their incomes on their families compared to 35% for men. This expenditure encompasses education, healthcare and nutrition. Women therefore invest substantially in the productivity and competitiveness of future generations and subsequently in overall economic growth.

“As of end of 2022, 50% of our portfolio companies are either founded or co-founded by a female entrepreneur”

Optimizer Foundation Commitment

As of end of 2022, 50% of our portfolio companies are either founded or co-founded by a female entrepreneur. Some companies within our portfolio provide products and services for women including Kasha – the e-commerce platform that provides personal care and reproductive health products. Penda, which operates a chain of primary healthcare clinics, provides reproductive health services for women as well as training in partnership with Kasha. We would like to continue our commitment to gender lens investing in Africa across these three tiers in line with the 2X challenge:²⁴

Entrepreneurship

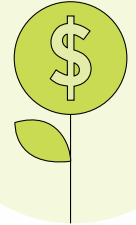
Investing in women-founded and women-led businesses across our focus sectors; healthcare, education, youth employment and climate action

Employment

Investing in businesses that at a large scale provide employment opportunities to women and provide decent and competitive compensation

Consumption

Invest in businesses that provide goods and/or services that benefit women through improved access, affordability and quality



7%

of start-up funding was raised by female CEOs in Africa



70%

of the consumer spend driven by women in SSA



29%

of the total start-up funding for healthtech in Africa raised by female founders

Team



Helena Riese Harstad

Chair & Co-Founder

Helena is Chair and a trained lawyer. She 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.



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. He is the CEO and co-founder at Haskè Ventures. The fund is focused on transforming the start-up landscape in Francophone Africa by funding and co-creating companies from ideation to Series A financing. 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.



INTELLECAP

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.

References

- 1 i.e. percentage change in the monthly consumer price index (CPI). Source: Central Bank of Kenya <https://www.centralbank.go.ke/inflation-rates/>
- 2 <https://www.theguardian.com/world/2022/aug/20/drought-in-horn-of-africa-places-22m-people-at-risk-of-starvation-says-un>
- 3 Russia-Ukraine Conflict (UN, 2022)
- 4 <https://www.eiu.com/n/inflation-in-africa-will-ebb-slowly-in-2023/>
- 5 <https://thebigdeal.substack.com/>
- 6 Telehealth - use of digital information and communication technologies to access health care services remotely and manage your health care. Technologies can include computers and mobile devices, such as tablets and smartphones
- 7 <https://healthtech.salientadvisory.com/reports/innovations-in-digitizing-distribution-of-health-products-2022/>
- 8 Physicians per 1,000 people
- 9 Overview of the health workforce education and accreditation in Africa
- 10 Catastrophic Health Expenditure - relates, generally, to spending on health above a certain threshold that results in financial distress to a proportion of households and may cause impoverishment
- 11 Optimizer Foundation market research
- 12 Telehealth - use of digital information and communication technologies to access health care services remotely and manage your health care. Technologies can include computers and mobile devices, such as tablets and smartphones
- 13 ICT in Secondary Education in Sub Saharan Africa (Mastercard Foundation, 2019) *since inception
- 14 Connecting Africa
- 15 South Africa teacher survey
- 16 The case of job creation to reduce youth employment in Africa
- 17 Informal employment in Africa
- 18 Small businesses in Africa
- 19 Supporting small businesses in Sub-Saharan Africa (2021)
- 20 Harnessing the potential of the Informal Sector for inclusive growth in Africa (United Nation Economic Commission for Africa (ECA))
- 21 Gig economy is based on flexible, temporary, or freelance jobs, often involving connecting with clients or customers through an online platform e.g. Bolt, Glovo, Uber
- 22 Informal economy
- 23 Second-hand Clothing and footwear in Kenya
- 24 2X Challenge - called on the G7 and other DFIs to collectively commit and mobilize US\$3 billion by 2020 to be allocated to women in developing countries through investments that meet certain criteria