



FINCA[®] Ventures

2022 IMPACT REPORT

Contents:

LETTER FROM OUR DIRECTOR	3
OUR AMBITION	4
FINCA VENTURES OVERVIEW	6
INVESTING WHERE IT MATTERS	9
THE ROLE OF WOMEN	10
THE EVERYDAY REALITY OF CLIMATE	12
FINANCIAL EMPOWERMENT	14
AGRICULTURE	16
HEALTH	18
WATER & SANITATION	20
INVESTMENT COMMITTEE AND ADVISORS	22
CO-INVESTORS	24
PRO BONO PARTNERS	25
DONORS	27
THE FINCA VENTURES TEAM	29



FINCA Community Members,

Thank you for taking the time to review the FINCA Ventures Impact Report for 2022. We hope you share our joy in the results we've achieved together. Perhaps more importantly, we hope you share our excitement about the future as we create more progressive investment strategies designed to reach new entrepreneurs that are off the radar of most venture funds.

FINCA will soon celebrate its 40th anniversary at the vanguard of the global effort to eradicate poverty. Over the past several years FINCA Ventures has been proving that smart investments in creative talent — particularly women entrepreneurs — can be an essential component in that quest. In the years ahead, our work is moving from "proof of concept" to rapid expansion of our investment efforts to bring solutions to scale around the world.

You helped us prove that FINCA Ventures can yield significant financial and social returns. In the coming year, with the support of FINCA's Impact Measurement Team, we will continue to redefine what the smart deployment of venture capital can mean to the world's most disadvantaged people.

We are grateful for your investment in our work, for the co-investors, donors, entrepreneurs, and pro bono partners who help bring that work to scale and for the wise counsel of our investment committee and advisors who ensure our work is as responsible as it can be. More than anything, we are thankful for the opportunity to work together on one of the most challenging issues in the developing world.

With respect and gratitude,

Omer Imtiazuddin | MANAGING DIRECTOR



OUR AMBITION:

End Poverty

Over the past several months the entire FINCA network has undertaken a client-centered listening initiative to understand how we can have the greatest impact on all the interconnected factors that prevent people from breaking the grip of poverty in their lives. Our clients and investees around the world consistently emphasized three critical issues:

Livelihood — “A reliable income that allows us to meet our basic needs without having to work and toil every hour of our life to survive.”

Resilience — “Enough resources to recover from any crisis that might befall us; and invest in those things that will insure us against future hardship.”

Education — “Ensure our children can stay in school and get the kind of education that guarantees their lives will be better than ours.”

The FINCA Ventures team deploys a combination of donations and venture investments to fund social entrepreneurs and new commercial enterprises that are tackling these issues head-on. In addition to the “real-world application” of each product or service offered, we assess each investee against three criteria:

Scale	Depth	Poverty Level
Measured by number of end-customers impacted and number of thriving wage jobs created.	Measured against a range of criteria that assess how well a product or service improves people’s well-being.	Measured by the socio-economic level of end-customers impacted by the company.



FINCA[®] Ventures

The venture investment arm of FINCA — a pioneer in financial empowerment for nearly 40 years.

Our work is impactful because we bring six “assets” to every investment decision we make.

- **Focus on women as the keystone to progress:** Women are proven to have the greatest impact on personal, family and community prosperity.
- **Propagating climate-smart solutions:** People on the bottom of the socio-economic scale are disproportionately impacted by climate. We seek investments that reduce risk and build resilience for those most disadvantaged.
- **Ability to measure social impact of every investee:** We are pioneering new approaches to measurement that directly tie our work to the issues that create poverty.
- **Exceptional team and partners:** FINCA has a global reputation for experienced leaders, talented advisors and world-class partners.
- **Invest across all points of leverage:** We address the entire ecosystem, from infrastructure to technology, from R&D to service delivery.
- **FINCA’s global network and track record:** Nearly 40 years leading the effort to end poverty in 40+ countries.

24

companies funded since 2018

>10.9M

people served by our investees

\$6M

invested since 2018

14 of 17

SDGs addressed





FINCA[®] Ventures

INVESTING WHERE IT MATTERS

FINCA Ventures' Investees operate in over 30 countries across sub-Saharan Africa, Latin America, and South Asia, some of which are highlighted below.

Sub-Saharan Africa

Burkina Faso, Burundi, Cameroon, Democratic Republic of Congo (DRC), Ghana, Ivory Coast, Kenya, Malawi, Mali, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Zambia

South Asia

Indonesia, Pakistan, Philippines, Thailand, Vietnam

Latin America

Brazil, Mexico



Women Are the Key to Progress

While there is a clear ethical and moral argument for investing in women, recent reports from USAID and the World Bank have validated what FINCA has known for nearly 40 years: *investing in women is good business*. An increase in income for women has the greatest impact on a family's financial well-being. Businesses that are majority owned by women are more innovative, more entrepreneurial and average a 3-5% (CAGR) greater return on financial investment.

56%

of our investees have
women founders

33%

of our investees have >50%
women customer base

66%

of the world's work
is done by women

50%

of the world's food
is grown by women

10%

of the world's income
is paid to women

“No struggle can ever succeed without women participating side-by-side with men. We cannot all succeed when half of us are held back.”

- MALALA YOUSAFZAI | Nobel Peace Prize Laureate



Climate is Always Critical

Climate has a profound impact on people's ability to break the cycle of poverty in their lives. FINCA Ventures' investment strategy is focused on both climate adaptation and mitigation solutions that help individuals, households and communities better manage risks and recover more quickly from climate shocks. Our aim is to propagate climate-smart practices that reduce vulnerability, contribute to greater income security and reduce greenhouse gas emissions.

100%

of portfolio companies assessed for contribution to climate security/resilience

67%

of portfolio companies have an adaptation impact

3 out of 4

people living in poverty rely on agriculture and natural resources to survive

8X

increase in the number of natural disasters in the countries with the lowest GNI per capita since 1980

130M

people will be pushed into poverty over the next 10 years due to climate change

“The climate crisis is deeply unfair: the poorest people in the world contribute least to climate change ... [they] are hardest hit by its impact.”

- AKIHIKO NISHIO | Vice President of Development Finance | WORLD BANK

BUILDING RESILIENCE:

Financial Strength

Today, nearly 1 billion women have no access to formal financial services, yet as banks migrate to digital platforms in the developing world a growing “digital divide” is paradoxically making it harder for the most disadvantaged to keep up. We invest in companies that are reimagining how to use technology to bridge that digital divide by providing a more personal experience, creating more financial literacy and unlocking the productivity of the most disadvantaged people.

5.7M
people get access
to financial services
through our investees

40%
of investee customers
are women

Feature Investment: Kuunda Digital

A great majority of personal financial transactions in sub-Saharan Africa are enabled through professional agents using smartphones for verification and security. Kuunda provides on-demand loans that allow enough “e-float” liquidity for these vital intermediaries to transact without fear of running out of capital, thus ensuring critical cash continues to flow. Kuunda launched their liquidity products in late 2019 and since then, the Kuunda platform has provided loans to over 4 million customers, disbursing over 102 million loans amounting to over \$630 million with a blended default rate across the products of less than 1%.



BUILDING RESILIENCE:

Agriculture

More than 75% of people living in poverty rely on agriculture and natural resources for their livelihoods. Smallholder farmers are the backbone of the food ecosystem across most of the developing world. Yet, these farmers face a series of challenges: sub-optimal yields, post harvest losses and adverse climate change. FINCA's investments are designed to improve the efficiency, effectiveness and property of small farms — so farmers, their families and their communities can build pathways out of poverty and ensure food security.

2.8M

smallholder farmers
across our portfolio

>30%

of our portfolio
farmers are women

Feature Investment: YYTZ

Africa produces 60% of the world's cashews, 85% of which come from smallholder farms. Because of a lack of processing capacity, more than 90% of Tanzanian cashews are sold raw, leaving farmers able to capture only 10% of the final product price. YYTZ has developed a farmer-centered model that includes sourcing, processing, packaging, distribution and retail sales across outlets in Kenya, Tanzania, select countries in Europe and the United States. Farmers working with YYTZ can make a 64% premium on the sale of their nuts. FINCA helped expand their operations to work with >1,700 smallholder farmers.



BUILDING RESILIENCE:

Reliable Healthcare

We invest in global health innovators who are committed to improving access and decreasing cost for people who have limited or no access to quality healthcare. Our portfolio includes brick and mortar health facilities, digital platforms that provide easy access to timely diagnostics and treatment and health information. We also seek financial solutions that help people pay for their healthcare and increase the availability of pharmaceuticals.

228K

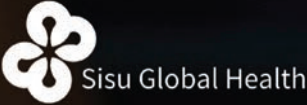
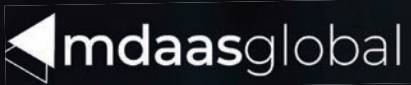
patients served each
year by our investees

60%

of those people
served are women

Feature Investment : Penda Health

Healthcare is fragmented and under-resourced across most of Africa. In Kenya, less than 3% of public expenditure is allocated toward primary and preventative care and low-income patients are most negatively impacted. Penda Health is a primary healthcare provider that offers a wide range of primary care and lab services in low income, densely populated communities in Nairobi. Penda currently has 150 thousand unique patient visits per year, 60% of whom are women and children.



BUILDING RESILIENCE:

Water & Sanitation

Urban growth, rigid and failing infrastructure and unprecedented climate change are creating an incredible strain on water and sanitation systems. People living in poverty experience the brunt of the problem. We invest in new entrepreneurs who are providing reliable access to affordable and safe drinking water and waste management solutions focused on collection and processing of sludge, converting waste to energy and building and managing toilet infrastructure.

>125K

people directly served with safely managed sanitation

411K

people receive clean water each quarter

Feature Investment : Jibu

Access to clean water leads to the reduction of disease, increases school attendance and productivity and contributes to healthier livelihoods. Jibu invented a way to purify water and deliver it in urban enclaves across eight countries. FINCA's investment supported the growth of their operations to 160 production franchises, 50 outlet franchises and over 9,600 retail points, supporting over 3 thousand jobs — over half are women and over 80% are youth.

Jibu

 Sanivation



BREAKING THE GENERATIONAL CYCLE:

Education

According to UNESCO, each year of schooling can increase a person's income by 10%. In fact, if all of the world's disadvantaged students had nothing more than basic reading skills, more than 170 million people would overcome extreme poverty. If every adult completed a secondary education, global poverty would be cut in half. Education also promotes health, reduces inequality, and empowers individuals to participate in social and political processes, fostering economic growth and societal development.

98M

African youth do not attend School

80%

of Africa's school children are not mastering basic skills

Three pillars to our investment strategy

We are committed to dramatically increasing access to quality education in the most disadvantaged rural communities through deployment of a three-pronged investment strategy:

1. Early Childhood Development/K-12 education businesses committed to improving learning outcomes, in-house teacher training and tuition fee financing.
2. EdTech solutions that improve content quality, increase scale while reducing the cost of delivery and engaging students.
3. Higher education and vocational training facilities offering quality academics and tuition financing.



Investment Committee

We are fortunate to receive advice and governance from a team of experts who have global reputations in both financial and social investments. Their commitment to breaking the cycle of poverty is unsurpassed.



JOHN ELKINS

John previously served as President of International Regions at First Data. Before that, he was senior advisor at McKinsey & Company, and Chief Marketing Officer and Executive Vice President of Visa International, where he oversaw worldwide branding and advertising for one of the world’s most recognized brands. Before joining Visa, John was founder, chairman and CEO of FutureBrand, a leading global brand consulting firm. He also served on the United Nations Advisory Board for Inclusive Financial Services.



IVAN MANDELA

Ivan is a financial analyst and CFA charter holder with experience in corporate finance, venture capital and SME business development. Based in Uganda, he is the co-founder and Director of Investment at SHONA, an organization that supports the growth of SMEs in East Africa. Since 2013, Ivan has analyzed, trained and supported over 30 SMEs to collectively raise over \$15 million of capital and built and managed relationships with a network of over 80 angels and VC and designed and managed multiple SME business development programs.



DANIELA MIELKE

Daniela is a global fintech executive with extensive experience leading organizations through strategic transformation. She has served as Chief Strategy and Product Officer of Vantiv, now Worldpay, a leading credit card processor, and as Vice President of Strategy at PayPal. Prior to PayPal, Daniela was the Senior Vice President of Strategy at Visa International. She first honed her strategy, consulting and boardroom communication skills at McKinsey & Company. Though she is currently based in San Francisco, Daniela has lived and worked in over 35 countries.



DAVID WEISMAN

David is the co-founder and co-managing member of Infra Holdings, LLC. He has been engaged in the wireless industry as an investor, executive and attorney for more than 40 years. He was the co-founder and CEO of the InSite Wireless Group, LLC until its sale to American Tower in December 2020. Prior to InSite, he was a co-founder as well as President and CEO of Mountain Union Telecom, LLC from 1999 until its sale in 2006. Prior to Mountain Union Telecom, LLC, he practiced law in Washington, DC.

Advisors



PATRICIA CHIN-SWEENEY

Patricia is the co-founder and Director of Business Development & Corporate Strategy for I-DEV International. She brings years of experience in the investment banking, management consulting and non-profit management. Prior to I-Dev, Patricia worked for the Environmental Financial Consulting Group, a leading boutique investment bank and financial consultancy to the architecture, engineering and environmental consulting sector. Patricia is also a Venture Partner of Beyond Capital Ventures.



JIM CHU

Jim is founder and CEO of Untapped Global whose mission is to bridge the investment gap in frontier markets by creating alternative financing opportunities for entrepreneurs. He is also the founder producer and host of the Nest which is a global investment community that connects aspiring entrepreneurs with angel investors. Previously, Jim was founder and CEO of dloHaiti, a water treatment and production company that provides drinking water to communities in Haiti.



PAYAL FARASAT

Payal is a heart-forward, influential leader who brings a depth of experience in diversified asset management, capital raising and financial stewardship. She is the CIO, co-founder & Sponsor of BurTech Acquisitions Corp and co-founder of V4 — a consultancy devoted to scaling sustainable impact by protecting and growing the endowed assets and annual grants for 12 global non-profit and social impact organizations. For over a decade, she has worked closely with social enterprises, serving on Development Committees and Boards to extend strong financial practices and advise on blended finance fundraising, endowments, liquidity management and fiduciary duties.



JAY REINEMANN

As a partner at Propel Venture Partners, Jay invests in early-stage companies that are leveraging technology to transform financial services. He has led investments in Coinbase, DocuSign and Personal Capital, among others. Before BBVA spun off the fund and became a limited partner, Jay led BBVA Ventures and the global bank’s acquisition of Simple. Prior to Propel, Jay held several positions at Visa in digital transformation, emerging projects and e-commerce. He first came to Visa through his work with Andersen Consulting.

Co-investors

We are privileged to serve side-by-side with a cadre of patient co-investors. Our “whole is greater than the sum of the parts” approach to investment ensures the entrepreneurs we support will have far more than financial resources to help them thrive.



Pro Bono Partners

Our pro bono partners support FINCA Ventures with legal due diligence in addition to providing post-investment support related to strategy and process improvement in areas such as finance, market research and customer segmentation.



Donors

Many of our speculative and early-stage investments are fueled by a growing community of devoted donors who seek a social rather than financial “return” on their contribution. Their great generosity affords us the ability to find and support companies that would otherwise be impossible to consider.

- Catherine H. Anderson
- Barbara Benton
- Clifford Foundation, Inc.
- Helen S. Converse Trust
- Stephen and Lana Fitzpatrick
- The Mistler Family Foundation
- The Salomon Family Foundation
- Stiefel Behner Charitable Fund
- USAID
- Marion Weber



The FINCA Ventures Team

FINCA has a global reputation for exceptionally talented and deeply devoted people. The Team at FINCA Ventures are well respected for their category expertise, their track record in social impact investing and their abiding commitment to ending poverty.



OMER IMTIAZUDDIN | MANAGING DIRECTOR
Before joining FINCA in 2020, Omer led Innovative Finance for Global Health at USAID, where he developed the DFC's \$2 billion Health and Prosperity Initiative; structured a \$50 million investment facility for companies focused on maternal health; and a \$30 million guarantee facility for SME healthcare providers in Africa. In addition to positions at Yunus Social Business, IFC and Morgan Stanley, Omer was Chair of the Investment Committee of Grand Challenges Canada (GCC), was jointly responsible for \$100 million of committed capital at Acumen, and was one of five people managing a \$2 billion venture capital fund at Barnard. He received his BA from Yale University and MBA from the Wharton School at the University of Pennsylvania.



MELISSA TICKLE | INVESTMENT MANAGER
As an Investment Manager, Melissa manages pipeline screenings of hundreds of social enterprises and collaborates with investee teams to provide pre- and post-investment TA. Melissa has eight years of experience in Impact Investing, SME Finance, and ESG management. Prior to FINCA, she managed the Impact and ESG program for TriLinc Global, a fund sponsor that lends to SMEs globally. At TriLinc, she built out the impact management platform that assessed various environmental and social factors, including gender. Melissa holds a Bachelor's degree in Economics and International Relations from Lehigh University.



ERIK WIERSMA | SENIOR AGRICULTURAL ADVISOR
Erik is the Commercial Agriculture Director and West Africa Region Director for AgDevCo, a \$280 million agriculture vehicle, responsible for advice and analysis of agribusiness opportunities. Prior to AgDevCo, Erik was CEO at a farming operation in Ghana, where he implemented mechanized agriculture and managed outgrowers farming operations. He has worked with agronomy teams across India, Indonesia and Southern Africa and has extensive experience in farm supply chain management with export horticulture. He started his career working in plantation management in West Africa. Erik has a BSc (honors) in Tropical and Sub-Tropical Agriculture from International Agricultural College Larenstein, the Netherlands.



JACQUELINE KIGIMA | INVESTMENT ADVISOR
As an Investment Associate based in Nairobi, Jacqueline supports the investment process including pipeline sourcing, screening investment opportunities, assisting with business and legal due diligence and writing investment memos. Jacquey comes to us with seven years of experience working in finance in East Africa where she has been directly involved in the execution of over \$25 million of investments, including with CREADEV International, a French private equity fund and Kibo Capital, an East African private equity firm. Jacquey holds an MBA from the United States International University and a BA in Business Science and Financial Economics from Strathmore University.



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