

# Save the Children Australia Impact Investment Fund I

## ANNUAL REPORT | FINANCIAL YEAR 2023

Through our impact funds, Save the Children deploys patient capital to scale innovation that helps to solve the most significant challenges facing children in Australia and around the world.

Our portfolio companies demonstrated strong revenue growth during the year. The standout has been Dataro, which has grown 600% since we invested two years ago.

Even more impressive than the revenue growth has been the acceleration of impact for children. Through our portfolio companies, we have provided more than 5 million children with access to health, education and safety. Impact highlights include:

- Inquisitive is saving teachers, in more than 75% of Australian primary schools, an average 75 hours of planning and preparation time each year
- ThinkMD passed one million 'clinical encounters' across 10 countries
- Zeraki's software is now supporting more than 6,000 schools across 10 African countries.



Pipeline opportunities	Investments closed	Funds deployed
>450	3	\$1,007,053

## IMPACT SUMMARY

Sector	Key impact indicators	
Children	Number of Children reached	>5,000,000
Education	Number of Schools using our products/ services	>12,000
	Number of Teachers using our products/ services	>200,000
Health	Number of Children diagnosed	>39,000
	Number of Newborns diagnosed	>6,000
Other Enabler	Number of Not-for-Profits enrolled to products	>150



























## FUND I OVERVIEW

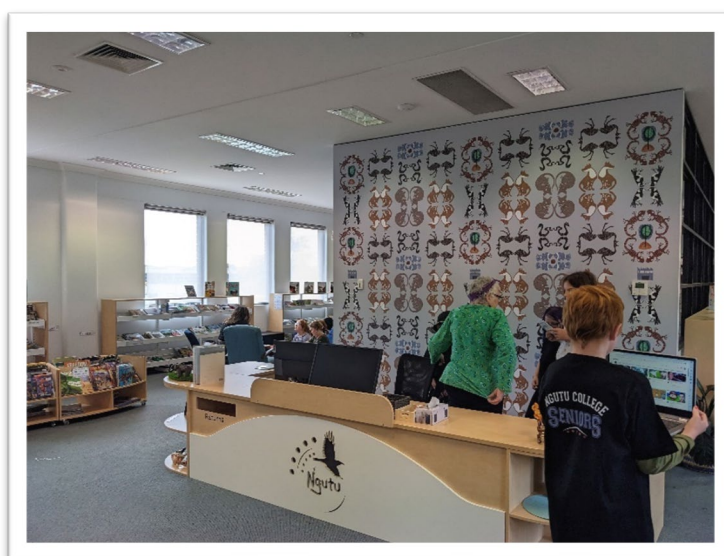
### Investment objective

To generate income, capital returns and social impact from investing in enterprises that are working to improve the lives of vulnerable children and their families.

Capital status		Investment activity	
Committed capital	\$7.425m	Total investments	7 (+1 follow on)
Called capital	\$4.04m (54.4%)	Investments realised	-
Invested capital	\$3.92 (52.8%)	Fund value (gross)	\$3,777,324
Uncalled capital	\$3.39m (45.6%)	Distributions	-
		Unit price (unaudited)	\$0.94 <sup>1</sup>

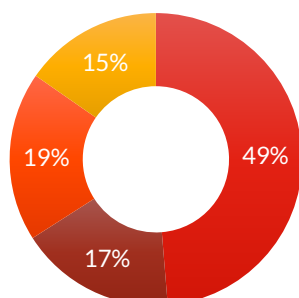
<sup>1</sup> The reduction in unit price is a result of management fees paid by the Fund. One of our investments has made principal and interest repayments (on schedule) and there was a small amount of interest earned in the period. Due to the early nature of other investments and no subsequent capital raisings, the investments are held at cost and have not been revalued.

Portfolio companies	Impact	Financial trend	Financial metric update
	 		Interest and Principal paid as scheduled
	 		ARR increased > 165% YOY
	 		Total revenue increased slightly YoY. Favourable USD movement.
			ARR increased > 6x since investment. Achieved US\$2M ARR milestone
	 		ARR increase > 100% YoY Achieved \$1M ARR milestone
	 		ARR increase > 40% YOY
			ARR flat YOY



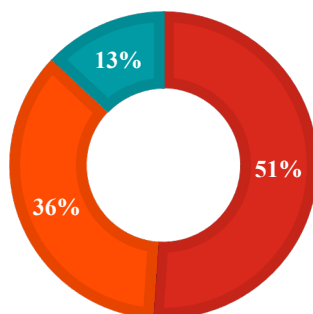
## PORTFOLIO COMPOSITION

Sector / Investment



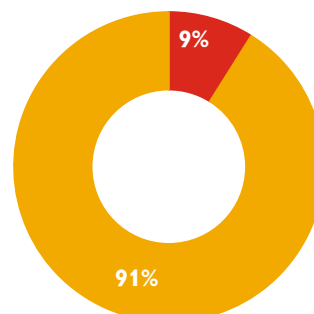
■ Education  
 ■ Health  
 ■ Other Enabler  
 ■ Child Protection

Region



■ Australia  
 ■ US  
 ■ Africa

Investment type



■ Debt  
 ■ Equity

Company	Sector / Theme	Region	Type	Investment date	Invested amount (AUD)	Current value (AUD)	Current value (local currency)	% Of Fund size
Ngutu College	Education	Australia	Debt	Jan 2021	350,000	213,172 <sup>2</sup>	n/a	4.7%
Inquisitive	Education	Australia	Equity	April 2021	750,002	750,002	n/a	10.1%
Dataro	Other Enabler	US	Equity	Sept 2021 & October 2022	675,000	675,000	n/a	9.1%
THINKMD	Health	US	Equity	Oct 2021	733,259	829,556 <sup>3</sup>	USD 549,995	9.9%
Oho	Child Protection	Australia	Equity	June 2022	600,000	600,000	n/a	8.1%
Intellischool	Education	Australia	Equity	July 2022	300,000	300,000	n/a	4.0%
Zeraki	Education	Africa	Equity	Dec 2022	507,053	497,738 <sup>4</sup>	USD 330,000	6.8%

<sup>2</sup> Principal repayments have been made on schedule, therefore debt outstanding has reduced.

<sup>3</sup> USD:AUD movement

<sup>4</sup> USD:AUD movement

## NEW INVESTMENT COMMITTEE CHAIR

Huy Truong was appointed to the Investment Committee as Chair in May 2023. Huy arrived in Australia in 1978 as a boat refugee and has since developed a diverse entrepreneurial and social impact career.

Currently Executive Chairman of Thrive Refugee Enterprise (a not-for-profit company providing finance and business planning support to refugees into small business), Huy's previous activities have included Consultant with Boston Consulting Group, Partner of two Private Equity Firms, CEO of Jurlique, Founder of tech company, Wishlist.com.au and Board member of Asialink.

Huy has a particular interest in entrepreneurship, refugees, sports and more broadly contributing back to Australia. Huy lives in Melbourne and is married with three daughters.

We thank Michael Stanford, for his valuable contributions as Founding Chair of the Investment Committee and for his continued support.



## GOVERNANCE

We have made two board appointments to portfolio companies: **Dr Lynn Kanyuuru and Marion Stanton.**



Dr Lynn Kanyuuru joined the THINKMD Board. Dr. Kanyuuru is a highly esteemed public health specialist with over 15 years of leadership and technical expertise. Currently serving as the Director of Programme Development and Quality at Save the Children Tanzania, she has a deep understanding of diverse program areas. Dr. Kanyuuru's proficiency extends across reproductive health, maternal and child health, adolescent health, HIV/AIDS, water, sanitation, and hygiene, nutrition, community health, research, innovations, and health system strengthening programs. Her unique combination of medical and public health knowledge, complemented by a business administration degree, enables her to prioritise value for money and innovative financing, driving results and enhancing accountabilities.



## Investor Statements

**Audited FY 23  
Financial  
Statements will be  
shared available on  
our website and  
Tax Statements  
will be issued to  
investors shortly.**



Marion Stanton joined the Oho Board. Marion has been the Head of Government Relations at Save the Children since March 2015, where she draws on extensive experience in politics and public policy development to advance advocacy priorities. Marion has worked as an adviser to members of the Federal Parliament, focusing on education and social policy. With a combination of corporate, charity and government sector experience and relationships, Marion is an ideal fit for joining the Board of Oho

## INDUSTRY RECOGNITION

We were honoured to be recognised as Leaders in Industry through awards, including the **AFR Boss Most Innovative Companies List** and the **Impact Investment Awards** category for **Impact Asset Manager of the Year Finalist**. We were also proud to see Paul Ronalds, Managing Director of Save the Children Impact Funds and CEO of Save the Children Global Ventures, win **Individual Outstanding Achievement** for his continued commitment to impact investment in Australia.

Our fund was further highlighted as an exemplar by **UNICEF** and **Tideline** in the Child-Lens Investing Discussion Paper.





## INVESTMENT PIPELINE

During the year, we took a conservative approach and deployed \$1,007, 053 in new funding, including two new investments in Intellischool and Zeraki and one follow on investment in Dataro. We also approved a second loan for Ngutu College.

Our global pipeline management team saw over 450 new deals from across the globe, and our network of country offices referred 65+ deals. Increasingly, we are receiving deals from other investors seeking our child-lens expertise. We are benefiting from more established relationships within our existing markets and synergies from Save the Children Global Ventures.

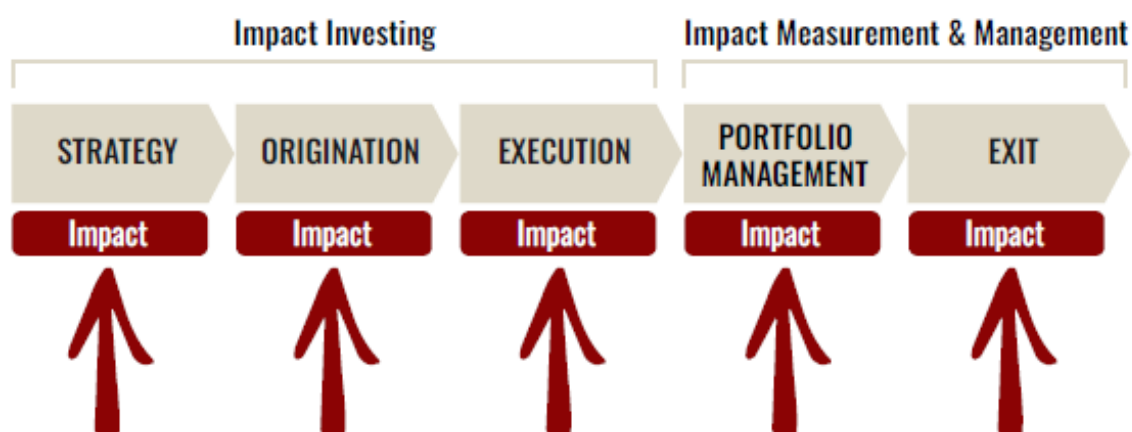
Below is an extract from our Pipeline tracker:

Current Leads	Screening	On Hold	In Due Diligence	Passed On
58	17	40	8	332

## CHILD LENS INVESTING

We are unashamedly an impact-first investment fund. This means we scour the world for great investments with the potential to make a meaningful difference in the lives of children, especially the most vulnerable. Our global expertise in impact measurement means we can robustly interrogate the impact thesis of portfolio companies prior to investment and leverage our global platform to accelerate impact for children post-investment.

We continue to develop our Impact Measurement and Management Process, which uniquely integrates specialised child-lens impact due diligence with industry leading tools like IMP's five dimensions and IRIS+ core metrics. We engage at the outset to ensure that our portfolio companies will deliver exceptionally high impact for children, and continue our engagement through to exit, as illustrated below.



## PORTFOLIO COMPANY:

### - MEET OHO'S CEO & CO-FOUNDER: CLAIRE ROGERS

#### Unmasking the Invisible Threat

Children, our society's most vulnerable, often find themselves in seemingly safe environments, surrounded by trusted individuals. Yet, within these trusting organisations, a hidden danger lurks. "Trusted individuals" may exploit their positions, leading to child abuse. The challenge is the blind trust we place in these institutions, which often overlooks potential risks and fails to implement necessary safeguards.

#### The Birth of a Mission:

##### No more harm to our most vulnerable in the society

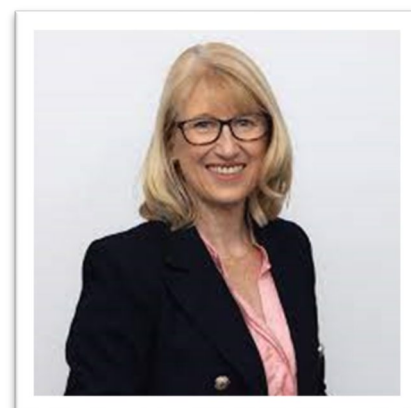
The inception of Oho traces back to the Australian Royal Commission into Institutional Child Abuse. The founder, deeply moved by the survivors' brave testimonies, saw an urgent need for the use of new technology in protecting our most vulnerable. "Technology should be able to do something to protect our vulnerable in society and particularly children.". This passion for child protection is more than a mission; it's a personal commitment to prevent such tragedies.

#### Oho's Solution: Technology as a Shield

Oho presents a unique solution to this challenge - using technology to protect children. The company's focus is on managing and verifying accreditations like working with children checks. Many organisations collect these credentials but fail to verify them against government registers. Oho helps organisations monitor these credentials, ensuring a safe and qualified workforce.

#### Save the Children and Oho: The Power of Partnership

Save the Children's investment in Oho has been a game-changer, expanding the company's reach to over 1.7M children. This partnership has not only provided financial support but also exposure, clients, and the appointment of a valuable board member. The collaboration exemplifies the impact achievable when organisations unite for a common cause.



#### About Oho

**Oho is a social software enterprise designed to manage accreditations for employees, contractors, volunteers, Teachers Licenses, etc. It validates credentials continuously against government registers, primarily aiming to safeguard the vulnerable and assist organisations in meeting compliance obligations.**



## PORTFOLIO UPDATES



### Why did we invest?

To enable Ngutu College to open: an independent, not-for-profit, socially-just college in Adelaide, that acknowledges the individual learning needs of its students and embeds indigenous knowledge into the curriculum; to extend learnings from Ngutu College to other schools.

Ngutu College has secured a second loan of A\$400,000, designated for campus advancement and infrastructure improvements. The development agenda features building four new classrooms, specialised STEM labs and updated toilet facilities for Ngutu's high school students. This initiative highlights Ngutu College growth and commitment to quality education. Moreover, the College maintains robust financial health, with loan repayments made as scheduled.

### Key impact indicators

<b>Total students enrolled</b>	242	<b>% Aboriginal and Torres Strait Islander students enrolled</b>	43%
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## inquisitive

### Why did we invest?

To reduce the gap in access to education and student learning outcomes, by addressing one of the greatest contributors to that gap: access to quality teachers.

Inquisitive remains a preferred curriculum resource in 75% of Australian primary schools.

Through the Australian Federal Government's Emerging Priorities Program, Inquisitive has significantly bolstered resources for teachers and schools of lower socio-educational status. They have provided curriculum support to a further 12,841 teachers across 897 primary schools nationwide, saving approximately 995,178 hours in planning and preparation time during a year, valued at \$59.71m in teacher salaries.

Financially, Inquisitive's growth has been consistent, more than doubling Annual Recurring Revenue (ARR) since the initial investment and achieving a 165% revenue increase in the last financial year alone.

### Key impact indicators

<b>Teachers using Inquisitive</b>	50,843 teachers saving an average of 77.5 hours per year	<b>Schools using Inquisitive</b>	5,757 (Including 897 low SES schools)
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### Why did we invest?

To enable NFPs to increase revenues through cost effective, AI driven, targeted fundraising campaigns.

With over 140 clients across 11 countries, Dataro has now surpassed a notable benchmark of US\$2M in Annual Recurring Revenue (ARR) - a 6x increase since investment. While primarily serving Australia with 82 clients, Dataro continues its expansion into the UK (46 clients), New Zealand (11 clients), and the US (7 clients). Dataro recently launched a generative AI product which has started to gain traction.

### Key impact indicators

<b>Number of NFP customers</b>	140	<b>Additional income to NFP customers after using Dataro</b>	>\$5M, based on average ROI of NFPs using Dataro
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### Why did we invest?

To help scale access to technology that supports accurate diagnosis of health conditions, particularly in low resource settings.

THINKMD's platform continues to garner high interest despite its long sales process. While THINKMD experienced some challenges in its financial forecasts and securing in-country sales resources for targeted LMIC markets, they have reduced operating expenses through strategic expense management action, leading to an improved EBITDA.

To support future growth plans, THINKMD is engaging with existing investors regarding a convertible note round, setting the stage for a larger, priced round in 2024. With a 16-month runway, THINKMD maintains a cushion for operational management and strategic growth planning.

### Key impact indicators

<b>Newborns identified with danger signs</b>	6,036	<b>Children Identified with danger signs</b>	39,826
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### Why did we invest?

To scale innovation in child protection, by removing obstacles to proactive prevention and detection, and to provide peace of mind for the community.

Oho celebrated a stellar quarter with record-breaking revenue. Though shy of its targeted ARR, it achieved a significant milestone of \$1M in contracted ARR, signifying potential for robust future growth, buoyed by a promising pipeline.

Oho's expanding customer base includes prominent new clients such as The Australian Foundation for Disability and Aust Swim, as well as other organisations seeking to enhance their proactive safeguarding measures.

Additionally, Oho is gearing up for growth with plans to raise further capital in early 2024, thus signaling their readiness to scale.

### Key impact indicators

**Number of carers, coaches and teachers covered**

**43,199**

**Number of red flag interventions supported**

**31**



### Why did we invest?

To support teachers to utilise school data, enabling timely responses to children's individual needs and realisation of optimum capacity.

Intellischool's strategic shift towards enterprise-level sales is propelling customer base expansion, albeit with longer sales cycles which add a layer of cash flow unpredictability. However, their progress in securing numerous enterprise leads, specifically in the burgeoning UK market, attests to its successful navigation through the challenges of enterprise sales and market penetration.

While revenue growth is relatively flat, costs have been judiciously managed and will be further streamlined, if required, to optimise the operational runway.

### Key impact indicators

**Number of schools using Intellischool**

**151**

**Number of Low SES schools using Intellischool**

**16**

## Why did we invest?

To scale access to cost effective solutions that address pain points of the school experience in Africa and ensure fair access to education through more effective teaching practices.

Building on its large and loyal customer base, Zeraki is currently experiencing a rapid expansion in growth regions that include Kenya, Uganda, Guinea and Zimbabwe.

The Zeraki team is prioritising product demos, testing and grass roots promotion for Zeraki Finance among schools already benefiting from Zeraki Analytics. Uptake for Zeraki Finance is increasing, but slower-than-anticipated revenue growth means the company's prudent fiscal management is ensuring a stable financial path forward. This highlights Zeraki's effective resource management when handling dynamic market conditions.

## Key impact indicators

**Number of students  
accessing Zeraki**

2,600,000

**Number of schools  
subscribing to Zeraki  
Analytics**

6,267



**Fund:**

Save the Children Australia  
Impact Investment Fund I

**Trustee:**

Save the Children  
Impact Fund Limited

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