

# Madiro Investment Committee Playbook



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# PART I — GOVERNANCE & PURPOSE

## Foreword from the Investment Committee Chair and the CEO

**Adrian Schauer, Chair, Investment Committee**

**James Fraser, President & CEO**

Madiro was created with a simple belief: **healthier people can build better futures**. When individuals have access to reliable, affordable, and high-quality healthcare, everything changes—families become more resilient, communities become stronger, and opportunity expands.

Across Africa, innovators are building solutions to some of the most entrenched health challenges faced by underserved populations. These founders need a partner who understands the complexity of health systems, is willing to take early risk, and is committed to impact-first investing. That is where venture philanthropy and catalytic capital play a vital role.

At Madiro, we deploy charitable capital—flexible, patient, and evergreen—to support founders who are improving health outcomes, strengthening health systems, advancing access to health services, creating dignified employment for entrepreneurs and their teams, and contributing to improved health and prosperity across the continent.

The Investment Committee (IC) is essential to this work. Your experience, independence, and judgment ensure that we make investments that are both impactful and responsible. You help us evaluate opportunities carefully, challenge assumptions thoughtfully, and steward capital in ways that meaningfully advance public benefit.

This Playbook is meant to support you in that task. It reflects who we are—rigorous but not bureaucratic, practical but ambitious, grounded in local realities, and deeply committed to improving health across the continent.

Thank you for lending your time, insight, and wisdom to this mission.

— **Adrian & James**

## A Note from the Fund Manager

**Sharon Batamuriza, Portfolio & Fund Manager**

Our work sits in complex, dynamic environments. Early-stage founders in African health markets face barriers that are technical, regulatory, operational, and financial. The IC provides a vital balance to this complexity—ensuring that our optimism remains grounded, our diligence remains sharp, and our decisions remain anchored in impact.

Because Madiro is still early in its growth, our investment process is intentionally lean and unified across stages. I currently serve as both **Fund Manager** and **Deal Lead**, guiding opportunities from first screening through due diligence, site visits, and IC preparation. As we expand our team, these roles will eventually differentiate, but for now our process reflects the reality of a small, focused investment team.

Thank you for supporting this work and for helping us build a thoughtful, disciplined investment practice that reflects the best of Madiro.

— **Sharon**

## 1. Purpose of This Playbook

This Playbook provides a clear and consistent foundation for how Madiro evaluates investment opportunities and how the Investment Committee conducts its work.

It consolidates:

- The unified 7-step investment process
- Roles and responsibilities
- Investment Committee 1 (IC1) and IC2 templates
- Due diligence expectations
- Impact assessment and CRA compliance
- Governance principles
- Madiro's approach to venture philanthropy and catalytic capital
- Decision-making tools and scorecards
- Examples of high-quality IC materials (anonymized)
- Pipeline development categories (ESOs & QDOs)

The goal is to ensure that every decision made by the IC is:

- **Mission-aligned**
- **Charitably compliant (PRI framework)**
- **Evidence-based & practical**
- **Consistent**
- **Lean but rigorous**
- **Supportive of founders and health system realities**

This document is a practical resource, not a rigid set of rules. It will evolve as Madiro grows.

## 2. Madiro’s Mission and Investment Philosophy

Madiro is an evergreen philanthropic impact investment fund supporting early-stage healthcare innovations in Africa. We invest at the **pre-Seed (exceptionally), Seed, and Series A (follow-on)** levels, with cheque sizes typically ranging from USD \$100k to \$500k.

Our investment philosophy is defined by six core principles:

### 1. Impact First

We invest in companies improving healthcare access, affordability, quality, and outcomes.

### 2. Venture Philanthropy

We apply venture discipline to charitable investment—rigorous diligence, speed, iteration, and attention to scale.

### 3. Catalytic Capital

We invest early, flexibly, and patiently, enabling companies to gain traction long before commercial capital is available.

### 4. Evergreen Fund Structure

All returns are recycled into new PRIs, strengthening long-term sustainability.

### 5. Human-Centered Practicality

We work within real health system constraints and support founders navigating complexity.

### 6. Lean Rigor

Our process is unified and light—rigorous in substance, not bureaucratic in form.

These principles guide every investment, every DD conversation, and every IC decision.

### 3. Madiro Investment Criteria: Focus & Target Profile

**Stages:** pre-Seed (exceptionally), Seed, and Series A (follow-on)

**Ticket size:** US\$100k–500k per initial investment.

**Geography:** Africa, especially Sub-Saharan Africa.

**Innovation categories:**

- digital health
- health financing
- supply-chain and procurement
- emergency care and referral systems
- tech enabled healthcare delivery
- diagnostics
- product innovation for resource-constrained settings

**Filters:** tech-enabled efficiency, strong patient engagement, tight tech–health linkages, and reach into remote / rural and underserved populations.

### 4. The Role of Venture Philanthropy & Catalytic Capital at Madiro

Venture philanthropy and catalytic capital allow Madiro to operate differently from traditional grantmakers or commercial investors.

**Venture Philanthropy enables us to:**

- Support early-stage companies building high-impact solutions
- Invest in teams that need flexibility to iterate
- Provide follow-on support through governance, TA, and connections
- Focus on long-term system change rather than short-term financial returns
- Hold board observer or director roles to support good governance

**Catalytic Capital enables us to:**

- Take risk where the public benefit is high
- Crowd in commercial co-investors at later stages
- Unlock productivity by helping companies cross their early traction gap
- Pursue investments that strengthen health systems at scale

Together, these approaches allow Madiro to deploy charitable dollars where they are most needed, accelerating innovations that can improve the lives of millions.

## 5. Mandate of the Investment Committee

The Investment Committee provides independent oversight, judgment, and decision-making on all investment opportunities.

### The IC is responsible for:

- Evaluating investment proposals at IC1 and IC2
- Ensuring each investment qualifies as a Program-Related Investment (PRI)
- Assessing alignment with Madiro’s mission and charitable purposes
- Evaluating impact, scale potential, and public benefit
- Identifying risks and assessing mitigations
- Voting on final investment decisions
- Supporting follow-on decisions when needed

### The IC does not do:

- Operational management of companies
- Day-to-day founder interactions
- Portfolio management
- Fundraising
- Investment sourcing

Those tasks sit with management.

### Decision Independence

IC members provide impartial evaluation.

Management (CEO, Fund Manager) participate in discussion but do **not** vote.

## 6. Roles & Responsibilities

### IC Chair (Adrian Schauer)

- Facilitates high-quality, balanced discussions
- Ensures independent judgment and fair process
- Upholds governance standards
- Guides consensus and exercises tie-breaking when needed

## **IC Members (Anouk Hilti-Zingg, Monica Kahindo, Jesse Moore, Gillian Morantz, Gerhard Pries, Adrian Schauer) - voting**

- Review all IC materials ahead of meetings
- Apply independent judgment
- Evaluate mission alignment, impact, risk, and viability
- Identify gaps, raise questions, and challenge assumptions
- Vote on investments (approve / approve with conditions / decline)

## **CEO (James Fraser) — Non-Voting**

- Provides strategic insight and context
- Participates in due diligence
- Co-develops investment theses
- Supports deal structuring
- Ensures charitable and CRA alignment
- Represents Madiro on boards or as observer. Madiro typically assumes a board observer or director role in portfolio companies to support governance, mission alignment, and scale.
- Stewards post-investment relationships

### **Rationale:**

The CEO co-leads deals and is therefore not independent; non-voting status protects governance integrity.

## **Fund Manager / Deal Lead (Sharon Batamuriza) - Non-Voting**

- Leads sourcing, screening, and deal evaluation
- Manages DD, data rooms, and IC materials
- Coordinates site visits
- Presents deals at IC1 and IC2
- Leads the IC1 two-pager and IC2 memo
- Oversees post-investment monitoring

## **Legal Council (Thomas Laporte-Aust) - Non-Voting**

- Supports term sheets
- Validates SAFE, convertible, and PRI structures
- Ensures compliance with CRA and corporate requirements

## Impact Measurement Committee (Future State)

Madiro intends to establish this committee as the portfolio grows.

Until then, impact validation is carried out jointly by the CEO and Fund Manager.

## 7. CRA Charitable Purpose, Public Benefit & Program-Related Investments (PRIs)

All Madiro investments are made as **Program-Related Investments (PRIs)** under CRA guidelines. This allows Madiro to classify deal sourcing, due diligence, investment execution, and post-investment support as charitable program activity.

A PRI must:

1. **Further a charitable purpose** (in Madiro's case: improving health)
2. **Provide a clear public benefit**
3. **Only incidentally benefit private individuals or shareholders**
4. **Be made at below-market expectations**
5. **Be structured so that charitable purpose is primary**

### Incidental Private Benefit — Defined

A private benefit is *incidental* if it is:

- **Necessary** for achieving the public benefit
- **Reasonable** in magnitude
- **Proportionate** to the broader public good created
- **Secondary** to the charitable impact

For example, founders gaining equity value is incidental **because** their innovation expands access to essential health services.

### Public Benefit Test (Integrated into IC Templates)

The IC ensures that every investment:

- Expands access
- Improves outcomes

- Strengthens health systems
- Benefits populations experiencing barriers to care
- Maintains proportionality between public benefit and private gain

This is light but essential governance.

## 8. Unified Madiro Investment Process

This unified process applies to all investments at all stages.

### Step 1 — Initial Screen (via Website Form)

Companies complete Madiro’s online initial screening template.

The Deal Lead assesses:

- Impact fit
- Mission alignment
- Feasibility
- Geographic fit
- Red flags

**Outcome Options:**

- **Qualify**
- **Reject**
- **Watch** (with *Why / What / When*)

### Step 2 — Preliminary Analysis

- Intro call
- Light desk research
- Optional expert consultation
- Internal notes  
(No memo produced.)

#### Step 2.1 — Initial Financial Screen

Lean assessment of financial viability:

- Revenue logic
- Gross margin expectations
- Valuation sanity check
- Capital needs + runway
- Early traction
- Cap table red flags

### **Step 3 — IC1 (Devil’s Advocate)**

Deal Lead prepares:

- IC1 Two-Pager
- Public Benefit Test (1 paragraph)

IC evaluates:

- Fit
- Impact potential
- Risks
- Thesis coherence

**Decision:**

- Qualifyto DD
- Watch
- Decline

### **Step 4 — Commercial Due Diligence + Site Visit**

Deal Lead completes:

- Streamlined DD Checklist
- 2–3 page DD Summary
- Site visit report (if conducted)

### **Step 5 — IC2 (Final Decision)**

Deal Lead presents:

- IC2 Investment Memo (12–15 pages)
- IC2 Scorecard

IC votes.

## Step 6 — Contracting

Using Madiro’s standard instruments:

- PRI (primary)
- SAFE
- Equity
- Convertible

Madiro typically assumes a board observer or director role.

## Step 7 — Post-Investment Monitoring & TA

- Quarterly updates
- Biannual impact survey
- TA support
- Board/observer participation

## 9. Investment Cadence

Madiro’s IC currently operates on an **ad hoc cadence**, driven by:

- Available capital
- Pipeline maturity
- DD progress
- Urgency of opportunity

As the fund grows, cadence is expected to stabilize into a regular rhythm.

## 10. Pipeline Development: ESOs & QDOs

Madiro maintains a **Deferred Pipeline Track** to support companies that are mission-aligned but not yet investable due to capital timing.

### Emerging Strategic Opportunities (ESO)

- Strong early potential
- May have passed IC1
- Impact + thesis aligned

- DD light or partial
- Included in fundraising materials when appropriate

### **Qualified but Deferred Opportunities (QDO)**

- Fully passed IC1
- Substantial DD completed
- Strong alignment with mission, impact, and scale
- Deferred solely due to capital constraints

This ensures pipeline discipline, strategic clarity, and strong storytelling to donors.

# PART II — IMPACT FRAMEWORK

## 1. Why Impact Matters at Madiro

Impact is the purpose of Madiro’s work, the anchor of our investment philosophy, and the foundation for deciding whether an opportunity qualifies as a **Program-Related Investment (PRI)** under CRA guidelines.

We invest in early-stage innovations building solutions to pressing health challenges across Africa. These companies often operate in fragile systems, under resource constraints, and in environments where incremental improvements in access, reliability, affordability, and quality can change lives instantly.

Impact matters because:

### 1. It advances Madiro’s charitable purpose.

Every PRI must further a charitable objective — in our case, improving health and advancing public benefit.

### 2. It ensures CRA compliance.

CRA requires that every PRI:

- furthers a charitable purpose
- generates clear **public benefit**
- keeps **private benefit incidental**

Impact is the evidence base for demonstrating this.

### 3. It focuses the IC on what truly matters.

We invest in companies improving:

- access
- quality
- outcomes
- affordability
- system reliability
- efficiency

Not every company will excel in every dimension, but each must deliver meaningful public benefit through improved health.

#### 4. It supports accountability and donor reporting.

Your impact survey and Impact Reports rely on metrics such as:

- lives impacted
- health facilities reached
- CHWs supported
- direct jobs created
- indirect jobs created
- household members benefiting
- geographic reach

Impact allows Madiro to demonstrate progress transparently and credibly.

#### 5. It grounds the fund in real health system dynamics.

Impact is not abstract. It reveals whether an innovation makes a tangible difference in the lives of patients, workers, and communities.

## 2. The Four-Level Impact Framework

*(from Madiro's Impact Measurement Handbook)*

This framework helps us understand the broad scope of health-related impact across the value chain. IC evaluations should consider both Theory of Change (is the intervention logically capable of producing the intended health outcomes?) and Theory of Scale (can it scale sustainably?). We prioritize innovations that fall within Madiro Technology Levels 1–4 — late R&D, pilot, or early-scale, rather than idea-stage concepts.

It is **flexible, not mandatory** — companies may operate in **1, 2, 3, or all 4 levels**, depending on the model.

✓ **This is not a checklist.**

✓ **It is a lens to understand impact where it actually exists.**

The four levels:

## LEVEL 1 — Healthcare Facilities

**Definition:** How the innovation improves the quality, efficiency, or capability of health facilities (clinics, pharmacies, hospitals, labs).

**Examples of impact:**

- reduced stockouts
- improved diagnostic accuracy
- decreased wait times
- reduced facility operating costs
- increased availability of essential health commodities
- improved cold chain reliability
- better patient triage and referral coordination

**Example (anonymized real):** A digital pharmacy network increases fill-rates across 1,800 pharmacies in Nigeria, improving access to essential medicines and reducing wait times.

**Example (fictional):** A solar-powered diagnostics hub provides continuous ECG and hemoglobin testing in peri-urban clinics without grid electricity.

## LEVEL 2 — Health Workers & Health Entrepreneurs

**Definition:** Impact on CHWs, midwives, clinicians, pharmacists, emergency responders, and other frontline or community-based providers.

**Examples of impact:**

- training and upskilling
- increased incomes for CHWs
- reduced administrative burden
- improved case management
- expansion of reach
- reduced burnout
- professionalization of informal health workers

**Jobs Created (Direct):** This is the **primary level** where direct job creation appears.

Examples:

- CHW franchisees
- pharmacy entrepreneurs
- emergency responders
- nurses and paramedics

- logistics and field operations staff
- health facility staff supported via capacity-strengthening models

**Example (anonymized real):** A CHW franchise raises CHW incomes by 70% and supports over 20,000 health entrepreneurs across East Africa.

**Example (fictional):** An AI-powered maternal risk triage tool reduces midwife workload by automating early screening and improves training outcomes.

## LEVEL 3 — Patients / End-Customers

**Definition:** Direct improvements to people receiving care, medicines, services, or essential health commodities.

This is often the most visible form of impact.

### Examples of impact:

- reduced emergency response delays
- improved maternal health outcomes
- access to essential medicines
- reduced cost of care
- increased treatment adherence
- improved diagnosis at point-of-care
- improved management of chronic disease
- increased access to essential **FMCGs** (e.g., OTC meds, sanitary products)
- access to essential **health commodities** (e.g., eyeglasses, water filtration, birth kits)

**Example (anonymized real):** An emergency care provider reduces emergency response times by 40–80%, covering 43,000 lives under corporate contracts and reaching 70,000 individuals.

**Example (fictional):** A maternal health mobile platform helps identify emergency symptoms earlier, decreasing postpartum hemorrhage referrals by 15%.

## LEVEL 4 — Household Members

**Definition:** Indirect benefits to families and dependents resulting from improved health, reduced cost, or enhanced economic stability.

### Examples of impact:

- reduced catastrophic health expenditure
- reduced caregiver burden

- reduction in travel time for essential health commodities
- improved household income stability
- improved productivity of caregivers
- increased consumption of basic FMCGs
- improved long-term financial resilience

### **Jobs Created (Indirect):**

Appears here if:

- household productivity increases
- caregivers are able to return to work
- households avoid catastrophic expenses that cause job loss

**Example (anonymized real):** A home-based dialysis and nursing service reduces hospital visits by 90%, freeing up caregivers to maintain employment and reducing costs for families.

**Example (fictional):** A low-cost water purification solution reduces household illness, enabling families to save on medication and missed workdays.

## **3. Flexible Use — Companies Are NOT Expected to Operate in All Four Levels**

This must be clear:

- ✓ A company may have impact only at Level 3 (patients).
- ✓ Another may have impact at Level 2 and Level 4.
- ✓ Others may start at one level and expand to others as they scale.

The IC only evaluates the levels **that actually apply**, based on evidence from DD and the proposal.

This flexibility ensures:

- no artificial inflation of impact
- no pressure on founders to “fit” a model
- honest and practical evaluation
- smooth CRA alignment

- consistent reporting

## 4. How Impact Anchors PRI Eligibility

Every Madiro investment is a PRI.

CRA requires:

### 1. Charitable Purpose

Investment must further health-related public benefit.

### 2. Public Benefit > Private Benefit

Impact must clearly outweigh shareholder gain.

### 3. Incidental Private Benefit

Private gain must be necessary, reasonable, and proportionate.

Impact provides the evidence.

**The IC therefore asks:**

1. **What health gap does the innovation address?**
2. **Who benefits?**
3. **How meaningful is the benefit?**
4. **Is the benefit scalable?**
5. **Is any private benefit incidental?**

This is summarized in the **Public Benefit Test** included in all IC1 and IC2 templates.

## 5. The Public Benefit Test (IC Tool)

A short paragraph included in IC1 and IC2:

1. **Charitable Purpose:** How the innovation improves health (access, quality, outcomes).
2. **Public Benefit:** What improvements will be experienced by facilities, workers, patients, or households.

3. **Incidental Private Benefit:** Affirms that any shareholder gain is a necessary, proportionate by-product.

Example:

“This investment furthers Madiro’s charitable purpose by improving emergency maternal care access in underserved regions. The public benefit — reduced preventable deaths and improved response capacity — clearly outweighs any private benefit to shareholders. Founder benefit is incidental and necessary to incentivize scale.”

## 6. How the IC Assesses Impact — A Lean, Consistent Method

The IC evaluates:

### A. Relevance

Does the solution address a real and significant health need?

### B. Depth

Does it materially improve access, affordability, quality, or outcomes?

### C. Scale Potential

Can the model reach thousands or millions over time?

### D. Evidence

Is there early proof of traction, demand, or clinical relevance?

### E. Reporting Readiness

Can the company participate in Madiro’s biannual Impact Survey?

### F. Jobs Created

**(optional)**

Direct and indirect jobs are noted when relevant.

## 7. Reporting Readiness (DD Component)

Companies should demonstrate:

- The ability to track patient/customer numbers
- Ability to report facility or CHW engagement
- Ability to estimate lives impacted
- Ability to report direct and indirect jobs created (if relevant)
- Basic capacity for outcome reporting
- Ability to respond to Madiro's Impact Survey twice a year

This is light and designed to match early-stage realities.

## 8. IC Impact Templates

### IC1 Impact Template (Short Form)

#### Impact Overview (2–3 sentences):

State intended health impact and who benefits.

#### Applicable Levels:

- Facilities
- Health Workers
- Patients
- Households

*(Check all that apply.)*

#### Public Benefit Test (2–3 sentences)

Short justification linking to charitable purpose.

#### Optional Metrics:

- Lives impacted: \_\_\_\_\_
- Direct jobs created: \_\_\_\_\_
- Indirect jobs created: \_\_\_\_\_
- CHWs / workers engaged: \_\_\_\_\_
- Facilities reached: \_\_\_\_\_

## IC2 Impact Template (Full Form)

### 1. Impact Overview (one paragraph)

### 2. Applicable Impact Levels (short subsection each)

Describe only the levels that apply.

### 3. Impact Metrics (current & projected)

May include:

- Patients reached
- Facilities served
- CHWs supported
- Direct jobs created
- Indirect jobs created
- Emergency response times
- Monthly active users
- Prescriptions filled
- FMCG/commodity access
- Maternal outcomes
- Chronic disease adherence

### 4. Public Benefit Test

(Short paragraph)

### 5. Reporting Readiness

Light assessment of data systems and feasibility.

## 9. Example IC2 Impact Sections (Anonymized + Fictional)

### Example A — Digital Pharmacy (Anonymized Real)

*Levels 1 & 3*

#### Impact Overview:

Improves access to essential medicines through a digital pharmacy infrastructure serving underserved populations.

#### Levels:

- **Facilities:** 1,800 pharmacies connected; reduced stockouts
- **Patients:** ~50,000 monthly prescriptions
- **Direct Jobs Created:** 200+ pharmacy agents trained

**Public Benefit Test:**

Public benefit is substantial (expanded medicine access, reduced disease burden). Private benefit is incidental.

**Example B — Emergency Medical Services (Anonymized Real)**

*Levels 2 & 3*

**Levels:**

- **Health Workers:** 1,600 CBFRs trained
- **Patients:** 40–80% reduction in EMS response time
- **Direct Jobs Created:** 36 full-time staff
- **Indirect Jobs Created:** caregiver employment preserved through timely intervention

**Example C — Maternal Health AI (Fictional)**

*Levels 3 & 4*

**Levels:**

- **Patients:** early detection of obstetric emergencies
- **Households:** reduced catastrophic expenses
- **Indirect Jobs Created:** improved parental capacity to return to work

# PART III — DECISION WORKFLOW & TEMPLATES

## 1. Overview of Madiro’s Unified Investment Workflow

The workflow below applies **across all stages** (Pre-Seed, Seed, and Series A follow-on).

It is intentionally **lean, rigorous, and founder-friendly**.

**STEP 1 — Initial Screen (via website form)**

**STEP 2 — Preliminary Analysis (call + internal review)**

**STEP 2.1 — Initial Financial Screen**

**STEP 3 — IC1 (Devil’s Advocate)**

**STEP 4 — Commercial & Legal Due Diligence + Site Visit**

**STEP 5 — IC2 (Final Decision)**

**STEP 6 — Contracting**

**STEP 7 — Post-Investment Monitoring & Support**

Each step is described in detail below, followed by templates.

### **STEP 1 — Initial Screen (via Website Form)**

Companies begin by completing Madiro’s **Initial Screening Template** on the website.

This allows the Deal Lead to assess early alignment.

#### **Screening Questions Cover:**

- What problem is addressed?
- Who benefits?
- What is the solution?
- Evidence of need / traction
- Country of operation
- Stage
- Team background
- Early revenue (if any)
- Unit economics (if known)

- Competition
- Alignment with Madiro’s mission
- High-level impact potential

**Deal Lead reviews**, and categorizes the opportunity into **Qualify/ Reject / Watch**.

## The “WATCH” Mechanism (Internal Only)

Used for promising but not yet investable opportunities.

The Deal Lead completes:

### **WATCH — WHY (Current Limitation)**

Examples:

- Too early; lacks traction
- Technology readiness level too low
- Needs pilots
- Needs regulatory clarity
- Model incomplete
- Round not yet formed
- Valuation unrealistic
- Team not complete

### **WATCH — WHAT (2–3 Required Milestones)**

Examples:

- Secure 2–3 pilot partners
- Demonstrate 90 days of recurring revenue
- Validate regulatory classification
- Close 30–40% of round
- Produce updated deck + financials

### **WATCH — WHEN (Next Review Date)**

60–120 days depending on context.

**Watch does NOT involve DD or IC involvement.**

## STEP 2 — Preliminary Analysis

If “Qualify,” Deal Lead conducts:

- Founder call
- Light desk research
- Internal review
- Optional external expert call

This step is quick; no memo produced.

### STEP 2.1 — Initial Financial Screen (Lean)

A fast reality check based on:

#### **Value Proposition:**

Does the product deliver a clear, differentiated benefit that customers urgently need and are willing to pay for?

#### **Revenue Logic**

Is the revenue model coherent?

#### **Gross Margin Expectation**

Does the business model have viable margins over time?

#### **Valuation Sanity**

Is the valuation broadly reasonable?

#### **Burn + Runway**

Can the company last 6–12 months after raise?

#### **Round Structure**

Is the round size feasible?

#### **Cap Table Red Flags**

Any problematic structures?

## Outcome Options:

- Clear for IC
- Hold (return to Watch)
  
- Reject

No modeling. No heavy analysis. Lean and judgment-driven.

## STEP 3 — IC1 (Devil’s Advocate)

IC1 is a **light** meeting focused on:

- Mission fit
- Charitable purpose
- Impact potential
- Risks
- Team
- Early viability
- Whether full DD is warranted

### IC1 Materials:

- IC1 Two-Pager (structured below)
- Public Benefit Test (short paragraph)

### IC1 Decision:

- **Qualifyto DD**
- **Watch**
- **Decline**

## IC1 TEMPLATE (Two-Pager)

### PAGE 1

#### 1. Summary

1–2 paragraphs describing the company, problem, solution, and model.

## 2. Key Facts

- Country
- Sector
- Stage
- Year founded
- Website
- Raise amount
- Valuation
- Madiro ticket (expected)
- Revenue (if any)
- Last month/quarter KPIs

## 3. Problem & Solution

Short, crisp articulation of the health problem and how innovation addresses it. Other components on this include, the business/pricing model and target market.

## 4. Traction (Evidence)

- Revenue
- Contracts
- Pilots
- Users
- Deliveries
- Prescriptions
- Facilities reached

**PAGE 2**

## 5. Impact (Short Form)

- 2–3 sentence overview
- **Applicable levels:**
  - Facilities
  - Health workers
  - Patients
  - Households

- **Optional metrics:**

- Lives impacted
- Direct jobs created
- Indirect jobs created
- Facilities served
- CHWs trained

## 6. Risks / Reservations

3–5 bullet points.

## 7. Potential Synergies

Which Madiro portfolio companies, programs, or partners are relevant?

## 8. Why Madiro Should Invest

1 paragraph.

## 9. Public Benefit Test

2–3 sentences:

- Charitable purpose
- Public benefit
- Incidental private benefit

## 10. IC1 Scorecard (Simple)

The IC can use this [Investment thesis & IC Evaluation Criteria](#) as a guide

Each scored 1–5:

- Problem clarity
- Mission fit
- Impact potential
- Traction
- Team
- Risk level (inverse score)
- Financial viability
- Readiness for DD

Total Score: \_\_\_ / 40

## STEP 4 — Commercial Due Diligence (DD)

Once IC1 approves, Deal Lead begins DD.

### DD Inputs Includes:

- Streamlined DD Checklist
- Documents in data room
- Calls with founders
- References
- Market validation
- Regulatory confirmation
- Product demo
- Contract review
- Site visit (if appropriate)

DD should remain **lean** and matched to stage.

## Streamlined DD Checklist (Merged & Updated)

*(Internal tool — summarized here, precise in appendix)*

### 1. Corporate + Governance

- Incorporation documents
- Ownership & cap table
- Board / Governance structure
- Directors
- Litigation (if any)

### 2. Financials + Round Structure

- Revenue + expenses
- Unit economics
- Projections
- Use of funds
- Past fundraising
- Bank statements (when appropriate)

### **3. Commercial + Market**

- Sales pipeline
- Contracts
- Competition
- Market size
- Pricing
- GTM strategy

### **4. Product + Tech + Operations**

- Architecture overview
- Product demo
- Regulatory requirements
- Quality assurance
- Supply chain
- Pharmacy or CHW networks
- Essential commodities or FMCG logistics (if applicable)

### **5. Impact + Public Benefit (PRI)**

- Impact levels (1–4)
- Impact metrics
- Public Benefit Test
- Private benefit incidental test
- Reporting readiness

### **6. Legal + Compliance**

- SAFE / equity structure
- PRI eligibility
- Key contracts
- Insurance
- Legal counsel

DD produces **2–3 page summary**.

## DD SUMMARY TEMPLATE (2–3 Pages)

### 1. Overview

Key facts and summary of DD findings.

### 2. Key Strengths

3–5 bullet points.

### 3. Key Risks

4–6 bullet points (regulatory, operational, financial, tech, impact).

### 4. Impact Assessment

Levels + metrics.

### 5. Public Benefit Test

Short paragraph.

### 6. Reporting Readiness

Checklist.

### 7. Recommendation for IC2

Qualify/ Qualifywith conditions / do not Qualify.

## STEP 4 — Site Visit Summary (Optional Appendix)

If conducted:

### Site Visit Summary Includes:

- Date, location
- Agenda
- Departments visited
- Observations
- Operational insights
- Founder dynamics

- Facility readiness
- Evidence of impact
- Photos (optional)
- Key risks observed

A simple **1–2 page** format.

## STEP 5 — IC2 (Final Investment Decision)

### IC2 Goal:

Support the IC in making a well-informed, mission-aligned, charitably compliant investment decision.

### IC2 Documents:

- **IC2 Investment Memo (12–15 pages)**
- **IC2 Scorecard (1 page)**
- DD Summary (appendix)
- Term Sheet (appendix)
- Site Visit Summary (appendix)
- Financial model (appendix)

## IC2 INVESTMENT MEMO TEMPLATE (12–15 pages)

### 1. Executive Summary (½ page)

- Company overview
- Raise + valuation
- Proposed Madiro ticket
- Instrument (PRI via SAFE/equity)
- Recommendation
- Why now

### 2. Strategic Fit with Madiro (½ page)

- Mission alignment
- Charitable purpose
- Health gap addressed

- Public benefit overview

### **3. Key Risks (1 page)**

- Regulatory
- Competitive
- Financial
- Operational
- Technological
- Impact
- Mitigations

### **4. The Problem (1 page)**

Crisp, health-systems-grounded explanation.

### **5. The Solution (1 page)**

Product, model, distribution, innovation.

### **6. Impact (1–1.5 pages)**

- Applicable levels (1–4)
- Impact metrics (current + projected)
- Direct jobs created (if relevant)
- Indirect jobs created (if relevant)
- Essential commodities / FMCG access (if relevant)
- Public Benefit Test

### **7. Theory of Scale (1 page)**

- Path to scale
- Key scale enablers
- Key dependencies
- Challenges

### **8. Traction & Commercialization (1–1.5 pages)**

- KPIs
- Contracts
- Pilots

- Revenues
- Pipeline

## **9. Market & Competition (1–1.5 pages)**

- Market size
- Competitors
- Moats
- Adoption barriers

## **10. Team (1 page)**

Short bios (no long paragraphs).

## **11. Financials (1–2 pages)**

- Historicals
- Projections
- Margins
- Drivers
- Sensitivities
- Capital strategy
- Valuation rationale

## **12. Deal Terms / Structure (1 page)**

- Ticket
- Instrument
- Post-money
- Rights
- Board observer role

## **13. Madiro Value Add (½ page)**

Where Madiro can help.

## **14. DD Summary (1–2 pages)**

Key findings only.

## **15. Recommendation**

Clear statement.

## IC2 Scorecard (1 Page)

Each scored 1–5:

1. Problem significance
2. Mission alignment & PRI eligibility
3. Impact depth
4. Scale potential
5. Business model viability
6. Traction
7. Team
8. Financial health
9. Regulatory/Operational risk
10. Reporting readiness

**Total Score: \_\_ / 50**

**IC Vote:**

- Approve
- Approve with Conditions
- Decline

## STEP 6 — Contracting

All investments are structured as **PRIs** using:

- Equity
- SAFE
- Convertible
- PRI Agreement

Madiro typically assumes:

- A **board observer** or
- A **board seat**

depending on the situation.

---

## **STEP 7 — Post-Investment Monitoring**

### **Quarterly Updates**

- Performance
- Risks
- Financial health
- Key wins / challenges

### **Biannual Impact Survey**

(Per Impact Measurement Handbook)

### **TA Support**

As needed.

### **Board/Observer Role**

Active engagement.

---

## **Pipeline Development (ESO + QDO Track)**

Madiro maintains a structured Deferred Pipeline:

### **1. Emerging Strategic Opportunities (ESO)**

- High potential
- Not fully vetted
- May appear in decks when appropriate

### **2. Qualified but Deferred Opportunities (QDO)**

- Fully
- Passed IC1
- Deferred only due to capital constraints

This ensures pipeline quality and supports fundraising narratives.

# PART V — EXEMPLARS

## IC2 INVESTMENT PROPOSAL (ANONYMIZED FICTIONAL EXAMPLE)

### HealthBridge Africa (Kenya)

*(Draft for Review — Version 1)*

---

## 1. Executive Summary

**Company:** *HealthBridge Africa Ltd.*

**Country:** Kenya

**Sector:** Digital Pharmacy, Community Health, Emergency Referral

**Stage:** Seed

**Instrument:** PRI via Equity

**Raise:** USD \$1,250,000

**Committed:** \$600,000

**Valuation (Pre-money):** \$6,000,000

**Madiro Proposed Ticket:** \$150,000

**Use of Qualifys:** Product development, CHW expansion, pharmacy network integration, emergency referral module, and core team hiring.

### Overview

HealthBridge Africa is a Kenya-based digital health platform integrating pharmacy access, last-mile CHW delivery, and emergency referral into a unified system serving low-income urban and peri-urban communities. Through a combination of mobile ordering, CHW support, emergency stabilization training, and partnerships with private clinics and pharmacies, HealthBridge improves access to essential medicines, maternal and chronic care support, and emergency response.

## Why Now

Kenya's peri-urban communities experience medication stockouts, inconsistent pharmacy pricing, long emergency response times, and high out-of-pocket spending. HealthBridge has achieved meaningful early traction, with strong potential to scale through government, NGO, and employer partnerships.

## Recommendation

Approve investment of **\$150,000** in HealthBridge Africa as a Program-Related Investment (PRI) via equity. Company demonstrates strong mission alignment, clear public benefit, and a viable pathway to scale.

## 2. Strategic Fit With Madiro

### Mission Alignment

HealthBridge directly supports Madiro's charitable purpose by improving access to essential medicines, emergency stabilization, and chronic care services for underserved Kenyan populations. The company addresses structural inefficiencies in peri-urban health systems, reducing financial and health burdens on patients and their families.

### Charitable Purpose & Public Benefit

The innovation strengthens the health system by:

- Increasing the availability and affordability of essential medicines.
- Improving emergency stabilization and referral in low-income areas where ambulance coverage is minimal.
- Empowering CHWs with tools, training, and income opportunities.
- Serving patients facing barriers to care and high out-of-pocket expenditure.

### PRI Justification

Private benefit (equity value for founders) is incidental and necessary to scale the platform. The dominant purpose is improving public health. Equity is offered below market expectations and includes Madiro's involvement in mission alignment, reporting, and governance.

---

### 3. Key Risks

#### **Regulatory Risk (Medium)**

Kenyan e-pharmacy and emergency care regulations are evolving. Risk mitigated by ongoing work with the Pharmacy and Poisons Board (PPB) and partnerships with licensed facilities.

#### **Operational Capacity (Medium–High)**

Scaling CHW operations in multiple counties requires strong hiring, training, and supervision. Management is aware and has developed a phased expansion plan.

#### **Market Competition (Medium)**

Digital pharmacy competition exists in Nairobi, though few players serve peri-urban or low-income markets. HealthBridge’s hybrid CHW + emergency model provides meaningful differentiation.

#### **Financial Risk (Medium)**

Gross margins are improving but still sensitive to logistics costs. Planned integration with pharmacy wholesalers and route optimization should improve sustainability.

#### **Technology Dependence (Medium)**

System outages or app failures could disrupt operations. Team has upgraded cloud hosting and implemented monitoring tools.

#### **Cultural Adherence (Low–Medium)**

Some communities may distrust new digital models or medical responders. Mitigated through CHW-based trust networks and community onboarding.

## 4. Problem

Kenya's peri-urban populations—particularly in Nairobi's outer counties (Machakos, Kiambu, Kajiado)—face a series of entrenched health system challenges:

- **Essential medicines** are often unavailable or unaffordable.
- **Emergency response** times average 90–120 minutes due to low ambulance coverage.
- **Chronic disease management** is inconsistent, with gaps in adherence and medication access.
- **Maternal emergencies** such as eclampsia and postpartum hemorrhage are often recognized too late.
- **CHWs** lack structured support, tools, and pathways to earn sustainable income.
- **Households** incur high out-of-pocket costs, delaying care and increasing financial vulnerability.

These barriers contribute to preventable morbidity and mortality.

Families lose income, caregivers miss work, and health facilities struggle with late-stage cases.

HealthBridge is directly addressing these structural failures.

## 5. Solution

HealthBridge offers a **unified digital care access platform** that integrates pharmacy delivery, CHW support, and emergency referral into a single system.

### Core Product Components

#### A. Digital Pharmacy + Commodities

- Mobile ordering for essential medicines
- Pricing transparency
- Integration with licensed pharmacies
- Delivery via CHWs and local courier partners
- Stock monitoring at facility level

- Essential health commodities & FMCGs (ORS, sanitary pads, nutrition supplements)

## B. CHW Enablement

- CHWs trained to deliver chronic meds, basic vitals, and health education
- CHWs receive income through delivery fees + service fees
- App-based tasking for adherence checks and follow-ups
- CHW Supervision dashboard for clinical oversight

## C. Emergency Stabilization & Referral

- Community responders trained in basic life support
- Geo-tagging for nearest facility
- Referral handoff protocols with selected private clinics
- Integration with ambulance partners (not owned by HealthBridge)

## D. Facility Integration

- Digital dashboard for referring clinics
- Inventory tracking
- Prescription digitization
- Referral coordination

# 6. Impact

## Impact Levels (Applicable Only Where Relevant)

**Level 1 — Facilities**

**Level 2 — Health Workers**

**Level 3 — Patients**

**Level 4 — Households**

HealthBridge delivers impact across all four levels, with strongest effects at Levels 2 and 3.

## A. Level 1 — Facilities

- 62 partner pharmacies across three counties
- 14 partner private clinics using referral dashboard
- 18% reduction in average stockout frequency for high-demand chronic meds
- 9 facilities reporting reduced congestion due to CHW-led community delivery

## B. Level 2 — Health Workers & Entrepreneurs

- 122 active CHWs earning income (Direct jobs created: **122**)
- Average CHW monthly income increased from KES 8,000 → KES 14,500
- 48 community responders trained in emergency stabilization
- Digital tools increase productivity & reliability

## C. Level 3 — Patients / End Customers

- 18,000 unique patients served
- 65,000+ medication deliveries completed
- Emergency stabilization available in 14 peri-urban zones
- Affordable access to essential commodities & FMCGs: ORS, sanitary pads, nutrition packs, malaria tests, prenatal supplements

## D. Level 4 — Household Members

- Estimated **52,000+** household members benefiting indirectly
- Reported savings of 25–40% on medication costs
- Fewer lost workdays due to improved chronic care adherence
- Indirect jobs created: **350–400 (estimated)** through improved caregiver productivity

---

## Public Benefit Test

This investment clearly furthers Madiro’s charitable purpose by increasing access to essential medicines, emergency stabilization, and chronic care services for underserved Kenyan households. Public benefit overwhelmingly exceeds private benefit. Any private gain to founders is incidental, necessary for scale, and proportionate to the health improvements generated.

---

## 7. Theory Of Scale (1 Page)

### 1. Expansion Strategy

- Grow from 3 → 7 counties over 24 months
- Scale CHW base from 122 → 600
- Expand pharmacy partners from 62 → 150
- Add 20 additional emergency zones

### 2. Distribution Flywheel

- More pharmacies → better prices
- Better prices → higher consumer adoption
- Higher adoption → more CHW income
- More CHW income → more CHWs recruited
- More CHWs → better last-mile penetration

### 3. Path to Financial Sustainability

- Gross margin target: 26–28%
- Target blended delivery cost reduction: 18–22%
- Chronic meds adherence wallet projected to raise recurring revenue to ~40% of total

### 4. Key Dependencies

- Pharmacy licensing stability
- CHW training partnerships
- Continued product reliability
- Maintaining affordable pricing

### 5. Scale Risks

- Operational complexity
- Over-expansion
- Dependency on donor or employer partnerships (mitigated by increasing B2C retention)

## 8. Traction & Commercialization

### A. Revenue Growth

- FY2023: \$138,000
- FY2024: \$297,000 (+115%)
- Q1–Q2 2025 (annualized): \$420,000

### B. User Growth

- MAUs: 6,800
- Repeat purchase rate: 42%
- Emergency calls stabilized: 1,200+
- CHW adherence follow-ups: 9,400+

### C. Key Partnerships

- 3 NGO partners (maternal health & chronic disease programs)
- 14 clinics
- 62 pharmacies
- 2 ambulance services
- 1 county health department MOU in negotiation

### D. Product Readiness

- Apps for CHWs, responders, and patients
- Facility dashboard v2 launch
- Referral protocols tested in 3 counties

### E. Early Signs of Profitability

- Pharmacy margins averaging 22–24%
- Delivery costs per order down 17% since Q3 2024
- Emergency stabilization fees covering responder stipends

## 9. Market & Competition (1–1.5 Pages)

### 9.1 Market Overview

#### Kenya's Healthcare Market Dynamics

Kenya's health system, particularly in peri-urban and informal settlements, faces persistent gaps in:

- medicine availability
- emergency response infrastructure
- continuity of chronic care
- affordability
- last-mile delivery
- facility data visibility

The private sector accounts for nearly **50–55%** of healthcare utilization, yet affordability and reliability are significant barriers. Household out-of-pocket payments remain **>25% of total health expenditure**, disproportionately affecting the working poor.

#### Total Addressable Market (TAM)

**Urban + peri-urban essential medicines + chronic care + emergency support + CHW services**

Estimated TAM (Kenya): **\$900M–\$1.1B annually**

#### Serviceable Addressable Market (SAM)

Focusing on the working poor and peri-urban populations in Nairobi, Kiambu, Machakos:

**\$120M–\$180M annually**

#### Serviceable Obtainable Market (SOM)

Within 5 years:

**\$12M–\$20M** realistically obtainable through pharmacy + CHW + referral integration.

---

## 9.2 Competitive Landscape

### Direct Competitors

- Digital pharmacies (Nairobi-only focus):  
*e.g., [anonymized]* — strong in e-commerce, weak in last-mile
- Logistics players doing medical deliveries on-demand
- Telehealth platforms (not vertically integrated with emergency/CHW)

### CHW Programs

- Several NGO-led CHW models exist, but few offer structured income + supply-chain integration.

HealthBridge's hybrid CHW + e-pharmacy model is differentiated and more sustainable.

### Emergency Response Providers

- Few private EMS providers serve peri-urban low-income areas
- Public EMS is fragmented and inconsistent
- HealthBridge leverages trained community responders + ambulance partnerships

## 9.3 Differentiation & Moat

### A. Hybrid Model = Unique Value Proposition

Most competitors focus on a single dimension: pharmacy, telehealth, or EMS.

HealthBridge integrates:

- CHW
- Pharmacy
- Emergency referral
- Facility dashboards
- Commodities + FMCGs
- Chronic care monitoring

This creates a **sticky, multi-sided marketplace**.

## **B. Deep Community Integration**

Trust-building through CHWs and responders is hard to replicate.

## **C. Data & Insights**

Referral and delivery data create unique operational intelligence.

## **D. Partnerships**

Early MOUs with peri-urban clinics and a county government represent defensible relationships that commercial competitors are unlikely to prioritize.

# **10. Team (1 Page)**

### **CEO & Co-Founder — Grace M.**

- 14 years in pharmaceutical distribution and retail health
- Former operations director at a leading regional pharmacy chain
- Experience scaling supply chain teams across 200+ outlets

### **CTO & Co-Founder — Samuel K.**

- Software engineer with 10+ years' experience
- Led development of large-scale logistics and mobile payment systems
- Former tech lead at a Kenyan e-commerce aggregator

### **Head of Community Health — Ruth W.**

- Former Ministry of Health CHW supervisor for Nairobi County
- Led CHW programs serving >3,000 households
- Expertise in training, supervision, and community engagement

### **Head of Emergency Response — Jackson A.**

- Emergency medical technician (EMT) with 9 years' experience
- Former operations lead at a regional private EMS provide
- Deep knowledge of local referral pathways

**Finance & Admin Lead — Peter J.**

- CPA with 8 years in SME financial management
- Implemented financial systems for 20+ early-stage companies

**Assessment**

The team is strong, local, experienced, and well-aligned with the complexity of Kenyan health systems.

Key gaps include data science and procurement.

Company plans to hire a Supply Chain Manager and Data Analyst post-raise.

**11. Financials (1–2 Pages)**

**11.1 Historical Performance**

<b>Metric</b>	<b>2023</b>	<b>2024</b>	<b>Q1–Q2 2025 (Annualized)</b>
Revenue	\$138,000	\$297,000	~\$420,000
Gross Margin	18%	22%	24–26%
Orders Delivered	19,300	42,500	65,000+
Emergency Stabilizations	600	1,100	1,800
CHWs Active	35	78	122

## 11.2 Projections (Next 3 Years)

### Revenue Forecast:

- 2025: \$600k
- 2026: \$1.2M
- 2027: \$2.1M

**Gross Margin Target:** 26–28% by 2026

**CHWs:** Target 600 active by 2027

**Facilities:** 150 pharmacy partners, 35 clinic partners

**Emergency responders:** 120+ active

### Key Drivers:

- chronic care subscription wallet
- B2B (NGOs + employer plans)
- pharmacy wholesaler integration
- CHW network expansion
- emergency referral volume growth

## 11.3 Valuation Rationale

Pre-money valuation: **\$6M** (Seed-stage standard for traction)

Multiples:

- 10–12x 2024 revenue (Kenya early-stage range)
- 4.5–5x 2025 projected revenue

Given traction, retention, and multi-channel monetization, valuation is reasonable.

## 11.4 Capital Needs & Use of Funds

**Total Raise: \$1.25M**

**Use:**

- Product development (20%)
- CHW training & expansion (25%)
- Pharmacy onboarding (20%)
- Emergency responder training (15%)
- Marketing + community engagement (10%)
- Hiring (10%)

Runway post-raise: **18–22 months**

---

## 12. Deal Terms (1 Page)

**Instrument:**

**Equity (PRI)**

**Madiro Ticket:**

**\$150,000**

**Rights:**

- Information rights
- Board observer seat
- Impact + PRI alignment clause
- Annual mission alignment review
- Preferred liquidation rights (1x)

**Valuation:**

**\$6M pre-money**

## Post-Money:

**\$7.25M (if full raise is achieved)**

## Governance:

Madiro will take an **observer role**, with right to convert to director seat at next round if value-add warranted.

## Investor Protections:

- Anti-dilution (broad-based)
- Major decisions requiring investor majority
- Limitations on issuing additional convertibles

## Charitable Alignment Clauses:

- Quarterly impact reporting
- Biannual public benefit review
- Use of Qualifys must remain aligned to charitable purpose

These clauses ensure PRI compliance without burdening the company.

---

## 13. Madiro Value Add (½ Page)

Madiro offers capabilities that strengthen HealthBridge's path to scale:

### 1. Health System Credibility

Aligning with stakeholders (clinics, NGOs, county governments).

### 2. Introductions & Partnerships

Potential integrations with maternal health programs, CHW networks, and distribution partners.

### 3. Technical Assistance

Support on:

- data architecture

- analytics
- unit economics
- performance monitoring

#### **4. Governance & Strategy**

Board observer participation supporting scale and system integration.

#### **5. Fundraising Support**

Warm introductions to catalytic co-investors (regional, global).

## **14. Due Diligence Summary (1–2 Pages)**

### **Strengths**

- Strong mission and public benefit
- High-impact model across 4 levels
- Early but illustrative traction
- Experienced, locally grounded team
- Clear competitive differentiation
- Strong potential for county-level partnerships
- CHW income-generation model well-designed

### **Risks**

- Operational complexity in CHW expansion
- Competition in Nairobi’s digital pharmacy segment
- Tech reliability risks
- Thin early margins
- Dependency on logistics efficiency

### **Mitigations**

- Phased expansion approach
- Investment into route optimization
- Strengthening pharmacy wholesaler relationships
- Increasing emergency response coverage

- Planned hires in supply chain + data

## Public Benefit Test

Innovation directly furthers a charitable purpose (improving health access).

Public benefit meaningfully outweighs private benefit.

Private benefit to shareholders is incidental and necessary for scale.

PRI alignment confirmed.

## Reporting Readiness

Company can provide:

- patient numbers
- facilities reached
- CHW earnings
- emergency response count
- lives impacted
- direct & indirect jobs (basic estimates)
- gender-disaggregated data for patients (if available)

Biannual Impact Survey participation feasible.

## 15. Recommendation

### Recommendation:

**Approve**

Approve with Conditions

Decline

### Rationale:

HealthBridge Africa presents a strong opportunity for Madiro to improve health access and outcomes in Kenya's peri-urban communities. The company delivers clear public benefit, responsibly manages private benefit, and demonstrates a viable business model with potential

to scale across Kenya and beyond. Traction, team strength, and multi-level impact all support a positive investment decision.

**Final Decision (to be recorded by IC):**

## IC1 Two-Pager (Anonymized Example)

**“M-CARE CONNECT AFRICA” — Kenya**

*(Fictional but realistic example)*

PAGE 1

### 1. SUMMARY

M-Care Connect is a Kenya-based digital health platform improving access to essential medicines, emergency stabilization, and chronic care support for low-income urban and peri-urban communities. Through a hybrid model combining digital pharmacy ordering, CHW-led last-mile delivery, and rapid emergency referral linkages, the company addresses recurring medication stockouts, long emergency response times, and inconsistent continuity of care.

M-Care Connect leverages partnerships with licensed pharmacies, community health volunteers, and private clinics to deliver affordable and reliable care. Early traction demonstrates strong demand within peri-urban Nairobi, with a growing user base and promising indicators for scale.

### 2. KEY FACTS

**Country:** Kenya

**Industry:** Digital Pharmacy / Community Health / EMS

**Founded:** 2023

**Stage:** Seed

**Website:** *[anonymized].com*

**Total Raised:** \$420,000

**Current Raise:** \$1.0M (Seed)

**Committed:** \$350,000

**Post-Money Valuation:** \$6.0M

**Instrument:** Equity (PRI)

**Breakeven Projection:** Q4 2026

**Selected KPIs:**

- 11,800 monthly active users
- 39,000+ medication deliveries to date
- 74 pharmacies and 12 clinics integrated
- 1,050 emergency stabilization calls completed
- 98 active CHWs
- 31 community responders trained

### 3. PROBLEM & CONTEXT

Kenya’s peri-urban populations face persistent challenges:

- Medication stockouts and inconsistent pharmacy pricing
- Delayed emergency response (60–120 minutes average)
- High out-of-pocket spending for chronic care
- Limited trust in digital-only models
- Fragmented care continuity across providers and facilities

These challenges contribute to preventable hospitalizations, delayed maternal care, unmanaged chronic illness, and financial strain for families.

### 4. SOLUTION & INNOVATION

M-Care Connect integrates medicines access, CHW delivery, and emergency referral pathways into a unified platform:

- Digital ordering of essential medicines
- CHW-enabled last-mile delivery
- Emergency stabilization and referral via trained responders
- Integrated referrals to nearby clinics
- Facility dashboards for prescribing and follow-up

- Delivery of essential commodities/FMCGs (ORS, sanitary pads, malaria tests)

This hybrid model creates trust, accessibility, and affordability.

---

## 5. TRACTION & PERFORMANCE

### Strong early traction:

- Revenue: \$285k in 2024 (2x YoY growth)
- 39,000+ deliveries completed
- 11,800 MAUs
- 1,050+ emergency calls stabilized
- 98 active CHWs, average monthly income KES 14,000
- Repeat purchase rate: 41%

### Institutional partnerships:

- 2 NGO contracts covering chronic disease patients
- 74 pharmacy partners
- 12 clinics using the referral dashboard
- 2 ambulance service MOUs

---

PAGE 2

## 6. IMPACT (SHORT FORM)

### Applicable Levels:

- Facilities
- Health Workers
- Patients
- Households

### Impact Highlights:

- 39,000+ medicine deliveries improving continuity of care

- 1,050 emergency stabilization events in peri-urban Nairobi
- **Direct jobs created: 98 CHWs and 31 community responders**
- **Indirect jobs created:** estimated 200+ due to reduced caregiver burden
- Essential commodities/FMCGs delivered: ORS, sanitary pads, nutrition packs

## 7. RISKS & RESERVATIONS

- Operational capacity to scale CHW supervision
- Early gross margins still improving
- Competition in Nairobi's digital pharmacy segment
- Regulatory uncertainty in emergency responder protocols
- Technology reliability (downtime risk)

## 8. POTENTIAL SYNERGIES

- Overlap with existing Madiro portfolio companies in emergency care and primary care
- CHW integration complementary to maternal health and chronic care programs
- Pharmacy network insights useful for digital supply chain interventions
- Opportunity to align with public UHC initiatives

## 9. WHY MADIRO SHOULD INVEST

M-Care Connect addresses critical gaps in Kenya's health system through an integrated digital + community health model with early traction, a capable team, and strong alignment with Madiro's mission. The company demonstrates clear potential for scale and meaningful public health benefit, making it a high-fit candidate for a PRI at the Seed stage.

## 10. PUBLIC BENEFIT TEST

This investment furthers Madiro's charitable purpose by improving access to essential medicines, emergency stabilization, and primary care services for underserved peri-urban populations. Public benefit is substantial and clearly exceeds any private benefit to shareholders, which is incidental and necessary for scaling the model.

---

## 11. IC1 SCORECARD (1–5 SCALE)

**Problem:** 5

**Mission Fit:** 5

**Impact Potential:** 4

**Traction:** 4

**Team:** 4

**Risk Profile (Inverse):** 3

**Financial Viability:** 4

**Readiness for DD:** 5

**Total Score:** 34 / 40

**IC1 Recommendation:**

Qualify to DD

Watch

Decline

# APPENDIX A — STREAMLINED DUE DILIGENCE CHECKLIST

*(Merged from your Streamlined DD, Transaction Checklist, and IC2/DD Summary workflows)*

Used by the Deal Lead during **Step 4: Commercial Due Diligence**.

Kept intentionally lean, stage-appropriate, and aligned to PRI.

## 1. CORPORATE DOCUMENTS & GOVERNANCE

- Certificate of incorporation & amendments
- Shareholder structure
- Cap table (founders + investors)
- Articles, bylaws, board resolutions
- Organizational chart
- Director details (names, roles, bio summaries)
- Board minutes (if available)
- Litigation or disputes (if any)
- Licensing & registration status (PPB, MoH, etc.)
- CHW or facility compliance (if applicable)

**Goal:** Confirm legitimacy, governance maturity, and risk exposure.

## 2. FINANCIALS

- Historical financial statements (1–2 years if available)
- Revenue & cost breakdown
- Unit economics
- Gross margin trends
- Burn rate + runway
- Forecast (next 12–24 months)
- Funding histor
- Use of funds plan
- Bank statements (when appropriate)
- Invoices/purchase orders (if relevant to model)

**Goal:** Check viability, identify red flags, and ensure the investment is appropriately sized.

---

### 3. COMMERCIAL & MARKET VALIDATION

- Customer segments
- Contracts, LOIs, MOUs
- Paid pilots
- User engagement metrics
- MAUs, orders, visits, calls
- Customer acquisition strategy
- Market size & competition
- Barriers to entry
- Margin compression or price sensitivity indicators

**Goal:** Confirm demand, traction, and commercial plausibility.

---

### 4. PRODUCT, TECHNOLOGY, AND OPERATIONS

- Product architecture & tech stack
- App demo & screenshots
- Data security approach
- Operational workflows (CHWs, pharmacies, facilities, responders)
- Supply chain design
- Logistics partners
- Inventory & fulfillment processes
- Regulatory pathways (e.g., emergency care protocols)
- Quality assurance processes
- Facility or field operations design
- Essential commodities / FMCG logistics (if relevant)

**Goal:** Ensure the model is technically and operationally feasible.

---

### 5. IMPACT & CHARITABLE PURPOSE (PRI ELIGIBILITY)

- Impact levels (1–4) addressed
- Meaningful public benefit
- Vulnerable or underserved beneficiaries
- Metrics (patients, CHWs, facilities, households)

- Direct jobs created
- Indirect jobs created
- Essential commodities / FMCGs provided
- Emergency response & health outcomes
- Evidence of impact (early signals)
- Alignment with Madiro's charitable purposes
- Public Benefit Test
- Incidental private benefit confirmation

**Goal:** Determine whether the investment qualifies as a PRI.

---

## 6. REPORTING READINESS

- Ability to track patient numbers
- Ability to track facility or CHW metrics
- Ability to estimate households impacted
- Ability to report jobs (direct & indirect)
- Ability to complete biannual Impact Survey
- Internal data systems
- Staff capacity to support reporting

**Goal:** Ensure the company can participate in Madiro's impact measurement process.

---

## 7. LEGAL & REGULATORY REQUIREMENTS

- Review SAFE / equity documents
- Convertible or loan instruments (if applicable)
- PRI structure review
- Compliance with Kenyan law
- EMS regulations (if relevant)
- Pharmacy/commodities compliance
- County-level requirements
- Data privacy compliance
- IP ownership
- Employee contracts & HR policies

**Goal:** Ensure regulatory compliance and contract integrity.

---

## 8. SITE VISIT (if conducted)

- Facility walkthrough
- CHW observation
- Pharmacy/clinic observation
- Technology usage in the field
- Founder dynamics
- Staff morale
- Infrastructure readiness

**Goal:** Confirm operational claims made during DD.

---

# APPENDIX B — SITE VISIT SUMMARY TEMPLATE

## SITE VISIT SUMMARY — Madiro Due Diligence

**Company:**

**Location:**

**Date:**

**Madiro Team Present:**

**Company Team Met:**

---

### 1. PURPOSE OF VISIT

1–2 sentences on objectives.

---

### 2. SITES / TEAMS VISITED

- Pharmacy / clinic
- CHWs

- Facility staff
  - Warehouse (if applicable)
  - Emergency referral center
- 

### 3. KEY OBSERVATIONS

- Evidence of execution
  - Quality of operations
  - Staff capacity and morale
  - Facility readiness
  - Technology performance
  - Integration of processes
  - Commodities/FMCG presence (if relevant)
- 

### 4. IMPACT SIGNALS OBSERVED

- Lives impacted
  - Real patient interactions
  - CHW service quality
  - Emergency response readiness
  - Household-level anecdotes
  - Cost savings indicators
- 

### 5. RISKS IDENTIFIED

- Operational
  - Safety
  - Technology
  - Liquidity
  - Compliance
-

## 6. PHOTOS (Optional)

---

## 7. SUMMARY STATEMENT

One short paragraph.

---

# APPENDIX C — PRI, SAFE, EQUITY & INSTRUMENT GUIDE

(For IC members & investment team)

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## 1. PROGRAM-RELATED INVESTMENTS (PRI) — Madiro Default

### Definition

Investments made primarily to advance Madiro’s charitable purpose (improving health), not to generate financial return.

### Key Features

- Charitable purpose must be primary
- Public benefit must clearly outweigh private benefit
- Private benefit must be incidental (necessary, reasonable, proportionate)
- Investment instruments include equity, SAFE, convertible, loan
- Returns (if any) are recycled into the fund
- Allows Madiro to actively support companies (TA, governance, reporting)
- Eligible for counting as “charitable activities” under CRA

### When We Use It:

→ **Always** (every investment is PRI).

---

## 2. SAFE — Founder-Friendly & Flexible

SAFE notes (Simple Agreement for Future Equity) are ideal for early stages.

### Madiro's Preferred SAFE Terms

*(Based on your SAFE guidance)*

- 20% discount
  - Clear post-money valuation cap
  - No minimum conversion threshold
  - Option to convert at SAFE price or discounted price (whichever yields more shares)
  - 75% super-majority for amendment
  - Restriction on issuance of new convertibles without SAFE holder approval
  - Confidentiality clause
  - Assignable to Madiro or affiliates
  - Optional redemption provision for extended delays
- 

## 3. EQUITY — When We Take a Stake in the Company

Used when:

- Company has clearer valuation
- Governance role is needed (observer / director)
- Revenue and model are emerging
- Investment aligns strongly with long-term engagement

### Madiro's Typical Equity Terms

- Board observer seat
  - Information rights
  - Impact alignment clause
  - Reserved matters protections
  - Pro rata rights
-

## 4. CONVERTIBLE NOTES — Limited Use

Used rarely. More complex for founders.

Can be used when:

- SAFE environment not standard
- Legal requirements dictate

## 5. LOANS / DEBT — Rare Use Case

Only when:

- Model suits it (e.g., facility financing, asset finance)
- Clear repayment path exist
- Company not suited for equity

Used sparingly.

# APPENDIX D — PUBLIC BENEFIT TEST (Full Reference)

### 1. Charitable Purpose:

Does the investment directly further Madiro's purpose of improving health?

### 2. Public Benefit:

Do underserved patients, households, workers, or facilities materially benefit?

### 3. Incidental Private Benefit:

Is shareholder gain necessary, reasonable, and proportionate?

### 4. Prohibited Scenarios:

- Founder enrichment without public benefit
- Minimal health impact
- Purely commercial or market-rate deal
- Overly inflated valuation (excessive private benefit)

---

## APPENDIX E — GLOSSARY

**PRI:** Program-Related Investment

**FMCG:** Fast-Moving Consumer Goods

**CHW:** Community Health Worker

**MAU:** Monthly Active Users

**ESO:** Emerging Strategic Opportunity

**QDO:** Qualified but Deferred Opportunity

**Public Benefit Test:** PRI eligibility evaluation

**Incidental Private Benefit:** Necessary private gain secondary to public benefit

**SAFE:** Simple Agreement for Future Equity

**UHC:** Universal Health Coverage

# PART V — SECTION 4: QUICK IC REFERENCE

(Draft for Review — Version 1)

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## 1. Madiro Investment Committee — Quick Overview

### Purpose of the IC

- Provide independent judgment on investment opportunities
- Ensure alignment with Madiro’s mission and charitable purposes
- Approve investments as Program-Related Investments (PRIs)
- Evaluate impact, risk, and viability
- Maintain fiduciary standards and governance integrity

### Your Role

- Read materials before meetings
  - Ask clarifying and critical questions
  - Evaluate impact + PRI alignment
  - Assess risks and mitigations
  - Vote independently
  - Support the Deal Lead with feedback, not operational directives
- 

## 2. Madiro’s Unified Investment Process (7 Steps)

*(Used for ALL stages: Pre-Seed, Seed, Series A)*

### Step 1 — Initial Screen

- Company completes Madiro’s online screening form
- Deal Lead assesses mission fit, impact potential, feasibility

**Outcome:**

- Qualify
- Reject
- Watch (Why / What / When)

## **Step 2 — Preliminary Analysis**

→ Intro call, internal review, optional expert input

### **Step 2.1 — Initial Financial Screen**

→ Lean review of model logic, valuation, runway, cap table

## **Step 3 — IC1 (Devil’s Advocate)**

→ IC1 two-pager

→ Discussion on fit, impact, risks

→ Decision: Qualify to DD / Watch / Decline

## **Step 4 — Commercial Due Diligence + Site Visit**

→ Streamlined DD checklist

→ 2–3 page DD summary

→ Site visit (if appropriate)

## **Step 5 — IC2 (Final Decision)**

→ Full IC2 memo (12–15 pages, structured)

→ IC2 scorecard

→ Vote

## **Step 6 — Contracting**

→ PRI via SAFE, equity, or convertible

→ Board observer or director role

### Step 7 — Post-Investment Monitoring

→ Quarterly updates

→ Biannual Impact Survey

→ Governance engagement

## 3. PRI Eligibility — What IC Members Must Check

Every Madiro investment is a **Program-Related Investment (PRI)**.

### Public Benefit Test (3 questions)

1. **Charitable Purpose:**

Does this directly improve health outcomes, access, affordability, or quality?

2. **Public Benefit:**

Do underserved individuals, households, workers, or facilities materially benefit?

3. **Incidental Private Benefit:**

Is private gain to founders/investors necessary, reasonable, and secondary to the public benefit?

If the answer to all three is **YES**, the investment qualifies as PRI-aligned.

## 4. Madiro's Four-Level Impact Framework (Flexible)

Companies are **NOT** expected to hit all four levels.

IC evaluates only levels that apply:

### Level 1 — Facilities

- Stockouts reduced
- Diagnostics improved
- Provider workflow improved

## Level 2 — Health Workers / Entrepreneurs

- CHWs trained
- Income increased
- Tools/efficiency improved
- **Direct jobs created**

## Level 3 — Patients / End-Customers

- Access to care improved
- Outcomes improved
- Affordability increased
- **Essential commodities & FMCGs delivered**
- Emergency response / stabilization

## Level 4 — Households

- Cost savings
- Reduced catastrophic expenditure
- Productivity improvements
- **Indirect jobs created**

Impact is evaluated qualitatively + quantitatively, based on early evidence.

---

## 5. What to Look for in IC1 Materials (Two-Pager)

You should understand in under 3 minutes:

### A. What the company does

Clear problem → solution narrative.

### B. Why it matters

Meaningful health gap?

Who suffers today?

**C. What evidence exists**

Traction, pilots, usage, revenues, outcomes.

**D. Impact potential**

Which levels apply?

Are early outcomes believable?

**E. Key risks**

Regulatory? team? operations? competition?

**F. Public Benefit Test**

Is the charitable purpose clear?

**G. Should we invest in deeper diligence?**

This is the core purpose of IC1.

**6. What to Look for in IC2 Materials (Full Memo)**

The IC2 memo (12–15 pages) provides everything necessary for the final decision.

**You should be able to answer:**

**1. Is the charitable purpose clear?**

Impact is real, meaningful, and measurable.

**2. Is private benefit incidental?**

Founder gain proportional, necessary.

**3. Is the model viable?**

Early traction, early unit economics, plausible pathways.

#### **4. Is there a clear pathway to scale?**

The Theory of Scale section should articulate this.

#### **5. Are the risks manageable?**

Mission drift, financial, operational, regulatory.

#### **6. Can the company report impact?**

Basic data = patient numbers, facilities, CHWs, jobs.

#### **7. Are deal terms appropriate?**

PRI via SAFE or equity should favor impact, not return.

#### **8. Does this company strengthen Madiro's portfolio?**

Complementarity, synergies, geographic and thematic balance.

### **7. Scorecards — How to Use Them**

#### **IC1 Scorecard**

Simple, directional, 1–5 scale. Helps decide whether to invest more time.

#### **IC2 Scorecard**

More detailed, evaluates:

- Problem significance
- Mission fit / PRI
- Impact depth (levels 1–4 as relevant)
- Scale potential
- Business viability
- Traction
- Team
- Financial health
- Risk
- Reporting readiness

**Score helps guide discussion, not dictate vote.**

---

## 8. How to Read a Deal in <5 Minutes (Quick Rubric)

### 1. Problem

Do I believe the problem is real and meaningful?

### 2. Solution

Is it clear what this company actually *does*?

### 3. Impact

What changes for patients, workers, households, or facilities?

### 4. Traction

What is the evidence that it works?

### 5. Team

Can they execute in this context?

### 6. Scale

Is there a path to reaching thousands → millions?

### 7. Risks

Are they aware of the real risks? Are mitigations credible?

### 8. Terms

Are we structuring this appropriately for a PRI?

If these are clear, you have enough to vote.

---

## 9. What to Expect from Management (Investment Team)

### They will:

- Prepare all materials
- Present opportunities clearly
- Respond to questions
- Conduct due diligence
- Provide follow-up analysis

### They will NOT:

- Influence voting
- Filter information
- Overstate traction
- Hide weaknesses
- Push IC members toward a decision

## 10. How to Participate in IC Meetings

### Your job:

Ask the human, practical, high-signal questions:

- “What problem are we really solving?”
- “Why this team?”
- “Is the charitable purpose strong enough?”
- “Who truly benefits?”
- “Where is the risk *really*?”
- “What would make me uncomfortable approving this?”
- “What would I need to see removed or added?”

### Voting

- Approve
- Approve with conditions
- Decline

Conditions are common and healthy (e.g., regulatory update, valuation adjustment, reporting requirement, milestone).

---

## 11. Quick Reference — Key Documents for IC1 & IC2

### IC1 Includes:

- Two-pager
- Public Benefit Test
- Scorecard

### IC2 Includes:

- Full memo (12–15 pages)
  - Scorecard
  - DD summary
  - Term sheet
  - Site visit (if any)
  - Financial model (reference, not reviewed in meeting)
- 

## 12. What Counts as an “Appropriate PRI Investment”? (Quick Test)

A deal is PRI-eligible if:

- ✓ It advances health
- ✓ It provides substantial public benefit
- ✓ It supports underserved populations
- ✓ It is not primarily commercial
- ✓ Shareholder benefit is incidental

- ✓ Impact can be measured
- ✓ Scale is plausible
- ✓ Terms are impact-favorable
- ✓ The innovation would struggle to scale without catalytic capital

If these conditions are met, the IC is on solid ground.