

**ANNUAL
REPORT
MITI HEALTH
2015**



Dear Friends,

All of us at Miti Health wanted to thank you for your generous support, whether it be time, advice, or funding, in 2015. This was a year of growth and maturation for Miti Health. Over the course of the year, we grew our base in Kisumu to 20 chemists, built a laboratory to test medication, began offering access to credit in partnership with K-MET, and made revisions to our product to ensure that it was providing the information that was most valuable to our customers. In addition, we participated in the Unreasonable Institute East Africa, which helped us develop a sustainable business strategy. And with funding and support from the Bill & Melinda Gates Foundation, next year our customers will be able to use mobile-based credit tools that facilitate access to working capital and pooled procurement.

We viewed 2015 as a year for putting key systems in place that will be used for years to come – we now have granular data on sales patterns, brand loyalty, and history and can use our analytics to align incentives for chemists as they source and sell medication. Our thin layer chromatography lab will be used as a component of our financing system to verify medication quality. And we have undergone our first financial audit and put in place robust accounting systems.

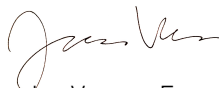
An extraordinary team made this all happen and continues driving progress forward. Mike Jurka was there to fix every bug, pushing new versions nearly instantaneously. The team in Kenya, and especially Dorcas Masatia, Ruth Namai, and Victor Okoth has done a tremendous job of ensuring that the program runs well and that we provide outstanding customer service. Ethan Hamilton did stellar work setting up our medication testing, and we are grateful to our many mentors and advisors for providing outstanding advice to help us refine the business and impact model.

We are excited for the future of this company, when we will leverage a mix of science, technology, and analytics to improve the transparency of private healthcare in East Africa, which touches the lives of millions. With an estimated 1 in 4 medications in Kenya being low-quality, we can help Kenyans have confidence in their health purchases, as well as streamline supply chains and help pharmacists and clinics make better decisions for their business.

Thank you for your support for this mission over the past year, and we hope to have more good news for you in the coming year. Happy Holidays!



Jennifer Stutsman, Managing Director



Jessica Vernon, Founder and Director



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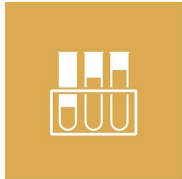
Our Model

We support Kenya's private sector healthcare market by ensuring that small clinics and pharmacies are able to access certified quality medications using an innovative mix of technology, laboratory verification, and mobile-based credit.



Sales + inventory management

Pharmacies and chemists subscribe to our Android tablet-based app to support their business. The point of sale and inventory management system tracks medication sales and provides ongoing reports for better ordering decisions.



Medication testing

Our drug quality laboratory in Kisumu tests medication sold in the shops of our chemists, providing accountability to manufacturers and addressing information asymmetries in the supply chain to ensure that patients receive good medication with every sale.



Access to mobile credit

In 2016, we will launch a mobile credit product that will use the data generated by our business management system and our lab to recommend reorder quantities and brands for shops, as well as automatically approve chemists for credit based on their sales history.

PROGRESS UPDATE

Sales + Inventory Management




Medication Testing



Access to Mobile Credit

Sales + Inventory Management



TABLET SYSTEM

Miti Health has been selling our Android tablet-based software for the last year via \$10 monthly subscription.

We currently have 20 chemists using the system, logging an average of 200 transactions per month with information about their top items sold and favorite brands, frequency and volume of transactions, and frequency of reorder. We present this information back to them in a user-friendly format that allows them to make more informed decisions about their stocks. At an aggregate level, we are also beginning to develop business intelligence about the sector that allow us to better design credit products and other offerings. Using these insights, we hope to improve the quality and price of care in the region.

Next Steps:

- Expand network to 100 chemist shops
- Integrate credit workflow and mobile payments into point of sale system
- Test incentives to drive quality improvements

BY THE NUMBERS

20

Chemists currently using the system

\$2,400

2015 sales revenue

34,000

Total transactions logged

81,000

Total items sold via system

2,009

Unique items stocked by chemists in our network

Medication Certification



TESTING LAB

Miti Health is proud to introduce our fully-functional thin layer chromatography lab in Kisumu, Kenya to verify medication quality.

Using the GPHF-Minilab system, we can test a range of essential medications for both presence and quantity of desired active pharmaceutical ingredients. We were lucky to have Ethan Hamilton join the team from Stanford for the summer to set up laboratory protocols and build our local lab team. The testing team conducted an initial study of 4 types of medications collected from over 70 pharmacies to assess which brands and regions were most at-risk for manufacturing poor-quality medication. We have also completed medication testing for Living Goods, a social enterprise in Kenya and Uganda, to verify their medication supplies.

Next Steps:

- Conduct study testing family-planning + chronic disease meds to evaluate quality
- Roll out medication verification product to integrate with mobile credit offering

BY THE NUMBERS

412

Med samples tested

71

Chemist shops randomly sampled

26%

Chemist shop samples failed TLC

100%

Social enterprise samples passed TLC

\$3.88

Total cost per test to verify quality

Access to Mobile Credit



MOBILE CREDIT

Miti Health will launch a mobile-based credit system in 2016 to support chemists' purchase of bulk high-quality meds.

With support from the Bill & Melinda Gates Foundation, we will design, implement, and test an offering that integrates the data collected via our POS system and medication quality information in a novel way to drive impact. We will leverage Kenya's mobile payment infrastructure to provide loans at the time of ordering medications based on sales history, helping chemists order brands that have been validated by our testing program. We will conduct mini experiments to ensure high adoption of the loan product and compare sales and reordering data to a control group to assess impact of the intervention.

Next Steps:

- Conduct user research, roll out mobile credit product
- Lend funds to 80 chemists in the region, test 500 orders worth of meds for quality verification
- Build financing partnership with 1 international bank on terms that will allow for flexible small-scale lending

BY THE NUMBERS

100

Projected chemist roll-out in 2016

50,000

Average loan size (KES)

2

Loan period (months)

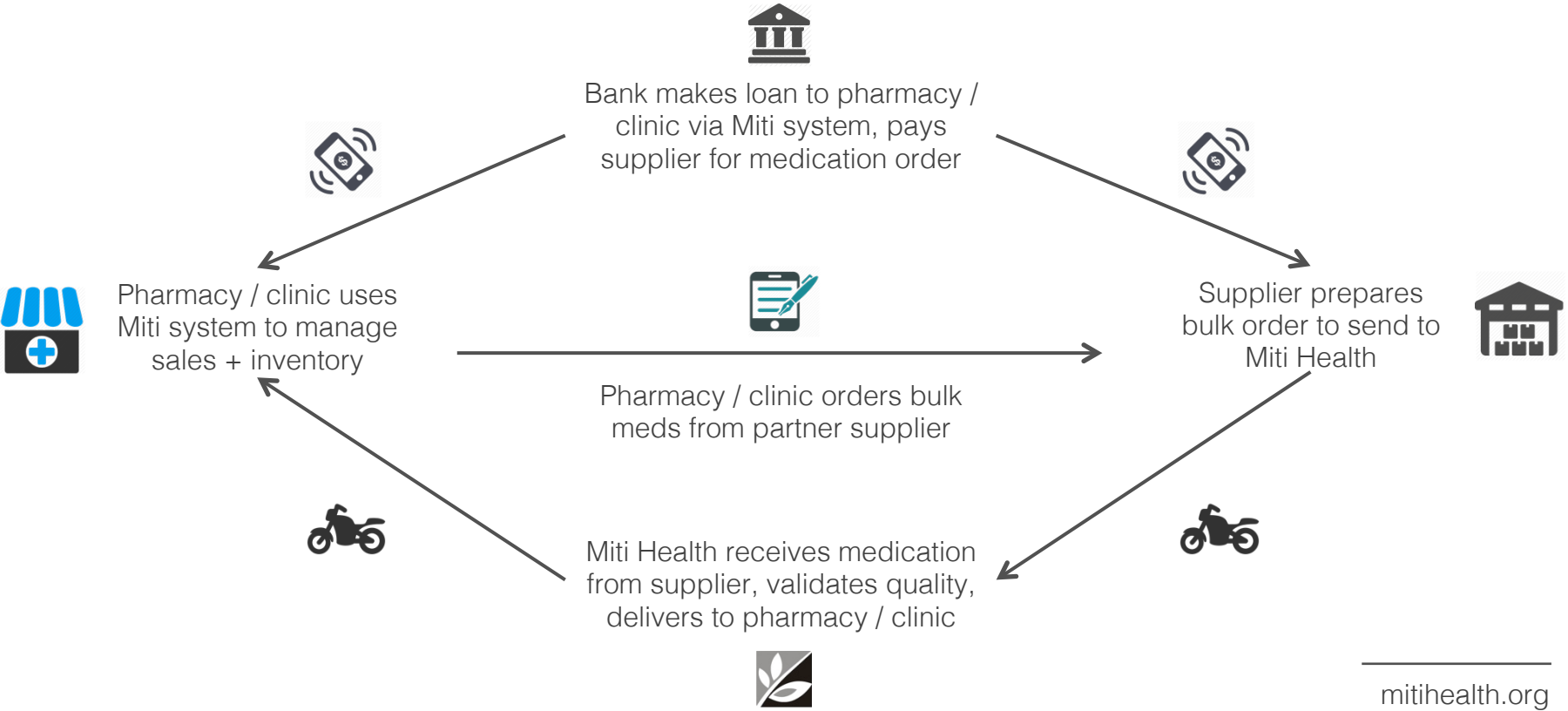
90%

Desired rate of ordering certified high-quality meds

100%

Payments via mobile phone

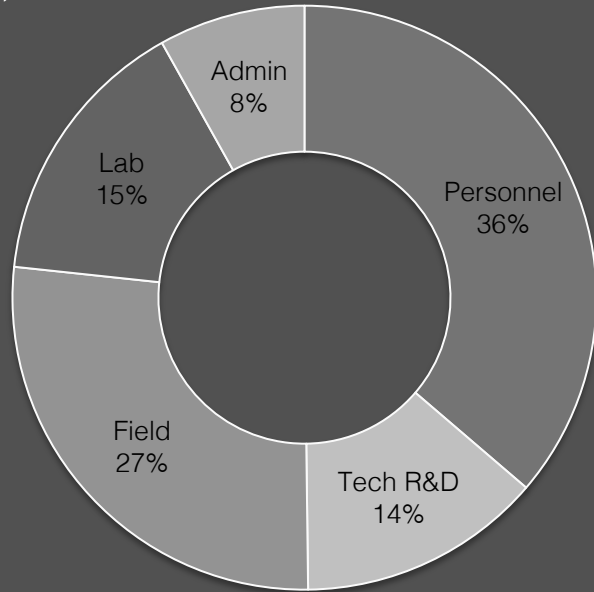
Miti Health Services Flow



Financials

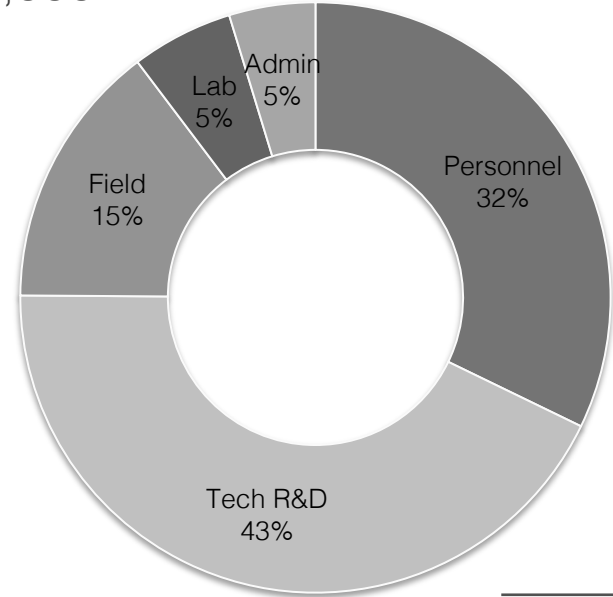
2015 Budget

\$36,000



2016 Budget

\$235,000



Partners & Press



[Kenya's Miti Health hopes for Unreasonable access to mentors, markets](#)

[Kenyan m-health startup Miti Health receives \\$100k Gates Foundation Grant](#)



[This Startup Prescribes a Private Sector Solution for a Public Health Pandemic](#)

Special Thanks

Team Members

Jennifer Stutsman
Jessica Vernon
Mike Jurka
Dorcas Masatia
Thomas Walichewicz
Ethan Hamilton
Ruth Namai
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Special Acknowledgements

Tammy Guo
Nick Singer
Margaret Mumbi Mongare
Ben Jenson
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Donors and Supporters

Bill & Melinda Gates Foundation
D-Prize
Unreasonable East Africa
Stanford University Center for
Innovation in Global Health
Stanford BASES Business Plan
Competition
Stanford Biodesign Program

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Raymond Deng
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Steven Gamburg
Taylor Singmaster
Wan Yang

Donate to Miti Health

Miti Health will use your gift to support our field operations in East Africa with an emphasis on cost-effective strategies to improve the quality of care delivered in low-income communities.

Our priorities for the new year include the following:

1. Expand laboratory certification to include family planning medications
2. Offer working capital to pharmacies and clinics in our network
3. Significantly expand our network of pharmacies and clinics
4. Develop analytics to measure quality of care based on medication sales

Please help us achieve these objectives. Thank you for your support and interest.

mitihealth.org/donate

A man with short dark hair, wearing a light green button-down shirt, is smiling and looking down at a tablet computer he is holding. He is standing behind a counter in what appears to be a pharmacy or clinic, with shelves of various medical supplies and products visible in the background. The lighting is soft and focused on the man.

THANK YOU!

YOUR SUPPORT MADE THIS POSSIBLE