

Impact Investment Exchange and KKR Announce Partnership

Written by Australian Business

SINGAPORE--([BUSINESS WIRE](#))--Impact Investment Exchange Asia (IIX), a leader in social sector development through impact investment, and KKR, a leading global investment firm, marked the successful completion of its technical assistance project with East Bali Cashews (EBC), based in the rural village of Ban in Bali's Karangasem District.

Social Enterprises are businesses which actively create a positive return to society. EBC, founded in 2012, is the first large-scale cashew processing facility in Bali and uses sustainable, eco-friendly business practices to process unshelled cashews, package and sell them under the brand name Alamente. EBC creates employment for women from farmer households who are mostly illiterate and have never had formal, salaried employment.

KKR and IIX worked with EBC as it was preparing to expand its capacity by providing technical assistance in developing EBC's financial model and business plan, assessing the appropriate capital structure and liquidity requirements for the business and developing an investment structure for new funds. IIX coordinated the overall project and its non-for-profit sister organization, Shujog, developed a social impact assessment. The KKR team included two private equity professionals from the Singapore office, and another from Sydney.

As a result of this effort, East Bali Cashews raised \$900,000 in new financing. Now, it is building a second factory, purchasing 16 additional machines, tripling the size of its warehouse and hiring 100 new employees.

Shujog's social impact assessment found that for every dollar invested on EBC activities in 2013, the company created an additional 24 cents in social value, such as by hiring additional villagers and providing them first-time wages.

The direct beneficiaries of this social impact include the company's current 130 employees, plus over 100 additional employees that EBC will hire as it expands over the coming year. Employees now enjoy more assets and income, improved health, increased mobility and financial security, and increased social capital and emotional well-being. By 2015, with its capital raising and expansion, EBC's impact proposition is projected to double.

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EBC founder Aaron Fishman said: “By working with KKR, IIX and Shujog, we got to the next level in terms of funding and expansion. Their commitment to us enabled us to grow faster than we could have on our own. When potential investors learned that KKR professionals had reviewed, verified and counseled us on our business plan, we had a ‘stamp of approval’ in raising funds we never had before.”

IIX Managing Director Robert Kraybill, said: “Many social enterprises in Asia have achieved proof of concept, but need assistance to scale. IIX and Shujog look to provide these resources. KKR joining this effort was invaluable in that it brought world-class investment expertise to our team, enhancing our ability to provide the support EBC needed at the right time. That support has now been leveraged to raise nearly \$1mn, which will positively impact the lives of hundreds.”

KKR Public Affairs Director for Asia Pacific, Steven Okun, said, “In IIX and East Bali Cashews, we found two partners committed to building businesses focusing on operational value-add with the aim of creating a social impact. KKR is pleased to have partnered with such forward-looking organizations, and looks forward to future opportunities to support Impact Investing in Asia.”

KKR, East Bali Cashews, IIX and Shujog presented this project at a panel session at the PublicAffairsAsia SharingValueAsia Conference taking place in Singapore.

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About East Bali Cashews

Based in the rural village of Ban in Bali’s Karangasem District Indonesia, East Bali Cashews uses sustainable, eco-friendly business practices to process unshelled cashews, package and sell them to the domestic and international markets under the brand name of Alamente. They are the first large-scale cashew processing facility in Bali. They have processed over 50 tons of quality cashews with current revenue of approximately US\$ 35,000 per month. East Bali Cashews works towards creating strong social impact on the

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communities through job creation focusing on women and environmental impact through using renewable energy sources to power the processing facility.

About IIX and Shujog

Impact Investment Exchange Asia (IIX) is a Singapore-based organization with a mission to provide Social Enterprises (SEs) in Asia greater access to capital, allowing them to more rapidly expand the impact of their activities. IIX offers three investment platforms – Impact Incubator, Impact Partners and Impact Exchange. Impact Incubator focuses on raising seed capital for start-up SEs while Impact Partners is a private placement platform dedicated to growth-stage SEs that are seeking expansion capital. IIX also recently announced the launch of Impact Exchange, operated by the Stock Exchange of Mauritius in collaboration with IIX. Impact Exchange is the world's first "social stock exchange", a regulated stock exchange dedicated to listing and trading securities issued by mature SEs and other socially-driven organizations.

IIX's sister not-for-profit company, Shujog, focuses on growing the Social Enterprise (SE) space in Asia. Shujog equips SEs, investors, and other members of the SE ecosystem with innovative tools to magnify the impact and scale the quantity of Asian SEs. Shujog also broadens the knowledge base and shares best practices across continents by co-hosting the largest Asia-based forum for impact investment. Through its impact assessment, advocacy, and research work, Shujog achieves its mission to strengthen, deepen and expand the impact SEs deliver in vulnerable communities.

About KKR

Founded in 1976 and led by [Henry Kravis](#) and [George Roberts](#), KKR is a leading global investment firm with US\$83.5 billion in assets under management as of June 30, 2013. With offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR has seven offices across Asia Pacific, with its Southeast Asia regional headquarters based in Singapore. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with fund investors through its client relationships and capital markets platform. KKR & Co L.P. is publicly traded on the New York Stock Exchange (NYSE:KKR), and "KKR," as used in this release, includes its

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subsidiaries, their managed investment funds and accounts, and/or their affiliated investment vehicles, as appropriate.