



unitüs  
ventures

# ANNUAL IMPACT REPORT

# 2017

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Fund impact as of December 31, 2017

# Foreword

We started Unitus Ventures (formerly Unitus Seed Fund) in 2012 with a goal of activating markets for the masses in India to positively and profitably impact the lives of millions. From our modest beginnings to now, we have come a long way. As of December 31, 2017, we cumulatively impacted over 1.8 million (18 lakhs) low-income lives across India. Our investments in healthcare, fintech, education and business services have been successful in impacting and scaling the quality of life of the base of the economic pyramid (BoP) masses.



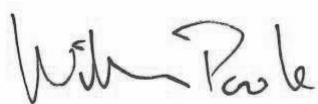
We are India's leading seed-stage impact venture fund investing in startups innovating for the masses. Our Annual Impact Report is an important milestone to highlight the impact of Unitus Ventures and our 28 investees in working towards achieving the UN's Sustainable Development Growth (SDGs). With all our firms aligning their reporting with the SDGs, we use a common framework that will play a vital role in helping us and other investors identify the areas that need more support towards meeting the SDG by 2021.

By the end of 2017, we had reviewed more than 5,000 companies and invested in 28. These investments have led way for us to witness a 111% growth in cumulative lives impacted since 2016. This is a significant achievement, solely based on the impact that has been created. These early-stage businesses have the potential to deliver products or services to Indians at the base of the economic pyramid in a profitable matter, all at scale, often achieving success without requiring further investment from Unitus.

Alongside this tremendous growth, we re-branded to Unitus Ventures from Unitus Seed Fund. This has been a major stepping stone for us to continue our existing investment model while opening doors to larger scale and more flexible funding. The brand refresh is aimed to add energy and vitality to our overall proposition and to align with the passion and needs of entrepreneurs.

To further our impact investing efforts, we recently raised USD \$15 million (INR 100 crore) towards first close of our Fund II (target size of \$45 million or INR 300 crore.) Marquee investors including Michael & Susan Dell Foundation, Bill Gates, Hemendra Kothari and many more have invested again in Fund II, showcasing their confidence in our investment strategy and execution. With Fund II, Unitus will be investing between INR 5 crore to 15 crores across 25-30 startups in healthcare, education and inclusive fintech in India.

As Paul Polak, Author of *Out of Poverty: What Works When Traditional Approaches Fail*, said, "Identifying niches and filling them is the bread and butter of the regular interplay between markets and entrepreneurs." This stands true for all markets. We believe that impact investment is here to stay and we will continue profitably and positively impacting many more lives towards building a better India and a better planet.



**Will Poole**

Co-founder & Managing Partner  
Unitus Ventures

# About Us

**We accelerate the growth of early-stage startups that are innovating for the masses.**

We invest in early-stage startups in sectors including education, healthcare, and financial technology that have significant potential for scale delivering profits and benefits for the masses. We support our investees to build a solid foundation and prepare for growth via seed funding, strategic and operating support, providing critical connections, and securing growth capital to validate market potential.

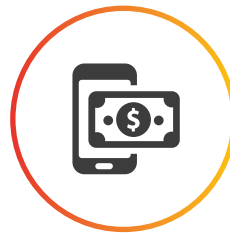
Our investments lie at the intersection of where the world's greatest needs meet the greatest opportunities – not only in terms of capital but also innovation. We are actively seeking and investing in businesses that are in the following sectors:



Education



Healthcare



Fintech



Consumer  
Services

## 2017 at a glance



**\$33Mn**

overall aggregate  
revenue generated

**104%**

overall annual  
growth

**4.1x**

additional capital  
raised



**1.81Mn**

lives directly  
impacted

**7,023**

active jobs on  
payroll

# Our Profits & Values Approach

We believe positive, sustainable change comes from delivering profits while embracing and living by values. We maximize the social impact of the seed investments we make by:

01

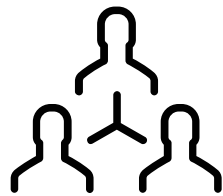
**Company Selection** – We invest only in for-profit companies that are able to serve a large base of the economic pyramid (“BoP”) populations, providing products and services that improve their lives.

02

**Impact Metrics** – Working with the founders of every portfolio company, we develop a small number of measurable impact goals that are aligned with their business operations and monitored at least twice a year.

03

**Policies to Align Values** – For every investment made in 2013 and after, we have discussed and agreed on a set of core company policies and guiding principles which are memorialized in various corporate documents, employee handbooks, and policies.



## Who We Impact

### Base of the Economic Pyramid (BoP)

BoP comprises the 1.05 billion people in India (5 out of 6 Indians) who live on an annual household income of less than ~USD 3000 (INR 200,000) or ~USD \$250 (INR 16,667) per month, as of 2005. In urban India, where the cost of living is higher, we consider BoP to have a monthly household income of less than ~USD \$375 (INR 25,000). In rural India, the figure stands at ~USD \$195 (INR 13,000).





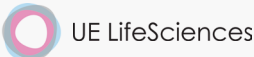











Photo Copyright: Getty Images

# Impact Measurement with SDGs

We have aligned our impact outcomes with the UN Sustainable Development Goals (SDGs) which provide a universal language to communicate impact to a wide range of investors and other stakeholders. This standardized framework lets investors track cumulative progress across each SDG target and assess where capital can best flow to improve people's lives and the planet while at the same time providing market rate financial returns.

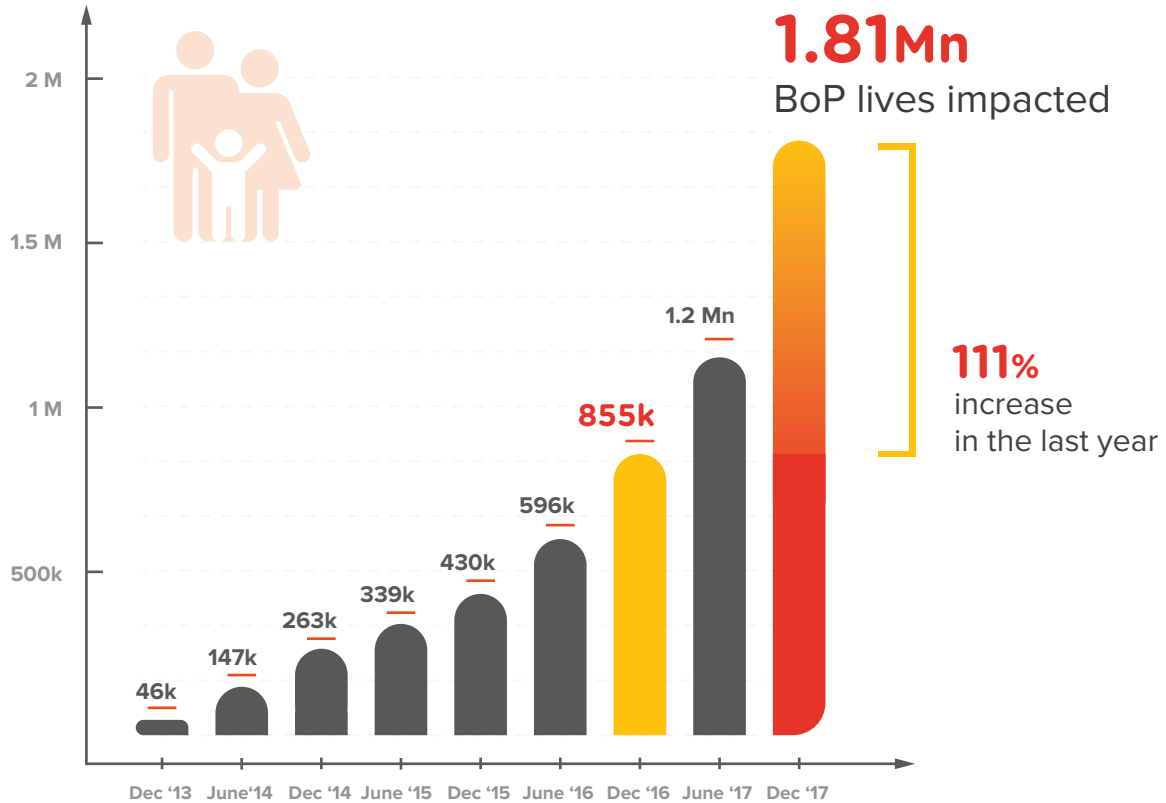
Within the new framework, our portfolio companies' work aligns with four UN SDGs –

OUR INTEREST SECTOR	UN'S PRIMARY SDG	OUR PORTFOLIO COMPANIES
FinTech	 <p><b>End Poverty</b> Access to basic goods and services, financial inclusion</p>	
Healthcare	 <p><b>Ensure healthy lives and promote well-being</b> Universal access to healthcare</p>	  
Education	 <p><b>Ensure quality education for all</b> Universal access to education</p>	    
Consumer Services	 <p><b>Promote decent work for all and sustainable economic growth</b> Developing World Employment, Fair Trade and Ethical Supply Chain</p>	    

# Fund Overview

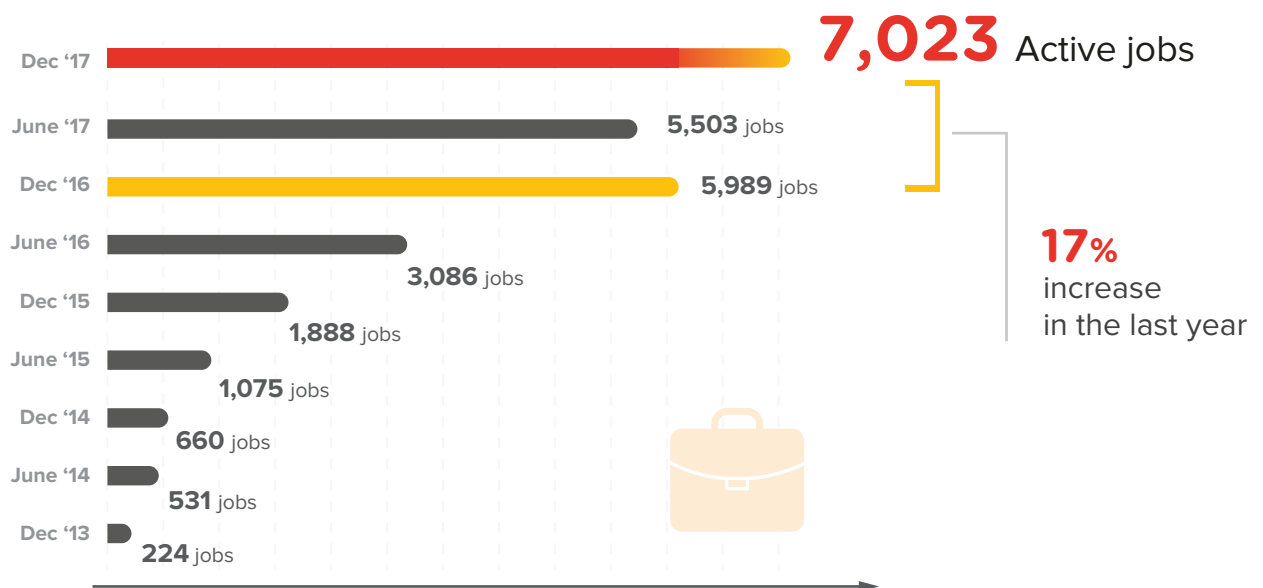
## A.1. Social Impact - Lives Impacted

Graph depicts cumulative no. of BoP lives impacted<sup>1</sup>



## A.2. Social Impact - Active Jobs

Graph depicts cumulative no. of active jobs<sup>2</sup>

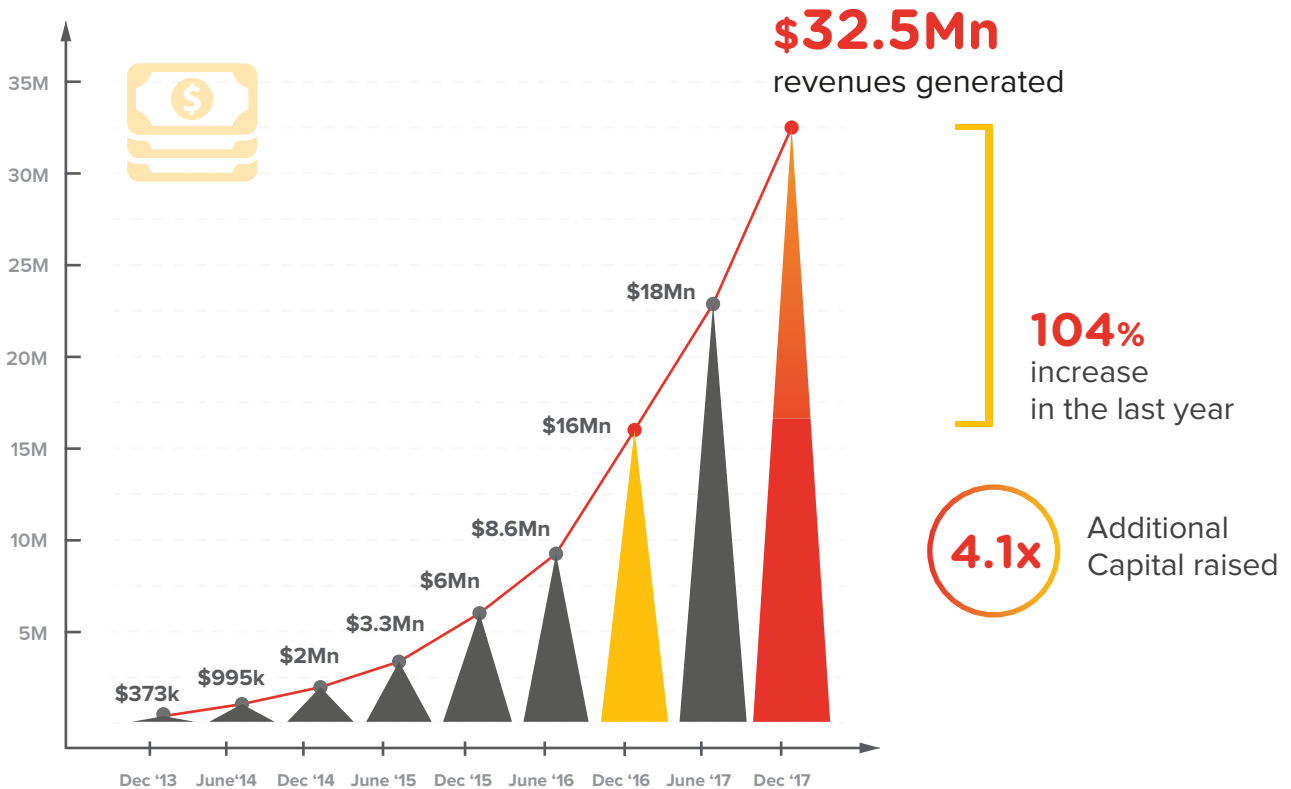


<sup>1</sup> BoP lives directly impacted includes general BoP consumers like students, patients, artisans and kirana store owners. For the rest of the report, BoP lives impacted refers to BoP lives directly impacted.

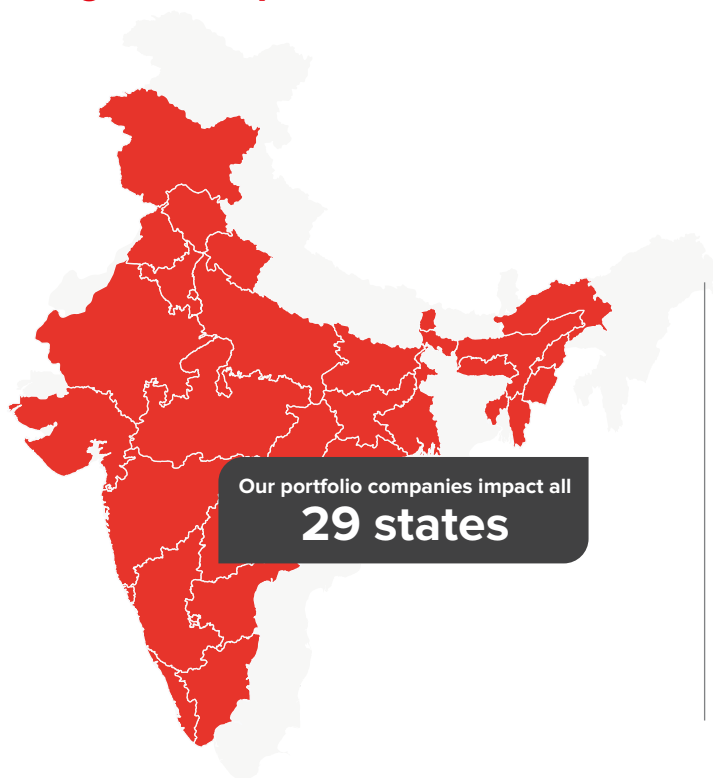
<sup>2</sup> Active jobs include teachers, drivers, and employees of companies on payroll as of December 2017.

## B. Financial Impact

Graph depicts cumulative fund level revenue generated



## C. Ecosystem Impact



**75+**  
Advisors On-board<sup>1</sup>



**40+**  
Strategic Partners<sup>2</sup>



**14 active**  
Portfolio Companies<sup>3</sup>

1. Advisors include board members, venture advisors and voluntary members.

2. Strategic partners include non-financial relationships that help scale. e.g., trade associations, governmental agencies, etc.

3. 14 companies active of 23 invested in; 9 have been exited or written off.



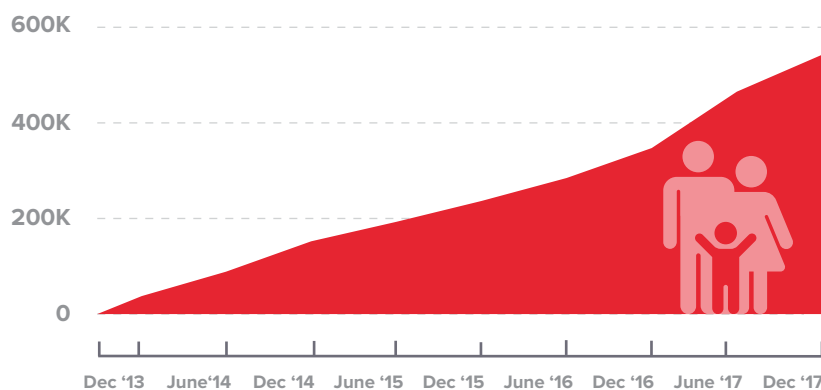
# Sector Overview

## A. FinTech Sector

Aligns with U.N. SDG 1 - No Poverty



**FinTech outcome** - Individuals' basic needs (energy, water, sanitation, etc.) met through formal finance.



**542,549**

BoP lives impacted

**46**

Active jobs

## Portfolio Company Impact

*"The sun sets post 6 in the evening, and I can't do business, because the customers straight up go to the shops that have lights. I can't have a kerosene lamp every evening as the fuel costs nullify my profits, and hence I'd shut shop early," says Sulochana sitting at her small betel store.*

To ensure long hours for her store, Sulochana, after much contemplation decided to take an energy loan from Mahashakti Foundation (supported by Milaap) and got herself a solar lantern! Now, her store is open till evenings and on all days. And, once she goes home, her children use the solar lantern to study. All this has resulted in improved earnings for Sulochana and her family!



**Milaap** is India's largest online crowdfunding platform for medical and personal needs. To date, Milaap has raised over ~USD 50Mn (INR 340 crore) to support 100,000 causes, impacting millions of lives across the country.

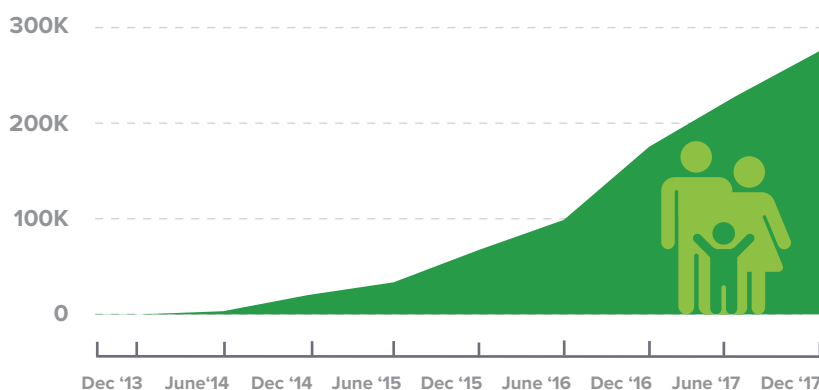


## B. Healthcare Sector

Aligns with U.N. SDG 3 - Good Health and Well Being



**Healthcare outcome** - BoP patients' improved access to healthcare and detection of health issues early on.



**275,454**

BoP lives impacted

**204**

Active jobs



**\$3.9Mn**

Revenue generated

**90%**

YoY growth

**2.2x**

Additional capital raised

### Portfolio Company Impact

During an annual school health check, Sumukh, a cheerful first grader was in for an unpleasant surprise when the doctor heard an abnormal cardiac murmur and recommended him to visit a cardiologist immediately for a 2D Echo and a clinical exam. Sumukh was diagnosed with a small Atrial Septal Defect.

Left alone, the atrial septal defect would have led to increased pressure in the blood vessels of the lungs during adulthood which would have resulted in fatigue, breathlessness, and even heart failure. Sumukh underwent the medical procedure during the Christmas holidays. By the New Year, he was back in school, running around and playing!



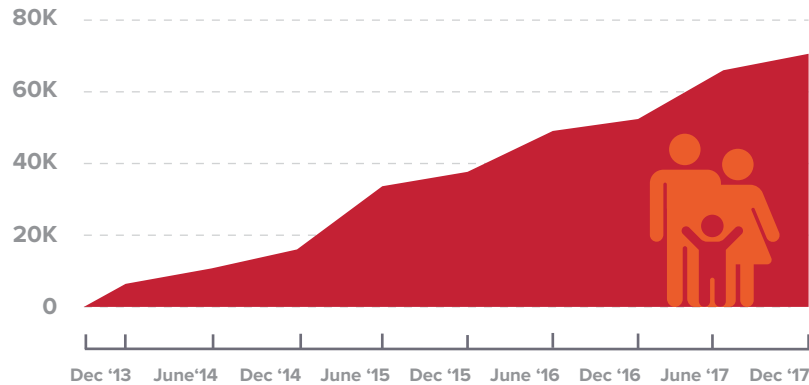
*All this was made possible because of **AddressHealth** - a chain of 'one stop shop' child health clinics, offering affordable preventive and primary health services to children below 12 years of age. Today, AddressHealth is present in more than 110 schools, runs 4 clinics in Bengaluru providing services to over 55,000 children of which, over 30% are from BoP populations..*

## C. Education Sector

In alignment with U.N. SDG 4 - Quality Education



**Education outcome** - BoP students' consistent participation and performance improvement.



**70,616**

BoP lives impacted

**2,925**

Active jobs



**\$7.6Mn**

Revenue generated

**103%**

YoY growth

**7.6x**

Additional capital raised

### Portfolio Impact Story

Sumalatha belongs to a low-income family; her father is a farmer and her mother is a housewife. Until recently, the family survived on a meagre monthly income of ~USD \$102 (INR 6,500) . After earning her college degree, Sumalatha realized she still lacked the skills necessary for employment, such as English language fluency, project management abilities, and the use of productivity software. She enrolled in iSTAR's Skill Development Centre and undertook the "iLab Solution" course - iSTAR's flagship college employability program. After completing her course, Sumalatha was hired as Associate Software Developer at Sure IT with a monthly income of ~USD \$550 (INR 35,000), thanks to iStar's nationwide pool of recruiters.



Photo Copyright: Getty Images

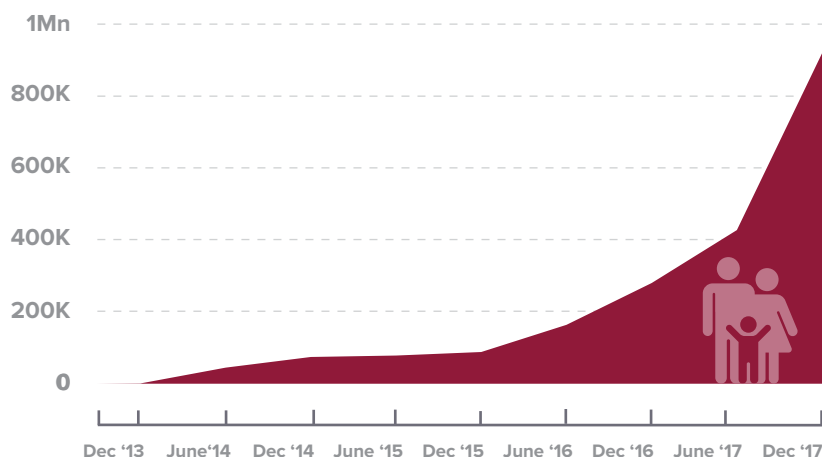
**iSTAR partners with colleges, businesses and the Government of India to provide career counseling, comprehensive job placement support, and certificate courses across a variety of disciplines such as finance, accounting, taxation, marketing and many more. Since its founding, iSTAR has trained and placed nearly 20,000 students across five states and increased their placement rates by 60%-70%.**

## D. Consumer Services Sector

In alignment with U.N. SDG 8 - Decent Work and Economic Growth



**Consumer Services outcome** - Blue collar workers' inclusion in the semi-formal economy with increase in income.



**919,286**

BoP lives impacted

**3,848**

Active jobs



**\$17.2Mn**

Revenue generated

**102%**

YoY growth

**2x**

Additional capital raised

### Portfolio Impact Story

"After partnering with GoCoop, our co-operative has gained popularity not just in India but across the world. We are very proud of it. And thanks to the internet, the overall cost has been reduced significantly, resulting in higher, sustained profit," said Harikrishna from Koyyalagudem Handlooms - a handloom weaver co-operative society established in 1950 in Telangana's Nalgonda district, currently having nearly 600 weavers.



**GoCoop** is India's first online marketplace

*platform that is working to connect India's 9 million strong handloom and handicraft community with national and international buyers, enabling wider access to markets, allowing weavers and artisans to gain higher profits. Today, GoCoop works with more than 80,000 producers across 10 Indian states and has achieved in giving up to 30% higher income to all its artisans.*



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