

QUONA

2021 Impact Report



Ola Namaste Hola Hello

Welcome to the 2021
edition of the Quona
Impact Report.

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Purpose with Progress

We are excited to see the industry moving toward more transparency and rigor in impact measurement—values which are core to Quona, in addition to compelling financial performance.

Welcome to the 2021 edition of the Quona Impact Report. I'm Kristin Sadler, and I sit at the helm of Impact and Platform here at Quona.

In the pages ahead, you'll find thoughts from Quona partners on the trends they're seeing in their markets right now (page 4), an update on Quona in 2021 by the Numbers (page 5), and a new section called "Founder Spotlight" (page 9). You'll also learn more about the results from Quona's year of **"doubling down on impact"**—including BlueMark's 2021 independent review of Quona's impact management systems and our new Impact Performance Framework, designed to help us to analyze the social performance of our portfolio companies in deeper, more robust ways.

Finally, we are excited to share the results of a project we piloted with lean data provider 60 Decibels to better understand the impact that Quona's portfolio companies are having on the lives of our end clients. **"Listening In"** (page 19) walks you through the findings of client surveys from each of our regions—it's truly a look at impact in action!

We hope you enjoy this overview of Quona's 2021 results. Since 2015, we've blended purpose with progress, capital with community, and innovation with execution to help founders build a more financially inclusive world. In these pages, we're delighted to share a closer view of that with you. Want to learn more? Visit quona.com/impact.



Kristin Sadler

Manager of Impact and Platform

What We Saw in 2021



Monica Brand Engel
Co-founder and Managing Partner

“

While the first generation of companies Quona backed were focused on solving a single or small set of challenges, **over the past year we’ve seen an acceleration of rebundling and platform plays. The result is more seamless experiences for consumers** as companies expand from one initial core product into a much more comprehensive financial services offering that benefit SMEs or consumers at scale.”



Jonathan Whittle
Co-founder and Managing Partner

“

In 2021, fintech infrastructure providers played a key role in fueling a new wave of innovation across geographies and sub-segments—from instant payment services like PIX in Brazil (like UPI in India) facilitating electronic payments for lower income segments, to API-based banking-as-a-service, lending-as-a-service and payment-as-a-service providers seamlessly powering embedded financial services in offline retail, logistics, education, and ecommerce, among others.”



Ganesh Rengaswamy
Co-founder and Managing Partner

“

2021 was a record-breaking year for crypto and decentralized finance (DeFi) across the globe, with interest and trading moving closer to mainstream than ever before. We think there are some great potential use cases for financial inclusion in emerging markets, whether through solutions that target mass markets or underserved segments specifically, and it’s something we’re excited to dig deeper on in the years ahead.”



QUONA IN 2021 BY THE NUMBERS

\$527.3M

Total AUM¹

\$322.1M

Investment Capital Deployed

\$3.99B

Cumulative Equity Raised by Portfolio Companies²

14

New Investments

19

Follow-On Investments

3

Acquisitions
(since inception)

1

IPO
(since inception)

4

Unicorns

47

Active Portfolio
Companies at Y/E³

23

Team Members

¹AUM refers to total committed capital as of YE2021.

²Since portfolio company inception.

³In addition to active and exited companies, Quona has one inactive company as of YE2021.



Portfolio



We Fuel Global Fintech

...and Transformative Founders.

Quona has been backing fintech companies driving financial inclusion in emerging markets since 2015. Now, the rest of the world is taking note, and fintech and embedded finance models continue to dominate venture globally. In 2021, global fintech funding reached a record \$132 billion, accounting for 21% of all venture dollars.⁴

Our 2021 investments are a reflection of Quona's view of inclusive fintech in emerging markets. In 2021, we made **14 new investments**, doubling down on business models like cross-border payments, MSME finance, consumer finance, challenger banking, insurtech, and B2B e-commerce. We also explored new themes within fintech, investing in fintech infrastructure providers that enable financial services, additional embedded finance opportunities such as proptech, and companies with crypto products on their roadmap.



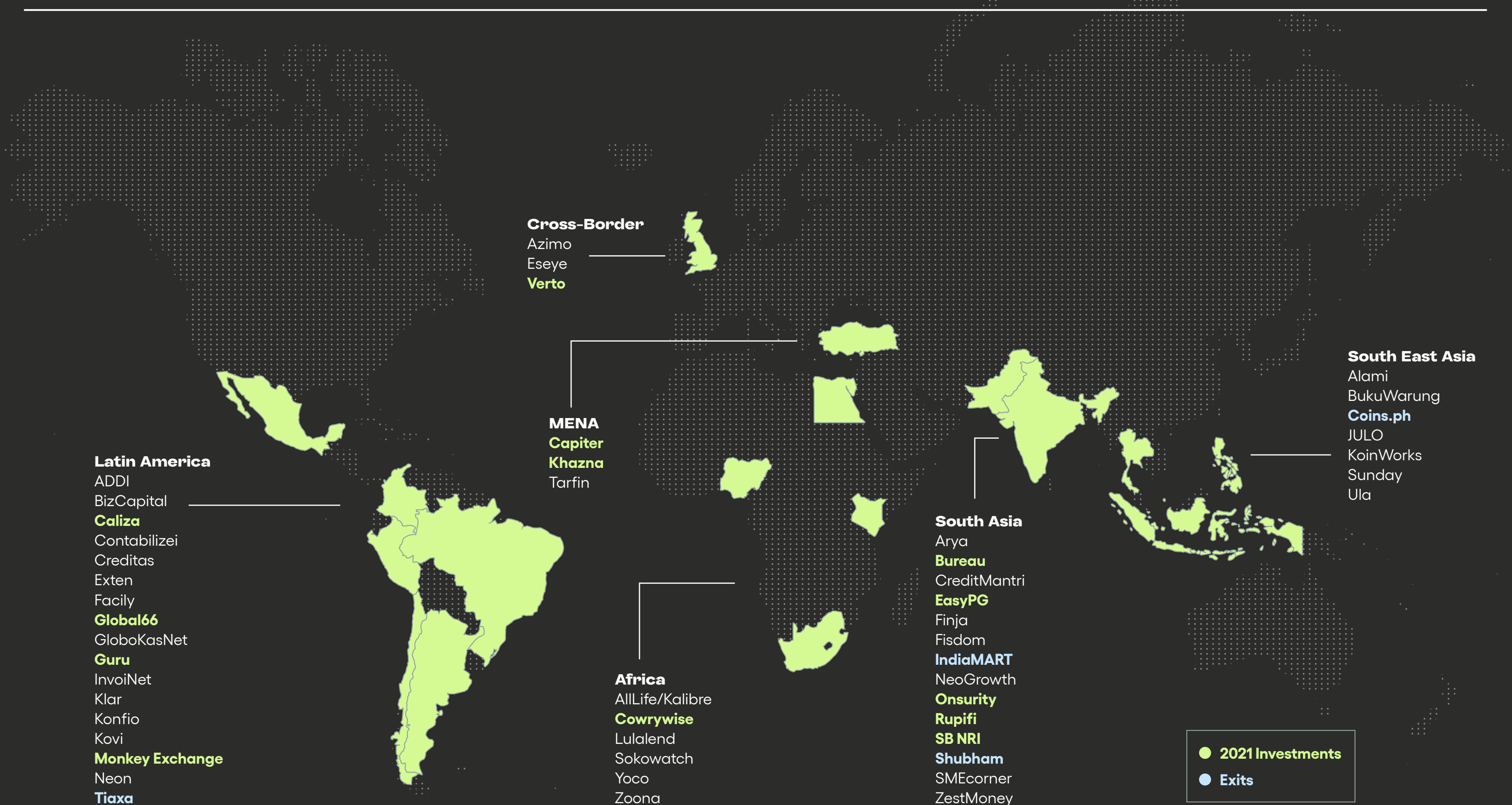
NEW CEOS

14

2021 added 14 incredible CEOs to Quona's global CEO network. In this year's report, we're introducing you to one of our new CEOs from each region.

⁴CB Insights 2021 State of Fintech Report

WHERE WE'VE INVESTED



Tomás Bercovich



GEOGRAPHY
**Latin
America**



YEAR FOUNDED
2018



Why did you start Global66?

In Latin America, there are more than 300 million people and 10 million SMEs that are unbanked or underbanked. Global66 was founded to change that, and we set out to create a platform that facilitates instant and seamless virtual money transfers across currencies in Latin America.

What impact would you most like to see your company have in the future?

We want to give people the ability to move money from one point to another instantly and easily, whether that's immigrants sending money back home to relatives, small businesses handling payments or freelancers traveling across countries. Our aim is to impact 100 million people and SMEs in the region.

Which of Global66's accomplishments are you most proud of to date?

I'm most proud that we have been able to build a very diverse Tribe (Team) across 10 different countries, with a deep sense of belonging and a clear alignment with our mission.



Anubhav Jain



GEOGRAPHY
India



YEAR FOUNDED
2020



Why did you start Rupifi?

We wanted to create something large and impactful for India’s 50 million+ small businesses—something that could help them in day to day working capital management, business expenses, payments and credit. Rupifi was born out of that need to serve the long tail of Indian small businesses!

What impact would you most like to see your company have in the future?

We have already impacted more than 60,000 small businesses through our B2B BNPL and payments product. Over the next 3 years, we want to impact 1 million+ SMEs by helping them manage their business expenses, purchases and working capital using Rupifi’s product offerings which would be powering their daily B2B transactions.

Which of Rupifi’s accomplishments are you most proud of to date?

Rupifi has been able to serve Indian small businesses even throughout COVID lockdowns/disruptions to the economy over the past two years, when most of the banks or other fintechs stopped access to capital for them. We feel glad we have been able to help thousands of businesses strive and survive!



Omar Saleh



GEOGRAPHY
Egypt



YEAR FOUNDED
2019



Why did you start Khazna?

Khazna was founded to extend customer-centric, transparent and ethical financial services to underserved consumers and small businesses in emerging markets, starting with Egypt!

What impact would you most like to see your company have in the future?

The services Khazna offers now, and will offer in the future, have historically been reserved for high net worth individuals and large corporations only. We believe that Khazna can improve the lives of underbanked individuals and small businesses in Egypt and beyond by providing access to these services and helping them save money, time, effort, and face.

Which of Khazna’s accomplishments are you most proud of to date?

There is so much to be proud of! The first things that come to mind: Building the region’s most unique team of technology, banking and financial services professionals, launching a platform of 5 financial services in a very short time, and being first to issue a prepaid card linked to a mobile application in Egypt.



Impact



Our Impact Leadership
Through the Years



Continuing to Lead in 2021

Quona began shaping the impact industry even before the firm formally launched in 2015. In 2021, we continued our commitment to leading the industry and learning through the following industry initiatives:



Impact Systems Assessment

As part of Quona’s commitment to the Operating Principles for Impact Management, the firm contracted leading impact verification provider, BlueMark, to independently assess review of Quona’s impact measurement systems.

BlueMark Impact Reporting Focus Group

Group Member

60__decibels

Pilot Customer Insights Project

Pilot project with lean data provider 60 Decibels to assess the outcome-level, customer impact of three portfolio companies.



Impact Assets 50 2021

Selected as an Impact Assets 50 fund manager for the second year in a row.



GIIN’s Financial Inclusion Benchmark

Design Team Member

GIIN Investors Council

Member



GPC (formerly EMPEA) Impact Council

Founding Member



How We Measure Impact

Every Quona investment is screened for financial inclusion, which Quona has historically measured along three core dimensions: access, quality and markets.

Our proprietary impact measurement framework—designed in collaboration with industry peers and harmonized with global standards—was built to measure this impact in a way that is comparable to leading players in the field.

CORE DIMENSIONS



OUR 2021 IMPACT STATS

Every year, we share aggregate impact data aligned with Quona’s impact measurement framework across the 8 most common and relevant financial inclusion KPIs used within the portfolio.

	METRIC	YE 21 METRIC	YOY CHANGE	CONTEXT
ACCESS	MSMEs Served	8.8M 80% of which were underserved	<div><div></div></div> 4%	<p>Access, the first pillar of Quona’s financial inclusion impact framework, assesses who is being served by our portfolio companies and at what scale.</p> <p>For customers and micro, small and medium enterprises (MSMEs) served, Quona reports active customers where possible/appropriate, and where not possible/appropriate, number of customers transacting over a period of time.</p> <p>To determine what constitutes “underserved”, Quona has developed a tailored approach for each individual company for defining its underserved customer segments. Examples: retail customers with no or thin credit history; retail customers under a certain income threshold for the market; MSME customers under a certain revenue threshold defined for the given market.</p>
	Retail Customers Served	30.2M 77% of which were underserved	<div><div></div></div> 115%	
	Lives Touched	166M 74% of which were underserved	<div><div></div></div> 70%	
QUALITY	Revenue Generated	\$836M	<div><div></div></div> 65%	<p>Quality, the second pillar of Quona’s financial inclusion impact framework, goes beyond <i>assessing</i> who is being served to <i>analyze</i> how well the MSMEs/customers are being served.</p> <p>At a company level, Quona measures quality by indicators such as affordability, product depth and breadth, usability, and convenience. At the aggregate level, indicators like number and volume of loans financed, payment transactions enabled and revenue generated indicate usability as well as the type of financial inclusion access that has been both created for and used by customers—i.e., access to credit or payments, etc.—and at what scale.</p> <p>In Quona’s portfolio, loans financed not only demonstrates the scale of impact for lending companies, but also is indicative of the extent to which our embedded finance companies have been able to layer in financial services to better serve their customers. Payments is another indicator that has become more applicable across the Quona portfolio over the past few years, as COVID-19 accelerated digital adoption and therefore digital payments.</p>
	Loans Financed	\$2.4B	<div><div></div></div> 160%	
	Payment Transactions Enabled	\$12.3B	<div><div></div></div> 103%	
MARKETS	Full Time Employees & Inclusivity	23.2K 35% of which are women	<div><div></div></div> 81%	<p>Productive employment and decent work are keys to reducing inequalities and poverty, and the growth of Quona’s portfolio companies brings new jobs to emerging markets. This metric is reflective of the amount of full time employees across Quona’s portfolio, with additional data demonstrating the proportion of these full time positions that are held by women. In 2021, 29% of full time employees in senior management across Quona’s portfolio were women.</p>
	Capital Crowded In	\$3.99B	<div><div></div></div> 95%	



Deepening Our Approach

After becoming a signatory to the Operating Principles for Impact Management in 2020, Quona contracted leading impact verification provider BlueMark in 2021 for an independent review of our impact management systems.

This process highlighted the strength of Quona’s impact and ESG measurement frameworks, and directed our focus to initiatives that would add even more depth and dimensionality to our impact measurement. In 2021, we focused on deepening our ability to understand impact performance through two focus areas.

FOCUS AREAS

01.

Building and implementing an **impact scorecard** that enables us to go beyond measuring impact outputs to assess annual company-level impact performance

BLUE/MARK

02.

Launching a **pilot project** with **60 Decibels** to obtain customer-level outcome impact data, specifically exploring the theme of embedded finance

60 _decibels

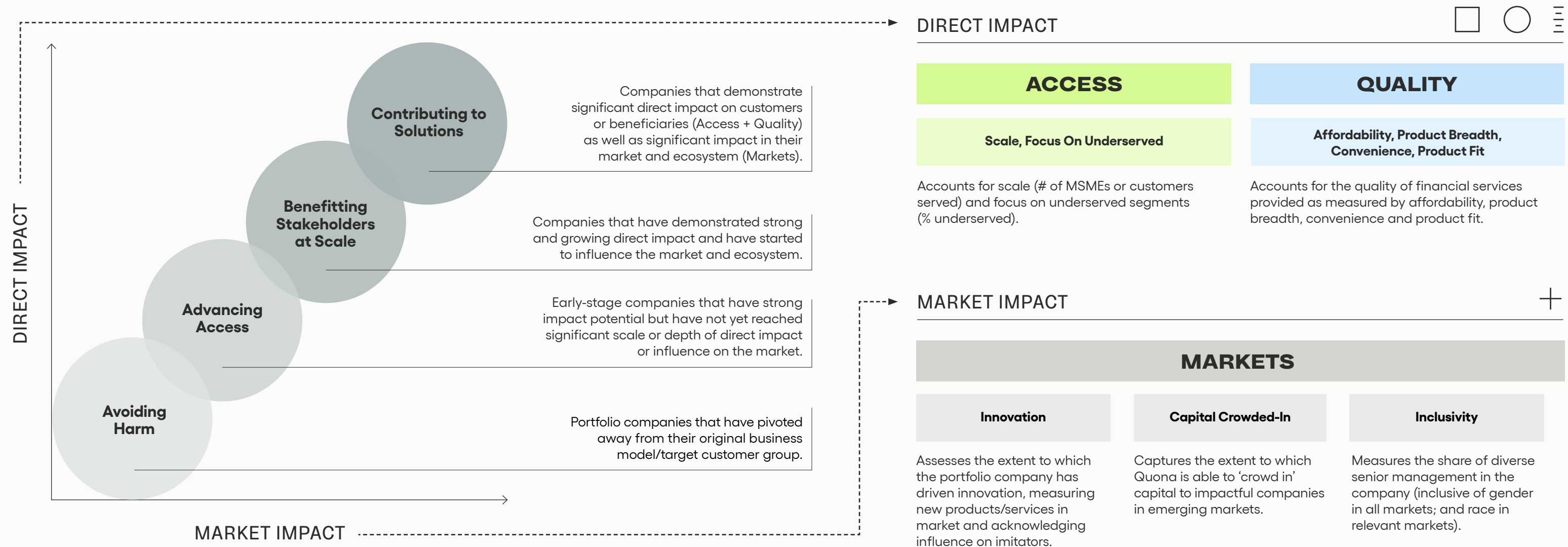


OUR NEW IMPACT SCORECARD

Leveraging our impact measurement framework, we spent 2021 building and implementing an impact scorecard to assess the impact of our companies in a robust and systematic way.

Using impact data from Quona's impact measurement framework, the impact scorecard enables us to analyze a company's impact performance level in line with the Impact Management Project's Impact Classes.

The impact scorecard will not only be used to analyze and rate portfolio impact via an annual internal process, but will also be implemented into Quona's investment process to support decision making and document impact expectations.



LISTENING IN: A DEEP DIVE ON IMPACT

In 2020, Quona deepened our embedded finance investment strategy. In 2021, we partnered with lean data service provider 60 Decibels to launch a pilot with three Quona portfolio companies within this theme.

THE GOALS OF THIS PILOT WERE TO:



Obtain outcome-level impact data directly from customers



Better understand the impact of embedded finance models within Quona's portfolio



Assess the value of customer-level data to Quona portfolio companies

60__decibels

Conclusion: The pilot project validated our assumptions that outcome-level impact data can not only provide Quona with a deeper understanding of the impact our companies are having in their markets, but can also provide participating companies with rich, actionable insights on their customers.

We are working to support more Quona portfolio companies in obtaining outcome-level impact data in 2022!

LISTENING IN: CUSTOMER VOICES



GEOGRAPHY
East Africa

YEAR FOUNDED
2015



Wasoko (formerly Sokowatch) is leveraging e-commerce to revamp Africa’s informal retail supply chain. The company enables retailers to digitally order goods for quick delivery, powered by partnerships with FMCG manufacturers, and has added on credit offerings to further serve its customers.

Before Wasoko, I would go to town for products, and that would take up much of my time and transport costs. Now I do not need to, since all of the products that I have ordered are delivered to my shop.”

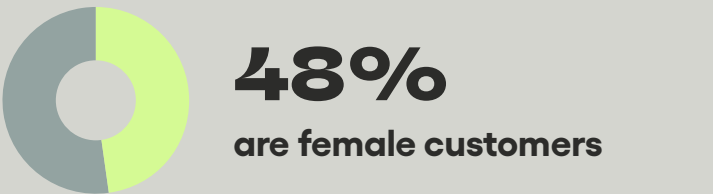
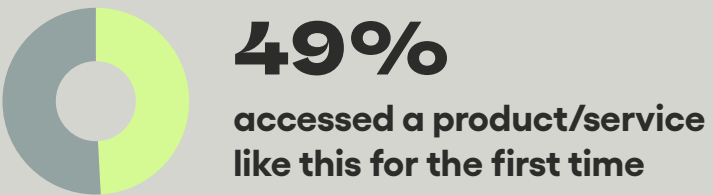
“As I am able to purchase products at fair prices, I am able to sell at fair prices, therefore attracting more customers and having good profits from the sales.”

“The credit services allow and enable growth in business and the fact that they give you enough time to pay back, one is not stressed with interest and risks of closing down.”

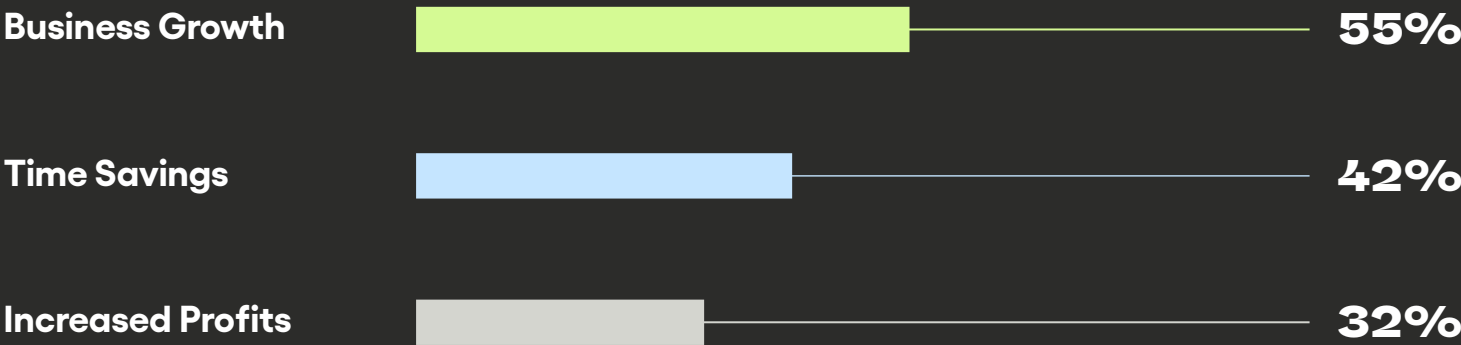
“I buy products at very good prices and am able to have a profit from selling to my customers. I am able to save money from profits.”



OF CUSTOMERS SURVEYED



98% of customers reported that quality of life had improved or very much improved. Reported outcomes of these 98%:





GEOGRAPHY
Indonesia

YEAR FOUNDED
2020



Ula is a zero friction, low-commission B2B commerce and fintech marketplace addressing B2B value chain pain points. The company facilitates price discovery, catalog management, transactions, logistics, payments and credit for small retailers.



The service shipment from Ula is very helpful for me to improve my life, because as a mother I have a lot of time to take care of my baby at home. So, I need not go outside to order stock for my shop.”

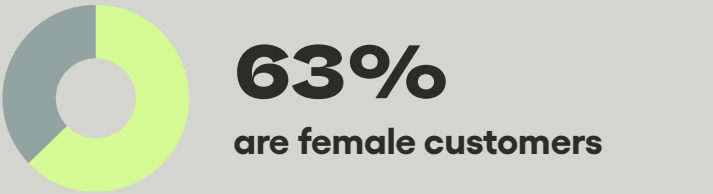
“There is no need to leave the house to buy goods and I can save on vehicle fuel because the market is far from my home.”

“I spend my time better because I do not hustle worrying about logistics or getting stock into my shop. I totally trust that Ula will deliver in time and always as promised.”

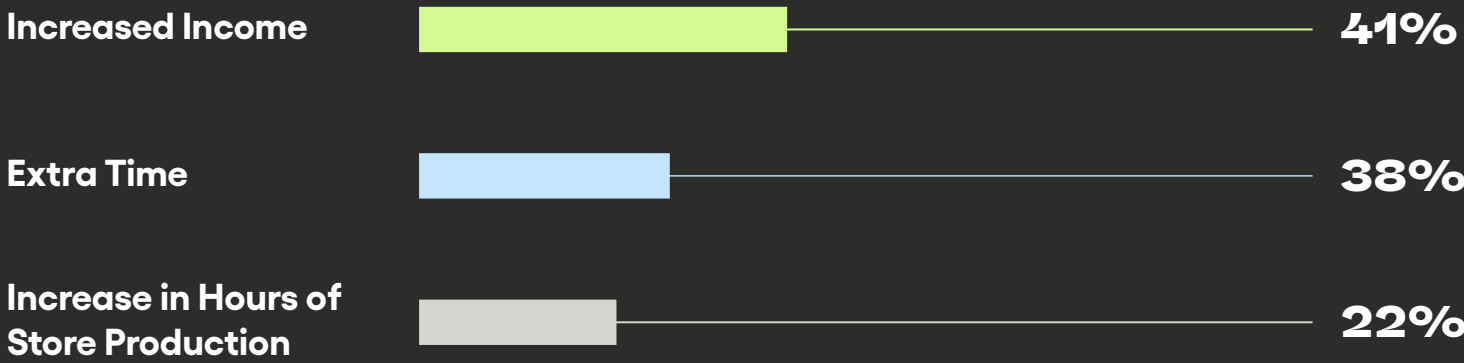
“My quality of life has improved since I used Ula. I have a more stable financial condition and am not worried about my children’s school fees anymore.”



OF CUSTOMERS SURVEYED



73% of customers reported that quality of life had improved or very much improved. Reported outcomes of these 73%:





GEOGRAPHY
Brazil

YEAR FOUNDED
2018



Facily has flipped the conventional e-commerce construct on its head with its innovative social commerce model, enabling the company to deliver low-ticket goods—including produce, cleaning supplies, and small-ticket electronics—via a broad network of pick-up points to low to mid income users at a fraction of the cost of traditional retail.

It made my life a lot easier, because I save money. With this money I pay the bills, especially electricity, which is very expensive. And the delivery point is close to my house. It helps me a lot.”

“In addition to being cost-beneficial, it’s also practical because you don’t have to go to the market and face a queue.”

“I buy quality products from good brands at a very affordable price. And I count on this savings for the monthly bills. These are not products that are going to expire soon.”

“Despite taking a little while to arrive, the low price of the products is worth the wait. The values are really advantageous and help me save money.”



OF CUSTOMERS SURVEYED



97%
accessed a product/service like this for the first time



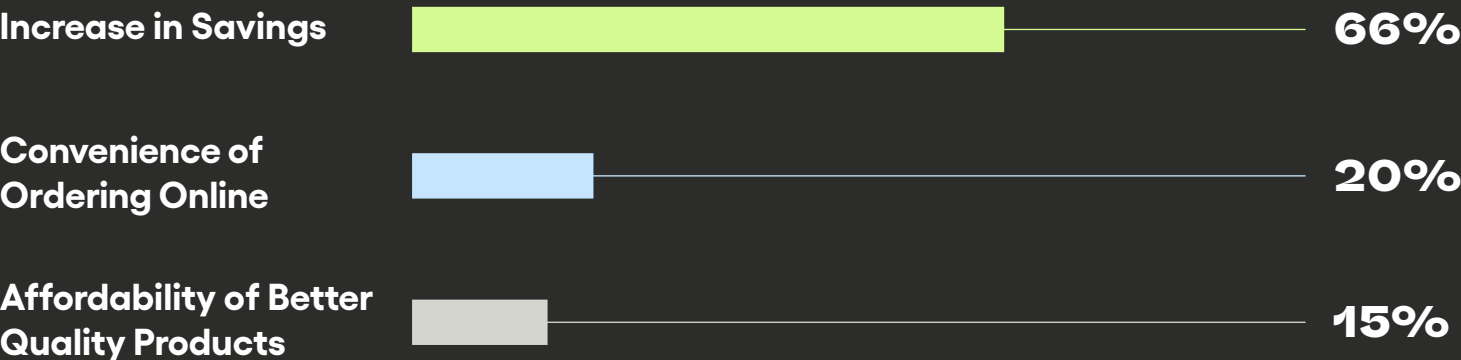
88%
could not find access to good alternatives



66%
are female customers

52%

of customers reported that quality of life had improved or very much improved. Reported outcomes of these 52%:



CONCLUSION

Looking to What's Next

We are proud of the progress we made this year in strengthening our ability to effectively analyze company-level impact, inclusive of the customer-level data from the 60 Decibels pilots.

In 2022, we plan to expand our work with 60 Decibels to support more portfolio companies in obtaining customer insights and outcome-level impact data and will continue to systematically integrate the Impact Scorecard into Quona's investment process and annual review cycle.

These new tools and partnerships will enable us to more deeply understand the impact of our investments. We are excited to continue to share our learnings with the industry over the coming year!



QUONA

*Overall: Figures presented are as of December 31, 2021. Lives touched: Quona defines Lives Touched as the sum of customers and/or businesses served by Quona’s portfolio companies and the number of full-time employees of the Quona portfolio companies, together multiplied by the average household size of each market in which Quona portfolio companies operate. For customers and micro, small and medium enterprises (MSMEs) served: To align its retail customer and MSME customer metrics, Quona reports active customers where possible/appropriate, and where not possible/appropriate, number of customer transacting over a period of time. For “underserved”: To determine what constitutes “underserved,” Quona has developed a tailored approach for each individual company for defining its underserved customer segments (for example: retail customers with no, thin or poor credit history; retail customers under a certain income threshold for the given market; MSME customers under a certain revenue threshold defined for the given market). For company information used to calculate impact metrics and other company information stated in this report, Quona has relied on information provided by Quona’s portfolio companies themselves.

Prepared April 2022 by Quona Capital Management Ltd. | www.quona.com | info@quona.com

