

Proposal Summary December, 2021

Borrower Name: Terralls Technologies Pvt. Ltd.

Sector: Chronic Disease Management and Healthcare Services Platform

Proposed Amount: Up to INR 45,00,00,000

Tranche 1: INR 10,00,00,000

Tranche 2: Up to 15% of the equity raise (Series B) with an overall cap of INR 35Cr

Tenor: 18 months from the date of disbursement of each tranche

Debt XIRR: 16.56%; **Warrants:** 7%; **XIRR with warrant upside:** 31.2%

Repayment Schedule:

Quarterly Amortization (5 instalments); Moratorium for three months i.e., first principal instalment at the end of 6 months. The coupons are to be serviced monthly on the last day of each month.

Filtering Criteria:

Criteria	Stride Filter	Pre-Equity	Post-Equity*
Equity Raised till Date	> INR 50Cr	INR 64Cr	INR 192 Cr
Debt/Equity Raised (incl. proposed debt)	< 15%	15.9%	15.16% ⁽¹⁾⁽²⁾
Debt/Valuation (incl. proposed debt)	<5%	6.6%	NA ⁽³⁾
Months of Runway (excl. proposed debt)	>9	>3 ⁽¹⁾	>18
Revenue	ARR > INR 25Cr	INR 95 Cr	

*Assumed only \$17M Series B takes place.

Notes: (1) The company is raising Series B of \$17 Mn (INR 128 Cr) with equity infusion expected in Dec'21. Second closing of this round is expected by the end of January 2022 & may go as high as \$40 Mn cumulatively.

(2) The company is raising significant debt and equity to finance strategic acquisitions.

(3) The current Series B round will be a convertible round valued at 20% discount to series C (expected to close Q1 FY23)

Cash Margin: 7.5% of Investment Amount

Security:

- First charge and hypothecation on all existing and future fixed, current and intangible assets of the Borrower for each tranche.
- 6 Undated Cheques & NACH Mandate.

Financial Covenants:

- 6 months average monthly cash burn to be maintained in Cash & Cash Equivalents
- Debt/Net Worth of 1x.

Other Conditions:

- **Right to Invest** - Subject to Board approval, Investor shall have the right (but not an obligation) to subscribe to equity of the company up to INR 20 crore or 60% of Total Investment Amount invested by Lender, whichever is lower, in any future round of equity investment on the same terms as other participating investors. The right can be exercised within 36 months from the date of first disbursement.
- Brief monthly MIS in the format mutually agreed upon by both parties by the 25th day of the following month; Detailed quarterly MIS by the 25th day of the following month.
- Audited financial statements within 180 days of end of financial year.
- Annual business plan (including quarterly budget containing an income statement, a statement of cash flow, no later than 15 (fifteen) days of the end of each fiscal year for the following fiscal year;

- Company to share all notices, board minutes & other necessary board meeting material to Stride Ventures within 7 days from such board meeting.

Partly Paid CCPS Valuation:

Investor shall be entitled to subscribe to partly paid-up shares to the extent of 7% of the Investment Amount, which when exercised at any time during the Exercise Period (5 years from the Maturity date of the last tranche or end of the fund life, whichever is later.), shall convert into equivalent equity shares of the Borrower at par to the per share price of Series B i.e. 20% discount to Series C.

Promoters & Cap Table

Shareholding Pattern:


Shareholding Pattern of Terrals Technologies Pvt. Ltd (Pre-Series B):


Amount invested ?

Institution / Individual	Investor Since	Fund Details	Shareholding
Founders/Promoters			
Sumit Sinha	2018		19.84%
Mukesh Bansal	2018		14.38%
Institutions			
Kalaari Capital	2021	Kalaari Capital Partners IV	9.98%
Omron	2021	Omron Ventures Co Ltd	6.78%
SOSV	2019	SOSV IV LLC	5.99%
Omphalos Ventures	2018	Omphalos Ventures India LLP	4.35%
Betatron	2020	Betatron III BVI Limited	3.31%
Fresco Capital	2020	Fresco Venture Fund III	2.33%
IPV	2020	IPV-Advisors	2.27%
Social Starts	2020	Social Starts A. LP	1.50%
LetsVenture	2020	LV Angel Fund	1.25%
Enterprise			
Manipal Hospitals	2021	Manipal Health Enterprises Pvt Ltd	19.50%
ESOPs			5.42%
Others ⁽¹⁾			3.10%
Total			100.0%

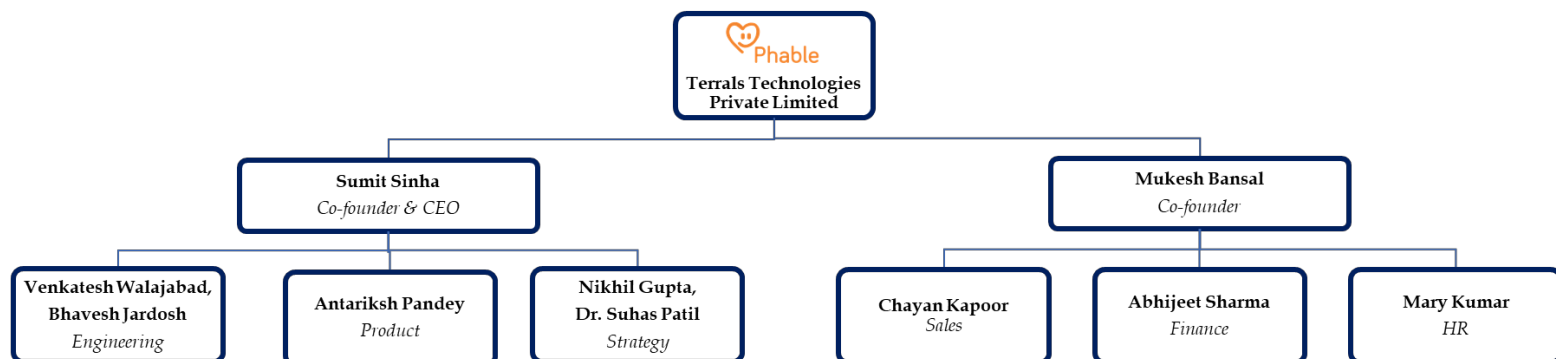
Notes: (1) Other investors include Angels such as Nisarg Shah (Founder – Instascore), with his investments in Homecapital, Autobrix, Crofarm, HireSure.ai; Ashim Jolly, who has invested in Toch.ai, DCode Care, Stage, Pedagogy; Aditya Chamaria (ED, Bhumika Group) who has invested in Toch.ai and Gather.

Background of the Founders:

Founders	Background Details
Sumit Sinha  Co-Founder & CEO	<u>Professional Background (14+ years, 3+ years with Phable)</u> <ul style="list-style-type: none"> ➤ Kristys Kitchen, Co-founder ('16- '17) ➤ Borderless Access Panels Pvt Ltd., Senior Director ('12-'16) ➤ Deloitte Consulting, Consultant ('11- '12) ➤ Evaluateserve, Manager ('07- '11) ➤ ICICI, Assistant Manager ('06- '07) <u>Educational Background:</u> <ul style="list-style-type: none"> ➤ B.Tech., Computer Science (Class of 2006) → which institute ?



 <p>Mukesh Bansal Co-Founder</p>	<p><u>Professional Background (15+ years, 3+ years with Phable)</u></p> <ul style="list-style-type: none"> ➤ Borderless Access Panels Pvt Ltd., Director - Operations & Research Services ('13-'18) ➤ Kantar Operations, Manager – Research Services ('06- '13) <p><u>Educational Background:</u></p> <ul style="list-style-type: none"> ➤ M.Sc. (Hons) Mathematics, B.E. (Hons) Civil BITS Pilani (Class of 2005)
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Organisation Chart:





Key Management Personnel:

→ Team looks weak in terms of relevant experience

Key Personnel	Background Details
 <p>Venkatesh Walajabad Engineering Manager</p>	<p><u>Professional Background (14+ years, 1+ years with Phable)</u></p> <ul style="list-style-type: none"> ➤ Strategic Solutions Group, Independent Consultant ('19-'20) ➤ LogN/SchoolMint, Director Of Engineering ('13- '19) ➤ Apollo Group, Senior Software Engineer ('10- '13) ➤ IG InfoTech, Senior Software Developer ('08- '10) ➤ Apollo Group, IT Engineer II ('07- '08) ➤ Brahma Consulting Services, Programmer Analyst ('05-'07) <p><u>Educational Background:</u></p> <ul style="list-style-type: none"> ➤ M.S. Electrical Engineering Southern Illinois University, Carbondale (Class of 2004) ➤ B.E. Electrical & Electronics Engineering Vellore Institute of Technology (Class of 2002)
 <p>Bhavesh Jardosh Engineering Manager</p>	<p><u>Professional Background (20+ years, less than a year with Phable)</u></p> <ul style="list-style-type: none"> ➤ Healthcare Startup, Engineering Manager ('20) ➤ Cisco Systems, IT Manager ('06- '19) ➤ Driving Advertising, Senior Software Engineer ('03- '06) ➤ Silverion Inc., Senior Software Engineer ('02- '03) ➤ BetaSphere, Software Engineer ('01- '02) ➤ Hitek Consulting, Consultant ('00-'01) ➤ Tasaa Netcom, Software Engineer ('98-'00) <p><u>Educational Background:</u></p> <ul style="list-style-type: none"> ➤ PGP Artificial Intelligence The University of Texas at Austin - Red McCombs School of Business (Class of 2020)

	<ul style="list-style-type: none"> ➤ PGD in Software Technology <i>National Center for Software Technology (Class of 1998)</i> ➤ B.Sc. Statistics <i>University of Mumbai (Class of 1994)</i>
Antariksh Pandey  <i>Head of Product</i>	<u>Professional Background (9+ years, 1+ years with Phable)</u> <ul style="list-style-type: none"> ➤ Sonus, <i>Product Manager</i> ('14-'19) ➤ Infosys, <i>Senior Systems Engineer</i> ('10- '14) <u>Educational Background:</u> <ul style="list-style-type: none"> ➤ MBA <i>IIM Bangalore (Class of 2020)</i> ➤ International Business <i>IE Business School (Class of 2019)</i> ➤ B.E. ECE <i>Institute Of Technology And Management (Class of 2010)</i>
Chayan Kapoor  <i>Head of Sales</i>	<u>Professional Background (5+ years, 3+ years with Phable)</u> <ul style="list-style-type: none"> ➤ Practo, <i>Senior Territory Sales Manager</i> ('17-'18) ➤ RankHigher.in, <i>Business Development Manager</i> ('16- '17) ➤ BYJUs, <i>Business Development Associate</i> ('16) <u>Educational Background:</u> <ul style="list-style-type: none"> ➤ B.Tech. Computer Science <i>Manav Rachna International University, Faridabad (Class of 2016)</i>
Abhijeet Sharma  <i>Head of Finance</i>	<u>Professional Background (14+ years, less than a year with Phable)</u> <ul style="list-style-type: none"> ➤ Humain Health, <i>Senior Manager/ Head Business Finance</i> ('19-'20) ➤ Asia Healthcare Holdings, <i>Head of Internal Audit</i> ('17- '19) ➤ Columbia Asia Hospitals, <i>Senior Manager Finance</i> ('13-'17) ➤ KPMG India, <i>Manager</i> ('12-'13) ➤ E&Y, <i>Assistant Manager</i> ('08-'12) ➤ Deloitte India, <i>Assistant Manager</i> ('07-'08) <u>Educational Background:</u> <ul style="list-style-type: none"> ➤ EGMP, Executive MBA <i>IIM Bangalore (Class of 2019)</i> ➤ Chartered Accountant <i>ICAI (Class of 2006)</i>
Mary Kumar  <i>Head of HR</i>	<u>Professional Background (12+ years, 2+ years with Phable)</u> <ul style="list-style-type: none"> ➤ Borderless Access, <i>Manager – HRBP</i> ('15-'19) ➤ Utopia Global, <i>Senior HR – Specialist</i> ('11- '15) ➤ Accenture, <i>Senior Analyst</i> ('08-'11) <u>Educational Background:</u> <ul style="list-style-type: none"> ➤ MBA, HR Finance <i>Periyar University (Class of 2008)</i>
Nikhil Gupta	<u>Professional Background (3+ years, 1+ years with Phable)</u> <ul style="list-style-type: none"> ➤ Asian Paints, <i>Manager – Strategic Initiatives</i> ('19-'20) ➤ ICICI Bank, <i>Manager – Infrastructure Financing</i> ('18) ➤ HARMAN International, <i>Associate Software Engineer</i> ('15-'16)

 <p><i>Business Strategist</i></p>	<p><u>Educational Background:</u></p> <ul style="list-style-type: none"> ➤ MBA <i>IIT Bombay - Shailesh J. Mehta School of Management (Class of 2018)</i> ➤ B.Tech. Computer Science <i>Institute of Engineering and Technology (Class of 2015)</i>
<p>Dr. Suhas Patil</p>  <p><i>Manager – Medical Strategy</i></p>	<p><u>Professional Background (8+ years, 1+ years with Phable)</u></p> <ul style="list-style-type: none"> ➤ Sahyadri Hospitals, <i>Emergency Physician ('17-'18)</i> ➤ Government of Maharashtra, <i>Medical Officer ('15-'17)</i> ➤ Aastha Hospital, <i>Resident Doctor ('12-'15)</i> <p><u>Educational Background:</u></p> <ul style="list-style-type: none"> ➤ MBA - Executive <i>IIM Lucknow (Class of 2019)</i> ➤ MBBS <i>Lokmanya Tilak Medical College, Sion Mumbai (Class of 2009)</i>

Board Composition:

Terrals Technologies Pvt. Ltd. has appointed four directors:

- Sumit Sinha, Co-Founder & CEO – Phable
- Mukesh Kumar Bansal, Co-Founder - Phable
- Mitesh Daga, Managing Director – TPG Global & Board Member - Manipal Health Enterprises Pvt. Ltd.
- William Bao Bean, General Partner - SOSV

Employee split:

Department	# of Employees
Founders	2
Finance	6
Digital	14
Product	16
Management Office	21
Doctor Onboarding Operations	25
Technology	30
Revenue Operations	126
Grand Total	240

Equity Funding till date and Valuation movement:

Funding Date	Round	Investment Amount (INR Cr)	Post Money Valuation (INR Cr)	Investors
Jan-21	Series A	50.5	150.0	Kalaari Capital, SOSV, Fresco, Manipal Hospitals, Omron, Social Starts
Jan-20	Seed	10.3	45.0	SOSV, Betatron, Fresco, Lets Venture, Social Starts, Inflection
Aug-19	Seed	1.9	19.0	SOSV
Jul-18	Seed	2.1	10.0	Omphalos Ventures LLP
TOTAL		64		

Note: The company is raising Series B of \$17 Mn (INR 128 Cr) with infusion expected in Dec'21. Second closing of this round is expected by the end of January 2022 & may go as high as \$40 Mn cumulatively. The current Series B round will be a convertible round valued at 20% discount to series C (expected to close Q1 FY23).

Key Investors:

→ which fund of Kalaari has invested in Phable?

Kalaari Capital:

Founded in 2006 by Vani Kola, Kalaari Capital is an Early-stage technology-focused venture capital firm that invests in India and US. The generally enter at Seed, Pre-Series A and Series A rounds to help companies grow and to empower visionary entrepreneurs to build unique solutions.

They launched their first fund of \$190 million backed by Silicon Valley venture capital firm New Enterprise Associates (NEA). Kalaari has been in the market to raise its fourth fund for over a few years. In January 2019, the fund was targeting \$200 million (infusion made by Reliance). Kalaari had last raised a fund in 2012 (\$160 million fund, Kalaari Capital Partners II) and in 2015 when it mopped \$290 million (Kalaari Capital Partners III and Kalaari Capital Partners Opportunity Fund).

Notable exits are: Embibe, Zivame, Haptik, Urban Ladder (All 4 acquired by Reliance), Dream 11 (partial exit), Myntra, Snapdeal, Via.com.

The company has invested in more than 100 companies till date with an average ticket size of \$1-3 million. Some of its notable investments are: Dream 11, SimpliLearn, Skit, Koo, MyGlamm, Elastic Run, Vogo, StanPlus, MilkBasket etc.

The company has recently launched \$10 million CXXO fund to invest in startups that have women founders as key decision-makers.

SNo.	Company Name	Founded Year	City	Total Funding (INR Crores)	Company Stage	Latest Valuation (INR Crores)
1	Dream 11	2008	Mumbai	5,888	Series F	37,500
2	Cult.Fit	2016	Bangalore	3,698	Series D	6,060
3	MedPlus	2006	Hyderabad	2,018	Series C	3,195
4	Elastic Run	2016	Pune	975	Series D	3,015
5	WinZo	2016	New Delhi	695	Series C	2,505
6	Koo App	2019	Bangalore	318	Series B	893
7	Healthpix	2014	Bangalore	176	Series B	254
8	Jumbotail	2015	Bangalore	433	Series B	855
9	Blue Stone	2011	Bangalore	557	Series D	780
10	StanPlus	2016	Hyderabad	16	Seed	-

SOSV:

Founded in 1995, by company's Managing Partner Sean O'Sullivan (following the IPO of MapInfo, a startup he co-founded that pioneered computer-based street mapping), SOSV is a global venture capital firm that operates early stage startup development programs.

SOSV's programs are focused on two broad areas. The first is revolutionary technology that promises the betterment of humanity and the planet. The second is cross-border markets, notably in Asia, that are ripe for explosive growth. SOSV joins seed, series A and later rounds while providing founders with ongoing support and community.

SOSV's programs include hardware-oriented HAX and life-science driven IndieBio. Both offer deep technical expertise on-site as well as well-equipped lab and fabrication facilities. At Chinaccelerator and MOX, market-entry and product development experts help entrepreneurs win cross-border market opportunities across Asia. SOSV's latest program, dlab, fosters new players in the blockchain ecosystem. The five programs work with 135 new companies each year. As of April 2021, SOSV had more than 1,000 portfolio companies and \$970 million in assets under management.

Among the top companies in SOSV's portfolio are NotCo, Perfect Day, Upside Foods (fka Memphis Meats), Yeelight, Opentrons, Shopal, Snapask, BitMEX and API3. SOSV has invested in more than 35 Indian startups including CoutLoot, Vidyakul, Money Club, Toch, Woovly etc.

SOSV has raised four funds since its inception, including a \$277 million early-stage fund that it closed in 2019 and is actively investing from right now. Now, to complement those funds, the organization has raised \$100 million for what it's calling a "select fund" that's meant to help SOSV maintain its pro rata stake in some of its breakaway portfolio companies.

The new fund is expected to write checks of between \$2 million and \$5 million and even up to \$10 million – or 10% of the fund, per SOSV's agreement with its investors.

SNo.	Company Name	Founded Year	City	Total Funding (INR Crores)	Company Stage	Latest Valuation (INR Crores)
1	CoutLoot	2016	Mumbai	311.3	Series A	83.3
2	Toch	2016	Mumbai	102.0	Series A	112.5
3	Vidyakul	2017	Gurgaon	38.4	Seed	28.7
4	ClearDekho	2015	Ghaziabad	62.1	Pre-Series A	80.8
5	Woovly	2017	Bangalore	23.7	Seed	40.7
6	Pencil	2015	Mumbai	22.1	Seed	41.1
7	UNBOXROBC	2019	Bangalore	15.3	Seed	72.4
8	Adurcup	2014	Kanpur	14.9	Seed	73.7
9	PlayTooMe	2016	Bangalore	14.6	Seed	15.0
10	Superpro	2018	Mumbai	7.8	Seed	32.2

Bad list note

Aflac Ventures (incoming):

Founded in 2017 and based in USA, Aflac Global Ventures is the corporate venture arm of Aflac (A Fortune 150 company providing financial protection to more than 50 million people worldwide). The company invests in young startups that develop disruptive innovations in insurance, healthcare, finance, analytics and other related fields.

The company also has a subsidiary called 'Aflac Innovation Partners' which is headquartered in Japan. Established in 2019, AIP partners with startup companies in HealthTech and InsurTech, aiming to create new AFLAC business, strengthen existing business, and contribute to the further growth of its cohort of collaborators.

Aflac Global Ventures has an operating fund of \$400 million, out of which both AFV and AIP fund startups across geographies.

SNo.	Company Name	Founded Year	City	Total Funding (INR Crores)	Company Stage	Latest Valuation (INR Crores)
1	Tricog	2015	Bangalore	130	Series B	450
2	CellMax Life	2012	Ahmedabad	-	Funding Raised	-
3	Singlife	2014	Singapore	1,395	Series C	-
4	Craif	2018	Japan	85	Series B	-
5	Betterment	2010	USA	2,513	Series F	-
6	Unifa	2015	Japan	517	Series D	-
7	Chikaku	2014	Japan	44	Series A	-
8	Pagaya	2004	USA	1,095	Series D	-
9	ACT Genomics	2014	Taiwan	154	Series B	-
10	Takehashi	2016	Japan	225	Series B	-

Strategic Investors:

Manipal Hospitals:

Founded in 1953 as a part of Manipal Education System, Manipal Hospital is spread across 15 locations in India. The first branch of Manipal Hospitals was started in 1991 in Bengaluru. The branch is a 600-bed Quaternary care facility and houses over 60 specialties. The Hospital Chain has raised ~INR 6,300 Cr from the likes of NIIF, TPG, Temasek, Ture North and Kotak PE Group.

In April 2019, Manipal Hospitals purchased Medanta Hospitals shares for INR 5,800 Cr. Apart from Phable, Manipal Hospitals has also invested in SRL Diagnostics (*Series B, Undisclosed*) and Ankur Healthcare (*Series A, INR 50Cr*)

OMRON:

Founded in 1933, OMRON is a global leader in the field of automation based on its core technology of sensing and control, and has created various innovations that are the forerunners of the world. They focus on four domains of "Factory Automation", "Healthcare", "Mobility" and "Energy Management". They are present in 120 countries and regions around the world.

The company has made 7 investments and 4 acquisitions till date out of which only Phable is their only Indian investment.

Key Conclusion:

The company has strong early and growth stage focused investors on the cap table namely SOSV and Kalaari and strategic investors like Manipal Hospitals and OMRON, that can support the company in its further rounds and growth. The company is planning to raise ~INR 225-300 Cr in November this year from both new (*two co-leads*) and existing investors.

Phable has its new equity round coming in December 2021, with infusion from Kalaari Capital (\$7M), OMRON (\$3M), Aflac Ventures (\$5M) and \$2M from existing investors.

?
What is the current stage of this?
Term sheet signed?
Why not priced?
Manipal is not participating?

Cap table looks weak ; no major investors.

Business Profile

Introduction

Founded in 2017, Phable is a chronic disease management platform for chronic disease patients and healthcare providers. It is an ecosystem of medical devices, insurers, hospitals, doctors, pharmacies, labs, etc. focused on patient care access and experience.

Its full stack technology platform is powered by a proprietary AI and ML that leverages patient data to provide real time interventions. In addition to doctor-patient engagement, its marketplace model captures healthcare spend by offering medical devices, medicines, subscription plans, etc. on its platform.

Phable was founded by Sumit Sinha and Mukesh Bansal. Sumit is a second time entrepreneur (founded Kristys Kitchen which was later acquired by Cure.Fit at a premium) and has experience in tech, sales and consulting working at ICICI Bank, Deloitte, Borderless Access, etc. Mukesh has over 15 years of experience in tech working at organisations such as Kantar, Borderless Access, etc. Both founders had the idea of founding a digital healthcare platform after identifying significant gaps in their past experiences with the Indian healthcare infrastructure.

The company has raised over ~INR 64 Cr from Kalaari Capital, Manipal Hospitals, Omron, etc. and is currently at an annualized GMV of ~INR 96 Cr.

Problem Statement

India suffers from a high level of chronic disease, with over 20% of the population suffering from chronic diseases (WHO, 2016 report). Additionally, more than 50% of deaths annually can be attributed to chronic illnesses. Due to this high incidence of non-communicable diseases, ~70% of all healthcare spend in India is on chronic diseases.

Traditional systems of providing curative healthcare are not engagement centric, lack tech-enabled solutions and are reactive in nature. Moreover, due to lack of a single platform, data is stored in silos. The challenges can be summarized as follows:

For Doctors:

- Doctors need multiple technology platforms their practice and do not have access to a single platform for end-to-end practice management and engagement.
- There is a lack of data trail that can be leveraged to drive data-driven and outcome-based solutions. For example, prescriptions are issued on paper.
- Doctors do not have the means to drive engagement and loyalty with patients. They find it difficult to keep track of patient progress.

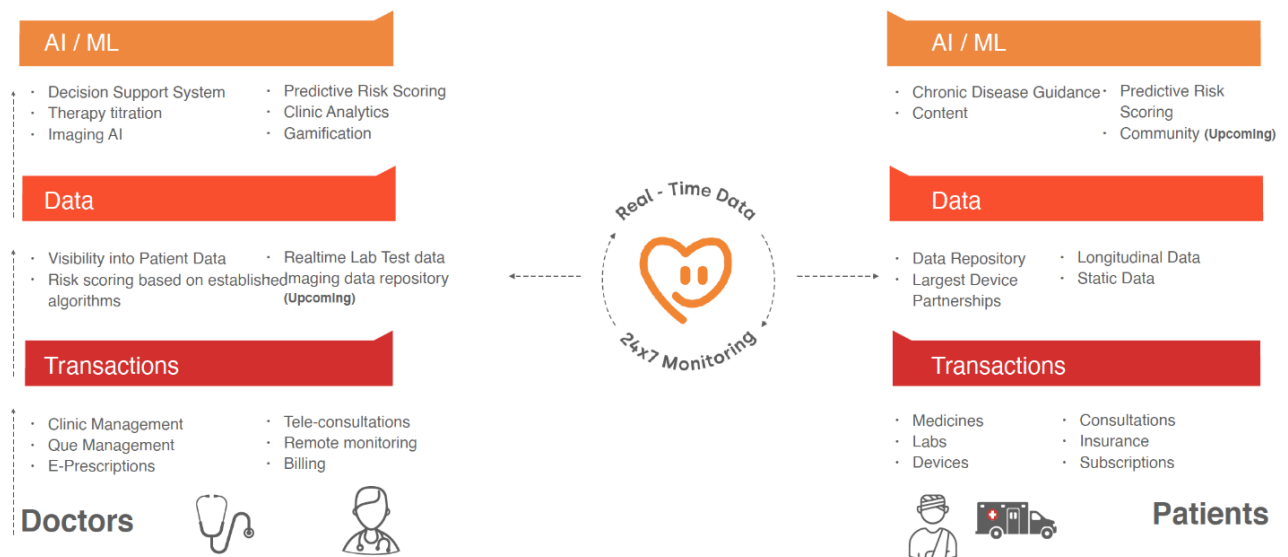
For Patients:

- Manual tracking of progress and lack of means to improve adherence to disease management.
- Lack of a single platform for access all healthcare needs and dependency of various sources.
- High cost of healthcare due to lack of preventive measures and information asymmetry.

Phable's Solution

Phable has built a full-stack two-sided technology platform for patients as well as doctors. For patients, it serves as a one-stop platform for doctor consultations, document digital health records, book lab tests, order medicines and devices, access disease specific content, and care management through alerts, reminders, etc. For doctors, it serves as a single platform for bookings management, document patient records and history, patient engagement, and real-time patient tracking.

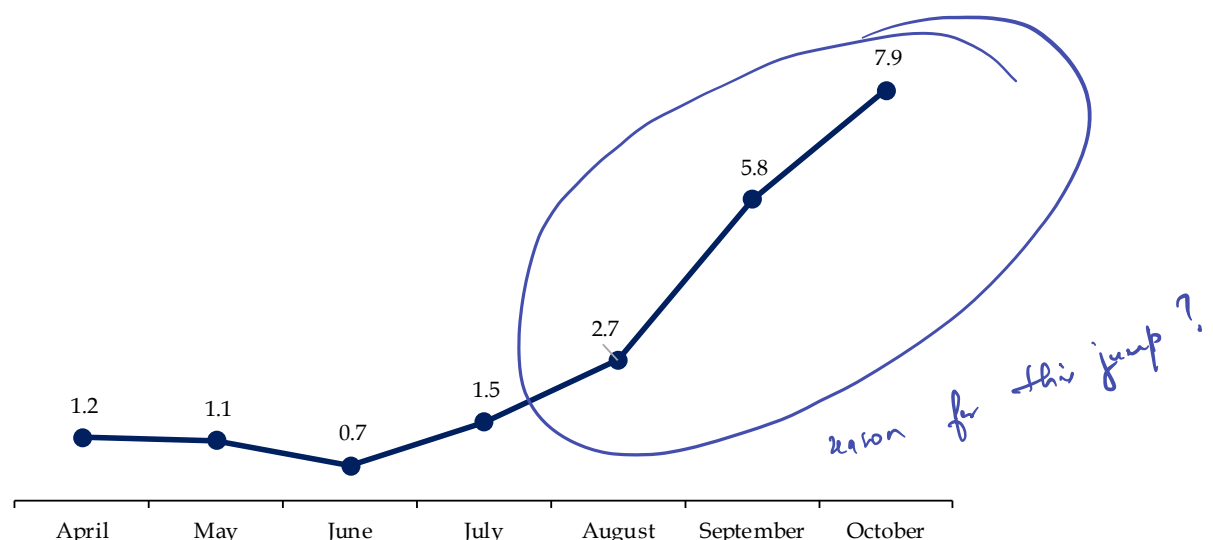
Phable's platform has three layers – **Transactions, Data, and Data-Driven Insights**



- **Transactions:** All healthcare related products and services for doctors (clinic management, billing, tele-consultations, etc.) and patients (medicines, devices, labs, tele-consultations, insurance, etc.).
- **Data:** Collecting static data (prescriptions, lab tests, etc.) through platform bookings and longitudinal data (biometrics, etc.) through IoT connected medical devices (third party).
- **Data-Driven Insights:** Targeted content, risk scoring, personalized therapy, and disease management by leveraging patient specific and clinical data.

Business Overview

FY21YTD Revenue Movement



Phable started monetizing recently in February'21. The app is currently free to use for doctors. Similarly, patient-doctor engagement is free. However, the company generates revenue from any transactions made on the app (medicine delivery, appointment bookings, medical devices, subscriptions, etc.).

In a span of a ~10 months, the company has reached a monthly GMV of ~INR 7.9 Cr. This is largely driven by medicine and device sales that account for ~75% of GMV in FY22 YTD.

Revenue Streams

Currently, the company has the following revenue streams:

1. Medicine Sales: Phable has a B2B and a B2C business in medicine:

- **B2B Medicine Procurement:** Phable provided a B2B procurement platform to pharmacies to procure medicine inventory directly from manufacturers and wholesalers. However, the contribution to GMV is insignificant (<2%) and the vertical will be discontinued in the coming months.
- **B2C E-Pharmacy:** Users can order medicines through the Phable app. The company has partnered with 1mg and Pharmeasy to provide these services. However, the company is in the process of building in-house capabilities by partnering with local pharmacies (pilot launched in Bangalore).

2. Device Sales: Users can order medical devices such as glucometer, BP monitor, personal ECG device, etc. The company has partnered with Accu-Check, Omron (*existing investor*), Polar, etc. to distribute their products through the Phable app. These smart devices are targeted towards chronic disease patients and can be synced with the Phable app for real-time tracking by doctors.

3. Subscriptions: Users can subscribe to healthcare plans. There are different plans available for different chronic diseases, usually a combination of a device paired with other services. For example, the 'Diabetes Care Package' includes a glucometer, diabetes expert assessment, unlimited doctor consultations, personalized fitness sessions, etc.

4. Diagnostic Labs: Users can book diagnostic tests. The company has partnered with diagnostic labs such as SRL Diagnostics, Thyrocare, Healthians, etc. to provide these services.

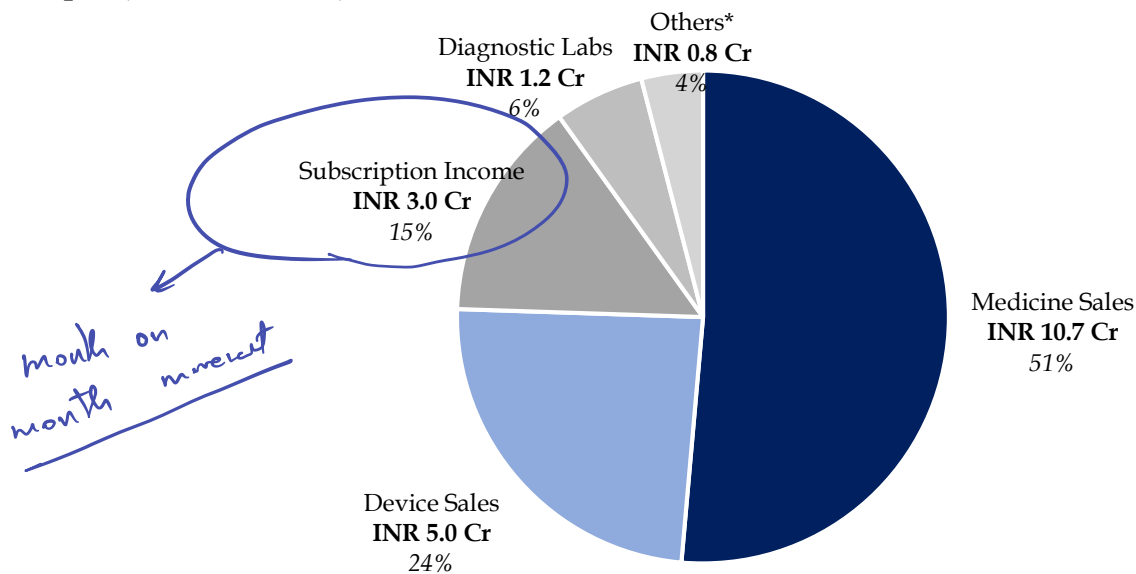
5. Doctor Consultations: Users can book appointments or tele-consultations with partner doctors.

6. Health and Wellness: Users can buy healthy food supplements and has partnered with brands such as True Elements that offers healthy breakfast options and snacks.

7. Corporate Wellness: Phable has started partnering with corporates to provide comprehensive corporate wellness plans to its employees.

8. Consumer Insurance: Phable has partnered with Care Insurance to provide insurance plans to users. The plans include health insurance from Care coupled with services offered by Phable such as doctor consultations, health management programs, discounts on lab tests, etc.

Revenue Split (FY22 till Oct'21)



*Others includes health and wellness, corporate wellness, insurance

GTM Strategy

The company follows a B2B2C and B2C model for user acquisition:

- B2B2C model:** Phable acquires users by partnering with doctors and clinics. For doctors, Phable serves as a free to use end-to-end clinic management platform for managing appointments, health records, tele-consultations, etc. which incentivizes doctors to adopt the platform. After partnering with doctors, all patients are encouraged to use the Phable app for future engagement with the doctors. The doctors can monitor the patients' vitals in real time through IoT devices connected to the Phable app. This acquisition channel leads to high adoption and retention on the platform. ~60% of users are acquired through this channel.
- B2C model:** Phable utilizes digital marketing tools to acquire users directly. Most used channels of marketing are social platforms such as Facebook, Google, etc. ~30% of users are acquired through this channel. (10% of users are through organic downloads).

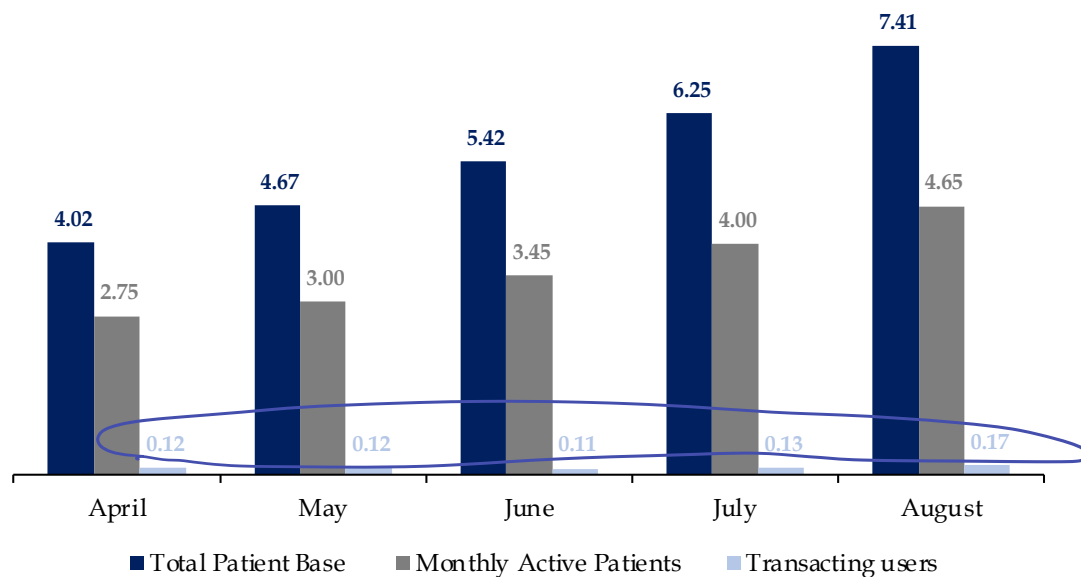
Marketing and Discounting Strategy

Phable is focusing on driving change in consumer behavior by incentivizing patients to transact digitally. The platform is offering deep discounts for user acquisition and mostly retention. The platform, however, is moving towards a subscription model wherein users will pay a minimal monthly fee to avail discounted services.

Starting January'22, the company is planning an extensive 15 month marketing campaign across traditional and print media.

→ What is the budget?

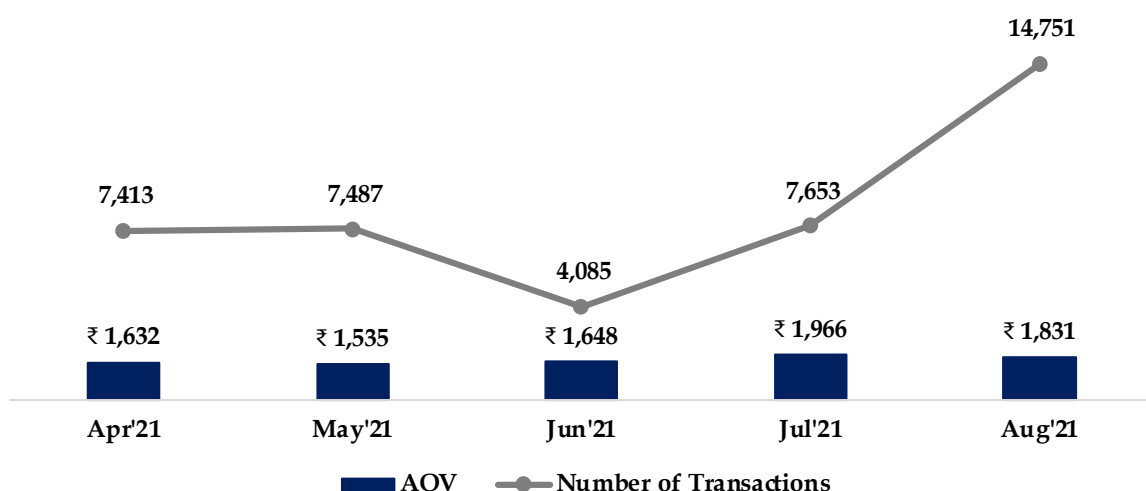
Growth in Users (INR lakh)



	Apr'21	May'21	Jun'21	Jul'21	Aug'21
Total Users (in Lakhs)	4.02	4.67	5.42	6.25	7.41
Monthly Active Patients	69%	64%	64%	64%	63%
Transacting users (% of MAU)	4%	4%	3%	3%	4%

Note: Monthly active users are defined as users having at least one session on the app per month.

Number of Transactions and AOV Chart MoM



The chronic disease patients initially use Phable for ongoing engagement with their doctors, documenting health records, and monitoring their vitals through smart devices. This drives change in consumer behavior as users begin to transact on the app (medicines, lab bookings, consultations, etc.) in addition to using the app merely for doctor engagement and tracking. This changing consumer behavior is captured in the growing user base who are also transacting as well as the MoM increase in AOV. Since most patients are chronic disease patients, they require medical devices and specialized medicines due to which the AOV is high.

Low Customer CAC due to Doctor Acquisition Channel

Acquiring patients through doctors have created a strong network effect amongst patients and the doctor community alike. This customer acquisition approach has led to consistent drop in CAC across doctors and patients:

Particulars (INR)	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21
Doctor CAC	18,244	6,763	3,562	3,243	2,757	4,550	5,483	6,759	2,956	7,669	4,308	4,407	4,182	3,483	3,351
User CAC*	241	154	83	93	135	75	36	56	35	41	50	24	30	39	45

*Acquired users are total sign ups on the platform

In 15 months, the CAC per doctor and user has come down from INR 18,244 and INR 241 in Jun'20 to INR 3,351 and INR 45 for doctors and users, respectively. More importantly, Phable has seen maintained robust customer retention while acquiring customers at scale:

Overall User Retention

How is retention defined ?

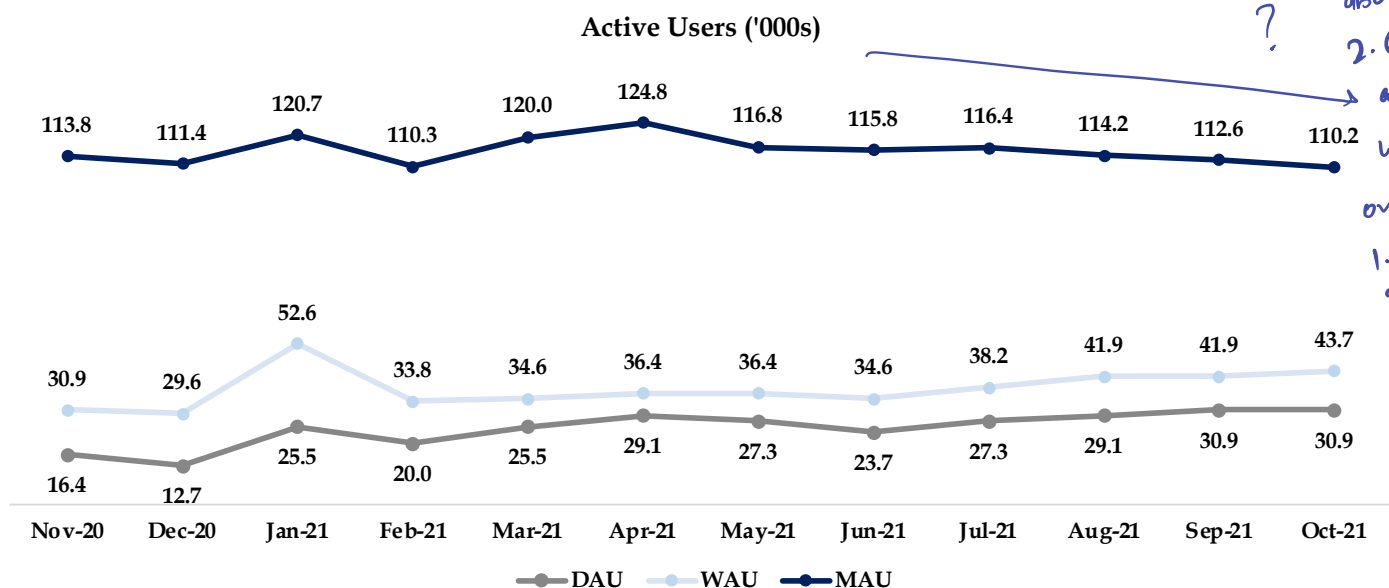
Month of Download	#Users Added	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Nov-20	17,007	100%	85%	67%	63%	60%	59%	56%	55%	50%	49%	47%	44%
Dec-20	30,045		100%	83%	71%	63%	59%	56%	54%	53%	49%	46%	43%
Jan-21	42,848			100%	81%	67%	65%	60%	59%	56%	55%	50%	47%
Feb-21	49,451				100%	84%	81%	74%	69%	66%	64%	60%	58%
Mar-21	43,065					100%	91%	88%	79%	75%	69%	63%	58%
Apr-21	54,229						100%	94%	89%	84%	79%	71%	64%
May-21	65,678							100%	84%	80%	78%	67%	58%
Jun-21	74,959								100%	85%	81%	75%	65%
Jul-21	82,797									100%	83%	74%	63%
Aug-21	1,16,446										100%	81%	70%
Sep-21	2,10,063											100%	78%
Oct-21	2,60,824												100%

Phable has retained ~45% of the customers acquired through both channels (Digital and Doctor channels). Onboarding users using the doctor channel has led to even higher retention driven by doctor-patient engagement:

User Retention (Doctor Channel)

Month of download	#Users Added	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Jan-21	26,768	100%	89%	83%	81%	78%	77%	75%	74%	67%	63%
Feb-21	31,520		100%	92%	89%	82%	79%	77%	74%	70%	67%
Mar-21	29,272			100%	96%	93%	87%	84%	78%	71%	66%
Apr-21	41,088				100%	96%	92%	88%	85%	77%	70%
May-21	47,152					100%	90%	86%	84%	76%	66%
Jun-21	51,198						100%	89%	86%	80%	73%
Jul-21	56,790							100%	89%	81%	70%
Aug-21	72,992								100%	87%	78%
Sep-21	1,06,547									100%	85%
Oct-21	1,41,027										100%

More importantly, there is strong momentum in the active user base over the last 12 months:









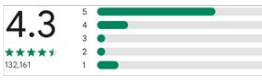



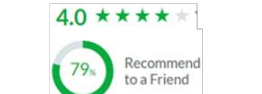
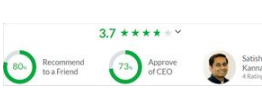
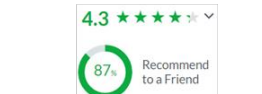


? about 2.6 lac added in Oct while only 1.1 lac are active?

Note: Active users are defined as users having at least one session on the app per day, week and month

While monthly active users have been stagnant at ~1.1 lakh, weekly active users have gone up by ~40% to ~44,000 while daily active users have gone up by ~95% to ~31,000. This is a strong indicator of increase in adoption by the active users over time:

Particulars	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
DAU/MAU	14%	11%	21%	18%	21%	23%	23%	20%	23%	26%	27%	28%
WAU/MAU	27%	27%	44%	31%	29%	29%	31%	30%	33%	37%	37%	40%

Customer Ratings Analysis

					
Google Play Store	 <p>Ratings: 4.2 Stars (Based on 8,372 reviews) Downloads: 1M+</p>	 <p>Ratings: 4.3 Stars (Based on 1,32,161 reviews) Downloads: 1M+</p>	 <p>Ratings: 4.6 Stars (Based on 63,081 reviews) Downloads: 5M+</p>	 <p>Ratings: 4.5 Stars (Based on 203,553 reviews) Downloads: 5M+</p>	 <p>Ratings: 4.5 Stars (Based on 4,376 reviews) Downloads: 100K+</p>
Glassdoor (Employee Reviews)	 <p>Rating: 4.0 Stars 79% would recommend to a friend (Based on 30 Reviews)</p>	 <p>Rating: 3.7 Stars 80% would recommend to a friend (Based on 35 Reviews)</p>	 <p>Rating: 4.3 Stars 87% would recommend to a friend (Based on 55 Reviews)</p>	 <p>Rating: 4.0 Stars 80% would recommend to a friend (Based on 761 Reviews)</p>	 <p>Rating: 3.6 Stars 59% would recommend to a friend (Based on 57 Reviews)</p>

Conclusion:

Phable has a favourable online rating compared to most of the existing Medicare and healthcare segments. The number downloads are more than 1 million and ~8,500 have given their reviews to aggregate a cumulative of 4.2 on Google Play Store. Even on Glassdoor, ~80% of employees recommend it as a good place of work.

Supply Partners

Phable has created a network of healthcare partners across doctors, hospitals, device manufacturers, consumables, etc. to cater to comprehensive healthcare requirements of all users on the platform. For doctors, the Phable platform serves as a clinic management software to manage bookings, tele-consultations, e-bookings, billing, etc. which serves as a hook for doctors to adopt Phable.

Phable's Partner Network



Doctor Acquisition Strategy

The platform relies on doctor partnerships to acquire customers and has ~6,400 doctor partners on its platform. Doctors are acquired mostly through an on-ground sales team (feet on street) and through digital marketing. However, feet on street continues to be the dominant source of acquisition for doctors (85-90% acquisitions). With higher acceptability and scale in business, Phable has acquired ~3,300 doctors in the last 12 months

Most Active Doctors on Phable

Doctor Name	Description
Dr. Oliver Rodrigues	<p>Years of Experience: 13 years Practice Area: General Physician</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Scorpion Clinic, Varthur, Bangalore ➤ Dr. Levine Memorial Hospital, Bangalore <p>Educational Qualifications:</p> <ul style="list-style-type: none"> ➤ MBBS, St John's Medical College, Bangalore (Class of 2008) ➤ PGDFM - CMC, Vellore (Class of 2011)

<p>Dr. Vivek Baliga</p>	<p>Years of Experience: 16 years Practice Area: Internal Medicine and Cardiologist</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Baliga Diagnostics, Bangalore ➤ Aster RV Hospital, Bangalore ➤ Fortis Hospital, Bangalore ➤ HeartSense, Bangalore ➤ Indian Academy of Echocardiography, Karnataka Chapter <p>Educational Qualifications:</p> <ul style="list-style-type: none"> ➤ MBBS, Kasturba Medical College, Mangalore (<i>Class of 2000</i>) ➤ MRCP, Royal College of Physicians (<i>Class of 2006</i>)
<p>Dr. Shrideep Arun Parab</p>	<p>Years of Experience: 20 years Practice Area: Gynaecologist</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Adishri Clinic, Pune ➤ Nandadeep Hospital, Satara <p>Educational Qualifications:</p> <ul style="list-style-type: none"> ➤ MBBS, Satarov State Medical University, Russia (<i>Class of 2010</i>) ➤ DGO, CPS Mumbai (<i>Class of 2016</i>)
<p>Dr. Venkatesh Somalaram</p>	<p>Years of Experience: 5 years Practice Area: Cardiologist</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Aster RV Hospital, Bangalore ➤ Fortis Hospital, Bangalore <p>Educational Qualifications:</p> <ul style="list-style-type: none"> ➤ MBBS, Dr. B R Ambedkar Medical College (<i>Class of 1992</i>) ➤ MD in Internal Medicine, PGIMER, Chandigarh (<i>Class of 2001</i>)
<p>Dr. Jivesh Singla</p>	<p>Years of Experience: 6 years Practice Area: Internal Medicine and General Physician</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Aggarwal Hospital, Jalandhar <p>Educational Qualifications:</p> <ul style="list-style-type: none"> ➤ MBBS, Maharishi Markandeshwar Institute of Medical Sciences & Research, Mullana, Ambala (<i>Class of 2013</i>) ➤ DNB - Family Medicine from Mahatma Gandhi Institute of Medical Sciences, Sewagram (<i>Class of 2016</i>)

Doctor Retention and Adoption Metrics

In the last 12 months, Phable has doubled its doctor base by adding ~3,300 doctors. ~65% of the doctors added in Nov'20 continue to work with Phable as on Oct'21:

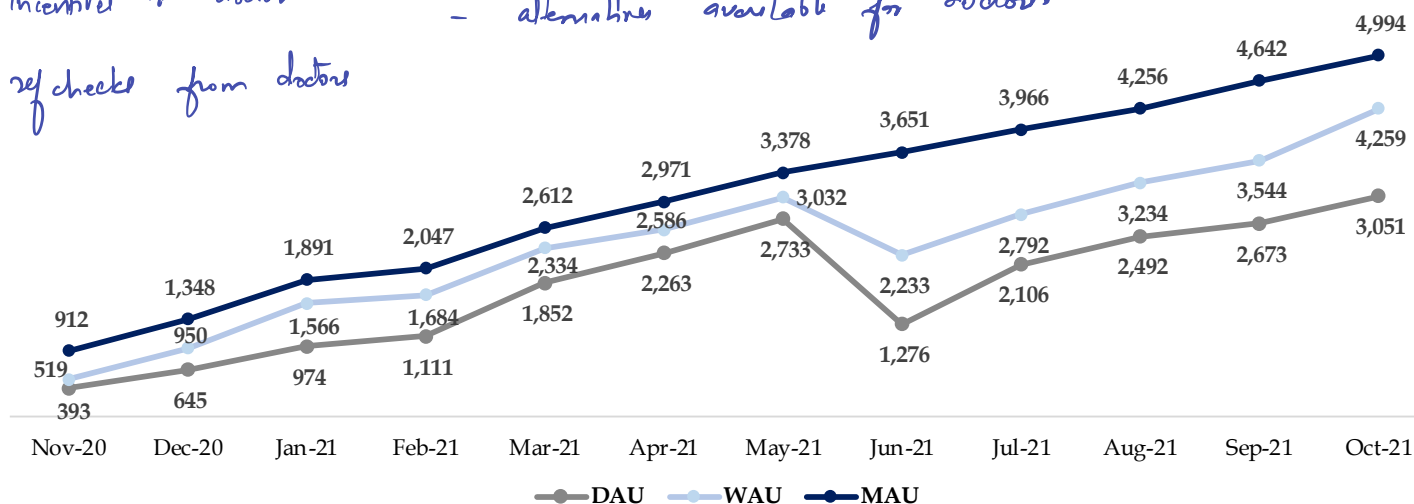
Month	#Doctors	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Nov-20	169	100%	85%	78%	73%	68%	68%	68%	68%	68%	68%	65%	65%
Dec-20	121		100%	87%	75%	74%	73%	73%	72%	64%	64%	64%	64%
Jan-21	85			100%	89%	84%	84%	84%	81%	81%	79%	74%	69%
Feb-21	105				100%	93%	90%	90%	85%	85%	81%	75%	71%
Mar-21	120					100%	95%	95%	88%	84%	84%	81%	75%
Apr-21	337						100%	97%	89%	84%	84%	82%	79%
May-21	229							100%	93%	89%	86%	83%	80%
Jun-21	288								100%	94%	89%	84%	80%
Jul-21	340									100%	91%	85%	81%
Aug-21	404										100%	91%	89%
Sep-21	508											100%	92%
Oct-21	583												100%

There are ~6,300 doctors on the platform out of which ~80% are monthly active users. While the number of doctors on the platform have doubled in the last 12 months, Phable has maintained a strong base of active doctors that drives engagement and therefore, adoption by patients.

Active Doctors

- Incentives to doctor
- ref checks from doctors

- alternatives available for doctors.



Note: Active doctors are defined as Doctors having at least one session (managing bookings, tele-consultation, patient monitoring) on the app per day, week and month

Sample Agreements with Partners

Name	Pharmeasy	Omron	Prima Diagnostics
Date of Agreement	15th June 2021	1st July 2021	15th December 2020
Scope of Services	<ul style="list-style-type: none"> Pharmeasy shall provide a web based or mobile app technology for processing orders on behalf of the users placing orders on Phable's platform 	<ul style="list-style-type: none"> Phable and Omron to collaborate and provide Omron devices to its customers through subscriptions 	<ul style="list-style-type: none"> Prima Diagnostics shall provide delivery of Lab services including: <ul style="list-style-type: none"> Scans and radiology services

		<ul style="list-style-type: none"> Devices include - BP Monitor, Nebulizer, Weight & BMI, TH, TENS, Pulse Oximeter 	<ul style="list-style-type: none"> Sample blood tests (Blood, Saliva, etc.) <p>for users placing orders on Phable's platform</p>
Revenue Sharing	<ul style="list-style-type: none"> For every completed order, Phable to receive 5% commission on all delivered orders Customer Discount = PharMeasy base discount + 2% Phable Partnership discount 	<ul style="list-style-type: none"> Device Margin: 37% to 102% on cost price (subject to device type); Device cost ranges from INR 1,000 to INR 8,000 Subscriptions Margin: 10% on first-time subscription; 10% on renewal of subscription on cost price; First Subscription: INR 2,999 Renewal: INR 1,599 	<ul style="list-style-type: none"> Prima agrees to pay Phable the following fee: <ul style="list-style-type: none"> Pathology and Radiology <ul style="list-style-type: none"> - <2 Lakhs - 40% - 2-4 Lakhs - 45% - >4 Lakhs - 50% Packages <ul style="list-style-type: none"> - < 30 pkgs - 30% - > 30 pkgs - 35% <p><i>Home Collection Charges between INR 100-500 to be levied by Prima Diagnostics</i></p>
Payment Terms	<ul style="list-style-type: none"> Within 45 days of invoice. 	<ul style="list-style-type: none"> The product price shall be paid to Omron by 30 days from the delivery date. For the subscription service fee, PhableCare shall pay Omron the amounts stipulated above based on [T + 5] days 	<ul style="list-style-type: none"> Within 15 days of invoice
Validity	<ul style="list-style-type: none"> Valid until one of the parties gives a termination notice 	<ul style="list-style-type: none"> Valid till 31st March 2022, can be extended after giving a notice 3 months prior to the termination of the agreement 	<ul style="list-style-type: none"> Valid until 1 year from the date of execution
Termination	<ul style="list-style-type: none"> Right to terminate with immediate effect upon giving an advance notice of 30 days to the service provider 	<ul style="list-style-type: none"> Right to terminate with immediate effect upon giving an advance notice of 30 days to the service provider 	<ul style="list-style-type: none"> Right to terminate with immediate effect upon giving an advance notice of 30 days to the service provider

Working Capital

The company has minimal working capital.

Inventory: The company keeps a small amount of inventory (INR ~0.4 Cr as on Sep'21) for fast moving healthcare devices.

Receivables: Receivables are mostly in the form of commission revenue from supply partners (For ex: PharMeasy and 1MG), receivables from pharmacies for procurement of medicines (B2B medicine sales) and orders for devices in transit (unbilled revenue).

Receivables Ageing (as on Sep'21)

(INR Crore)

Particulars	Group	On Account	<30 days	30-60 days	60-90 days	>90 days	Total	Share %
Unbilled Revenue (Device Sales)	Order in transit	-	0.58	-	-	-	0.58	31.5%

Pharmeasy	Commission	-	-	-	-	0.51	0.51	28.1%
1 MG	Commission	-	0.02	0.03	-	0.02	0.07	4.0%
Dinka Pharma	B2B Medicine Sales	-	0.01	0.00	-	-	0.01	0.6%
Dia Plus	B2B Medicine Sales	-	-	-	-	0.01	0.01	0.6%
Family Tree Pharma	B2B Medicine Sales	-	0.00	0.00	0.00	0.00	0.01	0.5%
Pharma Bliss	B2B Medicine Sales	-	-	-	0.00	0.01	0.01	0.4%
Bharath Medicals	B2B Medicine Sales	-	-	-	-	0.05	0.05	2.9%
Beyond Health Care	B2B Medicine Sales	-	-	-	-	0.05	0.05	2.6%
Others	Others	0.05	0.01	0.01	0.00	0.45	0.53	28.8%
Total		0.05	0.62	0.05	0.01	1.10	1.83	100.0%
Share %		2.9%	33.8%	2.7%	0.4%	60.2%	100.0%	

Payables: Payables are mostly in the form payables to device manufacturers, and other vendors (corporate credit card providers, diagnostic labs, etc.)

Payables Ageing (As on Sep'21)

(INR Crore)

Particulars	Group	On Account	<30 days	30-60 days	60-90 days	>90 days	Total	Share %
Roche Diabetics Care	Device Inventory	-	0.50	0.12	-	0.02	0.64	17.3%
Mahendra Drug Agencies	B2B Medicine Sales	-	0.04	0.04	0.03	0.46	0.57	15.3%
Karbon Card	Credit Card Payables	0.56	-	-	-	-	0.56	15.1%
Provision COGS	Order in transit	0.40	-	-	-	-	0.40	10.7%
Mogli Labs (India)	Marketing	-	0.27	-	-	-	0.27	7.2%
Omron Health Care	Provisions for bills not received	0.16	-	-	-	-	0.16	4.2%
Grantrail Wholesale	B2B Medicine Sales	-	0.01	0.02	0.01	0.08	0.12	3.3%
Computer Exchange	Computer Equipment vendor	-	0.06	-	-	0.05	0.11	3.0%
Venkatesh Babu CA	Consultant	-	0.01	-	-	0.09	0.10	2.6%
Walkover Web Solutions	Marketing	-	-	-	0.01	0.07	0.07	2.0%
Others	Others	0.20	0.30	0.05	0.07	0.10	0.71	19.2%
Total		1.32	1.18	0.23	0.12	0.87	3.71	100.0%
Share %		35.4%	31.7%	6.2%	3.3%	23.3%	100.0%	

Future Plans

As the dependency and adoption by doctors and patients increases, Phable will look to introduce new services and focus on more strategic partnerships to become a one stop platform for both, doctors as well as patients.

Patients

- Retail Vertical

Phable has plans to increase its offering and bolster existing ones by introducing services such as:

- Post IPD services for post-surgery care including consultation, insurance claim processing, etc.

- At home healthcare services including doctor, nurse, and physio on demand
- Specialized testing including genetic testing (gut microbiome, etc.)
- *Corporate Vertical*
 - Phable is building its corporate vertical to provide corporate health benefit plans targeted towards early-stage startups with an employee strength of 50-150 employees.
 - These health benefit plans will be a combination of health insurance and healthcare services that can be availed on the Phable app. In the near future, the company also plans to roll out healthcare credit cards for employees which would allow them to seamlessly avail 36-month healthcare loans.
 - Since its recent launch, Phable has onboarded 2 corporates including Ola. The company is in the process of hiring experienced senior professionals with a strong network of corporates to bolster its corporate partnerships.

Doctors and Clinics

Currently, Phable is focusing on adoption and acquiring patients through doctors. Therefore, the platform is free to use for doctors and focuses on overall clinic management and patient engagement. However, Phable plans to monetize doctor engagement by introducing products such as:

- *Doctor Consumables:* Phable will serve as a procurement platform for doctors to procure consumables (surgical gloves, hospital wear, syringes, etc.) directly through the platform.
- *Advertising for Doctors:* The Phable patient base is ~12 lakh users and growing. As the base continues to expand rapidly, doctors will be able to advertise their services on the Phable App to target patients.
- *SaaS and Data Tools:* Phable will provide paid analytics and SaaS tools to doctors, clinics, and hospitals for e-prescriptions, electronic medical records, tele-consultations, etc. The company has successfully completed its pilot and has deployed its SaaS tool for doctors across Fortis hospitals in South India.

Strategic Partnerships

Phable is bundling its subscription services with device manufacturers such as Omron, Accu-Check, etc. For example, Phable is rolling out its subscription services for all Omron users pan India. With every purchase of an Omron device, there will be a QR code on the product to access Phable’s subscription plans. These would be at discounted rates and free of cost for a fixed period after which the users can get it renewed for a fee.

Strategic Acquisitions

Phable has planned strategic acquisitions across different healthcare domains to support its growth plans. Some of its target acquisitions are:

→ Total Capital earmarked for acquisitions ?
→ All cash ? continuity plans ?

Company	Business Overview	Revenue
BeatO ⁽¹⁾	BeatO is a diabetes management platform with remote healthcare coaching. With BeatO Care, users can book blood test, physical examination and educator visit at home. Some of its key features include food, activity, and blood glucose monitoring, while maintaining an online store for buying diabetic-friendly foods and supplements, and self-testing equipment	INR ~48 Cr (Oct'21 ARR)

eKincare	eKincare is an online employee health benefits platform. It helps patients to manage their healthcare records. Based on the analytics, the company provides personalized healthcare plans to individuals.	INR ~20Cr (FY21)
Afford Plan	Affordplan is a savings and financial planning platform for medical expenses. Individuals can develop savings options, pick up services, enrollment services, among others. The company also offers insights to access patients' demographics, redeem benefits, and consultation services.	INR 7.2Cr (FY20)
Healthplix	Healthplix provides an electronic medical record solution for chronic care management, with features such as e-prescription generation, lab management, billing, etc. It also has dashboards providing AI & machine learning-based insights related to finance, marketing, test clinical hypothesis, and treatment outcomes and risk. The company is currently functional across 370 cities across 16+ specialties and has onboarded more than 6000 doctors	INR 5.4Cr (FY20)

Notes: (1) Expected to close in January 2021

Unit Economics

Steady State

Particulars	Revenue Lines				
	Device Sales	Medicine Sales ⁽¹⁾	Doctor Consultations & Subscriptions ⁽²⁾	Diagnostic Labs	Health and Wellness
Revenue Contribution	46%	3%	30%	11%	5%
Revenue	100%	100%	100%	100%	100%
GM	35%	3%	84%	45%	7%
CM1	26%	3%	84%	45 %	7%

Notes: (1) Not GMV - fixed take rate on orders routed through medicine delivery partners Pharmeasy and 1MG (2) Launched in Aug'21; no substantial revenue.

(2) Subscription includes digital healthcare services bundled with Device sales and the margin of which depends upon utilization. As per average utilization today of 15%, the GM has been calculated.

The company has operational costs that are semi-variable in nature (Operations team salaries) which the company nets from Total Gross Margin to calculate CM1 of Company.

Steady State

Particulars	Revenue Lines					
	Device Sales	Medicine Sales ⁽¹⁾	Doctor Consultations & Subscriptions	Insurance	Diagnostic Labs	Health and Wellness
Revenue Contribution	24%	27%	23%	0.3%	7%	5%
Revenue	100%	100%	100%	100%	100%	100%
GM	48%	15%	68%	NA	31%	10%
CM1	40%	7%	68%	NA	31%	10%

Notes: (1) The company has started its own pharmacy aggregator model by partnering with local pharmacies for delivery

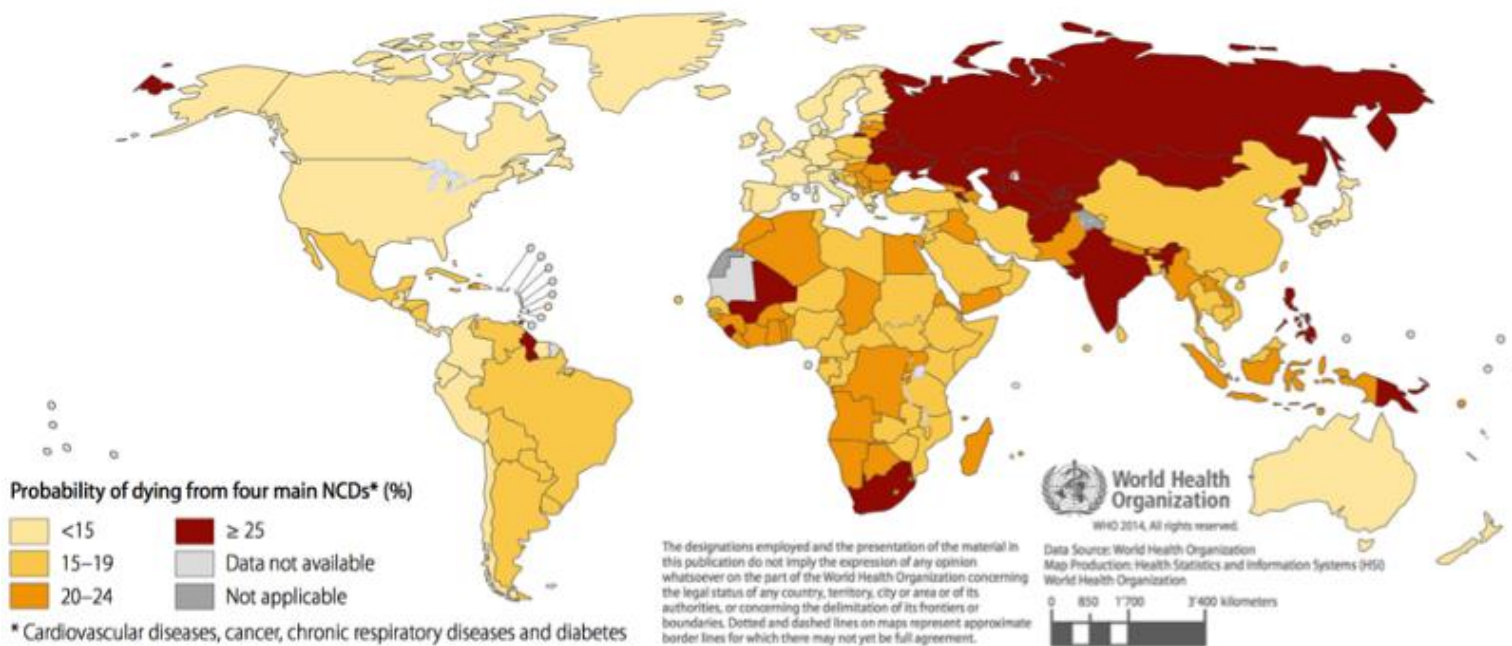
About Industry

Chronic Disease/ Non-Communicable Disease (NCDs)

NCDs are one of the major challenges for public health in the 21st century, not only in terms of human suffering they cause but also the harm they inflict on the socioeconomic development of the country. NCDs kill approximately 41 million people (71% of global deaths) worldwide each year, including 14 million people who die too young between the ages of 30 and 70. The majority of premature NCD deaths are preventable.

According to WHO projections, the total annual number of deaths from NCDs will increase to 55 million by 2030, if timely interventions are not done for prevention and control of NCDs.

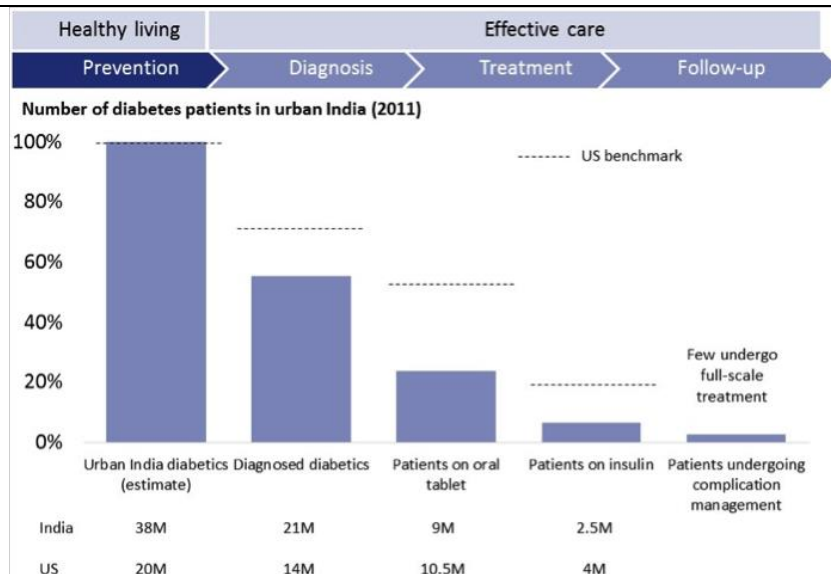
In India, nearly 5.8 million people (WHO report, 2015) die from NCDs (heart and lung diseases, stroke, cancer and diabetes) every year or in other words 1 in 4 Indians has a risk of dying from an NCD before they reach the age of 70.



Source: Probability of death resulting from a chronic disease, WHO, 2014

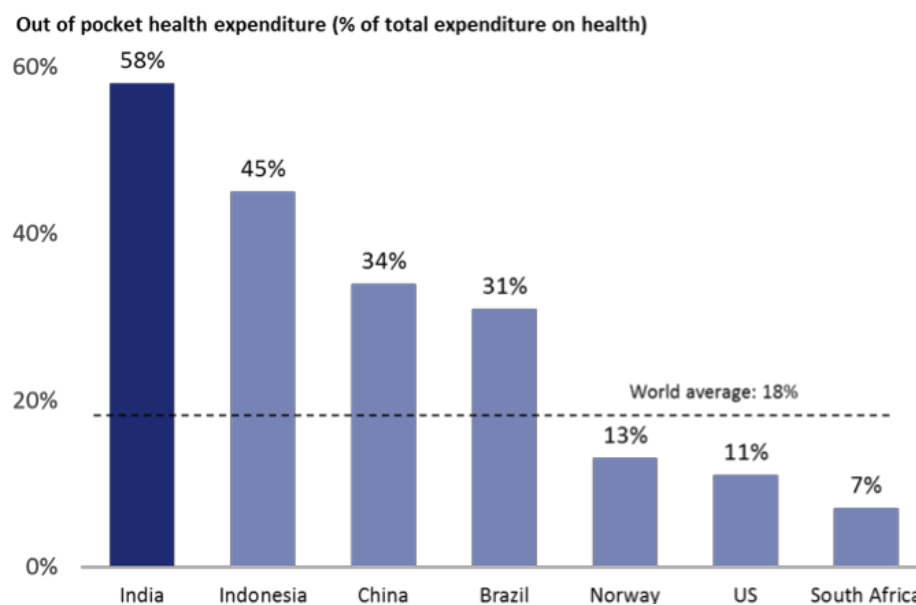
Current Chronic Disease Management in India

- (1) Awareness:** There is very limited understanding of early symptoms of chronic diseases, leading to low diagnosis rates. Chronic patients generally blame their genes for their state, and are not aware that a lifestyle disorder can be conquered easily with small incremental interventions



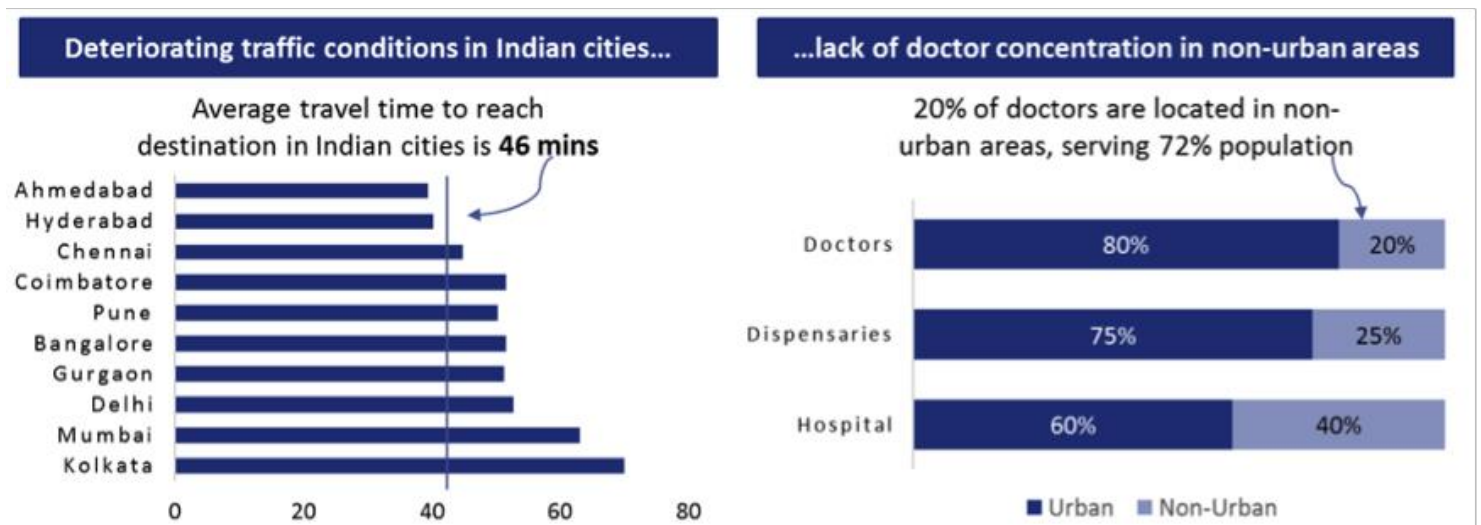
Source: NATHEALTH, 2015

(2) Affordability: Healthcare is under-served and under-consumed in India because of a huge affordability barrier. Insurance covers less than a fifth of our population, and out-of-pocket spending is considerably high. Moreover, health insurance covers only inpatient (*hospitalization*) costs and completely excludes outpatient (*doctor visit*) costs leading to breaks in treatment.



Source: PHFI, Planning Commission and World Bank, 2015

(3) Access: Very often patients miss their doctor follow-ups. Urban patients are constrained by time and non-urban patients by distance limiting access to the doctor

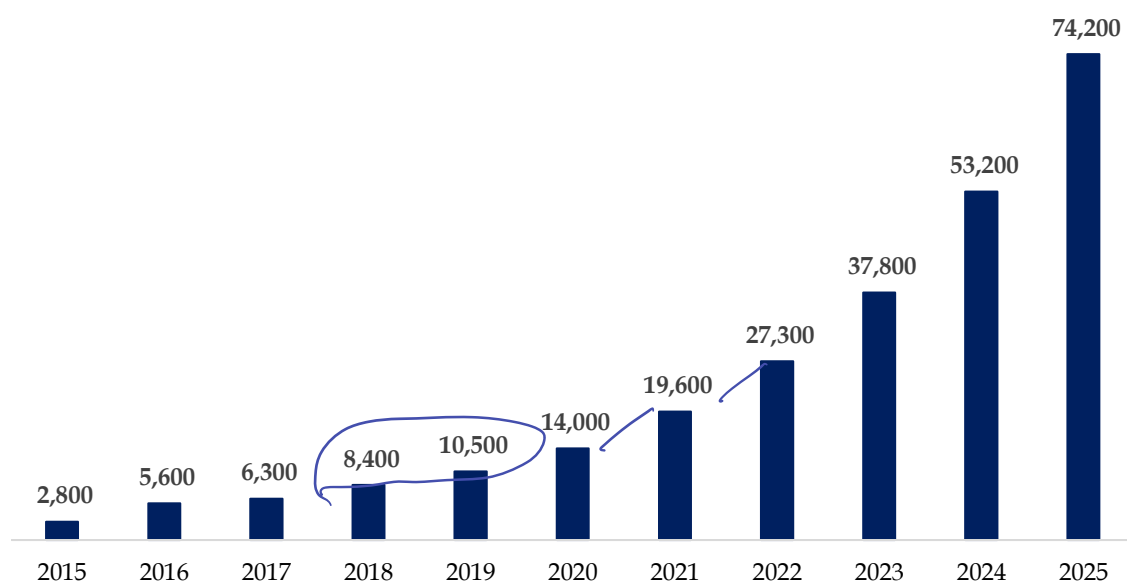


Source: KPMG

eHealthcare in India

Improved access to healthcare providers, enhanced productivity and lower healthcare costs has accelerated the penetration of eHealth in India which mainly includes the following segments – *telemedicine, epharmacy, online fitness and wellness*. In 2020, the size of the eHealth market is ~\$2 bn (INR 14,850Cr). The market is expected to grow at an annual growth rate of ~40% and reach ~\$10 bn (INR 74,200Cr) in size between 2020 and 2025.

eHealth Market Size (INR Cr.)



- Telemedicine is the largest contributor to the market, contributing over 50% in 2020. The market is expected to reach ~INR 38,000 cr by 2025 growing at rate of ~22%.
- Epharmacy, although at a nascent stage, is expected to grow exponentially to reach ~INR 30,000 cr by 2025.
- The Online Fitness and Wellness segment is underpenetrated and is expected to reach ~INR 7,000 cr by 2025.

(Source: INC42 eHealth Market Opportunity Report 2021)

India's eHealth Market Landscape

b2b
e-commerce

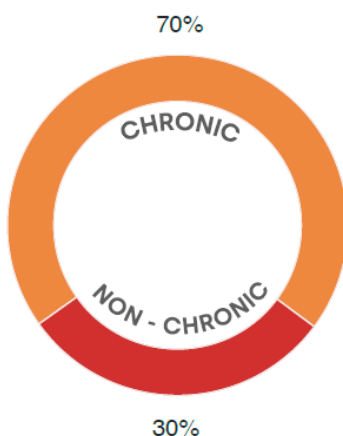


Where is Phable in this?

Source: Inc42 Plus

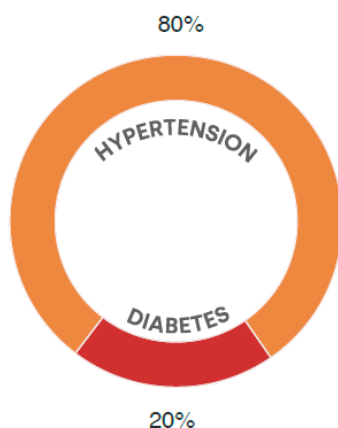
Total Addressable Market

- Indian spends \$100B (INR 7,50,000 Cr) per annum out-of-pocket on their health. 70% of all healthcare spend in India is on Chronic Disease. (Source: National Health Mission Report 'Household Health Expenditures' 2014)



- 400 million Indians suffer from Hypertension and Diabetes. There is ~50% penetration of smartphones in India, out of which 65% of these smartphones have OS which can support eHealthcare apps. Thus, 70 million (400 million * 50% * 65%) people are the immediate Total Addressable Market (by Volume).

- These 70 million people are typically spending INR 50,000 per annum on managing their ailment. Thus, INR 3,50,000 Cr (70 million * INR 50,000) is the immediate Total Addressable Market by value.



eHealth Value Proposition

Telemedicine

- Easier access to specialists at the patient's convenience through
- Access to quality healthcare in tier 2 and tier 3 cities
- Consumer reviews and ratings on the app
- Integrated offerings through a single platform
- Maintaining electronic health records (EHR) for better decision making and outcome based patient care

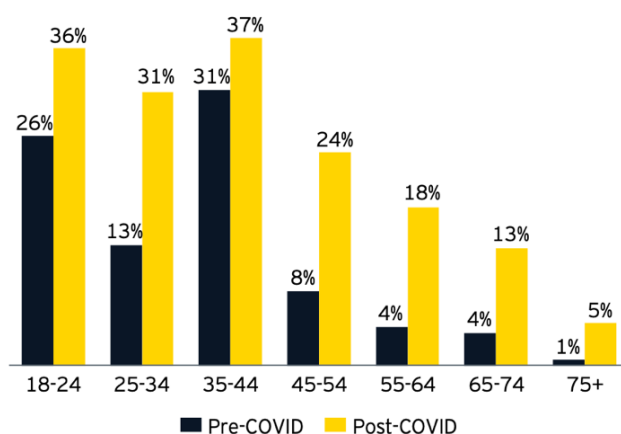
Epharmacy

- Access to higher variety
- Competitive prices and subscription-based models
- Doorstep delivery with rescheduling option and cold-chain management
- Online in-app support

Key Growth Enablers

- **Consumer Behaviour:** One of the key enablers for the growth in teleconsulting in India is the emergence of new consumer behavior of digital consumption. Rapid uptake of tele consultation is driven by young population accustomed to the app culture. With more smartphones having access to health apps, digital technology has the potential to transform and enable delivery of virtual health care in a more convenient and effective manner.
- **Demography and Disease Mix:** India's changing demographics with elderly population expected to be 20% of total population in 2050 as compared to 8% in 2015 and the increasing incidence of chronic and lifestyle diseases also strengthens the increasing adoption of tele consultation in the times to come. India has the second highest number of diabetes cases in the world and 28% deaths occur due to heart diseases.
- **COVID19 Impact:** The COVID19 pandemic has led to massive expansion of tele-consulting and other eHealth services as doctors and patients are restricted to interact in person.

Willingness to book telehealth visits (by age group)



Source: EY-Parthenon's Life after COVID-19 Survey, 2020

- **Policy and Regulatory Landscape:** The Indian healthcare system is embracing digital technologies to fix healthcare system-level constraints to increase its accessibility and enhance its affordability. With the release of the telemedicine guidelines in March 2020 the Medical Council of India (MCI) has further confirmed the growing need for teleconsultation. Similarly, Digital health records are likely to be mandated soon with the advent of Ayushman Bharat, the Central Government Health Scheme (CGHS) and Employees' State Insurance (ESI). The Niti Aayog has set up a National Health Stack (NHS) to build a digital health system and onboard medical device makers, tele-medicine service providers, professional care service providers, and digital healthcare systems providers.
- **Government Initiatives:** The Government of India is taking immediate action and targeting the greatest risk factors contributing to NCDs, namely unhealthy diets, physical inactivity, tobacco and alcohol use and air pollution. In line with WHO's Global action plan for the prevention and control of NCDs 2013-2020, India is the first country to develop specific national targets and indicators aimed at reducing the number of global premature deaths from NCDs by 25% by 2025. A National Multisectoral Action Plan that outlines actions by various sectors in addition to the health sector, to reduce the burden of NCDs and their risk factors, is in the final stage of development






eHealth Emerging Trends

- **Use of AI Integrated Software:** Healthcare service providers are implementing AI-based software for a wide range of purposes, from determining skin cancer from images to detecting pulmonary nodules and x-rays. Such software can be used to decide the next steps or the best set of questions that can be asked to the patient based on the acquired data and insights. A strong digital infrastructure with IoT integration across personal devices, hospital and public healthcare databases is helping spur efficient growth
- **Remote Healthcare Insurance Coverage:** There is an increase in insurance coverage for remote healthcare services and remote monitoring by insurance companies and government-administered programs, especially since the pandemic. This would reduce healthcare costs and ensure healthcare even in adverse situations.
- **Integrated Platform Offering:** eHealth players have been focusing on diversifying their offerings by integrating a suite of other healthcare services including telemedicine services, online diagnostics, and other related services. Therefore, a single platform can become a 'one-stop' solution for all healthcare related services. There has even created a deluge of patient-related data, and doctors can decide on how to advise or treat those patients timely and efficiently.

- **Combining Brick-and-Mortar with Technology:** With tier 2 and tier 3 cities facing shortages of primary care, brick-and-mortar health centres equipped with technology can bridge the service gaps. This has proven effective in delivering digital healthcare services to the underserved.

Competition:

Growth Startups

					
Year of incorporation	2017	2015	2017	2008	2014
Business Model	B2B2C	B2C, B2B2C	B2C, B2B2C	B2C	B2B2C
Core Offerings	Telemedicine, Appointment Bookings	Telemedicine, Corporate health benefit programs	Telemedicine, Corporate health benefit programs	Appointment bookings, Telemedicine	Corporate health benefit programs
Stage	Series A	Series B	Series C	Series D	Series A
Investors	Kalaari, SOSV, Manipal Hospitals, Fresco Capital, Omphalos, Omron, IPV	Rebright, Bessemer, Milliways, JAFCO Asia, InvAscent	Stellaris, Prime, Beenext, Heritas, SBI Investment	Sequoia, Tencent, Matrix, Sofina, AIA Group	Endiya Partners, Touchstone, Ventureast, Eight Roads
Total Equity Raised (INR Cr)	64	802	628	1,887	110
Last Equity (INR Cr)	96.9	500 (Dec'21)	361 (Jul'21)	240 (Aug'20)	25.7 (Sep'19)
Latest Revenue (INR Cr)	94.8 (ARR Oct'21)	432 (ARR Sep'21)	12.2 (FY20)	129.9 (FY19)	32 (Q4 FY21 MRR)
Revenue w.r.t valuation (INR Cr)	14.5 (ARR Apr'21)	432 (ARR Sep'21)	12.2 (FY20)	129.9 (FY19)	32 (Q4 FY21 MRR)
Valuation (INR Cr)	150	3,200 (Dec'21)	2,060 (Jul'21)	1,721 (Aug'20)	110 (Sep'19)
Valuation/Revenue	10.3	7.4	168.9	13.3	3.4
Valuation/Funding	2.3	3.9	3.3	0.9	4.3

Financial Analysis & Projections

Date of Incorporation: 2018

Auditor: Nemani and Associates (Tier II Bangalore)

Audit Opinion for FY20: Unqualified Opinion. FY21 report expected by 15th December, 2021 as it is a CP to the Equity infusion.

why has it taken so long?

Historical Analysis

Particulars (INR Cr)	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	FY22 YTD
GMV	1.21	1.15	0.67	1.50	2.70	5.79	7.88	20.90
Revenue	0.73	0.78	0.20	0.33	1.08	3.49	4.36	10.97
COGS	0.30	0.37	0.19	0.19	0.40	1.53	2.11	5.09
Gross Margin	0.42	0.41	0.01	0.14	0.69	1.96	2.24	5.88
Gross Margin %	58%	53%	6%	42%	63%	56%	51%	54%
Ops Salary	0.60	0.51	0.52	0.62	0.71	0.93	1.24	5.14
CM1	-0.17	-0.09	-0.51	-0.48	-0.02	1.03	1.00	0.74
CM1 %	-24%	-12%	-254%	-145%	-2%	29%	23%	7%
Performance Marketing	0.64	0.59	0.33	0.56	1.50	3.84	4.25	11.71
CM2	-0.81	-0.68	-0.85	-1.04	-1.53	-2.82	-3.25	-10.98
CM2 %	-112%	-88%	-419%	-314%	-141%	-81%	-75%	-100%
Branding Expenses	0.21	0.11	0.15	0.29	0.38	0.65	0.65	2.44
Salaries	0.53	0.52	0.54	0.59	0.57	0.63	0.94	4.32
Other SG&A	0.33	0.31	0.46	0.47	0.67	0.79	1.56	4.58
EBITDA	-1.87	-1.62	-2.00	-2.39	-3.15	-4.88	-6.40	-22.32
EBITDA %	-257%	-208%	-992%	-721%	-291%	-140%	-147%	-204%
Other Income	0.02	0.03	0.05	-0.00	0.07	0.07	0.07	0.33
One-time expenses	0.98	1.05	0.18	-	-	-	0.42	2.64
PBT	-2.83	-2.65	-2.13	-2.39	-3.08	-4.80	-6.75	-24.63
PBT %	-389%	-340%	-1055%	-721%	-284%	-138%	-155%	-225%

Profit & Loss:

Particulars	Management Case				Stride Case		
	FY21	FY22	FY23	FY24	FY22	FY23	FY24
GMV		99.47	752.82	2,158.10	99.47	319.61	798.53
Revenue		87.43	752.82	2,158.10	56.94	319.61	798.53
COGS		51.26	460.77	1,252.80	31.30	198.41	488.42
Gross Margin		36.17	292.05	905.31	25.64	121.20	310.11
Gross Margin %		41%	39%	42%	45%	38%	39%
Ops Salary		3.27	48.05	112.02	3.27	19.18	15.97
CM1		32.90	244.00	793.29	22.37	102.02	294.14
CM1 %		38%	32%	37%	39%	32%	37%
Performance Marketing		39.75	223.78	577.38	39.75	92.69	214.01
CM2		-6.85	20.22	215.92	-17.38	9.33	80.13
CM2 %		-8%	3%	10%	-31%	3%	10%
Branding Expenses		33.44	168.00	112.50	33.44	71.40	41.63
Salaries		13.62	38.22	60.92	13.62	38.22	60.92
Other SG&A		7.98	17.54	18.93	7.98	17.54	34.94
EBITDA		-61.89	-203.54	23.56	-72.41	-117.83	-57.36
EBITDA %		-71%	-27%	1%	-127%	-37%	-7%

Interest Cost		1.27	14.25	14.25	1.27	14.25	14.25
One-time expenses		2.56	6.50	6.50	2.56	6.50	6.50
PBT		-65.72	-224.29	2.81	-76.25	-138.58	-78.11
PBT %		-75%	-30%	0%	-134%	-43%	-10%

Balance Sheet:

		Management Case				Stride Case	
Particulars	FY21	FY22	FY23	FY24	FY22	FY23	FY24
LIABILITIES							
Net worth	39.9	200.5	713.4	703.5	191.0	414.6	350.4
Long Term Borrowings	-	45.0	150.0	125.0	45.0	95.0	75.0
Current Liabilities	1.4	2.5	5.5	10.8	2.5	5.5	10.8
Other Payables	0.4	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	41.7	249.0	869.9	840.2	239.5	516.1	437.2
ASSETS							
Fixed Assets	2.8	3.0	3.8	4.5	3.0	3.8	4.5
<u>Current Assets</u>							
Receivables	0.8	1.2	2.2	4.5	1.2	2.2	4.5
Inventory	0.0	0.5	2.5	5.5	0.5	2.5	5.5
Cash and Cash Equivalents	36.8	243.0	860.2	824.4	233.5	506.3	421.4
Other Current Assets	1.3	1.3	1.3	1.3	1.3	1.3	1.3
TOTAL	41.7	249.0	869.9	840.2	239.5	516.1	437.2

Cash flow Statement:

currnt Cash?

Particulars (INR Cr)	Management Case				Stride Case		
	FY21	FY22	FY23	FY24	FY22	FY23	FY24
Opening Cash		36.8	243.0	860.2	36.8	233.5	506.3
Cash flow from operating activities							
EBITDA		(76.0)	(224.3)	2.8	(83.8)	(138.6)	(53.7)
<u>Changes in working capital:</u>							
Change in TR		(0.4)	(1.0)	(2.3)	(0.4)	(1.0)	(2.3)
Change in Inventory		(0.4)	(2.1)	(3.0)	(0.4)	(2.1)	(3.0)
Change in Payables		1.1	3.0	5.3	1.1	3.0	5.3
Cashflow from Investment activities							
Additions to Fixed Assets		0.3	0.7	0.8	(1.5)	0.7	0.8
Cashflow from Financing activities							
Equity		238.0	750.0	-	238.0	375.0	-
Debt		45.0	105.0	(25.0)	45.0	50.0	(20.0)
Interest		(1.3)	(14.3)	(14.3)	(1.3)	(14.3)	(11.9)
Net Increase or Decrease		206.2	617.1	(35.7)	196.7	272.8	(84.9)
Closing Cash		243.0	860.2	824.4	233.5	506.3	421.4

Indicative Ratios:

Particulars	FY21	Management Case			Stride Case		
		FY22	FY23	FY24	FY22	FY23	FY24
Total Debt/NW	0.0%	22.4%	21.2%	18.0%	23.6%	22.9%	21.4%
Total Debt/Equity raised till date	0.0%	18.9%	20.0%	-	24.0%	25.3%	-
Total Debt/Valuation	0.0%	5.0%	4.7%	-	5.0%	5.9%	-
Current Ratio (ex-cash)	1.5	1.2	1.1	1.1	1.2	1.1	1.1
Months of runway	12	16	>24	>24	14	>24	>24

Working Capital:

Particulars (INR Cr)	Management Case								Stride Case					
	FY21		FY22		FY23		FY24		FY22		FY23		FY24	
	Amt	Days	Amt	Days	Amt	Days	Amt	Days	Amt	Days	Amt	Days	Amt	Days
Inventory	0.0		0.5	3	2.5	2	5.5	0	0.5	4	2.5	5	5.5	4
Trade Receivables	0.8		1.2	5	2.2	1	4.5	1	1.2	8	2.2	3	4.5	2
Trade Payables	0.4		1.0	7	1.0	1	1.0	0	1.0	10	1.0	2	1.0	1
NWC (Ex. OCL and ST Loans & Advances)	0.4	-	0.6	1	3.7	2	9.0	0	0.6	2	3.7	5	9.0	5

Assumptions:

Particulars	Management Case	Stride Case
Revenue Growth	Aggressive assumptions - Established revenue lines like Device Sales, Medicines Delivery etc growth at 20-25% MoM in Fy23, 10% in Fy24 Other new line items, Aggressive growth after first 6 months at ~30%	Established revenue lines - FY23: 10% MoM FY24: 5% MoM New revenue lines: 5-10% MoM
Branding (As a % of Revenue)	FY23: 22% FY24: 5%	Same as Management
Performance Marketing (As a % of Revenue)	FY23: 29% FY24: 27%	Same as Management
Debt Raise	Fy23: 130cr FY24: NA	Fy23: 75cr FY24: NA
Equity Raise	\$100M i.e. INR 750cr in FY23	\$50M i.e. INR 375cr in FY23

Warrant Upside

We have assumed the following:

- An interim equity round of \$100M FY24 leading to a dilution of 14.5%.
- Revenue multiple of 6x, industry standard for telemedicine on a conservative basis.
- Growth in Revenue as per Stride case, as opposed to management case.

Discussed

		Exit Revenue INR Cr (MRR)			
Year of Exercise post Maturity	Financial year	600	800	1000	1200
	Jun-25	31.6%	35.6%	38.8%	38.8%
	Jun-26	28.1%	31.2%	33.7%	33.7%
	Jun-27	25.6%	28.1%	30.1%	30.1%

Risk and Mitigation

Risk	Mitigation
High burn and no clear path to profitability On a monthly GMV of ~INR 8 Cr, the company has a monthly burn of ~INR 6.8 Cr (Oct'21) due to discounts and customer acquisition costs	<ul style="list-style-type: none"> ➤ Phable is focusing strongly on customer acquisition and retention which has resulted in a high monthly burn of ~INR 6.7 Cr. However, the company is adding over 1.5 lakh users each month and has added ~6 lakh users in the last 6 month through a successful customer acquisition and marketing strategy. ➤ Phable is raising \$17 Mn ins series B with infusion expected in Dec'21. Furthermore, the company is in advanced discussions to raise a \$80-\$100 Mn round in Q4FY22/FY23. This would allow the company to sustain its P&L burn comfortably
No clear product market fit Phable has started monetizing recently in Feb'21 and currently has multiple lines of revenue with no clear product market fit	<ul style="list-style-type: none"> ➤ Phable is creating a niche in the chronic disease management segment by the being the first HealthTech player to focus on this space. The company is leveraging a unique acquisition model to drive customer as well as doctor engagement and is in a strong position to be a one stop solution for all healthcare needs of chronic disease patients. ➤ The company is building a suite of services targeted towards the ecosystem of doctors, clinics, and chronic disease patients. Therefore, the potential to be highly sticky and to acquire a larger wallet share of the entire ecosystem is high.
Investor quality and scalability The current investors lack the appetite to lead future rounds of equity in the business	<ul style="list-style-type: none"> ➤ Phable is raising \$17 Mn in December from new investor Aflac Ventures (\$400 Mn international fund) and is in advanced discussions to raise a larger equity round in the range of \$80-100 Mn. In the subsequent round, the company is seeing significant interest from large VCs. This would give them access to a larger pool of capital to fund

	their customer acquisition and strategic acquisitions in the near future.
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Rationale for Recommendation
<p>Debt Protection</p> <p>Phable is raising \$17 mn (~INR 125 Cr) in equity led by Kalaari (\$7 Mn) and Aflac Ventures (\$5 Mn) with participation from Omron and Manipal Hospitals with infusion . The company currently has ~INR 20 Cr in cash and cash equivalents and the equity infusion is expected in December’21. Additionally, the company is in advanced discussions to raise ~\$80-\$100 Mn from new and existing investors with the closure expected in Q4 FY22. Stride’s facility is split into two tranches of INR 10 Cr (T1) and INR 25 Cr (T2). T1 will be disbursed pre-equity infusion while T2 will be disbursed along with the \$17 Mn equity infusion.</p> <p>Quality Founders and Experienced Team</p> <p>Both founders have experience across product, finance and engineering. They have worked at organisations such as Sumit is a second time entrepreneur who founded Kristy’s kitchen, a foodtech startup, which was later acquired by Cure.Fit at a premium. The founders have 10+ years of experience working at organisations such as Kantar, Borderless Access, Deloitte, etc.</p> <p>Phable has built a robust team of KMPs hiring experienced personnel from Healthcare, Consumer, IT, and Finance from organisations such as Apollo, Practo, Asia Healthcare, Cisco, Byju’s, Asian Paints, etc.</p> <p>Unique Customer Acquisition Proposition</p> <p>Phable acquires users by partnering with doctors and clinics. For doctors, Phable serves as a free to use end-to-end clinic management platform for managing appointments, health records, tele-consultation, etc. which incentivizes doctors to adopt the platform. The doctors can monitor their patients through the Phable app by monitoring their progress, vitals, past health records, etc. while the patients use the app to store their medical records, vitals monitoring (through IoT connected medical devices).</p> <p>This helps in tapping into a large pool of chronic disease patients and drive engagement. By creating a By focusing on doctor adoption, the company has seen a strong network effect which can be seen in the consistent decrease in CAC from ~INR 240 per user to ~INR 40 per user.</p> <p>Large TAM and Sticky Customer Base</p> <p>India has the highest incidence of chronic diseases globally with 400 million Indians suffering from hypertension and diabetes. Consequently, 70% of all healthcare spend of \$100B (INR 7.5 lakh Cr) in India is on chronic disease care. Chronic diseases require higher spend on specialised medication, devices for monitoring and disease management programs. By being the first healthcare platform to focus on CDM, Phable is in a strong position to create a strong digital healthcare network for these patients. The company has already created a strong network of providers across devices, insurance, medicines, etc. which would enable them to capture a large wallet share from these customers.</p> <p>The company has also shown a consistent increase in daily and weekly active users (~43k and ~30.9k respectively) and high retention of patients acquired through doctors (63% retention in users acquires 12 months ago).</p>

Furthermore, the company is building products for doctors and clinics, in addition to patients, who are already on the platform and has over 4,000 active doctors using Phable already.

Reference Checks

Saurabh Pandey, CEO and Co-founder, Akna Medical (Now Pharmeasy)

"Chronic care is a very sticky segment and traditionally, the supply chain for medicines, quality lab tests and doctors has been found missing in India. There are multiple new age digital solutions that have been built in this space over the last 4-5 years and it was only a matter of time before a digital healthcare platform was born connecting the entire ecosystem. At Pharmeasy as well, we will look towards this segment through means of organic or inorganic expansion but Phable currently stands to obtain a first-mover advantage"

Ramesh Kannan, Partner, Somerset Indus Healthcare Fund

"Telemedicine on a standalone basis is not profitable and may not be on a steady state basis either. The only profitable segments can be surgery and Lab tests (Diagnostics). Chronic care management systems in India are currently broken in India and hence, a connected health system can go a long way to solving the problem of disconnection between a doctor and a chronic patient. Due to a raise in ticket sizes and the risk at hand (life), such a digital model has a good chance of showing profitability in the steady state."

Doctor ref check
Patient/Var ref check
Technology demo.