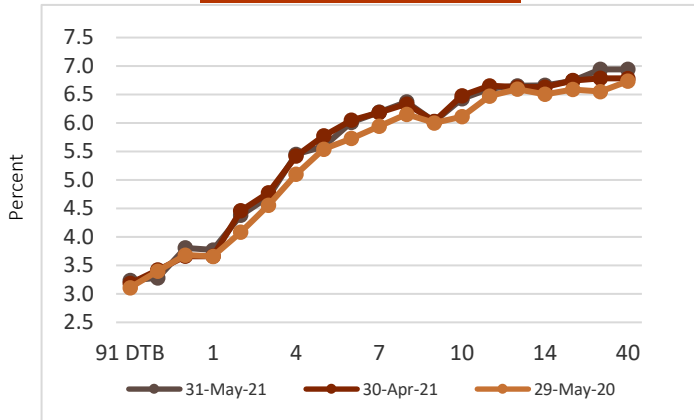


Market Overview

Yield Curve*



NBFC Bond Spread Over G-Sec Benchmark Indices*

Tenor	3 Year Spread	5 Year Spread	10 Year Spread
AAA	16	-1	52
AA	131	108	128
A	406	375	392
A-	431	400	417
BBB+	481	450	467
BBB	506	475	492
BBB-	556	525	542

In May 2021, the bond yields have largely remained unchanged, reflecting a continuing cautious investor mindset after showing improvements earlier in the year. Lockdowns, curfews and resurging case count are leading to uncertainty about the timing of the recovery and excess liquidity in the market continue to maintain pressure on bond yields. With the vaccination campaign liberalized along with age limit removals, there are expectations of levelling off the case count. On a YoY basis, the bond yields have improved, potentially due to increased confidence and lower uncertainty regarding the recovery of economic activity.

Edtech in India – A Snapshot**

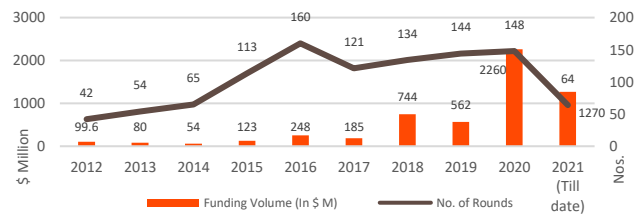
An Overview

Indian Edtech Industry is poised to become \$30 billion in size in the next decade. The industry has attracted private equity investments of more than \$4 billion in the last 5 years leading to emergence of edtech leaders like Byju's, Vedantu, Unacademy, etc. The growth is partially fueled by Covid-19 induced lockdown.

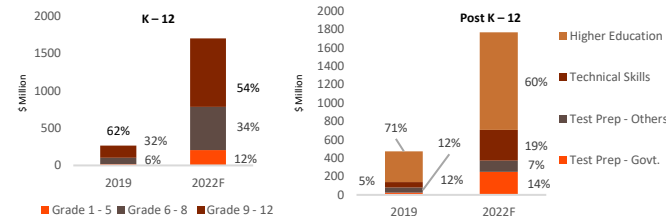
The India Story

- Robust demand:** By 2022, online education offerings across grades 1 to 12 are projected to increase 6.3 times to create a \$ 1.7 BN market, while the Post-K12 market is set to grow 3.7 times to create a \$ 1.8 BN market. This is going to create meaningful opportunity for incumbent players as well as space for multiple new startups.
- Policy support:** 100% FDI (automatic route) is allowed in the education sector in India. National Education Policy launched in 2019, recommends harnessing Edtech through app based learning and online student communities.
- Increasing Investments:** Indian Edtech players have been able to raise at-least 2.2\$ billion in calendar year 2020 alone, compared to \$553 million in calendar year 2019 with K-12 and test preparation companies accounting for the largest share. The investments are poised to increase going forward with an increased market size.
- Increase in M&A activity** – Flushed with liquidity Edtech majors have acquired multiple smaller Edtech players. For instance, Unacademy acquired six start-ups including Codechef, Prepladder, Mastree, Kreatryx, Coursavy and Neostencil.

Deal Volume in Edtech space in India



Expected Market Growth in Edtech Space



Corporate Debt Issuance in the month of May 2021***

S. No.	Issuer	Seniority	Secured	Size (INR Crore)	Coupon	Tenor	Rating
1	Aviom India Housing Finance Pvt. Ltd.	-	Yes	14.50	11.67%	5 years	-
2	Centrum Microcredit Ltd.	-	Yes	-	12.30%	2 years	-
3	IIFL Home Finance Ltd.	-	Yes	50.00	8.70%	9 years	-
4	Save Solutions Pvt. Ltd.	-	Yes	21.60	12.29%	3 years	-

News Bulletin**

- David FitzHerbert's Africa school finance recently closed their series A round. Ed Partner's main area of focus is affordable and medium-cost schools in Kenya. Their loan products are tailored to helping schools expand their infrastructure and working capital requirements.
- National University of Singapore has raised S\$300 million through second green bond to finance sustainable infrastructure projects. The proceeds will go towards financing the E7 facility, which bridges research between the Engineering and Medical fields, the Wet Science Building, and other energy-related initiatives.
- DFC and FMO launched a \$75 Million co-financing facility to boost COVID-19 response in developing countries. This facility seeks financial intermediaries who support MSMEs and promote economic sustainability with a particular focus on underserved groups like women, youth, and entrepreneurs active in agriculture or rural areas.

UC Recent Select Deals Closed

Africa School Finance	Avanti Finance	Annapurna	Financial Services Group	Micro Enterprise Finance Company
Equity Undisclosed	Equity INR 195 Cr	Equity INR 228 Cr	Loan Against Shares INR 75 Cr	PTC Sale INR 145 Cr

Disclaimer: The information contained herein is of a general nature and is not intended to address the facts and figures of any particular individual or entity. The content provided here treats the subjects covered here in condensed form. It is intended to provide a general guide to the subject matter and should not be relied on as a basis for business decisions. The information provided herein is from public domain except the transactions done by Unitus Capital (UC). UC does not take any responsibility for any errors or omissions thereto.

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