

BGV

June 2019

Learning and Impact Report

Investing in tech for good
in 2018

Bethnal
Green
Ventures

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Message from our Managing Partners

Our mission is to invest in and scale tech for good ventures that significantly improve millions of lives and deliver top quartile returns for investors.

2018 was a turning point for the tech for good movement. In many ways, it was a year of *'tech for bad'*, with the tech sector in the news for all the wrong reasons. Cambridge Analytica, fake news and data breaches all made the headlines and the world woke up to the fact that technology has the power to change our lives, but not only for the better.

Here at BGV we welcome the fact that tech is in the spotlight. We think it strengthens our argument that technology is only good if you intentionally set out for it to have a positive impact on the world and are able to measure that impact. Technology is not inherently good or bad, nor is it neutral and there is growing acknowledgement that progress for the sake of progress shouldn't come at the expense of people or planet. It's no longer ok to *'move fast and break things'* without considering the myriad of potential unintended consequences.

We need more ambitious founders to use their skills to deliberately solve big social and environmental challenges. We also need more investors to put their money to work creating social and environmental returns, and, as we've seen across our first fund, this doesn't mean compromising on financial returns.

Thankfully it seems both of those things are happening. In 2018, our tech for good community grew at its quickest rate yet and we met numerous founders creating tech that pair purpose and profit. Meanwhile, the ventures in our portfolio raised more money from investors than ever before. This report aims to give you a snapshot of our progress at Bethnal Green Ventures in 2018 and some of the things we've learned. It's based on data we've collected up to 31st December 2018.

Looking ahead

2019 is shaping up to be a great year. In April, we successfully launched the UK's first Tech for Good SEIS and EIS fund. This gives individual professional investors the ability to back our diverse portfolio of companies all focused on making a positive impact and delivering great returns. We received an overwhelming response to this, showing the huge demand in the space, so much so that we're planning a subsequent round later this year.

We've also bolstered the level of experience in our team with the addition of two seasoned venture investors to our investment committee Steven Clarke (Social and Sustainable Capital) and Trevor Hope (Mobeus Equity Partners) as well as an impact measurement specialist, Amanda Feldman (Impact Management Project) to our board. We look forward to the new insights and expertise they will bring to our team and the portfolio.

Our aim is to build on the rapidly growing interest in tech for good from both founders and investors, and to act on and share our ongoing learnings as industry leader. As ever, we lead by example and will continue to strive to be the best tech for good investors that we can be.

Melanie Hayes and Paul Miller

Managing Partners, Bethnal Green Ventures



The evolution of BGV

From hack weekends to early-stage investor

Over the past ten years we've evolved from running hack weekends in Bethnal Green to developing the world's most successful accelerator programme in the impact space to become a leading investor in tech for good.

There have been two big trends that have enabled this and that we've positioned ourselves to support. The first is an increasing number of people wanting to put their skills to use to solve big social and environmental challenges. We saw that in the early days of Social Innovation Camp with the level of talent and motivation of the people who came along, giving up their weekends to work on something they cared about.

The second trend has been the growth in people who want to put their money to work to solve those same problems. Investors are awake to the fact that backing the companies working to solve the challenges set out by the United Nations (UN) Sustainable Development Goals presents a huge market opportunity. If the 90s and 00s were the decades of ethical (sometimes called ESG) investing, then the 2010s is the decade when impact redefined the role of capital for a better world.

Our mission has always been the same but as we've grown and evolved the way we achieve it has changed. We started with our Social Innovation Camps where we gave small prizes and

helped to introduce winning teams to other investors. Seeing so many talented teams looking for opportunities to grow, we changed our name to Bethnal Green Ventures and developed a world-class accelerator programme, investing a small amount of capital in return for 6% of the shares in companies we worked with. Investing in tech for good ventures at such an early stage was, and still is an underserved gap, which is why we also started investing in pre-seed rounds to better support the teams coming through our programme to scale. We now have three phases of investment:

- £20k to help founders go from prototype to product
- £50k as part of pre-seed rounds
- £100k as part of seed rounds.

The way we support our portfolio has evolved too. What started with follow up to the hack weekends has now developed into a lifetime commitment to the companies we work with. We help teams well beyond our initial investment with key development areas such as strategy, culture and hiring, fundraising, and crucially, how to measure and demonstrate impact.

Our commitment to diversity and inclusion

We believe that diverse teams are more resilient and perform better financially. But diversity is not just about better performance. Addressing some of the world's toughest social and environmental challenges means solutions must meet the needs of a diverse audience. It's vital to have founders with an equally broad range of perspectives and experiences who truly understand the problem they're trying to solve, leveraging their unique insights to deliver real impact.

The actions we take

We lead by example

Diversity is a principle we also champion in our own team. We use a blind recruitment tool to remove any unconscious bias in hiring. We think about the diversity of people involved in investment decisions and always ensure a gender balance in the interview panels for our programmes.

We're committed to improve founder diversity

We run workshops and sessions on team culture, hiring and inclusion. We also invite thought leaders to share their expertise with our portfolio ventures. We actively run open drop-in sessions in-person and online to enable people from all walks of life to get to know us and find out more about our investment opportunities.

We're committed to collecting and sharing diversity and inclusion data

We encourage diversity reporting, requiring our portfolio ventures to report on the proportion of women they employ. We want to go further and collect and analyse diversity and inclusion data and continue to share the findings in our impact reports.

Learning from tech legend Mitch Kapor

In March 2018 we invited tech legend and impact investor Mitch Kapor to come and speak at two of our events – one for our portfolio companies and one for the London VC and angel investment community. His message was clear – the tech industry has a problem with diversity and we need to be proactive to tackle it.



Pictured above: Mitch Kapor speaking to our portfolio founders about diversity and inclusion

The team behind Bethnal Green Ventures



The Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) can be thought of as the long term strategy document for the world, providing a blueprint for what is required to ensure people and planet are on a sustainable and prosperous course by 2030. In order to deliver on this ambitious framework, we believe that technology offers tremendous opportunities to bridge economic and social gaps, address the climate crisis protecting planet and people and more. The world will certainly be a better place if we achieve them, but it's also predicted that at least \$12 trillion of market opportunities can be unlocked each year¹ for the businesses that contribute to them.

In 2018 we ran a pilot programme with two angel investors from our network, Andy Wales and Ed Gillespie, searching for ventures that accelerate progress towards these goals. Through this programme we worked with two great startups – Agronomex and Panda Packaging, addressing the reduction of food waste and eliminating plastics respectively.

We've decided to continue using this framework to assess and measure impact of our tech for good ventures. We're now planning to align our portfolio impact reporting with the SDGs, and as a first step we've mapped our current ventures against the 17 Global Goals.

SDG 1 - No poverty

End poverty in all its forms everywhere

Ally Chatbot, TellJo, Willow

SDG 2 - Zero Hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Agronomex, LettUs Grow

SDG 3 - Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages

Andiamo, Aparito, Babihub, Chanua Health, Club Soda, Cove, DrDoctor, Dual Good Health, Edukit, Hospify, HowDol? Imin, Konnektis, Mental Snapp, MindMoose, MyCareMatters, Nightingale, Onaria, OurPath, Remarkable Lives, Run An Empire, Salve, Skin Analytics, Syrona, Talklife, Written Medicine

SDG 4 - Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Bright Little Labs, Chanua Health, Data Campfire, Edukit, HowDol?, MindMoose, Nightingale, Overleaf, Wevolver

SDG 5 - Gender equality

Achieve gender equality and empower all women and girls

Bright Little Labs, Syrona, Salve

SDG 7 - Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all

Local Electricity Project, Piclo

SDG 8 - Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Birdsong, Chatterbox, Fairphone, HowDol?, Labour xchange, Organise, Rights DD, Workerbird

SDG 9 - Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

AirPublic, Fairphone, Local Electricity Project, Mastodon C, Wevolver

SDG 10 - Reduced Inequalities

Reduce inequality within and among countries

Alice, Ally Chatbot, Andiamo, Birdsong, Chatterbox, HowDol?, RightsDD, Willow, Workerbird

SDG 11 - Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable

Airpublic, Commonplace, Mastodon C, PositionDial, Rentsquare

SDG 12 - Responsible consumption and production

Ensure sustainable consumption and production patterns

Agronomex, Apiary Book, Birdsong, Fairphone, Firesouls, LettUs Grow, The Nu Wardrobe, Panda Packaging

SDG 15 - Life on Land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Apiary Book

SDG 16 - Peace, Justice and strong institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Mappd

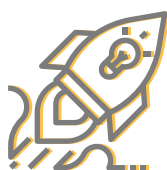


BGV in numbers

Data as last reported 31st December 2018



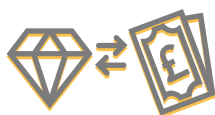
We invested in
107 ventures



55 ventures
are active



We invested
£2.6m



Our ventures
have gone on
to raise **£64m**



We support
215 founders
in our portfolio



Our ventures had
+6m users in the
last quarter of 2018

BGV highlights in 2018



LDN_LAB by
Facebook

February to May 2018
We ran Facebook's first in-house
incubator for startups using
technology to build communities
and accelerate their progress.

Spring 2018
programme

April to June 2018



LONDON

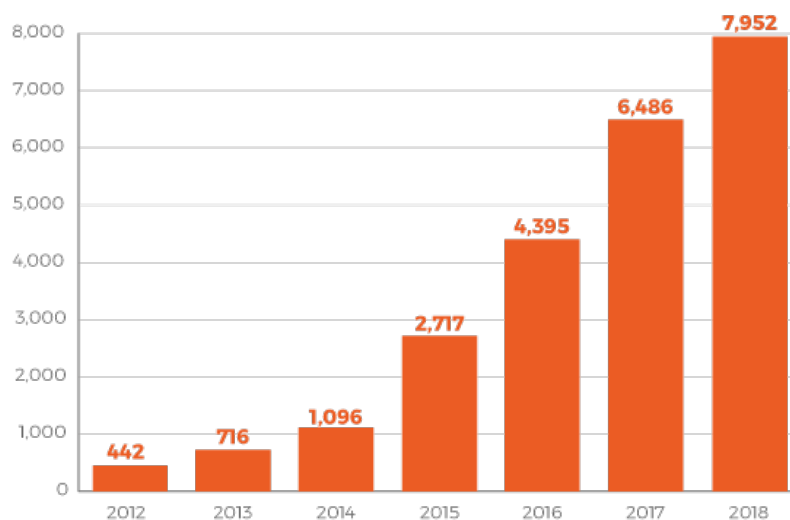
June to September 2018
In partnership with the
Mayor of London's Office we
ran the first Civic Innovation
Challenge to find and
support the most innovative
startups and SMEs developing
solutions to London's most
pressing challenges.

BGV's investments by gender from 2012 to 2018



Earlier this year, the British Business Bank, BVCA and Diversity VC published a report² on the barriers of female-led firms in accessing venture capital (VC). They report that for every £1 of VC investment in the UK, all-female founder teams get less than 1p, all-male founder teams get 89p, and mixed-gender teams 10p. We took a look at our own investment decisions and are very proud to show that we made great steps towards gender parity in the ventures we back.

London Tech for Good meetup member growth



CIVIC INNOVATION CHALLENGE

Autumn 2018 programme

September to December 2018



Accenture joins the WorkerTech partnership

September 2018
Accenture UK joins the WorkerTech partnership to invest alongside BGV and the Resolution Trust and back founders creating tech solutions to boost progress and powers of workers.



LDN_LAB by Facebook

November 2018 to March 2019
We supported seven deep tech for good ventures as part of LDN_LAB.



Female founders of our Spring 2018 cohort



Venture stories



LettUs Grow

BGV Cohort: Autumn 2017

Impact Area: Sustainability

With a rapidly rising world population estimated to reach nearly 10 billion³ by 2050, we have to significantly increase food production, whilst ensuring a sustainable approach to using land and resources to feed the world. To help solve this problem, LettUs Grow designed an aeroponic system, increasing crop yields by more than 70% while reducing the pressure on agricultural land and other natural resources, significantly transforming the way our food is produced.

Using their patent-pending indoor farming technology, LettUs Grow enable farmers and greenhouses to massively reduce their environmental impact throughout the supply chain and enable farming in places that couldn't previously be farmed – from cities to deserts.

Since joining BGV in autumn 2017, they have gone on to raise £1m to build the farms of the future.

95%

less water and
fertiliser used than
traditional farming
methods

Increased growth
rate of up to

70%

Zero

fertile land needed
to use LettUs Grow
systems



How Do I?

BGV Cohort: Spring 2017

Impact Area: Health, Employment

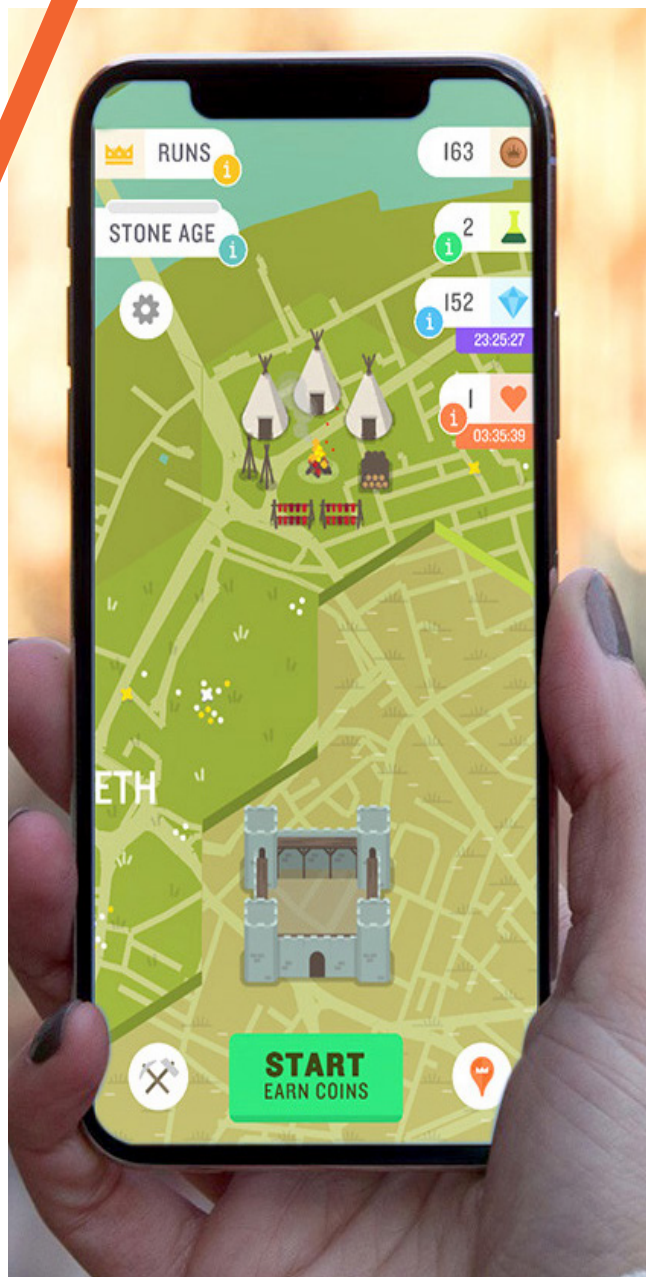
How Do I? ensure that people with learning difficulties can live their lives independently and free from discrimination, working with a higher degree of self-determination and confidence. Their platform enables users to quickly and easily record accessible step-by-step video content through their phone. Contactless NFC tags are stuck in appropriate locations and users simply tap their phone on the tag to launch the explanatory video content. These videos teach users how to complete or gain new skills and act independently at home or at work.

How Do I? first started out in 2016 with videos to promote independence at home and school for people with learning difficulties. Since joining BGV in Spring 2017, they extended their repertoire to promote diversity and inclusion in the workplace as well as making life easier for people with dementia and their carers. Since launch, they supported hundreds of users to complete over 6,600 learning sessions.

Winner of the AAL
**Smart
Ageing Prize**

Named in Atomico's
Inclusion in Tech guide as
top tech tools

Partnered with
Alzheimer's Society to
**challenge
dementia**



Run An Empire

BCV Cohort: Winter 2015

Impact Area: Health

Globally, one in four adults are not active enough. Insufficient physical activity is one of the leading risk factors for death worldwide and bears significant risks for people's health and wellbeing.⁴

Run An Empire created a social and immersive running app, encouraging more people to run and engage in physical activity, helping them establish and maintain an exercise routine through motivation and gameplay.

The location-based strategy game has been downloaded by more than 220,000 users and is accessible to people of various levels of health and fitness. The team are particularly focused on young people, where global inactivity rates rocket to 81%.

67k
active users

54%
of users identifying as
'non-runners' complete
a run within four weeks

225k
downloads



Organise

BCV Cohort: Spring 2017

Impact Area: Employment

The world of work is failing too many people. In the UK alone, nearly four million workers live below the poverty line.⁵ Paired with the rapid changes in technology and disruptions in the labour market and workforce globally, we believe more innovation is needed to create a fairer future of work.

Organise is one of the first teams BGV invested in through our WorkerTech partnership with the Resolution Trust. They provide workers with the tools, network and confidence to transform their working lives and campaign for better working conditions. Organise bring together communities of workers through their online platform to identify common workplace problems, then give them the tools to change things. They have recently released TakeNote, an app which lets anyone confidentially document evidence of discrimination, harassment and wrongdoing in the workplace.

With the world of work changing so rapidly, the ability for staff to speak up and find fair work is being left behind. Organise are ensuring that anyone who wants to improve things at work has the power to do it.

Winner of the RSA
**FutureWork
Award**

Named in FT's Top100
**Digital
Champions**
in 2018

65k
strong community

A member of the London Tech for Good meetup taking pictures at the event in March 2018





Growing the tech for good ecosystem

We've seen huge numbers of people joining our Tech For Good meetups. It's great to not only witness this growing demand but to be able to facilitate invaluable community collaboration. Our meetups are where people come to learn, be inspired, make connections, and share opportunities such as funding, jobs and more. In 2018 we hosted a record number of eleven meetups, together with our friends at CAST. We asked our community to share tangible outcomes they gained from attending our events. Here's what some members said:

“

- *“The meetup helped inspire me to start my own startup and meet useful contacts.”*
- *“They helped me discover new resources to teach myself new skills.”*
- *“Going to the meetup was the catalyst that made me decide to change career and become a developer.”*
- *“The meetups help me build and sustain a tech for good community in the Midlands.”*

”

This is why we love running events for the London Tech for Good meetup community and we wouldn't be able to do it without the generous support of the numerous organisations that let us use their space. A big thank you to The Trampery, Techspace, Google for Startups UK, Newspeak House, the Health Foundry, MozFest House and the RSA, the London School of Communications and all our excellent speakers.

The DCMS Civil Society Strategy,⁶ published in August 2018, recognised BGV's role in driving the tech for good movement in the UK saying “the UK has a thriving Tech for Good ecosystem and as a result is viewed as a world leader in this area.”

We're proud to continue to grow the ecosystem, not only through our meetups and connecting tech for good field-builders through a monthly community squad, but also sharing the stories and opportunities through our Tech for Good Global brand, reaching nearly one million people in 2018.

As tech for good enters the mainstream, we're excited to see the sector evolve and continue to bang the drum for more people and business to use technology for good.

Thank you notes

Bethnal Green Ventures wouldn't be possible without our amazingly supportive community of founders, mentors and investors. Thank you to our investment partners Nesta, Big Society Capital and Social Tech Trust for their continued support; to our programme partners Resolution Trust, Accenture UK and The Childrens' Society; to our Board Members and all the mentors who continued to offer their advice during 2018; and to our wonderful portfolio companies who are the real drivers of the tech for good movement.

References

¹ *Better business, better world*. The report of the Business & Sustainable Development Commission, January 2017.

² *UK VC & Female Founders*. British Business Bank, February 2019.

³ *World Population Ageing 2017 Highlights*. United Nations Department of Economic and Social Affairs.

⁴ *Physical activity key facts*. World Health Organization, 23 February 2018.

⁵ *UK Poverty 2018*. Joseph Rowntree Foundation, December 2018.

⁶ *Civil Society Strategy: building a future that works for everyone*, Department for Digital, Culture, Media & Sport, August 2018.

Our principles

Be early

We're always ready to be imaginative and see the potential in emerging technologies and interesting or unusual solutions.

Understand the problem

We actively seek to understand what challenges people and society are facing. We encourage our community to start with user needs and identify what that means for the design of solutions.

Don't ponder, do

We're not afraid to get things wrong. We try to test hypotheses as soon as possible and learn from both our successes and our failures.

Be part of something bigger

We're proud to be part of the tech for good community and we'll do what we can to support and grow the movement.

Be generous

We actively look for ways to help others where possible. It strengthens our community and creates a supportive culture.

Champion diversity

We celebrate the radical approaches generated by diversity. The more diverse we are, the more we are able to understand the issues we're tackling.



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Certified



Corporation