

Elevar Equity | TICMAS



Date of Investment
June 2018

Transaction Size
USD3m

Participation Stake
15%

TICMAS is an education platform that offers schools an affordable annual subscription to customizable digital K-12 curricular modules, accessible through multiple devices, including smartphones. Since the company’s foundation in 2018, over 130,000 K-12 students have been impacted through TICMAS products, with 70% of students reporting an improvement in their grades. With support from Elevar Equity, the company has created a sponsorship program allowing a significant portion of their schools to receive subsidies for the TICMAS platform. By providing high-quality educational resources, TICMAS enables a diverse range of students to benefit from standardized academic support.

Investor Profile



| FUND NAME | FUND SIZE | TOTAL AUM |
|------------------|-----------|-----------|
| Elevar Equity IV | USD120.6m | USD350m |

Elevar Equity has advanced the commercial approach to impact investing, backing seasoned entrepreneurs building large-scale, enduring businesses. Elevar was early to identify entrepreneurial trends within households in 2006, starting with microfinance and quickly expanding to affordable housing, healthcare, education, agriculture and small businesses. Its investments in the journeys of ~50 companies have democratized access to essential products and services to over 55 million households across India and Latin America.

Company Profile



| COMPANY NAME | INDUSTRY | LOCATION |
|---------------|-----------|---|
| <u>TICMAS</u> | Education | Argentina, Mexico, Colombia and Ecuador |

TICMAS, a subsidiary of VIDA Tec, is an edtech platform that partners with private and public schools through a B2B2C model. Organizations are able to purchase an annual subscription to the TICMAS digital platform, which operates as a one-stop-shop for customizable K-12 curriculum. With a client retention rate exceeding 90%, TICMAS has proven to offer schools, governments and educational institutions an easily integrable platform that can be customized to fit a broad set of academic needs for an affordable price.

The Opportunity

Access to academic support in Latin America varies widely amongst educational institutions, with many underfunded public schools struggling to provide sufficient resources to students. According to the 2022 Programme for International Student Assessment (PISA) results, 88% of the most vulnerable students in Latin America are low performers in mathematics, compared to 55% among the wealthiest. The socioeconomic disparity leading to different student outcomes is further deepened by the decentralized and fragmented nature of school systems, many of which lack standardized testing to establish learning benchmarks.

In 2005, Viviana Zocco founded TKM, a Spanish-language magazine that evolved into a regional media outlet. She subsequently founded Grupo VI-DA, a company that specializes in digital entertainment products for Spanish-speaking audiences. Recognizing the need to improve affordable educational resources in Latin America, Grupo VI-DA raised capital in 2018 to establish a “one-stop shop” for interactive K-12 curricular content through a subsidiary company based in Argentina, TICMAS.

TICMAS offers schools, governments and educational institutions an affordable subscription to customizable digital K-12 curricular modules that can be adapted to each school’s unique needs and size. The curriculum can be downloaded for offline review, contains interactive modules to reinforce lesson plans and can be used to track student performance.

Execution

In 2018, Elevar Equity led a Series A round for Grupo VI-DA with participation from Imaginable Futures - this funding was crucial for spinning off VIDA Tec and transforming TICMAS from an idea to the regional platform it is today. Drawing on its prior experience from building a similar business model in India, Elevar encouraged channeling VIDA Tec’s resources towards the development of TICMAS. This led VIDA Tec to shift away from B2C products, such as its subscription reading platform and online bookstore, to position TICMAS as a B2B2C platform.

During the COVID pandemic, VIDA Tec recognized the heightened demand for online educational solutions and offered access to the TICMAS platform for free to schools. This decision led to notable improvements in student outcomes, which contributed to growth in the customer base and product awareness for TICMAS.



After the pandemic, the company established a new business model with support from Elevar Equity, which created the opportunity for low-income schools to receive access to TICMAS products for a discounted price through sponsorships, primarily supplied through corporate social responsibility initiatives.

The company later raised a USD5m bridge round, which included a USD1m follow-on investment from Elevar, which was used to further diversify TICMAS's geographic presence to reach Mexico, Colombia and Ecuador. Currently, these countries account for roughly half of TICMAS's total revenue, highlighting the success of this initiative.

As of 2023, TICMAS serves 42,000 students, over 31,000 teachers and is used by over 500 schools, with a 90% client retention rate, indicating high customer satisfaction. Since Elevar's initial investment in 2018, LTM revenue has grown 35x with a 120% CAGR, achieving profitability in 2023. The company continues to improve its platform and has introduced a Student Learning Information System (SLIS) with personalized learning experiences through gamification and AI. Additionally, TICMAS has entered partnerships with leading companies such as Disney and Google for Education and has been selected as the Latin American EdTech Partner for AI development by Amazon Web Services.

Social Impact

With Elevar's support, TICMAS has been able to address the immediate needs of schools and gain significant traction, reinforcing its commitment to advancing education in the region. By providing high-quality educational resources accessible through smartphones and other devices, TICMAS enables a diverse range of students to benefit from the same academic content regardless of socioeconomic background. Over 130,000 K-12 students have been impacted through TICMAS products since its creation, leading to 70% of students reporting an improvement in their grades.

The company has been able to leverage partnerships and establish a sponsorship program to provide its platform to over 200 underprivileged schools, including access to support services and mentorship programs for educators. In 2023, a significant number of schools served by TICMAS received subsidies. Additionally, through its Professional Academy courses launched in 2023, over 50,000 young adults and adults have been able to develop technical skills in fields like programming, digital marketing, data science and emerging technologies. The completion rate for the professional courses has been 92%, with 34% of all students being women and 40% of students being unemployed at the time of enrollment.

TICMAS is continuing to develop innovative strategies for supporting a wide range of students toward achieving their learning goals, including an interactive reading comprehension AI companion and real-time performance benchmarks based on student scores. These developments showcase an opportunity to democratize access to high-quality educational content in underserved communities across Latin America.

