

COMPANY IMPACT REPORT



Oct. 2020

DEFINITION IMPACT METRICS

- METRIC 1** Quantity of Debt Removed from Credit Report
- METRIC 2** Prevented Credit Score Decrease
- METRIC 4** Savings Accrued over Average ISA Term
- METRIC 3** Compounding Interest Avoided during Unemployment

SUSTAINABLE DEVELOPMENT GOAL 8

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



ATTRIBUTION PROJECTED OUTPUTS

VALUATION PROJECTED VALUE

METRIC 1

100%

Student debt removed

67%

Average percentage of total debt removed

10%

Reduction in monthly debt to income (DTI) ratio on Credit Report

\$69,000

Average debt removed per user

\$1.94B

Debt removed among total users over 5yrs

METRIC 2

50pts

Average credit score decrease prevented

+\$11,946

Interest prevented from 50 point average decrease in credit score

\$335M

Avoided Interest among total users over 5yrs from credit decrease

METRIC 3

\$2,403

Savings accrued over 9.3 yr average ISA term

\$1,292

Savings over 5yrs

\$36.2M

Savings enabled for total users over 5yrs

METRIC 4

0.6%

Avoided increase in student debt due to compounding interest during unemployment

\$450

Compounding interest avoided per user over 6.3mo average term of unemployment

\$12.6M

Compounding interest avoided for total users over 5yrs

\$2.3B

Social Impact Projection

46x

Revenue Multiple

\$930x

Capital Multiple (\$2.5M)



The premier mark of rigorously certified impact analytics

DATA VALIDATION

Definition: Social Impact Metrics

Social Impact Category	Social Impact Unit (SIU)
Reduced Debt	% Reduction of Student Debt
Prevented Credit Score Decrease during Unemployment	% Credit Score Decrease Prevented
Savings Accrued over Average ISA Term	\$ Savings Enabled
Compounding Interest Avoided during Unemployment	\$ Compounding Interest Prevented

Sustainable Development Goal #8: Promote sustained, inclusive economic growth and employment for all

Attribution: Projected Outcomes

Projected 5-year cumulative revenue	\$49,869,000M
Unit of growth: One User.....	28,050 over 5 years

Reduced Student Debt from Credit Report 100%	\$69,000	Average Debt Eliminated
Prevented Credit Score decrease during Unemployment: 7.5%	50 Point	Average Decrease Prevented
Savings Enabled Over average ISA term.....	\$2,403	Average Savings Enabled
Avoided Compounding Interest during Unemployment 0.6%	\$450	Interest Accumulation Avoided

Metric 1: Data on the average student debt per user was drawn from all Defynance applicants to date. By converting student debt to an income share agreement, Defynance eliminates 100% of Student Debt from a user's credit report.

Metric 2: Over the average 6.3 month term of unemployment - expected to be experienced by 100% of Defynance users - a user will miss at least 6 monthly payments, driving an average credit score decrease of 50 points, according to FICO (<https://www.myfico.com/credit-education/calculators/loan-savings-calculator/>). This calculation assumes an average score of 670 at the time of Defynance approval.

Metric 3: By allowing users to buy 5% of their own ISA, Defynance enables users to accrue savings at an average of \$2,403 over the 9.3 year average lifetime of their ISA.

Metric 4: Over the average 6.3 month term of unemployment - expected to be experienced by 100% of Defynance users - a user will accrue an average of \$450 in total interest at an assumed 6.5% interest rate.

Valuation: Projected Value

5yr Outputs	\$ Value per SIU	Projected Value
28,050 Total Users	\$69,000	\$1.94B Debt Eliminated
28,050 Total Users	\$11,946	\$335,085,300 Interest Avoided
28,050 Total Users	\$1,292	\$36,240,600 Savings Enabled
28,050 Total Users	\$450	\$12,622,500 Interest Avoided

Metric 1: See Metric 1 notes above.

Metric 2: Assumes an increased APR of 1% (2.97% to 3.97%) as a result of a 50 point credit decrease - applied to the \$102,985 average total debt of Defynance applicants.

Metric 3: Saving calculations derived from Defynance proprietary algorithm for pricing income share agreements.

Metric 4: 6.5% interest applied during 6.3 month average term of unemployment from Defynance proprietary algorithm.