



BRIGHTER INVESTMENT

Pitch Deck

The brightest students in developing countries cannot fulfil their dreams and represent a great investment opportunity.

Vancity



WUSC  EUMC



THE UNIVERSITY
OF BRITISH COLUMBIA



GSBI
Network

social capital  foundation



The Problem

- ◆ Brilliant high school graduates are unable to access higher education because of financial difficulties.
- ◆ Inaccessibility to higher education leaves millions of brilliant youth out of decent work and unrealized higher potential incomes.
- ◆ No suitable financial service exists for high school graduates to access full funding for higher education.
- ◆ Traditional lenders look at non-existing past credit performance instead of future potential.
- ◆ Thriving companies in the local and global economy struggle to find, and pay a premium for, brilliant and qualified employees that contribute to their growth.



Innovative, scalable and impactful solution



Our data driven underwriting algorithm selects the brightest students that need support.



Private or public, full degree or certificate, we invest in value creating programs such as STEM.



Students are connected with mentors to boost job placement and help them kickstart a successful career.



Income sharing - It is not a loan, graduates repay a percentage of their income for a set period of time.



A % of income repayment model reduces defaults, hedges against inflation, and is predictable at cohort level.



Automation and on the ground operations by education partners ensure the model runs cost effectively.





“Without my degree, I would most likely be working with my dad as a trotro driver and earn about 175 USD per month. As a medical consultant I earn 1150 USD per month and repay BI 345 USD per month.”

Adua Amang
BI student - UMAT



The Opportunity - Huge market

Every year, 60 million of the brightest students in Africa and South East Asia can't afford to continue their education after high school - they represent a \$600 billion value creating opportunity



GHANA

120k bright high school grads/yr require \$1.1 bln



INDONESIA

560k bright high school grads/yr require \$4.9 bln



SOUTH AFRICA

450k bright high school grads/yr require \$6.2 bln



INDIA

12m bright high school grads/yr require \$140 bln



WORLD WIDE

60m+ bright high school grads/yr require \$600 bln



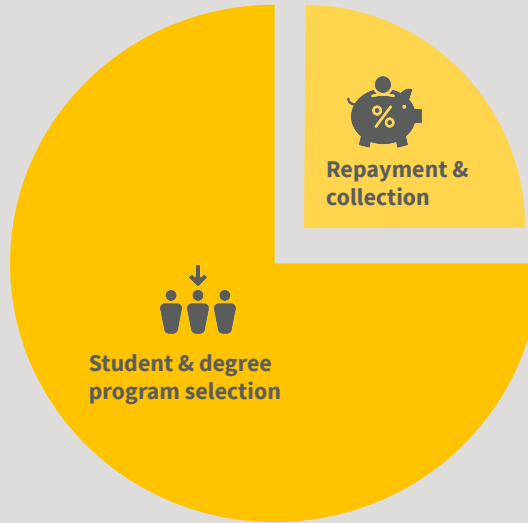
Solid traction and performance

- * A portfolio of 436 students to validate the model funded by impact investors
- * 165 graduated students with employed students repaying show model ready to scale
- * 73 female students supported
Working on gender parity
- * Presence at 10 universities in Ghana
- * Replicable model - ready to expand to Uganda
- ✓ 0.9% dropouts compared an average of 5% at our partner universities.
- ✓ 5X salary increase on average for our working graduates.
- ✓ 0% default rate for our graduated and repaying students
- ✓ Kept our promise to investors - distributions have been higher than our initial projections and remain attractive during Covid



Robust risk mitigating systems

- A unique selection algorithm helps to select brilliant students with the best career prospects and high likelihood of repaying.
- Salary research to identify value-creating degree programs to support.
- Mentorship program to ensure easy transition into employment for students.



- Direct verification of students' employment and income status from their employers and tax authorities.

*Proprietary selection (underwriting) combined with a successful repayment and collection approach will enable BI to also offer additional financial services (mortgages, car loans, insurance etc.) at lower cost & higher margins than traditional banks. This will position BI as an attractive acquisition for one of the Pan-African banks.



Ambitious but attainable growth plans



Launch ✓

Launched with 24 students at 3 partner uni's in Ghana.

2015



Repayments ✓

First graduates from a vocational training program started making repayments.

2016



Validation ✓

\$2 mln in various types of capital & 388 students supported. 93 graduates outperforming projections.

2019



Growth ✓

165 graduates, 223 students who are studying and 8 students who have finished repaying show that the model works & is ready to scale up.

2019 - 2021



Scale

Accelerated growth funded by debt and equity capital to build on previous success and expand the model exponentially in multiple African markets.

2021 - 2024



Goal

60,000 new students supported with \$43 million under management and a presence in 45 universities in 3 African countries. Attractive acquisition candidate for a pan-African bank. The future is bright!

2024





“There was no money for me to go to school, things were very difficult for me since my mum lost her job. But with the help of Brighter Investment, I have been able to obtain a higher education.”

Jacinta Ayambire Awinemina
BI student - UMAT



Funding Requirements

85% of funding goes directly to students as an investment in their education

15% is for mentorship, overhead and expansion of the business.



Donate:

Managed by our NGO partner, one funded student goes on to fund two students who will fund four, etc.



Debt:

7% - 2 years only interest repayment and 5 years principal and interest repayment. 4:1 debt to equity target.



Equity:

\$3.2mIn CAD valuation (2x book value),
Projected 10x exit by 2026

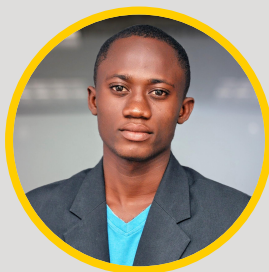


Management team



Thijs Mathot
Data & Tech

Space systems engineer and data scientist turned finance, raised institutional funding for PPP projects & data science startup veteran.



Richard Adarkwah
Collection

Google Education Ambassador, Unicef project manager and Ghanaian uni graduate that faced financial difficulty.



Belinda Kugblenu
Investors and finance

Financial auditor at the University of Ghana and Deon & Noed International, accounting degree.



Joy Lamptey
Student success

Ghanaian HR specialist, Mentor at Eagles Hope Foundation and recipient of BI education loan for MBA degree.



Board



Thijs Mathot
CEO at Brighter
Investment

Thijs runs Brighter Investment day to day and as an engineer with multiple start-up experiences under his belt represents the fintech aspects of the company on the board.



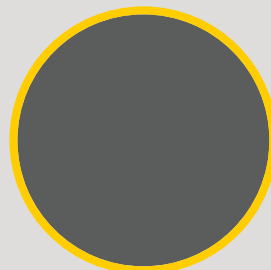
Katharine Im-Jenkins
CPO at WUSC

As Chief Program Officer, Katharine is responsible for the international higher education development programs at WUSC. WUSC is a higher education partner dedicated to helping Brighter Investment grow internationally.



Godfrey Mwindaa
Partner at Aavishkaar

With his extensive career in finance (e.g. partner at Aavishkaar Africa Fund, west africa director at Acumen, CIO at African Development Bank) Godfrey represents the financial industry on Bl's board.



**Position for someone with
consumer lending experience**

We're looking for a fourth board member with senior management experience in consumer lending in Africa. Interested? Contact us!



Impact on five Social Development Goals



1. No Poverty: Our students increase their income 3-5X which helps them to create a better life for themselves and their families.



4. Quality education: Our market driven approach also incentivises education providers to improve the job relevance of their programs.



5. Gender equality: Women are disproportionately affected by lack of access to higher education, we're actively working to remove these barriers, financial and non-financial.



8. Decent work and economic growth: We focus on diplomas and degrees that are in high demand & offer good career prospects. Through economic growth 1 graduate also results in 3 jobs for less educated people.



10. Reduced inequalities: In emerging markets, access to higher education is mainly determined by your family background. We're providing our students with an equal opportunity to a degree.



Financials - solid and impressive margins

Investment per student: \$6,678

Operating cost per student: \$1,393

Interest cost per student: \$1,700

Repayment per student: \$17,500

Gross profit per student: \$7,229

*amounts in \$CAD, 7% interest & 4x leverage assumed



Annual market growth: 22%
(10% average banking industry growth)



Net interest margin: 8.6%
(3% for avg bank)



Return on equity at scale: 18%
(11.4% for average bank)



Non-performing loans: 0%
(15% avg for Ghana)



Cost-to-Income ratio: 10%
(vs 53% for avg bank)



Valuation of 2x book value is \$3.2mln
(1.4x for avg bank)





“I wish there was a way to extend the mentorship program to the whole university. I can boldly speak in public now and I do more extra-curricular activities.”

Bright Frimpong
BI graduate - KNUST



Why Now?



Young and growing populations mean that the demand for higher ed is large and growing

Due to increased internet penetration it is now technically possible to cost effectively run a company like ours.



There is a growing demand for market rate return impact investments and not enough on offer.

The economic fallout of Covid19 makes access to financial support for education more important than ever for poor families.



Our mission

Empower the brightest students in developing countries to become our future leaders in science, engineering, medicine and business.

The future is bright. Be part of it.



Interested in more information?

A summary of our latest investor update describing the impact of Covid-19 on the financial performance:

<https://www.brighterinvestment.com/blog/investing-in-bright-students-amidst-covid-19>

Watch an interview with Joy and Richard on AAU talks about why they believe Brighter Investment works for Africa:

www.brighterinvestment.com/blog/brighter-investment-on-tv

Take a step back and read about our long term vision/theory of change in this blog post:

www.brighterinvestment.com/blog/why-we-care-about-investing-in-students-and-why-you-should-as-well

Wondering why we only invest in certain programs? Read about our rationale here:

www.brighterinvestment.com/blog/why-are-degrees-in-arts-and-humanities-not-worth-investing-in

Why we believe that our income sharing model is better than a traditional student loan model:

www.brighterinvestment.com/blog/income-sharing-agreements-the-low-risk-option-for-students

And last but not least, meet one of our students:

<https://www.brighterinvestment.com/blog/video-spotlight-on-jacinta-ayambire-awinemina>



Contact

Brighter Investment Canada
800 Robson Street Vancouver BC,
V6Z 3B7 Canada

Brighter Investment Ghana
2nd Floor Newman Plaza
Darkuman Junction - Accra

For questions please contact Belinda at:
b.kugblenu@brighterinvestment.com

