

Proof of **Impact**

White Paper



UTILITY BACKBONE FOR THE PURPOSE ECONOMY

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PROOF OF IMPACT
SUMMARY



The Impact Economy **Today**

\$410B in charitable donations were given in USA in 2017, 70% coming from individuals*

The Impact Investment industry is small at \$240B, less than 0.1% of total investment market**

The Changemakers are already here:

56% of US consumers stop buying from companies they believe are unethical***

35% of consumers stop buying from brands they perceive as unethical even if there is no substitute available***

74% of those surveyed would pay an extra 5% for their clothes if there was a guarantee that workers were treated safely and fairly****

* All data is the property of Giving USA 2018, the Annual Report on Philanthropy - <https://givingusa.org/tag/giving-usa-2018/>

** GiiN 2018 Impact Investment Survey and assuming global market cap at \$317 trillion according to Credit Suisse 2018 Global Wealth report

*** Mintel THE ETHICAL CONSUMER - US - JULY 2015

**** Study from YouGov and the Global Poverty Project



CHANGEMAKERS

Fastest growing global consumer segment
~ driven by the need for Purpose & Authenticity



Changemakers express their identity by associating with brands, products and services that have an explicit purpose and a strong, sustainable mission. They reject consumerist, irresponsible behavior and crave authenticity and control.

Over the next 2-5 years, baby boomers will exit consumer markets and millennials will settle as the new establishment. Under pressure from Changemakers the economic framework will evolve towards the Purpose Economy – a market reality where Purpose is a critical element of any brand.

In this new economic environment, businesses with a proven purpose will succeed and Changemakers will refuse to engage with any brand that cannot prove their claims.





Core Business VS. **Utility**

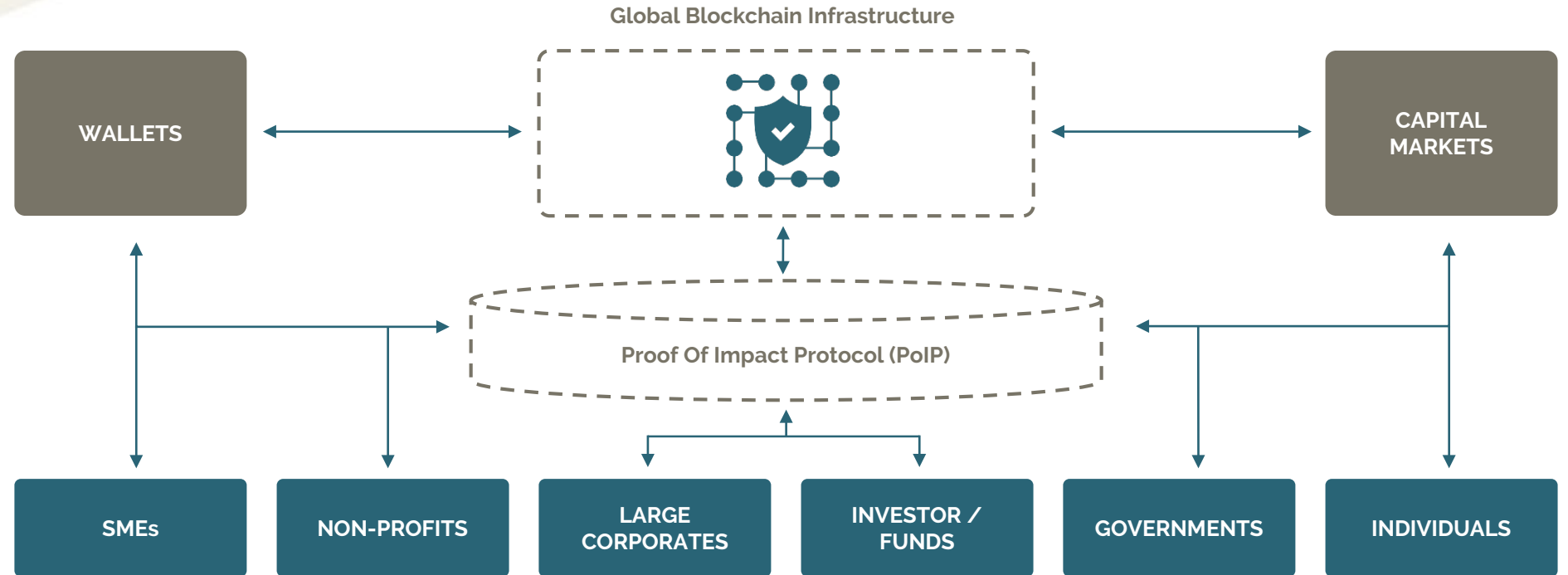
In order to succeed, not only will economic actors need to focus on their core business, they'll also need to constantly prove their purpose and impact:

1. measuring and accounting for their externalities
2. proving any positive impact they are claiming from their operations or products
3. proving that their supply chains are consistently clean, ethical and sustainable

Verifying and proving impact vertically while focusing on one's core is really hard. The new economy needs a global utility backbone for the verification of impact claims across the entire value chain.



Proof of Impact is the “Amazon Web Services” for Impact



Proof of Impact will become THE utility service that will allow the Purpose Economy to become mainstream.

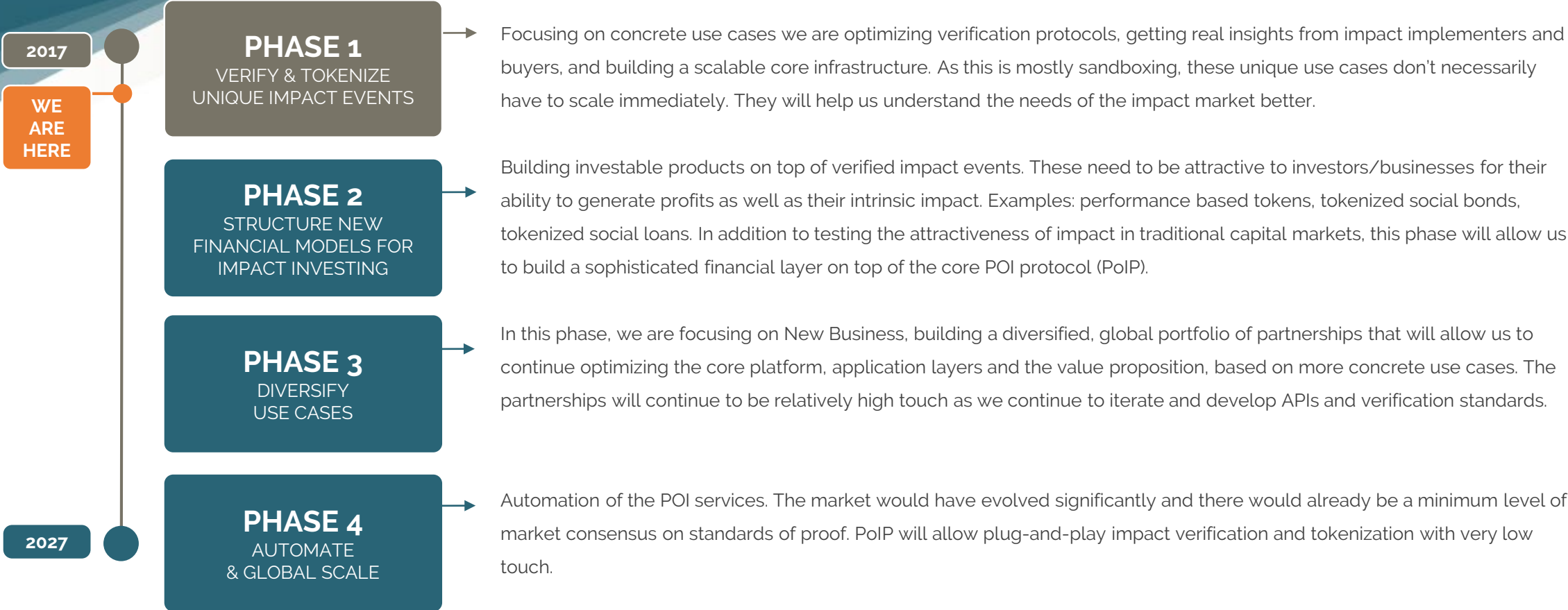
Driven by consumers and investors demand for purpose businesses, and the emergence of blockchain-powered business models, there will be a need to verify and track impact at scale, across all markets.

Initially, purpose-driven businesses will build and maintain their own impact tracking infrastructure (M&E departments, tracking forms, audits, etc.) – just like tech companies maintained their own physical servers 10 years ago.

But eventually POI will become the go-to utility, reducing the time required to obtain and verify proof of impact, allowing purpose businesses to focus on their core and quickly scale as requirements change.



Masterplan. How Do We Get **There?**



Business Model

Multiple Revenue Sources that are Poised for Scale



PAY-ON-IMPACT

(Phase 1, 2, 3 & 4)

Critical in the short term, this business arm is responsible for onboarding and implementing Pay-on-Impact projects during Phase 1.

- Drive revenue from bringing in new impact business
- Establish leadership of the Pay-on-Impact space
- Solidify strategic partnerships



PROOF OF IMPACT

MARKETPLACE

(Phase 2, 3 & 4)

Cornerstone of the long-term business strategy and central to Phase 2, the Marketplace is the social investment platform with innovative financial products and primary long term revenue driver.

- A profitable impact investing marketplace
- Supports auto transactions between participants
- Manages easy entry points for organizations, projects & investors
- Maximize the social network effect



SAAS SUBSCRIPTIONS & SERVICE FEES, DASHBOARDS & CUSTOM IMPACT PRODUCTS

(Phase 4)

Additional source of revenue on top of 1 & 2 to be turned on during the Automation phase. Drive revenue from making it easy and affordable for any individual, business or organization to plug in their own inputs and get custom verified Proof of Impact.



POI PROTOCOL REVENUE

DRIVERS

- Project fees
- Implementation fees
- Impact design contracts
- Impact underwriting fees
- Impact verification fees

MARKETPLACE REVENUE

DRIVERS

- Transaction Fees
- Listing fees
- Asset management fees
- Investment structuring fees

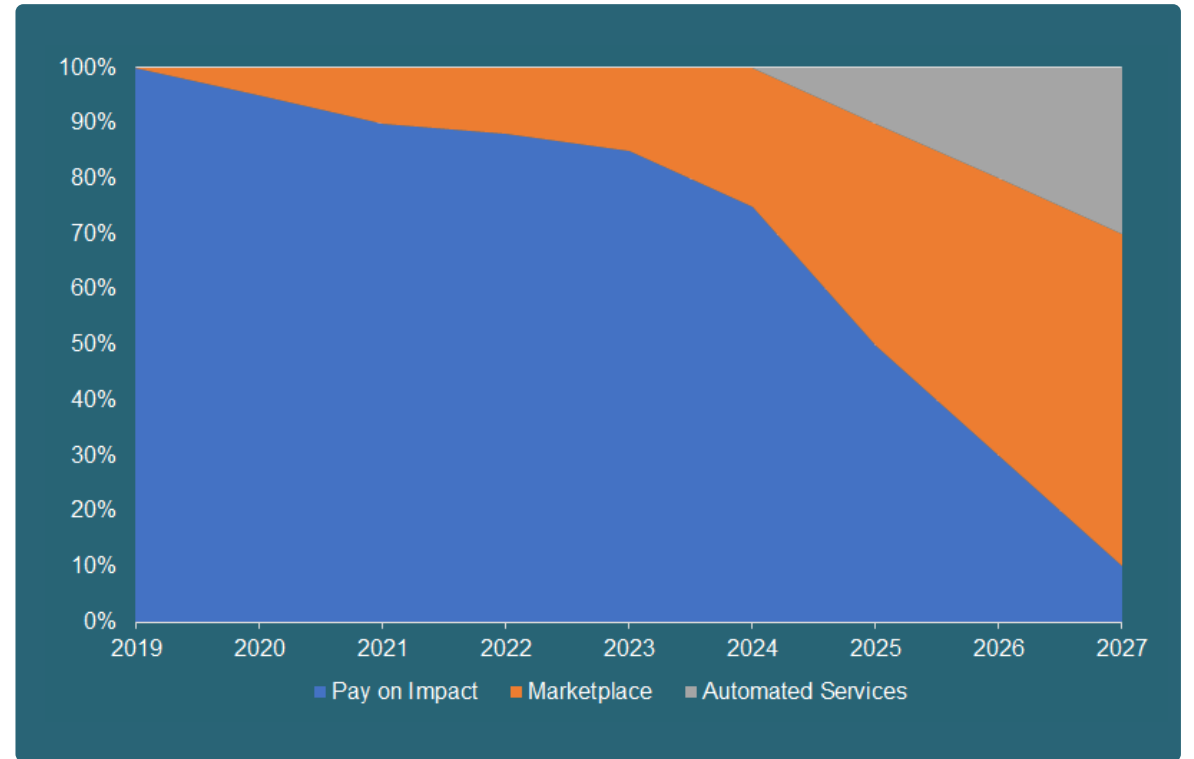
AUTOMATED SERVICES

REVENUE DRIVERS

- Subscription Fees
- Custom Reporting
- BI/ Dashboarding

Costs are front weighted and will be most heavily incurred during the implementation of the first 1-3 impact projects.

- Value is added from skillfully applying impact industry knowledge to blockchain technology capabilities
- Most infrastructure costs are offloaded to the ethereum blockchain for smart contract administration, data tracking and accountability



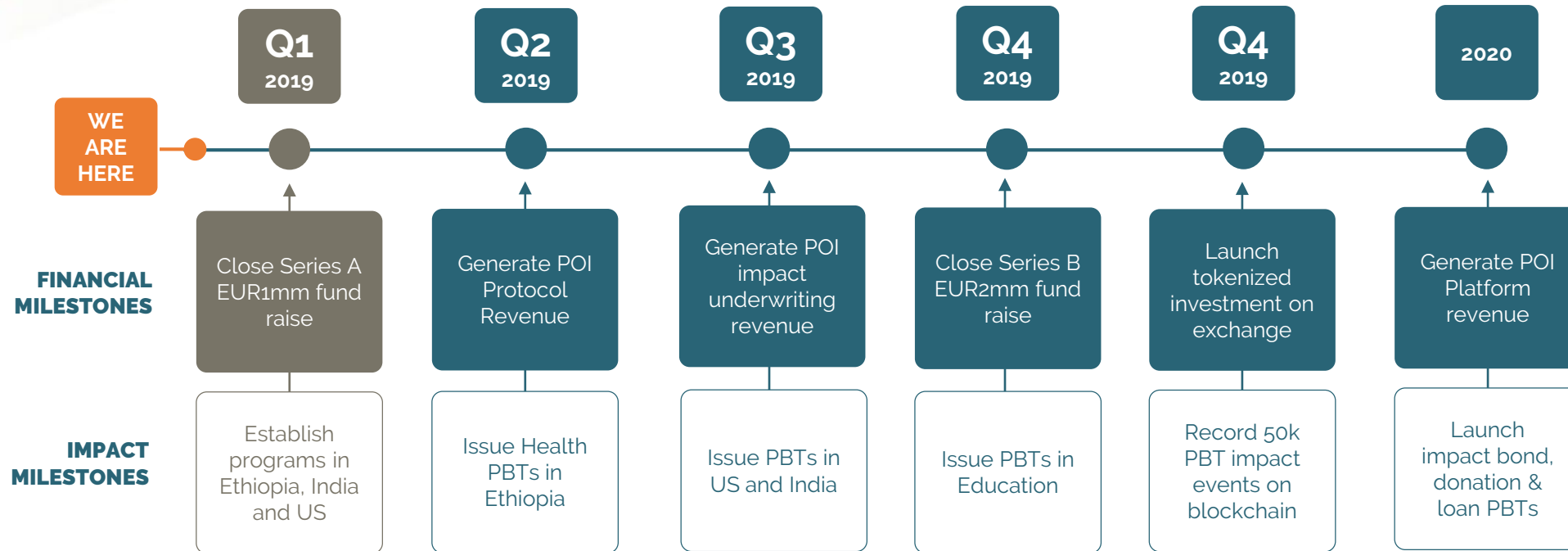
REVENUE MODEL

COST MODEL

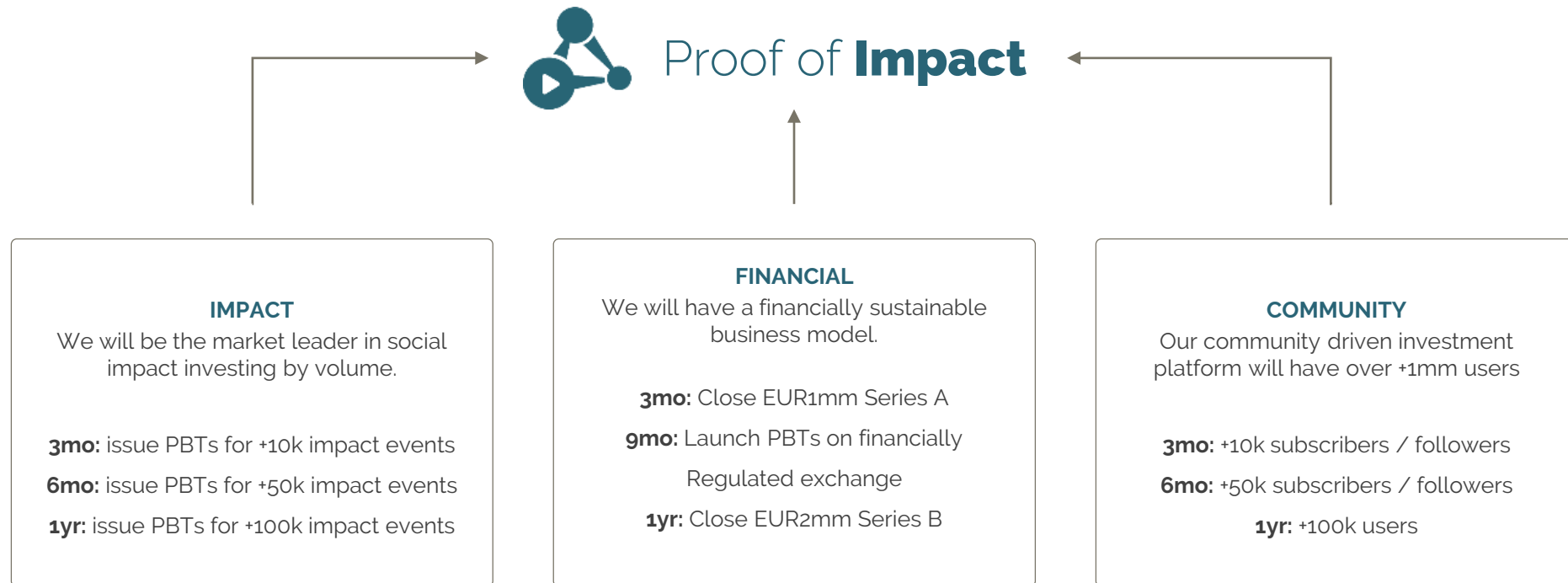
PROFIT MODEL



Proof of Impact **Roadmap**



We Measure Success across **3 Primary Verticals**



Risk Factors In Executing On **Proof Of Impact**

RISKS

- The POI business plan is complex and ambitious.
- Blockchain technology is largely unproven.
- The impact space is conservative and risk averse. People do not understand nor "trust" tokens.
- The input data sources are the weak link and blockchain does not solve for that.
- POI is way ahead of the market. It will take years if not decades for technology and investors to adopt this way of giving, purchasing and investing.

OPPORTUNITIES

- The POI team has the operational experience, technology expertise, impact industry insights and financial engineering capability to take this space!
- The adoption among technology companies is accelerating (IBM/Microsoft/Amazon) and use cases in the supply chain are rapidly rolling out (see Walmart).
- Increasingly IoT is being used to objectively capture data in a decentralised way.
- There is a whole new world of the emerging "investor" who adopts quickly because he/she cares - see retail donor contributions USA.
- The current impact economy is not effective. We need radical disruption to leapfrog in impact.



The competitive Landscape/ Market Validation

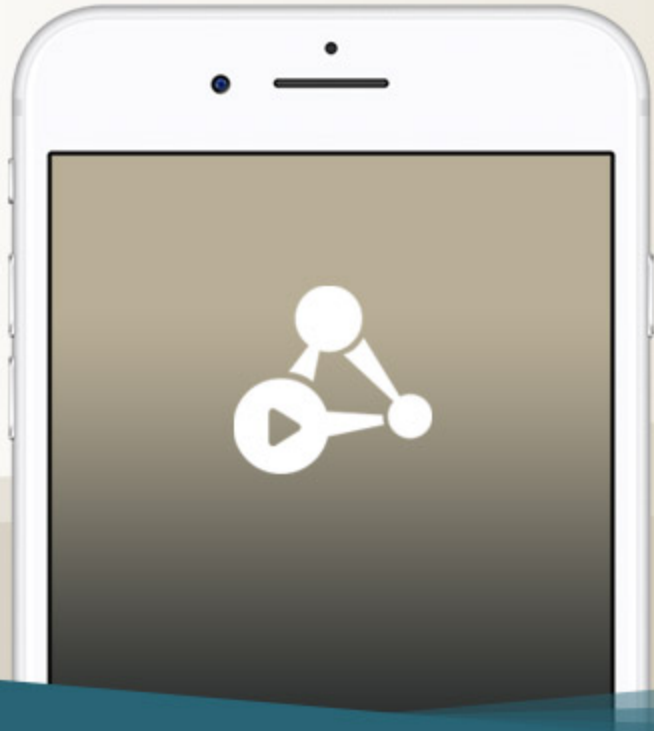
The landscape of projects at the intersection of exponential tech and impact is growing every day, which provides a very strong market validation – the inefficiencies are there and many are trying to solve them.

Most projects on the market fit into several categories that include:

- Fundraising/ Crowdfunding
- Social Networks/ Social validation
- Own blockchain
- Donation Platforms
- Single Problem Solutions (focused on CO2, health)
- Mediators/ Escrow/
- Smart Contracts
- Identity
- Supply Chains/ Provenance
- Infrastructure (Wallets/ exchanges);
- Financial Inclusion/ banking the unbanked;

Our Core business is building financial Models around verified outputs/ events. This means we are complementary to most of these initiatives and can easily plug into their own platforms, for example by structuring a financial instrument on top of specialized events that are verified on another platform.





Thank You.