



A YEAR IN REVIEW: A Letter from Defy's President and CEO

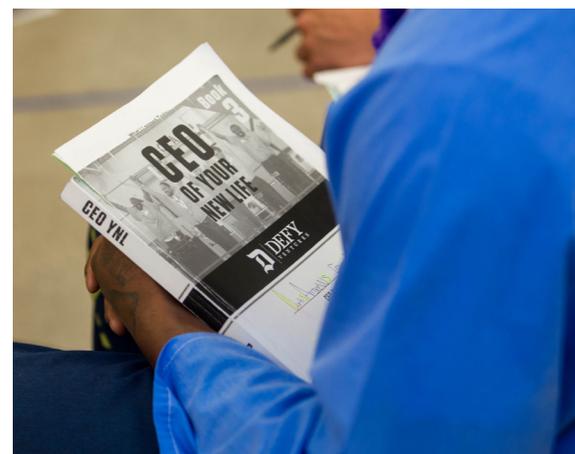
Dear Defy Community,

Happy New Year! I am pleased to send you our first-ever annual report, which will provide you with some insight into the power of the work that Defy is doing with our Entrepreneurs in Training (EITs) every day in six states around the country.

Although 2018 brought tremendous and unexpected challenges to Defy, it was also a year of great opportunity, and we have worked tirelessly to seize all that have come our way. We completed a full restructuring of the Defy business model, which now functions as a network of affiliates across six states. Defy Southern California and Defy Tri-State (New York area) remain as fully-integrated affiliates that are under direct management of Defy Ventures; all other affiliates operate under independent local management. Regardless of the designation, all affiliates are part of a growing and collaborative network delivering the same, transformative Defy programming with the close support of Defy Ventures. This affiliate model offers flexibility and cost efficiency that makes the Defy program rapidly scalable, and I am so pleased to announce the launch of our newest independent affiliate, Defy Illinois, through a partnership with Chicago Neighborhood Initiatives Microfinance Group.

THERE ARE A NUMBER OF HIGHLIGHTS FROM THE PAST YEAR:

- For the 2017-2018 program year, we graduated 1,429 EITs nationally from our prison program, enrolled 213 EITs in our post-release program, and engaged more than 1,300 volunteers joining us as coaches, pitch competition judges, and mentors.
- The Defy program continues to iterate our curriculum to ensure that we remain a best-in-class, entrepreneurship-focused reentry program. Over the past 12 months, we completed a full refresh of our CEO of Your New Life program, aligning it with cutting-edge research on reentry success (Five Keys to Reentry Well-being) and integrating new evidence-based outcome tools within.



- We've redesigned our post-release programming to put greater focus on workforce readiness and access to jobs within the first 90 days of release.
- We've improved our small business incubator to ensure that our EITs who enter the intensive 12-month experience are ready for the challenge and more fully supported by our wonderful executive mentors and business coaches. Under the redesigned program, an opportunity for startup capital will come through an investment committee at the end of the incubator, which will provide a more personalized and supportive approach to providing startup capital than our old competition format.

WE AREN'T STOPPING THERE. WE HAVE BIG PLANS FOR 2019, INCLUDING:

- Development of a gender-responsive curriculum to better serve our incarcerated women and a youth-oriented curriculum for EITs between the ages of 18 and 24.
- An upgraded Learning Management System for our online learning platform, scheduled to launch by end of March 2019.
- The launch of the CEO YNL: Community program, which will take our life-changing prison programming to community-based transitional homes and work-release programs. The new program pilot launches in Los Angeles in February and will open our programming to more EITs on the verge of release while also providing new opportunities for volunteers to engage closer to home.
- Our national Governing Board is growing, and I'm thrilled to extend a warm welcome to our newest members: Marcus Glover and John Dvor.

Lastly, I want to express my deep gratitude to Google.org, David Bronner and the Bronner family, and our national Governing Board, all of whom stepped up with very significant and critical financial support last year. I also want to recognize the strong leadership of Carrie Simon, Executive Director of Defy of Northern California; Robert Omer, Executive Director of Defy Colorado; and Marcus Glover, Board Chair of Defy Tri-State (and now also member of our national Governing Board), without whom those affiliates would not be operating today. I will be forever grateful for their commitment.

There are so many others who supported our Defy EITs and our organization in ways large and small in 2018 — thank you to all of you. I am honored to be part of this community that truly believes in second chances.

With Gratitude,



Andrew Glazier
President and CEO
Defy Ventures Inc.



MAKING AN IMPACT: 2018 by the Numbers

INSIDE PRISON

For Defy's 2017–2018 in-prison cohort:

57 classes in **22** prisons across **6** states

3,078 EITs enrolled

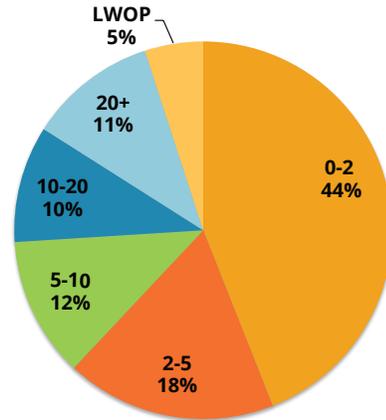
1,429 EITs graduated

62% retention rate*

88% of EITs indicate they are satisfied with Defy's in-prison program



Years Remaining on Sentence**:



IN THE COMMUNITY

213 EITs enrolled in our post-release program in 2018

82% employment rate†

<5% recidivism rate†† for EITs who have completed CEO YNL



1,300+ unique volunteers serving as mentors and coaches at our in-prison and post-release events



CA spends **\$81k** to incarcerate **1** person; Defy spends **\$1k** per EIT in CEO YNL. You do the math!

DEFY'S ALL-TIME IMPACT

In-prison EITs enrolled	4,500	Post-release EITs enrolled	768	Recidivism rate	<5%
In-prison graduation rate	60%	Businesses incorporated	143	Volunteers engaged	4,700+

* Adjusted rate does not include involuntary drops.
 ** Years on sentence from a sample size of 266 EITs.
 LWOP stands for Life without Parole.

† Employment survey sample size is 92 EITs.
 †† Recidivism check from March 2018.

IN OTHER WORDS...



“Through Defy, I discovered my inner strength; I recognized self-limiting beliefs and learned how to combat them with self-freeing truths; I’ve developed healthy exercise and nutritional habits; but more importantly, I’ve allowed myself to dream without fear or doubt. I have

every intention of launching my product idea upon release and can assure you that Defy will be one of my first phone calls.”

— *Misty N., Defy EIT*

“Your past should not determine your future. People who have been convicted of a crime and served their time should have the opportunity to get back on the right path. The work that Defy Ventures is doing to assist those recently out of and still in prison strengthens communities and ends the cycle of descent into the criminal justice system. I will continue to advocate for investments in education and rehabilitation programs like Defy Ventures.”

— *Senator Chris Murphy (CT)*

“[The EITs] seemed really well-prepared for re-entry into society and were very enthusiastic. Upon doing their initial case reviews, they seemed to have a glowing aspect about them and hope in their eyes. I was impressed by their can-do attitude and list of achievements. It was the first time I encountered inmates who offered me a resume of all of their in-custody accomplishments and signed letters of recommendation from in-custody supervisors and program coordinators.”

— *California Department of Corrections Counselor*



“I’ve been incarcerated since 2007, and never have I experienced something so powerful in or out of prison. [...] Who would have thought that strangers could have such a profound effect on another stranger?”



— *Kunlyna T., Defy EIT*

“It is absolutely inspiring to be around people who have gone through so much and are so determined to start over and make the most of their lives. We all have so much to learn from each other. And Defy does an incredible job encouraging their EITs to believe in themselves again. The Defy EITs we’ve hired join P.S. Kitchen have a professional, hardworking, and gritty mindset.” [P.S. Kitchen is a vegan restaurant in New York City that donates its proceeds to charity and creates jobs for marginalized New Yorkers. So far, P.S. Kitchen has employed six Defy EITs.]

— *April Tam Smith, founder of P.S. Kitchen*

