SUPERCHARGED
ON THE ROAD COMPANIES
2022 ANNUAL REPORT
A LETTER FROM OUR FOUNDER

Building a successful business requires satisfying an unmet need in the market, and doing it better than anyone else. On the Road Companies has positioned our businesses well on this score. We are filling unmet needs—helping people buy cars more affordably and working to solve the technician shortage in collision repair—and are doing those things better than any other companies out there.

The challenge for all businesses is to scale without running out of cash. In his book “Crossing the Chasm”, Geoffrey Moore describes the chasm where most businesses fail because they lose focus on who their customers are and the problem the business is trying to solve for them.

We are at this risky point today, as we work to rebuild financial strength from the losses of the past two years. While expenses exceeded revenues in 2022, there were many successes:

• We surpassed our target of loans within only nine months of originations, lending $6.3 million.
• We successfully closed out three large government grants, totaling over $6 million.
• Our apprenticeship program doubled with the opening of our second garage in West Dallas.
• The Stand Together Foundation named On the Road Lending one of the first Catalyst Impact Partners out of over 200 enterprises.
• The Center for Impact Finance at the Carsey School of Public Policy at the University of New Hampshire completed a randomized control trial evaluation of On the Road Lending against a 10,000-person dataset, finding that our program substantially transforms lives.
To date, we have empowered more than 1,500 families with the freedom of mobility to live their best lives. With an estimated $20,000 economic impact per family per loan, that is nearly $30 million in wealth creation, helping working families transform their futures.

There are many more who need our help. To reach them, we need yours. We are raising $20 million over the next two years, which will open access to a $100 million sustainability bond to expand affordable, reliable transportation through On the Road Lending and good jobs through On the Road Garage. This will truly supercharge our work. We seek your support to open this pathway for so many needing a chance to improve their lives through transportation, and thank you for your continued partnership!

Michelle Corson
Founder + CEO,
On the Road Companies
A LETTER FROM OUR PRESIDENTS

Last year we laid out aggressive goals to grow the organization and empower many more people with affordable, reliable vehicles. We moved from around $300,000 in loan volume a month to nearly $1 million—tripling our loan volume with the same staff. We are incredibly proud of our teams, who work to deliver high-touch service—even with this level of increased program outreach. We did this through testing new channels and helping working families get out of bad loans through our refinance program. Refinancing with us can save families hundreds of dollars monthly. We were able to achieve this through partnership and collaboration.

Like our clients, our organization demonstrated resiliency and grit despite significant market challenges. Used car prices were higher—up 56% according to Manheim—which made it difficult to source affordable vehicles for our clients. Inflation also had a significant impact on our clients, with rent and grocery prices increasing, creating challenges to balance family budgets and make timely payments. We are proud to report that our default rate is still extremely low—a little over 4 percent—a major accomplishment. Our mission and charge remain even more important—to create opportunities and empower individuals and working families to live their best lives through our life-changing vehicle loans.

As we look to 2023—our 10th anniversary year—we are grateful for our investors, funders, and supporters, who have been key to our ability to empower and transform lives for a decade. Our work is even more critical in this challenging landscape to ensure working families have access to credit and quality transportation. This support is tantamount to our success and even more important with the market forces we are overcoming.
FROM OUR PRESIDENTS

In our letter last year, we mentioned the technology improvements we are investing in to create efficiencies while we expand. Our new loan origination system will be live in the first quarter of 2023, which will automate credit pulls and debt-to-income ratios, along with an artificial intelligence tool that will take our historical data and inform decisioning. The personal touch will remain, while these investments enable us to serve more and keep our overhead costs low.

We have obtained licensing in several Midwestern states and additional states in the southeast, and are excited about the new territory. In another important development, the University of New Hampshire Carsey School Center for Impact Finance is conducting a third-party review of our program and its efficacy. This evaluation will help us be better at what we do and how we do it.

As Bill says each day, let’s be a little bit better than we were yesterday. You’re an important partner in this journey to serve more and move beyond our proof of concept, so we hope you will stay in touch and help us be a little bit better each day.

Join us in celebrating throughout the year and help us build our foundation to support our work for the future by donating today and staying connected!

Bill Long  
On the Road Sustainability Funds President

Lonnie Smith  
On the Road Lending President
DERRICA’S STORY

Derrica is a certified nursing assistant who loves her job but had an unreliable car that made it hard to consistently get to work. She often had to depend on friends for rides. We helped Derrica get a 2020 Nissan Sentra, and now she’s the one giving friends rides!

A single parent, she says having a reliable car is essential to taking care of her family and has enabled her to set new goals, like going back to school and moving up in her career.

“I am very thankful for On the Road Lending. If I know someone who needs a ride to work, I won’t mind helping because I was once that person. I’m going to take good care of my car.”
When Tami came to On the Road Lending, she didn’t own a vehicle and depended solely upon public transportation. She lived in Fort Worth and had a two-hour commute each way to her job in Arlington that involved several busses, a rideshare, and walking two miles each way.

“I absolutely loved my job, but the anxiety of the commute was overwhelming,” Tami says. Tami had credit issues due to a tumultuous divorce and her current living situation. She had just started a new contract job and was living in temporary housing. With these circumstances, she knew a traditional car loan would not work for her. Researching alternatives, Tami contacted Fort Worth’s Economic Development Department, which put her in touch with us.

“On the Road Lending took control and handled everything. The staff is professional, courteous, and made me feel at ease with the process. I now drive a beautiful 2018 oceanic blue Mitsubishi Outlander Sport SUV,” Tami says.
GLENN’S STORY

Glenn lives in Corpus Christi and needs a reliable vehicle, since his work and home are more than 15 miles apart. He works an early morning shift at H-E-B, and the older truck he drove constantly put him at risk for being stranded on the freeway at 2 a.m. Since getting his 2017 Chevy Cruze through On the Road Lending, his worries about getting to work have disappeared.

Glenn found us through H-E-B Federal Credit Union, one of our marketplace partners. When the credit union couldn’t make him a loan because of his credit history, we were able to step in and provide a loan based on getting to know Glenn and his ability to pay.

“I have great plans for the next calendar year. With a car I can trust, my world of improvements continues,” he says. “I will likely be elevated to a manager’s position within the next six months, and it all started with not having to worry about a truck that had seen its best days. Confidence built confidence, and my leaders saw it.”
We opened the second location of On the Road Garage in 2022 in West Dallas. The large location enabled us to expand our successful apprenticeship program. We’re creating the workforce of the future with our Department of Labor–registered program that includes career pathways in every department. Each pathway is a blended learning experience, incorporating both on-the-job, hands-on training with access to industry-leading classroom training and personal development. Run by master technicians and senior management leaders, we have five tracks: Body Repair, Mechanics and Technology, Painting, Office Management, and Estimation.

<table>
<thead>
<tr>
<th></th>
<th>Irving</th>
<th>West Dallas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022 Repairs Completed</td>
<td>901</td>
<td>439</td>
</tr>
<tr>
<td>Average Repair Cost</td>
<td>$3,987</td>
<td>$3,383</td>
</tr>
<tr>
<td>Total Sales</td>
<td>$2,700,000</td>
<td>$1,100,000</td>
</tr>
<tr>
<td># of Apprentices</td>
<td>6</td>
<td>3</td>
</tr>
</tbody>
</table>

REBUILDING MORE THAN CARS

IRVING

WEST DALLAS
INSURANCE REFERRAL PARTNERS

WEST DALLAS

65% State Farm  2% AAA
8% USAA    2% Progressive
7% Enterprise 1% Allstate
4% Infinity 1% Amica
4% Other 1% Geico
3% Liberty Mutual 1% Kemper

IRVING

29% Infinity 2% SilverRock
26% State Farm 1% Progressive
20% USAA 1% AAA
5% Allstate 1% GEICO
5% Other 1% Amica
5% Liberty Mutual 1% Horace Mann
2% Kemper 1% Farmers
VEHICLES REPAIRED BY MAKE

WEST DALLAS

- 16.5% TOYOTA
- 33.3% OTHER
- 10.8% CHEVY
- 9.3% FORD
- 9% HONDA
- 8.8% NISSAN
- 5.9% DODGE
- 3.6% KIA
- 3% LEXUS

IRVING

- 29% OTHER
- 8.4% FORD
- 7% DODGE
- 5.7% HONDA
- 4.6% HYUNDAI
- 4.6% RIVIAN
- 4% KIA
We’re proud of our apprentices!

ALEXIS
Body Repair, Irving

BEN
Body Repair, West Dallas

HUNTER
Body Repair, West Dallas

IAN
Estimation, Irving
We’re proud of our apprentices!

LEO
Body Repair,
Irving

LINETTE
Painting,
Irving

MELVIN
Body Repair,
Irving

PATRICK
Mechanics & Technology,
Irving

APPRENTICES BY PROGRAM
OUR CLIENTS

GENDER
75.4% FEMALE
22.98% MALE
1.62% PREFER NOT TO SAY

MARITAL STATUS
87.9% SINGLE
12.1% MARRIED

EDUCATION
30% SOME COLLEGE
22% H.S./EQUIVALENT
14% ASSOCIATES
21% BACHELORS
6% MASTERS
4% UNKNOWN
2% LESS THAN H.S.
1% PHD

INCOME
44.09% LOW
30.45% MODERATE
10.91% UPPER
14.55% VERY LOW

RACE
51% BLACK
24% WHITE
17% HISPANIC
7% MULTIRACIAL
.5% ASIAN
.5% AMERICAN INDIAN
OUR CLIENTS

530
AVERAGE CREDIT SCORE

$40,377
AVERAGE INCOME

38
AVERAGE AGE

672
CLIENTS RECEIVED FINANCIAL EDUCATION

0-721
CREDIT SCORE RANGE

5.24%
ESTABLISHING CREDIT FOR THE FIRST TIME

19-70
AGE RANGE
2022 PORTFOLIO SNAPSHOT

- **214** loans made
- **$11.0M** dollar volume
- **$21.1M** dollar amount since inception
- **1,048** number of loans since inception
- **1,048** number of accounts
- **$8.55M** current consumer receivable balance
- **574** portfolio number of accounts
- **7.3%** 30-day delinquencies
- **0.58%** 90-day delinquencies
- **1.4%** annualized charge-off rate
## 2022 Combined Performance

### Income Measures

<table>
<thead>
<tr>
<th></th>
<th>On the Road Lending</th>
<th>On the Road Sustainability Funds</th>
<th>On the Road Garage</th>
<th>Champion Impact Capital</th>
<th>On the Road Motors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$2,765,922</td>
<td>$1,155,083</td>
<td>$3,812,852</td>
<td>$275,470</td>
<td>$135,901</td>
<td>$8,147,229</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>—</td>
<td>—</td>
<td>$(2,476,387)</td>
<td>—</td>
<td>$(127,173)</td>
<td>$(2,603,560)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$2,765,922</td>
<td>$1,155,083</td>
<td>$1,336,465</td>
<td>$275,470</td>
<td>$10,728</td>
<td>$5,543,669</td>
</tr>
<tr>
<td>Expenses</td>
<td>$(3,369,482)</td>
<td>$(1,114,592)</td>
<td>$(3,199,661)</td>
<td>$(231,654)</td>
<td>$(16,197)</td>
<td>$(7,931,585)</td>
</tr>
<tr>
<td>Net Profit/(Loss)</td>
<td>$(603,560)</td>
<td>$40,492</td>
<td>$(1,863,195)</td>
<td>$43,817</td>
<td>$(5,469)</td>
<td>$(2,387,166)</td>
</tr>
</tbody>
</table>

### Asset Measures

<table>
<thead>
<tr>
<th></th>
<th>On the Road Lending</th>
<th>On the Road Sustainability Funds</th>
<th>On the Road Garage</th>
<th>Champion Impact Capital</th>
<th>On the Road Motors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$16,937,621</td>
<td>$13,628,048</td>
<td>$799,094</td>
<td>$5,821,310</td>
<td>$177,747</td>
<td>$37,363,819</td>
</tr>
<tr>
<td>Liabilities</td>
<td>$(17,576,629)</td>
<td>$(9,982,475)</td>
<td>$(4,954,330)</td>
<td>$(189,739)</td>
<td>$(1,693)</td>
<td>$(32,704,866)</td>
</tr>
<tr>
<td>Equity/Net Assets</td>
<td>$(639,008)</td>
<td>$3,645,573</td>
<td>$(4,155,236)</td>
<td>$5,631,570</td>
<td>$176,054</td>
<td>$4,658,953</td>
</tr>
</tbody>
</table>
With support from a U.S. Economic Development Association (EDA) SPRINT Challenge grant of $950,000, our sister company Champion Impact Capital launched Spark North Texas to be the spark that creates connections and fuels a thriving North Texas economy.

The platform’s matchmaking algorithm connected both for-profit and nonprofit applicants with funding, and recommended projects to investors and donors based on the criteria they included in their profiles on the platform. Investors and donors had the ability to search the entire database or filter opportunities based on specified search parameters. The initiative raised $1 million from investors.

Spark North Texas, Champion Impact Capital, and On the Road Companies were proud to be sponsors of bigBANG! 2022, coproduced by SVP Dallas and the United Way of Metropolitan Dallas.
OUR LEADERSHIP

ON THE ROAD LENDING BOARD
Dr. David Chard, Chairman, Wheelock College, Boston University
Jay Altizer, Past Chair, FOURTH
Maria Coello, Treasurer, My Click for Insurance
Josh Mayfield, Secretary, Texas Capital Bank
Michelle Corson, Founder and CEO, On the Road Companies
Yolette Garcia, Southern Methodist University Simmons School of Education (retired)
John Giegerich, CEO Coaching International
Jay Hein, Sagamore Institute
Yolanda Turner, State Farm

ON THE ROAD SUSTAINABILITY FUNDS BOARD
Aaron Satterthwaite, Chair, Retired Office of Comptroller of the Currency
Hideto Nishitani, Secretary, Virtuous Capital
Michelle Corson, Managing Director, OTR Fund I, LLC
Sandy Ahn, Toyota Financial Services
Amber Kani, Dream Spring
Penny King, Managing Director Regulatory Consultant
Kyle Manley, Tolleson Wealth Management
Denise Mason, PNC Bank
Jamie Shackelford, Caliber Collision

CHAMPION IMPACT CAPITAL BOARD
Trent Petty, Chair, Petty Associates
Jay Altizer, Treasurer, FOURTH
Dr. David Chard, Secretary, Wheelock College, Boston University
Michelle Corson, On the Road Companies
Jeremy Cox, Craftsman Concrete Floors
Mary Hatcher, glendonTodd Capital, LLC
Plamen Jordanoff, Solid State Power
Dr. Sana Syed, Allyn Media
Dr. Michael Yeung, Real Estate Tax Attorney
OUR PARTNERS

ON THE ROAD LENDING MAJOR FUNDERS

America First National Bank
Bank of America
Arthur M. Blank Family Foundation
Cadence Bank
Capital One
Charles Schwab
Community Foundation for Greater Atlanta
Community Foundation of Texas

Enterprise Holdings Foundation
First Citizens Bank
General Motors
Goldman Sachs Bank
Graham & Carolyn Holloway Family Foundation
JPMorgan Chase Foundation
PNC Bank

Rainwater Charitable Foundation
Santander Consumer USA Foundation, Inc.
Sid Richardson Foundation
Stand Together Foundation
Sunflower Bank
Tegna Foundation
The Dallas Foundation
The Hoglund Foundation

The M.O.B. Family Foundation
United Way of Greater Houston
USAA
U.S. Economic Development Administration,
Department of Commerce
Ventex Community Bank
Wells Fargo Foundation
Woodforest National Bank

ON THE ROAD SUSTAINABILITY FUNDS INVESTORS

Peggy Allison
American First National Bank
Bank of Texas
Lucy Billingsley
Cadence Bank
CNote
Michelle & Larry Corson
Dain Ehring

Farm Bureau Bank
Goldman Sachs Bank
Forrest Hoglund
Trish Houck & Rev. Dr. Lyssa Jenkins
Albert Huddleston
JPMorgan Chase Foundation
Heather Koopman
Hideto Nishitani

Opportunity Finance Network
Mike Pacillicio
Cynthia Pharr-Lee & Herb Lee
Rebuild Texas Fund/One Star Foundation
Trevor Rees-Jones III
Judy Ruby-Brown
Barbara & Gene Sanger
Patsy Shockley

SLH Corporation/Sharron Hunt
SVP Dallas
Sunflower Bank
Thomas Heritage Foundation
United States Treasury CDFI Fund
Abby & Todd Williams