

## PRESS RELEASE

### **CHANCEN eG: Business almost doubles in 2019**

**The Cooperative - whose mission is fair educational funding using the concept of Income Share Agreements - could almost double its business in 2019. Intergenerational financing has also gained momentum in 2019.**

Berlin, 19 August 2020 – Once again CHANCEN eG continued its successful growth trajectory. In 2019, 614 students were supported, primarily at non-public partner universities and Bootcamps; this represents an increase of 77% compared to the previous year. At the same time student loans increased by some 65% from € 5.5 million to € 9.2 million. This increase was, among other, achieved by the issue of the first BildungsCHANCEN bond (A2TSCT) of € 13 million that has now been fully placed (the press release of 7 July refers). The Cooperative's annual loss could also be reduced, as projected, to €k 192 (previous year €k -492).

“This was a true power-year for us”, said co-founder and CEO Florian Kollewijn. “And we continue in this direction; the number of our university partners has now also doubled.” At the end of the year the start-up founded in 2016 collaborated with 19 universities and eight so-called bootcamps; moreover, since spring 2019 the Cooperative provides funds for tuition fees for human medicine at a university in another EU country.

#### **Educational funding through Income Share Agreements**

Financial educational support is based on the concept “Income Share Agreements” (ISA) which was developed in 1995 and in which the Cooperative pays a student's tuition for a chosen course of study at one of its private partner institutions and in exchange the student pays back a certain percentage of his or her income after graduation.

But Kollewijn also said that strong growth exposed the Cooperative to some degree of “growth pain”, as the still young enterprise has not yet reached its optimal organisational stage. “This is of course an incentive for this year; and we have already hit the road” Kollewijn said, who financed his own studies on the basis of the ISA concept.

#### **The number of members has also increased**

The number of CHANCEN eG members has also increased from 435 to 714. One reason for this is that membership is mandatory for every supported student. “This underlines our concept of solidarity”, Kollewijn said, since the students have an obligation to repay a fixed part of their then current income to the Cooperative over a period of eight years, once their annual gross income exceeds €k 27.

## **Education funding gains momentum**

Income from repayments are used to cover capital commitments as well as new support measures for future students. Such repayments were, of course, not made during the first years. Meanwhile, this has changed: following 13 persons making repayments in 2018, the number has increased to 53 in 2019, who have repaid a total of €k 32 to the educational Cooperative. “This is not all that much”, said Olaf Lampson, the CFO and other co-founder of the Cooperative. “But intergenerational funding now progressively gains momentum. This is our objective. And it is great to see how it is gradually gaining momentum”.

## **Projecting further growth**

The Cooperative will grow again in 2020. The number of education partners has already increased to 33. “Nowadays we are approached by universities seeking partners for financing tuition fees. In doing so, we attach importance to education being innovative, high value and pluralistic, and that the university’s objective is not maximising profits. Since the foundation of the Cooperative, we have already declined some approaches from universities with private equity background.” The education Cooperative’s vision has a particular objective: every person shall be able to gain an education, irrespective of his or her financial background.

## **Annual General Meeting**

The Annual General Meeting of the Cooperative will take place on 30 August. The Meeting originally scheduled for June was postponed due to the pandemic and will now be conducted as an online conference.

You find the comprehensive figures for 2019 and the Annual Report 2019 under <https://chancen-eg.de/en/investors/financial-reporting>.

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## **CHANCEN eG at a glance**

Since its founding in 2016, the CHANCEN eG has made it its mission to allow young people to study what they want at non-public universities, independent of their financial means. The basis is the Income Share Agreement (ISA), which was invented 1995 by students of the University of Witten/Herdecke, GER. Currently, the CHANCEN eG finances around 700 young people at 30 private universities and educational institutions in more than 100 courses of study. Additionally, the [CHANCEN International gGmbH](#) offers the same model in Africa since 2018: In Rwanda finances the subsidiary of CHANCEN eG 1,300 young people in 6 studies at 2 educational institutions.