

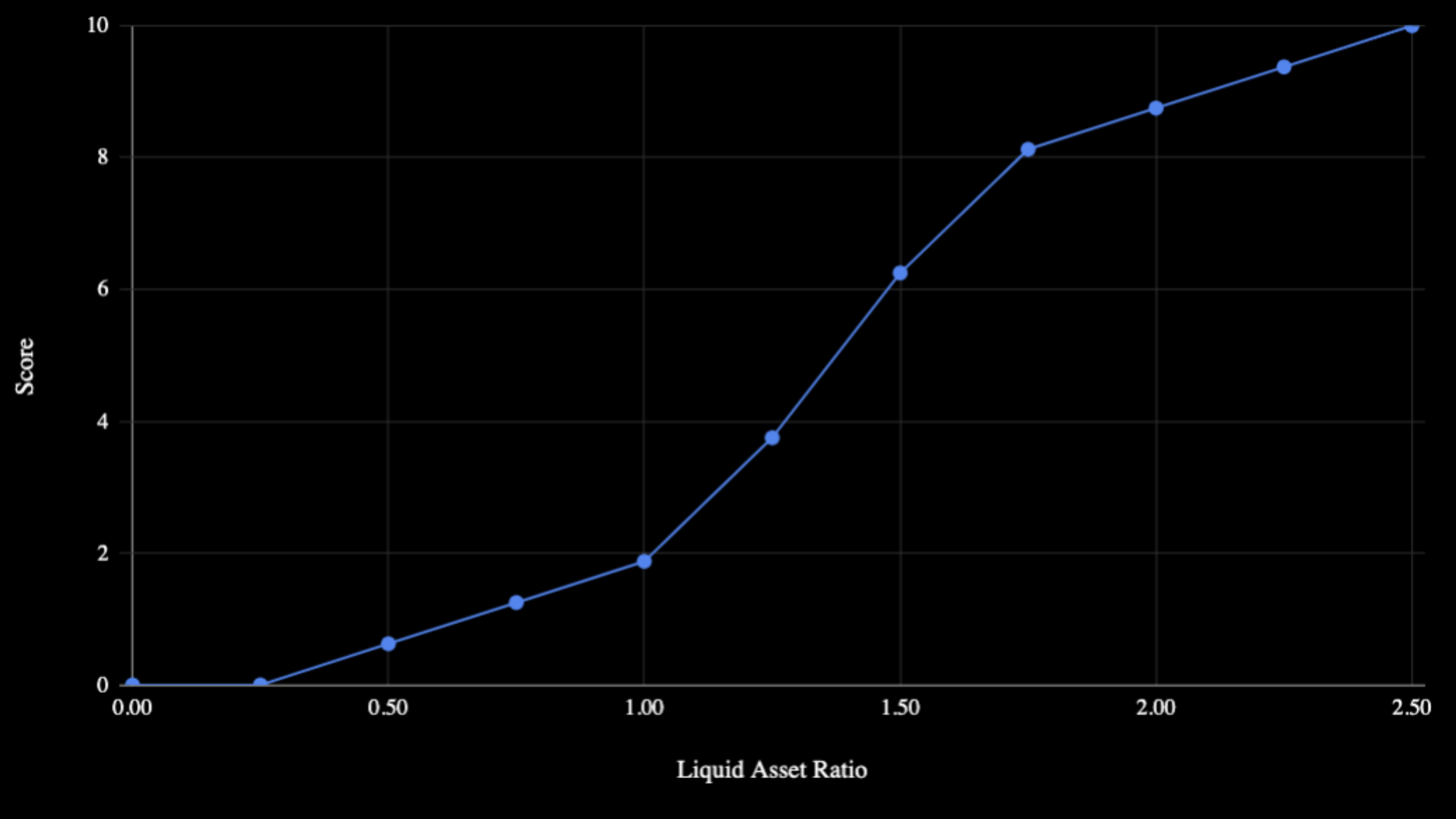
The following factor model developed by Credora generates creditworthiness factors for DAOs. The factors rely on an analysis of financial statements, on-chain data, and due diligence calls. The goal for the factor model is to provide transparency around parameters assessing borrower creditworthiness.

The following categories are presented as separate scoring factors:

1. **Transparency** - Measures quality of financial statements and visibility of assets on Credora's platform.
2. **Performance** - Measures ability to generate business profits.
3. **Leverage** - Measures ability to repay current and future debt obligations.

Each of the factor score is a combination of specific scoring parameters, weighted according to their relative importance to each underlying factor. These parameters are scored on curves as displayed below.

Score vs. Liquid Asset Ratio

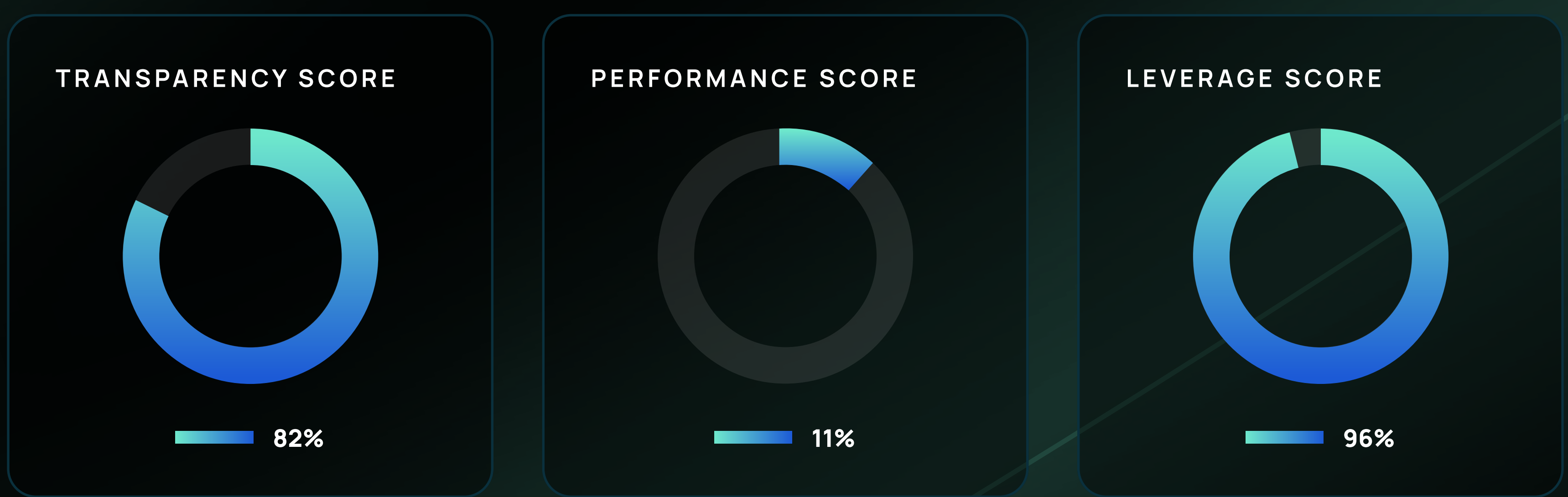


In assessing any DAO, the balance sheet is adjusted to account for the illiquidity and long term nature of native project assets. The assets are discounted by 95%, while liabilities are unchanged and an updated equity amount is calculated. This adjustment negatively impacts the Leverage factors, all else equal.

FACTOR	PARAMETER	PARAMETER DEFINITION
Transparency	Visible Assets	Visible Assets / Total Assets
Transparency	Quality of Financials	Evaluates History, Recency, Preparation, Detail
Performance	Cash Runway	Cash / Monthly Cash Burn Rate
Performance	Interest Coverage	EBIT / Interest Expense
Performance	ROA / ROE	Return on Assets and Equity
Performance	Maximum Monthly Cash Burn	Cash Flow / Equity
Leverage	Portfolio Leverage	Interest Bearing Debt / Equity
Leverage	Liquid Asset Ratio	Liquid Assets / Total Liabilities

SHAPESHIFT DAO

Each of the parameters above are scored and weighted to calculate the factor scores for ShapeShift DAO.



FACTOR	PARAMETER	SCORE	FACTOR WEIGHT	% TOTAL
Transparency	Visible Assets	10.0	50%	50%
Transparency	Quality of Financials	6.4	50%	32%
TOTAL				82%

FACTOR	PARAMETER	SCORE	FACTOR WEIGHT	% TOTAL
Performance	Cash Runway	2.0	25%	5%
Performance	Interest Coverage	0.0	25%	0%
Performance	ROA / ROE	0.0	25%	0%
Performance	Max Monthly Cash Burn	3.0	25%	6%
TOTAL				11%

FACTOR	PARAMETER	SCORE	FACTOR WEIGHT	% TOTAL
Leverage	Portfolio Leverage	9.2	50%	46%
Leverage	Liquid Asset Ratio	10.0	50%	50%
TOTAL				96%

NOTES

These outputs represent a transparent assessment according to the methodology stated. The factors above are presented without conclusion and should not be interpreted as investment advice.

- Credora will update outputs on a monthly cadence as information changes.
- Any model updates will be detailed on a monthly cadence.