Raise Green

Corporate Structures

For Project Finance

Structuring for Project Developers, EPC Contractors, Project Owners, and more

info.raisegreen.com/get-funded

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Solar Project Finance

Only about **3.5% of US commercial buildings have onsite solar**.[1]

There is a significant missed opportunity for solar due to financing complexity, and value is left on the table.

The Challenge: Traditional project financiers can be RIGID

- Fixed requirements and terms set by traditional financing partners
- An unwillingness to fund small to medium projects
- Restrictions to fund projects within a limited geographical area
- Or other strict controls that make funding difficult!

The Solution: Raise Green provides financing FLEXIBILITY.

- Terms and repayment structure adapted to your project
- Well suited to small and medium projects
- No arbitrary restrictions - run your business your way
- Easy step-by-step guidance and document templates

Financing Templates to Streamline Your Project

Raise Green has proven 3 simple models, each of which allows you to leverage impact investment dollars and support your other stakeholder needs. We're committed to helping make your project a success.

- Project Company Debt
- Holding Company Debt
- Holding Company Equity

1. ("Revealing the true commercial solar addressable market," 28 July 2020)

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Case Study 1: Project Company Debt

SolarisEnergy
Financing a Brighter Future

- Solaris Energy combined multiple investment sources into a holding company, so they didn't want to take out debt at that level.
- Instead, they used an existing Project Co Elm Lea Renewable Energy, LLC, which owns the array, to raise debt against project cash flows.
- The project had been operational for several years and had a secured PPA with a school.
- This freed up capital for Solaris Energy to redeploy on other projects.

Project Finance For Solar Projects

- You may know that solar financing is driven more by expected cash flows than by asset value. Debt structuring is defined by where those cash flows go, and it's important to ensure the risks are held by the party best suited to handle them.
- The Project Company owns the assets, and ringfences the overall project risk from the project sponsor.
- The Project company often farms out construction, operating, and market price risk to an installer, an offtaker (through a PPA), and an operations manager.
- What's left? The remaining free cash flows are used to pay off debt and equity holders.
- Because of this we typically see Project-level Debt as simple, unsecured senior debt, covered by the projected cash flows of the project

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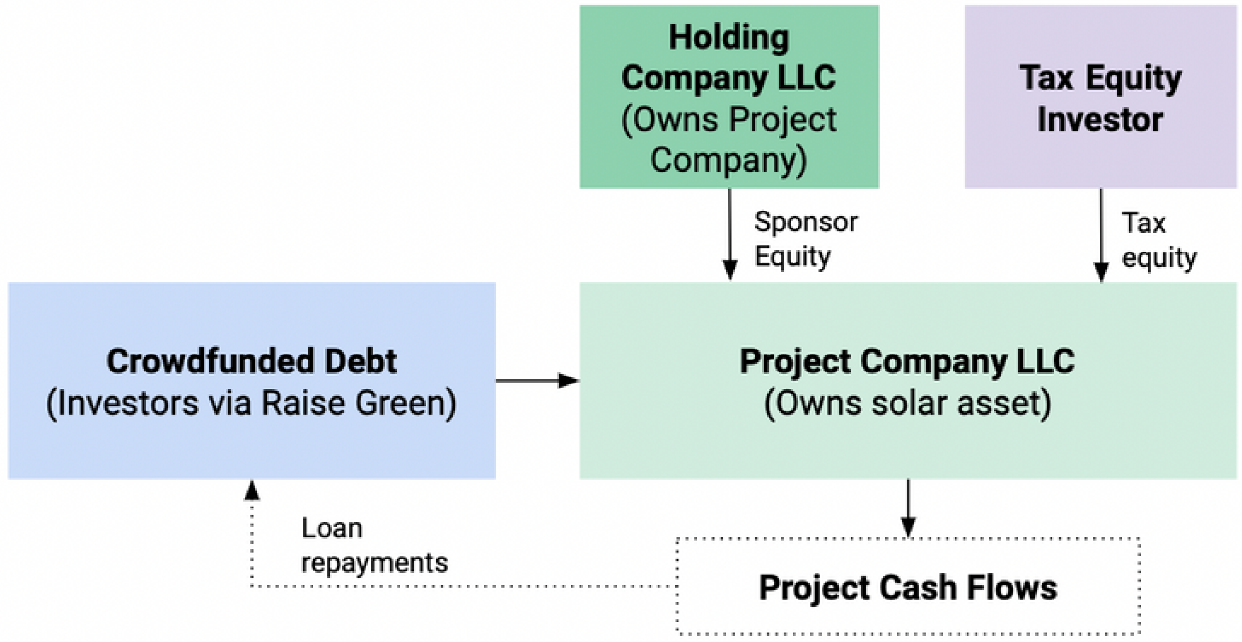
Case Study 1: How Project Company Debt Works



<u>Project Company issues debt to investors through Raise Green</u>

Advantages:

- Use Raise Green's ready-made debt crowdfunding templates.
- Calibrate key terms like the interest rate to suit your project.
- If you have existing solar assets with unattractive debt rates, for example post-flip projects, use Project Debt to refinance your project and liberate cash for your next project!

Considerations:

- If you have a tax equity investor, project-level debt may not be an option for you, especially if it is secured by project collateral, due to subordination concerns. In that case, check out structure #2!
- Still, impact investing projects may be of interest to smaller or unconventional tax equity investors like individuals, foundations, and family offices.
- Crowdfunded investment can help build public support: to ease a project's permitting process, to share profits with the community, and to give you status as a developer at the knife's edge of democratized, inclusive and innovative financing mechanisms.

Case Study 2: Holding Company Debt

BLOCPOWER CLIMATE IMPACT NOTE

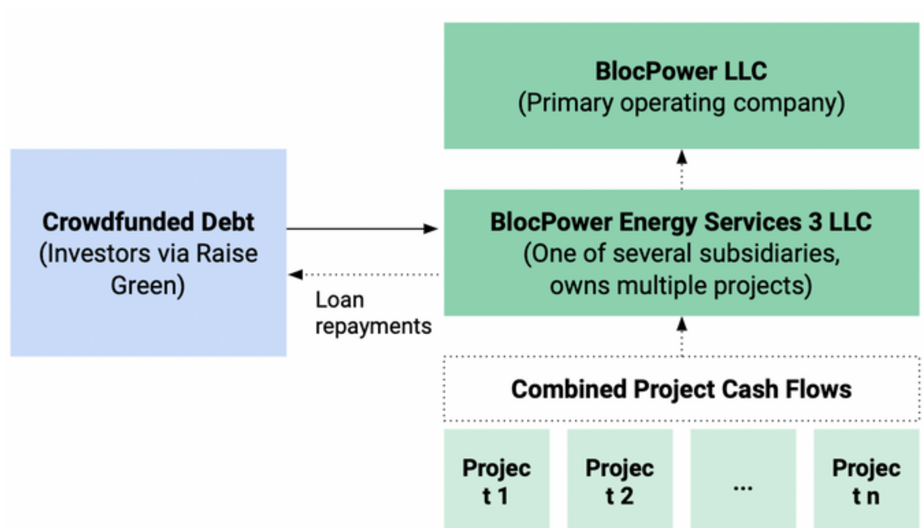
- BlocPower develops, owns and operates their projects, and raised money for about a dozen installations from a single investment offering on Raise Green

- Solar developers can use this holding company structure to finance any number of projects with one simple model.

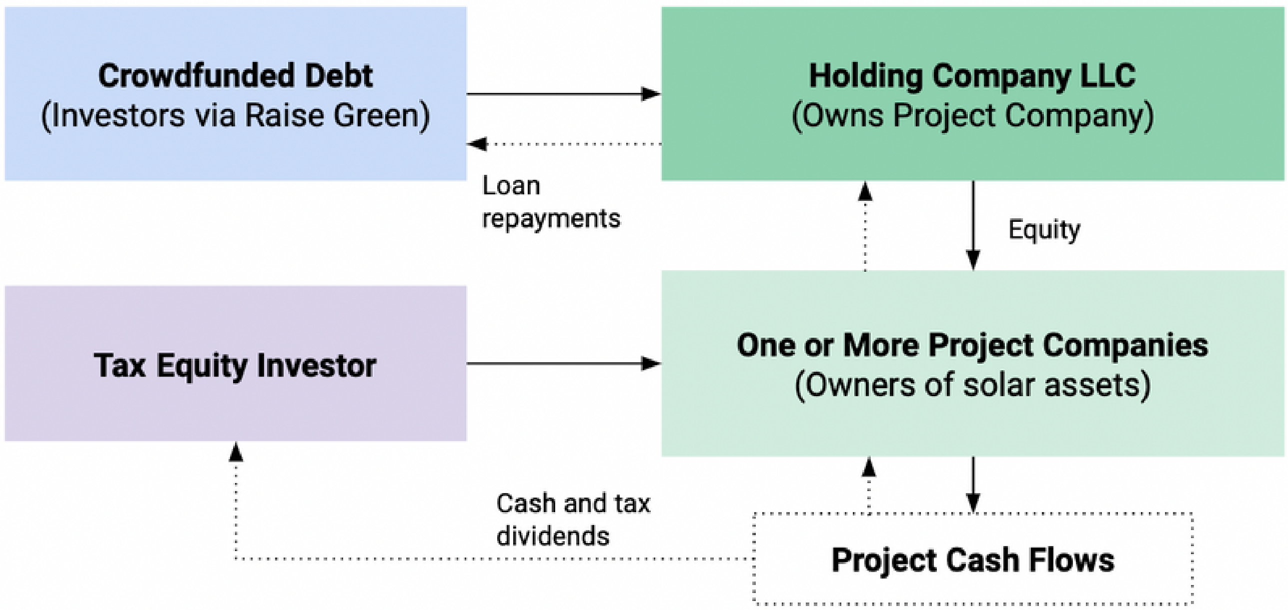
- BlocPower raised nearly $1 million in just over 3 weeks through Reg CF

- This bundled project structure could dramatically simplify your project capital fundraising!

BlocPower Corporate Structure



Case Study 2: How Holding Company Debt Works



Holding Company above the Project Company issues debt to investors through Raise Green.

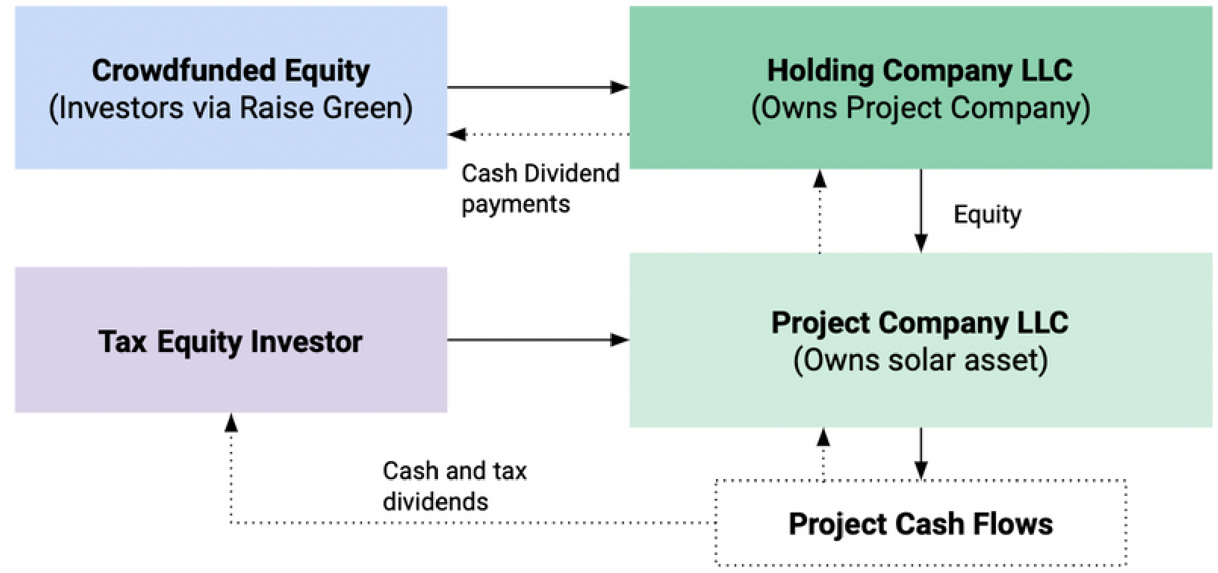
Advantages:

- Use Raise Green's ready-made debt crowdfunding templates
- Calibrate key terms like the interest rate to suit your project.
- You can finance multiple projects through a single holding company, or re-use the Holding Company for other projects later! This can really simplify how you put together financing for your incoming pipeline of projects.
- This is called a back-leveraged structure - it's quite common in solar financing.

Considerations:

- If your tax equity investor won't support Project-level Debt, Holding Company Debt can be the solution. Sponsor Equity value underpins the ability to pay back this debt, and it's on more equal footing with other equity holders.

Case Study 3: Holding Company Equity



Holding Company above the Project Company issues equity to investors through Raise Green.

Advantages:

- You don't have to add any more debt to your balance sheet
- Equity has a lower repayment priority than Debt: This means your equity holders would only be repaid after you pay your debt coverage.
- You can choose to sell common or preferred shares - no voting rights required
- Equity allows for more flexible repayment terms and schedule
- You can engage the local community or your target customer base by offering them partial ownership in the work you do!

Considerations:

- When you're selling equity, you're selling the value of the company and its future success, based on the health of your business and pipeline, whereas with debt you're simply committing to return borrowed funds under a certain repayment plan.
- You can raise up to $5 million of Holding Company equity per year with Raise Green, and use this in combination with an outside debt source, to add further leverage.

Project Finance with Raise Green

- 21 Days - 90 Days
- $10,000 - $5,000,000
- Retail, Accredited, and Institutional Investors
- 40+ Years Experience in Project Finance, Renewables, and Securities

Overview of Regulation Crowdfunding

Created in 2015 under the JOBS Act, Reg CF is now part of the Securities Act of 1933 and can now be used by clean energy projects and climate tech companies to complement or even replace traditional financing sources, such as banks and institutional lenders, project sponsor investments, and private equity funds. This new and innovative tool provides a powerful opportunity to take control of project capital formation. Since the inception of Regulation Crowdfunding, companies have used it to raise over $1 Billion.[2]

Reg CF acts as a new form of finance, in which investors can purchase a debt or equity stake in a business that excites them, providing up to $5M per company per year. This powerful new tool empowers companies to secure financing on their terms, maintain the desired project ownership structure, and leverage the rapidly-expanding movement of principle-driven retail investing.

2. ("$1 Billion Raised Through Reg CF," 2021)

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...there needs to be more authentic market-makers, like Raise Green, who are not reclassifying traditional assets by 'greenwashing,' but are pioneering the development of new, truly sustainable investments.

Forbes

Ready to finance your next project? We're here to help you. Visit us at info, raisegreen.com/get-funded. and we'll be in touch.

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Want to talk sooner? Schedule a time to speak with one of our clean energy project managers.

Raise Green is a financial technology company that provides funding opportunities to renewable energy projects and climate technology ventures. By pairing climate-conscious mission-driven investors with projects in need of financing, Raise Green is creating an investment platform that allows for direct climate action. With Raise Green, you get the funding you need to decarbonize our future.

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