



Enhanced Capital

2022
COMMUNITY
IMPACT
REPORT

*Building Stronger
& Sustainable Communities*

Year in Review

For over 22 years, Enhanced Capital has been at the forefront of impact investing, striving to generate positive social, economic, and environmental outcomes for projects and businesses across the United States.

Enhanced Capital has an extensive history of success, and we are proud that 2022 was our most active year yet. We deployed more than \$895 million across 94 businesses and projects through our vertical investment focus areas: Small Business Lending, Impact Real Estate, and Climate Finance. Our 2022 investments delivered measurable impact with our capital aligning squarely with multiple Impact Themes:

67% towards Underserved Communities¹
44% towards Unrepresented Populations²
33% towards Environmental Sustainability
7,200+ Jobs Supported

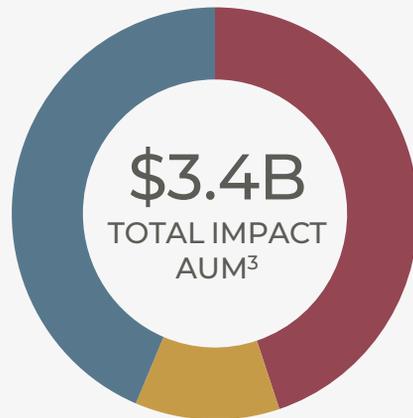
As we embark on a new year, we are inspired to continue our mission of empowering communities with financial solutions that bring about lasting social and environmental transformations. We extend our gratitude to our partners and stakeholders and express our appreciation to everyone who has been a part of this journey.

Mission Statement

Enhanced Capital is a leader in unlocking value for private investors seeking returns through socially responsible investment initiatives. At the forefront of aligning private sector resources with public policy goals, we transform local economies to the benefit of both investors and community stakeholders.



Figures Since Inception



Small Business Lending



Climate Finance



Impact Real Estate

Total Invested
\$1.3 Billion

Businesses Financed
510

Jobs Supported
22,900+

Total Invested
\$395 Million

Projects Financed
216

Jobs Supported⁴
450

Total Invested
\$1.7 Billion

Projects Financed
258

Jobs Supported⁵
18,000+

2022 by the Numbers



100%
of Investments Meet
Impact Framework



195 Million kWh
of 1st Year Energy
Generation



440+
Workforce & Affordable
Housing Units Created



\$265,000
Microloan
Investments⁶



4.7 Million
Metric Tons of
Lifetime Avoided CO₂



\$325 Million
Invested in Diverse
Borrowers



105
Climate Technology
Projects Financed



27%
Impact Real Estate
Average Poverty Rate

Impact Nationwide



Impact Themes

The Firm believes that quantifiable impact begins with intentionality and is achieved through robust data collection, measurement and progress over time, and is reflected in transparent reporting. Every step of the Firm's investment cycle incorporates Impact Measurement and Management (IMM) processes into investment decision-making, from deal screening through exit. All Enhanced Capital investments adhere to the Firm's Responsible Investment Policy and must fit within one or more of our Impact Themes:



Underserved Communities¹



Underrepresented Populations²



Environmental Sustainability



Economic Growth & Jobs

2022 Impact Outcomes

The UN SDGs⁷ Impact Standards Framework guides the firm's investment policies to track and report on the social and environmental impact of our investments. ESG metrics, which follow the guidelines of the ILPA's ESG Data Convergence Initiative, are also collected annually and submitted for benchmarking.

Portfolio Percentages that Contribute to Each Goal

Underserved Communities ¹	Underrepresented Populations ²	Environmental Sustainability	Economic Growth & Jobs
 <p>2 ZERO HUNGER</p> <p>6%</p>	 <p>5 GENDER EQUALITY</p> <p>19%</p>	 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>20%</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>74%</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>18%</p>	 <p>10 REDUCED INEQUALITIES</p> <p>42%</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>17%</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>18%</p>
 <p>4 QUALITY EDUCATION</p> <p>5%</p>		 <p>13 CLIMATE ACTION</p> <p>23%</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>19%</p>

Standards & Frameworks

Impact investing aims to solve global issues and seeks a range of financial returns across different asset classes while measuring specific outcomes. Enhanced Capital uses a disciplined IMM practice that integrates seamlessly into investment policies and procedures from screening through exit. The Firm uses common frameworks, such as the UN SDGs⁷ Impact Standards Framework and standard metrics like GIIN IRIS+⁸ to develop a thematic strategy, provide resources and tools, optimize data collection and analysis, and reinforce the importance of impact through performance disclosure and best practices.



ESG Data
Convergence
Initiative



ESG Policy



Environmental: We prioritize clean energy sourcing and implementation of sustainable and resource-efficient practices around investment policies and company operations to preserve a healthy planet.

Social: We implement policies around fair and equal treatment of employees and hiring practices, provide regular discrimination and anti-bias employee training, offer opportunities for group and individual charitable community donations, and integrate the Firm's core beliefs into investment decision-making processes.

Governance: We have practices around collection and reporting of financial and non-financial data for all stakeholders and are committed to full transparency around all internal and external policies and performance.



Small Business Lending

At Enhanced Capital, we are passionate about empowering small businesses with the financial support they need to achieve their growth objectives. The Small Business Lending strategy provides **senior and subordinated debt financing** that not only meets small businesses' needs but also aligns with our impact objectives.

Since our inception, we have invested in small businesses that have supported **over 22,000 jobs** in communities across the nation. Enhanced Capital believes that small businesses are integral in driving economic growth and prosperity, particularly in the underserved areas that need it the most.

At Enhanced Capital, we are proud to be a part of the success stories of small businesses, and we look forward to continuing this mission through future impactful investments.



2022 by the Numbers

\$117 Million

Total Capital Invested

60

Transactions Executed

1,900+

Jobs Supported or Retained

68%

Small Business Lending Capital Invested in Underserved Communities¹



Small Business Lending Spotlight

Quitman Community Hospital



Marks, MS



Underserved Communities¹
Underrepresented Populations²
Economic Growth & Job Creation/ Retention

In April 2022, Enhanced Capital provided capital to the newly reopened Quitman Community Hospital, a designated Critical Access Hospital, designed to advance high-quality healthcare access in rural communities in Mississippi. The financing will help bring back the largest employer in the county and provide Quitman County residents with access to critical care for the first time in five years after many rural Mississippi hospitals, including Quitman, closed due to financial difficulties. The reopened minority-owned hospital managed by Progressive Medical Enterprise LLC has more than doubled its number of hospital beds, offers 24-hour emergency medical services, and created over 30 jobs. This investment will significantly impact job growth and healthcare outcomes in a 75% Black, severely impoverished Mississippi county.

Impact Real Estate

Enhanced Capital's Impact Real Estate strategy finances projects across the nation that **stimulate economic and social growth, foster community revitalization, and engage in sustainable practices.**

The Firm provides loans for a range of impactful projects, including low-income and affordable housing, historic building preservation, renewable energy and energy efficiency, and commercial/ municipal/ mixed-use redevelopment. Since its inception, Enhanced Capital has closed **over 250 transactions** and **over \$1.7 billion** deployed through lending and tax credit investments in Impact Real Estate.

Enhanced Capital's investments in these projects drive economic growth and transform local areas by providing improved services, housing, and sustainability. We are proud to be a catalyst for positive change to create vibrant, inclusive communities nationwide.



2022 by the Numbers

\$662 Million

Total Capital Invested

26

Transactions Executed

5,100+

Jobs Supported or Retained

62%

Impact Real Estate Capital
Invested in Underserved
Communities¹



Impact Real Estate Spotlight

The Victor



St. Louis, MO



Underrepresented Populations²
Economic Growth & Job Creation/ Retention

The redevelopment of the historic Butler Brothers Building, a 718,000-square-foot structure built in 1906, is catalyzing economic activity in the St. Louis community. The redevelopment, now called “The Victor,” will transform a vacant 10-story warehouse into 384 apartment units, retail and co-working spaces, and a rooftop area with a pool, dog park, and pickleball. Enhanced Capital partnered with Memphis, Tennessee-based developer Development Services Group and provided financing through State Historic Tax Credits and Preferred Equity to support workforce housing, eliminate blight, job creation, commercial activity, remediation of environmental contamination, and the adaptive reuse of an existing obsolete structure. The project is projected to create 860 construction jobs and 11 full-time jobs. Phase one of the project will open for move-ins on July 1st, 2023, and phase two anticipates completion by the end of 2023.

Climate Finance

At Enhanced Capital, we are dedicated to driving the transition to a sustainable future through our Climate Finance strategy. We are proud to combat climate change by providing debt and equity financing to clean energy, circular economy, and other climate change mitigation projects and businesses nationwide.

Our strategy focuses on key technologies such as **solar PV, energy efficiency, fuel cells, and others critical to the broader climate transition**. Since 2010, our Climate Finance group has made **over 60 investments** in small businesses, projects, and tax equity investments. In 2022 we made **8 investments**, creating **more than 140 jobs**.

Enhanced Capital has directly financed **over \$350 million** in renewable energy projects and developers since 2015. The Firm is proud to participate in the shift to clean energy, helping contribute to a sustainable future.



2022 by the Numbers

\$115 Million
Total Capital Invested

158 MWdc
Solar Capacity Installed

140+
Jobs Supported or Retained

6.7 Billion kWh
Projected Lifetime of Clean Energy Generation



Climate Finance Spotlight

Volt Energy Utility



Virginia



Underserved Communities¹
Underrepresented Populations²
Environmental Sustainability

In the spring of 2022, Enhanced Capital provided financing to Volt Energy Utility, a leading Black-owned solar development company, and Leyline Renewable Capital, a leading capital provider to the renewable energy industry, to develop a portfolio of eight utility-scale solar projects. With an aggregate energy capacity of 47.8 megawatts, the portfolio has the capacity to offset CO₂ emissions by approximately 1.8 million metric tons over its lifetime. The equivalent of taking nearly 400,00 gasoline cars off the road for a year.⁹ Revenue from the portfolio will come from an Environmental Justice Power Purchase Agreement (EJ PPA) developed by Volt which allocates a portion of the project revenues to an impact fund that invests in low-income urban community renewable energy job training and education programs.

Enhanced Capital

Enhanced Capital Group, LLC is a leading impact investing firm with over 20 years of experience investing in Small Business Lending, Impact Real Estate, and Climate Finance.

From inception in 1999 through December 31st, 2022, inclusive of proprietary assets and assets managed by affiliates, Enhanced Capital has raised a total of \$5.5 billion. Of the total AUM, impact assets represent \$3.4 billion invested in over 850 projects and businesses across 39 states, Washington DC, and Puerto Rico and does not include investments made by non-impact affiliates.

Enhanced Capital is committed to investing in four main impact themes: economic growth and job creation; underserved communities; underrepresented populations; and environmental sustainability. Enhanced Capital represents the impact solution of P10, Inc. (NYSE: PX), a diversified, multi-asset investment platform.

2022 COMMUNITY IMPACT REPORT

- 1) *Enhanced defines underserved communities as low-income and rural areas.*
- 2) *Enhanced defines underrepresented populations as minority groups, women, veterans, individuals with disabilities and other underserved groups.*
- 3) *Total impact assets represent \$3.4 Billion and do not include investments made by affiliates.*
- 4) *The Climate Finance job number since inception is estimated on the ratio of 2022 jobs per 1 MW of renewable power installed (0.943 jobs per MW). From 2015 to 12/31/2022, Enhanced installed 477 MW.*
- 5) *The Impact Real Estate job number represents verified jobs since inception, while the actual number is presumed to be higher.*
- 6) *Enhanced defines a microloan as a small business loan under \$50,000.*
- 7) *United Nations Sustainable Development Goals*
- 8) *The Global Impact Investing Network (GIIN) and Integrated Risk Information System (IRIS+)*
- 9) *Amounts of offset emissions are estimates from the United States Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator.*

Enhanced Capital Group, LLC, and its affiliates, is an Equal Opportunity Provider. Information contained in this report is comprehensive, and extensive efforts were made by Enhanced Capital to verify all information herein. Assets under management figures represent impact assets only and include proprietary assets. All information herein related to energy is estimated and based on third-party sources. This report is intended for marketplace communication purposes only and is neither an offer to sell nor a solicitation of any offer to buy any securities, investment product, or investment advisory services. This is not an offering or the solicitation of an offer to purchase an interest in a fund. For more information on Enhanced Capital, please visit www.enhancedcapital.com.