

2023 COMMUNITY IMPACT REPORT



EnhancedCapital

Building Stronger & Sustainable Communities

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Year in Review

Enhanced Capital is proud to present our 2023 Community Impact Report. This report highlights the impact our investments have had in communities throughout the United States, this past year and throughout our 24-year history.

In 2023, our investments drove positive social, economic, and environmental outcomes that empowered communities. We deployed over \$285 million, financing 78 projects and businesses across our investment focus areas: Climate Finance, Impact Real Estate, and Small Business Lending.

These investments have had a measurable impact on our target Impact Themes:

84% of our investments were directed to Underserved Communities¹

69% of our investments supported Environmental Sustainability

54% of our investments were directed to Underrepresented Populations²

As we reflect on the successes of 2023, we remain determined to drive positive change and create lasting impact. We are immensely grateful to our partners, stakeholders, and team members whose unwavering dedication and collaboration have been instrumental in our ability to create the impact reflected in this report.

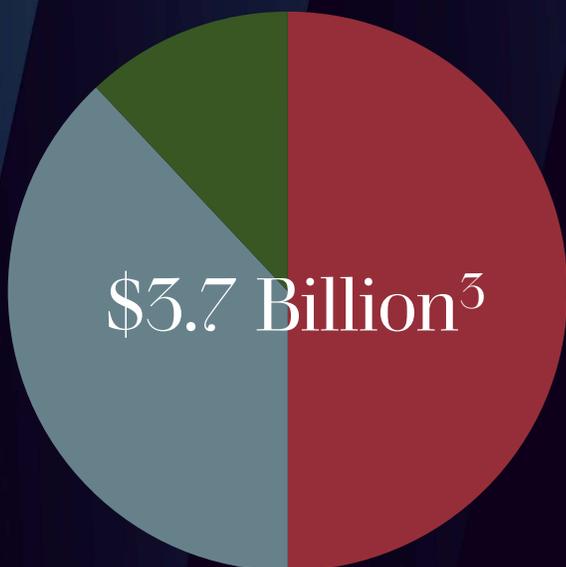
Together, we will continue to advance our mission of empowering communities and fostering sustainable growth for a brighter future.

Mission Statement

Enhanced Capital is a leader in unlocking value for private investors seeking returns through socially and environmentally 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.



Since Inception



\$3.7 billion³

represents our total impact assets under management.

\$5.8 billion

represents our total assets under management including proprietary assets and affiliates.



Climate Finance

Total Invested
\$435 Million

Total Clean Energy Projects
236

Energy Produced⁴
23,000+ GWh

Impact Real Estate

Total Invested
\$2.1 Billion

Total Projects
268

Jobs Supported⁵
20,700+

Small Business Lending

Total Invested
\$1.1 Billion

Total Businesses
441

Jobs Supported⁵
30,300+



In 2023

3,600+
Jobs Supported⁵

25.8%
Average Poverty
Rate of Investment
Locations

\$90 Million+
Invested in Racial
& Ethnic Minority-
owned & Managed
Companies

\$59,000+
Average Wage of
Reporting
Companies⁶

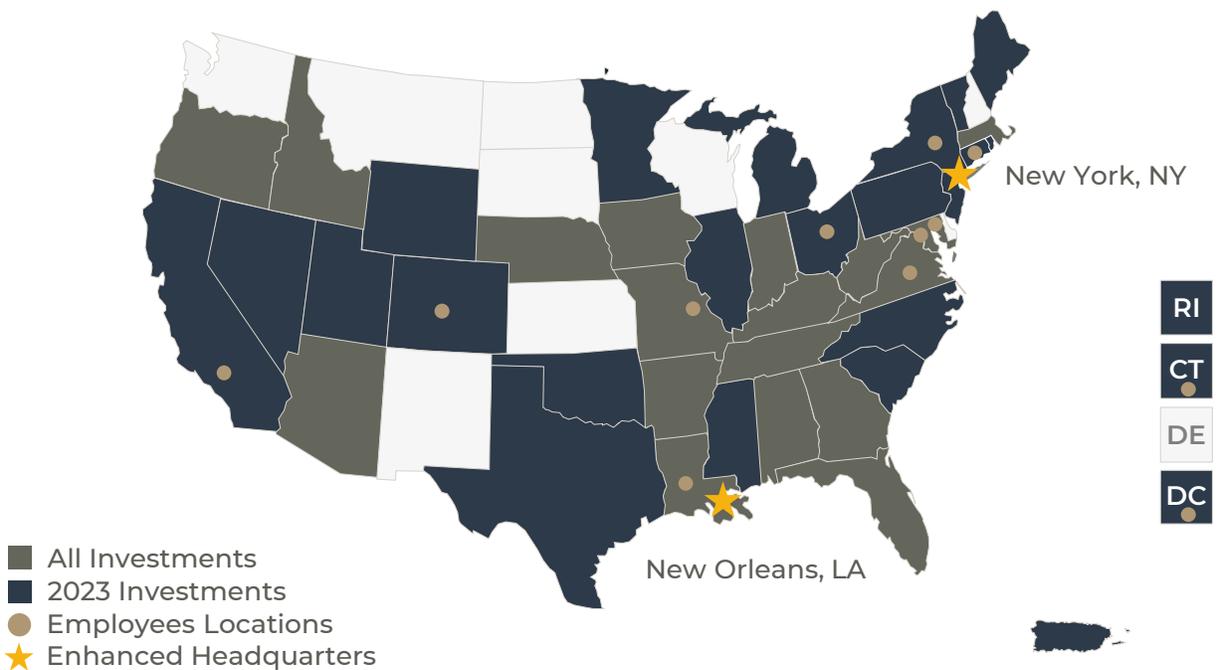
23
States Where We
Invested

1.8 Million
Metric Tons
of Projected
Lifetime Avoided
CO₂⁷

2.8 Billion kWh
Projected Lifetime
Production of Clean
Energy Generated

84%
of Capital
Invested Directed
to Underserved
Communities¹

Nationwide Impact



Impact Investing

Philosophy

Enhanced Capital seeks to drive meaningful and measurable social and environmental outcomes for communities and stakeholders through investments within our Impact Themes: Underserved Communities,¹ Underrepresented Populations,² Environmental Sustainability, and Community Development Programs.⁸

2023 Outcomes

Enhanced Capital aligns investments with specific goals and outcomes within our four Impact Themes and designs policies to systematically assess impact.

2023 Portfolio Percentages that Contribute to Each Goal				
Underserved Communities ¹	 20%	 61%	 14%	
Underrepresented Populations ²	 20%	 30%	 61%	
Environmental Sustainability	 13%	 20%	 16%	 16%
Community Development Programs ⁸	 20%	 30%	 70%	 61%

Processes: Key Tenets

Enhanced Capital implements four key tenets to ensure best-in-class impact investment processes:

- **Intention:** We intentionally contribute to positive social and environmental outcomes through investments with attractive risk-adjusted financial returns. All investments meet at least one of our clearly defined impact themes.
- **Evidence:** We use qualitative and quantitative data to assess our impact investment practices. Empirical data is collected annually to assess performance against thematic targets.
- **Performance:** We measure and report the impact performance of all underlying investments. Performance data is used to measure alignment with the United Nations Sustainable Development Goals.
- **Contribution:** We contribute to the growth of impact investing. We collaborate, participate, and share best-practices to increase the scale and effectiveness of impact investing.

Impact Investing

ImpactAssets 50

As a testament to our good stewardship, we are excited to announce that Enhanced Capital has been selected for the Impact Assets 50 (IA50) 2024. The IA 50 2024 is a free, publicly available, searchable database of impact investment fund managers globally.

“As a private impact lender since 1999, Enhanced Capital is dedicated to providing financing solutions to projects and businesses in the lower middle market that lack access to traditional sources of capital,” said Michael Korengold, Enhanced Capital's CEO. “Our seasoned team of professionals has consistently demonstrated our ability to originate, diligence, and execute transactions that both meet our underwriting standards and align with our core impact themes across the United States, spanning across 40 states, DC, and Puerto Rico.”

“We are honored to be acknowledged by the IA 50 for our commitment to impact investing,” shared Gingeer Prince, an Enhanced Capital Managing Director and Chief Impact Officer. “We've witnessed firsthand the transformative power of public-private partnerships and remain committed to investing exclusively within our core impact themes, contributing to the advancement of social and environmental progress in communities.”



Frameworks & Standards

We encourage collective industry improvement by engaging in government initiatives and adhering to nationally and internationally recognized impact frameworks and standards:



More info



Climate Finance

At Enhanced Capital, our commitment to driving the transition to a sustainable future is exemplified through our Climate Finance strategy. We provide incentive-backed loans and tax credit investments in the lower middle market for renewable and sustainable infrastructure with a focus on **key technologies and companies that support the global energy transition.**

The Climate Finance strategy is focused on financing proven technologies including solar PV, energy storage, microgrids, fuel cells, and other projects that support environmental sustainability and/or decarbonization. Since the inception of our Climate Finance strategy in 2010, we have financed **236 projects** and supported over **1,800 jobs**.⁵

“In 2023, we were pleased to make our first stand-alone storage investment and to add new technologies supported by the Inflation Reduction Act (IRA) to our Climate Finance portfolio,” said Ed Rossier, an Enhanced Capital Managing Director and Head of Climate Finance.

We are proud to help advance climate resilience and clean energy solutions by financing **\$435 million** since inception in renewable energy projects and developers.



2023 by the Numbers



\$106 Million
Total Capital Invested



20
Clean Energy Projects
Financed



800+
Jobs Supported⁵



242 MWdc
Clean Energy Capacity
Installed



2.8 Billion kWh
Projected Lifetime
Production of Clean Energy
Generated

Climate Finance Spotlight

Indian Energy

Enhanced Capital partnered with Indian Energy, a 100% Native American-owned energy development firm, on a renewable energy and battery storage microgrid project on Tribal lands near Alpine, CA. Reliable, clean energy will be provided to the Viejas Band of the Kumeyaay Indians through a 15 MW photovoltaic solar generation system and a 38 MWh battery long-duration energy storage system. Additionally, the project will support 250 construction jobs, 8 full-time jobs, and lower energy costs for the Tribe, allowing additional resources to be redirected toward infrastructure maintenance, fire department operation, culture and educational programs, and other Tribal member services.

- ✓ Underserved Communities¹
- ✓ Underrepresented Populations²
- ✓ Environmental Sustainability



Key Capture Energy

Enhanced Capital partnered with Key Capture Energy, a leading developer, owner, and operator of battery energy storage systems, to provide financing through one of the industry's first transfers of investment tax credits (ITCs) to a third party. The historic transaction involves the immediate monetization of incentives related to three of Key Capture Energy's operating standalone battery energy storage projects in Elgin, TX, and Blasdell, NY, with a total nameplate capacity of 120 MW.

- ✓ Underrepresented Populations²
- ✓ Environmental Sustainability
- ✓ Community Development Program⁸



Impact Real Estate

Enhanced Capital's Impact Real Estate strategy generates lasting impact by investing in projects that facilitate **community redevelopment and revitalization, historic preservation, and environmental and energy efficiency upgrades** nationwide.

Our Impact Real Estate group provides capital to various projects to support economic development, affordable and workforce housing, environmental clean-up, and diverse ownership. Since inception, we have successfully financed over **260 projects**, deploying over **\$2.1 billion** through Impact Real Estate incentive-backed lending and tax credit investments.

"This year, we were proud to have expanded our unique role of providing bridge loans to the developers of incentive-eligible projects that revitalize communities," stated Richard Montgomery, an Enhanced Capital Managing Partner.

Enhanced Capital plays a pivotal role in driving positive change by strategically targeting projects that address our impact themes and improve communities across the nation.



2023 by the Numbers



\$92 Million
Total Capital Invested



8
Total Projects



1,200+
Jobs Supported⁵



84%
Invested in Underserved
Communities



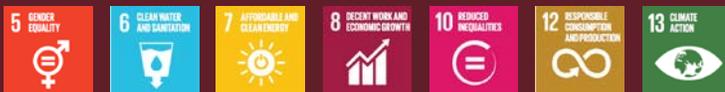
83%
of Projects Supported
Environmental Sustainability⁹

Impact Real Estate Spotlight

Courtyard at 40

Enhanced Capital partnered with a woman-managed developer to redevelop a historic office building in Elgin, IL, into a multifamily apartment building with commercial space on the ground floor. The project will support the elimination of blight, the creation of 100 construction jobs and 40 permanent jobs, and the remediation of environmental contamination in an area with a 26.5% poverty rate. Once complete, the Project will feature 40 apartment units.

- ✓ Underserved Communities¹
- ✓ Underrepresented Populations²
- ✓ Environmental Sustainability
- ✓ Community Development Programs⁸



Hawthorne School

Enhanced Capital partnered with a woman-owned developer to provide financing for the rehabilitation of the historic Nathaniel Hawthorne Elementary School in Cleveland, OH. The project will transform the vacant property, dormant for nine years, into 35 workforce housing apartments in a New Markets Tax Credits-qualified area with a 30% poverty rate. Additionally, the project will support the remediation of environmental contamination and create 94 construction and full-time jobs.

- ✓ Underserved Communities¹
- ✓ Underrepresented Populations²
- ✓ Environmental Sustainability
- ✓ Community Development Programs⁸



Small Business Lending

Enhanced Capital provides financial support to small businesses to help them catalyze growth opportunities and foster community development. Our Small Business Lending strategy remains a cornerstone of this commitment, providing **senior and subordinated debt financing solutions** that address small businesses' needs and advance our broader impact goals.

Our Small Business Lending strategy has been instrumental in fueling business growth, job creation, and economic resilience. Since inception, our small business investments have financed over **440 businesses** and supported over **30,000 jobs⁵** in communities nationwide.

"We are particularly excited about the launch of the Oklahoma Rural Fund, a new initiative aimed at helping small businesses in the state's rural and underserved communities," said Mark Slusar, an Enhanced Capital Managing Partner.

At Enhanced Capital, we recognize the pivotal role that small businesses play in driving economic vitality. By providing strategic financing options, we aim to empower local economies, foster inclusivity, and amplify businesses' contributions.



2023 by the Numbers



\$76 Million
Total Capital Invested



50
Total Businesses



1,450+
Jobs Supported⁵



88%
Invested in Underserved
Communities



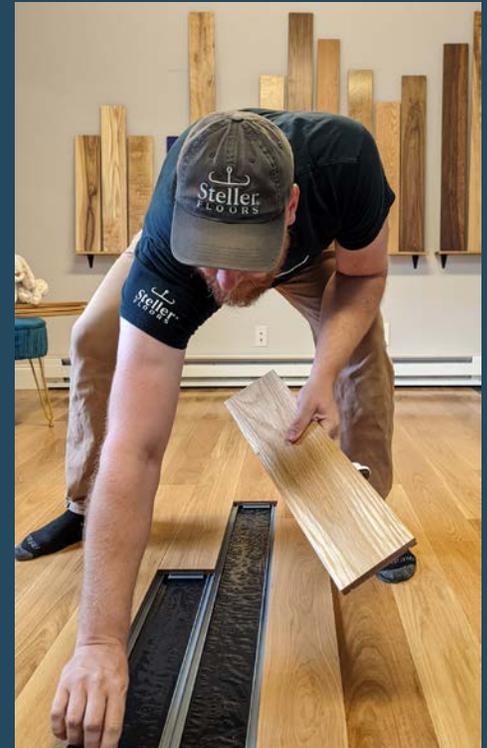
73%
Invested in
Underrepresented Owned/
Managed Businesses

Small Business Lending Spotlight

Steller Floors

Enhanced Capital provided financing to Steller Floors to fund the company's growth initiatives and increase working capital. Steller Floors manufactures and sells high-quality solid wood floors emphasizing easy assembly and environmental sustainability that contribute to healthier human and ecological communities. The women-owned/managed company is located in Tyrone, PA, a rural town with a 25% poverty rate. Steller Floors uses 100% renewable sourced electricity and 100% domestically sourced material, supports 18 quality jobs, and is actively seeking to fill six more.

- ✓ Underserved Communities¹
- ✓ Underrepresented Populations²
- ✓ Environmental Sustainability
- ✓ Community Development Programs⁸



Madera Fuels

Enhanced Capital provided a loan to support Madera Fuels, a waste collection facility in Vicksburg, MS, that converts non-recyclable waste materials into reusable fuel, which supports local environmental sustainability initiatives. Madera Fuels can process a variety of plastic waste that is difficult to recycle and often not accepted in local municipal landfills. The Company's business-to-business solution diverts a considerable volume of materials from landfills, saves natural resources, and stimulates the economy through job creation in a rural area with a 37% poverty rate.

- ✓ Underserved Communities¹
- ✓ Underrepresented Populations²
- ✓ Environmental Sustainability
- ✓ Community Development Programs⁸



Enhanced Capital

Enhanced Capital Group, LLC is a leading impact investment firm with over 24 years of experience investing in Climate Finance, Impact Real Estate, and Small Business Lending.

From inception in 1999 through December 31st, 2023, inclusive of proprietary assets and assets managed by affiliates, Enhanced Capital has raised a total of \$5.8 billion. Of the total assets under management, impact assets represent \$3.7 billion invested in over 900 projects and businesses throughout 40 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: Underserved Communities; Underrepresented Populations; Environmental Sustainability; and Community Development Programs. Enhanced Capital is a subsidiary of P10, Inc. (NYSE: PX), a diversified, multi-asset investment platform.

2023 COMMUNITY IMPACT REPORT

- 1) *Enhanced Capital defines Underserved Communities as NMTC Qualified Low-Income Areas, USDA Rural Areas, and Opportunity Zones.*
- 2) *Enhanced Capital defines Underrepresented Populations as Women, Racial and Ethnic Minorities, Veterans, LGBTQIA+, people with disabilities, and/or other underserved groups.*
- 3) *Total impact assets represent \$3.7 Billion and do not include investments made by affiliates.*
- 4) *Projected Lifetime Production of Clean Energy Generation (GWh).*
- 5) *Full-time and construction jobs supported and/or retained.*
- 6) *Tracked utilizing full-time employment data.*
- 7) *The expected lifetime amount of avoided CO2 from Enhanced Capital's 2023 investments.*
- 8) *Enhanced Capital defines Community Development Programs as State and Federal targeted economic development programs and State and Federal incentive-backed programs.*
- 9) *Enhanced Capital defines Impact Real Estate Environmental Sustainability projects as C-PACE, brownfield remediation, Historic Tax Credits, and the reuse of an existing structure.*

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, except as stated otherwise, 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.