

# Comparing In3CAP with Debt Funding Programs

Rates as of Fall 2022; subject to change. Check with In3 for current rates.

	<u>Completion Assurance Program 1</u>	<u>Program 2</u>	<u>Programs 3 &amp; 4</u>	<u>Program 5</u>
<b>Asset Class</b>	<b>Debt + Equity</b> , up to 100% of budget	<b>Debt only</b> , up to 100% loan-to-cost (LTC)		
<b>Stage of Readiness</b>	<b>New, retrofit, or expansion</b> “impact” projects at any reasonable stage	<b>New, retrofit, expansion, refurbishments</b> only for rigorously documented, <u>entirely buttoned up</u> project files only		
<b>Sectors</b>	More than 30 “impact” sectors; must not cause social or environmental harm	Renewable Energy, CRE, housing, WTV, water, agriculture, electricity infrastructure, storage, many others ( <a href="#">more</a> )		
<b>Minimums</b>	<b>\$25 million or more</b> ; \$35m+ preferred			
<b>Guarantee?</b>	<b>Completion Assurance Required</b> – any of 3 types	<b>None; Senior lien / UCC-1 filing</b> , but package must be <u>complete</u>		
<b>Interest Rate</b>	~ <b>4.2%</b> (SONIA + 2.5%) APR mezzanine debt	<b>7% - 7.5% APR fixed</b>	<b>5% - 6% APR</b>	<b>3.5% - 4.75% APR</b>
<b>IRR or DSCR</b>	Varies by industry, but <b>low IRRs</b> are acceptable	<b>DSCR of 1.25</b> or higher		<b>IRRs of 10%+</b> , typically
<b>Vetting fee/due diligence fee or interest deposit</b>	<b>None</b> ; unique pre-qualification process bypasses the cost and uncertainty of the traditional route. Use <a href="https://in3finance.com/apply">in3finance.com/apply</a> then <a href="https://in3finance.com/in3CAP">in3finance.com/in3CAP</a>	<b>\$20k</b> vetting, then <b>refundable \$75k</b> for binding term sheet	<b>\$20k</b> vetting plus <b>20% interest deposit</b> just before closing	<b>\$20k</b> vetting plus <b>10% interest reserve</b> (or bridge loan)
<b>Financing Fee</b>	<b>1-4%</b> from first draw of proceeds via escrow agent (higher end of this scale when an In3 Affiliate brings project to In3)			
<b>Equity Carry</b>	<b>25-35%</b> , based on 65-75% guarantee coverage	<b>None</b> if fully vetted & qualified		
<b>Country</b>	<b>Any country / currency</b> ; guarantee in US\$ or €’s	<b>Any country</b> (Program 5 currently US citizens/Greencard holders only); US\$ currency only		
<b>Loan Tenor</b>	<b>3-25 years</b> , no pre-repayment penalty	No pre-payment penalty; <b>3-10 years</b> with optional extensions		
<b>Time to close</b>	<b>At most 30 days</b>	<b>TBD</b> – depends on results of due diligence		
<b>Time to funds</b>	<b>Less than 30-45 days</b> after closing	Program 2) ~ <b>45 days</b> ; Programs 3 & 5) <b>90-120 days</b> ; 4) ~ <b>180 days</b>		
<b>Draw Timing</b>	<b>Monthly</b> , consistent, automated transfers	<b>2 tranches</b> , typically (lump sum under \$100M with Program 4)		

# 100% Loan-to-Cost (LTC) In3 private Debt Programs

Rates as of Fall 2022;  
subject to change.  
Ask In3 for updates.

Terms	Program 2	Programs 3 & 4	Program 5
<b>Source/Type</b>	<b>Syndicate of PE firms' term loans</b>	<b>Project or Business LOC</b>	<b>PE &amp; Family Office LOCs</b>
<b>Interest rate</b> (fixed or variable)	<ul style="list-style-type: none"> <li>• 7-7.5% APR interest (locked-in rate determined at closing)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed 5-6% interest-only first 3-5 years, then one adjustment to WSJ Prime + 2% for 7 yrs more</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed rate, currently 3.5%-4.75% APR</li> </ul>
<b>Deferral period &amp; Loan Tenor</b>	<ul style="list-style-type: none"> <li>• Lengthy interest-only periods; tenors up to 20 years. All are non-recourse; no penalty to repay early</li> </ul>	<ul style="list-style-type: none"> <li>• LOC can be tied to a project or an entity; no prepayment penalty.</li> </ul>	<ul style="list-style-type: none"> <li>• 10 years interest-only then balloon payment; 2-5 year extensions available.</li> </ul>
<b>Cash required</b> <b>Critical Success Factors</b>	<ul style="list-style-type: none"> <li>• \$20,000 vetting / pre-qualification fee; then \$75,000 refundable fee into an escrow account with \$25,000 for LOI, and balance for binding term sheet.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires 20% into Interest Control Account (ICA) as debt service reserve but will receive 100% of line (not 80%)</li> </ul>	<ul style="list-style-type: none"> <li>• 10% Interest reserve (pre-payment before closing) with optional bridge loans available for "Deposit Assistance" + \$5k</li> </ul>
<b>Special Considerations</b>	<ul style="list-style-type: none"> <li>• Debt Service Coverage Ratio (DSCR) of 1.25 or higher, on average</li> </ul>	<ul style="list-style-type: none"> <li>• ~\$45,000 (US) or \$75k-\$120k int'l due diligence per \$100m funding, refunded if line is not approved.</li> </ul>	<ul style="list-style-type: none"> <li>• Bridge loan fees vary widely (\$25,000 due diligence + 15% of bridge for 90 days capped)</li> </ul>
<b>Timing</b>	<ul style="list-style-type: none"> <li>• 30 days to close, 30-45 days to fund</li> </ul>	<ul style="list-style-type: none"> <li>• ~120 - 210 days to close and fund.</li> </ul>	<ul style="list-style-type: none"> <li>• ~45 days to close, ~90 to fund</li> </ul>
<b>Distribution</b> <b>For more information</b>	<ul style="list-style-type: none"> <li>• Can be lump sum, but two or more draws are more typical.</li> <li>• <a href="#">1-page Tear Sheet</a> special offer</li> </ul>	<ul style="list-style-type: none"> <li>• Project or business LOCs; Lump-sum up to \$100m. Over \$100m, can take 11 monthly draws of total.</li> </ul>	<ul style="list-style-type: none"> <li>• Two tranches, such as 20/80%</li> <li>• See <a href="#">article comparing each Loan Program option to CAP</a></li> </ul>

# In3 Debt Program FAQs

[CAP Funding FAQ](#)

<p><b>1. What determines whether a project qualifies?</b> Finance-ability/Bankability <a href="#">Checklist</a></p>	<p>1. Low to zero commercial risk with other risk factors largely mitigated or controlled in supported sectors. IRRs &gt; ~10%.</p>
<p><b>2. What sort of a financial modeling is required?</b></p>	<p>2. “Complete” US GAAP or IFRS-compliant pro formas (<a href="#">article</a>)</p>
<p><b>3. What if the developer is cash strapped?</b></p>	<p>3. Programs ordered by cash required to reach closing:</p> <ul style="list-style-type: none"> <li>▪ CAP funding has no up-front costs, although a bank’s guarantee can cost 0.25-3% of face value with collateral*</li> <li>▪ Program 2 is the next lowest cost, up to \$95k (see <a href="#">detail</a>)</li> <li>▪ Program 5’s lower APR requires 10% interest reserve, but can qualify for a bridge loan called Deposit Assistance**</li> <li>▪ Programs 3 and 4 require 20% interest reserve (ICA).</li> </ul> <p>4. Yes, for projects above roughly \$80 million total budget, sometimes the lender will consider bringing a partial guarantee (like a sponsor) for an equity kicker. <a href="#">More</a></p>
<p><b>4. Can we combine CAP’s guarantee and one of these debt program? (this may deliver better terms)</b></p>	<p>5. Yes, with In3 services, we can arrange venture funding <a href="#">apply</a></p>
<p><b>5. Can you fund <u>ventures</u> in your focus areas?</b></p>	<p>5. Yes, with In3 services, we can arrange venture funding <a href="#">apply</a></p>

\* Bridge loans available to qualified developers under contract up to \$500,000 to cover vetting and due diligence costs ahead of closing, with 24-month repayment at 2x the borrowed amount.

\*\* Program 5 Deposit Assistance pre-pays the 10% interest via a bridge loan with additional vetting fee (\$10k to In3, \$15k to lender) and 15% of bridge amount (effectively 1.5% of the long-term loan), capped at 90 days, partially refundable if closing occurs in 60 days or less.