

ATTRACTING INSTITUTIONAL AND IMPACT INVESTORS



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Wastewater Capital Management (WCM)



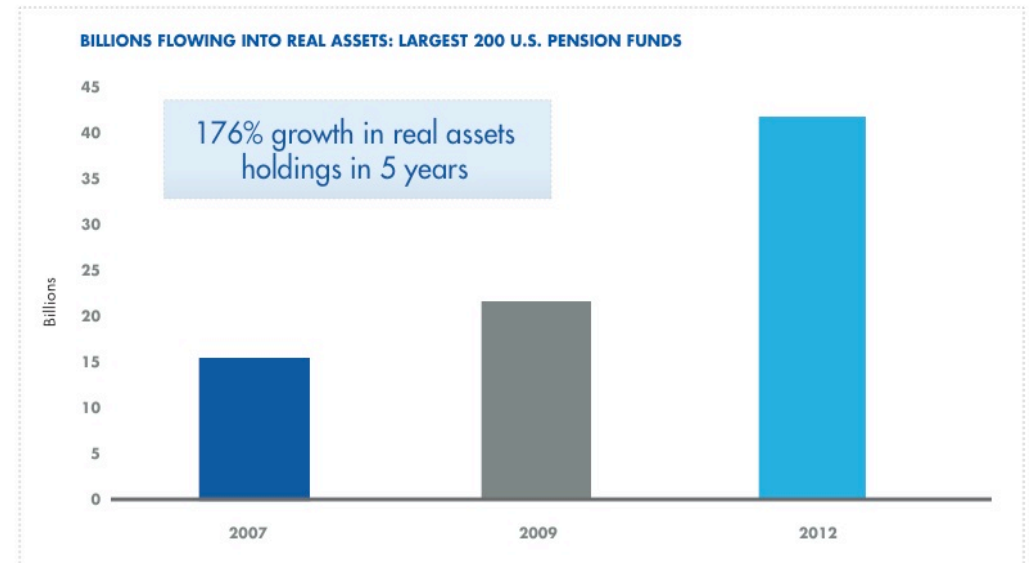
Equilibrium Capital

A Global Leader in Sustainability-Driven Real Assets

- Equilibrium is a platform of investment products with \$500M in assets under management
- Equilibrium has been researching and funding biogas and wastewater projects since 2009 and launched WCM in 2013
- WCM is the first U.S. firm solely focused on providing biogas and wastewater project-level equity

Market Snapshot: What Are Institutional Investors Seeing?

- Volatile public markets
- Threat of growing inflation
- Growing Real Assets Allocation
 - Stable cash flows from infrastructure, oil and gas, and forestry...
 - Uncorrelated assets act as inflation hedge
 - Interest in new investment products to address these issues
- Illiquid assets prevent return of capital
- “Back to basics” definition of risk



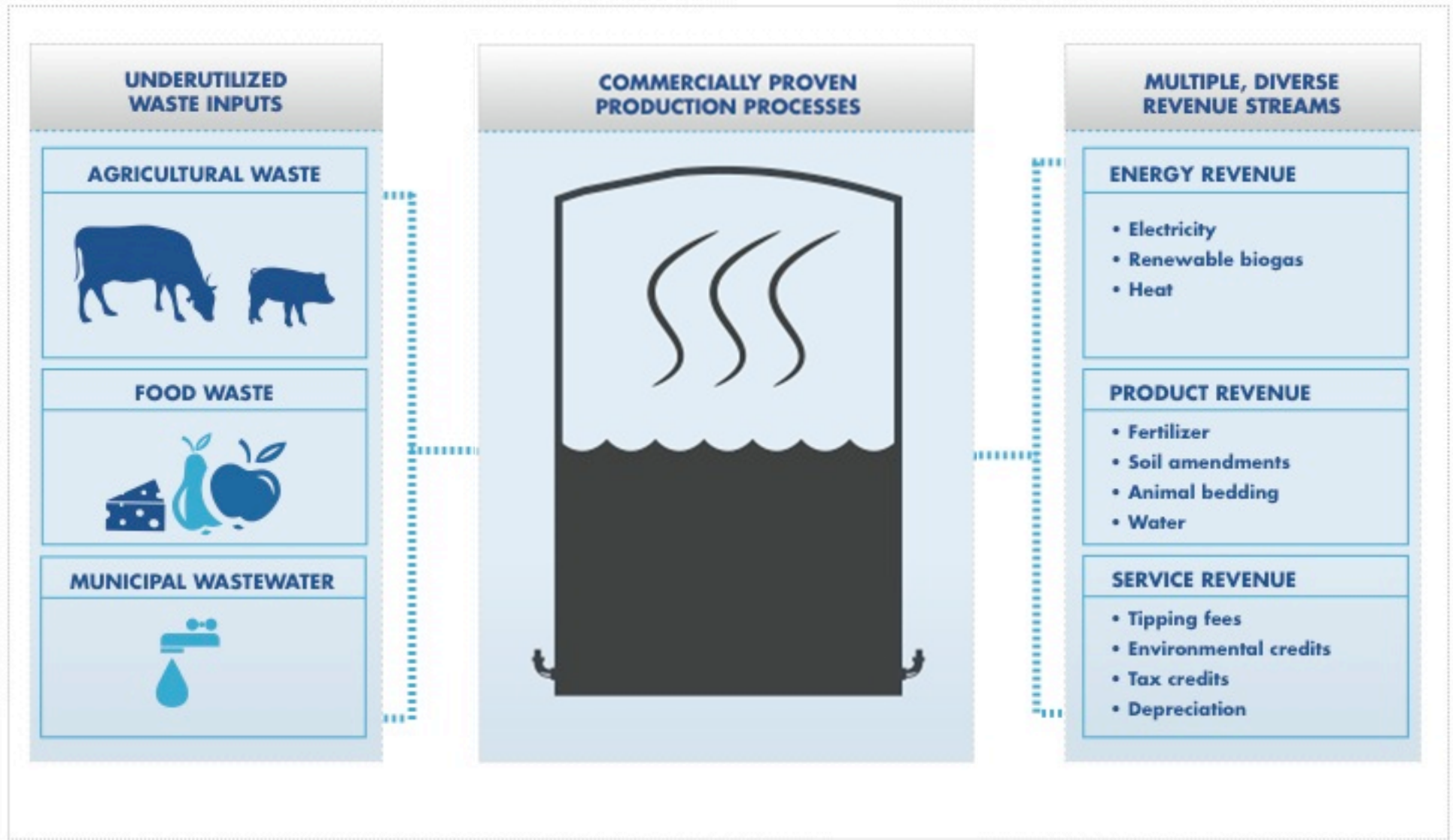
Source: Pensions & Investments

Why Should Institutional Investors Take Notice?

- Large potential US biogas and wastewater market that mirrors European trajectory
- Favorable regulatory environment, particularly at the state level
- Commercially-proven waste management solutions (e.g. lower technology risk than cleantech investments)
- Diversified portfolio has attractive real asset attributes such as stable cash flows, inflation hedging and important liquidity options
- Capital constraints and fragmentation are last barriers to U.S. market growth



Institutional Investors Need Education On The Industry



Impact Investors

- Impact Investors = Investors that pursue financial returns as well as environmental or social benefits
- Foundation endowments interested in
 - Sustainable farming
 - Climate change mitigation
- Public pension funds interested in
 - Projects that create jobs within the state
- University endowments interested in
 - Divestment of fossil fuel investments
- Financial risk/return requirements must be met



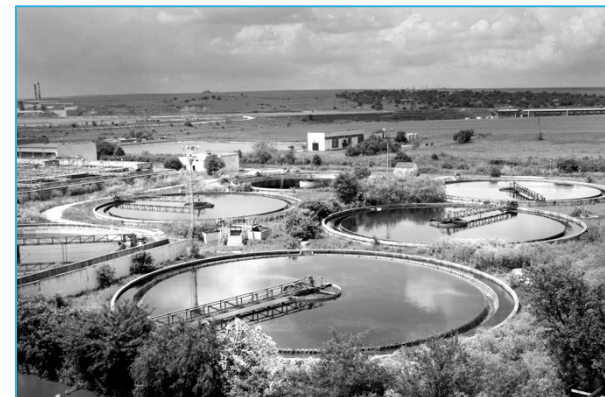
Financing Opportunities For The Industry

- Investor Needs
 - Diversified project portfolio (e.g. multiple developers, sectors, geographies)
 - Clear path to attractive financial returns
 - Contracted and stable feedstocks and revenues
 - Commercially-proven technologies
 - Strongest developers with a proven track record
 - Commitments for majority of project financing
- Project Developer Needs
 - Type and timing of capital to meet project needs
 - Specific financial structuring expertise and options
 - Support to increase returns from environmental credits and other commodities
 - Experience with enhancing value and liquidity



Take-Away Messages

- Institutional investors are growing real asset portfolio allocations
- Investors are interested in the sector but need significant education and an investment strategy that meets their requirements
- New capital providers are structuring wastewater and biogas project portfolios to meet investor requirements
- Critical to collectively communicate the opportunity in a way that relates to the institutional investor's view of the world



Thank You!

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