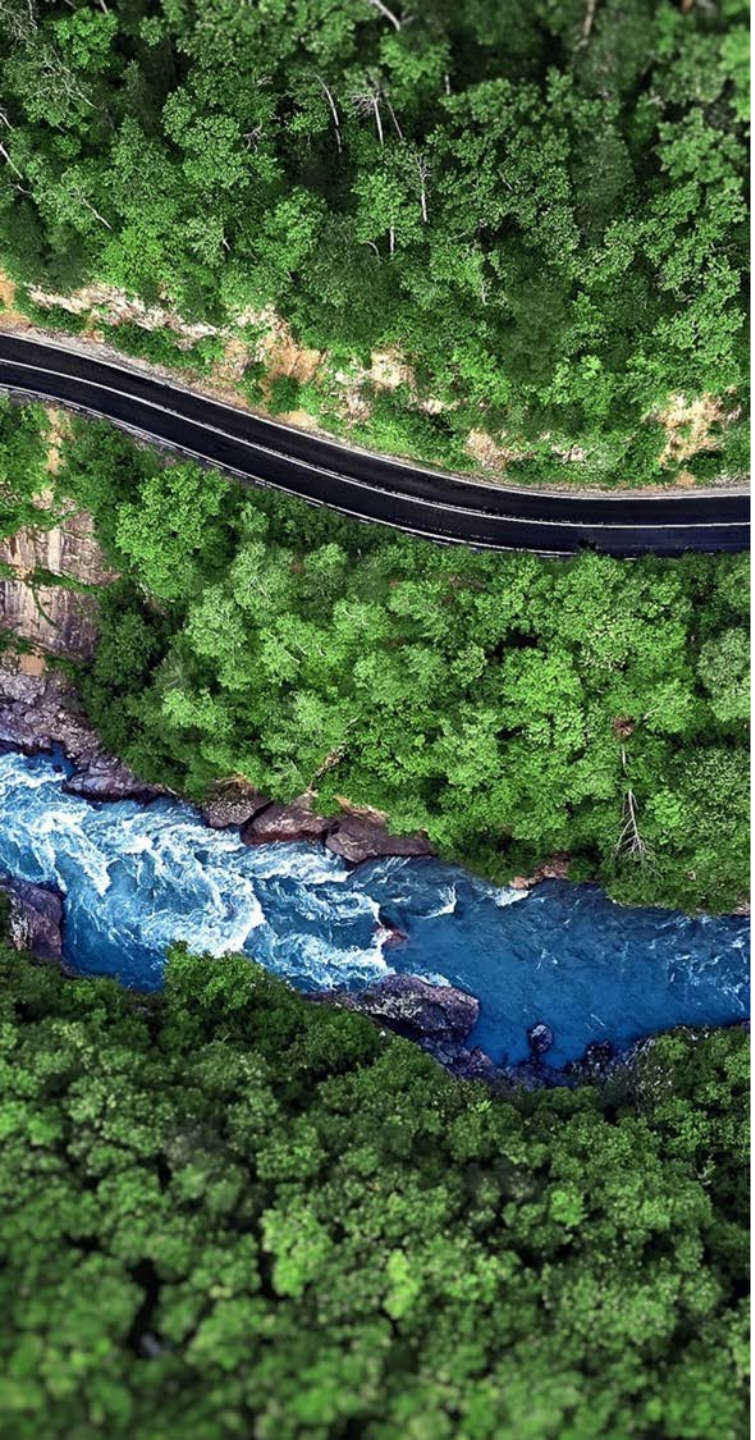




Innovative financing for I/A septic technologies and management

MSY 5/17



**Quantified Ventures advises,
develops, and structures creative
financing solutions that drive
transformational health, social,
and environmental impact.**

Certified

Corporation

Connecting environmental and social projects with impact-oriented capital through innovative structures

What is impact investing?

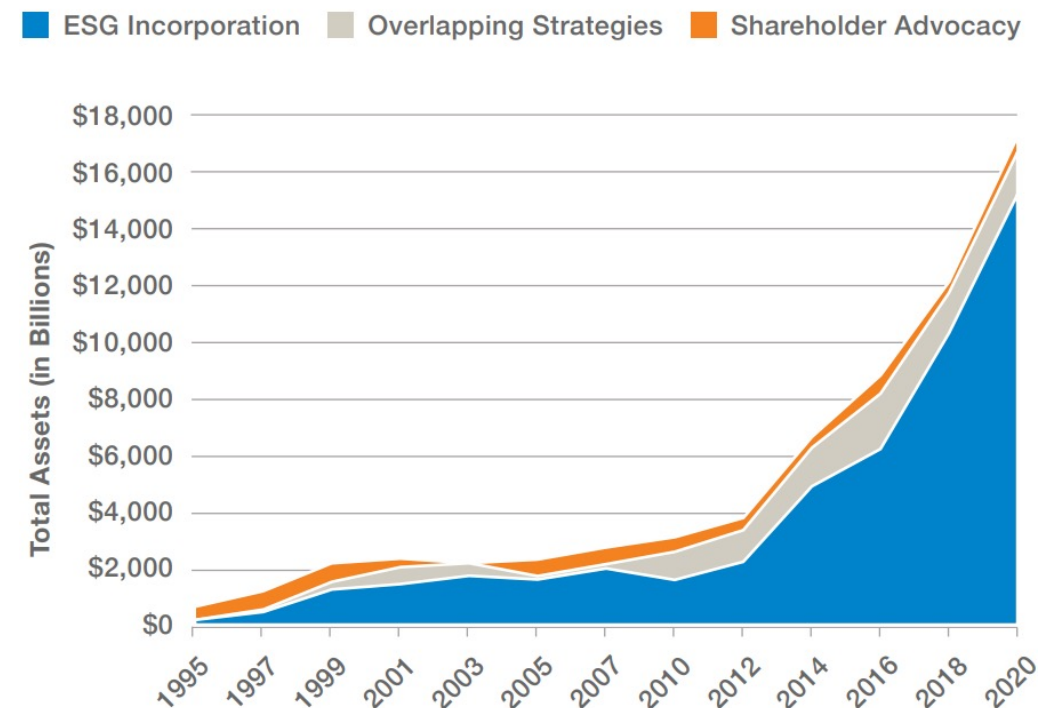
A rapidly growing segment of the investment sector that is concerned with the ESG impacts of their investments:

- Environmental: How does it improve the environment?
- Social: How does it improve human lives?
- Governance: How does it support best practices in the private or public sector?

The challenge:

Matching the right **projects** with the right **investors** in the right **investment vehicle**, while delivering competitive **risk-adjusted return**

Sustainable Investing in the United States 1995–2020

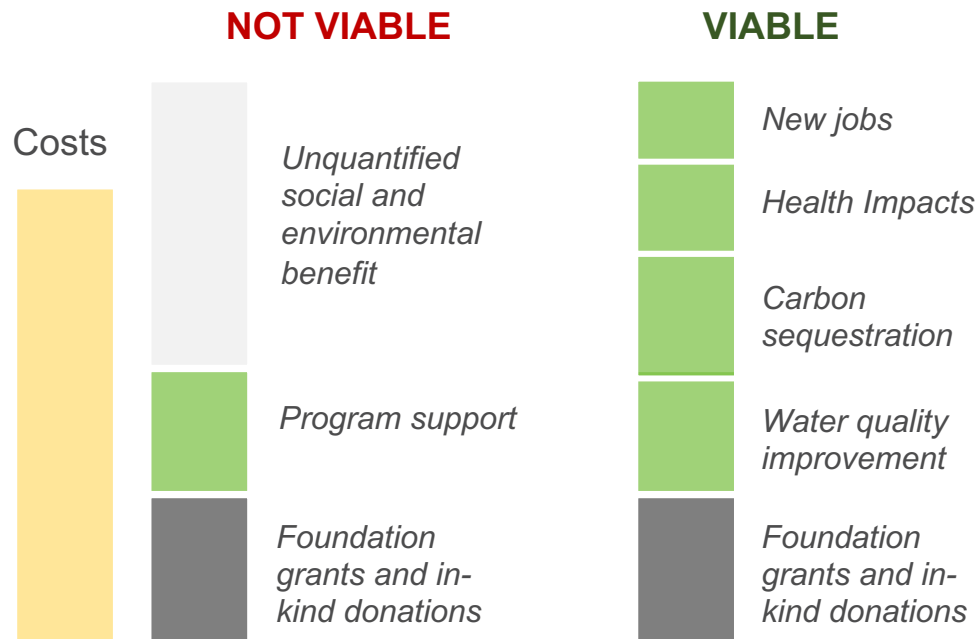


Source: US SIF 2020 Trends Report

Structuring investments that crowd-in payors, partners, and investors by quantifying outcomes

- QV's expertise in project development and transaction structuring hinges on two key elements:
 - What are the **benefits** associated with the project?
 - What **financing structure** is best suited for crowding in partners and payors based on those benefits?

Stacking Capital + Payors



Financing Structures to Deliver ROI + Impact

Financial Capital Markets <i>Financial: Market Rate</i>	Equity	Debt	
Impact Investing Markets <i>Financial + Social</i>	ESG Screening	Mission-Related Investment	Program-Related Investment
Philanthropy & Giving Markets <i>Social: Below Market Rate</i>	Credit Enhancement	Reimbursable Grants / Loss Reserve	Grants / Philanthropy



Soil and Water Outcomes Fund

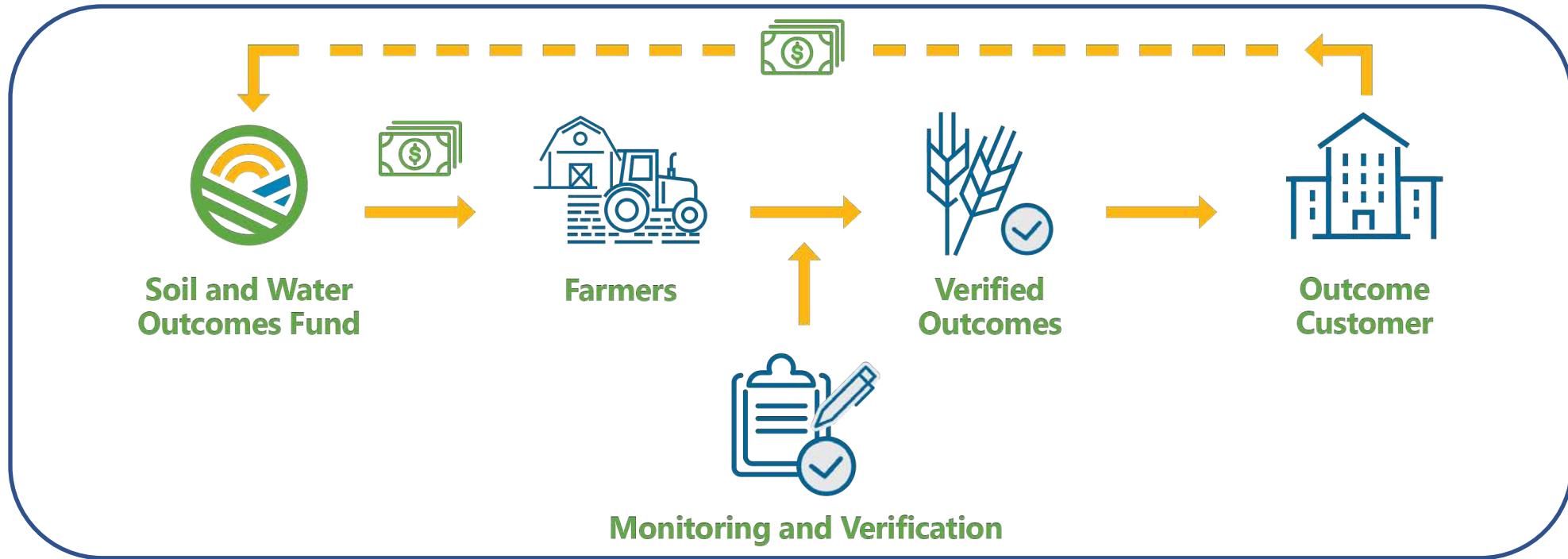


The Soil and Water Outcomes Fund partners with private and public entities to **deliver high-quality, cost-effective environmental outcomes** such as water quality and greenhouse gas improvements within partner supply chains and priority watersheds



The SWOF generates these outcomes by **providing financial incentives, technical assistance, and monitoring and verification to farmers** to support new conservation practices such as cover crops and reduced tillage

QV Case Study: Blended capital stack produces verified environmental outcomes for payors



Step 1

Soil and Water Outcomes Fund secures purchase agreements with CO₂e and water quality customers

Step 2

Soil and Water Outcomes Fund raises a blended capital stack from federal, state, philanthropic, and private capital

Step 3

Farmers propose the new conservation practice or practices they wish to implement

The Fund provides payment to participating farmers based on the resulting environmental outcomes produced

Step 4

Outcomes are measured, monitored, and verified using USDA-approved models, soil and water sampling, and remote sensing

Step 5

Once verified, environmental outcomes are sold to corporations, utilities, municipalities, and state or federal government entities

QV Case Study: Scaling a successful single-state pilot nationwide

2020 → 2021

Scale

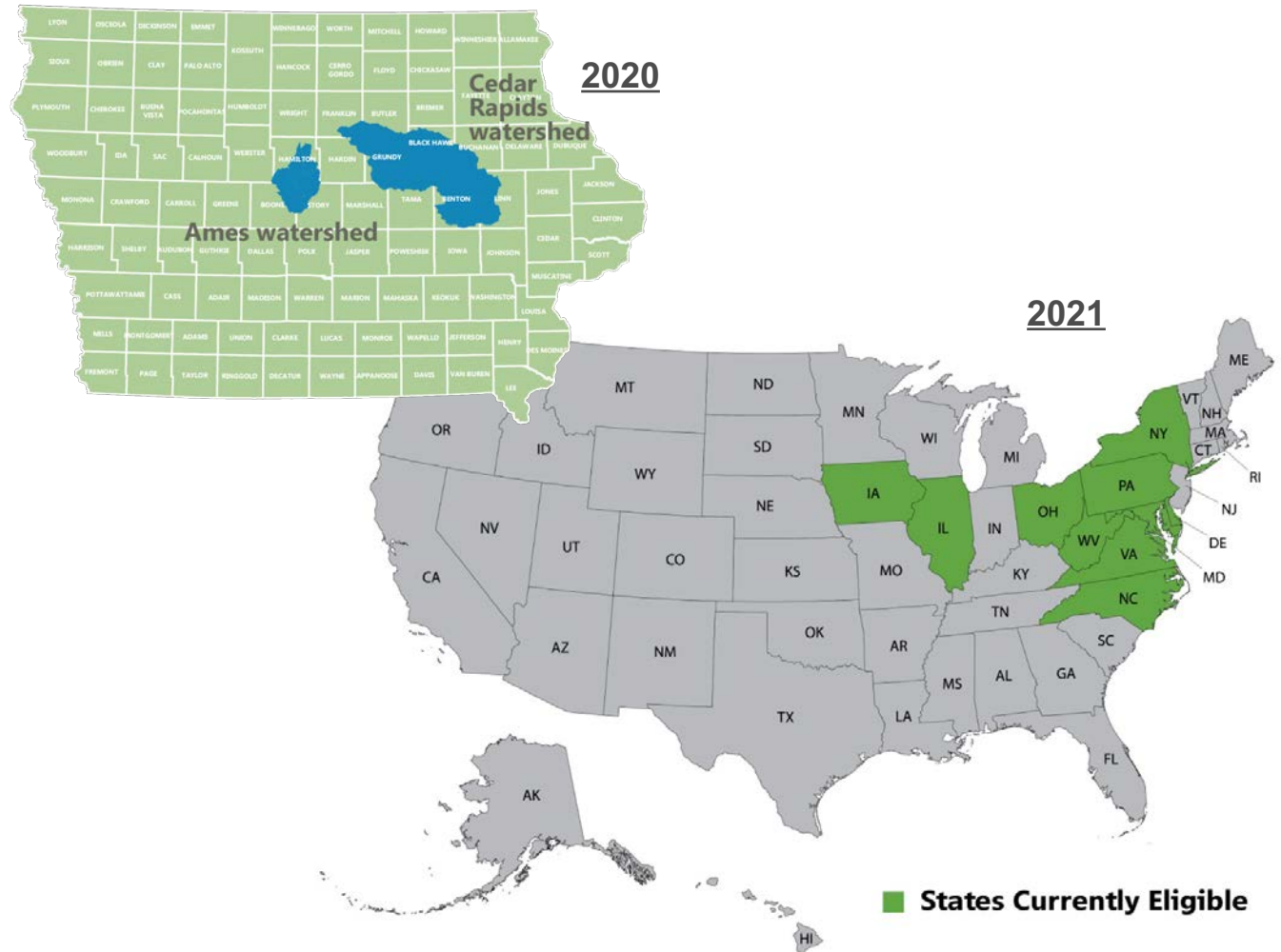
Acres enrolled: 10,000 → 100,000
Active states: 1 → 10

Outcomes customers

Municipalities: 2 → 3
Multinat'l corporations: 1 → 6
Federal & state agencies: 0 → 2
Nat'l nonprofits: 0 → 1

2022

The Soil & Water Outcomes Fund receives an EPA PISCES award





Potential roles of private impact capital

- Complement available public and philanthropic capital
- Allow additional financing & organizational structural options
- Bridge program operations between public funding awards
- Cover ineligible uses of public funding
- Accelerate and smooth overall path to General Permit status and wider market adoption

Financial Structuring Decision Points

- What are potential investment vehicles for public, private, or blended capital in this use case?
- What types of capital should be pursued, and when?
- What are the potential public, private, or hybrid governance structures to receive, oversee, and deploy capital?
- What risk/return profile can be structured given expected costs, revenues, and challenges?
- What are outcomes that attract additional payors or partners? (e.g. water quality offsets, health outcomes)



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