



***Clean Energy***<sup>®</sup>

*North America's leader in clean transportation*

## **Private Funding**

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# Private Funding

Who has the money?

- Banks
- Funds
  - Venture funds
  - Private equity funds
  - Hedge funds
- Public Markets

# Private Funding Matrix

	Instrument	Cost of Capital	Benefits	Drawbacks
Banks	Loans/debt	Low	<ul style="list-style-type: none"> <li>● Relatively cheap</li> <li>● Generally uncomplicated</li> </ul>	<ul style="list-style-type: none"> <li>● Tough credit market</li> <li>● Limited to asset value</li> <li>● Not flexible</li> </ul>
Funds	Convertible debt with equity kickers	Varies	<ul style="list-style-type: none"> <li>● Flexible</li> </ul>	<ul style="list-style-type: none"> <li>● Watch your wallet</li> </ul>
Public Markets	Equity	High	<ul style="list-style-type: none"> <li>● No covenants</li> <li>● Stock as a currency</li> </ul>	<ul style="list-style-type: none"> <li>● Market is shut down</li> <li>● Public company disclosure/liab. (SEC, Sarbox)</li> </ul>

## Private Funding

- How do you get the introduction?
  - Existing relationships
  - Accountants
  - Lawyers
- Lean on friends or business contacts
- Use a cold call only as a last resort