



Spruce Finance Closes \$124 Million Residential Solar Financing Package with Vantage Infrastructure and Sequoia Economic Infrastructure Income Fund

Residential solar asset owner-operator will use funds to accelerate growth plans

HOUSTON, TX – May 4, 2020 – Spruce Finance, the largest private owner and operator of distributed generation solar and residential energy assets in the U.S., has closed a \$124 million debt financing deal for its portfolio of residential solar power purchase agreements (PPAs) and leases with Vantage Infrastructure and Sequoia Economic Infrastructure Income Fund (SEQI).

The funds will provide a significant capital boost to Spruce’s M&A and organic growth objectives, as well as pay off an existing loan on its solar rooftop assets. In addition, the funds will be invested in corporate initiatives to provide enhanced customer service and experiences for the tens of thousands of solar homeowners under contract with Energy Services Experts (ESE), Spruce’s customer and asset servicing subsidiary.

“To raise \$124 million in debt financing in the midst of the COVID-19 crisis is not only a remarkable vote of confidence in Spruce from Vantage Infrastructure and Sequoia Investment Management, but also an affirmation of distributed solar as a sought-after asset class by the capital markets in general,” said Christian Fong, CEO of Spruce Finance. “The benefits of this new capital infusion will be seen nearly immediately, as we work toward acquiring additional solar portfolio acquisitions in the near future, and further scale up customer service.”

“Several years ago, our team identified residential solar financing as a compelling investment opportunity for our clients. Investing in this space meets our responsibility to support the low carbon energy transition delivering positive environmental and social outcomes,” said Nick Cleary, Partner with Vantage Infrastructure. “As one of the first institutional investors in the distributed solar sector, we remain active in this space and are very pleased to have the opportunity to partner with the Spruce team to support the growth of their successful approach to rooftop solar asset acquisition and management, and their in-house, customer-centric operational capabilities through ESE.”

“Distributed energy infrastructure investment is only increasing, in our view,” said Dolf Kohnhorst, Director of Sequoia Investment Management, the investment adviser to SEQI. “Well-managed residential power is a core part of 21st century’s clean energy infrastructure and grid enhancement. We are pleased to be significantly supporting the growth of Spruce as part of this process.”

Legal counsel was provided by Troutman Sanders for Spruce and by Norton Rose Fulbright for the lenders. Key Bank Capital Markets served as financial adviser.

About Spruce Finance

Spruce Finance (www.sprucefinance.com) owns and operates a growing portfolio of distributed generation solar and residential energy assets in the U.S. Headquartered in Houston with executive offices in San Francisco, Spruce manages or owns more than 200 MW of installed capacity and is actively acquiring operating distributed solar PV assets in North America. Spruce's independent subsidiary, Energy Service Experts (www.energyserviceexperts.com), provides comprehensive asset management services to solar and energy efficiency customers across the U.S.

About Vantage Infrastructure

Vantage Infrastructure (www.vantageinfra.com) is an independent investment firm comprising an experienced team, long-standing institutional relationships and a diverse equity and debt infrastructure investment portfolio with over US\$4 billion invested in infrastructure assets across North America, UK, Europe and Australia on behalf of global investors. Vantage Infrastructure's debt business has deployed over US\$3.5 billion across more than 100 investments since 2012. Invested capital information for Vantage Infrastructure as at 31 December 2019.

About Sequoia Economic Infrastructure Income Fund

SEQI (www.seqifund.com) is a FTSE 250 investment trust, which specialises in economic infrastructure debt. The company seeks to provide investors with regular, sustained, long-term distributions and capital appreciation from a diversified portfolio of senior and subordinated economic infrastructure debt investments. The company is advised by Sequoia Investment Management Company Limited.

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