

The background of the report cover is a photograph of a serene night landscape. The sky is dark and filled with numerous stars. A vibrant green aurora borealis is visible in the upper right portion of the sky. Below the sky, a dark silhouette of a forest of evergreen trees is reflected in a calm body of water. The water's surface is dark, mirroring the stars and the aurora. A solid green curved shape is at the bottom of the image, separating the photograph from the company logo.

2021 NORTH SKY CAPITAL

IMPACT REPORT

North Sky
CAPITAL

2006 First impact private equity fund

2010 First sustainable infrastructure fund –
Triple bottom line of returns, jobs and
the environment

2012 First impact report

2013 First impact secondaries fund –
First of its kind worldwide

2019 Low Income Communities investment
initiative commences

2020 20th Anniversary of North Sky

2021 10th impact fund

Investments for a Better Tomorrow

At North Sky, we seek to create positive social and environmental impact while generating strong financial returns. We are dedicated to bringing impact investors and innovation together through transformative investment funds. We are currently investing from funds in two main strategies: impact private equity (secondaries) and sustainable infrastructure (directs). We also have the ability to do collaborative work more broadly with large, individual clients in the form of separately managed accounts.

Now in our 21st year and as we begin to evaluate investments for our 10th impact fund, we are proud of having been in the vanguard of this important movement to use private investment capital to make the world a better place.

We have had our share of “firsts” along the way, including the first impact secondaries fund worldwide. In the early days of this movement (2005-8), we channeled investment capital to the development of reliable and cost-effective electric vehicles, solar power, LED lighting, energy storage, water technology and agricultural advancements, among many others. In the depths of the Great Recession in 2010, we collaborated with skilled American and Canadian workers to create high-paying construction jobs and build vital solar, wind, renewable fuels and water infrastructure.

As ESG/impact investing began to go mainstream circa 2013, we launched the first of a series of secondaries funds that brought liquidity and depth to the marketplace, providing CIOs with a much-needed portfolio management tool and giving prospective first-time impact investors confidence they could take the leap knowing an earlier path to exit was now available should they ever need it.

Most recently, we recognized many places in America were being overlooked and were in dire need of investment. Accordingly, we launched a new initiative in 2019 focused on sustainable infrastructure projects in Low Income Communities in urban and rural areas across the United States through the U.S. Treasury’s Opportunity Zones and New Markets programs. This initiative is designed to (1) earn an attractive investment return for our investors, (2) move our country’s energy, waste and water infrastructure toward a more sustainable future and (3) boost economic development and job creation in downtrodden areas.

Our heritage is founded upon hard work, innovation, diversity and a commitment to do what is right. It gives us pride to be a central player in this important ecosystem. Each day we come to work humbled and energized by the fact that we are positioned to see opportunity, recognize where need exists and act upon it for the benefit of our investors, as well as the world at large.

Our heritage is founded upon hard work, innovation, diversity and a commitment to do what is right.

After more than two decades of operations, the knowledge and capabilities of our investment team are stronger than ever, as is our desire to keep innovating. We continue to grow and add to our team and investment offerings. We know that great opportunity lies ahead and are excited about the future. If you haven’t already, we hope you will join us in building a cleaner, brighter tomorrow.

Update: We have issued public impact reports biennially since 2012. Going forward, we will release our impact reports annually with the goal of providing more detail on a subset of our portfolio and the “good” that we are achieving.

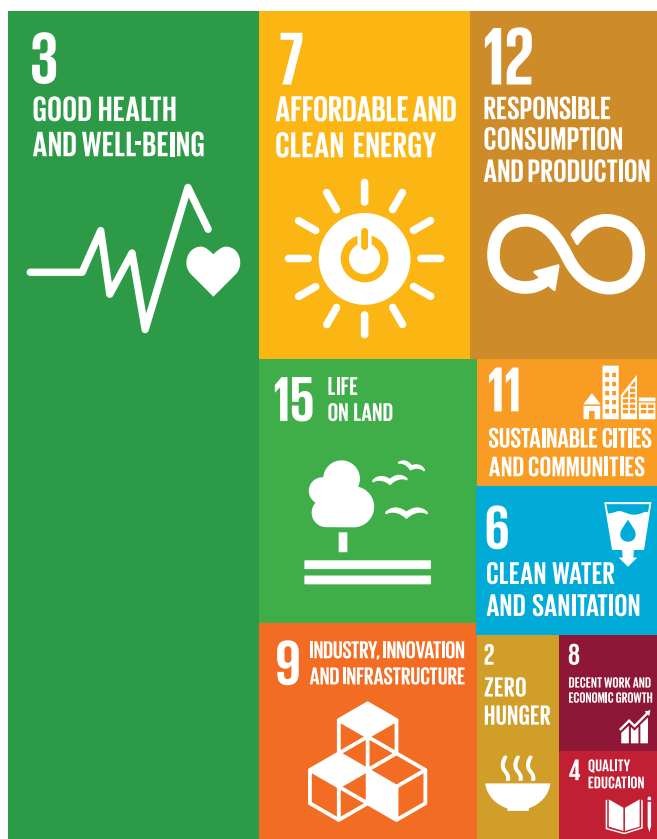
Aligning Our Impact with the Sustainable Development Goals

At North Sky, we are committed to making investments that align with the United Nations Sustainable Development Goals (“SDGs”), which offer our industry a common language for discussing our impact. Our investments are typically diversified across a multitude of industries such as renewable energy, energy storage, transportation, water, sustainable agriculture and healthy living.

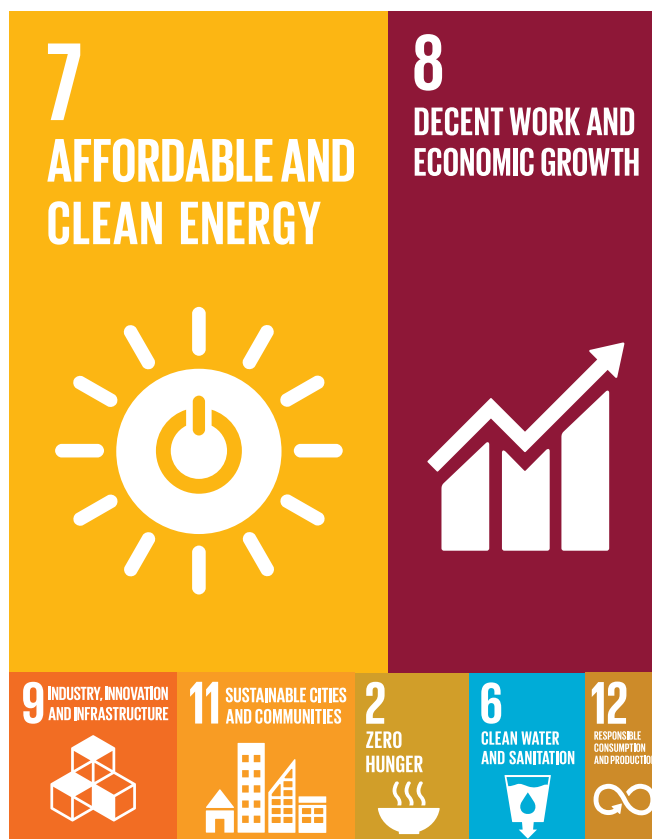
We continue to revise our impact reporting methodology and now map our current portfolios to the SDGs based on how company or project business plans and / or impact metrics contribute to the Target Indicators underlying each SDG. More information on the SDGs and their Target Indicators is available at <https://www.globalgoals.org/>.

We believe this approach provides a more quantifiable representation of our alignment with the SDGs. Below are the heat maps demonstrating how companies in our current Impact Private Equity fund (Clean Growth V or “CG V”) and projects in our Sustainable Infrastructure funds map to the SDGs.

**CLEAN GROWTH V PORTFOLIO
EXPOSURE TO UN SDGs**




**SUSTAINABLE INFRASTRUCTURE PORTFOLIO
EXPOSURE TO UN SDGs**




Size is based on number of portfolio companies / projects that relate to a given SDG via its underlying Target Indicators.

As the prior charts suggest, North Sky's funds align with ten of the Sustainable Development Goals:


2
ZERO HUNGER


End hunger, achieve food security and improved nutrition and promote sustainable agriculture



Coastal Growers is helping family farmers increase their profits by 30-35%.
See page 16 for more details.


TARGET
2-3



Coastal Growers aligns with SDG 2 through Target 2.3 – “double the productivity and incomes of small-scale food producers”

3
GOOD HEALTH AND WELL-BEING


Ensure healthy lives and promote well-being for all at all ages




Medable is targeting to reduce clinical trial timelines by 50%. See page 8 for more details.


TARGET
3-B



Medable aligns with SDG 3 through Target 3.B – “support research, development and universal access to affordable vaccines and medicines”


4
QUALITY EDUCATION


Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all




Education.com has supported more than 13 million teachers with content to assist their instruction.


TARGET
4-6



Education.com aligns with SDG 4 through Target 4.6 – “universal literacy and numeracy”


6
CLEAN WATER AND SANITATION


Ensure availability and sustainable management of water and sanitation for all



NSU has treated more than 40 billion gallons of wastewater and reused approximately 15 billion gallons of water.

TARGET
6-3



NSU aligns with SDG 6 through Target 6.3 – “improve water quality, wastewater treatment and safe reuse”

7 AFFORDABLE AND
CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all

Project Northstar

Project Northstar developed 38 MW of community solar gardens in Minnesota.

TARGET 7-2



Project Northstar aligns with SDG 7 through Target 7.2 – “increase global percentage of renewable energy”

8 DECENT WORK AND
ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



FLS used 230,000+ hours of high-quality union labor to construct new solar power facilities.

TARGET 8-8



FLS aligns with SDG 8 through Target 8.8 – “protect labour rights and promote safe working environments”

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Seaboard Energy is upgrading an idle industrial facility for a sustainable future.
See page 15 for more details.

TARGET 9-4



Seaboard Energy aligns with SDG 9 through Target 9.4 – “upgrade all industries and infrastructures for sustainability”

11 SUSTAINABLE CITIES
AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable

Project Golden Bear

Project Golden Bear will prevent 6,000 metric tons of methane from being flared or released into the atmosphere annually. See page 10 for more details.

TARGET 11-6



Project Golden Bear aligns with SDG 11 through Target 11.6 – “reduce the environmental impacts of cities”

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

ecore™

Ecore diverts 112 million pounds of used truck tires from landfills to productive uses annually.
See page 12 for more details.

TARGET 12-5



Ecore aligns with SDG 12 through Target 12.5 – “substantially reduce waste generation”

15 LIFE ON LAND



Protect, restore and sustainably use of terrestrial ecosystems to reverse land degradation and halt biodiversity loss

Domain
CAPITAL GROUP

North Sky’s wetlands mitigation investments with Domain Capital Group are conserving and restoring more than 7,300 acres of natural habitat.

TARGET 15-1



These investments align with SDG 15 through Target 15.1 – “conserve and restore terrestrial and freshwater ecosystems”

17 PARTNERSHIPS FOR THE GOALS



TARGET 17-17



North Sky itself contributes to SDG 17 – “Partnerships for the Goals” – through Target 17.17 – “Encourage Partnerships” – by sharing knowledge and actively participating in impact-focused organizations, such as the Intentional Endowments Network (founding member), Principles for Responsible Investment (early signatory), The Forum for Sustainable and Responsible Investment (member), Confluence Philanthropy (member) and the Impact Capital Forum (member). North Sky has also been consistently selected by ImpactAssets as a manager within their annual IA 50 database since 2017.



Sustainable Development Goals in Action



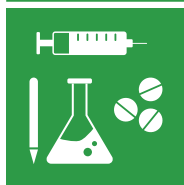
SDG 3 (“Good Health and Well-Being”) aims to “ensure healthy lives and promote well-being for all at all ages.”¹ Its objectives include reducing maternal, newborn and infant mortality rates, lowering rates of suicide and death from chronic illness (e.g., heart disease, cancer, diabetes, etc.), ending a range of epidemic diseases (e.g., AIDs, malaria, etc.) and strengthening treatment for alcohol and drug addiction, among others. In the United States in 2017, the infant and maternal mortality rate was 5.8 per 1,000 live births, the third highest among OECD countries, trailing only Mexico and Turkey.² Likewise, in 2017, 14 out of every 100,000 Americans died from suicide, the highest rate since the Second World War.³ More recently, the COVID-19 pandemic and opioid crisis have underscored the necessity of SDG 3’s objective to secure our physical and mental well-being. Approximately one third of the companies in North Sky’s latest impact secondary fund align with SDG 3, including Medable, which is part of CG V’s 10K Lakes investment and is profiled here.

TARGET 3•4



REDUCE MORTALITY FROM NON-COMMUNICABLE DISEASES AND PROMOTE MENTAL HEALTH

TARGET 3•B



SUPPORT RESEARCH, DEVELOPMENT AND UNIVERSAL ACCESS TO AFFORDABLE VACCINES AND MEDICINES



BUSINESS DESCRIPTION

Medable is a developer of an online platform designed to accelerate the path to discovering medical cures. The company offers an end-to-end, cloud-based platform that enables professionals to streamline their clinical trial research with patients in a comfortable remote environment. Medable’s mobile device application provides an easy-to-use healthcare platform that physicians and patients can use to communicate in a convenient remote location.

IMPACT THESIS

Medable aligns with SDG 3 through Target Indicator 3.4 (“Reduce mortality from non-communicable diseases and promote mental health”) and Target 3.B (“Support research, development and access to affordable vaccines and medicines”).

Medable’s technology improves clinical trial efficiency, global access and patient communication. The platform enhances the quality and accuracy of data necessary to evaluate the effectiveness of new drugs, thereby shortening the time from trial enrollment to market introduction. Additionally, the company’s model reduces the cost of recruiting and enrolling trial participants.



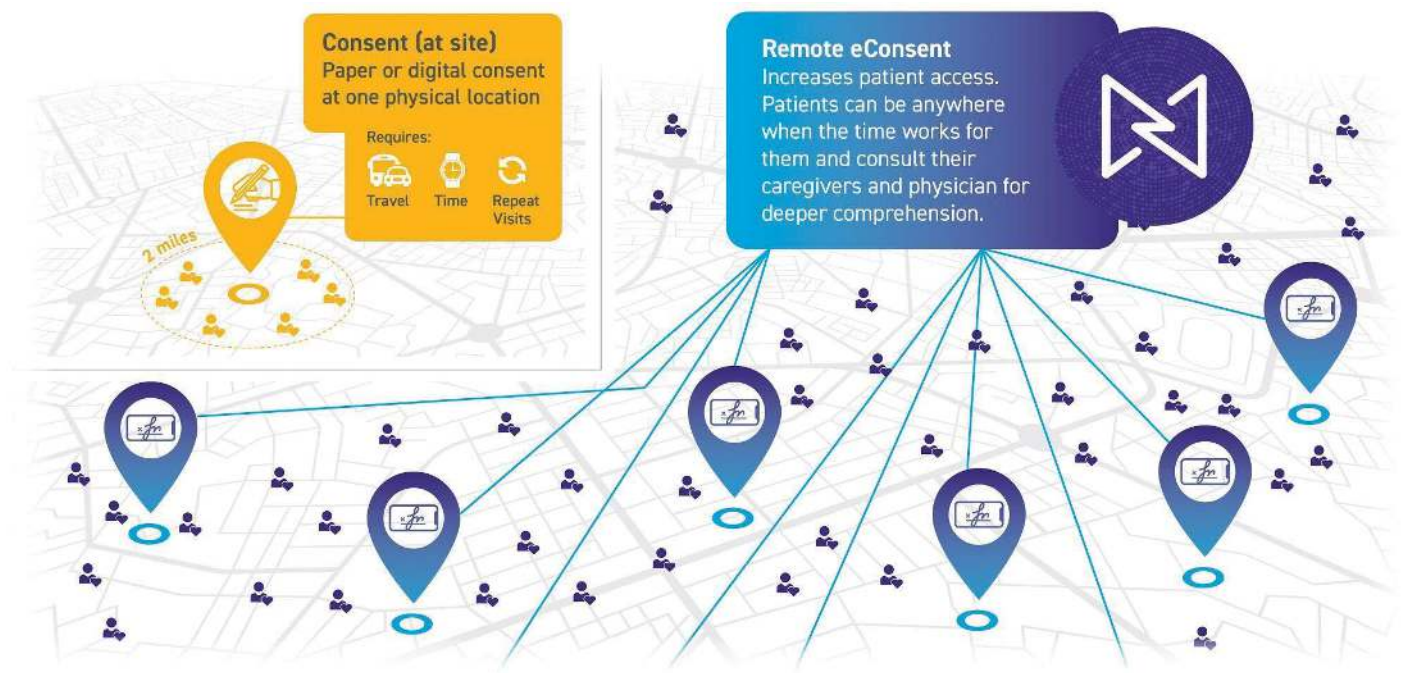
COVID-19 RESPONSE

As trial analysis continues in the midst of the COVID-19 crisis, Medable is able to securely track real-time data and interpret results to distinguish whether or not study modifications are needed. Medable is working alongside pharmaceutical / biotechnology companies, clinical research organizations, and Academic Research Centers to continue advancing research efforts and HIPAA compliant telehealth visits. Medable can rapidly deploy direct-to-patient technologies to enable clinical trials, in some cases in less than 6 days. Medable has experienced a material uptick in demand for its cloud-based direct-to-patient clinical trial platform as several biopharma companies have accelerated the use of virtual / decentralized clinical trials. Medable is involved with approximately 40% of all COVID-19 related trials in the U.S. Dr. Michelle Longmire, CEO of Medable, stated, "We know now that when patients are able to access a clinical trial online, using telemedicine and remote consent, most clinical trials will enroll three times faster. That's an incredible data point that we didn't know before COVID-19."¹⁴

IMPACT METRICS

- Technology is being used by over one million patients across five continents
- Targeting to reduce clinical trial timelines by 50%
- Decreases enrollment time at trial site by 80%
- \$30 million in sponsor savings with the aid of direct-to-patient model
- Accelerated deployment of 10-14 weeks
- Female CEO and co-founder and over 30% of the senior leadership is female

Medable is involved with approximately 40% of all COVID-19 related trials in the U.S.





SDG 11 (“Sustainable Cities and Communities”) aims to “make cities and human settlements inclusive, safe, resilient and sustainable.”¹ Over the past decade the emergence of the Internet of Things (“IoT”) has opened new possibilities for creating more sustainable and efficient systems. Following the Great Recession, the United States and Canada made significant investments in smart meters. Today, smart meters enjoy about 60% market penetration in North America and are expected to reach 80%+ by 2024.⁵ Together with better and more widely deployed sensor technology and massively increased computing power and data center capacity, these developments are opening new possibilities for how we construct and manage the built environment. Both North Sky’s Impact Private Equity and Sustainable Infrastructure funds are investing in companies and projects that advance the future of cities, including Project Golden Bear, the inaugural investment in our Low Income Communities initiative, that is profiled here.



PROJECT GOLDEN BEAR

PROJECT DESCRIPTION

Project Golden Bear is a new wastewater methane-to-renewable natural gas (“RNG”) project located at the Victor Valley Wastewater Reclamation Authority’s (“VWVRA”) existing wastewater treatment facility in Victorville, California in the Greater Los Angeles area. The project is a Public Private Partnership involving VWVRA, North Sky Capital and the project’s developer, Anaergia, which is a global leader in the waste-to-energy and waste-to-value sectors. The project aims to capture waste methane produced by the VWVRA facility, upgrade it to pipeline-quality RNG and sell that RNG under long-term contract to the local regulated gas utility.

IMPACT THESIS

Project Golden Bear aligns with SDG 11 (“Sustainable Cities and Communities”) through Target 11.6 (“Reduce the Environmental Impact of Cities”), which specifically focuses on improving “air quality and municipal and other waste management.”

VWVRA processes approximately 10.7 million gallons of wastewater per day. This activity produces significant quantities of waste methane, which the facility mostly flares (burns) or releases into the atmosphere. According to the U.S. Environmental Protection Agency, the comparative impact of such methane emissions is “25 times greater than CO₂” while methane emissions from wastewater treatment facilities and other top methane producers such as

MUNICIPAL WASTEWATER
Processed effluence forms
project feedstock



agricultural waste and landfills accounted for approximately 10% of all U.S. greenhouse gas emissions in 2017.⁶ In its efforts to reduce methane emissions from landfills, California has mandated that 75% of the state's organic waste be diverted to other uses by 2025.

Project Golden Bear will significantly reduce the amount of methane that VVWRA is currently emitting into the atmosphere from its wastewater treatment activities. This helps position VVWRA to capture new revenue streams from the acceptance and processing of organic waste diverted from landfills to comply with California law in the coming years. RNG produced by Project Golden Bear will also displace conventional natural gas in the local gas distribution network, reducing demand for extraction of such molecules. Lastly, Project Golden Bear's construction and related activities are expected to create high quality, good paying green jobs in a Low Income Community.

IMPACT METRICS

- Prevents 6,000 metric tons of methane per year from being flared or released into the atmosphere by VVWRA
- Produces 320,000 mmbtu of renewable natural gas per annum, displacing a like amount of conventional natural gas in the local distribution network; the equivalent of supplying over 4,470 homes with renewable natural gas each year
- Increases capacity of VVWRA to accept and process organic waste diverted from landfills under California law
- Generates new revenue source for a critically important municipal authority in a Low Income Community
- Creates approximately 30 prevailing wage green jobs via construction and related work in an Opportunity Zone

Project Golden Bear's construction and related activities are expected to create high quality, good paying green jobs in a Low Income Community.

ANAEROBIC DIGESTION

Converts waste feedstock into methane gas



BIOGAS UPGRADING

Improves raw biogas to pipeline specifications (RNG)



GAS PIPE INJECTION

Connects RNG to utility natural gas pipeline



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12 (“Responsible Consumption and Production”) aims to “ensure sustainable consumption and production patterns.”¹ Its targets include achieving “sustainable management and efficient use of natural resources,” halving global food waste, achieving “environmentally sound management of chemicals and all wastes”, and reducing “waste generation through prevention, reduction, recycling and reuse.” As the world’s population grows and resources are depleted, reusing products and reducing waste becomes increasingly important. Today, both companies and consumers are more aware of the environmental impacts of commerce and demand sustainable products and practices. Both North Sky’s Impact Private Equity and Sustainable Infrastructure funds invest in companies and projects that advance the circular economy, including Ecore International (“Ecore”), which is a recycled products company in which CG V invested in late 2020. Prior North Sky funds have also invested successfully in Ecore, which is profiled here.

TARGET 12-5



SUBSTANTIALLY
REDUCE WASTE
GENERATION



BUSINESS DESCRIPTION

Ecore is a global leader in transforming rubber waste into products and surfaces used in sports and recreation, fitness, healthcare, hotels, commercial interiors, sound isolation, transportation and industrial markets. Derived from upcycled tires, the product is easy to install and fully recyclable. Since rubber can be continually recycled without degradation, as is common with paper and plastics, their products can be looped indefinitely.

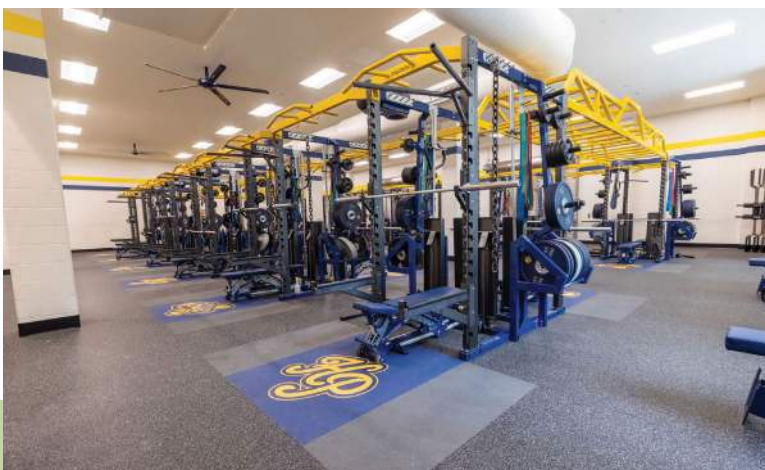
Ecore’s capabilities go beyond recycling — it is upcycling. Upcycling is the process of taking a material at the end of its life and improving it rather than throwing it away. A tire’s main functions are to support a vehicle’s weight, provide traction and absorb shock. When Ecore transforms tires into surfacing, they harness those attributes and elevate them so that their surfaces provide more safety, ergonomics and acoustics for the people interacting with their surfaces every day.

IMPACT THESIS

Ecore aligns with SDG 12 (“Responsible consumption & Production”) through Target 12.5 (“Substantially reduce waste to generation”).

Its products, 98% of which are derived from recycled material (primarily used tires), promote the circular economy through responsible consumption and production. The U.S. discards over 6 billion pounds of rubber tires annually and over 3.75 billion pounds of rubber are either burned or landfilled in the U.S. alone. To intervene, more than 38 states have outlawed landfilling whole tires as a pound of rubber emits more carbon than a pound of coal. Ecore’s ability to convert scrap tires and other waste materials into high-quality performance surfaces supports this call to action.

Additionally, Ecore’s load securement and damage prevention materials are approved for use by the Association of American Railroads and recognized by the Department of Transportation and Canadian Council of Motor Transport Administrators.



ECORE IN ACTION

As shown below, Methodist Mansfield Medical Center in Texas installed Ecore's Rx Collection during the expansion and renovation of their neonatal intensive care unit. The flooring for this project diverted 5,897 pounds of tire rubber from landfill, equivalent of about 59 tires.⁷ Additionally, the flooring's high-performance acoustical abatement and cushioning properties contributes to the ongoing health and wellness for both staff and patients.

IMPACT METRICS

- In 2019, Ecore diverted more than 112 million pounds of truck tires from landfills or incineration into its products
- Made from 92% recycled rubber and compatible with radiant heat systems
- Americans with Disabilities Act compliant pour-in-place playgrounds and safety play tiles
- Highest safety rating in the sports surfacing/turf industry
- Low Volatile Organic Compound emissions
- Load securement product safely reduces loading and unloading times by 50%



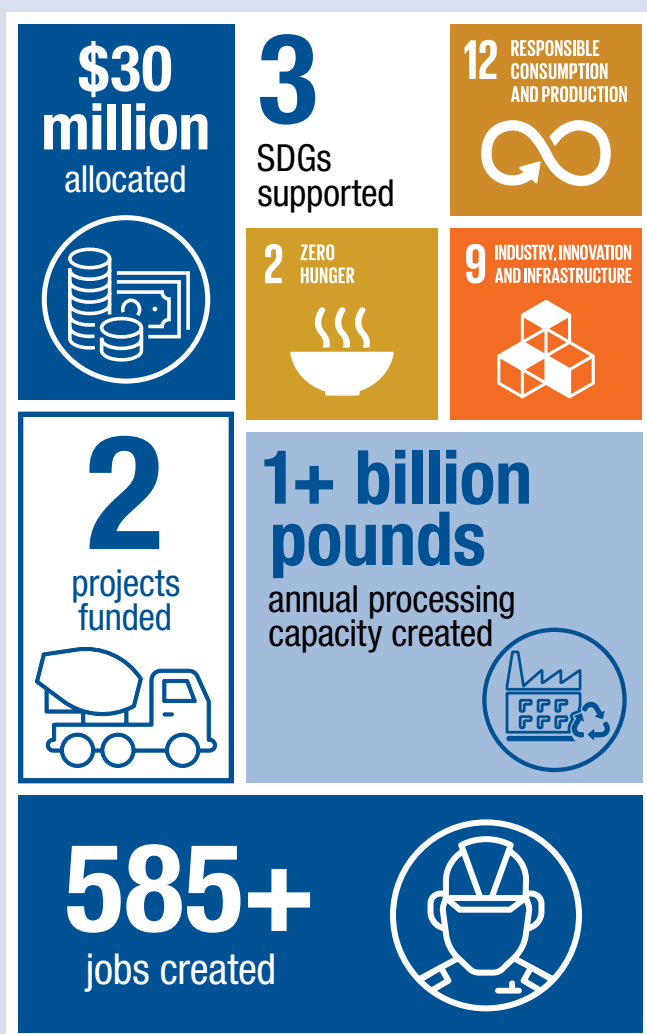
98% of Ecore's products are derived from recycled material.

IMPACT SPOTLIGHT

NATIONAL IMPACT FUND

As part of North Sky's broader effort to increase investment in sustainable infrastructure solutions for Low Income Communities ("LICs") across the United States, the firm formed its ninth impact fund, National Impact Fund, LLC ("NIF"), as a Qualified Community Development Entity ("CDE") in 2019.⁸ NIF is focused on investments in clean energy, climate smart agriculture and clean manufacturing projects in LICs nationally. In July 2020, the U.S. Treasury's Community Development Financial Institutions ("CDFI") Fund awarded NIF an initial allocation of \$30.0 million of New Markets Tax Credits ("NMTCs"). In December 2020 and January 2021, North Sky fully deployed NIF's initial NMTC allocation to two impact sustainable infrastructure projects – Seaboard Energy and Coastal Growers – which are described on the next pages.

NATIONAL IMPACT FUND IN ACTION



NMTC PROGRAM OVERVIEW

The NMTC program was created by the Community Renewal Tax Relief Act of 2000 and is administered by Treasury's CDFI Fund. The program "incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities."⁹ Over the past 20 years, the CDFI Fund has awarded \$61 billion of NMTC funding to CDEs that have supported more than 6,300 businesses and projects and helped create more than 1 million jobs in LICs across the United States.¹⁰ The CDFI Fund estimates that for every dollar of Federal funding, the NMTC program has generated \$8 of private investment to support these businesses and projects.⁹

In December 2020, Congress authorized a five-year extension of the NMTC program with \$5 billion of annual funding through 2025. In February 2021, a broad, bi-partisan group of 161 Senators and Representatives introduced the New Markets Tax Credit Extension Act of 2021, which aims to make the NMTC program permanent at the current \$5 billion per annum level.¹¹

North Sky has applied for a second NMTC allocation from the CDFI Fund, which is expected to announce its next slate of NMTC awards in mid-2021. We look forward to continuing to scale our impact through new investments in LICs nationally in the years to come.



TARGET 9-4



UPGRADE ALL INDUSTRIES AND INFRASTRUCTURES FOR SUSTAINABILITY

TARGET 12-5



SUBSTANTIALLY REDUCE WASTE GENERATION

PROJECT DESCRIPTION

In December 2020, NIF allocated \$15 million to support Seaboard Energy's retrofit of an idle ethanol processing facility in Hugoton, Kansas. Seaboard Energy is the North American bioenergy subsidiary of Seaboard Corporation, a NYSE-listed, Fortune 500 company that was originally founded in Boston in 1918 as the Seaboard Flour Company and today employs more than 25,000 people across diverse agriculture, energy and transportation operations on six continents.

The project aims to transform the existing, idle ethanol facility into one that produces renewable diesel from local agricultural waste. The new plant is expected to be able to process 680 million pounds of primarily rendered pork fat and beef fat annually and use it to produce more than 2 million barrels of renewable diesel per annum.

IMPACT THESIS

The project maps to SDG 9 ("Industry, Innovation and Infrastructure") through Target Indicator 9.4 ("Upgrade All Industries and Infrastructures for Sustainability") and SDG 12 ("Responsible Consumption and Production") through Target Indicator 12.5 ("Substantially Reduce Waste Generation").

In addition, the project is expected to create 300-400 construction jobs and 60 full-time positions in facility operations. To ensure a sufficient local talent pool, Seaboard Energy is partnering with Seward County Community College in neighboring Liberal, Kansas in the development of a new Process Technology technical curriculum for students.



The project is expected to create 300-400 construction jobs and 60 full-time positions in facility operations.





TARGET 2-3



DOUBLE THE
PRODUCTIVITY AND
INCOMES OF
SMALL-SCALE FOOD
PRODUCERS

TARGET 2-A



INVEST IN RURAL
INFRASTRUCTURE,
AGRICULTURAL
RESEARCH,
TECHNOLOGY AND
GENE BANKS

PROJECT DESCRIPTION

In January 2021, NIF allocated \$15 million to support Coastal Growers in constructing a peanut shelling facility at an old industrial site in Atmore, Alabama. Coastal Growers is a newly formed cooperative of 80 family farmers (and eventually 130 members) across southern Alabama, northwest Florida, southwest Georgia and Mississippi.

The \$90 million project broke ground in March 2021 and aims to create state of the art midstream agricultural infrastructure that will be critical for the long-term financial security of rural small farmers. Today, these farmers sell their crops to large commodity traders at local buying points for approximately \$400 per ton. By shelling the peanuts, the commodity traders are able to resell them for approximately \$700 per ton. The project is expected to process and store 200,000 tons of peanuts for its members per annum. The project is located near existing rail infrastructure to facilitate exports via the Port of Mobile, which is 50 miles to the south. By enabling participation in the value-added shelling process and facilitating direct market access, the project will help create financial stability for its members, who are expected to net a 30-35% increase in profits for their crops.

IMPACT THESIS

The project maps to SDG 2 ("Zero Hunger") through Target Indicators 2.3 ("Double the productivity and incomes of small-scale food producers") and 2.A ("Invest in rural infrastructure, agricultural research, technology and gene banks").

Furthermore, the project is expected to create 95 construction jobs and 130 direct jobs in operations. Coastal Growers is also collaborating with Coastal Alabama Community College to provide certifications and other training tools to assist employees in career advancement.



The project is expected to create 95 construction jobs and 130 direct jobs in operations.



Impact Momentum

North Sky's private equity and infrastructure funds generated substantial liquidity for our investors in 2020. Our funds have benefited from the continued mainstreaming of ESG, sustainable and impact investing, which has helped create significant demand and attractive exit opportunities for many impact companies and projects. Among the impact companies and projects to which North Sky bid adieu last year were the following:



AquaVenture Holdings
Water-as-a-Service Platform
Acquired by Culligan
March 2020



BrightFarms
Indoor vertical farming company
Partial exit to strategic Investor
October 2020



Building Energy
44 MW portfolio of operating solar and wind assets
Acquired by Falck and Eni
November 2020



Enbala Power Networks
Developer of renewable energy software
Acquired by Generac Power Systems
October 2020



Grand Ridge
100 MW operating wind asset
Acquired by Invenery
October 2020



HYLA Mobile
Mobile device recycling company
Acquired by Assurant
December 2020



Nautilus Solar
8 MW portfolio of operating solar assets
Acquired by Skyline
December 2020



Newterra
Modular treatment solutions for water and wastewater
Acquired by Frontenac
November 2020



Ostara
Water nutrient recovery technology provider
Acquired by Watech Group
July 2020



Soltage
16.5 MW portfolio of operating solar assets
Acquired by CleanCapital
January 2020



TAS Energy
Modular energy solutions
Acquired by Comfort Systems
March 2020



TPI Composites
Global wind blade manufacturer
Share sale to public markets
2020

Conclusion

As we begin to invest out of our 10th impact fund, we realize what an incredible journey we have been on these last 21 years. Our goals remain the same—earning an attractive return by investing for a better tomorrow—but a few things have changed along the way.

We now have offices in three locations: Minneapolis, New York and Boston. Our Minneapolis office is brand new and purpose-built for safe and effective in-person collaboration. Our overall team is now bigger and more diverse, with even broader capabilities. The professionals we have added over the past few years to all three offices have been transformative for the firm, helping us to widen our investment offerings and expand our investor base.

We expect similar transformation from our three most recent hires. Dale Freudenberger has joined us as an Operating Partner and will help us source, evaluate and manage sustainable infrastructure projects. He was previously the co-founder and CEO of FLS, one of the most successful renewable energy developers of the last decade. We have just refreshed part of our senior management team by adding Angie Wood as CFO, which allowed our former CFO, Denise Galvin, to transition to a Senior Advisor role. In addition, Rachael Polson has rejoined our team as Marketing Associate after a three-year stint at another local private equity firm. In many ways “adding” these professionals feels more like putting the band back together, as we have worked together over the past for 5-10 years and know each other well.

We hope you have enjoyed this report and that you seek further engagement with us. We are of course proud of our past achievements—of funding impactful companies in areas such as food, water, transportation, energy and healthy living & aging, as well as our financing of clean energy, waste and water infrastructure projects. But we remain acutely aware that nature’s resources are finite and the human condition is frail and often in need of repair. There is still so much work to be done. For those of us having the presence of mind to recognize this and the means to do something about it, the time to act is now.

Together, we can make the world a better place through our investments, as well as through our daily interactions with each other.

Together, we can make the world a better place through our investments, as well as through our daily interactions with each other. We can make our air and water cleaner, our food healthier, our industries less harmful to the environment, our communities safer and right the wrongs of abuse, neglect and inequality. Together we can drive much needed social and environmental change (and earn a good return along the way).

We are fortunate to have the support of like-minded investors pursuing alignment of their values with their investment portfolios. It has been our pleasure to assemble such a terrific portfolio of impact companies and projects over the last 21 years. We look forward to the next chapter and hope you will join us in writing it.

For more information, please contact us or visit www.northskycapital.com

Continuous improvement is better than delayed perfection.

— Mark Twain

Endnotes

- 1 <https://sdgs.un.org/goals>
- 2 <https://stats.oecd.org/index.aspx?queryid=30116>
- 3 <https://time.com/5609124/us-suicide-rate-increase/>
- 4 <https://www.medable.com/>
- 5 <https://www.smart-energy.com/industry-sectors/smart-meters/smart-meter-penetration-in-north-america-will-reach-81-by-2024/>
- 6 <https://www.epa.gov/ghgemissions/overview-greenhouse-gases#methane>
- 7 <https://floorfocus.mydigitalpublication.com/publication/?m=62450&i=670307&p=66>
- 8 Please see North Sky's 2020 Impact Report for details on related initiatives to invest in sustainable infrastructure projects in Opportunity Zones nationally.
- 9 <https://www.cdfifund.gov/programs-training/programs/new-markets-tax-credit>
- 10 <https://nmtcoalition.org/2012/12/13/nmtc-at-work-in-communities-across-america/>
- 11 <https://nmtcoalition.org/2021/02/25/bills-introduced-in-senate-house-call-for-new-markets-tax-credit-to-receive-permanent-extension-at-5-billion/>

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