

## Plug Power Case Study

### HERCULES CAPITAL PROVIDED INNOVATIVE FINANCING SOLUTIONS TO FIT PLUG POWER'S EXISTING CAPITAL

Plug Power is a truly innovative company that focuses on the design, development, commercialization and manufacture of hydrogen fuel cell systems to replace lead-acid batteries in material handling vehicles, such as forklifts, and industrial trucks for some of the world's largest distribution and manufacturing businesses, including Walmart, Honda and Nestle.

The company had been experiencing tremendous growth and needed to obtain non-dilutive, growth capital. This would mean finding a financial partner that could understand its sophisticated financing structure which included a number of instruments like sale/leaseback project financing.

In June 2016, Plug Power closed on a \$40 million long-term loan facility with Hercules Capital to be used for working capital and general corporate purposes. Hercules was that innovative financial partner that could provide a creative solution that provided Plug Power with the flexibility it needed to continue its growth trajectory. A strategy that has benefited the company and its shareholders.

During the company's 2016 third quarter earning conference call Plug Power said that given its growth and margin expansion, coupled with its confidence in the expansion of the investment tax credit - it expects to be cash flow positive in 2017, a critical milestone for any new venture.

