REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Direct Investment Request: Extension of Working Capital Facility (DI.2026.F)

Date: June 26, 2026
To: Board of Directors of the Toronto Atmospheric Fund
From: Vice President, Impact Investing

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains commercial and financial information, supplied in confidence to the Toronto Atmospheric Fund which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

The Direct Investment Committee (DC) recommends amending TAF's bridge financing facility with the Company, a provider of integrated electric vehicle (EV) fast-charging and battery energy storage solutions, to extend the facility to accommodate newly awarded grants backed by the provincial governments EV ChargeON Program.

RECOMMENDATIONS

The Vice President, Impact Investing recommends that the Board of Directors of the Toronto Atmospheric Fund:

1. Approve an amendment to the existing 2025 Credit Agreement governing its $4.5 million revolving working-capital facility with the Company, to accommodate bridge financing of EV ChargeON Round 2 receivables (the Programme), representing Ontario Government financing of up to half of the cost of each of the 45 sites awarded to the Company under the Programme, subject to the following conditions:
   a. the amendment to be on substantially the same terms as the existing facility, except as required to reflect the Programme, including:
      - extension of the advance period;
      - updates to the advance mechanics to reflect the Round 2 Programme structure and eligible site-level funding parameters; and

- inclusion of a right for TAF to substitute financed projects where an originally funded site is withdrawn, delayed, or otherwise no longer eligible.

b. the existing security package to remain in place, subject to such amendments as may be necessary to give effect to the foregoing.
c. satisfactory review of all legal documentation by TAF's legal counsel, as determined by the VP Impact Investing and the Chief Executive Officer.

2. Direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains commercial and financial information details supplied in confidence to the Toronto Atmospheric Fund, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

FINANCIAL IMPACT

There is no financial impact to the City of Toronto resulting from the adoption of the recommendations in this report.

DECISION HISTORY

At its meeting held on June 16, 2026, the Direct Investment Committee recommended that TAF's Board of Directors approve the amendment for DI.2026.F as described in Confidential Attachment 1.

At its meeting held on April 29, 2025, the Board approved an investment of up to $4.5 million as a working capital facility to support the Company's deployment of battery-backed EV charging stations under the EV ChargeON Program.
https://secure.toronto.ca/council/agenda-item.do?item=2025.TA10.5

COMMENTS

Investment Profile
Since Board approval in 2025, the facility has advanced as planned, with the Company demonstrating delivery capability under the existing programme. The proposed amendment would extend this support to the Company's newly awarded Round 2 Programme portfolio, enabling TAF to finance approximately 22 integrated fast-charging sites, many in the GTHA, backed by provincial reimbursement receivables. The Company has been awarded a contract by a provincial ministry through a competitive grant program, necessitating upfront financing.

The investment remains aligned with TAF's clean transportation and clean electrification focus areas, and direct investment asset allocation. The $4.5 million facility represents 4.4% of TAF's total Net Asset Value and 14.8% of its 30% direct investment target allocation.

It is expected to deliver approximately 45,300 tonnes of carbon dioxide equivalent in cumulative emissions reductions over 20 years, deepen regional impact in the Greater Toronto and Hamilton Area, reduce range anxiety, support electrification in grid constrained areas and demonstrate a scalable bridge-financing model for similar government-backed deployment programmes.

Investment Terms
The amendment extends TAF's existing facility for Round 2, maintaining the current interest rate, fees, and security package, while updating only the advance period, advance mechanics, and site substitution rights needed to reflect the new programme terms.

Due Diligence
Financial due diligence confirmed the continued investment thesis under the Round 2 Programme, including the Company's financial performance, cash position, Round 1 Programme drawdowns and repayments, causes of deployment delays, and capacity to support additional advances. Ongoing engagement with the CEO continues to support staff's positive assessment of management and execution capability.

CONTACT

Kristian Knibutat, Vice President, Impact investing, kknibutat@taf.ca

SIGNATURE

Kristian Knibutat
Vice President, Impact Investing

ATTACHMENTS

Confidential Attachment 1 – Direct Investment Request: Extension of Working Capital Facility (DI.2026.F)