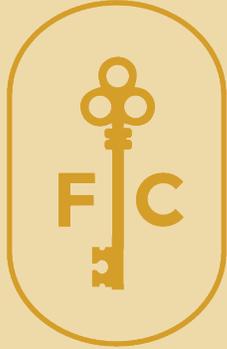




Empowering business
through economic
access to capital

FORTIS
CAPITAL



Fortis Capital is a non-profit corporation engaged in economic development finance in Minnesota.

We unlock access to debt capital for deserving businesses from communities that are systemically underserved.

Our Mission

Bridge the capital gap through creative financing for entrepreneurs with our partners. Our innovative models make financing possible for our clients that wouldn't otherwise be available through traditional lending.

Our Vision

Ensure entrepreneurs can access capital regardless of their identity or geography.

Our Values

Innovation

We embrace new ideas and challenge conventions to discover untapped potential. By taking calculated risks, we develop creative solutions that drive progress.

Integrity

We operate with unwavering principles, ensuring honesty, ethics, and transparency in all actions. By staying true to these values, we build trust and lasting relationships.

Joy

We bring joy and passion to our work, creating a positive environment for our team, partners and clients. While we are deeply committed to excellence, we don't take ourselves too seriously—creating space for authenticity, collaboration, and meaningful connection.

Simplicity

We simplify complex processes, making it easy for clients to understand and engage with us. Clear communication and straightforward solutions are at the core of our approach.

Traditional lending creates barriers for rural, BIPOC and women entrepreneurs from wealth-building capital

- Research from the Federal Reserve Bank of Minneapolis shows that self-employment is a critical pathway to wealth-building, yet launching and sustaining a business requires access to capital.
- Traditional lending relies heavily on collateral (real estate, savings, and other assets), strong credit scores, operating history, personal net worth, and formal financial documentation—resources shaped by longstanding geographic, racial and gender wealth gaps.
- As a result, BIPOC- and women-owned businesses face disproportionate loan denials; 2023 Federal Reserve Small Business Credit Survey data show that Black-owned businesses are denied financing at nearly twice the rate of white-owned businesses.
- Banks and traditional lenders are highly regulated by the FDIC to protect customer’s assets, so they are less flexible in what they can fund, and under what terms.

Equity is often required for traditional lending

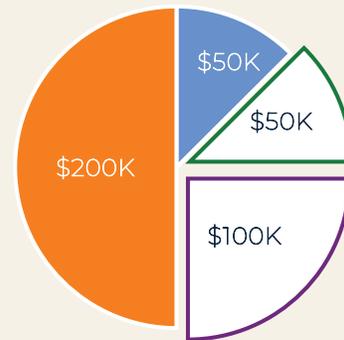
A lender puts up a portion of equity to secure a loan from a bank. For small and emerging businesses, this equity often comes from a home, savings, inheritance etc; which most American's simply don't have.



■ Equity ■ Bank

Traditional lending can create gaps

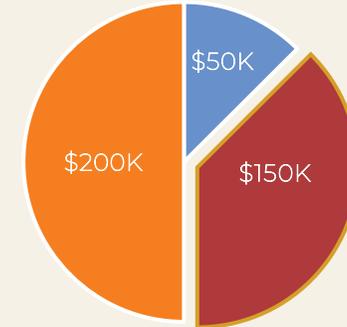
For communities that don't have enough equity, they are not able to secure loans from a bank to grow their business, purchase and/or develop commercial properties. Loans often don't happen when this gap exists or the gap is filled with predatory rates.



■ Equity ■ Equity gap
■ Bank loan gap ■ Bank

Fortis participation closes the gap

By participating in the loan with grant or PRI investments, Fortis helps ensure deals occur, allowing businesses to secure the full amount needed and for banks to make the larger loan possible.



■ Equity ■ Fortis participation ■ Bank

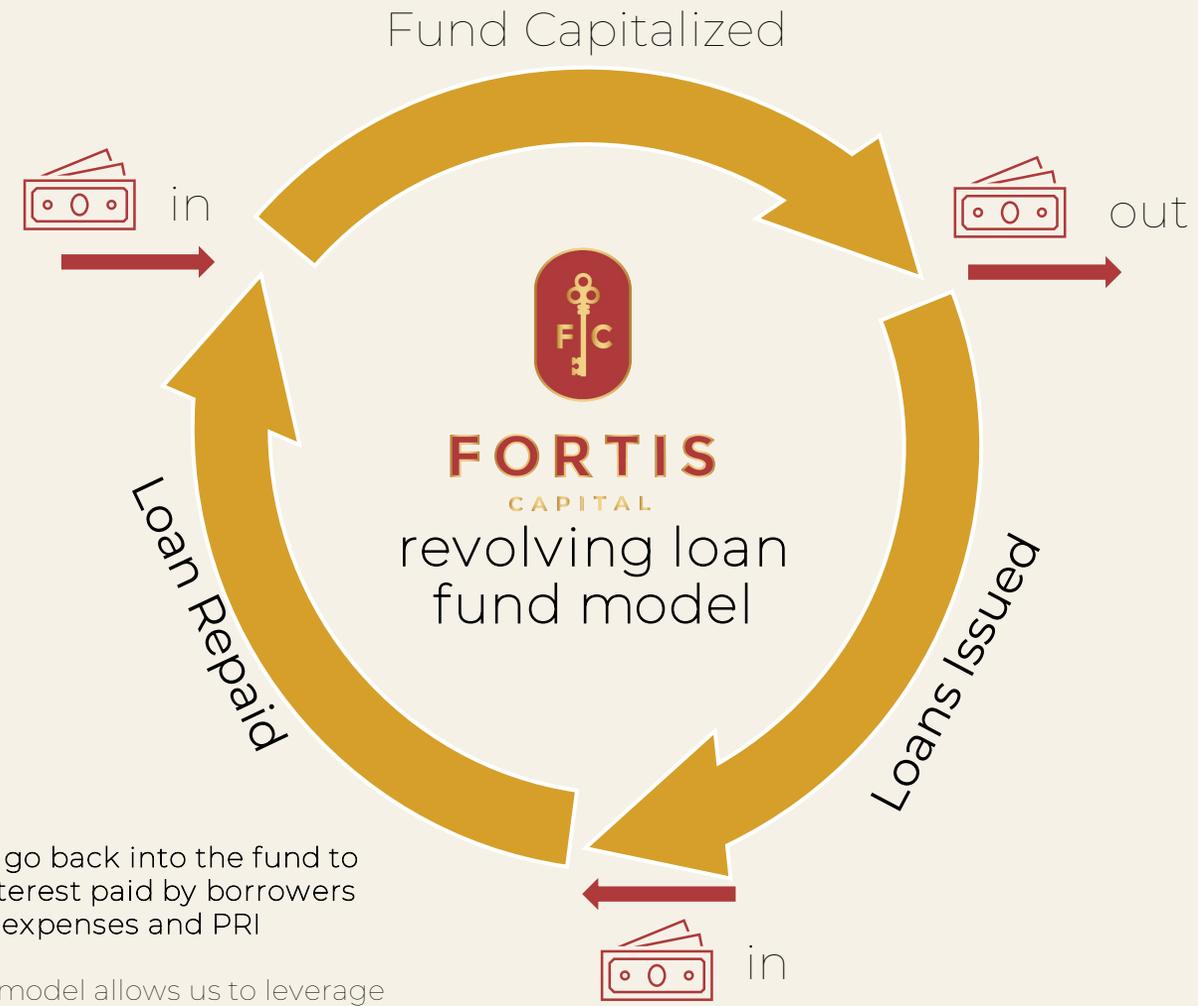


Fortis Capital expands loan access for underserved entrepreneurs

Fortis leverages a revolving loan fund (RLF) model to fill financing gaps in traditional lending. Traditional revolving loan funds typically lend directly and do not participate in loans. Fortis, however, was built on a participation model which allows Fortis to partner with lenders rather than duplicate infrastructure. This approach enables us to scale quickly and deliver faster, broader impact with low operational costs in the communities we serve.

Seed money and funding from government, nonprofit and philanthropies is invested into a fund

- Without the constraints of complex federal regulations, we can move quickly and offer accessible capital with flexible terms.
- Fortis' investment often serves as a catalyst, helping borrowers secure the remaining project financing from other lenders.



Loans are issued to businesses to people who otherwise have difficulty securing loans. Fortis's participation model means:

- We provide small loans to small and emerging business owners and developers. These projects are often hardest to finance yet deliver significant community impact.
- As a community-based lender, Fortis works closely with borrowers to structure strong financing packages that improve bank approval outcomes.

Principal payments go back into the fund to make new loans. Interest paid by borrowers supports operating expenses and PRI repayments

- Our participation model allows us to leverage the infrastructure of larger partners, enabling us to operate efficiently.



Our programs provide businesses with the financial support they need to thrive, even when traditional lending options fall short

Participation loan program

This program helps lending partners, banks, CDCs and CDFIs, make loans to companies that otherwise would not qualify.

Fortis Capital buys a participating interest in loans that are underwritten, made and serviced by lending partners. Eligible borrowers include both start-up and existing small businesses, along with small and medium-sized real estate developers. The Participation Loan Program can also be made in partnership with Lead Lenders to provide gap financing for real estate acquisition, construction, and/or renovation projects, for both existing small businesses purchasing their buildings and for small and medium-sized development projects.

Line of credit guarantee program

Fortis Capital will purchase a participation in a revolving line of credit made by a bank lending partner in an amount that is the lesser of \$50,000 or 50% of the total line. Fortis deposits funds with the lending bank partner, in an interest-bearing account in Fortis Capital's name. The borrower typically pays a monthly interest only payment based on the outstanding balance of the revolving line of credit. Fortis Capital's share of each interest only payment is also deposited into the account along with any principal repayments. Fortis Capital will only provide revolving lines of credit as part of a participation with a bank.

2% forgivable loan program

This new product makes affordable loans up to \$10,000 to businesses for general business purposes, including operating capital. At this time, the loan is only available to businesses located on Saint Paul's East Side.

Applicants will complete a simple application and Fortis Capital will directly approve and close these loans. The term of the loan is up to three years with at least one-third of the original principal balance being forgiven each year. The interest rate is 2% with monthly interest only payments due on the outstanding principal balance.

Direct Loans

Direct loans to borrowers with or without another bank or community nonprofit lender involved in a project. Direct loans are limited to no more than \$150,000 per borrower or individual guarantor.

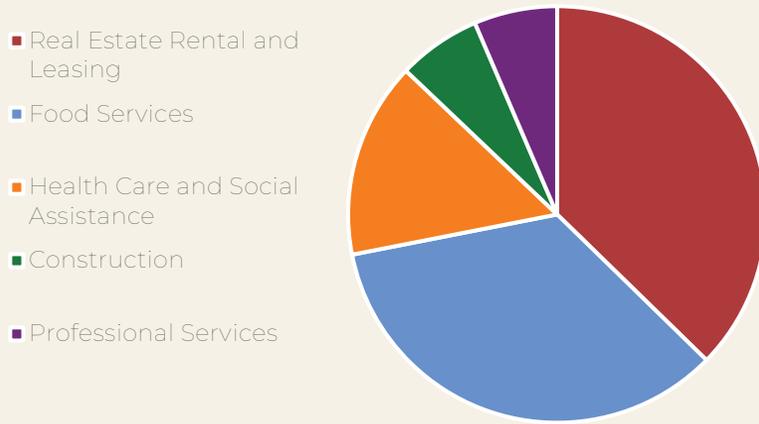
Similar to participation loans, eligible borrowers include both start-up and existing small businesses, along with small and medium-sized real estate developers. Direct loans can also be made in partnership with banks or other community lenders to provide gap financing for real estate acquisition, construction, and/or renovation projects, for both existing small businesses purchasing their buildings and for small and medium-sized development projects. Terms of up to 10 years with amortizations up to 20 years are possible.



Our impact

Fortis Capital ensures that viable Minnesota businesses are not denied opportunity simply because the traditional system was not built for them.

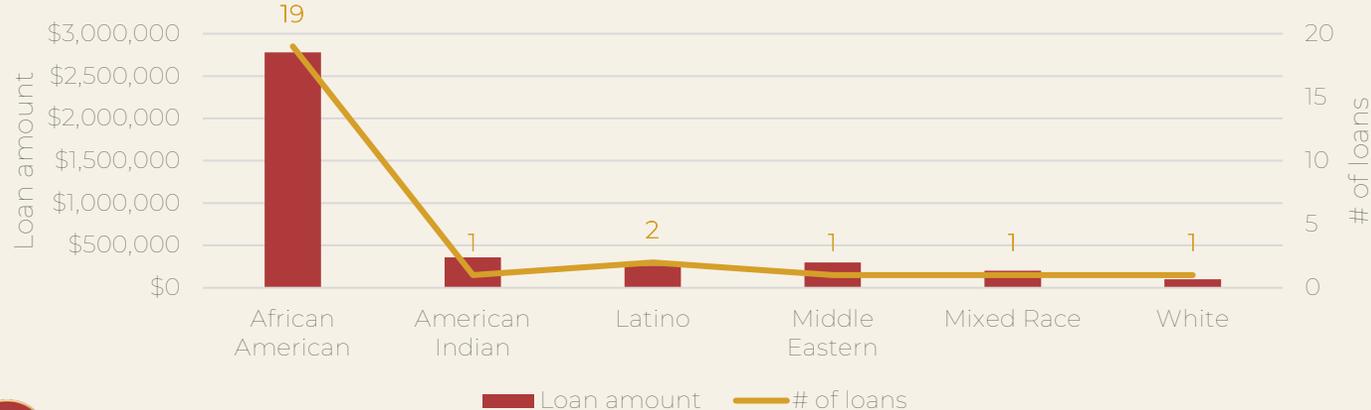
Loans by industry



Loans by gender



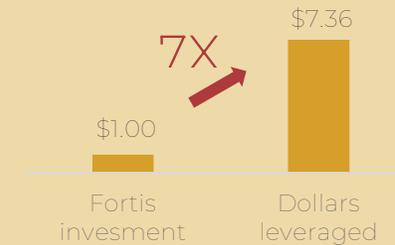
Loan amount and volume by race



37 loans have been made by Fortis, totaling over \$4M

Fortis' investments leveraged \$29.5M in other financing and equity

And resulted in the creation of 314 jobs*



Investing in Fortis yields over a 7x impact on investments into the community.

- Beyond financial returns, Fortis' investments generate meaningful community impact.
- Supporting small developers to improve rather than demolish neighborhoods enhances safety, raises property values, and encourages local development while preserving cultural vibrancy.
- Financing spaces for restaurants and services fosters community connection, trust, and safety.
- Every loan we structure represents a business stabilized, jobs created or retained, wealth generated locally and a stronger Minnesota economy
- We are not providing grants. We are providing responsible capital that circulates and multiplies.



* Full-time, part-time and seasonal