Building an Economy that Works for Everyone
**What does CEI do?**

<table>
<thead>
<tr>
<th>Service</th>
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<tbody>
<tr>
<td>Lends to and invests in businesses and community organizations</td>
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<tr>
<td>Provides comprehensive business advice</td>
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<tr>
<td>Works closely with entrepreneurs to solve operational, workforce and environmental problems</td>
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<tr>
<td>Offers expert advice in natural resource-based industries</td>
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<td>Counsels homeowners and homebuyers, and coaches individuals and families on financial management skills</td>
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<tr>
<td>Advocates for pragmatic policies that build an economy that works for everyone</td>
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We believe that small businesses transform rural economies and communities.

The entrepreneurs we work with in Maine, and through our subsidiaries, across rural America, launch and grow innovative businesses, create good jobs and sustain the environment. By cultivating these businesses, local partnerships and smart federal and state policies, we lift up rural economies and strengthen communities.

Our accomplishments in 2018 reflect the incredible support and engagement of many colleagues and partners throughout the financing, business, environmental and community development sectors, who are committed to Maine and the vitality of rural regions.

We invite you to invest with us.

Betsy Biemann
CEO

Keith Bisson
President

Christa Velasquez
Chair, Board of Directors
Impact at a Glance

IN ALL, THE CEI FAMILY OF ORGANIZATIONS DEPLOYED OVER $89 MILLION TO 103 BUSINESSES in mostly rural regions across Maine and the U.S. in loans, microloans, equity and tax-credit financing. This lending and investment contributed to the creation and preservation of 2,026 JOBS across industries, including sustainable agriculture, food systems, aquaculture and fisheries, renewable energy, manufacturing, downtown revitalization and the arts.

CEI DEPLOYED OVER $15M TO 84 BUSINESSES IN MAINE

CEI PROVIDED ADVICE TO 2,567 INDIVIDUALS IN MAINE
amplifying the impact of our loans and investments through business advice, financial skills training and housing counseling.

ADVOCATED FOR POLICIES on a range of issues, including workforce development, sustainable agriculture practices, family financial wellness, consumer financial protection and access to broadband services and renewable energy.

LAUNCHED NEW FINANCING PRODUCTS to encourage small business growth, including Wicked Fast Loans.

INVESTED $2.7 MILLION IN RENOVATION OF FOUR HISTORIC PROPERTIES USING STATE HISTORIC TAX CREDITS
One of those projects is Portland’s Reed School, the new, permanent home of Children’s Odyssey, a preschool that provides high-quality, structured programs for children of varied developmental levels.

WORKED PROACTIVELY WITH BUSINESSES across our portfolios to boost job quality, including living wages, employee benefits and other factors that contribute to a fair and engaging workplace, business profitability and vibrant communities.
THE CEI FAMILY of organizations operates under a shared mission to grow good jobs, expand environmentally sustainable enterprises and increase more broadly shared prosperity in Maine and rural regions throughout the U.S.

CEI CAPITAL MANAGEMENT CLOSED FOUR NEW MARKETS TAX CREDIT TRANSACTIONS TOTALING $68 MILLION 
including construction of a mill by Columbia Pulp I, LLC to convert wheat and straw into consumer products. That mill, located in Washington State, is slated to create 87 full time jobs.

CEI VENTURES CLOSED EIGHT VENTURE CAPITAL INVESTMENTS TOTALING $1.4 MILLION
including financing for Westbrook, ME-based home energy storage provider Pika Energy, as they expand manufacturing and sales of proprietary technology for integrating distributed energy resources.

CEI’S NEW SUBSIDIARY, BRIGHT COMMUNITY CAPITAL is investing in non-residential solar projects in communities with low- to moderate-incomes, a historically underserved segment of the market. The projects deliver environmental and social benefits, through climate-friendly energy production, sustainable land management at project sites, good jobs in installation and maintenance, and a lower cost of energy for low-income residents.

COASTAL ENTERPRISES, INC.

- Betsy Biemann, CEO
- Keith Bisson, President
- Business Lending and Investment
- Business and Workforce Development Advice
- Natural Resources Based Industry Expertise

- Charlie Spies, CEO
- New Markets Tax Credit Financing
- Northeast
- 3 staff

- Niels Zellers, CEO
- Solar Project Investments
- National
- 2 staff

- Nat Henshaw, Managing Director
- Equity Investments
- Northeast
- 3 staff

- Additional Subsidiaries

- 30 Federal St. Investments
- CEI Housing
- Maine
- Staffed by CEI
Reviving the economy in Maine requires a multi-pronged approach:

1. **FINANCING**
   - small and mid-sized businesses

2. **COACHING**
   - business owners to succeed and create good jobs

3. **ENSURING**
   - jobseekers have the skills to flourish

**Good Jobs**

Today, CEI provides twice as much financing to small businesses as we did eight years ago, connecting more people with training and jobs that enable them to support their families.

Good jobs benefit businesses, workers and communities. In 2018, we developed a framework for how to help business owners hire and retain employees. Prior to providing capital, we measure the quality of current and projected jobs using a new assessment tool that we have integrated into our due diligence process. When we lend to or invest in a business, we also provide business advice and workforce expertise, partnering with local service providers and industry specialists to ensure that workers have the skills, experience and knowledge to succeed in their new jobs. Our goal is to benefit entry-level workers while helping businesses improve their financial performance.

**CEI GOOD JOBS FRAMEWORK** includes a living wage (using the MIT Living Wage Calculator); basic benefits (paid time off, employer-subsidized health coverage, retirement savings); and a fair and engaging workplace (scheduling notice, performance reviews, training opportunities to develop new skills).
In 2018, CEI Ventures closed a $500,000 minority investment in Junora Ltd., a startup company providing advanced metallurgical products for the global vacuum coating industry.

Junora is in the design and build phase of making its own unique manufacturing equipment. In parallel, the company is developing a specialized energy source needed for the manufacturing process. The equity investment will help accelerate Junora’s efforts this year, bringing new technology and solutions in rotary sputtering, a process used by the vacuum coating industry.

Junora currently employs 12 people and expects to grow by 30 new jobs over the next several years. Founder, Dean Plaisted, has a strong track record of creating good jobs through establishing apprenticeships and career ladders in the machining/fabrication profession and providing living wage jobs with benefits. In addition to securing a CEI loan for working capital and equipment, Junora is engaging CEI’s Workforce Solutions team to help with recruitment and training for skilled positions.

Junora is headquartered in Biddeford, Maine, once a leading center of American manufacturing. The company’s presence in the city will contribute to the local economy and help families in the area secure a decent livelihood.

WE WERE A HUGE RISK, BARELY ABLE TO MAKE PAYROLL AT THE TIME. AS A STANDALONE NONPROFIT, WE WOULDN’T BE HERE WITHOUT CEI.”

—GREATER PORTLAND HEALTH CEO, ANN TUCKER

Greater Portland Health (GPH) is a federally qualified health center in Portland, Maine, committed to providing high-quality healthcare to a diverse client base, regardless of ability to pay.

Patients receive financial counseling, peer support, case management and a full suite of healthcare services that includes medical, behavioral and oral healthcare. GPH’s 96 staff members annually serve over 10,000 patients, of whom approximately 50 percent are uninsured and may not have had prior access to healthcare services.

GPH is committed to creating good jobs, offering full benefits, vacation time, training and fair wages. When GPH began operating as an independent nonprofit after four years of support from the City of Portland, CEI provided workforce development assistance to GPH as it recruited and trained its diverse staff. Since paying off its first loan from CEI, GPH has accessed a line of credit and two additional loans—most recently, in July 2018—allowing the organization to build and expand facilities, bring IT infrastructure in-house, reduce expenses and provide more healthcare services to patients who are uninsured.

BUILDING A PUBLIC HEALTH WORKFORCE
CEI is committed to advancing an economy fueled by renewable energy and green jobs, sustaining our natural resources for future generations.

People in Maine and in rural regions across the United States are deeply connected to the environment and experience the impacts of a changing climate in their daily lives. They also face economic uncertainty and job loss in the transition away from legacy industrial manufacturing. CEI invests in solar projects through business and construction loans and through its new subsidiary, Bright Community Capital, with the goal of expanding access to renewable energy. A study commissioned by CEI and The Nature Conservancy (TNC) identifies strategies to transition Vermont, New Hampshire, and Maine to a clean energy economy. Innovative public-private partnerships and new investments can spark a clean energy future that has the potential to catalyze the creation of new jobs and lower greenhouse gas emissions.

40% of CEI’s loans and investments were made to businesses that produce goods and services that benefit the environment or conserve natural resources.

43% of businesses receiving financing and advice from CEI are actively reducing their impact as a result of CEI financing or services.
ADAPTATION STRATEGIES FOR FISHERIES

As part of a long-term effort to help communities and industries adapt to a changing climate and future of work, CEI is pioneering new scallop aquaculture techniques with Maine fisheries businesses. The project aims to establish an economically viable market for farmed Atlantic sea scallops and test Japanese scallop production techniques in the U.S. for the first time. The scallop research builds on Aquaculture in Shared Waters, a training program developed by CEI and the Maine Aquaculture Association for commercial fishermen and the next generation of Maine’s seafood entrepreneurs. Working in partnership with organizations with diverse expertise, from financing and business coaching to licensure and aquaculture science, CEI is responding to ongoing challenges to Maine’s iconic seafood industry—helping fishermen adapt and become entrepreneurs in the face of changing marine conditions and species trends, and an uncertain economic future.

In collaboration with the Maine Climate Table and the opinion research firm Goodwin Simon Strategic Research, CEI conducted an analysis of climate change perceptions in order to meet Mainers where they are on the challenges ahead. These research findings are not only influencing CEI’s work, they are also being shared with stakeholders in Maine through workshops and trainings and informing legislative strategy at the state and federal levels.
Not everyone can access the capital and resources they need to start or grow a business. That’s when CEI steps in.

Most of the entrepreneurs we lend to or invest in are not able to access financing from traditional sources. But CEI doesn’t stop with financing. Over 2,000 individuals and families access business advice, and housing, debt, and asset development counseling from us each year. We work in partnership with many organizations across Maine to connect people with low incomes to good jobs with local businesses. We also advocate for policies that level the playing field and address systems challenges. In 2018, over 75% of CEI’s loans and investments benefitted people and/or communities with low incomes.

STARTSMART provided 785 hours of expert advice to 113 entrepreneurs who came to Maine as immigrants and refugees. With help from CEI, Mariama Jallow, owner of Mariama’s Beauty Supply in Portland, secured a Wicked Fast Loan to add a full-service salon to her store. CEI is the only provider of Sharia compliant fee-based business loans in Maine and offers a matched saving account for financial skills training participants.
“I know how to bake cookies and love people, but doing numbers and business etiquette, I don’t know well. CEI is connected in the community and so appreciated. The fact that these services are free is just unbelievable.”
—KATHERINE SLEVIN, OWNER, C. LOVE COOKIE PROJECT

WOMEN’S BUSINESS CENTERS AT CEI provided 1,864 hours of one-on-one coaching to 380 entrepreneurs, including Katherine Slevin, owner of C. Love Cookie Project, and 1,771 hours of workshop training to 562 entrepreneurs.

SMALL BUSINESS DEVELOPMENT CENTERS AT CEI
“You can wait, or you can start it now. The sooner you do it, the sooner it’ll be your business,” were the words of advice from a CEI business advisor that kickstarted Noah Kleiner’s Equinox Guiding Service in Camden. Noah was among 643 current and future business owners who received advice from Small Business Development Centers at CEI.

CEI’S HOUSING COUNSELING AND EDUCATION TEAM
“I’m certain that had it not been for the efforts of CEI we would have tumbled into the street,” said Mr. Chadborne, one of 49 homeowners who avoided foreclosure and one of 692 people coached by CEI’s housing counseling and education team.

GROWING MAINE’S LOCAL FOOD ECONOMY ONE COMPANY AT A TIME

As Maine’s food system experiences unprecedented opportunity due to the demand for local food, businesses with tight profit margins and limited workforce capacity struggle to grow. With coaching from CEI, 110 food entrepreneurs developed business plans, addressed logistics, accessed new markets and/or secured financing.

In 2018, CEI hosted the Maine Tastemaker Initiative, identifying emerging markets, assessing the food processing and manufacturing landscape, and sharing workforce development strategies with over 60 food and beverage industry leaders. Maine Tastemaker tours introduced investors and buyers to the people who power Maine’s farms, mills, breweries, malthouses, oyster beds and food production facilities, highlighting the need for long-term, patient financing.

*The Maine Tastemaker Initiative is sponsored by FocusMaine.*
FY18 Financials

CEI had a solid year financially in 2018, with Net Assets increasing slightly compared to the prior year. Total Assets grew by $8.3 million to $107.3 million, primarily due to increased lending and investing activity, plus a strong cash position as we start fiscal year 2019.

2018 INCOME

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending &amp; investing</td>
<td>3,108,151</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>1,228,164</td>
</tr>
<tr>
<td>Other earned income</td>
<td>2,355,586</td>
</tr>
<tr>
<td>Grants &amp; donations</td>
<td>5,501,228</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>12,193,129</strong></td>
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EXPENSES

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending &amp; investing</td>
<td>5,022,258</td>
</tr>
<tr>
<td>Salaries &amp; fringe</td>
<td>5,342,961</td>
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<tr>
<td>Occupancy, business &amp; admin</td>
<td>1,449,839</td>
</tr>
<tr>
<td>Outreach, Professional Services &amp; Other</td>
<td>1,602,279</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>13,417,337</strong></td>
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ASSETS & LIABILITIES

ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Cash, cash equivalents &amp; CDs</td>
<td>17,958,997</td>
</tr>
<tr>
<td>State Historic Tax Credits receivable</td>
<td>21,722,192</td>
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<tr>
<td>Loans receivable</td>
<td>39,022,902</td>
</tr>
<tr>
<td>Land, property &amp; equipment</td>
<td>8,291,108</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>5,577,015</td>
</tr>
<tr>
<td>Investments in subsidiaries</td>
<td>12,087,026</td>
</tr>
<tr>
<td>Other assets &amp; receivables</td>
<td>2,646,233</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>107,305,473</strong></td>
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LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes payable</td>
<td>63,795,921</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>4,859,276</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>68,655,197</strong></td>
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**Total Net Assets**

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Net assets, without restrictions</td>
<td>32,219,746</td>
</tr>
<tr>
<td>Net assets, with restrictions</td>
<td>6,430,530</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>107,305,473</strong></td>
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KEY FINANCIAL METRICS

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<tr>
<th>Metric</th>
<th>Value</th>
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<tbody>
<tr>
<td><strong>NET ASSETS / TOTAL ASSETS</strong></td>
<td><strong>36%</strong></td>
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<tr>
<td><strong>LOAN LOSS RESERVE</strong></td>
<td><strong>8.9%</strong></td>
</tr>
<tr>
<td><strong>OPERATING LIQUIDITY</strong></td>
<td><strong>20 months</strong></td>
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In 2018, earned income (excluding grants and donations) totaled $6.7 million, resulting in a self-sufficiency ratio of 50%. CEI continues to invest in strategies to diversify revenue across income streams and increase self-sufficiency over time.
Board of Directors

Angela Butler  
Senior Vice President,  
Commercial Services Officer  
Katahdin Trust Company  
Bangor, ME

Glenn Cummings  
President  
University of Southern Maine  
Portland, ME

Josh Davis  
Co-Founder & CEO  
Gelato Fiasco  
Brunswick, ME

John Dorrer  
Independent Consultant  
Workforce Development Economics  
Brunswick, ME

Catherine Godschalk  
Vice President, Investments  
Calvert Impact Capital  
Bethesda, ME

Karin Gregory  
General Partner  
Blue Highway Capital  
Biddeford, ME

Susan Hammond, Vice Chair  
Executive Director  
Four Directions Development Corporation  
Orono, ME

Scott Kenney  
Senior Vice President  
Farm Credit East  
Auburn, ME

Kevin Lewis  
CEO  
Community Health Options  
Lewiston, ME

Beth Mattingly  
Assistant Vice President, Community Development Research & Communications  
Federal Reserve Bank of Boston  
Boston, ME

Justin Maxson  
Executive Director  
Mary Reynolds Babcock Foundation  
Winston-Salem, NC

Chip Newell  
Partner  
NewHeight Group  
Portland, ME

Regina Phillips  
Coordinator, Grants and Community Engagement  
Westbrook School Department  
Westbrook, ME

Cordelia Pitman  
Director of Preconstruction Services  
Wright-Ryan Construction Inc.  
Portland, ME

Charles Rudelitch  
Executive Director  
Sunrise County Economic Council  
Machias, ME

Miriam Shark  
Independent Consultant  
Miriam Shark Consulting LLC  
Portland, ME

Stewart Smith  
Owner  
Lakeside Family Farm  
Newport, ME

David Vail  
Professor of Economics, Emeritus  
Bowdoin College  
Brunswick, ME

Christa Velasquez, Chair  
Professor  
University of Chicago  
Chicago, IL

Ian Yaffe  
Executive Director  
Mano en Mano  
Milbridge, ME

For a list of CEI staff members, visit www.ceimaine.org
### CEI Enterprise 41-Year Impact

- **$1.39 BILLION**
  - Amount Financed

- **$2.8 BILLION**
  - Amount Leveraged

- **2,831**
  - Businesses Financed

- **58,460**
  - Businesses/People Advised and Counseled

- **39,970**
  - Full-Time Jobs at Loan Closing

- **2,627**
  - Affordable Housing Units Created/Preserved

- **6,204**
  - Child Care Slots Created/Preserved

### CEI Family Financial Assets 9.30.18

- **$140 MILLION**
  - Total Assets

- **$644 MILLION**
  - Capital Under Management

### CUMULATIVE VALUE OF CEI FINANCING

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<tbody>
<tr>
<td>New Markets Tax Credits</td>
<td>State Historic Tax Credits</td>
<td>SBA Lending</td>
<td>Venture Capital</td>
<td>Housing</td>
</tr>
<tr>
<td>BILLIONS</td>
<td>BILLIONS</td>
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- Total financing is represented graphically, showing the cumulative value over the years.
Coastal Enterprises integrates financing, business and industry expertise and policy solutions to grow good jobs, environmentally sustainable enterprises and more broadly shared prosperity in Maine and other rural regions.