



BuildQ | Diligence Memo

Diligence Team Lead: Devon Riche, John Toretta, Beau Bush, Shayan Hosseini

Date: November 20, 2024

THIS DEAL SUMMARY IS NOT AN INVESTMENT RECOMMENDATION. IT IS ONLY A SUMMARY OF A LIMITED REVIEW PERFORMED BY OUR MEMBERS. YOU MUST MAKE YOUR OWN THOROUGH REVIEW OF ALL INFORMATION INCLUDING THE OPPORTUNITY TO SPEAK WITH REPRESENTATIVES OF THE COMPANY. IT IS YOUR RESPONSIBILITY TO MAKE YOUR OWN INVESTMENT DETERMINATION BASED ON YOUR OWN INDEPENDENT EVALUATION OF THE COMPANY AND ITS PROSPECTS. ALL ANGEL INVESTMENTS ARE HIGHLY SPECULATIVE.

EXECUTIVE SUMMARY	2
INVESTMENT ASSESSMENT	2
Investment Strengths	2
Investment Risks	2
Valuation	2
Valuation Discussion	3
TEAM ASSESSMENT	3
Management Discussion	3
MARKET ASSESSMENT	3
Description of Market and Targeted Segments	3
Market Discussion	4
PRODUCT / BUSINESS MODEL ASSESSMENT	4
Problem	4
Solution	4
Target Customer Profile	4
Business Model	4
Sales Process/Go-to-Market	4
Product/Solution Discussion	4
COMPETITION	5
Competitor Analysis	5
Competitive Advantage	5
Competition Discussion	5
FINANCIALS	5
Forecast	5
P&L	5
Major Expenses and Drivers	5
Future Financing	5
Financial Discussion	5



EXECUTIVE SUMMARY

BuildQ is a cutting-edge project finance platform revolutionizing renewable energy financing by integrating software, AI, and services to streamline complex processes and reduce costs for developers and financiers. Targeting the rapidly growing clean energy infrastructure market, projected to exceed \$2 trillion by 2030, BuildQ simplifies workflows with tools for financial modeling, AI-assisted due diligence, and end-to-end transaction management. The platform addresses inefficiencies in traditional financing, such as high costs, disjointed processes, and extensive timelines, offering a faster and more affordable alternative. With a scalable business model centered on a 2% transaction fee, significant pipeline traction, and a leadership team experienced in renewable energy, technology, and project finance, BuildQ is well-positioned to capitalize on the green energy transition and has the potential to reach a 50x exit in the next 5-10 years. .

INVESTMENT ASSESSMENT

Investment Strengths

- **Rapidly Growing Market:** BuildQ operates within the clean energy infrastructure sector, which is projected to grow from \$303 billion to over \$2 trillion by 2030, offering substantial market potential.
- **Innovative Technology Platform:** The platform's AI-powered tools and integrated services address inefficiencies in traditional project financing, making BuildQ a disruptive force in the renewable energy financing ecosystem.
- **Experienced Leadership:** The team boasts decades of combined expertise in renewable energy, software development, project finance, and UI/UX design, supported by advisors with strong government and policy backgrounds.
- **Scalable Revenue Model:** BuildQ charges a 2% transaction fee, enabling substantial revenue opportunities, with a clear path to achieving \$10 million in revenue and beyond through their robust pipeline.
- **Pivotal Business Model:** BuildQ's versatile platform allows the company to adapt to market demands, providing the flexibility to expand into related financing solutions or emerging green energy sectors as needed.
- **Pipeline and Traction:** With over \$17 million in project pipeline traction and growing interest from developers and financiers, BuildQ demonstrates strong early-stage momentum - although none of the revenue is realized.
- **Alignment with Global Trends:** BuildQ's focus on renewable energy financing aligns with global decarbonization efforts, government incentives, and increasing capital flow into green energy projects.

- **Comprehensive Product Roadmap:** The company's plans for features like BuildQ Vision™, automated financial valuations, and HITL workflows are a good sign for continued innovation and differentiation in the market.

Investment Risks

- **Market Adoption Challenges:** BuildQ's success depends on the willingness of developers and financiers to adopt its platform over traditional methods, which may require overcoming entrenched behaviors and existing vendor relationships.
- **Regulatory Uncertainty:** The renewable energy sector is heavily influenced by government policies, subsidies, and tax incentives, which can vary significantly across regions and impact the demand for financing solutions.
- **Competition in a Fragmented Market:** While BuildQ offers an integrated solution, it faces competition from specialized platforms and established financial services firms that could encroach on its market share.
- **Capital Requirements:** Achieving projected growth and scaling operations, including expanding its engineering team and business development efforts, will likely require significant capital investment and multiple rounds of additional fundraising.
- **Dependence on Key Personnel:** The leadership team is critical to BuildQ's strategy and execution, making the company vulnerable to disruptions caused by departures or talent gaps.
- **Early-Stage Traction:** Although BuildQ has a promising pipeline, its financial success is not yet proven at scale, and the platform's revenue growth is contingent on closing high-value projects consistently.
- **Evolving Technology Needs:** The company must continuously innovate its platform to stay ahead of competitors and meet the shifting needs of the clean energy financing market, which could strain resources.
- **Economic Cyclicity:** Global economic downturns or reductions in energy infrastructure spending could limit the availability of capital for renewable energy projects, affecting BuildQ's transaction volume.



Valuation

- **Raise**
 - \$2M Pre Seed
- **Terms**
 - \$9M post money valuation
- **Amount committed for the round**
 - \$1M+ Soft Circled
- **Cap table**

BuildQ, Inc. Detailed Cap Table						
As of 11/11/2024 • Generated by Maryssa Barron (maryssa@buildq.ai) at 11/11/2024 12:50:13 ^{A2}						
Stakeholder Name	Common (CS)	Options and RSU's Outstanding Under 2024 Equity Incentive Plan	Outstanding Shares	Fully Diluted Shares	Outstanding Ownership	Fully Diluted Ownership
dfdc0a36aa85 Annalisa Swank		58,323		58,323	.000%	1.000%
017a86ec567 Eric Rochford	233,295		233,295	233,295	4.106%	4.000%
d3222b12648 Harshan Jeyakumar		87,485		87,485	.000%	1.500%
e2f3188c6cb6 Maryssa Barron	4,000,000		4,000,000	4,000,000	70.394%	68.583%
e66d80a7464 Michael Maddox	116,647		116,647	116,647	2.053%	2.000%
9007c4c7cdb Robert Schmitt	1,332,356		1,332,356	1,332,356	23.447%	22.844%
Options and RSU's issued and outstanding		145,808				
Shares available for issuance under the plan			4,250	4,250		.073%
Fully diluted shares		5,682,298	150,058	5,832,356		100.000%
Fully diluted ownership		97.427%	2.573%	100.000%		
Total Shares outstanding		5,682,298	5,682,298		100.000%	
Percentage outstanding		100.000%	100.000%			
Share Class Original Issue Price						

- **Use of funds**
 - 35% Engineering
 - 29% Business Development
 - 26% Project Finance
 - 10% Overhead
- **Exit/ Likely Buyers**

BuildQ's innovative platform and position within the renewable energy finance space make it an attractive acquisition target for several potential acquirers. Likely acquirers include:

- **Large Financial Institutions:** Major banks and investment firms with existing infrastructure in project finance may look to acquire BuildQ to expand their

capabilities in renewable energy financing. These institutions are increasingly focusing on clean energy investments and could leverage BuildQ's technology to streamline and scale their own financing operations.

- **Renewable Energy and Infrastructure Funds:** Funds and private equity firms focused on renewable energy and infrastructure projects would be interested in acquiring BuildQ to gain access to its platform, which offers efficiencies in the complex process of financing large-scale energy projects.
- **Tech and SaaS Companies:** Companies in the financial technology (FinTech) or SaaS space, particularly those specializing in AI and automation for industries like energy and infrastructure, could seek to acquire BuildQ to broaden their product offerings and enhance their AI-driven solutions in renewable energy financing.
- **Energy Corporations:** Large energy companies, particularly those with a growing focus on clean energy or sustainability, may view BuildQ as a strategic acquisition to streamline their financing processes and gain a competitive advantage in financing renewable energy projects.

TEAM ASSESSMENT

- **Maryssa Barron:** Renewable energy market expert with over 7 years of experience, providing critical industry insights and connections to BuildQ.
- **Robert Schmitt:** Tech leader and founder with 15+ years of experience, bringing strategic vision and operational expertise to drive BuildQ's platform development.
- **Mike Maddox:** Software engineering leader with 30+ years of experience, ensuring the technical robustness and scalability of the platform.
- **Annalisa Swank:** UI/UX design professional with 15+ years of experience, focused on creating intuitive and user-friendly interfaces for BuildQ's platform.
- **Eric Rochford:** Software engineer with 10+ years of experience, contributing to the platform's technical implementation and innovative features.
- **Fred Goldberg:** Government and policy advisor, leveraging public sector expertise to align BuildQ's offerings with regulatory frameworks and opportunities.
- **Brett Tackaberry:** Technical advisor with a strong background in software architecture, providing strategic guidance on product development.
- **Harshan Jeyakumar:** Project finance professional with 20+ years of experience, offering deep expertise in structuring and executing complex financial transactions.

Management Discussion

The BuildQ team combines extensive experience across renewable energy, software engineering, project finance, and user interface design, ensuring a well-rounded skill set to tackle the complexities of green energy financing. The leadership team's proven track

record in relevant industries provides credibility and strategic depth. Additionally, the presence of seasoned advisors strengthens the company's ability to navigate regulatory landscapes and technical challenges. However, the team's heavy reliance on senior personnel with overlapping expertise could limit their capacity to handle rapid scaling or unexpected challenges without additional hires. Expanding the operational and technical teams will be crucial to sustain growth and meet ambitious objectives.

MARKET ASSESSMENT

Description of Market and Targeted Segments

- TAM - \$12B (9.1% CAGR)
 - The private sector clean energy infrastructure market, specifically for commercial and industrial projects, is a significant subset of the larger global clean energy spend. BloombergNEF estimates that private investment in renewable energy projects—including solar, wind, and energy storage—in commercial and industrial sectors was around \$620 billion in 2023
[BloombergNEF](#)
 - By focusing on this sector in regions with high infrastructure needs and investment, like North America, Europe, and select parts of Asia, a more conservative estimate for the **TAM** would be **\$500 billion annually**, capturing private-sector investments across these markets and relevant technologies. [IEA Market Data Forecast](#)
 - A 2% possible fee of \$500B is \$10B. BuildQ also has a SaaS model - market comps estimate an extra \$2B in total opportunity.
 - **\$12B**
- SAM - \$3B (9.1% CAGR)
 - Within the U.S., private sector investments in clean energy infrastructure for commercial and industrial applications are driven by policy incentives and the IRA, particularly in solar, wind, energy storage, and efficiency improvements. BloombergNEF and Allied Market Research report that the U.S. market for private, non-governmental investments in clean energy and infrastructure was around **\$150 billion in 2023**.
 - Adjusting for BuildQ's focus on commercial financing without direct involvement in all sectors, the **SAM** is conservatively estimated at **\$100 billion** in annual private clean energy investments in the U.S.



[BloombergNEF](#)
[Allied Market Research](#)
[IEA](#)

- With a 2% possible fee of \$100B we get \$2B. With the SaaS model - estimate an extra \$1B in serviceable opportunity.
- **\$3B**

Invest Amount Requested \$	2,000,000	Industry EBITA Multiple ×	Percent of ownership %
Required Return Multiple ×	50x	30	22%
Industry Sales Multiple %	6	Expected Dilution %	Required Exit \$
Valuation (or Cap) \$	9,000,000	44%	\$804M
Option Pool %	12.5	Required Return \$	Required Annual Sales \$
A Round Pool %	20	\$179M	\$134M
B Round Pool %	20	Total Addressable Market \$	Percent of TAM %
C Round Pool %	0	12 Billion	1.12%
Other Rounds %	0	Serviceable Addressable Market \$	Percent of SAM %
		3 Billion	4.46%
		Serviceable Obtainable Market \$	
		150 Million	

Valuation Cap / Sanity Check:

With \$12B TAM and \$3B SAM, BuildQ would have to capture about 1.1% of TAM and 4.4% of SAM to reach a 50x. Based on our model, \$9M is a comfortable figure to invest at. An \$800M exit in this industry is completely attainable, especially considering the potential we see to pivot this platform to Nuclear energy deal facilitation if that industry begins to evolve and grow. With a strong sales pipeline and \$1M+ of other capital committed, FundNV is in a great position to lead the seed round of this extremely promising company.

PRODUCT / BUSINESS MODEL ASSESSMENT

Problem

- Financing renewable energy projects is currently a complex, fragmented, and costly process. Developers face numerous inefficiencies, including managing multiple vendors, generating extensive documentation, and navigating over 1,000 funding options. This disjointed approach leads to wasted time, significant consulting fees, and longer financing cycles, hindering the pace of green energy adoption.

Solution

- BuildQ simplifies renewable energy financing with an integrated platform combining AI, software, and services to manage the entire process. The platform offers tools for financial modeling, AI-assisted due diligence, document automation, and streamlined collaboration between developers and financiers, making project financing faster, cheaper, and more efficient.

Target Customer Profile

- BuildQ serves renewable energy developers, financiers, and policymakers engaged in clean energy infrastructure projects. Its ideal customers include project developers seeking to scale efficiently and private and public financiers aiming to streamline their investment processes in sectors such as energy efficiency, EV infrastructure, and utility-scale power projects.

Business Model

- BuildQ operates on a scalable transaction-based revenue model, charging a 2% fee on the total financing it arranges. With no upfront costs to users, this model aligns incentives and ensures accessibility while generating substantial revenue potential, particularly in a trillion-dollar clean energy market.

Sales Process/Go-to-Market

- BuildQ's go-to-market strategy focuses on building relationships with renewable energy developers and financiers through targeted outreach, partnerships, and pilot programs. The company leverages its innovative platform to demonstrate value, drive early adoption, and expand its pipeline of high-value projects, supported by a growing network of private and public financiers.



Product/Solution Discussion

BuildQ's platform combines user-friendly design with powerful tools like AI-assisted due diligence, automated financial modeling, and virtual data rooms. The seamless integration of these features reduces project financing complexity, allowing users to plan, transact, and manage projects efficiently. This comprehensive solution positions BuildQ as a potentially critical enabler in accelerating the transition to renewable energy.

COMPETITION

Competitor Analysis

Conductor Solar

Year Founded: 2020

Total Raised to Date: \$1M

Description: Conductor Solar offers a marketplace for financing and developing community and commercial solar projects, specifically facilitating Power Purchase Agreements (PPAs) and project matching. The platform enables developers to connect with screened investors, receive price estimates, and manage the transaction process more efficiently.

Most Recent Financing Status (as of 2023): Conductor Solar has grown its platform to include financing for solar and battery storage systems, focusing on improving investor-developer matching for community solar projects.

Notes/Comments: Conductor Solar is focused narrowly on solar projects, whereas BuildQ's platform accommodates a wider variety of green energy projects. BuildQ's AI-driven tools for financial modeling and due diligence provide a broader scope, making it more adaptable across different renewable energy project types.

Banyan Infrastructure

Year Founded: 2018

Total Raised to Date: \$42M

Description: Banyan Infrastructure provides a software platform for financing sustainable infrastructure projects, using a unified risk and data management system to digitize workflows, automate data collection, and track compliance. The platform is

designed to streamline project financing across the lifecycle, supporting distributed energy projects and climate tech initiatives.

Most Recent Financing Status (as of March 2023): Banyan raised a \$25 million Series B round led by Energize Ventures, allowing it to expand its team and further develop its software for scaling sustainable project finance globally.

Notes/Comments: Banyan is well-positioned in renewable infrastructure finance, but its focus is on distributed generation projects. BuildQ's platform, with its AI-assisted financial modeling and data-driven project matching, offers a more integrated approach for larger-scale energy projects, including end-to-end solutions beyond financing, making it suitable for a wider range of renewable infrastructure initiatives.

LevelTen Energy

Year Founded: 2016

Total Raised to Date: \$97M

Description: LevelTen Energy operates a marketplace for renewable energy procurement, connecting energy buyers with project developers via Power Purchase Agreements (PPAs). LevelTen provides a centralized platform for companies to procure clean energy directly from renewable projects, offering features for project comparison, contract negotiation, and streamlined transactions.

Most Recent Financing Status (as of June 2024): The company raised \$30 million in Series C funding, which it is using to expand its marketplace internationally and develop new financing options for renewable energy buyers.

Notes/Comments: While LevelTen's marketplace is focused on transactional efficiency for PPAs, BuildQ's platform supports a broader project financing lifecycle, integrating financial modeling, due diligence, and fund matching, which is advantageous for developers seeking comprehensive financing support across various green energy projects.

Competitive Advantage

BuildQ's key competitive advantage lies in its fully integrated platform that combines software, AI, and services to streamline renewable energy financing from start to finish. Unlike competitors offering fragmented solutions, BuildQ provides a seamless experience, including automated financial modeling, AI-guided due diligence, and virtual data rooms, significantly reducing time and costs. Its scalable 2% transaction fee model aligns with user needs, offering a cost-effective and accessible solution for developers



and financiers. The platform's flexibility to adapt to market demands further solidifies its position as a leader in clean energy finance.

Competition Discussion

The renewable energy financing space includes a range of competitors, such as financial planning groups (e.g., CapeZero, NREL), grant and task management platforms (e.g., Banyan Infrastructure, Asana), and data room providers (e.g., iDeals, Firmex). While these tools address specific aspects of the financing process, they lack BuildQ's end-to-end functionality. Additionally, financing arrangers like Marathon Capital and Monarch Capital focus on traditional methods, which are more expensive and time-intensive. BuildQ differentiates itself by combining these disparate functions into a single platform, offering developers and financiers an efficient, modern, and cost-effective solution that competitors struggle to match in comprehensiveness and ease of use.

FINANCIALS

Forecast

BuildQ has a financial model forecast in their data room with different outcomes based on a base case, best case, and worst case. Please reach out to Devon (devon@startupnv.org) to get access to the data room if you're curious about their projections.

Major Expenses and Drivers

BuildQ's major expenses are centered around technology development, operational costs, and sales/marketing efforts. The largest driver is software engineering and platform development, as the company invests heavily in enhancing its AI capabilities and maintaining the platform's scalability. Marketing and business development expenses are also significant, as BuildQ focuses on customer acquisition and growing its user base within the competitive renewable energy space. Additionally, ongoing administrative and personnel costs, including salaries for the leadership team and engineers, contribute to its overall expenditure. While these investments are crucial for product innovation and market penetration, they must scale efficiently to align with the company's revenue growth.

Future Financing

BuildQ is likely to seek additional financing as it continues to expand its platform and user base. The company plans to close a projected \$10 million in revenue and may need to raise capital through equity or debt to fund expansion initiatives, such as hiring

more engineers, strengthening its business development team, and pursuing international market opportunities. With a growing pipeline and expanding product offering, BuildQ's future financing needs will be aimed at accelerating growth, scaling its infrastructure, and further developing AI and financial modeling tools to stay ahead of market demands. The company's solid revenue model and clear path to profitability make it an attractive opportunity for future investors.

Financial Discussion

BuildQ's financials indicate strong growth potential, with its business model centered around a scalable 2% transaction fee from renewable energy project financing. The company has significant pipeline traction, suggesting that as it closes high-value projects, its revenues will increase rapidly. The ability to generate recurring income through its platform is a key strength, but the major challenge lies in efficiently scaling operations to handle an increasing volume of transactions. With limited financial history available, BuildQ's future success will depend on its ability to convert its pipeline into active projects and maintain cost-efficient growth. If the company can manage its operating expenses, particularly in technology development and sales, while capitalizing on its expanding market presence, it has the potential to deliver strong financial returns.