CHIPS for America
How to Complete the Financial Model Template for Small-Scale Supplier NOFO
Semiconductor materials and manufacturing equipment facilities

May 20th, 2024
Today’s CHIPS Program Speakers

Andrew Braden
Deputy Chief of Staff of Investments

Chase Babus
Investment Analyst

Harry Finegold
Investment Principal
Agenda & Objectives

Agenda

1. CHIPS for America Vision (5 mins)
2. Full Application Overview (5 mins)
3. How to Complete the Financial Model Template (40 mins)
4. Next Steps and Additional Resources (5 mins)

By the end, attendees should understand

- What financial information applicants should submit as part of the Full Application
- Program expectations for the financial model submitted
- How to complete the (optional) financial model template provided the CHIPS Program Office
The CHIPS Incentives Program – Facilities for Semiconductor Materials and Manufacturing Equipment NOFO is the official funding announcement document. Nothing in this presentation or the accompanying materials is intended to contradict or supersede information in the NOFO. The NOFO controls in the event of any conflicts. Use of the CHIPS financial model tool is not a requirement for a CHIPS full application submission under this NOFO. The provided financial model is intended to act as an illustrative example and may not appropriately meet the needs of all projects. It is an applicant’s responsibility to ensure its financial forecasts are suitable and accurate, and aligned with the requirements listed in Section IV.H.8 of the NOFO.
CHIPS for America Vision

Economic Security
The CHIPS Act will strengthen supply chain security and increase economic resilience in critical sectors

National Security
The CHIPS Act will ensure that the U.S. can manufacture advanced technologies, including secure chips for the U.S. military

Future Innovation
The CHIPS Act will spur innovation, increase competitiveness, and ensure long-term U.S. leadership in the sector
This Funding Opportunity

September 29, 2023
- Funding Opportunity (Released)
  - For smaller semiconductor materials and equipment facility projects under $300M

February 1, 2024
- Concept Plan Submissions (Due)

April 26, 2024
- Full Application Submission Portal (Opens)

July 1, 2024
- Full Application Submissions (Due at 5pm EST)
Small-Scale Supplier NOFO Application Process

### Phase 1: Concept Plan
- **Purpose:** Individual merit assessment of eligible, complete, and responsive concept plans. Once scored, a subset of submissions will be invited to the full application phase.
- **Submission Dates:** Accepted between December 1, 2023, and February 1, 2024.

### Phase 2: Full Application
- **Purpose:** Full review for **eligibility and completeness**, comprehensive **merit review based on evaluation criteria**, and application of one or more **selection factors used to determine whether to recommend** an application for award.
- **Submission Dates:** Accepted until 5pm EST on July 1st, 2024.

### Phase 3: Due Diligence
- **Purpose:** Conduct due diligence on applications that have been selected through the merit assessment. DD may include a review of national security risks, financial and commercial information, environmental impacts, and other issues.

### Phase 4: Award Preparation and Issuance
- **Purpose:** Application approval, modification, or rejection by selecting official. Award decisions are final and may not be appealed.
Applicant Engagement Prior to Submission

Prior to submission deadline on July 1st, applicants can expect the following engagement with CPO:

- **Overview of Full Application Webinar** *(Completed)*
- **Financial Modeling Webinar** *(Current Session)*
- **Individual Meetings with CPO Deal Team** *(In Progress)*
- **Applicant FAQs** *(shared; to be regularly updated)*
- **Full Application Office Hours** *(Upcoming in June)*
# Full Application Submission Overview

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
</table>
| A | Cover Page and Applicant Profile  
Organization information, point of contact, SAM.gov registration status |
| B | Sources and Uses of Funds  
Project costs and capital sources |
| C | Project Information  
Detailed project description |
| D | Full Application Uploads  
Full Application descriptive narratives and attachments |
| E | Eligibility Questions  
Questions based on eligibility requirements meant to ensure applicants have met the requirements within their application materials |

### For Consortium Applicants

- Consortium Narrative
- Full Application Narrative
- Environmental Questionnaire*
- Covered Incentive Letter*
- Audited Financial Statements*
- Letters of Commitment (Workforce)*
- Supplemental (Optional) Uploads
- Financial Model*
- Standard Forms

*New to Full Application
Evaluation Criteria

Focus areas for this webinar

- Economic and National Security Objectives
- Commercial Strategy
- Financial Strength
- Justification for CHIPS Incentives Request
- Project Technical Feasibility
- Workforce and Community Investment
Financial Information Requirements (1/2)

Required Sections or Uploads in Full Application

- **Project Sources and Uses of Funds**
  - Sources and Uses of Funds Web Form in Portal
    - Project costs: capital investment, *operating losses and other cash outflows, and workforce development costs*
    - Project capital sources: sponsor equity, debt funding, third-party equity, state/local gov't incentives, ITC, and CHIPS Incentives, and other sources of funds
  - Description in Full Application Narrative
    - All information listed above

- **Company Financials**
  - Audited consolidated financial statements at fiscal year-end for each of the last two years
  - Interim financial statements for current fiscal year
  - If unavailable, applicants must explain why not.

- **Financial Model**

- **CHIPS Incentives Request**
Financial Information Requirements (2/2)

Required Sections or Uploads in Full Application

- **Project Sources and Uses of Funds**
- **Company Financials**
- **Financial Model** (MAIN FOCUS OF THIS WEBINAR)
  - Summary of expected revenues, costs, and cash flows for the project (including key income and cash flow statements and balance sheet)
  - Summary narrative and supporting evidence of key assumptions underlying projections
  - Applicants are encouraged to use the financial model template provided by CPO
- **CHIPS Incentives Request**
  - Describe how project’s financials indicate that CHIPS Direct Funding will incentivize the applicant to invest in U.S. facilities that would not happen otherwise
  - Describe specific efforts to date to bring other capital into the project
Application Materials

**Financial Model Spreadsheet**
Summary of the expected revenues (broken down by number of units sold and price per unit), costs, and cash flows for the project, including key income statement, cash flow statement, and balance sheet information.

**Summary Narrative**
As part of the Financial Information section of the Full Application Narrative, provide details and supporting evidence for key assumptions underlying these projections found in the Financial Model Spreadsheet (*Maximum 5-pages in Full Application Narrative*)

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**Financial Model Templates**

- Applicants may submit their own financial model but have the option of using the [Financial Model Template](#) with the accompanying [Financial Model Template Instructions](#) provided by the CHIPS Program Office.
Financial Model – Structure

Worksheets

1 **Control Panel** is the only worksheet that requires user inputs segmented into a series of themes (e.g., Revenue Assumptions, Cash COGS Assumptions). *This is the source for all assumptions.*

2 **CapEx & Depreciation Schedule** is a processing worksheet used to calculate depreciation schedule model outputs.

3 **Annual Model** contains model output using information from key assumptions in the “Control Panel” and the processing worksheets.

Model Features

- Pre-populated values are illustrative.
- The model contemplates certain simplifying assumptions.
- The model uses an annual timestep and covers the entire expected life of an illustrative facility.

Model Legend:

<table>
<thead>
<tr>
<th>Tab Specific</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000</td>
<td>User Input</td>
</tr>
<tr>
<td>$100</td>
<td>Automatic Calculation</td>
</tr>
<tr>
<td>1,100</td>
<td>Link to Other Worksheet</td>
</tr>
</tbody>
</table>
Financial Model – Control Panel Inputs

1.A Project Revenue Assumptions

Project Revenue Assumptions ($ in M)

- The “Revenue Assumptions” section of the “Control Panel” worksheet is used to enter details on the production revenue build.
- In the template:
  - **Nominal Capacity** reflects the amount of available production capacity expected from the facility each year at peak capacity.
  - **Utilization %** reflects the facility’s production capacity utilization for that given year.
  - **% Yield** reflects the production yield for the facility’s output.
  - **ASP ($ in actuals)** reflects the per unit average selling price of the facility’s output.

- **Beginning Year** is where the project start date can be set in months and years. This will be used as **Year 1** for the model.

<table>
<thead>
<tr>
<th>Year</th>
<th>Nominal Capacity (actual units)</th>
<th>Utilization %</th>
<th>% Yield</th>
<th>ASP ($ in actuals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>1,100</td>
<td>20%</td>
<td>20%</td>
<td>$150</td>
</tr>
<tr>
<td>Year 2</td>
<td>1,100</td>
<td>50%</td>
<td>50%</td>
<td>$500</td>
</tr>
<tr>
<td>Year 3</td>
<td>1,100</td>
<td>75%</td>
<td>80%</td>
<td>$500</td>
</tr>
</tbody>
</table>
Financial Model – Control Panel Inputs

1.B Cash COGS Assumptions

Cash COGS Assumptions ($ in M)

- The “Cash COGS Assumptions” section of the “Control Panel” worksheet is used to enter the costs of goods sold for project, excluding the impact of CapEx depreciation.
- In the template:
  - % of Revenue Cash COGS refers to costs for
    - Labor
    - Materials
    - Utilities
  - Fixed $ Amount Cash COGS
    - Fixed Costs YoY Growth refers to the rate at which facility fixed costs will grow as the project matures.
    - Starting Fixed Cost refers to the Year 1 starting fixed cost from which the other years will be building from.

Inputs may not appropriately meet the needs of all projects and applicants may want to reflect additional complexities in their materials.
Financial Model – Control Panel Inputs

1.C Operating Expenses Assumptions

Operating Expenses Assumptions ($ in M)

- The “Operating Expenses Assumptions” section of the “Control Panel” worksheet is used to capture other operating expense items that are incurred during the general operation of the facility and are calculated on a % of revenue basis.
- In the template:
  - **SG&A** reflects selling, general, and administrative costs.
  - **R&D** reflects expenses incurred on research and development.

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG&amp;A as % of Revenue</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>R&amp;D as % of Revenue</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Inputs may not appropriately meet the needs of all projects and applicants may want to reflect additional complexities in their materials.
Balance Sheet Assumptions ($ in M)

- The “Balance Sheet Assumptions” section of the “Control Panel” worksheet is used to capture the net working capital assumptions of the business, based on the current assets and current liabilities.
- In the template:
  - Current Assets (% of revenue)
    - Accounts Receivable
    - Inventory
    - Other Current Assets
  - Current Liabilities (% of COGS)
    - Accounts Payable
    - Other Current Liabilities

Inputs may not appropriately meet the needs of all projects and applicants may want to reflect additional complexities in their materials.
**Financial Model – Control Panel Inputs**

1.E Capex Assumptions

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**Capex Assumptions ($ in M)**

- The “Capex Assumptions” section of the “Control Panel” worksheet is used to enter the details on the project capital expenditures.
- In the template:
  - **Capex category** reflects the sort of capital investment (e.g., land, construction, equipment, etc.)
  - **% Eligible for ITC** reflects what proportion of the specific capex line item is eligible for ITC benefit
  - **Useful Life** reflects the useful like for the relevant capex type and impacts the capex depreciation
  - **Timing of Capex Spend** reflects when the facility capex is expected to be spent where the sum for each row should total 100%
Financial Model – 1. Control Panel Inputs

1.F Financing Assumptions (1/3)

Financing Assumptions ($ in M)

- The “Financing Assumptions” section is used to enter details on the project funding sources
- In the template:
  - Sponsor Equity Injection reflects the schedule for the Sponsor equity investments in the project
  - U.S. Government Support
    - CHIPS Direct Funding reflects the % of capex assumption for the grant size of either 10%, 20% or 30%
    - State / Local Grants reflects the total $ grant amount from any state and local incentives
    - ITC reflects the ITC % applicable to capex that ITC eligible
  - US Government Grant Timing
    - CHIPS Direct Funding reflects the timing Direct Funding is expected to be received
    - State / Local Grants reflects the timing State & Local grants are expected to be received

The CHIPS Direct Funding request must be EXACTLY 10%, 20%, or 30% of total project capital expenditures. This amount must match the Direct Funding request entered in the Project Sources and Uses of Funds webform.
The “Financing Assumptions” section is used to enter details on the project funding sources.

In the template:
- **Third-Party Debt**
  - **Debt Financing Used** reflects whether third-party debt will be used as sources of funds.
  - **Max Third Party Debt** reflects the total $ amount of third-party debt available.
  - **Interest Rate** reflects the expected interest rate for the third-party debt and should represent the full cash interest rate.
  - **Third Party Debt Drawdown** reflects the schedule for the third-party debt drawdown for the project.
  - **Third Party Debt Repayment** reflects the schedule for the third-party debt repayment for the project.

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**Financing Assumptions ($ in M)**

<table>
<thead>
<tr>
<th>Sponsor Equity Injection</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Inflow</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**US Government Support**

<table>
<thead>
<tr>
<th>CHIPS Direct Funding</th>
<th>State &amp; Local Grants</th>
<th>Investment Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Capex</td>
<td>$ in M</td>
<td></td>
</tr>
<tr>
<td>10%</td>
<td>$16</td>
<td></td>
</tr>
<tr>
<td>25%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**US Government Grant Timing**

<table>
<thead>
<tr>
<th>CHIPS Direct Funding</th>
<th>State &amp; Local Grants</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>100%</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

**Third-Party Debt**

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Financing Used</td>
<td>$15</td>
<td>7.37%</td>
</tr>
</tbody>
</table>

**Third-Party Debt Timing**

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

**Overall Tax Rate**

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.5%</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
The “Financing Assumptions” section is used to enter details on the project funding sources.

In the template:

- **Tax Assumptions**
  - **Overall Tax Rate** reflects overall tax rate intended to estimate all taxes the company may have to pay on facility-related earnings.

- **Cash Balance Assumptions**
  - **Minimum Cash Balance** reflects the minimum amount of cash that must be maintained on the balance sheet.
Depreciation Schedule and ITC

- The “CapEx and Depr Schedule” worksheet calculates the depreciation of the project’s capital costs and the estimates the benefit from the ITC.
  - This worksheet is entirely driven by the control panel.
  - The ITC is calculated by multiplying each of the capital investment types in a given year by the effective ITC rate, and then subtracting that value from the original investment.
3. Financial Model – Annual Model Structure

**Annual Model**

- The “Annual Model” worksheet is the output tab for the model template, summarizing each of the different financial statements using the assumptions entered in the “Control Panel” worksheet.
  - There are **no inputs in this worksheets**.
  - In the template:
    - Income Statement
    - Balance Sheet
    - Debt Schedule
Financial Model – Annual Model

3.A Income Statement (1/2)

Income Statement ($ in M)

- The “Income Statement” section shows the income, or profit and loss, statement that has been generated using the assumptions entered on the “Control Panel” worksheet.
  - In the template:
    - Revenue
    - COGS Ex-Depreciation
    - Total Depreciation
    - (The rest continued the next page...)

<table>
<thead>
<tr>
<th>Annual Model</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
</tr>
<tr>
<td>$ in Ms unless otherwise noted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Statement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Capacity (actuals)</td>
<td>220</td>
<td>550</td>
<td>825</td>
<td>825</td>
</tr>
<tr>
<td>(a) % Yield</td>
<td>20.0%</td>
<td>50.0%</td>
<td>80.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Units Produced ('000s)</td>
<td>44</td>
<td>275</td>
<td>660</td>
<td>825</td>
</tr>
<tr>
<td>% YoY</td>
<td>$150</td>
<td>500</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>(a) ASP ($s in Actuals)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% YoY</td>
<td>$281.3%</td>
<td>$233.3%</td>
<td>$250.0%</td>
<td>$200.0%</td>
</tr>
<tr>
<td>Revenue ($ in M)</td>
<td>$6.57M</td>
<td>$137.5M</td>
<td>$390.0M</td>
<td>$412.5M</td>
</tr>
<tr>
<td>% YoY</td>
<td>$1981.3%</td>
<td>140.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Labor</td>
<td>(0.7)</td>
<td>(13.8)</td>
<td>(33.0)</td>
<td>(41.3)</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Materials</td>
<td>(0.7)</td>
<td>(13.8)</td>
<td>(33.0)</td>
<td>(41.3)</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>(0.7)</td>
<td>(13.8)</td>
<td>(33.0)</td>
<td>(41.3)</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Fixed Costs</td>
<td>(1.0)</td>
<td>(1.1)</td>
<td>(1.2)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>COGS Ex-Depreciation</td>
<td>$5.0M</td>
<td>$42.4M</td>
<td>$100.2M</td>
<td>$125.1M</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>45.2%</td>
<td>30.8%</td>
<td>30.4%</td>
<td>30.3%</td>
</tr>
<tr>
<td>Construction</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Equipment</td>
<td>(2.5)</td>
<td>(2.5)</td>
<td>(2.5)</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>(2.3)</td>
<td>(2.3)</td>
<td>(2.3)</td>
<td>(2.3)</td>
</tr>
<tr>
<td>Infrastructure Improvements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Capital Investment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Depreciation</td>
<td>(2.3)</td>
<td>(2.3)</td>
<td>(4.8)</td>
<td>(7.3)</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>34.1%</td>
<td>1.6%</td>
<td>1.4%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>
The “Income Statement” section shows the income, or profit and loss, statement that has been generated using the assumptions entered on the “Control Panel” worksheet.

- In the template:
  - Gross Profit
  - Operating Expenses
  - Operating Income
  - EBITDA
  - Total Interest Expense
  - Taxable Income
  - Net Income
Balance Sheet ($ in M)

- The “Balance Sheet” section brings together all the flows, cash and non-cash, to show the “accumulation” of each type of asset and liability/equity at the end of each period.
  - In the template:
    - **Assets**
      - Current Assets
      - Non-Current Assets
    - **Liabilities & Stockholders’ Equity**
      - Current Liabilities
      - Non-Current Liabilities
      - Total Stockholders’ Equity

### Annual Model

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance Sheet</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ -</td>
<td>$ 54.9</td>
<td>$ 118.7</td>
<td>$ 248.5</td>
<td>$ 389.6</td>
</tr>
<tr>
<td>AR</td>
<td>0.7</td>
<td>13.8</td>
<td>33.0</td>
<td>41.3</td>
<td>41.3</td>
</tr>
<tr>
<td>Inventory</td>
<td>11.2</td>
<td>11.2</td>
<td>11.3</td>
<td>11.3</td>
<td>11.3</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td>$ 1.0</td>
<td>$ 72.9</td>
<td>$ 161.7</td>
<td>$ 302.2</td>
<td>$ 443.3</td>
</tr>
<tr>
<td>Land</td>
<td>112.5</td>
<td>112.5</td>
<td>112.5</td>
<td>122.5</td>
<td>122.5</td>
</tr>
<tr>
<td>Construction</td>
<td>-</td>
<td>20.0</td>
<td>40.0</td>
<td>60.0</td>
<td>60.0</td>
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<tr>
<td>Equipment</td>
<td>2.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>11.3</td>
<td>11.3</td>
<td>11.3</td>
<td>11.3</td>
<td>11.3</td>
</tr>
<tr>
<td>Infrastructure Improvements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Capital Investment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(23.1)</td>
<td>(45.3)</td>
<td>(0.3)</td>
<td>(165)</td>
<td>(283)</td>
</tr>
<tr>
<td>ITC Receivable</td>
<td>112.5</td>
<td>-</td>
<td>12.5</td>
<td>12.5</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td>$ 162.8</td>
<td>$ 193.9</td>
<td>$ 204.5</td>
<td>$ 254.8</td>
<td>$ 300.5</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 163.7</td>
<td>$ 212.1</td>
<td>$ 366.2</td>
<td>$ 557.0</td>
<td>$ 743.8</td>
</tr>
<tr>
<td><strong>Liabilities &amp; Stockholders’ Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AP</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>0.0</td>
<td>0.4</td>
<td>1.0</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Current Debt</td>
<td>15.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>$ 15.1</td>
<td>$ 0.8</td>
<td>$ 2.0</td>
<td>$ 2.5</td>
<td>$ 2.5</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stock and Paid-In Capital</td>
<td>113.3</td>
<td>113.3</td>
<td>113.3</td>
<td>113.3</td>
<td>113.3</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>35.3</td>
<td>98.0</td>
<td>250.9</td>
<td>441.2</td>
<td>642.8</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Stockholders’ Equity</strong></td>
<td>$ 148.6</td>
<td>$ 211.3</td>
<td>$ 364.2</td>
<td>$ 554.5</td>
<td>$ 741.3</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Stockholders’ Equity</strong></td>
<td>$ 163.7</td>
<td>$ 212.1</td>
<td>$ 366.2</td>
<td>$ 557.0</td>
<td>$ 743.8</td>
</tr>
</tbody>
</table>
### 3.C Cash Flow Statement

#### Cash Flow Statement ($ in M)

- The “Cash Flow” portion has three output sections.
- In the template:
  - **Cash Flow from Operations**
  - **Cash Flow from Investing** reflects the investing cash flows related to capital expenditures and includes ITC benefits (debt service coverage analysis)
  - **Cash Flow from Financing** reflects the financing cash flows, showing the capital injections for the project (**cash flow to equity**)

#### Annual Model

<table>
<thead>
<tr>
<th>Cash Flow Statement</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$35.3 M</td>
<td>$62.7 M</td>
<td>$152.9 M</td>
<td>$190.3 M</td>
<td>$186.8 M</td>
</tr>
<tr>
<td>(+) D&amp;A</td>
<td>2.3</td>
<td>2.3</td>
<td>4.8</td>
<td>7.3</td>
<td>11.8</td>
</tr>
<tr>
<td>(+) Decrease in NWC / (-) Increase in NWC</td>
<td>(0.9)</td>
<td>(10.2)</td>
<td>(23.3)</td>
<td>(10.2)</td>
<td>(0.0)</td>
</tr>
<tr>
<td>Cash Flow from Operations</td>
<td>$36.7 M</td>
<td>$48.7 M</td>
<td>$133.6 M</td>
<td>$187.3 M</td>
<td>$198.6 M</td>
</tr>
<tr>
<td>Memo: CFO Pre-Gov. Direct Funding Support</td>
<td>1.7</td>
<td>49</td>
<td>134</td>
<td>187</td>
<td>199</td>
</tr>
<tr>
<td>(-) Total CAPEX</td>
<td>(165)</td>
<td>(20)</td>
<td>(70)</td>
<td>(70)</td>
<td>(70)</td>
</tr>
<tr>
<td>(+) ITC (Based on T+1)</td>
<td>41</td>
<td>-</td>
<td>13</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash Flow from Investing</td>
<td>$165.0 M</td>
<td>$21 M</td>
<td>$70 M</td>
<td>$58 M</td>
<td>$58 M</td>
</tr>
<tr>
<td>(+) Equity Inflow Per Co. Model</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(+) Draw of Third-Party Debt</td>
<td>15.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(-) Repayment of Third-Party Debt</td>
<td>-</td>
<td>(15)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(+) Equity Inflow to Remain at Mins. Cash</td>
<td>113.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash Flow from Financing</td>
<td>$128.3 M</td>
<td>$15.0 M</td>
<td>$ - M</td>
<td>$ - M</td>
<td>$ - M</td>
</tr>
<tr>
<td>Net Cash Flow</td>
<td>$ - M</td>
<td>$55 M</td>
<td>$64 M</td>
<td>$130 M</td>
<td>$141 M</td>
</tr>
<tr>
<td>BID Cash</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in Cash</td>
<td>-</td>
<td>55</td>
<td>64</td>
<td>130</td>
<td>141</td>
</tr>
<tr>
<td>EOP Cash</td>
<td>$ - M</td>
<td>$55 M</td>
<td>$119 M</td>
<td>$248 M</td>
<td>$390 M</td>
</tr>
<tr>
<td>Min. Cash Balance</td>
<td>$ - M</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Max. Third-Party Debt Balance</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Cash Balance Prior to Third-Party Debt</td>
<td>$128.3 M</td>
<td>$69.9 M</td>
<td>$118.7 M</td>
<td>$248.5 M</td>
<td>$389.6 M</td>
</tr>
<tr>
<td>Cash Required to Remain at Mins. Cash Prior to Third-Party Debt</td>
<td>$128.3 M</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Financial Model – Annual Model

3.D Debt Schedule

Debt Schedule ($ in M)

- The “Debt Schedule” portion shows the debt drawdowns and repayment. This will show the drawdown and repayment schedule per the timing assumptions made in the “Control Panel” worksheet.
- In the template:
  - Third-Party Debt
  - Third-Party Debt Interest Expense
If we have a parent company, how should we provide consolidated financial statements and information for the financial model?

As stated in the Small-Scale Supplier NOFO, applicants should submit audited consolidated financial statements at fiscal year-end for each of the last two years, and interim financial statements for the current fiscal year. If the applicant entity does not have access to audited consolidated financial statements, they must explain why not.

For the financial model, CPO is looking for a comprehensive assessment of the project’s finances. Therefore, the financial information, including the key income statement, cash flow statement, and balance sheet information, must reflect project-based financials.

Applicants are encouraged, though not required, to use the financial model template provided by CPO, which is designed to accommodate for reasonable, high-level estimates for the project that are acceptable.
How to Submit the Full Application

Full Applications are accepted until 5pm EST on **July 1, 2024**

Submit the Full Application at **applications.chips.gov**

**After Full Application Submission:**
The CHIPS Program Office will
✓ Send a confirmation email immediately upon receipt
✓ Review submission and may reach out for additional information or clarification
✓ Provide a written determination after review
Next Steps and Resources

Next Steps
- Submit a Full Application
- Visit CHIPS.gov for additional resources
- Join our mailing list
- Contact us: apply@chips.gov for application-related inquiries

Additional Resources
- NOFO 2
- NOFO 2 FAQs
- NOFO 2 Full App Fact Sheet
- NOFO 2 Full Application Requirement Guidance
- NOFO 2 Full Application Instructions
- NOFO 2 Financial Model Template
- NOFO 2 Financial Model Template Instructions

Full Application Submissions Portal launched on April 26

Full Applications are accepted until 5pm EST on July 1, 2024
Thank You