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class and the need to develop energy grid infrastructure will continue to drive demand in our initial target markets for the foreseeable future. We believe that solar and wind energy systems are particularly attractive in addressing the undersupply of electrical generation capacity in emerging markets due to their relative ease and speed of installation, scalability and, with respect to solar energy systems, their ability to be located near the customer, thereby reducing the customer's transmission and distribution costs. In addition, we believe that hydro-electric energy represents a significant acquisition opportunity for us because it is a proven renewable technology with significant installed capacity of more than 412 GW in our initial target markets.

The global renewables market is projected to require more than \$2.1 trillion of investment in capacity expansions over the period from 2015 through 2020, of which approximately 35% of such capacity expansion is expected to occur in our initial target markets. Of this total expected investment, more than \$723 billion and \$664 billion is expected to be in global solar and wind generation capacity expansions, respectively. Our initial target markets are expected to account for 48% and 41% of global wind and solar capacity expansions, respectively. In addition, more than \$253 billion is expected to be invested globally in hydro-electric generation assets through 2016, of which our initial target markets are expected to account for 27% of such capacity expansion.

The installed base of renewable energy generation capacity in our initial target markets is greater than 622 GW, including more than 39 GW of solar capacity, 138 GW of wind capacity and 412 GW of hydro-electric capacity. Driven by the increasing cost competitiveness of wind and solar energy, accelerating industrialization, an expanding middle class and attractive regulatory policies that incentivize renewable energy investments, we expect substantial growth in installed renewable energy capacity over the next several years. Solar energy capacity additions are expected to total over 179 GW between 2014 and 2020 in our initial target markets and are expected to grow at a CAGR of 32% between 2014 and 2020 in our initial target markets. Over the same period, wind energy capacity additions are expected to total over 188 GW in our initial target markets and are expected to grow at a CAGR of 14% between 2014 and 2020, in our initial target markets.

TerraForm Global, Inc. is a Delaware corporation formed on September 12, 2014 and headquartered in Bethesda, Maryland.

Purpose of TerraForm Global, Inc.

We intend to create value for the holders of our Class A common stock by achieving the following objectives:

- owning and operating a diverse platform of renewable energy projects, including solar, wind, hydro-electric and other clean power generation technologies, that provide long-term contracted cash flows from creditworthy counterparties;
- creating a geographically diverse platform of renewable energy generation assets;
- growing our project portfolio through the exercise of our call rights and the completion of third-party acquisitions;
- capitalizing on the expected high growth in the worldwide clean power generation market;
- creating an attractive investment opportunity for dividend growth-oriented investors; and
- gaining access to a broad investor base with a more competitive source of equity capital that accelerates our long-term growth and acquisition strategy.