The European Energy Efficiency Fund

Introduction, January 2021

www.eeef.eu
www.linkedin.com/company/european-energy-efficiency-fund-eeef-
Agenda

1. eeef: advancing sustainable energy in Europe
2. Portfolio and case studies
EUROPEAN ENERGY EFFICIENCY FUND
An established business model delivering measurable impact

First investment in 2012

18 investments since inception

€200m globally invested

€150m currently committed into projects (1)

921,369 megawatt hours cumulative primary energy savings (3)

530,454 thousand tonnes carbon dioxide equivalents cumulative carbon saving**

58% average CO2e emissions cut

Value proposition
One-stop shop with an agile investment process

- **Public entity**, similar to City of Venlo (NL)*, Ore Valley housing association (UK)*, or
- **Private company liaising with a public entity**, similar to Manutencoop (IT)*, EDF Group (FR)*, Johnson Controls (DE)*, or
- **Financial institution financing the above**, like Banca Transilvania (RO)*

- **Energy efficiency**, similar to street lighting upgrade in the City of Santander* or building retrofit of the Munich University of Applied Sciences*
- **Renewable energy**, similar to biomass plants in cities of Orléans and Rennes*, or
- **Clean urban transport**, similar to Bolloré car-sharing programme for electric cars in France or to Dancer innovative electric buses in Lithuania*

- Avoiding CO$_2$e emissions or primary energy consumption by at least 20% compared to baseline
- Looking for **funding** in a (flexible) range **between €5m and €25m**
- In one of the **EU Member States**

- **Debt**
- **Equity**
- **Mezzanine**
- **Forfaiting facilities**
  *Inc. portfolio facilities**

- **Consulting services** to prepare, launch and finalize a public tender, on a grant base results-conditioned

- **An experienced investment team to partner up with, in a linear and rapid investment process**

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*Examples from eeef’s investments for illustrative purpose
**Win-win strategy: from the sponsor pov aggregation enables smaller projects reaching altogether €5m+, from the eeef pov it delivers a more granular fund portfolio
The European Energy Efficiency Fund S.A., SICAV-SIF, société d’investissement à capital variable governed by Luxembourg law registered in Luxembourg. eeef is in the process of conversion to a fully AIFMD-compliant structure.

* The EIB and CDP will gradually divest between 2021 and 2026, the European Commission is invested until end of 2034
**Proprietary technical assistance facility**
Consultancy services for a higher success rate of projects

*Technical assistance (TA) to support clean energy projects in the public sector reach fruition on a conditional grant basis*

**How the TA works**

I. eef selected consultants

II. eef to match consultant with municipality

III. Joint definition of project scope

IV. Progresses monitored by eef on a monthly basis

V. Bankability built all along the development process. eef participating to project funding otherwise reimbursement of costs

**TA boundaries**
All activities necessary to prepare investments - feasibility studies, energy audits, assessment of economic viability of investments, legal support etc.

**Background experience**
European Commission technical assistance facility: 16 TA projects in 8 countries, a total project volume of €195m facilitated

**How to apply as beneficiary**
Remaining funding available on a first-come-first-serve basis. Application to submit to technical_assistance@eeef.eu.
All info at [http://www.eeef.eu/eeef-ta-facility.html](http://www.eeef.eu/eeef-ta-facility.html)

Current status: selected public authorities are Gijón (Spain), Ferrara (Italy), the Italian Ministry of Defence, Province of Bolzano (Italy), Kaunas District Municipality (Lithuania) and Ukmerge District Municipality (Lithuania)

Further funding available
Agenda

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2. Portfolio and case studies
Investments summary to date

The amplyest diversification by investment form, size, technology, country.

- **Orléans**, €5.1m equity, biomass plant to supply heat to the City of Orléans (RE), France
- **Rennes**, €7.3 equity, biomass plant to supply heat to the City of Rennes (RE), France
- **Bolloré**, €30m debt, electric vehicles and infra for car sharing (CUT), France - matured
- **SPL**, €5m debt, refurbishment of public schools (EE), France - matured
- **UPM**, €2.5 debt, refurbishment of Universidad Politécnica de Madrid facilities (EE), Spain
- **Santander**, €9.2m debt, smart public lighting (EE), Spain
- **Wattosun**, €5.1m equity, roof-top PV portfolio (RE), Portugal
- **CIMAC**, €12.1m debt, smart public lighting (EE), Portugal
- **Vila do Conde**, €5.1m forfaiting facility, street lights upgrade (EE), Portugal
- **CHAP**, €2.2m debt, boiler replacement (EE) and onshore wind (RE), UK
- **Dancer**, €4m equity, electric buses (CUT), Lithuania
- **Venlo**, €8.5m debt, smart public lighting (EE), Netherlands
- **Jewish Museum Berlin**, €1.0m debt, building retrofit (EE), Germany
- **University of Applied Sciences Munich**, €0.6m debt, building retrofit + cogeneration (EE), Germany
- **Banca Transilvania**, €25m subdebt, portfolio of EE, RE, CUT, Romania
- **University Hospital St. Orsola**, €32m debt, upgrade of the entire heating and cooling distribution system (EE), Italy
- **Illuminated Cities**, €16m equity, portfolio of smart public lighting (EE), Italy
- **Smart H&U**, €7m equity, portfolio of hospitals and universities retrofits (EE), Italy

Project description above: project name, eeef investment volume and type, technology, country. More details in the following slides.

CASE STUDY
Largest energy efficiency upgrade in Italy under a PPP framework

- **IMPACT STORY**
  - Tonnes of carbon dioxide equivalent avoided compared to baseline.
  - MWh of primary energy avoided compared to baseline.

- **LOCATION**
  - Italy, Bologna
  - Hospital St. Orsola

- **INVESTMENT CASE**
  - Lighthouse project for the Italian and European energy efficiency market, demonstrating the positive impact of an energy efficiency investment in a complex upgrade of a public hospital
  - Reduction of CO2e emissions of 12,662 t/yr, -28% compared to baseline

- **EQUITY & DEBT TERMS**
  - Equity provided by Manutencoop Facility Management, Siram, Sinloc
  - Total project volume: €41m
  - eeef funded volume: €31.8m (via a project bond structure)
  - Duration of financing: 20 years

- **CLIENT PROFILE**
  - Partners: Progetto ISOM S.p.A (project SPV)
    University Hospital S. Orsola Malpighi (grantor of concession)
  - The project entity Progetto ISOM signed a concession agreement with the University Hospital S. Orsola-Malpighi, one of the biggest hospitals in Italy (1,758 beds).

Past performance is not indicative of future performance. There can be no assurance that objectives will be met. Details are provided for information purposes only.
### CASE STUDY
Aggregation of smaller smart street lighting projects

#### IMPACT STORY
- Savings in CO2e and primary energy are envisaged to reach 74% compared to the baseline.

#### INVESTMENT CASE
- Replacement of existing street lights with ca. 56,000 energy efficient LED lighting points to upgrade among others UNESCO World Heritage site of Évora.
- CO2e savings of 5,192 t/yr and primary energy savings of 40,655 MWh/yr.
- The project will also generate €7.1m of monetary benefits for the 14 municipalities over the 12-year concession period.

#### LOCATION
- Comunidade Intermunicipal do Alentejo Central (CIMAC), Portugal

#### EQUITY & DEBT TERMS
**Street lighting upgrade via forfaiting facility**

- **Total project volume:** €13.5m
- **eeef funded volume:** €12.1m via a forfaiting structure (71% purchase of total receivables of the contract)
- **Duration of financing:** 12 years

#### CLIENT PROFILE
- **Partners:**
  - I- Quatro LDA (co-owned by I-Sete & Amener )
  - CIMAC, an Intermunicipal association representing 14 municipalities

Project will bring positive change to 14 municipalities with ca. 167,000 inhabitants and a high number of historic buildings.

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Source: eeef, January 2021.
CASE STUDY
Promotion of sustainable mobility in European cities

IMPACT STORY
- Tonnes of carbon dioxide equivalent saved compared to baseline.
- MWh of primary energy avoided compared to baseline.

INVESTMENT CASE
- JV Dancer mobility provide all-inclusive operational lease services of electric buses manufactured in Lithuania to public authorities.
- The project estimates carbon savings of 1,344 CO2e t/yr, equating to 100% compared to baseline and 9,092 MWh or primary energy savings, equating to 92%. The cost of savings is 266 EUR/tCO2e based on the total project volume of €5m.

LOCATION
- Klaipeda, Lithuania

EQUITY & DEBT TERMS
The JV between the eeef and Dancer through a Special Purpose Vehicle (“SPV”)

Total project volume: €5m
eeef funded volume: €4m (€0.8m equity and €3.2m shareholder loan)
Duration of financing: up to 10 years

CLIENT PROFILE
- Partners: UAB “Vėjo Projektai” (Dancer)
  
UAB “Dancer Mobility”

Dancer Mobility to provide all-inclusive operational lease services of electric buses manufactured in Lithuania to public authorities. Dancer Mobility will finance the purchase of e-buses and their operation, in the frame of all-inclusive operational leases provided by the company to public authorities and covering the bus usage, charging infrastructure, green energy supply and full maintenance.

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Source: eeef, January 2021.
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