

# LAUNCH

Sustainable Energy Assets as tradable securities

**Grant Agreement No: 847048**

D5.3 Introduction of materials and second set of feedback



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### D5.3 Introduction of materials and second set of feedback

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## ABBREVIATIONS

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CapEx	Capital expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
DMUs	Decision Making Units
EaaS	Energy as a Service
EE	Energy Efficiency
EPC	Energy Performance Contract
ESCo	Energy Service Company
ESG	Environmental, Social and Governance
HaaS	Heating-as-a-Service
IFRS	International Financial Reporting Standards
LaaS	Lighting-as-a-Service
LEP	LAUNCH Education Programme
NEG	New Energy Group
PR	Public Relations
RAP	Risk Assessment Protocol
ROI	Return On Investment
SEA	Sustainable Energy Assets
SEAD	Sustainable Energy Asset Developer
STA	Supported Temporary Accommodation
SME	Small- and Medium-sized Enterprises
UK	United Kingdom

## EXECUTIVE SUMMARY

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The LAUNCH H2020 project started in May 2019, and, after the first 6 months of development, the LAUNCH standardised materials were introduced to project stakeholders in November 2019. LAUNCH stakeholders include both energy efficiency project developers (ESCOs, installers, contractors) and investors, each of them bringing their unique expertise and practical, market perspectives which helps the development of the LAUNCH materials.

As reported in D5.1, the consortium received feedback from more than 25 separate companies - on the LAUNCH standardised contract, Risk Assessment Protocol (RAP), standardised presentation and financial templates, and the LAUNCH sales process and design materials - within the first 3 months of testing (November 2019-January 2020). This feedback helped the LAUNCH consortium to significantly improve the different materials and helped prepare the team for the first round of piloting by project developers in live project settings with end-clients, which began in the spring of 2020.

After that, D5.2 described the activities that have taken place from January 2020 to October 2020, with a major focus on the LAUNCH Education Programme (LEP) and the lessons learned from practitioners.

This report will build on those previous ones, describing the activities that have taken place from October 2020 to February 2021 and reporting on the second introduction of the LAUNCH material to the piloting companies.

# 1 INTRODUCTION

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This report presents the results of the second round of feedback on the LAUNCH standardised materials. During 2020 the LAUNCH consortium focused its effort in organizing and running the LAUNCH Education Programme sessions with engaged stakeholders.

These sessions were useful to have a better understanding of how project developers deal with contractual, financial and commercial processes and how these can be improved through the LAUNCH material.

Thanks to this, it was possible to gather additional feedback that fed the existing LAUNCH material. In the fall 2020 the project partners were able to release updated versions of the material. Some of them with major updates, such as the contract and the sales material, other with slight but still needed improvements, such as the Risk Assessment Protocol. More details on these updates are presented in section 2.

Section 3 of this report provides updates and key highlights on the activities done within the LAUNCH Education Programme. This section includes also the testimonials shared by some project developers who engaged in the programme and were asked to give some feedback not only on the programme but also on the actual project's material.

Section 4 presents the LAUNCH Webinar that took place in January 2021 where several investors from the Investor Board shared their feedback on the material. Here a major focus was on the risk assessment protocol.

Section 5 collects all other type of feedback that the consortium received from external stakeholders.



## 2 LAUNCH MATERIAL

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### 2.1 UPDATES ON THE CONTRACT

The updates on the contract are highlighted in detail in D2.2 Draft SEAD-End Client contract for testing V2.

During this task the partners reviewed and updated the 1<sup>st</sup> draft of the SEAD-End Client standardised contract accordingly based on the feedback gathered:

- from the different key stakeholders (ESCO's, aggregators, universities, banks and other stakeholders),
- from the LAUNCH Investor Board (based on a two-round feedback gathering approach), and
- from the 1<sup>st</sup> pilot round that took place under T5.3 of WP5.

We presented the updated LAUNCH contract to the SEAD Stakeholder Group during the LAUNCH Education Programme and to the Investor Board during the 3<sup>rd</sup> meeting on November 3<sup>rd</sup>, 2020 (that was held online due to the current situation).

The **updated clauses** based on all the feedback received from both the Investor Board and LAUNCH stakeholders are the following:

- ***Interpretation***

The interpretation section has been updated due to the introduction of new terms included in the contract.

- ***Clause 2: SERVICE PROVIDER'S OBLIGATIONS***

The most important clause is clause 2.10 which is a crucial provision for the IFRS-16, which stipulated that the "Service Provider shall, at its sole discretion, be entitled from time to time to substitute or replace the Equipment or any part thereof or item comprised therein with more advanced and improved parts or items which will enhance the efficiency of the Equipment [...]". The Financial benefit of such an upgrade needs to be shared between the Service providers benefit and the Subscriber based on the calculation method specified in Schedule 1.

- ***Clause 3: SUBSCRIBER'S OBLIGATIONS***

An obligation was added to ensure that the environment in which the Equipment is kept meets the minimum requirements specified by the Service Provider;

- ***Clause 13: TERM, SUSPENSION AND TERMINATION***

This was structured as agreed during the Investor Board meeting: it includes a clause in the contract that the client/subscriber is responsible to cover the removal cost if he wants to end the contract (for none of the reasons already covered in the contract)

- **Clause 18: FORCE MAJEURE**

This was updated to be more inclusive i.e. as pandemics were not included in the prior version.

The following clauses have been very lightly amended in terms of wording to make them clearer:

- *Clause 22: SEVERANCE*
- *Clause 24: ASSIGNMENT*
- *Clause 25: NO PARTNERSHIP OR AGENCY*
- *Clause 26: THIRD PARTY RIGHTS*
- *Clause 19: VARIATION*
- *Clause 11: INDEMNITY*

**The New Provisions added:** in order to be able to cover all the feedback received the following clauses have been included:

- **Clause 2.11-2.13: METER ADDITION** (instead of an M&V or technical advisor),
- **Clause 14: STEP IN RIGHTS** although it was part of the 1<sup>st</sup> draft it needed more detailing (as it was one of the clauses that were slightly problematic for some ESCo's)
- **Clause 15 EFFECTS OF EXPIRY OR TERMINATION OF THIS AGREEMENT** this clause clarifies which party is responsible for the cost of the removal in the different scenarios.
  - At the end of the term the subscriber will have the right to either:
    - *Have the equipment removed by the service provider*
    - *Or will have the right to purchase the assets at a value to be determined by an independent valuation agent appointed by the subscriber*
    - *Will have the right to extend the term based on a new contract with a new refurbished equipment more performant than the prior one*
- **Clause 16: CHANGE CONTROL** if the subscriber needs a more performant equipment/ to expand the technology or to increase the subscription value this is the clause that was included to accommodate those 2 cases.
- **Clause 17: AUDIT** both of the parties the Subscriber shall maintain the Energy Records during the Term; and The Service Provider shall maintain the Service Fee Records. For transparency and mediation/arbitration purposes.
- **Clause 29: COMPLAINTS AND DISPUTES** has an arbitration mechanism put in place in case of a dispute for a fast and clean solution.

Regarding the flexible part of the SEAD-End Client contract the Schedules, they have been amended as follows:

- **Schedule 1 Services, Premises, Equipment and Terms:** Schedule description of the services and a table has been designed and included for an easier overview of the offer to be made vs the current situation at the premises of the subscriber . An example has been provided for the lighting sector that can be used as a model and be adapted to other measures.
- **Schedule 2 Service Fees:** Description of the payment mechanism was included with a detailed description of the 2 options: a consumption-based payment or a subscription one. In this schedule we introduced the **“Minimum Service Level Supply”** which means, in each month, Actual Service Level Supply of no less than X percent of the Contracted Service Level will be paid to the Service provider (this was introduced at the request of both Service provider and Financers- as it mitigates the occupancy risk)

**Schedule 3 Support Service Levels: the table of the Service Levels has been updated based on the feedback received form ESCOs**

This section, which is broken down into:

- Minor incidents
- Major incidents
- And extraordinary breakdown

**New Schedules:**

- **Schedule 6: Change of Control Process:** If the Service Provider wishes to propose a change to the Services, or if the Subscriber delivers a Change Request to the Service Provider,
- **Schedule 7-Accepted Offer of Services** is represented by a small summary that sums up the accepted offer of services
- **Schedule 8- ESG Schedule** (still under discussion between the LAUNCH partners as this is a complicated and new concept for the ESCo's). This would be composed of recycling management, waste management, circular economy aspects, energy management. This was requested by of one of the ESCo's and the recommendation of a specialist investment fund, both agreed that at least the environmental aspects should be covered in a schedule. This schedule when introduced, will be closely linked with the Risk Assessment Protocol (forthcoming version D3.3) that will include ESG risks as a separate category.

The last and most important step was to pass the “off-balance sheet test”, for which the LAUNCH contract received from a Big 5 auditor company an accounting letter confirming that the contract is indeed off-balance sheet.

In order to make sure that the main off-balance sheet “tests” were addressed in the LAUNCH contract and to avoid the categorisation as a lease we made sure the following Clauses were clear and updated where needed:

- The purpose of the equipment is predetermined and can be used only as stipulated in the contract (Clause 3 - Subscribers obligations)
- Subscriber is purchasing the output produced by the company’s equipment: could be lumen/kWh, tons of refrigeration or air conditioning (Schedule 1)
- The Service provider is responsible for the installation, design, maintenance and operation (Clause 2.)
- The Service provider has the right to change the equipment if it sees fit, without the Subscriber’s approval as long as the output level (of lighting, cooling, etc), stipulated in the contract is maintained (Clause 2.10)
- Subscriber will use the equipment as instructed by the Service provider and shall comply with a minimum usage (Clause section 2, Schedule 2)

The transposition is the next step and is undergoing and will be completed as part of Task 2.3 Contract Finalization (between M25-30).

## **2.2 UPDATES ON THE RISK ASSESSMENT PROTOCOL**

The LAUNCH Risk Assessment Protocol has received two main sets of feedback during the LEP sessions – one regarding its format and usability, the other about some additional content and risk types that should be included.

A main barrier for project developers to the adoption of the RAP as their in-house risk assessment tool to be applied to all projects is the language. Considering that the diversity of risk related information contained in the RAP will involve a number of different personnel within an engineering firm (technical, financial, administrative) and several of the risk types require data gathering from the developers’ end clients, the translation of the RAP into local languages (other than English) was identified as an essential enabler.

A second barrier lies in the current format of the RAP as a word template. Here, a transformation into a web-based version will allow for quicker replicability, easier storage of and access to information and related documentation, enhanced user experience by displaying % of completion and integrations with other LAUNCH standardized tools, such as the standardized financial spreadsheets.

Regarding the RAP content, there was a strong need identified from both project developers and investors to include construction risk and ESG related risk factors in the tool. These changes, together with a number of smaller adaptations and additions have taken place in the second public version of the RAP, delivered in October 2020.

## 2.3 UPDATES ON THE PRIVATE EQUITY MATERIAL

The updates on the private equity material are highlighted in detail in D4.2 Standardized Financial Representation Spreadsheets.

During the LEP sessions, the LAUNCH team has learned that the financial spreadsheet template requires more time and good understanding of financial aspects to complete it, especially for the first time. For some ESCo's/contractors, financial data was either unfamiliar to them or the lack of historical financial data on the company (past 3 years plus a-2 years projection) made it the completion of this document difficult.

The Pre-Assessment stage from the financial spreadsheet underlined one major issue that in general SEAD's have, namely the lack of a full team: a complete management team including a finance person, around the table. This was also confirmed in relation to the other tools developed within the LAUNCH project.

As such one of the changes that were implemented in this template was to add a Management Team Spreadsheet: where each of the Directors need to be named (and confirm if they own shares in the company). The investor finances a Management Team, however if the Management Team does not own share in the company, it is perceived as a risk, as it might not have the same level of involvement as a Team that is connected/linked to the company via a shareholder structure.

The rest of the structure of the Template remained the same due to the crucial elements that are part of this documents:

- Pre-assessment questions
- *Management Team presentation (with shareholding %) -new addition*
- Statement of Profit and Loss
- Statement of Financial position
- Cash Flow Statement
- KPIs
- Graphic Output for Investors

## 2.4 UPDATES ON THE SALES PROCESS AND VALUE PROPOSITION MATERIAL

The updates on the sales process and value proposition material are highlighted in D4.7 – Templates for end client engagement and explained in detail in D4.6 - Report on SEAD business models and end-customer segmentation. We presented the LAUNCH managerial decision-making approach for boosting SEAD sales. There is a repeatable sales and marketing approach for project developers. It is basically structured around two key questions: "where to play?" and "how to win?". Each

question can be tackled using adequate tools and templates which we present in D4.7. See also the Figure below for more information.

Where to play?

- Customer segmentation
- Personas & Decision-Making Unit (DMU)

How to win?

- Value proposition
- Customer-driven sales process

Increasing SEAD sales and project pipeline growth is not something that can be modelled in a linear way. We see this as a continuous cycle that combines both selecting relevant market segments, tweaking SEADs specific offerings (their value propositions and marketing missions) and matching SEAD sales effort and timing to that the decision-making process and timing of its customer through targeting relevant decision makers. Specifically, we aimed for creating the following materials that were tested in LAUNCH's Learning and Education Program:

- 1) Templates to create successful value propositions for relevant customer segments. Contractors want to have an appropriate starting point for conversation towards interesting segments, align with their business model focus, and find an inspiration source and method towards differentiating from competitors.
- 2) Personas of typical decision-makers (units) to help sending the right marketing messages and help empathizing with customers to ease marketing, sales, and innovation efforts.
- 3) Sales process smoothening, also based on point 2 above. It involves mapping key decisions customers make, but also knowing when to stop, how to break it up into smaller steps/decision, and pushing the right sales messages at the right moment.

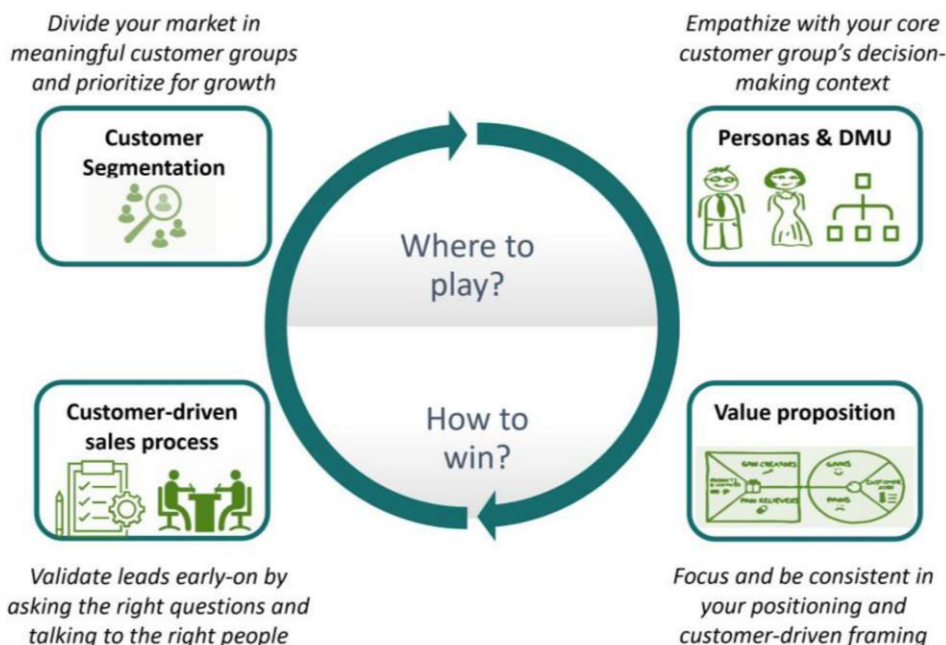


Figure 1: Action research framework for boosting SEAD sales

### 2.4.1 PERSONA AND DECISION-MAKING UNIT

To increase both project pipeline growth as well as effective and efficient sales, targeting needs to become more tailored to the specific end client at hand. We presented SEADs different persona and decision-making unit examples to be tested in practice.

Personas are used in marketing, advertising, sales, and product or service design by creating a fictitious persona that represents a group or segment of customers so that the company can focus its efforts while having internally a shared understanding of whom they are addressing. Personas are developed related to the targeted end client market segments. See the Figure below for the different personas we created and tested with SEADs. For each segment – a combination of small/large organization size within public/private sector – we developed a persona of an organizational leader.





Figure 2: Personas across 4 end client segments

Besides organizational leaders, also other members of a customer organization can play an important role in the decision-making process; either directly or indirectly. We consider all these people part of the so-called decision-making unit (DMU). We describe typical decision-makers including their needs, possible marketing messages to them, and relevant tools to show the possible value project developers can create. These DMUs differ significantly across private and public sector customers. Therefore, we created different tables for both. See the Figure below for the private end-client DMU we created and tested with SEADs.

## Private end-client DMU

DECISION-MAKING UNIT	CFO	COO	Energy manager
<b>Needs ("what's on their mind")</b>	focus on how firm wins	focus on operations, control, cost savings, personnel time	how does this make me look as energy expert? what if my leadership says: "this should have been done earlier" focus on safety, not being pushed around, feeling empowered, no adventures
<b>Marketing messages</b>	"value is being created for the firm"	"you save while having control and zero risk"	"make YOUR case towards C-level: need for infrastructure upgrade and maintenance without need for money" "this is not contradicting previous efforts and energy management messages"
<b>Tools to show value created</b>	Risk assessment protocol	EPC dashboard showing operational KPIs	relevant references and track record to support energy manager's messaging

Figure 3: Private end-client DMU for SEADs



### 2.4.2 VALUE PROPOSITIONS

A value proposition statement identifies the key reason why a customer segment should prefer a certain project developer over competitors. It explicitly tries to reveal what a customer is actually buying and what customer needs the product or service addresses; and this can be framed very differently when taking the customer's perspective. We developed a set of value propositions and value elements to be used by SEADs when implementing their marketing and sales approach.

There are 4 typical "value clusters" that SEADs use when approaching end-clients. The Figure below shows these value clusters together with some often-used value elements.

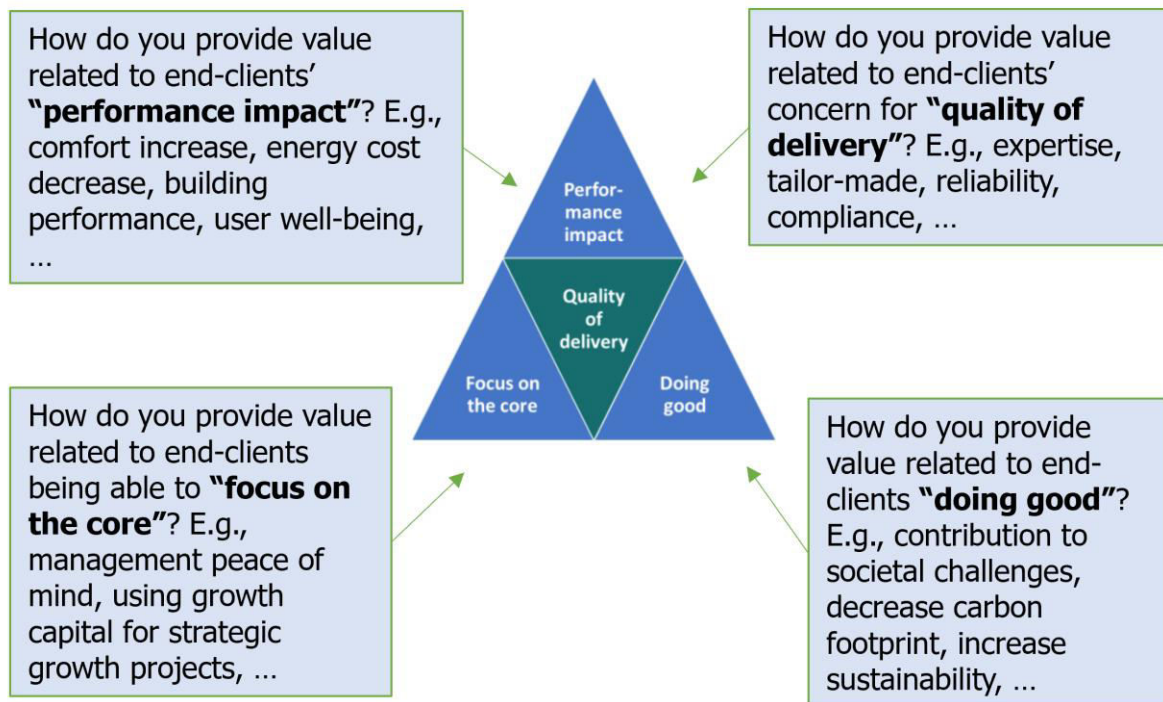


Figure 4: Value proposition elements for SEADs

For the 4 typical segments we provided examples on how to **frame value in customer benefits supporting the end client's business**. A single technical offer can be framed differently for various customer segments. We pushed SEADs for customer-driven framing and thinking through their various value clusters and individual value elements. It involves related their SEAD offering to the end client's own customer proposition, risk drivers or overall business model. **See the Figure below for some examples.**

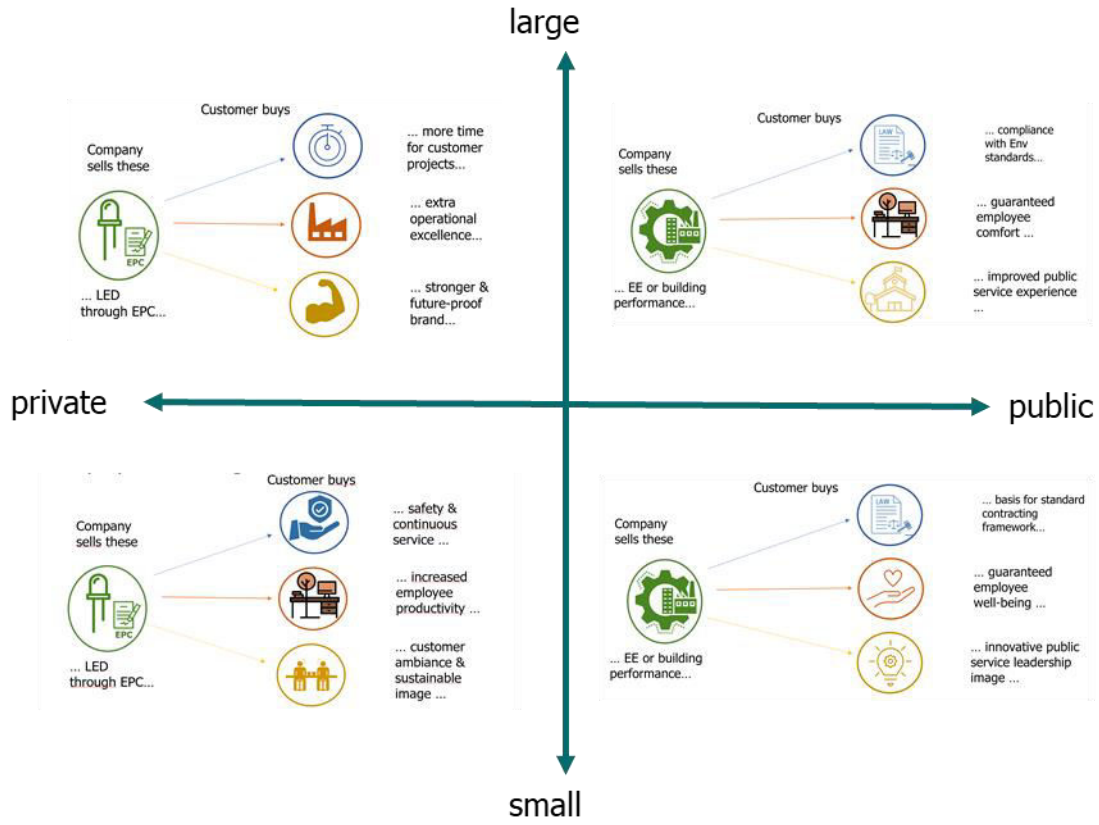


Figure 5: Customer-driven framing of value propositions

## 3 LAUNCH EDUCATION PROGRAMME

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### 3.1 OBJECTIVES AND APPROACH

As already presented in the D5.2, the LAUNCH consortium has updated the design of the LAUNCH Pilot Programme to include the LAUNCH Education Programme (LEP), with the three key objectives of: 1) better informing the LAUNCH partners in the development of the project's standardised materials; 2) improving the knowledge and understanding of project developers about the LAUNCH materials, their purpose, and the benefits of applying them; and 3) improving the traction of the LAUNCH materials in the sustainable energy market across Europe.

To complement the original approach of sending the LAUNCH materials to a large number of stakeholders to solicit feedback and to pilot, the extended pilot design takes a more targeted approach with a subset of selected project developers. This is achieved through arranging more focused, in-depth working sessions with project developers, both bilaterally and in small groups.

### 3.2 ACTIVITIES AND FEEDBACK GATHERED

This section will outline the main feedback gathered in the online workshops in October 2020 and April 2021 on the LAUNCH sales process and value proposition material. More insights on the LAUNCH Contract and RAP group sessions that took place in February 2021 can be found in Deliverable D6.8.

#### 3.2.1 FEEDBACK ON SALES PROCESS AND VALUE PROPOSITION MATERIAL

We organized several activities for receiving feedback and initiate testing on the sales process and value proposition material. We engaged SEADs via three different discussion groups (2h workshops) and two preparatory individual conversations (1h interviews).

**1) Workshop Oct 2020** on "where to play and how to win for project developers?" (2h workshop, 9 project developers)

The aim of the October event was twofold. First, to share practitioner learnings and best practices on segment-driven marketing & sales approaches. Second, to steer LAUNCH's work in co-creation of core marketing materials, such as value propositions and customer personas. The event has been divided into two sessions, each covering a specific end-client segment. Session 1 had the focus on the private sector "commercial and industrial building markets" and session 2 had the focus on the public sector "MUSH markets (Municipality, Universities, Schools and Hospitals)". Each participant could decide whether to attend Session 1, Session 2, or both.

Each session was attended by around 5 project developers and two LAUNCH Consortium members, John O'Rourke (NEG) and Jessica Stromback (JA) that were key

to steer the discussion and share experiences. Both sessions were led by TNO team members, Bart Devoldere and Mirjam Groote Schaarsberg.

The workshop has been organized around the following key questions:

- What are the most relevant market segments and offerings for future (EPC) growth? How to approach these segments?
- What are typical customer characteristics and needs?
- Who is important in your customer's decision-making process? Who to send what message?
- What are important sales growth challenges?

Both sessions focused on 3 key topics: Value proposition design, Customer personas and Customer decision making. These are the key elements identified by the LAUNCH Consortium to build a successful sales strategy and that they are working on together with the project stakeholders.

#### Session 1: Private sector

The meetings started with the ice-breaker question "*What did you get to know about your customer this year, that you did not know last year?*" that helped the discussion to get going. Here, key items emerged, such as:

- Limited management time to allocate to decision making on non-core business activities.
- In some companies, infra upgrade budgets are passed down to subsidiaries, so off-balance financing is important for them because they can do programmatic approach.
- Even though customers have a lot more patience than expected, in this period we are far down their priority list.
- Customers accept more guidance on energy savings and process efficiency than before.
- Customers are more flexible in reassessing business models than expected.
- Customers are more eager to discuss on different model than holding assets themselves.
- Introducing well-designed incentive schemes makes deal closure time go down from 12-18 months down to 3 months.
- Customers slowing down and more reluctant to invest in EE projects. Increase interest in net metering solar PV projects in small C&I segments.
- There is more sensitivity and carefulness about getting the right messaging to the right people in the client organization (e.g., CFO, CEO, energy manager)

After that, the discussion moved to the **Value Proposition design**, where the moderators invited participants to think about how to fill the key sentence: "*For [customer segment] who want [demand/need] but [challenge], we offer [our product].*" This sentence defines the Value Proposition to the clients.

Some of the key insights emerged here were related to how project developers structure and present their value proposition to their clients. In general, a very strong selling point is the possibility to take on skills and competencies that are not available in-house. This is particularly true in the case of commercial and small industrial clients who want energy cost reduction with minimal operational disruption but lack knowledge and technical know-how.

Moving forward to the **Customer personas**, the participants were asked to share the characteristics of their ideal client. Some of the preferred traits were:

- Open-minded and visionary
- Flexible in terms of decision-making process
- Build a long-term relationship
- Understand the roles division

The participants identified a key need to develop a consistent and continuous communication with the end-client.

During the **Customer decision-making** discussion part, the moderators invited the attendees to think about the key people to address the offer to. This is essential to shorten the sales cycle and target the messages accordingly.

The main challenge identified by all project developers was the difficulty in identifying the person in charge of making the decisions in the different sales process phases.

Sometimes this person could be the energy manager, other times it could be the sustainability officer or tech & innovation officer, others it could be part of the shareholders group. The idea is to obtain a deeply understanding of the end-client organization and its decision-making processes.

During the last part of the discussion the participants were encouraged to share with their peers the **sales process challenges** they face in their day-to-day business and understand how to overcome them.

### Session 1: Key take-aways

By the end of the session, some key points were identified as points to be further developed:

- In the same segment, different clients have different decision-makers. It is essential to develop a tailored approach for each different individual.
- Time management is a big challenge. It is extremely important to reduce closure time and work on volume/efficiency.
- Especially for smaller organizations, where 1-2 people has to multi-task, the challenge is how you grow your business. This is where sales process and decision-mapping become important.
- All project developers across geographies face similar problems. Th main concern is who will finance the project acquisition/project development cycle.

### Session 2: Public sector

The meetings started with the ice-breaker question *"Why do you think is it easier/difficult to sell to public sector clients?"* that helped the discussion to get going. Here, key items emerged, such as:

- For public clients, non-energy benefits are more important than financial incentives.
- Public sector market is more stable in terms of ownership. The private sector market, instead, experiences more changes in time, making the investment horizon small.
- In the public sector Energy as a Service contract is more difficult to sell because of public procurement rules.
- There is more consciousness regarding carbon/climate aspects.
- Processes are more difficult to manage. Requires a lot of time in the process and in the end, it is still about the lowest price without having a second chance.
- Public sector moves way slower (5 years period instead of 18 months).

Moreover, participants identified as key player in the energy public sector called *Super ESCOs* or *market facilitators*. They explain to local authorities what the concept is of Energy as a Service and help to develop tenders for these local authorities. They are particularly powerful in the case of smaller opportunities.

The discussion followed the same structure as the Session 1, moving to the **Value Proposition design**, where the moderators invited participants to think about how to fill the key sentence: *"For [customer segment] who want [demand/need] but [challenge], we offer [our product]."*

Some of the key selling points that emerged were the possibility for municipalities to externalize services to specialized companies, by complying to the procurement processes and standard and by benefitting from the off-balance sheet contract model.

In terms of **Customer personas** participants were aligned with the items identified by the LAUNCH partners. In particular, the ideal public client should be familiar with EPC, have an ageing infrastructure and have a purchasing process aligned with performance contracts.

During the Customer decision-making discussion, participants identified as key decision-makers:

- Mayor, he is the first person to address to and who must give the green light for the process to start
- Facility manager, with an engineering background, this person is a good communicator and possess the skills to understand technicalities on the project. He will ask the financial person to double check the feasibility of the project from financial point of view.
- Market facilitator, as mentioned above this player is key especially for small ESCOs who need to be grouped to influence the public market.



Based on these points, the project partners will work on the Decision-Making Unit template together with the Value Proposition and Customer Personas templates.

During the last part of the discussion the participants were encouraged to share with their peers the **sales process challenges** they face in their day-to-day business and understand how to overcome them.

### Session 2: Key take-aways

By the end of the session, some key points were identified as points to be further developed:

- Public sector entities are mostly not looking to EPC at all.
- If you are operating in a bigger country with more bureaucracy you do not get the job done.
- It can be useful to hire a high-level person/business developer for influencing/lobbying for explaining EPC to public bodies.
- Why does EPC work in some countries better than in others? Why has the US been more successful? Why is it successful in Slovakia, Austria and others?

### **2) Workshop Apr 2021** on "Sales & Value Proposition" focusing on private sector – commercial and industrial buildings (2h workshop, 8 project developers)

The main objectives of the online Apr 2021 workshop were to share the latest updates on the LAUNCH sales material and value propositions and to gather feedback and insights from participants on their real-life business models. The main idea behind this workshop was to stimulate discussion and to show how some practitioners applied the value proposition and customer personas template to their own case.

The session has been organized in a way that allowed active engagement of all participants. Three project developers have been selected to prepare a presentation and share with the others how they applied the value proposition and buyer personas designed by the LAUNCH partners to their own business.

The session was attended by 7 project developers and two LAUNCH Consortium members, John O'Rourke (NEG) and Jessica Stromback (JA) that were key to steer the discussion and share experiences. The session was led and moderated by TNO team members, Jasper Donker and Bart Devoldere.

The session started with an ice-braker question from the moderator "*What surprised you about your customer this year?*". Interesting answers were shared by participants as they highlighted how clients appeared more willing to listen, re-think and engage with alternative solutions or models. This represents a good opportunity for project developers.

Moreover, some of them agreed on how the fact that COVID-measures and lockdown impacted mainly pipeline sizes in industrial and commercial activities, while the residential sector appears to be growing.

An interesting point was raised by one participant, according to whom the private sector sales cycle has increased because of uncertainty, while the public sector is surprisingly active and well-educated on the ESCo activities.

After this introductory part, four participants shared their experiences by using real-life examples. This led to questions and answers that nurtured a fruitful discussion.

To summarize, key points identified were:

- Make sure to talk the same language with your specific counterpart and develop an integrated view across different possible backgrounds. Standardized material gives high-level of logic to do so. Use a term sheet as core element for talking with different types of people.
- Social selling has a very good potential. Be more active on social media channels like LinkedIn can help getting new leads and expand your network. It is important to be present and participate to discussions, create and share content that clients can trust and make you recognized as expert in the market.
- Often it is difficult to identify who feels responsible for the project. In this case it is important to consider the legal officer as DMU and to try to get the Letter of Intention as soon as possible in the process.
- Get first the people high in the hierarchy (e.g., CEO, CFO) to avoid wasting time.

By the end of the session, some key points were identified as points to be further developed:

- The uncertainty of project developers on how to communicate with the different people intervening in the selling process.
- The importance of sharing real-life cases applied to the LAUNCH material to understand how this material can actually help in the day-to-day business.
- The need of having a clear idea of who the customer is, what are the real needs and how we can solve them.

More details on the organization and output of the workshops can be found in D6.8. The practitioner cases brought forward in the April workshop will be highlighted in D4.8 – Templates for end-client engagement version 2.

### **3.3 LAUNCH EDUCATION PROGRAMME TESTIMONIALS**

The LAUNCH Education Programme testimonials is a compilation of three testimonials shared by three companies who joined the programme.

The objective of this document is to share the experience of real companies with the wider audience and make it easier to understand how the LAUNCH material can be of actual use for businesses.



As some of the most engaged companies, Whitenergy (IT), RCG Lighthouse (LV) and Engineering (UK) agreed to share their experience on the LAUNCH Education Programme and the material used.

The final document shared with the LAUNCH Stakeholder Community can be found in the Annexes.

### **3.3.1 WHITENERGY (ITALY)**

Whitenergy is specialized in implementing energy efficiency initiatives for industrial customers, with the aim to achieve savings in terms of reduced energy consumption and possibly energy efficiency certificates or other forms of incentive. Whitenergy invests directly through EPC Contracts with an integrated approach that ranges from the audit, to the realization, monitoring and funding of the initiatives.

*"We joined the LAUNCH Programme for two important reasons. First, it is one of the few management training programs developed ad hoc for the energy efficiency sector. A sector in which, at least here in Italy, ESCOs are mainly SMEs with few employees, mostly engineers, and operate as small consulting firms rather than with business logic. Management training for these ESCOs is essential. Whitenergy is an innovative company oriented towards managerial culture and considers these types of courses important. The second element is the international dimension of the Programme. Companies from all over Europe participate in LAUNCH courses and events. It is an opportunity to exchange and evaluate the evolution of similar realities located in different countries, and to check the new trends in the world of energy efficiency in Europe."*

*"The Risk Assessment Protocol is an excellent track to follow to understand the risk assessment of any energy efficiency project. It uses a correct and simplified logic, in its compilation integrated with project management techniques. It allows you to learn a universal method, but it is also customizable to a specific project."*

*- Salvatore Fadda, Energy Efficiency Expert*

*"The growth capital materials are a useful reinterpretation of techniques that are known to us but which are brought into the reality of energy efficiency. These sessions are also an important learning moment and a way to test our business model and pitches with industry professionals."*

*- Gianluigi Mele, CEO*

*"Our goal is to integrate some LAUNCH tools into the Whitenergy procedures. We are particularly interested in including the RAP in our procedures for evaluating energy efficiency measures."*

*The growth capital material, instead, will be useful to check our pitches before presenting our business to some investment funds."*

### 3.3.2 RCG LIGHTHOUSE (LATVIA)

RCG LightHouse is a supplier independent LED Lighting as a Service company which accelerates transition to the world's most efficient LED lighting technology with zero upfront investment and zero technical risk. RCG LightHouse has completed more than 250 projects installing more than 100 000 lighting fixtures for companies such as JYSK, COOP, Scania, Jeld-Wen, Orkla, Coca-Cola and others.

*"We decided to join the LAUNCH Education programme because we want to learn and share the best practices to facilitate transition to the most efficient LED lighting technology. Our vision, in fact, is to become the largest Lighting as a Service company in Europe. Being aware of the reputation of the LAUNCH project partners and their expertise in the sector, we were sure the experience would have added value to our team."*

*"Standardization is the key in lowering transaction costs and the cost of finance for energy efficiency across Europe. The challenge here is the adoption and country level support to roll it out as soon as possible."*

*"The growth capital sessions covered well the basics that ESCos should learn about raising money, be it debt or equity. I think that the materials should be adjusted depending on the investor ticket size and investor profile."*

*"We would enjoy continue sharing practices across Europe to facilitate faster adoption of energy efficiency measures and adjust our operations to the best available practice."*

*- Kaspar Osis, Chairman*

### 3.3.3 ENENGINEERING SOLUTIONS (UNITED KINGDOM)

*"We joined the Education Programme because, being in the industry of Industrial Energy Efficiency offering a range of services from audits to consultations and preparation of EPCs, we realised that we miss standardised communication and marketing process."*

*"The Standardised Contract form is really helpful in simplifying a complicated business model with many technical aspects into a language that is comprehensive and understood by investors and funding experts as well as industrial customers. This was something that we missed and did not know we were missing before participating in the Education Programme."*

*"The RAP is a protocol that contains literally everything a business in the field would need. Although it is quite time-consuming to complete and there is some resistance on behalf of the clients, it puts things in the right perspective and significantly contributes to all involved parties feeling secure and safe."*

*"The company presentation is a very useful guide for us to present our company to investors in a way that is not just technically oriented. This means that it also includes*

*important legislative and financial details that add up to precision and credibility, speeding up a process that would otherwise take additional meetings and email exchange."*

*"In our company we are already using the material provided by the LAUNCH Education Programme and they have been integrated as very important tools in our processes."*

*- Anastasios Vasilopoulos, Co-Founder*

## 4 LAUNCH WEBINAR: “WHAT DO YOU NEED TO DO TO FINANCE YOUR PROJECT PIPELINE?”

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### 4.1 BACKGROUND AND OBJECTIVE

The LAUNCH Webinar “What do you need to do to finance your project pipeline? The Investor and Banker's perspectives” took place on January 14<sup>th</sup>, 2021 and counted over 50 attendees.

The objective was to discuss investment criteria for project finance with members of the LAUNCH Investor Board and to offer an opportunity to discuss opportunities and challenges of energy efficiency finance. The LAUNCH partners, in fact, realised that for project developers it is key to connect with investors to better understand what it takes to get their project/s financed.

The webinar was targeted at:

- Energy service companies (ESCOs), engineers, development managers and sustainability professionals with an ambition to scale sustainable energy projects and to make their companies grow
- Project financiers and equity providers who are looking to invest in sustainable energy asset projects
- Equity capital providers companies willing to speed-up and de-risking their sustainable energy projects financing process.

### 4.2 AGENDA AND SPEAKERS

The webinar lasted an hour, and it was moderated by Jasper Donker, Researcher and Adviser at TNO.

The agenda counted of three interventions from LAUNCH Investor Board members Peter Radford, Principal at Amber Infrastructure Limited, Philippe Weill, Director Impact Based Finance at Société Générale and Marco Pignoloni, Senior Analyst at Arpinge SpA.

A specific time slot has been reserved for Q&A, allowing interaction between the speakers and the audience.

A recording of the webinar can be found [here](#).

### 4.3 CONTENT AND KEY LEARNINGS

The presentations were built around the idea of explaining what investment funds and banks look at to invest in a sustainable energy project or pipeline of projects. The partners wanted also to highlight the different approaches between a private investment fund and a bank.

The webinar started with a short introduction by Jasper Donker on the project's latest updates. He was followed by Peter Redford, who shared with the audience some key

information about Amber Infrastructure, a specialist fund manager active in the UK. In his presentation, Redford identified as key elements investors look for in EPC projects:

- Standardisation
- Scale
- Collaboration
- Governance
- Business case (including commercial, technical and ESG)
- Monitoring & Verification

As Redford underlined, contract standardisation is essential for investors as one of the biggest challenges they face when investing in energy projects is the existence of a large number of different types of contracts. That is also why Peter decided to join the LAUNCH project as part of the Investor Board.

Philippe Weill from Soci t  Generale was the second presenter. He shared useful information about the French bank's mission and objectives and how it ties in with the UN's Sustainable Development Goals (SDGs). Main hurdles to impact investment are costs, deal size and risk misperception. On all of these three main hurdles the LAUNCH tools can support the due diligence and investment process, by enhancing project quality, speeding up the due diligence process, enabling aggregation through standardisation and transparent and comprehensive risk communication. Philippe went on to present 3 case studies of successful securitization in the sustainable energy sector to highlight the potential for scale.

The third and last speaker was Marco Pignoloni, Senior Analyst at Arpinge Spa. Marco presented his investment fund which operates in Italy mainly on energy efficiency, parking & urban mobility and clean energy. In particular, Pignoloni walked the audience through Arpinge's screening and execution process, and underlined the importance of having a standardised risk assessment to target more and smaller opportunities. As Arpinge has traditionally been focusing particularly on RES and parking infrastructure, they are actively looking for specific tools and procedures to enable more investments in energy efficiency projects. Marco illustrated this by comparing a successful large-scale investment with an Italian supermarket chain with some of the issues they were facing with small-scale projects. He finished his presentation providing a glimpse at Arpinge's internal risk assessment process, which essentially covers all the risk types contained in the LAUNCH RAP.

## 5 CONCLUSION

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Between February 2021 and July 2021, the LAUNCH Consortium will wrap-up the LAUNCH Education Programme sessions and will work towards the compilation of all the feedback received.

This, together with the results achieved in the pilot programme, will allow the project partners to produce the last versions of the LAUNCH material.

In particular, the partners plan to organize at least three additional online sessions. One session will be focused on the contract, one on the risk assessment protocol and the remaining one on the sales material. In general, the LAUNCH project developer stakeholders seem to have a major interest in the sales material, as they recognize that the difficulties in closing deals are often related to an unnecessarily long and unclear sales process.

D5.4 "Compiling and reporting final findings of LAUNCH pilot" will compile the final feedback and findings gathered from the LAUNCH Stakeholder Community.

## **ANNEXES**

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### **ANNEX A – LAUNCH EDUCATION PROGRAMME TESTIMONIALS**

### **ANNEX B – WEBINAR SLIDE DECK**



**LAUNCH**

**EDUCATION**

**PROGRAMME**

**TESTIMONIALS**





# ABOUT THE PROGRAMME



The LAUNCH Education Programme (LEP) has been developed by the project partners with the overarching objective of improving the knowledge and understanding of project developers of key financial and commercial topics. This learning journey is part of the LAUNCH Pilot Programme where companies active in the sustainable energy market can test and provide feedback on the LAUNCH material.

A total of 6 companies joined the LEP, each operating in a different EU country: Italy, Portugal, Latvia, Greece, UK and Belgium. 4 of the 6 companies are Energy Service Companies (ESCOs) offering energy-as-a-service in both the public and private sectors, while two of them are project aggregators/consultancies.

The programme is structured as follows:

## **MODULE 1 - How to grow your business**

- Part A: The LAUNCH standardised contract in practice
- Part B: Applying the LAUNCH Risk Assessment Protocol

## **MODULE 2 - Accessing growth capital**

- Financial spreadsheet and company presentation templates for equity finance

## **MODULE 3 - How to know your customers and build a strong sales process**

- Value propositions and customer personas

To learn more about the programme visit [our website](#).

# WHITENERGY

Italy

"We joined the LAUNCH Programme for two important reasons. First, it is one of the few management training programs developed ad hoc for the energy efficiency sector. A sector in which, at least here in Italy, ESCos are mainly SMEs with few employees, mostly engineers, and operate as small consulting firms rather than with business logic. Management training for these ESCos is essential. Whitenergy is an innovative company oriented towards managerial culture and considers these types of courses important. The second element is the international dimension of the Programme. Companies from all over Europe participate in LAUNCH courses and events. It is an opportunity to exchange and evaluate the evolution of similar realities located in different countries, and to check the new trends in the world of energy efficiency in Europe."

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"The growth capital materials are a useful reinterpretation of techniques that are known to us but which are brought into the reality of energy efficiency. These sessions are also an important learning moment and a way to test our business model and pitches with industry professionals."

- *Gianluigi Mele, CEO*

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To learn more visit [www.weeg.it](http://www.weeg.it)



Gianluigi Mele  
CEO



Salvatore Fadda  
Energy Efficiency Expert

# RCG LIGHTHOUSE

Latvia

"We decided to join the LAUNCH Education programme because we want to learn and share the best practices to facilitate transition to the most efficient LED lighting technology.

Our vision, in fact, is to become the largest Lighting as a Service company in Europe.

Being aware of the reputation of the LAUNCH project partners and their expertise in the sector, we were sure the experience would have added value to our team."

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- Kaspar Osis, Chairman



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To learn more visit [www.lhouse.eu](http://www.lhouse.eu)



Kaspars Osis  
Chairman

# ENERGINEERING SOLUTIONS

United Kingdom

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Energinering Solutions is a private partnership specializing in industrial efficiency optimization, strategic advisory and special project financing based on energy performance. With 10 years experience in plant auditing, energy & heat transfer data analysis and redesigning solutions, we succeed to unveil waste energy potential related to industrial processes or HVAC for large facilities and implementing sophisticated solutions that efficiently recover energy from waste to financial profit.

To learn more visit  
[www.energinering.co.uk](http://www.energinering.co.uk)



Anastasios Vasilopoulos  
Co-Founder



**Project Consortium:**



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement n° 847048.



# Large scale aggregation of Sustainable Energy Assets

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*Webinar: “What do you need to do to finance your project pipeline? The investor and Banker’s perspective”*



This project has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No 847048.

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## Webinar Speakers



Jasper Donker

*Researcher & Advisor*

Moderator

**TNO**



Peter Radford

*Principal*

**Amber Infrastructure**

**Limited**



Philippe Weill

*Director Impact Based Finance*

**Société Générale**



Marco Pignoloni

*Senior Analyst*

**Arpinge SpA**

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# AMBER

INFRASTRUCTURE GROUP

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LAUNCH 2020

**What do you need to do to  
finance your project pipeline?  
The Investor and Banker's  
perspectives**

January 2021







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# Specialist fund manager

Amber manages or advises six co-mingled funds and two managed accounts. Of these, six are closed-ended unlisted structures

AMBER FUND	FOCUS	HIGHLIGHTS	PARTNERS	SIZE
 <p>INTERNATIONAL PUBLIC PARTNERSHIPS</p>	Long-term public infrastructure assets	13-year track record; FTSE 250-listed investment company	Listed investors	c.£2.7bn market cap <sup>1</sup>
 <p>NATIONAL DIGITAL INFRASTRUCTURE FUND</p>	Digital infrastructure	First dedicated Digital Infrastructure fund in Europe	HM Treasury Private investors	£100m
 <p>LONDON ENERGY EFFICIENCY FUND*</p>	Energy efficiency, and decentralised energy	First dedicated UK Energy Efficiency fund	Mayor of London Greater London Authority (GLA) EIB	£110m <sup>1</sup>
 <p>MAYOR OF LONDON'S ENERGY EFFICIENCY FUND <small>supported by European Regional Development Fund *</small></p>	Energy efficiency, decentralised energy and renewables	Follow-on appointment to manage the second London efficiency fund	Mayor of London GLA Commercial banks	£500m <sup>2</sup>
 <p>SCOTTISH PARTNERSHIP FOR REGENERATION IN URBAN CENTRES*</p>	Urban regeneration, district heating and CHP	Largest industrial and business real estate investor in Scotland <sup>3</sup>	Scottish Government EIB	£95m
 <p>THREE SEAS INITIATIVE INVESTMENT FUND</p>	Greenfield - Transport, Energy and Digital	Enhance key infrastructure across the CEE region	Cornerstoned by Government-backed financial institutions	€623m <sup>4</sup>

1. As at 30 June 2020.
2. Investor funds under management including available contingent facilities.
3. Since 2011, based on industrial and business real estate which does not rely on pre-letting.
4. As at December 2020. Initial closings have been running since February 2020.



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# What do investors look for in EPC projects?

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**Business Case**  
(incl. commercial,  
technical, ESG)



**Standardisation**



**Scale**



**Governance**



**Collaboration**



**Monitoring &  
Verification**

# Epsom & St Helier UH NHS Trust EPC



***MEEF and LEEF provided a competitive finance option for two fully funded Energy Performance Contracts (EPC)***

## £29.6m – Epsom & St Helier University Hospital NHS Trust

### Project / Financial Highlights

- The funds have helped to support the regeneration of the Trust's sites
- The EPC contractor, BREATHE, selected through the GLA's RE:FIT programme
- The CHP unit will not have an impact on the local air quality
- The estimated savings from the EPCs are over £1m per annum
- The EPCs will reduce the NHS estates cumulative carbon emissions while providing a financial benefit to the Trust
- Tranche II matched commitments from Triodos with MEEF

### Technical Highlights

- Forecast Energy savings of 26% per annum (7.6GWh) for Tranche I and a 21% saving per annum for Tranche II
- Forecast first year CO2 savings:
  - Tranche I 2153 tonnes
  - Tranche II 1314 tonnes
- Energy Conservation Measures include CHP, building fabric upgrades, lighting retrofits, pipework insulation, motor replacements and controls, HVAC system and building controls.



***Finance for a selection of Energy Conservation Measures, to be integrated over the short-to-medium-term. Over 50 separate sites to be extensively retrofitted, including: schools, libraries and civic buildings***

## £3.6m – London Borough of Croydon Retrofit

### Project / Financial Highlights

- Croydon secured a number of positive outcomes including significant financial, energy and CO2 savings, reduced maintenance and a more comfortable internal environment for building occupants
- The project supported the council's objective of becoming a more efficient organisation
- The project feeds into a broader, Borough-wide regeneration that may eventually include district heating and additional energy efficiency upgrades

### Technical Highlights

- Forecast energy savings of between 10% and 30% per building
- Bouygues, the Energy Services Company ('ESCO'), were procured under the GLA's RE:FIT scheme which included the benefit of an energy savings guarantee
- Addresses fuel-poverty and affordable-warmth
- ECMs include: Fabric improvements; Renewable energy integration; Boiler and chiller upgrades; LED lighting

JANUARY 2021

PRIVATE & CONFIDENTIAL



# SG's IMPACT BASED FINANCE

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*Rethinking impact to finance the SDGs*

**THE FUTURE  
IS YOU**  **SOCIETE  
GENERALE**

# CONTENTS

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- **SG IS COMMITTED TO POSITIVE TRANSFORMATIONS**
- **IMPACT-BASED FINANCE**
  - WHO WE ARE
  - VALUE PROPOSITION
- **CO-CONSTRUCTING AN INNOVATIVE SECURITIZATION SCHEME**
- **CASE STUDIES**
- **APPENDIX**
  - MAJOR COMMITMENTS AND EXTRA-FINANCIAL RATINGS

# COMMITTED TO POSITIVE TRANSFORMATIONS

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*« Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions »*



*"We are fully committed to contributing to positive transformations of our economies and societies and have put CSR objectives at the heart of our strategy. The energy transition and sustainable development are two major collective challenges that we can and want to contribute to concretely"*

**Frédéric Oudéa, Chief Executive Officer**  
November 2018



2019 Integrated Thinking Award Winner\*  
Top 10% RobecoSAM 2019  
#1 bank on the environment  
#6 in Europe across all ESG criteria

\* Institut du Capitalisme Responsable, Nov. 2019, Market cap > EUR 7bn



# IMPACT BASED FINANCE: WHO WE ARE

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## CONTEXT

- Achieving the SDGs is both an imperative and a massive business opportunity. To deliver solutions and access new markets, our clients need to rethink the way they do business.

## VISION

- To foster a sustainable economy, new impact value chains are needed and partnerships are essential. To bring systemic change, impacts must become central to business models.

## MISSION

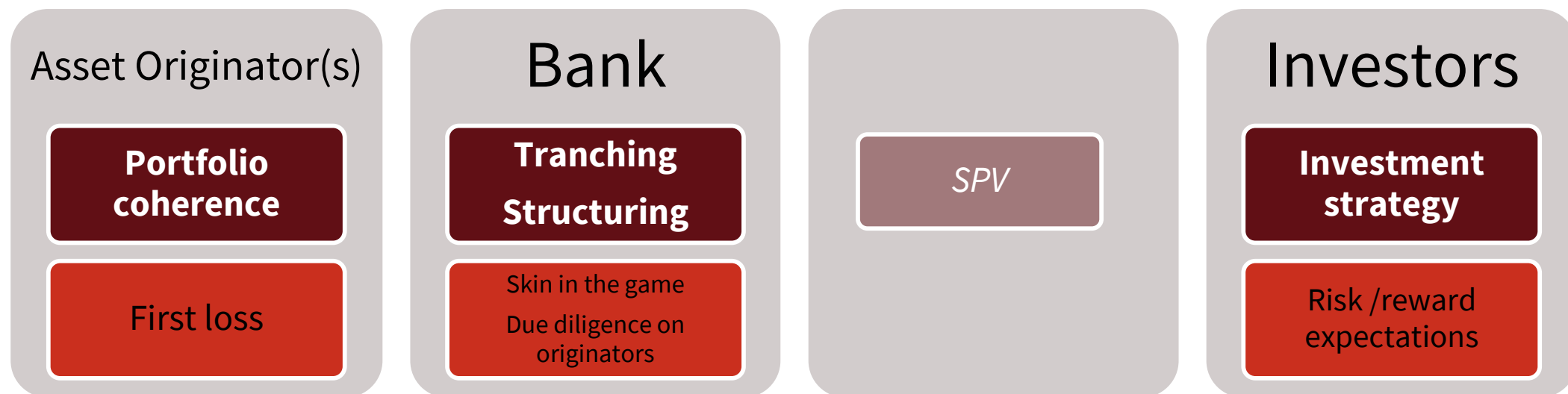
- Act as a catalyst to make impactful projects bankable by co-constructing and financing new business models with our ecosystem of impact partners.





# CO-CONSTRUCTING AN INNOVATIVE SECURITIZATION SCHEME

Combine expertise to ensure scale-up




## CASES STUDIES

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These are ideas taken from the energy efficiency field



**OBVION BV (2019)** : EUR 600m securitization of Dutch prime residential mortgages selected based on energy performance originated and serviced by Obvion.



**SOCIETE GENERALE SFH (2019)**: EUR 1bn Positive Impact covered bond to refinance residential property mortgages related to the top 15% carbon efficient homes in metropolitan France. The issuance obtained a second-party certification on its alignment with UNEP-FI's Principles for Positive Impact Finance.



**Ygrene (2020)** : USD 318m securitization of Property Assessed Clean Energy (PACE) in the US. This was Ygrene's 10th Asset-Backed Securities program for a total of more than USD 2bn in both the residential and commercial fields.

# APPENDIX

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# A LONGSTANDING COMMITMENT TO SUSTAINABLE DEVELOPMENT

## As a signatory of major initiatives



Founding member of the **Positive Impact Finance** initiative within the UNEP-FI



First French bank to become **Climate Bond Partner**



Member of the **ICMA Green Bond Principles** and member of the working group on green eligible projects and impact reporting



Signatory of the **CDP, Equator Principles and the Soft Commodity Compact**, while Lyxor is signatory of the PRI and sponsor of Climate Bond Initiative



## 2019 key milestones



Founding bank involved in the development of the UN Principles for Responsible Banking, that was launched in September 2019 which now includes 130 signatories. SG also joined the Collective Commitment on Climate



Founding signatory of the Poseidon Principles, aiming at decarbonizing the shipping industry



Signatory of Katowice Agreement and pledge to align portfolio with Paris Agreement

## Accelerating its disengagement from the coal sector and reinforcing its E&S policies\*



**Zero** new financing in coal, oil sands, arctic oil



**Exiting** coal financing and exposure to the coal sector



12 sector **E&S policies**



Reducing by **10%** exposure to the oil & gas extraction sector by 2025

## Transparent and recognized non-financial disclosure

SG is among the first banks to publish climate disclosure under the FSB's TCFD recommendations

The Group's report was cited Best-in Class by financial research firm Autonomous\*\*

## Reflected in the Group's extra-financial ratings

**No.1** worldwide for the environment out of 175 banks analysed by RobecoSAM's\*\*\* 2019 annual sustainability ranking and **No.6** in Europe across all ESG (Environmental, Social and Governance) factors



**ESG Score: 79/100**  
**Environment: 98/100**



**ESG Score: 75/100**



**C**



**C (Prime)**



**AA**

\* <https://www.societegenerale.com/en/responsability/ecological-transition>

\*\* Autonomous, *Global banks / Climate Risks: Must Do better* Sept. 2019; TCFD: *Task force on climate-related financial disclosure*

\*\*\* Every year, in conjunction with the S&P Dow Jones Indices, RobecoSAM publishes a ranking of the world's largest companies based on economic, environmental and social factors. These rankings provide a benchmark for fund managers looking to invest in sustainable companies

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## LAUNCH Webinar

"Ask the Investor: What do you need to do to finance your project pipeline?"

*ARPINGE SPA – Marco Pignoloni, Alvise Panizzi*



# ARPINGE AT A GLANCE

## Vehicle

- Infrastructure vehicle set up as a limited company operating since 2014 supported by **long term commitment** from institutional investors (see below)

## AUM

- Current Equity commitment available for investments: **173,3 M€**
- Target: up to **500 M€** (to increase return and economies of scale)

## Investment targets

- **Energy transition: renewables, energy efficiency, car parks and urban mobility** (avg. ticket size: 20 – 200 M€ of EV); **other potential sectors**: social infrastructure, energy grids and networks, TLC, transports, logistics, etc.

## Shareholders

- **3 main Italian pension funds** (14 B€ of AUM): INARCASSA, CIPAG, EPPI

## Portfolio & pipeline

- **Around 330 M€ AUM (157 M€ of nominal equity invested)**, with a diversified investment portfolio,
- **Relevant pipeline (abt. 1,1 B€ EV)** and capability to build up opportunities in any other sector (i.e. healthcare, utilities, etc.)

## Objectives

- **Enhance the portfolio** (financing and operation) and **complete the asset allocation**, together with a processo of **size expansion** with new capital resources

# TEAM



**Federico Merola**  
CEO



**Paolo Martone**  
Senior Partner



**Elisabetta Costa**  
Partner

## ENERGY

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**Valerio Fiorentino**  
Chairman of subsidiaries



**Mario Stucchi**  
Managing Director



**Giulia Piantoni**  
Asset Manager AEER

## PARKING & MOBILITY

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**Giovanni Centurelli**  
Chairman of subsidiaries



**Alessandro Labellarte**  
Project Manager



**Alberto Cavalli**  
General Director  
Gespar SpA



**Gerardo Di Bello**  
Site Manager Park.Ho  
Srl

## PLANNING & CONTROL

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**Luciano Iannuzzo**  
Partner & Head of  
Planning and Control



**Marcello Caputi**  
Controller

## ACCOUNTING

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**Tania Sanna**  
Administration  
Manager



**Andrea Belmonte**  
Senior Accountant

## INVESTMENT TEAM

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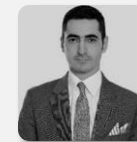
**Marco Pignoloni**  
Senior Analyst



**Alvisè Panizzi**  
Analyst

## LEGAL

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**Antonio Conforti**  
Legal Counsel

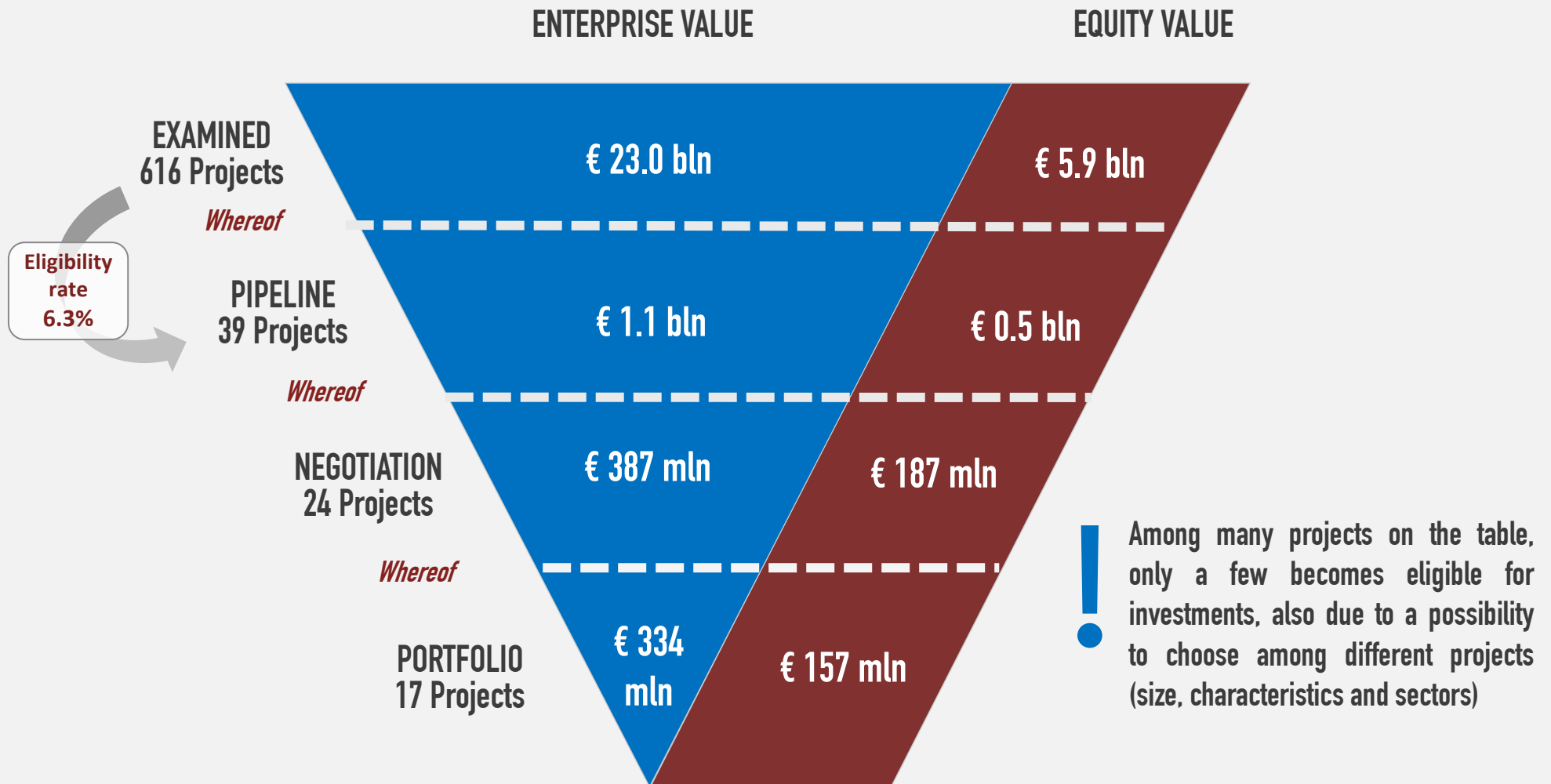
## ESG

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**Benedetta Gillio**  
Analyst

# SCREENING AND EXECUTION



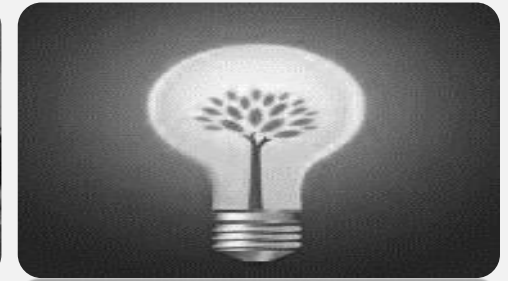
# PORTFOLIO



Parking & Urban Mobility

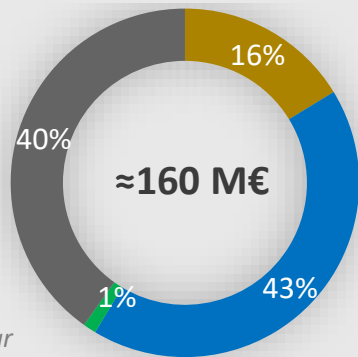


Clean Energy



Energy Efficiency

## Equity Allocation



- PV solar
- Energy Efficiency
- Wind
- Parking



≈ **9,000** car spaces in some of the main Italian cities (Parma, Bologna, Verona, Potenza, Torino)



≈ **100 MW** in wind and solar in Central and Southern Italy



≈ Pilot project with Conad del Tirreno to **renovate 13 supermarket stores in Central Italy**

# ENERGY EFFICIENCY – *Portfolio*

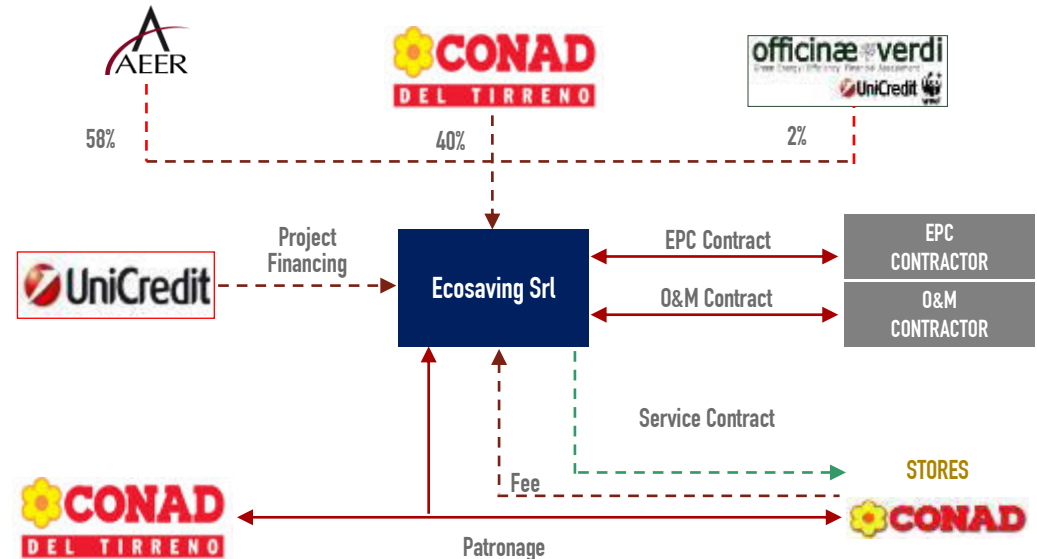


**13** Conad stores

In portfolio since **2015**



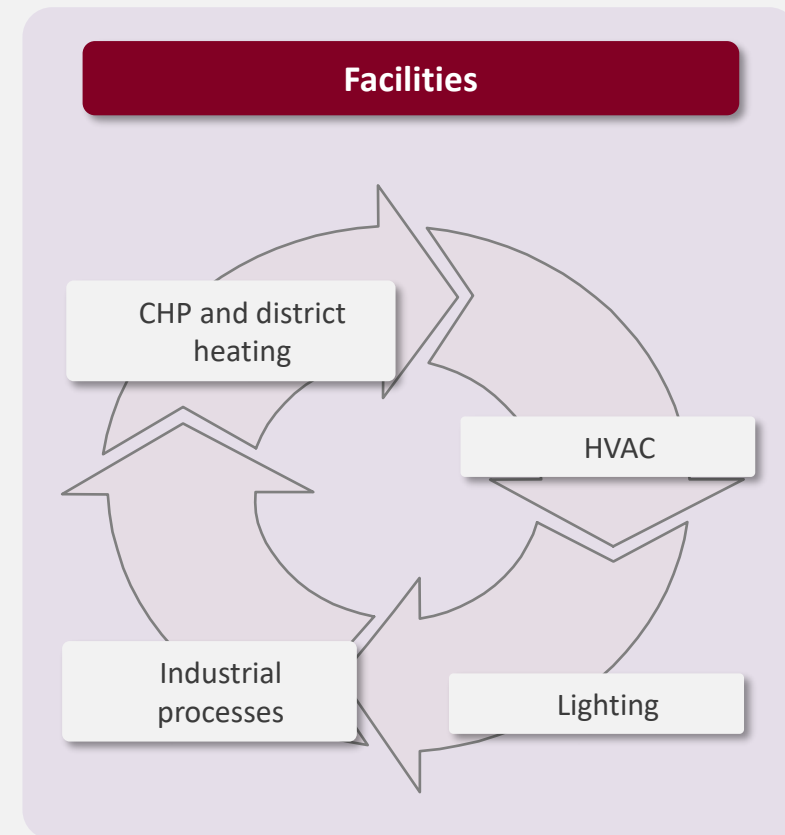
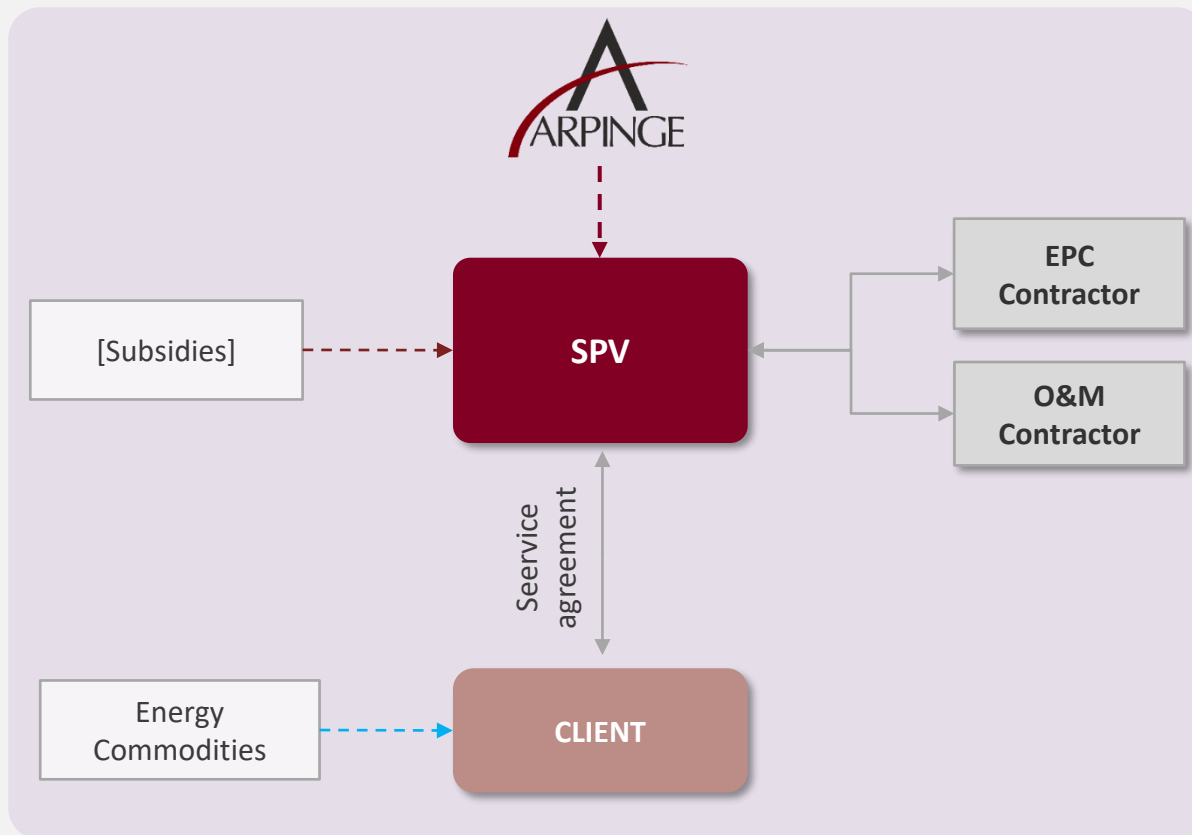
≈ **€25 m** capex



- ✓ **A greenfield energy efficiency pilot project** innovative in terms of its contractual company/finance structure, as well as the combination of redevelopment and energy efficiency activities

# ENERGY EFFICIENCY – “PREMI” PROJECT

- Investment program for **energy efficiency for industrial and commercial customers**, in partnership with ESCO or industrial players.
  - Client approval according to their credit rating profile, with ESCO commitment with mix of payments during construction and operation
- ! Several projects evaluated, but lack of economies of scale (**projects too small**), difficult standardization and average **low financial return**



# ENERGY EFFICIENCY – *Strategy and pipeline*



While other sectors gained a relevant share in Arpinge's portfolio, **significant effort planned on energy efficiency** to increase our investments in the coming months



Although a direct scouting would continue, a **partnership with an established platform (i.e. ESCO)** could also be considered – with the possible partnership structure to be evaluated (*commercial partnership / shares purchase*)



A significant effort to **standardize the investment criteria, to speed-up the investment process**, also aiming to build up a diversified portfolio (*balance of client sectors, technologies and financial drivers*)



An internal analysis process will continue on regulation and market trends also to monitor new policies (*i.e. Italian aid «Superbonus 110%»*), with a specific focus to **balance regulation and counterpart risks**, with a risk balance approach

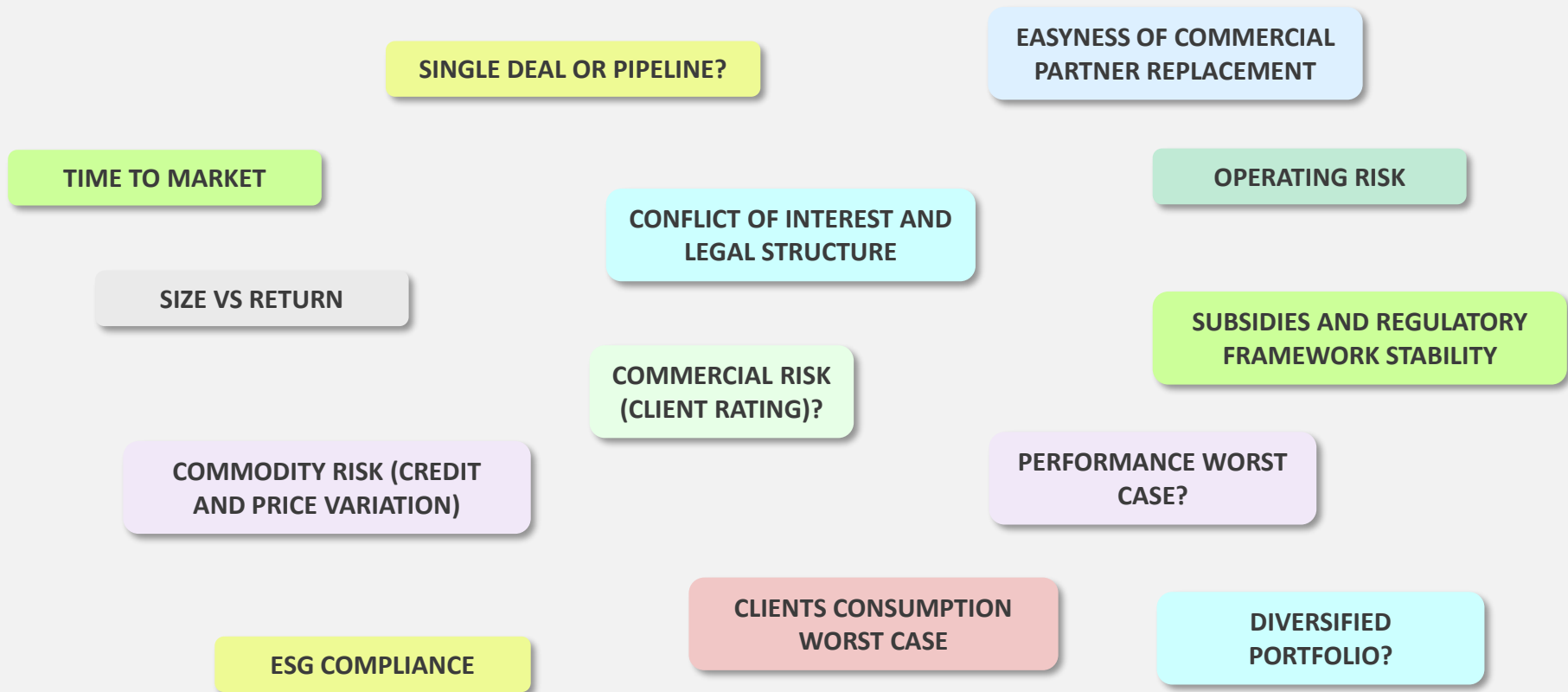


# ENERGY EFFICIENCY – *Risk assessment*



*Some questions to evaluate new possible investment opportunities*

*a standardize risk assessment might help to target more (and smaller) opportunities?*





## Q&A

Ask your questions to the speakers!

To learn more about the project:



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[pilot@launch2020.eu](mailto:pilot@launch2020.eu)



# Thank you!

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*The LAUNCH Consortium*



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