



23 Maio, Dia do Sol

Etienne Le Pargneux

Financing Solar projects

ACOFI Gestion – Infrastructures

Predirec ENR 2030 Fund

1. ACOFI - Infrastructure Renewables
2. PREDIREC EnR 2030 - Junior loan Fund
3. Challenges for financing Solar Projects in Portugal





> 1. ACOFI Gestion - Infrastructure Renewables



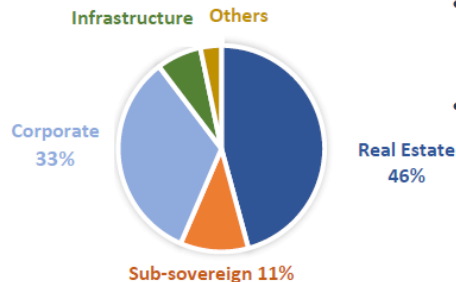
ACOFI Gestion:

- Founded in 1990, Acofi Gestion (“Acofi”) is an alternative investment fund manager regulated by the French Financial Market Authority “Autorité des Marchés Financiers”
- Specialized in non quoted funds, we offer to our institutional investors solutions to finance real economy
- Funds dedicated to different sectors: real estate, corporate, public and infrastructure

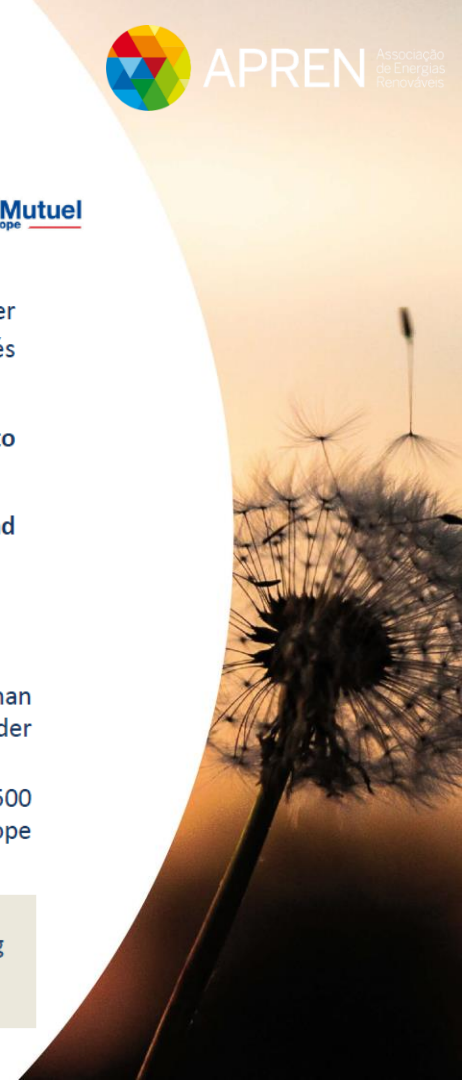
Infrastructure

Acofi manages two investment funds for ~250 M€:

- **Transition Energétique France:** an equity fund which owns and operates more than 180 MW, composed of solar plants and wind farms. The average feed-in tariff is under 100 €/MWh.
- **Predirec EnR 2030:** a junior loan debt fund of 164 M€ which financed more than 500 MW generated by several dozen of SPVs. The fund aims to reach 1 000 MW in Europe in the next 2 years.



In January 2018, EIB has become Predirec EnR 2030 fund’s lead investor, to support the financing and the growth of the renewable energy all over Europe



> 1. ACOFI Gestion - Infrastructure Renewables

	TRANSITION ENERGETIQUE France (« TEF »)	PREDIREC ENR 2030
	<i>Equity fund</i>	<i>Junior Loan fund</i>
Creation	2015	2016
Fund Strategy	<ul style="list-style-type: none"> • Adquisition of ready-to-built or brownfield renewable assets • Co-investment in renewable assets • Asset: FIT/Cfd renewable plants 	<ul style="list-style-type: none"> • Financing or recycling the sponsor equity in ready-to-built and/or brownfield renewable assets
Assets	PV, wind, biomass, hydro	PV, wind, biomass, hydro
Funds committed	75 M€	165M€
Investors	<ul style="list-style-type: none"> • Institutional investors • Seed investor : Crédit Mutuel's funds 	<ul style="list-style-type: none"> • Institutional investors • Seed Investor: Crédit Mutuel's funds • European Investment Bank for 50 M€
Geography	France 80% Europe 20%	Europe 50% France 50%
Total investments	350 M€	85M€
Capacity	180 MW	+500 MW (target > 1 GW)



Both our funds meet requirements defined in the energy transition law and thus have been awarded the TEEC label (Energy and Ecology Transition for the Climate).

> ACOFI Gestion - Infrastructure Renewables

Origination

- Strong relationships with top-tier renewable IPP/developer and M&A boutique
- Strong relationships with top-tier manufacturers
- Analysis of a pipeline of projects of more than 3 GW



Due Diligence

- Lead legal and technical due diligence
- Negotiation of project contracts (EPC, O&M, AM,...)
- Negotiation of corporate contracts (SPA, Shareholder agreement)



Our field of expertise

Financing

- Senior debt financing of more than 250 MW
- Portfolio senior debt refinancing (100 MW)
- Junior debt financing of more than 500 MW
- Strong relationship with European banks



Asset Management

- Technical and administrative management of assets
- Monthly and annually operating reports
- Financial & legal management



> 2. PREDIREC ENR 2030 - Junior Loan Fund

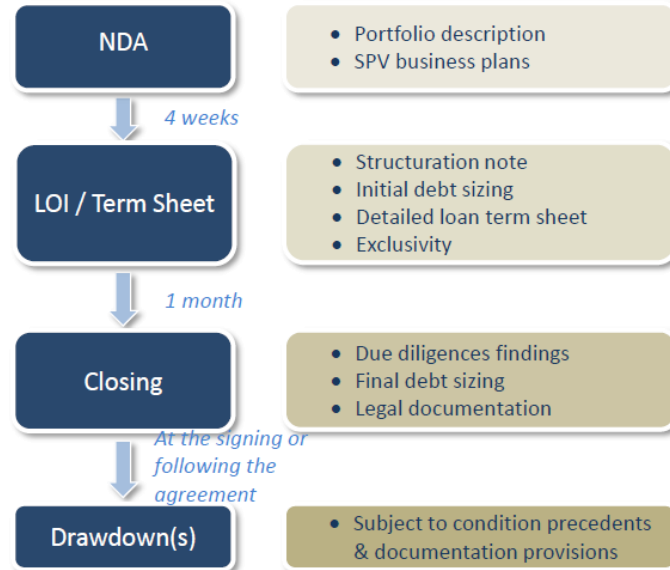
Junior debt

- non-recourse loans collateralized by a Portfolio
 - of wind, PV and biomass plants
 - in EU or euro-related PPAs
- Our loan's unitary amount is between 5 and 30 M€
- Up to 15 years maturity

Advantages

- Dedicated to Developers / IPP& project's Sponsors expanding their business and looking for equity
 - To reduce the equity exposure, to cash out, to finance new acquisitions, etc.
- Following equity strategy
 - When selling the underlying assets
 - When changing the shareholding structure of the HoldCo
 - Possible early repayments
- Efficient due diligence process
 - Based on the diligences performed by senior lenders

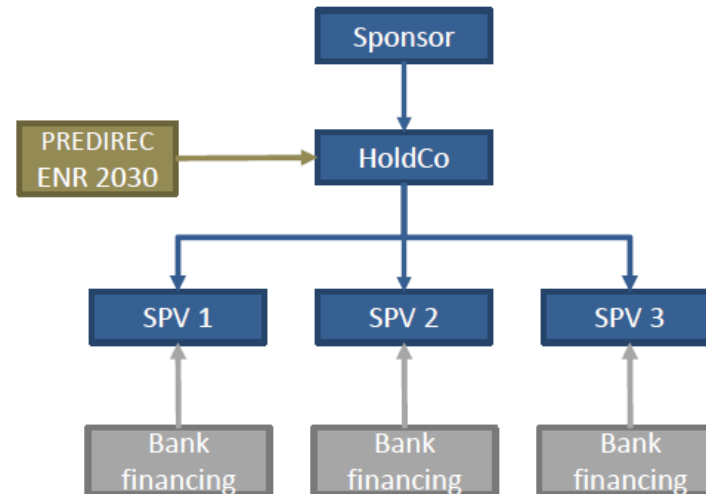
Financing process



> 2. PREDIREC ENR 2030 - Junior Loan Fund

Sizing:

- Based on the cash flows available at the HoldCo level with DSCR and PLCR metrics (ratio at the holding level – LTV max 66%)
- We offer **flexible amortization schemes** (a bullet at maturity)
- **Limited security package:** “collateral pledge” against the holding company securities and against the holding company treasury accounts
- We offer friendly repayment fees to adapt to sponsor’s needs of flexibility



> 3. Challenges for financing Solar Projects in Portugal

BROWNFIELD

Existing FiT:

- Visibility on revenues
- Repowering

⇒ **Advantages of junior debt financing at HoldCo level**

To extract value from the existing portfolio and to free

- ✓ cash injected to Finance the construction of new wind farms
- ✓ Improve project rentability
- ✓ Repay shareholders' loans which financed the portfolio
- ✓ Finance a minority stake in the SPVs or an external acquisition

GREENFIELD (Auctions, PPA/Merchant)

Auction:

- FiT mechanism?

PPA:

- Off-takers credit analysis and Cashflow analysis
- Crossed guarantees scheme vs. project finance

Merchant:

- Revenue projections depending on price curves
- Grid integration / Capture prices

⇒ **Complex financing structures with various rentability profiles (Desarrollador /Off-taker /Deuda comercial /Deuda junior)**

⇒ **Advantages of junior debt financing**

- ✓ To minimize the equity to be injected without opening the capital structure
- ✓ Loan customization depending on equity need
- ✓ Adaptability to asset rotation / assets sale





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> Thank you!



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