Sustainability: Quo vadis?
Energy Efficiency Opportunities in Real Estate

3 February 2015
SUSI Partners AG addresses the three main pillars of energy infrastructure

Renewable Energy
- SUSI Sustainable Euro Fund I (Solar- and wind projects in Western Europe; closed)
- SUSI Renewable Energy Fund II (Solar- and wind projects in Western Europe; fundraising ongoing)

Energy Efficiency
- SUSI Energy Efficiency Fund (Financing Energy Efficiency measures through a contracting model; in investment phase)

Energy Distribution and Storage
- SUSI Energy Storage Fund (Storage capacity for utilities; planned for 2015)
By investing in energy efficiency measures, more CO₂ emissions can be saved per million invested than with any other measure.
Business model with guaranteed cost reduction

Energy saving contracting *(illustration)*

- In an energy saving contract, the ESCO implements and guarantees energy savings measures.
- In return, a portion of the savings in energy costs is used to finance the project.
- The real estate owner can limit his exposure to rising energy prices caused by regulatory pressures originating from the EU’s 20-20-20 targets.
  - 20% reduction in greenhouse gas emissions compared to the level of 1990.
  - Increase the share of renewable energy sources of the EU’s gross final energy consumption to at least 20%.
  - Reduction of primary energy consumption by 20%.

The energy price risk exposure can be lowered significantly through energy efficiency retrofits.
Motivation for energy efficiency projects

- Increase of property value
- Substantial savings in energy costs
- Balance sheet structure (on- vs. off-balance sheet)
- Potential reduction of vacancy rate
- Sustainability & CO₂ reduction
**SUSI Energy Efficiency project focus and investment criteria**

<table>
<thead>
<tr>
<th>Types of projects</th>
<th>Project selection criteria</th>
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<tbody>
<tr>
<td><strong>Buildings</strong></td>
<td>- heating, ventilation and air conditioning</td>
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<td></td>
<td>- building management systems</td>
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<td>- lighting</td>
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<td>- etc.</td>
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<td><strong>Industrial processes</strong></td>
<td>- electric motors</td>
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<td>- pumps</td>
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<td>- heat recovery</td>
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<td>- etc.</td>
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<td><strong>Public infrastructure</strong></td>
<td>- street lights</td>
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<td>- hospitals</td>
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<td>- public swimming pools</td>
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<td>- public facilities</td>
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<td>- etc.</td>
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### Investment Criteria

- Project duration of 4-12 years
- Investment volume of EUR 1m to 60m
- Focus on Western Europe and EUR
- Positive environmental impact
- Proven technology
- Solid credit rating of customer
Savings potential for different building classes

<table>
<thead>
<tr>
<th>Buildings</th>
<th>Hotel &amp; Restaurant Industry</th>
<th>Public Infrastructure</th>
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</thead>
<tbody>
<tr>
<td>Office</td>
<td>Hotel</td>
<td>School</td>
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<tr>
<td>-50%</td>
<td>-40%</td>
<td>-25%</td>
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<tr>
<td>Shopping Mall</td>
<td>Restaurant</td>
<td>Hospital</td>
</tr>
<tr>
<td>-50%</td>
<td>-40%</td>
<td>-25%</td>
</tr>
</tbody>
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Source: Siemens Building Technologies, 2012 / No. are approx.
Successful reference project with Monaco and Johnson Controls

Key Information
- Project: Building retrofit of 5 buildings (portfolio)
- Project Structure: Energy Performance Contract
- Technology Partner: Johnson Controls
- Building owner: Principality of Monaco
- Project duration: 12 years
- Fund’s share of savings: 64%
- Investment volume: EUR 870k
- Simple payback: 4.9 years

Energy Costs - 27%
Energy consumption - 23%
CO₂ output - 35%
Project structure

Principality of Monaco

Energy costs before retrofit p.a.
EUR 657k

Energy costs after retrofit p.a.
EUR 480k

Total annual savings:
EUR 177k

Johnson Controls

Efficiency measures
5% of savings (EUR 9k)
31% of savings (EUR 54k)
64% of savings (EUR 114k)

Initial investment:
EUR 871k

SUSI Energy Efficiency Fund

1) Payments to Johnson Controls for maintenance, process optimization, workshops, monitoring and verification of energy savings

Johnson Controls guarantees savings of 23% of current energy consumption (27% of energy costs) which amounts to EUR 177k p.a.. The SUSI Energy Efficiency Fund fully finances the project in exchange for a share of the energy savings.
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