



Resalta™



Resalta Group

Corporate funding strategy for energy service company

June 2024, Ljubljana

Who are we?

A leading independent energy services company in Central and Southeastern Europe, present on 8 markets.

We help clients improve their energy efficiency and decarbonise their operations, lowering their environmental impact.

We offer **integrated energy services** and **renewable energy sources**.



Resalta in numbers

105+



Experts from different fields with many years of valuable and varied experience

200+



Companies, cities and municipalities we have helped achieve financial and energy savings

200,000



tons of CO₂ emissions avoided through over 240 successfully implemented energy projects

€130m



Assets under management

300+



Successfully implemented energy projects

Ownership structure

Resalta's owners are leaders in their fields, dedicated to sustainability and helping accelerate the energy transition. These goals and values are translated into Resalta's strategy and service offering.



European Investment Fund & SID Banka through a joint instrument (The Slovenian Equity Growth Investment Programme). The European Investment Fund invests in SMEs through private banks and funds, partnering here with SID Banka whose goal is to stimulate the economy and promote sustainable development through its financial instruments.



Energetika Ljubljana remotely supplies heat, cooling and natural gas. It is among the highly developed supply systems in Central Europe and has significant experience with the operation of energy systems and strong competences in the field of engineering.








Black Peak Capital is a co-investment growth equity fund focused on investing in high-growth Southeast European small and medium enterprises. Black Peak Capital is funded by the European Investment Fund, part of the European Investment Bank, through the JEREMIE initiative for support of the SME enterprises in Bulgaria.



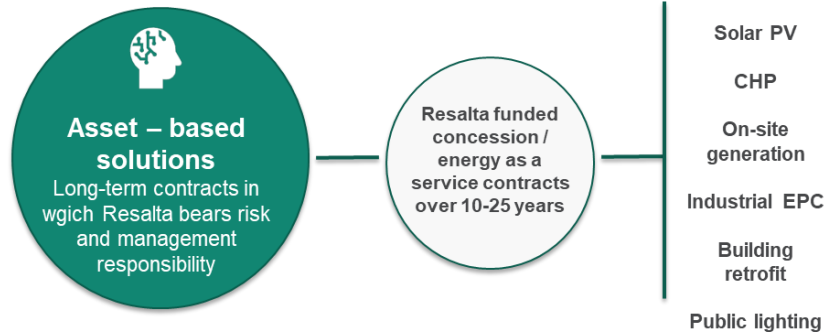
Post Scriptum is a venture capital group which holds a broad portfolio of investments in start-up and niche situations, primarily but not exclusively in the energy sector. Its biggest focus is the dynamic field of renewable energy.

Funding strategy

Resalta's strategy was to maximize the growth of its asset portfolio and enable sufficient funding options at the lowest possible funding costs. Proven ability to raise debt/equity.

 Volumes	€15 – 20M p.a. €25 – 35M p.a.	Annual CAPEX funding requirement from 2016 -2020 2021 onwards Proven ability to raise debt/equity.
 Tenors	7 – 15 years preferred	Optimize maturity profile & interest costs
 Currencies	EUR preferred	Predominantly Euro-based asset base
 Diversification	Instrument variety	<ul style="list-style-type: none">• Commercial debt• Commercial paper• Selling receivables 

1. Asset-based business model (2016 – 2020)



Project Aim: public lighting renovation in 101 townships belonging to the Kruševac administrative area

INTESA  SANPAOLO



Resalta's value proposal

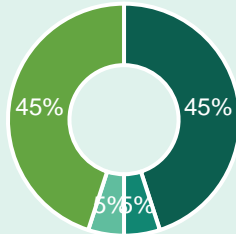
- Resalta designs the project and carries out all required calculations, including photometric measurements
- Resalta implements entire luminaire replacement projects and provides O&M services for the duration of the contract
- Resalta provides guarantees for the duration of the contract (12 years) and an extra 3 years

Project economics:

- 10% project IRR

Cost Structure

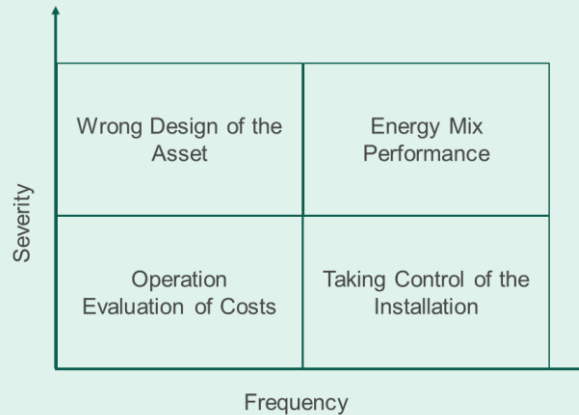
- Material/energy
- Internal staff
- Subcontractors
- Depreciation



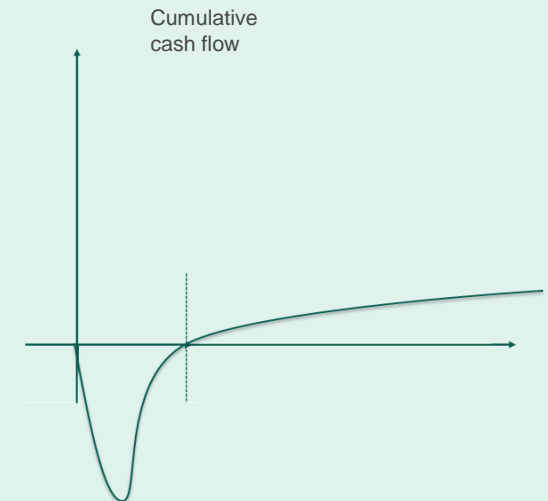
Key Financial Indicators

- Energy margin & capital employed
- ROI & ROCE
- # MW under operation
- Duration of contract/average useful life of assets
- Maintenance CAPEX as % of revenue

Risk/Opportunity

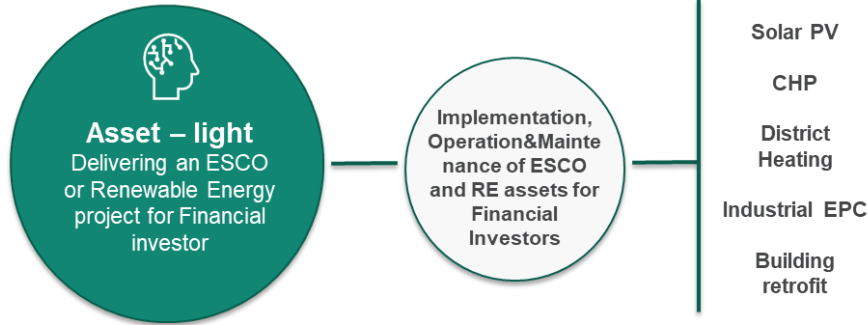


Cash flow profile



2. Asset-light business model (2021 – onwards)

Expected profitability margins – 15%



Project Aim: Fraport



Resalta's value proposal

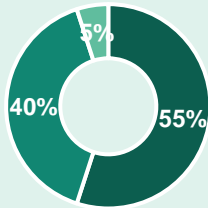
- Resalta designs the project and carries out all required calculations, including photometric measurements
- Resalta implements entire luminaire replacement projects and provides O&M services for the duration of the contract
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Project economics:

- 15% Gross Margin and 15 year contract for O&M

Cost Structure

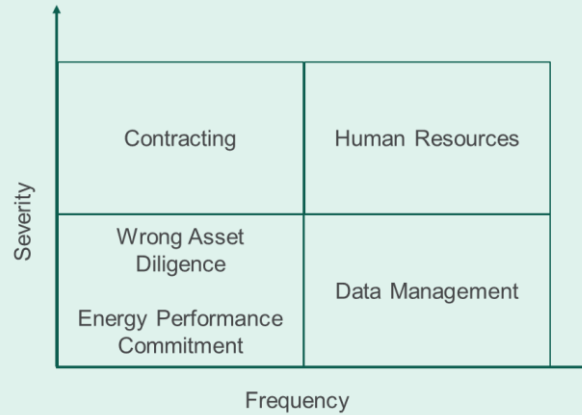
- Internal staff
- Subcontractors
- Equipment



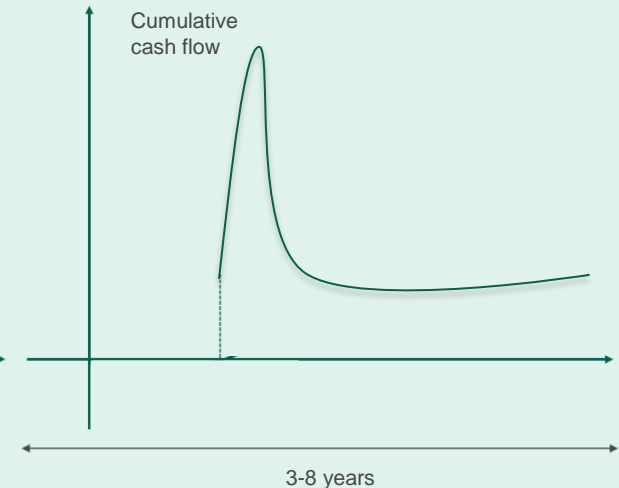
Key Financial Indicators

- Revenue growth %
- COI/Revenue %
- Fixed/Additional revenues
- Invoicing
- Net development costs

Risk/Opportunity

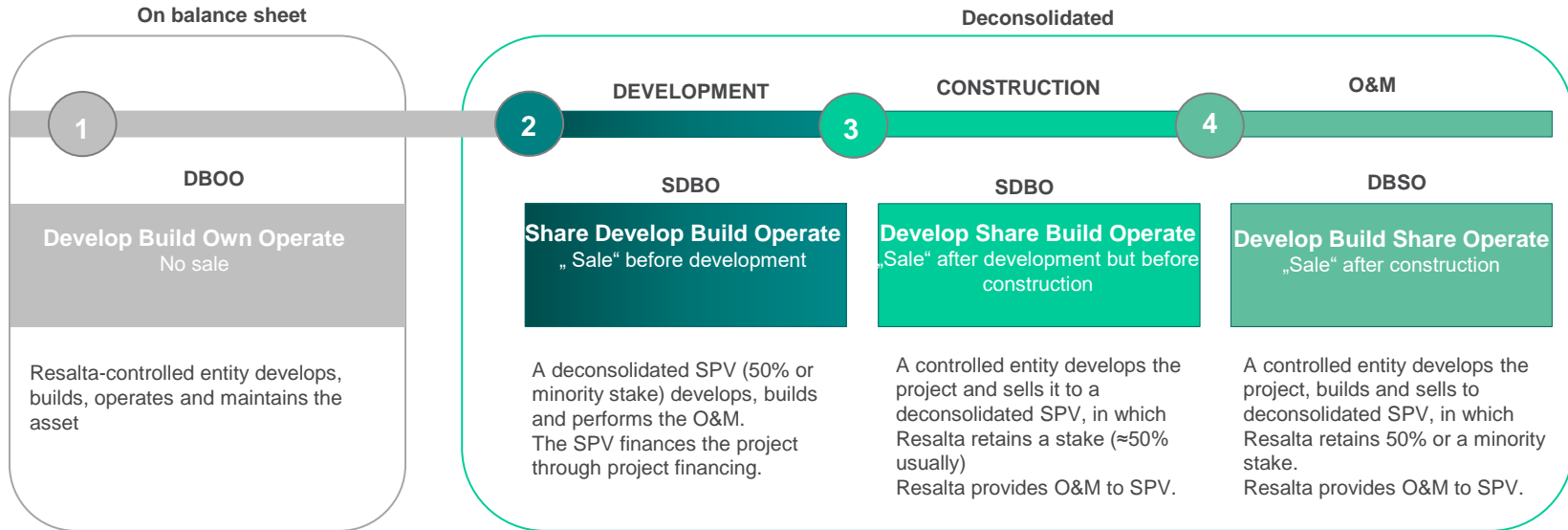


Cash flow profile



Funding strategy – Resalta as an asset-light company

Wide range of business models / depending on if & when equity is partially sold to financial investors



What does Resalta offer financial investors?



Resalta Group capacities:

- Resalta - the largest independent developer of ESCO & renewable projects in the SEE region
- Strong technical and operational expertise and know-how in the sector
- Management team with proven track record
- Sponsored and backed by blue chip regional and international institutions and investors
- Top position in a number of regional markets; expanding strongly into selected growing EU markets (Germany, Poland)
- Diversified portfolio of projects

Resalta de-risking of energy efficiency projects for financial investors

The key role of a renewable energy and energy efficiency project developer like Resalta is to de-risk its projects in a structured and professional manner using its accumulated experience and considerable know how. Resalta is responsible for identification, design, implementation, operation and maintenance of its EE and RE assets throughout the duration of the contract with its clients.

Risk Type	Risk Description
Technical	Suboptimal design of the solution / suboptimal project execution / equipment malfunctioning during operation
Contractual	Disputes regarding contractual terms
Performance	Inability to reach the required performance indicators (e.g. savings)
Client credit risk	Client payment delay / default on payment obligations
Energy price risk	Not applicable (passed on to the client)
Business activity risk	Not applicable (passed on to the client)



Structured approach to risk mitigation

- **General principles**
 - Extensive experience, expertise and know-how
 - Working with reputable counterparties
 - Conservative approach to project planning
- **Investment policy requirements**
 - Portfolio-level (see next slides)
 - Project-level (see next slides)
- **Project approval process (see next slides)**
- **Internal control and facility management**
 - Best project management practices during project development and project implementation
 - Dedicated and professional asset management unit
 - Regular updating of project approval requirements based on the on-going findings from operating projects

Risk Mitigation Responsibilities within Resalta

Body

Responsibility

Project Committee

- Evaluates the technical aspects of all proposed projects (feasibility of technical solution, implementation and facility management plans)
- Members are product house leads, operations & maintenance lead and engineers with expertise of specific technologies

Investment Committee

- Establishes the investment criteria, and develops the Investment Policy
- Evaluates all proposed projects compliance with the established investment criteria
- Members are the CEO, CFO, CDO, legal counsel, product house leads, country sales managers

Product Houses

- Responsible for project development and implementation
- Develops and implements tools to optimize the project implementation process for new projects (e.g. technology-specific checklists for project implementation)

Operations & Maintenance

- Responsible for operational projects (evaluating the performance of operating projects, responsible for optimizing performance)
- Utilises in-house custom-made Energy Management System (EMS), providing real-time data on over 100+ operating assets across 5 countries

Finance & Controlling

- Sets project return targets in line with the Investment Policy
- Monitors the compliance of projects and the project approval process with the Investment Policy
- Reviews the performance of operating projects and suggests improvements to the investment criteria and project approval process

Resalta™

Thank you

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