



SUNSHINE
SAVE YOUR BUILDING
BY SAVING ENERGY



LABEEF
*Latvian Baltic Energy
Efficiency Facility*



**FUNDING
FOR FUTURE**

WHY THE **BEEF** IN LABEEF?

**OPERATIONAL ASPECTS OF
STANDARDIZATION AND FORFAITING**

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LABEEF'S MISSION

SAVE ENERGY. LIVE BETTER.
GUARANTEED.



ROLE

**LABEEF finances owners by purchasing
receivables of Energy Performance contracts.**

IT IS A GO! GIVEN EXECUTION AND TRANSACTION RISKS –WOULDN'T YOU BE RELUCTANT?

Getting down the curve : Companies don't have time to learn a whole world

Esco credit risk - do we trust these guys?

Energy efficiency savings – will they last?

Energy tariff – What's OPEC doing, what about Gazprom?

Outside temperature – climate change, a hoax?

Payment risks – those owners?

Technical maintenance, CAPEX, administration risks – headaches!

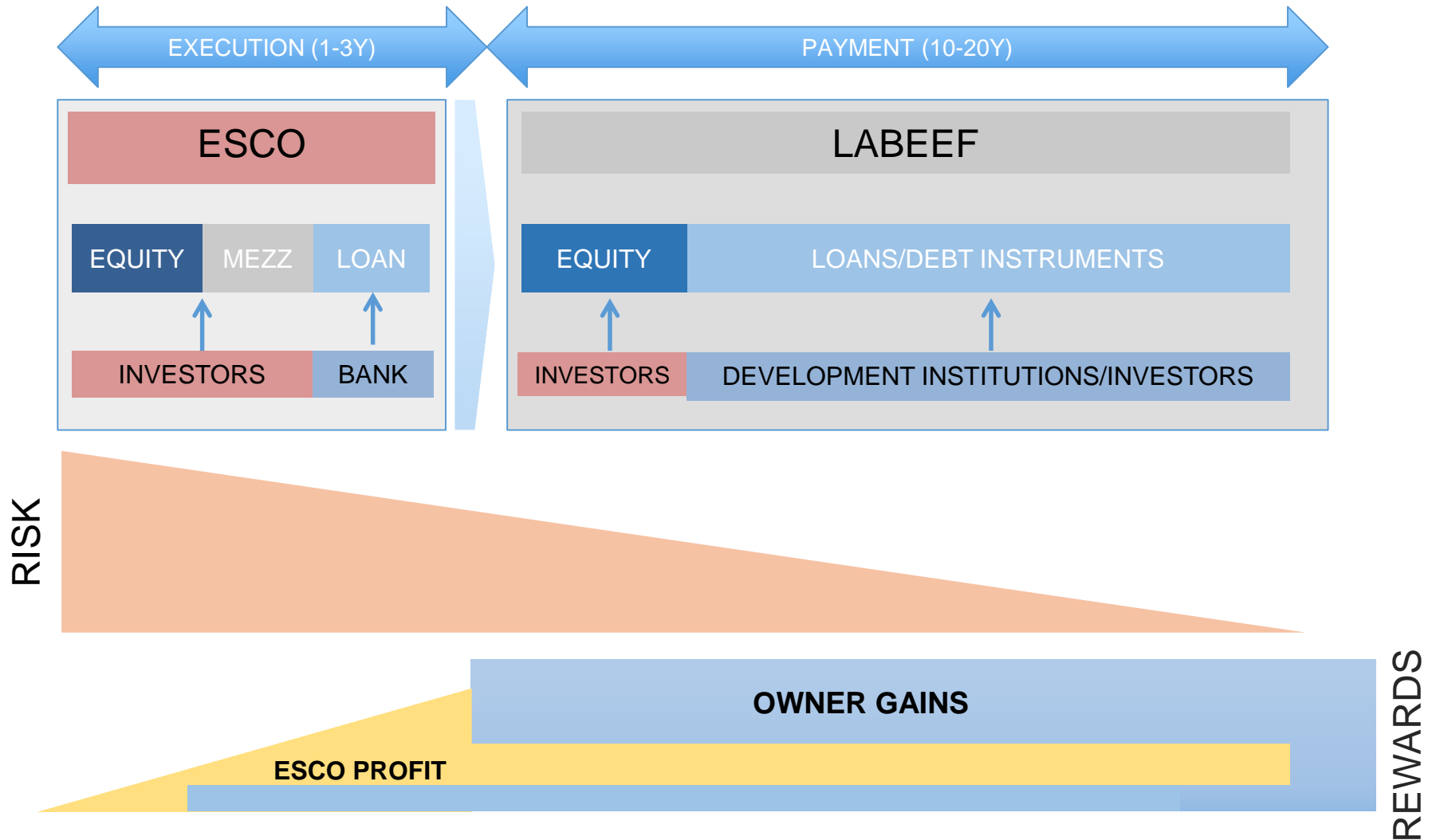
Interest rate risk – Greedy banks!

Related party risk –Is it okay that the scaffolding company is your wife's?

Grey economics – Your workers don't exist!?!



IDENTIFY AND ASSIGN RISK/REWARD SEPARATE EXECUTION FROM PAYMENT



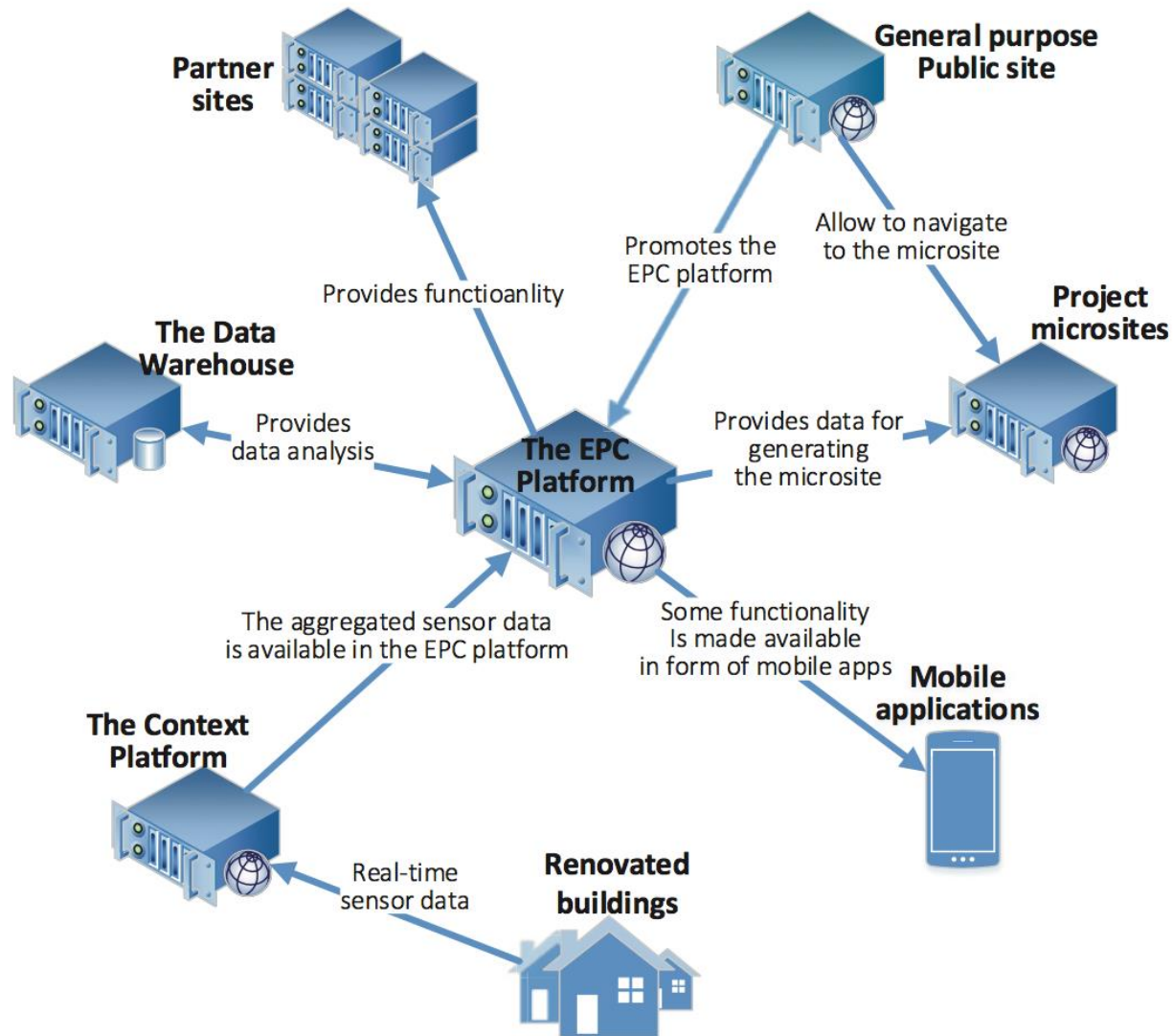
I- LABEEF'S OPERATIONAL DIFFERENCE

**Purchase receivables
Of Energy Performance contracts
Using its Set Targets
Select Companies
Vet Buildings
Owners**

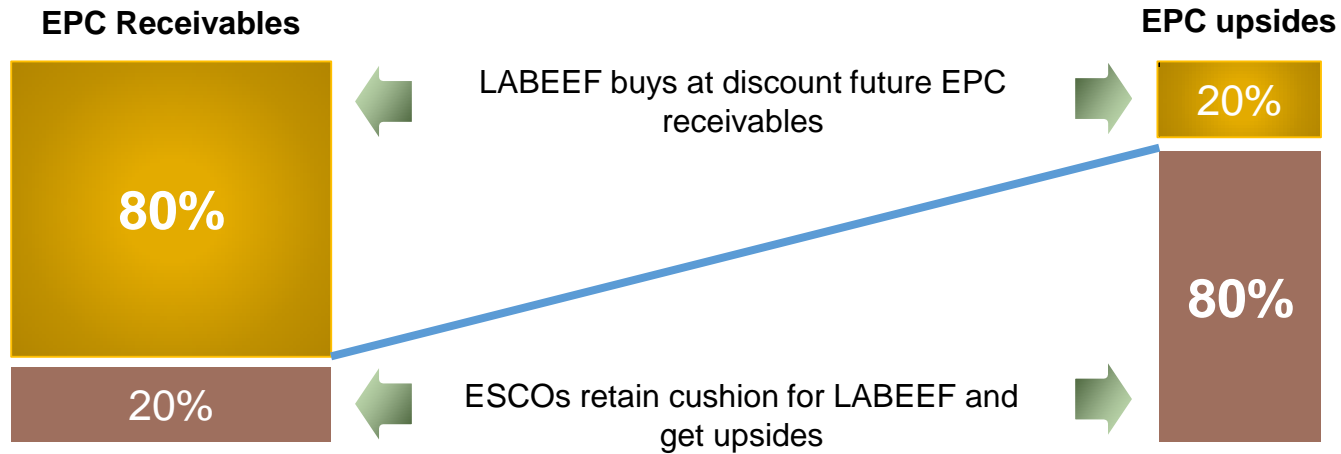
MISSION

Save energy. Live better. Guaranteed.

II - LABEEF'S OPERATIONAL DIFFERENCE



DE-RISKING: LABEEF'S 80/80 MODEL



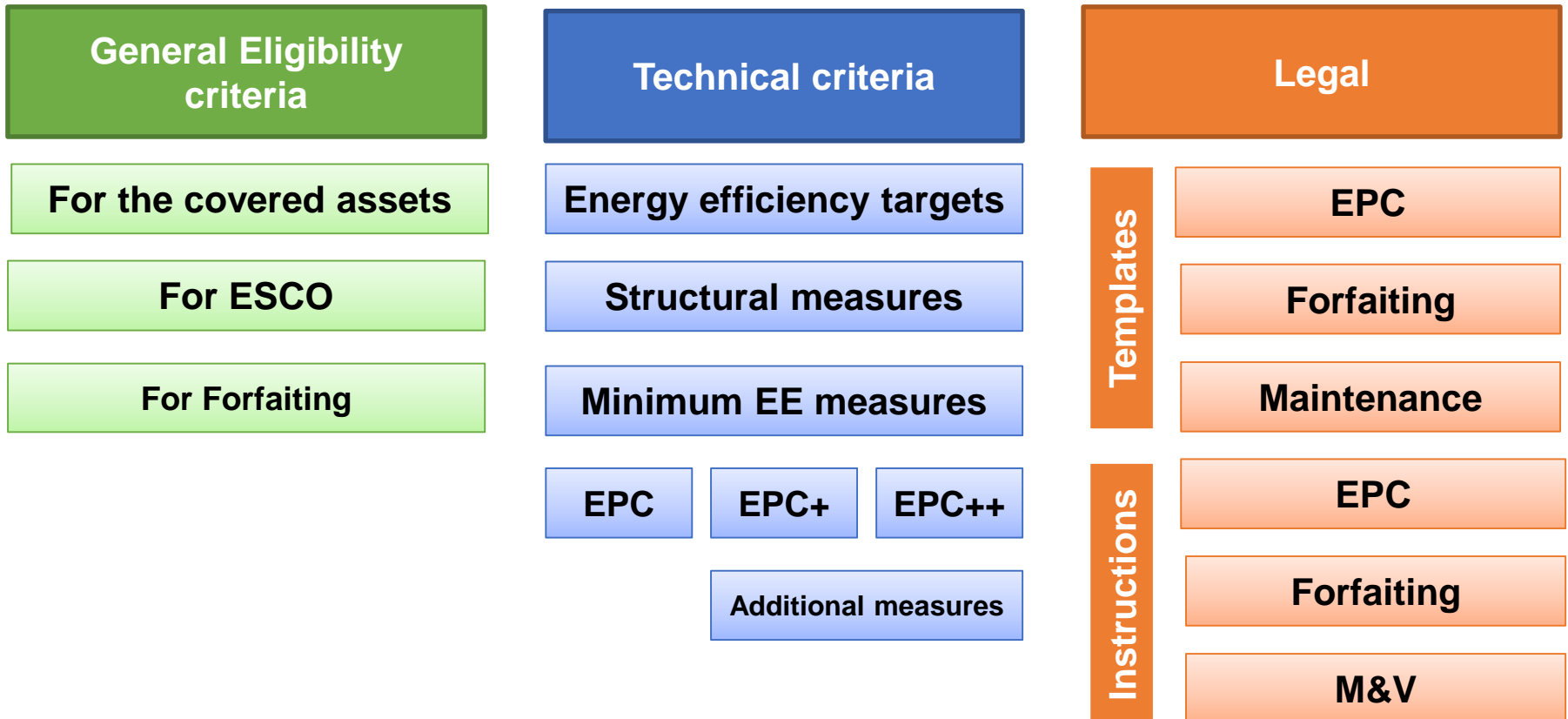
Cash is king!

- LABEEF collects 100% of EPC payments.
- disburses proportional share to ESCOs

And then Build a cushion

- Quarterly payment structure to ESCO

INVESTMENT GUIDELINES PROCESS STANDARDISATION



What does a solution include?



What does a solution include?

Real SCALE

Less € in transaction

Less risks

Guaranteed savings and quality

More Long Term

More APPROPRIATE Communication



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**FUNDING
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THANK YOU!

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ONLY 1 KEY RISK FOR ESCOS: ABILITY TO DELIVER ON TIME AND ACCORDING TO

THE LABEEF GUIDELINES!

Execution risks:

- Capex
- Technical to reach guarantee
- Post warranty failure risk

Payment risk before forfeiting

- Delays payments
- Defaults

Mitigated through outsourcing collection and debt management:

- 3% collection and debt payment

Defaults may not exceed 2% before signing the contract and before actual forfeiting

ONLY 1 KEY RISK FOR ESCOS:
ABILITY TO DELIVER ON TIME AND ACCORDING
TO
THE LABEEF GUIDELINES!



UNDER THE 80/80 MODEL REDUCING RISK

Owners have little risk, no upfront funding, protection and support

Risks to LABEEF are minimized

- 20% payment cushion

ESCOs :

- Hedged:
 - Energy prices
 - Outdoor temperatures / weather
 - Interest rates
- pay back bank loan used for renovation works
- partially get back their equity

Forfeiting allows ESCOs

- to focus on EE implementation –documentary, financial and M&V prefab

80/80 model help ESCOs:

- become long-term players
- Build equity
- effectively manage downside risks
- Grow their pipeline!

**General Eligibility
criteria**

Technical criteria

Legal