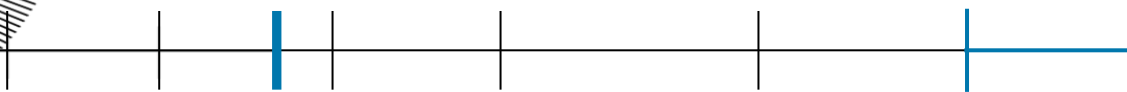
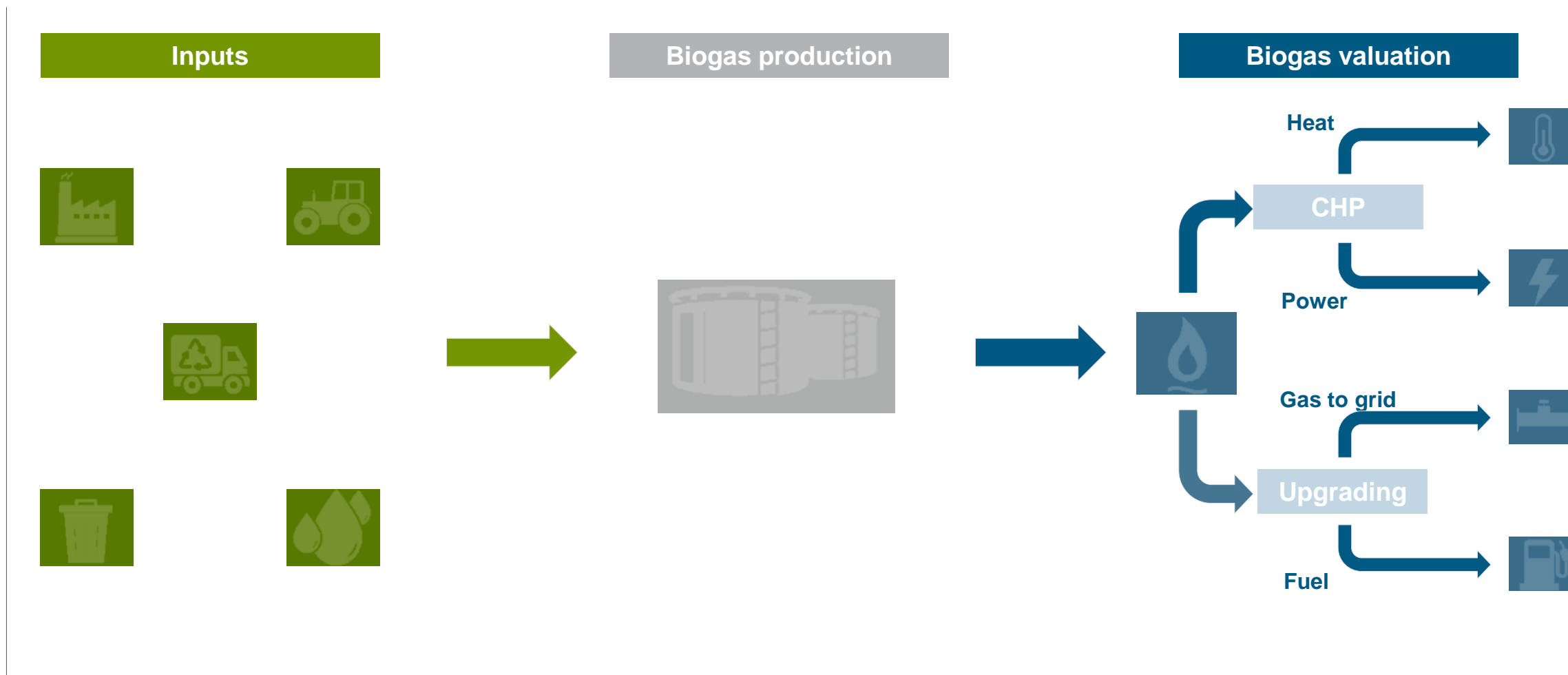


Biogas & biomethane projects : Overcoming the financing challenges



The valuation chain of biogas



Learning curve of the sector : the French example

2010 – 2015

- First CHP units
- No experience of local peculiarities
- Major operational issues
- Very limited number of players

2015 – 2018

- Increase of quality standards
- 1st biomethane units
- Market consolidation
- Cautious financing market

Since 2018

- Experienced players
- Increase of financial support
- Strong increase of projects number
- **Reaching maturity**

- Main issues faced by the first units
 - CAPEX : storage, methanisation process, civil work, heating network, digestate treatment
 - OPEX : maintenance costs, biology, feedstock costs, digestate use
 - Revenue : methanisation process, feedstock availability and CH4 potential, heat valuation
- Major causes
 - « Optimistic » business plans
 - Poor technical designs
 - Insufficient contractual packages

Risks map of a biogas/biomethane project for a financial player

Development risk

- ➔ Rights on lands (purchase, long-term rental binding on third parties...)
- ➔ Authorization process (environment, BP, challenges in Court...)
- ➔ Local technical constraints (use of heat, distance to the grids..)
- ➔ Right and conditions for grids interconnection

Technology risk

- ➔ Proven technology (methanisation process, CHP, upgrading...)

Construction risk

- ➔ EPC contract with guarantees and performances
- ➔ Technical advisory
- ➔ “Best-in-class” contractors and/or subcontractors (guarantees, experience...)

Feedstock risk

- ➔ Long term contracts with commitments on prices, quantity and CH4 potential
- ➔ Main feedstock suppliers as shareholders of the project
- ➔ Study on feedstock potential in the area
- ➔ Biology expertise on feedstock mix

Offtake risk

- ➔ Long term contracts for offtake (duration, price and quantities)
- ➔ Valid for power, heat and all applications of biomethane
- ➔ Quality of upgrading equipment (gas networks standards)

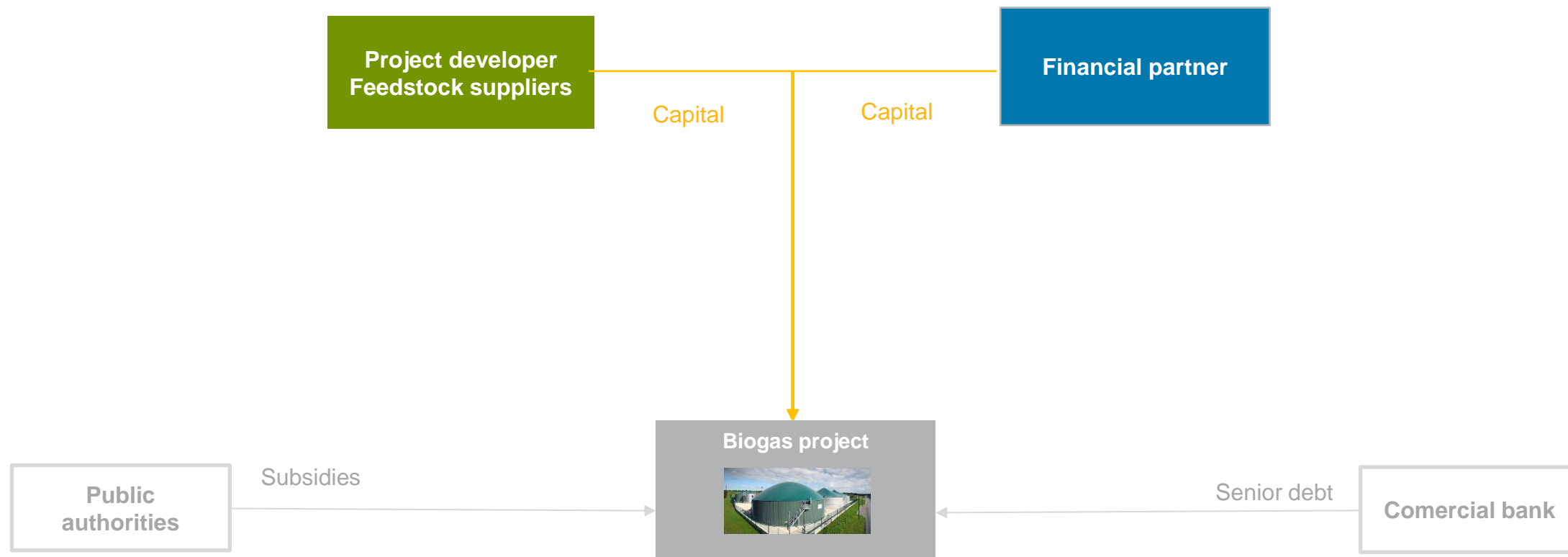
Operational risk

- ➔ Long term operation and maintenance contract with guarantees (penalties, bankability...)
- ➔ Experienced and qualified operator
- ➔ In case of various “operators” (collective agricultural project), identification of a “leader”

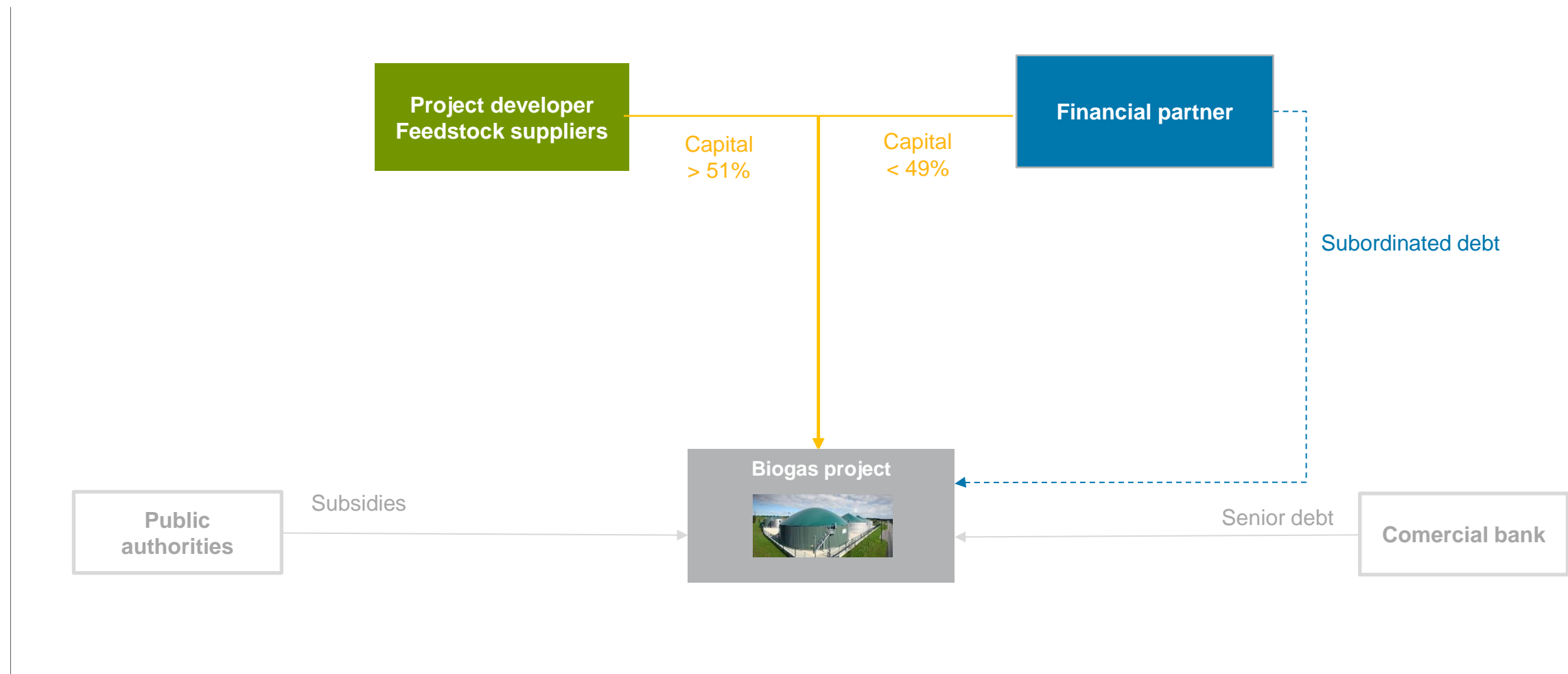
The different sources of financing

- Subsidies on investment
 - High pressure on public budget
 - Do not encourage efficiency of the projects
- Debt
 - Ideally on non-recourse project finance basis : no guarantees except the project and its assets
 - Long term maturity
 - Amount calculated from available cash flows from operation of the plant
 - Up to 70-80% of the total investment cost
 - Key indicator for banks : Annual Debt Service Cover Ratio (ADSCR)
 - $ADSCR = (EBITDA - taxes) / (Interests + principal) > 1,3$
- Equity and quasi equity
 - Capital
 - Subordinated debt,
 - Convertible bonds, shareholders loans, advances in current accounts

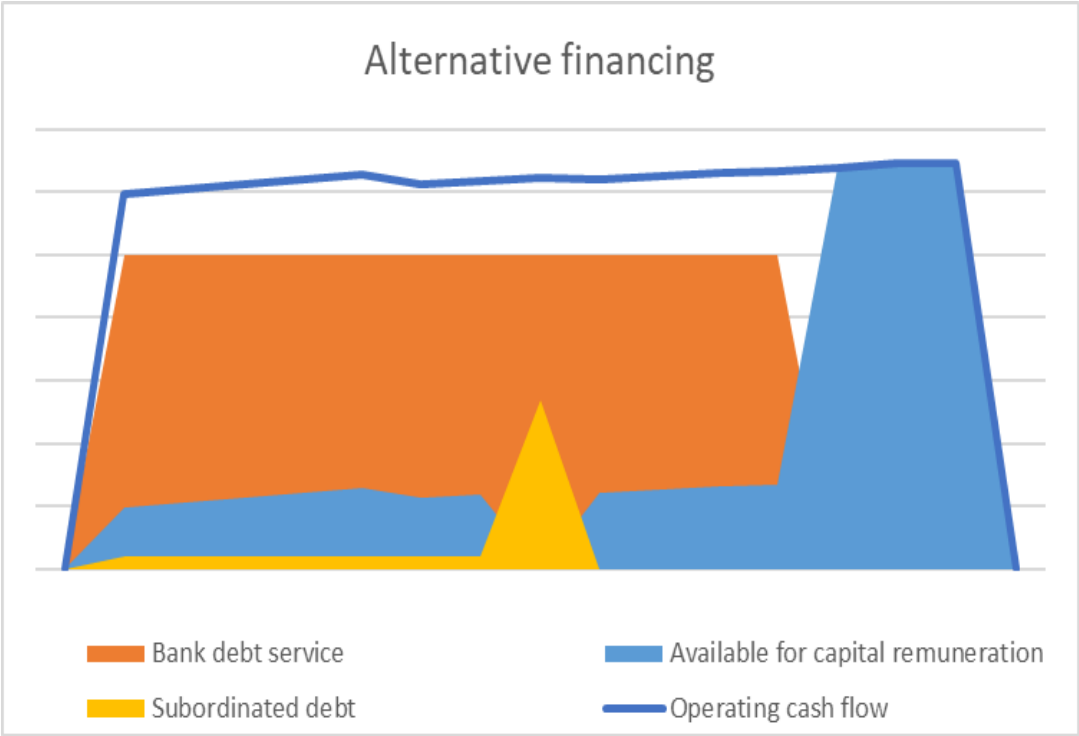
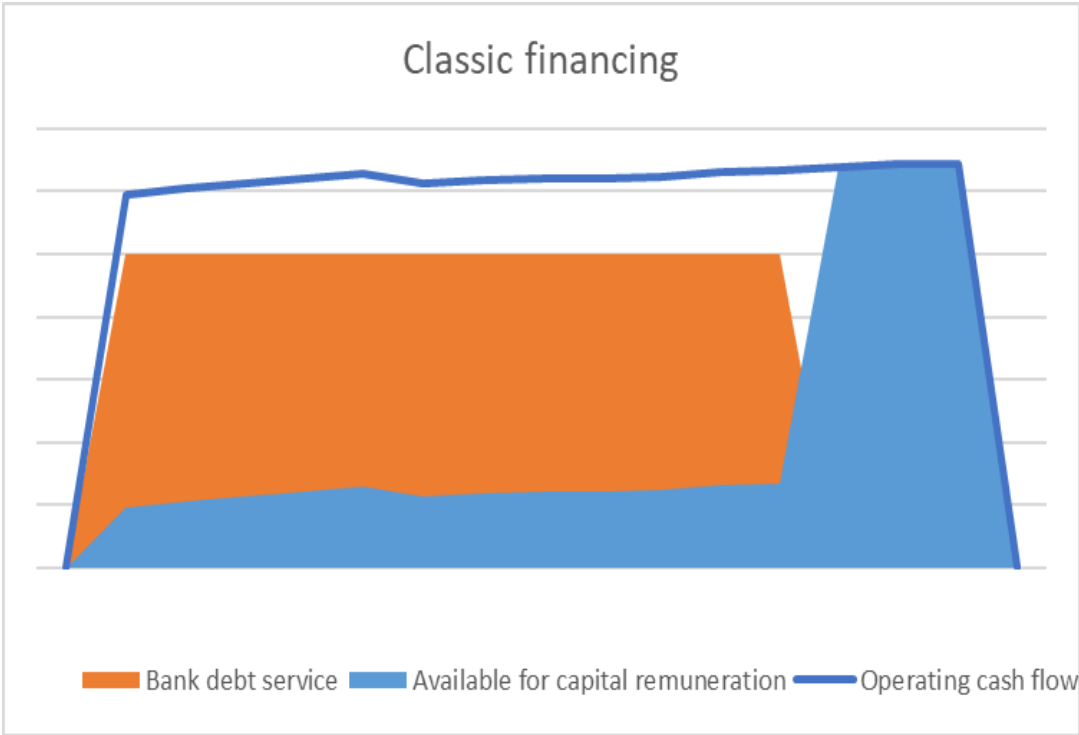
Project financing structuration : classic scheme



Project financing structuration : alternative scheme

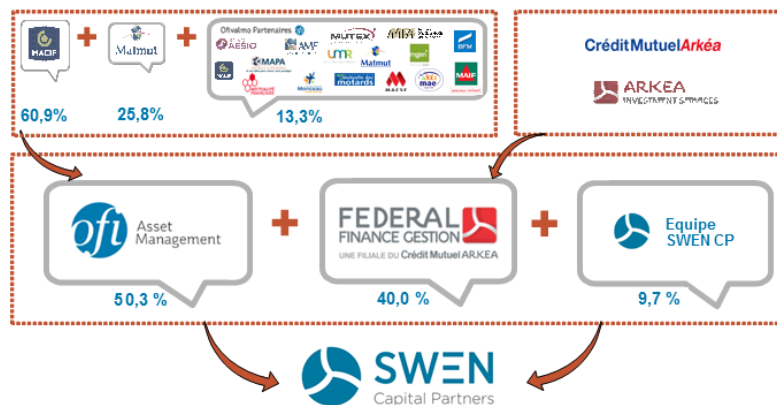


Cash flows allocation



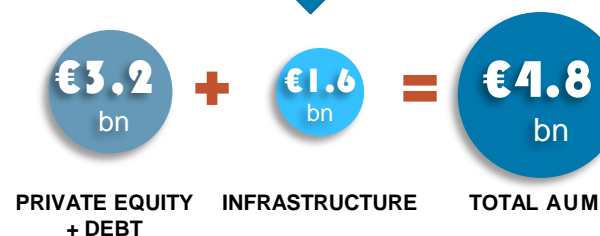
SWEN, a leading sustainable asset management platform

- **A benchmark in the asset management industry...**
 - **Continuous business growth** since its launch in 2008
 - **€4,8bn** in AuM (funds and mandates)
 - **A responsible contributor** to the long-term funding of the economy, incorporating ESG criteria in its rigorous analysis and tracking process
 - Key innovation in 2017/2018: **implementation of a CLIMATE strategy**
 - **A team of 40 people** with > 15 years' experience in unlisted investments, relying on the support departments of its shareholders.
 - **A solid track record** in all three business lines.
 - **Consistency with the values** rooted historically in humanism, responsibility and solidarity with shareholders.
- **... and a solid shareholding structure**



Investment

- **Primary, secondary, direct**
- **Private Equity, Debt, Infrastructure**
Database of more than 250 French/European funds
- **Optimised portfolio management**
Flows, J-curve, risk allocation and monitoring, ESG criteria, etc.



ESG strategy

- **A pioneer of responsible investment in France**
Internal ESG team in 2012 and integration of ESG criteria in investments analysis, Organization of the ESG Best Practices Honours since 2014, Funds carbon footprint since 2015-2016, Climate strategy in 2017
- **A structuring action in ESG best practices diffusion**
Yearly survey and reporting of ESG practices and controversies for 2,000 companies, ESG Best Practices Honours, cooperation with the sector for diffusion of ESG criteria (eFront, France Invest, PRI...)

SWEN Impact Fund for Transition, a M€120 fund dedicated to green gas

Key investment areas



GREEN GAS PRODUCTION



NGV / bioNGV
FILLING STATIONS



LNG / bioLNG BUNKERING

PROJECTED
ASSET SPLIT

70% / 80%

10% / 15%

10% / 15%



FRANCE



REST OF EUROPE

PROJECTED
GEOGRAPHIC
SPLIT

> 60%

< 40%