



**Decarbonization Investment  
Acceleration Services | DIAS**

How to mobilize investors  
for energy transition.

What do companies need  
to know to attract capital.

3rd International Sustainable Energy Conference Graz  
April 10, 2024

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# 1.

## Introduction

# Why I have initiated a **Decarbonization Investment Accelerator**.



There is an immense impact lever to **accelerate energy transition**:

## Energy Literacy

How to mobilize investors for energy transition.

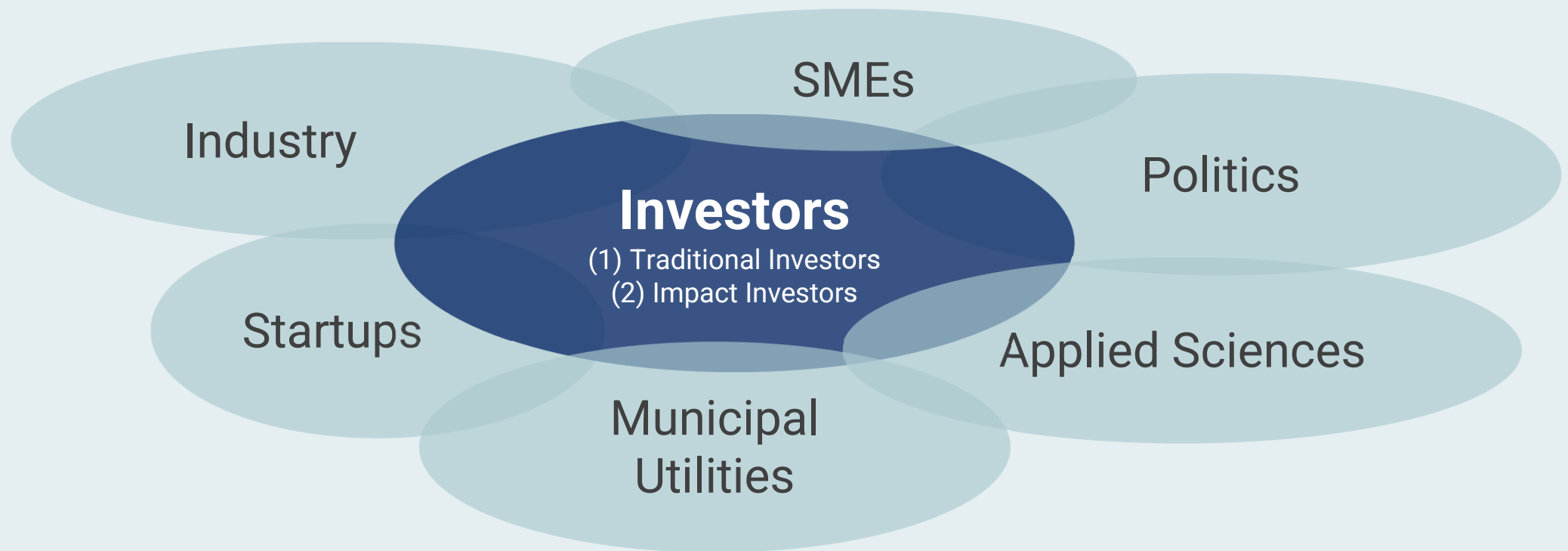


## Investment Literacy

What do companies need to know to attract capital.

“ISEC 2024 aims to inspire pioneering concepts & to facilitate collaboration between researchers, industry professionals and policy makers.”

Including investors in the ecosystem creates a really big impact.





The background of the slide is a dark blue gradient. It features a faint, light blue line graph with several data points connected by lines. Overlaid on this is a prominent, thick blue arrow that starts from the bottom left and points diagonally upwards towards the top right. The arrow has a slight 3D effect with a lighter blue highlight on its upper edge. The overall aesthetic is professional and financial.

# „Climate change is the greatest commercial opportunity of our time.“

Mark Carney, former governor of the Bank of England

# 2.

Why do we have to mobilize investors for energy transition?

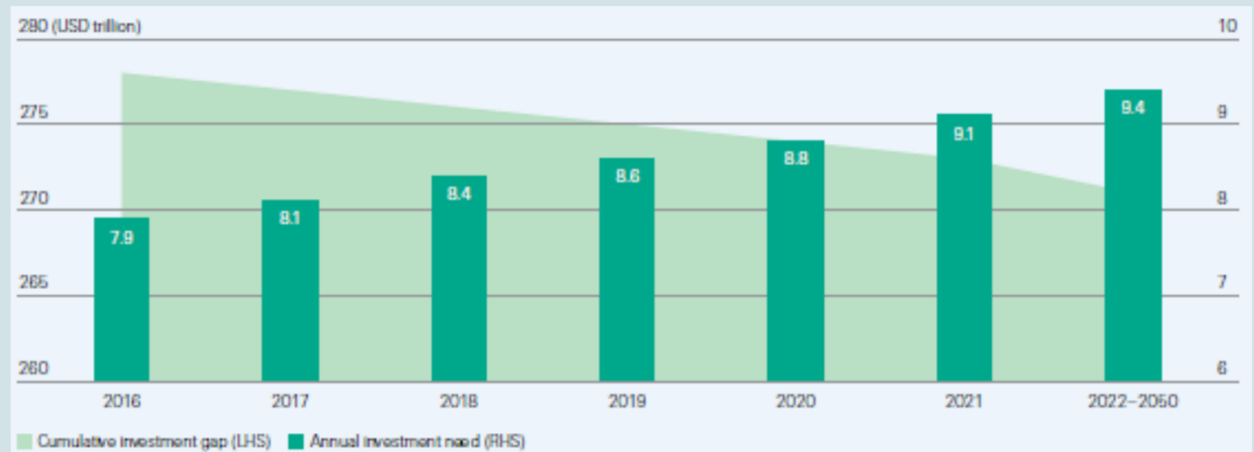


Swiss Re: “Climate investment must increase in speed and scale for a credible energy transition.”

## Only 2% of investments

realized to reach Net Zero until 2045

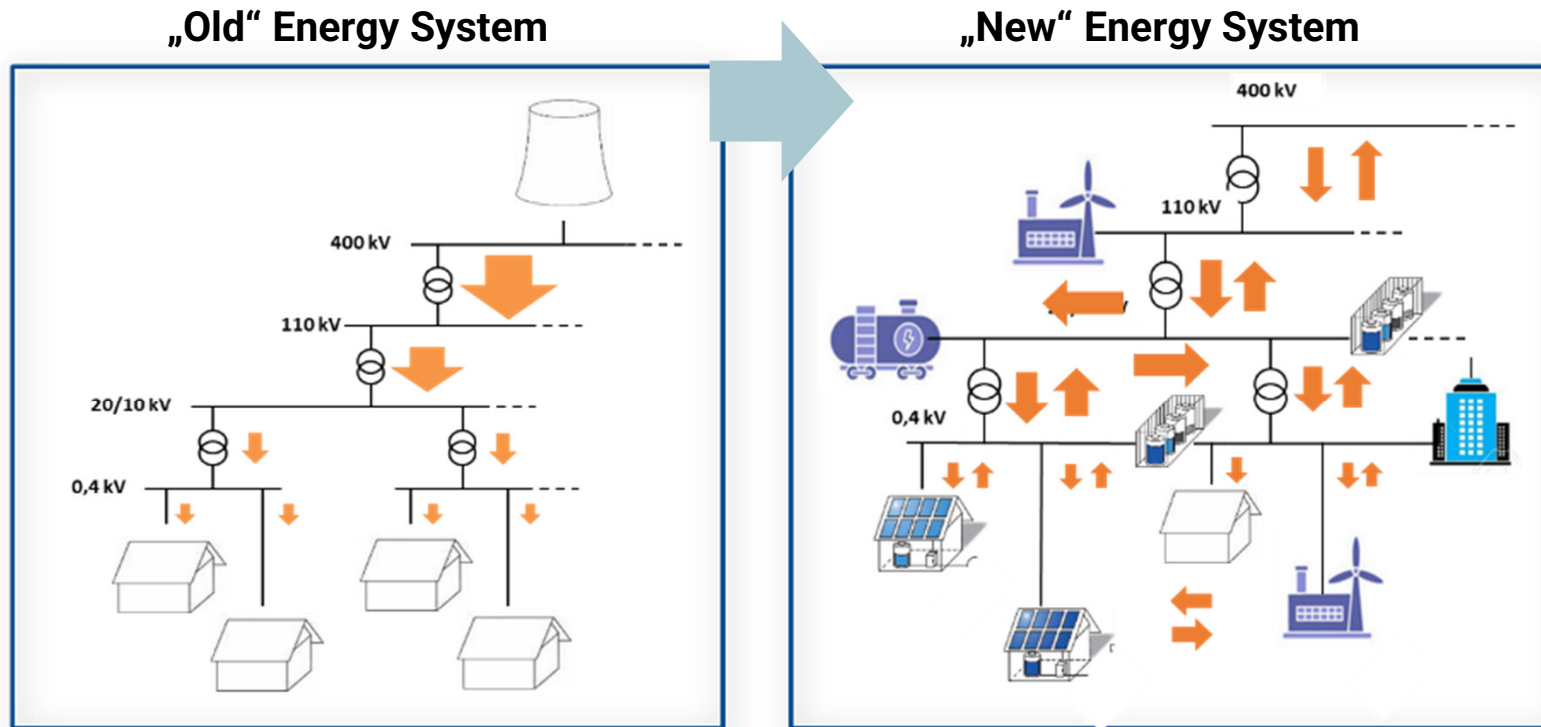
With this trend we will achieve the  
**Net Zero Goal in 2070**



Quelle: Swiss RE Institut: Decarbonization Tracker, October 2022

*The large investors are aware of the situation, so why don't they act (more)?*

# Energy Transition is disruptive – also for investors.



Energy investments  
had been in general  
**infrastructure**  
investments  
into

**Generation  
&  
Grid**

**A decentral energy system requires re-thinking of investment habits.**

## Infrastructure investors like



Projectable, steady cash flows



Stable regulatory & legal investment environments



Simple business models



Large scale technologies with > 20 years track record

**How does  
this apply  
to  
Energy  
Transformation  
Assets ?**

Besides energy generation & grid extension, impact investors are defining focus topics such as

- Green Hydrogen
- EV Charging
- Smart Grid
- Carbon Removal
- Power-to-X
- Stationary Storage
- BioFuels
- Geothermal Energy
- ...



Very few investors´ yet have defined investment strategies along ...

“electrification, sector coupling,  
energy storage systems,  
circular economy practices”  
(ISEC 2024)

# 3.

Why does it help to understand investors?

► To attract capital for energy transition.

# Alternative Assets

**Risk-Return-Profile**

Internal Rate of Return (IRR)

**SFDR Art. 9**

Investment Case

Asset Owners

Scalability

Asset Pools

**Infrastructure  
Investment**

Series A, B, C  
Green Bond

Project Financing

**Risk Capital**

Blended Finance

CAPEX - OPEX

IPO

Patient Capital

**MoIC**

Growth Capital

Private Debt

**Asset Managers**

Venture Capital

Working Capital

Green Bond

Private Equity

Key levers of the business case

**Cost-of-Capital**

Public Markets

First of a kind financing

**Sustainable Finance**

Exit scenario  
Secondary

Private Markets

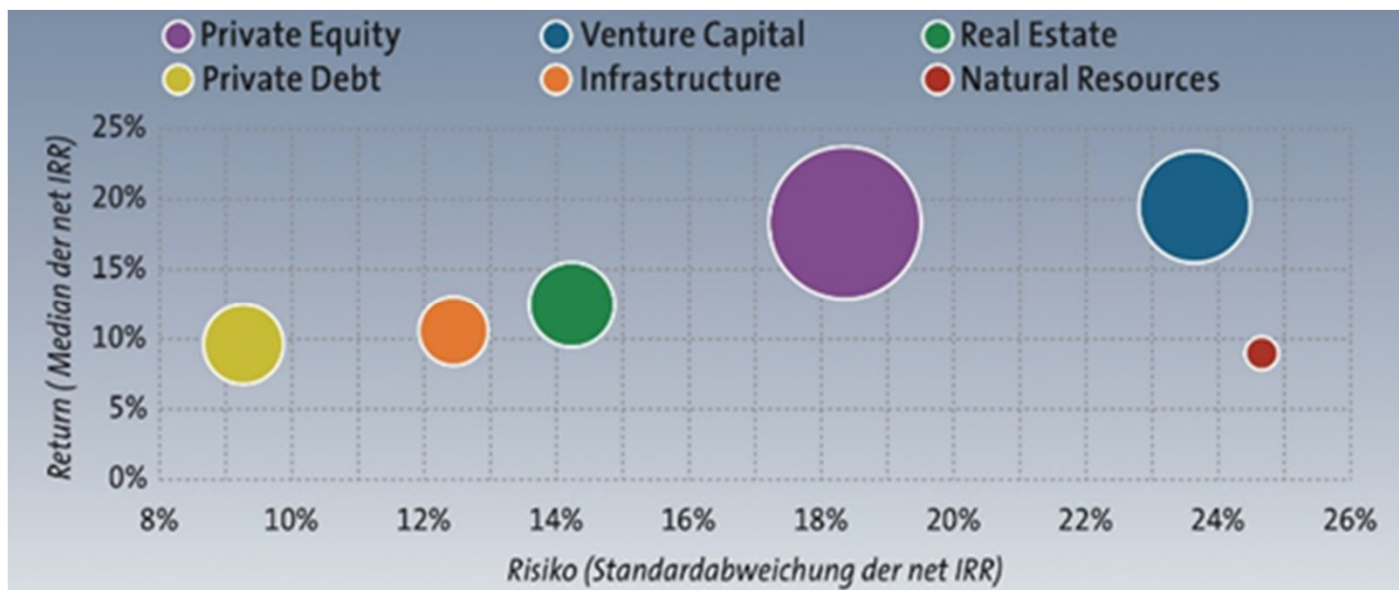
Energy transformation assets are mostly alternative assets.

Alternative Assets are capital assets beyond traditional categories like shares, loans or cash.



# An overview of alternative assets & investors' expectations

## Risk-Return-Profile of Alternative Assets | February 2024



Source: Prequin Pro

IRR = Internal Rate of Return

Venture Capital: 15-25% IRR

Private Equity: 12-25% IRR

Infrastructure: 8-12% IRR

## Example: Venture Capital Investment

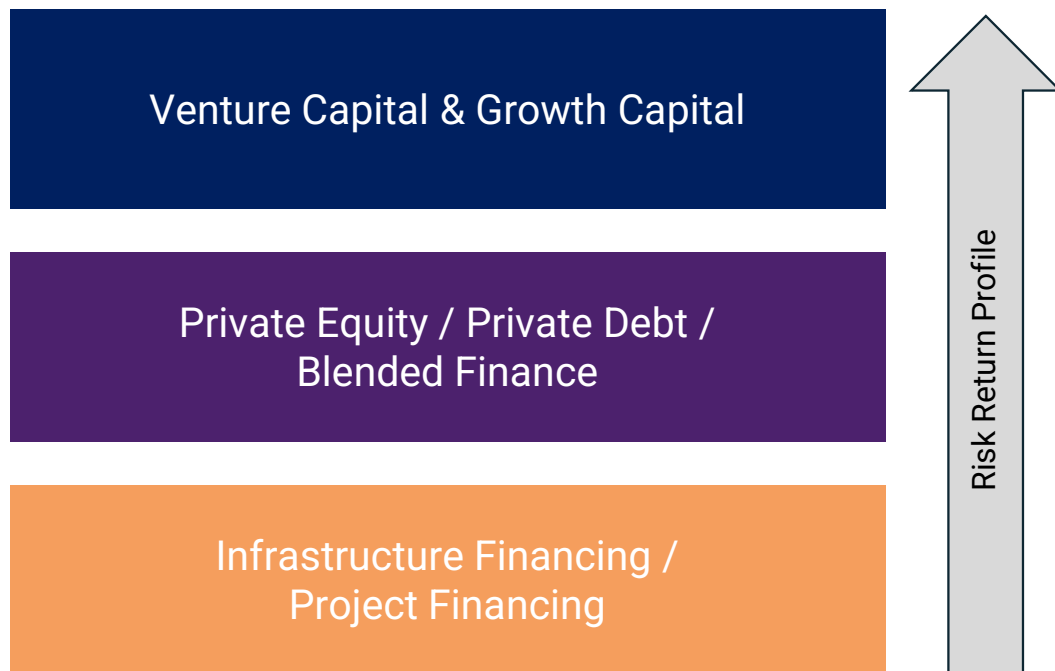
10x

Expected **Multiple on Invested Capital** for a clean tech start-up  
during a holding period of ~7 years.

= Investor Expectations for a High Risk and High Return Profile

= Equity Investment

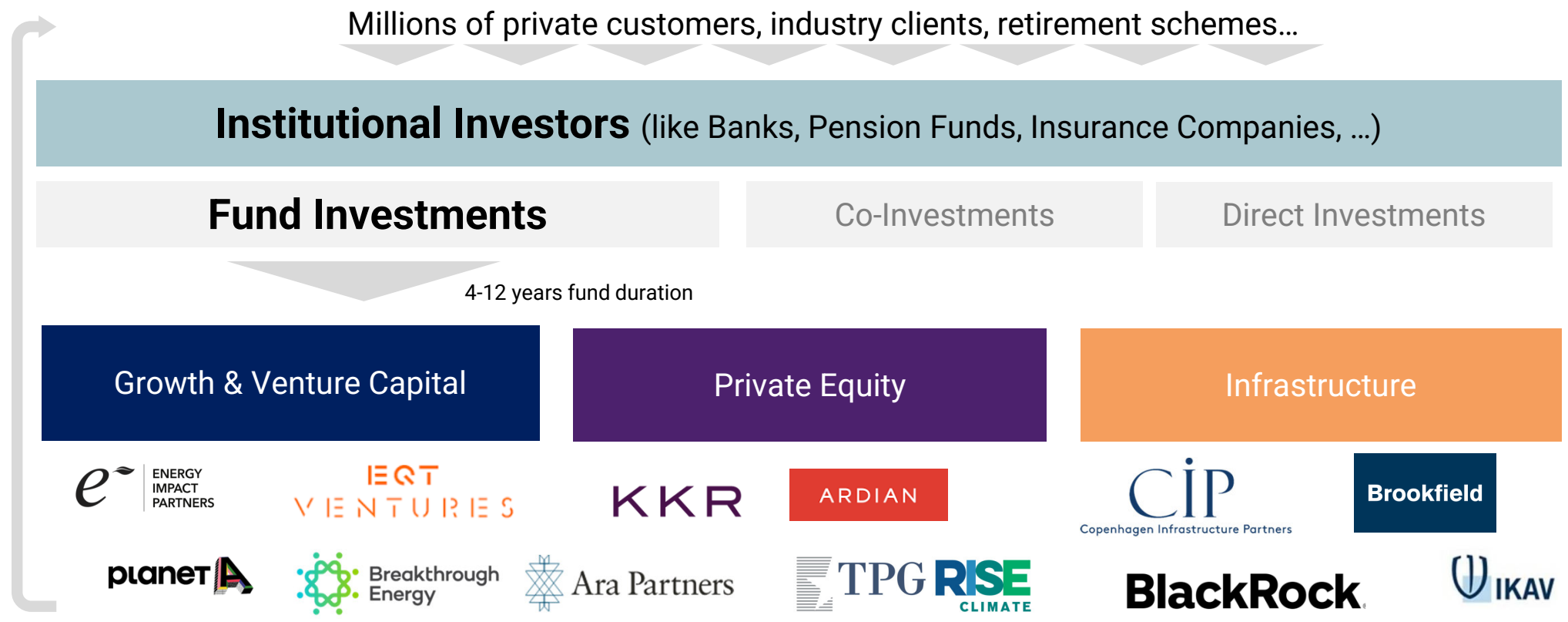
# Asset classes of alternative assets



## Investments in Energy Transformation Assets:

- ... are mostly Greenfield investments
- ... are new to investors besides wind, PV, grid, ..
- ... are mostly asset-heavy with technology risks
- ... are object to sustainable finance standards
- ... are (so far) more likely undertaken by US, UK and APAC investors than by EU investors
- ... require new asset classes and financial innovation

# The investor's value chain: How is the money invested?



**It's essential to know  
what investors are looking for  
and what they expect.**

# +++ ABC to approach investors: Standardization & Professionalization are key. +++

## Checklist: The Investment Memorandum (IM)

<b>1 Executive Summary</b> <ul style="list-style-type: none"><li>• Transaction background</li><li>• Key investment / credit highlights</li><li>• Proposed offered terms</li><li>• Process / next steps / timing</li></ul>	<b>3 Market Overview</b> <ul style="list-style-type: none"><li>• Key segments; current value + outlook with key drivers/trends</li><li>• Customer groups/segments</li><li>• Competitor groups/segments</li><li>• Specifics: regulation, pricing mechanisms, etc.</li></ul>	<b>5 Business Plan</b> <ul style="list-style-type: none"><li>• Key financials (P&amp;L, Balance Sheet, Cashflows)</li><li>• Historics + projection</li><li>• Outline + comments on key business plan assumptions</li><li>• Capex plan</li></ul>	<b>7 Key Terms</b> <ul style="list-style-type: none"><li>• <u>Equity</u>: company valuation, investment amount, percentage stake, voting rights, ...</li><li>• <u>Debt</u>: Amount, tenor, interest, amortization, covenants, collateral/guarantees.</li></ul>
<b>2 Company / Project Description</b> <ul style="list-style-type: none"><li>• Who?</li><li>• What?</li><li>• Where?</li><li>• How?</li><li>• Why?</li></ul>	<b>4 Management Team</b> <ul style="list-style-type: none"><li>• Key individuals/functions</li><li>• Track record</li></ul>	<b>6 Transaction / Project Structure</b> <ul style="list-style-type: none"><li>• Structure chart</li><li>• Where do the funds go to + what for?</li><li>• Where do the funds come from for repayment / dividends?</li><li>• Collateral (for debt): type/value/etc.</li><li>• Equity: valuation with assumptions</li></ul>	<b>8 Timeline / Next Steps</b> <ul style="list-style-type: none"><li>• Investment Memo distribution</li><li>• Management presentation</li><li>• Non-binding offers</li><li>• Due diligence phase</li><li>• Legal documentation</li><li>• Closing</li></ul>

# 5.

## Conclusion



**Think in  
Risk-Return-Profiles**

**Consider asset classes &  
investor profiles**



**How to mobilize large  
capital flows  
for energy transition?**

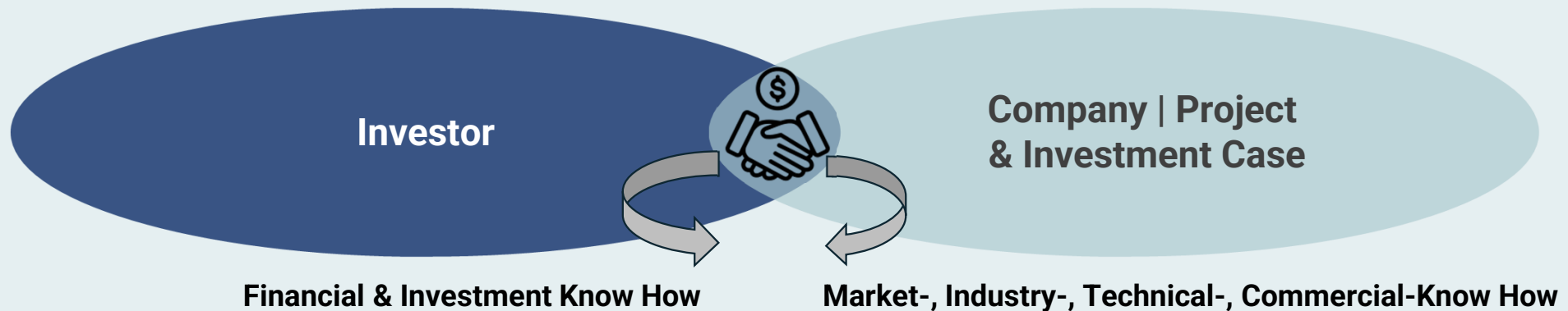
**Professionalize &  
standardize  
investment cases**

**English is  
investor language**

# How to speed up energy transition – hands-on?

## Conferences, Workshops, Roundtables, Surveys, Cases, ...

Creating an environment of like-minded



**Examples:** Scaling district heating +++ Financing new production facilities for energy storage +++

# Summary

How to mobilize investors  
for energy transition?

What do companies need  
to know to attract capital?



Return before Impact.



Include & understand the investor's view.



Create trends & narratives by active investor communication.



Set-up a network of like-minded investors.



Talk to each other: Both sides want and have to learn.



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# Thank you.

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