



Our New Energy Insights

Transaction Advisory

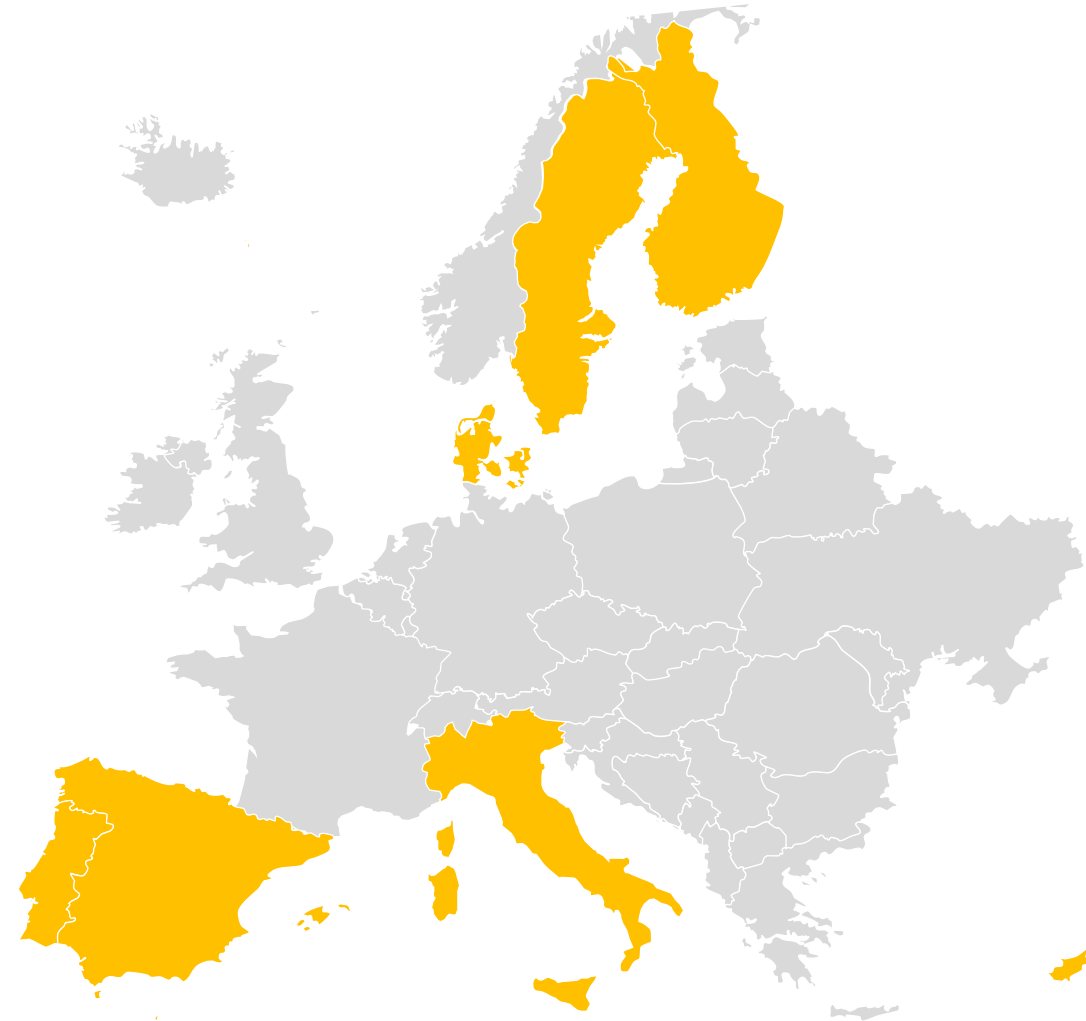
June 2020

AT THE FOREFRONT OF INNOVATION



SNAP SHOT OF CURRENT LIVE TRANSACTIONS

- **GEOGRAPHY:** ~10 advanced negotiations across Sweden (+100MW), Finland (+60MW), Denmark (+400MW), Italy (+120MW) and Spain (+800MW), Portugal (46MW) and Cyprus (22MW).
- **INNOVATION:** 80MW Hybrid project (wind + PV) including heat storage and electrolysis (P2X) in Denmark.
- **CORPORATES:** Active process on corporate PPAs within Technology, Metal, Chemicals and Paper.
- **SETTING NEW STANDARDS:** Just closed which probably is the worlds largest long-term fixed price PPA for a unsubsidised renewable asset with 12TWh contracted.



THREE KEY PPA TRENDS ACROSS EUROPE



- 1 Increased attention to the structuring of PPAs
- 2 Local knowledge drives value
- 3 Strategic optionality and Diversification

TREND 1: STRUCTURING OF PPAs



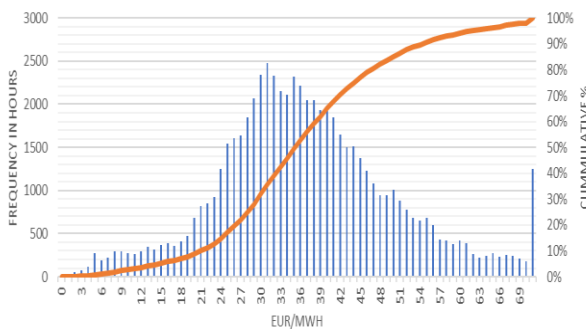
Innovation brings Complexity

- The variety of Price, Volume and Contractual terms is increasing as market participants innovate and re-shuffle risk allocations.
- Having the ability to assess various combinations and innovate is proving to be a key competitive advantage.
- **Case:** Finding and pricing a optimal product for a onshore wind asset in Nordics.

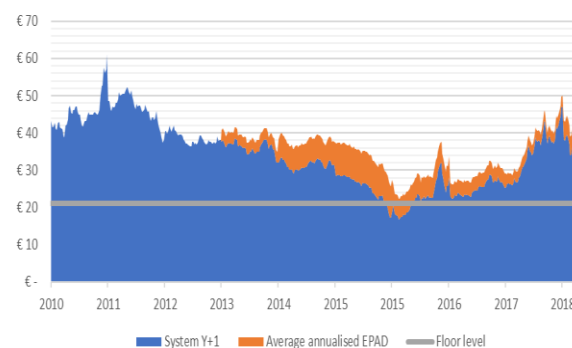
Customer Centric PPAs

- The PPA market is a Buyers market, and in particular Corporate PPAs come in short supply.
- Consequently, PPA structures should be designed based on a solid understanding of your off-taker preferences
- **Case:** Corporates value cash-flows and liquidity highly.

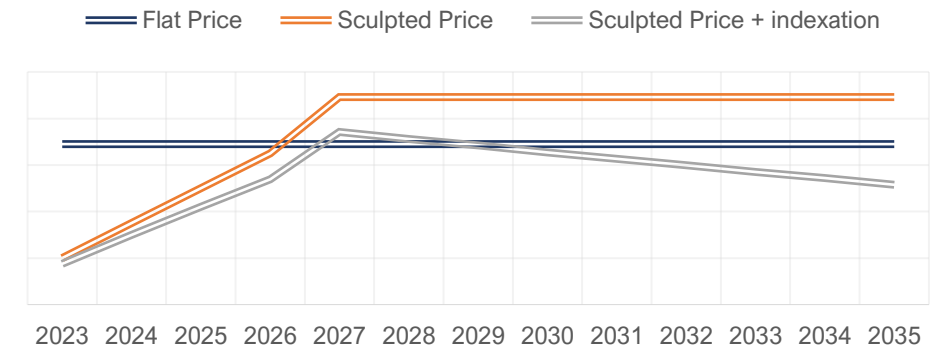
Frequency based on 2013--> historical data



Evaluating the floor level against historical Y+1 futures prices*



PPA PRICE STRUCTURES



The successful investor prioritises the structuring phase, and builds internal competencies to understand the power market.

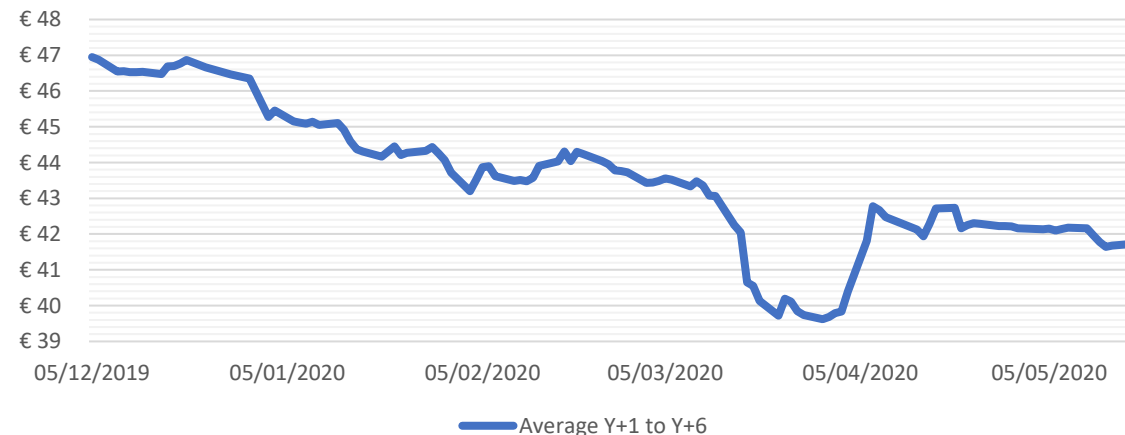
TREND 2: LOCAL MARKET INSIGHT DRIVES VALUE



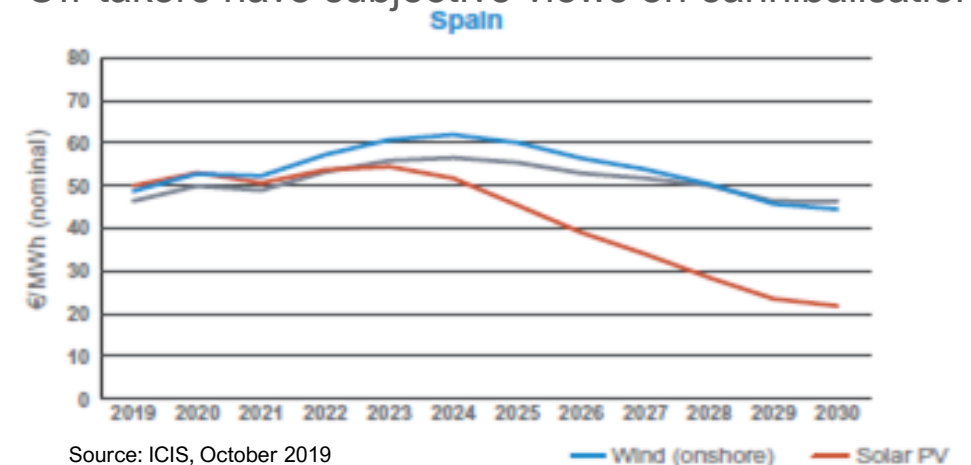
Origination is a local activity

- The bilateral characteristics of the PPA market allows investors to exploit diverging views and design optimal contracts that foresees future changes.
- **Case:** +300MW in Spain needing a locked price during negotiation.
- **Case:** 120MW unspecified PV portfolio needing a locked price during 18 months development.
- **Case:** Splitting risk blocks to optimise value on +60MW PV in Spain.

Average Spanish BL Future



Off-takers have subjective views on cannibalisation



The successful investor is close to the local market, but benefits from global experiences.

TREND 3: STRATEGIC OPTIONALITY AND DIVERSIFICATION



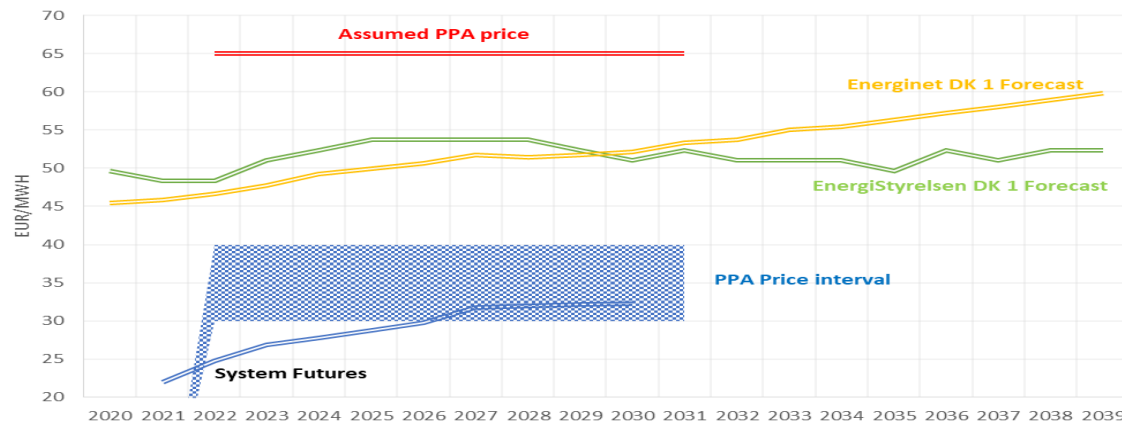
Strategic optionality

- There is a capital abundancy, markets are volatile and move quickly once in motion.
- The ability to swiftly assess new markets and opportunities at a limited cost drives value.
- **Case:** Acquisition of +200MW of Danish Solar.

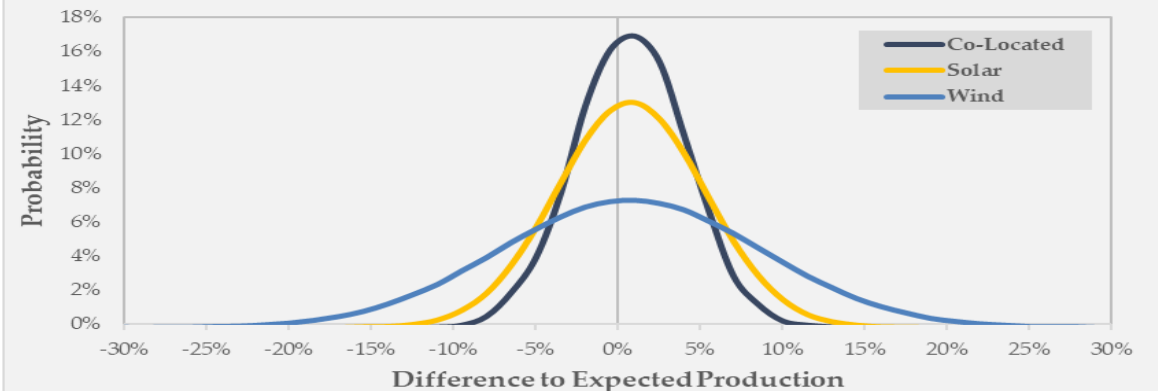
Diversification

- More investors are pursuing alternatives to risk mitigation via PPAs, such as geographical portfolio composition, Hybrid projects, Storage and P2X
- **Case:** Modelling of a Hybrid project vs. standalone.

DK1 PRICE INDICATIONS



Probability Distribution: 1st Year Production



The Successful investor builds strategic optionality and valuate diversification as a risk mitigation tool on portfolio level

OUR NEW ENERGY – THE TEAM

Experienced team with a strong track-record of closing PPAs across Europe



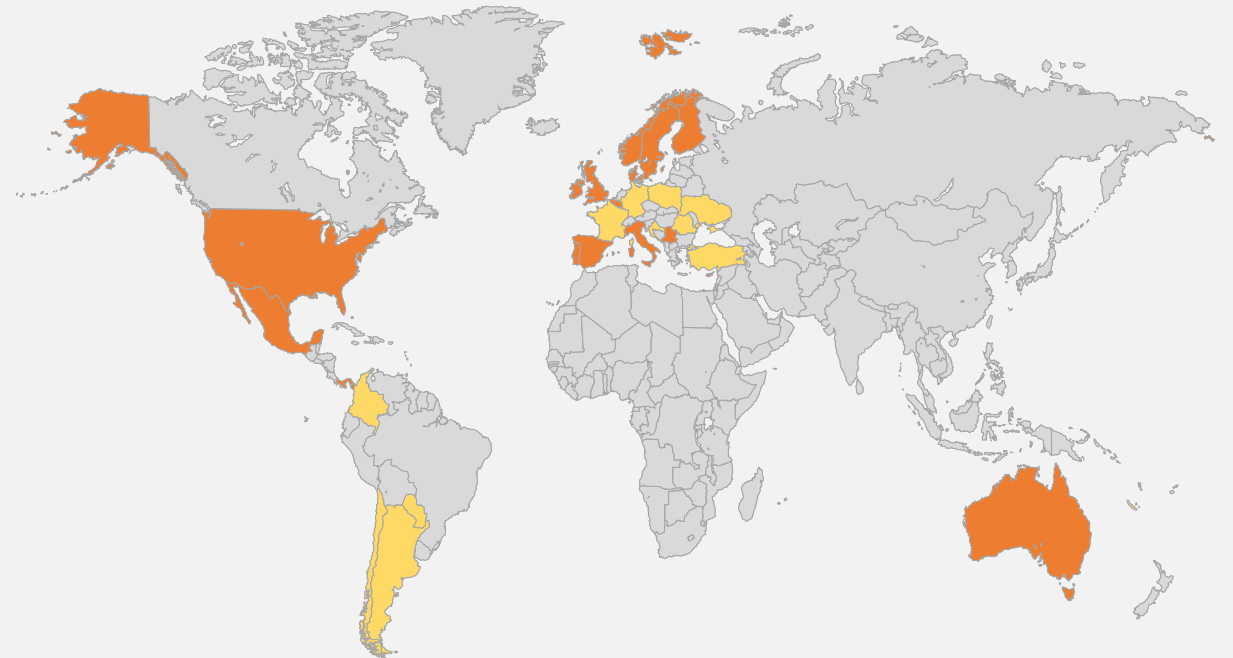
Mikkel KRING

Partner



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- Former Head of Origination, Danske Commodities
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Our New Energy Market Penetration



MANDATED UNDER EVALUATION

2,5 + GW of closed market parity PPAs



Miguel MARROQUIN
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Dario GALLANTI
Partner