



Preserving the Upside: Non-dilutive asset financing for scalable energy transition companies

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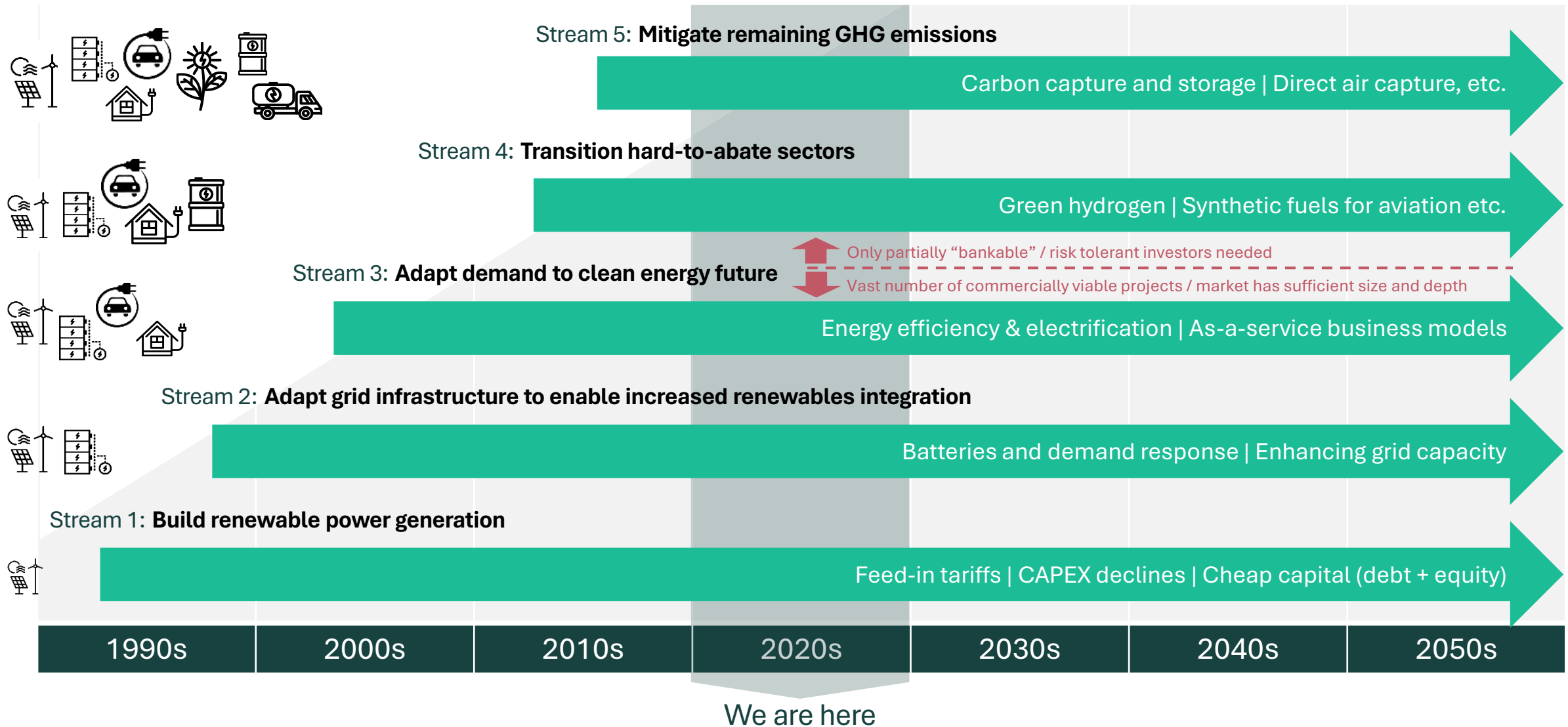
- Why should founders consider debt financing
- Short practical guide




01

WHY SHOULD FOUNDERS CONSIDER DEBT FINANCING

Assets are still critical to the success of the energy transition





“We’re not in the business of financing factories.”

- Marc Andreessen, a16z

The energy transition is asset-heavy by nature.

And yet...

Founders are constantly facing the dilemma of trading away massive equity stakes just to build physical infrastructure which is needed to roll-out their business models.

But raising debt from traditional lenders can be challenging...



- ① **Conventional term loans:** Limited/ no balance sheet capacity, making it difficult to secure financing based on corporate rating

- ② **Conventional project finance structures:** Require significant equity contribution (e.g. 20-30%) and minimum volume

- ③ **Higher risk = higher cost of capital:** Gearing and other risk factors may amplify cost of debt to critical level

- ④ **Insufficient financing volume:** Project might not be sizable enough to justify time and resources allocation from lender

- ⑤ **Transaction costs:** Transaction costs can be prohibitive/ disproportionally high, especially for small to mid-sized projects

- ⑥ **“Bankability”:** Traditional lending institutions may lack knowledge or suitable solutions for the specific financing need

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...nonetheless, compelling alternative debt financing solutions exist and are widely used in the industry

1 Project-based financing

- Debt sizing in line with actual Capex needs
- Match debt repayment with project cash flows

2 Insolvency remoteness

- Project sponsor/operator is the “weakest link in the chain”
- Isolate financing risk from sponsor/operator to the extent possible

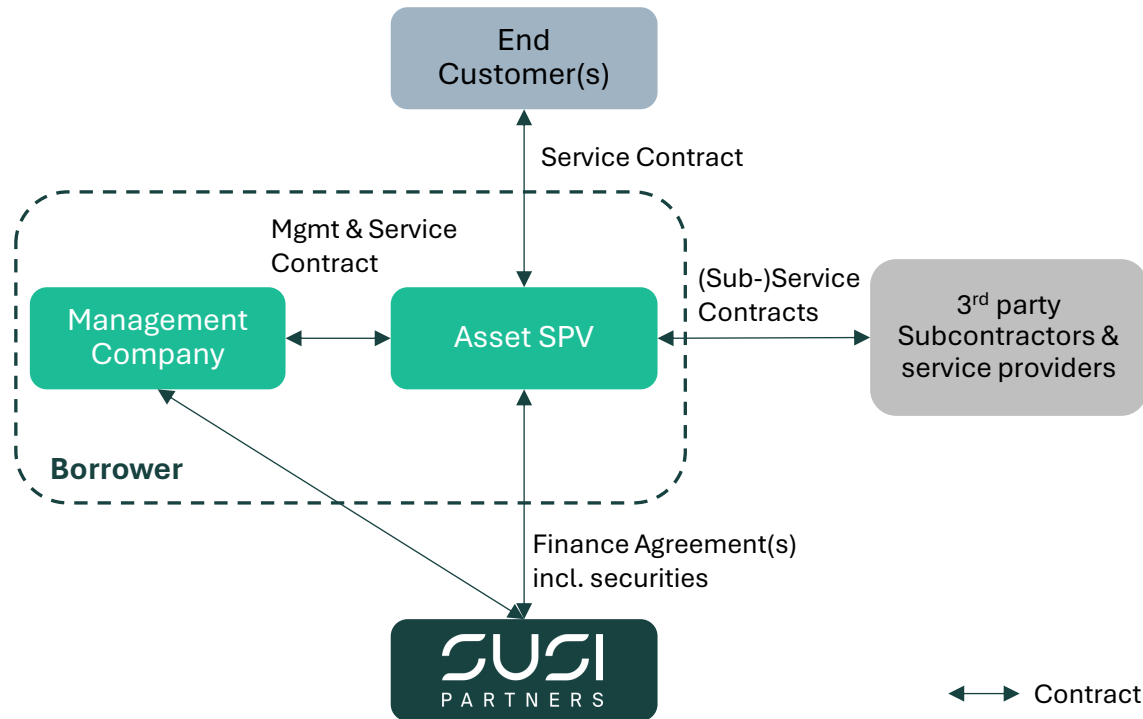
3 Framework agreement

- Start with a small, but sufficient size and rapidly scale portfolio through standardized projects/contracts and efficient drawdowns

Deep dive: How to manage risk and reach scale



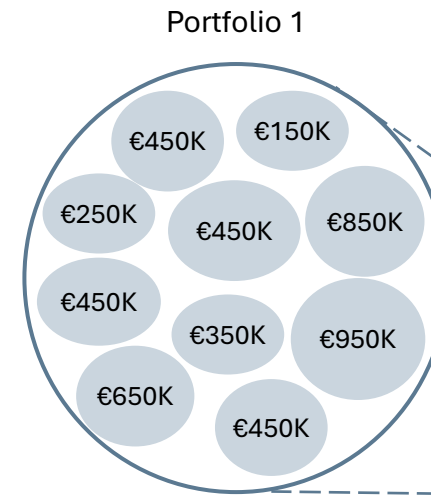
Mitigation of operator risk: insolvency remoteness



Financing structure designed to minimize impact from a potential default of the original project sponsor/operator: **i)** projects legally “survive” default, **ii)** financier can assume control over portfolio

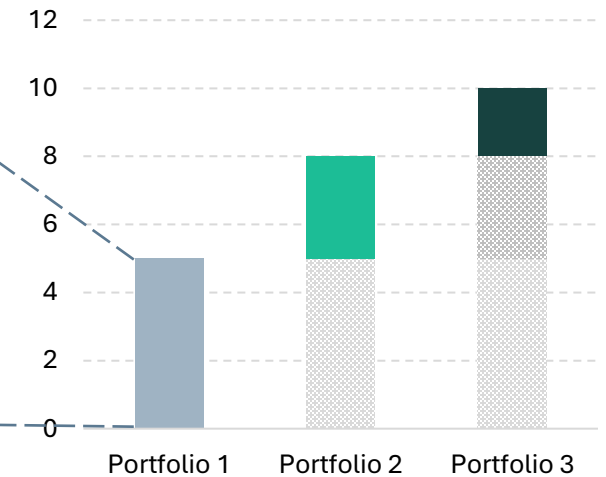
Efficient build up of sizeable portfolios

Project Pipeline



Financing Agreement

Total financing volume in EUR m



Tailored underwriting approach that can be replicated across multiple projects/portfolios with standardised contracts allowing for rapid scale up of the business, while keeping transaction costs low










02

SHORT PRACTICAL GUIDE

Your checklist



	Transaction Readiness	Complete documentation in place before engaging with lenders to proceed efficiently through DD
	Transaction Structure	Ex-ante set up of right legal structure to maximize insolvency remoteness
	Project Risk Allocation	Outsourcing of certain project risks to eligible third-parties as borrower/ sponsor risk is already high
	Standardization	Homogenous project portfolio will allow for efficient scaling/ drawdowns, while keeping DD costs low
	Financing Volume	Sufficient initial financing volume and low pipeline risk to attract lenders and avoid substantial upfront fees
	Ongoing Management	Clear understanding & management of ongoing obligations as lenders are less flexible than equity sponsors
	Asset Liability Matching (ALM)	Alignment of debt repayment schedule with project's cash flow profile to prevent refinancing risk



...but we are.

SUSI Partners offers non-dilutive asset financing solutions which help companies scale without bleeding out ownership along the way.

SUSI
PARTNERS



03

SUSI PARTNERS

SUSI Partners

Global independent leader in sustainable infrastructure and a one-stop shop investment manager with EUR 2.3bn in capital commitments from institutional investors raised since inception.

Our investment strategy focuses on private equity and credit infrastructure opportunities across the energy transition spectrum:

Producing Clean Energy



- Solar PV
- Cogeneration
- Small hydro

Increasing Energy Efficiency



- LED lighting
- Building efficiency

Integrating Clean Energy



- Energy storage
- Customer solutions
- Smart Metering

Electrifying Energy Usage



- E-Mobility
- Industrial processes

SUSI Credit Funds

Currently investing the 3rd credit fund, with 10+ years of experience financing over 4,400 energy efficiency and transition projects across 19 countries amounting to more than EUR 725m.

Leveraging on our longstanding track record, we offer bespoke financing solutions for Energy-as-a-Service business models:

Our Value Proposition

- Financing up to 100% of project capex
- Installation phase financing
- Alignment between project cash flows and financing repayment schedule
- Framework agreements allow for project bundling and business scalability
- Structuring beyond ESCO balance sheet lending (off-balance)

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Thank You

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SUSI Asia Energy Transition Fund, SCSp [click here](#)

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