

FIRST St. Petersburg Energy Service Company

Presentation September 2016
Ragnar Ottosen
Chairman of Board of Directors

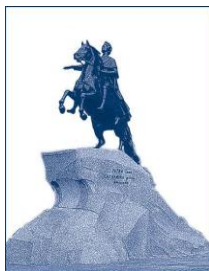


FIRST SPB ESCO / Green Energy One – Best
Foreign Concept in Energy Efficiency in Russia
(2014 ENES Award)

FIRST SPB ESCO <http://spbescowix.com/first>

Company structure

- ✓ OOO FIRST St. Petersburg Energy Service Company (FIRST SPB ESCO), established July 2014 by the Non Profit Homeowners Association of St Petersburg (HOA) and the Norwegian company Green Energy One AS (GEO), each holding 5000 of the company's 10 000 shares. The shareholders have entered into an agreement regulating the operations and appointment of directors and procedures for decisions and management
- ✓ Homeowners Association of St Petersburg, a non-profit organisation for owners of private apartments in St Petersburg established by the City Government of St Petersburg.
- ✓ Green Energy One AS, a Norwegian private investment company, owned by individual shareholders.
- ✓ Nordic Commodities AS (NC), a Norwegian project developer owned by employees, participating in the development of FIRST based on a agreement with GEO.



НП «Городское
объединение
домовладельцев» С
анкт-Петербурга
Homeowners
Assocoation of St
Petersburg





Green Energy One AS is founding member of St Petersburg Cleantech Cluster



Saint Petersburg "Energy Saving Center"
<http://www.gbuce.ru/>



"St. Petersburg House Owners Association"
<http://spbgorod.nethouse.ru/>



Housing Enterprises "MezhRegionRazvitiye"
<http://www.mrr-sro.ru/>



"First Saint-Petersburg Energy Service Co."
www.spbesco.wix.com/first



Limited Liability Company "INNOKOR"
www.innokor.ru



Limited Liability Company "CCP"
www.panacea.spb.ru



Association Green Net Finland
<http://www.greennetfinland.fi/ru>



Fatman Oy
<http://www.fatman.fi/ru/yritys/yritysesittely.html>



SYKLI Environmental School of Finland
<http://www.sykli.fi/en>



Project developer Green Energy One AS ,
www.g-energy.no



Danfoss Ltd, www.danfoss.com/russia/



Ltd "BIOECOLOGY" <http://bioec.ru/>



"Association of centers of engineering and automation" www.acea.spb.ru/



Closed joint stock company
"THERMOTRONIC" www.innokor.ru



St. Petersburg Public organization to promote the improvement of society "Open city"



"Center for Environmental Policy and Culture",
<http://www.ecologyandculture.ru/index.php?id=50>



"KOSMOS" - Environmental bureau
http://www.otkhodov.net/new/_about/kosmos.asp

Limited Liability Company "Center for European Construction Technology"



Saint Petersburg National Research University of Information Technologies, Mechanics and Optics <http://en.ifmo.ru/>



Limited Liability Company "Sivel-Expo" - Congress and exhibition Association <http://sivel.spb.ru/>

The Values of the Business Concept

- ✓ FIRST SPB ESCO has been developed over a period of more than 5 years and has a market position in Russia that has a significant value within energy efficiency, renewable energy and Cleantech investments.
- ✓ The agreement with the Homeowners Association of St Petersburg and the possibilities and the advantage of entering into similar agreements on a large scale, provides a head start when it comes to bring in customers of ESCO contracts as well as the general marketing of energy and cleantech equipment and services all over Russia.
- ✓ The development has received strong support from the City Government of St Petersburg and may be a good example of the City's efforts in the green economy,
- ✓ FIRST and GEO are members and among the founders of the St Petersburg Cleantech Cluster and where GEO was Board Chairman in 2015 and at present Board Member.
- ✓ New projects are now planned in St. Petersburg as well as in Kaliningrad and in several other cities in NW Russia.
- ✓ The present pilot project is based on proven technology and standardised solution from Danish Danfoss AS, which means the investments are scalable, with a large number of identical customers and projects and FIRST therefore
- ✓ FIRST has based its business on international standards for responsibility, sustainability and transparency and with a high ethical standard and satisfies the requirements of the international public institutions that have supported the development.

Press releases

Press release: “Green Energy One signed the first energy service contracts in the residential sector by attracting foreign investment, May 24, 2013 at the City Government Office of St Petersburg, in the presence of the Consul General of the Kingdom of Norway Rune Aasheim, with the support of the Committee for External Relations of St. Petersburg”



Press release: “At the III International Forum ENES 2014 - The prize winner of the category "Best Foreign project in energy efficiency recommended for implementation in Russia" was the project in St. Petersburg by the Norwegian Green Energy One AS and OOO FIRST in cooperation with the Homeowners association.

Press release: Honorary Diploma from the Russian Ministry of Energy was awarded to Mr. Pitirimov , chairman of Homeowners association and OOO FIRST and to Mr Yanev, Director of the St. Petersburg Center of Energy Efficiency,”

The FIRST SPB ESCO concept is named as Best Practice for energy service contracts by the St Petersburg City.

International Pilot Project

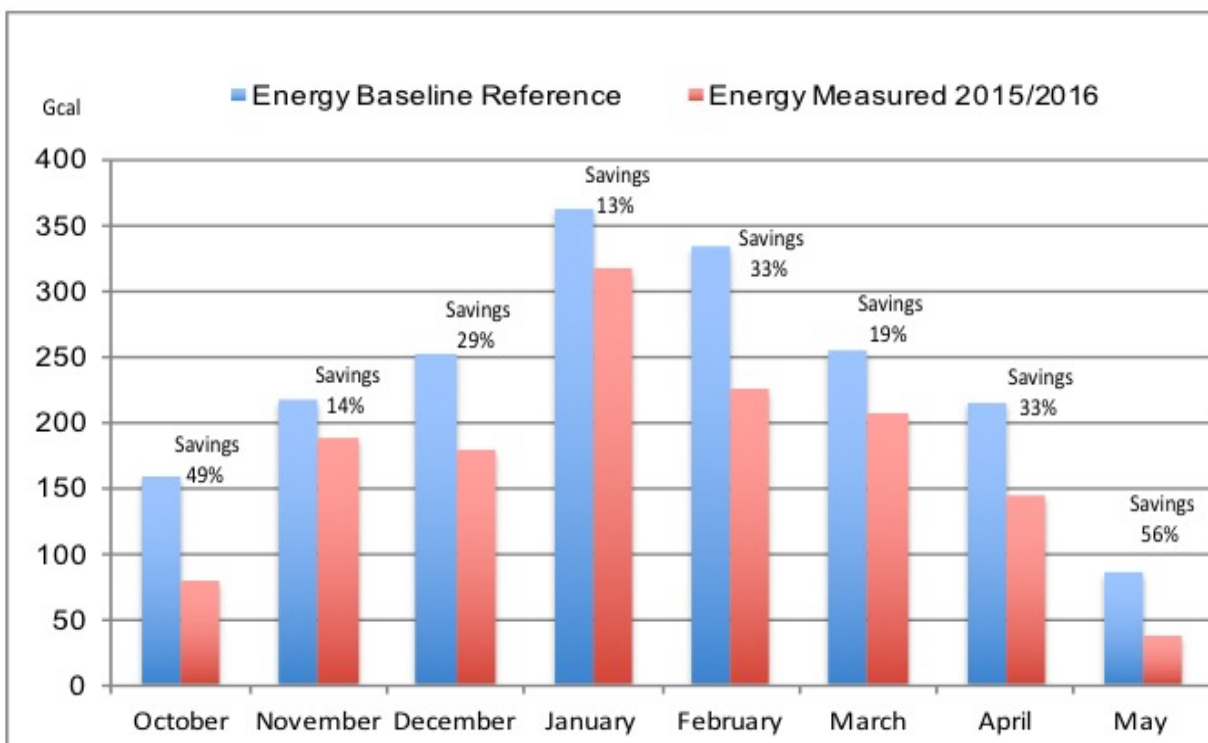
- ✓ FIRST St Petersburg Energy Service Company OOO has established one of the most promising concepts in energy efficiency in Russia, the first pilot project being investment in control systems for energy heating centrals in an apartment blocks.
- ✓ FIRST has together with Green Energy One and the Homeowners Association entered into an agreement about the energy efficiency investments in 250 000 m² apartment buildings in St. Petersburg, estimated 20 – 25 buildings.
- ✓ Future savings will depend on type of project and status of buildings. Typical simple pay back time for projects are 2 – 5 years, some also less than this. The first investment in Industrialniy pr 11 was completed in June 2015, with equipment from Danfoss (DK) and Ecoterm (RUS).
- ✓ The concept developed by FIRST was awarded the prize for Best Foreign Concept in Energy Efficiency in Russia in 2014 (2014 ENES Award)
- ✓ The concept has been developed with support and/or grants from the City Government of St Petersburg and Nordic institutions and ministries.



Example of apartment building in St Petersburg

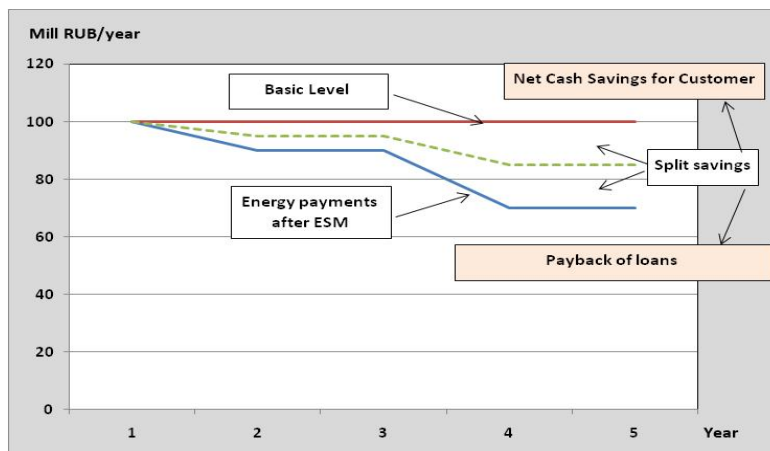
Experience and results

- ✓ Through investment in FIRST St Petersburg Energy Service Company the concept has gained significant experience that will be used in the new planned projects in Russia and other regions.



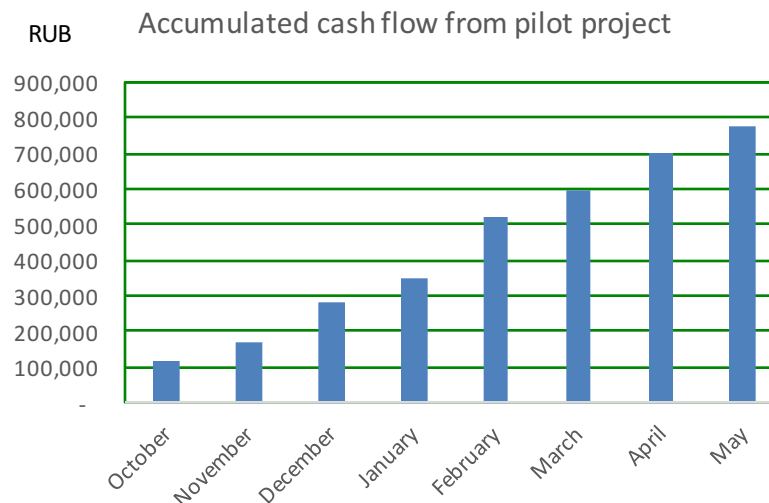
The figure shows the actual energy savings in the ongoing project in St. Petersburg. Regularly updated on LinkedIn and Facebook. The total savings for the heating season October – May is 27 % compared to 2012 – 2015 Baseline

Financials - Pilot Project



- ✓ The present model is to finance the investments by a shareholders loan with a market based interest rate and repayment according to cash flow from project. The Pilot Project is financed by a Shareholders Loan from GEO.
- ✓ The next step is to develop together with financing institutions a partly external debt financing model, limiting the need for a shareholders loan and other equity instruments

- ✓ The ESCO contract is based on the split of money savings from the investments, based on the documented effect of the investments on the energy consumption
- ✓ The ESCO company receives from the customer an agreed share of the total savings, over a specified number of years.



Key personnel

Nikolai Pitirimov, Director Homeowners Association St. Petersburg, Managing Director FIRST, Director SPB Cleantech Cluster

Ragnar Ottosen, Chairman of Board FIRST, Green Energy One and Nordic Commodities, Board Member SPB Cleantech Cluster

Evgenyi Lukoshkin, Chairman Homeowners Association St. Petersburg, Board Member FIRST

Natalia Gmyleva, Chief Accountant FIRST

Svyatoslav Kuzmenko, Technical Advisor FIRST

Tom Langli, Managing Director Green Energy One

Natalia Yakutina, Financial Advisor Nordic Commodities

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