

avangreen

An affiliate member of United Nations
World Tourism Organisation



Executive Summary

Clean energy and energy efficiency solutions for
Hospitality and tourism market

Avangreen Energy Solutions, S.A.U.

Energy, Efficiency and Services for a clean development

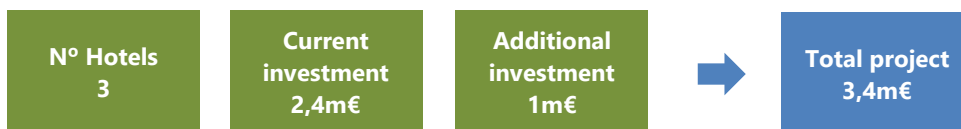
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1 Executive summary

Initial magnitudes as of April 2022

As of today, the company has energy efficiency and renewable energy generation projects worth € 2.4m to serve 3 hotels. However, additional energy efficiency initiatives worth an additional 1 million are currently being developed at one of the hotels in the portfolio



Business Potential

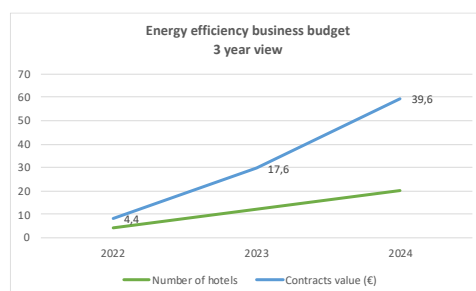
Avangreen signed an **agreement with the World Tourism Organization of the United Nations (UN-WTO)** to stimulate the development of energy efficiency and clean energy projects in favor of its affiliated partners. This agreement facilitates market entry and the possibility of generating new business.

Only the first of the chains with which Avangreen has signed a frame agreement, executes an expansion **plan of 80 hotels** in Spanish territory within 5 years. It is estimated that the energy and energy efficiency standard requirements for the hotels will require an average investment of 1.1m per hotel. Therefore, only with this hotel chain the **business potential amounts to € 86.9m**

In general terms, the whole hospitality sector faces huge needs for improvement to increase its competitiveness. The reactivation of tourism after the pandemic and the rise in energy costs have exacerbated these needs. The hotel sector especially demands energy efficiency solutions accompanied by financial solutions to make them possible.

Growth Plan 3Y forecast

The situation described above, and the agreements already reached with UN-WTO, GHL Hoteles and access to other hotels chains through the protocol with UN-WTO foresee a rapid growth of operations. The execution of the expected projects on scope must be worked in parallel with the financial structure required for each initiative. As an initial assumption, the following flow of operations in orders (contracts value) is estimated from a conservative perspective. Execution capacity will very much depend on the pace of financing for each transaction.



Total hotels
22

Total contracts
value
39,5 m€

2 Business fundamentals

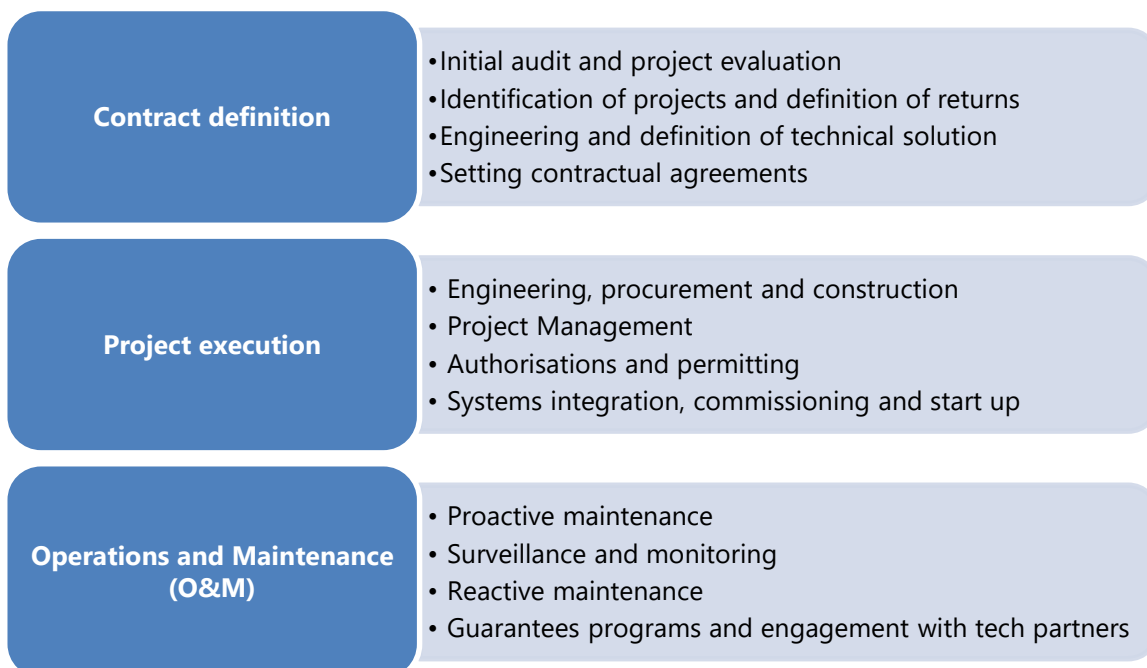
Business Model and fundamentals

In essence, the business model is focused on projects and technologies that provide recurrence, profitability, and low risk returns. Avangreen takes the role of long-term service provider and bases its return on investment upon long-term recurring revenue contracts under a stable contract model (PPA, fixed fees, return on investment, etc ...). This type of contracts guarantees the desired profitability to Avangreen and the savings and quality standards pursued by the client.




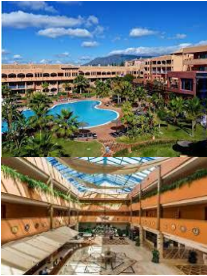









Methodology

The following diagram represents the standard business flow of the projects on scope. The standard execution timeframe once the contract is defined ranges from 4 to 10 months depending upon the technology on scope



3 Portfolio of projects as of March 2022

The following table includes all projects on scope as of the day of this report. Other projects under development are not included in the list.

Project	Customer	Execution	Location	Amount	Scope
On site solar PV Plant	 	2022	Estepona 	244,000	Construcción de planta solar de autoconsumo
Complete Energy Efficiency revamping (*)		2022-23	Estepona 	1,050,000	Hot water HVAC Control Lighting Electrical system revamping
On site solar PV plant and hot water supply	 	2022	Ceuta 	350,000	Hot water system revamping Control system
Complete Energy Efficiency revamping	 	2022-23	Ceuta 	1,850,000	Hot water system revamping HVAC Control Lighting Electrical system revamping

(*) Scope under definition at the closing of this report. It is secured under the agreement with GHL hotel and is currently being defined fully.