

Key market figures on EPC in EU

and not only...

General background

During the past several years most of the European ESCO markets have grown and became more complex.

- A bigger number of active ESCOs with more implemented projects;
- An ascending dynamics has been registered in typically non-ESCO countries such as Denmark and Spain;
- The market is getting associated (~15 ESCO associations in EU and 3 in non-EU countries)

Conclusion: The average European ESCO market continues to improve

GERMANY

Evolution: the market emerged in the early 1990's

Number: There are 17 ESCO offering EPC (14% market share)

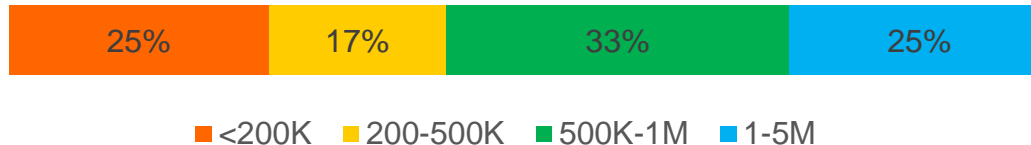
Average savings per project: 17%

Value: €160M market size (growing)

Average duration of German ESCO projects:

- Less than 5 years 0%
- 5-10 years 67%
- 11-15 years 25%
- More than 15 years 8%

Average capital cost of ESCO projects



AUSTRIA

Evolution: the market emerged in the mid-1990s

Average savings per project: 17%

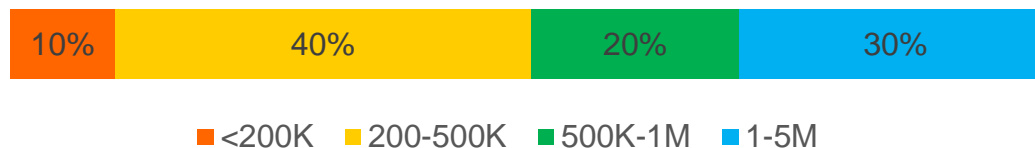
Number: There are 22 ESCO offering EPC services (20% market share)

Value: €15-20M market size (steadily falling)

Average duration of Austrian ESCO projects:

- Less than 5 years: 10%
- 5-10 years: 60%
- 11-15 years: 30%

Average capital cost of ESCO projects



CZECH REPUBLIC

Evolution: the first contract was signed in 1994

Average savings per project: ~20%

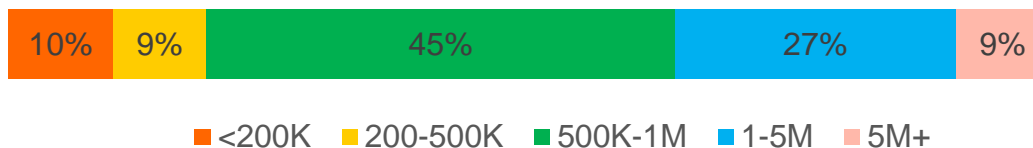
Number: There are 20 ESCO offering EPC services

Value: €20M market size

Average duration of Czech ESCO projects:

- Less than 5 years – 0%
- 5-10 years 91%
- 11-15 years 9%

Average capital cost of ESCO projects



LATVIA

Evolution: the market emerged in the early 2011

Average savings per project: ~30%

Number: There are 50-60 ESCO offering EPC services

Value: €10M market size

Average duration of Latvian ESCO projects:

- Less than 5 years 38%
- 5-10 years 12%
- 11-15 years 0%
- More than 15 years 50%

Average capital cost of ESCO projects



■ <200K ■ 200-500K ■ 1-5M

UKRAINE

Evolution: the market re-started in 2018

Progress: 246 EPC agreements signed

Number: There are 15 ESCO offering EPC services

Value: €8 M market size (increasing)

- ***Legislation changes as key drivers:***

Law № 327-VIII, “Definition of common terms and mechanism of energy service”

Law № 328-VIII “On the possibility of managers of budget funds to take long-term obligations for energy service (changes to the Budget Code of Ukraine)”

**Methodology of determining the baseline consumption
(in case of non-compliance with sanitary and other conditions)**

MOLDOVA

Evolution: made an attempt in 2015... and did not succeed

Average expected savings per project: ~40%

Number: There are 10 potential ESCOs willing to embark the model

Value: no projects so far (2 projects planned for next year)

Reasons of failing:

- Financial crisis in 2015;
- Political instability;
- Fiscal, public budgeting and technical impediments;
- Lack of capacities in public institutions;

Activities to restart the market:

- Major focus on EPC in the new law on EE
- Financial resources allocated for piloting first EPCs in public sector
- Amendments to legal acts impeding EPC to be implemented;

THANK YOU