



**EUCF**  
European City Facility

# THE IMPORTANCE OF GIVING THE RIGHT INFORMATION TO POTENTIAL FUNDING SOURCES



@eucityfacility

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# Agenda



1

## ABOUT US

2

Our purpose. **IMPROVE THE VALUE CHAIN**

3

## POTENTIAL FUNDING APPROACH

- ❖ Some tips when dealing with a potential funding sources
- ❖ Importance of regulatory framework, structure, and impact

4

The solution. **A ROBUST FINANCIAL MODEL**

# About us



## → Who we are



GNE Finance is a high-impact investment, financing, and advisory boutique founded in 2016



Our interdisciplinary team combines expertise in climate change, policy-making, structured finance, and investments



GNE Finance has a team of eleven professionals with a combined experience of over 150 years in investment track-record



GNE Finance originates, structures, and manages investments with financial, environmental, and social benefits



Investments generate measurable environmental and social impact



Investment KPIs include emissions reduction, green energy production, energy savings, and job creation

## → Execution Team



**Davide Cannarozzi**  
CEO & Founder



**Giovanni Lazzeri**  
Head of Structured Finance



**Álvaro Salamanca**  
Head of European Project Advisory



**Valentina Cabal**  
Head of European Project Organization



**Tomas Roque**  
Head of Equity Funding & Investments

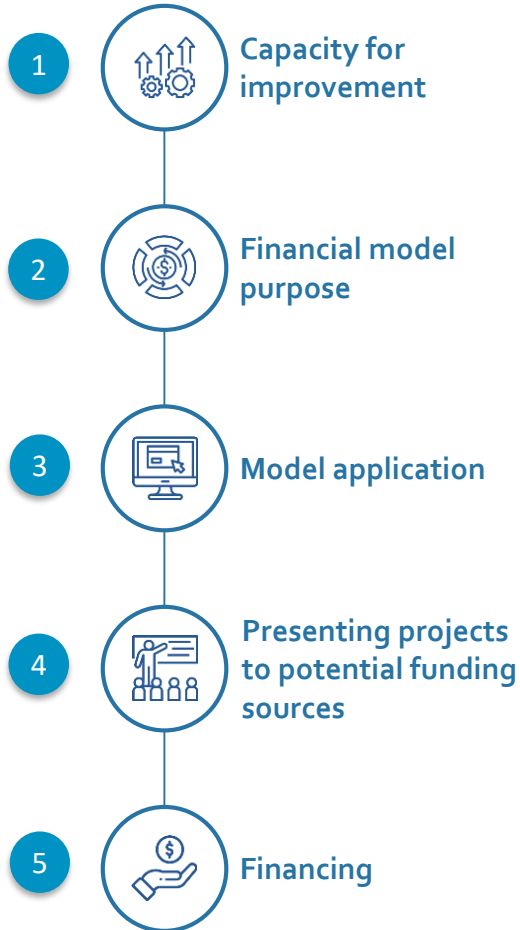


**Borja Gumuzio**  
Head of Risk Management



**Eduardo Menéndez**  
Analyst

# Our purpose. *Improve the value chain.*



We have identified a point of improvement to **strengthen the figures of key Investment Concepts** (ICs) presented by EUCF beneficiaries to (1) **potential investors**, (2) **financial institutions** and/or achieving (3) **public funding** in the form of **grants and/or subsidies**.

GNE has created a **dynamic financial model** based in excel, valid for **any type of European project**. This tool is designed to receive a series of inputs from users and will calculate the **necessary financial outputs** to properly present the project to potential funding sources.

Each municipality will **complete the model** with the **necessary inputs**. Depending on the data inputs specific to each project, obtaining **unique outputs** for each project. The **accuracy and precision of the model** will depend on the **accuracy of its inputs**.

With the results of the financial model, EUCF members are able to present their projects to investors with the **certainty** that the numbers they are presenting are backed by a **solid and robust financial model**. This is **fundamental in presenting project funding opportunities** to potential funding sources.

**Present, defend, and raise** the necessary capital required to secure the funding for project execution.

# Some tips when dealing with potential funding sources



**MAKE A STRONG FIRST IMPRESSION:** Investors are busy people, financial institutions are very demanding, and public administration require details, so make sure to grab their attention with a strong introduction. Be clear and concise about what your project does and why it is unique. Elaborate and detail main ideas and strengths.



**CLEAR AND COMPELLING PITCH:** Your pitch should clearly communicate what problem your project solves, how it solves it, and what makes it unique. Make sure to highlight your incentives, traction, revenue potential, and growth opportunities.



**BE PREPARED FOR QUESTIONS:** Potential funding sources will likely ask questions about your project, so be prepared to answer them. Anticipate potential objections and have well-thought-out responses.



**BE HONEST AND TRANSPARENT:** Potential funding sources want to invest in honest and transparent projects. Incite trust and confidence by being open about your project's strengths and weaknesses and share any potential risks or challenges.



**TIME:** Make sure that you can transmit the project's message in under 15 mins. This is called the elevator pitch theory.

# Importance of regulatory framework, structure, and impact



- 1 REGULATORY FRAMEWORK:** Potential funding sources will consider the regulatory framework governing the project. This includes factors such as permits, licenses, and approvals required to complete the project, as well as any environmental or social impact assessments that may be required. In hand, they will also consider the level of political support and public guarantees the project has.
- 2 PROJECT STRUCTURE:** Potential funding sources will look at the project structure, including the ownership and financing structure, to assess the level of risk involved. They will also consider the governance structure of the project, including the roles and responsibilities of the various stakeholders involved.
- 3 FINANCIAL VIABILITY:** Potential funding sources will look at the financial viability of the project, including the expected return on investment and the level of risk involved. They will also consider factors such as the availability of funding, the cost of capital, and the potential for cost overruns or delays.
- 4 ENVIRONMENTAL AND SOCIAL IMPACT:** Environmental and social impact considerations can help potential funding sources assess the long-term sustainability of an investment and can be used as a key factor in evaluating the risk and potential returns of an investment.

# The solution. A robust financial model.



## INPUTS

- ✓ Country
- ✓ Project type
- ✓ Project sector
- ✓ Squares meters  
*(Only for some sectors)*
- ✓ Project start year
- ✓ Revenues & Expenses start year
- ✓ Project lifetime
- ✓ Debt maturity
- ✓ HYP. Revenues *(Growth)*
- ✓ HYP. Costs *(Growth)*
- ✓ HYP. Dividends
- ✓ HYP. Subsidies
- ✓ HYP. Public funding
- ✓ HYP. Equity
- ✓ Opening fee
- ✓ Cost of equity
- ✓ Initial cash
- ✓ D/E min to equity release
- ✓ % Equity release
- ✓ Equity distrib. start year

## OUTPUTS

**Financial Outputs:** 1. P&L 2. Cash Flows 3. Net Present Value (NPV) 4. Internal Rate of Return (IRR) 5. Payback Period

**ESG Outputs:** 1. CO<sub>2</sub> avoided (tons) 2. Energy Savings (kWh) 3. Energy produced (kWh) 4. Energy savings (€) 5. Job creation (number of Jobs)



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**GNE** FINANCE  
High Impact Investments



ENERGYCITIES



Climate Alliance



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