



BUSINESS VENTURE PARTNERS

# BVP NEW ENERGY

## FINANCE LTD

### INFORMATION MEMORANDUM

[www.bvp.ie](http://www.bvp.ie)



**BVP New Energy Finance Limited**

Loan Note for up to €6,000,000

Placing Memorandum – 1<sup>st</sup> January 2023

Closing Date for subscriptions in tranche 1, 10th February 2023 or earlier if placement fills.

This offer is being introduced to the market by BVP New Energy Finance Limited.

**Strictly Private & Confidential**

BVP New Energy Finance Limited





## Executive Summary

The information below should be read in conjunction with the full text of this document, from which it is derived.

### SUMMARY

BVP New Energy Finance Limited (“The Investment Holding Company” or “BVP”) is seeking to raise up to €6,000,000 for its Green Bond which will be used to invest in a portfolio of projects and companies. The minimum raise is €2,000,000 and BVP reserves the right to accept additional applications if the issuance is oversubscribed or after the closing date.

BVP proposes issuing a Bond, through a special purpose company called BVP 2021 Finance Company Limited (the “Issuer”), through the instrument of a Convertible Loan Note. The Convertible Loan Note is being offered in tranches to investors with a fixed coupon for a period of five years.

Investors will have the choice to either get paid the 7% coupon every 12 months or cumulatively at the end of the 5-year term. If they choose the latter, they will benefit from a compound return increasing their cumulative return from 35% to 40.3%. The coupon will increase to 8% if 12-month Euribor (3.316% as at 1<sup>st</sup> January 2023) increases by 100% over the investment term subject to underlying performance. The final repayment at the end of year 5 will include the final interest payment together with the loan note principle. In addition, all loan note holders may be given a conversion option which has a 10% discount subject to conditions.

The intended investment strategy is to invest in companies within two distinct asset classes:

- a) Renewable energy projects and
- b) Growing and well-established trading businesses with strong balance sheet equity.

The renewable energy projects provide asset backing for the investment. The trading businesses are selected for their strength to achieve the investor return. Together they provide a complementary investment proposition.

BVP intends to raise further Convertible Loan Notes in subsequent tranches after this round. For this and future Bonds, BVP believes that it has access to a strong pipeline for the underlying investments in both asset classes.

### INVESTMENT PURPOSE

The funds raised from the Green Bond will be used for the purpose of investing in the following two asset classes:

#### Renewable Energy Finance

- Finance the construction of renewable energy assets or the purchase of operational renewable energy assets

#### Growing Business Finance

- Provide debt financing to established and trading, equity-backed companies

### MINIMUM SUBSCRIPTION

The minimum subscription amount is €25,000, payable on application. Applications must be in multiples of €1,000 thereafter.

### TIMING OF APPLICATION

ALL APPLICATIONS WILL BE TREATED ON A FIRST-COME FIRST-SERVED BASIS. The Company reserves the right to close the subscription list at any time once the placement has been filled and applications will be accepted at the absolute discretion of the Directors.

## Executive Summary – continued

### INVESTOR RETURN

The term of the investment is 5 years. The interest rate for investors is 7% p.a. (paid annually) or 40.3% (rolled up and paid at end of the term for each respective Tranche). The investor's coupon will start accruing from the date the funds of the corresponding Tranche are invested in the underlying projects and companies.

The coupon will increase to 8% if 12-month Euribor increases by 100% over the investment term subject to underlying performance. This increased coupon will accrue from the date of the increase.

### EXIT MECHANISM

There are several mechanisms by which the investors will earn a return of their investment. The investors will be repaid their capital at the end of the term by one of three ways:

1. Realised investments in the form of cash returned to the Issuer
2. A refinance of the loan notes using private or institutional finance
3. Sale of assets under management, or a combination of all three

If the above scenarios are not possible then the following are further indicative scenarios are:

- The investment term is extended, and investors continue to earn similar return for a period of up to 10 years (a full amortization of the capital and any unpaid interest) ("a Secondary investment term")
- A partial redemption of the investor's loan at the end of the 5-year investment term and the remainder of the capital is redeemed over an extended Investment term and investors continue to earn a similar return for a period of up to 10 years (a partial redemption of the capital and any unpaid interest) ("a Secondary investment term")
- Investors may have the option to convert their loan to shares in an intended new listed parent of the Issuer. In the event the Investors are given the option to convert their loan, the conversion price will be at a discount to the market value of the shares at that time. Should this scenario happen it is expected that the investor will have the discretion to sell the shares immediately or hold the shares for as long as they choose.

### POTENTIAL CONVERSION OPTION

It is expected that the conversion option will be granted initially by the parent of the Issuer. Once the ultimate parent of the Issuer is a listed company, the Issuer will arrange for the transfer of the option to the listed parent. The conversion price will be at a discount of 10% to the market value of the shares at that time and subject to a minimum level of market value to be determined. This is also subject to adhering to legal advice, stock exchange rules and any other regulations at that time.

### DISTRIBUTION POLICY

After the investor repayments, no other distributions will be made by the Issuer except the transaction and operating costs which are detailed on Page 11.

### SECURITY

The investors will have the standard default protections if the Issuer fails to pay the accrued coupons or fails to redeem the loans at the end of the terms. Following a default, 75% majority of the investors can appoint a receiver to the Issuer company. The Receiver could seek to, on behalf of investors, call in the loans held by the Issuer in the underlying investments.

### WHY IS THIS AN ATTRACTIVE INVESTMENT OPPORTUNITY?

1. The Issuer will finance the Renewable Energy Projects and the Growing Businesses as secured lenders which means the investors' capital will not be subordinated to equity providers.
2. The Issuer anticipates that there will be strong revenue streams or cashflows available to service the interest payments of the investors.
3. Each of the proposed projects and businesses will be developed and managed by experienced management teams.
4. The Issuer will be managed by an experienced investment management team throughout the investment term.



## Definitions

“Investment Holding Company” or “BVP”

BVP New Energy Finance Limited, which is the parent company of the Issuer

“the Issuer” or “the Company”

BVP 2021 Finance Company Limited

“Investment Tranche”;

A funding round which holds a 5-year maturity from the date on which the investment monies are invested in the underlying in the underlying projects and companies.



## Important Notice

This Information Memorandum has NOT been approved by the Central Bank of Ireland. This scheme has NOT been authorised and is NOT supervised by the Central Bank of Ireland. This Information Memorandum does not and shall not constitute an invitation to the public in Ireland to purchase interests in the scheme and the scheme does not provide facilities for open participation by the public in Ireland to invest in the scheme. The distribution of this Information Memorandum and the offer of interests in the scheme is restricted to the person to whom it is addressed and should be treated as private and confidential. No persons other than the person to whom this Information Memorandum is addressed may treat it as constituting an invitation to him to subscribe for interests in the scheme. If an addressee of this Information Memorandum is not interested in subscribing for interests in the scheme, such addressee should immediately return this Information Memorandum. Interests in the scheme may not be offered or sold by any person in a manner that constitutes an offer for sale to the public in Ireland for the purposes of Section 68 of the Companies Act 2014 or otherwise.

Each prospective investor should consult their own accountant, lawyer or other professional adviser in connection with the proposals set out herein to determine the consequences of becoming an investor in the scheme having regard to the risks involved and their own personal financial circumstances and tax position.

Prospective investors should be aware that the value of investments may fall as well as rise, simulated performance may not be a reliable guide to future performance and that past performance is not a guarantee of future results. The single or combined occurrence of any of the "Risk Factors" set out in this Information Memorandum may result in the investor losing some or all of their investment. The financial projections included in this document are for illustrative purposes only and your attention is specifically drawn to the "Risk Factors" section set out in the Information Memorandum.

BVP is not advising you or recommending this investment. In making your investment decision, you should consult, if necessary, your stockbroker, bank manager, accountant, solicitor or another independent professional adviser.

If an Investor decides to proceed with any investment, they will make this decision subject solely to, and in accordance with the provisions of the legal documentation including but not limited to, this Information Memorandum.

Nothing in this Information Memorandum is, or should be relied upon as, a promise or representation as to the future. Any projections contained herein are for illustrative purposes only and are intended to show a possible outcome based on stated assumptions. There can be no assurances that the stated assumptions will prove correct or that the projections will be achieved or that unforeseen developments or events will not occur. In particular there can be no assurances that the scheme will achieve its investment objective or that investors will receive any return on, or the return of, their invested capital.

This document is being made available for information purposes only to those who have expressed an interest in investing and shall not form the basis of any contract between BVP 2021 Finance Company Limited (or "the Issuer") and any prospective investor. This Information Memorandum should not be distributed, published or reproduced, in whole or in part, nor should its contents be disclosed by recipients to any other person other than their professional advisers.

This Information Memorandum does not and shall not be deemed to be a prospectus within the meaning of the Irish Companies Act 2014 or for the purposes of the S.I. No. 567/2015 - Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended). No offer for, or invitation to subscribe for, shares/interests in the scheme to any person other than the addressee is being made under or by virtue of or in connection with this document.

Applications must reach BVP no later than 10th February 2023 or such later date as BVP in its absolute discretion shall determine. Applications will be accepted in the order of receipt, but the right is reserved to close the application list at any time before 31<sup>st</sup> January 2023. BVP will not invest any subscription monies in any investee companies until subscriptions have closed.

This Information Memorandum does not constitute, and may not be used for the purposes of, an offer of securities or an invitation to apply to participate in the Issuer by any person in any jurisdiction in which such offer or invitation is not authorised or in which the person endeavoring to make such offer or invitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or invitation. It is the responsibility of prospective investors to satisfy themselves as to full compliance with the relevant laws and regulations of any territory in connection with any application to participate in BVP 2021 Finance Company Limited including obtaining any requisite governmental or other consent and adhering to any other formality prescribed in such territory.

This Information Memorandum supersedes and replaces in its entirety any memorandum previously circulated.

An investment in the Issuer should be considered as above average in risk as the Issuer will invest in a small number of projects. Any investment in the Issuer should not represent a considerable proportion of your investment portfolio without consulting a professional adviser.

Should the Issuer wish to change its investment objectives or make a material change to the investment policy, loan note holders will be given the option to withdraw their subscription in advance of the Issuer completing the proposed investment.

The Issuer will invest 100% in a fixed income instrument (i.e., a loan agreement with the Issuer). The priority of the Issuer is the generation of income rather than capital growth.

*While care and consideration has been taken in the preparation of this Information Memorandum, no warranties or representations, express or implied, are given by BVP, their directors, agents or advisors, shareholders or any other party in respect of the information contained in this document and no responsibility or liability is accepted by any of them with respect to the accuracy or completeness of the information or opinions set forth within this Information Memorandum or for failure of the investments to perform to the advantage of the prospective investors.*



## Officers and Advisors

### PROMOTER

BVP New Energy Finance Limited

4 Aspen Court, Cornelscourt, Dublin 18

---

### DIRECTORS OF BVP NEW ENERGY FINANCE LIMITED

Elliott Griffin  
Stephen Burdock

---

### DIRECTORS OF BVP 2021 FINANCE COMPANY LIMITED

Elliott Griffin  
Stephen Burdock

---

### COMPANY SECRETARY

Stephen Tully

---

### SOLICITORS

LK Shields  
40 Upper Mount Street, Dublin 2

---

## About BVP

BVP New Energy Finance is part of the BVP Investments Ltd. group of companies ("BVP Group"). The BVP Group was established in 2004 and is an experienced investment manager in multiple asset classes, and sector experience, in clean energy, health and ICT.

The BVP Group currently has funds of €100 million under management raised from investors and deployed in over 30 companies. The funds are invested in companies involved in technology and renewable energy projects across the island of Ireland. BVP has industry leading experience in reviewing and selecting high quality investment opportunities in the clean technology and renewable energy sector. BVP's principal products are its Employment and Investment Incentive Scheme (EIS) funds, its pension investor suitable Bond products and the Hotel Investment Fund. It is currently investing its 16<sup>th</sup> EIS fund having raised approximately €13m in December 2022. BVP issued its first Wind Bond in 2013 and since then has issued and redeemed 4 wind and solar bonds and has an additional wind and green bond within term and meeting all its repayments to date.

It is on this successful track record in delivering successful Bonds to investors that BVP wishes to offer this issue of its Green Bond. The first Green Bond was issued in 2018 and performing to expectation with 3 underlying investments. Since then, BVP has issued a single wind energy project bond and a further Green Bond in 2022.

### THE BVP GROUP INVESTMENT TEAM

The BVP board and investment team includes:

#### **Elliott Griffin - Managing Director**

Elliott Griffin is the founder and Managing Director of BVP. He has considerable experience in raising and managing BES/EIS investments. Elliott is passionate about sustainability and finding the next leading edge cleantech venture. A commerce graduate of UCD and trained as a Chartered Accountant with PwC, Elliott also worked with Hibernia Capital Partners.

#### **David Gavagan - Chairman**

David Gavagan, with over 30 years' venture and development capital experience was a co-founder and Managing Director of Hibernia Capital Partners Limited. David was formerly a director of DCC plc and the DCC BES Fund. He is a graduate of UCD and a Chartered Accountant. David is a non-executive Director of BVP and a number of other private companies.

#### **David Smeed - Non-Executive Director**

David joined the board of BVP in 2020. David has been the Managing Consultant of Tila consulting, wealth management firm, since 2010. David is also a regulated Financial Advisor and has been managing HNW client funds since 2010. Prior to that David managed an Equity Hedge Fund program in Singapore and also spent 10 years working in London in the Hedge fund space as well as managing Private Clients. David also sits as a Trustee for a newly established Cancer Charity.

#### **Stephen Tully - CFO & Company Secretary**

Stephen has over 12 years' experience in the financial services industry, he is an ACCA qualified accountant and holds a Bachelor of Commerce degree from NUIG. Before joining BVP, he worked as an auditor in PwC before moving into industry and working in Asset Management. Stephen has an extensive knowledge of accounting processes and rules, private equity transactions and IPO as well finance reporting for industry listed and unlisted clients.



**Ray O Neill - Investment Committee Member**

Ray has over twenty years' experience including ten in commercialising and financing renewable energy and clean-tech companies in Asia, Europe and the US. Previously, Ray was Head of Energy and Clean Technologies at AIB before creating and leading AIB's strategic Office of Sustainable Business. Ray holds an MBA from the University of New South Wales, Australia, a Higher Diploma in New Business Development from DIT and a degree in Computer Science from Trinity College Dublin.

**Andrew McGreal – Investment Director**

Andrew has over 12 years' experience working in the technology and finance Industry. Andrew most recently worked in a business strategy role within AIB, focusing on digital strategy for the bank's SME division. Prior to this, Andrew supported the establishment of a specialist technology banking unit. Andrew is also a company founder having set up and led an Irish technology business. Andrew holds a BBS in Business and Entrepreneurship from I.A.D.T, an MBS in Project Management from UCD Smurfit Graduate Business School and an Advanced Diploma in Management Accounting from CIMA.

**Stephen Burdock – Investment Director**

Stephen has over 10 years' experience working in financial services. Stephen most recently worked with a leading EIIS fund manager. Previously Stephen worked in a commercial banking role within AIB, focusing on relationship management and business development across various sectors. Stephen is a Qualified Financial Advisor and has experience working with ambitious companies that seek to develop stimulus funding opportunities.

## Investment Asset Classes

The following target investments are illustrative of the Investment Asset Classes:

### Renewable Energy Projects

---



Investment targets are new-build or operating asset backed infrastructure that are generating renewable energy.

These targets are across a range of renewable energy generation technologies including solar, wind, anaerobic digestion, tidal, and battery storage. The technologies are well proven and new build projects are typically revenue generating within 8 to 10 months.

Investment in these renewable energy project may be phased; however each phase will result in revenue generating assets in order to service this BVP Green bond.

### Innovative Growing Businesses

---



Investment targets have high growth potential with significant equity backing from outside investors. They are run by experienced management teams with a track record in growing businesses. They have multi-million annual recurring revenues.

The targets require further capital to realise their growth potential for expansion into new products or markets. The other investors and shareholders prefer to borrow to prevent further dilution of their shares. However, in some cases it is agreeable to the company that a portion of the loan to the company can be converted into ordinary shares in the company either at the choice of the company or at the choice of BVP.

In addition to organic growth, BVP believe these targets are good candidates for a liquidity event such as the sale of the company or a listing on a public exchange, which provides a reasonable (but of course not guaranteed) expectation that there several ways by which the Green Bond loan note can be redeemed. During the investment term the Issuer will receive an annual fixed coupon from the company in order to pay the annual fixed coupon to the Green Bond investors.

#### INVESTMENT STRATEGY

The intended strategy is to invest in companies within two distinct asset classes, Renewable Energy Finance and Growing Business Finance. Where an investment is subsequently realised during the investment term, the Issuer will consider redeploying the capital in other suitable investments.

***Additional information is available on illustrative investment projects and companies in Appendix 1***



## Returns To Investors

### INVESTMENT TERM

The investment term is 5 years from the drawdown of an Investment Tranche.

### INTEREST RATE AND REPAYMENTS

The interest rate for investments is 7% per annum. Over the 5-year investment term, the return will equate to 35%. Interest repayments will occur annually. Investors will have the choice to either get paid the coupon every 12 months or cumulatively at the end of the tranche's 5-year term. If they choose the latter, they will benefit from a compound return increasing their cumulative return of 40.3%. The coupon will increase up to 8% if 12-month Euribor (3.316% as at 1<sup>st</sup> January 2023) increases by 100% over the investment term subject to underlying performance. This increased coupon will accrue from the date of the increase. The final repayment at the end of year 5 will include the final interest payment and the loan note principle. Repayments will be automatically made into the bank account specified at the time of investment. A notice of repayment will also issue at the time of the repayment.

### REALISATION MECHANISM FOR THE INVESTORS

In advance of the end of the 5-year term the Investment Holding Company will have number of mechanisms in place to ensure that the investors' capital is redeemed. To repay investors their capital at the end of the investment term it is the intention to use one or more of the mechanisms for realisation.

The investors will be repaid their capital at the end of the term by one of three ways:

1. Realised investments in the form of cash returned to the Issuer
2. A refinance of the loan notes using private or institutional finance
3. Sale of assets under management, or a combination of all three

If the above scenarios are not possible then the following indicative scenarios are:

- The investment term is extended, and investors continue to earn similar return for a period of up to 10 years (a full amortization of the capital and any unpaid interest) ("a Secondary Investment Term")
- A partial redemption of the investor's loan at end of the 5-year investment term and the remainder of the capital is redeemed over an extended Investment term and investors continue to earn similar return for a period of up to 10 years (a partial redemption of the capital and any unpaid interest) ("a Secondary Investment Term")
- Investors may have the option to convert their loan to shares in an intended new listed parent of the Issuer. The conversion price will be at a discount to the market value of the shares at that time. Should this scenario happen it is expected that the investor will have the discretion to sell the shares immediately or hold the shares for as long as they choose.

In the event that the investment term is extended, Investors will receive an annuity (principal and interest of the remaining capital) paid annually over the Secondary Investment Term i.e., a further period of up to 10 years.

### POTENTIAL CONVERSION OPTION

It is expected that the conversion option will be granted initially by the parent of the Issuer. Once the ultimate parent of the Issuer is a listed company, the Issuer will arrange for the transfer of the option to the listed parent. The conversion price will be at a discount of 10% to the market value of the shares at that time and subject to a minimum level of market value to be determined. This is also subject to adhering to legal advice, stock exchange rules and any other regulations at that time.

### TRANSACTION AND OPERATING COSTS

All transaction and operating costs are incurred by the underlying investments.

On completion of investments, BVP will be paid an indicative 2% transaction fee. Out of this fee, BVP will pay a commission of 1% to brokers who introduce investors to the Bond. Other third-party costs are expected to be up to 1% which includes legal and due diligence costs.

BVP will be entitled to an indicative annual management fee in the range of 2-3% p.a. payable by each project/company directly. No annual fees will be payable by the investors. BVP will pay an annual fee of 0.8% to brokers for the



investment term. BVP will also be entitled to agree an option to co-invest (e.g., through a warrant) in the underlying investments at the same time or at a later date.

**TABLE 2.1**

*Illustrative example of the indicative realisation mechanism for the investor as outlined on page 12 (assuming €50,000 investment)*

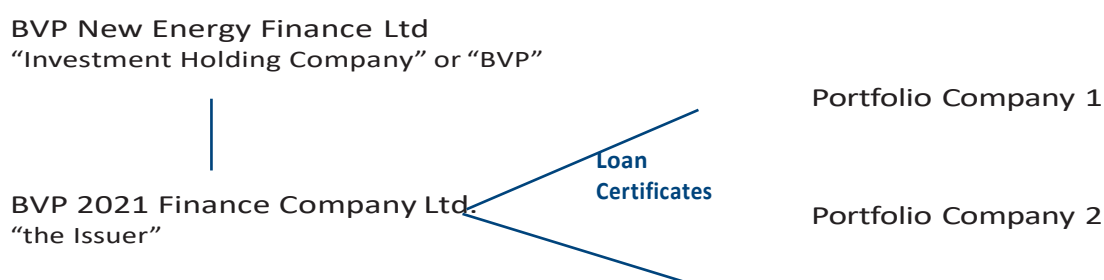
<i>Description</i>	<i>Primary Investment Term</i>		<i>Baseline conversion at the end of Year 5*</i>	<i>Secondary Investment Term</i>	
	<i>Baseline Proposal (annual coupon)</i>	<i>Baseline Proposal (cum. coupon)</i>		<i>Partial redemption Y5 and term extension</i>	<i>Term extension at the end of Year 5</i>
Duration (years)	5	5	5	15	15
Consideration paid	-50,000	-50,000	-50,000	-50,000	-50,000
Coupon	17,500	20,150	20,150		31,689
Debt amortisation				33,334	50,000
Redemption	50,000	50,000		16,666	
Total cash return	67,500	70,150	70,150	92,815	99,878
Surplus	17,500	20,150	20,150	42,815	31,689
Annualised return %	7.00%	8.06%	0	7.00%	7.00%
Total return	35.00%	40.30%	40.30%	85.63%	99.76%

## Structure and Regulation

### STRUCTURE

The Issuer is inviting applications from investors for convertible loan notes in multiple Tranches. The proceeds from each Tranche of convertible loan notes will be allocated to several target investments which will provide an investment portfolio for the investors. A security trustee will hold collateral commitments for the benefit of investors in the case of default. Each Tranche will be treated in pari passu if a default occurs within the 5 year term. BVP has identified several target investments which are illustrated in Appendix 1. The Issuer will invest for instruments such as convertible loan notes and convertible preference shares in the target investments. The Issuer will also require security in the form of a debenture over the assets of the target investments.

#### Structure Illustration



### REGULATION

In our Solicitors' view the BVP Green Bond falls within a category not requiring registration under the Alternative Investment Funds Directive as clarified by the Central Bank's AIFMD Q&A since the fifth edition of 8 November 2013. The category describes financial vehicles engaged solely in activities where economic participation is by way of debt or other corresponding instruments which do not provide ownership rights in the financial vehicle. In other words, BVP does not need to be registered as an AIFM in respect of the Bond Funds. If the circumstances were to change in the future, such as a conversion of the loan notes into shares or a change in the Central Bank's position on financial vehicles, then we will seek further advice from our solicitors on structuring or applying for registration or authorisation as an Alternative Investment fund manager.



## Risk Factors

The following list of risks is not comprehensive and is intended to give an outline of the risks that intending participants need to consider. It outlines, in the opinion of BVP, comprise the principal risks associated with such an investment.

Independent advice should be sought, and satisfaction should be obtained as to the suitability of investment prior to proceeding with same.

### **RISKS—GENERAL**

#### **Loan note repayments cannot be made**

At the time of investment, projections are prepared by the directors of the Issuer based on information available to them and due diligence performed. Through no fault of their own, these revenues may not be generated leading to a loan defaulting.

#### **Capital Return**

The investors will be repaid their capital at the end of the term by one of three ways:

1. Realised investments in the form of cash returned to the Issuer
2. A refinance of the loan notes using private or institutional finance
3. Sale of assets under management or a combination of all three

The return of capital will be dependent on the ability of the Issuer to achieve some or all of the above.

#### **Commercial Investment Risk**

No compensation fund shall exist for investors who may lose all or part of their investment due to commercial investment risk.

#### **Investment Risk**

This is a medium-term investment and is not suitable for investors who may need access to the full amount of their investment within the investment time horizon.

#### **Taxation and Professional Advice**

Prospective investors are advised to make their own independent commercial assessment of the information contained herein and obtain independent professional advice (including inter alia legal, financial and tax advice) suitable to their own individual circumstances, before making an investment decision, and only make such decisions based on their own objectives, experience and resources.

#### **Currency Risks**

An investment in the Issuer is subject to the underlying currency risk of the Investee Companies. Changes in exchange rates may have an adverse effect on the Investee Companies' performance. Investors should be aware that the value of the Euro may fluctuate against other currencies, impacting any transactions that the Investee Companies may enter into with non-Euro zone suppliers, providers and customers.

#### **Geopolitical/Other**

Adverse changes in local, domestic, or international economic conditions could affect the value of the investment. The value of an investment in the Issuer is subject to commercial trading conditions. The Issuer will have exposure to the Irish SME sector only. While Investee Companies may export goods or services, a downturn in the Irish SME sector or the Irish economy could adversely affect the Fund's returns.

## Risk Factors *continued*

### RENEWABLE ENERGY PROJECT FINANCE: KEY RISKS

#### **Contractual Risks**

Renewable energy project revenues are derived from sale of electricity under a power purchase agreement (PPA) with private companies as the counter party to the agreement. Should the private companies cancel or amend this PPA, for whatever reason, this could affect the project's ability to generate revenue and ultimately make distributions to the Issuer.

#### **3rd Party Contractor Risks**

Each project has a certain level of reliance on counterparties for operations and maintenance, solar energy production, etc. If these counter parties do not perform as expected the expected costs to keep the projects running or loss of income due to reduced output could affect the project's ability to make distributions to the Issuer.

#### **Installation Delay Risk**

A delay in the installation of a project would delay the commencement of revenue generation. This could affect the ability to make distributions to the Issuer.

#### **Legal Challenge Risks**

Renewable energy projects can be the subject of legal challenges from time to time. This could affect the ability to make distributions to the Issuer.

#### **Local Council Risks**

Renewable energy projects reside within a local council and are subject to local council rates and planning regulations. Increase in local council rates or planning delays could affect timely project installations and the ability to make distributions to the Issuer.

#### **Funding Risk**

A delay in sourcing funding, could delay the commencement of installation. The project may not proceed if sufficient funding is not sourced.

#### **Refinance Risk**

The return of capital will be dependent on refinancing the project or selling the project assets. Whilst there is currently an appetite for such projects among financial institutions such as debt providers and pension funds, the exact timing of this event cannot be determined until closer to the expiration of the five year term.

A successful refinance will be dependent on the project's performance in over the investment term and likely performance in subsequent years. If for any reason the performance of the project portfolio is below expectations due to poor solar conditions, equipment failure etc, this may negatively impact the ability to refinance the projects with a third party.





## Risk Factors *continued*

### GROWING BUSINESS FINANCE: KEY RISKS

The following list of risks is not comprehensive but is intended to give an outline of the risks which intending Participants need to consider. However, it does outline the issues that, in the opinion of the Issuer, comprise the principal risks associated with such an investment.

#### **Unquoted Companies**

Investment in unquoted companies carries risk as well as the potential for growth. Investors are encouraged to consider their investments as medium term. There is no early exit mechanism for investments. The risks associated with debt finance include the possible loss of the full amount invested and the potential limitations on the realisation of unquoted shares even in a successful company since these shares are not listed on a stock exchange.

#### **Dividend payments cannot be made**

At the time of investment, projections are prepared by the directors of the target investments based on information available to them and due diligence performed. Through no fault of their own, these revenues may not be generated leading to an inability to make the targeted dividend payments.

#### **Loan note repayments cannot be made**

At the time of investment, projections are prepared by the directors of the target investments based on information available to them and due diligence performed. Through no fault of their own, these revenues may not be generated leading to a loan default.

#### **Management Risks**

Management teams may change over the term of the investment and there is a risk of ineffective or underperforming management teams in the companies.

#### **Contractual Risks**

Financial projections are based on revenues from existing commercial contracts and future contracts entered into by the target investment companies. Should existing customers cancel or amend commercial contracts this could affect a company's ability to repay the loan.

#### **Competitor Risks**

Growing businesses operate in a competitive marketplace. There is a chance that existing or new companies bring competing products to the market and take market share from the target investment companies.

#### **Intellectual Property Risks**

Intellectual Property (IP) laws vary across jurisdictions and there is a risk that would-be competitors may copycat or challenge some or all of the IP developed by the target investment companies.

## Data Protection

BVP fully respects your right to privacy and any information relating to you (including any personal data within the meaning of the Data Protection Acts 1988, 2002 and General Data Protection Regulation (GDPR) (collectively the “DPA”) which BVP obtains and holds about you (“Information”) will be treated in accordance with BVP’s standard principles regarding client confidentiality and the DPA (where applicable). This includes Information BVP obtains from you or third parties when you apply for an investment in the Fund. BVP may use the Information for the purposes of:

- providing an investment in BVP New Energy Finance Company;
- group reporting and management purposes;
- prevention of money-laundering, financing of terrorism and fraud, and otherwise complying with our legal and regulatory obligations;
- any other purposes to which you have consented.

BVP may share the Information, to the extent necessary for the purposes set out in this clause with:

- anyone providing a service to BVP or acting as BVP’s agents, on the understanding that they will keep the information confidential;
- counterparties to transactions executed on your behalf;
- public companies in which you directly or indirectly hold shares, on request;
- any (or any proposed) assignee, transferee, or successor in title to the whole or any part of the BVP’s business relating to BVP New Energy Finance Ltd and their respective officers, employees, agents and advisers, provided that any recipient agrees to use your information for the same purposes as it was originally supplied to BVP and/or used by BVP;
- regulatory bodies, law enforcement agencies, other public bodies, and auditors to BVP is obliged by law to disclose the Information;
- any third party which introduced you to BVP; and
- any other party to whom you have agreed BVP may disclose your Information, each of whom may in turn use that Information for the above and other purposes which have been disclosed to you.

You agree to notify BVP without delay in the event of any change in your personal data, to enable us to comply with our obligations to keep your Information up to date.

BVP is obliged to retain client identification and client transaction records for six years from the end of the client relationship or the date of the transaction respectively. Other Information will be retained for no longer than necessary for the purpose for which it was provided to us or as required or permitted for legal, regulatory, fraud prevention and legitimate business purposes.

You have the right to receive a copy of all personal data (within the meaning of the DPA) relating to you which is held by BVP following a written request (for which BVP may charge an administration fee not to exceed €6.35 or such greater amount as permitted by law) and have any inaccuracies in your personal data corrected, by writing to BVP. BVP is entitled to take reasonable steps to establish your identity in relation to any amendment, access or deletion request and may, at our discretion, require proof of identity or other documents.



## Procedures for Application

Participants should complete the appropriate Application Form contained herein and submit it to BVP New Energy Finance Ltd., 4 Aspen Court, Cornelscourt, Dublin 18, Ireland on or before the Closing Date.

Completed Application Forms must be accompanied by a personal cheque or banker's draft made payable to BVP 2021 Finance Company Limited, for the subscription. In addition, BVP reserves its right to extend the closing date.

BVP reserves the right to close the application list at any time before 10<sup>th</sup> February 2023 and to reject any application in whole or in part at its absolute discretion (without obligation to give reasons therefore).

Applications to invest will be considered only on the terms and conditions outlined and only if they are made on the application form contained herein.

Any agreement purporting to amend or exclude or partly exclude the application of any term or condition of the investment shall be void.

Only one application will be accepted from each applicant.

To ensure compliance with the provisions of the Criminal Justice (Money Laundering & Terrorist Financing) Act 2010 (as amended), BVP shall be required to establish the identity of each applicant to satisfy anti-money laundering requirements. Application forms must therefore be accompanied by:

- a certified copy\* of either the applicant's current passport or current driver's licence.
- an original or certified copy\* of two different forms of proof of address. Acceptable forms of proof of address are any two of: recent utility bill (electricity, gas, telephone, or mobile phone); or bank statement. Proofs of address cannot be more than 3 months old and must bear the name and address provided on the application form.

BVP reserves the right to refuse to accept any application which is incorrectly presented or fails to comply with the provisions contained in the Memorandum and, in doing so, shall have no liability whatsoever to any applicant for interest or any resulting loss or damage. All cheques will be lodged to BVP 2021 Finance Company Limited's bank account on the day the investment is executed.

BVP can only accept original signatures on applications.

Applications will be accepted from 1<sup>st</sup> January 2023 until the closing date.

Investors will be issued a €1.00 Loan note for every €1.00 invested in BVP 2021 Finance Company Limited. The rights attaching to each Loan note will be determined by the Loan note instrument. On acceptance of a completed application and once the subscription period has closed, BVP will issue each investor with a Loan note certificate that will confirm the investor's holding of Loan notes in the Issuer.

*\* certified copy means a document which contains a certification signed, stamped and dated by a solicitor, Commissioner for Oaths, Garda, Accountant or Bank Manager certifying that the copy document is a true copy of the original.*

## Disclaimer

This Information Memorandum has been issued by BVP New Energy Finance Limited, (“Investment Holding Company” or “BVP”) and is being delivered to parties who have expressed an interest in investing in the Issuer. The information contained herein does not purport to be comprehensive and is strictly for information purposes only. This Information Memorandum does not constitute an offer and shall not form the basis of any contract between BVP and any prospective investor. Prospective investors are advised to make their own independent commercial assessment of the information contained herein and obtain independent professional advice (including inter alia legal, financial and tax advice) suitable to their own individual circumstances, before making an investment decision, and only make such decisions on the basis of their own objectives, experience and resources. Interested parties are not entitled to rely on any information or opinions contained in this document or the fact of its distribution for the purpose of making any investment decision or entering into any contract or agreement with BVP in relation to the investment in the Issuer.

This information is provided by way of general guidance only and purports to be neither exhaustive nor definitive and is subject to change without notice. It is not a substitute for professional advice. You should consult your tax advisor about the rules that apply in your individual circumstances. While all reasonable care has been given to the preparation of this information, no warranties or representation, expressed or implied, are or will be given or liability accepted by BVP, the advisor or any affiliates, or their Directors or employees of either BVP or their Registered Auditors in relation to the accuracy, fairness or completeness of the information contained herein or any other written or oral information or opinions provided now or in the future to any prospective investors or their advisors and so far as permitted by law and except in the case of fraud by the party concerned, no responsibility or liability is accepted for the accuracy or sufficiency thereof, or for any errors, omissions or misstatements, negligent or otherwise, relating thereto. Further, BVP, or any of their shareholders, directors, officers, agents, employees, advisors or any associated entities shall not be responsible or liable for any costs, losses or expenses incurred by prospective investors in connection with the Issuer. BVP reserves the right to replace any of the professional advisers associated with the projects with equally qualified professionals. An investment in the Issuer should only be considered by investors who are able to bear the economic risks of their investment for a medium term period of time and who can afford to sustain a total loss of their investment. BVP gives no undertaking to provide a prospective investor with access to any additional information or to update this Information Memorandum or any additional information, or to correct any inaccuracies in it which may become apparent. BVP reserves the right, without giving reason, at any time and in any respect, to amend or terminate the procedure for investing in the Issuer or to terminate negotiations with any prospective investor. The issue of this Information Memorandum shall not be deemed to be any form of commitment on the part of BVP to proceed with any transaction with any prospective investor or any other party. This Information Memorandum has been made available on the express understanding that any written or oral information contained herein or otherwise made available will be kept strictly confidential and is only directed to the parties to whom it is addressed. No part of this document is to be reproduced without our written permission. This publication is solely for information purposes and does not constitute an offer or solicitation to buy or sell securities. This document has been prepared and issued by BVP on the basis of publicly available information, internally developed data and other sources believed to be reliable. We or any of our connected or affiliated companies or their employees may have provided within the last twelve months, significant advice or investment services in relation to any of the securities or related investments referred to in this document.



### ILLUSTRATIVE INVESTMENTS

BVP has shortlisted several renewable energy projects and companies for potential investment for this Green Bond issue. There is no guarantee that finance will be provided to these specific projects or companies. The Issuer may decide to invest in projects and companies other than the profile of those listed below where it considers it to be desirable and in the interests of the Bond investors.

#### Renewable Energy Projects

##### **Operating anaerobic digestion plant**

The target is operating a 500kW anaerobic plant in Ireland which has been running since 2019.



Investment is to a unique opportunity to secure an income generating stake in this strategic asset in a prime location with a strong feedstock supply from local food production and farms. The investment is a purchase of shares from BVP's EII investors on the expiry of their minimum holding period.

##### **Rooftop solar installations**

The target is special purpose finance company which acquires operating rooftop solar installations from a development company. The finance company was established in 2022 and has already successfully acquired [50] installations from its partner development company. BVP issued a green bond in early 2022 to investors who supported these installations. The investors for this Green Bond would invest alongside these investors too.



Investment is for the purpose of acquiring income generating installations. The acquisition includes the Power Purchase Agreements (PPA) with the underlying tenants. The finance company has security over the assets and the tenants underwrite the contract value in the event of an early termination.

##### **Industrial energy retrofit installations**

The target is a special purpose finance company which installs and operates energy efficiency technologies for industrial and commercial customers. These are well proven technologies which include heat pumps, battery storage and biodiesel generators. The company earns its revenues under contract from power purchase agreements and or grid services contracts with the electricity grid operator.



Investment is for the purpose of acquiring income generating installations. The acquisition includes the Power Purchase Agreements (PPA) with the underlying tenants. The finance company has security over the assets and has a strong residual asset value.

## Growing Business Finance



### **Fuels manufacturer**

Target is a well-established fuels manufacturer with a long history in traditional fossil fuel processing and distribution. The target has developed a new biofuel which is already sold in the marketplace.



Investment is intended to significantly scale the operation by acquiring plant. The company is well positioned to take a leadership position in this fast-growing market in Ireland. The company also intends to license its system internationally, although the investment proposition only requires successful expansion in the Irish market.

### **Mental wellness and health services**

Target is a fast-growing service provider with operations in Ireland and the United Kingdom. The company provides its professional services to employers and insurers and its customers include a number of the largest companies in both countries. It earns its revenues based on per capita revenue model with a number of additional service lines.



The company is already supported by several institutional investors. The latest investment is to assist company in growing its operations in the UK. The company has also successfully built a digital platform for delivering online training and support.



## Appendix 2

**BVP EXPERIENCE** BVP is a well-established corporate finance advisor since 2004 to small and medium sized businesses. Our deal flow statistics from the past 36 months include leads for over 200 projects across various sectors which include Information and Communications Technology, Digital Health, Data Analytics, Wellbeing, Clean Technology, Renewables, Biotechnology and many others.



As an experienced manager of 15 BES and EII funds, we are uniquely placed to source a well- balanced portfolio of companies suitable for targeted investments (including existing investee companies).