

**SIGNINA CAPITAL AG**

**WATER INFRASTRUCTURE  
QUARTERLY REPORT – Q3 2021**





### **Waste Water, Mt. Holly, NJ**

A New Jersey-based Wastewater Treatment Plant where original funds were partly used to mount solar panels to increase energy efficiency of the plant, lower costs over time, and provide energy to the local municipality. The state of New Jersey requires electricity suppliers to secure a portion of their electricity from solar facilities located in NJ, creating a natural market for Solar Renewable Energy Credit (SREC) trading credits. The project not only reduces the plant's energy consumption but also improves its overall efficiency. We can surely extend our reach in this area and currently look at a broader investment opportunity in the same sector.

### **Sustainable Sewerage, Ontario**

The Sustainable Sewerage market in Ontario currently undergoes a significant change when it comes to consolidation and strong demand for renewal of existing plants. Amongst others we are working with a public company which has developed a technology providing sewage collection and water treatment. It offers an all-in-one solution which is both cheaper to install and operate than traditional systems. The existing projects are all government linked and work closely with municipalities and we are currently working towards a PPP pipeline for its sewerage system. The provincial regulations regarding sewerage mean that many municipalities are required to change/install systems in the coming years. We have been implementing the first parts of the portfolio of existing projects and we will continue to implement more under the same framework. The constant diversification increased the security for the investors but also allows us to further reach into this market. The investment model has not changed, but the reach within Ontario has become broader.

### **Industrial Re-use, Blue Planet, California**

The project is a carbon capture and mineralization project based in Pittsburg, CA. The project will capture both wastewater and CO2 emitted from a gas-fired power plant and combine these with locally sourced demolished/returned concrete as a process input material to produce several different "CO2 sequestered" and "up-cycled" aggregate products for use by Bay Area businesses, governments and consumers in a wide range of low-carbon, high-value concrete mix designs. The wastewater and steam will be obtained from either the local power plant or from the sanitation district that can provide wastewater and the ammonia needed from their treatment plant which is located adjacent to the plant. As a result, either method will use recycled water, which is legislatively supported in California. The whole process revolves around reusable and recyclable products. The carbon dioxide mitigation, waste water usage and demolished concrete process input provide a process producing recycled aggregates while reducing carbon dioxide.

### **Hydropower, Marseilles, Illinois**

A lock and dam hydroelectric water power project located on the Illinois River. The site has obtained a FERC License (expires 2061) and is finalising development. Once the site is connected and producing energy it will provide power to the local municipalities and income will be generated by the power purchase agreement in place.

### **Hydropower, Braddock, Pennsylvania**

A lock and dam hydroelectric water power project located on the Monongahela River, Pittsburgh. The site has obtained a FERC License (No. P-13739) with a 5.25MW capacity and is finalising development. The site, once producing energy will provide power to the local area with income being generated via the sale of the energy.

## **CURRENT PROJECTS**

The momentum in 2021 continues with the UN Climate Change Conference coming up in November. This meeting will hopefully map out the coming years with the regulations growing on a global scale with many countries aiming to show serious steps towards reaching the carbon zero goal. Whether it is the hydro projects providing clean energy or sustainable sewerage providing a solution to the waste issues the projects maintain their status in an ESG environment.

It remains to be seen how the coming year will reach if the winter is as cold as anticipated and there is excess demand for energy; the problems of today will need to be addressed to reach the long term goals. The emphasis here continues to be on small to mid-sized projects. While travel still remains restricted there is optimism that site visits will be achieved during the fourth quarter. The activity level has been ramping up in the last quarter in anticipation of the world aiming to bring back some sort of normality.



# REGIONAL MARKET INFORMATION

## NEWS IN BRIEF

### **Mondelez issues sizable green bond**

<https://www.foodbusinessnews.net/articles/19526-mondelez-issues-sizable-green-bond>

### **Banks Start Dropping Clients to Dodge Costs Tied to ESG Risk**

<https://www.bloomberg.com/news/articles/2021-10-04/banks-start-dropping-clients-to-dodge-costs-linked-to-esg-risks>

### **Aquaculture needs innovation and greener vision**

<https://www.bangkokpost.com/opinion/opinion/2192475/aquaculture-needs-innovation-and-greener-vision>

## **WATER M&A HEADS FOR A RECORD YEAR AS SECTOR FUNDAMENTALS SUPPORT STRONG VALUATIONS<sup>1</sup>**

**The natural buyer universe for water assets is evolving as factors outside of the industry increasingly play a role. How is the market positioning itself for the future?**

2021 seems virtually certain to be a record year for mergers and acquisitions in the water sector, with over \$9 billion of deals completed in the first half, and another \$45 billion announced for completion before 31 December. While Veolia's take-over of Suez and the subsequent carve-out of the 'new' Suez represent the two most valuable deals in dollar terms, a string of impressive exits in the water sector – supported by record amounts of dry powder, low interest rates, and pending tax hikes in the US – have combined to create a buoyant market which seems set to continue for the foreseeable future.

“There's a lot of money out there chasing deals, and a lot of the owners that I'm speaking to are receiving a couple of calls per week. I've never seen so much activity – everybody and anybody is getting their door knocked on,” commented Mark Bertler, managing director of the water, wastewater and environmental practice at The McLean Group.

“Within the water/waste/environmental area, the majority of businesses did quite well in 2020 and are doing very well in 2021. Most people I talk to are pretty upbeat, and I think those factors, along with low interest rates and the uncertainty over capital gains tax treatment, are contributing to why there's so much buzz in the market right now.”

Although the concept of trillions of dollars of wealth being transferred from Baby Boomers to the next generation is not new, there is a tangible feeling that this process is being accelerated by uncertainty over the Biden administration's future treatment of capital gains tax for individuals earning over \$1 million. The plan to virtually double the tax rate to 39.6% is forcing business owners to re-evaluate their exit timetables, and the “water halo” effect surrounding those companies which can make a



meaningful contribution both to investors' ESG playbooks and to the UN's Sustainable Development Goals means that firms with water exposure are getting a lot of attention.

The interest is coming from further afield than just the US. "A number of international strategics are seeking acquisitions in North America, and I've had half a dozen fairly large companies seeking buy-side mandates," said one banker active in the water sector. "They are trying to turn over as many rocks as they can."

The frenetic pace at which sell-side mandates are being awarded has, however, created something of a dilemma for buyers whose desks are increasingly overloaded with prospective investment opportunities.

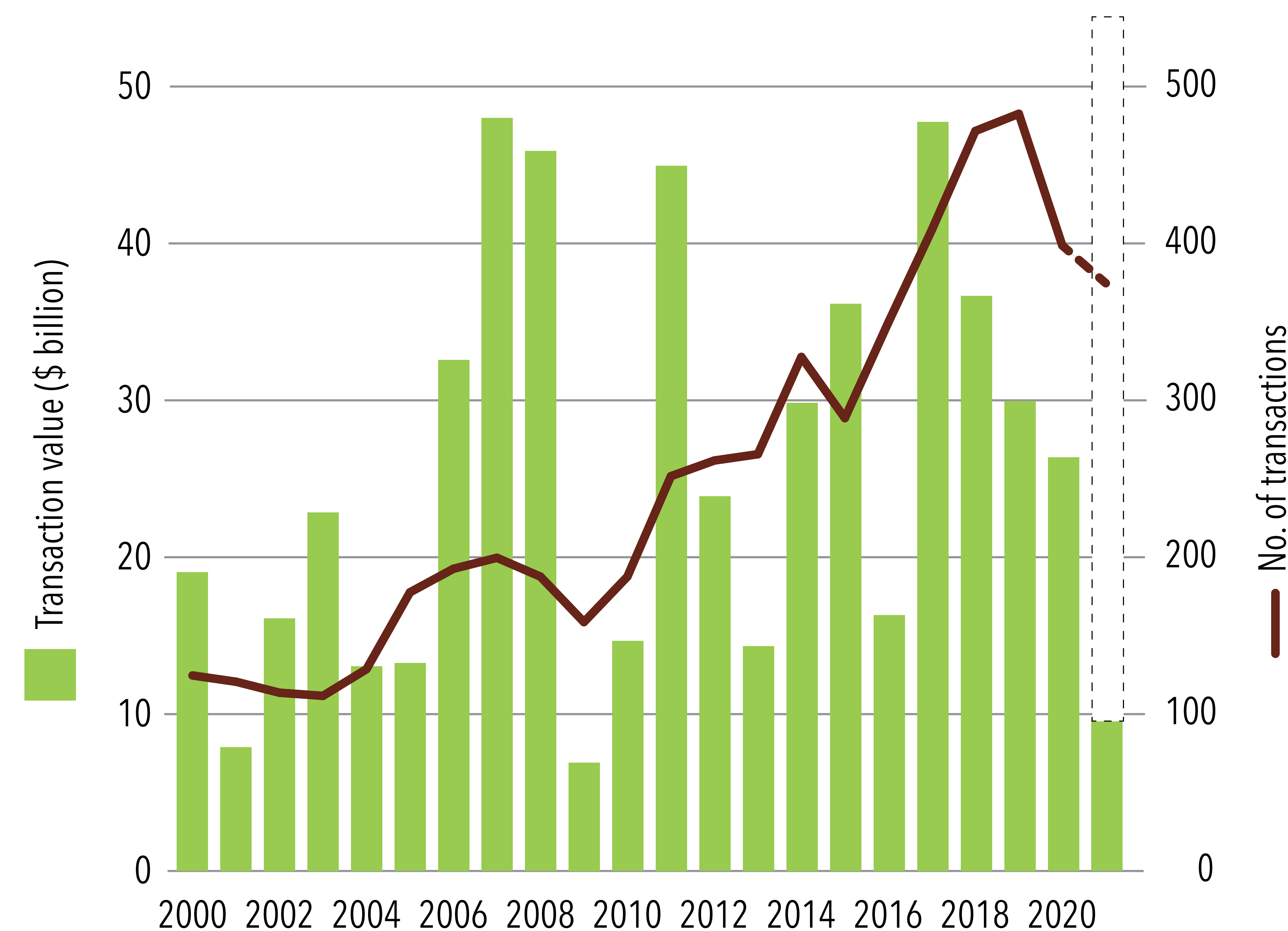
While the sheer number of private equity firms which have dabbled in water over the last 15 years leads to the inevitable conclusion that most are opportunists, the emergence of a growing group of funds which stalk the aisles of WEFTEC and align themselves with water sector veterans has received added impetus in the last couple of years.

Similarly, New Mountain Capital fought off a rival bid to take pipeline services specialist Aegion private for \$1.1 billion this year, just months after having picked up US contract operations outfit Inframark. The emergence of non-traditional investors in the water space, meanwhile, is one of the most fascinating developments in the M&A market, and came to prominence earlier this year when software specialist Autodesk stumped up \$1 billion to acquire water software company Innovyze.

"Because of the emergence of digital in water, you're getting people from outside the industry stepping in. You're going to see a set of players you would not have expected five years ago," Bertler observed.

### GLOBAL WATER M&A TRENDS (2000-2021)

The value of deals announced for completion in 2021 suggests that this could be a record year for water M&A. Buoyant exit multiples, lots of dry powder, and looming tax hikes in the US are all driving activity.



NB: 2021 total based on deals announced to date; green bar refers to completed deals

Source: GWI WaterData



## TAKE-AWAYS FROM H1 2021 IN GLOBAL WATER M&A

### What are the stories behind the deals, and where can the market go from here?

1) 2021 will be a record year in water M&A: Over 200 deals closed in H1, with four blockbusters set to account for more than half the value transacted during the whole year (see table above).

2) Who will eat the crumbs from Veolia's table?: While the Veolia-Suez merger and subsequent private equity carve-out are the biggest deals of the year, the sideshow has been equally interesting. Veolia has already sold its ballast water and aquaculture units, its Swedish engineering business, and its largest Chinese concession. There will be more to come.

3) US tax uncertainty is driving deal flow: Baby Boomers fearing a steep hike in US capital gains tax are racing to sell their businesses, providing a boon for bankers.

4) Private equity gets serious about water: PE firms with specialist teams dedicated to water have a natural value-add versus opportunists. The emergence of firms such as Platinum Equity and New Mountain Capital complements established players like XPV, KKR, and Sciens Capital.

5) Treat or be treated: Established players in mature markets with sluggish growth are spending big to diversify into water treatment. Examples include Sulzer, Grundfos, Wilo, and Franklin Electric.

6) Outsiders are looking for entry points: The \$1 billion acquisition of Innovyze by Autodesk may just be the tip of the iceberg when it comes to non-traditional investors looking to leverage their core competencies in the water space. They are willing to pay up for the privilege.

7) Exit multiples remain attractive: A combination of low interest rates and high levels of available cash among corporates and PE firms has led to some stunning valuations so far in 2021. This is tempting sellers off the sidelines earlier than might otherwise have been the case.

#### 2021'S BIGGEST M&A DEALS IN WATER

Three deals with price tags of \$1 billion or more closed in the first half of this year. The second half will blast that total out of the water and into the record books.

Vendor	Target	Acquiror	Price	Completed?
Veolia	"New" Suez	Meridiam/GIP/CDC/CNP	\$12.4bn	N
Publicly traded	Suez (70.1%)	Veolia	\$11bn	N
Advent International/ Centerbridge Partners	Culligan	BDT Capital Partners	\$6bn	N
CD&R/BASF	Solenis	Platinum Equity	\$5.25bn	N
China Tianying Inc.	Urbaser	Platinum Equity	\$4.2bn	N
Publicly traded	Forterra, Inc.	Quikrete Holdings, Inc.	\$2.74bn	N
Publicly traded	Aegion Corporation	New Mountain Capital	\$1.1bn	Y
iCON Infrastructure/ Itochu Corporation	Bristol Water	Pennon Group	\$1.15bn	Y
EQT	Innovyze	Autodesk	\$1bn	Y

Source: GWI WaterData



## A NET-ZERO WORLD NEEDS ZERO-CARBON CONCRETE. HERE'S HOW TO DO IT<sup>2</sup>

- Concrete accounts for 7% of global emissions - and it's the second-most used material on earth.
- Zero-carbon concrete is therefore a cornerstone of a net-zero global economy.
- A new initiative, Concrete Action for Climate<sup>3</sup>, aims to bring the sector's stakeholders together to drive this transformation.

A sustainable, zero-carbon global economy will, literally and figuratively, rest on concrete. It is the world's most-used building material. It is ubiquitous, versatile, affordable, durable, strong and recyclable – and is the second-most consumed substance in the world, after water. It will provide the foundations for our green energy systems, for climate-resilient infrastructure, for safe, healthy, and secure housing, for clean water and for low-carbon transportation around the world. It will be central to meeting many of the world's Sustainable Development Goals.

But concrete has a significant carbon challenge. The concrete and cement sector currently accounts for 7% of global carbon emissions<sup>4</sup> – predominantly from the chemical reaction that essentially turns limestone into cement, but also from the energy used to produce the high temperatures needed to make it, as well as a smaller amount from its transportation. To meet the needs of a growing, more urbanised, and affluent global population, production is forecast to grow by as much as 38% by 2050 if no intervention is made to use it more efficiently through design, re-use and recycling.



The industry has long recognised it needs to act. Since 1990, it has reduced the carbon intensity of its product by 20%. Last year, the Global Cement and Concrete Association (GCCA) published its Climate Ambition Statement, which sets a target of delivering carbon-neutral concrete by 2050. It brought together 40 of the world's leading cement and concrete companies (accounting for around 40% of global clinker production), signing up for what will be a challenging transition to eliminate the sector's climate impact.

### OPPORTUNITIES FROM INNOVATION

The sector has a suite of options that can help to bring down its carbon footprint. Alternative fuels and the electrification of kilns can drive fossil fuels out of its energy use. Its transport infrastructure can be decarbonized. Efficiency of material use can be maximised, buildings repurposed, and recycling can be promoted (concrete is 100% recyclable). Clinker (the



main emitting ingredient of cement) is already being substituted with alternative materials where possible, and this can be extended in the coming years along with novel cement use. Carbon-capture technology can also be employed to manage unavoidable process emissions.

## COLLABORATING TO CREATE DEMAND

Reaching net-zero emissions in concrete will, as in other carbon-intensive sectors, require more than commitments from producers. It will require strong demand-side signals to demonstrate there is a market for low-carbon cement and concrete.

It also needs the collaboration of customers and regulators. There is enormous potential for innovation in the built environment to use concrete more efficiently, for example by city planners, designers, and architects, and this could be underpinned by greater clarity around low-carbon label claims and a material-neutral set of standards. Government regulators could ensure that building codes focus on sustainability as well as safety. They could help incentivise circularity.

The effort will involve working across the entire built-environment value chain, with a goal of delivering the vision of net-zero concrete in a circular economy, whole-life context.

The MPP approach focuses on this sort of collaborative approach. It has a four-step theory of change: create a coalition of leading companies committed to action; develop a roadmap that sets out how the sector will reach net-zero by 2050; help critical stakeholders develop commitments to action; and build the market infrastructure needed to track and support implementation.

## STAKEHOLDER PARTNERSHIP

With the launch of the CAC, we are looking for partners throughout the cement and concrete value chain to help us develop and deliver the sector transition. That strategy will present a clear set of policy asks to reward and incentivise investments in technology by cement producers, such as clean energy or carbon capture, and to develop regulations which aim to achieve carbon neutrality across the built environment.

With COP26 setting a clear staging post on the road to net-zero, we hope that, by the end of 2021, we will be making good progress, using the GCCA roadmap as a critical building block, backed by strong supply-side commitments, emerging policy implementation and crucial demand side signals. We recognise that decarbonizing the sector will be a challenging task, but we also know that a net-zero world cannot be built without it.





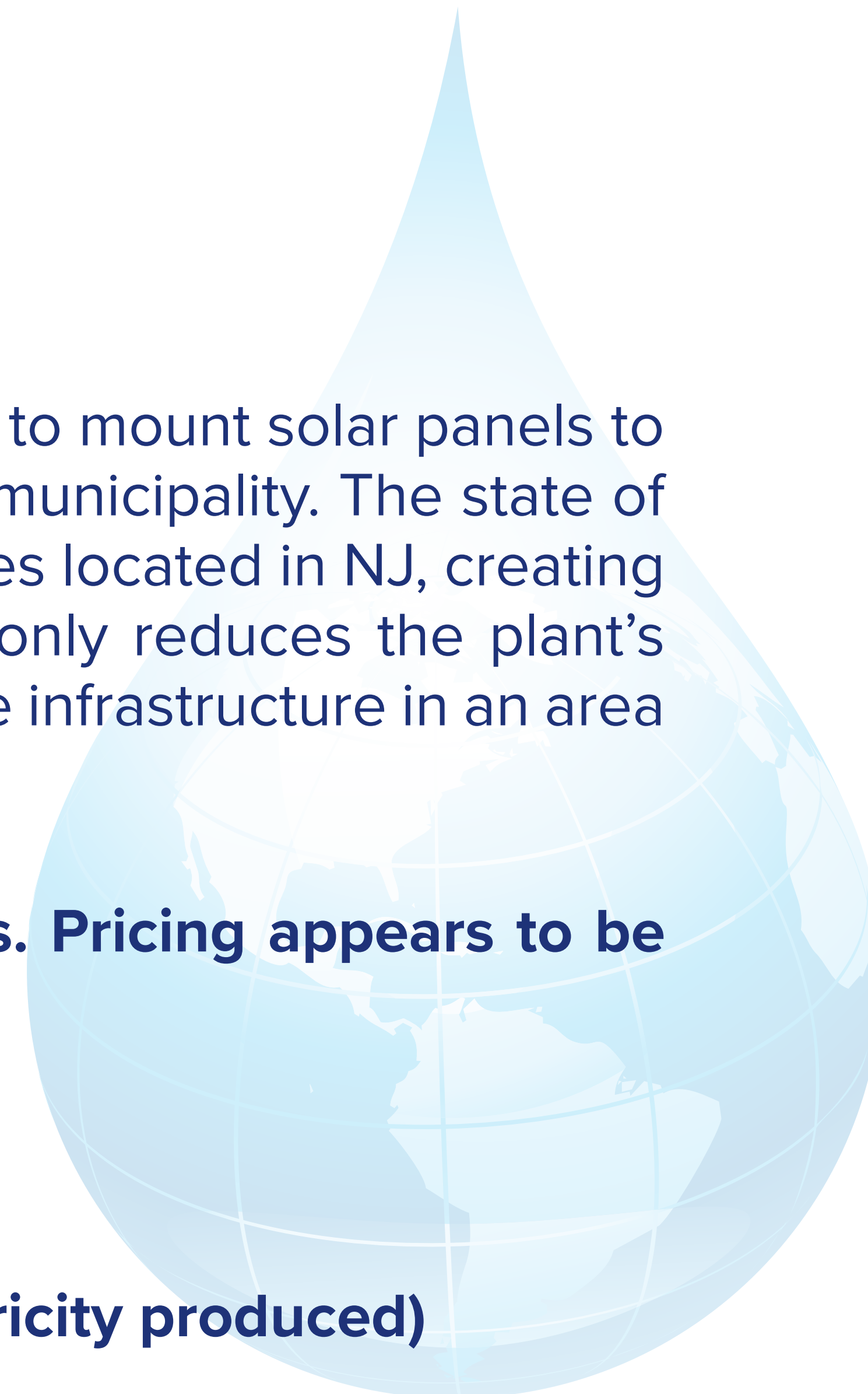


# WASTE WATER | MT. HOLLY, NEW JERSEY

A **New Jersey-based Wastewater Treatment Facility (WWTF)** where funds were partially used to mount solar panels to increase energy efficiency of the plant, lower costs over time, and provide energy to the local municipality. The state of New Jersey requires electricity suppliers to secure a portion of their electricity from solar facilities located in NJ, creating a natural market for Solar Renewable Energy Credit (SREC) trading credits. The project not only reduces the plant's energy consumption but also improves its overall efficiency. It also helped in 2010 to improve the infrastructure in an area that was hard hit during the financial crises.

The site continues to operate and provide energy with the usual stronger summer months. Pricing appears to be stable.

- Monitor PPA component
- Monitor SREC eligibility and prices on the market (1 SREC for every 1000kW-hours of electricity produced)
- Monitor regulatory shifts in clean energy incentive programs (RPS) and timelines
- Document any changes to the investment expectations
- Online monitoring of the solar power as well



- ✓ Accounts in balance
- ✓ SREC prices stable
- ✓ Incoming receivables within range of model
- ✓ Costs within range of model
- ✓ Meets target return of 7-9%

UN SDG	ICMA CRITERIA	ESG POLICY SOLUTION
<p>6 CLEAN WATER AND SANITATION</p>	<p><b>Renewable energy</b></p> <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Natural resource conservation</li> <li>• Pollution prevention and control</li> </ul>	<p><b>Clean energy creation</b> – solar panels provide clean renewable energy</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p><b>Climate change adaptation</b></p>	<p><b>Pollution reduction</b> – the Waste Water Treatment Facility (WWTF) utilizes the solar panels energy via a power purchase agreement. This reduces the heavy amount of energy required by the WWTF which would otherwise be coming from non-renewable sources of energy</p>
		<p><b>Energy efficiency</b> – the proximity of the site to the waste water facility offers a high energy efficiency</p>
<p><b>ESG RISK MITIGATION</b></p>		<p>• Renewable Energy consumption • Water Consumption</p>





- ✓ Accounts in balance
- ✓ Project updates
- ✓ Incoming receivables within range of model
- ✓ Meets target return of 7-9%
- ✓ Interest payments made on time

## SUSTAINABLE SEWERAGE | ONTARIO

The Canadian wastewater market is highly fragmented. The market requires small impact installations, rather than traditional centralised large waste water treatment plants. Our existing 200 projects are government linked and only fully licensed projects with no planning risks are being considered. Signina focuses on business consolidation of mid-sized businesses, operating in project sizes of \$5-50m. The small to mid-range business growth is supported by shifting demographic developments into smaller, satellite communities, as well as a stable favourable regulatory environment.

With wastewater rates rising steadily, the risk-reward associated with Signina's consolidation strategy is readily apparent and has picked up pace since its start in 2008. With larger institutional mandates we have triggered more deals diversifying from the existing projects. The investment model has not changed, but the reach within Ontario has become broader. Sustainable sewerage has become a major concern over the past couple of decades. The Safe Drinking Water Act 2002 (regulates the operation of potable water treatment plants and the pipe network) and the Ontario Clean Water Act 2006 (regulates actions required to protect source water from contamination, through assessment and implementation of measures to protect the water sources). The majority of the contracts are in municipalities that are rated A or higher by rating agencies. In addition there are various municipalities that do not carry any debt.

The operations picked up in Spring and summer. Renewals and negotiations have remained dynamic with the current uncertainty with many of the Covid delayed sites likely to go back online this year. Some of the new potential contracts have come to fruition in the past couple of months. There also remains a pipeline of new business and contracts which are being assessed.

UN SDG	ICMA CRITERIA	ESG POLICY SOLUTION
<p>6 CLEAN WATER AND SANITATION</p>	<p><b>Sustainable water and wastewater management:</b></p> <ul style="list-style-type: none"> <li>• Pollution prevention and control</li> <li>• Natural resource conservation</li> <li>• Climate change adaption</li> </ul>	<p><b>Sustainability</b> - providing finance and assistance in creating and maintaining infrastructure for wastewater treatment and clean water</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>Eco-efficient and/or circular economy adapted products, production technologies and processes</b></p> <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Natural resource conservation</li> </ul>	<p><b>Pollution prevention</b> - by creating sustainable sewerage infrastructure the need for septic tanks and landfill sites are heavily reduced. The waste water treatment assists an ongoing global problem with handling waste and impurities</p>
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>		
<p><b>ESG RISK MITIGATION</b></p>		<p>• Water Re-use • Water Pollution</p>





# INDUSTRIAL RE-USE | BLUE PLANET, CALIFORNIA

The project is a **carbon capture and mineralization project based in Pittsburg, CA**. It captures both wastewater and CO<sub>2</sub> emitted from a gas-fired power plant and combine these with locally sourced demolished/returned concrete as a process input material to produce several different “CO<sub>2</sub> sequestered” and “up-cycled” aggregate products for use by Bay Area businesses, governments and consumers in a wide range of low-carbon, high-value concrete mix designs.

The wastewater and steam will be obtained from either the local power plant or from the sanitation district that can provide wastewater and the ammonia needed from their treatment plant which is located adjacent to the plant. As a result either method will use recycled water, which is legislatively supported in California. The whole process revolves around reusable and recyclable products. The carbon dioxide mitigation, waste water usage and demolished concrete process input provide a process producing recycled aggregates while reducing carbon dioxide.

The project and technology company continues operate as expected and gain momentum.

- Maintain monthly communication with project team
- Document changes and delays to the permitting process



UN SDG	ICMA CRITERIA	ESG POLICY SOLUTION
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>Climate change adaptation</b> <b>Green Buildings</b></p> <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Natural resource conservation</li> <li>• Pollution prevention and control</li> </ul>	<p><b>Reuse of wastewater</b> – the water will be obtained from either the local power plant or from the sanitation district. This results in recycling the wastewater</p>
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p><b>Eco-efficient and/or circular economy adapted products, production technologies and processes</b></p> <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Natural resource conservation</li> </ul>	<p><b>Recycling products</b> – the process also uses locally sourced demolished concrete as a process input to create aggregate products for use in the Bay Area</p>
<p>13 CLIMATE ACTION</p>		<p><b>Sustainable buildings</b> – the aggregates created in the process are from renewable and green sources. This in turn does not impact the environment negatively and meets the goal of sustainable cities and communities</p>
<p><b>ESG RISK MITIGATION</b>   • Water Re-use • CO<sub>2</sub> Emissions Neutrality • Pollution</p>		

- ✓ Accounts in balance
- ✓ Permitting process on schedule
- ✓ Timeline on Track
- ✓ In line to meet target return of 7-9%





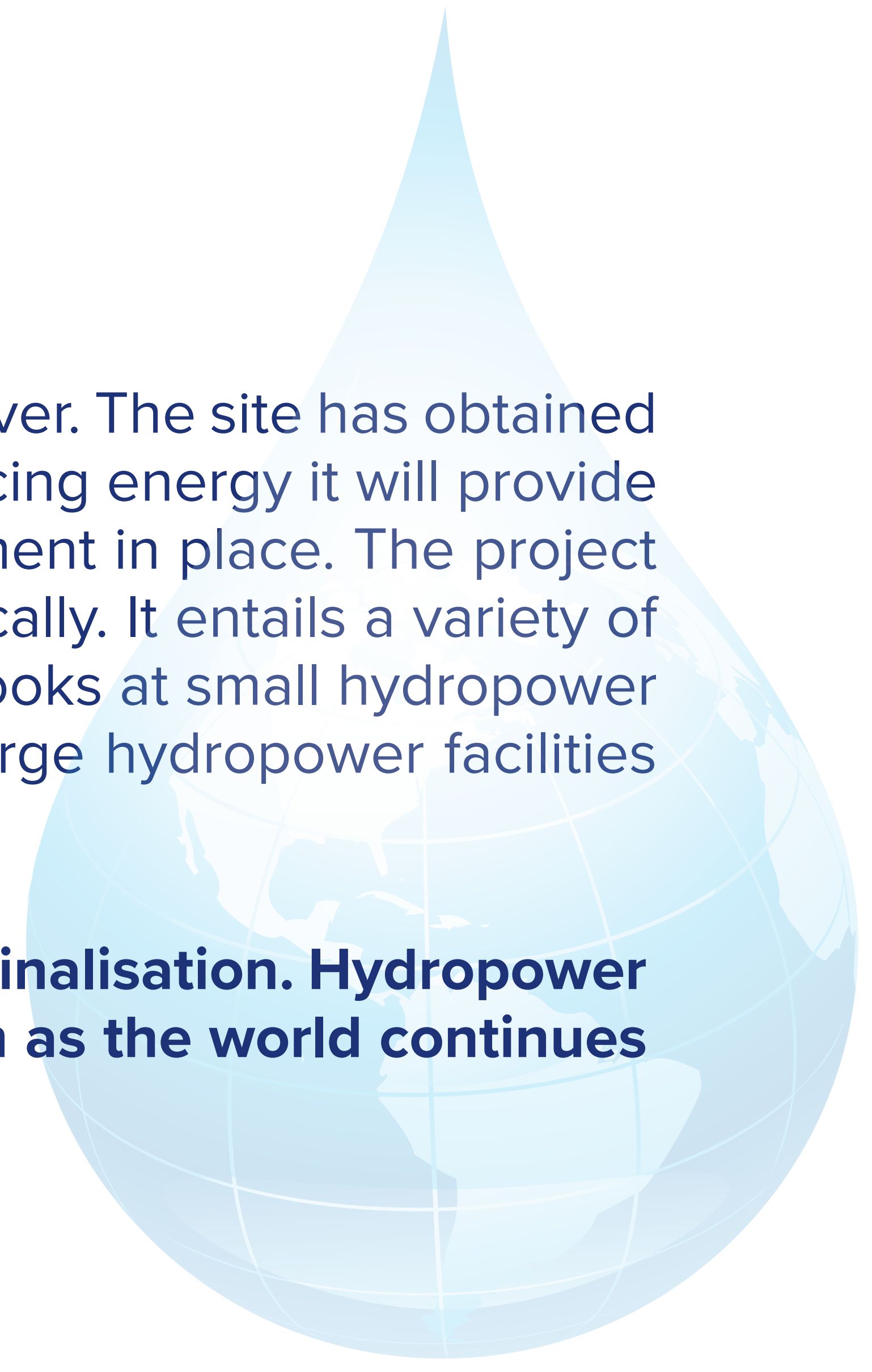
- ✓ Accounts in balance
- ✓ Regulatory requirements kept to date
- ✓ Costs within range of model
- ✓ Timeline on Track



# HYDROPOWER | MARSEILLES, ILLINOIS

**Hydropower, Illinois:** A lock and dam hydroelectric water power project located on the Illinois River. The site has obtained a FERC License (expires 2061) with a 10.26MW capacity. Once the site is connected and producing energy it will provide power to the local municipalities and income will be generated by the power purchase agreement in place. The project is considered a small- or mid-sized project and has reduced the environmental impact dramatically. It entails a variety of environmental rules from the EPA that have been fulfilled with the FERC licence. The mandate looks at small hydropower facilities (below 25 MW) as such sites have minimal impacts on the surrounding area unlike large hydropower facilities which often have negative impacts on the surrounding environment.

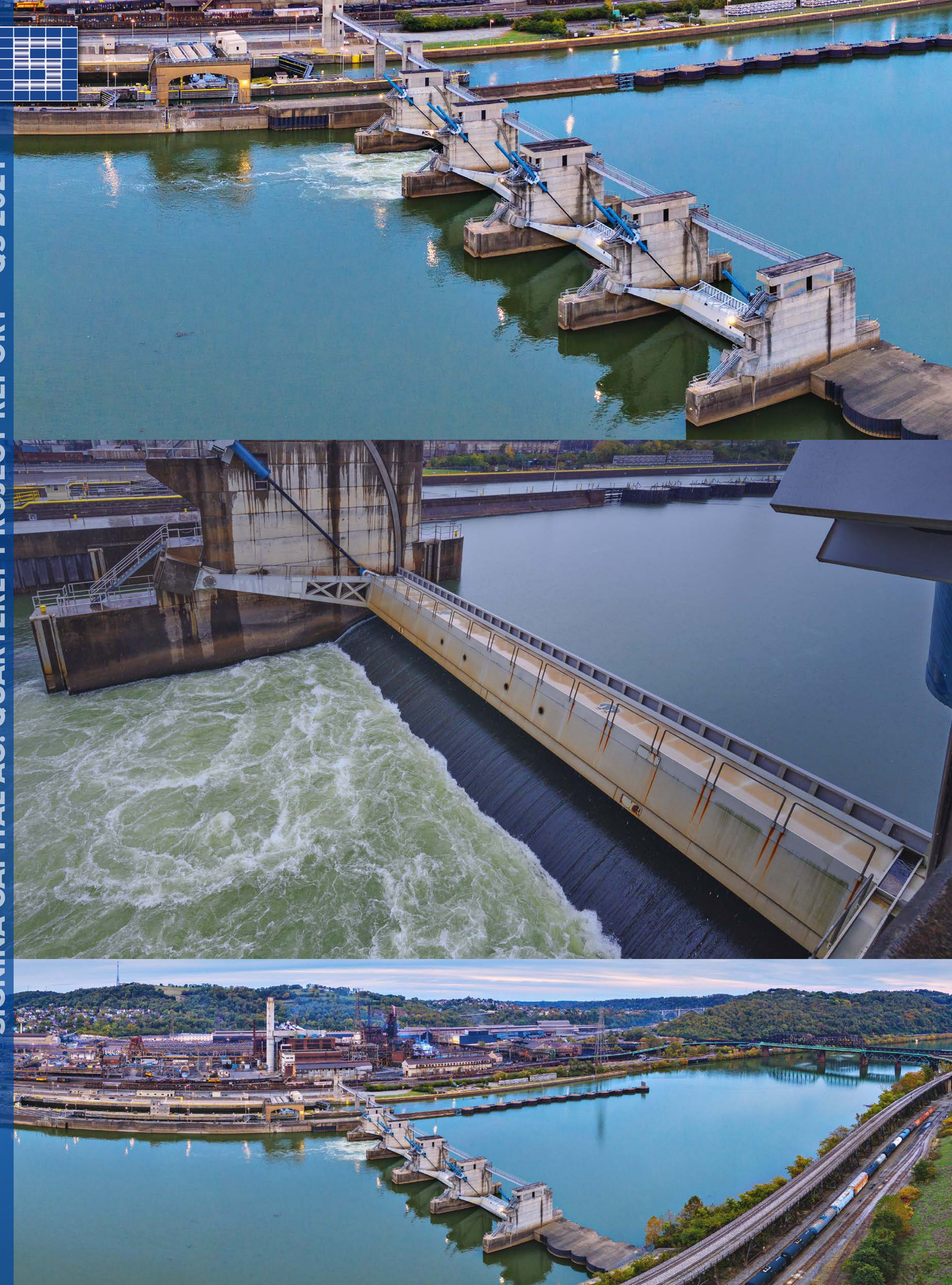
The project continues to move slowly both on from a construction aspect as well as any PPA finalisation. Hydropower continues to be a hot topic in the clean energy movement and will likely pick up momentum as the world continues to reopen. There is now some uptick in the pricing too which is being monitored closely.

- Maintain monthly communication with onsite project manager
- Document any changes to the investment expectations
- Monitor the financial reporting, cash flows and accounts



UN SDG	ICMA CRITERIA	ESG POLICY SOLUTION
 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<p><b>Renewable energy</b></p> <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Natural resource conservation</li> <li>• Pollution prevention and control</li> </ul>	<p><b>Renewable energy creation</b> - hydropower is a clean renewable source of energy which can be sold via a PPA agreement or via merchant wholesale pricing on hydropower exchanges</p>
 <p><b>14 LIFE BELOW WATER</b></p>	<p><b>Energy efficiency</b></p> <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Pollution prevention and control</li> </ul> <p><b>Environmentally sustainable management of living natural resources and land use</b></p> <ul style="list-style-type: none"> <li>• Natural resource conservation</li> <li>• Biodiversity</li> <li>• Climate change adaptation</li> </ul>	<p><b>Environmental management</b> – the small hydropower market goes through a rigorous environmental approval process to make sure there is minimal impact to the surrounding region</p> <p><b>Biodiversity conservation</b> – the environmental approvals for such projects include aquatic preservation to ensure the natural environment is not negatively impacted</p>
<p><b>ESG RISK MITIGATION</b>   • Project Size under 25mw • Renewable Energy Production</p>		



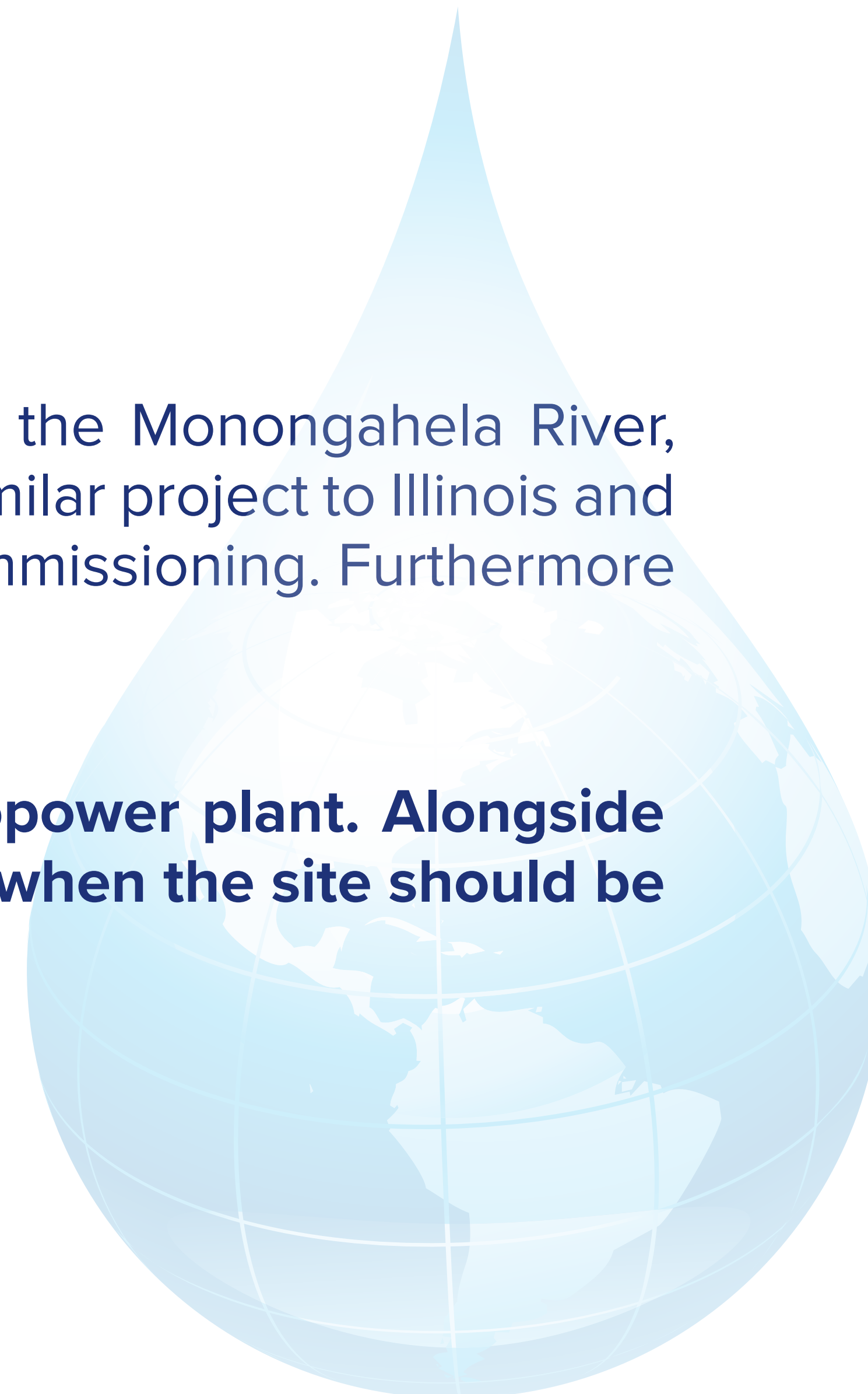


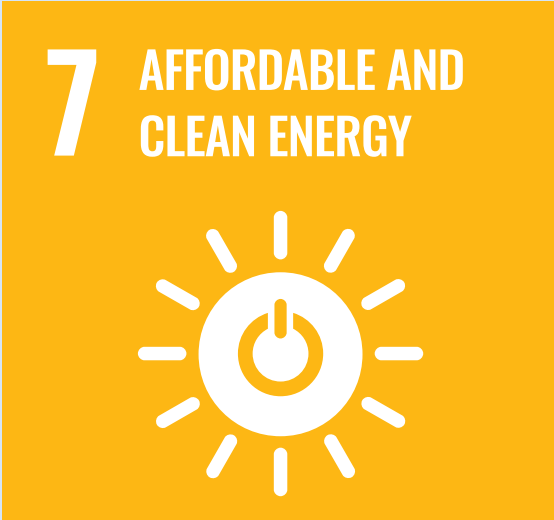

# HYDROPOWER | BRADDOCK, PENNSYLVANIA

**Hydropower, Pennsylvania:** A Lock and Dam Hydroelectric Water Power Project located on the Monongahela River, Pittsburgh. The site has obtained a FERC license (expires 1965) with a 5.25MW capacity. It is a similar project to Illinois and is in an advanced stage in the PPA negotiations to lock in a price for the first few years post commissioning. Furthermore the project has received state grants.

The project is going through remains in its final approvals in order to construct the Hydropower plant. Alongside this step there have been discussions with some local groups to regarding PPA offtakes for when the site should be operational.

- Maintain monthly communication with onsite project manager
- Document any changes to the investment expectations
- Monitor the financial reporting, cash flows and accounts



UN SDG	ICMA CRITERIA	ESG POLICY SOLUTION
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p><b>Renewable energy</b></p> <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Natural resource conservation</li> <li>• Pollution prevention and control</li> </ul>	<p><b>Renewable energy creation</b> - hydropower is a clean renewable source of energy which can be sold via a PPA agreement or via merchant wholesale pricing on hydropower exchanges</p>
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<p><b>ESG RISK MITIGATION</b>   • Project Size under 25mw • Renewable Energy Production</p>		

- ✓ Accounts in balance
- ✓ Regulatory requirements kept to date
- ✓ Costs within range of model
- ✓ Timeline on Track



## LATEST DEVELOPMENTS

The main areas from last quarter remain at various stages of progress. To elaborate on the current pipeline:

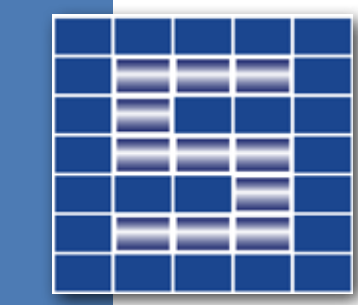
**1** The Hydropower opportunity remains. The timeline remains unclear but has strong demand as the clean tech movement continues to crystallise. We see an increase of demand for REPAs (Renewable Energy Purchase contracts) that are quickly representing a good alternative to normal PPAs. Nevertheless pricing has changed significantly and we have active demand to strike off-take agreements from a variety of counterparties. The Biden infrastructure bill is being followed closely to see how it would impact the industry.

**2** We will be in Canada before winter and will close on several transactions that are linked to our M&A activity reports.

**3** Waste water and sewerage for other industries. Water treatment is becoming an issue as discussed throughout the last year in many industries: mining, oil, aquaculture and other water intensive sectors. This will continue to be an area of interest especially when the technology for such sectors become established.

**4** Carbon linked projects – while we are not looking for direct carbon offset projects, the market is becoming much stronger to the point where we look for carbon linked projects, or even see the potential advantage for our current projects (for example Blue Planet and its link to the concrete market).





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<https://missionpossiblepartnership.org/action-sectors/concrete-cement/>
4. **Cement Producers Are Developing a Plan to Reduce CO2 Emissions**  
<https://www.scientificamerican.com/article/cement-producers-are-developing-a-plan-to-reduce-co2-emissions/>

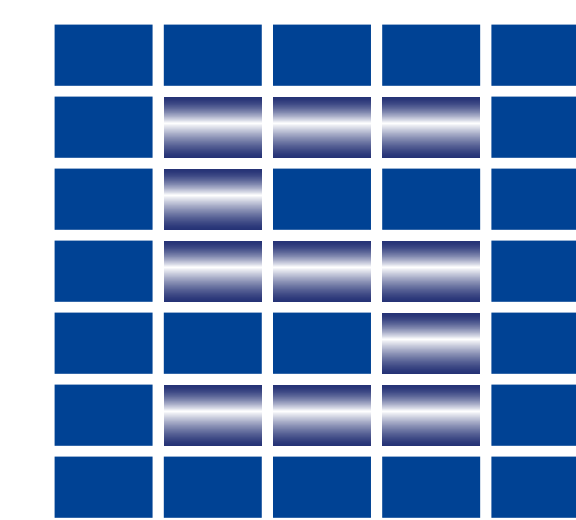
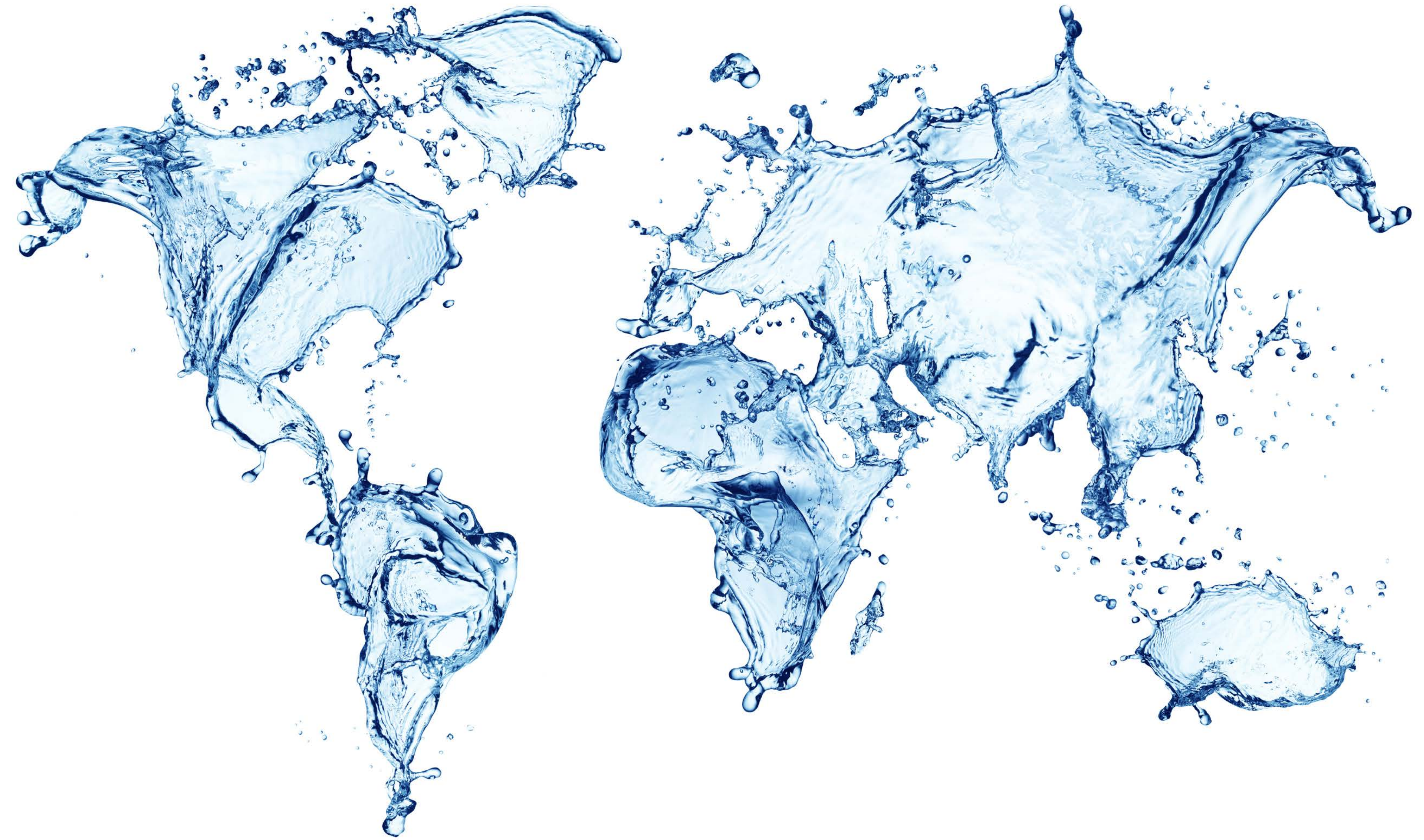




# SIGNINA CAPITAL AG

Zurich-based Signina Capital AG was established in 2006. Signina is a full spectrum advisory firm in the water infrastructure sector. The team has more than 100 years of combined industry experience. They have placed in excess of USD 1 billion of capital with the private and public sector into environmentally and commercially strategic water infrastructure assets. It is currently overseeing more than USD 500 million of active water infrastructure assets.

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