



Case Study | Acquisition of Medical Area Total Energy Plant

ENGIE North America Inc. and Axiom Infrastructure, jointly the ("Consortium"), acquired Medical Area Total Energy Plant ("MATEP"); this is the Consortium's 2nd district energy transaction since July 2017 following their partnership on the long-term lease and concession agreement for The Ohio State University's utility system






Acquisition of MATEP

Undisclosed

 Exclusive Financial Advisor to
ENGIE and Axiom

March 2018

 RBC Capital Markets

Transaction Highlights

- On March 30th 2018, the Consortium closed on the acquisition of Medical Area Total Energy Plant
 - MATEP is a microgrid and district energy system providing steam, chilled water and electricity under long-term utility contracts through 2051 to six Harvard-affiliated medical institutions in the Longwood Medical Area in Boston
 - Terms of the transaction were not disclosed
 - The acquisition received all customary governmental approvals prior to transaction close
- RBC acted as Exclusive Financial Advisor to the Consortium
- RBC also acted as Joint Placement Agent for a senior secured private placement notes offering to support the acquisition as well as Joint Lead Arranger on a revolving credit facility to support working capital needs

Consortium Overview

ENGIE

- Global energy company (formerly known as GDF Suez) engaged in power, natural gas and energy services
- ENGIE is the largest independent power producer and energy efficiency services provider in the world, with operations in 70 countries employing 150,000 people, including 1,000 researchers in 11 R&D centers
- Publicly traded (EPA: ENGI) with a market capitalization of approximately \$41 billion and strong credit rating (A2 / A-) ⁽¹⁾
- Manages 250 district heating and cooling energy systems worldwide and provides energy procurement, utility and operations and maintenance services to approximately 150 higher education and healthcare facilities

Axiom

- Independent North American infrastructure investment firm targeting long-term returns via buy-and-hold investments in sustainable core infrastructure assets
- Manages dedicated infrastructure funds totaling over \$2 billion in assets, as well as approximately \$1 billion in co-investments
- Owns interests in over 2.5 GW of wind, solar, and hydroelectric power generation across North America



**Senior Secured Private
Placement Notes**

Undisclosed

 Joint Placement Agent

Revolving Credit Facility

Undisclosed


 Joint Lead Arranger

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(1) Senior unsecured ratings by Moody's / S&P as of March 2018.



Case Study | The Ohio State University Utility System Privatization

Innovative public-private partnership positions The Ohio State University to become an international leader in sustainability and provides the largest single investment in The Ohio State University's academic mission



OHIO STATE ENERGY PARTNERS


Comprised of




Entered into a 50-year Concession Agreement with The Ohio State University to Manage and Operate the University's Utility System

\$1.165 Billion

Sole Financial Advisor to
ENGIE and Axiom
July 2017



RBC Capital Markets



OHIO STATE ENERGY PARTNERS

Senior Secured Private Placement Notes


Undisclosed

Lead Placement Agent and
Ratings Advisor

Revolving Credit Facility

Undisclosed

Joint lead Arranger



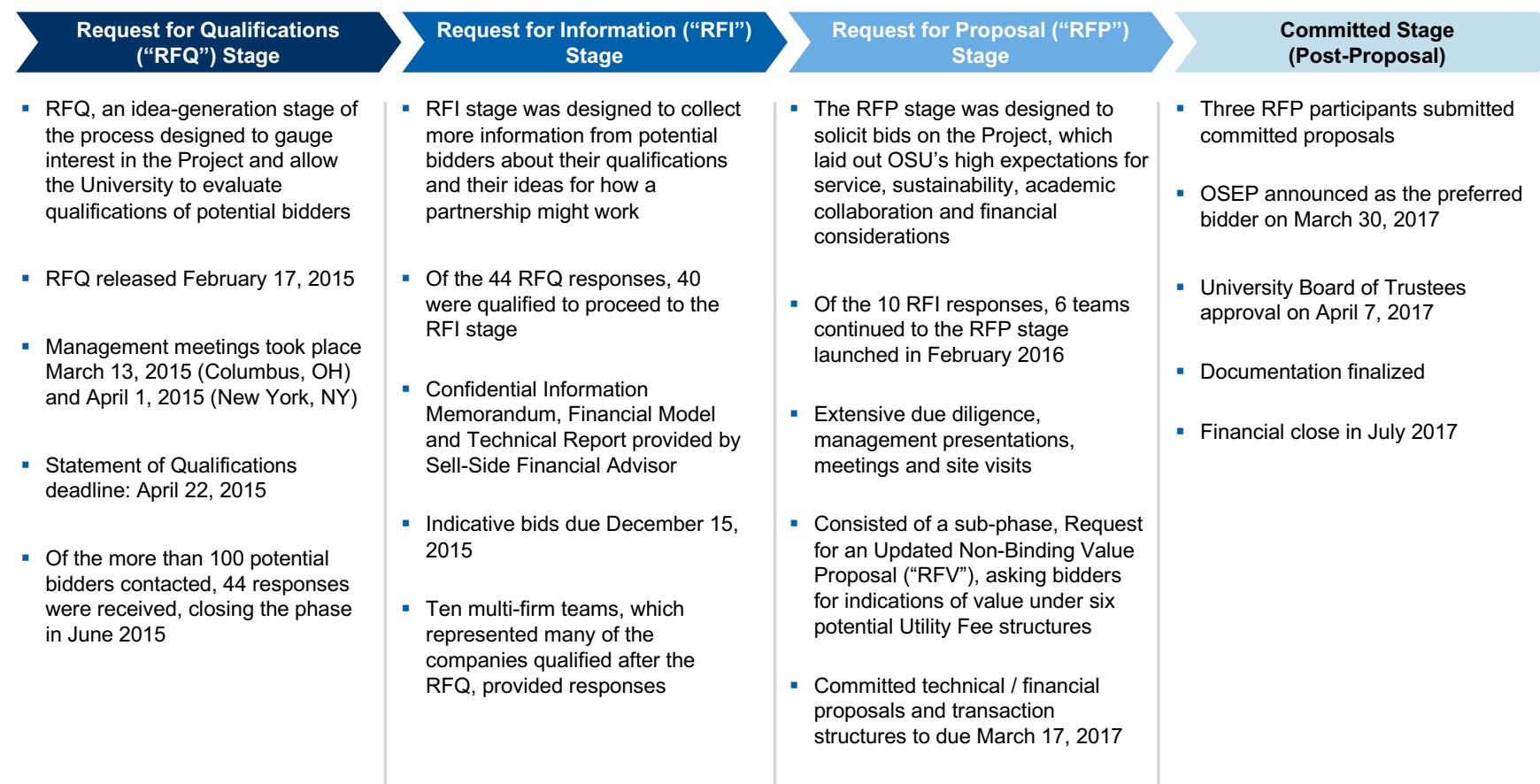
RBC Capital Markets

Transaction Highlights

- On April 10th, 2017, Ohio State Energy Partners ("OSEP," "Concessionaire," or "Consortium"), comprised of ENGIE North America ("ENGIE") and Axiom Infrastructure ("Axiom"), entered into a 50-year public-private partnership ("Concession Agreement" or "CA") with The Ohio State University ("OSU," "Ohio State" or the "University") to operate and manage OSU's Columbus campus utility system comprised of electric, steam, heating, natural gas and chilled water facilities ("Utility System")
- Total value of \$1.165 billion includes a \$1.015 billion upfront payment to the University and a \$150 million commitment to support academics in specific areas requested by students, faculty and staff, including a \$50 million Energy Advancement and Innovation Center for energy research and technology commercialization
- The proceeds of the upfront payment will be invested into OSU's endowment, dedicated to priorities being finalized in the University's strategic plan. Areas of investment include:
 - (i) student financial aid to support access, affordability and excellence
 - (ii) compensation enhancements for faculty and staff to support competitiveness with academic peers
 - (iii) classrooms, research labs and performance and arts spaces across disciplines and
 - (iv) a fund to enhance sustainability efforts, among other strategic initiatives
- RBC acted as Sole Financial Advisor to the Consortium
- RBC also acted as Lead Placement Agent and Ratings Advisor for a senior secured private placement notes offering ("Notes") to support the acquisition as well as Joint Lead Arranger on revolving credit facilities to support ongoing capital expenditures

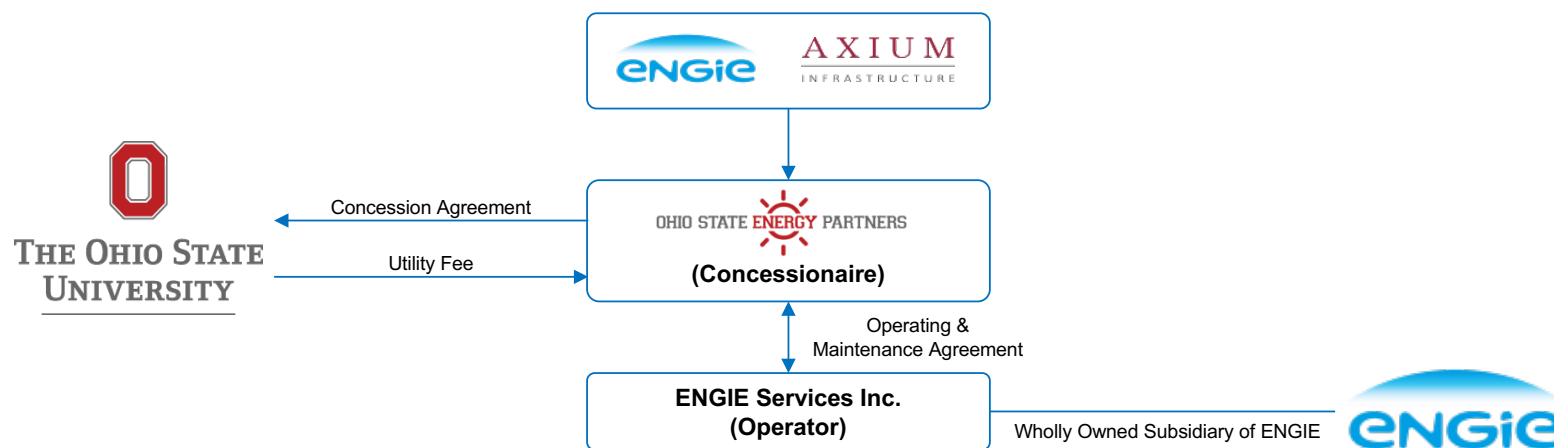
Transaction Timeline

Transaction Timeline



Summary Transaction Structure

Summary Organizational Structure



Overview of ENGIE and Axiom

ENGIE

- Global energy company (formerly known as GDF Suez) engaged in power, natural gas and energy services
- Publicly traded (EPA: ENGI) with scale (\$85 billion in revenue and 150,000 employees) and strong credit rating (A2 / A-) ⁽¹⁾
- Manages 250 district heating and cooling energy systems globally and provides energy procurement, utility and operations and maintenance services to approximately 150 higher education and healthcare facilities including the University of Maryland's College Park campus

Axiom

- Independent North American infrastructure investment firm founded in 2009 targeting long-term returns through buy-and-hold investments in core infrastructure assets
- Manages two infrastructure funds totaling over \$1.5 billion in assets, as well as \$1 billion in managed co-investments
- Owns interests in over 2.5 GW of wind, solar, and hydroelectric power generation across North America

⁽¹⁾ Senior unsecured ratings by Moody's / S&P as of June 2017.

Campus Engagement and Advisory Groups

Ohio State actively engaged with the campus community through public forums, campus wide emails, updates in campus publications, and the University website

Overview of Campus Engagement

- Introduced Utility System privatization to faculty, staff and students through the University governance process, meeting with various groups from October - December 2014:
 - Senate Fiscal Committee, Senate Steering Committee, Faculty Council, University Staff Advisory Committee, Senior Management Council, the Council of Deans and student government leaders and representatives
- Met with 30+ campus organizations
- Held 2 public forums
- Prior to approval of the Consortium's proposal, shared presentation to University Senate on April 4, 2017
 - Approved a resolution supporting the Utility System privatization
- Updates on the project were shared with the full University community throughout the evaluation process through campus-wide email updates and university news channels including onCampus Today, onCampus Weekly and onCampus
 - Sent 9 campus-wide updates
 - Project website updated as new information became available
- The project team responded to questions and comments received via a designated email address

Overview of Advisory Groups

Faculty Advisory Group (includes experts from related fields)

- Focused on technical review in all areas
- Helped shape the Request for Proposals

Council on the Physical Environment ("COPE")

- Created as direct result of feedback from faculty
- Reviewed human resource elements

President and Provost's Council on Sustainability ("PPCS")

- Developed university's sustainability goals (energy and other issues)
- Recommended elements of academic collaboration proposal

Broad Investor Interest in Ohio State Utility Privatization

Ohio State received 44 RFQ responses and qualified 40 companies to proceed to the RFI stage

Power & Utility Companies	Infrastructure/Pension Funds	Energy Service Companies
       	        	                 