

Antoine Grosjean & Marco Fässler join AIL Structured Finance

We are very pleased that Mr. Antoine Grosjean and Mr. Marco Fässler have recently joined the team of AIL. Both will mainly be active in the fields of project structuring, the arrangement of equity & debt capital and financial modelling.

[Antoine Grosjean](#) (Msc in Management) made his studies at the EMLYON Business School in Lyon.

[Marco Fässler](#) (MLAW) made his studies at the jurisprudential faculty of the University of Zurich in connection with a double degree from King's College London.

India - Closing of the AXIS transaction

AILSF was approached by Axis Simulation Switzerland GmbH ("AXIS") for the financing of an ATR 72 (a twin-engine turboprop airliner) Full Flight Simulator manufactured by Axis Flight Trainings Systems based in Austria. The system is owned, commercialised and maintained by AXIS and leased on a long term base to an operator in India (the "Lessee"). ATR is the world leader of regional aircrafts, representing 75% market share on the turboprops, with an average of 80 aircraft deliveries per year.

The Lessee focuses on the short haul regional traffic market operated by not smaller than 70-seaters aircrafts. It already offers pilot trainings for 2 different aircraft types and wants to position itself within the growing market of passenger turboprop.

The world market for flight simulators is dominated by the Canadian company CAE with a market share of approx. 40%. AXIS is a comparably new player in the market and designs and builds world-class FAA or EASA CS - FSTD (A) level D simulators. Its employment of recent technologies significantly reduces complexity and maintenance requirements as well as superior functionality.



Based on the support of the Swiss Export Risk Insurance (SERV) a structure to refinance the lease contract was arranged by AILSF. The financing was split in various tranches, including a commercial tranche, an equity tranche and a 10 years SERV covered tranche. The SERV cover was made possible thanks to a cooperation with ÖKB, the Austrian export credit agency. Financial closing was reached end 2016 and disbursement effected in January by a non-European

bank. AIL Structured Finance is pleased to support the AXIS group in its expansion plans on the world market of flight training devices.

Dubai - THE RECYCLING HUB - Notice to proceed

AIL Structured Finance was mandated by Enviroserve Services LLC ("Enviroserve") to structure a project finance scheme for an e-waste recycling plant with a yearly capacity of 39'000 tons to be built and operated in Dubai. Enviroserve is a small company based in Dubai and is active in recycling of electrical and electronic equipment, other type of waste as well as waste management services. Enviroserve positioned itself as pioneer in e-waste management in the whole UAE and by today is the only e-waste collection licence holder in Abu Dhabi.

The term of e-waste covers all types of electrical and electronic equipment such as TVs, computers, mobile phones, white goods (e.g. fridges, washing machines, dryers etc), home entertainment and stereo systems, toys, toasters, kettles - almost any household or business item with circuitry or electrical components with power or battery supply. Around 42 million tons of e-waste were generated in 2014 worldwide. The UNEP estimates that 80% is still going in to landfills and incinerators. In addition to various hazardous materials, e-waste also contains different metals including base metals (copper, tin) special metals (cobalt, indium, antimony) and precious metals (silver, gold, palladium). Such metals give an economical sense to recycling. However, because of this complex composition of valuable and hazardous substances, specialized, often "high-tech" methods are required to process e-waste in ways that maximize resource recovery and minimize potential harm to humans or the environment.

Last year Enviroserve signed commercial contracts with a Swiss company which developed a technical solution in the field of separation technology performing beyond some of the requirements of the EU Directive on Waste Electrical and Electronic Equipment and offers a way to reuse valuable resources. The technical solution includes a comprehensive line of machines covering each steps of the process including related equipment, know-how transfer, training and professional maintenance support.

To perform the plant at its maximum capacity, the operator must secure a minimum stock of e-waste, make sure that the quality of e-waste is in line with the requirements for the sale of the end-product and have the necessary collection capacity. Enviroserve is experienced in waste collection and signed agreements with international feedstock providers for a volume superior to the annual capacity of the plant. More than 90% of the input (e-waste) injected into the plant will come out as sellable product. Commissioning of the plant is

scheduled for 2018 from when 39'000 tons of e-waste will leave the landfill for Enviroserve's RECYCLING HUB every year.

The project has been financed with a SERV covered tranche and an equity injection. Financing documents were signed early 2017 and the final permit has been obtained in summer 2017, making the SERV facility available for utilisation. AILSF worked on the harmonization of the contractual structure to optimize the eligible financeable amount under the OECD guidelines. AILSF co-operated closely with Credit Suisse to monitor the permitting, environmental report, plausibility check of the business model including an assessment of potential market prices for the end-product as well as the application for the respective SERV cover.

Carnot Capital Ltd: Energy Efficiency in China

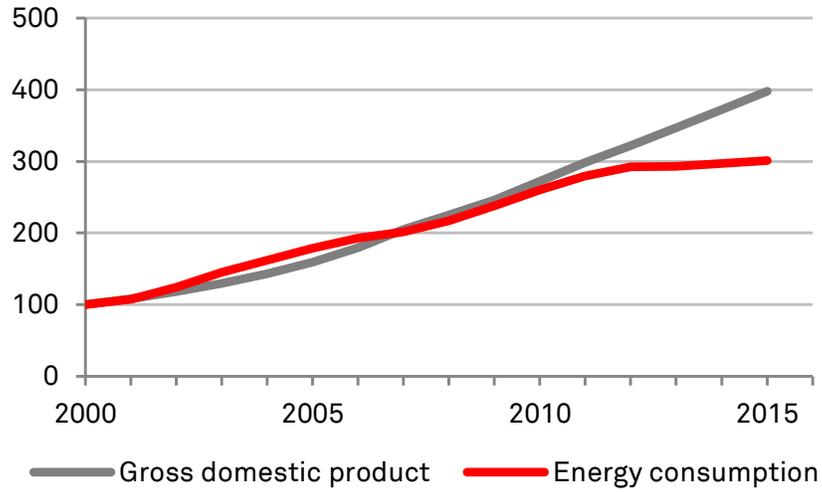
Fund in Resource Efficiency

Carnot Capital Ltd is an asset management company, established in July 2007, which manages equity investment funds. The funds pursue a value approach and invest in listed companies that enable a more efficient use of natural resources. Carnot Capital Ltd is an associated company of AIL Structured Finance Ltd. For further information: <http://www.carnotcapital.com>

China suddenly leading in climate policy? China is the world's biggest emitter of greenhouse gases, as is widely known. The country is lagging other economies in terms of energy efficiency by far. But things are progressing rapidly and China's government boldly claims to play a leading role in climate policy. While the economy grows at a rate of some 7% p.a. energy consumption increases barely more than 1%. In fact, coal consumption has been decreasing since 2013 already. Hence, China's energy intensity improves by more than 5% annually while the EU and the US achieve improvements of around 2.5% only. However, despite decreasing energy intensity China is not a role model yet. Most of the country's energy need is still covered by coal. The country's leadership has recognized that a steady wealth increase is not enough to stay in power and that a lot more needs to be done for clean air and clean water.

Massive investments in energy efficiency: A core pillar of China's environmental policy is the improvement of energy efficiency. The dedicated support of electric mobility is well known. In this area, China has even the chance to bring itself in a global leadership position. Energy standards for buildings are tightened and industrial production plants are modernized continuously. Still, the situation is unsatisfactory as the smog pictures illustrate. For this reason China will remain a huge and attractive market for a lot of companies in the Carnot portfolio.

China's decreasing energy intensity
GDP vs. energy consumption, indexed



Source: IEA, IWF