

28/05/2013 Vedogreen enters capital raise talks with investors, 33% stake offered - CEO

Vedogreen, a private Italian consultancy firm specialising in renewable energy, is in preliminary talks to take investors onboard via a capital increase, CEO Anna Lambiase said. The company has drawn interest from an industry player in France and a family office in Italy, whose approaches are currently being reviewed, she added.

Management aims to offload a 33% stake. This would pave the way to an additional shares dilution in around three years. The business as a whole is valued at EUR 3m, the CEO said. Hogan Lovells is the legal adviser for the upcoming stake sale.

Approaches from interested parties will still be considered, she said, adding that negotiations will heat up in 2H with an estimated closing at year end.

Vedogreen is controlled by **IR Top**, a Milan-based consultancy firm which was established by Lambiase in 2001. She directly holds 10% of Vedogreen's shares while IR Top has a majority interest of 85%. **TerniEnergia** CEO Stefano Neri holds the remaining 5%. All of the existing shareholders will be proportionally diluted once the stake sale completes, Lambiase said. She described Vedogreen as a green energy consultancy provider acting in a niche market where there is little competition from domestic firms.

The company has been primarily circled by family offices from Italy and abroad. But it could easily adapt to investment funds focused on the green energy space or addressing small and mid-cap providers of energy-saving products or renewable solutions, the CEO said.

Depending on the execution of the ongoing fundraising, a Series B round would follow to drive Vedogreen's international rollout. Lambiase estimated that Vedogreen would double its sales year-on-year. "There will be scope to engage more investors, but a decision will mainly hinge on the upcoming round," the CEO said, noting that management could tap the advisory community to carry out additional funding rounds.

Fresh funds will support R&D operations, portfolio diversification, and headcount expansion, Lambiase said. Vedogreen holds a 40% market penetration among listed renewable energy firms in Italy, Lambiase said. This is expected to double to 80% by 2017 while simultaneously securing around 3% of the private renewable sector. Headcount will increase year-on-year to 20 employees overall by 2017, with a second office to be launched in London or another Western EU capital, she said.

In an effort to promote Italy's green energy champions on a global scale, management could opt for a combination of small-cap buys and partnership deals to increase its exposure within key international markets. In the UK, Vedogreen already partners with **UK Trade & Investment** (UKTI), a trade organisation which supports international companies looking to establish a presence in the country.

China, Russia, and the UAE rank high on the company's priority list, Lambiase said, noting that management is studying ways to develop local footprints in these regions. She pointed to partnership deals as a near-term option, although M&A initiatives could follow down the line.

As part of its roadmap, Vedogreen is looking to grow its corporate finance arm and provide strategic advice to firms wanting to IPO as well as guidance to small-cap clients coming to grips with their funding needs. The CEO expects corporate finance activities to generate the bulk of its revenues over the next three years.

Vedogreen's consultancy services will also include debt funding as market demand rises for access to credit lines, she said. Additionally, its corporate database is being marketed as a business tool for sector operators and will be instrumental in driving revenue growth, with an estimated 3,000 renewable energy players to be filed and monitored on a regular basis, she said.

Vedogreen recently teamed with France-based financial analyst association **Société Française des Analystes Financiers** (SFAF) to organise a Green Tech Investor Day in Paris, an industry event addressing local banking institutions as well as analysts and family offices. In Italy, it partners with consultancy specialist **DINTEC** and **Gruppo Terniresearch**, part of **TerniEnergia** while a third partnership agreement is currently under discussion with Milan's Politecnico university, the CEO said.

The company could later include banking competencies in an effort to tap into equity capital markets and provide compelling IPO and private banking services. "It is still very early-stage and we're far from delivering banking services, but it could be a possible route in the long run," Lambiase said.

At this stage, management is primarily focused on the rollout of Vedogreen's database which is marketed as a business tool for sector

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operators providing revenue and shareholders' information as well as management details and contacts, she said.

Vedogreen currently serves 16 listed green energy players in Italy, including the likes of TerniEnergia [TER:IM], **Falck Renewables** [FKR:IM], and **Kinexia** [KNX:IM]. According to Lambiase, the company has identified 11 subsectors where it is active with ad-hoc initiatives and where it sees no direct competition from industry rivals.

The company was established in 2011, with headquarters in Milan.