Executive Overview

As-a-Service Model



Overview

Johnson Controls' As-a-Service solution, agnostic to asset ownership, enables your organization to transfer its energy portfolio needs, upgrade systems, reduce operating expenses, and improve working environments without upfront capital investment.

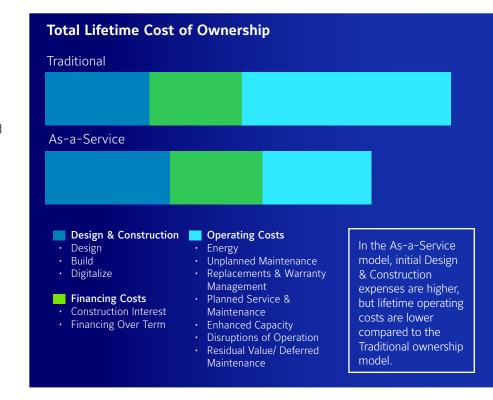
For one service fee, Johnson Controls' Sustainable Infrastructure (SI) team brings 100% financing, ene gy decarbonization planning, end-to-end project development, and lifetime performance risk transfer.

Outcomes We Can Drive

- Buildings that are energy resilient
- Energy efficient infrastructure and operations
- Decarbonization of building portfolio
- Optimized building occupant / user experience
- Integrated, and therefore efficient, financial and technical solution

Benefits of the Solution

- Accelerated project delivery
- Lower Total Cost of Ownership
- Resolved deferred maintenance and maintain high Facility Condition Index (FCI) handback
- Optimized labor and operational continuity
- Efficient capital via Johnson Controls guarantee of performance and tax monetization
- Optimized financial structure & balance sheet treatment

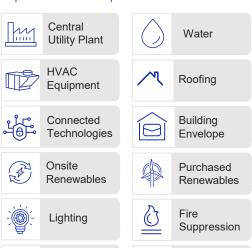


Responsibility Comparison: Organization DIY vs. Johnson Controls-led

organization bit vs. Johnson Controls Ica		Delivery Responsibility	
	Project Goals	Organization DIY	Johnson Controls-led
Design, Build & Construct	Affordability of Project	Upfront, Self-funded CAPEX	Affordable Annual Payments
	Speed of Execution	Dependent on Resource Availability	Accelerated & Focused
	Procurement Process	Multiple Vendors	Single Point of Responsibility
	Project Management Resources	Allocate Core Company Labor	Dedicated Team
	Ability to Scale Project	No	Yes
Finance	Opex & Maintenance Budget Certainty	Variable & Unknown	Fixed Payment
	Structure – aaS/OpLease/Fin Lease Sculpting Payment Schedule	Limited Optionality	Unlimited Optionality
	ITC and Depreciation Benefits	Requires Tax Appetite to Utilize Benefits	Monetizes & Passes Through Benefit
Operations	Uptime, Reliability & Performance	Borne by Customer	Risk Transfer (Maintenance, Operations, Savings)
	Deferred Maintenance	Need to Budget for Equipment Replacement	Contracts Include Necessary Equipment Replacement
	Energy Efficiency	No Guarantee	Guaranteed
	Financial Outcomes	No Guarantee	Guaranteed

Structural Overview of Johnson Controls' As-a-Service Solution

Representative Scope of Work



Performance Risk Guarantee

The maintenance and lifecycling portion of the Work will include a guaranty from Johnson Controls that the KPIs will be met throughout the Term.

Types of contracted Key Performance Indicators (KPIs) can include:

- Unit based Generated, Consumption or Reduction (e.g. kWh, BTUs, CO2e, gallons, etc.)
- Availability (e.g. hours, days of uptime)
- · Condition (e.g. temperature, humidity, etc.)

Flexible Payments

Payments are mutually developed. The payments can be both fi ed and variable – the contract price is fi ed while on consumption-based agreements will vary based on amount consumed during the period.

The payment may be subject to a reduction if the projected KPIs are not achieved.

Ownership of Assets

During the term of the agreement, ownership of assets can be third party (e.g. Johnson Controls or its designee) or by the customer.

Customer Example

Data

Management

University of North Dakota: Increasing Energy Efficiency and Imp oving the Student Experience



Overview

Security

Johnson Controls' scope at the UND project includes delivery of financial guarantees for O&M, lifecycle and energy performance over the duration 40 year concession term. In addition to the building equipment and guarantees provided to the project, Johnson Controls also provides the full scope of Hard/Soft O&M Services.

In addition to addressing the supply side needs of the new steam plant, Johnson Controls also helped address demand side infrastructure improvement work across the campus by providing new LED lighting, new controls, chillers and other significant heating ventilation and air conditioning system improvements. The results will provide a much more comfortable and resilient learning environment for students, staff and faculty.

Increased Revenue Impact \$90M facility built at no cost to taxpayers; Along with energy savings retrofits across campus, program will save UND more than \$1M per year

Improved Efficiency Reducing emissions by 38,000 metric tons of CO2e each year, equal to 74 square miles of forest

Increased Productivity Highly-efficient natu al gas steam plant replaces 100yo coal-fi ed plant

Take the next step - contact for outcomes.

Through a development agreement with mutually agreed upon success criteria, partner with Johnson Controls, a global leader in energy and infrastructure solutions. Contact us now to embark on a transformative journey towards a brighter, more energy-efficient future.

