

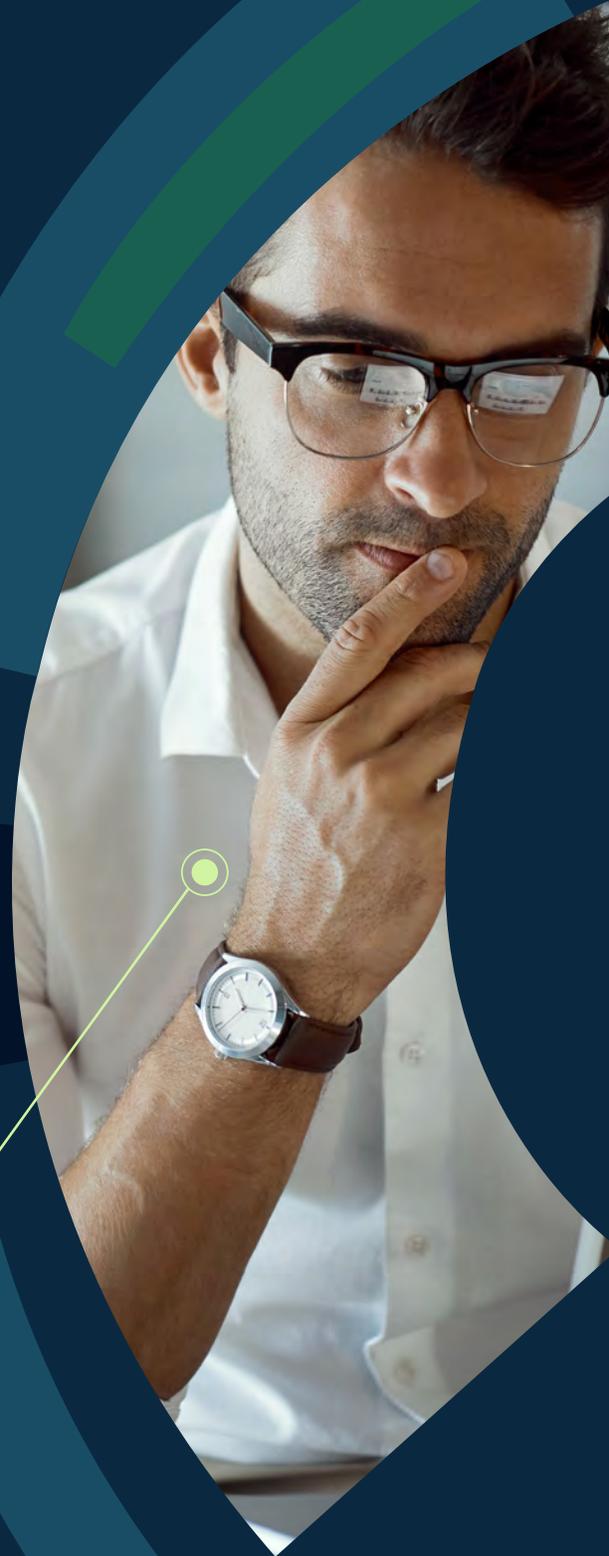
REDAPTIVE®

The CFO Playbook

Turning infrastructure
into growth

A capital-efficient way to modernize
your infrastructure portfolio

REDAPTIVE | INFRASTRUCTURE MONETIZED
2026 EDITION



Foreword

As CFOs, we're being asked to modernize faster, operate more efficiently, and demonstrate measurable ESG progress, all while protecting liquidity and improving credit strength.

Modernization has traditionally been treated as an operations project. But today, the financial impact of aging infrastructure is too significant to ignore. Deferred upgrades inflate OpEx, weaken asset performance, and pressure credit metrics. The old model of CapEx-heavy investment no longer fits the realities of today's capital markets.

Independent research confirms these pressures. Deloitte's CFO Signals survey shows CFOs consistently rank liquidity preservation, cost control, and capital allocation discipline as top priorities, particularly in periods of higher interest rates and tighter credit conditions. These constraints are forcing finance leaders to rethink how non-core but essential investments, like infrastructure, are funded.

Infrastructure Monetization reframes modernization as a capital efficiency strategy. It enables organizations to unlock value from the built environment, fund upgrades off-balance sheet, and strengthen financial performance without drawing on the revolver or adding leverage.

This playbook outlines how CFOs can adopt this model to protect liquidity, accelerate modernization, and position infrastructure as a catalyst for growth.

— **John Sullivan, Chief Financial Officer, Redaptive**

INTRODUCTION

The strategic CFO's dilemma

CFOs today face rising pressure to strengthen financial resilience while advancing operational efficiency, sustainability, and modernization. And they must do this in an environment where capital is constrained, interest rates remain elevated, and boards demand clearer accountability.

The challenge is structural: aging infrastructure consumes capital, drives up OpEx, increases failure risk, and slows progress toward ESG commitments. Yet modernization competes directly with revenue-generating initiatives for scarce CapEx.

The financial risk of deferring infrastructure investment is well documented. The U.S. Government Accountability Office and commercial risk insurers have shown that deferred maintenance compounds over time—driving higher operating costs, increasing equipment failure rates, and elevating safety and compliance risk. In asset-heavy environments, postponing modernization often results in **materially higher lifetime costs than proactive upgrades.**

Historically, modernization has been positioned as an operational upgrade. Today, it is a balance sheet priority.

Infrastructure Monetization transforms modernization into a capital efficiency strategy, unlocking value from the built environment, funding upgrades off-balance sheet, and turning infrastructure from an expense into a catalyst for growth.





Why traditional models fall short

Traditional modernization approaches rely on CapEx, debt, leasing, or narrow Energy-as-a-Service (EaaS) contracts. These models were designed for slower economies, smaller portfolios, and cheaper capital.

Today's financial environment reveals their limitations:

CapEx-driven models

Slow approval cycles, higher capital costs, and competition with growth initiatives delay modernization. This competition is acute in industrial firms, where available CapEx is typically prioritized for production equipment, automation, and revenue-generating assets, leaving facilities and energy infrastructure chronically underfunded.

Project-by-project execution

Site-by-site upgrades increase cost, slow timelines, and create inconsistent standards across facilities.

Narrow service models

Single-system EaaS or performance contracts fail to deliver portfolio-wide modernization, comprehensive execution, or unified financial and ESG outcomes.

Limited internal resources

Operations, procurement, sustainability, and finance teams lack the bandwidth to manage modernization across dozens or hundreds of locations.

Financial implications

Capital gets locked in aging assets, liquidity declines, OpEx increases, and modernization falls years behind strategy.

To illustrate this shift, here is a simplified comparison of the old model versus Infrastructure Monetization from a CFO's perspective.



Old model vs. new model

Old model (Traditional)	New model (Infrastructure Monetization)
<ul style="list-style-type: none"> • Uses CapEx and debt • Reduces liquidity; pressures credit ratios • Draws on revolver 	<ul style="list-style-type: none"> • Uses off-balance sheet capital • Preserves liquidity and borrowing capacity • Does not draw on revolving credit facility
<ul style="list-style-type: none"> • Modernizes one site at a time • Fragmented vendors; slow execution 	<ul style="list-style-type: none"> • Modernize entire portfolios at scale • Single partner; wave-based deployment
<ul style="list-style-type: none"> • Customer owns and manages all asset risk 	<ul style="list-style-type: none"> • Redaptive manages performance and lifecycle
<ul style="list-style-type: none"> • Single-system upgrades (lighting or HVAC) 	<ul style="list-style-type: none"> • Multi-asset, multi-site modernization
<ul style="list-style-type: none"> • Hard-to-measure results 	<ul style="list-style-type: none"> • Verified, real-time savings and performance data
<ul style="list-style-type: none"> • OLD: Capital-intensive, slow, fragmented 	<ul style="list-style-type: none"> • NEW: Capital-efficient, fast, unified, measurable

Market context:

Independent market analysis estimates the global Energy-as-a-Service market at tens of billions of dollars today, with projected mid-single-digit to low-double-digit annual growth. This expansion reflects growing CFO adoption of outcome-based, off-balance-sheet models for infrastructure and energy modernization.



A new capital model for modernization

Infrastructure Monetization (IM) reframes modernization as a capital efficiency strategy that protects liquidity, preserves credit strength, and accelerates modernization across distributed portfolios.



Tailored capital

- Off-balance sheet structures
- No upfront capital required
- Does not draw on the revolver
- Preserves borrowing capacity and enhances financial flexibility



Turnkey execution

- One partner for design, procurement, installation, and commissioning
- Wave-based deployment across all sites
- Standardized technology and outcomes
- Reduced operational burden on internal teams



Measured outcomes

- Real-time verification of savings and emissions reductions
- Board-ready reporting
- Governance, audit, and investor-aligned performance metrics



“This model lets us fund upgrades without touching our credit revolver. It changed the way we manage modernization.”

— CFO, Global Industrial Operator

How Infrastructure Monetization drives financial performance

1. Protect the balance sheet

- No CapEx required
- Maintains leverage ratios
- Preserves cash and credit availability

2. Improve capital efficiency

- Redirect capital to growth investments
- Reduce long-term OpEx
- Improve asset productivity and lifespan

3. Accelerate modernization

- Modernize thousands of assets with one approval
- Achieve 5–10x the speed of traditional methods
- Improve enterprise resilience

4. Capture verified outcomes

- Real-time data on cost savings, energy use, and emissions
- Transparent reporting for boards, auditors, and investors

5. Mitigate operational risk

- Newer assets reduce downtime and compliance risk
- Predictive maintenance improves reliability
- Consistent standards across sites



CASE STUDY

Iron Mountain

Unlocked \$101M in Savings
Without Using CapEx

Iron Mountain needed to modernize aging lighting systems across hundreds of facilities. Traditional CapEx would have required multi-year funding cycles and competed with other mission-critical capital priorities.

Iron Mountain's modernization program is documented by the U.S. Department of Energy's Better Buildings Initiative. Through the program, Iron Mountain modernized 293 facilities, upgraded 267,000 fixtures, and improved 29 million square feet of real estate, all without deploying CapEx or impacting leverage.

Balance sheet impact

- No draw on the revolver
- No additional leverage
- Protects credit ratios and liquidity

Operational impact

- Standardized modernization across all facilities
- Verified performance via Redaptive ONE
- Accelerated progress on sustainability goals

Note: Financial savings and emissions figures reflect company-reported outcomes, supported by independent program documentation through DOE Better Buildings.

Financial impact

More than \$101 million
in lifetime savings

671 million kWh
Energy Savings over 10 years

206,000 metric tons of CO₂e
avoided over 10 years



"Redaptive enabled us to deploy upgrades across hundreds of locations—quickly, consistently, and with verified impact. Eliminating the need for upfront capital was critical to accelerating our sustainability and operational goals."

— Senior Manager, Energy and Engineering, Iron Mountain



PLAYBOOK IN ACTION:

How CFOs apply Infrastructure Monetization



Identify portfolio wide needs

Lighting, HVAC, controls, refrigeration, metering, automation, building systems.



Align stakeholders

Finance, real estate, operations, sustainability, procurement.



Compare CapEx vs. outcome-based models

Where is capital constrained?
Where does modernizing faster reduce OpEx or failure risk?



Quantify financial and ESG value

Savings, risk reduction, emissions reduction, asset performance.



Select a partner who delivers all three pillars

Capital + execution + measurement
= Infrastructure Monetization.





REDAPTIVE'S ROLE:

The CFO's infrastructure partner

Redaptive is the category leader in Infrastructure Monetization, delivering:

- Off-balance sheet capital
- Multi-site modernization
- Multi-system capabilities
- Verified financial and ESG outcomes
- Data transparency through Redaptive ONE

Impact to date:

- \$1.2B in deployed capital
- 12,000+ modernization projects
- \$353M in verified energy savings

Next steps

1. Request a portfolio assessment
2. Share this playbook internally
3. Build a modernization roadmap aligned to capital strategy



REDAPTIVE[®]

Let's build the future of
infrastructure—together

[REDAPTIVE.COM](https://redaptive.com)