



Investments in a Diversified Renewable Energy Portfolio Photovoltaic, Wind and Hydropower Plants

Ventusolar Global Capital GmbH

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The renewable energy market

- Besides **onshore wind energy** and **hydropower**, **photovoltaics** is the **fastest growing technology** in the renewable energy sector.
- The current growth markets in Europe are joined by additional markets, especially in Asia and **North America**. This includes the well-known markets such as Australia, **Canada**, China, India, South Africa and the **US**.
- Renewable energy costs continued to decline last year thanks to the positive learning curve, technological progress and increasing economies of scale.*

Benefits of the asset class

Projects in the renewable energy sector are long-term assets that are subject to strict regulatory standards.

Investments in renewable energy offer

- Predictable cash flows with comparatively low risks and low volatility,
- Relatively low maintenance costs compared to conventional power production,
- Independence from fluctuating commodity prices,
- Long-term investment horizon.

*Enviacon report (2016), market analysis 2016. Status and development of global renewable energy markets; Adelphi (2015), market analysis 2015 – Analysis of current developments and prospects in renewable energy worldwide

Fund & Partners: Portfolio Manager, Due Diligence and Investment Advisor



Rödl & Partner



Fund Manager LRI

- Leading independent investment company, based in Luxembourg, established in 1988, part of the Apex Group, world's largest independent fund administrator
- High level experience in structuring and managing traditional and alternative investment strategies for institutional investors
- More than \$535 billion in assets under management with 37 locations and over 2,000 employees globally

Due Diligence

- Leading auditing company based in Germany, specializing in renewable energies
- 4,700 employees worldwide (of which 1,900 in Germany) in 111 branches, 480 lawyers, 491 tax consultants, 300 management consultants, 464 auditors
- Since the year 2000 also locally locally in North America

Investment Advisor Ventusolar

- Investment advisor with an experienced management team that provides institutional clients with access to renewable energy in terms of wind, photovoltaics and hydropower
- Track record spanning renewable energy projects with a total capacity of around 1 GW.
- Network of locally based project developers, authorities, utility companies and international wind turbine and solar panel manufacturers, especially in Canada

The Unique Selling Points of Ventusolar

- The German-Canadian core team has been successfully active in renewable energy in Canada for over 10 years
- Internal due diligence competence according to German standards
- Constantly updated project pipeline with about 1 GW potential in wind and PV
- Early access to project developments and existing facilities, mostly before a bidding process
- Active consulting of project developers within German standards, e.g. as part of the design of PPA and O & M contracts, project interpretations and project calculations
- Ventusolar has a track record of about 1 GW of refurbished energy projects
- Networks to locally based project developers, local authorities and energy suppliers as well as in particular to German manufacturers of wind turbines and solar panels with more than 100 contractually linked partners

Selected Track Record of the Management Team

Solar (PV)

- Due diligence of around 300 MW in PV plants with a total value of around EUR 420 million in North America and Europe
- Sourcing of around 500 MW in PV plants with a total value of around EUR 700 million in North America and Europe
- Five 10 MW project developments in Ontario, Canada together with a German mid-size professional investor
- Development of around 50 PV projects with an average size of 10 MW and a total value of around 50 x EUR 15 million in Germany, France, Poland and Canada
- Development of 2 PV projects with an average size of around 70 MW and a total value of around EUR 150 million in Latin America
- Sourcing of around 80 MW in PV projects with a total value of around EUR 90 million in Latin America

Wind Onshore and Offshore

- Due diligence of around 200 MW in wind power plants with a total value of around EUR 400 million in North America and Europe
- Sourcing of around 400 MW in wind power plants with a total value of around EUR 800 million in North America and Europe
- 260 MW sourcing & pre-investment management in Ontario, Canada
- 430 MW sourcing & pre-investment management in Ontario, Canada for a US Top 10 investment house

Market Entrance Advisor

- Actively providing advice and support to several medium-sized and large European and Chinese project developers and module manufacturers on their entry into the Canadian market
- Proven track record in the area of business development in Europe, Latin America and North America over the last 25 years

Trade Deals

- Successful trade deal involving a 10 MW wind project with a total value of EUR 24 million in Ontario, Canada
- Successful trade deal of 7.5 MW PV projects with a total value of EUR 10 million in Israel
- Equipment manufacturing, supply and construction of over 250 MW in PV projects in Canada and the USA
- Sale of just under 55 MW in PV modules and a total value of EUR 35 million, ISRAEL/US/Ukraine
- Sale of around 30 MW of PV inverters with a total value of EUR 6 million, ISRAEL

Financial Services

- Over 20 years of experience in leading positions at German private banks
- Management of listed companies
- Support provided for IPOs
- Experience in group structuring
- Sale of > 50 companies
- Takeover of > 25 companies
- Over 12 years of management of international companies

Management Team of Ventusolar Global Capital GmbH (VGC)



Executive Management



[Prof. Dr. Laurenz Czempiel](#)

CIO, Client Relation
Strategic Asset Allocation



[Sven J. Matten](#)

President Ventusolar Global
Capital GmbH
CEO Ventusolar Inc.



[Dr. Lothar Kerschgens](#)

CTO, Engineering &
Operations



[Olaf Bergner](#)

CFO, Finance, Legal and
Auditing



[Thomas Uhlmann](#)

CMO, Client Relation &
Acquisition
MD Ventusolar Luxembourg
S.á.r.l.

Advisory Board

[Dr. Thomas Tomkos](#) (Managing Director, Russell Reynolds Associates)

[Prof. Dr. Hanns-Ferdinand Müller](#) (CEO, FORIS AG)

[Arturo Herrero](#) (CEO, AlterPower AG)

Senior Management



[Martin Pochtaruk](#)

VP Business Development



[Yosef Cohen](#)

VP International Sales &
Acquisitions



[Miriam Groß](#)

Stakeholder Relations



[Jan Kaulfuhs-Berger](#)

Corporate Speaker
Head of Corporate
Communications



[Richard Todd](#)

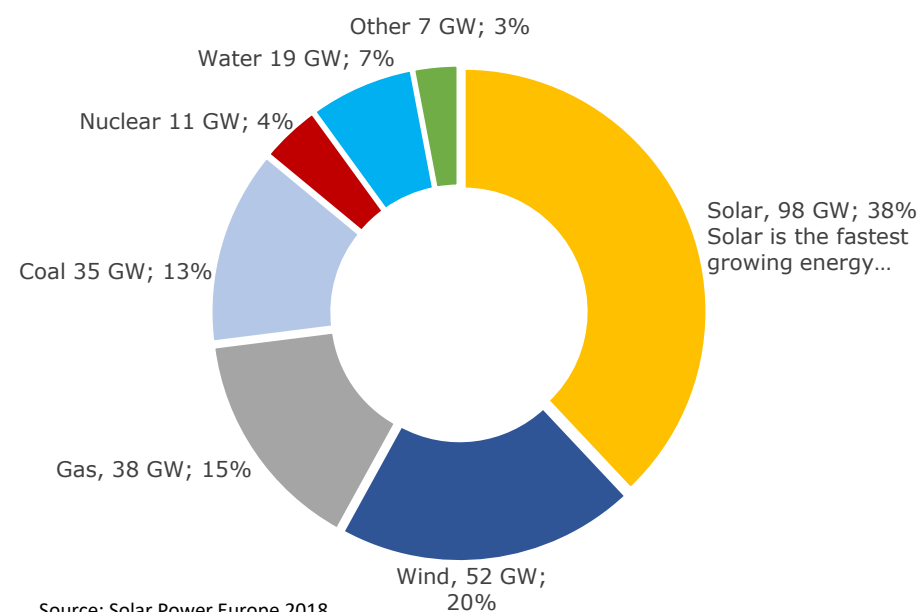
VP Global Account
Management

The company's many years of success and proven expertise in the wind and solar asset field ensure an attractive flow of deals and interesting investment opportunities.

The Market of Renewable Energy

- **Photovoltaics** is the fastest growing renewable energy technology besides **onshore wind** and **hydropower**.
- In addition to the current growth markets in Europe, there are additional markets, especially in Asia and **North America**. In addition to the well-known countries such as the **USA**, India, China, these also include **Canada**, Australia and South Africa.
- Due to the positive learning curve, technological advances and increasing economies of scale, the cost of renewable energy has continued to decline in recent years. *

New capacity of global energy production in 2017



* Study Enviacon (2016), Market Analysis 2016. Status and evolution of the global renewable energy markets; Adelphi (2015), Market Analysis 2015 - Analysis of current developments and perspectives for renewable energies worldwide

The Market of Renewable Energy

Decreasing European Returns - Profitable Returns in US / Canada



Generation of profitable long-term cash flows through environmentally friendly investments:

Renewable energy projects are long-term assets that are subject to strict regulatory requirements.

Investments in renewable energies offer:

- ✓ predictable cash flows with comparatively low risks and low volatility,
- ✓ a relatively low maintenance compared to conventional power production,
- ✓ Independence from fluctuating commodity prices,
- ✓ and a long-term investment horizon.

Professional and institutional clients like:

- ✓ Pension funds
- ✓ Pension schemes
- ✓ Insurances
- ✓ Corporates
- ✓ Family Offices
- ✓ Foundations

Both Germany and other countries face the problem of long-term low interest rates. The competitive pressure among investors is great and the supply is small. Renewable energies are interesting for small and medium-sized investors, **but difficult to manage without internal competence and adequate structures, and access is mostly lacking.**

As Europe's renewable energy returns have fallen significantly, VGC offers investable renewable energy **(wind, PV and water) structures in Canada** as institutional investment advisors.

The achievable returns on existing investments are between 6 % and 8 % per annum.

The Unique Selling Point of Ventusolar

With an AAA rating, Canada is one of the most stable countries in the world.



Unique access for German institutional clients in the field of renewable energies in Canada:

- **Expansion of renewable energies is a central element of the Canadian climate protection strategy:**

- ✓ Reduce greenhouse gas emissions by 30 % by 2030 compared to 2005
- ✓ Shutdown of all coal power plants by 2030
- ✓ Introduction of a nationwide carbon tax
- ✓ Generation of 90 % of electricity by emission-free energy sources (green electricity) by 2030
- ✓ Covering the electricity needs of the Canadian government with 100 % green electricity by 2025
- ✓ In the 2017 budget, investment of CAD 3 billion was approved

- Technological progress / efficiency increase leads to independence from state feed-in tariffs.
- Market growth in recent years averaged 18% and 1,327 MW / year respectively.



Our solution

- Ventusolar Global Capital GmbH (VGC), which is rooted in the Canadian renewable energy market through its subsidiary Ventusolar Inc., gives institutional clients access to wind, PV and hydropower plants with a geographic focus on Canada and the US.
- VGC's management has the necessary technical skills and experience.
- Thanks to its excellent network in Canada and the US, VGC is able to identify and value wind energy and PV development projects worth investing in.

Investment options

- **Professional** investors in Germany as well as other countries are facing the problem of low interest rates. The competitive pressure among investors is huge and the supply is limited. Renewable energy is attractive for small and medium-sized investors but is difficult to manage without internal expertise and adequate structures. In addition, there is generally no access to this market.
- As an investment advisor, VGC has set up two special funds that offer either access to **operating assets** and/or **assets under development** within a structure suitable for institutional clients in renewable energy (**wind, PV and hydropower**) with a focus on **Canada, the US and Europe**.



Structuring Solution: Implementation of a RAIF

Structure

- Alternative Investment Fund (AIF) pursuant to the Luxembourg Law of 12 July 2013 on Alternative Investment Fund Management ("AIFM Law") in the form of an Investment Company (SICAV) under the Luxembourg Law of 23 July 2016 on Reserved Alternative Investment Funds ("RAIF Law")
- Tax-transparent legal form in the form of a Luxembourg limited partnership (SCS), according to investors' (investment) taxation needs.
- Limited liability at the level of the general partner in the legal form of a limited liability company (société à responsabilité limitée - S.à r.l.).

Marketing and distribution

- Managed by a licensed AIFM, the Fund has access to the EU Marketing Passport and thus the opportunity to obtain simplified distribution approval for global distribution

Structuring and founding

- Equipped with the characteristics of an investment fund, the fund can be structured with several sub-funds and share classes
- Foundation with the conclusion of a partnership agreement between at least one general partner and a limited partner (SCS)
- Deposit of the articles of association (SCS) and company registers (Registre de Commerce et des Sociétés - RCS)
- Registration in the RAIF Register of the Luxembourg Financial Supervision CSSF

Structuring Solution: Implementation of a RAIF as a SCS

Characteristics

- The Luxembourg limited partnership (SCS) corresponds conceptually to the German KG.
- Partnership with legal personality.
- Tax transparent (also from a German tax perspective according to legal type comparison).
- Qualified Alternative Investment Fund ("AIF") within the meaning of the AIFM Law.
- RAIF requires the appointment of an alternative investment fund manager (AIFM = Alternative Investments Fund Manager) with the comparable permit pursuant to § 20 (1) KAGB.
- Frequently used investment structure for tangible assets.
- Mutual funds in the legal form of a partnership (in Luxembourg ie the SCS or SCSp) are not within the scope of the German Investment Tax Act (InvStG) 2018.

Advantages

- Limited liability of investors to their contribution (limited partners).
- Greater flexibility in the context of the formation of the articles of association than with corporations.
- Investments are qualifying infrastructure investments that meet the criteria set out in Delegated Regulation 2016/467 in accordance with Article 164a.

Structuring Solution: Implementation of a RAIF as a SCS

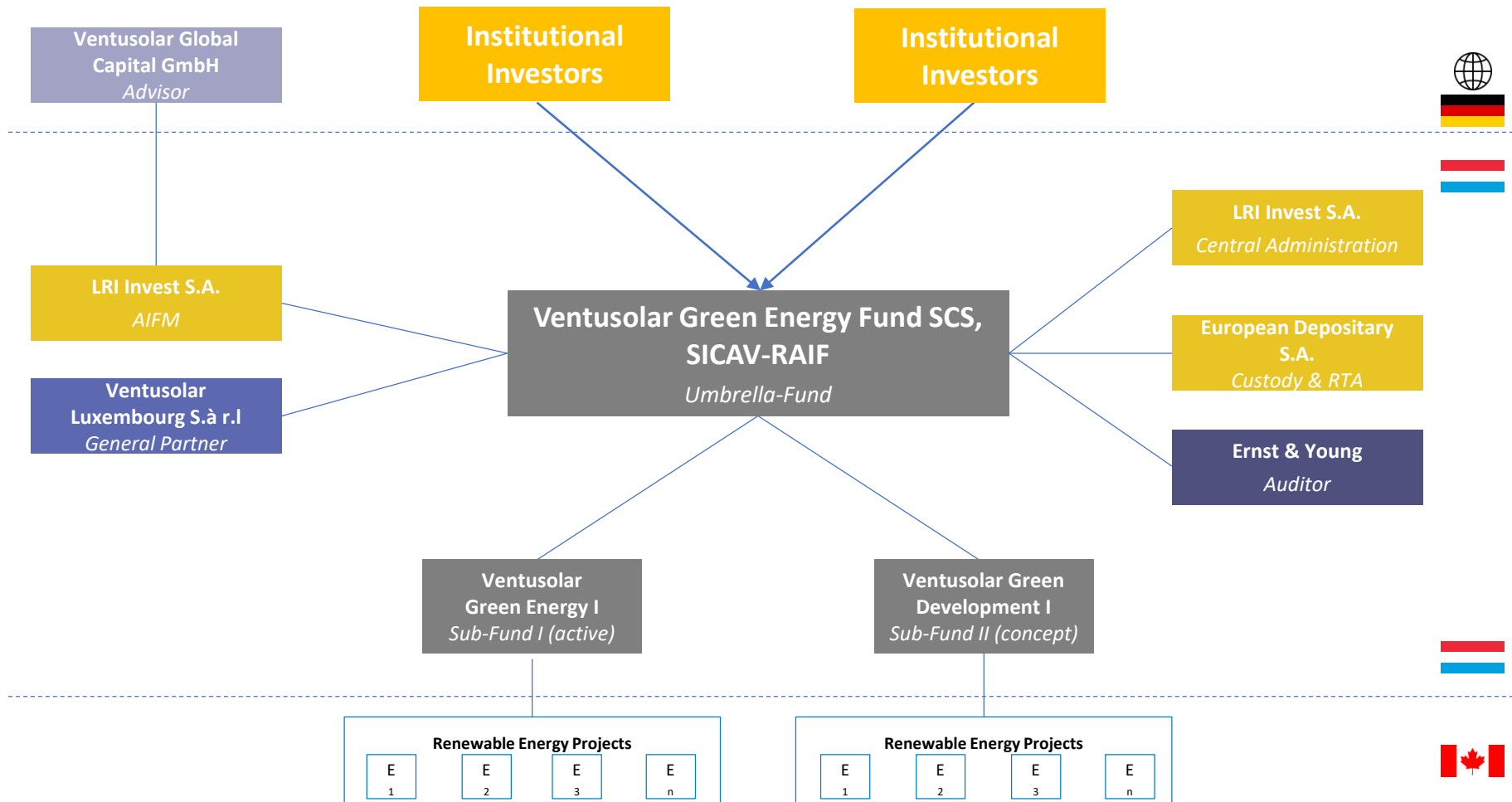
Taxation of a Luxembourg Special Limited Company as an AIF

- Are not subject to the Luxembourg income tax or corporation tax.
- An SCS that qualifies as an AIF is not subject to Luxembourg trade tax unless its personally liable partners own 5% or more of the shares (trade tax analysis from a German perspective but required separately).
- No wealth tax or withholding tax in Luxembourg on payments to investors (dividends or interest payments).
- The taxation of investors for income from the assets of the Fund is governed by the respective national tax law of the registered office of the investors.
- Tax-neutral design possible (transfer of tax burden).

Advantages

- Complete tax transparency.
- Fast structuring and implementation.
- No prior approval of the CSSF necessary.
- Full regulation at a later date always possible (opt-in option for special funds or SIF regulation).

Structure Chart: Ventusolar Green Energy Fund SCS, SICAV-RAIF



Platform Solution for Securitizations

Full range of securitization services

For initiators and investors

- Compliance
- Substance
- Business services

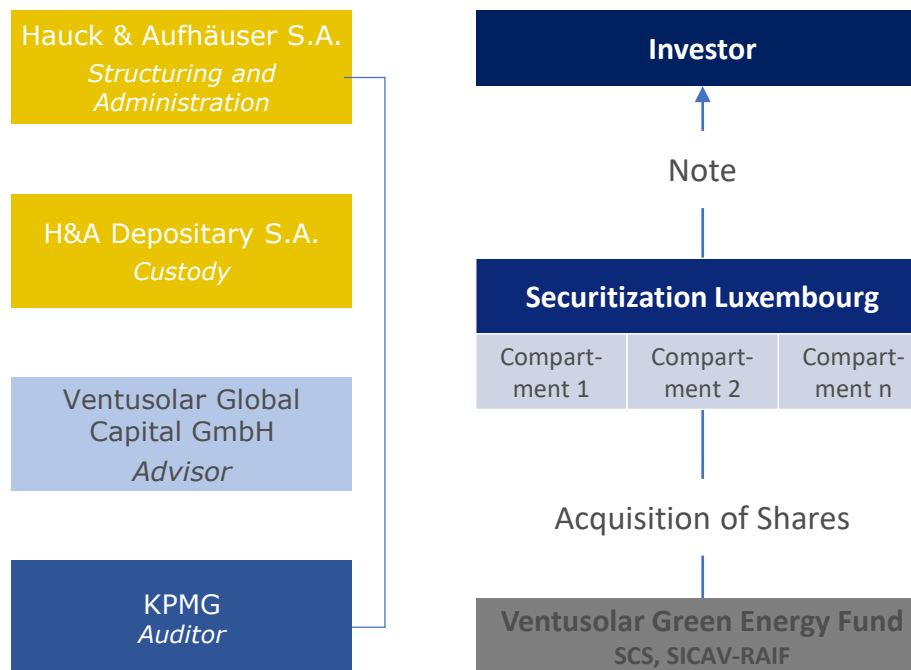
For insurances/pensions/funds

- Requalification of assets according to preferred asset classes in accordance with the German Investment Regulation (AnIV)
- Avoidance of balance sheet consolidation
- Optimization with regard to the capital charge (SCR)

For offshore managers

- Obtaining an EU distribution pass in accordance with AIFMD
- Access to new types of investors through the securitization of offshore funds
- Acting as feeder / parallel structure for unregulated offshore funds (Cayman, Delaware)

Providing of a securitisation platform based in Luxembourg



Structuring Proposal: Securitization Solution

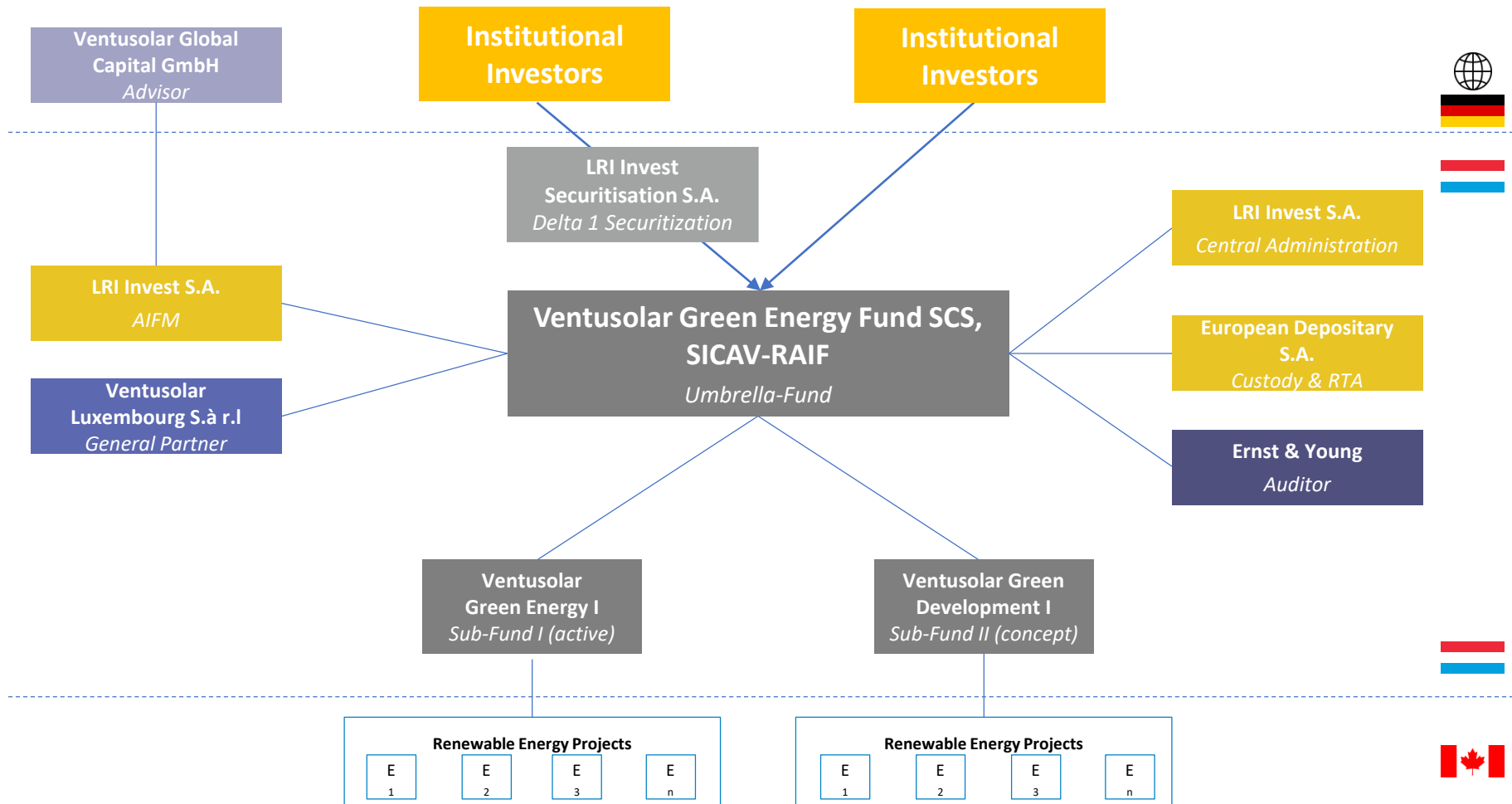
Structure

- Issue of a new compartment within Hauck & Aufhäuser Securitization S.A. Platform.
- Delta-1 securitization under the Luxembourg law of 22 March 2004 on securitizations (“Securitization Law”).
- In the form of a coupon bond that replicates the performance of the underlying fund (value and distributions).
- Stock exchange listing on the Luxembourg Stock Exchange (LuxSE / EuroMTF) and rating agency rating if required.

Advantages

- The bonds issued by the securitization platform may, if appropriately structured, be regarded as bonds within the meaning of section 2 (1) no. 7 or 8 AnIV (bonds).
- Interest and dividend payments to investors by a securitization company are not subject to Luxembourg withholding tax.
- The most common investment solution for expanding the asset value exposure of institutional investors.

Structure: Securitization



Selection and Valuation Process for Projects and Plants



The **selection and valuation process** for all projects is conducted in several stages internally with the involvement of our local network connected with Ventusolar Inc. sister company in Canada and the due diligence team at the German Ventusolar Global Capital GmbH.

In addition, an **independent external due diligence review** is provided by our partner Rödl & Partner which is mandatory before any acquisition decision by the management company, the LRI Group.

Overview Ventusolar Green Fund

	Ventusolar Green Energy I (active)	Ventusolar Green Development I (concept)
Strategy	Investment in operational and shovel ready power plants (no development risk)	Investment in project developments (power plants not yet operational or shovel ready)
Asset class	Infrastructure, renewable energy	Infrastructure, renewable energy
Sector	Wind energy, photovoltaics and hydropower	Wind energy, photovoltaics
Term	10 years (two extension options of 2 years possible)	10 years (two extension options of 2 years possible)
Minimum commitment amount	CAD 5 million	CAD 1 million
Expected IRR on project level*	7.5 – 10.5 % after tax	
Target return*	6 – 8 % p.a. after taxes and fees on investor’s level	12 - 14 % p.a. after taxes and fees on investor’s level
Target distribution	up to approx. 4 % p.a. of the net asset value	up to approx. 4 % p.a. of the net asset value
Expected fund size (Equity)	approx. 500 Mio. CAD Average equity/debt ratio on SPV level 30/70	approx. 100 Mio. CAD 51 % SPV shareholder positions preferred

Fund currency is CAD. Based on the portfolios shown, it is possible to set up other cost-efficient, transparent investment solutions taking into account individual regulatory, balance sheet and tax-related aspects. Besides the existing fund structure, there is also the possibility of acquiring a bond, among others, to securitize the performance of the strategy. The fund units of a compartment of a Luxembourg securitization company that refinances itself with bond issues are acquired. As a result, the bond reflects the performance of the underlying fund.

** The projected return is the targeted return of the fund’s planned investment. The projected return is neither a binding profitability criterion nor a guaranteed return. Detailed information on the fund data and other fees are available in the sales prospectus.*

Ventusolar Green Energy I (active)

Investment in: Post development / operational wind, PV and hydro power plants



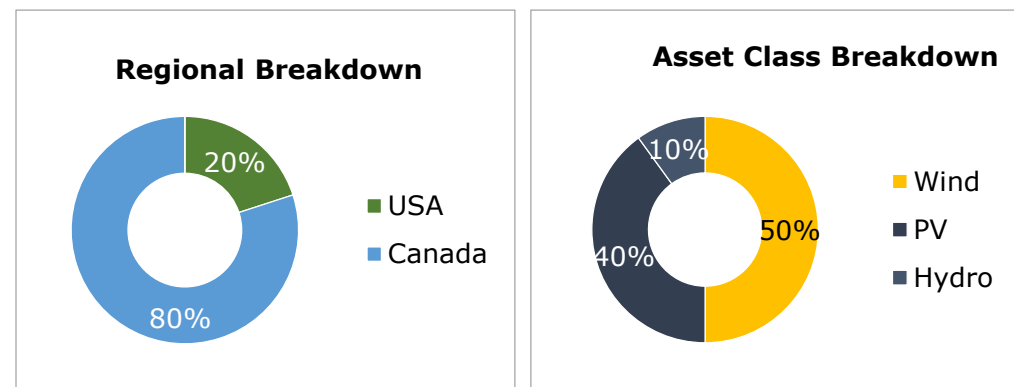
The fund offers institutional investors

efficient access to existing (post development / operational) and productive photovoltaic, wind and hydropower plants through interests in companies (SPVs) that hold operating plants.

- External and independently reviewed projects in the renewable energy sector.
- Focus on on-shore and near-shore (lakes) wind assets, ground mount and large-scale rooftop PV facilities in Canada and alternatively also in the US.
- Focus on statutorily or contractually secured fixed remuneration.
- Focus on projects ready for construction or projects that are already operational; this rules out development risks.
- Investments in mature and established technologies only.
- Expected IRR after tax on project level: 7.5 % to 10.5 %
- Expected return on investor's level: 6% to 8% p.a.* on average on the equity employed

Intended allocation of basis portfolios:

The presentation is based on an actual investment pipeline that is constantly developed and analyzed and therefore reflects realistic assumptions.



**The projected return is the targeted return of the fund's planned investment. The projected return is neither a binding profitability criterion nor a guaranteed return.*

Ventusolar Green Development I (*concept*)

Investment in: PV and wind power plants in mid and late stage development

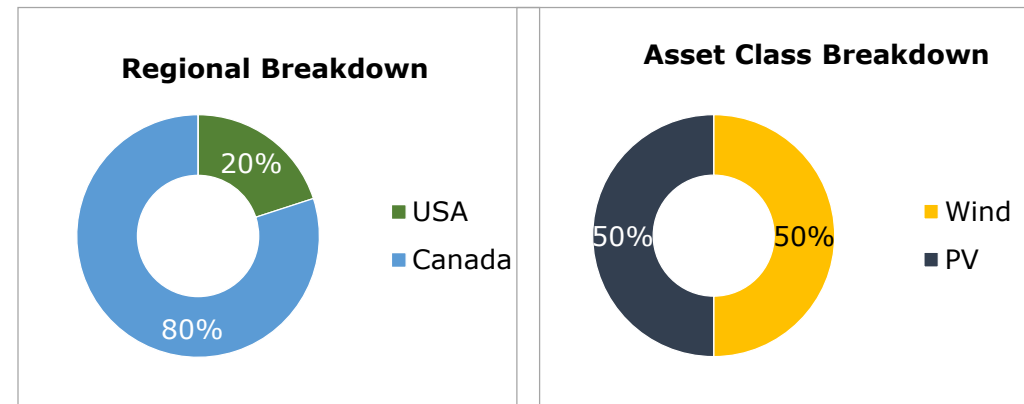


The fund offers institutional investors efficient access to the market via interests in mid and late stage project developments. Investments are only conducted in externally and independently reviewed renewable energy project developments:

- On-shore and near-shore (lakes), wind projects
- Ground mount and large-scale rooftop PV projects
- Regions: Canada and alternatively also US
- Establishment of joint ventures with experienced project developers
- Pure capital investment, no liability assumed
- Diversification: at least two interests in project developments with an average term of 12 to 18 months to the ready-for-construction stage are targeted
- Expected return on investor's level: 12 % to 14 % p.a.* on average on the equity employed

Intended allocation of basis portfolios:

The presentation is based on an actual investment pipeline that is constantly developed and analysed and therefore reflects realistic assumptions.



** The projected return is the targeted return of the fund's planned investment. The projected return is neither a binding profitability criterion nor a guaranteed return.*

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