

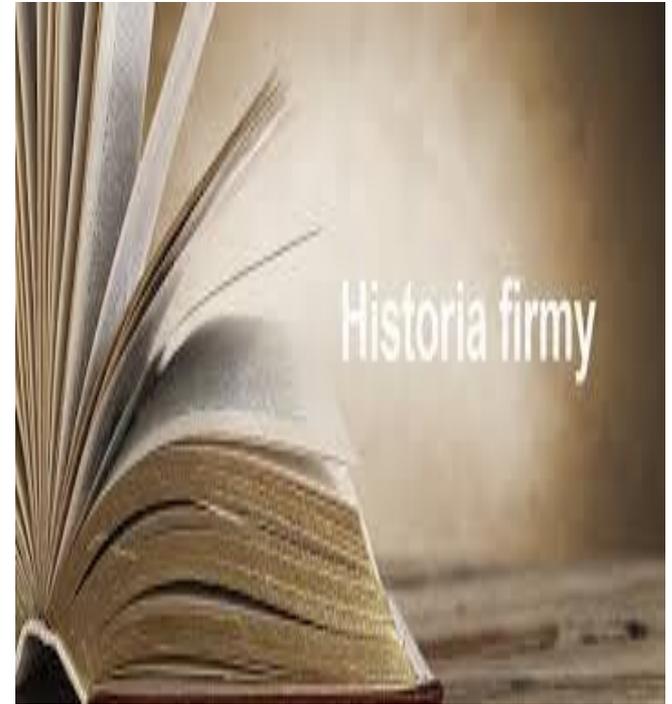


01 CYBERATON

TEASER 2015/2020



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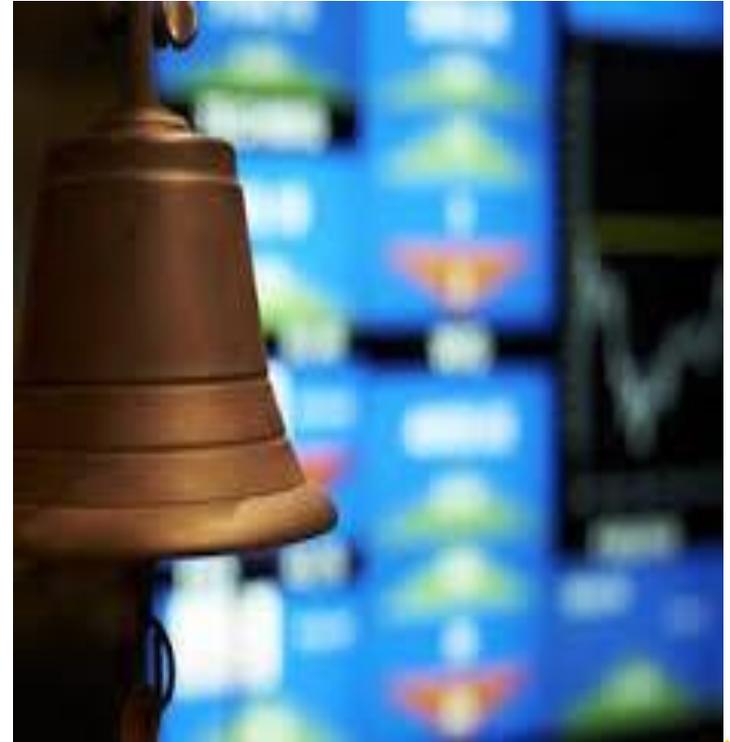




01 CYBERATON

History briefly

- ❑ 01 Cyberaton S.A. provides comprehensive services in the field of Renewable Energy (RE), and specializes in photovoltaics (PV).
- ❑ Our offer is dedicated to private individuals, entrepreneurs and local authorities.
- ❑ The Company originates from **VICTORIA ASSET OPERATION CENTRE S.A.** which was established in October 2007, whereas its introduction onto the stock exchange, i.e. NEWCONNECT, dates back to April 2008. The original area of its operations was focused on dealing with investment funds and other entities operating on the financial market, from the sector of computerization, accounting and transfer agent services.





- ❑ In 2012, there emerged a strategic investor, i.e. Skopowski Sk., which redirected the development of VICTORIA AOC S.A. which in its main area related to renewable sources of energy has been maintained by the Company under a firm changed in 2012, i.e. **01 Cyberaton Spółka Akcyjna, as well as other Group companies.**
- ❑ The group of affiliates includes Polish companies that enjoy a wide recognition on the Polish market, whose activity mainly consists in, among other things, energy crop, provision of advisory services in the field of optimizing energy costs, production of green energy, and also construction of prestigious residential estates and residential and commercial buildings in various locations in Poland.





□ Designing and construction of photovoltaic power plants

01CYBERATON S. A. was selected a general contractor in the tender procedure and constructed, at the request of PL 2011 sp. z o. o., the 1 MWp power plants in Guja, the warmińsko-mazurskie Voivodship .

In 2019r 01CYBERATON S.A. he was elected as the General Contractor of three 1MWp power plants in the podlasie Voivodship.





- ❑ **Design and construction of photovoltaic microinstallations following the project of 34 installations implemented in Bukowina Tatrzańska.**

On 25 September 2015, 01CYBERATON S.A. executed the agreement with the Municipality of Bukowina Tatrzańska to design and construct 34 photovoltaic installations. The investment procedure for all the microinstallations was implemented during one-month period. The contract was finally performed on 14 October 2015. The works were completed and settled within the timeframe indicated by the investor. The investment was funded by the 2007-2013 Rural Development Programme, under the programme of „The construction of prosumer photovoltaic microinstallations in the Municipality of Bukowina Tatrzańska”.





The Company's offer is dedicated to individual and business clients, in the area of photovoltaics; the Client is provided with investment services at all the stages of the investment implementation process:

- ❑ Advisory services in respect of selecting the most favorable design solutions
- ❑ Adopting the most suitable source of investment financing
- ❑ Preparing the conceptual desi
- ❑ Obtaining all legal and administrative authorizations
- ❑ Installation construction
- ❑ Installation acceptance by energy company
- ❑ Monitoring and maintenance





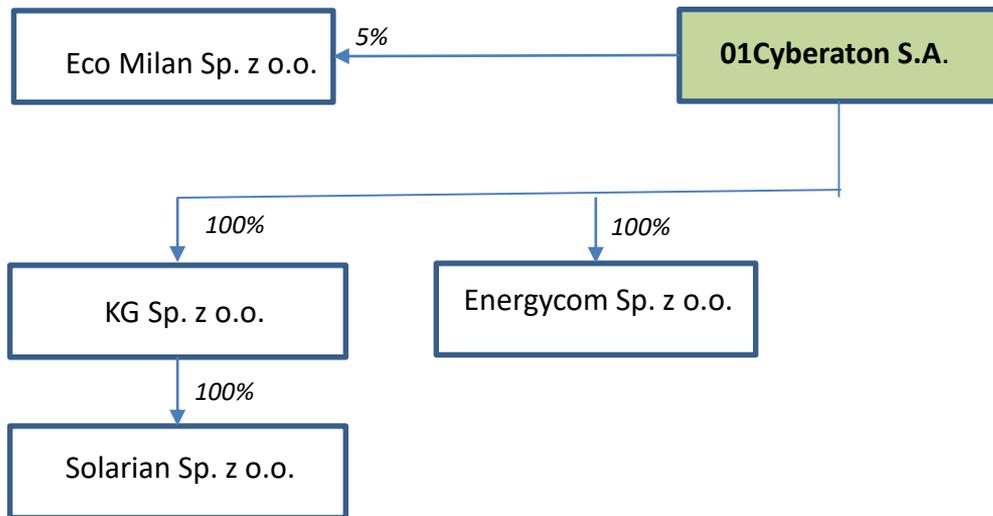
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OTHER SELECTED AREAS OF OPERATIONS

The Company's offer realised through Energy.Com in the field of advisory services concerning the optimization of energy purchase costs is dedicated to a business client and it involves:

- ❑ Advisory services in the field of optimizing the costs of energy purchase and distribution
- ❑ Energy purchase management on the Polish Power Exchange
- ❑ Organizing tender procedures, in compliance with the Public Procurement Law
- ❑ Adapting the most suitable exchange products, including conventional energy and property rights
- ❑ Implementation of the IT system to control the costs and consumption of electrical energy







Main laws governing the obligations to use renewable energy in Poland:

- ❑ The Act of 10 April 1997, the Energy Law (Journal of Laws of 2012, item 1059, as amended),
- ❑ The Ordinance of the Minister of Economy of 14 August 2008 on the detailed scope of obligations to obtain and present certificates of origin for redemption, pay a substitute fee, purchase electrical energy and heat generated by renewable energy sources, and an obligation to confirm the data concerning the amount of renewable energy (Journal of Laws of 2008, No 156, item 969, as amended),





Main dates and legal regulations which are decisive in terms of legal grounds for the activities conducted by the Company:

- ❑ **11 September 2013** – entry into force of the Act on amending the Energy Law and certain other laws, the so-called „Small Three Pack”
- ❑ **11 March 2015** – President Bronisław Komorowski signed the **Renewable Energy Law**, the final completion of a long-term process to draft and enter into force the regulations to enact renewable laws
- ❑ **31 December 2015** – President Andrzej Duda signed an amendment to the Renewable Energy Law, changing the effective date of the RE auctions from 1 January 2016 to 1 July 2016.





The aim of introduction the „Small Three Pack” - to accelerate the introduction of certain other most pressing changes, prior to the enactment of the Renewable Energy Law, to some of the requirements imposed by the European Union.

The „Small Three Pack” introduced, for example, the provisions of the Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources, for example:

- ❑ release from **an obligation to set-up business activity** by private individuals who desire to produce renewable energy at their own households,
- ❑ **resale of energy** without a need to conduct business activity,
- ❑ **rate** of energy introduced into the grid as an equivalent of 80 per cent of the average energy sale price in Poland in the previous calendar year,
- ❑ the provisions of the Construction Law whereby the photovoltaic installations with capacity of up to 40 kW are added to the catalogue of investment exempt from an obligation to obtain a **building permit**.



The introduction of the long-awaited Renewable Energy Law was expected to:

- ❑ fulfill the obligations in terms of renewable energy under the **Kyoto Energy and Climate Package**,
- ❑ achieve in Poland at least **15.5 %** share of electrical energy in the renewable energy by 2020,
- ❑ achieve the set objective in the **manner which would be most friendly and stable for investors** which will allow for their functioning (and funding), at the lowest expense,
- ❑ ensure prosumer assistance (microinstallations up to 40 Kw) in terms of producing electrical energy, heat and renewable energy installations (for own needs, including an option to resell it to the grid),
- ❑ create a new assistance auction based system for bigger renewable renewable energy power plants.



The introduction of an amendment to the Renewable Energy Law changes the timeframe of entry into force of Article 4 of the Law, from 1 January 2016 to 1 July 2016; the aim of the shift is to:

- ❑ gaining some time for thorough analysis of the effects of the introduction of tariffs guaranteed for microinstallations of capacity up to 10 KW,
- ❑ improvement of the position of biogas, biomass and photovoltaic power plants within the auction system, and also limiting an option for wind farm developers to apply for assistance,
- ❑ introduction of limitations for owners of big water power plants that are no longer entitled to use green certificates starting from 1 January, and owners of co-incineration installations (apart from dedicated installations) will be entitled only to 0.5 of a green certificate for each produced MWh.



The Law introduces a very attractive assistance system for prosumer energy sector in the form of the GUARANTEED TARIFFS, whereby starting from 1 July 2016:

- ❑ the users of photovoltaic installations of capacities up to **3kW** will be paid **PLN 0.75 for 1 kW**,
- ❑ the users of photovoltaic installations of capacities from **3kW to 10kW** will be paid **PLN 0.65 for 1 kWh**,
- ❑ the above specified smallest energy producers will be awarded a **15 year guarantee to repurchase** energy produced at the household sources by local energy companies.
- ❑ the guaranteed tariffs will be applicable only for newly constructed installations (after 1 January 2016)
- ❑ the tariffs will expire where the installed capacity reaches 300 MW, in the segment of up to 3 kW and 500 MW in the segment of up to 10 KW. At the end of 2014, according to the Central Statistical Office, there were 17 MW mikroinstalacji PV microinstallations installed.



The Law introduces a very attractive assistance system for prosumer energy sector in the form of NET - METERING, where :

- ❑ the **10 - 40 kW** installations will be covered by the so-called **net - metering** which involves the settlement of differences between the amount of electrical energy from the grid and the amount of energy introduced into the grid during half-year periods,
- ❑ the sale price of energy from the 10 - 40 kW installations over a half-year balance will total 100% of the average energy sale price on a competitive market during a previous quarter,
- ❑ the so-called net – metering covers newly constructed and existing installations,
- ❑ the net – metering settlement is in force from 01.01.2016.

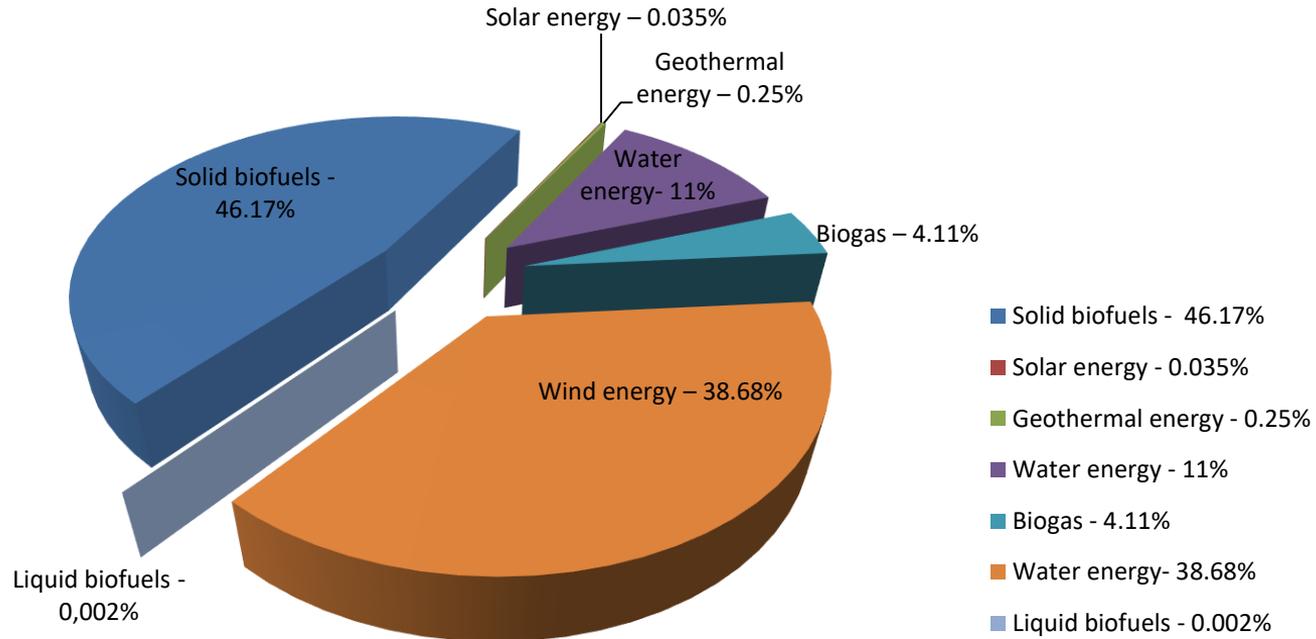


The Law introduces an attractive subsidy system for producers of renewable energy in the form of the AUCTION SYSTEM

- ❑ a strategic provision of the Renewable Energy Law for the greater producers of renewable energy involves a **change of the applicable system of certificates of origin into the auction system,**
- ❑ the government will made the decision on the amount of energy they will need, and then it will announce an auction with the lowest price to win, and in return the seller will be awarded a **15-year assistance guarantee. The first auctions are expected to be announced in the 3Q 2016,**
- ❑ the auctions will be separate for various technologies, for big and small installations.

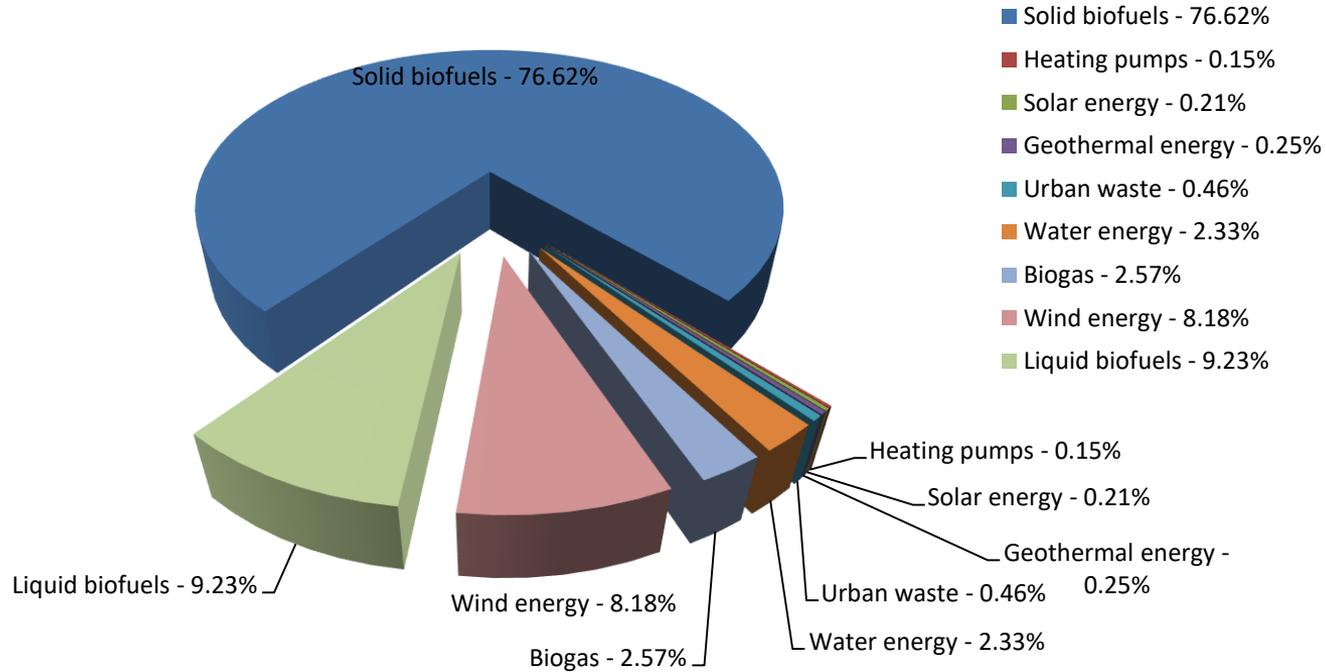


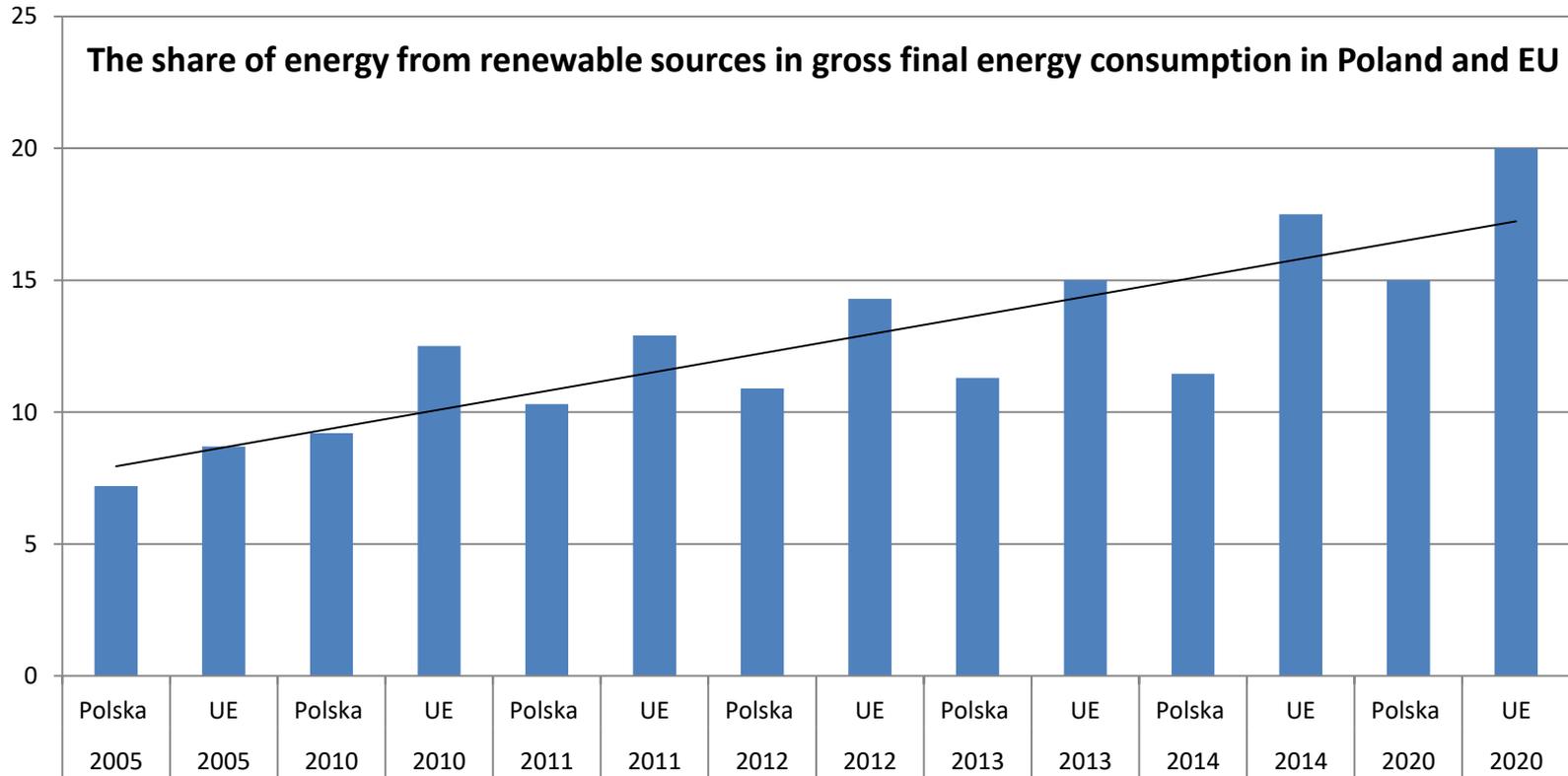
The percentage share of renewable energy sources in the production of electrical energy





The percentage share of renewable energy sources in Poland, according to carriers





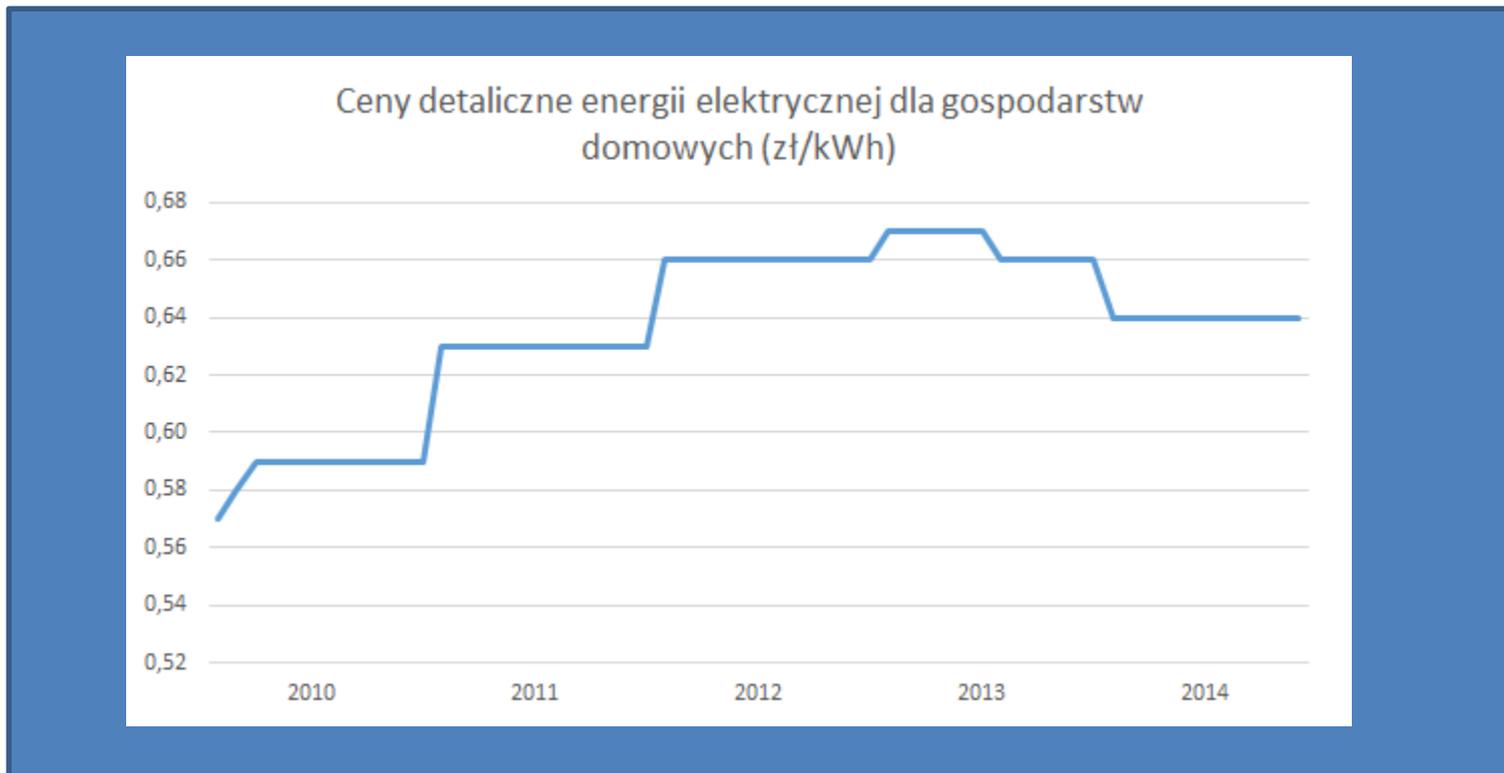


Examples of tariffs offered by the biggest energy companies in Poland

Energy fees (PLN/kWh)	Distribution and quality fees (PLN/kWh)	Other charges (PLN/month)
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Source: commercial information available on the company's website (for G-11 tariff and average consumption according to GUS - 2226 kWh)

ENEA	0.3154	0.2207	10.22
Energa	0.3133	0.2015	9.39
Tauron-PE	0.3109	0.2033	7.94
PGE	0.3221	0.2285	10.72





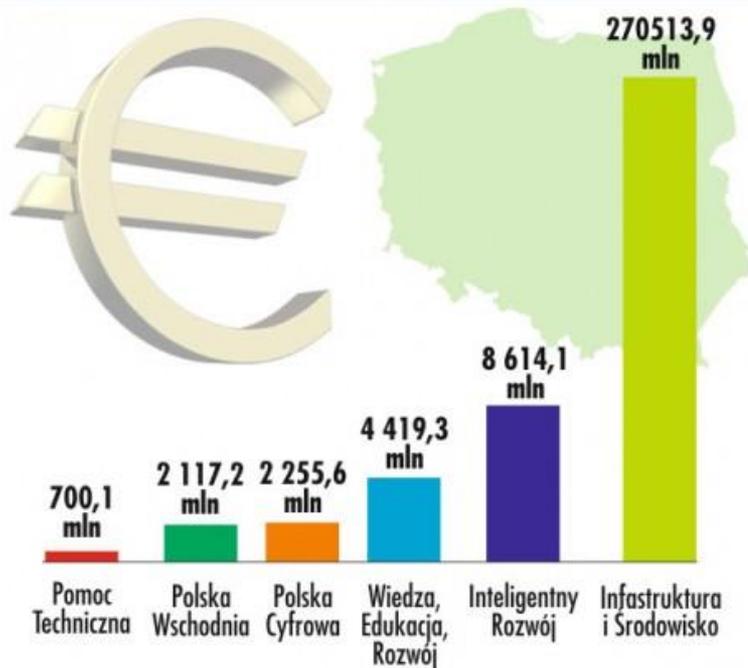
ENERGY EFFECTIVENESS AND RENEWABLE ENERGY

- ❑ **2007-2013** approximately EUR 1.34 billion euro allocated for electrical energy and renewable energy,
- ❑ **2014-2020** approximately EUR 8 billion will be allocated for these activities,
- ❑ 4Q 2015 the first procedures to file applications for co-financing renewable energy in the Podlaskie Voivodship





Propozycja podziału Funduszy Europejskich 2014-2020 na programy krajowe (w mln Euro)



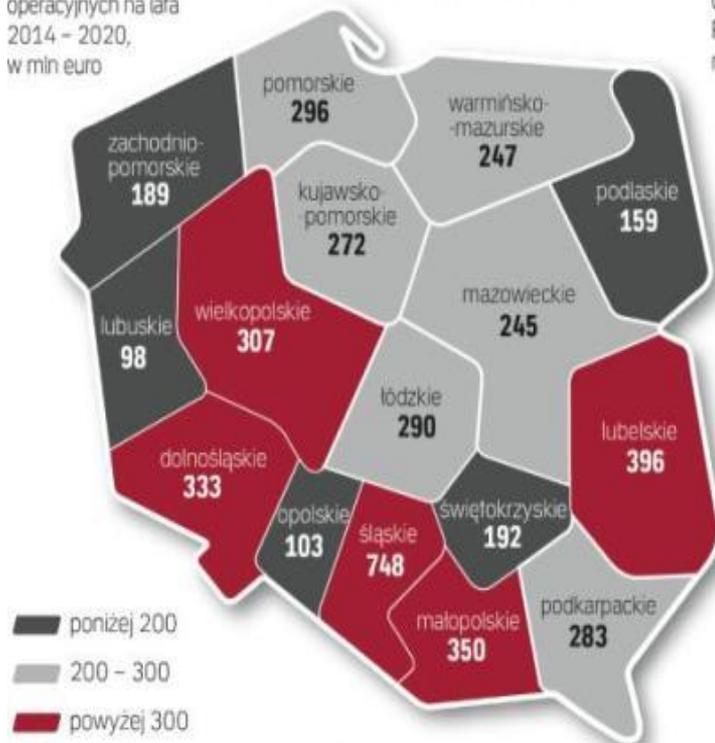
- ❑ **Infrastructure and Environment Operational Programme** – the biggest programme from among the prospected programmes (on a country and regional level) in the 2014 – 2020 perspective - **EUR 27.5 billion.**
- ❑ **Regional Operational Programmes.**
- ❑ **The 2014 – 2020 Rural Development Programme** - budget – EUR 13.5 billion.
- ❑ **Programmes of the National Environmental and Water Management Fund and Voivodship Environmental Protection Funds**



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SOURCES OF RENEWABLE ENERGY FINANCING FROM EU

Pieniądże unijne na gospodarkę niskoemisyjną w regionalnych programach operacyjnych na lata 2014 – 2020, w mln euro



Środki na gospodarkę niskoemisyjną jako część pieniędzy z Europejskiego Funduszu Rozwoju Regionalnego w programie regionalnym na lata 2014 – 2020, w proc.



źródło: Polska Zielona Sieć, stan na marzec 2014 r.

- Each voivodship implements its own **Regional Operational Programme**.
- The Silesia Voivodship allocated as much as **EUR 748 million** to the emission management.
- The smallest amount of funds was allocated by the Lubuskie Voivodship, i.e. **EUR 98 million**.

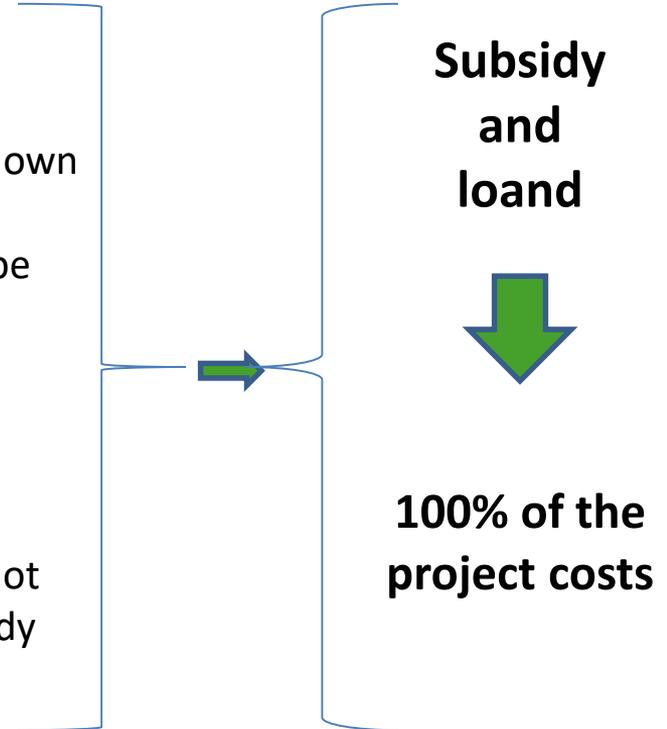


Loan:

- Bank accepts the purchased land designated for the PV power plant as own contribution.
- Bank possibly considers a subsidy to be own contribution.
- WIBOR loan interest rate plus an approximate 2% margin.

Subsidy:

- In certain circumstances, Bank does not charge fees and commission on subsidy
- Income tax is paid on subsidy.





Under strategic cooperation, we recommend the following business model:

- ❑ 01 Cyberaton S.A. searches the land for the location of a photovoltaic power plant at the site with the highest probability of being awarded a subsidy, i.e. not-repayable EU funds, and with sunlight exposure not lower than 950 MWh per annum.
- ❑ 01 Cyberaton S.A. conducts the analyses of effectiveness of a prospective location, land geological survey and, after its successful verification and signing the preliminary purchase agreement or preliminary lease agreement, it commences administrative procedures to obtain formal and legal authorizations related to the construction of a photovoltaic power plant.





Business model, continued:

- ❑ 01 Cyberaton S.A. establishes a special purpose vehicle which will be a party to all purchase or lease agreements, as well as formal and legal authorizations. The SPV will implement the construction project.
- ❑ 01 Cyberaton S.A. obtains the required basic documentation, i.e.
 - a) Planning conditions (WZ) – required to be obtained in the event of the lack of the local zoning plan (MPZP).
 - b) Environmental permit to implement the investment, without any adverse environmental impact.
 - c) Interconnection conditions (WP) to be issued by a competent energy company to allocate the capacity of the prospected power plant and interconnection conditions.





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RECOMMENDED BUSINESS MODEL – DESCRIPTION, continued

Business model, continued:



- ❑ 01 Cyberaton S.A. proceeds with filing applications for subsidy within the timeframe announced by the Marshal Office pertinent to the location of the prospected photovoltaic power plant, as implemented under the Regional Operational Programme or any other available EU subsidy programmes for the purposes related to the construction of the photovoltaic power plant.
- ❑ 01 Cyberaton S.A. selects main components for prospective construction of a power plant.
- ❑ On the basis of the agreed main components of the power plant, the design works are commissioned, i.e. construction works and medium voltage line works.
- ❑ After obtaining the building permit and subsidy, the company commences to build a photovoltaic power plant.



Business model, continued:

- ❑ After constructing a power plant, the special purpose vehicles files the bank with application for external financing constituting a difference between the project value and the subsidy value.
- ❑ After obtaining funds from the bank, the special purpose vehicle recovers 100% of the capital allocated for the project.
- ❑ The special purpose vehicle proceeds with formalities related to connecting the power plant to the power grid of a relevant Operator.



When pursuing strategic cooperation, we expect that:

- ❑ the financing be provided in the form of a loan to a special purpose vehicle for a definite term until the moment of obtaining external funds from subsidy authorities and banks,
- ❑ well-established components be provided with highly recognized certificates,
- ❑ the value of the components delivered from the Partner will balance a portion of the loan granted for the special purpose vehicle.
- ❑ the price of the components delivered from the Partner is attractively priced relative to the market offer an adequate quality





As for strategic cooperation, we guarantee:

- ❑ to contract and supervise operational aspects of the entire project at all stages of its implementation.
- ❑ obtaining financing for the Project also in the form of a non-repayable subsidy which will absolutely improve the project's profitability.
- ❑ application of the main components indicated by the Partner to construct a photovoltaic power plant
- ❑ joint venture in the form of a newly established entity whose aim will be to maintain and monitor the constructed PV power plants, in compliance with the requirements set by the subsidy authorities.





We have actually executed or are to execute the following project implementation agreements:

No	PV Project (name)	Location - Voivodship	MW Installation power	Advancement 1 – land for lease without connection conditions ; 2- land with DC/ or LZP/ EC ; 3.- 2 plus CC unpaid 4- 2 plus CC paid ; 5- with BP; 6 - 5 with subsidy
1.	E7/3	Podlaskie	0.99	5
2.	E7/4	Podlaskie	0.8	5
3.	E7/2	Podlaskie	0.99	5
4.	E7/1	Podlaskie	0.99	5
5.	EW 51/1	Podlaskie	1	5
6.	EW 20/1	Podlaskie	0.99	5
7.	EW 51/1	Podlaskie	0.5	5
8.	F1	Podlaskie	0.99	5
9.	F2	Podlaskie	0.99	5
10.	RW 1	Lubelskie	0.99	5
11.	RW 1	Lubelskie	0.99	5
12.	EPS	Wielkopolskie	1	5
13.	MKI	Łódzkie	0.912	4
14.	PL	Warmińsko - Mazurskie	0.99	4
15.	PL	Warmińsko - Mazurskie	0.99	4
Symbols:				
EC – environmental conditions	DC – development conditions	CC – connection conditions	BP – building permit	LZP – local zoning plan





- ❑ *Depending on the detailed arrangements made with the Partner, during one quarter we are able to provide the PV Project with 10 to 15 MW.*
- ❑ *The transaction closing period shall mean the re-sale of the PV Project to the end Client or until the stage of acquiring 100% of external financing (subsidy, credit) and depends upon on the application filing date at a specific location.*
- ❑ *The cycle forecast is presented in Attachment No 1. Budget.*





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***WE DO KINDLY THANK YOU FOR YOUR
ATTENTION AND ARE WILLING TO
COMMENCE COOPERATION WITH YOU***

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