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Newenergy

PORTFOLIO
OUTLINE



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Company Profile

M81 Newenergy is a renewable energy firm with a global perspective. Our mission is to ensure a greener future for the next generations by developing ideal sustainable solutions to tackle the rising energy demands. Since 2013, the team has been working on the forefront of technology to design, construct and put into operation more than 10 Solar Power Plants in Ukraine fully financed by private capital. 7 of those SPPs are currently managed by our Company. Today, M81 Newenergy also seeks to attract international finance which combined with our proven expertise will allow us to expand our operations into emerging renewable fields such as hydrogen production, energy storage and further solar expansion into European markets.

Power plants under management have the most advanced equipment manufactured by world leaders in the field (Huawei, Fronius, Siemens) and only high-profile contractors were engaged into the process of construction, maintenance and operation such as SOLARTEC - our longtime EPC partner with 30 years of international experience in the renewable energy market.

€ 2.54 million

Net profit in 2020

21.45 MWpTotal installed capacity in
2020**141%**

Revenue Growth 2016-20

7Solar power stations
managed

02

Operating Environment

The world of energy is witnessing rapid and far-reaching changes. Reductions in construction costs brought along by favourable policy frameworks and innovation are a key driver to the unprecedented growth seen in the renewable energy market across the globe. The imperative of tackling climate change has further strengthened the momentum of this energy transition.

The IEA's 2019 market analysis report forecasts that **the world's total renewable-based power capacity will grow by 50% between 2019 and 2024**. The global solar power market size was **680 GW in 2019** and is projected to reach **4767 GW by 2026**.

In addition, the unforeseen challenges that came along with Covid-19 lockdown measures have proven Renewables to be the most resilient energy source and has been **the only one to show increases in demand in 2020**.

Our Solar Power Plants supply the produced electricity exclusively to SC "Guaranteed Buyer" subject to a Feed-In Tariff set by the Ukrainian government (under a contract valid until 01.01.2030 which grants us security due to **guaranteed demand**).

Moreover, Ukraine has been identified as a key partner in the EU's hydrogen strategy. The establishment of Ukrainian Hydrogen Council is a further milestone in this international cooperation of which we aspire to be a part of.



03

Financials

Below, you can see a snapshot of a Financial Model of Helios Group along with the Cash Flow Statement. Due to the simple structure of the business, all of the income comes from the sale of electricity. OPEX reflects the full costs incurred by the business.

Year	2019	2020	2021	2022	2023	2024	2025
Total Revenue	3,313,655.65 €	3,913,072.71 €	3,158,872.38 €	3,073,262.35 €	2,989,977.51 €	2,908,954.59 €	2,830,132.04 €
Annual output (KWh)	16,740,071.37	23,017,028.28	22,918,521.94	22,296,854.53	21,692,083.51	21,103,748.93	20,531,403.35
Greenhouse Gas Equivalent (Tonnes of CO2)	17,108.35	23,523.40	23,422.73	22,787.39	22,169.31	21,568.03	20,983.09
OPEX	373,446.61 €	508,579.74 €	525,903.48 €	525,447.10 €	525,003.21 €	524,571.48 €	524,151.57 €
EBITDA = Operating Income	2,940,209.03 €	3,404,492.97 €	2,632,968.90 €	2,547,815.26 €	2,464,974.30 €	2,384,383.11 €	2,305,980.47 €
Amortization	1,061,057.13 €	1,406,853.27 €	1,385,689.32 €	1,341,553.84 €	1,300,640.10 €	1,262,386.84 €	1,061,195.24 €
Net Non Operating Interest Income/Expense	436,880.05 €	483,999.47 €	933,401.54 €	832,510.64 €	657,961.75 €	441,400.05 €	180,146.11 €
Pretax Income	1,068,830.92 €	1,039,912.64 €	313,878.03 €	373,750.77 €	506,372.45 €	680,596.22 €	1,064,639.11 €
Tax	153,249.75 €	148,651.08 €	114,480.41 €	112,555.06 €	119,832.68 €	116,577.37 €	175,083.29 €
Net Income	915,581.16 €	891,261.56 €	199,397.62 €	261,195.71 €	386,539.77 €	564,018.85 €	889,555.82 €
Group Net Profit	2,289,707.36 €	2,539,325.93 €	1,374,155.20 €	1,360,964.54 €	1,426,023.06 €	1,395,946.55 €	1,445,485.38 €
Credit Repayment (cumulative)	242,599.97 €	499,548.61 €	1,792,247.22 €	1,761,847.22 €	2,520,236.95 €	2,514,236.95 €	1,149,406.91 €
	242,599.97 €	742,148.58 €	2,534,395.81 €	4,296,243.03 €	6,816,479.99 €	9,330,716.94 €	10,480,123.85 €

Cash Flow Statement

Year	2019	2020	2021	2022	2023	2024	2025
Operational Cash Flow	2,532,317.33 €	2,983,935.93 €	2,274,765.20 €	2,231,174.54 €	2,203,033.06 €	2,172,956.55 €	2,084,302.29 €
Income from Operations	3,313,655.65 €	3,913,072.71 €	3,158,872.38 €	3,073,262.35 €	2,989,977.51 €	2,908,954.59 €	2,830,132.04 €
Operational Expenses	373,446.61 €	508,579.74 €	525,903.48 €	525,447.10 €	525,003.21 €	524,571.48 €	524,151.57 €
Tax on Profits	153,249.75 €	148,651.08 €	114,480.41 €	112,555.06 €	119,832.68 €	116,577.37 €	175,083.29 €
Bank Loan Interest	254,641.94 €	271,905.96 €	243,723.29 €	204,085.67 €	142,108.56 €	94,849.19 €	46,594.89 €
Cash Flow from Investing Activities	7,497,582.44 €	- €	- €	- €	- €	- €	- €
Capital Expenditure	7,497,582.44 €	- €	- €	- €	- €	- €	- €
Cash Flow from Financing Activities	242,599.97 €	444,600.00 €	900,600.00 €	870,200.00 €	777,000.00 €	777,000.00 €	638,806.91 €
Bank Loan (Net)	242,599.97 €	444,600.00 €	900,600.00 €	870,200.00 €	777,000.00 €	777,000.00 €	638,806.91 €
NCF	(5,207,865.07) €	2,539,335.93 €	1,374,165.20 €	1,360,974.54 €	1,426,033.06 €	1,395,956.55 €	1,445,495.38 €
(cumulative)	(5,207,865.07) €	(2,668,529.14) €	(1,294,363.94) €	66,610.60 €	1,492,643.66 €	2,888,600.21 €	4,334,095.59 €

€ 20.9 million

Net total profit (2019-30)

€ 33.4 million

Exit Value 2030

€ 13.4 million

Net Cash Flow

59%

Net Profit Margin (2019-30)

€ 17.4 million

Net Present Value

€ 18.3 million

Free Cash Flow

€ 32.4 million

Free Cash Flow to Firm

16%

Return on Investment

2%

IRR

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Our Collaboration

By securing international finance we will be able to expand our operations. The high quality work ethic and innovative strategies established by members of our team will allow us to develop projects of highest standards. This in turn ensures that our investors get a good rate of return on their finance in the competitive financial markets of the modern economy.

As we move forward with our expansion, we are expecting to rely on our expertise and competence in the field in order to ensure a smooth transition towards a greater scope of projects. Having established our very own servicing company that takes care of all stations' accounting and support requirements, we have certainly secured a solid foundation for the aforementioned expansion.

In addition to our own expertise, we also expect to receive support from both, our current international partners (in Czech Republic and Poland) and new partnerships that we are aiming to forge in the upcoming future.

Finally, by attracting international contractors, we will be able to further smoothen the transition period as their regional competence allows for increased efficiency and better time management for our projects abroad.

Overall, we expect to create a number of exciting investment opportunities with high rates of return for investors in the upcoming years by relying equally on our own extensive expertise as well as our international partners with more localised knowledge.



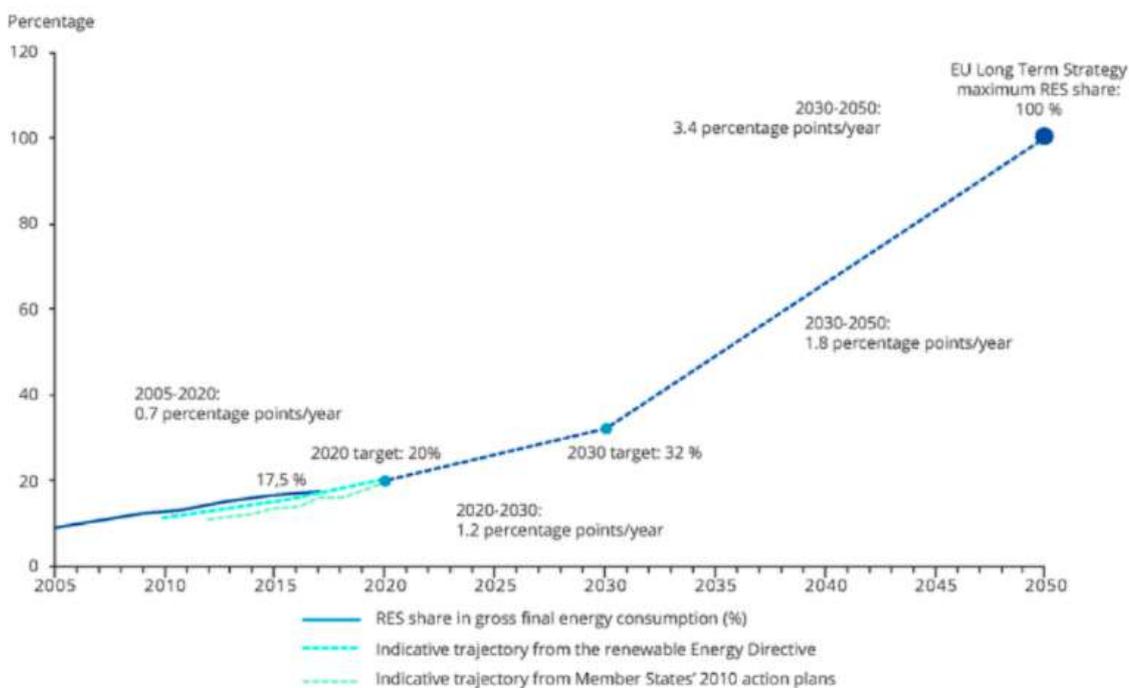
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Future Expansion

In order to provide a service of highest excellence to our investors, we have thought of multiple expansion paths. These can be divided into two categories - expansion of our locations of work and development of new fields of expertise.

Locations

Currently, all of the plants currently managed by M81 are located in the Western region of Ukraine, but as a global-minded firm, we're excited to explore new opportunities abroad, especially in Europe.



As can be seen from this report produced by the European Environment Agency (<https://www.eea.europa.eu/legal/copyright>), Renewables will continue to increase their market share of the European energy market.



Moreover, an additional rise from the current 32% target is expected to land by June 2021, guaranteeing further incentives for green firms. This adds certainty of a more than favourable environment for our expansion into the European zone.

Our locations of utmost interest include Greece and Poland due to the high resource availability, cost advantages and our partners' previous experience in these countries.

Areas of Expertise

In the fast-paced world of the 21st century, innovation is crucial and continuous development is the key to staying ahead of the pack. We have looked into a few key areas which would be a perfectly suitable integration into our portfolio.

Biomass and Plastics

As part of our expansion strategy, in cooperation with our partners, we have already prepared two sites which can be used for a range of practices such as solutions for biomass and plastics. Our biomass solutions will allow for multiple types of waste to be converted to energy at the same time thus a variety of suppliers are available (leading to lower costs and hence more plants can be constructed). These additions to our range of expertise will allow us to diversify our energy generating portfolio to ensure stability and safety coverage in times of uncertainty. The benefits of such systems also include cheap material costs, a net greenhouse gas reducing outcome and a sustainable landfill alternative.

Green Hydrogen

Green Hydrogen is becoming an increasingly popular topic of discussion in the sustainable energy community. This is due to its obvious positive effects on energy networks and overall sustainability.

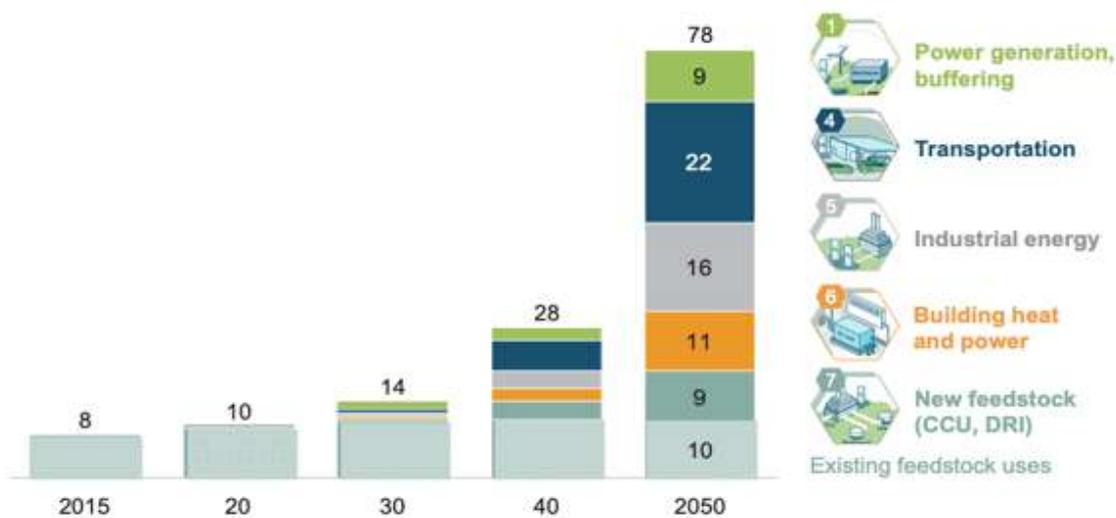
EU has put green hydrogen as a priority in their zero-emission strategy leading way for national and cooperative hydrogen strategies across all members. Hydrogen Europe, in partnership with the European Commission, is paving way for the development and construction of hydrogen facilities within Europe's borders and international partners.



They have released a number of financing strategies to reach their goal. **Ukrainian projects are to be granted up to 20 billion euros in investment until 2030** which is split equally between grants and subordinated loans. We are currently researching opportunities in order to be a leading part of this plan.

European Commission has in fact set a goal to **increase sixfold the capacity to produce renewable hydrogen by 2024** and will **support the installation of at least 6GW of renewable hydrogen electrolyzers** during the period. This gives us an even greater level of certainty as we look into our firm's future work in the field. In addition, Green Hydrogen is seen as part of the solution to the economy's Covid-19 related downturn.

From the report below (courtesy of the Hydrogen Council), it is clear that demand for hydrogen is expected to increase significantly over the upcoming years and reach around 78 exajoules (10^{18} joules) by 2050. As an innovative firm, we are ready to be part of the change and are proud to announce that we have now become a member of the European Clean Hydrogen Alliance. We are now part of an elite group of firms, public authorities and research organisations that strive to kick-start the EU hydrogen industry in order to achieve EU set Climate Goals.



As part of our first step into the market of renewable hydrogen, we are looking into hydrogen electrolysis and energy storage. Integration of electrolyzers into our internal network will allow us to balance out production and avoid penalties for uneven generation. In addition, any leftover hydrogen can be sold on the market aiding us to establish a client base for future work.

With the world rushing to increase the share of renewables, we are incredibly lucky to be at the centre of this change and will continue to do our best in order to create ideal opportunities for investors.





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Developments for 2021-22

Currently, we're working hard to develop projects to bring to reality in the near future, starting as soon as 2021.

With the recent developments in the Polish market for renewables, we have even more incentives to pursue regional expansion. The Council of Ministers of Poland has approved the nation's 2021 budget which allows for up to 2570 MW of new renewable energy installations to be auctioned throughout the year. It is exciting to see that solar accounts for around 70% of the total auction allowance (1800 MW).

We are therefore preparing a number of new exciting projects to be entered into the upcoming auction, totalling at around 50 MW of installed power. These will be available as ready-to-build projects up for sale.

In addition to this, we will also actively participate in finding reliable sources of finance for the aforementioned developments. This will ensure that our clients, whoever they may be, get the best expertise available throughout the whole cycle of preparation and construction.

Finally, M81 will have fully developed projects up for sale as cash-generating assets by the end of 2022, further widening our range of products and services.

Overall, we believe that the busy upcoming months will be full of exciting opportunities, giving us ever-increasing expertise in the field that we can support our clients with.





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Helios Group key indicators

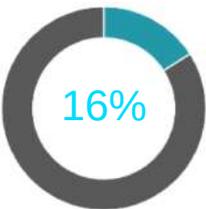
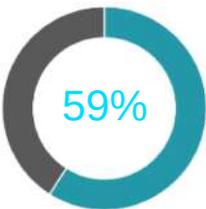
- Net Profit (2020)** 2.54 million €

- 4yr Revenue Growth (16-20)** 141%

- Installed Capacity** 21.45 MWp

- 10yr Net Profit (19-30)** 20.9 million €

Helios Group financials

- ROI**  16%
- Net Profit Margin**  59%
- NPV** 17,398,487.29 €
- Exit Value** 33,352,765.04 €
- IRR** 2.5%

About

M81 Newenergy is a renewable energy company with a global perspective. We aim to design, develop and put into operation power plants for our clients, as well as create strong investment opportunities for our clients.

Partners and Equipment

Power plants under our management have the most advanced equipment manufactured by world leaders in the field and only high-profile contractors are engaged into the process of construction, maintenance and operation such as SOLARTEC - our longtime EPC partner with 30 years of international experience in the renewable energy market.

History and Mission

The Shareholder and Managing partner of M81 Newenergy started his career in the energy sector in 1999. Since 2013, he and his team have been working tirelessly in order to set up more than 10 Solar Power Plants across Ukraine. Now represented in the European Hydrogen Council, M81 Newenergy is on course of extending the range of services to biomass and hydrogen energy technologies. We are welcoming investors to join us on our path of expansion as we look towards a greener future for all.