



# Shoalhaven Solar Farm

## Invitation to Invest

# Shoalhaven Solar Farm – Invitation to Invest

## **This Presentation provides;**

- the background, location and dimensions of the Shoalhaven Solar Farm;
- introduces the developer, the nature of their operations and their participation in this project;
- a summary of the investment offer and timeline;
- the process to participate as an investor.

*This Presentation will be posted on the Repower Web Site after this evenings session.*

*Questions will be addressed at the completion of the presentation.*

*Please mute your device.*

# Shoalhaven Solar Farm – Invitation to Invest

## Background.

- For close to 4 years we have pursued the development of a Solar Farm in the Shoalhaven.
- We have secured a commitment from Flow Power to develop a 3MWac scheme.
- The Solar Farm is being financed, built and operated by Flow Power (Kin Power Group Pty Ltd).
- Flow Power have committed, by way of a formal Power Purchase Agreement (PPA), to acquire the entire generated output for 15 years at a predetermined price.
- A Joint Development Agreement between Repower and Flow Power established the opportunity for Repower members to invest, by way of a Loan Facility, to partially finance the construction of the Solar Farm.

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## The basic metrics;

- Approximately 8000 panels generating 3MWac.
- Cost around \$5million, (including Development Approval and connection agreement to the Endeavor Energy 11KV network.)
- Annual generation forecast 5900MWh
- Purchase orders already placed for long lead items
- Site preparation works commenced in July 2021.
- Commercial Operation – forecast for November 2021
- 30year ground lease with Shoalhaven CC, fully prepaid.
- Year 1 emissions reduction ~5,500 t CO<sub>2</sub>
- Lifetime (30y) emissions reduction ~74,500 t CO<sub>2</sub>



# Shoalhaven Solar Farm – The Location

Nowra Hill Road, South Nowra.

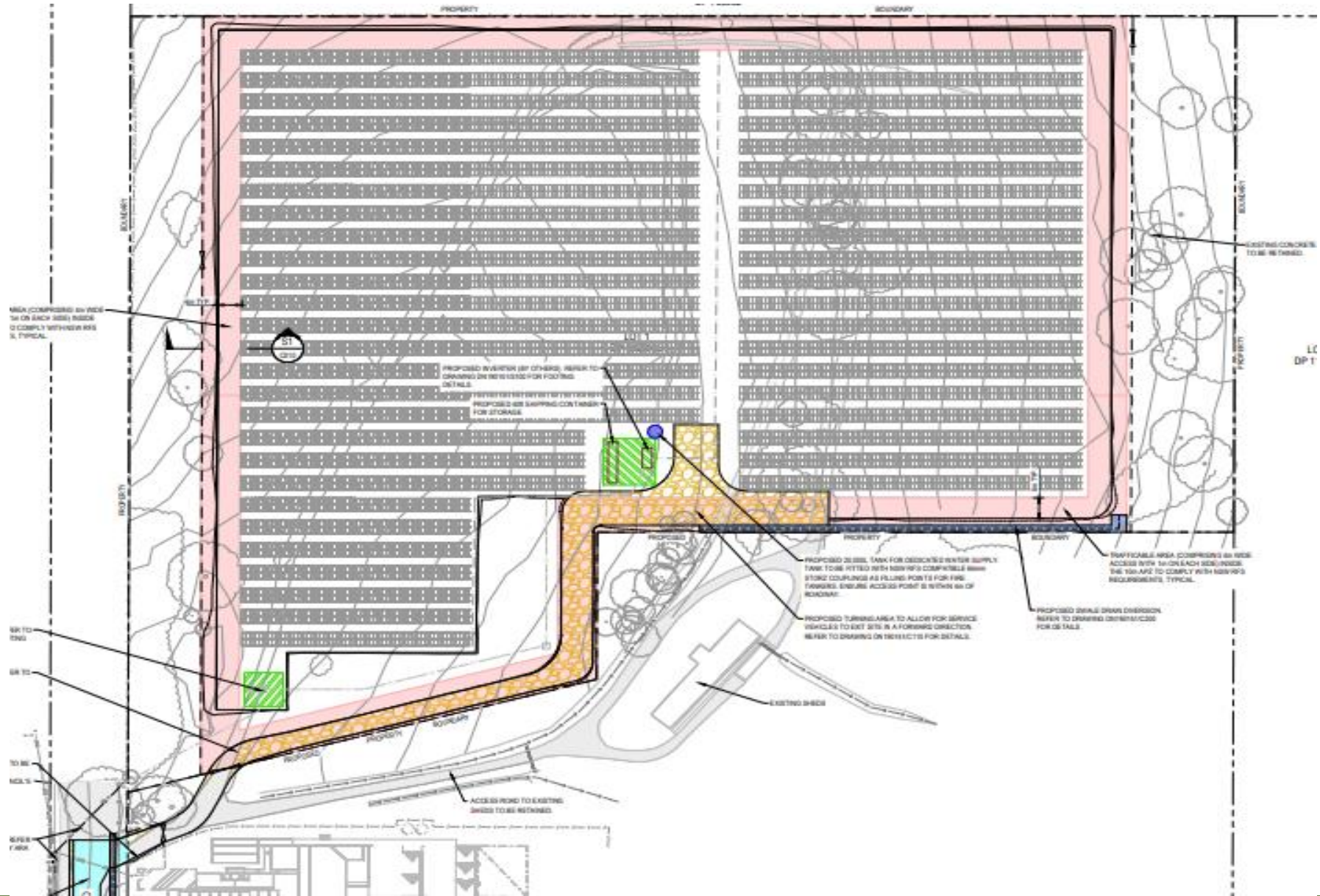
Site was identified by a Council staff member.

Leased Area is 5.038Ha

Historically used as a Sanitary Waste Depot.

Currently used as a dumping/storage site for a variety of materials.

Very close to the 11KV network.



AREA (COMPOSED BY PITCH TRAY ON EACH SIDE) INSIDE TO COMPLY WITH NEW RIS & TYPICAL.



PROPOSED INVERTER (BY OTHERS) REFER TO DRAWING ON NEW RIS FOR FOOTING DETAILS.

PROPOSED 2000 LITRE WATER TANK FOR STORAGE

PROPOSED 2000 LITRE WATER TANK FOR STORAGE

PROPOSED 2000 LITRE TANK FOR DESIGNER'S WATER SUPPLY TANK TO BE FITTED WITH NEW RIS COMPATIBLE WITH STORAGE COURTESY AS FOLLOWS FOR FIRE FIGHTING. ENSURE ACCESS POINT IS WITHIN 6M OF ROADWAY.

PROPOSED TURNING AREA TO ALLOW FOR SERVICE VEHICLES TO EXIT SITE IN A FORWARD DIRECTION. REFER TO DRAWING ON REFLECTIS FOR DETAILS.

PROPOSED GRAVE DRAIN DIVERSION REFER TO DRAWING ON REFLECTIS FOR DETAILS.

PROPOSED AREA COMPRISING AN AREA ACCESS WITHIN 1M ON EACH SIDE/EDGE. THE 100.0M<sup>2</sup> TO COMPLY WITH NEW RIS REQUIREMENTS. TYPICAL.

EXISTING CONCERN TO BE RETAINED.

LC DP 1

GR TO

GR TO

TO BE

WALLS

SAFE

YARD

ACCESS ROAD TO EXISTING SWISS TO BE RETAINED

EXISTING SWISS

# Site works, July 2021



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## Who are Flow Power?

Flow Power is a trading identity within Kin Power Group Pty Ltd.

Established in 2008, Flow Power is an electricity retailer to the commercial, public authority and industrial sectors.

Power Purchase Agreements (PPAs) are their primary retail mechanism. They claim the largest number of retail PPAs in Australia.

In 2019 Flow Power acquired engineering consulting business, Beast Solutions, to enhance their delivery of new generating capacity. Our primary engagement has been with this resource.

Today, Flow Power supplies some of Australia's most iconic organizations including the Sydney Opera House, Westpac, Flinders Port, Snack Brands and the Cities of Sydney, Adelaide & Newcastle.



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## Kin Power Group Pty Ltd

- Kin Power is the overarching entity which owns the Flow Power retail business, generating capacity, related assets and services.
- Kin Power is jointly-owned by institutional investor OPTrust and the original founders of the Flow Power business, including the company CEO, Matthew Van Der Linden.
- OPTrust is a Canadian pension fund with a background in renewables and over \$20B in total assets.
- OPTrust is the majority owner of Kin Power Group.

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## Statement from Flow Power

*‘While Flow Power is a private company, the organisation is participating in the SSF project to support Repower Shoalhaven’s ambitions to realise the community-based project and deliver on the benefits to the community, local businesses and community investors.*

*Flow Power has contributed significant resources in supporting the project to date and will continue to do so through construction and operation. This is driven by a corporate social responsibility undertaking to support the community outcomes driven by Repower Shoalhaven.’*

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## Related Matters

- The electricity generated from the SSF is to be sold by Flow Power through term PPA's with corporate and public authority customers.
- Flow Power have committed approximately 20% of the energy generated from the SSF to a renewable energy supply contract with the City of Sydney.
- The remaining 80% of the energy generated is available for sale to businesses in the Shoalhaven area.
- City of Sydney has contracted to take electricity from the SSF project with a conscious intent to support regional and community participation.

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## The Investment – Key characteristics

- Repower have established a company –  
**Shoalhaven Solar Farm Pty Ltd**  
As the participating investment entity. The Company.
- The Company will issue 80 - \$6250 loan notes. If fully subscribed a total of \$500,000 will be raised. We aim for a full subscription.
- The Company will aggregate the individual investments into a single Loan Facility with the Project Company, a wholly owned entity of the Kin Power Group.

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## The Investment – Key characteristics (cont.)

- The Loan Notes follow the same template as previous Repower Shoalhaven investment schemes.
- The minimum Investment is \$6250 (1 Note) and the maximum (initially) \$31,250. (5 Notes)
- As with previous Repower investment schemes we are limited to 20 unsophisticated investors, with an unlimited number of sophisticated investors.
- A sophisticated investor is certified as such by an accountant within 6 months prior to the investment. Has either an annual income of \$250,000 or assets in excess of \$2.5million.

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## The Investment - Key characteristics;

- 5-year unsecured loan at 5%/annum interest
- Principal and interest paid annually on the anniversary of the date of entering commercial operation (COD) (Forecast for November 2021)
- 50% of the principal paid in equal instalments over the first 4 years and 50% as a final balloon payment.
- An example of the anticipated investor returns;

Initial Investment \$12,500 (2 Notes)					
Year	Principal	Principal Repayment	Interest	Total	
1	12500.00	1562.50	625.00	2187.50	
2	10937.50	1562.50	546.88	2109.38	
3	9375.00	1562.50	468.75	2031.25	
4	7812.50	1562.50	390.63	1953.13	
5	6250.00	6250.00	312.50	6562.50	
		<b><u>12500.00</u></b>	<b><u>2343.75</u></b>	<b><u>14843.75</u></b>	

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## The Investment – Risk Identification

The identified risks fall into two primary categories;

*The Information Statement identifies the mitigations to these identified risks.*

### **1.0 Operational Risk - the Solar PV System, or components, underperform or are damaged or fail.**

- Under performance due to weather, extreme events, poor design, poor construction, poor maintenance, component failure, scheduled and unscheduled distribution network outages by Endeavour Energy.

### **2.0 Financial Structural Risks – the nature of the loan facilities and repayment arrangements.**

- The Loan Note and the Loan Facility are unsecured. Should the project underperform to the extent that principal and interest repayments cannot be realised, or Flow Power fails to pay under the terms of the PPA due to financial or insolvency reasons, there are no alternate sources to recover the principal of the Loan Facility.

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## Process from here:-

- On 24<sup>th</sup> July the SSF Company will post on the Repower web site [www.repower.net.au](http://www.repower.net.au) the Information Statement for Prospective Investors, setting out the details of the project, the entities, relationships, terms of the Loan Facility and terms of the Loan Notes, risk identification with related mitigations.
- The loan note application form and the shareholder agreement will also be posted on the Repower web site on 24<sup>th</sup> July, 2021.
- Applications to invest will open at 9am on Tuesday 3<sup>rd</sup> August.
- On receipt of applications, the directors of the Company, in consultation with Repower Shoalhaven, will determine whether to raise the individual investment limit and/or whether to approach additional sophisticated investors, in order to reach the loan cap of \$500,000.
- If undersubscribed, funds provided with applications will be returned in full.



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## Process from here (cont):-

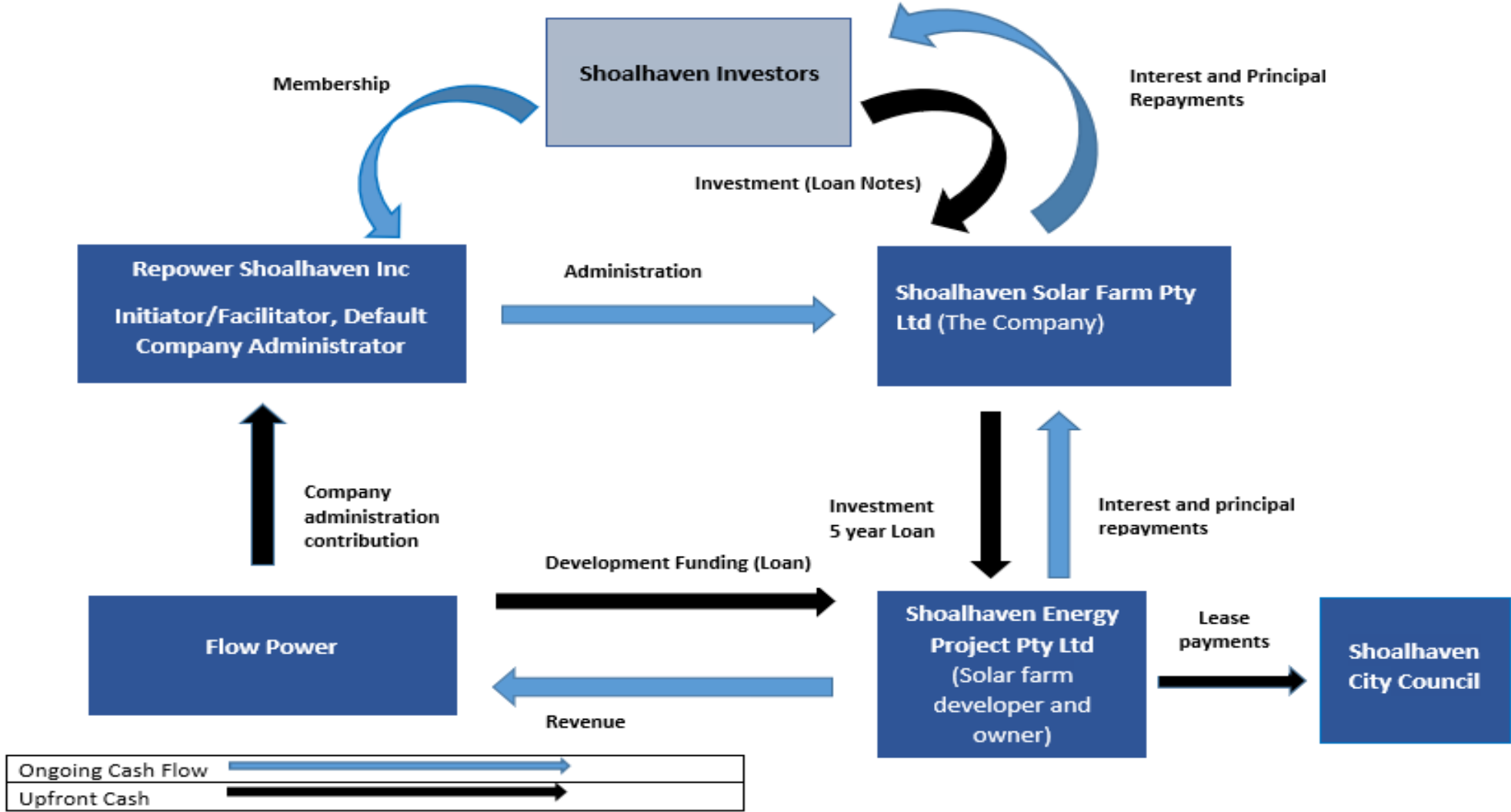
- The Company cannot guarantee that an investor will be allocated the number of Loan Notes that they seek. Adjustments to the number of Loan Notes allocated, as opposed to the number applied for, may be required for;
  - equity of access to the investment by members.
    - E.g. The company has set aside 5 single loan notes to facility participation at the minimum investment.
  - It may be appropriate to ensure long standing members of Repower are preferred.
- The primary intent however, is to allocate Loan Notes on a first-in – first-allocated basis.
- Throughout the duration of the loan, Repower Shoalhaven shall administer The Company, as is the case with the existing investments. Flow Power will pay Repower \$8000/annum for this service.

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## Milestone Events.

- 24<sup>th</sup> July 2021 - Information Statement, Shareholder Agreement, Loan Note Agreement and Loan Note Application posted on the Repower website.
- 3<sup>rd</sup> August 2021 -Applications for loan notes open.
- Investments will be held by Shoalhaven Solar Farm Pty Ltd pending a Drawdown Notice from Flow Power.
- 30<sup>th</sup> September 2021 – The Company notify the Project Co. of the principal of the Loan Facility.
- Drawdown Notice issued by Project Co. prior to Commercial Operation Date (COD) together with information on the degree of completion/commissioning. (Forecast late November 2021)
- Draw Down approved by Shoalhaven Solar Farm Pty Ltd directors, the loan is committed.
- Flow Power advise COD which establishes the commencement of the 5 year term of the Loan Facility and the accrual of interest.

# Financial Flows



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## Disclaimer

- The Information Statement to be issued includes a discussion of some identifiable risks to this investment. Other risks may become apparent or materialise over time, the risks identified at this time are not claimed to be either comprehensive or complete.
- Neither Shoalhaven Solar Farm Pty Ltd nor Repower Shoalhaven Incorporated and the related office bearers of both entities make representation as to the underlying value or quality of the investment introduced in this presentation or the Information Statement.
- Prospective investors must make their own assessment as to whether the securities being offered represent fair value.
- Investment in any business carries risks. Before investing in this or any project about which information is given, prospective investors are advised to take appropriate professional advice.

# Shoalhaven Solar Farm – Invitation to Invest

## Questions;

We can address any immediate questions now.

Following release of the invitation documents on Saturday, we will receive questions by email at [contact@repower.net.au](mailto:contact@repower.net.au)

All questions received, including those this evening, will be posted on the Repower website, together with answers.