



Special Purpose Company

Distribution List

Investors

Clients

First Caribbean International Bank

Enterprise Growth Fund Limited

Emera Caribbean Inc.

Emera Caribbean Renewables Ltd.

Legal

Clarke, Gittens & Farmer

Attorneys-at-Law

Bankers

CIBC First Caribbean International Bank

Enterprise Growth Fund Limited

Summary of Business

1.1 Background & Overview

CloudSolar Inc. is creating the Caribbean's 1st digital renewable energy platform for the sale, distribution and installation of renewable energy systems across the region. Our first target market is Barbados where we are incorporated and based. Our model is vertically integrated where we combine the assets of roof space and land space, integrate with our installation company to install, maintain and service our renewable energy assets; and resell installed panels to the general public with a Digital Solar Agreement (DSA).

CloudSolar Inc. is a special purpose company (#44536) organized under the laws of Barbados. Through its shareholder: Montrose Holdings Ltd., CloudSolar obtained all the licenses to install solar across the company's 300,000 sq. ft. of roof space. It has also gained access to an additional potential 600,000 sq. ft. of roof space, and is the sole company tasked with handling Montrose Holdings' democratization of energy, as the holding company pursues its real estate developments.

CloudSolar currently has under management 1 MWp of rooftop solar installations in Barbados and is progressing further to install another 1.28 MWp in 2020 and a further 3.2 MWp by early 2021. We intend to offer for sale individual panels with a specific kWp rating. The incremental panels of our solar are already installed and being managed through our cloud based platform, under a Digital Solar Agreement. The use of these funds will assist in funding more investments in solar as we look to install a 12 MWp ground mounted solar farm; with a total capacity to buildout of 40 MWp in the future.

1.2 Mission

Our mission is to democratize the purchase of solar PV installations across Barbados, to create a country powered 100% by renewable energy as per the Barbados National Energy Policy. We want to provide the opportunity for every citizen to be an investor and to benefit from this movement.

1.3 Key Partners

1.3.1 Montrose Holdings Ltd.

Montrose Holdings' owns and operates the largest poultry business, and three luxury hotels in Barbados. Including their real estate, with tangible land holding assets poised for development, the acreage of their land holdings is over 400 acres. There are plans in the government offices to develop office buildings, plazas, malls and other commercial development activities. All of which will contain an element of solar PV which will be purchased by CloudSolar.

1.3.2 Emera Caribbean Inc. & Emera Caribbean Renewables Ltd.

Emera Caribbean is the owner and operator of the Barbados Light & Power; with their subsidiary Emera Caribbean Renewables Ltd. engaged as the preferred solar PV installer for CloudSolar.

Emera has installed large and small solar systems across Barbados and they have also installed Barbados' largest solar PV power plant in Trent's, St. Lucy with a capacity of 10MWp. They are the 1st choice for our company to install our buildouts and the experience with them has been positive. To create a competitive environment for Emera to operate in, CloudSolar has engaged a number of third parties to tender out potential solar contracts in order to determine and evaluate the best deals.

1.3.3 CIBC First Caribbean International Bank

CIBC has been involved in banking Barbados for many years. They currently locate their regional head office in Warrens, Barbados; they are responsible for over 13 territories in the region. They are the bank of choice in this venture offering low cost loans for the installation of solar panels with a seamless integration in our digital platform. Customers of CloudSolar in the future will be able to apply for loans digitally and be pre-approved and funded for a solar installation on the spot.

1.4 Progression of Operations

With the advent of the Feed-In-Tariff rate and more certainty in the market with the sale of energy by renewable energy sources; CloudSolar sought to democratize the installation of its asset base by offering to the public digital chunks of its pre-installed solar arrays on rooftops. Through the use of technology we are able to digitize contracts for panels, loan agreements and offer to the public the solar energy credits through our platform in a transparent and easy to use medium. The future of solar investing is held with us as we are at the forefront of this new and unexplored frontier, where we allow for the masses to invest in solar without the need to have a roof or land to build it on.

As we currently have 1 MWp installed on roofs already, the time is ripe to accelerate the installation of these solar PV farms on our remaining 900,000 sq. ft. of roof space, which will give an additional 10MWp of roof mounted solar. With the advent of ground mounted solar, the total installed capacity of our entire network can increase to an additional 40MWp of solar on a diversified field of assets.

Special Purpose Company Governance

2.1 Use of Proceeds of Sale of Digital Solar

CloudSolar intends to use the proceeds of its sale of Digital Solar to fund more solar installations across its licensed asset base. As the market becomes saturated, we will look to further installations and partnerships across the region whether it be building a solar farm in another country, partnering with a large developer, or licensing its software to create a cohesive and fully engrained enterprise for the promotion and development of the solar industry in the region.

2.2 Projects Evaluation & Synergy

Through our direct partnership with Emera, we will be able to tap into markets with their expertise and assistance to get the best value on our installations, along with insight into the industry trends. Our teams work together to determine site availability and feasibility so that we can maintain the confidence and earnings for our clients in our solar pool PV network.

2.3 Criteria We Consider before Investing

- 2.3.1 Location where a PV Solar project can maximize the generation potential
- 2.3.2 South facing rooftops without any shading are optimal with a 18 degree or less sloped or flat roof
- 2.3.3 If a Landlord lease is required whereby the landlord is willing to sign the appropriate lease agreement. A 25 year lease is required, however shorter terms can be facilitated with a buyout clause.
- 2.3.4 Approvals will be sought such as Government Electrical Engineering Department (GEED) Certificates and Barbados Light and Power approvals. To ensure no adverse effects on the existing electricity grid or power generation
- 2.3.5 Where the need arises to install ancillary equipment to guarantee the success of a project, that will be costed and applied to the cost of all projects
- 2.3.6 In the case of ground-mount systems, CloudSolar will obtain necessary planning permission from “Town and Country Planning” authority in Barbados who take environmental and social risks as a key criteria prior to granting planning permission for PV Solar deployments.

2.4 Management of Proceeds

CloudSolar as the responsible entity will have control over the issuance of renewable energy credits across its digital platform. They will also be responsible for remitting any and all proceeds of the net generation from any solar proceeds. They will also remit funds from these proceeds for loan notes attached to a clients’ account portfolio.

Through CloudSolar’s Digital Solar Agreement, CloudSolar undertakes to sell a right to own a solar panel in a remote location which generates income from the pooling of multiple solar sites. The agreement sets out for the client:

- The number of panels a client owns
- The size of the solar they purchase in kWp (DC) & Nameplate (AC)
- The price they are paying for the panel
- The Feed-In-Tariff rate allocated for that size remote installation
- Any ramp up period it takes to become operational (Minimum 1 day)
- Forecasted financials (Returns, Benefits and Risks)

2.5 Funds Flow

The special purpose company sells to its client digitally and the client accepts the terms and conditions as laid out in the Digital Solar Agreement. Funds are paid into the SPC and those funds are immediately deployed in the installation or refinancing of solar PV systems across the country. Energy is generated from these systems which the client then owns, and the SPC is responsible for selling the energy on behalf of the client to the utility company, as they own the right to sell energy through their license agreement, not the client. The funds are transferred back to the SPC and the client can request immediate remittance less the SPC management fee of 20% and any loan note principal and interest payments to the bank on behalf of the client.

2.6 Reporting & Monitoring

There are three main levels of reporting:

1. Annual Audited Accounts
2. Monthly Energy Generation Audits
3. Quarterly updates against the VPPA

2.6.1 Annual Audited Accounts

The auditors of our company are PricewaterhouseCoopers (PWC) with no change imminent. Annual reports of CloudSolar are private, however the audit will contain detailed billing and energy audits which will be made available to purchaser of digital solar installations for the year ending 31st day of December.

2.6.2 Monthly Energy Generation Audits

On the 21st of every month CloudSolar will issue the energy audit of each of the systems online in its PV network. It will then allocate the proceeds from the energy pool to the respective owners of systems.

2.6.3 Quarterly updates about the Digital Solar Pool

On a quarterly basis, digital system owners will be privy to a quarterly comparisons against the solar pool forecasts and reports on:

- Projects in the pipeline
- Status of new projects
- Growth of the Solar Pool

On our website www.cloud.solar, we push all our updates in a transparent manner.



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