

Growing your business with fully-funded solar



April 2020

The Zestec Solution

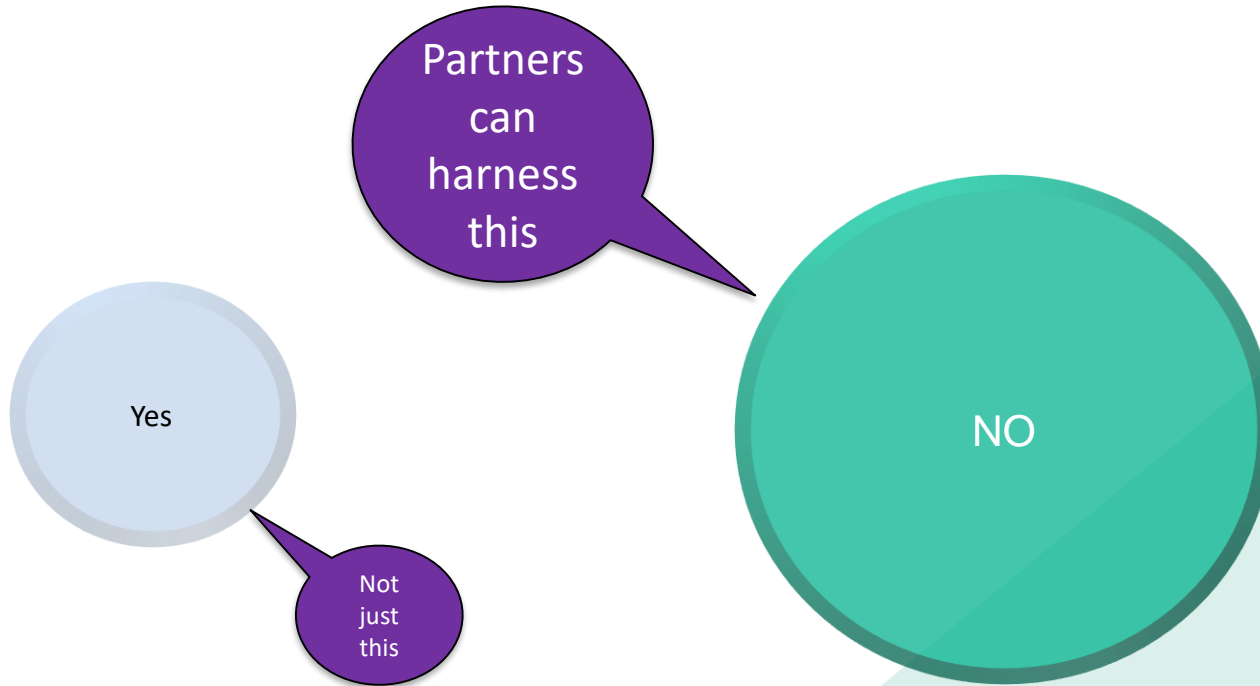
Zestec Asset Management are the UK's premier provider of zero-outlay rooftop solar solutions for UK businesses.

We allow businesses to transition off dirty grid energy on to locally generated, clean green energy by providing a fully-funded rooftop system under a Power Purchase Agreement.

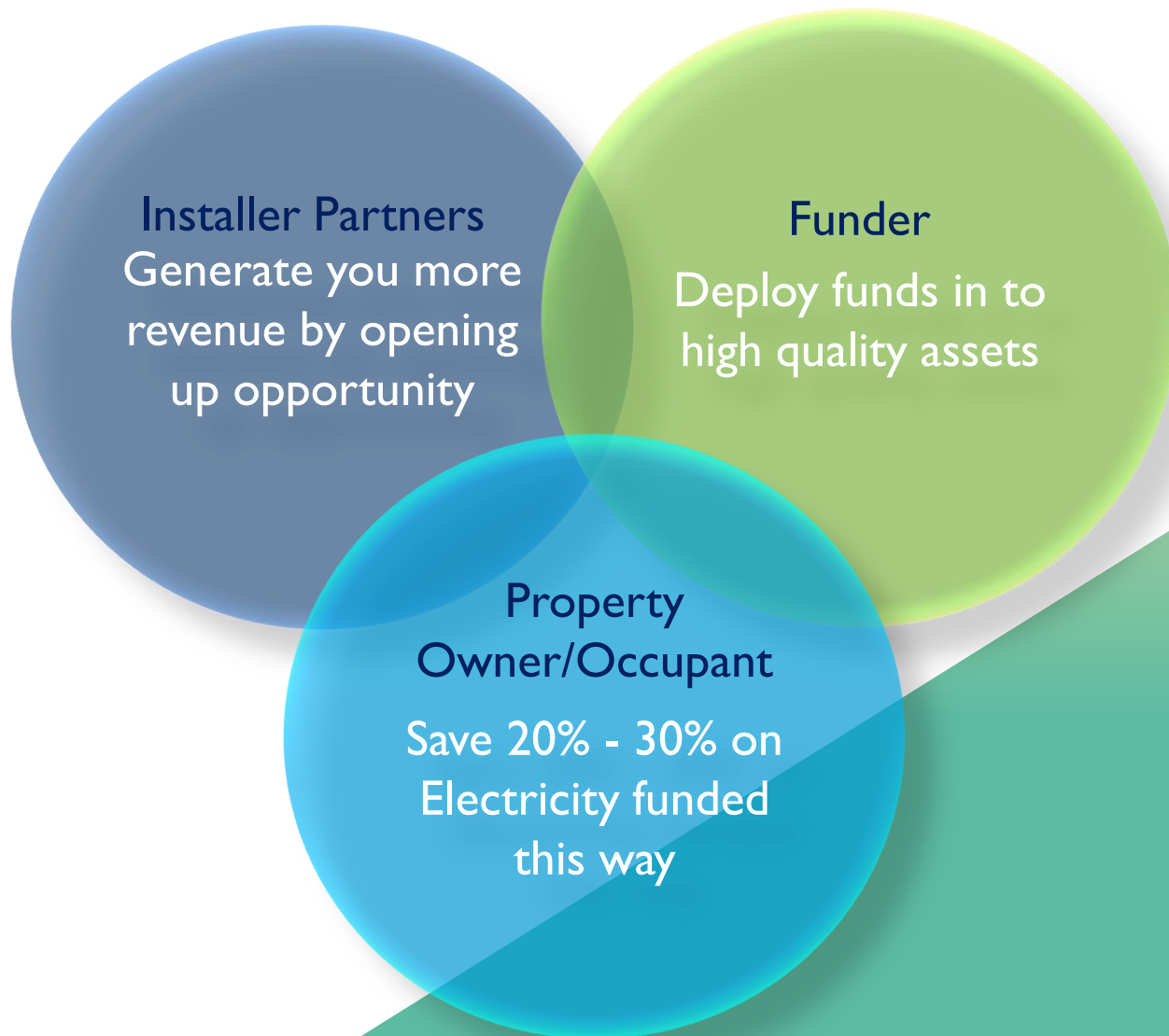
It's a well proven, hassle free, cost free way of switching to renewable energy.

Clients gets all of the environmental benefits of renewable energy and only pay for the energy it consumes, at a fraction of the price of grid energy, which is guaranteed to only rise in line with RPI.

What if money was no problem?



Make, Save, and Invest Money



What is fully-funded solar?

Where an organization does not have the capital, or does not wish to expend the capital, to purchase a rooftop PV system outright Zestec are able to provide a fully-funded solution.

There are 2 elements to the agreement:

Lease – The organization agrees to lease their roofspace so that a system may be installed.

PPA – The organization agrees to purchase the energy produced by the system at an agreed price for an agreed period.

*The lease and the PPA must be for the same duration

Commercial solar PV systems (PPA)

- Solar PV assets are provided to owners of suitable commercial properties under a capital-free Power Purchase Agreement (PPA) model
- A solar PV asset is financed, installed, operated and maintained for between 15 and 30 years.
- The property owner is sold PV electricity at a c.20% discount against their electricity tariff, rising only with RPI inflation for the term of the contract
- The commercial property owner benefits from discounted electricity, reduced carbon emissions and long term protection against energy market volatility for up to 30 years

Partner generates revenues through:



**Development fees
on completion of
construction**



**Quarterly
O&M fees**



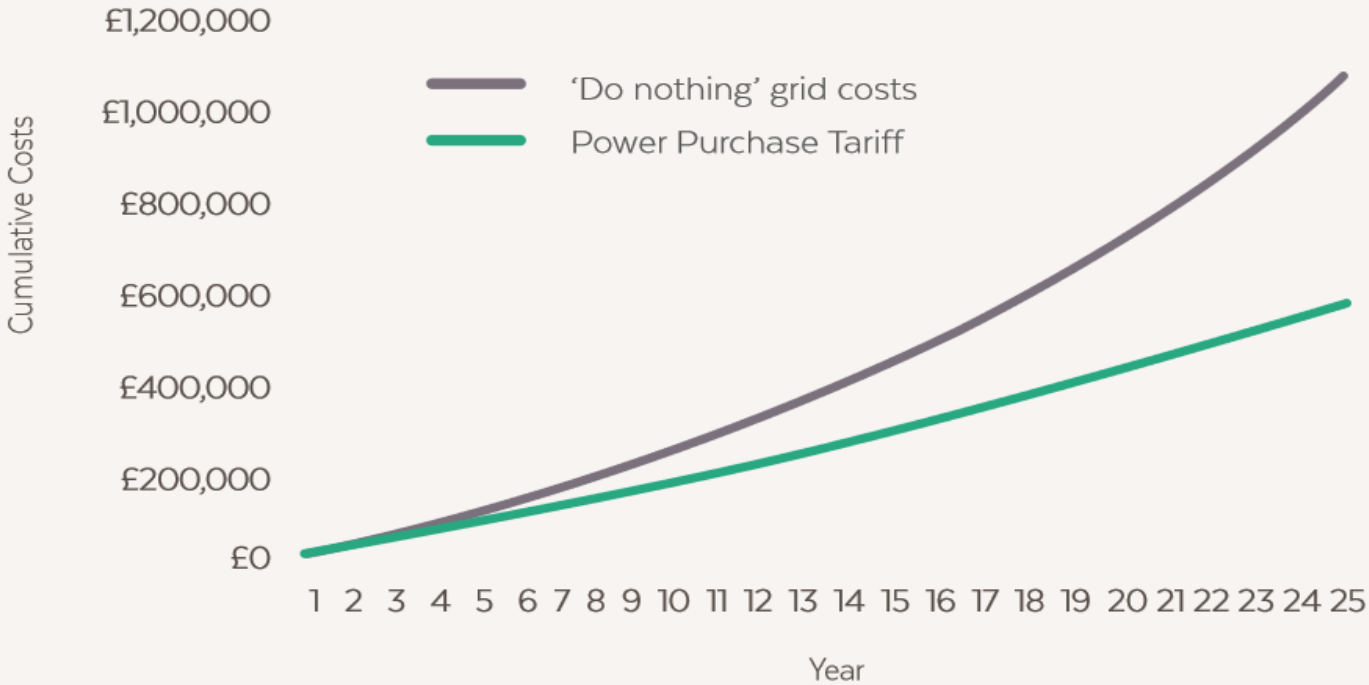
**Potential annuity
revenue**

So why are businesses embracing PPA?



Financial Benefit

Cumulative costs:
Do nothing vs. Power Purchase Tariff



Savings Example I

System specification		Financial variables		Total annual consumption	
Size of system	70.00 kWp	PPA tariff	9.2 p/kWh	PV contribution	6%
Annual generation	71,400 kWh	Elec. tariff	13.1 p/kWh	Discount on current tariff	30%
Onsite PV usage	93%	RPI inflation	2.50%	Reduction on electricity costs	2%
Efficiency reduction	0.4%	Elec. inflation	5.04%	Year 1 carbon saving	23.34 Tonnes CO ₂ e

Year	Site-consumption of PV	PPA Tariff		'Do nothing' grid costs		Savings	
		Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
1	66,402	£6,109	£6,109	£8,689	£8,689	£2,580	£2,580
2	66,136	£6,237	£12,346	£9,090	£17,779	£2,853	£5,433
3	65,872	£6,367	£18,713	£9,510	£27,289	£3,143	£8,576
4	65,608	£6,500	£25,213	£9,949	£37,238	£3,449	£12,026
5	65,346	£6,636	£31,849	£10,409	£47,647	£3,773	£15,799
6	65,085	£6,775	£38,623	£10,890	£58,537	£4,115	£19,914
7	64,824	£6,916	£45,539	£11,393	£69,930	£4,477	£24,391
8	64,565	£7,061	£52,600	£11,919	£81,850	£4,859	£29,249
9	64,307	£7,208	£59,809	£12,470	£94,320	£5,262	£34,511
10	64,049	£7,359	£67,168	£13,046	£107,366	£5,687	£40,198
11	63,793	£7,513	£74,680	£13,649	£121,015	£6,136	£46,334
12	63,538	£7,670	£82,350	£14,279	£135,294	£6,610	£52,944
13	63,284	£7,830	£90,180	£14,939	£150,233	£7,109	£60,053
14	63,031	£7,994	£98,174	£15,629	£165,862	£7,635	£67,688
15	62,779	£8,161	£106,335	£16,351	£182,214	£8,190	£75,879
16	62,528	£8,331	£114,666	£17,107	£199,320	£8,775	£84,654
17	62,277	£8,506	£123,172	£17,897	£217,217	£9,391	£94,046
18	62,028	£8,683	£131,855	£18,724	£235,941	£10,041	£104,086
19	61,780	£8,865	£140,720	£19,589	£255,530	£10,724	£114,810
20	61,533	£9,050	£149,770	£20,494	£276,024	£11,444	£126,254
21	61,287	£9,239	£159,009	£21,441	£297,464	£12,201	£138,455
22	61,042	£9,432	£168,441	£22,431	£319,895	£12,999	£151,454
23	60,798	£9,629	£178,071	£23,467	£343,363	£13,838	£165,292
24	60,554	£9,831	£187,901	£24,552	£367,914	£14,721	£180,013
25	60,312	£10,036	£197,937	£25,686	£393,600	£15,650	£195,662
26	60,071	£0	£197,937	£26,872	£420,472	£26,872	£222,535
27	59,831	£0	£197,937	£28,114	£448,586	£28,114	£250,649
28	59,591	£0	£197,937	£29,413	£477,999	£29,413	£280,061
29	59,353	£0	£197,937	£30,771	£508,770	£30,771	£310,833
30	59,116	£0	£197,937	£32,193	£540,963	£32,193	£343,026
31	58,879	£0	£197,937	£33,680	£574,644	£33,680	£376,706
32	58,644	£0	£197,937	£35,236	£609,880	£35,236	£411,942
33	58,409	£0	£197,937	£36,864	£646,744	£36,864	£448,807
34	58,175	£0	£197,937	£38,567	£685,311	£38,567	£487,374
35	57,943	£0	£197,937	£40,349	£725,660	£40,349	£527,723

Year 26 - 35:

£332,060.49

The client journey with Zestec



Technical survey and permissions

The installer conduct full technical surveys and establish the structural integrity of the roofs, electrical supply and infrastructure. We will also seek approval to proceed from your local electricity network operator and your local planning authority. Our project team will be in contact with you on an ongoing basis to keep you informed of progress



¹ Lease & PPA

Once the technical design and system specification is completed, the Lease and Power Purchase Agreement are executed. You will have plenty of time to review these documents and Zestec has put significant effort into them being as clear as possible to understand and complete



Installation

Zestec will ensure that the equipment and installations meet the specification as agreed with the client, which will then deliver the long-term expected performance and savings. Our interests are aligned in making this happen



Operation & maintenance

To continue to maximise the benefits of the systems, Zestec proactively manages and monitors the installation. We also provide the client with online access showing how the system is performing and the savings you are making

How big is the opportunity....

The Government's UK solar PV strategy in 2014 identified 250,000 hectares of south facing commercial roofs across the UK. We have identified 180k properties that could take +100kWp

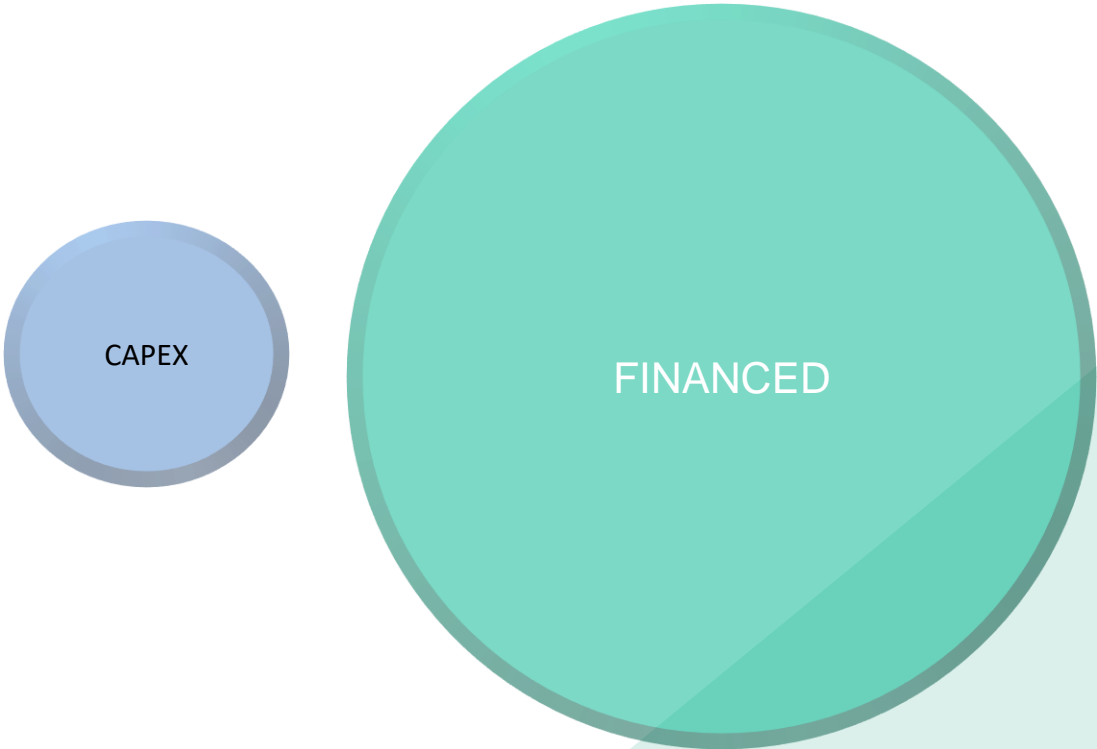
Roofscanner™ database

Zestec has developed a unique proprietary database from mapping data which holds details of 180,000 commercial rooftops across the UK, each with a potential system capacity of >100kWp – an estimated market segment of £3.1bn, out of the total addressable market of £15bn.

We are also able to extend this initiative to identify existing solar assets that may be suitable for our Buyback proposition.

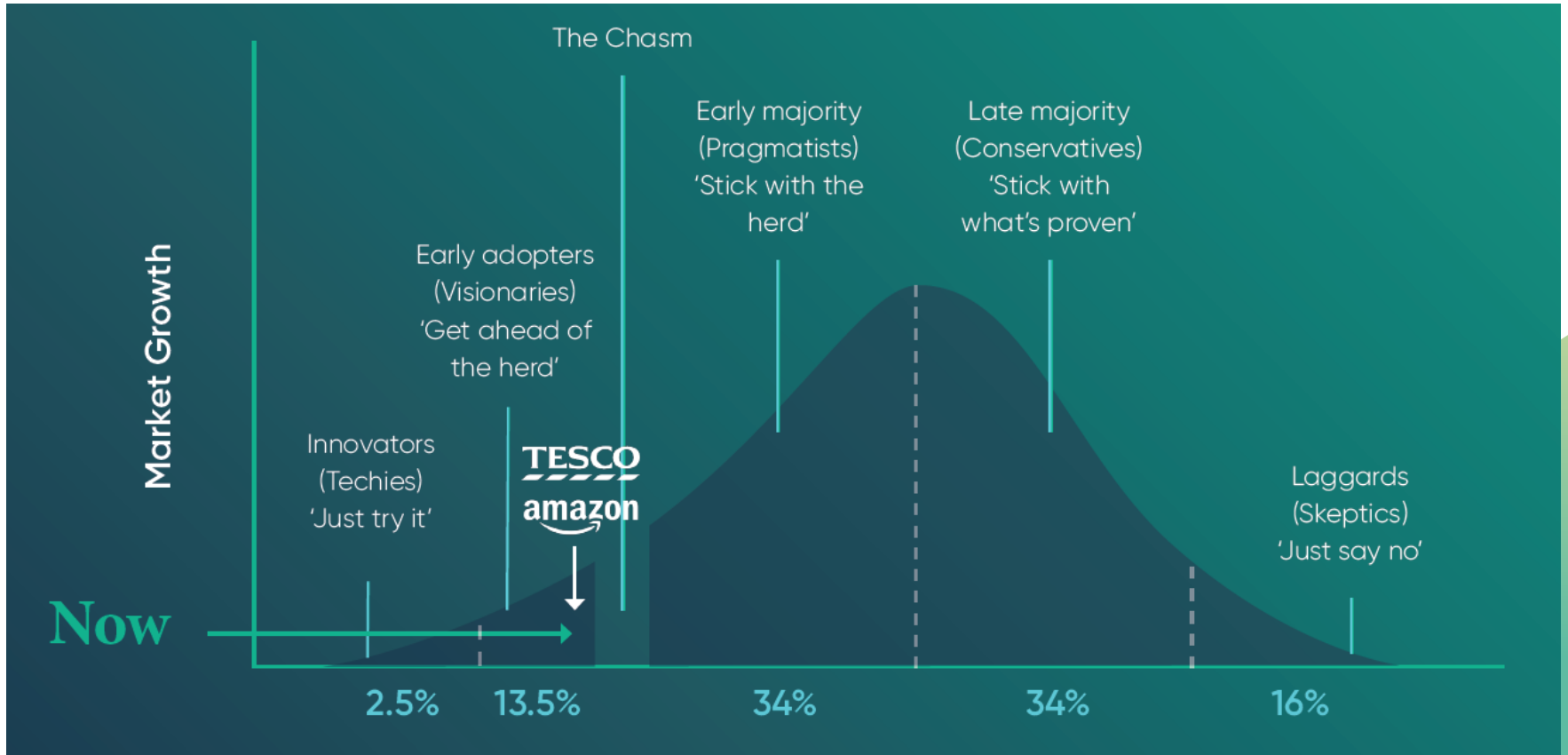


The real size of the opportunity?



It's not yes or no, it's Capex or PPA

Crossing the chasm



Things to think about post-crisis

- What will be the motivation to install solar post Covid-19?
- How many organisations will have the cash or credit to self-fund?
- How do you position to maximise the your chances of benefiting from the changing landscape?

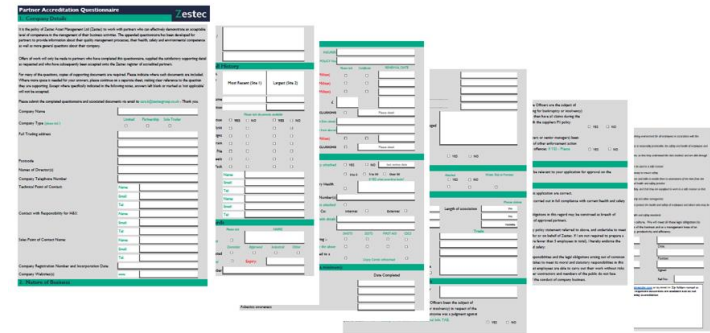
Is it difficult to become a partner?

We want you to make more money.

To do that we have to satisfy our investors that the assets we are building are of the quality they require.

We operate an Accredited Partner scheme aimed at ensuring our partners understand the requirements of our funders and to ensure the construction of investor grade assets.

Working with us through this programme is not onerous and doesn't require any investment but does ensure that moving forward the three-way proposition, you, the investor and Zestec all fully appreciate their roles.



The logo features a stylized teal 'Z' with a lightning bolt shape inside it, followed by the text 'Zestec Asset Management' in a white sans-serif font.

Zestec
Asset
Management

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