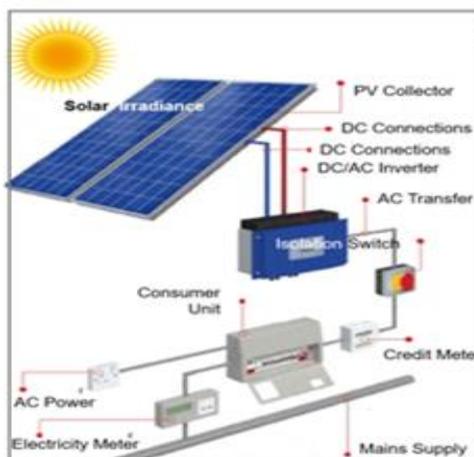


Solarex: Business Concept

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Solarex: Concept

Solarex is a new generation hybrid start-up of solar power supplier with blockchain technology and crypto-currency enabled transaction systems. This is going to be a



disruptive digital solution in much sought after solar business in Africa. The Business model is designed to setup Solar Farms (up to 80% of business) with private grid, outright Solar PV and Package sale (15%) and Leasing of Solar Package (5%). The backbone for managing and controlling the supply and distribution will be based on smart contract and smart metering backed by blockchain technology.

For transactions of power purchase and fees payment, solarex utility token will be issued to make a complete solar ecosystem and in so doing, solarex will become a household's name.

Market Environment for Power and Solar Power

In the face of the current deficit in power supply and associated environmental hazards from power generation through thermal means, renewable energy is being touted as the next probable option. It is presently constituting bulk of the continent's energy mix. This could help solve present crisis of many countries in the region. One of biggest nations in Africa is Nigeria, and it has installed capacity of 12.5 GW as on mid-2016 of which 85% is gas fired thermal power and 15% is hydro-generated. Ironically, country has achieved 5.1 GW power as highest in Feb-2016. This is against country's population of 187 million. In contrast, South Africa has 52.9 million population with total installed capacity of 45 GW with peak generation achievement of 35.8 GW in Feb-2016. One can make out the gap and unmet demand of power in Nigeria. It is estimated that to light up the country's home, it needs 50 GW power. The Minister of Power, Works & Housing, Babatunde Fashola, has shared the government road map for steady, incremental and uninterrupted power supply in mid-2016. This is the main reasons why we have decided to initiate business evolution process from Nigeria and quickly ramp up to entire Africa. The idea is to tap huge opportunities arising from the massive power deficit across African nations with private captive grid enabled by

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technology where the nation's grid is not smart enough to support Solarex technology and to cut cost and build efficiency in distribution. This is at a time, when most of the African governments are encouraging renewable energy due to massive shortage of power from public grid and governments' inability to produce it. There are many support initiatives of governments which are aimed at encouraging private initiative as stated below:

- ✓ Allowing project developers to obtain soft loans and special low-interest loans from the dedicated fund for renewable energy supply and energy efficiency projects;
- ✓ Free Custom Duties with time-limit on the importation of equipment and materials used in renewables and energy efficiency projects;
- ✓ Tax incentives to manufacturers of renewable energy and energy efficient equipment and their accessories;
- ✓ Assistance in land allocation or grant of land to manufacturers of renewable energy;
- ✓ Tariff framework for renewables (with a focus on solar power generation).

Over and above, Feed in Tariffs (FITs) are generally applicable to solar power generation (as with other renewables). FITs refer to a minimum guaranteed price per unit of produced electricity to be paid to the renewable power producer or as a premium in addition to general market electricity prices. FITs are designed to enable the producers to sell their power over the grid at considerably higher prices than the tariffs. Inducements implied in FITs include (a) guaranteed market; (b) priority grid connection and off-take; (c) facilitated land acquisition process; (d) concessionary tariff rates and (e) simplified licensing/permit process. With this, various governments have set ambitious target to achieve in near to medium term across Africa for making solar power as credible energy source.

Emerging Block Chain Technology and Crypto-currency

Blockchain is essentially a global public ledger capable of automatically recording and verifying a high volume of digital transactions, regardless of location. Bitcoin's popularity is proving blockchain's usefulness in finance, but entrepreneurs have come

to believe blockchain could transform many more industries. Ultimately, the use cases for a transparent and verifiable register of transaction data, are practically endless. Blockchain operates through a decentralized platform requiring no central supervision and it is uniquely resistant to fraud. Energy management is one such industry that has historically been highly centralized. In the US and UK to transact in energy, one must go through an established power holding company like Duke Energy or National Grid, or deal with a re-seller that buys from a big electricity company.

As with other industries, the distributed ledger could minimize (or eliminate) the need for intermediaries. Start-ups like Transactive Grid — a joint venture between LO3 Energy and Brooklyn-based Ethereum outfit Consensys — are rethinking the traditional energy-exchange process. Transactive Grid uses Ethereum blockchain technology to enable customers to transact in “decentralized energy generation schemes,” effectively allowing people to generate, buy, and sell energy to their neighbours. LO3 Energy also has projects that include Brooklyn Microgrid and Project Exergy, the latter being a proof-of-concept for harnessing excess heat expelled by computers. On the other hand, growth of the cryptocurrency market is now propelled by the immutability and transparency around the distributed ledger technology. The major benefits of such systems are:

- ✓ Lesser transaction and ownership cost
- ✓ Speedier transaction process
- ✓ Secure transaction processing with absolute safety
- ✓ Protection against fluctuating monetary regulations



Since January, 2017 Bitcoin and Ethereum have grown exponentially in value. The cryptocurrency, as powerful new vehicle is gaining public attention across globe. To capitalise on such momentum, we have decided to issue Solarex utility token as a means of transaction in the Solarex ecosystem.

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Business Model

Solarex is a solar power start-up backed by blockchain technology and utility token. The idea is to use blockchain as value driver with greater transparency and veracity by introducing utility token called “Solarex” for every transaction covering power purchase, equipment funding, and others. The idea is driven by the demonstrated power of



blockchain technology and related security. The same is envisaged for major value creation from solar power business in and across Africa. In the process, Solarex start-up will create huge potential for value appreciation in utility token via life-cycle cap. The key

features of the Solarex project are:

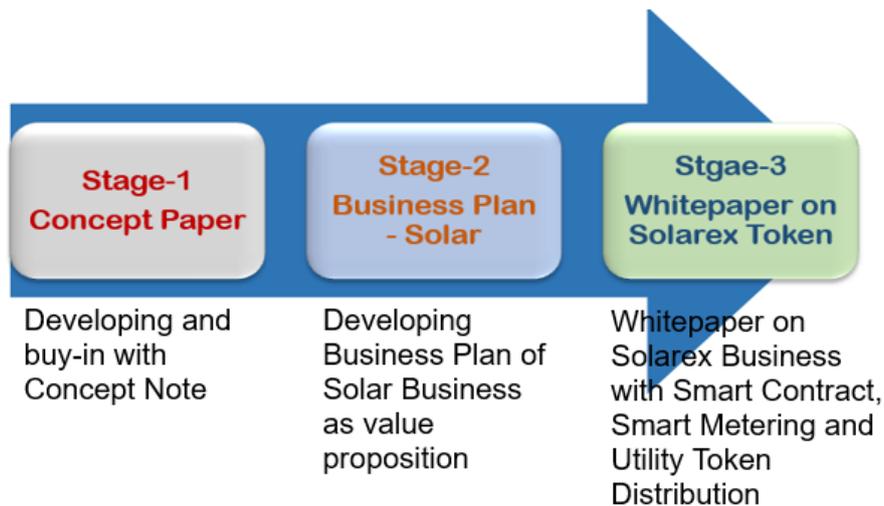
- ❖ Solarex project will be focused on retailing solar power via solar farm with its own private grid for households and commercial enterprises across Africa;
- ❖ It will also supply solar PV package for outright sales;
- ❖ The project will address the need of customer to buy package in lease;
- ❖ The entire generation and distribution system will be set up on smart contract and smart metering backed by blockchain technology;
- ❖ Utility token will be issued and used for all transactions relating to power supply and purchase across value chain.

Solarex value generation would be multi-prone such as:

- a) Attractive solar power business across African power-starved region;
- b) Government incentives and tax advantages to generate attractive return;

- c) Greater efficiency and low cost of transactions to add bottom-line;
- d) Value creation from token – three ways:
 - Unleashing value of idle cash through recycling via Solarex utility token
 - Return from token investment via leasing (premium)
 - Value appreciation through life-cycle cap

The process of business initiation will follow the below three stages:



Thank you for your attention...

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