Project: PV 280 MW Project

Location: Thessaly, Greece.

The Market:

As the majority of the PV modules are manufactured in China, the production and supply chain has taken a significant hit. For instance, India imports ~80% of its solar value chain supplies from China. The lockdown had drastically affected the manufacturing capacity of China, as all major ship container companies had also stopped functioning out of Chinese ports and transporting goods from China to other countries. This resulted in supply chain disruptions in March and April 2020. Also, lockdown implemented in other countries caused supply chain disruptions and labor shortages in the PV industry. Companies were not able to source the required labor for their operations due to travel restrictions. Though the market is expected to be impacted in 2020, recovery is expected to commence in 2021, with full recovery by 2022.

The number of photovoltaic applications has increased slightly over the last 10 years in Greece, with a forecasted 40% increase in the annual rate of sales over the next few years, a target similar to the rest of the EU Member States.

Greece is a country with extremely high potential for solar and especially for PV applications, mainly due to:

- the high insolation all year round (among the highest in Europe)
- the electricity needs in the islands are mostly covered by diesel/heavy oil generation units, thus resulting in high operation costs and environmental pollution
- the significant tourism activity during summer (environmental burdens in some islands increases by more than 100%), thus offering significant seasonal correlation between energy demand and PV power generation.

However, the PV market is not adequate developed compared with other EU markets. In order to create more favorable conditions, nowadays a positive legislative and financing framework has being formulated (Operational Programme for Competitiveness – OPC-, Operational Programme for Energy –OPE-, deregulation of the energy market, new development Law, etc).

The Project:

The investment, which was included under protocol number 2300/22/12/2014, in the Process of Acceleration and Transparency of the Implementation of Strategic Investments of Law 3894/10 (**FAST-TRACK**), concerns the Construction and Operation of Photovoltaic Installations with the implementing agency the company "CONSORTIUM SOLAR POWER SYSTEMS LTD", based in Blagoevgrad, Bulgaria, a joint venture of the companies "ELEMENTCONSULTING ENERGY LTD" and "AELIA LTD", with a total electricity capacity with a power of 280MW.

The projects to be constructed are 9, with a total power of 280 MW.

In detail, the projects are:

- 7 parks in the Prefecture of Larissa
- 1 park in the Prefecture of Magnesia
- 1 park in the Prefecture of Karditsa

Initial Costs:

• License buyout cost:	12.000.000 Euro
• Cost for: (Studies Deposit, fees, topographic works, parks layouts, etc.)	1.000.000 Euro.
• Cost of materials and installation (Turnkey):	140.000.000 Euro.
Total:	153.000.000 Euro.

Fixed costs:

• Land rental cost	700,000 Euro / year.
• Maintenance and supervision cost	1.400.000 Euro / year.
• Insurance policy cost	1.100.000 Euro / year.
Total:	3.200.000 Euro / year.

Budget and economic Figures:

Total Project Budget:	153.000.000 €	
Equity by AENAOS LLC:	30.000.000 €	
Leverage:	120.000.000 €	
Expected EBITDA:	13.626.000 €	(Assumption according to FIT market estimation at the time of project operation)

Current Status:

- Up to now, only 40 MW have a grid connection agreement.
- Awaiting for the Grid connection for the rest.

To Do:

- Due diligence for each project (technical, legal, financial, through the d.d. of FN)
- Acquisition of the project through the acquisition of FN Development