

Solco Ltd

Go Group Acquisition



AGM 28 November 2014

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SOLCO – CURRENT SNAPSHOT

- ASX : SOO
- 205,100,124 shares on issue
- 12mth high/low - \$0.016/0.005
- Business not operating since June 2014
- Current Board
 - David Richardson (Non Exec Chairman) 45.7% shareholder
 - Ian Campbell (Non Exec. Director)
 - Craig Vivian (Non Exec. Director)

GO GROUP AQUISITION

- The GO Group is a Clean Tech Energy retailer and financier.
- Acquiring from Urban Group Energy Holdings (UGEH) for 627.6m Solco shares
- Solco to undertake a 1 for 1 non-renounceable rights issue at \$0.02 to raise \$4.1m, UGEH to underwrite up to \$3M.
- Urban Group shareholders to hold between 63 - 79% of Solco, dependent on rights issue take up.
- MD of GO Group, Adam Pearse, to be Solco MD with two UGEH nominees to join Solco board, Brian Thomas Chairman elect, and Lui Pangiarella Non Executive Director elect.
- Well established Management Team

SOLCO BOARD POST ACQUISITION OF GO GROUP



Brian Thomas
Chairman



Adam Pearce
Managing Director



Craig Vivian
Non Executive
Director



Ian Campbell
Non Executive
Director



Lui Pangiarella
Non Executive
Director

SOLCO - GO GROUP SENIOR MANAGEMENT TEAM



Adam Pearce
Chief Executive Officer



Warren Kember
Chief Financial Officer



Neil Purser
Chief Operating Officer



Philip Livingston
Chief Technology Officer
& Chief Strategy Officer



Emile Abdurahman
General Manager
Business Development

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INTRODUCTION TO GO ENERGY GROUP

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GO energy
Clean Tech Energy
Retailer
& Renewable Energy
Generator



CO2markets
Environmental Trading



CO2Global
Technology – QA - QC



GOquote
Lead Generation



- Retail grid energy
 - Renewable generation
 - Energy efficiency
 - Energy management solutions
 - Owns and operates 10-100kW solar generating units selling generation under long term Solar Power Purchase Agreements (PPA)
 - Focused on SME and C&I customers
-
- Aggregates and monetises Renewable Energy Credits for the Solar Industry
-
- Evaluates new products and emerging technologies
 - Procurement, QA and QC services
 - Power Plant Optimisation
-
- Lead Generation service supporting CO2 markets customers and GO energy Channel Sales Partners

CUSTOMERS AND PARTNERS

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GO ENERGY GROUP

Points of Difference



- Long term profitable annuity income streams from solar PPAs
- Long term contract bundles
- "Sticky" creditworthy customers
- Delivery of immediate savings to customers
- Long term revenue from medium and large scale solar power plant projects

- Strong direct sales channel
- Strong sales channel partner program
- Strong outsourced install partner program
- Quality equipment

- Leading edge
- Optimisation
- Continuously working on reducing LCOE (Levelised Cost of Energy)

- In-house IT experts and software developers
- Continuous systems improvements
- Established cloud based portal tools to run an efficient business

NO RELIANCE ON

- Energy Brokers
- GOVT.

UTILISING

- Brokers to find Opportunities
- GOVT incentives to expand long term revenue streams quicker

GO ENERGY GROUP



GO GROUP ELECTRICITY RETAILING BUSINESS

- www.goenergy.com.au GO energy is a leading Australian independent 'Clean Tech Energy Retailer', focused on reducing customer utility costs and reliance on grid energy through the provision of clean technology
- Licenced Energy Retailer in NSW, VIC, ACT, QLD & SA and a Licenced Gas Retailer in NSW, ACT & SA.
- Designs, constructs, owns, operates and finances solar PV power plants, energy management & energy efficiency solutions for Commercial/Industrial & SME's.
- Comparative advantage is bundling self-generation solar systems and energy efficiency technologies into a seamless energy retail offer offering a complete energy solution that delivers real savings immediately to customers.
- Offers a range of competitive and innovative financial solutions to Customers in the form of solar leasing and or Power Purchase Agreements.
- GO energy has recently received terms for a \$25m financing facility with a non-bank financial institution to fund its solar PPA pipeline. GO energy expects to execute financing agreements by December 2014. We expect this to fund approximately 23MW of small scale solar installations.

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GO GROUP ACHIEVEMENTS

- Registered with AEMO as accredited Small Generation Aggregator, allowing GO energy to aggregate excess generation from solar PPAs and sell into wholesale market.
- Developed and implemented the first stage of cloud-based quoting and contract preparation tool for Solar PPAs, Solar Buy/Lease, Energy Efficient Lighting and Energy Retail Contracts.
- October 2013 – June 2014: Piloted first energy consumption-based Solar PPAs – this led the way for terms of \$25m Solar PPA Fund to be launched in December
- September 2014: Actively commenced selling retail C&I and SME energy contracts (some bundled with solar and energy efficiency). Transacted 67 contracts in September and October, amounting to 9.5 GWh per annum.
- October 2014: Launched GO hub energy management on-line portal and finalised solar monitoring strategy
- October 2014: Launched a pilot retail gas pool pass-through product for large C&I customers. Expect to on-board first large customer Jan 2015

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GO GROUPs ELECTRICITY RETAILING BUSINESS

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Product and Services

Lead Products and Services

- Retail Energy
- Power Purchase Agreements
- Solar Leases
- Energy Management
- Gas

Supporting Products and Services

- Energy Efficient Lighting
- Power Quality

Planning and Implementation Stage

- Battery Storage



SOLAR PPA CASE STUDY – WEST WALLSEND

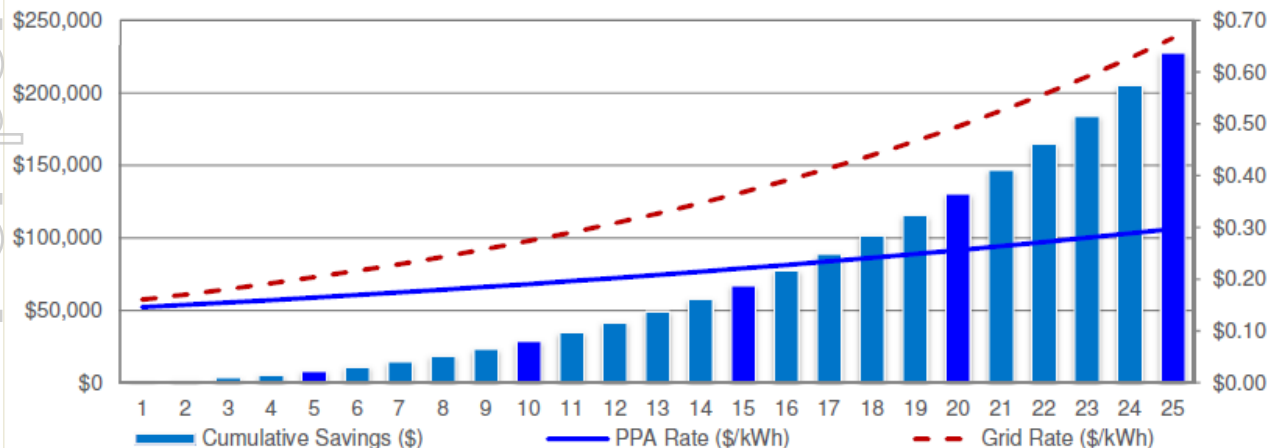
SOLAR POWER PURCHASE AGREEMENT - CASE STUDY 2014

PROJECT	WEST WALLSEND WORKERS CLUB
SYSTEM SIZE	50KW
DISCOUNT TO GRID ENERGY	13.50%
TOTAL CASH FLOW BENEFIT (25 yrs)	\$228,000
AVERAGE ANNUAL CASH FLOW BENEFIT (25 yrs)*	\$9,916
CAPITAL FUNDING BY CLIENT	NIL
GROWTH RATE OF PPA TARIFF	3% p.a.
PPA TERM	25 YEARS

* Assuming same 6.1% average annual grid increase in Producer Price Index - Electricity (ABS Series A2309192C) since 2001

Annual Grid Reduction kWh	Monthly Net Savings Year 1 (\$)	Annual Net Savings Year 1 (\$)	Payback Period (Years)
70,549	\$69	\$833	NO UPFRONT COSTS

Cumulative Net Cashflow from Power Purchase Agreement



This Solar PPA case study is an extract of an actual installation of 50KW at West Wallsend Workers Club, NSW in July 2014. Based on modelling of the load profile for this club, the club will utilise 97.2% of average generation throughout the year. The system supports 20.0% of the club's total energy needs at a discount rate of 13.5% to their current energy charges. The system is monitored by GO hub and is performing 3% above expectations.



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GO ENERGY GROUP



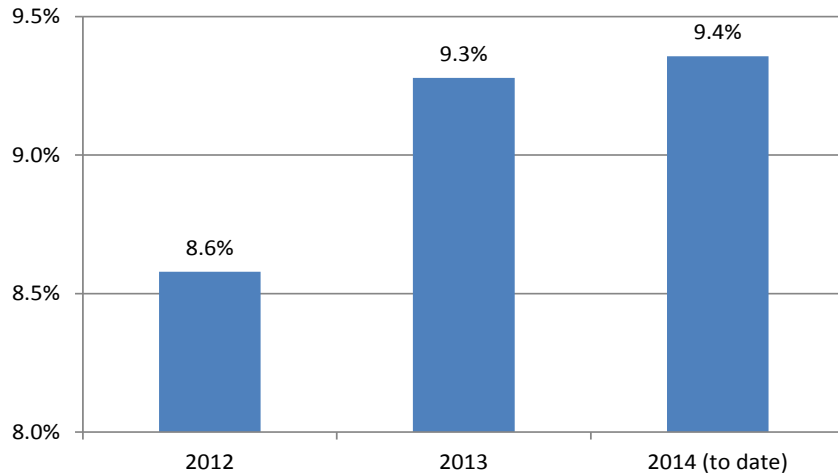
GO GROUP TRADING BUSINESS

- www.co2markets.com.au emerged as one of Australia's largest aggregators of environmental certificates, including STCs, LGCs, ESCs and VEECs, to end-users and installers.
- Developed fast payment and live quoting customer services.
- Offers innovative funding facility to eliminate working capital requirements for customers through the CER registration process.
- Primary focus is to assist both businesses and individuals to monetise environmental certificates.
- Offers hedging and fixed pricing options to customers.
- Developed a trading platform based in the cloud to allow customers to trade with ease while allowing CO2 to run with minimum staff.
- In 2013/2014 CO2 delivered an IOS and Android APP allowing customers to create STC's in a paperless environment at the point of installation.
- CO2markets FY14 EBITDA \$2.8M

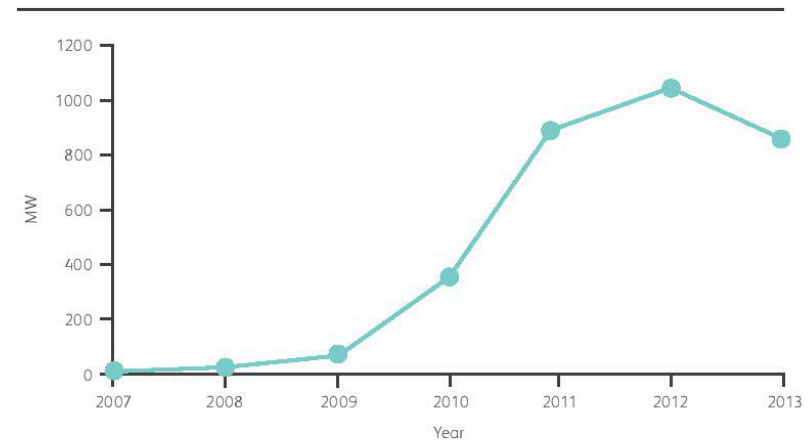
GO GROUP TRADING BUSINESS

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Market Share - Overview



ANNUAL CAPACITY OF SOLAR PV INSTALLED IN AUSTRALIA (2007-13)⁵⁵



The above chart shows GO Group's increasing market share in the creation of small technology certificates (STCs) (Source: Clean Energy Regulator)

Historical volumes of certificates traded by CO2markets compared to market volumes. Source: Clean Energy Regulator, UGEH Management.

GO ENERGY GROUP



GO GROUPS NEW LEAD GENERATION BUSINESS

- www.goquote.com.au launched August 2014 to leverage off existing CO2markets Trading business customers and offer a value added service.
- Assists Go energy with a Lead Generation service to win SME and High End Residential Grid Energy Customers.
- Online comparison service provides Australian consumers free, no obligation quotes initially for Solar and later expanding into other consumer products.
- Supplies Solar PV quotes to consumers nationally, with quote requests sold and distributed as 'leads' to GOquotes registered installer network.
- Has an expanding national network of 200+ installers using the service.
- GOquote platform is fully automated and has been developed in-house using dedicated software programmers that work and adapt in an agile environment.
- GOquote manually *Nearmap* checks roof suitability and call verifies every lead received before being released to installers for purchase.
- GOquote generates leads by a professional in-house door to door sales team expanding into areas of demand. Leads also generated for regional television, Google marketing including PPC, remarketing banners & Facebook ads

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GO ENERGY GROUP



GO GROUP TECHNOLOGY DEVELOPMENT and QC COMPANY

Overview

- Provides buyers with quality control and assurance services for technical assessment of solar and energy efficiency products (predominantly PV panels and inverter components)
- Office and permanent staff located in Shanghai.

Power Plant Optimisation

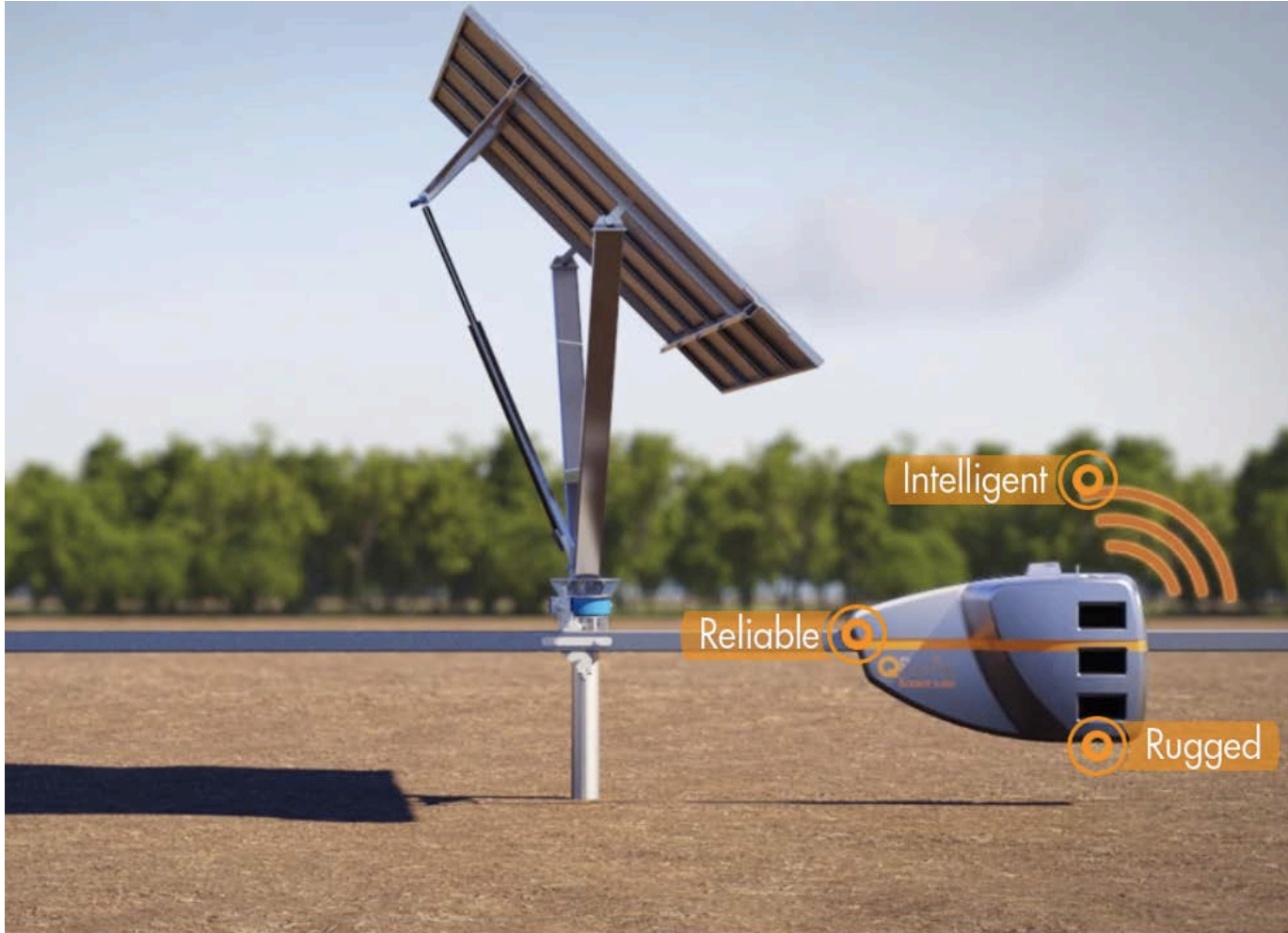
- Focus on bringing down the levelised cost of energy (LCOE) for GO energy Solar Power Plant business (PPA'S).
- Recently signed an exclusive Australian distribution agreement with Qbotix Inc, a US manufacturer of robotic tracking technology for use in solar PV generation projects.

Battery Storage

- 18 months R&D into a leading edge solution to bring to market in 2015
- Exclusivity Agreement with ATL, China's largest battery storage company for the co-creation of energy storage ESS related devices
- Heads of Agreement with Chinese power electronics company to develop an innovative cloud connected home/commercial energy management solution with PV, storage, thermal management and smart devices connected through the "internet of things".

POWER PLANT OPTIMISATION: QBOTIX

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OTHER GO GROUP BUSINESSES

GO energy Developments

Mt Majura 2.3 MW Solar Project

- GO energy Developments recently signed a memorandum of understanding to build, own and operate a 2.294 MW solar farm at Mt Majura in the ACT near Canberra.
- Construction is expected to commence in 1Q 2015.
- Total project cost \$7.0m (excl. GST)
- GO Group will finance with a combination of debt and equity with final equity commitment expected to be ~\$2.8m.
- QBOTIX dual axis tracking technology will be used to increase generation and IRR on the project.

Other Solar Projects

- Urban Group is well-advanced in discussions to acquire the rights to develop other solar projects in the ACT.
- GO Group is well-placed to participate in the new round of solar auctions expected to be announced by ACT Government in early 2015.
- GO Groups QBOTIX exclusivity agreement will place GO energy in a strategic position to win new projects or support and supply the technology to external projects undertaken by unrelated parties.

OPPORTUNITIES FOR SOLCO

- Securing an experienced and established management team
- Immediate presence in both financing small-scale generating capacity and bundling retail contract markets
- Acquisition of trading businesses with significant potential upside
- Access to new market-share across Australia
- Substantial historical investments in the Urban Assets
- GO energy has secured substantial financial commitments for renewable power projects
- A larger company with potentially greater liquidity for shareholders

COMPARISON TABLE: OPERATING STATEMENT (PRE & POST ACQUISITION)

	Unaudited Pro Forma Operating Statement (\$ '000)		
	(30 June 2014)*		
	GO GROUP	SOLCO	Combined Entity
Revenue	67,143	5,288	72,431
Cost of Sales	(63,659)	(4,333)	(67,992)
Gross Profit	3,484	955	4,439
Other income	36	17	53
Expenses	(2,938)	(2,881)	(5,819)
EBITDA and impairment	582	(1,909)	(1,327)
Impairment	(746)	(520)	(1,266)
Depreciation and amortisation	(105)	(29)	(134)
Net interest	18	(56)	(38)
Income tax benefit (expense)	34	0	34
Profit/(Loss) for the year	(291)	(2,440)	(2,731)
Source: * Solco Ltd Prospectus Nov 2014 Investigating Accountant Report			

COMPARISON TABLE: BALANCE SHEET (PRE & POST ACQUISITION)

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	Unaudited Pro Forma Balance Sheet (\$ '000) (30 June 2014)*			Unaudited Pro Forma Net Tangible Assets (\$ '000) (31 December 2014)**	
	GO GROUP	SOLCO	Combined Entity	Merged Entity (\$3MM)	Merged Entity (\$4.1 MM)
Cash and cash equiv.	220	1,242	1,463	3,960	5,062
Total Current Assets	2,822	2,339	5,161	8,791	9,893
Total Non-Current Assets	2,554	24	2,578	1,317	1,317
Total Assets	5,736	2,363	8,100	10,108	11,210
Total Current Liab's	2,328	590	2,919	3,844	3,844
Total Non-Current Liab's	876	137	1,014	138	138
Total Liabilities	3,205	728	3,934	3,982	3,982
Net Assets	2,171	1,634	3,805	6,126	7,228

Source: * Solco Ltd Prospectus Nov 2014 Investigating Accountant Report; ** Solco Ltd Notice of AGM Oct 2014 Independent Expert's Report

TIMETABLE

	Date
Lodge Prospectus with ASX and ASIC	25 November 2014
Shareholder Meeting	28 November 2014
Ex date for Entitlement Offer	1 December 2014
Record Date for Entitlement Offer	3 December 2014
Dispatch Prospectus to Shareholders	4 December 2014
Open Entitlement Offer	4 December 2014
Close Entitlement Offer	15 December 2014
Securities quoted on a deferred settlement	16 December 2014
Notify ASX of shortfall under the Entitlement Offer	17 December 2014
Urban Group Shareholders apply for Shortfall Shares	17 December 2014
Issue New Shares (including Shortfall Shares)	24 December 2014
Trading of Consideration Shares and New Shares commences	5 January 2014

Solco Ltd



GO energy
GROUP