



SECURUM[®]
EQUITY
PARTNERS

Securum Equity Partners **NEPER Solar Park Incubator**



www.securum-equity-partners.com



1000MW Solar Project in Serbia

We have all seen that in recent years there has been increasing interest in the various forms of renewable energy: hydroelectric, wind, solar and biomass. Of all of these, solar energy has been the subject of particular attention, especially among European Union countries.

Indeed, since 2007, Europe has invested exponentially in this sector: the EU has seen an increase in total installed capacity from about 3,500 MW in 2006 to almost 30,000 in 2010, approximately 75% of world capacity. In second place, but a long way behind, lies Japan, with 3,600 MW, followed by the U.S. with 2,500 MW installed. Within the EU, Germany is the undisputed leader, with over 50% of the total installed in 2010 (over 7,000 MW), followed by Italy with 2,300 MW. It is clear that currently photovoltaic energy is at the cutting edge of renewable power technology in terms of capacity for growth within the EU. Solar power produced 13,300 MW in 2010, compared to 9,300 MW from wind farms, and all other forms of renewable energy lag far behind in terms of quantity.

One of the key factors behind this rapid expansion of solar installations is the well-known EU energy policy which sets targets for 2020, and was made law in June of 2009. The main objectives are listed below:

- Reduction in EU greenhouse gas emissions of at least 20% below 1990 levels;
- 20% of EU energy consumption to come from renewable resources;
- 20% reduction in primary energy use compared with projected levels, to be achieved by improving energy efficiency.

Despite the significant increase in wind and solar installations, and considering the potential future development of facilities in individual countries, it appears very unlikely that the aims of the aforementioned law - that 20% of all

energy consumed within the EU comes from renewable resources - will be met. We must also consider that Germany and Switzerland recently decided to decommission a large part of their nuclear power stations as soon as possible. This means that the energy which previously came from nuclear power must be replaced using other sources, preferably renewable ones. These conditions make it fruitful to seek out countries and areas that have the conditions necessary to develop additional renewable energy production facilities that can meet the EU domestic demand, with its very significant market potential. Several considerations lead to the choice of Serbia as the ideal partner for the production of renewable energy: firstly, there is great potential for water resources suitable for energy production and, secondly, there is an equally large



availability of land that is not suitable for agricultural purposes, of adequate size and located in a geographical area that offers a conversion rate of solar radiation into electrical energy which is among the highest in Europe. Furthermore, Serbia is a country that, according to estimates by international bodies, provides good conditions of socio-political stability and will see much higher economic development in the next five years than any other country in the EU.

The closeness of Serbia to the EU countries is another positive factor in the choice, also considering the fact that the country has an infrastructure for the transmission and distribution of electricity which is suitable for exportation of energy and is already well connected to major continental electricity grids.

Another positive aspect is the availability of considerable technical expertise and skilled resources in the country, which is sufficient to ensure the construction and subsequent maintenance of the very large photovoltaic systems proposed by this project.

The project “Neper Solar Park Incubator” proposes the creation of an investment platform that will be developed in the following stages:

- identification and purchase or lease of sites in Serbia for the installation of photovoltaic systems which are easily connected to the existing electric grid;
- negotiating with local authorities and government and other stakeholders involved in the project;
- obtaining the necessary permissions for the installation of the equipment and dealing with all necessary administrative and legal practices;
- preparation and signing of contracts for the supply of all materials needed;
- identification and signing of the agreements for the installation, connection to the grid and maintenance of photovoltaic systems;
- preparation and signing of agreements for the commercialization of energy produced.

For the implementation of the entire project a specifically designed financial vehicle is being prepared, the NEPER Fund, through which all of the necessary investments will be made.

The project plans for the installation of photovoltaic systems for a total capacity of 1,000 MWp (1GW), over a total area of approximately 3,000 hectares (6,600 acres), for a total value of about 2 billion euros. The completion of the project is expected within four years of its activation.

The investment plan proposes a minimum annual return for investors of 15% guaranteed for 20 years.

Securum Equity Partners and **Amicorp Fund Services** will make NEPER Fund fully operational by December 2011.