

SOLAR BOND OFFERING





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EXECUTIVE SUMMARY

CX Solar Limited is a UK company specialising in the development of Solar energy farms located in Europe. Many people are aware as to what Solar energy means but very few people fully understand the exact mechanics of the operation and development of a Solar energy project for the purpose of producing clean, reliable energy that does not pollute the environment. Solar energy has the distinct advantage of being an entirely Renewable energy source that is available every day of the week, and can even produce energy on cloudy days.

The management team has a proven track record with more than 27 year's experience in Renewable Energy.

The Company has established a number of relationships with several European and North American operators in the Renewable energy sector. The key benefit of these relationships is that it allows CX Solar access to extensive knowledge and experience and the ability to expand activities in new markets using local knowledge and experience. The core Energy market in Europe where CX Solar operates benefits from very generous Government contracts and incentives, providing the company and its investors with long term stable income streams.

CX Solar offers investors the opportunity to subscribe to a fixed income bond which will provide funding to facilitate the development of Solar energy projects as described throughout this brochure.

Tracy Ellen Hevey
Managing Director





IMPORTANT NOTICE TO **INVESTORS**

This document assumes you have a clear understanding of investments of this type and is provided solely for the use of prospective investors with regard to evaluating the investment being offered. Nothing in this document constitutes investment, legal, accounting or tax advice or a representation that any investment strategy is suitable or appropriate to your individual circumstances, or that of your client.

INVESTOR EXEMPTIONS

TO VIEW THIS DOCUMENT YOU MUST MEET ONE OR MORE OF THE INVESTOR EXEMPTIONS LISTED BELOW:

- ▶ Investment professionals
- ▶ Restricted investors
- ▶ Certified high net worth individuals
- ▶ High net worth companies and other bodies corporate
- ▶ Sophisticated investors and self-certified
- ▶ Sophisticated investors
- ▶ Associations of high net worth individuals





WHAT IS A BOND

A bond is a debt investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate.

Bonds are used by companies to raise money and finance a variety of projects and activities. Owners of bonds are debtholders or creditors, of the issuer.

Bonds are commonly referred to as fixed-income securities and are one of the three main generic asset classes, along with stocks (equities) and cash equivalents.

THE USE OF BOND FUNDS

HOW WE WILL USE THE FUNDS RAISED

CX Solar limited will use the funds raised from the Bond to build a Solar farm in the following way:

The major portion of the shareholder investments will go towards setting up the solar farm, including equipment purchase and construction costs. The various components of the cost include civil works, installation labour, electrical work, grid connection hardware, cables, breakers, inverters and of course, the solar panels.

SEE TABLE OF ALLOCATED COSTS BELOW.

Series No.	Particulars	% of Total Cost
1	PV Panels	45%
2	Additional module cost as against degradation	3%
3	Land Cost	5%
4	Civil and engineering cost	8%
5	Mounting structures	8%
6	Power conditioning units	9%
7	Legal and management and associated cost	12%
8	Preliminary and pre-operative	10%
Total		100%

BONDS VS. BANK LOAN

Why do companies issue bonds rather than get a loan from a bank?

When companies or other entities need to raise money to finance new projects or to maintain ongoing operations, they may issue bonds directly to investors instead of obtaining loans from a bank.

Most companies can borrow from banks but view direct borrowing from a bank as more restrictive, less flexible, and often more expensive than selling debt on the open market through bond issues.

With finance not being as freely available from traditional lenders, more and more businesses are turning to bond issues as a favourable financing alternative.



WHY INVEST IN **SOLAR ENERGY**

Solar energy is the most sustainable and reliable energy source available to the human race. The sun provides this infinite source of supply. The only cost involved is harnessing this plentiful source of energy and costs of solar technology have fallen by 80% over the past 10 years. Portugal is the ideal location for a commercial Solar farm.

WHY PORTUGAL

Portugal benefits from over 3,000 hours of sunshine per year. Combined with a generous feed in tariff paid by the Government for energy sold to the electricity grid makes investing in solar in Portugal the right decision.



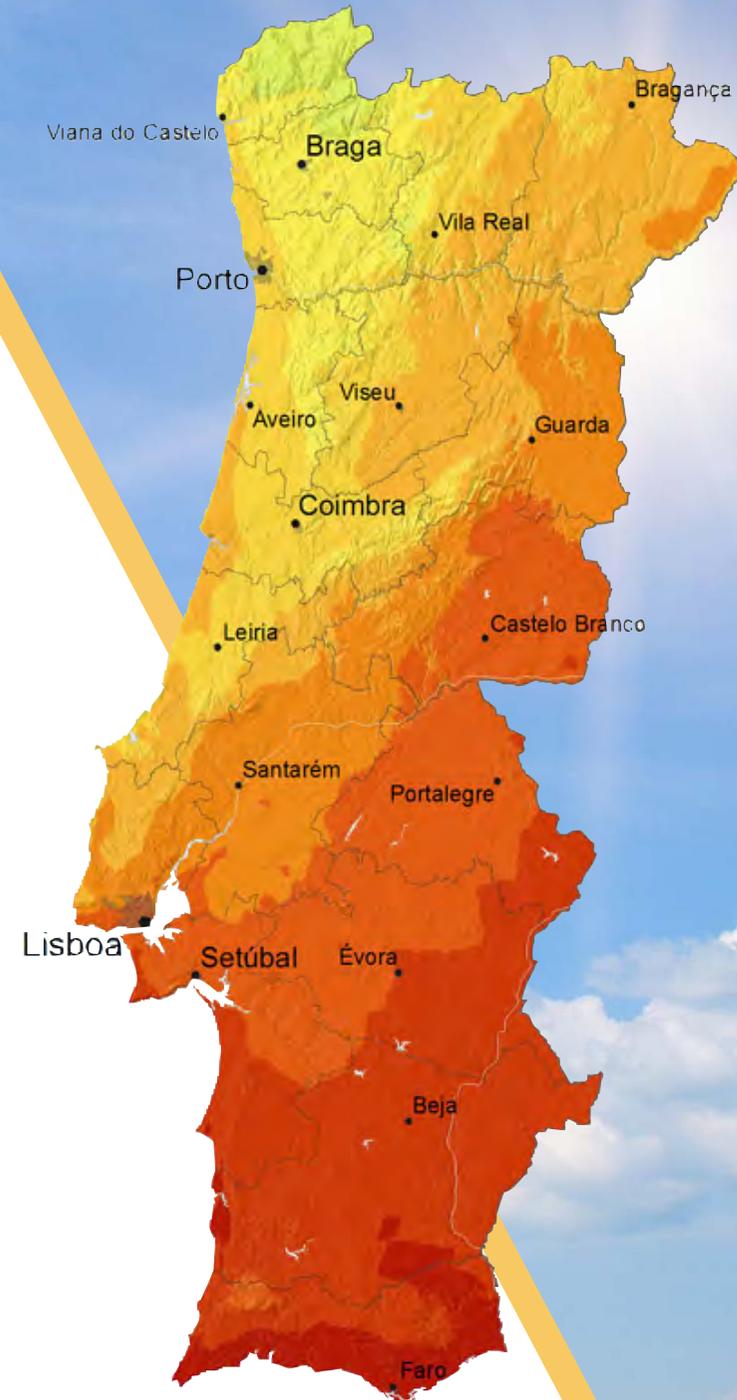


SITE SELECTION AND SUNSHINE HOURS

Each site is carefully selected based on a number of criteria, the topography and proximity to mainline electrical infrastructure. The altitude and orientation of the site is important to maximise the sunshine hours.

Portugal has been chosen as the location for our 5MW Solar PV farm for obvious reasons. Portugal receives over 3,000 hours of sunshine per year. This is one of the highest in Europe. Coupled with the generous feed in tariffs per kwh makes solar energy a very profitable enterprise for the foreseeable future.

Our site is located in the province of Castelo Branco which is close to the Spanish border. This particular site benefits from 30 acres of land, 24,000 photovoltaic solar panels will be mounted on ground frames, alongside two single-storey inverter/transformer stations, a delivery station, security fencing and CCTV to monitor the site.





CX SOLAR PROJECTS

HOW IT WORKS

CX Solar projects convert energy from the sun into clean electricity. When you invest in us, your funds are invested directly in solar projects that are already underdevelopment or already built and generating stable revenues. Each project connects to the main grid and the government buys our electricity for 20 years, and we pay you interest.

CX Solar is a European operator. Our management team have experience with large scale energy projects across Europe and the Middle East. We continue to seek out new opportunities for our Investors to benefit from the returns while supporting a clean energy future.



WHAT WE ARE OFFERING

A CX Solar Bond is an investment in which Private investors or organizations lend funds to CX Solar so we can accelerate the development and construction of our solar installations. CX Solar uses your funds for a defined period of time and pays you interest at a fixed rate.

HOW TO INVEST

Sign up as a member and purchase a Solar bond with CX Renewables in 5 easy Steps:

- Step 1: Review the Investment Information provided and ask any questions you may have.
- Step 2: Once you have decided to invest, request an application form and follow the instructions to complete.
- Step 3: Once you submit your completed application form and provide the necessary identification and proof of address documents you will then be provided with the bank account details to which to send your investment funds.
- Step 4: Once your funds are received for your investment, you will receive confirmation of payment along with your Bond Certificate. Within 1 year you will start to receive your interest payments as outlined within this document.
- Step 5: At the end of the term your invested capital will be repaid.

BENEFITS OF SOLAR ENERGY BONDS



Government backed through Feed in Tariffs



Fixed Income payments



Portfolio diversification



Ethical and Environmentally sound investment



Excellent for Pension as income stream is predictable



Fully insured for any loss of income for duration of investment

INVESTMENT OVERVIEW:

Location	Portugal
Sunshine Hours	3,000 Hours
Size	25 Acres
MW Power	5MW
Annual Return	7.5%
Investment term	5 Years



EXPLAINING THE TECHNOLOGY

Solar farms seamlessly blend in with their surrounding natural environment. Solar arrays can follow the natural curvature of the ground and also suit land used for livestock. Farmers routinely graze sheep amongst the solar arrays and the panels themselves offer a source of shelter. Solar panel mounting systems are simple to install and ground is easily reinstated at the end of the solar plant's life.



THE DETAILS

Ground mounted Photovoltaic Panels – Mounted on piles driven into the ground at variable depths based upon soil conditions.

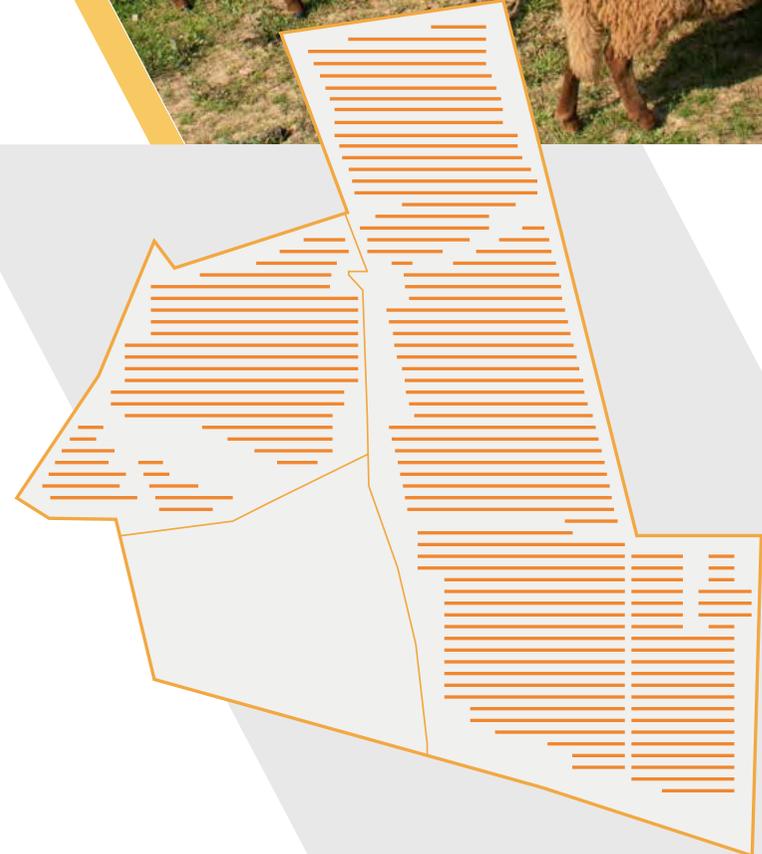
Solar Inverters – The power from the Solar Panel is sent to an inverter. These inverters convert DC Power to AC Power which is the standard form of electricity in Portugal.

Switchboard or Battery storage – The electricity from the inverter travels to the switchboard for transfer into the utility provider or battery storage for later use.

Electricity meter – The electricity meter receives the electricity from the switchboard, measures the amount and then sells the electricity to the grid.

Security cameras – installed at different locations throughout the site and monitored remotely.

Fencing & Screening – Fencing will be erected inside the boundary of the site for extra security and foliage will be grown to screen the solar site from view.





INVESTMENT HIGHLIGHTS



INVESTMENT HIGHLIGHTS:

£10k

Minimum investment from **£10,000**



Fixed minimum annual return of **7.5%**

25

25 years of experience in Solar Energy management



Fully insured for any loss of income

five

5 year term after which your capital is returned

tax efficient

All returns are tax efficient



Capital secured by security trustee who will secure 1st legal charge over company assets

RETURN ON INVESTMENT:

Investment level:	Return per annum:	Annual return:
£10,000	£750	7.5%
£15,000	£1,125	7.5%
£20,000	£1,500	7.5%
£25,000	£2,125	8.5%
£50,000	£4,500	9.0%
£150,000	£15,750	10.5%





BENEFITS OF FIXED RETURNS

Fixed income securities are commonly used to diversify an investor's portfolio, as they reduce the overall risk of an asset allocation or investment strategy weighted heavily in the stock market. Fixed income securities are seen as more stable than pure equity holdings. Investors tend to rely on this asset class more during times of economic downturn or when steady income is the objective of the investment account. Although fixed income securities do not provide a great potential for upside return through capital appreciation or the opportunity to outpace inflation, income investing through fixed securities offers some unique advantages over growth investing through equity.

Stability of Principle

One advantage of investing in fixed income securities is the peace of mind that comes from a stable portfolio balance capital preservation. By definition, fixed income securities are required to repay the original amount of the investment, known as the principal balance, in full at a specific date in the future or in increments spread out over the duration of the investment.

Steady income stream

In addition to the benefit of capital appreciation, fixed income securities provide investors with a steady stream of income generated from a portfolio balance. Bonds all pay steady interest payments to investors, creating a consistent cash inflow to investors. Fixed interest rates are set when the security is issued, and these payments are guaranteed as long as the issuing entity does not default. This feature of fixed income securities is particularly attractive to investors near or in retirement who are receiving little or no income from other sources.

SECURITY OF INVESTMENT

Our Goal is to meet your Investments needs and achieve the best possible returns from Renewable Energy projects across Europe and to match your chosen levels of risk. We apply the following criteria to meet your high standards:

THE BOND WILL BE SECURED AGAINST THE ASSETS OF THE COMPANY:

The Bond will be secured against the underlying assets of the Company, including property, income and cash reserves by way of a floating debenture against the Company, this is a legal document which enables a charge to be taken over multiple assets which will be registered with Companies House.

THE SECURITY TRUSTEE: For additional safeguarding, an independent Security Trustee (More Group Capital Services Limited) has been appointed to act as an independent controller on behalf of the Bondholders. If for whatever reason, payments are not made, the Security Trustee is able to take ownership of the assets and liquidate to realise value used to reimburse investor capital and interest.

THE SECURITY TRUSTEE'S ROLE: The Security Trustee will monitor the asset values and Company borrowings to ensure that the total Company debt does not exceed 90% of the Company's total net asset value at any time. The Security Trustee will ensure that invested funds are used solely for the purpose outlined within the Information Memorandum document.

INSURANCE COVERAGE: The insurance policy will be covered under the management contract and included in the financial plans. This will include coverage for any damage or loss of income to the client throughout the investment cycle.

EXPERIENCED MANAGEMENT TEAM Our senior management team is made up of highly skilled professionals with an average of 27 years of industry experience. Our team have been with us since the start and this creates a culture of stability, trust and continuity, that helps us to deliver first class results for our clients

BANK ACCOUNTS: As a business our clients funds are held in separate bank accounts from the business bank account, keeping clients funds raised separate from the companies business bank account.



WHAT ARE THE **RISK FACTORS**

All investments and commercial activities carry risk, and investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of this investment opportunity. If you are in any doubt about the contents of this document or the action you should take, you are strongly recommended to consult a professional adviser authorised by the Financial Conduct Authority to advise on investment in unlisted debt, shares and other securities.



SOLAR BONDS ARE CONSIDERED 'LOWER RISK INVESTMENTS' DUE TO FOUR FACTORS;

- 1.** The bonds are secured by the solar PV assets themselves and also a registered leasehold mortgage that is held by a trustee on behalf of all private members.
- 2.** Revenue risk is low since each CX Solar project has secured a 20-year Feed-in Tariff power purchase contract with the Independent Electricity System Operator, guaranteeing a market and a fixed price for all the power produced throughout the 20-year period.
- 3.** Since CX Solar has a diverse portfolio of projects across Europe, performance risk is spread across multiple projects and so there is less of an impact if one of the projects is performing below expectations.
- 4.** Bondholders are not exposed to project development and construction risks. CX Solar uses upfront funding to pay for each project development and construction costs, and then the Solar Bonds are used to re-finance the projects once they have reached Commercial Operation.



The Directors believe the following risks to be the most significant for potential bondholders. They do not necessarily comprise all those associated with an investment in the Bond and they are not intended to be presented in any order of priority.

1. INVESTMENT RISKS

Capital Risk: Investment in smaller, new and unquoted businesses is likely to involve a higher degree of risk than investment in larger, established companies and those traded on a stock exchange. Investing in bonds is not the same as investing money in a bank account as your capital is at risk and you could lose up to, but no more than, your entire investment.

Security: The bonds will be secured over the Companies assets by way of a fixed and floating charge. This means holders of CX Solar Bonds will stand ahead of unsecured creditors and have prior rights to the Company's assets through a Security Trustee, in the event of default on payments due and payable under the Bonds.

Liquidity: The bonds will not be traded on a recognized exchange and are therefore not-readily realizable. Although bondholders may be able to buy and sell bonds

on a matched bargain basis via a bond trading platform, applicants should be aware that there is no guarantee that a willing buyer will be found.

Medium-term commitment: Applicants should consider investment in the bonds as a medium-term commitment as their capital will be committed for at least 5 years initial term of the bonds and so will not be available to them during that time.

The bonds are not covered by the Financial Services Compensation Scheme: This means if CX Solar does not fulfil the terms of the Bond Instrument there is no right to compensation from FSCS.

Financial projections: Hopes, aims, targets, projections, plans or intentions contained in this document are no more than that and should not be construed as forecasts.

2. RISKS TO PENAMACOR SOLAR FARM

Mechanical failure: Installations will be insured for damage, breakdown and loss of income in line with standard industry practice and as required by the banks loan facility. However, there may be interruptions to the generation of electricity from the installations once built, caused by damage to or mechanic/electrical failure of equipment.

Solar PV performance: CX Solar's assumptions around energy generation levels each year are based on site capacity and yield calculations provided by our construction partners based on methodologies commonly used by the industry. These calculations, and the solar radiation data behind them, have been reviewed and verified by external technical experts. However, long term changes to weather patterns and/or equipment under-performance

may result in lower levels of electricity generation and therefore income.

Government legislation: CX Solar's farm at Penamacor has been pre-accredited with the Energy Services Regulator in Portugal with a fixed FiT (Feed in Tariff) of 20 years. However, changes in government legislation may affect the profitability of future renewable energy projects undertaken by CX Solar limited.

Electricity prices: If the electricity prices fall then CX Solar can opt to use export tariff as a secondary market. CX Solar farm Penamacor is located on the border with Spain, this makes exporting to the rest of EU market feasible should it be required.

Bond redemption: Bondholders will have the contractual right to full redemption of their bonds at the end of the 5 year term. If they wish to extend beyond the initial 5 year term, at annual intervals thereafter.



WHAT ARE THE FAQ's

What are CX Solar Bonds?

A CX Solar Bond is an investment in which Private investors or organizations lend funds to CX Solar so we can accelerate the development and construction of our solar installations. CX Solar uses your funds for a defined period of time and pays you interest at a fixed rate.

Can CX Solar put Solar panels on my house?

We often get asked this question. We operate large solar projects which are minimum 5mw in size and take up to 25 acres of land to install. We do not install smaller residential systems.

How do I join and Invest?

You can join online today and Invest on-line to start receiving your income and make a difference to the environment in the long term but funding renewable energy projects.

How risky are Solar bonds?

Solar bonds are considered 'lower risk investments' due to four factors;

1. The bonds are secured by the solar PV assets themselves and also a registered leasehold mortgage that is held by a trustee on behalf of all private members.
2. Revenue risk is low since each CX Solar project has secured a 20-year Feed-in Tariff power purchase contract with the Independent Electricity System Operator, guaranteeing a market and a fixed price for all the power produced throughout the 20-year period.
3. Since CX Solar has a diverse portfolio of projects across Europe, performance risk is spread across multiple projects and so there is less of an impact if one of the projects is performing below expectations.
4. Bondholders are not exposed to project development and construction risks. CX Solar uses upfront funding to pay for each project development and construction costs, and then the

Solar Bonds are used to refinance the projects once they have reached Commercial Operation.

Does CX Solar Bonds accept Credit Card payments?

Credit card compliance policy prevents anyone from purchasing an investment by credit card. You can purchase CX Solar Bonds online via Electronic Funds Transfer.

What is contained in my CX Solar Bond investor pack?

Your membership package includes your bond certificate and details of the Solar sites that your investment has helped fund. There will also be recent images of your Solar site.

What happens when my bond matures?

CX Solar Bonds have a 5-year term. They are not meant to be sold or traded within that period. When the Solar Bond matures in 5 years you can request your principal back or reinvest at the new terms offered at that time. Prior to the five-year renewal, CX Solar will contact

you to let you know your options. You are welcome to reinvest at the new terms offered at that time.

Can I trade or sell my bonds?

There is no market in which to sell or trade CX Solar Bonds, and none is planned. If a member chooses to sell or redeem his/her bond(s) within the 5-year term because of a circumstance of financial constraint, the company will attempt to sell the bond(s) to another member, however the company cannot provide a guarantee of the sale.

What is the minimum/maximum investment?

The minimum individual investment is £10,000 for 5-year bonds and there is no maximum. This will be periodically reviewed by CX Solar Board of Directors.



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