Clean Power Systems

SMART. CLEAN. PERFORMANCE.



OPEX Model Overview

The Case for India & Africa in Telecoms

August 2014

Cambridge Clean Energy

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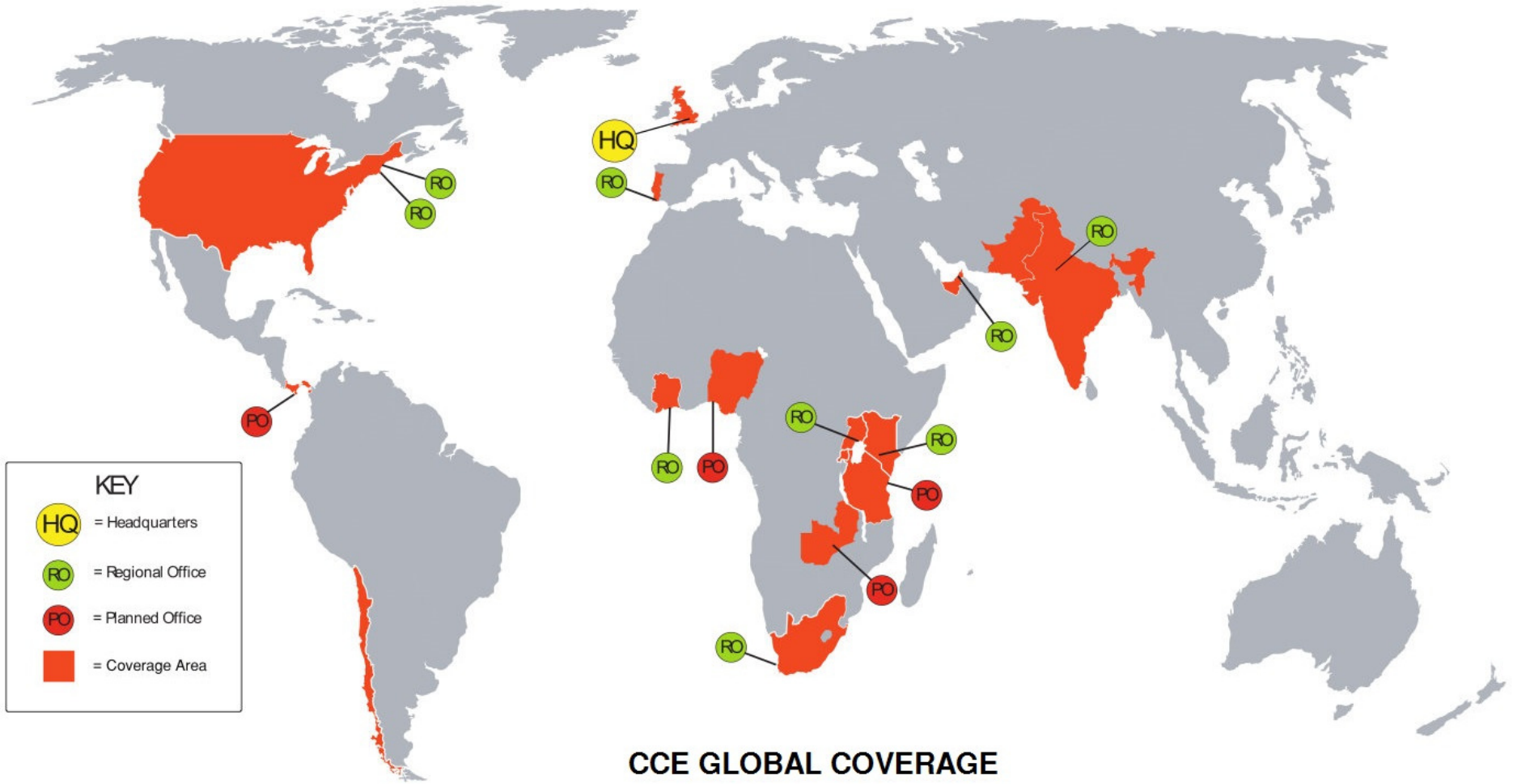
Cambridge Clean Energy Overview

Cambridge Clean Energy Ltd (CCE) is a London based distributed clean energy company, with operations in India [started in 2009] and Africa [started in 2010], has developed a Proprietary Energy Management Solution as a Service (EMSaaS™) that reduces the power consumption & total OPEX for telecom towers by 30-40%.

- **Compelling Value Proposition for Tower Operators**
  - Turnkey solar power solution, no upfront costs, reduces monthly energy costs by 20-30% while maintaining the required 99.97% SLA uptime
  - EMSaaS™ units virtually eliminate the use of diesel fuel and the associated expense volatility incurred by tower owners and operators
- **Innovative Reengineering provides significant cost and quality differentiation over competition**
  - Proprietary products and services
- **Market Trends**
  - Rising diesel prices, Falling Solar prices, Energy Storage Innovation
  - Increasing pressure on tower companies & operators to cut costs (falling ARPUs, elimination of Cost Plus model)
- **Global Customer Base**
  - Customer include Vodafone, American Tower, Eaton Towers, Idea, Indus Tower, MTNL, Airtel and Aircel
  - Over 1,500 Towers currently under EMSaaS™ contract, and over 750 systems in service
- **Seasoned Global Management Team and Investors**
  - Professionals with prior C-level experience at major telecom companies (current and potential customers)

Global Expertise, Presence & Growth

Global Reach, Local African Presence & Services



100+ Years of Industry Experience & World Class Investors

CCE Management Team:

- Chris Luckhurst (MD, Africa): 15 years experience in emerging market and telecom industry
- Bill Bubenicek (CEO): 10 years experience building businesses for multi-functions including sales, finance, and Project Management
- Richard Hallas (Director Imp & Care): 15 years with Nokia Mobile Phones and Nokia Networks, Managed 30+ project teams (30+ countries worldwide)
- Sundar Subramaniam (Director): 5 IPOS, Serial Entrepreneur
- Bhaskar Panigrahi (Director): 15+ years as a serial entrepreneur;
- Aashish Kalra (Director): Multiple IPOs; Invested more than 1 billion USD in India Infrastructure and Real Estate
- Achyuta Bakshi (MD, India): 20 years in Telecom and Project Mgmt
- Nisheeth Goel (COO, India): 10+ years experience, ex-Commercial Head of Rajasthan at Indus Towers
- Mahesh Choudhury (VP, Supply Chain/Ops): 20 years in IT/Project Management including building and managing NOCs
- Shaun LaFleur (CFO): 10 years experience in corporate finance, internal auditing, and general operations

History of success generating billions of dollars of investor wealth:

- Current and ex-C-level executives at Estee Lauder, Proctor & Gamble, Gillette
- Cambridge Technology Partners: IPO in 1990, acquired by Novell in 2002
- Open Environment: IPO in 1993, acquired by Inprise in 1995
- i-Cube: IPO in 1995, acquired by Razorfish in 1998
- One Wave: IPO in 1997
- C-Bridge: IPO in 1999, acquired by Progress Software in 2003
- Cambridge Technology Enterprises Limited: IPO in 2007
- Trikona Trinity Capital: IPO in 2006

Investors & Financial Team

- GMP Securities
- JGB Capital

Why OPEX Model for Power?

CAPEX Costly & Unpredictable

- African Markets Cost of Capital is high
  - Local inflation – 7-10%+
  - Local Currency Risk, Repatriation of funds – 15%
  - Local VAT/Duties for Import - 18-25%
  - Local Capital – 16-23%
- Intelligent Power Systems require local expertise to implement & maintain
- Power is not the core expertise of the MNO or TowerCo
- Local O&M not incentivized to reduce fuel consumption, maintenance

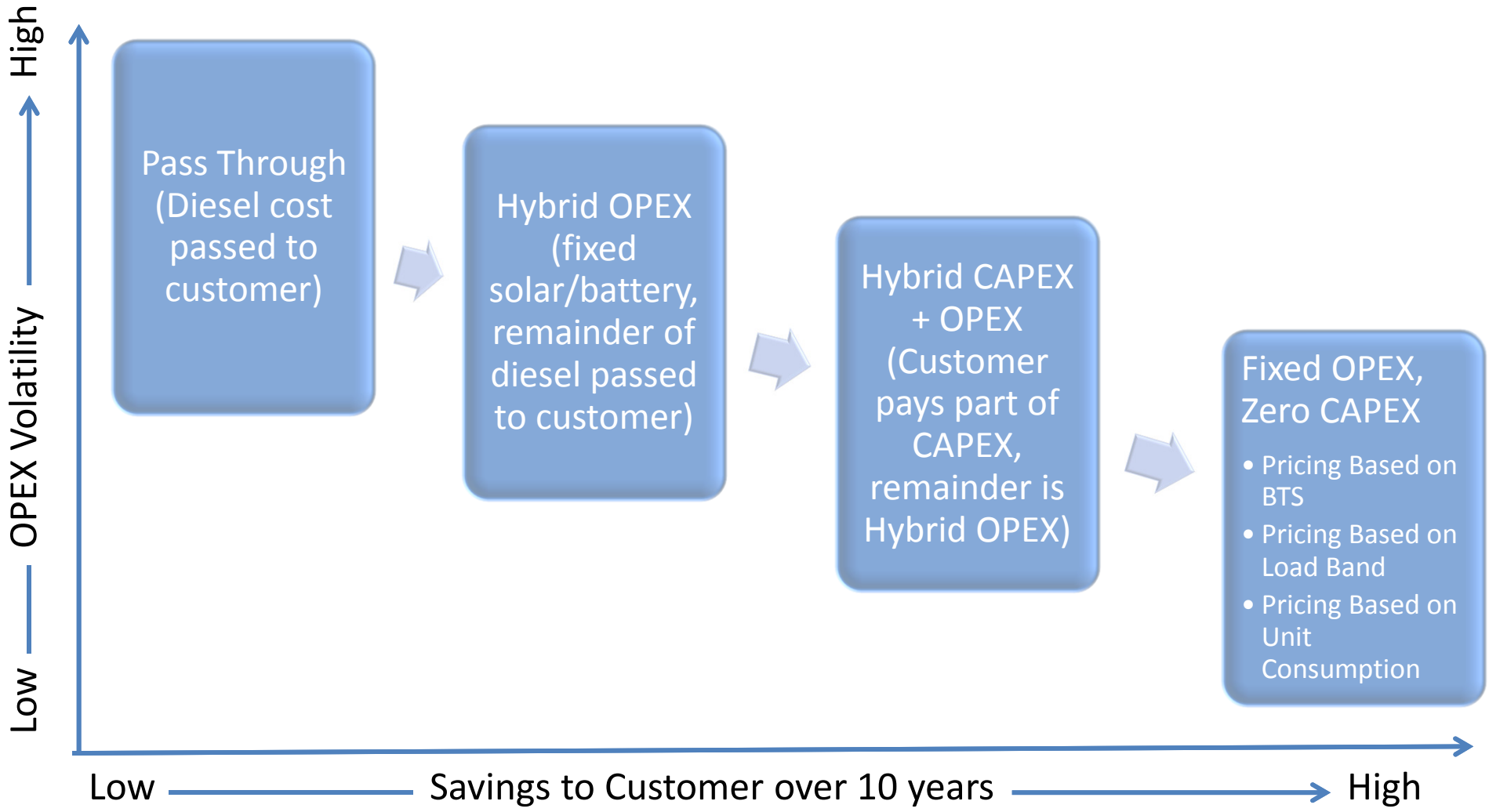
VS

OPEX Predictable & No CAPEX

- Provides Predictable Monthly OPEX, at fixed pricing
- Stabilizes EBIDTA predictability for Tower Sale, Acquisition, Valuation
- Zero CAPEX required from customer
- SLA Risk is passed to CPS
- Guaranteed Power Availability - 99.97%
- Power is core expertise of CPS
- Discount equivalent to CAPEX model
- No customer training required
- Speed to implementation and savings

Evolution of OPEX Model

CCE Has Evolved with the Market

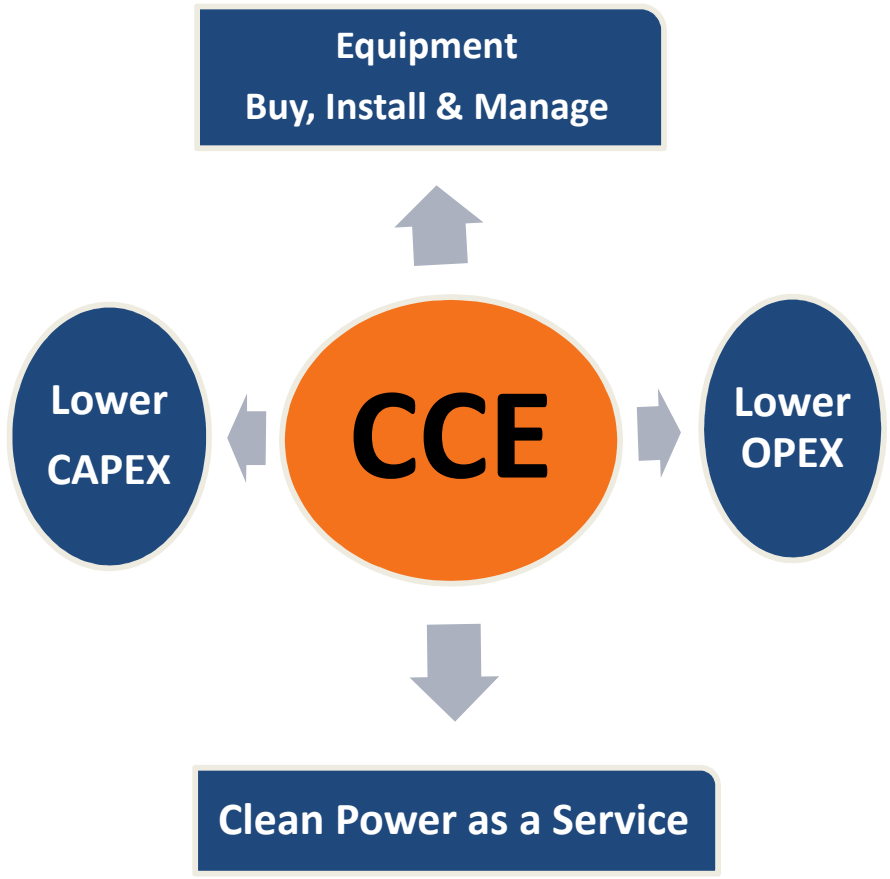


OPEX Model Structure

Energy Management as a Service (EMaaS™) – Fixed Pricing (kWh) & Discount Model

Customer-Owned Towers:

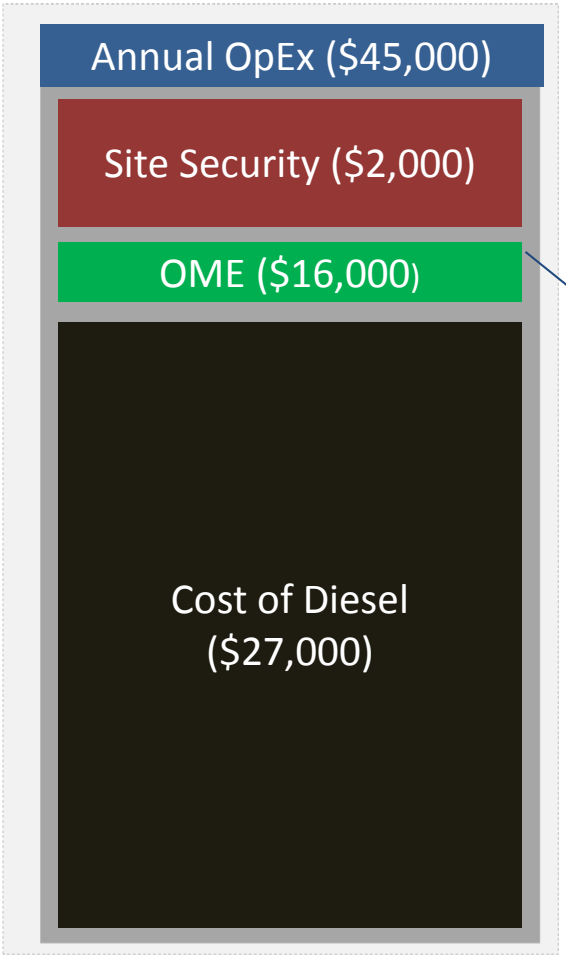
- CCE takes full control of all power-related activities, assets and existing value chain, providing customer a monthly "fixed fee" based on power consumption.
- Key Deliverables/SLA's; Guaranteed 99.97% uptime, AC/DC power supply
- CCE will implement power optimization & intelligent power equipment & services to reduce internal OPEX.
- **ZERO CAPEX for customer**
- Fixed Monthly Cost Discount can be as high as 25% from present base operating expense
- Fixed Cost Guaranteed Power Availability (FCGA™)



EMSaaS™ Discount Example

Fixed Pricing with Discount Example – East Africa

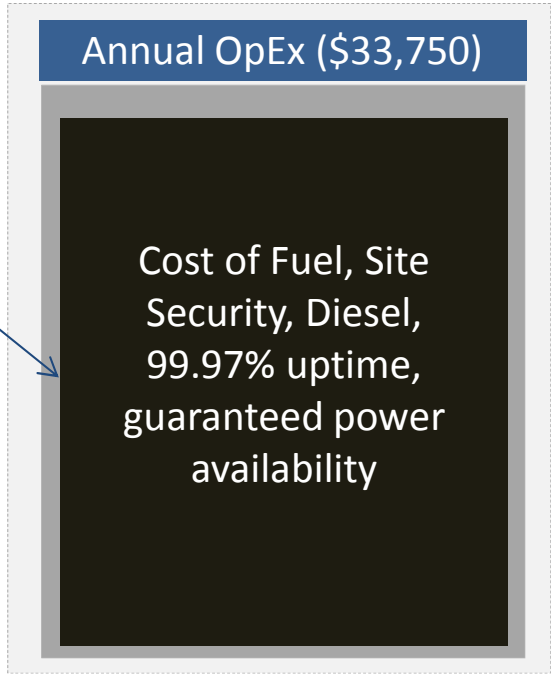
Current Customer "Base Case" OPEX



-25%

EMSaaS™ Fixed Pricing Model

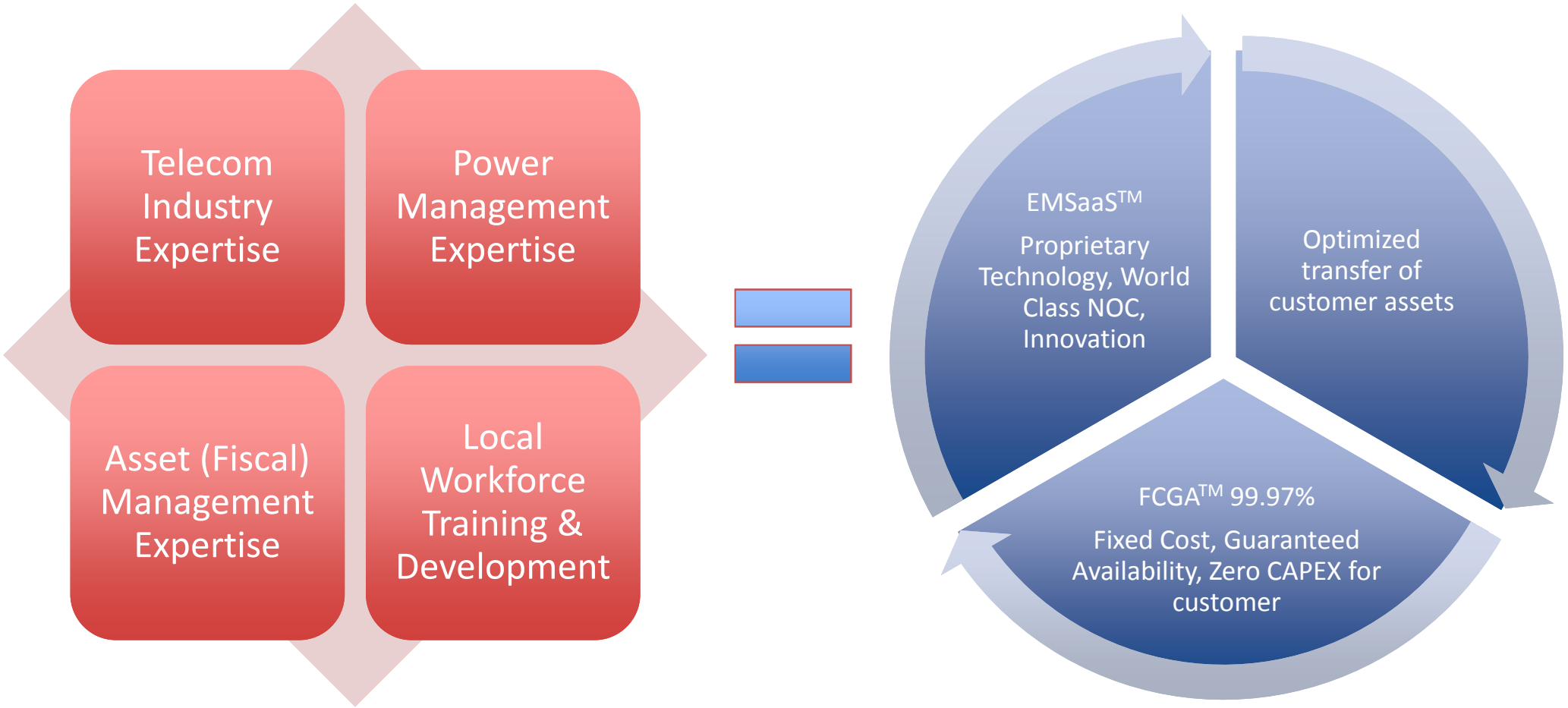
- 25% Discount To Existing OPEX Base Case
- Zero CAPEX for customer



Single Site, Annual Operating Expenses

What it takes to Create A Successful OPEX Model

The Right Ingredients are Required



Questions & Dialogue

Summary

- Africa is approx. 4 years behind India on the adoption curve for Green Technology
- Africa is now entering into the “Energy as a Service/ESCO/OPEX” modeling stage
- Key focus is on OPEX Savings, but capital, has been the main delay to adoption by the MNO’s – TowerCo’s have fulfilled this in recent times. Now it is time for the next step
- OPEX models offer ZERO CAPEX for the customer
- Fixed Monthly Cost Discount can be as high as 25% from present base operating expense
- Fixed Cost Guaranteed Power Availability (FCGA™)
- Power Management and expertise (although unglamorous is the key to successful OPEX reduction)
- Power experts (training, field engineers, technology etc) are essential for the success.

QUESTIONS AND ANSWERS