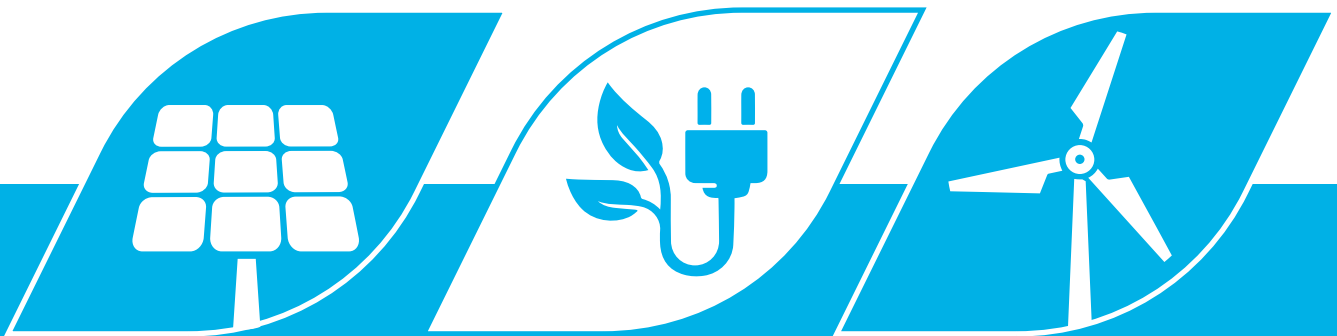


WEB Windenergie AG

Corporate & Industrial Power Purchase Agreements



The W.E.B



Introduction



Power Purchase Agreements



Target groups



W.E.B services



Contact



More and more companies are considering renewable energy contracts to reduce the impact on climate change from company operations and to include them as a cost competitive option in their energy sourcing strategies. WEB Windenergie AG (W.E.B) supports small- and large-scale corporations in their initiatives to transition their energy supply from traditional thermal energy sources to wind and PV projects.

1. W.E.B – Largest independent wind and solar/PV Power producer in Austria with an international footprint

W.E.B considers itself as international energy transition and citizen participation company. We develop projects, build and operate renewable energy projects with a focus on wind and solar energy.

W.E.B, headquartered in Austria, is the parent company of the W.E.B Group and a stock corporation with its shares traded on its proprietary platform www.traderoom.at.

As an unlisted public limited company with a broad free float, W.E.B is committed to its owners: the more than 3,900 shareholders, who are almost exclusively private individuals. Hence, W.E.B is independent from companies operating in the fossil fuel or nuclear energy sectors and fully committed to renewable energies, energy transition and the changes required for it.

The Vision of W.E.B

We are taking on a leading role in the decentralized energy transition

For us, energy transition means the complete switch from fossil fuels to renewable energy sources. Our claim to a leading role is based on the three pillars of project development, power plant operation and electricity marketing. Broad citizen participation is the foundation on which these pillars are built.

We stand for...

...energy transition and innovation,
...If possible, energy should be generated and temporarily stored where it is actually consumed. In order to achieve this goal, we are constantly working on innovative concepts.

... stability and growth.
Renewable energies are the best energy supply option, not only for ecological reasons. The economic development is also clearly positive. W.E.B aims to grow with the market, translating its experience into improvements and solidifying what has been achieved.

We operate ...

... regionally and internationally,
...W.E.B is regionally anchored through its employees and business partners. Together they form an international network of experts that reacts flexibly to changing requirements.

... ecologically and economically sustainable.
W.E.B employees are convinced that mankind's energy needs can be met from renewable sources – and in an even more economically efficient way than from fossil and nuclear energy.

Some facts about W.E.B:

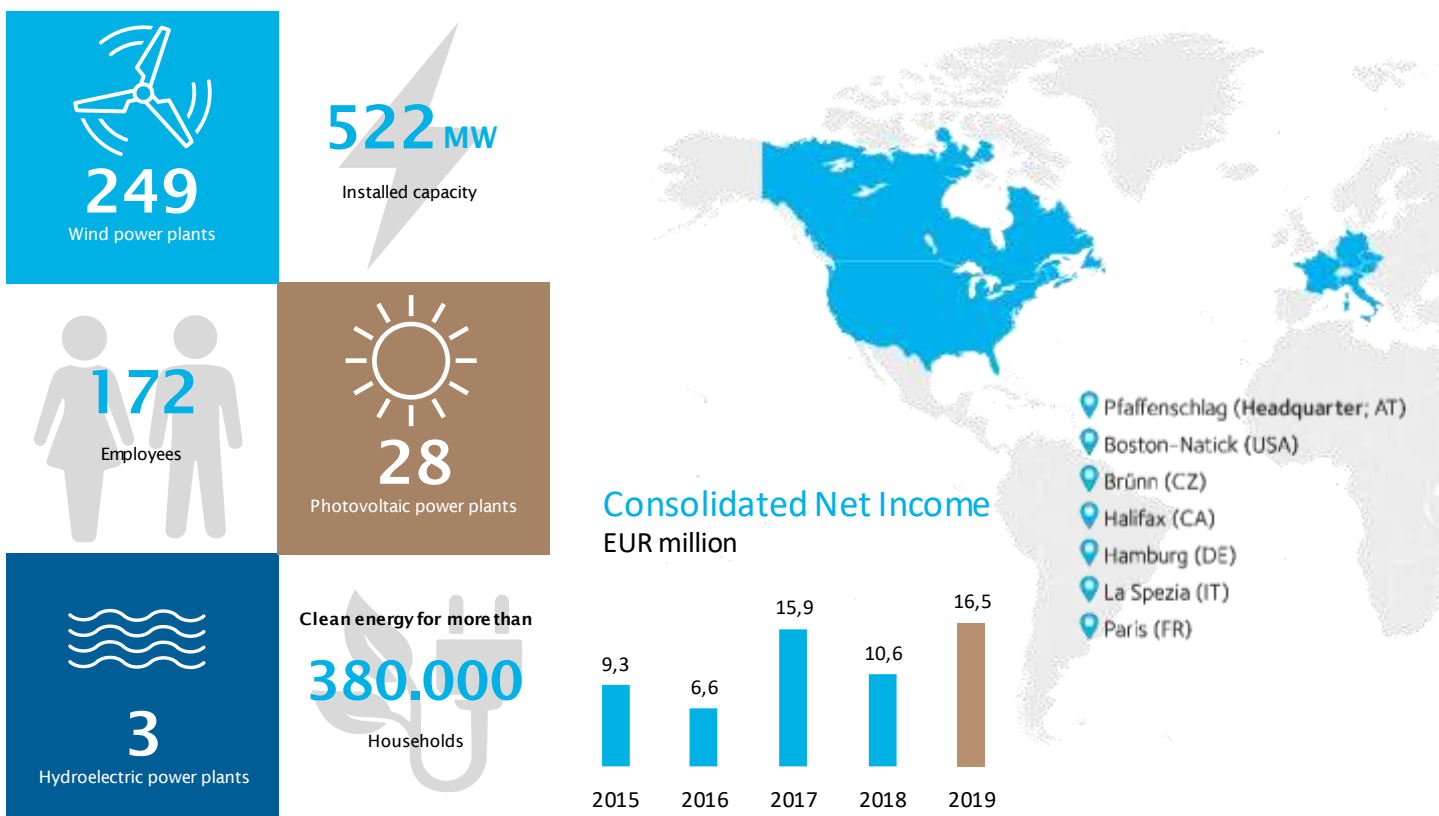
As of September, 2020

In several workshops and interviews, the central stakeholders of W.E.B were corporately discussed and revised. In alphabetical order these are:

- Business partners
- Competitors
- Customers
- Employees
- Governmental organizations and authorities
- Investors: shareholders, banks, bond subscribers
- Landowners (power plants)
- Neighbors (power plants)
- Non-governmental organizations
- Politics
- Supervisory Board
- Suppliers

In addition, the working group discussed the issues that are important for W.E.B with regard to sustainability which resulted in the following priorities:

- Contribution to a sustainable ecological development: Renewable energies make a significant contribution to mitigating climate change. All measures that also contribute to the reduction of CO2 emissions should therefore continue to receive special attention. For example, the switch of corporate and private cars to electric vehicles will be further accelerated.
- Protection of biotopes and the landscape: Special attention is to be paid to the environment during planning, construction and operation of power plants. W.E.B goes beyond the legal requirements with its corresponding measures.
- New market conditions: The international and national political commitment to renewable energies has been particularly strong since the 1990s, but has changed to the extent that regulatory price fixing is gradually giving way to more competitive forms. As a result, the conditions are changing, especially in the area of project development.



2. Introduction

Corporate and industrial energy consumers are changing their business standards and corporate policies towards environmental objectives and are seeking to reduce their carbon footprint. Depending on their company targets and established values, corporate buyers can choose from a variety of contractual options.

These contractual options can be structured according to the industry initiative “RE-Source” (European platform for corporate renewable energy sourcing) scheme and range from producing electricity on site to simply purchasing green electricity.

According to RE-Source (2019)*: “Introduction to Corporate Sourcing of Renewable Electricity in Europe”:

**Wash, C. (2019): Introduction to Corporate Sourcing of Renewable Electricity in Europe. The ReSource Platform, p. 6*

| On-site models | |
|---------------------------|--------------------------|
| A1 | Self-owned-site |
| A2 | Leasing |
| A3 | On-site PPA |
| A4 | Private-wire PPA |
| Off-site models | |
| B1 | Physical PPA |
| B2 | Financial PPA |
| Off-site variants | |
| C1 | Self-owned off-site |
| C2 | Multi-buyer PPA |
| C3 | Multi-seller PPA |
| C4 | Cross-border PPA |
| C5 | Multi-Technology PPA |
| C6 | Proxy generation PPA |
| General and Tip-up models | |
| D1 | Green electricity supply |
| D2 | Unbundled Gos |

As part of these efforts for CO2 neutrality companies seek to secure renewable energy supply via power purchase agreements (PPAs) to cover a larger share of their electricity consumption.

Parties involved in a one-to-one PPA are:

Seller project developer, independent power producer, utility with renewable energy asset

Buyer electricity customer with substantial and long-term demand for electricity and purchasing strategy for renewables

Traders or utilities grouped in three types of PPAs:

Corporate PPA industrial companies, corporates in the service business, universities and public administration

Merchant PPA traders, aggregators

Utility PPA energy service companies

On-site models or physical models are currently in high demand by industrial companies with requirements to make their electricity demand for specific sites CO2 neutral. Financial (or *virtual*) PPAs are pursued by corporate buyers to service demand from multiple sites in different network areas. W.E.B offers individual solutions for both on-site and off-site models.

3. Power Purchase Agreements (PPAs)

Commercial and Industrial Renewable Power Purchase Agreements are contracts for long-term supply of electricity between developers of renewable projects and purchasers of green energy, where the total or large share of production of wind or PV assets is contracted by one buyer or one group of buyers.

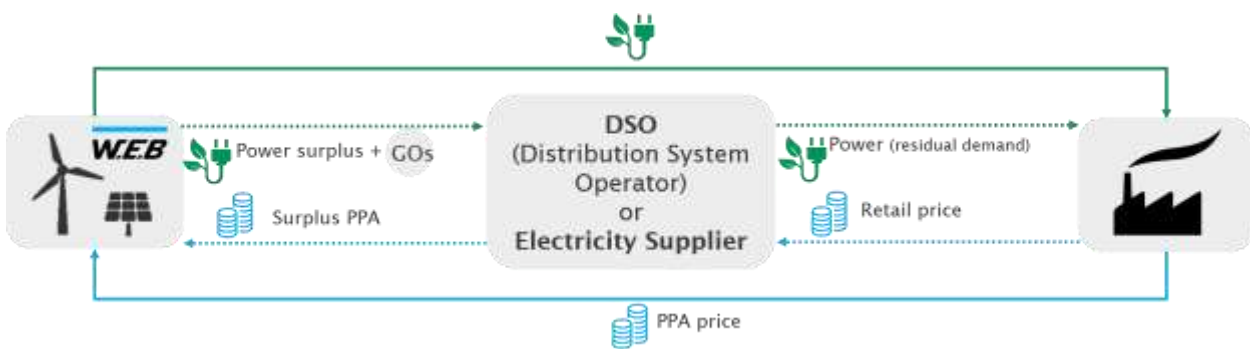
3.1. Overview of types of PPAs

| Type | Short Description |
|----------------------|---|
| On-site PPA | Wind or PV assets are installed on appropriate land within the boundaries of the corporate site. |
| Physical PPA | Wind or PV assets are installed off-site and deliver electricity to the corporate site via the public grid. |
| Financial PPA | Wind or PV assets deliver electricity to wholesale market, corporate consumer is supplied via the public grid from his supplier. Contract for difference provides financial hedge against long-term electricity price fluctuations. |

3.1.1. On-site PPA

The electricity generated by the renewable energy installation is consumed by the corporate buyer, by way of a long-term fixed-price PPA for the electricity.

Main considerations for on-site PPA:



- W.E.B develops, builds, owns, operates, and maintains the renewable installation at the buyer's site.
- Corporate consumer receives electricity as produced by W.E.B's wind and solar plant in its own company electricity network within the limits of its premises.
- The utility, as the electricity supplier, delivers the residual electricity required by the corporate buyer that cannot not be produced by the wind farm or photovoltaic park at times when the projects are producing less energy.
- The utility or trader purchases the surplus energy that is not used by buyer when the wind or solar projects produce more than is required and deliver this energy to the electrical network.

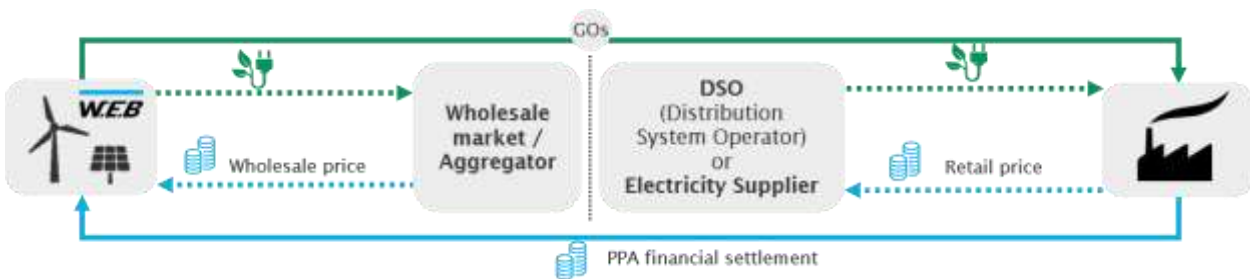
3.1.2. Physical PPA

The physical PPA model involves the physical transmission of electricity via the electricity grid and a contract or a series of contracts between a developer (or project owner) and a corporate power consumer. The corporate off-taker is entitled to the electricity either at the installation's connection point to the electrical grid or at the delivery point.



- W.E.B develops, builds, owns, operates, and maintains the renewable installation in the buyer's market area.
- Corporate consumer receives electricity as produced by W.E.B's PV and wind farm from public electricity network.

3.1.3. Financial PPA



- Financial hedge against long-term price fluctuation. There is no electricity delivered to the company, therefore it is also called virtual or synthetic PPA.
- Price for the underlying electricity is settled with a Contract for Difference (CfD).
- 'Strike price' for the electricity and a market-based reference price over the duration of the contract.
- Possible for cross border PPAs, but not offered in Europe.





3.2. Advantages:

The table below summarizes the pertinent advantages and risks to be considered by corporate buyers in the context of long-term PPAs with renewable energy project owners.

The business model of long-term purchase agreements offers advantages for corporates seeking:

-  Long-term price fixing of electricity prices (risk hedging) for periods that are not liquid at electricity exchanges
-  Cost advantages by procuring without intermediaries
-  No demand for investment
-  No demand for project financing
-  Marketing value for "Green Brands"
-  Value of guarantees of origins for CO2-strategy

Issues to be considered in the buyer's calculation:

-  Long-term commitment for direct PPAs needs to be aligned with short-term procurement strategy of electricity
-  Scenarios of long-term development of corporate strategy and related demand of electricity
-  Replacement in case of early termination of agreement
-  Accounting issues in case of financial PPAs

4. Target groups

PPAs can be considered as sourcing instruments by off-takers for a wide range of electricity demands. W.E.B offers projects for companies with electricity consumption starting at 5 GWh, industrial consumers can profit from wind PPAs with demands above 10 GWh.

5. W.E.B services

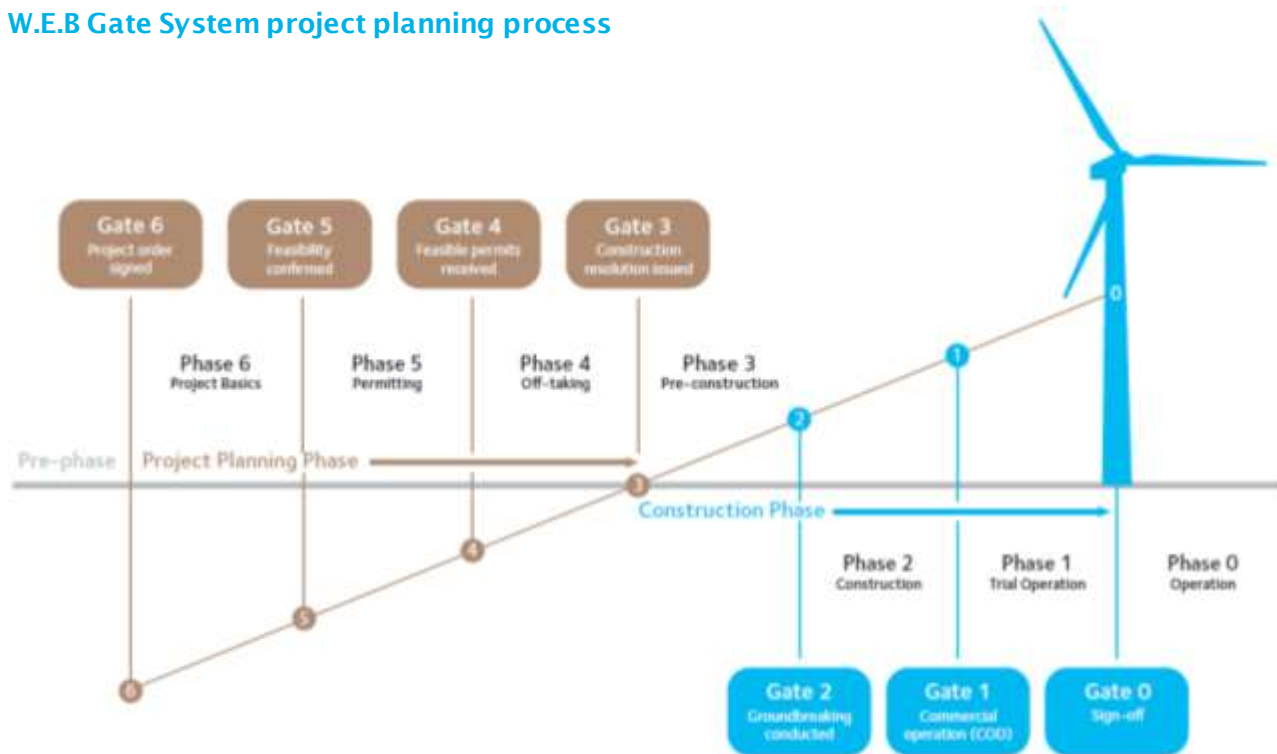
5.1. Project Development

In the countries in which it operates, W.E.B coordinates all steps of project development mapped in W.E.B's Gate System.

Technical feasibility, primarily defined as estimating the future supply of wind and solar power, and economic feasibility are reviewed in detail by the W.E.B's in-house experts. The marketing of the electricity generated is ensured prior to the start of the construction phase. W.E.B carries out many project steps with regional partners, such as environmental impact studies and construction work on paths, foundations, power lines, and substations. The majority of the land on which our power plants are built is leased for the long term; only a few parcels are owned by W.E.B.

A significant component of our projects is the involvement of the population in the region beyond just what is required by law.

W.E.B Gate System project planning process



6. Contact



Austria

Mag. Markus Amatschek, MBA, MSc
Key Account Management "Energy Transition Partner"

markus.amatschek@web.energy | www.web.energy

Mobile: +43 664 2574427

WEB Windenergie AG

Davidstraße 1, 3834 Pfaffenschlag | Austria



Canada/USA

mgr Florian Müller, MA
Chief Financial Officer SWEB Development Inc.

florian.mueller@sweb.energy | www.web.energy

Phone: +49 173 297 8727

SWEB Development LP

6080 Young St, Suite 106, Halifax, NS | B3K 5L2 Canada

W.E.B is present on the following platforms:



For more information see web.energy/PPA