



INVESTMENT MEMORANDUM



The **Barbados Sustainable Energy Cooperative Society Limited** (CoopEnergy) invites investments from members and non-members in our first sustainable energy project.

It is projected that the future of vehicle transport will be built around sustainable energy technologies. In Barbados, this trend is expected to be accelerated by the country's **National Energy Policy 2019-2030** which seeks to achieve full energy sustainability by 2030.

There are currently approximately 130,000 vehicles on the island and it is anticipated that these will be replaced by sustainable energy vehicles over the next twenty (20) years.



The Board of Directors of CoopEnergy has agreed to launch a new vehicle retail business in order to ensure that the special interests of our membership are protected as the world undergoes these projected major changes in this lucrative area of vehicle technology.

EXECUTIVE SUMMARY

Objective

The Barbados National Energy Policy 2019-2030 (**BNEP**) sets out the policy of the Government of Barbados to achieve almost total energy sustainability by 2030. Transportation constitutes a significant portion of fossil fuel consumption at present. It is therefore expected that there will be a significant uptake in the conversion to electric vehicles in the next few years as renewable energy charging becomes more accessible. However, even beyond this, it has been demonstrated that electric vehicles are significantly more efficient than their fossil fuel equals, and additionally, they are cheaper and easier to maintain. Very attractive tax incentives also currently apply for small and medium size electric vehicles in Barbados.

The Project

CoopEnergy will seek opportunities to pool the financial and organizational resources of ordinary Barbadians in order to exploit profitable opportunities for investment in the sustainable energy arena on their collective behalf.

Transportation is a major user of energy and a key target for sustainability improvements. Significant numbers of Cooperators own vehicles and have interest in transportation. The Energy Co-op has partnered with **KSB Autos**, a private business which was launched in 2020, with the objective of sourcing high quality vehicles for Barbadian consumers at very competitive prices. This presents us with the opportunity to offer high quality electric and hybrid vehicles in support of the **BNEP**.

Project Outline

A new company (Ko-op ELECTRIC) will be created, and will focus on sourcing and maintaining vehicles for the renewable energy market.

The Company will be owned by **CoopEnergy** in partnership with **KSB Autos**, an experienced small vehicle importer, who will provide the technical and management services.

- *The new company will be run by an independent Board of Directors.*
- *CoopEnergy will coordinate with the new company to provide needed funding and strategic coordination with the Cooperative movement.*

While every car is different, electric vehicle owners are likely to spend about 60% less to power their ride. This translates to an annual savings of about \$800 to \$1,300 — or \$6,000 to \$10,000 over the life of your car.

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- *The new company will offer services to the whole Barbados market, and its scope of business will not be limited to current vehicle technologies.*

Investment Opportunities

Potential Investors are invited to participate in this opportunity as follows:

Members of CoopEnergy

- 1 - CoopEnergy Members may participate at any level from a minimum of \$200.00. Members will be given first refusal to invest in this initial pilot project.
- 2 - Application forms must be fully completed and received by CoopEnergy by the deadline date.
- 3 - Members must make arrangements for payment of the investment funds to the satisfaction of the *CoopEnergy Investment Committee*. All such arrangements must be concluded prior to submission of the completed application form - and by the stipulated deadline.

Members of Credit Unions / Co-ops which are CoopEnergy Members.

- 1 - Regardless of whether they are members of CoopEnergy individually, members of Co-op Societies that are themselves CoopEnergy members are encouraged to invest directly through their own Co-op /Credit Union.
- 2 - Application forms, endorsed by the member's society must be fully completed and received by CoopEnergy by the deadline date .
- 3 - Members must make arrangements for payment of the investment funds to the satisfaction of the *CoopEnergy Investment Committee*. All such arrangements must be concluded prior to submission of the completed application form - and by the stipulated deadline. Minimum investment is \$ 500.00.

Non-Member Individual Investor

- 1 - Non-Members may participate at any level from a minimum of \$1,000.00.
- 2 - Application forms must be fully completed and received by CoopEnergy by the deadline date along with the payment.
- 3 - The *CoopEnergy Investment Committee* will make all final determinations on the investments portfolio as guided by the Society's Investment Policy.
- 4 - Generally, allocations will be made on a first come basis with appropriate consideration being given to compliance with existing Anti Money laundering Regulations and CoopEnergy Policies and Regulations.
- 5 - Unaccepted funds will be returned to applicants as soon as allocations are completed and within one month of receipt.

Non Member Institutional Investors

- 1 - Non-Member Institutions may participate at any level with a minimum of \$10,000.00.
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2 - Application forms must be fully completed and received by CoopEnergy by the deadline date along with the payment.

3 - **The CoopEnergy Investment Committee** will make all final determinations on the investments portfolio guided by the Society's Investment Policy.

4 - CoopEnergy is predisposed to working with Cooperative institutions and other community type NGOs. Such applications will therefore be given favorable consideration wherever possible in accordance with CoopEnergy policy.

5 - Generally, allocations will be made on a first come basis with appropriate consideration being given to Anti Money laundering Regulations and CoopEnergy Policy guidelines.



6 - Unaccepted funds will be returned to applicants as soon as allocations are completed and within one month of receipt.

Will all cars be electric in the future?

Today, automakers around the world are racing to catch up with Tesla and bring out a full slate of electric vehicles. General Motors has set the goal of going all-electric by 2035. Mercedes just leapfrogged with a goal of being all-electric for light vehicles by 2030.

EVs now represent about 2% of total global vehicle sales and will be about 24% of total sales by 2030, it forecast. Biden has called for \$174 billion in government spending to boost EVs, including \$100 billion in consumer incentives.



Structure & Growth Plan

Ko-op ELECTRIC will remain an independent company under the control of its Board of Directors.

CoopEnergy will simply be a major shareholder and will be represented on the Board by its appointed directors who will report to **CoopEnergy's Board of Directors** on a regular basis.

The Company will begin on a very small scale of operations and is projected to then grow in line with demand and capacity to continue to provide high quality services to customers.

| Growth Projections | 2021 (Nov-Dec) | 2022 | 2023 | 2024 |
|---|-----------------------|-------------|-------------|-------------|
| Vehicle Imports | 4 | 20 | 40 | 50 |
| Sales | 330,000 | 1,760,000 | 3,520,000 | 4,400,000 |
| Net Surplus | 22,000 | 88,000 | 224,000 | 275,000 |
| Interest Payable | 18,000 | 96,000 | 192,000 | 240,000 |
| Investment Targets (cumulative \$) | \$300,000 | \$1,600,000 | \$3,600,000 | \$4,400,000 |

| Interest Payable to; | \$200-1,999 | \$2,000 -19,999 | \$20,000 -100,000 | \$100,000 |
|---|--------------------|------------------------|--------------------------|------------------|
| CoopEnergy Members | 3.5% | 3.75% | 4% | 4.25% |
| Members of member-coops investing through their cooperative.n ** | 3.75% | 4% | 4.25% | 4.5% |
| Non-Member Cooperatives | | 3.5% | 4% | 4.25% |
| Private Institutions / NGO's | | 3.5% | 3.5% | 4.25% |
| General Public | | 3.5% | 4% | 4.25% |

** Members of Co-operatives which are themselves **CoopEnergy** members are encouraged to invest directly through their own Credit Union or Co-op, whether they are individual members of **CoopEnergy** or not.

Such investors will receive premium consideration where special arrangements are in place between **CoopEnergy** and their Society to facilitate and manage such deposits.

What Interest We Will Pay

Interest on investments will be payable quarterly (in April, July October and January) , half yearly (in July and January) or annually in January, as selected by the investor.

| Projected Annual Returns | Investment 1 | Investment 2 | Investment 3 | Investment 4 |
|---|----------------|-----------------|------------------|--------------------|
| Examples | \$1,000 | \$10,000 | \$100,000 | \$1,000,000 |
| <i>CoopEnergy Members</i> | 35.00 | 375.00 | 4,000.00 | 42,500.00 |
| <i>Members of member-coops investing through their cooperative **</i> | 37.50 | 400.00 | 4,250.00 | 45,000.00 |
| <i>Non-Member Cooperatives</i> | | 350.00 | 4,000.00 | 42,500.00 |
| <i>Public Institutions</i> | | 350.00 | 3,750.00 | 42,500.00 |
| <i>General Public</i> | | 350.00 | 4,000.00 | 42,500.00 |

Success & wealth are associated with the ownership of productive enterprise

They are NEVER derived from divestment of assets, begging, or borrowing.



“Bringing Power to The People”

THE BARBADOS SUSTAINABLE ENERGY COOPERATIVE SOCIETY LIMITED
Co-op EV Term Deposit 21-001 APPLICATION FORM

Co-op EV Term Deposits are available to members and non members of The Barbados Sustainable Energy Co-operative Limited (CoopEnergy Barbados)

Please complete in BLOCK CAPITALS

1. Mr/Mrs/Miss/Ms/other - specify _____ CoopEnergy Account No: _____
Surname _____
First Names _____
Address _____

Post Code _____ Telephone No. _____ Email _____

2. I wish to invest \$ _____ (\$500 minimum) in **CoopEnergy Coop EV Term Deposit (P21-001)**
for a Term of five (5) years with The Barbados Sustainable Energy Cooperative Society Limited.

EITHER: I enclose a cheque for Bds \$ _____, made payable to The Barbados Sustainable Energy Cooperative Society Limited.

OR: I have made a Bank transfer for the Sum of Bds\$ _____ to Barbados Sustainable Energy Cooperative Society's account (**First Citizens Bank Bridgetown, Acct No. 50090001739**)

3. Coop EV Term Deposits are issued subject to Terms and Conditions and the rules of **The Barbados Sustainable Energy Cooperative Society Limited** and are part of the Society's capital. The balance on a member's share account plus all Term Deposits held by that member may not exceed 10% of the Society's net capital. The Society provides online statements to its members and depository holders of the nature of their investment and any change affecting it. CoopEnergy Barbados reserves the right to decline an application for a Coop EV Term Deposit at its sole discretion and without further explanation.

4. **Signed:** _____ **Dated:** _____

PLEASE RETURN COMPLETED FORM TO: Barbados Sustainable Energy Cooperative Society Limited, C/O The Barbados Cooperative & Credit Union League, Upper Collymore Rock, St Michael, Barbados.

FOR OFFICE USE ONLY:

Date of Investment: _____ Coop EV Term Deposit No.: _____

Interest Rate: _____ Cheque Banked: ____/____/____

Confirmation Letter Sent: ____/____/____ TD cert to be sent: ____/____/____

Total Amount Invested: Bds \$ _____

THE BARBADOS SUSTAINABLE ENERGY COOPERATIVE SOCIETY LIMITED

Co-op EV Term Deposit 21-001

Appendix A

Documentation required

Provide 2 certified copies of documents from the lists shown below, (one from each list).

****Please note that you cannot use the same document to confirm both your name and address.**

To confirm your name

- Current Barbados Identity Card or passport
- Current Photo Card driver's license

To confirm your address

- Recent systems generated or signed documentation from a regulated financial services sector firm indicating that the account/investment/insurance relationship exists and which contains your current address
- Current tax bill
- A recent (not more than 3 months old) utility bill (Excludes mobile telephone bills)
- Current tenancy agreement

**** Members of local Credit Unions or Cooperatives who have already satisfied the AML requirements with their society and who submit their application through their society can ignore this section.**

Other AML Requirements

Payment details, Source of Funds and Origin of Wealth

The following information is required under Anti-Money Laundering Regulations to safeguard against unlawful investment.

Please complete parts A & B below.

Part A. Source(s) of your payment

Country your payment was made from:

A. Bank or Credit Union deposit _____

Barbados. _____

B. Other (please specify) _____

Other (please specify) _____

Part C. Origin of wealth

A. Borrowings, investment income, sale of property, sale of investments (*please specify*)

B. Other (*please specify*)

Specify _____

29 March 2022
