

XTN

– A GAME CHANGER IN THE ENERGY INDUSTRY

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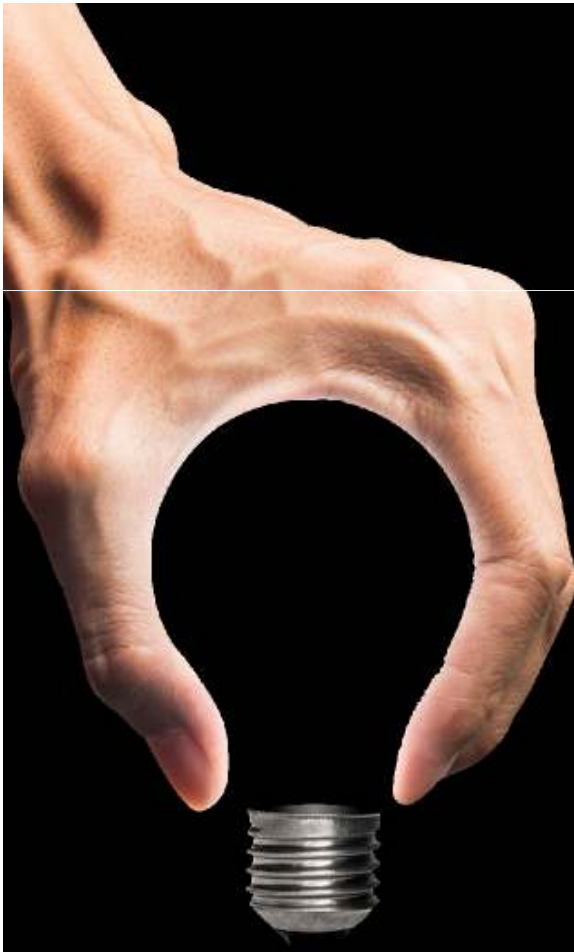
Needs in the market

The climate crisis – the low carbon society



Solution to these needs

XTN - A CHAIN STORE IN THE ENERGY INDUSTRY



Which offers:

Consumers:

Choice of energy form wind, solar, water, gas, distant heating, coal....

Energy companies:

Capability to balance the grid

Team

- **Founder & CEO** Bjorn Bekkevold, Professional engineer and seasoned business developer. One of five that founded the oil & gas division in Norsk Hydro. 4th start up
- **CFO:** Being signed up
- **CTO:** Olafur Ingolfsson, Seasoned system engineer and programmer
- **COO:** Christer Fransson, Seasoned IT and network engineer
- **Sr. VP energy procurement:** Being recruited
- **Sr. VP sales:** Being recruited
- **Sr. VP accounting:** Being signed up

Business Case - Product

AUTOMATIC PURCHASING MACHINE



Business model

From wholesale to vertical integration

- Like all other industries the wholesale element in the energy value chain will be replaced by vertical integration empowered by consumers

Project status

System development and programming 2007-2014:

- Middle ware /data hub – finished
- Top ware – system development to meet "Energiewende" finished. Coding on going
- Apps. – apps when competition alters

Producing energy companies as co-owners 2014-2017:

- Talks under way

Operational start:

- Germany 2015
 - UK 2017
 - Be-Ne-Lux-Denmark 2018
 - France 2019
- US: 2016

Value drivers/Uniqueness/Competitive advantages:

- Energy forms which fits consumer values
- Balancing Demand / Response with multiple energy forms
- Solves the climate crisis/
- Creates the renewable low carbon society
- First mover / Game changer with disruptive tech
- Scalable business model with recurring revenue subscriptions
- Revenue 2 % of total energy throughput
- 4th start up. Cofounder of Norsk Hydros Oil & Gas division Statoil
- Patent application filed with European Patent Office
- Hockey stick budget. Big energy players joining as co-owners
- Exit: Short term 12-36 months >10 x investment

Market

- Size: Total energy market in Europe and US
- Growth: 10 % per annum

Market regulation to XTNs advantage

- XTN is a Demand Side Management system as decided by the EU Commission 5. november 2013
- XTN complies with the EU Commissions 3. energy package unbundling Distribution from Production
- XTN complies with the EU Commissions recommendation of 22. january 2014 to the European Parliament.

How to earn money

What will the consumer pay

What are the profit margin

- Buy and sell energy
- Consumer pay for energy forms according to their values of which price is just one
- Profit margin: 2 % of total energy throughput which is huge
- Transferring the price premium from renewables to producing co-owners

Distribution

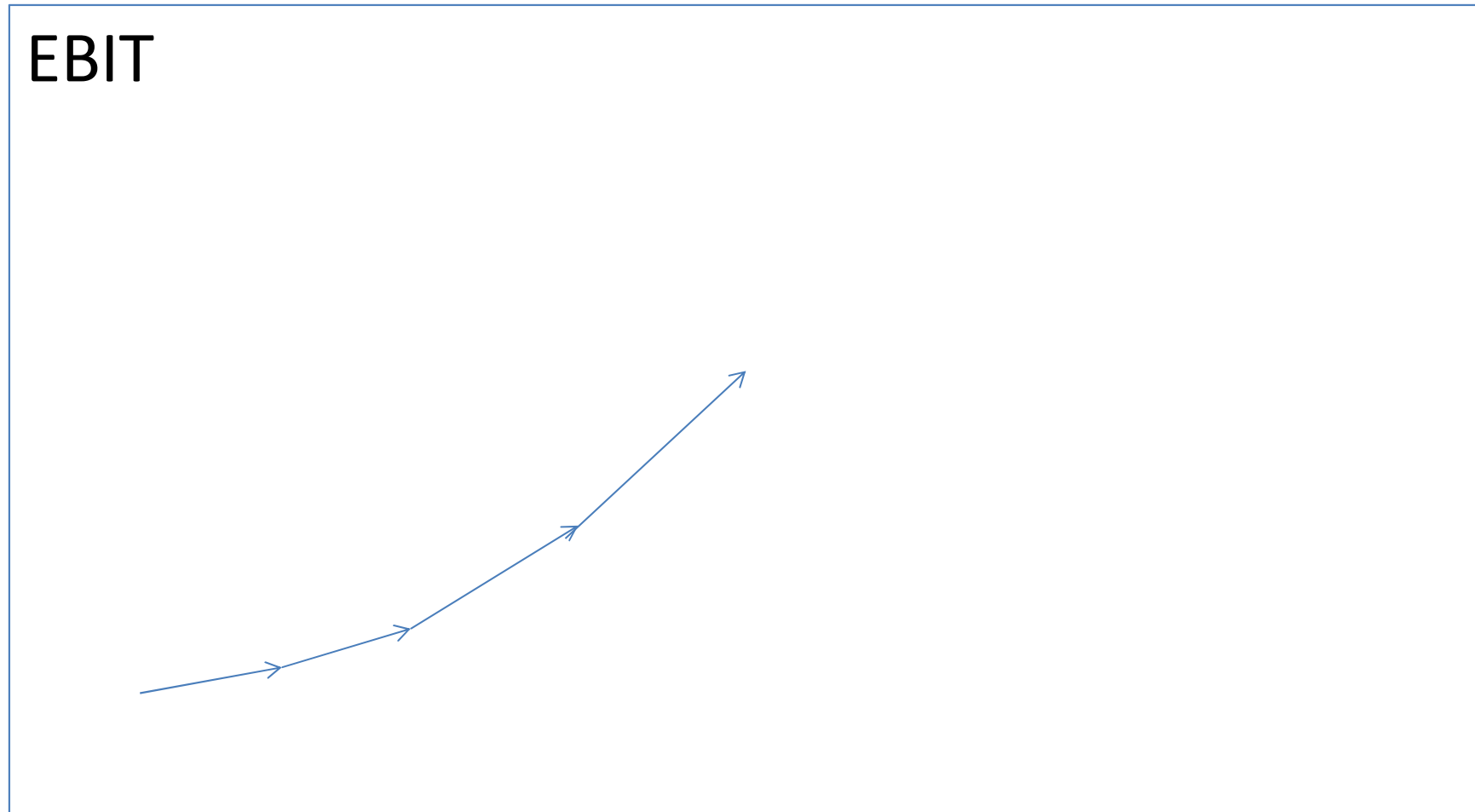
- Apps distributed by SMS to selected groups of consumers. When being "clicked on" then automatically connected to the system getting the choice of choosing the following packages: (1)standard; (2)renewabel;(3)dirty
- Consumer depositum with cooperating bank where energy invoices automatically are withdrawn. No depositum - no energy

Key budget figures – Base Case - Organic growth (USD)

Year	2015	2016	2017	2018	2019	2020
Net rev	833 400	1 872 816	2 977 778	4 208 593	5 576 386	7 093 163
OPEX	1 980 000	2 725 000	2 815 000	2 932 000	3 025 000	3 134 000
EBIT	-1 146 600	-852 184	162 778	1 276 593	2 551 386	3 959 163
Inv.1	5 000 000					
Inv.2		5 000 000				
Inv.3			5 000 000			
Cash before tax	3 853 400	8 834 616	10 870 211	9 291 182	14 178 345	20 736 116

Key budget figures – hockey stick

Energy companies buying in becoming co-owners



2014

2015

2016

2017

2018

2019

Norwegian Investment Forum

Oct 14th 2014