

# NOVALUME FINANCE

## 'PAY AS YOU SAVE' FINANCIAL MODEL

Novalume Finance eliminates capital expenditure and uses the energy savings to cover the payments of your Smart City upgrade.

# FINANCIAL MODELS

Novalume is able to provide financing solutions for all types of lighting infrastructure worldwide. Novalume Finance offers two types of financial model, based on a Letter of Credit (NOVA LC) or Bill Of Exchange (NOVA BOE).

See below for the characteristics of the two types of financing:

FINANCIAL MODELS	NOVA LC	NOVA BOE
Percentage financed	50-100%	
Installation included	Possible	
Down payment <sup>(1)</sup>	0-20%	
Interest p.a. <sup>(2)</sup>	Based on quotation	
Supporting documents	Letters of Credit (LC)	Bills of Exchange (BOE)
Credit approval	Yes	
Finance period	1-7 years	
First payment	1-3 months after delivery	
Payments	Monthly or quarterly	

(1) Depending on the type of project and the financing plan

(2) The interest rate is based on the credit approval level

### IMPORTANT

Please note that a positive credit evaluation is required to benefit from the financial models and these financial models apply only for projects estimated at above 100.000 Euros.

### DOCUMENTATION FOR PUBLIC OR PRIVATE CUSTOMERS NOT LISTED IN DUN & BRADSTREET:

Financial statement (financial report) from the three previous years and current year's budget. Novalume may require further financial clarification from the customer if the available information is not conclusive or sufficient.

NOVALUME FINANCE suggests innovative and customized financing models that, without any investment from you, can ensure a completely new turnkey lighting solution that drastically reduces your electricity costs and CO<sub>2</sub> emissions.

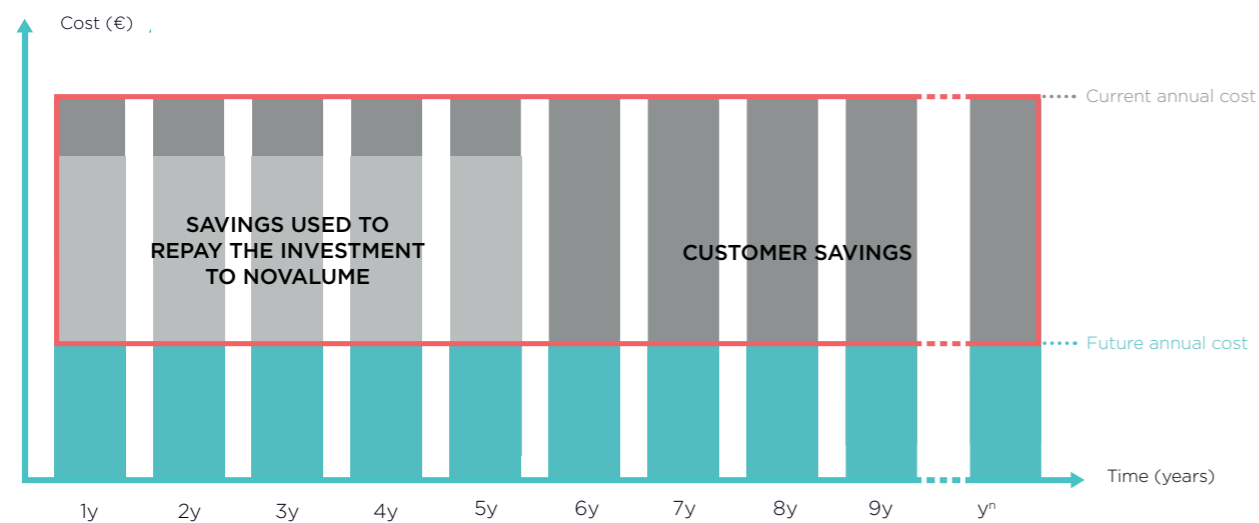
These models are provided by financial institutions across the globe.

# TYPICAL REPAYMENT PROFILE

The financial model is based on prepayment of the investment with the savings the solution generates.

This way you as a customer can experience a positive cash flow from the very first day. Furthermore your first payments do not have to exceed what you pay today for your existing high consuming conventional lighting solution.

To get a better understanding of the Novalume financial model, please see below for the typical repayment profile with savings across the lifetime of the new lighting installation.



- ..... Current annual energy consumption and maintenance cost
- ..... Future annual energy consumption and maintenance cost
- Total savings generated by your new lighting solution
- Part of annual savings used to repay the investment
- Annual savings during the technical lifetime of the installation

# PROCESS FOR CONTRACT SIGNING

After appropriate internal consultations and due diligence, the 3-step process described below is completed, thereafter the customer will be notified if the financing is authorized.

FINANCIAL MODELS IN 3 STEPS	NOVA LC	NOVA BOE
1	After credit approval, the contract is signed by the Customer and Novalume	After credit approval, the contract is signed by the Customer and Novalume
2	Novalume sends a draft of the Letter of Credit to the Customer's bank	The Bills of Exchange are signed by the person who is authorized to sign on behalf of the Customer
3	The Customer's bank opens a Letter of Credit towards Novalume via Swift <sup>(1)</sup>	The original and signed Bills <sup>(2)</sup> of Exchange are sent to Novalume and a scanned version is sent by email

**(1)** The presented Letter of Credit and the signed contract will be evaluated by Novalume's bank.

**(2)** The signatures of the Customer on the Bills of Exchange must be certified in one of the following ways:

**I.** Notarized certificate from a public notary stating that:

- the signatures on the Bills of Exchange are genuine and
- the person signing (full name) is authorized to sign on behalf of the Customer;

OR

**II.** SWIFT message from the Customer's bank to Novalume's bank stating that:

- the signatures on the Bills of Exchange are genuine and
- the person signing (full name) is authorized to sign on behalf of the Customer.

The presented documents and the certificate will be evaluated by Novalume's bank.

# WHO IS BEHIND THESE MODELS?

All Novalume models are based on repayment of the investment with the savings the solution generates. However, there are several steps that must be completed before embarking on an energy efficiency project and Novalume assists you along the way: from analyzing existing energy consumption and system performance; determining the right project in terms of lighting and communication technology, cost, savings, scale, and the lifecycle of the system; to selecting the appropriate finance plan.

These steps clarify the savings that can be achieved, determine the customer's technical needs and existing capacity, and evaluate the available financing mechanisms.

With the Novalume Finance report you will get a clear overview of all the KPIs you need such as ROI, total savings (€), payback period (years), annual reduction in CO2 emissions (tons), annual reduction in electricity consumption (%) and other relevant financial information.



EKF provides financing solutions for Danish exporters worth of EUR 1.8 billion per year and can provide state-backed financing solutions for the LED lighting solutions Novalume deliver (positive credit evaluation required).

Novalume Finance neutralizes the CAPEX (Capital Expenditure) and your new turnkey LED solution can be paid for with the savings it generates.



Novalume Finance also suggests financing solutions in collaboration with well-known financial institutions across the globe.



Investments in Energy Efficiency offer a powerful lever to secure energy supply whilst providing constant and stable investment returns. Novalume Finance focuses on the identification and implementation of Energy Efficiency projects with financial partners who have extensive expertise and experience in the structuring and financing of Energy Efficient Projects.



SAVE FROM DAY 1

PAY AS YOU SAVE



NOVALUME®  
Smart City Lighting Solutions

