

# CIMBRIA FINANCING





# Our Experience. Your vision.

Cimbria is more than the equipment we produce. We are professionals who thrive on building creative solutions to bring your vision to life. We've been doing it since 1947. We combine the right technology with the right team to bring it all together. Our purpose is your success. You can feel confident because you have an expert at your side – helping you grow into the future.

## Finance your purchase from Cimbria.

As an alternative to traditional short-term payments, Cimbria Financing offers credit solutions over a longer period of time. The credit consists of a down payment, followed by installments.

Cimbria Financing is available for both Turnkey projects and component sales.

Depending on your project, we can offer a solution tailored on your financing needs. The financing of bigger projects is typically supported by a European Export credit Agencies, such as the Danish EIFO, a state owned AAA-rated organization, which supports exporting companies with attractive financing options.

Financing can include Projects, Equipmnet and transportation costs. Civil works can be also financed, when the structure is a based on buyer credit.

	FINANCING		INVESTMENT
	Buyer Credit	Bill of exchange	IFU
Product type	Any	Any	Any
Cimbria Project Value	Min. 2 M EUR	250 – 2.000 T EUR	Min. 500 T EUR
Down Payment	Min. 15%	Min. 20%	None
Years of financing	From ½ year and up to 10 years	From ½ year and up to 5 years	Typically 5-7 years of investments
Down payment paid to	Cimbria	Cimbria	N/A
Remaining payments to	International bank*	Nordea, Denmark	N/A
Yearly interest rate	Case by case	Case by case	Case by Case
Time for paperwork	3 - 4 months	4 – 5 weeks	6 – 12 months

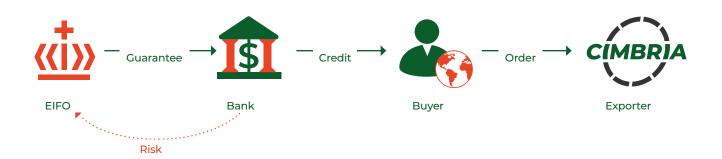


## **Buyer Credit**

A Buyer Credit Guarantee is based on a loan agreement and has no restrictions in terms of the amount. It can be used for large, million euro orders, typically financed by an international bank. The bank receives a guarantee for 95% of the financed amount from The Export Credit Agency, which reduces the banks credit exposure and allows them to offer low-cost prices for the customer. Cimbria has a range of proven banks in our portfolio, and we are flexible to customer requests for specific banks to be used.

#### **Total Financing & Local work**

A major benefit of the buyer credit setup, is the ability to finance other imported goods and civil works, on top of the Cimbria purchase. This includes import from other countries amounting up to 5 times the value of Cimbria's contract value. For high-income countries, up to 40% of the imported value can be financed as local work, while 50% for remaining countries.





#### Example:

- > Cimbria project value = 10 M EUR
- > Other suppliers outside customer country = 10 M EUR
- >85% of the 20,0 M EUR can be financed = 17,0 M EUR
- > Additionally 10,0 M EUR of local work can be financed as well
- > So the total financed value is 17,0 M EUR + 10,0 M EUR = 27,0 M EUR

## Bill of exchange

Bill of exchange (BoE) is a great instrument for financing medium sized projects, as the paperwork is limited and administration costs are low.

## What is a bill of exchange?

A BoE is essentially a formal, written IOU (I owe you), that states, when a certain amount of money needs to be paid. It contains the following information:

Drawer (Cimbria) · Drawee (Customer) · Amount to be paid · A payment date

## Handling the Bills of Exchange

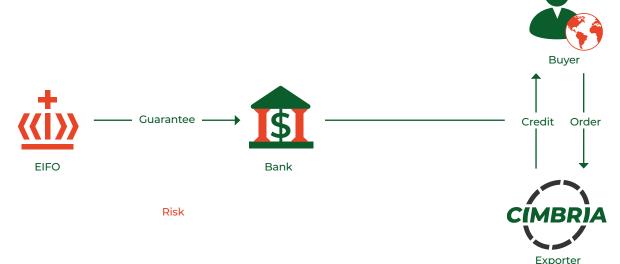
For each payment, one bill of exchange is made. If the project is financed over three years with two semiannual payments, the total amount will be six bills of exchange.

1. The bills of exchange will be sent to the buyer by courier, approximately 2 months before the goods are being shipped

2. The bills of exchange are then signed by the company officer(s) authorized to sign on behalf of buyer and authorized by notary

3. After signature, the bills of exchange are returned to Cimbria and no later

than 4 weeks before shipment date



#### **General requirements**

- · Financial statement for the last three years (audited) in English
- No loss in Profit & Loss within 2 years (of three last years)
- Equity at least three times higher than financed amount
- Credit and ESG approval by The Export Credit Agency

## IFU

## **Investment Fund for Developing Countries**

IFU is a Danish Government owned Development Finance Institution (DFI). IFU invests with a focus on climate action and sustainable development, to create better opportunities for people in emerging markets. One of IFU's strategic focuses is to support investments that reduce food waste and support affordable, healthy and sustainable foods, which fits perfectly into the scope of Cimbria.

IFU invests on commercial terms through equity, mezzanine and debt instruments with ticket sizes between 6 M EUR and 70 M EUR with preference for growth capital situations and limited appetite for buy-out of existing shareholders or repayment of debt.

	EQUITY INVESTMENTS	DEBT INVESTMENTS
Approach	Direct investments in project companies or platforms	Direct financing for project companies or platforms
Instrument	Equity and quasi-equity instruments	Debt (senior, unsecured, or subordinated)
Ticket size	6 M EUR to 70 M EUR	6 M EUR to 16 M EUR
Return	Risk-adjusted return on commercial terms	Risk-adjusted return on commercial terms
Stake	Preferably minority	Minority
Commitment	5-7 years on average Well-defined exit strategy	5-7 years on average (incl. grace) Tenure can be up to 10 years for climate investments
Board	IFU typically requires board positions for equity investments	IFU typically takes an observer role on the board



## FAQ

## We are newly established legal entity, with no financial history. Can we still receive financing?

Yes, Cimbria then needs a guarantor of the loan. Buyer and guarantor can be two different companies.

# Our project has a large civil work contract besides the imported goods from Cimbria. Can we include the civil works into the financing as well?

Yes, Cimbria can finance civil works equaling 40%-50% of the imported value if structured as a Buyer Credit. Example: Cimbria value is 10 MUSD, then we can include between 4 to 5 MUSD of civil works into the financing. The percentage depends on the specific country.

## The financial statement must be audited. Which auditors companies are approved?

Preferably audited by one of "The big four" meaning either Deloitte, PricewaterhouseCoopers (PwC), Ernst & Young (EY) or KPMG. However local auditors of respectable size may also be approved, but may require individual recommendation by the Danish Embassy in the country in question.

## Our financial statements are only available in local language, do we need it in English?

Yes English is a requirement. However, translated statements are accepted.

We purchase Cimbria equipment through a local dealer, is this an obstacle for financing?

In most situations, Cimbria can still finance the project. Contact for further details.

### Which currencies can be used for financing?

Normally Euro are preferred. Case by case exemptions can be made. Contact for further details.

### What is the difference between buyer and guarantor?

Buyer is the customer which is being invoiced. A guarantor is the company willing to guarantee for the loan. Often a buyer is not strong enough to support the financed amount and a guarantor takes over the financial guarantee.

### If a certain financing product is not available in my country, what can I do?

It is usually the location of guarantor that determines the possibilities. Example: End customer (The Buyer) is located in Laos, but "buyer credits" are not possible in this country. However, the company is part of a larger group, with Headquarters in Malaysia. Using the HQ on Malaysia, the loan can be established with a guarantee.

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