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SUSTAINABLE INVESTMENT COMMUNITY

AGENDA

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1 - CROWDFUNDING IN BELGIUM

LEGAL FRAMEWORK

FACTS AND FIGURES

2 - ABOUT ECCO NOVA

3 - OUR DUE DILLIGENCE PROCESS

4 - CASE STUDY

1. THE EU PROSPECTUS DIRECTIVE (2003/71EC)

- Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market ;
- Prospectus exemption threshold: **100.000€** ➔ European Commission's proposal to raise it to **500.000€** ;
- From **100.000€** to **5.000.000€**: The Member States set their own threshold for domestic offers ;

2. 'PROSPECTUS LAW' CONCERNING PUBLIC OFFERINGS OF SECURITIES (16TH JUNE 2006)

- Defines the 'public offering' by transposing the EU Prospectus Directive ;
- Prospectus exemption threshold: **300.000€** (modification with the law of 25th April 2014) BUT with a limited amount per investor of **1.000€** ➔ This threshold will be raised to **5.000€** through the draft law from 5th December 2016 ;

3. DRAFT LAW 'ORGANIZING THE RECOGNITION AND THE FRAMING OF CROWDFUNDING' (5TH DECEMBER 2016)

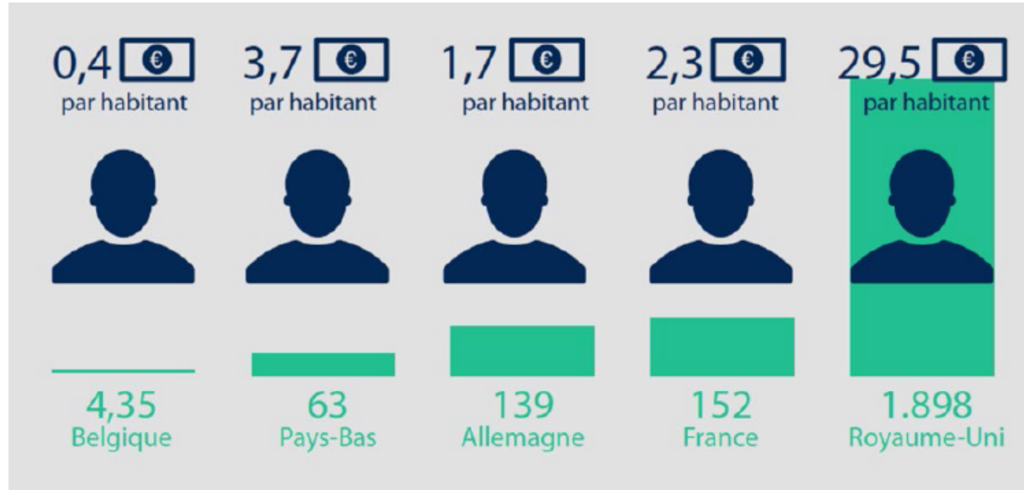
- Concerns financial (equity and lending based) crowdfunding only ;
- Defines the access to the profession of 'alternative financing' and certification conditions for 'alternative financing platform' ;
- Raises the prospectus exemption threshold: **300.000€** with a limited amount per investor of **5.000€** ;
- 'Alternative financing plateform' can raise equity or lending based funds ;
- Defines the rules applicable to the alternative financing platform, among which:
  - Minimum information to be provided to the investor: fee/general description/due dilligence criteria etc. ;
  - Investor knowledge and experience assessment prior to allow investment (similar to the MiFID* Suitability and Appropriateness test)
- This law fully activates the start up plan from 1st July 2015
  - **0%** tax on the interrest of the loans made to a startups, if raised via a certified platform ;
  - **30 to 45%** tax reduction on startups equity investment done via certified platform ;

* MiFID = Markets in Financial Instruments Directive

4. THE FSMA, THE FINANCIAL SERVICES AND MARKETS AUTHORITY, RELEASED IN JULY 2012 A NOTE DESCRIBING THE DIFFERENT LAWS APPLICABLE TO THE CROWDFUNDING OPERATIONS:

http://www.fsma.be/~/media/Files/fsmafiles/circ/fr/fsma_2012_15.ashx
http://www.fsma.be/~/media/Files/fsmafiles/circ/fr/fsma_2012_15-1.ashx

Among active crowdfunding investors, walloon are 2x more than flemish, even though the crowdfunding concept is better known in the north of the country. In average, 50% of the people do know what crowdfunding means, but only 10% of the walloon can name a platform



Amount raised in (MIO€ and per capita) in 2014, compared to our bordering countries

The average belgian investor is a 55 years old man, looking in priority for the best financial return

Source: 'Crowdfunding en Belgique' by Bolero

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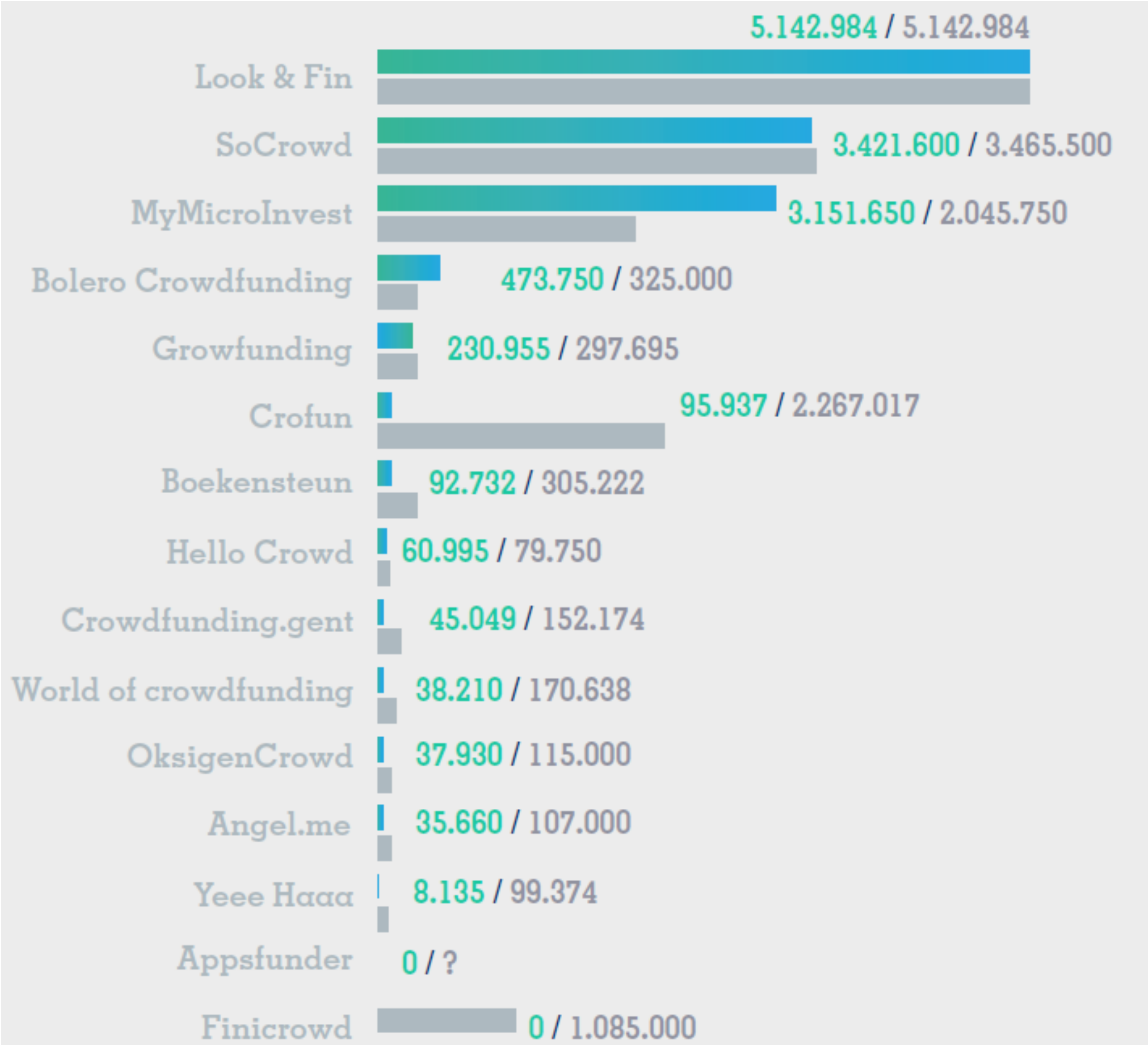

Total amount raised per platform until 2016 / Target amount to raise

NB: This survey has been realized while Ecco Nova just started its activity. But we can deduct that Ecco Nova could have been ranked in 6th position with 150.000/150.000

Source: 'Crowdfunding en Belgique' by Bolero

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OUR MISSION

FINANCING PLATEFORM

ECCO NOVA intends to facilitate energy transition and sustainable development through crowdfunding

ECCO NOVA IN SHORT

Winner of the special press prize at the Belgian Environment and Energy Award 2016

CROWDFUNDING & CROWDLENDING

Crowdfunding describes all financial transactions that involve a large number of people to finance a project. **Crowdlending** is a loan-oriented variant

ECCO NOVA'S MISSION

Facilitate **energy transition** and sustainable development through **crowdfunding**

METHODOLOGY

Rigorous technical and financial selection by **ECCO NOVA**

Investments in the form of **subordinated loan** by the citizens

REFERENCES

Résidence Werson – Biomass CHP - 150.000 € financed in less than 2 months

OBJECTIVES

10 projects and **1.000.000** € raised within the next 12 months

ECCO NOVA is a PLATFORM on which CITIZENS can lend money to SUSTAINABLE and PROFITABLE projects.

PLATFORM

This is a website on which we present sustainable projects. These projects are not carried out by ECCO NOVA but by independent project developers.

CITIZENS

We propose to the project developers to finance their projects directly with citizens. Those give meaning to their savings that are directly linked to the project.

LOAN

The financing tool is a loan contract. This contract is generated by our platform. It is neither donation nor participation (equity)

SUSTAINABLE AND PROFITABLE

The projects we are defending are good for the planet and good for energizing and giving meaning to the savings of citizens. Our expertise allows us to verify those criteria.

WHY FINANCING YOUR PROJECT WITH US?

QUICK AND EASY

The **fastest** way to raise funds from citizens

Accelerate decision making because citizens only participate in financing

AWARENESS AND COMMUNICATION TOOL

Fight against "**NIMBY**“ syndrome

Federate your **communities** - citizens, employees, customers - around your project

FINANCING TOOLS

Don’t dilute your capital and Maintain the **full ownership** of your project

Improve your **return on equity**

EXPERTISE

Project analysis by an **experienced** and **independent** team

Compliance with legislation on crowdfunding

THE PROJECTS COVERED BY ECCO NOVA


WIND


E-MOBILITY


BIOMASS


BUILDING EFFICIENCY


PHOTOVOLTAIC


COGENERATION


HEATING NETWORK


PUBLIC ENTITIES


HYDRO-ELECTRICITY


BIOGAS


ENERGY STORAGE


ENERGY ORIENTED COMPANIES

OUR FIRST CAMPAIGN

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SUSTAINABLE INVESTMENT COMMUNITY

SUBSIDE BIOMASSE

FINANCEMENT
75.000€ sur 75.000€ (100%)

Taux d'intérêt annuel 4,00% / 2 ans
Rendement global 8,00%

ÉCHÉANCE DE LA CAMPAGNE
07 / 2016

Plus de détails

EQUIPEMENTS BIOMASSE

FINANCEMENT
75.000€ sur 75.000€ (100%)

Taux d'intérêt annuel 6,00% / 6 ans
Rendement global 19,80%

ÉCHÉANCE DE LA CAMPAGNE
07 / 2016

Plus de détails

EOLIENNE

Ce projet sera publié prochainement, restez informé via notre newsletter.

Entrez votre e-mail

S'INSCRIRE

Prochainement

100% FINANCED IN 7 WEEKS

150.000 € RAISED FROM 60 CITIZENS

OUR ONLINE PLATFORM

AVAILABLE IN FRENCH AND DUTCH COMPATIBLE WITH MOBILE AND TABLETS

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PRELIMINARY REMARK

By raising funds through subordinated loan, **we intend to replace or complete the equity of the project holder**.

In other words, we do not intend to replace the senior debt of the bank.

WE OFFER **MEZZANINE DEBT**

Bank	€ 800.000
Equity	€ 100.000
Ecco Nova	€ 100.000
Total	**€ 1.000.000**

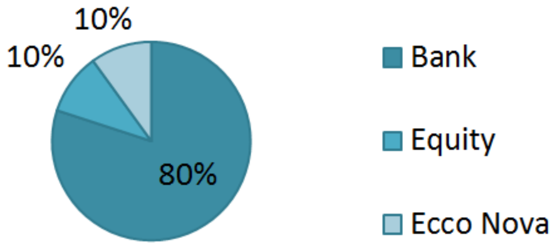

Fig.1 – Typical funds distribution

The due dilligence is therefore conducted in partnership with the bank offering the senior debt.

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TECHNICAL

Energy yield
Feasability study
Engineering office and technical stakeholders
Project holder's track record

FINANCIAL

CAPEX/OPEX
Project Internal Rate of Return (IRR)
Return on Equity (ROE)
Cashflow / Debt coverage ratio (DSCR)

ADMINISTRATIVE

Building permit
Impact studies
Power Purchase Agreement (PPA)
Green certificate reservation

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Critères	Valeur	Poids	Commentaires
Critères techniques	3,5	3	
Critères financiers	2,9	5	
Critères crowdfunding	3,0	5	
Critères spécifiques	5,0	2	
TOTAL	**3,35**		
NIVEAU DE RISQUE ECCO NOVA	**3**		**Moyen**

Catégorisation du risque	
CATEGORIE 1	Ranking total supérieur à 4,5
CATEGORIE 2	Ranking total compris entre 3,5 et 4,5
CATEGORIE 3	Ranking total compris entre 2,5 et 3,5
CATEGORIE 4	Ranking total compris entre 1,5 et 2,5
CATEGORIE 5	Ranking total inférieur à 1,5

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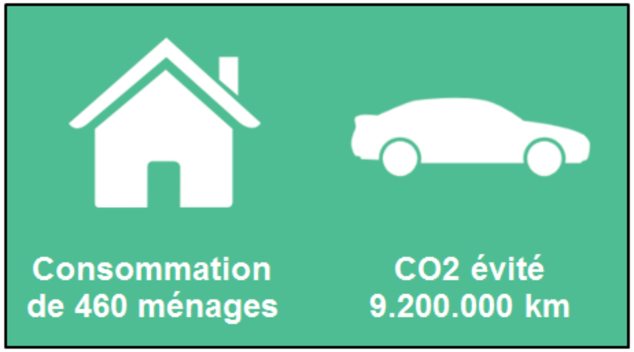
In order to highlight the benefit of using mezzanine debt to finance a project, let's consider a typical solar rooftop project:

Localisation	Ville
Porteur du projet	Prospect
Nombre de panneaux	3.846
Puissance (kWc)	999
Investissement total	€ 1.000.000
Prix relatif de l'installation (€/kWc)	€ 1.001
Taux interne de rentabilité du projet	5,7%
Banque partenaire	A définir
Production annuelle (MWh)	920
Production en équivalent ménages	460
Emissions de CO2 évitées (To/an)	276
Equivalent en km parcourus (km/an)	9.200.000
Mise en service prévue	A définir



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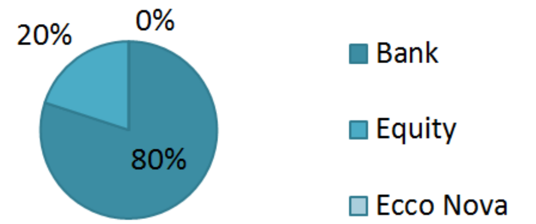
CASE 1

Crowdfunded amount	Interest rate	Global return	Term (years)
€ 0	**0,00%**	**0,00%**	**0**

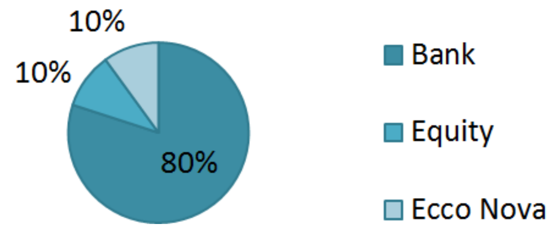
Bank	€ 800.000
Equity	€ 200.000
Ecco Nova	€ 0
Total	**€ 1.000.000**



CASE 2

Crowdfunded amount	Interest rate	Global return	Term (years)
€ 100.000	**5,00%**	**21,95%**	**8**

Bank	€ 800.000
Equity	€ 100.000
Ecco Nova	€ 100.000
Total	**€ 1.000.000**



TAUX INTERNE DE RENTABILITE

EQUITY / 2 = RETURN ON EQUITY X2

CAPEX	€ 1.000.000	OPEX	€ 15.000	Taux d'inflation	2,00%	Taux interne de rentabilité
Fonds propres	€ 200.000	Prod. annuelle élec (MWh)	920	Taux d'actualisation	1,00%	5,74%
Emprunt banque	€ 800.000	Prix vente électricité (/MWh)	€ 40	Indexation prix de l'énergie	2,00%	
Taux d'intérêt bancaire	1,80%	Prix d'achat de l'élec. (/MWh)	€ 120	Indexation OPEX	1,50%	
Durée du prêt bancaire	10	Nbr de certificats verts / MWh	1,6	Perte de rendement annuelle	0,30%	
Emprunt crowd	€ 0	Prix de vente des CV	€ 65	Déduction fiscale	14,50%	Rentabilité des fonds propres
Taux d'intérêt crowd	5,00%	Taux d'autoconsommation élec.	50,00%	Taux d'Isoc	24,50%	20,36%
Durée du prêt crowd	8					

Année	0	1	2	3	4	5
Vente de l'électricité		18.400	18.712	19.029	19.351	19.6
Vente des CV		95.680	95.393	95.107	94.821	94.5
Economie d'électrici		55.200	56.135	57.086	58.053	59.0
Economie de chaleu		0	0	0	0	(
Chiffre d'affaire		169.280	170.240	171.221	172.226	173.
OPEX		15.000	15.225	15.453	15.685	15.9
Amortissement		100.000	100.000	100.000	100.000	100.
Annuité bancaire		88.132	88.132	88.132	88.132	88.1
Annuité crowd		0	0	0	0	(
Solde restant dû bar		726.268	651.209	574.799	497.014	417.
Commission Ecco N		0				
Intérêts bancaires		14.400	13.073	11.722	10.346	8.9
Intérêts crowd		0	0	0	0	(
Total charges		129.400	128.298	127.175	126.032	124.
Déduction fiscale		35.525				
Bénéfice brut		39.880	41.942	44.046	46.194	48.3
Impôts		9.771	10.276	10.791	11.318	11.8
Bénéfice net	-200.000	65.634	31.666	33.255	34.876	36.5
Cash Flow		165.634	131.666	133.255	134.876	136.
Cash flow actualisé	-1.000.000	160.779	124.060	121.876	119.743	117.
VAN		-839.221	-715.161	-593.285	-473.542	-355
Solde trésorerie		91.903	56.607	56.845	57.091	57.3
Cumul trésorerie	-200.000	-108.097	-51.490	5.355	62.446	119.

TAUX INTERNE DE RENTABILITE

CAPEX	€ 1.000.000	OPEX	€ 15.000	Taux d'inflation	2,00%	Taux interne de bilité
Fonds propres	€ 100.000	Prod. annuelle élec (MWh)	920	Taux d'actualisation	1,00%	5,4
Emprunt banque	€ 800.000	Prix vente électricité (/MWh)	€ 40	Indexation prix de l'énergie	2,00%	
Taux d'intérêt bancaire	1,80%	Prix d'achat de l'élec. (/MWh)	€ 120	Indexation OPEX	1,50%	
Durée du prêt bancaire	10	Nbr de certificats verts / MWh	1,6	Perte de rendement annuelle	0,30%	
Emprunt crowd	€ 100.000	Prix de vente des CV	€ 65	Déduction fiscale	14,50%	Rentabilité des fonds propres
Taux d'intérêt crowd	5,00%	Taux d'autoconsommation élec.	50,00%	Taux d'Isoc	24,50%	40,18%
Durée du prêt crowd	8					

Année	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Vente de l'électricité		18.400	18.712	19.029	19.351	19.679	20.012	20.351	20.696	21.047	21.403	21.766	22.134	22.509	22.891	23.278
Vente des CV		95.680	95.393	95.107	94.821	94.537	94.253	93.971	93.689	93.408	93.127	0	0	0	0	0
Economie d'électrici		55.200	56.135	57.086	58.053	59.036	60.037	61.054	62.088	63.140	64.209	65.297	66.403	67.528	68.672	69.835
Economie de chaleu		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chiffre d'affaire		169.280	170.240	171.221	172.226	173.252	174.302	175.375	176.472	177.594	178.740	87.062	88.537	90.037	91.562	93.113
OPEX		15.000	15.225	15.453	15.685	15.920	16.159	16.402	16.648	16.897	17.151	17.408	17.669	17.934	18.203	18.476
Amortissement		100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000					
Annuité bancaire		88.132	88.132	88.132	88.132	88.132	88.132	88.132	88.132	88.132	88.132	0	0	0	0	0
Annuité crowd		15.243	15.243	15.243	15.243	15.243	15.243	15.243	15.243	0	0	0	0	0	0	0
Solde restant dû bar		726.268	651.209	574.799	497.014	417.828	337.217	255.155	171.616	86.574	0	0	0	0	0	0
Commission Ecco N		6.000														
Intérêts bancaires		14.400	13.073	11.722	10.346	8.946	7.521	6.070	4.593	3.089	1.558	0	0	0	0	0
Intérêts crowd		4.806	4.275	3.716	3.129	2.511	1.863	1.181	465	0	0					
Total charges		140.206	132.572	130.891	129.160	127.378	125.543	123.653	121.705	119.986	118.709	17.408	17.669	17.934	18.203	18.476
Déduction fiscale		35.525														
Bénéfice brut		29.074	37.667	40.330	43.065	45.874	48.759	51.723	54.767	57.607	60.030	69.654	70.868	72.103	73.359	74.637
Impôts		7.123	9.228	9.881	10.551	11.239	11.946	12.672	13.418	14.114	14.707	17.065	17.363	17.665	17.973	18.286
Bénéfice net	-100.000	57.476	28.439	30.450	32.514	34.635	36.813	39.051	41.349	43.493	45.323	52.589	53.505	54.438	55.386	56.351
Cash Flow		157.476	128.439	130.450	132.514	134.635	136.813	139.051	141.349	143.493	145.323	52.589	53.505	54.438	55.386	56.351
Cash flow actualisé	-1.000.000	152.859	121.019	119.310	117.646	116.025	114.445	112.907	111.409	109.784	107.924	37.910	37.440	36.976	36.517	36.064
VAN		-847.141	-726.122	-606.812	-489.166	-373.141	-258.695	-145.788	-34.379	75.405	183.329	221.240	258.680	295.656	332.173	368.238
Solde trésorerie		73.307	42.411	42.512	42.614	42.718	42.822	42.927	43.032	58.451	58.750	52.589	53.505	54.438	55.386	56.351
Cumul trésorerie	-100.000	-26.693	15.718	58.230	100.845	143.562	186.384	229.311	272.343	330.794	389.543	442.132	495.638	550.075	605.461	661.812

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SUSTAINABLE INVESTMENT COMMUNITY

THANKS A LOT FOR YOUR ATTENTION !

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General Manager

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