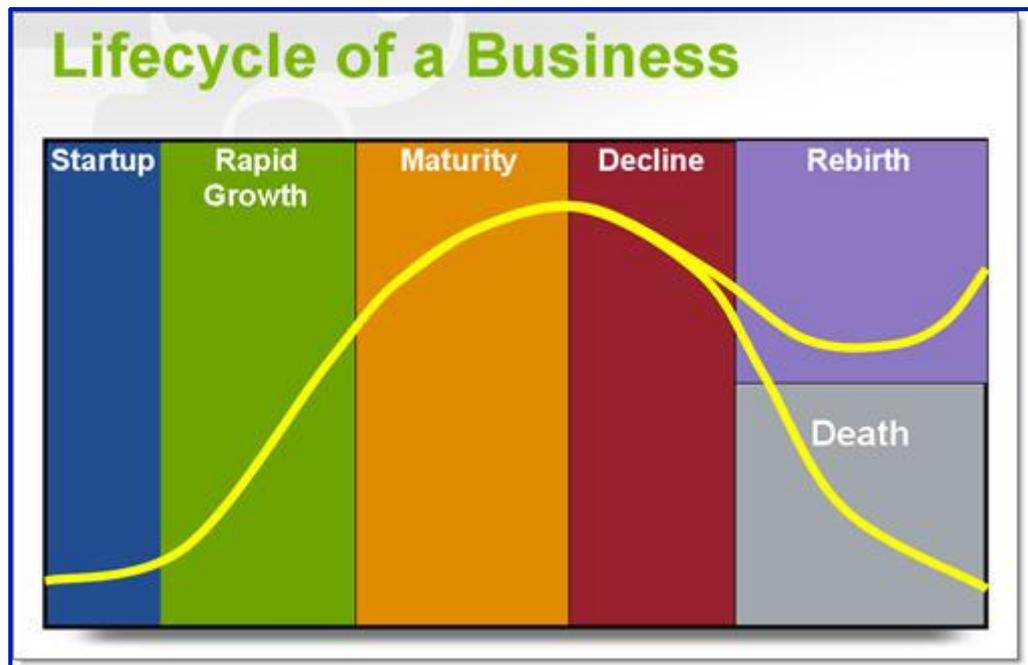




## THE EC 3 STEPS FUNDING PROGRAM



London, 2016

## INTRODUCTION

At Economic Consultants we have been working for more than 30 years helping companies and individuals with their funding. We have a huge global network with Partners in more than 20 countries and Funders in even more places, enabling us to find support for companies in all sectors.

Different companies need different solutions and no case is the same. However there are some basic matters that are common to all and ALL Professional Investors have their set of criteria, which has to be met in order to get their attention. As for companies the same goes for investors they come in all sorts and shades. Some are willing to have a look at your case as you have prepared it; others demand a long range of items, which have to be met before they even look at it.

In order for our clients to enable themselves to get into a position where they actually can present their project, get attention and achieve what they are looking for, we have established the ***EC 3 Steps Funding Program***.

We undertake funding assignments from companies in an early stage position to mature level including listed entities. However it is important for clients to understand where they are in their life cycle and what's needed to go to the market asking for funding.

To help our clients understanding this very important issue, we have made a document called ***"Are You Ready for Investors?"*** If you want to be successful you have to make sure that you comply with the key points described, and that your documentation can survive all questions asked from an investor.

There is little use going to the market only to experience being kicked out due to a sloppy prepared presentation and poorly underlying documentations. **Solid preparations are the only way to success.**

If a client finds it difficult to produce the required documentation we obviously are there to help. But we have also made it possible to manage most or all of it yourself by producing a number of Templates, which you can pick up from our web site for free. Some of our funding partners are also offering the same service and together we will deliver state of the art documentation.

Our funding program is meant to fit all companies. You decide yourself what part of the program you would like to choose and we will carry out the different tasks for you.

When both parties have agreed to the scope, we will enter into an agreement ***"The EC Funding & Service Agreement"*** determining the steps and details for how we together shall achieve the goal set forth.

We work with large international banks, investment banks, hedge funds, private equity funds, family offices, high net worth individuals, pension funds out of London, New York, Hong Kong and various local markets such as the Scandinavian markets, Frankfurt, Sao Paulo and Johannesburg. Other types of alternative financing providers can also be found.



Johannesburg



Oslo



Frankfurt



Sao Paulo

### FUNDING PROGRAM

Our Funding Program consists of different options to choose from, depending on what the client is looking for and amount of funding. We can structure a funding across the whole capital structure including equity, mezzanine, senior and junior debt in various forms also including private and public bond issues.

There is also a significant difference between a start-up and a well-established company.

We are grouping the size of the amount into three sections.



#### A – SMALL AMOUNTS

We can work with amounts from US\$ 500,000 to 20 M. This will mostly be for Start Ups. Looking for Equity, you will have to be prepared to give away everything from 10 to 49% of your equity to find investors interested. Debt arrangements may also be possible. For these levels of funding, we will use an outsourcing partner that will engage with the client to raise the funds, all under our supervision.

#### B – MEDIUM SIZE

From US\$ 20 M up to US\$ 100M. This can be Start Ups or companies climbing up the life cycle. The equity you will be prepared to give up is in the range from 10 to 49%. It will always depend on the strength of the project, and how you are presenting the exit strategy. Debt arrangements or combination of debt and equity may be considered or a bond issue. Our bond issues are quite unique and must not be mistaken for or compared to retail bond issues. These levels of funding are prime target for us.

#### C – BIG AMOUNTS

This is a field where the shape of the client will determine how to arrange the funding. We work with everything from debt, debt/equity, new issues, bond issues, structured solutions and listings. Amounts upwards to 5B US\$. If you are a Start-up looking for several hundred million dollars be prepared to give away as much as 80% of the equity unless you have a strong purse or sponsor to handle a major part of the equity required. Private and medium to small listed companies are all welcome!

### AGREE ON PROGRAM

The **First Step** in the process is to agree on program and amount. Read our product presentation “**EC Funding Options 2016**” to decide where you will go.

Having determined program, we will agree on a time schedule, which again will depend on how well prepared the client is. It is important to have a realistic amount in place, including the costs of funding.

### SIGN PROGRAM AGREEMENT

When all details have been agreed and entered into the **EC Funding & Service Agreement**, we are ready to move to the next step. This part is obviously of high importance since it includes the costs and timeframes involved.

### AGREE ON TIME SCHEDULE

During the discussions and preparations of the F&S Agreement we will agree on the **EC Project Progress Plan**, a time schedule pinpointing each step on the way.

### PREPARE DOCUMENTATION

This is from the client’s side the most demanding part of the process. A complete **Integrated Business Plan** must be prepared as **Step 1**. Then derived from the Business Plan, an **Executive Summary**, a **Company Presentation** and a “**One Pager**” will be made, together with a **Term Sheet** describing the details offered to the investors.

There are certain standards, which is required and we will not accept going to the market with documentation not living up to the standard required. Our templates are a good guidance and the Business Plan template, is the many time by the Financial Times rewarded as best BP presented.

### DUE DILIGENCE

As a major requirement from the funders and for us to get to know your company, we need to carry out a commercial Due Diligence on the company. The visit must be planned and paid for at least two weeks prior to the inspection. The Client will receive the **EC Index to Due Diligence Documents** enabling him to make preparations for the visit. He will also receive a draft program for who we need to meet and what we need to see.

### APPROVE DOCUMENTATION

We will examine all documentation carefully and advice if improvements are necessary. We can always do this for the client and in our agreement the cost for all and any work taken on by EC is agreed and described. When we have all documentation ready we are set to go.

### CARRY OUT INVESTOR SEARCH

We have a number of resources to pick from when we are ready to present the client to the funding market. Nevertheless, as mentioned earlier no case is the same and some times, we will have a good picture on who the investor will be from the very beginning. Other times we will have to do a wider search among the investors we have on our database.

Our funder base consists of own associates, and all sorts of funding intuitions as mentioned in the Introduction section.

The client must be prepared to spend everything from thee to twelve months before we can close any deal. Most of the clients will be presented to one of the many well established funders out there to whom we have a trusted and long lasting relationship.

### INVESTOR NEGOTIATIONS

The ideal situation is to be ending up with two or more potential investors. Worst case is of course finding no one interested, and being left with one can be a challenge. However we will offer our vast experience and assistance in negotiating proper terms and conditions and normally we will end up qualifying a good couple of funders and acceptable agreement for both parties.

### COST AND FEES

We will always look at any case presented to us for free. We start with the potential client completing and sending us the *EC CIS for General Funding Requests* (Company Information Sheet), together with your Company Presentation and or Executive Summary. After having done our KYC (know your customer, a requirement from the regulators) and the initial analyse, we will suggest a program, and in brief how we find it most likely to be able to find funding for the project. All travel and accommodation cost will be paid by the client when and if necessary.

#### STARTING FEE

We are charging a minor starting fee. This is to cover the time we spend on going through the existing documentation and suggest improvements (if necessary). The Starting Fee is minimum of GB£ 10,000.

#### DUE DILIGENCE COST

Performing a commercial due diligence is quite a demanding and big process. It will take from three to five days plus travel time. It ends up in the *EC Due Diligence Report*. This document will be together with other findings prior to and under the visit, used to prepare the necessary documents. The cost is GB£ 30,000.

#### RUNNING COST / RETAINER

During the process lasting from three to twelve month's we will be charging a retainer of GB£ 10,000 for the first month. The retainer covers 36 hours work per month. If spending more than 36 hours, a fee of GB£ 300 per hour will be added. For the time after the first month and until closure a monthly fee of 5,000 GB£ will charged.

If more than one partner is involved the fees will increase. Time spent beyond the estimated Project Progress Schedule will be invoiced according to our agreement.

If the client follows our procedures, we will normally be able to present the client or file the application within a three months' time frame.

However far too often we see the client in need of more time than initially agreed. If that becomes the cases a redraft of the time schedule must be agreed. The client can cancel the agreement any time after the first two months period with one month notice. The client can reinstate the process again at some other time in the future or terminate the agreement permanently.

#### SUCCESS FEES

We will charge a success fee of minimum one to five percent of any amount raised. This is depending on the amount and complexity of the project. Equity in the same range or more as part of the success fee, will also be negotiated.

Travel Cost, Starting Fees and Retainers will be invoiced and paid up front. If more time is likely to be needed, this may be arranged from the starting point.

### PAYMENT TERMS

If more time than initially agreed for the retainer has been used, this will be calculated and added to next month's up front retainer; always in full understanding with the client.

The success fee will be calculated and invoiced when the agreement with the funder has been signed. Payment due when the funder's payment is hitting the clients account.

### HOW TO GET STARTED?

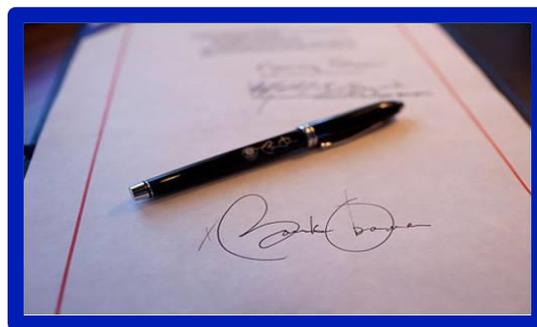
Just download from our website or write to us to get the *EC CIS for General Funding* purposes. Complete the CIS and send it to us with your Company Presentation or Executive Summary and we will have feedback for you normally within one week!

When filing the EC CIS make sure, you confirm or provide POF covering our fees. Furthermore that you have read the Product information,

-  *"The EC 3 Steps Funding Program 2016"*
-  *"The EC Are You Ready for Investors"*
-  *"EC Funding Options 2016"*

### OPTIONAL INFO AVAILABLE

-  *The EC Due Diligence Report*
-  *EC Index to Due Diligence Documents*
-  *The EC 3 STEP M & A Program 2016*



**File today!! -- We are looking forward to be hearing from you!!!**