

PRODUCT: EKF CLEANTECH GUARANTEE

EKF's cleantech guarantees are provided to assist Danish companies which develop and export climate, energy and environmental technologies. The guarantees provide insurance against loss and allow companies to offer long-term credit to their customers

WHAT IS EKF CLEANTECH GUARANTEE?

A cleantech guarantee from EKF guarantees companies that they will receive their money if a buyer is either unwilling or unable to pay or if political conditions in a country give rise to uncertainty concerning national economic stability.

EKF's cleantech guarantees can, for instance, be used to cover the risk that a project will not be issued with the carbon credits it has generated, or to secure financing for the export of new clean technology.

BENEFITS FOR YOUR COMPANY

An EKF cleantech guarantee enables your company to offer financing to a buyer abroad as a selling point to increase your chances of securing the order.

If you supply equipment that generates utility-cost savings, you might offer the buyer to use the savings as part-payment for the equipment. The EKF cleantech guarantee protects you against loss if the buyer is either unable or unwilling to pay.

Certain cleantech projects may generate carbon credits which can be traded and used to pay for the equipment your company has supplied. EKF offers guarantees which protect you against loss if the carbon credits are not issued or the buyer of the carbon credits fails to keep his side of the deal.



STEPS IN THE PROCEDURE

YOUR COMPANY SECURES A CLEAN TECHNOLOGY EXPORT ORDER

Your company negotiates a contract with a foreign buyer to supply clean technology, utility-cost savings, environmental improvements or other climate measures. As part of the contract, your company might for example offer an extended credit period, payment proportional to net utility-cost savings or financed by the trading of carbon credits.

EKF ASSESSES THE PROJECT'S RISKS

EKF assesses the credit risk related to the project. EKF also assesses the probability of the Danish exporter being capable of supplying the agreed services. If the credit will be repayable in the form of carbon credits, EKF will assess the probability that the carbon credits can actually be generated so they can be traded in order to finance the project. EKF is willing to take greater risks than in the case of traditional exports in order to secure Danish exports of cleantech projects.

EKF ISSUES THE GUARANTEE

If the risks of the cleantech project are acceptable, EKF issues the cleantech guarantee.

CLIMATE PROJECT GETS THE GREEN LIGHT

With an EKF Cleantech guarantee, your company can offer the buyer a long-term credit without your company or bank having to bear the full credit risk. The financing makes it possible to conclude the contract and start the project.

TERMS AND CONDITIONS

WHO IS ELIGIBLE FOR AN EKF CLEANTECH GUARANTEE?

Both Danish and international companies and financial institutions can apply for an EKF cleantech guarantee.

HOW MUCH DOES A CLEANTECH GUARANTEE COVER?

No limit applies to the amount covered by a cleantech guarantee.

WHAT TYPE OF CLEANTECH GUARANTEE IS AVAILABLE?

When EKF assists in a cleantech project, it does so on the basis of both tailored cleantech guarantees and standard EKF guarantees. In both cases, the guarantee protects the exporter against commercial and political risks on international markets.

EKF offers cleantech guarantees in these areas:

- > **Standard export credit guarantee.** EKF assumes liability for the credit risk posed by the buyer.
- > **Guarantee for export of new technologies.** Assures the Danish company of financing to undertake exports of new technologies.
- > **Utility-cost saving guarantees.** Secures payments that are contingent on energy and water savings.
- > **Guarantee for financing of ESCOs.** Guarantee for payments and a financing facility when an ESCO (energy service company) is involved.
- > **Guarantee against failure to issue carbon credits.** Protection against loss due to a country's failure to issue carbon credits.



- > **Guarantee against breach of agreement to pay by means of carbon credits.** Protection against loss due to failure to supply carbon credits.
- > **Guarantee for advance payment for carbon projects.** Guarantees compensation for advance payment for carbon credits if the carbon credits are not supplied.

WHAT TERMS AND CONDITIONS APPLY TO AN EKF CLEANTECH GUARANTEE?

CONDITIONS

Your company is required to meet a number of conditions in order to qualify for EKF assistance. The export order must promote economic growth in Denmark, and the buyer must be rated as creditworthy based on a thorough assessment designed to hold the Danish government free from losses.

Any business dealings involving the order must comply with EKF's requirement for good environmental conduct and corporate social responsibility. Bribery or other corrupt practices must not be used in any export transaction, and your company must be willing to allow EKF to publish certain standard details of the export transaction.

WHAT DOES EKF COVER?

EKF's guarantees cover extraordinary risks which private banks and insurance companies are either unable or unwilling to cover. EKF pays out compensation if your company or your bank makes a loss on an export venture or investment abroad as a result of commercial or political risks.

A commercial risk might mean that your company's buyer is unable to pay due to liquidation, insolvency, cancellation of contract or because the buyer is unwilling to pay. The foreign buyer has to be rated as creditworthy by EKF before a guarantee can be issued.

A political risk might entail that your company does not receive payment for products due to impediments in the country you are exporting to. Such impediments include war (external armed conflict and domestic political violence), currency shortage, restrictions on use of currency, import or export bans, and interventions by local authorities that make it impossible to receive payment for the products.

WHAT DOES IT COST?

Advice is available free of charge from EKF, and a conditional guarantee quotation is free of charge. The quotation is valid for up to six months.

Your company pays a premium for an EKF guarantee. We calculate the premium on the basis of the overall risk of the specific export venture: sector, bank, repayment term, the foreign buyer's circumstances and political conditions in the country.

You can get an idea of the cost by using the EKF **premium model** on our website.

All countries are classified in a premium category from 1 to 7. Countries with the lowest risk are in group 1 and are therefore the cheapest to insure. Countries with the highest risk and the highest premium are in category 7.

EKF classifies buyers and banks in premium categories from A to F with A being the lowest risk category and F being the highest. Private buyers are classified in premium categories from C to F, while banks are placed in premium categories from B to D.



HOW DO I APPLY?

Contact EKF to learn more about how we can assist your company in financing your exports. Write to EKF's cleantech group at cleantech@ekf.dk or call +45 35 46 61 00. Our switchboard is open 8:30 am to 4:30 pm Monday to Thursday and Friday 8:30 am to 3:30 pm.

You can also write to or call our customer advisers directly on our website www.ekf.dk.

In most cases your company's bank will deal with the application to EKF. The bank can apply for many products online, which speeds up the application process. This means that you can also contact your bank, which will be able to provide you with information on the various guarantees and credit facilities available.