Energy Service Conference 2016

FUNDING OPTIONS FROM MALAYSIA DEBT VENTURES BERHAD (MDV)

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16 NOVEMBER 2016

ABOUT MDV

BACKGROUND

- A Government Owned Company - **Subsidiary of the MoF, Inc.**
- Established in mid 2002 to support the Government's initiative to develop the ICT sector

2002

ICT

2007

BIO-TECH

2011

GREEN-TECH

2014

EMERGING-TECH

- Dual Role – **Innovative Financier** and **Development Facilitator** for technology based projects/ companies, utilizing suitable credit, equity or hybrid instruments
- Main **customer segment target:**
  - *SME technology companies*
  - *Not ready for financing from licensed financial institutions*
  - *Viable technology project/ contract*
  - *Strong management & technical team*

MDV 's Vision and Mission

Vision

The Nation's leading technology financier

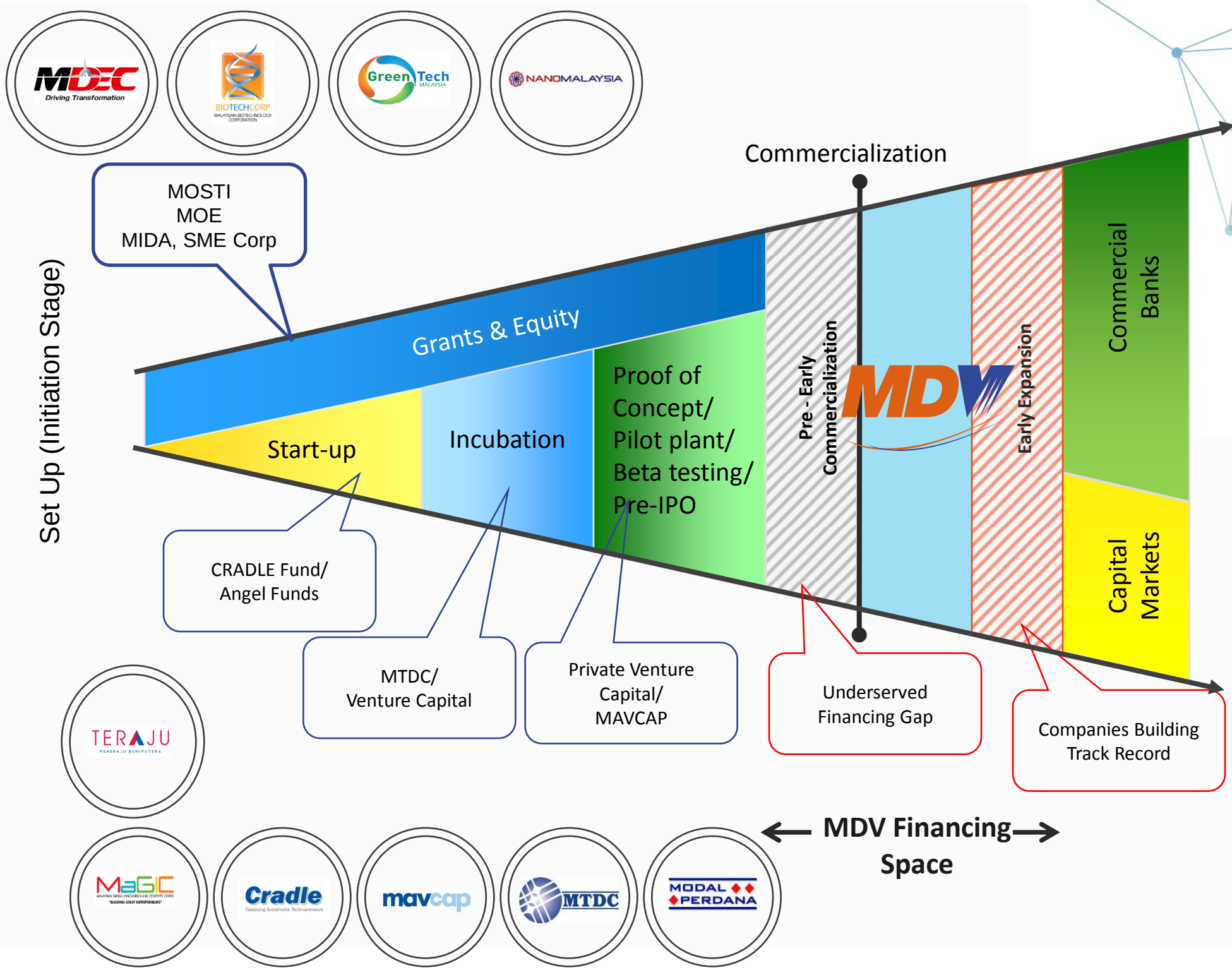
Mission

To support the Nation's technology agenda and increase Malaysian technology companies' probability of success through:

- Innovative and flexible financing solutions
- Specialized funding programs
- Industry expertise and advisory services
- Nurturing young companies

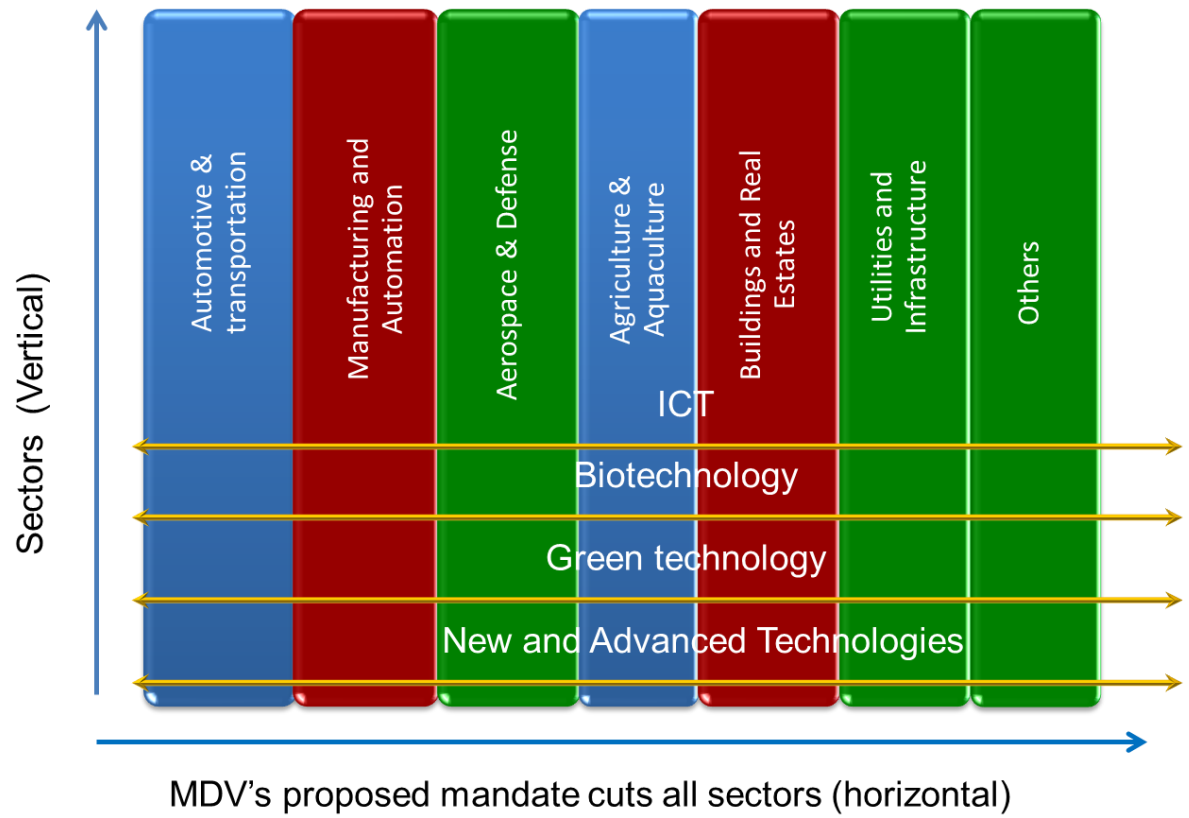
To remain financially sustainable while fulfilling our developmental role

Complementing the Ecosystem and Bridging Financing Gaps



MDV's New Mandated Technology Focus

MDV finances Tech embedded across sectors …



… and across value chains

Key Financing Programs Offered by MDV

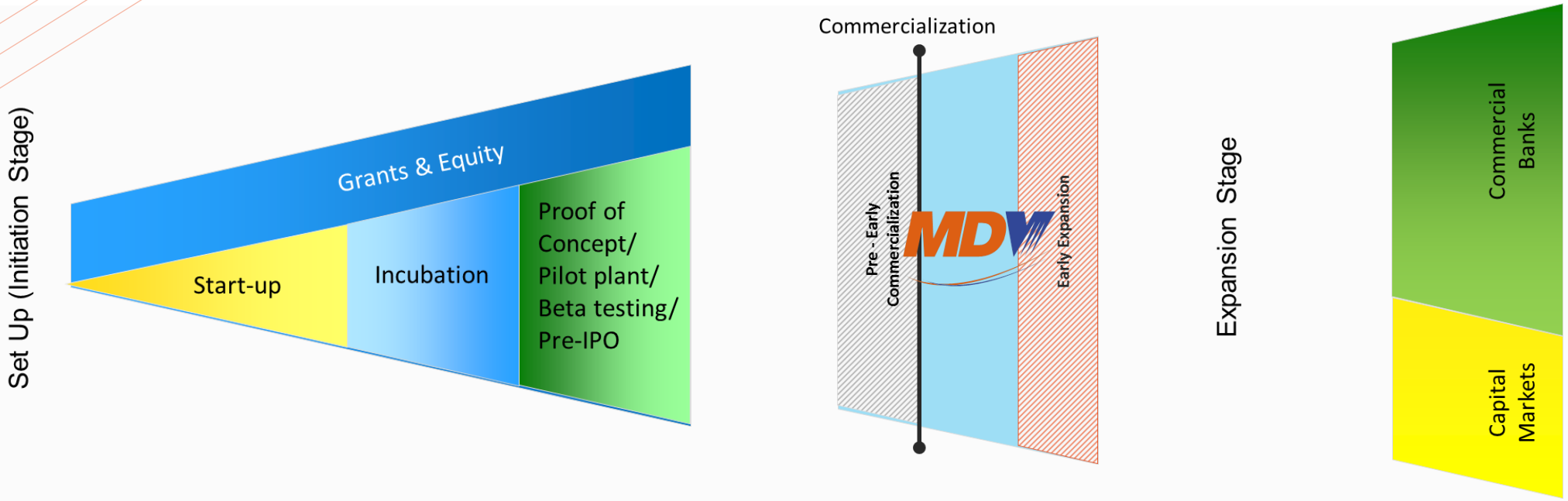
TARGETED MDV PROGRAMS

- Completed Projects Financing
- NRCC/ Overseas Financing
- Acquisition Financing
- EE Financing

GOVT. PRIORITY PROGRAMS

- Green Tech Financing Scheme
- Bumiputera Biotech/ Bioindustry Devt. Fund
- Commercialization Financing Scheme
- TIERS
- Intellectual Property Financing Scheme
- Bio-industry Transformation Program
- MDV-TACT

MDV's Financing Niche in the Ecosystem vs VCs and Banks



GRANT & EARLY EQUITY

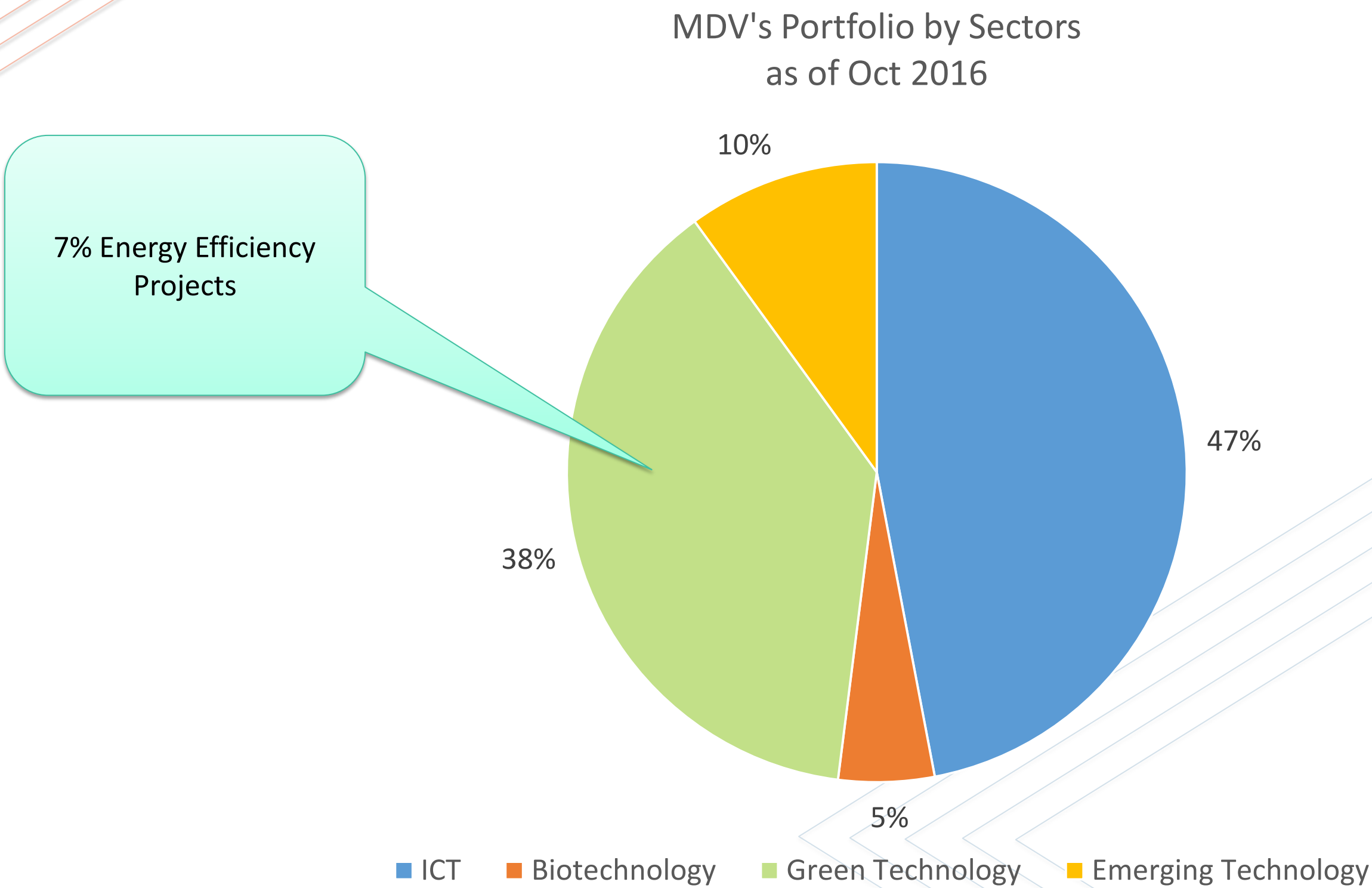
- No Dilution
- No Reserved Matters
- Flexibility on Exits
- Larger financing size
- Financing not restricted by valuation
- But MDV requirement for Commercialization

TRADITIONAL FINANCIAL INSTITUTIONS

- Flexibility on collateral (*types and coverage*)
- Technology focused
- Project/ contract & management emphasis (*less emphasis on profit/ operating record*)
- Pre-Application assessment, discussion & support
- Wide product offering (*Programs, convertibles and acquisition*)
- Cash flow based repayment
- Long-term fixed rate financing
- Wider coverage of financed costs (*Overheads, marketing, utilities, wages*)

MDV PORTFOLIO

MDV's Portfolio Composition



ASSESSMENT CRITERA

Financing Technology - Due-diligence Toolbox and Framework

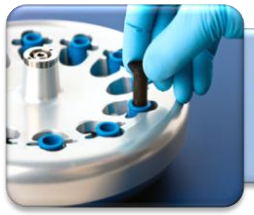
FINANCING CRITERIA

- Public or private limited company **incorporated in Malaysia**
- Minimum paid-up share capital of **RM100,000**
- Minimum **five (5)** employees
- With **contracts/ projects within MDV's mandated areas**

MANAGEMENT CAPABILITIES

TECHNOLOGY REVIEW

PROJECT PLANNING



COMPARABLE ANALYSIS

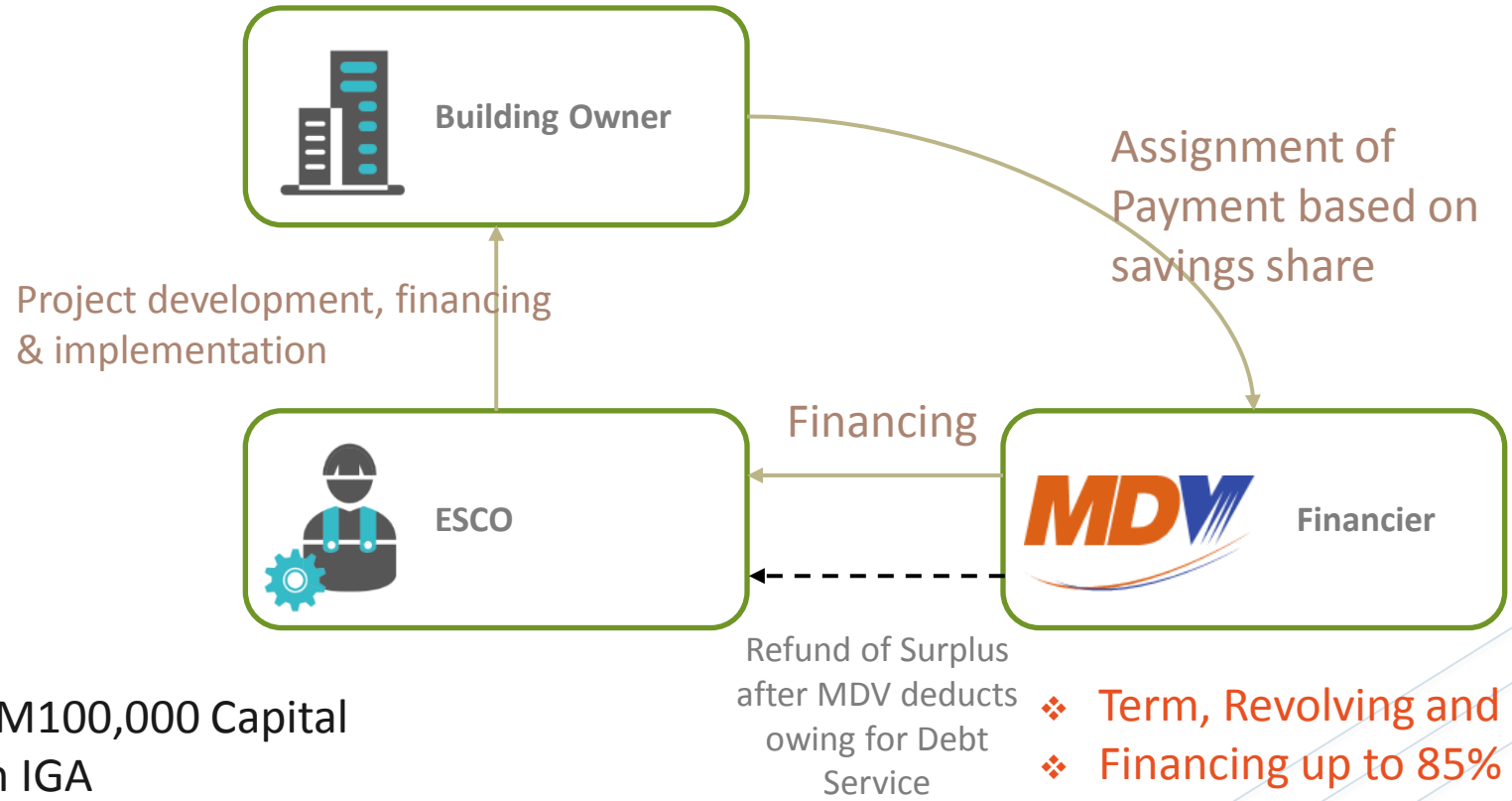
- Competent & qualified management and technical team
- Effective project plan, consistent with financing schedule
- Realistic project assumptions and costing
- Technology suitability, validity and obsolescence risks

COST REASONABLENESS

- Site visits
- Annual reviews
- Project monitoring
- Sponsors checks
- Repayment monitoring

MDV's EE Financing/ Credit Line Program

- Single buildings or building complexes
- Commercial office buildings, Shopping malls, Hotels, Hospitals, Public/Government buildings
- Located in Malaysia
- Preferred measures: Chiller retrofits, Lighting System Efficiency, ACMV & BCS upgrades, Passive building features



- Minimum 5 staff and RM100,000 Capital
- Project must include an IGA
- Project must have M&V Plan adherent to IPMVP
- ESCO must have requisite capability

- Term, Revolving and Trade Lines
- Financing up to 85% of project costs
- Target financing size RM1-15 mil, Max RM25 mil
- Target tenure 3-5yrs, Max 5yrs
- 8-8.5% p.a. financing rate
- Main security: assignment of energy savings payments & debenture

Question & Answer Session

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