Here's How You Can Leverage Your Investment By Up To 10 Times

Project Financing Assistance (PFA), an American Diversified Enterprises company, is initiating a unique project financing program that is administered through First Capital International, Inc. (FCI), but is invitation only and not publicly available (so it is not listed in FCI's website).

The financing program is made up of two distinct but related components:

1. **A collateral deposit** – described more fully on pages 2-4 – which is placed in a blocked account in a top-tier bank (which can be selected by the depositor), held for 15 months, during which time it earns 15% APR, paid quarterly, with the funds released in full at the end of the 15-month holding period. This transaction is conducted through an investment agreement between the depositor and FCI.

   The depositor has no direct involvement in the second component of the financing project, the loan, nor the project or projects financed by the loan; hence, neither the depositor nor the funds on deposit are subject to any project risk.

2. **A loan** through the Structured Project Financing (SPF) program, which is executed through a loan agreement between FCI and the borrower, without any involvement, engagement, or liability by the depositor.

The SPF is designed to fill in the gaps that other financing programs do not cover, gaps that rely on the hardest money to raise for first-of-a-kind technologies and projects – development capital.

- **Because of the difficulty in raising development capital:**
  - ✓ many promising projects run out of money and cannot proceed.
  - ✓ others are delayed by years before they can be deployed.
- **Because of the high risks inherent in first-of-a-kind technologies and projects:**
  - ✓ debt financing is difficult to find.
  - ✓ interest rates on debt financing – when it is available – reflect this risk.
- **Debt service costs, therefore, are high, which:**
  - ✓ impact the projects' net earnings.
  - ✓ reduce the funds available to support the projects' economic viability and resilience, particularly in volatile markets.
  - ✓ reduce the funds that can be devoted to expansion and additional deployment.
  - ✓ reduce the returns to investors, thus making the projects less attractive than other investments.

The SPF overcomes this by:

- **Providing low-interest (4% APR) debt financing**
  - ✓ to start ups and companies deploying first-of-a-kind technologies and projects, and to companies adding to their deployments to address and mitigate the climate crisis.

- ✓ with an interest-only term of 4 years (with a possible extension for an additional year).
- ✓ **not only for construction.**
- ✓ **but for the hard-to-find money for final development and pre-construction,** including front end engineering and design (FEED), permitting, negotiating offtakes, etc.
- ✓ **as well as for commissioning, startup, and the first 12 months and 1 day of full commercial operation**, to ensure the project is "bankable" and can be refinanced at the end of its term.

- This provides commercial lenders with confidence that the technologies and projects are proven, in operation, with a track record of sales and revenues and, thus, are ***bankable***.
- This, in turn, opens more sources of debt financing to these projects, allowing them to be refinanced and secure financing at competitive interest rates for additional projects.

Here's the role that the collateral deposit plays:

FIRST:

- The SFP requires that the borrower or third-party place 10% of the total project cost (7.5% for projects above $500 million) in a blocked, non-depletable, unencumbered bank account in a top tier bank.
- **This is similar to investing in a certificate of deposit (CD), since the funds invested earn interest for a fixed term during which time the funds must remain untouched, except that the return on a SPF deposit is much greater than with a CD.**
- As with the purchase of a CD, the investment in the deposit account must be made in cash.
- The SPF deposit account is set up by the depositor and is controlled by the depositor, with a SFP Program Administrator added to the account with the ability to a monitor the account.
- **The deposit is held for 15 months, during which time it earns a guaranteed return of 15% to 20% APR, depending upon the amount of the deposit, as stipulated in the investment agreement with SPF through FCI, which is paid quarterly, after which it is returned in full to the depositor.**

SECOND:

- **The depositor has no direct involvement in the projects, nor the financing of projects**
- This is because the projects are financed in full by the SPF program.
- Also, the due diligence for the loans is done by PFA through a rigorous application process which, again, does not involve nor impact the depositor (see PFA's Initial Financing Request Form, initial application requirements, use of funds, full application requirements, required attachments, and, for projects that have completed their FEED, additional attachments).
- **Hence, neither the depositor nor the funds on deposit are subject to any project risk;** all risk is assumed by the SFP.
- **This is solely a short-term investment opportunity for the depositor, which is almost the same as investing in a CD, with a much higher return, since the depositor's involvement begins and ends – and does not extend beyond – the deposit.**

- The only agreements into which the depositor enters are an investment agreement with First Capital International (FCI) and the deposit agreement between the depositor, FCI, and the top-tier bank in which the deposit is to be held.

THIRD:

- The minimum deposit is $10 million, which will allow a $100 million project or bundle of projects to be financed through the SPF.
- While this is solely an investment opportunity for depositor, **the collaboration with PFA in placing funds on deposit provides the depositor with several bonuses:**
  - ✓ The deposit allows worthwhile projects to be financed through the SPF.
  - ✓ Many of these projects would not be able to move forward until the hard-to-obtain funds for final development and pre-construction funds have been secured, potentially causing years of delay.
  - ✓ Many of these projects also would not be able to – or would have difficulty in – securing debt financing, again potentially causing years of delay.
  - ✓ Thus, technologies and projects that can mitigate the climate crisis, which need to be commercialized and begin expanding their market penetration as soon as possible, can be placed in operation and widely deployed much more rapidly.
  - ✓ At the end of the term for the SPF's loans, each project financed by SPF will be commercially proven and bankable, thus opening the way for other lenders to refinance these projects and finance additional deployments with reduced risk and greater confidence in their financial viability.
  - ✓ **Projects that other lenders have under consideration, which are high risk because of unproven components, also can be financed through the SPF, thus allowing these projects to be commercially proven prior to being financed by the lender.**
  - ✓ Also, by helping advance projects that are financed in full by the SPF through a short-term deposit on which interest is earned, **the depositor's funds can be leveraged many times over – at a ratio of 10 to 1 (or more for projects in excess of $500 million) – thus advancing significant numbers of projects and expediting their deployment.**

FOURTH:

- Since the depositor's sole engagement begins and ends with the deposit, **the structuring and operation of the SPF program does not require any involvement by, nor does it have any impact on the depositor.**
- Thus, for the depositor, the SPF operates much like a typical retail banking transaction:
  - ✓ For example, when a person requests a loan from a bank, his or her focus is on, first, being able to qualify for the loan; second, on obtaining acceptable terms; and third, receiving the proceeds from the loan.
  - ✓ Rarely does a borrower ask how the bank sources the funds for its loans nor what transactions take place afterwards in the secondary market.
  - ✓ This is because none of this has any impact on the borrower.
  - ✓ **The same applies to the SPF.**
- The depositor's cash deposit will be characterized by the SFP as a collateral deposit; however, **this is not a collateral deposit in the traditional sense;** the difference is that the depositor's funds are held in a blocked account, with the credit value of the cash deposit transferred via a high-level SWIFT protocol to the favor of a receiving bank.

- This bank-to-bank transaction triggers matching funds from the credit facility of a high-level, licensed securities dealer, who has a long-time relationship with the receiving bank, and is monitored and audited by banking regulators and the central banks involved.
- The securities dealer places funds in trade, through secure, bank-issued trade-finance contracts of bank debentures with top tier prime banks, to generate the funds for SPF's loans, which it finances 100%, along with the interest payments it makes on deposits.
- These transactions are unique and proprietary to SPF; thus, the fund manager for the SPF will be happy to provide an overview of how the SPF sources its funds, if asked … but his explanation only will be an overview, since the details are proprietary and the transactions that occur do not involve, nor do they have any impact on the depositor.

I welcome the opportunity to discuss this investment opportunity with you further.

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