

PBO-OBS Construction Funding Large Projects Q&A

Question 1

Are there any upfront fees?

This unique funding model is based on terms and conditions related to a non-recourse loan. PBO-OBS charges a small consulting fee (EUR 12.000) to prepare a project for onboarding, the Lender charges GBP 100.000 for their work preparing and underwriting prior to funding and an independent Due Diligence must also be settled (typically GBP 250.000 – 300.000).

Question 2

Why do we have to pay Lender's fees and External Due Diligence fees prior to funding?

The Lender funding model is high risk for the Lender (non-recourse – no personal liability for the Borrower). This risk must be checked thoroughly, which is why the RIBA Checklist is used to minimize the Lender risk.

Question 3

Why is there a 10% self-finance demand attached to this funding model?

The Lender needs to secure that a Borrower has sufficient capital to settle the loan preparation fees and the initial loan repayments prior to project income.

Question 4

Can the self-finance demand be less than 10% in cash?

In principle, no. However, for example, if the Borrower Company has 5% in cash capital and owns significant assets, the combination may be possible (case by case).

Question 5

How much interest does the Lender charge?

The Lender operates according to market-driven rates combined with an internal risk analysis.

Question 6

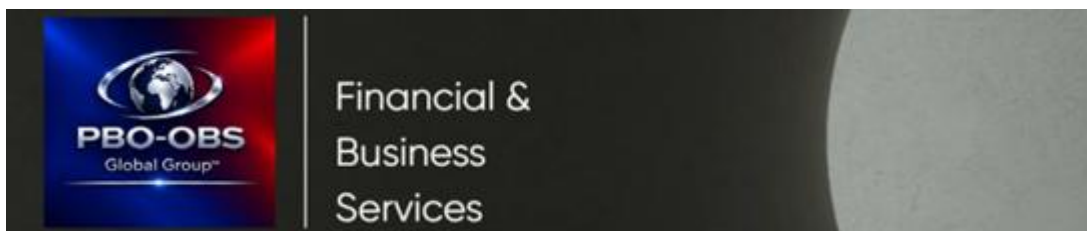
What type of projects does "Construction Project Funding" cover?

The Lender will in principle consider funding for Real Estate, Infrastructure, Ports & Airports, Energy, Healthcare and Hospitality (others may be considered – case by case).

Question 7

Will the Lender allow a Grace Period?

Yes, the exact period can be negotiated between both Parties (case by case).



Question 8

Is there a limit to the loan period?

The loan period is normally 10 years. However, a longer period can be negotiated if the financials presented make sense and justify such an extension.

Question 9

Will I be personally liable for the loan?

No, you will not be personally liable for the loan. This is one of the main advantages of this non-recourse loan funding model.

Question 10

Did you say that the Lender will receive 20% of my company?

In a typical funding example, where the Lender provides 90% of the funding needs, the Lender will usually receive 20% of the project company shares. The full loan amount would be a non-recourse loan and must be repaid by the SPV.

Question 11

Will the Lender pay out the full loan on one drawdown?

Most projects do not need the full loan at the beginning of the loan period. The Lender and the Borrower will usually agree to a series of drawdowns based on the project needs.

Question 12

Will the Lender consider a EUR 120M loan request for a project?

That would depend on the circumstances. For example, if the Borrower is only seeking to finance 70% of a project, because 30% is already financed, this would be considered.

Question 13

Can you show us proof of other projects funded?

On our website (www.pbo-obs.com), there is a representative list of various projects in different countries that the Lender has funded as well as projects in the process of being funded.

Question 14

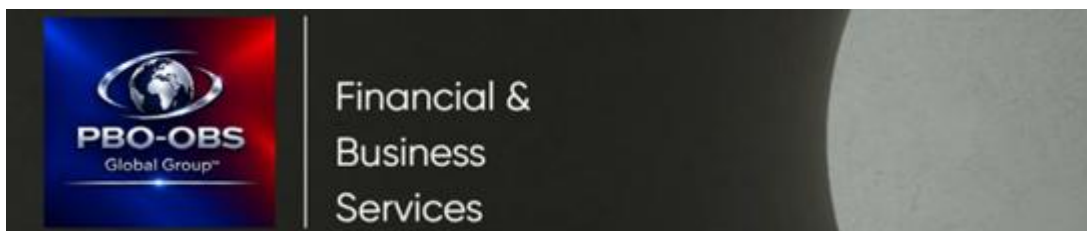
How long has this Lender been in the Financial Services Business?

The Lender has been operational since 2002.

Question 15

When will you reveal the details about the Lending Group?

Once a potential Borrower has submitted all documentation and has signed our onboarding forms, PBO-OBS will go through all the documentation to prepare it for Lender onboarding. Once PBO-OBS has onboarded a project, the Lender will schedule a video call, and the Borrower will meet the Lender CEO and will be able to ask questions prior to the Term Sheet being issued.



Question 16

How long has PBO-OBS Global Group been Business Partners with this Lending Group?

PBO-OBS has been working with this Lending Group since 2017.

Question 17

How is the external Due Diligence carried out?

The Lender will appoint external experts (well-known companies) to carry out the Due Diligence to ensure that a project fulfills all the necessary requirements (RIBA Checklist Stage Three). This Due Diligence is carried out and invoiced in stages, typically over a four-month period.

Question 18

If our project does not pass the external Due Diligence, will we lose our investment?

Unlike with other similar Lending Groups or Lending Institutions, the Borrower will be allowed additional time to deal with any issues red or yellow flagged during the Due Diligence. The Borrower will only lose pre-loan paid fees if the project company is unable to deal with the issues flagged.

Question 19

How soon can we get access to funding?

Typically, the period between Term Sheet signing and the first drawdown is 4-6 months, when there are no red or yellow flags during the Due Diligence.

Question 20

Are we expected to have an independent feasibility study?

An independent feasibility study is always a good idea as this creates Lender confidence.

Question 21

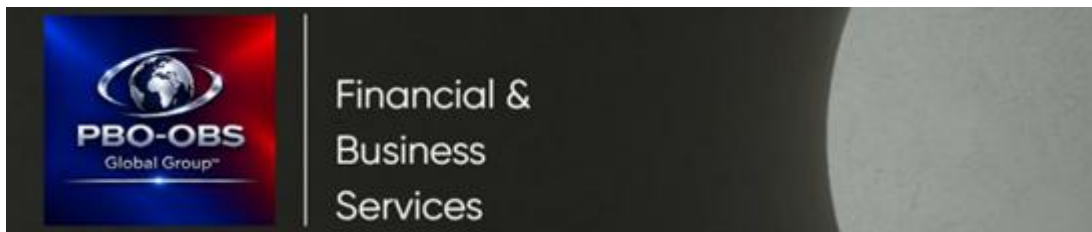
Can the Due Diligence fees be paid from the loan?

No. The purpose of the independent Due Diligence is to allow the Lender to verify all the submitted project documentation. These are actual work-related fees that must be settled to cover the cost of the work and are the responsibility of the Borrower and not the Lender.

Question 22

Will I have to pay back the full 90% I borrowed?

Where the Borrower qualifies for 90% funding, the Lender will receive a 20% shareholding in the project company. The full loan amount (plus interest) must be repaid by the borrowing entity (the project company) in which the Lender now holds a 20% stake. This means that the repayment responsibility for the full loan amount is shared by all shareholders in proportion to their respective shareholdings, including the Lender.



Question 23

Will I be able to borrow from the Lender for future projects?

As a shareholder in the project company, the Lender will be motivated to help the Borrower with any qualifying future projects.

Question 24

Can a consortium of companies work under a SPV?

Yes. Where there are different shareholder companies involved in a project, it is a good idea to set up an SPV that is responsible for a project, has all the appropriate rights, responsibilities and capital.

Question 25

Can the 10% self-financing just consist of owned assets?

No. However, the Lender will consider a combination of capital and owned assets. The project company must have sufficient cash funds to be able to carry out the loan repayment schedule as set out in the final loan contract.

Question 26

Can we submit a project location in any country?

The Lender will consider a project in any unsanctioned country.

Question 27

Are the Lender's funds in any way limited?

In principle, no. To date, the Lender has funded individual projects requiring USD 2BN and 4BN.

Question 28

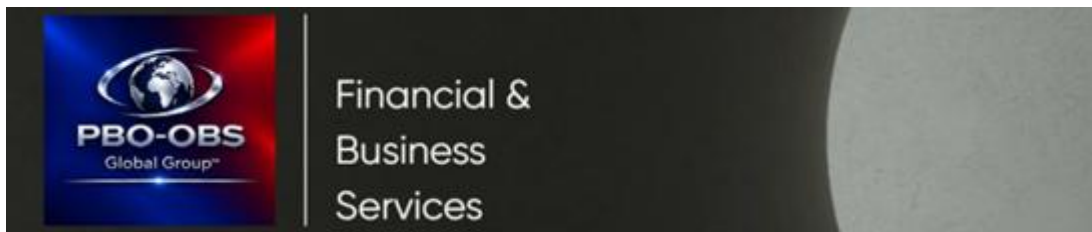
Who decides when the loan drawdowns take place and the amounts?

The Lender and the Borrower agree upon the most sensible drawdown schedule based on a project's needs.

Question 29

What is the RIBA Checklist?

A "RIBA Checklist" isn't a single document but refers to practical checklists developed by the Royal Institute of British Architects (RIBA) to support a project Plan of Work. The RIBA Plan of Work outlines the essential stages of a construction project, and various checklists are used to ensure that specific information is gathered, managed and reviewed at each stage to maintain project progress, manage risks and achieve project goals.



Question 30

When are we expected to pay PBO-OBS their EUR 10.000 project preparation fee?

Once a potential Borrower has onboarded a project with us and has countersigned a PBO-OBS NCNDA and Success Fee Commission Agreement, an invoice for EUR 10.000 will be issued by PBO-OBS and PBO-OBS will begin preparing the project documentation for onboarding.

Question 31

Are any of the pre-funding fees refundable if we do not pass the RIBA Due Diligence?

No. A potential Borrower knows from the very beginning of a funding negotiation that a project must be at "RIBA Checklist Stage **Three**" to be funded. If a project is not at this level, it should not be submitted.

Question 32

Can you give us some examples of countries in which the Lender has funded?

Philippines, Indonesia, Dubai, Canada, UAE, Caribbean, Turkey, Thailand, Brazil, Europe, Bahrain, USA, United Kingdom...

Question 33

How many people work for the Funding Group?

This Financial Services Group consists of 50 specialists, who work in executive-led teams.
