



INTEGER WEALTH FINANCE

FUNDING MECHANISMS – INDIVIDUAL PROJECT vs LISTED FUND

The comparison and abbreviated process of each option leading to project funding

The following is an abbreviated ‘first person’ narrative describing the process of funding through direct investment into credible projects, versus multiple projects being funded from a purpose specific fund created for the client to satisfy their financial requirements on multiple projects within the same industry sector.

To begin with we will clarify the different companies which service our valued clients and support the management and oversight of each funding process.

Integer Wealth Global Ltd, is a management company for its member companies:

- Integer Wealth Capital Ltd
- Integer Prime Realty Developments Ltd
- Integer Wealth Professional Services Ltd
- Critical Mass Technology Ltd

The management company defines itself as ‘Forensic Risk Analysts’, whereas all tasks are undertaken and processed through the filter of risk management. The management company exists to produce direction to the member companies, provide back office support such as accounting, advertising, marketing and financial management for the member companies. This leaves the member companies to focus on their primary skill sets.

These primary skill sets are:

- Integer Wealth Capital Ltd – Financing business, commercial and industrial projects through debt structures, investments, equity partnerships or listed or private equity funds. The company also registers and manages investment funds on several stock exchanges and provides an array of management support functions to this activity. Investment funds are created for clients with multiple credible projects.

A ‘credible’ project refers to a project which is viable and can endure a robust due diligence on its ability to perform on profit yields from its creation, planning, execution and exit.

- Integer Prime Realty Developments Ltd – This company is a property development company which acquires property and buildings for development and or renovation. The company is purposed to create equity value for the group as also a collateral base for some projects requiring this service.



- Integer Wealth Professional Services Ltd – Provides professional services including business rescues, develop turnaround strategies, produce feasibility studies, conduct shallow or deep due diligence and produce intelligence reporting, as also produce investment prospectus, provide risk management and reporting and provide project management, oversight management and governance on our clients both internally for the member companies as also external clients.
- Critical Mass Technology Ltd – A FinTech company providing bespoke electronic online (internet based) investment and project management platforms. The company also acts as the information technology support for our member companies.

To illustrate our processes, herewith a brief summary in point form of the forward path to funding, in the first person.

Single Project Funding (once off)

When a client requires either debt funding or investment, the steps to follow are as follows:

1. A client approaches Integer Wealth Finance (IWF) for funding.
2. We at IWF conduct a high-level assessment of their project/s for assumptive credibility which includes feasibility.
3. We inform the client that we can fund the projects dependant on an in-depth due diligence.
4. The due diligence process can be done by our member company 'Integer Wealth Professional Services Ltd' (IWPS), or the client can elect to use one of our approved partner companies, PWC, KPMG, Deloitte or Ernst & Young. The client can also elect us to do this exercise which results in various forms.

For this example, we will assume the client has elected IWPS to conduct the due diligence and peripheral tasks.

5. We then determine what type of funding is required. i.e. Debt, mezzanine, asset finance, capital operations or a combination of some or all of the above.
6. We then sign up the client through a standard letter issued to us from them, but which we issue to them with our content wording as it needs to be correctly worded and signed by them on their letterhead requesting us to perform for them.
7. We then issue the client an invoice for the due diligence and investment prospectus required for the project to be funded, should they have elected us to complete the due diligence and peripheral components.

The complexity of the project determines this amount. From this our staff and third-party service providers are paid, in advance of their work. This is to lock in their costs in advance and not have a possible trailing set of costs and invoices. The end product becomes the client's intellectual property, and they can use this to approach any other investor or funders too.



Additional external contributing service providers to this process are:

- Due diligence: Internal and third parties
 - Financial modelling: Internal and third party accountants and advisors
 - Risk assessment: Internal and third party consultants
 - Legal: Legal third party consultation and opinions including contracts compilation
 - Investment prospectus: Internal IWPS contribution providing time and materials
8. If there is a due diligence necessary, we perform this and then compile the investment prospectus which includes the due diligence and several other key project and client documents.
 9. On completion , the client then signs off the prospectus for investment. (this is the first exchange of value)
 10. The client then has the choice of taking the prospectus and going elsewhere for funding (which often occurs and is common in the industry)
 11. If the client wishes us to finance the project, we then take the prospectus to either our own fund which we own, or our network of investors for funding.
 12. Once we have secured funding either way, we distribute these funds according to a drawdown schedule developed in the course of the due diligence and compilation of the prospectus as it considers all the financial requirements at their respective time frames during the project.
 13. Once the project is complete, the return on investment is managed in a reverse manner of the initial investment. A repayment structure is set in place prior to any disbursement and again, is derived from the due diligence exercise. This produces the framework for the ROI on the project.
 14. Once the ROI has been applied to the source of the funding being either the fund or the investors, the investors and Integer Wealth exits the project.

Multiple Project Funding

In the event of a client having multiple projects, we suggest that we establish a fund for them and the process to this is as follows:

1. The client instructs us at IWF via a letter on their letterhead to create a fund for them.
2. The client choses a name for the fund and provides us with the details of what industry sector the fund will service and what projects the fund will be financing.
3. We then explain what the fund will be subject to, and who the governance is behind the fund. (See the attached document 'Fund Creation and Management')
4. On this document we expand on processes, costs and the service providers involved.
5. We then issue the client with a 'Fund Questionnaire' (See attached document 'Fund Formation Questionnaire')



6. Once agreed to the terms and costs, we then send out an invoice for the creation costs, including fees, licences etc. with value depending on the complexity of the fund structure.

Additional external contributing service providers to this process are:

- Legal fees secure provider:
 - Accounting fees secure provider
 - Asset managers secure provider
 - Stock exchange fees
 - Regulator fees
 - Licence fees at regulator
 - Integer Wealth time and materials
7. We then design the fund for its specific purpose and forward this to our Asset Management Partners in the jurisdiction in which the fund will be established i.e. Luxembourg, Malta or Gibraltar. Our partners then send us an invoice of around £30K to continue the setup of the fund in Malta.
 8. Our stock exchange asset management partners then appoint an oversight audit company, such as Ernst & Young (E&Y) as the oversight regulator as also appoints the brokers who list the fund at the relevant Stock Exchange.
 9. The Stock Exchange then sends us a confirmation of the listing once it is done, once they have approved it.
 10. We remain as due diligence management on each project which is similar to the raising of funds for projects as per the above steps. Remain considerate that this is the investors fund for the benefit of the client (you).

The fund is for the benefit of you the client, but the money is not the clients, as it belongs to the investor.

The client will still need to present a prospectus for each project for which they draw money from the fund. Each project then becomes a client of the fund. The value this gives the client is that they do not need to go in search of funding for each project as their fund presents a single source for that very purpose. If the projects are credible and stack up to the due diligence they will be approved by us, who send them to our partners, who send them to the brokers and who send it to E&Y who sign the project off and the project gets a number according to the reserve on the money within the listed fund.

11. Once the project is signed off, and the funds reserve is complete and the document with the project number on it, the distribution of the money into the project can begin, again according to the draw down schedule in the projects due diligence which is illustrated in the prospectus.

This process takes approximately 14 to 21 days from application to the fund to pay-out.

12. The return payment is not always required in cash but can be negotiated as an equity transfer of the projects too, depending on how we structure the fund together with the client.



13. There is often no exit to a fund. A fund can continue 'ad infinitum' if it is an open fund. The client can sell the fund (similar to selling a business) or can simply hand it over to members of the fund to continue to operate the fund. There are several ways to exit a fund but too exhaustive to be mentioned here.

We are certain that you can appreciate the involvement of our member companies in these processes. We trust that this explains how the process works. Also kindly refer to the documents and diagrams attached.

We look forward to establishing a positive and mutually beneficial relationship with you further.