

AXE CAPITAL MANAGEMENT

CAPABILITY STATEMENT

*More than just a
finance group. Much more.*

**YOUR PROJECT AND
DEVELOPMENT
FINANCE SPECIALISTS**

DANIEL FOWLER
0421 757 917

AXE CAPITAL
MANAGEMENT



ACM
*removes
obstacles
that stand in*
**YOUR
WAY**

**Axe Capital Management Project Funding
(ACM):**

PACKAGING COMPLEX FUNDING PACKAGES

ACM is a private lender and we also have access to investors and institutional lenders in Australia and other countries globally. This means swift decision making and no intermediate broker chains adding unnecessary costs and delay. We arrange:

- Senior debt
- Mezzanine finance
- Preferred equity or debt-equity
- Joint ventures

We can arrange short-term funds with approval in a matter of hours, so you can overcome emergencies or take advantage of immediate opportunities.

We can put you in touch with the right people to help market and sell your development.

Our mission is to make your project happen quickly. Our team of expert specialists will make the fast decisions because we have over 100 years of combined experience.

We go above and beyond the usual service you may have experienced in the past. We have a team of highly experienced people who can assist you in all areas of your project encompassing valuation, construction, quantity surveying and project management.

If you believe you have a viable development project, then contact us as soon as possible so we can work with you to structure your proposal and make it happen... Fast!

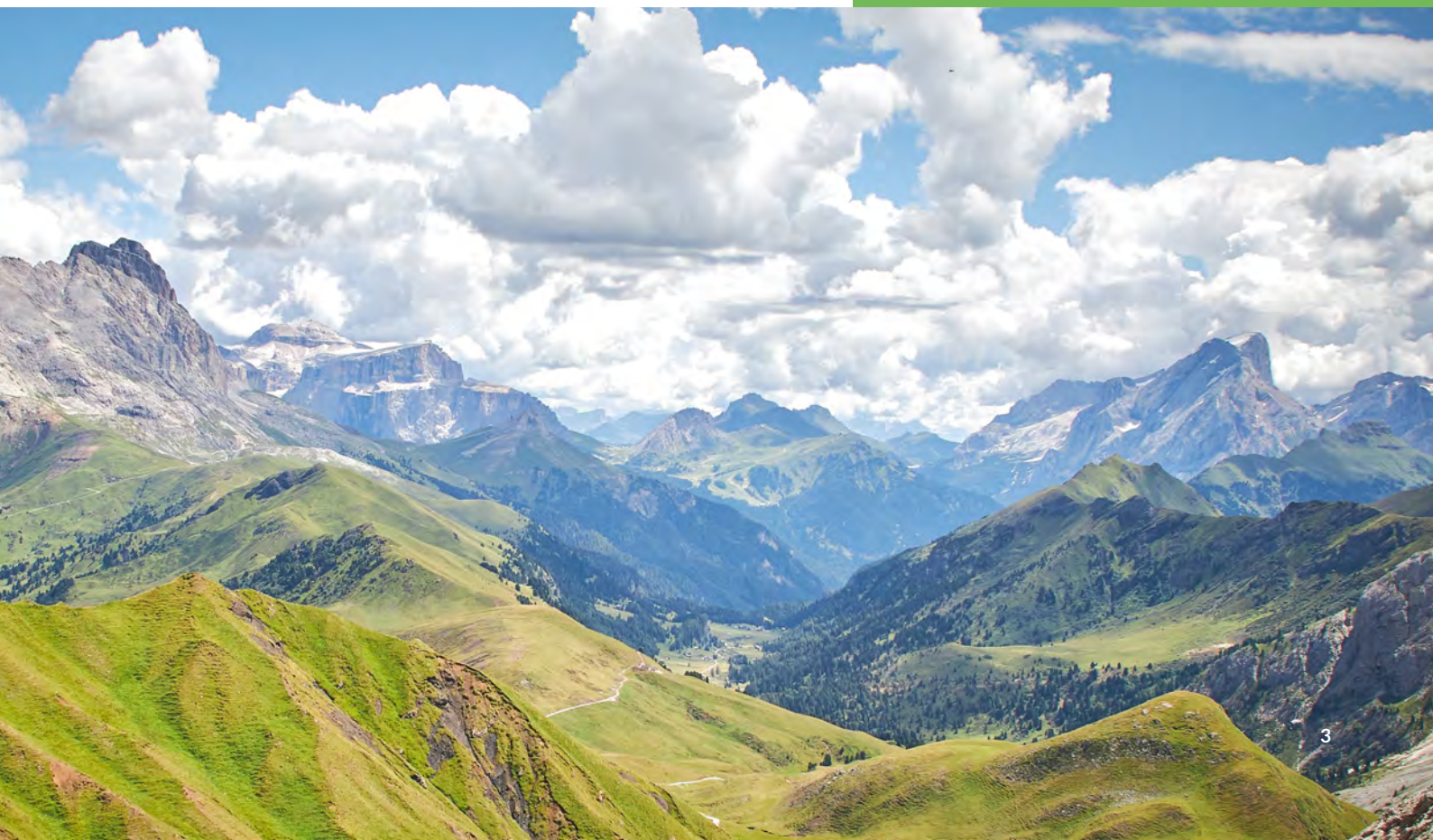
OUR PROMISE TO YOU

Axe Capital Management believes that integrity ,
commitment and excellence are at the very heart and
soul of our business and the key to ours and your
continued success.

- We will never breach our client's
CONFIDENTIALITY.
- We will always remain ETHICAL in whatever
we do for our clients.
- We will never act outside the LAW because
we have a duty to protect our clients by en-
suring they meet their legal obligations.
- We are dedicated to achieving EXCELLENCE in eve-
rything we do for our clients and will never sacrifice
QUALITY or INTEGRITY under any circumstances.

CORE VALUES

**We are a service firm.
The needs of our clients
define our business
and we never lose
focus on doing what
is best for our clients.
We represent your
interests first and
foremost...Always.**





Axe Capital Management
Project Funding (ACM):

BUILDING SUSTAINABLE COMPETITIVE ADVANTAGE

- Property development and construction finance
- Pre-sales
- Marketing and selling your development
- Provide staff onsite to write and process loan applications
- Access to international funds
- Joint ventures, Equity partners
- Project management
- Residential and commercial property finance
- Short term loans – money in as quick as 48 hours
- Non-resident loans
- Car, truck, plant and equipment finance
- Personal loans
- Property sourcing
- Residential property loans
- Insurance - We can arrange the full suite of insurance products
- Mergers, acquisitions and IPO's (via partner company, which is part of our group)
- We can list you as a public company in the USA, Canada, Australia and Europe and implement a capital raise strategy tailored to suit your needs.



Axe Capital Management Project Funding (ACM):

DEVELOPMENT SITE ACQUISITION AND CONSTRUCTION FINANCE

Institutional lenders such as banks will assess your loan application using the following main criteria:

- Status of the development approval
- The purchase price of the site vs the valuation that will be prepared for the lender
- The amount of cash the developer will be putting into the project
- Experience, track record and expertise of the borrower and the development's ability to generate strong surplus income to repay the loan
- Risk – external and internal
- Their benchmark financial ratios e.g. LVR, LTC, TDC, etc.
- Level of presales and the detail of those sales contracts
- Insurance - We can arrange the full suite of insurance products
- Mergers, acquisitions and IPO's (via partner company, which is part of our group)
- We can list you as a public company in the USA, Canada, Australia and Europe and implement a capital raise strategy tailored to suit your needs.

ACM will always get you the best rate and facility to complete the acquisition of the development site. How? we provide our own funds and we can source from other investors, including private lenders who are not restricted by bank benchmark financial ratios.

We are flexible, for example, we may not require any presales as we assess every application on its merits. ACM will structure the funding to ensure the lowest possible rate for the senior debt. This will usually be secured by a first mortgage over the property and we will then arrange any additionally required finance via other sources, such as stretched senior debt, mezzanine funds and preferred equity. We might have to use all these sources in combination.

Our aim is to ensure that you receive the lowest possible cost on the money you will be borrowing. And that includes ALL the fees! No surprises. Ever.



Structuring Debt for the BEST RESULT

AXE CAPITAL LENDING OVERVIEW

Axe Capital is a private investment firm and loan manager, providing strong risk adjusted returns as we qualify property security for our principals and investors. Axe is focused on 1st & 2nd Mortgage (senior and subordinated debt), short term loans, servicing business borrowers.

Our mission is to provide lending solutions in a timely manner, solving short term cash flow issues for borrowers and providing strong and safe returns for investors.

INVESTOR RETURNS

Each loan is qualified and structured to **maximise** returns to investors and provide the best structure for borrowers.

We provide **strong** monthly returns and liquidity against the current market movements.

Investors determine their level of participation in each transaction, **determining** their level of return and level of risk.

Investors are syndicated via a Contributory mortgage structure, allowing multiple investors to pool their funds with ours, **sharing** the investment, security and returns.

SECURED LENDING

1ST MORTGAGE LOANS

The first ranking security charge over a property via a registered mortgage. Typical returns for this senior debt structure are in the range of 8-11% and Loan to Value Ratio (LVR) usually won't exceed 65%. This first ranking mortgage sits above and beyond all other borrowers with a claim on the property.

2ND MORTGAGE (SENIOR DEBT) LOANS

A mortgage registered behind the first registered mortgage in the property used as security. Due to the subordinate nature and higher LVR (up to 70%) returns are higher (12 – 15%) to reflect the additional associated risk. This second ranking security on the property sits behind the first ranking position but is still prioritised over all other interests in the property.

SECURITY MECHANISMS

PROPERTY

- Registered 1st Mortgage, Registered 2nd Mortgage, Caveat, Unregistered Mortgage

OTHER SECURITY

- GSA (General Security agreement): Secures assets of a borrowing or associated business other than property
- Personal Guarantees: Hold company director personally liable if the business is unable to repay money owed
- PPSR: Registration of security interests in other assets to strengthen the investment



INVESTOR LOAN PROCESS

INVESTOR LOAN PROCESS OVERVIEW



TERM SHEET OVERVIEW

Axe Capital outlines the details of the new loan opportunity to investors in the form of a Term Sheet. The overview includes the following:

- Loan purpose and use of funds
- Security property overview
- Borrower and Guarantor information
- Mortgage type: 1st or 2nd mortgage
- Required loan amount and LVR
- Loan/investment term and payment structure
- Investor return per annum
- Exit strategy - how the loan will be paid back by the borrower
- Property valuation

INVESTOR BIDS

- The investor places their bid amount for the loan opportunity by the advised due date to Axe Capital.
- The minimum investment is \$25,000 and there is no maximum investment.





BRANSGROVES LAWYERS

- Once the investment allocations have been confirmed, investors transfer their allocation directly into our lawyers (Bransgroves) trust account directly.
- Bransgroves lawyers prepare loan documentation for investors to confirm, sign and return.
- Bransgroves Lawyers is a Sydney-based law firm, founded in 2001. They specialise in acting for lenders on private mortgage transactions. Bransgroves research and publish on mortgage law and employ cutting edge technology to provide their clients with a smooth professional service.
- Further information: <https://bransgroves.com.au>

BRANSGROVES
LAWYERS



INVESTMENT CONFIRMATION

- Once the investment has been filled each investors' allocation is confirmed in writing.
- Each investor will then provide their name, investment entity details, email address and bank account details for interest repayments. These details are populated into the loan documentation by our lawyers.

PRINCIPAL & INTEREST REPAYMENTS

- Inline with the loan structure the borrower pays interest and principal periodically to Bransgroves directly.
- Bransgroves distribute interest and principle payments directly to investors.



Structuring Debt for the BEST RESULT

MEZZANINE FINANCE

Many developments will need to increase their borrowing capacity beyond the LVR and other ratios demanded by traditional institutional lenders.

They will need these additional funds to bridge the gap so that they can ensure their development will be completed and sold as planned to meet their profit objective.

It funds the gap between the developer's cash contribution and the first mortgagee's facility limit. This junior debt is usually secured by a second mortgage.

PREFERRED EQUITY

We offer preferred equity (PE) financing to borrowers that need more flexibility. It is equity in the project and, as such, it means that the provider will share in the profits of the development project.

Preferred equity shares a similar purpose to mezzanine debt finance.

It also means you can release equity from an existing project or fund a gap in your capital requirements that aren't being met by senior debt lenders.

PE can be a valuable resource to a developer who could not complete the project without this type of investment because they can't put in enough of their own money due to other commitments.

STRETCHED SENIOR DEBT

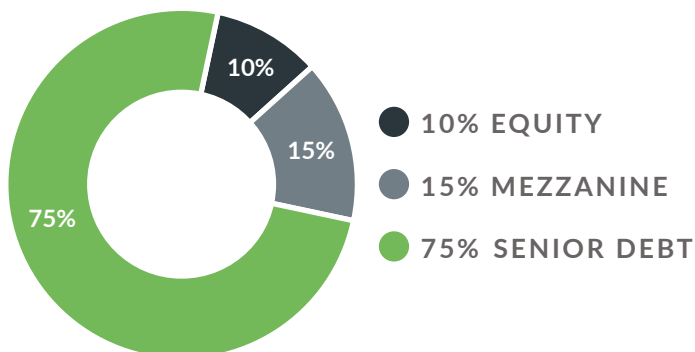
We blend the senior and Junior debts into one funding facility with more flexible terms and conditions than what a senior debt requires.

Traditional ratios are stretched so that we can provide a much higher LVR than would be the case with traditional senior debt.

For the borrower, the senior stretch loan provides speed and convenience. The borrower does not have to negotiate separately with two different parties, the senior loan provider and the junior loan provider. It deals with a single lender and thus streamlines the documentation process, saving time and legal fees and enhancing the flexibility to close the transaction. In addition, should there be a need for credit agreement waivers or consents in the future. The borrower must turn to the single lender for execution.

However, the senior stretch loan presents additional risk to the lender because it is exposed to greater overall leverage of the borrower. The result is that you achieve getting the funds you need, plus the total cost will be no more than the cost of the traditional senior debt plus mezzanine. Often less.

The critical factor is for us to get you the funds you require to achieve your profit objective. This financing alternative can help developers distribute their equity over a larger number of projects because each project requires less equity.



PRE-SALES AND PUT OPTIONS

Many projects do not require presales for funding, but presales will help you get lower loan costs and reduce your risk.

ACM can market and sell your property, including presales and we can also arrange a service for developers whereby “standby presales” (put options) on new residential projects are arranged for financing to take place (complying with bank presale requirements).

These presales contracts are renounceable as the developer does not intend to sell the unit to the standby purchaser. The developer aims to sell the units at the list price to the average market over the construction period.

However, by arranging these “standby presales” (put options), there is usually enough sale value to cover bank debt. This gives the bank comfort that, in need (approximately three months after the completion of the project), it can call up these standby sales to repay the debt if the developer has not sold or refinanced the remaining apartments.

MARKETING AND SELLING YOUR DEVELOPMENT

ACM has the capability via their expert associated partners to market and sell your development.

Apart from the traditional selling methods, we also have access to a product that will lock in the future sale price of a buyer’s property at the current market value, for a period of ten years. They need only pay a small option fee. This can be of great benefit to an investor seeking to reduce their risk.

The product is also available for vacant land, residential, industrial, commercial, and other specialised premises and enables the property owner to protect against future property value declines.

The client applies with property ownership details and requested property value. The provider uses a combination of historical and actuarial analysis, which is sometimes confirmed via a valuation, to determine the acceptability or otherwise of the requested property value. Should the provider agree to the required amount, this value then becomes the accepted value to enter into the contract.

Once the agreed value is determined and the option fee of around 3% + GST* is paid, the contract is formally executed. The buyer has the sole discretionary right to exercise their rights under the contract (within the specified time), and the provider is then required to purchase the property at the agreed value.



A plethora of
OPTIONS



ACM provides several joint venture opportunities:

BUILDING SUSTAINABLE COMPETITIVE ADVANTAGE

Clients with quality property projects that require funding over and above senior debt (first mortgage) and junior debt (mezzanine, second mortgage) can speak to us about us becoming a partner by way of a joint venture (JV) agreement. This is a value to those who lack the experience and expertise to undertake a property development themselves.

The cost structure of the property development joint venture contribution will be made up of:

- Establishment fee
- Interest rate on funds advanced
- Profit share at the completion of the project

Funding will be secured by either second mortgage or by way of preferred equity.

Each property development joint venture proposal is assessed on individual project merits.

WE PARTNER YOU UP WITH OTHER INVESTORS

ACM may be able to find you a JV partner through our existing client base and high net worth investors.

If you would like further information on Property Development Joint Ventures, please contact Daniel Fowler on **0421 757 917**

OTHER FINANCE PRODUCTS

BRIDGE LOANS

ACM provides gap loans or bridge loans designed to function as a temporary source of funding until a permanent arrangement can be made. These loans can be used for any worthwhile commercial purpose and are secured against real property.

DEBT CAPITAL STRUCTURING AND ADVISORY

Our debt capital structuring team provides integrated funding advice to our clients, related to their acquisition, restructuring, re-financing, and other significant projects.

CORPORATE FINANCING

With strong relationships with the investors and issuers, we help our clients connect with the right investors efficiently and effectively. Our distribution capability covers both retail and institutional investors.

RESTRUCTURING

Complexities related to financial arrangements can often restrict the growth of your development project. We can help you get back on track by implementing restructuring strategies that will free your project from the impact of inappropriate debt structures.

ASSET-BASED LENDING FACILITIES

Our asset-based lines of lending provide more flexibility and availability compared to the traditional cash flow credit options. This facility has been utilised by many of our clients to meet the operational goals of their project.

CREDIT IMPAIRED LOANS

For commercial property loan borrowers who have credit impairments, such as defaults and judgments on their credit files, or are in administration, receivership or liquidation, ACM may be able to implement a financial workout strategy and secure funding to payout all creditors and lenders, etc.





SHORT-TERM EMERGENCY LOANS FOR BUSINESS PURPOSES ONLY

Short-term loans are useful:

- To provide a short-term loan to settle an urgent loan where time is of the essence and while you wait for a cheaper loan to be approved and settled.
- Payout the Australian Taxation Office (ATO) with short-term finance, which will then allow you to refinance with a lower interest rate lender.
- Use short-term finance to payout aggressive creditors who are threatening to default you or place you in sequestration, administration, receivership, liquidation or bankruptcy.
- If you are already in default, administration, receivership or liquidation we can arrange a funder to payout the debt with a short-term loan, with the goal to refinance with a private lender for a more extended period while you repair your credit rating.
- To take advantage of a business opportunity where you need money fast to make sure you don't lose out.

Short-term property loans are far more expensive than a traditional first mortgage finance due to the short time frame and inherent risk to the lender.

Short-term finance interest rates can vary from 12% per annum to 3% per month, depending on the nature of the loan and risk to the lender.

ALL SHORT-TERM LOANS MUST BE SECURED BY REAL ASSETS

Short-term loans must always have a clear exit strategy to pay out the loan before the end of the short-term property finance facility expires. If the short-term loan is not paid out on time, penalty interest will usually be incurred by the borrower.

Example: you may have a development finance or property loan application in with a bank and it is going to take more time to settle than first envisaged. You will lose the property you are buying if you do not settle. This is when a short-term property loan will solve the problem.

NO DOC COMMERCIAL PROPERTY LOANS/ASSETS LEND

This is for commercial property loan borrowers who cannot demonstrate serviceability through traditional means but can provide an accountant's letter confirming they can afford the loan repayments.

PRIVATE PROPERTY LOANS

Private property loans are for company borrowers who cannot demonstrate serviceability through traditional means, however, can obtain an accountant's letter confirming that the corporate borrower can afford the loan repayments.

Alternatively, these loans might assist a borrower with a bad credit rating due to defaults or if the borrower has been placed in administration, receivership or liquidation.

- Loan to Value Ratio (LVR) up to 75% for commercial properties.
- Loan to Value Ratio up to 75% for residential properties.
- Interest rates quoted on each loan application.
- Private property loans can be advanced to credit impaired borrowers, although all mortgagees, defaults and other creditors must be paid out on settlement.

Short-term loans are used for a specific short-term urgent purpose. ACM can secure finance from \$50,000. The loan is secured in real estate.



SAME-DAY EQUITY RELEASE

- LOW UPFRONT FEES
- NO NON-RESIDENT RESTRICTIONS
- NO CREDIT CODE RESTRICTIONS

With an equity line of credit, you can access capital from your assets today!

- Fast equity release caveat loans
- Low establishment fees
- Low application fee
- No early repayment fee
- No fixed term
- Draw up or down at your convenience
- Interest calculated daily
- Short-term interest capitalisation

ACM can arrange an equity line of credit so that you can access funds quickly against the equity in your assets. Enjoy the convenience of traditional line of credit/business overdraft facility with no fees or fixed terms.

CREDIT IMPAIRED, BUSINESS DISTRESS, NO INCOME CONSTRUCTION DELAYS? WE CAN HELP!

Short-term funding can be used to assist with working capital management and to assist with business funding. We have direct access to private funding, so we can facilitate your short-term loan or second mortgage application quickly and provide you with short-term finance.

We work with private lenders who provide finance options to clients including those with a bad credit history. They offer loan terms ranging from 3 months - 10 years to assist with property purchases, business/commercial loans, car loans, etc. that traditional lenders would otherwise decline.

We will not issue an engagement letter unless we believe your deal can be funded. We have an in-depth knowledge of our lenders' criteria, so we know what will and will not work. Our lenders are not contracted until after we have been formally engaged. We take on deals that, from experience, we would have several lender options and believe a successful outcome is highly achievable.





ABOUT DANIEL FOWLER

Daniel has more than 15 years' experience in finance, business banking, and producing shareholder reports for ASX listed companies. He worked for 7 years at a major bank in a high-paced business banking role specialising in all types of secured and unsecured lending and was recognised for achieving exceptional performance. Daniel has a MBA (Strategy and Planning) and also holds qualifications in Finance, Project Management, Governance and Science.

Daniel sources funds from the major, second tier and private lending markets for large scale projects such as property developments, business acquisitions, out-of-the box scenarios, and unique commercial funding scenarios. Daniel in addition to investing his own funds, also links high net-worth investors with business opportunities to maximise and enhance business investment outcomes. He brings an entrepreneurial flair delivering new and effective ways to access finance.

Daniel Fowler - Director

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