

Capital Guarantee Program™

# Developer Briefing

## Mid-Market Infrastructure & Impact Project Finance



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How to gain access to advantageous funding for mid-market impact projects in both developed and developing countries worldwide.

CGP is “faster, easier, better”

A photograph of a meeting around a round wooden table. Several people are seated around the table, their hands and arms visible. One person is holding a pen over a document. The scene is dimly lit, with a warm light source from the right. The text 'What if ...' is overlaid in white at the top center.

**What if ...**

**together we could solve the issue of access to advantageous, fast & affordable, long-term capital for mid-market infrastructure or impact projects, based almost anywhere in the world, at any reasonable stage of development?**

# In3's Capital Guarantee Program™ ...



Turns project fundraising from “adventure capital,” a bit of an artform, into more of an exacting science using well-established, traditional tools (guarantees) and international banking rules in an innovative way.

# Such certainty may seem “too good to be true”

CGP is not for everyone, but our partners use of a non-traditional capital stack, combined equity & debt for up to 100% financing, and coverage for any pre-construction funding is hard to beat.



We eliminate the risk of fraud during construction via a capital guarantee and thus relax many other rules that traditional project financiers follow. This brings significant advantages for qualifying developers.

For some, such differences make “all the difference” – enabling quite attractive terms for many developers that probably would not otherwise have access.

# How? A capital guarantee ... which is what, exactly?



## A form of credit enhancement

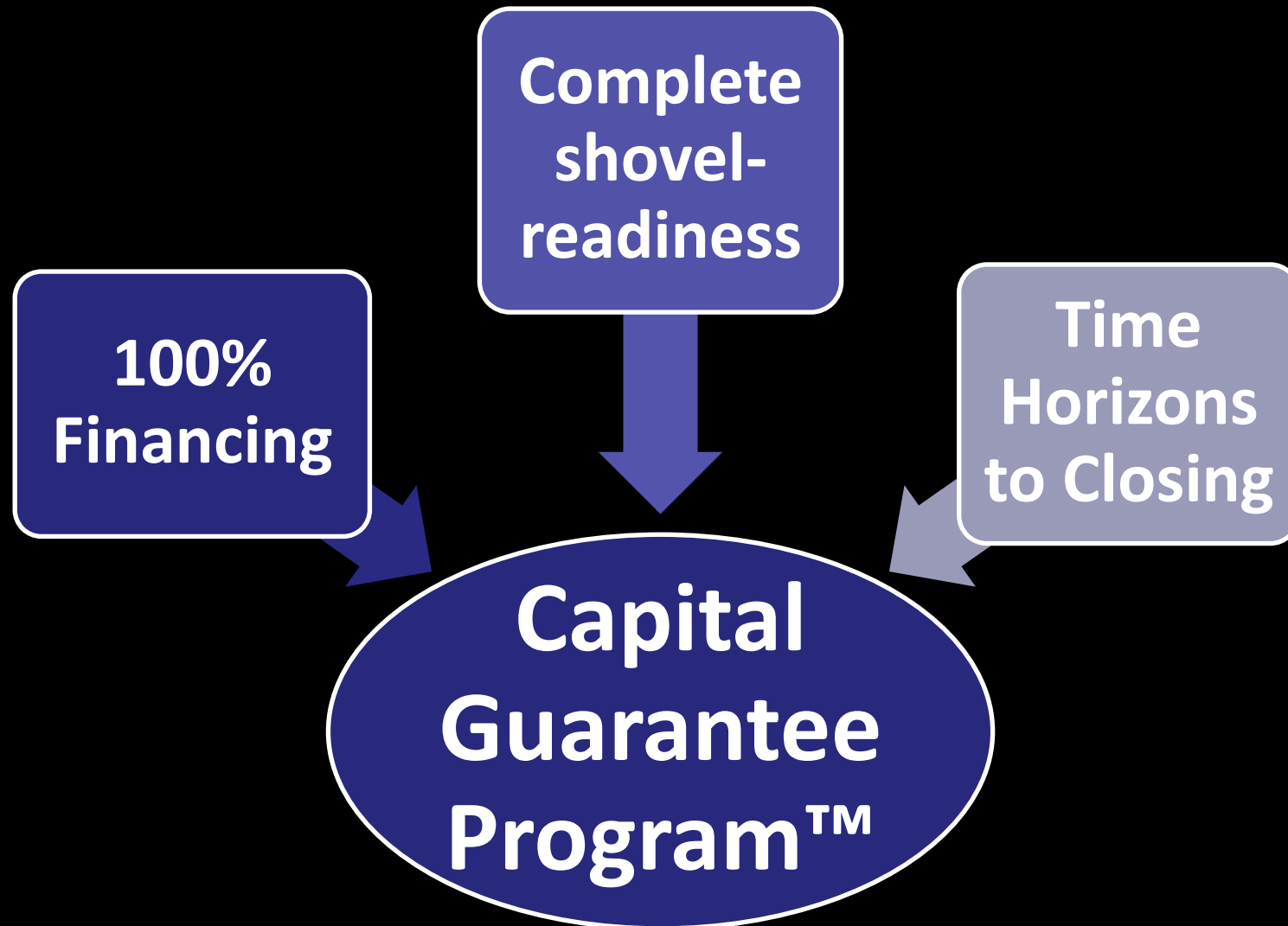
- ❖ “**Credit enhancement**” is a method whereby a company attempts to improve its credit worthiness for one or more specific transactions
- ❖ Used this way, a guarantee **transfers risk during construction** to the issuing bank (backed by an asset or balance sheet) until COD.
- ❖ **It is actually quite issuer-favored** (difficult to “call” except in extreme cases of failure/fraud)

TOOLS &  
RESOURCES



More at [in3finance.com/loan-guarantees](https://in3finance.com/loan-guarantees)

# Top 3 obstacles to capital access for mid-market, greenfield projects & portfolios



# Preserving remaining cash without giving up control

100%  
Financing



Competing sources of capital that offer financing *without* requiring the developer's contribution of "unexpended" funds (taking on a meaningful share of the risks), typically will want **control of the operating assets**.


With In3 CGP you preserve your remaining cash and enjoy ...

1. 100% financing with no lien against operating assets (no Senior Debt)
2. Combined equity\* and mezzanine debt ... no more "shopping around"
3. Reimbursement for issuing bank fees, developer and finance fees via initial draws.

\* Equity carried interest based largely on BG/SBLC leverage/coverage, in place only until COD.

**Developers often run out of cash resources and are left in a tough spot, needing to somehow “unlock” illiquid assets**

*How?* In3 CGP gets projects financed and built in less time, reliably, with no up-front fees from our side.



**3% fixed APR** for as long as needed, with **less than a 49% equity stake** with reliable **30-45 days to first draw of funding** is hard to beat.

Indicative terms: [in3capital.net/indicative-terms-for-guaranteed-investments](https://in3capital.net/indicative-terms-for-guaranteed-investments)



# Options when all available cash has been spent:

**100%  
Financing**



- 1) Sovereign Guarantee (SG), though few countries can still issue them,
- 2) An existing Balance Sheet to pledge BG collateral, or 3) Get a Sponsor

These are your best options when you need 100% financing:

1. Work in a country that can issue SGs (or ask MoF to direct a bank to issue a BG)
2. Consider using illiquid assets to obtain a Capital Guarantee\* ... released upon COD
3. Skillfully approach potential Sponsors to leverage their balance sheet ... terms TBD.

\* Per Demand Guarantee rules (URDG 758), BG/SBLC assets remain untouched, offering substantial leverage.



**But what if the developer has no asset depth?  
Or rich friends or family members?  
Or connections at any major banks?**



This is why one of our main strategies for developers that cannot bring their own guarantee is to involve a **sponsor/stakeholder** such as a well-established EPC firm, General Contractor or OEM/equipment vendor.

Sponsor options: [In3Finance.com/success-tips/#sponsor-def\\_1](https://www.in3finance.com/success-tips/#sponsor-def_1)



# Sample Contractual Language

The following language is typical of what an EPC firm might include in their services contract with the developer to constitute the BG:

**Bank Guarantee.** Contractor shall guarantee to Owner, by means of an *Instrument* in the form of a Bank Guarantee (BG) or Standby Letter of Credit (SBLC) with a renewable 366 day term, 100% of the EPC contract value, which is \$\_\_\_\_\_. Such Instrument shall be issued by an A-rated (Moody's or S&P) global bank to any party of Owner's choice (Beneficiary) and confirmed via standard SWIFT Brussels system. Instrument will stay in place for \_\_ [1-3] years, upon reaching the day of Commercial Operation Date (COD). Contractor shall be entitled to a \_\_% permanent equity stake in the constructed project, as well as a priority return on its \_\_% margin posted with its bank to secure Instrument.

TOOLS &  
TEMPLATES



A sample, redacted EPC contract is available upon request.

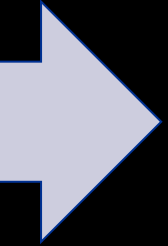
# Is there any such thing as *complete* shovel-readiness?

Complete  
shovel-  
readiness



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Our capital partners do not get hung up about the stage, ... status of permits, EIR or geotechnical reports, selection of vendors, etc.



With CGP you will enjoy refreshingly streamlined & rapid\* Due Diligence that:

1. Does NOT care about stage – just be sure to disclose proper uses of proceeds
2. Attends to financial fundamentals and can accept commercial risks other won't
3. Finds ways to make it work, not to use readiness gaps against you.

# “How’s *never*? Does ‘never’ work for you?”

Time  
Horizons  
to Closing



Enter due diligence upon pre-qualification (RWA Letter an essential part of the package), then Financial Closing in < 30 days, first draw in 30-45 days.

Other investors draw out due diligence because they use a different model:

1. Concerns about technology risk, completion risk, regulatory/country risk\* ...
2. Endless questions about who/what/where ... all takes time, and could be for naught
3. Again, our questions are about finding ways to make it work, not to kill the deal.

# Why In3's CGP – summary

Topic	Traditional Project Finance	With In3 CGP ...	How
<b>Timing:</b> <i>faster</i>	Seemingly takes forever ... 3+ months, 4-6 months not uncommon. Closings remain on the horizon, often don't happen.	Once pre-qualified, 2-4 weeks to financial closing, first draw in 30-45 days later.	We pre-approve along an established pathway for streamlined due diligence
<b>Work Required:</b> <i>easier</i>	Extreme reliance on perfected documentation and reaching shovel-ready status to eliminate perception of and actual risks.	The project planning burden is far less, due diligence lighter, certainty of success much higher.	Arrange a construction completion guarantee (sent via MT760 SWIFT per URDG ICC 758)
<b>Terms:</b> <i>better</i>	Requires a substantial equity partner, often a <i>majority</i> stake, market rates of interest depending on credit rating	100% financing combines 3% APR long-term debt, and negotiated equity via one check-writer.	Leveraging US\$B's in private family office wealth plus lines of commercial credit

faster, easier, better

# In<sup>3</sup> CGP Project Qualification

Satisfy these four cornerstones and obtain capital that is *faster, easier, better*.



## SIZE

\$25 million or more per project or portfolio. Smaller, related projects can be financed under one guarantee. Upper limit in the US\$ billions. Finance up to 100% of the budget. Can bundle development costs with CapEx/construction.



## SPACE

30+ industries qualify. Preference for “impact” projects – cleantech infrastructure, renewable energy, green real estate, food/water, waste-to-value, ... anywhere in the world. [Qualified sectors](#)



## STAGE

*Project does not need to be “shovel-ready”.* Can fund further development work as needed, then supply affordable, long-term capital to build the assets, combining equity and 3% APR debt.



## SURETY

Ease due diligence, optimize deal terms and expedite closing using a [capital guarantee](#) during construction sent bank-to-bank via SWIFT.  
**We reach financial closings in less than 30 days!**

Detailed qualification: [In3Capital.net/gtee-conditions](https://In3Capital.net/gtee-conditions)



# SURETY

## A capital (loan) guarantee

- Either a sovereign guarantee or bank guarantee during construction
- Sent via SWIFT and preceded by RWA letter from a major bank
- It serves as collateral and ensures completion of project assets
  - » A **Bank Guarantee (BG)** or **Standby Letter of Credit (SBLC)** can be leveraged when the instrument and bank are top quality.
  - » A **Sovereign Guarantee (SG)** amount should be for the same or more than the total project(s) budget.



# What SBLC/BG assets can be pledged?

Bank Guarantees most often use a Standby Letter of Credit (SBLC), which are “cash backed” via any of the following assets:

- Public equities
- Government bonds, etc.
- Cash on deposit
- Minerals, precious metals (e.g., gold), gems
- Corporate balance sheet

Note: Directly purchasing an SBLC from a major bank, although expensive, can be effective.

**The guarantor and their bank will together determine any fees and qualifying assets for issuing a Bank Guarantee via SWIFT.**



Ask to receive sample verbiage for the guarantee instrument and RWA (“ready, willing and able”) letter to be sent by the issuing bank.

TEMPLATES &

RESOURCES



As edited by the  
INTERNATIONAL CHAMBER OF COMMERCE



## UNIFORM RULES FOR DEMAND GUARANTEES

Includes:

- ✓ URDG 758 -  
*Uniform Rules for Demand Guarantees; and*
- ✓ *International Trade Glossary.*



# How does it work?

## About Capital Guarantees

Legal Analysis

Click to help decide if a Capital Guarantee will deliver advantages

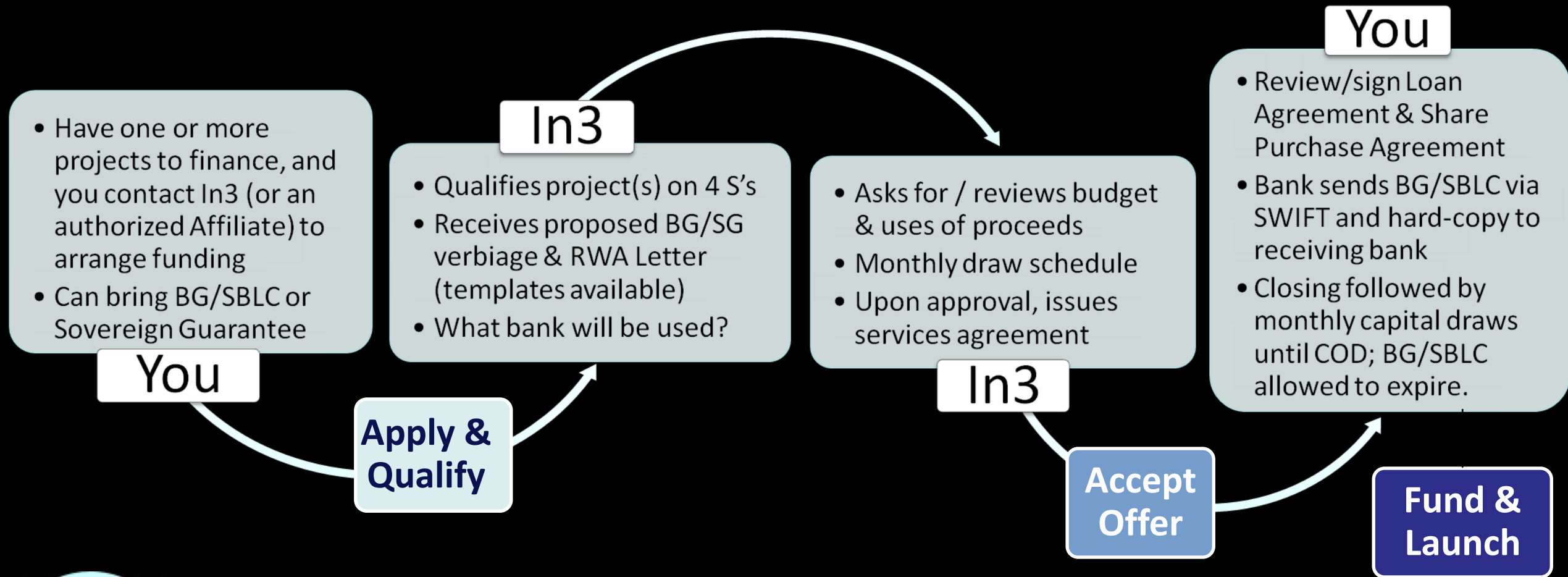


# Summary of three CGP stages/gates



Request our recorded or live, animated, step-wise explainer video

# CGP Procedure Flow Recap with Stages/Gates



PROCEDURES  
& PROTOCOLS

[Download Complete Roadmap](#) (1-page PDF) provides step-wise protocol

# Pre-qualification Exercise

- See our **Proposal Builder** (a pitch “kit”) [In3Finance.com/product/CGP-package](https://In3Finance.com/product/CGP-package)



With a bank’s draft **RWA Letter**.  
See basic info requirements at [in3capital.net/getting-started](https://in3capital.net/getting-started)  
via this qualification [worksheet](#)

  
**Project Pre-qualification Worksheet**

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If you are certain your project meets our terms & conditions, proceed to [In3finance.com/intake](https://In3finance.com/intake)

**Project Contact Information**

1. Developer Name: First: \_\_\_\_\_ Last: \_\_\_\_\_  
2. Title: \_\_\_\_\_  
3. Email address: \_\_\_\_\_  
4. Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_  
5. Company Name (Country): \_\_\_\_\_  
6. Name of In3 Affiliate (if any): \_\_\_\_\_

**Profile**

7. Type of Project (solar, housing, etc.): \_\_\_\_\_  
8. Project Host Country: \_\_\_\_\_  
9. Type of Capital Sought (equity, debt, both): \_\_\_\_\_  
10. Total Budget (US\$ or €): \_\_\_\_\_; Total Required Capital: \_\_\_\_\_

TEMPLATES &  
RESOURCES



1. [Intro blog article about “Why CGP” – goals, etc](#)
2. [Why Capital Guarantees are key to success](#)
3. Full library of [resource articles & materials](#)

# In3 Capital Group Management Team



**Daniel N. Robin**, In3 founder & managing partner (CA HQ), with more than two decades experience in venture capital, private equity, infrastructure project finance, bankability and risk assessment, impact investing, financial modeling, cleantech commercialization and startups, innovation for impact, teaching, coaching, speaking, consulting and facilitation.

**Ryan Sarnataro**, Sr. Financial Analyst (CA HQ), 30 years experience in finance & operations management in industries ranging from organic agriculture/food to fiber to fuels. Adept with startups, governance, financial modeling, strategic & business planning.



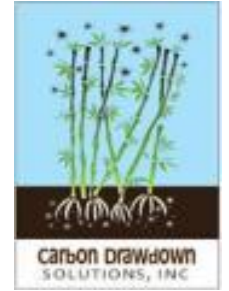
**David Worrell**, Chief Financial Officer, excels at venture fund formation, project finance & management, financial & market analysis, sales, accounting, bookkeeping, financial modeling, and business model innovation. Based in Charlotte, North Carolina.

**Dustin Jolley, PE**, technical director, has over 15 years experience as a Civil/Environmental Engineer and has dedicated his career to the advancement of renewable energy and sustainable development. Owner's engineering, EPC function, and more than 1,200 MW (1.2GW) utility-scale renewables generation assets installed to date just in the US.



**Lana Sukhodolska**, European Operations Director (Denmark) has extensive experience in business development, strategy, partnerships, structuring, venture and project financing, due diligence (technology, financing and structuring), modelling and analysis within renewable energy and infrastructure.

# In<sup>3</sup> CAPITAL PARTNERS Sample Clients & Portfolio Companies



# Capital/Loan Guarantee Example

## EPC firm provides Bank Guarantee fee



A utility-scale (100MW) solar/PV project developer working in the Philippines with a BOT agreement borrowed the funds used for a top international bank to issue a Bank Guarantee (BG) for the project. The company used a promissory note that obligated them to hire the EPC firm for their services, enabling this well-established firm to establish a presence in the Philippines market.

Following a site visit by the investment underwriters, a party affiliated with the EPC transferred funds to the company's bank account, who in turn relayed the funds to the SPV's bank that was selected to block and issue a BG equal to half of the project budget. The BG was preceded by an RWA (ready, willing and able) letter from the London bank then sent via customary SWIFT MT-799 and MT-760 to the investor's bank in the USA.

The promissory note was repaid upon first draw following financial closing, 60 days later.

NOTE: This arrangement proved necessary to complete the project's development, including geotechnical study of the site, obtaining final signatures on the interconnection agreement with the authorities having jurisdiction, and enabling deposits for the equipment order required to commence construction once the site was prepared.



# Capital/Loan Guarantee Example in depth

## General Contractor provides Bank Guarantee



A hotel developer working in Bangladesh selected a well-established General Contractor to build the project, and asked this firm's senior management if they might be willing to offer a direct Bank Guarantee (BG) to accelerate the project and ensure payment.

Upon accepting this proposal, which included a completion bonus to the EPC for on-time completion, the developer contacted In3 to ensure the bank was large enough, and itself creditworthy, and that the BG language and stated beneficiary would be workable.

Following a site visit by the underwriters, the EPC's bank used their customer's long-term asset account to block and send, via SWIFT MT-760, a BG equivalent to the amount of the project's financing to the investor's bank in the USA.

This arrangement enabled expedited, guaranteed funding for the construction project, reliably delivered through In3Capital's partners, at quite favorable terms for the developer.

The project was completed in less than 24 months, and the assets underlying the BG released. The EPC received final payment, plus bonus, immediately after the hotel's commissioning.



# What determines the equity stake?

1. **80-100% LTF or more “leveraged” BG/SBLC?**
2. **Quality of guarantee instrument and size/rating of bank**
3. **Project profitability ...** but still a minority stake even if low IRRs
4. **Other factors may play in, but the most influential is #1, above**
  1. If In3 actively co-develops the project for a fee and/or an equity stake
  2. If the developer is open to selling a majority stake (buyout upon COD)
  3. Risk/reward via “risk capital” – if project is still in development stage.

The equity stake depends on a **cocktail** of factors and is thus always negotiated, case-by-case, after due diligence.

# Frequently Asked Questions to help you decide

What if the developer/owner/promoter does not have the balance sheet depth, or available seed money, to obtain a capital guarantee?

What does the Capital Guarantee cover? What purpose does it serve? How is it used?

Where does the money come from?

How do invested/loaned funds get paid out?

How can the capital guarantee (BG/SBLC) be used?

What reassurance is there that the BG/SBLC, once sent, will not be misused, called or cashed in?

What are your investment terms & conditions?

Under what circumstances would the BG/SBLC be called?



# Summary of CGP funding benefits & advantages

Feature	Advantage	Benefit to Developer
<p><b>Pre-qualification leads to closing within 2-4 week;</b> once guarantee is in place, all funding is guaranteed.</p>	<p><b>Accelerated financing</b> at advantageous terms. Most other investors are either fast/expensive, or slow/cheap; here it is both <u>fast</u> and at <u>favorable terms</u>.</p>	<p><b>Faster closing</b>, initial draws in 30-45 days via locked monthly schedule.</p>
<p><b>Capital guarantee acts as credit enhancement</b> ... a form of collateral, and mutual surety of completion. Leaves the BG/SG asset untouched.</p>	<p><b>Can finance 100% of project even if developer has no remaining unexpended cash to take on a meaningful share of the risks.</b> If guarantee uses another party's assets, transfers risk to that party during construction.</p>	<p><b>Leverage</b> ... “move mountains” with little or no effort or investment of cash resources.</p>
<p><b>Mezzanine, not Senior Debt;</b> modest equity stake, negotiated upon completion of due diligence</p>	<p><b>3% fixed APR</b>, no lien against assets, usually a minority equity interest (compare to other sources of 100% financing), no upfront costs, streamlined closings.</p>	<p><b>Inexpensive</b>, saves time and money, lowering the overall cost of capital</p>
<p><b>Flexible capital</b> can accommodate any stage, size (above \$25m), almost any location, industry (so long as it does no environmental or social harm), length of financing.</p>	<p><b>Simplifies and streamlines due diligence.</b> Eliminates the need for elaborate vetting, onerous demands for further risk mitigation (and waiting or “sidelining” until satisfied, or imposing CPs or loan covenant restrictions), and/or risk-adjusted (often usury) expectations for control or financial returns.</p>	<p><b>Better, easier</b>, one-stop-shop for funding. <b>Avoids stress and hassles.</b> <b>Frees up the developer</b> – stop doing fundraising to focus on core business.</p>

Capital Guarantee Program™

# Developer Briefing

## Cleantech Infrastructure & Impact Project Finance



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at

[in3capital.net/rain](https://in3capital.net/rain)

**Make it RAIN™** with our free  
financeability assessment

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