



ELF

EQUITY LENDING FACILITY

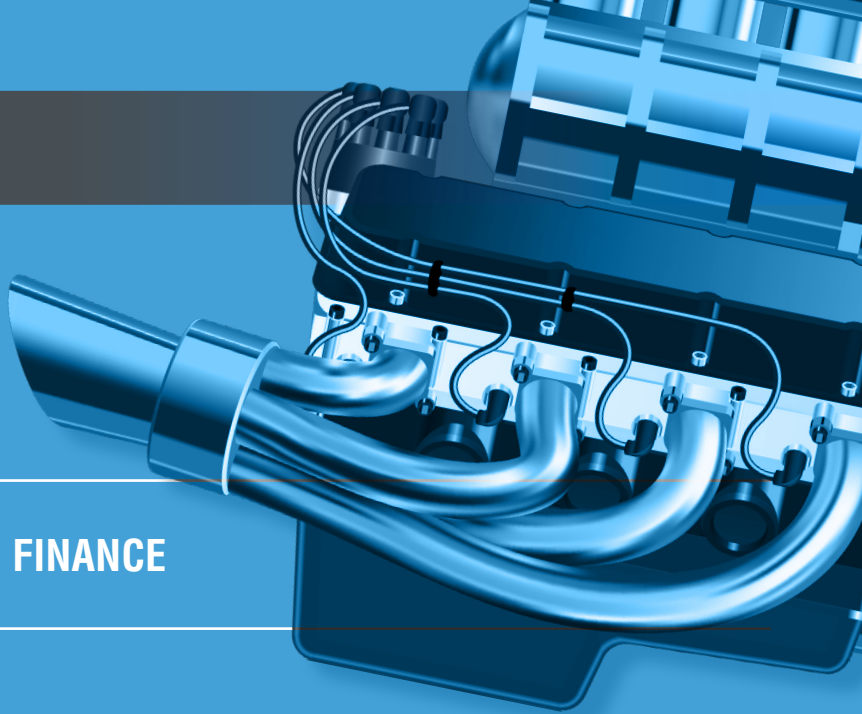
AUSTRALIA'S ANSWER TO VENTURE FINANCE

WHAT IS ELF?

An Equity Lending Facility (ELF) is a unique finance offering that can support most capital raising initiatives.

ELF is a bolt-on solution that supercharges conventional capital raising initiatives.

ELF is particularly suited to high-growth companies who are raising risk capital.



ALL COMPANIES RAISING \$5M+

Listed and unlisted companies
Options Exercise, Placements,
IPO, Project Finance



FINANCES STRATEGIC BUDGET

Unlocks in equity value as company milestones are met
Reduces need to go back to market



ELF INCENTIVISES THE CASHFLOWS

Incentives for early cash co-contribution
Incentives for prepayment of interest



IMPROVES ISSUER CONTROLS

Adjustable recourse lending
Ability to buy back or cancel stock
Ability to call in loans



IMPROVES THE SUCCESS OF CAPITAL RAISING

Available to current and new investors
Attracts investors with adjustable recourse facility
Increased investor appetite using leverage



LOW COST OF IMPLEMENTATION

Typically less than 5% of capital raised by ELF

TAKING BACK CONTROL OF YOUR CAPITAL MANAGEMENT STRATEGY



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KEY BENEFITS

- Supports tight capital raising timeframes
- Increases capital raised, reducing need to go back to market
- Finances growth with minimal disruption to business activities
- Optimising cost of capital and dilution

POTENTIAL MARKET

US VC industry was

\$27B last **12** months

US Venture debt was

\$3.9B last **12** months

AUS VC industry

\$2.6BN last **12** months

2033, tech start up expected to contribute

4% to **GDP** 100,000's jobs

- Improves company controls insides existing broker relationships
- Unique downside risk tools available
- Leverages conventional capital raising methods (IPO, Options, Placements, SPV)
- Structured with all stakeholders' interests in mind

ELF IS BOLT-ON FINANCING WITH A LOW IMPLEMENTATION COST



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HOW ELF WORKS?

ELF is simple to set up, with an end-to-end process managed by ECT Finance.

1

ECTF TO REVIEW YOUR CURRENT OR PROPOSED CAPITAL RAISING INITIATIVE

ECT Finance will review the applicability of ELF to your current or proposed offer (Options Exercise, Placements, IPO, Project Finance).

2

ELF TERM SHEET

ECTF will disclose key terms to issuer of an ELF.

3

ANNOUNCE ELF PROGRAMME

ECTF will co-ordinate the end-to-end application process, from initial enquiry to final approval, including all corporate requirements and training required. ECTF will provide an online software package for this process.

4

CLOSE ELF PROGRAMME

Shares allotted to approved applicants. Charge is placed over Mortgaged Shares. Loan and Security Agreements issued to ELF Borrowers.

5

LOANS MANAGEMENT

ELF Manager manages loans through to expiry, portfolio reporting, interest payable schedules, interest reconciliation, default management, release of security, liquidation of securities and loan repayment.



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COMPLETED ELF TRANSACTION

- > 250 individual loans issued at ~\$14M for ASX-listed company
- Underpinned stability of market pricing of underlying securities.
- Supported uptake of >95% of offer.
- ELF Borrowers have up to 3 years to repay their loans from Loan Drawdown, with flexible interest payments, including prepaid, arrears, or capitalised interest.
- ELF Borrowers have the ability to prepay their ELF in full, prior to expiry, providing further early capital support to Issuer.
- The company now has access to ~\$14M in capital it otherwise would have to go back to market for.
- The company will also earn interest income from ELF Borrowers at attractive rates, with reduced interest rates available to ELF Borrowers that prepay interest, providing further early cashflows to the company.
- ELF mitigates downside risk to the investor.
- The company also has the ability to liquidate security positions, or buy back and cancel shares that are not paid for in full by the ELF Borrower.
- Application process closed within one month.

Currently Assessing > \$200M in deals across

- Pre-IPO's
- Private equity projects
- IPO's
- Early Stage Innovation Projects

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