



## ELEMENTAL BROTHERS INFORMATION LEAFLET AND PROCEDURE LIST

### INTRODUCTION

**Elemental Brothers Ltd.** (EB) was founded in 2017 by Szabolcs Németh and Márton Hodnics, who collectively spent nearly two decades in international finance. Drawing upon their extensive experience, they devised a unique investment structure that has proven successful in their current venture, **Elemental Brothers Ltd.**, operating under the **Elemental Brothers brand**.

### ABOUT EB

EB is a group with Hungarian ownership that has been active in international financing for over seven years. Their primary focus is on greenfield and existing projects, regardless of the sector. Their typical investment structure involves up to 35% equity and 65% shareholder loans.

### INVESTMENT PORTFOLIO

Elemental Brothers Ltd. maintains a diverse portfolio without specific sector restrictions. The company is interested in projects ranging from **EUR 2,5 million to EUR 300 million**.

### INTRODUCTION

Dear Future Partner, I would like to welcome you to the circle of successful people that reached success with the help of EB. We are specialized in 100% project funding by providing a combination of debt and equity. Most sectors are interesting for us, as we are not providing technical help, nor we are willing to tell you how to run your business. We are seeking for opportunities, that we can help to grow, that we can grow with. For that reason any project that's capable to produce good revenues on the side of making prompt repayments on the debt provided by us.

Please, note, we are direct investors not a brokerage firm, nor consultants. We work with trusted third party experts to complete preparation work for us, and we expect you to provide us but we are investors, and facilitators.

Elemental Brothers Ltd. currently operates as a company registered in the United Arab Emirates, placing investments on behalf of Dubai-based private individuals and family offices. In contrast, Elemental Brothers Ltd. Kft. is registered in Hungary and is involved in European acquisitions. We handle our clients' information with the highest level of discretion. Should you consider making investments yourself in the future, we would be pleased to support you in that as well.

### APPLICATION

You need to send us a completed **EB Application Form**. Please, also attach an **Project Summary** and a cover letter to introduce your project and explain what type of funding you'd prefer to receive. If you have a full investment package, please, send that too. Once we received your full application we'll review your submissions. Typically we revert to you with an offer within 48-72 hours, or let you know if we can't help.

### LETTER OF INTENT

If your application was successful we can issue you with a **Letter of Intent (LOI)**. That will contain an offer for interest rate, a debt-equity ratio we'd like to provide you with, any grace period we'd like to offer and other basic terms. If you are happy with those, please return the LOI signed.

"Elemental Brothers Limited" AJMAN INTERNATIONAL BUSINESS COMPANY

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## MANDATE

If the LOI is accepted, we kindly ask you to conclude the intermediary agreement – referred to as the **Mandate Agreement**. This agreement is signed with **Elemental Brothers Ltd. Kft.**, our Hungarian entity representing our Dubai-based company in Europe. This company will assist you in preparing your project throughout the process to ensure it successfully passes the due diligence phase without any issues.

## INVESTMENT MEETING

We welcome you at one of our **virtual offices (Zoom conference)**. The meeting provides us with the opportunity getting to know you better, and your project. It is a very important cornerstone, since we're not just meeting a client, but a future business partner. Here you also have the opportunity getting to know us, and ask any questions or make suggestions.

## FORMAL INVESTMENT PROPOSAL

When it reaches this stage, we will issue a memorandum called a **Formal Investment Proposal**. This document sets out all final agreements and formally confirms all remaining terms. Our offer is also complete and we could comfortably say there is no going back from here. Funding at this stage is fully prepared under commonly agreed conditions. The **Investor Roundtable (CI) designates the audit firm** that conducts a full review of the project.

## DUE DILIGENCE

You and our company will also incur preliminary expenses in connection with the financing of your project. Of these, the Due Diligence item is the one that requires prior financial settlement from you, the amount of which can be refunded later in the project costs. Due Diligence is performed with the involvement of external third party independent experts. Once reports are completed, EB will evaluate them and revert to you with the final outcome. Based on the outcome EB is going to make a final decision.

## FINAL DECISION

EB will make an investment decision, taking into account all communications, reports received from third party experts and your verbal and written explanations. We expect all those to be in line, and normally at this stage we should be able to sign a final syndicate agreement with you, and disperse funds as and when agreed. Of course not all due diligence reports are as good as applicants expect them to be. Typically the experts would also come up with suggestions, if for some reason the project wouldn't pass due diligence. If their requirements still can be met following amendments, we'll possibly come up with a new offer considering the identified risk and try to find a solution. We however expect due diligence to confirm initial client statements, and not on the contrary.

## DISPERSEMENTS

On positive due diligence report we'll disperse funds according to the agreed drawdown schedule.

## TIME FRAME

We aim to complete every single deal as soon as possible, but it's important to note, our procedures never take long. EB typically uses 3-4 for weeks for it's own internal analysis, legal and banking procedures. Time consuming actions are due diligence provided by third party experts, and applicants to supply the expected written materials. Therefore, we typically indicate 120 days for completions, and don't ever promise contractually less.

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## CLOSING

We trust our procedures are easy to understand. Please, feel free to contact if you have any questions. We are looking forward to invest in your lucrative opportunity.

## STEP BY STEP

With the step-by-step process description below, we want to help the Applicant make the processes and steps used by the EB clear and unambiguous.

## PROPOSAL:5 DAYS

1. Signing of NDA.
2. Submission of **Application Form + Project Summary** to EB.
3. If EB accepts, they will issue a **Letter Of Intent (LOI)**.
4. The client has **5 days to accept and return the signed LOI and EB ID Form**.
5. The Client shall enter into a **Mandate Agreement** with Elemental Brothers Ltd. Kft., the Hungarian entity of Elemental Brothers,
6. After returning the **LOI and Mandate Agreement**, EB would like to introduce themselves and get to know the client via a **Zoom conference**.
7. After the Zoom conference, if both EB/Client decide to proceed, based on the LOI, EB will prepare the Formal Investment Agreement and send it to the client.

## CONTRACT SIGNING:10 DAYS

8. The client has **10 days to accept the Formal Investment Agreement**. If accepted, EB will send one copy electronically signed on their end, which the client can also sign electronically.

## DUE DILIGENCE:120 DAYS

9. EB prepares the **Due Diligence Mandate Agreement** and sends it to the client.
10. The client has **5 days to sign and return it**.
11. EB issues the **Due Diligence invoice**, which the client must transfer within 5 days.
12. EB **opens a data room** for the client, where materials needed for the DD must be uploaded in English.
13. The external **DD team contacts the client**, asking questions related to the project.
14. The DD team delivers the investigation reports to **EB within 90 days**, which EB then sends to the client.
15. The **DD was successful**.

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## FINAL PHASE

16. EB makes a **personal visit to the client**.
17. EB **selects its local representative**, typically an auditing firm.
18. In accordance with the agreement (typically 35%), EB purchases the agreed percentage of the client's company, involving a local law firm, and **transfers the equity portion mentioned** in the contract to the client's bank account as a purchase price.
19. Upon completion of the company registration, EB **transfers** the remaining 65% as a **member loan** to the client's account, in accordance with the drawdown schedule approved by the due diligence.
20. The transaction **is concluded**.