

McKinley InfoSys Presents

PROJECT FUNDING

McKinley PROJECT FUNDING PROGRAM • 2025



2025 PROJECT FUNDING

Your Partner in Stability and Transparency

McKinley InfoSys (McKinley) offers tailored project funding (PF) solutions built on trust and expertise for clients aiming to execute projects globally. Even in an increasingly regulated global financial environment, we provide stable and transparent funding methods that help turn your vision into reality and support the successful completion of your projects.

Our top priority is realizing our clients' visions and achieving mutual growth through collaboration. Every challenge and goal our clients face is both a new opportunity and a shared responsibility for us. At McKinley, we are committed to driving the success of your projects through rigorous risk management, financial transparency, and a world-class network.

If you are looking for a reliable and steadfast partner, McKinley is the answer. Your goals are our goals, and we are here to help turn your vision into reality. Let's achieve success together.

A. PROJECT FUNDING GUIDE

Supporting Global Project Success with Tailored Solutions

Program Overview

McKinley provides a comprehensive project funding (PF) loan program for projects ranging from **\$500 million to \$10 billion**. This program is optimized to support clients' project success with transparent and reliable funding solutions that align with enhanced global financial regulations.

Key Features of the PF Loan Program

1. Client-Centric Program Structure

- 1) **Clear Approach:** Clients directly present their projects, and during the initial agreement phase, define the purpose of funding, revenue structure, and distribution plans in detail.
- 2) **Trust-Based Program:** To maximize funding efficiency and reliability, McKinley collaborates with top European insurers and leading global banks, aiming for full investment in client projects.

2. Enhanced Financial Transparency and Reliability

- 1) **Compliance with Regulations:** All financial flows adhere to international Anti-Money Laundering (AML) standards and financial laws.

- 2) **Comprehensive Financial Tools:** By integrating project insurance, SPV establishment, and proprietary funding programs, McKinley ensures stability throughout the entire project lifecycle.
- 3) **End-to-End Support:** From funding to successful project completion, McKinley provides consistent management and execution support.

3. Stable Project Funding

- 1) **Comprehensive Investment:** McKinley is capable of fully investing in clients' projects, utilizing equity-based loan investments and repayment structures tailored to client needs.
- 2) **Flexible Terms:** Loan investment equity and repayment amounts are determined through mutual agreement, prioritizing client choices as a guiding principle.
- 3) **Post-Completion Options:** Upon project completion, clients may fully repay the investment loan or convert repayment amounts into additional project equity, fostering long-term partnerships.

B. PROGRAM PROCESS

McKinley provides guaranteed funding through a straightforward and efficient process.

① Project Application

- 1) Clients submit projects for preliminary review and due diligence in collaboration with McKinley.
- 2) Project structures and funding requirements are discussed in detail.
- 3) **Feasibility studies (FS)** by reputable firms such as PWC, Deloitte, or KPMG are preferred. Financial modeling and validation reports are also required, for which McKinley's local offices offer professional consulting services.

② Cost Assessment and Surety Bond

- 1) **Structured Funding with Surety Bond Backing**
The specific funding for PF is calculated based on the value of the project, which requires investigation and due diligence by top global insurance companies. As a condition for mitigating the risks of project funding, a **surety bond** guaranteeing performance obligations and funding risks based on the project's value is essential.

2) Surety-Backed Deposit Model for Full Funding Access

In certain high-value infrastructure and development projects, McKinley InfoSys facilitates funding structures through a **deposit-backed surety mechanism**, where the project sponsor provides a **short-term refundable deposit** equivalent to a **small percentage (typically under 10%) of the project's total value**.

This deposit is held for a limited period of 3 to 4 months and serves as a **performance assurance**, enabling the issuance of a surety bond that underwrites the funding risk. Once the bond is in place, the **full project funding (up to 100% of the required amount)** is released in accordance with the disbursement schedule aligned with the project timeline.

- The **initial deposit is fully refundable** upon successful fund disbursement.
- If funding is not executed due to underwriting or compliance failure, the deposit is **not retained**, and full restitution is provided as per the contractual agreement.
- This model ensures that both the project's viability and the sponsor's credibility are secured through **risk-sharing** and **performance-backed capital protection**.

This approach is particularly effective for sponsors who require full funding while minimizing upfront exposure, and offers strong protection to both investors and insurers by anchoring commitment through verified risk instruments.

③ Project Funding

Project funding is a critical element for the successful completion of a project, requiring a clear design of execution methods and investment structures. Below is a detailed explanation:

1) Guaranteed Project Funding

- a. The necessary funds for the project are guaranteed in advance under contractual conditions and disbursed incrementally according to the project's progress schedule.
- b. This minimizes risks associated with delays or funding shortages, enabling clients to proceed with confidence.
- c. For instance, in construction projects, funding can be disbursed at each key stage (e.g., groundwork, structural completion, installation of facilities).

2) Currency

- a. Funds are primarily provided in **USD (U.S. Dollar)** and **Euro**, leveraging the stability and reliability of major global currencies to reduce foreign exchange risks.
- b. If required by specific regions, there is an option to convert the funds into the local currency for payment.

3) Investment Structure

a. Loan Investment

- Project funding is provided in the form of a loan and is recovered based on the agreed interest rate and repayment terms.
- This method effectively reduces project risks and alleviates the initial financial burden on investors.

b. Equity Conversion

- Under certain conditions, the loan investment can be converted into project ownership (equity).
- This allows investors to participate in the long-term profits of the project's success. For example, if a project generates higher-than-expected revenue or is completed without additional funding, loans can be converted into equity for greater returns.

4 Establishment and Management of Special Purpose Vehicles (SPV)

A Special Purpose Vehicle (SPV) is an independent entity established to efficiently and transparently manage the funding and operation of a project. The details are as follows:

1) Purpose of SPV Establishment:

- Transparency in Fund Management:** SPVs are created to manage project funds exclusively, ensuring that the funds are used solely for purposes related to the project.
- Risk Segregation:** SPVs protect project assets from financial risks that may arise from the parent company or the client's other businesses.
- Separation of Legal Liability:** In the event of project failure, SPVs can limit losses, providing a legal shield for both investors and clients.

2) Fund Management Between McKinley and Clients:

- The SPV is jointly established by McKinley and the client, with funds managed according to mutually agreed terms.
- Joint Management:** All fund flows are subject to approval from both parties, enhancing the clarity and reliability of project expenses.
- Operational Standards:** SPVs operate in compliance with international financial regulations and accounting standards, preventing illegal or inefficient fund usage.

3) Periodic External Audits:

- SPVs undergo regular reviews by independent external audit agencies to maintain transparency and reliability.

b. **Roles of the Audit:**

- **Verification of Fund Flow:** Ensures funds are used according to contractual terms.
 - **Performance Reporting:** Provides transparent reports on project progress and financial performance.
- c. This allows both investors and clients to receive clear information on the project's status continuously.

4) **Additional Management Factors:**

- a. **Regulatory Compliance:** SPVs must comply with all legal and financial regulations of the respective country or region.
- b. **Enhanced Accountability:** All key decisions within the SPV are made through mutual agreement between McKinley and the client, avoiding unnecessary conflicts and maintaining trust.

C. Customer Benefits

Stable Investment Structure and Broad Choices

In situations where project funding and management are critical factors, the benefits experienced by customers can be reinforced as follows:

1. Stable and Transparent Funding

- 1) **Comprehensive Financial Support:** Customers can stably secure the necessary funds throughout the project with guaranteed project funding. This ensures that funds are disbursed sequentially according to the project schedule, significantly reducing risks of delays caused by a lack of funds.
 - **Reduced Investment Burden for Customers:** The initial investment burden is alleviated, and funds are efficiently allocated according to the required timeline, optimizing cash flow.
- 2) **Transparent Fund Management:** Project funds are managed by a **Special Purpose Vehicle (SPV)**, jointly overseen by the customer and McKinley. This enhances **transparency and accountability** in fund operations. All fund flows are clearly and accurately tracked through periodic external audits and reporting procedures.
 - This provides customers with clear information about how funds are utilized, alleviating unnecessary concerns.

2. Assured Investment Returns

- 1) **Protection of Project Ownership:** Upon program completion, customers maintain full ownership of the project, ensuring they benefit from the project's long-term success.
 - Depending on the project's nature and its long-term profitability structure, clients have the option to **convert loan repayments into equity shares**. This approach allows initial capital to be provided as a loan, with the flexibility to transition into equity as the business progresses. This model offers clients a more lucrative return structure for their business, enhancing collaboration and creating stronger synergies with investors as the project develops.
- 2) **Enhanced Stability Over Traditional Investment Methods:** By minimizing the risks typically associated with conventional investments, this approach offers customers more stable and predictable returns. This is achieved through risk segregation via SPV establishment and management, ensuring that funds are utilized precisely for their intended purposes.
 - Additionally, transparent cash flow management through the SPV and periodic audits provide customers with confidence in the security and reliability of their business returns.

3. Tailored Support Services

- 1) **Customers receive McKinley's professional support throughout every stage, from the initial project design to the final execution.**
 - McKinley and the customer collaborate on all phases, including SPV establishment and operations, funding and financial management, contract performance guarantees, and risk management, ensuring the project progresses in the most optimal way.
 - By providing customized designs and solutions tailored to the customer's specific needs and business goals, McKinley delivers results that precisely align with what the customer desires.
- 2) **Professional Management and Execution:** Continuous expert management and support ensure the project proceeds as planned. This allows customers to execute their projects more efficiently and effectively while anticipating and mitigating potential risks in advance.
 - Through tools like **Surety Bonds**, regular external audits, and transparent cash flow management, customers can confidently manage their funds and ensure reliable project execution.

Inquiries and Consultation

For more information about project funding or additional questions, please get in touch with us through the details below.

- **Email** PF@themckinley.com
- **North America** peter.streit@themckinley.com
- **Europe/ India/ Africa** heike@themckinley.com
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McKinley is your trusted partner in bringing your project to success.
Together, let's shape the future!

PF Program Procedure • Speps and details

SPEP	DETAILS
❶ Project Application	<ol style="list-style-type: none"> 1) When a customer submits a project, McKinley collaborates to conduct an initial review and due diligence. 2) Discuss detailed aspects of the project structure and funding scale. 3) Prepare an FS (Feasibility Study) report with professional firms such as PWC, Deloitte, or KPMG to assess project feasibility. 4) Draft a financial report for financial modeling and investment verification. 5) Provide paid consulting services through McKinley's local office to prepare project funding materials..
❷ Project Cost Estimation & Surety Bond	<ol style="list-style-type: none"> 1) Project funding is estimated based on project value and requires due diligence from top global insurance companies. 2) Mitigate risks in funding and ensure contract performance through a surety bond. 3) McKinley collaborates with Allianz Insurance SE, Lloyd's, and other top 10 global insurers to finalize project insurance contracts, or, use of refundable deposit as performance commitment to trigger bond issuance and unlock full PF. 4) Partner with a group of expert lawyers and PF (Project Finance) facilitating groups to support project funding.
❸ Project Funding	<ol style="list-style-type: none"> 1) Guaranteed Funding: Funds are allocated in phases per contract terms, minimizing delays and funding shortages. 2) Currency: Primarily USD and Euro, with the option to convert to specific regional currencies if needed. 3) Investment Structure: <ol style="list-style-type: none"> a. Loan Investment: Funds are recovered based on interest rates and repayment terms. b. Equity Conversion: Loan investments can be converted into equity to participate in profits generated by long-term project success.
❹ SPV Setup & Management	<ol style="list-style-type: none"> 1) Purpose of SPV Setup: <ol style="list-style-type: none"> a. Ensure transparency in fund management. b. Risk segregation and separation of legal liabilities. 2) Fund Management Between McKinley and the Customer: <ol style="list-style-type: none"> a. Joint management of funds based on mutually agreed terms. b. Operate under international financial regulations and accounting standards. 3) Periodic External Audits: <ol style="list-style-type: none"> a. Prepare reports on fund flow and project performance. b. Provide clear information to investors and customers. 4) Additional Management Elements: <ol style="list-style-type: none"> a. Ensure compliance with regulations and enhance accountability.



McKinley's PF Program Partner Companies Listing

Project Insurance Specialty Companies

Global Top 10 Companies

Feasibility Studies Specialty Companies

Global Top 10 Companies

Project Insurance Specialty Companies

Global Insurance Companies Partnered with Us for Project Insurance

The top 10 global project insurance companies specialize in financing protection and risk management for large-scale infrastructure, energy, construction, and other projects. These insurers provide project insurance worldwide based on reliability and financial stability.

1. Allianz SE (Germany)

- **Services:** One of the largest insurers globally, specializing in project insurance, construction insurance, and energy insurance.
- **Features:** Provides project risk mitigation and financial guarantee solutions.
- **Homepage:** www.allianz.com

2. AXA (France)

- **Services:** A leading global provider of project and infrastructure insurance.
- **Features:** Specializes in renewable energy and large-scale construction projects.
- **Homepage:** www.axa.com

3. Zurich Insurance Group (Swiss)

- **Services:** Provides comprehensive insurance including project risk management and financial guarantees.
- **Features:** Global insurance network with services available on all continents.
- **Homepage:** www.zurich.com

4. Munich Re (Germany)

- **Services:** One of the largest reinsurance companies globally, providing project risk assessment and guarantees.
- **Features:** Customizes insurance products for complex projects..
- **Homepage:** www.munichre.com

5. Lloyd's of London (UK)

- **Services:** Offers customized insurance for projects through a network of various insurance partners.

- **Features:** Strong presence in large-scale construction and energy projects.
- **Homepage:** www.lloyds.com

6. AIG (American International Group, USA)

- **Services:** High expertise in large projects and international business insurance.
- **Features:** Strong presence in the U.S. and Asian markets.
- **Homepage:** www.aig.com

7. Berkshire Hathaway Specialty Insurance (USA)

- **Services:** Specializes in managing large-scale project and construction risks.
- **Features:** Provides substantial financial resources and a global network.
- **Homepage:** www.bhspecialty.com

8. Chubb Limited (Swiss)

- **Services:** One of the largest commercial insurers globally
- **Features:** Specializes in insurance products for construction, energy, and manufacturing..
- **Homepage:** www.chubb.com

9. Tokio Marine HCC (Japan)

- **Services:** Strong presence in the Asian market, offering global project risk coverage.
- **Features:** Expertise in construction and energy project insurance.
- **Homepage:** www.tokiomarinehcc.com

10. Swiss Re (Swiss)

- **Services:** Global reinsurance and large-scale project financial risk management.
- **Features:** Supports technological innovation and sustainable projects.
- **Homepage:** www.swissre.com

Selection Criteria

These companies offer customized insurance products based on project size, location, and industry. It is important to select a company that matches the required insurance coverage and regional needs for McKinley InfoSys's projects.

Reference Material ②

Feasibility Study Specialty Companies

Companies that specialize in providing FS (Feasibility Study) reports operate in various fields, primarily specializing in engineering, consulting, finance, and investment advisory. Below are key global companies that can assist in preparing FS reports.

Global FS Report Preparation Companies

1. PwC (PricewaterhouseCoopers)

- **Service:** Business feasibility studies, market analysis, financial modeling, and investment planning.
- **Features:** Provides professional FS reports for various industrial projects based on a global consulting network.
- **Homepage:** www.pwc.com

2. McKinsey & Company

- **Service:** Project feasibility reviews, business strategy, and operational optimization.
- **Features:** Provides in-depth analysis of large industrial and technology-based projects.
- **Homepage:** www.mckinsey.com

3. Deloitte

- **Services:** Feasibility studies, project financing strategies, risk analysis, and investment optimization.
- **Features:** Strong experience in global finance and infrastructure projects.
- **Homepage:** www.deloitte.com

4. Ernst & Young (EY)

- **Services:** Market research, feasibility analysis, financial review, and investment evaluation.
- **Features:** Strong in financial and market data analysis, supporting projects from the initial stage to execution.
- **Homepage:** www.ey.com

5. KPMG

- **Services:** Large-scale project feasibility studies, financial modeling, and investment validation.
 - **Features:** Specializes in FS reports for finance, real estate, and energy projects
 - **Homepage:** www.kpmg.com
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Specialized Engineering and Industrial Consulting Companies

6. Bechtel Corporation

- **Services:** Feasibility studies and design support for construction and large-scale infrastructure projects.
- **Features:** Strong in energy, infrastructure, and transportation sectors.
- **Homepage:** www.bechtel.com

7. Worley

- **Services:** Technical and economic feasibility analysis for energy and resource projects.
- **Features:** Specializes in sustainability and energy projects.
- **Homepage:** www.worley.com

8. AECOM

- **Services:** Feasibility studies and design for infrastructure and urban development projects.
 - **Features:** Expertise in environmental analysis and renewable energy projects.
 - **Homepage:** www.aecom.com
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Specialized Investment and Financial Consulting Companies

9. Lazard

- **Services:** Investment advisory and FS report preparation for large-scale infrastructure and financial projects.
- **Features:** Advanced investment strategies and financing consulting.
- **Homepage:** www.lazard.com

10. Roland Berger

- **Services:** Feasibility studies, investment analysis, and strategic consulting.
- **Features:** Strong presence and project experience in European and Asian markets.
- **Homepage:** www.rolandberger.com

Additionally, FS reports can be prepared using region-based consulting companies or expert groups specialized in specific industries. It is important to select the right company based on the project's industry and regional requirements.



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Together, we build visionary futures with transparency and trust.