

CONFIDENTIAL

Private Placement Memorandum - Green Fortress Engineering

including

Business plan

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Introduction

Restrictions

How this document should be used

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS, YOU SHOULD IMMEDIATELY CONSULT AN AUTHORISED FINANCIAL ADVISOR.

Jurisdictions

This Private Placement Memorandum is not an offer to sell securities and is not the solicitation of an offer to buy securities in any jurisdiction where the offer or sale of the securities described herein (the “Securities”) is not permitted. In particular sale of the Securities has not been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”) or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Australia, Canada, Japan or Russian Federation and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) or to any national, or resident of Australia, Canada, Japan or Russian Federation. In the EU the Memorandum is being distributed only to and is directed only at persons to whom it may lawfully be communicated.

The offering of the Securities in any member state of the European Economic Area which has implemented the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 on the prospectus to be published when Securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (the “Prospectus Directive”), as amended by Directive 2010/73/EU, is made through a private placement and does not qualify as a public offering, in the meaning of the Prospectus Directive, since the Securities have a denomination of EUR 150,000 per Security and since the minimum subscription amount per investor is EUR 150,000.

Commented [PS1]: This version was prepared for EU investors into an EU branch of GFE. This language will need to be modified for operation of GFE in the US.

This Private Placement Memorandum and any other offering material relating to the Securities have been prepared on the basis that all offers in any Member State of the European Economic Area (the "EEA") which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities.

The Private Placement Memorandum does not constitute a prospectus within the meaning of Directive 2003/71/EC of 4 November 2003 (as amended by Directive 2010/73/EC of 24 November 2010) and the corresponding national implementation legislation in the laws of any EU country and therefore has not been approved by any EU state financial supervisory authority. Offers for an investment in the Securities (the "Investment"), and distribution of this Memorandum may only be made under circumstances which do not require a publication of a prospectus in terms of the here above mentioned acts and regulations.

Furthermore, the Investment in the Company has not been, and will not be, registered under any laws regulating the registration and supervision of securities in any European Union jurisdiction. None of the members of the European Securities and Markets Authority (the "ESMA") has approved or disapproved the securities or determined if this Private Placement Memorandum is truthful or complete. The sale of Securities is not and will not be registered under the Securities Act and **may not be offered or sold in the United States**, or unless in transactions that are not subject to, or are exempt from, the registration requirements under the Securities Act.

The distribution of this Private Placement Memorandum and the offer and sale of the Securities may, in certain jurisdictions, be restricted by law. Each purchaser of the Securities must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Securities or possesses or distributes this Private Placement Memorandum, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Securities

under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales.

Principal Terms

This Private Placement Memorandum relates to a Private Placement in the form of Securities issued by the Company. The following is a summary of the principal terms with respect to a proposed transaction. Such summary of terms is intended solely as a basis for further discussions and is not intended to be and does not constitute a legally binding obligation. A legally binding obligation will only be made pursuant to mutually acceptable definitive Investment agreements executed by the parties. In the event of any inconsistency between this summary and the definitive Investment agreements, the Investment agreements will govern.

The Company does not take any responsibility for the contents of the Private Placement Memorandum or the Investment to which it relates. These principle terms do not form part of the Memorandum. You must read it before you attempt to access or read the Private Placement Memorandum.

All Investments in the Company are subject to Investment risk, including possible delays in repayment and loss of income and capital invested. Neither the Company nor any member of the Management guarantees any particular rate of return, the performance of, or the repayment of capital to the Investor.

THE RECIPIENT ACCEPTING DELIVERY OF THIS MEMORANDUM AGREES TO ABSOLUTE CONFIDENTIALITY AND TO RETURN THIS MEMORANDUM AND ALL FURNISHED DOCUMENTS HERE WITH TO THE COMPANY UPON REQUEST, IF THE RECIPIENT DOES NOT PURCHASE ANY OF THE SECURITIES OFFERED HEREIN OR IF THE RECIPIENT DOES NOT MAKE A DEBT INVESTMENT IN THE COMPANY.

By receiving this Memorandum, each recipient agrees not to transmit, reproduce or make this Memorandum available to anyone other than its professional advisors who need to know such information for the purposes of making an assessment as to whether to participate in the making of the Investment and who are bound to keep

this Memorandum and the matters relating to the Memorandum confidential and to hold this Memorandum and its contents in strict confidence.

Possible Exhibits attached to this Memorandum are integral part of the Memorandum.

This Private Placement Memorandum is subject to withdrawal, cancellation, or modifications by the Company without notice and is especially subject to the terms described in this Private Placement Memorandum.

This Private Placement Memorandum does not purport to be all-inclusive or contain all the information which a prospective purchaser may require. By acceptance of this Private Placement Memorandum, prospective investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering an investment in the Securities. Representatives of the Company make available to potential investors, on request, any additional information to the extent the Company possesses such information or can obtain it without unreasonable effort or expense. Potential investors may not rely on any such additional information unless it is provided by representatives of the Company, in writing.

General notices

This document contains important information and therefore you should always consult an authorized financial and legal advisor about its contents. You must read the General notices, Special notices and introductory statements before you continue further to read the rest of the Private Placement Memorandum.

Potential Investors who are contemplating investing in the Company should conduct their own independent analysis of the risks involved in an Investment in the Company. If in any doubt each Investor intending to invest in the Company described in this Memorandum should consult its professional advisor and ensure that it understands all the risks associated with making such an Investment and has sufficient financial resources to sustain any loss that may arise from it.

The Private Placement is by invitation only to potential Investors and will be constituted by the issue of the Company's Securities.

Potential Investors can obtain Intention of interest forms to subscribe for the securities and/or debt investment pursuant to this Private Placement Memorandum by contacting the Company.

This Private Placement Memorandum is being distributed to a limited number of potential Investors, whereby the following restrictions are applicable:

- The potential Investments in the Company shall be offered exclusively, subject to here below mentioned exceptions, to Qualified or Professional Investors.
- If the potential Investments in the Company is offered to non-qualified Investors (inclusive Professional Investors), it shall be offered to fewer than 25 persons other than Qualified or Professional Investors.
- The securities on offer can only be acquired for an equivalent value of at least €150.000 per Investor. The Debt instruments shall be offered for at least €150.000 per Investor.
- The denomination per offered security shall be at least €150.000.
- The Company does not offer securities to the public or solicit Investors in the general public.

The financial, legal or any other information in this Private Placement Memorandum is not complete and may be changed. Potential Investors may not place buy orders for the security or make Investment, based solely on this Private Placement Memorandum. Those Investors may, however, express an Indication of Interest in the Offering. Indications of interest may be converted to purchase orders and/or Investment orders if the Company agrees to it and all legal requirements for such an order are met, all according to the provisions as described in this Memorandum.

If any securities transaction or any debt investment or any other Investment into Company takes place it will be subjected to relevant legal requirements and it will not occur if it is forbidden or restricted by the provisions of the applicable law. All involved parties to this Private Placement shall conduct themselves in accordance with the requirements that law imposes on them. In order to ensure fair and transparent trading on the financial markets a number of rules of conduct apply to anyone who is active on those markets. All potential Investors shall observe all

relevant financial, legal and other requirements regarding this Private Placement prior to making any Investment decision.

All disputes arising out of or in connection with the present contract shall be exclusively and finally settled under the Rules of Arbitration of the Arbitration Center of the Luxembourg Chamber of Commerce by one arbitrator appointed in accordance with said rules. The language to be used in the arbitral proceedings shall be English. This Private Placement Memorandum shall be governed by the UNIDROIT Principles of international Commercial Contracts (2010) and, with respect to issues not covered by such Principles, by generally accepted principles of international commercial law.

Restricted Jurisdictions and Persons

Viewing the Private Placement Memorandum may not be lawful in certain jurisdictions. In other jurisdictions, only certain categories of person are allowed to view the Private Placement Memorandum.

The Private Placement Memorandum will not be distributed, directly or indirectly in or into any jurisdiction where to do so would constitute a breach of laws and/or regulations in that jurisdiction or may subject the Company or its affiliates to registration requirements within that jurisdiction or loss of an exemption from such registration requirements (each a "Restricted Jurisdiction").

The Private Placement Memorandum will also not be distributed, directly or indirectly to certain categories of persons where to do so would constitute a breach of laws and/or regulations in their respective jurisdiction or may subject the Company or its affiliates to registration requirements within that jurisdiction or loss of an exemption from such registration requirements (each a "Restricted Person").

Failure to comply with any such requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. Accordingly, the Private Placement Memorandum must not be viewed if you are a Restricted Person or a resident of a Restricted Jurisdiction. Furthermore, no reselling action may be initiated or completed without the Company's prior written consent if such action(s) would constitute a

breach of the laws and/or regulations or may subject the Company or its affiliates to registration requirements or loss of an exemption from such registration requirements. Copies of the Private Placement Memorandum are not being, or may not be, mailed or otherwise forwarded, distributed or sent to a Restricted Person or in or into a Restricted Jurisdiction, and persons receiving the Private Placement Memorandum (including, without limitation, custodians, nominees and trustees) must not mail, distribute or send it to a Restricted Person or into or from a Restricted Jurisdiction.

Introductory Statements

The Company is planning to offer, under certain conditions, financial participations in the form of debt investment and/or purchasing of the securities only to a limited number of Investors who meet certain qualifications necessary for the making of the Investment. This Offering will be exempt from registration under relevant national securities laws. Only those who meet the qualified Investors requirements or fall under the group of permitted Investors as described in this Memorandum, are authorized to receive this Private Placement Memorandum and participate in the Offering.

The purchaser of a participation will become direct or indirect owner of the debt instrument in the Company and/or securities with only those rights, duties, and obligations established pursuant to the Company's Certificate of Incorporation, the Company's Bylaws, and applicable law.

This Private Placement Memorandum is submitted on a confidential basis for use solely in connection with this Offering of the financial participations of the Company. This Offering is a Private Placement intended to be exempt from the registration requirements. The participations are being offered to prospective Investors by the Company's management only. The use of the Memorandum for any other purpose is not authorized.

By accepting this Memorandum, the recipient (and his, her or its officers, directors, employees, agents, associates or affiliates) agrees that such person(s) will: (1) not

divulge to any other party any information contained herein or in any notes, summaries or analysis derived from this Memorandum, and (2) not reproduce or redistribute the Memorandum in whole or in part.

This Memorandum does not purport to contain all of the information that a prospective Investor may desire in investigating the Company. Each Investor must conduct and rely upon his/her or its own evaluation of the Company and of the terms decision. The Company hereby offers to the Investor the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and to obtain any additional information which the Company possesses or can acquire without unreasonable effort or expense, that is necessary to verify the accuracy of the information furnished to the Investor.

This Memorandum is not intended to be, nor shall it be construed as, a complete description of the facts, risks or consequences regarding an Investment in the offering or as legal, accounting, tax, business, Investment or other expert advice. All potential Investors should perform their own independent investigations of the offering, the market potential, the Management, the securities, and similar industries. All potential Investors should consult their own qualified advisors concerning the Investment and the suitability relating to an individual or an institutional Investor's ability to sustain a total financial loss of an Investment in the Company.

This Memorandum speaks as of the date it is delivered. Neither the delivery of this Memorandum nor any sale or Investment made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company after the date hereof.

No person has been authorized to give any information other than that contained in this Memorandum, or to make any representations in connection with the Offering made hereby, except information given by the Management of the Company. If given or made, such other information or representations must not be relied upon as having been authorized by the Company.

Investors will be required to represent that: (1) they are sophisticated in business and financial matters or have been properly advised by someone who is; (2) they are

familiar with and understand the terms of the Offering; (3) they are qualified Investors as defined hereunder; and (4) they, either individually or together with their purchaser-representative/advisor, have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the Investment; and (5) that they fall under the scope of the permitted Investors under this Memorandum.

Information contained herein has been obtained by Management and from sources deemed reliable. Such information necessarily incorporates significant assumptions, as well as, factual matters. Therefore, Management cannot guarantee the accuracy of the information contained herein. No dealer, sales person, finder or any other person has been authorized to give any information or to make any representations or promises other than those contained in this Memorandum, and any such other information, representations, or promises, if given or made, must not be relied upon as having been so authorized. The delivery of this Memorandum or any sale hereunder at any time does not imply that the information herein is correct as of any time subsequent to the date hereof.

The Company's Management and other principals may be engaged in related or unrelated activities. Such individuals may serve as managers and principals of other organizations, which are not in direct competition with the Company, its financial goals, and objectives.

This Memorandum contains all of the representations made by the Company concerning this Offering and no person shall make different or broader statements than those contained herein. Investors are cautioned not to rely upon any information not expressly set forth in this Memorandum.

If the securities are purchased by an Investor these securities might be subject to restrictions on transferability and resale, and may not be transferred or resold except as permitted under applicable law and pursuant to the Company's Bylaws and the Certificate of Incorporation. Potential Investors should be aware that the restrictions on transferability might be placed upon the purchased securities and that they might be asked to sign a written agreement that the securities will not be resold. Investors

should be aware that they might be required to bear the financial risks of the Investment for an indefinite period of time.

The Investment in the Company involves risk. Each prospective Investor is urged to read this entire Memorandum and make a thorough investigation of the Company in light of the risk factors as stated here below as well as arising from the independent investigation.

Investments described by this Memorandum. No Offer and/or Intention of Interest (and therefore no Investment offered hereunder) shall be complete and valid unless accepted in writing by the Company. The Company may decline any Offer and/or Intention of Interest for making Investment and any subscription for purchasing of the securities in the Company made by any Investor at its sole discretion and for any reason or for no reason.

This Memorandum includes summaries and/or descriptions of various documents. Such summaries do not purport to be complete and are qualified in their entirety by reference to the original documents, which are attached, either as exhibits to this Memorandum or will be made available to any prospective Investor upon written request to the Company.

This Investment involves a high degree of risk. The Company is in the early stages of development and expansion with a limited history of proven record of business operations and results as described in this Memorandum. An Investor could lose his/her or its entire Investment in the Company.

Among the risks and other factors to be considered carefully by potential Investors are those set forth below under the heading "Risks Relating to the Business of the Company."

This Memorandum has been prepared solely for informational purposes and it will be distributed to a limited number of potential Investors in accordance with all provisions of the Memorandum.

Definitions

The following terms are defined to simplify explanation.

Accepted Investor: An Investor whose Indication of Interest is accepted by the Company and therefore is the Investor successfully subscribed for the Investment.

Advertisement activity: any form of information provision that serves to praise or recommend the Investment/Offering to the limited number of potential Investors under conditions as set forth in this Private Placement Memorandum. Advertisement activities include but are not limited to: conferences, functions, corporate memberships, purchased tickets, hospitality packages, road shows, presentations, creative events, developing programs, producing promotional materials, private meetings in the months and weeks preceding the offering with the potential Investors.

Company: The entity formed to engage the business, described in this document.

Constitution: A document governing the company's internal management – in particular the Company's "Articles of Incorporation" and "Bylaws" A Constitution is an essential document that governs the activities of your company as well as the relationship of your company's directors and shareholders.

Closing Date: The date on which the closing occurs, as set by the management of the Company.

Date of the Private Placement Memorandum: the date mentioned on the front of this document.

Debt Investment: Private Placement of debt capital in which an Investor loans money to the Company that borrows the funds for a defined period of time at a fixed (or floating) interest rate, pursuant conditions as set forth in this Memorandum.

Europe: all the member states in the European Union.

Indication of interest: Interest to invest in the Company expressed in writing by a potential Investor by signing the Indication of interest form.

Indication or Intention of Interest Forms or Private Placement Application Forms:

Application form in respect of the Private Placement sent to potential Investors invited to participate in the Private Placement;

Investment: Investing in the Company by means of this Private Placement by purchasing of securities in any form of Investment as described in this Memorandum.

Investor: Qualified Investor and/or Professional Investor. The Investment in the Company shall never be offered to more than 80 non-qualified Investors and/or non Professional Investors.

Issue Price: The price at which the securities are to be issued by the Company pursuant to the Private Placement.

Loan Agreement: A legal and binding contract between an Investor and the Company. The loan agreement specifies all the important features of a loan, such as its maturity date, timing of interest payments, method of interest calculation, callable/convertible features if applicable and so on. The loan agreement also contains all the terms and conditions applicable to the loan and the financial covenants.

Management: Members of the Board of directors of the Company – as well as its Corporate Officers, who may not be members of the board but who constitute management, particulars of who are set forth, below.

Memorandum or “PPM” or Private Placement Memorandum: This Private Placement Memorandum and the Exhibits hereto. This Private Placement Memorandum is the document that discloses key information to the potential Investors about: the Company (among other: financial, legal and operational information and planned Company operations); the terms of the proposed Investment; the transaction structure that involves the selling of the equity ownership to the Investors and/or raising debt financing from the Investors; risks the Investors may face, etc. This Offering is meant only for Private Placements. This is not a prospectus, which is meant for publicly-traded issues.

Net Asset Value: the most recently calculated net asset value of the Company (valuations by independent external values will be conducted on an annual basis, with interim half-yearly valuations provided by the directors).

Offer: Offer made by a potential Investor to the Company, by signing Indication of interest form, to make Investment in the Company under conditions as set forth in this Memorandum.

Offering or Private Placement Offering: Invitation made by the Company to the potential Investors to make an Offer to invest in the Company by purchasing or otherwise acquiring shares and/or by making debt investments. This Offering is issued by the Company to raise capital. This Private Placement Offering shall be made to specific Investors, rather than to the general public. Unlike a public offering, this Private Placement Offering does not require underwriters or registration with the national regulators.

Offerings' Objective: The amount that the Company aims to raise by means of this Private Placement.

Opening Date of the Offering: the month this PPM is published.

Other European Regulations: (1) UCITS Directive: Council Directive 85/611/EEC of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to enterprises for collective Investment in transferable securities (UCITS) (OJEC L 375); (2) Consolidated Accounts Directive: Seventh Council Directive 83/349/EEC of 13 June 1983 based on Article 54(3)(g) of the Treaty on consolidated accounts (OJEC L 193); (3) Annual Accounts Directive: Fourth Council Directive No. 78/660/EEC of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies (OJEC L 222); (4) Markets in Financial Instruments Directive: Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (OJEU L 145); and (5) Market Abuse Directive: Directive No. 2003/6/EC of the European

Parliament and of the Council of the European Union of 28 January 2003 on insider dealing and market manipulation (OJEC L 96).

Financial participation: a tradable financial asset of any kind that is issued or will be issued by the Company.

Private Placement: Private Placement by the Company of debt and/or equity capital.

Private Placement Memorandum: see “Memorandum”.

Professional Investor: A professional investor is anyone falling within the definition of Professional Client under the Markets in Financial Instruments Directive. The definition covers most types of institutional investors. The majority of private persons are categorised as non-professional investors. In general, small firms and associations are also categorised as non-professional.

Prospectus: A document by means of which an offer or offers the securities to the public in the terms of the Prospectus Directive.

Prospectus is a formal offering document provided by the Company and includes most of the details of the business and transaction in question including enough specified offer containing information such as the exact number of shares/certificates issued and the precise offering price.

Prospectus Regulation: Regulation (EC) No. 809/2004 of the Commission of the European Communities of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of the European Union as regards information contained in prospectuses, as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (OJEU L 149).

Prospectus Directive: Directive 2003/71/EC of the European Parliament and of the Council of the European Union of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending

Directive 2001/34/EC (OJEU L 345) (as amended by Directive 2010/73/EC of 24 November 2010).

Public Offering or Offering Securities to the Public: Making a sufficiently specific offer addressed to more than one person as referred to in Article 2 (1) (d) of the Prospectus Directive to conclude a contract to purchase or otherwise acquire securities, or issuing an invitation to make an offer on such securities.

Qualified Investor: (a) legal person or company that holds a license or is otherwise regulated to be active on the financial markets; (b) legal person or company that does not hold a license or is not otherwise regulated to be active on the financial markets and whose only corporate objectives are to invest in securities; (c) national or regional government body, central bank, international or supranational financial organization or other similar international institution; (d) natural person or enterprise classified as a qualified Investor in a Member State as referred to in Article 2(1)(e)(iv) and (v) respectively of the Prospectus Directive, being: (I) legal entities which are authorized or regulated to operate in the financial markets, including: credit institutions, Investment firms, other authorized or regulated financial institutions, insurance companies, collective Investment schemes and their management companies, pension funds and their management companies, commodity dealers, as well as entities not so authorized or regulated whose corporate purpose is solely to invest in securities; and (II) natural persons who meet at least two of the following conditions, being (i) Investors who have carried out transactions of a significant size on securities markets at an average frequency of, at least, ten per quarter over the previous four quarters, (ii) Investor's whose securities portfolio exceeds €0.5 million and (iii) Investors who work or have worked for at least one year in the financial sector in a professional position which requires knowledge of securities Investment.

Road show: A presentation by an issuer of offering to potential Investors. Road shows refer to when the management of a company that is issuing offering, travels around the country to give presentations to analysts, fund managers and potential Investors. The road show is intended to attract a number of prospective Investors interested in learning more about the offering. Road show includes a deal and a non-deal road

show. A non - deal road show occurs where executives hold discussions with current and potential Investors, but nothing is offered for sale.

Securities: a tradable financial asset of any kind that is issued or will be issued by the Company.

Equity security: (1) negotiable share issued by a legal person, company or institution, or another negotiable instrument or right considered equivalent; (2) any other negotiable instrument issued by a legal person, company or institution through which another equity security may be acquired by exercising the right attached to this instrument or by converting or exchanging this instrument, if the negotiable instrument was issued by the legal entity, company or institution which also issued the equity security to be acquired, or by a group company affiliated to the issuer in a group;

Non-equity security: security that is not an equity security, to be divided into the following categories: (1) negotiable instrument issued by a legal person, company or institution through which another security may be acquired by exercising the right attached to this instrument or by converting or exchanging this instrument, and which was not issued by the legal entity, company or institution which also issued the equity security to be acquired, or by a group company affiliated to the issuer in a group; (2) negotiable instrument issued by a legal person, company or institution which entitles its holder to a monetary settlement by exercising the right attached to this instrument; (3) any other security that is not an equity security.

Securities Investment or Shares Investment: Purchasing of the Shares that are issued by the Company, by an Investor, pursuant to the Private Placement shares.

Shares or Company shares: Ordinary shares of no par value in the share capital of the Company.

Share Purchase Agreement: An agreement between the Company and the Investor defining the terms and conditions of the purchasing of the Shares pursuant the Private Placement shares.

Subscribed securities: Shares of the Company that the Investor wishes to purchase which wish is expressed by signing the Indication of Interest accordingly the conditions hereof.

Venture capitalist: An Investor who either provides capital to startup ventures or supports small companies that wish to expand but do not have access to public funding. Venture capitalists are willing to invest in such companies because they can earn a substantial return on their Investments if these companies are a success. Venture capitalists also experience major losses when their picks fail, but these Investors are wealthy enough that they can afford to take the risks associated with funding young, unproven companies that appear to have a great idea and a great management team.

General Summary

The Private Placement summary provides an outline of the information contained in this Private Placement Memorandum and is not intended to be comprehensive. The summary should be read in conjunction with the other sections of this Private Placement Memorandum.

The Definitions in this Private Placement Memorandum apply to this summary section.

The Company wishes to make a Private Placement Offering in order to raise capital. The Offering is made to a limited number of potential Investors. It is the opposite of a public offering. In most countries, Private Placements are exempt from public registration. Since commercial bankers' loan criteria and institutional venture capitalists' Investment criteria are tightening, this Private Placement Offering remains one of the most viable capital formation alternatives available for the Company.

This Private Placement has the advantage of reducing transactional and ongoing costs because of its exemption from many of the extensive registration and reporting requirements. It also enables the Company to structure a more complex and confidential transaction, since those to whom it is offered are typically a small number of Qualified Investors. In addition, this Private Placement permits more rapid

penetration into the capital markets than would a public offering of securities requiring registration with the European regulators.

Overview of the Company

Introduction

The Company has been established to increase the wealth of its owners. The Company's objective is to provide Investors with an opportunity to grow with the business to the level where it exploits the full potential of its resources. The mission of the Company is to increase the value of the company.

Legal summary

Incorporation and history

The Company is incorporated in Indiana.

The Company will be subject to the state law of Indiana and the federal law of the United States. The Company is further regulated by its Constitution. The law of the jurisdiction in which the Company operates will regulate most of its internal activities, as well as its finances.

Legal structure of the Company

The Company is separate and distinct from its owners in the eyes of the law. As a Corporation, the Company has several distinguishing characteristics including limited liability, easy transferability of company ownership, and perpetual existence. The Company also has centralized management, which might consist of persons who are different from the actual owners. Information on the structure of the Company and its subsidiaries and affiliates, if any, and on the major shareholders of the Company are available upon request.

Corporate Functions

The Company conducts its day-to-day operations through its CEO (who is primarily responsible for all operations) and the management team that reports to the CEO. The CEO reports to the owner(s) of the company, who meet periodically and oversee the operation of the Company. The CEO, the management team and the shareholders all function in accordance with the terms of the Company's Constitution.

Management and employees

The Company uses a simple organizational structure, where very few levels of management separate executives from analysts, secretaries and lower-level employees. This type of organization works best for the Company, because decisions can be made relatively quickly. The flat organizational lacks the typical bureaucracy of taller organizational structures -those with many levels of management.

Financial summary

Anticipated returns

The Company's aim is to repay loans on the fixed date and pay a fixed rate of interest. This expectation is based on the Managements' assessment of prevailing market conditions. If, in the Company's view, circumstances change in future to make this expectation inappropriate as a medium to long-term objective, this will be communicated to Investors. When the loan agreement allows such, Management can choose to convert loans into equity shares of the Company after a specific period of time.

Bank borrowings

The terms of the Company's bank borrowings will be determined on a project by project basis. The final decision in each case will be subject to the approval of the Management. It is anticipated that the investment as described in this Private Placement Memorandum, will increase the company's profit. It is the intention of the Company that acquisitions will be geared such as to achieve an appropriate balance between the risk and the enhancement of earnings.

Financial information

The forecast financial information and the financial needs of the Company are presented under title “**Financial plan**” here below. The unaudited consolidated pro forma statement of financial position of the Company is also presented below. Extracts of the historical financial information for the previous years for the Company, the preparation of which is the responsibility of the Management, are available upon request.

Summary of the Private Placement and the Offering

Purposes of the Private Placement.

The Company is currently seeking to raise capital through this Private Placement Offering for the following purposes:

Green Fortress Engineering (GFE) is a C-corporation created by the technology transfer office of the Indiana University system established to commercialize the intellectual property of faculty member Peter J. Schubert related to hydrogen storage and biomass conversion.

The Key Features

The key features of the Private Placement are as follows:

The Company aims to raise an amount of € 3.100.000 by means of this Private Placement Offering.

Minimum value of subscription amount in Europe for new Investors who are not qualified Investors: € 150.000;

Maximum number of investors: 24;

Minimum value of subscription amount in Europe for Qualified Investors: € 150.000;

Opening date and Closing date of the Private Placement will be set by the Management.

All above mentioned data are subject to change. Any such change will be announced by the Company.

Further details of the investment are incorporated in the *Financial Plan* below.

Details of the Private Placement

The Private Placement securities will be offered for subscription to potential Investors who are select institutions, high net worth individuals and business associates, in Europe.

Potential Investors that have been invited to apply should do so by completing the Indication of Interest form (or "Private Placement application forms"), which will be provided to them in accordance with the provisions of this Private Placement Memorandum and the instructions contained in the Intention of Interest forms.

No Offering will be made to the public in respect of the Private Placement. The Private Placement will be open to potential Investors (applicants) only.

The Offering

Private Placement

Introduction

The Company aims at a Private Placement Offering. This term is used for any type of participations issued by a small or growing company to raise capital. A Private Placement is a direct private offering of securities to a limited number of sophisticated Investors. It is the opposite of a public offering. Investors in privately placed securities include insurance companies, pension funds, mezzanine funds, stock funds and trusts. Securities issued as Private Placements include debt, equity, and hybrid securities. In most countries, Private Placements are exempt from public registration. Since commercial bankers' loan criteria and institutional venture capitalists' Investment criteria are tightening, the Private Placement Offering remains one of the most viable capital formation alternatives available for the Company.

This Private Placement has the advantage of reducing transactional and ongoing costs because of its exemption from many of the extensive registration and reporting requirements. It also enables the Company to structure a more complex and confidential transaction, since those to whom it is offered are typically a small number of sophisticated Investors. In addition, a Private Placement permits more rapid penetration into the capital markets than would a public offering of securities requiring registration with the European regulators.

Debt/Equity Offering

The Company is seeking to raise capital in the form of a debt or equity offering from Investors. The nature and details of the investment need and of the offering in this Private Placement Memorandum are specified in the **Financial Plan** below. The Company makes the following assumptions regarding equity and debt offerings.

Equity investments represent an ownership interest in a company, while debt investments only represent a financial interest. The Company sees the potentials and application of equity and debt offerings as follows.

An Equity offering is most commonly conducted when a company decides to sell stock in the corporation (or membership interest for an LLC, LP, etc.). In return for the investment capital, the investor receives a form of ownership, commonly referred to as 'equity'. Additionally, stock holders and equity owners may receive some type of dividend payment, and in many cases may even be allowed to vote on matters relating to the company.

Equity investments can essentially be viewed as taking on a greater risk of loss for the chance to earn a potentially higher return. Equity investing, to be successful, requires a substantially higher level of research and monitoring investments. There is generally a higher turnover rate in the holdings of equity portfolios as compared to bond portfolios.

A debt offering is where Company raises debt financing by selling a note instrument to Investors with a set annual rate of return and a maturity date that dictates when the funds will be paid back to Investors in full. A debt offering functions much like a business loan except instead of a bank providing the financing it is a group of Investors lending funds to the Company.

A debt offering of securities is basically the exact opposite of an equity offering. In an offering of debt securities, the investor receives a 'promise' or a commitment from the issuer to pay some type of interest payment – perhaps yearly, bi-yearly, or as agreed to – and at a later date, pay back the principal investment to the investor. Debt securities can consists of any varying instruments, such as bonds, which are the most common, or notes, debentures and others. When the Company begins selling the debt securities, the investor would know what the bonds or notes interest rate would be, when the maturity date is, and when interest's payments will be allocated.

The Company may seek debt investments, equity investments or a combination of both, as further described in the Financial Plan below.

Procedure

Pre-Offering structuring

The first step in this Offering is the pre-offering structuring, whereby the Company sets the Offering structure in terms of equity offering or debt offering, based on the assumptions as here above described.

Advertisement actions

In order to achieve the Offerings' objectives the Company shall undertake or get involved in only those Advertisement actions that are meant for a limited number of potential highly qualified Investors. The Company shall not get involved in any kind of Advertisement activities which could imply or could be qualified as Public offering as defined hereby in this Memorandum. The Company shall never offer Securities of the Company or Debt Investment pursuant to this Private Placement, to the general public. All Advertisement activities shall be limited in accordance with the conditions set forth in the provisions of this Private Placement Memorandum. The Private Placement Memorandum shall therefore never be qualified as a Prospectus.

Invitation to apply

If the potential Investor gets interested in the Offering as presented by the Company and if the potential Investor does not belong to the group of the Restricted Persons or is not a resident of the Restricted Jurisdiction, he/she/it shall get access to this Private Placement Memorandum. Every potential Investor should read Instructions, Notices, and Disclaimers and furthermore deal with this Private Placement Memorandum in its entirety in accordance with its provisions.

Each potential Investor that has been invited to apply should express his/her/its consent with the contents and the terms of the Private Placement Memorandum by signing the form entitled "Confirmation of Understanding and Acceptance of all terms and disclaimers of the Memorandum". The signed above mentioned form should be returned to the Company, within 1 day of the date of receiving of the form. Neither this form nor the Private Placement Memorandum may be ceded, renounced or assigned in favor of anyone else by the Investor to whom it is addressed.

Intent of Interest

Potential Investors may not place buy orders for the security and/or make debt investment, based solely on this Private Placement Memorandum. If the Investor has interest in making the Investment, Investor shall express an Indication of Interest in the Offering in writing. The Indication of Interest should be signed by the Investor and sent to the Company. By signing the Indication of Interest, the Investor agrees to the terms and conditions of the Loan Agreement/Securities Purchase Agreement.

The Company shall accept the Indication of Interest if the Company received it in the period starting with the Opening date of the Offering and the last date for acceptance shall be the Closing date of the Offering. No late applications will be accepted.

Acceptance of Indication of Interest by the Company

Within 30 days of the Closing date the Company shall inform the Investors in writing if the Indications of Interest are accepted by the Company (allotment). In the case that the Indication of Interest is accepted and signed by the Company, it is by means of signing it by the Company converted into Loan agreement/Securities purchase agreement for purchasing of securities ("Investment"), available upon request. The accepted Investor is obliged to complete the full payment of the Loan and/or for the purchase price of the offered securities within 10 days of the date of acceptance.

The Company will provide all accepted Investors with a detailed written statement of the application of the proceeds of the Offering within six (6) months after the Closing date and with annual current balance sheets and income statements thereafter.

Irrevocability of the Intention of interest

The Intention of interest application forms are irrevocable and may not be withdrawn once received by the Company.

Reservation of rights

The Management reserves the right to accept or refuse any subscription for securities/debt investment and any Intention of intent in whole or in part, or to abate any or all here mentioned application(s) (whether or not received timeously) in such manner as they may, in their sole and absolute discretion, determine. Withdrawal, refusal and/or cancellation of the Offering and/or Intention of interest are permitted without any notice by the Company. The Company reserves the right to accept or reject, either in whole or in part, any Private Placement Intention of interest should the terms contained in this Private Placement Memorandum and the instructions above not be properly complied with.

All potential Investors consent to reasonable inquiries made by the Company and its representatives to assist in verifying that they meet the suitability requirements applicable to this Offering. The Company will within 30 days from the Closing date notify each Investor of its acceptance or rejection of an Intention of interest hereunder. If the Company received any money from the rejected Investor, the Company will promptly return the full purchase price for any portion of a subscription that is rejected.

Key Conditions and Terms of the Offering

Key conditions and terms of the Investment

The following is a summary of the principal terms with respect to a proposed transaction. Such summary of terms is intended solely as a basis for further discussions and is not intended to be and does not constitute a legally binding obligation. A legally binding obligation will only be made pursuant to mutually acceptable definitive Investment agreements executed by the parties. In the event of

any inconsistency between this summary and the definitive Investment agreements, the Investment agreements will govern.

Loan Agreement

The key conditions and terms of the Investment as set forth in the Loan Agreement shall be agreed upon by the Investor and the Company. These conditions may include:

- The interest rate
- Maturity date of the principal amount shall be
- Maturity date of the due interest amounts shall be
- Timing of interest payments
- Method of interest calculations
- Convertibility
- Pledge conditions
- Representations and warranties
- Covenants and indemnity
- Termination
- Redemption
- Rights and obligations of parties
- Default
- Governing law and jurisdiction

The Loan will be subordinated in right of payment to the prior payment in full of any and all of the Company's current and future indebtedness to banks, commercial finance lenders or other financial institutions regularly engaged in the business of lending money.

The debt investment shall be subject to redemption prior to maturity at such times, to the extent and in the manner provided in the Loan Agreement. Additional debt investments shall be subject to redemption prior to maturity at such times, to the extent and in the manner provided in the supplement authorizing such additional debt investments.

The Investor shall not be entitled to demand the repayment of the principal amount prior to maturity date.

Share Purchase Agreement

In a separate Share Purchase Agreement all terms and conditions related to the purchase and sale of the shares of a company are finalized. The stock purchase agreement will cover the following sections:

- Interpretation - provides the definitions for all the major terms used in the overall body of the agreement;
- Purchase and sale of stock - itemizes the purchase price, any purchase price adjustments, the purchase price allocation for tax purposes between the seller and the buyer, and dispute resolution mechanisms;
- Representations and warranties of the seller and buyer - provides all the statements that the seller and buyer are signing off to be true;
- Matters related to employees - provides terms on how employee benefits and any accrued bonuses are to be handled post transaction;
- Indemnifications - provides details on all indemnifications to be provided by either the seller or buyer to each other for any costs that may arise post transaction resulting from conditions that existed prior to the deal closing;
- and Tax matters - specifies any special tax treatment that either the seller or the buyer may be entitled to.

General terms of the Investment

All financial Investments that are approved and issued under this Private Placement Memorandum and at any time outstanding shall in all respects be equally and ratably, secured hereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the participations, so that all participations at any time issued and outstanding hereunder shall have the same right, lien, preference hereunder, and shall all be equally and ratably secured hereby. Subject to the provisions of the Loan Agreement/Share Purchase Agreement and to the Company's financial possibilities, the Company shall respect all its financial obligations to the Investor.

THE TYPE OF INVESTMENT OFFERED IN THIS PRIVATE PLACEMENT MEMORANDUM (EQUITY AND/OR DEBT) IS SPECIFIED IN THE FINANCIAL PLAN BELOW.

Other Terms of the Offering

Investors. The Company does not publicly offer or solicit Investors in the general public. The participations will be offered only to professional Investors who will be required to represent (i) that they meet certain financial requirements, and (ii) that they have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the prospective Investment, with a limit of 24 Investors (iii) that they are Investors as permitted to participate in this Private placing according to the terms of this Memorandum as set forth hereof.

The Private Placement Investment may not be applied for in the name of a minor, deceased estate or partnership. Executors, trustees and individual partners may apply for the Private Placement Investment in their own name or through nominee companies.

Representations and Warranties. The Company represents and warrants for the benefit of the Investor that:

1. There are no options, rights, other warrants or other agreements by the Company entitling any person to purchase or otherwise acquire outstanding securities convertible or exchangeable into any capital stock or other securities of the Company, aside from those described herein. However, this fact in no way shall preclude the Company from issuing any of the aforementioned securities or other similar securities, including equity instruments, to capitalize the Company as Management sees fit.
2. If applicable (only for issuing of the securities): All Company's actions required to be taken by the Company prior to the issuance and sale of the securities to Investors have been taken. The securities, when sold, issued and delivered in accordance with the terms of the Securities Purchase Agreement, for the consideration expressed in that Agreement, will be duly authorized, validly

issued, fully paid and non-assessable. None of the securities are subject to pre-emptive rights of any participation-holder of the Company.

3. The Company is duly organized, validly existing and in good standing as a domestic company in accordance with related laws, acts, regulations and other rules governing business in the country of its domicile. The Company is further governed by the company's constitution, defining the responsibilities of the directors, the kind of business to be undertaken, and the means by which the stakeholders exert control over the management. These documents are available upon request.
4. The Company is not in violation of any terms or provisions of any of its Constitution; of any material term or provision of any agreement, mortgage, deed of trust, note agreement, lease or other agreement or instrument to which it is a party or by which it is or may be bound or to which any of its assets, property or business is or may be subject; of any material term of any indebtedness; or of any statute or any judgment, decree, order, rule or regulation of any court, regulatory body or administrative agency or other federal, state or other government body, domestic or foreign, having jurisdiction over its assets, property or business, which violation or violations, either in any case or in the aggregate, might result in any material adverse change, financial or otherwise, in its assets, properties, condition, business, earnings, or prospects; and the delivery of this Memorandum, the consummation by the Company of the transactions contemplated in it and compliance by the Company with the terms of the Investments documents, will not result in any of these violations.
5. The financial requirements and projections of the Company set forth in this Memorandum are based on the Management's best estimates regarding the Company and its business plans.
6. The Company has filed all national, local and foreign tax returns which are required to be filed or has requested extensions and has paid all taxes due.
7. There are no facts presently existing or events which have occurred which constitute a material financial liability of the Company, not disclosed herein or in the exhibits hereto.

Capitalization plan. Management believes that the capital sought through this offering will be sufficient to allow Management to grow the Company's business and attract further capital necessary for the future of the company. Management plans to keep the Company a closely and privately-held Company for a period of three years. However, the Management may execute a public offering after that period of time or before, if the need arises and there is a favourable market environment. However, there is no liquid or public market for the securities of the Company and there can be no assurance that a liquid market for the securities will develop.

Escrow Account. Currently there is no need to establish an escrow account or escrow agent.

Registrar & Transfer Agent. The Company shall act as the registrar and transfer agent to save on costs associated with those services. However, the Company may appoint one or more transfer agents and registrars to act in its place where numerous securities may be presented for registration of transfer or exchange. The Company and any registrar or transfer agent may deem and treat the person in whose name any of the securities shall be registered upon the books of the Company as the absolute owner for the purpose of receiving notices of any nature and payment of or on account of the dividends or other distributions and for all other purposes; and neither the Company nor the paying agent nor any registrar or transfer agent shall be affected by any notice to the contrary. All such payments and notices so made to any registered holder or upon his/her or its order shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for notices owed or moneys paid upon any such distribution.

Expenses. Proceeds to the Company are computed before deducting expenses of this Offering, including legal fees, consulting fees, promotional and marketing expenses associated with this offering, and other offering expenses, which will be paid by the Company out of the proceeds of this Offering.

Prior Offerings. There has been no other prior execution of a securities offering for this Company.

Documents Incorporated by Reference. All of the information contained in this Memorandum is hereby incorporated herein by reference. This Memorandum contains summaries of certain documents believed to be accurate but reference must be made to the actual documents for complete information concerning the rights and obligations of the parties thereto. Copies of such documents are made available at the main office of the Company. All such summaries are qualified in their entirety by reference to the actual and complete documents. Specific documents relating to this Investment might be made available to the prospective Investors and their advisors or purchaser representatives upon written request received by the Company's Management. The documents available for inspection to each potential Investor are listed here below.

Books and records of the Company. The Company might make available to any accepted Investor or their designated representative the right to inspect the books and records of the Company at any reasonable time for proper purposes, upon written request to the Company. The documents available for inspection to each potential Investor are listed here below.

List of Investors. The Company agrees to maintain at its offices a list of the names and addresses of all accepted Investors, which shall be available to any accepted Investor or their designated representative.

Risks Relating to the Business of the Company

Listing of Risks

The Company has an operating history and financial results as explained in the Memorandum with its Exhibits. An Investment in the Company is subject to all risks and uncertainties associated with this kind of business, including the risk that the Company will not achieve its objective of the Investments and that the value of an Investment in the Company of a potential Investor could decline substantially or completely.

Making an Investment carries inherent risk. Potential Investors should carefully consider the risks associated with investing in the Company and seek professional advice before making any decision to invest in the Company. The Management believes the below listed risks to be the most significant for prospective Investors. The risks listed, however, do not necessarily comprise all of those associated with an Investment in the Company and are not intended to be presented in any assumed order of priority. Furthermore, the hereby mentioned risks are not personalized to each potential Investor. Therefore a potential Investor should consider carefully whether an Investment in the Company is suitable in view of their personal circumstances and financial resources. Potential Investors are not to construe the contents of the Private Placement Memorandum as tax, business or legal advice. A prospective Investor should consult with its own legal, business and tax advisers to determine the appropriateness and consequences of an Investment in the Company.

Listing of risks

Some of the risks involving the Investment are the following:

1. **Lack of operating history.** The Company is recently incorporated and has therefore limited operating history upon which Investors can evaluate likely performance. There can be no assurance that the Company will achieve its

Investment objective or that the strategy applied to the Company will be successful.

2. **Key individuals.** The Company is highly dependent on—among other factors—Dr. Peter J. Schubert, the attracted Investments, professionals employed by the Company and its advisors. There can be no assurance that the Company will have continued access to them.
3. **Development risks.** The Company may be exposed to development risks and the returns on the Investments may therefore be subject to some extent to the risks associated with the development of certain projects.
4. **Business and market risks.** Any future market recession could materially adversely affect the value of Investments and the assets of the Company. Returns from an Investment are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes of interest rates. Furthermore, the financial condition and results of operations of the Company will depend on the ability of the Company to manage future growth and effectively implement its business strategy.
5. **Currency exchange rates risk.** Company will be exposed to foreign exchange risks if it has receivables and payables whose values are directly affected by currency exchange rates. Contracts between two different firms with different domestic currencies set contracts with specific rules. Such contracts provides exact prices for services and exact delivery dates. However, these contracts face the risk of exchange rates between the involved currencies changing before the services are delivered or before the transaction is settled. Company also faces foreign exchange risks due to economic exposure - also referred to as forecast risk - if its market value is impacted by unexpected currency rate volatility. Currency rate fluctuations may affect the company's position compared to its competitors, its value and its future cash flow. When the Company bids for foreign projects, negotiates contracts directly with foreign firms, or has direct foreign investments, it faces contingent exposure. When Company negotiates with foreign firms, currency rates will continuously change before, during and after negotiations occur.

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6. **Interest rate risk.** Fluctuations and changes in interest rates may adversely affect the financial condition of the Company.
 7. **Law, regulatory regime and permits.** Laws and regulations governing the operations of the Company may adversely affect the business, Investments and results of operations. The failure to obtain or to continue to comply with all necessary approvals, licenses or permits, including renewals thereof or modifications thereto, may adversely affect the Company's performance, as could delays caused in obtaining such consents due to objections from third parties. New laws may be introduced which may be retrospective and affect the business which the Company is involved with. The Company could be adversely affected by delays in, or a refusal to grant, any required governmental approval, as well as by the application to the Company of any legal or administrative restriction.
 8. **Litigation risk.** Investment in the Company involves certain risks normally associated with Investment in the business of the Company, which includes for example the risk that a party may successfully litigate against the Company, which may result in a reduction in the assets of the Company. The Management is not aware of any pending litigation against the Company.
 9. **Tax and regulatory changes.** The tax regimes applying to the Company and/or its Special Purpose Vehicles ("SPV"), the ability of the Company to repatriate its assets and other operations of the Company are based on regulations which are subject to change through legislative, judicial or administrative action in the jurisdictions in which the Company and/or its SPVs operate and/or invest, thereby affecting the tax treatment of the Company and/or its SPVs in these jurisdictions.
 10. **Operations of the Company.** The Company may be unable to pay interest. The Company may not achieve the Company's business objective. The Company may experience fluctuations in its half-yearly and yearly operating results.
 11. **Interest payments.** Investors should note that interest payments on the participations is not guaranteed and will be at the discretion of the directors after taking into account various factors including the Company's operating results, financial condition and current and anticipated cash needs.

12. **Collateral.** The Company, either directly or indirectly through its SPV's, may use property or other assets as collateral to secure a loan. If the Company stops making the promised loan payments, the lender can seize the collateral to recoup its losses.

13. **Insolvency.** It is possible that the Company, due to many unpredictable and/or predictable factors, might become insolvent, whereby the potential Investors could lose all value of their Investment. However, currently there is no indication that such situation will occur in near future.

NOTA BENE

A due diligence investigation of the Company by a potential Investor may not reveal all of the risks of investing in the Company. The factors mentioned above are not comprehensive and there may be other risks that relate to or may be associated with an Investment in the Company.

Disclaimers

The Offer

Potential Investors should read the Private Placement Memorandum in its entirety before deciding whether to invest in financial participations. The Private Placement Memorandum contains important information about the risks associated with an Investment. The Private Placement Memorandum does not take into account the Investment objectives, financial situation and particular needs of each potential Investor. We recommend that before you decide whether to invest you contact your financial adviser or other professional adviser.

Warning

The distribution of this Private Placement Memorandum may be restricted by law and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liabilities to such persons. Eligible Investors who are nominees, trustees or custodians are therefore advised to seek independent advice as to how they should proceed. Financial intermediaries are responsible for ensuring that taking up an Investment does not breach the selling restrictions set out in this Memorandum or otherwise violate the securities laws in the relevant jurisdictions.

No action has been taken to register or qualify this Private Placement Memorandum to permit a public offering, in any jurisdiction.

Instructions

A potential Investor should ensure that any copy of the Private Placement Memorandum he/she/it views or prints is complete.

The information in this Private Placement Memorandum is for informational purposes only and is subject to change without notice. Nothing contained on this

Private Placement Memorandum constitutes Investment, legal, accounting, business, tax or other advice, nor is it to be relied on in making Investments. The information in the Private Placement Memorandum does not take into account your Investment objectives, financial situation or particular needs.

Some of the statements in the Private Placement Memorandum include forward-looking statements which reflect the Company's and/or the Directors' current views with respect to financial performance, business strategy and future plans, both with respect to the Company and the sectors and industries in which the Company operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward-looking nature.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of the Private Placement Memorandum entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in the Private Placement Memorandum. Any forward-looking statements in the Private Placement Memorandum reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy.

These forward-looking statements speak only as of the date of the Private Placement Memorandum. The Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. Prospective Investors should specifically consider the factors identified in the Private Placement Memorandum which could cause actual results to differ before making an Investment decision.

No statement in this Private Placement Memorandum is intended as a profit forecast.

Terms

The Private Placement Memorandum is an important document that should be read in its entirety. Accordingly, a potential Investor should always consult a legal, financial or/and other professional adviser. By accessing the Memorandum the Investor acknowledge that the Investor has read and accept the terms set out here above. A potential Investor should indicate the Investor's agreement by signing a form entitled: "Confirmation of Understanding and Acceptance of Disclaimer" which is attached below.

Confirmation of Understanding and Acceptance of Disclaimer

I have read and understood all terms of this Memorandum inclusive the disclaimer set out above. I understand that it may affect my rights. I agree to be bound by its terms and the other terms and conditions of use applying to this Private Placement Memorandum. I confirm that I am permitted to view this Private Placement Memorandum. If I do not agree to all the terms and conditions of the Memorandum as set out above, then I may not use the information in this Private Placement Memorandum. I acknowledge that I have been advised by the Company that all information and documents regarding this Private Placement Memorandum that I may have knowledge of or access to are strictly confidential. I confirm that I have sought legal advice.

First
name

Surname

Phone
number

Email

Date

Signature

Information on the Company

Executive Summary

Green Fortress Engineering Inc. (GFE) is a leader in the design and development of next generation of *Hydrogen Storage*. GFE's Hydrogen Ultra Storage (H2US) solution takes planet stewardship to the next level while forming the basis for an extraordinary economic opportunity. This innovative solution will allow GFE to enter several niches with a more efficient, dramatically lower cost solution while opening previously inaccessible markets. GFE is a privately held, early stage start-up that will be leveraging both non-dilutive grants and investor capital to commercialize and scale the company.

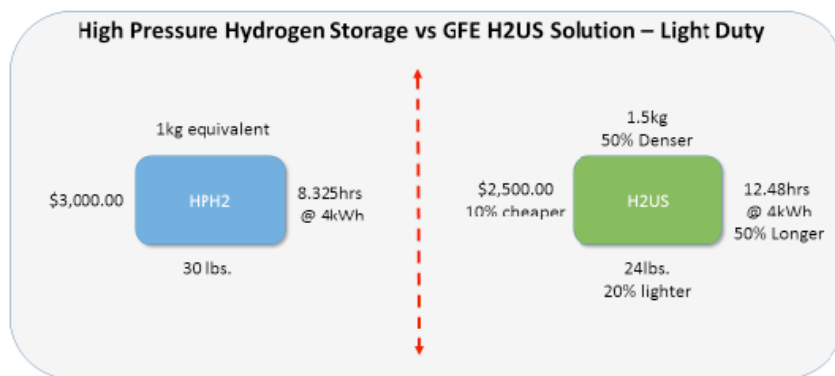
GFE Hydrogen Ultra Storage (H2US) - GFE's ground breaking Hydrogen Ultra Storage (H2US) will drive a dynamic shift in the adoption of Hydrogen to a broad range of green energy markets including consumer, vehicular/transportation, residential, commercial and industrial applications. As an example, the **H2US would increase the current range of the Toyota Mirai (300 miles) by 50% (to 450 miles: equal to many ICE vehicles today)** utilizing the same physical space and at significantly reduced weight.

- Initial and lifetime cost savings through volume densities greater than that of liquid hydrogen at current system levels
- System cost savings: H2US enables storage at dramatically lower pressure (**8 bar** vs 700 bar typical)
- Able to deliver much shorter refill times (**~3.5 minutes**)
- Eliminates the need for complex and costly high pressure hydrogen pressurization and storage while dramatically reducing the chance of explosive discharge.
- Unlike most known battery technologies, the H2US is fully recyclable/refurbishable using our R3 recycle, recover and restore approach.

Entry Market and Size - We have identified the material handling equipment market, i.e. **fork lifts** and tractor mules as our initial target market due to its faster adoption

cycle and lower capex. We have estimated this market at approximately 14,000 fuel cell units existing in the US and 200 in the EU today with the potential to immediately convert to our storage technology. The improving economics of hydrogen and fuel cells is accelerating the growth of this segment at a fast pace as warehouse operations shift away from battery technology and begin implementing green energy solutions across their portfolios. In partnership with leading fuel cell solutions, the H2US will enable cost savings through reduced manufacturing costs, improvement in performance (longer run times), shorter down times (better capital utilization via faster refueling and less units required) while delivering a safer, greener solution than anything that is available today.

Initially, we expect to partner with leading fuel cell manufactures, distributors and systems integrators like Ballard-Protonex, Plug Power and Element One while working directly with equipment manufacturers such as Raymond, HyLIFT-Europe, Caterpillar, Clark, Toyota, Mitsubishi, Jungheinrich, KION, and Hyster-Yale Material Handling. Hydrogen-fueled **drones** are another attractive market, but the lack of hydrogen infrastructure relegates this skyrocketing market segment to a subsequent surge.



GFE has the benefit of being a dual revenue opportunity near-term, and triple revenue long-term. In addition to our H2US product, we have a beta ready second product, the Biomass Super Gasifier (BMSG). The BMSG is a significant leap forward in Biomass to Syngas technology as it can be operated in both small (60kW), medium (360 kW), and large installations (2+ MW), is significantly cheaper than existing solutions (~40%) while its smaller footprint (~50%) can be incorporated in a wide array of applications including fully off-grid, sustainable environments. The BMSG uses biomass to generate biomass fuels/syngas that can be dispensed directly to SOFC fuel cells or syngas-enabled generators. Once purified to 99.999% hydrogen the gas can be stored in our H2US or it can feed directly to H2 Fuel Cells which can be used as either a continuous or back up power source. This product creates long term economic stability for GFE, providing early revenues to use in R&D for hydrogen storage and lunar/asteroidal ISRU. The immediate focus of this business plan is solely the hydrogen storage product H2US, currently funded by the National Science Foundation.

Who We Are

Management Team



Dr. Peter Schubert P.E. CEO, Primary Inventor, Lead Technologist

- Peter is a full-rank, tenured Professor of Electrical and Computer Engineering at Indiana University-Purdue University Indianapolis and also serves as the Director for the Richard G. Lugar Center for Renewable Energy. Previously at Delphi Electronics & Safety (Kokomo, IN) he was a Technical Fellow and Chairman of the Technology Council.
- Peter has 42 US and 13 EU patents in his name and has over 100 technical publications in 9 fields of study, and he has been responsible for over 6 million USD in research grants from DOE, NASA, NSF, DOD, and USDA.
- His degrees in physics and engineering are from Washington Univ., Univ. of Cincinnati, and Purdue University.

Alan Wilks Ph.D. – Principal Investigator

- Alan is an analytical chemist with extensive experience in the field of catalysis, particularly the study of those catalysts used in the petroleum and automotive fields. He the position of Vice President and Director of AlliedSignal Corporation, now Honeywell.
- He was the founder of “SmartSignal, Inc.” now owned by General Electric and has participated in a number of research/engineering projects involving biomass conversion to energy and other technical subjects.
- He received a BS in Chemistry from the University of Kansas and a Ph.D. in Analytical Chemistry from the State University of Iowa.

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- He holds 11 US Patents, including two as co-inventor with Schubert from their 5 years together at Packer Engineering in Naperville, IL.

John Craun – Senior Business Executive

- John has over 20 years managing different chemical businesses and a wide variety of international business experience negotiating major sales and purchasing agreements, creation of joint ventures, and restructuring of manufacturing operations.
- He was VP of Strategic Initiatives at Vertellus Specialties and led the development of a 9 MW solar farm on company property, helping Indianapolis become the 2nd highest per capita solar city in America.
- John was President of Agriculture & Nutrition Specialties with \$260M in revenues.
- John received his degree in Chemical Engineering from Carnegie-Mellon University and holds a MBA from Indiana University.
- Craun and Schubert have worked together since 2012.

What We Sell

Product/Technology and Competition

Product/Technology

GFE Hydrogen Ultra Storage (H2US)

Typically hydrogen is stored physically as either a gas or a liquid. Storage of hydrogen as a gas typically requires high-pressure tanks (350–700 atm [5,000–10,000 psi] tank pressure). Storage of hydrogen as a liquid requires cryogenic temperatures because the boiling point of hydrogen at one atmosphere pressure is -252.8°C . Hydrogen can also be stored on the surfaces of solids (by adsorption) or within solids (by absorption).

The GFE H2US advantages:

- The volumetric storage density in microporous silicon is greater than that of liquid hydrogen at current system levels (50% improvement).
- The H2US delivers pure hydrogen with very low parasitic energy costs (relative to those associated with current ultra-high pressure compression).
- *The H2US is fully recyclable.*
- The temperature difference between loading and unloading is not high (80 to 120 degrees C) when compared to metal hydrides (700 degrees C).
- The capital cost of storage is very low compared to any other method of hydrogen storage which is now estimated to be at maturity \$7.72 per kWh.
- The recharge energy is estimated to be 2.5 kWh/kg.
- We estimate that we can fill 5 kg in our microporous silicon storage matrix in 3.5 minutes at 8 bar and $<120^{\circ}\text{C}$.
- These characteristics outperform all other extant hydrogen storage technologies.

The advantages of the hydrogen fuel cell operated fork lifts and mules are unique. They produce only water vapor and therefore can be used in an indoor warehouse environment without consideration for pollutants accumulating in the work place atmosphere. There are NO hydrogen storage devices on the market today which offer

GFE's combination of advantages and energy efficiency. Therefore these advantages will successfully compete to replace ultra-high pressure storage vessels (700 -1000atm) and conventional moderate pressure (100-300 atm) tanks.

Fig. 7

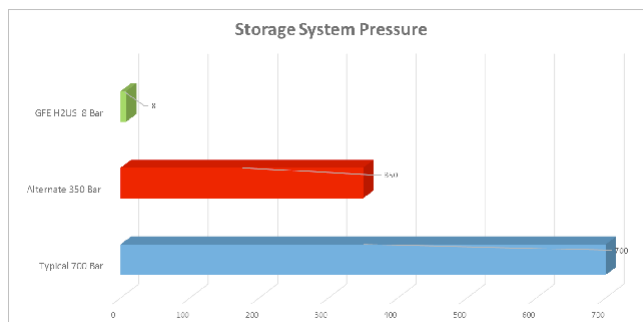
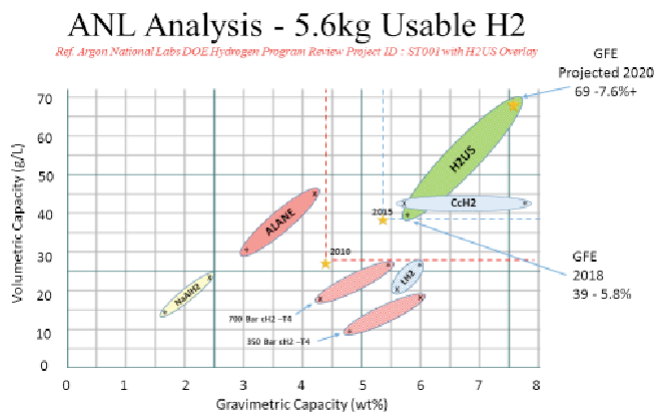


Fig. 8 Weight to Density Performance



Competitive Assessment

Direct competition:

- High pressure gaseous storage, currently used in US market for fuel cell vehicles, and which requires distribution network and expensive high pressure refueling stations.
- Cryogenic liquid hydrogen, used for industrial applications and some vehicles (BMW) which require expensive refrigeration and ample insulation to prevent boil-off.
- Metal hydrides such as used on nuclear submarines and consumer kits which are low density and generate high heat (700 degrees C) when recharged.

Fig. 9

Competitive Analysis				
Competitor	Strength	Weakness	GFE Response	Advantage GFE
Cells Alaa	<ul style="list-style-type: none"> • Cartridge based System • Stable with long shelf life 	<ul style="list-style-type: none"> • Co-Combustion with Diesel = carbon emissions • High Pressure • Not rechargeable 	GFE's H2US is a low pressure, emissions free solution. Rechargeable	✓
Luxifer Gas Cylinders G-Stor H2	<ul style="list-style-type: none"> • Light Weight for High Pressure system 	<ul style="list-style-type: none"> • High Pressure • Moderate density • Large Foot Print 	GFE's H2US is a compact, high density, low pressure solution	✓
Toyota Mirai H2 Storage	<ul style="list-style-type: none"> • Early adoption • Fixed internal market 	<ul style="list-style-type: none"> • High pressure • Moderate density • Limited application dual tank system • Proprietary 	GFE's H2US is a low pressure, high density, single tank system that can be used in many applications.	✓
BMW CCH2	<ul style="list-style-type: none"> • Stores H2 gas at lower temp at 350 bar. • 50% more H2 storage capacity than typical 700 bar tanks 	<ul style="list-style-type: none"> • High Pressure • Moderate density • Large Foot Print 	GFE's H2US is a compact, high density, low pressure solution	✓
Pragma Industries Metal Hydride	<ul style="list-style-type: none"> • Low pressure • Multiple recharge cycles 	<ul style="list-style-type: none"> • Slow recharge (45 minutes) • Poor density (0.5 kg H2 in 76 kg tank - that's less than 1%) • System requires water management, making it complex/unsuitable - ill suited for mobile applications. 	GFE's H2us has a fast recharge cycle, much higher density and is perfectly suited for mobile applications	✓

Indirect competition includes;

- Batteries such as lithium-ion which have a much lower energy density than GFEs porous silicon.
- Flow batteries such as hydrogen bromide or vanadium oxide which have the potential for lower cost alternatives at grid scales.
- Advances in battery technology could become a more direct threat such as lithium-air, or silicon anode, although these are not currently commercial.

Intellectual Property Strategy

We do expect our current IP portfolio to provide us with both protection and competitive advantage in our target market segment as well as in broader future applications.

- We have undertaken internal freedom to operate analysis in order to mitigate the risk of challenges and to ensure that we will not infringe upon another's patent.
- Through the patent prosecution process and during market research we have determined that while hydrogen storage IP is abundant the specific area of our patents appears to be free in the US.
- We have considered freedom-to-operate studies in some detail and have consulted with two IP lawyers on this topic. We will be commissioning a formal study as part of our commercialization efforts.

IP Assets - Patents and Disclosures

Our current patent related Intellectual Property is derived from three sources:

University assigned unrestricted, sole right to use in perpetuity via our spin up partnership, through the Innovation and Commercialization Office (tech transfer office) of the Indiana University system:

- Solid-State Hydrogen Storage Media and Catalytic Hydrogen Recharging Thereof: US 8,518,856
- Hydrogen Storage Tank and Method of Using: US 7,721,601
- Processes and Apparatuses for Producing Porous Materials: US 7,833,428
- Biomass Gasification/Pyrolysis System and Process: US 10,093,875
- Biomass Gasification/Pyrolysis System and Process: US 9,416,326
- Process and System for Syngas Production from Biomass Materials: US 8,845,772.

The following additional patents are owned by and assigned to Green Fortress Engineering:

-
- System, Methods and Materials for storing and retrieving Hydrogen: US 8,673,811
 - System for Gasifying Waste, Method for Gasifying Waste: US 9,989,251

As part of the above mentioned agreement the following **disclosures** are included, along with any other IP generated by the Schubert team related to these matters.

- Process and Apparatus for Preparing Solid-State Hydrogen Storage Media - Disclosed 4.24.16
- Alternative Catalyst Deposition on Porous Silicon – Disclosed 2.16.17

To secure global markets these invention disclosures, plus additional new disclosures from the research team, will be prosecuted globally through the Patent Control Treaty. Of particular interest is coverage in the European Union and in Japan.

New IP

As of May 2019 **new inventions** are anticipated from GFE.

Hydrogen storage

1. Non PGM catalysts
2. Methods to prevent oxygen ingress
3. Removal of reactive fluorine from surface
4. Method of packing for arbitrary spaces
5. Integrated hydrogen storage with hydrogen generation for quick restarts.
6. Method and means of combining heat exchange and IR heat/release

Biomass Gasification

1. Steam injection and water recovery,
2. Materials comminution and delivery
3. Anti seize technology and methods
4. Carbothermal reduction to produce PV-grade silicon
5. Production of biofuels synthesis from syngas

6. Integration of hydrogen separation from syngas

Clearly these 12 invention placeholders represent an incredible wealth of innovation.

Finance and Revenue Model

Estimate of funding needed

Assuming an extended time to market for a new hydrogen storage product, combination of grant monies, and equity investment will get us to H2US cash-positive revenues by Q1 2021 latest. The time to market and certification risks here are being calculated very conservatively and there is the strong possibility of earlier revenues being driven by market needs and strategic relationships.

GFE seeks a total of 3,100,000 for completing technical development and scale-up of the H2US, and for building prototypes of the H2US and BMSG to achieve 2020 revenues. The current pre-money valuation of GFE is \$6,000,000.

Evidence of Customer Need

We have spoken with 25 medium to large companies representing the different customers in our target market. It is clear that they not only see this space growing rapidly but that our solution is precisely what is need to accelerate the market to faster adoption of hydrogen fuel cell powered vehicles. Our included letters of support from these potential customers clearly indicate strong interest in and desire to partner with GFE for the H2US. Additionally, we do have several letters from potential customers demonstrating strong evidence of support and interest in other markets including light air craft and commercial energy storage. Excerpts from letters received are presented here:

- *The team here at TARDEC recognizes that the team at GFE, and in partnership with Indiana University-Purdue University Indianapolis (IUPUI), has already made significant advances in hydrogen generation and storage, including grants from the DOD, DOE, USDA and NSF. In particular we are intrigued by the benefits promised*

by the storage technology, especially the relatively low recharge pressure needed. **Tank Automotive Research and Engineering Center (TARDEC) US Military**

- Having reviewed the hydrogen storage technology under development by Green Fortress Engineering (GFE), I am impressed by the multitude of ways it could potentially be used in commercial applications. Catalytically modified porous silicon has tremendous potential to store energy for fuel cells and internal combustion engines, but is a platform technology which can be commercialized for a wide variety of applications. **Dave Edlund, CEO, Element One**
- The GFE H2 storage solutions can literally revolutionize the way energy markets view H2 as a power source. The GFE ability to store and deliver H2 power across applications as diverse as consumer electronics and mobile applications will be the key to energizing the broad adoption of H2 based solutions. **Jeff Durtschi, Principal, Red Bridge Partners**
- GFE is developing the hydrogen storage solution that will allow wide-scale adoption of a hydrogen economy. As an active angel investor in the Pacific Northwest and a member of several of the large angel syndicates, I am an interested potential investor. **Mark Alan Neuhausen**
- On behalf of Protonex Technology Corp. a wholly owned US subsidiary of Ballard Power Systems, I am pleased to confirm our support for Green Fortress Engineering (GFE) in their efforts to address the development and commercialization of a novel hydrogen storage capability. **Paul Osenar, Ph.D., President, Protonex Technology Corp.**

Revenues

It is our intention to develop outsourced/toll manufacturing partnerships as soon as is practical. Those relationships will allow us to scale to larger revenues quickly without being encumbered by large capital investments and significant real estate commitments. While these arrangements will have an impact on our margins early, enterprise stability and long term licensing agreements will offset those impacts. We expect to begin seeing licensing revenues in 2021.

Ultimately, **ANY** hydrogen based solution requires **storage** the same way a computer requires a hard drive to be useful. GFE's market disrupting H2US takes the concept of

hydrogen storage to a dramatically new level while lowering costs, improving density and reducing weight in a fully recyclable solution. The GFE H2US is a huge step in enabling the hydrogen economy of the future.

US Operations

GFE is a US corporation operating on funds provided by the US federal and the Indiana State governments. These sources are non-diluting and require no matching.

GFE is incorporated in Indiana, centrally located within the US, and home to a great resource in biomass. Proximity to Argonne National Labs, strong in hydrogen and gasification research, is a bonus. Indiana has an investment fund, Elevate Ventures, which makes capped matching equity investments once first money is received from external investors. These State investments are typically 80,000 USD.

Energy costs are low in Indiana, and the State has only a voluntary Renewable Portfolio Standard at a lower goal than many other States. While Indiana remains the default location, significant interest has been expressed by customers and investors in Oregon, Nevada, California, New York, and Hawaii, the latter having a legislative mandate to achieve 100% renewable energy no later than 2050. The decision to relocate will depend first on requirements imposed by government fund, but then on the availability of talent and the proximity to markets.

Who We Sell To

Market Opportunity – Hydrogen Storage Focus

Market Need

As the world moves further and further away from fossil fuels new, greener methods of energy generation require new methods of storage. Unlike traditional batteries, hydrogen fuel cells require discrete storage. Performance optimized, cost effective hydrogen storage is a critical component in the growth and expansion of any hydrogen based, economically feasible solutions. Existing solutions for hydrogen storage are heavily encumbered by pressure, weight, density and temperature issues.

Those encumbrances limit both breadth and depth of the markets to which hydrogen can be applied while driving up costs and risks.

Early stage motive applications like the Material Handling- Fork Lift/Mule markets are particularly in need of a new generation of storage solutions that enable hydrogen and its inherent efficiencies. According to the US DOE National Renewable Energy Lab (NREL/TP-5600-52783), "These markets tend to be risk averse and demand systems with high technology readiness levels and manufacturing readiness levels. Hydrogen storage technologies that have near-term potential to be readily available, reliable, and capable of satisfying the demanding operation environment are a must for market acceptance."

Current Funding and Expected Outcomes

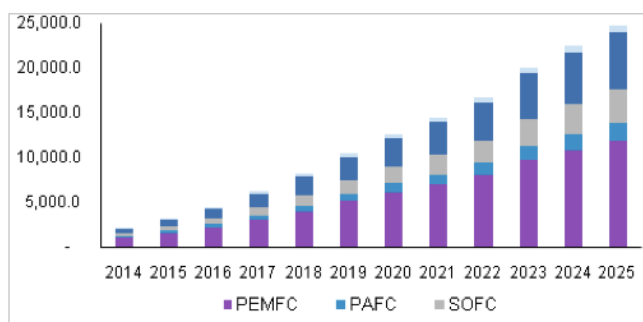
GFE is funded by the US National Science Foundation through the SBIR/STTR program (similar to Horizon 2020 in the EU). Phase I funds of 225,000 USD are matched by 50,000 USD by the State of Indiana.

- New investment will enable GFE to commercialize its revolutionary, solid state, porous silicon hydrogen storage solution, the H2US. This elegant and groundbreaking solution will transform the way hydrogen is stored by removing many of the barriers listed in Section 1.1 while significantly reducing overall cost and improving efficiencies.
- In Phase I, we developed and validated a working model of the processes required for this innovation and verified that it can be translated into the products we propose to commercialize. As we move into Phase II commercialization our goal will be to have our first hydrogen storage product market-ready as quickly as is possible.
- GFE is well positioned to undertake this project as its combination of team, market interest and investor interest has us poised for success.

Industry Overview

The first adopters of our hydrogen storage technology will most likely be the producers and users of fuel cells. That fuel cell market is growing rapidly.

Fig. 2 Global fuel cell market revenue by product, 2014 - 2025 (USD Million)



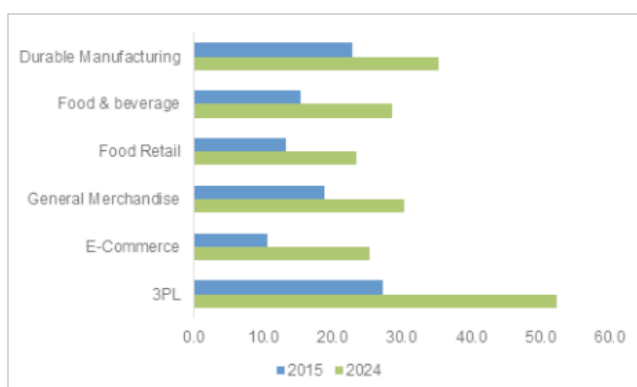
GFE has determined that a particular sub-set of fuel cell users, light duty vehicles like the Material Handling Equipment-Fork Lift/Mule markets, are particularly suited for our technology. These are largely indoor use vehicles where emissions are a major consideration. This sub-set provides the lowest execution risk for initial market adoption and costs to service.

This is a moderately sized industry that is growing rapidly in support of expanded on-line retail/e-commerce business models. Market research analysts at Technavio predict that the global **forklift trucks** market will grow steadily at a CAGR of above 7% by 2021. Immediately following will be the automobile vehicle market.

Industry Trends

Material handling equipment market size was over USD 110 billion in 2015; industry growth is pegged at over 5% to 7% CAGR estimation from 2016 to 2024. *April 2017, Global Market Insights*

Fig. 3 Global Material Handling Equipment Market Size, By Application, 2015 & 2024 (\$ Bn)



Customers and How We Will Access Them

There are three general types of customers distinguished by differences in market access, the selling process, and/or fulfillment processes. We will address all these avenues simultaneously through direct sales efforts, a distributor network and leveraging cross relationship synergies. The manufacturers and distributors in this space are intersected in most cases via the systems integrators (SI) allowing us to optimize those relationships early by engaging the SI's in early trials. As demonstrated in our letters of support, early stage discussions indicate that the fuel cell companies are most likely to engage first. This is a relatively small segment in terms of significant players for which we have contacted most and will contact all key players within three months.

Customers/Strategic partners will include:

- Materials handling equipment manufacturers
- Power systems, systems integrators who provide solutions to materials handling equipment manufacturers
- Fuel cell manufacturers and distributors

End users markets include:

- Warehouse and Distribution Center operators
- Construction Companies
- Facilities maintenance providers
- Storage facilities

Market

Fork Lift Market Opportunity

Our market opportunity was derived from a combination of extensive market research and direct discussions with representatives of each customer types as listed in the Industry Overview section.

- The global automated material handling systems market has been estimated at USD 22.94 billion in 2016 and is projected to reach USD 37.90 billion by 2022, at a CAGR of 8.73%, from 2017 to 2022.
- The global material handling equipment market is expected to reach USD 41.1 billion by 2025, according to a new report conducted by Grand View Research, Inc.

Market Trends and Hurdles to Access Market

The Forklift Manufacturing industry relies on demand from the construction, manufacturing, warehousing and freight-handling industries. Consequently, as downstream industries recovered from economic down turns, industry revenue grew over the five years to 2016. Profit margins have also improved considerably due to growing demand, falling steel purchase costs and significant automation of production. Additionally, the international landscape has contributed to industry growth.

Challenges -

- In the Material Handling market, specifically in the systems solutions provider space, there is one dominant player: Plug Power. We are subject to risks from that customer's internal stack development and commercialization plans.
- We may be exposed to extended sales lead times.
- Slow market adoption could result in delayed revenue and slow the scaling of the company to the point where additional external funding is required.

Commercialization Strategy

GFE's commercialization strategy for the H2US is to approach several different market access points. We will work with the equipment manufactures in the materials handling space as well as working with the systems integrators who supply them. We also intend to partner closely with hydrogen producers (electrolyzers) and the fuel cell manufacturers and distributors as we complete their "systems" by providing necessary H2 storage.

- Fuel cell manufactures and H₂ systems integrators: Ballard/Protonex, Plug Power, Element One, Hydrogenix
- Materials Handling Manufacturers: HyLIFT-Europe, Caterpillar, Clark, Toyota, Mitsubishi, Jungheinrich, KION, and Hyster-Yale Material Handling.

We have attached Letters of Support from several of the companies listed above with other LOS being requested.

Commercialization Marketing Plan

Our plan is to establish a constantly growing community of potential customers as well as those deeply interested in innovation and advancements in the green/renewable energy space. To that end we will be implementing a series of marketing initiatives that will be, through the use of traditional and internet based tools, both far reaching and highly cost effective.

- Keystone pricing for earliest customers/partners

-
- Focused social media marketing
 - Strategic alliances
 - Sales referral programs
 - E-newsletter. Sending important, regular updates through email.
 - A blog. Providing useful info to your clients and supporters on a regular basis.

GFE will also work closely with strategic partners to publicize field tests and commercial agreements as they develop.

Market demand for hydrogen storage is strong in Japan, Iceland, and in Europe. Of greatest interest to GFE is establishment of a base of operations in Europe to serve that regional market and develop a broader range of intellectual property suitable for PCT coverage.

Business, Operational and Environmental Impact

A variety of factors make the H2US well suited for hydrogen powered lift trucks. Some of the best opportunities include:

- Lower operating costs
 - Shorter refill times = Increased uptime = Increased productivity
 - Zero carbon emissions from the H2US = better employee health
 - H2 solutions offer Constant Power – No performance degradation as with batteries
 - Realize space savings:
1. Reclaim significant indoor space previously occupied by battery charging and storage rooms
 2. Utilize reclaimed indoor space to store and move additional product, helping increase throughput
 3. Hydrogen dispensers (e.g. fueling stations) can be located outdoors or indoors using a small footprint

Making Operational, Environmental and Business Sense

H2 storage is a key component in any system that enables H2 fuel cells. In general, deploying hydrogen fuel cells can offer a cleaner, safer workplace and significant productivity and financial advantages over other electric lift truck options. Fuel cell-powered lift trucks offer a realistic, long-term solution that addresses the challenges facing material handling operations to reduce total cost of operation and increase efficiency. Combine these favorable conditions with consistent access to fuel with on-site hydrogen generation solutions, and further adoption of hydrogen fuel cell-powered lift trucks makes sound financial and environmental sense. In conjunction with Fuel Cells the GFE's H2US will:

- As part of an H2 systems solution we help lower operating cost by over 20% (Fig. 4)
- Achieve volume densities greater than that of liquid hydrogen at current system levels.
- Allow storage at relatively low temperature vs. LiH (Lithium Hydride 700 degrees C typical vs Microporous Silicon 80 to 160 degrees C).
- Dramatically lower pressure (8 bar vs 700/350 bar typical).
- Deliver shorter refill times (~3.5 minutes).
- Eliminate the need for complex, noisy, and costly high pressure hydrogen storage that drives increasing hydrogen costs to the customer while creating barriers to market penetration.
- Lower risk by dramatically reducing the chance of explosive discharge and expands the potential application of Hydrogen Storage Cells to markets where high pressure storage would prove too costly or impractical.
- Dramatically lower weight thereby significantly increasing density to space ratios while reducing physical storage container costs and reducing parasitic energy costs.

Fig. 4

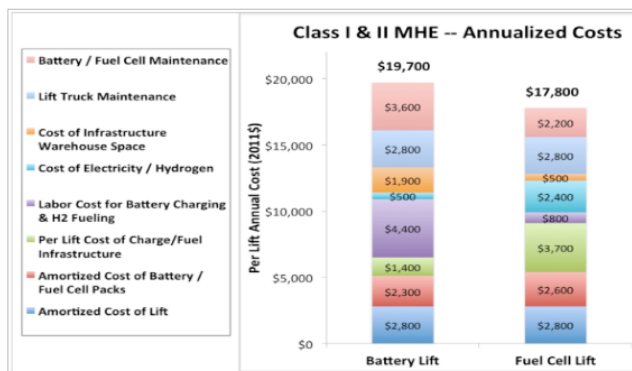
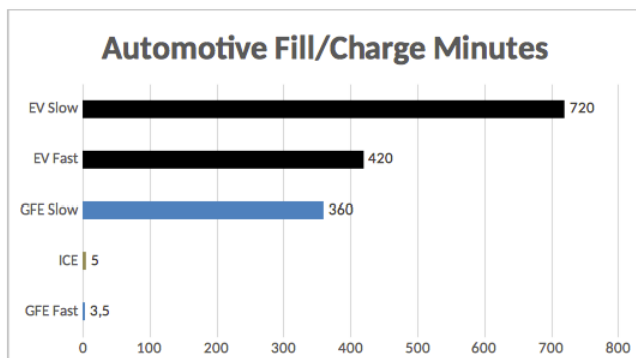


Fig. 5



According to the US DOE Fuel Cell Technologies Office (FCTO), by 2020 they aim to identify and verify onboard motive hydrogen storage systems achieving targets that will allow hydrogen-fueled vehicle platforms to meet customer performance expectations for range, refueling time, and overall vehicle performance. Specific system targets include the following, which GFE will meet or exceed:

- 1.5 kWh/kg system (4.5 wt.% hydrogen)
- 1.0 kWh/L system (0.030 kg hydrogen/L)
- \$10/kWh (\$333/kg stored hydrogen capacity).

Corporate Governance Structure of the Company

More information of the Board of Directors and Management of the Company is available upon request:

- Details of the Directors (the full names, ages, capacities and business address of the Directors)
- Experience of the directors
- Qualification, appointment, voting power, retirement and borrowing powers of the directors

The Company's Articles of Incorporation and its Bylaws contain provisions relevant to qualification, appointment, and voting powers of the members of the Board of Directors and the powers of the management of the Company. The borrowing powers of the directors in respect of both the Company and the subsidiaries are unlimited.

Disclosures by the directors

None of the directors of the Company (or the subsidiaries) have:

1. been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
2. entered into any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company where such directors are or were directors with an executive function during the preceding twelve months;
3. entered into any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such directors are or were partners during the preceding twelve months;
4. entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding twelve months;
5. been involved in any unusual transactions such as purchases outside normal activity or the acquisition or disposal of fixed asset items;

-
6. been publicly criticized by a statutory or regulatory authority, including recognized professional bodies or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; and/or
 7. been involved in any offence of dishonesty, fraud or embezzlement.

Remuneration of directors

Executive and non-executive directors may be compensated by fee, salary, and/or use of the Company's property as a matter of agreement between them and the Company. However, the amount of remuneration cannot exceed the amount specified in the articles of incorporation.

Interests of the directors

On the date of publication of this Private Placement Memorandum, the directors (and their associates), in aggregate, held directly and indirectly approximately 100% of Company's issued share capital.

Statements

1. Save for being a shareholder of the Company or the Investment adviser, no director of the Company has or had any interest, directly or indirectly, in any transaction which is, or was, material to the business of the Company and which was effected by the Company during the current financial year which remains in any respect outstanding or unperformed.
2. Save for being a shareholder of the Company or the Investment adviser, no director of the Company has had any material beneficial interest, either direct or indirect, in the promotion of the Company.
3. Save for being a shareholder of the Company or the Investment adviser, no director of the Company has had any material beneficial interest, either direct or indirect, in any property acquired or to be acquired by the Company.

Management contracts of the directors

The directors may enter into employment/management agreements. The executive directors are employed on terms and conditions that are normal for positions of their nature, which include, inter alia, that the executives:

1. are required to spend all such time as reasonably required in the fulfillment of their duties;
2. are subject to the usual fiduciary obligations of a director of a company;
3. are subject to notice of termination;
4. are required to serve on committees as necessary;
5. are bound by duties of confidentiality with regards to the business of the Company; and
6. have agreed to be bound by a restraint of trade for a period post-termination of services.

Other directorship held by the directors

This information is available upon request.

Major shareholders of the Company

Details of shareholders holding more than 10% of the issued share capital and the shares issued since the Company's incorporation as well as the current capital structure and the capital structure subsequent to the conclusion of the Private Placement are available upon request. Also available upon request is information regarding the rights attaching to the shares.

Key features of the Certificate of Incorporation and Bylaws of the Company

The articles of incorporation contain general information about the Company, such as the name and location of the business. The Company's bylaws contain information about the rules and regulations that govern a corporation. In addition, Company's bylaws establish the roles and duties of the company's directors and officers. Provisions outlined in the Company's articles of incorporation include limitation of

directors' liability, actions by stockholders without a meeting and authority to call special meetings of stockholder

Key obligations, liabilities and rights of the Company

No material contracts have been entered into by the Company, other than in the ordinary course of business, since incorporation, that contains an obligation or settlement that is material to the Company as at the date of the Memorandum. Information regarding Agreements with key clients/providers/Investors, Assets acquired or to be acquired is available upon request.

Corporate practice and conduct

The Company and its Management are committed to the principles of effective corporate governance and application of the highest ethical standards in the conduct of its business and affairs.

Directors' responsibility statement

The Directors will prepare financial statements on a going concern basis unless it considers inappropriate. The Directors are responsible for ensuring that the accounting records kept by the Company at any time reasonably and accurately reflect the financial position of the Company, and also ensure that the financial statements comply with internationally accepted requirements. The Directors also have duties to take reasonable and practicable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors consider that in preparing the financial statements contained in its Annual Reports, the Company has adopted appropriate accounting policies which have been consistently applied and supported by reasonable judgments and estimates, and that all accounting standards which they consider to be applicable have been followed.

Litigation Statement

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which the Company is aware, which may have or have had a material effect on the financial position of the Company since incorporation.

Financial Information

The Company's financial information is provided in the following sections. Before potential Investors enter into a contract with the Company, it is advised that they have an expert carry out a due diligence that will focus on:

- Evaluating the integrity of individuals - both personally and professionally
- Analyzing the quality of reported assets, earnings and cash flows
- Assessing the financial and accounting control environments
- Gauging the strength of relationships with customers and partners
- Tracing and evaluating the supply chain for compliance-related vulnerabilities

In addition, this due diligence provides essential information about the Company in respect to:

- The Capitalization of the company
- Revenue, profit and margin trends
- Competitors and industries
- Valuation multiples
- Management and share ownership
- Balance sheet exam
- Stock price history
- Stock Options and dilution possibilities
- Expectations
- Risks

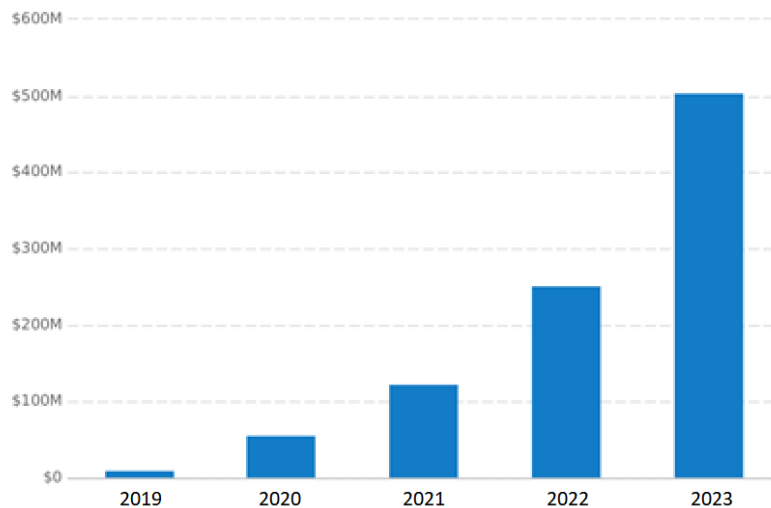
Financial Plan

Revenues

Revenue Forecast

	2019	2020	2021	2022	2023
Revenue					
H2US	\$1,250,000	\$8,150,000	\$30,400,000	\$88,500,000	\$245,400,000
BMSG	\$8,100,000	\$47,400,000	\$93,600,000	\$163,200,000	\$259,200,000
Grants	\$800,000	\$125,000			
Total Revenue	\$10,150,000	\$55,675,000	\$124,000,000	\$251,700,000	\$504,600,000
Direct Cost					
Cost of Goods Sold	\$3,832,000	\$13,172,000	\$28,968,000	\$61,536,000	\$145,152,000
Total direct costs	\$3,832,000	\$13,172,000	\$28,968,000	\$61,536,000	\$145,152,000
Gross margin	\$6,318,000	\$42,503,000	\$95,032,000	\$190,164,000	\$359,448,000
Gross margin %	62%	76%	77%	76%	71%

Revenue by Year



About the Revenue Forecast

Although Management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Important factors that could cause actual results to differ materially from the Company's expectations. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements set forth in this Memorandum. The Company disclaims any intention or obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Budget

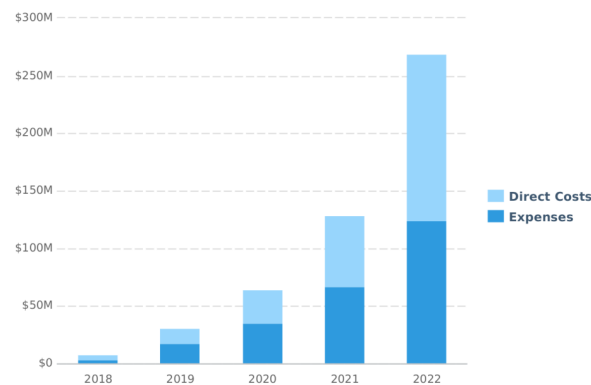
Budget Table

	2019	2020	2021	2022	2023
Operating expenses					
Salaries and Wages	\$1,197,000	\$2,100,000	\$2,520,000	\$2,634,000	\$2,748,000
Employee Related Expenses	\$119,700	\$210,000	\$252,000	\$263,400	\$274,800
Op Exp less COGS & Payroll	\$1,552,399	\$6,360,847	\$12,077,534	\$22,101,296	\$39,767,070
Total operating expenses	\$2,869,099	\$8,670,847	\$14,849,534	\$24,998,696	\$42,789,870

About the Budget

These forward-looking statements regarding operational costs involve inherent risks and uncertainties and speak only as of the date they are made. The Company undertakes no duty to and will not necessarily update any of them in light of new information or future events, except to the extent required by applicable law. The Company cautions investors that a number of important factors could cause actual costs to differ materially from those expressed in these forward-looking statements. These factors are discussed above.

Expenses by Year



Loans and Investments

	2019	2020	2021	2022	2023
Convertible Loan					
Loan at 3% interest for 120 mos.	\$3,100,000				
Total Amount Received	\$3,100,000				

Cash Flow Assumptions

Cash inflow		
% of Sales on Credit		100%
Avg Collection Period (Days)		90
Cash outflow		
% of Purchases on Credit		75%
Avg Payment Delay (days)		30
Months to keep on hand		0
Minimum inventory purchase		\$0

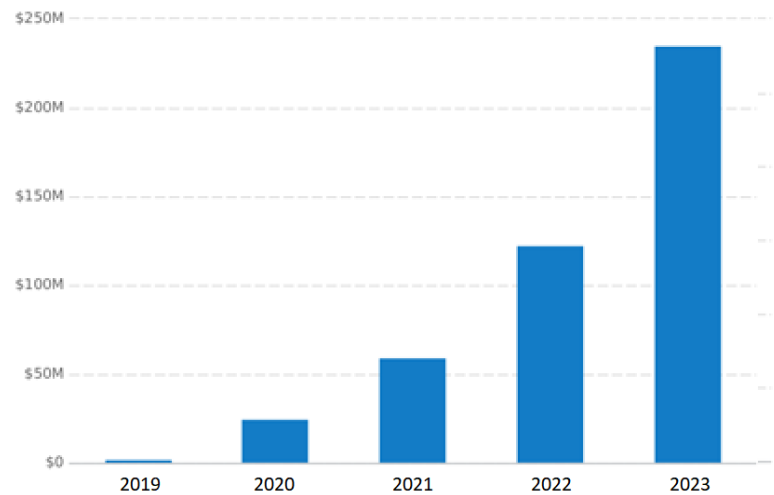
Financial Statements

Profits

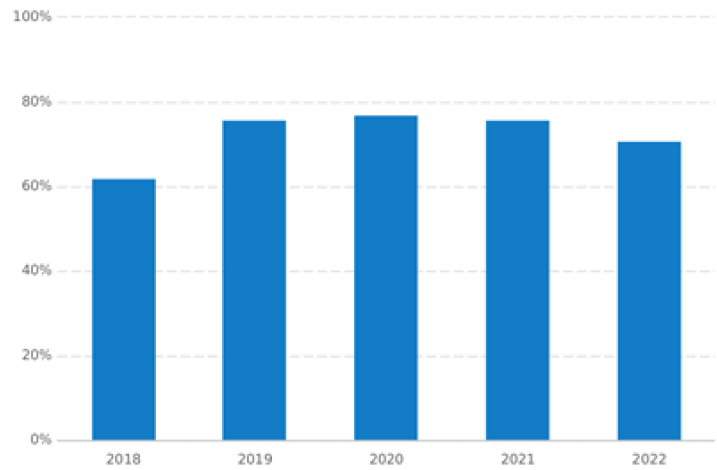
Profit and Loss Statement

	2019	2020	2021	2022	2023
Revenue	\$10,150,000	\$55,675,000	\$124,000,000	\$251,700,000	\$504,600,000
Direct Costs	\$3,832,000	\$13,172,000	\$28,968,000	\$61,536,000	\$145,152,000
Gross Margin	\$6,318,000	\$42,503,000	\$95,032,000	\$190,164,000	\$359,448,000
Gross Margin %	62%	76%	77%	76%	71%
Operating Expenses					
Salaries & Wages	\$1,197,000	\$2,100,000	\$2,520,000	\$2,634,000	\$2,748,000
Employee Related Expenses	\$119,700	\$210,000	\$252,000	\$263,400	\$274,800
Op Exp less COGS & Payroll	\$1,552,399	\$6,360,847	\$12,077,534	\$22,101,296	\$39,767,070
Total Operating Expenses	\$2,869,099	\$8,670,847	\$14,849,534	\$24,998,696	\$42,789,870
Operating Income	\$3,448,901	\$33,832,153	\$80,182,466	\$165,165,304	\$316,658,130
Interest Incurred	\$101,618	\$101,144	\$90,710	\$79,958	\$68,881
Depreciation and Amortization	\$1,083	\$3,083	\$5,084	\$7,083	\$9,083
Income Taxes	\$859,973	\$8,668,077	\$20,582,275	\$42,425,114	\$81,361,102
Total Expenses	\$7,663,773	\$30,615,151	\$64,495,602	\$129,046,853	\$269,380,936
Net Profit	\$2,486,227	\$25,059,849	\$59,504,398	\$122,653,147	\$235,219,064
Net Profit / Sales	24%	45%	48%	49%	47%

Net Profit by Year



Gross Margin by Year



About the Profit and Loss Statement

This pro-forma profit and loss statement is a projection of a company's net income for a period of time in the future. This information includes the Company's projections for future revenue, expenses, and income. Projecting pro-forma profit and loss is important for a company in that it allows it to budget for the upcoming period of time and see where adjustments have to be made in their operations.

These pro-forma earnings describe a financial statement that has hypothetical amounts, or estimates, built into the data to give "picture" of Company's profits. Pro-forma earnings are not computed using standard GAAP and leave out one-time expenses that are not part of normal company operations, such as restructuring costs following a merger. Such an expense can be rightfully viewed as a one-time item that does not contribute to the company's representative valuation.

GAAP enforces strict guidelines that companies must follow when reporting earnings, but pro-forma figures are better thought of as "hypothetical," computed according to the estimated relevance of certain events and conditions experienced by the company. Basically, Company uses its own discretion in calculating pro-forma earnings, including or excluding items depending on what they feel accurately represents the company's true performance. These pro-forma figures are supposed to give Investors a clearer view of company operations.

This pro-forma financial statement can also be used by corporate managers and Investment banks to assess the operating prospects for their own businesses in the future and to assist in the valuation of potential takeovers. They are useful tools to help identify the Company's core value drivers and analyze changing trends within company operations.

Balance Sheet

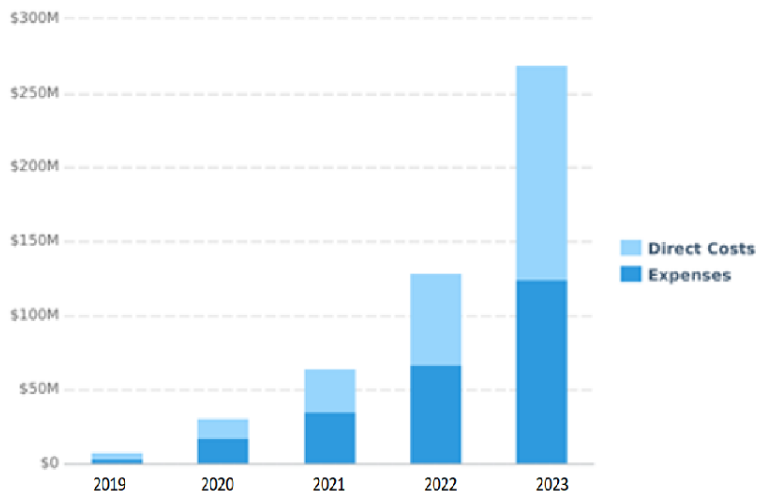
	2019	2020	2021	2022	2023
Cash	\$6,865,118	\$26,685,172	\$82,008,673	\$196,874,507	\$413,758,454
Accounts Receivable	\$0	\$13,918,750	\$31,000,000	\$62,925,000	\$126,150,000
Total Current Assets	\$6,865,118	\$40,603,922	\$113,008,673	\$259,799,507	\$539,908,454
Long-Term Assets	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000
Accumulated Depreciation	(\$1,083)	(\$4,166)	(\$9,250)	(\$16,333)	(\$25,416)
Total Long-Term Assets	\$8,917	\$15,834	\$20,750	\$23,667	\$24,584
Total Assets	\$6,874,035	\$40,619,755	\$113,029,423	\$259,823,174	\$539,933,037
Accounts Payable	\$0	\$1,220,804	\$2,565,346	\$5,227,331	\$11,557,442
Income Taxes Payable	\$859,973	\$8,668,077	\$20,582,275	\$42,425,114	\$81,361,102
Short-Term Debt	\$343,036	\$353,470	\$364,221	\$375,299	\$386,714
Total Current Liabilities	\$1,203,009	\$10,242,350	\$23,511,842	\$48,027,744	\$93,305,258
Long-Term Debt	\$3,184,799	\$2,831,329	\$2,467,107	\$2,091,808	\$1,705,094
Total Liabilities	\$4,387,808	\$13,073,679	\$25,978,949	\$50,119,553	\$95,010,352
Retained Earnings		\$2,486,227	\$27,546,076	\$87,050,474	\$209,703,621
Earnings	\$2,486,227	\$25,059,849	\$59,504,398	\$122,653,148	\$235,219,064
Total Owner's Equity	\$2,486,227	\$27,546,076	\$87,050,474	\$209,703,621	\$444,922,685
Total Liabilities & Equity	\$6,874,035	\$40,619,755	\$113,029,423	\$259,823,174	\$539,933,037

Cash Flow Statement

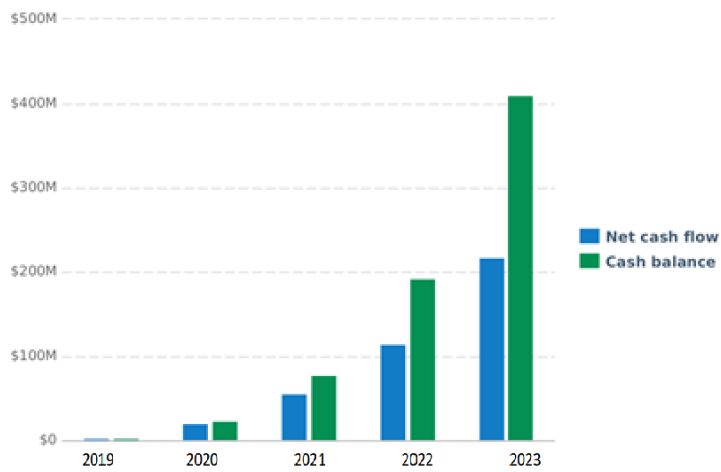
Cash Flow Statement

	2019	2020	2021	2022	2023g8
Net Cash Flow from Operations					
Net Profit	\$2,486,227	\$25,059,849	\$59,504,398	\$122,653,147	\$235,219,064
Depreciation & Amortization	\$1,083	\$3,083	\$5,083	\$7,083	\$9,083
Change in Accounts Receivable	\$0	(\$13,918,750)	(\$17,081,250)	(\$31,925,000)	(\$63,225,000)
Change in Accounts Payable	\$0	\$1,220,804	\$1,344,542	\$2,661,986	\$6,330,110
Change in Income Tax Payable	\$859,973	\$7,808,104	\$11,914,198	\$21,842,839	\$38,935,988
Net Cash Flow from Operations	\$3,347,283	\$20,173,090	\$55,686,971	\$115,240,056	\$217,269,245
Investing & Financing					
Assets Purchased or Sold	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Change in Long-Term Debt	\$3,184,799	(\$353,470)	(\$364,221)	(\$375,299)	(\$386,714)
Change in Short-Term Debt	\$343,036	\$10,434	\$10,751	\$11,078	\$11,415
Net Cash Flow from Investing & Financing	\$3,517,835	(\$353,036)	(\$363,470)	(\$374,221)	(\$385,299)
Cash at Beginning of Period	\$0	\$6,865,118	\$26,685,172	\$82,008,673	\$196,874,507
Net Change in Cash	\$6,865,118	\$19,820,054	\$55,323,501	\$114,865,835	\$216,883,946
Cash at End of Period	\$6,865,118	\$26,685,172	\$82,008,673	\$196,874,507	\$413,758,454

Expenses by Year

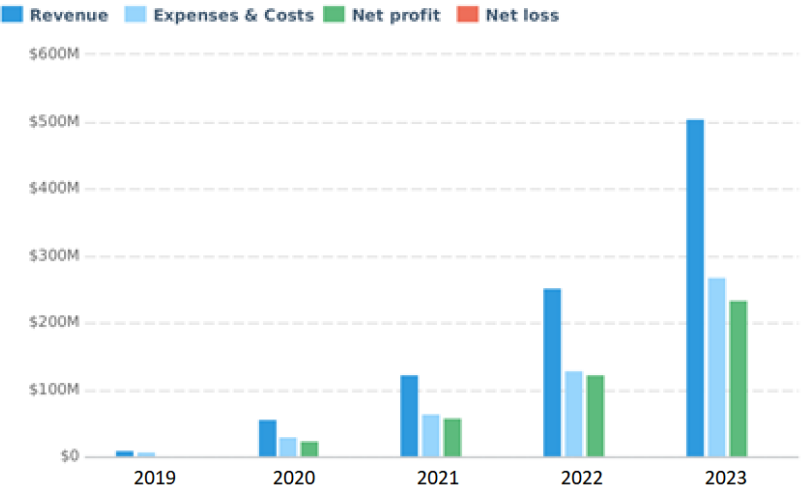


Flow by Year



Cash

Financial Summary



Additional Material Information

Taxation of Investors

Prospective Investors should ascertain from their professional advisors the consequences to them of acquiring, holding, redeeming, transferring or selling participations under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements. These consequences will vary with the law and practice of a prospective Investor's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Prospective Investors also should bear in mind that levels and bases of taxation may change.

The Council of the European Union adopted, on 3 June 2003, the Council Directive 2003/48/EC on the taxation of savings income. Under this Directive, Member States of the European Union ("Member States") will be required to provide tax authorities of another Member State with details of payments of interest or other similar income paid by a paying agent within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States (Austria, Belgium and Luxembourg) to opt instead for a withholding tax system for a transitional period in relation to such payments.

VAT

As a result of its activities and in light of European case law, the Company should be considered an "entrepreneur" for value-added tax purposes. As a result of this characterization, certain services rendered by Foreign Service providers to the Company may be deemed to be located on national territory. This may lead to a reverse charge mechanism at applicable rates at the time the taxable service will have been provided, depending on the nature of the services.

Final Information

Commissions paid or payable

The Company has not paid any commission or consideration in respect of underwriting other than in the normal course of business during the three years preceding the date of this Private Placement Memorandum. Since incorporation no commission, discount, brokerage or other special terms have been granted by the Company in connection with the issue or sale of any securities in the Company. The Company has made payments (information available upon request) to third parties in respect of managerial, secretarial and technical fees since incorporation up to the date of the Memorandum.

Advisers' and the Management interest

None of the advisers and the director of the Company in their capacity as such, has any conflict of interest with the Company in respect to this Private Placement Memorandum, at the date of the Memorandum.

Preliminary expenses in relation to this Private Placement (and issue expenses)

Information regarding the preliminary expenses and issue expenses that are expected or have been provided for in connection with the Private Placement is available upon request.

Documents available for inspection

Copies of the following documents will be available for inspection and obtainable free of charge at the Company's registered offices at any time during normal business hours from 8h30 to 17h00 (US Eastern) from the date of this Private Placement Memorandum:

- the Certificate of incorporation and bylaws of the Company;
- the recent consolidated annual financial statements of the Company;
- quarterly consolidated recent financial statements of the Company;

-
- the reports on the historical financial information of the Company; and
 - a copy of this Private Placement Memorandum.

Indication of Interest Form

Use this form to indicate potential interest in investing in the Company

YOUR NAME _____

IF A COMPANY, BENEFICIAL OWNER NAME _____

POTENTIAL INVESTMENT _____

EMAIL ADDRESS _____

SKYPE ADDRESS _____

TELEPHONE _____

Next steps

Scan and email this form to us. Be sure the form is properly completed and signed. To find relevant information, go to our website.

By signing below, you state and agree as follows: *You confirm that you are permitted to view this Private Placement Memorandum. You are requesting us to notify you should an opportunity to invest in the Company become available.* This indication of interest is not a purchase order in any form.

DATE _____

SIGNATURE _____