Executive summary of podway project for

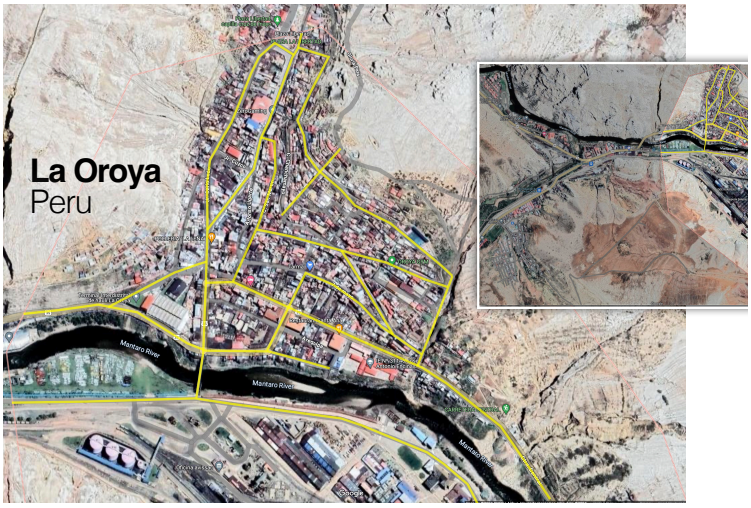
La Oroya, Peru

New sustainable infrastructure

Tollway with integrated solar, wind, storage, EV charging, and utilities.

A vertically-integrated automated tollway for moving people and goods. Podway built alongside roadways and highways within public right-of-way easements. Includes a renewable energy grid with battery-backed solar and wind generation, on-street EV charging, and utilities.

FDBOOC (Finance,Design,Build,Own,Operate,Cooperative)



Financial Summary - details on page 3-6

Project Cost (CAPEX) **$56.6M**

$2.8M per route-km

$2,312 per resident cost

Annual Revenue **$42.4M**

Multiple long-term contracts and revenue streams from passengers, renewables, advertising, freight, parcels, carbon credits, and attachment fees.

Operating Expenses (OPEX) **$13.4M**

Rev share, monitor, security, clean, maintain

Net Operating Income **$21.4M**

Multiple scenarios and metrics on page 4

Project Details

Length: 20 km

Guideway with stainless steel exterior, aluminum rails, galvanized steel supports at 24 m (79 ft) spacing. Expected 100 year lifespan.

Number of Vehicles: 138

Automated, on-demand, battery-electric pods can carry 4 seated passengers or 1400 kg (1.5 ton) pallet-sized payload.

Number of Access Points: 102

Access points (pod stops) are electric lifts that lower pods to ground-level for boarding off the main line.

Serves all major destinations including: Airport(s), Train station(s), Bus terminal(s), Hospitals, Schools, Places of worship, Tourist sites, Grocery stores, Retail, Residential, Freight hubs, Industrial, Distribution centers, and Seaports.

Population served: 20.8K

Convenient (a 4.0 min. walk) to population of 20,805 on 388 sq km (served population is 85% of total population of 24,476). Provides car-like convenience and train-like capacity.

Renewable Energy System: 4.7 MW

5 MW generation of clean and renewable energy.
GHG reduction of 4.7K tCO2e per year.

Status and Milestones

First Pilot	Installed & testing (Boston 2021)
Feasibility study	Completed
Funding	Partial
Insurance & Bonding	TBD
Rights-of-Way agreement	TBD
Route approved	TBD
EPC selected	07/2024
First phase Permitted	08/2024
On-site Pilot installed	10/2024
P3 Agreement Signed	10/2024
Financial close	10/2024
First phase operational	04/2025
Full system operational	12/2025

Additional Info

Public webpage for Peru

Request feasibility study

Transit X

Podway Development

Capgemini

Feasibility Study and Industry Comparables

Feasibility Study Summary

- ✓ **Financial**: Multiple sources of revenue, long-term contracts and network effects deliver durable cash flows and high margin operations.
- ✓ **Regulatory**: International Automated People Mover standards for system safety.
- ✓ **Land acquisition**: None. Installed within public rights-of-way (RoW) alongside roadways within utility-like aerial easements.
- ✓ **Government**: Provides aerial RoW easements through Public-Private Partnership (P3) agreement. Strong government support from revenue stream and no government funding. Provides public transport that is convenient, inclusive, accessible, sustainable, and equitable. No land use or negative impact on other modes of travel. Lowers gov't cost for road & bridge maintenance.
- ✓ **Construction**: 90% of work is competitively bid on fixed-price contracts with qualified and reputable firms. Infrastructure is built in factory which makes for fast installation and low disruption.
- ✓ **Environmental**: No significant environmental impact. Carbon negative. Pollution free. Powered by clean and renewable energy
- ✓ **Societal**: Fast to build and not disruptive. Improved safety, reduced crime. Creates jobs and economic growth. Eliminates congestion & parking issues. Integrates with existing transport.
- ✓ **Technical**: Exclusive, elevated, fully-automated guideway avoids complexities of multi-modal roadway. Similar to systems that have been safely operating for 45+ years. See box to right →

Operational ATN/PRT Systems

Location	Name and Vendor	Route (km)	Vehicles	Service Year
Morgantown, West Virginia	Morgantown PRT	5.8	70	1975
London Heathrow Airport	ULTra	3.8	21	2011
Masdar City, UAE	2getthere	1.8	10	2010
Suncheon, South Korea	Vectus	4.6	40	2014
Raytheon, Massachusetts (tested)	PRT 2000	1.5	3	1995-1997

RISK ANALYSIS

Is this type of system in operation?

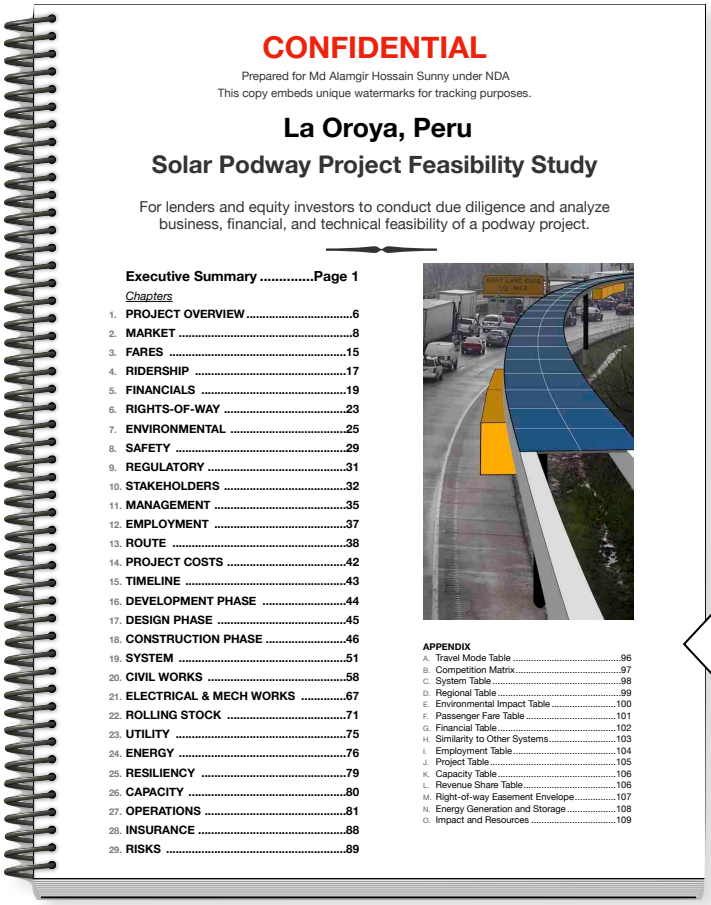
Yes, podways are PRT/ATN (Personal Rapid Transit, Automate Transit Networks) and the first PRT system has been operating for nearly 50 years. Our engineering partner, Capgemini, is the largest engineering services company in the world and Capgemini has designed, built, and operated dozens of these types of systems. A comparison between PRT and Podways is available.

A podway was installed in 2021 near Boston for testing. That small pilot proved the manufacturability, low cost, fast installation, and quiet operation. Every podway project starts with a small pilot followed by a phased rollout.

Podway projects are designed to mitigate risk because they are: 1. privately funded, 2. factory built, 3. use of roadway/highway easements, 4. exclusive and grade separated tracks, 5. fully automated controls, 6. no environmental impact and 7. short implementation.

While there is currently no large scale Transit X podway system in operation, podway projects are likely lower risk than most roadway or railway projects.

A book that researched and analyzed the top risks of large projects is titled: "How Big Things Get Done. The surprising factors that determine the fate of every project"



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La Oroya, Peru

Solar Podway Project Feasibility Study

For lenders and equity investors to conduct due diligence and analyze business, financial, and technical feasibility of a podway project.

Executive Summary ..... **Page 1**

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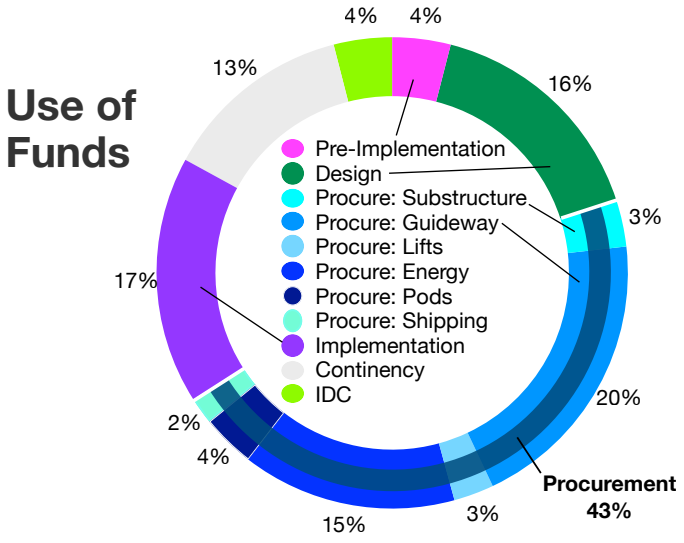
Feasibility Study and Industry Report available upon request.

Project Details

Partners and Major Contracts

Project Developer	Transit X
Engineering	Capgemini
Financial partner	Podway Development
Financial advisor	EACP
Accounting / CPA	one of Big 4
P3 Agreement	Gov't (or private)
Program Management	AECOM
Bankable Study	KPMG/PwC/EY
Insurance	Lloyds of London
Civil Works	Competitive bid
Energy Systems	Competitive bid
Manufacturing	Multiple contracts

Use of Funds



Use of Funds

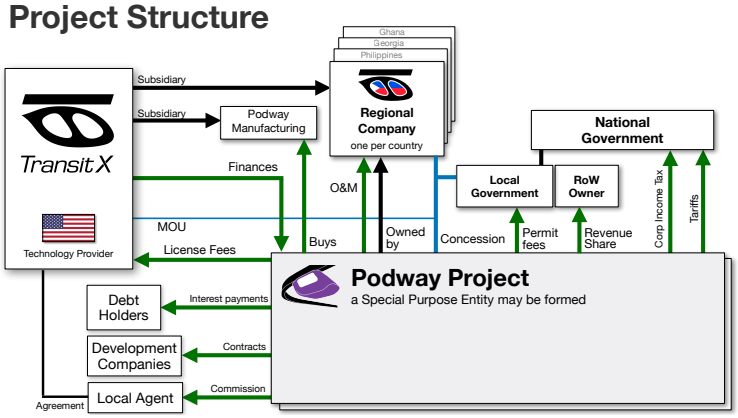
	Task item	Cost (US$)
1	**DEVELOPMENT**: 3 to 9 months	**$2.3M**
2	Feasibility Study with Ridership-Rev Study	158,000
3	Environmental Impact Study	475,000
4	Pilot	362,000
5	Civil planning & assessment	588,000
6	Contracts, Documentation & Legal	204,000
7	Project Management	181,000
8	Travel & Meetings	68,000
9	Contingency for Development Phase	226,000
10	**IMPLEMENTATION / EPC**	**$54.3M**
11	**DESIGN**: 3 to 6 months duration	**9,052,000**
12	Financing fees	1,629,000
13	Contracts & Legal	543,000
14	Commission fee	1,647,872
15	Civil Design	1,629,000
16	Transport Design	1,177,000
17	Utility Design	1,086,000
18	Permitting & Approvals	634,000
19	Owner's Engineer and Rep	815,000
20	Project Management (through construction)	905,000
21	Independent Engineering Consultant	362,000
22	**PROCUREMENT**	**26,025,384**
23	Substructure (vertical supports)	1,822,000
24	Superstructure (guideway)	11,191,000
25	Pods (vehicles)	2,082,000
26	Lifts	1,562,000
27	Solar & Wind generation	8,068,000
28	Battery packs (energy storage)	260,000
29	Shipping & Tariffs	1,041,000
30	**INSTALLATION:** 12 to 18 month duration	**$9.6M**
31	Insurance & Bonding	192,362
32	**Civil Structures** (Podway)	**4,424,000**
33	Site work	442,000
34	Utility diversions	1,416,000
35	Foundations	1,106,000
36	Erection (labor + equipment)	1,327,000
37	Inspections and Certifications	133,000
38	**Rolling Stock** (Pods & Lifts)	**3,174,000**
39	Installation & Commissioning	1,270,000
40	Testing & Safety Certification	1,397,000
41	Documentation & Training	508,000
42	**Facilities**	**962,000**
43	Pod cleaning facilities	192,000
44	Repair & maintenance facilities	202,000
45	Pod parking garage	231,000
46	Control room	337,000
47	**Energy Systems**	**866,000**
48	Installation	692,800
49	Utility Interconnects	173,200
50	**Other**	**9,642,675**
51	15% Contingency	7,379,598
52	Interest During Construction	2,263,077
53	**TOTAL PROJECT COSTS**	**$56.6M**

Business model

Operate tollway and collect fees for passenger trips, freight, and parcels. In pod direct marketing/advertising.

Renewable energy generation with storage. Utility attachment fees.

Project Structure



Financial Strengths

- **Predictable revenue** from long-term contracts and multiple revenue streams, including PPA.
- **Durable High Margins** from long-term contracts, network effects, high barriers to entry, a platform business model, a vertically integrated system, and exclusivity.
- **Fixed price & time construction** installation of factory-built light civil infrastructure. Phased roll-out.
- **Low CAPEX** and competitive with rebuilding a roadway or transition to electric vehicles. Lightweight vehicles and loads enable low cost civil structures. Rapid construction reduces interest on debt.
- **Low OPEX** because no driver cost, no fuel cost, low maintenance and repair costs, low marketing costs
- **Low fixed OPEX** over 75% of expenses are variable and proportional to revenue.
- **Sustainable/Equitable** Clean energy and transport delivers superior ESG/SDG/Triple-bottom line
- **Proven tech** Comparable systems have been operating safety for 40+ years in US. Fixed price contracts.

Financial Projections

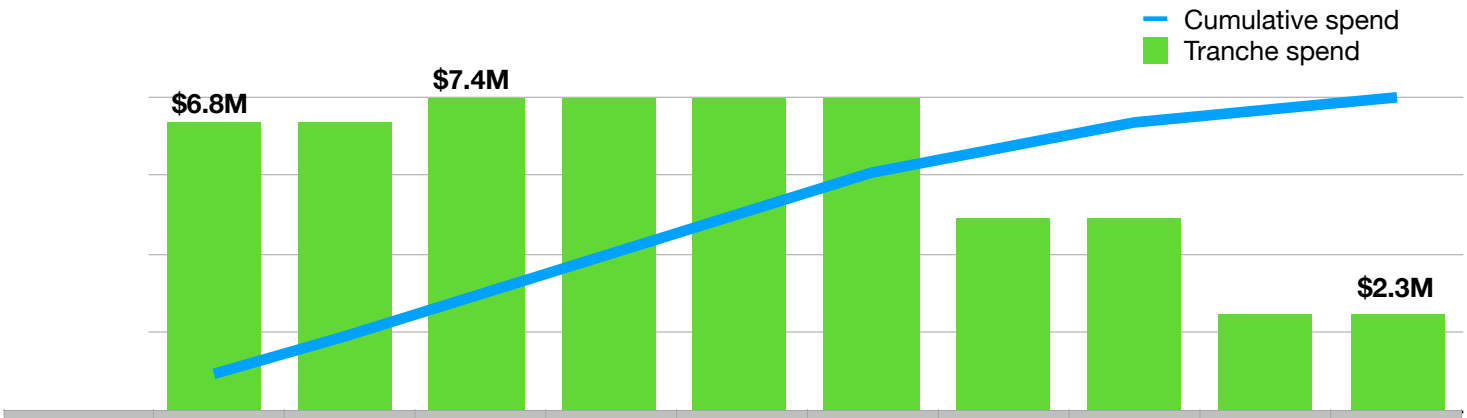
	Expected	50% less passenger trips	50% less passenger trips & 50% less freight trips
Project cost / CAPEX	**$56.6M**	**$56.6M**	**$56.6M**
NET REVENUE	**$42.4M**	**$32.0M**	**$22.2M**
Passenger fares	$20.2M	$10.1M	$10.1M
Long-term guaranteed contracts (est.)	$1.0M	$505.5K	$505.5K
Daily trips (% of all trips)	53,846 (44%)	26,923 (22%)	26,923 (22%)
Avg. revenue per trip: $	$1.03		
Revenue per vehicle	$306,903		
Advertising	$443.3K	$221.7K	$221.7K
per hour per passenger	$0.60		
Freight & Parcels	$19.6M	$19.6M	$9.8M
Long-term guaranteed contracts (est.)	$1.4M	$1.4M	$686.4K
Energy	$852.5K	$852.5K	$852.5K
$/MWh ($/GJ)	$30		
EV & Carbon Credits	$705.4K	$705.4K	$705.4K
per tCO2e	$120		
Attachment fees	$520.1K	$520.1K	$520.1K
OPEX	**$13.4M**	**$10.8M**	**$8.4M**
Revenue share payments	$2.1M	$1.6M	$1.1M
Operations & Maintenance, SG&A	$8.5M	$6.4M	$4.4M
Depreciation / Reserve	$2.8M	$2.8M	$2.8M
EBIT	**$28.9M**	**$21.2M**	**$13.8M**
Interest Payment	**$3.8M**	**$3.8M**	**$3.8M**
Net Operating Income (NOI)	**$21.4M**	**$14.8M**	**$8.5M**
Gross Margin (OPEX/Revenue)	68%	66%	62%
NOI / Project cost ratio	0.38	0.26	0.15
Breakeven Revenue	38%		
Return of Capital	4.7 years		
DSCR	Year 1: 2.50 Year 5: 8.33		
Cash-Flow-to-Debt Ratio	0.45		
Valuation at year 5 (with P/E ratio of 4)	$169.4M (15.0 times initial equity)		
Project's IRR	**32%**		

10-year Pro Forma

Dollar values in thousands USD ('000)

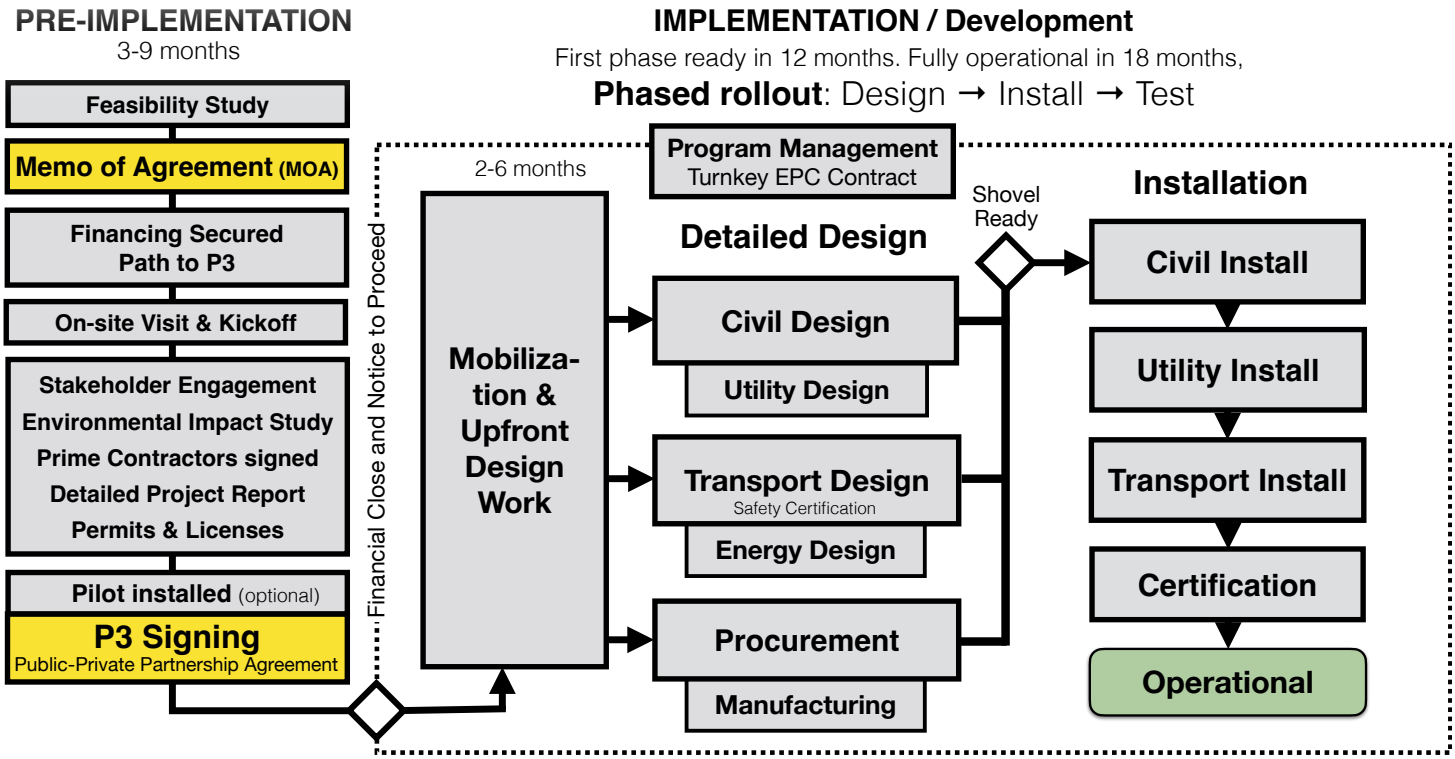
	Years ▶	0	1	2	3	4	5	6	7	8	9	10
1	**INCOME STATEMENT**											
2	**Net Revenues**	$ 0	$ 12,706	$ 17,788	$ 24,903	$ 34,865	$ 42,353	$ 42,353	$42	$42	$42	$ 42,353
3	*% of steady-state revenue*	*0%*	*30%*	*42%*	*59%*	*82%*	*100%*	*100%*				*100%*
4	**Operating Costs**	$ 0	3,176	4,447	6,226	8,716	13,530	13,530	13,	13,	13,	13,530
5	**Revenue Share Payments**	$ 0.00	635	889	1,245	1,743	2,118	2,118				2,118
6	**Operations & Maintenance, SG&A**	$ 0	2,541	3,558	4,981	6,973	8,471	8,471	8,4	8,4	8,4	8,471
7	**Depreciation / Reserve**	$ 0	0	0	0	0	2,942	2,942				2,942
8	**EBIT**	$ 0	9,529	13,341	18,678	26,149	28,822	28,822	822	822	822	28,822
9	**Interest Payment**	$ 3,813	$ 3,813	$ 3,813	$ 3,813	$ 3,813	$ 3,813	$ 3,813				$ 3,813
10	**Income Taxes**	$ 0	857	1,429	2,230	3,350	3,751	3,751	751	751	751	3,751
11	**Net Operating Income (NOI)**	$ (3,813)	4,858	8,098	12,634	18,985	21,258	21,258				21,258
12	**BALANCE SHEET**											
13	**Total Assets**	$ 58,357	58,440	58,556	58,718	58,840	58,840	58,840				58,840
14	**Cash & Marketable Secur. (BOP)**											
15	**Fixed Assets (acquisition cost)**	$ 58,357	58,440	58,556	58,718	58,840	58,840	58,840				58,840
16	**Depreciation**	$ 2,918	2,922	2,928	2,936	2,942	2,942	2,942	942	942	942	2,942
17	**Accumulated Depreciation**	$ 2,918	5,840	8,768	11,704	14,646	17,588	20,530				32,298
18	**Total Liabilities**	$ 47,525	47,525	47,525	47,525	47,525	47,525	47,525	525	525	525	47,525
19	**Debt**	$ 47,525	47,525	47,525	47,525	47,525	47,525	47,525				47,525
20	**Equity**	$ 11,315	16,174	24,272	36,907	55,891	77,149	98,407	664	922	180	183,437
21	**Capital**	$ 11,315	11,315	11,315	11,315	11,315	11,315	11,315				11,315
22	**Retained Earnings**	$ 0	4,858	12,957	25,591	44,576	65,834	87,091	349	607	864	172,122
23	**CASH FLOW**											
24	**Free Cash Flow**	$ (58,357)	9,447	13,225	18,515	26,027	31,764	31,764	764	764	764	31,764
25	**Cash From Operations**	$ 0	9,529	13,341	18,678	26,149	31,764	31,764				31,764
26	**Increases in Working Capital**	$ 0	0	0	0	0	0	0	0	0	0	0
27	**CAPEX**	$ 58,357	83	116	162	122	0	0				0
28	**Fixed Infrastructure**	$ 49,470	0	0	0	0	0	0	0	0	0	0
29	**Energy**	$ 6,417	0	0	0	0	0	0				0
30	**Pods**	$ 207	83	116	162	122	0	0	0	0	0	0
31	**Interest during construction**	$ 2,263	0	0	0	0	0	0				0
32	**Cash Flow From/To Finance**	$ 55,027	(3,813)	(3,813)	(3,813)	(3,813)	(3,813)	(3,813)	13)	13)	13)	(3,813)
33	**Cash From/To Equity Investors**	$ 11,315	0	0	0	0	0	0				0
34	**Cash From/To Debt (Principal)**	$ 47,525	0	0	0	0	0	0	0	0	0	0
35	**Dividends**	$ 0	0	0	0	0	0	0				0
36	**IRR to date**	loss	loss	(44%)	(14%)	5%	17%	23%	7%	9%	11%	32%

Project Milestones and Spending Plan



	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
Phase	**Pre-implementation** (6 months)		**Implementation - Design & Installation** (15 months)					**Implementation - Finalization** (9 months)		
Major Milestones	Initial Contracts and Orders placed	All major Contracts and Orders placed	Mobilization and Overall Design. Design #1	Install #1 and Design #2	Install #2 and Design #3	Install #3 and Design #4	Install #4	Testing	Testing and Certification	Training and Start of Operations
Cumulative	12%	24%	37%	50%	63%	76%	84%	92%	96%	**100%**
Trenche %	12%	12%	13%	13%	13%	13%	8%	8%	4%	4%
Tranche ($)	$6.8M	$6.8M	$7.4M	$7.4M	$7.4M	$7.4M	$4.5M	$4.5M	$2.3M	$2.3M

Project Timeline



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<table>
<tr><th rowspan="2">Phase ➡</th><th colspan="4">Capital (greenfield) Investment</th><th rowspan="2">IPO or Brownfield Investors</th></tr>
<tr><th>Initial Development</th><th>Development Equity</th><th>Implementation Equity</th><th>Debt</th></tr>
<tr><td>Amount to be Raised</td><td>$0.2M</td><td>$2.3M</td><td>$8.8M</td><td>$47.5M</td><td></td></tr>
<tr><td>Status</td><td>To be raised</td><td>To be raised</td><td colspan="2">Have commitment(s)</td><td>12-18 months from start of operations</td></tr>
<tr><td>Collateral/Asset</td><td colspan="2">MOU and/or PPA</td><td colspan="2">Installed equipment, Tax Credits, PPA</td><td></td></tr>
<tr><td>Terms</td><td colspan="3">Common + Preferred Shares</td><td>5-20 year term
Limited Recourse</td><td>Dividends
and share of profits</td></tr>
<tr><td>Exit</td><td colspan="2">Exit at start of implementation
(12-18 months)</td><td>Exit @ 18 months after start of operations</td><td>n/a</td><td>Dividends and profit distribution</td></tr>
<tr><td>Investment goals</td><td colspan="2">Risk-adjusted returns
or Bank Guarantee (BG)</td><td>>20% IRR</td><td>Low risk of default</td><td>Long-term, dependable cash flow</td></tr>
<tr><td>Target Return on Capital</td><td>72%
(or 15% with BG)</td><td>54%
(or 15% with BG)</td><td>36%</td><td>n/a</td><td>15%</td></tr>
<tr><td>Use of Funds & Milestones</td><td>Contract for Bankable Feasibility Study. Environmental impact Route Survey. Pilot ordered. Create project company in country.</td><td>Permits & Planning. Major contracts signed. Pilot installed. Full investment docs. P3 signed.</td><td>Overall Design and Docs. First phase procurement and implementation. Insurance & bonding.</td><td>Remaining Procurement, installation, and commissioning.</td><td></td></tr>
</table>