

Series 2021-ZP1 (£GBP)

ISIN: GB00BNKLX486
SEDOL: BNKLX48
OPOL: XWBO

Series 2021-ZP2 (\$USD)

ISIN: GB00BNKLX593
SEDOL: BNKLX59
OPOL: XWBO

ZP Secured Direct Lending PLC

Principal lender of secured loans and investments to high-growth real-estate groups and developers

7.25% Fixed Rate Secured Notes due 2026

Informes sobre ventas/distribución: KNG International Advisors

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ZP SECURED DIRECT LENDING PLC IS REGULATED BY THE FINANCIAL CONDUCT AUTHORITY (REFERENCE NUMBER: 913381)

Q4 2022



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This document is intended for distribution solely to qualified investors such as professional clients and eligible counterparties.

Bond Overview

The Issuer will advance secured loans to SME real-estate groups and developers, providing a diversified, asset-backed portfolio underpinned by UK real-estate. ZSL Capital Limited ("ZSL") is an experienced real-estate lender and provides loan origination, portfolio and asset management services to the Issuer. ZSL is led by a team of senior finance professionals specialising in real-estate and structured finance transactions, having worked on a combined transactional value of several billion.

About ZSL Capital

ZSL forms part of the Zenic Group of companies ("Zenic"), a real-estate lender and value investment firm. Zenic Secured Lending has financed over £150m of real-estate asset value to date with expertise across a range of sectors including logistics, hotel & leisure, storage, residential and purpose-built student accommodation.

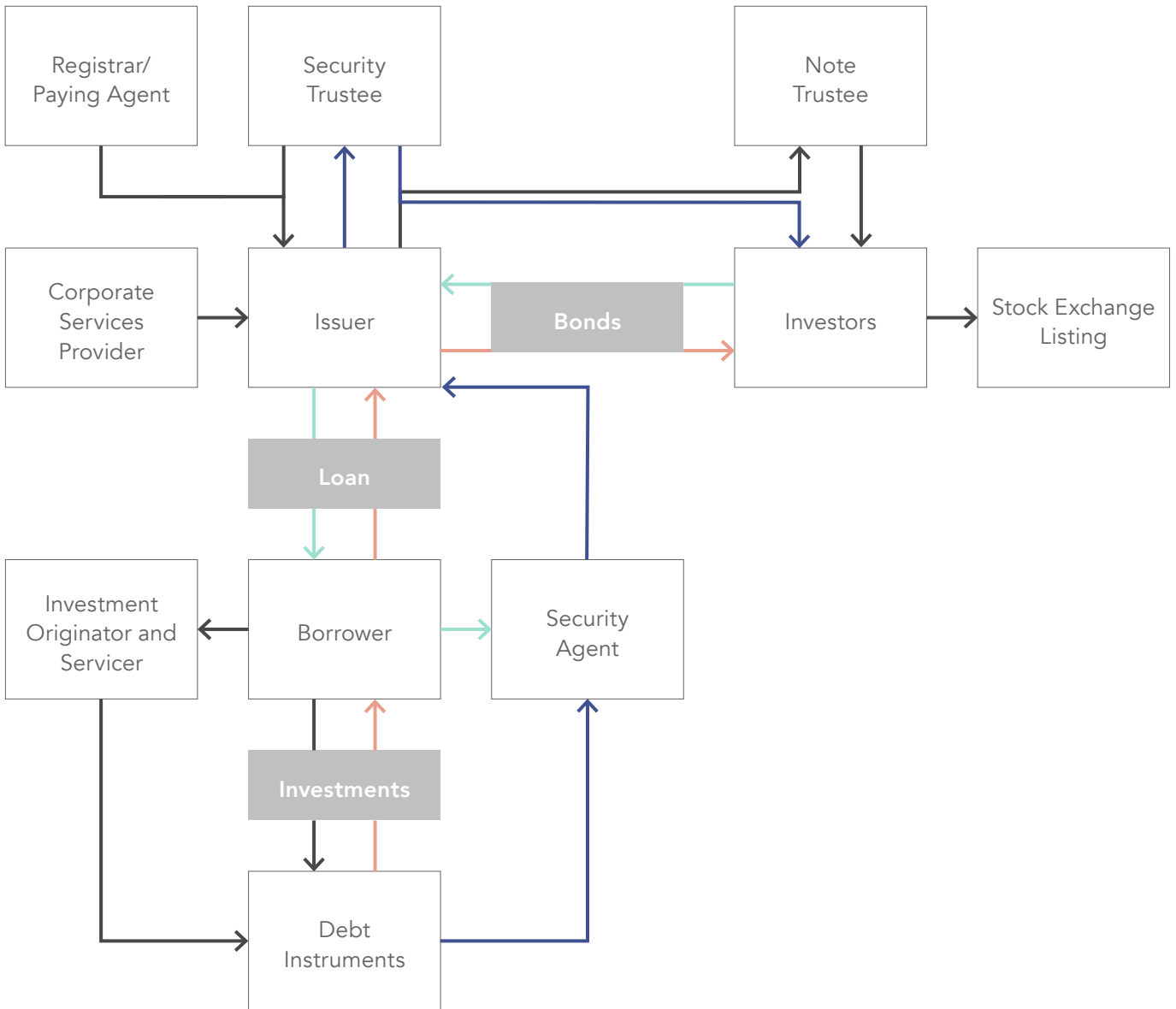
ZSL can demonstrate a successful track record of lending since inception. It concentrates on senior, junior and whole loans secured by high-quality real estate, focussing on established locations with affordable price points and small-medium sized schemes. These metrics are designed to ensure the Issuer only finances projects that are widely affordable by a large cross section of buyers, avoiding sales pressure caused by highly priced property or saturating local areas with overly large schemes.

ZSL diversifies its portfolio by reference to geography, developer, scheme size and real-estate asset-class, reducing exposure to concentration risk. All loans are secured against UK real-estate typically by an asset-level charge. If necessary, further security is taken in the form of personal guarantees or charges over non-development assets. ZSL's credit analysis process involves a significant number of data metrics to assess loan viability and a three-stage credit committee approval process. As a result, fewer than 5% of applications reviewed by ZSL receive funding.

Bond Information	
Issuer	ZP Secured Direct Lending PLC
Maturity	December 2026 (GBP) December 2026 (USD)
Exchange	Vienna MTF (XWBO)
Coupon	7.25% p.a.
Payment	Quarterly
Status	Senior Secured Debt under English Law
Eligibility	UCITS, Pension Wrappers, Portfolio Bonds and Investment Platforms
Loan Types	Secured Loans and Investments to UK SME real-estate borrowers covering all real-estate asset classes
Liquidity	Freely transferable subject to relevant exchange rules
Settlement	Crest/Euroclear
Pricing	Daily

Investment Structure

ZP Secured Direct Lending PLC
 (7.25% Fixed Rate Secured Notes due 2026)



■ Security ■ Money In ■ Money Out ■ Contractual Relationship

The Issuer is bankruptcy remote in that the risks associated with the issue of the Notes are somewhat divorced from the risks associated with the Borrower's trading. By mitigating this financial risk and ring-fencing assets, the Noteholders have limited direct financial exposure to the individual underlying Borrowers.

Zenzic Capabilities

Advisory



- Private Debt & Equity
- M&A
- Capital Markets
- Focus on mid-market corporates across asset-backed industries
- Since inception, transactions totaling over \$3.0bn

Direct Lending



- Principal lender to all real-estate sectors including...
 - Build-To-Sell
 - Private Rented Sector
 - Purpose Built Student Accommodation
 - Retirement
 - Hotel & Commercial
- Financed over £150m of asset value to date

Key numbers

3bn

Cumulative value of transactions

70+

Individual transactions

10+

Investment sectors

Sectors we work in



Power and Renewables



Life Science



Financial Services



Aviation and Shipping



Real-estate



Leasing

Market Overview

Focus on UK real-estate

Even before the Covid crisis the UK faced acute housing shortages driven by population growth and a significant shortfall in housebuilding that has fallen below official targets for decades; creating an annual supply deficit of c. 150,000 dwellings.

This shortfall was exacerbated during the pandemic as housebuilding slowed throughout 2020. The urgent government need to meet housing targets will ensure residential real estate is well positioned for continued growth in both the Build-to-Sell (BTS) and Build-to-Rent (BTR) sectors.

The UK has a global reputation for outstanding higher education which is appealing to both UK and non-UK students. Destination cities for these students experience significant supply/demand imbalances of quality accommodation. This, in turn, drives local medium-term yield compression, resulting in a purpose-built student accommodation sector that presents a growing number attractive investment opportunities.

The UK has an ageing population, with almost a quarter of UK residents predicted to be over 65 by 2040. This profound demographic shift, along with the impact of the pandemic on individual priorities for quality of life and care, have led to growing strength in the 'later-living' and 'assisted living' residential sectors.

The pandemic has also accelerated trends that are re-shaping society and the economy. These changes will create further investment opportunities as our high streets, town centres and city business districts are dramatically repurposed.

Together these factors will drive a strong pipeline leading to a well-diversified, secured portfolio of investments for a lender such as ZSL.

Financing UK real-estate

The market for obtaining development finance remains relatively challenging. Mainstream bank allocations for development finance remain compressed due to enhanced banking regulations with the knock-on effect for borrowers being a withdrawal of offerings, enhanced criteria requirements leading to an increased cost of capital, particularly for SMEs.

There is, therefore, significant opportunities for flexible SME lenders, who can adapt to the changing demands of the post-pandemic landscape, to lend on such projects across a variety of real-estate asset classes.

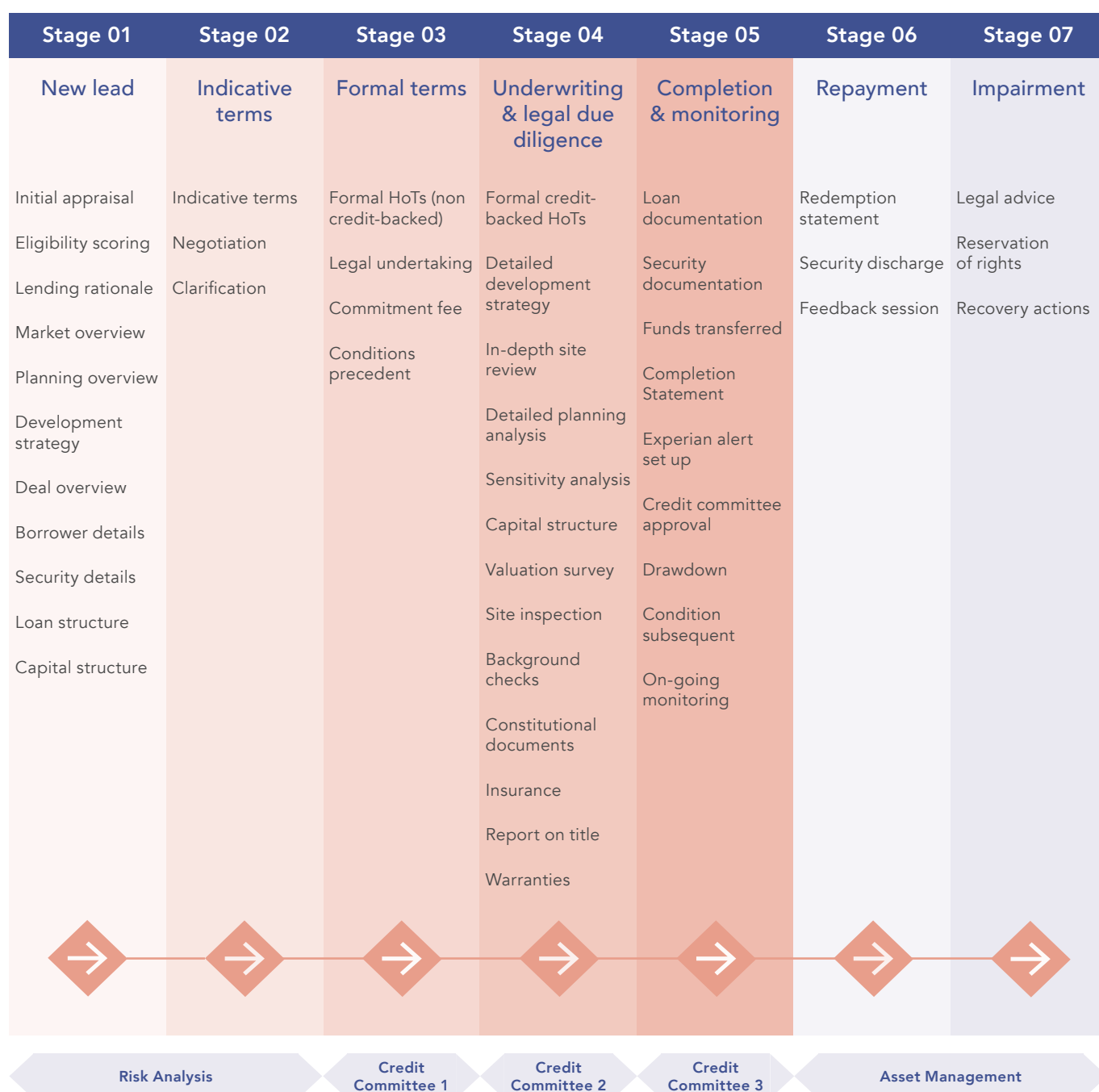


Managing the Loans

From new leads to repayment

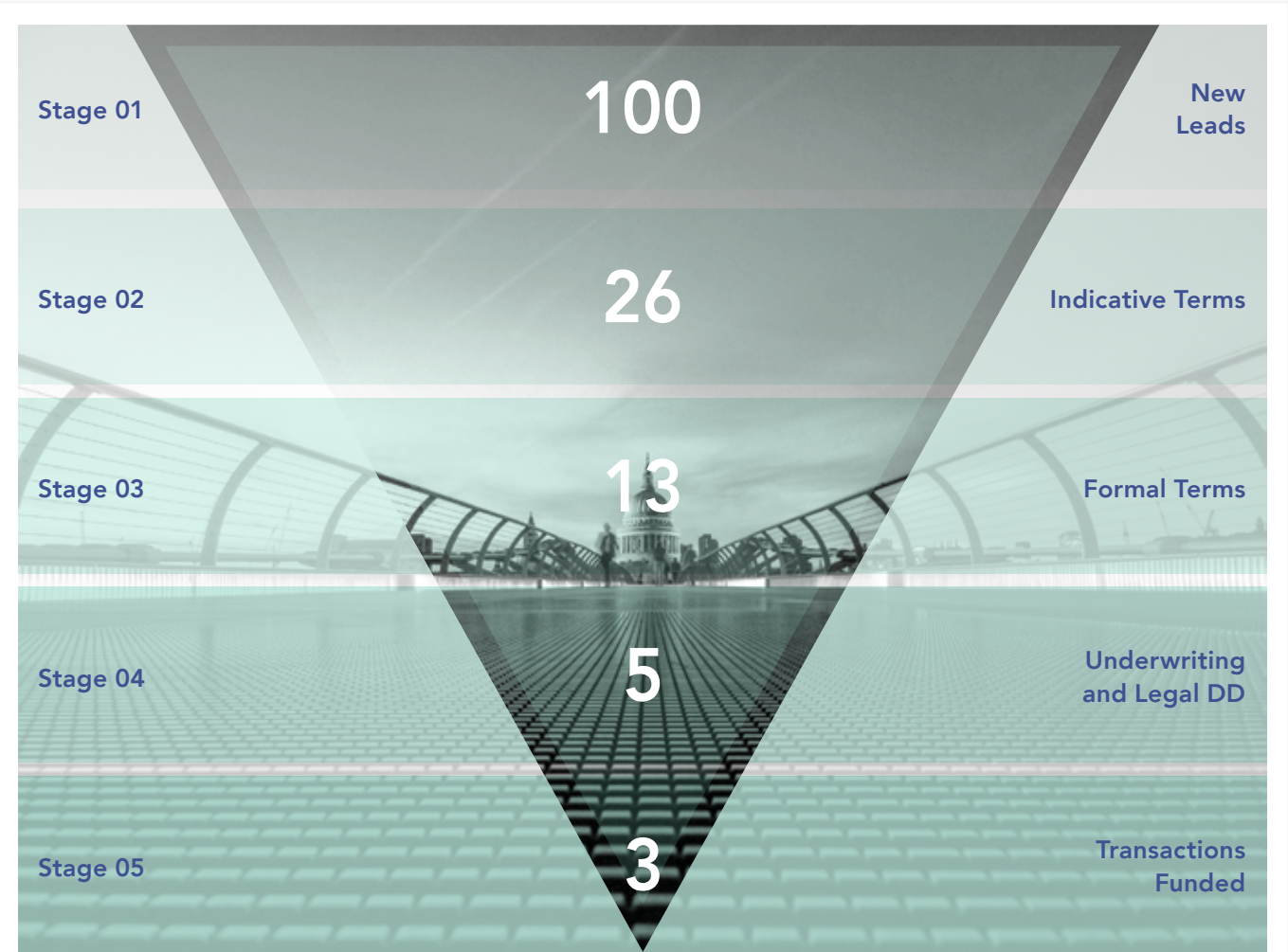
The diagram below shows the seven stages in the ZSL lending process, from new lead to redemption or recovery. At all stages, ZSL seeks to mitigate the risks arising under the loan and recover the sums due.

Proven underwriting: End-to-end investment and portfolio management



Investment Approach

There are over 30,000 SME real estate businesses with an average financing requirement of £5m per annum. Approximately 60% when surveyed reported that access to capital is a significant impediment to growth. ZSL deploys an origination strategy involving direct relationships, local and regional commercial banks, mid-market investment funds, brokers and professional services firms.

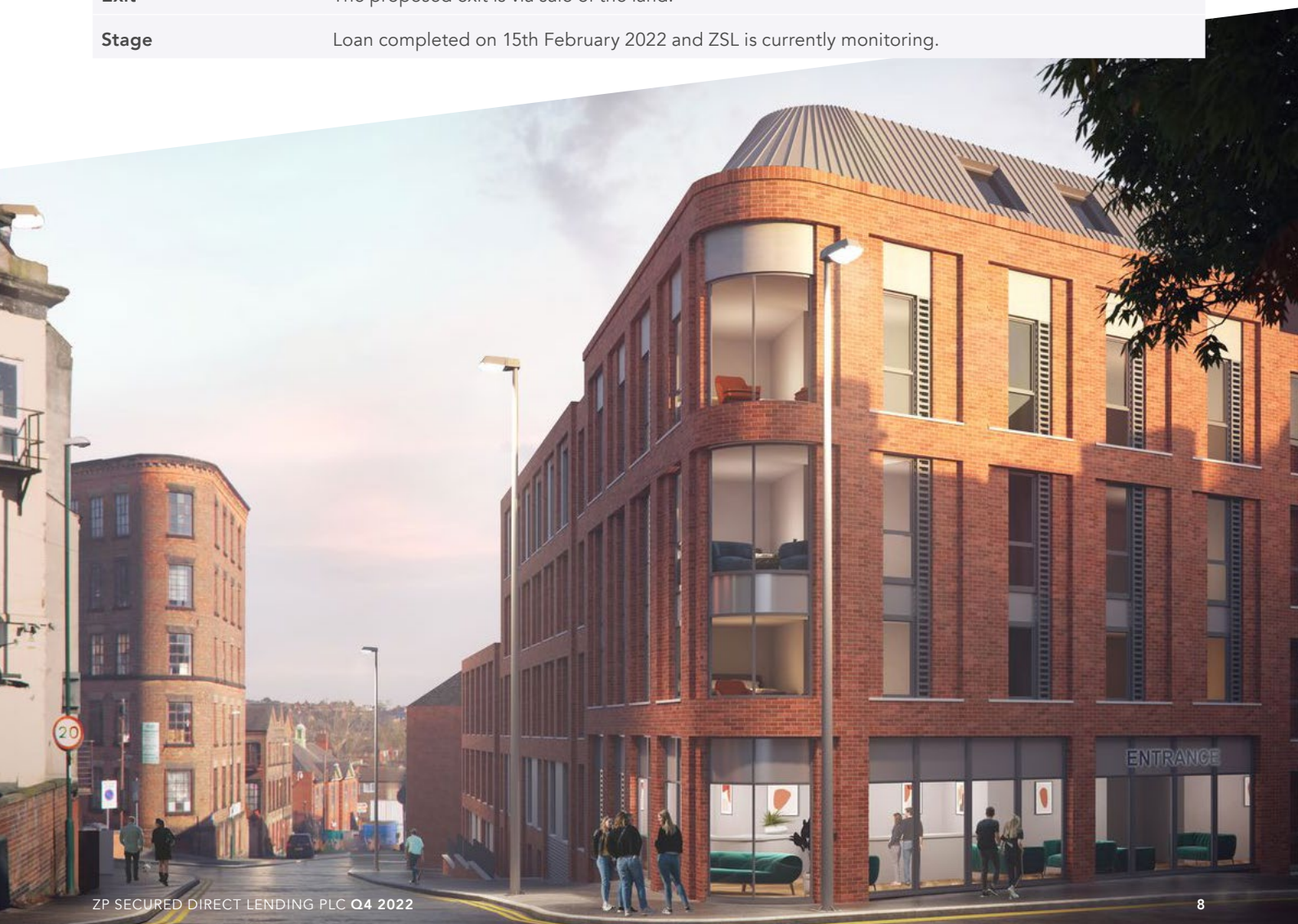


ZSL's underwriting model results in fewer than 5% of applications reviewed being funded.

Case Study

Nottingham

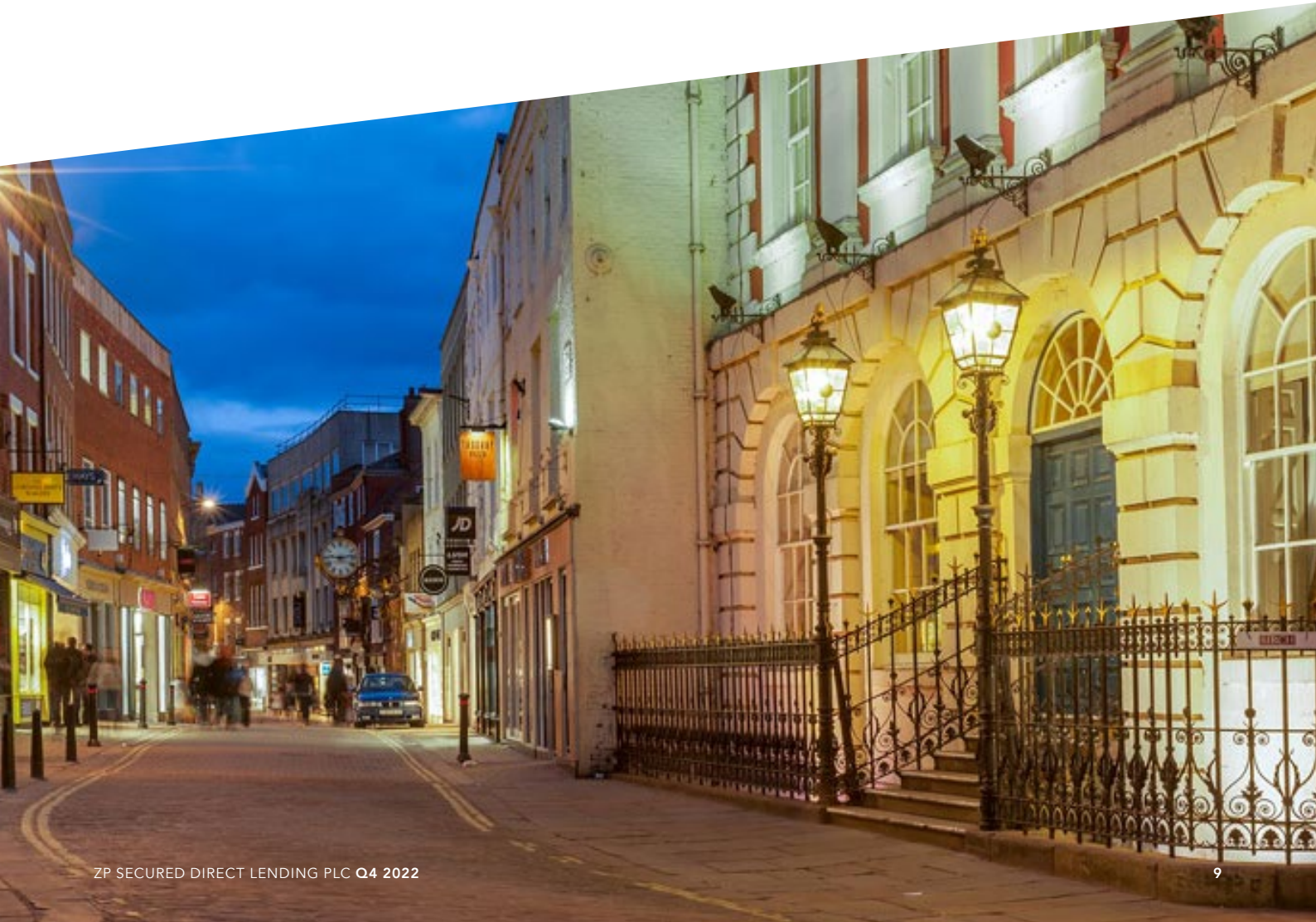
Key Items	Description
Summary	<p>ZSL provided a senior bridge facility to an experienced Purpose Built Student Accommodation (PBSA) developer for the acquisition of a site in Nottingham. The scheme, due to complete in the summer of 2024, will offer a student accommodation with 210 bedrooms. Wellbeing and amenity space will also be created, including a landscaped courtyard, gym, games lounge, and cinema room.</p> <p>The developer, Crosslane Property Group, has a successful track record, having developed over 30 high-quality PBSA assets across 22 UK cities representing 7,128 beds.</p>
Financials	<p>Loan Type: Senior Bridge Gross Loan: £3,334,000 Term: 9 months Security: A full security package for a facility of this nature including a first legal charge over the land.</p>
Key KPIs	<p>Gross POC: 55.8% Gross LTGDV: 65.1% Gross LTC: 88.8%</p>
Exit	<p>The proposed exit is via sale of the land.</p>
Stage	<p>Loan completed on 15th February 2022 and ZSL is currently monitoring.</p>



Case Study

York

Key Items	Description
Summary	<p>ZSL provided a senior development facility to an experienced Midlands-based property developer for the acquisition and conversion of a Grade II listed asset in York. The planned Practical Completion date is in March 2023, and the project will provide 8 holiday-let units with a GDV of £2.1 million.</p> <p>The developer, Continental Gold, consists of a team with development and construction experience, as well as a strong pipeline of developments.</p>
Financials	<p>Loan Type: Whole Loan Gross Gross Loan: £1,546,875 Term: 18 months (12-month build and 6-month sale) Security: A full security package for a facility of this nature including a first legal charge over the land.</p>
Key KPIs	<p>Gross POC: 18.1% Gross LTGDV: 75.0% Gross LTC: 77.2%</p>
Exit	<p>Sale on the open market.</p>
Stage	<p>Loan completed on 1st April 2022 and ZSL is currently monitoring.</p>



Case Study

Slinfold

Key Items	Description
Summary	<p>ZSL provided a mezzanine acquisition facility for the purchase of land in Slinfold, West Sussex. Completion took place on the 17th May 2022. The scheme will provide 24 units (16 private and 8 affordable) which will deliver a GDV of £12.5 million.</p> <p>The developer, Antler Homes, has almost 50 years of trading history and focuses on the south-east of England. They seek to take advantage of the gap between major housebuilders and SME's.</p>
Financials	<p>Loan Type: Mezzanine Gross Loan: £1,126,675 Term: 24 months (18-month build and 6-month sale) Security: A full security package for a facility of this nature including a second legal charge over the land.</p>
Key KPIs	<p>Gross POC: 28.5% Gross LTGDV: 62.9% Gross LTC: 72.4%</p>
Exit	<p>Sale of the private units on the open market with the affordable units being sold to a Housing Association (the signing of the agreement was included as a milestone of the loan, thus de-risking the transaction.</p>
Stage	<p>Loan completed on 17th May 2022 and ZSL is currently monitoring.</p>



Selected ZSL Team



Thomas Lloyd-Jones
Principal - Founder

Corporate finance professional, with over 15 years' experience specialising in real estate and illiquid credit. Before founding Zenic, Thomas worked at EY and Macfarlanes. He has particular expertise in bespoke finance structures for asset-backed scenarios.



James Lloyd-Jones
Founder - CFO

A qualified chartered accountant with extensive experience in financial services and real estate. Previously at Moore Stephens within audit and advisory before working at Northern Trust's Asset Management division.



Nadine Buckland
Principal - Founder

Specialising in real estate and asset-backed finance across all major classes for over 15 years, and wide variety of previous finance roles at major asset managers such as Morley and F&C.



Daryl Thorpe
Principal

Over 20 years' finance experience, successfully co-founding and exiting a consumer finance business to a listed US Corporation. Involved in UK real estate since 2002 with more recent focus as a principal lender within the sector.



Theo Theodosiadis
Director of Investment & Risk Analysis

Leads the investment and risk analysis operation at Zenic. Has over seven years' experience of market research, credit DD, business management reporting, data analysis, business development and account management across real estate and other sectors.



Steve Hallam
Capital Raising Consultant

Steve's entire career has been spent in institutional sales, and recently MD of a leading commercial property development. During an 11-year period Steve played a key role in generating more than €500m in development revenues, producing EBITDA in excess of €200m.

Transaction Parties

Issuer

ZP Secured Direct Lending PLC, 1 George Yard,
London, EC3V 9DF

Calculation Agent, Investment Originator & Servicer

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Note Trustee, Security Trustee & Security Agent

Woodside Corporate Services Limited, 4th Floor, 50 Mark Lane,
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Paying Agent & Registrar

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Legal Counsel to the Issuer

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London, WC2A 1JF

Corporate Services Provider

Truva Corporate Administration Limited, 1 Northumberland Avenue,
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Clearing & Settlement Agent

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London, W1J 6QH

Auditor

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London, EC2R 6AY

