

# London Richmond

## Everything an advisor needs to know before accepting to distribute this offer

### How much time does it take to learn the essentials of this offer?

30 minutes

### What are the documents you should know and review first?

- The video presentation
- The fact sheet
- The legal information (Investment Memorandum)
- The educational white paper

### Key points

#### Loan Notes

- The issuance is 10,000,000 GBP.
- Investors can invest from 30,000 EUR, GBP, or USD.
- Investors can choose between income loan notes or capital growth loan notes.
- Income loan notes pay quarterly interest of 10% per annum or 12% per annum (min. 250,000).
- Capital growth loan notes pay 12% per annum at the end of 3-years.
- The offer was launched in September 2022.
- The loan note maturity is 3 years.

#### Bonds

- The issuance is 25,000,000 GBP.
- Investors can invest from 5,000 GBP.
- Bonds pay quarterly interest of 12% per annum or 15% per annum (min. 250,000).
- The offer was launched in March 2023.
- The bond maturity is 2 years.
- Bonds are converted to equity in London Richmond at a 20% discount to the share price.

#### Shares

- The issuance is 15,000,000 GBP.
- Investors can invest from 5,000 GBP.
- Investors acquire shares for 5 GBP which is 21% below the current share price.
- The offer was launched in March 2023.
- Shares can be sold after 2-years.
- 5% Bonus is given for investments of 250,000 GBP and above.

### How should you present?

#### Short pitch

- Do you know what the biggest threat to property owners in the UK is?
- In the United Kingdom, many people get into financial difficulties and can't afford to pay their monthly mortgage payments. When this happens, the lender will try to agree revised payment plans with the borrower, but if this fails, they will start repossession proceedings through the courts.
- After the property has been repossessed, the bank will sell the property through an auction. In this situation the owners of the properties often lose all their money in the property and if there is a shortfall, they can become bankrupt. Their credit file will also be seriously impacted, making it almost impossible for them to buy another property for at least 6 years.
- London Richmond is a real estate development and investment company that focuses on purchasing discounted residential property investments in London and the Home Counties.
- When London Richmond purchases properties from distressed sellers, the company buys these properties at between 20% and 40% below the current market value. The advantage for the homeowner is that the property is not repossessed and it saves them from potential bankruptcy.
- Investors can purchase Loan Notes from 30,000 EUR, GBP, or USD, Bonds from 5,000 GBP and Equity from 5,000 GBP.
- Loan Notes mature after 3-years and offer 10% for the income version paid quarterly and 12% for the capital growth version paid on maturity. A 2% annual interest bonus is paid for investments of 250,000+.
- Bonds mature after 2-years and offer 12% income paid quarterly. A 3% annual interest bonus is paid for investments of 250,000+. Upon maturity the bonds are converted to Equity at 20% below the share price on the date of conversion.

- Shares are offered at a price of 5 GBP per share, a discount of 21% from the current market price. Shares can be sold 2-years after purchase.
- Would you allow me to show you this solution in more detail during a quick meeting / call?

#### Long pitch

- In the UK, when borrowers take a mortgage to buy a house, they pledge their house to the lender in case they cannot meet the monthly mortgage repayments.
- Unfortunately, many people get into financial difficulties and can't afford to pay their monthly mortgage payments. When this happens, the lender will try to agree revised payment plans with the borrower, but if this fails, they will start repossession proceedings through the courts.
- When the lender has obtained a repossession order from a court, they will sell the property at auction and seek compensation from the borrower if there is a shortfall. If the borrower cannot pay the shortfall, they will become bankrupt.
- In the last few years, the number of house repossessions in the UK was between 5,000 and 10,000 per year. The Covid-19 pandemic put a lot of people in a worse financial situation, and it is now expected that the number of repossessions in the UK will significantly increase over the next few years.
- London Richmond offers borrowers a solution that avoids repossession. They offer to buy their property at a valuation of 50-80% of the current market value. Using this money, the borrowers can pay off their mortgage and often retain a small deposit to buy a smaller house.
- After purchasing a property, London Richmond will implement one of three exit strategies to generate profits: purchase and 'flip', purchase and refurbish for sale, and purchase and retain for letting.
- The London real estate market is one of the most popular and resilient investment markets in the world. Do you know how many new homes a year would be needed to meet the demand? 77,000. This is creating a tremendous opportunity for investors.
- London Richmond is seeking to raise up to £10M through their loan notes, £25m from their Bonds and £15m from Equity sales to take advantage of excellent investment opportunities in the London residential property market.
- The company has already carried out a number of successful projects. For example, the company purchased a four-bedroom semi-detached house for £505,000 from a distressed seller in severe financial difficulty. The property was refurbished for £98,000 and sold for £725,000 resulting in a profit of £122,000 and ROI of over 20%.
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- Bonds mature after 2-years and offer 12% income paid quarterly. A 3% annual interest bonus is paid for investments of 250,000+. Upon maturity the bonds are converted to Equity at 20% below the share price on the date of conversion.
- Shares are offered at a price of 5 GBP per share, a discount of 21% from the current market price. Shares can be sold 2-years after purchase.
- What would you like to know next?

#### In summary

- An opportunity to benefit from a reliable business model and one of the most resilient real estate markets in the world.
- There is strong security with properties used as collateral and an independent security trustee with a first charge on the real estate and a debenture on the assets (including cash) in the company.
- Investors can invest from 30,000 EUR, GBP, or USD.

### What are the criteria to evaluate the quality of the offer?

#### 1 - The business model

Buying real estate at a lower price than its current market value is a sound and resilient business model.

Having three exit strategies makes the business model even stronger.

#### 2 - The London real estate market

The London real estate market is one of the most resilient markets in the world. London remains a stable and prospective market, ranking number one in Europe as a city for investment, even during recessions and downturns.

#### 3 - Distressed properties are increasing

The uptick in repossessions creates a bigger pipeline of distressed properties, providing another valuable source for London Richmond to find discounted below market value properties. They buy properties from distressed sellers as well as other sources such as auctions, administrators, liquidators, large housing associations and so on.

### What makes this offer a serious one?

- The underlying asset class is real estate. It is one of the most secure asset classes.
- The directors of London Richmond have been operating in the London market for over 20 years. They have previously identified and purchased 48 properties in and around the London area for £10.4 million.
- Blue Water Capital, the independent security trustee and receiving agent, will have a fixed legal charge over all the company's assets, including any properties purchased and any funds on account.

### Why is the management qualified to deliver?

The Management team has significant experience in buying London real estate, along with profound entrepreneurial and management skills.

- Andrew Thompson (Founder and CEO) has 23 years of experience in the London real estate market, having purchased his first investment property in the capital in 1998. Andrew holds an MBA, a Masters degree in Finance and an Honours degree in Economics, as well as professional qualifications from the Chartered Institute for Securities & Investment incorporate finance and fund management.
- Yadwinder Gill (Head of Real Estate) has over 25-years' experience of buying and selling investment properties in London. He owns a large property portfolio and is particularly adept at sourcing investment properties in the capital at prices significantly below market value.
- Lewis Moss (Head of Property Asset Management) is in charge of managing London Richmond's properties. Lewis comes from a family that has been involved in the property refurbishment business for over 20-years.

### What kind of clients are investing in this opportunity?

**High-net-worth individuals and sophisticated investors who are looking for:**

- diversified investments
- a regular stream of income
- reduced market volatility for their portfolio
- hedging against inflation
- an attractive yield
- private debt instruments with strong security

### What are the top 3 arguments?

#### Arguments related to the company

- London is one of the most heavily invested cities in the world when it comes to real estate.
- London is one of the most resilient real estate markets in the world with strong long-term capital growth.
- Investors can participate from as low as 30,000 GBP, EUR or USD with very strong security.

#### Arguments related to the investors' portfolios

- Investors may invest as low as 5,000 GBP for just 2 years.
- The coupon is paid directly to the investors' bank account, which can create a stream of revenue.
- The value of investors' loan is not impacted by market valuations.