

CROWDSTACKER®

LONPRO
HOLDINGS PLC

Information Brochure



Disclaimer

This disclaimer is important and requires your immediate attention. This document (the "Information Brochure" or "Document") constitutes the basis upon which you may make a loan offer to LonPro Holdings plc ("LonPro") which LonPro may accept on the terms and conditions set out in this Document.

You should not make an offer to lend to LonPro as set out in this Document except on the basis of the information published in this Document and the Key Commercial Terms (see format on page 26).

Your attention is particularly drawn to the "Risk Factors" which are set out on pages 23, 24 and 25 of this Document. You should consider carefully whether LonPro Loans are a suitable financial commitment for you to make in the light of your personal circumstances. LonPro Loans will become a secured debt of LonPro Holdings plc but may not be a suitable financial commitment for all recipients of this Document. The money that you lend to LonPro as a LonPro Loan (your "Capital") is at risk.

Making a loan of this nature involves a degree of risk. It may not be possible to sell or realise the LonPro Loans before they mature or to obtain reliable information about the risks to which they are exposed.

LonPro Loans will be a debt of LonPro Holdings plc secured over all of its assets under a debenture constituting a fixed and floating charge. However,

there can be no certainty or guarantee that any realisation of such assets through the enforcement of such security will be sufficient to enable LonPro to repay all or part of the Loans or LonPro Holdings plc's liabilities thereunder.

This Document, which is a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 ("FSMA"), is issued by LonPro which accepts responsibility for the information contained herein. This Document has been approved as a financial promotion for UK publication by Crowdstacker Limited, which is authorised and regulated by the Financial Conduct Authority to operate an electronic lending platform. Crowdstacker is registered on the Financial Conduct Authority's Register with registration number 648742.

This Document does not constitute a prospectus to which the Prospectus Rules of the Financial Conduct Authority apply. Therefore, this Document and the Loans have not been approved by the Financial Conduct Authority or any other regulatory body, and do not give rise to any rights to claim compensation under the Financial Services Compensation Scheme.

You should ensure that you have read and understood this Document in its entirety before agreeing to offer Loans to LonPro Holdings plc. If you are in any doubt as to the contents of

this Document, or whether making the Loans is a suitable financial commitment for you, you should seek your own independent advice from an appropriately qualified advisor authorised under the Financial Services and Markets Act 2000 and who specialises in advising on loans, financial commitments and other such debt instruments.

This Document does not constitute an offer to make a loan or other financial commitment or the solicitation of an offer to make a loan or other financial commitment in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

Communications sent by you to the Custodian (as such term is defined on page 3) shall be treated as delivered to it on the day of actual receipt by the Custodian. All documents, payments or electronic information and communications sent by, to or from you or on your behalf will be sent entirely at your own risk.

Definitions

Crowdstacker

Crowdstacker Limited, an electronic lending platform that is authorised and regulated by the FCA

Custodian

Crowdstacker Limited

Debenture

A debenture between LonPro and the Security Trustee under which LonPro creates a fixed and floating charge in favour of the Security Trustee over all its assets and business

FCA

Financial Conduct Authority

Group

LonPro Holdings plc and its Subsidiary

Guarantee

The Guarantor guarantees the liabilities of the Company in favour of the Security Trustee

Information Brochure or Document

This document

Key Commercial Terms

The key commercial terms format set out in this Document on page 26 which on acceptance will be populated with the Lender's details, the selected Interest Rate, the Commencement Date, the Loan Amount and the selected Repayment Date

Lenders

All those individuals who enter into Loan Contracts with LonPro

Loan T&Cs

The terms and conditions applicable to each Loan as set out in this Document and which form part of each Loan Contract

Loan Contracts

The loan contracts consisting of the Loan T&Cs and the Key Commercial Terms between Lenders and LonPro

LonPro or Company or Borrower

LonPro Holdings plc

Lonpro Loans or Loans

Loans made or to be made to LonPro pursuant to the terms and subject to the conditions of the Loan Contracts following acceptance by LonPro

Security

The Debenture and the Guarantee

Security Trustee

Crowdstacker Corporate Services or such other person as is appointed as trustee under the Security Trust Deed

Security Trust Deed

The deed between the Security Trustee and LonPro by which the Security Trustee holds the Security on trust for the benefit of Lenders

Subsidiary and Guarantor

Empyrean Burton Limited





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A word from our Chief Executive

Welcome to LonPro

I am pleased to write to you as the Chief Executive of LonPro Holdings plc and invite you to join me in this growing business and benefit from a compelling investment opportunity.

UK Housebuilding is a fragmented industry with a handful of countrywide players. Few regional companies seem to make the transition to a national stage and many of them realise that local intelligence and expertise is diluted with growth.

LonPro will do what it does best - developing London property. With our indepth knowledge of the local market we are well placed to benefit. It is LonPro's belief that there is ample opportunity for SMEs that are well funded to create significant sustainable value. This is especially true in London, one of the World's leading cities, which has one of the most resilient property markets.

The team at LonPro combine property and financial expertise, entrepreneurial flair, robust in-depth research and a disciplined project management team to capitalise on any property investment we put our name to.

LonPro is initially seeking to raise £2.5 million via the Crowdstacker platform. We are offering investors a fixed 7.5% p.a. interest, paid monthly over a 2.5 year term.

We look forward to welcoming you as investors in LonPro.

Nick Charalambous
Chief Executive



Capital at risk.

Your capital is at risk if you lend to businesses.



Summary of the LonPro Loans

In short the LonPro Loans are an investment that pays a fixed interest rate of 7.5% p.a. gross, over a 2.5 year (30 month) term.

LonPro draws your attention to the following key terms:

- The minimum investment is £100 and interest is paid monthly.

- We seek to raise an initial target of £2.5 million.
- As a P2P Loan this investment is eligible to be held as part of your annual ISA Allowance and it is possible to transfer in previous year's ISA money from your existing ISA investments.

The Peer to Peer loan may be held in:

- A Small Self-Administered Scheme ('SSAS').
- An Innovative Finance ISA ('IFISA').

What could I be earning over the next 2.5 years?

Investment	Total interest p.a. gross	Total interest monthly gross	Total interest over 2.5 years gross
£500.00	£37.50	£3.13	£93.75
£5,000.00	£375.00	£31.25	£937.50
£10,000.00	£750.00	£62.50	£1,875.00
£50,000.00	£3,750.00	£312.50	£9,375.00
£100,000.00	£7,500.00	£625.00	£18,750.00

Capital at risk.

Tax treatment is dependent on the individual circumstances of each investor & may be subject to change in the future.





LonPro: What we do

LonPro is a property development Company established in 2016 to identify and develop principally residential property in London and the Home Counties, where the Company's executive directors have considerable experience.

The team behind LonPro has been building homes and investing in property for the past twenty years.

We specialise in building in London, which is seeing some of the biggest pressures on housing needs.

The way we work is to identify plots in key positions and with the potential to build attractive residential led properties. The team has built up a network of key contacts in real estate with whom we are able to work closely to secure the best opportunities.

Similarly, we have worked with partners such as architects and building firms with the aim of providing innovative build solutions and high quality products.

The Company's focus will be on popular residential locations with a high proportion of households with growing incomes.

The investment will be used to fund developments throughout London and the Home Counties with a specific focus on the middle to outer Boroughs of London, such as those defined by the Tube map as Zones 2-6.

Established satellite towns such as Tunbridge Wells, Woking and Chelmsford are also of particular interest.

Sites will typically share common features such as:

(1) Proximity to transport nodes such as Cross Rail and HS1.

(2) Low delivery risk which will be calculated based on parameters such as planning, construction, and sales potential. We will identify the magnitude of impact from each of these to create an informed view about the likely outcomes for proposed projects.

(3) Internal Rate of Return (IRR) per project of circa 20 per cent. The directors will take an investor-project based approach, looking only at the investment required by the Company against the ultimate receipt after all repayments at the end of the project.

(4) The ability to realise a gross sales margin on development of 20 per cent before funding costs. In addition, to help retain financial control all build costs will be quantified prior to acquisition by a third party quantity surveyor.



LonPro: The Company

The Company was incorporated on 10 February 2016 in England and Wales as LonPro Holdings Limited with registered number 09998716 as a limited liability company under the Companies Act 2006. The Company's registered office is at 32 Junction Road, London, N19 5RE, United Kingdom.

The Company operates as a holding company and has one wholly owned Subsidiary, Empyrean Burton Limited, a company incorporated in England & Wales as a limited liability company with registered number 08541003.

The Subsidiary is a single purpose vehicle which was incorporated to acquire a Grade II listed freehold property at 107 Station Street, Burton upon Trent, DE14 1SZ. The property comprises a former brewery building

that was constructed in c.1860 and extends to approximately 150,000 sq. ft. The building is being converted to provide modern Grade A office accommodation with approximately 368 car parking spaces.

Security

There will be multiple layers of security.

First:

LonPro Loans will be secured over the assets, property and undertakings of the Company via a first ranking debenture given to the Security Trustee on your behalf. LonPro Loans will rank pari passu with a bond issued by the Company in June 2017.

Second:

LonPro, together with any investment in its subsidiaries, shall at all times have in place not less than 30% of equity and subordinated debt as a percentage of LonPro's total assets. This means that in order for Lenders to lose any of their investment, the total value of all LonPro's assets would have at the time to fall by over 30%.

Third:

The investment will also benefit from a guarantee from LonPro's Subsidiary, Empryeen Burton Limited, which in its capacity of Guarantor, has provided a corporate guarantee of the Borrower's obligations.

Fourth:

The loan proceeds will be used to purchase new development sites. Loans will be secured by way of a second ranking charge over the land and property, in favour of the Security Trustee on behalf of Lenders. Each charge will be registered with land registry.

For the avoidance of doubt, there is no second charge over the property owned by the Subsidiary.

How will LonPro Loans be repaid?

At the end of the Loan term, the Company envisages a number of potential ways by which Lenders can be repaid:

- From the accumulated profits of the Company generated over the 2.5 year period of the Loans;
- From the proceeds or sale of some, or all, of the property assets of the Company;
- From a sale of the business of the Company;
- From a refinancing of the Loans;
- From a combination of the above ways.

Fixed interest rate:	7.5% p.a. gross
Investment term:	2.5 years term
Minimum investment:	£100
Interest payments:	Monthly



Capital at risk.

Your capital is at risk if you lend to businesses. Tax treatment is dependent on the individual circumstances of each investor & may be subject to change in the future.

LonPro and industry opportunities

House building in the UK remained a key engine of growth for construction output, with residential home building expanding for the sixteenth consecutive month in December 2017.

The market forces of supply and demand are ensuring there is a sufficient interest from both Government and the private sector to throw their weight behind supporting the industry.

In March 2018, Theresa May made the Government's position very clear. She called for a 'great national effort' by Government, developers and Councils to support construction so it can meet

housing needs. Sajid Javid, former Secretary of State for Housing backed this up, announcing that any Council failing to meet building targets could be stripped of planning permission powers.

The Government target is to deliver 300,000 new homes per year, however it is currently struggling to reach 178,000 per year across the whole of the UK. With an annual increase in the number of households in England rising by about 210,000 a year, the simple mathematics reveals huge potential in the construction industry and the role that LonPro can play in this.

Developers meanwhile continue to buy land, submit planning applications, purchase materials and drive sector employment, indicating a sustained level of building activity is occurring. Indeed, in 2016/17 building commenced on 163,000 new homes, still a shortfall on what is needed but indicating demand is strong.

<https://www.markiteconomics.com/Survey/PressRelease.mvc/d32c7731430f4b9adfe09c03dbd66c0?s-1>
<https://www.theguardian.com/society/2018/mar/05/local-authorities-criticise-theresa-may-housing-crisis>
<http://www.cityam.com/282795/housing-crisis-less-than-one-five-homes-built-london-over>
https://www.rics.org/Global/RICS_UK_Construction_and_Infrastructure_Survey_Q4%202017.pdf
<https://fullfact.org/economy/house-building-england/>





More homes are an absolute necessity

Regardless of other economic indicators, LonPro believes there is significant evidence to demonstrate the continued potential for residential and commercial construction.

Whilst estimated figures may not all correlate exactly, all reports cited below agree there is a major shortfall in housing provision. There is also consensus that this shortfall numbers somewhere in the hundreds of thousands.

Net migration only accounts for an estimated 37% of projected household growth according to the Department of Communities and Local Government. Therefore, even if net migration was nominal over the next decade, households would still increase by around circa 130,000 per year. Consequently around 130,000

new dwellings will be required each year.

House price inflation is also linked to the availability of housing. Without a better balance between supply and demand, first time buyers may be squeezed out of the market. The Barker Review (2004) recommends that to keep house price inflation within reasonable parameters it will be necessary to build 245,000 private sector homes per year.

More evidence to this effect comes from the Cambridge Centre for Housing and Planning Research which calculates 270,000 new homes will be needed each year for the next 20 years to meet demand. Something that is also backed up by the Institute for Public Policy Research (IPPR) which estimates demand will outstrip supply

by 750,000 homes by 2025 if current trajectories continue.

England is currently nowhere close to meeting these targets. In 2015, new housing completions by private house builders, housing associations and local authorities stood at just over 142,560. Total completions by private house builders alone stood at 110,700. So, whichever research project or industry report is referred to, it seems clear there is a strong need to build more homes.

LonPro believes well-funded property developers are well positioned to carve out sections of the market and establish sound and sustainable businesses.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/536702/Household_Projections_-_2014_-_2039.pdf
http://news.bbc.co.uk/1/hi/shared/bsp/hi/pdfs/17_03_04_barker_review.pdf
IPPR, The Good The Bad and The Ugly, Katie Schmoecker 2011
<https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building> (Table 244)

Case studies

Existing Asset

107 Station Street

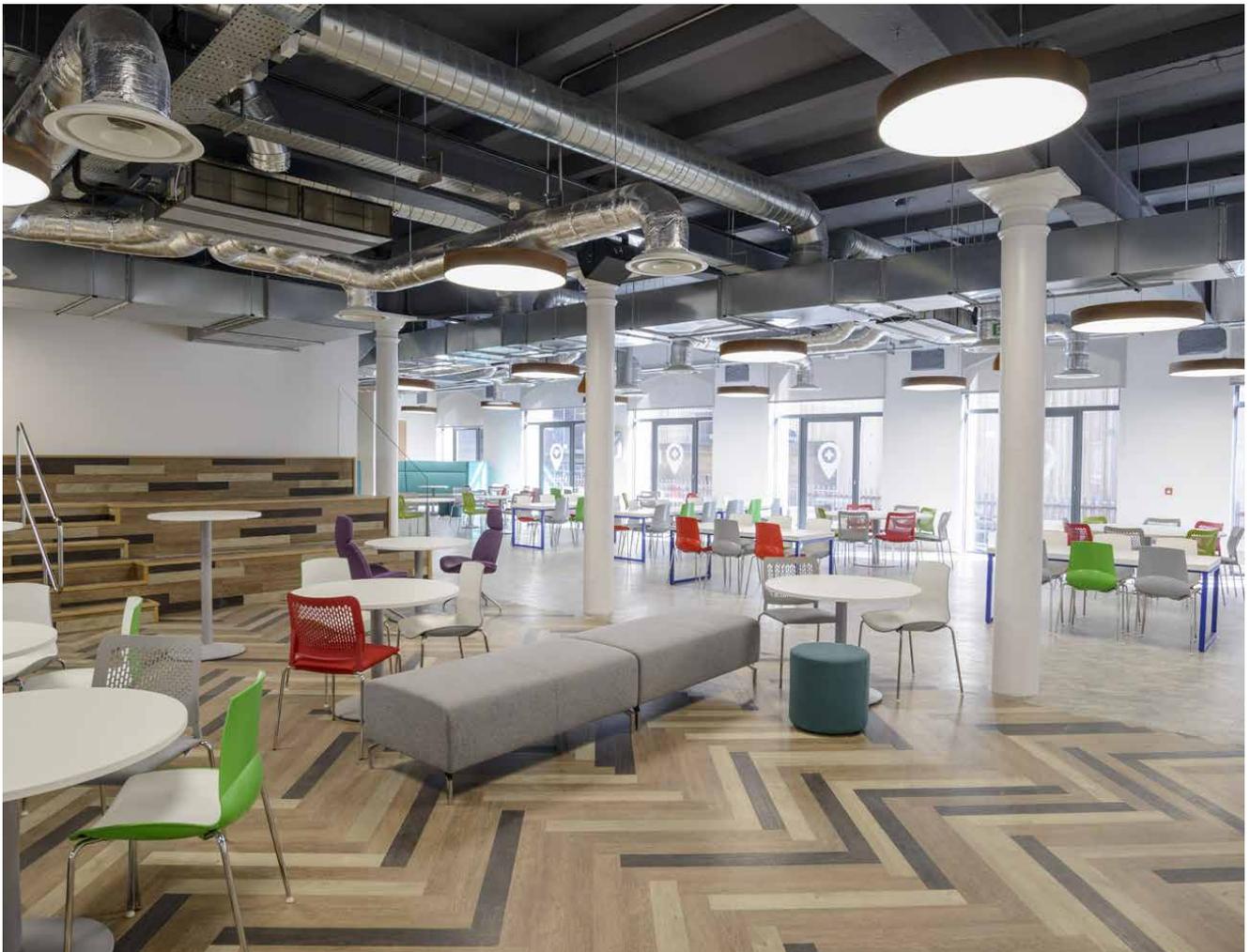
Burton upon Trent.

The property comprises a former brewery building that was constructed in c.1860 and extends to approximately 150,000 sq. ft. The building is being converted to provide modern grade A office accommodation with approximately 368 car parking spaces.

The Subsidiary has already secured an anchor tenant in Healthcare at Home Limited, a £1.7billion turnover operator in the provision of medical services within the UK, who have taken over 56,000 sq ft. on the terms detailed below. Healthcare at Home have relocated their entire head office operation to 107 Station Street, accommodating over 400

personnel. The Directors understand that the tenant has spent in excess of £4 million on its fit-out works.

The property has been independently valued at £9.6 million.



Whetstone

North London

Whetstone is an affluent North London suburb.

The development of 9 new units, comprising 7 houses and 2 flats, which are currently under construction. Completion is expected in December 2018. In addition there is a 10th house that requires refurbishment.

The 7 new build houses will be stunning contemporary semi-detached family houses that are expected to be marketed starting at £1.1million each.

Totteridge and Whetstone Underground Station is a short distance from the development, offering a good transport link to central London.

The local high street reflects a typical suburban town centre with shops on either side of the street.

The local Dollis Valley is a long distance green walk which stretches between Moat Nature reserve in Mill Hill and Hampstead Heath, following the low-lying valley, offering a great space for outdoor activities.



Fortess Road

Kentish Town, London NW5 (2015-16)

A development of 8 flats in this Zone 2 location within the London Borough of Camden. At the edge of this bustling high street, the team identified an underutilised asset that had the potential to repurpose and comprehensively refurbish and extend the building. The scheme proved to be exceptionally popular. The Gross Development Value was £4 million.

The site was originally acquired for £1.8m and cost £1m to refurbish.



Honor Oak

London, SE23 (2015-17)

This site was acquired with the benefit of planning in this up and coming area of South East London in 2015.

Historically, this mid-terraced site was occupied by a set of prefab houses.

The final sales for the scheme were recorded in June 2017 with a Gross Development Value of £8.25 million, having sold out in less than 6 months.



The LonPro team



Nick Charalambous
Chief Executive

Nick started his professional property experience more than 20 years ago, from managing his family's international property portfolio to forming Emyrean Developments Limited in 2006. He has extensive experience from planning to construction, and has achieved repeated success since Emyrean's first project, the Islington Kinver House Development, to his recent steering of the company through challenges created by the economic crisis.



Andy Charalambous
Executive Director

Andy was born in London, and following school education in his home city, he embarked on an investment banking career from the age of 19. Andy purchased his first investment property at the age of 23 and has been an investor ever since. Andy's City career covers investment banking, corporate finance and more recently, asset management. Andy is currently the founder and CEO of Ramek Asset Management Ltd, which is authorised and regulated by the FCA.



Andrew Kitchingman
Non-Executive Director

Andrew's background is as a chartered accountant, corporate financier and board level adviser for 30 years, including partner-level appointments at two of the "Big 4" business service firms (Ernst & Young and KPMG). His sector expertise is broad but with a slight bias towards industrials, construction and business support services. He has worked with companies of all sizes (turnovers of £5m to £500m).

Group financials

The management team have the market expertise and experience to deliver returns by developing and selling properties in London and the Home Counties.

LonPro is a relatively new company that was incorporated on 10th February 2016. Our business model is to locate sites with development potential. We will use our own capital, combined with external senior debt, to develop these sites.

We will actively manage our sites throughout their development, working with trusted contractors. We expect

to see an uplift in value through the development cycle and realise this value once the developments are sold on.

In 2016, LonPro acquired Empeyrean Burton Limited, whose principal asset is the commercial property in Burton upon Trent, described earlier in this document.

Once the property was re-valued by an independent chartered surveyor, the net assets of the Group rose to over £1.1m as at 28th February 2018.

Profit & Loss	FY 2017 10 Feb 16 - 28 Feb 17 (Unaudited)	FY 2018* Mar 17 - Feb 18 (Unaudited)
Turnover	£6,129	£815,780
Gross Profit	(£103,528)	£772,569
Operating Profit	(£228,880)	£87,676
Net Profit/(Loss)	(£865,252)	£1,347,267

Balance Sheet	FY 2017 At Feb 17 (Unaudited)	FY 2018* At Feb 18 (Unaudited)
Fixed assets	£7,908,071	£10,363,247
Current Assets	£332,830	£348,993
Current Liabilities	£8,479,580	£339,211
Long Term Liabilities	£276,571	£9,272,868
Net Assets	(£515,250)	£1,100,161

Past performance and forecasts are not a reliable indicator of future results

*Unaudited management accounts

Crowdstacker

Crowdstacker Limited is an electronic investment platform that is authorised and regulated by the FCA.

We are different from other platforms. Our goal is to save you time by filtering through the many opportunities out there, leaving you with what we consider to be of the highest quality.

We achieve this through our carefully designed selection process. We carry out bespoke and independent due diligence on each potential company. We reject many along the way. We negotiate additional levels of protection for our investors and organise the documentation so that it is easy to understand the benefits and risks of each opportunity.

Our due diligence includes three key steps. Only what we consider to be the best investment opportunities will make it to the third. The three key steps are:

1. Pre-screening.

This initial assessment includes:

a. Verification

Confirming the identity of the potential company and its directors, including checking for County Court Judgements, directors that have been disqualified and other red flags, as well as Anti Money Laundering checks performed in line with Financial Action Task Force (FATF) guidelines.

b. Automated credit analysis

Using a credit scoring model* to provide an initial assessment of credit worthiness. The model is one used by the majority of credit insurers and claims to predict around 70% of the defaults in the next 12 months.

2. In depth analysis.

Our due diligence process is performed by chartered accountants with experience of analysing companies of all sizes. This includes:

a. Financial health

An assessment of current and projected financial performance and position. Management and statutory accounts, cash flows, business plans, repayment strategy and existing debt are all considered.

b. Management team

We meet senior management teams at their premises and assess the quality of the team and its operations.

c. Loan structure and conditions

A recommendation is made regarding the loan structure and associated conditions to help protect investors.

3. Credit committee.

Our committee is responsible for reviewing all reports and approving each new business proposal.

Once a loan is approved, we work with the company to produce informative documentation that outlines the key benefits and key risks for the loan.

* www.creditsafeuk.com

Capital at risk.

Tax treatment is dependent on the individual circumstances of each investor & may be subject to change in the future.

Crowdstacker

The Security Trustee

Crowdstacker's associate Company, Crowdstacker Corporate Services Limited acts as Security Trustee.

The role of the Security Trustee is to:

- Hold on behalf of all Lenders the security for the Loans over the assets of LonPro;
- Enforce the security over LonPro in certain circumstances where LonPro fails to pay interest or repay the Loans;
- Further information on the role of the Security Trustee can be found in clauses 18 and 19 of the Lender T&Cs.

Client money

We may hold client money on your behalf, for example, prior to you making a loan to a borrower or when collecting interest payments from the borrower for you.

This money is held on deposit with Lloyds Bank PLC in a client money account. In the event of this bank becoming insolvent, these deposits are protected against losses of up to a maximum of £85,000 per eligible client per bank under the Financial Services Compensation Scheme ('FSCS').

The limit applies to the total of all deposits held for you with that bank, whether held through Crowdstacker or directly with the bank. In the event that you were to suffer a financial loss directly as a result of Crowdstacker becoming insolvent you may be able to claim compensation from the FSCS of up to £50,000.

Following the relevant Commencement Date, we will transfer the full amount of the Loan monies to LonPro. If the Loans do not satisfy the Acceptance process, we will return your money to you.

Finally, we are also responsible for organising the payment of interest and repayment of your Loan to you once we have received payment from the Company.



Two minute FAQs

We are more than happy to answer any questions you may have. If your question is not covered by the FAQs below, please contact us on info@crowdstacker.com.

What return can I expect?

You will receive 7.5% gross return per annum on your Capital.

How often will interest be paid?

Your interest will be paid monthly.

How much can I lend?

The minimum amount you can lend is £100.

When do the LonPro Loans mature?

The LonPro Loans are for 2.5 year (30 month) fixed term. On maturity, you are entitled to the return of the original Loan in full.

What about Pensions?

You can hold LonPro Loans within a Small Self-Administered Scheme (SSAS) or a Self-Invested Personal Pension (SIPP).

What about ISAs?

You can hold your loan in the Crowdstacker Innovative Finance ISA, and receive tax free interest.

What about the Personal Savings Allowance?

Crowdstacker investments held within a Crowdstacker P2P account (our standard investment account) are eligible for up to £1000 tax free interest under the Personal Savings Allowance. (Please note tax benefits are subject to your own personal tax status).

How will your investment via a Loan be used?

Investments will be used by LonPro to purchase more development sites and finance construction of residential and commercial property for sale.

Who is the Borrower?

LonPro Holdings plc

Who is Crowdstacker?

Crowdstacker is a Peer to Peer lending platform authorised and regulated by the FCA. Crowdstacker matches companies such as LonPro that are seeking to raise finance with lenders like you that are seeking to invest money.

Is Crowdstacker covered by the Financial Services Compensation Scheme?

Lending through the Crowdstacker platform is not covered by the Financial Services Compensation Scheme.

What security do I have if LonPro becomes insolvent?

Please refer to page 11 of this brochure.

Capital at risk.

Your capital is at risk if you lend to businesses. Tax treatment is dependent on the individual circumstances of each investor & may be subject to change in the future.

Risk factors

In addition to the other relevant information set out in this Information Brochure the following specific risk factors should be considered carefully when evaluating whether to make a loan to LonPro. If you are in any doubt about the contents of this Information Brochure, or the action you should take, you are strongly recommended to consult a professional advisor specialising in advising on loans, financial commitments and other such debt instruments.

The directors of LonPro (the "Directors") believe the following risks to be significant for potential lenders. The risks listed, however, do not necessarily comprise all those associated with LonPro and LonPro Loans and are not intended to be presented in any assumed order or priority. In particular, LonPro's performance may be affected by changes in legal, regulatory and tax requirements as well as overall global financial conditions.

Particular Company Related Risks

Not protected by the Financial Services Compensation Scheme

Risk

As with stocks and bonds, LonPro Loans are not protected by the Financial Services Compensation Scheme against loss.

Business Risk

Risk

No assurances can be given as to the future performance of LonPro and whether LonPro will continue to achieve its business objectives. Prospective lenders/investors should be aware when considering the past performance of LonPro that past performance is not necessarily

indicative of future results and there can be no guarantee that LonPro will remain profitable in the future. Performance depends on many factors including the value of the assets, market conditions, any related costs, the timing and management of the transactions, all of which may change over time.

Mitigation

The team behind LonPro have more than 20 years experience building homes and investing in property. They also have a total of 61 years experience in managing and executing a variety of transactions and managing financial risks from inception through to successful completion.

Management Risk

Risk

Lenders will not have the opportunity to evaluate fully for themselves relevant economic, financial and other information regarding LonPro and will be dependent on the judgment and abilities of LonPro's management. There is no assurance that LonPro's management will not make mistakes or take the best course of action in all the circumstances. Accordingly, no person should lend to LonPro unless it is willing to entrust all aspects of conducting the business of LonPro to the Directors and senior management. Lenders do not have any right to participate in the day-to-day management of LonPro or business decisions. Additionally, funds advanced to LonPro are at risk of employee or management misappropriation.

Mitigation

The team behind LonPro have more than 20 years experience building homes and investing in property. Two of the directors have worked in a regulated market environment for many years including handling of client monies and operating tight financial controls.

Operating History

Risk

Although its management is experienced, the Company has no history in this marketplace upon which an evaluation of the Company and its prospects can be based. The Company's business must also be considered in light of the risks, expenses and problems frequently encountered by companies at an early stage of development. Failure to achieve predicted returns on residential and commercial property investments may result in income growing more slowly than anticipated or not materialising at all.

Mitigation

Although LonPro itself is a relatively new company, the management team has operated similar businesses successfully and will look to follow a similar approach with LonPro.

Property risk

Risk

The performance of the Company will be affected by specific property risks including, among other matters, changes in property market conditions leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market; the quality of property available; the ability of the Company to maintain the recoverability of service charges and other expenditure and to control the cost of these items; the risk that one or more tenants may be unable to meet their obligations or new properties on favourable terms; and the potential illiquidity of property investments, particularly in times of economic downturn.

Mitigation

All projects will be reviewed by a qualified surveyor who will be

required to confirm that the proposed budget is reasonable for the project and that the developer or contractor has the relevant experience to complete the project.

Pricing, liquidity and valuations of properties

Risk

As LonPro has significant exposure to property, there is a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a miss-estimation of the asset's value or due to a lack of liquidity in the relevant market.

Mitigation

All LonPro's projects will be valued by a qualified surveyor, confirming the expected value of the units on completion of the project.

Development risk

Risk

LonPro will carry out property developments which will be subject to the risks normally associated with property development. These risks include, without limitation, risks relating to the availability and timely receipt of planning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the company, such as weather or labour conditions or material shortages), general market and letting risks, and the availability of both construction and permanent financing on favourable terms. These risks could result in substantial unanticipated delays or expenses and under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of the operations of LonPro.

Mitigation

While any construction project can be susceptible to delays or cost overruns, the LonPro team have meaningful experience in managing construction projects and an experienced construction firm will be contracted for each development. Furthermore,

Nick Charalambous will act as project manager, overseeing all aspects of the construction program on each development.

Availability of suitable property developments

Risk

The business of identifying the types of property developments targeted by the Company is competitive and involves a high degree of uncertainty. High levels of competition may result in the Company being unable to source suitable sites. Accordingly, there is no guarantee that the Company will be able to acquire such sites that match its acquisition criteria or fulfil its business objectives. This may lead to insufficient profits being available to pay interest.

Mitigation

The Directors have built relationships over a number of years with many property agents and industry professionals to source suitable sites.

Borrowing Risk

Risk

LonPro has the ability to use borrowing as part of its strategy. The use of borrowing will increase the risk profile and the volatility of the value of its assets and will amplify losses in the event of a decline in asset values. Borrowing may create significant underperformance, particularly in times of a falling property market. Borrowing costs may, from time to time, exceed returns on property.

Mitigation

Bank finance is considered a normal part of a property development process.

Throughout the years the directors have managed bank finance in both a wide range of businesses and a variety of economic conditions and cycles.

Illiquid Asset Risk

Risk

The Loans are not available for sale on any market so the Loans are an

illiquid asset. There is a risk that Lenders will not be able to dispose of their Loans to third parties. Therefore it may not be possible to sell or realise LonPro Loans until they are repaid by LonPro when the Loans mature.

Mitigation

Crowdstacker has a facility on its platform that gives Lenders the ability to sell their Loans to other members of the Crowdstacker community. However, there is no certainty or guarantee that Lenders will find willing buyers for the Loans at a price that Lenders will find acceptable, and Lenders may suffer a loss on a disposal of their Loans.

No certainty that Lenders will be repaid at maturity

Risk

If LonPro were to become insolvent, there is a risk that (a) the LonPro Loans will not be repaid in part or in full, and (b) some or all of the interest due on the LonPro Loans will not be paid in part or in full. There is no certainty or guarantee that any realisation of assets or the Security will be sufficient to enable LonPro or, as the case may be the Security Trustee, to repay the LonPro Loans or LonPro's liabilities thereunder.

Mitigation

LonPro Loans are a debt of LonPro secured over all of its assets and undertakings, which include a second ranking legal charge over new properties purchased.

Profits of the business are not sufficient to pay interest or repay the Lenders

Risk

If LonPro is unable to achieve sufficient turnover, the profitability of the Company would be impacted, and may not be in a position to pay interest or capital to Lenders. Accordingly, no person should subscribe to LonPro Loans unless it is willing to entrust all aspects of conducting the business of LonPro to the Directors and senior management. Investors do not have any right to participate in the day-

to-day management of LonPro or business decisions. Additionally, funds advanced to LonPro are at risk of employee or management misappropriation.

Mitigation

Although LonPro has recently been set up, the management team have extensive experience of the property development industry. In the event that sales do not achieve the forecasted targets they will take appropriate actions, such as selling some of the units at a discount and reducing staff numbers.

Risk of Loss of Key Individuals

Risk

The management skills and processes employed by the business are key to performance and ability to grow. Loss of key individuals or Director within the Company could be a time-consuming process and impede the ability of the company to perform its contractual obligations, leading to reductions in revenue.

Mitigation

Whilst loss of key individuals would provide a short-term problem until a replacement was appointed the Company is satisfied that the long-term business plan would not be effected and that replacements could be appointed.

In the relative short term the management would utilise a range of in house and external professionals and this would continue even if a member of the management team were to be indisposed

Reputational Risk

Risk

As with all companies there is an underlying risk that customers could complain and / or claim for compensation if they have cause to believe they have been provided with or have experienced poor or suboptimal client administration. The risk associated with this is that the Company could suffer loss of reputation and could fail to attract

new customers or lose existing ones and thus revenues would suffer.

Mitigation

Our customers will be those who buy the properties we build, i.e. flats and houses. Our new build properties will be covered by the necessary housing guarantees. The team are experienced in delivering quality service to ensure customer satisfaction.

Insurance Risk

Risk

The business and its assets will be subject to damage and loss by the usual insurable risks of fire, theft and climatic events and by uninsurable risks such as loss of profit due to fall in demand or poor management or third party competition and there is no certainty that LonPro will not suffer loss and damage by such risks from time to time.

Mitigation

LonPro, where economically practicable and available, endeavours to mitigate insurable business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable. Or the policy provisions, and exclusions, may render a particular claim by LonPro, outside the scope of the insurance cover.

General Risks

Macro-economic risks and changes in the general economic outlook, both in the UK and globally, may impact the performance of LonPro and the property market. Such changes may include (but are not limited to):

Contractions in the UK economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

Property market fluctuations that will affect market prices for properties;

New or increased government taxes, duties or changes in taxation laws; and

A prolonged and significant downturn in general economic conditions may have a material adverse impact on LonPro's trading and financial performance.

Summary

The above risk factors are not exhaustive and they do not purport to be a complete explanation of all the risks and significant considerations involved in lending LonPro. Accordingly, and as noted above, additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on LonPro's business and prospects.

LonPro Loans may not be a suitable investment for all who review this Information Brochure.

Lenders should take their own tax advice as to the consequences of making LonPro Loans as well as receiving interest payments from them.

The value of a Loan may go down and you may receive back less than the full amount invested. In extreme circumstances you may not receive any Capital back at all. Losses on your Capital may arise due to a combination of lower sales prices achieved, a lack of sales and higher costs, inability to raise borrowings or an inability to meet debt payments.

Other than the obligations and other covenants of LonPro set out in this Document, no representation or warranty, express or implied, is given to the Lenders by either LonPro or the Directors and officers of LonPro.

In particular but without limitation, no representation or warranty is given by any such person or entity as to (i) the tax consequences; (ii) the regulatory consequences; and (iii) the business and investment risks associated with acquiring, holding or disposing of the Loans.

Key Commercial Terms

The Key Commercial Terms section sets out the main financial terms, parties and Security that forms part of your Loan. You need to familiarise yourself with the Key Commercial Terms and the Loan terms and conditions.

Name of Lender

[Your name]

Address of Lender

[Your address]

Email address of Lender

[Your email address]

Name of Borrower

LonPro Holdings plc

Address of Borrower

32 Junction Road, London, N19 5RE

Closing date

[The closing date as set out on the website]

Commencement date

[The commencement date of your Loan is 1 week from the relevant closing date]

Early repayment charge

None

Repayment date

2.5 years from the relevant Commencement Date

Term of loan

2.5 years

Minimum amount

£100

Minimum loan raise

£350,000

Loan amount

[The amount you lend]

instalment

[If applicable]

Target loan raise

£2,500,000

Loan variation term

No change is permitted to be made to the Loan under clause 8.1 of the Loan T&Cs

Interest payment date

Up to 5 business days from the end of each Interest Period

Interest period

Monthly

Interest rate

7.5% gross per annum

Custodian

Crowdstacker Limited

Security document(s)

1. A Debenture over the assets of the Borrower;
2. A guarantee of the Borrowers obligations from Empyrean Burton Limited; and
3. Second ranking legal charges over properties purchased by LonPro all in favour of the Security Trustee

Comparable loan numbers

LP1

Loan reference number

[Your loan reference number]

Acceptance process

The Borrower accepts the Lender's Loan Offer (as such term is defined in the Loan T&Cs) on the relevant Commencement Date provided that the following conditions are all satisfied:

1. The Borrower has not notified Crowdstacker that it does not wish to proceed with the Loan;
2. Crowdstacker has not withdrawn the loan transaction with the Borrower from the Platform

Loan T&Cs

1. Definitions & Interpretation

1.1 The following words have these meanings in the Loan T&Cs unless a contrary intention appears:

DEFINITION

Meaning.

ACCEPTANCE

the process of acceptance by the Borrower as it is specified in the Key Commercial Terms;

BORROWER

a member of Crowdstacker identified as a borrower in the Key Commercial Terms;

BORROWER'S DEBT

all the Borrowers' liabilities to the Lender (and where relevant to the Security Trustee) present, future, actual or contingent and will include (i) Interest (ii) the Loan and (iii) related costs and expenses;

BORROWER T&Cs

the Borrower terms and conditions available on the Website, as amended or replaced from time to time;

BUSINESS DAY

a day other than a Saturday or a Sunday on which clearing banks are open for business in London;

CLIENT ACCOUNT

the segregated client account(s) with the Custodian used for the purpose of holding funds on behalf of the members of Crowdstacker;

COMMENCEMENT DATE

as defined in the Key Commercial Terms;

COMPARABLE LOANS

all loans (present and future) made by multiple lenders to the Borrower which are identified as having Key Commercial Terms with the same Comparable Loans Number as the Loan;

COMPARABLE LOANS NUMBER

as defined in the Key Commercial Terms;

CROWDSTACKER

Crowdstacker Limited (UK company registration number 09056449);

CROWDSTACKER PLATFORM

the Crowdstacker Platform operated by Crowdstacker for the purpose of facilitating Loans between Lenders and Borrowers;

CUSTODIAN

as defined in the Key Commercial Terms;

EARLY REPAYMENT CHARGE

as defined in the Key Commercial Terms;

INSTALMENT

as defined in the Key Commercial Terms;

INTEREST PAYMENT DATE

as defined in the Key Commercial Terms;

INTEREST PERIOD

as defined in the Key Commercial Terms;

INTEREST RATE

as defined in the Key Commercial Terms or varied by clause 8.1;

KEY COMMERCIAL TERMS

the key commercial terms (as set out on the Website) for a particular Borrower together with details of the Lender, the relevant Commencement Date and the Loan Amount for that Lender;

LENDER

the member of Crowdstacker identified as a Lender in the Key Commercial Terms;

LENDER T&Cs

the Lender terms and conditions available on the Website, as amended or replaced from time to time;

LOAN

the individual loan transaction entered into between the Borrower and the Lender following Acceptance;

LOAN AMOUNT

the principal amount of the Loan as defined in the Key Commercial Terms;

LOAN CONTRACT

the loan contract consists of (i) the Loan T&Cs and (ii) the Key Commercial Terms having its own Loan Reference Number;

LOAN OFFER

a loan offer which a potential Lender makes on the Crowdstacker Platform or in a written application;

LOAN SUMMARY

the summary of a particular loan set out on the Crowdstacker Platform;

LOAN T&Cs

these loan terms and conditions – version 2/2015;

MY ACCOUNT

the section of the Crowdstacker Platform which may be accessed by a member of the Crowdstacker Platform using his/her own secure login details;

REPAYMENT DATE

as defined in the Key Commercial Terms;

SECURITY

the security created by any Security Document;

SECURITY DOCUMENT(S)

the security document(s) effecting security over the assets of the Borrower or other party granted to the Security Trustee and as set out in the Key Commercial Terms before the Commencement Date;

SECURITY TRUSTEE

Crowdstacker Corporate Services Limited or such other person as is appointed as trustee under the Security Trust Deed;

SECURITY TRUST DEED

the deed by which the Security Trustee is appointed to hold the Security for the benefit of the Lender and the lenders of Comparable Loans on the terms set out in that deed;

WEBSITE

the Crowdstacker website at:
www.crowdstacker.com

1.2.

In these Loan T&Cs, unless the contrary intention appears:

1.2.1.

the singular includes the plural and vice versa and any gender includes the other gender;

1.2.2.

'person' unless the context otherwise requires includes a natural person, a firm, a partnership, a body corporate, an unincorporated association or body, a state or agency of state, trust or foundation (whether or not having separate legal personality);

1.2.3.

a 'natural person' unless the context otherwise requires shall mean a human being, as opposed to a juridical person created by law;

1.2.4.

a reference to:

1.2.4.1.

a document means that document as amended, replaced or Novated;

1.2.4.2.

a statute or other law means that statute or other law as amended or replaced, whether before or after the date of this Loan Contract and includes regulations and other instruments made under It;

1.2.4.3.

a clause or schedule is a reference to a clause or a schedule in these Loan T&Cs; and

1.2.4.4.

a month means a calendar month;

1.2.5.

where the word 'including' or 'includes' is used, it is to be taken to be followed by the words: 'but not limited to' or 'but is not limited to', as the case requires;

1.2.6.

where a period of time is expressed to be calculated from or after a specified day, that day is included in the period;

1.2.7.

headings are inserted for convenience and do not affect the interpretation of these Loan T&Cs.

2. The Loan

2.1.

The Key Commercial Terms that govern a Loan Contract are agreed between the Borrower and the Lender during the Loan Offer and Acceptance process.

2.2.

Where a Lender makes a Loan Offer which results in an Acceptance by the Borrower this gives rise to a Loan. The date of the Loan Contract shall be the relevant Commencement Date.

2.3.

These Loan T&Cs set out the terms and conditions which apply in respect to a Loan made by the Lender to the Borrower.

2.4.

Before Acceptance the Lender will have made payment of the Loan Amount to the Client Account held by the Custodian.

2.5.

After Acceptance the Custodian will pay the Loan Amount from the Client Account to the Borrower within 7 Business Days of the Commencement Date. For the avoidance of doubt the Custodian is only obliged to pay from the Client Account what sum it receives in respect of the Loan Amount from the Lender and no more.

2.6.

A Borrower may enter into multiple loans with a number of Lenders where all loans are on similar terms.

3. Repayment

3.1.

The Borrower agrees to repay the Lender the Loan Amount at the times and in the Instalments if any shown in the Key Commercial Terms and in any event by the Repayment Date.

3.2.

The Borrower agrees to make all payments due under the Loan on time.

3.3.

If the Borrower is late in paying an interest payment or Instalment, or repaying the Loan Amount the Lender and Crowdstacker will have the rights detailed in clause 9.

3.4.

The Borrower will effect repayment of the Loan Amount by crediting the Client Account with the Loan Amount. On receipt of the Loan Amount the Custodian will pay the Loan Amount from the Client Account to the Lender within 8 days of the Repayment Date. For the avoidance of doubt the Custodian is only obliged to pay from the Client Account what sum it receives in respect of the Loan Amount from the Borrower and no more.

3.5.

All payments by the Borrower will be made without deduction of tax.

3.6.

All payments by the Borrower to the Lender will be in the following order of priority:

3.6.1.

first towards paying any arrears on the Loan;

3.6.2.

second towards paying the current interest and principal due in respect of the Loan.

4. Interest

4.1.

The Borrower agrees to pay the Lender interest on the Loan at the Interest Rate.

4.2.

The Borrower shall pay interest on the Loan on the Interest Payment Date in arrears for each Interest Period.

4.3. Interest on the Loan shall accrue at the Interest Rate from the Commencement Date to the Repayment Date or if earlier the date of actual repayment of the Loan.

4.4. Where the Interest Period is monthly each Interest Period will begin on the same calendar day in each month as the Commencement Date and end on the day before such calendar day in the next month.

4.5. Where the Interest Period is quarterly each Interest Period will begin on the same calendar day in each quarter as the Commencement Date and end on the day before such calendar day every three calendar months thereafter.

4.6. Where the Interest Period is semi-annual each Interest Period will begin on the same calendar day in each semi-annual period as the Commencement Date and end on the day before such calendar day every six calendar months thereafter.

4.7. If the Interest Payment Date falls on a day which is not a Business Day, it shall instead be paid on the next Business Day in that calendar month if there is one or the preceding Business Day if there is not.

4.8. If the Loan is not repaid in full within 14 days of the Repayment Date, interest shall continue to accrue on the Loan at the Interest Rate and be immediately due and payable as it accrues.

5. Early Repayment

5.1. The Borrower may repay a Loan early (i.e. before the Repayment Date), but it has to repay the entire Loan Amount and the entire loan amount of all Comparable Loans.

5.2. Where the Borrower repays a Loan early the Borrower may be subject to paying an Early Repayment Charge to the Lender.

6. Transfer by Novation

6.1. Each Lender may transfer by novation its right, title and interest in any Loan Contract and all associated rights under the Lender T&Cs to any other registered lender on the Crowdstacker Platform (or to the Security Trustee if a Loan goes into default as set out in the Lender T&Cs and the Borrower T&Cs, which may subsequently assign or transfer all such rights, title and interest to a third party).

6.2. The Borrower's rights and obligations under a Loan Contract that have been transferred shall not be adversely affected in any way whatsoever.

6.3. A Borrower shall not be entitled to assign or transfer its rights or obligations under any Loan Contract.

6.4. A transfer by novation shall be effected by electronic means upon the acceptance by the new lender of an offer by the transferring Lender to sell a Loan Contract in accordance with the transfer provisions as set out on the Website. The new lender shall make payment of the agreed transfer amount to the Custodian who will collect payment on behalf of the Lender in accordance with the transfer provisions as set out on the Website.

6.5. At the time of entry into a transfer by novation (the "Transfer Time") the Borrower and the transferring Lender shall be released from further obligations towards one another under the relevant Loan Contract (being the "Discharged Obligations"). The Borrower and the new lender

shall at the Transfer Time assume those Discharged Obligations towards one another, as if the new lender's details originally appeared in the Key Commercial Terms in place of the transferring Lender. The new lender will then become the Lender under that Loan Contract. The Borrower confirms its agreement to these arrangements and waives any requirement for it to be a party to such transfer. A transfer by novation will not otherwise have any effect on the Key Commercial Terms applicable to that Loan Contract.

6.6. Any fees charged by Crowdstacker for administering a transfer by novation shall be paid by the relevant Lenders in accordance with the Lender T&Cs, and the Borrower shall not be liable for any fees in connection with the transfer.

7. Information

7.1. If the Borrower is, or at any time becomes aware of any of the following circumstances, then the Borrower will promptly provide to Crowdstacker full written details of such circumstances, claims or potential claims:

7.1.1. Circumstances (including without limitation any claims, undisclosed liabilities, litigation, arbitration, court proceedings or investigations which are current, threatened, pending or otherwise reasonably likely to occur against the Borrower by any third party) which could or might result in a material adverse change in the Borrower's financial condition, business or assets; and/or

7.1.2. any current or future claim (or potential claim) by HM Revenue & Customs (or any other governmental department or agency or other public body) against the Borrower.

7.2. The Borrower shall, from time to time, on request from Crowdstacker, provide Crowdstacker with such

information as it may reasonably require about the Borrower's financial condition, business and affairs, and compliance with the terms of the Loan Contract.

8. Variation

8.1.

Notwithstanding any other clause in the Loan T&Cs, in certain circumstances and in its absolute discretion, Crowdstacker (acting as agent on behalf of the Lenders) may agree with the Borrower to restructure the Loan and amend the Loan Contract so as to increase the term by one year, with a corresponding increase in the interest rate to 1.5 times the Interest Rate unless otherwise specified in the Key Commercial Terms under the "Loan Variation Term" section.

8.2.

For the avoidance of doubt, no such restructuring can take place without the written agreement of the Borrower. The Borrower acknowledges and agrees that Crowdstacker may require additional and/or restated security documentation to be executed by the Borrower (and any third party or guarantor as the case may be), or independent advice to be taken by the Borrower, each as a precondition to any restructuring.

9. Termination Event of Default

9.1.

The Borrower agrees that Crowdstacker may, on the Lender's behalf terminate the Loan and all Comparable Loans on behalf of all lenders and demand repayment of the full Loan Amount owed by the Borrower under the Loan and each Comparable Loan if:

9.1.1.

the Borrower or any guarantor misses, fails to pay or only partially pays any amount that is due under the Loan Contract;

9.1.2.

the Borrower has provided false information (including without limitation the purpose for which the loan has been requested) in a way which affects the decision to allow the Borrower to register as a member of Crowdstacker, the decision to list details of the loan on the Website, or the information that is provided to lenders in contemplation of their lending to the Borrower;

9.1.3.

the Borrower has breached the terms of this Loan Contract and/or any other loan contract that it is a party to (including those relating to a different loan on Crowdstacker) and, in respect of other loan contracts only, either notice has been given to the Borrower ending that loan contract or Crowdstacker has reasonable grounds to believe that as a result:

9.1.3.1.

the Borrower will also breach the terms of this Loan Contract; or

9.1.3.2.

any of the other events of termination stated in this clause will occur;

9.1.4.

the Borrower has breached the terms of any Security Document or any Security Trust Deed that it is a party to or any future security which the Borrower has provided to the Security Trustee or for the benefit of the Lender;

9.1.5.

the Borrower's membership of Crowdstacker is terminated for any reason under the Borrower T&Cs;

9.1.6.

a petition is presented which is not discharged within 10 business days, or an order made or an effective resolution passed for the winding up or dissolution or for the appointment of a liquidator of the Borrower;

9.1.7.

the Borrower ceases to pay its debts or is unable to pay its debts as they fall due or is deemed by legislation, contractually or by a competent court unable or admits its inability to do so or makes a general assignment for

the benefit of or a composition with its creditors;

9.1.8.

the Borrower ceases to carry on its business or a substantial part of its business;

9.1.9.

notice is given of an intention to appoint an administrator, a petition is filed or a competent court makes an order for the appointment of an administrator in relation to the Borrower;

9.1.10.

an encumbrancer takes possession or steps are taken for the appointment of an administrator or receiver or administrative receiver or manager or supervisor or sequestrator over the whole or any substantial part of the undertaking or assets of the Borrower;

9.1.11.

any person who has provided a guarantee for the Loan or any Comparable Loans breaches the terms of any guarantee or other Crowdstacker document that it is a party to, or disputes or threatens to dispute the enforceability of that guarantee or other document, or suffers or is likely to suffer a material adverse change to their financial position, or Crowdstacker has any reason to believe that a guarantee or security document has become unenforceable, and in any case, a replacement guarantee or security document has not been provided to Crowdstacker's reasonable satisfaction within 14 days of a request from Crowdstacker;

9.1.12.

the Borrower (or if any person who has provided a guarantee for the Loan) dies, becomes of unsound mind, becomes bankrupt or makes a voluntary arrangement with anyone that they owe money to;

9.1.13.

where the Borrower is a partnership, the composition of the partnership materially, in the reasonable opinion of Crowdstacker, changes following the date of any Loan Contract or any partner dies, becomes of unsound

mind, becomes bankrupt or makes a voluntary arrangement with anyone that they owe money to; or

9.1.14.

if a claim by HM Revenue & Customs (or any other governmental department of agency or other public body) is, or is reasonably likely to be adversely decided against the Borrower and the Borrower does not meet any payment obligation relating to that claim within the required period.

10. Security & Enforcement

10.1.

Where indicated in the Key Commercial Terms, the Security shall be held for the benefit of the Lender and all lenders of Comparable Loans by the Security Trustee on the terms of the Security Trust Deed.

10.2.

If an event of default has occurred under any Security Document the Security Trustee is entitled to enforce the Security on the terms of the Security Trust Deed.

11. Waiver

11.1.

A waiver of any right under the Loan Contract and Loan T&Cs is only effective if it is in writing and it applies only to the party to whom the waiver is addressed and to the circumstances for which it is given or is set out in the Key Commercial Terms.

11.2. Unless specifically provided otherwise, rights arising under the Loan Contract and the Loan T&Cs are cumulative and do not exclude rights provided by law.

11.3.

Any waiver by either party of a breach of any provision of the Loan Contract or the Loan T&Cs shall not be considered to be a waiver of any other or later breach of the same, of any other provision.

12. Severability

12.1.

Notwithstanding that the whole or any part of any provision of the Loan Contract or the Loan T&Cs may prove to be illegal or unenforceable, the other provisions of the Loan Contract or the Loan T&Cs and the remainder of the provision in question shall continue in full force and effect. In relation to any illegal or unenforceable part of the Loan Contract or the Loan T&Cs, the parties hereto agree to amend such part in such manner as may be requested from time to time by any of the parties hereto provided that such proposed amendment is legal and enforceable and to the maximum extent possible carries out the original intent of the parties in relation to that part.

13. Representations

13.1.

The Borrower confirms that, in entering into this Loan Contract, it has not relied on any representation made by or on behalf of Crowdstacker or any of the lenders or on any written statement, advice, opinion or information given to the Borrower in good faith by or on behalf of Crowdstacker or any of the lenders; and has been and will continue to be solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Loan Contract.

14. Restrictions

14.1.

In entering into this Loan Contract, the Borrower agrees that it will not borrow any monies from its directors, officers, members, partners, shareholders or any other third party that ranks in priority of recovery to the Loan. In the event that the Borrower does enter into any such loan, the rights to payment of that loan will be subordinated behind the Loan, except

to the extent otherwise required by insolvency law.

14.2.

In entering into this Loan Contract, the Borrower agrees that it will not enter into any other new borrowing arrangement (or any arrangement having the effect of a borrowing) with any third party where the total amount of external finance raised from third parties would as a result exceed 30% of the total amount lent to the Borrower through the Crowdstacker Platform without the prior written consent of Crowdstacker. Such consent shall not be unreasonably withheld. This clause shall not restrict the Borrower from entering into asset-specific financing or invoice purchasing arrangements.

15. Limited Liability Partnerships

15.1.

In the event that the Borrower is a partnership, by entering into the Loan Contract the Borrower makes the following declaration:

"I confirm that I am authorised by the partnership to enter into this agreement for and on behalf of the partnership and that I am authorised by the partnership upon entering into this agreement to bind the partnership to the terms of this agreement."

16. Third Parties

16.1.

The Borrower and Lender agree that, while Crowdstacker is not a party to the Loan Contract, Crowdstacker may take the benefit of and specifically enforce each express term of the Loan Contract and any term implied under it pursuant to the Contracts (Rights of Third Parties) Act 1999 on behalf of the Lender.

16.2.

The records kept by Crowdstacker shall be conclusive of the facts and matters they purport to record except where there is an obvious error.

17. Notice

17.1.

Any notice or other communication to be given under the Loan Contract or the Loan T&Cs must be in writing and will be served by delivering it personally or by email and for the attention of the relevant party mentioned below (or as otherwise notified by that party). Any notice will be deemed to have been received:

17.1.1.

if delivered personally, at the time of delivery;

17.1.2.

in the case of email, at the time of transmission.

17.2.

The addresses of the parties for the purposes of Loan Contract or the Loan T&Cs are as set out in the Key Commercial Terms, or such other address as may be notified in writing from time to time by the relevant party to the other party.

18. Governing Law & Jurisdiction

18.1.

The Loan Contract and the Loan T&Cs and any disputes or claims arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims) are governed by, and construed in accordance with, the law of England.

18.2.

The Lender and the Borrower irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Loan Contract and the Loan T&Cs or their subject matter or formation (including non-contractual disputes or claims).



Risk warnings

The Crowstacker platform matches businesses looking to borrow with investors looking to invest. Although investing can be rewarding, it may involve a number of risks. If you choose to invest through Crowstacker, you need to be aware of four important considerations:

1. Loss of capital

All investment involves an element of risk. Past performance of any company, including those with good cash flow and a healthy balance sheet, may not be a good guide to their successful performance in the future. Lending to businesses via bonds, loan notes and peer to peer loans can lead to a loss of your capital if they default. You should not invest more money than you can afford to lose.

2. Illiquidity

Any investment you make through Crowstacker will be highly illiquid. There is currently no active secondary market, although investments are transferable if you can find a willing transferee. Even for a successful investment that is being repaid on time, the underlying principal debt you have invested may not be accessible to you until the investment expires. In particular, if you are over the age of 60 at the time of investing you should consider the effect this illiquidity could have on your lifestyle.

3. Diversification

Lending to businesses via bonds, loan notes and peer to peer loans should be done as part of a diversified portfolio. This means that you should invest small amounts in multiple asset classes as opposed to a large amount in one or a few. You should also invest only a small proportion of your investable capital in this asset class, with the majority of your investable capital invested in safer, more liquid assets. You can further diversify by lending to multiple businesses on the Crowstacker platform as opposed to just one.

4. Tax

You are responsible for the administering of your own tax affairs, which may include capital gains and income tax. We do not provide tax advice, and you should seek this independently before investing if you are unsure of your position. It is your responsibility to ensure that your tax return is correct and is filed by the deadline and any tax owing is paid on time. If you are unsure how this investment will affect your tax status, you must seek professional advice before you invest.

Please note that investing through Crowstacker is not covered by the Financial Services Compensation Scheme.





CROWDSTACKER®



www.crowdstacker.com



info@crowdstacker.com



020 7118 7570



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