



NEWS ANNOUNCEMENT

(1/03/2019)

RETURNS TO DATE ON REDEEMED MORTGAGE SECURED BUSINESS BRIDGE LOANS.

FOR COMPLETE TRANSPARENCY IT IS IMPORTANT TO PLEASE READ THE NOTICE AT THE END OF THIS NEWS ANNOUNCEMENT

The Company is pleased to announce as of the date of this News Announcement that Redeemed Mortgages have produced for the company, a return on an annualised basis, of 64.8%, thereby substantially exceeding originated returns in the company agreements with Bridge Borrowers. In accordance with the Company S21 Information Memorandum, funds received from repayment of Secured Business Bridge Loans as well as funds from new Loan Note Purchasers will be used in the provision of new Secured Business Bridge Loans.

IMPORTANT NOTICE

The company's approved S21 Information Memorandum illustrates annualised returns of 50.5%. Secured Bridging Loans are only originated at the outset which achieve a minimum of 50.0% annualised level of return. The company was aware of two realistic scenarios where the originated level of return could be exceeded. The company did not use these scenarios in any fiscal illustrations but rather kept to agreed contractual fact. These superior returns the company has disclosed in these News Releases have been generated by two factors:

- A. A Bridge borrower who repays earlier than the period they have contracted, for which no discounts are made from the contracted amount due for repayment on the contractual due date.
- B. A Bridge borrower who cannot immediately repay the Loan at the end of the contracted term and therefore (usually by agreement) rolls over on a monthly basis, to which contractual monthly default interest is added to their Loan until repaid.

It would not be sensible to assume that the scenarios as set out in [A] and [B] above will always occur. However Bridging Loans will only be originated at the outset which will achieve contracted annualised returns of 50.0% as a minimum.

End of Announcement