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INFORMATION BOOKLET

15 July 2019

URBAN EXPOSURE FINANCE PLC

BONDS

FIXED INTEREST RATE OF 6.50% PER ANNUM MATURITY DATE OF 6 AUGUST 2026

Lead Manager
Peel Hunt LLP

Authorised Offerors
AJ Bell Securities limited
Arnold Stansby & Co. Limited
Equiniti Financial Services Limited
Interactive Investor Services Limited
Redmayne-Bentley LLP

This is an advertisement and not a prospectus.

Any decision to purchase or sell the Bonds should be made solely on the basis of a careful review of the Base Prospectus dated 15 July 2019 together with the final terms dated 15 July 2019, in each case relating to the Bonds which, when published, will be available at https://urbanexposureplc.com/investors/retail-bond/.

IMPORTANT INFORMATION

This Information Booklet is an advertisement for the purposes of Prospectus Rule 3.3 and Article 34 of Commission Regulation (EC) No 809/2004 (as amended) and is not a prospectus for the purposes of EU Directive 2003/71/EC (as amended) (the "Directive") and/or Part VI of the Financial Services and Markets Act 2000 (the "FSMA").

This Information Booklet is not an offer for the subscription or sale of the Bonds (defined in the following paragraph).

This Information Booklet relates to the Urban Exposure Finance Plc 6.50% Bonds due 6 August 2026 (the "Bonds"). A base prospectus dated 15 July 2019 (the "Prospectus"), which comprises a prospectus for the purposes of the Directive, and the final terms relating to the Bonds dated 15 July 2019 (the "Final Terms") have been prepared and made available to the public in accordance with the Directive. Copies of the Prospectus and Final Terms are available from the website of Urban Exposure Finance Plc (https://urbanexposureplc.com/investors/retail-bond/) and the website of the London Stock Exchange plc (www.londonstockexchange.com/newissues). Your Authorised Offeror will provide you with a copy of the Prospectus and the Final Terms.

This Information Booklet should not be relied on for making any investment decision in relation to the purchase of the Bonds. Any investment decision should be made solely on the basis of a careful review of the Prospectus and Final Terms. Please therefore read the Prospectus and Final Terms carefully before you invest. You should ensure that you understand and accept the risks relating to an investment in the Bonds before making such an investment. You should seek your own professional investment, accounting, legal and tax advice as to whether an investment in the Bonds is suitable for you.

This Information Booklet is a financial promotion approved, for the purposes of section 21(2)(b) of FSMA, by Peel Hunt LLP (the "Lead Manager") and made by Urban Exposure Finance Plc (the "Issuer"). Peel Hunt LLP (incorporated in England and Wales with registered number OC357088) whose registered office is Moor House, 120 London Wall, London EC2Y 5ET, is authorised and regulated by the Financial Conduct Authority.

MIFID II product governance / Retail investors, professional investors and ECPs target market

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, **"MiFID II"**) and (ii) all channels for distribution of the Bonds are appropriate. Any person subsequently offering, selling or recommending the Bonds (a **"distributor"**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation

The Bonds have a fixed rate of interest and the redemption amount of the Bonds is fixed as described in the Final Terms. No key information document pursuant to Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") is required for offering or selling the Bonds, and accordingly no key information document has been prepared.

No reliance may be placed on the Lead Manager for advice or recommendations of any sort. The Lead Manager makes no representation or warranty to you with regard to the information contained in the Prospectus and the Final Terms. This Information Booklet contains information derived from the Prospectus and the Final Terms and is believed to be reliable but, insofar as it may do so under applicable law, the Lead Manager does not warrant or make any representation as to its completeness, reliability or accuracy.

The Bonds may be sold in Jersey only in compliance with the provisions of the Control of Borrowing (Jersey) Order 1958 and any circulation in Jersey of any offer for subscription, sale or exchange of the Bonds may only be made by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended. The Bonds may be marketed, offered or sold in Guernsey only in compliance with the provisions of the Protection of Investors (Bailiwick of Guernsey) Law 1987.

The Bonds may only be sold in the Republic of Ireland in compliance with applicable law, including the provisions of the Irish Companies Act 2014 (as amended), the Investor Compensation Act 1998 (as amended), and the Central Bank Acts 1942-2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended).

The Bonds may be sold in the Isle of Man only in compliance with the provisions of the Isle of Man Financial Services Act 2008 and the Regulated Activities Order 2011.

This Information Booklet is not for distribution in the United States of America or to U.S. persons (as defined in the Securities Act). The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

The distribution of this Information Booklet and the offering, sale and delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Information Booklet comes are required by the Issuer to inform themselves about and to observe any such restrictions.

This Information Booklet does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of this Information Booklet and other offering material relating to the Bonds, see Part XII 'Subscription and Sale' starting on page 130 of the Prospectus and paragraphs 8 and 9 of Part B of the Final Terms.

URBAN EXPOSURE FINANCE PLC 6.50% BONDS DUE 6 AUGUST 2026

The Bonds pay interest of 6.50% per annum, payable semi-annually in arrears on 6 February and 6 August (each an **“Interest Payment Date”**) in each year until and including 6 August 2026 (the **“Maturity Date”**) unless the Bonds have previously been redeemed or purchased and cancelled. Accordingly, the amount of interest payable on each Interest Payment Date shall be £3.25 per £100 in principal amount of the Bonds.

The Issuer is required to redeem the Bonds at their principal amount (i.e. £100 for each Bond) on the Maturity Date unless the Bonds have been previously redeemed or purchased and cancelled. **If both Urban Exposure Finance Plc and Urban Exposure Plc go out of business or become insolvent before the Maturity Date, you may lose some or all of your investment.** Please see the **“Key Features of the Bonds”** and **“Key Risks of Investing in the Bonds”** sections of this Information Booklet on pages 6 & 8, respectively.

The only way to purchase these Bonds during the offer period is through a stockbroker or other financial intermediary which has been granted consent by Urban Exposure Finance Plc to use the Prospectus (an **“Authorised Offeror”**) for the purposes of making offers of the Bonds. Contact your stockbroker or other financial intermediary, or any of those listed in the “**Authorised Offerors**” section of this Information Booklet on page 24 if you wish to purchase these Bonds. The Bonds will be available from 15 July 2019 until 12 noon London time on 30 July 2019 or such earlier time and date as may be agreed between the Issuer and the Manager and announced by Urban Exposure Finance Plc via a regulatory information service (which is expected to be the Regulatory News Service operated by the London Stock Exchange plc). The minimum initial amount of Bonds you can buy is £2,000. Purchases of greater than £2,000 must be in multiples of £100. After the initial purchase of Bonds during the Offer Period, the Bonds can be bought and sold in multiples of £100. Your Authorised Offeror will provide you with a copy of the Prospectus. You should read the **“Important Information”** section of this Information Booklet on page 2.

WHAT IS A BOND?

A fixed rate bond is a form of borrowing by a company seeking to raise funds from investors. The Bonds have a fixed life and a fixed rate of interest. The company that issues the bonds promises to pay a fixed rate of interest to the investor until the date that the bond matures (i.e. in the case of the Bonds, the Maturity Date) when it also promises to repay the amount borrowed.

A bond is a tradable instrument, meaning that you do not have to keep the Bonds until the date when they mature. The market price of a bond may vary between the date when it is issued and the date when it matures.

As with any investment there is a risk that a bondholder could get back less than their initial investment or lose all their initial investment, including if they sell their bonds at a price lower than that which they paid for them.

Please see the **“Key Risks of Investing in the Bonds”** and **"Further Information - How to trade the Bonds"** sections of this Information Booklet on pages 8 & 22, respectively.

INTEREST ON THE BONDS

The level of interest payable on the Bonds is fixed when the Bonds are issued. The Bonds pay interest of 6.50% per annum, payable semi-annually in arrear on each Interest Payment Date in each year until and including the Maturity Date unless the Bonds have previously been redeemed or purchased and cancelled. Accordingly, the amount of interest payable on each Interest Payment Date shall be £3.25 per £100 in principal amount of the Bonds.

You should refer to the sections headed **"Key Features of the Bonds"** and **"Key Risks of Investing in the Bonds"** on pages 6 & 8 of this Information Booklet for information on the key features of the Bonds and the risks relating to an investment in the Bonds, respectively.

REDEMPTION OF THE BONDS ON THE MATURITY DATE

Provided that Urban Exposure Finance Plc and Urban Exposure Plc (as guarantor of the Bonds) do not go out of business or become insolvent, and provided that the Bonds have not previously been redeemed or purchased and cancelled early, the Issuer will redeem all of the Bonds on the Maturity Date at an amount equal to 100% of their principal amount.

EARLY REDEMPTION DUE TO CHANGE IN RELEVANT TAXATION LAWS

In the event of any change in, or amendment to, the laws or regulations of the U.K. or any other relevant jurisdiction, or any change in the application or official interpretation of the laws or regulations of the U.K. or any other relevant jurisdiction (in each case, which becomes effective after the Issue Date) that would result in Urban Exposure Finance Plc being required to pay additional amounts in respect of the Bonds, the Issuer may, provided that such requirement cannot be avoided by Urban Exposure Finance Plc taking reasonable measures available to it, redeem all the Bonds (but not only some) at any time at 100% of their principal amount together with interest accrued to (but excluding) the date of redemption.

Please see the section headed **"Redemption for Taxation Reasons"** in the **"Terms and Conditions of the Bonds"** on page 86 of the Prospectus.

Please also see the **"Key Features of the Bonds"** and **"Key Risks of Investing in the Bonds"** sections of this Information Booklet on pages 6 & 8, respectively.

KEY FEATURES OF THE BONDS

Defined terms which are used in this section of the Information Booklet shall have the meaning given to them in the terms and conditions of the Bonds which are set out at Part VIII of the Prospectus (the **"Terms and Conditions of the Bonds"**) unless they are otherwise defined in this section or elsewhere in this Information Booklet.

- **Issuer:** Urban Exposure Finance Plc
- **Guarantor:** Urban Exposure Plc
- **Credit rating of the Bonds:** The Bonds will not be rated at issue.
- **Interest rate:** 6.50% per annum. Your actual return will depend on the price at which you purchase the Bonds (if different from the face value) and, if you do not hold the Bonds until maturity, the price at which you sell your Bonds.
- **Interest payments:** Interest will be paid in two instalments a year on 6 February and 6 August in each year, starting on 6 February 2020 up to and including the Maturity Date.
- **Offer Period:** The Bonds are available for purchase through your stockbroker or other financial intermediary in the period from 15 July 2019 until 12 noon on 30 July 2019 (London time) or such earlier time and/or date agreed between Urban Exposure Finance Plc and the Lead Manager and announced by Urban Exposure Finance Plc via a regulatory information service (which is expected to be the Regulatory News Service operated by the London Stock Exchange plc) (the **"End of Offer Date"**).
- **Authorised Offerors:** A number of authorised offerors (listed on page 24 of this Information Booklet) have been approved by Urban Exposure Finance Plc to provide this Information Booklet, the Prospectus and the Final Terms to potential investors in the Bonds until the End of Offer Date. Urban Exposure Finance Plc has also granted its consent for other financial intermediaries to use the Prospectus for the purposes of making offers of the Bonds to potential investors in the United Kingdom. The conditions attached to this consent are set out in the section headed **"Important Legal Information – Consent given in accordance with Article 3.2 of the Prospectus Directive"** on page 136 of the Prospectus.

  Any offer to sell the Bonds made or received from any other party, or by any party after the End of Offer Date, may not have been approved by Urban Exposure Finance Plc and you should check with such party whether or not such party is so approved.
- **Date on which the Bonds are issued and on which interest begins to accrue:** 6 August 2019.
- **Term of the Bonds:** 7 years.
- **Maturity Date** (i.e. when the Bonds mature and are repayable): 6 August 2026.
- **Face value of each Bond:** £100. Although the face value of each Bond is £100, it is not possible to purchase less than £2,000 during the Offer Period. In the secondary market (i.e. after the issue date of the Bonds), it should be possible to purchase and sell the Bonds in multiples of £100.
- **Issue price:** 100% of the face value of each Bond (i.e. £100).
- **Redemption at Maturity Date:** Provided that Urban Exposure Finance Plc or Urban Exposure Plc (as guarantor of the Bonds) do not go out of business or become insolvent, and provided that

the Bonds have not previously been redeemed or purchased and cancelled early, the Issuer will redeem all of the Bonds on the Maturity Date at an amount equal to 100% of their principal amount.

- **Early redemption due to change in relevant taxation laws:** In the event of any change in, or amendment to, the laws or regulations of the U.K. or any other relevant jurisdiction, or any change in the application or official interpretation of the laws or regulations of the U.K. or any other relevant jurisdiction (in each case, which becomes effective after the Issue Date) that would result in Urban Exposure Finance Plc being required to pay additional amounts in respect of the Bonds, the Issuer may, provided that such requirement cannot be avoided by Urban Exposure Finance Plc taking reasonable measures available to it, redeem all the Bonds (but not only some) at any time at 100% of their principal amount together with interest accrued to (but excluding) the date of redemption. Please see the section headed **"Redemption for Taxation Reasons"** in the **"Terms and Conditions of the Bonds"** on page 86 of the Prospectus.
- **Negative Pledge:** The Bonds contain a negative pledge provision with respect to the Guarantor. In general terms, a negative pledge provision prohibits an entity from granting security over certain of its indebtedness which diminishes the priority of claims of the holders of the Bonds ("**Bondholders**") against any of the entity's other assets. Therefore, under the negative pledge provision set out in the Terms and Conditions of the Bonds, the Guarantor may not create or at any time have outstanding, any security interest over any of its present or future business, undertakings, assets or revenues to secure certain financial indebtedness without securing the Bonds equally, subject to certain exemptions.
- **Covenants:** The Terms and Conditions of the Bonds also contain certain covenants, including: the Issuer and the Guarantor shall ensure, following the first anniversary of the Issue Date of the bonds (a) a maximum weighted average LTV ratio of the Portfolio of 75%, (b) the aggregate Value of the Relevant Assets will be at least equal to the aggregate principal amount of all Bonds outstanding and, (c) that the Issuer shall maintain an interest coverage ratio of 1.2:1 as at each Anniversary Date. Further details can be found in the **"Covenants"** section in the Terms and Conditions of the Bonds on page 75 of the Prospectus.
- **Trading:** Investors will, subject to market conditions, be able to buy Bonds or sell their Bonds during the life of the Bonds. See the **"Key Risks of Investing in the Bonds"** and **"Further Information - How to trade the Bonds"** sections on pages 8 and 22 of this Information Booklet, respectively, for more details.
- **SIPP eligibility:** At the time of issue, the Bonds should be eligible for investing in a Self-Invested Personal Pension (**"SIPP"**).
- **Bond ISIN:** [●]
- **Amount of Bonds to be issued**: The total amount of the Bonds to be issued will depend on the number of applications to purchase the Bonds received before the End of Offer Date. There is no minimum total amount of Bonds that may be issued.
- **Lead Manager:** Peel Hunt LLP.

You should refer to the "Important Information" and "Key Risks of Investing in the Bonds" sections on pages 2 and 8 of this Information Booklet, respectively, and to the "Terms and Conditions of the Notes" as set out at page 72 in the Prospectus.

A copy of the Prospectus should have been provided to you by your stockbroker or financial adviser.

KEY RISKS OF INVESTING IN THE BONDS

A number of particularly important risks relating to an investment in the Bonds are set out below. You must ensure that you understand the risks inherent in the Bonds. The risks set out below are not intended to be a comprehensive list of all the risks that may apply to an investment in the Bonds. **You should seek your own independent professional investment, legal and tax advice as to whether an investment in the Bonds is suitable for you**. **You should be aware that you could get back less than you invest or lose your entire initial investment.**

Full details regarding the risk factors relating to Urban Exposure Finance Plc, Urban Exposure Plc and the Bonds are set out in the section headed "Risk Factors" on pages 22 to 35 of the Prospectus. Please read them carefully.

Defined terms which are used in this section of the Information Booklet shall have the meaning given to them in the Prospectus unless they are otherwise defined in this section or elsewhere in this Information Booklet.

- All obligations arising out of or in connection with the Bonds will, on the Issue Date, be the responsibility of Urban Exposure Finance Plc and Urban Exposure Plc (as guarantor of the Bonds). **If both Urban Exposure Finance Plc and Urban Exposure Plc go out of business or become insolvent, you may lose some or all of your investment in the Bonds.**

- The Issuer will only be able to originate or purchase and fund Eligible Loans to the extent that prospective Borrowers and the relevant loans satisfy the eligibility criteria described in the Prospectus. Failure to originate or purchase and fund Eligible Loans may have a material adverse effect on the Issuer's ability to satisfy its obligations to make payments of interest and principal under the Bonds.

- The Bonds will be secured by a first floating charge over the whole of the undertaking and all property, assets and rights, both present and future, of the Issuer. The existence of the Guarantee and the Security may not remove all risk of non-payment. The ability of the Guarantor to make payments under the Guarantee will depend upon resources being available to it to do so. The ability of the Security Trustee (on behalf of the Bondholders and the other Secured Creditors) to recover sufficient sums to satisfy payments to Bondholders upon enforcement of the Security will depend, among other things, on the quality of the Issuer's assets and any claims from preferential creditors. The Issuer's assets are only likely to be the Eligible Loans it originates or purchases and the net proceeds from any issuances of Bonds (less such sums which are lent as Eligible Loans) and there can be no assurance that (i) the Issuer will be able to originate Eligible Loans or purchase Eligible Loans, (ii) Borrowers will not default on Eligible Loans or (iii) the Issuer will be able to recover sufficient sums following enforcement of the security relating to a defaulted Eligible Loan to satisfy, on a timely basis, the obligations of the Borrower. As a result, there can be no assurance that the Security Trustee (on behalf of the Bondholders and the other Secured Creditors) will be able to recover sufficient sums to satisfy the claims of Bondholders on the enforcement of the Security. For the avoidance of doubt, the Security Trustee will have no rights to enforce security over any property or properties in respect of which an Eligible Loan has been granted or over any security granted by the Borrower or the Guarantor.

- In addition, upon an enforcement of the Security by the Security Trustee pursuant to the Terms and Conditions of the Bonds, the Bondholders will have the right to be paid amounts due to them only after payment of certain costs and expenses (such as the remuneration, costs, expenses and liabilities due and payable to the Security Trustee, the Trustee, the issuing and paying agent, the paying agents, the transfer agents and the registrar and calculation agents appointed in respect of the Bonds) meaning that Bondholders may not receive all amounts outstanding under the Bonds, in the event that the Issuer has insufficient remaining cash and assets to satisfy their claims.

- Often, interest on Eligible Loans will be capitalised over the life of the loan and payable on repayment. Accordingly, there will not be a direct correlation with the timing of the interest payable by the Issuer on the Bonds, which will be paid periodically in cash.

- Eligible Loans must be secured by a charge over the property in respect of which the loan is made. Where the Issuer holds an Eligible Loan that has been syndicated or acquires a sub-participation from another lender, the Issuer will not be the only person entitled to security in respect of the underlying property.

- As a member of the Group whose activities are (i) the issuance of Bonds (and undertaking various related activities to the issuance of Bonds) and (ii) the origination of Eligible Loans and purchase of Eligible Loans (and management of its portfolio of Eligible Loans and any business ancillary or complementary thereto), the Issuer faces the same risks as the Guarantor and the Group, including the following key risks:

- The Group's ability to achieve its objectives is significantly dependent upon the expertise of its personnel and its ability to retain staff or to recruit individuals of similar experience and calibre.

- The Group's loan portfolio consists of development loans which will generally be made for a period of between two and four years. As a result, the Group is reliant on its ability to maintain access to a steady and significant pipeline of deals in order to maintain a quality portfolio.

- The Group may become subject to increasing competition in sourcing and funding residential development projects. Some of these competitors may have greater financial, technical and marketing resources and the Group may not be able to compete successfully for loans. In addition, potential competitors of the Group may have higher risk tolerances, different risk assessments or access to different sources of funding, which could allow them to consider a wider variety of loans on a different cost basis and establish more relationships than the Group.

- The Group's performance will be affected by, amongst other things, general conditions affecting the residential property market in the UK and demand for residential development.

- The Group's performance is subject to, among other things, the conditions of the UK residential real estate market which will affect the value of any underlying assets securing the Group's loans.

- Valuations of property and property-related assets are inherently subjective due to the individual nature of each property. As a result, valuations are subject to uncertainty and, in determining market value, valuers are required to make certain assumptions and such assumptions may prove to be inaccurate.

- The Group is reliant on third party service providers, including the relevant Borrower and their main contractor, consultant and sub-contractors, for the timely completion of the development within budget.

- There are a variety of factors which could adversely affect the ability of Borrowers to fulfil their repayment obligations or which may cause other events of default as a result of covenant breaches. These include changes in financial and other market conditions, trading performance, interest rates, government regulations or other policies, the global economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances.

- If a default were to occur and continue in relation to one of the Group's loans, and the Group exercises its rights to enforce its security, the Group's recovery may be less than the outstanding amount of the loan.

THE ISSUER AND THE GROUP

You should refer to the sections headed "Description of the Issuer" and "Description of the Group" in the Prospectus for full information on the Issuer and the Group.

Defined terms which are used in this section of the Information Booklet shall have the meaning given to them in the Prospectus unless they are otherwise defined in this section or elsewhere in this Information Booklet.

THE ISSUER

INCORPORATION AND STATUS OF THE GUARANTOR

Urban Exposure Plc (the "**Guarantor**") was incorporated and registered in England and Wales on 10 April 2018 under the Companies Act 2006 as a public limited company with registered number 11302859 with an indefinite life. The principal legislation under which the Guarantor operates is the Companies Act 2006.

The Guarantor's ordinary shares were admitted to trading on the AIM market operated by the London Stock Exchange on 9 May 2018 (the "**IPO**"). The Guarantor is the holding company of the Group.

The Guarantor's registered address is 6 Duke Street St James's, London SW1Y 6BN, United Kingdom and its telephone number is +44 20 7408 0022.

The objects of the Guarantor are unlimited in accordance with Section 31(1) of the Companies Act 2006.

As at the date of this document, the total allotted, issued and fully paid share capital of the Guarantor (excluding shares held in treasury) was £163,444,130 divided into 158,494,130 ordinary shares with nominal value of £0.01 each and 4,950,000 deferred shares with nominal value of £0.01 each.

OVERVIEW OF THE GROUP

The Urban Exposure business was established in 2002 as a residential developer and was responsible for the development of 5,500 units between 2002 and 2009. In 2005, the core business evolved into a primary lender to the residential mortgage market. Its focus further shifted in 2009 to providing finance in respect of residential development projects in the UK through loans and managing those loans through the drawdown stages to completion. Since this shift in focus, the Urban Exposure business has arranged £1,212 million in principal amount of real estate development loans, with no losses or arrears occurring on any of those loans.

The Guarantor assumed the Urban Exposure business on its IPO, which business had previously been conducted through a number of entities affiliated with each other.

In addition to the Issuer, the Group consists of the Guarantor, its immediate subsidiary, Urban Exposure Holdings Limited, an intermediate holding company, Urban Exposure Lendco Limited and Urban Exposure Amco Limited, both of which are wholly owned subsidiaries of Urban Exposure Holdings Limited and through which the Group conducts its lending and asset management operations, UEIM Limited, a wholly owned subsidiary of Urban Exposure Holdings Limited, and UE SFA 1 Limited, a wholly owned subsidiary of Urban Exposure Lendco Limited.

The Urban Exposure brand is recognised as a market leader in the residential development finance niche, winning industry accolades such as Property Week's RESI Financier of the year in 2014 and being shortlisted in 2015 and 2016.

The Group has relationships with over 300 high quality residential developers throughout the UK, consisting of small and medium enterprises ("**SMEs**"), as well as larger developers. These include relationships with Acorn, Ballymore, Clearview Homes, Galliard Homes, MACE, Strawberry Star, Urban Splash and U+I Plc. As a general rule, the Group's borrowers are required to have a track record in real estate development in the UK market of ten years or more.

These strong developer relationships generate repeat business, which have been built over time and depend on core values such as trust and certainty of execution. In many circumstances, the Group will become aware of the same deal from multiple developers, which enables it to be in a strong position to work with the winning developer.

The Group is focused on lending throughout the United Kingdom, predominantly in major cities and towns in England. Loans can range from £10 million to in excess of £150 million in principal amount, although it is expected that the Eligible Loans made by the Issuer will range up to £50 million in principal amount.

The Group's core business is managing third-party capital which is deployed in the form of debt finance to SME residential developers. The Group believes that it provides competitive and flexible finance terms to enable these developers to build mainstream housing in major towns and cities across the UK. The Group is particularly focused on financing under-supplied segments of the market, such as affordable housing for people on the lower rungs of the property ladder.

The development projects typically funded by the Group are core housing and apartment projects which are generally affordable and in high demand. This can help ensure geographical diversification of the projects and that stringent sales targets throughout the life of a development are met.

As the Group's management team has extensive experience as both lender and developer, the team is able to oversee and monitor every stage of a development project. With this experience and expertise, the management team is well-placed to exercise "step-in" rights and take over from a borrower and manage the completion of a development project should any material issues arise and does, in any case, become actively involved with the developments the Group has financed.

In the period from the IPO to 31 December 2018:

- The Group has originated 16 development loans with an aggregate principal amount of £525 million, of which £93 million was funded from its own resources and the balance from its partners and lenders. These 16 development loans have a weighted average loan term of 34 months. The Group believes that none of its competitors matched this level of originations over the same time period.

- The Group entered into a partnership agreement with Kohlberg Kravis Roberts ("**KKR**") for the making of development loans with an aggregate value of up to £165 million (of which the Group has committed to invest up to £15 million).
- The Group entered into loan-on-loan borrowing facility with UBS AG in respect of its partnership with KKR, pursuant to which the partnership could borrow up to £165 million, thereby increasing the lending capacity of the partnership to £330 million.
- The Group entered into a loan-on-loan borrowing facility with Aviva Investors in respect of the KKR partnership with a value of £33 million.
- Overall, third-party assets under management ("**AUM**") raised by the Group (including the KKR partnership but excluding the proceeds of the IPO) totalled £371 million.

The Group currently expects to originate loans with an aggregate principal amount of between £700 million and £900 million in the 2019 calendar year. As at the date of this document, the Group has a pipeline of 16 potential loans with an aggregate principal amount of up to £671 million in an advanced stage of negotiation. The Guarantor intends that this pipeline and other loans originated in 2019 will be part-funded by the proceeds of the issue of the Bonds and part-funded by other sources, including the Group's joint venture partners and lenders, and by syndication of the relevant loans.

Strategy

The Group aims to fulfil the objectives of its two customer groups, borrowers and capital providers (who are generally institutional investors), with three strategic priorities:

- to grow a profitable loan book while maintaining excellent levels of credit quality;
- to raise additional third-party capital for deployment to the real estate development market; and
- to invest in the Group's operational efficiency, team learning and development.

The Group's asset management strategy follows three routes:

- syndicating loans alongside other lenders;
- making, holding and managing loans on behalf of single institutional investors ("managed accounts"); and
- making, holding and managing loans alongside multiple institutional investors ("co-mingled funding").

The Group seeks to generate interest and fees from borrowers by originating loans on its balance sheet, before moving the loans into these asset management structures, from which origination and management fee income is then generated from capital providers. The Group retains exposure to a portion of all of the loans that it originates.

To enhance its income returns and lending capacity both for its own account and for its capital providers, the Group uses borrowing facilities from financial institutions.

Key performance indicators

The Group measures how successfully it delivers against its strategic objectives on the basis of the following key performance indicators:

- New committed loans: New committed loans represent the total new loans underwritten by the Group on both a co-investment and asset management basis. Growth in new committed loans reflects the ability of the Group to meet its objective of being a market-leading provider of residential property development finance. The new committed loans for the period from the IPO to 31 December 2018 have an aggregate principal amount of £525 million.

- Projected aggregate income ("**PAI**") and minimum income to the Group: PAI is an important metric for the Group as it represents the future income stream of all loans written. The recognition of this income is dependent on a number of factors, including the timing of the drawdown of a loan and the application of financial reporting standards. Each loan originated by the Group includes a Minimum Income Clause ("**MIC"**). MICs set a floor on the income from each loan originated by the Group, regardless of the drawdown profile or an early refinancing of the debt (guaranteed minimum income or "**GMI"**). Total projected income on each loan represents all interest and other connected income streams earned over the life of the loan and always exceeds the level secured by any MIC.

  As at 31 December 2018, the PAI on the loans originated by the Group was £69 million, of which the Group was entitled to £27 million, to be recognised over the life of the loans.

  On the basis of its current expectation that it will originate loans with an aggregate principal amount of between £700 million and £900 million in the 2019 calendar year, the Group expects the PAI on these loans to be between £32 million and £42 million.

  The Group's forecast earnings profile for the PAI on its loans as at 31 December 2018 was as follows:

2018	**2019**	**2020**	**2021**	**2022**
12%	25%	25%	25%	13%

  In the future, starting with loans originated in 2019, as the Group grows its AUM and the time between closing a loan and moving it into an asset management structure should reduce, the Group anticipates that its earnings profile for the PAI on new loans is more likely to adopt the following profile:

2019	**2020**	**2021**	**2022**	**2023**
5%	20%	30%	20%	25%

  As at 31 December 2018, the GMI on the loans originated by the Group was £43 million, of which the Group was entitled to £15 million, to be recognised over the life of the loans.

- Weighted average loan to gross development value ("**WALTV**"): WALTV represents the weighted average of all loans expressed as a percentage of the gross development value of the total loan book. Gross development value represents the market value of the proposed development assessed on the specific assumption that the development is complete as at the date of valuation in the market conditions prevailing at that date. WALTV is used by the Group as a key indicator of the credit quality of the loans written. The Group aims not to exceed at WALTV of 75%. As at 31 December 2018, the WALTV was 67%.

- Operational costs as a percentage of total committed loan book: Operational costs as a percentage of the total committed loan book is calculated as total operational costs of the Group before exceptional items divided by the sum of total committed loans. Operational costs as a percentage of the total committed loan book is a measure of the operational efficiency of the Group and its ability to write and service loans, as well as to raise and manage external capital at a low cost. The Group targets an operational cost percentage of no more than 1%. As at 31 December 2018, the percentage was 0.81%.

- Earnings per share ("**EPS**"): Earnings per share is calculated by dividing the profit after tax by the weighted average number of shares in issue. Over the long term, growth in shareholder value and returns are linked to growth in EPS, which measures the profitability of the Group after tax and interest costs. The Group's earnings per share for the period ended 31 December 2018 was -1.18 pence per share.

- Organisational culture of high performance teaming, learning and development: Organisational culture is defined as the underlying beliefs, assumptions, values and ways of interacting that contribute to the unique social and psychological environment of an organisation. Employee engagement surveys are conducted in order to monitor performance in the areas of 'psychological safety', 'teaming' and learning and development.

Origination and credit criteria

The Group evaluates up to 1,000 potential development projects a year.

The Group's origination process is intended to mitigate risk from the inception of a lending relationship, including through the following steps and procedures:

- Originations are made from an existing and trusted network.

- Although the Group does not impose specific credit-related pre-conditions to lending, full financial analyses are performed on borrowers and references obtained from previous lenders.

- Audits are conducted of borrowers' previous projects.

- Projects are modelled and analysed using proprietary tools and sensitivity testing.

- Projected project costs are tested against internal and external benchmarks and downside risk and asset recovery scenarios are modelled.

Lending process

The Group has a lending process with clear lending criteria and thresholds and a disciplined risk management process. The process involves rigorous underwriting and a hands-on asset management and loan servicing approach.

Borrowers are required to contribute all equity funding to a project before a loan is drawn down. Drawdowns then take place in stages as construction progresses and the development increases in value and depend upon specific milestones regarding construction and sales to be met.

Borrower due diligence

The initiation of the lending process begins with an assessment of the relevant borrower including know-your-customer and credit checks, legal and tax planning, a review of the borrower's (including any guarantor's or sponsor's) track record and financial position at a group level and at the individual borrower level. This phase also includes visiting past projects the borrower has developed, meeting and vetting the borrower's professional team, as well as visiting the proposed development site and inspecting potential comparable properties and/or competing development schemes in the nearby area.

No specific pre-conditions are imposed in respect of credit diligence, but the Group will not lend to a borrower when it does not regard that borrower as a satisfactory credit risk and will not lend in circumstances where it does not have security over the relevant property at a loan to value ratio that it regards as appropriate to address any credit risk.

Development appraisal

This is followed by an appraisal of the development project conducted through an extensive modelling exercise and including planning verification, sales valuation and review of budget costs and build programme. This due diligence is conducted both internally and by third-party experts and consultants (including valuers, monitoring surveyors, planning consultants, rights of light surveyors, structural surveyors, etc.).

Legal due diligence and documentation

Following completion of the appraisal process, the loan is approved and legal counsel is instructed to: (i) draft the facility agreement and security documentation (and to perfect the security package); and (ii) complete the legal due diligence exercise to confirm correct title is held in respect of the property, planning consents have been obtained, construction documentation has been executed and finance documentation is fully executed (with supporting legal opinions).

Loan agreement terms

Lending is carried out on the basis of loan agreements that follow the Loan Market Association standard documents (long form and short form) for real estate development financing (which are accepted as the market standard and are generally lender-friendly), and the terms of which at a minimum include:

- A borrower may utilise the facility by delivery of a completed utilisation request, which is irrevocable and must specify the purpose, the proposed utilisation date and the amount. Evidence of the purpose must be provided and all conditions precedent to the utilisation request satisfied (including copies of all development consents, building contracts, project monitor reports, certificates of spend, collateral warranties and other relevant development documents).

- Utilisations bear interest for each interest period at a rate per annum equal to LIBOR (typically with a floor) plus a margin.

- Customary arrangement fees, exit fees and security agent fees are payable under the facility agreement. Minimum earning payments are also charged.

- One or more guarantors may guarantee the punctual performance by the borrower of its obligations under the loan agreement (including with respect to cost overruns and/or completion of the development) and undertake to indemnify each lender against any cost, loss or liability suffered by it if a guaranteed obligation is or becomes unenforceable, invalid or illegal.

- The borrower must observe certain market standard information undertakings and general corporate undertakings including, but not limited to, those relating to the delivery of financial statements/information and compliance certificates, notification of continuing defaults, consents and authorisations being maintained, financial covenant compliance, compliance with laws, taxation and perfection of security.

- The borrower must observe certain property and planning related undertakings which ensure maintenance of the title held in the property and compliance with property and planning related laws and regulations.

- The borrower must observe development related undertakings which ensure completion by no later than the agreed completion date, commencement and prompt carrying out of the development of a project, meeting certain sales milestones, that development consents are maintained and planning is complied with, that unbudgeted costs are not incurred and if they do arise they are funded out of equity, the supply of information on the development and that the lender and its agents have access to the project site for inspections and meetings.

- The borrower must comply with certain negative covenants including those relating to mergers, change of business, acquisitions and joint ventures, residence for tax purposes, the conduct of trade and business, assets and liabilities, negative pledge, disposals, transactions not on arm's length terms, change of ownership, loans and credit, guarantees and indemnities, dividends and share redemption, outstanding financial indebtedness, the issue of shares and treasury transactions.

- The agreement contains certain events of default including those relating to failure to pay, breach of undertakings, misrepresentation, cross default, insolvency, insolvency proceedings, insolvency of the contractor, unlawfulness and invalidity, abandonment, cessation of business, audit qualification, certain governmental or other regulatory actions that would substantially curtail the authority or ability of the borrower to conduct its business, repudiation and rescission of agreements, adverse material litigation and change of ownership.

Loan issuance

Loans will only be made once internal credit approval has been obtained and on the basis of satisfactory legal documentation, legal reports, valuation reports, project monitor reports and subject to customary conditions precedent.

Drawdowns will be permitted only following satisfactory equity investment in the relevant project by the borrower and otherwise in accordance with the achievement of pre-agreed sales milestones (subject to verification by external project monitors).

Draw-down process and monitoring

During the life of a development project, the Group is fully involved in all aspects of managing the project through frequent site visits, full input into the appointment of the construction team, including the main contractor and all other members of the team with design responsibility, and also has sign off authority for all design, planning, sales and marketing related aspects of the project. Detailed construction and sales milestones are drafted into facility agreements and monitored closely throughout the life of the loan.

LTV (loan to value)

The Issuer will not make any loans on the basis of an LTV ratio of more than 75% (including for the purposes of calculating the value of the loan, interest and fees due, as well as the principal amount lent). The Guarantor believes that this is a prudent basis on which to lend, given historical movements in real estate values, and provides adequate protection against any defaults by Borrowers under Eligible Loans.

Covenant management

The loan itself is serviced and managed through active covenant management, including LTV covenants, annual property valuations, monthly project monitoring reports, the disbursement of funds and the distribution of notices and statements of accounts to borrowers. Where there is a co-investment, the Group will typically perform advisory services for the co-lender and take responsibility for monitoring compliance with the terms of the loan and relationship with the borrower, for a fee.

Loans are structured so that leverage levels only increase as construction progresses and the underlying site value increases, with risks being mitigated by requiring contractual sale milestones for the properties under development, construction milestones and draw-stop events (which are designed to require specific pre-conditions are met before further funding is advanced).

Throughout the life of a development project, there is a strong focus on risk management, especially cost management through monthly "cost to complete" reports generated by the appointed project monitor. There is further engagement with the borrower and main contractor with respect to construction term and programme management and the Group also monitors the credit quality of any third party or parent company guarantors.

Exiting a loan

The Group can also assist borrowers with the exit from a project as required, including input into sales and marketing strategies. Often the majority, if not all, of the units are sold "off-plan" during the construction phase. Loan documentation with the borrower will generally require that a reduction in sales value by more than 5% against the agreed budget requires Group consent. However, when the Group models a loan, the costs of the development will not typically be reliant on sales revenue.

Rights in the event of default

In the event of a material breach by a borrower or security provider, a member of the Group (or a third party nominee selected by the Group), may "step into" the role of borrower in order to manage the completion of a specific project pursuant to rights granted under the loan and security documents relating to the project. In these circumstances, which will only occur where the relevant breach will threaten a satisfactory outcome of the relevant project, a member of the Group (or its nominee) will assume the project monitoring and completion role of the borrower of the project and exercise the rights of, and provide the services, that would otherwise be provided by that borrower in respect of the development of the project. It would not perform any construction activities in relation to the project, all of which would continue to be performed by an appropriately skilled construction team. Whether or not the Group chooses to exercise its "step in" rights, either directly or through a third party, depends on the stage of the relevant project at the time of the borrower's breach and the corporate and financial status of the borrower entity.

Lending terms

The Group generally requires the following lending terms:

- The drawdown of loan amounts by borrowers is subject to achievement of specific project milestones and evidence of spend validated by external third parties, and the prior investment by the borrower of its own equity in the project.

- All loans will be secured by a comprehensive security package, including a legal mortgage over the relevant real estate in respect of the entire debt, a charge over the equity of each obligor/group entity, a debenture and, where applicable, corporate and personal guarantees to cover cost overruns.

- The Group's out of pocket third party costs and expenses in assessing a potential loan will generally be underwritten by the proposed borrower or project sponsor.

- Project sponsors (for instance parent companies or other owners of borrowers) will typically be required to provide cost overrun guarantees and, in some cases, performance guarantees.

- Project contractors will typically be required to provide performance bonds, parent company guarantees, insurances, collateral warranties and step-in rights in favour of the Guarantor.

- Each borrower will be required to be held in a ring-fenced special purpose entity and will be subject to the Group's security requirements in addition to restrictions under its loan documents regarding its ability to transfer its assets to its parent or other members of its group, pay dividends to shareholders, lend, borrow or incur any additional indebtedness without the Group's consent.

- Loans will not typically be made to projects where the proceeds of projected sales are also required in order to finance the development, unless the Borrower obtains insurance in respect of the excess amount.

- Borrowers may be required to pay agency, arrangement, exit, minimum earning and exit fees to the Group in respect of their loans, in addition to prepayment and cancellation fees.

- Loans will be subject to mandatory repayment in whole or part on the sale of the developed property or any individual unit, or on-demand where such a facility is appropriate. Sales at a material discount to the anticipated exit price will require lender consent (typically when sold at 5% below GDV).

- The Group will typically link its lending rates to LIBOR, which is subject to a LIBOR floor.

- Loans will be made on the basis of documents that are satisfactory to the Group, based on the Loan Market Association standard documents and forms for real estate development financing (which are accepted as the market standard and are generally lender-friendly), and which will at minimum include market standard conditions precedent to drawdowns, representations and warranties and financial (including LTV) and non-financial covenant packages from the relevant borrower and standard events of default. Borrowers and sponsors will also be required to provide market standard indemnities in favour of all finance parties.

- Borrowers will be required to agree to specific timelines for the development and sale of projects, failure to achieve which will generally be an event of default entitling the lender either to call due the loan or for the Group or its appointee to sell the assets or to step into management of the project.

- Borrowers and the construction team must agree that a member of the Group (or its nominee) can "step in" to complete the development of a project in the event that there is an acceleration of the loan by the Group. In these circumstances, which will only occur where the relevant breach will threaten a satisfactory outcome of the relevant project, the relevant member of the Group (or its nominee) will assume the project monitoring and completion role of the borrower and exercise the rights of, and provide the services that would otherwise be provided by, that borrower in respect of the development of the project including monitoring and oversight of the contractor and subcontractors.

- Satisfactory RICS 'Red Book' valuations must be obtained in respect of the current market value and estimated gross development value of the properties in respect of which loans are made and such valuations can be updated annually at the Group's request.

Credit criteria and provisioning

Because of the nature of its loans and its borrowers and the relevant security package, the Group does not impose any specific pre-determined credit criteria for borrowers (with a specific assessment being made of the creditworthiness of each borrower) nor does it make any provisions for, or assumptions in respect of recovery rates for, bad debts on its loans. The Guarantor considers that the track record of the Urban Exposure group justifies this approach.

Market, Competition and Competitive Strengths

Market

The Group provides finance to the UK residential real estate development market.

The Group believes that this market has two fundamental characteristics which drive growth:

- Too few homes are being built – a recent projection by the UK Government states that approximately 300,000 new homes need to be built in England every year for the next decade in order to keep pace with rising demand and population growth. Under 165,000 new homes were built in 2017.

- A shortage of development finance – SME housebuilders' demands for finance outstrip supply due to the dramatic reduction in traditional bank lending to the residential development sectors since 2007, largely due to bank regulatory reforms following the global financial crisis in particular enhanced capital adequacy requirements. According to research by De Montfort University, available traditional bank real estate development finance has reduced by 35% from £23.9 billion in 2008 to £15.5 billion in 2017.

The Guarantor estimates that if the UK Government target of building 300,000 homes in every year for the next decade is to be met, approximately £237 billion of funding will be required.

The Guarantor believes that the current cross-party political will in the United Kingdom to address housing shortages and positive economic drivers, including low interest rates, inflation and real wage growth, which continue to facilitate home ownership contribute to the market opportunity that the Group is seeking to address.

A key consideration for the Group is the impact on the UK economy by Brexit given there is still no clarity as to the nature of the UK's ongoing relationship with the rest of the EU. The key mitigant to Brexit risk for the Guarantor is to lend only on assets for which the ongoing need, and therefore value, is less likely to be adversely affected by the UK's future relationship with the EU. This translates to prudent credit policies and rigorous deal appraisal to ensure the sales risk of underlying properties is particularly low, for example through pre-sales and the financing of projects addressing undersupplied segments of the market. As a result, the Group's current approved loan pipeline consists of developments in high demand, growing areas of the UK, such as Greater London, Manchester and Birmingham.

Competition

The Group's competitors include other lenders, investment funds and banks who wish to lend to residential real estate property developers.

Competitive strengths

The Group operates in the UK's non-bank lending sector, which the Group believes is an under-supplied sub-segment of the market with significant unmet demand.

The Group believes that its competitive strengths are as follows:

- Management – the Group's management consists of an award-winning team of residential development finance specialists operating within the sector for over 16 years.

- Relationships – the Group's management team has relationships with over 300 high quality developers throughout the UK, each with a minimum of 10 years' experience.

- Access to capital – sources of funding are key to the Group's success and range from traditional banks to private equity and other alternative credit lenders.

- People – the Group's employees include highly skilled and respected industry figures in their relevant fields.

* Technical expertise – the Group has excellent underwriting processes as well as advanced risk management procedures.

The Group believes that it benefits from a number of barriers to entry, which make it well-placed to take advantage of the market opportunity, including:

* Track record with borrowers – it takes many years to build a reputation in the industry and a relationship of trust with quality borrowers who thoroughly vet a lender's experience and prior performance.

* Track record with capital providers – in order to attract capital, providers want to see a demonstrable track record of providing compelling returns, whilst also meeting their strenuous processes and reporting standards.

* Quantum of capital – substantial capital is required to compete effectively, and new entrants would have difficulty raising substantial sums with no track record in the industry.

* Cost of capital – in order to lend profitably to experienced developers, a lender's capital must be priced efficiently or they will be unable to attract quality borrowers and maintain credit quality.

* Intensive management – development finance requires intensive ongoing management compared to other real estate asset classes which new entrants may not have the operational capability to conduct.

* Technical expertise and "step-in" capacity – it takes time to recruit and build a technically competent team with the ability to step-in and manage or remediate distressed loans.

Regulation

As none of the Issuer, the Guarantor or other members of the Group carry out activities which are regulated in the UK, they are not currently required to be supervised by any regulatory authority in the UK and are not subject to the capital requirements or supervisory processes which apply to banks and other financial institutions in the UK.

UEIM Limited, which is a member of the Group, is currently in the process of applying to become authorised by the FCA as a full scope alternative investment fund manager.

As at the date of this document, the Guarantor believes that the Group is in full compliance with the laws and regulations applicable in the UK to its activities.

Employees

As at the date of this document the Group had 30 employees.

Information Technology

IT is an integral part of the Group's operations.

The Group is in the process of implementing a bespoke technology platform to improve its customers' experience in all their dealings with the Group, and to increase the efficiency of Group's loan underwriting, management and asset management processes.

FURTHER INFORMATION

HOLDING THE BONDS

The Bonds will be held in custody for you by your Authorised Offeror, or as may be arranged by your stockbroker or financial adviser.

HOW TO TRADE THE BONDS

The Bonds are expected to be listed on the Official List of the UK Listing Authority and admitted to trading on the regulated market of the London Stock Exchange plc.

The Bonds are also expected to be eligible for the London Stock Exchange's electronic Order Book for Fixed Income Securities (the "**OFIS**").

The Bonds are tradable instruments and prices will be quoted in the market during trading hours (8.00am to 4.30pm London time).The Bonds are expected to be supported in a market-making capacity by the Lead Manager.

Market-making means that, throughout the trading day, a person will quote prices for buying and selling the Bonds. The Lead Manager will be appointed as a registered market maker through the OFIS (www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html) when the Bonds are issued.

Investors should, in most normal circumstances, be able to sell their Bonds at any time, subject to market conditions, by contacting their stockbroker. **As with any investment, there is a risk that an investor could get back less than his/her initial investment or lose his/her initial investment in its entirety**. See the section headed **"Key Risks of Investing in the Bonds"** on page 8 of this Information Booklet.

Pricing information for sales and purchases of the Bonds in the market will be available during market hours (8.00am to 4.30pm London time) and in normal market conditions on the OFIS.

As noted above, notwithstanding that the Lead Manager will act as market-maker (as explained above), if trading activity levels are low, this may severely and adversely impact the price that an investor would receive if he/she wishes to sell his/her Bonds.

FEES

Urban Exposure Finance Plc (or Urban Exposure Plc, as guarantor of the Bonds) will pay certain fees and commissions in connection with the offer of the Bonds. Peel Hunt LLP will receive a fee of 1.5% of the aggregate nominal amount of the Bonds, of which 0.375% will be paid as distribution fees available to Authorised Offerors in respect of Bonds subscribed by them on behalf of their clients.

Authorised Offerors may charge expenses to you in respect of any Bonds purchased and/or held. These expenses are beyond the control of Urban Exposure Finance Plc and are not set by Urban Exposure Finance Plc. Neither Urban Exposure Finance Plc nor (unless acting as an Authorised Offeror) the Lead Manager is responsible for the level or payment of any of these expenses.

TAXATION OF THE BONDS

The tax treatment of an investor will depend on his or her individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future). Prospective investors should consult their own independent professional tax advisers to obtain advice about their particular tax treatment in relation to the Bonds.

If you make an investment in the Bonds, the tax treatment which will apply to you will depend on your individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future including during the life of the Bond).

Please also refer to the section at page 50 of the Prospectus entitled **"Taxation"** for information regarding certain aspects of United Kingdom taxation of payments of interest on the Bonds.

All amounts, yields and returns described herein are shown before any tax impact.

It is the responsibility of every investor to comply with the tax obligations operative in their country of residence.

ISA, LISA AND SIPP ELIGIBILITY OF THE BONDS

At the time of issue, the Bonds should be eligible for inclusion within a SIPP (a self-invested personal pension) that is a registered pension scheme under the Finance Act 2004.

The Bonds should be eligible to be held within a stocks and shares ISA (Individual Savings Account), provided that the Bonds have been listed on a **"recognised stock exchange"** (within the meaning of section 1005 of the Income Tax Act 2007) by the time when they are first held within an ISA and remain listed thereafter. However, prospective investors should seek independent advice as to whether the specific terms of their arrangement permits investment of this type. The tax treatment of an investor will depend on his/her individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future).

See also the **"Taxation of the Bonds"** section above.

You should refer to the sections headed "Subscription and Sale" on page 130 of the Prospectus, "Taxation" on page 50 of the Prospectus, "Important Legal Information" on page 136 of the Prospectus and "Additional Information" on page 134 of the Prospectus.

DISCLAIMER

This Information Booklet does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase, any Bonds. Any purchase or sale of Bonds should only be made on the basis of the information contained in the Prospectus, available as described above.

The contents of this Information Booklet are indicative and are subject to change without notice. This Information Booklet should not be relied on for making any investment decision in relation to the purchase of Bonds. Any decision to purchase or sell the Bonds should be made by you solely on the basis of a careful review of the Prospectus. Please therefore read the Prospectus carefully before you invest. Before buying or selling any Bonds you should ensure that you fully understand and accept the risks relating to an investment in the Bonds, otherwise you should seek professional independent advice.

Peel Hunt LLP is acting for itself and will not act and has not acted as your legal, tax, accounting or investment adviser and will not owe you or your clients any fiduciary duties in connection with a purchase or sale of the Bonds or any related transaction.

No reliance may be placed on Peel Hunt LLP, Urban Exposure Plc or Urban Exposure Finance Plc for advice or recommendations of any sort. Peel Hunt LLP makes no representation or warranty to you with regard to the information contained in the Prospectus. This Information Booklet contains information derived from the Prospectus and is believed to be reliable but, in so far as it may do so under applicable law, Peel Hunt LLP does not warrant or make any representation as to its completeness, reliability or accuracy.

None of Peel Hunt LLP, Urban Exposure Plc nor Urban Exposure Finance Plc is responsible for any advice or service you may receive from a third party in relation to the Bonds.

Peel Hunt LLP and its respective affiliates, connected companies, employees and/or clients may have an interest in the Bonds and/or in related investments. Such interest may include dealing, trading, holding, acting as market makers in such instruments and may include providing banking, credit and other financial services to any company or issuer of securities referred to herein.

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