

QUESTIONS AND ANSWERS

6. LOAN NOTE COMPETITORS



NOTE: The words Loan Notes and Bonds are used interchangeably for Company's Debt Instruments, with some Companies choosing to say they issue Bonds, whereas others choose to say they issue Loan Notes; these debt instruments are essentially the same. For ease we will refer to these instruments as Loan Notes.

We are attracted to Certain Bridge's offering of excellent secured fixed interest coupon Loan Notes and could be interested in them, however, we are concerned and cautious at the moment, as there have been many Property Development and Energy Companies offering seemingly reasonable to good returns from their Loan Notes but these Companies have ended up as high-profile corporate failures. Vast sums were raised by these failed Companies and these failures have caused great distress, and financial losses to the holders of those Loan Notes.

Potential purchasers of Loan Notes will naturally be more cautious in their due diligence with the backcloth of these failed Property Development and Energy Company failures.

To guide potential purchasers of Loan Notes can you:

6.1 Explain how different a market sector Certain Bridge operates in to that of Property Developers, Energy companies and similar related companies.

Certain Bridge operates in a totally different market sector to that of Property Development, Energy and similar related companies. Certain Bridge is exclusively a Secured Business Bridging Finance Lender. We always and only accept/use UK real Property Assets to mortgage secure the Business Bridge Loans that we originate. We provide fast delivery, short term, mortgage secured Business Bridge Loans which are highly profitable.

We only mortgage secured lend against UK real property. (see 3.7)

To finance these Business Bridge Loans we use funds provided by our Secured Fixed High Coupon Loan Note Holders, our own funds, and the funds generated as profit from our highly profitable constantly recycling redeeming mortgages. (see 2.1)

It is not necessary for Certain Bridge to raise any minimum critical amounts to immediately, securely, and profitably put the funds to work. (see 2.14)

All Bridge Loan Mortgages are written at conservative LTVs with a minimum of 50% mortgage secured profit (on an annual basis). (see 2.12)

Redeemed Mortgages to date are averaging circa 70% annualised returns. (see 3.13)

Our mortgage length repayments are averaging 7.2 months (see 3.12)

To de risk our exposure and Mortgage loan Book we never write any one mortgage which would represent a significant part of our mortgage lending book. (see 3.15)

Certain Bridge Lends Mortgage Secured funds on UK completed properties. These Mortgage Secured Loans are repaid with the substantial secured inbuilt profit every 7.2 months. Certain Bridges Mortgage Loan Book is such that Certain Bridge has a very high turnover of funds on a monthly basis, with funds constantly being received and new highly profitable Mortgage Secured Loans being originated. These constantly repeated processes ensure when Loan Note Holders are due their Loan Note Interest Payments (and eventually their Capital and any bonus payments) that Certain Bridge has the funds available to pay out. Certain Bridge's assets are: The Mortgage Secured Loan Book, Cash on hand, a vastly experienced sector team, and its long-standing Industry Associate partner professionals.

Contrast this to a Property Development Company raising funds by a Drip Feed method yet has obligations to pay their Loan Note Holders Interest payments (say) every 6 months (some even pay every 3 months). Unless the Company is a large established seasoned developer with robust supporting existing properties and excess cash balances then how possibly can a Property Development starting off as a building site or as a dilapidated building which is being refurbished, produce an income from that Property within 6 months of Funds being put into the Project?

When Certain Bridge pay Loan Note holders their interest payments, they do so out of Profits rather than having to sell further Loan Notes for that purpose.

6.2 Explain what are the stand out differences of Certain Bridge in its ability to commercially succeed in comparison to the recent number of high-profile corporate failures of Property Development, similar construction and Energy related companies all of which have manifestly failed.

The huge difference is the completely different type of commercial activities carried out by Property Development, Energy and similar related companies to those of the commercial activities of Certain Bridge.

It is almost impossible even for a well thought out well managed professionally administered Property Development project or Energy project to succeed with a "Drip Feed" funding method. Such funding methods used by Property Development, Energy and similar related companies are doomed to fail from the start. These types of Projects are absolutely capital intensive in order to produce a fully finished end saleable product. If a Project requires £10M then the company must have that £10M FULLY and undoubtedly fully committed before the project commences in order to have a completely finished product to be able to sell. Property Development projects are not for the "faint hearted/ the inexperienced/the underfunded" etc. Most property development projects nearly always hit a problem(s) once the project commences. This happens with monotonous regularity which is why responsible, experienced, and well-funded property developers always ensure that the project has fully committed undoubted funding in place which must include generous contingencies and sensitivities in their financial model.

Corporate history evidences that one of the very first casualties of any economic slowdown/recession is a "Property Development". Even if the development had just become fully finished (which would at best, be highly unlikely) then all of the projected sales figures would become meaningless in a recession. Given that historical evidence shows that at the point of an economic slowdown or recession most developments are at best only partially constructed then no meaningful value in

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any reasonable time frame be retrieved/ extracted from a partially completed development. In addition, all contractors with unpaid work (highly likely) will issue a demand and Court filings to recover the outstanding funds. Pretty soon the company will either be in Administration or Liquidation with little chance of obtaining sufficient funds to cover the company's total debts and liabilities. Placing funds into Property Development, Energy and similar related companies by the "Drip Feed" funding method even in the best of times will almost certainly result in failure and major loss of invested funds.

A number of Energy Companies (and similar sector) Companies whom offer Loan Notes, not only may have to purchase expensive capital equipment but have to competitively sell the energy (or equivalent asset) generated to large companies where margins are always under attack. To reliably be able to pay Loan Note Holders fixed high returning interest payments is almost incompatible with such tight margin industry sectors and certainly not likely to be sustainable, especially when one considers initial costs of raising funds and onward inherent company costs.

The standout comparable differences of Certain Bridge, in its ability to commercially succeed in comparison to these Property Development, Energy, Construction and similar companies is that Certain Bridge provides Mortgage secured Loans at a minimum of 50% per annum, but is actually achieving closer to 70%. (please review the reports on our website from our Accountant KBS LLP). The highest (annual) returning Loan Note Certain Bridge offers (Gold) costs Certain Bridge 10% per year in Interest. It can be seen that the excellent mortgage secured profits which Certain Bridge creates on its constantly cycling and compounding funds, ensures that Certain Bridge can very comfortably pay all interest payments, all running costs/overheads and Capital & Bonus payments whilst at the same time generating superior profits.

6.3 Summarise the attributes and quality of Certain Bridges Secured Fixed Interest Loan Notes

- > All Certain Bridge Loan Notes are Secured Loan Notes.
- > Loan Note Holder is Secured by their own Debenture. (see 2.3)
- > The debenture is in your name only. (see 2.3)
- > Loan Note Holder individual debenture (Form MR08) is registered at UK Companies House and Loan Note holder will be able to view this at any time at UK Companies House. <https://tinyurl.com/CertainBridge>
- > All debentures rank Pari Passu.
- > A Loan Note Holder, will by their individual debenture, have security (to the level of their Loan Note value) over all of the Companies total assets comprising: all the mortgage secured Loans written by Certain Bridge in its Loan Book, as well as all the funds it holds in its bank account. NOTE: these funds INCLUDE all the funds provided by management, friends & family which are loaned to the company WITHOUT any security. (see 2.17)
- > Interest is paid every six months and we provide ongoing six-monthly evidential reports produced by our Accountants of every Loan Note holders Interest payments. (see 2.16)
- > Interest is paid directly by Certain Bridge to the Loan Note holders chosen bank account.
- > Your debenture Security, besides all cash balances, includes all the Mortgage Secured UK Property assets held by Certain Bridge and these Properties are finished, and are in daily use and most importantly the total Mortgage(s) exposure is a maximum of 65% Loan to Value. Certain Bridge's mortgages are all recorded at Her Majesty's Land Registry. (see 3.8)
- > Certain Bridge makes regular New Announcements on our progress and these can be seen on our website. (www.certainbridge.com)

- > In the unlikely event of non-payment of any Interest due then your Loan Note Instrument sets out the remedy wherein the Loan Note holder can after 45 days along with other loan note holders, demand immediate repayment of their Loan Note value together with any accrued interest and call in the MR08 Debenture at Companies House.
- > Certain Bridges management team has a proven track record with in excess of a combined one hundred years of Sector expertise including: Finance, Lending, Property, and Corporate business and commercial sectors.

6.4 Summarise what should a potential Loan Note Purchaser should check for when considering purchasing Loan Notes?

- These points/questions should be considered:
- > Always carefully analyse the quality of the Security, the expertise and experience of the management, the strength of the organisation issuing the Loan Notes and be able to verify the claims they make.
 - > Are the Loan Notes Secured or Unsecured?
 - > Check how your Loan Note is secured.
 - > Is Interest paid at regular fixed intervals throughout the Loan Note term?
 - > Who pays your Interest payments?
 - > What is your remedy if you do not receive your contractually agreed Interest payments?
 - > What is the expertise of the company's management team in the particular sector they operate in
 - > What is the transparency of your security?
 - > What is the quality of the Security?
 - > Are the core asset[s] underpinning the Security fully finished products?
 - > If unfinished how long will they take to complete
 - > Are there sufficient funds available to the company to allow absolute completion to a fully finished saleable condition/state?
 - > Are the underpinning assets registered on a Government data base?

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- > Is your Security interest registered on a Government data base?
- > Is your Security interest registered in your own name?
- > Can the asset[s] (if required) be easily realised to a value to settle all debts/liabilities?
- > Are you at all times able to readily see on line the ongoing progress of the Loan Note issuing organisation?
- > How often are your Interest payments made?
- > Does the organisation provide regular reports/updates from Accountants/ Auditors verifying that all Loan Note holders are receiving their contractual Interest payments and on time?
- > Does the organisation have published verifiable Testimonials from Loan Note Holders and users of their products/services?
- > Can the organisation pay the interest payments out of Profits, be careful here! Please ensure that it is not a Ponzi scheme where more Loan Notes must be sold in order to pay for the next payments of Interest, this is known as a Ponzi Scheme. <https://tinyurl.com/PonSch>