

THE QUARTERLY RETURN

Q3. 2019



Following a successful first 6 months of 2019 for Bridging Vat, the third quarter of the year has seen a continuous flow of new enquiries from both our ever-expanding broker network, and direct from property developers and owner-occupiers. Sectors that we have provided illustrations for include office buildings for conversions to residential, Student Accommodation units, Industrial units, Public Houses and Hotels. Through the course of the last 3 months, we have seen an increasing number of properties be subject to a down valuation from the agreed sale price with final figures coming in lower than expected between 5% and 20% as senior debt providers seek comfort in an uncertain marketplace. These situations result in pressure on our clients having to use more of their own capital to complete the deal, making the use of our VAT bridging facility even more important. Rather than tie their own capital up with HMRC, our clients are able to retain their liquidity, even if more equity is required to complete on their project.

However, the UK commercial property market from our perspective, has continued to be active throughout the summer and seems to be withstanding any political and economic uncertainty, as our clients are still actively searching for, and securing development sites. We have also seen owner-occupiers request illustrations where they are expanding and either purchasing their own premises or new build commercial units.

EVENTS

At the end of September, we hosted our inaugural Lender and Intermediary day at the BMW PGA Championship held at The Wentworth Club. The weather was fantastic, and we got to see some of the best golfers in the world challenge at one of the top golf courses in England; a fantastic time was had by all and we look forward to repeating the event next year with our partners.

Our Sales Director Mike Underwood has been promoting Bridging Vat via our broker network and as a Patron of FIBA. Mike talked about our service to developers in a Podcast with Michael Primrose, aka The Property Finance Guy which is now the second most listened to Podcast on his channel. Mike also presented at the ever-popular Progressive Property Network (PPN) Bank event to a room full of developers, all keen to understand the benefits of bridging the VAT on their purchases. To round off the quarter, another FIBA roundtable event was held at Gatwick and was very well supported by local brokers.

LOOKING AHEAD TO Q4

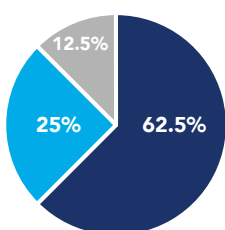
With institutional funding and a near-term pipeline in excess of £29 million, we move into Quarter 4 confident of continued growth in deal origination as well as building on our network of introducers and lending partners.

We will be exhibiting at the South Coast Commercial Property Show on the 31st October where over 500 property professionals are expecting to attend. The event, supported by Bournemouth, Southampton and Portsmouth Property Associations, still has available tickets which include entry, seminars and lunch at: www.southcoastcps.co.uk/tickets

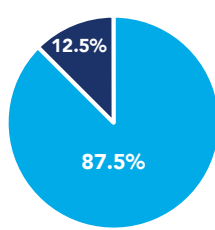
With our presence within the industry growing, Bridging Vat are now being recognised as the experts in funding, and have been invited to speak on a panel of specialist property lenders at the Mortgage Business Expo (MBE) at the Barbican in London.

We would like to thank you all for your ongoing support.

DEAL ORIGATION



BORROWER



● Broker ● Direct ● Senior Debt Provider ● Owner Occupier ● Property Developer

QUARTERLY RETURN NUMBERS

NUMBER OF SIGNED LOANS - 8

AVERAGE LOAN SIZE - £1,500,000

AVERAGE PURCHASE PRICE - £7,500,000

TOTAL SIGNED LOANS - £12,050,000