

INVESTOR GUIDE

Enterprise Investment Scheme (EIS)

Mini Prospectus

September 2022

Maximise potential returns
and minimise risk with the EIS

IMPORTANT NOTICE

If you are a resident in the UK and are in any doubt about the contents of this document, we strongly recommend that you should consult and seek advice from an authorised person who specialises in advising on the acquisition of shares and other securities and is authorised under the Financial Services and Markets Act 2000 (“FSMA”). An investment in Esper Wealth Limited will not be suitable for all recipients of this Information Memorandum.

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Real Estate - At a glance

Operating in the world's largest market

Global real estate is valued at \$326.5 billion.

Global real estate is bigger than all the world's stock markets and bond markets combined.

Global real estate is 4 times that of global GDP.

Real estate in the UK is a national pastime

The average house now costs £293,211.

UK Property has risen by 11.8% over the past 12 months.

UK property now trades at 7 times earning ratios compared to 3 times ratios in the mid-nineties.

Property in England trades at 9 times earning ratios.

Many Brits are obsessed with the UK housing market.

UK housing shortage is pushing up prices

There is a major supply and demand imbalance.

Currently, very low housing stock, resulting in faster selling times.

The Government has consistently fallen short of its commitment to build 300,000 homes a year.

More buy-to-let investors

Buy-to-let investors now own 20% of UK housing stock.

Despite government initiatives such as the buy-to-let surcharge, demand remains strong.

Buy-to-let mortgages can increase investor returns.

Very low interest rates by historical standards mean the cost of borrowing is low.

Government initiatives to help home ownership

The UK Government wants to help people obtain home ownership.

Initiatives include Help-to-buy, Mortgage guarantees, Lifetime ISAs and Shared ownership

PropTech experiencing rapid growth

Investment in the United Kingdom's fast-growing property technology (PropTech sector) reached record levels in 2021. It has quadrupled since 2020, as the growing sector matures.

There was £1.6 billion invested into PropTech in 2021 which is a 360% rise from the £348 million seen in 2020.

Investment in this sector will continue at an expanding rate.

Estate Agents - At a glance

Key Statistics

19,446 Estate Agents Businesses in the UK in 2022
-3% Estate Agents in the UK Business Growth in 2022
-0.9% Estate Agents in the UK Annualized Business Growth 2017-2022

5 Year Forecast

Market Size: £12 billion
Number of Businesses: 25,440
Industry Employment: 145,343

Fragmented Market

No one company has 5% ownership of the industry.
This offers a great opportunity for PropTech driven companies.

Blockchain technology is set to revolutionise the industry

Tokenisation and smart contracts will radically change the way real estate agents do business. Esper Wealth is a pioneer in this tech-driven field.

Real estate agents have additional revenue streams

Letting is an increasingly important source of extra income.
Referral income to third-party professionals.

Esper Wealth - At a glance

Growth Company

Esper Wealth is targeting rapid growth in the next few years to become a national brand in real estate and investments.

Innovative Business Model

We offer a unique way of doing business that will increase profit margins and build an award-winning brand to drive explosive growth.

Technology Driven

Esper Wealth is a technology-savvy company that is using the latest breakthroughs in blockchain technology to shake up the industry.

A corporate partnership with the UK's first-ever development company that is wholly funded through blockchain.

Franchise business model

Esper Wealth is targeting a franchise-based model to target increased market share and increase shareholder returns.

Fusing real estate and financial services.

EIS-qualifying company

We offer major tax incentives to investors to change the risk versus return dynamic.

Forward-thinking exit strategy

Unlike many other EIS-qualifying firms we have pre-identified exit strategies for both a three and seven-year time horizon.

EIS - Overview

“These schemes play a crucial part in ensuring that early stage businesses have access to much needed investment, without which many future UK successes would not progress beyond an idea. These companies are the lifeblood of the UK economy and play a key role in job creation and economic growth. The EIS and SEIS have helped to secure the UK’s reputation as a world leader in innovation.”

Christina Stewart-Lockhart
Director General,

EIS Association

“The Enterprise Investment Scheme has helped several small companies secure early stage funding to grow into large multinational companies. Both Cazoo and Zoopla have previously used EIS for funding.”

Janis Aukstars
Co-Founder

Esper Wealth

EIS - Benefits

The Enterprise Investment Scheme rewards investors with significant tax breaks. These are listed below.

Income tax relief

With an EIS qualifying investment, you receive income tax relief at 30%. You can invest up to £1 million in EIS qualifying schemes and receive full relief. This increases to £2 million for tech-based companies.

Tax free growth

All EIS qualifying investments are exempt from capital gains tax (CGT). This means all profit goes directly to the investor without any tax on your profits.

Capital gains tax deferrals

A gain made on the sale of other assets (eg property, equities, etc) can be reinvested in EIS shares and deferred over the life of the investment. There's no upper limit on the value of gains that can be deferred.

Inheritance tax relief

EIS shares qualify for Business Property Relief (BPR). This means they can be passed down to beneficiaries free of inheritance tax, providing they have been held for at least two years at the time of death.

Loss relief

If shares are disposed of at a loss, the investor can elect that the amount of the loss (less Income Tax relief) can be set against the income of that year or the previous year. This avoids a situation where the loss is set against capital gains, allowing far more flexibility.

EIS - Benefits

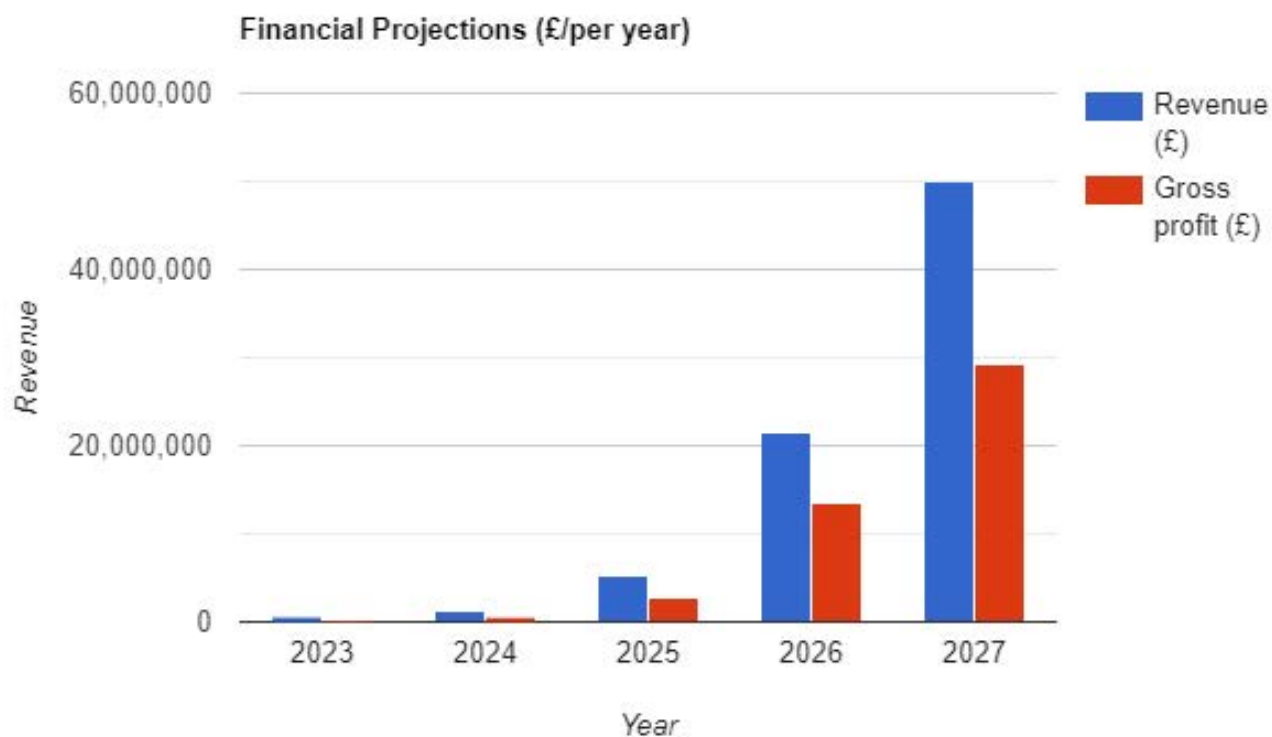


The value of loss relief will depend on your marginal rate of tax and whether you are claiming against income tax or capital gains tax.

The table below shows how you can offset losses on an EIS-qualifying investment of £100,000. When offsetting the loss you can choose to offset against either income tax or capital gains tax. Usually offsetting against income tax will provide you with the most tax relief.

Case 1	Case 2	Case 3
<i>The company does well and triples its value and you hold the shares for three years</i>	<i>The company value stays the same</i>	<i>The company closes and your shares are worth nothing</i>
Investment = £10,000	Investment = £10,000	Investment = £10,000
Income Tax relief = £3,000 (as a reduction in your income tax bill)	Income Tax relief = £3,000 (as a reduction in your income tax bill)	Income Tax relief = £3,000 (as a reduction in your income tax bill)
Share sales = £30,000	Share sales = £10,000	Share sales = £0
Your gain = £23,000 (£20,000 profit from the sale plus £3,000 income tax relief). There is zero tax on profits.	Your gain = £3,000 (from the income tax relief)	At risk capital = £7,000 Loss relief on at risk capital @ 45% = £3,150. Your actual loss = £3,850 (£10,000 – £3,000 – £3,150)

Financial Projections





Head Office

Esper Wealth Ltd
International House
61 Mosley Street
Manchester M2 3HZ
United Kingdom

+44 (0) 161 399 0616
info@esperwealth.com

www.esperwealth.com