



KR HEALTH & SOCIAL CARE

The Krinvest Care Loans
Investment Brochure

CROWDSTACKER®

Winner 2018 Moneynet.co.uk
Best Innovative Finance ISA Provider

Disclaimer

The Krinvest Care Loans

This disclaimer is important and requires your immediate attention.

This document (the "Information Brochure" or "Document") constitutes the basis upon which you may make a loan offer to Krinvest Care PLC ("Krinvest") which Krinvest may accept on the terms and conditions set out in this Document.

You should not make an offer to lend to Krinvest as set out in this Document except on the basis of the information published in this Document and the Key Commercial Terms (see format on page 26).

Your attention is particularly drawn to the "Risk Factors" which are set out on pages 23, 24 and 25 of this Document. You should consider carefully whether Krinvest Care Loans are a suitable financial commitment for you to make in the light of your personal circumstances. Krinvest Care Loans will become a secured debt of Krinvest but may not be a suitable financial commitment for all recipients of this Document. The money that you lend to Krinvest as a Krinvest Care Loan (your "Capital") is at risk.

Making a Loan of this nature involves a degree of risk. It may not be possible to sell or realise the Krinvest Care Loans before they mature or to obtain reliable information about the risks to which they are exposed.

Krinvest Care Loans will be a debt of Krinvest secured over all of its assets under a debenture constituting a fixed and floating charge. However, there can be no certainty or guarantee that any realisation of such assets through the enforcement of such security will be sufficient to enable Krinvest to repay all or part of the Loans or Krinvest's liabilities thereunder.

This Document, which is a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 ("FSMA"), is issued by Krinvest, which accepts responsibility for the information contained herein. This Document has been approved as a financial promotion for UK publication by Crowdstacker Limited, which is authorised and regulated by the Financial Conduct Authority to operate an electronic lending platform. Crowdstacker is registered on the Financial Conduct Authority's Register with registration number 648742.

This Document does not constitute a prospectus to which the Prospectus Rules of the Financial Conduct Authority apply. Therefore, this Document and the Loans have not been approved by the Financial Conduct Authority or any other regulatory body and do not give rise to any rights to claim compensation under the Financial Services Compensation Scheme.

You should ensure that you have read and understood this Document in its entirety before agreeing to offer Loans to Krinvest. If you are in any doubt as to the contents of this Document or whether making the Loans is a suitable financial commitment for you, you should seek your own independent advice from an appropriately qualified advisor authorised under the Financial Services and Markets Act 2000 and who specialises in advising on loans, financial commitments and other such debt instruments.

This Document does not constitute an offer to make a loan or other financial commitment or the solicitation of an offer to make a loan or other financial commitment in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

Communications sent by you to the Custodian (as such term is defined on page 3) shall be treated as delivered to it on the day of actual receipt by the Custodian. All documents, payments or electronic information and communications sent by, to or from you or on your behalf will be sent entirely at your own risk.

Definitions

The Krinvest Care Loans

Crowdstacker

Crowdstacker Limited, an electronic lending platform that is authorised and regulated by the FCA

Custodian

Crowdstacker Ltd

Debentures

A debenture between Krinvest and the Security Trustee and a second debenture between Krinvest Care Group Ltd and the Security Trustee in each case creating a fixed and floating charge in favour of the Security Trustee over all its assets and business

FCA

Financial Conduct Authority

Information Brochure or Document

This document

Key Commercial Terms

The Key Commercial Terms format set out in this Document on page 26 which on acceptance will be populated with the Lender's details, the Interest Rate, the Commencement Date, the Loan Amount and the Repayment Date

Lenders

All those individuals who enter into Loan Contracts with Krinvest

Loan T&Cs

The terms and conditions applicable to each Loan as set out in this Document and which form part of each Loan Contract

Loan Contracts

The loan contracts consisting of the Loan T&Cs and the Key Commercial Terms between Lenders and Krinvest

Krinvest, Company or Borrower

Krinvest Care PLC

Krinvest Care Loans or Loans

Loans made or to be made to Krinvest pursuant to the terms and subject to the conditions of the Loan Contracts following acceptance by Krinvest

Security

Debentures over the assets of the Borrower and Krinvest Care Group Limited; a cross guarantee of the Borrowers obligations from Krinvest Care Group Limited and Krinvest Limited; and first ranking legal charges over properties purchased by Krinvest all in favour of the Security Trustee

Security Trustee

Crowdstacker Corporate Services Ltd or such other person as is appointed as trustee under the Security Trust Deed

Security Trust Deed

The deed between the Security Trustee and Krinvest and the Security Trustee and Krinvest Care Group Ltd by which the Security Trustee holds the Security on trust for the benefit of Lenders

“ Krinvest Care Loans help fund much needed social care and assisted living. ”

Contents

The Krinvest Care Loans

A word from our Chairman Take a closer look	05
The Krinvest Care Loans Summary	06
Why Krinvest Care matters Krinvest and the supported living sector	07
About us An introduction to Krinvest	10
Case Studies Real examples of what we do	12
The Krinvest Care Team Meet the team	14
Financials View our profit & loss and balance sheet	16
Your Loan to Krinvest How your Loan works	17
Security Secured on business assets	18
Crowdstacker Crowdstacker's role with Krinvest	20
Two Minute FAQs We answer any questions you may have	22
Risk Factors A guide to the associated risks	23
Key Commercial Terms Keep informed about the key terms	26
Loan T&Cs Krinvest Loan terms and conditions	27
Risk Warning Understanding the risks & challenges	34

A word from our Chairman

The Krinvest Care Loans

Care service provision in the UK faces a crisis. Data¹ suggests by 2022 nearly nine out of ten Councils will be unable to provide enough social care places to meet demand. Of these, 14 could face a shortfall of 25% or more.

Krinvest Care Group was established in 2004, with the goal to become a sector leader in the provision of integrated health and social care services in England and Wales. We aim to enable positive individual journeys for the elderly, young people and vulnerable adults with complex needs.

We set up our first residential and nursing home for the elderly, The Hamiltons, located in Atherton Greater Manchester. It is now home to 18 people, providing 24 hour care and catering to the specific needs of each resident in a relaxing and homely environment.

Over the past 13 years we have developed a portfolio of 5 residential and nursing homes providing services for the elderly and services for adults with mental care needs.

We also run two nurseries providing key early years learning and development for children.

The majority of our services are located in the North West in a range of purpose built and adapted premises. We are currently able to provide up to 298 places.

Our ambition is to continue to invest in service quality, development and growth. We will underpin that investment with robust market analysis ensuring decision making is founded on need, commissioning support and viability.

To achieve our goals we are raising £3million through the Crowdstacker Platform. We are offering investors a fixed 6.75% p.a. gross return over a four-year term.

Specifically the funds raised will be used to further expand our supported living accommodations that provide mental health care through the purchase and redevelopment of 20 properties. The supported living services will be supported by contracts with various NHS trusts.

We hope you will join us in the next chapter of providing quality care for vulnerable people in our society.



Krishnan Satkunam
Chairman

“ We aim to enable positive individual journeys for the elderly, young people & vulnerable adults with complex needs. ”

Your capital is at risk if you lend to businesses.

¹<https://www.which.co.uk/news/2017/10/care-home-provision-to-hit-crisis-levels-in-next-five-years/>

The Krinvest Care Loans

The Krinvest Care Loans

In short the Krinvest Care Loans is an investment opportunity that pays a fixed interest rate of 6.75% p.a. gross, over a four-year term.

The minimum investment is £500 and interest will be paid quarterly.

As a P2P Loan this investment is eligible to be held as part of your annual ISA Allowance and it is possible to transfer in previous year's ISA money from your existing ISA investments.

Fixed interest rate:
6.75% p.a. gross

Investment term:
4 years

Minimum investment:
£500

Interest payments:
Quarterly

“ Fixed interest rate of 6.75% p.a. gross, over a four year term. ”



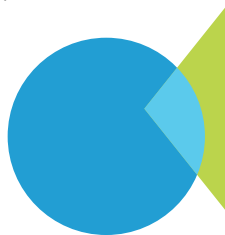
Your capital is at risk if you lend to businesses.

Why Krinvest Care matters

The Krinvest Care Loans

There are three main types of social care provision that Krinvest is involved in: mental health, elderly care and early years care.

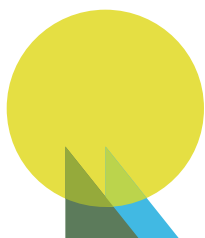
Funds raised through the Krinvest Care Loans are planned to be used to increase provision of supported accommodation for mental health patients, including those specifically catering to the elderly.



Mental health care.



Elderly care.



Early years care.

How many people need our help?

UK Mental health statistics make for a sobering read.

Over 8.5m days spent in psychiatric care

8,523,323 days were spent in hospital in 2014/15 by people in contact with mental health and learning disability services.²

Over 1.8m in need of help, up by 5%

1,835,996 people were in contact with mental health and learning disability services in the same year.³ This is an increase of 89,298 (5.1 per cent) people from the previous year.⁴

3.7% less beds available

The number of NHS beds for acute adult inpatient psychiatric care fell by 3.7 per cent in figures reported in March 2015.⁵ In terms of old age mental health specifically, the figures clearly demonstrate the scale of threat posed by neurological diseases such as dementia. In 2015 dementia killed one in nine people. By 2016/17 it became the country's single biggest killer, ahead of heart disease.

In fact care for dementia patients costs the UK economy £23bn a year according to the Alzheimers Society.⁶ That's two times as much as cancer, three times as much as heart disease and four times that of stroke.

By the time we reach our 80's only one in seven of us can hope to be free of any diagnosed long term health issue such as dementia.

Once we reach the age of 85, 80% of us will be living with at least two long term health issues. By this age one in three of us will find day-to-day unassisted living difficult, if not impossible, because we are not able to undertake five or more basic tasks such as washing or cooking.⁷

All this in the context of predictions that the number of us seeing our 85th birthday, which has already increased by a third over the last decade, will again double by 2036.⁸

Clearly there is a growing need for day-to-day support for the elderly living with these issues and adults living with mental health problems. Clearly NHS hospitals may not be the best place to offer or provide this support. Instead, supported accommodation offered by companies such as Krinvest, will have to play a leading role providing what is required.

² http://www.nhsconfed.org/~media/Confederation/Files/Publications/Documents/MHN%20key%20facts%20and%20trends%20factsheet_Fs1356_3_WEB.pdf / ³ http://www.nhsconfed.org/~media/Confederation/Files/Publications/Documents/MHN%20key%20facts%20and%20trends%20factsheet_Fs1356_3_WEB.pdf / ⁴ http://www.nhsconfed.org/~media/Confederation/Files/Publications/Documents/MHN%20key%20facts%20and%20trends%20factsheet_Fs1356_3_WEB.pdf / ⁵ http://www.nhsconfed.org/~media/Confederation/Files/Publications/Documents/MHN%20key%20facts%20and%20trends%20factsheet_Fs1356_3_WEB.pdf / ⁶ <https://blog.alzheimers.org.uk/dementia-insight/dementia-uks-biggest-killer/> / ⁷ https://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Research/The_Health_and_Care_of_Older_People_in_England_2016.pdf?dtrk=true / ⁸ https://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Research/The_Health_and_Care_of_Older_People_in_England_2016.pdf?dtrk=true



“ There is a growing need for day-to-day support for the elderly living ”

What the Government is committed to providing.

To ensure the right support and services are accessible to those in need, both national and local Government have developed strategies to cope now and in the future.

£120m has been committed by the Government to improve mental health care. A joint publication in October 2014 from both the Department of Health and NHS England set out a 5 year vision to 2020 to improve access to mental health services.⁹

One overarching theme of the publication was the aim that “people with mental health problems receive the right treatment at the right time and the right place in the least restrictive setting and as close to home as possible”.⁹

The housing implications of this policy are clear: for people in supported housing, their accommodation must respond to their mental health needs. Supported accommodation is recognised as a place for effective treatment and management of mental health.

Local Government also plays an important role following the Health and Social Care Act 2012 because now important decisions around expenditure on health takes place at a local level.

A national vision for public health is designed by the Public Health Outcomes Framework which is then used as a guide for upper tier and unitary authorities which have responsibility for the public health of their populations.

These activities are supported by a ringfenced grant which is used to improve the wellbeing of the local population and reduce health inequalities.

And mental health continues to be a key concern for the Government which is working on updating and improving these national and local strategies.

As recently as October 2017 the Department for Work and Pensions published the findings of its Consultation specifically into supported housing.

In this process, industry professionals and experts were invited to explore and develop policy options to inform the design of a new supported housing funding model.

Some of the key recommendations included that there should be long term certainty of funding and that there should be a consistency of supply across the country.⁹

“ The Department of Health & NHS England have set a 5 year vision to improve access to mental health services by 2020. ”

⁹ Department of Health and NHS England, Achieving Better Access to Mental Health Services by 2020, 2014



The need for Krinvest

Why supported accommodation is so important.

The advantages of supported accommodation for those with mental health problems have been researched. For example, people are more satisfied and report better quality of life in community-based housing compared to hospital accommodation.¹⁰

Similarly, in 2012 a scheme involving a local NHS Foundation Trust, the Local Authority and a housing provider was analysed. It was determined that not only did the approach to provide supported accommodation help ensure the recovery of some patients and improved quality of life, but it also created an overall annual treatment cost saving per patient of around £450,000.¹¹

Guidelines set out in a briefing by the Centre for Mental Health¹² included advice from, amongst others, the Royal College of Psychiatrists, put an emphasis on positive supported accommodation.

It states that 'services should have a recovery focus, provide meaningful rehabilitative activities, focused on skills development and social inclusion.'

By helping individuals to be as independent as possible, by ensuring they have the confidence to undertake necessary daily tasks and providing a supportive environment in which to recover or develop, vulnerable mental health patients can make good progress.

Perhaps most interestingly, findings from the "Introduction to the research on the effectiveness of supported housing and accommodation for people with mental health problems" published in April 2017 show that there is evidence of positive outcomes from supported housing.

Particularly, it highlights improved quality of life, improved functioning, social integration and inclusion, more extensive social networks, increased satisfaction, reduced negative symptoms, increased participation in work and education, increased autonomy, improved self-esteem and happiness, reduced challenging behaviour, increased confidence and relapse prevention.

What does this all mean?

Mental health issues are on the increase with more people requiring treatment and support.

The NHS is not able to provide all the treatment and services required in its own centres, so it looks to specialists such as Krinvest to do this.

As an issue this is at the top of the agenda for local and national Government, with discussion and debate taking place to ensure help and support are available where needed.

And when supported accommodation is used, it has been shown to be an extremely important part of the process of recovery or improvement.

About us

About Krinvest and what we do

Krinvest is there to provide vital supported accommodation.

We help the vulnerable and at the heart of what we do is the belief that a safe warm place to live is key to mental health and wellbeing and it can make a significant and positive impact on treatment and recovery.

The term supported accommodation refers to a product that is comprised of two elements: the physical building and the service which is provided to the resident.

Amongst other types of social care, we operate homes that look after adults with mental health disorders.

Within these environments we aim to assist those who need medical and practical help with daily living, to provide training and support for those learning or relearning and to live in the wider community.

For example, we believe in a holistic approach to supported housing to provide adequate supported accommodation for people with mental health problems.

Supported accommodation covers a wide range of different types of housing, offering services to tenants with special needs that are not normally provided in the mainstream rented sector. This includes, for example, intensive 24hr support, hostel accommodation, as well as accommodation with only occasional social support or assistance provided.

Mental health needs can be met across all of these different types of accommodation but crucially individuals need the right support in the right setting.

Our intention is to continue to invest in service quality, development and growth. We underpin that investment with robust market analysis ensuring decision making is founded on need, commissioning support and viability.

The most successful care provision enables individualised and positive journeys with a range of services made available to support developing needs.

Our typical structure is what we call 'core and cluster'. This enables us to establish a robust delivery competency within a central or core service location. Then we provide clustered support around a range of dependency level. This means we can focus expertise and specialism's as needed.

Within the next 2 years we intend to expand this model regionally and then nationally.





Growth & delivery

We focus on key population areas where we have identified a high need.

Krinvest identifies suitable sites through consultation with local NHS Foundation Trusts and Local Authorities. In this way we can ensure we are building centres to supply the specific services required locally and which will be readily subscribed.

Not only are we creating supported accommodation to a required level but that we are also able to provide staff with the specific skill sets required.

We already have a strong presence in the North of England to include Warrington, Blackburn, Manchester and St Helens and we intend to expand this to other similar population centres.

Our second phase of growth will focus on other areas across the country that we have identified as requiring support.

We will seek to identify locations that have high population densities with a well developed infrastructure and that have a good supply of key assets such as skilled workers.

One of our most exciting projects is our first female only setting which will launch in 2018 in St Helens. This should offer up to eighteen beds in a rehabilitation centre. Our intention is to develop individualised care journeys for customers/ patients with a clear focus on improvement and/or recovery.



Case study

The Hamiltons

Nursing home – The Hamiltons Residential Care Home

The Hamiltons is a warm and relaxed home in a lovely detached building with gardens, just moments away from Atherton town centre. We offer 24hr personal care to all our residents.

There are a variety of bedroom types arranged over the ground and first floors, many of which have en-suite facilities. There is an option for a double room on a shared basis, which is ideal

for couples or for those who enjoy the companionship of others. There is a passenger lift too and various other mobility aids, such as bath hoists and a fully fitted “wet room” on the ground floor to assist those less mobile with day-to-day living.

The home is fully equipped with nurse call facilities throughout the home’s bedrooms, bathrooms, toilets and living areas.

This ensures that residents can always call for assistance, no matter what time of day or where they are within the home.

The home benefits from a large lounge, dining room and conservatory where residents can relax, socialise, read, listen to music or watch television.





Case study

Ash House

Supported living & mental health services – Ash House

Ash House provides high quality, holistic, person-centred rehabilitative care and specialised treatment for men with complex mental health needs and/or challenging behaviours.

Our goal is for each of the men in our care to achieve meaningful and sustainable positive change in their lives and to gain greater independence, long-term mental wellbeing and successful reintegration into their community at their earliest opportunity.

Ash House provides a psychologically informed and planned service. We focus on nurturing an enabling environment through an operational framework and clinical model developed specifically to meet the needs of our patient group.

Our overarching treatment approach is based on dynamic formulation and focused on building and maintaining appropriate interpersonal relationships, service delivery consistency, structured management, clear

and reinforced boundaries, safety, outcome resilience and coordinated clinical and therapeutic engagement and leadership.

Ash House is centrally located in Warrington, easily accessible, purpose built and small scale. Our experienced and dedicated worker teams enable us to offer an effective alternative to higher levels of secure care and, where appropriate and agreed, we can also provide a managed individualised pathway to our affiliate supported living service.



The Krinvest Care Team

Meet the team behind Krinvest



**Krishnan
Satkunam,**
Chairman

Krishnan Satkunam qualified as a Medical Doctor (MBBS) in 2001 and proceeded to work in the NHS for 4 years.

In 2004, Krishnan created KR Health & Social Care Group, which develops and operates care homes, children's nurseries and other specialist care services. He now assumes the role of Executive Chairman focusing on strategy.



**Tom
Burns,**
CEO

Tom Burns is Chief Executive of the KR Health & Social Care Group. He is a learning disability nurse by profession and a well respected figure across the health and social care sectors with more than 30 years operational experience.

Tom conceived and led the Ansel Group, was the Managing Director of the Specialist Services Division for the Cambian Group, Chief Executive of the ILG Group and In-mind Healthcare, Commercial Director of the Priory Group, Business Development Director of St Andrews Group and Director of Commissioning for a large health authority. Additional roles have included consultant commissions for the Department of Health and Ministry of Justice.



**Madhav
Joshi,**
CFO

Madhav Joshi joined KR Health & Social Care Group with a background of nine years senior experience in a large care operator and 2 years' experience with a Central London property company. After successfully becoming a qualified chartered certified accountant, Madhav went on to achieving his MBA.

Madhav has a keen eye for detail and strategy, assuming full responsibility for all financial operations.

“ Krinvest are dedicated to providing a high quality care service ”



**Richard
Broughton,**
Business Development
Director

Richard is an architect by profession with over two decades experience in the specialist mental health and social care sectors both as a consultant and a service provider.

Previous roles include Founder Director of the Ansel Group, Service Development Director for ILG and Inmind Healthcare, Managing Director of RBAL and Senior Project Architect for DBS. Specialist consultancy appointments include the Department of Health, Ministry of Justice and for health and social care providers in the independent and social business sectors.



**Maria
Menzies,**
Registered Manager
Supported Living
Services

Maria's background in finance has been the foundation to a lengthy career in the health and social care sectors. Her skillset and experience now includes sales, marketing, business development, service and customer relationship management.

Maria is the Registered Manager of our Complex Behavioural Support Division, Supported Living services and is leading her team to consistently deliver a high standard of individualised care and support to every person we engage with. She is a highly committed and valued member of our organisation.



Financials

Krinvest Care Group

Profit & Loss	Year Ended 30 th Sept 2017 (unaudited)	Year Ended 30 th Sept 2016 (audited)
Turnover	£4,415,046	£4,348,503
Gross Profit	£1,221,844	£1,363,961
Operating Profit	£910,542	£506,503
Net Profit	£575,104	£344,592

Balance Sheet	Year Ended 30 th Sept 2017 (unaudited)	Year Ended 30 th Sept 2016 (audited)
Fixed Assets	£11,299,619	£9,384,619
Current Assets	£1,115,131	£948,695
Current Liabilities	£1,762,380	£1,230,806
Long Term Liabilities	£5,811,464	£4,836,706
Net Assets	£4,840,906	£4,265,802



Past Performance is not a reliable indicator of future performance

Your Loan to Krinvest

How your Loan works



The Key Commercial Terms set out the main financial terms, parties and security that forms part of your Loan. You need to familiarise yourself with the Key Commercial Terms and the Loan T&Cs.

Krinvest Care draws your attention to the following key terms:

- **£3,000,000**
The target amount we are initially raising
- **6.75%**
The fixed annual interest rate
- **£500**
The minimum loan amount
- **4 years**
The term of the loan

The Loan may be held in:

SSAS

A Small Self-Administered Scheme

IFISA

An Innovative Finance Individual Savings Account

Special terms and conditions may be available for loans in excess of £150,000. If you are interested please call us on 020 7118 7570.

What could I be earning over the next 4 years?

Investment	£500	£5,000	£10,000	£50,000	£100,000
Total interest p.a.	£33.75	£337.50	£675.00	£3,375.00	£6,750.00
Total interest Quarterly	£8.44	£84.38	£168.75	£843.75	£1,687.50
Total interest over 4 years	£135.00	£1,350.00	£2,700.00	£13,500.00	£27,000.00

Your capital is at risk if you lend to businesses.

Security

There will be multiple layers of security

“ Krinvest have organically grown through providing a high quality service ”

First:

The Loans will be secured over the assets, property and undertakings of Krinvest Care PLC via a first ranking debenture given to the Security Trustee on behalf of Lenders.

Second:

Krinvest Care Group Limited and Krinvest Ltd will provide a parent company guarantee of the Company's obligations. Krinvest Care Group will also grant the Security Trustee on behalf of the Lenders a first ranking debenture over its assets, property and undertaking.

Third:

In addition, your loan will be secured on each supported living property purchased by the Company, by way of a first ranking legal charge over the property in favour of the Security Trustee on behalf of Lenders. Each charge will be registered with the Land Registry.

Forth:

One of the Krinvest Care Group's principal subsidiaries, Krinvest Limited, will provide a corporate guarantee of the Company's obligations in favour of the Security Trustee on behalf of Lenders.

Fixed interest rate:
6.75% p.a. gross

Investment term:
4 years

Minimum investment:
£500

Interest payments:
Quarterly

The net assets of the group as of September 2017 were over £4.8 million. Please note the net assets may fluctuate over time. The balance sheet of the group is comprised predominantly of freehold properties. The money raised will be used to fund the purchase and refurbishment of further properties, adding more assets to the group balance sheet.



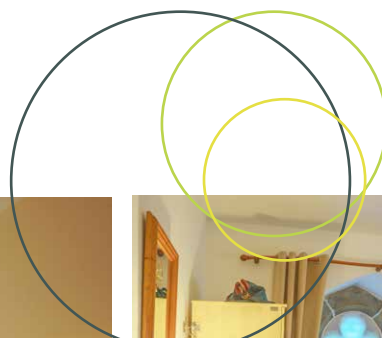
Your capital is at risk if you lend to businesses.



How will Krinvest Care Loans be repaid?

At the end of the Loan term, the Company envisages a number of potential ways by which Lenders can be repaid:

- From the accumulated profits of the Company generated over the four year period of the Loans;
- From the proceeds or sale of some or all, of the property assets of the Company;
- From a sale of the Company;
- From a refinancing of the Loans;
- From a combination of the above ways.





Crowdstacker

The Krinvest Care Loans

Crowdstacker Limited is an electronic lending platform that is authorised and regulated by the FCA.

We are different from other platforms. Our goal is to save you time by filtering through the many opportunities out there, leaving you with what we consider to be of the highest quality.

We achieve this through our carefully designed selection process. We carry out bespoke, independent due diligence on each potential company. We reject many along the way. We negotiate additional levels of protection for our Lenders and organise the documentation so that it is easy to understand the benefits and risks of each opportunity.

Our due diligence includes three key steps. Only the best investment opportunities will make it to the third. The three key steps are:

Pre-screening.

This initial assessment includes:

Verification.

Confirming the identity of the potential company and its directors, including checking for County Court Judgements, directors that have been disqualified and other red flags, as well as Anti Money Laundering checks performed in line with Financial Action Task Force (FATF) guidelines.

Automated credit analysis.

Using a credit scoring model to provide an initial assessment of credit worthiness. The model is one used by the majority of credit insurers and claims to predict around 70% of the defaults in the next 12 months.

In depth analysis.

Our due diligence process is performed by chartered accountants with experience of analysing companies of all sizes. This includes:

Financial health

An assessment of current and projected financial performance and position. Management and statutory accounts, cash flows, business plans, repayment strategy and existing debt are all considered.

Management team

We meet senior management teams at their premises and assess the quality of the team and its operations.

Loan structure & conditions

A recommendation is made regarding the loan structure and associated conditions to protect investors.



Credit committee

Our committee is responsible for reviewing all reports and approving each new business proposal.

Once a loan is approved, we work with the Company to produce informative documentation that outlines the key benefits and key risks for the loan.

We also coordinate the payment of interest and the return of capital at the end of the Loan term.

The Security Trustee

Crowdstacker's associate company, Crowdstacker Corporate Services Limited acts as Security Trustee.

The role of the Security Trustee is to:

1. Hold on behalf of all Lenders the security for the Loans over the assets of Krinvest;
2. Enforce the security over Krinvest in certain circumstances where Krinvest fails to pay interest or repay the Loans;

Further information on the role of the Security Trustee can be found in clauses 18 and 19 of the Lender T&Cs .

Client money

We may hold client money on your behalf, for example, prior to you making a loan to a borrower or when collecting interest payments from the borrower for you.

This money is held on deposit with Lloyds Bank PLC in a client money account. In the event of this bank becoming insolvent, these deposits are protected against losses of up to a maximum of £85,000 per eligible client per bank under the Financial Services Compensation Scheme ('FSCS'). The limit applies to the total of all deposits held for you with that bank, whether held through Crowdstacker or directly with the bank. In the event that you were to suffer a financial loss directly as a result of Crowdstacker becoming insolvent you may be able to claim compensation from the FSCS of up to £50,000.

Following the relevant Commencement Date, we will transfer the full amount of the Loan monies to Krinvest. If the Loans do not satisfy the Acceptance process, we will return your money to you.

Finally, we are also responsible for organising the payment of interest and repayment of your Loan to you once we have received payment from the Company.

Two Minute FAQs

The Krinvest Care Loans

We are more than happy to answer any questions you may have. If your question is not covered by the FAQs below, please contact us on 020 7118 7570 or info@crowdstacker.com

What return can I expect?

You will receive 6.75% gross return per annum on your Capital.

How often will interest be paid?

Your interest will be paid quarterly.

How much can I lend?

The minimum amount you can lend is £500.

When do the Krinvest Care Loans mature?

The Krinvest Care Loans are for a 4 year fixed term. On maturity, you are entitled to the return of the original Loan in full.

What about Pensions?

You can hold Krinvest Loans within a Small Self-Administered Scheme (SSAS).

What about ISAs?

You can hold your loan in the Crowdstacker Innovative Finance ISA and receive tax free interest.

How will your investment via a Loan be used?

Your investment will be used to expand supported living accommodations that provide care through the purchase and redevelopment of up to 20 individual properties with an average cost of £150,000 per property. These individual homes for our clients with mental health issues will enable them to live more independently within the community, but with the vital support from experienced carers, that they need for everyday life. The supported living services will be supported by contracts with various NHS trusts.

What are the current Care Quality Commission (CQC) ratings on the care homes and nurseries?

Krinvest currently operates 3 care facilities that are rated by the CQC as 'good' overall (one of which is pending update to a 'good' overall rating, however, Krinvest have confirmed that they have received recent confirmation from CQC of this rating), 2 nurseries also rated as 'good' overall and 2 care facilities that are rated as 'requires improvement'. Krinvest believes that due to a wide range of improvements made within their care homes, the ratings of the two care/rehabilitation homes marked as 'requires improvement' will be awarded a higher rating category in the near future.

Krinvest have focussed on improved treatment pathways for clients, and in one of their care homes, Krinvest have appointed a new experienced management team who Krinvest explain have 'all worked to put in place an empowering vision and model of service to deliver strong, positive outcomes for their clients'.

Who is the Borrower?

Krinvest Care Plc.

What is Crowdstacker?

Crowdstacker is a Peer to Peer lending platform authorised and regulated by the FCA. Crowdstacker matches companies such as Krinvest that are seeking to raise finance with Lenders like you that are seeking to invest money.

Is Crowdstacker covered by the Financial Services Compensation Scheme?

Lending through the Crowdstacker Platform is not covered by the Financial Services Compensation Scheme, except for as mentioned in the client money section.

What security do I have if Krinvest becomes insolvent?

Please refer to page 18.

Your capital is at risk if you lend to businesses.

Risk Factors

The Krinvest Care Loans

In addition to the other relevant information set out in this Information Brochure the following specific risk factors should be considered carefully when evaluating whether to make a loan to Krinvest.

If you are in any doubt about the contents of this Information Brochure or the action you should take, you are strongly recommended to consult a professional advisor specialising in advising on loans, financial commitments and other such debt instruments.

The directors of Krinvest (the "Directors") believe the following risks to be significant for potential Lenders. The risks listed, however, do not necessarily comprise all those associated with Krinvest and Krinvest Care Loans and are not intended to be presented in any assumed order or priority. In particular, Krinvest's performance may be affected by changes in legal, regulatory and tax requirements as well as overall global financial conditions.

Particular company related risks

Not protected by the Financial Services Compensation Scheme

Risk

As with stocks and bonds, Krinvest Care Loans are not protected by the Financial Services Compensation Scheme against loss.

Business Risk

Risk

No assurances can be given as to the future performance of Krinvest and whether Krinvest will continue to achieve its business objectives. Prospective Lenders/investors should be aware when considering the past performance of Krinvest that past performance is not necessarily indicative of future results and there can be no guarantee that Krinvest will remain profitable in the future. Performance depends on many factors including the value of the assets, market conditions, any related costs, the timing and management of the transactions, all of which may change over time.

Mitigation

The company has a long term growth plan and operates in a sustainable way in order to ensure longevity and success of its services.

Management Risk

Risk

Lenders will not have the opportunity to evaluate fully for themselves relevant economic, financial and other information regarding Krinvest and will be dependent on the judgment and abilities of Krinvest's management. There is no assurance that Krinvest's management will not make mistakes or take the best course of action in all the circumstances. Accordingly, no person should lend to Krinvest unless it is willing to entrust all aspects of conducting the business of Krinvest to the Directors and senior management.

Lenders do not have any right to participate in the day-to-day management of Krinvest or business decisions. Additionally, funds advanced to Krinvest are at risk of employee or management misappropriation.

Mitigation

The Directors of Krinvest are experienced professionals that have been managing the business since 2004 and have a strong track record in the provision of supported living.

Illiquid Asset Risk

Risk

The Loans are not available for sale on any market so the Loans are an illiquid asset. There is a risk that Lenders will not be able to dispose of their Loans to third parties. Therefore it may not be possible to sell or realise Krinvest Care Loans until they are repaid by Krinvest when the Loans mature.

Mitigation

Crowdstacker offers a facility on its platform that gives Lenders the ability to sell their Loans to other members of the Crowdstacker community. However, there is no certainty or guarantee that Lenders will find willing buyers for the Loans at a price that Lenders will find acceptable and Lenders may suffer a loss on a disposal of their Loans.



No certainty that Lenders will be repaid at maturity

Risk

If Krinvest were to become insolvent, there is a risk that

- (a) the Krinvest Care Loans will not be repaid in part or in full, and
- (b) some or all of the interest due on the Krinvest Care Loans will not be paid in part or in full.

There is no certainty or guarantee that any realisation of assets or the Security will be sufficient to enable Krinvest or, as the case may be the Security Trustee, to repay the Krinvest Care Loans or Krinvest's liabilities thereunder.

Mitigation

Krinvest Care Loans are a debt of Krinvest secured over all of its assets and undertaking and guaranteed by two of the parent company principal subsidiaries. The aim is that Lenders will have security over each property purchased by Krinvest, ensuring that if the Company cannot repay the Loans, the properties can be sold.

Profits of the business are not sufficient to pay interest or repay the Lenders

Risk

If Krinvest were unable to achieve sufficient turnover, the profitability of the Company would be impacted and may not be in a position to pay interest or capital to Lenders

Mitigation

Krinvest will work continuously and closely with commissioners for adult social services within

the respective local authorities to ensure a strong pipeline of clients to move into the new properties to ensure any voids are minimised and to ensure the Company is always up to speed with current local authority requirements so that turnover is kept up.

Regulatory Risk

Risk

Given the nature of the business, there is always a possibility that regulation could change or the Company could be found to have been acting inappropriately. In this case fines or other legal proceeding could impact the profitability of the Company.

Mitigation

Krinvest has extensive experience in keeping up to speed with regulatory requirements and planning for potential regulatory changes. We produce management reporting on regulatory Key Performance Indicators. We also regularly carry out internal audits of our policies, procedures and care plans.

Increased Staffing Costs

Risk

One of the main overheads of the business is its staff costs. The national minimum living wage was introduced in 2016 and this may increase in the future at varying rates depending on the incumbent government thus increasing the overall cost base of the business.

Mitigation

Generally, local authorities are aware of these costs pressures and tend to allow increases in the rates they are willing to

pay. Whilst these increases are no more than the general rate of inflation, they are sufficient to absorb most if not all of the wage cost pressures. It is envisaged that the supported living model proposed will be staffed by nurses/carers on the payroll and agency staff will be used only in emergencies hence reducing any volatility in any staffing and their associated costs.

Failure of IT Systems and Potential Loss of other Services

Risk

Failure of IT systems or other services lead to an increase in cost and affect the ability of the Company to perform its contractual obligations.

Mitigation

Staff are trained on manual fallback procedures which are to be reverted to in case of IT failures.

Risk of Loss of Key Individuals

Risk

The management skills and processes employed by the business are key to performance and ability to grow. Loss of key individuals or directors within the Company could be a time consuming process and impede the ability of the Company to perform its contractual obligations, leading to reductions in revenue.

Mitigation

Whilst loss to key individuals would provide a short term problem until a replacement was appointed the Company is satisfied that the long term business plan would not be



affected and that replacements could be appointed. Practice manuals have been created with clearly detailed methods of working and operating for the various key functions of the business. Several employees are aware of the whereabouts of these manuals and they would be referred to as required in the event of loss of key personal/ knowledge.

Reputational Risk

Risk

As with all companies there is an underlying risk that customers could complain and / or claim for compensation. The risk associated with this is that the Company could suffer loss of reputation and could fail to attract new customers or lose existing ones and thus revenues would suffer.

Mitigation

The Company has a number of policies and procedures clearly detailing best practice to be followed by all operatives. These are reviewed and updated regularly to ensure they are kept inline with latest developments within the industry. Internal auditing takes place by way of supervisions, record keeping audits and other methods to minimise adverse effect on reputation.

Insurance Risk

Risk

The business and its assets will be subject to damage and loss by the usual insurable risks of fire, theft and climatic events and by uninsurable risks such as loss of profit due to fall in demand or poor management or third party competition and there is no certainty that Krinvest will not suffer loss and damage by such risks from time to time.

Mitigation

Krinvest, where economically practicable and available, endeavours to mitigate insurable business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable. Or the policy provisions, and exclusions, may render a particular claim by Krinvest, outside the scope of the insurance cover.

General Risks

Macroeconomic risks and changes in the general economic outlook, both in the UK and globally, may impact the performance of Krinvest and the property market. Such changes may include (but are not limited to):

- Contractions in the UK economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- Property market fluctuations that will affect market prices for properties;
- New or increased government taxes, duties or changes in taxation laws; and
- A prolonged and significant downturn in general economic conditions may have a material adverse impact on Krinvest's trading and financial performance.

Summary

The above risk factors are not exhaustive and they do not purport to be a complete explanation of all the risks and significant considerations involved in lending to Krinvest. Accordingly and as noted above, additional risks and uncertainties not presently known to the Directors or that the Directors currently deem immaterial, may also have an adverse effect on Krinvest's business and prospects.

Krinvest Care Loans may not be a suitable investment for all who review this Information Brochure.

Lenders should take their own tax advice as to the consequences of making Krinvest Care Loans as well as receiving interest payments from them.

The value of a Loan may go down and you may receive back less than the full amount invested. In extreme circumstances you may not receive any Capital back at all. Losses on your Capital may arise due to a combination of lower sales prices achieved, a lack of sales and higher costs, inability to raise borrowings or an inability to meet debt payments.

Other than the obligations and other covenants of Krinvest set out in this Document, no representation or warranty, express or implied, is given to the Lenders by either Krinvest or the Directors and officers of Krinvest.

In particular but without limitation, no representation or warranty is given by any such person or entity as to

- (1) the tax consequences;
- (2) the regulatory consequences; and
- (3) the business and investment risks associated with acquiring, holding or disposing of the Loans.

Key Commercial Terms

The Krinvest Care Loans

Name Of Lender

[Your name]

Address Of Lender

[Your address]

Email Address Of Lender

[Your email address]

Name Of Borrower

Krinvest Care PLC

Address Of Borrower

60 Central Road, Morden,
Surrey, SM4 5RP

Closing Date

[The closing date as set out on the website]

Commencement Date

[The commencement date of your loan is 1 week from the relevant closing date]

Early Repayment Charge

None

Repayment Date

4 years from the relevant commencement date

Term Of Loan

4 years

Minimum Amount

£500

Minimum Loan Raise

£500,000

Loan Amount

[The amount you lend]

Instalment

(If applicable)

Target Loan Raise

£3,000,000

Loan Variation Term

No change is permitted to be made to the Loan under clause 8.1 of the Loan T&Cs

Interest Payment Date

Up to 5 business days from the end of each interest period

Interest Period

Quarterly

Interest Rate

6.75% gross per annum

Custodian

Crowdstacker Limited

Security Document(s)

1. Debentures over the assets of the Borrower and Krinvest Care Group Limited;
2. a cross guarantee of the Borrowers obligations from the Krinvest Care Group Limited, Krinvest Limited; and
3. first ranking legal charges over properties purchased by Krinvest all in favour of the Security Trustee

Comparable Loans Number

KC1

Loan Reference

Number

[Your loan reference number]

Acceptance Process

The Borrower accepts the Lender's loan offer (as such term is defined in the Loan T&Cs) on the relevant commencement date provided that the following conditions are all satisfied:

1. Loan Offers have been received from lenders that at least equal the Minimum Loan Raise of £500,000 by the relevant Commencement Date;
2. The Borrower has not notified Crowdstacker that it does not wish to proceed with the Loan;
3. Crowdstacker has not withdrawn the Loan transaction with the Borrower from the platform.

Loan T&Cs

The Krinvest Care Loans

1. Definitions & interpretation

1.1

The following words have these meanings in the Loan T&Cs unless a contrary intention appears:

Definition

Meaning.

Acceptance

The process of acceptance by the Borrower as it is specified in the Key Commercial Terms;

Borrower

A member of Crowdstacker identified as a Borrower in the Key Commercial Terms;

Borrower's Debt

All the Borrowers' liabilities to the Lender (and where relevant to the Security Trustee) present, future, actual or contingent and will include (i) interest (ii) the Loan and (iii) related costs and expenses;

Borrower T&Cs

The Borrower terms and conditions available on the Website, as amended or replaced from time to time;

Business Day

A day other than a Saturday or a Sunday on which clearing banks are open for business in London;

Client Account

The segregated client account(s) with the Custodian used for the purpose of holding funds on behalf of the members of Crowdstacker;

Commencement Date

As defined in the Key Commercial Terms;

Comparable Loans

All loans (present and future) made by multiple Lenders to the Borrower which are identified as having Key Commercial Terms with the same Comparable Loans Number as the Loan;

Comparable Loans Number

As defined in the Key Commercial Terms;

Crowdstacker

Crowdstacker Limited (UK Company registration number 09056449);

Crowdstacker Platform

The Crowdstacker Platform operated by Crowdstacker for the purpose of facilitating Loans between Lenders and Borrowers;

Custodian

As defined in the Key Commercial Term or as otherwise nominated by Crowdstacker from time to time;

Early Repayment Charge

As defined in the Key Commercial Terms;

Instalment

As defined in the Key Commercial Terms;

Interest Payment Date

As defined in the Key Commercial Terms;

Interest Period

As defined in the Key Commercial Terms;

Interest Rate

As defined in the Key Commercial Terms or varied by clause 8.1;

Key Commercial Terms

the Key Commercial Terms (as set out on the website) for a particular Borrower together with details of the Lender, the relevant Commencement Date and the Loan Amount for that Lender;

Lender

The member of Crowdstacker identified as a Lender in the Key Commercial Terms;

Lender T&Cs

The Lender terms and conditions available on the Website, as amended or replaced from time to time;

Loan

The individual Loan transaction entered into between the Borrower and the Lender following Acceptance;

Loan Amount

The principal amount of the Loan as defined in the Key Commercial Terms;

Loan Contract

The Loan contract consists of (i) the Loan T&Cs and (ii) the Key Commercial Terms having its own Loan Reference Number;

Loan Offer

A loan offer which a potential Lender makes on the Crowdstacker Platform or in a written application;

Loan Summary

The summary of a particular Loan set out on the Crowdstacker Platform;



Loan T&Cs

These Loan terms and conditions – version 2/2017;

My Account

The section of the Crowdstacker Platform which may be accessed by a member of the Crowdstacker Platform using his/her own secure login details;

Repayment Date

As defined in the Key Commercial Terms;

Security

The security created by any Security Document;

Security Document(s)

The security document(s) effecting security over the assets of the Borrower or other party granted to the Security Trustee and as set out in the Key Commercial Terms before the Commencement Date;

Security Trustee

Crowdstacker Corporate Services Limited or such other person as is appointed as trustee under the Security Trust Deed;

Security Trust Deed

The deed by which the Security Trustee is appointed to hold the Security for the benefit of the Lender and the Lenders of Comparable Loans on the terms set out in that deed;

Website

The Crowdstacker website at: www.crowdstacker.com

1.2.

In these Loan T&Cs , unless the contrary intention appears:

1.2.1.

The singular includes the plural and vice versa and any gender includes the other gender;

1.2.2.

'Person' unless the context otherwise requires includes a natural person, a firm, a partnership, a body corporate, an unincorporated association or body, a state or agency of state, trust or foundation (whether or not having separate legal personality);

1.2.3.

A 'natural person' unless the context otherwise requires shall mean a human being, as opposed to a juridical person created by law;

1.2.4.

A reference to:

1.2.4.1.

A document means that document as amended, replaced or Novated;

1.2.4.2.

A statute or other law means that statute or other law as amended or replaced, whether before or after the date of this Loan Contract and includes regulations and other instruments made under It;

1.2.4.3.

A clause or schedule is a reference to a clause or a schedule in these Loan T&Cs ; and

1.2.4.4.

A month means a calendar month;

1.2.5.

Where the word 'including' or 'includes' is used, it is to be taken to be followed by the words: 'but not limited to' or 'but is not limited to', as the case requires;

1.2.6.

Where a period of time is expressed to be calculated from or after a specified day, that day is included in the period;

1.2.7.

Headings are inserted for convenience and do not affect the interpretation of these Loan T&Cs .

2. The Loan

2.1.

The Key Commercial Terms that govern a Loan Contract are agreed between the Borrower and the Lender during the Loan Offer and Acceptance process.

2.2.

Where a Lender makes a Loan Offer which results in an Acceptance by the Borrower this gives rise to a Loan. The date of the Loan Contract shall be the relevant Commencement Date.

2.3.

These Loan T&Cs set out the terms and conditions which apply in respect to a Loan made by the Lender to the Borrower.

2.4.

Before Acceptance the Lender will have made payment of the Loan Amount to the Client Account held by the Custodian.

2.5.

After Acceptance the Custodian will pay the Loan Amount from the Client Account to the Borrower within 7 Business Days of the Commencement Date. For the avoidance of doubt the Custodian is only obliged to pay from the Client Account what sum it receives in respect of the Loan Amount from the Lender and no more.

2.6.

A Borrower may enter into multiple loans with a number of Lenders where all loans are on similar terms.



3. Repayment

3.1.

The Borrower agrees to repay the Lender the Loan Amount at the times and in the Instalments if any shown in the Key Commercial Terms and in any event by the Repayment Date.

3.2.

The Borrower agrees to make all payments due under the Loan on time.

3.3.

If the Borrower is late in paying an interest payment or Instalment or repaying the Loan Amount the Lender and Crowdstacker will have the rights detailed in clause 9.

3.4.

The Borrower will effect repayment of the Loan Amount by crediting the Client Account with the Loan Amount. On receipt of the Loan Amount the Custodian will pay the Loan Amount from the Client Account to the Lender within 8 days of the Repayment Date. For the avoidance of doubt the Custodian is only obliged to pay from the Client Account what sum it receives in respect of the Loan Amount from the Borrower and no more.

3.5.

All payments by the Borrower will be made without deduction of tax.

3.6.

All payments by the Borrower to the Lender will be in the following order of priority:

3.6.1.

First towards paying any arrears on the Loan;

3.6.2.

Second towards paying the current interest and principal due in respect of the loan.

4. Interest

4.1.

The Borrower agrees to pay the Lender interest on the Loan at the Interest Rate.

4.2.

The Borrower shall pay interest on the Loan on the Interest Payment Date in arrears for each Interest Period.

4.3.

Interest on the Loan shall accrue at the Interest Rate from the Commencement Date to the Repayment Date or if earlier the date of actual repayment of the Loan.

4.4.

Where the Interest Period is monthly each Interest Period will begin on the same calendar day in each month as the Commencement Date and end on the day before such calendar day in the next month.

4.5.

Where the Interest Period is quarterly each interest Period will begin on the same calendar day in each quarter as the Commencement Date and end on the day before such calendar day every three calendar months thereafter.

4.6.

Where the Interest Period is semi-annual each Interest Period will begin on the same calendar day in each semi-annual period as the Commencement Date and end on the day before such calendar day every six calendar months thereafter.

4.7.

If the Interest Payment Date falls on a day which is not a Business Day, it shall instead be paid on the next business date in that calendar month if there is one or the preceding Business Day if there is not.

4.8.

If the Loan is not repaid in full within 14 days of the Repayment Date, interest shall continue to accrue on the Loan at the Interest Rate and be immediately due and payable as it accrues.

5. Early Repayment

5.1.

The Borrower may repay a Loan early (i.e. Before the Repayment Date), but it has to repay the entire Loan Amount and the entire Loan Amount of all Comparable Loans.

5.2.

Where the Borrower repays a Loan early the Borrower may be subject to paying an Early Repayment Charge to the Lender.

6. Transfer By Novation

6.1.

Each Lender may transfer by novation its right, title and interest in any Loan Contract and all associated rights under the Lender T&Cs to any other registered lender on the Crowdstacker Platform (or to the Security Trustee if a Loan goes into default as set out in the Lender T&Cs and the Borrower T&Cs, which may subsequently assign or transfer all such rights, title and interest to a third party).



6.2.

The Borrower's rights and obligations under a Loan Contract that have been transferred shall not be adversely affected in any way whatsoever.

6.3.

A Borrower shall not be entitled to assign or transfer its rights or obligations under any Loan Contract.

6.4.

A transfer by novation shall be effected by electronic means upon the acceptance by the new Lender of an offer by the transferring Lender to sell a Loan Contract in accordance with the transfer provisions as set out on the Website. The new Lender shall make payment of the agreed transfer amount to the Custodian who will collect payment on behalf of the Lender in accordance with the transfer provisions as set out on the Website.

6.5.

At the time of entry into a transfer by novation (the "transfer time") the Borrower and the transferring Lender shall be released from further obligations towards one another under the relevant Loan Contract (being the "Discharged Obligations"). The Borrower and the new Lender shall at the Transfer Time assume those Discharged Obligations towards one another, as if the new Lender's details originally appeared in the Key Commercial Terms in place of the transferring Lender. The new lender will then become the Lender under that Loan Contract. The Borrower confirms its agreement to these arrangements and waives any requirement for it to be a party to such transfer. A transfer by novation will not otherwise have any effect on the Key Commercial Terms applicable to that Loan Contract.

6.6.

Any fees charged by Crowdstacker for administering a transfer by novation shall be paid by the relevant Lenders in accordance with the Lender T&Cs and the Borrower shall not be liable for any fees in connection with the transfer.

7. Information**7.1.**

If the Borrower is or at any time becomes aware of any of the following circumstances, then the Borrower will promptly provide to Crowdstacker full written details of such circumstances, claims or potential claims:

7.1.1.

Circumstances (including without limitation any claims, undisclosed liabilities, litigation, arbitration, court proceedings or investigations which are current, threatened, pending or otherwise reasonably likely to occur against the Borrower by any third party) which could or might result in a material adverse change in the Borrower's financial condition, business or assets; and/or

7.1.2.

Any current or future claim (or potential claim) by HM Revenue & customs (or any other governmental department or agency or other public body) against the Borrower.

7.2.

The Borrower shall, from time to time, on request from Crowdstacker, provide Crowdstacker with such information as it may reasonably require about the Borrower's financial condition, business and affairs and compliance with the terms of the Loan Contract.

8. Variation**8.1.**

Notwithstanding any other clause in the loan T&Cs, in certain circumstances and in its absolute discretion, Crowdstacker (acting as agent on behalf of the Lenders) may agree with the Borrower to restructure the Loan and amend the Loan Contract so as to increase the term by one year, with a corresponding increase in the interest rate to 1.5 Times the interest rate unless otherwise specified in the Key Commercial Terms under the "Loan Variation Term" section.

8.2.

For the avoidance of doubt, no such restructuring can take place without the written agreement of the Borrower. The Borrower acknowledges and agrees that Crowdstacker may require additional and/or restated security documentation to be executed by the Borrower (and any third party or guarantor as the case may be) or independent advice to be taken by the Borrower, each as a precondition to any restructuring.

9. Termination Event Of Default**9.1.**

The Borrower agrees that Crowdstacker may, on the Lender's behalf terminate the Loan and all Comparable Loans on behalf of all Lenders and demand repayment of the full Loan Amount owed by the Borrower under the Loan and each Comparable Loan if:



9.1.1.

The Borrower or any guarantor misses, fails to pay or only partially pays any amount that is due under the Loan Contract;

9.1.2.

The Borrower has provided false information (including without limitation the purpose for which the Loan has been requested) in a way which affects the decision to allow the Borrower to register as a member of Crowdstacker, the decision to list details of the Loan on the Website or the information that is provided to lenders in contemplation of their lending to the Borrower;

9.1.3.

The Borrower has breached the terms of this Loan Contract and/or any other Loan Contract that it is a party to (including those relating to a different Loan on Crowdstacker) and, in respect of other Loan Contracts only, either notice has been given to the Borrower ending that Loan Contract or Crowdstacker has reasonable grounds to believe that as a result:

9.1.3.1.

The borrower will also breach the terms of this Loan Contract; or

9.1.3.2.

Any of the other events of termination stated in this clause will occur;

9.1.4.

The Borrower has breached the terms of any Security Document or any Security Trust Deed that it is a party to or any future security which the Borrower has provided to the Security Trustee or for the benefit of the Lender;

9.1.5.

The Borrower's membership of Crowdstacker is terminated for any reason under the Borrower T&Cs ;

9.1.6.

A petition is presented which is not discharged within 10 business days, or an order made or an effective resolution passed for the winding up or dissolution or for the appointment of a liquidator of the Borrower;

9.1.7.

The Borrower ceases to pay its debts or is unable to pay its debts as they fall due or is deemed by legislation, contractually or by a competent court unable or admits its inability to do so or makes a general assignment for the benefit of or a composition with its creditors;

9.1.8.

The Borrower ceases to carry on its business or a substantial part of its business;

9.1.9.

Notice is given of an intention to appoint an administrator, a petition is filed or a competent court makes an order for the appointment of an administrator in relation to the Borrower;

9.1.10.

An encumbrancer takes possession or steps are taken for the appointment of an administrator or receiver or administrative receiver or manager or supervisor or sequestrator over the whole or any substantial part of the undertaking or assets of the Borrower;

9.1.11.

Any person who has provided a guarantee for the Loan or any Comparable Loans breaches the terms of any guarantee or other Crowdstacker document that it is a party to or disputes or threatens to dispute the enforceability of that guarantee or other document or suffers or is likely to suffer a material adverse change

to their financial position or Crowdstacker has any reason to believe that a guarantee or security document has become unenforceable and in any case, a replacement guarantee or security document has not been provided to Crowdstacker's reasonable satisfaction within 14 days of a request from Crowdstacker;

9.1.12.

The Borrower (or if any person who has provided a guarantee for the loan) dies, becomes of unsound mind, becomes bankrupt or makes a voluntary arrangement with anyone that they owe money to;

9.1.13.

Where the Borrower is a partnership, the composition of the partnership materially, in the reasonable opinion of Crowdstacker, changes following the date of any Loan Contract or any partner dies, becomes of unsound mind, becomes bankrupt or makes a voluntary arrangement with anyone that they owe money to; or

9.1.14.

If a claim by HM Revenue & customs (or any other governmental department of agency or other public body) is or is reasonably likely to be adversely decided against the Borrower and the Borrower does not meet any payment obligation relating to that claim within the required period.



10. Security & Enforcement

10.1.

Where indicated in the Key Commercial Terms, the Security shall be held for the benefit of the Lender and all lenders of Comparable Loans by the Security Trustee on the terms of the Security Trust Deed.

10.2.

If an event of default has occurred under any Security Document the Security Trustee is entitled to enforce the Security on the terms of the Security Trust Deed.

11. Waiver

11.1. A waiver of any right under the Loan Contract and loan T&Cs is only effective if it is in writing and it applies only to the party to whom the waiver is addressed and to the circumstances for which it is given or is set out in the Key Commercial Terms.

11.2.

Unless specifically provided otherwise, rights arising under the Loan Contract and the Loan T&Cs are cumulative and do not exclude rights provided by law.

11.3.

Any waiver by either party of a breach of any provision of the loan contract or the loan T&Cs shall not be considered to be a waiver of any other or later breach of the same, of any other provision.

12. Severability

12.1.

Notwithstanding that the whole or any part of any provision of the Loan Contract or the Loan T&Cs may prove to be illegal or unenforceable, the other provisions of the Loan Contract or the loan T&Cs and the remainder of the provision in question shall continue in full force and effect. In relation to any illegal or unenforceable part of the Loan Contract or the Loan T&Cs, the parties hereto agree to amend such part in such manner as may be requested from time to time by any of the parties hereto provided that such proposed amendment is legal and enforceable and to the maximum extent possible carries out the original intent of the parties in relation to that part.

13. Representations

13.1. The Borrower confirms that, in entering into this Loan Contract, it has not relied on any representation made by or on behalf of Crowdstacker or any of the lenders or on any written statement, advice, opinion or information given to the Borrower in good faith by or on behalf of Crowdstacker or any of the Lenders; and has been and will continue to be solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Loan Contract.

14. Restrictions

14.1.

In entering into this Loan Contract, the Borrower agrees that it will not borrow any monies from its directors, officers, members, partners, shareholders or any other third party that ranks in priority of recovery to the Loan. In the event that the Borrower does enter into any such loan, the rights to payment of that Loan will be subordinated behind the Loan, except to the extent otherwise required by insolvency law.

14.2.

In entering into this Loan Contract, the Borrower agrees that it will not enter into any other new borrowing arrangement (or any arrangement having the effect of a borrowing) with any third party where the total amount of external finance raised from third parties would as a result exceed 30% of the total amount lent to the Borrower through the Crowdstacker Platform without the prior written consent of Crowdstacker. Such consent shall not be unreasonably withheld. This clause shall not restrict the Borrower from entering into asset-specific financing or invoice purchasing arrangements.

15. Limited Liability Partnerships

15.1.

In the event that the Borrower is a partnership, by entering into the Loan Contract the Borrower makes the following declaration:



"I confirm that i am authorised by the partnership to enter into this agreement for and on behalf of the partnership and that i am authorised by the partnership upon entering into this agreement to bind the partnership to the terms of this agreement."

16. Third Parties

16.1.

The Borrower and Lender agree that, while Crowdstacker is not a party to the Loan Contract, Crowdstacker may take the benefit of and specifically enforce each express term of the Loan Contract and any term implied under it pursuant to the Contracts (Rights of Third Parties) act 1999 on behalf of the Lender.

16.2.

The records kept by Crowdstacker shall be conclusive of the facts and matters they purport to record except where there is an obvious error.

17. Notice

17.1.

Any notice or other communication to be given under the Loan Contract or the Loan T&Cs must be in writing and will be served by delivering it personally or by email and for the attention of the relevant party mentioned below (or as otherwise notified by that party). Any notice will be deemed to have been received:

17.1.1.

If delivered personally, at the time of delivery;

17.1.2.

In the case of email, at the time of transmission.

17.2.

The addresses of the parties for the purposes of Loan Contract or the Loan T&Cs are as set out in the Key Commercial Terms, or such other address as may be notified in writing from time to time by the relevant party to the other party.

18. Governing Law & Jurisdiction

18.1.

The Loan Contract and the Loan T&Cs and any disputes or claims arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims) are governed by and construed in accordance with, the law of England.

18.2.

The Lender and the Borrower irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Loan Contract and the Loan T&Cs or their subject matter or formation (including non-contractual disputes or claims)



Risk Warnings

The Krinvest Care Loans

The Crowdstacker Platform matches businesses looking to borrow with investors looking to invest.

Although investing can be rewarding, it may involve a number of risks. If you choose to lend through Crowdstacker, you need to be aware of four important considerations:

1. Loss of capital

All investment involves an element of risk. Past performance of any company, including those with good cash flow and a healthy balance sheet, may not be a good guide to their successful performance in the future. Lending to businesses via Bonds, Loan Notes and Peer to Peer Loans can lead to a loss of your capital if they default. You should not lend more money than you can afford to lose.

2. Illiquidity

Any lending you carry out through Crowdstacker could be highly illiquid. There is currently no active secondary market, although investments are transferable if you can find a willing transferee. Even for a successful investment that is being repaid on time, the underlying principal debt you have invested may not be accessible to you until the investment expires. In particular, if you are over the age of 60 at the time of investing you should consider the effect this illiquidity could have on your lifestyle.

3. Diversification

Lending to businesses via Bonds, Loan Notes and Peer to Peer Loans should be done as part of a diversified portfolio. This means that you should invest small amounts in multiple asset classes as opposed to a large amount in one or a few. You should also invest only a small proportion of your investable capital in this asset class, with the majority of your investable capital invested in safer, more liquid assets. You can further diversify by lending to multiple businesses on the Crowdstacker Platform as opposed to just one.

4. Tax

You are responsible for the administering of your own tax affairs, which may include capital gains and income tax. We do not provide tax advice and you should seek this independently before investing if you are unsure of your position. It is your responsibility to ensure that your tax return is correct and is filed by the deadline and any tax owing is paid on time. If you are unsure how this investment will affect your tax status, you must seek professional advice before you lend.

Please note that lending through Crowdstacker is not covered by the Financial Services Compensation Scheme.





KR HEALTH & SOCIAL CARE

CROWDSTACKER®

February 2018



Best P2P
Provider



Best Innovative
Finance ISA
Provider



Best Peer to
Peer Lending
Platform



Best Alternative
Finance Company