Clementine

10%pa GREEN LOAN NOTES.

Capital at Risk

DRIVEN BY DEMAND.
REPAID BY TRADE.

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"MAKING THE UK'S BUILDINGS MORE ENERGY EFFICIENT IS NOW **STRUCTURALLY IMPORTANT** AT A NATIONAL LEVEL. THE GROWTH OPPORTUNITIES FOR INSTALLERS ARE SUBSTANTIAL."

WHAT ARE PRIVATE LOAN NOTES?

Clementine Services Limited is pleased to bring our investors access to the fast growing markets of trade services and green installations via **private loan notes**.

Loan notes are corporate debt investments issued directly by companies that are often used to fund growth plans.

We are a Newcastle-based facilities management business growing at pace, servicing a wide diversity of customers from private home owners, to corporate clients, lettings agents, landlords, local authorities and more.

Our loan notes provide agile peer-to-peer financing for the expansion of new field teams, vans and kit in pursuit of our business objectives.

WHO WE ARE.

Clementine Services is a facilities management business that specialises in trade services and green installs throughout the North East.

We are a subsidiary of Adavo Group; a respected property developer established in 2010. We are on a journey of expansion targeting a 200+ strong field team and earnings of £2m-£3m+.

Adavo Group operates over 150+ offices in the North East, and Clementine has long been the maintenance arm tasked with looking after each of our buildings and making sure they are well maintained and as energy efficient as possible.

Post-covid, we are expanding rapidly into new markets and selected key growth areas. There has been a huge increase in demand for new installations that make buildings more energy efficient.

We are using our loan note structure to expand our facilities business and capture the opportunity over the coming years. It is a very investable model.

Our ambitions are national and we are already well underway towards achieving that goal.

VALUE CREATION

Each loan note puts new vans, trades-people and installers on the road and into revenue production.

Our onboarding, training and deployment programme allows each team to become revenue generating within 12 weeks, and profitable from 6 months onwards.

Clementine has tried and tested systems that achieve a stable and diversified income stream within very predictable timescales. It works well and we are using loan notes to expand rapidly.

Each note also includes allowances to fund the requisite ratio of back office, booking, dispatch and sales support that helps us achieve an average of 81%+ diary utilisation.

The usual net monthly profit margin per person is around £1,000-£1,500. This equates to around £50-£75 net margin per day.

Aggregating these revenues stream over the next 3-5 years will unlock the next round of private equity interest.

Each £25k private loan note draw down will fund:

- Two additional field team members.
- Two new vans. (fully branded for advertising)
- All tools, uniforms, & consumables.
- Onboarding, training and monitoring.
- Admin support. (allocation)
- Sales support. (allocation)

USE OF FUNDS.

“CLEMENTINE HAS A GREAT TRACK RECORD OF INSTALLS, A TALENTED WORKFORCE, ENJOYS A GROWING ORDER BOOK, AND HAS HUGE OPPORTUNITIES IN THE MARKET. IT’S TRULY AN EXCITING TIME TO BE INVOLVED.”

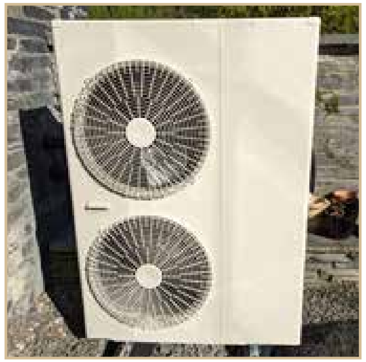
Clementine Services is a process-orientated business that drives quality through every part of our service. We have high standards that aim to build a pool of happy customers, field teams and support staff to position us ahead of our natural competitors in both service levels, growth and returns.

We have proven to be very well organised.

Our business is rooted on strong foundations. We have years of experience and have refined our business model to a point where we can consistently deliver results. We are a well ran, growing business within a growing industry.

To us, performance in investment means a successfully repaid loan note creating a productive Clementine workforce.

STANDARDS.



GROWTH MARKETS.

COMBI SWAPS

The highest movement in an Energy Performance Certificate rating remains to change to a modern, A+ rated condensing combi boiler. This will remain the net largest volume of work for many years still.

AIR SOURCE HEAT PUMPS

The government has targeted the installation of 600,000+ heat pumps nationally. Clementine is now training new engineers to tackle this workload.

INSULATION & AIR TIGHTNESS

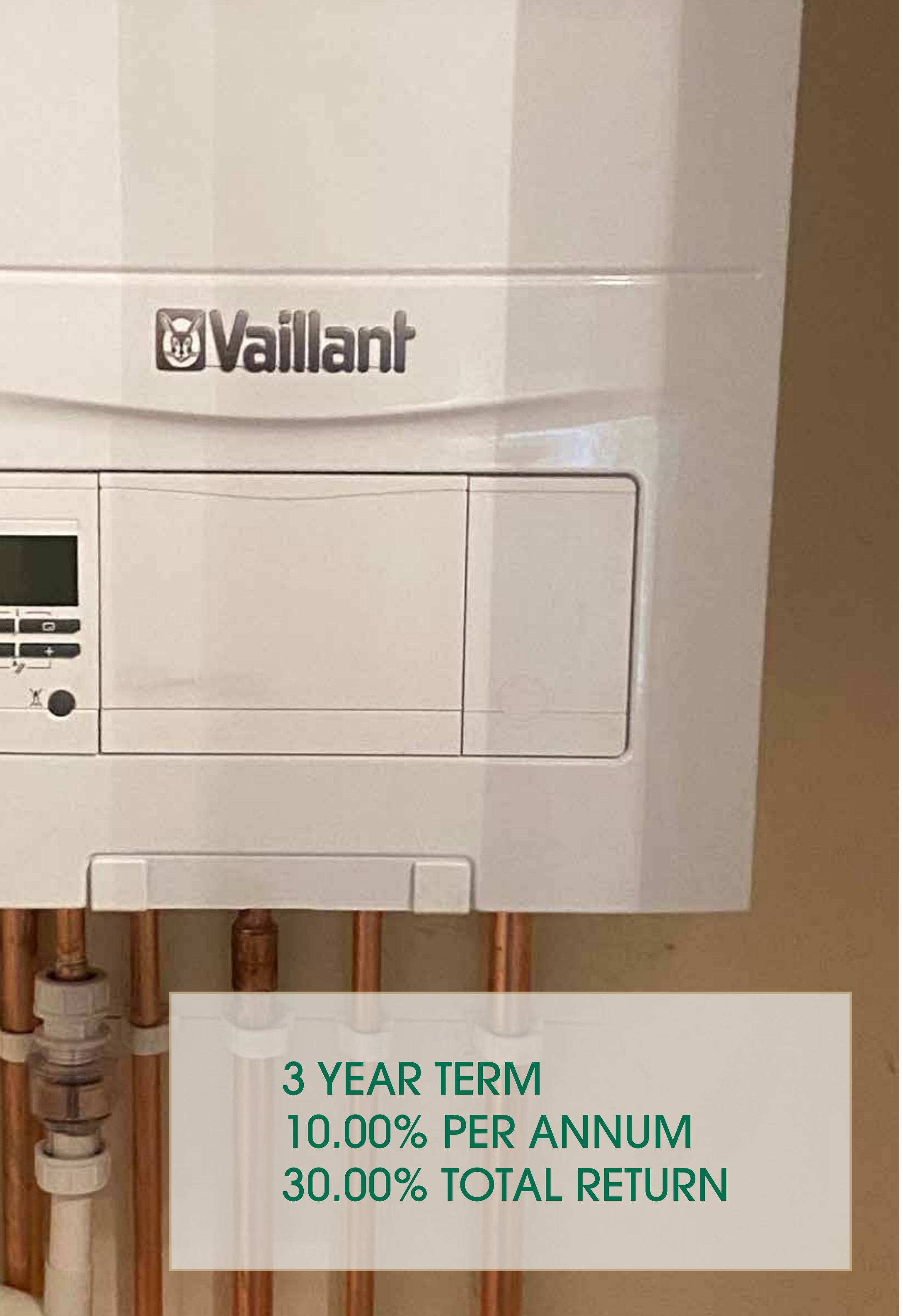
Making homes more thermally efficient is a core part of reducing the energy demand year round. External Wall Insulation is a particular growing market.

SOLAR PV PANELS

Making the most of our roof space generation will form a big part nationally in providing small power to homes. This also creates financing opportunities as well as installation work.

EV CHARGING POINTS & HOME BATTERIES

Having the ability to store power in the home is the next big change to all UK homes. Charging points are also seeing increasing demand nationally.



3 YEAR TERM
10.00% PER ANNUM
30.00% TOTAL RETURN

OFFERED RETURN.

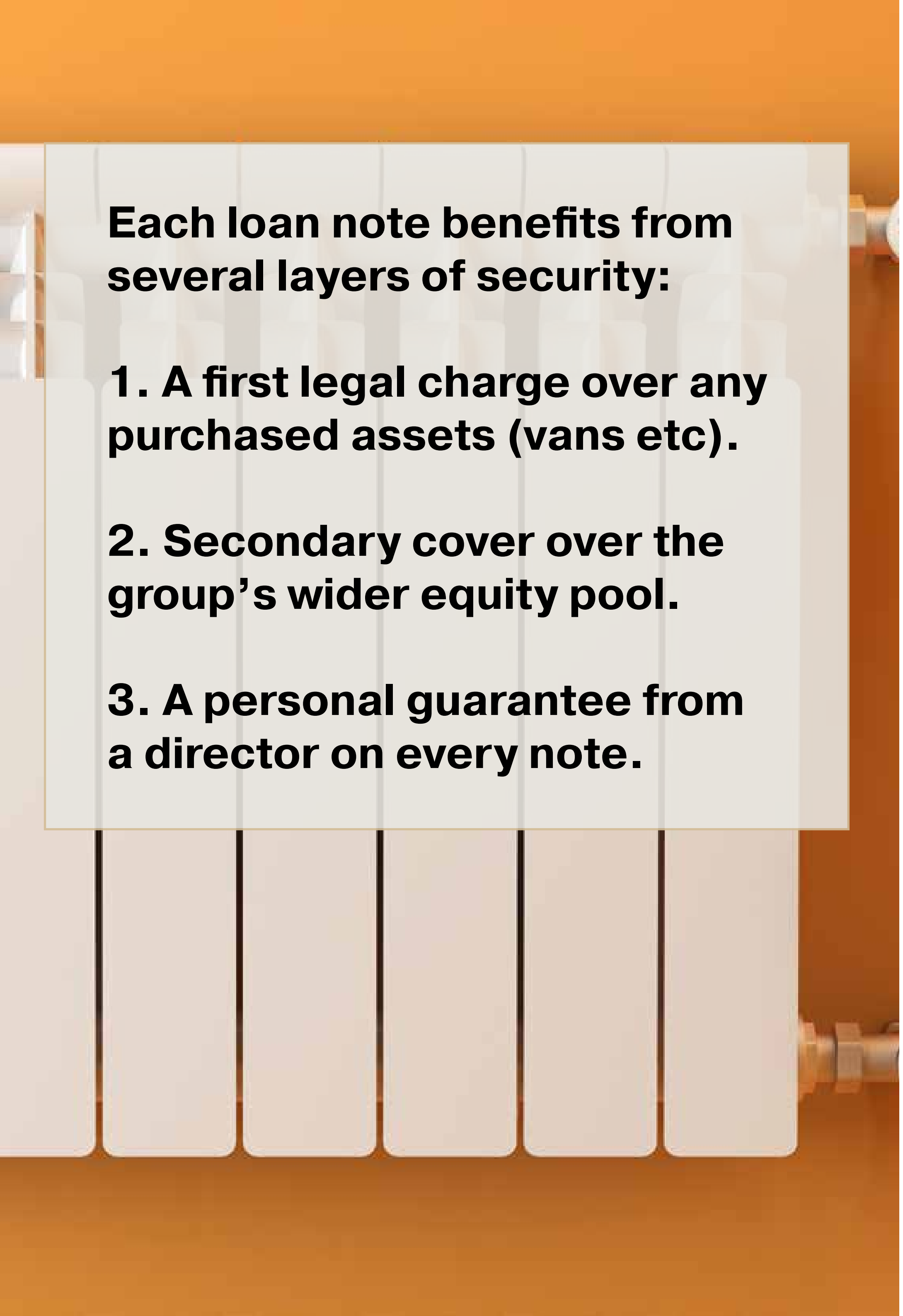
Investors in each loan note receive an attractive **10%pa net return** on the invested sum for the medium risk that is being assumed in lending to an established business.

Your return is paid monthly on the 1st of each month with all capital is returned at the end of the standard 3 year term.

The coupon is passed through to the consortium of small private lenders net of basic rate tax.

The notes can be either interest only or interest and capital repayment. For the capital repayment option, the first year is paid as interest-only, to allow the new team to build up to profitable revenues and a full working diary. The note can then progresses to interest plus capital repayment for 24 months and concludes at the end of the 3 year term.

Each note will return a total 30% over the 3 year term.



Each loan note benefits from several layers of security:

1. A first legal charge over any purchased assets (vans etc).

2. Secondary cover over the group’s wider equity pool.

3. A personal guarantee from a director on every note.

SECURITY AND COVER.

We ensure that the note has good cover in terms of security, including the earning power of each new trade crew as well as further cover from the wider group.

MONTHLY INTEREST COVER

Our onboarding programmes allows each team to begin to generate revenue within 12 weeks, and routinely hit their **average revenue per day targets of £375-£500pd**.

Over the life of each loan note this gives more than **2x cover (very nearly 3x) for the monthly interest payments** and then in turn supports monthly capital repayments.

GROUP COVER

Each loan note also benefits from further cover from our parent company’s asset pool as well as benefitting from directors guarantees to provide additional security. This ensures both lender and borrower are suitably aligned.

BUYING INTO GROWTH TRENDS

One of the foundations of our strategy is to go where the customer demand is. **The home improvement market in the UK is currently experiencing phenomenal growth as changes at a global and government level drive the need to reduce carbon emissions from all UK homes.**

We are experiencing huge demand across several key aspects of energy efficiency and are growing our installation capability month-on-month at present.

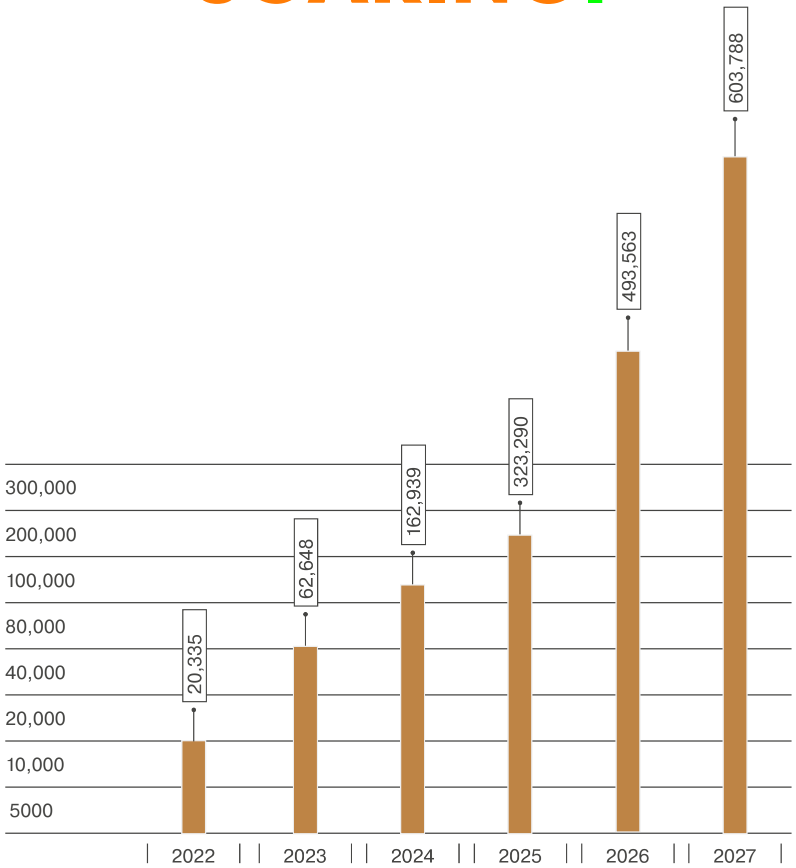
Consumers en-masse are now moving towards more thermally efficient homes and this will require lots of new installations of boilers, heat pumps, heating controls, insulation, air tightness and more.

This change is being observed and recognised by virtually all industry commentators and analysts. These purchasing trends are not going away for many years to come. The opportunity is compelling.

"WE NEED TO TRAIN AN ARMY OF INSTALLERS RIGHT NOW. THE TARGETS ARE HUGE."

IDEAL BOILERS

DEMAND IS SOARING.



NUMBER OF ANNUAL HEAT PUMP INSTALLATIONS

"WE ARE ON A JOURNEY TO GROW OUR REVENUES TO £2-3M EBITDA OVER THE NEXT 3-5 YEARS, AND AT THAT POINT CAN EFFECT A PARTIAL EXIT AT AROUND A 7-8X MULTIPLE.

THE TARGET EXIT VALUE IS £14M - £20M."

PLANNED EXIT.

PRIVATE EQUITY OPPORTUNITY

Clementine Services is working towards a clear private equity exit opportunity ahead of us. As we continue to grow our earnings towards £2m+ and beyond we will move in range of private equity.

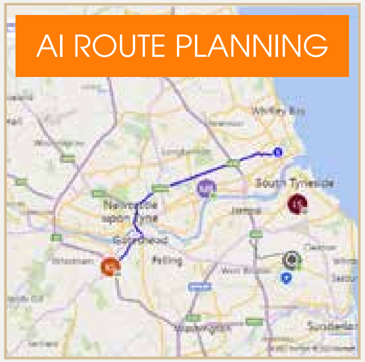
There are a number of acquisitive operators active in the industry. **We have already had several favourable early discussions, and this is certainly in range.**

REPAYMENT VIA CASH FLOW

Each note can also be paid back from the productivity of the field teams it has been used to fund, usually within a three year period.

The capital can be repaid starting from month 13 and is repaid over a period of 24 monthly instalments.

Our private loan notes currently have a 100% track record on exit and we do offer a secondary market for early redemption.

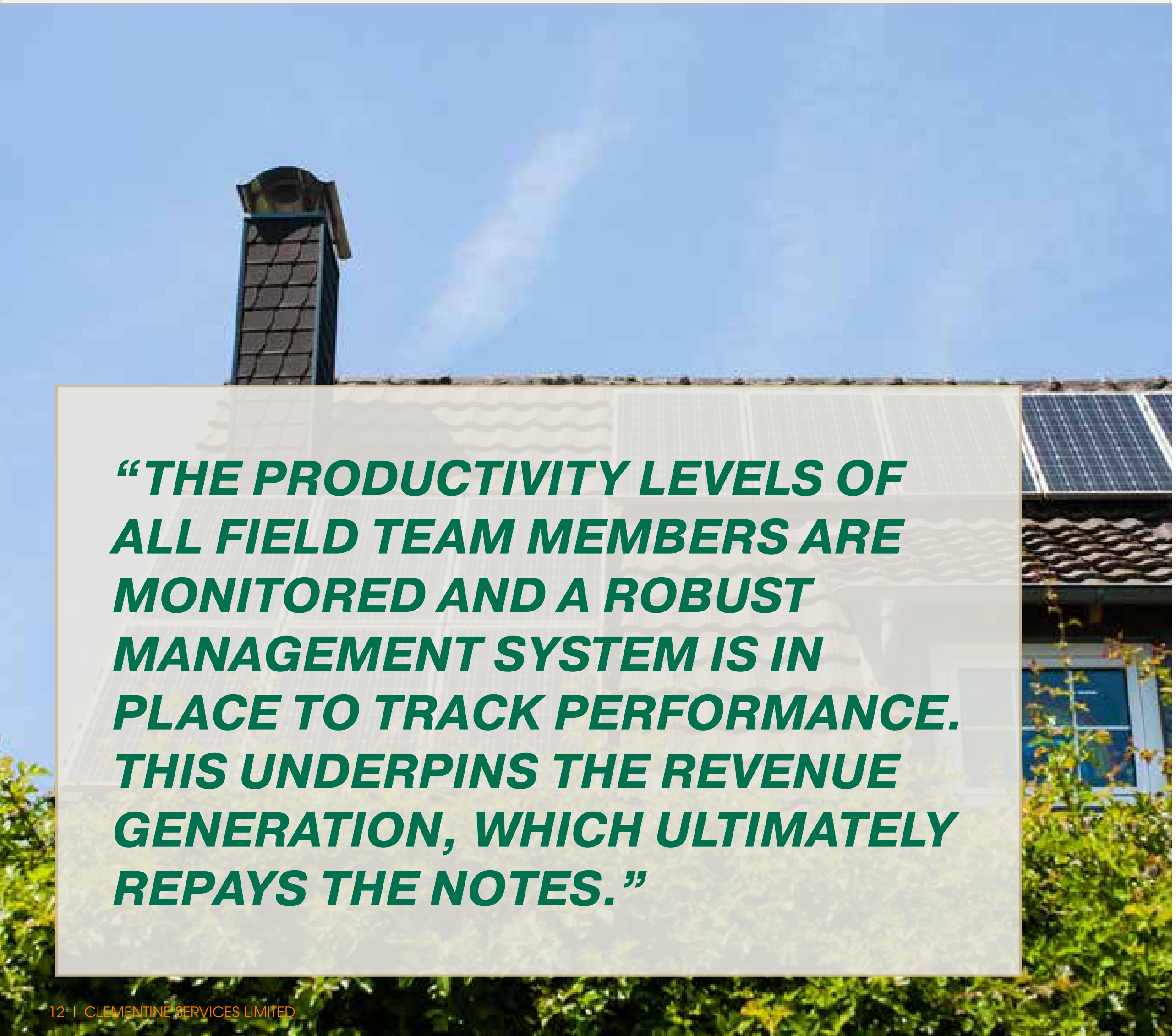


All of our installations, work orders and projects come with ongoing monitoring.

The success of Clementine rests hugely on maximising utilisation and average revenue generation whilst minimising callbacks.

Our cutting edge systems give us daily, live oversight of these key metrics. This aims to ensure that each installation is done right first time and that due care and attention is given to every customer interaction. Make every customer a fan is the standing rule.

Our modern systems and processes are key to the accuracy of our accounts and MI. Lenders have access to regular updates and informative financial reports forwarded in a timely fashion.



"THE PRODUCTIVITY LEVELS OF ALL FIELD TEAM MEMBERS ARE MONITORED AND A ROBUST MANAGEMENT SYSTEM IS IN PLACE TO TRACK PERFORMANCE. THIS UNDERPINS THE REVENUE GENERATION, WHICH ULTIMATELY REPAYS THE NOTES."

MONITORING.

- 160+ CONSECUTIVE PAYMENTS
- 100% PAYMENT HISTORY
- GROUP ESTABLISHED 13+ YEARS
- 100% REDEMPTION HISTORY
- ALL PAYMENTS MADE DURING COVID

TRACK RECORD.

INCOME

As a group, our businesses have generated gross revenues of over **£4m+** in receipts from our rents, installations, and additional services.

Our income has grown steadily for the past twelve quarters and is set to continue to grow as we bring new installation revenue streams online, giving us strong, profitable cash income alongside the steady, very dependable recurring rental income.

ASSETS

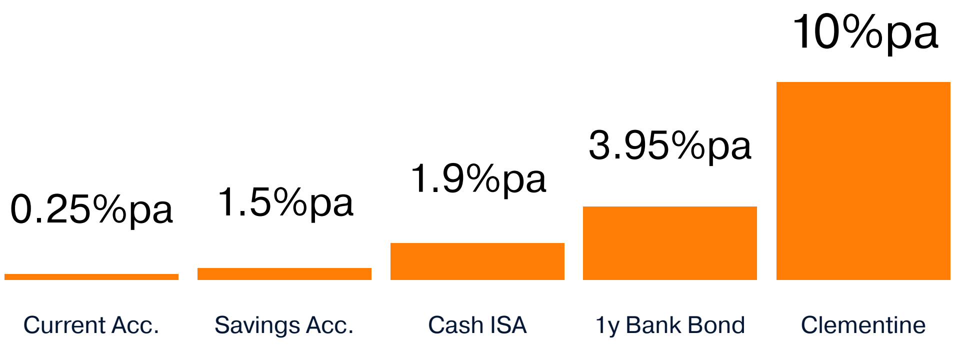
Our balance sheet shows a gross asset value of £10.15m+ and a net asset value of over **£3m+.** This is expected to grow to £11.4m and a net £4.55m after current pipeline completion.

EARNINGS

EBITDA on a rolling 12 month forecast is expected to exceed £500k+ this year.

PUTTING SMALL CAPITAL TO WORK.

COMPARING ALTERNATIVE RETURNS



Protection: £85k FSCS	Protection: £85k FSCS	Protection: £85k FSCS	Protection: £85k FSCS	Protection: At Risk

Capital at risk. Investments can go down as well as up.

In a post-pandemic, high-inflation environment, adjusted returns are currently at historic lows. Interest rates on all savings are increasing but, whilst the natural inclination is to prioritise safety, inflation is currently higher than the rates on offer, meaning a negative net performance for even the best savings rates. Putting capital to work at 10%pa via private loan note investments is an attractive proposition.

Clementine Services' loan notes are a good balance of risk vs reward. **They are built on a solid, proven business model with an outstanding 160+ monthly payment history to our lenders and investors.**

Our investors also have the peace of mind that our parent, Adavo Group, has one of the best track records in property.

KEY FIGURES.

	3 Year Fixed Term & Rate
Protection	1. First charge against vehicles, tools & equipment purchased (per note) 2. Secured against wider parent company equity pool (floating charge) 3. Personal guarantee from director
Term	36 Months
Minimum Investment	**£25,000 increments** up to £100,000 (Initial draw down per crew from £25,000 upwards)
Maximum Investment	£250,000
Annual Return	10.00% per annum
Income Paid	Monthly. Interest Only in Year 1. Interest + Capital Repayment in Years 2 & 3.
Withdrawal & Access	On agreed notice (90 days & Best Endeavours Basis During Term, 1% Early Exit Fee).
Fees	0% on Direct investment via Clementine Services.
Tax Status	Income paid net of basic rate tax.

RETURNS TABLE.

Note (Amount)	Year One (Interest Only)	Year Two (Interest + Capital)	Year Three (Interest + Capital)	End of Term (Total Returns)
£25,000	£2,500 £208 per month	£17,500 £208pm + £1,042pm	£32,500 £208pm + £1,042pm	£7,500 interest earned £25,000 capital returned
£50,000	£5,000 £417 per month	£35,000 £417pm + £2,083pm	£65,000 £417pm + £2,083pm	£15,000 interest earned £50,000 capital returned
£75,000	£7,500 £625 per month	£52,500 £625pm + £3,125pm	£97,500 £625pm + £3,125pm	£22,500 interest earned £75,000 capital returned
£100,000	£10,000 £833 per month	£70,000 £833pm + £4,167pm	£130,000 £833pm + £4,167pm	£30,000 interest earned £100,000 capital returned
£125,000	£12,500 £1,042 per month	£87,500 £1,042pm + £5,208pm	£162,500 £1,042pm + £5,208pm	£37,500 interest earned £125,000 capital returned
£150,000	£15,000 £1,250 per month	£105,000 £1,250pm + £6,250pm	£195,000 £1,250pm + £6,250pm	£45,000 interest earned £150,000 capital returned
£175,000	£17,500 £1,458 per month	£122,500 £1,458pm + £7,292pm	£227,500 £1,458pm + £7,292pm	£52,500 interest earned £175,000 capital returned
£200,000	£20,000 £1,667 per month	£140,000 £1,667pm + £8,333pm	£260,000 £1,667pm + £8,333pm	£60,000 interest earned £200,000 capital returned
£250,000	£25,000 £2,083 per month	£175,000 £2,083pm + £10,417pm	£325,000 £2,083pm + £10,417pm	£75,000 interest earned £250,000 capital returned

FEES AND CHARGES.

Our loan note investments are simple and transparent. They are directly used to create new jobs which generate revenue production immediately .

Each investment is specifically set against a designated team which can be reported upon by request. We report all our monthly figures both in total and per crew to make each investment performance transparent and open book. Each note enjoys a clear accounting trail.

There are 0% admin fees attached to direct investment into Clementine. These are direct notes issued from Clementine itself and as such are very efficient. Our cash profitability allows us to pass that efficiency through to the loan note holders in the form of a higher coupon.

Capital from each note is clearly dedicated and controlled. Invested funds can only be used for the stated use of funding install teams in accordance with the investment agreement. It’s a process that works well.

THE NEXT STEPS : HOW TO PROCEED.

PUTTING YOUR CAPITAL TO WORK...

Should you be interested in finding out more please contact a Clementine team member.

A formal investment pack and application form are available upon request. Existing investors can extend their current investments into a new Clementine loan agreement prepared by our prominent and respected legal team.

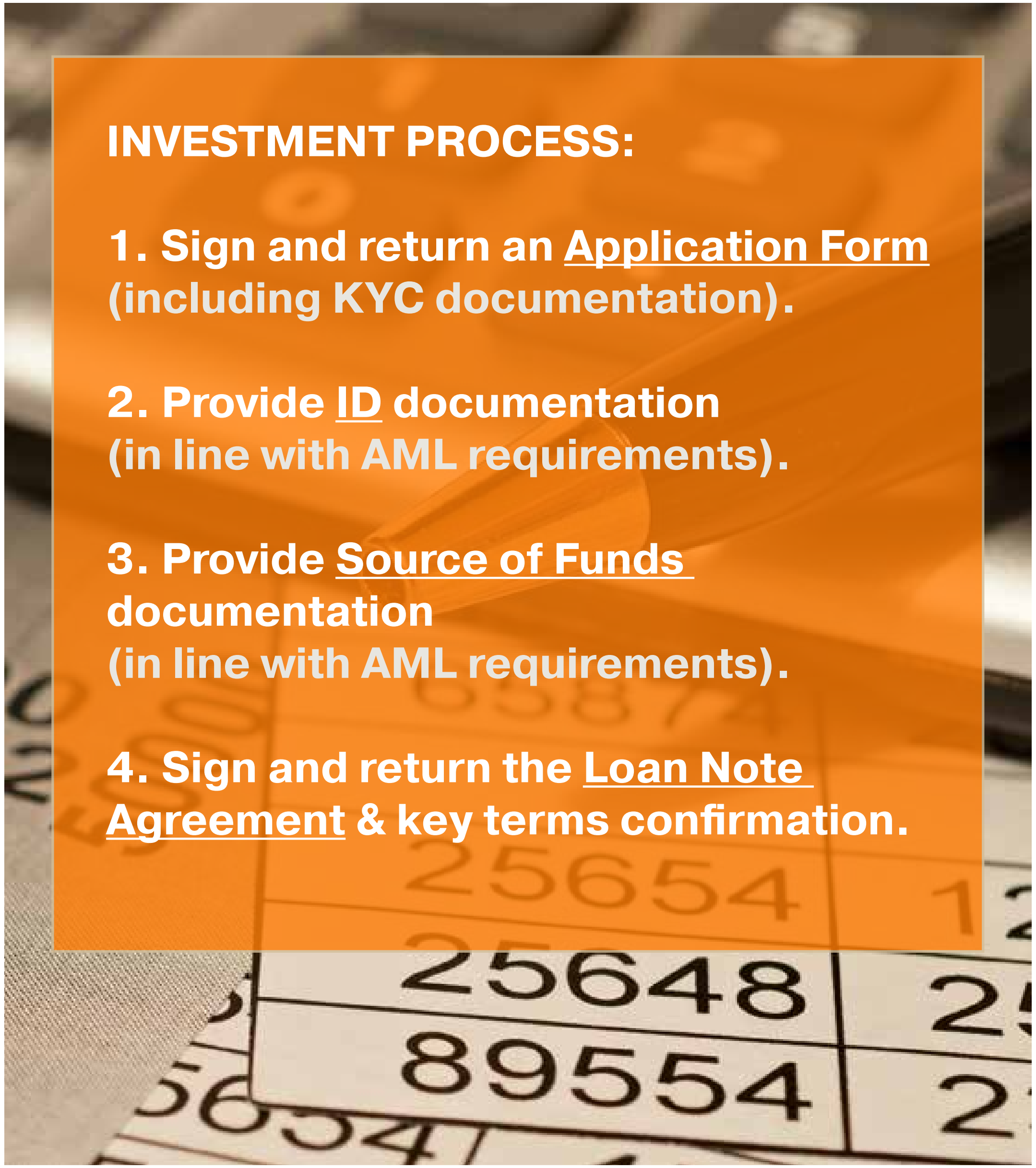
Investors are openly invited to come and tour our live sites and current installation projects. We find that this is the best way to authenticate the process.

New investors to Clementine will be asked to provide certified ID and source of funds documentation. This is investment standard practice and in accordance with anti-money laundering legislation.

CONTACT

Email us at **admin@clementine.services**

Call us to discuss next steps on **0191 323 3398**.



INVESTMENT PROCESS:

1. Sign and return an Application Form (including KYC documentation).

2. Provide ID documentation (in line with AML requirements).

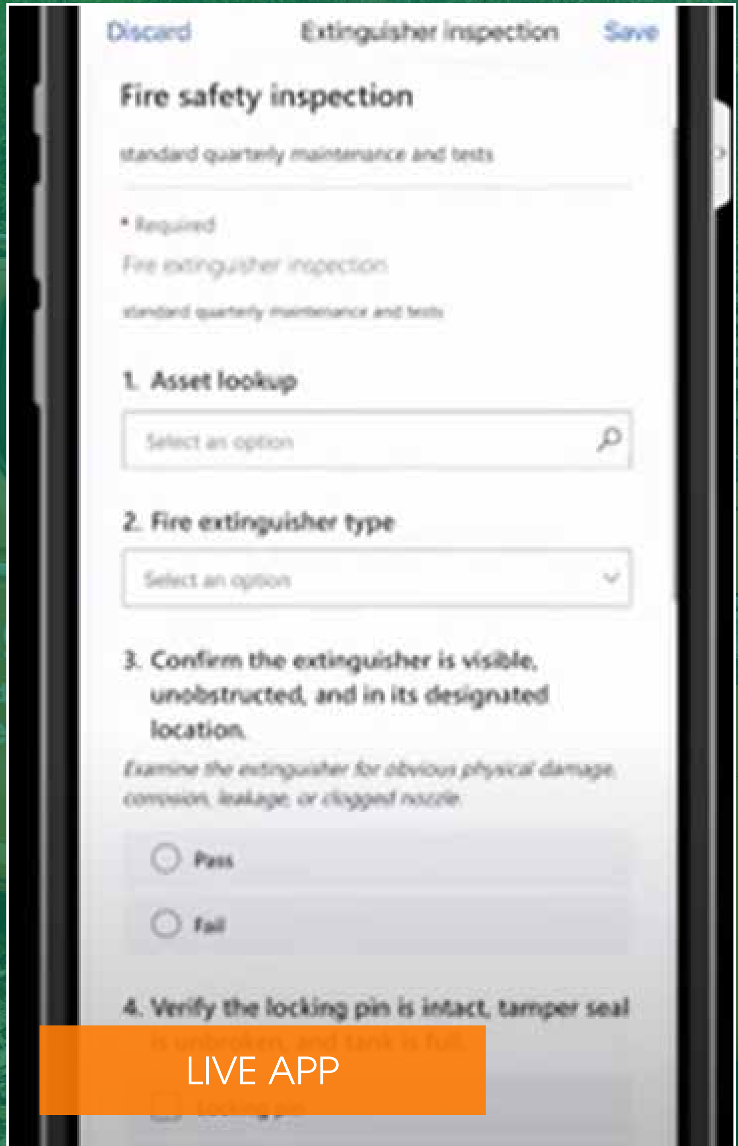
3. Provide Source of Funds documentation (in line with AML requirements).

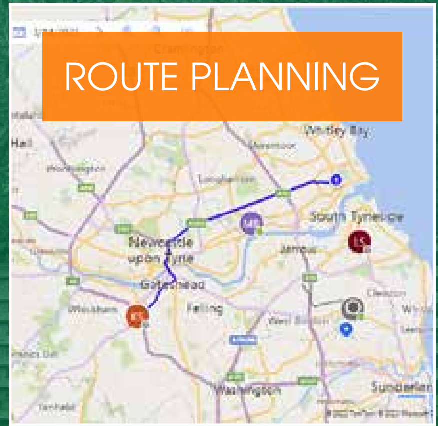
4. Sign and return the Loan Note Agreement & key terms confirmation.

APPENDIX.

ADVANCED SYSTEMS.

We uses **Dynamics Field Service AI** to give route optimisations and live oversight of all field teams.





GREEN INSTALLS.

Huge growth markets with traction, momentum and good exposure to government policy & funding.

Heat Pumps

Insulation

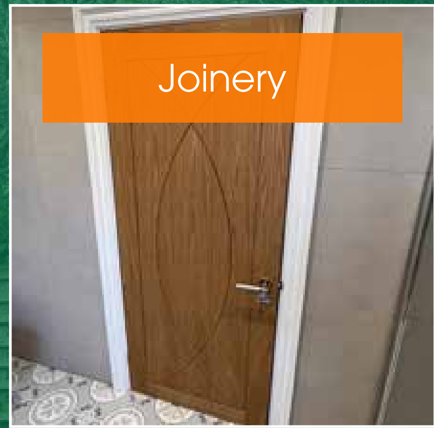
Home Batteries

Solar Panels

Air Tightness

TRADE SERVICES.

Diversified revenue streams from a variety of trades gives stable income and reduces concentration risk.



CONTRACT WORK.

Commercial facilities management contracts, often over 3 years, offer large volumes of repeating work.

Fit-Out Work & Planned Maintenance

BRANDING.

We have developed a nationally applicable brand signature, mark and colour set that has been well received.

Clementine

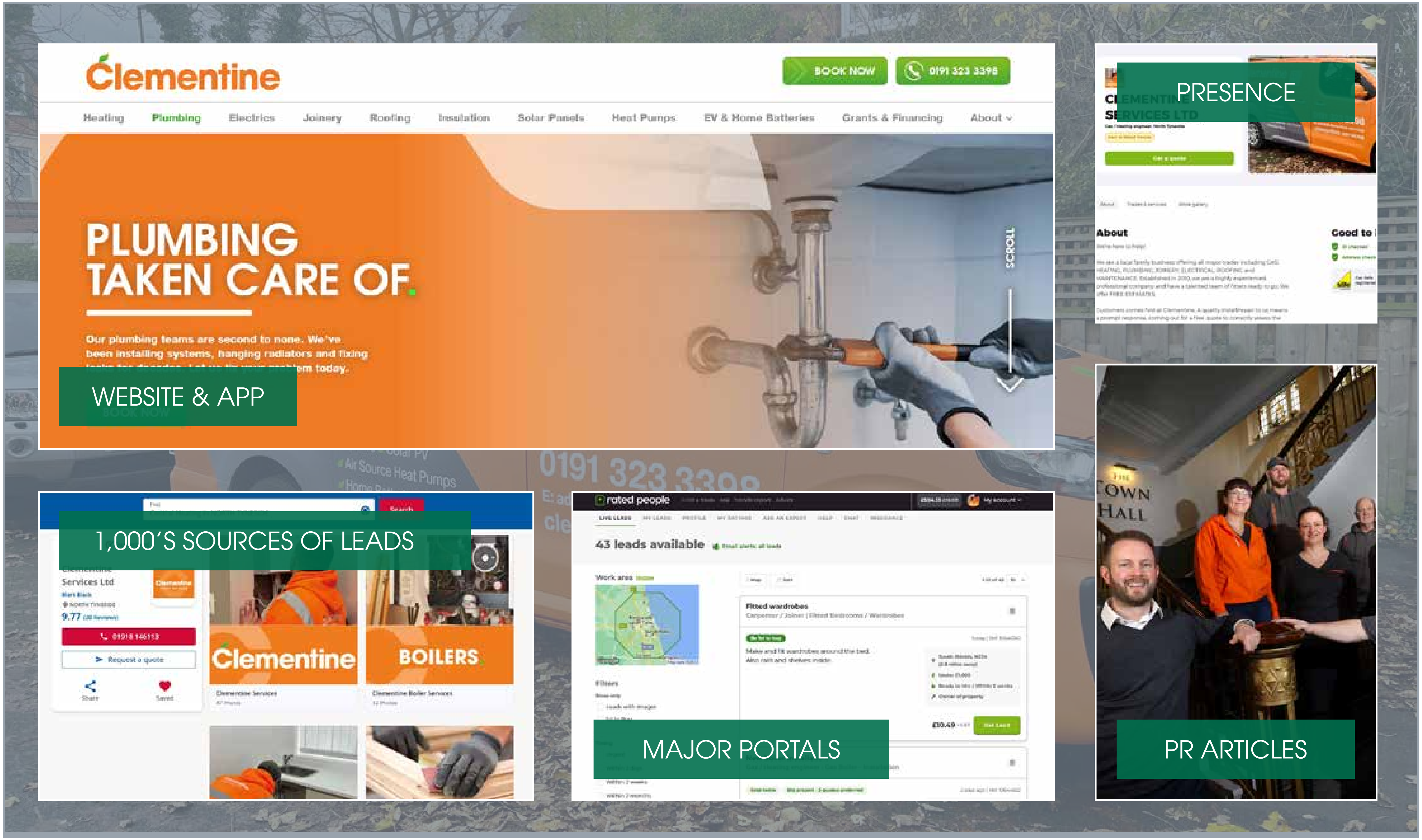
Property taken care of

LOGO

BRAND MARK

MARKETING ENGINE.

Clementine markets through a wide array of promotional channels and media outlets.



IMPORTANT INFORMATION.

This brochure is issued by Clementine Services Limited, a subsidiary of Adavo Limited of The Town Hall, High Street East, Wallsend, Tyne & Wear, NE28 7AT.

PRIVATE LOAN NOTES ARE UNREGULATED INVESTMENTS

Clementine is a value-driven, ethical asset manager. We endeavour to conduct our business to the highest standards and at all times present our information in a **fair, clear and not misleading** fashion. We have sought high level advice in order to ensure we comply fully with current FCA regulations. We are committed to operating within the guidelines of the FCA and take our duty to do so very seriously. Ensuring our clients receive a fair, accurate and suitable service is a constant reference point for our business.

The UK property market is not a regulated market and as a property firm we are not authorised by the FCA. We are also not authorised from a general investment advice standpoint which is why the products offered by Clementine should only be considered as high risk SME investments. Our loan note investments do not qualify for the Financial Services Compensation Scheme nor the Financial Ombudsman Scheme. The only redress in most property investments is likely to be the underlying assets themselves.

The value of any investment can rise or fall. You may be at risk of losing some or all of your invested sum. This could mean that you won't get back the full amount you originally invested. Investors should seek independent legal advice from suitably competent and authorised professionals.

The FCA state that a guarantee is only as good as the person or firm that offers it. Whilst this brochure highlights the asset backed, secured and guaranteed nature of our property investments please consider that no guarantee is ever 100% secured.

SEEK INDEPENDENT FINANCIAL AND LEGAL ADVICE

We try to make sure that all the information we present is accurate. It is also a policy to suggest that any individual considering investing with Clementine does not commit more than 50% of their total available capital on the basis of prudence. In order that you come to a considered and suitable decision we strongly recommend seeking independent advice from competent professionals. For the legal validity of our agreements we recommend that you speak with an independent solicitor. We also recommend that you speak with an independent financial advisor regarding the suitability of our loan note investments for your circumstances and goals. We are more than happy to speak to, or meet with if you prefer, your advisors at any time.

Whilst a secondary market for any investment is reactively facilitated by Clementine, this is operated on a best endeavours basis. It is an illiquid asset class and any invested amount should be considered illiquid and therefore may be difficult to liquidate prior to the set term outlined if your circumstances change.

DUE DILIGENCE RECOMMENDED

We propose that potential customers conduct their own due diligence or if not sufficiently comfortable with this that they seek out an appropriate person, preferably an IFA, to perform this process for them. We are entirely transparent and are happy to submit to any checks requested.

CLEMENTINE SERVICES LIMITED

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Clementine

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Loan Notes are for High Net Worths and Sophisticated Investors only. They are not regulated by the FCA and do not qualify for the FSCS (Financial Services Compensation Scheme) nor the Financial Ombudsman Scheme. They are considered high risk for the purposes of investment and are considerably higher risk than a bank savings account. ISA eligibility does not prevent consumers from losing their money.

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