



Suitable for sophisticated and professional investors. Wellers Impact is authorised and regulated by the FCA

Wellers iMPACT

Transformative impact through real estate investment

Refinancing to deleverage current structure

Wellers Impact

Who we are: UK-based, FCA regulated impact investment manager. We work with ethical partners (i.e. charities, not-for-profit groups and ethical businesses) to enable transformative community impact

Our objective: Reducing ethical partners' donor dependency, strengthening them as institutions whilst aiming to offer investors fair financial returns

Our ambition: To unlock innovation and support our ethical partners in releasing over US\$25m a year through our projects

Investment Opportunity

Financial: Investors can attain an attractive rate of return in re-financing a completed 16-storey Grade A commercial development in the desirable suburb of Kilimani, Nairobi, using an asset-backed financial structure

Deal: Refinancing up to c. £4.4m, secured against the development, loan to value of less than 75% based on unsold portion; full building currently valued at c.£7.1m

Key Metrics:

A large proportion of the available space has been sold

CMS-Africa

Who we are: A not-for-profit providing business development and training programs for youth and women across seven African countries including Kenya

Our assets: Owner of prime land in Kilimani, Nairobi, that has recently been developed with a gross development value of c.£7.1m and the potential to generate income of US\$0.35m p.a. from our proportion of the development

Our goal: Use income generated from the development to expand the breadth and depth of business development and training programs

Social: Wellers Impact has a Fair Deal Agreement with CMS-Africa, who contributed their land for the construction period. In return they received c. 20% equity share of the development and will receive a share of any excess profits

Deal: Continued ownership of land, equity share of new development and annual rental income of US\$0.35m

Key Metrics:

- **Program Delivery:** Through increased revenue from rental income, CMS expects to employ new teachers, provide new students with vocational training and enable creation of small businesses
- **Construction:** Provided 15 local students with on-site construction management apprenticeships
- **UN SDGs:** Construction of the development and CMS-Africa's programs directly contribute towards a number of UN SDGs



	Existing Financial Structure	Proposed Financial Structure
Pecking Order ↓	Secured Bank Debt c. £1.5m	Secured Institutional Debt c. £0 - 3.2m (denominated in KeS)
	Secured Mezzanine Debt c. £0.9m	Secured Non-Institutional (Convertible) Debt c. £0 - 3.2m (denominated in KeS)
	Unsecured Subordinated Debt c. £1.6m	
	Equity c. £0.5m	Equity c. £1.2 - 2.0m

Kenyan Economy

- The global economy is expected to contract by 0.9% in 2020 as a result of the spread of COVID-19 vs. forecasts at the beginning of the year of 1.5% growth. Central Bank of Kenya (CBK) has forecasted growth of 3.4% for the country
- As part of the response in relation to the COVID-19 outbreak, the Kenyan government has signalled its intention to release billions of shillings in unpaid bills and speed up tax refunds to inject additional liquidity into the economy. On 23rd March 2020, CBK lowered its lending rate by 100bps to 7.25% and reduced cash reserves to be held by banks
- There will be a slow down in construction stemming from the coronavirus pandemic, it is expected that demand will absorb existing supply of commercial office space. Real Estate is anticipated to be the preferred asset for investment across the country for investors in their hunt for yield

Why Are We Refinancing?

- **Existing Financial Structure:** Capital was raised at project inception in 2016, structure and pricing reflected inherent risk at the time
- **Proposed Financial Structure:** Capital to be refinanced and proposed pricing reflects reduced risk in the project. Further deleveraging will take place through sale of remaining space. Capital will be returned to investors as this occurs, reducing investor risk exposure throughout the term of the financing



For further information or any questions please contact:

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We can facilitate site visits, insight trips, due diligence and provide additional detail on request

RISK WARNING: Please be aware that there is no guarantee that the investments in this document will achieve their objectives. Past performance is not a guide to future performance. The value of these investments and the income deriving from them can go down as well as up and cannot be guaranteed. You may get back less than you invested. The availability and promotion of the products in this document may be restricted by law in certain jurisdictions. This document does not constitute an offer or solicitation to anyone in any such jurisdiction, or to any person to whom it is unlawful in any other way to make such an offer or solicitation. Wellers Impact is authorised and regulated by the Financial Conduct Authority, no 767086.