

Senior Loan Note Investment Opportunity in Glandore Business Centres Ltd

- Loan Notes secured against 2 properties (70% LTC)
- Strong profitable business
- 10% Coupon



Investment Opportunity	<ul style="list-style-type: none"> • Senior Debt to Glandore Business Centres Ltd • Funds raised will be used to assist in funding the purchase of the freehold to two properties that the business currently occupies as lessee 																														
Issuer	<ul style="list-style-type: none"> • Glandore Business Centres Ltd 																														
Investment Structure	<ul style="list-style-type: none"> • Investors will invest by way of loan notes issued by Glandore Business Centres Ltd. The loan notes will be issued directly in the name of the investors and will be governed by a loan note instrument adopted by Glandore Business Centres Ltd. 																														
Issue Size	<ul style="list-style-type: none"> • €3,000,000 																														
Ranking	<ul style="list-style-type: none"> • There is no other debt in the Corporate Structure • The loan notes will be senior loan notes which will be secured by first fixed charges on the two properties being purchased together with floating charge over all assets in the Group • Glandore Business Centres Ltd is the principal trading entity in the Group and will be the owner of the freehold of the buildings • It is proposed that Cantor Fitzgerald Ireland Limited would act as security agent on behalf of the loan note investors in respect of the proposed security. 																														
Use of Proceeds	<ul style="list-style-type: none"> • To acquire two properties as follows: <ul style="list-style-type: none"> ○ 33 Fitzwilliam Sq ○ 24 Fitzwilliam Place • Overall funding summary is as follows: <table border="1" data-bbox="531 1532 1251 1715"> <thead> <tr> <th>Source</th> <th>€</th> <th></th> <th>Use</th> <th>€</th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td>1,619,300</td> <td></td> <td>Property Cost</td> <td>4,315,000</td> </tr> <tr> <td>Loan Note</td> <td>3,000,000</td> <td></td> <td>Stamp duty</td> <td>86,300</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Legal & Other</td> <td>98,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Finance Costs</td> <td>120,000</td> </tr> <tr> <td></td> <td>4,619,300</td> <td></td> <td></td> <td>4,619,300</td> </tr> </tbody> </table> 	Source	€		Use	€	Equity	1,619,300		Property Cost	4,315,000	Loan Note	3,000,000		Stamp duty	86,300				Legal & Other	98,000				Finance Costs	120,000		4,619,300			4,619,300
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Coupon	<ul style="list-style-type: none"> • 10% per annum • Interest payable at 6 month intervals • Early repayment is permitted. A minimum of 6 months interest must be paid 																														
Term	<ul style="list-style-type: none"> • 1 year 																														
Exit	<ul style="list-style-type: none"> • It is proposed that the loan notes would be redeemed within 12 months of issuance. • The Company may redeem the loan notes without penalty at any stage after 6 months from the date of issue of the loan notes. 																														
Default Event	<ul style="list-style-type: none"> • A default event will include failure to repay the loan notes together with interest at the end of term. 																														

Default Remedy	<ul style="list-style-type: none"> The terms of the loan notes will provide a three month cure period under which to remedy an event of default. A penalty interest rate of 1.5% per month (in addition to the 10% interest rate) will apply upon the occurrence of an event of default until such time as the event of default is remedied. 																								
Minimum Investment	<ul style="list-style-type: none"> €50,000 																								
Process	<ul style="list-style-type: none"> Investors must complete, sign and return a commitment agreement to their Cantor Fitzgerald Broker All subscription monies (cleared funds) must be received by 26/01/2016 																								
Business Summary	<ul style="list-style-type: none"> Established since 2001 Provides quality unbranded office & conference facilities in Dublin & Belfast: <ul style="list-style-type: none"> Fitzwilliam Hall, Leeson St Bridge, Dublin 2 33 Fitzwilliam Square, Dublin 2 24 Fitzwilliam Place, Dublin 2 15/16 Fitzwilliam Place, Dublin 2 Grand Canal House, Grand Canal Street, Dublin 4 Arthur House, Belfast Glandore's clients enter license agreements for a specific number of desk spaces License period is for a minimum of 3 months, but 99% take 6 months or more Average stay per client is 18 months Typical clients are: <ol style="list-style-type: none"> Small businesses with < 20 staff; and FDI companies establishing in Ireland (have included Facebook, Twitter, Zynga, Nitro, Dropbox) License agreements also include services such as: Mail & Fax Handling; Professional Call Answering; Company Voicemail; Admin Services; Meeting Room access; Conference Co-ordination; On-site catering Service is supported by in-house data centre which includes: <ul style="list-style-type: none"> Data Centre and UPS Generator Back-Up Cat 6 Data Cabling Unlimited Internet Connectivity URL Filtering, spam and virus blocking IP telephone system In-house IT support 																								
Financial Performance	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #4F81BD; color: white;">Summary</th> <th style="background-color: #4F81BD; color: white;">Y/E June 2014 Actual</th> <th style="background-color: #4F81BD; color: white;">Y/E June 2015 Actual</th> <th style="background-color: #4F81BD; color: white;">Y/E June 2016 Forecast</th> <th style="background-color: #4F81BD; color: white;">Y/E June 2017 Forecast</th> <th style="background-color: #4F81BD; color: white;">Y/E June 2018 Forecast</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td style="text-align: right;">6,478,827</td> <td style="text-align: right;">7,237,318</td> <td style="text-align: right;">9,891,697</td> <td style="text-align: right;">11,485,156</td> <td style="text-align: right;">13,002,798</td> </tr> <tr> <td>Operating Profit</td> <td style="text-align: right;">1,417,103</td> <td style="text-align: right;">1,926,804</td> <td style="text-align: right;">3,075,665</td> <td style="text-align: right;">4,351,747</td> <td style="text-align: right;">5,686,843</td> </tr> <tr> <td>EBITDA</td> <td style="text-align: right;">763,103</td> <td style="text-align: right;">1,683,161</td> <td style="text-align: right;">2,867,665</td> <td style="text-align: right;">4,143,747</td> <td style="text-align: right;">5,478,843</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Revenue increase in year ending June 2016 is a result of additional serviced office space in recently opened premises at Grand Canal House & 15/16 Fitzwilliam Place The addition of Grand Canal House provides 330 additional desk spaces while 15/16 Fitzwilliam provides a further 100 desks. The additional space more than doubles the desk space available in the Dublin offering. Trading to date in current year is on target to meet June 2016 projections 	Summary	Y/E June 2014 Actual	Y/E June 2015 Actual	Y/E June 2016 Forecast	Y/E June 2017 Forecast	Y/E June 2018 Forecast	Turnover	6,478,827	7,237,318	9,891,697	11,485,156	13,002,798	Operating Profit	1,417,103	1,926,804	3,075,665	4,351,747	5,686,843	EBITDA	763,103	1,683,161	2,867,665	4,143,747	5,478,843
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Fees	Cantor will receive a fee of 4% of the funds raised directly from the Company on the completion of the investment.																								

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