

IPsx Prime

The International Property Securities Exchange



Reimagining real estate investment

IPsx is the world's first regulated stock exchange dedicated to the initial public offering and secondary market trading of companies owning single institutional grade real estate assets and multiple assets with commonality.

IPsx has been recognised by the Financial Conduct Authority as a Recognised investment Exchange, providing both real estate owners and investors with the protection of a regulated market.

For investors, IPsx transforms real estate investment, for the first time enabling direct investment into some of the world's most prized institutional grade real estate assets via a public market.

For real estate owners, IPsx provides an alternative capital markets product on a fully regulated basis, expanding the universe of potential investors.

IPsx delivers new and attractive opportunities for both real estate owners and investors providing flexibility, liquidity and transparency along with speed of execution and real time valuation.



IPSX Prime Key Benefits

For Issuers

1. Access to new investors

- ◆ Traditional IPOs on existing generalist stock exchanges are mainly targeted at institutional investors such as pension funds, insurance companies and hedge funds
- ◆ IPSX's regulatory status allows investors of all types, including those in the retail markets, to buy shares in IPSX Prime issuers through brokers, retail platforms and wealth managers

2. Flexibility

- ◆ Owners of real estate are usually faced with a limited set of choices – keep the asset, sell the asset entirely or enter into a potentially complex Joint Venture agreement with a new partner
- ◆ IPSX Prime provides issuers with significantly more choice and flexibility. An Issuer can retain economic ownership of the underlying asset by retaining anything from 0%-75% of the shares in the company admitted to trading (subject to satisfying minimum free float rules)

3. Speed of execution

- ◆ Average time to complete a private market asset sale in the UK is in the region of 6 months
- ◆ The process of selling the shares to investors by way of an initial public offering on IPSX can be completed in as little as 12 weeks

4. Market approach to valuation

- ◆ Publicly quoted real estate in the UK has traditionally been valued by stock market investors against a reported Net Asset Value of the shares
- ◆ This approach does not always accurately reflect the company's ability to generate cashflow to be paid to investors in the form of dividends and neither is it fully transparent
- ◆ Valuations focusing more on multiples of cashflow rather than a view on the prospects for asset values brings real estate more into line with other sectors of the stock market

5. Structural efficiency

- ◆ Issuers can choose to bring the company admitted to trading on IPSX within the scope of the UK Real Estate Investment Trust ("REIT") regime

For Investors

1. Yield

- ◆ Commercial Real Estate is regarded as an asset class with a history of delivering attractive income Yields
- ◆ Issuers on IPSX Prime own 'stabilised assets' - being commercial real estate assets which are largely or fully let and generating a net distribution from the rental income

2. Transparency

- ◆ An IPO on IPSX will necessitate the publication of detailed information at the asset level that is not ordinarily available to investors in REIT shares
- ◆ This will encourage far greater transparency enabling investors to make more informed investment decisions enabling investors to make better informed decisions
- ◆ If the issuer is a REIT, the dividend distribution level will be driven by the requirements of REIT legislation

3. Liquidity

- ◆ Companies admitted to trading on IPSX Prime will be required to appoint Exchange-approved market makers who have a continuing obligation to make a two-way market in the company's shares throughout the trading day
- ◆ This means that investors will always be given a price at which they can either buy or sell shares

4. Access to a new product

- ◆ IPSX allows direct exposure to underlying commercial real estate assets which have previously been limited to large investors, typically via private market transactions
- ◆ Investors therefore can now enjoy access to a public market proxy for direct investment in institutional grade real estate

5. Regulation and Protection

- ◆ IPSX has been designated a Recognised Investment Exchange by the FCA in line with the other leading UK exchanges
- ◆ IPSX Prime is a regulated market which ensures that all investors, institutional or retail, whether investing in an institutional pension fund or an individual's SIPP or ISA, benefit from the highest levels of investor protection and regulatory oversight

How IPSX works

IPSX operates two markets. IPSX Prime admits to trading issuers owning underlying single commercial real estate assets or multiple assets with a sufficient degree of commonality which are, or are proposed to be, securitised and traded on the Exchange.

Our second market, IPSX Wholesale, is exclusively for institutional investors. Accordingly, whilst IPSX Wholesale issuers share the same broad features of IPSX Prime issuers, the types of issuers eligible for admission could include more complex ownership structures, more complex legal arrangements, or more unusual tenancy arrangements. This could include trading JV REITs.

In order to be admitted to IPSX Prime, the issuer needs to meet the Exchange's Admission Standards. These include: the appointment of an IPSX Lead Adviser and Approved Valuer; selling down a minimum 25% of the company's shares at the point of admission; limiting the debt loan to value in the entity to a maximum of 40%; and issuing a prospectus for approval by the FCA.

Next steps

IPSX Prime is now open to applications for admission to trading with a minimum asset value of £50million. Speak to one of our team, contact details overleaf.



To discuss next steps, contact:



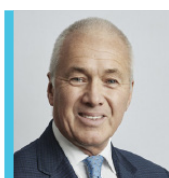
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