

A photograph of a row of modern, two-story houses with dark grey corrugated metal siding and gabled roofs. The houses are set in a landscaped area with young trees, shrubs, and wooden planters. The sky is blue with scattered white clouds. A semi-transparent dark grey box is overlaid on the center of the image, containing the text.

SPRINGROCK HOMES

*'Sustainable family homes with a difference
located in growth areas of the United Kingdom'*



“SpringRock Homes aims to become the only fully modular, sustainability-led housebuilder in the United Kingdom”



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EXECUTIVE SUMMARY

“There are three politically important drivers of change at the moment: decarbonisation, building safety and beauty.”

Mark Farmer, UK Government Champion for MMC & CEO of Cast Consultancy

EXECUTIVE SUMMARY

In 2018, housebuilding reached its highest level in more than 20 years, but this still falls materially short of the numbers required to solve the fundamental supply-side challenge. To address the issue, UK government has set a target of 300,000 homes constructed per year by the mid-2020s.

100% modular delivery solution with transparent ESG and sustainability credentials in the UK housing market

Pioneering way of delivering new homes and disrupting the market working with best-in-class partners to improve quality, speed-up delivery and minimise environmental impact

Community-led, architect designed homes that are beautifully crafted and energy neutral

All our homes are fully mortgageable and accredited by leading warranty and quality assurance providers such as Premier Guarantee, NHBC and BOPAS.

Average scheme size of 30-120 houses with a focus on 3+ bed family units as opposed to apartment schemes to minimise exposure to any particular geography

Target to deliver 500+ new homes per annum in year 5 with a GDV of £175 million

Exposure to the regional housing market across the UK with a focus on the Midlands and Northern regions where there is an undersupply of quality family housing

Transparent ESG credentials

500+ new homes per year

GDV of £175m by year 5

22% IRR per scheme

Affordable family housing

Mortgageable and warranty-backed homes

MANAGEMENT TEAM & TRACK RECORD

“Using Modern Methods of Construction creates the chance to improve the quality and energy efficiency of homes, as well as increase the safety of building sites.”

Nick Walkey, CEO – Homes England

EXECUTIVE MANAGEMENT TEAM

RORY CHICHESTER
EXECUTIVE DIRECTOR

Founder of SpringRock Homes with Oliver Hutley.

Rory is an experienced entrepreneur and company executive with a background in corporate finance, investment banking and real estate asset management. He has owned and operated a number of companies across a range of sectors including building services, construction, real estate management and housebuilding.

Previously, Rory worked for Strand Hanson, independent merchant bank and for Kandahar Group, a UK real-estate led joint venture between David Ross and Morgan Stanley PLC.

He is principally responsible for development management and SpringRock's investor relations programme, and is a member of the Investment Committee.



OLIVER HUTLEY (MRICS)
EXECUTIVE DIRECTOR

Founder of SpringRock Homes with Rory Chichester.

After studying Chemistry, Oliver trained as a Chartered Surveyor at Allsop LLP. Following several years of working closely with the development agency and investment team post the 2008 recession, he founded his first business.

Oliver has been responsible for a wide range of real estate transactions through the full life cycle of acquisition, construction, joint-ventures, asset management and sale. His particular area of expertise is in land identification and development appraisal.

He is principally responsible for originating and structuring new investment opportunities, and is a member of the Investment Committee.

'We are a management team with a depth of industry, operational and capital markets experience. We have worked together in close partnership for over 10 years.'


TRACK RECORD – SAMPLE PROJECTS COMPLETED

'SpringRock Homes Management Team has a cross sector track-record in Development, Construction, MMC and Affordable Housing.'



Talbot Point, Nottingham

Sector: Student Housing
Location: East Midlands
Duration: 48 Weeks
Modular construction programme



Queensway, Somerset

Sector: Affordable Housing
Location: South West
Duration: 48 Weeks
CLT construction method




Athena Tower, Stratford

Sector: Build to Rent
Location: London
Duration: 32 Weeks



Sparkford Close, Somerset

Sector: Affordable Housing
Location: South West
Duration: 53 Weeks



Great Western Studios, London

Sector: Offices
Location: London
Duration: Weeks

MARKET ANALYSIS & INVESTMENT THESIS

“If the Government is to have any chance of meeting its target of 300,000 new homes a year, it cannot simply rely on traditional methods of construction. They must make a serious effort to support the use of new and emerging technologies that have the potential to have a transformative impact on the speed, cost and quality of home building.”

Clive Betts, Chair of the Housing, Communities and Local Government Committee

THE NORTHERN POWERHOUSE & MIDLANDS ENGINE – MARKET CONTEXT

‘In the 2020 budget, the Government pledged a range of measures to bring investment and development to the Midlands and Northern Powerhouse.’



Key: Midlands & Northern regions of the UK

£600bn

Infrastructure spending

Total UK Government spend on rails, roads, housing and broadband by 2025

£4.2bn

Improved connectivity

To fund a London-style public transport system in the North

£1.1bn

New housing

Total allocations from the housing infrastructure fund to build 70,000 new homes in high-demand areas

300,000

Housing targets

New homes to be built a year by mid-2020 compared with 200,000 currently

15.44%

Growth forecasts

Average 5-year house price growth forecasts across Midlands and North regions

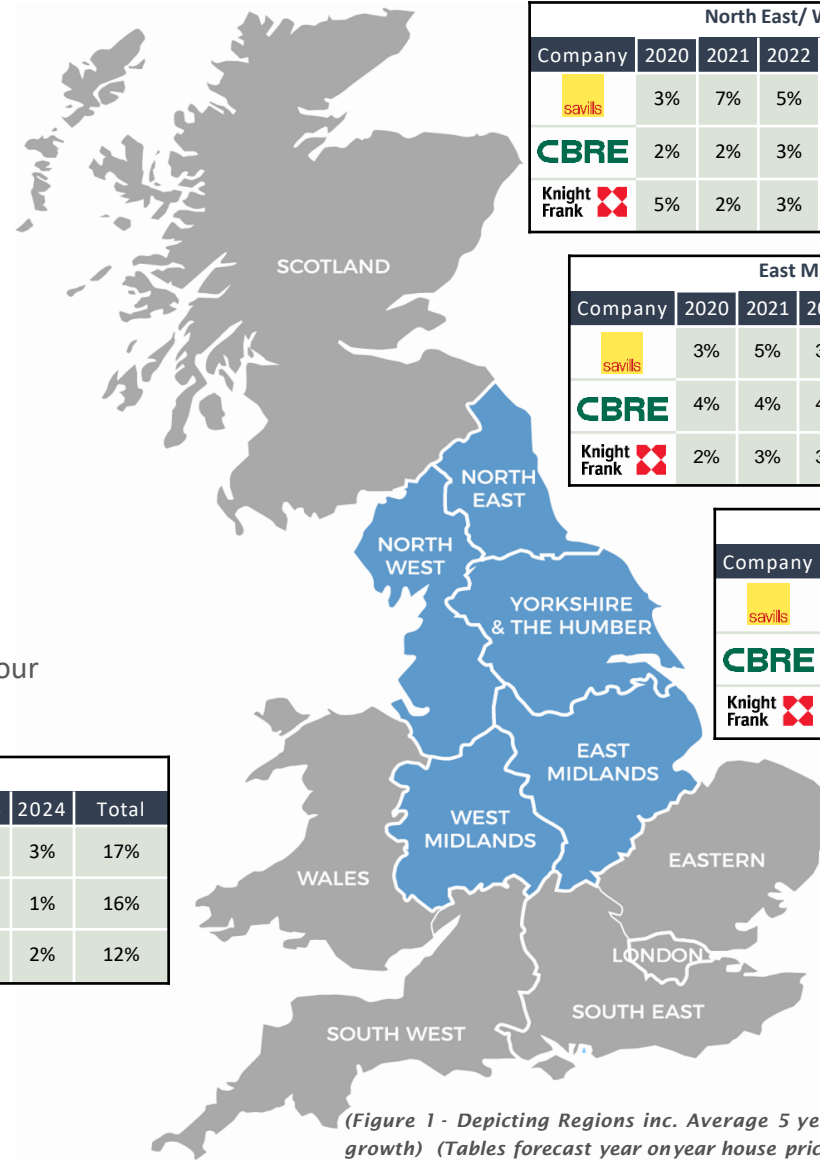
INVESTMENT STRATEGY

SpringRock will initially focus on acquiring sites in the Midlands and Northern regions of the UK (Fig.1) where there is a clear undersupply of family housing

SpringRock will not acquire sites for development in City Centre locations e.g. Manchester & Birmingham as it considers prices in these locations are overvalued

Narrow investment focus on 'prime' regional locations in close proximity to transport hubs and large conurbations

Acquired sites will provide a mix of accommodation that is appropriate for the local demographic and conforms with our strategy of delivering quality & affordable family housing



North East/ West						
Company	2020	2021	2022	2023	2024	Total
	3%	7%	5%	5%	4%	22%
	2%	2%	3%	4%	2%	13%
	5%	2%	3%	3%	1%	12%

East Midlands						
Company	2020	2021	2022	2023	2024	Total
	3%	5%	3%	3%	3%	17%
	4%	4%	4%	4%	1%	17%
	2%	3%	3%	3%	2%	13%

East of England						
Company	2020	2021	2022	2023	2024	Total
	0%	3%	3%	3%	3%	11%
	1%	2%	4%	4%	1%	12%
	2%	3%	4%	4%	3%	16%

London						
Company	2020	2021	2022	2023	2024	Total
	-2%	2%	1%	1%	3%	5%
	0%	2%	4%	4%	1%	11%
	0%	2%	3%	4%	3%	12%

West Midlands						
Company	2020	2021	2022	2023	2024	Total
	3%	5%	3%	3%	3%	17%
	3%	4%	4%	4%	1%	16%
	1%	3%	3%	3%	2%	12%

South West						
Company	2020	2021	2022	2023	2024	Total
	1%	4%	3%	3%	3%	13%
	2%	2%	3%	4%	1%	12%
	1%	3%	3%	3%	2%	12%

South East						
Company	2020	2021	2022	2023	2024	Total
	0%	3%	3%	3%	3%	11%
	1%	3%	4%	4%	2%	14%
	2%	3%	4%	4%	3%	16%

(Figure 1 - Depicting Regions inc. Average 5 year growth) (Tables forecast year on year house price growth by region)

INVESTMENT THESIS

'We believe that by combining a disciplined approach to valuation and a resolute focus on sustainability, we will deliver market leading returns whilst delivering enhanced long-term shareholder value'

SpringRock Homes aims to become the UK's only completely modular, sustainability-led housebuilder

Beautifully designed homes that will be located in communities where people want to live and work

Working with leading off-site manufacturers, our homes are precision built in a factory environment reliably and quickly

SPRINGROCK HOMES - ESG CREDENTIALS



ENVIRONMENTAL CREDENTIALS

Carbon Neutral
Grey Water
Smart Homes
Renewable Energy



SOCIAL CREDENTIALS

Community-led Design
Affordable Housing
Local Authority JVs
No Hidden Costs



GOVERNANCE CREDENTIALS

Transparent Reporting
Risk Management
Board Independence
Diversity

THE PRODUCT

“The Northern Housing Consortium commitment to creating housing policy for the North by the North with an improved quality of life at its heart builds on our £3.4bn of Local Growth Fund investment to spur regeneration and build new infrastructure throughout the Northern Powerhouse.”

Jake Berry, Minister for the Northern Powerhouse

MATERIAL CHANGE – MODERN METHODS OF CONSTRUCTION (‘MMC’)

Why use MMC?

The benefits of this approach to construction includes quicker, cheaper, better homes; less health and safety risk; more diversity; and reduced material waste, energy use and vehicle journeys.



Environment & sustainability values

Improved energy performance and utilisation of sustainable construction materials



Time efficiency

Reduced programme increasing return on investment and minimising disruption



Off-site construction

Simultaneous work on-site and off-site results in up to 45% time saved accelerating programme



Quality control

Constructed in a factory environment through established and reiterative processes

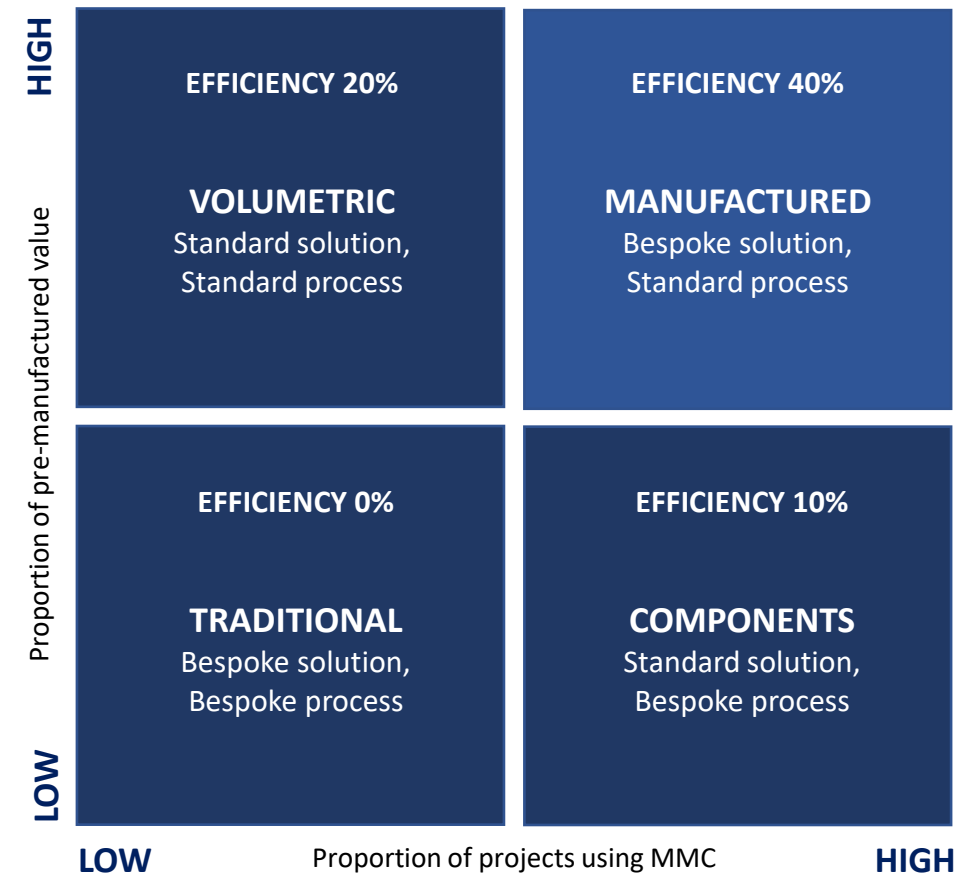


Inflationary hedge

Reduced exposure to inflationary pressures through the supply-chain

Traditional vs Manufactured (MMC)

Chart showing different construction solutions, from highly efficient manufactured projects that use standard processes to deliver bespoke solutions, to the more common component-led projects that use standard components with a bespoke construction process.



DELIVERY MODEL – OFF-SITE CONSTRUCTION

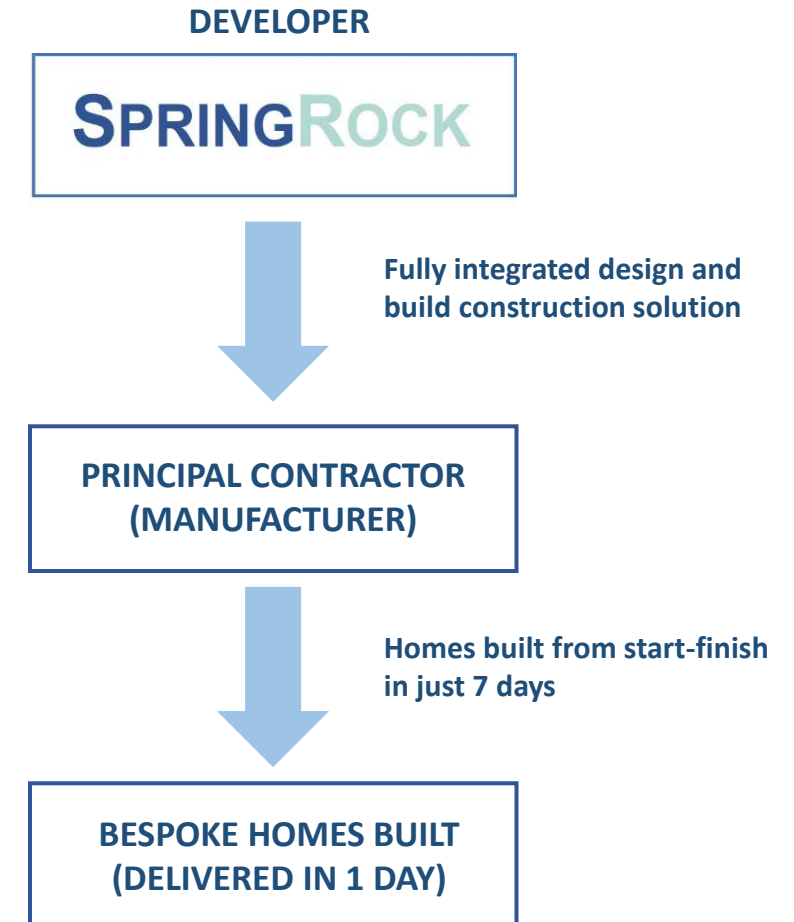
Delivery Partners

Our delivery partners have a proven track record in building new homes using highly advanced off-site manufacturing techniques. They are each backed by leading financial institutions and private equity investors providing complete confidence around delivery and execution capability.

Manufacturer	Financial backing	Facts
		<ul style="list-style-type: none"> Manufacturing facility in South Derbyshire Multiple typologies of housing www.tophat.io
		<ul style="list-style-type: none"> 250,000 SqFt manufacturing facility in Yorkshire Capacity to build 2,000 homes per year www.ilkehomes.co.uk
		<ul style="list-style-type: none"> Manufacturing facility in Ellesmere Port, Cheshire All homes embedded with smart home technologies www.projectetopia.com

Delivery Model – a turnkey solution

Our partners provide fully integrated, turnkey building solutions. Key benefits of this delivery model include reduced construction programmes, less onsite disruption, and an earlier return on investment.



THE SPRINGROCK PRODUCT



'Homes to be proud of'

Emphasis on **design** of buildings and communal areas to avoid generic volume housing estate feel.

High quality visual kitchen and bathroom design which is statistically rated as 'high importance' when buyers are making a purchasing decision.

'First impression' features such as front door, landscaping, fencing, etc.. to be of high quality and we will work with local agents to focus on presentation of the scheme in all aspects of the sales process.

'Our Quirks' will promote an identity within the marketplace which will encourage **pride in ownership** and differentiate us from volume driven housebuilders.



'Community focus'

Focus on demographic research to ensure **mix of accommodation** is appropriate to local market along with key value drivers on a £ per square foot basis.

Public realm and **open spaces** will be a key consideration on every scheme to ensure that a community driven scheme is viable.

We will engage proactively in Section 106 obligations to ensure value is driven for **local community** wherever possible.

Seasonality is embraced through fruit trees and encouragement of home growing produce which drives **community engagement**.



'Sustainable values'

Schemes will promote **sustainable values** both in and out of the home.

Design features such as 'multi taps' to reduce the use of **single use plastics** in the home.

Smart homes which drive energy efficiency are the future and all our homes will utilise market leading technology to deliver energy savings.

Renewable energy systems will be utilised in all schemes with the target of **Zero Carbon** delivery.

Home growing produce promotes sustainability and provides education for children in core family values.

OUR QUIRKS – ‘HOUSING WITH A DIFFERENCE’

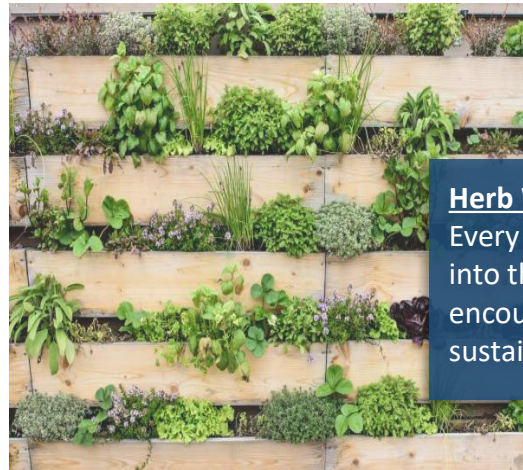
Housing with a ‘difference’ will deliver long-term value in a market with a reputation for low-cost, low-quality generic homes.

Our focus is on building homes for families within communities with sustainable values.



Fruit Trees

With every development we will aim to avoid generic planting. Fruit trees engage communities and promote sustainable values.



Herb Wall

Every house will have a herb wall built into the garden as a standard to encourage seasonal produce and sustainability.



Vegetable Patch

Every house will have a vegetable patch as standard. We believe in the wider benefits of seasonal produce and encouragement of home cooking.



Multi Tap

We will install a multi-tap to each house producing hot, cold & sparkling water reducing the use of plastic and increasing energy efficiency.

INVESTMENT & DEVELOPMENT PROCESS

“The Northern Housing Consortium commitment to creating housing policy for the North by the North with an improved quality of life at its heart builds on our £3.4bn of Local Growth Fund investment to spur regeneration and build new infrastructure throughout the Northern Powerhouse.”

Jake Berry, Minister for the Northern Powerhouse

INVESTMENT & DEVELOPMENT PROCESS

The SpringRock Homes Management Team has a depth of experience in delivering high-quality projects across a range of market sectors.

We have led projects from initial feasibility stages, site acquisition and planning, through the construction process to completion and handover. Underpinning this experience is a robust investment and development process spanning the full project lifecycle.



FEASIBILITY ANALYSIS

Opportunity assessed against investment criteria. Appraisal & negotiation completed



LAND ACQUISITION

Legal process, site assembly, environmental and geotechnical surveys completed



PLANNING PROCESS

Planning consent sought or improved in conjunction with consulting team



DESIGN PROCESS

Early engagement with delivery partners to optimise design and site density



PROCUREMENT

Tender sent to delivery partners to provide integrated, turnkey design & build solution



CONTRACTOR APPOINTED

Principal contractor appointed under a fixed price design & build contract



CONSTRUCTION DELIVERY

Site preparation followed by homes being built off-site and delivered in just 7 days



COMPLETION & SALES

High-quality product on completion ensures smooth transition to the sales process

OUR ADVISORY PANEL

SpringRock works with a high-experienced advisory team covering the core real estate, accounting and legal disciplines.

The Management Team holds long-standing professional relationships with all its advisers who will be appointed based on their specific areas of expertise and suitability for the mandate.



ACCOUNTING, AUDIT &
TAXATION



Grant Thornton



LEGAL

CLYDE & CO



FREETHS



RICS ACCREDITED
VALUERS

allsop



SPRINGROCK

LONDON OFFICE

71-75 Shelton Street
Covent Garden
London
WC2H 9JQ
United Kingdom

Rory Chichester - Director
Tel: +44 (0)7761 442 427
Email: rory@springrock.uk.com

Oliver Hutley (MRICS) - Director
Tel: +44 (0)7825 032 274
Email: oliver@springrock.uk.com

www.springrock.uk.com