

Staminier acquires stake in Development Land and acquires majority interest in Eco-friendly Housebuilder

The Board of Staminier (“the Board”) is pleased to announce that it has established a new subsidiary, Eco-Space 41 Ltd (“ES41” or “the Company”) in order to acquire the business and assets of a low cost, fast build and energy efficient house building business. As part of the same transaction It is also acquiring an associated company that owns a fully complete Show House built on the BRE campus site in Watford that has been tested to ensure compliance with UK Building Regulations. An ES41 Home of this kind can be built in just 41 days, is significantly cheaper than traditional build and more energy efficient than conventional homes. The Company can produce homes (both flats and houses) to pretty much any design that developers wish.

As part of the deal, the Company will also acquire an interest in a special purpose vehicle that has the rights to obtain a development site in Hertfordshire (“the Development Land”) where it is hoped to obtain a favourable decision on a planning application to build a first phase of 14 luxury homes within the next six to twelve months. The interest will be between 20% and 30% depending on what proportion of the planning costs the Company wishes to contribute. In the event that planning permission is granted, the Company expects the value of its interest in the special purpose development vehicle to increase significantly as a result of the planning gain, as well as to generate a margin of approximately 15% from building the luxury homes on a cost plus basis. If planning permission were to be applied for and granted for a subsequent phase then the anticipated profits would of course be larger.

The business and assets being acquired by the Company also include other potential developments, one of which is a possible 150 home site in Central Bedfordshire on council-owned land. In addition as part of the transaction an exclusive 5 year contract with Shanghai Steelfashion Industrial Co Ltd of China (<http://www.steelfashion-sh.com/>) has been given to ES41. This includes supplying materials and housing units with lead production times of 8 weeks for up to 400 houses or 600 flats. . The Company therefore believes it can increase the build capacity of ES41 to an initial 750 homes per annum, with the intention to scale up further in due course.

There is a major shortage of affordable homes in the UK at the moment, and the Board believe that the Company can play a meaningful role in helping to address that shortage.

The main target market for ES41 is the three bedroom affordable home, which can be built for developers at between £100,000 and £115,000 depending on the specification of finish, and are expected to generate a margin for the Company after all labour and materials of approximately £15,000 each. Whilst affordable homes is a key target market, the Company can build much bigger luxury homes, as well as villas and apartment blocks. The Board believes that the reduced build costs, speed of build and energy efficiency of the ES41 Home make it a highly attractive product to help address the current housing shortage. The Board is aware that the need for these Homes is not restricted to the UK and the product has already generated interest internationally.

The key terms of the transaction are as follows:

The Company will provide the vendors with a £135,000 secured loan to help enable the liabilities of the existing business to be settled. This loan is expected to be at least partly repaid from the proceeds of a Research and Development Grants, and carries an interest rate of 6.5%.

The vendors will receive 49% of the issued share capital of ES41 in return for the Show House, the interest in the Development Vehicle, the Workflow, the exclusive contract with Shanghai Steelfashion and the other business assets.

Staminier will be granted a four-year option to acquire this 49% interest in ES41 for £750,000 in cash.

The vendors will also receive a performance related earn out of £1 for each £1 of net pre tax profit that ES41 generates over the next four years. At the option of Staminier, this will be settled either by (a) the issue to the vendors of new Staminier Shares at a price of 25p per Staminier Share or (b) the payment to the vendors of a maximum of 5m Staminier Shares to be issued at 25p per share with the balance payable in cash. Therefore, in the event that ES41 generated £5m of net pre-tax profit, Staminier could elect to settle the earn out by issuing to the Vendors 20m Staminier Shares (being £5m at 25p per share), or issue to the Vendors 5m Staminier Shares (£1.25m at 25p per share), plus £3.75m cash from the profits generated by ES41. This represents an attractive purchase price of less than 2 times earnings.

Richard Beresford, Chairman of City law firm McCarthy Denning, and one of the vendors stated “I am pleased to have agreed this deal as I believe that Staminier have the resources and ambition to maximise the opportunity which this revolutionary housing product brings to the UK affordable housing market, where there is such an urgent need for low cost, fast build and energy efficient housing”

Commenting on the deal Tim Stanton, director of Staminier, said “We are delighted to have reached agreement to acquire a scalable and innovative solution to the pressing affordable housing market crisis in the UK. This fast build, low cost and energy efficient housing product could play an influential role in meeting the large demand for affordable homes in the coming years. The added planning gain opportunity makes this a deal that gives opportunity for a near term significant increase in Staminier shareholder value, whilst the longer-term opportunity for this house building business is highly compelling. We hope to be a significant player in the low cost, fast build and energy efficient affordable homes market in the coming years”

For more information on EcoSpace 41 visit www.ecospace41.com

About Staminier: Staminier has been established to act as an aggregator - acquiring businesses and assets at what the Company believes to be a discount to their intrinsic value, and to then benefit from scale: both by sharing resources between group companies but also by achieving sufficient scale to list the Company's shares on the capital markets with sufficient liquidity to ensure that Staminier stock can be used as a liquid currency to make further value-enhancing acquisitions and to accelerate future growth. By acquiring businesses and assets at a discount to intrinsic value the Company aims to rapidly enhance shareholder value. www.staminier.com

The Directors of Staminier Limited accept responsibility for this announcement.

Enquiries about this announcement should be addressed to :

Tim Stanton, Director of Staminier
Tel: 020 7268 4928
Email: info@staminier.com

Staminier Limited
Devonshire House,
One Mayfair Place,
London,
W1J 8AJ

The ordinary shares of Staminier Limited have been admitted to matched bargain trading on Britdaq.
www.britdaq.com

Before making any investment decision you should seek advice from an independent investment adviser.

This announcement has been approved as a financial promotion under section 21 of the Financial Services and Markets Act 2000 ("FSMA") by London Court Limited who are authorised and regulated by the Financial Conduct Authority.