

The content of this document has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this promotion for the purposes of engaging in any investment activity may expose an individual to significant risk of losing all of the property or other assets involved.

# INFORMATION MEMORANDUM

JULY 2025

Acorn Green Investments No. 2 Limited

5 Year K Share Issue

## IMPORTANT INFORMATION

This document is exempt from the general restriction in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the ground that it is made to 'investment professionals' within the meaning of Article 19 of the Financial Services and Markets Act (Financial Promotion) Order 2005 (FinProm); persons believed on reasonable grounds to be 'certified high net worth individuals' within the meaning of Article 48 FinProm; persons who are 'certified sophisticated investors' within the meaning of Article 50 FinProm; and persons who are 'self-certified sophisticated investors' within the meaning of Article 50A FinProm.

Investing in the Company is speculative and invested capital is at risk of partial or total loss. The attention of prospective Investors is drawn to the "RISK FACTORS" section of this document on pages 13 to 17.

If you are in any doubt about the contents of this document, we strongly recommend that you should consult and seek advice from an authorised person who specialises in advising on the acquisition of shares and other securities and is authorised under the Financial Services and Markets Act 2000 ("FSMA"). An investment in Acorn Green Investments No.2 Limited (the "Company") will not be suitable for all recipients of this Information Memorandum ("IM").

The purpose of this IM is to provide information to named individuals who have expressed an interest in the possibility of investing in K Shares issued by the Company.

An Application Form to subscribe for K Shares will only be provided to persons:

- (a) whom the directors of the Company believe to be either (i) certified as a 'high net worth investor', (ii) certified as a 'sophisticated investor', (iii) self-certified as a 'sophisticated investor', in each case in accordance with the relevant sections of FinProm-
- (b) who are pension fund trustees investing pension money where the beneficiary of the pension would otherwise be entitled to invest in accordance with the terms of this invitation-

(referred to herein as "Potentially Eligible Investors").

**Any investment to which this document relates is available only to such persons and other classes of person noted above and any other person and other class of person should not rely on this document.**

Potentially Eligible Investors should consider carefully whether an investment in K Shares is suitable for them in the light of their personal circumstances and the risk factors noted on pages 13 to 17. This document is confidential and is being supplied solely for the information of the intended recipient and may not be used, disclosed, copied, reproduced, published, or further distributed to any other person in whole or in part, for any purpose.

**Nothing in this document shall be construed as the giving of investment advice by the Company or any other person. If you are in any doubt as to whether to invest in the K Shares described herein,**

**you should consult an independent financial adviser (“IFA”) who is qualified to advise on investments of this nature.**

This IM does not constitute an offer for subscription, either public or private, but does describe private offers for equity securities that the Company will only be extending to those potential investors who meet certain eligibility criteria on a named basis. This IM does not constitute a prospectus made pursuant to the Prospectus Regulation (EU 2017/1129). Therefore, this IM has not been approved by the Financial Conduct Authority or any other regulatory body. You should ensure that you have read and understood all of this IM before applying for the K Shares.

This IM does not purport to be all-inclusive or necessarily contain all the information that a prospective Investor may desire in investigating the Company. The IM may be subject to updating, revision or amendment. Interested parties should carry out their own investigations and analysis of the IM and of the data referred to in the IM and should consult their own advisers before proceeding with any investment in the Company. All statements of opinion and/or belief in this IM and all views expressed regarding the Company's projections, forecasts and statements relating to expectations of future events are those of the Company and its directors. No representation or warranty is made, or assurance given that such statements, views, projections or forecasts are correct or that the Company's objectives will be achieved.

The distribution of this IM in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any such distribution could result in a violation of the law of such jurisdictions.

This document is confidential and is being supplied solely for the information of the intended recipient and may not be used, disclosed, copied, reproduced, published, or further distributed to any other person in whole or in part, for any purpose. This IM is dated JULY 2025. Copyright Acorn Green Investments No. 2 Limited. All rights reserved.

## Table of Contents

THE OFFER	5
THE MARKET AND THE COMPANY	7
HOW IT WORKS	7
ACORN'S DEVELOPMENT STRATEGY	9
USE OF PROCEEDS	12
INVESTOR RETURN	12
MARKETING	12
KEY TEAM MEMBERS	13
INVESTMENT RISKS	13
RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE COMPANY	16
OTHER RISKS APPLICABLE TO THE COMPANY	16
FORWARD-LOOKING STATEMENTS	17
STATUTORY INFORMATION	233
ARTICLES OF ASSOCIATION	23
INTERESTS OF DIRECTORS & PEOPLE WITH SIGNIFICANT CONTROL	23
DOCUMENTS AVAILABLE FOR INSPECTION	24

## SUMMARY

The following is a summary of the key points pertaining to the opportunity to invest in K Shares in the Company and should be read in conjunction with the full text of this IM.

The Company is seeking to raise £1,000,000 (One Million Pounds) to fund the delivery of various development sites being developed by subsidiaries of the Company. The Company was established in December 2021 and is wholly owned by Acorn Green Group Limited. The Company, Acorn Green Group Limited and a number of limited companies make up the Acorn Property Group (“**Acorn**”). The Company was established for the purpose of funding the delivery of various development sites being developed by subsidiaries of the Company established as special purpose vehicles (“**SPVs**”).

SPVs are widely used in the property development and construction industries. They are legal entities set up for a specific purpose to isolate risk. They are designed to prevent adverse risk being transferred to or from the owners of the SPV, the operations of which are limited to the acquisition and financing of specific property assets. Constitutional documents of both the Company and its parent Acorn Green Group Limited can be found attached at Appendix 1 to this IM.

The funds raised from the issue of the K Shares will be invested into the SPVs to be used as mezzanine funding to partly fund development costs on various projects. The Company holds under a declaration of trust dated 20<sup>th</sup> July 2022 the beneficial interest in the freehold property known as Falmouth Beach Resort Hotel, Cliff Road, Falmouth (the “Property”).

The remaining funding to complete the Scheme will come from RST Group Holdings Limited, an Acorn company. Constitutional documents of RST Group Holdings Limited together with its most recent financial statement for the period ending 30<sup>th</sup> September 2023 can be found attached at Appendix 2 to this IM.

## PROPOSED TERMS OF THE OFFER

### The Offer

The Company is seeking to raise a Maximum Subscription of £500,000.

The initial Offer will be made for up to 500 K Shares at the Offer Price of £1,000 per F Share to raise a maximum subscription of £500,000.

The Offer will be for K Shares representing 100% of the K Shares, and Acorn Green Group Ltd will own 100% of the Class A Ordinary Shares.

Offer Details:

#### Issuer

Acorn Green Investments No.2 Limited

#### Offer Price per F Share

£1,000

#### Number of K Shares subject to the Offer

500

Minimum Investment

£5,000 (5 K Shares) and tranches of £1,000 thereafter

Maximum Subscription

£500,000 (500 K Shares)

Capital Investment

The total sum invested by a Potentially Eligible Investor

Return

An annual fixed return of between 12%-15% gross (9% net and 11.25% net) of the Capital Investment depending on the type of investment chosen payable on the Completion Date. All returns to investors are distributed as a dividend which are paid post Corporation Tax.

Types of Investments

A 5 (five) year F Share with a projected annual return of 12% payable quarterly or a 5 (five) year F Share with a projected annual return of 15% rolled and payable on the Completion Date.

Security

RST Group Holdings Limited will provide the Corporate Guarantee.

Transferable

Ownership of the K Shares cannot be transferred to another party save to Acorn Green Settlements Limited by way of the Share Sale Agreement appended at Appendix 3.

Launch date

JULY 2025

Closing date

JULY 2026

Completion Date

60 (sixty) months from the date of investment.

Early Completion

Acorn Green Settlements Limited, may, on giving one month's notice in writing, purchase the K Shares at any time, subject to payment of the Capital Investment, together with the rolled up and accrued Return, to the holder of the K Shares.

Projected Total Return

The projected total return for the investment is 60%-75% gross (45% net and 56.25% net) assuming a Completion Date 60 (sixty) months after the date of investment, comprising 12%-15% gross annual return together with repayment of the Capital Investment.

**EXAMPLES OF THE INVESTMENTS AND RATES OF RETURN ON AN INVESTMENT AMOUNT OF £100,000**

**5 Year Paid Quarterly**

Year	Expected Return Rate*	Annual Return*	Quarterly Amount	Total Projected Return*
1	12%	12,000.00	3,000.00	£12,000
2	12%	12,000.00	3,000.00	£24,000
3	12%	12,000.00	3,000.00	£36,000
4	12%	12,000.00	3,000.00	£48,000
5	12%	12,000.00	3,000.00	£60,000

\*Returns not guaranteed

**5 Year Paid on Completion**

Year	Expected Return Rate*	Annual Return*	Total Projected Return*
1	15%	15,000.00	15,000.00
2	15%	15,000.00	30,000.00
3	15%	15,000.00	45,000.00
4	15%	15,000.00	60,000.00
5	15%	15,000.00	75,000.00

\*Returns not guaranteed

**Important**

**All the above example figures have been provided for illustrative purposes only and cannot be guaranteed. No return forecast or estimate should be implied.**

The K Shares will confer no right on the holders of the same to vote at a general meeting of the Company.

**How it works**

1. The Investor buys K Shares in the Company which holds the beneficial title to the Property.
2. Acorn uses the Capital Investment to fund various developments being carried out by its subsidiaries.
3. The K Shares are purchased by Acorn Green Settlements Limited and the Capital Investment and the Return is paid to the Investor.

## THE MARKET AND THE COMPANY

### Background

The Company was established in December 2021 and is wholly owned by Acorn Green Group Limited. The Company, Acorn Green Group Limited and a number of limited companies make up the Acorn Group of Companies (“**Acorn.**”).

RST Group Holdings Limited will be providing a corporate guarantee (“**the Corporate Guarantee**”) relating to the capital invested on this issue. The constitutional documents of RST Group Holdings Limited together with the financial statement for the year ending 30 September 2023 are attached at Appendix 2 to this IM.

### Acorn Property Group

Established in 1995, Acorn is an independent housebuilder and regeneration specialist. It has a long track record of successful award-winning developments throughout London, the South West of England and South Wales.

Acorn creates bespoke, design-led developments that enhance their immediate environment. Headquartered in London and with four offices in the South West and South Wales, Acorn uses its extensive local knowledge to find sites that can be sensitively developed to meet the needs of the local community, building sustainably wherever possible. Acorn uses in-house architects, interior designers, town planners, surveyors and construction managers who work with its brand, sales and marketing teams to make the most of every opportunity.

By working closely with landowners, investment funds, architects, local authorities and other public bodies, housing associations, introducers and charities, Acorn strengthens its local relationships to ensure the success of current and future developments. Driven by its commitment to repurposing existing buildings and its ‘fabric-first’ approach to new build homes, in mid-2021 Acorn launched Acorn Green, an initiative that puts sustainability at the heart of the design process.

Acorn builds using components and materials that deliver maximum performance benefits, always keeping ahead of current building regulations. By tailoring developments to meet local needs and taking time to find the right brownfield or greenfield opportunities, Acorn has a strong and diversified development pipeline.

Acorn is currently developing a broad range of residential, mixed-use and commercial sites in coastal, urban and rural locations with projects on brownfield and greenfield sites, featuring new build and conversions including listed buildings. Over the next three to five years Acorn estimates it will deliver over 2,200 homes with a total value in excess of £940m.

### Awards

In recent years Acorn has won numerous awards including:





### Acorn's development strategy

Acorn is currently developing a broad range of residential, mixed-use and commercial sites in coastal, urban and rural locations with projects on brownfield and greenfield sites, featuring new-build and conversions including listed buildings.

Acorn looks at each scheme on its individual merits, starting from scratch each time, on every element of design. When Acorn purchases a site it balances a stringent risk analysis with the creative process to identify only profitable and deliverable schemes. Acorn sees the South West as the most positive region for investment, with excellent housing opportunities. These are driven by lifestyle changes, a growing population, improved transport links, excellent employment opportunities, good schools and beautiful landscapes and coastlands.

Although Acorn provides homes to all sectors of the community, Acorn's market is dominated by families, downsizers, and retirement buyers which are the most affluent and sustainable economic group of purchasers. Acorn has over 1,700 units in the existing development pipeline over the next 3-5 years.

Acorn has a number of key business principles and objectives for the short to medium term:

01. Continue to champion the cause of high quality housing that benefits local communities.  
There is a housing crisis in the UK that goes beyond a simple lack of housing stock. We need to address architectural principles and urban design theories to create housing that will meet future needs. Acorn understands that in order to reinforce the continuity of a neighbourhood's character and flavour, urban forms must be animated, and reflect the community's shared history and aspirations.
02. Develop our existing pipeline and expand our activities in the South West.
03. Maintain the diversity of our project pipeline to ensure our business is not overly reliant on any one target market or region, while continuing to build to the highest standards of design and sustainability. Our homes should be accessible to the widest possible range of buyers.
04. Continue to build the Acorn brand and to specialise in bespoke developments, thereby avoiding competition from larger housebuilders or small, local developers. Acorn will focus on projects of 20-100 units in medium- to high-value areas (£280- £1,000 per sq. ft.) which cater for identifiable, local demographic and economic needs.

### The Construction

Excluding the cost of the land, construction represents the largest element of any development's cost. The construction process is also fraught with risk and opportunity and Acorn vigorously interrogates all elements of this.

Acorn undertakes extensive due diligence on all its contractors and sub-contractors. Acorn invests a huge amount of time ensuring the right construction procurement route is identified, whether it is direct construction, a fixed price design and build contract or a traditional open book tender process.

To obtain the best possible construction prices, Acorn operates a multiple stage tender process and carefully interrogates all prices to ensure that it obtains not only the best price, but realistic prices.

Acorn adopts the latest form of construction contracts, warranties and insurances. Furthermore, it employs only vetted professionals for each aspect of the process who at all times are monitored by Acorn's own experts to ensure best practice throughout.

#### A.H. Construction Solutions Limited

To avoid and mitigate construction risk, Acorn Property Group has a direct construction arm, headed by A.H. Construction Solutions Limited ("**AHCS**"). AHCS directly employs a wide range of construction professionals and undertakes a wide range of bespoke projects. With extensive construction experience across the South West, AHCS has a network of local contractors, professionals and suppliers. Their experience and technical expertise means they have a strong track record of delivering a wide range of projects from new-build apartments and houses to mixed-used schemes and the restoration and conversion of existing buildings.

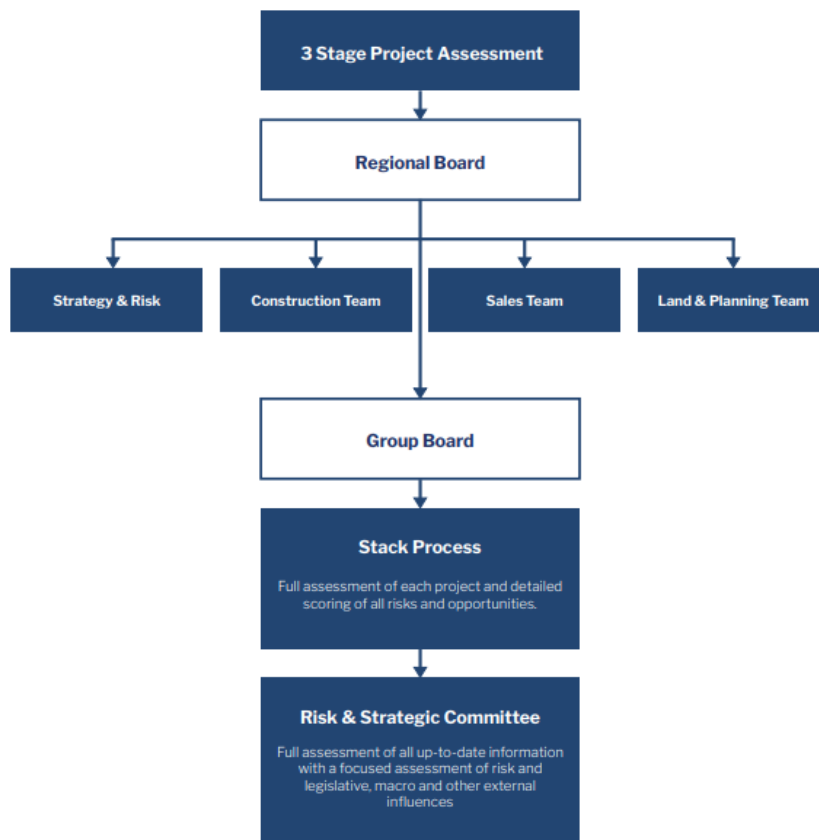
### **Due Diligence**

#### Risk Management

Risk is the most important part of any development process. Acorn undertakes a robust assessment of all aspects of every scheme, consulting with both internal and external professionals. All schemes are initially looked at by the regional team who examine deliverability and planning risk, construction costs and values.

During this stage, there are a series of processes designed to identify all risks and opportunities. Once this process is complete, a detailed information pack is then passed to the Group Board and professional teams to assess all of the information provided. A further report is produced and once the scheme meets the appropriate criteria, it is approved.

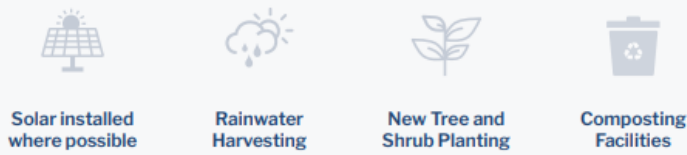
Lastly, there is a third and final review prior to any purchase becoming unconditional. This involves a thorough re-examination of risk and ensures that the early assumptions made apply and that no legislative matters or other macro influences affect the decision to proceed.



## Acorn Green

Acorn Green represents Acorn's unique, holistic approach to carbon reduction and its commitment to creating inspiring new communities which fulfil the current and future needs of its residents, while respecting and protecting the environment. Each Acorn development is individually and intelligently designed and built to the highest standard, ensuring that it makes a positive contribution to the local surroundings, creating an inclusive community where residents and nature can flourish long after Acorn's role in the development is complete. Acorn continually explores ways to move nearer to its zero-carbon goal. Acorn's construction teams are striving towards creating the Company's first zero-carbon homes, using further lower-carbon materials.

### An Example of what our developments aim to include...



### Running Costs.

We ensure lower running costs in a number of ways with the materials used within the construction of our homes, and by utilising 'off grid' renewable systems to heat or power some homes where possible. Acorn aim for at least a 92% rating across all sites with as many as possible being 95%.

### Use of proceeds

Potentially Eligible Investors' Capital will provide the Company with the mezzanine funding required to deliver various build projects being carried out by subsidiaries of the Company. The remaining funding will come from RST Group Holdings Limited, an Acorn company.

### Investor return

The projected total return for the investment is 60%-75% gross (45% net and 56.25% net) over 60 months, comprising a projected annual Return of 12%-15% gross (9% net and 11.25% net) depending on the investment chosen payable on the Completion Date along with the capital invested.

The projected Return and the Capital Investment are payable 60 (sixty) months from the date of investment subject to the right to Early Completion in which case the Capital Investment and the Return will be paid on the date of Early Completion.

All returns to investors are paid net and distributed as a dividend which are paid post Corporation Tax.

As mentioned previously the value of your investment may change as set out in more detail in the Risk Factors section of this IM.

### Marketing

Professional advisory firms and marketing and wealth management companies will market and advertise the K Shares on behalf of the Company. Commissions for these services are variable and will be paid directly out of the proceeds of the F Share issue. The Company estimates commission payable to be in the region of 20% of the proceeds raised from the issue of the K Shares.

## Key team members

### **Romy Summerskill- Executive Chairman**

Romy worked as an estate agent in central London for many years prior to forming Acorn in the early 1990s. She managed development projects, funding and sales at Acorn directly for many years until the team expanded. Romy is now Chairman of Acorn and oversees development design, group management and expansion.

### **Melanie Omirou – Executive Group Managing Director**

Melanie has been at Acorn for over 20 years. She has combined her previous experience in estate agency and banking to form her primary role, to procure and manage funding for all site purchases and their development. In addition to this, she has managed new projects from their inception through to sales of the end product.

### **Rickard Eriksson ACCA, Finance Director**

Rickard has worked at Acorn since January 2002 and laid the foundations for the financial control procedures and risk management at Acorn. He gained his ACCA membership in 2006 and became a Fellow in 2011. Rickard oversees the finance team involved in analysing our projects and is responsible for group-wide projections and cashflow.

### **Julian Hampson BA (Hons) DipArch RIBA, Group Design Director & Acorn Green Ambassador**

Julian has been a qualified Architect for over 25 years and has extensive experience in urban design and regeneration as well as in residential development. He has worked with a number of high profile architects and urban designers as well as working for several leading residential developers. He was Chief Architect for Goldcrest Land from 2004-2007 and for Fairview Homes from 2007-2011 leading their design departments. Having worked on both the 'client' and 'design' sides he understands the benefits that the right combination of design and investment can bring to an area.

## RISK FACTORS

The Directors believe that the factors described below represent the principal risks inherent in investing in the Company.

Prospective Potentially Eligible Investors should also read the detailed information set out elsewhere in this IM (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

## INVESTMENT RISKS

### **Loss of Investment**

Subscribing for K Shares in a company, which will be unquoted involves a degree of risk. It may be difficult to obtain information on the current value of the K Shares and as there is no market for the K Shares it may be difficult for Potentially Eligible Investors to realise their investment.

Potentially Eligible Investors should note that there is no certainty that Potentially Eligible Investors will get back the full amount that they invest and may consequently lose some or all of the monies invested.

Past performance and the experience of the directors is no guide to future performance and hopes, assumed performance, aims, targets or plans. Financial illustrative returns or intentions contained in this document are no more than that and should not be construed as forecasts.

All figures quoted in this IM (including but not limited to build costs, the GDV and finance costs) are for illustrative purposes only as they are based on assumptions and projections and may increase and / or decrease depending on external factors over which the Company has no control.

The effect of inflation may have an impact on the real value of any guaranteed return.

In the event that the Acorn Green Settlements Limited has insufficient funds to pay the Return and the Capital Investment on Completion then the Potentially Eligible Investors will, provided that they have taken all reasonable steps to enforce their entitlement to payment against Acorn Green Settlements Limited, be entitled to call upon the Corporate Guarantee and demand payment from RST Group Holdings Limited.

It should be borne in mind that the rights of all or any of the secured creditors of RST Group Holdings Limited at the date of the demand will take priority over the claims of Potentially Eligible Investors under the Corporate Guarantee.

Potentially Eligible Investors are accordingly advised to consult an investment advisor who is authorised under the Financial Services and Markets Act 2000 and specialises in investments of this kind, before making their decision to invest.

### **Force Majeure**

Both the Company and the developments may be subject to a “force majeure” event. This is typically an event totally outside of the control of the Company and includes, but is not limited to, an act of God, fire, flood, earthquakes, a pandemic, act of any sovereign including but not limited to war, invasion, civil war or rebellion, acts of terrorism or imposition of government sanctions or embargoes.

A force majeure event would delay (in some circumstances significantly) or prevent full completion of the developments as envisaged.

### **Illiquidity**

The K Shares in the company are highly illiquid. There is no market for their sale save to Acorn Green Settlements Limited. The Potentially Eligible Investors’ rights to a Return and repayment of the Capital Investment are limited to those rights set out in this IM.

### **Dilution**

The Company does not warrant that it will not issue further K Shares in the future on the same or different terms to the terms set out in this IM.

However, the Company confirms that should it issue further K Shares the right of the existing F Shareholders to the Return will be maintained.

### **Trading Activities**

The Company, like all businesses, is vulnerable to financial difficulties and volatile economic conditions and investing in K Shares may involve significant risk.

There is no guarantee that the Company's strategy or trading activities will be successful. The returns from the trading activities undertaken will inevitably vary from the target financial returns set out in this IM.

There is no certainty Potentially Eligible Investors will get back the full amount that they invest and may consequently lose some or all of the monies invested.

### **Legislation, Tax & Jurisdiction Risk**

There is a risk that the government makes changes to existing laws or regulations or creates new laws or regulations that can have an adverse effect on financial instruments, for example laws regarding capital transfers across borders. In addition, Companies operate within the legislation that govern their trading activities. Any legislative changes could have an effect on the Company's profitability.

### **Exit Route**

Although the Company has stated a potential exit route for Potentially Eligible Investors to realise their investment, there is no guarantee that any of this route will be undertaken.

There is no certainty that Potentially Eligible Investors will get back the full amount that they invest and may consequently lose some or all of the monies invested.

### **No Right to Participate in Management or Profits beyond the Agreed Return**

The F Share shareholders do not have any right to participate in management of the Company. As such the F Share shareholders will not be in a position to object to particular strategies or decisions of the Company's directors.

### **Financial Services Compensation Scheme**

The protections afforded by the Financial Services and Markets Act 2000 including recourse to the Financial Ombudsman Service and compensation entitlements under the Financial Services Compensation Scheme do not apply.

All Potentially Eligible Investors are strongly recommended to seek advice on the suitability of this investment.

## RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE COMPANY

### **Personnel**

The Company is dependent on the expertise and continued service of employees, consultants and advisers with the necessary skills that the Company requires. The directors believe that the future success of the Company will depend in part upon its ability to compete in the highly competitive property development industry. The Company is therefore dependent on the expertise and continued service of certain key executives and highly qualified personnel. The departure of any of the Company's executive officers or other key employees, consultants and advisers could have a negative impact on its operations. In the event that future departures of employees, consultants and advisers with these key skills occur, the Company's ability to execute its business strategy successfully or to continue to develop its business operations could be adversely affected.

### **Regulatory Risk**

Changes to existing laws or regulations or the creation of new laws or regulations may have an adverse effect on the Company's business, financial condition or operating results.

### **Property Market Risks**

Fluctuations in the property market could affect the value of the developments and all related costs and returns related to the successful completion of the developments.

Any negative fluctuations in the property market could affect the performance of the Company.

## OTHER RISKS APPLICABLE TO THE COMPANY

### **Economic Risks**

Global market risks and economic conditions and any force majeure type events could adversely affect the Company's business and operations. The Company may be affected by general market trends, which are unrelated to the performance of the Company itself.

Market opportunities targeted by the Company may change and this could lead to an adverse effect upon its revenue and earnings. Any economic downturn either globally or locally in any area in which the Company operates may have an adverse effect on the demand for the Company's developments.

### **Marketing**

The Company will engage marketing and wealth management companies to undertake the marketing and advertising of the K Shares. Commissions for these services will be paid directly out of the proceeds of the F Share issue. The Company estimates commission payable to be in the region of 20% of the proceeds raised from the issue of the K Shares.

This figure has been reached by discussing the necessary level of marketing, understanding of the complexity of the investment and the time taken to market to the appropriate investors. The directors have confirmed this level of commission has been catered for in the financial plan of the Company and should not affect the viability of the projects.



## Return

Under the terms of the offer contained in this IM Potentially Eligible Investors are entitled to a Return of 12%-15% gross (9% net and 11.25% net) per annum on the Capital Investment depending on the type of investment chosen payable either quarterly or on the Completion Date or the date of Early Completion.

There can be no assurance that at the date when payment is due the Company will have sufficient funds, taking into account its liabilities, to enable payment to be made. All returns to investors are distributed net as a dividend which are paid post Corporation Tax.

## FORWARD-LOOKING STATEMENTS

Certain information contained in this IM constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “assumed”, “example”, “illustrative”, “may”, “will”, “should”, “expect”, “intend”, “anticipate”, “project”, “estimate”, “plan”, “seek”, “continue”, “target”, or “believe”, or the negatives thereof or other variations thereof or comparable terminology, and include projected or targeted minimum returns to be made by the Company.

Such forward-looking statements are inherently subject to material, economic, market and other risks and uncertainties, including the risk factors set out in the ‘Summary’ and ‘Risk Factors’ sections of this document and, accordingly, actual events or results or the actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements.

In addition, Potentially Eligible Investors should not place undue reliance on “forward-looking statements”, which speak only as of the date of this invitation document.

The investment offered in this IM may not be suitable for all recipients of the document. As the K Shares in the Company are unlisted/unquoted on a stock exchange, it will be difficult to obtain valuation information and information regarding the extent of the risk involved. There are often greater risks involved in unquoted shares than quoted shares/securities. The value of the K Shares can go down as well as up and this could result in a Potentially Eligible Investor incurring a total loss of their investment.

## TAXATION

The following statements are intended to apply only as a general guide to certain UK tax considerations in relation to the K Shares. They are based on current UK tax law and what is understood to be the current published practice of HM Revenue and Customs (“**HMRC**”) (which may not be binding on HMRC), both of which are subject to change at any time, possibly with retrospective effect. They relate only to certain limited aspects of the UK taxation treatment of, and are intended to apply only to Potentially Eligible Investors who are resident, and, in the case of individuals, domiciled or deemed domiciled, solely in the United Kingdom for UK tax purposes (except where the position of non-UK resident or non-UK domiciled Potentially Eligible Investors is referred to expressly) and do not apply to Potentially Eligible Investors to whom split-year treatment applies. They apply only to Potentially Eligible Investors who hold the K Shares as investments (other than under an individual savings account or a self-invested personal pension) and who are the absolute beneficial owners of both the K Shares and any dividends paid on them.

The statements may not apply to certain classes of shareholder such as (but not limited to) trustees, persons acquiring the K Shares in connection with an office or employment, persons holding their shares through trust arrangements, dealers in securities, banks, insurance companies and collective investment schemes. Prospective holders of the F

Shares who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their UK tax position should seek their own professional advice.

## **1. DIVIDENDS**

### **Withholding Tax**

The Company will not be required to deduct or withhold amounts on account of UK tax at source from dividend payments it makes, irrespective of the residence or particular circumstances of the Potentially Eligible Investor receiving such dividend payment.

### **Individuals**

A nil rate of income tax will apply for the first £500 of dividend income received by individual Potentially Eligible Investors in a tax year (the “**Nil Rate Band**”).

The rate of tax applicable to dividend income in excess of the Nil Rate Band will depend on the wider tax position of the Potentially Eligible Investor. Broadly speaking, after taking into account the amount (if any) of a Potentially Eligible Investor’s personal allowance, and any other allowances, exemptions and reliefs, the Potentially Eligible Investor’s taxable income up to the basic rate limit will fall within the basic rate band; taxable income between the basic rate limit and the higher rate limit will fall within the higher rate band; and taxable income above the higher rate limit will fall within the additional rate band.

For the tax year running 6 April 2024 to 5 April 2025 the basic rate limit is £37,700 and the higher rate limit is £125,140 (although, these limits can be increased in certain circumstances).

The rates of income tax on dividends received above the Nil Rate Band are (a) 8.75 per cent. For dividends in the basic rate band; (b) 33.75 per cent. For dividends in the higher rate band; and (c) 39.35 per cent. For dividends in the additional rate band.

In determining the tax band in which any dividend income over the Nil Rate Bands falls, dividend income is treated as the top slice of a Potentially Eligible Investor’s income and dividend income within the Nil Rate Band is still taken into account. Because dividend income (including income within the Nil Rate Band) is taken into account in assessing whether a Potentially Eligible Investor’s overall income is above the higher or additional rate limits, the receipt of such income may also affect the amount of personal allowances to which the Potentially Eligible Investor is entitled.

### **Companies**

Potentially Eligible Investors within the charge to UK corporation tax that are “small companies” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will not be subject to UK corporation tax on any dividend received from the Company provided certain conditions are met (including an anti-avoidance condition).

Potentially Eligible Investors within the charge to UK corporation tax that are not “small companies” for this purpose will not be subject to UK corporation tax on any dividend received from the

Company so long as the dividend falls within an exempt class and certain conditions are met. For example, (i) dividends paid on shares that are not redeemable and do not carry any present or future preferential rights to dividends or to the Company's assets on its winding up, and (ii) dividends paid to a person holding less than a 10 per cent. Interest in the Company, should generally fall within an exempt class. However, the exemptions mentioned above are not comprehensive and are subject to anti-avoidance rules.

If the conditions for exemption are not met or cease to be satisfied, or such a Potentially Eligible Investor elects for an otherwise exempt dividend to be taxable, the Potentially Eligible Investor will be subject to UK corporation tax on dividends received from the Company, at the rate of corporation tax applicable to that Potentially Eligible Investor (the main rate of corporation tax is currently 19 per cent.).

## **2. CAPITAL GAINS**

A disposal or deemed disposal of Shares by a Potentially Eligible Investor who is resident in the United Kingdom for tax purposes may, depending on the Potentially Eligible Investor's circumstances and subject to any available exemptions and reliefs, give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains.

### **Individuals**

For individual Potentially Eligible Investors, the principal factors that will determine the UK capital gains tax position on a disposal or deemed disposal of the Shares are the extent to which the Potentially Eligible Investor realises any other capital gains in the UK tax year in which the disposal is made, the extent to which the Potentially Eligible Investor has incurred capital losses in that or earlier UK tax years, the income tax band into which the Potentially Eligible Investor falls, and the level of the annual allowance of tax-free gains in that UK tax year (the "**Annual Exemption**"). The Annual Exemption for the tax year running 6 April 2024 to 5 April 2025 is £3,000

The applicable rate for an individual Potentially Eligible Investor who is subject to income tax at a rate or rates not exceeding the basic rate and makes a capital gain on the disposal (or deemed disposal) of the Shares which (after taking advantage of the Annual Exemption and deducting any available capital losses) is liable to UK capital gains tax is 18 per cent. Where an individual Potentially Eligible Investor is subject to income tax at either the higher or the additional rate, or to the extent that any gain on the disposal (or deemed disposal) takes the individual Investor's aggregate income and gains over the basic rate limit, the applicable rate will be 24 per cent.

A Potentially Eligible Investor who ceases to be resident in the UK for tax purposes and then reacquires UK tax residence before five complete tax years have elapsed and who disposes of K Shares during that period of non-residence may also be liable on their return to the UK to tax on any capital gain realised, subject to any available exemptions or reliefs.

## **3. INHERITANCE TAX**

The Shares will be assets situated in the UK for the purposes of UK inheritance tax.

Accordingly, regardless of whether a Potentially Eligible Investor is resident, domiciled or deemed domiciled in the UK for tax purposes, (i) the deemed transfer of K Shares on the death of the

Potentially Eligible Investor under the UK inheritance tax rules or (ii) a lifetime disposition (which may include a gift, transfer at less than full market value, settlement or deemed transfer) of the K Shares, may give rise to a liability to UK inheritance tax. The applicable rate of inheritance tax depends on the circumstances of the Potentially Eligible Investor and of the disposition and can be up to 40 per cent.

Various exemptions and reliefs may be available depending on the circumstances of the Potentially Eligible Investor and of the disposition. In particular, no inheritance tax liability should generally arise for a Potentially Eligible Investor who is not domiciled or deemed domiciled in the UK unless the cumulative aggregate value of their UK assets has exceeded the inheritance tax nil rate band (currently £325,000). A non-UK domiciled Potentially Eligible Investor who is unsure as to whether a disposition may be within the scope of UK inheritance tax or where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country is recommended to seek professional advice.

#### **4. STAMP DUTY AND STAMP DUTY RESERVE TAX**

The allocation and issue of the K Shares will not give rise to a liability to stamp duty or stamp duty reserve tax.

## **QUESTIONS AND ANSWERS**

### **WHAT ARE K SHARES?**

A F Share is a share which Acorn Green Settlements Limited has agreed it will, or may, purchase at some future date from the F Share Shareholder in substantially the form of the Share Sale Agreement appended at Appendix 3.

### **WHO CAN INVEST?**

Any individual who is over the age of 18, or a trust, company, the retail sector or charity that is not prevented by the laws of its governing jurisdiction from applying for or holding the K Shares and who also falls within one of the following categories:

- i. certified high net worth investors (as per FinProm article 48);
- ii. certified sophisticated investors (as per FinProm article 50); or
- iii. self-certified sophisticated investors (as per FinProm article 50A).

We recommend all investors speak to an advisor who is authorised under the Financial Services and Markets Act 2000 and specialises in investments of this kind.

### **IS THIS A REGULATED PRODUCT?**

No. Neither the Company nor the K Shares are regulated. Accordingly, this is a higher risk investment than alternative regulated products.

### **WHEN DO I GET MY ORIGINAL INVESTMENT BACK?**

All of your original investment is expected to be returned in full 60 (sixty) months from the date of investment.

### **CAN I INCLUDE THIS INVESTMENT AS PART OF MY SIPP OR SSAS?**

You may be able to hold your K Shares in a SIPP and SSAS wrapper provided your pension provider is willing to accept non-standard assets such as unlisted securities. Potentially Eligible Investors must check with their pension provider first and should not assume the K Shares will be SIPP or SSAS-eligible.

### **CAN I INVEST THROUGH A COMPANY AND ARE JOINT APPLICATIONS ALLOWABLE?**

Yes, corporate investments or joint applications can be accepted.

### **CAN I SELL OR GIVE MY INVESTMENT TO SOMEONE ELSE?**

No, the K Shares are non-transferable save by way of a sale to Acorn Green Settlements Limited in substantially the form of the Share Sale Agreement appended at Appendix 3. Potentially Eligible Investors should consider carefully whether an investment in the K Shares is right for them in light of their personal financial circumstances as they will not be able to sell the K Shares and receive their capital back until the Completion Date.

### **IF I DIE WHAT WOULD HAPPEN TO MY INVESTMENT?**

Under these circumstances, the K Shares would form part of your estate and title to them would be held by the executors or administrators of your estate. Your executors or administrators would hold the K Shares until their redemption or, if the Company agreed in writing, the K Shares may be redeemed and the cash value would become part of your estate. If applicable, the redemption process might take some time depending on the specific circumstances around your estate.

**WHAT TAX IS PAYABLE ON MY INVESTMENT?**

We do not offer tax advice. However, If paid as a dividend that would be taxed at the Potentially Eligible Investor's marginal dividend rate. In the Potentially Eligible Investor is a company there will be no further tax.

If treated as a disposal or deemed disposal of shares this represent an investment and therefore any gains paid to individuals might be subject to Capital Gains Tax at the prevalent rate at the time for an individual and for a company Corporate Tax in the normal way. For all information about tax, we recommend all Potentially Eligible Investors speak to an independent specialised tax advisor who is authorised and specialises in investments of this kind.

**SHOULD I DISCUSS THIS INVESTMENT OPPORTUNITY WITH A FINANCIAL ADVISOR?**

We recommend all Potentially Eligible Investors speak to an advisor who is authorised under the Financial Services and Markets Act 2000 and specialises in investments of this kind.

**HOW DO I APPLY?**

Potentially Eligible Investors can apply through an authorised financial intermediary; direct using the application form provided; or via the following link [app.acornpropertyinvest.com](http://app.acornpropertyinvest.com). We strongly recommend Potentially Eligible Investors consult an appropriately authorised financial adviser before making an application to subscribe for K Shares.

**WHAT HAPPENS IF I CHANGE MY MIND?**

You will have seven (7) days to cancel your application once your application has been received.

**I HAVE MORE QUESTIONS – HOW CAN I GET THEM ANSWERED?**

If you have any further questions, please email [investor.services@acornpg.org](mailto:investor.services@acornpg.org) or call 020 3858 9881.

**HOW TO APPLY**

You can apply to subscribe for K Shares from JULY 2025.

The process for investing in the K Shares is as follows:

1. Make yourself familiar with the Terms & Conditions.
2. Read the full text of this IM. If you are in any doubt about the action you should take, or the contents of this document then consult a professional adviser authorised under FSMA, who specialises in advising in shares and other securities.
3. Once you have decided to proceed, you should request an Application Form. This can be done by creating an account on our streamlined platform [app.acornpropertyinvest.com](http://app.acornpropertyinvest.com) or request an application form from [applications@acornpg.org](mailto:applications@acornpg.org).
4. Once your Application Form and supporting information are accepted, a Potentially Eligible Investor will receive an email confirmation and the investment will be recorded.

5. Submit payment by BACS to Blue Water Capital Limited as per the subscription form. NB: Please enter applicant's name in the reference section.
6. Once payment has been collected the Potentially Eligible Investor will need to sign the adherence to the Shareholder's agreement.
7. Potentially Eligible Investors will receive a share certificate registering their ownership of the K Shares.

## COMPANY STRUCTURE, OFFER DETAILS AND COSTS

### Statutory information

The Company was incorporated as a limited company on 16<sup>th</sup> December 2021 with the name Acorn Green Investments No. 2 Limited and with registered number 13804430. The principal legislation under which the Company operates is the Companies Act 2006. The liability of members of the Company is limited.

Registered Address:	29 York Street, London, United Kingdom, W1H 1EZ
Director(s):	Melanie Omirou Romy Summerskill
Accountant:	Botham Accounting
Solicitors:	Brook Martin & Co
Receiving Agent:	Blue Water Capital Limited

### Articles of Association

The current Articles are the standard articles adopted on incorporation, a copy of which is attached at Appendix 1 to this IM and can also be viewed online at the Companies House website.

### Interests of Directors & People with Significant Control

The interests of each director and those of any person connected with them within the meaning of section 252 of the Companies Act 2006 ("**Connected Person**"), all of which are beneficial (except as noted below), in the share capital of the Company and the existence of which is known or could with reasonable diligence be ascertained by the directors as the date of this document.

Share Ownership pre-offer:

	Number	Issue Price	Nominal Value	% of Total Issued Share Capital
Ordinary Shares issued at £1 each held by Acorn Green Group Limited	100	£1	£100	100%

## Other Information

The Company's accounts will be prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The accounts will be drawn up on a going concern basis.

The accounting reference date of the Company is 30 April, unless amended by the Company at a future date.

## Documents available for Inspection

Copies of the following documents may be inspected at the registered offices of the Company during usual business hours on any weekday (weekends and public holidays excepted), or can be emailed on request:

- (i) The Articles
- (ii) The Company registers
- (iii) Shareholders Agreement
- (iv) The Share Acquisition Agreement
- (v) The Share Sale Agreement
- (vi) The Undertaking to sell K Shares
- (vii) Corporate Guarantee



## TERMS AND CONDITIONS OF APPLICATION

### GENERAL

1. By completing and returning the enclosed Application Form, you are making an application to invest in K Shares issued by Acorn Green Investments No. 2 Limited (the “**Company**”) pursuant to an offer contained in an IM of JULY 2025 issued by the Company, which sets out important information about the Company and the K Shares. The IM (along with the Investor Documentation, defined below) is available from applications@acornpg.org or in hard copy during normal business hours on any weekday (public holidays excepted) at the registered office of the Company whilst the Offer remains open. Your Application is subject to the following terms and conditions. Capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the IM.
2. Your investment will only be accepted once you have:
  - (a) completed all of the Company’s registration requirements and all other requirements for making an Application on or before the close of the Offer, which will include any tests, certifications, or declarations as required by the Company or its advisers, from time to time; and
  - (b) executed a Shareholders’ Agreement in the form attached hereto as Appendix 3
  - (c) executed a Share Acquisition Agreement in the form attached hereto as Appendix 3
  - (d) executed a Undertaking to sell K Shares in the form attached hereto as Appendix 3
3. Payments must be made in cleared funds to Blue Water Capital Limited (“**Receiving Agent**”) before any K Shares will be issued. Subscription monies will be held by the Receiving Agent and will be held in a client account segregated from the Receiving Agent’s own assets. The Receiving Agent will hold your subscription monies pending successful completion of anti-money laundering checks at which point it will be remitted to the Company in subscription for the K Shares as set out in your Application and transferred to the Company (net of the Receiving Agents fees). Blue Water Capital Limited are acting as receiving agent for this offer. Receiving Agent is not a regulated activity, and it does not fall under the supervision of the FCA (Financial Conduct Authority). An authorised and regulated firm may provide the service however the appointment does not endorse the investment or extend any protection to those investors who choose to invest. The Receiving Agent shall not be responsible, nor shall it face any liability, for any loss incurred by the Loan Noteholders relating to a failure of the Company to make payments (whether of interest or of the principal amount) to the Loan Noteholders when due. The Receiving Agent will not have any ability or responsibility to protect any monies in the accounts of the Company which may have been set aside for payment of interest or the principal amount in respect of the Loan Notes. The Receiving Agent cannot guarantee return of any monies in the event of default. The Receiving Agent has no role in the day-to-day management of the Company and its personnel are not experts in the Company’s business.
4. All Applications must be made, and the K Shares will only be issued, in accordance with the IM, including these terms and conditions, as well as the provisions of the Company’s articles of associations each dated 16<sup>th</sup> December 2021 and JULY 2025 (together, the “Investor Documentation”).

You are taken to have had notice of and be bound by the Investor Documentation.
5. Potentially Eligible Investors will have seven (7) days to be able to cancel an application once they have signed the application form and transferred funds.
6. In making your Application, you acknowledge and confirm:

- (a) that you are not relying on any information given or any representations, warranties, agreements or undertakings (express or implied, written or oral) or statements made at any time by the Company or any other third party whether acting on their behalf or otherwise, in relation to the Company or any group entity other than as contained in the Investor Documentation and that, accordingly, neither the Company nor any directors, officers, agents, employees or advisers of the Company, or any such entity or any person acting on its behalf shall have any responsibility for any such information, representations, warranties, agreements or undertakings (express or implied, written or oral);
- (b) you are not relying on the Company or any of its named advisers to advise you as to the merits of investing in the K Shares or to ensure that the K Shares are a suitable investment for you;
- (c) you have read and understood the IM, including the section headed “Risk Factors” and the summaries of the Investor Documentation contained in the IM. Without limiting the preceding sentence, you understand and accept that:
  - i. that there may be tax consequences for you in investing in the K Shares (and these may include deduction of withholding tax). General information as to tax for UK individual investors as well as certain other types of investors is set out in the IM but you should consider your own personal tax position and take professional advice as appropriate; and
  - ii. you are either an individual who is 18 years old or more at the date of making your Application and who is not resident in the USA (“**US Person**”) or you are the authorised representative(s) of a non-natural person, including a limited company, a limited liability partnership, trust or foundation that is not registered in the USA;
- (d) your making of the Application, being issued with the K Shares and/or receiving any payments in respect of the K Shares, does not contravene any law or requirement of any official or government body based outside the UK to which you are subject. Without limiting any other terms and conditions, you acknowledge and confirm that you are not a US Person, are not receiving the K Shares in the United States and are not acquiring the K Shares for the account of a US Person;
- (e) you are aware that it is open to you to seek advice from someone who specialises in advising on investments;
- (f) unless the Company expressly agrees otherwise, any third-party adviser or intermediary is not entitled to be paid any commission in relation to your Application. If the Company does agree otherwise, it will set out details of the commission which it has been agreed will be paid in advance of you making an investment, either in writing or on its website, and such commission will be paid by the Company;
- (g) you acknowledge that the Company may, in its absolute discretion, reject in whole or in part or scale down your Application and may, if necessary, return monies to you by cheque to the postal address specified in your Application;
- (h) you are not engaged in money laundering. No money paid in subscription for the K Shares shall represent the proceeds of any criminal activity;
- (i) unless you have disclosed to us that you are applying on another person's behalf (for example, as an Intermediary who has disclosed Its client's identity) you must make your Application on your own behalf and for no other person; and
- (j) the Company, its directors, employees, agents and advisers will rely upon the truth and accuracy of the confirmations, acknowledgements and representations contained in your Application.

#### MONEY LAUNDERING

7. It is also a term of your Application that, to ensure compliance with the legislation relating to money laundering and financial crime, the Company and its advisers may, in their absolute discretion, require information and/or evidence or further verification of your identity and the directors of the Company may decide not to issue the K Shares to you until they are satisfied as to your identity. If within a reasonable time after a request for information or evidence as to your identity, satisfactory evidence has not been supplied, the Company may, at its absolute discretion, terminate your Application in which event no K Shares will be issued to you.

#### THIRD PARTY RIGHTS

8. Any member of the Company's group, any directors, officers, LLP members, agents, employees or advisers of the Company or any such group entity or any person acting on behalf of any of them may rely upon a right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these terms and conditions that refers to an acknowledgement, confirmation, authority or right in their favour. No other person shall have a right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these terms and conditions. Notwithstanding any term of these terms and conditions, the consent of any person who is not a party is not required to rescind or vary these terms and conditions.

#### JURISDICTION

9. The making of Applications, acceptances of Applications, the issue of the K Shares to Potentially Eligible Investors and any resulting contracts in relation to the K Shares will be governed by and construed in accordance with English law and you and the Company submit to the exclusive jurisdiction of the relevant courts of the United Kingdom in relation to any disputes, as to the making or acceptance of Applications and in relation to any resulting contracts.

#### CERTIFICATES

10. Once your application has been accepted the Company will issue confirmation via its website or by means of communication provided in your application. Potentially Eligible Investors will be issued a form of certificate documenting their legal entitlement to the K Shares issued to them. The Company is not bound to take notice or see to the execution of any trust whether express, implied or constructive to which any K Shares may be subject.

## **APPENDIX 1**

1. Constitutional Documents of Acorn Green Investments No. 2 Limited
2. Constitutional Documents of Acorn Green Group Limited
3. Constitutional Documents of Acorn Green Settlements Limited

**Appendix 2**

1. Constitutional documents of RST Group Holdings Limited
2. RST Group Holdings Limited Group Financial Statements for year ending 30 September 2023

### **Appendix 3**

1. Shareholders' Agreement
2. Share Acquisition Agreement
3. Share Sale Agreement
4. Undertaking to sell K Shares