

3 January 2019

Dear Bondholder

We (London Capital and Finance plc ("LCF") and the security trustee, Global Security Trustees Limited ("GST")) are writing to you as the holder of a bond issued by LCF.

As you may be aware, LCF is the subject of an investigation conducted by the Financial Conduct Authority (the "FCA"). This has resulted in an interruption to its business including the temporary disabling of the LCF website except for the home page. This has had the result that LCF is unable to accept any new investment.

The FCA has put out 'Information for London Capital and Finance PLC investors' on its website and LCF has also updated its website with information and a short series of questions and answers. Further details of both can be found on the FCA and LCAF websites:

<https://www.fca.org.uk/news/news-stories/information-london-capital-and-finance-plc-investors>

<https://www.londoncapitalandfinance.co.uk/>

LCF continues to assist the FCA with its enquiries. During this time LCF has had to suspend any payments of interest and principal.

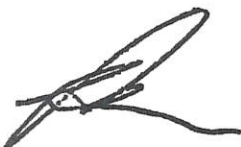
LCF's business is to make loans to companies. These companies continue to carry on their business notwithstanding the current FCA investigation. We should stress that at the date of this letter, no borrower is in default in respect of any LCF loan, and the security taken by LCF in respect of each loan remains in place.

A main concern of LCF, GST and the FCA in all this is to protect the position of bondholders such as yourself. We are currently working with the FCA as to the best way to achieve this.

Unfortunately at the time of writing we cannot comment on how long the current position may last but we are confident that matters will eventually be resolved. We will then write to you explaining what we are going to do regarding the payments of principal and interest on your bond.

If you require any further information, please contact LCF on 0800 415 1155 or 0203 861 9060 though you should note that for such time as the FCA continues its enquiries there is little LCF can add to the notice on its website or this letter. We shall update you via the LCF website as appropriate on any further developments.

Yours faithfully



Director

For and on behalf of

London Capital and Finance plc



Director

For and on behalf of

Global Security Trustees Limited

