



Supermarket Income REIT PLC - SUPR Proposed Placing
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Supermarket Income REIT PLC
26 October 2017

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26 October 2017

SUPERMARKET INCOME REIT PLC

(the "Company")

LEI: 2138007FOINJKAM7L537

PLACING TO FUND ACQUISITION

The Board of Directors of Supermarket Income REIT plc is pleased to announce a placing of up to 19,999,999 ordinary shares in the Company, representing 19.99 per cent. of the Company's existing issued share capital, at a price of 100 pence per Placing Share.

Background to the Placing

The Company was admitted to trading on the London Stock Exchange on 21 July 2017 raising £100 million of gross proceeds. The Company used the net proceeds of the IPO to acquire three supermarket real estate assets in the UK which are let to Sainsbury's and Tesco. The Existing Portfolio provides long-term RPI-linked income from institutional grade tenants and the potential for capital growth through active asset management opportunities. All of the assets in the Company's Existing Portfolio were part of the Company's Target Assets at the time of the IPO and operate both as physical supermarkets and as online fulfilment centres.

On 30 August 2017, the Company announced that it had secured a Revolving Credit Facility of £100 million from HSBC. The RCF has an opening margin of 160 basis points over three-month LIBOR which is currently equivalent to a total cost of 2.2 per cent. per annum.

The Company seeks to provide its shareholders with an attractive level of inflation-linked income and is targeting an aggregate dividend of 5.5 pence per Ordinary Share for the financial period ending 30 June 2018, payable quarterly⁽¹⁾. On 28 September 2017, the Board declared the Company's first quarterly interim dividend of 1.375 pence per Ordinary Share, payable on 27 October 2017 to holders of Ordinary Shares on the Company's register on 6 October 2017.

The Company continues to see attractive opportunities in the market and is seeking to acquire an additional asset which was included in its near term pipeline disclosed at the time of the IPO.

Use of Proceeds

The Company has identified an opportunity to acquire an additional supermarket asset located in a central location in Scotland for approximately £50 million (excluding acquisition costs), reflecting a net initial yield of 5.3 per cent. The Target Property is subject to annual RPI-linked rent reviews, the next such review taking place in March 2018, with a cap and floor at 5 and zero per cent. respectively and has an unexpired lease term in excess of 20 years. The Target Property is also a key online fulfilment centre for the operator in Scotland with a significant catchment area within a 30 minute delivery time. The acquisition would provide further asset and geographic diversification for the Company while increasing the weighted average unexpired lease term and net initial yield of the Company's portfolio.

The consideration for the purchase of the Target Property, if made, will be met from the net proceeds of the Placing, with the balance to be funded from the RCF. The Directors hope the acquisition of the Target Property would be completed by December 2017.

Benefits of the Placing

The Board believes that the Placing and the acquisition of the Target Property would have the following benefits to holders of Ordinary Shares and the Company:

- the Target Property will be accretive to the Company's income profile and lengthen the portfolio weighted average unexpired lease term to approximately 18.5 years;
- the acquisition of the Target Property, which has attractive rental characteristics will further diversify the Company's investment portfolio and reduce portfolio concentration risk;
- growth of the equity base over which the fixed costs of the Company are spread will reduce its on-going costs per Ordinary Share;
- an increase in the market capitalisation of the Company should make the Company more attractive to a wider investor base; and
- the introduction of new shareholders pursuant to the Placing will further diversify the Company's register and potentially enhance liquidity in the Ordinary Shares.

Attractive sector outlook

In contrast to many asset prices, including some of those in the wider UK real estate sector, supermarket property yields have widened over the last few years. The Investment Adviser believes that this presents a significant investment opportunity for investors. Supermarket operators appear to be entering a period of recovery, which should improve their covenant strength as tenants, at a time when the supermarket investment market also appears to have favourable supply and demand characteristics.

The Company acquires assets that operate both as physical supermarkets and online fulfilment centres. The Company targets long, annual RPI-linked leases, and intends to provide investors with a long-term and secure income stream which will grow with inflation. Grocery retailers are increasingly adopting a strategy of integrating online and offline shopping, and accordingly, the Company only acquires stores which already provide online fulfilment of grocery orders.

Details of the Placing

If issued in full, the Placing Shares represent approximately 20 per cent. of the existing issued share capital of the Company. The Placing Price is 100 pence per Placing Share.

Stifel is acting as sole bookrunner to the Company in respect of the Placing. The Placing is not being underwritten. The Appendix to this Announcement sets out certain further information relating to the Placing, including a description of certain

relevant aspects of the Placing Agreement, and the terms and conditions to it. The Appendix is incorporated into, and forms part of, this Announcement.

The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* with the existing Ordinary Shares, including the right to receive all future dividends and distributions declared, made or paid after the date of issue. For the avoidance of doubt, the Placing Shares will not be entitled to the maiden interim dividend declared on 28 September 2017. The Placing Shares will be entitled to receive the Company's next quarterly dividend, which is expected to be declared in January 2018.

The Placing will be made on a non-pre-emptive basis. The Placing is conditional upon, *inter alia*, Admission becoming effective.

Application will be made for Admission to trading on the Specialist Fund Segment of the London Stock Exchange and it is expected that Admission and trading in the Placing Shares will become effective on or around, 17 November 2017. Subject to Admission becoming effective, it is expected that settlement of subscriptions in respect of the Placing Shares and trading in the Placing Shares will commence at 8.00 a.m. on 17 November 2017.

The Placing Shares will be issued in registered form and may be held in uncertificated form. The Placing Shares allocated will be issued to Placees through the CREST system unless otherwise stated. The Placing Shares will be eligible for settlement through CREST with effect from Admission.

The Company has agreed heads of terms on its potential acquisition opportunity but has not entered into a legally binding agreement to acquire the Target Property and there is no certainty that the acquisition will ultimately complete. The Placing is not conditional on completion of the acquisition of the Target Property and, if the Target Property is not acquired, the Company will use the proceeds of the Placing to acquire other assets in accordance with the Company's investment policy.

To the extent that the acquisition proceeds, and further to the Company's strategy at IPO, it is the Company's current intention to notify HMRC of its intention to enter the UK REIT regime, shortly after completion of the acquisition.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important information for Placees only regarding the Placing" section in the Appendix to this Announcement.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Expected timetable of principal events*

Latest time and date for receipt of Placing commitments	2.00 p.m. (London time) on 14 November 2017
Announcement of the results of the Placing	7.00 a.m. (London time) on 15 November 2017
Admission	8.00 a.m. (London time) on, or around, 17 November 2017
Share certificates dispatched (where appropriate)	week commencing 27 November 2017 (or as soon as possible thereafter)

*The times and dates specified above are subject to change without further notice. All references to times are to London time. Any change to the expected timetable will be notified by the Company through a Regulatory Information Service.

The Placing is expected to close at 2.00 p.m. (London time) on 14 November 2017, but may close earlier (or later) at the absolute discretion of the Company, in consultation with Stifel. It may be necessary to scale back applications under the Placing if the number of applications exceeds the number of Placing Shares available under the Placing. In such event, Placing Shares will be allocated at the discretion of the Company in consultation with Stifel.

Nick Hewson, Chairman of Supermarket Income REIT plc said: *"I am delighted with the progress we have made since IPO, acquiring three high-quality supermarket assets and declaring our first quarterly dividend. The Company is the first UK REIT set up to invest in this sector of the real estate market and is committed to providing investors with stable, long-term, inflation-protected income, supported by a compelling real estate and pricing opportunity. This transaction will enable the Company to extend its average lease length, enhance the portfolio yield and provide further asset diversification."*

Dealing codes

Ticker	SUPR
ISIN for the Placing Shares	GB00BF345X11
SEDOL for the Placing Shares	BF345X1

- (1) The target dividend is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as indication of the Company's expected or actual future results.

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APPENDIX: TERMS AND CONDITIONS OF THE PLACING

1. INTRODUCTION

IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING.

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX (TOGETHER, THE "ANNOUNCEMENT") AND THE INFORMATION IN IT, IS RESTRICTED, AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART TO U.S. PERSONS OR, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, NEW ZEALAND, JAPAN OR THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT HAS NOT BEEN EXAMINED OR APPROVED BY THE FCA OR THE LONDON STOCK EXCHANGE,

NOR IS IT INTENDED THAT IT WILL BE SO EXAMINED OR APPROVED.

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEES ONLY.

THE ORDINARY SHARES THAT ARE THE SUBJECT OF THE PLACING ARE NOT BEING OFFERED OR SOLD TO ANY PERSON IN THE EU, OTHER THAN TO QUALIFIED INVESTORS, WHICH INCLUDES LEGAL ENTITIES WHICH ARE REGULATED BY THE FCA OR ENTITIES WHICH ARE NOT SO REGULATED WHOSE CORPORATE PURPOSE IS SOLELY TO INVEST IN SECURITIES.

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THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, IS FOR INFORMATION PURPOSES ONLY AND DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THIS ANNOUNCEMENT HAS BEEN ISSUED BY AND IS THE SOLE RESPONSIBILITY OF THE COMPANY.

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, IS NOT AN OFFER FOR SALE OR SUBSCRIPTION IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION. THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, IS NOT AN OFFER OF OR SOLICITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE

OR OTHER JURISDICTION OF THE UNITED STATES HAS APPROVED OR DISAPPROVED OF AN INVESTMENT IN THE SECURITIES OR PASSED UPON OR ENDORSED THE MERITS OF THE PLACING OR THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THIS ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT, WILL NOT BE ACCEPTED.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE PRICE OF SHARES IN THE COMPANY AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF SHARES.

- 1.1 Placees will be deemed to have read and understood this Announcement, including this Appendix in its entirety and to be making such offer on the terms and conditions and to be providing the representations, warranties, acknowledgements, and undertakings contained in this Appendix. In particular, each such Placee represents, warrants and acknowledges that:
- (a) it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
 - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Placing Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the European Economic Area ("EEA") which has implemented the Prospectus Directive other than Qualified Investors or in circumstances in which the prior consent of Stifel has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any Member State of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and/or
 - (c) (i) (1) it is not a "U.S. Person" (as defined in Regulation S under the Securities Act), (2) it is not located in the United States, and (3) it is not acquiring the Placing Shares for the account or benefit of a U.S. Person; or (ii) it is a dealer or other professional fiduciary in the United States acting for a discretionary account (other than an estate or trust) held for the benefit or account of a non U.S. person in reliance on Regulation S under the Securities Act.

The Company and Stifel will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

- 1.2 This Announcement does not constitute an offer, and may not be used in connection with an offer, to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. This Announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, New Zealand, Japan or the Republic of South Africa or in, into or from any jurisdiction in which such publication or distribution is unlawful. Persons who come into possession of this Announcement are required by the Company to inform themselves about and to

observe any restrictions of transfer of this Announcement. No public offer of securities of the Company is being made in the United Kingdom, the United States or elsewhere.

- 1.3 In particular, the Placing Shares referred to in this Announcement have not been and will not be registered under the U.S. Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States, and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in, into or from the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States, and under circumstances that would not result in the Company being in violation of the U.S. Investment Company Act of 1940. The Placing Shares are only being offered and sold outside the United States in offshore transactions to persons who are not U.S. Persons in accordance with Regulation S under the U.S. Securities Act.
- 1.4 The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained from the South African Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia, New Zealand, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Canada, Australia, New Zealand, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.
- 1.5 Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action.
- 1.6 In this Appendix, unless the context otherwise requires, "Placee" means a Relevant Person (including individuals, funds or others) by whom or on whose behalf a commitment to subscribe for Placing Shares has been given.

2. DETAILS OF THE PLACING

- 2.1 Stifel has today entered into the Placing Agreement with the Company and the Investment Adviser under which Stifel has, on the terms and subject to the conditions set out therein, undertaken to use its reasonable endeavours to procure, as agent for the Company, subscribers for the Placing Shares at the Placing Price.
- 2.2 The Placing Agreement contains customary undertakings and warranties given by the Company and the Investment Adviser to Stifel as to matters relating to the Company and its business and a customary indemnity given by the Company to Stifel in respect of liabilities arising out of, or in connection with, the Placing. The Placing is conditional upon, amongst other things, Admission becoming effective on or before 8.30 a.m. on 30 November 2017 (the "**Final Date**") and the Placing Agreement not being terminated in accordance with its terms.

- 2.3 The Company (after consultation with Stifel and the Investment Adviser) reserves the right to scale back the number of Placing Shares to be subscribed by any Placee in the event of applications in excess of the target amount under the Placing. The Company and Stifel also reserve the right not to accept offers to subscribe for Placing Shares or to accept such offer in part rather than in whole. Stifel shall be entitled to effect the Placing by such method as they shall in their sole discretion determine. To the fullest extent permissible by law, neither Stifel nor any of its affiliates nor any person acting on behalf of any of the foregoing shall have any liability to the Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither Stifel, nor any affiliate thereof nor any person acting on their behalf shall have any liability to Placees in respect of their conduct of the Placing. No commissions will be paid to Placees or directly by Placees in respect of any Placing Shares.
- 2.4 Each Placee's obligations will be owed to the Company and to Stifel. Following the oral confirmation referred to below in paragraph 5, each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to Stifel, to pay to Stifel (or as Stifel may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares which such Placee has agreed to acquire.
- 2.5 Each Placee agrees to indemnify on demand and hold each of Stifel, the Company and the Investment Adviser and their respective affiliates and any person acting on behalf of any of the foregoing harmless from any all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the acknowledgments, undertakings, representations, warranties and agreements set forth in these terms and conditions and any Contract Note.

3. APPLICATION FOR ADMISSION TO TRADING

Application will be made to the London Stock Exchange for Admission. It is expected that settlement of any such Placing Shares and Admission will become effective on or around 8.00 a.m. on 17 November 2017 and that dealings in the Placing Shares will commence at that time.

4. PAYMENT FOR SHARES

Each Placee must pay the Placing Price for the Placing Shares issued to the Placee in the manner and by the time directed by Stifel. If any Placee fails to pay as so directed and/or by the time directed, the relevant Placee's application for Placing Shares shall at Stifel's discretion either be rejected or accepted in which case paragraph 9.5 of this Appendix shall apply to such application.

5. PARTICIPATION IN, AND PRINCIPAL TERMS OF, THE PLACING

- 5.1 Stifel (whether through itself or any of its affiliates) is arranging the Placing as placing agent of the Company for the purpose of using its reasonable endeavours to procure Placees at the Placing Price for the Placing Shares.
- 5.2 Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by Stifel. Stifel and its affiliates may participate in the Placing as principal.
- 5.3 This Appendix gives details of the terms of and conditions to, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

- 5.4 The Placing Price will be a fixed price of 100 pence per new Ordinary Share.
- 5.5 Each Placee's allocation will be confirmed to Placees orally by Stifel, and a trade confirmation or Contract Note will be dispatched as soon as possible thereafter. The oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of Stifel and the Company, under which it agrees to acquire the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Articles.
- 5.6 Except as required by law or regulation, no press release or other announcement will be made by Stifel or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
- 5.7 Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under paragraph 9 of this Appendix.
- 5.8 All obligations under the Placing will be subject to fulfilment or (where applicable) waiver of, amongst other things, the conditions referred to below in paragraph 6 and to the Placing not being terminated on the basis referred to below in paragraph 7.
- 5.9 By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
- 5.10 To the fullest extent permissible by law, none of the Company, Stifel or any of their respective affiliates or any person acting on behalf of any of the foregoing shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Company, Stifel or any of their respective affiliates or any person acting on behalf of any of the foregoing shall have any liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of Stifel's conduct of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and Stifel shall have no liability to the Placees for the failure of the Company to fulfil those obligations.

6. CONDITIONS OF THE PLACING

- 6.1 The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.
- 6.2 Stifel's obligations under the Placing Agreement in respect of the Placing Shares are conditional on, *inter alia*:
- (a) the fulfilment in all material respects by the Company of its obligations under the Placing Agreement to the extent falling to be performed prior to Admission;
- (b) none of the warranties contained in the Placing Agreement being untrue, inaccurate or misleading at the date of the Placing Agreement and none of such warranties having ceased to be true and accurate or having become misleading at any time following the date of the Placing Agreement up to and including the time of Admission, which in any such case is material in the context of the Placing or Admission;

- (c) prior to Admission there having been no development or event which, in the reasonable opinion of Stifel (acting in good faith), may result in a material adverse change; and
 - (d) Admission taking place not later than the Final Date;
- 6.3 If (a) any of the conditions contained in the Placing Agreement are not fulfilled or waived (if capable of waiver) by Stifel by the respective time or date where specified (or such later time or date as the Company and Stifel may agree not being later than the Final Date or (b) the Placing Agreement is terminated as described below, the Placing will lapse and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.
- 6.4 Subject to certain exceptions, Stifel may, at its absolute discretion and upon such terms as it thinks fit, waive, or extend the period (up to the Final Date) for, compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.
- 6.5 Neither Stifel nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Stifel.

7. RIGHT TO TERMINATE UNDER THE PLACING AGREEMENT

- 7.1 Stifel is entitled, at any time before Admission, to terminate the Placing Agreement by giving notice to the Company in certain circumstances, including, *inter alia*:
- (a) in the opinion of Stifel (acting in good faith), the warranties given by the Company and the Investment Manager to Stifel are not true and accurate in any material respect or have become materially misleading (or would not be materially true and accurate or would be misleading if they were repeated at any time before Admission) by reference to the facts subsisting at the time when the notice referred to above is given; or
 - (b) in the opinion of Stifel (acting in good faith), the Company fails to comply with any of its obligations under the Placing Agreement; or
 - (c) in the opinion of Stifel (acting in good faith), there has been a development or event (or any development or event involving a prospective change of which the Company is, or might reasonably be expected to be, aware) which will or is likely to have a material adverse effect on or affecting the operations, the condition (financial, operational, legal or otherwise), prospects, management, results of operations, financial position, business or general affairs of the Company taken as a whole; or
 - (d) in the opinion of Stifel (acting in good faith) there has been a change in national or international financial, political, economic or stock market conditions (primary or secondary); an incident of terrorism, outbreak or escalation of hostilities, war, declaration of martial law or any other calamity or crisis; a suspension or material limitation in trading of securities generally on any stock exchange; any change in currency exchange rates or exchange controls or a disruption of settlement

systems or a material disruption in commercial banking, in each case as would be likely to materially prejudice the success of the Placing and which, in any such case, would be material in the opinion (acting in good faith) of Stifel in the context of the Placing and dealings in the Ordinary Shares following Admission.

7.2 Following Admission, the Placing Agreement is not capable of termination to the extent that it relates to the Placing of the Placing Shares.

7.3 The rights and obligations of the Placees shall terminate only in the circumstances described in these terms and conditions and in the Placing Agreement and will not be subject to termination by the Placee or any prospective Placee at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by Stifel of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Stifel, and that it need not make any reference to Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise or decision not to exercise. Placees will have no rights against Stifel, the Company or any of their respective directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended).

8. NO PROSPECTUS

8.1 The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require a prospectus in the United Kingdom or in any other jurisdiction. No offering document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in the Announcement (including this Appendix in relation to the Placing Shares) and any Exchange Information (as defined in paragraph 10.1(c) below).

8.2 Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company, Stifel or any other person and neither Stifel, the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by Stifel, the Company, or their respective officers, directors, employees or agents. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Neither the Company nor Stifel are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations.

8.3 Each Placee should not consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation

9. REGISTRATION AND SETTLEMENT

- 9.1 Settlement of transactions in the Placing Shares (ISIN: GB00BF345X11) following Admission will take place within CREST provided that, subject to certain exceptions, Stifel reserves the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees in certificated form if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.
- 9.2 Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation or Contract Note stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to Stifel (as agent for the Company) and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the CREST or certificated settlement instructions that it has in place with Stifel.
- 9.3 It is expected that settlement in respect of the Placing Shares will be on or around 17 November 2017 on a T+2 basis in accordance with the instructions set out in the trade confirmation.
- 9.4 Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by Stifel.
- 9.5 Each Placee is deemed to agree that, if it does not comply with these obligations, Stifel may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Stifel's account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. Any excess proceeds will pass to the relevant Placee at its risk. The relevant Placee will, however, remain liable and shall indemnify Stifel on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on Stifel all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which Stifel lawfully takes in pursuance of such sale.
- 9.6 If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation or Contract Note is copied and delivered immediately to the relevant person within that organisation.
- 9.7 Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

10. REPRESENTATIONS, WARRANTIES AND FURTHER TERMS

- 10.1 By participating in the Placing, each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Company and Stifel, namely that, each Placee (and any person acting on such Placee's behalf):
- (a) represents and warrants that it has read and understood the Announcement, including this Appendix, in its entirety and that its

subscription of Placing Shares is subject to, and based upon, all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement

- (b) acknowledges that no offering document or prospectus has been prepared in connection with the Placing and represents and warrants that it has not received and will not receive a prospectus or other offering document in connection therewith;
- (c) the Ordinary Shares are admitted to trading on the London Stock Exchange's Specialist Fund Segment and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the London Stock Exchange and/or the FCA and/or MAR (collectively, "**Exchange Information**") and that the Placee is able to obtain or access such information or comparable information concerning any other publicly traded company without undue difficulty;
- (d) acknowledges that none of Stifel, the Company, any of their respective affiliates or any person acting on behalf of any of them has provided it, and will not provide it, with any material regarding the Placing Shares or the Company other than this Announcement; nor has it requested any of Stifel, the Company, their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
- (e) acknowledges that the content of this Announcement is exclusively the responsibility of the Company, and that none of Stifel, its affiliates or any person acting on its or their behalf has or shall have any liability for any information, representation or statement contained in this Announcement or any Exchange Information, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement, the Exchange Information or otherwise (except that nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation). Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by Stifel, the Company or any of their respective directors, officers or employees or any person acting on behalf of any of them, or, if received, it has not relied upon any such information, representations, warranties or statements (including any management presentation that may have been received by any prospective Placee or any material prepared by the Research Department of Stifel (the views of such Research Department not representing and being independent from those of the Company and the Corporate Finance Department of Stifel and not being attributable to the same)), and neither Stifel nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it may not place the same degree of reliance on this Announcement as it may otherwise place on a prospectus. Each Placee further acknowledges and agrees that it has relied solely on its own investigation and assessment of the business, financial or other position of the Company in deciding to participate in the Placing and it will not rely on any investigation that Stifel, its affiliates or any other person acting on its or their behalf has or may have conducted;

- (f) represents and warrants that it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing;
- (g) acknowledges that Stifel does not have any duties or responsibilities to it, or its clients, similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook in the FCA's Handbook of Rules and Guidance and that Stifel is not acting for it or its clients and that Stifel will not be responsible for providing protections to it or its clients;
- (h) acknowledges that none of Stifel, any of its affiliates or any person acting on behalf of it or them has or shall have any liability for the Announcement, any publicly available or filed information (including without limitation Exchange Information) or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
- (i) that, save in the event of fraud on the part of Stifel (and to the extent permitted by the FCA), neither Stifel, its ultimate holding company nor any direct or indirect subsidiary undertakings of that holding company, nor any of their respective directors and employees shall be liable to Placees for any matter arising out of Stifel's role as placing agent or otherwise in connection with the Placing and that where any such liability nevertheless arises as a matter of law. Placees will immediately waive any claim against any of such persons which you may have in respect thereof;
- (j) represents and warrants that (i) it is not in the United States; (ii) it is not a U.S. Person; (iii) it is not acting for the account or benefit of a U.S. Person; and (iv) is otherwise acquiring the Placing Shares in an "offshore transaction" meeting the requirements of Regulation S.
- (k) acknowledges that the Placing Shares are only being offered and sold outside the United States in offshore transactions to persons who are not U.S. Persons pursuant to Regulation S under the U.S. Securities Act, and the Placing Shares have not been and will not be registered under the U.S. Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States, and agrees not to reoffer, resell, pledge, transfer or deliver any Placing Shares, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States;
- (l) unless otherwise specifically agreed in writing with Stifel, represents and warrants that neither it nor the beneficial owner of such Placing Shares will be a resident of Canada, Australia, New Zealand, Japan or the Republic of South Africa;
- (m) acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Canada, Australia, New Zealand, Japan or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;
- (n) represents and warrants that the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to

transfer Placing Shares into a clearance system and that no instrument under which its subscribes for Placing Shares (whether as principal, agent or nominee) would be subject to stamp duty or the increased rates referred to in those sections and that it, or the person specified by it for registration a holder of the Placing Shares, is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;

- (o) represents and warrants that: (i) it has complied with and will continue to comply with its obligations under the MAR, the Criminal Justice Act 1993 and Part VIII of FSMA and other applicable law; (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law 1999 and other applicable law, the Terrorism Act 2006 and the Money Laundering Regulations 2007; and (iii) it is not a person: (1) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (2) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (3) subject to financial sanctions imposed pursuant to a regulation of the EU or a regulation adopted by the United Nations (together, the "Regulations"); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to Stifel such evidence, if any, as to the identity or location or legal status of any person which Stifel may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Stifel on the basis that any failure by it to do so may result in the number of Placing Shares that are to be purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as Stifel may decide at its sole discretion;
- (p) if a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, represents and warrants that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of Stifel has been given to the offer or resale;
- (q) represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
- (r) represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA

does not require approval of the communication by an authorised person and it acknowledges and agrees that this Announcement has not been approved by Stifel in its capacity as an authorised person under section 21 FSMA and it may not therefore be subject to the controls which would apply if it were made or approved as a financial promotion by an authorised person;

- (s) represents and warrants that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
- (t) if in a Member State of the EEA, unless otherwise specifically agreed with Stifel and the Company in writing, represents and warrants that it is a Qualified Investor within the meaning of the Prospectus Directive;
- (u) if in the United Kingdom, represents and warrants that it is a person (i) who has professional experience in matters relating to investments falling within Article 19(1) of the Order; (ii) falling within Article 49(2)(A) to (D) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order; or (iii) to whom this Announcement may otherwise be lawfully communicated;
- (v) represents and warrants that it and any person acting on its behalf is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions, it has fully observed such laws and that it has all necessary capacity and has obtained all necessary consents and authorities and taken any other necessary actions to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
- (w) where it is acquiring Placing Shares on behalf of any other person, represents and warrants that it is authorised in writing by each such person: (i) to acquire the Placing Shares for each managed account; (ii) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and the Announcement of which it forms part; and (iii) it is and will remain liable to the Company and Stifel for the performance of all of its obligations as a Placee in respect of the Placing;
- (x) represents and warrants that it has the funds available to pay for the Placing Shares for which it has agreed to subscribe and acknowledges, agrees and undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as Stifel may in its sole discretion determine and without liability to such Placee and it will remain liable and will indemnify Stifel on demand for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear the liability for any stamp duty or stamp duty reserve tax or security transfer tax (together with any interest or penalties due pursuant to or referred to in these terms and conditions) which may arise upon the placing or sale of such Placee's Placing Shares on its behalf;
- (y) acknowledges that none of Stifel, any of its affiliates, or any person acting on behalf of any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be treated for these purposes as a client of Stifel and that Stifel has no duties or responsibilities to it for

providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their rights and obligations thereunder, including any rights to waive or vary any conditions or exercise any termination right;

- (z) undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself; or (ii) its nominee, as the case may be. Neither Stifel nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and Stifel in respect of the same on the basis that the Placing Shares will be allotted to the CREST stock account of Stifel who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
- (aa) acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreement shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter (including non-contractual matters) arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Stifel in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- (bb) acknowledges that time shall be of the essence as regards to obligations pursuant to this Appendix;
- (cc) agrees that the Company, Stifel and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to Stifel on its own behalf and on behalf of the Company and are irrevocable and are irrevocably authorised to produce this Announcement or a copy thereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby;
- (dd) it irrevocably appoints any duly authorised officer of Stifel as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of this Announcement;
- (ee) agrees to indemnify on an after-tax basis and hold the Company, Stifel and their respective affiliates and any person acting on behalf of any of the foregoing harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
- (ff) acknowledges that no action has been or will be taken by any of the Company, Stifel or any person acting on behalf of the Company or

Stifel that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;

- (gg) acknowledges that it is an institution that has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and in this sector and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;
- (hh) acknowledges that its commitment to subscribe for Placing Shares on the terms set out herein and in the trade confirmation or Contract Note will continue, notwithstanding any amendment that may in the future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing;
- (ii) acknowledges that Stifel or any of its affiliates acting as an investor for its own account may take up shares in the Company and in that capacity may retain, purchase or sell for its own account such shares and may offer or sell such shares other than in connection with the Placing;
- (jj) represents and warrants that, if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with all applicable laws and regulation; and
- (kk) to the fullest extent permitted by law, it acknowledges and agrees to the disclaimers contained in the Announcement, including this Appendix.

10.2 The representations, warranties, acknowledgments and undertakings contained in this Appendix are given to Stifel and the Company and are irrevocable and shall not be capable of termination in any circumstances.

10.3 The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depository receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor Stifel will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Stifel in the event that any of the Company and/or Stifel has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Stifel accordingly.

- 10.4 In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.
- 10.5 Each Placee, and any person acting on behalf of the Placee, acknowledges that Stifel does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.
- 10.6 Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Stifel or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.
- 10.7 When a Placee or person acting on behalf of the Placee is dealing with Stifel, any money held in an account with Stifel on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Stifel's money in accordance with the client money rules and will be used by Stifel in the course of its own business and the Placee will rank only as a general creditor of Stifel.
- 10.8 Stifel is entitled, at its discretion and out of its own resources, at any time to rebate to some or all of its investors, or to other parties (including the Investment Adviser), part or all of its fees relating to the Issue.
- 10.9 All times and dates in this Announcement may be subject to amendment. Stifel shall notify the Placees and any person acting on behalf of the Placees of any changes.
- 10.10 Past performance is no guide to future performance and persons needing advice should consult an appropriately qualified independent financial adviser.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

All times and dates in this Announcement may be subject to amendment.

DEFINITIONS

In addition to the terms previously defined, the following definitions apply throughout this Announcement unless the context otherwise requires:

"Admission" means the admission of the Placing Shares to trading on the Specialist Fund Segment of London Stock Exchange's Main Market for listed securities and such admission becoming effective in accordance with the Admission and Disclosure Standards;

"Admission and Disclosure Standards" means the requirements contained in the publication "Admission and Disclosure Standards" issued by the London Stock Exchange containing admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's markets for listed securities;

"affiliate" means a person controlling, controlled by or under common control with that person;

"Announcement" means this announcement (including the Appendix to it) relating to the Placing;

"Articles" means the articles of association of the Company as amended from time to time;

"Board" the board of directors of the Company from time to time;

"Company" means Supermarket Income REIT plc;

"Contract Note" means the contract notes to be signed by the Placees in favour of the Company and Stifel acknowledging the terms of and conditions to the Placing;

"CREST" means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations);

"CREST Regulations" means the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time;

"Directors" means the directors of the Company as at the date of this Announcement;

"Existing Portfolio" means the three supermarket real estate assets acquired by the Company since the IPO;

"FCA" means the Financial Conduct Authority of the United Kingdom;

"FSMA" means the Financial Services and Markets Act 2000 (as amended);

"Investment Adviser" means Atrato Capital Limited, incorporated and registered in England and Wales under company number 10532978, the registered office of which is at 33 Wigmore Street, London W1U 8DW;

"IPO" means the admission of the Ordinary Shares to trading on the Specialist Fund Segment of London Stock Exchange's Main Market for listed securities on 21 July 2017 raising £100 million of gross proceeds;

"London Stock Exchange" means London Stock Exchange plc;

"MAR" means Market Abuse Regulation (EU) No. 596/2014;

"Ordinary Shares" means the ordinary shares of one pence each in the capital of the Company;

"Placee" means any person (including individuals, funds or otherwise) who agree to subscribe for Placing Shares pursuant to the Placing;

"Placing" means the proposed conditional placing of the Placing Shares by Stifel, on behalf of the Company, with Placees, in each case pursuant to the Placing Agreement;

"Placing Agreement" means the placing agreement dated 26 October 2017 between the Company, the Investment Adviser and Stifel in respect of the Placing;

"Placing Price" means 100 pence per Placing Share;

"Placing Shares" means up to 19,999,999 new Ordinary Shares to be issued to certain Placees;

"Prospectus Directive" means the Directive of the European Parliament and of the Council of the European Union 2003/71/EC;

"RPI" means the UK retail prices index, as calculated and published by the Office for National Statistics on a monthly basis that measures the change in the cost of a fixed basket of retail goods;

"RCF" means the revolving credit facility of £100 million entered into between the Company and HSBC date 30 August 2017;

"Securities Act" means the US Securities Act of 1933, as amended;

"Stifel" means Stifel Nicolaus Europe Limited, registered in England and Wales with company number 04373759, whose registered office is at 150 Cheapside, London EC2V 6ET;

"Target Assets" means the five supermarket assets that were identified for potential acquisition at IPO by the Investment Adviser;

"Target Property" means the additional supermarket asset identified for acquisition that is located in a central location in Scotland for approximately £50 million;

"United Kingdom" or **"UK"** means the United Kingdom of Great Britain and Northern Ireland; and

"United States" or **"US"** means the United States of America, its territories and possessions, any state of the United States, including the District of Columbia, together with other areas that are subject to the jurisdiction of the United States.