



**Supermarket Income REIT PLC** - SUPR Proposed Issue of Ordinary Shares and Notice of GM  
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Supermarket Income REIT PLC  
25 April 2018

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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.

25 April 2018

## **SUPERMARKET INCOME REIT PLC**

(the "Company")

## **Proposed Issue of Ordinary Shares**

and

## **Notice of General Meeting**

The Board of Supermarket Income REIT plc is pleased to announce its intention to raise up to £65 million through the issue of up to 64,356,435 New Ordinary Shares by way of the Placing and Offer for Subscription, at 101 pence per New Ordinary Share.

Highlights:

- Issue of up to 64,356,435 New Ordinary Shares at 101 pence per New Ordinary Share by way of the Placing and Offer for Subscription
- The Initial Issue Price represents a discount to the closing offer price of 102 pence per existing Ordinary Share on 24 April 2018 (being the last business day prior to this Announcement) and a premium to the Company's last reported NAV per Ordinary Share as at 31 March 2018 of 96.0 pence

- The Company has identified three acquisition opportunities, with one asset currently under exclusivity and another two assets in advanced due diligence
- The £65 million target issue size should enable the Company to purchase two of the Target Assets for an aggregate price (excluding acquisition costs) of approximately £104 million

The Company has prepared a Prospectus consisting of a Summary, Registration Document and Securities Note in connection with the Initial Issue and the Share Issuance Programme (as further described below) which is expected to be published shortly following its approval by the UK Listing Authority.

Both the Initial Issue and Share Issuance Programme are subject to the approval of Shareholders in a General Meeting, further details of which are set out in this Announcement.

**Nick Hewson, Chairman of the Company, said:** "I am delighted with our progress to date and especially with our track record in delivering on our IPO acquisition and dividend targets. We have declared three dividends in our first nine months of operation totalling 4.125 pence and remain firmly on track to pay 5.5 pence in our first full year.

As a Board we are very excited by the current investment opportunity offered by the next set of assets in our pipeline. These new assets all meet our investment criteria and, once purchased, will enhance our portfolio by extending weighted average lease length, increasing portfolio net initial yield and providing further diversification".

### **Background to the Initial Issue**

On IPO, the Company raised gross proceeds of £100 million through the issue of 100 million Ordinary Shares at a price of 100 pence per Ordinary Share with the Ordinary Shares being admitted to trading on the London Stock Exchange's Specialist Fund Segment on 21 July 2017. The Company is the principal company of the REIT Group.

In November 2017, in order to assist in financing the acquisition of an additional supermarket asset with a market value of approximately £50 million, the Company raised further gross proceeds of approximately £20 million through an oversubscribed follow-on placing of 19,999,999 Ordinary Shares (representing 19.99 per cent. of the Company's then issued share capital). In accordance with the Company's investment policy, the Company now owns four UK supermarket assets, operating both as physical supermarkets and as online fulfilment centres (for home delivery and/or click and collect) on large sites with the potential for capital growth. These assets have all been acquired within six weeks of their respective fundraises demonstrating the Company's ability to source assets effectively in advance of a fundraise and minimise cash drag post an equity issue through efficient execution.

At the time of the IPO, the Company stated its intention to assemble a property portfolio supporting a targeted annual dividend of 5.5 pence per Ordinary Share. As a REIT, the Company is required to distribute (to the extent permitted by law) at least 90 per cent. of the profits from its UK property rental business as dividends (in the form of property income distributions). In the nine months since IPO the Company has declared dividends totalling 4.125 pence per Ordinary Share, and remains on track to pay a total dividend of 5.5 pence in its first year of operation. The targeted long term net total Shareholder return (combining NAV progression and dividends) is currently 7 to 10 per cent. per annum.

### **Share Issuance Programme**

The Directors intend to continue to increase progressively the size and scale of the Company in order to allow it, amongst other things, to maximise its in-built economies of scale, including when negotiating tenant improvements across the portfolio. In order to move closer to this objective, whilst also minimising the costs associated with equity issues, the Directors intend to implement a Share Issuance Programme, alongside the Initial Issue. The Share Issuance Programme, if approved, would allow the Directors the flexibility to issue over the course of the next 12 months, in aggregate, up to 150 million Ordinary Shares (less the number of New Ordinary Shares issued pursuant to the Initial Issue).

### **Use of Proceeds for the Initial Issue**

The Investment Adviser has identified three assets with an aggregate value of approximately £157 million. All the assets benefit from long RPI linked leases, with a weighted average lease term of 21.3 years across the portfolio. Two of the assets are occupied by Tesco, with the other occupied by Morrisons, with both tenants providing strong rental security over the longer term. In addition, all three assets benefit from low site cover, interesting asset management opportunities and geographical locations which would support multiple sales channels including online, and click and collect delivery, in addition to in-store customers.

As at the date of this Announcement, the Investment Adviser has entered into exclusivity arrangements with the owner of one of the Target Assets and is in advanced discussions with the owners of the other two Target Assets. No contractually binding obligations for the sale and purchase of the Target Assets have been entered into by the Investment Adviser or the Company.

The consideration for the purchase of any or all of the Target Assets, if made, will be met from the Net Issue Proceeds, with the balance to be funded from debt financing.

### **Benefits of the Initial Issue**

The Directors believe that the Initial Issue and the Share Issuance Programme have the following principal benefits for Shareholders:

- the net proceeds of the Initial Issue and the Share Issuance Programme will be used to invest further in operational properties let to UK supermarket operators, diversifying the Portfolio, providing strategic flexibility and capitalising on the Company's position in the supermarket real estate market;
- the flexibility provided by the Share Issuance Programme will allow the Company to tailor future equity issuance to its immediate pipeline, providing operational flexibility and minimising cash drag;
- an increase in the size of the Company should improve liquidity and enhance the marketability of the Company and result in a broader investor base over the longer term; and
- an increase in the size of the Company will spread its fixed operating expenses over a larger issued share capital.

### **Further information on the Initial Issue**

The Company is proposing to raise Gross Initial Issue Proceeds of up to approximately £65 million by way of the Placing and Offer for Subscription of up to 64,356,435 New Ordinary Shares, at the Initial Issue Price of 101 pence per New Ordinary Share. If the Company does not raise the targeted Gross Initial Issue Proceeds, the Company may determine to proceed with the Initial Issue, provided that the Gross Initial Issue Proceeds are equal to or exceed £20 million.

If all the Target Assets were acquired, the total expected purchase price, excluding acquisition costs, would be approximately £157 million. The £65 million target issue size pursuant to the Initial Issue should enable the Company to purchase two of the Target Assets whilst the larger pipeline also helps ensure the Company benefits from negotiating flexibility when discussing the purchase of these assets with vendors. In the event the Company has demand from investors of less than £65 million, the Company and the Directors will consider which assets would best suit the size of the Portfolio, which may include some or none of the Target Assets. In the event that the Company has demand from investors which exceeds £65 million, the Company may consider increasing the Initial Issue (subject to a maximum cap of 150 million New Ordinary Shares, being the total size of both the Initial Issue and the Share Issuance Programme). Any decision to upsize would only be made after careful consideration of the prevailing market conditions, the availability and estimated price of the properties that the Investment Adviser has identified as being suitable for purchase by the Company and the length of time it would likely take to acquire them. By way of example, in the event that the Company believed it could acquire all three target assets in a short timeframe, whilst maintaining a similar level of debt, the Company expects it would need to increase the size of the Initial Issue to approximately £90 million.

The Initial Issue Price is 101 pence per New Ordinary Share. The Initial Issue Price has been set by the Directors following their assessment of market conditions and following discussions with a small number of institutional investors.

The Initial Issue is not underwritten. The Placing may be scaled back in order to satisfy valid applications under the Offer for Subscription, and the Offer for Subscription may be scaled back in favour of the Placing.

On 16 April 2018, the Board declared the Company's third quarterly dividend of 1.375 pence per Ordinary Share. The ex-entitlement date for the third quarterly dividend is 26 April 2018, and the third quarterly dividend is expected to be paid on or around 21 May 2018. New Ordinary Shares issued pursuant to the Initial Issue will not carry the right to receive the third quarterly dividend.

The Offer for Subscription is only being made in the UK, but subject to applicable law, the Company may allot and issue New Ordinary Shares on a private placement basis to applicants in other jurisdictions.

The Initial Issue is conditional, inter alia, upon the following:

- Admission becoming effective by not later than 8.00 a.m. on 25 May 2018 (or such later time and/or date as the Company and Stifel may agree, being not later than 8.00 a.m. on 15 June 2018);
- the Resolutions being passed by Shareholders at the General Meeting (without material amendment);
- the Placing Agreement becoming unconditional in all respects (save for conditions relating to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- the Minimum Proceeds having been raised pursuant to the Initial Issue.

Accordingly, if any of these conditions are not satisfied, or, if applicable, waived, the Initial Issue will not proceed and application monies will be returned without interest as soon as possible. If the Initial Issue does not proceed, the Share Issuance Programme may still be implemented assuming the Resolutions are passed.

The results of the Initial Issue are expected to be announced on 23 May 2018. The New Ordinary Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The New Ordinary Shares will be issued in registered form and will be capable of being held in both certificated and uncertificated form.

Applications will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the Specialist Fund Segment. It is expected that Admission will become effective and that dealings for normal settlement in the New Ordinary Shares will commence on the London Stock Exchange by 8.00 a.m. on 25 May 2018.

The Existing Ordinary Shares are already admitted to trading on the Specialist Fund Segment and to CREST. It is expected that all of the New Ordinary Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST. The New Ordinary Shares will trade under ISIN GB00BF345X11.

#### **Expected timetable**

|  |                                     |
|--|-------------------------------------|
| Placing and Offer for Subscription opens   | 25 April 2018                       |
| Latest time and date for receipt of forms of proxy in respect of the General Meeting   | 6.00 p.m. on 17 May 2018            |
| General Meeting  | 12.00 noon on 21 May 2018           |
| Latest time and date for receipt of application forms under the Offer for Subscription | 11.00 a.m. on 21 May 2018           |
| Latest time and date for receipt of commitments under the Placing                      | 11.00 a.m. on 22 May 2018           |
| Results of the Initial Issue announced   | by close of business on 23 May 2018 |
| Admission and dealings in New Ordinary Shares commence                                 | 8.00 a.m. on 25 May 2018            |

The dates set out in the expected timetable above may be adjusted by the Company. In such circumstances details of the new dates will be notified to the UK Listing Authority and the London Stock Exchange and an announcement will be made through a Regulatory Information Service.

#### **Director Participation**

Nick Hewson and Jon Austen intend to invest in the Company through participation in the Initial Issue for, in aggregate, 89,107 New Ordinary Shares.

#### **Notice of General Meeting**

The Notice of General Meeting will be set out in the back of the Appendix to the Registration Document which is expected to be published shortly (and which sets out details of the Initial Issue and the Share Issuance Programme), and will be posted to Shareholders to convene a General Meeting to approve, amongst other things, the Initial Issue and the Share Issuance Programme. The General Meeting is expected to be held at the offices of Macfarlanes LLP, 20 Cursitor Street London EC4A 1LT at 12.00 noon on 21 May 2018.

The Board believes that the Initial Issue and the Resolutions are in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings.

### **Dealing codes**

Ticker: SUPR

ISIN for the New Ordinary Shares: GB00BF345X11

SEDOL for the New Ordinary Shares: BF345X1

The Company's legal entity identifier: 2138007FOINJKAM7L537

### **For further information, please contact:**

#### **Atrato Capital Limited**

+44 (0)20 3790 8087

Ben Green  
Steve Windsor  
Steve Noble

#### **Stifel - Bookrunner, Financial Adviser and Placing Agent**

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Tom Yeadon  
Neil Winward  
Mark Young

#### **Goodbody - Placing Agent**

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#### **Tavistock**

+44 (0)20 7920 3150

Jeremy Carey  
James Whitmore  
James Verstringhe

### **Notes**

Terms used and not defined in this Announcement bear the meaning given to them in the Prospectus to be published in due course.

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 an indication of the Company's expected or actual future results.

### **Important Information**

This Announcement is an advertisement and does not constitute a prospectus relating to the Company and does not constitute, or form part of, any offer or invitation to sell or issue, or an invitation to purchase investments of any description, or any solicitation of any offer to subscribe for, any securities in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor. Copies of the Prospectus to be published by the Company will shortly be available from [www.supermarketincomereit.com](http://www.supermarketincomereit.com).

Recipients of this Announcement who are considering acquiring New Ordinary Shares are reminded that any such acquisition must be made only on the basis of the information contained in the Prospectus (or any supplementary prospectus) which may be different from the information contained in this Announcement and must not be made in reliance on this Announcement. The subscription for New Ordinary Shares is subject to specific legal or regulatory restrictions in certain jurisdictions. Persons distributing this Announcement must satisfy themselves that it is lawful to do so. The Company assumes no responsibility in the event that there is a violation by any person of such restrictions.

This Announcement does not constitute and may not constitute and may not be construed as a recommendation regarding the issue or the provision of investment advice by any party. No information set out in this Announcement is intended to form the basis of any contract of sale, investment decision or any decision to purchase securities. Potential investors should consult a professional advisor as to the suitability of an investment in the securities for the person concerned.

The value of Ordinary Shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. Figures refer to past performance and past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. Capital is at risk and investors need to understand the risks of investing. Please refer to the Prospectus for further information, in particular the "Risk Factors" section.

This Announcement may not be published, distributed, released or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. This Announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and will not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person (as defined under Regulation S under the US Securities Act) unless registered under the US Securities Act or offered in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. There will be no public offer of the shares in the United States. The Company has not been, and will not be, registered under the U.S. Investment Company Act of 1940, as amended.

Neither this Announcement nor any copy of it may be: (i) taken or transmitted into or distributed in Canada, Australia, Japan or the Republic of South Africa or to any resident thereof, or (ii) taken or transmitted into or distributed in Japan or to any resident thereof, or (iii) any other jurisdiction where to do so might constitute a violation of the relevant laws or regulations of such jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this Announcement in other jurisdictions may be restricted by law and the persons into whose possession this Announcement comes should inform themselves about, and observe, any such restrictions.

This Announcement may include "forward-looking statements". All statements other than statements of historical facts included in this Announcement, including, without limitation, those regarding the Company's investment strategy, plans, objectives and target returns are forward-looking statements. Forward-looking statements are subject to risks and uncertainties and accordingly the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the formal prospectus. These forward-looking statements speak only as at the date of this Announcement. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Prospectus Rules of the Financial Conduct Authority or other applicable laws, regulations or rules.

Stifel is acting only for the Company as financial adviser, sole bookrunner and placing agent in connection with the matters described in this Announcement and is not acting for or advising any other person, or treating any other person as its client in relation thereto and will not be responsible for providing the regulatory protection afforded to the duties of Stifel or advice to any other person in relation to the matters contained herein. Such persons should seek their own independent legal, investment and tax advice as they see fit.

Goodbody is acting as placing agent for the Company, Goodbody is acting exclusively for the Company.

Neither Stifel or Goodbody nor any of their directors, officers, employees, advisers, affiliates or agents accepts any responsibility or liability whatsoever for/ or makes any representation or warranty, express or implied as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company or its subsidiaries, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith.

#### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles

9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Initial Issue and the Share Issuance Programme.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

#### **Marketing disclosures pursuant to AIFMD (as defined below)**

The Company is an externally managed alternative investment fund and has appointed the AIFM as its alternative investment fund manager

Pursuant to Article 23 of AIFMD and the Alternative Investment Fund Managers Regulations 2013 (No. 1173/2013) and the Investment Funds Sourcebook of the FCA (the "**UK AIFMD Rules**"), the AIFM is required to make available to persons in the European Union who are invited to and who choose to participate in the Initial Issue, by making an oral or written offer to subscribe for New Ordinary Shares, including any individuals, funds or others on whose behalf a commitment to subscribe for New Ordinary Shares is given (the "**Subscribers**") certain information (the "**Article 23 Disclosures**"). For the purposes of the Initial Issue, the AIFM has made the Article 23 Disclosures available to Subscribers in the 'Investor - Shareholder Information' section of the Company's website at: [www.supermarketincomereit.com](http://www.supermarketincomereit.com).

#### **PRIIPS (as defined below)**

In accordance with the Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products ("**PRIIPs**") and its implementing and delegated acts (the "**PRIIPs Regulation**"), the AIFM has prepared a key information document (the "**KID**") in respect of the Ordinary Shares. The KID is made available by the AIFM to "retail investors" prior to them making an investment decision in respect of the Ordinary Shares at [www.supermarketincomereit.com](http://www.supermarketincomereit.com).

If you are distributing Ordinary Shares, it is your responsibility to ensure that the KID is provided to any clients that are "retail clients".

The Company is the only manufacturer of the Ordinary Shares for the purposes of the PRIIPs Regulation and none of Stifel, Goodbody or the AIFM are manufacturers for these purposes. None of Stifel, Goodbody or the AIFM makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of the KID prepared by the Company nor accepts any responsibility to update the contents of the KID in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide the KID to future distributors of Ordinary Shares. Each of Stifel, Goodbody the AIFM and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the key information documents prepared by the Company. Investors should note that the procedure for calculating the risks, costs and potential returns in the KID are prescribed by laws. The figures in the KID may not reflect actual returns for the Company and anticipated performance returns cannot be guaranteed.

#### **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 New Ordinary Shares to trading on the Specialist Fund Segment 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;

**"Announcement"** means this announcement relating to the Initial Issue and Share Issuance Programme;

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

**"Company"** means Supermarket Income REIT plc;

**"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 Ordinary Shares"** means the number of existing Ordinary Shares currently in issue at the date of this Announcement;

**"Future Securities Note"** means a securities note to be issued in the future by the Company in respect of each issue, if any, of Ordinary Shares (other than the Initial Issue) made pursuant to the Registration Document and subject to separate approval by the FCA;

**"Future Summary"** means a summary to be issued in the future by the Company in respect of each issue, if any, of Ordinary Shares (other than the Initial Issue) made pursuant to the Registration Document and subject to separate approval by the FCA;

**"Goodbody"** means Goodbody Stockbrokers UC; registered in Ireland whose registered office is at Ballsbridge Park, Ballsbridge, Dublin 4. Goodbody and which is regulated in Ireland by the Central Bank of Ireland and which in the UK, is authorised and subject to limited regulation by the Financial Conduct Authority;

**"General Meeting"** means the general meeting of the Company proposed to be held at 12.00 noon on 21 May 2018 to consider and, if thought fit, approve the Resolutions, the notice of which (being the Notice of General Meeting) will be set out in the Appendix to the Registration Document;

**"Gross Initial Issue Proceeds"** means the gross proceeds of the Initial Issue;

**"Gross Share Issuance Proceeds"** means the gross proceeds of the Share Issuance Programme;

**"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 on 21 July 2017 raising £100 million of gross proceeds;

**"Initial Issue"** means the Placing and the Offer for Subscription;

**"Initial Issue Price"** means 101 pence per New Ordinary Share;

**"London Stock Exchange"** means London Stock Exchange plc;

**"Minimum Proceeds"** means the minimum proceeds of the Initial Issue, being £20 million (or such lesser amount as the Company and Stifel may determine and notify to investors via a Regulatory Information Service announcement and a supplementary prospectus);

**"Net Asset Value"** or **"NAV"** means the aggregate value of the assets of the Company after deduction of all liabilities, determined in accordance with the accounting policies of the Company from time to time;

**"Net Issue Proceeds"** means the Gross Initial Issue Proceeds and the Gross Share Issuance Proceeds less applicable fees and expenses of the Initial Issue and the Share Issuance Programme;

**"Notice of General Meeting"** means the Notice of General Meeting to be set out in the Appendix of the Registration Document;

**"New Ordinary Shares"** means the new Ordinary Shares proposed to be allotted and issued pursuant to the Initial Issue;

**"Offer for Subscription"** means the offer for subscription of Ordinary Shares at the Initial Issue Price on the terms to be set out in the Summary and the Securities Note;



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

**"Placing"** means the proposed conditional placing of the New Ordinary Shares by Stifel and Goodbody, on behalf of the Company;

**"Placing Agreement"** means the placing agreement dated 25 April 2018 between the Company, the Investment Adviser and Stifel in respect of the Initial Issue and Share Issuance Programme;

**"Portfolio"** means the four supermarket real estate assets acquired by the Company since the IPO;

**"Prospectus"** means collectively the Summary, Registration Document and Securities Note in connection with the Initial Issue and the Share Issuance Programme;

**"Registration Document"** means the registration document to be approved by the FCA and issued by the Company in respect of the issue of the Ordinary Shares to which this Securities Note and any Future Summary and Future Securities Note relate;

**"REIT"** means a company or group to which Part 12 CTA 2010 applies;

**"REIT Group"** means the Company and its subsidiaries and any other company which is eligible to be treated as a member of the same group (for the purposes of Part 12 of the CTA 2010) as the Company;

**"Resolutions"** means the resolutions to be proposed at the General Meeting (and set out in the Notice of General Meeting) to approve the allotment of New Ordinary Shares pursuant to the Initial Issue;

**"Regulatory Information Service"** means a service approved by the FCA for the distribution of announcements and included in the list maintained by the FCA;

**"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;

**"Securities Note"** means the securities note to be issued by the Company in respect of the New Ordinary Shares made available pursuant to the Initial Issue and approved by the FCA;

**"Shareholder"** means a holder of an Ordinary Share (together "Shareholders");

**"Share Issuance Programme"** means the programme under which the Company intends to issue Ordinary Shares in tranches;

**"SFS" or "Specialist Fund Segment"** means the Specialist Fund Segment of the Main Market of London Stock Exchange;

**"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;

**"Summary"** means the summary document to be issued by the Company pursuant to the Registration Document and the Securities Note and approved by the FCA; and

**"Target Assets"** means three acquisition opportunities, with one asset under exclusivity and another two assets in advanced due diligence, valued at approximately £157 million;